

Together we bring the world closer

SWEDAVIA | ANNUAL AND SUSTAINABILITY REPORT 2015



A business
that spans the
globe

“We shall be a
Swedish growth
engine”

Strategic focus
on sustainable
development

Access and
competitiveness



Swedavia
Airports



Contents Swedavia 2015

<p>3 The year in brief – Performance in 2015</p> <p>4 The aviation market – A market that spans the globe</p> <p>6 The market and trends – Trends drive the industry</p> <p>8 Statement from the President and CEO – “We shall be a Swedish growth engine”</p> <p>10 This is Swedavia – Airports with a focus on sustainability</p> <p>12 Offering – Modern commercial centres – Intelligent solutions</p>	<p>16 Strategy – Strategic focus on sustainable development – Targets with high ambitions – Swedavia creates value by meeting stakeholder expectations</p> <p>24 Operations – Access and competitiveness – Customer – Economy – Environmental concern – Social development</p> <p>42 Financial reports</p> <p>44 Report of the Directors</p> <p>51 Consolidated financial reports</p>	<p>56 Parent Company financial reports</p> <p>60 Notes</p> <p>89 Signatories to the Annual Report</p> <p>90 Audit Report</p> <p>91 Statement of Compliance</p> <p>92 Corporate Governance Report</p> <p>104 GRI Index</p> <p>109 UN Global Compact</p> <p>110 Definitions</p>
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ABOUT SWEDAVIA'S REPORTING

This is Swedavia's Annual and Sustainability Report for the financial year 2015. The report is aimed primarily at Swedavia's owner, credit analysts and partners but also at other stakeholders, and is focused on our strategy as well as our objectives, targets and results for the past year. It covers the entire Group, unless otherwise indicated. Swedavia reports results using the most recent version of the Global Reporting Initiative (GRI) guidelines (G4, Core). Reported indicators have been chosen based on Swedavia's and our stakeholders' shared view of material factors and what is important for developing long-term sustainable operations. The report also constitutes Swedavia's report (Communication on Progress, COP) for the UN Global Compact. The last publication date for the Annual and Sustainability Report was March 31, 2015.

► Read more at: www.swedavia.com

CONTACT PERSON:

Klas Nilsson, Communications Strategist
Tel. +46 (0) 10 109 00 00 | klas.nilsson@swedavia.se



18



12



The year in brief

Performance in 2015

- ▶ During the year, Swedavia's airports had 37.6 million (35.7) passengers, which is a 5.4 per cent increase
- ▶ Net revenue increased to SEK 5,416 M (5,384)
- ▶ Operating profit increased to SEK 1,755 M (1,405), and profit for the year increased to SEK 1,410 M (926)
- ▶ In June, Swedavia sold a portfolio of properties to a newly formed joint venture that it co-owns with Alecta. The consolidated capital was SEK 820 M

Key figures for the Group

Consolidated SEK M, unless otherwise indicated	2015	2014	2013	2012
Net revenue	5,416	5,384	5,137	4,883
Operating profit	1,755	1,405	946	831
Operating margin, %	32.4*	26.1*	18.4	17.0
Profit before tax	1,547	1,162	686	554
Profit for the year	1,410	926	501	447
Earnings per share, SEK	0.98	0.64	0.35	0.31
Return on equity, %	22.7	17.7	10.9	10.8
Return on operating capital, %	14.5	10.3	7.1	7.4
Debt/equity ratio, times	0.7	1.4	1.9	1.9
Equity/assets ratio, %	51.8	36.5	30.5	29.1
Cash flow from operating activities	1,374	2,109	1,339	1,493
Capital spending	1,120	924	2,413	3,418
Satisfied passengers (ASQ), %	76	75	73	68
Satisfied employees (ESI), %	86	84	80	76
Average number of employees	2,787	2,516	2,369	2,380
Carbon dioxide emissions, tonnes	3,066	3,108	3,800	5,400

*The operating margin excluding capital gains was 15.4 per cent in 2015 and 19.6 per cent in 2014.

A market that spans the globe



The global aviation market is a system in which airlines, airports and cities together, through the transport of passengers and cargo, create the conditions needed for economic growth.

Airlines must have the ability to quickly adapt their offering based on how global travel patterns and cargo flows change.

THE AIR TRAVEL INDUSTRY IS GROWING STEADILY

Global demand for air transport has increased much more rapidly than for most other products and services. Meanwhile, the access that air travel creates is an increasingly important condition for economic growth and competitiveness. However, conditions vary widely for stakeholders in the industry, including airlines and airports. Airlines must be able to quickly adapt their offering based on how global travel patterns and cargo flows change. Airports instead must work to ensure capacity and be able to offer solutions that are as flexible as possible while meeting ever higher demands from passengers. The basic driver in attracting air traffic to an airport is the attractiveness of a destination for both leisure and business travellers.

AIR TRAVEL CREATES JOBS

Airports are major investments that link a country's national economy to the global economy. This makes them national resources that are critical for business operations. Flying opens up opportunities for exchanges and meetings between cultures and people.

The air travel industry creates millions of jobs around the world, directly and indirectly. According to a 2014 Oxford Economics study, an estimated 180,000 of these are in Sweden, with about 80,000 in the air travel industry alone. The access that air travel creates contributes another 100,000 or so jobs in a number of sectors, from traditional manufacturing to the tourism industry.

REDUCED EMISSIONS

By far the greatest challenge to the air travel industry is the requirements to reduce its climate impact. The industry has adopted far-reaching global targets for fossil carbon dioxide emissions. Renewable fuels are a key factor in achieving these targets. Renewable fuels work in today's aircraft engines and in the existing infrastructure, but more large-scale development and use require great commitment from all of society.

INCREASED CAPACITY

At the same time that airports comply with environmental requirements, they must also increase capacity. Because of continued globalised trade patterns and a growing middle class in Asia and Latin America, the air travel industry needs to quadruple its capacity through 2031 if it is to meet expected demand. According to IATA and ACI forecasts, 20 of Europe's largest airports will be operating at or near capacity in 2030. They must be expanded in order to handle heavier traffic and larger aircraft. But that is not enough; stakeholders must also find more effective ways of working together.

Part of this entails developing methods and systems that enable airlines, air traffic management, airports and ground handling staff to share information in real time about delays, cancelled flights or other incidents that affect the transport chain and thus to use available resources more efficiently.

ACCESS TO INFORMATION

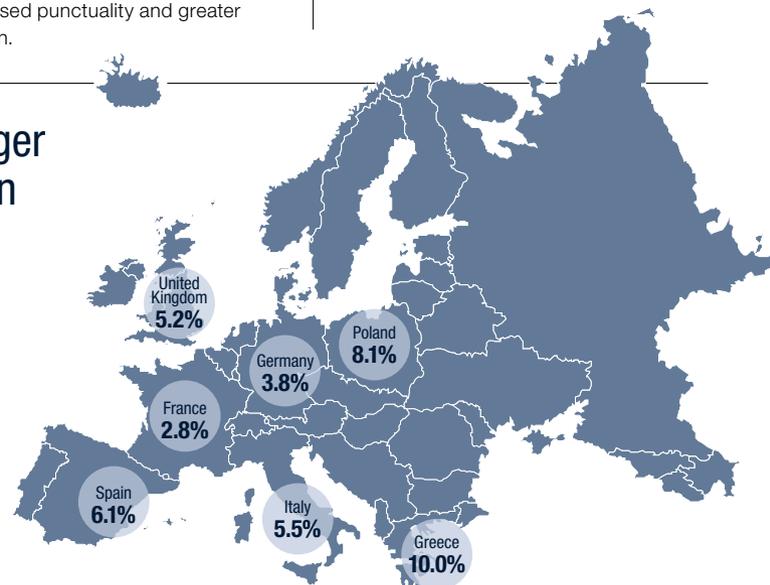
Quick access to accurate information that is shared with others brings positive effects in many areas. Reduced emissions and lower fuel consumption as a result of shorter waiting times at the gate and take-off runway produce concrete gains, including for airlines. A modern system for sharing information also creates better conditions for increased punctuality and greater customer satisfaction.

Renewable aviation fuel in the Nordic countries

The air travel industry's environmental impact comes mainly from fossil carbon dioxide emissions from air traffic. The best way to dramatically reduce emissions is by switching to renewable fuels. Today there is no continuous large-scale production of renewable aviation fuel, which means that the price of such fuel is higher than for fossil fuel.

The Nordic initiative the Fly Green Fund enables companies, other organisations and leisure travellers to reduce their climate impact by covering the additional cost of bio jet fuel. The hope is that the initiative will stimulate demand and thus create incentives for large-scale production of renewable aviation fuel in the Nordic countries. Another collaboration, the Nordic Initiative for Sustainable Aviation, involves a large number of stakeholders working together to find the most efficient supply of renewable fuel for the air travel industry.

Passenger trends in Europe



Source: ACI Europe Airport Traffic Report
Overall passenger growth at EU airports was 5.6 per cent in 2015. Growth was generally higher in eastern Europe and in some Mediterranean countries.

THE MARKET AND TRENDS



Strong trends drive the industry

The air travel industry and its stakeholders, as in other sectors, are facing global trends such as urbanisation, globalisation and greater environmental challenges. These trends drive the growth in air traffic but also affect travel patterns as well as expectations at Swedavia. Swedavia regularly carries out trend analyses with a perspective of at least 3-5 years, which are incorporated into operations. Meanwhile, Swedavia also needs to plan for very long-term infrastructure needs.

INCREASED AIR TRAVEL

When prosperity increases, air travel increases, something that is seen most clearly in emerging markets. The UN World Tourism Organisation (UNWTO) estimates that the number of international journeys made by Chinese tourists will increase from 100 million in 2015 to 200 million in 2020. The total number of international tourists is expected to increase by more than three per cent annually to 2030. For airports, it is not just a matter of expanding capacity but also adapting information and signage, the range of services on offer and payment systems to efficiently handle these new tourists.

Given this trend, for financial reasons, airlines are investing in larger, quieter and more fuel efficient aircraft. For airports, the trend means increased competition but also good growth potential.

A TURBULENT MARKET

The tough competition in the air travel industry is leading to new forms of collaboration between airlines, while planning is more short-term and capacity is quickly being moved between different destinations. Network airlines and low-cost carriers are becoming increasingly similar in their business models. Because of airlines' cost cuts, airport charges constitute a small but growing share of total costs, which indirectly creates expectations of lower airport charges and competitive conditions.

Commercial offerings and property development, as well as collaboration with other market participants and stakeholders, are thus becoming ever more crucial to airports' long-term funding possibilities.

A CHANGING POPULATION

While the global population is ageing, it is healthier than ever. People have low tolerance

for waiting times, no matter whether these are at check-in or in shops; consumers are fickle, impatient and expect an immediate response. The consumers of tomorrow will be even more spontaneous, and retail trade will merge ever more closely with e-trade than today. Customers want to shop when and where they want, see, touch and try things, but without queueing to pay. They must be able to do so electronically and efficiently.

Since people have continuous access to information and unlimited options, they can make comparisons, but this also creates a need for simplification and packaging – consumers want help choosing.

AN UNCERTAIN WORLD

Economic growth is accelerating in Europe and the US, whereas it is decelerating in emerging markets. In Sweden, the service sector is growing, which means the country's export goods as a share of GDP is declining. The world also faces challenges in environmental terms. The demand for energy is increasing, while greenhouse gas emissions must be reduced. There is a growing need for efficient energy use and new types of fuel. People are increasingly aware of the need to take responsibility, with the result being more ambitious political aims and governing mechanisms. A high level of quality in environmental work and effective communication are clear factors for success.

NEW WAYS TO SERVICE CUSTOMERS

With the market increasingly harder to segment, adjustments must be made in handling situations and people in servicing customers. For airports, efficient flows without waiting times are an essential requirement. Meanwhile, they are hubs for work and socialising, where services are offered that make the reality of life easier in an attrac-

tive setting. Healthy options, transparency in the sourcing of materials and a focus on sustainability will be increasingly important to airports' commercial operations.

Consumers are looking for goods they consider to be unique. So the offering needs to be varied on a continuous basis, with goods sold for only a limited time, pop-up shops and brief guest appearances. The focus is on the experience, and it must be interactive. At an airport, the biggest demand is for experiences that promote curiosity and relaxation, which means that shopping and cultural experiences play a key role.

EVERYTHING IS CONNECTED

In 2030, some 500 billion tablets, mobiles, suitcases, refrigerators and cars will be connected. Sensors will give these things an awareness of the world around them, determine their position and enable them to communicate, for instance through global positioning systems. These systems, which are becoming increasingly common, will help passengers find their way, enable the airport to send personalised messages about people's flights but also about special offers, and allow cashless payments. Airport staff will also be connected, perhaps using wearables, systems integrated into their clothing, to facilitate contact with passengers.

ANALYSIS AND AUTOMATION

Collecting, saving and analysing large quantities of data in real time will be increasingly important in order to customise services and create efficient flows. More and more aspects of air travel, such as check-in, document control and boarding, will be automated. Biometric technology that reads faces, fingerprints or retinas will open up new opportunities. The cost of robots has fallen, and as a result they are already used for a variety of different tasks, from cleaning to loading baggage. Passengers will be able to get help from virtual assistants on their smartphone or in a hologram. Technical advances create great potential for higher productivity, better customer service and increased sales, but at the same time require new skills and collaborative partners for airports.

We shall be a Swedish growth engine

Sweden's airports continue to meet a growing need for travel internationally as well as within the country's borders. With a stable economic foundation, the conditions are created that enable Swedavia's airports to invest long-term in Swedish access. At the same time, it gives us scope to carry out improvements for both customers and employees as well as take part in the industry's transition to reduced dependence on fossil fuel.



► **On the journey of change** that Swedavia embarked on when it was formed in 2010, we have taken many steps toward our vision, "Together we bring the world closer". Through our airports, all kinds of different opportunities have been created. Swedish companies can hold their own in international competition, and international companies find it attractive to invest in the Swedish market. People can live and work in different places and create new experiences through exchanges with other cultures. Our journey has a goal of its own, with our role being to work together with others, including airlines, to meet the expectations of each and every passenger.

Our driving force is that we see that we can make a difference for customers, our owner and

our employees. At the same time, we are reducing our own emissions of fossil carbon dioxide.

SWEDEN AS AN AVIATION MARKET

Sweden is attractive as a market for air travel in many ways. We have a special geography, strong export industries, a tourism industry that is one of the country's fastest growing basic industries, and a multicultural population. More than two and a half million people with a foreign background live in Sweden. This is a strong customer group, as airlines have seen, so they are investing in their capacity in a number of places in Sweden. Air travel is no longer simply for business – it is something more.

Throughout 2015, air traffic continued to grow, and we set new records at seven of our airports.

Trends such as globalisation and urbanisation are behind this growth, but another important explanation is the increased access to direct routes available. We know that direct routes drive demand, so we work continuously to increase the number of non-stop routes from our airports, both in Europe and to other continents.

In order to succeed in attracting new air links, it is important that we make our own investments and that we show airlines that there are good business opportunities here, with an attractive destination combined with competitive airport charges.

CONCRETE ENVIRONMENTAL WORK THAT PRODUCES RESULTS

There is a clear understanding today of the importance of aviation for Sweden's development, but also that it must go hand in hand with a sustainable environmental perspective. As a State-owned company, it is furthermore important that we act as a role model in all areas of sustainability, which is why we, together with our owner, strive to take a comprehensive approach in our operations.

Our environmental work has made us a leader in climate issues, something that everyone at Swedavia is proud of. We support the Swedish government's initiative "A fossil-free Sweden" and we are working to achieve our 2020 target of zero fossil carbon dioxide emissions from our own operations. So far, we have met and exceeded all our sub-targets, and the chances are good that we will go all the way in achieving entirely fossil-free operations in 2020. Just as important is our work to reduce the environmental impact of the entire industry. One measure to achieve this is our active membership in the Fly Green Fund, where we are a driver in pushing for increased use of renewable aviation fuel. We have also decided to establish a service that entails, among other

things, fuelling with renewable fuel to offset the amount consumed by Swedavia in our business travel. It is important for us to show concrete measures.

ENVIRONMENTAL PERMIT IS CRUCIAL

One of the most important events in 2015 was the entering into force of Stockholm Arlanda Airport's environmental permit after the Swedish Supreme Court rejected all appeals. The restrictions in our previous environmental permit were our greatest strategic risk, something that could have prevented us from continuing to develop Sweden's largest airport and thus could have hampered Swedish growth. Stockholm is projected to be the fastest growing metropolitan area in western Europe through 2030, but this of course requires that people can get both to and from the city. We now have the conditions in place to develop Stockholm Arlanda Airport into Scandinavia's leading airport. In the first phase, development will entail the expansion of the terminal properties, while our long-term work for additional runway capacity continues.

ENGAGED EMPLOYEES

Operating an airport is teamwork, and our motivated, engaged employees are the key to our achieving success. In 2015, we reached the level of 86 per cent satisfied employees. Although such measures have a short shelf life, we have already met and exceeded our target of 85 per cent for 2020. Our efforts in corporate social responsibility, diversity and inclusion have made us an attractive employer and at the same time provide business advantages. Our target is to have 23 per cent of employees with a foreign background in 2018. Today that figure is 14 per cent. Similarly, we would like to increase the share of female employees from 34 to at least 40 per cent. We also take it as a given that we and our partners follow the principles laid out in the UN Global Compact.

MORE SATISFIED PASSENGERS

In 2015, we had 76 per cent satisfied passengers, which is an increase over 2014, although we did not meet our target in full. It also means that we have a way to go to reach our target of 85 per cent for 2020. Satisfied employees have an impact on passenger satisfaction, although there is a lag. Similarly, some of those who provide service on our behalf are employed by partners. This limits our potential to work directly with passenger satisfaction in all forms of customer contacts, but we work well together and they do a good

job. We are also working further with training and new processes, investing in infrastructure and developing our commercial concept. We remain convinced that our measures will enable us to achieve our goal in time.

FINANCIAL STABILITY

In financial terms, we achieved our 2015 target of seven per cent return on operating capital by a good margin. Meanwhile, for the first time we were able to pay a dividend to our owners, something that was decided at our Annual General Meeting in the spring of 2015. We have therefore achieved the financial stability that we believe will be maintained in economic upturns and downturns, but because of our expanded investment programme, we need to further develop our commercial business. Furthermore, we continuously monitor our organisation in order to always ensure efficiency and the potential for competi-

Our sustainability work has made us a leader in climate issues, something that everyone at Swedavia is proud of.

tive airport charges for airlines. On April 1, 2015, our charges were also reduced by an average of 3.7 per cent, which creates incentive for further airline investments in line with Sweden's needs. Given our passenger growth, it is of course also vital that Swedavia fully implements measures to enhance capacity mainly at Bromma Stockholm Airport, Göteborg Landvetter Airport and Stockholm Arlanda Airport.

SOCIETIES BUILT ON ACCESS

We are now headed toward 40 million passengers a year, more than 100,000 a day, at our airports. That means we need both the right infrastructure and new collaborations in order to continue growing. Next in line is the new airport maintenance area and a new pier for Terminal 5 at Stockholm Arlanda Airport. We are also planning new office, logistics and hotel buildings at Göteborg Landvetter Airport and Stockholm Arlanda Airport. During the year, we established strategic partnerships with Alecta and Bockasjö in our real estate operations. Naturally, it is very exciting that new stakeholders see business opportunities in partnership with us.

Swedavia 2015

Net revenue increased to

5,416 M
(SEK 5,384 M, 2014)

Operating income increased to

1,755 M
(SEK 1,405 M, 2014)

In a longer-term perspective, we see new airport cities taking shape, with companies and thousands of jobs in the vicinity of our airports. We see Stockholm and Uppsala growing into a single metropolitan area and together with Stockholm Arlanda Airport being a powerful growth engine for the entire region. A similar development is taking place in Gothenburg, as the city becomes linked to Borås, with Göteborg Landvetter Airport connecting the two. This will be an exciting, new kind of society based on access, with regional mass transit interwoven with global transit, which enhances Sweden's competitiveness.

Although a great deal revolves around Stockholm and Gothenburg, I would like to make it clear that all our airports are important. They are crucial to their regions, but they also have national importance in our common task to link Sweden's regions together. Our airports constitute a comprehensive system, and it is in partnership with each other and with the regions that the access Sweden needs is created. Local collaboration with the regions and national collaboration with industry participants have given us and the air travel industry a strong voice that has contributed to growth. Our employees, especially in airport operations, have made great efforts to handle the passenger growth we have seen. In light of this successful work, I look forward to 2016. Swedavia now continues its journey forward. We invite you to join us.

Karl Wistrand
President and CEO

Airports with a focus on sustainable development

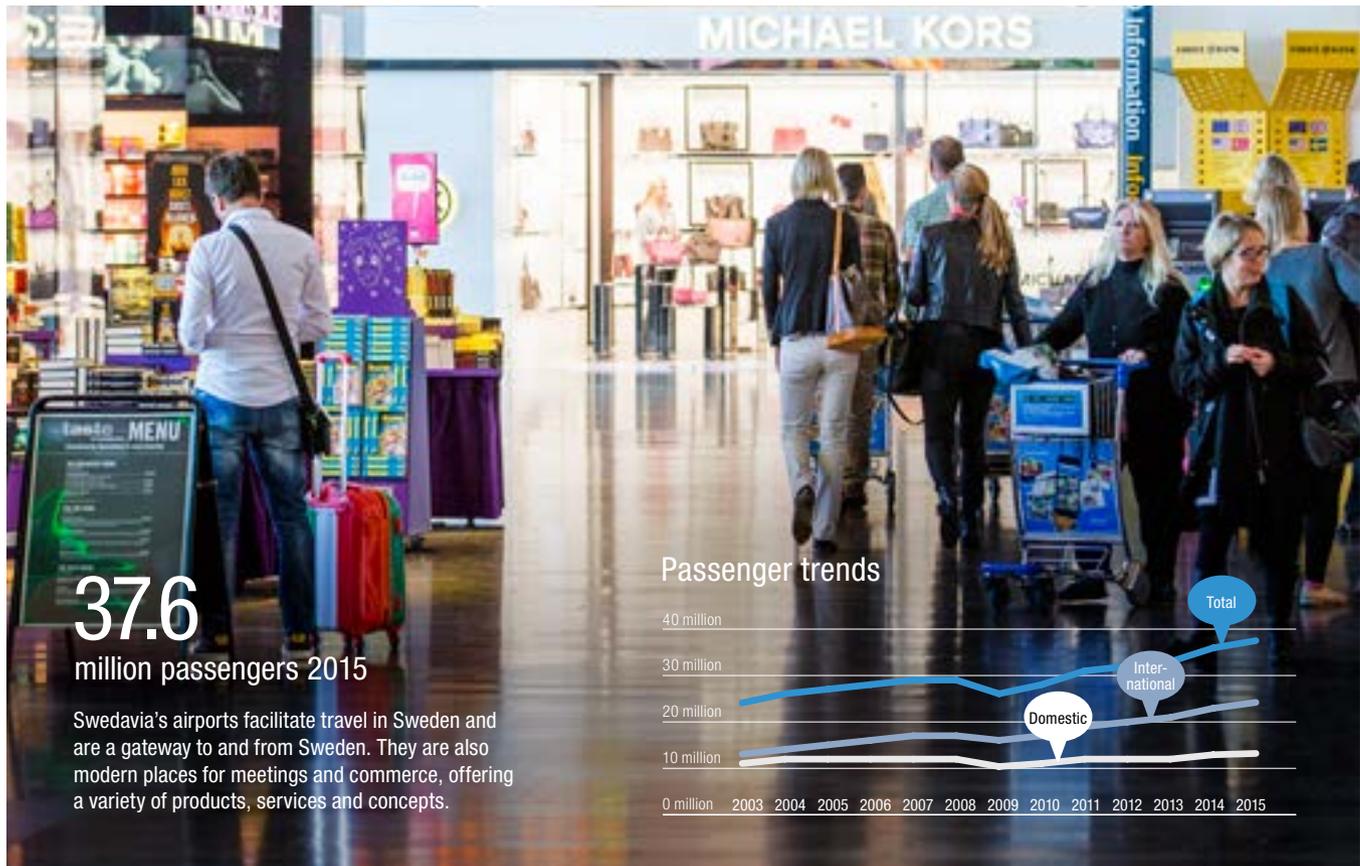
Swedavia owns, operates and develops a network of Swedish airports. Stockholm Arlanda Airport and Göteborg Landvetter Airport have the most passengers. The company was formed in 2010 and is wholly owned by the Swedish State.

► **Swedavia acts in an international market** that is subject to heavy competition. The company's role is to create the access Sweden needs to facilitate travel, business and meetings – in Sweden, elsewhere in Europe and around the world. Swedavia's primary customer is passengers. Airlines and tenants that rent business, office and hotel premises in Swedavia's properties are also important partners for the com-

pany. Swedavia competes with other airports in its work to attract airline investments.

Safety, security, a focus on customers and sustainable development are the foundation of everything Swedavia does, both in its own operations and in society in general. Operations are run based on solid business principles, and the company shall build a long-term sustainable business through development, planning and opera-

tional efficiency. Satisfied employees and a good workplace environment are critical to Swedavia's operations. Swedavia shall continuously reduce its own environmental impact and help to reduce the environmental impact of the entire air travel industry. All of Swedavia's airports are certified at the highest level of Airport Carbon Accreditation (ACA) for their environmental work.



Together we bring the world closer

Swedavia's task is to own, operate and develop airports.

► Together the airports form a network that links Sweden's regions together and provides a bridge to and from the world beyond. Swedavia owns all the airports except Ronneby Airport and Luleå Airport, where Swedavia is responsible for commercial air traffic. Swedavia's vision is "Together we bring the world closer". That means Swedavia shall help to make the transport of passengers and cargo – regionally but also to and from Sweden – as accessible, efficient and attractive as possible.



A world leader

Swedavia is a world leader in developing airports with the least possible climate impact.

► Read more about our environmental responsibility on page 34.



3%
smaller carbon footprint per passenger than in 2014.



130

billion kronor to Sweden's GDP.

The role of the air travel industry

► According to a 2014 study by the analysis firm Oxford Economics, the air travel industry and the access that flying creates contribute more than 130 billion Swedish kronor each year to Swedish GDP. In addition, air travel generates direct tax revenue of more than nine billion kronor a year. The air travel industry and the passengers who fly to or from Swedish airports create more than 180,000 jobs in Sweden. Over the next five years, it is estimated that another 20,000 jobs could be created mainly as a result of increased international travel.



Modern commercial centres

Airports are hubs that link regional with national and international mass transit. The development around these meeting places and commercial centres is being driven forward towards airport cities, which offer companies modern premises and efficient transport links, enhancing the attractiveness of the entire region.



► **Revenue from their commercial offering** is becoming increasingly important to airports. The airports that are winning the battle for tomorrow's passengers are no longer departure halls, but instead shopping malls and places for entertainment, cultural experiences and meetings. For airports, it is thus a matter of creating an atmosphere that enhances the positive experience and connects the airport with operations taking shape around the airport. Bright, open areas with comfortable seating are already an essential requirement for customer satisfaction today. With passenger volume rising, greater demands will also be placed on mass transit to and from the airport as well as transport within the airport area. As travel increasingly becomes part of everyday life, there will also be a demand for more everyday products and services.

Where there was once fast food, duty-free shopping and luxury items, there is now a rich assortment of food, beverages and activities to enjoy, which are adapted to the needs and interests of each passenger. The airports that offer personal, positive experiences are the winners of the future. They have developed the ability to create long-term profitability, which is an essential requirement for continued success.

Airports are more than a place where the journey begins; they are attractive meeting places that are worth a journey on their own.



Intelligent airports. All operations and technical systems work together in order to use existing resources as efficiently as possible.



Positive atmosphere. Bright, open spaces, comfortable seating for meetings, charging stations for phones and computers, and access to free Wi-Fi are already essential requirements for customer satisfaction today.



Malls for shopping, entertainment, cultural experiences and meetings.

Intelligent solutions

Today's airport is more than a transit hall and a take-off runway. It is a hub in a complex traffic system and an essential requirement for economic growth regionally, nationally and internationally. Ever growing demand for air transport opens up new opportunities, and the industry has adopted different approaches in looking for effective ways to increase capacity while continuing to improve safety, security and customer satisfaction.

► **The growing flows of passengers** combined with stringent security requirements mean that many airports today are working near capacity. This may entail limits in access to runways and terminals, environmental requirements or other factors. To overcome this, the next generation of airports must be intelligent airports, where all operations and technical systems work together in order to use existing resources as efficiently as possible.

At such an airport, airlines, air traffic management and ground handling staff in terminals and in air traffic operations can communicate with one another and predict how decisions affect operations in practice. The flow of information also reaches a wider audience – tour operators, bus, taxi and parking companies, and especially the passengers themselves. With this shared flow, where everyone knows what is going on, capacity is maximised while disruptions, queues and environmental impact are minimised. At the same time, aviation safety and security must be ensured. To achieve this, operating systems must be integrated and exchange information in real time. Investments in modern technology are thus crucial to the ability to create efficient flows. For passengers, efficient flows mean that the way into the departure hall, through check-in and the security checkpoint is smooth and short. For the airport, it means that passengers have more time to sample the commercial offering of goods, services and activities.



FUTURE AIRPORTS

Let a robot park your car, drop off your baggage in a café and walk through the security checkpoint – without even noticing it. That's how your journey could begin in the future.

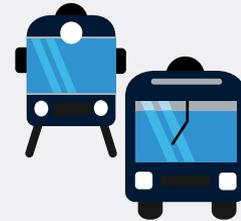
1. Virtual preparations

► Are you thinking about where to travel? Ask your virtual assistant for help. Using your search history, previous journeys and other interests you have, the virtual assistant will help you with suggestions for destinations, flights and hotels. You can try out places and experience them in virtual reality before you buy your ticket.



2. Transit to and from the airport

► A competitive airport is a hub that links together different forms of transport such as rail, underground, buses, taxis and cars with air traffic in a single efficient flow.



3. Robots park your car

► Mass transit continues to be important for travel to and from the airport. Self-driving trains are already found in a number of places around the world, and in the future this could also become a reality at Stockholm Arlanda Airport. If you prefer to take your own car, it is very possible that it will be powered by electricity and to some extent self-driving. Once you're at the airport, a robot will help you park – all in order to reduce stress and optimise the car parks.

4. Forget check-in

► In the future, you'll check in automatically when you buy your ticket. Using your bag's permanent baggage tag which you update with your mobile phone or another connected device, your bag will get to the right place. For instance, you can leave your bag at the railway station on the way to the airport or at a café once you get to the airport.



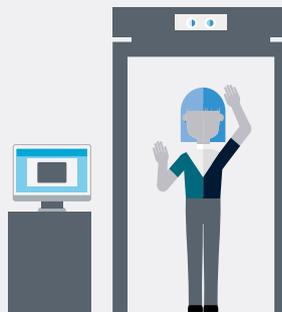
7. Personalised information

► You get personalised information about your flight, for instance what gate your plane leaves from and any changes in departure times. When it is time to go to the gate, you get a message, "It's time to go to Gate 33. It takes seven minutes from your current position."



8. Smoother security checkpoint

► The time when you have to place your coat and bags on a special conveyor belt in the security checkpoint will soon be history, in any case if technology using laser-based molecular scanning is approved. Multiple passages, with several people going through the checkpoint at the same time, and checkpoints that you can walk past which are located next to your gate could also become a reality.



6. A hologram shows you the way

► Do you need help? In addition to airport staff giving you personal service, holographically projected assistants at the airport can show you the right way.



5. Shopping, experiences, food and drink

► Since the area between the check-in machines and manual counters no longer needs to be so extensive, in the future there will be more space for other offerings. Services, shopping and experiences will be mixed with inspiring areas for food and drink.

9. Finger, eye or vein

► Already today, a number of airports use biometric identification by recognising irises and fingerprints, for instance, in passport controls. And one technology that could become even more widely used is vein reading. The process, which meets high safety standards, reads your unique vein pattern, goes quickly and can be carried out from a distance.



10. Unstaffed boarding

► To make boarding more efficient, passengers can identify themselves using their mobile at the gate. The technology is already used today by some airlines.



11. Complete monitoring of your bag

► Thanks to the new type of baggage tags, you can see in real time where your baggage is and when it will arrive on the baggage carousel. If it should get lost, it will be easy to locate.



Strategic focus on sustainable development

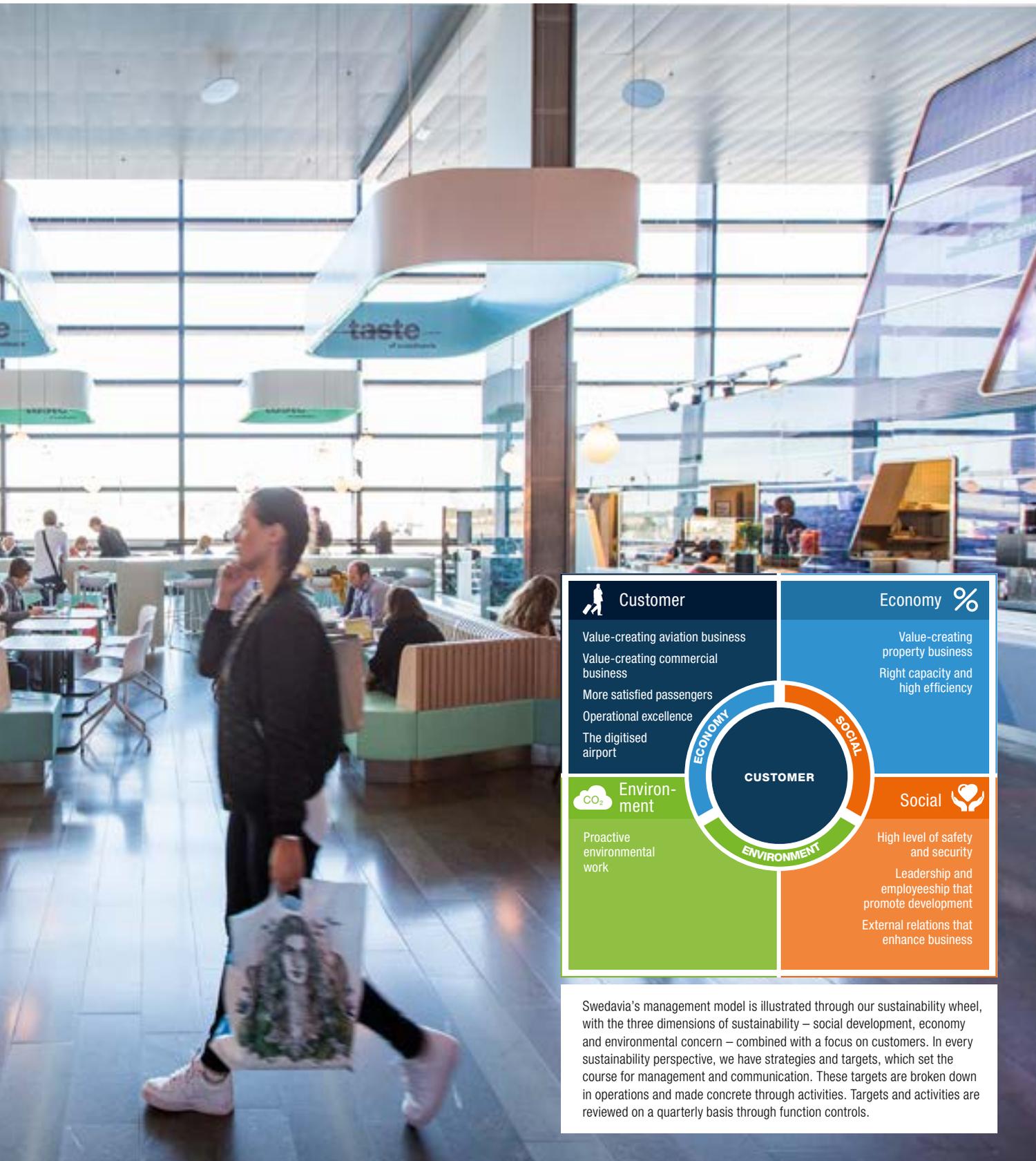
As companies face increased requirements to take environmental and social responsibility and be economically viable in the long term, there are competitive advantages for companies that have come a long way in their sustainability work.

Swedavia's task, vision, mission and values, together with sustainable development, define our business.

► **In order to justify growth** and development in the long term, Swedavia works with all three dimensions of sustainability – social development, economy and environmental concern – combined with a focus on customers. This is sustainable development for Swedavia.

Swedavia's task, vision, mission and values, together with sustainable development, define our business. We based this on an analysis of external conditions, our stakeholders and sustainable development when we developed our strategies. We then brought these strategies together into what we call our sustainability wheel (see next page). There have been improvements in every dimension of sustainability since Swedavia was formed in 2010.





Swedavia's management model is illustrated through our sustainability wheel, with the three dimensions of sustainability – social development, economy and environmental concern – combined with a focus on customers. In every sustainability perspective, we have strategies and targets, which set the course for management and communication. These targets are broken down in operations and made concrete through activities. Targets and activities are reviewed on a quarterly basis through function controls.

Targets with high ambitions

Swedavia's operations are managed with the help of sustainability targets. Swedavia has four such overall targets to meet by 2020. In addition, Swedavia reports on five task targets/indicators each year.

► **Since 2011, Swedavia has** four general sustainability targets. Three of these are determined by the company's Board of Directors, while the overall economic target reflects the owner's approach. In addition to the profitability target of a seven per cent return on operating capital, there is also a capital structure target with the debt/equity ratio equal to 1.0–1.5 times and a dividend target of 30–50 per cent of profit for the year. The current economic targets were adopted, together with the task targets/indicators, at Swedavia's 2014 Annual General Meeting. The task targets/indicators are aimed at ensuring that Swedavia, in accordance with its task, helps to achieve Sweden's transport policy goals.

The work carried out to achieve the sustainability targets in one dimension affects the work in all the others. For instance, satisfied employees are an essential requirement for satisfied passengers, which in turn affects the potential for commercial revenue, which is important for Swedavia's return target. Profitability is an essential requirement for developing all operations, especially in environmental efforts. In the same way, proactive environmental work is an essential requirement for the airports' chances of long-term development relative to other sustainability and task targets. One key requirement for achieving the targets in every area is Swedavia's working together with its partners, such as airlines and airport suppliers.

Passenger satisfaction by airport, 2015 (2014)

Bromma Stockholm Airport	72% (68)
Göteborg Landvetter Airport	79% (80)
Kiruna Airport	77% (76)
Luleå Airport	85% (85)
Malmö Airport	75% (71)
Ronneby Airport	79% (82)
Stockholm Arlanda Airport	75% (75)
Umeå Airport	79% (78)
Visby Airport	81% (86)
Åre Östersund Airport	90% (89)

Swedavia's weighted customer satisfaction outcome for 2015 was 76 per cent (75). The positive trend is based on focused work aimed at improving the atmosphere, customer service, cleanliness, smooth flows and affordability of shops and restaurants. All these factors have a significant impact on passenger satisfaction.



Sustainability target, 2020

85%
satisfied passengers

Outcome 2011–2015



85%
satisfied employees



7%
return on operating capital



0 tonnes
fossil carbon dioxide emissions*



Task targets/indicators
Outcome 2015 (2014)

76% (75%)
satisfied passengers

13.3 million / 24.3 million
(13.1 million / 22.6 million)

Number of passengers domestic/international

323 (320)

Number of international destinations

457,000 tonnes (446,200 tonnes)**

Carbon footprint***

4 (5)

Accidents and serious incidents

* The overall environmental target is 0 tonnes of fossil carbon dioxide emissions from Swedavia's own operations.
 ** The carbon footprint task target is not included in the auditor's review report.
 *** Footprint by airport, which includes ground transport and air traffic; reported on page 35.

Swedavia creates value by meeting stakeholder expectations





No value is created in isolation by Swedavia. Our operations and our essential requirements for long-term success depend on our ability to meet our stakeholders' expectations. By maintaining a continuous dialogue, we can identify the issues that are critical to our economic, environmental and social value creation.

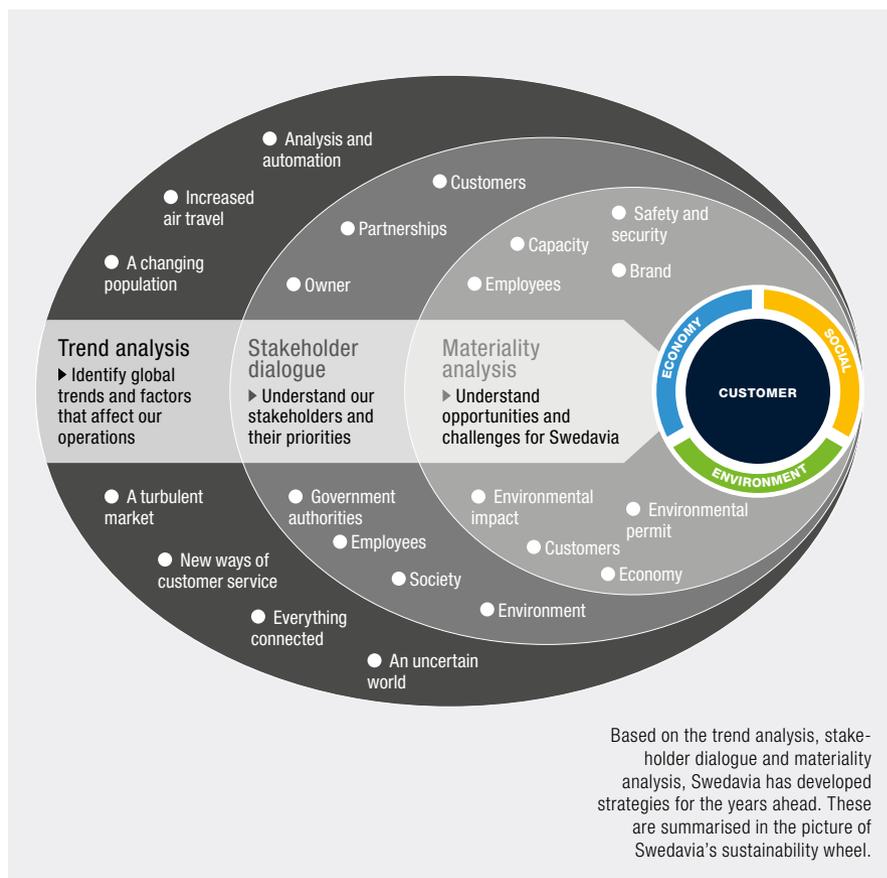
TREND ANALYSIS, STAKEHOLDER DIALOGUE AND MATERIALITY ANALYSIS

Swedavia's strategy is based on the idea that Swedavia provides value by meeting the expectations of its stakeholders. Surveying the stakeholders that are affected by or that affect operations along the company's value chain, Swedavia has identified a total of seven groups of stakeholders, which are shown below. Swedavia's strategy is the result of a focused process that starts with an in-depth analysis of the global trends that in various ways affect, or will affect, the Group's operations. This involves technical and economic trends as well as demographic changes over time, but also changes in attitudes, patterns of behaviour, and the needs of customers and other stakeholders.

The results of this trend analysis then serve as the basis for the dialogue that Swedavia main-

tains continuously with its stakeholders. The aim of the stakeholder dialogue is to ensure that Swedavia always understands how its customers, owner, partners, employees and other stakeholders view the Group and its offering.

The dialogue with stakeholders leads to a materiality analysis, which identifies what issues are most critical in terms of Swedavia's ability and potential to create long-term value. The fields of questions selected, such as level of satisfaction among customers and employees, the Group's environmental impact and financial results, are monitored on a regular basis through measurements and surveys. Swedavia's materiality analysis is described in more detail further below.



A high level of safety and security is the basis of all operations at Swedavia. Together with sustainable development and a focus on customers, value is created for operations connected to the air travel market and to society in general. With input in the form of capital, employees, partnerships and suppliers, conditions are created for, among other things, appropriate environmental permits that enable Swedavia to achieve its objectives and continuous business development.

FOCUS ON SAFETY AND SECURITY

Safety and security have the highest priority throughout Swedavia's operations. The airports shall have a high level of safety and security so that both passengers and employees feel safe and secure. Customers' experience of safety and security shall also be characterised by a high level of service, efficiency and smooth flows.

INPUT

The input that Swedavia needs to create value is in four different areas: The first category is capital – tangible, intangible and financial – which enables the company to develop and fund operations. The second consists of goods and

services that suppliers contribute. The third is employees, who contribute labour and skills. The fourth and final category is strong relationships and strategic partnerships.

A corporate culture built on clear ethical guidelines is an important foundation for satisfied employees and for good collaboration with strategic partners and suppliers.

SATISFIED CUSTOMERS

These input enable the creation of services that facilitate travel, business and meetings as well as products in Aviation Business, Commercial Services and Real Estate. Different market channels are also created and developed. This overall

offering is based on a clear, sustainable foundation of values that sets the tone for Swedavia's relations with its stakeholders. Reliability, engagement, innovativeness and a warm welcome are key values that characterise operations. At the same time, good operations are an essential requirement for satisfied customers, which in turn are necessary for long-term profitability.

For Swedavia's customers, which are primarily passengers but also airlines and tenants, value is created by offering a combination of infrastructure and direct services under the auspices of the company, together with indirect services in collaboration with tenants, partners and customers. This covers a broad range, from ground handling



Art and culture in partnership with Sweden's Nationalmuseum at Åre Östersund Airport, Crossing Borders – Annika Norlin.



SkyCity Office One is creating opportunities for businesses to set up operations at Stockholm Arlanda Airport.



More direct routes; for instance, Swiss launched service between Gothenburg and Zürich.

services for airlines to an attractive commercial and cultural offering for passengers.

Swedavia's combined business is built on a foundation of competitive charges that make its airports attractive to airlines. This helps to increase access and thus increase travel, which in turn generates higher revenue.

RIGHT CAPACITY

In order for Swedavia to meet future needs for air travel, the right capacity is needed at its airports. Punctuality at the airports is one measurement of Swedavia's operational excellence. Punctuality is crucial to the airports and airlines using their resources as efficiently as possible. For passengers, punctuality means getting to their destination as planned. Punctuality, like a clear focus on customers, is thus an essential requirement for customer satisfaction.

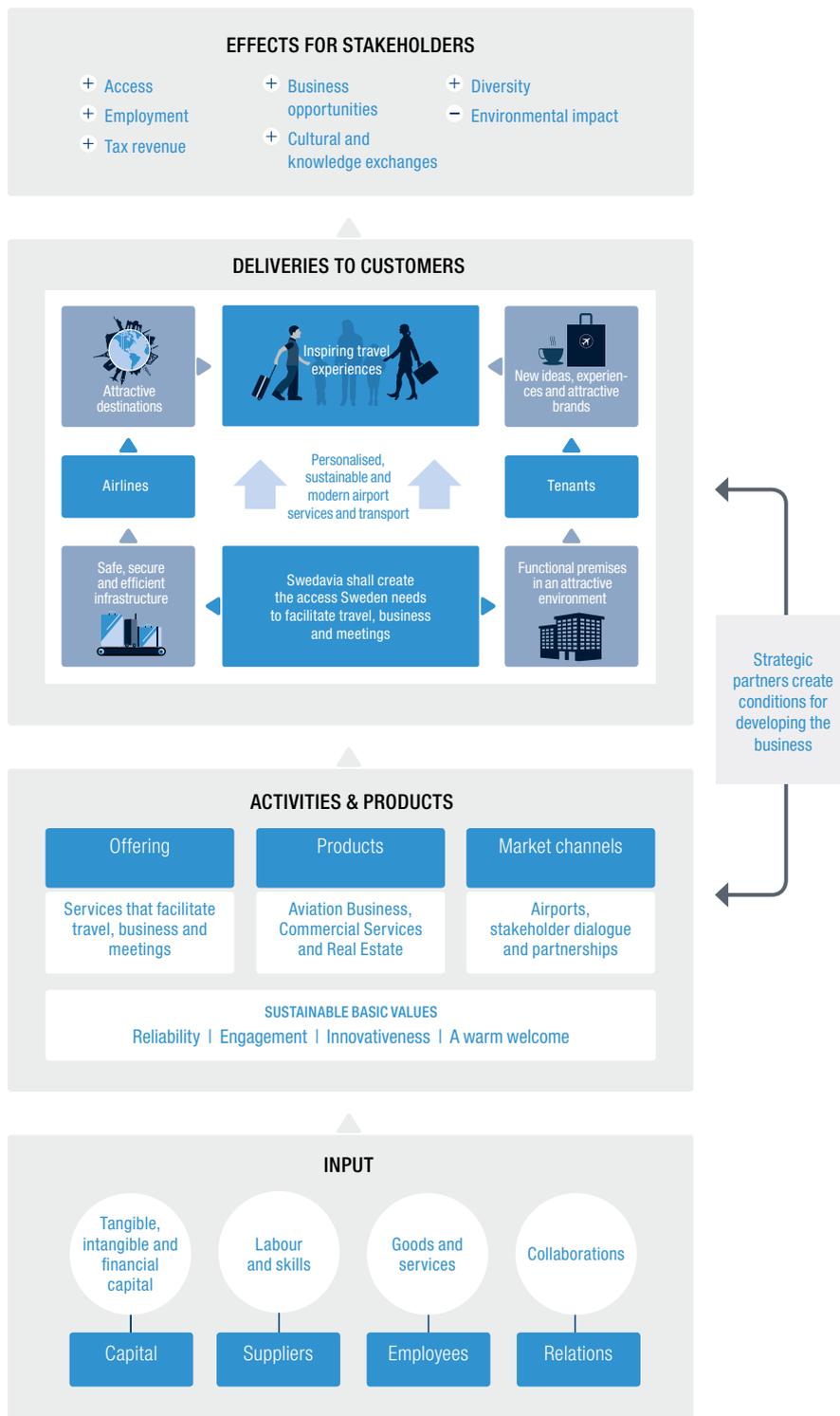
REDUCED CLIMATE IMPACT

An increased need for air travel also means that it is vital to reduce its impact on the climate, both from Swedavia's own operations and along the value chain. Once again, satisfied customers are a key factor. They provide the profitability that enables Swedavia to invest in new technology to achieve its target of zero carbon dioxide emissions from its own operations by 2020 and to support other industry participants in their climate work.

VALUE TO SOCIETY

For its owner, the Swedish State, Swedavia creates value by running airport operations based on sound business principles which generate a return on the capital invested. Real estate operations contribute to this by managing and developing properties that can generate some of the capital needed to invest in infrastructure. At the same time, Swedavia's airports link the country's regions together and connect Sweden to the rest of the world. This creates access, which leads to new meetings and business opportunities, with new jobs, increased cultural and knowledge exchanges, increased diversity and increased tax revenue, which produce positive effects for all of society – locally, regionally and nationally.

Swedavia's value chain



Access and competitiveness

Swedavia's operations are in two areas, airport operations and real estate operations. Airport operations include operational matters such as airport planning and development. Real estate operations involve the management and development of properties at and in the vicinity of the Group's airports and are brought together in the subsidiary Swedavia Real Estate. Together they constitute a comprehensive offering that contributes a solid return and increased customer value.

General strategies in Customer

Value-creating aviation business

► We shall work together with priority partners and through attractive aviation products for increased access, sustainable volume growth and improved business results at our airports.

Value-creating commercial business

► We shall create the right opportunities for optimised sales, efficient commercial operations and the continuous strategic-tactical development of the commercial offering to ensure that we meet our requirements for revenue and profit.

More satisfied passengers

► Based on our knowledge about passengers, we shall work proactively in the priority areas that have the greatest impact on the passenger's overall experience: atmosphere, customer service, smooth flows, cleanliness, affordability and the offering in shops, food and beverage.

Operational excellence

► Through standardised control and management of air transport operations, at Swedavia and together with our partners, delivery shall be improved on a

continuous basis in order to enhance the conditions for our business.

The digitised airport

► We shall create a coherent digital platform for our business and product development and for internal efficiency. We shall capitalise on our unique position as a holder of information and develop our digital abilities to enable a successful cross-functional digital transformation of business and operations.

The Group's task is to operate and develop the ten airports from the north to the south of Sweden that constitute the country's national basic infrastructure and thus create value for the Group's owner and customers.

land at and in the vicinity of Swedavia's airports. As a result, Swedavia can meet the growing demand from businesses to set up operations near airports.

ACCESS

The work to increase access, in the form of new direct routes to and from the US and Asia as well as Europe, continued in 2015. For Sweden and for Swedavia, it is important to establish closer links with the major hubs in North America, Asia and the Middle East. During the year, the number of international direct routes at Swedavia's airports increased from 320 to 323. The airlines making such investments include SAS, with its service to Hong Kong, and Norwegian, with its service to Las Vegas and Puerto Rico. Göteborg Landvetter Airport, which added eight new international destinations, was the airport with the most growth in this area.

Since 2013, a total of 14 new intercontinental direct routes have been launched or announced, which has helped to increase demand, including to and from the US. There is a direct correlation between the number of direct routes from an airport, the airport's capacity and passenger growth. The more direct routes available and the greater the capacity, the more passenger volume increases. Today demand is growing faster than capacity.

Clear descriptions of market potential are

► **Swedavia meets** the need for increased air travel and ensures the access needed for growth in Sweden's regions and in the country as a whole. Swedavia has organised its operations, with customers at the centre and with good safety and security, to achieve the long-term objectives set by its owner, the Swedish State. Airport operations are responsible for infrastructure in the form of terminals and related systems that are needed for airport operations and for aviation safety and security. In airport operations, services are offered that are focused on ground operations in the form of take-off and landing services, ground handling services and aircraft

parking. This business area, named Aviation Business, is therefore focused mainly on the airlines that operate at the airports.

In airport operations, there is also the Commercial Services business area, which is the part of Swedavia responsible for developing the commercial offering in the form of retail trade and services. The objective of operations is to create an atmosphere and an offering that, together with a well-functioning infrastructure, make the airports highly attractive, increase customer satisfaction and thus increase revenue.

Operations in Real Estate are focused on managing and developing properties and developable

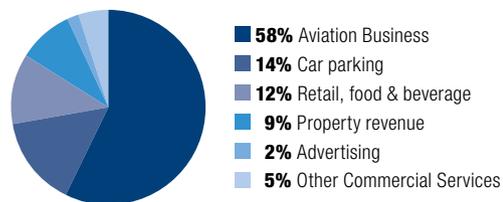
Customer

In Swedavia's management model, customers constitute the core. Our customers are passengers, airlines and tenants, with passengers being our primary customer. The customer perspective includes Swedavia's strategies for attractive aviation products, commercial development, more satisfied passengers, airport operations management and digitisation. The common factor uniting these strategies is that the airports, with Stockholm Arlanda Airport leading the way, shall enhance Swedish access by continuously carrying out customer- and growth-oriented measures in order to develop business for both Swedavia and our partners.

JOE

JUICE

Income, % of net revenue





Stockholm Arlanda Airport serving Chinese passengers

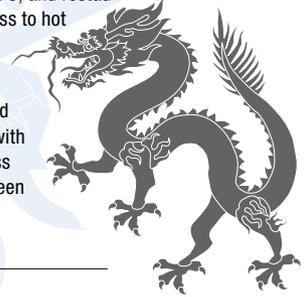
In addition to Air China's direct route to Beijing, in September 2015 SAS launched non-stop service between Stockholm Arlanda Airport and Hong Kong.

As prosperity and average incomes in emerging markets such as China increase, the demand for air travel also rises. According to VisitSweden, Sweden ranks ninth among European international destinations visited by Chinese travellers. According to figures from the Swedish Agency for Economic and Regional Growth/Statistics Sweden, long-haul visitors have increased their share of overnight stays in Sweden from about ten to about twenty per cent, which means that one out of five overnight stays in Sweden was by someone from a non-European country. Overnight stays by Chinese visitors increased 28.5 per cent in 2015.

A number of changes to welcome these new passengers are now being carried out at Stockholm Arlanda Airport. The airport's website has been expanded to include

information in Chinese, and passengers are met by special airport hosts and signage in Chinese. Another important change is that the main Chinese bank card, UnionPay, works in the airports' automated teller machines (ATMs), shops and restaurants. In addition, a Chinese food truck opened in Terminal 5, and restaurants offer menus in Chinese. Passengers will also have access to hot water for their thermoses and to cook noodles or make tea.

In early 2016, Stockholm Arlanda Airport became a sister airport to Beijing Airport. Meanwhile, Swedavia has intensified its engagement in Hong Kong to establish new partnerships with airlines and other Asian companies in order to increase access to the crucial Asian market and help expand exchanges between Sweden and China.



needed to attract airlines and for airlines to make substantial investments to launch new direct routes. Swedavia therefore fosters relations with airlines and works together with other stakeholders, such as the tourism promoter VisitSweden, to enhance the offering. The collaborative projects Connect Sweden and Go:Connect are also important channels for this work.

Low-cost carriers are driving the growth in air travel. They modify their business models through their choice of airports and by flying intercontinentally to a greater extent. Low-cost carriers increasingly fly from countries' main airports, which helps to attract business travellers. At the same time, network airlines are changing their business model to be more like that of low-cost carriers by offering their own low-cost alternatives, such as Lufthansa's Germanwings.

EUROPEAN GROWTH

Intercontinental routes contribute to growth, but scheduled European routes constitute the basis of this. Here, too, access to direct routes is critical. Passenger growth is currently greater in eastern Europe than in western Europe, opening up potential for routes to new destinations. The trend elsewhere in Europe has accelerated, after several years of weaker growth, which follows the pattern of air travel quickly recovering after periods of weaker economic growth.

Air cargo continues to increase in scope, and all the international companies in this field have established operations at Swedavia's airports. However, a general trend is the growing share of cargo goods transported in the hold of aircraft in scheduled traffic, which is a direct result of access to new non-stop routes.

Competition between the Nordic airports is intense, and all the main airports are expanding due to growing demand from passengers and

airlines. Sweden and Swedavia, as part of the largest and fastest growing market in the Nordic countries, have a crucial competitive advantage in the fight for passengers. For Swedavia as well as for other airport operators, it is a matter of keeping costs down. During the year, Swedavia reduced its charges to airlines by an average of 3.7 per cent, from what were already competitive levels. At the same time, airlines' demands must be met. These demands vary, with low-cost carriers wanting fast and automated service, whereas airlines such as Emirates, which has a "premium profile", want a higher degree of personal service for their passengers. Every two years, Swedavia

Passenger growth is currently greater in eastern Europe than in western Europe, opening up potential for direct routes to new destinations.

measures how satisfied airlines are with the services offered and delivered. In 2015, 62 per cent gave an overall response of exceptionally or very good. The figures for 2013 and 2011 were 60 and 57 per cent, respectively. The clearest areas for development based on this airline survey is the infrastructure in the passenger and turnaround process, coordination, communication and effective decision-making processes.

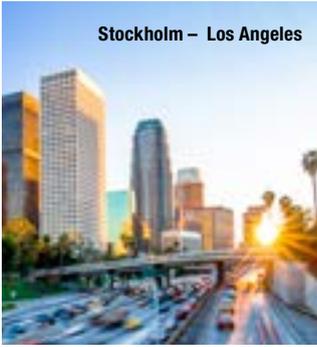
THE DIGITAL AIRPORT

For Swedavia, it is becoming increasingly important to collaborate with other industry participants. Over the next few years, the challenge is to maximise infrastructure use and meet the requirements for increased capacity. For Swedavia, punctuality is an indicator of the airports' capacity and is defined in terms of when

an aircraft is "off block", that is, rolling out of the gate within 15 minutes of the estimated departure time. Without the right infrastructure and a well-functioning organisation, what Swedavia calls operational excellence, punctuality cannot be maintained. If punctuality declines, both the airports' attractiveness and competitiveness are affected.

Every airport that Swedavia operates has its own punctuality targets, with the overall target being to achieve 90.0 per cent punctuality in 2017. In 2015, punctuality overall was 86.1 per cent. Compared to previous years, that was a deterioration of 1.3 per cent, mainly as a result of overstretched infrastructure, insufficient resources for ground handling companies and a more crowded European airspace. Punctuality for domestic departures, for which Swedavia provides more resources, is better than for international departures.

Swedavia's strategy for achieving operational excellence, the situation in which both the organisation and infrastructure are used with maximum efficiency, is to create coordinated management of aviation operations which makes it possible to optimise efficiency in the day-to-day work. As part of this strategy, more clearly defined work to monitor and improve operational processes will begin in 2016. The digital airport, in which different systems use a common technical platform that allows all companies and organisations at the airport to share information in real time, is an essential requirement for efficient flows through the airport and a reduction in resources used. Access to modern, mobile digital technology is also critical for the potential to create new value-added services for passengers. ●



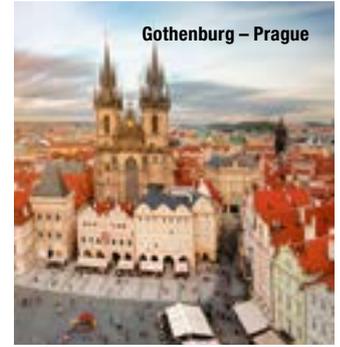
Stockholm – Los Angeles



Stockholm – Puerto Rico



Stockholm – Hong Kong



Gothenburg – Prague



Stockholm – Las Vegas

Examples of new direct destinations





Salong Betong is one of Sweden's most renowned tattoo studios. The artists work only in grey tones. Salong Betong opened a pop-up shop at Stockholm Arlanda Airport in 2015.



COMMERCIAL SERVICES, AN ESSENTIAL REQUIREMENT FOR DEVELOPMENT

Just like with most airport operators, revenue from the goods and services on offer at our airports are of growing importance to Swedavia's continued development work. Swedavia always strives to have competitive airport charges, in order to have airports that are as attractive to airlines as possible.

► **Commercial Services** works to ensure that Swedavia's airports are the finest and most modern meeting places in Scandinavia. They shall provide passengers with differentiated and value-creating experiences, designed for the Swedish target group but also for international travellers. The commercial offering, together with the airports' basic functions, such as cleanliness, customer service and atmosphere, are crucial to customer satisfaction. Examples of new companies at the airports include Bath & Body Works, which launched its first European establishment at Stockholm Arlanda Airport. The retailer Superdry and a number of new café concepts have also opened there. At Göteborg Landvetter Airport, the Swedish hamburger chain MAX opened an outlet, and Malmö Airport now offers an O'Learys pub and a WHSmith bookshop.

During the year, Swedavia increased its competences in commercial trade. An organisation to develop sales was set up in order to optimise

business and concepts for increased sales, in partnership with tenants and other stakeholders. Commercial Services is also responsible for commercial tenants. There is financial leverage, with sales-based rents determined by what category the tenant belongs to as well as what its margins are. If the number of passengers increases and more people spend more at the airport, Swedavia's revenue also increases. The expansions planned at Stockholm Arlanda Airport, Göteborg Landvetter Airport and Bromma Stockholm Airport will open up new opportunities to enhance commercial operations.

Increased revenue

If every passenger in 2020 spends ten kronor more at the airport than today, revenue would increase by 35 million kronor. This is based on the assumption that Stockholm Arlanda Airport will be developed so that it is so attractive it is worth a detour or that passengers will arrive early. The idea is that it should also attract not just travellers but also other visitors, especially

the more than 20,000 people who work in the airport area.

The recipe for success lies in being able to offer a local, world-class experience. It is important that the mix of Swedish and international offerings is attractive, that there is something for everyone and that something new is always happening. Temporary pop-up shops, exhibitions or interesting product launches are interwoven with both traditional and virtual shops that benefit from the advantages of modern e-commerce.

Collaboration

Swedavia's entire network of airports is a marketplace. Although the regional airports do not have the critical mass for full-scale retail, the Group can use its economies of scale in procurement to create the offerings that work. The factor of utmost importance to growing commercial operations is collaboration between the different stakeholders. The airlines know exactly who their customers are, Swedavia can create attractive atmospheres and efficient flows, and tenants know what is in demand and can provide the offering. This makes it possible to develop properties, concepts and offerings through mutual understanding that are adapted to airlines, passengers or destinations.

CAPITAL EXPENDITURES AND RETURN

Growth in air travel is what drives Swedavia's operations. While passenger flows will vary in size over time, airport capacity and efficiency are critical factors for success – today and tomorrow. Swedavia is now investing in large-scale development projects that will be under way throughout the thirty-year planning period and beyond. It is a matter of eliminating today's bottlenecks, but even more so building for the future, for more passengers and for more and bigger aircraft.

Historically, Swedavia has invested roughly one billion kronor a year, but growth requires new billion-kronor investments in terminals, piers and IT systems. These are investments that have to be funded, and it must be possible to recoup these capital expenditures based on solid business principles. Meanwhile, they must contrib-

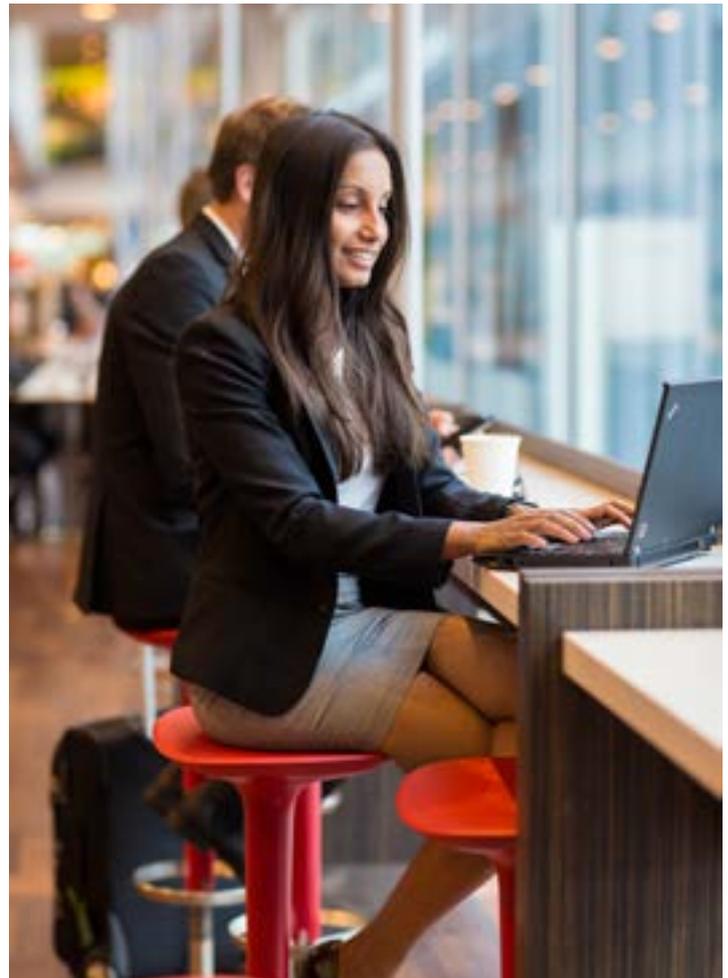
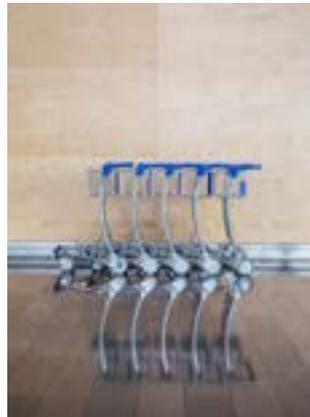
ute to the achievement of economic and other sustainability goals, which are all important to the Group's development potential. So all sustainability aspects are taken into account in investment decisions.

The Group's revenue comes from the charges that airlines pay to use the services at the airports, from commercial operations and from real estate operations. Today Swedavia has a strong financial position with good funding opportunities, but Swedavia works on several levels to fund investments sustainably and over the long term while meeting the owner's profitability target – seven per cent return on operating capital. Internally, the work continues to create as cost-effective and coordinated an organisation as possible with processes that are optimally efficient.

In serving passengers, the Group strives to develop commercial operations, in partnership with tenants and airlines, in order to increase this revenue. For airlines, services and charges must be competitive, and it must be possible to adjust them to the airlines' business models so that the airport is attractive as a destination. Thanks to the growth in traffic, Swedavia has been able to lower charges to airlines. This has helped to increase traffic but at the same time means that commercial operations must grow and increase their contribution to the Group's finances.

TWO STOCKHOLM AIRPORTS

Stockholm Arlanda Airport constitutes the hub of Swedavia's operations. Meanwhile Bromma Stockholm Airport is an essential requirement for meeting the need for air travel to and from



Economy

Profitability is an essential requirement for developing any operations and thus key in the drive to achieve an ever more sustainable company. Swedavia's strategies in this area include combining a high level of efficiency with the right capacity and value-creating property deals. Increased business-mindedness is our steadfast motto. The Group's overall development needs are reflected in clear plans and balanced ambitions that make use of the synergies in the Group. Furthermore, value growth in our properties shall be capitalised on, and Swedavia shall facilitate the set-up of new operations near the airports that enhance the airports as transport hubs.



Stockholm during the times of the day when there is peak traffic. Since international travel has the fastest growth, the greatest growth is at Stockholm Arlanda Airport. In 2015 traffic there increased by more than 700,000 passengers, for a total of 23.2 million, which is a new record. This rapid growth has meant that the airport, like Bromma Stockholm Airport, is nearing capacity in terms of aircraft parking stands and terminal capacity. In 2015, punctuality at Stockholm Arlanda Airport was 83.8 per cent, compared to 85.4 per cent in 2014. At Bromma Stockholm Airport, punctuality was 91.4 per cent, compared to 91.9 per cent in 2014.

The environmental permit issued to Stockholm Arlanda Airport in 2014 entered into force on May 25, 2015. The ruling secured the airport’s continued capacity and thus development potential. Swedavia’s Board of Directors has adopted a long-term development plan with a focus on making Stockholm Arlanda Airport Scandinavia’s leading airport. Once the environmental permit was approved in 2015, work could begin in a number of areas. According to the company’s plan, the airport will be able to handle 40 million passengers a year in 2035, which is a 70 per cent increase compared to 2015. Added to that are investments in property development adjacent to the airport. At the same time, in-depth work was begun to ensure the airport’s development potential beyond the current planning horizon. Furthermore, Bromma Stockholm Airport will be developed to meet the continued passenger growth, as required by the Swedish Transport Agency.

Capacity enhancement

The ability to create an interplay between aviation, real estate and commercial operations will

General strategies in Economy

Value-creating property business

► Based on the unique value in the airport as a transport hub, we shall capitalise on the value growth in our properties. The focus shall be on taking advantage of this strong value growth, from the time detailed plans are adopted to the leasing or sale of completed buildings.

Right capacity and high efficiency

► Based on our task, we shall proactively meet our customers’ needs for changes in capacity in the short and long term through the efficient use of our resources, while ensuring we meet our owner’s return targets.

be critical to the development of Stockholm Arlanda Airport. Another factor for success is close collaboration with its neighbours – the Municipalities of Sigtuna, Upplands Väsby, Vallentuna and Knivsta. A growing airport which, together with nearby areas, will generate 50,000 jobs over the next few decades requires not just expanded infrastructure but also attractive residential areas within commuter distance. To coordinate this development and make it easy for companies to set up operations, Swedavia is working together with the Municipality of Sigtuna and Arlandastad Holding under the joint venture Airport City Stockholm.

In 2016, the airport maintenance area at Stockholm Arlanda Airport will move to premises that previously constituted the airline SAS’s technical base. In conjunction, the properties will be rebuilt, adapted to meet today’s environmental standards and environmentally certified. Next up for development is a new pier in Terminal 5, which will increase its practical capacity, allow transfer possibilities and enable the airport to efficiently handle more new and larger aircraft types such as the Airbus 380 and Boeing 777. A central-

ised security checkpoint, a new baggage handling system and a new area for retail activities are planned here. Further down the line, the work continues, among other things, on two new piers for Terminal 2.

GÖTEBORG LANDVETTER AIRPORT

Sweden’s second largest airport, Göteborg Landvetter Airport, had sharp passenger growth in 2015, with an increase from 5.2 to 6.2 million passengers.

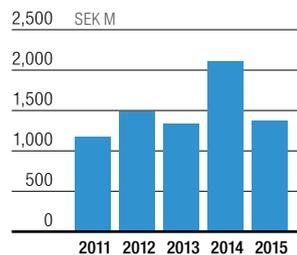
This was partly the result of general growth in air travel and of airlines investing in new direct routes. However, the single most important cause was that airlines that had previously operated out of Göteborg City Airport (Säve Airport) chose to set up operations at Göteborg Landvetter Airport. This means that Ryanair, Gotlandflyg and Wizz Air now fly out of Göteborg Landvetter Airport. Punctuality for the airport in 2015 was 84.7 per cent, compared to 87.5 per cent in 2014.

Like with Stockholm Arlanda Airport, the increase in passenger volume and aircraft movements means that premises and other infrastructure must be used very efficiently. At the same

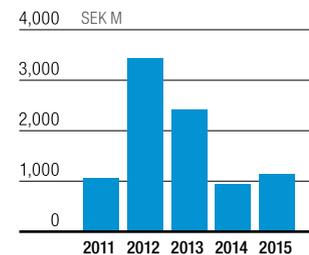
Net revenue and operating profit



Cash flow from operating activities



Capital spending



In commercial operations, Swedavia's regional airports strive to highlight and to a greater extent make use of local features in their own region.



time, the greater passenger flows provide a growing basis for commercial operations, and during the year a pharmacy, a flower shop and a new café, among other establishments, opened in the terminal.

Rapid growth

The continuous increase in traffic volume places great demands on the expansion of infrastructure at and around the airport. At the same time, the region of western Götaland is also growing rapidly. Today about one million people live within a 40 minute journey of the airport. As a result of future rail links, this number is expected to increase to 1,500,000 in 2020. Swedavia takes part in the collaboration Go:Connect, which works to develop the attractiveness of and access for the Gothenburg region.

An extensive development programme with a large number of different projects that together will form Airport City Gothenburg has begun. This new airport city will have room for hotels and offices, logistics facilities and retail outlets. Work is under way for a new high-speed rail link between Borås and Gothenburg, which will include an underground station at Göteborg

Landvetter Airport. The airport's environmental permit is a critical factor for its potential for continued growth and development. In June 2015, the Land and Environmental Court issued a new permit that allows up to 120,000 aircraft movements a year, compared to the previous 80,000. Meanwhile, the new permit has been appealed, in part with regards to the volume of movements, which means the process will continue in 2016.

REGIONAL AIRPORTS

Swedavia's seven regional airports, with a total of some five million passengers a year, are crucial to Swedavia's potential to fulfil its task. The airports have a strong focus on domestic traffic, but many of them have their own routes to destinations outside Sweden. Wizz Air, for instance, offers fourteen destinations mainly in eastern Europe from Malmö Airport. In 2015, a ruling was issued on a new environmental permit for Visby Airport, which has been appealed. The matter will therefore be decided by the Swedish government in 2016. During the year, an application was submitted for a new environmental permit for Kiruna Airport. The regional airports also measure their punctuality, and the overall figure for the seven

airports in 2015 was 90.9 per cent, a decrease of 0.1 per cent compared to 2014.

The challenges for the regional airports are, in practical terms, handling the growth in passenger volume and working to develop commercial operations, which requires new forms of collaboration between aviation operations and commercial operations. One practical example of this is the provision of ground handling services. With the exception of Malmö Airport, since the end of 2014, Swedavia's regional airports are responsible for ground handling services that were previously provided by the airlines SAS and Norwegian, services that fall between the areas of aviation operations and commercial business. That means Swedavia has greater potential to create fast, cost-effective flows, from baggage handling to check-in, security screening and boarding. It also means passengers will meet the same people but in different roles at the airport, which creates a sense of security and contributes to increased customer satisfaction.

Strong position

In commercial operations, Swedavia's regional airports strive to highlight and to a greater extent

Enhanced growth potential with partnerships



Early in the year, Swedavia and Bockasjö signed an agreement to, in the first phase, prepare land for the construction of logistics properties equivalent to 100,000 square metres at Göteborg Landvetter Airport. After this, Swedavia and Alecta formed a joint venture to manage properties with an underlying property value in the transaction of 3,950 million kronor. Through this company, a long-term engagement in real estate is secured while the conditions required for the airports' development are enhanced.

make use of local features in their own region. This is being done in close collaboration with key local partners such as municipalities, companies or chambers of commerce, for instance, during Almedal Week, the annual Swedish gathering of political and other leaders, or during the ski season in Åre. It is also important to utilise the Group's strong bargaining position. Agreements with a supplier that wants to deliver services or buy advertising space at Stockholm Arlanda can be designed so that the regional airports can also benefit from the agreement. And if the critical mass is not there for bricks-and-mortar stores, temporary pop-up shops can be a solution, or virtual shops that give passengers access to the offering available at the big airports.

REAL ESTATE

The Group's Real Estate operations are responsible for the buildings and land that can be developed as the different airports become increasingly important as hubs. This means, for instance, that terminals and other properties used for airport operations are currently not included under Real Estate, which is entrusted with the task of managing and developing properties to enhance

the attractiveness and competitiveness of the different airports. These, for example, include the hotel, conference, office and logistics facilities that form part of Swedavia's customer offering. Operations are also an essential requirement to ensure Swedavia's continued investments since revenue from developed properties that are sold off reduces the need for external funding.

The plans for the next five years include a major new hotel with 20,000 square metres of space over 18 storeys, and the SkyCity Office One development, covering an area of 15,000 square metres. Both properties are part of the new Airport City Stockholm, which is taking shape around Stockholm Arlanda Airport.

Resources and competences

As more projects are launched, Swedavia is building up a function for project management. Since the organisation should be small and efficient, Swedavia also strives to create partnerships with other participants in the real estate industry that can contribute resources and competences. One example of this is collaboration with the logistics and property developer Bockasjö to develop Landvetter Logistics

Park. When it is completed, the park will offer 100,000 square metres of logistics facilities. Another example is the joint venture formed with the pension company Alecta. The company will manage 20 larger properties in the form of hangars, logistics buildings and offices at Stockholm Arlanda Airport, Göteborg Landvetter Airport and Malmö Airport covering a total of 200,000 square metres.

Satisfied tenants

Like with the Group's customer satisfaction surveys of passengers and airlines, Swedavia also monitors how satisfied tenants are. Starting this year, the survey will be carried out every two years. The figure for the latest measurement, in 2014, was 65 per cent, an improvement of three per cent compared to the survey in 2013. In 2016, Swedavia will continue to develop and strengthen its collaboration with the Group's tenants, the objective being to increase their satisfaction. ●

General strategy in Environmental Concern

Proactive environmental work

► We shall be a driver in the transition to renewable aviation fuel while working actively ourselves and influencing companies and organisations at the airports to reduce their carbon dioxide emissions and use natural resources efficiently and in an environmentally sound way.

ENVIRONMENTAL WORK FOR SUSTAINABLE DEVELOPMENT

Swedavia's goal is to have zero emissions of fossil carbon dioxide from own operations by 2020. The transition to renewable fuels and reduced energy use in our own operations are crucial to us achieving our goal. In 2015, the Group's emissions of fossil carbon dioxide from our own operations was 3,066 tonnes, about one per cent lower than in 2014, 19 per cent lower than in 2013, and a reduction of about 73 per cent since 2005. The decrease in 2015 is due mostly to increased use of renewable fuels and synthetic diesel (HVO) in the Group's vehicle fleet. At the same time, mild weather and a reduced need for snow removal in 2015 as well helped to reduce emissions faster than planned.

Swedavia's vehicle fleet accounts for most of the remaining emissions, so the Group is working to modernise this fleet and replace fossil fuels with renewable alternatives, such as biogas. In the autumn of 2015, 14 new biogas-propelled plough, sweep and blow (PSB) machines were delivered to Stockholm Arlanda Airport. In 2020, all vehicles in operations will be propelled by electricity, biogas or renewable diesel.

Alongside this, Swedavia is implementing measures to reduce the use of resources in operations and their impact on water to help conserve the biological diversity at the airports. Swedavia also works to ensure that people living near the airports consider the noise level from air traffic to be acceptable. In 2015, some 14,500 people were exposed to aviation noise exceeding the national standard of FBN 55 dB(A) at Swedavia's airports. This is the same level as for the past two years, despite an increase in the number of aircraft movements.

WITH RESPONSIBILITY FOR THE ENTIRE JOURNEY

Swedavia's ten airports are certified at the highest level in accordance with Airport Carbon Accreditation's standards for airports' climate

work. This certification, which is backed by the United Nations Convention Framework on Climate Change, means that all of Swedavia airports continuously reduce their carbon dioxide emissions from their own operations, and create opportunities for other operations at the airports to reduce their emissions.

One of the most important challenges to the air travel industry is to reduce the climate impact. The industry has therefore agreed on a joint global target, which is to cut actual emissions of fossil carbon dioxide in half by 2050, compared to 2005 levels. A transition from today's fossil fuels to renewable fuels is critical in achieving this goal by 2050.

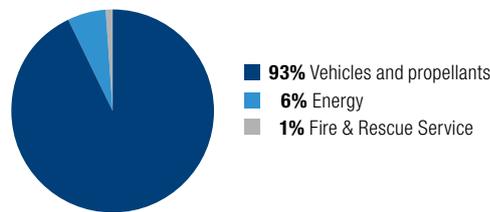
During the year, Swedavia increased its engagement in promoting renewable aviation fuel, in part by joining the Fly Green Fund. The aim of the Fly Green Fund is to stimulate demand and create a market for renewable aviation fuel in the Nordic countries. This is to be done in part by jointly funding the additional cost of this renewable fuel. The fund will also contribute to development projects for large-scale fuel production

in the Nordic countries using the region's raw materials.

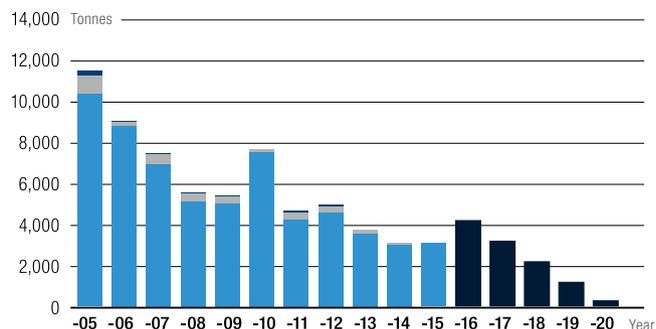
The Swedish air traffic industry is working to make Swedish domestic air travel fossil-free by 2030. In 2016, Swedavia will establish a service which entails, among other things, fuelling with renewable aviation fuel to offset the amount used in Swedavia's business travel. This decision, which represents an investment of ten million kronor, will entail a reduction in carbon dioxide emissions equal to 1,100 tonnes as well as increased demand for renewable aviation fuel.

In addition to the new fuels, modern systems also contribute to more energy-efficient operations to a greater extent, with information being shared in real time by airlines, ground handling staff and air traffic management. As a result, the wait for aircraft at the gate or on the runway can be minimised, which reduces noise, fuel consumption and emissions. Swedavia also continues to work to link different transport modes and improve mass transit to and from the airports so that it can offer passengers a fossil-free journey in the future. ●

Swedavia's fossil carbon dioxide emissions by area, %, 2015



Progress on Swedavia's zero target for fossil carbon dioxide emissions*



- **Scope 1:** Vehicle propellants, electricity and heat produced by Swedavia (used by Swedavia and sold), and firefighting exercises
- **Scope 2:** Purchased electricity and heat used by Swedavia
- **Scope 3:** Purchased heat sold to others
- **Sub-targets 2016–2020**

*The goal includes Swedavia's emissions in Scope 1 and 2 as well as purchased heat sold to others (Scope 3). Scopes as per the Greenhouse Gas Protocol.

Environmental concern

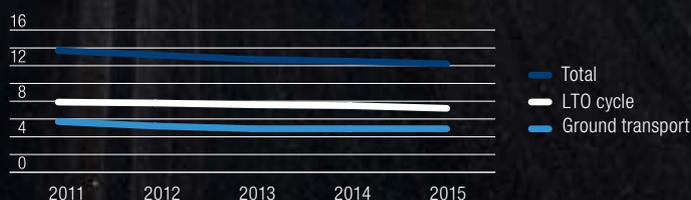
Environmental concern is critical to Swedavia being able to run and develop our operations in a sustainable way. Swedavia's strategy of proactive environmental work thus includes the company's own operations as well as the industry's transition to renewable aviation fuel. As a result, we work actively to reduce our own fossil carbon dioxide emissions and those of our stakeholders and to ensure that natural resources are used efficiently to ensure long-term Swedish access.

An ever shrinking carbon footprint per passenger, kilo tonnes CO₂

The carbon footprint for Swedavia's airports in 2015 is reported here, broken down into air traffic emissions in the landing and take-off cycle (or LTO cycle, flying below 3,000 feet including taxiing on the ground), passengers' ground transport to and from the airports and Swedavia's own operations. During the year, the carbon footprint of Swedavia's airports increased about two per cent, from about 446 kilo tonnes of CO₂ in 2014 to 457 kilo tonnes in 2015. Meanwhile, passenger volume increased more than five per cent, which means that the carbon footprint per passenger decreased about three per cent.

Airport	Air traffic	Ground transport	Swedavia	Total
Bromma Stockholm Airport	20	3	0.3	24
Göteborg Landvetter Airport	46	33	0.5	80
Kiruna Airport	2	1	0.2	3
Luleå Airport	9	6	0.1	15
Malmö Airport	22	18	0.2	40
Ronneby Airport	2	1	0.0	3
Stockholm Arlanda Airport	153	113	1.1	267
Umeå Airport	9	6	0.3	16
Visby Airport	2	1	0.1	3
Åre Östersund Airport	4	2	0.3	6
Swedavia Real Estate			0.0	0
Total	270	184	3.1	457
Percentage change 2014–2015:	0.3%	5.8%	-1.4%	2.4%

Emissions of fossil carbon dioxide in kilograms per passenger for air traffic's LTO cycle and passengers' ground transport to/from the airports



General strategies in Social Development

High level of safety and security

► We shall work proactively to ensure a high level of safety and security by working systematically with our quality, identifying risks and proactively mitigating, handling, securing and accepting these. We shall always have the ability to handle serious incidents and minimise the consequences of them through continuity planning and regularly held exercises.

Developing leadership and employeeship

► Based on our values and with a focus on development, competences and engagement, leaders and employees – taking an inclusive approach – shall together create an attractive workplace that is characterised by pride, business-mindedness and pleasure in work.

External relations that enhance business

► Strategic communication and open, humble and close relations create interest, understanding and engagement in Swedavia's development and the importance of air travel. These relations also contribute to the development of operations.

CONTINUOUS IMPROVEMENT WORK IN SAFETY AND SECURITY

Swedavia's safety and security work is focused on aviation safety and security. Aviation safety is focus on preventing accidents, while aviation security is aimed at actively preventing criminal acts. This work has the highest priority at Swedavia and is integrated in all operations and in the Group's objectives and targets.

In 2015, new EU regulations were introduced for aviation security, including the installation of explosives trace detectors. Along with a heightened level of security, the initial results show that the flow of passengers through the security checkpoint can go faster by using the new technology.

Tests were also carried out on new security scanners that reduce the need for physical

checks, which makes screening easier for passengers and in the long term can also help make flows more efficient. Swedavia is also studying the possibilities of using queue metrics and positioning systems to create increased predictability for passengers and staff in terms of loads and queue times at the security checkpoint, which has a direct effect on customer satisfaction.

During the year, work continued with customer service at the security checkpoints in terms of the way people are treated and the environment there, and measures were adapted to conditions at the different airports. Further measures to increase the level of service in airport safety and security work are planned in 2016.

PREVENTIVE WORK

Swedavia's own safety and security work and the services provided by partners, mostly in the form of security services companies, are examined and monitored on a regular basis both by the Swedish Transport Agency, which is the oversight authority, and through Swedavia's internal audits. In many cases, this is done on a daily basis as well as each month.

Leadership, engagement and the right attitude on safety and security issues are critical factors for aviation safety and security. During the autumn of 2015, special seminars were held with a focus on further improving the climate for safety and security. Swedavia also collaborates with the

US preclearance

During the year, the work began for US preclearance at Stockholm Arlanda Airport. The implementation of preclearance procedures would mean that, in the future, passengers flying to the US can complete a US border check while still at the Swedish airport, which makes travel easier and creates better potential to establish direct routes between the two countries. Implementation is a long process that involves negotiations between and political decisions from the two countries.



Social development

For Swedavia, social development involves creating safety and security for passengers, making Swedavia an attractive employer and ensuring that the relations the company has with others will enhance the airports' development potential. Given our strategies in these areas, we work proactively to ensure a high level of safety and security through systematic risk work, that our values are integral to the development of Swedavia as an engaged, inclusive employer, and that our communication efforts create understanding and curiosity about Swedavia's development needs.



University of Gothenburg and University College West to develop a method to measure the climate for safety and security. An initial measurement was taken in the spring of 2015.

The work with Swedavia's new operations centre (OPC) continued during the year. This includes the development of a standardised technical platform for all camera systems at Swedavia's different airports. Swedavia is also developing a CRM system in order to, in the long term, collect all information from detectors, cameras and x-ray equipment and more effectively analyse and handle this in real time.

CRISIS PLANS

Every Swedavia airport today has a crisis management plan and manual adapted to local conditions and carries out exercises on a regular basis. In the autumn of 2015, Stockholm Arlanda Airport took part in a large-scale coordinated exercise together with the police and security authorities, the county council and the county administrative board. In the area of continuity planning, that is, how the Group would manage disruptions such as a major power outage or water supply problem, planning is under way for the most important operations.

In 2015, there was greater focus on improved incident reporting, which led to a 43 per cent rise in such reports at Stockholm Arlanda Airport during the first six months of the year. That increase, which cannot be linked to a corresponding increase in the number of incidents or near-accidents, indicates an even more heightened awareness of safety and security.

FEWER ACCIDENTS AND SERIOUS INCIDENTS

Swedavia has a vision of zero accidents and serious incidents. The definitions for these are based on a standard EU regulation and are evaluated in Sweden by the Swedish Accident Investigation Authority. Swedavia reports all incidents with an assessment of their impact on aviation safety to the Swedish Transport Agency. All accidents and serious incidents are reported directly to the Swedish Accident Investigation Authority. In 2015, there were four such incidents – two accidents and two near-accidents. In comparison, there were five incidents in 2014. At present, there is nothing to indicate that Swedavia's infrastructure or operational procedures contributed to any of these incidents.

Inclusion and human rights

Active diversity work enhances our business potential and contributes to our long-term supply of talent.

The concept of diversity is an integral part of Swedavia's sustainability work. Swedavia strives to have more employees from foreign backgrounds and better balance between the sexes. No matter whether this concerns internal work or the interplay between the Group's different stakeholders, active, inclusive diversity work, with respect for human rights on every level, is an investment in a business advantage for Swedavia.

In 2015, an updated diversity and gender equality plan was adopted. The plan is synchronised with annual measurements of equality in terms of gender and international origins, which are compared to the benchmark JAMIX equality index. This means there are checks to ensure employees reflect the demographics of Swedish society today in terms of gender, age and country of origin. Other priority tasks are to reduce the number of women absent due to illness for long periods and to work to ensure parental leave is more evenly divided between men and women.

In the day-to-day operations at Swedavia's airports, diversity work is represented in a number of ways. The Group has diversity teams that work actively with these issues in Stockholm and Gothenburg. The diversity perspective is also included as part of manager training programmes. Guidelines have been developed for how job advertisements are to be written so that they do not exclude anyone for the wrong reason. Another practical application of this diversity work is the unisex uniform designed for employees at the airports.

The work for human rights and gender equality also includes monitoring Swedavia's suppliers and sub-suppliers, in collaboration with the Group's procurement function, to ensure that they also respect fundamental human rights.

STRATEGIC PARTNERSHIPS

The Group's partnerships and suppliers were selected to create efficient operations with good returns and to contribute to greater social well-being in terms of the environment, access and social responsibility.

Sustainable supplier chain

Swedavia has a large number of suppliers that provide different kinds of services and goods, from security services and catering to building contracts, cleaning, IT and air traffic management.

Swedavia's suppliers are expected to comply with all laws and work to increase diversity. In addition, Swedavia has requirements for quality, safety, security and environmental work. Along with Swedavia's own Code of Conduct for employees, the Group has developed a Code of Conduct adapted to suppliers. The aim is to make it easier for suppliers to adapt their operations to Swedavia's approach in the area of sustainability. The supplier Code of Conduct is based on the United Nations Global Compact, which stems from the UN's Universal Declaration of Human Rights, the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention against Corruption.

Swedavia also strives to maintain an open business climate and a high level of business ethics. During the year, Swedavia expanded its whistle-blower function to include external stakeholders. That means employees of suppliers can anonymously report irregularities overlooked by people in leading positions at Swedavia.

Collaborations that provide social well-being

Swedavia works together with businesses and other organisations in order to create favourable conditions for developing Swedish access. This is done, for instance, in trade associations such as Airports Council International (ACI) and the Swedish trade group Svenskt Flyg, through the regional initiatives Connect Sweden and Go:Connect in Gothenburg and Connect Jämtland, and through its membership in the Fly Green Fund.

Swedavia takes part in the Royal Swedish Academy of Engineering Sciences' national technology initiative Tekniskprånget, which is aimed at strengthening and securing Sweden's talent supply. With its nationwide partnership with the Swedish employment agency Arbetsförmedlingen, Swedavia provides internships, giving priority to young people and the long-term unemployed in the vicinity of its airports.

Swedavia also collaborates with the non-profit organisations Doctors Without Borders and the Red Cross. Among other things, the Red Cross takes care of all items that passengers leave behind at the airports and are not picked up by the owner. Clothes, computers, bags and other such items are then sold in the Red Cross's shops across the country. The Group takes part in the Stockholm Pride Festival and in West Pride, which is the Gothenburg counterpart, as well as a number of other initiatives with that theme elsewhere in Sweden.

These collaborations enhance Swedavia's brand as a business-minded company that is aware and takes responsibility, which contributes to employee engagement and the continuous development of operations in line with society's needs.

Passengers can use foreign coins left over from their trip to play some cult video games, such as Ms. Pac-Man, Space Invaders and Galaga. Any coin in any currency works, and all money is donated in full to Red Cross operations.



CODE OF CONDUCT

A corporate culture that is founded on ethical guidelines is the basis for satisfied employees.

To support the management of day-to-day operations and as support for our employees, there is a Code of Conduct, which compiles Swedavia's Group-wide ethical guidelines. The training programme "Welcome to Swedavia", which all employees complete, includes an introduction on this. In 2014, a whistle-blower function was also introduced, where employees at Swedavia's airports can report irregularities. To handle such cases, an Ethics Committee was set up, which consists of the chief legal officer, an internal audit manager and a chief negotiator. The committee convenes as needed and at least twice a year. In addition, a compulsory online training programme for all leaders, Swedavia's Bribery Policy and Guidelines for External Business Entertainment were launched during the year.



The Red Cross takes care of all items that passengers leave behind at the airports and are not picked up by the owner. Clothes, computers, bags and other such items are then sold in the Red Cross's shops across the country. Items are kept in the lost and found department for three months. Whatever is not picked up by the owner is donated to the Red Cross, which distributes the items to its shops.

DIVERSITY FOR SUCCESS

Swedavia's operations cover a wide range of areas, from ground handling services to project management and airport hosts. That means Swedavia needs a variety of different competences, which combined enable the Group to meet the challenges that arise as a result of increased air travel, in the form of customer satisfaction, safety, security, capacity and sustainability thinking. For Swedavia, this means that the ability to recruit and retain skilled, engaged employees, now and in the future, is a critical factor for success.

The objective is therefore to provide a workplace in which employees have the conditions needed to carry out their duties, further develop their skills and achieve their set goals. The workplace shall also be characterised by respect for the individual on every level, diversity and an inclusive attitude. Swedavia's work to promote diversity also has a strong connection to business performance, since it enables the Group to recruit new employees from a broader base than before and also increases the chances of better customer service in an increasingly international world.

EMPLOYEE SURVEY

Each year, Swedavia carries out employee surveys in order to measure how employees themselves assess their participation and engage-

ment. In the survey conducted after year-end 2015, an employee satisfaction index (ESI) of 86 per cent was achieved, compared to 84 for 2014. These results indicate that in 2015 Swedavia already met and exceeded its target of 85 per cent employee satisfaction, which was set for 2020. The response rate was also high in 2015, and survey results were monitored during the year in all working groups. The survey results also serve as a basis for different action plans and for the continuous improvement and development work.

SWEDAVIA A CAREER COMPANY

In 2015, for the third year in a row, Swedavia was named by the recruitment firm Jobtip as one of Sweden's 100 most exciting companies to pursue a career in. Each year, more than 1,200 companies are examined and assessed in terms of development opportunities, employee engagement and international scope. Among the reasons cited for this distinction, it was noted that "With its great focus on its employees, sustainability and social development, Swedavia creates a modern workplace with potential for a broadly diverse population to pursue a career. A well-developed trainee initiative and development programmes create many different career paths and demonstrate that employees are the company's most important resource."

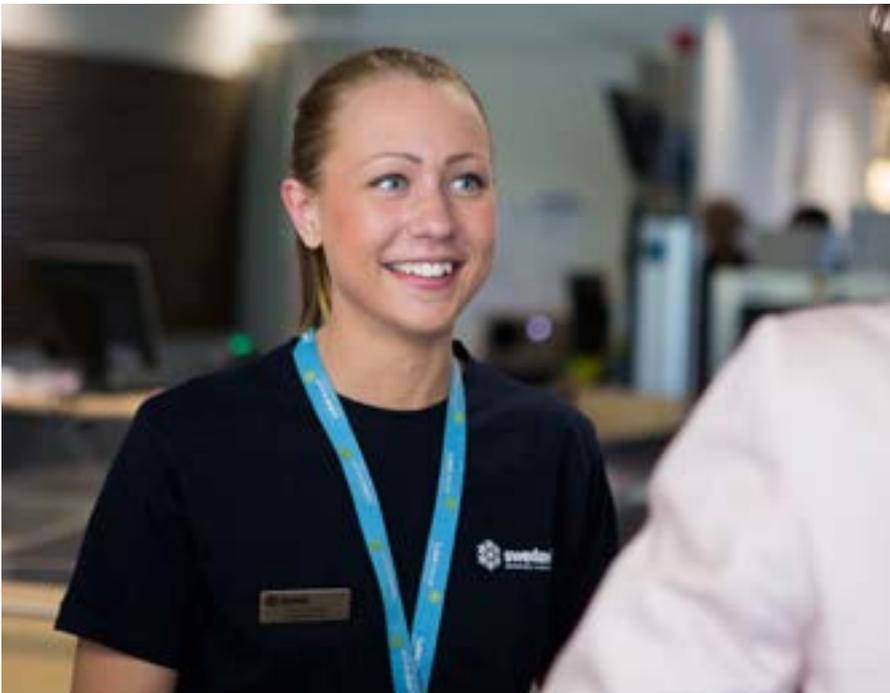
LEADERSHIP AND COMPETENCES

In 2015, the Group developed a new and more clearly defined strategy for human resources. Swedavia carries out continuous work to further develop its communicative leadership with a focus on dialogue to build the Group into a cohesive unit.

During the year, continuing programmes in practical and visible leadership were conducted, and a special day focused on leadership and business-mindedness was also arranged. The work to clarify the Group's organisation, its mandate and responsibilities continued. The Competence Terminal systems support initiative was further developed to ensure that every position and role have the right competences, responsibilities and authorisation.

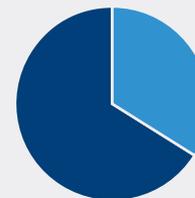
OCCUPATIONAL HEALTH AND SAFETY

Many duties at a modern airport are carried out under stressful time constraints, which are further intensified by the growing number of passengers. In 2015, the number of sick days in the Group increased, a trend that also applied to society in general. For Swedavia, it is of utmost importance to carry out systematic and forward-looking work for occupational health and safety to ensure that all employees can enjoy a safe, secure workplace environment. Along with preventive measures, other important tools in this work are clear monitoring procedures and quick implementation of

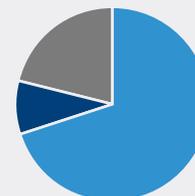


Average number of employees, 2015

2,787



34%
Women
66%
Men



70%
Permanent
9%
Fixed-term contract
21%
On hourly wages

rehabilitation measures. As part of these efforts, during the year the position of rehabilitation coordinator was established. Every employee also has special healthcare and rehabilitation insurance.

Over the next few years, Swedavia will carry out a number of large-scale development projects, mainly at Stockholm Arlanda Airport and Göteborg Landvetter Airport, which means that a great number of building contractors will be working at the airports. The Group has responsibility for coordinating health and occupational safety issues and has begun work to create clarity with regard to relations with the contractors being hired.

COOPERATION

Good cooperation with employee organisations is important in order for Swedavia to continue to successfully carry out its development and change work. In June 2015, a new joint cooperative agreement was signed, which went into effect in September 2015, with four trade unions: the Swedish Transport Union, the Swedish Union for Service and Communication Employees, the management organisation Ledarna and the Swedish Association of Graduate Engineers. ●

Swedavia's employees in figures*

	Employees	Permanent	Part-time	On hourly	Full-time	Part-time
2015						
Women	1,148	849	51	248	755	94
Men	2,204	1,519	240	445	1,461	58
Total	3,352	2,368	291	693	2,216	152
2014						
Women	1,148	829	54	265	727	103
Men	2,100	1,464	208	428	1,377	86
Total	3,248	2,293	262	693	2,104	189
2013						
Women	975	696	60	219	646	50
Men	1,907	1,323	195	389	1,279	46
Total	2,882	2,019	255	608	1,925	96

* Information pertains to the number of employee contracts as of December 31.

The increase in the number of employees is due in part to the development of ground handling operations at the regional airports and the consolidation of Göteborg City Airport (Säve Airport). Expanded regulations for security screening along with the increase in traffic and passenger volume also entailed an increase in employees on a full-year basis in airport operations.

Recycled beverage containers help those in need as well as the environment

The receptacles for recycling beverage containers that have been set up at Swedavia's airports since the autumn of 2014 contribute to the Group's sustainability work. Passengers, visitors and employees can place empty aluminium cans and plastic bottles in the receptacles for recycling. For each aluminium can that is recycled, 90 per cent of the energy used to produce a new can is saved, which reduces the environmental impact and energy use. The deposit on these cans and bottles is a welcome cash injection for Swedavia's partner Doctors Without Borders, which provides medical and humanitarian aid to people afflicted by crises, war and natural disasters.

The beverage recycling initiative was a success from the very start. In just two months, 1,700 kilos of cans and 70,000 kronor in deposits were collected at Swedavia's airports. In 2015, Swedavia, together with Returpack, which is responsible for maintaining and emptying the receptacles, collected empty cans and bottles that generated a total of more than 460,000 kronor for Doctors Without Borders. The money is used in operations carried out in more than 60 countries around the world. At the same time, as a result of the recycled plastic, carbon dioxide emissions were reduced by a total of 17,500 kg.





Annual report 2015

Financial reports

Contents

Report of the Directors	44	Note 21 Investment properties	77
Consolidated accounts	51	Note 22 Biological assets	77
Consolidated income statement	51	Note 23 Non-current financial assets	77
Consolidated balance sheet	52	Note 24 Other long-term receivables	77
Changes in equity	54	Note 25 Holdings in associated companies and joint ventures	78
Consolidated cash flow statement	55	Note 26 Holdings in Group companies	79
Parent Company's accounts	56	Note 27 Financial assets and liabilities	79
Parent Company income statement	56	Note 28 Materials and supplies	80
Parent Company balance sheet	57	Note 29 Current receivables	80
Changes in equity	58	Note 30 Receivables from Group companies	80
Parent Company cash flow statement	59	Note 31 Other receivables	81
Notes	60	Note 32 Receivables from associated companies and joint ventures	81
Note 1 Corporate information	61	Note 33 Prepaid expenses and accrued income	81
Note 2 Accounting principles	61	Note 34 Assets held for sale	81
Note 3 Segment reporting	66	Note 35 Equity	82
Note 4 Net revenue	67	Note 36 Provisions	82
Note 5 Transactions with related parties	68	Note 37 Provisions for pensions	82
Note 6 Other operating income	68	Note 38 Other provisions	84
Note 7 Remuneration and compensation for auditors	68	Note 39 Deferred tax	84
Note 8 Employees and staff expenses	68	Note 40 Interest-bearing liabilities	85
Note 9 Depreciation, amortisation and impairment losses on tangible fixed assets/intangible non-current assets	72	Note 41 Long-term and current liabilities	85
Note 10 Other operating costs	72	Note 42 Borrowings	85
Note 11 Financial income and expenses	72	Note 43 Bank credit facilities	85
Note 12 Allocations and untaxed reserves	73	Note 44 Other liabilities	85
Note 13 Tax	73	Note 45 Accrued expenses and prepaid income	86
Note 14 Intangible non-current assets	73	Note 46 Financial risks	86
Note 15 Fixed assets	74	Note 47 Pledged assets and contingent liabilities	88
Note 16 Buildings and land	74	Note 48 Cash flow	88
Note 17 Field structures	75	Signatories to the Annual Report	89
Note 18 Electrical installations, vehicles and equipment	75	Audit Report	90
Note 19 New construction in progress related to tangible fixed assets	75	Statement of Compliance	91
Note 20 Fair value	76	Corporate Governance Report	92

Report of the Directors

The Board of Directors and the President and CEO of Swedavia AB (publ), Swedish corporate identity number 556797-0818, hereby submit their annual accounts for Swedavia AB and the consolidated financial accounts for the Swedavia Group for the year of operations 2015. The Report of the Directors is for the Group and Parent Company, unless otherwise indicated.

SWEDAVIA'S OPERATIONS

Swedavia is a State-owned company that owns, operates and develops the State-owned airports in Sweden. Swedavia's operations are divided into two segments, Airport Operations and Real Estate, at year-end 2015. The Airport Operations segment at Swedavia ran operations at ten airports in the national basic infrastructure of airports as determined by the Swedish government, which consist of Bromma Stockholm Airport, Göteborg Landvetter Airport, Kiruna Airport, Luleå Airport, Malmö Airport, Ronneby Airport, Stockholm Arlanda Airport, Umeå Airport, Visby Airport and Åre Östersund Airport. The airports are managed as and consolidated into an integrated airport system with shared corporate functions. Also included in the Group is the company Cityflygplatsen i Göteborg AB, which owns Göteborg City Airport (Säve Airport). Real Estate owns, develops and manages properties and developable land at and in the vicinity of Swedavia's airports.

Swedavia's task from the Swedish State includes working actively based on sound business principles and with long-term profitability to develop the transport sector and help achieve the Parliament's transport policy objectives. The overall objective of Swedish transport policy is to ensure the socioeconomically efficient, long-term sustainable provision of transport to citizens and businesses throughout the country. As per the instructions of its owner, Swedavia shall measure and report results for five indicators in the areas of access, quality of transport, safety, security, and environment. Swedavia's operations are funded by the revenue generated from operations.

VISION AND MISSION

Swedavia's vision is "Together we bring the world closer", and its mission statement is "We at Swedavia create added value for our customers through attractive airports and access. We continually develop our business together with our partners".

IMPORTANT EVENTS DURING THE YEAR

The year was dominated by continued good passenger growth, with an increase of 5.4 per cent compared to last year, which means a new passenger record for Swedavia.

In December, the Board of Directors decided to dismiss Torborg Chetkovich from her duties as president and chief executive officer, a position she had held since 2010. The Board then appointed deputy CEO Karl Wistrand as acting president and CEO. The work to recruit a new CEO has begun.

During the year, a number of new routes were launched to both domestic and international destinations. Capacity was also expanded on a number of existing routes. As a result of these developments, Swedish access was improved. Examples of new air links are SAS's investment in traffic between Stockholm and Hong Kong, Norwegian Air Shuttle's new routes between

Stockholm and Las Vegas as well as Puerto Rico, Swiss's launching of service between Gothenburg and Zurich, and Wizz Air's continued expansion in Malmö, including the new destination of Debrecen.

As passenger volume grows, Swedavia believes demand will increase for attractive office premises with good access to rail-based mass transit as well as domestic and international air links. In light of this trend, Swedavia has decided to build the SkyCity Office One complex, which consist of two buildings with 15,600 square metres of space. The first tenants are expected to move in at the end of 2017.

In February, Swedavia signed an agreement, via its subsidiary Swedavia Real Estate AB, with Bockasjö AB for the continued development of logistics properties at Göteborg Landvetter Airport. As a result of the agreement, the parties will form a joint venture to develop the area around the airport for logistics facilities. In the first phase, land will be prepared for the construction of logistics properties with some 100,000 square metres of space. In December, Swedavia sold land to the joint venture.

In June, Swedavia sold a portfolio of properties in logistics, hangar and office operations located at Stockholm Arlanda Airport, Göteborg Landvetter Airport and Malmö Airport. Swedavia formed a property company together with Alecta, Swedish Airport Infrastructure, which acquired the properties and whose task is to manage them. Through the company, a long-term engagement in properties is secured and the potential for the airports' development is enhanced.

The Land and Environmental Court has ruled on a new environmental permit for Stockholm Arlanda Airport. The ruling means that the airport can continue to be developed in line with expected passenger growth there. A ruling was also issued on a new environmental permit for Göteborg Landvetter Airport, which means the airport can continue to be developed and meet the region's long-term needs for air links. The Land and Environmental Court's ruling has been appealed. The main hearing in the Land and Environmental Court is planned for March 2016. Swedavia's own emissions of fossil carbon dioxide decreased somewhat in 2015 to 3,066 tonnes, which means that the sub-targets for the Group's goal of zero emissions by 2020 were again met and exceeded. In addition, Swedavia has decided to procure a service that entails, among other things, fuelling with renewable aviation fuel equivalent to the amount used on Swedavia's roughly 15,000 flights for business purposes each year.

Stockholm Arlanda Airport is one of ten airports around the world to be selected for the possible introduction of US border checks, so called US pre-clearance. Any implementation, which requires the final approval of Swedish and US authorities, is expected to make travel easier between the two countries and thus help enhance Swedish access. Negotiations are under way between Swedish and US authorities.

As part of Swedavia's task to enhance Swedish access, Swedavia lowered its charges to airlines by 3.7 per cent as of April 1, 2015. The reductions were made from what were already very competitive levels for comparable airports.

After taking over passenger services, including check-in and boarding, at five regional airports in 2014, during the year Swedavia enhanced its offering to include Visby Airport. During the year, the service was also incorporated into the airports' operating model, Basic Airport, which delivered good results at the airports in question.

In January 2015, Swedavia acquired all shares in the company that operates Göteborg City Airport (Säve Airport). Swedavia intends to end its involvement in the airport and in August signed a letter of intent with Serneke Group AB for the sale of the airport. Negotiations between Swedavia and Serneke Group AB continue as planned. Swedavia still has a commitment to maintain operations for part of 2016.

THE GROUP IN BRIEF¹

SEK M, unless otherwise indicated	2015	2014	2013	2012	2011
Net revenue ²	5,416	5,384	5,137	4,883	4,620
Operating profit	1,755	1,405	946	831	781
Operating margin, %	32.4	26.1	18.4	17.0	16.6
Profit before tax	1,547	1 162	686	554	556
Profit for the year	1,410	926	501	447	438
Earnings per share, SEK	0.98	0.64	0.35	0.31	0.30
Return on equity, %	22.7	17.7	10.9	10.8	11.2
Return on operating capital, %	14.5	10.3	7.1	7.4	7.6
Debt/equity ratio, times	0.7	1.4	1.9	1.9	1.6
Equity/assets ratio, %	51.8	36.5	30.5	29.1	32.7
Cash flow from operating activities	1,374	2,109	1,339	1,493	1,178
Capital spending	1,120	924	2,413	3,418	1,057
Average number of employees	2,787	2,516	2,369	2,380	2,265

¹ For definitions of terms, see page 110.

² Beginning in 2015, Swedavia has made minor adjustments in the definition of net revenue. Comparative periods have been restated.

NET REVENUE AND PROFIT

Consolidated net revenue for the full year totalled SEK 5,416 M (5,384), an increase of SEK 32 M, or 0.6 per cent compared to the previous year.

Operating profit was SEK 1,755 M (1,405), an increase of 24.9 per cent compared to the previous year. The operating margin was 32.4 per cent (26.1). The operating margin excluding capital gains was 15.4 per cent (19.6).

Revenue from Aviation Business increased SEK 167 M, which is largely explained by the increased passenger volume and changes in security screening regulations, which entailed higher compensation. Revenue from Göteborg City Airport, SEK 51 M, and increased revenue from ground handling, SEK 48 M, had a positive impact on Aviation revenue compared to the previous year. The reduced charges introduced on April 1, 2015, had an adverse effect of almost SEK 60 M. Aviation revenue was also adversely affected by SEK 44 M as a result of a retroactive final settlement of revenue for security screening for the period 2010-2015.

Revenue from Commercial Services fell SEK 134 M, which is mostly explained by SEK 193 M in lower rental income, a result of the sale of Swedavia's property portfolio in 2015 and its hotel property in 2014. Changes in the terms for the largest tenant in Retail, Food & Beverage also entailed lower revenue. Sales per departing passenger showed a positive trend. Revenue for Car Parking and Advertising increased compared to the previous year.

Other operating income increased SEK 558 M compared to the previous year. Other operating income consists mostly of capital gains from the sale of the property portfolio, SEK 820 M; the sale of land to the joint venture owned in partnership with Bockasjö AB, SEK 98 M; and a supplemental purchase price for the sale of land, SEK 20 M. Last year's figure consists of a capital gain from the sale of the hotel property, SEK 347 M.

Other external costs increased SEK 112 M compared to the previous year. The increase is attributable to higher costs for security screening as a result of more stringent requirements from the Swedish Transport Agency and the increased passenger volume. The increased passenger volume also entailed higher costs for operations and maintenance. The takeover of Göteborg City Airport entailed costs of SEK 37 M.

Staff expenses increased SEK 199 M as a result of an increase in the number of employees. The development of the Group's ground handling operations at the regional airports had an impact of SEK 40 M, while the takeover of Göteborg City Airport had an impact of SEK 47 M. Increased traffic and passenger volume and a change in the Swedish Transport Agency's security screening requirements entailed an increase in the number of employees. The change is also attributable to the effects of annual salary reviews. Ongoing development work to increase synergies entailed a decrease in the number of employees in management and support functions.

Depreciation, amortisation and loss impairments decreased SEK 31 M compared to the previous year. In 2014, loss impairments of SEK 57 M, attributable in part to the takeover of Göteborg City Airport of SEK, affected this item. In 2015, no depreciation was taken on assets held for sale, and for the same period in 2014 depreciation on these was SEK 18 M. The underlying depreciation increased compared to the previous year, which is a result of increased capital spending.

Net financial items totalled SEK -208 M (-242). Net financial items was adversely affected by SEK 52 M as a result of non-recurring effects from both the early and final settlement of interest rate derivatives. A reduction in borrowings and lower interest rates compared to the previous year had a positive effect on net financial items.

LIQUIDITY AND FINANCIAL POSITION

Equity in the Group at year-end totalled SEK 6,863 M (5,571) and the equity/assets ratio was 51.8 per cent (36.5).

Swedavia's borrowing at year-end totalled SEK 3,705 M, which is a decrease of SEK 3,184 M compared to the start of the year. The sale of the property portfolio allowed the Group's borrowings to be paid down. Swedavia's borrowings consist of notes issued of SEK 3,097 M, commercial paper issued of SEK 600 M and unused overdraft facilities of SEK 8 M.

The debt/equity ratio was 0.7 times, which was a decrease compared to the turn of the year, when the ratio was 1.4 times. On the balance sheet date, the Group's cash and cash equivalents totalled SEK 6 M. On the balance sheet date, Swedavia had credit facilities totalling SEK 700 M divided between a credit line of SEK 500 M and overdraft facilities of SEK 200 M, SEK 8 M of which was utilised on December 31.

CASH FLOW

Cash flow for the year totalled SEK -107 M (60). Cash flow from operating activities was SEK 1,374 M (2,109), which is SEK 735 M lower compared to the same period last year. The change is due to a lower figure after adjustments for items not included in the cash flow compared to the previous year and to a change in operating receivables and operating liabilities.

The cash flow from investing activities was positive and totalled SEK 1,943 M (-378). The sale of the property portfolio generated SEK 3,854 M. The transaction was reported in gross. Important assets sold were investment properties and important liabilities consisted of operating liabilities. Swedavia's investment in Swedish Airport Infrastructure had a SEK 790 M effect on cash flow from investing activities.

Cash flow for the year from financing activities totalled SEK -3,424 M (-1,671). As a result of the sale of the property portfolio, borrowings were paid down during the second half of the year. In 2014, the hotel sale was completed, which also allowed borrowings to be paid down.

CAITAL SPENDING

Capital spending for the year totalled SEK 1,120 M (924). Capital spending consisted mainly of investments in security screening equipment, vehicles, a new multi-storey car park at Stockholm Arlanda Airport, baggage handling

facilities at Stockholm Arlanda Airport and the safety classification of the runway system at Bromma Stockholm Airport.

FINANCIAL TARGETS

Swedavia's financial targets consist of a profitability target, which entails a return on operating capital of 7 per cent, and a gearing target, which specifies a debt/equity ratio of 1.0–1.5 times.

These financial targets are long-term, which means that performance may exceed or fall below the targets as a result, for instance, of fluctuations in the economy. The values are based on a combination of historical performance and the company's expected ability to achieve the targets over the years ahead.

DIVIDEND POLICY

The normal dividend shall be between 30 and 50 per cent of the year's profit excluding capital gains on the sale of properties and excluding changes in value and related tax. Dividend decisions shall take into consideration the company's operations and the capital structure target (a debt/equity ratio of 1.0–1.5 times).

SHARES

Swedavia AB (publ) has issued 1,441,403,026 shares, which comprise a single share class, and all shares have equal voting rights in the company. All shares are held by the Swedish State; the State's holdings in Swedavia were administered by the Ministry of Enterprise and Innovation as of December 31, 2015. The par value of a share is one Swedish krona.

ACQUISITIONS AND DISPOSALS

In December, Swedavia sold land to a company it jointly owns with Bockasjö AB. The transaction entailed a capital gain of SEK 98 M.

On June 30, 2015, the property portfolio that had been recognised as assets held for sale since April 2014 was sold. The sale was completed at an underlying property value of SEK 3,950 M. The capital gain had an effect on the operating income for the Real Estate segment of SEK 929 M and in the Group of SEK 820 M. The portfolio was sold to the newly formed associated company Swedish Airport Infrastructure. Swedavia acquired holdings in Swedish Airport Infrastructure for SEK 790 M. These holdings are reported in the Real Estate segment.

MARKET

Passenger volume increased 5.4 per cent (6.4) during the full-year 2015. International passenger volume increased 7.6 per cent (7.9), while domestic passenger volume increased 1.5 per cent (3.8). Demand for international flights was strong throughout the year. The domestic market got off to a weak start to the year, but during the second half of the year, domestic air travel also increased at Swedavia's airports.

The increase in international passenger volume is driven by Swedish demand for air travel as well as increased travel to Sweden from other countries. Some of the growth in 2015 was driven by the transfer of air traffic at Göteborg City Airport to Göteborg Landvetter Airport. Swedish households have had good purchasing power as a result of national economic conditions over the past few years. Combined with an expanding offering from airlines, this has led to increased demand among Swedes for international travel. Improved access to Sweden by air is considered to have increased travel to Sweden from other countries.

In intercontinental scheduled operations, passenger volume continues to rise. The growth in 2015 was primarily on existing routes. However, the new direct route to Hong Kong entailed increased intercontinental volume for both passengers and cargo. In other long-haul traffic, the US and the Middle East

mostly accounted for increased passenger volume during the year. Charter traffic overall fell somewhat at Swedavia's airports.

Airlines generally reported a high passenger load factor throughout the year. Seasonally adjusted passenger growth shows that international air travel reached record volumes in 2015.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

Risk management at Swedavia is aimed at ensuring the Group's ability to achieve its business objectives and be well prepared to meet change both internally and externally. Swedavia's risk management methods are harmonised with ISO 31000 standards and are described in a risk management framework. Governance is made concrete through a risk management policy, financial policy and credit policy with related guidelines for the purpose of describing the risk management process. Carrying out proactive risk management is an important tool in Swedavia's drive to provide greater access for passengers and other customers. Through continuous, systematic risk management, we direct decisions, priorities and change work toward our overall objectives.

Definition of risk criteria and risk management principles

Strategic risks – Risk of loss or other adverse consequence that affects Swedavia's sustainable development. In general, this risk has a great effect on the Group as a whole.

Operational risks – Risks as the result of insufficient, inefficient or non-functional internal processes, human error, problems with technical systems or external events.

Financial risks – Currency risks, interest rate risks, credit risks, commodity price risks and liquidity and refinancing risks are included within the framework for financial risk management.

Swedavia's risks shall be managed based on the principles of responsibility, equality and proximity.

The principle of responsibility entails that the person who is responsible for an operation is responsible for its risks. Responsibility thus includes ensuring that the risk owner of that operation takes measures to ensure the robustness of the operation's processes and works for a high level of risk awareness.

The principle of equality states that an operation shall function as far as possible in the same way during a serious incident as under normal conditions. The principle of proximity states that risks shall be managed where they may occur in the organisation and by whoever the risk owner is. However, sometimes a risk may not be managed at the level in question; in such cases a risk committee may supervise the risk owner.

There is also what is known as the precautionary principles, which is aimed at proactivity. This is enforced through the mandatory completion of risk analyses on a continuous basis when there are changes and projects. Swedavia's airport operations strive for a low level of risk taking, which safeguards Swedavia's brand and meets the requirements of its owner, oversight authorities, partners and customers in line with Swedavia's business strategy.

Risk identification and risk assessment

Risk identification is carried out on a continuous basis in Swedavia's operations at the strategic level and in all operations. In Swedavia's management system structure, risk work is included in the "planning and preparing" control process, which serves as a basis for the airports' and corporate units' work with business planning. The risks specified in the business plans and quarterly reports are checked on a continuous basis against Swedavia's overall top risks.

Risk identification can lead to the start of work with risk change

management. For each identified risk, a risk owner and measures to manage risk changes are documented. All the risks and types of risks in operations are assessed and compiled into risk banks, which are continuously updated within the framework for the executive management's review and work with business plans. Risks in the risk bank are aggregated and reported on a quarterly basis.

Reporting

The operations' risks are reported on a quarterly basis as part of the strategy and business planning process with a focus on risks based on strategies, objectives, targets and activities. The risk values and activities are assessed. Based on the risk banks reported from operations, the relevant risks are aggregated up to the Group level for assessment. The risks assessed then constitute the basis of a Group-wide risk report that is adopted by the Group management prior to the preparation of matters in the Audit Committee and a Board decision.

Control and monitoring

Necessary preparations to consider Group-wide risk matters are made in the Risk Committee, which meets on a quarterly basis. The Risk Committee constitutes a cross-functional platform to prepare matters for decision-making concerning strategic and Group-wide risks. Internal auditors examine, test and validate the effectiveness of Swedavia's risk management through audits of the risk management function and the risk work being carried out in the operations.

RESULTS IN 2015

The risk work at Swedavia during the year resulted in analyses and measures to manage a number of risks associated with our sustainability targets, customers, social development, environmental concern and economy.

Customer

Swedavia strives to continuously develop, improve and create flexibility in operations in order to have a focus on customers. To meet increased demand in the short term, efficient flows in the existing infrastructure are needed. In the long term, the demand for more capacity is met through development plans that then result in investment plans. There is a risk in terms of the ability to make accurate assessments of the demand for capacity and in the ability to implement development plans at a fast enough pace. There is also a risk that Swedavia will not be able to translate insights and customer needs into new ventures and business opportunities quickly enough, which could lead to declining profitability. To ensure increased growth and the potential to take advantage of business opportunities in the long term, extensive business intelligence is carried out.

Social development

Events such as extreme weather conditions, operational downtime, a terrorist act or labour dispute could entail a shutdown or disruption in airport operations and Commercial Services. The airports' aviation safety and security work is aimed at preventing and minimising the effects of any incidents in Swedavia's operations. With effective safety and security work combined with effective risk work, disruptions in airport operations shall never affect aviation safety and security. Swedavia works actively with crisis management and continuity plans and carries out exercises to increase risk awareness and the competency levels of our employees, partners and government authorities.

Being an attractive employer that attracts and retains the right employees is an important part of Swedavia's drive to secure the supply of future talent and thus minimise dependence on key people at all levels of the Group. With a precise breakdown of targets and clear leadership, we motivate and engage our employees, which also results in an improved employee satisfaction index (ESI).

Environmental concern

The most important part of the ruling was a lifting of the ban on straight approaches to Runway 3, which was a condition in the previous permit. Instead a condition was imposed on Swedavia whereby the airport shall use other approach methods to avoid the built-up portion of Upplands Väsby when possible, in consideration of the airport's capacity, air traffic management regulations, aviation safety and weather conditions. The so-called emissions cap was also eliminated and replaced with an action plan aimed at reducing atmospheric emissions and which includes both air traffic and ground transport to and from the airport. This is Swedavia's most important strategic issue, and the risk associated with Stockholm Arlanda Airport's environmental permit is managed with the highest priority.

Economy

Swedavia carries out work on a continuous basis to make operations more efficient, which is required to meet performance targets and over time achieve a high equity/assets ratio to withstand periods of decelerating growth in traffic and passengers. Very complex infrastructure investments are needed as a result of increased demand and a fast pace of change. That constitutes a challenge in terms of priorities, funding and resource use. There is a risk of insufficient quality in the planning process and in the assessment of long-term future development and capacity needs, which could produce inaccurate data for decision-making. In order to counter and control this risk and to manage and give priority to the company's investment funds, the investment process has been developed and a forum for capital spending and contracts has been established. Swedavia's customers operate in



a market subject to intense competition, where there are a small number of major airline customers and changes occur rapidly. The risks that Swedavia faces because of uncertainty about the economy and airlines in financial imbalance include the risk of lower revenue as a result of lower profitability if costs cannot be reduced to the same extent and the risk of credit losses as a result of airlines or other customers going bankrupt. Swedavia strives to increase flexibility in costs, create action plans to handle a decline in traffic and bolster its business intelligence about customers' economic situation in order to minimise credit losses in conjunction with any bankruptcy. The Group's financing activities and management of financial risks are centralised in the Group Finance function. Operations are carried out based on a financial policy adopted by the Board of Directors which is characterised by a low risk level. The aim is to minimise the Group's capital costs through effective funding solutions and effective management and control of the Group's financial risks. For more information about definitions and the management of financial risks, see Note 46 on pages 86–87.

SENSITIVITY ANALYSIS

A sensitivity analysis shows how a change in different parameters, both internal and external, affects the company's performance and financial position. The three parameters that have the greatest impact on performance are passenger volume, staff expenses and interest rates. Swedavia's situation can generally be described as one where revenue essentially is variable while costs are relatively fixed. That means flexibility is limited in terms of the ability to adjust costs in case revenue should fall.

Parameter	%	Effect on profit
	+1	+34
Passenger volume	+1	+34
Salary level	+1	-16
Interest rate level	+1	0

Passenger volume

The number of passengers who fly to or from one of Swedavia's airports constitutes the basic condition for all revenue the company generates. About 60 per cent of Swedavia's revenue comes from Aviation Business and consists of infrastructure services aimed at airlines and ground handling companies. Revenue from Aviation Business consists of airport charges, including passenger and take-off charges, which are related to the number of passengers, the number of aircraft movements and aircraft take-off weight in tons. A change in the number of aircraft movements, aircraft tonnage and the number of passengers directly affects Swedavia's revenue. Swedavia's other revenue comes from Commercial Services, which is revenue from commercial services connected with the airport. This consists of revenue from car parking and the leasing of premises for shops, offices, restaurants and logistics. Rental revenue is based largely on its customers' revenue, which means Swedavia's revenue depends on its tenants' sales, which in turn depend directly on the number of passengers at the airport. An increase in passenger numbers means that Swedavia's revenue immediately rises while a decrease means revenue immediately falls. The correlation between percentage change in passenger volume and percentage change in revenue is not linear; instead there is some difference due to route development discounts, differentiated charges for domestic and international traffic and rental revenue, which depends partly on customer revenue. A negative change in passenger growth of 1 per cent has a negative impact on Swedavia's revenue of SEK 34 M (33) on an annualised basis.

Salary level

With an average of 2,787 employees (2,516), Swedavia's staff expenses totalled about SEK 1,675 M (1,476). A 1 per cent change in staff expenses would have a SEK 16 M (15) on an annualised basis.

Interest rates

As of December 31, 2015, Swedavia had external borrowings of SEK 3,704 M (6,889), which is 28 per cent (44) of the balance sheet. Swedavia is sensitive to changes in interest rates, which affect the company's financial expenses. As of December 31, 2015, 99 per cent of external funding is hedged via financial instruments, which means a 1 per cent increase in interest rates would have a SEK 0 M (13) effect on Swedavia's interest rate expense. However, given the current interest rate situation, a 1 per cent decrease in interest rates would have a SEK 20 M effect on Swedavia's interest rate expense. Current lock-in periods and financial instruments are taken into account in calculating the sensitivity analysis. The analysis thus reflects the actual risk on the balance sheet date.

Other factors affecting performance

There are also other factors that could have an impact on profits in both the short and long term. One critical factor, especially in the long term, is the environmental permits required for Swedavia's operations. A change in these could affect operations on a large scale. In the short term, any extreme weather conditions or natural disasters constitute the main factors that have an immediate impact on air traffic and thus a negative impact on revenue. Interest rate changes also affect Swedavia's pension liability, which means that if the discount rate falls, Swedavia must add funds to the provision for its pension liability. Swedavia is also sensitive to policy decisions that can affect air traffic as well as to changes in the general public's attitudes to air traffic.

ONGOING LITIGATION AND DISPUTES

Swedavia is a party to ongoing litigation and disputes. Legal proceedings and disputes are unpredictable by nature, and the actual outcome may deviate from the assessments Swedavia has made.

CORPORATE GOVERNANCE REPORT

The Corporate Governance Report is a separate document from the Annual Report and is released in conjunction with the publication of the Annual Report.

WORK OF THE BOARD OF DIRECTORS

Under the Articles of Association, Swedavia AB's Board of Directors shall consist of at least six and at most nine regular Board members. In addition, there are two regular employee representatives plus their two deputies. Swedavia's Chief Legal Counsel is the Board secretary. The CEO is not included on the Board but presents reports at the Board meetings. The Board is responsible for the organisation of the company and the Group and for the administration of the company's affairs. None of the Board members is part of the executive management. During the financial year 2015, the Board held twelve meetings, one of which was statutory and two were extra meetings. The meetings concerned, among other matters, the assessment of the CEO, business operations including the strategic sustainability plan, the annual and sustainability report and related reports. The Board also considered investments and procurement processes. Swedavia's pricing model for airlines, and acquisitions and disposals. Coordination with regard to the Swedish Government's inquiry into Bromma Stockholm Airport was also considered during the year.

The Board has an Audit Committee and a Remuneration Committee. The

Audit Committee's tasks include taking responsibility for preparing matters for the Board's work to quality assure the company's financial reporting and maintaining an ongoing dialogue with the company's auditors. The Remuneration Committee has the task of preparing matters pertaining to remuneration and other employment terms for executive officers. Further information about corporate governance, the composition of the Board and internal control can be found in the Corporate Governance Report.

EMPLOYEES AND SWEDAVIA

Swedavia's values, leadership and sustainability work constitute the foundation of the corporate culture. Swedavia should be an attractive employer, with airports that people look forward to visiting. Engaged employees with the right competencies and a desire to develop are critical to Swedavia's future. The work is carried out with a focus on sustainability and ambitious objectives in the areas of employeeship, leadership, talent management, occupational health and safety, and diversity. Each year, Swedavia conducts an employee survey to measure employee satisfaction. The employee satisfaction index (ESI) has gradually increased each year, and the result in 2015 was 86 per cent satisfied employees, which met and exceeded Swedavia's target of 85 per cent in 2020. At year-end 2015, the number of employees, regardless of the form of employment, was 3,352 (3,248). Restated as average number of employees during the financial year (see definition on page 110), the number was 2,787 (2,516). The increase in employees was due in part to the development of ground handling at the regional airports and consolidation of Göteborg City Airport. Expanded security screening regulations along with the increase in traffic and passenger volume entailed an increase in full-year employees in airport operations. The breakdown by gender was 34 (35) per cent women and 66 (65) per cent men. Further information about employees can be found in Note 8 on pages 68-72.

Effective talent management

During the year, Swedavia continued to develop the processes in the area of talent management. A modified competence report was developed for tests used during the recruitment process. The competence report is based on the Group's competence bank and ensures that the tests used to select candidates comply with the requirements for the different job profile requirements. During the year, a brand new process for employee development was established. Personal Engagement and Performance (PEP) is a process mainly aimed at increasing engagement by ensuring that all employees have a development plan and productive employee reviews and that every employee has personal and challenging goals.

Leadership

A crucial role for leaders at Swedavia is to create the conditions that enable employees to take responsibility for the company achieving our objectives and targets. These leaders are the key to our vision and values extending into our operations. We work continuously to strengthen our leaders, in part by developing communication tools to use in the dialogue with employees. Compulsory leadership training programmes are carried out to create a common platform for leadership and individual development.

Occupational health and safety

Occupational health and safety have high priority at Swedavia. Our employees shall have a physical and psychosocial work environment that enables them to be healthy and thus work and perform to their best potential. Swedavia works actively with occupational rehabilitation in case of repeated short-term absences due to illness as well as longer such absences. Swedavia also works to develop measures and tools to prevent injury. This

is important since many of our employees have physically demanding tasks. Employees are supported and encouraged to take responsibility for their health through occupational healthcare service, crisis management support and subsidies for fitness activities. All employees have an employee insurance programme for illness and occupational rehabilitation via Swedavia aimed at quickly providing the help they need. Swedavia also has a service that includes an internal rehabilitation coordinator who was appointed in order to increase the quality and speed of the crucial rehabilitation process. Swedavia has a zero tolerance policy on bullying and harassment.

Diversity and gender equality

At Swedavia, diversity and an inclusive approach are a strategic issue and a priority. Having carefully prepared, inclusive diversity work is critical to our business because Swedavia operates from the assumption that people's differences enrich us. Having a diversity perspective in the choice of suppliers is also an increasingly important issue in enhancing the contribution to social well-being. In 2015, Swedavia continued the work to set clear goals in the area of diversity in operations. In 2018, Swedavia shall have gender-equal occupations and shall have gender balance, with a gender breakdown of 40–60 per cent. Swedavia's aim is also, by 2018, for at least 23 cent of Swedavia's employees to have a foreign background.

Leadership and employeeship principles and ethical guidelines

Swedavia's approach to leaders and employees is clarified in five principles which are based on Swedavia's values and are aimed at providing a standard platform for the day-to-day work. These principles, which are based on Swedavia's vision, values and Code of Conduct are: a focus on business, a good role model, courage to be better and clear communication. To ensure that everyone at Swedavia is familiar with our employee principles and our Code of Conduct, these concepts and guidelines and what they entail are included in our introductory training programme for all new employees, "Welcome to Swedavia". Moreover, all new leaders are trained in Swedavia's Bribery Policy and Guidelines for External Business Entertainment through a web-based programme. Leaders' and employees' compliance with these principles and guidelines in their day-to-day work is monitored through our performance review process, in which behaviour is assessed and strengths and areas for development are identified in order for them to continuously develop in line with these principles.

REMUNERATION TO EXECUTIVE OFFICERS

The term executive officers refers to the people who, together with the President and CEO, constitute the executive management and/or report directly to the President and CEO. The Swedish Government has established guidelines for remuneration to executive officers. Guidelines for remuneration to executive officers were adopted at the Annual General Meeting (AGM) held on April 29, 2015. Swedavia follows the Government's guidelines for terms of employment for executive officers in State-owned companies. For 2016, the Board proposes that the guidelines for remuneration to executive officers remain unchanged. The principles are presented in the Corporate Governance Report. Information about those involved and the company's process for handling remuneration to executive officers is presented in Note 8 on pages 68-72.

ENVIRONMENTAL PERMIT

Swedavia carries out operations subject to the conditions of its environmental permits under the Swedish Environmental Code. These consist primarily of operations that are hazardous to the environment under Chapter

9 (airport operations) and water operations under Chapter 11 (ponds, treatment facilities and groundwater redirection). Swedavia must therefore have an environmental permit for each airport in order for the company to be allowed to operate the airports. At year-end 2015, Swedavia was responsible for nine airports, including Göteborg City Airport, subject to conditions in its environmental permits under the Swedish Environmental Code. The Swedish Armed Forces was responsible for the environmental permits for the remaining two, Luleå Airport and Ronneby Airport. Swedavia's primary environmental impact is atmospheric greenhouse gas emissions, mainly carbon dioxide. The largest source of the company's emissions is exhaust from vehicles and the operation of terminals and other buildings. Another significant environmental impact is discharges into the ground and water, mainly of oxygen-depleting substances from the deicing of runways and aircraft. The vicinity of the airports is also affected by aviation noise as a result of airport operations. On November 21, 2014, the Land and Environmental Court issued its ruling in the case concerning Stockholm Arlanda Airport's application for a new environmental permit. Three parties appealed the ruling: the Municipality of Vallentuna, the neighbourhood association against aviation noise Föreningen Väsbybor mot Flygbuller and one private individual living in Sollentuna. The Supreme Court dismissed the appeals, and the ruling entered into force on May 25, 2015. Stockholm Arlanda Airport plans to exercise the new permit as of January 1, 2016. Although the permit is new, Swedavia has identified a flaw in Condition 5 which prevents the airport from complying with this condition. Swedavia has therefore applied for an amendment with the Land and Environmental Court. In the new permit, the emissions cap, which set a limit on carbon dioxide and nitrogen oxide emissions, was eliminated and replaced with an action plan for atmospheric emissions of fossil carbon dioxide, nitrogen oxide and particulate matter. The action plan shall include Swedavia's operations and the operations of other companies and organisations at the airport as well as ground transport and air traffic. The condition regulating overflights of Upplands Väsby means that regular straight approaches over the built-up portion of Upplands Väsby are now allowed, but the airport is to use other approach methods to avoid that area when possible, taking into consideration the airport's capacity, air traffic management regulations, aviation safety and weather conditions. During the year, Göteborg Landvetter Airport, Kiruna Airport, and Visby Airport worked on permit applications for their own brand-new permits. The airports have old permits under the Swedish Environmental Protection Act, and operations at these airports have changed over the years. The airports therefore decided to apply for new environmental permits. Göteborg Landvetter Airport submitted its application in April 2013, and Visby Airport submitted its application in July 2013. Kiruna Airport submitted its application in November 2015. The Land and Environmental Court ruled on June 17, 2015, on the case concerning Göteborg Landvetter Airport. The ruling was appealed by Swedavia and 18 other parties, including the Swedish Environmental Protection Agency and the West Götaland County Administrative Board. The main hearing in the Land and Environmental Court is planned to be held on March 15-17, 2016, and a decision is expected during the second quarter of 2016.

The Stockholm County Environmental Appeal Delegation issued a ruling in February concerning Visby Airport. The decision entails conditions concerning noise insulation for which Swedavia and the Swedish Armed Forces have submitted an appeal to the Swedish Government. The Government is expected to decide on the matter in the summer of 2016.

EVENTS AFTER THE BALANCE SHEET DATE

In January 2016, Stockholm Arlanda Airport implemented its new environmental permit. This means that the airport is now running operations fully in compliance with the rulings issued by the Land and Environmental Court in

2013 and the Land and Environmental Court of Appeal in 2014.

In January 2016, Swedavia's decision to reduce airline charges by an average of 0.8 per cent was announced. However, the decision has been appealed by the Swedish Transport Agency, which also issued an interim decision which entails a risk that the intended reduction, planned for April 1, 2016, will be delayed.

Beginning in February 2016, a new organisation for Security & Safety entered into force. In conjunction, Anders Lennerman left Swedavia. Mats Paulsson, formerly in charge of security and safety at Stockholm Arlanda Airport, was appointed the new director of Security & Safety.

THE PARENT COMPANY

The Parent Company's net revenue for the year totalled SEK 5,259 M (5,075), an increase of SEK 184 M. Operating profit totalled SEK 436 M (828) and the operating margin was 8.3 per cent (16.3). The increase in staff expenses compared to 2014 is explained by the increased number of employees and annual salary reviews. In the Parent Company, a change in the interest rate assumption related to the pension liability also had a significant negative mateffect on staff expenses. Profit before tax was SEK 594 M (327) and profit for the year was SEK 523 M (178).

PROPOSED DISTRIBUTION OF PROFIT

The following unrestricted equity is at the disposal of the Annual General Meeting, SEK:

Share premium account	2,161,354,539
Retained earnings	-57,764,208
Profit for the year	523,100,331
	2,626,690,662

The Board proposes that the profit be appropriated as follows:

Paid to shareholders SEK 0.161 per share	232,065,887
Brought forward	2,394,624,775
	2,626,690,662

ANNUAL GENERAL MEETING

Swedavia AB's Annual General Meeting takes place on April 28, 2016, at Stockholm Arlanda Airport. The Annual Report and other financial reports are available on Swedavia's website www.swedavia.com.

CALENDAR

Annual report 2015	March 31, 2016
Annual General Meeting 2016	April 28, 2016
Quarterly report Q1 2016	April 29, 2016
Quarterly report Q2 2016	July 18, 2016
Quarterly report Q3 2016	October 27, 2016
Year-end report 2016	February 14, 2017

For other matters concerning the company's results and position, see the income statements and balance sheets below.

Consolidated income statement

Amounts in SEK M	Note	2015	2014
Net revenue	3,4,5	5,416	5,384
Other operating income	6	965	407
Own work capitalised		94	94
External expenses	7	-2,121	-2,009
Staff expenses	8	-1,675	-1,476
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets	9	-915	-946
Other operating costs	10	-9	-49
Operating profit		1,755	1,405
Income from financial items	11		
Income from financial items and joint ventures	25	22	0
Interest income and similar items		4	6
Interest expenses and similar items		-234	-248
Profit after financial items		1,547	1,162
Tax	13	-136	-236
Profit for the year		1,410	926
Earnings per share			
Earnings per share before and after dilution, SEK		0.98	0.64
Number of shares		1,441,403,026	1,441,403,026

Consolidated statement of comprehensive income

Amounts in SEK M	Note	2015	2014
Profit for the year		1,410	926
Other comprehensive income:			
Items that can be reclassified to the income statement			
Cash flow hedges:			
Reclassified to the income statement		81	-
Change in fair value for the year		18	-186
Tax		-36	41
Items that cannot be reclassified to the income statement			
Revaluations of defined benefit pensions		42	-71
Tax		-9	16
Total other comprehensive income, net after tax		96	-201
Comprehensive income for the year		1,506	725

Consolidated balance sheet

Amounts in SEK M	Note	2015-12-31	2014-12-31
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	615	621
Other tangible non-current assets	15,16,17,18,19	10,515	10,389
Investment properties	20,21	181	150
Biological assets	20,22	85	86
Non-current financial assets	23,24,25	988	108
Total non-current assets		12,385	11,353
CURRENT ASSETS			
Materials and supplies	28	45	42
Trade receivables	46	451	424
Receivables from associated companies and joint ventures	31	113	0
Other receivables	32	141	93
Prepaid expenses and accrued income	33	118	211
Derivative instruments	20,27	–	3
Liquid assets	27	6	112
Total current assets		874	885
Assets held for sale	34	–	3,027
TOTAL ASSETS		13,259	15,265

Consolidated balance sheet (cont.)

Amounts in SEK M	Note	2015-12-31	2014-12-31
EQUITY AND LIABILITIES			
Equity	35		
Share capital		1,441	1,441
Other paid-in capital		2,162	2,162
Hedge reserve		-175	-237
Retained earnings		3,435	2,205
Total equity		6,863	5,571
Non-current liabilities	46		
Provisions	36,37,38	945	983
Deferred tax liability	39	447	363
Interest-bearing liabilities	40,42,18	2,412	3,107
Derivative instruments	20,27,43	209	375
Other non-current liabilities		9	15
Total non-current liabilities		4,022	4,843
Current liabilities	46		
Provisions	38	49	4
Interest-bearing liabilities	40,42,18	1,315	3,800
Derivative instruments	20,27	15	14
Trade payables		372	333
Other liabilities	44	82	156
Liabilities to associated companies and joint ventures	31	18	0
Accrued expenses and prepaid income	45	521	460
Total current liabilities		2,373	4,767
Liabilities attributable to assets held for sale	34	–	83
TOTAL EQUITY AND LIABILITIES		13,259	15,265

Pledged assets and contingent liabilities

Amounts in SEK M	Note	2015-12-31	2014-12-31
Pledged assets	47	–	–
Contingent liabilities	47	86	6

Changes in equity

Amounts in SEK M	Share capital	Other paid-in capital	Hedge reserves	Retained earnings	Holdings with non-controlling interest	Total capital
2014						
Equity, opening balance	1,441	2,162	-93	1,395	11	4,915
Dividend paid	-	-	-	-	-11	-11
Acquisition of minority interest	-	-	-	-54	-	-54
Adjustment	-	-	-	-4	-	-4
Comprehensive income for the year	-	-	-145	869	-	725
Equity, closing balance 2014-12-31	1,441	2,162	-237	2,205	-	5,571
2015						
Equity, opening balance	1,441	2,162	-237	2,205	-	5,571
Dividend paid	-	-	-	-231	-	-231
Adjustment	-	-	-	16	-	16
Comprehensive income for the year	-	-	62	1,444	-	1,506
Equity, closing balance 2015-12-31	1,441	2,162	-175	3,435	-	6,863

Consolidated cash flow statement

Amounts in SEK M	Note	2015	2014
Operating activities	48		
Profit after financial items		1,547	1,162
Adjustments for items not included in cash flow etc.		-13	718
Tax paid		-137	-115
Cash flow from operating activities before changes in working capital		1,397	1,765
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in materials and supplies		-4	5
Increase(-)/Decrease(+) in operating receivables		-73	141
Increase(+)/Decrease(-) in operating liabilities		53	198
Cash flow from operating activities		1,374	2,109
Investing activities			
Disposal of subsidiaries, net effect on liquidity		3,854	-
Acquisition/disposal of intangible non-current assets		-22	-187
Acquisition(-)/Disposal(+) of tangible fixed assets		-1,096	-754
Acquisition(-)/Disposal(+) of subsidiaries/other financial assets		-793	617
Acquisition of minority interest		-	-54
Cash flow from investing activities		1,943	-378
Financing activities			
Borrowings raised		4,563	5,001
Borrowings repaid		-7,748	-6,663
Dividend paid		-231	-10
Increase (+)/Decrease (-) in other financial liabilities		-8	1
Cash flow from financing activities		-3,424	-1,671
Cash flow for the year		-107	60
Liquid assets at the beginning of the period		112	52
Liquid assets at the end of the period		6	112

Parent Company income statement

Amounts in SEK M	Note	2015	2014
Net revenue	4	5,259	5,075
Other operating income	6	54	25
Capitalised work for own account		94	94
External expenses	7	-2,167	-2,097
Staff expenses	8	-1,858	-1,357
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets	9	-936	-912
Other operating costs	10	-9	-
Operating profit		436	828
Income from financial investments	11		
Income from holdings in Group companies		398	-202
Income from holdings in associated companies		-	-1
Interest income and similar items		33	71
Interest expenses and similar items		-277	-225
Profit after financial items		590	471
Appropriations	12	4	-144
Profit before tax		594	327
Tax	13	-70	-149
Profit for the year		523	178

Parent Company statement of comprehensive income

Amounts in SEK M	Note	2015-12-31	2014-12-31
Profit for the year		523	178
Other comprehensive income		-	-
Other comprehensive income		523	178

Parent Company balance sheet

Amounts in SEK M	Note	2015-12-31	2014-12-31
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	615	644
Tangible fixed assets	15,16,17,18,19	10,411	10,320
Financial non-current assets	23,24,25,26,39	986	1,012
Total non-current assets		12,012	11,976
CURRENT ASSETS			
Materials and supplies	28	41	38
Current receivables	29,30,31,33	1,424	3,662
Liquid assets	27	2	111
Total current assets		1,467	3,811
TOTAL ASSETS		13,479	15,787
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital (1,441,403,026 shares)	35	1,441	1,441
Unrestricted equity			
Share premium		2,162	2,162
Retained earnings		-58	-5
Profit for the year		523	178
Total equity		4,068	3,775
Untaxed reserves	12	1,982	1,967
Provisions	36,37,38	1,312	1,111
Non-current liabilities	40,41,42	2,413	3,114
Current liabilities	31,40,41,42,43,45	3,705	5,820
TOTAL EQUITY AND LIABILITIES		13,479	15,787

Pledged assets and contingent liabilities

Amounts in SEK M	Note	2015-12-31	2014-12-31
Pledged assets	47	–	–
Contingent liabilities	47	86	6

Changes in equity

PARENT COMPANY Amounts in SEK M	Restricted equity		Unrestricted equity	
	Share capital	Share premium	Retained earnings	Total capital
2014				
Equity, opening balance	1,441	2,162	-5	3,598
Profit for the year	–	–	178	178
Equity, closing balance 2014-12-31	1,441	2,162	173	3,775
2015				
Equity, opening balance	1,441	2,162	173	3,775
Dividend paid	–	–	-231	-231
Profit for the year	–	–	523	523
Equity, closing balance 2015-12-31	1,441	2,162	465	4,068

Parent Company cash flow statement

Amounts in SEK M	Note	2015	2014
Operating activities	48		
Profit after financial items		590	471
Adjustments for items not included in cash flow etc.		1,249	1,052
Tax paid		-146	-93
Cash flow from operating activities before changes in working capital		1,693	1,430
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in materials and supplies		-3	3
Increase(-)/Decrease(+) in operating receivables		2,052	779
Increase(+)/Decrease(-) in operating liabilities		364	316
Cash flow from operating activities		4,106	2,529
Investing activities			
Acquisition of intangible non-current assets		-22	-187
Acquisition(-)/Sale(+) of tangible fixed assets		-1,030	-706
Acquisition(-)/Sale (+) of subsidiaries/other financial assets		-	-71
Paid-in shareholder contribution		-50	-
Cash flow from investing activities		-1,101	-964
Financing activities			
Borrowings raised		4,563	5,001
Borrowings repaid		-7,700	-6,663
Dividend paid		-231	-
Increase (+)/Decrease (-) in other financial liabilities		-1	1
Group contribution received/paid in		256	193
Cash flow from financing activities		-3,113	-1,468
Cash flow for the year		-108	97
Liquid assets at the beginning of the period		111	14
Liquid assets at the end of the period		2	111



Notes

Notes

NOTE 1. CORPORATE INFORMATION

Swedavia AB (publ), Swedish corporate identity number 556797-0818, has its registered office in the Municipality of Sigtuna, Sweden. Swedavia AB is wholly owned by the Swedish State. Swedavia's task is to own, operate and develop the national basic infrastructure of airports decided by the Swedish government. That consists of ten airports: Bromma Stockholm Airport, Göteborg Landvetter Airport, Kiruna Airport, Luleå Airport, Malmö Airport, Ronneby Airport, Stockholm Arlanda Airport, Umeå Airport, Visby Airport and Åre Östersund Airport. It also includes the company Cityflygplasten i Göteborg AB, which owns Göteborg City Airport (Säve Airport).

Regulations governing operations

Swedavia's operations are mostly regulated by Swedish and European regulations, with the most important regulations for running airport operations consisting of, among others:

- Swedish Environmental Code (1998:808), with subsequent regulations requiring a permit for airport operations
- Swedish Civil Aviation Act (2010:500), with subsequent regulations governing, among other issues, permission to establish an airport
- Swedish Civil Aviation Security Act (2004:1100) concerning searches of persons and baggage in security screening
- Swedish Aerodrome Ground Services Act (2000:150) concerning the responsibilities of the airport operator in opening up airports with more than 2,000,000 passengers/year to external ground services providers
- Swedish Act on Airport Charges (2011:866) regulating requirements for consultation on airport charges with the users, airlines

NOTE 2. ACCOUNTING PRINCIPLES

Conditions for preparation of the Parent Company's and consolidated financial reports

The consolidated accounts for Swedavia and its subsidiaries have been prepared in conformity with the International Financial Reporting Standards (IFRS) to the extent these have been adopted by the European Union (EU).

The Parent Company applies Sweden's Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for legal entities. The differences arising between the Parent Company and consolidated accounting principles are due to restrictions on applying IFRS in the Parent Company as a result of Sweden's Annual Accounts Act and Pension Obligations Vesting Act as well as, in some cases, the connection between accounting and taxation.

In this report, the Swedavia Group is called "Swedavia" or "the Group", and Swedavia AB is called either by its full name or "the Parent Company".

Reporting for the Group and the Parent Company is in millions of Swedish kronor (SEK M) unless otherwise indicated. The amounts reported have in some cases been rounded off. Figures in parentheses are for the previous year.

Non-current assets, non-current liabilities and non-current provisions consist in all essential respects only of amounts that are expected to be recovered or paid after more than twelve months calculated from the balance sheet date. Current assets and current liabilities consist in all essential respects only of amounts that are expected to be recovered or paid within twelve months calculated from the balance sheet date.

Assets, provisions and liabilities have been recognised at cost unless otherwise indicated below. Financial assets and liabilities have been recognised at amortised cost, apart from derivative instruments, which are recognised at fair value. Biological assets are recognised at fair value; see Note 22. For information concerning valuation and information about fair value under IFRS 13, see Note 20.

New accounting principles

The following are new and amended standards and interpretations that entered into force on January 1, 2015:

- IFRIC 21 Levies. The interpretation clarifies when liabilities for levies/taxes are imposed by government agencies or similar bodies on companies in accordance with laws/regulations with the exception of income taxes, penalties and fines. The interpretation specifies that a liability shall be recognised when the company has an obligation to pay the levy triggered by an event. A liability is recognised progressively if the obligating event occurs over a period of time. If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached. Since the owner of a property is liable to pay real estate tax on January 1, the interpretation means that Swedavia will recognise a liability for total real estate taxes on January 1.

New and amended standards and interpretations that enter into force in 2016 or later

- IFRS 9 Financial instruments. The standard concerns the classification and valuation of financial instruments, impairment and hedge accounting. The standard replaces IAS 39 Financial instruments: Recognition and measurement. The date for compulsory application is January 1, 2018. The standard has not been approved by the EU. Swedavia has not yet analysed all of the effects of the new standard, which however is expected to affect accounting and financial reports.
- IFRS 15 Revenue from contracts with customers. The standard concerns recognition of revenue from contracts and from the sale of some non-financial assets, and includes expanded disclosure requirements. The standard replaces IAS 11 and 18, IFRIC 13, 15 and 18, and SIC-31. The effective date is January 1, 2018: earlier application is permitted once the EU has approved the standard. Swedavia has begun to analyse the effects of the new standard, which is mostly expected to lead to an increase in information disclosed in Swedavia's Annual Report.

- IFRS 16 Leases. The standard requires that lessees recognise assets and liabilities for all leases unless the lease term is 12 months or less and/or the underlying asset has a low value. Accounting for lessors will be substantially unchanged. The standard replaces IAS 17 Leases and related interpretations IFRIC 4, SIC-15 and SIC-27. The effective date is the financial year that begins January 1, 2019, or later. Earlier application is permitted (once the EU has approved this) provided that IFRS 15 is also applied. The EU has not yet announced a preliminary date of approval. Swedavia has not yet analysed the effects of the new standard, which however is expected to affect Swedavia's accounting and financial reports.

Significant judgements and assumptions

In the preparation of financial reports in conformity with IFRS, the executive management is required to make judgements and assumptions that affect the application of the accounting principles and the amounts recognised for assets, liabilities, revenue and costs. These judgements and assumptions are based on historical experience and a number of other factors that seem reasonable under prevailing conditions. The actual outcome may differ from these assumptions and judgements. Judgements and assumptions are reviewed on a regular basis. Changes in assumptions are recognised in the period the change is made if it only affected that period, or in the period the change is made and future periods if the change affects both the current and future periods.

The most significant judgements and assumptions for Swedavia have been made in the following areas: valuation of goodwill through impairment testing (see Note 14), and assumptions in conjunction with provisions for pensions and other provisions (see Note 37 and 38).

The executive management's best judgement is used in conjunction with recognition of amounts involved in disputes since litigation and disputes are unpredictable in nature.

Consolidation principles

The consolidated financial accounts include the Parent Company and all the companies over which the Parent Company directly or indirectly has controlling interest. Controlling interest is assumed to exist when ownership entails at least 50 per cent of the votes in the subsidiary, but can also be achieved if controlling interest can be exercised over the operational and financial management. The Parent Company in all cases owns, directly or indirectly, shares/holdings in the companies included in the consolidated financial accounts. Subsidiaries are included in the consolidated financial accounts starting from the time controlling interest is achieved and are excluded from the consolidated financial accounts from the time controlling interest is no longer exercised. Where necessary, adjustments are made in the subsidiaries' financial statements to adapt their accounting principles to those used by the Group. All intra-Group transactions, dealings, income and expenditures are eliminated in consolidation.

Business combinations

Acquisitions of businesses are recognised using the acquisition method. Cost is calculated as the total fair value of assets purchased, liabilities that have arisen or are assumed, and equity instruments issued as payment in exchange for controlling interest over the acquired entity. Identifiable assets, liabilities and contingent liabilities acquired are recognised at fair value on the acquisition date. The premium that consists of the difference between the cost of the acquired holdings and the total fair value of the identifiable net assets acquired is recognised as goodwill. A discount is charged to the income statement.

Associated companies and joint ventures

Holdings in associated companies and joint ventures are recognised in the consolidated accounts using the equity method. The equity method

entails that the carried amount of shares in the associated company or joint venture is equivalent to the Group's share of the associated company's or joint venture's equity and any residual value of the consolidated premiums or discounts. The Group's share of the associated company's or joint venture's profit adjusted for any amortisation on or liquidation of premiums or discounts on acquisitions is recognised in the consolidated income statement as "Income from holdings in associated companies and joint ventures".

Elimination of transactions between Group companies

Intra-Group receivables and liabilities and transactions between Group companies as well as unrealised gains in conjunction with these are eliminated in full. Unrealised gains arising from transactions with associated companies and joint ventures are eliminated against "Holdings in associated companies and joint ventures" to the extent that the Group owns shares in the company. Unrealised losses are eliminated in the same way as unrealised gains as long as there is no need for impairment.

In 2015, Swedavia sold subsidiaries to a joint venture. In conjunction with the sale, Swedavia lost its controlling interest over these subsidiaries, which means that the companies were deconsolidated. The indirect holding of 50 per cent via the joint venture is recognised revalued at fair value in accordance with IFRS 10.

Segment reporting

A business segment is defined as a part of a company that carries out operations from which it can generate revenue and incur costs, whose operating profit is examined on a regular basis by the company's highest executive officer and for which there is independent financial information. Swedavia's operations are organised and run, based on two business segments, Airport Operations, which owns, operates and develops Swedavia's airports, and Real Estate, which owns, develops and manages properties and developable land at and around Swedavia's airports.

The basis of segment reporting is internal reporting. The Board of Directors and executive management mostly use operating profit by segment for their monitoring. Financial expenses, financial income and income tax are handled at the Group level.

Revenue

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

Revenue from Aviation Business consists of revenue related to passengers, aircraft movements, ground handling & aircraft parking, and revenue from other aviation.

Revenue from Aviation Business is recognised in conjunction with the airlines' and ground handling companies' use of Swedavia's ranges of services on offer, that is, when there is a departure from one of Swedavia's airports.

Revenue from Commercial Services consists of revenue from car parking, Retail, Food & Beverage, other property revenue and other commercial services. Revenue from car parking is recognised in conjunction with a parking customer using a parking space. Revenue from Retail, Food & Beverage is salesbased, and preliminary revenue is recognised on a monthly basis, and there is final settlement at year-end. Property revenue consists of fixed lease charges, which are recognised during the period of the lease, and sales of energy and telecom services, which are recognised when the service is provided. Advertising revenue consists of the sale of advertising space, and revenue is recognised during the period the space is used. For other services, revenue is recognised when such a service is provided. Discounts provided have reduced net revenue.

Revenue is recognised as the fair value of what has been received or will be received. Revenue is only recognised if it is likely that economic benefits will flow to the Group and these benefits can be reliably estimated. If there is later uncertainty as to the likelihood of receiving payment for amounts already

recognised as revenue, the amount for which payment is no longer likely is recognised as a cost instead of as an adjustment in the amount of revenue originally recognised.

Financial income and expenses

Financial income consists of income on invested funds, dividends, the gain on a change in value in financial assets recognised at fair value through profit or loss and such gains on hedging instruments as are recognised in net financial items.

Financial expenses consist of interest expenses on liabilities to credit institutions, effects of reversing provisions calculated at their present value, the loss on a change in value in financial assets recognised at fair value via profits and losses and such losses on hedging instruments as are recognised in net financial items.

Interest income and interest expenses on financial instruments are recognised using the effective interest method. Dividend income is recognised when the right to receive a dividend is established. Foreign exchange gains and losses are offset.

Tax

The Group's total tax consists of current tax and deferred tax. Tax is recognised in the income statement except when the underlying transaction is recognised in other comprehensive income. Current tax is tax that is to be paid or received for the year in question. Current tax is calculated based on the taxable profit for the year. Taxable profit is distinguished from profit recognised in the income statement. The difference concerns revenue that is subject to tax and expenses that are deductible in other years (temporary differences) as well as items that are not subject to tax or are not tax-deductible (permanent differences). The Group's current tax liability is calculated using the tax rates that are in effect on the balance sheet date. An adjustment in current tax attributable to earlier periods is also recognised as current tax.

Deferred tax is calculated using the balance sheet method based on the temporary differences between book and tax values of assets and liabilities. Deferred tax is calculated using the tax rates and tax regulations that are decided or advised on the balance sheet date. Temporary differences attributable to consolidated goodwill and asset acquisitions are not taken into account, and normally nor are differences attributable to holdings in subsidiaries, associated companies and joint ventures that are not expected to be taxed within the foreseeable future. Untaxed reserves including deferred tax liability are recognised for legal persons. However, in consolidated accounts, untaxed reserves are divided into deferred tax liability and equity. Deferred tax assets for temporary differences and loss carryforwards that are tax-deductible are only recognised to the extent it is likely that a taxable profit occurs against which tax-deductible temporary differences can be used. The book value of deferred tax assets is reviewed on each closing date. Deferred tax liabilities are normally recognised for all temporary differences subject to tax.

Intangible non-current assets

The Group's intangible non-current assets consist of goodwill and other intangible non-current assets. Goodwill arises when the cost for the acquisition of shares in a subsidiary exceeds the fair value of the identifiable net assets of the company acquired. Goodwill is recognised at cost less any impairment loss. Goodwill has an indeterminable expected useful life, and an impairment review is carried out at least once a year.

Other intangible non-current assets consist mostly of noise insulation for the properties of others. Straight-line amortisation is used for noise insulation measures and is reviewed annually. Useful life shall correspond to the time the environmental permit or conditions contained therein are in effect but never more than 25 years.

Tangible fixed assets

Tangible fixed assets excluding biological assets are recognised at cost minus accumulated depreciation and any accumulated impairment losses. Cost comprises the purchase price and expenditures directly attributable to the asset in order to convey it to its location and to use it for the purpose for which it was acquired. Borrowing costs are capitalised for large-scale construction and refurbishment projects to the extent they have arisen during the construction period and the interest expense constitutes a significant amount. Interest expenses are calculated based on the Group's average interest rate on all borrowings. Additional expenses are added to the asset's book value or recognised separately when it is likely that the company will derive future economic benefits attributable to the asset and the cost of the asset can be calculated in a reliable way.

Depreciation is recognised based on the expected and estimated useful life using the straight-line depreciation method. For cases where parts of the Group's assets consist of different components, where each part has an expected useful life that differs significantly from the asset as a whole, depreciation of such components occurs on an individual basis using the estimated useful life of each component.

Depreciation begins when the assets are ready for their intended use. The residual value and useful life are reviewed on an annual basis and adjusted if necessary.

New expenditures are added to the cost for the share of improvement in the asset's performance compared to the level that applied when it was originally acquired. Other new expenditures are recognised as a cost in the period they occur.

Depreciation principles for tangible fixed assets

Scheduled depreciation is based on cost minus estimated residual value. Depreciation is on a straight-line basis over the expected useful life of the asset or component. Useful life for the Group is:

Buildings and investment properties	
- Foundation and frame	20–60 years
- Roof	20–60 years
- Facade	20–60 years
- Interior walls	20–30 years
- Electrical installations	10–30 years
Equipment, buildings	5–30 years
Equipment, land	10–60 years
Field structures	10–60 years
Electrical installation, vehicles and equipment	3–10 years

Biological assets – standing timber

The Group's forest assets are divided into standing timber, which is recognised as a biological asset, and land, which is recognised as a tangible fixed asset. Standing timber is valued and recognised at fair value on each reporting date. Changes in fair value are recognised in the income statement. Fair value has been calculated as the present value of the discounted future return from long-term sustainable forest operations, that is, the expected future cash flow from forest operations. For further information, see Note 20 and 22.

Leases

Leases are classified in the consolidated financial accounts as either financial leases or operating leases. Financial leases arise when the economic risks and benefits associated with ownership in all essential aspects are transferred to the lessees. If that is not the case, then it is a question of an operating lease. The Group's significant leases are classified as financial leases and recognised as assets in the consolidated balance sheet. The obligation

to pay future leasing fees is recognised as a current or non-current liability. The leased assets are depreciated according to a set schedule while lease payments are recognised as interest and principal payments on the liabilities.

Impairment losses

On each balance sheet date, the Group analyses the book values of tangible fixed assets and intangible non-current assets to determine whether there is anything to indicate that these assets have decreased in value. If there is an indication of this, the replacement value is calculated in order to determine the value of any impairment loss.

In valuation of the airports, a systems approach is applied. Since the airports included in the national basic airport infrastructure are operated as a system, integrated and mutually dependent, the individual airports have been valued according to their systemic useful life rather than based on recognised profit. Operating the airports as a system means that it is not possible to isolate cash flow attributable to individual airports included in the system on a meaningful basis. Therefore the system of airports that are included in Sweden's national basic infrastructure is treated as a single cash-generating unit.

An impairment loss is recognised in the income statement. If an impairment loss is reversed, it is done so only to the extent that the book value of the asset does not exceed the book value, minus depreciation, if no impairment loss had been made. A reversal of an impairment loss is recognised in the income statement. A reversal of an impairment loss is never recognised for goodwill.

Inventories are recognised at the lower of cost using the first-in first-out method or fair value. As a result, obsolescence risks are mitigated.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies have been translated at the exchange rate on the balance sheet date. Exchange rate differences for operating receivables and operating liabilities are included in the operating profit, while exchange rate differences for financial receivables and liabilities are recognised in financial items.

Liquid assets

Liquid assets comprise cash and banking holdings that are immediately available.

Trade payables

Trade payables have a short expected maturity and are valued without discounting their nominal amount.

Financial instruments

A financial asset or financial liability is recognised in the balance sheet when an asset or liability arises under the terms of the instrument stipulated in the contract. A financial asset is derecognised from the balance sheet when the contractual rights are realised, expire or when the company loses control over it. A financial liability is derecognised from the balance sheet when the contractual obligation has been fulfilled or in any other way eliminated.

Financial instruments that are not derivatives are recognised at fair value plus or minus transaction costs, except for those financial assets belonging to the category of financial asset or liability recognised at fair value through profit or loss. Derivative instruments are recognised at fair value; increases and decreases in value are recognised on a regular basis as revenue or costs in other comprehensive income in cases where hedge accounting is appropriate. Financial assets and liabilities are offset and recognised as a net amount in the balance sheet when there is a legal right to offset and when the intention is to settle the items with a net amount or to realise the asset and settle the liability simultaneously.

On each balance sheet date, the company evaluates whether there are

objective indications that an impairment loss needs to be taken on a financial asset or group of financial assets as a result of events that have occurred. Objective indications could be a breach of contract such as a default or delay of payment of interest or capital, significant financial difficulties for debtors or deterioration in the creditworthiness of customers.

The book value after impairment losses on assets is calculated as the present value of future cash flow discounted by the effective interest rate that applied when the asset was recognised for the first time. Assets with a short maturity are not discounted. An impairment loss is charged to the income statement. The asset is eliminated from the balance sheet in the event of bankruptcy.

Financial assets recognised at fair value through profit or loss

This category includes derivatives with a positive value that are not intended for hedge accounting. Financial instruments in this category are measured at fair value with value changes recognised in the profit for the year. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, independent parties. In determining fair value, the official price listing in an active market or other observable market data are preferably used. If these do not exist, fair value is calculated with the aid of the methods that can be considered on each occasion to give the best estimate of fair value. Financial assets are valued at fair value based on hierarchy level 2 (see Note 20).

Loans receivable and trade receivables

This category includes loan receivables, trade receivables, receivables from associated companies and joint ventures, other receivables and liquid assets. These assets are valued at accumulated cost. Loan receivables and trade receivables with short maturities are valued at their nominal cost with no discounting. Trade receivables are recognised at the amount that is expected to be received minus any bad debts, which are judged on an individual basis.

Financial liabilities recognised at fair value through profit or loss

This category includes derivatives with a negative value that are not intended for hedge accounting. Financial instruments in this category are measured at fair value with value changes recognised in the profit for the year.

Other financial liabilities

Borrowings and other financial liabilities, apart from derivatives, are recognised at amortised cost. Amortised cost is determined based on the effective interest rate calculated at the time the amount was borrowed. This means that discounts/premiums and the direct costs of share issues are allocated over the maturity of the loan. Trade payables have short expected maturities and are recognised without discounting their nominal amount.

Non-current liabilities have an expected maturity of more than one year whereas current liabilities have a maturity less than one year.

Hedge accounting

General

Derivative instruments are recognised in the balance sheet on the contract date at fair value, both initially and in subsequent revaluations. The method for recognising profit or loss arising from revaluation depends on whether the derivative has been identified as a hedging instrument and, if so, the nature of the item hedged. The Group identifies some derivatives as a hedge of a given risk which is connected to a recognised liability or a very likely forecast transaction (cash flow hedge).

The Group uses derivative instruments to limit exposure to the negative effect of financial fluctuations on the Group's income statement, balance sheet and cash flow.

When the transaction is entered into, the relationship between the hedging instrument and the item hedged is analysed and assessed against the Group's risk management objectives for hedging. The analysis is

documented at the inception of the hedge and on a continuous basis, to ensure that the derivative instruments used in hedging transactions are effective in evening out changes in fair value or changes in cash flow for hedged items. Gains and losses on hedges are recognised in the profit for the year at the same time the gains and losses on the items hedged are recognised.

Changes in fair value for derivative instruments that do not meet the criteria for hedge accounting are recognised directly in the income statement.

Cash flow hedges

To hedge uncertainty in highly likely forecast interest cash flows related to borrowings at floating interest rates, interest rate swaps – in which the company receives a floating rate and pays a fixed rate – are used. Interest rate swaps are recognised at fair value on the balance sheet. The interest coupon portion is recognised directly in the profit for the year as part of interest expenses. Unrealised changes in fair value on the interest rate swaps are recognised in other comprehensive income and are included in the hedge reserve until the hedged item affects the profit for the year and as long as the criteria for hedge accounting and effectiveness are fulfilled. The gain or loss attributable to the non-effective portion of unrealised value changes on the interest rate swaps is recognised in profit for the year.

Hedge accounting has also been applied for commodity and currency derivatives. Currency derivatives are used mainly to lock in the exchange rate for future flows of foreign currencies, which arise mostly in conjunction with investments and with electricity trading. Commodity derivatives are used to hedge the risk of electricity prices that arises in the Group's business operations. Changes in the fair value of these derivative instruments are recognised in other comprehensive income and are accumulated in the hedge reserve under equity. The accumulated gains or losses in the hedge reserve are reclassified to the income statement in the same period that the hedged item affects profit.

When a hedging instrument or hedging relationship is terminated but the hedged transaction is still expected to occur, the accumulated gains and losses in the hedge reserve remain and are recognised in the profit for the year when the contracted or projected transaction is recognised in the income statement. However, if the hedged transaction is no longer expected to occur, the accumulated gains and losses in the hedge reserve are immediately reclassified to profit for the year.

Provisions

A provision is recognised in the balance sheet when the company has a formal or informal obligation as a result of an event occurring, it is likely that an outflow of resources is required to settle the obligation, and a reliable estimate of the amount can be made.

A present value calculation is made to take into account significant time effects of future payments. Provisions are divided into non-current and current provisions.

Restoration reserve

In conformity with the Group's published environmental principles and applicable legal requirements, a provision to restore contaminated assets shall be recognised when the asset is contaminated.

Restructuring reserve

A provision is recognised when a detailed restructuring plan has been adopted and the restructuring has either begun or been publicly announced.

Other provisions

Other provisions consist of provisions related to estimated amounts for disputes, onerous contracts, a provision for social security funds and other commitments. A provision for onerous contracts is recognised when the

expected economic benefits the Group expects to receive from a contract are lower than the unavoidable costs of fulfilling the terms of the contract.

Pensions

The Group has commitments to both defined benefit and defined contribution pension plans.

Defined benefit pension obligations

The transfer of agreed assets and liabilities for airport operations from LFV included the assumption of a defined benefit pension liability. Most of the defined benefit pension obligations after the transfer are in the form of paid-up pension policies, and no new pension rights accrue for these. The remaining defined contribution plans consist mostly of pension obligations under collective bargaining agreements and pension obligations as specified in transitional provisions adopted in conjunction with the conversion into a limited liability company of operations run previously under LFV. The expected present value of the defined contribution obligations is recognised in the balance sheet as a provision. The company's obligations are calculated at least once a year by independent actuaries. An obligation consists of the present value of expected future payments. The discount rate used corresponds to the interest rate on government bonds with a maturity that corresponds to the average maturity of the obligation. The assumption on the discount rate is made on a quarterly basis. The Group bears the risk of ensuring that the payments determined are effected.

A receivable/liability that is part of the pension obligation is recognised for the special payroll tax if the pension expense is lower/higher than the pension expense stipulated for a legal entity. The receivable or liability is based on the difference between these amounts and the present value is not calculated.

Defined contribution pension obligations

The defined contribution plan applies as of the date of the Group's formation and is secured through payments to insurance companies or managed funds. A defined contribution pension plan is a pension plan for which a company pays fixed contributions to a separate legal entity. The company subsequently has no legal or informal obligations to pay additional contributions to the employee's accrued pensions.

Contingent liabilities

A contingent liability is a possible obligation resulting from past events and whose occurrence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events, which are not entirely in the company's control, or there is an obligation resulting from past events but which is not recognised as a liability or provision since it is not likely that an outflow of resources will be required to settle the obligation, or the size of the obligation cannot be estimated with sufficient accuracy. No accounting is necessary when the likelihood of an out-flow of resources is extremely limited.

Assets held for sale

Assets that are classified as held for sale are recognised separately in the balance sheet. Liabilities attributable to assets that are classified as held for sale are recognised separately from other liabilities in the balance sheet. These assets are not offset.

PARENT COMPANY'S ACCOUNTING PRINCIPLES

The Parent Company prepares its financial reports in conformity with Sweden's Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for legal entities. The differences between the consolidated and Parent Company accounting principles are presented below. The accounting principles specified for the Parent Company have been applied consistently in all the periods presented in the Parent Company's financial reports.

Group contributions

Group contributions received and paid are recognised as appropriations.

Intangible non-current assets

The Parent Company recognises goodwill from the acquisition of assets that have an expected useful life of 20 years. Useful life reflects the company's estimation of the period under which future economic benefits that goodwill and other intangible non-current assets represent will flow to the company. Straight-line amortisation is applied over the expected useful life of the asset.

Associated companies and joint ventures

Holdings in associated companies and joint ventures are recognised in the Parent Company using the cost method. Dividends received are recognised in the income statement. In cases where a joint venture is a limited partnership, the value of the holding is adjusted by the value of the Parent Company's share of the limited company's net profit.

Group companies

Holdings in Group companies are recognised in the Parent Company using the cost method. The recognised value of holdings in a limited partnership changes annually by the Parent Company's share of the limited partnership's net profit and any withdrawals or contributions made during the year.

Equity

Equity is divided between unrestricted and restricted reserves in accordance with the Annual Accounts Act. Group contributions paid are recognised by the donor as an increase in holdings in Group companies. The recipient recognises the contribution as unrestricted equity.

Untaxed reserves

In the Parent Company, untaxed reserves are recognised in their entirety without being divided between equity and deferred taxes.

Financial instruments

The Parent Company does not apply IAS 39; instead, financial instruments are recognised based on their cost in conformity with Sweden's Annual Accounts Act. This means that non-current financial assets are recognised at cost minus any impairment loss, and current financial assets are valued based on the lower of cost or market rule.

Interest rate swaps that effectively hedge cash flow risk for interest payments on liabilities are recognised at the net of the accrued asset on floating interest and accrued liability on fixed interest. The difference is recognised as an interest expense or interest income.

Pensions

The Parent Company complies with the statutes in the Swedish Pension Obligations Vesting Act and the instructions of the Swedish Financial Supervisory Authority since that is a requirement for making tax deductions. The most significant differences compared to reporting in the consolidated financial accounts and in that case with the regulations in IAS 19 are the way the discount rate is determined, with the calculation of the defined benefit obligation based on the current salary level without any assumption of future salary increases, and actuarial gains and losses are recognised in the income statement. The Parent Company's total commitments for defined benefit pensions are covered by credit insurance with FPG/PRI.

NOTE 3. SEGMENT REPORTING

Swedavia's operations are organised and run as two business segments, Airport Operations and Real Estate.

- **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 in the vicinity of Swedavia's airports. Most revenue consists of revenue from properties

The basis of segment reporting is internal reporting. The Board of Directors and executive management mostly use operating profit by segment in accordance with Swedish accounting principles for monitoring. Financial expenses, financial income and income tax are handled at the Group level. The accounting principles conform with those applied in the consolidated financial accounts.

	Airport Operations		Real Estate		Eliminations/adjustments		Total Swedavia	
	2015	2014	2013	2014	2015	2014	2015	2014
Income statement Jan–Dec								
Revenue from external customers	5,291	5,086	–	799	-117	–	6,476	5,885
Revenue from other segments	141	117	311	230	-452	-347	–	–
Total revenue	5,432	5,203	1,613	1,029	-569	-347	6,476	5,885
Operating costs	-3,888	-3,637	-369	-265	452	367	-3,806	-3,535
Depreciation, amortisation and impairment losses	-912	-920	-3	-54	-1	28	-915	-946
Operating profit	632	646	1,241	710	-118	48	1,755	1,405

	Airport Operations		Real Estate		Eliminations/adjustments		Total Swedavia	
	2015	2014	2015	2014	2015	2014	2015	2014
Balance sheet, on December 31								
Non-current assets	11,960	11,830	1,137	168	-713	-645	12,385	11,353
Current assets	1,437	3,843	1,555	1,048	-2,119	-4,006	874	885
Assets held for sale	–	–	–	3,027	–	–	–	3,027
Total assets	13,398	15,673	2,693	4,243	-2,832	-4,651	13,259	15,265
Equity	5,858	5,318	1,882	1,151	-877	-898	6,863	5,571
Liabilities	7,539	10,355	810	3,009	-1,954	-3,754	6,395	9,610
Liabilities attributable to assets held for sale	–	–	–	83	–	–	–	83
Total equity and liabilities	13,398	15,673	2,693	4,243	-2,832	-4,651	13,259	15,265

One customer accounted for 14 per cent (14) of consolidated revenue in 2015, equal to SEK 918 M (841), allocated to both segments.

Of the Group's total capital spending in 2015, SEK 1,120 M (924), SEK 1,053 M (902) is attributable to Airport Operations and SEK 67 M (22) is attributable to Real Estate.

NOTE 4. NET REVENUE

Revenue by source	Group		Parent Company		Revenue by source	Group		Parent Company	
	2015	2014	2015	2014		2015	2014	2015	2014
Aviation Business					Commercial Services				
Passenger-related revenue	2,142	2,058	2,145	2,058	Car parking	796	741	796	741
Aircraft movement-related revenue	643	609	640	607	Retail, Food & Beverage	635	660	635	659
Ground handling & aircraft parking	344	296	335	296	Property revenue	480	620	364	392
Other Aviation	11	10	9	10	Advertising	90	82	90	82
Total Aviation Business	3,140	2,973	3,129	2,971	Other Commercial Services	274	308	244	230
					Total Commercial Services	2,276	2,410	2,130	2,104
					Total revenue	5,416	5,384	5,259	5,075

NOTE 5. RELATED PARTY TRANSACTIONS

Related party transactions involve transactions with State-owned companies or operations that conduct business in which the State has controlling interest. Related parties also include companies over which Swedavia may exercise controlling interest or a significant influence in terms of operational and financial decisions made; for transactions with them, see the table below. Concerning Swedavia AB's receivables from and liabilities to Group companies, see Note 30 "Receivables from Group companies" and Note 31 "Receivables from and liabilities to associated companies and joint ventures". Shares in Group companies are described in detail in Note 26 "Holdings in Group companies" and in Note 25 "Holdings in associated companies and joint ventures". Transactions are carried out on market terms, and operations are subject to competition.

Physical persons who are related parties are defined as executive officers, Board members and immediate family members of such persons. For information about remuneration to executive officers and Board members, see Note 8 "Employees and staff expenses". There are no securities pledged by or contingent assets from Swedavia for executive officers or Board members.

	Group		Parent Company	
	2015	2014	2015	2014
Sales of goods and services				
Subsidiaries	–	–	174	115
Associated companies and joint ventures	18	6	9	6
Total sales of goods and services	18	6	183	121
Sales of immovable property or other assets				
Subsidiaries	–	–	10	4
Associated companies and joint ventures ¹	918	–	–	–
Total purchases of goods and services	918	–	10	4
Purchases of goods and services				
Subsidiaries	–	–	312	275
Associated companies and joint ventures	16	–	16	–
Total purchases of goods and services	16	–	328	275
Interest, net				
Subsidiaries	–	–	27	65
Total interest	–	–	27	65

¹ The amount pertains to capital gains on the sale of assets to joint ventures.

Transactions with the Swedish State

Swedavia AB is wholly owned by the Swedish State. The Swedavia Group's products and services are provided to the State, government agencies and State-owned companies (hereinafter called other related parties) in competition with other suppliers on commercial terms. Similarly, Swedavia AB and its Group companies purchase products and services from government authorities and State-owned companies at market prices and on commercial terms. Costs for other related parties consist mostly of the purchase of meteorological services, fees to government authorities and air navigation services, which are largely included in the costs covered via remuneration from the Swedish

Transport Agency for security screening and parts of air traffic management services. The Group's sale of goods and services to other related parties totalled SEK 105 M (155), and its purchase of goods and services totalled SEK 169 M (181). Transactions with the Swedish State pertaining to taxes and payroll fees have not been included.

NOTE 6. OTHER OPERATING INCOME

	Group		Parent Company	
	2015	2014	2015	2014
Other operating income				
Capital gains	938	347	–	–
Other	27	60	54	25
Total	965	407	54	25

Capital gains pertain to the sale of a property portfolio, SEK 820 M (see Note 34), and the sale of land, SEK 20 M and 98 respectively. Capital gains for 2014 pertain to the sale of a hotel property.

NOTE 7. REMUNERATION AND COMPENSATION FOR AUDITORS

	Group		Parent Company	
	2015	2014	2015	2014
Ernst & Young				
Auditing assignments	3	3	3	3
Tax consultancy	–	0	–	0
Other services	0	1	0	1
Total	3	4	3	4

Auditing assignments refers to the statutory auditing of the annual accounts and the administration of the Board of Directors and the President and CEO as well as auditing and other examination performed in accordance with agreements or contracts. This includes other duties incumbent upon the company's auditors as well as advice or other assistance stemming from observations made during such audits or the performance of other such duties. Tax consultancy refers to all consultancy pertaining to taxes.

Other services refers to advice on accounting issues as well as advice on processes and internal auditing.

NOTE 8. EMPLOYEES AND STAFF EXPENSES

	2015			2014		
	Total	Percentage of women	Percentage of men	Total	Percentage of women	Percentage of men
Parent Company	2,759	34%	66%	2,512	35%	65%
Subsidiaries	28	40%	60%	4	27%	73%
Koncernen	2 787	34 %	66 %	2 516	35 %	65 %

Gender breakdown of executive management	2015-12-31		2014-12-31	
	Share of women	Share of men	Share of women	Share of men
Group				
Board of Directors	67%	33%	56%	44%
Other executive officers including CEO	42%	58%	43%	57%
	Group		Parent Company	
Salaries, other remuneration, and payroll fees, SEK M	2015	2014	2015	2014
Salaries and remuneration				
Board of Directors	2	2	2	2
CEO and executive officers	32	25	32	25
Other employees	1,103	974	1,077	962
Total	1,137	1,001	1,111	989
Payroll fees	705	330	696	324
of which pension expenses including special payroll tax for CEO and executive officers	9	8	9	8
of which pension expenses including special payroll tax for other employees	263	104	263	104
Other staff-related expenses	53	44	51	44
Group-related adjustments	-219	100	-	-
Total staff expenses	1,673	1,476	1,858	1,357

Remuneration to the Board Parent Company 2015 SEK T	Board fee	Audit Committee	Remunera- tion Committee	Other benefits
Chairman of the Board				
Ingemar Skogö	440	-	25	-
Board members				
Karin Apelman	220	35	-	-
Lars Backemar	220	-	-	-
Anna Elgh ²	220	7	-	-
Adine Grate Axén ²	220	13	-	-
Hans Jeppsson ¹	73	-	-	-
Lottie Knutson ¹	147	-	-	-
Jenny Lahrin ^{1,2}	-	-	-	-
Lotta Mellström ^{1,2}	-	-	-	-
Lars Mydland	220	-	-	-
Lottie Svedenstedt	220	-	20	-
Total	1,980	55	45	-

¹ At the Annual General Meeting 2015, Lottie Knutson and Lotta Mellström were elected as new Board members and replaced Hans Jeppsson and Jenny Lahrin, who stepped down.

² At the Annual General Meeting 2015, Adine Grate Axén was elected as a new member of the Audit Committee, replacing Anna Elgh, and Lotta Mellström was elected as a new member of the Remuneration Committee, replacing Jenny Lahrin, who stepped down.

Remuneration to the Board 2014, SEK T	Board fee	Audit Committee	Remunera- tion Committee	Other benefits
Chairman of the Board				
Ingemar Skogö	440	-	25	-
Chairman of the Board				
Karin Apelman	220	35	-	-
Lars Backemar	220	-	-	-
Anna Elgh	220	20	-	-
Adine Grate Axén	220	-	-	-
Hans Jeppsson	220	-	-	-
Jenny Lahrin	-	-	-	-
Lars Mydland ¹	147	-	-	-
Lottie Svedenstedt	220	-	20	-
Total	1,907	55	45	-

¹ At the 2014 Annual General Meeting, Lars Mydland was elected as a member of Swedavia's Board of Directors.

Remuneration to the Board of Directors consists of a fee decided at the Annual General Meeting. The Board fee is paid as a salary or as an invoice from the Board member's sole proprietorship or company. In cases where the Board fee is invoiced, an amount equivalent to the payroll fees that Swedavia AB does not have to pay as a result is added..

Guidelines for remuneration to the Board of Directors

Swedavia follows the State's guidelines for remuneration to the Board. A fee is paid to the Chairman and Board members based on a decision at the Annual General Meeting (AGM) on April 29, 2015. No pension contribution is paid for Board members. No remuneration is paid to Board members who are employed in the Swedish Government Offices. No Board fee is paid to employee representatives or their deputies. Board fees are paid as salary or are paid to the Board member's company. No Board fee is paid to Board members in any subsidiary since all members are employees of companies in the Swedavia Group.

Remuneration for the Audit Committee is based on a decision taken at the AGM held on April 29, 2015. Since the 2015 AGM, the Audit Committee includes the Board members Karin Apelman as Chair and Adine Grate Axén and Lotta Mellström as members.

Since the 2015 AGM, the Remuneration Committee includes Ingemar Skogö as Chair, Board members Lotta Mellström and Lottie Svedenstedt members, and Robert Olsson as employee representative.

Remuneration to executive officers Parent Company ¹ , 2015 SEK T			Base salary	Variable remuneration	Other benefits	Pension expenses	Employer's period of notice of termination + number of months' severance pay	Base salary
President and CEO	Torborg Chetkovich ²	until Dec 17, 2015	9,347	–	9	1,468	10,824	6+ 15
President and CEO Deputy CEO CEO Swedavia Real Estate Director Commercial & Real Estate	Karl Wistrand ³	starting Dec 17, 2015	2,453	–	1	724	3,177	6+ 9/12
Chief Financial Officer	Mats Pålsson ⁴		2,248	–	0	540	2,788	6+ 6
Director Aviation, Customer & Marketing	Michael Persson Gripkow ⁵	until Jul 5, 2015	2,312	–	0	384	2,696	6+ 6
Director Aviation Business	Elizabeth Axtelius ⁶	starting Jul 6, 2015	492	–	0	96	589	3+ –
Chief Human Resources Officer	Marie Wiksborg		1,629	–	0	449	2,078	6+ 6
Chief Legal Counsel	Anna Bovaller ⁷		1,420	–	0	385	1,805	6+ –
Chief Information Officer	Linda Sjödin		1,366	–	7	362	1,734	6+ 6
Director of Security and Safety	Anders Lennerman		1,367	–	13	410	1,790	6+ 6
Strategy Director	Lennart Bergbom		1,186	–	0	256	1,442	6+ 6
Chief Technical Officer	Per Arenhage ⁷		1,619	–	7	487	2,113	6+ –
Airport Director, Bromma Stockholm Airport	Peder Grunditz		1,580	–	3	412	1,995	6+ 6
Airport Director, Regional Airports and Airport Director, Åre Östersund Airport	Susanne Norman		1,344	–	2	341	1,687	6+ 6
Airport Director, Göteborg Landvetter Airport	Charlotte Ljunggren		1,803	–	2	534	2,340	6+ 6
Airport Director, Stockholm Arlanda Airport	Kjell-Åke Westin		1,884	–	7	566	2,457	6+ 6
Total			32,050	–	51	7,414	39,514	

¹ Remuneration has been recognised based on the period each executive officer was included in the team of executive officers. Base salary reported is based on a fixed monthly salary, statutory holiday entitlement, any salary increase and severance pay. Other benefits consist of, for example, parking and newspaper benefits. Pension expense includes the effect of any exchange of salary for benefits and premiums for additional health insurance.

² Torborg Chetkovich was dismissed from her position as President and CEO by the Board of Directors with immediate effect on December 17, 2015. Remuneration reported for 2015 also includes her base salary and pension premiums during the period of notice of dismissal and until June 17, 2016, of SEK 1,885 T and SEK 501 T respectively, as well as severance pay for a period of 15 months of SEK 4,178 T. The total maximum remuneration in connection with her dismissal is SEK 6,564 T. Salary during the period of notice of dismissal and severance pay are paid on a monthly basis and offset against any other income. The total cost of the dismissal including payroll fees was expensed in 2015.

³ Karl Wistrand assumed the role of President and CEO on December 17, 2015. During his time as President and CEO, a supplemental salary and a severance package of 12 months are given should the company terminate his employment.

⁴ Mats Pålsson assumed the role of Chief Financial Officer on February 12, 2015. Until February 11, 2015, he was acting Chief Financial Officer, for which remuneration was paid through a consulting fee.

⁵ A merger of Corporate Communications and Market Communications took place on July 6, 2015, with Chief Information Officer Linda Sjödin assuming responsibility for the new organisation. In conjunction with the restructuring, there was redundancy, which meant that Michael Persson Gripkow left Swedavia. Remuneration recognised for 2015 also includes his base salary and pension provision during the period of notice until December 5, 2015, of SEK 800 T and SEK 180 T, respectively, and severance pay for a period of 6 months of SEK 744 T. The total maximum remuneration is SEK 1,724 T. The severance package is paid out on a monthly basis and offset against any other income. The cost of the severance package including payroll fees was expensed in 2015.

⁶ In her capacity as Director Aviation Business, Elizabeth Axtelius reports to the President and CEO as of July 6, 2015, but she is not a member of Swedavia's executive management and her current terms of employment do not include a severance package.

⁷ These employment contracts do not include any severance package terms.

Remuneration to executive officers Parent Company ¹ , 2014 SEK T			Base salary	Variable remunera- tion	Other benefits	Pension expenses	Total remunera- tion	Employer's period of notice of termination + number of months' seve- rance pay
President and CEO	Torborg Chetkovich		3,283	–	13	967	4,262	6+ 15
Deputy CEO, CEO Swedavia Real Estate, Director Commercial & Real Estate	Karl Wistrand		2,378	–	0	702	3,080	6+ 9
Acting Chief Financial Officer	Mats Pålsson ²	starting Mar 18, 2014	1,618	–	–	–	1,618	–
Chief Financial Officer	Lars Johansson	until Jul 24, 2014	1,180	–	–	337	1,517	6+ 3
Director Aviation, Customer & Marketing	Michael Persson Gripkow		1,515	–	0	413	1,928	6+ 6
Chief Human Resources Officer	Marie Wiksborg		1,591	–	0	437	2,028	6+ 6
Chief Legal Counsel	Anna Bovaller ³		1,352	–	0	361	1,714	6+ –
Chief Information Officer	Linda Sjödin		1,174	–	7	303	1,483	6+ 6
Director Security & Safety	Anders Lennerman		1,372	–	11	411	1,794	6+ 6
Strategy Director	Lennart Bergbom		1,152	–	0	248	1,400	6+ 6
Chief Technical Officer	Per Arenhage ³		1,562	–	7	469	2,038	6+ –
Airport Director, Bromma Stockholm Airport	Peder Grunditz		1,525	–	3	399	1,927	6+ 6
Airport Director, Regional Airports and Airport Director, Åre Östersund Airport	Susanne Norman		1,289	–	2	336	1,626	6+ 6
Airport Director, Göteborg Landvetter Airport	Charlotte Ljunggren		1,718	–	2	506	2,225	6+ 6
Airport Director, Stockholm Arlanda Airport	Kjell-Åke Westin		1,790	–	7	537	2,334	6+ 6
Director of Procurement ⁴	Athanasios Boukas	until Feb 17, 2014	170	–	–	44	214	6+ 3
Chief Procurement Officer ⁴	Fredrik Frimodig	until Jul 24, 2014	521	–	–	102	623	6+ –
Total			21,907	–	40	5,603	31,812	

¹ Remuneration has been recognised based on the period each executive officer was included in the team of executive officers. Base salary reported is based on a fixed monthly salary, statutory holiday entitlement, any salary increase and severance pay. Base salary reported has not taken into account any exchange of salary for benefits.

² For Mats Pålsson, Chief Financial Officer, remuneration is via a consultancy fee.

³ These employment contracts do not include any severance package terms.

⁴ On February 17, an organisational change and review of Swedavia's management structure were carried out which entails new reporting channels for IT and the elimination of the procurement and quality functions from the executive management.

Remuneration to executive officers

"Executive officer" refers to the people who together with the CEO constitute the company's executive management or report directly to the CEO. The executive management is appointed by the CEO.

Remuneration to the CEO, Deputy CEO and head of Internal Auditing is determined by Swedavia's Board of Directors after the matter has been prepared in the Remuneration Committee. The CEO determines remuneration to other executive officers, following preparation in the Remuneration Committee and a decision in the Board at an aggregate level.

The Board's proposed principles for remuneration and other terms of employment for the company's executive management entail that Swedavia AB (publ) shall strive for remuneration and terms of employment that are competitive and well informed. Remuneration shall be characterised by reasonableness and transparency as well as contribute to good ethics and corporate culture. Remuneration shall not be such that it drives salaries relative to comparable companies but shall instead be characterised by moderation.

For matters concerning remuneration and other terms of employment, Swedavia applies the principles decided in the Guidelines for Terms of

Employment for Executive Officers in Companies under State Ownership adopted by the Government on April 20, 2009. These guidelines shall result in remuneration that is competitive, capped, reasonable and appropriate.

Pensions

A provision for the dismissed President and CEO's pension was made via a premium-based pension plan, which corresponds to 30 per cent of fixed salary during her period of employment and period of notice of termination. The Airport Director of Göteborg Landvetter Airport also has an agreement for a premium-based pension, the provision for which corresponds to 30 per cent of fixed salary. Provisions for pensions for other executive officers are included under the ITP 1 defined contribution plan. Executive officers who were employed in the transition from LFV to Swedavia on April 1, 2010, are also covered by an age-related graduated pension premium for the ITP plan 1 as determined through a collective bargaining agreement. An extra pension contribution in addition to the defined contribution plan under the ITP 1 plan was agreed for some executive officers not covered by the graduated pension premium for ITP 1. The retirement age for the CEO and other executive officers is 65.

Dismissal and severance pay

For notice of termination given by the company, the period of notice of termination and severance pay are specified in the table. Severance pay is equal to a fixed salary. If a new position or income from another economic activity is found, severance pay shall be reduced by the amount equal to the new income during the period in question. Severance pay is not pensionable income and is not subject to statutory holiday pay.

The CEO and other executive officers have six months' notice of termination by mutual consent, except for one person who must give four months' notice of termination and one person who is included in a three months' notice of termination by mutual consent. All executive officers are entitled to all employment benefits that apply during the period of notice.

Other employees

Employees in the Swedavia Group receive remuneration in the form of a fixed base salary, a fixed hourly wage, benefits and pension provision in accordance with collective bargaining agreements. For some age groups whose positions were transferred from LFV to Swedavia on April 1, 2010, there is also an age-related graduated pension premium for the ITP plan 1 as determined through a collective agreement. As a supplement to their fixed base salary, advertising sales representatives also have a variable portion of their salary which is commission-based.

NOTE 9. DEPRECIATION/AMORTISATION AND IMPAIRMENT LOSSES ON TANGIBLE FIXED ASSETS AND INTANGIBLE NON-CURRENT ASSETS

	Group		Parent Company	
	2015	2014	2015	2014
Depreciation and amortisation				
Goodwill	–	–	25	25
Other intangible non-current assets	27	18	27	18
Buildings and land	322	311	320	308
Investment properties	1	31	–	–
Field structures	158	155	158	155
Electrical installations, vehicles and equipment	405	381	404	378
Impairment losses, new construction in progress related to tangible fixed assets	–	-6	–	-6
Total	913	890	934	878
Depreciation and amortisation				
Buildings and land	2	28	2	18
Investment properties	–	12	–	–
Field structures	–	12	–	12
Electrical installations, vehicles and equipment	–	4	–	4
Total	2	56	2	34
Total	915	946	936	912

NOTE 10. OTHER OPERATING COSTS

	Group		Parent Company	
	2015	2014	2015	2014
Other operating costs				
Acquisition cost ¹	–	49	–	–
Divestment costs	8	0	8	–
Other	1	0	1	–
Total	8	49	8	–

¹ Costs attributable to the acquisition of the company Cityflygplatsen i Göteborg AB.

NOTE 11. FINANCIAL INCOME AND EXPENSES

	Parent Company		
	2015	2014	2014
Income from holdings in Group companies			
Impairment loss on holdings in Group companies ¹	-85	-217	-217
Dividend		483	15
Total		398	-202

¹ See Note 26 for information about impairment losses on holdings in Group companies.

	Group		Parent Company	
	2015	2014	2015	2014
Income from holdings in associated companies and joint ventures				
Portion of earnings of associated companies and joint ventures for the year	22	0	–	-1
Total	22	0	–	-1

	Group		Parent Company	
	2015	2014	2015	2014
Financial income				
Interest income	2	2	31	67
Net changes in foreign exchange rates	2	4	3	4
Total	4	6	33	71

	Group		Parent Company	
	2015	2014	2015	2014
Financial expenses				
Interest expenses, financial liabilities	-54	-190	-54	-121
Derivative instruments	-157	-99	-220	-99
Portion of interest on pension expenses for the year	-21	45	0	-4
Other financial expenses	-2	-5	-2	-1
Total	-234	-248	-275	-225

The interest expense from financial liabilities is attributable to liabilities to credit institutions, medium-term notes and commercial paper. No borrowing expenses attributable to refurbishment and rebuilding projects were charged to the balance sheet during the year.

NOTE 12. APPROPRIATIONS AND UNTAXED RESERVES

	Parent Company	
	2015	2014
Appropriations		
Change in accelerated depreciation	-15	-400
Group contribution paid	-33	-20
Group contribution received	52	276
Total appropriations	4	-144
Untaxed reserves		
Accumulated accelerated depreciation	1,772	1,757
Tax allocation reserves	210	210
Total untaxed reserves	1,982	1,967

Accumulated amortisation and depreciation pertain to other intangible assets, electrical installations, vehicles and equipment.

NOTE 13. TAX

	Group		Parent Company	
	2015	2014	2015	2014
Current tax expense (-)/ tax income (+)				
Tax expense/tax income for the year	-78	-162	-49	-155
	-78	-162	-49	-155
Deferred tax expense (-)/ tax income (+)				
Deferred tax for temporary differences	-58	-74	-21	5
Total tax expense recognised	-136	-236	-70	-149
Group	2015		2014	
	Per cent	Amount	Per cent	Amount
Reconciliation of effective tax				
Profit before tax		1,547		1,162
Tax calculated using Swedish tax rate in effect	22.0	-340	22.0	-256
Tax pertaining to taxation for the previous year		-1		3
Tax effect of non-deductible costs		-24		-61
Tax effect of non-taxable revenue		232		80
Other		-3		-
Recognised effective tax	8.8	-136	20.3	-236

Parent Company	2015		2014	
	Per cent	Amount	Per cent	Amount
Reconciliation of effective tax				
Profit before tax		594		327
Tax calculated using Swedish rate for the Parent Company	22.0	-131	22.0	-73
Tax pertaining to taxation for the previous year		-1		-
Tax effect of non-deductible costs		-44		-81
Tax effect of non-taxable revenue		106		4
Recognised effective tax	11.7	-70	45.6	-149

In the consolidated accounts, non-taxable revenue in 2014 and 2015 is mostly capital gains from the sale of shares and holdings. In the Parent Company's accounts, the corresponding item for 2015 is mostly dividends from subsidiaries.

NOTE 14. INTANGIBLE NON-CURRENT ASSETS

Intangible non-current assets	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Goodwill	352	352	352	376
Other intangible non-current assets	263	268	263	268
Total	615	621	615	644
Goodwill	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Accumulated cost				
Opening balance	377	377	493	493
Closing balance	377	377	493	493
Accumulated scheduled amortisation				
Opening balance	-25	-25	-117	-92
Scheduled amortisation for the period	-	-	-25	-25
Closing balance	-25	-25	-142	-117
Book value, closing balance	352	352	352	376

Goodwill

In conjunction with the conversion of airport operations into a limited liability company on April 1, 2010, assets and liabilities from LfV were transferred to Swedavia at an estimated market value. In conjunction with the transaction, goodwill of SEK 493 M arose in the Parent Company. In the consolidated accounts, goodwill totalled SEK 377 M, with the difference due to the valuation of defined benefit pension commitments in accordance with IAS 19.

Goodwill impairment testing

Goodwill is allocated to the cash-generating units that are expected to benefit from the acquisition. Goodwill has an indeterminable expected useful life.

An impairment review is carried out at least once a year or more frequently if there is any indication of a decrease in value. Goodwill has been tested for impairment based on the cash-generating unit, Airport Operations, from which the goodwill is derived. The recovery value is based on calculations of the value in use. For the first four-year period, calculations are based on estimated cash flows in the business plan. After the business plan period, estimated cash flows are based on the executive management's strategic forecasts adopted through 2035. The revenue, expenses and capital spending in these forecasts are based on experience, expectations of the market trend, previous profit and external comparisons. It has been assumed that cash flows beyond 2035 have annual growth equivalent to 2 per cent (2) annually. The discount rate before tax used was 7.7 per cent (7.8).

The impairment review has not entailed any impairment loss on goodwill, and reasonable changes in the assumptions would not lead to any need for impairment.

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Other intangible non-current assets				
Accumulated cost				
Opening balance	341	154	341	154
Reclassifications for the year	22	187	22	187
Closing balance	363	341	363	341
Accumulated scheduled amortisation				
Opening balance	-73	-54	-73	-54
Scheduled amortisation for the year	-27	-18	-27	-18
Closing balance	-100	-73	-100	-73
Book value, closing balance	263	268	263	268

Other intangible non-current assets pertain to noise insulation on the properties of others.

NOTE 15. TANGIBLE FIXED ASSETS

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Buildings and land (Note 16)	5,111	5,113	5,057	5,083
Field structures (Note 17)	2,331	2,232	2,324	2,226
Electrical installations, vehicles and equipment (Note 18)	2,343	2,112	2,327	2,108
New construction in progress related to tangible fixed assets (Note 19)	731	932	702	902
Total	10,515	10,389	10,411	10,320

NOTE 16. BUILDINGS AND LAND

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Accumulated cost				
Opening balance	6,513	6,178	6,470	6,084
Acquisitions/reclassifications for the year	326	339	306	390
Disposals/divestments for the year	-12	-4	-18	-4
Closing balance	6,827	6,513	6,758	6,470
Accumulated scheduled depreciation				
Opening balance	-1,373	-1,068	-1,369	-1,066
Reversal of depreciation on disposals	9	6	9	5
Scheduled depreciation for the year	-322	-311	-321	-308
Closing balance	-1,686	-1,373	-1,681	-1,369
Accumulated depreciation				
Opening balance	-28	-	-18	-
Scheduled depreciation for the year	-2	-28	-2	-18
Closing balance	-30	-28	-20	-18
Book value, closing balance	5,111	5,113	5,057	5,083
Of which land				
Opening balance	397	359	315	282
Acquisitions for the year	2	20	-	15
Disposals for the year	-	-	-6	-
Reclassification from field structures and new construction in progress related to tangible fixed assets	-	18	-	18
Book value, closing balance	399	397	309	315

NOTE 17. FIELD STRUCTURES

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Accumulated cost				
Opening balance	2,937	2,796	2,931	2,796
Reclassifications for the year	256	166	256	145
Disposals/divestments for the year	-31	-25	-31	-10
Closing balance	3,162	2,937	3,156	2,931
Accumulated scheduled depreciation				
Opening balance	-693	-547	-693	-547
Reversal of depreciation on disposals	30	9	30	9
Scheduled depreciation for the year	-158	-155	-158	-155
Closing balance	-820	-693	-820	-693
Book value, closing balance	2,331	2,232	2,324	2,226

Net field structure assets acquired have been treated for tax purposes as land. Field structures consist mostly of take-off and landing runways.

NOTE 18. ELECTRICAL INSTALLATIONS, VEHICLES AND EQUIPMENT

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Accumulated cost				
Opening balance	3,774	3,458	3,770	3,458
Reclassifications for the year	644	337	630	333
Disposals/divestments for the year	-35	-21	-35	-21
Closing balance	4,383	3,774	4,365	3,770
Accumulated scheduled depreciation				
Opening balance	-1,659	-1,300	-1,658	-1,300
Reversal of depreciation on disposals	28	23	28	20
Scheduled depreciation for the year	-405	-382	-404	-378
Closing balance	-2,036	-1,659	-2,034	-1,658
Accumulated depreciation				
Opening balance	-4	-	-4	-
Depreciation for the year	-	-4	-	-4
Closing balance	-4	-4	-4	-4
Book value, closing balance	2,343	2,112	2,327	2,108

Leasing

Swedavia's leases pertain to the financial leasing of vehicles. Leased items that the Group has under leasing agreements are recognised under the item "Electrical installations, vehicles and equipment" for the following amounts. Consolidated leasing fees for the year totalled SEK 7 M (7) in the Group.

	Group	
	2015-12-31	2014-12-31
Book value		
Cost – capitalised financial leases	46	38
Accumulated depreciation	-29	-25
Book value, closing balance	17	13

The Group leases a number of vehicles under leasing agreements; the leasing periods run between 2 and 9 years.

	2015		2014	
	Future minimum leasing fees	Present value of future minimum leasing fees	Future minimum leasing fees	Present value of future minimum leasing fees
Future leasing fees				
Within one year	7	7	5	5
Between two and five years	11	11	11	10
More than five years	-	-	-	-
Total	18	18	16	15

NOTE 19. NEW CONSTRUCTION IN PROGRESS RELATED TO TANGIBLE FIXED ASSETS

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Opening balance	932	1,074	902	1,043
Acquisitions for the year	1,090	903	1,031	892
Disposals for the year	-21	-	-17	-5
Reclassifications for the year	-1,271	-1,036	-1,214	-1,028
Reclassification to assets held for sale	-	-9	-	-
Book value, closing balance	731	932	702	902

New construction in progress related to tangible fixed assets mostly consists of investments in infrastructure and terminals as well as landing runways and baggage handling systems. A reclassification of the asset is made when the asset is placed in service. The asset is reclassified as the type of asset it constitutes.

NOTE 20. FAIR VALUE

The table below presents the assets and liabilities that are valued at fair value or for which fair values are given for information purposes. Fair value is defined as the price at the time of valuation that would be received in the sale of the asset or charged in the transfer of a liability in an orderly transaction between market participants. Assets and liabilities that are valued at fair value are classified in a hierarchy with three different levels based on the information used to determine their fair value. Level 1 applies when fair value is determined based on listed prices (unadjusted) in active markets for identical assets and liabilities. Level 2 applies when fair value is determined based on observable data for the asset or liability other than listed prices included in Level 1. Level 3 applies when fair value is determined based on input for the asset or liability that are not based on observable market data.

Valuation at fair value**Hierarchy levels in valuation of fair value Dec 31, 2015**

	Level 1	Level 2	Level 3	Total
Derivative instruments (Note 27) ¹	–	224	–	224
Biological assets (Note 22) ¹	–	85	–	85
Long-term interest-bearing liabilities (Note 27) ²	–	2,454	–	2,454
Investment properties (Note 21) ²	–	–	367	367
Total	–	2,763	367	3,130

Hierarchy levels in valuation of fair value Dec 31, 2014

	Level 1	Level 2	Level 3	Total
Derivative instruments (Note 27) ¹	–	386	–	386
Biological assets (Note 22) ¹	–	86	–	86
Long-term interest-bearing liabilities (Note 27) ²	–	3,164	–	3,164
Investment properties (Note 21) ²	–	–	396	396
Total	–	3,636	396	4,032

¹ Recognised at fair value in the consolidated balance sheet.

² Recognised at cost in the consolidated balance sheet. The amounts above are fair values for information purposes.

There were no changes in the levels for 2015 compared to 2014. Internal valuations were used to determine fair values for 2015.

Derivative instruments**Interest rate swaps**

For interest rate swaps, fair value is calculated as the present value of expected future cash flows based on current market interest rates.

Electricity derivatives

For electricity derivatives, fair value is calculated based on listed rates. If there are no listed rates, fair value is calculated by discounting the difference between the contracted forward rate and the forward rate available on the balance sheet date for the remainder of the contract period.

Currency futures

Fair value of currency futures is calculated by discounting the difference between the contracted forward rate and the forward rate that can be contracted on the balance sheet date for the remainder of the contract period. Discounting is done at a risk-free interest rate based on Swedish sovereign bonds.

Biological assets

Swedavia's biological assets consist of large forest holdings adjacent to Swedavia's airports, with standing timber assessed at fair value.

The holdings are valued on each balance sheet date. Valuation is made by an external appraiser in conjunction with the year-end closing every two years or at another time if there are any indication of changes in market value. For other balance sheet dates, the stock of standing timber is valued through an internal valuation. The most recent external appraisal was carried out in conjunction with the 2014 year-end closing.

The valuation method used for external valuation is in accordance with the Swedish land registration authority Lantmäteriet's forest valuation method. This method is based on a discounted cash flow valuation of expected future cash flows from long-term sustainable forestry. Important input are local pricelists for timber and pulp with average prices for the past ten years, potential harvestable volume in accordance with the Swedish Forestry Act's restrictions on clear-cutting, and discount rates based on the age of the forest. A change in fair value is recognised in the income statement as other external costs. Fair value is determined based on hierarchy Level 2, which means that input in the valuation are based on observable market data.

In internal valuations, the stock is compared on the valuation date with the stock on the date of the previous external valuation. After this, an interview is/ interviews are carried out with a key person/key people to determine whether any factors have had an effect on the stock and thus the market value.

Long-term interest-bearing liabilities

For information purposes, fair value is calculated for interest-bearing liabilities. The fair value of a loan is calculated by discounting future cash flows. The calculation also takes into account any change in Swedavia's credit risk since the loan was taken out. For some borrowings, the book value is considered to reflect the fair value, given the short remaining maturity of the liabilities.

Investment properties

Swedavia's investment properties are recognised at accumulated cost. The properties are valued to determine their fair value, that is, their estimated market value. The portfolio of investment properties is valued annually in conjunction with the year-end closing. Valuation is made either by external independent appraisers or through internal valuation. The latest external valuation was carried out in conjunction with the 2014 year-end closing.

The valuation of properties is based on the cash flows the asset is expected to generate, discounting net operating income. To estimate net operating income, estimates are made of inflation, rents, vacancies, and operating and maintenance costs. The value of the property is based on the expected cash flows of each property appraised over the next ten years. For properties with rental contracts or leaseholds longer than ten years, the calculations have been extended. For the last year of the calculation period, a residual value is calculated, which shall constitute an estimated market value at that time. The information used to determine the fair value of the investment properties is classified as Level 3, which means that the fair value of the investment properties cannot be directly attributed to observable market data.

NOTE 21. INVESTMENT PROPERTIES

Swedavia recognises the properties classified as investment properties at cost. Investment properties are found in the Real Estate operating segment, and the portfolio consists of cargo and office properties as well as land at Göteborg Landvetter Airport, Malmö Airport and Stockholm Arlanda Airport. Revenue from investment properties including properties held for sale was SEK 5 M (3351) and direct costs totalled SEK 12 M (53). For information about the depreciation method and estimated useful life, see Note 2 "Accounting principles". For information about valuation assumption, see Note 20 "Fair value".

	Group	
	2015-12-31	2014-12-31
Accumulated cost		
Opening balance	164	3,938
Acquisitions for the year	34	10
Disposals for the year	-7	-758
Reclassifications for the year	-	257
Reclassification of assets held for sale	-	-3,283
	191	164
Accumulated scheduled depreciation		
Opening balance	-2	-91
Scheduled depreciation for the year	-1	-31
Reversal of depreciation on disposals	-	19
Reclassifications for the year	-	-250
Reclassifications to assets held for sale	-	351
Closing balance	-3	-2
Book value, closing balance	181	150
Fair value (Note 20)	367	396

Operational leases – the Group as lessor

The Group's investment properties are leased through operational lease agreements and generate rental revenue. Future rental revenue attributed to non-cancellable operational leases is broken down as follows.

	Group	
	2015	2014 ¹
Expiry		
Within one year	3	282
Between one and five years	6	1,017
More than five years	6	1,741
Total	14	3,040

¹ In 2014, figures include leases for investment properties that were classified as properties held for sale.

NOTE 22. BIOLOGICAL ASSETS

	Group	
	2015-12-31	2014-12-31
Accumulated cost		
Opening balance	86	87
Change in fair value	-1	-1
Book value, closing balance	85	86

Swedavia's biological assets consist of large forest holdings adjacent to Swedavia's airports, with standing timber assessed at fair value. The stock is valued on each balance sheet date. Valuation is made by an external appraiser in conjunction with the year-end closing every two years or at another time if there are any indication of changes in market value. For other balance sheet dates, the stock of standing timber is valued through an internal valuation. Any change in fair value is reported in the income statement as other external expenses. For information about valuation assumptions, see Note 20 "Fair value".

NOTE 23. NON-CURRENT FINANCIAL ASSETS

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Holdings in Group companies	-	-	889	913
Holdings in associated companies and joint ventures	815	0	-	-
Other long-term receivables	173	108	87	68
Deferred tax assets	-	-	10	31
Total	988	108	986	1,012

NOTE 24. OTHER LONG-TERM RECEIVABLES

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Accumulated cost				
Opening balance	108	146	68	68
New receivables	66	0	19	-
Receivables settled	0	-38	0	-
Reclassifications	-	0	-	0
Book value, closing balance	173	108	87	68

NOTE 25. HOLDINGS IN ASSOCIATED COMPANIES AND JOINT VENTURES

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Accumulated cost				
Opening balance	0	1	–	1
Acquisitions for the year	793	–	–	–
Disposals for the year	–	-1	–	-1
Share of profit	22	–	–	–
Reclassifications	–	–	–	–
Book value, closing balance	815	0	–	–

Specification of the Parent Company's and Group's holdings in associated companies and joint ventures on December 31, 2015

Company, corporate identity number, registered office	Profit for the year, Swedavia's share	Number of shares	Ownership in %	Value of holding in Group	Book value in the Parent Company	Classification
Swedish Airport Infrastructure AB, 559012-5182, Stockholm County, Municipality of Stockholm	–	25,000	50.0	0	0	Joint venture
Swedish Airport Infrastructure KB, 969775-2609, Stockholm County, Municipality of Stockholm	22	1	49.9	812	0	Joint venture
Landvetter Logistik Center AB, 556986-7236, West Götaland County, Municipality of Gothenburg	–	250	50.0	3	0	Joint venture
Airport City Stockholm AB, 556872-9619, Stockholm County, Municipality of Stockholm	–	495	33.0	0	0	As-sociated company
				815	0	

A summary of the balance sheet and income statement for Swedish Airport Infrastructure KB based on the Swedavia Group's accounting principles:

SEK M	2015-12-31
Investment properties	3,971
Liquid assets	49
Other current assets	51
Long-term interest-bearing liabilities	2,370
Current liabilities	77
Equity	1,624
Consolidated book value of holding	812

SEK M	2015-07-01 – 2015-12-31
Revenue	153
Depreciation and amortisation	-58
Other expenses	-37
Net interest	-14
Profit before tax	44
Tax	0
Total profit	44
Group's portion of profit for the year	22

On June 30, 2015, Swedavia acquired a 49.9 per cent holding in a newly formed company, Swedish Airport Infrastructure KB. Alecta owns 49.9 per cent and Swedish Airport Infrastructure AB owns 0.2 per cent. Alecta and Swedavia together have a controlling interest and joint liability. On June 30, Swedish Airport Infrastructure acquired 20 large properties, reported in a number of companies, from Swedavia and has managed these properties since then. The properties are located at Göteborg Landvetter Airport, Malmö Airport and Stockholm Arlanda Airport. Swedavia is a tenant in some of the properties. The value of Swedavia's holding is estimated using the equity method. For more information, see the accounting principles. No dividend was paid by Swedish Airport Infrastructure in 2015.

NOTE 26. HOLDINGS IN GROUP COMPANIES

Parent Company's holdings in Group companies	Parent Company	
	2015-12-31	2014-12-31
Accumulated cost		
Opening balance	1,150	963
Acquisitions	–	71
Shareholder contribution for the year	62	116
Closing balance	1,212	1,150
Accumulated impairment losses		
Opening balance	-237	–
Impairment losses the year	-85	-237
Closing balance	-322	-237
Book value, closing balance	889	913

Impairment losses for the year consist of impairment losses of SEK 24 M on the shares in Arlanda Development Company AB. An impairment loss of SEK 62 M was also taken on the shares of City-flygplatsen i Göteborg AB, which is equivalent to the shareholder contribution for the year.

Specification of the Parent Company's holdings in Group companies

Subsidiary, corporate identity number, registered office	Number of shares	Owner-ship in %	Book value 2015-12-31	Book value 2014-12-31
Swedavia Real Estate AB, 556858-9872, Stockholm County, Municipality of Sigtuna	500,000	100	870	870
Arlanda Development Company AB, 556653-6628, Stockholm County, Municipality of Sigtuna	10,000	100	2	26
Bromma Stockholm Airport fastigheter AB, 556932-3537, Stockholm County, Municipality of Sigtuna	50,000	100	17	17
Cityflygplatsen i Göteborg AB, 556195-5823, West Götaland County, Municipality of Gothenburg	13,110	100	–	0
Book value, closing balance			889	913

Other important Group companies wholly owned by Swedavia Real Estate**Group company, corporate identity number, registered office**

Swedavia Energi AB, 556951-8185, Stockholm County, Municipality of Stockholm
Swedavia Airport Telecom AB, 556951-8193, Stockholm County, Municipality of Stockholm
Logistic City 1 AB, 556876-7007, Stockholm County, Municipality of Stockholm
Office Arlanda AB, 556876-6983, Stockholm County, Municipality of Stockholm
TreOffice AB, 556844-2932, Stockholm County, Municipality of Stockholm

NOTE 27. FINANCIAL ASSETS AND LIABILITIES

The Group's financial assets and liabilities, excluding the Group's derivative instruments, are recognised at cost in the balance sheet. The Group's derivative instruments are recognised at fair value in the balance sheet. Other financial assets and liabilities are valued at fair value for information purposes. For information about fair value regarding derivative instruments, see the Group's valuation below as well as Note 20. For current receivables and liabilities, such as trade receivables and trade payables, with a remaining useful life of less than six months, the book value is considered to reflect fair value.

The Parent Company recognises its financial instruments at amortised cost.

No financial assets and liabilities are offset in the balance sheet in accordance with IAS 32. For derivatives, the Group has ISDA agreements, which allow offset in the event of a bankruptcy. As of December 31, 2015, there were no significant financial liabilities or assets that should be offset in the event of a bankruptcy.

Group	Book value		Fair value	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Financial assets				
Other long-term receivables	173	108	173	108
Trade receivables	451	424	451	424
Receivables from associated companies	113	0	113	0
Other receivables	71	58	71	58
Derivative instruments	–	3	–	3
Liquid assets	6	112	6	112
Total	814	705	814	705

Group	Book value		Fair value	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Financial liabilities				
Long-term interest-bearing liabilities	2,397	3,096	2,454	3,164
Current interest-bearing liabilities	1,307	3,793	1,307	3,793
Derivative instruments ¹	224	389	224	389
Liabilities to leasing companies	23	19	23	19
Other long-term liabilities	9	6	9	6
Trade payables	372	333	372	333
Other liabilities	8	9	8	9
Accrued interest expenses	34	45	34	45
Total	4,374	7,690	4,431	7,758

¹ Derivative instruments pertain to derivatives for hedge accounting.

Valuation at fair value

Assets and liabilities that are valued at fair value are classified in a hierarchy with three different levels based on the information used to determine their fair value. Level 1 applies when fair value is determined based on listed prices (unadjusted) in active markets for identical assets and liabilities. Level 2 applies when fair value is determined based on observable data for the asset or liability other than listed prices included in Level 1. Level 3 applies when fair value is determined based on input for the asset or liability that are not based on observable market data. The Group's financial assets and liabilities are valued at fair value based on Level 2. For more information about valuation at fair value, see Note 20.

Net income from items for which hedge accounting is not applied

	2015	2014
Financial assets/liabilities that are valued at fair value ²	–	–
Total	–	–

² The subcategory held for sale.

	Level 1	Level 2	Level 3
Derivative instruments ³	–	224	–
Long-term interest-bearing liabilities ⁴	–	2,454	–
Total	–	2,678	–

³ Recognised at fair value in the Group's balance sheet.

⁴ Recognised at cost in the Group's balance sheet. The amounts above are fair value for information purposes.

No change in levels in 2015 compared to 2014.

Other long-term receivables

For information purposes, fair value for long-term receivables is calculated by discounting future cash flows based on current market interest rates.

Derivative instruments**Interest rate swaps**

Fair value for interest rate swaps is calculated as the present value of expected future cash flows based on current market interest rates.

Electricity derivatives

For electricity derivatives, fair value is calculated based on listed rates. If there are no listed rates, fair value is calculated by discounting the difference between the contracted forward rate and the forward rate available on the balance sheet date for the remainder of the contract period.

Currency futures

Fair value of currency futures is calculated by discounting the difference between the contracted forward rate and the forward rate that can be contracted on the balance sheet date for the remainder of the contract period. Discounting is done at a risk-free interest rate based on Swedish sovereign bonds.

Interest-bearing liabilities

For information purposes, fair value is calculated for interest-bearing liabilities. The fair value of a loan is calculated by discounting future cash flows. The calculation also takes into account any change in Swedavia's credit risk since the loan was taken out. For some borrowings, the book value is considered to reflect the fair value, given the short remaining maturity of the liabilities.

Other receivables and liabilities

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

NOTE 28. MATERIALS AND SUPPLIES

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Supplies	36	29	32	29
Gravel stocks	3	7	3	4
Supplies, buildings and land	3	2	3	2
Other stocks	3	4	3	3
Total	45	42	41	38

NOTE 29. CURRENT RECEIVABLES

	Parent Company	
	2015	2014
Trade receivables	430	406
Receivables from Group companies	729	2,977
Receivables from associated companies	1	–
Other receivables	123	76
Tax receivable	36	–
Prepaid expenses and accrued income	105	203
Total	1,424	3,662

NOTE 30. RECEIVABLES FROM GROUP COMPANIES

	Parent Company	
	2015-12-31	2014-12-31
Swedavia Real Estate AB	398	2
Logistic City 1 AB	42	42
Tor Viking Real Estate Holding AB	–	105
Tor Viking Komplementären AB	–	836
Office Arlanda AB	66	66
Swedavia Airport Telecom AB	24	56
Swedavia Energi AB	71	71
Cargo City 1 AB	59	59
Altuna Hangar KB ¹	703	703
Nordic Airport Properties KB ¹	703	703
Tor Viking Sverigehuset AB ¹	–	74
Tor Viking Flygfastigheter AB ¹	–	44
Other Group companies	105	217
Book value, closing balance	729	2,977

¹ The company was sold to the joint venture Swedish Airport Infrastructure and was deconsolidated in conjunction with this.

Swedavia's wholly owned Group companies are funded through a consolidated account structure.

NOTE 31. RECEIVABLES FROM ASSOCIATED COMPANIES AND JOINT VENTURES

Receivables from associated companies and joint ventures to the Group totalled SEK 113 M (0) and pertain mostly to the receivable from Landvetter Logistik Center AB. Liabilities to associated companies totalled SEK 18 M. Receivables from associated companies and joint ventures to the Parent Company totalled SEK 1 M (-) and liabilities totalled SEK 6 M (-).

NOTE 32. OTHER RECEIVABLES

	Group	
	2015-12-31	2014-12-31
Tax receivable	62	0
Other receivables	79	93
Total	141	93

NOTE 33. PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Accrued income, ground handling	5	6	5	6
Accrued income, retail, food & beverage	56	157	56	157
Accrued income, energy	12	11	2	2
Accrued income, parking	6	6	6	6
Prepaid material and maintenance costs	13	10	13	10
Prepaid operational services	10	5	10	5
Other accrued income and prepaid expenses	15	17	13	17
Total	118	211	105	203

NOTE 34. ASSETS HELD FOR SALE

Assets held for sale	Group	
	2015-12-31	2014-12-31
Investment properties	-	3,002
New construction in progress	-	9
Customer receivables	-	11
Other receivables	-	4
Prepaid expenses and accrued income	1	1
Total	-	3,027
Liabilities attributable to assets held for sale		
Other long-term borrowings	-	7
Trade payables	-	6
Tax liabilities	-	1
Other liabilities	-	10
Accrued income and other	-	59
Total	-	83

On June 30, 2015, the property portfolio that had been recognised since April 2014 as assets held for sale was sold. The sale was completed at an underlying property value of SEK 3,950 M. The portfolio was sold to the newly formed joint venture Swedish Airport Infrastructure. The transaction entailed a consolidated capital gain of SEK 820 M.

NOTE 35. EQUITY**The Group**

Equity attributable to the Parent Company consists of share capital, other paid-in-capital, hedge reserves and retained earnings.

Share capital

Share capital is divided into 1,441,403,026 shares with a stated value of SEK 1.

Other paid-in capital

Other paid-in capital pertains to the premium in connection with new share issues.

Hedge reserves

The reserve for cash flow hedging consists of unrealised changes in the value of interest rate, electricity and currency derivatives (net of deferred tax). Hedge accounting entails that the change in value has been charged to equity in the balance sheet via other comprehensive income.

Retained earnings

Retained earnings includes profit for the year and the portion of untaxed reserves that constitutes equity. This also includes revaluations of defined benefit pensions in accordance with IAS 19 (net of deferred tax).

Capital management

	2015		2014	
	Actual	Target	Actual	Target
<i>Group financial targets</i>				
Return on operating capital	14.5%	7.0%	10.3%	7.0%
Debt/equity ratio	0.7 times	1-1.5 times	1.4 times	1-1.5 times

Parent Company**Restricted and non-restricted equity**

Equity is divided between restricted and unrestricted (payable as dividends) capital in accordance with the Annual Accounts Act. A dividend may only be paid if there is full coverage for restricted equity after the payment of dividends. Dividends are also regulated by the precautionary principle, which means that a dividend may only be paid if this is justifiable taking into consideration the risks that the nature and scope of operations place on the size of the Parent Company's and consolidated equity as well as the Group's consolidation requirements, liquidity and financial position in general.

In the Parent Company, restricted capital consists of share capital of SEK 1,441 M. The unrestricted capital in the Parent Company is SEK 2,334 M and consists of a share premium fund of SEK 2,162 M, retained earnings of SEK -57 M and profit for the year of SEK 523 M.

NOTE 36. PROVISIONS

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Provisions for pensions	765	807	1,121	971
Other provisions	180	176	191	140
Total	945	983	1,312	1,111

NOTE 37. PROVISIONS FOR PENSIONS

The Group has both defined contribution and defined benefit pension commitments.

Defined benefit pension commitments

Most of the defined benefit pension commitments pertain to PA91 and PA03 government employee pension agreements that were taken over from LfV in conjunction with the division of operations. No new pension rights accrue for these commitments; instead the commitments are in the form of paid-up pension policies.

The actuarial bases for calculating the value of capital are the provisions in FFFS 2007:24 adopted by the Swedish Financial Supervisory Authority, which include interest rate assumptions. Unvested pension commitments are entered as a liability at 60 per cent in both the Parent Company and the Group. The unvested pension commitments pertain to a small number of employees who have the option of taking early retirement at the age of 63.

The Parent Company complies with the statutes in the Swedish Pension Obligations Vesting Act and the instructions of the Swedish Financial Supervisory Authority since that is a requirement for making tax deductions. The most significant differences compared to the regulations in IAS 19 are the way the discount rate is determined, the fact that the calculation of the defined benefit obligation is calculated based on the current salary level without any assumption of future salary increases, and the fact that actuarial gains and losses are recognised in the income statement. The Parent Company's total commitments for defined benefit pensions are covered by credit insurance with FPG/PRI.

Actuarial assumptions

In the Group, the liability is calculated using a discount rate that corresponds to the interest rate on mortgage bonds with a maturity corresponding to the average duration of the commitment. The assumed interest rate for 2015 is 3.0 per cent (2.75), an increase attributable to the current interest rate situation.

The assumption for inflation, like last year, was 1.5 per cent. This assumption is based on current expectations of future inflation and on an inflation rate that has fallen significantly below Sweden's Riksbank's inflation target over the past few years.

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Actuarial assumptions				
The following important actuarial assumptions have been applied in calculating the obligations (weighted average values):				
Discount rate	3.00%	2.75%	-0.40%	0.80%
Future changes in price base amount (inflation)	1.50%	1.50%	2.00%	2.00%
Changes in the present value of defined benefit obligations				
Obligations as of January 1	807	749	971	1,069
Payments made during the year	-25	-28	-25	-28
Cost of vesting, current period	1	1	1	1
Interest expense	22	28	-	4
Actuarial gains (-)/losses (+)	-42	57	174	-75
Obligation as of December 31	765	807	1,121	971

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Cost recognised in profit for the year				
Defined benefit plans				
Cost of pensions vested during the year	1	1	1	1
Actuarial gains (-)/losses (+)	-	-	174	-75
Special payroll fee	-	-	42	-20
Interest expense	22	28	-	4
Cost of defined benefit plans	23	29	217	-90
Cost of defined contribution plans	90	85	95	83
Payroll fee	22	21	23	20
Cost of defined contribution plans	112	106	118	103
Total cost of remuneration after termination of employment in the profit for the year	135	135	335	13

	Group	
	2015-12-31	2014-12-31
Cost recognised in other comprehensive income		
Defined benefit plans		
Revaluation including payroll fee		
Actuarial gains (-)/losses (+) on change in financial assumptions		-42
Tax		71
Recognised in other comprehensive income	-33	55

	Group			
	2015		2014	
Sensitivity analysis	Increase	Decrease	Increase	Decrease
	0.5% percentage points	0.5% percentage points	0.5% percentage points	0.5% percentage points
Change in discount rate				
Effect on obligation	-52	58	-66	57

	Group	
	2015-12-31	2014-12-31
The obligation broken down by members in the plans as follows		
Active members	60	63
Paid-up pension policyholders	2,373	2,414
Pensioners	449	424
Total number of obligations	2,882	2,901

The remaining vesting period for active members is 6.0 years (6.8).

	2015-12-31	2014-12-31
Effect of payments for the pension liability on consolidated cash flow:		
Within one year	30	30
Between one and five years	129	124
More than five years	1,099	1,114
Effect of discounting	-487	-461
Total	771	807

NOTE 38. OTHER PROVISIONS

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Restoration reserve, opening balance	115	117	115	95
Provision for the year	29	26	21	26
Provisions used during the year	-1	-27	-1	-6
Reversal of unused provisions during the year	-2	-	-2	-
Restoration reserve, closing balance	141	115	133	115
Restructuring reserve, opening balance	7	20	7	20
Provision for the year	43	8	30	8
Provisions used during the year	-29	-21	-18	-21
Restructuring reserve, closing balance	22	7	19	7
Other provisions during the year	57	17	17	17
Provision for the year	35	40	21	-
Provisions used during the year	-26	-	-	-
Other provisions, closing balance	66	57	39	17
Of which current portion	-49	-4	-	-
Total other provisions	180	176	191	140

Current provisions constitute SEK 49 M (4) of the total. The current portion consists of a restructuring reserve of SEK 22 M (4) and other provisions of SEK 27 M (-). The definition of provisions can be found in the accounting principles on page 61.

NOTE 39. DEFERRED TAX

Group December 31, 2015	Deferred tax asset	Deferred tax liability
Temporary difference goodwill	-10	-
Temporary difference tangible fixed assets	-23	-
Temporary difference biological assets	-	7
Temporary difference financial instruments	-49	-
Temporary difference untaxed reserves	-	437
Temporary difference pensions	-	97
Other temporary differences	-	-
Capitalised deficit	-12	-
Offset	94	-94
Total	-	447

Group December 31, 2014	Deferred tax asset	Deferred tax liability
Temporary difference goodwill	-15	-
Temporary difference tangible fixed assets	-22	-
Temporary difference biological assets	-	8
Temporary difference financial instruments	-85	-
Temporary different untaxed reserves	-	433
Temporary difference pensions	-	46
Other temporary differences	-3	-
Offset	124	-124
Total	-	363

Parent Company December 31, 2015	Deferred tax asset	Deferred tax liability
Temporary difference tangible fixed assets	8	-
Other temporary differences	2	-
Total	10	-

Parent Company December 31, 2014	Deferred tax asset	Deferred tax liability
Temporary difference tangible fixed assets	28	-
Other temporary differences	3	-
Total	31	-

NOTE 40. INTEREST-BEARING LIABILITIES

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Non-current interest-bearing liabilities				
Medium-term notes issued	2,397	3,096	2,397	3,096
Liabilities to leasing companies	15	12	15	12
Total	2,412	3,107	2,412	3,107

	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Current interest-bearing liabilities				
Liabilities to credit institutions	8	347	8	300
Medium-term notes and commercial paper	1,300	3,446	1,300	3,446
Liabilities to leasing companies	8	7	8	7
Total	1,315	3,800	1,315	3,753

NOTE 41. LONG-TERM AND CURRENT LIABILITIES

Long-term liabilities	Parent Company	
	2015	2014
Medium-term notes	2,397	3,096
Liabilities to leasing companies	15	12
Other long-term liabilities	1	6
Total	2,413	3,114

Current liabilities	2015	2014
Liabilities to credit institutions	8	300
Medium-term notes and commercial paper	1,300	3,446
Liabilities to leasing companies	8	7
Trade payables	356	318
Liabilities to Group companies	1,460	1,168
Liabilities to associated companies	6	–
Other liabilities	77	147
Accrued expenses and prepaid income	490	434
Total	3,705	5,820

NOTE 42. BORROWINGS

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Liabilities to credit institutions	8	347	8	300
Medium-term notes	3,097	4,096	3,097	4,096
Commercial paper	600	2,446	600	2,446
Total	3,704	6,889	3,704	6,842

Capital market programme

Swedavia has a medium-term note (MTN) programme denominated in SEK for medium-term borrowing in the Swedish capital market. The limit is set at SEK 5,000 M (5,000) and borrowings via notes issued totalled SEK 3,097 M (4,096). In addition, Swedavia has a Swedish commercial paper programme. The limit is set at SEK 5,000 M (5,000) and borrowings under this programme totalled SEK 600 M (2,446).

The average maturity on borrowings as of December 31, 2015, was 2.1 years (1.7) with an average interest rate of 3.18 per cent (2.7). As of December 31, 2015, the share of borrowings at a fixed rate was 99 per cent (82) and the average lock-in period was 2.9 years (2.8).

NOTE 43. OVERDRAFT FACILITIES

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Overdraft facilities approved	200	210	200	200
Unutilised portion	192	210	192	200
Credit amount used	8	0	8	0

As of December 31, 2015, Swedavia had overdraft facilities at SEB of SEK 200 M, SEK 8 M of which was utilised on the balance sheet date.

NOTE 44. OTHER LIABILITIES

	Group	
	2015-12-31	2014-12-31
Current tax liabilities	0	47
Other liabilities	82	109
Total	82	156

NOTE 45. ACCRUED EXPENSES AND PREPAID INCOME

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Accrued staff-related expenses	193	116	191	115
Accrued interest	34	45	34	45
Accrued construction and property costs	44	37	36	22
Prepaid aviation income	41	56	41	56
Prepaid property income	60	61	59	60
Prepaid income Retail, Food & Beverage	58	44	58	44
Prepaid parking income	13	13	13	13
Prepaid advertising income	7	14	7	14
Other accrued expenses and prepaid income	71	74	52	66
Total	521	460	490	434

NOTE 46. FINANCIAL RISKS

The Group is exposed to a number of different financial risks in its operations, which in turn have an impact on the company's profit, cash flow and valuation. Financial risks arise when there is a change in foreign exchange rates, commodity prices and interest rates or when prevailing market conditions and capital structures give rise to refinancing and credit risks. The Group's financial operations and risk management are centralised in the Corporate Finance unit, and operations are carried out following a financial policy adopted by the Board of Directors and characterised by a low risk level. The aim is to minimise the Group's capital cost through effective financial solutions and the effective management and control of the Group's financial risks. To reduce the Group's exposure to fluctuations in interest rates, electricity prices and exchange rates, various types of derivatives are used.

Exchange rate risks

"Exchange rate risk" is defined as the risk that movements in currency prices will have a negative impact on the Group's profit, financial position and/or cash flow. Since all subsidiaries are Swedish and use the Swedish krona (SEK) as their currency, there is no translation exposure.

Transaction exposure

Most revenue is not affected by any foreign exchange fluctuations since invoices are largely denominated in SEK. When invoicing is in a foreign currency, an internal match against supplier invoices is made in the corresponding foreign currency. For other payments in foreign currencies, currency hedges are entered into that match the foreign flow. Currency hedges are entered into in conjunction with the signing of a contract or upon receipt of an invoice.

Interest rate risks

"Interest rate risk" is defined as the risk that changes in market interest rates will have a negative impact on the Group's net interest income/expense.

As of December 31, 2015, Swedavia had external borrowings of SEK 3,704 M (6,889). To reduce the sensitivity to interest rate changes, Swedavia

works actively to reduce interest paid through interest rate swaps and issues of notes and commercial paper at fixed rates. On the balance sheet date, the nominal amount of interest rate swaps was SEK 2,500 M (4,382) with a fair value of SEK 202 M (-373).

Notes and commercial paper totalled SEK 1,197 M. Based on those hedges, a 1 per cent increase in the interest rate would have a SEK 0.1 M (13) effect whereas a 1 per cent decrease would have a negative effect of SEK 20 M.

Under Swedavia's financial policy, interest rates shall be fixed for a period of 3 years \pm 1 year. On the balance sheet date, the fixed rate period was 2.9 years (2.8).

Commodity price risks

Swedavia's commodity price risk is concentrated on the purchase of electricity, and the way this is handled is governed in its financial policy. There is continuous hedging of electricity prices in accordance with the financial policy. Hedging is done through electricity derivatives as well as through bilateral agreements with producers. The hedge ratio was 85 per cent (78). A 1 per cent increase/decrease in the price of electricity for the unhedged volume would not have a material effect on profit, less than SEK 0.1 M (0.2), given the current level of hedging.

Hedge accounting

The Group applies cash flow hedging for its interest rate risk, foreign exchange risk and electricity price risk. The effective portion of the changes in fair value recognised in other comprehensive income during the year was SEK 18 M (186). The ineffectiveness recognised in the income statement during the year was SEK 0.7 M (0.3).

Liquidity and refinancing risk

"Liquidity and refinancing risk" refers to the risk that financing opportunities will be limited and the cost will be higher when loans are to be re-negotiated. It also comprises payment obligations that cannot be met due to insufficient liquidity. The Group's target capital structure is to have the Group's fixed assets funded by equity and have no more than 40 per cent of borrowings maturing in the same twelve-month period.

The liquidity risk is minimised by Swedavia having a diversified portfolio of borrowings, which ensures access to capital and flexibility. In accordance with the financial policy, the Group has overdraft facilities of SEK 500 M (500).

On the balance sheet date, there was an unutilised bank loan guarantee of SEK 500 M (500) and overdraft facilities of SEK 200 M (210), SEK 8 M(0) of which was utilised. The Group believes there are no risks associated with its refinancing potential.

The following tables show the discounted cash flows for financial liabilities as well as net settled derivatives at the prices on the reporting date. Floating interest rates on borrowings and interest rate swaps in effect on the reporting date are assumed to apply for the remaining maturity of the respective instruments.

Group	2015-12-31						
	< 1 year	2 years	3 years	4 years	5 years	> 5 years	Total
Financial liabilities (including future interest expenses and derivative instruments) – Maturity structure							
Interest-bearing liabilities	1,386	35	2,033	207	1	207	3,869
Liabilities to leasing companies	8	15	–	–	–	–	23
Trade payables	372	–	–	–	–	–	372
Other liabilities	8	–	–	–	–	–	8
Derivative liabilities	76	64	50	32	12	0	234
Total	1,800	114	2,083	239	13	207	4,456

Group	2014-12-31						
	< 1 year	2 years	3 years	4 years	5 years	> 5 years	Total
Financial liabilities (including future interest expenses and derivative instruments) – Maturity structure							
Interest-bearing liabilities	3,806	745	42	2,037	209	217	7,055
Liabilities to leasing companies	7	12	–	–	–	–	19
Trade payables	339	–	–	–	–	–	339
Other liabilities	9	–	–	–	–	–	9
Derivative liabilities	113	101	83	64	47	34	442
Total	4,274	857	125	2,101	256	251	7,864

Credit risks and counterparty risks

The Group's commercial and financial transactions give rise to credit risks against its counterparties. "Credit risk" refers to the risk of loss if the counterparty does not meet its obligations agreed. The credit risk that Swedavia is exposed to consists of financial credit risk and credit risk for customer receivables.

Financial credit risk

The credit risk for financial transactions arises when the Group invests liquid assets as well as in the form of counterparty risks when the Group enters into an agreement on financial instruments with banks. The maximum credit risk consists of the book value of financial assets including derivatives with a positive market value. The Group's policy is to work with banks with a good credit rating, and Swedavia has entered ISDA master agreements with its counterparty banks.

Credit risk in customer receivables

The credit risk for commercial transactions arises when there is a risk that customers will not meet their payment commitments to the Group. This risk is managed by the Group assessing customers' creditworthiness on a frequent basis. For trade receivables, operations are run in accordance with a provision regulating credit terms and working methods. Terms of payment are in most cases net 30 days. As of December 31, 2015, there was no significant credit risk. The quality of credits appears to be good based on credit assessments carried out in accordance with the Group's credit policy.

Age analysis	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Trade receivables not due	440	329	418	315
Trade receivables past due 1–30 days	10	92	12	89
Trade receivables past due 31–90 days	-3	2	-3	2
Trade receivables past due >90 days	4	1	2	1
Total	451	424	430	406
Doubtful trade receivables	2015	2014	2015	2014
Doubtful trade receivables, opening balance	16	11	16	11
Reversed doubtful trade receivables	-10	0	-10	0
Bad trade debt declared	-9	-9	-9	-9
Provision for bad debts	7	13	6	13
Doubtful trade receivables, closing balance	4	16	3	16

NOTE 47. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Pledged assets	–	–	–	–

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Contingent liabilities	86	6	86	6

Swedavia's contingent liabilities (contractual liabilities in the Parent Company) consist of pension commitments in company-owned endowment insurance plans of SEK 5 M and a guarantee of SEK 81 M for the joint venture Landvetter Logistik Center AB, which it owns together with Bockasjö. Swedavia also has a guarantee to cover losses in the associated company Cityflygplatsen i Göteborg AB, for which it is not possible to measure the value of the commitment. Swedavia also has contingent liabilities stemming from environmental requirements for running airport operations.

NOTE 48. CASH FLOW

SEK M	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Adjustments for items not included in the cash flow				
Profit from holdings in associated/ Group companies	-22	–	85	237
Capital gain on sale of operations/ subsidiaries	-918	-349	–	–
Depreciation, amortisation and impairment losses	915	946	936	912
Change in pension provisions	-1	58	150	-98
Change in other provisions	31	42	32	7
Change in value of financial instruments	–	-4	–	–
Other	-18	25	46	-6
Total	-13	718	1,249	1,052
Interest paid and dividend received				
Dividend received	–	–	483	16
Interest received	4	6	4	5
Interest paid	-297	-221	-275	-220

Short-term borrowings (maturity of 3 months or less) that are raised and repaid during the same month are offset.

In the Group, profit from holdings pertains to capital gains from the sale of the property portfolio; see information in Note 34 "Assets held for sale". In 2014, capital gains pertains to the sale of the hotel property. In the Parent Company, the item pertains to the impairment loss on shares in subsidiaries; see information in Note 26 "Holdings in Group companies".

SIGNATORIES TO THE ANNUAL REPORT

The undersigned certify that the consolidated accounts and Annual Report have been prepared in conformity with international financial reporting accounting standards (IFRS) such as have been adopted by the EU in line with generally accepted accounting principles and give a true and fair picture of the financial position and results of the Group and the Parent Company.

The Report of the Directors gives a true and fair picture of the performance of the Group's and the Parent Company's operations, financial position and results and describes significant risks and uncertainty factors faced

Stockholm-Arlanda March 17, 2016

Ingemar Skogö

Chairman of the Board

Karin Apelman

Board member

Adine Grate Axén

Board member

Lars Backemar

Board member

Anna Elgh

Board member

Lottie Knutson

Board member

Lotta Mellström

Board member

Lars Mydland

Board member

Lottie Svedenstedt

Board member

Lars Andersson

Board member
Employee representative

Robert Olsson

Board member
Employee representative

Karl Wistrand

CEO

Our Audit Report was submitted on March 17, 2016

Ernst & Young AB

Magnus Fagerstedt

Authorised Public Accountant

The income statements and balance sheets of the Group and the Parent Company will be subject to approval at the Annual General on April 28, 2016.

Audit Report

To the Annual General Meeting of Swedavia AB (publ), Swedish cordate identity number 556797-0818

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and the consolidated accounts of Swedavia AB (publ) for the financial year 2015. The annual accounts and the consolidated accounts are included in the printed version of this document on pages 44–89.

Responsibilities of the Board of Directors and the President for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation of annual accounts that give a true and fair picture in accordance with the Annual Accounts Act, for the preparation of consolidated accounts that give a true and fair picture in accordance with International Financial Reporting Standards such as have been adopted by the European Union and the Annual Accounts Act, and for the internal control the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts to give a true and fair picture in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, a true and fair picture of the financial position of the Parent Company as of December 31, 2015, and of its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have also been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, a true and fair picture

of the Group's financial position as of December 31, 2015, and of its financial performance and cash flows for the year in accordance with International Financial Reporting Standards such as have been adopted by the EU and the Annual Accounts Act. The Report of the Directors is consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the Annual General Meeting adopt the Income Statement and Balance Sheet for the Parent Company and the Group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Swedavia AB (publ) for the financial year 2015.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for proposing appropriations of the company's profit or loss, and the Board of Directors and President are responsible for administration under Sweden's Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether their proposal is in accordance with the Swedish Companies Act. As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the Annual General Meeting that the profit be appropriated in accordance with the proposal in the Report of the Directors and that the members of the Board of Directors and the President are discharged from liability for the financial year.

Stockholm March 17, 2016
Ernst & Young AB

Magnus Fagerstedt
Authorised public accountant

Auditor's Review Report on Swedavia AB's Sustainability Report

To Swedavia AB

INTRODUCTION

We have been engaged by the Board of Directors of Swedavia AB to review Swedavia's Sustainability Report for the year 2015. Swedavia AB has defined the scope of the Sustainability Report as those areas referred to in the GRI index on pages 106-108.

THE BOARD OF DIRECTORS' AND EXECUTIVE MANAGEMENT'S RESPONSIBILITY FOR THE SUSTAINABILITY REPORT

The Board of Directors and the executive management are responsible for preparing the Sustainability Report in accordance with the applicable criteria, which are presented on pages 104-105 in the Sustainability Report, and consists of those parts of the Sustainability Reporting Guidelines (issued by the Global Reporting Initiative (GRI) at are applicable to the Sustainability Report, and by the accounting and valuation principles produced by Swedavia AB. This responsibility also includes the internal control considered necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the Sustainability Report based on our review.

We have performed our review in accordance with RevR 6 Assurance of Sustainability Reports issued by FAR. A review consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other review procedures. A review has another aim and is substantially less in scope than an audit conducted in accordance with IAASB's Standards on Auditing and Quality Control otherwise has. The audit firm applies International Standard on Quality

Control ISQC 1 and thus has a comprehensive quality control system which includes documented guidelines and procedures concerning compliance with professional ethics requirements, standards for professional conduct and applicable requirements in laws and other statutes. The procedures performed in a review consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion expressed based on an examination thus does not have the assurance of a conclusion based on an audit.

Our review is based on the criteria selected by the Board of Directors and executive management, which are defined above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence we obtained during our review is sufficient and appropriate to provide a basis for our conclusion below.

OPINIONS

Based on our review, nothing has come to our attention that causes us to believe that the information in the Sustainability Report has not, in all material respects, been prepared in accordance with the above-stated criteria.

Stockholm March 17, 2016
Ernst & Young AB

Magnus Fagerstedt
Authorised public accountant

Charlotte Söderlund
Authorised public accountant



Corporate Governance Report

Corporate Governance Report

Swedavia AB (publ)

Swedavia AB is a Swedish limited liability company with its registered office in the Municipality of Sigtuna. Swedavia's operations are described in the company's Articles of Association as financing, owning, managing, operating and developing airports with their appurtenant buildings and facilities. Swedavia shall also take an active part in the development of the Swedish transport sector and help achieve the transport policy goals set by Parliament based on sound business principles.

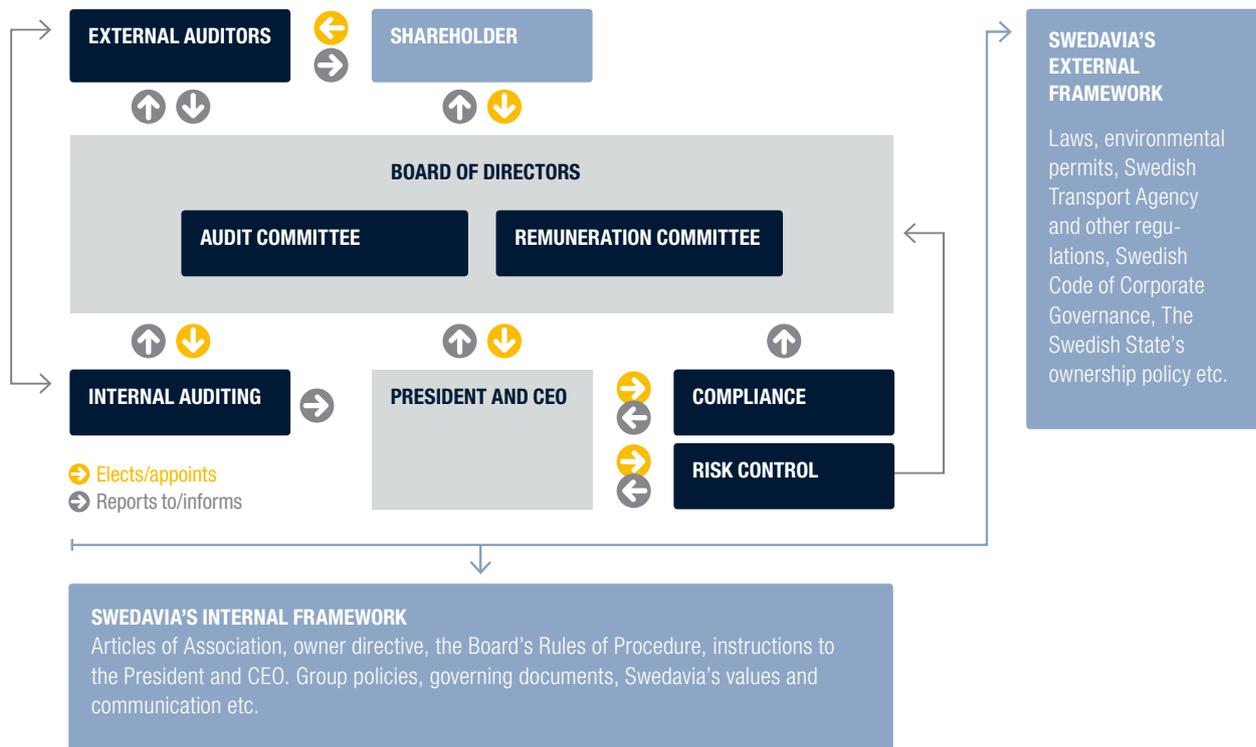
All shares in Swedavia AB are owned by the Swedish State. The Ministry of Enterprise and Innovation represents the Swedish State's shares at Swedavia's Annual General Meeting and thereby nominates Board members in Swedavia.

CORPORATE GOVERNANCE

Swedavia's corporate governance is regulated by external legal frameworks such as the Swedish Companies Act and other applicable Swedish laws, the State's ownership policy and the Swedish Code of Corporate Governance (the Code). The Government conveys its position on important matters of principles concerning corporate governance of all State-owned companies in its ownership policy. Among other things, the decision has been made that all companies in which the State owns a majority shall apply the Swedish Code of Corporate Governance. The Code is applied based on the "comply or explain" principle, which means that deviations from the Code are allowed but must be explained.

The Board of Directors is responsible under the Swedish Companies Act and the Code for Swedavia's internal control. The Board has decided that Swedavia shall apply a framework for documentation and analysis of internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Swedavia's structure for corporate governance is illustrated in the picture below.



Code requirement	Deviation	Explanation/comment
Code rules 1.2-1.3, 2.1-2.7, 8.1 and 10.2 The company has a Nomination Committee that represents the company's shareholder.	No Nomination Committee has been set up.	The Nomination Committee has been replaced by the owner's nomination process.
Code rules 4.5 and 4.6 The Corporate Governance Report shall include information about whether Board members are independent of major shareholders.	Dependency relationship with major shareholders is not reported.	The State's ownership policy states that the relevant provision in the Code is mainly aimed at protecting minority owners in companies with dispersed ownership. In State-owned companies, there is no reason to report such independence.

DEVIATIONS FROM THE CODE

Swedavia is wholly owned by the Swedish State, and the principles that the Swedish State applies in its ownership policy are generally in agreement with the rules in the Code. However, under the State's ownership policy, Code regulations regarding the selection of Board members and auditors are replaced by a special nomination process that applies to companies wholly owned by the State. The primary reason for deviations from the Code is that Swedavia has only one owner whereas the Code is aimed at listed companies with dispersed ownership.

The State's ownership policy also deviates in reporting the independence of Board members relative to major shareholders. The State's ownership policy specifies that the relevant provisions in the Code are primarily aimed at protecting minority shareholders in companies with dispersed ownership so there is no reason to report such independence.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) is the company's highest governing body, where shareholders exercise their influence. The matters considered at the AGM are regulated by the Swedish Companies Act.

According to the Swedish Companies Act, the AGM shall be held annually no later than April 30. Members of Parliament are entitled to take part in the meeting and ask questions in conjunction with this. The general public shall also be given the opportunity to take part in the meeting. The AGM shall, among other activities, appoint the Board and auditors, decide on remuneration to them and adopt the income statement and balance sheet. The Board shall also present principles for the remuneration to executive officers at the AGM.

ANNUAL GENERAL MEETING 2015

Swedavia's Annual General Meeting 2015 was held on April 29 at Stockholm Arlanda Airport. Outsiders were entitled to attend the AGM. Minutes from the AGM are available on Swedavia's website.

At the AGM, Board members Ingmar Skogö, Karin Apelman, Lars Backemar, Anna Elgh, Adine Grate Axén, Lars Mydland and Lottie Svedenstedt were re-elected. Lottie Knutson and Lotta Mellström were elected as new Board members. Ingemar Skogö was re-elected by the AGM as Chairman of the Board.

The AGM adopted the Annual Report 2014 submitted by the Board of

Directors and the President and CEO and discharged the Board members and the President and CEO from liability for the financial year 2014. The AGM also decided, in accordance with the Board's proposed distribution of profits, that a dividend of SEK 231 M be paid to the owner. The decision was in conformity with the dividend policy.

The AGM also decided to adopt guidelines for the remuneration of executive officers.

THE NOMINATION PROCESS FOR THE BOARD OF DIRECTORS

For companies that are wholly owned by the Swedish State, a nomination process that complies with the Swedish State's ownership policy is applied, replacing the Code's rules for appointing Board members and auditors.

The nomination process for Board members is managed and coordinated by the State ownership unit at the Ministry of Enterprise and Innovation. A working group analyses the need for talent based on the composition of the Board and the company's operations and situation. After this, it is determined whether there are any recruitment needs and recruitment work is initiated. Members are selected from a broad recruitment base. Once the process has ended, the nominations are announced in accordance with the provisions of the Code.

BOARD OF DIRECTORS

According to the Articles of Association, the Board of Directors shall consist of at least six and no more than nine members, excluding deputy members. Under Swedish law, employee organisations are also entitled to appoint regular members and their deputies. Swedavia's Chief Legal Counsel is the Board secretary. The President and CEO is not included on the Board but makes presentations at the Board meetings. None of the Board members is on the executive management team. For information about the appointment and removal of Board members, reference is made to the Swedish State's ownership policy.

The work and responsibilities of the Board

According to the Swedish Companies Act and the Swedish State's ownership policy, Swedavia's Board is responsible for the company's organisation

and management of the company's operations. The Board establishes the Rules of Procedure each year for the Board's work, instructions for the division of labour and responsibilities between the Board and the President and CEO, and instructions for economic reporting to the Board. The Board's duties include determining the company's overall strategies, objectives and targets as well as ensuring that there are appropriate systems for monitoring and controlling the company's operations and the risks to the company in connection with its operations. During the year, the Board decided on a specific measure to allow internal auditing on two occasions to assess a pilot project for the operation's construction process. The Board attends to the company in a sustainable and responsible way to ensure long-term value creation. The Board's Rules of Procedure also regulate the Chairman's duties and information to the Board.

Under the Board's Rules of Procedure, at least eight statutory Board meetings apart from the statutory Board meeting shall be held per calendar year. Additional meetings may be held when justified by events of major importance. The Board is responsible for financial reporting and has regular meetings through the Audit Committee with the company's auditors. In addition, the auditors meet the full Board at least once a year.

The Board assesses the President and CEO's work on a continuous basis and gives particular consideration to this matter at least once a year, when no one from the executive management team may be present.

Composition of the Board

In 2015, Swedavia's Board consisted of nine members elected at the AGM, including the Chairman. In addition, the Board had two regular employee representatives and their two deputies. An account is given on pages 100-101 of each Board member's age, education, main work experience, other important duties outside the company and number of years as a member of Swedavia's Board. The AGM elected nine Board members, of which three are men and six are women. The employee representatives in 2015 were two men. The average was 56 years.

Chairman of the Board

The Chairman of the Board is elected at the AGM. Under the Rules of Procedure for Swedavia's Board of Directors, the Chairman shall ensure that the Board's work is managed effectively and that the Board fulfils its duties. The Chairman's duties include organising and managing the Board's work, keeping in regular contact with the President and CEO and ensuring that the Board is given sufficient information and material to make decisions in its work. The Chairman is also responsible for coordinating the Board's views in relation to the owner on issues of critical importance to the company, and for receiving the owner's views and conveying them to the Board.

The Board's work in 2015

The Board held twelve meetings in 2015, two of which were extra meetings and one of which was statutory. Among the matters dealt with were business operations including the strategic sustainability plan, the annual and sustainability report and reports related to this. The Board also dealt with investments and procurements, Swedavia's pricing model for airlines, the efficiency analysis carried out by the owner concerning Swedavia as well as acquisitions and disposals of companies. Coordination concerning the Swedish Government's commission on Bromma Stockholm Airport was also dealt with during the year.

Among the main issues dealt with by the Board in 2015 were:

- Assessment of the President and CEO
- Strategic development
- Sustainability objectives and targets
- Access and new air links
- Work with US preclearance
- Disposal and development plan for Real Estate operations and strategic partnerships
- Development plans for Stockholm Arlanda Airport and Bromma Stockholm Airport
- Governing documents*
- Major investments and procurements
- Internal control
- Risk management and risk assessment
- Financial reports including reporting from internal and external auditing

* In addition, at the annual statutory meeting the Board adopts Group policies, the Board's Rules of Procedure, the committees and governing documents.

The Board's committee work

Swedavia's Board of Directors has an Audit Committee and a Remuneration Committee. The committees prepare matters for the Board meetings. Guidelines for the committees' work are found in the Rules of Procedures for each committee.

The Audit Committee's tasks include being responsible for preparing the Board's work to quality assure and prepare the company's financial reports and maintain an ongoing dialogue with the company's auditors. Minutes for each committee meeting are attached to the minutes for the following Board meeting. In 2015, the Audit Committee held seven meetings for which minutes were kept, which were all attended by the company's internal and external auditors. During the year, among the matters dealt with by the Audit Committee were financial reports and up-to-date risk reporting, assessment of internal and external auditors, internal control logs and the external auditors' reporting on internal control. The Audit Committee also dealt with Internal Auditing's reports and an in-depth review of Swedavia's risk management process. Since the AGM, the Audit Committee includes Board members Karin Apelman as Chair and Adine Grate Axén and Lotta Mellström as members.

The Remuneration Committee's task is to prepare matters concerning remuneration and other terms of employment for executive officers. The committee shall also assess the compliance with decisions regarding remuneration that were made at the AGM. Minutes for each committee meeting are attached to the minutes for the following Board meeting. In 2015, the Remuneration Committee held seven meetings for which minutes were kept. During the year, among the matters dealt with by the Remuneration Committee were overall remuneration and terms of employment for executive officers as well as preparing salary matters for the President and CEO, Deputy CEO and head of Internal Auditing. The committee also worked with the assessment of the President and CEO, which was carried out by an external independent party. The committee furthermore had a review of the results from Swedavia's employee survey and monitoring of action plans. The members of the Remuneration Committee since the AGM include Ingemar Skogö as Chair, Lotta Mellström and Lottie Svedenstedt as members as well as Robert Olsson as employee representative.

Evaluation of the work of the Board of Directors, 2015

During the year, the Board's work was assessed, at the Chairman of the Board's initiative, through a methodical, structured process by an external independent party. The assessment is aimed at, among other things, developing a good basis for the Board's own development work. The results of the assessment are reported to the Board and by the Chairman of the Board to the owner. Based on this assessment, the Board adopts measures to develop the Board's working methods and effectiveness. In addition to the annual assessment, the Board conducts an assessment after every Board meeting at which the company's executive management are not in attendance.

Remuneration of the Board

Compensation to the Board is decided by the AGM. The Chairman of the Board is paid a fee of SEK 440,000, and each member is paid SEK 220,000. It was also decided at Swedavia's AGM that no specific remuneration should be paid to the Board's employee representatives or members employed in the Swedish Government Offices. The Chair of the Audit Committee is paid a fee of SEK 35,000 and the committee members are each paid SEK 20,000. A fee of SEK 25,000 was decided for the Chair of the Remuneration Committee and SEK 20,000 each for the members.

THE PRESIDENT AND CEO AND THE EXECUTIVE MANAGEMENT

The Board of Directors appoints the company's President and CEO. In December, the Board decided to dismiss the previous President and CEO,

after which the Board appointed the Deputy CEO as acting President and CEO. The work to recruit a new CEO has begun. The President and CEO is responsible for the day-to-day management of the company in conformity with the Board's guidelines and instructions. Within the bounds determined by the Board, the President and CEO manages operations and keeps the Chairman of the Board continuously informed about significant business matters. The President and CEO shall organise the company's management to meet the aims set for governance and control of operations. Other executive officers are appointed by the President and CEO. The executive management team is a forum for information, discussions and decisions for Group matters. The team's meetings are chaired by the President and CEO and are held each month. Swedavia's executive management, including the President and CEO, is presented in more detail on pages 102–103.

Remuneration to executive officers

At Swedavia's AGM on April 29, 2015, the owner decided on the principles for remuneration and other terms of employment for executive officers. For remuneration and other terms of employment, Swedavia shall apply the principles decided in the "Guidelines for Terms of Employment for Executive Officers in Companies under State Ownership" adopted by the Government. Similar principles are applied in Swedavia's subsidiaries. Swedavia does not use variable remuneration for executive officers.

Subsidiaries and associated companies

Swedavia had four subsidiaries at year-end 2015 – Swedavia Real Estate AB, Arlanda Development Company AB, Bromma Stockholm Airport Fastigheter

Facts about the Board

Members elected at the AGM	Chair	Attendance, Board meetings	Year elected	Attendance, Audit Committee	Attendance, Remuneration Committee
Ingemar Skogö	Member	12/12	2010		7/7
Karin Apelman	Member	11/12	2010	6/7	
Lars Backemar	Member	12/12	2010		
Anna Elgh ²	Member	11/12	2010	3/7	
Adine Grate Axén ²	Member	10/12	2010	3/7	
Hans Jeppsson ¹	Member	4/12	2010		
Lottie Knutson ¹	Member	8/12	2015		
Jenny Lahrin ^{1,2}	Member	3/12	2012	3/7	3/7
Lotta Mellström ^{1,2}	Member	9/12	2015	4/7	4/7
Lars Mydland	Member	11/12	2014		
Lottie Svedenstedt	Member	12/12	2010		7/7

Employee representatives

Lars Andersson	Member	12/12	2010		
Robert Olsson	Member	12/12	2010		4/7
Mats Abrahamsson	Deputy member	0/12	2010		
Agne Lindbom	Deputy member	0/12	2010		

¹ At the Annual General Meeting 2015, Lottie Knutson and Lotta Mellström were elected as new Board members and replaced the Board members Hans Jeppsson and Jenny Lahrin, who stepped down.

² At the Annual General Meeting 2015, Adine Grate Axén was elected as a new member of the Audit Committee and replaced Anna Elgh, while Lotta Mellström was elected as a new member of the Audit Committee and Remuneration Committee and replaced Jenny Lahrin, who stepped down.

AB and Cityflygplatsen i Göteborg AB. Through its subsidiary Swedavia Real Estate, Swedavia has two associated companies – Swedish Airport Infrastructure and Landvetter Logistik Center, which are strategic partnerships in joint ventures – which means Swedavia does not have a controlling interest in these. There is an officer from Swedavia's executive management represented on the Board of every subsidiary and associated company in the Group.

Swedavia's owner directive is applied for all subsidiaries in order to have uniform management principles in the Group.

AUDITORS

External auditing

Under the Swedish State's ownership policy, responsibility for electing auditors in companies owned by the State always lies with the owner. The final decision on the choice of auditors is made by the owner at the AGM. The auditor's duties are to examine the financial reporting of the company and the Group as well as the administration of the company by the Board and the President and CEO. At Swedavia's AGM on April 29, 2015, the auditing firm Ernst & Young was elected as auditors. Auditing duties are to be performed until the end of the AGM being held in 2016. Authorised public accountant Magnus Fagerstedt was elected as the principal auditor. Magnus Fagerstedt has no duties at the company that affect his independence as an auditor for Swedavia. Remuneration has been paid to the auditors and auditing firm for auditing and advice.

The Board has a special internal auditing function at Swedavia to support the Board in carrying out its oversight and assessment of the company's operations which reports to the Board. The Board has adopted instructions for internal auditing, which in 2015 consisted of three auditors.

THE BOARD'S REPORTING ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Under the Swedish Companies Act and the Code, the Board is responsible for internal control of financial reporting. Under the Code and the Annual Accounts Act, the Board must submit a description each year of the most important features of the company's system for internal control and risk management over financial reporting. The Board has a formalised procedure for ensuring that there is compliance with the established method for financial reporting and internal control. The Board receives reports with feedback on monitoring the status of measures taken based on self-assessments in operations as well as recommendations from Internal Auditing and external auditing concerning internal control at the company. Internal control over financial reporting is aimed at providing reasonable assurance as to the reliability in the external reporting prepared in compliance with laws, appropriate accounting principles, specific requirements from the owner and other requirements for limited liability companies.

This Corporate Governance Report has been prepared in accordance with the Annual Accounts Act and the Code of Corporate Governance and is restricted to internal control over financial reporting.

The Board has decided that Swedavia shall follow the established Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework for internal control. The COSO framework consists of five interdependent components: control environment; risk assessment; control activities; information and communication; and monitoring and assessment.

Governance and control environment

The basis of Swedavia's internal control consists of the control environment, which consists mainly of the organisational structure and governing

documents such as the Code of Conduct. Swedavia's Board has established Rules of Procedure for its work and the work of the committees. Some of the Board's work entails developing, updating and approving basic policies that govern the company's work. The control environment is aimed at providing operations with the conditions for carrying out their tasks in a clear way in accordance with the Board's objectives, targets and intentions as well as influence control and risk awareness in the organisation. This is done by delegating responsibility and authority to the managers and employees of the company. The control environment consists essentially of external documents such as laws, agreements, generally accepted accounting principles, the ownership policy and guidelines as well as other internal governing documents. The control environment also consists of the Board's Rules of Procedure and instructions to the President and CEO. The company's President and CEO has delegated responsibility and authority to members of the executive management team in specific rules of procedure concerning their mandate to enter agreements, make decisions on investments and authorise invoices. All Group policies are reviewed annually and adopted by the Board or executive management and are then available on the company's intranet, which employees have access to.

The table of Swedavia's governing documents below shows what policies the Board of Directors and executive management decide.

Swedavia's governing documents	Decided by
The Board of Directors' Rules of Procedure	Board of Directors
Instructions to the President and CEO	Board of Directors
Instructions for Economic Reporting	Board of Directors
Proposed Guidelines for Remuneration and Other Terms of Employment for Executive Officers	Board of Directors
Financial Policy	Board of Directors
Credit Policy	Board of Directors
Safety and Security policy	Board of Directors
Environmental Policy	Board of Directors
Code of Conduct	Executive management
Gender Equality and Diversity Policy	
Workplace and Drug Policy	
Employee Planning Policy	
Information Security Policy	Executive management
Document Management Guidelines	Executive management
Aviation Safety and Security Policy	Executive management
Fire Safety Policy	Executive management
Communication, Information and Insider Policy	Executive management
Risk Management Policy	Executive management
Risk Management Guidelines	Executive management
Crisis Management Policy	Executive management
Procurement Policy	Executive management
Bribery Policy	Executive management
Guidelines for Signing Agreements	Executive management
Quality Policy	Executive management

Risk management

The Board has ultimate responsibility for the company's risk management and has assigned the President and CEO the task of managing this operationally. Swedavia's risk management is aimed at identifying potential events that can affect the organisation's ability to achieve the objectives and targets set. The method used by the company for risk management is based on a model with three lines of defence. The first line of defence consists of the company's operations, in the form of airports and Group-level functions that have responsibility for identifying, assessing and reporting risks on a continuous basis.

The second line of defence consists of the company's Risk Manager, whose task is to facilitate and develop support for the risk management processes and methods used in operations as well as consolidate and report on the company's risks.

The third line of defence consists of the company's internal auditing, which examines Swedavia's operations and reports to the Board. Risks are monitored on a continuous basis by the airports and corporate functions and are reported to the Risk Manager, who together with the Risk Committee consolidates them on a quarterly basis. Swedavia's greatest risks are then compiled in a risk report which is approved by the President and CEO and then prepared by the Audit Committee before it is adopted by the Board. Financial risks are always reported as part of the risk report. A more detailed description of Swedavia's risk management process can be found in the Annual Report for 2015 on pages 46-48.

Control activities

Swedavia's control activities for financial reporting consist of three parts – monitoring and analysis of economic results, the risk report and monitoring of key controls in the process.

The Chief Financial Officer (CFO) monitors and analyses economic results on a monthly basis and reports this to the President and CEO. The CFO also monitors and analyses processes for bookkeeping, financial statements and financial reports on a quarterly basis through a special monitoring programme in which key controls are self-assessed and reported.

Swedavia's Board of Directors receives reports of economic results with analysis and comments from the company's President and CEO on a monthly basis. Swedavia's publicly available reports are compiled by the CFO and the

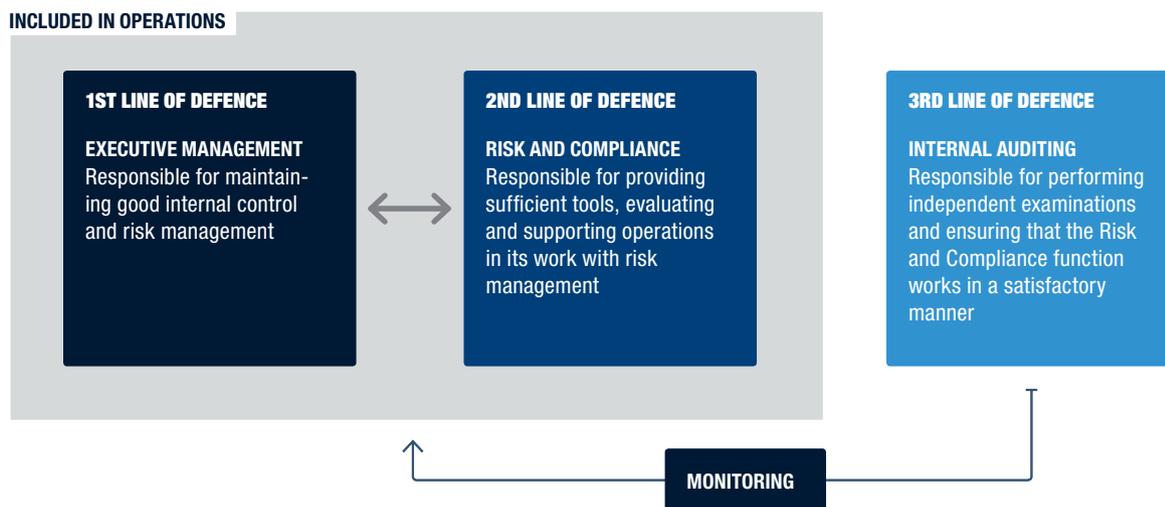
President and CEO for preparation in the Audit Committee before they are adopted by the company's Board of Directors and then published. In addition to the Annual Report, at least one of the interim reports is examined by the company's auditors, who report on their review work to the Audit Committee and the Board of Directors. Swedavia's Internal Auditing also conducts reviews in different areas in order to ensure quality in financial processes and in the financial reporting. The Audit Committee also has the possibility to conduct in-depth dialogue and follow-up on accounting matters with the company's CFO and auditors taking part in the committee's meetings.

Information and communication

Swedavia is a State-owned company and under the Swedish state's guidelines shall follow the same regulations for accounting and reported as publicly listed companies. Swedavia has issued financial instruments listed on the Nasdaq OMX exchange, which means the company is obliged to apply Nasdaq OMX's regulations for issuers as well as other regulations that arise regarding this. Swedavia has therefore developed a Communication, Information and Insider Policy that regulates the spread of information internally and the dissemination of information to the market. Swedavia's public financial reports consist of four interim reports and an Annual and Sustainability Report. External financial reporting shall be characterised by openness and transparency and is aimed at giving the company's different stakeholders a relevant picture of operations.

Monitoring and assessment

The executive management team meets on a monthly basis and reviews operations and related risks. The Board also evaluates the development, economic results, financial position and cash flow of operations on a monthly basis. At the Group-level, there are corporate functions, including a control and an accounting unit, that analyse and monitor results compared to the budget and forecasts which are reported to the company's President and CEO and to the CFO. All people with responsibility for business units regularly report results and annual forecasts to the company's President and CEO and to the CFO. The Board evaluates the information provided by the President and CEO on a continuous basis. There is also an internal auditing function that serves as an independent examination function.



Stockholm-Arlanda, Sweden March 17, 2016

Ingemar Skogö
Chairman of the Board

Karin Apelman
Board member

Adine Grate Axén
Board member

Lars Backemar
Board member

Anna Elgh
Board member

Lottie Knutson
Board member

Lotta Mellström
Board member

Lars Mydland
Board member

Lottie Svedenstedt
Board member

Lars Andersson
Board member
Employee representative

Robert Olsson
Board member
Employee representative

AUDITOR'S OPINION ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of Swedavia AB (publ), corporate identity number 556797-0818

The Board of Directors is responsible for the Corporate Governance Report for 2015 on pages 93-99 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and, based on that reading and our knowledge of the company and the Group, we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report is different and sub-

stantially less in focus and scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Report has been prepared and its statutory content is in accordance with the annual accounts and consolidated accounts.

Stockholm March 17, 2016

Ernst & Young AB
Magnus Fagerstedt
Authorised public accountant

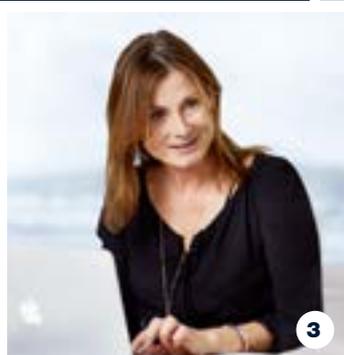
Swedavias' Board of Directors



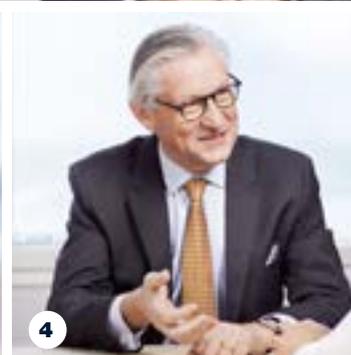
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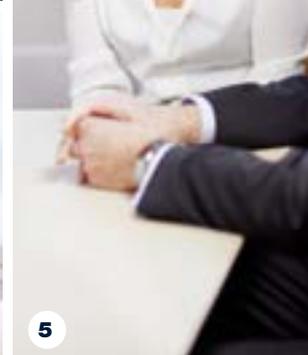
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1. INGEMAR SKOGÖ

Chairman of the Board (elected 2010),
Chair Remuneration Committee

Born: 1949

Other Board duties: Fordonsstrategisk Forskning och Innovation (Chair) and Sensys Gatso Group AB. Teologiska Högskolan i Stockholm AB (Chair), Sensys Gatso Group AB and Swedish International Development Cooperation Agency.

Education: BS in Economics, Lund University.

Work experience: Formerly Governor, Västmanland County Board, Director-General, Vägverket; Director-General, Luftfartsverket; Undersecretary of State, Ministry of Communications; Mayor, Municipality of Södertälje; department advisor, energy, Ministry of Industry; administrator, Budget Department, Ministry of Finance; Swedish National Audit Office.

2. KARIN APELMAN

Member (elected 2010),
Chair, Audit Committee

Born: 1961

Other Board duties: EKN (Swedish export promotion agency), Swedish Credit Insurance Association (KFF), financing delegation for Swedish Radiation Safety Authority; advisory council for Swedish Legal, Financial and Administrative Services Agency (Kammarkollegiet); Bliwa Livförsäkring, Kåpan Pensioner.

Education: BS in Economics, Stockholm School of Economics.

Work experience: Director-General, EKN. Formerly CFO, Luftfartsverket; Deputy CEO, Saab Aircraft Leasing; Manager Leasing and Project Financing, Scandinavian Airlines.

3. ADINE GRATE AXÉN

Member (elected 2010)

Born: 1961

Other Board duties: Sky Ltd, Sampo Oyj, 3 (HI3G Scandinavia), Sobi AB, Sjunde AP-fonden (Deputy Chair), Madrague AB. Chair, Dansmuseet, Base23 and Formmuseets Vänner.

Education: BS in Economics, Stockholm School of Economics; Executive MBA (AMP), Harvard University.

Work experience: Own company; Chair, NASDAQ Stockholm Listing Committee. Formerly Executive Vice President and Managing Director, Investor AB; Vice President Corporate Finance, Gota Group and Hägglöf & Ponsbach. Formerly member of Swedish Securities Council, Carnegie Investment Bank AB, Gambro AB, Grand Hotel Holdings, Ericsson Project Finance AB, EDB ErgoGroup A/S, Spray Ventures BV, Swedish Industry and Commerce Stock Exchange Committee and Government Council for Reduced State Ownership.

4. LARS BACKEMAR

Member (elected 2010)

Born: 1950

Other Board duties: Backemar Consulting AB (Chair), City i Samverkan AB (Chair), Retailmentorerna (Chair), Arosgruppen Fastigheter Fjärdingen AB, Arosgruppen Holding AB, Fastighets AB Velocipeden.

Education: Business administration and marketing, Köpmannainstitutet, Stockholm; marketing and consumer policy, Uppsala University.

Work experience: Senior Advisor, Backemar Consulting AB. Formerly various executive positions at Hufvudstaden, Jones Lang LaSalle.

5. ANNA ELGH

Member (elected 2010)

Born: 1963

Other Board duties: INone.

Education: Master's of Engineering, KTH Royal Institute of Technology, Stockholm; Executive MBA, Instituto de Empresa Madrid.

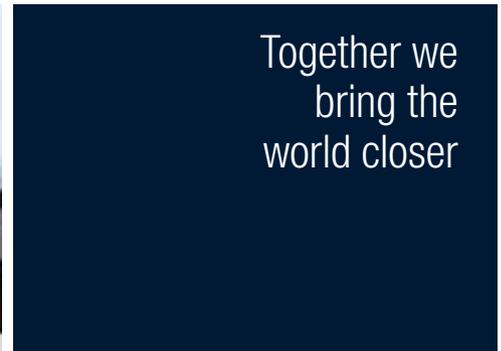
Work experience: CEO Svenska Retursystem AB. Formerly Business Area Manager, Elder Care Private Management Vardaga; Vice President Supply Chain and Group Logistics Director, Lantmännen; Supply Chain Director, SAS Component; various executive positions at Svenska Statoil AB.



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Together we
bring the
world closer



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6. LOTTIE KNUTSON
Member (Elected 2015)

Born: 1964

Other Board duties: H&M AB, Stena Line BV, Scandic, Wise Group, Cloetta, STS Alpresor.

Education: Journalisthögskolan i Stockholm, Diplôme de Culture Française, Paris IV.

Work experience: Communications Director, TUI Nordic; account manager and project manager, JKL and Bates; information officer SAS; Journalist, Svenska Dagbladet.

7. LOTTA MELLSTRÖM

Member (Elected 2015), member Remuneration Committee, member Audit Committee

Born: 1970

Other Board duties: AB Svensk Exportkredit.

Education: B.S in Economics, Lund University.

Work experience: Senior advisor, Deputy Director, Division for State-Owned Enterprises, Ministry of Finance; management consultant Resco AB; controller in the Sydkraft and ABB Groups.

8. LARS MYDLAND
Member (Elected 2014)

Born: 1954

Other Board duties: mydland ehrling AB (Chair), SESAR Performance Partnership (Chair).

Education: Fighter pilot training RNAS/USAF, Norwegian Air Force.

Work experience: Consultant, mydland ehrling AB; Senior Consultant, IATA; Special Adviser to Managing Director, Veling Ltd., Formerly SVP & Accountable Manager Scandinavian Airlines, airline captain, SAS; CEO, SAS Flight Academy AB; fighter pilot and officer, Norwegian Air Force. Formerly member SAS Commuter AB, SAS Sverige AB, SAS Norge AS, SAS Danmark AS, TFHS, IATA OPC, SAS Technical Services (STS). Formerly Chair EAC (Spain) and Norwegian Aviation College AB.

9. LOTTIE SVEDENSTEDT

Member (elected 2010), member Remuneration Committee

Born: 1957

Other Board duties: MIL Foundation (Chair), MIL Institute (Chair), Uppstart Helsingborg (Chair), K-Utveckling Engineering AB (Chair), Byggmax AB, ITAB Shop Concept AB, Vanna AB, Åhus Studiodata AB and Orango AB.

Education: Law degree, Uppsala University.

Work experience: Formerly CEO, Kid Interiör A/S; Business Area Manager, IKEA of Sweden; Deputy General Manager, IKEA Systems BV; CEO, Inter IKEA Systems A/S; Regional Director, H&M AB.

10. LARS ANDERSSON
Employee representative (elected 2010)

Born: 1953

Other Board duties: Chair of SEKO Swedavia negotiations organisation.

Education: First repairman.

11. ROBERT OLSSON
Employee representative (elected 2010)

Born: 1966

Other Board duties: Section Chair ST.

Education: High school, trade union training etc. Safety officer/security guard, Swedavia.

DEPUTY MEMBERS

AGNE LINDBOM

Born: 1961

MICHAEL SIÖNÄS

Born: 1952

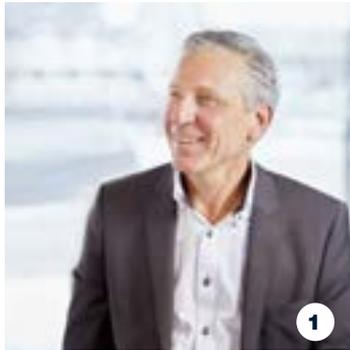
AUDITOR

MAGNUS FAGERSTEDT

Principal auditor
Ernst & Young AB

Born: 1957

Swedavias executive management



1. KARL WISTRAND

President and CEO since December 2015, Deputy CEO of Swedavia since July 2012, Director of Commercial and Real Estate since February 2014, and CEO of Swedavia Real Estate AB since January 2013

Born: 1957

Education: Degree in corporate and business management law, School of Business, Economics and Law, University of Gothenburg.

Work experience: CEO, Coop Sverige AB; Deputy CEO and CFO ICA AB; various positions at ICA.

Other Board duties: Chair of Landvetter Logistic Center AB and Cityflygplatsen i Göteborg AB. Board member of Swedish Airport Infrastructure AB, Swedavia Real Estate AB and Airport City Stockholm AB.

2. PER ARENHAGE

Chief Technical Officer since July 2011

Born: 1956

Education: MS in Engineering, KTH Royal Institute of Technology, Stockholm.

Work experience: Chief Operating Officer and Chief Technical Officer, Stockholm Arlanda Airport; acting Airport Director, Stockholm Arlanda Airport; CEO, Uppsala Stadsnät Song; Head of Business Area, City Systems Vattenfall Connection; Chief Technical Officer, Uppsala Energi.

Board duties: None.

3. LENNART BERGBOM

Strategic Director since December 2010

Born: 1969

Education: BS in Economics, Uppsala University.

Work experience: Head of Strategic Development, Stockholm Arlanda Airport; investigator and market analyst, Luftfartsverket; Desk Officer, Ministry of Finance.

Board duties: None.

4. ANNA BOVALLER

Chief Legal Counsel since April 2010

Born: 1963

Education: Law degree, Lund University; IHM Master in Leadership and Executive Management Program, IFL at Stockholm School of Economics.

Work experience: Chief Legal Counsel, LfV; Assistant Chief Legal Counsel, Posten AB; commercial lawyer, Posten AB; lawyer, Dahlman Magnusson Advokatbyrå; law clerk, Nacka District Court; legal assistant, Michelsons Advokatbyrå.

Board duties: None.

5. PEDER GRUNDITZ

Airport Director, Bromma Stockholm Airport since December 2013

Born: 1963

Education: Executive MBA, M-gruppen.

Work experience: Director of Regional Airports; various duties at LFV including Airport Director, Visby Airport and acting Division Head; Director of Passenger Services Malmö Aviation; Director of Ground Operations, Braathens Sverige; Head of Traffic, Transwede Airways.

Board duties: Chair of Bromma Stockholm Airport Fastigheter AB, Board member of Cityflygplatsen i Göteborg AB.

6. ANDERS LENNERMAN

Director of Security and Safety since October 2010

Born: 1953

Education: Swedish National Police Academy; Criminology, Stockholm University.

Work experience: Head of Security, Stockholm Arlanda Airport; Management consultant, Mercuri Urval International; various positions with the Swedish Security Service, particularly in counter-espionage; various positions with the Swedish Police in Stockholm County.

Board duties: Board member of ACI Europe Aviation Security Committee and mp3Consulting AB.



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7. CHARLOTTE LJUNGGREN

Airport Director, Göteborg Landvetter Airport since August 2012

Born: 1967

Education: Economics & Law, IHM Business School, Gothenburg.

Work experience: Route Director and Onboard Manager, Stena Line Scandinavia AB; Route Director, SeaCat AB; Finance & HR Manager, Sea Containers LTD; Silja Line Eesti Oy; Route Director Color SeaCat AS; various positions at B&B Fondkommission AB.

Board duties: Board member, Swedish Exhibition and Congress Centre, Börssällskapet i Göteborg, Thomas Concrete Group AB and Arlanda Development Company AB.

8. SUSANNE NORMAN

Airport Director, Regional Airports since December 2013 and Airport Director, Åre Östersund Airport since November 2008

Born: 1966

Education: BS in Information Systems, Mid Sweden University, Östersund.

Work experience: CEO, Recall AS Oslo; Head of Production/Site Manager, Recall AB Sverige; Head of Sales, Central Region, Cap Gemini AB; operations developer, Jämtkraft AB.

Board duties: Chair of Fristilen AB.

9. MATS PÅHLSON

Chief Financial Officer since August 2014

Born: 1963

Education: Economics, Växjö University.

Work experience: CFO AcadeMedia; CFO Poolia; CFO Lernia; CFO AGA S/A Brazil, CFO AGA Gas Sverige.

Board duties: Board member of Criar AB and Swedavia Real Estate AB.

10. LINDA SJÖDIN

Chief Market and Communication Officer since October 2015

Born: 1976

Education: Professional Board work, Michäel Berglund Board Value, Stockholm; Communication Executives Program, Stockholm School of Economics; Masters of Media in IT, Stockholm; BS in Media and Communication, University of Gävle; political science and sociology, Örebro University.

Work experience: Director of Communication, Swedavia; Head of Communication Services at Vattenfall; various positions in the SAS Group, including Head of Information, SAS Sverige AB; journalist on the news and sports desks, TV4.

Board duties: Board member of Svenskt Flyg Intresseaktiebolag.

11. KJELL-ÅKE WESTIN

Airport Director, Stockholm Arlanda Airport since September 2011

Born: 1957

Education: Aviation College of Sweden, FTS Swedish Air Force, War College F20.

Work experience: Swedish Air Force; SAS Flight Academy; CEO, Skyways Express AB; CEO, Direktflyg AB; President, Aviation College of Sweden; CEO, Örebro Airport AB; Airport Director, Bromma Stockholm Airport.

Board duties: Board member of Destination Sigtuna AB and Arlanda Development AB, deputy Board member of Airport City Stockholm AB.

12. MARIE WIKSBORG

Chief Human Resources Officer since October 2013 and HR Director, Stockholm Arlanda Airport since August 2013

Born: 1965

Education: in Economics, School of Business, Economics and Law, Gothenburg University

Work experience: HR Director, Stockholm Arlanda Airport; Director of HR and Employees, KF Group, including Coop; Business Support Director, KF Fastigheter AB; HR Director, Sheraton Stockholm Hotel & Towers; Training Director, Sheraton Stockholm Hotel & Towers.

Board duties: None.

GRI – Content and sustainability

Swedavia's Annual and Sustainability Report focuses on strategy, the achievement of objectives and targets, and operational results for the past year. Swedavia's general objective is for the report to be transparent, relevant and comparable. Swedavia has used the Global Reporting Initiative (GRI)'s guidelines since 2010 and reports its sustainability work in 2015 in accordance with GRI's updated guidelines, G4, at the Core level. Reported indicators have been chosen based on our stakeholders' assessments of Swedavia's operations in order to develop long-term sustainable operations.

REPORT BOUNDARY

Swedavia has limited the report to areas in which the company has total control over data collection and information quality, which means the entire group is included unless otherwise indicated. Data for subsidiaries or associated companies in which Swedavia owns a minority interest are excluded. However, transition operations at Göteborg City Airport (Säve Airport) are included only in economic information and employee statistics.

REPORTING PRINCIPLES

Indicator G4-EN19 reports emission reductions under the framework for Swedavia's target of zero fossil carbon dioxide emissions, broken down in accordance with the Greenhouse Gas Protocol into Scope 1, 2 and 3. The year 2005 was chosen as the base year for reporting because Swedavia has worked strategically since 2006 with climate and energy issues in its operations.

Emissions are reported in tonnes of fossil carbon dioxide. Emissions for 2015 calculated in carbon dioxide equivalents were about 3,110 tonnes, about 1 per cent higher than the emission of carbon dioxide gas. Emissions of fossil carbon dioxide are calculated based on fuel consumption and energy use reported in the Group's environmental reporting system, SMIL. Reporting includes Swedavia AB (10 airports) and Swedavia Real Estate AB. Data for minority-owned subsidiaries or associated companies and the office in Norrköping are excluded. Energy purchased for the office in Norrköping is not measured by Swedavia's landlord since it is included in the rent. Emissions are thus calculated under Scope 3 in accordance with principles of scope in Airport Carbon Accreditation Guidance, which applies the Greenhouse Gas Protocol for carbon dioxide certification to airport operations. Emissions from Göteborg City Airport (Säve Airport) are not included but in 2015 were about 230 tonnes of carbon dioxide equivalents and are reported under Scope 1.

The indicator G4-PR5 measures customer satisfaction of Swedavia's passengers, airlines and tenants at its larger airports. Swedavia is part of the ASQ Programme of passenger surveys administered by Airport Council International (ACI). The survey measures departing passengers' attitudes to and experiences at the airport. For Bromma Stockholm Airport, Göteborg Landvetter Airport and Stockholm Arlanda Airport, reporting is on a quarterly basis. Reporting for other Swedavia airports is done every six months. Swedavia's annual results are weighted based on the annual results for the airports. For Bromma Stockholm Airport, Göteborg Landvetter Airport and Stockholm Arlanda Airport, the period is for the full-year 2015. For the regional airports, the period is for the fourth quarter of 2014 to the third quarter of 2015.

The airline survey is carried out once every two years and measures the airline customers' satisfaction with the airports. The most recent survey was carried out in 2015. The tenant survey is carried out at Bromma Stockholm Airport, Göteborg Landvetter Airport, Malmö Airport and Stockholm Arlanda Airport. The survey is carried out every two years. The most recent measurement was carried out in 2014 using an established method of measurement in the real estate industry with ten fields of questions and an overall satisfied customer index (SCI).

Employee satisfaction is measured as an employee satisfaction index (ESI), which assesses the work climate in the working group. ESI is measured in conjunction with Swedavia's employee survey, which is carried out once a year in February. The survey also measures the ability of leadership to lead, communicate, manage and develop operations (communicative leadership index or CLI), the likelihood that employees would recommend Swedavia as a workplace to a friend (net promoter score or NPS), and an engagement index (EI), which shows what percentage of the company's groups are efficient and profitable.

The number of international destinations is determined by the total number of cities outside Sweden that can be reached by direct flights in scheduled or charter operations from Swedavia's airports. Threshold values have been used in the calculation in order to filter out flights that take place on an ad hoc basis and for which the general public cannot purchase tickets.

IDENTIFYING THE CONTENT OF THE REPORT – MATERIALITY ANALYSIS

The materiality analysis is based on Swedavia's dialogue with stakeholders and was designed to identify the issues that are most critical to Swedavia's economic, environmental and social value creation.

Swedavia has identified its materialities by weighing 47 issues selected from two perspectives: how they affect Swedavia's value creation potential and to what extent each issue affects stakeholders' assessments of Swedavia's value creation. Relevant global trends and drivers and Swedavia's objectives, targets and priorities provide the basis for the issues assessed.

Stakeholders are represented first by key people at Swedavia with good knowledge about and insight into the priorities of the different groups of stakeholders. Qualitative interviews were then conducted with representatives of the most important groups. Of Swedavia's seven main groups of stakeholders (see page 21), customers were given the highest weight.

The most recent materiality analysis was carried out in late 2013, and the findings were then compared with the trend analysis carried out in 2015. The trend analysis is based on up-to-date business intelligence, market surveys, in-depth studies, an internal trend network and external trend reports. The aim is to identify the changes that could possibly have a major impact on Swedavia's business. The time horizon is at least 3-5 years, but many trends are sustained in the longer term. These trends have been compiled under seven overall trend themes. All of these are considered to be certain and have a major impact, which means that Swedavia needs to plan for them; read more on page 7.

The findings from the trend analysis and materiality analysis are integrated in Swedavia's vision, objectives and targets as strategies and practical operations.

Swedavia's materiality matrix



The matrix above shows the internal ranking of the issues that are considered by Swedavia and by internal and external stakeholders to be most material to Swedavia's value creation. GRI indicators have been selected for some of these issues. For other issues, Swedavia has chosen to report its own indicators as a more relevant way of reflecting how Swedavia integrates stakeholder expectations in its objectives, targets and strategies. For its owner, customers and strategic partners, economic aspects such as financial strength, capacity and socio-economic value creation are important issues. Similarly, climate issues are also given a high ranking by these groups. Issues related to labour conditions and the workplace environment are given the highest ranking by employees and government authorities. An active stakeholder dialogue, transparency, and safety and security are important for all groups.

SWEDAVIA'S MATERIALITIES

Aspects reported as indicators in the sustainability report:

Satisfied employees

Motivated and engaged employees are an essential requirement for customer satisfaction and thus to ensure that Swedavia can continue to create value for our owner and for society in general. A corporate culture based on ethical guidelines, together with issues related to labour conditions and the potential for development, is an important foundation for satisfied employees.

Focus on customers

A clear focus on customers is an essential requirement to ensure that Swedavia can successfully develop operations sustainably and create value both for our owner and at a national level. Swedavia measures the

satisfaction of passengers, airlines and tenants. Passengers place a high value on issues related to atmosphere, customer service and attractive commercial offerings. For airlines, attractive charges, efficient processes and well-functioning infrastructure are crucial. For our tenants, premises, service and prices are examples of important issues.

Capacity

Swedavia shall have sufficient capacity to meet future needs for air travel and thus contribute to Sweden's economic development through increased access.

Punctuality at the airports is one indicator of our capacity. Capacity is ultimately determined by the airports' environmental permits but also by access to infrastructure and talent in Swedavia's own organisation.

High level of safety and security

Safety and security are assigned a high value by both stakeholders and Swedavia. A high level of safety and security helps makes passengers feel safe and contributes to a positive experience. Swedavia's work with safety and security includes proactively preventing both criminal acts and accidents.

Reduced climate impact

Reducing the climate impact is one of the greatest challenges to the air travel industry. Swedavia shall therefore work to reduce emissions of fossil carbon dioxide from our own operations and along the value chain. Economic profitability is an essential requirement to ensure that Swedavia can invest in technology and sustainable energy solutions.

The aspects below are part of Swedavia's sustainability work and are described in the sustainability report:

Socio-economic development and international exchanges

Swedavia contributes to enhanced access to and from Sweden by offering more international destinations from the airports. Increased access creates value for Sweden, both economically and socially.

Attractive brand, stakeholder dialogue and strategic partnerships

Everything Swedavia does and says communicates our brand. An attractive brand is therefore considered to be one of the most important issues for Swedavia. A stronger relationship with airports and with Swedavia leads to an improved image, customer satisfaction and profitability. Maintaining an active dialogue with stakeholders and strategic partnerships creates the conditions needed to ensure environmental permits that are in line with the objectives and thus potential for increased value creation.

Environmental permits

Environmental concern is critical in enabling Swedavia to operate and develop its operations in a sustainable manner. Proactive environmental work, especially in aviation noise reduction, serves as the basis for ensuring that the airports will be issued and retain environmental permits that enable them to have the capacity needed to meet the increased need for air travel.

EXTERNAL ASSURANCE

The sustainability information in the integrated report for 2015 was subject to a general review by Swedavia's auditors, Ernst & Young, in accordance with the Board's wishes. It was subsequently approved by Swedavia's Board of Directors.

Cross-reference table

Standard information

G4 information	Description	Page reference and comments
Strategy and analysis		
G4-1	Statement from most senior decision-maker	8-9
Organisational profile		
G4-3	Name of the organisation	44
G4-4	Primary brands, products and/or services	44
G4-5	Location of organisation's headquarters	61
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	61
G4-7	Nature of ownership and legal form	61
G4-8	Markets served	61
G4-9	Scale of the reporting organization, including number of employees, number of operations, net revenue, total capitalisation (broken down in terms of debt/equity)	3
G4-10	Number of employees broken down by employment contract, gender, region, permanent and seasonal	40-41
G4-11	Percentage of employees covered by collective bargaining agreements	100 per cent of Swedavia's employees are covered by collective bargaining agreements
G4-12	The company's supply chain	39
G4-13	Significant changes during the reporting period regarding size, structure, ownership and the value chain	44
G4-14	How the precautionary principle is applied by the company	46-47
G4-15	External sustainability principles and initiatives that the organisation supports	39
G4-16	Membership in associations such as industry associations	39
A0:G4-7	Environmental permits and other regulations in effect	49-50, 61
A0:G4-8	Catchment areas for cargo and passengers	61
A0:G4-9	Direct destinations and other information about airports' size etc.	19 At Swedavia's airports there are a total of 14 runways ranging in length from 800 to 3,350 metres. The total number of employees at the airports is 25,000. Transit times at the airports vary between 15 and 55 min. 122 airlines performed 416,000 take-offs/landings.

G4 information	Description	Page reference and comments
Identified material aspects and boundaries		
G4-17	Business units included/not included in the report	104
G4-18	Process for defining report content	21, 104-105
G4-19	Identified material aspects	21, 105
G4-20	Boundaries of each aspect within the organisation	22-23, 105
G4-21	Boundaries of each aspect outside the organisation	22-23, 105
G4-22	Effect of change in information from previous reports	Effect of any change is noted for the indicator concerned
G4-23	Changes from previous reporting periods concerning scope and boundaries	Any changes are noted for each indicator
Stakeholder engagement		
G4-24	List of stakeholder groups	21
G4-25	Basis for identification and selection of stakeholders	21
G4-26	Organisation's approach to stakeholder engagement, including frequency of engagement, specifically for preparing the report	21, 104-105
G4-27	Key topics and concerns and the organisation's response to those key topics and concerns, including through its reporting	21, 105
Report profile		
G4-28	Reporting period for the information provided	2
G4-29	Date of the most recent previous report	2
G4-30	Reporting cycle	2
G4-31	Contact point for questions regarding the report and its contents	2
G4-32	GRI content and scope	104
G4-33	Policy for external assurance	105
Governance		
G4-34	Governance structure of the organisation, including committees and Board responsibility for economic, environmental and social impact	93-99
Ethics and integrity		
G4-56	Values, principles and codes of conduct	39, 49

Specific standard information

G4 information	Page reference and comments
Product and service labelling	
G4 DMA Governance	17, 18, 24
G4 PR5-Customer satisfaction	19, 26, 33, 104
Emissions	
G4 DMA Governance	17, 34
G4-EN19 Reduced emissions and greenhouse gases (GHG)	34, 104
Sufficient capacity	
Governance	17, 24, 26
Punctuality	26
Satisfied employees	
Governance	17, 36, 40-41
ESI	19
Aviation safety	
Governance	17, 36-38
Accidents and serious incidents	19

Cross-reference table

UN Global Compact

Starting in 2012, Swedavia supports the United Nations Global Compact and its ten principles. Swedavia's Annual and Sustainability Report 2015 also constitutes Swedavia's Communication on Progress (COP), which is an annual update on how the Group complies with the ten principles. The table shows where each Global Compact principle can be found in Swedavia's Annual and Sustainability Report 2015.

UN Global Compact ten principles	Page reference and comments
Human rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights in the spheres they can influence	38-39
2. Businesses should make sure that they are not complicit in human rights abuses	38-39
Labour	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	38-39
4. Businesses should work to eliminate all forms of forced and compulsory labour	38-39
5. Businesses should work to abolish child labour	Swedavia complies with the regulations in effect in laws and agreements for the protection of underage workers in the labour market. Children under 15 are not employed at Swedavia.
6. Businesses should eliminate discrimination in respect of employment and occupation	38-39
Environment	
7. Businesses should support a precautionary approach to environmental challenges	34-35
8. Businesses should undertake initiatives to promote greater environmental responsibility	34-35
9. Businesses should encourage the development and diffusion of environmentally friendly technologies	34-35
Corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery	38-39

Definitions

ACCIDENTS AND SERIOUS INCIDENTS

The terms are defined by Regulation (EU) no 996/2010. In simple terms, an accident means (i) the death or serious injury of a person in conjunction with an aircraft during the flight, except from natural causes, (ii) damage to an aircraft that seriously affects its performance or (iii) an aircraft that is completely inaccessible. A serious incident means an incident involving circumstances indicating that there was a high probability that an accident with an aircraft could have occurred during the flight.

AIRPORT OPERATIONS

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

ANL

Aircraft noise level, a weighted equivalent noise level in which noise events in the evening and at night are assigned a heavier weight in the calculation.

ASQ

Airport Survey Quality, a passenger survey administered by ACI in which some 150 airports around the world take part.

AVERAGE NUMBER OF EMPLOYEES

The average number of employees is calculated based on hours worked, restated as total number of hours worked divided by normal annual working hours as defined by the Swedish Accounting Standards Board.

AVIATION BUSINESS

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

CABIN FACTOR

Cabin factor is a measure of the aircraft's utilisation rate and is calculated by dividing the number of passengers by the number of aircraft seats available.

CAPITAL EMPLOYED

Total assets minus non-interest-bearing liabilities (including deferred tax liability).

COMMERCIAL SERVICES

Services connected to the airports, for instance rental of premises for commercial activities, offices, hotels, storage and logistics as well as leaseholds, parking operations and rental of advertising space.

COMPARATIVE DATA

In contexts where Swedavia is mentioned before the Group was formed on April 1, 2010, refers to airport operations under LfV. This has been done to obtain comparative data.

DEBT/EQUITY RATIO

Net liabilities divided by equity.

EARNINGS PER SHARE

Profit for the year after tax divided by the average number of shares.

EQUITY ASSETS RATIO

Adjusted equity as a percentage of total assets on the balance sheet date.

ESI

Employee satisfaction index.

GLOBAL REPORTING INITIATIVE (GRI)

The Global Reporting Initiative (GRI) sets guidelines for what a sustainability report should include, how it should be prepared and what indicators should be reported.

IFRS

As of January 1, 2012, Swedavia prepares its consolidated financial reports in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

INTERNATIONAL DIRECT DESTINATIONS

The number of international destinations is determined by the total number of cities outside Sweden that can be reached by direct flights in scheduled or charter operations from Swedavia's airports. Threshold values have been used in the calculation in order to filter out such charter flights that take place on an ad hoc basis and for which the general public cannot purchase tickets.

ISO 14001

ISO 14000 is an umbrella term for the internationally accepted standards for environmental management.

NATIONAL BASIC INFRASTRUCTURE

Sweden's national basic infrastructure consists of the ten airports the Government has determined Swedavia should own. The decision is aimed at securing long-term operations under the auspices of the State and a long-term sustainable air transport system that guarantees basic inter-regional access throughout the country.

OPERATING CAPITAL

Equity including interest-bearing liabilities minus liquid assets.

OPERATING MARGIN

Operating profit as a percentage of net revenue.

PASSENGER

A passenger is defined as a statistical event, in which a person has departed from or arrived at an airport by air.

PROFIT FOR THE YEAR

Profit after tax.

PUNCTUALITY

Punctuality is defined as when an aircraft is off block, that is, rolling out from the gate, within 15 minutes of the estimated departure time.

REAL ESTATE

Real Estate is the second of Swedavia's two business segments. It owns, develops and manages properties and developable land at and in the vicinity of Swedavia's airports.

REGIONAL AIRPORTS

Swedavia's regional airports consist of Kiruna Airport, Luleå Airport, Malmö Airport, Ronneby Airport, Umeå Airport, Visby Airport and Åre Östersund Airport.

RETURN ON CAPITAL EMPLOYED

Operating profit for the period plus financial income as a percentage of average capital employed for a rolling 12-month period.

RETURN ON EQUITY

Profit for the period as a percentage of average equity for a rolling 12-month period.

RETURN ON OPERATING CAPITAL

Operating profit plus income from holdings in associated companies for a rolling 12-month period divided by average operating capital.

SCI

Satisfied customer index.

TSFS

The Swedish Transport Agency's regulations.

UN GLOBAL COMPACT

The UN Global Compact consists of ten principles based on the UN's Universal Declaration of Human Rights, the International Labour Organization's conventions on human rights in working life, the Rio Declaration and the UN's Convention against Corruption. Under the UN Global Compact, businesses are encouraged to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

PRODUCTION

Swedavia in partnership with

Concept and management:

Christa Antas

Form: Eva-Stina Bolin Kind

Text: Eric Österberg

Translation: Susan Long

Photos: Daniel Asplund,
Sergio Joselovsky, Peter
Phillips, Kristin Lidell, Jonas
Borg, Magnus Bergström

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