



swedavia
SWEDISH AIRPORTS

Annual Report and Sustainability Report 2013

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6 In 2013, we set a new record in passenger numbers and also achieved the highest passenger satisfaction results measured since Swedavia was formed, which is very gratifying. Read more on pp. 6–7



13 Swedavia's business is based on long-term growing demand for efficient travel. Read more about market trends and our offering on pp. 13–20



Swedavia's most important contribution is to support Sweden's economic and social development through increased access. Read more about our social responsibility on pp. 21–31

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Swedavia is an international role model today for developing climate-smart airports. Read more about our environmental responsibility on pp. 32–37

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In a successful 2013, Swedavia continued to develop the business, especially through continued capital spending at the airports. Read more about our economic responsibility on pp. 38–41

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About Swedavia's reporting

This is Swedavia's Annual Report and Sustainability Report for the financial year 2013. Information about sustainability is integrated in the Annual Report. 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 also reports sustainability results in compliance with Global Reporting Initiative (GRI) guidelines in a separate Statement of Results, which is available on our website. Reported indicators have been chosen based on our stakeholders and reflect our shared view of what is important for developing long-term sustainable operations.

This is a translation of the Swedish original. In the event of any discrepancy between the two versions, the Swedish version takes precedence.

» Read more at www.swedavia.se/about-swedavia/this-is-swedavia/

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Swedavia in brief

Swedavia owns, operates and develops ten airports across Sweden, and the company is wholly owned by the Swedish state. The business is run as airport operations and real estate operations. Our role is to create the access Sweden needs to facilitate travel, business and meetings – in Sweden, elsewhere in Europe and around the world. A focus on customers, sustainable development, and safety and security are the basis of everything Sweden does, both in our own operations and in society in general. Swedavia is a world leader in developing airports with the least possible environmental impact. In 2013, Swedavia had revenue of about 5.2 billion Swedish kronor and some 2,400 employees. A total of 33.5 million passengers flew via our airports in 2013, which is an increase of 3.5 per cent. Swedavia also owns the property Göteborg City Airport and is a minority shareholder in the company that operates the airport.

Our offering

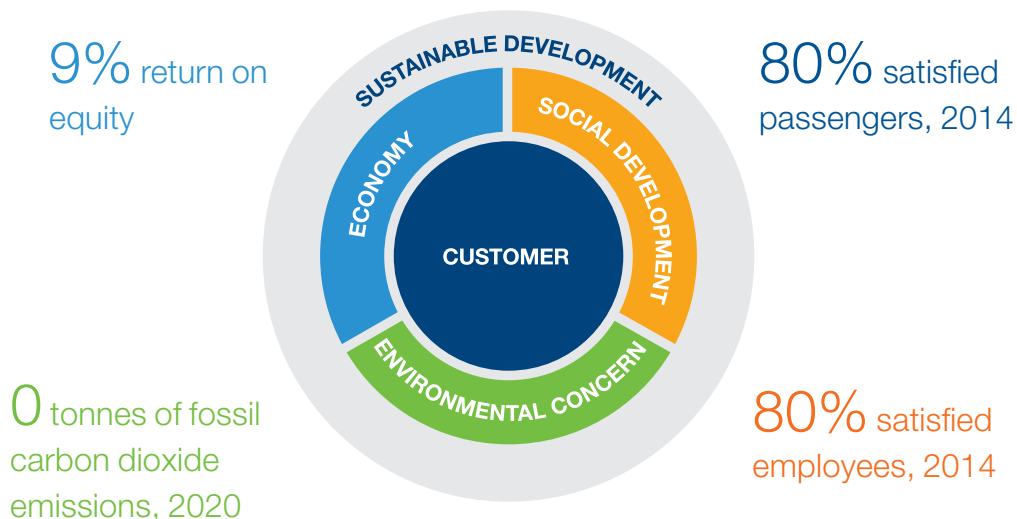
Swedavia's services are aimed at meeting the needs of our customers and partners for efficient, long-term sustainable travel. Sweden is a country that depends on the export of goods and services, which constitute almost 50 per cent of GDP. In an increasingly globalised society, there is a growing need for fast, efficient travel to, from and within Sweden.

>> [Read more about our offering on p. 17](#)

Strategy, objectives and targets

The overall direction of Swedavia's strategy is a focus on customers, sustainable development, and safety and security. We drive operations in this direction with the help of various concrete targets. To achieve these, we have developed a number of strategic priorities based on the four perspectives customers, social development, environmental concern and economy. These perspectives and related targets are illustrated in our sustainability wheel.

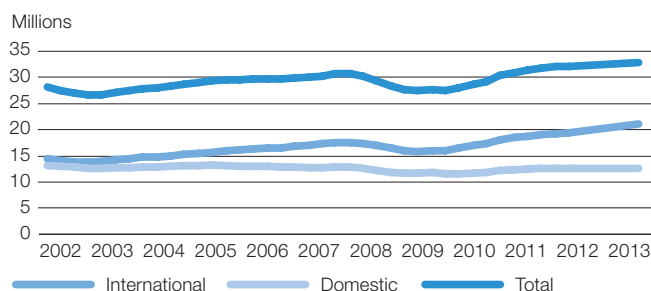
>> [Read more about our strategy on p. 8](#)



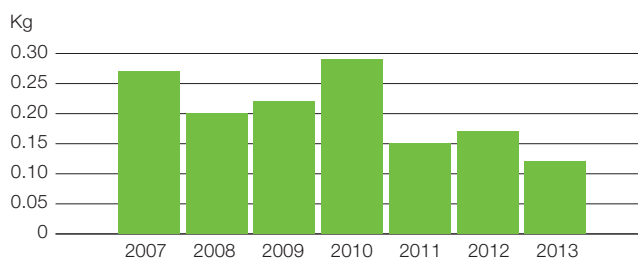
Performance in 2013

- Swedavia's airports had 33.5 million (32.4) passengers during the year, an increase of 3.5 per cent
- Net revenue totalled SEK 5,233 M (4,965), an increase of 5.4 per cent
- Operating income increased to SEK 946 M (831) and profit for the year increased to SEK 501 M (447)
- In June, Swedavia acquired the outstanding shares in the company Nordic Airport Properties from GE Capital
- In June, Sundsvall Härnösand Airport was sold to the Municipalities of Sundsvall and Timrå

Passenger volumes, to and from Swedavia's airports¹⁾



Carbon dioxide emissions per passenger from Swedavia's operations¹⁾



¹⁾ Comparative figures for periods prior to April 1, 2010, are pro forma, based on operations previously run under LFV.

Consolidated SEK M, unless otherwise indicated

	2013	2012	2011
Net revenue	5,233	4,965	4,693
Operating profit	946	831	781
Operating margin, %	18.1	16.7	16.6
Profit before tax	686	554	556
Profit for the period	501	447	438
Earnings per share, SEK	0.35	0.31	0.30
Return on equity ²⁾ , %	10.9	10.8	11.2
Return on capital employed ³⁾ , %	6.9	7.0	7.4
Equity/assets ratio, %	30.5	29.1	32.7
Cash flow from operating activities	1,339	1,493	1,178
Capital spending	2,413	3,418	1,057
Satisfied passengers (ASQ), %	73	68	68
Satisfied employees (ESI), %	80	76	64
Average number of employees ⁴⁾	2,369	2,380	2,265
Carbon dioxide emissions, tonnes	3,800	5,400	4,600

²⁾ Profit for the period as a percentage of average equity for rolling 12 months. Figures have been restated for comparative periods.

³⁾ Operating profit plus financial income for the period as a percentage of average capital employed for rolling 12 months. Figures have been restated for comparative periods.

⁴⁾ Average number of employees is calculated based on hours worked. Average number of employees is restated as total number of hours worked divided by normal annual working hours as specified by the Swedish Accounting Standards Board. Historical data have been restated.

IMPORTANT EVENTS



Record passenger volume for Swedavia

Five of Swedavia's airports set records for the number of passengers in 2013, which also means a new record for Swedavia. This trend is driven mostly by increased international travel.



New intercontinental routes

At Stockholm Arlanda Airport, seven new intercontinental routes were established during the year. Swedavia is working with the business community to establish at least five international non-stop routes within a three-year period through the initiative Connect Sweden.



Major investment in terminal development

Göteborg Landvetter Airport, Luleå Airport, Stockholm Arlanda Airport and Umeå Airport inaugurated refurbished terminals in 2013. Kiruna Airport has also undergone modernisation. A number of terminals now have more efficient flows and a broader offering of shopping, food and beverage outlets.



Stockholm Arlanda Airport's environmental permit

In November, the Land and Environment Court announced its decision on a new environmental permit for Stockholm Arlanda Airport. Swedavia's interpretation of the new permit is that it risks limiting the airport's, and thus Sweden's, development potential. Swedavia has appealed some of the conditions in the new permit.



World-leading environmental efforts continue

All ten airports were certified at the highest level of the Airport Carbon Accreditation (ACA) programme for 2013. Accreditation at this level means, among other things, that the airports are completely climate-neutral in terms of carbon dioxide emissions from their own operations.



Acquisition of properties

Swedavia acquired the outstanding shares and participation rights in the company Nordic Airport Properties (NAP) in June 2013. NAP owns and manages office and cargo buildings at Göteborg Landvetter Airport, Malmö Airport and Stockholm Arlanda Airport.



Sale of Sundsvall Härnösand Airport

In June 2013, Swedavia sold Sundsvall Härnösand Airport to the Municipalities of Sundsvall and Timrå. As a result, Swedavia operates Sweden's basic national infrastructure of ten airports, from Malmö in the south to Kiruna in the north, which is the task Swedavia has been entrusted with.

Investing in future access

2013 was a successful year for Swedavia. A record number of passengers flew to or from our airports during the year, while more airlines chose to increase their number of routes. To meet future demand for airport capacity, Swedavia is making extensive investments in order to support Sweden's continued development and growth. Through focused work, we have succeeded in producing good economic results for the year but remain humble in the face of the macroeconomic factors and major challenges affecting our operations.

Passenger record

We set a new record in passenger volume at our airports in 2013. A total of 33.5 million passengers flew to or from one of Swedavia's airports. That corresponds to an increase of 1.1 million passengers or 3.5 per cent compared to our last record year, 2012. This growth is driven mostly by increased international travel, both within Europe and beyond, which also creates better conditions for continued growth in Swedish domestic traffic. Among the airports serving Scandinavia's capitals, passenger growth was greatest at Stockholm Arlanda Airport, where it rose 5 per cent.

One of Swedavia's most important objectives is to increase passenger satisfaction. So it is very gratifying that our capital spending to increase capacity and improve the atmosphere at our airports is producing the desired results, in the form of the highest passenger satisfaction results recorded since the company was formed. Passenger satisfaction increased 5 percentage points in 2013 for a full-year result of 73 per cent. The target of 80 per cent satisfied passengers in 2014 remains a challenge but is within reach. We are especially pleased with the 2013 results since the growing number of passengers place higher demands on our operations and employees.

As a result of passenger growth, Swedavia's revenue increased 5 per cent during the year to SEK 5,233 M, while operating profit rose to SEK 946 M (831). This earnings growth is also attributable in part to acquisitions carried out in the Real Estate segment. With a return on equity of 10.9 per cent, we exceeded our return target.

High rate of investment continues

In order to meet future demand for airport capacity from both passengers and airlines, Swedavia is carrying out a major capital spending programme. As part of this programme, refurbished terminals were inaugurated at Göteborg Landvetter Airport, Luleå

Airport, Stockholm Arlanda Airport and Umeå Airport. In addition to providing potential for business development and growth for our airline customers and tenants, the airports now provide a more attractive atmosphere and a wider offering of restaurants and shops. A modernisation of Kiruna Airport is being carried out, and once this is completed, we hope to further increase passenger satisfaction.

Swedavia recently decided on a long-term development plan for Stockholm Arlanda Airport. The airport's capacity will be further enhanced in the coming years to meet future travel needs. We also see great potential for additional property developments in the vicinity of the airports that Swedavia intends to carry out in collaboration with partners.

Through our real estate operations, we improve the land around the airports while also creating better conditions for developing our airports. We see the growing strategic importance of companies setting up operations close to an airport. That is especially true of companies with high requirements for efficient, reliable connections with the rest of the world. Increased demand for this kind of business set-up provides good potential for further property development, and Swedavia has planned ventures within the scope of the airport cities taking shape at Göteborg Landvetter Airport and Stockholm Arlanda Airport.

At the end of the year, the Swedish Transport Agency approved Swedavia's application for a higher classification of Bromma Stockholm Airport. Approval means that the work to transform Bromma Stockholm into a modern city airport can continue since today's aircraft and future aircraft are both allowed to permanently operate out of the airport.

Ensure national and international access

A growing Swedish economy creates good potential for attracting new air routes to and from Sweden. During the year, a number of airlines decided to expand their number of connections via our airports. This growth is most apparent at Stockholm Arlanda Airport, which has seven new intercontinental non-stop routes as well as more non-stop flights to European destinations. Göteborg Landvetter Airport, Kiruna Airport, Visby Airport and Åre Östersund Airport have also been successful in attracting new routes, including domestic ones. As a result, all of our airports have at least two airline customers, which expands passengers' options and enhances the attractiveness of air travel.

Passenger demand for international non-stop routes is sharply on the rise. Being able to fly directly to a destination instead of changing planes saves time and also reduces carbon dioxide emissions. So it is very gratifying to know there is broad agree-

ment on the importance of additional non-stop routes. During the year, Connect Sweden – a joint initiative between the private and public sector – was presented. This initiative bolsters Stockholm Arlanda Airport's role as a hub for Nordic air travel, and the aim is to establish at least five non-stop routes to Asia, North America and Europe within a three-year period.

Environmental permit with constraints for Sweden

To ensure Sweden's continued opportunities for national and international exchanges, Swedavia has applied for a new environmental permit for Stockholm Arlanda Airport. However, we believe that some of the conditions that the Land and Environmental Court announced in November entail a risk that it will no longer be possible to fly over Upplands Väsby, which is still possible today. This is necessary in order to be able to land on Runway 3 from the south. This places significant constraints on the airport's ability to meet demand for air connections and thus restricts Sweden's continued potential for development and growth. In contrast to Swedish and international regulations, the Court apparently believes it is possible to perform curved approaches in high traffic which, in Swedavia's case, avoid the densely populated areas of Upplands Väsby. Swedavia has appealed the ruling to the court of higher instance.

A world leader in operating climate-smart airports

Swedavia is a world leader in operating and developing climate-smart airports, and we are working with great focus to achieve our objective of zero emissions of fossil carbon dioxide by 2020. Renewable fuel plays a critical role in achieving this objective, and among the measures taken during the year we made capital spending decisions concerning our vehicle fleet. An important step was taken when we decided to invest in new snow removal equipment that runs on biogas. With a reduction in carbon dioxide emissions of about 1,600 tonnes or 30 per cent in 2013, we are well on our way to achieving our objective by 2020.

Increased employee satisfaction

Swedavia's employees are the foundation of this good performance. Satisfied, dedicated employees – with their top-quality service and customer care – are an essential requirement for Swedavia's work to produce even more satisfied passengers. It is with pride that I note we achieved our target of 80 per cent satisfied employees in 2013. The year's positive results do not mean we will be content with this. Rather, the work with employee satisfaction will continue so that we can achieve even better results in the coming years.

Continued development together with our partners

All in all, our efforts and investments have really paid off, both economically and in terms of passenger and employee satisfaction. However, that does not mean Swedavia does not face any challenges. Our entire focus will be placed on further increasing passenger satisfaction, ensuring airport capacity through capital spending and appropriate environmental permits, and carrying out aggressive efforts to attract more routes. With a strong foundation to stand on, we enter the new year with good potential to continue, together with our partners, to enhance Sweden's access.

Torborg Chetkovich
President and CEO

» A record number of passengers flew to or from Swedavia's airports during the year «



Our strategy

Task

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

Mission

We at Swedavia create added value for our customers through attractive airports and access. Together with our partners, we continuously develop our business.

Values

Swedavia's values are:

- Reliability
- Commitment
- Innovativeness
- A warm welcome

Vision

"Together we bring the world closer"

Swedavia's operations make Sweden accessible and enable people who live in Sweden to experience the world. Together with our partners and employees, we create an experience that makes passengers return, time and time again. Swedavia's development brings the world closer.

Swedavia's sustainability targets

- 80% satisfied passengers, 2014
- 80% satisfied employees, 2014
- 9% return on equity
- 0 tonnes of fossil carbon dioxide emissions, 2020

STRATEGIC FOCUS

A focus on customers, sustainable development, and safety and security are the basis of Swedavia's strategic development.

Customers

Swedavia's most important customers are passengers, airlines and tenants, with passengers being the primary customer group. With a focus on customers, we create the right business controls to bring about satisfied customers as well as profitable business development in our operations.

Social development

Swedavia's work in social development is aimed mainly at creating the access Sweden needs. Swedavia gives priority to passenger safety and security and to developing a sustainable work environment and satisfied employees. We comply with the social responsibility requirements specified in the Swedish State's ownership policy.

Environmental concern

Swedavia works to reduce our own environmental impact, with a focus on fossil carbon dioxide, and is a driving force in reducing the environmental impact of the entire air journey. To be successful, significant technological advances and collaboration between business, research and politics are needed. One of the most important issues is access to renewable fuels.

Economy

Swedavia shall develop airports in a sustainable way based on sound business principles. This means that we shall develop operations through good investment planning and operational efficiency that are profitable in both the short and long term while creating value for our customers.

Strategic priorities

Swedavia's vision is to bring the world closer. Together with our partners, we are an essential requirement for Sweden's prosperity and growth. As an infrastructure operator, Swedavia has a special responsibility to develop operations that are sustainable over the long term. To achieve this, we have developed a number of strategic priorities.



►► Access is the main benefit we contribute to society

Swedavia shall always take an active role in society. We work to increase access through more routes to and from our airports, thus creating value in the short and long term. We also drive the development of public transport to and from the airports. Our airports shall be hubs for growth and meetings. In this way, we contribute to Sweden's economic and social development as well as to the creation of many jobs, both directly and indirectly.

►► Business development with the focus on customers

Satisfied customers are an important basis of everything we do and an essential requirement for developing a better business. Swedavia's most important customers are passengers, airlines and tenants, with passengers being our primary customers. Together with the airlines, we work to facilitate travel, business

and meetings. Based on what passengers want, we ensure an attractive offering and continued growth. We do this by developing our commercial premises in the terminals for retail and restaurant operations and work with car parking and advertising. Swedavia gives priority to high quality of delivery from our airline customers.

In light of the passenger growth in recent years and in order to meet the long-term demand for increased capacity, we are now in a period of extensive capital spending. With our investments, Swedavia can create a more modern infrastructure which better meets the needs of passengers, airlines and ground handling companies. On-time service and operational excellence are especially important.

We maintain a regular dialogue with a large number of airlines for new or expanded service to more of our airports. In that way, we can increase Sweden's access.



►► Broader funding

Swedavia's operations are long-term and capital-intensive. Access to capital is thus an essential requirement for ensuring the Group's development. Operations generate a strong cash flow that funds most of the Group's investment needs. Capital is obtained through traditional borrowing in the capital market, but real estate operations are also an important source of funding in the long term.

We therefore own and operate properties at and adjacent to the airports. We also create potential to offer more and even better premises especially in logistics, retail, offices and hotels for our tenants. Through our real estate operations, we can benefit from value growth at an early stage, from detailed development plans to the construction and leasing of buildings.

►► Measures to reduce our environmental impact

Swedavia shall reduce the environmental impact of operations through the efficient use of resources. Reduced emissions of fossil carbon dioxide and reduced energy use are priority areas.

Swedavia is working to convert our vehicle fleet to run on fossil-free fuel. We are reducing the use of fuel, electricity and heating in existing facilities and vehicles. For new construction, we set higher energy requirements than current Swedish building standards. Swedavia also continues to create solutions that meet society's need to reduce noise and the impact on water, and furthermore works to safeguard biological diversity.

To bring about change in the industry, Swedavia takes part in both national and international environmental development projects. As an infrastructure operator, we also drive the development of increased mass transit to and from the airports.

►► Satisfied employees are an essential requirement for satisfied customers

To increase employee satisfaction, we shall create participation and dedication in different ways in the corporate culture that we want to characterise our actions. We are working with a number of measures to create diversity in the company. We also give priority to preventing harassment and discrimination through training and monitoring.

►► High level of safety and security makes passengers feel safe

Swedavia's airports shall be characterised as safety- and security-conscious, with aviation safety and security being the highest priority and integral to all parts of operations. By working systematically using standardised methods and offering customer care that is based on our core values, we help to ensure that passengers are safe at our airports. Swedavia takes part in work at both the national and international level to influence and contribute to regulations developed for this purpose, which can be efficiently implemented to maintain or increase the level of security in operations. Our work in safety and security will also continue to have the highest priority and be aimed at improving efficiency and customer satisfaction at all of Swedavia's airports while maintaining or increasing the level of safety and security.

►► Common control processes for increased efficiency

Swedavia shall achieve long-term stable profitability. In view of our capital-intensive operations, it is a constant challenge to create a more flexible cost structure. We carry out work on a continuous basis to achieve efficiency gains by taking advantage of economies of scale and identifying opportunities for coordination between the airports.



Swedavia's business model

Swedavia's business model is aimed at generating added value for passengers, airlines and other customers through our offering of attractive airports and high degree of access. Our business consists of airport operations and real estate operations.

Airport operations are Swedavia's core activity, whereas real estate operations are to generate additional capital, which is crucial. In the current situation, with Swedavia facing major investment needs, business that generates capital in real estate operations is an essential requirement for the Group to achieve our financial targets.

Swedavia's main task is to own, manage and develop the ten airports in Sweden's national basic infrastructure over the long term. A basic component of the business model is to take advantage of the synergies that result from running a coordinated network of airports. One cornerstone, given Swedavia's task, is to combine long-term profitability with support for increased growth in air traffic and more non-stop routes that contribute to Sweden's growth and development.

Reliable delivery of airport services

Airport operations sell services in Aviation Business and Commercial Services. The diagram below shows the main services included in each business area. Airports are complex operations with a variety of functions that have to work together. The control and stability that result from long-term commitment from the owner are thus an advantage.

We supplement Swedavia's own organisation with external expertise and capacity. A number of partners assume partial responsibility for providing security screening and some ground handling, terminal and en route services.

By maintaining an ongoing dialogue and good collaboration with airlines and ground handling companies, Swedavia can develop the products and services on offer based on sound business principles and deliver them efficiently and safely to our customers.

Real estate operations include the development and management of properties and land adjacent to our airports. These operations have different conditions to some extent, which more easily allow for joint ownership and disposals.

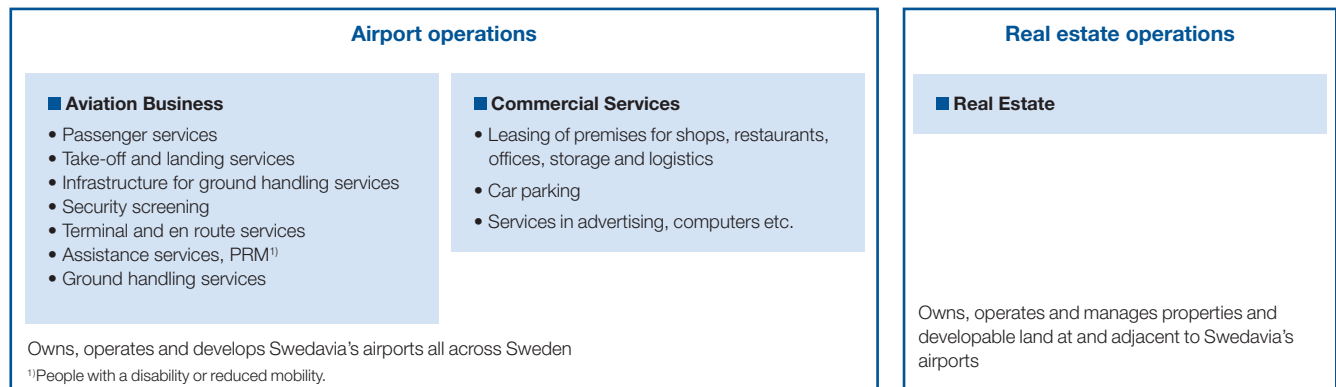
Change in pricing model

Many regulations directly affect how prices are set in Aviation Business and indirectly control the entire business model. New regulations have been added since Swedavia was formed, for instance, the Swedish Act on Airport Charges (2011:866). In brief, regulations are based on the principle that prices should correspond to the cost of the infrastructure and service entailed, including remuneration to the owner.

Work is continuously ongoing to develop incentives based on sound business principles and find the right long-term balance for how efficiency measures and business development will benefit Swedavia's owner and the airlines. Furthermore, the intention is for the pricing model to ensure long-term competitive charges for airlines and ground handling companies. As part of this work, beginning April 1, 2014, revenue and costs in the Real Estate segment will no longer affect pricing in Aviation Business.

Swedavia's business model

Two business segments



80%
satisfied passengers, 2014

80%
satisfied employees, 2014

9%
return on equity

0
tonnes of fossil carbon
dioxide emissions, 2020

Objectives and targets

Swedavia shall be a driving force in sustainable social development and therefore drives operations in this direction by using a number of concrete targets. With sustainable development as the basis, the company will be attractive to the owner, customers, employees and other stakeholders. In 2013, three of the four targets were met.

Passengers' views of our operations are monitored through regular surveys. Our objective for 2014 is to increase passenger satisfaction (ASQ) from 73 per cent to 80 per cent. The 5 percentage point increase in 2013 indicates that we have good potential to meet this target.

Satisfied employees are an essential requirement for satisfied passengers. Our employee objective for 2014 is to reach a satisfied employee index (ESI) of 80 per cent. In 2013, we achieved this target, and the focus in 2014 will be to maintain the positive attitude and commitment of employees.

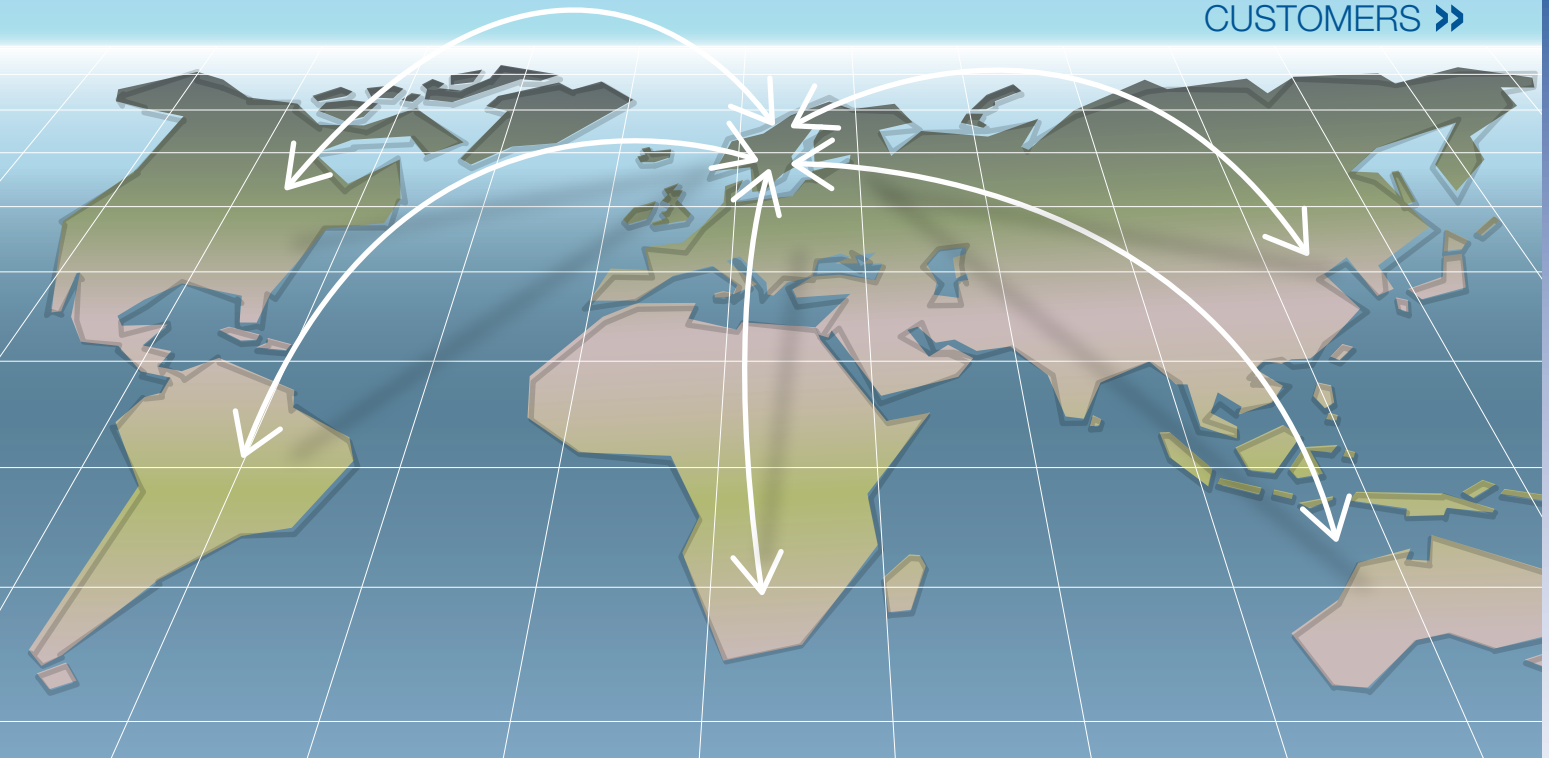
Swedavia's financial objectives were established at the Annual General Meeting in 2011. The financial objective is return on equity of 9 per cent over a business cycle. Swedavia shall also have an equity/assets ratio of at least 35 per cent. Once the equity/assets ratio target is met, an annual dividend of 30–50 per cent of earnings for the year shall be paid out. With return on equity of 10.9 per cent in 2013, we achieved our target. The equity/assets ratio target was not met, since the actual ratio was 30.5 per cent.

Swedavia shall reduce the environmental impact of operations through efficient resource use. Our environmental objective is to reduce atmospheric emissions of fossil carbon dioxide from Swedavia's own operations. The target for 2020 is zero missions. Carbon dioxide emissions in 2013 totalled just over 3,800 tonnes, which means Swedavia met the target for the year.

	Target 2013	Actual 2013	Actual 2012	Actual 2011
Satisfied passengers (ASQ), %	78	73	68	68
Satisfied employees (ESI), %	79	80	76	64
Return on equity ¹⁾ , %	9.0	10.9	10.8	11.2
Fossil carbon dioxide emissions, tonnes	5,300	3,800	5,400	4,600

¹⁾ Profit for the period as a percentage of average equity for rolling 12 months. Figures have been restated for comparative periods.





Connect Sweden – vital collaboration for additional direct routes and increased access

It is in the mutual interest of the private and public sector that Sweden and the Stockholm region are competitive and attractive so that people will want to live and carry out activities here. So, since October 2013, Swedavia has taken part in the initiative Connect Sweden, a collaboration involving the business community, public sector organisations, the City of Stockholm, the region and other key stakeholders.

The region's good macroeconomic performance should attract new non-stop routes to Sweden, bolster Stockholm Arlanda Airport's role as a hub for Nordic air transport and thus enhance the region's and the country's long-term competitiveness. With this collaboration, there is better potential to market Sweden as a destination abroad.

Stockholm is currently one of the fastest growing capitals in Europe, and Stockholm Arlanda Airport is well positioned to handle increased international traffic. At the same time, only 16 per cent of intercontinental trips from Stockholm Arlanda Airport are non-stop to the passenger's final destination. Since 2002, Sweden's direct air connections have deteriorated relative to neighbouring countries, and Stockholm's global ranking in the category "City Gateway" has fallen from 17 to 22.

A clear indicator of the region's attractiveness is Stockholm Arlanda Airport's substantial passenger growth in 2013 compared with the other major Nordic airports. As many as seven new intercontinental routes were established at Stockholm Arlanda Airport. It is rare to have so many new intercontinental routes established at the same airport in one year. Connect Sweden is intended to maintain this trend to the greatest extent possible.

The ultimate objective is to establish at least five new international non-stop routes from Stockholm Arlanda Airport to elsewhere in Europe, North America and Asia within three years. New direct routes are defined as destinations for which there are no flights to/from Stockholm Arlanda Airport. This venture maintains and enhances Stockholm's position as a growth engine, creates new jobs in Stockholm and Sweden, cuts travel time and reduces the environmental load.

A similar initiative was launched at Göteborg Landvetter Airport through the project Go:Connect. The findings in the report produced within the scope of the project indicate that ten new routes to Göteborg Landvetter Airport would provide 1.3 billion Swedish kronor in direct benefits to passengers and the region.



The market and external driving forces

After limited traffic growth in late 2012 and early 2013, growth in air traffic rebounded, especially international traffic. Among the factors behind this trend reversal are a number of new non-stop routes from Sweden, including seven intercontinental additions, but also a somewhat more stable global economic situation.

The market situation and outlook

The global economy slowly recovered in 2013, and a certain degree of optimism returned. This benefited air traffic, particularly in the second half of the year.

The economic situation has a direct impact on the demand for air travel. In an economic downturn, the consequences have been limited in part by the fact that Sweden has a steadily growing number of inhabitants with friends and relatives elsewhere in the world. One out of five inhabitants comes from an immigrant background. This demand for good connections, which often can only be met by air travel, constitutes a growing share of the travel to and from Swedavia's airports.

International studies show that knowledge-intensive companies tend to locate their operations close to airports with good international access. The recruitment base for such companies is global, and their customers have high demands for rapid deliveries. In other words, it is not by chance that the IT cluster in Kista and the biotech cluster in Uppsala are both located within a comfortable distance from Stockholm Arlanda Airport.

Swedish tourism set a new record during the year, both for people coming to Sweden and for Swedes travelling elsewhere in the world. Popular destinations in Sweden such as Liseberg Amusement Park in Gothenburg and the Vasa Museum in Stockholm continued to attract visitors, while new destinations elsewhere around the world such as Casablanca, Morocco, and the Dominican Republic, drew visitors. New routes from Stockholm Arlanda Airport to Bangkok and New York with Norwegian Air Shuttle quickly became popular.

New records were also set for passenger numbers in 2013 for both domestic and international travel. Some 33.5 million passengers flew to or from one of our airports during the year, an increase of just over 1 million passengers or 3.5 per cent compared to 2012. The increase in passenger volume was particularly apparent in international travel, which grew 6 per cent. The increase in passenger volume for domestic travel was 1 per cent.

Air cargo volume at all of Swedavia's airports fell by almost 4 per cent to 228,000 tonnes compared to 2012. In 2013, a number of new intercontinental passenger routes from Stockholm Arlanda Airport were added, which also bolsters cargo growth. This contributed to an increase of almost 5 per cent in cargo volume to and from Stockholm Arlanda Airport during the second half of the year compared to the same period in 2012. Accelerating intercontinental traffic is increasing trade and exchanges between countries, and also promotes Sweden as a tourist destination.



Stockholm Arlanda Airport as a hub

The Nordic aviation market is Swedavia's home market. Our aim is to develop Stockholm Arlanda Airport as a hub for Nordic air traffic.

Driving forces and trends in the aviation market

Swedavia and the aviation market are affected by various megatrends. Some of the most important are globalisation, urbanisation and climate change. In the longer term, these megatrends will lead to a number of changes in our business conditions. It also means passengers and society will have different and higher demands on our operations.

Globalisation

Globalisation has different components – political, economic, cultural and social. In political terms, globalisation is taking place mostly in regional constellations, with the EU being one of the clearest examples. Economically, it mainly means expanding trade in both goods and services, which is driven increasingly by harmonised regulations and free trade agreements. A growing global middle class has the potential to demand travel on a greater scale than ever. The number of guest-nights that Chinese tourists, for instance, spend in Sweden has increased 62 per cent just in the last five years. Technological advances have also enabled increased contact with the rest of the world. This in turn has driven cultural and social globalisation, which means among other things that everyone can learn about news, culture and experiences in large parts of the world on a daily basis.

Political globalisation is generally positive for air traffic. All other things being equal, free mobility for people leads them to take more trips across borders. At the same time, there is a growing degree of political uncertainty in many parts of the globe. That requires continuously updated business intelligence and an ability to quickly adapt in a crisis situation, in collaboration with government authorities and partners.

Economic globalisation largely involves potential for increased traffic, both for passengers and air cargo. However, the increasingly connected global economy entails certain risks. A collapse in the financial markets in one part of the world is no longer an isolated phenomenon but can instead lead to a global recession, which we clearly experienced following the 2008 financial crisis. This calls for robust finances and flexible operations that can quickly adjust to a change in demand.

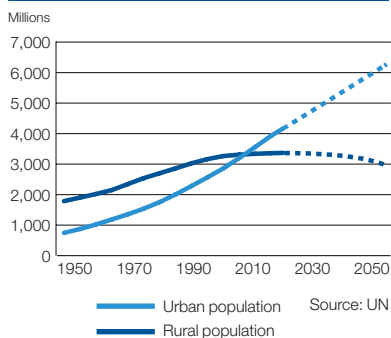
Social and cultural globalisation are positive for Swedavia. It is clear that our connected society does not lead to fewer trips – rather, the opposite. It contributes to an increased desire to visit new places, peoples and cultures.

Urbanisation

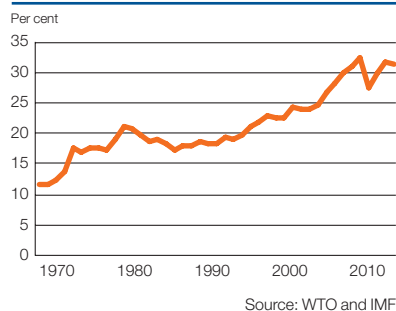
Urbanisation and the growth of urban centres is one trend that has gained momentum. A milestone was passed as early as 2007, when for the first time, from a global perspective, more people lived in cities than in rural areas. One factor behind this urbanisation is the transition from agrarian to industrial and service societies. Cities are often considered attractive environments to live in. At the same time, environmental problems arise in the form of emissions and waste, and social problems can sometimes also develop.

Urbanisation means that our passenger base at our larger airports is growing, but this also creates challenges for some of our smaller airports, especially where passenger volume fluctuates sharply between seasons. Swedavia's task is especially evident and important at these airports. More airlines have chosen to increase their number of flights to and from our regional airports, with direct charter flights among others on the rise in recent years.

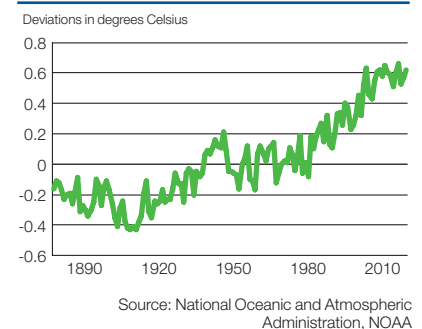
Urban and rural population



The world's exports as a percentage of global GDP



Climate change



Climate change

Climate change is the greatest environmental challenge of our time. Emissions of greenhouse gases continue to rise, and time is running out for there to be any chance of achieving the United Nations' two-degree climate target¹⁾. The greatest sources of emissions globally are agriculture, electricity generation and transport. Aviation accounts for about 2 per cent of the global emissions of fossil carbon dioxide. Even though this is a small fraction of total emissions, it is crucial for the sector's long-term survival to reduce the environmental impact of aviation.

Swedavia has direct responsibility for emissions of fossil carbon dioxide produced as a result of our operations at the airport, as well as indirect responsibility for emissions that the air traffic there generally gives rise to. All of Swedavia's airports are climate-neutral, and the target is zero tonnes of fossil carbon dioxide emissions by 2020. Stockholm Arlanda Airport has reduced its own fossil carbon dioxide emissions by 75 per cent since 1990. Most of the airport's buildings are heated with district heating from biofuel, and all electricity purchased is produced from renewable sources such as solar, wind and hydropower. Swedavia works

together with the airlines and air traffic management to develop methods for reducing fuel use in take-off and landing. In the long term, a global solution is required for managing emissions of fossil carbon dioxide from aviation. Unilateral national solutions run the risk of distorting competition and having traffic relocate to neighbouring countries.

Consumer trends

There are a number of consumer trends that it is important to understand for Swedavia to develop operations in a beneficial way. Time continues to be increasingly valuable, which leads to expectations for us to design our airports so that queues and other procedures that take time are minimised. There is also growing demand for unique experiences, and our airports are designed with this in mind. Technological advances mean, among other things, that passengers are increasingly connected and that they also expect us to deliver relevant content and user-friendly services.

¹⁾ The objective to limit the world's temperature increase to two degrees Celsius, agreed at the 2010 UN Climate Change Conference in Cancun.



Our offering

Swedavia's business is based on long-term growing demand for efficient travel in Sweden as well as to and from elsewhere in Europe and the rest of the world.

Swedavia's offering consists of services related to airport operations at ten airports across Sweden as well as the development of properties and developable land at and around the airports. We operate our business as airport operations and real estate operations.

In order to create the greatest possible benefits for our customers, during the year we took a number of steps to provide increased access. This includes establishing new international routes, refurbishing terminals at a number of our airports and increasing the focus on our real estate business. These ventures are all intended to ensure that our airports fulfil their role as transport hub in their region.

The trend is to see travel more as an overall experience than simply as transport. By offering modern terminals, better parking options, attractive hotels, newly built office premises, exciting shopping and cultural experiences, we try to realise the full potential of our airports and live up to our customers' expectations.

Airport operations

Airport operations are Swedavia's core business and include both Aviation Business and Commercial Services. In Aviation Business, we offer take-off, landing and passenger services as well as ground handling services and aircraft parking for airlines in passenger traffic and air cargo. This also includes airport infrastructure for ground handling services and aviation security for airlines.

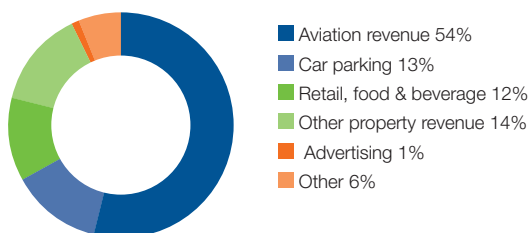
In Commercial Services, we have a broad range of premises at our airports mainly for retail, restaurants and offices but also for storage and logistics. It is becoming increasingly important to be able to offer an attractive selection of restaurants and shops, a nice atmosphere and services for smoother flows, based on what passengers want. In that way, we can create an experience that makes passengers want to return to our airports. We work continuously to further develop the attractiveness of our airports in order to draw exciting new customers and partners. Examples include international chains such as Victoria's Secret and Starbucks, which decided to open their first Swedish outlets at our airports.

During the year, we inaugurated a brand-new Terminal 2 at Stockholm Arlanda Airport, which was expanded by more than 2,000 square metres and now offers a wide selection of shopping, food and beverage outlets. In 2015, a new baggage sorting facility will also be inaugurated; once it is completed, Swedavia will have invested a total of about SEK 400 M in the refurbishment of Terminal 2. Our objective is for Stockholm Arlanda Airport to be the most modern meeting place and airport in Scandinavia which best meets passenger needs.

We also inaugurated a refurbished terminal at Luleå Airport and an international hall at Göteborg Landvetter Airport. The international hall added 1,000 square metres of space and consists of a shopping thoroughfare with bright, open-plan areas for new and larger shops while passengers get a better overview of the offering and of where their flight departs from. Göteborg Landvetter Airport also has a new security checkpoint which provides more efficient flows, contributing to more satisfied passengers.

» [Read more about the development plan for Stockholm Arlanda Airport on p. 21](#)

Service portfolio, % of net revenue



We are always working hard to stay on top of advances in digital technology. This means, among other things, that we have updated Swedavia's mobile app with a number of services that make it easier for passengers to navigate at our airports. What passengers wanted most was information about gates and boarding for departing flights that is updated in real time. Other functions are baggage arrival times and a travel planner for public transport to and from the airport.

We also consider the potential of introducing new technical solutions. It should be easy for passengers to check in no matter where they are. Travel should be made smoother to the greatest extent possible, thus making it easier for passengers.

The development of infrastructure for transport to and from our airports is crucial. With new and better routes, it will be easier and more environmentally sustainable to take mass transit to the airport. That benefits passengers and is an essential requirement for us to reduce our environmental impact. At many of our airports, including Bromma Stockholm Airport and Göteborg Landvetter Airport, work is under way to improve public transport service. Over 50 per cent of people who fly from Stockholm Arlanda Airport today already take public transport to the airport.

Many large companies set up their main Nordic office in Sweden, especially in the Stockholm region. To ensure this trend continues, it is important that we maintain and expand access between Sweden and the rest of the world. So at our larger airports we

work to establish more intercontinental routes, which resulted in seven new routes during the year from Stockholm Arlanda Airport. One example of how we have worked actively to attract new airlines is the establishment of Emirates' service between Dubai and Stockholm, which was launched in September.

Real estate operations

The establishment of real estate operations is part of Swedavia's work to develop the areas adjacent to the airports in order to enhance their competitiveness and that of the regions. The task of real estate operations is to own, manage and develop properties and developable land at and around our airports, with the objective of adding value and enhancing the airports' attractiveness. By owning properties at and adjacent to the airports, Swedavia has expanded the potential to further develop the Group's portfolio of properties as the demand for travel grows. One result is that this creates opportunities to provide premises that are better adapted to the needs of our tenants.

Real estate operations are an important part of Swedavia's comprehensive offering to customers. They contribute materially to funding the development of our airports and creating attractive places that add a little something to the airport. The construction of more properties adjacent to the airports means that more customers can take advantage of the airports for travel, meetings and consumption.



In order to continue our long-term efforts to develop our airports for both passengers and tenants, we made a number of property acquisitions, such as the acquisition of properties from SAS in 2012 and the outstanding 50 per cent of shares in the property company NAP in 2013. These acquisitions are part of the work to enhance the airports' competitiveness and make Swedavia's position at the airports clearer, as well as create new opportunities for property development.

It is important to have the right type of establishments at our airports in marketing our brand to our customers. At Göteborg Landvetter Airport, OKQ8 and McDonald's are the first companies to set up operations at the entrance to the airport. Since there is demand for a retail centre for people travelling between Borås and Gothenburg, Swedavia hopes to be able to develop the area next to the airport by attracting more operations.

The completion of Clarion Hotel Arlanda Airport in 2012 was the kick-off for the continued establishment of properties at Stockholm Arlanda Airport. There is now also a mini-mall between the hotel and the airport, SkyBridge, which connects the hotel with the airport and offers shopping in retail space that is open to everyone. Planning is also under way for the Sky City Office One complex at Stockholm Arlanda Airport.

In February 2014, Swedavia decided to initiate the process of selling the hotel property at Stockholm Arlanda Airport. The aim of the sale is to realise the value and reinvest this in airports in line with the strategic focus adopted.

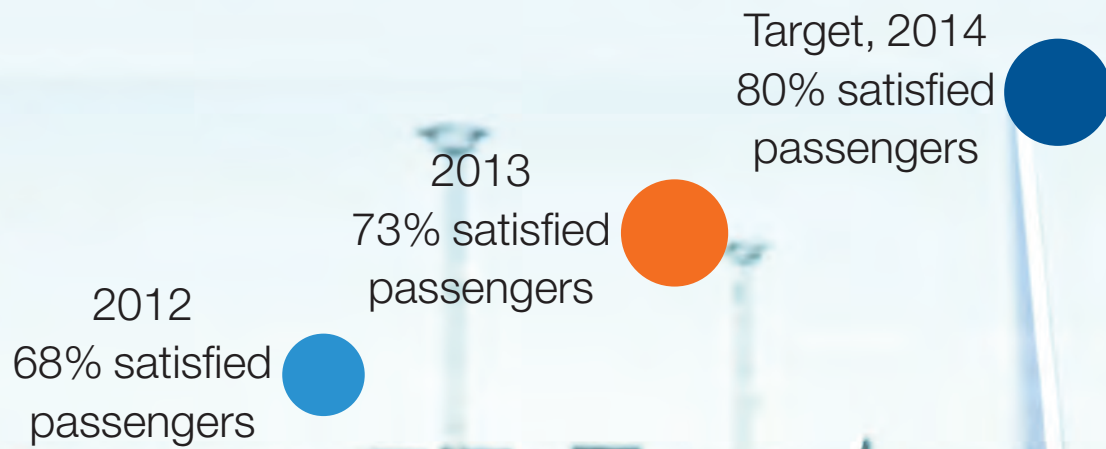
What our current and future properties have in common is that they will all be built with a clear environmental focus. New buildings are to be environmentally certified, based on the function and purpose of each property. An inventory is currently being made of our portfolio of properties to ensure that we will be able to achieve our objective of zero tonnes of fossil carbon dioxide emissions by 2020 and facilitate the inclusion of real estate operations in Swedavia's certified environmental management system. In conjunction with the inventory, an evaluation of energy use for our buildings is also being carried out to ensure efficient energy work.

>> [Read more about Swedavia's property development on p. 38](#)

A sustainable petrol station

With the establishment of OKQ8 at Airport City, Swedavia is taking the next step in the development of Göteborg Landvetter Airport. The new station was built with the aim of operating with the least possible environmental impact and consumes 50 per cent less energy than a traditional station. The building is also environmentally optimised with maximum use of sustainable materials, being built of laminated timber instead of steel, and has solar panels as an energy source as well as quick charge points for electric cars.





Passenger satisfaction

Satisfied customers are the foundation of our business and thus the basis of everything we do. Passenger satisfaction trended positively in 2013, with an increase of 5 percentage points for a result of 73 per cent. That means our objective of 80 per cent satisfied passengers in 2014 is within reach and that the measures we are implementing to develop more attractive and efficient airports are appreciated by passengers.

To achieve this passenger objective, we have focused on terminal development at a number of airports. In that way, we better meet passengers' demands for basic functions like cleanliness and smooth flows. We also work to train our employees so that they can best handle customer care at their airport.

There will also continue to be a focus on the airports' basic functions, spaces adapted to passengers' needs and customer care.



The Stockholm Arlanda Airport development plan – crucial investment for increased capacity

Ensuring long-term capacity at Stockholm Arlanda Airport is vital to ensuring Sweden's opportunities for national and international exchanges and is thus one of Swedavia's most important efforts right now.

In early 2014, Swedavia decided at a general level on the direction of Stockholm Arlanda Airport's continued development over the next 30 years. The development plan includes measures to increase capacity and efficiency as well as improve the experience of customers. At present, the airport has almost reached its peak capacity. The terminals therefore need to be further developed to ensure growth potential and create conditions to establish more non-stop routes.

In view of Stockholm Arlanda Airport's very good growth in recent years, especially in international traffic, we are focusing first on measures in Terminal 5. By ensuring future capacity for international traffic, we also create better potential for domestic traffic and thus for businesses and the tourism industry throughout Sweden.

In Terminal 5, we will build a brand-new pier to receive more passengers as well as more and larger aircraft models. We will

furthermore invest in new areas for security screening and baggage handling as well as more space for shops, restaurants and car parking. At Stockholm Arlanda Airport, some 7 billion kronor will be invested by 2025. All in all, it means capital spending of 13 billion kronor over the next 30 years.

In a later phase, two new piers are planned for Terminal 2 while Terminal 3 will disappear and regional air service will move to Terminal 4. With these expansions, we bolster Stockholm's and Sweden's long-term growth. Since we are also focused on making travel easier for passengers, we are looking at possible measures to simplify transfers between the domestic and international terminals and to create better transfer products for airlines.

A common feature of all our investments in terminals is that they are intended to increase passenger satisfaction. We are always working to ensure that passengers feel welcome and want to return to our airports. We also carry out important collaborative work with the airlines to ensure that the development of the terminals will benefit them.



Our role in society

As an infrastructure operator, Swedavia has a particular responsibility to society. Our most important contribution is to support Sweden's economic and social development through increased access – to, from and within Sweden. We contribute to the creation of many jobs, directly and indirectly. In dialogue with our partners at the local, regional and national level, we develop our operations and work with others to improve public transport service.



Access is an essential requirement for well-functioning international trade and international competitiveness. With Stockholm Arlanda Airport as a hub for Swedish domestic traffic, we create greater support for direct routes to destinations beyond Sweden and open up the international market to regional businesses. We provide this access for the valuable exchange of knowledge and culture, which strengthens international understanding and cooperation.

Sweden is a country that depends on exports, with such trade growing faster than the economy as a whole. Air cargo accounts for 25 to 30 per cent of the value of Swedish exports, which means that goods worth 1 billion Swedish kronor are sent by air each day. It is estimated that about 10 to 25 per cent of sales by Swedish companies are directly dependent on smoothly functioning air connections. In other words, efficient air connections to commercial centres and rapidly growing markets are crucial in order for Sweden to compete globally.

With airport operations in many parts of a long, narrow country that is sparsely populated, we play a critical role in regional development. We take regional responsibility for, among other

things, maintaining and increasing the number of national routes. Through close collaboration with regional companies and organisations, we also develop local tourism and business operations. We are a key part of the infrastructure that makes both Sweden and the world available to everyone.

To further improve Sweden's access, in 2013 the venture Connect Sweden was launched, with the aim of enhancing Stockholm Arlanda Airport's role as a hub for Nordic air travel and attracting more international air routes. There are many reasons why new non-stop routes from Stockholm Arlanda Airport are important to the Swedish economy, with the top three being that they maintain and strengthen Stockholm's position as a growth engine, they create new jobs in Stockholm and Sweden, and they reduce travel times and the environmental load. Connect Sweden is a collaboration between the private sector, the public sector, national and local political leaders, and the Swedish Parliament and government with the aim of attracting new non-stop routes and marketing Sweden as a destination in selected markets.

» [Read more about Connect Sweden on p.13](#)

The role of the aviation sector

Each year, Swedish aviation contributes about 53 billion kronor to Sweden's GDP, and additional non-stop air routes to Sweden would have a direct positive effect on GDP. Air transport also generates direct tax revenue of over 9 billion kronor annually to the Swedish government's budget.

The aviation sector's great responsibility to society, along with providing the access society needs, is mainly in the environmental area. The sector has an important role to play in reducing the environmental impact of air transport. The solution is not to fly less, since that has other negative consequences for society such as reduced access and growth potential, but rather to fly smarter. Over the past few decades, there have

been significant technological advances to reduce the environmental impact of air transport. The sector does a great deal, but much of the responsibility also falls to others. Cooperation and dialogue are essential requirements to ensure development that is beneficial to both the environment and society.

As part of its social responsibility, the aviation sector also helps to generate many jobs around Sweden. Swedish air transport creates more than 80,000 jobs in the country as well as another 100,000 jobs in the tourism industry. In all, passengers arriving in Sweden spend some 60 billion kronor annually in the country.¹⁾

¹⁾ Source: Oxford Economics, Economic Benefits from Air Transport in Sweden, 2011.

Examples of partnerships

- Swedavia works in partnership with the tourism industry and market development companies to attract more visitors to Sweden. An increased number of visitors provides a basis for new routes, which in turn improves access.
- Swedavia promotes and collaborates with the children's rights organisation ECPAT, the World Childhood Foundation, Doctors Without Borders, the Red Cross, the Swedish Childhood Cancer Foundation and the Paralympics.
- Connect Sweden is an initiative that works to enhance Sweden's international access through more direct routes. This collaboration consists of representatives from Swedish business, the City of Stockholm, national and regional organisations, and Swedavia.
- Swedavia was involved in the work to produce the report Take Off Västsverige. The report is part of a joint effort between the region, local authorities, businesses, culture, higher education and Göteborg Landvetter Airport to make the region internationally accessible. This collaboration was then further developed in Go:Connect.
- Nordic airlines and airports, together with government authorities and aircraft manufacturers, work together under the Nordic Initiative for Sustainable Aviation to find an effective supply of renewable jet fuel. The aim is to establish three pilot facilities for the production of renewable jet fuel in the Nordic countries by 2016.
- The Arlanda Forum for local and regional decision makers, both civil servants and politicians, discusses how access to Stockholm Arlanda Airport and Bromma Stockholm Airport can be improved while reducing the environmental load, for instance, from traffic to and from the airports.
- Swedavia is a member of the Swedish Air Transport Society. The aim of the trade association's activities is to enhance trust in commercial aviation and the air transport industry so that they have the potential to work and develop in Sweden.
- Swedavia works together with the Royal Swedish Academy of Engineering Sciences, in part within the scope of Tekniskprången, a programme for upper secondary students, in order to ensure that Sweden continues to be at the forefront of research, development and entrepreneurship.
- In a partnership between the Swedish public employment service Arbetsförmedlingen and Swedavia, unemployed youth are offered internships at our airports across Sweden.

Efforts to increase public transport

Every mode of transport has its strengths and weaknesses. When this understanding guides traffic planning, there will be the greatest benefits and the best coordination between different transport modes. Planes, trains, buses and other modes of traffic are necessary complements to one other to ensure that all of Sweden is accessible.

Since air transport is part of mass transit, Swedavia works together with bus and train operators. Bus traffic also provides vital service to a number of Swedavia's airports. We support the development of mass transit solutions for our airports and work to increase the number of passengers who take public transport to and from the airports. The opening of the commuter train station at Stockholm Arlanda Airport has been a key factor in more than half of passengers now taking public transport to the airport.

In addition, the Kista branch of the Tvärbanan cross-town rail service will open before 2020. The station will be located next to Bromma Stockholm Airport, which means passengers will be able to take public transport to this airport.

Construction is set to begin on the railway to Göteborg Landvetter Airport in 2020, and the aim is for it to be completed in connection with the West Link, a tunnel for commuter rail service in Gothenburg. In the long term, this will make it more convenient as well as more environmentally friendly for passengers to get to Göteborg Landvetter Airport. Extension of the railway also means that the airport will be an even more attractive place for companies to establish operations.

Collaborative efforts

By taking part in strategic collaborations, Swedavia contributes benefits to society while at the same time enhancing our brand. We demand the same kind of responsibility from our partners as we do from ourselves. Swedavia takes responsibility for the entirety of such arrangements even though other parties contribute.

For instance, at Stockholm Arlanda Airport, we arrange a Partners Day for ground handling companies, security contractors and cleaning firms in order to create a single view of the work at the airport and to see how we can best develop operations together. The objective is to build mutual confidence and for Swedavia to be seen as a clear choice for our partners.

Together with our partners at Göteborg Landvetter Airport, we have launched a campaign to involve young people through a speed-dating scheme as part of the project "Zero vision for young unemployed people in the Municipality of Härryda". In 2013, 25 young jobseekers got to experience different operations at the airport in order to find internships. The airport is the largest workplace in the municipality and thus has a responsibility and an opportunity to affect youth unemployment. The Municipality of Härryda, the Swedish employment service Arbetsförmedlingen and Swedavia all collaborate in the project through Göteborg Landvetter Airport.



Stakeholder dialogue and materiality analysis

Each year, Swedavia holds a dialogue with a number of relevant stakeholder groups that influence or are influenced by our operations. This dialogue is an important part of our continued development, since it helps to increase our understanding of how our stakeholders perceive our operations and sustainability work, our offering and our sustainability work. We analyse our stakeholders' questions and views on a regular basis.

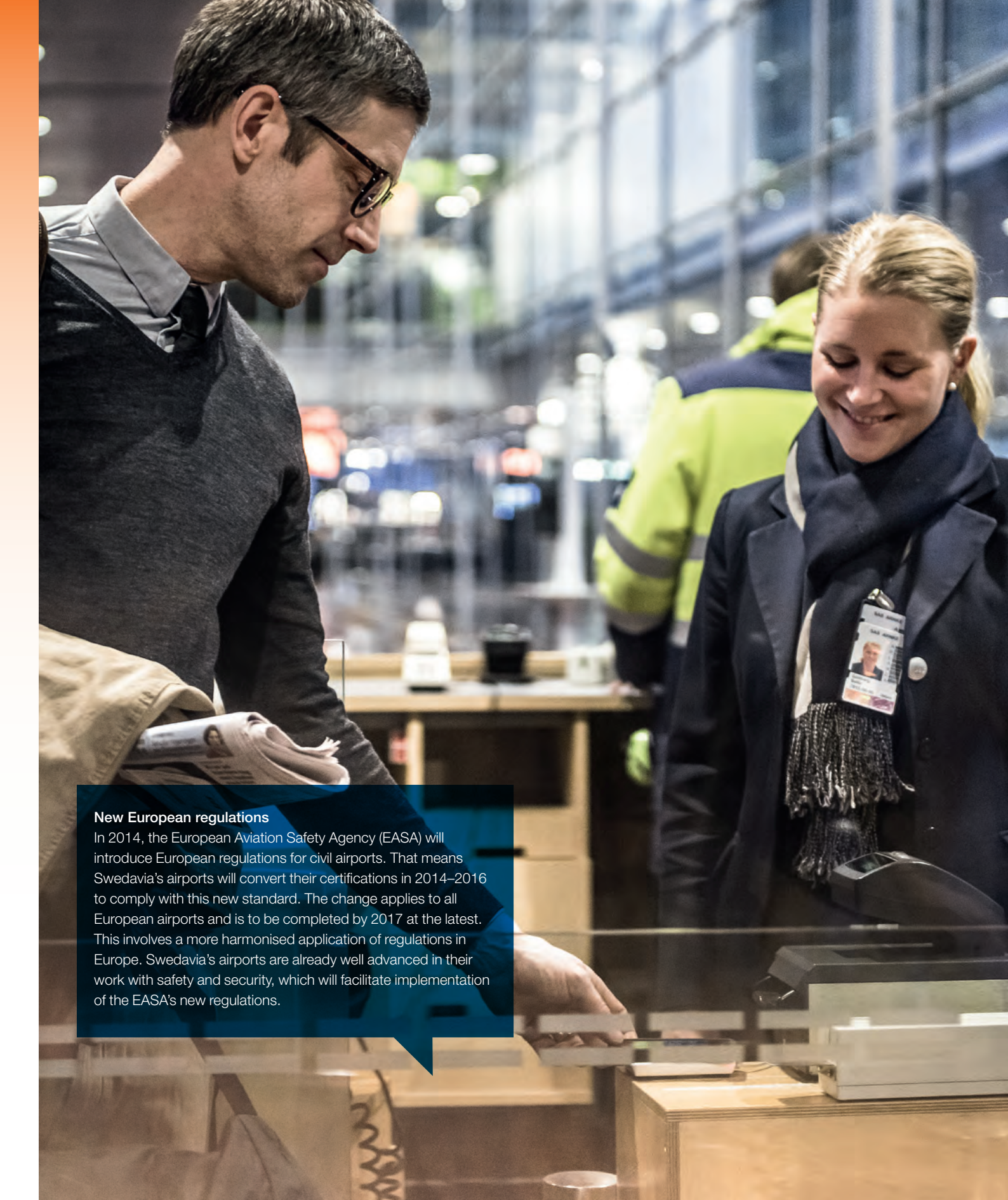
Swedavia's materiality analysis is based on the stakeholder dialogues we conducted during the year. We also carried out a number of surveys.

Our most important stakeholders are our owner, passengers, airlines, tenants, employees and society. In conjunction with this year's dialogue with them, a number of important questions were raised, which are presented in the table below. The issues raised in this Annual Report and Sustainability Report are based in part on these dialogues.

In 2013, Swedavia decided to carry out a more systematic survey of stakeholders. The results will be presented in our Annual Report and Sustainability Report for 2014.

Stakeholder dialogue in 2013, a selection

Stakeholder	Dialogue	Monitoring	Important issues
Owner and political decision makers	Via the Annual General Meeting and in discussions and meetings	Interim reports, Annual Report and Sustainability Report and other reports. Annual survey of political decision makers and their attitudes to Swedavia, aviation and relevant issues	Value creation, financial stability, sustainable business practices, provision of socio-economically efficient and long-term sustainable transport
Passengers	Meetings in the day-to-day operations at Swedavia's ten airports	Regular measurements of passengers' attitudes to the airport	Access, safety and security, cleanliness, smooth flows and customer care
Airlines and tenants	Ongoing dialogue, mainly via the airports	Regular surveys of airlines' and tenants' attitudes to the airports	Reliability and modern infrastructure
Employees	Employee reviews and employee dialogues	Annual employee survey to identify strengths and areas for improvement	Focus on customers and skills development, with a focus on leadership, the work environment and impact
Society	Discussions and meetings with neighbours and local authorities at the airports	Annual sustainability survey of how passengers and the general public view Swedavia's airports	Access, climate change and noise

A man with glasses and a grey sweater is looking down at a document or bag at an airport check-in counter. A woman in a dark blue uniform and scarf, wearing an ID badge, is smiling and looking at the counter. In the background, another person in a high-visibility yellow jacket is visible. The scene is set in a modern airport terminal with large windows and structural elements.

New European regulations

In 2014, the European Aviation Safety Agency (EASA) will introduce European regulations for civil airports. That means Swedavia's airports will convert their certifications in 2014–2016 to comply with this new standard. The change applies to all European airports and is to be completed by 2017 at the latest. This involves a more harmonised application of regulations in Europe. Swedavia's airports are already well advanced in their work with safety and security, which will facilitate implementation of the EASA's new regulations.

High level of safety and security

The work with aviation safety and security is to be characterised by the highest quality conceivable so that passengers and employees always feel safe at Swedavia's airports. Our passengers demand smooth, efficient flows without compromising safety or security. This is something that is integral to Swedavia's safety and security culture in the day-to-day work and in the continued development of our airports.

Aviation safety and security have the highest priority and provide a foundation for all our operations. It is also a key factor in creating long-term trust in our customers. Our airports shall guarantee a high level of safety and security, which helps passengers feel safe and enjoy a positive experience. The customer care and the safety and security culture of our employees and partners play a critical role in this work.

Methodical security work

When we develop our Group-wide security, consideration is also given to cost-effective solutions, with one essential component being the use of effective IT support. We develop Group-wide methods with similar processes in order to create long-term, systematic thinking. We also work to take advantage of technological advances being made to create smoother, more efficient flows for our customers.

At Bromma Stockholm Airport, Malmö Airport and Stockholm Arlanda Airport, one of our partners is responsible for security screening. We therefore maintain an ongoing dialogue to ensure there is a shared approach to security work. We have also developed a Group-wide assessment system to continuously monitor quality and further develop this work.

Since 2006, long-term development work in technology and staffing has been carried out to direct security work at Bromma Stockholm Airport and Stockholm Arlanda Airport. This work has resulted in an effective, one-of-a-kind security solution for these airports. Technology and staffing have been combined in a way that makes security screening more proactive and passenger-focused. The positioning of resources and real-time information about security work are key factors in this development.

In 2013, a security management system (SMS) was introduced for aviation security at all airports and in all air traffic management services that Swedavia is certified to provide. As a result, Swedavia has effective monitoring to ensure our development and quality improvement work.

We have a zero vision for the number of accidents and serious incidents at our airports. In 2013, there was one accident with a small single-engine aircraft in general aviation at Bromma Stockholm Airport. At Stockholm Arlanda Airport, one smaller aircraft skidded off the tarmac. There were no injuries involved.

According to a transport policy decision by the Swedish Parliament, Swedish aviation standards shall, at a minimum, be on par with those of other well-developed aviation countries. In light of the results for our key figure for aviation safety and security, Swedavia helps to meet this transport policy objective.

Regulated safety work

Swedavia's safety work is largely regulated by EU laws interpreted by the Swedish Transport Agency in the form of regulations (TSFS). The Swedish Transport Agency also carries out oversight of the airports' safety work. In addition, Swedavia carries out regular self-inspections and quality controls at the airports, which are reported to the executive management. Our aim is also to influence national and international legislation to establish appropriate safety regulations.

Change in regulations for future access

In order for the aviation sector to meet future demands and create good access as air traffic increases, changes are needed in current regulations. In Europe, there is a long-term shift under way towards a risk-based view of EU laws for airport and passenger safety and security. Swedavia is involved in this work, which is being carried out by Airport Council International Europe (ACIE) in cooperation with the EU.

Our employees

Dedicated employees with the right competencies and the desire to develop are critical for our future. We work to be an attractive employer that promotes development in order to retain and recruit competent employees. Our work is carried out with a focus on sustainability and based on ambitious objectives in the priority areas of employeeship, leadership, health and diversity.

Leadership

Leaders at Swedavia have a vital role in motivating all employees to take responsibility for the company achieving our objectives and targets. Leaders are the key to our vision and values being carried out into operations. Together with employees, our leaders are responsible for connecting Group objectives and targets to individual objectives and targets. Leaders are to be role models that create the right conditions for employees to develop.

We work continuously to strengthen our leaders. We do this, in part, by developing communication tools to help leaders in the important dialogue with employees. We also have a number of Group-wide and local Leadership Days each year.

At Swedavia, we have two compulsory leadership programmes, one of which is aimed at training new leaders in Swedavia's processes and procedures. This training was carried out for the first time in 2013 with very favourable results. The other leadership programme is aimed at further developing current leaders in how they can develop and strengthen their leadership. We also highlight the importance of good leadership by rewarding talented leaders and role models at the company.

Health

The work environment and employee health are high priorities at Swedavia, because we strive to ensure that our employees experience quality of life, happiness and inspiration. We take responsibility for the physical and psychosocial development of the workplace.

Among other things, we work actively with work-related rehabilitation with repeated short-term absences due to illness as well as longer such absences. In 2013, the rate of absence due to illness was 4.9 (4.8) per cent.





More satisfied employees

Our employees are the key to satisfied customers and represent our brand. So we work continuously to enhance their competencies and customer care skills. Measures include an online introductory programme so that our new employees can quickly become part of Swedavia.

Each year we conduct an employee survey. In 2013, we reached our employee satisfaction index (ESI) target of 80 per cent, which we had set for 2014. Even though we have already reached our target, the work will continue to further increase

employee satisfaction, and we always strive to achieve better results. The result for the communicative leadership index (CLI) was 68 (66).

The results from the employee survey are the basis of many of the issues we focus on. In order to achieve even better survey results and reach our target for communicative leadership, we are putting considerable resources into areas with poorer survey results.

We also work to develop measures and tools that prevent injuries. This is important since many of our employees have physically demanding duties.

Swedavia offers occupational health service for all employees. Employees have access to crisis management support through this service, day or night. We support and encourage employees to take responsibility for their health by subsidising fitness activities. All employees have an insurance programme for illness and rehabilitation via Swedavia which is aimed at quickly providing the help they need.

Diversity

For us at Swedavia, diversity is a strategic issue and a priority. Having carefully prepared, inclusive diversity work is critical to our business because we operate from the assumption that people's differences enrich us.

Swedavia has a zero tolerance policy for bullying and harassment. Swedavia has established procedures to deal with any discrimination experienced. One example is the employee survey, which includes questions about bullying and sexual harassment.

Human rights are very important to Swedavia's strategic diversity work and are increasingly seen as an investment that produces beneficial results for the business. Maintaining a diversity perspective in the choice of suppliers will be an increasingly important issue in order to enhance Swedavia's benefits to society. Swedavia has included social requirements in our procurement documents for temporary hiring and recruitment services to ensure that we and our partners share the same perspective on diversity work.

Swedavia has a diversity group that is responsible, together with Swedavia's leaders, for dealing with these issues. The diversity group works as a knowledge bank and represents Swedavia



Leadership and employeeship principles

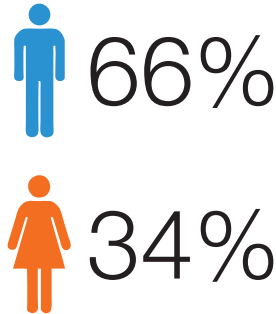
Swedavia's vision of leadership is broken down into five leadership principles aimed at providing a common platform on which to base our day-to-day work. These principles are based on Swedavia's vision, values and Code of Conduct and are focused on the following areas:

- A focus on customers and business
- One Swedavia
- A good role model
- Courage to be better
- Clear communication



The best possible work environment for our employees

Our employees are to be provided with a physical and psychosocial work environment that enables them to work and perform at their best. That requires advanced leadership which takes responsibility for the work environment and develops working aids and tools. As part of this work, we carry out compulsory training in the work environment with a knowledge test for all leaders at the end of the programme.

**Managers**

65% men



35% women

Group management

57% men



43% women

¹⁾ Number of employees at the end of 2013 regardless of the form of employment.

externally. The employees in the group have been trained in basic discrimination law and diversity work in general. We have also developed guidelines for diversity in the recruitment process. The diversity group also carries out work for Swedavia's participation in the Pride Festival.

Swedavia is collaborating with the state-owned employment company Samhall under a pilot project aimed at involving more people with disabilities in work. People from Samhall will work for twelve months in Swedavia's operations. The idea is that both companies will gain knowledge about how it works in practice in

order to best expand the collaboration and provide jobs at Swedavia to more people with disabilities.

In 2013, Swedavia took part in the internship programme Teknisksprånget for recent upper secondary school graduates specialising in technology and the natural sciences, in order to give them insight into what the engineering profession entails. Swedavia took in a total of 19 interns. Swedavia's participation in Teknisksprånget is part of our strategy to recruit the right employees over the long term. Swedavia plans to take part in the programme during the spring and autumn of 2014.

Code of Conduct

The Code of Conduct constitutes our Group-wide, ethical guidelines and is used to supplement and develop common values and ethical attitudes. This provides a clear foundation of our vision – Together we bring the world closer – and sets out how we should conduct ourselves in fulfilling the requirements placed on our operations with an attitude we are proud of.

Our Code of Conduct includes the areas of human rights, methods for responsible corporate behaviour, the work environment and our role in society. It states that all of Swedavia's employees are free to join any association or organisation of their choice.

We state in our Code of Conduct that Swedavia supports the UN's Universal Declaration of Human Rights and related conventions. That means we respect personal dignity, integrity and the rights of every human we come in contact with in our work. No one shall take part in violating or circumventing human rights.





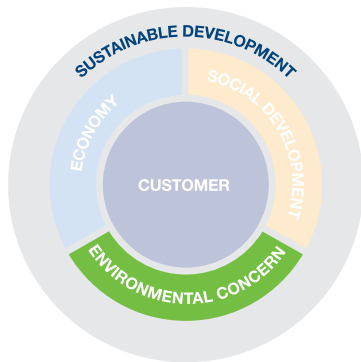
Stockholm Arlanda Airport's environmental permit – an essential requirement for tomorrow's access

Air transport is an essential requirement for national and international exchanges, both economic and social. Stockholm Arlanda Airport is the hub of Sweden's air traffic and in 2013 some 21 million passengers flew via the airport. With around 170 destinations on offer, passengers can efficiently get elsewhere in the world. On November 27, 2013, the Swedish Land and Environmental Court announced its decision on a new environmental permit for Stockholm Arlanda Airport. Swedavia believes there is a significant risk that the new permit entails constraints on the development potential of the airports and of Sweden. In order to continue contributing to Sweden's opportunities for national and international exchanges, Swedavia has appealed ten of the total 36 conditions in the new permit. On March 13, 2014, the Land and Environmental Court of Appeal granted an appeal for Swedavia's application for an airport operations permit.

A large share of the complaints submitted concern how approach routes to the airport should be laid out. Based on the court's opinion, it is the court's view – in contradiction to Swedish and international regulations and experts – that it is possible to

perform curved approaches that avoid densely populated areas of Upplands Väsby in high traffic. This condition means that the possibility of performing approaches to Runway 3 from the south will in principle no longer be available after January 1, 2018. As for the other conditions connected with approach and departure routes that Swedavia has decided to appeal, the court – without providing any reason for this – has rejected the national standard for outdoor maximum noise level of 70 dB(A) and has instead ruled that the level of 65 dB(A) should apply. Consequently, the court has formulated more stringent conditions than the national standard for outdoor noise that the Swedish Parliament and government have backed and which society aims to achieve in the long term.

The carbon dioxide emissions cap has been replaced with an action plan for lower emissions. This favourable ruling means that the responsibility for carbon dioxide emissions from road traffic is no longer to be assumed solely by Swedavia but rather that we will instead work with other companies and organisations in order to continue reducing emissions in the airport area.



Our environmental responsibility

Swedavia has given priority to environmental issues for many years. Economising on resources and minimising our environmental impact today allows us continued air travel and development tomorrow. Swedavia is an international role model in developing climate-smart airports. Reducing the environmental impact of aviation is an essential requirement for the survival and development of the air transport industry, and thus also for our operations.

Our environmental work focuses on reducing emissions of greenhouse gases such as carbon dioxide, minimising energy use and reducing atmospheric emissions and discharges to water from our own operations. We also work systematically with noise issues.

In addition to concrete measures to reduce the impact of our own operations, we take a broader perspective on environmental issues. We consider the overall environmental impact of air transport and are a driving force in the work focused on aviation emissions and noise exposure.

Climate work at the highest level

In 2006, Swedavia was one of the first major Swedish companies to become climate-neutral. All ten Swedavia airports are certified at the highest level of Airport Carbon Accreditation (ACA). Swedavia is thus the airport group that has come furthest in the world in its work to develop climate-smart airports.

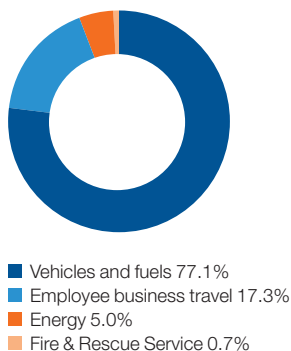
Towards zero tonnes of fossil carbon dioxide emissions by 2020

Our Group-wide objective is to produce zero emissions of fossil carbon dioxide by 2020 from our own operations. That requires, among other things, technological advances in general and collaboration with our partners. This target is more ambitious than the industry's objective to reduce global carbon dioxide emissions by half in 2050 compared to 2005 and to achieve growth that is carbon dioxide neutral beginning in 2020.

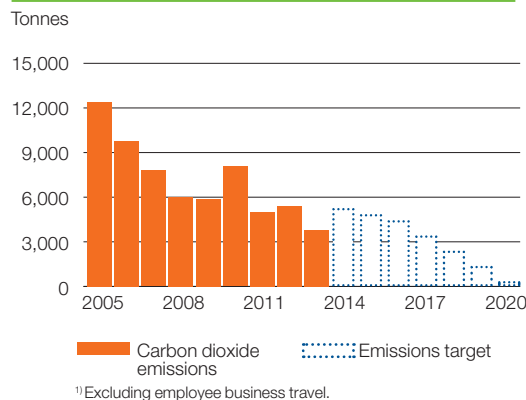
Swedavia has a number of objectives connected to this long-term objective of zero emissions by 2020, for instance concerning the use of renewable energy and fuel. To achieve this long-term objective, there will be a large-scale replacement of and investment in vehicles as well as energy efficiency measures.

In 2013, carbon dioxide emissions totalled just over 3,800 tonnes, which is a decrease of 30 per cent compared to 2012. We achieved our target thanks to a greater percentage of renewable

Swedavia's fossil carbon dioxide emissions by area, %



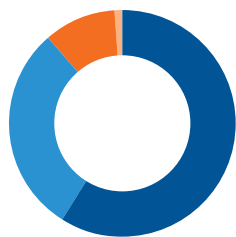
Emissions of fossil carbon dioxide from Swedavia AB's operations¹⁾



Visby Airport awarded Environmental Prize for 2013

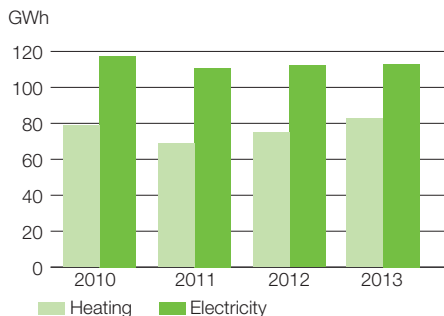
In April 2013, Visby Airport was awarded Gotlandsflyg's newly established Environmental Prize. Among the reasons given, emphasis was placed on Visby Airport's ACA certification, reduced use of electricity, water and oil, and the collection of waste with a high nitrogen content, which is used to fertilise and water a nearby golf course.

Swedavia's energy use by energy source, %



■ Electricity 58.3
 ■ District heating 31.8%
 ■ Biofuel 9.7%
 ■ Oil 0.1%

Swedavia's total energy use¹⁾



¹⁾ Heating is adjusted for a normal year.

New bicycle garages at Bromma

Stockholm Airport and Umeå Airport

Bromma Stockholm Airport and Umeå Airport provide their passengers better opportunities to bike to and from the airport. For Bromma Stockholm Airport, the inauguration of the new bicycle garage is one step to get more travellers to bike to the airport. At Umeå Airport, a bicycle garage was built under the project Green Citizens of Europe, which is intended to inspire more people to choose that environmentally friendly transport mode, the bicycle.

fuel used in fuel as well as a mild autumn and winter in 2013. Since 2005, Swedavia has reduced carbon dioxide emissions by 69 per cent. We continue our efforts to reduce carbon dioxide emissions especially at the larger airports. We have made them a priority since carbon dioxide emissions are greatest there and the effects have a greater impact on our overall results.

Strategy for a fossil-free vehicle fleet

Our carbon dioxide objective is critical in driving our environmental work. One important measure has been the development of a strategy for a fossil-free vehicle fleet. Resolving the issue of renewable fuel is the decisive factor in us reaching our objective, since the vehicle fleet accounts for 90 per cent of the fossil emissions from our own operations, excluding employee business travel. We are working to gradually replace our vehicles, with the aim of having the entire vehicle fleet run on biogas, electricity or biodiesel.

Following a successful pilot project, we have now decided to invest in snow removal equipment (ploughing, sweeping and blowing or PSB machines) that run on alternative fuel for the entire Group. These machines will run mostly on biogas and therefore constitute an important step in the development of a more environmentally sustainable vehicle fleet. The first machines will be available on our take-off and landing runways in 2014. The PSB machines were developed by Swedavia in partnership with Volvo and Aebi Schmidt.

The introduction of fossil-free fuel is also being done in collaboration with our partners. Together we are developing infrastructure for electricity and biogas at the airports and preparing plans for how to make all diesel used the airports renewable.

Swedavia is also taking part in discussions with fuel companies to involve them in the development of new fuels. We believe it is

important to take an active part in these discussions even though it is individual countries or the EU that in the end decide what requirements will be set on the fuels of the future.

To offset the carbon dioxide emissions we have not been able to eliminate on our own, Swedavia purchases certificates from projects in developing countries. The certificates guarantee that equivalent reductions in emissions are made through the projects and under the framework for the UN's climate work. In that way, we achieve climate neutrality. Projects that meet Gold Standard criteria (developed by organisations such as World Wildlife Fund and Greenpeace) will also contribute to social and economic development in developing countries.

On Swedavia's website, passengers also have an opportunity to carbon-offset their air travel. The money goes to climate projects in developing countries and contributes to sustainable development.

Lower energy use

Swedavia works continuously to improve our resource and energy efficiency as well as promote recycling and renewable energy. Our objective is to reduce total energy use, excluding new acquisitions and property sales, by an average of 2 per cent over a three-year period, with 2010 being the base year. The target for 2013 was reached, with a margin of 0.5 GWh.

At Göteborg Landvetter Airport, we have installed three new pellet-fuelled boilers. Each boiler has a capacity of 3 MW, which is equivalent to heating for about 950 single-family dwellings for one year. By switching from oil to pellets, we reduce our fossil emissions and come one step closer to our objective of zero tonnes of fossil carbon dioxide emissions by 2020. In conjunction with the expansion of Airport City, there will be a greater need for district

heating, which is also one of the reasons why we are now investing to increase the airport's heating capacity.

At Stockholm Arlanda Airport, we have installed some 12,000 LED light fixtures since 2009, which has reduced the need for electricity for lighting by 3,500,000 kWh/year. At Åre Östersund Airport, we installed LED lighting for our aircraft parking stands. By switching to LED technology for lighting, we reduce Swedavia's energy use and help improve our resource efficiency.

Biodiversity

Swedavia has made inventories of the flora and fauna on the land around Bromma Stockholm Airport, Stockholm Arlanda Airport and Visby Airport. A number of species are on the Swedish Species Information Centre's Red List of endangered species. The work has resulted in three reports that describe how valuable the land around the airports is. The reports also describe the symbiosis between the land and listed species in order to ensure their survival. The way we manage the landing strip areas by the runways is beneficial to biodiversity. A number of places of interest were also identified because of their high natural value.

Water

Swedavia works to achieve and ensure a good ecological and chemical status for the waterways and lakes affected by our operations. Our objective is to have all Swedavia airports that affect a body of water comply with the criteria in the EU Water Framework Directive.

At Göteborg Landvetter Airport, extensive work is under way to ensure that surface water from airport maintains good quality

and does not have a negative impact on the surroundings. Under a 2008 Swedish Environmental Court decision, the airport must have a surface water treatment facility. Another requirement is that at least 70 per cent of the glycol used for de-icing is collected. Water from the airport is conveyed to three ponds for treatment using sedimentation and anaerobic breakdown.

There is oil and some heavy metals in the wastewater from our airports. Polluted water from our workshops, firefighting exercise sites, vehicle cleaning facilities and water from aircraft lavatories is conveyed via wastewater pipes to water treatment facilities. Through inspections of chemical management and grease separators at the airport, we minimise our environmental impact from discharges into the wastewater system.

For more than four years, a research project has been under way concerning perfluorooctane sulfonate (PFOS) in the environment, in part at Swedavia's initiative. We are taking our social responsibility to investigate and map its presence, spread and risks to humans and the environment as well as exploring potential measures to treat perfluorinated compounds. The previous use of firefighting foam containing PFOS is the likely source of this substance in the land and water adjacent to the airports' firefighting exercise sites. Swedavia has taken water samples and conducted chemical analyses at the airports. The results for this year's samples indicated the presence of PFOS in some cases.

Noise

For a number of years, Swedavia has worked to limit the impact of aviation noise, which is always a germane issue for the sector as well as for a number of our stakeholders. Most of this work is



carried out at our larger airports, where the issue is most relevant. We carry out noise assessments on a regular basis to ensure that we are within the limits of the airports' environmental permits.

Collaboration with neighbours and municipal authorities for the airports with the highest noise levels is crucial and has resulted in building planning and permits being issued based on forecast noise curves, known as influence area contours. We maintain an ongoing dialog with our neighbours, and surveys show that the environmental issues given highest priority are the climate, followed by noise. The objective of our collaboration with neighbours is to increase understanding about the airport's role in creating access

in the region and about how approaches and departures must be performed in a certain way.

Swedavia insulates buildings and homes that are most exposed to noise. Swedavia has insulated just over 1,700 residences. Some 15,000 residents are exposed to aviation noise from Swedavia's airports exceeding the value of the national standard, 55 dB(A). About 90 per cent of those exposed live near Bromma Stockholm Airport and Stockholm Arlanda Airport. An important measure to reduce aviation noise and atmospheric emissions is the continued work to develop the conditions required for curved and green approaches at all our airports.

Swedavia's environmental objectives and targets, 2013

In addition to the overall environmental objective of zero tonnes of fossil carbon dioxide emissions by 2020, Swedavia has adopted a number of objectives and targets for selected focus areas in our environmental efforts. With these objectives and targets, we give concrete form to, guide and evaluate our environmental work.

Area	Objectives	Measures	Actual, 2013
Atmospheric emissions – fossil carbon dioxide	Swedavia shall reduce its own fossil carbon dioxide emissions, with the ultimate target being zero by 2020.	In 2013, emissions shall be at most 5,300 tonnes (excluding our employee business travel).	●
Energy	Swedavia shall improve its resource and energy efficiency.	In 2016, energy use shall be 170 GWh, excluding expansion, which is equivalent to an average decrease of 2% a year for the period 2011–2016.	●
Discharges to water	Swedavia shall contribute to achieving and ensuring a good ecological and chemical status in the recipient waterways affected by the company.	The oxygen content in the water measured at the airport's water release point shall be at least 5 mg/l by 2013.	● ¹⁾
Aviation noise	Swedavia shall work actively to achieve acceptable noise exposure relative to aviation's benefits to society.	Every airport that has aviation noise as a significant environmental aspect shall be categorised as proactive in the noise classification system by 2015 at the latest.	●
Use of chemical products	Swedavia shall work actively to reduce the use of toxic chemical products in operations.	In 2013, all chemical products that contain substances in the ECHA candidate list of substances of very high concern shall be phased out.	● ²⁾
Waste for materials recycling	Swedavia shall work to increase materials recycling throughout the Group.	In 2016, the percentage of waste that goes to materials-recycling shall increase to 50%. In 2013, the percentage of waste that goes to materials recycling shall increase to 34%.	○
Passengers' view	Swedavia shall measure whether passengers consider the airports to take environmental responsibility and act in an environmentally way.	In 2016, at least 90% of passengers shall consider the environmental impact of aviation and the airport to be acceptable relative to their benefits to society. In 2013, the percentage shall be at least 80%.	●
General public's view	Swedavia shall influence relevant organisations and companies through effective dialogue to establish future environmental objectives that are appropriate for their purposes.	In 2016, at least 90% of the general public shall consider the environmental impact of aviation and the airport to be acceptable relative to their benefits to society. In 2013, the percentage shall be at least 80%.	○

¹⁾ Achieved by six out of eight airports

²⁾ Achieved by eight out of ten airports

● Target achieved ● Target partly achieved ○ Target not achieved

Environmental permits

To operate an airport, an environmental permit is required for basic operations. The authority issuing such permits for most of Swedavia's airports is the Swedish Land and Environmental Court. Different conditions are also attached to the permit. A change in conditions is made when there is a change in operations, for instance, when approach and departure routes are to be modified. For a minor change in operations, an application is submitted, for instance, when an airport places a new parking area in service or replaces a de-icing agent. The application is submitted to the oversight authority, which is usually the county administrative board.

During the year, Göteborg Landvetter Airport applied for a new environmental permit, as did Visby Airport. Forecasts for Göteborg Landvetter Airport indicate that more people will be using the airport. Today's environmental permit allows for 80,000 aircraft movements a year. With the current rate of traffic growth, the limit will be reached within a few years. The airport is thus preparing for the future and in 2013 submitted an application for a new environmental permit for a total of 120,000 aircraft movements a year.

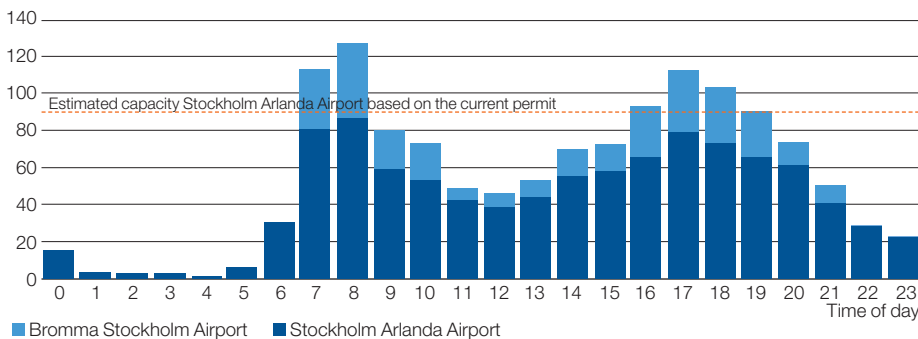
In November, the Land and Environment Court announced that Swedavia's application for a new environmental permit for Malmö Airport was approved, which means potential for continued development of Malmö Airport's operations for a long time to come.

We are currently involved in a case concerning Stockholm Arlanda Airport's environmental permit, which is vital to Stockholm's and Sweden's access.

>> [Read more about Stockholm Arlanda Airport's environmental permit on p. 32](#)



Forecast need for access in 2038. Number of aircraft movements per hour – scheduled and charter operations



Forecast high traffic week, 2038

Today Stockholm Arlanda Airport and Bromma Stockholm Airport meet the Swedish capital's need for access. Forecasts to 2038, when the agreement with Bromma Stockholm Airport expires, indicate that there will not be sufficient capacity, even if both airports are operating. Estimated capacity at Stockholm Arlanda Airport assumes that Runway 3 can be used for landings from the south.



Property development – for a vibrant airport city

There is a growing need to develop Swedavia's airports given the increasing number of passengers. By providing good mass transit near the airports at the same time, conditions are created for growth, jobs and local entrepreneurship.

Various projects are currently under way at Swedavia to develop the area around our airports into so-called airport cities. This phenomenon can be found in many places around the world, and airport cities have been established at a number of international airports.

In conjunction with Stockholm Arlanda Airport's increasing growth as a hub for the Nordic air transport market, there is growing interest in developing the land around the airport. The area around Stockholm Arlanda Airport is one of Sweden's most important communication centres and an important junction for the entire Mälardalen valley. The airport area is suitable for property development thanks to its connections to the rest of the country and the short distance to central Stockholm.

Our vision is to create a regional, national and international airport city with a vibrant city core and attractive work areas. There are currently about 20,000 people working at or adjacent to Stockholm Arlanda Airport, but given the pace of Stockholm's growth, according to our estimates it is possible that this figure will be 50,000 as early as 2030.

For companies, the location at the airport provides good infrastructure within walking distance to the rest of the world. The airport's potential and the companies' needs create good opportunities to together develop an airport city inspired by international models.

One project that has begun is the SkyCity Office complex, which will consist of a number of buildings with a total of more than 20,000 square metres of floor space. SkyCity Office One, designed by the architect Thomas Sandell, will be the first office building constructed in the complex.

Similar work focused on developing an airport city at Göteborg Landvetter Airport has also been launched.

Our economic responsibility

2013 was a successful year for Swedavia. During the year, we continued to develop our business, especially through continued investments in our airports. We also achieved our return target. In order to fulfil our task and achieve our objectives in the long term, we need to continue developing our operations and improving their efficiency.

Swedavia's task is to safeguard and develop Sweden's access through our network of ten airports across the country. With long-term sustainable operations, we create the conditions needed to meet passengers' growing demand for both domestic and international air connections. We enhance our competitiveness through initiatives that reduce our environmental impact and strengthen social values.

Financial performance

A total of 33.5 million passengers flew to or from Swedavia's airports, an increase of 3.5 per cent. Consolidated net revenue increased just over 5 per cent to SEK 5,233 M (4,965) compared to the previous year. The increase in revenue is largely attributable to real estate operations. Operating profit was SEK 946 M (831).

Cost-effectiveness and operational development

During the year, a new management model was introduced with the aim of creating economies of scale and facilitating the transfer of competencies between Swedavia's airports. This new model also creates potential for more effective business development.



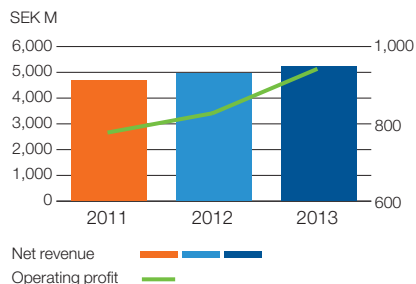
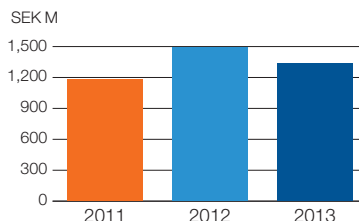
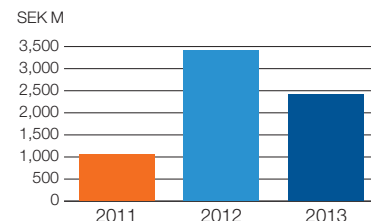
10.9%

Return on equity, 2013

30.5%

Equity/assets ratio as of
December 31, 2013



Net revenue and operating profit**Cash flow from operating activities****Capital spending****Capital spending**

In order to meet the long-term need for increased capacity and terminals better suited to our customers, major investments are being carried out in the terminals at the airports. Airport operations need extensive investments to ensure compliance with regulatory requirements concerning the environment, safety and security. Extensive investments are also needed for us to achieve our environmental objectives.

We foresee a need for significant capital spending in both our airport and real estate operations. Such investments increase the attractiveness of the airports and are an essential requirement in order to continue attracting airlines and tenants and to meet our passengers' needs and aspirations. In our capital spending programme for airport operations, we are also focused on enhancing the commercial offering at the airports. That means a larger selection of shops and restaurants as well as new services that will benefit passengers.

During the year, we acquired the outstanding shares and participation rights in the property development company NAP from GEGAC Viking AB. NAP owns and manages office and cargo buildings at Göteborg Landvetter Airport, Malmö Airport and Stockholm Arlanda Airport. In all, the company has the equivalent of 81,000 square metres of cargo terminal and office space.

The acquisition strengthens Swedavia's position and creates new potential for property development at these airports.

In 2013, capital spending totalled SEK 2,413 M, with 45 per cent of this going to airport operations and 55 per cent to property development.

Funding

Swedavia's operations, infrastructure and capital spending are funded by revenue generated directly or indirectly from air traffic, passengers and tenants. That means operations are not financed by taxes, but rather the opposite – Swedavia is to pay a dividend to the owner, the Swedish state.

Swedavia's aim is to meet long-term investment needs with our own cash flow while meeting the owner's return target. In the shorter term, we need to secure our financial needs through various funding sources. Real estate operations also constitute an important source to fund capital spending at our airports.

During the year, Swedavia issued two 5-year notes totalling SEK 1,500 M through our Swedish medium-term note programme. We also issued a 2.5-year note totalling SEK 1,000 M. The notes are listed on the NASDAQ OMX Stockholm exchange. These note programmes are part of our work to refinance previous bank borrowing with more efficient capital market funding.

Socio-economic contribution

Swedavia's most important contribution to sustainable development is mainly from a social and economic perspective, since we help provide access and contribute to regional and national growth. Our success in strengthening access to, from and within Sweden is an essential requirement for export and tourism industries.

Tourism is sharply on the rise and is considered a new Swedish basic industry. Overall, 64 per cent of foreign visitors to Sweden arrive by air. Furthermore, the more than 80,000 jobs created by the air transport sector help add another 100,000 jobs in the tourism industry. The aviation sector also contributes about SEK 53 billion to Sweden's GDP.¹

Economic value generated and distributed

Swedavia has a positive economic impact on society. In 2013, Swedavia generated a total economic value of SEK 5,245 M (4,987), according to GRI's definition. After distributing the economic value to different stakeholders, the total economic value distributed was SEK 1,432 M (1,306).

Of the investments Swedavia made in 2013 (and 2012), excluding the Group's major real estate acquisitions of NAP and SAS's portfolio, it is estimated that 87 per cent (53) was in infrastructure and services largely for the benefit of the general public, according to GRI's definition. This capital spending consists of investments to maintain and expand our capacity as well as investments arising from new laws and regulations.

¹ Source: Oxford Economics, Economic Benefits from Air Transport in Sweden, 2011.



Economic value generated and distributed by Swedavia according to GRI's definition¹⁾

SEK M	2013	2012	2011
Direct economic value generated			
Revenue	5,245	4,987	4,715
Economic value distributed			
Operating costs	-1,976	-1,890	-1,821
Staff expenses and remuneration	-1,397	-1,412	-1,267
Payments to capital providers	-255	-271	-247
Payments to the public sector	-185	-108	-118
Economic value distributed	1,432	1,306	1,262
<i>(Economic value retained, calculated as economic value generated less economic value distributed)</i>			

¹⁾ Pertains to the Swedavia Group. Figures have been restated for comparative periods.



Swedavia Annual Report 2013

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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 2013. The Report of the Directors is for the Group and Parent Company, unless otherwise indicated.

All amounts are in million Swedish kronor, SEK M, unless otherwise indicated. Rounding differences may occur.

Operations

Swedavia AB is submitting this Report of the Directors for its fourth year of operations, which is identical to the 2013 calendar year. Operations in the Swedavia Group began on April 1, 2010, when the Swedish State converted airport operations, which were carried out under the Swedish State-owned enterprise Luftfartsverket (LFV), into a limited liability company. This was accomplished through Swedavia's acquisition of 14 airports, corporate functions and subsidiaries from LFV. Since it was formed, Swedavia has sold four airports and now operates the national basic infrastructure of ten airports that are included in its task. The airports are managed as and consolidated into an integrated airport system with shared corporate functions. The past year was characterised by good passenger growth and continued property development.

Task

Swedavia is a State-owned company that owns, operates and develops the State-owned airports in Sweden. At year-end 2013, Swedavia ran operations at the ten airports included in the national basic infrastructure decided by the Swedish Government, consisting 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. Swedavia also owns the property Göteborg City Airport and is a minority shareholder in the company that operates the airport.

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. 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 3.5 per cent compared to the previous year, which means a new record in passenger volume for Swedavia. A number of Swedavia's airports set passenger records during the year, including Göteborg Landvetter Airport, which passed the five million mark, and Stockholm Arlanda Airport which had almost 21 million passengers.

On November 27, the Land and Environmental Court announced its decision on a new environmental permit for Stockholm Arlanda Airport. The new permit could entail constraints on the airport's development potential. To contribute to Sweden's continued opportunities for national and international exchanges, Swedavia has decided to appeal some conditions in the new permit to the Land and Environmental Court of Appeal.

In November, the Land and Environmental Court announced that Swedavia's environmental permit for Malmö Airport was approved, which means potential for continued growth in Malmö Airport's operations for a long time to come.

At the end of the year, the Swedish Transport Agency approved Swedavia's application for a higher classification of Bromma Stockholm Airport. Approval means that the work to transform Bromma Stockholm into a modern city airport can continue since today's aircraft and future aircraft are both allowed to operate permanently out of the airport.

On June 4, Swedavia acquired the outstanding shares and participation rights in the company Nordic Airport Properties (NAP) from GEGAC Viking AB. NAP owns and manages office and cargo buildings at Stockholm Arlanda Airport, Göteborg Landvetter Airport and Malmö Airport. The total investment was SEK 1,284 M. The acquisition strengthens Swedavia's position and creates new opportunities for property development at these airports.

On June 17, Sundsvall Härnösand Airport was sold to the Municipalities of Sundsvall and Timrå. As a result, Swedavia operates Sweden's national basic infrastructure of ten airports, from Malmö in the south to Kiruna in the north, which are included in Swedavia's task.

In order to meet future demand for airport capacity from both passengers and airlines, Swedavia is carrying out a major capital spending programme. As part of this programme, refurbished

terminals were inaugurated at Göteborg Landvetter Airport, Luleå Airport and Stockholm Arlanda Airport, while a modernisation programme is being carried out at Kiruna Airport.

As a result of more airlines deciding to increase their number of air routes at our airports, Sweden's access was enhanced during the year. New carriers have also entered the Swedish air transport market. This trend was most apparent at Stockholm Arlanda Airport, but Göteborg Landvetter Airport, Kiruna Airport and Åre Östersund Airport have also been successful in attracting new air routes.

All of Swedavia's airports were recertified at the highest level of the Airport Carbon Accreditation (ACA) programme. ACA is a standard for airports' climate work.

The Group in brief

SEK M, unless otherwise indicated	2013	2012	2011
Net revenue	5,233	4,965	4,693
Operating profit	946	831	781
Operating margin, %	18.1	16.7	16.6
Profit before tax	686	554	556
Profit for the year	501	447	438
Earnings per share, SEK	0.35	0.31	0.30
Earnings per share ¹⁾ , %	10.9	10.8	11.2
Return on capital employed ²⁾ , %	6.9	7.0	7.4
Equity/assets ratio, %	30.5	29.1	32.7
Cash flow from operating activities	1,339	1,493	1,178
Capital spending	2,413	3,418	1,057
Average number of employees ³⁾	2,369	2,380	2,265

¹⁾ Profit for the period as a percentage of average equity over rolling 12 months. Comparative periods have been restated.

²⁾ Operating profit for the period plus financial income as a percentage of average capital employed for rolling 12 months. Comparative periods have been restated.

³⁾ Average number of employees was recalculated in 2013 based on hours worked. Average number of employees is restated as total hours worked divided by normal annual working hours as specified by the Swedish Accounting Standards Board. Historical data have been restated.

Net revenue and income

Consolidated net revenue for the year totalled SEK 5,233 M (4,965), an increase of 5.4 per cent. Operating profit was SEK 946 M (831), an increase of 13.8 per cent. The operating margin was 18.1 per cent (16.7). Profit before tax was SEK 686 M (554), an increase of 23.8 per cent. Profit for the period totalled SEK 501 M (447), an increase of 12.1 per cent.

Revenue was up SEK 268 M, an increase of 5.4 per cent compared to the previous year. SEK 65 M of this is revenue from Airport Operations and SEK 203 M is rental income from the Real Estate segment.

In Airport Operations, higher passenger volume meant that Aviation revenue increased by SEK 60 M, car parking increased by SEK 44 M and rental income from retail, food and beverage increased by SEK 44 M. Revenue from other Commercial Services fell by SEK 96 M, with SEK 48 M of this consisting of non-recurring

income from the sale of conference facilities at Stockholm Arlanda Airport in 2012. The operations sold also meant that income in 2013 fell by SEK 23 M. Other comparable revenue fell by SEK 25 M, which was largely the effect of leases cancelled in conjunction with the acquisition and consolidation of NAP. In the Real Estate segment, the comparison for the period was affected by the fact that operations were launched during the third quarter of 2012.

External costs increased by SEK 86 M in 2013 compared to the previous year. Of this increase, SEK 50 M consists of costs attributable to the Real Estate segment arising during the second half of 2012. That means the increase in costs for the Airport Operations segment was SEK 36 M. Adjusted for non-recurring costs, the comparable cost increase was SEK 16 M.

Staff expenses fell by SEK 24 M, which is explained by large non-recurring costs the previous year.

Depreciation, amortisation and loss impairments increased by SEK 90 M, with SEK 56 M of this attributable to the Real Estate segment. The remaining increase of SEK 34 M is the result of the increased investment rate for the Airport Operations segment and non-recurring costs totalling SEK 24 M.

Net financial items totalled SEK -260 M (-277). Swedavia's more efficient capital market funding had a positive effect on interest expense and offset the higher interest expense resulting from increased borrowing.

Liquidity and financial position

Equity in the Group at year-end totalled SEK 4,915 M (4,300) and the equity/assets ratio was 30.5 per cent (29.1). At year-end, Swedavia had unused credit facilities totalling SEK 682 M divided between credit lines of SEK 500 M and unused overdraft facilities of SEK 182 M. During the year, Swedavia continued to refinance previous bank borrowing with capital market funding through commercial paper and notes. Bank borrowing fell during the year from SEK 6,903 M to SEK 2,918 M, while borrowing via commercial paper and notes increased from SEK 750 M to SEK 5,586 M. Total external borrowing at year-end was SEK 8,504 M.

Cash flow

Cash flow for the year was negative, totalling SEK -77 M (-12). Cash flow from operating activities was SEK 1,339 M (1,493). Investing activities used cash flow of SEK -2,258 M (-3,341) while financing activities generated cash flow of SEK 842 M (1,836).

Capital spending

During the year, capital spending totalled SEK 2,413 M (3,418). Of this amount, SEK 467 M (629) was allocated to investments in electrical installations, vehicles and equipment, and SEK 1,946 M (2,789) to buildings and land. Disposals totalled SEK 79 M (31). The single largest investment during the year, SEK 1,284 M, is attributable to the buildings acquired in conjunction with the acquisition of the outstanding shares and participation rights in

NAP. The rest of the capital spending consists of investments to maintain and increase capacity at the airports.

Financial targets

Swedavia's financial targets through 2014 were adopted at its Annual General Meeting on April 28, 2011. The requirements are a 9 per cent return on equity over a business cycle and an equity/assets ratio target of 35 per cent.

Dividend policy

When the equity/assets ratio is achieved, an annual dividend of 30–50 per cent of net profit after adding back fair value changes for the year that do not affect cash flow and related tax shall be paid out.

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 are administered by the Ministry of Finance. The par value of a share is SEK 1.

Acquisitions and disposals

On June 4, Swedavia acquired the outstanding shares and participation rights in the property company NAP from GEGAC Viking AB through its subsidiary Swedavia Real Estate AB. NAP owns and manages office and cargo buildings at Stockholm Arlanda Airport, Göteborg Landvetter Airport and Malmö Airport. The total investment was SEK 1,284 M. The acquisition strengthens Swedavia's position and creates new opportunities for property development at these airports. Swedavia already owns the land the buildings are on.

On June 17, Sundsvall Härnösand Airport was sold to the Municipalities of Sundsvall and Timrå.

The market

Swedavia runs airport operations under Airport Operations and property development under Real Estate. Both types of operations are sensitive to the business cycle and affected by the trend in the number of aircraft movements and passengers. Airport Operations is directly affected by changes, whereas Real Estate is indirectly affected.

In 2013, the number of aircraft movements increased, and the number of passengers flying to or from one of Swedavia's airports totalled 33.5 million (32.4), an increase of 3.5 per cent compared to the previous year and a record for Swedavia. The number of international passengers increased 5.7 per cent while the number of domestic passengers was essentially unchanged. The year began with a sharp drop in domestic traffic and zero growth in international travel. During the second quarter, the trend was reversed, with domestic and international travel both subsequently increasing during the rest of the year. The rise in domestic travel

during the rest of the year offset the decline in the first quarter. The passenger trend in 2013 entailed new records for a number of Swedavia's airports, including Göteborg Landvetter Airport, which passed the five million mark, and Stockholm Arlanda Airport, which had almost 21 million passengers. The increase in passenger volume in 2013 is due to a number of interrelated factors. The macroeconomic situation in Sweden and around the world improved modestly in 2013 and was also dominated by low inflation and favourable interest rates, bolstering disposable household income in real terms, which allowed for increased consumption. More room for consumption was a strong contributing factor in the higher demand for flights for leisure travel in 2013. Airlines capitalised on this increased demand, mostly for leisure travel, and expanded their offering, with increased capacity on existing routes but also service to new destinations. This expanded offering was aggressively marketed by the airlines, which also contributed to the higher passenger volume. In Aviation Business, the increase in passengers meant higher revenue in the form of charges related to passengers and aircraft movements. In Commercial Services, higher passenger volume generated increased revenue from car parking as well as rental income for premises in Retail, Food & Beverage operations, which is revenue-based.

Real Estate is affected by the occupancy rate of leased properties. In 2013, the portfolio of properties in Real Estate was expanded through the acquisition of the outstanding shares and participation rights in the property company NAP, which is now consolidated in the Group. The trend has been stable in the market for properties close to airports, with good demand for premises. Acquisitions carried out and a low vacancy rate meant higher revenue and improved earnings for Real Estate.

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. Carrying out proactive risk management is an important tool in our drive to provide greater access for our customers. Through continuous, systematic risk management, we direct decisions, priorities and change work toward our overall objectives. During the year, the risk work at Swedavia resulted in analyses and measures for a number of risks related to our sustainability objectives – customers, social development, environmental concern and economy.

Customers

Swedavia strives to continuously develop, improve and create flexibility in operations in order to have the focus on customers. There is 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, extensive business intelligence is carried

out. With a function-based organisation and a new Innovation & Development unit, customer views and business intelligence analysis are taken into account in order to create conditions for proactive business and product development.

Social development

Events such as extreme weather conditions, terrorist acts or labour disputes 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 should never affect aviation safety and security. Swedavia works actively with crisis management and continuity plans combined with realistic exercises to increase our employees' risk awareness and competency levels.

Being an attractive employer that attracts and keeps the right employees is an important part of Swedavia's drive to secure the supply of future competencies 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 and work to improve our employer satisfaction index (ESI).

Environmental concern

One cornerstone in running airport operations is an environmental permit that complies with the Swedish Environmental Code. In the current permit for Stockholm Arlanda Airport, there is a conditional emissions cap that includes both air traffic and ground transport to and from the airport as well as a condition that prohibits straight approaches to Runway 3 from the south over built-up portions of Upplands Väsby after January 1, 2018. That means constraints on current operations and continued expansion, and could have a significant detrimental effect on Swedavia as well as on access for all of Sweden. During the year, the main hearing was held in the Land and Environmental Court, and a ruling was issued. Swedavia has appealed the ruling, and a final ruling from the court of appeal is not expected until 2015 at the earliest. This is Swedavia's most important strategic issue, and the risk associated with Stockholm Arlanda Airport's environmental permit is being handled as the highest priority. Further information about Swedavia's environmental responsibility can be found in the section on environmental information on pages 49–50.

Economy

Swedavia carries out work on a continuous basis to make operations more efficient and thus make the cost savings necessary to meet performance targets and over time build 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 as well as funding.

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 flawed data for decision-making. In order to mitigate and control this risk and to manage and give priority to the company's investment funds, the investment process has been refined and developed.

Swedavia's customers operate in a market subject to intense competition, with a small number of major airline customers and where 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 the economic situation of customers in order to minimise credit losses in conjunction with any bankruptcy. The Group's and the Parent Company'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 financial 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 34 on pages 89–90.

Sensitivity analysis

A sensitivity analysis shows how a change in different parameters, both internal and external, affects the company's performance or financial position. The three general 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	-/+ %	Impact on profit SEK M/year
Passenger volume	-1	-31
Salary level	+1	-14
Interest rates	+1	-29

Passenger trend

The number of passengers travelling to or from one of Swedavia's airports constitutes the basic condition for all revenue the company generates. About half 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

and aircraft movements. A change in the number of aircraft movements 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 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 31 M on an annual basis.

Staff expenses

With an average of 2,369 (2,380) employees, Swedavia's staff expenses totalled about SEK 1,370 M (1,394). A 1 per cent change in staff expenses would have a SEK 14 M impact on costs on an annual basis.

Interest expenses

As of December 31, 2013, Swedavia had external borrowings of SEK 8,504 M (7,653), which is 53 per cent (52) of the balance sheet. This means the company is sensitive to changes in interest rates, which affect the company's financial expenses. Through long-term borrowings and the use of financial instruments, Swedavia works actively to achieve a balance between fixed and floating interest rates. As of December 31, 2013, 66 per cent of its borrowings were hedged via financial instruments and the remaining 34 per cent were exposed to interest rate changes. A 1 per cent change in interest rates would have a SEK 29 M (23) 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 affect performance 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 changes in the general public's attitudes to air traffic.

Ongoing litigation and disputes

Swedavia is a party to ongoing litigation and disputes. The disputes have arisen as part of the day-to-day business operations carried out by Swedavia. 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 2013, 13 meetings were held. Particular attention was paid during the year to strategic development, Stockholm Arlanda Airport's environmental permit, Swedavia's sustainability objectives and targets, access and new routes for Stockholm Arlanda Airport and Bromma Stockholm Airport, and the development plan for Real Estate operations.

The Board has two committees set up. The Audit Committee's tasks include taking responsibility for preparing 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 senior 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 our corporate culture. Swedavia should be and be seen as an attractive employer, and our airports are "airports people look forward to visiting". Dedicated employees with the right competencies and a desire to develop are critical to our

future. Our work is carried out with a focus on sustainability and ambitious objectives in the areas of employeeship, leadership, occupational health and safety, and diversity. Each year, we conduct an employee survey to measure employee satisfaction. We have gradually increased our employee satisfaction index (ESI) each year. Even though we have already achieved our goal, we will continue the work to further increase employee satisfaction, and we always strive to achieve better results.

At year-end 2013, the number of employees, regardless of the form of employment, was 2,883 (2,973). Restated as average number of employees during the financial year (see definition on page 45), the number was 2,369 (2,380). The breakdown by gender is 66 (66) per cent men and 34 (34) per cent women. Further information about employees can be found in Note 7 on pages 69–72.

Leadership

A crucial role for the leaders at Swedavia is to motivate all 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. Together with employees, Swedavia's leaders are responsible for connecting overall objectives to individual targets.

We work continuously to strengthen our leaders. We do this in part by developing communication tools to use in the dialogue with employees. We also carry out compulsory leadership training to create a common platform for our leadership but also potential for 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. We work actively with occupational rehabilitation in case of repeated short-term absences due to illness as well as longer such absences.

We also work to develop measures and tools to prevent injury. This is important since many of our employees have physically demanding tasks. Swedavia provides occupational health care service and crisis management. We support and encourage employees to take responsibility for their health by subsidising fitness activities. All employees have an employee insurance programme for illness and rehabilitation via Swedavia aimed at quickly providing the help they need. Swedavia has a zero tolerance policy on bullying and harassment.

Diversity

Having carefully prepared, inclusive diversity work is critical to our business because we operate 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 our benefits to society.

Leadership and employeeship principles

Swedavia's vision of leadership is divided into five leadership principles which are aimed at giving us a common platform to work from in our day-to-day operations. These principles are a focus on employees and business, one Swedavia, a good role model, courage to be better, and clear communication, which are based on Swedavia's vision, values and Code of Conduct.

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 26, 2013. Swedavia follows the Government's guidelines for terms of employment for executive officers in State-owned companies. There is an individual agreement for one executive officer that deviates from the State's guidelines and from the guidelines adopted at the AGM with respect to pension provisions, which is attributable to the transition from operations at LfV. For 2014 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 7 on pages 69–72.

Environmental information

Swedavia carries out operations in Sweden 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 2013, Swedavia was responsible for eight airports 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 de-icing of runways and aircraft. The vicinity of the airports is also affected by aviation noise as a result of airport operations.

During the year, Göteborg Landvetter Airport, Malmö Airport, Stockholm Arlanda Airport and Visby Airport worked on applications for brand new environmental permits for their own airport.

On November 27, Stockholm Arlanda Airport was issued a new environmental permit which has not yet entered into force in part since Swedavia has decided to appeal the ruling. Its current permit contains two restrictive conditions that make it impossible to fully take advantage of the actual production permitted of 372,100 movements. The conditions limiting operations are the “emissions cap” (conditions from the Government’s decision to grant approval in 1991) and special condition 6 from the National Licensing Board for Environmental Protection’s decision in 1993 concerning overflights of Upplands Väsby.

In the new permit, the emissions cap was removed and replaced with an action plan for atmospheric emissions of fossil carbon dioxide, nitrogen oxides 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 entails a ban on straight approaches over the built-up portions of Upplands Väsby on a regular basis after January 1, 2018. The new permit includes a condition that, strictly interpreted, could mean the same restriction on approaches over Upplands Väsby to Runway 3 from the south. According to the ruling, approaches that avoid the built-up portions of Upplands Väsby are to be used. In practice, this means that landings on Runway 3 from the south will not be allowed in high traffic since there is no way of handling these approaches avoiding Upplands Väsby that meets approved safety standards. The way the condition is designed could lead to a significant constraint on the airport’s capacity. Preliminary assessments indicate the highest possible production will be about 200,000 movements, that is, the same traffic volume as in 2010.

Göteborg Landvetter Airport, Kiruna Airport, Malmö Airport and Visby Airport have old permits under the Swedish Environmental Act, and operations at the airports have changed over the years. The airports have therefore decided to apply for new environmental permits. The application for Malmö Airport was submitted to the court in April 2012, and in June 2013, the airport received a new permit from the Land and Environmental Court. The permit has now entered into force. Göteborg Landvetter Airport submitted its application in April 2013 and Visby Airport submitted its application in July 2013. Kiruna Airport plans to submit its application in the autumn of 2014.

Events after the balance sheet date

Swedavia decided on February 17, 2014, on an organisational change, which means that current operations under Commercial & Marketing will be divided into separate business areas. Alongside the organisational change, a review of Swedavia’s management structure is being carried out. As a result, the Director of Strategy will henceforth be included in the executive management with responsibility for Strategy and Sustainability, while the Procurement and Quality Assurance functions will be taken away.

Swedavia decided on February 18 to launch a process to sell the hotel property at Stockholm Arlanda Airport. The hotel is operated by Clarion. The aim of the sale is to realise the value in order to reinvest it in the airports under the strategic direction adopted.

The Land and Environmental Court announced on March 13 that a higher court will consider an appeal for case M 11706-13 concerning the application for a permit for airport operations at Stockholm Arlanda Airport.

Swedavia’s financial objectives are being reviewed and will be adopted at the Annual General Meeting on April 29, 2014.

Parent Company

The Parent Company’s net revenue for the year totalled SEK 4,932 M (4,868). Operating profit totalled SEK 713 M (685) and the operating margin was 14.5 per cent (14.5). Profit before tax was SEK 398 M (108). Profit for the year was SEK 284 M (44). Allocations to untaxed reserves consist of the maximum taxexempt amount allowed of SEK 205 M (212), and the tax allocation reserve was SEK 160 M (49). The Parent Company’s equity at year-end was SEK 3,598 M (3,314) with an equity/assets ratio of 29.3 per cent (27.0). The Parent Company had negative cash flow of SEK –88 M (–14). Cash flow from operating activities was negative and totalled SEK –2,096 M (1,772). Investing activities generated SEK 1,157 M (–3,634), while financing activities generated SEK 851 M (1,848) through increased borrowing.

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	–288,484,858
Profit for the year	283,504,892
	2,156,374,573

The Board proposes that the profit and share premium of the Parent Company, totalling SEK 2,156,374,573, be brought forward.

Annual General Meeting

Swedavia AB’s Annual General Meeting takes place on April 29, 2014, at Stockholm Arlanda Airport. The Annual Report and other financial reports are available on Swedavia’s website www.swedavia.se/om-swedavia/this-is-swedavia/

Calendar

Annual Report 2013	March 31, 2014
Annual General Meeting 2014	April 29, 2014
Quarterly report Q1 2014	April 30, 2014
Quarterly report Q2 2014	August 15, 2014
Quarterly report Q3 2014	October 30, 2014
Year-end report 2014	February 13, 2015

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

Consolidated income statement

Amounts in SEK	Note	2013	2012
Net revenue	3, 4, 5	5,233	4,965
Operating expenses			
External expenses	6	-1,976	-1,890
Staff expenses	7	-1,370	-1,394
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets	8	-940	-850
Operating profit		946	831
Income from financial items	9		
Income from holdings in associated companies		8	19
Interest income and similar items		4	3
Interest expenses and similar items		-272	-299
Profit after financial items		686	554
Tax	11	-185	-108
Profit for the year		501	447
Attributable to non-controlling interests		10	10
Earnings per share			
Earnings per share before and after dilution, SEK		0.35	0.31
Number of shares		1,441,403,026	1,441,403,026

Consolidated statement of comprehensive income

Amounts in SEK	Note	2013	2012
Profit for the year		501	447
Other comprehensive income:			
<i>Items that can be reclassified to the income statement</i>			
Change for the period in the fair value of cash flow hedges		112	-62
Tax		-25	-1
<i>Items that cannot be reclassified to the income statement</i>			
Revaluation of defined benefit pensions		47	-81
Tax		-10	18
Total other comprehensive income, net after tax		124	-126
Comprehensive income for the year		625	320
Attributable to non-controlling interests		10	10

Consolidated balance sheet

Amounts in SEK	Note	2013-12-31	2012-12-31
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	12		
Goodwill		352	352
Other intangible non-current assets		100	105
Total intangible non-current assets		452	457
Tangible fixed assets			
Buildings and land	13	5,110	5,111
Investment properties	14	3,847	2,474
Field structures	15	2,249	2,412
Biological assets, standing timber	16	87	91
Electrical installations, vehicles and equipment	17	2,158	1,999
New construction in progress related to tangible fixed assets	18	1,074	953
Total tangible fixed assets		14,524	13,040
Non-current financial assets	34		
Holdings in associated companies	20	1	79
Other long-term receivables	22	146	132
Total non-current financial assets		147	211
Total non-current assets		15,122	13,708
CURRENT ASSETS			
Materials and stocks	23	46	38
Current receivables			
Trade receivables		492	555
Receivables from associated companies	25	6	10
Tax assets		0	56
Other receivables		192	40
Prepaid expenses and accrued income	26	222	252
Cash and bank holdings	21, 32	52	129
Total current assets		1,011	1,080
TOTAL ASSETS		16,133	14,788

Consolidated balance sheet (cont.)

Amounts in SEK	Note	2013-12-31	2012-12-31
EQUITY AND LIABILITIES			
Equity	27		
Share capital (1,441,403,026 shares)		1,441	1,441
Other paid-in capital		2,162	2,162
Hedge reserve		-93	-170
Retained earnings		1,395	857
Total equity attributable to the Parent Company's shareholders		4,904	4,290
Non-controlling interest		11	10
Total equity		4,915	4,300
Non-current liabilities			
Provisions for pensions and similar obligations	28	749	784
Provisions for deferred tax	29	332	242
Other provisions	30	134	133
Liabilities to credit institutions	31	2,400	3,000
Medium-term notes	31	3,895	-
Derivative instruments	21	186	218
Liabilities to leasing companies	17	13	13
Other non-current liabilities		16	22
Total non-current liabilities		7,724	4,413
Current liabilities			
<i>Interest-bearing liabilities</i>			
Liabilities to credit institutions	31, 32	518	3,903
Notes and commercial paper	31	1,691	750
Liabilities to leasing companies	17	7	8
<i>Non-interest-bearing liabilities</i>			
Derivative instruments	21	13	13
Trade payables		490	606
Liabilities to associated companies		-	4
Current tax liabilities		9	-
Other liabilities	30	118	157
Accrued expenses and prepaid income	33	646	634
Total current liabilities		3,492	6,075
TOTAL EQUITY AND LIABILITIES		16,133	14,788

Pledged assets and contingent liabilities

Amounts in SEK	Note	2013-12-31	2012-12-31
Pledged assets	35	-	0
Contingent liabilities	35	6	6

Changes in equity

CONSOLIDATED

Amounts in SEK	Share capital	Other paid-in capital	Hedge reserves	Retained earnings	Non-controlling interest	Total capital
2012						
Equity, opening balance	1,441	2,162	-115	492	9	3,989
Dividend paid	-	-	-	-	-9	-9
Comprehensive income for the year	-	-	-55	365	10	320
Equity, closing balance 2012-12-31	1,441	2,162	-170	857	10	4,300
2013						
Equity, opening balance	1,441	2,162	-170	857	10	4,300
Dividend paid	-	-	-	-	-9	-9
Transfer	-	-	-9	9	-	-
Comprehensive income for the year	-	-	86	529	10	625
Equity, closing balance 2013-12-31	1,441	2,162	-93	1,395	11	4,915

Consolidated cash flow statement

Amounts in SEK	Note	2013	2012
Operating activities	36		
Profit after financial items		686	554
Adjustments for items not included in cash flow etc.		812	634
Cash flow from operating activities before changes in working capital		1,498	1,188
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in materials and stocks		-8	-2
Increase(-)/Decrease(+) in operating receivables		-55	-83
Increase(+)/Decrease(-) in operating liabilities		-95	390
Cash flow from operating activities		1,339	1,493
Investing activities			
Acquisition/disposal of intangible non-current assets		-11	-38
Acquisition/disposal of tangible fixed assets		-2,333	-3,383
Acquisition/disposal of financial assets		86	80
Cash flow from investing activities		-2,258	-3,341
Financing activities			
Borrowings raised		12,493	4,135
Borrowings repaid		-11,642	-2,290
Dividend paid		-9	-9
Cash flow from financing activities		842	1,836
Cash flow for the year		-77	-12
Liquid assets at the beginning of the period		129	141
Liquid assets at the end of the period		52	129

Parent Company income statement

Amounts in SEK	Note	2013	2012
Net revenue	4	4,932	4,868
Operating expenses			
External expenses	6	-1,976	-1,909
Staff expenses	7	-1,355	-1,418
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets	8	-888	-856
Operating profit		713	685
Income from financial investments	9		
Income from holdings in Group companies		14	13
Income from holdings in associated companies		9	20
Interest income and similar items		81	34
Interest expenses and similar items		-245	-366
Profit after financial items		571	385
Appropriations	10		
Accelerated depreciation		-205	-212
Change in tax allocation reserve		-160	-49
Group contribution		193	-16
Profit before tax		398	108
Tax	11	-115	-63
Profit for the year		284	44

Parent Company statement of comprehensive income

Amounts in SEK	2013	2012
Profit for the year	284	44
Other comprehensive income	-	-
Comprehensive income for the year	284	44

Parent Company balance sheet

Amounts in SEK	Note	2013-12-31	2012-12-31
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	12		
Goodwill		401	426
Other intangible non-current assets		100	105
Total intangible non-current assets		501	531
Tangible fixed assets			
Buildings and land	13	5,018	5,162
Field structures	15	2,249	2,412
Electrical installations, vehicles and equipment	17	2,158	1,999
New construction in progress related to tangible fixed assets	18	1,043	953
Total tangible fixed assets		10,468	10,526
Financial non-current assets			
Holdings in Group companies	19	963	882
Receivables from Group companies	24	–	1,947
Holdings in associated companies	20	1	87
Other long-term receivables	22	68	65
Deferred tax assets	29	25	34
Total financial assets		1,058	3,015
Total non-current assets		12,026	14,072
CURRENT ASSETS			
Materials and stocks	23	41	35
Current receivables			
Trade receivables		454	470
Receivables from Group companies	24	3,529	705
Receivables from associated companies	25	6	10
Tax assets		2	68
Other receivables		177	36
Prepaid expenses and accrued income	26	221	241
Cash and bank holdings	21, 32	14	102
Total current assets		4,444	1,667
TOTAL ASSETS		16,470	15,739

Parent Company balance sheet (cont.)

Amounts in SEK	Note	2013-12-31	2012-12-31
EQUITY AND LIABILITIES			
Equity	27		
Share capital (1,441,403,026 shares)		1,441	1,441
Share premium		2,162	2,162
Retained earnings		-289	-333
Profit for the year		284	44
Total equity		3,598	3,314
Untaxed reserves	10		
Accumulated accelerated depreciation		1,357	1,152
Tax allocation reserve		210	49
Total untaxed reserves		1,567	1,201
Provisions			
Provisions for pensions and similar obligations	28	1,069	1,085
Other provisions	30	133	191
Total provisions		1,202	1,276
Non-current liabilities			
<i>Interest-bearing liabilities</i>			
Liabilities to credit institutions	31	2,400	3,000
Medium-term notes	31	3,895	–
Liabilities to leasing companies		13	13
Other non-current liabilities		12	22
Total non-current liabilities		6,320	3,035
Current liabilities			
<i>Interest-bearing liabilities</i>			
Liabilities to credit institutions	31, 32	518	3,903
Notes and commercial paper	31	1,691	750
Liabilities to leasing companies	17	7	8
<i>Non-interest-bearing liabilities</i>			
Trade payables		480	596
Liabilities to Group companies		447	1,011
Liabilities to associated companies		–	4
Other liabilities		80	60
Accrued expenses and prepaid income	33	559	581
Total current liabilities		3,783	6,913
TOTAL EQUITY AND LIABILITIES		16,470	15,739

Pledged assets and contingent liabilities

Amounts in SEK	Note	2013-12-31	2012-12-31
Pledged assets	35	–	0
Contingent liabilities	35	6	6

Changes in equity

PARENT COMPANY

Amounts in SEK	Restricted reserves	Unrestricted reserves		
	Share capital	Share premium	Retained earnings	Total capital
2012				
Equity, opening balance	1,441	2,162	−336	3,267
Profit on merger	–	–	3	3
Profit for the year	–	–	44	44
Equity, closing balance 2012-12-31	1,441	2,162	−289	3,314
2013				
Equity, opening balance	1,441	2,162	−289	3,314
Profit for the year	–	–	284	284
Equity, closing balance 2013-12-31	1,441	2,162	−5	3,598

Parent Company cash flow statement

Amounts in SEK	Note	2013	2012
Operating activities	36		
Profit after financial items		571	385
Adjustments for items not included in cash flow, etc.		766	882
Cash flow from operating activities before changes in working capital		1,337	1,267
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories		-6	0
Increase (-)/Decrease (+) in operating receivables		-2,732	-692
Increase (+)/Decrease (-) in operating liabilities		-695	1,197
Cash flow from operating activities		-2,096	1,772
Investing activities			
Paid-in shareholder contribution		-81	-785
Long-term receivables, subsidiaries		1,947	-1,897
Acquisition of intangible non-current assets		-11	-38
Acquisition of tangible fixed assets		-1,202	-1,006
Disposal of fixed assets		418	-
Acquisition of financial assets		86	93
Cash flow from investing activities		1,157	-3,634
Financing activities			
Profit from merger		-	3
Borrowings raised		11,579	4,135
Borrowings repaid		-10,728	-2,290
Cash flow from financing activities		851	1,848
Cash flow for the year		-88	-14
Liquid assets at the beginning of the period		102	117
Liquid assets at the end of the period		14	102

Notes

(Amounts in SEK unless otherwise indicated)

■ Note 1 Corporate information

Swedavia AB (publ), Swedish corporate identity number 556797-0818, has its registered officer in the Municipality of Sigtuna, Sweden. The address of the company's head office is: 190 45 Stockholm-Arlanda, Sweden. The company is wholly owned by the Swedish State and was part of LFV until April 1, 2010, when LFV's airport operations were converted into a limited liability company. The company'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 Air-

port, Luleå Airport, Malmö Airport, Ronneby Airport, Stockholm Arlanda Airport, Umeå Airport, Visby Airport and Åre Östersund Airport. Swedavia also owns the property Göteborg City Airport and is a minority shareholder in the company that operates the airport.

In this report, Swedavia AB is referred to either by its full name or as the Parent Company, and the Swedavia Group is referred to as Swedavia or the Group.

Reporting for the Group and the Parent Company is in millions of Swedish kronor, SEK M, unless otherwise indicated.

■ Note 2 Accounting principles

General

The consolidated accounts have been prepared in conformity with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB), to the extent these have been adopted by the EU, as well as with interpretations given by the EU of current standards issued by the IFRS Interpretations Committee (IFRIC).

Swedavia applies IFRS as of January 1, 2012. The date of transition to IFRS was established as January 1, 2011. Accounting principles in conformity with IFRS are given below. The Group previously applied the Swedish Financial Accounting Standards Council's recommendations and statements. The transition to IFRS has proceeded in conformity with IFRS 1 First-time adoption of international financial reporting standards.

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 Parent Company and consolidated accounting principles are due to restrictions in the possibility of 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.

New accounting principles

Below is a description of what changes in accounting principles the Group applies as of January 1, 2013. Other changes in IFRS applied to previous years and in 2013 have not had any material impact on the Group's financial reports.

As a result of the EU's adoption of the revised IAS 19, Swedavia decided to apply this standard in advance in its annual accounts for 2012, which entails a change in accounting principles compared to reports published earlier in 2012. The changes pertain mainly to recognition and disclosure of defined benefit pension plans. Items attributable to pension rights accruing from defined benefit pension plans, gains and losses arising in the settlement of a pension liability and net financial income are recognised in the income statement. Actuarial gains and losses are recognised in other comprehensive income. The bulk of Swedavia's defined benefit pension commitments are in the form of paid-up pension policies and no new pension rights accrue to these.

Change in IAS 1 Presentation of financial statements. The change means that items in other comprehensive income have been divided into two categories – items that have been or can be reclassified to profit for the year and items that cannot be reclassified to profit for the year. Examples of items that have been or can be reclassified to profit for the year are gains/losses on cash flow hedges. Items that cannot be reclassified are revaluations of defined benefit pension plans. Comparative figures are reported following the new presentation.

Change in IFRS 7 Disclosures: Offsetting financial assets and financial liabilities. The change entails new disclosure requirements for offsetting financial assets and liabilities.

IFRS 13 Fair value measurement. A brand new standard for measuring fair value and improving disclosure requirements. The new disclosure requirements mean, among other things, that information shall be given about the hierarchy for assets and liabilities for which fair values are reported. Information in accordance with IFRS 13 can be found in Notes 14, 16 and 21.

New and amended standards and interpretations that enter into force in 2014 or later

- IFRS 10 Consolidated financial statements. The standard outlines uniform rules for which entities are to be consolidated and will replace IAS 27 Consolidated and separate financial statements and SIC 12, which addresses Special Purpose Entities. The standard is not expected to have any material impact on the financial statements
- IFRS 11 Joint arrangements. The standard addresses the reporting of what are known as joint arrangements and will replace IAS 31 Interests in joint ventures. At present Swedavia has no entities included under the new standard
- IFRS 12 Disclosure of interests in other entities. Increased requirements for information about subsidiaries, joint arrangements and associated companies have been gathered in one standard and are expected to lead to some increase in information contained in Swedavia's annual report
- IFRS 9 Financial instruments. The standard is being issued in phases and will replace IAS 39 Financial instruments: Recognition and measurement. It has not yet been possible to assess the effects of the new IFRS 9 standard, which will be applied in 2015. The EU has not yet adopted any part of the new standard

Consolidated financial accounts

The consolidated financial accounts include the Parent Company and all the companies over which the Parent Company directly or indirectly has a controlling interest. Controlling interest is assumed to arise 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.

Classification

Non-current assets, non-current liabilities and 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.

Valuation principles

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 certain financial assets and liabilities which are recognised at fair value. Financial assets and liabilities that are recognised at fair value consist entirely of derivative instruments. Biological assets are valued at fair value; see Note 16. For information about valuation and fair value disclosure under IFRS 13, see Note 21.

Intangible non-current assets

The Group has 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 of noise insulation for the properties of others. Straight-line amortisation is used over an expected useful life of 10 years.

Tangible fixed assets

Tangible fixed assets are recognised at cost minus accumulated depreciation and any accumulated impairment losses.

Cost comprises the purchase price, costs directly attributable to the acquisition and expenditures for arranging the transfer of the asset until the time it is ready to be placed in service. Subsequent costs are only included under electrical installations, vehicles and equipment or recognised as a separate asset when it is likely that future economic benefits attributable to the item will benefit the Group and the cost of this can be reliably estimated. All other costs for repair and maintenance as well as future expenditures are recognised in the income statement for the period in which they occur.

Depreciation is recognised based on the expected and estimated useful life using the straight-line depreciation method. For cases where parts of electrical installations, vehicles and equipment 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 useful life and residual value are revised on an annual basis.

New construction in progress related to tangible assets

Cost includes expenditures directly attributable to the asset in order to convey it to the site and in the condition it is to be used according to the purpose for which it was acquired.

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. Useful life is estimated as:

Buildings and investment properties	10 – 60 years
Field structures	10 – 60 years
Electrical installations, vehicles and equipment	3 – 10 years
Equipment, land	10 – 60 years
Equipment, buildings	10 – 60 years

Impairment losses

On each balance sheet date, the Group analyses the book values of tangible fixed 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 the 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 immediately 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 immediately in the income statement. A reversal of an impairment loss is never recognised for goodwill.

Biological assets – standing timber

In conformity with IFRS, forest assets are to be divided into standing timber, which is recognised as a biological asset, and land, which is recognised as a tangible fixed asset. This means that standing timber is to be 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.

Stocks

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

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.

All financial instruments are initially 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 and all derivatives. Financial assets and liabilities are offset and recognised as a net amount in the balance sheet when there is a legal right of offset and when there is the intention to settle the items with a net amount or to realise the asset and settle the liability simultaneously.

On each balance sheet date, the Group 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 as well as 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 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 consists of two sub-groups, and only the sub-category "held for trading" applies to the Group. This sub-category includes derivatives with a positive fair value if they 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 who have an interest in carrying out the transaction.

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.

Loans receivable and trade receivables

Loans receivable and trade receivables are financial assets that are not derivatives, are specified or determinable amounts and are not listed on an active market. These assets are recognised at amortised cost. Amortised cost is determined based on the effective interest rate calculated at the time of purchase. 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 consists of two sub-groups, and only the sub-category "held for trading" applies to the Group. This sub-category includes derivatives with a negative fair value if they 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 on 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.

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 a controlling interest over the acquired entity on the transaction date. 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

Shareholdings in associated companies are recognised in the consolidated accounts using the equity method. The equity method entails that the carried amount of shares in the associated company is equivalent to the Group's share of the associated company's equity and any residual value of the consolidated premiums or discounts. The Group's share of the associated company's profit adjusted for any amortisation on or liquidation of premiums or discounts on acquisitions is recognised in the consolidated income statement as holdings in associated companies.

Transactions eliminated on consolidation

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 to the extent that the Group owns shares in the company. Unrealised gains arising as a result of transactions with associated companies are eliminated against holdings in associated companies. Unrealised losses are eliminated in the same way as unrealised gains as long as there is no need for impairment losses.

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 such 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.

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, interest rate, currency and commodity swaps or currency futures, mainly to limit exposure to fluctuations in interest rates, commodity (electricity) prices and foreign exchange rates that qualify for hedge accounting.

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 (see description above under "Financial instruments").

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 to derivative instruments that effectively offset fluctuations in cash flow from projected sales and electricity use. Currency futures have mostly been used as hedging instruments for projected sales and electricity derivatives that are identified as hedging instruments and fulfil the criteria for hedging the future cash flow recognised in other comprehensive income and accumulated in the hedge reserve under equity. The accumulated gains or losses in the hedge reserve are reclassified to the income statement and recognised under sales or costs for goods sold in the same period that the projected sale or consumption of electricity 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.

Pensions

The Group has both defined contribution and defined benefit pension plans. The transfer of agreed assets and liabilities for airport operations in 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 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 quarterly, which affects the recognised pension liability. The Group bears the risk of ensuring that the payments determined are effected.

The accounting principles described are applied only in the consolidated financial accounts (see below, Parent Company accounting principles). 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.

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.

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 immediately in other comprehensive income. Current tax is tax that is to be paid or received for the period in question. This also includes adjustments in current tax attributable to previous periods. Deferred tax is calculated using the balance sheet method based on the temporary differences between book and tax values of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to even out and by applying tax rates and tax regulations that are decided or advised on the balance sheet date. Temporary differences are not taken into account in consolidated goodwill and normally nor are differences attributable to holdings in subsidiaries and associated companies that are not expected to be taxed within the foreseeable future. Untaxed reserves including deferred tax liabilities are recognised for legal entities. However, in the consolidated financial accounts, untaxed reserves are divided between deferred tax liability and equity. Deferred tax credits for tax-deductible temporary differences and deductions for deficits are recognised only to the extent it is likely these will entail lower tax payments in the future.

Reported income tax is the total of current and deferred tax. 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 tax-deductible (permanent differences). The Group's current tax liability is calculated using the tax rates that have been decided or are in practice decided on the balance sheet date. Deferred tax liabilities are normally recognised for all temporary differences subject to tax, and deferred tax liabilities are recognised to the extent it is likely that a taxable profit occurs against which tax-deductible temporary differences can be used.

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 and 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 further divided into non-current and current provisions.

Restoration reserve

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

Reserve for onerous contracts

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.

Restructuring reserve

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

Contingent liabilities

A contingent liability is recognised off the balance sheet when there 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 outflow of resources is extremely limited.

Revenue

Revenue is recognised as the fair value of what has been received or will be received. Deductions are made for discounts provided. Rental revenue entails that the revenue is divided evenly over the rental period. The total cost of benefits provided is recognised as a straight-line reduction in rental revenue over the rental period. Deliveries of goods are recognised as revenue when significant risks and benefits associated with ownership of the goods have been transferred to the buyer. Revenue is only recognised if it is likely that economic benefits will accrue 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 borrowings, 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 recognised in net financial items.

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 is organised and run as of July 1, 2012, 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. Until July 1, 2012, Swedavia's operations consisted solely of the Airport Operations operating segment.

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

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 not, then it is the case of an operating lease. The Group's contracts are classified as financial leases and have been recognised as assets in the consolidated balance sheet. The obligation to pay future leasing fees has been 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.

Discontinuing operations

In the accounting of discontinuing operations, discontinuing operations are considered to be a clearly delimited part of the Group's operations which have been discontinued or shut down or are being discontinued according to a single coherent plan.

Other

The figures reported have in some cases been rounded off, which means that tables, charts and calculations do not always add up. In texts and tables, figures between 0 and 0.5 are reported as 0. If there is no value, a dash is used.

Significant judgements and assumptions

In the preparation of financial reports in conformity with IFRS, the executive management is required to make judgements and assumption 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 results of these judgements and assumptions are then used to assess the book values of assets and liabilities that are not otherwise clear from other sources. 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 this period, or in the period the change is made and future periods if the change affects both the current period and future period.

Disputes

Executive management's best judgement has been used in the accounts of disputed amounts, but the actual future outcome may differ from the amounts assessed.

Parent Company 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.

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, and the difference is recognised as an interest expense or interest income.

Pensions

Pension commitments are recognised in the Parent Company in conformity with the provisions in the Swedish Pension Obligations Vesting Act and the Swedish Financial Supervisory Authority's regulations. See also the description in Note 28.

Intangible non-current assets

Intangible non-current assets with an indeterminable useful life are not amortised in the consolidated accounts. There is amortisation in the Parent Company. The

Parent Company has 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

Holdings in associated companies are recognised in the Parent Company using the cost method. Dividends received are recognised in the income statement provided that they arise from a share of the profit earned after the acquisition.

Holdings in limited partnerships are recognised at cost. The book value for the holdings changes annually with Swedavia's share of the limited partnership's net profit as well as any withdrawals or contributions during the year.

Untaxed reserves

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

Group contributions

Group contributions received and paid are recognised as appropriations in accordance with RFR 2.

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.

Note 3 Segment reporting

An operating segment is defined as a part of the company that carries out business operations from which it can derive revenue and expenses, whose operating profit is examined on a regular basis by the company's highest executive officer, and for which there is separate financial information. Swedavia is organised and run as of July 1, 2012, as two operating segments, which are Airport Operations and Real Estate. Until July 1, 2012, Swedavia's only operating segment was Airport Operations.

The basis of segment reporting is internal reporting. The Board of Directors and executive management mainly 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, with the exception of amortisation on goodwill, unrealised value changes that are not covered by hedge accounting, actuarial gains and losses on pensions and valuation changes for standing timber. Swedavia is managed and reported based on the following two business segments.

- **Airport Operations** owns, operates and develops Swedavia's airports
- **Real Estate** owns, develops and manages properties and developable land at and around Swedavia's airports

	Airport Operations		Real Estate		Eliminations		Total Swedavia	
Income statement Jan–Dec	2013	2012	2013	2012	2013	2012	2013	2012
Revenue from external customers	4,927	4,862	306	103	–	–	5,233	4,965
Revenue from other segments	30	9	6	0	–36	–9	–	–
Total revenue	4,957	4,871	312	103	–36	–9	5,233	4,965
Operating expenses	–3,256	–3,299	–76	–27	–15	42	–3,347	–3,284
Depreciation, amortisation and impairment losses	–896	–863	–75	–19	31	32	–940	–850
Operating profit	805	709	161	57	–20	65	946	831

	Airport Operations		Real Estate		Eliminations		Total Swedavia	
Balance sheet	2013	2012	2013	2012	2013	2012	2013	2012
Non-current assets	11,858	13,867	3,983	2,474	–719	–2,632	15,122	13,709
Current assets	4,252	1,707	508	1,099	–3,749	–1,726	1,011	1,080
Total assets	16,110	15,574	4,491	3,573	–4,468	–4,358	16,133	14,788
Equity	4,912	4,330	821	815	–818	–846	4,915	4,300
Liabilities	11,198	11,244	3,670	2,757	–3,651	–3,513	11,218	10,487
Total equity and liabilities	16,110	15,574	4,491	3,573	–4,468	–4,358	16,133	14,788

One customer accounted for 15 per cent (14) of total revenue in 2013, allocated to both segments.

■ Note 4 Net revenue

	Group		Parent Company	
	2013	2012	2013	2012
Revenue by source				
Aviation Business				
Passenger-related revenue	1,930	1,849	1,930	1,849
Aircraft movement-related revenue	596	593	596	593
Ground handling and aircraft parking	271	296	271	296
Other aviation	12	11	12	11
Total Aviation Business	2,809	2,749	2,809	2,749
Commercial Services				
Car parking	665	621	665	621
Retail, food and beverage	645	601	645	601
Other real estate revenue	731	535	423	432
Advertising	73	69	73	69
Other commercial services	215	307	214	320
Total Commercial Services	2,329	2,134	2,020	2,045
Other revenue	96	81	104	74
Total other revenue	96	81	104	74
Total net revenue	5,233	4,965	4,932	4,868

■ Note 5 Related party transactions

Related party transactions involve State-owned companies or operations that conduct business in which the State has a controlling interest. Transactions are carried out on market terms, and operations are subject to competition.

Related parties also include companies over which Swedavia may exercise a controlling interest or significant influence in terms of operational and financial decisions made. Concerning Swedavia AB's receivables from and liabilities to Group companies, see Note 24 "Receivables from Group companies" and Note 25 "Receivables from associated companies". Shares in Group companies are specified in Note 19 "Holdings in Group companies" and in Note 19 "Holdings in associated companies".

For information about remuneration to executive officers and Board members, see Note 7 "Employees and staff expenses". There are no securities pledged by or contingent assets from Swedavia for executive officers or Board members.

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 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. Transactions with the Swedish State concerning taxes and payroll fees have not been included. Costs reported under other related parties consist mostly 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.

	Group		Parent Company	
	2013	2012	2013	2012
Sale of goods and services				
Subsidiaries	–	–	32	7
Associated parties	6	1	6	26
Other related parties	585	620	585	620
Total sale of goods and services	591	621	623	653
Sale of immovable property or other assets				
Subsidiaries	–	–	422	658
Associated companies	–	–	–	–
Other related parties	–	–	–	–
Total sale of immovable property or other assets	–	–	422	658
Purchase of goods and services				
Subsidiaries	–	–	68	59
Associated companies	–	–	–	1
Other related parties	7	–	7	5
Total purchases of goods and services	7	–	75	65
Interest, net				
Subsidiaries	–	–	75	31
Associated companies	–	–	–	–
Other related parties	–	–	–	–
Total interest	–	–	75	31

■ Note 6 Remuneration and compensation for auditors

	Group		Parent Company	
	2013	2012	2013	2012
Ernst & Young				
Auditing assignments	3	3	3	3
Tax consultancy	0	0	0	0
Other services	1	2	1	2
Total	4	5	4	5

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 7 Employees and staff expenses

Average number of employees ¹⁾	2013	Of which women	2012	Of which women
PARENT COMPANY				
Sweden	2,355	34%	2,368	34%
Total in the Parent Company	2,355	34%	2,368	34%
SUBSIDIARIES				
Sweden	14	50%	12	34%
Total in subsidiaries	14	50%	12	34%
Group total	2,369	34%	2,380	34%
Executive management, breakdown by gender	2013-12-31 Share of women	2013-01-01 Share of women	2012-12-31 Share of women	2012-01-01 Share of women
PARENT COMPANY				
Board of Directors	63%	56%	56%	44%
Other executive officers	38%	36%	36%	36%
GROUP TOTAL				
Board of Directors	47%	38%	38%	23%
Other executive officers	33%	31%	31%	28%

¹⁾ Average number of employees is calculated based on hours worked. Average number of employees is restated as total number of hours worked divided by normal annual working hours as specified by the Swedish Accounting Standards Board. Historical data have been restated.

	2013		2012	
Salaries, other remuneration and payroll fees	Salaries and remuneration	Payroll fees	Salaries and remuneration	Payroll fees
PARENT COMPANY	904	402	927	451
(of which pension expenses)		(110)		(251)
SUBSIDIARIES	9	5	6	3
(of which pension expenses)		(2)		(1)
GROUP-RELATED ADJUSTMENTS	–	1	–	–33
GROUP TOTAL	913	408	933	421
(of which pension expenses)		(112)		(252)

Remuneration to the Board of Directors Parent Company 2013 SEK thousand				
	Base salary, Board fee	Audit Committee	Remuneration Committee	Other benefits
Chairman of the Board				
Ingemar Skogö	440	–	25	
Board members				
Karin Apelman	220	35	–	–
Adine Grate Axén	220	–	–	–
Lars Backemar	220	–	–	–
Anders Ehrling ¹⁾	183	–	–	5
Anna Elgh	220	20	–	–
Hans Jeppsson	220	–	–	–
Jenny Lahrin	–	–	–	–
Lottie Svedenstedt	220	–	20	–
Total	1 943	55	45	5

Remuneration to the Board of Directors Parent Company 2012 SEK thousand				
	Base salary, Board fee	Audit Committee	Remuneration Committee	Other benefits
Chairman of the Board				
Ingemar Skogö	440	–	25	–
Board members				
Karin Apelman	220	35	–	–
Adine Grate Axén	220	–	–	4
Lars Backemar	220	–	–	–
Anders Ehrling	220	–	–	4
Anna Elgh	220	20	–	–
Hans Jeppsson	220	–	–	–
Jenny Lahrin ²⁾	–	–	–	–
Christopher Onajin ³⁾	–	–	–	–
Magnus Skåninger ⁴⁾	–	–	–	–
Lottie Svedenstedt	220	–	20	–
Total	1,980	55	45	8

¹⁾ Anders Ehrling resigned from his duties as Board member of Swedavia in October 2013 after he was appointed the new CEO of Braathens Aviation.

²⁾ Jenny Lahrin was elected as a Board member on December 20, 2012.

³⁾ When Christoffer Onajin resigned from his position at the Ministry of Finance, he also resigned from his duties at Swedavia in conjunction with the Board meeting held on February 13, 2012.

⁴⁾ Magnus Skåninger resigned from his duties at Swedavia at an Extraordinary General Meeting on December 20, 2012.

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 26, 2013. 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 26, 2013. Since the AGM, the Audit Committee includes the Board members Karin Apelman as Chair and Anna Elgh and Jenny Lahrin as members.

Remuneration to the Remuneration Committee is based on a decision taken at the AGM held on April 26, 2013. The Remuneration Committee includes Ingemar Skogö as Chair, Board members Jenny Lahrin and Lottie Svedenstedt as members, and Robert Olsson as employee representative.

Remuneration to executive officers* Parent Company 2013 SEK thousand		Changes during the year	Base salary	Variable remuneration	Other benefits	Pension expenses
Chief executive officer						
Torborg Chetkovich	President and CEO		3,169	–	27	936
Total			3,169		27	936
Other executive officers						
Karl Wistrand	Deputy CEO CEO Swedavia Real Estate Chief Financial Officer	Starting Jan 25, 2013 Until Feb 3, 2013	2,200	–	13	650
Per Arenhage	Chief Technical Officer		1,520	–	19	452
Lennart Bergbom	Strategy Director		1,076	–	11	229
Athanassios Boukas	Chief Procurement Officer	Starting Jan 1, 2013	1,170	–	10	328
Anna Bovaller	Chief Legal Counsel		1,327	–	12	358
Jan Egenäs	CEO Swedavia Real Estate	Until Jan 25, 2013	1,291	–	1	226
Fredrik Frimodig	Chief Information Officer	Starting Jun 12, 2013	512	–	0	96
Bodil Garneij	Chief Quality Officer	From Feb 1 to Nov 20, 2013	776	–	5	169
Michael Persson Gripkow	Chief Commercial and Marketing Officer		1,517	–	9	422
Peder Grunditz	Airport Director, Regional Airports Airport Director, Bromma Stockholm Airport	Until Dec 15, 2013 Starting Dec 16, 2013	1,359	–	17	367
Anders Hjertman	Acting HR Director	From Jun 12 to Oct 13, 2013	446	–	5	119
Charlotta Hyldal	HR Director	Until Jun 11, 2013	1,997	–	4	452
Lars Johansson	Chief Financial Officer	Starting Mar 18, 2013	1,640	–	8	469
Anders Lennerman	Director of Security and Safety		1,255	–	13	378
Charlotte Ljunggren	Airport Director, Göteborg Landvetter Airport		1,678	–	2	457
Susanne Norman	Director of Regional Airports	Starting Dec 16, 2013	55	–	0	12
Linda Sjödin	Chief Communication Officer		1,217	–	9	323
Olle Sundin	Airport Director, Bromma Stockholm Airport	Until Dec 15, 2013	1,457	–	4	817
Kjell-Åke Westin	Airport Director, Stockholm Arlanda Airport		1,617	–	32	488
Marie Wiksborg	HR Director	Starting Oct 14, 2013	338	–	1	79
Total			24,448	–	175	6,891

* Remuneration has been reported based on the period each executive officer has been part of the executive management team. Base salary reported is based on a fixed monthly salary, statutory holiday entitlement, any salary increase and severance pay. Base pay does not take into account any exchange of salary for benefits. Severance pay was paid out to the former CEO of Swedavia Real Estate AB and to the former HR Director, totalling SEK 435 K and SEK 377 K respectively; this severance pay was charged in its entirety to 2013.

Remuneration to executive officers**Parent Company
2012 SEK thousand**

		Changes during the year	Base salary	Variable remuneration	Other benefits	Pension expenses
Chief executive officer						
Torborg Chetkovich	President and CEO		3,005	–	31	886
Total			3,005	–	31	886

Other executive officers

Karl Wistrand	Deputy CEO and Chief Financial Officer		2,124	–	17	679
Per Arenhage	Chief Technical Officer		1,438	–	44	414
Lennart Bergbom	Strategy Director	Starting Jan 1, 2012	1,026	–	0	223
Anna Bovaller	Chief Legal Counsel		1,291	–	0	352
Jan Egenäs	CEO Swedavia Real Estate		1,357	–	22	374
Bodil Garneij	Chief Information Officer	Until Jan 31, 2012	82	–	0	13
Peder Grunditz	Director of Regional Airports		1,221	–	17	312
Charlotta Hyldal	HR Director		1,531	–	7	436
Anders Lennerman	Director of Security and Safety		1,214	–	7	342
Charlotte Ljunggren	Airport Director, Göteborg Landvetter Airport	Starting Aug 13, 2102	675	–	1	180
Linda Sjödin	Chief Communication Officer	Starting Jan 16, 2012	1,163	–	7	310
Michael Persson Gripkow	Chief Marketing Officer		1,468	–	0	405
Olle Sundin	Airport Director, Göteborg Landvetter Airport Airport Director, Bromma Stockholm Airport	Until Aug 12, 2012 Starting Jan 1, 2012	1,593	–	25	888
Peter Weinhandl	Airport Director, Malmö Airport		1,024	–	0	272
Kjell-Åke Westin	Airport Director, Stockholm Arlanda Airport		1,615	–	48	486
Total			18,822	–	196	5,685

Remuneration to executive officers

The team of executive officers refers to the people who together with the CEO constitute the company's executive management or report directly to CEO. The executive management is appointed by the CEO.

Remuneration to the CEO and Deputy CEO is determined by Swedavia's Board of Directors after the matter has been prepared in the Remuneration Committee. The CEO proposes remuneration to other executive officers.

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 reasonable 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. The principle is a fixed base salary, which means that there is no incentive programme or other variable salary component for executive officers.

Pensions

The President and CEO's pension is paid via a premium-based pension plan, the provision for which corresponds to 30 per cent of fixed salary. 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. 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 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 Airport Director of Bromma Stockholm Airport who resigned in 2013 was also covered by a defined contribution direct pension agreed in conjunction with negotiations to arrange the transition of operations from LFV to Swedavia AB as of April 1, 2010. The retirement age for the CEO and other executive officers is 65.

Severance pay

The President and CEO has six months' notice of termination by mutual consent and is entitled to all employment benefits during that period. For the President and CEO, an agreement on severance pay has been signed in the event the company gives notice of termination. Severance pay is equivalent to the officer's fixed salary for twelve months beyond the notification period. Severance pay is not pensionable income.

Executive officers have six months' notice of termination by mutual consent, with the exception of one person, who must give four months' notice of termination. All executive officers are entitled to all employment benefits that apply during the notification period.

For the Deputy CEO and the CEO of Swedavia Real Estate AB, severance pay agreements have been signed in the event the company gives notice of termination equivalent to the officer's fixed salary for a maximum of six months beyond the notification period. For the Financial Director and Chief Procurement Officer, severance pay agreements have been signed in the event the company gives notice of termination equivalent to the officer's fixed salary for a maximum of three months beyond the notification period. Severance pay is not pensionable income.

Note 8 Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets

	Group		Parent Company	
	2013	2012	2013	2012
Depreciation and amortisation				
Goodwill	–	–	24	25
Other intangible non-current assets	16	16	16	16
Buildings and land	321	299	316	298
Investment properties	73	18	–	–
Field structures	153	153	153	153
Electrical installations, vehicles and equipment	371	361	371	361
Impairment losses, new construction in progress related to tangible fixed assets	6	3	6	3
Total	940	850	888	856

Note 9 Financial income and expenses

	Group		Parent Company	
	2013	2012	2013	2012
Financial income				
Income from holdings in Group companies	–	–	14	13
Income from holdings in associated companies	8	19	9	20
Interest income	3	3	80	34
Net changes in foreign exchange rates	1	0	1	0
Total	12	22	104	67

	Group		Parent Company	
	2013	2012	2013	2012
Financial expenses				
Interest expenses, financial liabilities	–209	–237	–190	–237
Derivative instruments	–34	–34	–49	–22
Portion of interest on pension expenses for the year	–27	–18	–4	–96
Other financial expenses	–2	–5	–2	–7
Net changes in foreign exchange rates	–	–4	–	–4
Total	–272	–299	–245	–366

Interest expense on financial liabilities is attributable to bank borrowings, medium-term notes and commercial paper.

■ Note 10 Appropriations and untaxed reserves

	Parent Company	
	2013	2012
Appropriations		
Change in accelerated depreciation	-205	-212
Change in tax allocation reserves	-160	-49
Group contribution paid	-20	-16
Group contribution received	213	-
Total appropriations	-173	-277
Untaxed reserves		
Accumulated accelerated depreciation and amortisation	1,357	1,152
Tax allocation reserves	210	49
Total untaxed reserves	1,567	1,201

In calculating excess depreciation, the maximum amount of allocations allowed under Swedish tax law was taken in the Parent Company for 2013 and 2012. Accumulated depreciation and amortisation pertains to other intangible assets, electrical installations, vehicles and equipment.

■ Note 11 Tax

	Group		Parent Company	
	2013	2012	2013	2012
Current tax expense (-) /tax income (+)				
Tax expense [/tax income] for the year	-112	-58	-106	-40
	-112	-58	-106	-40
Deferred tax expense (-) /tax income (+)				
Deferred tax for temporary differences	-73	-50	-9	-23
Total tax expense recognised	-185	-108	-115	-63
	2013		2012	
Group	Per cent	Amount	Per cent	Amount
Reconciliation of effective tax				
Profit before tax		686		554
Tax calculated using Swedish tax rate in effect	22.0	-151	26.3	-146
Tax pertaining to taxation for the previous year		2		-1
Tax effect of amortisation of Group goodwill		2		-5
Tax effect of non-deductible costs		-34		-31
Tax effect of non-taxable revenue		4		-
Tax effect of loss carryforward		-		1
Other		-8		8
Effect of new tax rate		-		66
Recognised effective tax	27.0	-185	19.5	-108
	2013		2012	
Parent Company	Per cent	Amount	Per cent	Amount
Reconciliation of effective tax				
Profit before tax		398		108
Tax calculated using Swedish rate for the Parent Company	22.0	-88	26.3	-28
Tax pertaining to taxation for the previous year		-1		-1
Tax effect of non-deductible costs		-32		-31
Tax effect of on-taxable revenue		6		3
Effect of loss carryforward		-		-7
Recognised effective tax	28.9	-115	58.3	-63

Note 12 Intangible non-current assets

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Goodwill				
Accumulated cost				
Opening balance	377	377	493	493
Closing balance	377	377	493	493
Accumulated scheduled amortisation				
Opening balance	-25	-25	-68	-43
Scheduled amortisation for the period	-	-	-24	-25
Closing balance	-25	-25	-92	-68
Book value, closing balance	352	352	401	426

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, defined benefit pension commitments are recognised in accordance with IAS 19, and the difference in accounting principles means that goodwill in the consolidated accounts totalled SEK 289 M. Together with goodwill from the acquisition of assets pertaining to the subsidiary Arlanda Schiphol Development Company AB, total goodwill of SEK 377 M was recognised in the consolidated accounts.

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. Calculations are based on estimated cash flows in the business plan adopted and cover a four-year period. Budgeted income and expenses are based on previous profit, experience and expectations of the market trend. It has been assumed that cash flows beyond the four-year period have annual growth equivalent to 2 per cent per annum. The discount rate before tax used was 7.5 per cent.

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	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Other intangible non-current assets				
Accumulated cost				
Opening balance	143	109	143	109
Reclassifications for the year	11	35	11	35
Closing balance	154	143	154	143
Accumulated scheduled amortisation				
Opening balance	-38	-22	-38	-22
Scheduled amortisation for the year	-16	-16	-16	-16
Closing balance	-54	-38	-54	-38
Book value, closing balance	100	105	100	105

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

■ Note 13 Buildings and land

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Accumulated cost				
Opening balance	5,910	5,478	5,956	5,406
Acquisitions/reclassifications for the year	486	2,931	405	557
Reclassification to investment properties	-177	-2,492	-	-
Disposals/divestments for the year	-41	-7	-277	-7
	6,178	5,910	6,084	5,956
Accumulated scheduled depreciation				
Opening balance	-799	-507	-794	-503
Reversal of depreciation on disposals	40	7	44	7
Reversal of depreciation, reclassifications	12	-	-	-
Scheduled depreciation for the year	-321	-299	-316	-298
	-1,068	-799	-1,066	-794
Book value, closing balance	5,110	5,111	5,018	5,162
Of which land				
Opening balance	426	442	426	390
Acquisitions for the year	79	36	79	36
Sales for the year	-	-	-223	-
Reclassification from field structures and new construction in progress related to tangible fixed assets	31	-	-	-
Reclassification between investment properties/ operating properties	-177	-52	-	-
Book value, closing balance	359	426	282	426

A property reallocation is under way and the application for a title is being processed by the Swedish land registration authority, Lantmäteriet. The cost of the buildings includes SEK 7 M (6) for acquisitions of another party's property at Ronneby Airport.

■ Note 14 Investment properties

Swedavia recognises the properties classified as investment properties at cost. Investment properties are found in the Real Estate operating segment. The portfolio consists of hangar, cargo, hotel and office properties as well as land at Göteborg Landvetter Airport, Malmö Airport and Stockholm Arlanda Airport. Income from the investment properties totalled SEK 306 M (103) and direct costs totalled SEK 76 M (27); see also Note 3. For information about the depreciation method and useful life, see Note 2 Accounting principles.

The portfolio of investment properties is valued annually by external independent, qualified appraisers. The properties are valued to determine their fair value, that is, their estimated market value. The external appraisals for 2013 were carried out by DTZ.

Valuation method

The valuation of properties is based on the cash flows the asset is expected to generate, discounting the operating surplus. 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 cash flow consists of the income and operating costs of each property, that is, net operating income. To estimate net operating income, estimates are made of inflation, rents, vacancies, and operating and maintenance costs.

Valuation assumptions for the calculations include an assumed inflation rate of 1 per cent for 2014 and 2 per cent for the remainder of the calculation period.

The discount rate for the cash flow is estimated based mainly on the certainty of the leases in the income stream, but also the complexity and condition of the properties. The risk entailed by the property portfolio is reflected in the required rate of return and depends in part on the contract length and stability of the tenant. The capitalisation rate for the different properties valued varies between 6.7 and 11.4 per cent.

For the required rate of return on total capital, the capitalisation rate is a nominal required rate of return for total capital before tax. The required rate of return is based on empirical estimates of the market's required return for similar properties and has been set between 7.6 and 11.4 per cent to estimate the residual value.

All investment properties are included in the classification based on Level 3, which means that the fair value of the investment properties cannot be directly attributed to observable market data.

	Group	
	2013-12-31	2012-12-31
Accumulated cost		
Opening balance	2,492	–
Acquisitions/reclassifications for the year	1,446	2,492
	3,938	2,492
Accumulated scheduled depreciation		
Opening balance	–18	–
Scheduled depreciation for the year	–73	–18
	–91	–18
Book value, closing balance	3,847	2,474
Fair value	4,736	2,576

Operational leases – the Group as lessor

All investment properties are rented through operational lease agreements and generate rental income. Future rental income attributed to non-cancellable operational leases are broken down as follows:

	Group	
	2013	2012
Expiry		
Within 1 year	377	258
Between 1 and 5 years	1,324	901
More than 5 years	2,501	2,344
Total	4,202	3,503

■ Note 15 Field structures

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Accumulated cost				
Opening balance	2,819	2,692	2,819	2,692
Reclassifications for the year	–21	128	74	128
Disposals/divestments for the year	–2	–1	–97	–1
	2,796	2,819	2,796	2,819
Accumulated scheduled depreciation				
Opening balance	–407	–255	–407	–255
Reversal of depreciation on disposals	13	1	13	1
Scheduled depreciation for the year on cost	–153	–153	–153	–153
	–547	–407	–547	–407
Book value, closing balance	2,249	2,412	2,249	2,412

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

■ Note 16 Biological assets

	Group	
	2013-12-31	2012-12-31
Accumulated cost		
Opening balance	91	88
Change in fair value	-4	3
Book value, closing balance	87	91

Swedavia's biological assets consist of large forest holdings adjacent to Swedavia's airports, with standing timber assessed at fair value. Estimates of fair value are made each year by an external appraiser. The valuation method used 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. Biological assets on the balance sheet date are included in Level 2 assets, which means that important input in the valuation are based on observable market data. There has been no change in valuation methods compared to previous years.

■ Note 17 Electrical installations, vehicles and equipment

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Accumulated cost				
Opening balance	2,960	2,632	2,960	2,632
Reclassifications for the year	534	351	545	351
Disposals/divestments for the year	-36	-23	-47	-23
	3,458	2,960	3,458	2,960
Accumulated scheduled depreciation				
Opening balance	-962	-623	-962	-623
Reversal of depreciation on disposals	33	23	33	23
Scheduled depreciation for the year on cost	-371	-361	-371	-361
	-1,300	-962	-1,300	-962
Book value, closing balance	2,158	1,999	2,158	1,999

Leases

Swedavia's leases pertain to the 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 6 M (8) in the Group.

	Group	
	2013-12-31	2012-12-31
Book value		
Cost – capitalised financial leases	35	31
Accumulated depreciation	-20	-16
Book value	15	15

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

	2013		2012	
	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 1 year	6	6	7	6
Between 2 and 5 years	11	11	13	12
More than 5 years	0	0	1	1
Total	17	17	21	19

■ Note 18 New construction in progress related to tangible fixed assets

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Opening balance	953	981	953	981
Capital spending for the year	1,121	1,629	1,114	1,629
Disposals	–	–	–89	–658
Reclassifications	–1,000	–1,658	–935	–999
Book value, closing balance	1,074	953	1,043	953

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 19 Holdings in Group companies

Parent Company holdings in Group companies	Parent Company	
	2013-12-31	2012-12-31
Accumulated cost		
Opening balance	882	161
Acquisitions	81	785
Sales	–	–64
Accumulated cost, closing balance	963	882

Specification of the Parent Company holdings of shares in Group companies

Subsidiary/Corporate identity number/Registered office	Number of shares	Ownership in % ¹⁾	Book value 2013-12-31	Book value 2012-12-31
Arlanda Schiphol Development Company AB, 556653-6628, Stockholm County, Municipality of Sigtuna	10,000	60	93	93
Swedavia Real Estate AB, 556858-9872, Stockholm County, Municipality of Sigtuna	500,000	100	870	789
Book value, closing balance			963	882

¹⁾ Pertains to ownership of the capital, which also corresponds to the holding of voting rights for the total number of shares.

Other important Group companies wholly owned by Swedavia Real Estate AB

Subsidiary/Corporate identity number/Registered office

TreDhotell AB, 556810-8996, Stockholm County, Municipality of Sigtuna
Altuna Hangar KB, 969655-5706, Stockholm County, Municipality of Sigtuna
Landvetter Hangar KB, 969655-7322, Stockholm County, Municipality of Sigtuna
Landvetter Cargo Terminal KB, 969655-6605, Stockholm County, Municipality of Sigtuna
Nordic Airport Properties KB, 969673-0143, Stockholm County, Municipality of Sigtuna
Tor Viking Sverigehuset AB, 556891-5523, Stockholm County, Municipality of Sigtuna
Tor Viking Flygfastighet AB, 556891-5556, Stockholm County, Municipality of Sigtuna

■ Note 20 Holdings in associated companies

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Accumulated cost				
Opening balance	79	121	87	127
Acquisitions	–	0	–	0
Share of profit in the associated companies for the year	0	19	–	20
Reclassifications ¹⁾	–78	–	–86	–
Dividend for the year	–	–60	–	–60
Book value, closing balance	1	79	1	87

Specification of the Parent Company's and Group's holdings in associated companies 2013-12-31	Adjusted equity, Swedavia's share	Profit for the year, Swedavia's share	Number of shares	Ownership in %	Value of holding in the Group	Book value in the Parent Company
Subsidiary/Corporate identity number/Registered office						
Directly owned						
Citygflygplatsen i Göteborg AB, 556195-5823, Västra Götaland County, Municipality of Gothenburg	1	1	5,244	40	0	–
Svensk Destinationsutveckling AB, 556318-2574, Stockholm County, Municipality of Stockholm	1	0	400	20	0	1
Total					1	1

¹⁾ During the year, Swedavia AB's holdings in the associated companies Nordic Airport Properties AB and Nordic Airport Properties KB were acquired by Swedavia Real Estate Group. This took place in conjunction with Swedavia Real Estate Group acquiring the remaining shares and participation rights from GEGAC Viking AB.

■ Note 21 Financial assets and liabilities

Group	Book value		Fair value	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Financial assets				
Other long-term receivables	146	132	146	132
Trade receivables	492	555	492	555
Receivables from associated companies	6	10	6	10
Other receivables	74	24	74	24
Liquid assets	52	129	52	129
Total	770	850	770	850
Financial liabilities	Book value		Fair value	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Non-current interest-bearing liabilities	6,295	3,000	6,300	3,014
Current interest-bearing liabilities	2,209	4,653	2,209	4,676
Derivative instruments ¹⁾	199	231	199	231
Liabilities to leasing companies	20	21	20	19
Other non-current liabilities	16	22	16	22
Trade payables	490	606	490	606
Liabilities to associated companies	–	4	–	4
Other liabilities	34	59	34	59
Accrued interest expenses	40	39	40	39
Total	9,303	8,635	9,308	8,670

¹⁾ Derivative instruments in 2013 pertain to derivatives for hedge accounting. Of the derivative instruments in 2012, SEK 218 M was derivative instruments for hedge accounting and SEK 13 M was financial liabilities valued at fair value through profit or loss.

Net financial items for hedge accounting	2013	2012
Financial assets/liabilities valued at fair value*	15	1
Total	15	1

* The sub-category "Held for trading".

Valuation at fair value 2013

Fair value hierarchy levels for valuation and fair value information	Level 1	Level 2	Level 3
Derivative instruments ²⁾	–	199	–
Non-current interest-bearing liabilities ³⁾	–	6,300	–
Investment properties (Note 14) ³⁾	–	–	4,736
Biological assets (Note 16) ²⁾	–	86	–
Total	–	6,585	4,736

²⁾ Recognised at fair value

³⁾ Recognised at cost

Level 1: Listed prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Other observable input for the asset or liability than listed prices included in Level 1.

Either direct or indirect price listings based on available market data.

Level 3: Input for the asset or liability that is not based on observable market data.

No change in levels in 2013 compared to 2012.

Parent Company

The Parent Company recognises its financial instruments at amortised cost. For information about fair value concerning derivative instruments, see the consolidated valuation.

Derivative instruments

No financial assets or 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, 2013, there were no significant financial liabilities or assets that should be offset in the event of a bankruptcy.

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.

Long-term receivables

For information purposes, fair value of long-term receivables is calculated by discounting future cash flows by the current interest rate.

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 22 Other long-term receivables

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Accumulated cost				
Opening balance	132	94	65	30
New receivables	10	41	5	38
Receivables settled	-1	0	-1	0
Reclassifications	5	-3	-1	-3
Book value, closing balance	146	132	68	65

■ Note 23 Materials and stocks

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Supplies	31	26	31	26
Gravel stocks	7	8	4	5
Supplies, building and land	2	2	2	2
Other stocks	6	2	3	2
Total	46	38	41	35

Note 24 Receivables from Group companies

	Parent Company	
	2013-12-31	2012-12-31
Swedavia Real Estate AB	3,173	2,651
Tor Viking Komplementären AB	159	–
Altuna Hangar KB	74	–
TreDhotell AB	65	–
Tor Viking Flygfastigheter AB	25	–
Office Arlanda AB	18	–
Arlanda Schiphol Development Company AB	1	1
Other Group companies	14	–
Book value, closing balance	3,529	2,652

Since 2013, Swedavia's wholly owned Group companies have been financed through a Group structure, which is why previous intra-Group non-current assets and liabilities have been reclassified.

Note 25 Receivables from associated companies

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Nordic Airport Properties KB ¹⁾	–	6	–	6
Cityflygplatsen i Göteborg AB	6	4	6	4
Book value, closing balance	6	10	6	10

¹⁾ On June 4, 2013, Swedavia acquired the outstanding shares and participation rights in the associated companies Nordic Airport Properties AB and Nordic Airport Properties KB through the subsidiary Swedavia Real Estate. Swedavia thus owns 100 per cent of the companies.

Note 26 Prepaid expenses and accrued income

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Accrued income, ground handling	1	8	1	8
Accrued income, retail, food and beverage	139	96	139	96
Accrued income, advertising	–	13	–	13
Accrued income, energy	13	16	13	16
Accrued income, parking	8	45	8	47
Prepaid material and maintenance costs	8	5	8	5
Prepaid operational services	6	7	6	7
Prepaid interest expense	4	–	4	–
Prepaid property and rental costs	2	1	2	1
Prepaid insurance premiums	1	2	1	2
Other accrued income and prepaid expenses	41	59	40	46
Total	222	252	221	241

■ Note 27 Equity

Group

Share capital

As of December 31, 2013, registered share capital consisted of 1,441,403,026 shares at a stated value of SEK 1 each.

Other paid-in capital

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

Hedge reserve

The reserve for cash flow hedging consists of unrealised changes in the value of interest rate derivatives (net of deferred tax). For interest rate derivatives, hedge

accounting is applied, which means 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).

Transfer pertains to deferred tax as a result of a change in the tax rate.

■ Note 28 Provisions for pensions and similar obligations

The Group has both defined benefit and defined contribution pension commitments

Defined benefit

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.

Beginning in 2011, unvested pension commitments are entered as a liability at 60 per cent in both the Parent Company and the Group. The future conditional commitments pertain to a small number of employees who have the option of taking early retirement at the age of 63.

Pension commitments are recognised as a provision on the balance sheet under the item "Provisions for pensions and similar obligations".

In the Parent Company, there are other bases for calculating defined benefit plans than those specified in IAS 19. 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 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.

The Group has both defined benefit and defined contribution pension commitments	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Actuarial assumptions				
The following important actuarial assumptions have been applied in calculating the obligations: (weighted average values)				
Discount rate	3.75%	3.50%	0.40%	0.40%
Future changes in price base amount (inflation)	2.00%	2.00%	2.00%	2.00%
Changes in the present value of defined benefit obligations				
Obligations as of January 1	784	734	1,085	1,021
Change in liability due to merger with LAC	–	–	–	3
Payments made for the year	–26	–26	–26	–26
Cost of vesting, current period	1	1	1	1
Interest expense	27	28	4	11
Actuarial gains (–)/losses (+)	–37	65	5	108
Benefits taken over	–	6	–	–
Other changes	–	–24	–	–33
Obligation as of December 31	749	784	1,069	1,085

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Cost recognised in profit for the year				
Defined benefit plans				
Cost of pensions vested during the year	1	1	1	1
Interest expense	27	28	4	11
Actuarial cost	–	–	5	108
Special payroll fee	7	10	3	29
Effect of change in liability, unvested pensions	–	–	–	–
Cost of defined benefit plans	35	39	13	149
Cost of defined contribution plans				
Cost of defined contribution plans	80	80	78	80
Payroll fee	19	22	19	22
Cost of defined contribution plans	99	102	97	102
Total cost of remuneration after termination of employment in the profit for the year	134	141	110	251

	Group	
	2013-12-31	2012-12-31
Cost recognised in other comprehensive income		
Defined benefit plans		
Revaluation including special payroll fee		
Actuarial gains (–)/losses (+) on change in financial commitments	–36	72
Empirically based adjustments	–11	9
Tax	10	–18
Recognised in other comprehensive income	–37	63

	Group	
	Increase	Decrease
Sensitivity analysis		
Change in discount rate	0.5 percentage point	0.5 percentage point
Effect on obligation	–53	59

	Group	
	2013-12-31	2012-12-31
Present value of obligation broken down by members in the plans as follows		
Active members	195	212
Paid-up pension policyholders	2,856	2,895
Pensioners	422	521
Total number of obligations	3,473	3,628

The remaining vesting period for active members is 6.9 years (7.4 years).

■ Note 29 Provisions for deferred tax

Group 2013-12-31	Deferred tax asset	Deferred tax liability
Temporary difference, goodwill	-22	-
Temporary difference, tangible fixed assets	-41	-
Temporary difference, biological fixed assets	-	8
Temporary difference, non-current financial assets	-44	-
Temporary difference, untaxed reserves	-	345
Temporary difference, pensions	-	86
Net accounting	107	-107
Total	-	332

Group 2012-12-31		
Temporary difference, goodwill	-29	-
Temporary difference, tangible fixed assets	-34	-
Temporary difference, biological fixed assets	-	9
Temporary difference, non-current financial assets	-51	-
Temporary difference, untaxed reserves	-	264
Temporary difference, pensions	-	83
Net accounting	114	-114
Total	-	242

Parent Company 2013-12-31	Deferred tax asset	Deferred tax liability
Temporary difference, tangible fixed assets	25	-
Total	25	-

Parent Company 2012-12-31		
Temporary difference, tangible fixed assets	34	-
Total	34	-

■ Note 30 Other provisions

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Restructuring costs, opening balance	80	54	80	54
Provisions for restructuring costs	3	44	3	44
Reversal of restructuring costs	-63	-18	-63	-18
Restructuring costs, closing balance	20	80	20	80
Social security fund, opening balance	17	17	17	17
Provisions for social security fund	-	-	-	-
Reversal of social security fund	-	-	-	-
Social security fund, closing balance	17	17	17	17
Other provisions, opening balance	116	135	92	111
Provided to other provisions	5	45	5	46
Reversal of other provisions	-4	-65	-1	-65
Other provisions, closing balance	117	116	96	92
Of which current portion	-20	-80	-	-
Total other provisions	134	133	133	191

SEK 20 M (80) of provisions pertains to restructuring costs which are considered to be current; the remaining provisions are considered to be non-current. Other provisions consists mostly of costs for any restoration of land.

■ Note 31 Liabilities to credit institutions

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Bank borrowings	2,918	5,985	2,918	5,985
Loans from Swedish National Debt Office	–	918	–	918
Medium-term notes	3,895	–	3,895	–
Commercial paper	1,691	750	1,691	750
Total	8,504	7,653	8,504	7,653
Breakdown of non-current and current portion of interest-bearing liabilities	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Current portion of interest-bearing liabilities	2,209	4,653	2,209	4,653
Non-current interest-bearing liabilities	6,295	3,000	6,295	3,000
Total	8,504	7,653	8,504	7,653

The average maturity on borrowings as of December 31, 2013, was 2 years with an average interest rate of 2.7 per cent. As of December 31, 2013, the share of borrowings at a fixed rate was 66 per cent and the average lock-in period was 2.9 years.

■ Note 32 Overdraft facilities

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Overdraft facilities approved	200	200	200	200
Unutilised portion	182	132	182	132
Credit amount used	18	68	18	68

As of December 31, 2013, Swedavia had overdraft facilities of SEK 200 M at Skandinaviska Enskilda Banken (SEB), SEK 18 M of which was utilised on the balance sheet date.

■ Note 33 Accrued expenses and prepaid income

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Incentive provisions to airlines	37	59	37	59
Accrued expenses, construction projects	50	72	50	72
Accrued staff-related expenses	155	168	153	168
Accrued interest	47	39	47	39
Accrued property costs	71	22	49	14
Prepaid property income	141	128	60	63
Prepaid income retail, food and beverage	39	37	39	37
Prepaid parking revenue	13	18	13	18
Prepaid advertising revenue	10	9	10	9
Other accrued expenses and prepaid income	83	82	101	101
Total	646	634	559	581

■ Note 34 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 refers to 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 refers to the risk of changes in market interest rates having a negative impact on the Group's net interest income/expense.

As of December 31, 2013, Swedavia had external borrowings of SEK 8,504 M (7,653), which is almost half of the balance sheet. This means the company is sensitive to changes in interest rates. To reduce the sensitivity to interest rate changes, Swedavia works actively to hedge the risk exposure on some of its borrowings through interest rate swaps. On the balance sheet date, the nominal amount of interest rate swaps was SEK 4,403 M (4,325) and the fair value was SEK -199 M (-231).

Based on those hedges, a 1 per cent increase/decrease in the interest rate would have a SEK 29 M (24) effect.

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 (2.5).

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 on the Nasdaq OMX power exchange as well as through bilateral agreements with producers. The hedge ratio was 74 per cent (86) of predicted use over the next 12 months.

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 112 M (-62). The ineffectiveness recognised in the income statement during the year was SEK 0.2 M (2).

A 1 per cent increase/decrease in the price of the unhedged volume of electricity would not have a material effect on profit, less than SEK 0.1 M, given the current level of hedging.

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 loan portfolio, 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 (200), SEK 18 M of which was utilised (68).

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

Financial liabilities (including future interest expenses and derivative instruments) – Maturity structure	2013-12-31						Total
	< 1 year	2 years	3 years	4 years	5 years	> 5 years	
Interest-bearing liabilities	2,312	3,494	753	48	2,038	206	8,852
Liabilities to leasing companies	7	14	–	–	–	–	21
Trade payables	490	–	–	–	–	–	490
Other liabilities	118	–	–	–	–	–	118
Derivative liabilities	86	85	76	62	48	62	420
Total	3,013	3,593	830	111	2,086	269	9,901

Financial liabilities (including future interest expenses and derivative instruments) – Maturity structure	2012-12-31						Total
	< 1 year	2 years	3 years	4 years	5 years	> 5 years	
Interest-bearing liabilities	4,707	967	1,536	604	–	–	7,814
Liabilities to leasing companies	8	13	–	–	–	–	21
Liabilities to associated companies	4	–	–	–	–	–	4
Trade payables	606	–	–	–	–	–	606
Other liabilities	157	–	–	–	–	–	157
Derivative liabilities	54	54	51	44	37	51	291
Total	5,536	1,034	1,587	648	37	51	8,893

Credit risks and counterparty risks

The Group's commercial and financial transactions give rise to credit risks against its counterparties. Credit risk or counterparty 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 in trade 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 trade 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, 2013, 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, receivables past due, not written off	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Trade receivables not due	462	510	441	429
Trade receivables past due 1–30 days	26	42	15	39
Trade receivables past due 31–90 days	6	9	3	9
Trade receivables past due >90 days	9	3	6	3
Total	503	564	465	480

Provisions account	2013	2012	2013	2012
Provisions account, opening balance	10	7	10	7
Provisions for expected losses	1	3	1	3
Provisions account, closing balance	11	10	11	10

■ Note 35 Pledged assets and contingent liabilities

	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Pledged assets				
SEB bank guarantees	–	0	–	0
Utilised credit amounts	–	0	–	0
	Group		Parent Company	
	2013-12-31	2012-12-31	2013-12-31	2012-12-31
Contingent liabilities				
Company-owned endowment insurance	6	6	6	6

Swedavia has contingent liabilities (contractual liabilities in the Parent Company) in the form of pension commitments in company-owned endowment insurance plans. 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.

Swedavia is a party to ongoing litigation and disputes. The disputes have arisen as part of the business operations carried out by Swedavia. Legal proceedings and disputes are unpredictable by nature, and the actual outcome may deviate from the assessments Swedavia has made.

■ Note 36 Cash flow

SEK M	Group		Parent Company	
	2013	2012	2013	2012
Adjustments for items not included in the cash flow				
Less share of profit from holdings in associated companies	–8	–19	–	–
Depreciation/amortisation	940	850	888	856
Provisions, pensions	–35	50	–16	64
Change in other provisions	–57	–64	–57	8
Change in value of financial instruments	–32	75	–	–
Other	4	–258	–49	–46
Total	812	634	766	882
Interest paid and dividend received				
Dividend received	–	60	14	73
Interest received	4	5	3	5
Interest paid	–259	–254	–240	–254

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 Parent Company's operations, financial position and results and describes significant risks and uncertainty factors faced by the companies included in the Group.

Stockholm-Arlanda March 25, 2014

Ingemar Skogö
Chairman of the Board

Karin Apelman
Board member

Adine Grate Axén
Board member

Lars Backemar
Board member

Anna Elgh
Board member

Hans Jeppsson
Board member

Jenny Lahrin
Board member

Lottie Svedenstedt
Board member

Lars Andersson
Board member
Employee representative

Robert Olsson
Board member
Employee representative

Torborg Chetkovich
President and CEO

Our Audit Report was submitted on March 25, 2014

Ernst & Young
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 Meeting on April 29, 2014.

Audit Report

To the Annual General Meeting of Swedavia AB (publ), Swedish corporate 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 year 2013. The annual accounts and the consolidated accounts are included in the printed version of this document on pages 43–92.

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, 2013, 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, 2013, and of its financial performance and cash flows for the year then ended 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 year 2013.

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 25, 2014
Ernst & Young AB

Magnus Fagerstedt
Authorised public accountant

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

To the readers of Swedavia AB's Sustainability Report

Introduction

We have been engaged by the Board of Directors of Swedavia AB to review Swedavia's Sustainability Report for the year 2013. Swedavia AB has defined the scope of the Sustainability Report as those areas referred to in the GRI index on pages 106–107.

The Board of Director's and executive management's responsibility for the Sustainability Report

The Board of Directors and the executive management are responsible for ongoing activities regarding the environment, health and safety, quality, social responsibility and sustainable development, and for the preparation and presentation of the Sustainability Report in accordance with the applicable criteria, which are presented on page 106 in the Sustainability Report, and consists of those parts of the Sustainability Reporting G3 Guidelines (issued by the GRI) that are applicable to the Sustainability Report, and by the accounting and valuation principles produced by Swedavia AB.

The 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 and other generally accepted auditing standards in Sweden. 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.

The criteria on which our review is based are the parts of the Sustainability Reporting Guidelines G3, published by the Global Reporting Initiative (GRI), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed and disclosed. These are presented on page 106. 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.

Conclusion

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 25, 2014
Ernst & Young AB

Magnus Fagerstedt
Authorised public accountant

Charlotte Söderlund
Authorised public accountant

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 principle.

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

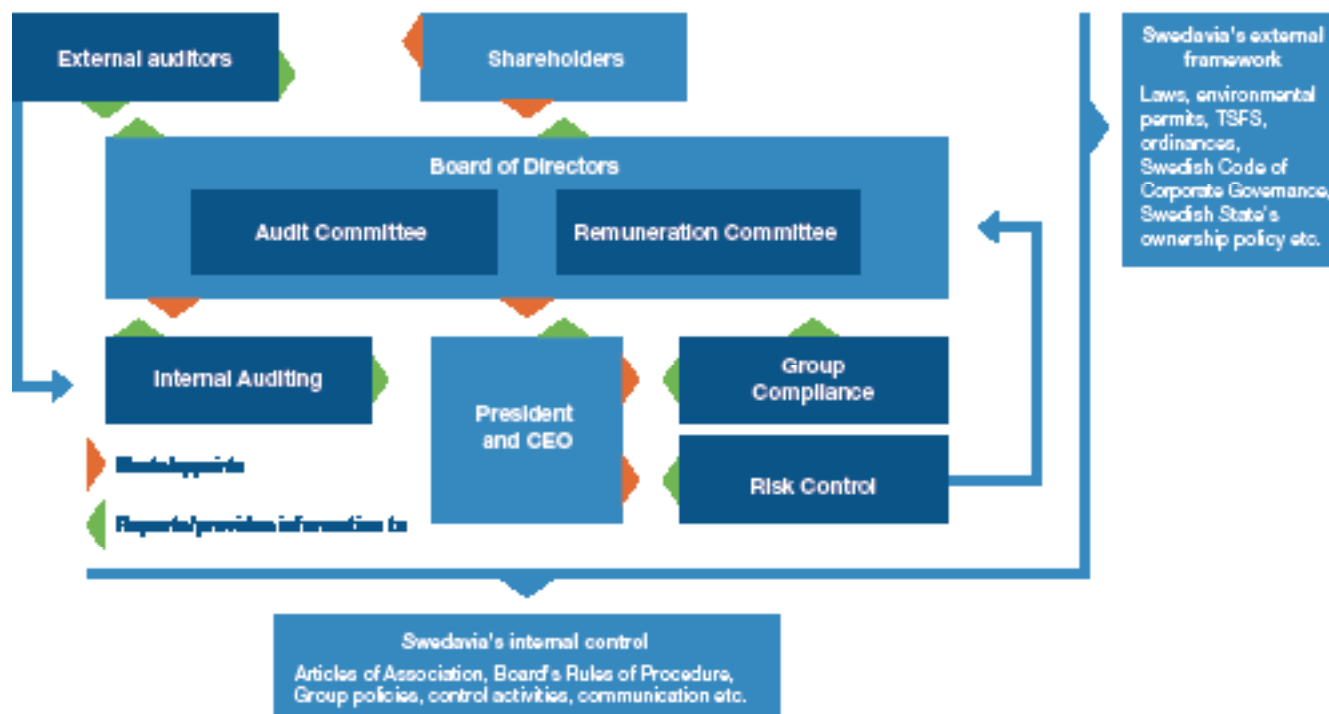
Corporate governance

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 overall objective of the Code is to contribute to the improved governance of Swedish limited liability companies. 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.



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.

Code requirement	Deviation	Explanation/comment
Code rules 1.3-1.4, 2.1-2.7, 8.1 and 10.2 The company has a Nomination Committee that represents the company's shareholders.	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.

Annual General Meeting

Swedavia's Annual General Meeting 2013 will be held on April 26 at Stockholm Arlanda Airport. 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 Annual General Meeting 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.

The decisions of the AGM are made through a simple majority vote. However, for any change in the Articles of Association, a qualified majority is needed.

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 Finance. 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. Information concerning the appointment and removal of Board members is not available in the Articles of Association.

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 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 without the presence of the President and CEO or any other person from the executive management.

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 2013, 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 102–103 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 four are men and five are women. The employee representatives in 2013 were two men. The average was 53.

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 2013

In 2013, the Board held 13 meetings, one of which was statutory.

The main issues in 2013 were:

- Strategic development
- Stockholm Arlanda Airport's environmental permit
- Sustainability objectives and targets
- Access and new routes
- Development plan for Stockholm Arlanda Airport
- Development plan for Bromma Stockholm Airport
- Development plan for Real Estate operations

Facts about the Board

Members elected at the AGM	Main Board	Attendance, Board meetings	Year elected	Attendance, Audit Committee	Attendance, Remuneration
Ingemar Skogö	Chair	13/13	2010		8/8
Karin Apelman	Member	12/13	2010	5/5	
Lars Backemar	Member	13/13	2010		
Anders Ehrling ¹⁾	Member	8/11	2010		
Anna Elgh	Member	11/13	2010	4/5	
Adine Grate Axén	Member	10/13	2010		
Hans Jeppsson	Member	13/13	2010		
Jenny Lahrin	Member	13/13	2012	5/5	8/8
Lottie Svedenstedt	Member	13/13	2010		8/8
Employee representatives					
Lars Andersson	Member	13/13	2010		
Robert Olsson	Member	13/13	2010		
Mats Abrahamsson	Deputy member	0/13	2010		
Agne Lindborn	Deputy member	0/13	2010		

¹⁾ Anders Ehrling resigned from his duties as Board member of Swedavia in October 2013 after he was appointed the new CEO of Braathens Aviation.

The Board's committee work

Swedavia's Board of Directors has two established committees – 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 2013, the Audit Committee held five meetings for which minutes were kept, which were all attended by the company's auditors. The members of the Audit Committee since the AGM include the Board members Karin Apelman as Chair, and Anna Elgh and Jenny Lahrin as members.

The Remuneration Committee's task is to prepare matters concerning remuneration and other terms of employment for executive officers. Minutes for each committee meeting are attached to the minutes for the following Board meeting. In 2013, the Remuneration Committee held eight meetings for which minutes were kept. The members of the Remuneration Committee since the AGM include Ingemar Skogö as Chair, Jenny Lahrin and Lottie Svedenstedt as members, and Robert Olsson as employee representative.

Evaluation of the work of the Board of Directors, 2013

During the year, the Board's work was evaluated through a methodical, structured process which among other things is aimed at developing a good basis for the Board's own development work.

Remuneration to 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. It was decided at Swedavia's AGM that remuneration should be paid to committee chairs and members. 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.

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 every two weeks. Swedavia's executive management, including the President and CEO, is presented in more detail on pages 104–105.

Remuneration to executive officers

At Swedavia's AGM on April 26, 2013, 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 two subsidiaries at year-end 2013 – Swedavia Real Estate AB and Arlanda Schiphol Development Company AB (60 per cent ownership). Swedavia also has two associated companies – Cityflygplatsen i Göteborg AB and Svensk Destinationsutveckling AB. 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 26, 2013, the auditing firm Ernst & Young was elected as auditors. Auditing duties are to be performed until the end of the AGM being held in 2014. 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 other statutory examination as well as for advice and other assistance resulting from observations in the examination.

Internal auditing

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 2013 consisted of three auditors.

The Board's reporting on internal control over financial reporting

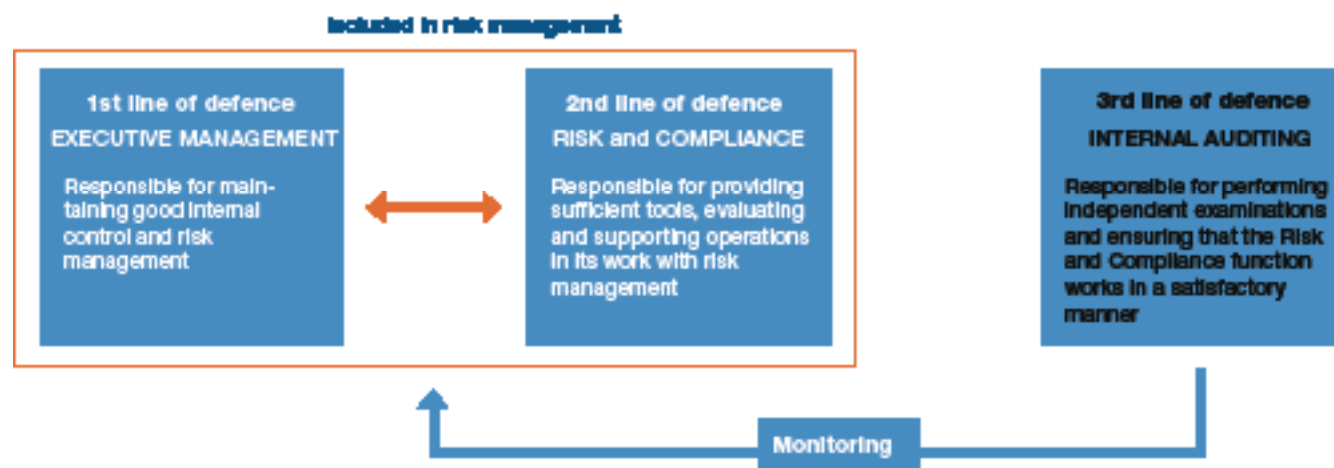
Under the Swedish Companies Act and the Code, the Board is responsible for internal control of financial reporting. Under the Code and the Annual Accounts Act, the Board must submit a description each year of the most important features of the company's system for internal control and risk management over financial reporting. Internal control over financial reporting is aimed at providing reasonable assurance as to the reliability in the external reporting in the form of financial statements, quarterly reports and annual reports and that the external financial reporting is 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 COSO (Committee of Sponsoring Organizations of the Treadway Commission) 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.

Control environment

The basis of Swedavia's internal control consists of the control environment, which consists mainly of the organisational structure and governing documents. 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 Swedish State's 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. In addition, the Board has adopted two policies that have an effect on financial reporting, a financial policy and a credit policy. 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. The executive management has also adopted additional governing documents in the form of policies and guidelines aimed at the company's employees. All governing documents are available on the company's intranet, which all employees have access to.



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 risk management work on a continuous basis and reports on this 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 2013 on pages 46–47.

Control activities and monitoring

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 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 public 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 audit function 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 also 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 Report 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 every two weeks 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 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 March 25, 2014

Ingemar Skogö
Chairman of the Board

Karin Apelman
Board member

Adine Grate Axén
Board member

Lars Backemar
Board member

Anna Elgh
Board member

Hans Jeppsson
Board member

Jenny Lahrin
Board member

Lottie Svedenstedt
Board member

Lars Andersson
Board member,
Employee representative

Robert Olsson
Board member,
Employee representative

Auditor's report on the Corporate Governance Report

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

It is the Board of Directors who is responsible for the Corporate Governance Report for 2013 and for ensuring that it has been prepared in accordance with the Swedish State's Ownership Policy and Guidelines for State Ownership and thus in accordance with the relevant parts of the Swedish Code of Corporate Governance and 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 substantially less in 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, in accordance with the Swedish State's Ownership Policy, is consistent with the annual accounts and consolidated accounts.

Stockholm March 25, 2014

Ernst & Young AB
Magnus Fagerstedt
Authorised public accountant

Board of Directors



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

Born: 1949

Other Board duties: Fordonsstrategisk Forskning och Innovation (Chair) and Sensys Traffic AB.

Education: BS in Economics, Lund University.

Work experience: Governor, Västmanland County Board. Formerly 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.



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).

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.



ADINE GRATE AXÉN Member (elected 2010)

Born: 1961

Other Board duties: BSKyB Ltd, Sampo OY, 3 (H3G Scandinavia), Swedish Orphan Biovitrum AB, Sjunde AP-fonden (Deputy Chair), Madrague AB etc.

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

Work experience: Chair, NASDAQ OMX 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.



LARS BACKEMAR Member (elected 2010)

Born: 1950

Other Board duties: Backemar Consulting AB (Chair), City i Samverkan AB (Chair), Villa Azur AB (Chair), Retailmentorerna (Chair), Arosgruppen Fastigheter Fjärdingen AB, Arosgruppen Holding AB and 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 and Jones Lang LaSalle.



ANNA ELGH Member (elected 2010); member, Audit Committee

Born: 1963

Other Board duties: None.

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.



HANS JEPSSON Member (elected 2010)

Born: 1956

Other Board duties: Jeppson Business & Government Consulting AB and Stockholm Business Region AB (deputy member).

Education: BS in Economics, Lund University; MA in Economics, UCLA.

Work experience: Senior Advisor, Vinnova; consultant, Jeppson Business & Government Consulting AB. Formerly special investigator, Innovation Procurement, Government Official Report, Ministry of Health and Social Affairs and Innovation Procurement, Ministry of Enterprise, Energy and Communications (international trade), Undersecretary of State, Ministry for Foreign Affairs; Director, Stockholm Chamber of Commerce.



JENNY LAHRIN Member (elected 2012); member, Remuneration Committee; member, Audit Committee

Born: 1971

Other Board duties: Vattenfall Aktiebolag and AB Göta kanalbolag.

Education: Bachelor of Laws, Uppsala University; Master of Laws in European Business Law, Amsterdam School of International Relations; Executive MBA, IFL, Stockholm School of Economics.

Work experience: Deputy Director, Division for State-Owned Enterprises, Ministry of Finance. Formerly commercial lawyer, Division for State-Owned Enterprises, Ministry of Finance; Chief Legal Counsel, Veolia Transport Northern Europe AB; and a lawyer.



LOTTIE SVEDENSTEDT Member (elected 2010); member, Remuneration Committee

Born: 1957

Other Board duties: MiL Institute (Chair), Clas Ohlson AB, Stampen AB, Global Health Partner AB, Bygghuset AB, ITA B Shop Concept AB, Liberala Tidsningar i Mellansverige AB, Mediabolaget Promedia i Mellansverige AB, Vanna AB, Thule Group AB and Decidokompetens 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.



LARS ANDERSSON Employee representative (elected 2010)

Born: 1953

Other Board duties: Chair, SEKO Group trade union, Swedavia.

Education: First repairman.



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 (not shown):

AGNE LINDBOM

Born: 1961

MATS ABRAHAMSSON

Born: 1958

Auditor (not shown):

MAGNUS FAGERSTEDT Principal auditor Ernst & Young AB

Born: 1957

Executive management



TORBORG CHETKOVICH President and CEO since August 2010

Born: 1967

Education: BS in Economics, Uppsala University; MBA, IMD Lausanne, Switzerland.

Work experience: Formerly CEO, MTR Norden; Deputy CEO, Veolia Transport Sweden AB; Division Director, Veolia Transport Sweden AB; Marketing Director, ConnexTunnelbanan AB; various executive positions, SJ.

Board duties: Chair, Swedavia Real Estate AB; Board member, Almega and ACI Europe; deputy member, Svensk Destinationsutveckling AB.



KARL WISTRAND Deputy CEO of Swedavia since July 2012 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: Formerly CEO, Coop Sverige AB; Deputy CEO and CFO, ICA AB; various positions at ICA.

Board duties: Board member, Cityflygplatsen i Göteborg AB; Swedavia Real Estate AB and Airport City i Stockholm AB.



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; CEO, Uppsala Stadsnät Song; Head of Business Area, City Systems Vattenfall Connection; Chief Technical Officer, Uppsala Energi.

Board duties: None.



ATHANASSIOS BOUKAS Chief Procurement Officer since November 2012

Born: 1968

Education: Technical college engineer, Åsö gymnasium Stockholm.

Work experience: CEO, NCC Purchasing Group AB, CPO, NCC AB and Emerson Energy Systems AB.

Board duties: None.



ANNA BOVALLER Chief Legal Counsel since April 2010

Born: 1963

Education: Law degree, Lund University; IHM Master in Leadership.

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.



MICHAEL PERSSON GRIPKOW Chief Commercial and Marketing Officer since August 2011

Born: 1961

Education: BS in Economics, Uppsala University; Advanced Management Program, Stockholm School of Economics; Executive Program, EMI, Stockholm; Brand Strategy RMI-Berghs School of Commerce, Stockholm.

Work experience: Director of Marketing, VisitSweden AB; Director of Global Marketing Communications, Volvo Cars Corp; Senior Director Marketing, The Absolut Company; Brand Manager SAS and Product Manager, SAS Flight Shop, Scandinavian Airlines; Service Manager, Vingresor AB.

Board duties: Chairman, Arlanda Schiphol Development Company AB and Svensk Destinationsutveckling AB.



PEDER GRUNDITZ Airport Director, Bromma Stockholm Airport since December 2013

Born: 1963

Education: Executive MBA, M-gruppen.

Work experience: LFV since 2002, including Airport Director, Visby Airport; interim Head of Division, Director of Passenger Services, Malmö Aviation; Director of Ground Operations, Braathens Sverige; Head of Traffic, Transwede Airways.

Board duties: None.



LARS JOHANSSON Chief Financial Officer since March 2013

Born: 1959

Education: BS in Economics, Stockholm School of Economics.

Work experience: CFO/COO, TV4 AB; acting CEO, deputy CEO/COO and CFO, Orc Software AB; partner and joint owner, TIME Ventures AB; CFO, AssiDomän Packaging AB; CFO, AssiDomän AB and SpectraPhysics AB; deputy CEO, BCB Broker Ltd; Deputy Group Treasurer, AGA AB.

Board duties: Board member, Proffice AB and Bonnier Solutions AB.



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 counterespionage; various positions with the Swedish Police in Stockholm County.

Board duties: Chair, ACI Europe Aviation Security Committee; Board member, mp3Consulting AB.



CHARLOTTE LJUNGGREN Airport Director, Göteborg Landvetter Airport since August 2012

Born: 1967

Education: Controls & 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, various positions at B&B Fondkommission AB.

Board duties: Board member, Swedish Exhibition and Congress Centre and Thomas Concrete Group AB; co-opted member, Göteborg & Co träffpunkt AB.



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, Destination Östersund AB; Board member, Peak Business & Sports AB, Mid Sweden Science Park AB and Visit Östersund.



LINDA SJÖDIN Chief Communication Officer since January 2012

Born: 1976

Education: 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: 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, Svenskt flyg Intresseaktiebolag.



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, Arlanda Schiphol Development Company AB and Destination Sigtuna AB; deputy member, Airport City Stockholm AB.



MARIE WIKSBORG Chief Human Resources Officer, Swedavia since October 2013 and HR Director, Stockholm Arlanda Airport since August 2013

Born: 1965

Education: BS 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.

Cross-reference table

Swedavia's Sustainability Report for 2013 is prepared in accordance with the Global Reporting Initiative (GRI) G3 guidelines for sustainability reporting. The indicators that Swedavia has chosen to report for 2013 and where the information can be found are shown in the cross-reference table below, Swedavia's Annual Report and Sustainability Report 2013 and a separate Statement of Results. The Sustainability Report applies GRI's C+ level and has been subject to a general review by Ernst & Young AB.

● Reported

○ Reported in part

AR: This Annual Report and Sustainability Report

SR: The Statement of Results 2013

G3 information	Description	Page	Scope of report	Comment
1. Strategy and analysis				
1.1	Statement from the most senior decision-maker about the relevance of sustainability to the organisation and its strategy.	AR 6–7	●	
2. Organisational profile				
2.1	Name of the organisation.	AR 44	●	
2.2	Primary brands, products and/or services.	AR 17–19	●	
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures.	AR 61, 67, 79–80	●	
2.4	Location of organisation's headquarters.	AR 61	●	
2.5	Number of countries where the organisation operates, and the names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	AR 3	●	
2.6	Nature of ownership and legal form.	AR 3, 61	●	
2.7	Markets served.	AR 14–16	●	
2.8	Scale of the reporting organisation.	AR 3–4	●	
2.9	Significant changes during the reporting period regarding size, structure or ownership.	AR 44, 61, 79–80	●	
2.10	Awards received in the reporting period.	AR 33	●	

G3 information	Description	Page	Scope of report	Comment
3. Information about the report				
3.1	Reporting period for the information provided.	SR 2	●	
3.2	Date of most recent previous report.	SR 2	●	
3.3	Reporting cycle.	SR 2	●	
3.4	Contact point for questions regarding the report or its content.	AR 2, SR 19	●	
3.5	Processes for defining report content.	AR 25	●	
3.6	Boundary of the report.	SR 7–9	●	
3.7	State any specific limitations on the scope or boundary of the report.	AR 2, SR 7–9	●	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organisations.	AR 62–63, 65 SR 7–9	●	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statements.	SR 7–9	●	Explanation given for indicators where a change has occurred.
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	SR 7–9	●	
3.12	Table identifying the location of the Standard Disclosures in the report.	AR 106–108	●	
4. Governance, commitments and engagement				
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	AR 95–100	●	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	AR 96–97	●	
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	AR 96	●	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	AR 25, 96	●	The Swedish State owns all shares in the company. Employees are represented by employee representatives in the company's Board of Directors.
4.14	List of stakeholder groups engaged by the organisation.	AR 25	●	
4.15	Basis for identification and selection of stakeholders with whom to engage.	AR 25	●	

Indicator	Description	Page	Scope of report	Comment
5. Performance indicators				
Economic impact				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained profit and payments to capital providers and governments.	AR 41, SR 10	●	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	AR 40–41, SR 10	●	
Environmental impact				
EN3	Direct energy consumption by primary energy source.	SR 11	●	
EN4	Indirect energy consumption by primary energy source.	SR 11, 13	●	Quantity of primary fuel and primary energy used to produce converted energy that Swedavia purchases is not reported.
EN5	Energy saved due to conservation and efficiency improvements.	AR 34, SR 12	●	Not reported for Real Estate AB.
EN16	Total direct and indirect greenhouse gas emissions by weight.	SR 12–13	●	
EN17	Other relevant indirect greenhouse gas emissions by weight.	SR 12–13	●	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	AR 33–34, SR 12	●	
EN21	Total water discharge by quality and destination.	AR 35, SR 14	●	Not all recipients or parameters reported.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations and transporting members of the workforce, including employee business travel.	SR 15	●	Emissions from all transport or emissions from employee business travel not reported.
A07	Number and percentage change of people residing in areas affected by noise.	AR 35–36, SR 15	●	
Social impact				
Labour practices and decent work				
LA1	Total workforce by employment type, employment contract and region.	AR 31, SR 16	●	
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and the number of work-related fatalities by region.	AR 28, SR 17	●	
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership.	AR 31, 69–70, SR 16	●	Minority groups not reported.
Human rights				
HR4	Total number of incidents of discrimination and corrective actions taken.	SR 17	●	
Product responsibility				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	AR 27, SR 18	●	Health aspects and life cycle perspective not reported.
CRE8	Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment.	SR 18	●	Only certification of new buildings reported.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	AR 20, 25, SR 18	●	

UN Global Compact cross-reference table

Starting in 2012, Swedavia supports the United Nations Global Compact and its ten principles. Swedavia's Annual Report and Sustainability Report 2013 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 Report and Sustainability Report 2013.

UN Global Compact: Ten principles	Page and comments
Human rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights in the spheres they can influence	31
2. Businesses should make sure that they are not complicit in human rights abuses	31
Labour	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	31
4. Businesses should work to eliminate all forms of forced and compulsory labour	31
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 the age of 15 are not employed at Swedavia.
6. Businesses should eliminate discrimination in respect of employment and occupation	31
Environment	
7. Businesses should support a precautionary approach to environmental challenges	33–36
8. Businesses should undertake initiatives to promote greater environmental responsibility	33–36
9. Businesses should encourage the development and diffusion of environmentally friendly technologies	33–36
Corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery	31

Definitions

ANL

Aircraft noise level, a weighted equivalent noise level in which day-time and night-time noise events 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.

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 such as 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.

Earnings per share

Profit 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

Employer Satisfaction Index.

GRI

The Global Reporting Initiative (GRI) sets guidelines for what a sustainability report should include and how it should be prepared as well as what indicators should be reported.

IFRS

Beginning 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).

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 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. A traveller is defined as an individual who departs from or arrives at an airport. Example: An individual flies from Luleå via Stockholm to Malmö. This journey is carried out by one (1) traveller, but is equivalent to four (4) passengers: one departing passenger at Luleå Airport, one arriving passenger at Stockholm Arlanda Airport, one departing passenger at Stockholm Arlanda Airport and one arriving passenger at Malmö Airport.

Profit for the period

Profit after tax.

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 rolling 12 months.

Return on equity

Profit for the period as a percentage of average equity for rolling 12 months.

SCI

Satisfied Customer Index.

Swedavia Real Estate

Owns, develops and manages properties and developable land at and in the vicinity of Swedavia's airports.

Traveller

See definition of "Passenger".

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.

Swedavia's airports

National basic infrastructure





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