

Interim report

January – March 2017



“Increased focus on strategic challenges”

Jonas Abrahamsson
President and CEO



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- During the first quarter, Swedavia's airports had 9.1 million (8.6)¹ passengers, which is a 6.1 per cent increase. In the past twelve months, passenger volume totalled 40.0 million
- Net revenue was SEK 1,347 M (1,299)
- Operating profit was SEK 116 M (126) and the profit for the period was SEK 80 M (87). Lower charges for airlines and accrual effects for costs related to maintenance, IT and the environment account for the lower operating profit compared to last year
- The Group's capital spending for the first quarter totalled SEK 589 M (252), which is an effect of a higher investment pace in its development programmes

KET FINANCIAL DATA, GROUP²

	2017 Jan-Mar	2016 Jan-Mar	2016 Jan-Dec
SEK M, unless otherwise indicated			
Net revenue	1,347	1,299	5,546
Operating profit	116	126	966
Operating profit, excluding capital gain	116	126	725
Operating margin, %	8.6	9.7	17.4
Operating margin, excluding capital gain, %	8.6	9.7	13.1
Profit for the period	80	87	717
Return on operating capital, %	8.3	14.2	8.5 ³
Debt/equity ratio, times	0.7	0.6	0.7
Capital spending	589	252	2,138
Average number of employees	2,973	2,836	2,949
Passengers, million	9.1	8.6	39.5
Operating costs per departing passenger, SEK	237.8	233.3	202.6
Commercial revenues per departing passenger, SEK	77.5	77.9	75.5

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

² Return on operating capital is calculated based on a rolling twelve-month period; for definitions see page 17.

³ The basis for calculating the return on operating capital has been adjusted, and the figure was changed from 8.6% to 8.5%.

Increased focus on strategic challenges

Swedavia has a fantastic mission. Our airports bring the world closer and create the conditions needed for a prosperous, flourishing Sweden – by ensuring that all of Sweden can thrive and that there are good air links to the rest of the world.

At the turn of the year, I assumed the position of President and CEO at Swedavia. It has been an intense first few months, mostly a matter of learning and getting acquainted. With the continued rise in air travel and extensive investment programmes to enhance the capacity at our airports, there is a great deal to do. At the same time, these factors in particular make this an inspiring undertaking.

STRONG PASSENGER GROWTH CONTINUES

Yet while some things are new, in many ways 2017 started off where the previous year ended, with continued strong passenger growth. During the first three months of the year, 9.1 million passengers flew to or from one of Swedavia's ten airports, which means a 6.1 per cent increase compared to the same period last year. It also means that, for the first time, passenger volume at our ten airports passed the 40 million mark for a rolling twelve-month period.

Passenger growth during the first quarter helped to increase net revenue by SEK 48 M to SEK 1,347 M. This strong passenger growth looks set to continue going forward, but there is some uncertainty as to what effects a potential Swedish aviation tax could have.

During the quarter, a number of new routes were launched at our airports. At Stockholm Arlanda Airport, routes were established to Milan, London Luton, Skellefteå, Krakow, Munich and Stuttgart, with Stuttgart having been the biggest European destination up to now without non-stop service from Stockholm. At Göteborg Landvetter Airport, routes were established to Vilnius, Thessaloniki and Split.

In January, Swedavia decided to lower its charges to airlines and ground handling companies for the third straight year. This year's reduction, which took effect on April 1, 2017, is an average of one per cent. That decision has been appealed, and as we await a decision by the Swedish Transport Agency (STA), which is studying the matter, implementation of the pricing decision has been postponed. Swedavia's intention is still to implement reduced charges, including any adjustments as a result of the STA's decision. Swedavia's pricing decision last year was also appealed. After STA gave its approval, the charges took effect on April 1, 2016. However, the STA's decision was appealed to the Administrative Court, and a ruling is expected in 2017.

In late March came the happy news that Swedavia was ranked as the sixth most attractive employer in Sweden in a survey carried out by TNS Sifo on behalf of Randstad.

NATIONAL AVIATION STRATEGY

On January 26, the government presented Sweden's first national aviation strategy. The strategy highlights the great importance that air travel has for Swedish access and economic growth, which is both gratifying and an important acknowledgement from the government. The strategy is wide-ranging but also includes some concrete proposals, for instance, appointing an Arlanda Council to improve conditions for the long-term sustainable development of Stockholm Arlanda Airport while taking an integrated approach.

The national aviation strategy also highlights the government's aim to introduce a Swedish aviation tax. In February, Swedavia



submitted a consultation response to the government's inquiry into such a tax, in which we note that the proposed tax is expected to have minimal effects on greenhouse gas emissions, that it risks becoming a competitive disadvantage and that other mechanisms would be more effective in reducing the climate impact of air travel.

ENHANCED CAPACITY THE KEY TO SUCCESS

Swedavia shall offer every passenger a smooth and inspiring travel experience, our airports shall be Scandinavia's most important meeting places, and we shall be an important growth engine for Sweden. To achieve this, thanks to strong passenger growth, we need to carry out extensive investments in capacity expansions at many of our airports. At the same time, we shall reach our economic targets, increase customer satisfaction and be an international role model in sustainability. During the quarter, the pace of capital spending more than doubled compared to the same period last year.

A number of our airports are coming close to reaching capacity and at some airports, including Stockholm Arlanda Airport, that limit has actually already been reached at times. This is a pattern seen in many European countries, and capacity expansions are being carried out at all the major Scandinavian airports. This expansion in capacity will dominate Swedavia's operations not just in 2017 but for a number of years going forward. All in all, we are really well-equipped to meet the challenges we face.

SIMPLIFY, CLARIFY AND PRIORITISE

The phase Swedavia is now entering is very development-intensive. During the year, our focus will need to be on ensuring the successful completion of the development projects that lie ahead as well as growth in both of our operating segments. This requires that we simplify, clarify and prioritise what we aim to achieve and how we will do this. We will highlight this capacity challenge with greater clarity, work more with our processes and our culture, and increase the pace of our improvement initiatives.

In the work to update Swedavia's strategic sustainability plan, we have adopted five main strategies which are based on and capture the company's focus areas through to 2025:

- **Commercial excellence** – Based on sound business principles, offer an attractive range of routes and create an innovative customer offering in retail, other services and properties.
- **Operational excellence** – Develop operational excellence in the delivery of effective, flexible and automated infrastructure.
- **Increased capacity** – Increase operational and commercial capacity in order to meet future customer needs.
- **Engaging culture** – Create opportunities for employees to grow and develop in an inclusive environment.
- **Responsibility for society and people** – Work proactively for safety, security, the environment and health for customers, employees and society.

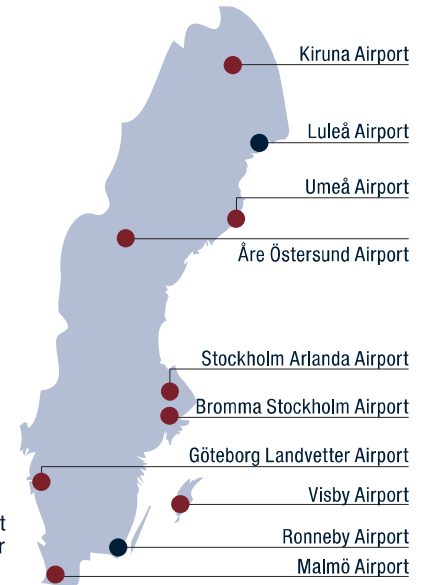
Through this strategic focusing, we provide ourselves with even better opportunities to achieve our objectives and targets and in the long term also realise our vision.

Jonas Abrahamsson
President and CEO

About Swedavia

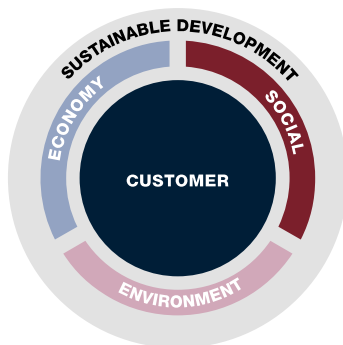
Swedavia owns, operates and develops a network of ten airports in Sweden, from Kiruna in the north to Malmö in the south. The company was formed in 2010 and is wholly owned by the Swedish State.

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



SUSTAINABLE DEVELOPMENT AS STRATEGIC FOCUS

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



OUR TARGETS

	Actual* Mar 31, 2017	Actual* Mar 31, 2016	Targets, 2017	Sustainability targets, 2020
Satisfied passengers	77%	76%	79%	85%
Engaged leaders and employees**	67%	64%	68%	75%
Return on operating capital	8.3%	14.2%	7.0%	7.0%
Carbon dioxide emissions, tonnes***	2,180	2,800	3,200	0

*The actual figure is for 12 rolling months
 **Measured once a year. The measurement was published in the third quarter last year
 ***The Group's environmental target is 0 tonnes of fossil carbon dioxide emissions from its own operations

Mission

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

Business concept

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

Vision

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

Values

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

Important events

January – March

NEW PRESIDENT AND CEO

Jonas Abrahamsson assumed his duties as President and CEO of Swedavia on January 2, 2017. In conjunction, Karl Wistrand resumed his previous role as Deputy CEO and Director of Commercial and Real Estate.

DEBUT OF FLIGHTS USING SWEDAVIA'S BIOFUEL

On January, the first official refuelling using biofuel purchased by Swedavia took place at Stockholm Arlanda Airport. The first flight running on biofuel travelled between Stockholm and Copenhagen. On January 9, the first official refuelling using biofuel at Åre Östersund Airport took place. Bromma Stockholm Airport was also supplied with some of the 450 tonnes of biofuel purchased to offset the environmental impact of Swedavia's own flights on official business in 2016.

REDUCED AIRPORT CHARGES

On January 11, 2017, Swedavia announced its decision to reduce charges for airlines and ground handling companies by an average of 1.0 per cent starting on April 1, 2017. With the proposed pricing, charges would be reduced for the third straight year, further enhancing Swedavia's competitiveness. This decision was appealed, and in the wait for a decision by the Swedish Transport Agency (STA), which will examine the matter, introduction of the pricing decision has been delayed. Swedavia's intention is still to implement the reduction in charges, including any adjustments as a result of the STA's decision. Swedavia's pricing decision last year was also appealed. After the STA gave its approval, the prices went into effect on April 1, 2016, but the TSA's decision was appealed to the Administrative Court, and a ruling is expected in 2017.

A SWEDISH AVIATION STRATEGY

On January 26, 2017, the government presented its first Swedish aviation strategy for the role of air travel in the transport system of the future. In the strategy, emphasis is given to the crucial role of air travel and its importance for Sweden's economic growth and development. The government noted in particular the importance of Stockholm

Arlanda Airport for the development of and access to international contacts for all of Sweden. The strategy also includes the government's aim, noted earlier, to introduce an aviation tax, which the air travel industry believes will have a limited effect on greenhouse gas emissions and risks being a Swedish competitive disadvantage, especially with respect to international airlines.

ENVIRONMENTAL PERMIT

In a ruling on March 16, 2017, the Land and Environmental Court of Appeal rejected an application from Swedavia to change Condition 5, which regulates so-called low-speed traffic at Stockholm Arlanda Airport.

The main hearing took place in the Land and Environmental Court on March 28-29, 2017, on two deferred issues concerning Stockholm Arlanda Airport. The Land and Environmental Court will announce a ruling on these issues on May 17, 2017.

Events after the end of the period

ENVIRONMENTAL PERMIT

On April 10, Swedavia requested a leave to appeal the Land and Environmental Court of Appeal's decision on March 16, 2017, rejecting Swedavia's application to change Condition 5 in the Supreme Court. An announcement on a leave to appeal can be expected in the autumn of 2017 or spring of 2018.

On April 25, it was announced that Scandic Hotels will be the operator of Göteborg Landvetter Airport's new hotel. The hotel is expected to have about 220 rooms, and the plans are for it to be a modern mid-range hotel with the feel of affordable everyday luxury. The hotel is an important piece of the puzzle in the airport's expansion and the construction of the new Airport City Göteborg.

Passenger trends

January – March

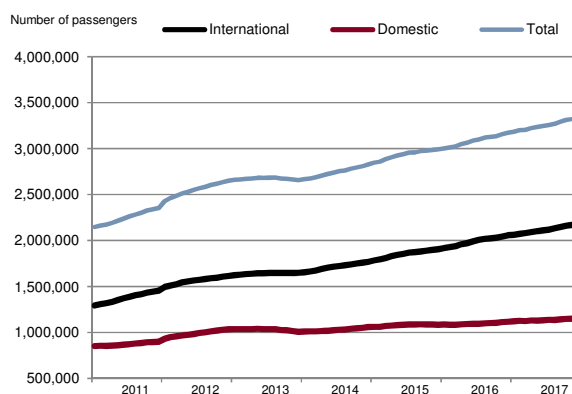
The number of passengers increased 6.1 per cent during the first quarter of the year. International passenger volume increased 6.8 per cent and domestic passenger volume increased 4.9 per cent. Demand for international travel was strong throughout the year, and the range of air links on offer was enhanced, which had a positive effect on passenger volume. Domestic travel also increased during the year, which illustrates the important role aviation plays in Sweden. Domestic traffic was positively affected compared to last year by the calendar date of Easter, which fell in March in 2016. Overall the passenger load factor remained at a high and rising level throughout the year.

Demand for flights was strong during the first quarter, which means that airlines continue to invest in the Swedish market. During the first quarter, a number of airlines decided on new or expanded traffic going forward. The number of passengers coming to Sweden continues to rise, and improved access to Sweden by air is an important factor in this trend.

In intercontinental scheduled traffic, passenger volume continued to rise during the first quarter. The increase in intercontinental volume is mainly due to increased capacity to the US for both passengers and cargo. During the first quarter, charter traffic at Swedavia's airports increased somewhat compared to the same quarter last year.

The seasonally adjusted passenger trend shows that international travel has continued to reach record volumes, while domestic travel is also at historically high and rising levels.

PASSENGERS TRENDS – SWEDAVIA
ROLLING TWELVE-MONTH TREND APRIL 2010 TO MARCH 2017



PASSENGER VOLUME
- SWEDAVIA'S FIRST QUARTER OF 2017

Number of passengers Jan-Mar			
Passengers	2017	2016	Percent change
International	5,697,000	5,336,000	6.8%
Domestic	3,377,000	3,220,000	4.9%
Total	9,074,000	8,556,000	6.1%

Economic overview

Net revenue and operating profit

JANUARY-MARCH

Consolidated revenue for the period totalled SEK 1,347 M (1,299), which is an increase of SEK 48 M or 3.7 per cent compared to the same period last year.

Revenue from Aviation Business totalled SEK 846 M (809), which is an increase of SEK 37 M. Passenger-related revenue increased in line with the increase in passengers. Revenue as compensation for more stringent security requirements and increased sales of de-icing, apron and passenger services helped to increase revenue in Aviation Business.

Revenue from Commercial Services totalled SEK 493 M (484), which is an increase of SEK 9 M. Revenue from car parking and parking facilities increased SEK 12 M and revenue from food & beverage increased SEK 5 M, which exceeded passenger growth. Revenue from retail was in line with last year. Average retail revenue per passenger is falling, which continues to constitute a challenge for Swedavia. Commercial revenue per departing passenger was SEK 77.5 (77.9).

External costs were SEK 40 M higher compared to last year. Higher operating costs attributable to higher passenger volumes and expanded security checkpoints are the main explanation for the increase. Continued investments in the environment and IT entailed higher costs.

Staff expenses increased SEK 36 M. The increase in operational staff at the airports attributable to passenger growth explains some of the change. Higher staff expenses are also explained by the effect of annual salary reviews and increased resources for development projects. Staff expenses last year included costs of SEK 2 M attributable to Göteborg City Airport.

The financial metric of operating costs per departing passenger was SEK 237.8 (233.3). Expanded security screening and surveillance accounted for SEK 2.5 of this increase.

Depreciation, amortisation and impairment losses decreased SEK 8 M compared to last year. This decrease is explained by the fact that most facilities, such as runway systems and assets related to Pier F, were fully depreciated last year.

Consolidated operating profit totalled SEK 116 M (126). The operating margin was 8.6 per cent (9.7).

Net financial items

Net financial items for the period totalled SEK -17 M (-21). The share of profit from joint ventures had a positive effect on net financial items of SEK 14 M (16). Interest expenses had a positive effect on capitalised interest of SEK 7 M (0).

Profit for the period

Profit before tax for the period totalled SEK 100 M (104) and profit for the period totalled SEK 80 M (87).

Capital spending

During the period, investments totalled SEK 589 M (252). Important capital spending during the period was for development programmes to expand capacity at Stockholm Arlanda Airport and Göteborg Landvetter Airport. Investments were also made for the safety classification of the runway system at Bromma Stockholm Airport, the construction of Sky City Office One at Stockholm Arlanda Airport, and maintenance and capacity expansion measures at other airports.

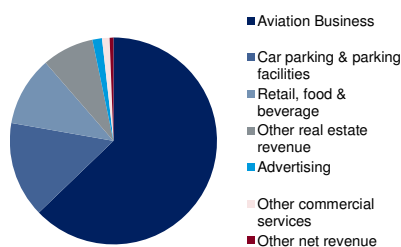
Cash flow

Cash flow for the period totalled SEK 33 M (147). Cash flow from operating activities was SEK 257 M (269), which was SEK 12 M lower compared to the same period last year. The difference is explained largely by changes in operating capital.

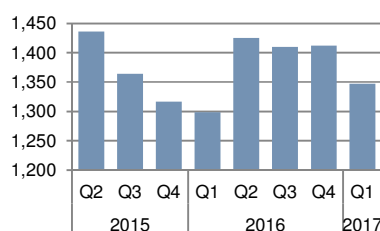
Cash flow from investing activities was SEK -588 M (-165). Cash flow from financing activities totalled SEK 363 M. The increase since the beginning of the year is due to a corporate note issued and increased commercial paper borrowings.

BREAKDOWN OF NET REVENUE

Jan-Mar 2017

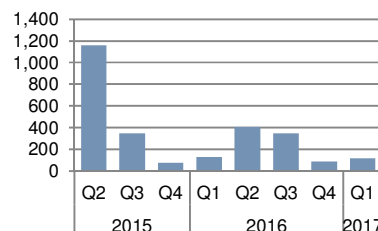


NET REVENUE, SEK M



OPERATING INCOME, SEK M

(including capital gains)



Liquidity and financial position

Consolidated equity at the end of the period was SEK 7,439 M (6,932).

Swedavia's borrowings at the end of the period totalled SEK 4,648 M (4,298), which is an increase of SEK 350 M. Swedavia's loan liabilities are divided into corporate notes of SEK 3,548 M (3,298) and commercial paper of SEK 1,100 M (1,000). Liquid assets increased SEK 33 M to SEK 203 M. The debt/equity ratio was 0.7, which was the same level as last year.

On the balance sheet date, Swedavia had credit facilities totalling SEK 700 M, divided into a loan commitment of SEK 500 M and an overdraft facility of SEK 200 M. The overdraft facility was not used at the end of the period.

Employees

The average number of employees for the period April 1, 2016-March 31, 2017, was 2,973 (2,836). The change is explained by an increase in operational staff at the airports to handle the passenger growth and increased resources in development projects.

Risks and uncertainty factors

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

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

Parent Company

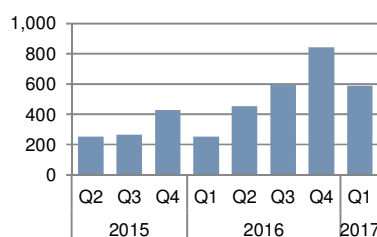
Net revenue and profit

The Parent Company's net revenue for the first quarter totalled SEK 1,330 M (1,286), which is a SEK 44 M increase. Operating profit totalled SEK 79 M (94), and the operating profit was 5.9 per cent (7.3). Profit before tax was SEK 186 M (62) and profit for the period was SEK 175 M (48). Profit for the period was positively affected by a dividend from the company that operated Göteborg City (Säve) Airport.

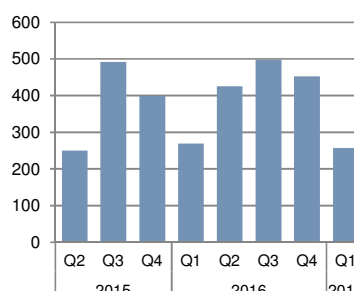
SWEDAVIA'S FINANCIAL TARGETS Mar 31, 2017

	Actual	Targets
Return on operating capital, %	8.3	7.0
Debt/equity ratio, times	0.7	1-1.5
Dividend	n/a	30-50

CAPITAL SPENDING, SEK M



CASH FLOW FROM OPERATING ACTIVITIES, SEK M



Income statement

Amounts in SEK M	Note	2017 Jan-Mar	2016 Jan-Mar	2016 Jan-Dec
Net revenue	2,7	1,347	1,299	5,546
Other operating revenue		5	4	283
Work performed by the company for its own use and capitalised		38	28	127
External expenses		-565	-525	-2,251
Staff expenses		-487	-451	-1,761
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets		-221	-229	-961
Other operating expenses		0	0	-17
Operating profit	2	116	126	966
Income from financial items				
Income from holdings in associated companies and joint ventures		14	16	41
Interest income and similar items		0	0	6
Interest expenses and similar items		-31	-38	-144
Income after financial items		100	104	869
Tax		-20	-17	-152
Profit for the period		80	87	717
Earnings per share				
Earnings per share before and after dilution, SEK		0.06	0.06	0.50
The total number of shares was 1,441,403,026 for all periods				

Statement of comprehensive income

Amounts in SEK M	Note	2017 Jan-Mar	2016 Jan-Mar	2016 Jan-Dec
Profit for the period		80	87	717
Other comprehensive income:				
Items that can be reclassified to the income statement				
Cash flow hedges				
Items reclassified to the income statement		0	-	13
Change in fair value for the period		12	-12	57
Tax		-3	3	-15
Other comprehensive income from joint ventures, net after tax		-	-9	-12
Items that cannot be reclassified to the income statement				
Revaluations of defined benefit pensions		-	-	-51
Tax		-	-	11
Total other comprehensive income, net after tax		9	-18	3
Comprehensive income for the period		89	68	720

Balance sheet

Amounts in SEK M	Note	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
ASSETS	2			
NON-CURRENT ASSETS				
Intangible non-current assets		624	608	632
Tangible non-current assets		12,279	10,811	11,897
Non-current financial assets		1,098	1,008	1,091
Total non-current assets		14,002	12,426	13,620
CURRENT ASSETS				
Materials and supplies		45	45	43
Trade receivables		357	391	420
Receivables from associated companies		107	11	58
Other receivables		197	149	178
Prepaid expenses and accrued income		128	127	225
Derivative instruments	4	-	-	2
Liquid assets		203	153	170
Total current assets		1,038	876	1,096
TOTAL ASSETS		15,039	13,303	14,716
EQUITY AND LIABILITIES	2			
EQUITY				
Share capital		1,441	1,441	1,441
Other paid-in capital		2,162	2,162	2,162
Hedge reserve		-110	-185	-119
Retained earnings		3,946	3,513	3,866
Total equity		7,439	6,932	7,351
NON-CURRENT LIABILITIES				
Provisions		1,046	947	1,048
Deferred tax liability		452	444	447
Interest-bearing liabilities		2,086	2,412	3,321
Derivative instruments	4	140	227	161
Other non-current liabilities		6	8	8
Total non-current liabilities		3,730	4,038	4,985
CURRENT LIABILITIES				
Provisions		40	35	42
Interest-bearing liabilities		2,609	1,359	1,010
Derivative instruments	4	2	10	-
Trade payables		393	281	601
Other liabilities		122	92	107
Liabilities to associated companies		4	0	0
Accrued expenses and prepaid income		699	555	621
Total current liabilities		3,869	2,332	2,380
TOTAL EQUITY AND LIABILITIES		15,039	13,303	14,716

Changes in equity

Amounts in SEK M	Mar 31, 2017	Mar 31, 2016
GROUP		
Equity, opening balance	7,351	6,863
Comprehensive income for the period	89	68
Equity, closing balance	7,439	6,932

Cash flow statement

Amounts in SEK M	Note	2017 Jan-Mar	2016 Jan-Mar	2016 Jan-Dec
Operating activities				
Profit after financial items		100	104	869
Adjustments for items not included in cash flow etc.		196	200	739
Tax paid		-73	-84	-125
Cash flow from operating activities before changes in working capital		223	220	1,483
Cash flow from changes in working capital				
Increase(-)/Decrease(+) in materials and supplies		-2	0	12
Increase(-)/Decrease(+) in operating receivables		124	113	-167
Increase(+)/Decrease(-) in operating liabilities		-88	-64	322
Cash flow from operating activities		257	269	1,650
Investing activities				
Disposal of subsidiaries		-	99	274
Acquisitions/disposal of intangible non-current assets		-1	-4	-42
Acquisitions/disposal of tangible fixed assets		-587	-248	-2,075
Acquisitions/disposal of other financial assets		-	-12	-12
Cash flow from investing activities		-588	-165	-1,855
Financing activities				
Borrowings raised	6	950	587	2,141
Borrowings repaid	6	-600	-544	-1,548
Increase(+)/Decrease(-) in other financial liabilities		13	-	9
Dividend paid		-	-	-232
Cash flow from financing activities		363	43	370
Cash flow for the period		33	147	164
Liquid assets at the beginning of the period		170	6	6
Liquid assets at the end of the period		203	153	170

Income statement

Amounts in SEK M	Note	2017 Jan-Mar	2016 Jan-Mar	2016 Jan-Dec
Net revenue		1,330	1,286	5,492
Other operating income		5	3	41
Work performed by the company for its own use and capitalised		38	28	127
External expenses		-582	-542	-2,267
Staff expenses		-486	-447	-1,733
Depreciation/amortisation and impairment losses on tangible fixed assets and intangible non-current assets		-226	-234	-980
Other operating expenses		0	0	-17
Operating profit		79	94	662
Income from financial items				
Profit on holdings in Group companies		139	-	757
Interest income and similar items		0	0	4
Interest expenses and similar items		-33	-32	-128
Income from financial items		186	62	1,295
Appropriations		-	-	-76
Profit before tax		186	62	1,219
Tax		-11	-14	-125
Profit for the period		175	48	1,095

Balance sheet

Amounts in SEK M	Note	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
ASSETS				
NON-CURRENT ASSETS				
Intangible non-current assets		594	602	608
Tangible non-current assets		11,766	10,420	11,467
Non-current financial assets	3	1,070	988	1,070
Total non-current assets		13,430	12,009	13,145
CURRENT ASSETS				
Materials and supplies		42	41	40
Current receivables	3	1,621	1,327	1,653
Liquid assets		200	145	165
Total current assets		1,863	1,512	1,859
Total assets		15,292	13,522	15,003
EQUITY AND LIABILITIES				
EQUITY				
Restricted equity				
Share capital (1,441,403,026 shares)		1,441	1,441	1,441
Reserve for development expenditures		22	-	22
Unrestricted equity				
Retained earnings/Share premium reserve		3,467	2,627	2,372
Profit for the period		175	48	1,095
Total equity		5,105	4,116	4,931
Untaxed reserves		1,943	1,982	1,943
Provisions		1,327	1,307	1,332
Non-current liabilities		2,086	2,412	3,324
Current liabilities	3	4,831	3,705	3,475
TOTAL EQUITY AND LIABILITIES		15,292	13,522	15,003

Notes

Note 1. ACCOUNTING PRINCIPLES

GENERAL

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

Swedavia applies the same accounting principles that are described in the Annual and Sustainability Report for 2016. The preliminary analysis of the effects of IFRS 15 "Revenue from contracts with customers", which enters into force on January 1, 2018, indicates that the new standard does not have any material effect on the timing of revenue recognition. Application of IFRS 9 "Financial instruments", which enters into force on January 1, 2018, is not expected to entail any change in items reported. The effects of IFRS 16 "Leases", which enters into force on January 1, 2019, have not yet been analysed. The Group's reporting is in millions of Swedish kronor (SEK M) unless otherwise indicated. Rounding differences may occur.

RELATED PARTY TRANSACTIONS

Related party transactions involve transactions with State-owned companies and enterprises as well as government agencies. Related parties also include companies over which Swedavia can exercise a controlling interest. Costs arise mostly from meteorological services, fees to government authorities and air traffic management services, which are largely included in the costs reimbursed by the Swedish Transport Agency. The

transactions are carried out at market prices and on standard commercial terms.

PARENT COMPANY

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

Note 2. SEGMENT REPORTING

Swedavia's operations are organised and managed in two operating segments, Airport Operations and Real Estate.

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

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

SEGMENT REPORTING, NOTE 2

	Airport Operations		Real Estate		Eliminations/adjustments ⁴		Total Swedavia	
Income statement Jan-Mar	2017	2016	2017	2016	2017	2016	2017	2016
Amounts in SEK M								
Revenue from external customers	1,346	1,285	44	45	-	-	1,390	1,331
Revenue from other segments	28	34	83	86	-111	-120	-	-
Total revenue	1,374	1,319	127	131	-111	-120	1,390	1,331
Operating expenses	-1,069	-999	-94	-96	111	120	-1,052	-976
Depreciation, amortisation and impairment loss	-220	-227	-2	-1	-	-1	-221	-229
Operating profit	85	93	32	33	-	-1	116	126

	Airport Operations		Real Estate		Eliminations/adjustments ⁴		Total Swedavia	
Balance sheet	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Amounts in SEK M								
Non-current assets	13,376	11,962	1,325	1,177	-699	-713	14,002	12,426
Current assets	1,865	1,409	1,132	1,498	-1,959	-2,031	1,038	876
Total assets	15,241	13,371	2,456	2,675	-2,659	-2,744	15,039	13,303
Equity	6,785	5,900	1,464	1,919	-810	-887	7,439	6,932
Liabilities	8,456	7,471	991	756	-1,848	-1,857	7,600	6,371
Total equity and liabilities	15,241	13,371	2,456	2,675	-2,659	-2,744	15,039	13,303

⁴ Eliminations consist of intra-Group transactions, and adjustments consist of consolidating adjustments.

Note 3. RECEIVABLES FROM GROUP COMPANIES

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

	Group	
Amounts in SEK M	2017 Mar 31	2016 Dec 31
Loan receivables and trade receivables	747	724
Other financial liabilities	-5,149	-5,018
Derivatives	-142	-153
Total	-4,545	-4,448
Total book value	-4,517	-4,418

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

For current receivables and liabilities, such as trade receivables and trade payables, with a remaining life of less than six months, the recognised value is considered to reflect the fair value. Fair value for interest-bearing liabilities is calculated by discounting the future cash flow of the amount of capital and interest discounted at the current market interest rate. All derivatives on the balance sheet date are classified under Level 2, which means the derivatives can be measured through directly or indirectly quoted prices based on observable market data.

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

Note 5. CONTINGENTS LIABILITIES AND PLEDGED ASSETS

Swedavia's pledged assets of shares and holdings in the joint ventures Swedish Airport Infrastructure KB and Swedish Airport Infrastructure AB. The carrying amount is SEK 855 M (841).

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

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

Note 6. CASH FLOW STATEMENT

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

Note 7. NET REVENUE

Group, amounts in SEK M	2017	2016	2016
	Jan-Mar	Jan-Mar	Jan-Dec
Breakdown of net revenue			
<i>Aviation Business</i>			
Passenger-related revenue	368	347	1,638
Aircraft-related revenue	152	151	625
Externally regulated charges	184	177	727
Ground handling	83	77	257
Other additional services	58	56	198
	846	809	3,446
<i>Commercial Services</i>			
Car parking & parking facilities	202	190	845
Retail, food & beverage	146	141	645
Real estate revenue	109	113	401
Advertising	20	23	99
Other commercial services	16	18	72
	493	484	2,062
Other net revenue	8	7	38
Total net revenue	1,347	1,299	5,546

Note 8. SUPPLEMENTARY INFORMATION FOR KEY FINANCIAL DATA**NET LIABILITIES**

The pension liability totalled SEK 802 M as of March 31, 2017, and SEK 763 M as of March 31, 2016. As of December 31, 2016, the pension liability totalled SEK 803 M.

OPERATING PROFIT EXCLUDING CAPITAL GAINS

For the period January-March 2017 and January-March 2016, there were no capital gains. For the period January-December 2016, capital gains totalled SEK 241 M.

Note 9. EVENTS AFTER THE END OF PERIOD

On April 10, Swedavia requested a leave to appeal the Land and Environmental Court of Appeal's decision on March 16, 2017, rejecting Swedavia's application to change Condition 5 in the Supreme Court. An announcement on a leave to appeal can be expected in the autumn of 2017 or spring of 2018.

On April 25, it was announced that Scandic Hotels will be the operator of Göteborg Landvetter Airport's new hotel. The hotel is expected to have about 220 rooms, and the plans are for it to be a modern mid-range hotel with the feel of affordable everyday luxury. The hotel is an important piece of the puzzle in the airport's expansion and the construction of the new Airport City Göteborg.

Definitions

AIRPORT OPERATIONS

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

AVERAGE NUMBER OF EMPLOYEES

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

AVERAGE OPERATING CAPITAL

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

AVIATION BUSINESS

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

CAPITAL SPENDING

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

COMMERCIAL REVENUE PER DEPARTING PASSENGER

Revenue from retail, food & beverage and parking divided by the number of departing passengers for the same period. A metric that the Group considers crucial for monitoring changes in commercial revenue.

COMMERCIAL SERVICES

Services connected to the airports such as leasing of premises for retail activities, offices, warehousing and logistics as well as land leases,

parking operations and the leasing of advertising space.

DEBT/EQUITY RATIO

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

EARNINGS PER SHARE

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

INTEREST-BEARING LIABILITIES

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

NET LIABILITIES

Interest-bearing liabilities plus pension liability less liquid assets.

NET REVENUE

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

OPERATING CAPITAL

Equity plus net liabilities.

OPERATING COSTS PER DEPARTING PASSENGER

Swedavia AB's total external costs and staff expenses divided by the number of departing passengers for the same period. A metric that Swedavia considers crucial for monitoring improvements in cost-effectiveness.

OPERATING MARGIN

Operating profit as a percentage of net revenue. For the operating margin excluding capital gains, see "Operating profit excluding capital gains".

OPERATING PROFIT EXCLUDING CAPITAL GAINS

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

PASSENGER

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

PROFIT OF THE PERIOD

Profit after tax.

REAL ESTATE

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

RETURN ON OPERATING CAPITAL

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

SUSTAINABILITY TARGETS

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



Calendar

Six-Month Report, Jan-Jun 2017 July 18, 2017
Nine-Month Report, Jan-Sep 2017 October 30, 2017
Year-End Report 2017 February 15, 2018

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

This interim report has not been reviewed by Swedavia's auditors.

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On behalf of the Board of Directors, the President and CEO hereby submits the interim report for the period January-March 2017.

Stockholm-Arlanda April 27, 2017

Jonas Abrahamsson
President and CEO

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