



SWEDAVIA ANNUAL REPORT 2010



swedavia
SWEDISH AIRPORTS

Together we bring the world closer.

CONTENTS THIS IS SWEDAVIA 1 THE YEAR IN BRIEF 2 COMMENTS OF THE PRESIDENT AND CEO AND THE CHAIRMAN OF THE BOARD 4 THE MARKET AND THE WORLD 8 STRATEGY AND GOVERNANCE 12 SWEDAVIA'S AIRPORTS 22 SUSTAINABLE DEVELOPMENT 38 LOCAL COMMUNITIES 44 EMPLOYEES 48 ENVIRONMENT 54 REPORT OF THE DIRECTORS 67 INCOME STATEMENTS 73 BALANCE SHEETS 74 CASH FLOW STATEMENT 77 NOTES 79 AUDIT REPORT 100 CORPORATE GOVERNANCE REPORT 101 BOARD OF DIRECTORS 108 EXECUTIVE MANAGEMENT 110 GRI INDEX 111 STATEMENT OF COMPLIANCE 115 DEFINITIONS 116

The formal Annual Report comprises pages 66–99.

This is a translation of the Swedish language original. In the event of any differences between this translation and the original, the Swedish version shall prevail.

A clear task

TASK AND HISTORY

Task

Swedavia is a group that owns, operates and develops 13 airports across Sweden. Operations are financed entirely by revenue from Swedavia's services and products.

The number of airports will be reduced to the ten airports included in the national basic airport infrastructure decided by the government: 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 shall work actively based on sound business principles to develop the transport sector and help achieve the transport policy goals set by the Swedish Parliament

The process of forming a company

Swedavia is a State-owned airport Groups operating since April 1, 2010, when the enterprise Luftfartsverket (LFV) was divided into two parts: airports and air navigations services. The reason for the Swedish Parliament's decision was that different business conditions applied in the two operations.

For Swedavia, the conversion to a limited liability company creates better business opportunities. This form has a system of regulations that is suited to companies that work in a commercial environment, provides conditions for a faster decision-making process and facilitates collaboration with other parties.

CALENDAR

- 2011-04-28 Annual General Meeting
- 2011-04-29 Quarterly report Q1 2011
- 2011-08-15 Quarterly report Q2 2011
- 2011-10-28 Quarterly report Q3 2011





The symbol represents Scandinavia, simplicity, transparency and safety. It is an active hub, a central point with arrivals and departures that bring the world closer.

The green colour suggests nature and sustainable thinking about the environment and climate change.

Swedavia is a State-owned Group that owns, operates and develops airports throughout Sweden.

Swedavia is an important part of national and international mass transport. Swedavia's role is to create the access that Sweden needs in order to facilitate travel, business and meetings.

Swedavia works very actively to increase travel by enhancing the competitiveness of airlines and tenants and creating positive travel experiences. Safe, satisfied passengers are at the heart of Swedavia's business.

One of Swedavia's strategic goals is to operate and develop airports with the least environmental impact possible. Swedavia is a world leader in this field.

The Swedavia Group has annual revenue of about 4.5 billion Swedish kronor and some 2,500 employees.

VISION AND MISSION

Vision

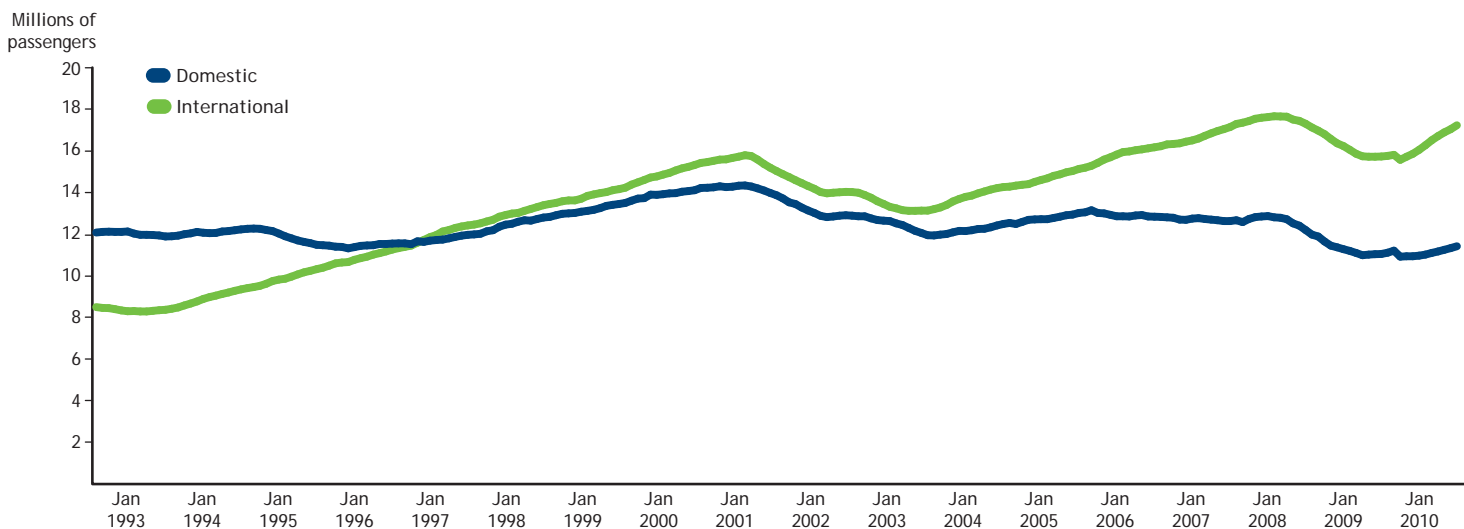
Together we bring the world closer.

Swedavia's operations involve making Sweden accessible and enabling people who live in Sweden to experience the world, as leisure and business travellers. Together with our partners and employees, Swedavia wants to create an experience that makes passengers want to return, again and again. The more Swedavia develops operations, the closer the world gets.

Mission

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

Passenger growth, 1993-2010, Swedavia's 13 airports¹



¹ All comparative figures for the time before April 2010 are pro forma and based on operations previously run under LfV.

Swedavia's airports

“*Swedavia shall create the access that Sweden needs and facilitate travel, business and meetings.*”
Karl Wistrand, CFO Swedavia



The year in brief

Swedavia AB started operating on April 1, 2010, when LfV's operations were divided into two parts.

Airport operations were successfully turned into a limited liability company.

After the summer, Torborg Chetkovich assumed the position of Swedavia's first permanent President and CEO.

- After its first year of operations as a limited liability company, Swedavia reported an operating profit of SEK 420 M.
- Profit after tax for the period April-December totalled SEK 15 M.
- Earnings per share for the period April-December totalled SEK 0.01.
- Swedavia's airports had 22 million passengers during the period April-December 2010.
- During the fourth quarter of 2010, the number of passengers increased by 11 per cent compared to the fourth quarter of 2009.
- On the Government's instructions, Karlstad Airport was sold on December 1 to new owners.
- The ash cloud in April and severe winter weather in November and December had a negative impact on profit. Swedavia's employees handled the weather problems well, and air traffic from Swedavia's airports was only affected by minor disruptions.
- Swedavia is preparing an application for a new environmental permit for Stockholm Arlanda Airport, Göteborg Landvetter Airport and Malmö Airport. Without a new permit, Stockholm Arlanda Airport will be forced to reduce its capacity significantly.
- Construction began at Stockholm Arlanda Airport on a major new hotel that meets green building standards, and ground was broken at Göteborg Landvetter Airport for a new logistics centre.

Highlights, Group, SEK M	Apr-Dec 2010
Net revenue	3,277
Operating profit	420
Operating margin, %	12.8
Profit before tax	192
Profit after tax	15
Earnings per share	0.01
Return on equity, %	0.4
Return on capital employed, %	3.93
Equity/assets ratio, %	30.4
Cash flow from operating activities	746
Capital spending	520
Average number of employees	2,496

Pro forma income statement consolidated, SEK M	2010-04-01 -2010-12-31	Pro forma 2009-04-01 -2009-12-31
Net revenue	3,277	3,135
Operating expenses		
Other external expenses	-1,393	-1,312
Staff expenses	-834	-901
Depreciation/amortisation and impairment losses on tangible and intangible fixed assets	-630	-849
Operating profit	420	73

Comparative figures for the 2009 period are pro forma, based on comparable operations previously carried out under LfV. The comparative period 2009 is April-December, which corresponds to Swedavia's 2010 operating period. Read more about the pro forma calculations under "Definitions" on page 116.



WORLD-CLASS ENVIRONMENTAL PRACTICES

World-leading environmental efforts brought Swedavia numerous awards and certifications during the year.

Eco Innovation Award 2010

Stockholm Arlanda Airport was the first airport to be awarded ACI's Eco Innovation Award. ACI is a global association of 1,633 airports in 179 countries around the world.

Airport Carbon Accreditation 2010

Göteborg Landvetter Airport and Umeå Airport were certified at the fourth and highest level of Airport Carbon Accreditation, the European programme that assesses the climate work of airports. Stockholm Arlanda Airport and Bromma Stockholm Airport were also accredited.

Swedavia operates four of the eight European airports accredited at the highest level.

ALN Ecologicist Award 2010

Europark and Swedavia received the ALN Ecologicist Award for the new taxi dispatch system at Stockholm Arlanda Airport. The system gives precedence to taxis that generate the least carbon dioxide emissions. This change led to the share of ecotaxis at Stockholm Arlanda Airport increasing to 88 per cent in 2010.

Arlanda Logistic Network (ALN) was formed with the aim of developing the Stockholm Arlanda area into the leading logistics centre in northern Europe.

“*To put it simply, our passion for our passengers is a prerequisite for succeeding in our business.*

Torborg Chetkovich, CEO

Upward and forward for Swedavia

Last year held its share of tests, allowing Swedavia to show its best side. Despite such challenges as a shaky economy, a volcanic ash cloud, strikes and snowstorms, we ended the financial year with positive numbers, satisfied passengers, a rapid recovery in traffic and all kinds of energy for 2011.

We started operations on April 1, 2010. Fourteen days later, air traffic was virtually at a standstill at Swedavia's airports as a result of the volcanic eruption in Iceland.

How was Swedavia affected by the ash cloud?

Ingemar Skogö (Chairman of the Board): The ash cloud crisis hit travellers hard all over the world but at the same time showed how important aviation is. Our passengers were put to the test, and we worked hard to ensure that everything would be as good as possible. In hindsight, we can see that the ash cloud crisis strengthened the sense of solidarity of the Board of Directors and the executive management team, and it provided us with a firm foundation on which to continue our work.

Torborg Chetkovich (President and CEO): The good operating profit of 420 million Swedish kronor is largely due to Swedavia acting quickly and resolutely to minimise costs. The ability to handle the crisis demonstrates our strength and endurance, in the organisation as a whole, but mostly among all the wonderful employees who operate and develop our company. Without them, we would never have managed the crisis as well as we did.

What are the milestones for the year?

Torborg Chetkovich: The extraordinary passenger growth in the second half of the year. Naturally, it is very satisfying to show an increase of over ten per cent, month after month, six months in a row. The strong Swedish economy has helped, while everyone working at Swedavia has done a really good job taking care of our passengers. We have received awards in our climate work, for which we are world leaders in our industry. Today, we operate four of the eight airports in Europe that have been certified at the highest level in the European Airport Carbon Accreditation programme.

Ingemar Skogö: Of course, the formation of Swedavia was also a milestone. The establishment of a limited liability company creates better business opportunities, provides conditions for a faster decision-making process and facilitates collaboration with other parties.

For instance, we have formed a nationwide company together with Visit Sweden and Svensk Turism for developing destinations in order to become even stronger in marketing Sweden. The tourism industry needs more routes in order to expand and is an important growth industry for Sweden.

What are you most proud of in the customer value you provide passengers?

Torborg Chetkovich: The fact that our passengers are generally satisfied with Swedavia's airports. At the same time, I see new challenges that can make us even better. It is not enough to be good if you want to be the best! Our customer satisfaction today is 69 per cent, and our target for 2014 is 80 per cent. If we are to reach world-class level, we must continue to work on many fronts to make travel via Swedavia smooth and easy.

We are responsible for ensuring that all our partners, no matter what organisation, take responsibility for their part in providing a top travel experience.



“*If we run the company based on solid business principles, we also have the opportunity to develop operations and make sustainable investments for the future.*”

Ingemar Skogö, Chairman of the Board

How do the airlines and tenants view customer value?

Ingemar Skogö: I want airlines to continue operating routes profitably and also start new routes. A key part of this is providing airlines with efficient processes. It is a question of high quality as well as competitive prices. During our time at LFV, we were already creating a good basis for improving efficiency, and we are continuing to develop the foundation laid at that time.

Torborg Chetkovich: The airlines' view of Swedavia is that we are strong in operational terms, run an orderly organisation, keep to time and give feedback when something does not work. Obviously, commercial tenants at the airports also benefit from there now being more travellers. For the second year in a row, Stockholm Arlanda Airport had the largest increase in customer satisfaction among commercial tenants in Sweden according to Fastighetsbarometern, the property industry's customer satisfaction survey.

How does Swedavia define sound business principles?

Torborg Chetkovich: For our employees, sound business principles entail taking care of passengers and focusing on how to create the experience of a perfect trip, being courteous to each passenger and doing their best to address passenger needs. What is best for customers is also what is best for us.

Swedavia is now becoming a company that is driven by values, where employees should feel that they have authority to make decisions. That, in turn, places high demands on how management should act in relation to our employees. Those of us who encounter passengers on a daily basis and who are responsible for ensuring that our operations work perfectly have many tough challenges. Our job as managers involves making sure that our employees have the tools they need to be able to deliver.

Ingemar Skogö: Sound business principles involve having clear goals as to where Swedavia is headed. In the future, we will base our profitability even more clearly on customer value. We will do this by further developing our existing range of services, but also through creative efforts especially in our property business, where there is considerable potential. Revenue from property development is critical if we are to keep charges to airlines competitive and help expand access to air travel.

Torborg Chetkovich: The focus for 2011 is also to further reduce costs, which requires a cohesive Swedavia. We will be smarter in our work, which means learning from each other's successes but also from each other's mistakes.

Swedavia is a State-owned company, with requirements for profitability and long-term viability. How do you ensure that what you are doing is economically defensible both in three years and from an investment perspective of thirty years?

Ingemar Skogö: As I see it, there is no contradiction between the two. When you work with infrastructure, you have to make sound long-term decisions to ensure profitability both in the short and long term. We also have to run the company with a focus on short-term effectiveness because then resources are generated that can be used for the investments we need to make.

Torborg Chetkovich: We also have to think along new lines. As we now stake out the direction for where we want to be in the future, it is important to base this on our passengers and take into consideration what is happening in the world around us.

Swedavia is working very actively so that more people will choose to fly. What are the challenges?

Torborg Chetkovich: One challenge is to highlight the advantages of air travel and the necessity of air travel. We are an airport company that takes responsibility for the environment and together with airlines helps to increase growth, create more jobs and thus promote greater prosperity throughout the country. With aviation, the world comes to Sweden and Sweden gets out in the world. Air travel is needed for long distances – here in Sweden as well as abroad, for trade and growth, for culture and meetings, for family and friends and for leisure.

Ingemar Skogö: The environmental impact of aviation. Even though aviation's share of global carbon dioxide emissions is limited to two per cent, we as an industry must take responsibility for this percentage. We will do everything we can to reduce the environmental impact of aviation by being proactive and promoting sustainable development among airlines. When we talk about climate change, it is also important to pursue international collaborations because people's impact on the environment is global. Every stakeholder must take responsibility since such large numbers are at risk. Without aviation, Sweden would be a remote place in the world. Without concern for the environment and the energy to take action, our planet is threatened.

Another challenge in the environmental field is that Stockholm Arlanda Airport's environmental permit dates back to a time when the situation for aviation looked completely different. In the coming year, we will continue to work to obtain a new environmental permit that is appropriate for the situation today.

Torborg Chetkovich: I would also like to emphasise that we at Swedavia are world leaders in the move toward operating airports with the least environmental impact possible. In five years, we have reduced our carbon dioxide emissions by almost 40 per cent and, thanks to our hard work, are an international role model in environmental work. Unfortunately, we did not achieve our target of reducing carbon dioxide emissions by 50 per cent over the last five-year period. The main reason was the long winter, which meant that we were forced to use heavy vehicles more than usual. However, we will continue to work very actively in order to continue this positive trend.

If we were talking and the year was 2014, what would operations look like then?

Torborg Chetkovich: Everything we do should be based on having more satisfied passengers. Customer satisfaction is already at a high level. Today, 69 per cent of all passengers are satisfied. I see this figure rising to 80 per cent.

We are also one of Sweden's most attractive employers. Together, we have created a culture in which we live our values, with reliability, commitment, innovativeness and a courteous welcome for each other, our passengers and partners.

Ingemar Skogö: Our systematic development work has resulted in our offering improved access for business in general, for the tourism industry and for the leisure of Swedes. Our intercontinental access in particular has increased. Our strong market position means that we can deliver even better financial results.

Finally, we remain an international role model for operating and developing airports with the least environmental impact possible.

Torborg Chetkovich, President and CEO

Ingemar Skogö, Chairman of the Board

“Airlines are not looking for new airports
- they are looking for new destinations.

Mats Sigurdson, Director of Marketing, Swedavia

Increased air travel – higher profitability

Air travel across the world experienced a strong recovery in 2010. The Swedish aviation market also recovered faster than expected. Air travel in Sweden had 33 million passengers, an increase of almost 5 per cent compared to 2009.

Asia, South America and the Middle East had very strong growth figures while more mature markets like North America and Europe showed slightly lower growth. The rise meant a high cabin factor in international aviation, which is beneficial to airline finances and the environment. As a result of global economic growth, passenger willingness to pay increased compared to 2008 and 2009.

Recovery in the Swedish aviation market¹

The aviation market in Sweden recovered faster than expected and faster than in other European countries. In 2010, air travel was back at the same levels as in early 2008.

International traffic is driving the growth with greater capacity and new routes, which are attracting mostly leisure travellers.

¹ Volumes and comparative figures for trends in the market are based on full years and apply to all Swedish air traffic according to the Swedish Transport Agency.

Historically high cabin factor

Average cabin factor, or the utilisation rate, increased in 2010. For domestic traffic, cabin factor increased to record levels as a result of more passengers and fewer departures. For international traffic, substantial capacity increases early in the economic boom led to a slightly lower cabin factor. Still, the long-term trend in international traffic is ever larger aircraft and higher capacity utilisation.

Attractive destinations – a key driving force

Market size and the travel habits of passengers form the basis of the airlines' choice of airports. Increasing Sweden's attractiveness as a destination is critical for growth in the Swedish aviation market.

In the short term, the aviation market is strongly impacted by fluctuations in the economy since the aviation industry has considerable fixed costs while almost all revenue is variable.

In the longer term, growth is driven by trends in society, such as urbanisation, which means that the major hubs are increasing in importance. Other driving forces are the large number of baby boomers born in the 1940s who like to travel and the growing middle class in Asia and Russia who are looking for new destinations.

Countries like China and India project a large number of new airports within the next ten years.

Passenger volume

	Sweden, full year		Swedavia's 13 airports, full year ³		Swedavia's 13 airports, April-December 2010	
	Number	Change ²	Number	Change ²	Number	Change ²
Passengers						
International	20,779,000	6.8%	17,032,000	8.4%	13,516,000	10.0%
Domestic	12,294,000	2.6%	11,320,000	2.6%	8,490,000	1.4%
Total	33,073,000	5.2%	28,352,000	6.0%	22,006,000	6.5%

² Compared with the same period the preceding year.

³ Comparative figures for the period before April 2010 are pro forma and based on operations previously run under LFFV.

2010.09.15
9.12 a.m.



IMPORTANT TRENDS IN THE AVIATION MARKET

- Intercontinental travel is growing faster than travel within Europe.
- Domestic traffic is at a stable level.
- Leisure travel is growing faster than business travel.
- The trend is toward larger aircraft and higher cabin factor, which means that the number of airspace movements is falling despite the increase in travel.

2010.08.12
10.34 a.m.



Increased domestic travel ahead

Over the past forty years, the number of passengers at Swedish airports has increased an average of 4.7 per cent annually, roughly double the average rate of economic growth. The number of international passengers has continued to rise during the period, while the number of domestic passengers peaked as early as 1990 and has fallen since then. Flights to Stockholm for distances of less than 300–400 kilometres have declined, as travellers choose alternative ways to travel or meet.

In Swedavia's view, there will be a revival in domestic travel during the period 2011–2014, which will to some extent offset the volume decrease during the financial crisis. In international traffic, there is room for new destinations and more departures over the next few years. Airlines with a focus on non-stop routes and low fares will account for a large share of the industry's future growth in passenger numbers.

Increased cargo volumes in 2010

Air cargo around the world was hit hard by the global financial crisis. In 2010, cargo volumes showed significant growth, which is a clear sign that international trade activity is once again on the rise.

There is reason to believe that growth will continue, but uncertainty about the global economy is an especially important factor for air cargo. It is projected that the industry will not return to 2009 pre-crisis cargo volumes until 2012.

AIRPORTS IN SWEDEN

- 41 airports with scheduled and/or charter traffic
- 13 State-owned airports, 10 of which are included in the national basic airport infrastructure*
- 28 private, jointly owned or municipal airports

*The national basic airport infrastructure comprises 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. At the start of 2010, Swedavia also operated Karlstad Airport, Sundsvall Härnösand Airport, Ängelholm Helsingborg Airport and Örnsköldsvik Airport. Karlstad Airport was divested in December. Divestment is planned for Ängelholm Helsingborg Airport and Örnsköldsvik Airport during the spring of 2011. Divestment is also planned for Sundsvall Härnösand Airport.

“*We at Swedavia shall create added value for our customers through attractive airports and access. Together with our partners, we are continuously developing our business.*
Swedavia's mission

Together we bring the world closer

Swedavia makes Sweden accessible and enables people who live in Sweden to experience the world. Together with our partners and employees, Swedavia aims to create an experience that makes passengers want to return. The more Swedavia develops operations, the closer the world gets.

Vision

Together we bring the world closer.

Mission

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

Task

Swedavia's task is to own, develop and operate the national basic infrastructure of airports – a system of airports that connects all of Sweden with the rest of the world.

Strategic focus and financial targets

Operations are now being run in the form of a limited liability company, with the overall goal being the best long-term value creation possible. Swedavia also has the task of “working actively based on sound business principles to develop the transport sector and help achieve the transport policy goals set by the Swedish Parliament”. The strategic focus in order to achieve these goals is summarised in the points below:

- Customer value shall increase for passengers, airlines and tenants. Swedavia shall actively develop its position in existing markets and look for new business
- The number of non-stop destinations and frequencies shall increase
- Existing and new services related to airport operations shall be developed
- Safety, efficiency and sustainable development shall be integral to Swedavia's operations
- Swedavia shall be an employer characterised by a culture that continuously develops its employees and operations

Capital spending

As a State-owned company in the transport sector, Swedavia shall combine long-term viability and profitability. Swedavia will invest about SEK 1 billion in its operations each year. The aim of this capital spending is to:

- Raise the level of services in the terminals and thus non-aviation revenue
- Increase capacity at the airports
- Ensure compliance with legal requirements, including those concerning the environment and safety

Opportunities and challenges

Swedavia's strategy reflects the opportunities found in the aviation market in Sweden and around the world. Demand for flights internationally will increase, and metropolitan area airports will become even more important hubs. At the same time, the aviation industry faces long-term challenges that it must address: profitability, capacity and environmental impact.

Swedavia contributes to the profitability of the aviation industry through cost-effective, flexible processes. Bringing Sweden's airports together in a limited liability company allows Swedavia to focus on its core activities and build an effective organisation that makes the most of customer trends, new technology and sustainable solutions.

Swedavia is driven by values, and employees adhere to its corporate values by being reliable, courteous, committed and innovative.

Swedavia shall provide a good experience and high customer value to airlines, passengers and tenants. Work with a focus on sound business principles and courtesy is underway throughout the organisation, based on Swedavia's vision, values and strategies.

Swedavia has long been making contributions with its successful environmental efforts – a prerequisite for aviation and airports to be considered as having a natural role in a sustainable society. One area with the highest priority is climate work, which should be further intensified so that passengers can fly with a clear conscience. The role of aviation and airports in society must also be clarified in the discussion about the future of aviation.

2010.10.23
2.51 p.m.



Swedavia's business

Swedavia's role is to facilitate travel, business and meetings. Satisfied customers are the foundation of Swedavia's business and thus the basis of everything Swedavia does.

Swedavia provides attractive airports that create the access Sweden needs. Sound business principles, a focus on customers and responsibility in its environmental work are integral to operations. Revenue from operations finances all of Swedavia's capital spending, infrastructure and airport operations.

Swedavia's most important customers are passengers, airlines and tenants. The range of services offered to passengers is developed in close collaboration with airlines and tenants. To increase air travel to and from Sweden, Swedavia is working actively with airlines as well as regional partners like tourism and business organisations to develop and market destinations.

Aviation business – services to airlines

Swedavia helps airlines to be competitive by offering efficient airports and attractive services. Examples include take-off and landing services, passenger services and all infrastructure at the airport. Aviation business accounts for 52 per cent of Swedavia's revenue.

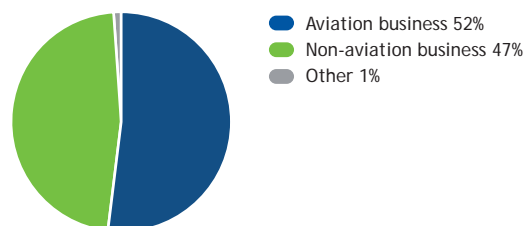
Non-aviation business – targeting other customers

Airports are communication hubs so they are attractive places for business. In its non-aviation business, Swedavia provides the rental of premises for commercial activities and office space, leaseholds, parking operations and advertising space. Non-aviation business is carried out in a competitive market. Non-aviation business accounts for 47 per cent of Swedavia's revenue.

“ A trip begins with an idea and ends with a memory. The airport is a part of this throughout the process and makes a difference to the traveller.

Thomas Cassel, Head of Commercial and Terminal Business, Stockholm Arlanda Airport.

Breakdown of revenue



Breakdown of revenue, SEK M	2010-04-01 -2010-12-31
Aviation business	
Passenger-related revenue	1,268
Operations-related revenue	416
Other aviation	6
	1,690
Non-aviation business	
Car parking	408
Retail, food & beverage	392
Other property revenue	295
Ground handling & aircraft parking	201
Advertising	50
Other non-aviation business	200
	1,546
Other operating revenue	41
Total	3,277

AVIATION BUSINESS

Swedavia helps airlines to be competitive by offering efficient airports and attractive services. Examples include take-off and landing services, passenger services and all infrastructure at the airport.

Airport infrastructure such as runways and terminals is required for aircraft to land at an airport as well as load and unload passengers and goods.

Aviation security comprises security checks of passengers and goods prior to boarding the aircraft as well as surveillance of the airport area.

Ground handling infrastructure includes baggage sorting facilities and power to the aircraft.

The Integrated Aeronautical Information Package (IAIP) contains information and publications about aviation.

NON-AVIATION BUSINESS

Airports are transport hubs so they are attractive places for business. Swedavia's airports rent premises and provide leaseholds for commercial operations, offices, hotels, warehouses and logistics. The airports also offer car parking facilities as well as space and capacity for air cargo and telecom operations.

Property services growing

Property services represent a growing share of Swedavia's non-aviation business. Swedavia has an extensive portfolio of projects with great potential, good oversight of the planning process and property development, plus extensive experience and knowledge about the market for airports premises.

During the year, Swedavia adopted a coordinated strategy and business model for property development outside regular airport operations. Property development is concentrated at Stockholm Arlanda Airport, Göteborg Landvetter Airport and Bromma Stockholm Airport. For other airports, ventures are carried out as specific opportunities arise.

At Stockholm Arlanda Airport, the driving force for property development is transport – it is easy to reach the rest of the world and 20 minutes to the Stockholm Central Train Station. In summer 2010, ground was broken on a new hotel right next to the terminals, and there are plans for a major expansion of office space and premises for cargo and logistics operations.

At Göteborg Landvetter Airport, the basis for property development is highway 40, which provides an opportunity to develop logistics-related and commercial operations. For instance, DB Schenker Logistics has brought together its four existing businesses at the airport.

Another example is Bromma Stockholm Airport, which aims to link the airport to the nearby commercial area and the planned high-speed tram station. Malmö Airport is also negotiating reallocation with the City of Malmö to gain access to new land for potential development.

Greater access

Swedavia's airports are the hub between local and global mass transport, which makes cooperation between different modes of traffic a necessity for society to function effectively.

Car parking is a vital service for passengers as well as everyone who works and carries out operations at the airports. This business is being developed with offers tailored to customers, such as long-term parking close to the terminals and the option of pre-booking. At the same time, Swedavia is working very actively to increase access with bus and train connections so that more passengers will choose to travel to and from the airports using public transport.

In planning ground transport, Swedavia shall balance environmental aspects, financial considerations and access.

In 2011, Swedavia is investing almost SEK 60 million in technical systems and environmental measures for parking, such as sensors to regulate lighting, which reduce energy consumption.

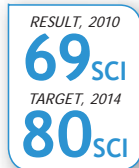
Measurements show increased customer value

Swedavia measures customer satisfaction on a regular basis among its passengers, airline customers and tenants at its larger airports. There are still no measurement results compiled for the new company; measurement methods will be further developed in 2011.

Passengers

As of 2010, the passenger experience is measured at every Swedavia airport according to international standards from Airports Council International (ACI). Stockholm Arlanda Airport has been measuring passenger values since 2005 and has significantly improved its position relative to metropolitan area airports in neighbouring countries. The measurement comprises a number of spheres and is summed up in an overall satisfaction index.

The most important factors for passengers are cleanliness, airport atmosphere, service and staff courtesy.



Airlines

The most important concern for airlines, according to surveys carried out, is how Swedavia handles customer relations. The main factor determining customer satisfaction is the ability to find solutions together with the airlines that support both the airline's and Swedavia's business. It is critical to have a visit cost, which includes all the airline's costs from when an aircraft is en route to the airport to when it has once again departed, that is justified on business grounds. Airlines appreciate good information and speed in implementing decisions adopted.



Tenants

Tenants experience increased customer value when it is easy to reach the property management organisation to report problems, provide feedback and maintain an ongoing dialogue about administration.

For the second year in a row, Stockholm Arlanda Airport had the greatest growth in customer satisfaction in the Swedish property industry's index, Fastighetsbarometern, which surveys how commercial tenants in the country view their landlord.



GRI INDEX CHOSEN¹

PR5 Customer surveys

¹ The GRI index is a tool for reporting results that complies with the Global Reporting Initiative's guidelines for sustainability reporting.

2010.05.13
6.10 a.m.



DEVELOPING THE RANGE OF SERVICES

Together with our partners, Swedavia's airports are developing the airports' range of services through:

- More efficient processes
- Atmosphere in the terminals
- Cleanliness in the terminals
- Airport staff courtesy
- Service

Passenger, Susanna Lauritzen, Metso Power

“The airport should help me on my trip”

“Both when I fly on business and when I’m a leisure traveller, it is important to have short queues at check-in and security.”

As Vice President of Communications at Metso Power, Susanna Lauritzen is a regular traveller and has close colleagues in India, Brazil and the US. Ms Lauritzen is now on maternal leave with Emelia, 6 months old, so she flies less frequently and her needs at the airport have changed.

“Since I don’t trust the food on board, I want to buy good food at the airport, especially when I am travelling with my baby. I want a good selection of magazines and books as well as sunscreen at the airport - everything I can’t manage to bring along myself. I put great value on clean and preferably spacious lavatories.”

Ms Lauritzen sees potential for smoother passenger flows without compromising security.

“At one airport I visited, there was a priority lane for families with children under 10, both for passports and the security checkpoint. I thought that was great because tired, crabby children are an annoyance to any traveller.”

Based on her experience, Susanna sees the airports of the future as being more pared down than today’s.

“In the future, I think airports will function more simply and rationally. Change is happening fast. In fact, it wasn’t that long ago we had tickets written out by hand.”



Working together for more satisfied customers

Swedavia's task is to facilitate travel, business and meetings. The airports are Swedavia's arena of operations, where the company works together with customers, supplier and partners to produce satisfied customers.

Swedavia coordinates all operations carried out at the airports and takes a leading role in the work to develop access, safety and efficiency.

This model is a simplification in order to explain the complexity of airport operations and illustrate collaborations and areas of responsibility.



TRANSPORT

Swedavia aims to increase access to its airports and works with other companies and organisations so it can provide comfortable, efficient travel to and from the airport - no matter what mode of transport travellers want.

- Trains and express trains for speedy transport to and from the airports
- Buses for affordable, easy transport to and from the airports
- Expanded use of ecotaxis for a flexible way of travelling to and from the airports
- Car parking facilities with different pricing models

GROUND HANDLING SERVICES

Swedavia, the airlines and ground handling companies work together to ensure that the passenger experience at the airport is smooth, comfortable and safe.

- The airlines' online check-in reduces queues and makes the process smoother
- The airlines and Swedavia also provide the option of checking in using machines to make the process smoother
- Ground handling companies attend to passengers who want to check in manually
- Swedavia plans all commercial services at the airports, such as shops, restaurants, currency exchanges and conference facilities
- Swedavia provides passengers with updates and accurate information about flights
- Swedavia provides assistance to passengers with special needs, such as those with reduced mobility and children
- The ground handling companies manage all operations and boarding activities at the gates





SECURITY SCREENING

The focus is on security work so that passengers feel safe and secure at Swedavia's airports. Swedavia is responsible for ensuring that all baggage and all passengers undergo security screening.

A number of organisations at the airport take responsibility for passenger security in collaboration with Swedavia. They are:

- The Swedish Police
- Border Inspection
- The Rescue Service
- Swedish Customs

AIRSIDE

Swedavia, the airlines and ground handling companies work together with a focus on aviation safety and efficiency to provide smoother processes for passengers.

- Swedavia is responsible for the airports' infrastructure such as jetties and baggage facilities
- Swedavia's apron services include loading and unloading goods and baggage as well as refuelling and de-icing aircraft
- The ground handling companies' responsibilities include moving baggage to and from the aircraft



TAKE-OFF

Once passengers have boarded the aircraft, the airline takes over responsibility for transporting passengers to their destination.



“*Swedavia must ensure that the airport experience as a whole is good. No one else can take responsibility for this.*”

Lennart Bergbom, Director for
Group Business Planning and Strategies

Welcome to our airports

Swedavia is a major player in the Swedish and European aviation industry and a world leader in developing climate-smart airports. Its airports create the access Sweden needs and are an important part of the country's national and international mass transport.

The airport is a hub for people, goods and services. It creates opportunities for meetings between people, the development of companies and the exchange of culture and knowledge.

Swedavia's airports are an important hub for growth

Swedavia's airports across Sweden form an integrated system that provides passengers with access to important destinations, both for business and leisure. Stockholm Arlanda Airport links up parts of Sweden's domestic traffic operations and creates a larger base for non-stop routes outside the country.

Stockholm Arlanda Airport accounts for over 62 per cent of Sweden's international traffic measured in passenger numbers, while Göteborg Landvetter Airport accounts for almost 15 per cent and Malmö Airport 3 per cent.

In the domestic market, nearly every other passenger travels via Stockholm Arlanda Airport or Bromma Stockholm Airport. The main domestic airports in addition to these are Göteborg Landvetter Airport, Malmö Airport, Luleå Airport and Umeå Airport.

Swedavia's three customer groups

Passengers

Swedavia's part in the travel process is services and products that make air travel easier for passengers. Swedavia's airports are safe and secure and should meet high standards for efficiency and environmental responsibility. The time spent at the

airport should feel meaningful. So Swedavia offers a wide range of shops, restaurants and other services for passengers.

During the second half of 2010, there was a sharp increase in the number of passengers at Swedavia's airports. From April to December, Swedavia's airports had 13.5 million international passengers, an increase of 10 per cent compared to the same period in 2009. Some 8.5 million passengers flew domestically via the airports – an increase of 1 per cent.

During the financial year, Göteborg Landvetter Airport experienced especially strong passenger growth of 13 per cent. This is in part because the fall in traffic during the crisis year 2009 was greater than for Swedavia as a whole, which resulted in pent-up demand, and because of new routes to European destinations.

At Bromma Stockholm Airport, passenger volume increased by 3 per cent. At Malmö Airport, international traffic rose by 5 per cent. Domestic traffic benefitted from the Stockholm and Öresund regions both experiencing strong growth.

Total passenger growth also increased at Swedavia's six regional airports included in the national basic airport infrastructure from April to December 2010.

Attractive routes are a prerequisite for high customer value. Passenger growth has occurred on all existing routes, but growth has also allowed room for new non-stop service. Almost 30 new routes were added during the period, including Belgrade, Berlin, Helsinki, London, Malmö and Manchester as well as a number of charter destinations.

Airlines

Swedavia's airports are served by some 140 airlines in scheduled and charter traffic, cargo and mail, with about 90 companies serving Stockholm Arlanda Airport. The three largest airline customers are SAS, Norwegian and Malmö Aviation.

2010.09.16
2.47 p.m.



All you need to know about Tax free shopping!

Tax free prices to...

Attractive flight connections are a prerequisite for high customer value. Swedavia works intensively to develop and market destinations so it can provide airlines with access to an attractive market. Swedavia also works in partnership with the airlines and provides assistance with material to make decisions pertaining to market potential.

Swedavia's prices are set based on international practice and EU directives in this area. The price of a single flight is determined by the aircraft's emissions and noise levels, maximum take-off weight, which airport the aircraft is departing from and the number of passengers.

Tenants

Swedavia provides tenants with a marketplace for goods and services as well as a partnership in developing the range available to passengers. There are some 770 tenants in Swedavia's terminals and at the airports. Three major tenants at Swedavia's airports are the airline SAS, the Nuance Group, which runs commercial businesses in the terminals, and Rezidor Blu, which manages hotel operations.

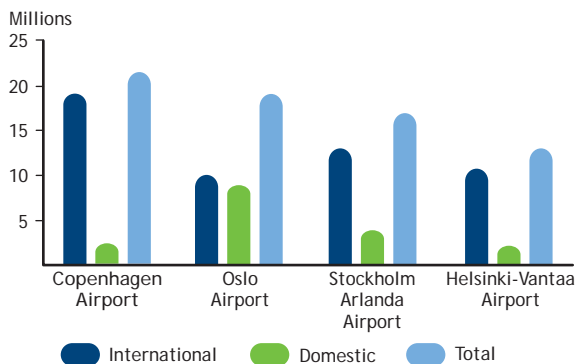
At Stockholm Arlanda Airport and Göteborg Landvetter Airport, the development of shops and restaurants in the terminals is done in a separate company (ASDC), which is jointly owned by Swedavia and Amsterdam Airport Schiphol.

Swedavia sets revenue-based rents for tenants in shops and restaurants at the airports, as a joint incentive to increase sales. Swedavia also contributes actively to the development of tenants by providing support and material for decisions on tenants' plans in logistics, sustainability and property development.

Traffic trend at Swedavia's airports in 2010, full year

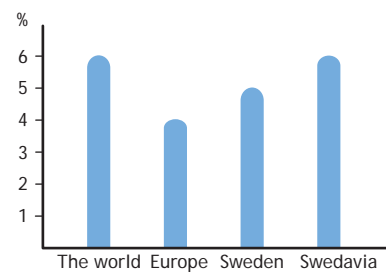
Passengers	Number	Change from 2009
European traffic	15,137,000	8%
Rest of world	1,895,000	10%
Total international	17,032,000	8%
Domestic traffic	11,320,000	3%
Total	28,352,000	6%
<hr/>		
Cargo and mail	193,000 (tonnes)	14%
<hr/>		
Landings		
European traffic	88,600	6%
Rest of world	5,200	4%
Total	93,800	6%
Domestic traffic	98,100	-2%
Total scheduled and charter	191,900	2%
Taxi flights and general aviation	40,100	0%
Total	232,000	1%

Number of passengers for the Nordic airports in 2010, full year



Source: ACI, Swedish Transport Agency, Swedavia

Passenger growth in 2010 compared to 2009, full year



Source: ACI, Swedish Transport Agency, Swedavia

2010.06.10
1.22 p.m.



Service and safety

Attractive flight connections are a prerequisite for high passenger value. Swedavia works to develop routes at all the airports, with a focus on non-stop routes. In 2010, almost 30 new routes were added.

Passengers expect courtesy and proper treatment as part of a good travel experience. Swedavia's goal is to have all passengers feel welcome and expected, regardless of whether they are frequent business travellers or children travelling alone.

Swedavia offers a range of services to make air travel easier for passengers – developing mass transport to the airport and flexible parking options, hotels, shops, restaurants and other commercial services as well as support for passengers with special needs.

Because airports are a gathering place for a large number of business travellers, conference facilities are continuously being developed, as is the possibility of staying overnight near the airports. In August 2010, construction began on a new 414-room hotel adjacent to SkyCity at Stockholm Arlanda Airport. The building is being built by Swedavia, and the hotel operator is Clarion. The hotel is expected to be completed in November 2012. As part of Swedavia's efforts to market destinations, tourists can plan their visit as soon as they get to the airport. Arlanda Visitor Center, which is Sweden's most frequently visited tourist information centre, had 44 per cent more visitors in 2010 compared to 2009.

Support for passengers with special needs

Swedavia's airports provide support to passengers with special needs when they travel. For instance, at Swedavia's airports, over 20,000 children travel alone each year with assistance from Swedavia. Regular surveys indicate that air travel is the transport mode that best provides opportunities for people with restricted mobility to travel using mass transport.

Easy to get to and from the airports

Demand for parking spaces at Swedavia's airports is on the rise as a result of the increase in passengers and an improved

range of services available to customers. Nonetheless, the car park market as a percentage of ground transport has fallen in favour of public transport.

This is a result of Swedavia working together with stakeholders in taxi, bus and train services to expand mass transport to and from the airports. This is especially important for Stockholm Arlanda Airport, since passenger travel to and from the airport is included in carbon dioxide emissions from operations. Following changes in the taxi dispatch system, the share of ecotaxis from the airport increased sharply during the year. Today almost nine out of ten trips are with an ecotaxi, which has impacted the entire Stockholm region. In 2012, Stockholm Arlanda Airport plans to have commuter train service, and Bromma Stockholm Airport is working with SL, Stockholm Public Transport, which is planning high-speed tram service to the airport.

Expanded information through digital channels

Swedavia wants to provide service and create a relationship with passengers long before they visit the airport.

Swedavia's website serves as a portal where passengers can book their trip and obtain information about the airport, transport and parking, security screening, passport and Schengen regulations, tax-free shopping, time zones, currencies and other matters of concern prior to their trip. There is also information for passengers with different disabilities. During the year, the number of unique visits to Swedavia's website increased by 53 per cent.

Swedavia has launched a number of mobile services such as the option of carbon-offsetting flights, booking a parking space and planning travel to and from the airport through the service ReseRobot. Swedavia is available on Twitter and Facebook and is continuing its development in social media, including the development of applications for iPhones and Android mobiles.

Among the automated services available are Self Service Check-in, which was used by a million passengers in 2010, and the Self Service Bag Drop.

2010.11.02
9.22 a.m.



2010.05.21
4.12 p.m.



Systematic work with safety and security

There is always a focus on work with safety and security so that passengers, customers and employees feel safe and secure at Swedavia's airports. Such work is mainly regulated by EU legislation, interpreted by the oversight authority the Swedish Transport Agency. In addition, Swedavia carries out its own self-inspections and quality controls in all operations involving safety and security with the objective that no incidents shall occur at Swedavia's airports. Swedavia distinguishes between security and safety. Aviation security entails security screening of passengers and their baggage as well as protection of the airport, including against criminal and terrorist acts. Aviation safety entails the safety of aircraft take-off, landing and taxiing.

Swedavia's four major airports have their own quality control systems. The regional airports have a quality management system that deals with aviation security, aviation safety and environmental work in the same system. A feasibility study is underway to explore the prerequisites for an integrated environment and quality management system for all processes at Swedavia. Swedavia has chosen to report only on safety and security at this time; a report on health will be included in future annual reports.

Security

Aviation security entails security screening of passengers and their baggage as well as protection of the airport, including against criminal and terrorist acts. On April 29, 2010, an entirely new set of regulations for aviation security in Europe went into effect, which was implemented by Swedavia's airports during the spring.

It is a challenge for the airports to balance a high level of service for passengers with the security measures required. Passengers rank Göteborg Landvetter Airport among the top ten in the world in quarterly customer surveys on security screening. Stockholm Arlanda Airport has twice been ranked the best in the Nordic countries. Swedavia has put together a standard governing document for the four major airports so that passengers will always be familiar with procedures.

In September, the new airport security centre, which monitors Stockholm Arlanda Airport and Bromma Stockholm Airport, was placed in service. The centre shares premises with the Border Police's communications centre at Stockholm Arlanda in order to be able to coordinate efforts in the event of a major incident. This work is part of Swedavia's long-term strategy to develop technology and monitor all airports from two security centres.

Safety

Responsibility for the preventive work to avoid accidents at the airports lies with the individual airports. Coordination, basic norms and follow-up were established at the Group level during the period. In 2010, new ordinances were introduced concerning preparedness in rescue efforts and rescue service at the airports. The regulations enable rescue service operations to increase efficiency. On September 1, the new Swedish Aviation Act entered into force, and at the same time regulations for the airports' systematic work with aviation safety were modified. In early October, new changes in the regulations were introduced concerning, among other things, the physical layout of airports. During the period, all these changes in regulations were gradually implemented in the airports' procedures.

GRI INDEX CHOSEN

PR1 Impact of services on health and safety

“*Swedavia's airports have more similarities than differences. We all have opportunities to learn from each other in order to become even better and more effective.*
Torborg Chetkovich, Swedavia's President and CEO

The best knowledge grows when it is shared

One airport has 350,000 annual passengers, the other almost 17 million. Åre Östersund Airport and Stockholm Arlanda Airport have vastly different market conditions but the same perspective on business principles, say Airport Directors Susanne Norman and Kerstin Lindberg Göransson.

Kerstin Lindberg Göransson: Under the previous management model, Swedavia's airports were autonomous. Today we are one company and give high priority to working together. We develop our commercial property business together, coordinate purchasing, have joint training programmes and share the same values throughout the company. We gain a lot of strength by working together.

Susanne Norman: I already see a difference. There is a very, very clear willingness to share best practices and good ideas. Those of us working in a small airport have gained a contact network of specialists that we did not have before. Our experience running airports as cost-effectively as possible is valuable for the big airports.

Efficiency, safety, environmental projects – there are all kinds of ways we can help each other in both directions. The differences that exist are an asset in business development.

Hub for development

Susanne Norman: The region our airport is in has set the target of doubling the number of guest nights by 2020. Swedavia has an important role as a link between the region and stakeholders who want to ensure access: airlines and tour operators. Our task is to develop material that documents this demand so that new routes are developed as the region grows. Increased capacity in turn stimulates growth in the hospitality industry.

Kerstin Lindberg Göransson: The fantastic thing about this job is that we are not just running a facility but an entire region and destination. We are part of Stockholm. Over the past few years, something has happened; there is greater

understanding of the airport's role in competitiveness, growth and cultural exchange. We have become a natural partner in various development projects. For instance, we are leading the work on Stockholm Access, a collaborative project aimed at increasing access and the number of non-stop routes to Stockholm. Stakeholders from across the Mälardalen region meet at the Arlanda Forum on access to and from the airport.

Competing with access

Kerstin Lindberg Göransson: The more globalised the world is, the greater the focus is on access. Broadly speaking, Sweden is a country with a remote location. We compete with other northern European airports for access – in terms of airlines – with access: good transport connections, a smooth process for passengers, an attractive airport and competitive traffic charges. The overall efficiency of the transport system is critical. Passengers buy time so they can do something else – make it home in time to watch their child's favourite TV programme or get in a few hours of skiing.

Susanne Norman: Åre Östersund Airport has similar conditions. Access, especially to what the region has to offer, attracts foreign tourists. The feeling when you land here for a week's ski holiday should be “Welcome – you've arrived!” The experience begins as soon as you are at the airport, with everything from information about activities and lift pass prices to the right atmosphere. When the plane from London landed here the other day, passengers started throwing snowballs and running in the snow banks lining our carefully ploughed walkways.

Kerstin Lindberg Göransson: It is also a question of creating the best access possible with the least environmental impact. Stockholm Arlanda Airport has a particular challenge in linking air transport with ground transport. Some 40 per cent of our passengers get to the airport using public transport, which is very high compared to elsewhere in Europe, but we have to reach 60 per cent in order to comply with our emissions cap in the short term.



Susanne Norman and Kerstin Lindberg Göransson

Property location gives easy access to the rest of the world

Kerstin Lindberg Göransson: Commercial property development is a typical area where we can learn from each other, based on our different market conditions. We are building a resource for all of Swedavia. Obviously, at Stockholm Arlanda Airport size means a lot for strong property development – we have 250 companies in various related activities – but each airport is attractive, in one way or another, because it is so easy to reach the rest of the world.

Susanne Norman: As a former military airport, Åre Östersund Airport is sitting on some major assets. There are existing facilities, infrastructure, a customer base, so there is a potential marketplace with a lot of space.

We also have a lot of forests. I am considering whether we can develop the forest industry near the city in partnership with the energy companies so we can be energy self-sufficient and also enhance our environmental profile.

Profitability and satisfied customers

Susanne Norman: In two years, Åre Östersund Airport has taken the first step toward profitability with our revenue exceeding operating expenses. We only have impairment losses to deal with before we are truly profitable. Profitability is important for the airport's sense of pride. With respect to costs, we have made considerable advances in the past five years. We are now developing our competence on the commercial side and becoming skilled at selling and getting paid for our commercial products.

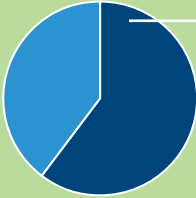
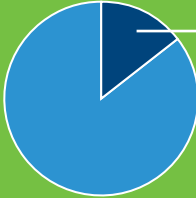
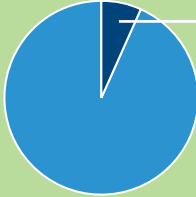
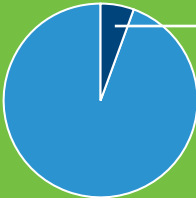
Other new developments are that recently established charter routes are coming back each year and the season is getting longer and longer. Airport events have become an intense area of development. For instance, we are hosting a major Swedish Touring Car Championship runway race.

Kerstin Lindberg Göransson: In a few years, we will have a major hotel completed and a commuter train station at Stockholm Arlanda Airport. I hope that we have made Stockholm Arlanda Airport a meeting place for major events and that our efforts to create a welcoming airport will make everyone feel that it is easier and more fun to fly.

Swedavia's airports

Important events in 2010

Share of Swedavia's passengers April-December

<p>Stockholm Arlanda Airport</p>	<p>New non-stop routes: Norwegian to Marrakech, Agadir and Malmö. Belavia to Minsk. Estonian to Vilnius. Primera to Sharjah (United Arab Emirates). Next Jet to Visby.</p> <p>The number of car trips to the airport has fallen as planned, while those using parking services are more satisfied and revenue is on the rise.</p> <p>Changes in taxi dispatching have increased the share of ecotaxis to 88 per cent while customer satisfaction has risen.</p> <p>Sweden's largest biogas fuelling station opened.</p> <p>The commercial range of services in the terminals further improved, especially the range of restaurants and cafés. A large number of refurbishments and upgrades were carried out on the commercial side.</p> <p>Clarion Arlanda Hotel, to open in late 2012, will be one of Stockholm's largest high-class hotels.</p>	<p>60.3%</p> 
<p>Göteborg Landvetter Airport</p>	<p>New non-stop routes: easyJet to London Gatwick, Berlin and Manchester. British Airways to London Heathrow. City Airline to Alicante, Malaga, Palma, Bergen and Stavanger.</p> <p>Finnair, Lufthansa, Air Berlin, Turkish Airlines and City Airline increased the frequencies on existing routes.</p> <p>The investment in parking and conference facilities has produced a sharp increase in revenue.</p> <p>As of 2010, the airport takes part in the Airport Service Quality (ASQ) customer satisfaction survey, which comprises 143 airports across the world.</p> <p>More environmentally clean vehicles are used at the airport, a fuel station for both airport and passenger vehicles was inaugurated, and the decision was made to have only ecotaxis by 2012 at the latest.</p>	<p>14.7%</p> 
<p>Bromma Stockholm Airport</p>	<p>New non-stop routes: Finnair to Helsinki and Flyglinjen to Jönköping (Sweden). Malmö Aviation increased the frequencies to Malmö, Gothenburg and Umeå.</p> <p>The airport's infrastructure has been developed: planning for the high-speed tram with a station at the airport, more efficient security screening and modifications for the new act on boarding checks, investment to increase parking spaces.</p> <p>Prerequisites for the future upgrade and development of property business have been assessed.</p>	<p>6.9%</p> 
<p>Malmö Airport</p>	<p>New non-stop routes: Wizz Air to Belgrade. Charter traffic to Lamezia Terme (Italy) and Sharjah (Dubai). A number of tour operators are selling tickets to Iraq.</p> <p>Increase from two to three domestic operators to Stockholm, which on some days offer up to 30 daily departures.</p> <p>A new cargo company with service to Asia, via Russia.</p> <p>Passenger growth has benefitted commercial operations in the terminal. Public areas have been developed, including new and improved seating in cafés and restaurants as well as a new play area.</p> <p>Important establishments are a new currency exchange and Malmö Airport Visitor Center.</p>	<p>5.6%</p> 

Highlights

	Apr-Dec 2010
Landings	72,277
- of which international	48,313
Passengers	13,264,676
Employees, full-time equivalent	777
Revenue, SEK M	1,953

	Apr-Dec 2010
Landings	23,438
- of which international	17,170
Passengers	3,242,142
Employees, full-time equivalent	441
Revenue, SEK M	480

	Apr-Dec 2010
Landings	16,148
- of which international	2,224
Passengers	1,522,741
Employees, full-time equivalent	156
Revenue, SEK M	200

	Apr-Dec 2010
Landings	9,050
- of which international	3,786
Passengers	1,233,663
Employees, full-time equivalent	89
Revenue, SEK M	187

Collaborations

Stockholm Access - partnership with the Stockholm Visitors Board, Stockholm Business Region, Visit Sweden and Invest in Sweden Agency. Markets the Stockholm region as a destination.

Arlanda Forum - brings together organisations that help develop the airport as an international hub; for instance the Stockholm County Administrative Board, the Uppsala Regional Council, the Swedish Transport Administration, the Stockholm County Council Office of Regional Planning.

Council for the Mälard-Stockholm Region - promotes an integrated labour market region that can bolster growth and international competitiveness. The infrastructure group gives high priority to regional projects in the Government's infrastructure bills.

Stockholm Airport City - develops the area in the vicinity of the airport in collaboration with the Municipality of Sigtuna and Arlandastad Holding.

Flyg för Göteborg - collaboration to develop access to Gothenburg as a destination. Partnership between Göteborg Landvetter Airport, Business Region Göteborg, Göteborg & Co, the Swedish Exhibition and Congress Centre, Visit Sweden and the West Sweden Tourist Board.

Sustainable Events Gothenburg - a project initiated by Göteborg & Co, the Swedish Exhibition and Congress Centre and the City of Gothenburg, which aims to put Gothenburg on the map in terms of events and meetings on sustainability and CSR as well as raise the city's profile as a world leader in sustainable development.

Näringslivsgruppen - a business group helping to develop Gothenburg into one of Europe's most humane and attractive metropolitan regions to live and work in as well as visit.

City of Stockholm - collaboration on detailed planning of the airport area.

SL, Stockholm Public Transport - planning for the high-speed tram, which will increase access but also affect the airport layout for landside, the terminals and airside.

Collaboration on the new hotel adjacent to the airport, with opening planned for 2011.

Swedish Skåne Partnership - a collaboration between Malmö Airport, the City of Malmö, Tourism in Skåne and Visit Sweden with the aim of attracting new air traffic and tourism to Skåne.

Malmö Airport Visitor Center - a collaboration between Malmö Airport, the City of Malmö and Tourism in Skåne with airport and tourist information in an attractive setting at the airport.

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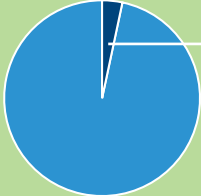
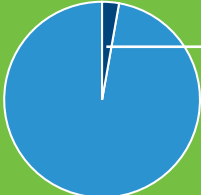
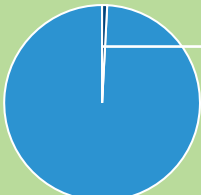
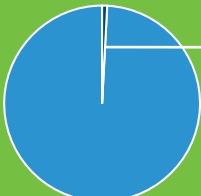
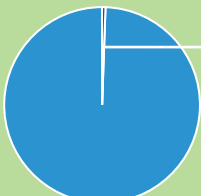

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Important events in 2010

Share of Swedavia's passengers April-December

<p>Luleå Airport</p>	<p>New non-stop routes: SAS to London. Air Baltic to Riga. New organisation for clarifying responsibility for functions and products. Customer dialogue structured with respect to perspective, responsibility and frequency. Customer satisfaction measurements introduced.</p>	 <p>3.4%</p>
<p>Umeå Airport</p>	<p>New non-stop routes: City Airline to Gothenburg. Air Baltic to Vasa-Riga. Three airlines serving Stockholm. Improvement in bus service with more frequent, faster runs to the city centre and Bothnia Line railway station. Achieved the highest level in the ACI carbon accreditation programme during the year. A dozen stakeholder groups at the airport contributed to the work.</p>	 <p>2.9%</p>
<p>Åre Östersund Airport</p>	<p>New charter route to Gran Canaria. New charter service from Amsterdam during winter 2010 and 2011. Car Care provides a new commercial service for cars. New tax-free shop has doubled revenue.</p>	 <p>1.1%</p>
<p>Visby Airport</p>	<p>New non-stop routes: Air Baltic to Riga, Air Berlin to Berlin. Developed the terminal with areas for comfort, open lounge areas with furniture for laptop use. Trained employees in active staff development.</p>	 <p>1.1%</p>
<p>Ronneby Airport</p>	<p>Charter service to Turkey, Prague and Budapest. More seats on flights to and from Bromma Stockholm Airport on Saturdays. Development plan for the airport.</p>	 <p>0.7%</p>
<p>Kiruna Airport</p>	<p>Charter service from London. Property business with Svevia, which has set up operations at the airport.</p>	 <p>0.6%</p>

Highlights

	Apr-Dec 2010
Landings	4,957
- of which international	253
Passengers	758,478
Employees, full-time equivalent	83
Revenue, SEK M	86

	Apr-Dec 2010
Landings	5,123
- of which international	249
Passengers	648,737
Employees, full-time equivalent	86
Revenue, SEK M	77

	Apr-Dec 2010
Landings	2,385
- of which international	420
Passengers	243,996
Employees, full-time equivalent	51
Revenue, SEK M	36

	Apr-Dec 2010
Landings	4,327
- of which international	185
Passengers	250,752
Employees, full-time equivalent	40
Revenue, SEK M	33

	Apr-Dec 2010
Landings	1,374
- of which international	20
Passengers	155,952
Employees, full-time equivalent	20
Revenue, SEK M	22

	Apr-Dec 2010
Landings	987
- of which international	16
Passengers	140,590
Employees, full-time equivalent	38
Revenue, SEK M	24

Collaborations

City Break to Swedish Lapland - works together with the tourism industry in the region to establish a non-stop international route to the airport. The project is supported by the EU.

Visit Sweden - partnership.

Travel agencies in the region - collaboration.

Regional EU project - aimed at promoting and facilitating cycling. Building a garage for bicycles and renting bicycles to passengers.

Swedish Maritime Administration - building a hangar for the Swedish Maritime Administration's rescue helicopters, ready in 2011.

Visit Sweden - marketing the region in new markets.

The region - destination development.

Swedish Gotland - a collaboration with Visit Sweden, the Gotland Tourist Association and parties from the tourism industry.

Gotland Convention Bureau - working to create major conferences and meetings in Gotland.

Chamber of Commerce - collaboration to develop southeast Sweden's airports.

Aviation Council - county governor, business executives, university, airlines, travel agencies and others.

Swedish Armed Forces/F17 - collaboration to enhance the airport brand in the region.

Collaboration with the municipalities and regional board in Blekinge in connection with the development plan for the civilian airport.

Swedish Lapland - destination development.

Municipality of Kiruna - transformation of the city.

Spaceport Sweden - establishment of commercial space travel.

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Airline, Hans Ollongren, SAS

“Swedavia provides us with good infrastructure”

“For both SAS and Swedavia, satisfied passengers and a reduced environmental impact mean more profitable business. On-time performance along with good infrastructure and service give us satisfied customers and greater competitiveness. And with lower fuel consumption, we spare the environment and save money”, says Hans Ollongren, Senior Vice President of Corporate Public Affairs at SAS.

SAS’s and Swedavia’s shared interests have served as inspiration for a collaborative agreement, called POINT, between the companies. The focus of the collaboration is a time control system for aircraft movements that provides greater predictability. LFV, which provides air navigation services in Sweden, is also taking part in the project.

“Swedavia provides us with really good infrastructure and meets our expectations and requirements. That is especially important during the winter since Swedavia is good at keeping the runways open with effective snow removal.”

SAS chooses to work with airports that are located in the airline’s natural traffic flow. SAS’s focus is on business travellers, and Stockholm Arlanda Airport, Copenhagen Airport and Oslo Airport are the airline’s most important hubs.

SAS appreciates how Swedavia takes responsibility. Mr Ollongren sees Swedavia’s major commitment to the environment as something positive for the entire aviation market, and it helps enable air travel to grow and develop responsibly.

“Swedavia works with its own environmental impact and also takes initiative as a good neighbour with those living near the airport.”

Mr Ollongren believes that Swedavia’s long-term planning for capital spending is good. He also sees more commercialisation since operations were transferred from LFV and wants to point out the danger of airports becoming shopping malls with runways.

“Commercial interest should not take the upper hand at airports. For airlines, the focus is on the airports’ operational functions for aviation.” SAS sets high demands on the airports’ pricing of services in terms of competitiveness and adjusting to markets. “My view is that an airport is always a natural monopoly. Airports have to be cost-effective and contribute to the long value chain that aviation comprises.”



“*Swedavia does not want to be part of the problem but rather part of the solution.*”
Lena Wennberg, Environment Strategy Manager, Swedavia

Sustainable development – our future

Sustainability issues are an integral part of Swedavia's operations. This entails a structured working method in which finance, the environment, social issues and social responsibility are all a part of the business model. The objective of Swedavia's work with sustainability is to achieve good results in business terms by running operations with as limited a negative impact on the environment as possible and acting responsibly so as not to jeopardise the chances of future generations having a good life.

Proactive work with sustainability helps to increase profitability by making existing processes more efficient, developing new business concepts and enhancing the company's competitive advantages through a stronger brand.

Sustainable development for Swedavia

Sustainable development for Swedavia means that we together work to bring the world closer and thereby promote integration and cultural understanding in a globalised world. We are an important part of the infrastructure that gives everyone, regardless of nationality, sex, age or physical ability, access to Sweden and the world.

We are reliable. We offer well suited products that develop our operations following solid business principles over the long term while maintaining a high level of safety. Innovativeness also allows us to minimise our environmental impact.

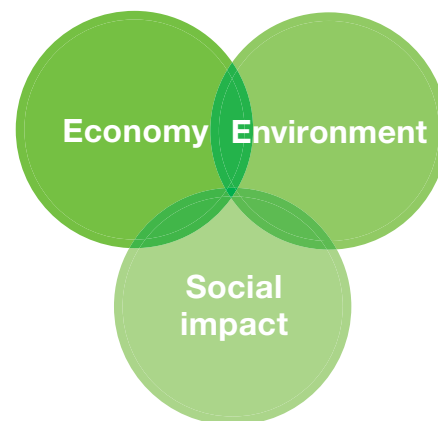
Our work means that we contribute to local, regional and national social and economic development; we help to increase employment and provide opportunities for people to travel and meet.

We communicate about our work in an open, transparent way so that our strengths and weaknesses are better understood.

The term sustainable development was coined by the Brundtland Commission (*Our Common Future*, 1987) and defined as “development that meets that needs of the present without compromising the ability of future generations to meet their own needs”.

Strategy, management and organisation of Swedavia's sustainability work

Swedavia's ambition is to have its sustainability work integrated in day-to-day operations to the greatest extent possible. That is when the effects of a common approach with clear objectives and strategies are greatest. Swedavia has formed a Sustainability Forum in which key staff with responsibility for or contact with priority areas and important stakeholders together discuss objectives, strategies and courses of action in the area of sustainability. The forum consists of the following functions: President and CEO (chair), HR Director, CFO, CIO, Director of Safety, Environmental Director (in charge of sustainability), Purchasing Director, Airport Director of Umeå Airport, Sustainability Manager at Stockholm Arlanda Airport and Operations Developer at Stockholm Arlanda Airport. The Sustainability Forum convenes when the need arises. If decisions critical to operations are required, the matter is taken up by Swedavia's executive management.



Swedavia's work with sustainability is built on three cornerstones: **Economy** - Swedavia operates its airports based on sound business principles over the long term.

Environment - Swedavia is an international role model on environmental issues.

Social impact - Swedavia takes responsibility as an employer, promotes employee development and has a good workplace environment. Human rights, laws and other requirements shall be respected in the procurement of goods and services.

2010.10.16
6.32 a.m.



Dialogue with stakeholder groups develops operations

The most important stakeholders for Swedavia are its owner, employees, passengers, airlines, tenants and local communities, which are a broad group that includes municipalities and businesses but also people living in the vicinity, the general public, the media and potential future employees. Swedavia has reviewed its ongoing dialogues with stakeholder groups and conducted a qualitative survey of these parties in the form of a criticality analysis to see what issues the parties think Swedavia should give priority to and to investigate whether there are any gaps in Swedavia's ongoing dialogues; see the table on page 41.

A critical success factor for the work with sustainability is a keen awareness of customer needs and requirements in order to provide sustainable solutions. The work on dialoguing with Swedavia's stakeholder groups will continue. The aim is to increase knowledge about how these parties perceive Swedavia's work with sustainability and use this knowledge to adjust its range of services and communication to the needs of key stakeholder groups.

Swedavia maintains an ongoing dialogue with various stakeholder groups

A number of different dialogues with Swedavia's stakeholder groups are maintained although the frequency and format vary from airport to airport. The larger airports maintain frequent dialogues with stakeholder groups, which is also a feature being introduced at the smaller airports.

Each year a number of surveys are conducted targeting various stakeholders. In addition to the survey, dialogues are carried out in different forums, networks and frequently held meetings.

Owner

The Swedish Government has been given the task by Parliament of managing the State's assets for the best possible long-term value growth and – when the case arises – implementing specially adopted social measures. For Swedavia, this means, for instance, that the company may not shut down or divest any airport included in the national basic airport infrastructure. The owner exercises corporate governance primarily through shareholder meetings, through a professional, structured Board nomination process with nomination and assessment of Board members and through dialogue with the Chairman of the Board. Other tools in Swedavia's management model include its ownership policy containing guidelines for external reporting, remuneration terms for executive officers, and environmental and social responsibility programmes.

Employees

Each year, an employee survey is to be conducted in which a majority of the questions concern Swedavia's social respon-

sibility as it directly affects employees. Other dialogues are carried out in staff meetings, employee performance reviews and internal training.

Passengers

A number of different passenger surveys are conducted on a regular basis. Questions about Swedavia's range of products and services, customer satisfaction and Swedavia's economic responsibility dominate.

Tenants

Surveys aimed at Swedavia's tenants also include mostly questions about the company's economic responsibility with an emphasis on customer satisfaction. Other dialogues with tenants are conducted in customer meetings held on a regular basis.

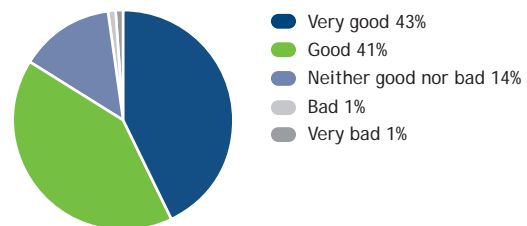
Airlines

The survey aimed at airline customers only concerns Swedavia's economic responsibility with respect to Swedavia's range of services and customer satisfaction. Other dialogues with airlines are conducted in various committees and forums at the airport, customer meetings and trade shows around the world.

Local communities

In surveys and attitude measurements aimed at various groups in local communities, questions focus on Swedavia's environmental responsibility. A number of questions also pertain to economic responsibility. Other dialogues with local communities have a strong regional connection, with the local airport included in a number of forums and collaborations with politicians, government agencies, businesses and various stakeholder groups in the region.

How do you feel about living with the airports as your neighbour?



Survey of neighbours' attitude to aviation, spring 2010. Participating airports: Göteborg Landvetter Airport, Malmö Airport, Sundsvall Airport, Visby Airport, Åre Östersund Airport, Ängelholm Helsingborg Airport, Örnköldsvik Airport, Skellefteå Airport, Umeå Airport.

DIALOGUE WITH SWEDAVIA'S STAKEHOLDER GROUPS

Below is a summary of the key issues that Swedavia's stakeholders keep bringing up. The issues have different weights depending on the airport and should be seen as a weighted aggregate in order to assess the issues most important to Swedavia's stakeholders as a whole.

Stakeholder	Group	Issues	Dialogue format
Owner	The Government	Profitability	Shareholder meetings, Board meetings, Annual Report
	The Ministry of Finance	Industry role model	
Employees	Employees	Workplace environment (physical and psychological)	Employee survey (SEI), Employee performance reviews
	Unions	Leadership, Empowerment ¹	Staff meetings, Letters from the CEO, Intranet
Passengers	All departing/arriving passengers	Airport experience	Passenger survey (Travel Habit Survey)
	Visitors	Cleanliness at the airport	Passenger survey (ASQ)
		Service and courtesy from employees	Q-monitor (SCI), Visitor Center, Terminal values
		Clarity of information	Electronic newsletter, Information via telephone
			Twitter
Tenants	Airlines	Technical support, Prices, Indoor climate	Property industry survey Fastighetsbarometern (SCI)
	Ground transport organisations	Expansion plans, Contact procedures for service	Customer meetings
	Ground handling companies		Newsletter
	Restaurants and shops		Travel Habit Survey
	Other companies		
Airlines	Existing customers	Capacity demand	Perceptions study (airlines and ground handling companies)
		Strategic development plans	Customer meetings
		Airports' range of products and services	Newsletters (Swedish Aviation News)
		Regional collaborations	Airport Operators Committee (AOC) - Airline forum
		Marketing support programmes	Trade fairs (ROUTES)
Local communities	Municipalities	International and national access	Aviation and the environment (SIFO)
	Government agencies	Economic engine in the region	Neighbourhood public relations officer
	Neighbours	Minimising environmental impact - noise	Neighbour survey (SNI)
	Associations	Minimising environmental impact - emissions to air, ground and water	Press releases
	Businesses	Air safety	Press office
	Media	Assured delivery - reliability	Newsletters (employees and neighbourhood)
	Universities		Regional collaborations with municipalities and businesses

Swedavia's selection of stakeholders was determined by which ones are of critical importance to operations and have a major interest and potential impact from a sustainability perspective. In 2010, Swedavia carried out dialogues with stakeholder groups such as its owner, employees, passengers, airlines, tenants and local communities.

¹ Empowerment means that responsibility, authority and competence are linked to my role as an employee.

Important questions from stakeholder groups

In 2010, Swedavia carried out a qualitative survey in which Swedavia's most important stakeholders were:

- Owner
- Employees
- Passengers
- Tenants
- Airlines and
- Local communities

The stakeholders were supposed to rank which responsibility issues they thought Swedavia should give priority to. They were also supposed to indicate what their expectations were in terms of Swedavia's responsibilities and how well Swedavia communicates on these issues. A summary of the results is presented here, and the survey as a whole will be used as part of the continuing development of Swedavia's work with sustainability.

The survey was also conducted internally with the aim of comparing Swedavia's perception of what areas of responsibility work are most vital compared to the perception of stakeholders. The matrix on page 43 illustrates the importance of these areas of responsibility for Swedavia and Swedavia's stakeholders.

Some areas of responsibility considered to be of critical importance both internally and externally are:

- Swedavia's range of products and services, that is, the company's work to develop this range, as well as maintain high quality and assured delivery and provide good service to customers
- Discharges to the ground and water, that is, minimising the environmental impact of emissions

- Active collaboration with others involved in the aviation industry to minimise noise and greenhouse gas emissions
- Security, that is, work to help increase aviation security
- Safety, that is, work to help increase aviation safety
- Collaboration with the regions around Swedavia's airports

Demands from its owner and customers

As a State-owned company, Swedavia shall be a role model in terms of environmental and social responsibility. The overall objective of Swedish transport policy is to ensure the provision of transport that is efficient in socioeconomic terms and sustainable over the long term for citizens and businesses across the country while maintaining good quality and concern for safety, the environment and health.

Customers are also placing growing demands on the work for sustainability. For customers with advanced sustainability work, it is important that their suppliers can meet requirements by providing sustainable products and services as well as their own pioneering work with sustainability.

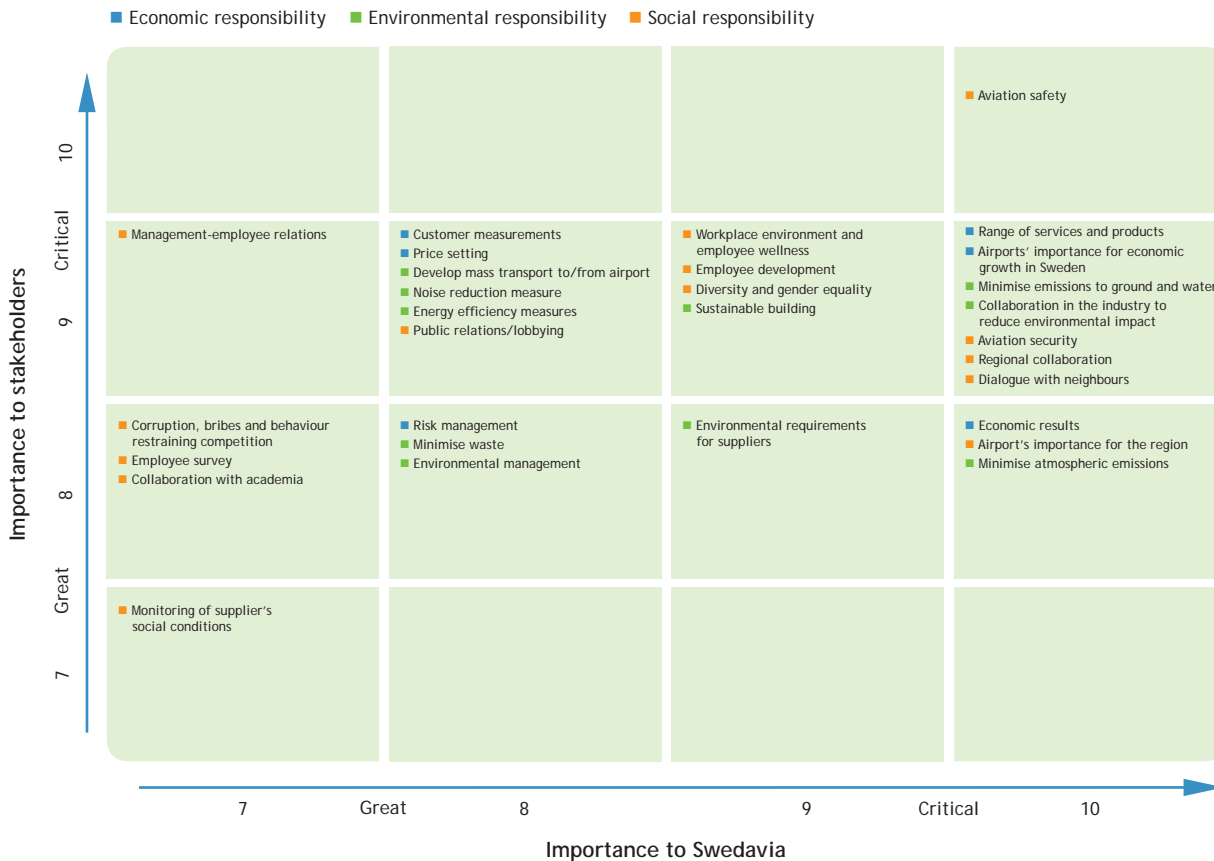
Sustainability reporting

Swedavia is reporting on its sustainability work (economic, environmental and social impact) for the first time following the Global Reporting Initiative (GRI)'s G3 guidelines. Swedavia believes that its report corresponds to GRI's C+ level. This was also confirmed by Swedavia's external accountants, who have examined the Sustainability Report. The GRI report consists of information about sustainability in the financial accounts and on pages 38–65.

Economic value created and delivered

SEK M	Comment	Stakeholder group	2010-04-01 -2010-12-31
Direct economic value created			
Revenue	Net revenue plus income from financial investments and the sale of assets	Customers	3,333
Shared economic value			
Operating expenses	Payments to suppliers, non-strategic investments, royalties and undue payments	Suppliers	-1,466
Salaries and remuneration to employees	Total payments to employees (current payments, not future obligations)	Employees	-938
Payments to credit providers	All financial payments made to those providing capital to the organisation	Creditors	-192
Payments to the public sector	Tax - gross	Owner	0
Economic value delivered			
Remaining in the company	Capital spending, repayment of capital etc.		737

CRITICALITY ANALYSIS - RESULTS OF EXTERNAL AND INTERNAL CRITICALITY SURVEY



The requirement for reporting at the C level is to report on a selection of criteria under Strategy and Profile, that is, the background for describing how the organisation's work on sustainability is linked to its operations. In addition, at least ten core indicators, with at least one from the economic, environmental and social categories, should be reported. According to the owner's directive, all State-owned companies shall submit an annual sustainability report.

Swedavia was formed as a limited liability company on April 1, 2010. This means that data for economic and social impact are only reported for the period April to December 2010. There is thus a limited possibility of comparison with previous years. Environmental data are reported for the full year 2010 together with historical data for the equivalent operations. The report includes all of Swedavia's operations.

The same reporting cycle is used for the Sustainability Report as for the rest of the Annual Report, that is, the calendar year. (However, the first Annual Report only includes the second, third and fourth quarters while the environmental report covers the full year.)

The GRI indicators were chosen based on the criticality analysis from our dialogue with stakeholder groups, where we identified which indicators best reflect the perceptions of Swedavia and its stakeholders in terms of what is important for our work and what performance is relevant in reporting.

A description of how Swedavia works with sustainability issues and its vision as well as what was actually achieved in 2010 is included in the Annual Report mainly under "Comments from the President and CEO and the Chairman of the Board" and in the section on sustainable development, local communities, employees and the environment as well as the Report of the Directors and the accounts. The GRI index and references are found on pages 111–114. For further clarification of where sustainability results are reported, a box with selected GRI indicators is included at the end of each section.

SELECTED GRI INDICATOR

EC1 Economic value created and delivered

Growth and access

Swedavia works very actively to increase travel to and from Sweden. This leads to new impressions and contacts that help produce a multicultural, global society. Increased travel also creates growth and prosperity just as growth and prosperity increase travel.

Access

Air travel and Swedavia have a strategically important role. Growth in Sweden, both at the regional and national level, is built on a well functioning transport system with coordination between different modes of transport. Swedavia's airports are a key component of Swedish and international mass transport and a prerequisite for people and goods being quickly transported within the country and elsewhere in the world.

Aviation is a cost-effective way to maintain an efficient transport structure in a large, sparsely populated country like Sweden. The national airport system has been formed to some extent as a hub system. Stockholm Arlanda Airport serves as a hub and the other airports constitute spokes. So it is possible to travel from almost everywhere in Sweden to Stockholm, hold a meeting and return the same day.

Nearly 20 per cent of flights to and from Stockholm Arlanda Airport are transfer flights. International flights account for 72 per cent of all flights, and it is possible to fly to almost 150 destinations outside the country. As a result, the airport helps to increase both national and international access for all of Sweden.

Competitiveness for businesses

Sweden is one of the most export-dependent countries in the world. Aviation is extremely important for Swedish trade and industry. When businesses choose a location to establish operations, access to air service is one of the most important factors. Efficient connections to commercial centres and rapidly expanding markets are critical factors to be able to grow and

“ Without a new environmental permit for Stockholm Arlanda, the airport will be forced to reduce capacity considerably, which will have a significant adverse impact throughout Sweden.

Torborg Chetkovich, CEO

compete globally. Air cargo accounts for about 25 per cent of Swedish export values. A large share of components for Swedish manufacturing arrive by air. Air cargo contributes to efficient production with shorter lead times.

Benefits tourism, culture and knowledge

Travel contributes a range of non-measurable social effects. Swedavia's airports enable flight connections that increase cultural exchange, promote cultural diversity and understanding, and make it easier for knowledge-intensive companies to work in global networks.

The range of cultural attractions in a region may depend on visitors travelling there. Access is important for the visitors' choice of destinations as well as the region's potential for arranging major international events. Tourism is one of Sweden's largest and most important industries. The Swedish tourism industry is growing, and over half of international visitors arrive by air.

Collaborations that drive development

Maintaining contacts with various stakeholder groups in society is an important issue for all of Swedavia's airports. Over the past decade, collaboration with different stakeholder groups as well as with local and regional authorities has developed on a continuing basis. This collaboration is aimed at clarifying the major importance that the airports have for greater access and regional development while pursuing efforts to reduce their environmental impact. Swedavia's airports maintain an intensive dialogue with policymakers and businesses to influence them in these issues. This supports Swedavia's overall objective to reduce the airports' own environmental impact as well as the indirect environmental impact of aviation.

Working together with politicians and the business community so they gain the maximum benefit from the airports is a crucial issue, as is collaboration with government authorities, the aim being to create favourable conditions for good social development.

Swedavia is an active member of ACI Europe, which works with issues related to the environment, aviation capacity, airport charges, security, consumer issues and competition issues at the European level. ACI is an extremely important channel for Swedavia so that we can influence what decisions are made at the EU level.

Swedavia sets great value on working together with other parties and stakeholder groups in order to both influence and develop the industry and its conditions. Working together with local and regional stakeholders is an important success factor for Swedavia.

- Swedavia works together with the Swedish business community, through chambers of commerce and local business development companies in municipalities and regions
- Swedavia works with organisations in Swedish mass transport
- Swedavia's airports work in close collaboration with local politicians in the municipalities and play an important role in social planning
- Swedavia works to increase tourism together with local destination and marketing companies in order to create a basis for new flight connections
- Swedavia works in close collaboration with major tenants and construction companies that help develop Swedavia's property operations
- Swedavia works together with universities
- Swedavia works with research organisations like IVL (the Swedish Environmental Research Institute), KTH Royal Institute of Technology's research firms and Värmeforsk (the Thermal Engineering Research Association) for knowledge and data to provide a basis for decision-making
- Swedavia works with companies to develop new technological solutions, like a snow removal machine that runs on biogas

AVIATION COVERS ITS OWN COSTS

Swedavia pays its own costs for operations, infrastructure and capital spending. All revenue comes either directly or indirectly from air traffic.

Unlike roads and railways, whose infrastructure is paid for with public funds, financed through taxes, the aviation industry pays for its own infrastructure with revenue that comes from customers. So it is passengers who pay for the Swedish air transport system, and aviation largely covers its own operations.

The same structure is used in most countries, which means that in the present situation the different modes of transport cannot be taxed fairly in the same way. Each type of transport has its own funding structure, and for the aviation industry it is a question of current costs and long-term capital spending being financed by those who use air travel.

SELECTED GRI INDICATORS

SO5 Public policy positions and lobbying
EC4 Significant financial assistance received from government

Tenant, Roger Lundin, Coor Service Management

“With service as our first priority”

Roger Lundin has worked at Stockholm Arlanda for 24 years, first with LfV and in the last year with Swedavia as a partner. Mr Lundin is an administrator at Coor Service Management, which manages and develops service functions at Stockholm Arlanda Airport and makes them more efficient. The company's objective is to provide good service and infrastructure to SAS and passengers at Stockholm Arlanda Airport.

“Coming here and getting away should be smooth and easy, and while you're here, you should have a pleasant time and be able to take advantage of the shops and services.”

With extensive experience in providing relevant services to passengers, Mr Lundin sees a clear trend in capitalising on the airports' commercial potential. “Our collaboration with Amsterdam Schiphol Airport has meant improvements in the range of commercial products and services at Stockholm Arlanda Airport.”

Mr Lundin sees Swedavia as an extremely conscientious organisation that makes prudent use of its resources by maximising the services on offer at its airports and working very actively to lower its costs.

“Every cost is questioned, and Swedavia is very creative when it comes to new sources of income.”

Mr Lundin is enthusiastic about how heat and cooling are extracted from the ground in the boulder ridge at Stockholm Arlanda Airport, and he appreciates Swedavia's commitment to environmental efforts such as its investment in environmentally clean vehicles at the airport. He proposes a new idea:

“The kinds of vehicles that have the least environmental impact on trips to and from the airport should be least costly for travellers. When it comes to reducing our carbon footprint, it is really important that all of us, passengers and airport employees alike, make an effort.”



“Part of Swedavia’s sustainability work is active employees who want to and can contribute to the company’s profitability and development.

Charlotta Hyldal, HR Director

2,500 employees for 28 million passengers

Swedavia has about 2,500 employees who take care of more than 28 million passengers a year. The employees create a smooth, safe and positive travel experience and help to increase competitiveness for airlines and other commercial customers.

Development is achieved together

Developing Swedavia together is the core of Swedavia’s corporate culture and new vision: Together we bring the world closer. This slogan emphasises a culture of mutual responsibility, where the employer has a responsibility for employee development while employees have a responsibility to help in developing operations. Active employees who want to and can contribute to the company’s profitability and development are part of Swedavia’s sustainability work.

Ash cloud crisis shows Swedavia’s collective strength

During the ash cloud crisis in April 2010, European airspace was closed on and off for about a week. The world was able to see how aviation is enormously important to our society.

Under crisis-like conditions, Swedavia’s employees had the opportunity to test the new organisation. The airports demonstrated their preparedness, returning to full operations within six hours, while at the same time costs were reduced by cutting staff and redirecting employees to other tasks. Every component of Swedavia’s crisis management organisation at the strategic, overall and rapid-response level was active during the crisis.

Clear values and sound business principles

During the year, Swedavia began to implement shared values throughout the organisation.

Swedavia’s values, vision, mission and brand platform were introduced at the end of the year to all of Swedavia’s executives. In early 2011, Swedavia launched the leadership behaviour that will create success for Swedavia – leaders who create commitment, performance, collaboration and customer focus, thereby driving business development.

An important task for Swedavia’s management is to explain how employees contribute to the overall objectives in their day-to-day work and to translate business goals into individual goals that can be monitored. One tool is employee performance reviews, where employees and their boss together develop contracts with objectives and plans of action, directly linked to Swedavia’s overall strategies. When vision and values are linked to something real, employees can provide a good experience to passengers, a good partnership with airlines, good results for the owner and sustainable strategies for the environment and the airports’ neighbours.

Code of Conduct developed

In a values-driven organisation like Swedavia, it is important to establish ethical guidelines in a Code of Conduct. Swedavia’s Code of Conduct is being developed and will be introduced and implemented throughout the organisation in 2011.

Employees developing Swedavia

Employees’ ideas and opinions are important for the development of operations. In addition to dialogue in the day-to-day work, there are other methods for ensuring that employees’ views are part of the development of operations – the annual employee survey, dialogues about the future, staff meetings/workplace gatherings, employee performance reviews and discussions about objectives, the ever ongoing work to improve operations, operational planning and the collaborative workspace.

Talent development is objective-driven

Talent development at Swedavia is objective-driven, based on the company’s business objectives. A gap analysis is performed in conjunction with the business planning process to analyse what measures are needed. General talent management plans are broken down at the individual level and included in the planning of objectives and development for each employee.

All training for specific positions, such as in the areas of safety, security, fire and rescue, field service and airport station service, are gathered under the training unit Airport Academy.

2010.05.10
1.50 p.m.



Swedavia has begun work to map out its training programmes and can report results for 2010 for parts of this organisation.

Employees with many skills

Many employees at Swedavia's regional airports have previously developed multiple skills and can work at several stations at the airport. This way of working promotes a better workplace environment with varied tasks. At the same time, Swedavia gains more efficient staffing and resource planning.

Some 600 employees from operational functions at Stockholm Arlanda Airport are taking part in the project "Work Smarter". The project explores the possibility of multi-skilled employees with flexible professional capabilities who can work in several different units. The aim is to create a better customer experience, a workplace that promotes development and a more efficient organisation.

Aims to be an attractive employer

One of Swedavia's goals is to be an employer that has an easy time recruiting and retaining talent in the company. Swedavia's successful environmental efforts are mentioned by job

Average number of hours of training per year ¹	
Management	35
Staff/specialists	35
Administration	8
Aviation operations staff	28
Passenger service	20
Operation/maintenance	50

¹ The figures in the table are an estimate for all of Swedavia based on units submitting reports (Stockholm Arlanda Airport, Göteborg Landvetter Airport, Malmö Airport, Bromma Stockholm Airport, Kiruna Airport and Business Support).

applicants as an important factor in choosing Swedavia as a workplace.

During the year, Swedavia appointed 21 employees Travel Leaders. The Travel Leaders represent different operations and different professional groups. They are Swedavia's face to the world and can therefore enhance pride and credibility in the company in terms of what Swedavia has to offer as an employer. The Travel Leaders will also help in the work to establish corporate values among employees and management.

SWEDAVIA'S VALUES

Together we create a culture with reliability, commitment, innovativeness and a warm welcome for both our passengers and partners.

Greater diversity and gender equality

Swedavia considers gender equality and diversity to be strategically important issues. It is a fundamental business advantage to have work for gender equality and diversity that is carefully designed and implemented. In 2010, Swedavia worked in line with a plan formulated by the previous enterprise LFV. In 2011 Swedavia will enhance its skills in this area and develop a new plan for diversity and gender equality.

Working for healthy employees

Swedavia works very actively to draw attention to and provide work-related rehabilitation in case of repeated short-term absences due to illness as well as longer such absences.

Beginning in 2011, Swedavia is providing uniform occupational health service throughout the company. A new development is that all of Swedavia's workplaces have access to crisis management support through the occupational health service during working hours, no matter the time of day.

Swedavia supports employees and encourages them to take responsibility for their health by subsidising fitness activities.

Safe, secure workplace environment

Swedavia carries out methodical work on the workplace environment, with safety inspections and risk assessments. Every new manager is trained in workplace environment issues and assumes responsibility for the workplace environment only after passing a knowledge test. At Swedavia's different workplaces, there is at least one safety officer who is responsible for representing employees and working with their employer on workplace environment issues. The safety officers are likewise represented in Swedavia's collaborative workspace forum, which is also a safety committee.

Swedavia has zero tolerance for employees under the influence at work, part of its efforts to create a safe, secure workplace environment. The drug testing programme entails that

all employees may be subject to a random drug test. The number of tests on an annual basis corresponds to 25 per cent of its labour force. In case of positive test results, Swedavia offers rehabilitation with the aim that the employee retains his or her job. In recruitment, the final candidate is tested before being employed.

Practices to counter discrimination

Swedavia today has suitable measurement functions and procedures to address perceived discrimination. In the employee surveys¹ carried out in 2010, questions were asked pertaining to bullying and sexual harassment. In all, 171 reports of bullying in the workplace were submitted, and 61 people felt they were subject to bullying. In addition, 43 people reported instances of sexual harassment in the workplace, but only 9 reported that they themselves had been sexually harassed.

Swedavia has one incident where the investigation is not completed. At the present time, the matter has not been taken up in a formal negotiation of grievances by the local trade union. Otherwise, all other incidents have been fully investigated and measures were taken where necessary.

There were no formal legal proceedings in a court of law during the financial year 2010. At Swedavia, or previously LFV, there has not been any previous negotiation of grievances at the central or local level involving discrimination, nor has Swedavia been subject to a dispute in a court of law pertaining to discrimination.

Occupational injuries and occupational diseases

Swedavia compiles no Group-level figures for occupational injuries and occupational diseases. Reported and registered occupational injuries and diseases were taken from Swedavia's document management system. Because this information is confidential, available data are restricted to when the report was submitted, what happened and whether it involved an accident, illness or accident en route to or from the workplace.

This indicator is being developed and, since Swedavia is a new company, only a partial report can be submitted. Swedavia therefore reports an aggregate figure that combines occupational injuries and diseases.

¹ In 2010, employee surveys were carried out at the following airports: Bromma Stockholm Airport, Göteborg Landvetter Airport, Karlstad Airport, Kiruna Airport, Luleå Airport, Malmö Airport, Ronneby Airport, Sundsvall Härnösand Airport, Umeå Airport, Visby Airport, Äre Östersund Airport, Ängelholm Helsingborg Airport and Örnsköldsvik Airport.

Employee statistics

Number of employees Dec 2010 ³	2,557
Men/women ³	1,662/895
Managers, men/women Dec 2010 ²	109/69
Executive management, men/women ²	7/5
Salary differentials, men/women Dec 2010 ¹ , SEK/month	-517 -1.81
Salary differentials, men/women Dec 2010 ¹ , % (women have higher salaries than men)	
Absence due to illness, share of regular scheduled work hours - short-term and long-term ³ , %	3.65
Absence due to illness, men/women ³ , %	3.15/4.69
Absence due to illness exceeding 60 days, share of total absence due to illness ³ , %	40.42
Employee turnover ⁴ , %	7.5
Share of internal recruitment ⁴ , %	4.17
Revenue per employee ⁵ , SEK M	1.3

Data reported only for the period April 1-December 31, 2010.

¹ Pertains to Swedavia AB excluding employees paid hourly wages

² Pertains to Swedavia AB

³ Pertains to the whole Group

⁴ Pertains to Swedavia AB excluding employees paid hourly wages and fixed-term employees

⁵ Calculated based on the average number of employees at Swedavia AB

Occupational injuries and occupational diseases	Swedavia	Stockholm Arlanda Airport
Injury rate, work-related injuries	0.92	1.30
Days lost	—	2.85

SELECTED GRI INDICATORS

- LA7 Rates of injury and occupational diseases
- LA10 Hours of training per employee
- HR4 Discrimination incidents

Employer, Johan Martinsson

“This isn’t a job – it’s an adventure”

That is how Johan Martinsson describes his job as a security screener at Göteborg Landvetter Airport. Mr Martinsson has worked at Swedavia since 2008 as a security screener and since November 2010 as one of the airport’s five Travel Leaders as well.

“My task as a security screener is to guarantee the passengers’ security. By greeting them and explaining our rules and why we have them, passengers feel that we are conducting the security check for their sake. Passengers often express gratitude for our thoroughness.”

Göteborg Landvetter Airport gets one of the best marks for security from passengers. This is measured in the international Airport Service Quality survey (ASQ), which Göteborg Landvetter Airport and 153 other airports across the world take part in. The honour is both gratifying and stimulating for Mr Martinsson and his colleagues.

“We get an amazing amount of positive feedback from passengers, especially after situations where a little bit more is required of us - when we have solved a problem

by being committed and innovative. Our focus is always on the passengers, and we all strive to exceed their expectations.”

Security screeners must make quick decisions and be able to improvise to best resolve situations that arise.

“We employees are ambassadors for Swedavia. Swedavia employees should be there for passengers and make them feel welcome everywhere at the airport - from the parking lot to the time they board.”

The Travel Leaders at Swedavia’s airports meet on a regular basis to share experiences and develop processes and business. Representatives from management attend the meetings and learn from the conversations and ideas. The new values - Reliable, Welcoming, Committed and Innovative - promote Swedavia’s development and growth.

“The new values really summarise what is necessary to achieve our vision and will strengthen the brand through greater passenger awareness, regardless of which Swedavia airport they visit.”



AIRPORT SECURITY

FLYGPLATS
KONTROLL

World-class environmental work

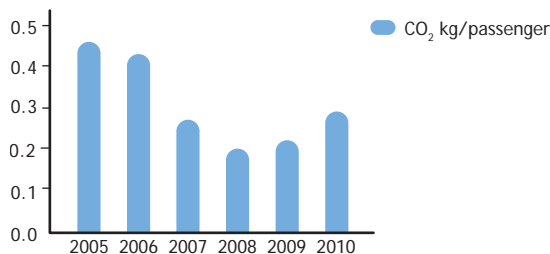
Swedavia is an international role model for operating and developing airports with the least environmental impact possible. In 2010, Stockholm Arlanda Airport was the first airport to win ACI Europe's newly established environmental award for its environmental work.

The environmental impact of air travel is of critical importance to the aviation industry and thus to Swedavia. Swedavia gives high priority to reducing emissions of greenhouse gases, minimising energy use, working to achieve resource-efficient operations and reducing emissions to the ground and water. The company handles chemicals responsibly and strives to replace chemicals that are hazardous to the environment with less harmful ones. Waste is minimised in three ways – first by preventing waste production, second by reusing products and third by recycling materials and energy.

Stockholm Arlanda Airport's world-class environmental work

Stockholm Arlanda Airport was the first airport to win ACI Europe's newly established Eco-Innovation Award, receiving

Emissions from Swedavia's own operations per passenger, 2005-2010



Historical figures are from the part of operations transferred to Swedavia's operations on April 1, 2010, corrected for structural effects.

AVIATION'S GLOBAL CLIMATE GOALS

- Emissions from aviation shall be cut by 1.5 per cent per year by 2020.
- Aviation shall experience carbon dioxide-neutral growth beginning in 2020.
- Emissions from aviation in 2050 shall be cut in half compared to 2005.

For more information, see www.enviro.aero

the honour “for outstanding achievement in environmental performance and an innovative approach to environmental management”.

In 2009, Stockholm Arlanda Airport was the first airport to achieve ACI's highest carbon accreditation level and last year was also awarded the Swedish Energy Prize.

Climate issue a high priority

The entire transport industry must factor in and deal with climate change as well as implement measures to reduce emissions as far as possible and also voluntarily contribute to carbon offset measures.

The United Nations Climate Change Conference in Cancún, Mexico, ended in late 2010 with an agreement between the countries, with the UN recognising for the first time the emissions target of limiting the rise in average temperature to 2 degrees Celsius. The aviation industry's ambition during the negotiations was to include emissions from international air travel in the UN's climate work since they are not included in the Kyoto Protocol. Air travel accounts for 2 per cent of the world's carbon dioxide emissions. Aviation is the only international industry to develop common climate change targets for 2050. These include a 50 per cent cut in carbon dioxide emissions by 2050 compared to 2005.

2010.04.10
10.12 a.m.



AIRPORTS REQUIRE ENVIRONMENTAL PERMITS

In order to operate an airport, an environmental permit is required for basic operations. The authority that issues permits for most of Swedavia's airports is the Environmental Court at Nacka District Court. There are various conditions attached to the permits. Changes in the conditions are made when there are changes in operations, such as changes in departure and arrival routes. Notification is submitted for more minor changes in operations, for instance, when an airport places a car park in service or changes de-icing agents. The notification is then submitted to the local County Administrative Board, which is usually the oversight authority. Stockholm Arlanda Airport, Göteborg Landvetter Airport and Malmö Airport are now preparing applications for new environmental permits in 2011 and 2012.

Terms of Stockholm Arlanda Airport's environmental permit

An emissions cap was one of the conditions of the environmental permit granted to Stockholm Arlanda Airport by the Swedish Government in 1991. The condition set a cap on the amount of carbon dioxide and nitrogen oxide the airport's operations and ground transport to and from the airport could generate per year. The emissions cap includes not only emissions from airport operations but also from all travel by passengers and employees to and from the airport. Stockholm Arlanda Airport is the only airport in the world subject to terms for the emissions from such passenger travel. Emissions from aircraft up to 915 metres in altitude and emissions for all goods transport to and from the airport are also included in the conditions.

Local noise level limits

In 2004, the Stockholm County Administrative Board requested a re-examination of the conditions of Stockholm Arlanda Airport's environmental permit, which regulates the possibility of making straight-in approaches from the south. The terms entail that regular straight-in approaches from the south are not allowed as of January 1, 2018. As a result, overflights and noise over Upplands Väsby are avoided.

The Environmental Court required Swedavia to give an account in January 2011 of a system that allows curved and segmented approaches to avoid overflights of Upplands Väsby. However, the joint assessment of the air navigation services and the Swedish Transport Agency is that it will not be possible to use this type of approach in peak traffic for the foreseeable future. Swedavia has not found any way to avoid overflights of the built-up portions of Upplands Väsby in peak traffic.

Swedavia is preparing an application for a new environmental permit for Stockholm Arlanda Airport. With the regulations now in place, Stockholm Arlanda Airport may need to reduce its capacity significantly in the future. With an environmental permit revised to reflect today's reality, traffic can increase and the environmental impact decrease. An airport that takes environmental responsibility and develops contributes to greater growth, more jobs and thus greater prosperity across the country.

Swedavia is climate-neutral

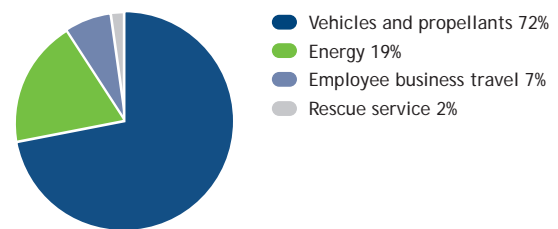
In 2006, Swedavia (then LfV) was one of a number of Swedish companies that were out early as being climate-neutral. A climate-neutral organisation must map its climate-changing

emissions and implement measures to reduce emissions before purchasing carbon offsets for the remaining amount. As a result, the company runs its operations without contributing to global climate change. The UN takes a positive view of climate neutrality, provided that it is handled responsibly, which means that the company first reduces its own emissions before offsetting the remaining amount.

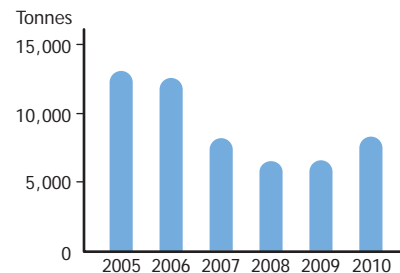
Carbon dioxide emissions remain a high priority environmental issue

Since 2005, Swedavia's (formerly LfV's) own net carbon dioxide emissions at the airports have fallen by about 37 per cent, and since 2003, emissions have fallen by about 60 per cent. The target for Swedavia's own operations is zero emissions by 2020 at the latest. In 2010, emissions totalled some 8,200 tonnes, equivalent to an increase of 26 per cent compared to 2009. And if emissions from employee business travel are included, carbon dioxide emissions totalled 8,875 tonnes in 2010.

Swedavia's carbon dioxide emissions (tonnes) by area, 2010




Swedavia's carbon dioxide emissions, 2005-2010



Historical figures are from the part of operations transferred to Swedavia's operations on April 1, 2010, corrected for structural effects.

SWEDAVIA'S ENVIRONMENTAL TARGETS

Target	Activity	Result
Swedavia's carbon dioxide emissions shall be cut in half by 2010.	Swedavia's vehicle operators are showing the way. Everyone trained in eco-driving, that is, fuel-efficient operation, has helped to reduce fuel consumption by up to 20 per cent. In the immediate future, as many people as possible will drive environmentally clean vehicles. Using only renewable fuel for heating is another important measure to reduce carbon dioxide emissions from fossil fuels.	 Reduced by 37 per cent since 2005.
Swedavia's energy use shall be cut by a third by 2010.	Motion detectors and technology to automatically turn off lights, computers and other equipment help Swedavia to save energy. Operations will be even more efficient with weather-controlled indoor heating/cooling, daytime lighting using optical fibre and other measures.	 Reduced by 17 per cent (21 per cent corrected for a normal year).
Swedavia shall use 90 per cent renewable energy and fuel by 2012.	Many of Swedavia's properties are heated with green district heating, with the energy produced from renewable raw materials. Swedavia also buys green electricity.	
The noise impact at Swedavia's airports shall be limited.	In addition to directing air traffic away from densely populated areas, Swedavia sets higher take-off charges the more noise and emissions an aircraft produces. For those living in the immediate vicinity, Swedavia has funded noise insulation for properties at a cost of about SEK 130 M.	
Surface water from Swedavia's airports shall be of good quality according to the Swedish Environmental Protection Agency's assessment criteria/the EU Water Framework Directive by 2012.	Suctioning up and reusing glycol after de-icing is an important measure, as is collecting chemical residue after firefighting exercises. An effective skid warning system combined with ploughing and gritting to a large extent replaces the use of urea.	
The share of passengers who use public transport to get to Stockholm Arlanda Airport shall be at least 50 per cent by 2012.	There are a number of paths leading to this goal. Today passengers can get to and from the airport with the high-speed Arlanda Express, the Upptåget commuter train, a number of long-distance trains and more than ten bus routes. Employees at Swedavia can use a web-based car pooling system to reduce single-occupancy car trips. Swedavia's employees at Stockholm Arlanda Airport also have subsidised public transport. The share of employees taking public transport was 45 per cent in 2010.	
100 per cent ecotaxis at Stockholm Arlanda Airport, Göteborg Landvetter Airport and Malmö Airport by 2012.	To make it easier to choose environmentally-friendly travel, ecotaxis at Stockholm Arlanda Airport are given precedence.	 Stockholm Arlanda Airport: 88 per cent. Göteborg Landvetter Airport: not measured. Malmö Airport about 40 per cent.
Swedavia shall work toward zero emissions of carbon dioxide from fossil fuel by 2020.	Combined environmental efforts shall reduce carbon dioxide emissions from operations. Renewable fuel in vehicles and for heating and a reduction in energy use are a few of the most important measures. Over the long term, Swedavia's operations shall not generate any carbon dioxide emissions at all from fossil fuel sources. Until then, Swedavia offsets these emissions.	 8,200 tonnes remain.



Ongoing



Partially achieved



Achieved

ONE-OF-A-KIND SNOW REMOVAL VEHICLE

Most buildings at the airports are heated with biofuel-based district heating, electricity or bio oils; the electricity comes from renewable sources. Today, Stockholm Arlanda Airport is the first airport in the world with bus service using Swedavia's own biogas buses. While Swedavia's cars, buses and other vehicles are gradually being replaced by vehicles with the lowest emissions possible, such as biogas or hybrid cars, the number of vehicles in its fleet is also decreasing. Today Stockholm Arlanda Airport uses Swedavia's own biogas buses for the airport's internal traffic.

At the end of the year, the first snow removal vehicle - called a plough, sweep and blow machine - that runs on biogas was introduced at Stockholm Arlanda Airport. The vehicle is the result of a collaborative project between Swedavia, Volvo and Schmidt. The vehicle will be tested in Kiruna in northern Sweden for an entire season of real winter weather.

General environmental and energy targets for fossil carbon dioxide¹

Swedavia shall reduce its atmospheric emissions of fossil carbon dioxide from its own operations. By the end of 2010, emissions were to have been reduced by 50 per cent compared to the level in 2005 and be zero by 2020.

That target was not reached; the decrease was only 37 per cent. The reason the target was not met was the cold, snowy winter, which in part required greater use of heavy vehicles for snow removal. Swedavia has not yet managed to find alternative fuels that reduce carbon dioxide emissions for its heavy vehicles. The company continues to give high priority to reducing emissions; the target for 2014 is to emit no more than 5,000 tonnes.

To offset carbon dioxide emissions that it could not eliminate with its own measures, Swedavia purchases certified emission reductions (CERs)². The certificates guarantee that an equivalent reduction is made through (CDM)³ projects selected by Swedavia under the scope of the UN's climate efforts. Swedavia also includes employee business travel in its climate offsets.

1 Emissions include airport operations over which Swedavia disposes - self-generated and purchased as well as resold heating energy, fuel for its own use for vehicles and for firefighting exercises. Emissions from employee business travel are not included in the target.

2 Certified Emission Reductions

3 Clean Development Mechanism

Swedavia's airports in European collaboration on climate change

During the year, Umeå Airport and Göteborg Landvetter Airport joined a pan-European programme to reduce the environmental impact of airports. To date, 29 airports in Europe have taken part, including Stockholm Arlanda Airport and Bromma Stockholm Airport, which signed on in 2009. The association of airport operators ACI Europe and the global consultancy WSP Environment & Energy are behind the programme, which involves careful monitoring, examination and approval of the work the airports carry out to reduce carbon dioxide emissions.

The European programme that rates the airports' climate work is called Airport Carbon Accreditation (ACA). It follows the international standards of the Greenhouse Gas Protocol, developed by World Resources Institute (WRI) in partnership with the World Business Council for Sustainable Development (WBCSD). ACA consists of four levels: mapping, reduction, optimisation and neutrality. Swedavia is one of the few organisations whose airports have been awarded the highest level - neutrality.

Mass ground transport on the rise

Emissions from ground transport to and from Stockholm Arlanda Airport account for more than 50 per cent of carbon dioxide emissions included in the emissions cap. Today about 45 per cent of passengers travel to the airport using mass transport, which is a high percentage from an international perspective, but in order for Stockholm Arlanda Airport to achieve its target, more people need to use mass transport.

Emissions during the LTO cycle from civil aviation at Swedavia's airports⁴

Year	CO ₂ (kilotonnes)	NO _x (tonnes)	HC (tonnes)	SO ₂ (tonnes)
2005	259	917	144	82
2006	262	911	145	83
2007	259	924	136	82
2008	264	953	129	83
2009	220	780	108	70
2010	222	786	112	70

4 Emissions of carbon dioxide, nitrogen oxide and hydrocarbons from the landing and take-off (LTO) cycle increased during the year. The increase is mostly due to an increase in the number of movements compared to the preceding year. Note that emissions from the LTO cycle at Jönköping Airport, Skellefteå Airport and Karlstad Airport are included in emissions reported through the end of December 2009, the end of March 2010 and the end of November 2010, respectively.

Environmentally clean ecotaxis are given precedence by the company that oversees dispatching taxis to customers at the airport. Ecotaxis have priority in picking up customers. The number of ecotaxis increased from 45 vehicles in 2005 to more than 3,000 in 2010. This entailed a reduction in carbon dioxide emissions of about 9,400 tonnes. Using 100 per cent ecotaxis, carbon dioxide emissions are expected to fall by about 11,200 tonnes a year.

During the year, Stockholm Arlanda Airport was awarded a prize by Arlanda Logistic Network for its work to reduce emissions.

Sweden's largest biogas fuel station opened at Stockholm Arlanda Airport in 2010. This helps to promote the use of biogas buses and other vehicles that run on biogas and makes it easier for other organisations at the airport as well as passengers to fuel cars that run on biogas. In 2010, Göteborg Landvetter Airport acquired a fuel station for compressed natural gas, which allows fuelling both on airside and landside.

Transport of goods

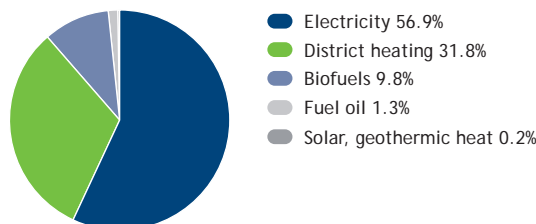
Swedavia purchases most goods delivered, which means that the possibility of estimating the size of climate-change emissions is limited. In preparation for the 2010 Sustainability Report, Swedavia mapped its carbon dioxide emissions from the transport of purchased wood chips, pellets, biogas, anti-skid grit, vehicle fuel, fuel oil, formiate and glycol. Data were provided by a total of eleven suppliers.

Emissions from the transport of these products were estimated to be 180 tonnes in 2010. Swedavia intends to explore the possibilities of improving its grasp of the environmental impact of goods transport by introducing requirements for environmental performance for transport in future agreements as well as requirements for reporting on the environmental impact of transport on a regular basis.

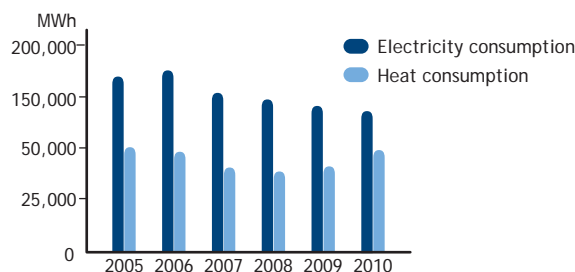
Swedavia investing in increased energy efficiency

Swedavia's goal has been to reduce its consumption of electricity and energy by about a third in 2010 compared to 2005. This was achieved by introducing new technology, optimising the systems that Swedavia uses and involving every employee at Swedavia. Another success factor is to create environmental commitment by working together with every company and organisation that has its operations at or adjacent to Swedavia's airports. Results for the energy project in 2010 compared to 2005 indicate that total energy use (adjusted for operations that were added or removed for 14 airports) fell by 17 per cent; with a normal-year correction for temperature, the decrease was 21 per cent.

Swedavia's energy consumption (MWh) by energy source, 2010



Swedavia's total energy consumption, 2005-2010



Historical figures are from the part of operations transferred to Swedavia's operations on April 1, 2010, corrected for structural effects.

LARGEST SOLAR HEATING FACILITY IN THE NORDIC COUNTRIES

The energy plant at Malmö Airport consists of a solar heating facility and a boiler unit. The solar heating unit provides up to about 300 kW of heating thanks to efficient solar panel surface area of some 350 m². The facility is part of the heating unit built at the airport and also uses pellets and other biofuels for heating. The solar heating unit, which is 2,000 m² in size and the largest of its kind in the Nordic countries, supplies heating to the airport for much of the year. The facility supplies hot water from April to October and replaces oil-fired heating.

Direct and indirect energy use by primary energy source

Area	Fuel group	Internal /External	Internal	External / Sold	Total purchased
		Fuel (primary source)	MWh (of which renewable)	MWh (of which renewable)	MWh (of which renewable)
Energy	Fossil fuels for energy production total/FPL	Diesel for operations/ test operations reserve power units	192 (10)	6 (0)	198 (10)
		Fuel oil EO1 for heating	2,459 (0)	3,456 (0)	5,914 (0)
	Renewable fuels for energy production	Wood chips	9,175 (9,175)	7,447 (7,447)	16,622 (16,622)
		Pellets	11,416 (11,416)	14,057 (14,057)	25,473 (25,473)
Vehicles and propellants	Use of propellants	Petrol 95 octane	1,522 (76)	2,586 (129)	4,108 (205)
		Biogas (for vehicles)	1,497 (1,497)	– (–)	1,497 (1,497)
		Diesel environmental class 1	12,921 (646)	5,158 (258)	18,079 (904)
		Diesel environmental class 1 (5% RME)	8,867 (443)	9,552 (478)	18,420 (921)
		Diesel environmental class 1 (15% RME)	819 (123)	– (–)	819 (123)
		Diesel environmental class 1 (30% RME)	1,330 (399)	– (–)	1,330 (399)
		Diesel environmental class 1 (Evolution)	1,022 (286)	1,819 (509)	2,841 (795)
		Ethanol (E85)	83 (70)	– (–)	83 (70)
		Rape methyl ester (RME for vehicles)	56 (56)	– (–)	56 (56)
Rescue service	Fuel for firefighting exercises	Diesel (firefighting exercises)	15 (1)	– (–)	15 (1)
		Avgas (firefighting exercises)	11 (0)	– (–)	11 (0)
		Aviation kerosene Jet A-1	386 (0)	– (–)	386 (0)
		LPG (firefighting exercises)	107 (0)	– (–)	107 (0)
		Sekundol 85 (firefighting exercises)	158 (158)	– (–)	158 (158)
Total			52,036 (24,357)	44,080 (22,878)	96,116 (47,235)
Energy	Use of purchased energy	Electricity (energy)	123,876 (123,876)	57,160 (57,160)	181,036 (181,036)
		Electric heating	1,180 (1,180)	922 (922)	2,102 (2,102)
		District heating	67,253 (67,016)	18,343 (18,343)	85,596 (85,357)
	Renewable fuel for energy production	Production of geothermal heat	186 (186)	– (–)	186 (186)
		Production of solar heat	232 (232)	– (–)	232 (232)
Total			192,727 (192,490)	76,426 (76,423)	269,152 (268,913)
			244,763 (216,847)	120,506 (99,301)	365,269 (316,148)

Reporting follows GHG Protocol standards. The equivalent primary fuel and primary energy used to produce converted energy are not included in reporting. Estimated measurement of uncertainty $\pm 10\%$ per individual item.

Direct / indirect emissions	Area	Fuel group	Source of emissions	Internal tonnes CO ₂	External tonnes CO ₂	Total tonnes CO ₂ equivalent
Direct	Energy	Fossil fuel for energy production total/FPL	Diesel for operations/test operations reserve power units	50	2	52
			Fuel oil EO1 for heating	652	917	1,569
		Renewable fuel for energy production	Wood chips	0	0	0
			Pellets	0	0	0
	Environmental category 1	Use of propellants	Petrol 95 octane	378	642	1,019
			Biogas (for vehicles)	3	–	3
			Diesel environmental category 1	3,231	1,290	4,521
			Diesel environmental category 1 (5% RME)	2,217	2,389	4,606
			Diesel environmental category 1 (15% RME)	182	–	182
			Diesel environmental category 1 (30% RME)	174	–	174
			Diesel environmental category 1 (Evolution)	207	369	576
			Ethanol (E85)	5	–	5
	Rescue service	Fuel for firefighting exercises	Diesel (firefighting exercises)	4	–	4
			Avgas (firefighting exercises)	3	–	3
Aviation kerosene Jet A-1			102	–	102	
LPG (firefighting exercises)			25	–	25	
Total			7,234	5,607	12,841	
Indirect	Energy	Use of purchased energy	District heating	62	1	63
	Total			62	1	63
Indirect	LTO			–	221,128	221,128
	Employee business travel			660	–	660
	Total			660	221,128	221,788
				7,956	226,736	234,692

Estimated measurement of uncertainty ± 10% per individual item.
Carbon dioxide emissions from biomass are not included in reporting.

The reasons the target was not quite reached by year-end were that investments were delayed due to effects of the Icelandic ash cloud and 2010 was a cold year with significant snowfall. The target for 2011–2014 is that total energy use, including expansion, should fall by one per cent per year.

Energy consumption increased¹

In 2010, Swedavia increased its total energy use by 2 per cent. On the other hand, electricity use fell by 3 per cent compared to 2009. Electricity, including electric heating, accounts for 58 per cent of total energy use.

¹ Pertains to the airports; LfV's shares deducted for 2009.

Energy saving measures at Stockholm Arlanda Airport

Energy efficiency has become part of Swedavia's core operations. Measures that were implemented include:

- Summer cooling and winter heating of Stockholm Arlanda Airport using an aquifer – a groundwater storage unit – in the Brunkeberg Ridge to store energy
- Heat recycling in the terminals
- More efficient ventilation
- Variable-speed electric motors
- Indoor and outdoor lighting using fewer resources with better control

Biofuel-based heating

Swedavia wants other companies and organisations at the airports to use renewable energy. Net carbon dioxide emissions from heating other buildings at Stockholm Arlanda Airport are already low. Carbon dioxide emissions from heating the entire airport are 73 per cent lower today than in 2005. The aim is to have biofuel-based heating for all buildings at Swedavia's airports.

Measures to reduce noise and emissions

At a number of Swedavia's airports, noise is a fairly limited problem, due largely to the location of the airports. As a result of quieter aircraft, changes in departure and arrival routes and construction methods incorporating sound insulation technology, problems with noise could be further reduced. In 2010, some 80 homes near Stockholm Arlanda Airport and Göteborg Landvetter Airport were sound-insulated for a total of about SEK 17 M. In all, some 900 homes near Swedavia's airports have been insulated for about SEK 130 M. Swedavia is testing various technical solutions to further reduce noise. They include the

VINGA

During the year, the VINGA project, a collaboration between Swedavia and LfV, was launched at Göteborg Landvetter Airport. The objective of the project is shorter approaches into Göteborg Landvetter Airport, which will save fuel and reduce emissions. The VINGA project is a project under SESAR, an EU programme to develop technological and operative conditions for harmonised European airspace in order to meet anticipated traffic. The most important objective for SESAR is to double airspace capacity and reduce the environmental impact of aviation while maintaining safety levels.

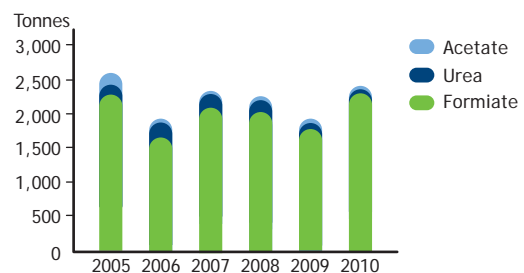
development of "curved" approaches. During the autumn, some 55 curved approaches into Göteborg Landvetter Airport were made. The flights will continue in 2011 in order to acquire the knowledge needed to determine whether the method can be included in the future environmental permit.

Water and chemicals

Polluted water from Swedavia's workshops, firefighting exercise site and vehicle washing facilities, as well as lavatory water from aircraft lavatories and from external properties at the airports is conveyed through wastewater pipes to treatment facilities. Oil and some heavy metals are contained in emissions from the airports. Inspections of chemical management and oil separators minimise the environmental impact of discharge into the wastewater system.

During the winter, runways are usually de-iced with formiate. Glycol is used to de-ice aircraft. These agents may end up in the surface water from runways and aprons. Oxygen is required to break down formiate and glycol, which may result in a lack of oxygen in lakes and waterways if no measures are taken. In the winter, the surface water system is therefore usually divided into two systems, a glycol collection system which treats surface water from areas where de-icing takes place and a system for other surface water. Glycol-contaminated water is collected in sediment ponds for later treatment in the municipal wastewater facility and with the help of special suction vehicles on aprons. Glycol-contaminated water is then conveyed to various treatment plants or recycling facilities. Use of aircraft de-icing agents increased by 70 per cent, while use of runway de-icing agents increased by 25 per cent in 2010 compared to 2009, after adjustments for the change in structure. Stockholm Arlanda Airport, Göteborg Landvetter Airport,

Swedavia's use of chemical anti-skid agents, 2005-2010



2005-2009: LfV's entire operations without any correction for divested operations.

2010: Swedavia AB including divested units until the divestment date.

Malmö Airport and Luleå Airport account for the largest share of the increase. The rise is due to the cold, snowy weather, which required more de-icing of aircraft and runways.

A number of Swedavia's airports have updated their programmes to monitor their impact on water. The aim is to have all surface water from Swedavia's airports meet the criteria in the EU Water Framework Directive.

Over the past two years, a relatively new environmental problem has been identified at Swedavia's airports. The use of firefighting foam has helped to spread a toxic stable compound, perfluorooctane sulfonate (PFOS), into the environment around the airports. PFOS was found in firefighting foam until 2003. The Swedish Environmental Protection Agency and Swedavia together have done extensive sampling in the vicinity of Göteborg Landvetter Airport and Stockholm Arlanda Airport. Chemical analyses show that PFOS is present to the extent that concentrations in the water, sediment and fish are elevated, but they are at such levels that swimming and normal consumption of fish are not considered harmful to humans.

In all, one out of six chemical products used at Swedavia have been assessed from a workplace environment and environmental perspective.

Use of de-icing glycol (tonnes), 2007-2010

	Concentrated glycol	2007	2008	2009	2010
Swedavia AB	Category I	1,566	1,403	1,684	2,928
Swedavia AB	Category II	318	355	433	832
Swedavia AB	Category IV	17	10	15	-
Total Swedavia		1,902	1,768	2,132	3,760

Units disposed of not included.

Biological diversity

Along with the airports, Swedavia owns adjacent land. The division between land used for airport purposes and surrounding land varies from airport to airport.

The UN declared 2010 the International Year of Biological Diversity. Swedavia thus began an inventory of the biological diversity at the airports and surrounding land. An inventory was carried out at Stockholm Arlanda Airport in 2010 in which a number of national, regional and local areas of interest were identified. Similarly, an inventory was taken at Malmö Airport while an inventory was begun on Göteborg Landvetter Airport's land.

Airports impact the environment primarily through noise and emissions to the air, ground, and water. Noise from the airport makes nearby areas less attractive to people, which means that many areas close to the airports are sparsely populated. Some animals sensitive to disturbances are more disturbed by the presence of humans than by noise and may therefore find sanctuary near the airport.

The aim of an inventory of flora and fauna at Swedavia's property Stockholm Arlanda Airport was to document natural habitats and species that warrant protection. A total of 58 habitats were identified as having considerable biological diversity of major local, regional or national interest. One was classified as having national conservation value, a meadow rich in plant diversity including a number of highly endangered species.

Waste management

All waste from Swedavia's facilities is sorted. However, the amount of household waste is on the rise as a result of selling take-away food at the airports. Waste can be divided into three categories: waste for energy recycling, 70 per cent; waste for materials recycling, 29 per cent; and waste for landfill, 1 per cent. Swedavia's objective is to reduce waste to landfill and increase the share of materials recycled.

Malmö Airport installed new recycling containers during the year to further facilitate waste management.

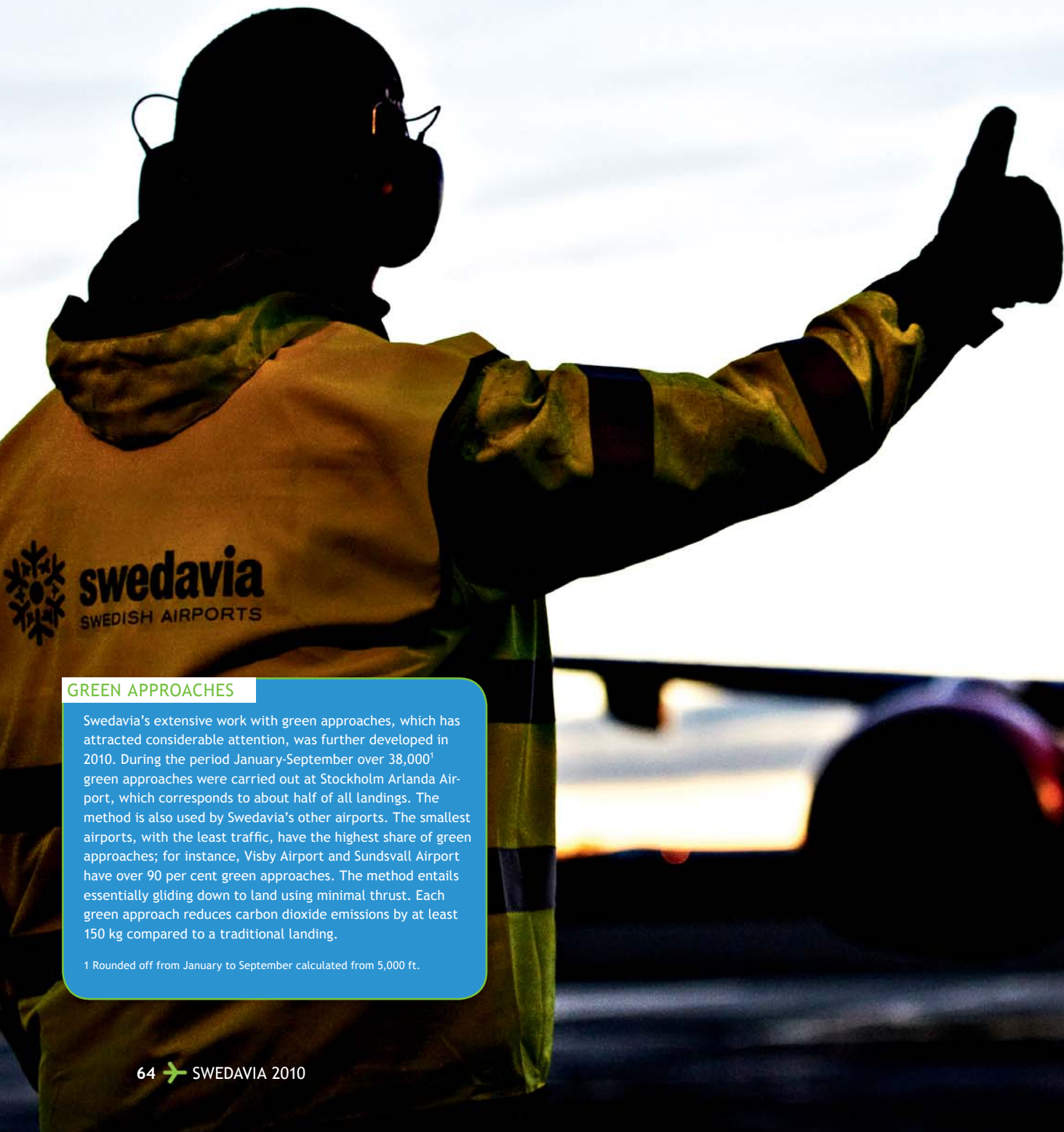
Environmentally preferable purchasing

Swedavia buys goods, services and contract work for billions of Swedish kronor. Swedavia calculates that it has some 4,600 suppliers.

The Swedish Act on Public Procurement in the Fields of Water, Energy, Transport and Postal Services constitutes the framework for Swedavia's purchasing. Swedavia sets environmental requirements on all procurement where relevant. Orderers, purchasers and environmental advisors together develop the environmental requirements.

Environmental considerations are also factored into Swedavia's capital spending decisions. An environmental impact assessment is included with every capital spending request as part of the decision-making documentation. An EU environmental directive shall be applied in project planning and construction. Swedavia's environmental objectives and local environmental requirements, such as the terms of its airports' environmental permits, shall also be taken into consideration.

2010.10.10
8.32 a.m.



GREEN APPROACHES

Swedavia's extensive work with green approaches, which has attracted considerable attention, was further developed in 2010. During the period January-September over 38,000¹ green approaches were carried out at Stockholm Arlanda Airport, which corresponds to about half of all landings. The method is also used by Swedavia's other airports. The smallest airports, with the least traffic, have the highest share of green approaches; for instance, Visby Airport and Sundsvall Airport have over 90 per cent green approaches. The method entails essentially gliding down to land using minimal thrust. Each green approach reduces carbon dioxide emissions by at least 150 kg compared to a traditional landing.

¹ Rounded off from January to September calculated from 5,000 ft.

Organisation and management of environmental work

Swedavia's environmental strategy is built on working for continual improvements in the environmental field by integrating environmental issues in all operations. The company works with an environmental management system for all of its operations, and some operations are ISO 14001 certified. Certified airports are Göteborg Landvetter Airport, Malmö Airport and Umeå Airport. Stockholm Arlanda Airport expects to be certified in 2011. Some operations are also ISO 9001 quality-certified. The management system is web-based and contains Group-wide procedures with the possibility of local procedures in each unit. The goal is to have all operations environment- and quality-certified.

Each year, an assessment is made of what Swedavia's important environmental aspects are. This assessment is carried out at the unit level (for example, the airports) and at the general level. For the most important environmental aspects, Swedavia's Environmental Management Group puts forward proposals for Group-wide environmental goals that are decided at the executive management's annual review. Here, an analysis is made of how well the environmental management system works, whether corrective measures are needed, whether the environmental policy is still relevant and the like. Agreed goals and activities are worked into the business planning directive, which is sent to the units and worked into their business plans along with other requirements from executive management. Reports on monitoring of goals are submitted each quarter. There are also annual environmental audits.

More environmental information

More information about the environmental impact of Swedavia's operations, Swedavia's environmental goals and future measures can be found on Swedavia's website. For more detailed information, see the individual airport websites.

SWEDAVIA'S ENVIRONMENTAL POLICY

The environmental impact of air travel is of critical importance to the aviation industry and thus to Swedavia. We shall therefore continually strive to reduce the adverse environmental impact of the airports, mostly by reducing emissions of greenhouse gases, reducing other emissions to the air and water, and minimising chemical use and waste production. For us, compliance with the environmental laws in effect as well as other national and international regulations and requirements is a matter of course. We shall also work to limit aviation noise and emissions from aviation operations. In order to achieve this, we employ the following strategies in our work:

- Concern for the environment shall be integral to every part of operations and be factored into our decisions.
- Climate impact is the aviation industry's most important environmental issue and shall be given high priority in our decisions and activities.
- We shall always make our operations energy-efficient and direct operations toward the sustainable use of resources.
- Swedavia's employees shall all take part in the company's environmental work and be very familiar with relevant laws.
- We shall systematically assess and manage environmental risks from operations.
- Swedavia shall actively participate in the local, regional, national and international work aimed at reducing the adverse environmental impact of the aviation industry and work for the sustainable development of the airports.

SELECTED GRI INDICATORS

- EN3 Direct energy use
- EN4 Indirect energy use
- EN5 Reduced energy use
- EN12 Biological diversity
- EN16 Greenhouse gas emissions
- EN17 Other indirect emissions of greenhouse gases
- EN18 Initiatives to reduce greenhouse gas emissions
- EN21 Water discharges
- EN29 Environmental impact from transport and travel

Contact person for sustainability reporting

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Annual Report 2010

Financial reports

Contents			
Report of the Directors	67		
Operations	67	Note 9 Interest income and similar items	87
Task	67	Note 10 Interest expenses and similar items	87
Mission	67	Note 11 Allocations and untaxed reserves	88
Important events during the year	67	Note 12 Tax on the profit for the period	88
Net revenue and profit	67	Note 13 Intangible assets	89
The Group in brief	68	Note 14 Buildings and land	90
Liquidity and financial position	68	Note 15 Field structures	91
Cash flow	68	Note 16 Electrical installations, vehicles and equipment	91
Financial targets	68	Note 17 New construction related to tangible fixed assets	92
Acquisitions and divestments	68	Note 18 Holdings in Group companies	92
Market	68	Note 19 Holdings in associated companies	93
Significant risks and uncertainty factors	68	Note 20 Other long-term receivables	93
Sensitivity analysis	70	Note 21 Materials and stocks	94
Ongoing litigation and disputes	70	Note 22 Receivables from Group companies	94
Corporate Governance Report	70	Note 23 Receivables from associated companies	94
Work of the Board of Directors	70	Note 24 Prepaid expenses and accrued income	94
Employees and Swedavia	71	Note 25 Cash and bank holdings	95
Remuneration to executive officers	71	Note 26 Equity	96
Environmental information	71	Note 27 Provisions for pensions and similar obligations	96
Events after the balance sheet date and expected future development	72	Note 28 Provisions for deferred tax	97
The Parent Company	72	Note 29 Other provisions	97
Proposed distribution of profit	72	Note 30 Liabilities to credit institutions	97
Annual General Meeting	72	Note 31 Overdraft facilities	98
Calendar	72	Note 32 Accrued expenses and prepaid income	98
Income statement	73	Statement of Compliance and signatures of the	99
Balance sheet	74	Board of Directors and the President and CEO	100
Changes in equity	76	Audit Report	100
Cash flow statement	77	Corporate Governance Report	101
Notes	79		
Note 1 Corporate information and comparative accounting information	79		
Note 2 Acquisition balances	79		
Note 3 Accounting principles and notes to the financial statements	79		
Note 4 Net revenue	83		
Note 5 Remuneration and compensation expenses for auditors	83		
Note 6 Employees and staff expenses	84		
Note 7 Depreciation, amortisation and impairment losses on tangible and intangible non-current assets	87		
Note 8 Profit from holdings in associated companies	87		

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. The Parent Company's financial year runs from November 30, 2009, to December 31, 2010; the Group's financial year runs from April 1 to December 31, 2010. The Report of the Directors is for the Group and Parent Company, and figures are consolidated unless otherwise indicated. All figures are in million Swedish kronor, SEK M, unless otherwise indicated. Rounding differences may occur.

General information about operations

Swedavia is a group that owns and operates airports since April 1, 2010. At that time, Luftfartsverket (LFV) was split in two – airports and air navigation services. The reason for the Swedish Parliament's decision was that different business conditions apply to the two operations. The conversion into a limited liability company creates business opportunities for Swedavia and the airports. This form of company has a system of regulations suited to companies operating in a commercial environment, promoting conditions that allow a faster decision-making process and facilitate collaboration with other parties. The total cost of the conversion is estimated to be SEK 62 M, which consists mostly of costs related to IT, legal matters and real estate, with SEK 30 M of this charged to income in 2010. Since the Group is newly established, for details refer to the accounting principles in Note 3, on pages 79–82.

Task

Swedavia is a group that owns, operates and develops 13 airports across Sweden. Operations are financed entirely by profit from Swedavia's services and products.

The number of airports in the national basic airport infrastructure as determined by the Government is to be reduced to ten: 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 shall work actively based on sound business principles and with high 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.

Mission

We at Swedavia shall create added value for our customers through attractive airports and access. We are continually developing our business together with our partners.

Important events during the year

The Group was formed on April 1 as a result of LFV's operations being split in two. After the summer, Torborg Chetkovich assumed the position of Swedavia's first president and CEO. For a number of days in April, no aircraft took off or landed at many of Swedavia's airports when ash from the Eyjafjallajökull volcano closed large portions of European airspace. There was a sharp increase in the number of passengers at Swedavia's airports, primarily during the second half of 2010, compared to 2009.

Substantial commercial investments were made during the year, primarily with the erection of a major new hotel at Stockholm Arlanda Airport and construction start on a logistics centre at Göteborg Landvetter Airport.

Net revenue and profit

The Group's net revenue for the period totalled SEK 3,277 M. Operating profit totalled SEK 420 M. The operating margin was 12.8 per cent. Profit before tax was SEK 192 M. Net profit was SEK 15 M.

The volcanic eruption in Iceland, which stopped or disrupted air traffic, is estimated to have had an impact on profit of about SEK 55 M. The severe winter weather in the fourth quarter meant higher operational costs than usual to keep air traffic going.

The Group in brief

SEK M	Apr-Dec 2010
Net revenue	3,277
Operating profit	420
Operating margin, %	12.8
Profit before tax	192
Net profit	15
Earnings per share	0.01
Return on equity, %	0.4
Return on capital employed, %	3.93
Equity/assets ratio, %	30.4
Cash flow from operating activities	746
Capital spending	520
Average number of employees	2,496

Liquidity and financial position

Equity in the Group at year-end totalled SEK 3,618 M; the equity/assets ratio was 30.4 per cent.

At year-end, Swedavia had unutilised lines of credit totalling SEK 1,200 M, unutilised overdraft facilities of SEK 100 M and reserves of SEK 500 M.

Cash flow

Cash flow for the operating period was positive, totalling SEK 295 M, as a result of cash flow from operating activities, which totalled SEK 746 M. SEK 591 M was applied to investing activities, with SEK 165 M of this for business combinations. Financing activities generated SEK 140 M, mostly through new loans.

Financial targets

The owners will determine the financial objectives at the Annual General Meeting on April 28, 2011.

Acquisitions and divestments

Apart from the acquisition of assets and liabilities from LFV in conjunction with Swedavia's conversion to a limited liability company described in Note 1 and 2, there were no significant acquisitions. On instructions from the Government, Karlstad Airport was divested on December 1 to new owners. No other significant divestments were made during the year.

Market

Aviation across the world experienced a strong recovery in 2010. Asia, South America and the Middle East had very strong growth numbers while the more mature markets, including North American and Europe, had somewhat lower growth numbers.

The aviation market in Sweden recovered faster than expected and faster than in other European countries. In 2010, air travel was back at the same levels as in early 2008. Swedish aviation had a total of 33 million passengers, an increase of 5 per cent compared to 2009.

International traffic is driving the trend with greater capacity and new routes, which are attracting mostly leisure travellers. Almost 21 million passengers flew internationally during the year, with about 17 million of them flying to or from one of Swedavia's airports. The increase in Sweden was 7 per cent compared to 2009.

Domestic travel had a healthy recovery following a very sharp fall in 2009. However, domestic traffic was impacted negatively to a greater extent by the volcanic ash in April and pilot strikes at regional airlines in May. Some 12 million passengers flew domestically, with 11.3 million of them flying via Swedavia's current airports – an increase of 3 per cent compared to 2009.

Average cabin factor further increased in 2010. For domestic traffic, the cabin factor increased to record levels, with more passengers and fewer departures. For international traffic, significant increases in capacity at the start of the economic boom produced a slight decrease in cabin factor. However, the long-term trend in international traffic is toward increasingly larger aircraft and higher cabin factor.

Air cargo throughout the world was hit hard by the global financial crisis. In 2010, cargo volumes showed a high rate of growth, which is a clear sign that global trade activity is once again on the rise.

Significant 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. Risks have been identified based on the business risks reported in the operations' business plans and in conjunction with process risk analysis. The risks were then assessed by executive management, with the risk value based on the probability and consequence.

The risks in the Group's operations can largely be divided into business risks and risks associated with financing activities. Business risks are normally handled by the units running the business while financial risks are handled by the Corporate Finance unit.

Business risks

Swedavia categorises business risks by perspective – customer, process, employee and economic. The most important risks in these areas are presented in more detail below.

Risks from a customer perspective

The general view of aviation operations held by the public and various organisations is sensitive to such issues as environmental impact and aviation safety. Changes in this general view have a direct impact on an individual's decision to fly and an indirect impact on regulations that are critical to Swedavia's operations. There is thus a risk of increased restrictions, for instance in environmental permits, and a greater need for capital spending to meet new requirements.

Airlines operate in a highly competitive market, where changes can sometimes be swift. Mergers and acquisitions, the formation of alliances, bankruptcies and changes in strategy as to which airport hub should be given priority are examples of events that can have a significant impact on Swedavia's business conditions.

Risks from a process perspective

Compliance with environmental regulations is a basic prerequisite for conducting airport operations. One example of this is the emissions cap now in effect at Stockholm Arlanda Airport, which includes car transport to and from the airport and is a constraint on the continued development of operations. Another example is the ban on overflights of the built-up portions of Upplands Väsby after 2018. Swedavia is applying for a new environmental permit with the aim of ensuring long-term operating conditions. The application is based on the aggregate environmental impact of all the airport's operations.

Changes in international regulations, for instance, concerning the handling of liquids at security checkpoints, entail challenges and may lead to longer process times and significant cost increases.

Important aspects to take into consideration are environmental risks associated with the handling of chemicals which may involve uncontrolled emissions and an emergency preparedness plan in case of events that are harmful to the environment. Contamination occurring prior to April 1, 2010, is

to be handled by the State through the Swedish Transport Administration; contamination occurring after April 1 is Swedavia's responsibility. Swedavia has identified contaminated areas with a decontamination cost of SEK 46 M that are considered to have arisen prior to April 1, 2010.

Other events such as terrorist acts, air traffic controller strikes, extreme weather conditions and ash clouds entail stoppages or disruptions in the running of airport operations and commercial services. In order to manage disruptions to operations, Swedavia works very actively with crisis management and preparedness plans, supplemented with realistic exercises.

Risks from an employee perspective

Reliance on key staff and a higher employee turnover for key people at different levels of operation may entail a scarcity of skills. Examples include IT support for critical systems but also shortages related to generational shifts and peak capacity on airside.

Risks from an economic perspective

The macroeconomic situation and overall economic activity in Europe and Sweden are strongly correlated with traffic and passenger growth. There is a risk of a weaker economy, which in such a case would affect revenue and profit. This type of risk can really only be handled through flexibility in the resource base and financial sustainability.

As in every large-scale organisation, there are a number of legal proceedings, and new ones will likely occur in the future. There is a risk that the outcomes of these will not be in Swedavia's favour, with significant costs as a result. See further below in the section "Ongoing litigation and disputes".

Financial risk

The financial activities and financial risk management of the Group and Parent Company are centralised in the Corporate Finance unit. Operations are run according to a financial policy adopted by the Board of Directors and characterised by a low level of risk. The aim is to minimise the Group's capital costs through effective financial solutions and through effective management and oversight of the Group's financial risks.

For more information about definitions and financial risk management, see Note 25.

Sensitivity analysis

The sensitivity analysis includes a description of how Swedavia is affected by change in a number of parameters – passenger volumes, staff expenses and changes in interest rates. The sensitivity analysis is based on conditions in 2010. The aim of the analysis is to describe how Swedavia is affected by minor changes in the parameters.

Impact on profit of selected parameters

Parameter	(%)	Impact on profit SEK M/year
Passenger volume	-1	-30
Salary level	+1	-12
Interest rates	+1	-66

Impact of an increase or decrease in passenger volumes

In the event of a decline in air traffic, Swedavia has offered airline customers an incentive programme to stimulate traffic growth. During the ash cloud, a number of measures were implemented to offset the fall in revenue, such as a freeze on capital spending and scheduling changes. The sensitivity for Swedavia arises in revenue being variable while a large majority of costs are fixed. A 1 per cent drop in passengers has a SEK 30 M impact on revenue on an annual basis.

Staff expenses

Swedavia is labour-intensive since staff expenses account for about 40 per cent of operating expenses. A 1 per cent increase in salary levels is equivalent to SEK 12 M on an annual basis.

Impact of interest rates

With net financial debt of about SEK 6,000 M along with a pension liability of about SEK 700 M, a 1 per cent permanent change in interest rates has a SEK 66 M impact on Swedavia on an annual basis.

Other parameters affecting profit

Any changes in its environmental permits can impact Swedavia in a number of ways. If it affects the potential number of passengers, then it has the same effect as described in the section “Impact of an increase or decrease in passenger volumes”. If it entails more stringent requirements that can be met, the result is usually high costs to address this.

Extreme winters like winter 2009/2010 and the beginning of 2010/2011 have a considerable impact on costs. In December 2010, costs increased by SEK 18 M for the month compared to a normal year.

Ongoing litigation and disputes

Swedavia is a party to ongoing litigation and disputes. Some disputes have arisen from operations under LFV, so LFV is still formally party to the proceedings in a court of law. Disputes have arisen as part of the day-to-day operations that Swedavia carries out. The most important one is a contractor dispute with Skanska for the parking garage at Göteborg Landvetter Airport; Swedavia has set aside a provision of SEK 57 M for the dispute. The verdict has been appealed. LFV is formally party to the dispute.

There is an ongoing class action suit for damages due to aviation noise at Stockholm Arlanda Airport, with LFV being the defendant. The solicitor for the plaintiffs has not decided yet whether Swedavia should be sued or whether a claim solely against LFV is most appropriate. No provision has been made for this.

However, legal proceedings and disputes are unpredictable by nature, and the actual outcome may differ 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 President and 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. During the financial year 2010, 18 meetings were held, one of them statutory.

There was no Audit Committee in 2010; instead the entire Board handled matters intended for the committee in the Board's ongoing work. The Board thus had the task of exercising oversight of internal control at Swedavia AB and its subsidiaries. More information about the governance of the company, the composition of the Board and internal control is presented in the Corporate Governance Report.

Employees and Swedavia

Developing Swedavia together is the core of Swedavia's corporate culture and vision: Together we bring the world closer. This slogan emphasises a culture of mutual responsibility, where the employer has a responsibility for employee development while employees have a responsibility to help in developing operations. Swedavia's values and its employees' conduct serve as the basis for the company's brand. Active employees who want to and can contribute to the company's profitability and development are part of Swedavia's sustainability work. To ensure that Swedavia is an attractive employer, talent management plans are broken down at the individual level and included in the planning of objectives and development for each employee. All training for specific positions, such as in the areas of safety, security, fire and rescue, field service and airport station service, are carried out under the scope of the Airport Academy.

At year-end 2010, there were 2,557 employees. Calculated as the average number of employees during the financial year, the number is 2,496. Employment broken down by gender is 65 per cent men and 35 per cent women.

Swedavia works very actively to focus attention on and provide work-related rehabilitation in case of repeated short-term absences due to illness as well as longer such absences. In 2010, Swedavia procured a Group-wide occupational health programme. Beginning in 2011, Swedavia is offering uniform occupational health service for the entire company. Additional information about employees is found in Note 6 on pages 84–86.

Remuneration to executive officers

The Government has established guidelines for remuneration to executive officers. Guidelines for remuneration to executive

officers were adopted at the Extraordinary General Meeting (EGM) held on March 25, 2010. Swedavia follows the Government's guidelines for terms of employment for executive officers in State-owned companies. 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 6 on pages 84–86.

Environmental information

Swedavia carries out operations in Swedavia 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). In 2010, Swedavia was responsible for twelve airports subject to conditions of its environmental permits under the Swedish Environmental Code. The Swedish Armed Forces is responsible for the environmental permits for the remaining two.

Swedavia's chief environmental impact is atmospheric emissions of greenhouse gases, mainly carbon dioxide. The largest source of the company's emissions is from the operation of terminals and other buildings as well as vehicles. Another significant environmental impact is emissions to 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, Stockholm Arlanda Airport, Göteborg Landvetter Airport and Malmö Airport each worked on preparing applications for a completely new environmental permit for the airport. Stockholm Arlanda Airport's permit now in effect contains two restrictive conditions that make it impossible to achieve the full production actually allowed under the permit. The conditions restricting 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.

The emissions cap entails that emissions of carbon dioxide and nitrogen oxide may not exceed 1990 levels. All operations at the airport, all traffic to and from the airport and emissions

from air traffic in the landing and take-off (LTO) cycle are included in the emissions cap. The conditions go beyond what Swedavia has control over.

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 2018. In practice, this means that landings on the third runway from the south will not be allowed, which will result in a serious restriction on the airport's capacity. Preliminary assessments indicate that the highest possible production will be about 200,000 movements, that is, on the same order of magnitude as in 2010.

Malmö Airport has an old permit under the Swedish Environmental Protection Act, and operations have changed over the years. The airport has thus decided to apply for a new environmental permit in 2011.

In 2010, legal proceedings were brought against Sundsvall Härnösand Airport for violating environmental conditions for a water treatment facility in 2009.

Swedavia is entirely dependent on environmental permits for the company to be able to operate the airports. Aviation business today constitutes about 52 per cent of the company's revenue, but operating the airports is also a precondition for the company's other revenue.

Events after the balance sheet date and expected future development

There are no significant events after the end of the reporting period to report.

On instructions from the Government, Ängelholm Helsingborg Airport and Örnköldsvik Airport were sold off and will be transferred to new owners on April 1, 2011, if all goes as planned. Sundsvall Härnösand Airport is also on the list of operations for sale.

Over the coming years, Swedavia will give high priority to increasing Sweden's access through more non-stop routes and more departures to attractive destinations. Swedavia will also continue to develop its range of shops, restaurants and other non-aviation business as well as develop attractive properties in the vicinity of the airports.

The Parent Company

The Parent Company's net revenue for the period totalled SEK 3,320 M. Operating profit totalled SEK 404 M. The operating margin was 12.2 per cent. Profit before tax was SEK -542 M. Profit after tax was SEK -514 M. Allocations to untaxed reserves consists of the maximum tax-exempt amount allowed of SEK 660 M.

The Parent Company's equity was SEK 3,089 M at year-end, and the equity/assets ratio was 29.7 per cent.

The Parent Company's cash flow was positive, totalling SEK 277 M, as a result of cash flow from operating activities, which was SEK 729 M. Investing activities used cash flow of SEK 763 M. Financing activities provided SEK 311 M through new borrowings.

Proposed distribution of profit

The Board proposes that the Parent Company's net profit of SEK -513,850,990, plus the share premium account of SEK 2,161,354,539, in total SEK 1,647,503,549, be distributed as follows:

Brought forward	1,647,503,549
Total	1,647,503,549

Annual General Meeting

Swedavia AB's Annual General Meeting takes place on April 28, 2011, at Stockholm Arlanda Airport.

The Annual Report and other financial reports are available on Swedavia's website www.swedavia.se

Calendar

Annual report	March 31, 2011
Annual General Meeting	April 28, 2011
Quarterly report Q1	April 29, 2011
Quarterly report Q2	August 15, 2011
Quarterly report Q3	October 28, 2011

For other matters concerning the company's results and position, consult the income statement and balance sheet below.

INCOME STATEMENT

Amount in SEK M	Note	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
Net revenue	4	3,277	3,320
		3,277	3,320
Operating expenses			
Other external expenses	5	-1,393	-1,466
Staff expenses	6	-834	-827
Depreciation/amortisation and impairment losses on tangible and intangible non-current assets	7	-630	-623
Operating profit		420	404
Income from financial investments			
Profit on holdings in associated companies	8	8	10
Interest income and similar items	9	3	3
Interest expenses and similar items	10	-239	-298
Profit after financial investments		192	118
Appropriations			
Accelerated depreciation	11	-	-660
Profit before tax		192	-542
Tax on profit	12	-6	-
Tax, deferred	12	-165	28
Minority share of profit for the period		-6	-
Profit for the period		15	-514
Earnings per share			
Earnings per share before and after dilution, SEK		0.01	-0.36
Number of shares		1,441,403,026	1,441,403,026

BALANCE SHEET

Amount in SEK M	Note	Group 2010-12-31	Parent Company 2010-12-31
ASSETS			
<i>NON-CURRENT ASSETS</i>			
Intangible non-current assets	13		
Goodwill		352	474
Other intangible non-current assets		79	79
		431	553
Tangible fixed assets			
Buildings and land	14	5,207	5,088
Field structures	15	2,473	2,473
Electrical installations, vehicles and equipment	16	2,163	2,163
Construction in progress, tangible fixed assets	17	381	381
		10,224	10,105
Long-term financial assets			
Holdings in Group companies	18	-	157
Receivables from Group companies	22	-	50
Holdings in associated companies	19	106	110
Other long-term receivables	20, 25	76	14
Deferred tax credit		28	28
		210	359
Total non-current assets		10,865	11,017
<i>CURRENT ASSETS</i>			
Inventories			
Materials and stocks	21	34	34
		34	34
Current receivables			
Trade receivables		461	460
Receivables from Group companies	22	-	4
Receivables from associated companies	23	7	7
Other receivables		106	101
Prepaid expenses and accrued income	24, 25	142	136
		716	708
Cash and bank balances	25, 31	295	277
Total current assets		1,047	1,019
TOTAL ASSETS		11,912	12,036

Amount in SEK M	Note	Group 2010-12-31	Parent Company 2010-12-31
EQUITY AND LIABILITIES			
Equity	26		
Restricted equity			
Share capital (1,441,403,026 shares)		1,441	1,441
Restricted reserves		486	-
Unrestricted equity			
Unrestricted reserves / Share premium account		1,675	2,162
Profit for the period		15	-514
		3,618	3,089
Minority interest		9	-
Untaxed reserves			
Accumulated accelerated depreciation	11	-	660
		-	660
Provisions			
Pension provisions and similar obligations	27	706	986
Provisions for deferred taxes	28	270	-
Other provisions	29	263	238
		1,239	1,224
Long-term liabilities			
Interest-bearing liabilities			
Liabilities to credit institutions	30	4,023	4,023
Liabilities to leasing companies		6	6
		4,029	4,029
Current liabilities			
Interest-bearing liabilities			
Liabilities to credit institutions		2,105	2,105
Liabilities to leasing companies		23	23
Non-interest-bearing liabilities			
Trade payables		327	325
Liabilities to Group companies		-	13
Liabilities to associated companies		2	2
Current tax liabilities		1	-
Other liabilities		82	81
Accrued expenses and prepaid income	32	478	486
		3,017	3,035
TOTAL EQUITY AND LIABILITIES		11,912	12,036

Assets pledged and contingent liabilities

Amount in SEK M	Group 2010-12-31	Parent Company 2010-12-31
Assets pledged	-	-
Contingent liabilities	-	-

SUMMARY OF CHANGES IN EQUITY

	Share capital	Restricted reserves	Unrestricted reserves	Profit for the period	Total capital				
GROUP									
Company formation	1	-	-	-	1				
Offset issue, 2010-03-25, 1,307,200,000 shares	1,307	-	1,960	-	3,268				
Offset issue, 2010-08-16, 133,703,026 shares	134	-	201	-	334				
Transfers between restricted and unrestricted reserves	-	486	-486	-	-				
Profit for the period	-	-	-	15	15				
Equity 2010-12-31	1,441	486	1,675	15	3,618				
		<table> <thead> <tr> <th>Restricted equity</th> <th>Unrestricted equity</th> </tr> </thead> <tbody> <tr> <td></td> <td>Share premium account</td> </tr> </tbody> </table>		Restricted equity	Unrestricted equity		Share premium account	Profit for the period	Total capital
Restricted equity	Unrestricted equity								
	Share premium account								
PARENT COMPANY									
Company formation, 2009-11-30, 500,000 shares	1	-	-	-	1				
Offset issue, 2010-03-25, 1,307,200,000 shares	1,307	-	1,961	-	3,268				
Offset issue, 2010-08-16, 133,703,026 shares	134	-	201	-	334				
Profit for the period	-	-	-	-514	-514				
Equity 2010-12-31	1,441	-	2,162	-514	3,089				

CASH FLOW STATEMENT

Amount in SEK M	Note	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
Operations			
Profit after financial investments		192	118
Adjustments for items not included in cash flow etc.		707	743
		899	861
Tax paid		261	-
Cash flow from operating activities before changes in working capital		1,160	861
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-	-
Increase(-)/Decrease(+) in operating receivables		-689	-476
Increase(+)/Decrease(-) in operating liabilities		275	344
Cash flow from operating activities		746	729
Investing activities			
Acquisitions of subsidiaries		13	-165
Acquisitions of business operations	2	39	39
Acquisitions of intangible non-current assets		-2	-8
Acquisitions of tangible fixed assets		-532	-526
Divestments of tangible fixed assets		-	50
Acquisitions of financial assets		-108	-153
Cash flow from investing activities		-591	-763
Financing activities			
New share issue		0	0
Borrowings raised		146	311
Dividend paid to minority holding in subsidiary		-7	-
Cash flow from financing activities		140	311
Cash flow for the period		295	277
Liquid assets, Opening balance		-	-
Liquid assets, Closing balance		295	277

Supplementary information to the cash flow statement

Amount in SEK M	Note	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
Adjustments for items not included in the cash flow etc.			
Income from acquisitions		-	-
Minus share of profit in associated companies		-8	-
Depreciation/amortisation and impairment losses on assets		649	642
Pension provisions		7	67
Other provisions		59	34
		707	743
Transactions that do not involve payments			
Acquisition of assets by assuming a liability directly related to the asset or by issuing promissory notes to the seller		164	-
Acquisition of business operations through a non-cash issue		3,602	3,602
Acquisition of subsidiaries and other business units			
Acquired assets and liabilities:			
Intangible non-current assets		457	573
Tangible fixed assets		10,294	10,224
Financial assets		108	60
Inventories		34	34
Operating receivables		251	205
Liquid funds		55	39
Total assets		11,200	11,134
Provisions		987	1,124
Borrowings		5,846	5,846
Operating liabilities		588	563
Total provisions and liabilities		7,421	7,532
Purchase price		3,766	3,843
Minus non-cash issue		-3,602	-3,602
Promissory notes to seller		-164	-
Purchase price paid		0	241
Minus liquid funds in acquired operations		-55	-39
Effect on liquid funds (minus = increase)		-55	202

NOTES (Amount in SEK M unless otherwise indicated)

Note 1 Corporate information and comparative accounting information

Swedavia AB (publ.), Swedish corporate identity number 556797-0818, has its registered office 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. The company's operations entail directly or indirectly funding, owning, managing and developing airports with their associated buildings and facilities.

On December 3, 2009, the Swedish Parliament agreed to split LfV and convert its airport operations into a limited liability company as of April 1, 2010. For this reason, the company Swedavia was formed on November 30, 2009. On April 1, 2010, the company acquired all shares in the companies Flygplatsfastigheter i Landvetter AB, corporate identity number 556142-8334, and LfV Airport Center AB, corporate identity number 556381-1057, as well as 60 per cent of the shares in Arlanda Schiphol Development Company AB, corporate identity number 556653-6628, thus becoming the parent company of this group.

Also included in the acquisition were the associated companies Nordic Airport Properties AB 50 per cent, corporate identity number 556598-5941, Nordic Airport Properties KB 50 per cent, corporate identity number 969673-0143, and Cityflygplatsen i Göteborg AB 40 per cent, corporate identity number 556195-5823.

Swedavia AB's first financial year covers the period November 30, 2009, to December 31, 2010. Therefore, no annual report has been prepared for the company for previous financial years with information about financial data and applicable accounting principles. The Group's first financial year runs from April 1 to December 31, 2010. In this report, Swedavia AB is referred to either by its full name or "the Parent Company" and the Swedavia Group is referred to as "Swedavia" or "the Group".

The Group's reporting is in millions of Swedish kronor, SEK M.

Note 2 Acquisition balances

In conjunction with the conversion of LfV's airport operations into a limited liability company on April 1, 2010, assets and liabilities were transferred to Swedavia at estimated market value. The purchase price was set at SEK 6,566 M and was funded by two offset issues in the Parent Company of SEK 3,268 M and SEK 334 M together with the issuance of promissory notes to the Swedish State of SEK 2,964 M.

In conjunction with the transaction, goodwill of SEK 488 M arose in the Parent Company; including the acquisition premium, the total amount of goodwill recognised was SEK 493 M.

The consolidated financial statements recognise defined benefit pension obligations in conformity with the Swedish Financial Accounting Standards Council recommendation RR 29. The difference in accounting principles means that the acquisition premium in the consolidated financial statements is reduced to SEK 289 M. Together with goodwill from the acquisition of subsidiaries, goodwill of SEK 377 M was recognised in the consolidated financial statements.

Note 3 Accounting principles and notes to the financial statements

General

The Annual Report was prepared in conformity with Sweden's Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendations and statements of its Emerging Issues Task Force as well as statements from the Swedish Financial Reporting Board. The Swedish Accounting Standards Board's recommendation BFN R 7 is used for currency hedging.

Classification

Non-current assets, long-term 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 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 valued at cost unless otherwise indicated below.

Intangible non-current assets

The Group has a premium from the acquisition of net assets, goodwill on the acquisition of subsidiaries and goodwill on other intangible non-current assets (noise insulation for the properties of others). The acquisition premium has an expected useful life of 20 years, and goodwill on the acquisition of subsidiaries 5 years. Other intangible non-current assets have an estimated useful life of 10 years. Useful life reflects the company's estimate of the period in which future economic benefits that goodwill and other intangible non-current assets represent will accrue to the company. Amortisation is according to a schedule over the estimated useful life of the asset.

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. New 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.

Construction in progress and new expenditures

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. All 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 estimated useful life of the asset. Useful life is estimated as:

Buildings	10–60 years
Field structures	10–60 years
Electrical installations, vehicles and equipment	5–10 years
Equipment, land	10–60 years
Equipment, buildings	10–60 years

*Cont. Note 3***Impairment losses**

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. In applying the Swedish Financial Accounting Standards Council recommendation RR 17 "Impairment losses", the system of airports included in the national basic airport infrastructure is therefore treated as a single cash-generating unit. The other airports not included in this infrastructure are valued individually as cash-generating units.

Impairment losses are recognised immediately in the income statement. If an impairment loss is reversed, it is done so only to the extent that the carrying amount of the asset does not exceed the carrying amount, minus depreciation, if no impairment loss had been made. A reversal of an impairment loss is recognised immediately in the income statement.

Financial instruments

Financial instruments intended as permanent holdings in the operation are classified as non-current assets. Financial non-current assets consisting of shares are recognised at cost minus any impairment losses to fair value. The assessment is made asset class by asset class, and an impairment loss is taken reducing the carrying amount to fair value when the decline in value is judged to be permanent.

Receivables

Receivables are recognised at cost minus any 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 in conformity with the Swedish Financial Accounting Standards Council's recommendation RR 8. 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.

Stocks

Stocks, valued in conformity with the Swedish Financial Accounting Standards Council's recommendation RR 2:02, are recognised at the lower of cost using the first-in first-out method or fair value. As a result, obsolescence risks are mitigated.

Trade receivables

Trade receivables are recognised at the amount that is expected to be received minus bad debts, which are judged on an individual basis. The expected maturity of trade receivables is short, so the value is recognised at the nominal amount without discounting.

Liquid funds

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

Trade payables

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

Other financial liabilities

Borrowings and other financial liabilities are included in this category. Long-term liabilities have an expected maturity longer than one year while current liabilities have a maturity shorter than one year. Current liabilities are valued without discounting at their nominal amount.

Borrowings

Borrowings are recognised initially at the amount received minus transaction costs. After the purchase period, the borrowings are valued at accrued cost using the effective interest method. Accrued cost is determined based on the effective interest rate calculated when the amount was borrowed. This means that discounts/premiums and the direct costs of share issues are allocated over the maturity of the loan.

Financial instruments and hedge accounting*Hedge accounting*

In order to satisfy the requirements for hedge accounting, there must be a clear connection with the hedged item and the hedge must effectively protect the hedged position. Gains and losses from hedges are recognised at the same time as gains and losses in the items hedged. In cases where the conditions for hedge accounting are no longer satisfied, the derivative instrument is recognised as if it were held for trading at the portfolio level at the lower of cost or fair value.

Interest rate hedging

To hedge interest rate risk, interest rate swaps are used. Amounts that are to be paid or received in the interest rate swap are reported on a continuous basis as interest income or interest expense. Premiums paid or received when the swap agreement was entered are allocated over the maturity of the agreement.

Hedging of electricity trading

To hedge prices in the trading of electricity for Swedavia's own account as well as for sale to others, electricity derivatives are used.

The derivative premium/discount is not recognised in the balance sheet but is instead included in the cost of electricity used.

Foreign exchange hedging

Currency exposure for predicted future flows is hedged either through currency futures or currency options. To hedge receivables and liabilities against foreign exchange risk, currency futures are used, which are reported in conformity with Swedish Accounting Standards Board's recommendation BFN R 7. Currency futures or currency options are not recognised in the balance sheet. When a currency futures contract hedges flows of goods or services between countries, trade receivables are valued at the forward rate provided the period is less than three months; otherwise the receivable is valued at the spot rate on the day the hedge was initiated. The difference between the forward rate and the spot rate on the day the hedge is effected is allocated over the life of the futures contract.

Liabilities in foreign currencies that are hedged with currency futures are translated using the forward rate if the maturity of the hedge is less than three months. When the maturity exceeds three months, the liability is calculated at the spot rate on the day the hedge was initiated.

The difference between the forward rate and the spot rate when the hedge is initiated is allocated over the life of the currency future.

For more information about accounting principles and financial risk management, see Note 25.

Pensions

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

The transfer of agreed assets and liabilities from LFV included 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 estimated present value of the defined contribution obligations is

recognised in the balance sheet as a provision. The company's obligation is calculated annually by independent actuaries. The 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 updated annually, which affects the recognised pension obligation. 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, the Parent Company's accounting principles). A receivable is recognised for the special payroll tax if the pension expense in conformity with RR 29 is lower than the pension expense stipulated for a legal entity. Receivables are 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 accrued employee pensions.

The most important actuarial assumptions are presented in Note 27.

Tax

The company and the Group apply the Swedish Financial Accounting Standards Council's recommendation RR 9 "Income taxes".

The Group's total tax consists of current tax and deferred tax. Taxes are recognised in the income statement except when the underlying transaction is reported immediately against equity with the related tax effect recognised in equity. 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 reported and tax values on 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 consideration 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 liability are reported 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 corresponds to the sum 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 never 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 conformity with the Swedish Financial Accounting Standards Council's recommendation RR 16 "Provisions, contingent liabilities and contingent assets" in the balance sheet when the company has a formal 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.

Present value calculation is made in order to take into account significant time effects of future payments.

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 has 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, 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.

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.

Revenue

Revenue is recognised in conformity with the Swedish Financial Accounting Standards Council's recommendation RR 11 "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 the 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.

Business segments

Airport operations are run as a single operation, airport operations, which constitute the Group's sole primary business segment. Airport operations are run as a system in which the units included are mutually dependent. The Group is managed based on an organisation divided into functions with the President and CEO as the senior decision-maker at the operational level. Airport operations are run in all essential respects in the same way at every airport. Revenue from airport operations is largely regulated. A critical success factor is to produce airport services as cost-effectively as possible. The Group has only one secondary segment, that is, airport operations in Sweden, which is connected to operations run in a cohesive, integrated system throughout the country.

*Cont. Note 3***Leases**

The Swedish Financial Accounting Standards Council's recommendation RR 6:99 "Leasing agreements" is applied.

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 current or long-term liabilities. The leased assets are depreciated according to a 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.

During the year, transferred operations did not constitute a significant organisational part of the Group's operations, so no separate accounts have been prepared.

Consolidated financial statements

Consolidated financial statements were prepared in conformity with the Swedish Financial Accounting Standards Council's recommendation RR 1:00.

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.

Business combinations

Acquisitions of businesses are recognised using the acquisition method. Cost is calculated as the total fair value of assets given, liabilities that have arisen or are assumed and equity instruments issued as payment in exchange for controlling interest over the acquired entity on the transaction date plus all costs that are directly attributable to the acquisition of the business. Identifiable assets, liabilities and contingent liabilities acquired are valued at fair value on the acquisition date. The premium/discount 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/negative goodwill.

Goodwill

Consolidated goodwill arises when the cost of an acquisition of shares in subsidiaries exceeds the fair value of the acquired company's identifiable net assets. Goodwill is recognised at cost minus accumulated amortisation and any impairment losses.

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 "Share of profit in associated companies".

Transactions eliminated on consolidation

Intra-Group receivables and liabilities and transactions between companies in the Group 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.

Related party transactions

The Group has transactions with related State-owned companies and enterprises. Revenue consists of remuneration for aviation business and non-aviation business. Costs consist mostly of meteorological services, fees to government authorities and air navigation services.

Change in accounting principles

Beginning in 2012, IFRS regulations will be applied in conformity with the requirements placed on State-owned companies. Swedavia has been granted an exemption through 2011 for applying the Swedish Financial Accounting Standards Council's recommendations.

Other

The figures reported have in some cases been rounded off, which means that tables, graphs 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.

The Parent Company's accounting principles

The Parent Company applies the same accounting principles as the Group except for those below.

Pensions

Pension obligations are recognised in the Parent Company in conformity with the provisions of the Swedish Pension Obligations Vesting Act and the regulations of the Swedish Financial Supervisory Authority.

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 carrying amount 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.

Note 4 Net revenue

	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
Revenue by source		
Aviation business		
Passenger-related revenue	1,268	1,268
Business-related revenue	416	416
Other aviation	6	6
	1,690	1,690
Non-aviation business		
Car parking	408	408
Retail, food & beverage	392	392
Other real estate revenue	295	285
Ground handling & aircraft parking	201	201
Advertising	50	50
Other non-aviation business	200	263
	1,546	1,600
Other operating income	41	30
	41	30
Total	3,277	3,320

Note 5 Remuneration and compensation expenses for auditors

	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
KPMG		
Auditing assignments	3	3
Tax consultancy	1	1
Other services	1	1
Total	5	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 such other 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 6 Employees and staff expenses

Average number of employees	2010-04-01 -2010-12-31	Of which men
PARENT COMPANY		
Sweden	2,484	65%
Total in the Parent Company	2,484	65%
SUBSIDIARIES		
Sweden	12	25%
Total in subsidiaries	12	25%
Group total	2,496	65%

Statement of gender distribution in executive management

Gender distribution in executive management	2010-12-31 Percentage of women	2010-04-01 Percentage of women
PARENT COMPANY		
Board of Directors	44%	44%
Other executive officers	42%	25%
GROUP TOTAL		
Board of Directors	27%	27%
Other executive officers	50%	50%

Salaries, other remuneration and payroll fees	2010-04-01-2010-12-31	
	Salaries and remuneration	Payroll fees
PARENT COMPANY	827	214
(of which pension expenses)	¹	(59)
SUBSIDIARIES	7	4
(of which pension expenses)		(2)
GROUP TOTAL	834	218
(of which pension expenses)	²	(61)

¹ SEK 2.3 M of the Parent Company's pension expenses concerns the company's executive management, comprising 12 people. The company's outstanding pension obligation for these is 0.

² SEK 2.3 M of the Group's pension expenses concerns the company's executive management, comprising 14 people. The Group's outstanding pension obligation for these is 0.

Absence due to illness in the Group	2010-04-01 -2010-12-31
Total absence due to illness as a share of regular work hours	4%
Percentage of total absence due to illness for continuous absence due to illness of 60 days or more	40%
Absence due to illness as a share of each group's regular work hours:	0%
Absence due to illness by gender:	
Men	3%
Women	5%
Absence due to illness by age group:	
29 or younger	3%
30-49	4%
50 or older	4%

Parent Company SEK thousand	Base salary, Board remuneration	Variable remuneration	Other benefits	Pension expense
Chairman of the Board				
Ingemar Skogö	347	-	-	-
Board members				
Karin Apelman	165	-	-	-
Lars Backemar	165	-	-	-
Anders Ehrling	165	-	-	-
Anna Elgh	170	-	-	-
Adine Axén Grate	165	-	-	-
Lottie Svedenstedt	165	-	-	-
Hans Jeppsson	170	-	-	-
Christopher Onajin	-	-	-	-
Total	1,512	-	-	-

Guidelines for remuneration to the Board

Swedavia follows the State's guidelines for remuneration to the Board. Compensation to the Chairman and the Board members is paid based upon a decision at the EGM on February 11, 2010. No pension payment or other benefits accrue to the Board. No compensation is made to Board members who are

employed in the Swedish Government Offices. Employee representatives receive no Board remuneration. No Board remuneration is paid to any subsidiary since all the members are employees of companies in the Swedavia Group.

Cont. Note 6

Parent Company SEK thousand			Base salary	Variable remuneration	Other benefits	Pension expense
President and CEO						
Torborg Chetkovich	CEO, President	as of Aug 25, 2010	931	-	-	336
Total			931	-	-	336
Other executive officers						
Anna Bovaller	Chief Legal Counsel		866	-	43	173
Karl Wistrand	CFO	as of Nov 1, 2010	369	-	-	53
Charlotta Hyldal	HR Director and Director of Sustainability, Quality and Environment	as of Sep 1, 2010	480	-	-	90
Olle Sundin	Airport Director, Göteborg, Landvetter Airport		1,062	-	133	305
Peter Weinhandl	Airport Director, Malmö Airport		720	-	-	171
Peder Grunditz	Director of Regional Airports		732	-	23	137
Kerstin Lindberg Göransson	Airport Director, Stockholm Arlanda Airport	Interim President and CEO until Aug 24, 2010	1,350	-	35	261
Mats Sigurdson	Director of Marketing		743	-	30	171
Kjell-Åke Westin	Airport Director Bromma, Stockholm Airport		725	-	17	173
Anders Lennerman	Director of Security and Safety	as of Oct 1, 2010	288	-	22	62
Bodil Garnej	CIO	as of Dec 1, 2010	70	-	-	9
Lars Friberg	Interim HR Director	until Aug 31, 2010	385	-	13	169
Ann Jacobson	Interim Director of Sustainability, Quality and Environment	until Jul 31, 2010	258	-	-	58
Lars Röhne	Communications Director	until Dec 17, 2010	692	-	21	169
Total			8,097	-	324	1,775

Remuneration to executive officers

Executive officers refers to the people who together with the President and CEO constitute the company's executive management. The executive management is appointed by the President and CEO. Remuneration to the President and CEO is determined by Swedavia's Board of Directors. The President and CEO decides on remuneration to other executive officers in consultation with the Chairman.

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 moderation, reasonableness and transparency as well as contribute to good ethics and corporate culture.

For 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 a defined benefit ITP 2 plan determined by collective agreement. Another two executive officers had pension conditions under ITP 2 in 2010; pensions for other executive officers and other employees are included under the ITP 1 plan. Staff employed in the transition from LfV to Swedavia are also covered by a graduated pension premium. The retirement age for the President and CEO and other executive officers is 65.

Changes in the group of executive officers

Torborg Chetkovich assumed the position of President and CEO of the Swedavia Group on August 25, 2010. Kerstin Lindberg Göransson had been President and CEO from April 1 to August 24, 2010, at which time she returned to her regular assignment as Airport Director of Stockholm Arlanda Airport. Charlotta Hyldal assumed the position of HR Director and Director of Sustainability, Quality and Environment on September 1, 2010. Anders Lennerman assumed the position of Director of Security and Safety on October 1, 2010. Karl Wistrand assumed the position of CFO on November 1, 2010. Bodil Garnej assumed the position of CIO on December 1, 2010. Ann Jacobson was interim Director of Sustainability, Quality and Environment from April 1 to July 31, 2010. Lars Friberg was interim HR Director from April 1 to August 31, 2010. Lars Röhne ended his assignment as Director of Communications for Swedavia on December 17, 2010.

Note 7 Depreciation, amortisation and impairment losses on tangible and intangible non-current asset

	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
Depreciation and amortisation		
Goodwill	24	19
Other intangible non-current assets	9	9
Buildings and land	216	214
Field structures	107	107
Electrical installations, vehicles and equipment	268	268
Total	624	617
Impairment losses		
New construction related to tangible fixed assets	6	6
Total	630	623

Note 8 Profit from holdings in associated companies

	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
Share of profit in associated companies	8	10
Total	8	10

Note 9 Interest income and similar items

	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
Interest income, other	3	3
Total	3	3

Note 10 Interest expenses and similar items

	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
Interest expenses	-185	-185
Share of interest in pension expenses for the period	-18	-12
Other financial expenses ¹	-36	-101
Total	-239	-298

1 Of which SEK 56 M in the Parent Company pertains to actuarial losses.

Note 11 Allocations and untaxed reserves

In calculating excess depreciation, the maximum amount of allocations allowed under Swedish tax law is made in the Parent Company. Accumulated depreciation pertains to electrical installations, vehicles and equipment.

Note 12 Tax on profit for the period

	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
Current tax expense (-) [/tax income (+)]		
Tax expense [/tax income] for the period	-6	-
	-6	-
Deferred tax expense (-) [/tax income (+)]		
Deferred tax for temporary differences	-165	28
Total tax expense recognised	-171	28

	Group 2010-04-01 -2010-12-31		Parent Company 2009-11-30 -2010-12-31	
	Per cent	Amount	Per cent	Amount
Reconciliation of effective tax				
Profit before tax		192		-542
Tax calculated using Swedish tax rate for the Parent Company	26.3	-50	26.3	143
Amortisation of consolidated goodwill	1.6	-3		-
Other non-deductible expenses	48.4	-93	-17.2	-93
Increase in loss carryforward without offsetting capitalisation of deferred tax	11.5	-22	-4.1	-22
Other	-1.6	-3		-
Effective tax	86.2	-171	5.1	28

Note 13 Intangible assets

Goodwill	Group 2010-12-31	Parent Company 2010-12-31
Acquired		
Accumulated cost		
Opening balance	-	-
Acquisition of assets and liabilities	289	493
Acquisition of subsidiaries	88	-
Closing balance	377	493
Accumulated amortisation		
Opening balance	-	-
Amortisation for the period ¹	-25	-19
Closing balance	-25	-19
Carrying amount, opening balance	-	-
Carrying amount, closing balance	352	474
Other intangible non-current assets		
Acquired		
Accumulated cost		
Opening balance	-	-
Acquisition of assets and liabilities	80	80
Acquisitions for the period	8	8
Closing balance	88	88
Accumulated depreciation		
Opening balance	-	-
Amortisation for the period ¹	-9	-9
Closing balance	-9	-9
Carrying amount, opening balance	-	-
Carrying amount, closing balance	79	79

¹ Depreciation, amortisation, reversed impairment losses and impairment losses for the period are recognised in the income statement under "Depreciation, amortisation and impairment losses on tangible and intangible non-current assets".

Note 14 Buildings and land

	Group 2010-12-31	Parent Company 2010-12-31
Accumulated cost		
Opening balance	-	-
Net assets acquired	5,163	5,163
Acquisitions of subsidiaries	121	-
Reclassifications	140	140
Divestments and disposals	-1	-1
	5,423	5,302
Accumulated depreciation		
Opening balance	-	-
Depreciation for the period	-216	-214
	-216	-214
Carrying amount, closing balance	5,207	5,088
Of which land		
Accumulated cost	444	390
Carrying amount, closing balance	444	390
A property reallocation is underway, and the application is being processed by Lantmäteriet, the Swedish land registration authority.		
Specification of tax assessment values		
Tax assessment values, buildings	181	175
Tax assessment values, land	257	216
Total tax assessment values	439	391

The tax assessment values also comprise properties included in the property reallocation underway.

Note 15 Field structures

	Group 2010-12-31	Parent Company 2010-12-31
Accumulated cost		
Opening balance	-	-
Net assets acquired	2,418	2,418
Reclassifications	162	162
	2,580	2,580
Accumulated depreciation		
Opening balance	-	-
Depreciation on cost for the period	-107	-107
	-107	-107
Carrying amount, closing balance	2,473	2,473

Field structure assets and liabilities acquired have been treated for tax purposes as land. Field structures consist mostly of runways.

Note 16 Electrical installations, vehicles and equipment

	Group 2010-12-31	Parent Company 2010-12-31
Accumulated cost		
Opening balance	-	-
Net assets acquired	2,317	2,317
Reclassifications	115	115
Divestments and disposals	-1	-1
	2,431	2,431
Accumulated depreciation		
Opening balance	-	-
Depreciation on cost for the period	-268	-268
	-268	-268
Carrying amount, closing balance	2,163	2,163

Note 17 New construction related to tangible fixed assets

	Group 2010-12-31	Parent Company 2010-12-31
Opening balance	-	-
Net assets acquired	278	278
Capital spending	526	526
Reclassifications	-417	-417
	387	387
Accumulated impairment losses		
Opening balance	-	-
Impairment loss on cost for the period	-6	-6
	-6	-6
Carrying amount, closing balance	381	381

Note 18 Holdings in Group companies

	Parent Company 2010-12-31
Accumulated cost	
Opening balance	-
Acquisitions	157
	157
Carrying amount, closing balance	157

Specification of the Parent Company's and Group's holdings of shares in Group companies on December 31, 2010

Subsidiary / Corporate identity no. / Registered office	Number of shares	Ownership % ¹	Carrying amount 2010-12-31
LFV Airport Center AB, 556381-1057, Stockholm County, Municipality of Sigtuna	13,000	100	0
Flygplatsfastigheter i Landvetter AB, 556142-8334, Västra Götaland County, Municipality of Gothenburg	110,022	100	64
Arlanda Schiphol Development Company AB, 556653-6628, Stockholm County, Municipality of Sigtuna	10,000	60	93
TreDhotell AB, 556810-8996, Stockholm County, Municipality of Sigtuna	50,000	100	0
			157

¹ Refers to ownership of capital, which is also equivalent to the percentage of votes for the total number of shares.

Note 19 Holdings in associated companies

	Group 2010-12-31	Parent Company 2010-12-31
Accumulated cost		
Opening balance	-	-
Acquisitions	100	100
Share of the profit in the associated companies for the period	6	10
Dividends for the period	-	-
	106	110
Carrying amount, closing balance	106	110

Specification of the Parent Company's and Group's holdings of shares in associated companies on December 31, 2010

Associated company / Corporate ID no. / Registered office	Adjusted equity	Profit for the year	Number of shares	Ownership, %	Value of share in consolidated financial statements	Carrying amount in Parent Company financial statements
Directly owned						
Nordic Airport Properties AB, 556598-5941, Stockholm County, Municipality of Stockholm	1	-2	1,000	50	-1	1
Nordic Airport Properties KB, 969673-0143, Stockholm County, Municipality of Stockholm	99	10	1	50	109	109
Cityflygplatsen i Göteborg AB, 556195-5823, Västra Götaland County, Municipality of Gothenburg	-	-2	5,244	40	-2	-
					106	110

Note 20 Other long-term receivables

	Group 2010-12-31	Parent Company 2010-12-31
Accumulated cost		
Opening balance	-	-
New receivables	98	35
Receivables settled	-19	-19
Reclassifications	-2	-2
	76	14
Carrying amount, closing balance	76	14

Note 21 Materials and stocks

	Group 2010-12-31	Parent Company 2010-12-31
Materials and stocks	34	34
Total	34	34

Note 22 Receivables from Group companies

	Group 2010-12-31	Parent Company 2010-12-31
TreDhotell AB	-	50
Flygplatsfastigheter i Landvetter AB	-	11
LFV Airport Properties	-	-7
Carrying amount, closing balance	-	55

Invoicing from the Parent Company to subsidiaries totalled SEK 6 M, and invoicing from subsidiaries to the Parent Company totalled SEK 92 M.

Note 23 Receivables from associated companies

	Group 2010-12-31	Parent Company 2010-12-31
Nordic Airport Properties KB	7	7
Carrying amount, closing balance	7	7

Note 24 Prepaid expenses and accrued income

	Group 2010-12-31	Parent Company 2010-12-31
Accrued income, take-off charges	13	13
Accrued income, ground handling	7	7
Accrued income, retail food & beverage	31	31
Accrued income, advertising	2	2
Prepaid insurance premiums	2	2
Other accrued income and prepaid expenses	87	81
Total	142	136

Note 25 Cash and bank balances

Borrowing terms, effective interest rate and maturity structure/interest rate renegotiation

	Group 2010-12-31	Parent Company 2010-12-31
Bank balances	295	277
Total	295	277

Financial risk management

The financial operations and financial risk management of the Group and the Parent Company are centralised under the Corporate Finance function and are carried out in a separate Group unit, Swedavia Finance.

Operations are managed in accordance with a financial policy adopted by the Board and are characterised by a low level of risk. The aim is to minimise the Group's capital costs through effective financial solutions as well as effective management and control of the Group's financial risks.

Currency risk

Most sales revenue is not affected by any currency risk since more than 99 per cent is invoiced in SEK. When invoicing is in a foreign currency, an internal match against trade invoices is made in the corresponding currency.

For other payments in foreign currency, forward hedges that match the FX cash flow are entered. Forward hedges are entered in connection with the signing of contracts or the receipt of invoices.

Interest rate risk

Interest rate risk refers to the risk of changes in market interest rates affecting the net interest income/expense of the Group and Parent Company.

Interest rate risk arises in two different ways:

- investments in interest-bearing assets whose value changes when the interest rate changes
- a change in borrowing costs

The interest rate risk for the Group and the Parent Company arises more than 99 per cent through borrowings.

To achieve the financial targets determined in the financial policy, interest rate derivatives are used. On the balance sheet date, the nominal amount of these totalled about SEK 4,000 M. On December 31, 2010, the derivatives were valued at a premium. Swedavia's exposure on the balance sheet date entails that an increase of one percentage point for all maturities would mean a SEK -6 M impact on net interest income/expense.

In accordance with the financial policy, interest rates shall be locked in for 3.5 years +/- 1 year. On the balance sheet date, the lock-in period was 4.20 years. All excess liquidity was placed in bank accounts in Swedish commercial banks.

Liquidity and refinancing risk

Liquidity and refinancing risk refers to the risk that the cost of financing opportunities will increase or that such opportunities will be limited when loans are to be re-negotiated.

It also comprises payment obligations that cannot be met due to insufficient liquidity. In accordance with the financial policy, the Group has overdraft facilities of SEK 100 M and back-up facilities of SEK 500 M.

On the balance sheet date, there were also unutilised lines of credit of SEK 1,200 M with Swedish commercial banks.

Credit risk

The commercial and financial transactions of the Group and the Parent Company give rise to credit risks against their 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
- Credit risk for trade receivables

For its financial credit risk, Swedavia has entered an ISDA agreement with its banks which limits the risk of unrealised losses in derivative contracts.

For trade receivables, operations are managed in conformity with a regulation on credits that specifies the terms of credit and working method.

Terms of payment are in most cases 30 days, and credit losses total an insignificant amount relative to the Group's revenue.

Commodities risk

Swedavia's commodities risk is concentrated on electricity and is regulated in the financial policy.

There is continuous hedging of prices for electricity in accordance with the financial policy. Hedging is done through electricity derivatives on the Nordpool electricity market as well as through bilateral agreements with producers.

The hedge ratio for 2011 is 82 per cent of predicted use.

Note 26 Equity

The Group

Transfers between restricted and unrestricted reserves refers to untaxed reserve minus deferred tax.

Note 27 Provisions for pensions and similar items

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

Defined benefit

Most of the defined benefit pension obligations were assumed from LFV in conjunction with the division of the enterprise. There are no new pension rights accruing from these; instead the commitment is in the form of paid-up pension policies.

The actuarial bases for calculating the capital value are determined by the regulations and guidelines issued by the Swedish Financial Supervisory Authority, FFFS 2007:24, which includes return assumptions.

The Parent Company has chosen to calculate pension obligations starting in 2010 using a return requirement of 1.4 per cent per year.

Pension obligations are recognised as a provision in the balance sheet, to the extent the Swedish Pension Obligations Vesting Act allows it, under "Provisions for pensions and similar items".

The Group has both defined benefit and defined contribution pension obligations	Group 2010-12-31	Parent Company 2010-12-31
Actuarial assumptions		
The following significant actuarial assumptions have been applied in calculating the obligations: (weighted average values)		
Discount rate	3.5%	1.4%
Future changes in price base amount	2.0%	2.0%
Present value of unfunded defined benefit commitments	685	965

The Parent Company's total obligations for defined benefit pensions are covered by credit insurance with FPG/PRI.

Pension expenses	Group	Parent Company
Defined benefit plans		
Expense for pensions accrued during the period	14	19
Interest expense	18	12
Actuarial expense	-	56
Cost of defined benefit plans	32	87
Cost of defined contribution plans		
Cost of defined contribution plans	49	47
Payroll fee	12	11
Total cost for remuneration after termination of employment	61	59

Note 28 Provisions for deferred tax

Group, December 31, 2010	Deferred tax credit	Deferred tax liability	Net
Untaxed reserves	-	178	178
Effect of valuation of pension liability in consolidated financial accounts	-	92	92
Temporary difference	-	-	-
Total	-	270	270
Parent Company, December 31, 2010	Deferred tax credit	Deferred tax liability	Net
Temporary difference	28	-	28
Total	28	-	28

Note 29 Other provisions

	Group 2010-12-31	Parent Company 2010-12-31
Restructuring costs	128	128
Social security fund	92	92
Other provisions	42	17
Total	263	238

Note 30 Liabilities to credit institutions

	Group 2010-12-31	Parent Company 2010-12-31
Maturity, 1-5 years from the balance sheet date	4,023	4,023
Maturity, more than five years from the balance sheet date	-	-
Total	4,023	4,023
Swedish National Debt Office	1,608	1,608
SHB	1,400	1,400
Nordea	400	400
SEB	600	600
Other credit providers	15	15
Total	4,023	4,023

Note 31 Overdraft facilities

	Group 2010-12-31	Parent Company 2010-12-31
Overdraft facilities approved	100	100
Unutilised portion	-100	-100
Used credit amount	-	-

Note 32 Accrued expenses and prepaid income

	Group 2010-04-01 -2010-12-31	Parent Company 2009-11-30 -2010-12-31
Incentive provisions for airlines	42	42
Property tax	2	2
Accrued costs construction projects	9	9
Energy tax	5	5
Accrued staff-related expenses	117	117
Other accrued expenses and prepaid income	303	311
Total	478	486

Statement of Compliance and signatures of the Board of Directors and the President and CEO

The consolidated accounts and Annual Report have been prepared in accordance with the Swedish Annual Reports Act and the recommendations of the Swedish Financial Accounting Standards Council and give a true and fair view of the financial position and results of the Group and the Parent Company.

The Report of the Directors for the Group and for the Parent Company gives a true and fair view of the operations, financial position and results of the Group and the Parent Company and describes substantial risks and uncertainties faced by the Group.

Stockholm-Arlanda March 17, 2011

Ingemar Skogö
Chairman of the Board

Karin Apelman
Board member

Lars Backemar
Board member

Anders Ehrling
Board member

Anna Elgh
Board member

Adine Grate Axén
Board member

Hans Jeppson
Board member

Christopher Onajin
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 23, 2011

KPMG AB
Hans Åkervall
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 28, 2011.

Audit Report

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

I have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Swedavia AB (publ) for the financial year November 30, 2009, to December 31, 2010. The annual accounts and the consolidated accounts are presented in the printed version of this document on pages 66–99. The Board of Directors and the President are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and consolidated accounts. My responsibility is to express an opinion on the annual accounts and consolidated accounts and the administration based on our audit.

I conducted my audit in accordance with generally accepted auditing standards in Sweden. Those standards require that I plan and perform the audit to obtain high but not absolute assurance that the annual accounts and consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President when preparing the annual accounts and the consolidated accounts as well as evaluating the overall presentation of information in the annual accounts

and the consolidated accounts. As a basis for my opinion concerning discharge from liability, I examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the President. I also examined whether any Board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. I believe that my audit provides a reasonable basis for my opinion set out below.

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

I recommend to the Annual General Meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the Report of the Directors and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm March 23, 2011

KPMG AB
Hans Åkervall
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. The company owns and operates the airport operations that were previously part of LFV. The operations were acquired on April 1, 2010. 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 nominates the members of the Board of Directors of Swedavia.

Corporate governance

Swedavia's corporate governance is regulated by external legal frameworks such as the Swedish Companies Act and other applicable laws, the State's ownership policy, the Swedish Corporate Code of Governance and Swedavia's Articles of Association. Corporate governance also includes internal frameworks such as the Rules of Procedure of the Board of Directors, their instructions to and Rules of Procedure with signature of compliance for the President, and other internal policies and instructions.

The State's ownership policy for 2009 includes guidelines on important matters of principle concerning the management of State-owned companies. According to the ownership policy announced by the State, companies with State ownership shall apply the Swedish Code of Corporate Governance (the Code). A revised Code entered into force on February 1, 2010. The Code is applied on a "comply or explain" basis, which means that deviations from the Code are allowed but must be explained.

This Corporate Governance Report describes Swedavia's corporate governance, management and administration as well as how the Board ensures the quality of the financial reporting and works together with the company's independent auditors. The figure on the next page shows the overall structure of corporate governance.

Deviations from the Code

The Swedish Code of Corporate Governance is aimed mainly at companies with broad ownership that are listed on the Swedish stock exchange. Swedavia is wholly owned by the Swedish State. The deviations from the Code made by Swedavia mostly concern ownership, which means that some of the provisions of the Code are not applicable. Swedavia has also made a number of temporary deviations from the Code which are mainly because 2010 was the company's first year of operations.

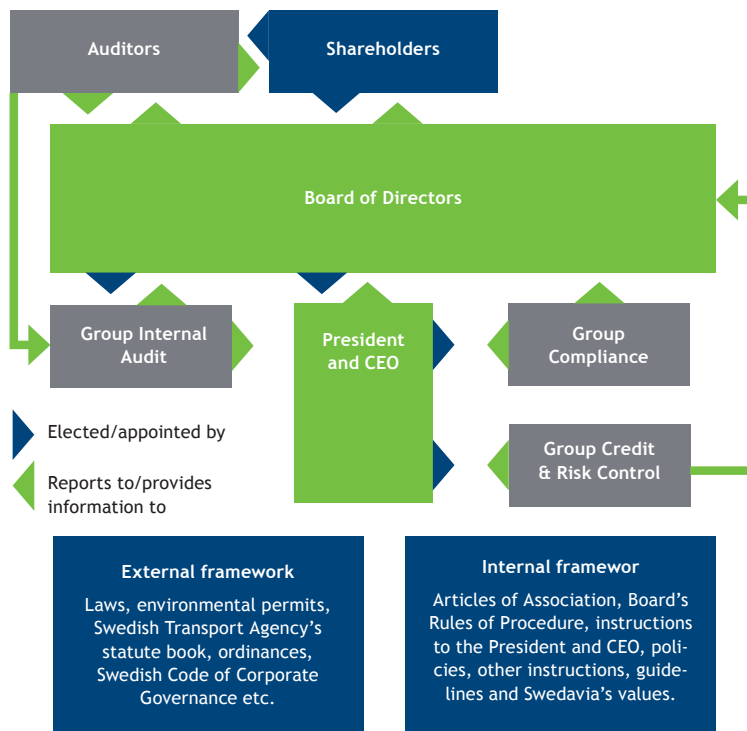
Code requirement	Deviation	Explanation/Comments
Code rules 1.4 and 2.1-2.7.		
The company has a Nomination Committee that represents the company's shareholders.	No Nomination Committee has been set up.	Because of its ownership structure, Swedavia has no Nomination Committee. The nomination process complies with the Swedish State's ownership policy.
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 protected minority owners in companies with broad ownership. In State-owned companies, there is no reason to report such independence.

Temporary deviations from the Code during the first year of operations, 2010

The deviations from the Code below are only temporary deviations and are owing to Swedavia being formed in 2010.

- According to code rule 7.5, the Board of Directors shall meet the company's auditor at least once a year, without the presence of the President and CEO or other executive officer. The President and CEO was present at the Board's meetings with the auditors at Swedavia.

Swedavia's corporate governance



- According to code rule 7.6, the Board of Directors shall ensure that the company's six-month or nine-month report is examined by the company's auditor. Swedavia did not publish a six-month or nine-month report.
- According to code rule 10.3, the company shall have a separate section on its website for corporate governance matters. The page on Swedavia's website that deals with corporate governance matter is under review.

Annual General Meeting

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

According to the Articles of Association, the AGM shall be held within six months of the end of the financial year. 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 Meeting.

Extraordinary General Meetings in 2010

Three Extraordinary General Meetings (EGM) were held in 2010:

At the February 11, 2010, EGM, decisions were made on compensation to the Board members and auditors until the AGM in 2011, the number of Board members, the Chairman of the Board, auditors and new Articles of Association.

At the March 25 EGM, decisions were made including on new Articles of Association, a new share emission with offset payment, guidelines for terms of employment and remuneration for executive officers, and remuneration to the Board.

At the August 16 EGM, proposals were made for new Articles of Association and a new share issue with offset payment as well as approval of a deferred non-cash issue.

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 Code's provisions.

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 deputies. 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. The Board's work is assessed using a systematic, structured process aimed in part at developing a solid basis for the Board's own development work. The first assessment will be made during the second quarter of 2011.

The work and responsibilities of the Board

According to the Swedish Companies Act, Swedavia's Board is responsible for the company's organisation and management of the company's affairs. The Board establishes the Rules of Procedure each year for the Board's work and instructions on the division of labour between the Board and the President and CEO with instructions for economic reporting to the Board.

The Board's Rules of Procedure regulate, among other matters, the Chairman's duties, information to the Board and the division of responsibility between the President and CEO and the Board. Under the Board's Rules of Procedure, at least six planned Board meetings apart from the statutory Board meeting shall be held per calendar year. Additional meetings may be held when justified by an event of major importance. The Board is responsible for financial oversight and has regular meetings with the company's auditors to hear their views.

Facts about the Board of Directors

	Main Board	Attendance ¹	Elected
Members elected at the AGM			
Ingemar Skogö	Chairman	18/18	2010
Karin Apelman	Member	17/18	2010
Lars Backemar	Member	16/18	2010
Anders Ehrling	Member	14/18	2010
Anna Elgh	Member	18/18	2010
Adine Grate Axén	Member	13/18	2010
Hans Jeppson	Member	16/18	2010
Christopher Onajin	Member	18/18	2010
Lottie Svedenstedt	Member	16/18	2010
Employee representatives			
Lars Andersson ²	Member	15/16	2010
Robert Olsson ³	Member	3/3	2010
(Sven-Erik Olsson ⁴)	Member	4/4	2010
(Lennart Dahlin ⁵)	Member	5/9	2010
(Michael Siönäs ⁶)	Deputy	3/3	2010
Mats Abrahamsson ⁷	Deputy	1/1	2010
Agne Lindbom ⁸	Deputy	–	2010

1 Attendance is for the period 2010-02-11-2010-12-31. The Board was constituted on February 11, 2010. At the first two Board meetings, no employee representative was present. At one Board meeting, only one employee representative was present.

2 Lars Andersson was elected on March 18, 2010, and attended 15 out of 16 Board meetings during the year.

3 Robert Olsson was elected on October 21, 2010, and attended 3 out of 3 Board meetings during the year.

4 Sven-Erik Olsson (employee representative) was elected on March 18, 2010, and attended 4 out of 4 Board meetings. Sven-Erik Olsson relinquished his duties during the year.

5 Lennart Dahlin (employee representative) was elected on May 19, 2010, and attended 5 out of 9 Board meetings. Lennart Dahlin relinquished his duties during the year.

6 Michael Siönäs (employee representative: deputy) was elected on July 12, 2010, and attended 3 out of 3 Board meetings. Michael Siönäs relinquished his duties during the year.

7 Mats Abrahamsson (employee representative: deputy) was elected on October 21, 2010, and attended 1 out of 1 Board meetings during the year.

8 Agne Lindbom was elected on March 18, 2010.

The Board shall assess the work of the President and CEO on a continuous basis and specifically deal with this matter at least once a year, when no one from executive management is present.

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 for 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 2010

In 2010, the Board held 18 meetings, one of them statutory.

The main issues in 2010 were:

- Acquisition of LFV airport operations
- New offset share issue
- Appointment of the President and CEO
- Economic reporting
- Divestment of airports
- Strategy
- Budget
- Business plan, 2011–2014

Composition of the Board

In 2010, Swedavia's Board consisted of nine members, including the Chairman, elected at the AGM. The Board also had two employee representatives and their two deputies. An account is presented on pages 108–109 of the age, education, principal work experience and other important duties outside the company of each Board members as well as the number of years they have been on the Board. Five of the Board members elected at the AGM are men and four women. The average age is 52. At year-end 2010, both employee representatives were men with an average age of 55.

The Board's committee work

In 2010, there was no Audit Committee; instead the Board together dealt with the tasks intended for the committee in their ongoing Board work. In 2011, an Audit Committee will be formed. The work of the Audit Committee will be deter-

mined each year by the Board through special Rules of Procedure for the committee. The committee's work will consist mainly of preparing matters for a final Board decision. The minutes of each committee meeting will be included in the minutes of the next subsequent Board meeting.

Swedavia has no Remuneration Committee; instead, the entire Board performs the duties intended for this committee.

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. At the EGM on February 11, 2010, it was decided that no specific compensation should be paid to the Board's employee representatives. At the EGM on March 25, 2010, it was also decided that no remuneration would be paid to Board members who are employed in the Swedish Government Offices.

The President and CEO and the Executive Management

The Board 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 informed about significant business matters on a regular basis. 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 page 110.

Subsidiaries and associated companies

Swedavia has four operational subsidiaries: Arlanda Schiphol Development Company AB (60 per cent ownership), Flygplatsfastigheter i Landvetter AB, TreDhotell AB and LFV Airport Center AB. Swedavia also has three associated companies: Nordic Airport Properties AB, Nordic Properties KB and Cityflygplatsen i Göteborg AB. Swedavia's executive management is represented in all the subsidiaries and associated companies. The companies' activities are governed and monitored through Board meetings.

Remuneration to executive officers

At the EGM on March 25, 2010, the owner decided on the principles for remuneration and other terms of employment for executive officers. 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 a bonus system for executive officers. Remuneration to the President and CEO and executive officers is presented in Note 6 on pages 84–86.

Auditors*External auditing*

Under the 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 the EGM on February 11, 2010, the auditing firm KPMG AB was elected auditor; the firm is to perform audit duties until the conclusion of the AGM held in 2011. The principle auditor is the Authorised Public Accountant Hans Åkervall. The appointment runs until the conclusion of the AGM held in 2011. Hans Åkervall has no duties in the company that affect his independence as an auditor at Swedavia. Remuneration has been paid for auditing and other statutory examination as well as for advice and other assistance resulting from observations in the examination. Fees for auditors are presented in Note 5 on page 83.

Internal auditing

The Board has an internal auditing function established at Swedavia as support for its responsibility, oversight duties and assessment. The Board has adopted instructions for internal auditing and appointed a director of internal auditing. The internal auditing function was under construction in 2010 and will consist of three internal auditors. Recruitment of internal auditors was completed in February 2011.

The Board’s report on internal control for financial reporting

Under the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board is responsible for internal control. This report has been prepared in conformity with the Swedish Code of Corporate Governance and is limited to internal control for financial reporting. The report does not include any opinions as to how well internal control worked during the preceding financial year and does not constitute part of the formal annual report.

Swedavia’s operations began on April 1, 2010, with the acquisition of airport operations from LFV. Work began in 2010 to produce governing documents at Swedavia. Swedavia’s internal policies and guidelines will be prepared in 2011. Until the time the new internal governing documents have been prepared, the Board has decided that compliance with LFV’s internal governing documents, where applicable, will continue at Swedavia as well.

Internal control

The Board’s Rules of Procedure specify that the Board is responsible for the company’s organisation and management and related business matters. The Board shall ensure that the company has effective systems for monitoring and control of the company’s operations and keeps informed and assesses on a regular basis how the company’s system for internal control works. The Board shall also ensure that there is sufficient control of the company’s compliance with laws and other regulations that apply to the company’s operations. The Board’s responsibility and oversight duties may not be transferred to another party.

The Board has decided that internal control at Swedavia shall be based in part on the framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO is the framework with the broadest reach and is recognised internationally. Under this framework, internal control consists of the components internal environment, risk assessment, control activities, information and communication, and monitoring with evaluations. Work to create structures for COSO is underway and will be completed in 2011.

Control environment

Swedavia’s work with internal control is aimed at identifying, evaluating and minimising risks in operations. Responsibility for maintaining an effective control environment and the regular work with risk management and internal control for financial reporting is delegated to the President and CEO. Executives at different levels of the company have a similar responsibility in their own operations.

The Board has also adopted a number of fundamental policies to create conditions for a good control environment. These include a Financial Policy and Credit Policy. The President and CEO has also drawn up a number of guidelines, including delegation rules, whereby the responsibilities of executive officers are clearly defined and monitored. Work is underway to develop a Code of Conduct, which will be adopted and then implemented in operations in 2011.

<p>First line of defence Executive management</p> <p>Responsible for maintaining good internal control and risk management</p>	<p>Second line of defence Risk and Compliance</p> <p>Responsible for providing sufficient tools, evaluating and supporting operations in its work with risk management</p>	<p>Third line of defence Internal auditing</p> <p>Responsible for performing independent examinations and ensuring that the Risk and Compliance function works in a satisfactory manner</p>
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Risk management

Risk management for the entire Group is a process carried out by Swedavia's Board, executive management team and other staff, and is carried out in a strategic context and throughout the company. Risk management is designed to identify potential events that can impact the organisation and to provide reasonable assurance that the organisation's aims are achieved.

During the year, Swedavia worked to establish effective, appropriate risk management for the entire Group, but has also noted that work remains to be done in 2011. To ensure Group-wide risk management and compliance with regulations at Swedavia, a single risk policy and risk strategy are to first be developed.

It is the responsibility of operations to manage and control risks on a day-to-day basis (first line of defence). Swedavia's day-to-day risk management is supplemented with a Risk and Compliance staff unit. This function shall be independent of operations to the greatest extent possible and report freely to the President and CEO and the Board. The duties of the Risk and Compliance function are to support operations in developing risk management methods and analyses and to evaluate the operations' ability to handle risks (second line of defence); and finally, to ensure that the Risk and Compliance function works, internal auditing evaluates the function on a regular basis (third line of defence).

In the ongoing work at Swedavia to create an integrated model for risk management risk, risks are identified, evaluated, reported and monitored in a systematic, unified way in business plans. Accordingly, risk management will be integrated in a future management model. Once a mature Risk and Compliance process is introduced, management of Swedavia's risks and controls should be integrated in an IT tool. Reporting, briefing and analysis will thus be more efficient.

Control activities

The company's President and CEO and CFO conduct regular reviews of economic results with executive officers at Swedavia. The accounting process is evaluated on a regular basis and adjusted so that it complies with appropriate regulations in the form of generally accepted accounting principles as well as other requirements for the Group's financial reporting.

The company's business processes include financial controls for approval and accounting of transactions. The closing and reporting process includes controls for projects with unreconciled balances. As part of Swedavia's ongoing work with risk management and internal control, existing policies and processes/instructions are evaluated relative to identified risks. Key controls are to be identified, and systematic monitoring of the effectiveness of these controls is to be determined.

Information and communication

Swedavia has information and communication channels aimed at promoting thoroughness and accuracy in financial reporting. For external communication, there are guidelines ensuring that the company meets high standards for accurate information to the market.

Monitoring and evaluation

The executive management team meets every two weeks and reviews operations and related risks. The Board also evaluates the development, results, position and cash flow of operations on a monthly basis with a package of reports. At the corporate level, there are functions, including a control and accounting unit, that analyse and monitor results and annual forecasts on a regular basis for the company's President and CEO and CFO. All people with responsibility for business units regularly report results and annual forecasts to the company's President and CEO and 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 17, 2011

Ingemar Skogö
Chairman of the Board

Karin Apelman
Board member

Lars Backemar
Board member

Anders Ehrling
Board member

Anna Elgh
Board member

Adine Grate Axén
Board member

Hans Jeppson
Board member

Christopher Onajin
Board member

Lottie Svedenstedt
Board member

Lars Andersson
Board member,
Employee representative

Robert Olsson
Board member,
Employee representative

Auditor's Statement on the Corporate Governance Report

*To the Annual General Meeting of Swedavia AB (publ),
corporate identity no. 556797-0818*

The Board of Directors is responsible for the Corporate Governance Report for the financial year November 31, 2009, to December 31, 2010, on pages 101–107 and for ensuring that it is prepared in conformity with the Swedish Annual Accounts Act.

As a basis for my opinion whether the Corporate Governance Report has been prepared and is consistent with the annual

accounts and consolidated accounts, I have read the Corporate Governance Report and assessed its statutory content based on my knowledge of the company.

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

Stockholm March 23, 2011

KPMG AB
Hans Åkervall
Authorised Public Accountant

Board of Directors



Ingemar Skogö

Ingemar Skogö Chairman of the Board

Born: 1949

Education: BS in Economics, Lund University.

Governor, Västmanland County Board (2009-).

Former Director-General, Swedish Road Administration (2001-2009); Director-General, Luftfartsverket (1992-2001); Undersecretary of State, Ministry of Communications (1990-1991); Mayor, Municipality of Södertälje (1986-1990); Department advisor, Ministry of Industry (1984-1986); administrator Budget Department, Ministry of Finance (1978-1984); Swedish National Audit Office (1972-78).

Other Board duties: Chairman, SweRoad AB; member, Nordic Airport Properties.



Karin Apelman

Karin Apelman Board member

Born: 1961

Education: BS in Economics, Stockholm School of Economics.

Director-General, EKN, the Swedish export promotion agency.

Formerly CFO, Luftfartsverket; Deputy CEO, VD Saab Aircraft Leasing; Manager Leasing and Project Financing, Scandinavian Airlines Sweden.

Other Board duties: Board member, EKN; Board member SEK; member, financing delegation for Swedish Radiation Safety Authority; member, advisory council, Swedish Legal, Financial and Administrative Services Agency.

Lars Backemar Board member

Born: 1950

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

Senior Advisor, Backemar Consulting AB. Formerly various executive positions at Jones Lang LaSalle; CEO and business area director, NK fastigheterna, Stockholm and Gothenburg, Huvudstaden AB; Director of Properties, NK Cityfastigheter; Director of



Lars Backemar



Adine Grate Axén

Development and project manager, Centrum-Invest Management AB; consultant, Swedish Trade Federation.

Adine Grate Axén Board member

Born: 1961

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

Chair, NASDAQ OMX Listing Committee.

Other Board duties: Board member, EDB; Business Partners (Oslo); 3 Scandinavia; Swedish Orphan Biovitrum AB. Formerly Executive Vice President and Managing Director, Investor AB; corporate finance, Gota Group and Hägglöf & Ponsbach; member, Swedish Securities Council, Carnegie Investment Bank AB, Gambro AB, Grand Hotel Holdings, Ericsson Project Finance AB, Spray Ventures BV; member, Swedish Industry and Commerce Stock Exchange Committee; member, Government Council for Reduced State Ownership.

Anders Ehrling Board member

Born: 1959

Education: BS in Economics, Stockholm School of Business.



Anders Ehrling



Anna Elgh

President and CEO, Scandic Hotels AB.

Formerly CEO SAS Sweden, Chief Commercial Officer, Scandinavian Airlines and Domestic Director Sweden and Director of Marketing North America at SAS.

Other Board duties: Board member, Trygg Hansa AB, Destination Åre AB.

Anna Elgh Board member

Born: 1963

Education: Master's of Engineering, KTH Royal Institute of Technology; Executive MBA, Instituto de Empresa Madrid. Consultant "Supply Chain Management" and CEO AB Logro; member, Government Logistics Forum.

Formerly Supply Chain Director, Lantmännen; Supply Chain Director SAS Component; various executive positions, Svenska Statoil AB.



Hans Jeppsson



Christopher Onajin



Lottie Svedenstedt



Lars Andersson



Robert Olsson

Hans Jeppsson Board member

Born: 1956

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

Consultant Jeppsson Business & Government Consulting AB.

Formerly special investigator, Innovation Procurement, Government Official Report, Ministry of Enterprise, Energy and Communications; Undersecretary of State (foreign trade), Ministry for Foreign Affairs; Director, Stockholm Chamber of Commerce.

Christopher Onajin Board member

Born: 1973

Education: Master's in Economics, International Business, Stockholm School of Business, University of Gothenburg
Administrator/project manager, Unit for State Ownership, Ministry of Finance.

Formerly management consultant, Arthur D. Little; budget specialist, International Monetary Fund; senior administrative officer, Ministry of Finance; auditor, PricewaterhouseCoopers.

Other Board duties: Board member, Preaktio AB.

Lottie Svedenstedt Board member

Born: 1957

Education: Law degree, Uppsala University. Formerly CEO Kid Interiör A/S; Business Area Director IKEA of Sweden; Deputy General Manager IKEA Systems BV; CEO Inter IKEA Systems A/S; Regional Director H&M AB.

Other Board duties: Chair, MiL Institute; Board member, Clas Ohlson AB, Stadium AB, Stampen AB, Global Health Partner AB, Byggmax AB, ITAB Shop Concept AB, Mkt-media AB, Promedia AB and Bergendahls Home Deco AB.

Lars Andersson Employee representative

Born: 1953

(elected as of October 21, 2010, meeting)

Education: First repairman

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

Robert Olsson Employee representative

Born: 1966

(elected as of October 21, 2010, meeting)

Education: High school, trade union training etc.

Safety officer/security guard, Swedavia.

Other Board duties: Section Chair, Swedish Union of Civil Servants.

Deputies (not pictured):

Agne Lindbom Deputy

Born 1961

Mats Abrahamsson Deputy

Born 1958

Employee representatives who left the Board during the year (not pictured):

Sven-Erik Olsson**Lennart Dahlin****Michael Siönäs** (Deputy)

Auditor (not pictured):

Hans Åkervall

Born 1953

Principal auditor, KPMG AB

All members are independent of the company and the company's executive management.

Executive management



Torborg Chetkovich

Torborg Chetkovich

President and CEO since August 2010

Born: 1967

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

Formerly CEO, MTR Norden; Deputy CEO, Veolia Transport Sverige AB;

Division Director, Veolia Transport Sverige AB; Director of Marketing, Connex Tunnelbanan AB; various executive positions at SJ.

Board duties: Almega; Royal Swedish Hong Kong Society.



Anna Bovaller



Bodil Garnej



Peder Grunditz



Charlotta Hyldal



Anders Lennerman



Kerstin Lindberg-Göransson



Mats Sigurdson



Olle Sundin



Peter Weinhandl



Kjell-Åke Westin



Karl Wistrand

Anna Bovaller

Chief Legal Counsel

Bodil Garnej

CIO

Peder Grunditz

Director, Regional Airports

Charlotta Hyldal

HR Director and Director of Sustainability, Quality and Environment

Anders Lennerman

Director of Security and Safety

Kerstin Lindberg-Göransson

Airport Director, Stockholm Arlanda Airport

Mats Sigurdson

Director of Marketing

Olle Sundin

Airport Director, Göteborg Landvetter Airport

Peter Weinhandl

Airport Director, Malmö Airport

Kjell-Åke Westin

Airport Director, Bromma Stockholm Airport


Karl Wistrand

CFO











GRI index

Cross-reference list

1. Strategy and analysis

Indicator	Description	Page	Scope of the report	Comment
1.1	Statement from the most senior decision-maker about the relevance of sustainability to the organisation and its strategy.	4-7		–

2. Organisation profile

Indicator	Description	Page	Scope of the report	Comment
2.1	Name of the organisation.	cover, 79		–
2.2	Primary brands, products and/or services.	32-35		–
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures.	cover, 32-35, 67-72		–
2.4	Location of organisation's headquarters.	back cover, 79		–
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.	1, 79		–
2.6	Nature of ownership and legal form.	cover, 101		–
2.7	Markets served.	1		–
2.8	Scale of the reporting organisation.	1-2		–
2.9	Significant changes during the reporting period regarding size, structure or ownership.	2		–
2.10	Awards received in the reporting period.	3, 54		–

 Not relevant
  In part
  In full




3. Report parameters

Indicator	Description	Page	Scope of the report	Comment
3.1	Reporting period for the information provided.	Comment		–
3.2	Date of most recent previous report.	42		–
3.3	Reporting cycle.	43		–
3.4	Contact point for questions regarding the report or its content.	65		–
3.5	Processes for defining report content.	40-43		–
3.6	Boundary of the report.	43		–
3.7	State any specific limitations on the scope or boundary of the report.	43		–
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.	43		–
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statements.	43		–
3.11	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report.	43		–
3.12	Table identifying the location of the Standard Disclosures in the report.	111-114		–
3.13	Policy and current practice with regard to seeking external assurance for the report.	42, 115		–










4. Governance, commitments and engagement

Indicator	Description	Page	Scope of the report	Comment
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.	101-107		–
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	4-7, 108-110		–
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.	101, 109		–
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	102		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.	41		–
4.15	Basis for identification and selection of stakeholders with whom to engage.	41		–





5. Performance indicators: economic impact

Indicator	Description	Page	Scope of the report	Comment
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.	42		–
EC3	Coverage of the organisation's defined benefit obligations.	96		Pensions and defined benefit obligations are reported in conformity with Swedish accounting laws.
EC4	Significant financial assistance received from government.	45		–


Environmental impact

Indicator	Description	Page	Scope of the report	Comment
EN3	Direct energy consumption by primary energy source.	60		–
EN4	Indirect energy consumption by primary energy source.	60		–
EN5	Energy saved due to conservation and efficiency improvements.	60-61		–
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	63		–
EN16	Total direct and indirect greenhouse gas emissions by weight.	56, 61		–
EN17	Other relevant indirect greenhouse gas emissions by weight.	56, 59, 61		–
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	57-59, 62		–
EN21	Total water discharge by quality and destination.	62		–
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.	59, 61		–

Social impact: Labour practices and decent work

Indicator	Description	Page	Scope of the report	Comment
LA1	Total workforce by employment type, employment contract and region.	2, 32-35		–
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and the number of work-related fatalities by region.	51, 85		–
LA10	Average hours of training per year per employee by employee category.	50		–
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	84, 108-110		Board, executive management and employees are reported by gender. For Board members, age is also given.



Social impact: Human rights

Indicator	Description	Page	Scope of the report	Comment
HR4	Total number of incidents of discrimination and corrective actions taken.	50-51		–

Social impact: Community

Indicator	Description	Page	Scope of the report	Comment
S05	Public policy positions and participation in public policy development and lobbying.	44-45		The aim of many of the collaborations described on pages 44-45 is to influence the framework conditions that govern our operations.

Social impact: Product responsibility

Indicator	Description	Page	Scope of the report	Comment
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.	29		Health aspects are missing, as is a life cycle perspective.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	16		–

REPORTING LEVELS

GRI has developed a system that entails three application levels for sustainability reporting. The level achieved depends on how many of the indicators listed by GRI are met. Swedavia has chosen to report at the level C+.

A+¹

A

A level: All profile disclosures (1.1-4.17) together with information about the sustainability management approach for each core indicator are to be reported. Every core indicator and sector indicator are to be reported, or else the reason why they were not reported should be given.

B+

B

B level: All profile disclosures (1.1-4.17) along with information about the sustainability management approach for each core indicator are to be reported. At least 20 performance indicators, with at least one from each area: economic (EC), environmental (EN), labour conditions (LA), human rights (HR), social responsibility (SO) and product responsibility (PR), are also to be reported. The plus sign "+" indicates that the sustainability report was examined by an independent auditor who submitted an auditor's review report.

C+

C

C level: A selection of profile disclosures (1.1-4.17) are reported along with at least 10 performance indicators, with at least one from each area: economic, environmental and social impact.

¹ The plus sign "+" indicates that the sustainability report was examined by an independent auditor who submitted an auditor's review report.

Auditors' Review Report on Swedavia's Sustainability Report, 2010

To the readers of Swedavia's Sustainability Report, 2010

We have been engaged by the executive management of Swedavia AB to review Swedavia's Sustainability Report for the year 2010. The Sustainability Report is found on pages 38–65, 71–72 and 111–115 in Swedavia's Annual Report 2010. The Board of Directors and the executive management are responsible for ongoing activities regarding the environment, health & safety, quality, social responsibility and sustainable development, and for the preparation and presentation of the Sustainability Report in accordance with the applicable criteria. 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 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 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 criteria on which our review are based are the parts of the Sustainability Reporting Guidelines G3 published by The Global Reporting Initiative (GRI), which are applicable to the Sustainability Report. We consider these criteria suitable for the preparation of the Sustainability Report.

Our review has, based on an assessment of materiality and risk, included the following procedures:

- An update of our knowledge and understanding of Swedavia's organisation and activities
- An assessment of suitability and application of the criteria regarding the internal and external stakeholders' need for information.
- Interviews with internal stakeholders to verify the work on sustainability issues and their integration in operations.
- Shared the company's documentation about stakeholder dialogues with both internal and external stakeholders.
- Interviews with the responsible management, at group level and selected business units in order to assess whether the qualitative and quantitative information stated in the Sustainability Report is complete, accurate and sufficient.
- An evaluation on a test basis of the design of the systems and processes used to obtain, manage and validate sustainability information (environmental data).
- Analytical procedures of the information stated in the Sustainability Report.
- An evaluation on a test basis of the documentation that serves as the basis for sustainability information in the Sustainability Report.
- A visit agreed in advance to Stockholm Arlanda Airport, Sweden.
- A review of the qualitative information and statements as well as a review of the account of compliance with laws, permits and conditions relating to sustainability (environment).
- An assessment of Swedavia's declared application level according to GRI guidelines.
- A reconciliation of financial information with Swedavia's Annual Report for the financial year 2010.
- An assessment of the overall impression of the Sustainability Report and its format, taking into consideration the consistency of the stated information with applicable criteria.

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 23, 2011

KPMG AB

Hans Åkervall
Authorised Public Accountant

Åse Bäckström
Expert member of Far

Definitions

Accounting period

The financial period for the Group is from April 1, 2010, to December 31, 2010, and for Swedavia AB (the Parent Company) from November 30, 2009, to December 31, 2010.

ACI

Airports Council International is a worldwide association for airports and airport groups.

Airport Carbon Accreditation (ACA)

Airport Carbon Accreditation is a climate assessment programme that complies with international "Greenhouse Gas Protocol" standards. There are four levels of ACA at which airports can be accredited. ACI Europe and WSP Environmental & Energy are behind the programme.

Aviation business

Infrastructure services 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).

CDM

The Clean Development Mechanism is one of the flexible mechanisms included under the United Nations Framework Convention on Climate Change and the Kyoto Protocol. Projects within the scope of CDM are aimed not just at reducing greenhouse gas emissions but also promoting sustainable development in the country where the project is being carried out.

CER

Certified Emission Reductions (CERs) are emission rights allocated in exchange for real, verified emissions reductions in CDM projects.

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 for the period divided by the average number of shares.

Employee figures for the period

For employee data, the same reporting cycle is used as for the annual report, that is, the calendar year. The first annual report covers the period from the second through the fourth quarter.

Equity/assets ratio

Adjusted equity as a percentage of total assets on the balance sheet date.

GHG Protocol

Greenhouse Gas Protocol, a standard for calculating a company's emissions of climate-changing gases. Developed by WRI and WBCSD.

GRI - The Global Reporting Initiative

GRI provides guidelines for what a sustainability report should include and how it should be prepared as well as what indicators should be reported.

IAIP

Integrated Aeronautical Information Package, information about publications for aviation.

Non-aviation business

Services connected to the airports such as rent of premises for commercial activities and offices, leaseholds, parking operations and advertising space.

Operating margin

Operating profit as a percentage of net revenue.

Passenger figures for the period

For market trends, figures and statistics are on a full-year basis and apply to all air traffic in Sweden according to the Swedish Transport Authority.

Figures and statistics for Swedavia are based on the 13 airports owned by Swedavia on December 31, 2010, and are based on the second, third and fourth quarter, unless otherwise indicated. Comparative figures for the period before April 2010 are pro forma and are based on operations formerly run under LfV.

Pro forma

The aim of pro forma figures is to illustrate the performance of operations compared to when airport operations were run under LfV.

Comparative figures for the 2009 period are pro forma based on comparable operations that were formerly managed at LfV. The comparison period for 2009 is April-December, which corresponds to Swedavia's financial year 2010. Producing pro forma figures entailed a number of assumptions about break points, allocations and changes in accounting principles as a result of the conversion from State enterprise to company.

Consideration has been given to changes in accounting principles between Swedavia, LfV and the Swedish Transport Agency. For instance, transactions between divided units have been recognised as external transactions.

Profit for the period

Profit after tax.

Regional airports

Swedavia's regional airports consist of Kiruna Airport, Luleå Airport, Ronneby Airport, Umeå Airport, Visby Airport and Åre Östersund Airport.

Return on capital employed

Operating profit plus financial income as a percentage of capital employed.

Return on equity

Profit for the period as a percentage of equity on the balance sheet date.

SCI

Satisfied customer index.

SEI

Satisfied employee index.

WRI

World Resources Institute was started in June 1982 as a centre for global resources and environmental issues.

WBCSD

The World Business Council for Sustainable Development is a CEO-led, global association of some 200 companies dealing exclusively with business and sustainable development.

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