

INTERIM FINANCIAL REPORT

3rd quarter 2017



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About Avinor

Avinor has two primary business areas, operation of a nationwide network of airports, and the national air navigation services for civil and military aviation. In total, this includes 45 airports as well as control towers, control centres and other technical infrastructure for safe air navigation. In addition to the aviation-operative activities, commercial earnings are facilitated through airport hotels, parking facilities, tax-free stores, restaurants and other services for air passengers.

Avinor is a group where the operational activities are partly organised in divisions and in partly in legal entities (subsidiaries). Financially, the overall operations are run as a single aviation system. The air navigation services finance themselves by pricing the services in accordance with international provisions.

The Group has approximately 3,000 employees and annual operating revenues of NOK 10 billion. The shares in Avinor AS are wholly owned by the Norwegian state as represented by the Ministry of Transport and Communications.

The Ministry of Transport and Communications manages the Norwegian state's ownership of Avinor, and stipulates e.g. the tasks imposed on the Group to safeguard the general interests of Norwegian society, the required rate of return and dividends. In addition, the Ministry of Transport and Communications regulates the aviation fees. The Ministry of Transport and Communications is the highest authority for Norwegian aviation and also stipulates the Civil Aviation Authority's regulations, which have consequences for Avinor's operations.

Avinor has issued bonds that are listed on the Oslo and Luxembourg Stock Exchange. The Group's corporate governance must adhere to the Oslo Stock Exchange's recommendations for corporate governance to the extent applicable. The principles complement the government's focus on corporate governance in the management of the Norwegian state's shareholdings.

Avinor's head office is located in Oslo.

Avinor Group - Main Figures

All amounts in MNOK

	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2017	2016	2017	2016	2016
Traffic income	784.1	799.3	2 234.0	2 275.0	3 002.3
Security (cost based)	384.2	316.2	1 061.2	877.4	1 156.9
Sales- and rental income - duty free	823.4	776.6	2 022.4	1 928.6	2 552.0
Sales- and rental income - parking	255.6	233.8	700.8	641.8	868.6
Sales- and rental income - other	459.1	482.1	1 597.8	1 300.2	1 876.1
Inter - group income	20.6	57.0	78.6	150.3	219.0
Total income airport operations	2 726.9	2 665.0	7 694.7	7 173.4	9 674.9
En route charges	314.2	273.9	845.1	740.3	984.7
Inter-group income approach and control tower services	201.7	198.8	604.6	579.4	804.6
Other income	38.9	41.4	110.5	139.8	201.5
Total income air navigation services	554.8	514.1	1 560.1	1 459.5	1 990.8
Other group income	194.5	203.2	599.6	607.9	827.9
Elimination of inter - group income	-359.2	-422.3	-1 142.7	-1 237.8	-1 705.6
Total group income	3 116.9	2 960.1	8 711.6	8 003.0	10 788.0
Operating expenses airport operations	-1 378.1	-1 446.1	-4 943.1	-4 416.0	-6 119.6
Operating expenses air navigation services	-411.2	-396.4	-1 592.0	-1 309.5	-1 779.1
Other operating expenses	-241.8	-270.9	-991.6	-803.2	-1 074.2
Elimination of inter-group expenses	359.2	422.3	1 142.7	1 237.8	1 705.6
Total group expenses	-1 671.9	-1 691.0	-6 383.9	-5 290.8	-7 267.3
EBITDA airport operations	1 348.8	1 218.9	2 751.6	2 757.4	3 555.3
EBITDA air navigation services	143.6	117.8	-31.8	150.0	211.7
EBITDA others	-47.3	-67.7	-392.1	-195.3	-246.3
EBITDA group	1 445.1	1 269.1	2 327.7	2 712.2	3 520.7
Depreciation, amortisation and impairment charges	-480.9	-444.1	-1 379.9	-1 271.9	-1 762.9
Operating profit/(loss)	964.2	825.0	947.8	1 440.3	1 757.8
Net finance income/(costs)	-148.4	-106.7	-442.2	-258.4	-383.6
Profit/(loss) before income tax	815.8	718.3	505.6	1 181.9	1 374.2
Income tax expense	-201.0	-179.6	-120.8	-296.9	-345.6
Profit/(loss) after tax	614.8	538.7	384.8	885.0	1 028.6
EBITDA-margin airport operations	49.5 %	45.7 %	35.8 %	38.4 %	36.7 %
EBITDA-margin air navigation services	25.9 %	22.9 %	-2.0 %	10.3 %	10.6 %
EBITDA-margin others	46.4 %	42.9 %	26.7 %	33.9 %	32.6 %
Investments airport operations	702.7	827.2	1 968.7	3 001.7	4 554.6
Investments air navigation services	68.7	49.4	238.1	160.0	238.1
Investments others	26.0	58.4	93.8	268.7	321.8
Total investments	797.4	935.0	2 300.6	3 430.4	5 114.5
Distributed dividends	-	-500.0	-550.0	-500.0	-500.0
Cash flow before borrowings	585.5	-424.5	-878.6	-1 887.8	-2 622.0
Interest - bearing debts			21 953.7	19 541.2	19 504.6
Total assets			43 493.2	40 257.8	41 037.2
Net debt to equity ratio (b)			42.9 %	45.5 %	44.6 %
Number of passengers (in 1000)	14 628.7	13 992.3	40 205.6	38 520.6	50 802.8
Number of aircraft departures (in 1000)	179.1	181.9	524.0	531.5	704.4
Number of service units (in 1000)	696.8	698.2	1 890.0	1 874.2	2 492.9
Punctuality (a)			87 %	87 %	87 %
Regularity (a)			99 %	99 %	99 %

(a) Past 12 months

(b) Equity as a percentage of total equity and net interest-bearing debt (including interest rate swaps).
According to article 5 of the company's Article of Association.

Board of Directors Report

IMPORTANT EVENTS

Air traffic measured as the number of passengers travelling through Avinor's airports during the period from 1 January to 30 September 2017 increased by 4.4 percent compared with the corresponding period in 2016. Oslo Airport grew by 7.2 per cent, while the combined growth of other airports amounted to 1.4 per cent.

Over the past 12 months, average regularity has been recorded at 99 percent and average punctuality has been recorded at 87 percent. Sick leave amounted to 4.6 percent over the last 12 months with an LTI rate of 2.2.

The new terminal at Flesland was opened on 17 August 2017 as planned. The extension project was completed within the approved cost limit. This means that Avinor have put into operation new terminals at both Oslo and Bergen airport according to plan, with good quality and below the board's budget.

The Owner's Report was adopted by the Storting in June 2017. Among other things, these documents announced Avinor's plans for a third runway at Oslo Airport and a new airport in Bodø.

In the Owner's Report, the Government is clear that it intends to divest air navigation services from Avinor: "The government will initiate a process which will continue through to the next Owner's Report with the aim of divesting Avinor Flysikring as a separate company". In a letter from the Ministry of Transport and Communications to Avinor dated 18 September, the Ministry asks for a schedule which describes the process of transferring the ownership of Avinor Flysikring AS out of the Avinor Group.

At Haugesund Airport, the Government bids Avinor, if possible, to arrange for a service concession model to be announced. Through this the entire operation will be outsourced to parties other than Avinor. Avinor will not submit a tender itself, but will own and lease the airport. The Ministry of Transport and Communications assumes that Avinor will take into account the experience gained from the outsourcing of services in Bodø as part of preparations to open up the operation of Haugesund Airport to competition.

The savings forecast for the Group's modernisation programme is ahead of target. The programme's targeted cost savings of NOK 600 million per year from 2018 compared with the Group's previous long-term plan (baseline) remains unchanged. This is expected to be achieved by a wide margin.

Q3 2017

TABLE 1: KEY FINANCIAL FIGURES

MNOK	Q3 2017	Q3 2016	CHANGE
Operating income	3 116.9	2 960.1	5.3 %
EBITDA	1 445.1	1 269.1	13.9 %
EBIT	964.2	825.0	16.9 %
Profit/loss for the period	614.8	538.7	14.1 %
Investments	797.4	935.0	-14.7 %

In terms of traffic, the third quarter of 2017 was good, with 7.1 percent more passengers at Oslo Airport compared with the third quarter of 2016. Other airports saw marginal combined growth of 1.8 percent.

Operating income in the third quarter of 2017 totalled NOK 3,117 million, compared with NOK 2,960 million in the corresponding period last year, representing an increase of 5.3 percent. The increase was mainly due to an increase in traffic volume and increased revenues from Oslo Airport. The increase in number of passengers is to a great extent a consequence of an increase in the number of foreigners who chooses Norway as a destination. This is positive for Norway as a nation, but foreigners have a different buying behaviour than Norwegians and the increase in numbers of passengers do not therefore result in a corresponding increase in revenue.

Operating costs in the third quarter amounted to NOK 1,672 million, compared with 1,691 million in the third quarter of 2016.

Total depreciation and write-downs to the Group's tangible fixed assets totalled NOK 481 million in the third quarter, compared with NOK 444 million in the third quarter of 2016. The increase was due to the completion and commissioning of several facilities that were previously under construction.

The Group's net financial result in the third quarter was minus NOK 148 million, compared with minus NOK 106 million in the third quarter of 2016. The change was primarily due to lower recognised interest expenses as a result of a decrease in facilities under construction.

Based on a tax rate of 24 percent on an annual basis, the Group's result after tax came to minus NOK 615 million in the third quarter, compared with NOK 538 million in the corresponding reporting period in 2016.

01.01 - 30.09.2017

TABLE 2: KEY FINANCIAL FIGURES

MNOK	01.01-30.09.17	01.01-30.09.16	CHANGE
Operating income	8 711.6	8 003.0	8.9 %
EBITDA	2 327.7	2 712.2	-14.2 %
EBIT	947.8	1 440.3	-34.2 %
Profit/loss for the period	384.8	885.0	-56.5 %
Investments	2 300.6	3 430.4	-32.9 %

During the period 1 January to 30 September 2017, the Group reported a profit after tax of NOK 385 million, compared with NOK 885 million for the corresponding period in 2016. The change in the profit after tax can mainly be ascribed to the increase in provision for pension and environmental liabilities, the financial settlement agreement with the Norwegian Armed Forces for the 2010–2016 period in accordance with the Partnership Agreement, and a reduction in balance sheet interest costs resulting from the completion of development projects.

The Group's balance sheet total has increased by NOK 2.5 billion since 31 December 2016 and amounted to NOK 43.5 billion as of 30 September 2017. The increase can mainly be attributed to an increase in fixed assets and an increase in bank deposits due to new liabilities.

Operating income

Operating income during the period from 1 January to 30 September 2017 totalled NOK 8,712 million, compared with NOK 8,003 million in the corresponding period in 2016.

Operating income within the airport business year-on-year increased by 7.3 percent during the period from 1 January to 30 September. The growth in income was mainly driven by increased traffic volume.

Total operating income for the air navigation service business increased year-on-year by 6.9 percent during the period from 1 January to 30 September. The growth in income reflects increased traffic volume and a higher unit price for en route service.

Rental income from property was reduced due to a decline in intra-group services as a consequence of mergers.

TABLE 3: OPERATING AND OTHER INCOME

MNOK	01.01 - 30.09.17	01.01 - 30.09.16	CHANGE
Airports operations	7 694.7	7 173.4	7.3 %
Air traffic services	1 560.1	1 459.5	6.9 %
Property development and hotels	96.8	109.3	-11.4 %
Group services	502.8	498.6	0.8 %
Consolidated items	-1 142.7	-1 237.8	-7.7 %
Avinor group	8 711.6	8 003.0	8.9 %

Operating expenses, depreciation and other items

Operating expenses during the period from 1 January to 30 September 2017 totalled NOK 6,384 million, compared with NOK 5,291 million during the corresponding period in 2016. Included in operating expenses are NOK 266 million for billed internal finishing work required for the completion of the extended terminal at Oslo Airport, increased provision for pension and environmental liabilities and the financial settlement agreement with the Norwegian Armed Forces for the period of 2010–2016, in accordance with the Partnership Agreement.

The Ministry of Labour and Social Affairs introduced changes to its provisions for the regulation of deferred rights for exempt government organisations; these will apply from 1 January 2018. The financing of deferred pension rights for employees who leave these organisations will be transferred from the Norwegian Public Service Pension Fund to the organisation in question. For Avinor as a group, this change will result in an increase of NOK 415 million in pension liabilities. The amount has been charged to the Group's profit and loss account in the second quarter.

On 26 June 2017, Avinor signed an agreement with the Norwegian Armed Forces for a financial settlement in accordance with the Partnership Agreement for the 2010–2016 period. The agreement involves an additional payment to the Norwegian Armed Forces in excess of the previous accounting liability of NOK 135 million. The amount has been charged to the profit and loss account in the second quarter.

During the period from 1 January to 30 September 2017, NOK 148 million was posted as additional costs (excluding depreciation and write-downs) in order to maintain high-quality operations and efficient traffic management while development work was being carried out at Oslo Airport. The corresponding figure last year was NOK 318 million; see note 5 in the Group accounts.

Total depreciation and write-downs during the period from 1 January to 30 September 2017 totalled NOK 1,380 million, compared with NOK 1,271 million for the corresponding period in 2016. The increase was due to the completion and commissioning of several facilities that were previously under construction.

EBITDA and EBIT

EBITDA during the period from 1 January to 30 September 2017 amounted to NOK 2,328 million. EBITDA during the corresponding period in 2016 totalled NOK 2,712 million. EBIT during the period from 1 January to 30 September 2017 amounted to NOK 948 million, compared with NOK 1,440 million during the corresponding period in 2016. EBITDA and EBIT were reduced from the corresponding period last year as a result of the aforementioned additional costs.

Financial items and tax

The Group's net financial result for the period from 1 January to 30 September 2017 amounted to a loss of NOK 442 million, compared with a loss of NOK 258 million in the corresponding period in 2016. In addition to increased interest expenses due to increased net interest-bearing debt, the change in the net financial result was due to a reduction in recognised interest expenses as a

result of completed development projects. In addition, there were realised losses related to currency and interest rate hedging of the Group's bond loans in euros, as well as realised losses related to completed interest rate hedging contracts in connection with the merger of Avinor AS and Avinor Parkeringsanlegg AS.

Investments

Recognised additions to property, plant and equipment in the period between 1 January and 30 September 2017 totalled NOK 2,301 million, compared with NOK 3,430 million for the corresponding period last year.

The investments can be broken down into business areas as follows:

TABLE 4: ADDITION TO PPE RECOGNISED IN THE BALANCE SHEET

MNOK	01.01 - 30.09.17	01.01 - 30.09.16	CHANGE
Airports operations	1 968.7	3 001.7	-1 033.0
Air traffic services	238.1	160.0	78.1
Property development and hotels	0.4	0.1	0.2
Joint items, group	48.3	66.1	-17.8
Consolidated items	45.1	202.5	-157.4
Group	2 300.6	3 430.4	-1 129.8

The new terminal at Flesland was opened on 17 August 2017 on time, within budget and with planned quality.

In order to streamline the air navigation service, Remote Services was established as a unit in Avinor Flysikring AS to develop, implement and commercialise remote-controlled tower services. Kongsberg Defence & Aerospace is a partner and system supplier for the development project. A remotely operated tower centre is under construction in Bodø, with a targeted 15 towers in operation by the end of 2020. There are technical, economical and regulatory risks linked to the progress of the project, but it is anticipated that the first remote tower will be operational in the second half of 2018.

Cash flow, financing and commitments

Because investment payments exceeded the contribution from ongoing operations, the Group had a cash flow of minus NOK 879 million before changes in debt during the period between 1 January and 30 September 2017.

As of 30 September 2017, interest-bearing debt (taking into account the value of derivatives used for hedging) amounted to NOK 21,953 million, of which NOK 635 million was short-term. Interest-bearing debt has increased by NOK 2,499 million since 31 December 2016. Avinor AS issued new bonds on 2 February 2017 under the company's EMTN program, totalling EUR 500 million with 10 years' maturity. The loan is secured in Norwegian kroner with a fixed interest rate for 10 years. Short-term debt instruments were reduced by NOK 1,400 million in 2017. Other debt amounting to NOK 709 million was repaid during the period from 1 January to 30 September.

The Group's total capital amounted to NOK 43.5 billion as of 30 September 2017, with an equity ratio of 32.8 per cent. Equity as a percentage of the total of equity and net interest-bearing debt (see article 5 of the Articles of Association), amounted to 42.9 percent as of 30 September 2017.

As of 30 September 2017, the Group's liquidity reserve amounted to NOK 7,201 million, divided between NOK 2,401 million in bank deposits and NOK 4,800 million in unutilised drawing rights.

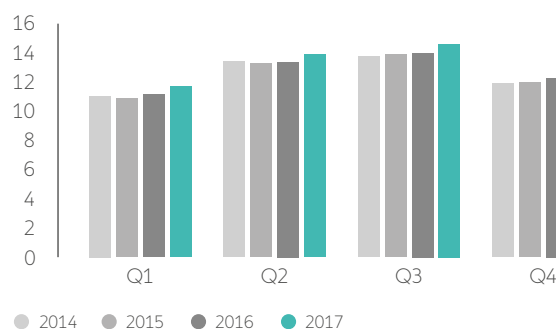
Traffic development and service goals

A total of 40.2 million passengers travelled through Avinor's airports during the period from 1 January to 30 September 2017, an increase of 4.4 percent compared with the corresponding period in 2016.

The figure below shows the trend in traffic on a quarterly basis for the period 2014–2017:

PASSENGERS

Numbers in millions



Compared with the corresponding period last year, domestic traffic increased by 2.6 percent and international traffic by 7.2 percent, while offshore helicopter traffic fell by 7.3 percent. Domestic traffic amounted to 57 percent of the total traffic volume.

Passenger volume distributed among the airports is as follows:

TABLE 5: NO. OF AIR PASSENGERS

PASSENGERS (1 000)	01.01 - 30.09.17	01.01 - 30.09.16	CHANGE
Gardermoen	20 935	19 521	7.2 %
Flesland	4 592	4 483	2.4 %
Sola	3 134	3 170	-1.1 %
Værnes	3 312	3 312	0.0 %
Others	8 232	8 034	2.5 %
Avinor group	40 206	38 521	4.4 %

The number of commercial aircraft movements fell by 1.4 percent compared with the corresponding period in 2016. Traffic volume for the en route service, measured in number of service units, increased by 0.6 percent. The lower rate of growth in the number of aircraft movements seen in relation to the number of passengers reflects larger aircraft and a higher cabin factor.

Over the last 12 months, Avinor's network of airports recorded an average regularity of 99 percent, and an average punctuality of 87 percent.

AVIATION SAFETY AND HSE

There were no aviation accidents or serious aviation incidents in the third quarter of 2017 where Avinor was a contributing party, subject to investigations that have not yet been completed.

Since the second quarter, an incident in the air space east of Kjevik has been classified as a serious aviation incident when two aircraft were too close together as one aircraft was cleared for descent.

In the last 12 months, the Group recorded 12 injuries to its own employees which resulted in absence. The group's LTI rate (number of injuries resulting in absence per million hours worked) for the period was 2.2. The F-value for the same period (number of days absence following injury, per million hours worked) amounted to 75.0.

In the last 12 months, sick leave amounted to 4.6 per cent.

RISK FACTORS

The group's activities focus on safe air traffic management using procedures and measures to minimise the probability and consequences of accidents and serious incidents. Developments with regard to national and international regulatory issues may have financial consequences for the group.

Avinor safeguards national sector-policy objectives. The Norwegian state lays down guidelines for a number of factors including airport structure, emergency preparedness, aviation fees and public service obligations. The scope and organisation of sectoral policy guidelines can change over time.

The enterprise's recognised business assets are long-term in nature, and operations are largely governed by regulations and statutory provisions. Consequently, Avinor has a high share of fixed costs which vary only slightly according to traffic volume and capacity utilisation. The group's earnings and financial value are affected by changes in traffic volume.

There are technical, financial and regulatory risks linked to development projects within air navigation.

The major airports are a central source of funding for the rest of the airport network in Norway. The airports' earnings are vulnerable to economic cycles and competition from airports outside Avinor's network.

Revenues from services and facilities for passengers are key to the group's financing. Changes in the framework conditions for the duty-free scheme in particular would have a major impact on the

group's earnings and financial value. All income earned by Avinor will be invested in the development of Norwegian aviation.

Financial hedging instruments are used to mitigate risk linked to the fluctuation of foreign interest rates, exchange rates and energy prices. The value of the hedging instruments changes according to prices in the market and might impact the annual results. When investing the group's surplus cash, emphasis is given to the issuer's solidity and the liquidity of the investment. The group's cash reserves are deposited in banks on negotiated terms.

As a result of the establishment of a new fighter plane base for the Norwegian Armed Forces at Ørland, Avinor was asked in 2014 to assume responsibility for airport operations at Bodø Airport by 1 August 2016. The takeover of operations was carried out according to plan. However, ownership of land has not been transferred, pending the clarification of premises by the Ministry of Defence and the Ministry of Transport and Communications. There are unresolved issues linked to the future needs of the Norwegian Armed Forces at Bodø Airport. Moreover, Avinor has been tasked by the Ministry of Transport and Communications with continuing the planning of a new airport with the aim of promoting a concession application. The above-mentioned circumstances give rise to financial uncertainty related to investments in buildings and facilities as well as future operations in Bodø.

In connection with the pension settlement in 2005, it was determined that public service pensions should be adjusted for an increase in life expectancy and be made subject to the new pension adjustment rules. However, there were no provisions for the coordination of public service pension benefits and new social security rules. Regulations for such coordination have therefore not been clarified and are thus not considered in the accounts. A new public occupational pension solution is being considered, but it has not been clarified what this solution would entail, when it would enter into force or what the transitional rules would be. A committee consisting of representatives of the administration and the employee organisations has been appointed to evaluate alternative pension schemes.

The airports have discharge permits which require risk assessments to identify possible sources of acute pollution which represent a risk of damage to the external environment. Avinor works continuously to reduce the risk of environmentally hazardous incidents, while past contamination is being mapped and cleaned up. Environmentally hazardous additives have been detected in fire extinguishing foam which have spread to the environment surrounding airports and work is currently being conducted to clarify the scope of required measures. Risk assessments have been carried out on the potential harm to persons and the environment. The financial consequences depend on the scope of the required measures, as well as the regulatory requirements and measures available. The Norwegian Environment Agency issued an enforcement notice requiring action at Evenes Airport, and is likely to issue a blanket enforcement notice requiring action plans at the other airports.

OUTLOOK

Mobility and efficient air transport are essential for social development and contribute to strengthening economic growth, both in the regions and Norway as a country. Avinor is continuing its high level of activity and investment to ensure that it fulfils its social mission of providing good regional, national, European and intercontinental air services. The level of investments will be adapted to the financial situation and will be in line with the solvency requirements stipulated in the Articles of Association. Avinor will be a driving force in the work on climate and environmental challenges within aviation. This implies that Avinor shall not handle only its own discharges, but also contribute actively within the entire aviation area.

Strong growth in aviation traffic is expected to continue for the rest of the year. Based on the high one-off cost linked to pension liabilities and the financial settlement agreement with the Norwegian Armed Forces, the Group's profit will be significantly reduced in 2017 compared with 2016. Due to major development projects that are being completed and implemented, depreciation for the year will increase in addition to the fact that recognised interest expenses are reduced. Nevertheless, Avinor have as an objective to keep the airport charges on a level which are competitive compared to other airports in Europe.

Oslo, 22 November 2017
The Board of Directors of Avinor AS

CONDENSED INCOME STATEMENT

All amounts in MNOK

NOTES	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2017	2016	2017	2016	2016
Operating income					
Traffic income	1 482.4	1 389.5	4 140.2	3 890.0	5 143.0
Other operating income	1 634.5	1 570.6	4 571.4	4 113.0	5 645.0
Total operating income	3 116.9	2 960.1	8 711.6	8 003.0	10 788.0
Operating expenses					
Raw materials and consumables used	24.3	91.7	404.7	197.7	394.3
Employee benefits expenses	5	737.4	714.7	2 574.5	2 497.2
Other operating expenses	5	920.7	896.4	2 998.2	2 608.5
Other expenses	4	-10.6	-11.8	406.5	-12.6
Total operating expenses	1 671.8	1 691.0	6 383.9	5 290.8	7 267.3
EBITDA	1 445.1	1 269.1	2 327.7	2 712.2	3 520.7
Depreciation, amortisation and impairment charges	5,7	480.9	444.1	1 379.9	1 271.9
Operating profit/(loss)	964.2	825.0	947.8	1 440.3	1 757.8
Finance income	11.9	8.4	76.4	25.7	36.2
Finance costs	160.3	115.1	518.6	284.1	419.8
Net finance income/(costs)	-148.4	-106.7	-442.2	-258.4	-383.6
Profit/(loss) before income tax	815.8	718.3	505.6	1 181.9	1 374.2
Income tax expense	6	201.0	179.6	120.8	296.9
Profit/(loss) after tax	614.8	538.7	384.8	885.0	1 028.6

STATEMENT OF COMPREHENSIVE INCOME

All amounts in MNOK

	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2017	2016	2017	2016	2016
Profit/(loss) for the period	614.8	538.7	384.8	885.0	1 028.6
Other comprehensive income:					
Items that will not be reclassified to profit or loss in subsequent periods:					
Actuarial gains/(losses) on post employment benefit obligations	-	282.6	-	-270.9	-548.5
Tax effect	-	-70.6	-	67.6	137.1
Change in tax rate, effect deferred tax assets/-liabilities	-	-	-	-	-62.7
Items that may be subsequently reclassified to profit or loss:					
Cash flow hedges	32.2	47.8	-120.4	105.1	66.9
Tax effect	-6.9	-12.0	28.9	-28.7	-16.9
Other comprehensive income, net of tax	25.3	247.8	-91.5	-126.9	-424.1
Total comprehensive income	640.1	786.5	293.3	758.1	604.5
Attributable to:					
Owner of parent	640.1	786.5	293.3	758.1	604.5

CONDENSED BALANCE SHEET

All amounts in MNOK

		30 SEPTEMBER		YEAR
	NOTES	2017	2016	2016
ASSETS				
Non - current assets				
Intangible assets				
Deferred tax assets	6	1 266.9	1 252.4	1 358.7
Other intangible assets	7	99.1	110.5	108.8
Intangible assets under construction	7	223.6	-	122.0
Total intangible assets		1 589.6	1 362.9	1 589.5
Property, plant and equipment				
Property, plant and equipment	7	33 337.1	28 119.1	29 501.8
Assets under construction	7	3 582.9	7 166.6	6 595.1
Total property, plant and equipment		36 920.0	35 285.7	36 096.9
Financial assets				
Derivative financial instruments	11	726.7	482.5	504.0
Other financial assets		289.0	332.8	390.7
Total financial assets		1 015.7	815.3	894.7
Total non-current assets		39 525.3	37 463.9	38 581.1
Current assets				
Inventories		15.4	15.7	22.6
Trade and other receivables		1 547.0	1 271.9	1 483.4
Derivative financial instruments	11	4.5	6.4	1.0
Cash and cash equivalents		2 401.0	1 499.9	949.1
Total current assets		3 967.9	2 793.9	2 456.1
TOTAL ASSETS		43 493.2	40 257.8	41 037.2

CONDENSED BALANCE SHEET

All amounts in MNOK

		30 SEPTEMBER		YEAR
	NOTES	2017	2016	2016
EQUITY AND LIABILITIES				
Equity				
Share capital		5 400.1	5 400.1	5 400.1
Other equity		9 279.9	9 690.1	9 536.5
Total equity		14 680.0	15 090.2	14 936.6
Provisions				
Retirement benefit obligations	9	3 127.4	2 277.8	2 588.2
Other provisions		201.1	183.9	167.4
Total provisions		3 328.5	2 461.7	2 755.6
Non-current liabilities				
State loan	10,11	2 305.1	2 749.5	2 527.3
Derivative financial instruments	11	28.7	62.0	50.7
Other non-current liabilities	10,11	19 711.9	15 650.4	15 009.5
Total non-current liabilities		22 045.7	18 461.9	17 587.5
Current liabilities				
Commercial papers	10,11	-	900.0	1 400.0
Trade payables		411.1	353.4	685.4
Tax payable		79.8	55.7	136.6
Public duties payable		314.5	239.3	211.0
Derivative financial instruments	11	1.6	11.7	2.8
First annual instalment on long-term liabilities	10,11	634.7	660.4	1 019.8
Other current liabilities		1 997.3	2 023.5	2 301.9
Total current liabilities		3 439.0	4 244.0	5 757.5
Total liabilities		28 813.2	25 167.6	26 100.6
TOTAL EQUITY AND LIABILITIES		43 493.2	40 257.8	41 037.2

STATEMENT OF CHANGES IN EQUITY

All amounts in MNOK

	SHARE CAPITAL	OTHER RESERVES	OTHER EQUITY	TOTAL EQUITY
Balance at 1 Januar 2016	5 400.1	3.6	9 428.3	14 832.1
Total comprehensive income		-126.9	885.0	758.1
Dividends provided for or paid			-500.0	-500.0
Balance at 30 September 2016	5 400.1	-123.3	9 813.3	15 090.2
Balance at 1 Januar 2017	5 400.1	-362.4	9 898.8	14 936.6
Total comprehensive income		-91.5	384.8	293.3
Dividends provided for or paid			-550.0	-550.0
Balance at 30 September 2017	5 400.1	-453.9	9 733.6	14 680.0

STATEMENT OF CASH FLOWS

All amounts in MNOK

	NINE MONTHS ENDED SEPTEMBER		YEAR
	2017	2016	2016
Cash flow from operating activities			
Profit/(loss) before income tax including discontinued operations	505.6	1 181.9	1 374.2
Depreciation	1 379.9	1 271.9	1 762.9
(Profit)/loss on disposals of non-current assets	-5.5	-1.1	-12.6
Changes in value and other losses/(gains) - net (unrealised)	-3.4	-31.7	-34.9
Net finance (income)/costs	442.2	258.4	383.6
Change in inventories, trade receivables and trade payables	-381.4	-44.6	123.9
Difference between post employment benefit expense and amount paid/received	539.9	59.5	92.4
Change in other working capital items	328.2	36.3	-288.1
Interest received	20.3	18.6	36.2
Income tax paid	-55.8	-281.5	-337.2
Net cash generated from operating activities	2 770.0	2 467.7	3 100.4
Cash flow from investing activities			
Investments in property, plant and equipment (PPE)	-2 664.3	-3 406.4	-4 497.3
Proceeds from sale of PPE, incl assets under construction	8.8	2.7	20.1
Change in other investments	24.5	-10.1	-83.5
Net cash used in investing activities	-2 631.0	-3 413.8	-4 560.7
Cash flow from financing activities			
Proceeds from borrowings	4 439.5	1 899.9	1 899.9
Repayment of borrowings	-709.0	-678.9	-995.5
Net proceeds/repayment of short term borrowings (commercial papers)	-1 400.0	500.0	1 000.0
Interest paid	-418.9	-437.5	-655.2
Other borrowing charges	-48.7	-4.2	-6.5
Dividends paid to owner	-550.0	-500.0	-500.0
Net cash generated/used in financing activities	1 312.9	779.3	742.7
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	1 451.9	-166.8	-717.6
Cash, cash equivalents and bank overdrafts at the beginning of the period	949.1	1 666.7	1 666.7
Cash, cash equivalents and bank overdrafts at the end of the period	2 401.0	1 499.9	949.1

NOTES TO THE INTERIM FINANCIAL STATEMENTS

NOTE 1 General information

Avinor AS and its subsidiaries (together 'the group') own, manage and develop aviation infrastructure and systems by facilitating safe and efficient aviation. The group also renders services within the same areas together with other activities that add to the group's main business, including commercial development.

The Avinor group's headquarters are located in Oslo.

The interim financial information was approved for issue on 22 November 2017. The interim financial information has not been audited.

NOTE 2 Basis of preparation and accounting policies

The interim financial statement for Avinor Group for the third quarter, ended 30 September 2017, has been prepared in accordance with International Financial Reporting Standards (IFRS) and encompass Avinor AS and all its subsidiaries.

The interim financial information has been prepared in accordance with IAS 34 Interim financial reporting.

The interim financial information should be read in conjunction with the annual financial statement for the year ended 31 December 2016.

The accounting policies are consistent with those of the annual financial statement for the year ended 31 December 2016.

NOTE 3 Segment information

All amounts in MNOK

NINE MONTHS ENDED SEPTEMBER 2017

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	TOTAL AIRPORT OPERATIONS
Traffic income	1 596.0	416.0	307.5	275.7	699.8	3 295.1
Other income	2 839.7	412.1	328.0	242.3	498.9	4 321.0
Inter-segment income	16.6	2.2	4.1	2.0	53.7	78.6
Total income	4 452.3	830.4	639.6	520.0	1 252.4	7 694.7
Employee benefits expenses	400.3	103.4	75.4	66.1	582.0	1 227.2
Depreciation and amortisation	635.8	169.6	83.3	71.0	296.0	1 255.7
Other operating expenses	1 476.8	230.0	129.7	99.1	770.5	2 706.1
Inter-segment expenses	257.2	101.8	86.4	66.7	497.6	1 009.7
Total expenses	2 770.1	604.9	374.9	302.9	2 146.0	6 198.8
Operating profit/(loss)	1 682.2	225.5	264.7	217.1	-893.6	1 495.9
Assets ¹⁾	17 305.4	5 174.1	1 738.4	1 736.8	5 872.7	31 827.4

NINE MONTHS ENDED SEPTEMBER 2017 CONTINUED

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	PROPERTY DEVELOPMENT AND HOTELS	OTHERS	ELIMINATION	TOTAL
Traffic income	3 295.1	845.1	-	-		4 140.2
Other income	4 321.0	110.5	81.5	58.5		4 571.4
Inter-segment income	78.6	604.6	15.3	444.3	-1 142.7	-
Total income	7 694.7	1 560.1	96.8	502.8	-1 142.7	8 711.6
Employee benefits expenses	1 227.2	1 016.4	0.0	330.9		2 574.5
Depreciation and amortisation	1 255.7	64.1	27.4	32.7		1 379.9
Other operating expenses	2 706.1	499.8	8.3	595.2		3 809.5
Inter-segment expenses	1 009.7	75.8	1.8	55.4	-1 142.7	-
Total expenses	6 198.8	1 656.1	37.6	1 014.1	-1 142.7	7 763.9
Operating profit/(loss)	1 495.9	-96.0	59.3	-511.4	-	947.8
Assets ¹⁾	31 827.4	630.7	835.8	142.3		33 436.2

NINE MONTHS ENDED SEPTEMBER 2016

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	TOTAL AIRPORT OPERATIONS
Traffic income	1 483.0	409.5	312.9	270.6	676.4	3 152.4
Other income	2 455.7	379.5	338.8	238.3	458.3	3 870.7
Inter-segment income	48.9	6.8	35.3	23.0	36.3	150.3
Total income	3 987.7	795.8	686.9	532.0	1 171.0	7 173.4
Employee benefits expenses	379.8	90.4	76.5	66.9	596.8	1 210.4
Depreciation and amortisation	617.9	78.0	78.8	70.0	293.2	1 137.9
Other operating expenses	1 201.9	159.9	125.9	92.1	660.8	2 240.5
Inter-segment expenses	263.7	99.3	108.2	84.6	409.3	965.1
Total expenses	2 463.3	427.6	389.4	313.5	1 960.1	5 553.8
Operating profit/(loss)	1 524.4	368.2	297.6	218.4	-789.1	1 619.5
Assets ¹⁾	15 536.9	1 650.7	1 611.5	1 791.8	6 027.3	26 618.2

NINE MONTHS ENDED SEPTEMBER 2016 CONTINUED

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	PROPERTY DEVELOPMENT AND HOTELS	OTHERS	ELIMINATION	TOTAL
Traffic income	3 152.4	740.3	-	-2.7		3 890.0
Other income	3 870.7	139.8	80.1	22.4		4 113.0
Inter-segment income	150.3	579.4	29.2	478.9	-1 237.8	-
Total income	7 173.4	1 459.5	109.3	498.6	-1 237.8	8 003.0
Employee benefits expenses	1 210.4	985.4	0.0	301.4		2 497.2
Depreciation and amortisation	1 137.9	57.4	27.8	48.8		1 271.9
Other operating expenses	2 240.5	252.1	1.8	299.2		2 793.6
Inter-segment expenses	965.1	72.0	14.4	186.3	-1 237.8	-
Total expenses	5 553.8	1 366.9	44.0	835.7	-1 237.8	6 562.7
Operating profit/(loss)	1 619.5	92.6	65.2	-337.1	-	1 440.3
Assets ¹⁾	26 618.2	575.5	872.2	163.7		28 229.6

1) Inclusive other intangible assets, exclusive assets under construction.

NOTE 4 Other income and expenses

All amounts in MNOK

SPECIFICATION	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2017	2016	2017	2016	2016
Other expenses					
Pension - see note 9	-	-	415.0	-	-
Changes in value and other (losses)/gains, net	-10.6	-11.8	-8.5	-12.6	-18.9
Total	-10.6	-11.8	406.5	-12.6	-18.9

NOTE 5 Impact on earnings - Terminal 2 project

All amounts in MNOK

As a result of the development of Gardermoen (Terminal 2 project) the income statement includes charges for extra costs related to the maintenance of normal operations during the construction period, as well as costs related to the scrapping of assets, including higher depreciation as a result of re-assessed economic life.

SPECIFICATION	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2017	2016	2017	2016	2016
Employee benefits expense	4.5	8.3	19.4	28.6	40.1
Depreciation, amortisation and impairment charges	-	14.4	4.5	74.2	80.6
Other operating expenses	12.5	95.8	123.7	214.8	315.8
Total	17.0	118.5	147.6	317.6	436.5

NOTE 6 Income tax expense

The income tax expense is calculated using the expected annual effective tax rate. Expected annual effective tax rate is 24% and is in the interim financial statements as a whole booked against deferred tax asset. The distribution between tax payable and deferred tax is calculated at year end and presented in the annual financial statement.

NOTE 7 Property, plant and equipment, other intangible assets

All amounts in MNOK

	OTHER INTANGIBLE ASSETS	PROPERTY, PLANT AND EQUIPMENT	ASSETS UNDER CONSTRUCTION	TOTAL
At 30 September 2016				
Opening net book amount	117.2	22 507.1	10 615.2	33 239.5
Additions	2.7	6 876.4	3 430.4	10 309.5
Reclassification	-	-	6 879.0	6 879.0
Disposals	-	1.7	-	1.7
Depreciation charge	9.3	1 262.6	-	1 271.9
Closing net book amount	110.5	28 119.1	7 166.6	35 396.2
At 30 September 2017				
Opening net book amount	108.8	29 501.8	6 717.1	36 327.7
Additions	-	5 211.2	2 300.6	7 511.8
Reclassification	-	-	5 211.2	5 211.2
Disposals	-	5.8	-	5.8
Depreciation charge	9.7	1 370.2	-	1 379.9
Closing net book amount	99.1	33 337.1	3 806.5	37 242.6

MNOK 223.6 of assets under construction is classified as intangible as at 30 September 2017.

Measurement of recoverable amount

There are no significant changes affecting the recoverable amount of the group's assets in 2017.

NOTE 8 Capital structure and equity

All amounts in MNOK

	30 SEPTEMBER		YEAR
	2017	2016	2016
Interest-bearing debt including interest rate swaps	21 953.7	19 541.2	19 504.6
Cash and cash equivalents	2 401.0	1 499.9	949.1
Net interest-bearing debt	19 552.7	18 041.3	18 555.5
Equity	14 680.0	15 090.2	14 936.6
Total equity and net interest-bearing debt	34 232.7	33 131.5	33 492.1
Net debt to equity ratio ¹⁾	42.9 %	45.5 %	44.6 %

1) Equity as a percentage of total equity and net interest-bearing debt.
According to article 5 of the company's Article of Association.

NOTE 9 Pension obligation

A discount rate of 2,6% and a future salary increase of 2,5% are used in the calculation of net pension obligation as at 30 September 2017.

As from 1 January 2018 new rules transfer the obligation to pay for adjustment premiums for deferred pension privileges from the Government to the enterprise.

The change extends the groups basis of liability as an employer and the increase in pension obligation is therefore charged to the income statement - see note 4.

The group will, in the fourth quarter, review the assumptions regarding early retirement scheme from 62 years of age. This may result in an adjustment of the groups pension obligation as at 31 December.

NOTE 10 Borrowings and financial lease obligations

All amounts in MNOK

	30 SEPTEMBER		YEAR
	2017	2016	2016
Non-current	22 017.0	18 399.9	17 536.8
Current	634.7	1 560.4	2 419.8
Total	22 651.7	19 960.3	19 956.6
Movement in borrowings			
Opening net book amount	19 956.6	18 489.7	18 489.7
Proceeds from borrowings	4 439.5	1 899.9	1 899.9
Repayment of borrowings	-709.0	-678.9	-995.5
Net change financial lease obligation	-	-	-256.0
Net proceeds/repayment of short term borrowings (commercial papers)	-1 400.0	500.0	1 000.0
Changes in value	364.6	-250.5	-181.5
Closing net book amount	22 651.7	19 960.3	19 956.6

LIQUIDITY RESERVES

	30 SEPTEMBER		YEAR
	2017	2016	2016
Cash and cash equivalents	2 401.0	1 499.9	949.1
Unused bank overdraft	800.0	800.0	800.0
Unused credit facility	4 000.0	4 000.0	4 000.0
Total	7 201.0	6 299.9	5 749.1

The group has, at the end of third quarter 2017, sufficient headroom to enable it to conform to covenants on existing borrowings. The groups liquidity reserves equals at least 12 months prognosticated liquidity requirement including repayment of borrowings, as set out in internal policies.

NOTE 11 Financial instruments*All amounts in MNOK***Fair value estimation**

The fair value of foreign exchange forward contracts and financial power forward contracts is based on market value at the balance sheet date. The fair value estimation of all interest rate swaps is collected from the groups treasury system and checked against fair value estimates from the main bank connection.

The carrying amount of cash and bank overdrafts is approximately equal to the fair value of these instruments as they fall due in a short period of time. Similarly, the carrying amount of receivables and payables is approximately equal to fair value as they are entered into under "normal" conditions.

The fair value of long-term debt is based on quoted market prices or on the interest rates for debt with corresponding terms and similar credit risk. The fair value of commercial papers equals principal amount.

Below is a comparison of the carrying amounts and fair values of the group's interest-bearing debt.

	30 SEPTEMBER 2017		30 SEPTEMBER 2016	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Interest-bearing debt				
State loan	2 749.5	2 815.4	3 193.9	3 273.3
Bonds	13 478.8	14 011.7	8 605.6	9 397.1
Bank borrowings	6 412.4	7 066.8	6 981.8	7 893.4
Commercial papers	-	-	900.0	900.0

DERIVATIVE FINANCIAL INSTRUMENTS

	30 SEPTEMBER		YEAR
	2017	2016	2016
Assets			
Interest rate swaps	726.7	482.5	504.0
Forward foreign exchange contracts	-	5.8	1.0
Forward energy contracts	4.0	-	-
Total	730.7	488.3	505.0
Liabilities			
Interest rate swaps	28.7	63.4	52.0
Forward foreign exchange contracts	1.1	-	0.8
Forward energy contracts	-	9.8	0.7
Total	29.8	73.2	53.5

The table below shows financial instruments at fair value by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's assets and liabilities that are measured at fair value at 30 September 2017:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss	4.0	-	-	4.0
Derivatives used for hedging	-	726.7	-	726.7
Total assets	4.0	726.7	-	730.7
Liabilities				
Financial liabilities at fair value through profit or loss	-	1 396.8	-	1 396.8
Derivatives used for hedging	-	28.7	-	28.7
Total liabilities	-	1 425.5	-	1 425.5

The following table presents the group's assets and liabilities that are measured at fair value at 30 September 2016:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss	-	5.8	-	5.8
Derivatives used for hedging	-	482.5	-	482.5
Total assets	-	488.3	-	488.3
Liabilities				
Financial liabilities at fair value through profit or loss	9.8	1 414.6	-	1 424.4
Derivatives used for hedging	-	61.4	-	61.4
Total liabilities	9.8	1 476.0	-	1 485.8

NOTE 12 Dividends

Dividends to the owner, for the year 2016 of MNOK 550.0, was paid in June 2017.

NOTE 13 New standards

The group is working on an assessment of the effects of the implementation of IFRS 9, 15 and 16. The group's preliminary assessment is that IFRS 9 and 15 will have no material effect for the group. IFRS 16 will result in an increase of the groups total assets and liabilities, but the effect in numbers will not be available until the closing of the annual accounts.



AVINOR AS
Org. No. 985 198 292
Dronning Eufemias gate 6
0191 Oslo, Norway

P.O. Box 150
2061 Gardermoen

avinor.no