

INTERIM FINANCIAL REPORT

Q2 2015

2

 AVINOR



TABLE OF CONTENTS

Group main figures	4
Board of directors report	5
Income statement	12
Statement of comprehensive income	13
Balance sheet	14
Statement of changes in equity	15
Statement of cash flows	16
Notes	17
Responsibility statement	24



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 46 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 3,300 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.

MAIN FIGURES AVINOR GROUP

Second quarter		Amounts in MNOK	Six months ended June		Year
2015	2014		2015	2014	2014
815,4	832,3	Traffic income	1 502,5	1 551,5	3 114,7
308,5	320,7	Security (cost based)	561,4	583,3	1 183,7
652,7	684,3	Sales- and rental income - duty free	1 142,3	1 137,8	2 524,2
225,5	224,1	Sales- and rental income - parking	417,4	420,5	880,3
421,8	385,5	Sales- and rental income - other	857,1	803,2	1 691,3
54,4	37,3	Inter - group income	90,6	75,9	167,3
2 478,2	2 484,2	Total income airport operations	4 571,3	4 572,3	9 561,5
286,1	253,3	En route charges	523,8	485,6	1 008,2
214,9	191,5	Inter-group income approach and control tower services	406,4	380,4	772,4
50,1	63,7	Other income	105,3	112,1	234,3
551,1	508,5	Total income air navigation services	1 035,5	978,1	2 014,8
151,3	160,9	Other group income (a)	361,0	324,5	664,3
-414,8	-388,6	Elimination of inter - group income	-851,1	-773,9	-1 569,5
2 765,8	2 765,0	Total group income	5 116,7	5 101,0	10 671,0
-1 417,5	-1 520,0	Operating expenses airport operations (a)	-2 941,0	-2 986,8	-5 934,9
-414,8	-362,9	Operating expenses air navigation services	-915,6	-847,6	-1 728,6
-243,0	-208,2	Other operating expenses group	-514,1	-441,3	-928,8
414,8	388,6	Elimination of inter-group expenses	851,1	773,9	1 569,5
-1 660,5	-1 702,5	Total group expenses	-3 519,6	-3 501,8	-7 022,8
1 060,7	964,2	EBITDA airport operations	1 630,3	1 585,5	3 626,6
136,3	145,6	EBITDA air navigation services	119,9	130,5	286,2
-91,7	-47,3	EBITDA others	-153,1	-116,8	-264,5
1 105,3	1 062,5	EBITDA group	1 597,1	1 599,2	3 648,3
-343,4	-327,2	Depreciation, amortisation and impairment charges	-678,1	-652,3	-1 340,2
-0,9	-3,0	Changes in value and other (losses)/gains, net	-15,4	-10,6	-2,8
761,1	732,0	Operating profit/(loss)	903,7	936,2	2 305,3
-65,0	-117,7	Net finance income/(costs)	-156,0	-219,9	-368,6
696,1	614,3	Profit/(loss) before income tax	747,7	716,3	1 936,7
-195,1	-165,9	Income tax expense	-209,5	-193,5	-538,0
501,0	448,4	Profit/(loss) after tax from continuing operations	538,2	522,8	1 398,7
529,0	448,4	Profit/(loss) after tax	566,2	522,8	1 398,7
42,8 %	38,8 %	EBITDA-margin airport operations	35,7 %	34,7 %	37,9 %
24,7 %	28,6 %	EBITDA-margin air navigation services	11,6 %	13,3 %	14,2 %
40,0 %	38,4 %	EBITDA-margin others	31,2 %	31,4 %	34,2 %
1 448,3	997,5	Investments airport operations	2 550,9	1 695,4	4 195,3
25,0	54,2	Investments air navigation services	56,7	80,4	202,3
81,6	63,0	Investments others	160,6	149,1	314,1
1 554,9	1 114,7	Total investments	2 768,2	1 924,9	4 711,7
-	-	Distributed dividends	-	-	-445,4
-460,0	-484,8	Cash flow before borrowings	-1 624,5	-1 107,4	-2 093,5
		Interest - bearing debts	17 489,7	15 005,1	15 290,4
		Total assets	36 146,2	32 834,3	33 736,5
		Equity ratio	35,7 %	36,3 %	36,2 %
		Return on total capital after tax			6,4 %
13 286,0	13 420,9	Number of passengers (in 1000)	24 145,2	24 461,8	50 106,8
188,3	190,4	Number of aircraft departures (in 1000)	357,2	369,1	738,1
603,0	559,0	Number of service units (in 1000)	1 163,6	1 067,7	2 219,0
		Punctuality (b)	88 %	88 %	90 %
		Regularity (b)	98 %	99 %	99 %
		(a) Exclusive of inter - group leases on land			
		(b) Past 12 months			

BOARD OF DIRECTORS REPORT

HIGHLIGHTS

Air traffic measured in passenger numbers across Avinor's airports fell by 1.3 per cent in the first half of the year compared with the first half of 2014. This decrease is primarily due to reduced domestic traffic and offshore helicopter traffic, and has been most noticeable at Stavanger Airport, Sola, and Bergen Airport, Flesland. Traffic continues to grow at Oslo Airport Gardermoen with an increase of 0.7 per cent as at 30 June. Air navigation services have seen strong growth in the number of overflights (en-route navigation) with a year-on-year increase of 10.3 per cent as at 30 June.

The Group's operating income for the first six months of the year was NOK 5,117 million, and the profit after tax was NOK 566 million. This profit is slightly higher than last year mainly due to reduced project expenses and lower net financial expenses.

The Group is maintaining safe and reliable operations with regularity of 98 per cent and punctuality of 88 per cent over the last 12 months. So far this year, no aviation accidents have been registered, with or without personal injury, in which Avinor was a participant. Sick leave has amounted to 4.5 per cent over the last 12 months with an H-value of 3.4.

The modernisation programme initiated in the autumn of 2014 entered an analysis phase in the second quarter with the mapping of functions, processes, and costs. A study of potential organisational structures that could contribute to more cost-efficient operations in the future has also been initiated. The programme target is a cost reduction of NOK 600 million a year as from 2018, and a total cost reduction of NOK 1.5 billion in the period 2015 – 2018.

In June it was decided to invest in remote tower

services at Norwegian airports. It has been previously decided to base a new tower centre in Bodø. The tower centre and associated technology are planned to manage up to 15 airports.

To strengthen the Group's equity, it has previously been decided to put Radisson BLU Gardermoen up for sale. Preparatory work has been carried out for this during the second quarter by issuing prospectuses to potential Norwegian and international partners in the course of August 2015.

To facilitate better co-ordination and efficiency of airport operations, the Board gives consent to a merger between Avinor AS and Oslo Lufthavn AS. The target date for completion of the merger is 01.01.16.

It has been decided to expand capacity at Stavanger Airport, Sola. Work will continue until the summer of 2018 and will result in a passenger terminal with a capacity of over 6 million passengers per year.

On 21.05.15, Sandefjord District Court issued a judgement acquitting Sandefjord Airport, Torp of its payment obligation in relation to a dispute regarding a payment obligation for air navigation services in the Farris traffic area. If the judgement becomes final, it could lead to uncertainty regarding the funding of key aspects of Norwegian air navigation services which, according to the opinion of the court, are of a "public legal nature". This judgement has been appealed.

A legal discretionary assessment to determine the purchase price or an annual user fee for aviation-critical areas that are owned by the Norwegian Armed Forces at Værnes airport was presented on 13 August 2015, and involved a one-off payment of just under NOK 300 million, or an annual rent amount. This assessment is not legally enforceable.

SECOND QUARTER 2015

MNOK	Q2 2015	Q2 2014	Change
Operating income	2 765,8	2765,0	0,0 %
EBIT	761,1	732,0	4,0 %
Profit for the year	529,0	448,4	18 %
Investments	1554,9	1114,7	39 %

Table 1: Key financial figuresl Q2

The Group's consolidated operating revenues totalled NOK 2,766 million in the second quarter, which is at the same level as the corresponding period last year. The total number of passengers fell by 1.0 per cent to 13.3 million. Higher operating revenues per passenger have compensated for the decline in traffic volume.

Combined operating expenses, excluding depreciation and write-downs, totalled NOK 1,660 million in the second quarter. This is a change of minus 2.5 per cent compared with the corresponding reporting period last year. The reduction in costs is primarily related to a lower share of project expenses charged to the income statement.

Depreciation and write-downs on the Group's property, plant and equipment totalled NOK 343 million in the second quarter, compared with NOK 327 million for the corresponding period last year.

The Group's net finance costs in the second quarter were NOK 65 million, compared with NOK 118 million for the corresponding period last year. The change was largely due to an increased scope of capitalisation of interest expenses.

During the second quarter of 2014, the Group had a profit after tax of NOK 529 million, compared with NOK 448 million for the corresponding

accounting period last year. The change was largely due to a reduction in scope of the recognition of project expenses in the income statement and an improvement in net financial items.

01.01 – 30.06.2015

MNOK	01.01 - 30.06.15	01.01 - 30.06.14	Change
Operating income	5 116,7	5101,0	0,3 %
EBIT	903,7	936,2	- 3,5 %
Profit for the year	566,2	522,8	8,3 %
Investments	2 768,2	1924,9	43,8 %

Table 2: Key financial figuresl 01.01 - 30.06.

In the period 01.01.15 to 30.06.15, the Group had a profit after tax of NOK 566 million against NOK 523 million for the corresponding period in 2014. Increased staffing costs, including those related to pensions and employer social security contributions, have been offset by a reduction in scope of the recognition of project expenses in the income statement and an improvement in net financial items.

The Group's balance sheet has increased by NOK 2.4 billion since 31.12.14, totalling NOK 36.1 billion as at 30.06.15.

Operating income

The Group's operating income in the period 01.01.15 to 30.06.15 amounted to NOK 5,117 million compared with NOK 5,101 million for the corresponding period last year. The year-on-year change amounts to 0.3 per cent. As a result of reduced traffic volumes, the Group's traffic revenues in airport operations have fallen by 3.3 per cent on last year. Increased sales and rental income has compensated for the reduction in traffic revenues.

Air navigation services had a total growth in revenues of 5.9 per cent due to strong traffic growth in en-route navigation services and an increase in tower service prices.

Operating income by business area is shown in table 3 below:

MNOK	01.01 - 30.06.15	01.01 - 30.06.14	Change
Airports operations	4 751,3	4 572,4	0,0 %
Air traffic services	1 035,5	978,1	5,9 %
Group services	571,2	525,9	8,6 %
Consolidated items -	1 061,3	- 975,3	8,8 %
Avinor group	5 116,7	5 101,1	0,3 %

Table 3: Operating income

Operating expenses, depreciation and other items

Total operating expenses before the cost of sales/refundable costs, depreciation, changes in value and other gains/losses amounted to NOK 3,389 million in the period 01.01.15 to 30.06.15 compared with NOK 3,428 million for the corresponding period last year. This is a year-on-year change of minus 1.1 per cent. Adjusted for non-regular items the growth is approximately 1.5 percent.

So far this year, NOK 106 million has been charged as an expense related to ensuring the simultaneous operation and expansion of Oslo Airport, Gardermoen. The corresponding figure for the same period last year was NOK 283 million.

Increased staffing costs, including those resulting from changes in economic assumptions for the calculation of pension costs and the loss of differentiated employer social security contributions from 01.07. 14 have contributed to increased costs in 2015 compared to 2014.

Overall, these changes have a negative impact on profit of around NOK 60 millions in comparison with the corresponding period for the preceding year.

Total depreciation and write-downs totalled NOK 678 million as at 30.06.15, compared with NOK 652 million for the corresponding period last year. Accelerated depreciation related to the expansion project at Oslo Airport, Gardermoen, accounted for NOK 33 million, which is the same level as last year.

Increased costs of sales/refundable costs are primarily related to the light rail project at Bergen Airport, Flesland.

Operating profit (EBIT)

The Group's operating profit in the period 01.01.15 to 30.06.15 amounted to NOK 904 million compared with an operating profit of NOK 936 million for the corresponding period last year. The change in profit is largely due to weak traffic growth combined with increased employer social security contributions and pension costs.

Financial items and tax

The Group's net financial costs for the period 01.01.15 to 30.06.15 were minus NOK 156 million, compared with minus NOK 220 million in 2014. This change is primarily due to increased interest costs being offset by an increased scope of capitalising interest expenses.

Based on the expected tax rate on an annual basis, the tax costs for the year to date are projected as being NOK 210 million.

Investments

Recognised additions to property, plant and equipment in the period 01.01.15 to 30.06.15 amounted to NOK 2,768 million, compared with

NOK 1,925 million for the corresponding period last year.

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

MNOK	01.01 - 30.06.15	01.01 - 30.06.14	Change
Airports operations	2 550,9	1 695,4	855,5
Air traffic services	56,7	80,4	- 23,7
Joint items, group	25,8	60,1	- 34,3
Consolidated items	134,8	89,1	45,7
<u>Avinor group</u>	<u>2 768,2</u>	<u>1925,0</u>	<u>843,2</u>

Table 4: Addition to PPE recognised in the balance sheet

The development project at Oslo Airport is essentially on schedule and is 78 per cent complete at the end of the second quarter. The airport is maintaining high rates of traffic growth, regularity, and punctuality despite the extensive concurrency between development and normal operations. The project has a cumulative injury absence value (H1-value) of 3.4. The total budget for the project is unchanged and is consistent with Avinor's stock exchange announcement of 4 June 2013.

The development project at Bergen Airport, Flesland, has experienced good progress overall and is on schedule.

Cash flow, financing, and commitments

As a result of investment payments exceeding the contribution from current operations, the Group had a negative cash flow before changes in liabilities of NOK 1,625 million in the period 01.01.15 to 30.06.15. The Group's total capital amounted to NOK 36.1 billion as at 30.06.15, with an equity ratio of 35.7 per cent. Equity as a percentage of the sum of equity and net interest-bearing liabilities was 44.7 per cent as at 30.06.15.

Interest-bearing liabilities as at 30.06.15 amounted to NOK 17,490 million, which is an increase of NOK 2,199 million since 31.12.14.

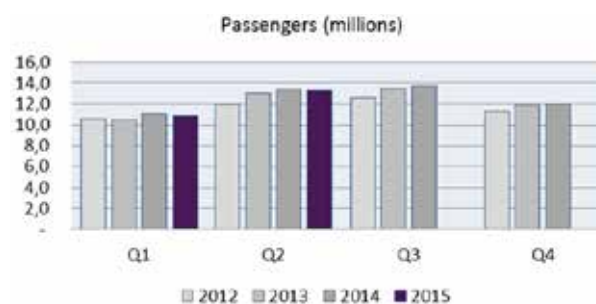
Avinor signed a new loan agreement with the Nordic Investment Bank on 29 May 2015. The loan, amounting to NOK 1,000 million, has a term of 20 years with an 8-year interest-only period and floating interest rate equal to three months' NIBOR plus 0.66% p.a. interest.

As at 30.06.15, the Group's cash reserves amounted to NOK 7,343 million, distributed between NOK 1,543 million in bank deposits and NOK 5,800 million in unutilised bank overdrafts.

Traffic development and service goals

A total of 24.1 million passengers travelled via Avinor's airports in the period 01.01.15 to 30.06.15, which is a fall of 1.3 per cent compared with the corresponding period in 2014.

The figure below shows the trend in traffic on a quarterly basis for 2012–2015:



In comparison with the corresponding period last year, domestic traffic was 2.2 per cent lower, while international traffic increased by 0.5 per cent. Domestic traffic totalled 62 per cent of the total

traffic volume as at June. The volume of offshore helicopter traffic decreased by 12.4 per cent compared with last year.

Passenger volume was distributed between the airports as follows:

Passengers (000)	01.01 - 30.06.15	01.01 - 30.06.14	Change
Gardermoen	11 786	11 699	0,7 %
Flesland	2 887	2 980	- 3,1 %
Sola	2 199	2 322	- 5,3 %
Værnes	2 113	2 182	- 3,2 %
Others	5 160	5 279	- 2,3 %
Avinor group	24 145	24 462	- 1,3 %

Table 5: No. of air passengers

The number of commercial air transport movements including offshore helicopter decreased by 4.2 per cent in comparison with the corresponding period the preceding year. The traffic volume for the en route service measured by the number of service units increased by 9.0 per cent for the year in comparison with last year.

Over the past 12 months, average regularity has been recorded at 98 per cent, and average punctuality has been recorded at 88 per cent throughout Avinor's network of airports.

AIR SAFETY AND HSE

So far this year, no aviation accidents have been registered, with or without personal injury, in which Avinor was a participant.

At the end of the second quarter of 2015, the Group had a total H1-value for injuries resulting in absence of 3.4 for the preceding 12 months, and a sick leave value of 4.5 per cent.

RISK

The Group's operations are focused on safe air traffic management with procedures and measures to minimise both the risks 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 sectoral policy objectives. The Norwegian state sets guidelines for a number of conditions, including airport structure, emergency preparedness, aviation fees and corporate social responsibility. The scope and organisation of sectoral policy guidelines may change over time.

The organisation's capitalised infrastructure is long-term, and the management of operations is largely governed by regulations. As a result, Avinor has a high percentage of fixed costs that vary to a limited extent with changes in traffic volumes and capacity utilisation. The Group's financial performance and value is vulnerable to possible downturns in air traffic. Experience has shown that there is a good correlation between general economic development and demand for air travel over time, although there may be significant deviations in the short term.

Oslo Airport, together with the airports in Bergen, Stavanger, and Trondheim, is a key source of funding for the rest of the airport network in Norway. The airports' earnings are exposed to economic cycles and competition from other airports.

Revenues from good commercial offerings to the passengers are very important to the Group's

funding. Changes in the framework conditions for Duty – free could have a major impact on the Group's earnings and financial value.

Financial hedging instruments are used to limit risk related to interest, currency and energy prices. When investing the Group's surplus cash, emphasis is given to the issuer's solidity and the liquidity of the investment. The Group's liquid assets are deposited in a bank on negotiated terms.

There is disagreement between the Norwegian Armed Forces and Avinor regarding the apportionment of costs at airports where the parties have joint operations. Avinor has, based on estimates, reflected this in the financial statements.

A legal discretionary assessment to determine the purchase price or an annual user fee for aviation-critical areas that are owned by the Norwegian Armed Forces at Værnes airport was published in August 2015, with a one-time payment only just below NOK 300 million. The assessment can be appealed. A similar assessment for areas at Flesland Airport is expected in the fourth quarter of 2015. The decision may have financial consequences, which are not reflected in the financial statements as at 30.06.15.

As a consequence of the Norwegian Parliament's resolution on the establishment of a new fighter jet base for the Norwegian Armed Forces in Ørland, Avinor has been tasked with preparing for taking over responsibility for airport operations at Bodø Airport by 01.08.16. The financial terms for the takeover of operational responsibility, real estate, and other technical equipment from the Norwegian Armed Forces have not yet been determined. Avinor

has asked the Norwegian Ministry of Transport and Communication to postpone the point in time for Avinor to assume operational responsibility. This is due to unclarified needs by the Norwegian Armed Forces and a request from local authorities for a study regarding a potential relocation of the airport.

In March 2015, the Ministry of Transport and Communications tasked Avinor with conducting a socio-economic analysis of the benefits and costs of building a new airport in Bodø compared to those of upgrading the existing airport. The question of a possible new airport in Bodø will be presented in conjunction with a National Transport Plan in the second half of 2017.

Avinor Flysikring has been appointed the sole provider of approach control services with the consequent obligation to provide services until 2024. Should the judgement of Sandefjord District Court regarding the payment obligation for services become final, this will mean that Avinor Flysikring has an obligation to deliver without a corresponding payment obligation for the service receiver. The judgement has been appealed.

In connection with the pension settlement in 2005, it was determined that public service pensions shall be adjusted for life expectancy and made subject to the new pension adjustment rules, but it did not include rules for coordination with national insurance rules. The regulations for coordination are not determined, and therefore not reflected in the accounts.

The airports have discharge permits that require risk assessments to identify potential sources of acute pollution that represent a risk of damage

to the external environment. Work is continuing on reducing the risk of incidents occurring that harm the environment, while at the same time existing pollution is being surveyed and cleaned up. Environmentally hazardous additives in fire extinguishing foam which have spread to the natural environment have been detected at all the airports. Work is currently being conducted to clarify the scope of the measures that will need to be implemented. As a basis for this work, risk assessments have been conducted into the potential harm to persons and the external environment from these pollutants. The economic consequences of this work depend on the extent of the localities that require measures to be implemented, as well as the authorities' requirements and the measures available.

OUTLOOK

The continued profit growth of the Group is expected to be in line with earlier years. Uncertainty regarding the general economic situation and the demand for air travel is being met by internal efficiency and modernisation. In order to ensure a sound balance between equity and debt, a process to sell the Radisson BLU hotel at Gardermoen has been initiated.

The process to simplify transfer for passengers from abroad continuing on inland at Gardermoen is about to be finalized and technical tests of the system is carried out. Simplified transfer will be open to the public this autumn.

Avinor take active part in international work and in research projects in order to generate environment friendly, future-oriented and cost effective solutions for airlines and passengers.

Norway's size and challenging topography means that aviation is vital to Norwegian society. The Board is concerned with ensuring that Avinor contributes to national and regional development. This is taking place through efficient and safe aviation services, but also through active collaboration with local stakeholders and close dialogue with other relevant parties regarding airport development and development of the respective regions.

Oslo, 28 August 2015.

Board of Directors of Avinor AS

INCOME STATEMENT

		Second quarter		Six months ended June		Year
MNOK	Notes	2015	2014	2015	2014	2014
Operating income						
Traffic income		1 410,0	1 406,3	2 588,1	2 620,4	5 299,5
Other operating income		1 355,8	1 358,7	2 528,6	2 480,6	5 371,5
Total operating income		2 765,8	2 765,0	5 116,7	5 101,0	10 671,0
Operating expenses						
Raw materials and consumables used		90,2	45,9	130,1	74,3	198,5
Employee benefots expenses	4	733,8	638,8	1 688,8	1 531,6	2 979,5
Depreciation, amortisation and impairment charges	4,6	343,4	327,2	678,1	652,3	1 340,2
Other operating expenses	4	836,4	1 018,1	1 700,6	1 896,0	3 841,9
Total operating expenses before changes in value and other losses/gains, net		2 003,8	2 030,0	4 197,6	4 154,2	8 360,1
Operating profit/(loss) before changes in value and other losses/gains, net		762,0	735,0	919,1	946,8	2 310,9
Changes in value and other (losses)/gains, net		(0,9)	(3,0)	(15,4)	(10,6)	(5,6)
Operating profit/(loss)		761,1	732,0	903,7	936,2	2 305,3
Finance income		21,9	17,3	27,9	25,6	48,5
Finance costs		86,9	135,0	183,9	245,5	417,1
Net finance income/(costs)		(65,0)	(117,7)	(156,0)	(219,9)	(368,6)
Profit/(loss) before income tax		696,1	614,3	747,7	716,3	1 936,7
Income tax expense	5	195,1	165,9	209,5	193,5	538,0
Profit/(loss) after tax from continuing operations		501,0	448,4	538,2	522,8	1 398,7
Discontinued operations						
Profit/(loss) from discontinued operations	8	28,0	-	28,0	-	-
Profit/(loss) for the period		529,0	448,4	566,2	522,8	1 398,7

STATEMENT OF COMPREHENSIVE INCOME

Amounts in MNOK	Six months ended June		Year
	2015	2014	2014
Profit/(loss) for the period	566,2	522,8	1 398,7
Other comprehensive income:			
Items that will not be reclassified to profit or loss in subsequent periods:			
Actuarial gains/(losses) on post employment benefit obligations	843,1	(147,7)	(893,0)
Tax effect	(227,6)	39,9	241,1
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges	18,5	(24,2)	(66,1)
Tax effect	(5,0)	6,6	17,8
Other comprehensive income, net of tax	629,0	(125,4)	(700,2)
Total comprehensive income	1 195,2	397,4	698,5
Attributable to:			
Owner of parent	1 195,2	397,4	698,5

BALANCE

Amounts in MNOK		Six months ended June	Year	
	Notes	2015	2014	
ASSETS				
Non - current assets				
Intangible assets				
Deferred tax assets	5	1 600,5	1 890,3	2 038,2
Other intangible assets	6	17,3	23,9	15,7
Total intangible asstes		1 617,8	1 914,2	2 053,9
Property, plant and equipment				
Property, plant and equipment	6	21 073,0	19 952,2	21 040,9
Derivative financial instruments	6	9 734,7	6 904,3	7 913,6
Total property, plant and equipment		30 807,7	26 856,5	28 954,5
Financial assets				
Derivative financial instruments		120,6	5,8	162,6
Other financial assets		235,5	152,1	188,2
Total financial assets		356,1	157,9	350,8
Total non-current assets		32 781,6	28 928,6	31 359,2
Curent assets				
Inventories		21,8	16,6	21,6
Trade and other receivables		1 535,1	2 045,5	1 405,3
Derivative financial instruments		13,8	7,1	18,4
Cash and cash equivalents		1 542,7	1 836,5	932,0
Assets of disposal group classified as held for sale	8	251,2	-	-
Total current assets		3 364,6	3 905,7	2 377,3
TOTAL ASSETS		36 146,2	32 834,3	33 736,5
EQUITY AND LIABILITIES				
Equity				
Share capital		5 400,1	5 400,1	5 400,1
Other equity		7 517,7	6 521,3	6 822,5
Total equity		12 917,8	11 921,4	12 222,6
Provisions				
Retirement benefit obligations	7	2 188,7	2 577,2	2 831,5
Other provisions		207,6	256,5	218,8
Total provisions		2 396,3	2 833,7	3 050,3
Non-current liabilities				
State loan	9	3 193,9	3 638,2	3 416,1
Derivative financial instruments		96,6	159,4	128,5
Other non-current liabilities	9	12 950,3	9 622,2	10 522,4
Total non-current liabilities		16 240,8	13 419,8	14 067,0
Current liabilities				
Commercial papers	9	800,0	1 200,0	800,0
Trade payables		415,3	582,6	799,7
Tax payable		-	-	277,5
Public duties payable		263,0	299,1	186,6
Dividends		500,0	445,4	-
Derivative financial instruments		27,4	19,3	27,0
First annual instalment on long-term liabilitirs	9	545,5	544,7	551,9
Other current liabilities		2 020,2	1 568,3	1 753,9
Liabilities of disposal group classified as held for sale	8	19,9	-	-
Total current liabilities		4 591,3	4 659,4	4 396,6
Total liabilities		23 228,4	20 912,9	21 513,9
TOTAL EQUITY AND LIABILITIES		36 146,2	32 834,3	33 736,5

STATEMENT OF CHANGES IN EQUITY

Amounts in MNOK	Share capital	Other reserves	Other equity	Total equity
Balance at 1 Januar 2014	5 400,1	(74,6)	6 643,9	11 969,4
Total comprehensive income		(125,4)	522,8	397,4
Dividends provided for or paid			(445,4)	(445,4)
Balance at 30 June 2014	5 400,1	(200,0)	6 721,3	11 921,4
Balance at 1 Januar 2015	5 400,1	(774,8)	7 597,3	12 222,6
Total comprehensive income		629,0	566,2	1 195,2
Dividends provided for or paid			(500,0)	(500,0)
Balance at 30 June 2015	5 400,1	(145,8)	7 663,5	12 917,8

STATEMENT OF CASH FLOWS

Amounts in MNOK	Six months ended June		Year
	2015	2014	2014
Cash flow from operating activities			
Profit/(loss) before income tax including discontinued operations	785,4	716,3	1 936,7
Depreciation	678,1	652,3	1 340,2
(Profit)/loss on disposals of non-current assets	(1,1)	(1,4)	2,6
Changes in value and other losses/(gains) - net (unrealised)	1,7	(5,2)	(2,8)
Net finance (income)/costs	156,0	219,9	368,6
Change in inventories, trade receivables and trade payables	(392,0)	(251,3)	125,8
Difference between post employment benefit expense and amount paid/received	200,4	81,8	(409,5)
Change in other working capital items	(51,1)	53,7	160,9
Interest received	14,0	19,5	28,7
Income tax paid	(277,4)	(530,9)	(385,9)
Net cash generated from operating activities	1 114,0	954,7	3 165,3
Cash flow from investing activities			
Investments in property, plant and equipment (PPE)	(2 362,0)	(1 768,7)	(4 256,6)
Proceeds from government grants	-	24,4	24,4
Proceeds from sale of PPE, incl assets under construction	7,8	4,9	8,6
Change in other investments	(11,3)	(12,4)	(31,0)
Net cash used in investing activities	(2 365,5)	(1 751,8)	(4 254,6)
Cash flow from financing activities			
Proceeds from borrowings	2 609,7	2 535,0	3 290,0
Repayment of borrowings	(374,5)	(664,8)	(938,2)
Net proceeds/repayment of short term borrowings (commercial papers)	-	400,0	-
Interest paid	(362,3)	(292,4)	(540,9)
Other borrowing charges	(10,7)	(17,9)	(17,9)
Dividends paid to owner	-	-	(445,4)
Net cash generated/used in financing activities	1 862,2	1 959,9	1 347,6
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	610,7	1 162,8	258,3
Cash, cash equivalents and bank overdrafts at the beginning of the period	932,0	673,7	673,7
Cash, cash equivalents and bank overdrafts at the end of the period	1 542,7	1 836,5	932,0

NOTES

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 28 August 2015. 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 second quarter, ended 30 June 2015, has been prepared in accordance with International Financial Reporting Standards (IFRS) and encompasses 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 2014.

The accounting policies are consistent with those of the annual financial statement for the year ended 31 December 2014.

Note 3 - Segment information

	Oslo	Bergen	Stavanger	Trondheim	Other	Total
Amounts in MNOK	Airport	Airport	Airport	Airport	airports	airport operations
Six months ended June 2015						
Traffic income	942,4	274,9	226,1	176,6	443,7	2 063,9
Other income	1 444,2	296,1	239,0	147,1	290,5	2 416,8
Inter-segment income	37,7	2,7	37,6	4,4	8,3	90,7
Total income	2 424,3	573,8	502,7	328,1	742,4	4 571,3
Employee benefits expenses	267,4	64,7	51,1	47,0	426,6	856,9
Depreciation and amortisation	295,8	44,5	47,0	47,3	181,6	616,2
Other operating expenses	642,2	146,7	81,7	64,3	477,9	1 412,8
Inter-segment expenses	401,5	71,1	73,0	58,0	280,0	883,6
Total expenses	1 606,8	327,0	252,9	216,7	1 366,1	3 769,5
Net income/(expense)	817,5	246,8	249,8	111,5	(623,7)	801,8
Group adjustments depreciation (a)	88,3	(12,3)	(9,5)	(11,1)	(57,8)	(2,4)
Group adjustments lease (b)	210,2					210,2
Operating profit/(loss)	1 116,0	234,5	240,3	100,4	(681,5)	1 009,6
Assets*	8 601,7	1 871,9	1 537,8	1 917,3	6 422,1	20 350,8

Note 3 - Segment information continued

Amounts in MNOK	Total airport operations	Air Navigation Services	Others	Elimination	Total
Six months ended June 2015 continued					
Traffic income	2 063,9	523,8	0,4		2 588,1
Other income	2 416,8	105,3	6,5		2 528,6
Inter-segment income	90,7	406,4	564,3	(1 061,3)	-
Total income	4 571,3	1 035,5	571,2	(1 061,3)	5 116,7
Employee benefits expenses	856,9	654,3	177,6		1 688,8
Depreciation and amortisation	616,2	35,1	23,9		675,2
Other operating expenses	1 412,8	218,0	215,4		1 846,2
Inter-segment expenses	883,6	54,5	123,2	(1 061,3)	-
Total expenses	3 769,5	961,9	540,1	(1 061,3)	4 210,2
Net income/(expense)	801,8	73,6	31,1	-	906,6
Group adjustments depreciation (a)	(2,4)	-	(0,5)		(2,9)
Group adjustments lease (b)	210,2		(210,2)		-
Operating profit/(loss)	1 009,6	73,6	(179,6)	-	903,7
Assets*	20 350,8	544,7	194,8		21 090,3

Amounts in MNOK	Oslo Airport	Bergen Airport	Stavanger Airport	Trondheim Airport	Other airports	Total airport operations
Six months ended June 2014						
Traffic income	958,3	287,9	238,0	182,4	468,1	2 134,8
Other income	1 423,3	264,7	235,0	149,6	288,9	2 361,6
Inter-segment income	29,7	4,8	24,7	8,3	8,4	75,9
Total income	2 411,3	557,4	497,8	340,4	765,5	4 572,4
Employee benefits expenses	247,6	61,9	46,7	42,2	384,4	782,8
Depreciation and amortisation	293,4	41,3	44,6	40,9	174,0	594,3
Other operating expenses	842,0	100,5	79,5	69,6	484,6	1 576,2
Inter-segment expenses	376,3	66,7	72,4	52,7	262,6	830,6
Total expenses	1 759,3	270,5	243,1	205,4	1 305,6	3 783,9
Net income/(expense)	652,0	286,9	254,6	135,0	(540,1)	788,5
Group adjustments depreciation (a)	90,9	(12,3)	(9,5)	(11,1)	(57,8)	0,2
Group adjustments lease (b)	201,4					201,4
Operating profit/(loss)	944,3	274,6	245,1	123,9	(597,9)	990,1
Assets*	8 452,8	1 871,2	1 451,5	1 488,0	6 017,5	19 281,0

Note 3 - Segment information continued

Amounts in MNOK	Total airport operations	Air Navigation Services	Others	Elimination	Total
Six months ended June 2014 continued					
Traffic income	2 134,8	485,6	-		2 620,4
Other income	2 361,6	112,1	6,9		2 480,6
Inter-segment income	75,9	380,4	519,0	(975,3)	-
Total income	4 572,4	978,1	525,9	(975,3)	5 101,0
Employee benefits expenses	782,8	591,4	157,3		1 531,6
Depreciation and amortisation	594,3	41,7	16,1		652,0
Other operating expenses	1 576,2	205,4	199,3		1 980,9
Inter-segment expenses	830,6	51,3	93,3	(975,3)	-
Total expenses	3 783,9	889,9	466,1	(975,3)	4 164,5
Net income/(expense)	788,5	88,2	59,9	-	936,5
Group adjustments depreciation (a)	0,2	-	(0,5)		(0,3)
Group adjustments lease (b)	201,4		(201,4)		-
Operating profit/(loss)	990,1	88,2	(142,1)	-	936,2
Assets*	19 281,0	527,1	146,0		19 954,1

(a) Group adjustments due to assessment of the opening balance as at 1 January 2003.

(b) The lease on the land at Gardermoen is attributed to Oslo Lufthavn AS in the segment reporting.

* Inclusive other intangible assets, exclusive assets under construction.

Note 4 - Impact on earnings - Terminal 2 project

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.

Part of the charges for extra costs is based on estimates that are continually updated.

Specification

Amounts in MNOK	Second quarter		Six months ended June		Year
	2015	2014	2015	2014	2014
Employee benefits expense	21,1	7,4	28,3	16,9	24,5
Depreciation, amortisation and impairment charges	16,5	16,7	33,2	33,2	64,6
Other operating expenses	45,5	213,9	77,6	265,9	391,1
Total	83,1	238,0	139,1	316,0	480,2

Note 5 - Income tax expense

The income tax expense is calculated using the expected annual effective tax rate.

Expected annual effective tax rate is 27% 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 6 - Property, plant and equipment, other intangible assets

Amounts in MNOK	Other intangible assets	Property, plant and equipment	Assets under con- struction	Total
At 30 June 2014				
Opening net book amount	31,4	20 397,3	5 181,4	25 610,1
Additions	-	201,9	1 924,9	2 126,8
Reclassification	-	-	201,9	201,9
Disposals	-	2,3	-	2,3
Depreciation charge	7,5	644,8	-	652,3
Closing net book amount	23,9	19 952,2	6 904,3	26 880,4
At 30 June 2015				
Opening net book amount	15,7	21 040,9	7 913,6	28 970,2
Additions	3,1	947,2	2 679,4	3 629,7
Reclassification	-	231,6	858,4	1 090,0
Disposals	-	6,7	-	6,7
Depreciation charge	1,4	676,7	-	678,1
Closing net book amount	17,3	21 073,0	9 734,7	30 825,1

Measurement of recoverable amount

There are no significant changes affecting the recoverable amount of the group's assets in 2015.

Note 7 - Pension obligation

Actuarial gains in 2015 of MNOK 843,1 were mainly caused by changes in financial assumptions.

A discount rate of 2,8% and a future salary increase of 2,75% are used in the calculation of net pension obligation as at 30 June.

Note 8 - Assets held for sale

The assets and liabilities related to Hotell Vestre AS and Hotell Vestre Tomteselskap AS have been presented as held for sale following the approval of the groups's board of directors on 11 February 2015 to sell the companies.

Spesification

Amounts in MNOK	Six months ended June		Year
	2015	2014	2014
Assets			
Property, plant and equipment	231,6	-	-
Receivables and other current assets	19,6	-	-
Total	251,2	-	-
Liabilities			
Provisions	14,8	-	-
Current liabilities	5,1	-	-
Total	19,9	-	-

Amounts in MNOK	Six months ended June		Year
	2015	2014	2014
Profit/loss from discontinued operations			
Other operating income	39,0	-	-
Other operating expenses	0,6	-	-
Profit/(loss) before income tax	38,4	-	-
Income tax expense	10,4	-	-
Profit/(loss) for the period	28,0	-	-

Note 9 - Borrowings

Amounts in MNOK	Six months ended June		Year
	2015	2014	2014
Non-current	16 144,2	13 260,4	13 938,5
Current	1 345,5	1 744,7	1 351,9
Total	17 489,7	15 005,1	15 290,4
Movement in borrowings			
Opening net book amount	15 290,4	12 734,9	12 734,9
Proceeds from borrowings	2 609,7	2 535,0	3 290,0
Repayment of borrowings	(374,5)	(664,8)	(938,2)
Net proceeds/repayment of short term borrowings (commercial papers)	-	400,0	-
Changes in value	(35,9)	-	203,7
Closing net book amount	17 489,7	15 005,1	15 290,4

Avinor AS raised on 29 May 2015 a new loan of 1,0 billion from the Nordic Investment Bank (NIB).

The loan has a term of 20 year and is irredeemable for 8 years, with a floating interest rate of 3 months NIBOR pluss 0,66% pro anno.

Liquidity reserves

Amounts in MNOK	Six months ended June		Year
	2015	2014	2014
Cash and cash equivalents	1 542,7	1 836,5	932,0
Unused bank overdraft	800,0	800,0	800,0
Unused credit facility	5 000,0	4 000,0	4 000,0
Total	7 342,7	6 636,5	5 732,0

The group has, at the end of second quarter 2015, 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 10 - Financial instruments

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 of all interest rate swaps is confirmed by the financial institutions which are the company's opposite party in the financial contracts entered into.

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 as at 30 June 2015.

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

Amounts in MNOK	Six months ended June 2015	
	Carrying amount	Fair value
Interest-bearing debt		
State loan	3 638,3	3 706,0
Bonds	8 737,5	9 146,1
Bank borrowings	4 278,2	4 658,0
Commercial papers	800,0	800,0

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 June 2015:

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss	-	7,8	-	7,8
Derivatives used for hedging	-	126,6	-	126,6
Total assets	-	134,4	-	134,4
Liabilities				
Financial liabilities at fair value through profit or loss	20,9	1 250,6	-	1 271,5
Derivatives used for hedging	-	85,7	-	85,7
Total liabilities	20,9	1 336,3	-	1 357,2

RESPONSIBILITY STATEMENT

To the best of our judgement, we declare that the interim financial report for the period from 1 January to 30 June 2015 has been prepared in accordance with IAS 34 Interim Reporting and that the information in the report fairly reflects the Group's assets, liabilities, financial position and result.

We also declare that the interim financial report provides a fair summary of important events during the accounting period and their influence on the half - year accounts, as well as the most important risk and uncertainty factors the organisation will be facing in the coming accounting period.

Oslo, 28 august 2015

Ola Mørkved Rinnan
Chairman

Ola H. Strand
Vise Chairman

Tone L. Hofstad

Herlof Nilssen

Eli Skrøvset

Mari Thjømø

Per Erik Nordsveen

Bjørn Tore Mikkelsen

Grete Ovnerud

Heidi Anette Sørum

Dag Falk-Petersen
Managing Director





AVINOR AS

Org.nr. 985 198 292

Konsernstab økonomi/finans

Dronning Eufemias gate 6

0191 Oslo

Postboks 150

2061 Gardermoen

www.avinor.no