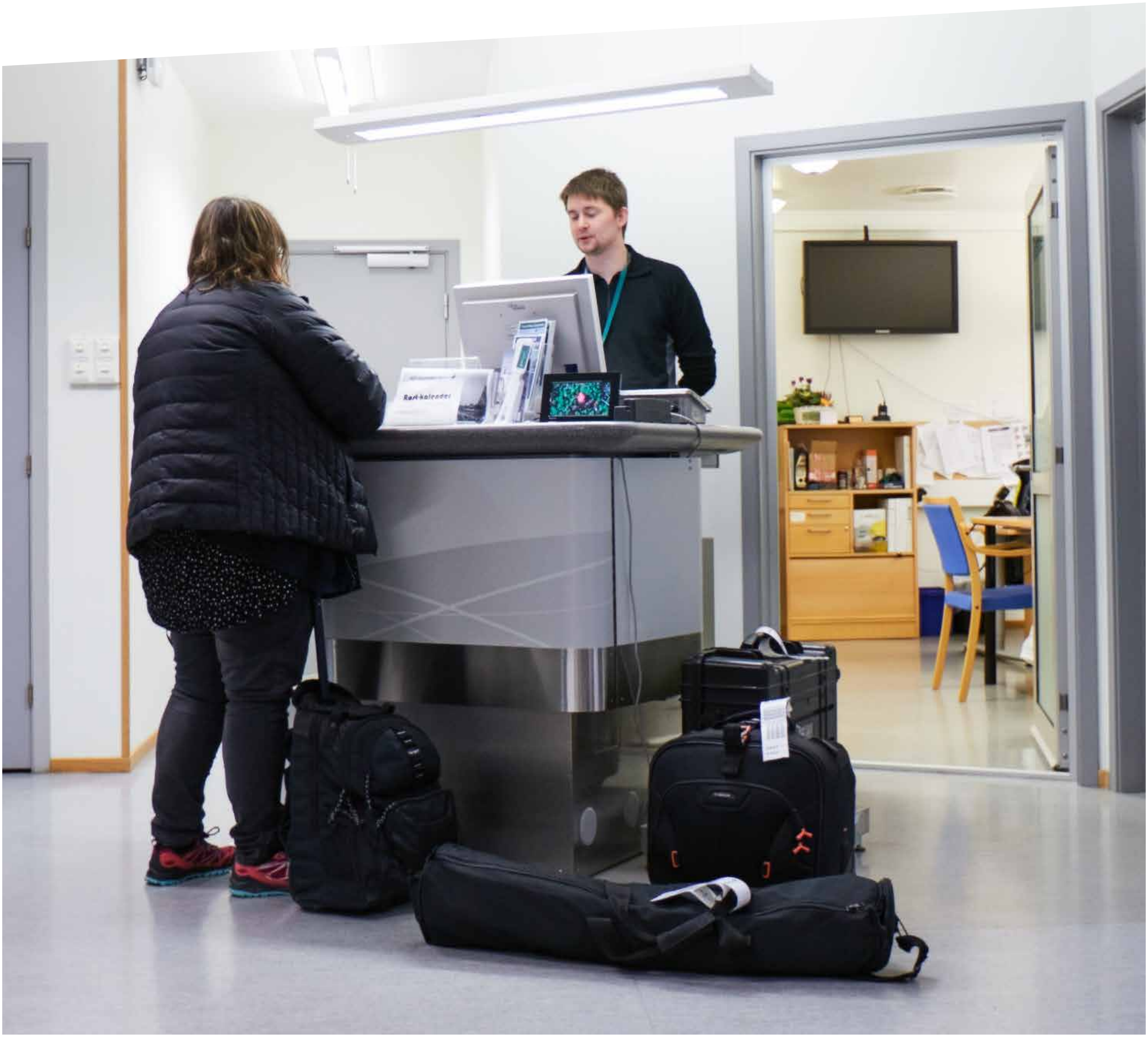
INTERIM FINANCIAL REPORT

2nd quarter 2019



Content

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 44 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 11 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

	SECOND QUARTER		SIX MONTHS ENDED JUNE		YEAR
	2019	2018	2019	2018	2018
Traffic income	766.8	810.1	1 468.0	1 464.6	2 999.8
Security (cost based)	346.1	372.4	641.2	679.6	1 406.6
Sales- and rental income - duty free	752.3	737.4	1 309.0	1 279.5	2 849.6
Sales- and rental income - parking	241.3	247.7	456.3	448.5	967.2
Sales- and rental income - other	527.7	506.7	1 006.3	965.7	2 004.4
Inter - group income	17.8	18.2	35.4	36.5	74.9
Total income airport operations	2 651.9	2 692.7	4 916.1	4 874.4	10 302.6
En route charges	265.9	280.5	512.9	535.1	1 106.7
Inter-group income approach and control tower services	211.6	212.2	425.4	416.0	849.1
Other income	39.4	36.2	76.1	69.9	151.4
Total income air navigation services	516.9	528.9	1 014.3	1 021.0	2 107.2
Other group income	233.2	217.5	454.7	431.8	869.2
Elimination of inter - group income	-392.1	-387.7	-787.5	-767.0	-1 554.9
Total group income	3 010.0	3 051.2	5 597.7	5 560.2	11 724.2
Operating expenses airport operations	-1 476.2	-1 537.5	-3 024.6	-3 084.7	-6 012.9
Operating expenses air navigation services	-474.2	-505.0	-951.1	-974.1	-1 769.4
Other operating expenses	-1 234.5	-405.6	-1 570.3	-670.9	-1 296.0
Elimination of inter-group expenses	392.1	387.7	787.5	767.0	1 554.9
Total group expenses	-2 792.8	-2 060.4	-4 758.6	-3 962.7	-7 523.4
EBITDA airport operations	1 175.7	1 155.2	1 891.5	1 789.7	4 289.7
EBITDA air navigation services	42.6	23.9	63.2	46.9	337.8
EBITDA others	-1 001.3	-188.2	-1 115.6	-239.0	-426.8
EBITDA group	217.2	990.8	839.1	1 597.7	4 200.8
Depreciation, amortisation and impairment charges	-535.3	-541.9	-1 073.5	-1 043.6	-2 103.4
Operating profit/(loss)	-318.1	448.9	-234.4	553.9	2 097.4
Net finance income/(costs)	-140.0	-165.0	-285.5	-317.0	-600.9
Profit/(loss) before income tax	-458.1	283.9	-519.9	236.9	1 496.5
Income tax expense	100.4	-64.9	114.1	-53.9	-326.8
Profit/(loss) after tax	-357.7	219.0	-405.8	183.0	1 169.7
EBITDA-margin airport operations	44.3 %	42.9 %	38.5 %	36.7 %	41.6 %
EBITDA-margin air navigation services	8.2 %	4.5 %	6.2 %	4.6 %	16.0 %
EBITDA-margin others	7.2 %	32.5 %	15.0 %	28.7 %	35.8 %
Investments airport operations	537.9	401.9	794.9	690.3	1 617.8
Investments air navigation services	152.8	56.0	217.3	103.6	221.7
Investments others	42.9	62.1	124.9	90.1	217.0
Total investments	733.6	520.0	1 137.1	884.0	2 056.5
Distributed dividends	-	-	-	-	-249.7
Cash flow before borrowings	232.6	538.4	-74.9	373.7	842.7
Interest - bearing debts			19 637.9	20 560.6	20 234.5
Total assets			44 157.5	46 063.8	43 689.8
Net debt to equity ratio (b)			42.8 %	42.6 %	44.0 %
Number of passengers (in 1000)	13 893.4	14 368.9	26 101.9	26 177.1	54 387.2
Number of aircraft departures (in 1000)	168.0	178.7	331.0	338.8	690.5
Number of service units (in 1000)	607.0	639.0	1 169.0	1 216.7	2 522.1
Punctuality (a)			84%	83%	83%
Regularity (a)			97%	98%	98%

(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 through Avinor's airports in the period 1 January to 30 June 2019 measured by passenger numbers increased by 0.3 per cent compared to the corresponding period in 2018. Excluding Haugesund Airport, which was transferred to a new operator on 12 May 2019, traffic increased by 0.8 per cent. The traffic figures were influenced by pilot strikes at SAS in April/May, adjustments in production capacity by the airlines, as well as challenges resulting from the suspension of production of the Boeing 737 MAX aircraft.

Over the last 12 months, average regularity and punctuality were 97 per cent and 84 per cent, respectively. This is lower than Avinor's internal goal and work is being carried out to identify the root causes and potential improvement measures.

Avinor targeted in June a cost reduction of at least NOK 400 million by 2021 measured against actual cost levels in 2018. The cost reduction will include airport operations, air navigation services and key staff and support functions. Airport structure and flights will not be affected by the cost reduction programme.

On 12 May 2019, Avinor handed over the operation of Haugesund Airport to the local operator Lufthavndrift AS for a period of 20 years. Avinor still owns the airport and is leasing it to the local company. Overall, the change has had a negligible impact on the result recognised in the consolidated accounts.

Apcoa Parking Norge AS took over parking operations at Bergen, Stavanger and Trondheim airports from 24 June 2019, after Sesam Parkering AS petitioned for bankruptcy earlier in the spring. A temporary agreement relating to parking operations ensures that the public and employees are not affected by the bankruptcy. The interim agreement will apply until the end of 2019.

In order to support the development of sustainable jet biofuel based on Norwegian biomass (wood), Avinor has entered into an agreement with Quantafuel AS and undertaken to buy fuel worth NOK million. Together with ENOVA, Avinor will thereby facilitate the development of sustainable fuel that can help to reduce greenhouse gas emissions caused by aviation.

During the second quarter of 2019, NOK 871 million was allocated in accounting terms to cover the future cleanup costs related to environmental contaminants at Avinor's firefighting ranges. The Norwegian Environment Agency has issued an overarching order, according to which Avinor must carry out a complete survey and evaluation of environment pollution related to firefighting ranges. Based on the survey there have been made an estimate of the amount of probable clean-up costs.

There is no final order from the Norwegian Environment Agency about the extent of the clean-up, which methods are to be used or the time horizon.

As a result of the abovementioned accounting provision, the Group's made a loss after tax of NOK 358 million during the second quarter, compared with a profit of NOK 219 million in the corresponding reporting period in 2018.

SECOND QUARTER OF 2019

TABLE 1: KEY FINANCIAL FIGURES Q2 2019

MNOK	Q2 2019	Q2 2018	CHANGE
Operating income	3 010.0	3 051.2	-1.4 %
EBITDA	217.2	990.8	-78.1 %
EBIT	-318.1	448.9	-170.9 %
Profit/loss for the period	-357.7	219.0	-263.3 %
Investments	733.6	520.0	41.1 %

The Group's consolidated operating revenues totalled NOK 3,010 million in the second quarter of 2019, which was a reduction of 1.4 per cent compared with the corresponding period in 2018. This reduction was primarily due to reduced traffic volume and reduced passenger traffic income (fees) per passenger. The fact that the Easter holidays fell in the second quarter of 2019 and in the first quarter of 2018, as well as the SAS pilots strike in April/ May has had an impact on the figures.

Total operating expenses including the cost of goods and depreciation amounted to NOK 2,793 million in the second quarter of 2019, compared with NOK 2,060 million for the corresponding period in 2018. During the second quarter of 2019, NOK 871 million was allocated in accounting terms to cover the estimated cleanup costs related to environmental contaminants at Avinor's fire fighting range, cf. notes 5 and 13 to the consolidated accounts. During the second quarter of 2018, an allocation was made for increased costs related to the collaborative agreement with the Norwegian Armed Forces. Adjusted for the aforementioned provisions, the Group's costs were reduced by 0.5 per cent in the second quarter of 2019 compared to 2018.

Depreciation and write-downs on the Group's property, plant and equipment totalled NOK 535 million in the second quarter, compared with NOK 542 million for the second quarter of 2018.

The Group's net financial result in the second quarter was NOK -140 million, compared with NOK -165 million for the second quarter of 2018. The change was due to lower interest costs.

With an annual income tax rate of 22 per cent, the Group's profit after tax in the second quarter was NOK -358 million, compared with NOK 219 million in the corresponding reporting period in 2018.

FIRST-HALF OF 2019

TABLE 2: KEY FINANCIAL FIGURES 01.01 - 30.06.19

MNOK	01.01 - 30.06.19	01.01 - 30.06.18	ENDRING
Operating income	5 597.7	5 560.2	0.7 %
EBITDA	839.1	1 597.5	-47.5 %
EBIT	-234.4	553.9	-142.3 %
Profit/loss for the period	-405.8	183.0	-321.7 %
Investments	1 137.1	884.0	28.6 %

In the period from 1 January to 30 June 2019, the Group had a loss after tax of NOK 406 million, compared to a profit of NOK 183 million for the corresponding period in 2018. This change in result was primarily due to the allocations for estimated cleanup costs related to environmental contaminants at Avinor's fire training sites.

The Group's balance sheet increased by NOK 468 million in the first half of the year and totalled NOK 44.2 billion as at 30 June 2018. This increase is primarily related to the introduction of balancing of leases, which took effect from 2019.

Operating income

TABLE 3: OPERATING AND OTHER INCOME

MNOK	01.01 - 30.06.19	01.01 - 30.06.18	CHANGE
Airports operations	4 916.1	4 874.4	0.9 %
Air traffic services	1 014.3	1 021.0	-0.7 %
Property development and hotels	67.1	65.5	2.4 %
Group services	387.6	366.3	5.8 %
Consolidated items	-787.5	-767.0	2.7 %
Avinor group	5 597.7	5 560.2	0.7 %

Within airport operations, the first half of the year saw a reduction in the number of passengers by 0.3 per cent. Traffic income (fees) per passenger fell by 1.4 per cent while sales and rental income per passenger grew by 2.9 per cent. Overall, operating income in the first half of the year increased by 0.9 per cent to NOK 4,916 million compared with the corresponding reporting period in 2018. This growth in income was related to Oslo, Bergen and Stavanger Airports.

In terms of air navigation services, the volume of traffic in terms of service units for aircraft en route fell by 3.9 per cent and the number of aircraft movements at airports reduced by 2.3 per cent. Traffic income from services relating to aircraft en route fell by 4.1 per cent as a result of reduced traffic volume combined with a reduced fee per service unit. Income from tower services increased by 2.3 per cent through the decline in traffic volume being compensated for through an increased price per aircraft movement. Overall, the operating revenues from air navigation services decreased by 0.7 per cent to NOK 1,014 million in the first half of the year compared with the corresponding reporting period in 2018.

Operating expenses, depreciation and other items

Total operating expenses including the cost of goods and depreciation amounted to NOK 4,759 million in the period 1 January - 30 June 2019, compared with NOK 3,963 million for the corresponding period in 2018.

Within airport operations, total operating costs in the first half of the year decreased by 1.9 per cent to NOK 3,025 million compared with the corresponding reporting period in 2018. The operating cost per passenger fell by 1.7 per cent. Total operating costs for air navigation services during the first half of the year were reduced by 2.1 per cent to NOK 951 million.

Joint group costs and unshared costs in the first half of the year amounted to NOK 1,568 million, compared with NOK 668 million for the corresponding period last year. The increase of NOK 900 million was primarily due to the aforementioned allocations for estimated cleanup costs related to environmental contaminants at Avinor's fire training sites. Other major cost records are associated with the design project for the new Bodø Airport, preproject related to a new terminal in Tromsø, as well as adaptations to new parking regulations and new standards for X-ray inspections of checked baggage.

Total depreciation and write-downs in the period 1 January to 30 June 2019 totalled NOK 1,074 million, compared with NOK 1,044 million for the corresponding period in 2018. The increase in depreciation is a result of, amongst other things, the introduction of new accounting standards for balancing lease agreements, cf. note 14 to the consolidated financial statements.

EBITDA and EBIT

EBITDA for the period 1 January to 30 June 2019 totalled NOK 839 million, with an EBITDA margin of 15.0 per cent. EBITDA for the corresponding period in 2018 totalled NOK 1,598 million, with an EBITDA margin of 28.7 per cent. The EBITDA margin in the first half of the year has been substantially negatively impacted by the above provisions for environmental cleanup. The EBITDA margin this year has been positively influenced by changes to accounting standards relating to balancing lease agreements, cf. note 14 to the consolidated financial statements. Both airport operations and air navigation services have strengthened their EBITDA margin during the first half of 2019 compared with the corresponding period in 2018.

EBIT for the first half of 2019 totalled NOK -235 million, compared with NOK 554 million for the corresponding period in 2018.

Financial items and tax

The Group's net financial income for the period 1 January to 30 June 2019 amounted to NOK -285 million, compared with NOK -317 million for the corresponding period in 2018. The change in financial result is due to reduced interest costs as a result of having reduced interest-bearing liabilities.

Investments

Capitalised additions to property, plant, and equipment in the first half of 2019 amounted to NOK 1 137 million, compared with NOK 884 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 - 30.06.19	01.01 - 30.06.18	CHANGE
Airports operations	794.9	690.3	104.6
Air traffic services	217.3	103.6	113.7
Property development and hotels	2.3	-	2.3
Joint items, group	94.9	70.1	24.8
Consolidated items	27.7	20.0	7.7
Group	1 137.1	884.0	253.1

Cash flow, financing and liabilities

In the period 1 January to 30 June 2019, the Group's cash flow before changes for liabilities was NOK -75 million.

Interest-bearing liabilities (not taking into account the value of derivatives related to interest rate assurance) and capitalised lease commitments as at 30 June 2019 amounted to NOK 21,669 million, of which NOK 1,645 million were short-term.

As at 30 June 2019, the Group's total assets amounted to NOK 44.2 billion and its equity ratio was 31.1 per cent. Equity as a percentage of the sum of equity and net interest-bearing liabilities (cf. paragraph 5 of the articles of incorporation) amounted to 42.8 per cent as at 30 June 2019. The calculation takes into account the Group's cash balance as well as the value of derivatives related to interest rate hedging, but the value of capitalised lease obligations is not included. The Group's recorded equity during the first half of the year fell by NOK 826 million, primarily as a result of provisions for environmental cleanup and dividends.

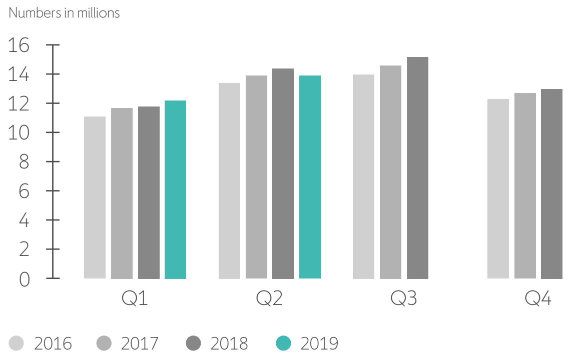
As at 30 June 2019, the Group's cash reserves amounted to NOK 5,879 million, distributed between NOK 1,279 million in bank deposits and NOK 4,600 million in unutilised drawing rights.

Traffic development and service goals

A total of 26.1 million passengers travelled via Avinor's airports in the first half of the year, which is a reduction of 0.3 per cent compared with the corresponding period in 2018. Excluding Haugesund Airport (transferred to an external operator on 12 May 2019), the number of passengers increased by 0.8 per cent compared with the corresponding period in 2018.

The figure below shows the trend in traffic on a quarterly basis in the period 2014-2019:

PASSENGERS



Passenger volume was distributed between the airports as follows:

TABLE 5: NO. OF AIR PASSENGERS

PASSENGERS (1 000)	01.01 - 30.06.19	01.01 - 30.06.18	CHANGE
Gardermoen	13 720	13 688	0.4 %
Flesland	3 072	2 951	4.1 %
Sola	2 092	2 050	2.1 %
Værnes	2 147	2 159	-0.6 %
Others	5 071	5 349	-5.2 %
Avinor group	26 102	26 177	-0.3 %

The number of commercial air transport movements in the first half of the year decreased by 2.3 per cent compared with the corresponding period in 2018. The traffic volume for en-route navigation services measured in terms of the number of service units fell by 3.9 per cent. The number of flight movements in relation to the number of passengers reflects the use of larger aircraft and higher load factors.

The volume of traffic in the first half of the year reflects the SAS pilot strike in April/May and a downturn in production amongst the airlines.

Over the past 12 months, average regularity was recorded at 97 per cent and average punctuality at 84 per cent, throughout Avinor's network of airports. The internal target for regularity and punctuality is 98 and 88 per cent, respectively.

AIR SAFETY AND HSE

There have been no aviation accidents or serious aviation incidents to date in 2019. The H1 value (frequency of lost time injuries) for the last 12 months was 4.1 in Avinor AS and 0.0 in Avinor Flysikring AS, while the H2 value (frequency of injuries) was 6.4in Avinor AS and 0.0 in Avinor Flysikring AS.

Absence due to illness over the last 12 months amounted to 4.7 per cent.

Efforts are being made to prevent work-related injuries and illness in the organisation, such as by way of simpler reporting procedures, the mapping and monitoring of HSE risks, the implementation of HSE campaigns, improvement in HSE training and an increased emphasis on preventative HSE work.

RISK

The Group's operations are focused on safe air traffic management and include procedures and measures for reducing the risk and consequences of accidents and serious incidents. Developments with regard to national and international regulatory issues 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 social duties. 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 laws and 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 earnings and financial value are affected by changes in traffic volume.

There are technical, financial, and regulatory risks associated with development projects in Avinor Flysikring AS. This includes the development of remote-controlled tower services.

Major airports are a key source of funding for the rest of the airport network in Norway. Airports' revenues are vulnerable to economic cycles and competition from airports outside Avinor's network.

Earnings from commercial offerings to passengers at the airports are very important to the Group's funding. In particular could changes to the framework conditions for the duty-free system have an impact on the Group's earnings and financial value.

Financial hedging instruments are used to curtail risk related to changes in interest, exchange rates, and energy prices. The value of hedging instruments changes in line with the market and changes can affect financial performance. 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.

In connection with the National Transport Plan (NTP) for 2019-2029, the Norwegian parliament approved the construction of a new airport in Bodø in the first part of the NTP period (2019-2023). The state will allocate NOK 2.2 billion to the project plus NOK 0.2 billion to the public search and rescue helicopter service. The government assumes that Avinor will contribute NOK 1.4 billion, which corresponds to the estimated investment the current airport will need over the next few years, plus the value of buildings and property in today's airport. Other costs must be covered by local contributions. It remains to be clarified how the local share of the financing will be implemented.

Parliament passed the new Law on Public service pension schemes on 21 June 2019. The law contains new rules on the accrual and withdrawal of old-age pensions with public occupational pension schemes for those born in or after 1963. The law is closely related to the regulations adopted in 2018 for the coordination of public service pensions with a new national insurance scheme. Royal assent by the king in council has not yet been granted to either the regulations or the new law, and the date on which they will take effect has not yet been fixed. The new law does not contain provisions for a new AFP scheme or special rules for people with a special age limit for those born from 1963 onwards. This is due to be discussed by parties in the autumn of 2019, and will be likely to result in further changes to the rules.

Avinor's public service occupational pension scheme with Norwegian Public Service Pension Fund was closed on 1 January 2019. A contribution-based retirement pension pursuant to the Defined-Contribution Pensions Act was introduced on the same date. Employees of Avinor AS and Svalbard Lufthavn AS, as well as employees of Avinor Flysikring AS, who are over 53 years of age made a choice on 1 July 2019 whether to continue as members in the public service occupational pension scheme or to transfer to the defined contribution pension scheme. At Avinor Flysikring AS, all employees under the age of 53 transitioned to a defined-contribution plan in 2018. Seen in isolation, the coordination changes and the transition to a defined-contribution retirement pension scheme are expected to reduce Avinor's pensions liabilities, while the new public service occupational pension scheme is expected to increase its liabilities. Overall, the assessment is that the specified factors will not have significant accounting consequences for the Group's pension liabilities. See note 13 to the accounts.

The airports have discharge permits that require risk assessments of acute pollution that represent a risk of damage to the external environment. Work is continuing on reducing the risk of incidents that harm the environment occurring, at the same time as existing pollution is being surveyed and cleaned up. Environmentally hazardous additives (PFAS) in fire extinguishing foam which have spread to the environment have been detected around airports. Future cleanup costs are dependent on regulatory requirements. The Norwegian Environment Agency has ordered the implementation of measures at Evenes and Oslo airports, and instructed Kristiansand and Svalbard airports to draw up action plans. For the remaining airports, the Norwegian Environment Agency issued an overarching order according to which Avinor must compile the results from completed PFAS surveys and draw up a prioritised series of measures. This will constitute the basis for the Norwegian Environment Agency's evaluation of what measures to impose on Avinor in relation to the cleanup. Based on the survey there have been made an estimate of the amount of probable clean-up costs. In the second quarter of 2019, there have been made an accounting provision of 871 MNOK to cover the estimated liability. There is no final order from the Norwegian Environment Agency about the extent of the clean-up, which methods are to be used or the time range.

OUTLOOK

As a result of Boeing 737 MAX aircraft being taken out of service, as well as additional adjustments to airlines' production, it is expected that there will be only moderate growth or no growth at all in traffic volume on an annual basis compared with 2018. A provision for high environmental cleanup costs in the second quarter of 2019 will have as an impact that the Group's profit for the year will been significantly impaired compared with 2018.

In order to maintain the Group's financial solidity, a range of cost reduction measures are to be implemented, in addition to careful prioritisation of the Group's investment projects.

Mobility and efficient air transport are essential for social development, as well as for the growth of the Norwegian travel industry and businesses. Avinor is upgrading and developing its airport network to facilitate good regional, national and international air services.

The company's operation of airports for airlines and passengers is subject to economic upswings and downturns, and a clear expectation of competitive levels of pricing. The company wants to be a competitive and preferred provider in a competitive market and wants to continue its efforts in implementing the adaptations necessary to achieve this goal.

Oslo, 28 August 2019
Board of Directors of Avinor AS

CONDENSED INCOME STATEMENT

All amounts in MNOK

		SECOND QUARTER		SIX MONTHS ENDED JUNE		YEAR
	NOTES	2019	2018	2019	2018	2018
Operating income						
Traffic income	4	1 378.8	1 463.0	2 622.0	2 679.3	5 513.1
Other operating income	4	1 631.2	1 588.2	2 975.7	2 880.9	6 211.1
Total operating income		3 010.0	3 051.2	5 597.7	5 560.2	11 724.2
Operating expenses						
Raw materials and consumables used		43.0	85.7	79.6	139.5	262.0
Employee benefits expenses		965.2	981.0	1 925.8	1 920.3	3 665.8
Other operating expenses		912.3	1 025.5	1 847.4	1 942.1	3 795.4
Other expenses	5	872.3	-31.8	905.8	-39.2	-199.8
Total operating expenses		2 792.8	2 060.4	4 758.6	3 962.7	7 523.4
EBITDA		217.2	990.8	839.1	1 597.5	4 200.8
Depreciation, amortisation and impairment charges	7	535.3	541.9	1 073.5	1 043.6	2 103.4
Operating profit/(loss)		-318.1	448.9	-234.4	553.9	2 097.4
Finance income		9.6	9.9	16.5	18.2	32.8
Finance costs		149.6	174.9	302.0	335.2	633.7
Net finance income/(costs)		-140.0	-165.0	-285.5	-317.0	-600.9
Profit/(loss) before income tax		-458.1	283.9	-519.9	236.9	1 496.5
Income tax expense	6	-100.4	64.9	-114.1	53.9	326.8
Profit/(loss) after tax		-357.7	219.0	-405.8	183.0	1 169.7

STATEMENT OF COMPREHENSIVE INCOME

All amounts in MNOK

	SECOND QUARTER		SIX MONTHS ENDED JUNE		YEAR
	2019	2018	2019	2018	2018
Profit/(loss) for the period	**-357.7**	219.0	**-405.8**	183.0	1 169.7
Other comprehensive income:					
Items that will not be reclassified to profit or loss in subsequent periods:					
Actuarial gains/(losses) on post employment benefit obligations	**-**	-	**-**	-	-666.3
Tax effect	**-**	-	**-**	-	152.9
Change in tax rate, effect deferred tax assets/-liabilities	**-**	-	**-**	-	-82.4
Items that may be subsequently reclassified to profit or loss:					
Cash flow hedges	**102.9**	36.4	**211.6**	172.9	211.9
Tax effect	**-22.6**	-8.4	**-46.5**	-39.8	-48.7
Other comprehensive income, net of tax	**80.3**	28.0	**165.1**	133.1	-432.6
Total comprehensive income	**-277.4**	247.0	**-240.7**	316.1	737.1
Attributable to:					
Owner of parent	**-277.4**	247.0	**-240.7**	316.1	737.1

CONDENSED BALANCE SHEET

All amounts in MNOK

	NOTES	30 JUNE 2019	30 JUNE 2018	YEAR 2018
ASSETS				
Non - current assets				
Intangible assets				
Deferred tax assets	6	1 564.9	1 417.6	1 497.4
Other intangible assets	7	95.0	105.7	103.4
Intangible assets under construction	7	566.9	291.0	332.3
Total intangible assets		2 226.8	1 814.3	1 933.1
Property, plant and equipment				
Property, plant and equipment	7	34 164.3	33 990.9	34 426.4
Assets under construction	7	2 597.0	2 896.9	2 496.1
Right of use assets	7	492.0	-	-
Total property, plant and equipment		37 253.3	36 887.8	36 922.5
Financial assets				
Derivative financial instruments	11	1 534.5	1 029.4	1 506.2
Other financial assets		85.0	99.9	88.3
Total financial assets		1 619.5	1 129.3	1 594.5
Total non-current assets		41 099.6	39 831.4	40 450.1
Current assets				
Inventories		18.0	14.7	27.6
Trade and other receivables		1 748.7	1 621.5	1 418.8
Derivative financial instruments	11	12.0	39.7	53.5
Cash and cash equivalents		1 279.2	1 556.5	1 739.8
Total current assets		3 057.9	3 232.4	3 239.7
TOTAL ASSETS		44 157.5	43 063.8	43 689.8

CONDENSED BALANCE SHEET

All amounts in MNOK

		30 JUNE		YEAR
	NOTES	2019	2018	2018
EQUITY AND LIABILITIES				
Equity				
Share capital		5 400.1	5 400.1	5 400.1
Other equity		8 315.1	8 719.8	9 140.8
Total equity		13 715.2	14 119.9	14 540.9
Provisions				
Retirement benefit obligations	9. 13	4 578.0	4 144.5	4 633.4
Other provisions	5. 13	1 046.9	185.4	174.0
Total provisions		5 624.9	4 329.9	4 807.4
Non-current liabilities				
State loan	10. 11	1 416.4	1 860.8	1 638.6
Other non-current loans	10. 11	18 164.5	19 057.7	18 570.6
Lease liabilities	10. 11	443.0	-	-
Total non-current liabilities		20 023.9	20 918.5	20 209.2
Current liabilities				
Trade payables		416.6	479.2	536.1
Tax payable		199.3	-	290.9
Public duties payable		404.9	402.3	361.6
Dividends	12	584.9	249.7	-
Derivative financial instruments	11	0.3	0.2	6.2
First annual installment on long-term liabilities	10. 11	1 591.5	671.5	1 531.5
Lease liabilities	10. 11	53.8	-	-
Other current liabilities		1 542.2	1 892.6	1 406.0
Total current liabilities		4 793.5	3 695.5	4 132.3
Total liabilities		30 442.3	28 943.9	29 148.9
TOTAL EQUITY AND LIABILITIES		44 157.5	43 063.8	43 689.8

STATEMENT OF CHANGES IN EQUITY

All amounts in MNOK

	SHARE CAPITAL	OTHER RESERVES	OTHER EQUITY	TOTAL EQUITY
Balance at 1 Januar 2018	5 400.1	-1 137.6	9 791.0	**14 053.5**
Total comprehensive income		133.1	183.0	**316.1**
Dividends provided for or paid			-249.7	**-249.7**
Balance at 30 June 2018	5 400.1	-1 004.5	9 724.3	**14 119.9**
Balance at 1 Januar 2019	5 400.1	-1 507.4	10 648.2	**14 540.9**
Total comprehensive income		165.1	-405.8	**-240.7**
Dividends provided for or paid			-584.9	**-584.9**
Balance at 30 June 2019	5 400.1	-1 342.3	9 657.4	**13 715.2**

STATEMENT OF CASH FLOWS

All amounts in MNOK

	SIX MONTHS ENDED JUNE		YEAR
	2019	2018	2018
Cash flow from operating activities			
Profit/(loss) before income tax	-519.9	236.9	1 496.5
Depreciation	1 073.5	1 043.6	2 103.4
(Profit)/loss on disposals of non-current assets	-2.6	-4.1	-8.5
Changes in value and other losses/(gains) - net (unrealised)	35.6	-40.1	-47.9
Net finance (income)/costs	285.5	317.0	600.9
Change in inventories, trade receivables and trade payables	-344.8	-98.3	15.4
Difference between post employment benefit expense and amount paid/received	-44.6	118.6	-58.8
Change in other working capital items	1 085.4	299.6	101.5
Interest received	34.1	17.3	37.4
Income tax paid	-91.5	-140.5	-115.6
Net cash generated from operating activities	1 510.7	1 750.0	4 124.3
Cash flow from investing activities			
Investments in property, plant and equipment (PPE)	-1 113.4	-1 024.3	-2 523.5
Proceeds from sale of PPE, incl assets under construction	18.7	8.2	26.4
Change in other investments	8.9	154.4	153.8
Net cash used in investing activities	-1 085.8	-861.7	-2 343.3
Cash flow from financing activities			
Repayment of borrowings	-385.7	-889.0	-1 174.7
Interest paid	-493.8	-514.0	-688.0
Other borrowing charges	-6.0	-0.6	-0.6
Dividends paid to owner	-	-	-249.7
Net cash generated/used in financing activities	-885.5	-1 403.6	-2 113.0
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	-460.6	-515.3	-332.0
Cash, cash equivalents and bank overdrafts at the beginning of the period	1 739.8	2 071.8	2 071.8
Cash, cash equivalents and bank overdrafts at the end of the period	1 279.2	1 556.5	1 739.8

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 to support the group's main business, including commercial development.

The Avinor Group's headquarters are located in Oslo.

The interim financial statements for the second quarter of 2019 were approved by the Board of Directors on August 28, 2019.

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 2019, 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 2018.

The accounting policies are consistent with those of the annual financial statement for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019.

The Group applies, from 1 January 2019, IFRS 16 Leases using the modified retrospective method where the right to use assets equals the obligations (no restatement of earlier comparative periods).

A condensed presentation of the new accounting policies and the adjustments recognised on adoption of IFRS 16 are described in note 14.

NOTE 3 Segment information

All amounts in MNOK

SIX MONTHS ENDED JUNE 2019

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	TOTAL AIRPORT OPERATIONS
Traffic income	1 027.5	270.9	203.4	174.3	433.1	2 109.2
Other income	1 801.0	277.0	216.3	158.4	318.8	2 771.6
Inter-segment income	1.0	1.3	2.5	1.1	29.5	35.4
Total income	2 829.5	549.2	422.2	333.8	781.5	4 916.1
Employee benefits expenses	276.3	68.5	57.5	51.1	426.9	880.2
Other operating expenses	667.1	115.1	99.4	70.0	490.0	1 441.6
Inter-segment expenses	195.5	72.7	57.5	47.7	329.4	702.8
Total expenses	1 138.8	256.4	214.5	168.8	1 246.2	3 024.6
EBITDA	1 690.6	292.8	207.7	165.0	-464.7	1 891.5
Depreciation and amortisation	467.3	148.5	62.4	52.5	207.4	938.0
Operating profit/(loss)	1 223.3	144.3	145.4	112.5	-672.1	953.5
Assets 1)	17 498.2	5 650.9	1 871.3	1 716.1	5 761.0	32 497.5

SIX MONTHS ENDED JUNE 2019 CONTINUED

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	PROPERTY DEVELOPMENT AND HOTELS	OTHERS	ELIMINATION	TOTAL
Traffic income	2 109.2	512.9	-	-		2 622.0
Other income	2 771.6	76.1	56.7	71.2		2 975.7
Inter-segment income	35.4	425.4	10.3	316.4	-787.5	-
Total income	4 916.1	1 014.3	67.1	387.6	-787.5	5 597.7
Employee benefits expenses	880.2	749.2	-	296.3		1 925.8
Other operating expenses	1 441.6	157.5	2.4	1 231.3		2 832.8
Inter-segment expenses	702.8	44.4	0.1	40.2	-787.5	-
Total expenses	3 024.6	951.1	2.5	1 567.8	-787.5	4 758.6
EBITDA	1 891.5	63.2	64.6	-1 180.2	-0.0	839.1
Depreciation and amortisation	938.0	70.4	18.0	47.1		1 073.5
Operating profit/(loss)	953.5	-7.2	46.5	-1 227.2	-0.0	-234.4
Assets 1)	32 497.5	756.7	777.7	227.4		34 259.3

Other operating expenses in the segment Others includes provisions for external environment of MNOK 871.2 as at 30 June 2019, see note 5 and 13.

SIX MONTHS ENDED JUNE 2018

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	TOTAL AIRPORT OPERATIONS
Traffic income	1 044.0	267.7	199.7	179.1	453.8	2 144.2
Other income	1 768.5	257.2	210.8	155.0	302.2	2 693.7
Inter-segment income	0.6	1.3	2.5	1.1	30.9	36.5
Total income	2 813.2	526.2	413.0	335.2	786.9	4 874.4
Employee benefits expenses	273.8	71.8	57.5	51.1	424.4	878.8
Other operating expenses	773.9	115.5	89.8	64.9	476.4	1 520.6
Inter-segment expenses	182.4	72.2	57.3	45.0	328.5	685.3
Total expenses	1 230.2	259.5	204.7	161.0	1 229.3	3 084.7
EBITDA	1 582.9	266.7	208.3	174.2	-442.4	1 789.7
Depreciation and amortisation	460.0	134.7	59.4	50.3	238.7	943.2
Operating profit/(loss)	1 122.9	131.9	148.8	123.9	-681.1	846.5
Assets 1)	17 641.4	5 200.5	1 847.8	1 734.7	5 907.7	32 332.1

SIX MONTHS ENDED JUNE 2018 CONTINUED

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	PROPERTY DEVELOPMENT AND HOTELS	OTHERS	ELIMINATION	TOTAL
Traffic income	2 144.2	535.1	-	-		2 679.3
Other income	2 693.7	69.9	54.8	62.6		2 880.9
Inter-segment income	36.5	416.0	10.7	303.7	-767.0	-
Total income	4 874.4	1 021.0	65.5	366.3	-767.0	5 560.2
Employee benefits expenses	878.8	762.8	0.1	278.7		1 920.3
Other operating expenses	1 520.6	167.3	1.8	352.7		2 042.4
Inter-segment expenses	685.3	44.1	0.6	36.9	-767.0	-
Total expenses	3 084.7	974.1	2.5	668.4	-767.0	3 962.7
EBITDA	1 789.7	46.9	63.0	-302.1	-	1 597.5
Depreciation and amortisation	943.2	50.3	18.0	32.1		1 043.6
Operating profit/(loss)	846.5	-3.4	45.1	-334.2	-	553.9
Assets 1)	32 332.1	726.7	812.1	225.7		34 096.6

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

NOTE 4 Operating income

All amounts in MNOK

Revenue from contract with customers (IFRS 15) include all traffic income and part of other operating income, see spesification below.

	SECOND QUARTER		SIX MONTHS ENDED JUNE		YEAR
SPESIFICATION	2019	2018	2019	2018	2018
Traffic income					
Takeoff charges	291.6	301.6	569.9	564.4	1 162.3
Terminal charges	326.2	353.9	605.7	609.5	1 241.4
En route charges	265.9	280.5	512.9	535.1	1 106.7
Security charges	346.1	372.4	641.2	679.6	1 406.5
Terminal navigation charges	149.0	154.6	292.4	290.7	596.2
Total traffic income	1 378.8	1 463.0	2 622.0	2 679.3	5 513.1
Other operating income					
Revenue from contracts with customers:					
Duty free	31.6	37.3	53.8	59.7	141.0
Parking	0.0	14.4	0.5	34.9	35.7
Other	199.5	187.5	368.4	385.6	770.2
Total other operating income from contracts with customers	231.2	239.2	422.7	480.2	946.9
Rental income:					
Duty free	720.6	700.1	1 255.3	1 219.8	2 708.6
Parking	241.2	233.4	455.8	413.8	931.6
Other	438.2	415.5	842.0	767.1	1 624.0
Total rental income	1 400.0	1 349.0	2 553.1	2 400.7	5 264.2
Total other operating income	1 631.2	1 588.2	2 975.7	2 880.9	6 211.1
Total income from contracts with customers	1 610.0	1 702.2	3 044.7	3 159.5	6 460.0
Total rental income	1 400.0	1 349.0	2 553.1	2 400.7	5 264.2
Total operating income	3 010.0	3 051.2	5 597.7	5 560.2	11 724.2

NOTE 5 Other income and expenses

All amounts in MNOK

	SECOND QUARTER		SIX MONTHS ENDED JUNE		YEAR
SPESIFICATION	2019	2018	2019	2018	2018
Other expenses					
Pensions - see note 9 and 13	-	-	-	-	-128.8
External environment - see note 13	871.2	-	871.2	-	-
Changes in value and other (losses)/gains, net	1.1	-31.8	34.6	-39.2	-71.0
Total	872.3	-31.8	905.8	-39.2	-199.8

NOTE 6 Income tax expense

The income tax expense is calculated using the expected annual effective tax rate. Expected annual effective tax rate is 22 % 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	RIGHT OF USE ASSETS	TOTAL
At 30 June 2018					
Opening net book amount	112.8	34 142.9	3 193.1	-	**37 448.8**
Additions	1.0	888.2	884.0	-	**1 773.2**
Reclassification	-	-	889.2	-	**889.2**
Disposals	-	4.7	-	-	**4.7**
Depreciation charge	8.1	1 035.5	-	-	**1 043.6**
Closing net book amount	105.7	33 990.9	3 187.9	-	**37 284.4**
At 30 June 2019					
Opening net book amount	103.4	34 426.4	2 828.4	-	**37 358.2**
Opening net book amount - new accounting policy, see note 14	-	-	-	496.7	**496.7**
Additions	0.5	801.0	1 137.1	21.7	**1 960.3**
Reclassification	-	-	801.6	1.2	**802.8**
Disposals	-	23.7	-	-	**23.7**
Depreciation charge	8.9	1 039.4	-	25.2	**1 073.5**
Closing net book amount	95.0	34 164.3	3 163.9	492.0	**37 915.2**

MNOK 566.9 of assets under construction is classified as intangible as at 30 June 2019.

Measurement of recoverable amount

There are no significant changes affecting the recoverable amount of the Group's assets in 2019.

NOTE 8 Capital structure and equity

All amounts in MNOK

	30 JUNE		YEAR
	2019	2018	2018
Interest bearing debt - including interest rate swaps (see note 10 and 11)	20 134.7	20 560.6	20 234.5
Lease liabilities	496.8	-	-
Cash and cash equivalents	1 279.2	1 556.5	1 739.8
Net interest bearing debt - exclusive lease liabilities	18 358.7	19 004.1	18 494.7
Equity	13 715.2	14 119.9	14 540.9
Total equity and net interest bearing debt	32 073.9	33 124.0	33 035.6
Net debt to equity ratio [1)]	42.8 %	42.6 %	44.0 %

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

All amounts in MNOK

A discount rate of 2,6 % and a future salary increase of 2,75 % are used in the calculation af net pension obligation as at 30 June 2019.

PENSION OBLIGATION

	30 JUNE		YEAR
	2018	2017	2018
Net pension obligation at 1 January	4 633.4	4 025.9	4 025.9
Pension cost - plan amendment	-	-	-128.8
Pension cost - other (exclusive employee contribution)	207.2	276.4	621.0
Employer/employee contribution	-262.6	-157.8	-551.0
Actuarial losses	-	-	666.3
Net pension obligation at 30 June	4 578.0	4 144.5	4 633.4

In addition to the pension cost in the table above there is a cost of MNOK 47.0 as at 30 June 2019 related to employees that have transitioned to a defined contribution pension scheme (MNOK 0.0 as at 30 June 2018).

NOTE 10 Borrowings and financial lease obligations

All amounts in MNOK

	30 JUNE		YEAR
	2019	2018	2018
Non-current	20 023.9	20 918.5	20 209.2
Current	1 645.3	671.5	1 531.5
Total	21 669.2	21 590.0	21 740.7
Movement in borrowings and lease liabilities			
Opening net book amount	21 740.7	22 811.4	22 811.4
Opening net book amount - lease liabilities - new accounting policy, see note 14	496.7	-	-
Repayment of borrowings	-385.7	-889.0	-1 174.7
Net change lease liabilities	0.1	-	-
Changes in value	-182.6	-332.5	103.9
Closing net book amount	21 669.2	21 590.0	21 740.7

LIQUIDITY RESERVES

	30 JUNE		YEAR
	2019	2018	2018
Cash and cash equivalents	1 279.2	1 556.5	1 739.8
Unused bank overdraft	600.0	600.0	600.0
Unused credit facility	4 000.0	4 000.0	4 000.0
Total	5 879.2	6 156.5	6 339.8

The Group has, at the end of second quarter 2019, sufficient headroom in respect of compliance with covenants. The groups liquidity reserves equals at least 12 months forecasted 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 JUNE 2019		30 JUNE 2018	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Interest-bearing debt				
State loan	1 860.8	1 882.2	2 305.1	2 343.4
Bonds	13 867.7	14 738.2	13 613.9	14 158.9
Bank borrowings	5 443.9	5 906.8	5 671.0	6 119.0

DERIVATIVE FINANCIAL INSTRUMENTS

	30 JUNE		YEAR
	2019	2018	2018
Assets			
Interest rate swaps	1 534.5	1 029.4	1 506.2
Forward foreign exchange contracts	1.0	1.8	0.1
Forward energy contracs	11.0	37.9	53.4
Total assets	1 546.5	1 069.1	1 559.7
Liabilities			
Interest rate swaps	-	-	-
Forward foreign exchange contracts	0.3	0.2	6.2
Forward energy contracs	-	-	-
Total liabilities	0.3	0.2	6.2

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 2019:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss	11.0	1.0	-	12.0
Derivatives used for hedging	-	1 534.5	-	1 534.5
Total assets	11.0	1 535.5	-	1 546.5
Liabilities				
Financial liabilities at fair value through profit or loss	-	1 508.2	-	1 508.2
Derivatives used for hedging	-	-	-	-
Total liabilities	-	1 508.2	-	1 508.2

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2018:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss	37.9	1.8	-	39.7
Derivatives used for hedging	-	1 029.4	-	1 029.4
Total assets	37.9	1 031.2	-	1 069.1
Liabilities				
Financial liabilities at fair value through profit or loss	-	1 423.5	-	1 423.5
Derivatives used for hedging	-	-	-	-
Total liabilities	-	1 423.5	-	1 423.5

NOTE 12 Dividends

Didvidens to the owner, for the year 2018 of MNOK 584.9 was paid in July 2019 (2017: MNOK 249.7 paid in July 2018).

NOTE 13 Contingencies

With reference to information in the annual financial statement for the year ended 31 December 2018.

External environment

According to assignment from the Norwegian Environment Agency a preliminary survey of possible external environment obligation attached to PFOS pollution on all of Avinor's airports (except Evenes airport, Kristiansand airport, Oslo airport and Svalbard airport where there already are ongoing cases) have been carried out. The survey is carried out by Norconsult on assignment from Avinor. There is established responsibility for cleanup of pollution on 32 localities. Based on action plans approved by the Norwegian Environment Agency for comparable localities, the cleanup cost is estimated to MNOK 920.0 on the locations in question. In addition there have been made provisons to cover responsibliities on other locations. A total provision of MNOK 1035 have been made to cover these responsibilities. The change in the provision in Q2 is MNOK 871.

Pensions

The new Act on public occupational pension scheme, scheduled to come into force 1 January 2020, was approved by the Storting (the Norwegian Parliament) in June 2019. In addition employees with membership in the Norwegian Public Service Fund (NPSF) have choosen whether to transition to a defined contribution pension scheme or to stay in the NPSF. These effects are not reflected in the accounts as there is not yet sufficient basis for the calculation. Expected impementation of all/part of these effects is third/fourth quarter 2019.

NOTE 14 New accounting standards

All amounts in MNOK

IFRS 16 Leases

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases were charged to profit or loss on a straight line basis over the period of the lease. From 1 January 2019, leases are recognised as a right of use asset and a corresponding liability at the date of which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a stright line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments over the lease term including the most likely to be used extension options. The estimated lease liability is calculated as the present value of expected rental payments over the lease term. Expected rental payments are index adjusted where applicable. A discount rate similar to the group's incremental borrowing rate is used. Right of use asstes are measured at cost and equals the amount of the initial measurement of the lease liability. Payments associated with short term leases and low value leases are recognised on a straight line basis as an expence in profit or loss.

Right of use assets are specified in note 7 and lease liabilities in note 10.

Adjustments recognised on adoption of IFRS 16	
Operating lease commitments at 31 December 2018	588.8
Discounted using the group's incremental borrowing rate	92.1
Present value of lease liabilities recognised at 1 January 2019	496.7

The Group's incremental borrowing rate is estimated to 3,05 % as at 30 June 2019.

The effect of change in accounting policy is specified below:

	SECOND QUARTER		SIX MONTHS ENDED JUNE		YEAR
SPESIFICATION	2019	2018	2019	2018	2018
Other operating expenses (decrease)	-13.9	-	-27.6	-	-
EBITDA	13.9	-	27.6	-	-
Depreciation (increase)	12.6	-	25.2	-	-
Finance costs (increase)	3.7	-	7.3	-	-
Profit/(loss) before income tax	-2.4	-	-4.9	-	-

Responsibility statement by the Board of Directors

To the best of our judgement, we declare that the interim financial report for the period from 1 January to 30 June 2019 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 2019
Board of Directors of Avinor AS

Anne Carine Tanum *Chairman*	Ola H. Strand *Vise Chairman*	Herlof Nilssen
Eli Skrøvset	Linda B. Silseth	Bjørn Tore Mikkelsen
Heidi Anette Sørum	Olav Aadal	Dag Falk-Petersen *Managing Director*

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