

INTERIM FINANCIAL REPORT

3rd quarter 2019



Content

Avinor Group - Main Figures	3
Board of Directors Report	4
Condensed income statement	8
Statement of comprehensive income	9
Condensed balance sheet	10
Statement of changes in equity	12
Statement of cash flows	13
Notes to the interim financial statements	14

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

	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2019	2018	2019	2018	2018
Traffic income	801.6	803.6	2 269.6	2 268.3	2 999.8
Security (cost based)	361.5	389.1	1 002.6	1 068.7	1 406.6
Sales- and rental income - duty free	873.3	855.1	2 182.3	2 134.6	2 849.6
Sales- and rental income - parking	253.9	271.7	710.2	720.2	967.2
Sales- and rental income - other	557.4	532.8	1 563.7	1 498.5	2 004.4
Inter-group income	17.4	19.7	52.8	56.2	74.9
Total income airport operations	2 865.1	2 872.0	7 781.2	7 746.5	10 302.6
En route charges	287.9	298.8	800.7	834.0	1 106.7
Inter-group income approach and control tower services	209.5	209.5	634.9	625.5	849.1
Other income	45.0	37.2	121.1	107.1	151.4
Total income air navigation services	542.3	545.5	1 556.7	1 566.5	2 107.2
Other group income	237.4	217.1	692.1	648.9	869.2
Elimination of inter-group income	-401.4	-385.9	-1 188.9	-1 152.9	-1 554.9
Total group income	3 243.6	3 248.8	8 841.3	8 809.0	11 724.2
Operating expenses airport operations	-1 103.7	-1 361.2	-4 128.4	-4 445.9	-6 012.9
Operating expenses air navigation services	-571.7	-432.4	-1 522.9	-1 406.6	-1 769.4
Other operating expenses	-294.4	-271.4	-1 864.8	-942.3	-1 296.0
Elimination of inter-group expenses	401.4	385.9	1 189.0	1 152.9	1 554.9
Total group expenses	-1 568.4	-1 679.1	-6 327.0	-5 641.8	-7 523.4
EBITDA airport operations	1 761.4	1 510.9	3 652.9	3 300.5	4 289.7
EBITDA air navigation services	-29.4	113.1	33.8	160.0	337.8
EBITDA others	-57.0	-54.3	-1 172.7	-293.3	-426.8
EBITDA group	1 675.2	1 569.7	2 514.3	3 167.2	4 200.8
Depreciation, amortisation and impairment charges	-546.1	-509.4	-1 619.6	-1 553.0	-2 103.4
Operating profit/(loss)	1 129.1	1 060.3	894.7	1 614.2	2 097.4
Net finance income/(costs)	-143.3	-146.7	-428.8	-463.7	-600.9
Profit/(loss) before income tax	985.8	913.6	465.9	1 150.5	1 496.5
Income tax expense	-216.4	-209.8	-102.3	-263.7	-326.8
Profit/(loss) after tax	769.5	703.8	363.6	886.8	1 169.7
EBITDA-margin airport operations	61.5 %	52.6 %	46.9 %	42.6 %	41.6 %
EBITDA-margin air navigation services	-5.4 %	20.7 %	2.2 %	10.2 %	16.0 %
EBITDA-margin others	51.6 %	48.3 %	28.4 %	36.0 %	35.8 %
Investments airport operations	436.3	490.0	1 231.2	1 180.3	1 617.8
Investments air navigation services	143.8	43.8	361.1	147.4	221.7
Investments others	60.1	22.6	185.0	112.7	217.0
Total investments	640.2	556.4	1 777.3	1 440.4	2 056.5
Distributed dividends	-584.9	-249.7	-584.9	-249.7	-249.7
Cash flow before borrowings	-241.3	291.9	-8.7	665.6	842.7
Interest - bearing debts			19 551.3	20 549.9	20 234.5
Total assets			44 517.9	43 061.7	43 689.8
Net debt to equity ratio (b)			43.2 %	44.2 %	44.0 %
Number of passengers (in 1000)	15 052.9	15 165.8	41 154.8	41 342.9	54 387.2
Number of aircraft departures (in 1000)	177.6	178.5	508.6	517.4	690.5
Number of service units (in 1000)	659.2	683.2	1 828.2	1 899.9	2 522.1
Punctuality (a)			84 %	82 %	83 %
Regularity (a)			98 %	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 September 2019 measured by passenger numbers fell by 0.5 per cent compared to the corresponding period in 2018. If Haugesund Airport, which was handed over to a new operator on 12 May 2019, is removed from the calculation of passenger numbers, traffic increased by 0.7 per cent.

Over the last 12 months, average regularity and punctuality were 98 per cent and 84 per cent, respectively.

On 19 October 2019, the Remote towers project reached an important milestone when Røst Airport became the first airport which was approved by the Norwegian Civil Aviation Authority for the operation of remotely-operated towers. Avinor have under construction a new remote-operated tower centre in Bodø, which shall be put into operation in the second half of 2020. Avinor plans for the implementation of a remotely – operated tower service controlled from the new centre for up to 15 airports by the end of 2022.

Five alternatives for the development of a new airport at Bodø were studied, before a decision to start a pilot study were made on the 22nd of October. The pilot study shall be completed by the turn of 2020/2021. At the same time, a quality assurance process initiated by the Ministry of Transport and the Ministry of Finance will be carried out. It remains to be clarified how the final financing of the project will be implemented.

THIRD QUARTER OF 2019

TABLE 1: KEY FINANCIAL FIGURES Q3 2019

MNOK	Q3 2019	Q3 2018	CHANGE
Operating income	3 243.6	3 248.8	-0.2 %
EBITDA	1 675.2	1 569.7	6.7 %
EBIT	1 129.1	1 060.3	6.5 %
Profit/loss for the period	769.5	703.8	9.3 %
Investments	640.2	556.4	15.1 %

The Group's operating income in the third quarter amounted to NOK 3,244 million, compared with NOK 3,249 million for the corresponding period in 2018. Adjusted for the fact that Haugesund airport was transferred to an external operator in May 2019, there was an increase in the number of passengers by 0.7 per cent. The fall in traffic income (fees) was offset by an increase in sales and rental income in the third quarter.

Total operating expenses including the cost of sales amounted to NOK 1,568 million, compared with NOK 1,679 million for the corresponding period in 2018. In addition to underlying reduced operating expenses and a provision for bad debt of NOK 87 million, changes to the group's pension scheme and changes in value recognised in the income statement resulted in a reduction in costs of NOK 94 million, see note 5 to the group's accounts. Underlying operating expenses, adjusted for the cost of sales, bad debt and the changes described in note 5, fell by 5.8 per cent.

The total depreciation, amortisation, and impairment cost totalled NOK 546 million in the third quarter, compared with NOK 509 million for the corresponding period in 2018. This increase is primarily due to the transition to a new accounting standard for leases (IFRS 16).

The Group's net financial income in the third quarter was NOK -143 million, compared with NOK -147 million for the third quarter of 2018.

With an annual income tax rate of 22 per cent, the Group's profit after tax for the third quarter was NOK 838 million, compared with NOK 704 million for the corresponding reporting period in 2018.

1 JANUARY TO 30 SEPTEMBER 2019

TABLE 2: KEY FINANCIAL FIGURES 01.01 - 30.09.19

MNOK	01.01 - 30.09.19	01.01 - 30.09.18	CHANGE
Operating income	8 841.3	8 809.0	0.4 %
EBITDA	2 514.3	3 167.2	-20.6 %
EBIT	894.7	1 614.2	-44.6 %
Profit/loss for the period	363.6	886.8	-59.0 %
Investments	1 777.3	1 440.4	23.4 %

In the period 1 January to 30 September 2019, the Group had a profit after tax of NOK 364 million, against NOK 887 million for the corresponding period in 2018. This change in profits was primarily due to provisions for estimated cleanup costs related to environmental contaminants at Avinor's fire training sites of the interim financial report for Q2 2019.

The Group's balance sheet increased by NOK 828 million between 1 January and 30 September 2019 to total NOK 44.5 billion as at 30 September 2019. This increase is primarily related to plant under construction, accounts receivable, and the capitalisation of leases.

Operating income

Operating income in the period 1 January to 30 September 2019 amounted to NOK 8,841 million, compared with NOK 8,809 for the corresponding period in 2018.

Air traffic through Avinor's airports in the period 1 January to 30 September 2019 measured by passenger numbers fell by 0.5 per cent compared to the corresponding period in 2018. If Haugesund Airport is removed from the calculation of passenger numbers, traffic increased by 0.7 per cent. Traffic income (fees) per passenger fell by 1.5 per cent while sales and rental income per passenger grew by 2.8 per cent. Total operating income in the period increased by 0.4 per cent to NOK 7,781 million.

In terms of air navigation services, the volume of traffic in terms of service units for en-route navigation services fell by 3.8 per cent and the number of aircraft movements at airports fell by 1.7 per cent. Traffic income from en-route navigation services fell by 4.0 per cent as a result of reduced traffic volume combined with reduced fees per service unit. Income from tower services increased by 1.5 per cent as the decline in traffic volume was offset by an increased price per aircraft movement. Overall, operating income from air navigation services is marginally lower than in the corresponding reporting period in 2018.

TABLE 3: OPERATING AND OTHER INCOME

MNOK	01.01 - 30.09.19	01.01 - 30.09.18	CHANGE
Airports operations	7 781.2	7 746.5	0.4 %
Air traffic services	1 556.7	1 566.5	-0.6 %
Property development and hotels	101.0	96.8	4.3 %
Group services	591.2	552.1	7.1 %
Consolidated items	-1 188.9	-1 152.9	3.1 %
Avinor group	8 841.3	8 809.0	0.4 %

Operating expenses, depreciation and other items

Operating expenses in the period 1 January to 30 September 2019 amounted to NOK 6,327 million, compared with NOK 5,642 million for the corresponding period in 2018. The year-on-year comparison of costs is affected by changes in the cost of sales costs (NOK 70 million), a provision for bad debt (NOK 87 million), provisions for environmental cleanup (NOK 871 million), changes in value (NOK 66 million), and pension plan changes (NOK 87 million) cf. note 5 to the group accounts. Adjusted for the above, underlying operating expenses fell by 3.3 per cent compared with the corresponding reporting period in 2018.

Within airport operations, total operating expenses fell by 7.1 per cent to NOK 4,128 million compared with the corresponding reporting period in 2018. Excluding the reduction in costs resulting from pension plan changes, the reduction was 3.1 per cent.

Total operating expenses for air navigation services during the period grew by 8.3 per cent to NOK 1,523 million. Excluding the cost increase as a consequence of pension plan changes, the cost increase was 3.0 per cent.

Joint Group costs and unshared costs amounted to NOK 1,860 million, compared with NOK 938 million for the corresponding period last year. The increase of around NOK 922 million was primarily due to the aforementioned increase in provisions for estimated cleanup costs related to environmental contaminants at Avinor's fire training sites.

Total depreciation, amortisation, and impairment in the period totalled NOK 1,620 million, compared with NOK 1,553 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 September 2019 amounted to NOK 2,602 million. EBITDA for the corresponding period in 2018 amounted to NOK 3,167 million. EBIT for the period 1 January to 30 September 2019 amounted to NOK 982 million, compared with NOK 1,614 million for the corresponding period in 2018. This decrease is due to the above provisions for estimated cleanup costs related to environmental pollution.

Financial items and tax

The Group's net financial income for the period 1 January to 30 September 2019 amounted to NOK -429 million, compared with NOK -464 million for the corresponding period in 2018. The change in financial income is due to reduced interest costs as a result of a reduction in interest-bearing liabilities. This was partly offset by increased interest costs as a result of the introduction of a new accounting standard for leases (IFRS 16).

Investments

Capitalised additions to property, plant, and equipment in the period 1 January to 30 September 2019 amounted to NOK 1,777 million, compared with NOK 1,440 million for the corresponding period last year.

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

TABLE 4: ADDITION TO PPE RECOGNISED IN THE BALANCE SHEET

MNOK	01.01 - 30.09.19	01.01 - 30.09.18	CHANGE
Airports operations	1 231.2	1 180.3	51.0
Air traffic services	361.1	147.4	213.6
Property development and hotels	2.5	0.2	2.3
Joint items, group	151.0	84.3	66.7
Consolidated items	31.5	28.2	3.3
Group	1 777.3	1 440.4	336.9

Cash flow, financing and liabilities

In the period 1 January to 30 September 2019, the Group's cash flow was negative before changes for liabilities of NOK 9 million.

Interest-bearing liabilities (not taking into account the value of derivatives related to interest rate hedging) and capitalised lease

commitments as at 30 September 2019 amounted to NOK 21,901 million, of which NOK 1,635 million were current interest-bearing liabilities.

Changes in the economic parameters that form the basis for calculating pension liabilities have resulted in a reduction in equity through other comprehensive income of NOK 704 million.

The Group has a fixed-rate loan in EUR with a corresponding hedge in NOK. Changes in the value of interest hedging instruments have had a net positive effect on equity to the tune of NOK 232 million. The change is positive due to the fall in Euro interest rates. This positive effect is partly offset through losses on the corresponding interest-rate hedges in NOK.

As at 30 September 2019, the Group's total assets amounted to NOK 44.5 billion and its equity ratio was 31.1 per cent. Equity as a percentage of the total of equity and net interest-bearing liabilities (cf. paragraph 5 of the articles of incorporation) amounted to 43.2 per cent.

As at 30 September 2019, the Group's cash reserves amounted to NOK 5,946 million, distributed between NOK 1,346 million in bank deposits and NOK 4,600 million in unutilised drawing rights.

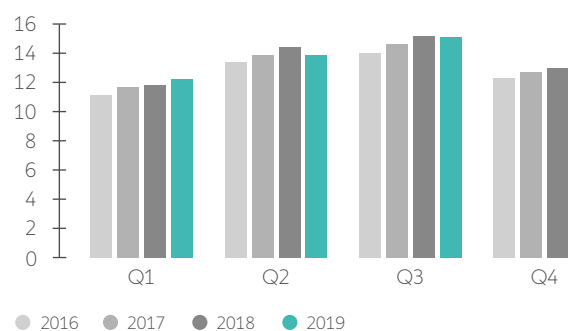
Traffic development and service goals

A total of 41.2 million passengers travelled via Avinor's airports in the period 1 January to 30 September 2019, which is a fall of 0.5 per cent compared with the corresponding period in 2018. Excluding Haugesund Airport, traffic increased by 0.7 per cent compared with the corresponding period in 2018.

The figure below shows the trend in traffic on a quarterly basis for the period 2015 to 2019:

PASSENGERS

Numbers in millions



Compared with the same period in 2018, domestic traffic fell by 1.9 per cent while international traffic increased by 1.2 per cent. Offshore helicopter traffic increased by 14.1 per cent. Domestic traffic accounted for 56 per cent of the total traffic volume.

Passenger volume was distributed between the airports as follows: (Haugesund included in 2018)

TABLE 5: NO. OF AIR PASSENGERS

PASSENGERS (1 000)	01.01 - 30.09.19	01.01 - 30.09.18	CHANGE
Gardermoen	21 880	21 765	0.5 %
Flesland	4 878	4 729	3.2 %
Sola	3 242	3 204	1.2 %
Værnes	3 279	3 312	-1.0 %
Others	7 876	8 333	-5.5 %
Avinor group	41 155	41 343	-0.5 %

The number of commercial air transport movements in the period fell by 1.7 per cent compared with the corresponding period in 2018. Domestic air transport movements fell by 2.5 per cent, while international air transport movements increased by 0.7 per cent. The change in the number of air transport movements in relation to the number of passengers reflects the use of larger aircraft and higher load factors.

The traffic volume for en-route navigation services measured in terms of the number of service units fell by 3.8 per cent.

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

AIR SAFETY AND HSE

There have been no aviation accidents or serious aviation incidents to date in 2019 in which Avinor was an instrumental party, subject to investigations that have not yet been completed.

The H1 value (frequency of lost-time injuries) for the last 12 months was 4.2 in Avinor AS and 0.0 in Avinor Flysikring AS, while the H2 value (frequency of injuries) was 7.3 in Avinor AS and 0.0 in Avinor Flysikring AS.

Absence due to illness over the last 12 months amounted to 4.8 per cent in Avinor AS and 3.8 per cent in Avinor Flysikring AS.

The organisation works to prevent injuries and illness. The objective is to reduce the scope of these further, including through simpler reporting routines, HSE campaigns and better HSE training.

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 remotely-operated 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, changes to the framework conditions for the duty-free system could impact 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 placed on 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 2018-2029, the Storting approved the construction of a new airport in Bodø in the first part of the NTP period (2018-2023). According to the plan, 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 has assumed that Avinor will contribute NOK 1.4 billion, which corresponds to the estimated investment the current airport will need over the next few years at 2017 prices, plus the value of buildings and property in the current airport. The NTP states that the state will enter into discussions with the Municipality of Bodø and Nordland County Administration on local contributions for the project. It remains to be clarified how the local share of the financing will be implemented.

The Norwegian parliament passed a new law on public-sector occupational pension schemes on 21 June 2019. The 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 the parties in the autumn of 2019, and will be likely to result in further changes to the rules.

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 was submitted to the Norwegian Environment Agency in the third quarter and will form the basis for its evaluation of what measures to impose on Avinor in relation to the cleanup. Based on the survey, a discretionary assessment of the probable cost of the cleanup has been carried out and an accounting provision of NOK 871 million was made in the second quarter of 2019. A final decision has not been taken by the Norwegian Environment Agency about the extent of the cleanup, which initiatives must be taken, or the deadlines for these.

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 annual traffic volume will grow only moderately, if at all, compared with 2018. Provisions for future environmental cleanup costs in the second quarter of 2019 have resulted in a substantially weaker annual profit compared with 2018.

In order to maintain the Group's financial solidity, a range of cost-reduction measures are being implemented, in addition to the 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 will continue its effort to ensure secure and stable operations within a cost-effective scope.

CONDENSED INCOME STATEMENT

All amounts in MNOK

		THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	NOTES	2019	2018	2019	2018	2018
Operating income						
Traffic income	4	1 451.0	1 491.6	4 073.0	4 170.9	5 513.1
Other operating income	4	1 792.6	1 757.2	4 768.3	4 638.1	6 211.1
Total operating income		3 243.6	3 248.8	8 841.3	8 809.0	11 724.2
Operating expenses						
Raw materials and consumables used		45.0	55.1	124.6	194.6	262.0
Employee benefits expenses		798.5	774.6	2 724.3	2 694.9	3 665.8
Other operating expenses		818.7	848.9	2 666.1	2 791.0	3 795.4
Other expenses	5	-93.8	0.5	812.0	-38.7	-199.8
Total operating expenses		1 568.4	1 679.1	6 327.0	5 641.8	7 523.4
EBITDA		1 675.2	1 569.7	2 514.3	3 167.2	4 200.8
Depreciation, amortisation and impairment charges	7	546.1	509.4	1 619.6	1 553.0	2 103.4
Operating profit/(loss)		1 129.1	1 060.3	894.7	1 614.2	2 097.4
Finance income		8.3	10.8	24.8	29.0	32.8
Finance costs		151.6	157.5	453.6	492.7	633.7
Net finance income/(costs)		-143.3	-146.7	-428.8	-463.7	-600.9
Profit/(loss) before income tax		985.8	913.6	465.9	1 150.5	1 496.5
Income tax expense	6	216.4	209.8	102.3	263.7	326.8
Profit/(loss) after tax		769.5	703.8	363.6	886.8	1 169.7

STATEMENT OF COMPREHENSIVE INCOME

All amounts in MNOK

	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2019	2018	2019	2018	2018
Profit/(loss) for the period	769.5	703.8	363.6	886.8	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	-902.7	-	-902.7	-	-666.3
Tax effect	198.6	-	198.6	-	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	85.8	11.0	297.4	183.9	211.9
Tax effect	-18.9	-2.5	-65.4	-42.3	-48.7
Other comprehensive income, net of tax	-637.2	8.5	-472.1	141.6	-432.6
Total comprehensive income	132.3	712.3	-108.5	1 028.4	737.1
Attributable to:					
Owner of parent	132.3	712.3	-108.5	1 028.4	737.1

CONDENSED BALANCE SHEET

All amounts in MNOK

		30 SEPTEMBER		YEAR
	NOTES	2019	2018	2018
ASSETS				
Non - current assets				
Intangible assets				
Deferred tax assets	6	1 534.8	1 205.2	1 497.4
Other intangible assets	7	90.6	101.6	103.4
Intangible assets under construction	7	726.9	304.1	332.3
Total intangible assets		2 352.3	1 610.9	1 933.1
Property, plant and equipment				
Property, plant and equipment	7	34 014.9	33 763.7	34 426.4
Assets under construction	7	2 696.7	3 161.9	2 496.1
Right of use assets	7	479.0	-	-
Total property, plant and equipment		37 190.6	36 925.6	36 922.5
Financial assets				
Derivative financial instruments	11	1 863.7	960.3	1 506.2
Other financial assets		87.6	98.5	88.3
Total financial assets		1 951.3	1 058.8	1 594.5
Total non-current assets		41 494.2	39 595.3	40 450.1
Current assets				
Inventories		23.6	20.3	27.6
Trade and other receivables		1 641.3	1 564.8	1 418.8
Derivative financial instruments	11	13.3	32.9	53.5
Cash and cash equivalents		1 345.5	1 848.4	1 739.8
Total current assets		3 023.7	3 466.4	3 239.7
TOTAL ASSETS		44 517.9	43 061.7	43 689.8

CONDENSED BALANCE SHEET

All amounts in MNOK

		30 SEPTEMBER		YEAR
	NOTES	2019	2018	2018
EQUITY AND LIABILITIES				
Equity				
Share capital		5 400.1	5 400.1	5 400.1
Other equity		8 447.4	9 432.1	9 140.8
Total equity		13 847.5	14 832.2	14 540.9
Provisions				
Retirement benefit obligations	9, 13	5 316.7	4 078.8	4 633.4
Other provisions	5, 13	1 056.3	187.9	174.0
Total provisions		6 373.0	4 266.7	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	18 407.1	18 977.9	18 570.6
Lease liabilities	10, 11	442.9	-	-
Total non-current liabilities		20 266.4	20 838.7	20 209.2
Current liabilities				
Trade payables		300.1	459.2	536.1
Tax payable		199.3	-	290.9
Public duties payable		431.1	439.3	361.6
Derivative financial instruments	11	0.3	-	6.2
First annual installment on long-term liabilities	10, 11	1 591.5	671.5	1 531.5
Lease liabilities	10, 11	43.4	-	-
Other current liabilities		1 465.3	1 554.1	1 406.0
Total current liabilities		4 031.0	3 124.1	4 132.3
Total liabilities		30 670.4	28 229.5	29 148.9
TOTAL EQUITY AND LIABILITIES		44 517.9	43 061.7	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		141.6	886.8	1 028.4
Dividends provided for or paid			-249.7	-249.7
Balance at 30 September 2018	5 400.1	-996.0	10 428.1	14 832.2
Balance at 1 Januar 2019	5 400.1	-1 507.4	10 648.2	14 540.9
Total comprehensive income		-472.1	363.7	-108.5
Dividends provided for or paid			-584.9	-584.9
Balance at 30 September 2019	5 400.1	-1 979.5	10 426.9	13 847.5

STATEMENT OF CASH FLOWS

All amounts in MNOK

	NINE MONTHS ENDED SEPTEMBER		YEAR
	2019	2018	2018
Cash flow from operating activities			
Profit/(loss) before income tax	465.9	1 150.5	1 496.5
Depreciation	1 619.6	1 553.0	2 103.4
(Profit)/loss on disposals of non-current assets	1.2	-5.7	-8.5
Changes in value and other losses/(gains) - net (unrealised)	34.3	-33.6	-47.9
Net finance (income)/costs	428.8	463.7	600.9
Change in inventories, trade receivables and trade payables	-255.9	-134.7	15.4
Difference between post employment benefit expense and amount paid/received	-208.7	52.9	-58.8
Change in other working capital items	919.0	250.3	101.5
Interest received	44.5	28.2	37.4
Income tax paid	-91.5	-140.5	-115.6
Net cash generated from operating activities	2 957.2	3 184.1	4 124.3
Cash flow from investing activities			
Investments in property, plant and equipment (PPE)	-1 891.6	-1 898.6	-2 523.5
Proceeds from sale of PPE, incl assets under construction	24.6	10.0	26.4
Change in other investments	1.7	153.2	153.8
Net cash used in investing activities	-1 865.3	-1 735.4	-2 343.3
Cash flow from financing activities			
Repayment of borrowings	-385.7	-889.0	-1 174.7
Interest paid	-509.6	-532.8	-688.0
Other borrowing charges	-6.0	-0.6	-0.6
Dividends paid to owner	-584.9	-249.7	-249.7
Net cash generated/used in financing activities	-1 486.2	-1 672.1	-2 113.0
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	-394.3	-223.4	-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	1 345.5	1 848.4	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 third quarter of 2019 were approved by the Board of Directors on November 27, 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 third quarter, ended 30 September 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.

As a result of a change in IAS 19 in 2019, an entity shall determine current service cost for the remainder of the annual reporting period after a plan amendment using updated actuarial assumptions (IAS 19.122A). In connection with plan changes with an accounting effect from 1 July 2019, the actuarial assumptions used to calculate the service cost have been updated.

NOTE 3 Segment information*All amounts in MNOK***NINE MONTHS ENDED SEPTEMBER 2019**

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	TOTAL AIRPORT OPERATIONS
Traffic income	1 615.9	424.6	310.2	263.2	658.4	3 272.2
Other income	2 914.8	455.0	342.1	254.5	489.7	4 456.2
Inter-segment income	1.3	1.9	3.8	1.7	44.3	52.8
Total income	4 532.0	881.4	656.0	519.4	1 192.4	7 781.2
Employee benefits expenses	367.5	92.9	80.4	70.5	614.7	1 226.0
Other operating expenses	876.4	151.5	125.0	89.6	602.6	1 845.0
Inter-segment expenses	301.3	109.9	86.1	70.8	489.2	1 057.3
Total expenses	1 545.3	354.3	291.4	230.9	1 706.4	4 128.3
EBITDA	2 986.7	527.2	364.6	288.5	-514.1	3 652.9
Depreciation and amortisation	704.3	223.6	93.6	78.8	313.9	1 414.4
Operating profit/(loss)	2 282.3	303.6	271.0	209.6	-828.0	2 238.5
Assets ¹⁾	17 400.3	5 640.7	1 842.0	1 696.7	5 777.6	32 357.3

NINE MONTHS ENDED SEPTEMBER 2019 CONTINUED

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	PROPERTY DEVELOPMENT AND HOTELS	OTHERS	ELIMINATION	TOTAL
Traffic income	3 272.2	800.7	-	-		4 073.0
Other income	4 456.2	121.1	84.4	106.6		4 768.3
Inter-segment income	52.8	634.9	16.6	484.6	-1 188.9	-
Total income	7 781.2	1 556.7	101.0	591.2	-1 188.9	8 841.3
Employee benefits expenses	1 226.0	1 070.7	-	427.6		2 724.3
Other operating expenses	1 845.0	381.5	4.7	1 371.4		3 602.7
Inter-segment expenses	1 057.3	70.7	0.2	60.7	-1 188.9	-
Total expenses	4 128.3	1 522.9	5.0	1 859.7	-1 188.9	6 327.0
EBITDA	3 652.9	33.8	96.0	-1 268.6	-	2 514.3
Depreciation and amortisation	1 414.4	106.7	27.0	71.5		1 619.6
Operating profit/(loss)	2 238.5	-72.9	69.0	-1 340.1	-	894.7
Assets ¹⁾	32 357.3	759.4	769.3	219.5		34 105.5

Other operating expenses in the segment Others includes provisions for external environment of MNOK 871.2 as at 30 September 2019, see note 5 and 13. The same segment also includes a provision of MNOK 87,5 related to bad debt.

NINE MONTHS ENDED SEPTEMBER 2018

	OSLO AIRPORT	BERGEN AIRPORT	STAVANGER AIRPORT	TRONDHEIM AIRPORT	OTHER AIRPORTS	TOTAL AIRPORT OPERATIONS
Traffic income	1 638.4	422.3	307.9	271.4	697.0	3 337.0
Other income	2 843.3	437.9	339.0	246.6	486.5	4 353.3
Inter-segment income	1.1	3.1	3.8	1.7	46.7	56.2
Total income	4 482.8	863.2	650.6	519.7	1 230.2	7 746.5
Employee benefits expenses	372.1	95.1	78.5	69.1	597.9	1 212.7
Other operating expenses	1 089.5	169.3	130.9	96.8	716.4	2 202.9
Inter-segment expenses	274.5	107.7	86.0	67.5	494.7	1 030.3
Total expenses	1 736.1	372.1	295.3	233.4	1 809.0	4 445.9
EBITDA	2 746.7	491.1	355.3	286.4	-578.8	3 300.5
Depreciation and amortisation	687.2	204.1	89.7	75.4	341.8	1 398.2
Operating profit/(loss)	2 059.4	287.0	265.5	211.0	-920.6	1 902.3
Assets ¹⁾	17 586.7	5 187.0	1 819.5	1 721.6	5 831.2	32 146.0

NINE MONTHS ENDED SEPTEMBER 2018 CONTINUED

	TOTAL AIRPORT OPERATIONS	AIR NAVIGATION SERVICES	PROPERTY DEVELOPMENT AND HOTELS	OTHERS	ELIMINATION	TOTAL
Traffic income	3 337.0	834.0	-	-		4 170.9
Other income	4 353.3	107.1	80.8	96.9		4 638.1
Inter-segment income	56.2	625.5	16.0	455.2	-1 152.9	-
Total income	7 746.5	1 566.5	96.8	552.1	-1 152.9	8 808.9
Employee benefits expenses	1 212.7	1 093.3	0.1	388.9		2 694.9
Other operating expenses	2 202.9	247.0	3.1	494.0		2 946.9
Inter-segment expenses	1 030.3	66.3	1.0	55.3	-1 152.9	-
Total expenses	4 445.9	1 406.6	4.2	938.1	-1 152.9	5 641.8
EBITDA	3 300.5	160.0	92.7	-386.0	-	3 167.2
Depreciation and amortisation	1 398.2	74.8	27.0	53.1		1 553.0
Operating profit/(loss)	1 902.3	85.2	65.7	-439.1	-	1 614.2
Assets ¹⁾	32 146.0	703.1	803.1	213.1		33 865.3

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.

SPESIFICATION	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2019	2018	2019	2018	2018
Traffic income					
Takeoff charges	303.5	303.4	873.3	867.8	1 162.3
Terminal charges	343.1	345.8	948.9	955.3	1 241.4
En route charges	287.9	298.9	800.7	834.0	1 106.7
Security charges	361.5	389.1	1 002.6	1 068.7	1 406.5
Terminal navigation charges	155.1	154.4	447.4	445.1	596.2
Total traffic income	1 451.0	1 491.6	4 073.0	4 170.9	5 513.1
Other operating income					
Revenue from contracts with customers:					
Duty free	38.8	51.3	92.6	110.9	141.0
Parking	0.0	0.7	0.5	35.6	35.7
Other	183.9	175.1	552.3	560.7	770.2
Total other operating income from contracts with customers	222.8	227.1	645.4	707.2	946.9
Rental income:					
Duty free	834.5	803.8	2 089.8	2 023.6	2 708.6
Parking	253.9	271.0	709.7	684.7	931.6
Other	481.5	455.3	1 323.4	1 222.6	1 624.0
Total rental income	1 569.9	1 530.1	4 122.8	3 930.9	5 264.2
Total other operating income	1 792.6	1 757.2	4 768.3	4 638.1	6 211.1
Total income from contracts with customers	1 673.8	1 718.7	4 718.4	4 878.1	6 460.0
Total rental income	1 569.9	1 530.1	4 122.8	3 930.9	5 264.2
Total operating income	3 243.6	3 248.8	8 841.3	8 809.0	11 724.2

NOTE 5 Other income and expenses*All amounts in MNOK*

SPESIFICATION	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2019	2018	2019	2018	2018
Other expenses					
Pensions - see note 9 and 13	-86.6	-	-86.6	-	-128.8
External environment - see note 13	-	-	871.2	-	-
Changes in value and other (losses)/gains, net	-7.2	0.5	27.4	-38.7	-71.0
Total	-93.8	0.5	812.0	-38.7	-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 September 2018					
Opening net book amount	112.8	34 142.9	3 193.1	-	37 448.8
Additions	1.0	1 166.5	1 440.4	-	2 607.9
Reclassification	-	-	1 167.5	-	1 167.5
Disposals	-	4.9	-	-	4.9
Depreciation charge	12.2	1 540.8	-	-	1 553.0
Closing net book amount	101.6	33 763.7	3 466.0	-	37 331.3
At 30 September 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	0.4	1 181.7	1 777.3	21.7	2 981.1
Reclassification	-	-	1 182.1	1.3	1 183.4
Disposals	-	24.9	-	-	24.9
Depreciation charge	13.2	1 568.3	-	38.1	1 619.6
Closing net book amount	90.6	34 014.9	3 423.6	479.0	38 008.1

MNOK 726,9 of assets under construction is classified as intangible as at 30 September 2019.

Measurement of recoverable amount

Reference is made to the financial statements for 2018. 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 SEPTEMBER		YEAR
	2019	2018	2018
Interest bearing debt - including interest rate swaps (see note 10 and 11)	20 037.6	20 549.9	20 234.5
Lease liabilities	486.3	-	-
Cash and cash equivalents	1 345.5	1 848.4	1 739.8
Net interest bearing debt - exclusive lease liabilities	18 205.8	18 701.5	18 494.7
Equity	13 847.5	14 832.2	14 540.9
Total equity and net interest bearing debt	32 053.3	33 533.7	33 035.6
Net debt to equity ratio ¹⁾	43.2 %	44.2 %	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*

The following assumptions have been used to calculate the Group's pension liabilities:

	30 SEPTEMBER		YEAR
	2019	2018	2018
Discount rate	1.8 %	2.4 %	2.6 %
Future return on plan assets	1.8 %	2.4 %	2.6 %
Future salary increases	2.3 %	2.5 %	2.8 %
Future pension increases	1.3 %	1.5 %	1.8 %
Future increases in the social security base rate (G)	2.0 %	2.3 %	2.5 %

PENSION OBLIGATION

	30 SEPTEMBER		YEAR
	2019	2018	2018
Net pension obligation at 1 January	4 633.4	4 025.9	4 025.9
Pension cost - plan amendment inclusive curtailment/settlement	-86.6	-	-128.8
Pension cost - other (exclusive employee contribution)	289.1	416.0	621.0
Employer/employee contribution	-420.8	-363.1	-551.0
Actuarial losses	901.6	-	666.3
Net pension obligation at 30 September	5 316.7	4 078.8	4 633.4

In addition to the pension cost in the table above there is a cost of MNOK 97.3 as at 30 September 2019 related to employees that have transitioned to a defined contribution pension scheme (MNOK 0.0 as at 30 September 2018).

During the period, NOK 86.6 million was recognized in the income statement related to plan changes and curtailment/settlement. The recognized plan changes for the period amount to MNOK 33.0 and relates to changes as a result of the new act on public sector occupational pension, including new rules for coordination between public sector occupational pensions and social security pensions. The recognized curtailment/settlement amounts to MNOK 53.6 and is due to the fact that some of the employees have switched from defined benefit pension to defined contribution pension, including the establishment of a new scheme related to special retirement pension.

The new act on public sector occupational pension does not contain regulations related to a new AFP scheme (early retirement) or complete rules for special retirement pension. As a result, the accounting effect of this is not reflected in the accounts as of 30 September 2019.

NOTE 10 Borrowings and financial lease obligations*All amounts in MNOK*

	30 SEPTEMBER		YEAR
	2019	2018	2018
Non-current	20 266.4	20 838.7	20 209.2
Current	1 634.9	671.5	1 531.5
Total	21 901.3	21 510.2	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	-10.3	-	-
Changes in value	59.9	-412.3	103.9
Closing net book amount	21 901.3	21 510.2	21 740.7

LIQUIDITY RESERVES

	30 SEPTEMBER		YEAR
	2019	2018	2018
Cash and cash equivalents	1 345.5	1 848.4	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	5 945.5	6 448.4	6 339.8

The Group has, at the end of third 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 trade payables is approximately equal to fair value as they are entered into under "normal" conditions. This also applies to accounts receivable with the exception of a customer relationship where there are significant overdue, unpaid outstanding and where these outstanding receivables are valued at their fair value. The adjustment to fair value is charged to other operating expenses in the income statement.

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

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

	30 SEPTEMBER 2019		30 SEPTEMBER 2018	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Interest-bearing debt				
State loan	1 860.8	1 891.5	2 305.1	2 352.4
Bonds	14 110.3	15 185.5	13 534.1	14 038.0
Bank borrowings	5 443.9	5 969.8	5 671.0	6 115.3

DERIVATIVE FINANCIAL INSTRUMENTS

	30 SEPTEMBER		YEAR
	2019	2018	2018
Assets			
Interest rate swaps	1 863.7	960.3	1 506.2
Forward foreign exchange contracts	2.1	2.7	0.1
Forward energy contracts	11.1	30.2	53.4
Total assets	1 876.9	993.2	1 559.7
Liabilities			
Interest rate swaps	-	-	-
Forward foreign exchange contracts	0.3	-	6.2
Forward energy contracts	-	-	-
Total liabilities	0.3	-	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 September 2019:

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss	11.1	2.2	-	13.3
Derivatives used for hedging	-	1 863.7	-	1 863.7
Trade receivables at amortised cost	-	-	1 278.2	1 278.2
Total assets	11.1	1 865.9	1 278.2	3 155.2
Liabilities				
Financial liabilities at fair value through profit or loss	-	1 556.0	-	1 556.0
Derivatives used for hedging	-	-	-	-
Total liabilities	-	1 556.0	-	1 556.0

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

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Assets				
Financial assets at fair value through profit or loss	30.2	2.7	-	32.9
Derivatives used for hedging	-	960.3	-	960.3
Total assets	30.2	963.0	-	993.2
Liabilities				
Financial liabilities at fair value through profit or loss	-	1 405.4	-	1 405.4
Derivatives used for hedging	-	-	-	-
Total liabilities	-	1 405.4	-	1 405.4

NOTE 12 Dividends

Dividends 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. There is established responsibility for cleanup of pollution on 32 localities.

Based on action plans approved by the Norwegian Environment Agency for comparable locations, the cleanup cost is estimated to MNOK 920.0 on the 32 locations in question in addition to responsibilities on other locations. Based on this, a provision of MNOK 871.2 was made in the second quarter of 2019. The total provision related to external environment as of 30 September 2019 amounts to MNOK 1,033.4.

Pensions

The new Act on public occupational pension scheme, with anticipated entry into force on 1 January 2020, was adopted by the Storting (the Norwegian Parliament) in June 2019. The accounting consequences of the new law are, to the extent there are sufficient basis, recorded in the third quarter of 2019. See note 9. Regulation related to a new AFP scheme and special retirement pension are not included in the new law. Therefore, the full accounting consequences of the new law cannot be calculated until the final regulation have been adopted.

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 straight 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 assets 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 expense 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 September 2019.

The effect of change in accounting policy is specified below:

SPECIFICATION	THIRD QUARTER		NINE MONTHS ENDED SEPTEMBER		YEAR
	2019	2018	2019	2018	2018
Other operating expenses (decrease)	-14.2	-	-41.8	-	-
EBITDA	14.2	-	41.8	-	-
Depreciation (increase)	12.9	-	38.1	-	-
Finance costs (increase)	3.7	-	11.0	-	-
Profit/(loss) before income tax	-2.4	-	-7.3	-	-



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

P.O. Box 150
2061 Gardermoen

avinor.no