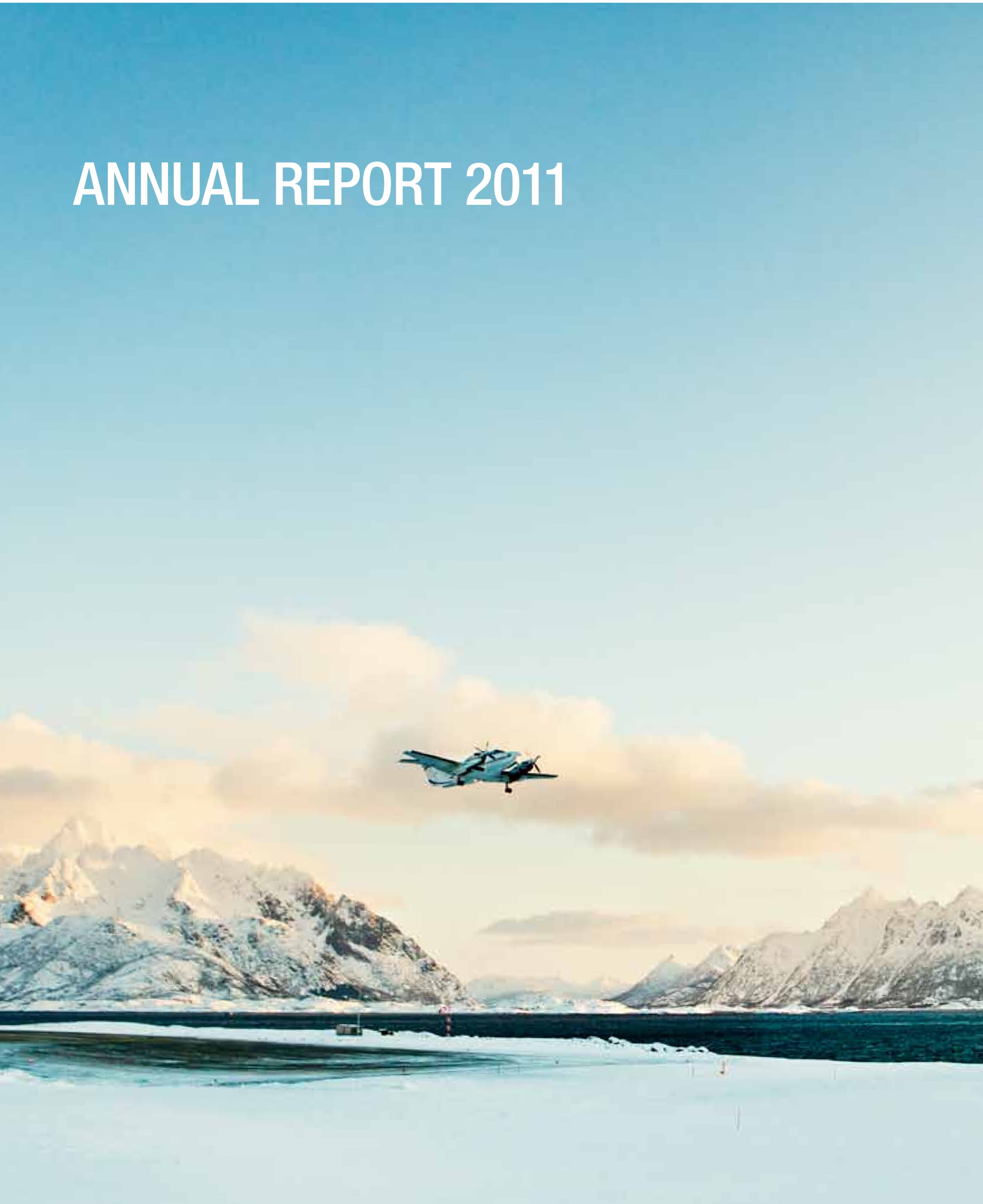
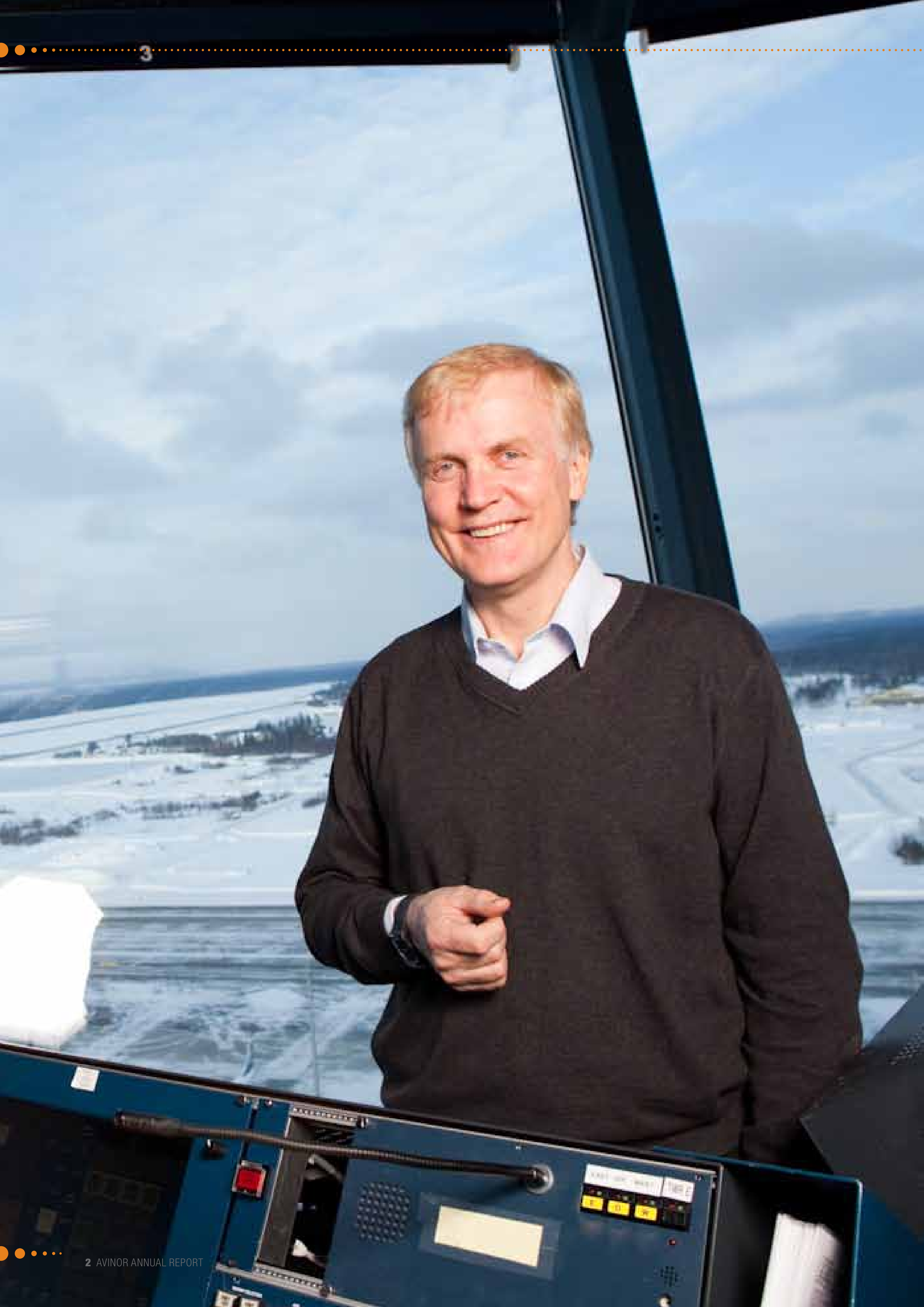
AVINOR

ANNUAL REPORT 2011





A GOOD YEAR FOR AVINOR
DAG FALK-PETERSEN, CEO AVINOR AS

2011 has been a good year for Avinor. Passenger traffic increased by 10 per cent to over 44 million travellers to and from our airports. Avinor's airports are also among the best in punctuality and regularity in Europe. Flightstat.com named Oslo Airport Gardermoen the most punctual of the large airports in Europe.

Avinor has not been involved in any accidents in 2011. These good statistics are a result of continuing good cooperation between Avinor, the aviation authorities and the airlines. This work is continuing unabated.

Our combined operating revenues increased by almost 10 per cent. Avinor will be loan financing major investment projects such as the new terminals at Oslo Airport Gardermoen and Bergen Airport Flesland. Avinor is making these cyclically sensitive investments at a time when comprehensive and painful cost-saving measures are being implemented in many countries. In aviation we are seeing examples of European airlines going bankrupt. These are signals that we cannot ignore. We are therefore continuing to focus in full on our efforts to improve the efficiency of our own operations.

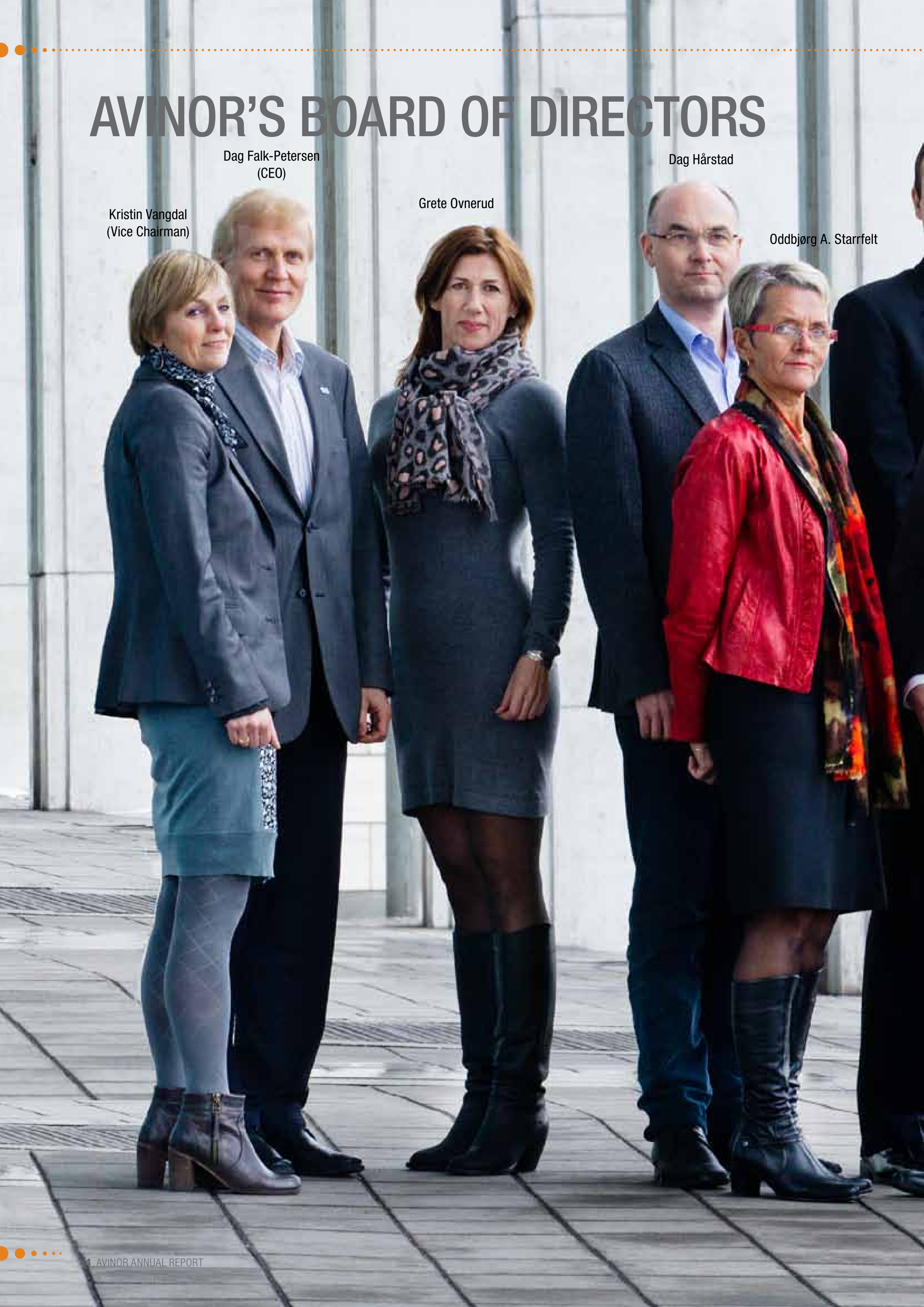
Avinor's air navigation division is in the process of adapting to a new European airspace regime. In 2011 Norway entered into an agreement with Finland, Estonia, and Latvia concerning the establishment of a common airspace block – the North European Airspace Block (NEFAB) – which will provide more efficient use of the airspace for the airlines. Different alternatives for the organisational affiliation of the air navigation division with Avinor are being studied at the same time. Our ambition is to ensure that Avinor will be a leading supplier of air navigation services in Northern Europe in the years to come.

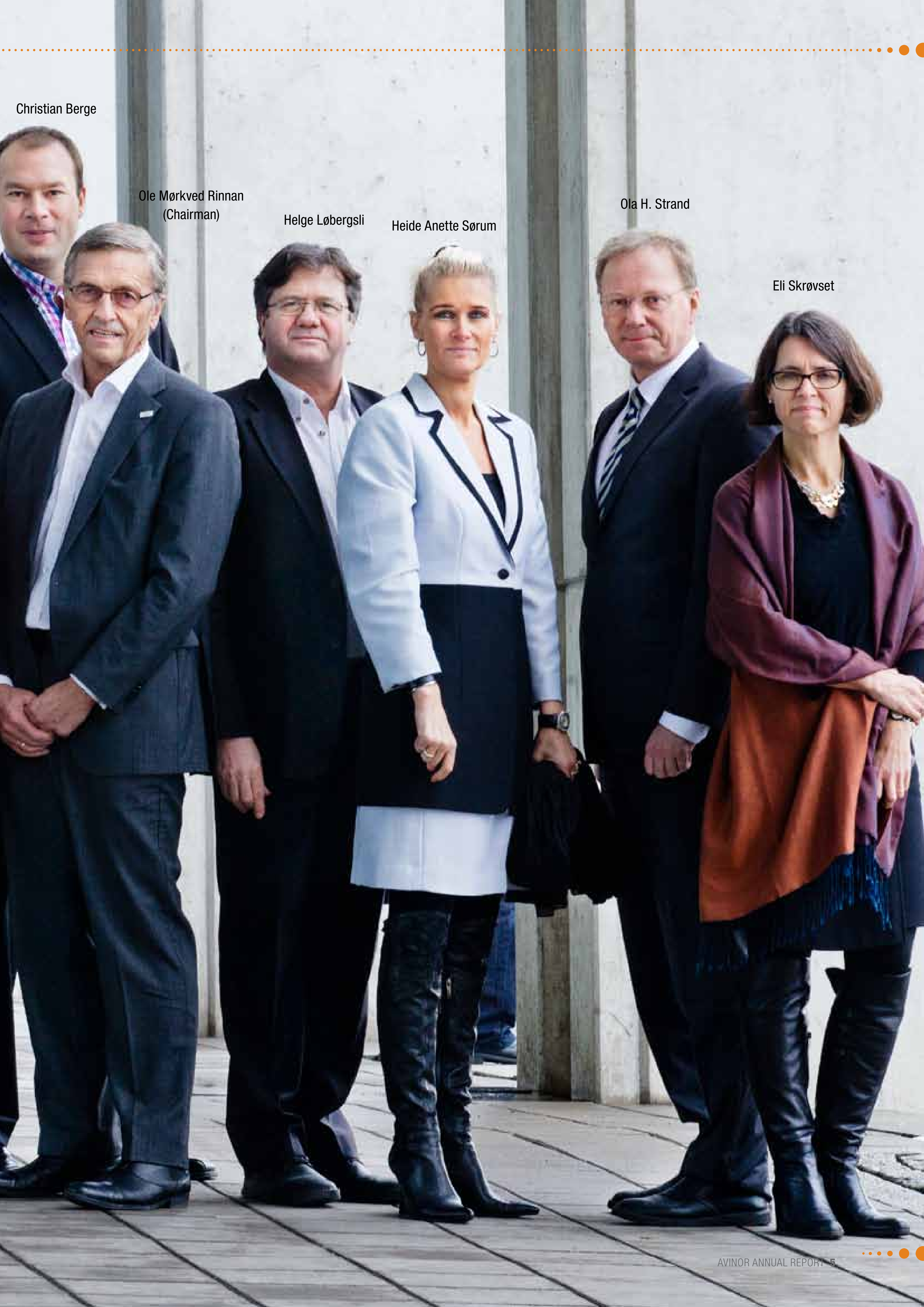
In 2011 Avinor and the entire aviation industry published the second report on "Sustainable and Socially Beneficial Air Travel". The first report was published in 2008. This report describes a number of offensive measures to reduce the negative environmental impact of Norwegian aviation. In the autumn of 2011 Avinor also initiated its own project, in which we will study the possibility of producing bio fuel for the use in aviation together with the airlines. Norway was also affected by a volcanic eruption in Iceland in 2011. However, air traffic in Norway was hardly affected due to better regulations and the use of national expertise in meteorology, aviation research and air navigation services. This was a great improvement over 2010, when volcanic ash from Iceland paralysed air traffic and caused major losses for the airlines and society.

In 2011 a significant effort was made in connection with the National Transport Plan for 2014 to 2023. The transport agencies' and Avinor's proposals, which include recommendations for changes to the airport structure and capacity increases, were submitted in February 2012 and will be considered by the Storting in 2013. The Storting's resolutions with respect to the National Transport Plan will be important to Avinor.

Avinor performs its duties well through a high focus on safety, good operations and major investments in maintenance and new infrastructure.

AVINOR'S BOARD OF DIRECTORS




Christian Berge
Ole Mørkved Rinnan
(Chairman)
Helge Løbergsli
Heide Anette Sørum
Ola H. Strand
Eli Skrøvset

ANNUAL REPORT OF THE BOARD OF DIRECTORS 2011
(LAST YEAR'S FIGURES IN PARENTHESES)

Highlights of 2011
Avinor saw a great increase in traffic at its airports last year. The number of passengers increased by 10.4 per cent to 44.3 million. Overall, there was a total of 794,000 take-offs/landings, an increase of 3.8 per cent. In addition, there was a total of 43,952 flights through Norwegian airspace, which represents an increase of 11.6 per cent

Avinor is still among the best in Europe with regard to regularity and punctuality. Flightstat.com named Oslo Airport Gardermoen the most punctual of the large airports in Europe, with a punctuality in departures of over 87 per cent.

There have been no aviation accidents with or without (1) personal injury in Norwegian aviation in which Avinor was a contributory party. There were four serious aviation accidents (0) in which Avinor was a contributory party.

Dag Falk-Petersen was appointed as the Managing Director of Avinor and assumed the position on 28 February.

The terrorist act on 22 July affected Avinor primarily through expanded border control at Oslo Airport Gardermoen, bomb threat incidents and an increased presence of police at the airport. After these incidents Avinor was invited to introduce the Group's co-worker support scheme to the Government Complex's Corporate Health Service. Avinor is in the forefront at the European level in this context. The Group has around 100 co-worker supporters.

There has been a lot of activity and many challenges in connection with the T2 project at Oslo Airport Gardermoen. A number of airside building and construction activities have started. A great deal of importance has been attached to ensuring minimal disruption of the regular airport operations and as little degradation as possible in the quality of the passengers' travel experiences. The same applies to the major construction activities at Bergen Airport Flesland, Trondheim Airport Værnes and Stavanger Airport Sola.

Our efforts to improve the efficiency of security inspections have continued. Avinor attaches particular importance to preventive security services and cost-effective implementation of new government requirements.

Together with the airlines and the Federation of Norwegian Aviation Industries, Avinor continues its efforts to reduce the greenhouse gas emissions from aviation. "Sustainable and Socially Beneficial Air Travel, Report 2" has been published.

The airspace project Oslo ASAP (Advanced Sectorisation and Automation Project) was put into operation on 7 April. The system regulates all air traffic over Eastern Norway and has the capacity to meet the expected demand until after 2030.

The aim of NORAP (Norwegian Radar Programme) is to renew and improve radar coverage over Norway. The objective is to provide full radar coverage for mainland Norway, as well as improved offshore coverage. Avinor completed its part of the work to develop and upgrade the selected locations in 2011.

Avinor established free WI-FI (Internet) access at all airports in 2011. This has had a positive impact on customer satisfaction.

The Norwegian Working Environment Centre awarded Oslo Lufthavn AS the Working Environment Award for 2011.

About Avinor
Avinor's goal is to facilitate safe, environmentally friendly and efficient aviation in all parts of the country. Financially, the overall operations are managed as a single unit, which means that the financially profitable airports finance the financially unprofitable airports. The air navigation service is self-financed through fixed pricing for its services. From 2012 a performance-based pricing system with a shared risk with the customers is operativ.

Avinor has two primary business areas, the operation of a nationwide network of airports and the national air navigation service for civilian and military aviation. This encompasses 46 airports in Norway, as well as control towers, control centres and other technical infrastructure for safe flight navigation. Twelve of the airports are operated in cooperation with the Norwegian Armed Forces. In addition to aircraft operations, we also seek to generate commercial revenue from airport hotels, car parks, duty free shops, food and beverage services and other services for air passengers.

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 determines, for example, special duties imposed on the Group by 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 lays down the Civil Aviation Authority's regulations that have consequences for Avinor's operations. Avinor's head office is located in Oslo.

Avinor's social benefit

Aviation is of great social benefit in Norway. Two out of every three Norwegians have access to an airport within an hour's drive, and 99.5 per cent of the population can manage a visit to Oslo and be back home on the same day. Aviation employs between 60,000 and 65,000 people and is in general of great importance to regional growth and accessibility to regional centres. Overall, the impact of aviation is equivalent to 2 per cent of the Norway's GDP. There are now over 2,000 direct connections between Avinor's airports and international destinations, and the number of direct intercontinental routes is expected to treble over the next ten years. Of all domestic trips 13 per cent are related to the oil and gas sector. Around 600,000 helicopter flights are completed each year to installations on the Norwegian continental shelf. The importance of aviation to Norwegian tourism is substantial and increasing: Of all tourists who visit Norway 34 per cent arrive by air, and this is the form of transport that is increasing the most. Spending by air tourists in Norway amounts to around NOK 13 billion. Aviation is also of vital importance to the health sector in Norway: Around 400,000 patients are transported on scheduled flights and there are 30,000 air ambulance movements each year. In addition, around 150,000 journeys are completed each year with assistance for passengers with reduced mobility. Aviation's importance to the health sector is greatest in Northern Norway. Avinor will conduct a new analysis of aviation's social benefit in 2013 in order to improve and update the documentation of this benefit.

Economy and finance

FINANCIAL RESULTS FOR THE GROUP

The Group's profit after tax was NOK 843.6 million, compared with NOK 1008.1 million in the preceding year. Return on invested capital after tax was 5.72 per cent compared to 7.15 per cent in the preceding year. The reduction in the return on invested capital is attributed primarily to a downward adjustment of the Group's pension obligations in 2010 as a result of the pension reform. This change resulted in a reduced pension cost of NOK 312.0 million in 2010. Without this non-recurring effect, the return on invested capital after tax would have been 5.87 per cent in 2010.

The Group's total operating revenues amounted to NOK 8621.8 million, which was 9.6 per cent higher than the previous year. This increase was driven in particular by traffic growth and strong commercial development for the largest airports. The total number of passengers (including offshore) increased by 10.3 per cent to 44.3 million. The number of aircraft movements increased by only 4.5 per cent, and reflects, through improved cabin factors and larger aircraft, a higher number of passengers per aircraft movement. Oslo Airport Gardermoen showed 10.5 per cent growth in the number of passengers. For the airport operations, commercial revenue amounted to 50.3 per cent of the total operating revenues (58.5 per cent for Oslo Airport Gardermoen), and increased by 12.4 per cent. These revenues are an important contribution to maintaining the airlines' aviation expenses at a lowest possible level.

The combined operating expenses, including depreciation, totalled NOK 7100.6 million, compared with NOK 6162.2 million in the previous year. As described above the expenses were reduced by NOK 312.0 million in 2010 as a result of the pension reform. Adjusted for the change in pension obligations, payroll and other personnel costs increased by 4.5 per cent in 2011. Other operating expenses have increased by 15.6 per cent. This increase is attributed primarily to increased environmental commitments.

Operating profit totalled NOK 1485.4 million, compared with NOK 1744.8 million in the previous year. Adjusted for intra-group transactions and distributions, Oslo Airport Gardermoen accounted for an operating profit of NOK 1990.9 million and the International Airports Division accounted for an operating profit of NOK 947.0 million. The profit from these airports goes to finance the remainder of the airport network, which returned an operating loss of NOK 1200.6 million.

The net financial result was minus NOK 295.0 million, compared with minus NOK 325.6 million in the previous year. This reduction is attributed primarily to the capitalised interest on the investment projects.

The income tax expense for the year amounted to NOK 346.8 million, which corresponds to an effective tax rate of 29.1 per cent. The effective tax rate is higher than 28 per cent due to permanent differences between the income statement and the tax accounts.

CASH FLOW AND CAPITAL STRUCTURE

The Group had a net positive cash flow of NOK 539.4 million, compared with a net positive cash flow of NOK 152.1 million in 2010. This change is attributed primarily to increased cash flow from operations, and the fact that increased borrowing compensated for increased payments in the form of increased investments and dividends to the Norwegian state. The Group acquired NOK 333.4 million of new net debt in 2010, while the net borrowing in 2011 was NOK 1102.5 million. Cash flow from operating activities increased by 18.5 per cent to NOK 2843.9 million, while net investments and interest amounted to NOK 2903.0 million. Significant accounting items with no cash flow effect are depreciation charges of NOK 1258.7 million.

The Group's total assets are NOK 25.8 billion, and the equity ratio is 40.3 per cent. Equity as a percentage of equity and interest-bearing debt totalled 51.6 per cent. Taking into account cash balance represents 57.7 percent equity. A significant portion of the total assets consist of property, plant and equipment. The reduction in equity can primarily be related to the increase in pension obligations. The actuarial factors used to calculate the Group's pension obligations are based on recommendations from the Norwegian Accounting Standards Board. The recognised pension obligations have been increased by 61.9 per cent to NOK 3054.3 million, mainly as a result of a significant change in the discount rate. At year end the Group had current liabilities of NOK 3061.1 million and liquid assets of NOK 2109.7 million.

FINANCIAL RESULTS FOR AVINOR AS

The parent company's profit after tax was NOK 785.4 million, compared with NOK 832.1 million in the previous year. The change in the profit is attributed primarily to increased pension costs that are compensated for in part by increased group contributions from subsidiaries.

Operating revenues increased by 8.3 per cent to NOK 5032.7 million, while operating expenses increased by 13.0 per cent to NOK 5013.0 million. The operating result was minus NOK 3.9 million, compared with plus NOK 229.1 million in 2010.

The parent company had a net positive cash flow of NOK 568.7 million, compared with NOK 141.1 million in 2010. Net investments totalled NOK 1325.4 million. The income statement was charged NOK 591.5 million for depreciation. The parent company has total assets of NOK 17.1 billion. A significant portion of the total assets consists of property, plant and equipment.

ALLOCATION OF THE PROFIT FOR THE YEAR

The Board proposes the following allocation of the profit for the year:

Dividend:	NOK 421.8 million
To other reserves:	NOK 363.6 million

Based on the annual accounts a group contribution of NOK 25.3 million will be paid to the subsidiaries. Distributable equity as at 31 December 2011 was NOK 3587.6 million.

GOING CONCERN

The 2011 financial statements have been prepared under the assumption that the company will continue as a going concern (cf. Section 3-3 of the Accounting Act) on the basis of forecasts and the calculated present value of estimated future cash flow. See Note 6 to the annual accounts for further details.

FINANCIAL RISK

In addition to operational risk, Avinor's operations are exposed to risks of a political, regulatory, market-related, financial and legal nature. Operationally, our activities focus a great deal on safe air traffic management with detailed guidelines for, and active management of, measures to minimise the risk of accidents and serious incidents.

Avinor's operations are characterised by heavy investments in infrastructure with an expected life of several decades. In addition, the operations and preparedness require regulated manning levels. Our operations are therefore characterised by a high percentage of fixed capacity costs that vary to a limited extent with changes in the air traffic. The Group's earnings and financial value are therefore sensitive to traffic fluctuations, and there is a risk of an impairment in value with regard to property, plant and equipment on the Group's balance sheet. Experience has shown that there is a high correlation between the general economic development (GDP) and the demand for air travel over time, while there may be significant deviations in the short term.

Oslo Airport Gardermoen accounts for approximately 50 per cent of the Group's operating revenues and a significant portion of the Group's profit. The airport is a key source of funding for the rest of the airport network in Norway. Oslo Airport Gardermoen's earnings are exposed to both economic cycles and competition from airports outside the Avinor system.

Over 70 per cent of the Group's traffic revenues come from the three Norwegian operators, SAS, Norwegian and Widerøe. The Group's earnings are exposed to future changes in the schedules and production by these companies. The Group's losses on receivables have historically been low. The majority of the Group's receivables are from the airlines. A small portion of the receivables are secured by means of bank guarantees and/or deposits.

Revenues from commercial offerings at the airports are important and this importance is increasing in relation to the Group's financing. Changes in the framework conditions for these offerings may have a major negative impact on the Group's earnings and financial value.

The Norwegian state has defined Avinor as a company with national sectoral policy objectives. This entails, for example, that the Norwegian state sets guidelines for a number of duties imposed by society, including the operation of regional airports, emergency preparedness and aviation fees. Depending on the various political priorities, this situation may entail uncertainty with regard to the scope and organisation of such duties.

The national and international regulatory activities are increasing, and there are extensive requirements regarding safety, security, aviation fees and certification. A high level of activity is still anticipated in the regulatory area. Initiatives from the European Commission will provide strict guidelines for the choice of technical solutions and the future organisation of the air navigation service in Europe.

The Group's activities entail various types of financial risk linked to the fluctuation of foreign exchange rates, interest rates and energy prices. The Group's policy is to not assume any significant financial risks and be able to cover its payment obligations when they fall due. Forward contracts are used to limit foreign exchange risk and to cover portions of the Group's future energy consumption. Of the Group's debt, around half consists of government loans where the interest is linked to the average five-year government bond rate for the last five years. A significant portion of the loan portfolio has fixed interest rates or is hedged by means of financial instruments.

When placing the Group's surplus cash, emphasis is given to the issuer's solidity and the liquidity of the investment in preference to the return. At year end cash is deposited in a bank on negotiated terms.

An agreement has been established between the Norwegian Armed Forces and Avinor (the Cooperation Agreement), which regulates the relationship between these two parties with effect from 1 January 2010. This agreement was signed on 18 February 2011. The agreement calls for the establishment of local supplemental agreements and an aircraft safety agreement between the Norwegian Armed Forces and Avinor within six months after the Cooperation Agreement has been signed. The interpretation of key items in the agreement is contested. There have been negotiations between Avinor and the Norwegian Armed Forces concerning the interpretation of the items that have been breached. In accordance with the provisions of the agreement this may entail that the matter will go to arbitration.

In addition, we are working on problems related to whether a discretionary assessment shall be made to determine the consideration for purchasing aviation-critical areas at Flesland and Værnes airports, or, alternatively, whether an annual user fee should be imposed. A discretionary assessment may also be relevant for determining the consideration for use of the Norwegian Armed Forces' base area at Andøya, Bardufoss and Bodø. There is a great deal of uncertainty related to determining the size of these remunerations. The Ministry of Defence is conducting a study related to the selection of a base for new fighter planes at the same time. A report from this study will be distributed for consultation in March. This will provide the basis for the Government's discussion of the localisation. The Government will present its recommendation to the Storting sometime this year.

The Norwegian Armed Forces' choice of a fighter plane base will probably have financial consequences for Avinor, both with regard to future investments in property, plant and equipment and running operating expenses. On 9 January 2012 Avinor submitted a consultation statement to the Ministry of Defence concerning this matter.

Corporate governance

The Board of Directors has prepared a separate statement on corporate governance in accordance with the Norwegian Code of Practice for Corporate Governance. This statement is enclosed as an annex to this report.

The Group's subsidiaries have their own boards comprised of external participants, intra-group managers and employees. The appointment of the Board of Directors and the board's work in subsidiaries shall be in accordance with the Group's principles of good corporate governance.

Traffic development

There was significant growth in air traffic at Avinor's airports in 2011. The number of passengers increased by 10.4 per cent (4.3 per cent) to 44.3 million passengers.

The greatest growth was in international traffic with 11.1 per cent (4.1 per cent) growth to 15.9 million passengers. Charter traffic increased by 8.8 per cent. Domestic traffic increased by 10 per cent (1.1 per cent decline) to 27.7 million passengers. Domestic traffic totalled 63 per cent of Avinor's passengers.

The number of offshore passengers totalled 600,000, an increase of 9 per cent.

The number of commercial aircraft movements totalled 694,000, an increase of 4.7 per cent (0.3 per cent). International and offshore traffic both increased by 8.4 per cent, and domestic air traffic movements increased by 3.1 per cent.

Overall, there was a total of 794,000 take-offs/landings at Avinor's airports, an increase of 3.8 per cent (0.6 per cent). In addition, there was a total of 43,952 flights through Norwegian airspace, which represents an increase of 11.6 per cent (2.5 per cent).

There were no major national or international incidents this year that affected air traffic in a negative direction. The situation with volcanic ash from Iceland in May had little consequences for air traffic, thanks to the good cooperation between Avinor, supervisory authorities, experts in meteorology and air monitoring and Norwegian airlines.

The Group's internal target for punctuality and regularity is 88 per cent and 98 per cent, respectively. Achieving this target depends on the concerted efforts of the airports, airlines and providers of airport-related services, as well as the weather conditions. Punctuality ended up at 86 per cent (88 per cent) and thus lower than the target. Regularity was 98.6 per cent (97.4 per cent), an increase of 1.2 per cent.

Flightstat.com named Oslo Airport Gardermoen the most punctual of the large airports in Europe, with a punctuality in departures of over 87 per cent.

Avinor established free WI-FI (Internet) access at all airports in 2011. This has had a positive impact on customer satisfaction.

Air safety and HSE

The regulatory requirements in the area of air safety follow from Norway's international obligations through the EEA and ICAO (the UN's International Civil Aviation Organisation). The Norwegian Civil Aviation Authority implements provisions that Avinor is required to comply with based on these obligations. The concept of air safety encompasses both safety and security.

Avinor participates actively in international cooperation, such as the development of new aviation-related regulations in Europe and airport regulations in particular.

The primary aim in terms of air safety is for Avinor to develop a highly qualified and effective level of safety in all of its activities in order to avoid accidents and serious incidents.

There has been a great deal of focus on improving the safety culture, including the quality of reporting. This has resulted in a steady increase in reporting. Several external authorities, including the Norwegian Civil Aviation Authority, have inspected Avinor. In general, no major non-conformance has been identified, and Avinor attaches importance to correcting and closing any non-conformance as quickly as possible.

There have been no aviation accidents with or without (1) personal injury in Norwegian aviation in which Avinor was a contributory party. There were four serious aviation accidents (0) in which Avinor was a contributory party.

EFTA's Surveillance Authority, ESA, has used several airports as inspection sites to monitor the Norwegian implementation of EU directives on security. Efforts to improve the efficiency of security inspections has continued. Avinor attaches particular importance to preventive security services and cost-effective implementation of new government requirements.

Avinor has participated in preparatory work for the first edition of the European Action Plan for the Prevention of Runway Excursions, and in the field of runway safety there has been a great focus on the implementation of new recommendations from this plan.

In the field of bird and wildlife control, Avinor has focused on new technology, including the use of lasers and the development of an electronic programme for the registration of bird strikes and documentation of the implemented risk-reducing measures. A pilot project with bird lasers in Stavanger has been completed with good results.

Avinor heads or participates in a number of projects related to air safety and efficient air traffic management. The Single European Sky Second Package II (SES II) was approved by the EU in the autumn of 2009, and the SES requirements will be implemented in Norway through the EEA agreement. Avinor has made important strategic choices to meet the challenges in SES, position the company in the best possible way for cross-border cooperation and create the necessary competitive power. Avinor is participating in the establishment of a North European Functional Airspace Block (NEFAB), and all the necessary agreements have been prepared and approved by the involved states. These agreements, together with all the required documentation, were sent to the European Commission in December, and it is expected that the NEFAB will be established and functional by the end of 2012. Avinor has also agreed to contribute actively to Single European Sky ATM Research (SESAR) through the North European and Austro Control Consortium (NORACON).

The airspace project Oslo ASAP (Advanced Sectorisation and Automation Project) was put into operation on 7 April. This system regulates all air traffic over Eastern Norway and has the capacity for the expected demand until after 2030.

The aim of NORAP (Norwegian Radar Programme) is to renew and improve radar coverage over Norway. The objective is to provide full radar coverage for mainland Norway, as well as improved offshore coverage. Avinor completed its part of the work to develop and upgrade the selected locations in 2011.

In parallel to this work, Avinor continues to establish newer surveillance technology, ADS-B (Automatic Dependent Surveillance - Broadcast), in the Ekofisk area. The purpose of this project is to facilitate controlled airspace to and from the Ekofisk area and eventually the Heimdal/Sleipner area.

As the principal company Avinor has the coordinating responsibility for HSE with respect to activities under the area of responsibility of Avinor's airports. Through the Group's investment programme, Avinor is also the client, which means that safety, health and working environment considerations at the building or construction site are safeguarded. A total of 32 (34) workplace accidents resulting in employee injuries were reported. 11 (12) of these resulted in absence. The Group's LTI rate is estimated to be 1.9.

The Norwegian Working Environment Centre awarded Oslo Lufthavn AS the Working Environment Award for 2011. The award was justified by the company's extensive efforts and systematic work in the area of HSE and the working environment over several years was pointed out .

Avinor and corporate social responsibility

Avinor attaches considerable importance to its corporate social responsibility. This has also been laid down in the Group's Articles of Association. The expectations for the corporate social responsibility of government companies are based, for example, on national and international conventions, guidelines and standards, and they are related in particular to human rights, workers' rights, environment/climate and work against corruption.

EXTERNAL ENVIRONMENT

Aviation affects the local and global environment. The external environment is an integral part of Avinor's management system and follows the principles set out in ISO 14001. This involves systematic and continuous improvement in all phases from planning, execution and monitoring to corrective actions.

A permit is required for emissions linked to aircraft and runway de-icing, as well as fire drill activities, under the Pollution Control Act. All of Avinor's airports have discharge permits. Avinor found that ground was contaminated with perfluorooctane sulfonic acid (PFOS), a substance containing fluorine that has been used as an additive in fire extinguishing foam. Low levels of PFOS were also found in drinking water wells at Kirkenes Airport Høybuktmoen and Bergen Airport Flesland, which most likely originates from the use of fire extinguishing foam at the airports. Avinor phased out the use of PFOS in 2001, and the substances were banned in Norway in 2007. There is little experience in Norway and internationally with handling this type of pollution. In consultation with the Climate and Pollution Agency (CPA), Avinor will study alternative measures.

In order to ensure that the operations and condition of the technical installations at the airports satisfy the discharge permits from the County Governors and comply with the Pollution Control Act and regulations pursuant thereto, a project has been initiated to study and carry out the necessary measures at Avinor's airports. This project will be carried out during the period from 2010 to 2015.

Avinor's climate accounts show combined annual greenhouse gas emissions from Avinor's own operations of around 16,800 tonnes of CO2 (17,000), including 4,900 tonnes (4,700) from Oslo Airport Gardermoen. The Group's greenhouse gas emissions are very weather-dependent. Comprehensive energy conservation projects have been initiated at many airports, and we focus at the same time on renewable sources of energy and heat exchange using seawater, for example. Several airports have made arrangements for the parking and charging of electric cars, and electric cars or other vehicles with reduced greenhouse gas emissions have been purchased. In addition to implementing special measures, Avinor compensates on its own initiative for the remaining emissions by investing in emission rights through the UN's green development mechanism. The airports in Oslo, Trondheim and Kristiansand have also been accredited by the Airport Carbon Accreditation programme, which now encompasses over 50 per cent of all air traffic in Europe.

Together with the airlines and the Federation of Norwegian Aviation Industries, Avinor continues its efforts to reduce the greenhouse gas emissions from aviation. "Sustainable and Socially Beneficial Air Travel, Report 2" has been published. Here the emission forecasts for Norwegian aviation are analysed, as well as emission-reducing measures. There is a great potential for emission reductions, especially through fleet renewal and phasing in bio fuel. Adding synthetic bio fuel to ordinary jet fuel has been certified by ASTM International. In cooperation with the airlines and the Federation of Norwegian Aviation Industries, Avinor is conducting a comprehensive study of the potential for the production of sustainable bio fuel for civil aviation in Norway. The project report should be available by the end of 2012.

In order to manage and conserve areas that are important with respect to biological diversity at airports, Avinor is conducting a multi-year project that will provide a comprehensive survey of biological diversity. The airports will be surveyed in a prioritised order based on an assessment of the estimated natural assets and planned construction activities. A total of 18 of the Group's airports has been surveyed now, and it is expected that the remaining airports will be surveyed by 2014. The surveyed airports will be followed up by management plans.

With the exception of Oslo Airport Gardermoen, all the airports where Avinor has mapping responsibility now have updated aircraft noise maps in accordance with the current guidelines (T-1442). For Oslo Airport Gardermoen new noise regulations that entered into force on 7 April 2011 apply. There has been no need to carry out any noise isolation measures in accordance with the Pollution Control Regulations in 2011. The combined aircraft noise impact around Oslo Airport Gardermoen increased by 1.1 dB from 2010 to 2011, and the traffic increased by 5.5 per cent. This increased level is due to increased traffic with larger jet aircraft, as well as a shift in the traffic towards late evening and night.

The Board approves Avinor's annual environmental report and makes reference to this report for more detailed information on the Group's environmental status and environmental work. This report is available on Avinor's website.

ETHICAL GUIDELINES

The current ethical guidelines will be replaced by new guidelines in the spring of 2012, and they will be made available on the company's website. An implementation plan will be prepared to ensure training and awareness of ethical problems. Ethical guidelines will also be a topic that will be discussed at employee appraisal interviews and the Group's executive training programme. New employees will sign that they are aware of the Group's ethical guidelines when they are hired.

IMPARTIALITY, CORRUPTION AND SAFE NOTIFICATION

The Group has established good routines for the notification of reprehensible actions or situations in all parts of the organisation. The Group's preferred means of notification is open notification through the line and employee representatives/safety delegates, but it is the notifiers themselves who will determine what notification channel they will use. Avinor's notification committee is an internal, independent committee that can be used if the other notification channels are perceived as being inappropriate for notification.

A special purchasing strategy has been developed to assure the quality of the Group's purchasing routines. One of the specific objectives is to ensure competitiveness and appropriate contract coverage to achieve economies of scale and ensure local contract coverage. Key performance indicator reports have been prepared to illustrate loyalty to the purchasing system and loyalty to the framework agreements, and these reports serve as a tool for following up compliance of the guidelines in the line and ensuring impartiality in the purchasing process. External suppliers are also subject to the Group's ethical guidelines and are requested to comply with these guidelines.

RESEARCH, DEVELOPMENT, INNOVATION AND SKILLS DEVELOPMENT

Avinor is a dominant player in the field of aviation. Both the EU and

US have established substantial research programmes in the field of aviation. In the coming years the largest research projects in aviation ever will be carried out internationally in order to meet the need for increased air traffic, while safeguarding and improving aviation safety at the same time. The primary focus of research and development at Avinor is on safety, with environmental improvements and cost savings at all levels as other priority tasks. Global harmonisation and standardisation is ensured through close cooperation with national and international research and educational institutions. Active participation in these international environments provides the opportunity to influence and safeguard Avinor's interests and contributes to ensuring that new international regulations take into consideration that the requirements for airports with relatively low passenger volumes need to be adapted somewhat compared with larger airports. Norway's special climate challenges are followed up through international cooperation with other players in the Nordic regions. Avinor's participation in the European technology development project Single European Sky Air Traffic Management Research (SESAR) is an example of ongoing R&D activity with European coordination, and cooperation with the Transportation Research Board (TRB) ensures harmonisation with the US and the NextGen project. Through work with the National Transport Plan, Avinor has participated in a separate interagency R&D group, which works on long-term comprehensive coordination in the transportation sector in Norway. Avinor has started to cooperate closely with educational institutions to ensure future recruitment to aviation fields.

Avinor is a member of the ATM Forum Norway, which supports Avinor's policy for research and development by stimulating active supplier development and industrial cooperation, primarily with an aim to achieve better and more efficient services and products.

Avinor's focus on research and development in the area of winter operations has resulted in an improved training programme. Several airports have installed support systems that have resulted in improved predictability and availability at the airports.

AVINOR'S REPUTATION

Avinor has had a significant boost in its reputation. In Synovate's annual reputation survey, which includes 116 companies, Avinor was among the ten companies in Norway that strengthened their reputation the most. Avinor improved its overall score by 17 per cent over the previous year. Avinor had a significant improvement in the area of corporate social responsibility.

Personnel and organisation

There were 3,077 permanent employees in the Group at the end of the year. Permanent and temporary employees performed work corresponding to 3,149 full-time equivalents. The average age of all employee groups in the Group was 45.

Absence due to illness was 4.6 per cent (4.9 per cent). The Group's Inclusive Working Life target is 4.5 per cent. Long-term absence due to illness (more than eight weeks) was 0.7 per cent (1.2 per cent) of the total absence.

The percentage of women among permanent employees was 23.4 per cent. The percentage of women in the executive management was 25 per cent. In general, there is a higher percentage of women in administrative positions. In order to increase the focus on greater diversity, all of the Group's advertisement of vacancies will focus on this in 2012. Avinor's diversification work seeks to strengthen desired attitudes and culture and create a good reputation.

Avinor's strategy plan for the period from 2011 to 2015 entails restructuring and change processes for the entire Group, in which cultural development and customer and business orientation are important factors. Cooperation with the Group's employee representatives is considered good and constructive.

There was additional focus on the Group's work on skills development in 2011. The Group's new skills development and learning portal has been implemented in the airport divisions. The primary focus is on mandatory qualifications and a systematic follow-up of these qualifications.

The Group's life phase project has health, skills, management and flexible working hours as its main focus areas. The aim is to make individuals more aware of the relationship between lifestyle and health, and to provide individually adapted advice in order to motivate healthy behaviour. At the turn of the year 123 persons participated in active life phase measures in the Group. Of these persons, 69 have chosen to take advantage of life phase courses, while the other 54 have chosen an 80 per cent position and 100 per cent salary. Our life phase policy is under evaluation and will be adjusted in 2012. So far the project has shown that the measures motivate our employees to remain longer in their positions.

The Group has around 100 co-worker supporters. After the terrorist act on 22 July, Avinor introduced a co-worker support scheme to the Government Complex's Corporate Health Service. Several departments are now looking at the possibility of introducing similar schemes. Avinor is in the forefront at the European level in this context.

The Group is continuing its active focus on good substance abuse prevention work.

Outlook and framework conditions

The Board of Directors focuses on Avinor's contribution to national and regional development by ensuring efficient and safe aviation services and contributing to the development of the individual regions.

Aviation is sensitive to economic cycles, and Avinor's earnings are sensitive to fluctuations in the traffic volume, cf. the aforementioned financial risk. Continued satisfactory air traffic growth is expected based on continued economic growth, continued internationalisation of the industry, increased cultural interaction, population growth and immigration. Growth will primarily come from around the large cities.

Avinor finds itself in a financially demanding period with a great need for increased capacity and improved quality within the country's aviation infrastructure. As a result of major investments, a negative cash flow is anticipated until new loans and other financing has been raised.

The Group's earnings, investment plans and general financial framework are monitored continuously.

The company continued to perform well with respect to air safety and day-to-day operations in 2011. The Board of Directors would like to thank all the employees and partners for their great efforts throughout the year.

Oslo 29 March 2012

Ola Mørkved Rinnan Board Chairman	Kristin Vangdal Deputy Chairman	Oddbjørg A. Starrfelt	Ola H. Strand
Eli Skrøvset	Dag Hårstad	Christian Berge	Helge Løbergsli
Grete Ovnerud	Heidi Anette Sørum	Dag Falk-Petersen CEO	

ATTACHMENT:
CORPORATE GOVERNANCE IN THE AVINOR GROUP

1. Statement on corporate governance
Avinor issued bonds in 2009 that are listed on Oslo Børs. The Board attaches importance to following the recommendations of Oslo Børs with regard to the Group's corporate governance whenever possible. These principles supplement the Government's focus on corporate governance with respect to management of the Norwegian state's ownership. This statement has been prepared in accordance with the structure of the Norwegian Code of Practice for Corporate Governance, with the adjustments that are required due to the fact that Avinor is a wholly state-owned limited company. In addition to the general provisions of the Limited Liability Companies Act, special provisions apply to state-owned limited companies.

The aim of the Norwegian Code of Practice is to ensure that companies that are listed on regulated markets in Norway practice corporate governance that clarifies the role of the shareholders, the board of directors and the day-to-day management beyond what follows from legislation.

2. Business
Avinor is a group with activities in the transport sector in Norway. The parent company Avinor AS is wholly owned by the Norwegian state represented by the Ministry of Transport and Communications. The Group's head office is in Oslo. The company's operations are described in the Articles of Association.

- The company's role in society is to own, operate and develop a national network of airports for the civilian sector and a joint air navigation service for the civilian and military sectors.
- The company's operations shall be carried out in a safe, efficient and environmentally-friendly manner and ensure good availability for all groups of travellers.
- The operations may be run by the company itself, by wholly-owned subsidiaries, or by other companies it has interests in or cooperates with.
- The company shall be self-financed to the greatest possible extent through its own revenues from its principal activities and business activities in connection with the airports. Financially profitable units shall finance financially unprofitable units internally within the company.
- The company shall carry out the duties imposed by society as stipulated by its owner.

3. Equity and dividends
The company's share capital is NOK 5,400,100,000, divided into 540,010 shares, each with a par value of NOK 10,000. The company's equity at any given time shall correspond at least to 40 per cent of the sum total of the company's recognised interest-bearing long-term loans and equity at any given time.

Avinor AS is a wholly state-owned limited company. The shareholders' rights are safeguarded by the responsible cabinet minister or his deputy at the General Meeting. The General Meeting is not bound by the distribution of dividends proposed by the Board of Directors. Dividends are declared each year. The Office of the Auditor General monitors the management of the Norwegian state's interests and can carry out any inspections that it deems necessary.

The Board of Directors does not have the authority to increase the share capital.

4. Equal treatment of shareholders and transactions with close associates
Avinor AS has one class of shares. The shares are not listed on a stock exchange and there are no transactions involving the shares.

Intra-group agreements are entered into in accordance with the arm's length principle on ordinary commercial terms. All such agreements are made in writing.

5. Freely negotiable shares
There are no provisions in the Articles of Association that entail any limitations in the negotiability of the company's shares.

6. General meetings
The Transport and Communications Minister constitutes the company's General Meeting and is the company's highest authority. The Ministry of Transport and Communications is responsible for calling the annual and extraordinary general meetings and determines how the meetings will be called. The Annual General Meeting shall be held each year by the end of the month of June, and, in accordance with the Articles of Association, it shall approve the annual report and accounts, including the distribution of dividends, and any other matters that, according to law or the Articles of Association, shall be dealt with by the General Meeting. The members of the Board of Directors, Managing Director and auditor who audited the previous year's accounts shall be invited to the General Meeting.

7. Nomination Committee

The General Meeting of Avinor AS consists of the Norwegian State represented by the Ministry of Transport and Communications. The General Meeting has not appointed a Nomination Committee.

8. Corporate Assembly and Board of Directors: composition and independence

The company's Articles of Association stipulate that the Board of Directors shall consist of seven to ten members. Five or six of the members, including the Board Chairman and Vice Chairman, are elected by the General Meeting. Two or three board members and alternates shall be elected directly by and from among the employees pursuant to the provisions of the Limited Liability Companies Act concerning the employees' right to representation on the company's Board of Directors. The company does not have a corporate assembly in accordance with an agreement with the employees, but in accordance with the Articles of Association it is entitled to elect an extra board member and alternate. All board members are elected for a term of two years.

In 2009 the Corporate Democracy Committee approved the corporate scheme whereby employees of Avinor AS and its subsidiaries may be elected to the Board of Directors. The number of employee representatives was increased from three to four at the same time upon clarification with the owner. The Board of Directors accordingly consists of six shareholder-elected members, in addition to four representatives who are elected by and from among the employees. The percentage of women among the board members is 50 per cent.

The composition of the Board of Directors is such that it can safeguard the owner's interests and the company's need for skills, capacity and diversity. Executive employees are not members of the Group's Board of Directors, and they do not own shares in the company. Information on the individual board members is available at avinor.no.

9. Work of the Board of Directors

The Board of Directors follows the requirements stipulated for the management and supervision of the company pursuant to the Limited Liability Companies Act. The Board of Directors' tasks are stipulated in separate rules of procedure. These rules of procedure are reviewed and updated in the event of changes to the relevant regulations or otherwise as required. The Board of Directors sets out an annual agenda for its work, with a special focus on goals, strategies and implementation. The Board of Directors assesses its work and competence on an annual basis. The Managing Director's responsibilities and duties are defined in instructions adopted by the Board of Directors. These instructions are reviewed and updated as required. In accordance with the Articles of Association, the Board of Directors shall ensure that the company is socially responsible.

The Board has established an Audit Committee as a preparatory and advisory body for the Board of Directors with respect to its responsibility for financial reporting, auditing, internal control and overall risk management. The committee consists of three of the board members. The leader is educated in accounting.

10. Risk management and internal control

In order to ensure comprehensive management of the company, a separate management system has been prepared, which consists of management documents, contingency plans, safety procedures and processes for the management and control of the operations. An annual risk assessment of the group's activities is performed, and measures to manage the risk situation are evaluated and implemented. The Board of Directors reviews the company's risk management and internal control on an annual basis.

Systems for internal control and risk management related to the financial reporting process.

Avinor's ethical guidelines and core values establish the foundation for a good internal control environment with respect to financial reporting together with the company's organisation, management fora and reporting lines. Business and support processes that are essential to financial reporting have been identified. This includes processes related to investment projects, revenues, financial items, closing of accounts and IT systems that support these processes. Overall risk is managed and assessed centrally, while transaction management is subject to both centralised and decentralised controls. Considerable importance is attached to thorough documentation and assessment of important valuation items. Control measures are carried out in the ongoing production of accounts and through continuous financial monitoring. Systems for the evaluation/monitoring of the internal control related to the financial reporting process is under development and assessed on a continuous basis.

11. Remuneration of the Board of Directors

The General Meeting determines the remuneration of the Board of Directors. Remuneration is not performance-based and no options are issued to board members. Shareholder-elected board members generally do not perform any special tasks for the company beyond their position on the Board of Directors. Remuneration of the board members is specified in a note to the annual financial statements.

12. Remuneration of executive personnel

The Board of Directors appoints the Managing Director and stipulates the Managing Director's salary. The Board of Directors evaluates the Managing Director's work and salary terms on an annual basis. The Managing Director recommends the salary level for executive employees who report to the Managing Director, and the Board of Directors determines the pay package. The Board of Directors has prepared a statement on the determination of salaries and other remuneration of executive employees. The remuneration of executive employees is specified in a note to the annual financial statements.

13. Information and communication

Public information on the Group is provided by the Group's management. Each year the Group prepares a financial calendar indicating the dates for the publication of financial information. This financial calendar is available on the company's website and the Oslo Børs website. Financial information is published in the form of a stock exchange notice before it is made available on avinor.no. In accordance with the Articles of Association, the Board of Directors shall submit a plan for the operations, including subsidiaries, to the Transport and Communications Minister each year. The contents of the plan shall include the following:

- Description of the status of the market and the Group, including the development of the Group since the last plan was published.
- The highlights of the Group's operations for the coming years, including any major restructuring, development and discontinuation of existing operations, or development of new operations.
- The Group's investment level, important investments and financing plans.
- Assessments of the financial development during the plan period.
- Report on measures and results of the company's social role, duties imposed by society and corporate social responsibility.

The Board of Directors shall submit any major changes to plans that have previously been submitted to the Transport and Communications Minister.

14. Take-overs

Avinor AS is wholly owned by the Norwegian state represented by the Ministry of Transport and Communications. Accordingly this point in the Code of Practice is not regarded as relevant to the company.

15. Auditor

Avinor has an independent external auditor appointed by the General Meeting based on a recommendation from the Board of Directors. The auditor submits a plan for the auditing work to the Board of Directors annually. Each year the auditor prepares a letter to the Board of Directors (Management Letter), which summarises the audit of the company and the status of the company's internal control. The auditor has an annual meeting with the Board of Directors without the management being present. The auditor attends the company's General Meeting. The auditor's remuneration is broken down into auditing and other consulting services, and it is specified in a note to the financial statements.

FINANCIAL STATEMENTS

INCOME STATEMENT

Avinor AS Year ended 31 December				Avinor Group Year ended 31 December	
2010	2011	All amounts in MNOK	Note	2011	2010
		Operating income			
2,751.1	3,005.5	Traffic income	5,23	4,712.1	4,319.2
1,322.4	1,429.9	Sales and rental income	5,23	3,899.0	3,542.1
571.0	597.3	Other operating income		10.7	9.5
4,644.5	**5,032.7**	**Total operating income**		**8,621.8**	**7,870.8**
		Operating expenses			
117.0	60.8	Raw materials and consumables used		106.8	160.6
2,068.2	2,422.7	Employee benefits expense	24,26	2,871.4	2,434.7
541.4	591.5	Depreciation, amortisation and impairment charges	6,7,26	1,258.7	1,090.1
1,708.0	1,938.0	Other operating expenses	25,26	2,863.7	2,476.8
4,434.6	5,013.0	**Total operating expenses before changes in value and other losses/ gains, net**		7,100.6	6,162.2
209.9	**19.7**	**Operating profit/(loss) before changes in value and other losses/ gains, net**		**1,521.2**	**1,708.6**
19.2	-23.6	Changes in value and other losses/(gains) - net	27	-35.8	36.2
229.1	**-3.9**	**Operating profit/(loss)**		**1,485.4**	**1,744.8**
1,037.8	1,224.4	Finance income	28	55.2	42.2
92.9	110.8	Finance costs	28	350.2	367.8
944.9	**1,113.6**	**Net finance costs**		**-295.0**	**-325.6**
1,174.0	**1,109.7**	**Profit before income tax**		**1,190.4**	**1,419.2**
341.9	324.3	Income tax expense	18	346.8	411.1
832.1	**785.4**	**PROFIT FOR THE YEAR**		**843.6**	**1,008.1**
		Attributable to:			
832.1	785.4	Owners of the parent		843.6	1,008.1

The notes (note 1 to 31) are an intergral part of these consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Avinor AS Year ended 31 December				Avinor Group Year ended 31 December	
2010	2011	All amounts in MNOK	Note	2011	2010
832.1	**785.4**	**Profit for the year**		**843.6**	**1008.1**
		Other comprehensive income			
-180.3	-1,068.8	Actuarial gains/(losses) on post employment benefit obligations	20	-1,239.4	-134.7
50.5	299.3	Tax effect	19	347.0	37.8
-5.2	-5.7	Cash flow hedges	10	-44.2	-32.0
1.5	1.6	Tax effect	19	12.4	9.0
-133.6	**-773.7**	**Other comprehensive income for the year, net of tax**		**-924.2**	**-120.0**
698.5	**11.7**	**Total comprehensive income for the year**		**-80.6**	**888.1**
		Attributable to:			
698.5	11.7	Owners of the parent		-80.6	888.1

The notes (note 1 to 31) are an intergral part of these consolidated financial statements.

BALANCE SHEET

ASSETS

Avinor AS As at 31 December 2010	Avinor AS As at 31 December 2011	All amounts in MNOK	Note	Avinor Group As at 31 December 2011	Avinor Group As at 31 December 2010
		Non-current Assets			
		Intangible assets			
1,961.9	1,959.1	Deferred tax assets	19	2,411.6	2,042.5
47.8	61.4	Other intangible assets	7	61.4	47.8
2,009.7	**2,020.5**	**Total intangible assets**		**2,473.0**	**2,090.3**
		Property, plant and equipment			
7,063.7	7,389.4	Property, plant and equipment	6	16,889.7	16,672.9
1,357.7	1,814.5	Assets under construction		3,170.8	2,033.4
8,421.4	**9,203.9**	**Total property, plant and equipment**		**20,060.5**	**18,706.3**
		Financial assets			
621.0	653.8	Investments in subsidiaries	8	0.0	0.0
1,546.3	1,946.3	Loans to group companies	31	0.0	0.0
17.0	21.9	Derivative financial instruments	10	21.9	17.0
1.7	1.5	Other financial assets and investments in associated companies	11	52.4	12.4
2,186.0	**2,623.5**	**Total financial assets**		**74.3**	**29.4**
12,617.1	**13,847.9**	**Total non-current assets**		**22,607.8**	**20,826.0**
		Curent Assets			
16.1	13.7	Inventories	12	13.7	16.1
1,057.6	1,126.3	Trade and other receivables	13	1,116.5	1,036.7
16.7	0.5	Derivative financial instruments	10	0.8	25.6
1,495.4	2,064.1	Cash and cash equivalents	14	2,109.7	1,570.4
2,585.8	**3,204.6**	**Total current assets**		**3,240.7**	**2,648.8**
15,202.9	**17,052.5**	**TOTAL ASSETS**		**25,848.5**	**23,474.8**

Oslo, 29 March 2012

Ola Mørkved Rinnan
Chairman

Kristin Vangdal
Vice-chairman

Oddbjørg A. Starrfelt

Ola. H. Strand

Eli Skrøvset

Dag Hårstad

Helge Løbergsli

Heidi Anette Sørum

Grete Ovnerud

Christian Berge

Dag Falk-Petersen
Managing director

EQUITY AND LIABILITIES

Avinor AS As at 31 December				Avinor Group As at 31 December	
2010	2011	All amounts in MNOK	Note	2011	2010
		Equity			
		Restricted equity			
5,400.1	5,400.1	Share capital	15	5,400.1	5,400.1
5,400.1	**5,400.1**	**Total restricted equity**		**5,400.1**	**5,400.1**
		Retained earnings			
70.3	-703.4	Other reserves	16	-828.7	95.5
4,009.6	4,291.0	Other equity		5,842.9	5,503.4
4,079.9	**3,587.6**	**Total retained earnings**		**5,014.2**	**5,598.9**
9,480.0	**8,987.7**	**Total equity**		**10,414.3**	**10,999.0**
		Provisions and liabilities			
		Provisions			
1,614.2	2,621.1	Retirement benefit obligations	20	3,054.3	1,886.1
7.4	7.1	Deferred tax liabilities	19	31.5	31.7
23.1	159.8	Other provisions	21	190.8	23.9
1,644.7	**2,788.0**	**Total provisions**		**3,276.6**	**1,941.7**
		Non-current liabilities			
0.0	0.0	State loan	17	4,749.2	5,193.5
14.2	19.8	Derivative financial instruments	10	118.3	76.5
1,583.7	2,844.0	Other non-current liabilities	17	4,229.0	2,937.5
1,597.9	**2,863.8**	**Total non-current liabilities**		**9,096.5**	**8,207.5**
		Current liabilities			
290.3	364.6	Trade payables		599.0	469.2
243.6	13.5	Tax payable	18	351.8	246.2
162.3	179.5	Public duties payable		228.2	224.9
0.0	3.8	Derivative financial instruments	10	7.1	0.0
5.7	256.7	First annual instalment on long-term liabilities	17	774.5	513.5
1,778.4	1,594.9	Other current liabilities	21,22	1,100.5	872.8
2 480.3	**2 413.0**	**Total current liabilities**		**3,061.1**	**2,326.6**
5,722.9	**8,064.8**	**Total liabilities**		**15 434.2**	**12 475.8**
15,202.9	**17,052.5**	**TOTAL EQUITY AND LIABILITIES**		**25 848.5**	**23 474.8**

The notes (note 1 to 31) are an intergral part of these consolidated financial statements.

STATEMENT OF CHANGES IN EQUITY

Avinor AS	All amounts in MNOK	Share capital	Other reserves	Other equity	Total equity
Balance at 1 January 2010		**5,400.1**	**203.9**	**3,177.5**	**8,781.5**
Profit for the year				832.1	832.1
Other comprehensive income for the year			-133.6		-133.6
Total comprehensive income for the year		0.0	-133.6	832.1	698.5
Transactions with owners:					
Dividends relating to 2009				0.0	0.0
Total transactions with owners		0.0	0.0	0.0	0.0
Balance at 1 January 2011		**5 400.1**	**70.3**	**4 009.6**	**9 480.0**
Profit for the year				785.4	785.4
Other comprehensive income for the year			-773.7		-773.7
Total comprehensive income for the year		0.0	-773.7	785.4	11.7
Transactions with owners:					
Dividends relating to 2010				-504.0	-504.0
Total transactions with owners		0.0	0.0	-504.0	-504.0
Balance at 31 December 2011		**5,400.1**	**-703.4**	**4 291.0**	**8,987.7**

Avinor Group	All amounts in MNOK	Share capital	Other reserves	Other equity	Total equity
Balance at 1 January 2010		**5,400.1**	**215.5**	**4,495.3**	**10,110.9**
Profit for the year				1,008.1	1,008.1
Other comprehensive income for the year			-120.0		-120.0
Total comprehensive income for the year		0.0	-120.0	1,008.1	888.1
Transactions with owners:					
Dividends relating to 2009				0.0	0.0
Total transactions with owners		0.0	0.0	0.0	0.0
Balance at 1 January 2011		**5,400.1**	**95.5**	**5,503.4**	**10,999.0**
Profit for the year				843.6	843.6
Other comprehensive income for the year			-924.2		-924.2
Total comprehensive income for the year		0.0	-924.2	843.6	-80.6
Transactions with owners:					
Dividends relating to 2010				-504.0	-504.0
Total transactions with owners		0.0	0.0	-504.0	-504.0
Balance at 31 December 2011		**5,400.1**	**-828.7**	**5,842.9**	**10,414.3**

The notes (note 1 to 31) are an intergral part of these consolidated financial statements.

STATEMENT OF CASH FLOWS

Avinor AS Year ended 31 December				Avinor Group Year ended 31 December	
2010	2011	All amounts in MNOK	Note	2011	2010
		Cash flow from operating activities			
691.0	646.1	Cash generated from operations*		3,093.1	2,553.5
-136.1	-246.1	Income tax paid		-249.3	-150.0
554.9	**400.0**	**Net cash generated from operating activities**		**2,843.8**	**2,403.5**
		Cash flow from investing activities			
-1,269.8	-1,308.1	Investments in property, plant and equipment (PPE)	6,7	-2,406.5	-2,176.7
0.0	-13.8	Purchases of PPE from other group companies		0.0	0.0
50.0	0.0	Proceeds from government grants		0.0	50.0
3.7	3.0	Proceeds from sale of PPE, including assets under construction		7.5	4.9
0.1	-6.5	Change in other investments		-7.0	0.2
-1,216.0	**-1,325.4**	**Net cash used in investing activities**		**-2,406.0**	**-2,121.6**
		Cash flow from financing activities			
10.0	1,505.6	Proceeds from borrowings		1,606.0	395.0
-4.7	0.0	Repayment of borrowings		-503.5	-61.6
0.0	-400.0	Group loans		0.0	0.0
0.0	-58.7	Group repayment of borrowings		0.0	0.0
-109.1	-118.8	Interest paid		-497.0	-463.2
906.0	566.0	Net group contribution/dividend		-504.0	0.0
802.2	**1,494.1**	**Net cash generated/used in financing activities**		**101.5**	**-129.8**
141.1	568.7	Net (decrease)/increase in cash, cash equivalents and bank overdrafts		539.3	152.1
1,354.3	1,495.4	Cash, cash equivalents and bank overdrafts at beginning of year	14	1,570.4	1,418.3
1,495.4	**2,064.1**	**Cash, cash equivalents and bank overdrafts at end of year**		**2,109.7**	**1,570.4**

Cash generated from operations*

1,174.0	1,109.7	Profit before income tax	1,190.4	1,419.2
541.4	591.5	Depreciation	1,258.7	1,090.1
19.5	0.0	(Profit)/loss on disposals of non-current assets	3.8	21.8
-13.6	20.0	Changes in value and other losses/(gains) - net (unrealised)	32.1	-21.0
-113.4	-421.3	Change in inventories, trade receivables and trade payables	-437.7	-129.4
-201.6	-61.9	Difference between post employment benefit expense and amount paid/received	-71.2	-231.1
70.0	717.3	Change in other working capital items	1117.0	403.9
-785.3	-1,309.4	Change in group receivables and payables	0.0	0.0
691.0	**646.1**	**Cash generated from operations**	**3,093.1**	**2,553.5**
		In the cash flow statement, proceeds from sale of PPE comprise:		
23.2	3.0	Net book amount	3.7	26.7
-19.5	0.0	Profit/(loss) on disposals of PPE	3.8	-21.8
3.7	**3.0**	**Proceeds from disposal of PPE**	**7.5**	**4.9**

The notes (note 1 to 31) are an intergral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTER

Note 1: General information

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

FINANCIAL STATEMENTS 2011

The consolidated financial statements of the group were approved by the board of directors on the 29th of March 2012.

Note 2: Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The accounting policies set out below do also apply to the preparation of the financial statements of Avinor AS.

2.1. BASIS OF PREPARATION

The consolidated financial statements of Avinor have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) recognised partly at fair value through profit or loss and partly (cash flow hedges) in other comprehensive income.

The whole of Avinor group's operations have been defined as one cash-generating unit (CGU). The group's economic model is based on the assumption that there is full cross-subsidisation between profitable and unprofitable airports as well as all areas of operations (overall system). The group has a distinct expressed objective to develop, within the overall system, commercial activities in order to provide capital for unprofitable activities (social considerations/responsibilities) and reduce the level of traffic charges. Due to this the group assess that a solution where the group's operations are evaluated as a whole, presents a true and fair view of the operations.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in particular.

2.1.1 Changes in accounting policy and disclosure

(a) New and amended standards adopted by the group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2011 that would be expected to havea material impact on the group.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted

There are no IFRSs or IFRIC interpretations early adopted by the group.

IAS 19, 'Employee benefits' was amended in June 2011. The impact on the group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occour; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability. The group already use the option in the present IAS 19 and recognise actuarial gains or losses in OCI as well as immediately recognition of past service cost. The group is yet to assess the full impact of the rest of the amendments.

IFRS 13 'Fair value measurement' aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The group already uses fair value measurement for some of its assets and obligations. The group is yet to assess IFRS13's full impact.

2.2. CONSOLIDATION

Subsidiaries

The consolidated financial statements encompasses Avinor AS and all entities over which Avinor AS has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. As at 31 December 2011 all subsidiaries are wholly owned. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Associates

The consolidated financial statements encompasses all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.
Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated.

2.3. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group management.

2.4. FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction, except transactions from En Route income which are translated using a fixed exchange rate.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Non-monetary assets and liabilities measured at historical cost denominated in foreign currencies are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities measured at fair value denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Foreign exchange gains and losses are recognised in the income statement. The functional currency of the group companies is NOK.

Foreign exchange gains and losses that relate to receivables, liabilities, cash and cash equivalents were previously presented as finance income or cost have been reclassified and presented in changes in value and other losses/(gains) - net.

2.5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Land and housing are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	10 – 50 years
Infrastructure	5 – 50 years
Runways and other related assets	15 – 50 years
Vehicles	3 – 10 years
Other non-current assets	5 – 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6. INTANGIBLE ASSETS

Separately acquired intangible assets are shown at historical cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Intangible assets are carried at cost less accumulated depreciation and amortisation.

Internally generated intangible assets, with the exception of development costs that are recognised as intangible assets, are recogised as an expense as incurred.

The useful life of an intangible asset is either finite or indefinite. Intangible assets with finite useful life are amortised using the straight-line method to allocate the cost over their estimated useful lives. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Method of amortisation and estimated useful life is reviewed at least at the end of each reporting period. Changes in method and/or estimated useful life is accounted for as changes in estimates.

Computer software

Costs associated with purchasing new computer software are recognised as an intangible asset, unless it is a part of the acquisition of hardware. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life, normally 5 years. Costs associated with maintaining computer software programs or maintaining future usage of computer software programs are expensed unless the changes enhancethe future usage of the program.

2.7. LEASES

(i) The group as a lessee

Finance leases

Leases where the group has substantially all the risks and rewards of ownership are classified as finance leases. Leases with contingent rents are expensed.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

(ii) The group as a lessor

Operating leases

The group presents rental assets as non-current assets in the balance sheet. Rental income is recognised in income on a straight-line basis over the period of the lease.

2.8. GOVERNMENT GRANTS

A government grant is recognised at fair value when there is reasonable assurance that the group will comply with the conditions attached to it, and that the grant will be received. Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants related to assets are presented in the statement of financial position by deducting the grant to arrive at the carrying amount of the asset.

2.9. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment the whole group is defined as one cash generating unit (CGU). The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

2.10. SHARES IN SUBSIDIARIES

Shares in subsidiaries are recognised at cost at the acquisition date and are classified as a long-term investment. The shares are assessed whether there is any indication that their carrying amount exceeds the amount to be recovered through use or sale.

2.11. FINANCIAL ASSETS

2.11.1 Classification

The group classifies its financial assets in the following categories: At fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are derivatives with a positive fair value.

Assets in this category are classified as current if expected realisation is within 12 months after the end of the reporting period.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, excepts for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' in the balance sheet.

2.11.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

2.11.3 Impairment of financial assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment loss is recognised when the loss is material and assumed to last for a longer period of time.

2.12. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

(a) Hedges of the fair value of recognised assets, liabilities or a firm commitment (fair value hedge)
(b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge)

The group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of hedging derivatives is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The group normally defines derivatives related to borrowings as hedging derivatives and as designated and qualified for hedge accounting.

The group uses derivative financial instruments related to the purchase of energy and foreign currency. For energy, forward energy contracts are purchased at NordPool. None of these derivatives qualify for hedge accounting.

Changes in the fair value of derivatives that do not qualify for hedge accounting are, depending on whether the derivative is related to operating or financing activities, recognised in the income statement within 'changes in value and other losses/gains - net' or within 'finance cost'. Both derivatives are recognised at fair value through profit or loss.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the income statement within 'changes in value and other losses/(gains) - net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in the income statement within 'finance costs'.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the income statement within 'net finance costs'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'finance costs'. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

2.13. FINANCIAL LIABILITIES

The group classifies its financial liabilities in the following categories: At fair value through profit or loss and other financial liabilities. The classification depends on the purpose for which the financial liabilities were incurred. Management determines the classification of its financial liabilities at initial recognition.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are derivatives with a negative fair value. Derivatives are initially recognised at fair value. Subsequent changes in fair value are recorded in the income statement. Assets in this category are classified as current if expected realisation is within 12 months after the end of the reporting period.

(b) Other financial liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Other financial liabilities are recognised intially at fair value and subsequently measured at amortised cost using the effective interest method. They are included in current liabilities, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current liabilities.

2.14. INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

2.15. TRADE RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision forimpairment.

2.16. CASH AND CASH EQUIVALENTS
Cash and cash equivalents includes cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.17. SHARE CAPITAL AND SHARE PREMIUM RESERVE
Ordinary shares are classified as equity.

2.18. TRADE PAYABLES
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19. BORROWINGS
Borrowings are recognised initially at fair value. Borrowings are subsequently carried at amortised cost using the effective interest method, except for borrowings hedged with a derivative fair value hedge, which is also carried at fair value in subsequent periods. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.20. CURRENT AND DEFERRED INCOME TAX
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. Deferred income tax assets are assessed against future taxable income and are evaluated separately.

2.21. EMPLOYEE BENEFITS

Pension obligations

The pension schemes are generally funded through payments to Statens Pensjonskasse (the Norwegian Public Service Pension Fund, SPK), determined by periodic actuarial calculations. The group has a defined benefit plan. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on one or more factors such as years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflow using interest rates of high-quality corporate bonds (or long-term treasury bonds) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Changes in assumptions, basic data and the benefits of the pension plan which have as an effect an accounting loss or gain will be set off against equity through other comprehensive income in the period they occur. A change in the benefits which refers to previous periods of earning implies a change in the pension plan which is a cost related to previous periods of earning. A negative cost occurs when the benefits are changed in such a way that the present value of the projected benefits are reduced.

The pension scheme is not directly funded. The pension payments are guaranteed by the Norwegian government (Section 1 of the Pensions Act). Administration of the allocated fund (fictitious fund) is simulated as if the funds were placed in long-term government bonds. The pension scheme is not movable in the same way as private pensions schemes and it is assumed that the pension scheme will be continued in SPK. In the simulation it is assumed that the bonds are held to maturity. The pension fund is therefore estimated at nominal value plus the return of the fund.

Severance pay

Until 31 December 2005 all employees given notice were entitled to severance pay. The obligation is recognised in the financial statement at present value. of the defined benefits at the balance sheet date.

2.22. PROVISIONS
Provisions are recognised when: the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. When the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions for contract losses are recognised when the group's expected income from the contract is lower than the expenses necessary to settle the contractual obligation.

2.23. REVENUE RECOGNITION
Revenue comprises the fair value of the consideration received or receivables for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group. Revenue is recognised as follows (most of the group's revenues consist of civil aviation fees and rent from property leases (note 23)):

(a) Sale of aviation and real estate services

Revenue from services is recognised in the period the services are provided. Revenue from property leases with fixed lease payment is recognised in the period the services are provided, using a straight-line basis over the term of the contract. Revenue from property leases with revenue-based lease payments is recognised when it is earned. Revenue from sale of real estate property is recognised when the risk and control of the object is transferred to the buyer, normally at the time of disposal.

(b) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.24. DIVIDEND DISTRIBUTION
Dividend distribution to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders.

2.25. EVENTS AFTER THE REPORTING PERIOD

New information after the reporting period about conditions that existed at the end of the reporting period is recognised in the financial statement. Events after the reporting period affecting the group's future financial position are disclosed if material.

Note 3: Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme seeks to minimise the volatility of the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

MARKET RISK

(i) Foreign exchange risk

The group and Avinor AS are exposed to foreign exchange risk with respect to the value of NOK against other currencies caused by income and expenses inforeign currency. The group uses forward contracts to reduce the foreign exchange risk in cash flows nominated in foreign currency. The group and Avinor AS are primarily exposed to foreign exchange risk with respect to EUR. The group's income from en route charges is exposed to foreign exchange risk. For Avinor the risk is connected to the transfer of the revenue to Norway. The period from the determination of the exchange rate to the actual payment is about three months. Revenue in foreign currency is sold forward to the extent that it is not hedged by cash outflow in the same currency. The group also has foreign exchange risk connected to contractual payments in foreign currency. As a fundamental principle, hedging of transaction risk for contracts in foreign exchange is carried through for contracts exceeding the value of MNOK 2. Normally, forward contracts entered into do not have terms exceeding three years. Foreign exchange rate derivatives do not normally qualify for hedge accounting.

(ii) Interest rate risk

The group are exposed to interest rate risk through its financial activities (see note 17). Parts of the borrowings are issued at variable rates, which means that the group is influenced by changes in the interest rates.

The objective of the group's interest rate management is to keep the volatility of future interest costs within acceptable limits. Group policy is to maintain maximum 75% of its interest-bearing debt (excluding the fixed interest part of the State loan) and future borrowings related to board approved investment projects at a variable rate and maximum 75% at fixed rates. The group manages its effective interest exposure risk by using various interest rate swaps. At 31 December 2011 all interest rate swaps are adapted to the terms of specific loans and other conditions. When the interest rate swaps are taken into consideration, the group has 71% of its long-term borrowings based on NIBOR at a fixed rate of interest. If the fixed rate part of the State Loan is included, the group's total fixed rate part of total long-term borrowings is 85%.

At 31 December 2011 the group had interest rate swaps instruments at a face value of MNOK 1,186 (2010: MNOK 1,216), where the group receives a variable NIBOR rate and pays a fixed rate of 5.08% of face value and MNOK 425 (2010: MNOK 425) where the group receives a fixed rate of 5.77% and pays a variable 6-month interest rate based on NIBOR + 1.95%. The interest rate swaps are used to hedge against volatility in the P&L reporting as a result of changes in the interest levels. The hedged loans and the interest rate swaps agreements have similar conditions.

All interest swaps are made as a hedge against financial risks caused by fair value interest rate risk or cash flow interest rate risk. All interest swaps are carried at their fair value in the balance sheet. The following table presents the group's sensitivity to a defined interest rate shift as at 31 December. The simulation takes into consideration all interest rate derivatives.

Avinor group	Changes in interest levels in basic points	Impact on pre-tax (MNOK)	Impact on equity (MNOK)
2011	+50	-4.8	29.3
	-50	4.9	-31.5
2010	+50	-5.2	20.0
	-50	5.3	-20.9

Avinor AS	Changes in interest levels in basis points	Impact on pre-tax profit (MNOK)	Impact on equity (MNOK)
2011	+50	-0.2	4.4
	-50	0.3	-4.7
2010	+50	-5.9	-0.6
	-50	6.0	0.5

Based on the financial instruments at 31 December 2011, the simulation shows that if the interest rate had been 0.5% higher, pre-tax profit for the year would have been MNOK 4.8 lower (2010: MNOK 5.2).

The average yield on financial instruments were as follows:	2011 (%)	2010 (%)
Overdraft	IA	IA
State Loan	4.11	4.09
Debenture Loan	5.79	5.87
Bank Loan	5.11	5.51

The figures include interest hedging derivatives.
At 31 December 2011, Avinor AS had total borrowings amounting to MNOK 3,000.0 (2010: MNOK 1,500.0) in addition to a overdraft of MNOK 0.0 (2010: MNOK 0.0).

(iii) Power price risk
Avinor is a consumer of electrical power. Avinor has entered into financial power contracts via Nord Pool to hedge parts of its power consumption. At 31 December 2011 the majority of 2012's estimated consumption is covered by such contracts. The group does not apply hedge accounting to these contracts. Power purchases are made in EUR. The fair value of power contracts is estimated at MNOK -6.4 (2010: MNOK 30.0) based on the exchange rate at year-end.

Sensitivity analysis at 31 December 2011:

Avinor group	Market value 31.12.11	Impact on pre-tax profit (MNOK) as a consequense of a 20% increase in power price
	-6.4	2.8

Avinor AS	Market value 31.12.11	Impact on pre-tax profit (MNOK) as a consequense of a 20% increase in power price
	-3.8	1.9

The group's credit risks are mainly connected to airlines and air traffic-related industries. The group has credit risks attached to three main customers. There have not been any difficulties concerning settlements from these customers (se below). The group assesses the risk that customers cannot fulfil their obligations as moderate. The group has guidelines to limit exposure to possible losses. The group has not made any third-party guarantees. Maximum risk exposure is illustrated by the carried amounts of the financial assets, including derivatives in the balance sheet. Since the opposite party in derivative trading is normally banks and the power trade exchange, the credit risk connected to derivatives is assessed as small. The group's assessment is that the group's maximum credit exposure is illustrated by the carried amounts of trade receivables and other short-term assets (see note 13). The group does not have any material overdue trade receivables. (See note 13) The groups main bank connexion has external credit rating A-1 (short term) and A+ (long term) (Standard & Poors).

Creditworthiness in trade receivables and intra-group accounts in detail:
Credit risk in non-due financial instruments which have not been written down, may be evaluated by external sources (if available) or based on a previous negative credit records.

Classification of historical information (unimpaired trade receivables)
*Group 1 - new customers/related parties (in the last six months)
*Group 2 - existing customers/related parties (for more than six months) with no history of default
*Group 3 - existing customers/related parties (for more than six months) with a history of default. All amounts have been paid in full after the defaults.
All intra-groups accounts and the major part of customer receivables are classified in group 2.
No financial assets have been renegotiated during the last financial year. No part of the loans to related parties is overdue or impaired.

LIQUIDITY RISK
Liquidity risk is the risk that the group will not be able to meet its financial obligations when they are due. The group strategy is to meet the risk by having sufficient funds available at any time to be able to fulfil the financial obligations when they are due, both under normal or extraordinary circumstances, without risking unacceptable losses. Unused credit facilities are described in note 14.

The table below analyses the maturity structure of the group's financial obligations, based on contractual undiscounted cash-flow. In the case where the opposite party may demand an earlier payment, the amount is presented in the earliest period the payment may be demanded. If payment may be demanded on request, the obligations are included in the first column (less than 1 month):

			Remaining period*			
Avinor group	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
31.12.11						
State, bond and bank borrowings*	10.5	21.1	1,149.9	4,638.6	6,635.2	12,455.3
Other commitments	0.7	1.4	6.4	187.9	2.2	198.6
Trade payables	328.0	271.0	0.0	0.0	0.0	599.0
Other current liabilites	137.2	67.6				204.8
31.12.10						
State, bond and bank borrowings*	10.4	24.2	826.3	4,491.1	5,902.0	11,254.0
Other commitments	1.9	3.5	14.4	18.2	5.4	43.4
Trade payables	252.7	216.5	0.0	0.0	0.0	469.2
Other current liabilites	94.6	46.6	0.0	0.0	0.0	141.2

* derivatives included

			Remaining period*			
Avinor AS	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
31.12.11						
State, bond and bank borrowings*	1.3	2.6	398.8	1,731.6	1,940.3	4,074.6
Other commitments	0.7	1.3	5.9	157.0	2.2	167.1
Trade payables	200.6	164.0	0.0	0.0	0.0	364.6
Other current liabilites	172.3	84.7				257.0
31.12.10						
State, bond and bank borrowings*	0.0	2.6	92.0	1,379.3	426.2	1,900.1
Other commitments	1.8	3.3	13.7	17.4	5.4	41.6
Trade payables	156.0	134.3	0.0	0.0	0.0	290.3
Other current liabilites	148.7	74.3	0.0	0.0	0.0	223.0

* derivatives included

See note 17 for information about long-term loans.

In addition to the refinancing of the borrowings decribed above, the group will, the next 7-8 years, require financing of new infrastructure in the form of capacity expansion measures. The gross financing requirement includes refinancing of existing borrowings as described above, the building of a new terminal at Gardermoen and other planned investment activities.

OTHER INFORMATION
The fair value of derivatives designated as hedging instruments is presented as a current asset/short-term debt or financial asset/long-term debt depending upon the maturity date of the corresponding hedged item. The interest swaps have terms between 0.75 and 9.5 years.

CAPITAL STRUCTURE AND EQUITY
The main objective of the group's management of capital structure is to ensure that the group's main business objectives are reached within sound financial limits. The paramount financial objectives (sound financial limits) are the following:

1. Equity ratio: 40 per cent
2. Net asset value shall minimum be equal to the carried value of equity.

The group manages its capital structure and makes necessary adjustments based on a continuing evaluation of the existing economic business climate and the outlook in the short- and medium-term. Existing borrowings have covenants regarding amount of equity. Existing borrowings in the form of a revolving credit facility and bonds require that the group's equity shall not fall below 40 per cent of gross interest-bearing debt and equity.

Article 11 of the company's Articles of Association lays down the following financial limitation: Long-term borrowings for the funding of long-term assets may be raised within a limit which ensures that the group's equity does not fall at any time below 40 per cent of the carrying amount of the group's long-term interest-bearing debt plus equity.

Net interest-bearing debt is defined as interest-bearing debt (short- and long-term) exclusive of payables. Equity consists of restricted equity and retained earnings.

Avinor group	2011	2010
Interest-bearing debt	9,752.7	8,644.5
Equity	10,414.3	10,999.0
Total equity and interest-bearing debt	**20,167.0**	**19,643.5**
Gearing ratio	**48.4%**	**44.0%**
Equity ratio	**51.6%**	**56.0%**
Net debt to equity ratio	**57.7%**	**60.9%**

Avinor AS	2011	2010
Interest-bearing debt	3,100.7	1,589.4
Equity	8,987.7	9,480.0
Total equity and interest-bearing debt	**12 088.4**	**11,069.4**
Gearing ratio	**25.7%**	**14.4%**
Equity ratio	**74.3%**	**85.6%**
Net debt to equity ratio	**89.7%**	**99.0%**

FAIR VALUE ESTIMATION

The fair value of foreign exchange forward contracts is based on market value at the balance sheet date. The fair value of all the above mentioned financial derivatives is confirmed by the financial institutions which are the company's opposite party in the financial contracts entered into.

The carrying amount of cash and bank overdrafts is approximately equal to the fair value of these instruments as they fall due in a short period of time. Similarly, the carrying amount of receivables and payables is approximately equal to fair value as they are entered into under "normal" conditions. The fair value of long-term debt is based on quoted market prices or on the interest rates for debt with corresponding terms and similar credit risk. Below is a comparison of the carrying amounts and fair values of Avinor AS and the group's financial instruments.

	2011		2010	
Avinor AS	Carrying amount	Fair value	Carrying amount	Fair value
Interest-bearing debt				
Bonds	1,524.8	1,534.3	1,519.1	1,577.0
Bank borrowings	1,500.0	1,537.7	0.0	0.0

	2011		2010	
Avinor group	Carrying amount	Fair value	Carrying amount	Fair value
Interest-bearing debt				
State loan	5,193.5	5 419.4	5,637.9	5,776.3
Bonds	1,524.8	1,534.3	1,519.1	1,577.0
Bank borrowings	2,958.6	2,996.3	1,417.2	1,417.2

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 31 December 2011:

Avinor group	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss	0.0	22.4	0.0	22.4
Derivatives used for hedging	0.0	0.0	0.0	0.0
Total assets	0.0	22.4	0.0	22.4
Liabilities				
Financial liabilities at fair value through profit or loss	6.4	5.2	0.0	11.6
Derivatives used for hedging	0.0	112.9	0.0	112.9
Bonds	0.0	449.8	0.0	449.8
Total liabilities	6.4	567.9	0.0	574.3

The following table presents the group's assets and liabilities that are measured at fair value at 31 December 2010:

Avinor group	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss	21.8	20.9	0.0	42.7
Derivatives used for hedging	0.0	0.0	0.0	0.0
Total assets	21.8	20.9	0.0	42.7
Liabilities				
Financial liabilities at fair value through profit or loss	0.0	7.0	0.0	7.0
Derivatives used for hedging	0.0	69.5	0.0	69.5
Bonds	0.0	444.1	0.0	444.1
Total liabilities	0.0	520.6	0.0	520.6

Note 4: Critical accounting estimates and judgements

In preparing the financial statements in accordance with IFRS the management has used estimates based on judgements and assumptions belived to be reasonable under the circumstances. There may be situations or changes in the market conditions that may result in changes in estimates, and thereby have consequences for the company's assets, liabilities, equity and results.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The company's most significant accounting estimates and judgements are related to the following items:

- Deferred taxes
- Estimated impairment of property, plant and equipment
- Depreciation of property, plant and equipment
- Net pension obligation

CRITICAL JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

Net deferred tax asset

The group assesses the net deferred tax asset separately in accordance with the rules in IAS 12. The group has significant temporary differences between the carrying amounts of assets and liabilities and its tax base (see note 19). This has resulted in a significant deferred tax asset. An analysis made of the group's tax position shows that it is probable that this asset may be utilised by the group.

Impairment test

The group follows the guidance of IAS 36 to determine when the group's assets are impaired. The group is identified as one cash-generating unit (CGU)(see note 2.1). The test requires a great degree of professional judgement. Among other things, an assessment has to be made of how long a period of time the impairment will last last and the difference between the fair value and the carrying amount, in addition to the financial position and expected development in the market, inclu-ding operating and financing cash flows. See note 6.

Depreciation of property, plant and equipment
The historical cost or revalued value of the non-current asset will be depreciated to the residual value over the expected life of the asset. The expected life is estimated based on experience, history and discretional assessments, and it is adjusted if there are any changes in the expectations.

Net pension obligation
The value of net pension obligations is determined on an actuarial basis using a number of assumptions. These include, among others, the discount rate, future salary increases, regulation of pensions, estimated return on pension funds, and demographic assumptions about disability and mortality experience. The assumptions are based on verifiable market prices and the historical development in the company and in the rest of society. Changes in the assumptions will have material effect on the estimated pension obligation-/cost. An increase in the discount rate of 1 per cent would have decreased the pension cost and gross pension obligation by approximately 25-30 per cent.

Changes in the the National Insurance Scheme are implemented from 1 January 2011. However, the coordination regulations connected to state occupational pensions have not been established for persons born in 1954 and thereafter. In addition, the regulations concerning disabilility and dependent's pensions have not been established. The regulations will be implemented in the accounts as soon as they are established.

Note 5: Segment information

Amounts in MNOK

The Avinor group operates 46 airports in Norway including Oslo Airport Gardermoen. Operations also include air traffic control towers, control centres and technical infrastructure for aircraft navigation. The operating segments are determined based on the reports used by the group management to evaluate presentations and profitability at a strategic level. The segment information shows the operating profit/(loss) distributed according to the internal organising of the group. For management purpose the group is organised in one air navigation services division, two airport divisions and Oslo Lufthavn. The airport divisions and Oslo Lufthavn are organised according to airport size. With effect from 1 June 2010, the internal organisation of the group was changed. The segment information is restated in accordance with the new organisation.

The segment information provided to the group management for the reportable segments for the year ended 31 December 2011 is as follows:

Avinor group as at 31 December 2011:	Oslo Airport	Other large airports	Medium and small airports	Air Navigation services	Others	Elimination	Total
Traffic income	1,706.6	1,234.1	817.0	954.4	0.0		4,712.1
Other income	2,409.8	951.9	441.6	103.1	3.3		3,909.7
Inter-segment income	72.0	87.4	35.6	733.8	838.5	-1,767.3	0.0
Total income	**4,188.3**	**2,273.4**	**1,294.2**	**1,791.3**	**841.8**	**-1,767.3**	**8,621.8**
Employee benefits expense	449.2	279.6	727.5	1,189.2	225.8		2,871.4
Depreciation and amortisation	605.6	197.8	298.4	89.4	49.9		1,241.0
Other operating expenses	1,060.3	437.1	768.2	295.0	445.7		3,006.3
Inter-segment expenses	629.2	346.1	585.2	123.9	82.8	-1,767.3	0.0
Total expenses	**2,744.2**	**1,260.6**	**2,379.3**	**1,697.6**	**804.3**	**-1,767.3**	**7,118.7**
NET INCOME/(EXPENSE)	**1,444.1**	**1,012.8**	**-1,085.1**	**93.7**	**37.6**	**0.0**	**1,503.1**
Group adjustments depreciation (a)	164.7	-65.8	-115.5	0.0	-1.1		-17.7
Group adjustments lease (b)	382.2				-382.2		0.0
OPERATING PROFIT/(LOSS)	**1,990.9**	**947.0**	**-1,200.6**	**93.7**	**-345.7**	**0.0**	**1,485.4**
Assets	**7,050.3**	**3,809.0**	**5,280.5**	**653.5**	**157.8**		**16,951.1**

The segment information provided to the group management for the reportable segments for the year ended 31 December 2010 is as follows:

Avinor group as at 31 December 2010:	Oslo Airport	Other large airports	Medium and small airports	Air Navigation services	Others	Elimination	Total
Traffic income	1,568.0	1,110.9	737.2	903.0	0.0		4,319.2
Other income	2,180.9	818.9	381.9	167.0	2.9		3,551.6
Inter-segment income	67.9	82.9	33.4	713.2	597.8	-1,495.1	0.0
Total income	**3,816.8**	**2,012.7**	**1,152.5**	**1,783.2**	**600.7**	**-1,495.1**	**7,870.8**
Employee benefits expense	366.0	256.5	706.4	1,183.5	-77.6		2,434.7
Depreciation and amortisation	496.2	177.2	285.3	89.2	24.5		1,072.4
Other operating expenses	864.1	416.9	757.4	371.4	191.3		2,601.1
Inter-segment expenses	596.2	292.4	488.7	73.4	44.5	-1,495.1	0.0
Total expenses	**2,322.5**	**1,143.0**	**2,237.8**	**1,717.5**	**182.7**	**-1,495.1**	**6,108.3**
NET INCOME/(EXPENSE)	**1,494.4**	**869.7**	**-1,085.3**	**65.7**	**418.0**	**0.0**	**1,762.5**
Group adjustments depreciation (a)	164.7	-65.8	-115.5	0.0	-1.1		-17.7
Group adjustments lease (b)	375.0				-375.0		0.0
OPERATING PROFIT/(LOSS)	**2,034.1**	**803.9**	**-1,200.8**	**65.7**	**41.9**	**0.0**	**1,744.8**
Assets	**7,103.7**	**3,682.0**	**5,222.7**	**580.3**	**132.0**		**16,720.7**

(a) Group adjustments due to assessment of the opening balance as at 1 January 2003.
(b) The lease on the land at Gardermoen is attributed to Oslo Lufthavn AS in the segment reporting.

Non-current liabilities comprise the Oslo Lufthavn AS state loan, Avinor AS bond and separate financing of hotels and car parks.
Debt is not used by the group management as a control parameter at the segment level. The financing of the group is carried out by a central treasury department (group treasury) in accordance with guidelines approved by the board of directors.
Sales between segments are carried out at arm's length. The revenue from external parties reported to group management is measured in a manner consistent with that in the income statement. Risk management is carried out by group treasury under policies approved by the board of directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. Principles are laid down for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Note 6: Property, plant and equipment

Amounts in MNOK

Avinor AS	Land	Buildings	Runways and other related assets	Vehicles	Furniture, fittings and equipment	Infra-structure	Total	Assets under con-struction	Total property, plant and equipment
At 1 January 2010									
Cost	652.3	3,029.2	2,235.5	456.2	1,756.3	343.8	8,473.3	1,429.4	9,902.7
Accumulated depreciation	0.0	-573.5	-395.5	-149.7	-899.3	-86.9	-2,104.9	0.0	-2,104.9
Net book amount	**652.3**	**2,455.7**	**1,840.0**	**306.5**	**857.0**	**256.9**	**6,368.4**	**1,429.4**	**7,797.8**
Year ended 31 December 2010									
Opening net book amount	652.3	2,455.7	1,840.0	306.5	857.0	256.9	6,368.4	1,429.4	7,797.8
Additions	24.6	248.6	496.1	59.2	344.1	74.9	1,247.5	1,267.8	2,515.3
Government grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-92.0	-92.0
Disposals	0.0	-20.9	-0.1	-0.3	-1.9	0.0	-23.2	-1,247.5	-1,270.7
Depreciation charge	0.0	-149.9	-98.7	-34.7	-203.9	-41.8	-529.0	0.0	-529.0
Closing net book amount	**676.9**	**2,533.5**	**2,237.3**	**330.7**	**995.3**	**290.0**	**7,063.7**	**1,357.7**	**8,421.4**
At 31 December 2010									
Cost	676.9	3,246.7	2,731.5	514.3	2,078.0	418.7	9,666.1	1,357.7	11,023.8
Accumulated depreciation	0.0	713.2	494.2	183.5	1,082.8	128.7	2,602.4	0.0	2,602.4
Net book amount	**676.9**	**2,533.5**	**2,237.3**	**330.8**	**995.2**	**290.0**	**7,063.7**	**1,357.7**	**8,421.4**
Year ended 31 December 2011									
Opening net book amount	676.9	2,533.5	2,237.3	330.8	995.2	290.0	7,063.7	1,357.7	8,421.4
Additions	36.8	267.2	209.8	79.6	282.0	30.5	905.9	1,362.7	2,268.6
Disposals	0.0	-0.2	-0.7	-0.3	0.0	-1.7	-2.9	-905.9	-908.8
Depreciation charge	0.0	-162.4	-112.1	-37.0	-222.8	-43.0	-577.3	0.0	-577.3
Closing net book amount	**713.7**	**2,638.1**	**2,334.3**	**373.1**	**1,054.4**	**275.8**	**7,389.4**	**1,814.5**	**9,203.9**
At 31 December 2011									
Cost	713.7	3,513.0	2,938.0	592.4	2,349.0	446.7	10,552.8	1,814.5	12,367.3
Accumulated depreciation	0.0	-874.9	-603.7	-219.3	-1,294.6	-170.9	-3,163.4	0.0	-3,163.4
Net book amount	**713.7**	**2,638.1**	**2,334.3**	**373.1**	**1,054.4**	**275.8**	**7,389.4**	**1,814.5**	**9,203.9**

Avinor Group	Land	Buildings	Runways and other related assets	Vehicles	Furniture, fittings and equipment	Infra-structure	Total	Assets under con-struction	Total property, plant and equipment
At 1 January 2010									
Cost	1,791.2	9,894.5	4,764.5	700.3	3,990.0	1,098.5	22,239.0	2,135.1	24,374.1
Accumulated depreciation	0.0	-2,135.5	-1,249.1	-322.5	-2,440.3	-427.4	-6,574.5	0.0	-6,574.5
Net book amount	**1,791.2**	**7,759.0**	**3,515.4**	**377.8**	**1,549.7**	**671.1**	**15,664.5**	**2,135.1**	**17,799.6**
Year ended 31 December 2010									
Opening net book amount	1,791.2	7,759.0	3,515.4	377.8	1,549.7	671.1	15,664.5	2,135.1	17,799.6
Additions	28.8	847.2	585.4	82.4	482.9	86.4	2,113.1	2,103.4	4,216.5
Government grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-92.0	-92.0
Disposals	0.0	-24.3	-0.1	-0.6	-2.0	0.0	-27.0	-2,113.1	-2,140.1
Depreciation charge	0.0	-438.4	-194.6	-45.0	-321.0	-78.7	-1,077.7	0.0	-1,077.7
Closing net book amount	**1,820.0**	**8,143.5**	**3,906.1**	**414.6**	**1,709.6**	**678.8**	**16,672.9**	**2,033.4**	**18,706.3**
At 31 December 2010									
Cost	1,820.0	10,706.4	5,349.9	771.7	4,445.5	1,184.9	24,278.7	2,033.4	26,312.1
Accumulated depreciation	0.0	-2,562.9	-1,443.8	-357.1	-2,735.9	-506.1	-7,605.8	0.0	-7,605.8
Net book amount	**1,820.0**	**8,143.5**	**3,906.1**	**414.6**	**1,709.6**	**678.8**	**16,672.9**	**2,033.4**	**18,706.3**
Year ended 31 December 2011									
Opening net book amount	1,820.0	8,143.5	3,906.1	414.6	1,709.6	678.8	16,672.9	2,033.4	18,706.3
Additions	45.7	583.3	325.1	97.1	369.2	52.6	1,473.0	2,601.7	4,074.7
Disposals	0.0	-7.1	-1.4	-0.6	-0.7	-1.7	-11.5	-1,464.3	-1,475.8
Depreciation charge	0.0	-540.1	-212.9	-48.1	-361.6	-81.8	-1,244.5	0.0	-1,244.5
Closing net book amount	**1,865.7**	**8,179.6**	**4,016.9**	**463.0**	**1,716.5**	**647.9**	**16,889.7**	**3,170.8**	**20,060.6**
At 31 December 2011									
Cost	1,865.7	11,278.1	5,670.0	850.5	4,795.9	1,229.7	25,690.0	3,170.8	28,860.8
Accumulated depreciation	0.0	-3,098.5	-1,653.1	-387.5	-3,079.4	-581.8	-8,800.3	0.0	-8,800.3
Net book amount	**1,865.7**	**8,179.6**	**4,016.9**	**463.0**	**1,716.5**	**647.9**	**16,889.7**	**3,170.8**	**20,060.5**
Estimated useful life		10–50 years	15–50 years	10–20 years	5–15 years	5–40 years			
Method of depreciation	NA	Straight-line	Straight-line	Straight-line	Straight-line	Straight-line			

GOVERNMENT GRANTS
Pursuant to Proposition No. 91 (2008-2009) to the Storting and Recommendation 31S (2009-2010) approved by the Storting on 10 November 2009, Avinor AS received an extraordinary government grant of MNOK 50.0 in 2010 and MNOK 150.0 in 2009 for safety investments at small regional airports. The grants are recognised as a deduction of the cost price of the relevant safety investments.

BORROWING COSTS
Property plant and equipment includes borrowing costs when the construction period of the asset is longer than one year and the cost of the asset is more than MNOK 50.0. Capitalised borrowing costs amounted to MNOK 75.7 in 2011 and MNOK 40.6 in 2010. The average capitalisation rate for 2011 was 5.76 per cent (2010: 5.50 per cent).

SECURITY
Bank borrowings are secured on land and buildings for the value of MNOK 498.1 (2010: MNOK 521.1). Under Avinor AS's Articles of Association, assets from basic operations cannot be pledged as security.

LEASES
The group and Avinor AS are the lessee of runways under a finance lease. The rent is contingent and is therefore, in accordance with IAS 17, not recognised as an asset and as a liability in the financial statement.

BASIS FOR MEASUREMENT OF RECOVERABLE AMOUNT
As a result of observed changes in the market for Avinor's services, it was assumed at 31 December 2008 that there was a risk that the group's assets were carried at more than their recoverable amount. In accordance with existing accounting policies the group's assets were therefore tested for impairment. As a result of positive development from 2009 and up till today, there is no indication of impairment at year-end, but due to the materiality of the group's assets and a future high investment level, impairment tests are carried out regularly.

The whole of Avinor group's operations have been defined as one cash-generating unit (CGU). The group's economic model is based on the assumption that there is full cross-subsidisation between profitable and unprofitable airports as well as all areas of operations (overall system). There is a distinct expressed objective to develop, within the overall system, commercial activities in order to provide capital for unprofitable activities (social considerations/responsibilities) and reduce the level of traffic charges. Due to this it is the group's assessment that a solution where the group's operations are evaluated as a whole, presents a true and fair view of the operations.

An impairment loss is recognised if the recoverable amount of the group's assets is less than its carrying amount. The recoverable amount is the highest of the cash-generating unit's fair value less cost to sell and its value in use. The group estimates both fair value and value in use based on the present value of future cash flows. Value in use is the present value of future cash flows derived from existing assets (without improving or enhancing the performance of these assets).

The group operates in its entirety in Norway and the present value of future cash flow is therefore estimated in NOK. The future cash flow is then discounted based on an weighted average discount rate relevant for the group's type of operations. The rate of return is based on 10-year Norwegian government securities adjusted for the group's business risk. The expense related to the debt ratio part of the weighted average rate of return is based on the average market rate for the group. In the present value estimate for 2011 the discount rate is 8.5 per cent before tax.

As at 31 December 2011 the measurement of recoverable amount is estimated based on fair value less cost to sell. Fair value is estimated based on future cash flows from operations, including future capacity increasing activities such as OSL Terminal 2 and expansion of the terminals at Flesland, Sola and Værnes.

The valuation is based on several assumptions. The main assumptions used in the estimation of recoverable amount are (2009 figures in brackets).

All figures in per cent	2011	2012	2013	2014	2015	2016
GDP (Norwegian mainland)	2.6 (2.2)	2.7 (3.4)	2.8 (3.5)	3.4 (2.5)	3.4 (2.5)	2.5 (2.5)
Passenger growth	11.9 (6.5)	6.2 (2.6)	4.5 (2.2)	3.3 (1.9)	3.8 (2.0)	2.8 (2.6)
Consumer price index	1.2 (1.8)	1.3 (1.5)	1.7 (2.2)	2.1 (2.6)	2.6 (2.5)	2.5 (2.5)

	2017	2018	2019	2020	2021	2022 - 2026
GDP (Norwegian mainland)	2.5 (2.5)	2.5 (2.5)	2.5 (2.5)	2.5 (2.5)	2.5 (2.5)	2.5 (2.5)
Passenger growth	3.3 (2.5)	2.9 (2.7)	2.9 (2.7)	3.0 (2.7)	2.4 (2.1)	2.4 (2.1)
Consumer price index	2.5 (2.5)	2.5 (2.5)	2.5 (2.5)	2.5 (2.5)	2.5 (2.5)	2.5 (2.5)

There is close correlation between GDP (Norwegian mainland) and passenger growth. The estimates are based on real growth in expenses.

The estimates include expected investments based on the group's long-term investment plan, including existing public regulations.

The expected value of operations past fifteen years is determined as a terminal value. The terminal value is based on the assumption of a constant growth of 2.5 per cent and an estimated normalised investment level.

As at 31 December 2011 there are no indications that the recoverable amount is less than the carrying amount.

MEASUREMENT OF RECOVERABLE AMOUNT - SENSITIVITIES
As indicated in the table above, the estimation of recoverable amount is based on assumptions concerning future development in several areas. In addition to the assumptions mentioned above, recoverable amount is also affected by investment in assets and interests. As a result, there will be some level of uncertainty concerning the outcome of the estimates. The group has calculated the sensitivities of changes in different assumptions and the effect on recoverable amount. Compared with the assumption used in the estimation of present value the recoverable amount will be most sensitive when it comes to future changes in:

Pax: A change of 1 per cent compared with assumed growth will result in a change in recoverable amount of +/- MNOK 2,160 (2010: +/- MNOK 1,220)

Traffic charges: A change of 1 per cent compared with assumed growth will result in a change in recoverable amount of +/- MNOK 869 (2010: +/- MNOK 750)

Discount rate: A change of 1 per cent compared with the discount rate applied will result in a change in the recoverable amount of MNOK +34,821/-19,186 (2010: MNOK +11,130/-7,260)

Cost increases: A change of 1 per cent compared with assumed growth will result in a change in the recoverable amount of +/- MNOK 735 (2010: MNOK +/- 940)

Note 7: Intangible assets

Amounts in MNOK

Avinor AS/Avinor group
Air traffic management systems

At 1 January 2010	
Cost	130.7
Accumulated amortisation and impairment	-70.5
Net book amount	**60.2**
Year ended 31 December 2010	
Opening net book amount	60.2
Additions	0.0
Amortisation charge	-12.4
Closing net book amount	**47.8**
At 31 December 2010	
Cost	130.7
Accumulated amortisation and impairment	-82.9
Net book amount	**47.8**
Year ended 31 December 2011	
Opening net book amount	47.8
Additions	27.8
Amortisation charge	-14.2
Closing net book amount	**61.4**
At 31 December 2011	
Cost	158.5
Accumulated amortisation and impairment	-97.1
Net book value	**61.4**

Estimated useful life	10 years
Method of depreciation	Straight-line

Note 8: Subsidiaries

Amounts in MNOK

The consolidated financial statement of the group includes the following subsidiaries:

Directly owned subsidiaries	Home country	Business office	Main business	Ownership/ voting shares	Book value	Total equity as at 31 December 2011	Profit for the year 2011
Oslo Lufthavn AS	Norway	Ullensaker	Airport operations	100%	467.9	1,868.5	786.5
Avinors Parkeringsanlegg AS	Norway	Oslo	Parking	100%	109.6	111.5	7.3
Flesland Eiendom AS	Norway	Oslo	Real estate	100%	16.8	19.2	7.9
Værnes Eiendom AS	Norway	Oslo	Real estate	100%	35.8	14.7	-4.3
Sola Hotel Eiendom AS	Norway	Oslo	Real estate	100%	9.9	8.4	5.4
Hell Eiendom AS	Norway	Oslo	Real estate	100%	13.8	17.0	4.5
Total					**653.8**	**2 039.3**	**807.3**

Indirectly owned subsidiaries	Home country	Business office	Main business	Ownership/ voting shares	Book value	Total equity as at 31 December 2010	Profit for the year 2010
Oslo Lufthavn Eiendom AS	Norge	Ullensaker	Real estate	100%	89.8	167.0	46.2
Total					**89.8**	**167.0**	**46.2**

Note 9: Financial instruments by category

Amounts in MNOK

Avinor AS 31 December 2011	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Total
Assets as per balance sheet				
Loans and receivables to group companies	2,396.4			2,396.4
Derivative financial instruments		22.4		22.4
Other financial assets	1.5			1.5
Trade receivables	600.6			600.6
Other receivables	14.0			14.0
Cash and cash equivalents	2,064.1			2,064.1
Total	**5,076.6**	**22.4**	**0.0**	**5,099.0**

	Liabilities at fair value through the profit and loss	Derivates used for hedging	Other finacial liabilities	Total
Liabilities as per balance sheet				
State loan				0.0
Loans and payables to group companies			818.4	818.4
Derivative financial instruments	3.8	19.8		23.6
Other long-term liabilities			2,844.0	2,844.0
Trade payables and other liabilities	1,495.4		878.3	878.3
Total	**3.8**	**19.8**	**4,540.7**	**4,564.3**

Avinor AS 31 December 2010	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Total
Assets as per balance sheet				
Loans and receivables to group companies	2,002.7			2,002.7
Derivative financial instruments		33.7		33.7
Other financial assets	1.7			1.7
Trade receivables	539.8			539.8
Other receivables	21.7			21.7
Cash and cash equivalents	1,495.4			1,495.4
Total	**4,061.3**	**33.7**	**0.0**	**4,095.0**

	Liabilities at fair value through the profit and loss	Derivates used for hedging	Other finacial liabilities	Total
Liabilities as per balance sheet				
State loan				0.0
Loans and payables to group companies			1,122.8	1,122.8
Derivative financial instruments		14.2		14.2
Other long-term liabilities			1,583.7	1,583.7
Trade payables and other liabilities			519.0	519.0
Total	**0.0**	**14.2**	**3,225.5**	**3,239.7**

Avinor group 31 December 2010	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Total
Assets as per balance sheet				
Derivative financial instruments		22.7		22.7
Other financial assets	52.4			52.4
Trade receivables	977.7			977.7
Other receivables	65.8			65.8
Cash and cash equivalents	2,109.7			2,109.7
Total	**3,205.6**	**22.7**	**0.0**	**3,228.3**

	Liabilities at fair value through the profit and loss	Derivates used for hedging	Other finacial liabilities	Total
Liabilities as per balance sheet				
State loan			4,749.2	4,749.2
Derivative financial instruments	7.3	118.1		125.4
Other long-term liabilities			4,229.0	4,229.0
Trade payables and other liabilities			1,578.3	1,578.3
Total	**7.3**	**118.1**	**10,556.5**	**10,681.9**

Avinor group 31 December 2010	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Total
Assets as per balance sheet				
Derivative financial instruments		42.6		42.6
Other financial assets	12.4			12.4
Trade receivables	897.6			897.6
Other receivables	86.2			86.2
Cash and cash equivalents	1,570.4			1,570.4
Total	**2,566.6**	**42.6**	**0.0**	**2,609.2**

	Liabilities at fair value through the profit and loss	Derivates used for hedging	Other finacial liabilities	Total
Liabilities as per balance sheet				
State loan			5,193.5	5,193.5
Derivative financial instruments	7.0	69.5		76.5
Other long-term liabilities			2,937.5	2,937.5
Trade payables and other liabilities			1,123.9	1,123.9
Total	**7.0**	**69.5**	**9,254.9**	**9,331.4**

For information about the credit quality of financial assets - see note 3.

Note 10: Derivative financial instruments

Amounts in MNOK

	Avinor AS			Avinor group		
Assets	2011	2010	Movement	2011	2010	Movement
Interest rate swaps	21.9	17.0	4.9	21.9	17.0	4.9
Forward foreign exchange contracts	0.5	3.9	-3.4	0.8	3.9	-3.1
Forward energy contracts	0.0	12.8	-12.8	0.0	21.7	-21.7
Assets total	**22.4**	**33.7**	**-11.3**	**22.7**	**42.6**	**-19.9**
Liabilities	2011	2010	Movement	2011	2010	Movement
Interest rate swaps	19.8	14.2	5.6	118.1	76.5	41.6
Forward foreign exchange contracts	0.0	0.0	0.0	0.9	0.0	0.9
Forward energy contracts	3.8	0.0	3.8	6.4	0.0	6.4
Liabilities total	**23.6**	**14.2**	**9.4**	**125.4**	**76.5**	**48.9**
Net movement			**-20.8**			**-68.8**
DETAILS OF NET MOVEMENT:						
Changes in value and other losses/(gains) - net (note 27)			-20.0			-32.1
Interest rate swaps - recognised in finance costs (note 28)			5.1			6.9
Interest rate swaps - recognised in other comprehensive income			-5.9			-44.2

All interest rate swaps, with the exception of one fair value hedge, are designed as cash flow hedges.
Forward foreign exchange and energy contracts are not defined as hedge accounting and are classified as a current asset and/or liability.

Interest rate swaps are defined as hedge accounting instruments and the fair value of the hedging instrument is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. The ineffective portion of the hedge is recognised in the income statement.

The notional principal amount of the outstanding forward foreign exchange contracts at 31 December 2011 was MNOK 113 (2010: MNOK 144).
The notional principal amount of the outstanding forward energy contracts at 31 December 2011 was MNOK 14 (2010: MNOK 156).

The notional principal amount of the outstanding interest rate swaps contracts at 31 December 2011 were MNOK 1,609 (2010: MNOK 1,216).
At 31 December 2011, the fixed interest rates vary from 4.30% to 7.59% (2010: 4.30% to 7.59%). The main floating rate is NIBOR.
Gains and losses recognised in the hedging reserve in other comprehensive income (note 16) on interest rate swap contracts as of 31 December 2011 will be continuously released to the income statement until the repayment of the bank borrowings (note 17).
The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

Note 11: Other financial assets and investments in associated companies

Amounts in MNOK

	Avinor AS		Avinor group	
	2011	2010	2011	2010
Other non-current receivables	1.5	1.7	50.8	10.8
Total	**1.5**	**1.7**	**50.8**	**10.8**

	Avinor AS		Avinor konsern	
Investment in associated companies:	2011	2010	2011	2010
Oslo Lufthavn Tele & Data AS (50%)	0.0	0.0	1.6	1.6
Total	**0.0**	**0.0**	**1.6**	**1.6**
TOTAL	**1.5**	**1.7**	**52.4**	**12.4**

OTHER NON-CURRENT RECEIVABLES

Other non-current receivables are non-derivative financial assets with fixed payments that are not quoted in an active market.
Fair value of other financial assets are substantially identical with book value.

Investment in associates	2011	2010
At 1 January	1.6	1.6
Share of profit before income tax	0.8	1.0
Other equity movements	-0.8	-1.0
At 31 December	**1.6**	**1.6**

Note 12: Inventories

Amounts in MNOK

	Avinor AS		Avinor konsern	
	2011	2010	2011	2010
Goods for resale	13.7	16.1	13.7	16.1
Total	**13.7**	**16.1**	**13.7**	**16.1**

The inventories consist mainly of tax-free goods for resale and fuel for airplanes. .

Note 13: Trade and other receivables

Amounts in MNOK

	Avinor AS		Avinor group	
	2011	2010	2011	2010
Trade receivables	603.0	544.9	980.6	903.1
Less: Provision for impairment of trade receivables	-2.4	-5.1	-2.9	-5.5
Trade receivables - net	**600.6**	**539.8**	**977.7**	**897.6**
Receivables written off during the year	**2.3**	**1.8**	**3.4**	**2.6**

The fair value of trade receivables is approximately equal to the carrying amount.
Loss on trade receivables is classified as other operating expense in the income statement.

	Avinor AS		Avinor group	
Movement in the provision for impairment of of trade receivables is as follows:	2011	2010	2011	2010
At 1 January	5.1	2.2	5.5	2.5
Provision for receivables impairment	4.7	7.0	6.2	8.2
Receivables written off during the year as uncollectible	-2.3	-1.8	-3.4	-2.7
Unused amounts reversed	-5.1	-2.2	-5.4	-2.5
At 31 December	**2.4**	**5.1**	**2.9**	**5.5**

Credit risk and foreign exchange risk are described in note 3.

At 31 December the aging of the company's receivables was as follows:	Total	Not due	<30 d	30-60d	60-90d	>90d
2011	603.0	539.3	30.4	3.1	2.3	27.9
2010	544.9	526.5	6.4	3.3	0.0	8.7

At 31 December the aging of the group's receivables was as follows:	Total	Not due	<30 d	30-60d	60-90d	>90d
2011	980.6	911.6	32.8	6.6	1.1	28.5
2010	903.1	883.5	6.3	3.8	0.8	8.7

	Avinor AS		Avinor group	
Specification of trade and other receivables	2011	2010	2011	2010
Trade receivables	600.6	539.8	977.7	897.6
Intra-group accounts	450.1	456.4	0.0	0.0
Associated companies	0.0	0.0	0.0	0.0
Accrued income	4.0	16.1	47.3	52.3
Prepaid expenses	61.5	39.8	73.0	52.9
Other short-term assets	10.1	5.6	18.5	33.9
Total	**1,126.3**	**1,057.6**	**1,116.5**	**1,036.7**

Fair value of trade and other receivables is approximately equal to the carrying amount.

The carrying amount of trade and other receivables in foreign currency is:	Avinor AS 2011	2010	Avinor group 2011	2010
Euro	86.3	85.5	86.3	85.5
Foreign currency total	**86.3**	**85.5**	**86.3**	**85.5**

Note 14: Cash and cash equivalents

Amounts in MNOK

	Avinor AS 2011	2010	Avinor konsern 2011	2010
Cash and bank at hand	2,064.1	1,495.4	2,109.7	1,570.4
Short-term bank deposits	0.0	0.0	0.0	0.0
Total	**2,064.1**	**1,495.4**	**2,109.7**	**1,570.4**
Cash and cash equivalents include the following for the purposes of the statement of cash flows:				
Cash and cash equivalents	2,064.1	1,495.4	2,109.7	1,570.4
Bank overdrafts	0.0	0.0	0.0	0.0
Total	**2,064.1**	**1,495.4**	**2,109.7**	**1,570.4**

Avinor AS has a credit facility of MNOK 2,000 and a overdraft limit of MNOK 300 in a bank. In addition, Oslo Lufthavn AS has a State drawing right of MNOK 100.

GROUP BANK ACCOUNT SYSTEM:
The Avinor bank accounts are organised as a group bank account system. Avinor AS is the formal holder of the bank account. The Bank accounts of Oslo Lufthavn AS, Oslo Lufthavn Eiendom AS, Avinors Parkeringsanlegg AS, Flesland Eiendom AS, Værnes Eiendom AS and Sola Hotel Eiendom AS are therefore formally receivables from Avinor AS, and these companies are jointly responsible for the withdrawals that the Avinor group has made.

Note 15: Share capital, shareholder information, dividend and results

Amounts in MNOK

	Number of shares	Face value	Share-capital
Ordinary shares	540,010	0.01	5,400.1
Total	**540,010**	**0.01**	**5,400.1**

The company has paid the following dividend on ordinary shares:	2011	2010
NOK 0.0 per share in 2009		0.0
NOK 933.32 per share in 2010	504.0	
Total	**504.0**	**0.0**

Proposed dividend for approval in the general assembly	2011	2010
(Not presented as a liability per 31 December)		
NOK 933.32 per share		504.0
NOK 781.1 per share	421.8	
Total	**421.8**	**504.0**

Earnings per share are calculated by dividing the profit attributable to the equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	2011	2010
Profit attributable to the equity holders of the company - parent	785.4	832.1
Profit attributable to the equity holders of the company - group	843.6	1,0081
Weighted average number of shares in issue	**540,010**	**540,010**

All shares are owned by the Norwegian State, represented by the Ministry of Transport and Communication.

Note 16: Other reserves

Amounts in MNOK

Avinor AS	Pensions	Hedges	Total
At 1 January 2010	**209.8**	**-6.1**	**203.9**
Actuarial gains/(losses) on pensions	-180.3		-180.3
Tax effect	50.5		50.5
Fair value change cash flow hedge		-5.2	-5.2
Tax effect		1.5	1.5
At 31 December 2010	**80.0**	**-9.8**	**70.3**
Actuarial gains/(losses) on pensions	-1,068.8		-1,068.8
Tax effect	299.3		299.3
Fair value change cash flow hedge		-5.7	-5.7
Tax effect		1.6	1.6
At 31 December 2011	**-689.5**	**-14.0**	**-703.4**

Avinor group	Pensions	Hedges	Total
At 1 January 2010	**239.3**	**-23.7**	**215.6**
Actuarial gains/(losses) on pensions	-134.7		-134.7
Tax effect	37.8		37.8
Fair value change cash flow hedge		-32.0	-32.0
Tax effect		9.0	9.0
At 31 December 2010	**142.3**	**-46.7**	**95.5**
Actuarial gains/(losses) on pensions	-1,239.4		-1,239.4
Tax effect	347.0		347.0
Fair value change cash flow hedge		-44.2	-44.2
Tax effect		12.4	12.4
At 31 December 2011	**-750.1**	**-78.5**	**-828.7**

Note 17: Borrowings

Amounts in MNOK

	Avinor AS		Avinor group	
	2011	2010	2011	2010
Non-current				
State loan	0.0	0.0	4,749.2	5,193.5
Bonds	1,274.8	1,519.1	1,274.8	1,519.1
Bank borrowings	1,500.0	0.0	2,885.0	1,353.8
Lufthavnutbygging AS	69.2	64.6	69.2	64.6
Total long-term	**2,844.0**	**1,583.7**	**8,978.2**	**8,131.0**
Current				
First year instalment on long-term debt	256.7	5.7	774.5	513.5
Total current	**256.7**	**5.7**	**774.5**	**513.5**

All borrowings in NOK.

Information about State loan and bank borrowings	Currency	Interest rate
State loan	NOK	4.11%
Bonds	NOK	5.79%
Bank borrowings	NOK	5.11%

The figures include interest hedging derivatives. The effective interest rate is calculated as a weighted average depending the relative size of the borrowings. See note 3 for a description of interest risk.

Instalment profile:	2013	2014	2015	2016	2017	Thereafter	Total
State loan	444.4	444.4	444.4	444.4	444.4	2,527.2	4,749.2
Bonds	0.0	874.8	0.0	400.0	0.0	0.0	1,274.8
Bank borrowings	76.6	88.7	93.4	93.4	91.4	2,441.5	2,885.0
Other	6.4	7.5	8.7	10.2	11.9	24.6	69.2

STATE LOAN

Borrowings are carried at fair value when they are drawn. Thereafter they are carried at amortised cost calculated by using the effective interest method. The loan is divided into six equal debentures with different interest terms. Debentures one to five have interest rates equal to the interest rate used by the State when lending to public sector enterprises (average interest rate on five-year government bonds in the period October-September) plus 30 basis points. The interest on one of the debentures is renewed each year. The interest on the last debenture is set at three, six or twelve months NIBOR plus 20 basis points. The interest is payable in arrears at 31 December. The loan had originally a payment period of 20 years starting 2002. The term of the loan has subsequently been extended so that the final maturity date is in 2023. The first instalment was paid 30 June 2002.

BONDS

Avinor AS has issued bond loans noted on the Stock Exchange with a total nominal value of MNOK 1,500, lending date 20 May 2009, quotation date Oslo Børs 3 July 2009. The loans are carried at face value on the payment date. Thereafter the loans are carried at amortised cost by using the effective interest method. The loans are as follows:

Face value MNOK 250, maturity date 21 May 2012, interest rate 3 month NIBOR + 1.50
Face value MNOK 850, maturity date 20 May 2014, interest rate 5.77 per cent
Face value MNOK 400, maturity date 20 May 2016, interest rate 6.56 per cent
MNOK 200 of the floating loan of 250 MNOK is hedged as a cash flow hedge.
MNOK 425 of the fixed rate loan of 850 MNOK is hedged as a fair value hedge.

BANK BORROWINGS

Borrowings are carried at fair value when they are drawn. Thereafter they are carried at amortised cost calculated by using the effective interest method.
Avinor AS has raised a loan of NOK 1.5 billion from the Nordic Investment Bank (NIB). The loan was disbursed in December 2011, has a term of 20 years and is irredeemable for 8 years.
Avinors Parkeringsanlegg AS and Flesland Eiendom AS have issued a negative pledge clause.
The mortgages in Oslo Lufthavn Eiendom AS are secured with a MNOK 377.2 (2010: MNOK 411.0) mortgage in buildings on leased land. The carrying amount of the mortgaged buildings is MNOK 498.1 (2010: MNOK 521.1).
According to its Articles of Association the company is not allowed to pledge assets connected to the core business of the group as security.

DRAWING RIGHTS

The group has an unused bank credit facility of MNOK 2,000 at a floating interest rate, expiring in 2016.
The group also has an unused drawing right of MNOK 100 in the Ministry of Transport and Communication related to the State loan.

Note 18: Income tax expence

Amounts in MNOK

	Avinor AS		Avinor group	
Income tax expence	2011	2010	2011	2010
Current tax on profit for the year	20.6	251.0	351.8	246.2
Deferred tax on origination and reversal of temporary differences	303.7	90.9	-5.0	164.9
Total	**324.3**	**341.9**	**346.8**	**411.1**
Effective tax rate reconciliation				
28% of profit before tax	310.7	328.7	333.3	397.9
Dividends received	0.0	0.0	-0.2	-0.3
Permanent differences (28%)	0.8	0.1	0.9	0.4
Permanent differences (28%) Spitzbergen	12.8	13.1	12.8	13.1
Income tax expense	**324.3**	**341.9**	**346.8**	**411.1**
Effective tax rate	29.2	29.1	29.1	28.9

A decision by Oslo City Court dated 9 December 2010 affirmed that the deficit from operations on Spitzbergen is non-deductible in net taxable income from operations on the mainland. The operations on Spitzbergen will never be profitable and the deficits are therefore treated as permanent differences.

Note 19: Deferred income tax

Amounts in MNOK

Deferred tax assets and liabilities

Avinor AS	At 1 January 2011	Charged/credited to the income statement	Charged/credited to other comprehensive income	At 31 December 2011
Receivables	-1.1	1.0	0.0	-0.1
Group contributions (receivables)	-307.0	292.7	0.0	-14.3
Non-current assets	-1,160.9	54.1	0.0	-1,106.8
Provisions	-30.0	-57.8	0.0	-87.8
Pension benefits	-452.0	17.3	-299.3	-734.0
Group contributions (payables)	7.4	0.0	-0.3	7.1
Profit and loss account	-11.2	2.2	0.0	-9.0
Derivative financial instruments	0.2	-5.8	-1.6	-7.2
Deferred tax asset(-)/liability (net)	**-1,954.5**	**303.7**	**-301.2**	**-1,952.0**
Deferred tax asset	-1,961.9			-1,959.1
Deferred tax liability	7.4			7.1

	At 1 January 2010	Charged/credited to the income statement	Charged/credited to other comprehensive income	At 31 December 2010
Receivables	-0.2	-0.9	0.0	-1.1
Group contributions (receivables)	-261.8	-45.2	0.0	-307.0
Non-current assets	-1,231.3	70.4	0.0	-1,160.9
Provisions	-40.0	10.0	0.0	-30.0
Pension benefits	-457.9	56.4	-50.5	-452.0
Group contributions (payables)	8.1	0.0	-0.8	7.4
Profit and loss account	-7.4	-3.8	0.0	-11.2
Derivative financial instruments	-2.3	4.0	-1.5	0.2
Deferred tax asset(-)/liability (net)	**-1,992.8**	**90.9**	**-52.7**	**-1,954.5**
Deferred tax asset	-2,000.9			-1,961.9
Deferred tax liability	8.1			7.4

	2011	2010
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	-1,856.9	-1,623.8
Deferred tax asset to be recovered within 12 months	-102.2	-338.1
	-1,959.1	**-1,961.9**
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	0.0	0.0
Deferred tax liability to be recovered within 12 months	7.1	7.4
	7.1	**7.4**
DEFERRED TAX ASSET(-)/LIABILITY (NET)	**-1,952.0**	**-1,954.5**

Deferred tax assets and liabilities

Avinor group	At 1 January 2011	Acquisition	Charged/credited to the income statement	Charged/credited to other comp-rehensive income	At 31 December 2011
Receivables	-1.3	0.0	1.0	0.0	-0.3
Non-current assets	-1,425.8	0.0	43.4	0.0	-1,382.5
Provisions	-24.8	0.0	-69.4	0.0	-94.2
Pension benefits	-528.1	0.0	19.9	-347.0	-855.3
Profit and loss account	-12.0	-0.8	1.6	0.0	-11.2
Derivative financial instruments	-18.8	0.0	-5.3	-12.4	-36.6
Tax losses carry-forward	0.0	-3.8	3.8	0.0	0.0
Deferred tax asset(-)/liability (net)	**-2,010.8**	**-4.6**	**-5.0**	**-359.4**	**-2,380.1**
Deferred tax asset	-2,042.5				-2,411.6
Deferred tax liability	31.7				31.5

	At 1 January 2010	Charged/credited to the income statement	Charged/credited to other comp-rehensive income	At 31 December 2010
Receivables	0.1	-1.4	0.0	-1.3
Non-current assets	-1,515.0	89.2	0.0	-1,425.8
Provisions	-31.1	6.3	0.0	-24.8
Pension benefits	-555.1	64.7	-37.8	-528.1
Profit and loss account	-8.3	-3.7	0.0	-12.0
Derivative financial instruments	-19.6	9.8	-9.0	-18.8
Deferred tax asset(-)/liability (net)	**-2,129.0**	**164.9**	**-46.8**	**-2,010.8**
Deferred tax asset	-2,140.3			-2,042.5
Deferred tax liability	11.2			31.7

	2011	2010
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	-2,323.4	-2,011.3
Deferred tax asset to be recovered within 12 months	-88.2	-31.2
	-2,411.6	**-2,042.5**
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	31.5	28.0
Deferred tax liability to be recovered within 12 months	0.0	3.7
	31.5	**31.7**
DEFERRED TAX ASSET(-)/LIABILITY (NET)	**-2,380.1**	**-2,010.8**

Note 20: Pension obligation

Amounts in MNOK

DEFINED BENEFIT PLAN

The company are required by law to have a pension plan. The pension plan of the company satisfies these requirements.
The pension plan encompasses pension benefits in accordance with the act relating to SPK. The benefits are retirement pension, disability pension and dependent pension. In addition, the calculations do include a contractual pension right, which is a tariff-regulated early retirement scheme from 62 years of age.
The benefits are coordinated with the National Insurance Scheme and any previous membership periods with service pensions fund within the public sector.
The pensions have a guaranteed level of gross payment independent of the National Insurance Scheme. About 62 per cent of the employees have an ordinary retirement age of 62 or 65 years.
In 2010 the Pension Act was changed, introducing a life expectancy adjustment for persons born between 1943 and 1953 and a reduced annual adjustment of pensions paid. Life expectancy adjustment implies that if the time of retirement remains unchanged the yearly pension will be reduced if average life expectancy increases. The annual adjustment of pensions paid was changed from an adjustment equal to changes in the National Insurance basic amount to a wage increase of less than 0.75 per cent. Actuarial losses in 2011 (MNOK 1239.4 for the group and MNOK 1068.9 for the parent) were mainly caused by changes in financial assumptions.

		Life expectancy		Mortality expectancy		Disability expectancy
Age	Male	Female	Male	Female	Male	Female
20	79	84	0.0151%	0.0153%	0.1148%	0.1724%
40	80	84	0.0877%	0.0480%	0.2638%	0.5236%
60	82	85	0.7540%	0.4090%	1.4064%	2.4044%
80	87	89	6.6932%	4.3052%	IA	IA

		Avinor AS		Avinor group
The amounts recognised in the income statement are as follows:	2011	2010	2011	2010
Current service cost	241.1	244.4	282.1	286.0
Interest cost	182.3	188.5	211.0	219.1
Change in pension adjustment	0.0	-235.9	0.0	-272.2
Change in life expectancy	0.0	-7.3	0.0	-8.6
Expected return on plan assets	-163.1	-148.6	-186.2	-170.1
Contribution from the employees	-31.1	-29.1	-37.0	-34.4
Administration fee	5.4	4.9	6.4	5.8
Payroll tax, employers contribution	28.0	5.1	34.6	7.0
Total pension cost (Note 24)	**262.6**	**22.0**	**310.9**	**32.6**

Avinor AS			2011			2010
The movement in pension obligations and plan assets:	Funded	Unfunded	Total	Funded	Unfunded	Total
Change in gross pension obligation:						
Obligation at 1 January	4,598.6	8.0	4,606.6	4,320.2	1.9	4,322.1
Current service cost	243.7	-2.6	241.1	238.3	6.1	244.4
Interest cost	182.3		182.3	188.5		188.5
Change in pension adjustment			0.0	-235.9		-235.9
Change in life expectancy			0.0	-7.3		-7.3
Actuarial losses/(gains)	954.6		954.6	169.0		169.0
Benefits paid	-82.8		-82.8	-74.2		-74.2
Gross pension obligation at 31 December	**5,896.4**	**5.4**	**5,901.8**	**4,598.6**	**8.0**	**4,606.6**

Avinor AS			2011			2010
Pension obligations and plan assets	Funded	Unfunded	Total	Funded	Unfunded	Total
Change in pension funds:						
Fair value at 1 January	3,146.0		3,146.0	2,837.9		2,837.9
Expected return to plan assets	163.1		163.1	148.6		148.6
Employer contributions	316.2		316.2	223.8		223.8
Actuarial (losses)/gains	-12.6		-12.6	9.9		9.9
Benefits paid	-82.8		-82.8	-74.2		-74.2
Fair value of plan assets at 31 December	**3529.9**	**0.0**	**3,529.9**	**3,146.0**	**0.0**	**3,146.0**
Net pension obligation	2,366.5	5.4	2,371.9	1,452.6	8.0	1,460.6
Payroll tax, employers contribution	248.4	0.8	249.2	152.5	1.1	153.6
Net pension obligation recognised in the balance sheet at 31 December	**2,614.9**	**6.2**	**2,621.1**	**1,605.1**	**9.1**	**1,614.2**
Actual return on plan assets last year	147.7		147.7	136.1		136.1
Expected employer contribution next year	264.1		264.1	312.9		312.9
Expected payment of benefits next year	-84.8		-84.8	76.4		76.4

Avinor group			2011			2010
Pension obligations and plan assets	Funded	Unfunded	Total	Funded	Unfunded	Total
Change in gross pension obligation:						
Obligation at 1 January	5,321.6	17.5	5,339.1	5,024.8	11.1	5,035.9
Current service cost	284.5	-2.4	282.1	279.5	6.4	285.9
Interest cost	211.0		211.0	219.1		219.1
Change in pension adjustement			0.0	-272.2		-272.2
Change in life expectancy			0.0	-8.6		-8.6
Actuarial losses/(gains)	1,096.8		1,096.8	168.6		168.6
Benefits paid	-97.6		-97.6	-89.6		-89.6
Gross pension obligation at 31 December	**6,816.3**	**15.1**	**6,831.4**	**5,321.6**	**17.5**	**5,339.1**
Change in pension funds:						
Fair value at 1 January	3,640.1		3,640.1	3,247.4		3,247.4
Expected return on plan assets	186.2		186.2	170.1		170.1
Employer contributions	370.9		370.9	263.0		263.0
Actuarial (losses)/gains	-20.1		-20.1	49.2		49.2
Benefits paid	-97.6		-97.6	-89.6		-89.6
Fair value of plan assets at 31 December	**4,079.5**	**0.0**	**4,079.5**	**3,640.1**	**0.0**	**3,640.1**
Net pension obligation	2,736.8	15.1	2,751.9	1,681.5	17.5	1,699.0
Payroll tax, employers contribution.	300.3	2.1	302.4	184.6	2.5	187.1
Net pension obligation recognised in the balance sheet at 31 December	**3,037.1**	**17.2**	**3,054.3**	**1,866.1**	**20.0**	**1,886.1**

Avinor group			2011			2010
Pension obligations and plan assets	Funded	Unfunded	Total	Funded	Unfunded	Total
Actual return on plan assets last year	168.5		168.5	154.6		154.6
Expected employer/employee contribution next year	311.4		311.4	362.8		362.8
Expected payment of benefits next year	-100.0		-100.0	92.3		92.3

		Avinor AS		Avinor group
Movement in the defined benefit obligation over the year:	2011	2010	2011	2010
Obligation at 1 January	1,460.6	1,484.2	1,699.0	1,788.5
Pension cost charged to the income statement	260.3	41.1	306.9	54.2
Employer/employee contribution	-321.6	-228.7	-377.3	-268.8
Administration fee	5.4	4.9	6.4	5.8
Actuarial (gains)/losses recognised in other comprehensive income	967.2	159.1	1,116.9	119.4
Liability in the balance sheet at 31 December	**2,371.9**	**1,460.6**	**2,751.9**	**1,699.0**
Actuarial (gains)/losses on post-employment benefit obligations				
Actuarial (gains)/losses	967.2	159.1	1 116.9	119.4
Payroll tax on actuarial (gains)/losses	101.7	21.2	122.5	15.3
Total actuarial (gains)/losses on post-employment benefit obligations	**1 068.9**	**180.3**	**1 239.4**	**134.7**

The calculation of pension cost and net pension obligation are made on the basis of a set of assumptions. The determination of the discount rate to be used is made on the basis of Norwegian government bond interest rates with an addition for long maturity. The pension obligation's average duration is calculated to be 37 years. Assumptions regarding future salary and pension increases in addition to official pension benefit adjustments are made on the basis of historical observations for the group.

	2011	2010
Discount rate	2,60%	4,00%
Expected return on plan assets	4,9/4,1%	5,10%
Future salary increases	3,50%	4,00%
Future pension increases	2,50%	3,00%
Early retirement scheme	10,00%	20,00%
Average turnover rate (under 50 years of age)	3,00%	3,00%
Average turnover rate (over 50 years of age)	0,20%	0,20%

PLAN ASSETS

The determination of premium levels and the calculation of provisions for pension obligations are based on ordinary actuarial principles. The pension agreement is not directly funded. The payment of pensions are guaranteed by the Norwegian State (Section 1 of the Pensions Act). The plan assets are a simulation of the allocation of funds as if these funds were invested in long-term government bonds ("Simulated funds"). The pension fund may not be transferred in the same way as an ordinary private pension agreement. This calculation is made on the presumption that the pension agreement continues in SPK. The simulation is made on the presumption that the bonds are held to maturity. The plan assets are therefore valued at the nominal value plus the reurn on the assets.

Avinor AS

At 31 December	2011	2010	2009	2008	2007
Present value of defined benefit obligation	5,901.8	4,606.6	4,322.1	4,190.5	3,637.1
Fair value of plan assets	3,529.9	3,146.0	2,837.9	2,477.8	2,235.5
Deficit in the plan	**2,371.9**	**1,460.6**	**1,484.2**	**1,712.7**	**1,401.6**
Experience adjustments on plan liabilities	954.6	169.0	-217.1	228.2	-206.0
Experience adjustments on plan assets	-12.6	-9.9	-68.9	-40.6	0.0

Avinor group

At 31 December	2011	2010	2009	2008	2007
Present value of defined benefit obligation	6,831.4	5,339.1	5,035.7	4,851.9	4,273.5
Fair value of plan assets	4,079.5	3,640.1	3,247.4	2,885.3	2,626.9
Deficit in the plan	**2,751.9**	**1,699.0**	**1,788.3**	**1,966.6**	**1,646.6**
Experience adjustments on plan liabilities	1,096.8	168.6	-234.9	189.6	-250.4
Experience adjustments on plan assets	-20.1	-49.2	-31.9	-66.0	0.0

Note 21: Provisions for other liabilities and charges

Amounts in MNOK

Avinor AS	Redundancy pay	Severance pay air traffic controllers	Environmental pollution	Other	Total
At 1 January 2011	17.2	15.0	8.0	1.4	41.6
Additional provision 2011	0.2	0.5	145.0	0.0	145.7
Reversed 2011	0.0	0.0	0.0	0.0	0.0
Used in 2011	-2.9	-7.6	-9.5	-0.3	-20.2
At 31 December 2011	**14.5**	**7.9**	**143.5**	**1.2**	**167.1**

Avinor group	Redundancy pay	Severance pay air traffic controllers	Environmental pollution	Other	Total
At 1 January 2011	17.2	16.8	8.0	1.4	43.4
Additional provision 2011	0.2	1.2	225.0	0.0	226.4
Reversed 2011	0.0	0.0	-9.0	0.0	-9.0
Used in 2011	-2.9	-8.6	-50.5	-0.3	-62.2
At 31 December 2011	**14.5**	**9.4**	**173.5**	**1.2**	**198.6**

The short-term part of provisions for other liabilities and charges are included in other short term liability.

REDUNDANCY PAY
On 4 December 2003, the board of directors approved a substantial restructuring of the group, called Take-off-05.
One of the consequences of this decision was a substantial cut in the workforce. Part of the cut was carried out by use of redundancy pay.
According to the terms laid down for the establishment of the company, the employees of Avinor AS were entitled to redundancy pay until 31 December 2005.
Redundancy pay is covered by the company. The period of time for the right to redundancy pay depends on age and seniority at time of resignation. The provision for redundancy pay is based on expectations about the redundancy pay period based on the above-mentioned rules.

SEVERANCE PAY AIR TRAFFIC CONTROLLERS
Due to a change in official regulations, the operational age limit for air traffic controllers was reduced from 65 to 60 years with effect from 1 January 2004.
The company has entered into individual severance pay agreements covering 72 per cent of normal wages in the period 60-62 years. After this period the individuals will be covered by ordinary pension plans.

ENVIRONMENTAL POLLUTION
A provison is made for surveys and identification, in addition to costs related to the clean-up of polluted ground (see note 29).

Note 22: Other short-term liability

Amounts in MNOK

		Avinor AS		Avinor group
	2011	2010	2011	2010
Holiday allowance	214.8	203.2	251.4	235.6
Advance from customers	44.4	50.1	131.5	123.6
Wages and social security	77.3	79.1	88.8	89.5
Accruals	247.8	195.4	423.9	283.0
Intra-group liability	818.4	1,122.8	0.0	0.0
Other short-term liability	192.2	127.8	204.9	141.1
Total	**1,594.9**	**1,778.4**	**1,100.5**	**872.8**

Note 23: Operating income

Amounts in MNOK

		Avinor AS		Avinor group
	2011	2010	2011	2010
Traffic income				
Takeoff charges	598.4	838.6	1,029.0	1,473.3
Terminal charges	518.5	439.2	1,044.7	907.8
En route charges	954.4	903.1	954.4	903.1
Security charges	605.1	570.2	1 092.4	1 035.0
Terminal navigation charges	329.1	0.0	591.6	0.0
Total	**3,005.5**	**2,751.1**	**4,712.1**	**4,319.2**
Sales and rental income				
Rental income	1,046.8	922.2	3,403.6	3,032.0
Sales revenues	383.1	400.2	495.4	510.1
Total	**1,429.9**	**1,322.4**	**3,899.0**	**3,542.1**
Other income				
Intercompany services	591.6	564.3	0.0	0.0
Other	5.7	6.7	10.7	9.5
Total	**597.3**	**571.0**	**10.7**	**9.5**
TOTAL OPERATING INCOME	**5,032.7**	**4,644.5**	**8,621.8**	**7,870.8**

Note 24: Salaries and personnel costs, number of employees, remunerations

Amounts in MNOK	Avinor AS		Avinor group	
Salaries and personnel costs:	2011	2010	2011	2010
Salaries	1 857,3	1 746,8	2 188,7	2 035,1
Payroll tax	207,3	218,8	256,2	267,7
Pension costs	262,6	22,0	310,9	32,6
Other personnel costs	95,5	80,6	115,6	99,3
Total	**2 422,7**	**2 068,2**	**2 871,4**	**2 434,7**
Average number of man-years employed	2 598	2 566	3 145	3 073

Group management:
For management purposes the group is organised in one air navigation services division, three airport divisions and one subsidiary. The airport divisions and the subsidiary are organised according to airport size. The group management consists of the group CEO and the managing director of each division and the subsidiary in addition to the managing directors of each corporate staff.

2011	Board fee	Salary	Other benefits	Pension cost, estimated	Total
Group management:					
Dag Falk-Petersen, (from 28.02.2011)	0	1,802,444	8,463	210,070	2,020,977
Nic Nilsen	0	1,666,377	114,888	196,269	1,977,534
Signe Astrup Arnesen	0	1,342,965	11,872	251,488	1,606,325
Petter Johannessen	0	1,501,127	10,058	291,539	1,802,724
Anders Kirsebom	0	1,385,780	11,912	212,880	1,610,572
Jon Sjølander	0	1,504,185	10,058	184,099	1,698,342
Knut Skaar	0	1,678,291	10,058	179,811	1,868,160
Margrethe Snekkerbakken	0	1,588,426	10,058	296,266	1,894,750
Board:					
Ola Mørkved Rinnan	359,000	0	0	0	359,000
Kristin Vangdal	217,500	0	0	0	217,500
Dag Hårstad	227,750	0	0	0	227,750
Petter Jansen (until 01.11.2011)	179,000	0	0	0	179,000
Marianne Njåstein (until 22.06.2011)	144,000	0	0	0	144,000
Eli Skrøvset (from 22.06.2011)	116,750	0	0	0	116,750
Oddbjørg A. Starrfelt	179,000	0	0	0	179,000
Ola H. Strand (from 03.01.2012)	0	0	0	0	0
Christian Berge	179,000				179,000
Ingrid Synnøve Brendryen (until 27.05.2011)	89,500				89,500
Helge Løbergsli	227,750				227,750
Grete Ovnerud (from 27.05.2011)	89,500				89,500
Torunn Sneltvedt (until 27.05.2011)	89,500				89,500
Heidi Anette Sørum (from 27.05.2011)	89,500				89,500
Total	**2,187,750**	**12,469,595**	**187,367**	**1,822,422**	**16,667,134**

2010	Board fee	Salary	Other benefits	Pension cost, estimated	Total
Group management:					
Sverre Quale (until 26.11.2010)	0	2,063,853	18,148	241,058	2,323,059
Nic Nilsen	0	1,540,897	142,649	208,027	1,891,573
Signe Astrup Arnesen	0	1,185,408	16,059	196,319	1,397,786
Petter Johannessen	0	1,412,831	19,360	284,931	1,717,122
Anders Kirsebom	0	1,302,416	25,805	166,289	1,494,509
Jon Sjølander	0	1,299,146	13,232	163,808	1,476,187
Knut Skaar	0	1,567,092	22,763	152,295	1,742,151
Margrethe Snekkerbakken	0	1,376,216	18,205	236,001	1,630,422
Board:					
Ola Mørkved Rinnan (from 23.06.2010)	173,250	0	0	0	173,250
Inge K. Hansen (until 23.06.2010)	173,250	0	0	0	173,250
Kristin Vangdal	210,000	0	0	0	210,000
Dag Hårstad	173,000	0	0	0	173,000
Petter Jansen	173,000	0	0	0	173,000
Marianne Njåstein	173,000	0	0	0	173,000
Oddbjørg A. Starrfelt	173,000	0	0	0	173,000
Christian Berge	173,000				173,000
Ingrid Synnøve Brendryen	173,000				173,000
Helge Løbergsli	173,000				173,000
Torunn Sneltvedt	173,000				173,000
Total	**1,940,500**	**11,747,859**	**276,222**	**1,648,729**	**15,613,309**

On termination or changes in conditions of employment or board appointment no obligations exist to give the group management or the board any distinct compensation, beyond what is stated below. Nor are there any arrangements concerning bonuses, profit sharing or share-based payments. No loans or guarantees have been given to the members of the group management or the board. None of the members of the group management have received any remunerations or economic benefits from other companies in the group, other than shown in the table above. There is no additional remuneration to executives for special services other than normal operations, see below.

DETERMINATION OF SALARIES AND OTHER REMUNERATION OF EXECUTIVE EMPLOYEES IN THE AVINOR GROUP

The Board of Directors of Avinor AS has prepared a statement on the determination of salaries and other remuneration of the Managing Director and other executive employees of the Avinor Group in accordance with Article 8 of the company's Articles of Association, cf. section 6-16a of the Limited Liability Companies Act. This statement will be presented for consideration at the company's Annual General Meeting in 2012.

Remuneration of the CEO

The full Board of Directors determines the remuneration of the CEO. This remuneration shall be competitive, but not leading when compared to similar companies. The CEO's remuneration shall consist of a fixed base salary and benefits in kind in the form of allowances for a car and newspaper, etc., and a pension.

Remuneration of executive employees

The determination of the remuneration of other executive employees takes place by the CEO recommending a salary for employees who report directly to the CEO The full Board of Directors shall determine the pay package on this basis. The remuneration consists of a fixed base salary that is determined based on the job description, level of responsibility and qualifications. The salary shall be competitive, but not leading when compared to similar companies. It is also relevant to provide benefits in kind in the form of a car, commuting and newspapers, etc. No remunerations will be paid for Board appointments with other companies in the Avinor group.

Bonus

There is at present no bonus plans for the CEO or other executive managment.

Pensions

The CEO and executive management shall participate in the general pension plan. The terms shall be similar to the terms which apply to other company employees. The age limit is 70, but the retirement age is generally 67. The pension base shall not exceed 12G. Additional pension can be set up in the form of a defined contribution pension, limited upward to a base of 30% of fixed salaries exceeding 12G.

Termination and termination pay

The CEO and executive management shall have a notice period of three months. Termination pay for a maximum of 12 months may be agreed on in the event of termination. For new appointments or if an income is received from an enterprise of which the employee concerned is an active owner, the final payment should be reduced by a proportional amount calculated on the basis of the new annual income. Reductions can only be made after the normal period of notice for the job has expired.

Note 25: Other operating expenses

Amounts in NOK

	Avinor AS		Avinor group	
Specification	2011	2010	2011	2010
Rent - buildings/land	89.7	79.7	41.0	39.2
Management/maintenance - buildings	179.3	205.8	376.7	390.1
Repairs, maintenance operational materials	256.7	229.7	418.6	395.1
Control/security/guard services	488.6	482.2	771.3	733.5
Meteorological services	45.0	40.0	45.0	40.1
Consulting services	115.3	101.2	178.5	126.3
Other external services	253.0	180.4	368.8	284.3
Other operating expenses	510.4	389.0	663.8	468.2
Total	**1,938.0**	**1,708.0**	**2,863.7**	**2,476.8**

	Avinor AS		Avinor group	
Specification of auditor's fee (VAT not included):	2011	2010	2011	2010
Statutory audit fee	0.6	0.6	0.9	0.9
Other attestation assignments	0.0	0.0	0.0	0.0
Tax advisory services	0.0	0.0	0.0	0.0
Accounting assistance including IFRS	0.2	0.1	0.2	0.1
Total	**0.8**	**0.7**	**1.1**	**1.0**

Note 26: Impact on earnings – Terminal 2 project

Amounts in MNOK

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

Specification	2011	2010
Employee benefit expence		
Payroll and other personnel expenses for operating personnel	24.1	0.0
Total	**24.1**	**0.0**
Depreciation, amortisation and impairment charges		
Higher depreciation as the result of scrapping portions of the terminal in 2013	91,8	0,0
Total	**91,8**	**0,0**
Other operating expenses		
Operational coordination	28.7	0.0
Security	7.5	0.0
More bussing	5.5	0.0
Consulting services	4.8	0.0
Losses from the scrapping of existing plant	7.8	0.0
Other	12.5	0.0
Total	66.8	0.0
Total	**182.7**	**0.0**

Note 27: Changes in value and other losses/gains - net

Amounts in MNOK

		Avinor AS		Avinor group
Specification:	2011	2010	2011	2010
Changes in value - unrealised (note 10))	-20.0	13.6	-32.1	21.0
Changes in value - realised energy contracts	-4.5	12.5	-6.7	21.6
Foreign currency translation gains/losses	0.9	-6.9	3.0	-6.4
Total	**-23.6**	**19.2**	**-35.8**	**36.2**

Note 28: Finance income and costs

Amounts in MNOK

	Avinor AS		Avinor group	
	2011	2010	2011	2010
Finance income				
Interest income on short-term bank deposits	52.6	39.3	54.4	41.2
Interest income on loans to group companies	75.4	63.5	0.0	0.0
Income from investments in associated companies (note 11)	0.0	0.0	0.8	1.0
Group contributions and dividends received	1,096.4	935.0	0.0	0.0
Total	**1,224.4**	**1,037.8**	**55.2**	**42.2**
Finance costs				
Interest expense on bank borrowings	86.1	93.4	391.4	386.9
Interest expense on loans from group companies	20.9	14.9	0.0	0.0
Interest expense on others	36.1	18.6	35.6	18.3
Borrowing costs capitalised	-33.0	-33.6	-75.7	-36.3
Fair value gains/losses on bank borrowings	5.8	10.4	5.8	10.4
Fair value loss on financial instruments (note 10)				
- interest rate swaps: cash flow hedges, transfer from equity	0.0	0.0	-1.8	-0.7
- interest rate swaps: fair value hedges	-5.1	-10.7	-5.1	-10.8
Total	**110.8**	**92.9**	**350.2**	**367.8**
FINANCE INCOME/(COSTS) - NET	**1,113.6**	**944.9**	**-295.0**	**-325.5**

Note 29: Contingencies

NORWEGIAN DEFENCE:
A cooperation agreement exists between Norwegian Defence and Avinor with corresponding local agreements concerning sharing responsibilities and expenses for airports where both parties have activities. For FY 2005-2009 the final settlements of accounts is still pending. Accounts payment have been made on the basis of figures from 2004. In 2009 Norwegian Defence submitted a claim for additional compensation for the period 2005-2007. In Avinor's opinion, the claim is not satisfactorily documented and Avinor is therefore uncertain about the relevance of the expenses for Avinor. The parties have entered into a contract giving an independent party the task of examining the respective parties' costs for the period 2005-2007 with the aim of submitting a final report identifying which of the parties' presented costs shall be included in the final settlements.
In 2007, Norwegian Defence initiated a renegotiation of the agreement. Based on a mandate from the Ministry of Transportation and the Ministry of Defence a new agreement has been entered into. The agreement was approved by the government in February 2011, with effect from 1 January 2010. The agreement establishes principles for the basis of allocation of investment- and operational expenses between the parties.
The practical implementation of the agreement, including calculation of the cash-flow between the parties, has not been completed. There is therefore uncertainty attached to the economic consequences.

In a letter dated 11 March 2009, the Attorney General concluded that Avinor shall pay Norwegian Defence compensation for the right to use land at Værnes (Trondheim airport) and Flesland (Bergen airport). A legal assessment shall be carried out to determine the value of the land at these airports. There is uncertainty attached to the outcome.

ENVIRONMENTAL POLLUTION:
Contamination of the ground is being surveyed at all of Avinor's airports. At all the fire exercise areas, both unused and operative, contamination with the environmental toxin perfluorooctane sulfonic acid (PFOS) was found. This is a substance that was used earlier as an additive in fire extinguishing foam. The pollution authorities have not stated any clear conditions for how such contamination should be handled. There is also little knowledge and experience with methods for handling PFOS contamination. Therefore there is a great deal of uncertainty associated with what the costs will be for the measures. The project has planned on having an overview of the costs in the autumn of 2012, but it is uncertain whether the pollution authorities will manage to stipulate what conditions will apply.

FIGHTER PLANE BASE:
The Ministry of Defence is currently studying the selection of a base for their new F-35 fighter planes. Bodø, Ørland and Evenes, and combinations of these airports, are relevant location alternatives. A report from this study will be distributed for broad consultation in March. This report, together with input from the consultation process and any follow-up study, will provide the basis for the Government's discussion of the localisation. The Government will present its recommendation to the Storting sometime this year. Avinor and the Norwegian Armed Forces have joint operations at a number of airports, including Bodø and Evenes. The Armed Forces' selection of a fighter plane base will have a financial impact on Avinor, both with regard to future investments in property, plant and equipment and running operating expenses. On 9 January 2012 Avinor submitted a consultation statement to the Ministry of Defence concerning this matter.

Note 30: Commitments

Amounts in MNOK

The parent company and the group have contracted for capital expenditure not yet incurred at the end of the reporting period as follows:

	Avinor AS		Avinor group	
	2011	2010	2011	2010
Property, plant and equipment	976.5	598.4	2,834.0	641.7
Total	**976.5**	**598.4**	**2,834.0**	**641.7**

Note 31: Related-party transactions

Amounts in MNOK

THE MINISTRY OF TRANSPORT AND COMMUNICATION

As the sole owner of Avinor AS the Norwegian State represented by the Ministry of Transport and Communication (SD) is a related party. SD has the principal authority regarding the structure of the airport network and the traffic charges. Any closing down of an airport or other material changes in the airport structure shall be presented to SD. The final decision is made by the Storting. The charges regulation which decides the setting of air traffic charges shall be sanctioned by SD.

GROUP COMPANIES

Outstanding accounts between companies in the group:

Avinor AS at 31 December 2011	Oslo Lufthavn AS	Oslo lufthavn Eiendom AS	Avinors parkerings-selskap AS	Flesland Eiendom AS	Værnes Eiendom AS	Sola Hotel Eiendom AS	Hell Eiendom AS	Total
Loans to group companies	1,771.3	0.0	0.0	55.0	60.0	60.0	0.0	1,946.3
Intra-group receivables	431.1	1.5	13.5	1.3	1.2	1.2	0.2	450.1
Total	**2,202.4**	**1.5**	**13.5**	**56.3**	**61.2**	**61.2**	**0.2**	**2,396.4**
Other short-term intra-group liability	522.4	52.9	78.3	74.7	41.6	48.3	0.3	818.4
Total	**522.4**	**52.9**	**78.3**	**74.7**	**41.6**	**48.3**	**0.3**	**818.4**

Avinor AS at 31 December 2010	Oslo Lufthavn AS	Oslo lufthavn Eiendom AS	Avinors parkerings-selskap AS	Flesland Eiendom AS	Værnes Eiendom AS	Sola Hotel Eiendom AS	Hell Eiendom AS	Total
Loans to group companies	1,371.3	0.0	0.0	55.0	60.0	60.0	0.0	1,546.3
Intra-group receivables	423.7	1.4	20.3	5.4	3.1	2.5	0.0	456.4
Total	**1,795.0**	**1.4**	**20.3**	**60.4**	**63.1**	**62.5**	**0.0**	**2,002.7**
Other short-term intra-group liability	963.6	40.0	30.5	65.2	21.8	1.8	0.0	1,122.8
Total	**963.6**	**40.0**	**30.5**	**65.2**	**21.8**	**1.8**	**0.0**	**1,122.8**

The subordinated loan capital of Oslo Lufthavn AS amounts to MNOK 1371.3 at 31 December 2011. There are ordinarily no instalments on the loan. The interest on the loan is determined as the average of 12 months NIBOR at 15.02, 15.05, 15.08 and 15.11 each year. A margin of 1.5 percentage points is added. The subordinated loan capital of Flesland Eiendom AS, Værnes Eiendom AS and Sola Hotel Eiendom AS amounts to MNOK 55, MNOK 60 and MNOK 60 respectively at 31 December 2011. There are ordinarily no instalments on the loans. The interest on the loans is determined as the interest rate of Norges Bank's current account at 31 December the year before the year in question. Avinor AS charges Oslo Lufthavn AS a ground rent of MNOK 382.2.

RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

We confirm, to the best of our knowledge that the financial statements for the period 1 January to 31 December 2011 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity and the group taken as a whole. We also confirm that the Board of Directors' Report includes a true and fair view of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Oslo, 29 March 2012

Ola Mørkved Rinnan
Chairman

Kristin Vangdal
Vice Chairman

Oddbjørg A. Starrfelt

Ola H. Strand

Eli Skrøvset

Dag Hårstad

Christian Berge

Helge Løbergsli

Grete Ovnerud

Heidi Anette Sørum

Dag Falk-Petersen
CEO

AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Avinor AS

Independent auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements of Avinor AS, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company and the financial statements for of group comprise the balance sheet as at 31 December 2011, income statement, statement of comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position for the parent company and the group Avinor AS as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

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AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and statement of corporate governance principles and practices

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and statement of corporate governance principles and practices concerning the financial statements and the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 29 March 2012
PricewaterhouseCoopers AS

Paal Ødegård
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

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