ANNUAL REPORT
2014

AVINOR

CONTENT

AVINOR

Each year, around
50 million
passengers use Avinor airports

The company has around
815 000
aircraft movements per year

The company has around
3 300 employees

Each year, around
325 000
patients are carried aboard scheduled flights

100 000 tonn
of fresh Norwegian salmon are flown to distant skies each year

Avinor er et selvfinansiert
aksjeselskap

RECORD 2014, BUT DEMANDING CHALLENGES AHEAD

On the penultimate day of 2014, Avinor reached a new milestone – over 50 million passengers had travelled through our airports in 2014. In a country of just five million inhabitants, this show just how crucial aviation is for business, health, and tourism. In fact, the day-to-day lives of everyone in Norway depend on aviation. This is supported by a recently published public benefit report.

Meanwhile Avinor recorded a flattening and downturn in air traffic in the final months of last year and the start of 2015. How long this trend will last is, of course, unclear, yet we know from past experience that lower levels of activity in Norwegian industry have a direct impact on traffic figures. Other players in the travel industry are also reporting the same trend.

A major player such as Avinor must continuously assess whether resources are being used wisely. As conditions change, we must adapt to them. Over the last nine months, Avinor has looked at how we can reduce our costs, and we started the year by adopting a plan for modernising and streamlining Avinor. Our competitors in neighbouring countries are reducing their fees. Meanwhile, airlines are going through major and challenging structural changes. With its unique position within the Norwegian aviation, it is vital that Avinor takes its share of responsibility for reducing costs and enhancing the industry's competitiveness.
We will be smarter and more efficient when it comes to staff and occupational support, airport operations, air navigation, and in our use and management of infrastructure. Specific initiatives have been identified that will contribute to increased productivity through automation, better utilisation of capacity, and competition of services should be considered where appropriate. For the period 2015-2018, the goal is an overall cost reduction of NOK 1.5 billion compared to current plans. From 2018, readjustments should generate NOK 600 million in reduced annual operating costs. Although we face demanding changes going forwards, we also see new opportunities. Ambitions and change processes create platforms for new ideas, technology, and creativity. We have the expertise and tools to succeed, and our motivation is clear – By taking these necessary steps, Avinor will continue to be the preferred option when it comes to who is the country's best and most efficient service provider for airlines and passengers.

A quick look back at last year shows me that Avinor has every reason to be proud of what we have delivered. Punctuality and regularity were 88 and 99 per cent respectively, which is in line with our targets and clearly world class. We experienced no fatal accidents. Our biofuels project caused a stir. We have gained valuable experience with remotely managed towers and are offering increasingly seamless travel experiences for passengers thanks to automated baggage and check-in processes. It's also vital that we actively listen to the signals we receive from our customers, users, and politicians when developing the overall service offering at our airports, and in determining how this can be organised in the best possible way.

We are a business in the midst of change, and we're taking what we do best forwards with us. Our goal is that our customers, passengers, and airlines will feel that they have been well looked after and that Avinor is an efficient, safety and customer-oriented company.

Dag Falk-Petersen
CEO Avinor

REPORT FROM THE BOARD OF DIRECTORS

Annual Report of the Board of Directors 2014
(Last year's figures in parentheses)

HIGHLIGHTS

Traffic volume, measured in passenger numbers, increased by 2.7 per cent in 2014 (4.2 per cent) to 50.1 million passengers (48.8 million). This is the fifth consecutive year in which Avinor's airports have broken passenger records. The start of 2015 has shown clear signs of slower growth in air traffic, and Avinor is prepared for a greater uncertainty in the Group's earnings. Development is faced with measures related to increased efficiency and cost reductions.

Capacity expansion projects at Oslo Airport Gardermoen and Bergen Airport Flesland are on schedule in terms of progress and budget. Both projects are expected to be completed in 2017 as planned.

Despite record traffic volumes and extensive development projects, traffic management in 2014 was good with punctuality of 90 per cent (86 per cent) and regularity of 99 per cent (98 per cent). There have been no aviation accidents in 2014 in which Avinor was an instrumental party. Two (1) serious aviation incidents were reported in which Avinor was an instrumental party.

In 2014 Avinor has continued its cooperation with the airlines and the Federation of Norwegian Aviation Industries to reduce greenhouse gas emissions from aviation. Norway's first flights using biofuels were completed and an agreement has been concluded for regular deliveries of biofuel to Oslo Airport from 2015. Oslo Airport will then become the first airport in the world to make biofuels available to all airlines.

The air navigation division was spun off as a wholly-owned subsidiary as of 1 June 2014. Avinor has been appointed by the Ministry of Transport and Communications as the operator of Norwegian national on-route traffic control services until 2024, and tower and approach control services until 2017. Targeted efforts are being made to adapt the air navigation services to more stringent performance requirements with regard to cost and capacity.

The Group's operating income in 2014 was NOK 10,671 million (NOK 9,978 million), and the profit after tax was NOK 1,399 million (NOK 891 million). Profit in 2014 has been positively affected by a planned change (adjustment for increased expected life expectancy) in the Group's pension scheme amounting to NOK 448 million (before tax). Cash flow before changes in interest-bearing liabilities was NOK -2,094 million (NOK -2,214 million).

The Group's total equity at the end of 2014 amounted to NOK 33.7 billion (NOK 29.9 billion). The Group's equity ratio was 36.2 per cent (40.0 per cent) as at 31 December 2014. In January 2014, the Board of directors made a placement request to the owner, to ensure equity to be higher than required. The request was rejected, but the owner will during the years 2014-2017 take dividends of 50 per cent of the Group's profit after tax, with a limit of NOK 500 million per year. This, combined with sale of one or several properties located outside the airports core areas, is supposed to secure position in the critical period until the major development projects in Oslo Airport and Bergen Airport are finished in 2017.

FACTS ABOUT AVINOR

Avinor's task is to facilitate safe, environmentally friendly and efficient aviation across Norway. This includes a nationwide network of 46 airports and the national air navigation service for civilian and military aviation.

The network of airports is run as a financial entity and is financed in part from fees charged to airlines for the use of the airports' infrastructure and facilities, and in part from sales and rental income from commercial outlets and services at the airports. Air navigation services are funded from fees for the use of Norwegian airspace.

The Ministry of Transport and Communications manages the Norwegian state's ownership of Avinor, and determines the Group's financial frameworks. 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.

TRAFFIC DEVELOPMENT, PUNCTUALITY AND REGULARITY

The total number of passengers at Avinor's airports increased in 2014 to 50,1 million (48,8). This is a growth of 2,7 per cent (4,2). The international traffic has been growing more than the domestic for several years, and represented in 2014 39,1 per cent (38,5 per cent) of the total number of passengers. The number of commercial airport movements in 2014 increased by 2,7 per cent (9,3 per cent). Flyovers in Norwegian airspace increased with almost 10 per cent.

The Groups' 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, in addition to the weather conditions. Punctuality at Avinor's airports increased to 90 per cent (86). Regularity was 99 per cent (98 per cent).

In 2014 Avinor made an analysis of the social and economic impact of aviation in Norway. The analysis documented that Aviation contributes to about 60 000 jobs and is of vital importance to the internal transportation network offered in the regions. Two of three Norwegians may reach an airport within an hours' travel. Aviation makes it possible for 99,5 per cent of the population to attend a meeting in Oslo and return home the same day.

There are about 200 direct international flights with at least one weekly departure from Avinor's airports.

The amount of direct intercontinental flights is expected to be tripled over the next 10 years.
13 per cent of all domestic flights are linked to the oil- and gas sector. There are about 700 000 helicopter flights to and from oil platforms .

Aviation accounts for most of the growth in the Norwegian tourism industry: 34 per cent of all incoming tourism use air transport. The spending of these tourists is about NOK 13 billion.
Aviation is also of great importance for the health care in Norway :The number of patient trips per year is about 325 000 and more than 30 000 aircraft movement with ambulance. In addition 170 000 persons with reduced mobility were assisted in 2014.

In the northern part of Norway aviation is vital for the health sector and one of the key factors in defining the structure of hospitals.

ECONOMY AND FINANCE

The Group's operating income in 2014 was NOK 10,671 million (NOK 9,978 million), and the profit after tax was NOK 1,399 million (NOK 891 million). Return on invested capital was 6.4 per cent (5.0 per cent). Profit in 2014 has been positively affected by a planned change (adjustment for increased expected life expectancy) in the Group's pension scheme amounting to NOK 448 million (before tax). The posted planned change has had no effect on liquidity.

This growth in the Group's operating income is primarily due to increased traffic volumes combined with increased sales and rental income from airport operations. Within air navigation services, increased traffic volume has been countered by reduced aviation fees.
The Group's operating expenses are at the same level as in 2013, but have been impacted positively by the aforementioned planned change in the Group's pension liabilities. Conversely, there has been an increase in project expenses recognised in the income statement in 2014. These are primarily costs related to maintaining uninterrupted operations in relation to the development of Oslo Airport Gardermoen and increased project expenses within the air navigation service. The discontinuation of the differentiated employer social security contributions from 1 July 2014 has also contributed to increased costs in 2014.
The net financial costs amounted to NOK -369 million (NOK -346 million). This change from 2013 is attributed primarily to increased interest-bearing liabilities that are countered in part by a reduced interest rates and a higher degree of recognised interest expenses related to development projects.
The income tax expense for the year amounted to NOK 538 million (NOK 383 million).

CASH FLOW AND CAPITAL STRUCTURE

In 2014 the Group had a cash flow before changes in interest-bearing liabilities of NOK -2,094 million (NOK -2,214 million). The Group acquired NOK 2,352 million in new net interest-bearing debt in 2014 (NOK 1,572 million).

Cash flow from operating activities amounted to NOK 3,165 million (NOK 2,850 million), while net investments, interest and dividends totalled NOK 5,259 million (NOK 5,064 million). Significant accounting items with no cash flow effect are depreciation charges of NOK 1,340 million (NOK 1,374 million).

The Group's total equity at the end of 2014 amounted to NOK 33.7 billion (NOK 29.9 billion). The Group's equity ratio was 36.2 per cent (40.0 per cent) as at 31 December 2014.

At year end the Group had long-term liabilities of NOK 14.1 billion (NOK 11.1 billion), current liabilities were NOK 4.4 billion (NOK 4.2 billion) and provisions for pension obligations and other obligations were NOK 3.1 billion (NOK 2.6 billion). Liquid assets at the end of 2013 were NOK 0.9 billion (NOK 0.7 billion).

FINANCIAL RESULTS FOR AVINOR AS

In 2014 the Parent Company Avinor AS had an operating income of NOK 5,486 million (NOK 5,779 million) and the profit after tax was NOK 187 million (NOK 332 million). The figures are influenced by the spinning off of the air navigation division as a wholly owned subsidiary with effect from 1 June 2014.

In 2014 Avinor AS had a cash flow before changes in interest-bearing liabilities of NOK -2,530 million (NOK -2,736 million). The Company acquired NOK 2,786 million in new net interest-bearing debt in 2014 (NOK 2,090 million).

Cash flow from operating activities amounted to NOK 1,392 million (NOK 875 million), while net investments, interest and dividends totalled NOK 3,922 million (NOK 3,611 million). Significant accounting items with no cash flow effect are depreciation charges of NOK 656 million (NOK 667 million).

The Company's total equity at the end of 2014 amounted to NOK 23.8 billion (NOK 21.3 billion). The Company's equity ratio was 36.7 per cent (44.2 per cent) as at 31 December 2014.

ALLOCATION OF THE PROFIT FOR THE YEAR

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

Dividend:	NOK 500 million
To other reserves:	NOK 6,5 million
From other equity:	NOK - 319,4 million

The Board confirms that the company has sufficient equity and liquidity to distribute the proposed dividend.

The 2014 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 17 to the annual accounts for further details.

RISK

Avinor's ongoing operations maintain a strong focus on safe air traffic management with procedures and measures to minimise both the risks and consequences of accidents and serious incidents. Developments with regard to national and international regulatory issues have financial consequences for the Group.

Avinor safeguards national sectoral policy objectives. The Norwegian state sets guidelines for a number of conditions, including airport structure, emergency preparedness, aviation fees and corporate social responsibility. The scope and organisation of sectoral policy guidelines may change over time.

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

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

Revenues from commercial offerings and services at the airports are very important to the Group's funding and to the level of fees charged for the use of the airports' infrastructure and facilities. Changes in the conditions for these activities will have an impact on the Group's earnings and financial value. Financial hedging instruments are used to curtail risk related to changes in interest, exchange rates and energy prices. When investing surplus cash, emphasis is given to the issuer's solidity and the liquidity of the investment. The Group's liquid assets are deposited in a bank on negotiated terms. There is disagreement between the Norwegian Armed Forces and Avinor regarding the apportionment of costs at airports where the parties have joint operations. Avinor has arbitrarily taken this into account in the financial statements. A petition for a discretionary court assessment to determine the purchase price or an annual user fee for aviation-critical areas that are owned by the Norwegian Armed Forces at Flesland and Værnes airports has been submitted to the court of appraisement. The decision is expected in the second quarter of 2015 and may have significant financial consequences for Avinor.

As a consequence of the Norwegian Parliament's resolution on the establishment of a new fighter jet base in Ørland, Avinor has been tasked with preparing for taking over responsibility for airport operations at Bodø Airport before 1 August 2016. The financial terms for the takeover of operational responsibility, real estate, and other technical equipment from the Norwegian Armed Forces have not yet been determined.

In connection with the pension settlement in 2005, it was determined that public service pensions shall be adjusted for an increased in expected life expectancy and be made subject to the new pension adjustment rules, but there were no provisions for the co-ordination of public service pension performance and new social security rules. The rules for co-ordination have therefore not been clarified, and so have not been taken into consideration in the accounts.

The airports have discharge permits that require risk assessments to identify potential sources of acute pollution that represent a risk of damage to the external environment. Work is continuing on reducing the risk of incidents occurring that harm the environment, while at the same time existing pollution is being surveyed and cleaned up. Environmentally hazardous additives in fire extinguishing foam which have spread to the

natural environment have been detected at all the airports. Work is currently being conducted to clarify the scope of the measures that will need to be implemented. As a basis for this work, risk assessments have been conducted of the potential harm to persons and the external environment from these pollutants. The economic consequences of this work depend on the extent of the localities that require measures to be implemented, as well as the authorities' requirements and the measures available.

CORPORATE GOVERNANCE

The shares in Avinor AS are wholly-owned by the Norwegian state as represented by the Ministry of Transport and Communications. The Board of Directors has prepared a separate statement on corporate governance in accordance with the Norwegian Code of Practice for Corporate Governance (NUES). 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, PUNCTUALITY AND REGULARITY

The total number of passengers at Avinor's airports increased to 50.1 million (48.8 million) in 2014. This is a growth of 2.7 per cent (4.2 per cent) and a new passenger record for the fifth year in a row. International traffic has been growing more quickly than domestic for several years, and accounted for 39.1 per cent (38.5 per cent) of Avinor's total number of passengers in 2014.

The number of commercial aircraft movements in 2014 increased by 2.7 per cent (9.3 per cent). Flyovers in Norwegian airspace rose by nearly 10 per cent.

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, in addition to the weather conditions. Punctuality at Avinor's airports rose to 90 per cent in 2014. Regularity, a measure of the percentage of scheduled flights that are actually operated, was 99 per cent.

CORPORATE SOCIAL RESPONSIBILITY

Avinor assumes an active responsibility for the social consequences of the Group's operations. Corporate social responsibility is related in particular to the environment and climate measures, human rights, workers' rights and active efforts to prevent corruption. These efforts are based on OECD guidelines for responsible business, and Avinor complies with the provisions of the Norwegian Accounting Act with regard to the corporate social responsibility. In 2014 the Company joined UN Global Compact and present its first corporate social responsibility report in 2014. The report was prepared in accordance with the principles of the Global Reporting Initiative (GRI/4). A similar report will be prepared during the first half of 2015. The report will be made available on Avinor's website, as well as on the websites of the GRI and the Global Compact.

THE EXTERNAL ENVIRONMENT

One of Avinor's aims is to be a driving force in environmental work in aviation and actively contribute to improving the industry's total environmental performance. The external environment is an integral part of Avinor's management system and conforms to ISO 14001. This involves continuous improvement in all phases from planning and execution to monitoring and corrective actions. Oslo Airport Gardermoen certified its environmental management system in accordance with ISO 14001 in 2014. For the rest of the Group a revision of the current environmental management system was carried out with a view to possible ISO 14001 certification in 2015.

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.

In 2010 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. In 2014 the Norwegian Environment Agency passed directives regarding the preparation of action plans for PFOS-polluted areas at several airports. Comprehensive energy conservation projects have been initiated at many airports, and at the same time we are focusing on renewable sources of energy and energy-efficient vehicles. Energy-efficient and environmentally friendly buildings are key to the Group's development projects. The airports in Oslo, Trondheim, Bergen and Kristiansand have been accredited by the Airport Carbon Accreditation programme.

In 2013 Avinor decided to use up to NOK 100 million over a 10-year period on measures that can realise Norwegian production of sustainable biofuel for aviation. Efforts continued in 2014. For instance, Norway's first flights using biofuels were completed and an agreement has been concluded to ensure regular deliveries of biofuel to Oslo Airport from 2015.

Biodiversity at Avinor's airports has been surveyed and a number of rare species and areas that are important with respect to biodiversity have been identified. Each airport has received conservation advice to safeguard or improve areas of natural value.

All the airports where Avinor has mapping responsibility have updated aircraft noise maps. The use of noisier helicopter types for offshore transport has resulted in increased noise levels at airports including Stavanger and Bergen. Avinor has established close co-operation with the local authorities, oil companies and helicopter companies to focus on the challenges this traffic has created.

IMPARTIALITY, CORRUPTION AND SAFE NOTIFICATION

A purchasing strategy has been developed in Avinor to assure the quality of the Group's purchasing routines. The routines supplement the regulations for public procurements, and will ensure competitiveness and appropriate contract coverage. Suppliers undergo prequalification prior to possible participation in the competition for a contract with the company. A final and enforceable judgment against a business for participation in a criminal organisation or for corruption, fraud or money laundering may be grounds for exclusion from the competition.

Any personnel who will be participating in procurements on behalf of Avinor must assess their own impartiality in advance in relation to the relevant procurement.

Board members and management personnel submit an annual self-declaration concerning close associates. The Board has established ethics guidelines that apply to the Board and all members of staff. Over 90 per cent of all Avinor employees have completed a course on ethics guidelines. External suppliers will be asked to sign an agreement on responsible supplier behaviour with accompanying guidelines.

The Group's compliance function shall monitor the Group's compliance with external and internal regulations relating to corruption, misconduct and ethics rules. Various control and preventative measures have been established, which together are intended to reduce the Group's risk of becoming exposed to corruption and misconduct.
Avinor has appointed a committee to handle notifications of reprehensible conditions in all parts of the organisation. The committee has established routines for processing the notifications in a prudent manner. In 2014 the committee has considered two notifications. The committee has also developed procedures and technical solutions that make it possible for external actors to notify reprehensible conditions to Avinor. These notifications shall be handled by following the same procedures as notifications from employees of the Group.

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. Avinor participates actively in the development of new aviation-related regulations in Europe and airport regulations in particular.

The Group works systematically to improve flight safety. In addition to internal audits and a high degree of reporting of adverse events that are analysed to improve safety, external audits are carried out by organisations including CAA Norway and EFTA's surveillance authority, the ESA.

There have been no aviation accidents in Norwegian aviation in which Avinor was a contributory party in 2014. There were two serious aviation incidents in which Avinor was a contributory party.

Over the next three years Avinor will certify all of its airports in accordance with pan-European legislation prepared by the European Aviation Safety Agency (EASA). Preparations for certification have been ongoing in 2014.

Avinor is executing several projects which aim to optimise the use of Norwegian airspace. This work will contribute to improved safety, increased capacity, more efficient service delivery and reduced environmental impact.

Through Single European Sky Air Traffic Management Research (SESAR), Avinor has agreed to participate in testing remotely operated towers. A successful SESAR test of this was completed in 2014 with central remote operation from Bodø control centre for Værøy and Røst airports. The project will continue in 2015.

In July the authorities implemented measures to address a more serious threat. Avinor has worked closely with the relevant authorities. Changes in the threat have triggered requests for new and improved equipment at security checkpoints. Avinor is working to clarify the investment needs and implications for the flow of passengers at security checkpoints. Additionally, the Ebola situation attracted considerable attention in 2014. This has led to improved procedures and routines between Avinor and health authorities.

As the primary enterprise, Avinor has overall responsibility for HSE in relation to other businesses that operate at the airports. Through the Group's investment programme, Avinor is also the client, which means that safety, health and working environment considerations at the construction site are taken care of. There were 22 injuries in 2014 that resulted in absence. The Group's LTI rate for 2014 was 4.2 (1.8).

RESEARCH AND DEVELOPMENT

The number of businesses, research institutes and academic institutions seeking research and development collaboration with Avinor has developed positively in 2014. Avinor has created an internal innovation forum to co-ordinate innovation across the organisation. Efforts are ongoing to encourage funding agencies to invest in aviation.

There is a continuous activity that looks at improving forecasts for weather and climate phenomena such as ash and turbulence. There is ongoing research collaboration with Met.no, SINTEF and NILU, as well as efforts that examine improvements through satellite-supported solutions.

Through the inter-agency cooperation with the Norwegian National Transport Plan (NTP), a joint research project has been established with a cost/benefit analysis of joint exploitation of geological databases.

A feasibility study for the establishment of driverless vehicles has been completed.

PERSONNEL AND ORGANISATION

There were 3,214 (3,156) permanent employees in the Group at the end of the year. Permanent and temporary employees performed work corresponding to 3,340 (3,249) full-time equivalents. The average age of all employee groups in the Group was 44.5. The percentage of women among permanent employees was 22.2 per cent. The Group has implemented measures to increase the representation of women in recruitment processes.

Collaboration between the Group's management and the employee representatives is considered to be constructive and good. Emphasis is placed on ensuring that employees shall have equal opportunities in the Group, irrespective of gender, age, disability, ethnicity or cultural background. Avinor has systematised performance reviews that ensure a neutral salary and career development. Employee surveys confirm that employees enjoy equal opportunities.

Sickness absence in 2014 was 4.5 per cent. Avinor continued with the FARVE project (trial funds, work and welfare) which aims to increase the focus on measures that promote health and thus reduce absenteeism, reduce the number of people who are mentally and/or medically unfit to work, reduce

the number of people left incapacitated, as well as to increase actual retirement age. The number of people who are medically unfit to work has been reduced by 35 per cent in the project period. Avinor's strategy plan for 2014-2020 entails restructuring processes for the entire Group. Culture and leadership development has been a particular focus in 2014.

The Group has worked actively to reduce breaches of the working time regulations in the Working Environment Act.

The number of breaches has been reduced by 15 per cent in 2014. Overtime use has been reduced by 6 per cent in the same period.

AVINOR'S REPUTATION

In 2014 Avinor's reputation improved according to Ipsos MMI's profile survey, which ranked Avinor third among companies with the greatest overall positive change. Avinor's reputation ranking was 60th out of 112 companies in 2014. This is up 25 places on 2013. In TNS Gallup's annual opinion survey in 2014, Oslo Airport rose to 15th place on the list of companies with the best reputation in Norway, up 12 places on 2013.

OUTLOOK AND FRAMEWORK CONDITIONS

The start of 2015 has shown clear signs of slower growth in air traffic than in previous years. Consequently, the Avinor is prepared for greater short-term uncertainty in the Group's earnings. Development is faced with measures related to increased efficiency and cost reductions. Meanwhile there is a need to continue the capacity-increasing measures as planned. The current high level of activity and investment will continue in order to address the social mission of having an effective regional, national, European and intercontinental air service. In 2015, Oslo Airport will starte a new project with simplified transfer.

The Group's development activities are being closely monitored. Major capacity expansion projects at Oslo Airport Gardermoen and Bergen Airport Flesland with project budgets of NOK 14,050 million and NOK 4,700 million respectively are progressing as planned in terms of both schedule and budget. Both projects are expected to be completed in 2017 as planned.

On 1 December 2014, a resolution from the Ministry of Transport and Communications appointed Avinor as the operator of air traffic services. Avinor was appointed for on-route traffic control until 2024, and for tower and approach traffic control until 2017. Targeted efforts are being made to adapt both on-route services and tower and approach services to more stringent performance requirements with regard to cost and capacity.
The Ministry of Transport and Communications has requested that Avinor prepare for the takeover of responsibility for airport operations at Bodø from the Norwegian Armed Forces before 1 August 2016, and plan and prepare for a new airport in Mo i Rana in accordance with an ownership report. The Board is working on the basis that the financial terms of these changes will not result in an additional financial load for civil aviation.
Avinor is also conducting a study of the airport structure in Norway. The government wishes to clarify whether, over time, better roads will enable air traffic to be concentrated at fewer airports where larger aircraft and more direct connections can provide a better service. The results of this study will form an important basis for Avinor's input to the National Transport Plan 2018-2027.

Due to major development projects, the Group's balance sheet has increased by 30 per cent over the last three years and totalled NOK 33.5 billion at the end of the year. The release of capital related to non-strategic properties around the airports in 2015 is being organised to strengthen the Group's equity. This will comprise properties which are outside of key areas in accordance with the master plan. A modernisation programme has also been initiated with a view to make Avinor's organisation and operations more efficient.

The Board is concerned with ensuring that Avinor contributes to national and regional development. This takes place through efficient and safe aviation services, but also through active collaboration with local stakeholders and close dialogue with other relevant parties regarding airport development and development of the respective regions.

The Board would like to thank all the employees and partners for their efforts in 2014.

Oslo, 26. March 2015

Ola Mørkved Rinnan Board Chairman	Ola H. Strand Vice Chairman	Tone Merethe Lindberg	Dag Falk-Petersen CEO
Eli Skrøvset	Olav Aadal	Dag H. Hårstad	Heidi Anette Sørum
Mari Thjømøe	Grete Ovnerud	Per-Erik Nordsveen	

BOARD OF DIRECTORS

OLA MØRKVED RINNAN
BORN: 1949
ROLE: CHAIRMAN

OCCUPATION: CEO EIDSIVA ENERGI AS
MEMBER OF THE BOARD SINCE: 2010

OLA H. STRAND
BORN: 1957
ROLE: MEMBER OF THE BOARD

OCCUPATION: CONSULTANT
MEMBER OF THE BOARD
SINCE: 2012

TONE MERETHE LINDBERG
BORN: 1972
ROLE: MEMBER OF THE BOARD

OCCUPATION: CONSULTANT
MEMBER OF THE BOARD
SINCE: 2013

ELI SKRØVSET
BORN: 1965
ROLE: MEMBER OF THE BOARD

OCCUPATION: CFO
EKSPORTKREDITT NORGE
MEMBER OF THE BOARD SINCE:
2011

DAG HELGE HÅRSTAD
BORN: 1962
ROLE: MEMBER OF THE BOARD

OCCUPATION: CEO OF
HELSE MØRE OG ROMSDAL
MEMBER OF THE BOARD SINCE: 2007

MARI THJØMØE
BORN: 1962
ROLE: MEMBER OF THE BOARD

OCCUPATION: CEO AND
CHAIRMAN OF
THJØMØEKRANEN AS
MEMBER OF THE BOARD SINCE:
2014

GRETE OVNERUD
BORN: 1966
ROLE: MEMBER OF THE BOARD, EMPLOYEE-ELECTED

OCCUPATION: AIR TRAFFIC CONTROLLER
MEMBER OF THE BOARD SINCE: 2011

PER-ERIK NORDSVEEN
BORN: 1977
ROLE: MEMBER OF THE BOARD,
EMPLOYEE-ELECTED

OCCUPATION: AIRPORT SERVICE
MEMBER OF THE BOARD
SINCE: 2013

HEIDI SØRUM
BORN: 1967
ROLE: MEMBER OF THE BOARD,
EMPLOYEE-ELECTED

OCCUPATION: TRAFFIC
PLANNER
MEMBER OF THE BOARD
SINCE: 2011

OLAV AADAL
BORN: 1967
ROLE: MEMBER OF THE BOARD, EMPLOYEE-ELECTED

OCCUPATION: AIR TRAFFIC CONTROLLER
MEMBER OF THE BOARD SINCE: 2013

CORPORATE GOVERNANCE IN THE AVINOR GROUP

Good corporate governance in Avinor aims to ensure that the maximum possible value is created and business risk is curtailed. The company's core values and ethics guidelines are a basic premise for corporate governance in Avinor.

Avinor has issued bonds that are listed on Oslo Børs. Section 3-3b of the Norwegian Accounting Act stipulates that companies under a statutory accounting obligation which issue securities in accordance with Section 5-4 of the Securities Trading Act must provide a report on their policies and practices for corporate governance either in the Annual report of the Board of Directors or in a document referred to in the Annual report of the Board of Directors. Point 3.10 in Oslo Børs' document entitled "Bond regulations – entry requirements and ongoing obligations" states that the borrower shall provide an account of their policies and practices relating to corporate governance in a similar manner. The Norwegian Accounting Act may be found at www.lovdata.no. Oslo Børs' regulations are available at www.oslobors.no.

As the owner, the state focuses on ensuring that state-owned companies adhere to "the Norwegian Code of Practice for Corporate Governance". The Board attaches importance to following this recommendation regarding the Group's corporate governance whenever possible.

The Norwegian Code of Practice for Corporate Governance may be found at www.nues.no.

1. STATEMENT ON CORPORATE GOVERNANCE

The aim of the Norwegian Code of Practice for Corporate Governance 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.

This statement has been prepared in accordance with the framework of the Norwegian Code of Practice for Corporate Governance dated 23 October 2012, 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 basic premise for Avinor's operations is that safety is paramount and is prioritised ahead of any other considerations. After which, the greatest emphasis is placed on rendering effective services to the customers and society.

Avinor Group's vision is that we shall create valuable relations. Individuals, companies and society shall value and receive clear value from the business' deliveries. The behavioural values are open, responsible, dynamic and customer-oriented.

The Group's ethics guidelines were most recently revised in spring 2012. The ethics guidelines apply to Board members, employees, contracted

personnel and others who work for the Group. The guidelines set out basic rules of personal conduct and business practices, and express the Group's attitudes in interactions with customers, suppliers, colleagues and the general community.
The ethics guidelines may be found at www.avinor.no.

The Group is preparing a separate document on corporate social responsibility. It will be available at www.avinor.no during the first half of 2015.

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.

The company's Articles of Association may be found at www.avinor.no.

Avinor has the responsibility for managing a unified system of 46 airports and the joint air navigation service in Norway. The business is based on safeguarding and developing key social responsibilities in all parts of the country, and must be operated with safety as a high priority and with an emphasis on environmental considerations.
To meet the owner's demands, strategic primary objectives have been established within economics and finance, society and the environment, aviation safety and HSE, customers and partners and personnel and organisation.

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 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.

Transactions with close associates
The Board is not aware of any transactions during 2014 between the company and its shareholders, Board members, executive employees or close associates of these that may be characterised as being not immaterial transactions.

Board members and executive employees are required to submit an annual statement concerning close associates.

Guidelines for Board members and executive employees
The Group's ethics guidelines contain a separate point on how to handle conflicts of interest. In which it is stated that an employee shall never participate in or attempt to influence a decision if he/she has a conflict of interest or questions may be raised about the employee's impartiality. Group employees can take on second jobs or directorships in addition to their main employment in Avinor as long as these do not conflict with the employee's duty of loyalty, impartiality and the proper performance of their duties.

The guidelines also contain provisions on impartiality. If there is doubt whether the person concerned is impartial the issue must be discussed with the most immediate manager.

The State as shareholder
Avinor is wholly-owned by the Norwegian state. The Ministry of Transport and Communications convenes quarterly meetings with the company. During these meetings, the company updates the owners about operations, financial developments, how social responsibility is exercised, and other conditions considered to be relevant to the owner at that time. No decisions are reached at these meetings, and the company does not receive any guidelines for how it shall respond to individual issues.

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 MEETING
The Transport and Communications Minister constitutes the company's General Meeting and is the company's highest authority. In accordance with Section 20-5 of the Limited Liability Companies Act, the Ministry of Transport and Communications is responsible for calling the Annual and Extraordinary General Meetings. The Ministry of Transport and Communications also determines how the meetings will be called. Notice of the meeting must be issued at least one week prior to the date of the Annual General Meeting, cf. the Limited Liability Companies Act Section 20-5 cf. Section 5-10.

The Annual General Meeting shall be held each year by the end of the month of June. In accordance with the Articles of Association, the Annual General Meeting shall approve the annual report and accounts, including the distribution of dividends. It also considers approval of the auditor's remuneration, determines the remuneration of the Board for the current year and appoints shareholder-elected members of the Board and considers 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, CEO and auditor who audited the previous year's accounts shall be invited to the General Meeting. The Board Chairman and CEO are obligated to attend the General Meeting. The other Board members as well as the auditor and the Office of the Auditor General are entitled to attend the meeting.

The agenda is set by the Ministry of Transport and Communications.

The minutes of the General Meeting are available to the public.

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.

AVINOR GROUP MANAGEMENT

DAG FALK-PETERSEN
CEO

MARGRETHE SNEKKERBAKKEN
EVP REGIONAL AIRPORTS DIVISION

ANDERS KIRSEBOM
MANAGING DIRECTOR
AIR NAVIGATION

ØYVIND HASAAS
MANAGING DIRECTOR,
OSLO AIRPORT

ASLAK SVERDRUP
MANAGING DIRECTOR,
BERGEN AIRPORT

LEIF ANKER LORENTZEN
MANAGING DIRECTOR,
STAVANGER AIRPORT

MARI HERMANSEN
EVP HR AND LEGAL

PETTER JOHANNESSEN
CFO

LASSE BARDAL
MANAGING DIRECTOR,
TRONDHEIM AIRPORT

JON SJØLANDER
EVP STRATEGY

EGIL THOMPSON
EVP COMMUNICATIONS
AND MARKETTING

The Corporate Democracy Committee has approved a corporate scheme whereby employees of Avinor AS and its subsidiaries may be elected to the Board of Directors. Elections by and from among the employees take place every other year. The Board consists of six shareholder-elected members and four representatives that are elected by and from among the employees. The percentage of women among the board members is 50 per cent.

The Board Chairman is elected by the General Meeting. All Board members are elected for a term of two years.

The Ministry of Transport and Communications does not have its own Board members, but in accordance with the Norwegian state's principles of good corporate governance all Board members are expected to seek to safeguard the common interests of the company and shareholders. The composition of the Board of Directors is such that, in aggregate, 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.

The owner has a meeting with each Board member once a year.

At the turn of the year 2014/2015 the Board of Directors consisted of:
Chairman since 2010 Ola Mørkved Rinnan, 65 years old, CEO of Eidsiva Energi AS
Vice Chairman since 2012 Ola H. Strand, 57 years old
Board member since 2007 Dag H. Hårstad, 52 years old, acting CEO of Helse Møre & Romsdal
Board member since 2011 Eli Skrøvset, 49 years old, CFO Eksportkreditt Norge
Board member since 2013 Tone MeretheLindberg, 42 years old, self-employed
Board member since 2014 Mari Thjømøe, 52 years old, self-employed
Employee-elected Board member since 2011 Grete Ovnerud, 48 years old
Employee-elected Board member since 2011 Heidi A. Sørum, 47 years old
Employee-elected Board member since 2013 Olav Aadal, 47 years old
Employee-elected Board member since 2013 Per-Erik Nordsveen, 37 years old

Anne Breiby, 57 years old, was replaced by Mari Thjømøe at the General Meeting in 2014. Breiby had then been a member of the Board since 2012.

Information on the individual Board members is available at www.avinor.no.

8 Board meetings were held in 2014. The meetings were fully attended, with only very few exceptions.

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. In accordance with the Articles of Association, the Board of Directors shall ensure that the company is socially responsible. The Board of Directors' tasks are stipulated in separate rules of procedure. These rules of procedure are reviewed annually 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 rules of procedure contain a separate section on impartiality in which it is stated that the individual board member him/her self is responsible for informing the Board as to the circumstances of a conflict of interest, and must refrain from participating in deliberations or decisions where the member has a conflict of interest. In case of doubt the matter shall be submitted to the Board Chairman. The minutes of the Board meetings shall reflect when one of the Board members is disqualified due to a conflict of interest in a particular case.

New Board members are sent relevant information on the company and the work of the Board. This information is also available through an electronic board portal.

The CEO's responsibilities and duties are defined in instructions adopted by the Board of Directors. These instructions are reviewed and updated as required.

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. A set of instructions for the committee's work has been prepared. These instructions are reviewed annually and updated as required. The committee has met on five occasions in 2014.

At the turn of the year 2014/2015 the committee consisted of
Eli Skrøvset (Chair)
Dag H. Hårstad
Grete Ovnerud
Tone Merethe Lindberg

The Board of Directors has also established a remuneration committee to act as a preparatory subcommittee in matters relating to remuneration of executive employees in the company. The committee shall prepare guidelines for and cases concerning remuneration of executive employees and carry out continuous assessment and monitoring of the Group's policy in this area. A set of instructions for the committee's work has been prepared. These instructions are reviewed and updated as required. The committee has met on three occasions in 2014.

At the turn of the year 2014/2015 the committee consisted of
Ola H. Strand (Chair)
Mari Thjømøe
Per-Erik Nordsveen

The Board of Directors has also established an HSE committee to act as a preparatory subcommittee in matters relating to health, safety, and the environment. The committee is responsible for evaluating relevant conditions in the Group's operations related to HSE at a general level. The committee will support the Board of Directors in its responsibility for internal control, the Report of the Board of Directors and Annual Report, and the overall HSE risk situation.

At the turn of the year 2014/2015 the committee consisted of
Tone Merethe Lindberg (Chair)
Dag Hårstad
Heidi Sørum

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.

As part of the Group's internal control system Avinor has established an internal audit function. The Group's internal audit function works in accordance with a mandate adopted by the Board and pursuant to standards laid down by the Institute for Internal Auditors.

The company's appointed auditor shall review management's dispositions annually.

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

Avinor's ethics 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 and its subcommittee 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.

Remuneration of the Board members amounted to NOK 2,265,500 in 2014. The remuneration is broken down as follows: The Board Chairman received NOK 403,500, the Vice Chairman received NOK 244,000, other Board members received NOK 201,000. Alternates receive NOK 10,000 for each meeting they attend.

Members of the audit committee received remuneration totalling NOK 172,500 in 2014, comprising NOK 61,500 to the Chairman and NOK 37,000 to the other two members.

Members of the remuneration committee received remuneration totalling NOK 25,500 in 2014, comprising NOK 10,500 to the Chairman and NOK 5,000 to the other two members.

12. REMUNERATION OF EXECUTIVE EMPLOYEES

The Board of Directors appoints the CEO and stipulates the CEO's salary following preliminary consideration by the compensation committee. The Board of Directors evaluates the CEO's work and salary terms on an annual basis following preliminary consideration by the compensation committee.

The CEO informs and recommends to the compensation committee the remuneration for executive employees who report to the CEO.

The Board of Directors has prepared a statement on the determination of salaries and other remuneration of executive employees. The statement is discussed at the Annual General Meeting.

The remuneration of executive employees is specified in note 8 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 www.avinor.no.

The Group presents a complete set of annual financial statements in conjunction with the Annual Report of the Board of Directors and the Annual Report at the end of the month of March. Accounting figures are reported quarterly.

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 as a whole. 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 also has an annual meeting with the Audit Committee without the management being present. The auditor is entitled to attend 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. The General Meeting shall approve the auditor's remuneration.

AVINOR GROUP - MAIN FIGURES

AMOUNTS IN MNOK	2014	2013	2012
Traffic income	3 114,7	2 956,6	2 860,2
Security (cost based)	1 183,7	1 132,5	948,7
Sales and rental income - duty free	2 524,2	2 342,6	2 081,5
Sales and rental income - parking	880,3	813,3	738,2
Sales and rental income - other	1 691,3	1 564,2	1 425,7
Inter-group income	167,3	191,9	201,4
Total income airport operations	**9 561,5**	**9 001,1**	**8 255,8**
En route charges	1 008,2	945,6	947,0
Inter-group income approach and control tower services	772,4	734,3	745,9
Other income	234,2	217,4	144,2
Total income air navigation services	**2 014,8**	**1 897,3**	**1 837,1**
Other group income (a)	664,3	552,6	474,1
Elimination of inter-group income	-1 569,5	-1 473,4	-1 414,9
Total group income	**10 671,0**	**9 977,6**	**9 152,1**
Operating expenses airport operations (a)	-5 934,9	-5 751,7	-5 255,2
Operating expenses air navigation services	-1 728,6	-1 877,0	-1 715,3
Other operating expenses group	-928,8	-829,4	-678,3
Elimination of inter-group expenses	1 569,5	1 473,5	1 414,9
Total group expenses	**-7 022,8**	**-6 984,6**	**-6 233,9**
EBITDA airport operations	3 626,6	3 249,4	3 000,6
EBITDA air navigation services	286,2	20,3	121,8
EBITDA others	-264,5	-276,7	-204,2
EBITDA group	**3 648,3**	**2 993,0**	**2 918,2**
Depreciation, amortisation and impairment charges	-1 340,2	-1 373,5	-1 335,7
Changes in value and other (losses)/gains, net	-2,8	0,1	-20,3
Operating profit/(loss)	**2 305,3**	**1 619,6**	**1 562,2**
Net finance income/(costs)	-368,6	-346,0	-355,9
Profit/(loss) before income tax	**1 936,7**	**1 273,6**	**1 206,3**
Income tax expense	-538,0	-382,7	-351,6
Profit/(loss) after tax	**1 398,7**	**890,9**	**854,7**
EBITDA-margin airport operations	37,9 %	36,1 %	36,3 %
EBITDA-margin air navigation services	14,2 %	1,1 %	6,6 %
EBITDA-margin others	34,2 %	30,0 %	31,9 %
Investments airport operations	4 195,3	3 793,2	3 883,1
Investments air navigation services	202,3	116,1	78,1
Investments others	314,1	229,9	123,4
Total investments	**4 711,7**	**4 139,2**	**4 084,6**
Distributed dividends	-445,4	-463,4	-421,8
Cash flow before borrowings	-2 093,5	-2 214,3	-2 229,6
Net interest-bearing debts	15 290,4	12 734,9	11 187,8
Total assets	33 736,5	29 911,0	28 109,2
Equity ratio (b)	44,4 %	48,5 %	48,1 %
Return on total capital after tax	6,4 %	5,0 %	5,4 %
Number of passengers (in 1000)	50 106,8	48 799,0	46 511,0
Number of aircraft departures (in 1000)	738,1	731,1	669,0
Number of service units (in 1000)	2 219,0	2 050,9	1 845,0
Punctuality	90%	86%	86%
Regularity	99%	98%	98%

(a) Exclusive of inter-group leases on land (b) In accordance with Article 11 of the companys's Articles of Association

INCOME STATEMENT

AVINOR AS YEAR ENDED 31 DECEMBER				AVINOR GROUP YEAR ENDED 31 DECEMBER	
2013	2014	ALL AMOUNTS IN MNOK	NOTE	2014	2013
		Operating income			
3 193,1	2 742,9	Traffic income	5,7	5 299,5	5 026,6
1 958,8	2 046,5	Sales and rental income	5,7	5 365,0	4 939,0
627,1	696,9	Other operating income		6,5	12,0
5 779,0	*5 486,3*	*Total operating income*		*10 671,0*	*9 977,6*
		Operating expenses			
112,5	123,0	Raw materials and consumables used		198,5	169,1
2 860,9	1 907,9	Employee benefits expense	8,11	2 979,5	3 406,4
667,0	655,9	Depreciation, amortisation and impairment charges	16,17,11	1 340,2	1 373,5
2 194,2	2 505,6	Other operating expenses	10,11	3 841,9	3 409,1
5 834,6	*5 192,4*	*Total operating expenses before changes in value and other losses/gains, net*		*8 360,1*	*8 358,1*
-55,6	*293,9*	*Operating profit/(loss) before changes in value and other losses/gains, net*		*2 310,9*	*1 619,5*
7,3	-7,2	Changes in value and other losses/(gains) - net	12	-5,6	0,1
-48,3	**286,7**	**Operating profit/(loss)**		**2 305,3**	**1 619,6**
805,5	373,0	*Finance income*	13	48,5	72,5
275,9	382,5	*Finance costs*	13	417,1	418,5
529,6	**-9,5**	**Net finance costs**		**-368,6**	**-346,0**
481,3	**277,2**	**Profit before income tax**		**1 936,7**	**1 273,6**
149,5	90,1	*Income tax expense*	14	538,0	382,7
331,8	**187,1**	**Profit for the year**		**1 398,7**	**890,9**
		Attributable to:			
331,8	187,1	Owners of the parent		1 398,7	890,9

The notes (note 1 to 32) 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	
2013	2014	ALL AMOUNTS IN MNOK	NOTE	2014	2013
331,8	**187,1**	**Profit for the year**		**1398,7**	**890,9**
		Other comprehensive income			
		Items that will not be reclassified to profit or loss			
1 442,2	-546,2	Actuarial gains/(losses) on post employment benefit obligations	25	-893,0	1 698,0
-403,8	147,5	Tax effect	15	241,1	-475,4
-1,5	0,0	Change in tax rate, effect deferred tax assets/-liabilities		0,0	-2,0
1 036,9	*-398,7*	*Total items that will not be reclassified to profit or loss, net of tax*		*-651,9*	*1 220,6*
		Items that may be subsequently reclassified to profit or loss			
0,0	-48,9	Cash flow hedges	19	-66,1	33,4
0,0	13,2	Tax effect	15	17,8	-9,4
0,0	*-35,7*	*Total items that may be subsequently reclassified to profit or loss, net of tax*		*-48,3*	*24,0*
1 036,9	**-434,4**	**Other comprehensive income for the year, net of tax**		**-700,2**	**1 244,6**
1 368,7	**-247,3**	**Total comprehensive income for the year**		**698,5**	**2 135,5**
		Attributable to:			
1 368,7	-247,3	Owners of the parent		698,5	2 135,5

The notes (note 1 to 32) are an intergral part of these consolidated financial statements.

BALANCE SHEET

AVINOR AS AT 31 DECEMBER				AVINOR GROUP AT 31 DECEMBER	
2013	2014	ALL AMOUNTS IN MNOK	NOTE	2014	2013
		ASSETS			
		Non-current Assets			
		Intangible assets			
1 632,4	1 475,7	Deferred tax assets	15	2 038,2	2 037,0
31,4	0,0	Other intangible assets	16	15,7	31,4
1 663,8	*1 475,7*	*Total intangible assets*		*2 053,9*	*2 068,4*
		Property, plant and equipment			
9 761,2	9 843,6	Property, plant and equipment	17	21 040,9	20 397,3
2 438,1	3 074,0	Assets under construction		7 913,6	5 181,4
12 199,3	*12 917,6*	*Total property, plant and equipment*		*28 954,5*	*25 578,7*
		Financial assets			
853,1	1 226,9	Investments in subsidiaries	6	0,0	0,0
4 571,3	5 971,3	Loans to group companies	31	0,0	0,0
0,0	154,7	Derivative financial instruments	19	162,6	7,5
30,2	62,6	Other financial assets	20	188,2	130,8
5 454,6	*7 415,5*	*Total financial assets*		*350,8*	*138,3*
19 317,7	***21 808,8***	***Total non-current assets***		***31 359,2***	***27 785,4***
		Current Assets			
24,6	21,6	Inventories		21,6	24,6
1 301,5	1 057,7	Trade and other receivables	21	1 405,3	1 423,4
0,0	1,7	Derivative financial instruments	19	18,4	3,9
644,2	900,6	Cash and cash equivalents	22	932,0	673,7
1 970,3	***1 981,6***	***Total current assets***		***2 377,3***	***2 125,6***
21 288,0	**23 790,4**	**Total assets**		**33 736,5**	**29 911,0**

The notes (note 1 to 32) are an intergral part of these consolidated financial statements.

AVINOR AS AT 31 DECEMBER				AVINOR GROUP AT 31 DECEMBER	
2013	2014	ALL AMOUNTS IN MNOK	NOTE	2014	2013
		EQUITY AND LIABILITIES			
		Equity			
		Restricted equity			
5 400,1	5 400,1	Share capital	23	5 400,1	5 400,1
5 400,1	*5 400,1*	*Total restricted equity*		*5 400,1*	*5 400,1*
		Retained earnings			
4 018,7	3 326,0	Other equity	24	6 822,5	6 569,3
4 018,7	*3 326,0*	*Total retained earnings*		*6 822,5*	*6 569,3*
9 418,8	***8 726,1***	***Total equity***		***12 222,6***	***11 969,4***
		Provisions and liabilities			
		Provisions			
2 018,7	1 523,8	Retirement benefit obligations	25	2 831,5	2 347,9
151,8	111,1	Other provisions	26	218,8	252,9
2 170,5	*1 634,9*	*Total provisions*		*3 050,3*	*2 600,8*
		Non-current liabilities			
0,0	0,0	State loan	27	3 416,1	3 860,4
18,2	14,8	Derivative financial instruments	19	128,5	113,3
5 913,1	9 300,0	Other non-current liabilities	27	10 522,4	7 129,0
5 931,3	*9 314,8*	*Total non-current liabilities*		*14 067,0*	*11 102,7*
		Current liabilities			
800,0	800,0	Commercial papers27		800,0	800,0
247,7	328,7	Trade payables		799,7	481,7
2,4	0,7	Tax payable	14	277,5	383,1
154,7	41,2	Public duties payable		186,6	172,5
13,7	9,9	Derivative financial instruments	19	27,0	22,6
405,6	8,7	First annual instalment on long-term liabilities	27	551,9	945,5
2 143,3	2 925,4	Other current liabilities	26,28	1 753,9	1 432,7
3 767,4	*4 114,6*	*Total current liabilities*		*4 396,6*	*4 238,1*
11 869,2	***15 064,3***	***Total liabilities***		***21 513,9***	***17 941,6***
21 288,0	**23 790,4**	**Total equity and liabilities**		**33 736,5**	**29 911,0**

Oslo, 26. March 2015

Ola Mørkved Rinnan Board Chairman	Ola H. Strand Vice Chairman	Tone Merethe Lindberg	Dag Falk-Petersen CEO
Eli Skrøvset	Olav Aadal	Dag H. Hårstad	Heidi Anette Sørum
Mari Thjømøe	Grete Ovnerud	Per-Erik Nordsveen	

CHANGES IN EQUITY

AVINOR AS ALL AMOUNTS IN MNOK	SHARE CAPITAL	OTHER RESERVES	OTHER EQUITY	TOTAL EQUITY
Balance at 1 January 2013	**5 400,1**	**-1 093,0**	**4 262,9**	**8 570,0**
Profit for the year			331,8	331,8
Actuarial gain/(loss) on post employment benefit obligation - net of tax		1 038,4		1 038,4
Change in tax rate, effect deferred tax assets/-liabilities		-1,5		-1,5
Total comprehensive income for the year	*0,0*	*1 036,9*	*331,8*	*1 368,7*
Other				
Change in tax rate, effect deferred tax assets/-liabilities			-56,5	-56,5
Total others	*0,0*	*0,0*	*-56,5*	*-56,5*
Transactions with owners:				
Dividends relating to 2012			-463,4	-463,4
Total transactions with owners	*0,0*	*0,0*	*-463,4*	*-463,4*
Balance at 1 January 2014	**5 400,1**	**-56,1**	**4 074,8**	**9 418,8**
Profit for the year			187,1	187,1
Actuarial gain/(loss) on post employment benefit obligation - net of tax		-398,7		-398,7
Cash flow hedge		-35,7		-35,7
Total comprehensive income for the year	*0,0*	*-434,4*	*187,1*	*-247,3*
Transactions with owners:				
Demerger	-365,0		-2,2	-367,2
Non-cash share capital contribution	365,0		2,2	367,2
Dividends relating to 2013			-445,4	-445,4
Total transactions with owners	*0,0*	*0,0*	*-445,4*	*-445,4*
Balance at 31 December 2014	**5 400,1**	**-490,5**	**3 816,5**	**8 726,1**

The notes (note 1 to 32) are an intergral part of these consolidated fina

AVINOR GROUP ALL AMOUNTS IN MNOK	SHARE CAPITAL	OTHER RESERVES	OTHER EQUITY	TOTAL EQUITY
Balance at 1 January 2013	**5 400,1**	**-1 319,2**	**6 275,8**	**10 356,7**
Profit for the year			890,9	890,9
Actuarial gain/(loss) on post employment benefit obligation - net of tax		1 222,6		1 222,6
Change in tax rate, effect deferred tax assets/-liabilities		-2,0		-2,0
Cash flow hedge		24,0		24,0
Total comprehensive income for the year	*0,0*	*1 244,6*	*890,9*	*2 135,5*
Other				
Change in tax rate, effect deferred tax assets/-liabilities			-59,3	-59,3
Total others	*0,0*	*0,0*	*-59,3*	*-59,3*
Transactions with owners:				
Dividends relating to 2012			-463,4	-463,4
Total transactions with owners	*0,0*	*0,0*	*-463,4*	*-463,4*
Balance at 1 January 2014	**5 400,1**	**-74,6**	**6 643,9**	**11 969,4**
Profit for the year			1 398,7	1 398,7
Actuarial gain/(loss) on post employment benefit obligation - net of tax		-651,9		-651,9
Cash flow hedge		-48,3		-48,3
Total comprehensive income for the year	*0,0*	*-700,2*	*1 398,7*	*698,5*
Transactions with owners:				
Dividends relating to 2013			-445,4	-445,4
Total transactions with owners	*0,0*	*0,0*	*-445,4*	*-445,4*
Balance at 31 December 2014	**5 400,1**	**-774,8**	**7 597,2**	**12 222,6**

The notes (note 1 to 32) are an intergral part of these consolidated financial statements.

STATEMENT OF CASHFLOWS

AVINOR AS				AVINOR GROUP	
YEAR ENDED AT 31 DECEMBER				YEAR ENDED AT 31 DECEMBER	
2013	2014	ALL AMOUNTS IN MNOK	NOTE	2014	2013
		Cash flow from operating activities			
967,3	1 370,1	Cash generated from operations*		3 522,5	3 155,0
52,5	27,2	Interest received		28,7	58,1
-144,6	-5,2	Income tax paid		-385,9	-363,6
875,2	***1 392,1***	***Net cash generated from operating activities***		***3 165,3***	***2 849,5***
		Cash flow from investing activities			
-2 134,2	-1 998,0	Investments in property, plant and equipment (PPE)	16,17	-4 256,6	-4 182,9
75,3	24,4	Proceeds from government grants		24,4	75,3
8,6	7,1	Proceeds from sale of PPE, including assets under construction		8,6	8,8
-1 550,0	-1 400,0	Group loans		0,0	0,0
162,0	199,0	Group interests		0,0	0,0
565,9	94,2	Net group contribution/dividend		0,0	0,0
-15,9	-32,5	Change in other investments		-31,0	-14,2
-2 888,3	***-3 105,8***	***Net cash used in investing activities***		***-4 254,6***	***-4 113,0***
		Cash flow from financing activities			
2 450,0	3 190,0	Proceeds from borrowings		3 290,0	2 450,0
-459,6	-403,7	Repayment of borrowings		-938,2	-977,7
100,0	0,0	Net proceeds/repayment of short term borrowings (commercial papers)		0,0	100,0
-229,8	-352,9	Interest paid		-540,9	-458,2
-29,2	-17,9	Other borrowing charges		-17,9	-29,2
-463,4	-445,4	Dividends paid to owner		-445,4	-463,4
1 368,0	***1 970,1***	***Net cash generated/used in financing activities***		***1 347,6***	***621,5***
-645,1	256,4	Net (decrease)/increase in cash, cash equivalents and bank overdrafts		258,3	-642,0
1 289,3	644,2	Cash, cash equivalents and bank overdrafts at beginning of year	22	673,7	1 315,7
644,2	***900,6***	***Cash, cash equivalents and bank overdrafts at end of year***		***932,0***	***673,7***

CASH GENERATED FROM OPERATIONS

481,3	277,2	Profit before income tax	1 936,7	1 273,6
667,0	655,9	Depreciation	1 340,2	1 373,5
1,1	4,0	(Profit)/loss on disposals of non-current assets	2,6	0,9
9,0	-5,5	Changes in value and other losses/(gains) - net (unrealised)	-2,8	11,3
-529,6	9,5	Net finance costs	368,6	346,0
-64,3	193,6	Change in inventories, trade receivables and trade payables	125,8	-130,0
139,7	-185,6	Difference between post employment benefit expense and amount paid/received	-409,5	163,2
121,5	-162,4	Change in other working capital items	160,9	116,5
141,6	583,4	Change in group receivables and payables	0,0	0,0
967,3	***1 370,1***	***Cash generated from operations***	***3 522,5***	***3 155,0***
		In the cash flow statement, proceeds from sale of PPE comprise:		
9,7	11,1	Net book amount	11,1	9,7
-1,1	-4,0	Profit/(loss) on disposals of PPE	-2,5	-0,9
8,6	7,1	Proceeds from disposal of PPE	8,6	8,8

The notes (note 1 to 32) are an intergral part of these consolidated financial statements.

NOTES

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, Dronning Eufemias gate 6.

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 previously been defined as one cash-generating unit (CGU). The Air Navigation Service has been assesed as a own business area with cash flows that are mainly independent from the cash flows of the rest of the group. As a result the group will, as from 2014, have two cash-generating units. For the rest of the group, exclusive of the Air Navigation Services, 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, exclusive of the Air Navigation Services, 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
The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 January 2014 and have a material impact on the group:

IFRS 10 "Consolidated Financial Statements" deals with the definition of subsidiaries and identify the concept of control as the determining factor in whether an entity should be included within the consolidated financial statement of the parent company.

The implementation of IFRS 10 has had no major impact on the financial statements.

(b) New standards, amendments and interpretations not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statement.

IFRS 9 'Financial instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments.

IFRS 9 require financial assets to be classified into three measurement categories: amortised cost, fair value through other comprehensive income and fair value through profit and loss. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact.

IFRS 9 will be effective from 1 January 2018.

IFRS 15 "Revenue from Contracts with Customers" deals with revenue recognition and replaces all existing IFRS revenue requirements. The core principle of IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard applies to all revenue contracts and provides a model for the recognition and measurement of sales of some non-financial assets (e.g., disposals of property, plant and equipment).

The group is yet to assess IFRS 15's full impact.
The standard is effective for annual periods beginning on or after 1 January 2017.

There are no other IFRSs or IFRIC interpretation that are not yet effective that would be expected to have a material impact on the group.

2.2. CONSOLIDATION

Subsidiaries

The consolidated financial statements encompasses Avinor AS and all entities over which Avinor AS has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. As at 31 December 2014 all subsidiaries are wholly owned.

Inter-company transactions, balances and unrealised gains/losses 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.

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 are considered to be operational and have been classified as 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 - 40 years
Runways and other related assets	15 - 50 years
Vehicles	10 - 20 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.

Development costs are recognised as an intangible asset when all the criterias in IAS 38 are met.
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 enhance the 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. The recoverable amount is the highest of the cash-generating unit's fair value less cost to sell and its value in use.

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. Thereafter they are carried at amortised cost. Financial assets carried at fair value through profit and 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. Do not apply to financial assets at fair value through profit and loss.

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 for impairment.

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 bond (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 on 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.

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 7)):

(a) Sale of traffic and real estate services
Revenue from services is recognised in the period the services are provided. For spesification, see note7. 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) Sale of goods
Revenue from sale of goods are recognised in the period the goods is delivered.

(c) 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.

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 in foreign 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, but there is a few exceptions. Avinor AS and Oslo Airport AS have, as part of the hedging of larger aquisitions, entered into forward foreign exchange contracts in connection with the development of the airport terminals. These are contracts in EUR for the payments of luggage handling systems, navigation equipment, vehicles and others. Part of these derivatives qualify for hedge accounting.

The group has issued bond loans denominated in EUR. The loan is hedged by a combined interest rate and forward foreign exchange contract in which Avinor receive coupon payments and principal amount at maturity in EUR and pay a predetermined amount in NOK at the same point in time. As the foreign exchange risk in overall is assessed to be limited, the group has not estimated any sensitivities. For the notional principal amount of the outstanding forward foreign exchange contracts, see note 19.

(ii) Interest rate risk

The group are exposed to interest rate risk through its financial activities (see note 27). 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 interest rate hedge all long-term loans till at least 60 per cent of total debt at all time is hedged for at least 12 months.

The group manages its effective interest exposure risk by using various interest rate swaps. At 31 December 2014 approximately 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 81 per cent of its long-term borrowings at a fixed rate of interest for at least 12 months.

At 31 December 2014 the group had interest rate swaps instruments at a face value of MNOK 3,689 (2013: MNOK 1,049), where the group receives a variable rate and pays a fixed rate of 3.83 per cent of face value. The interest rate swaps are used to hedge against volatility in the P&L reporting as a result of changes in the interest levels.

All interest swaps are made as a hedge against financial risks caused by 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 AS	**Changes in interests levels in basis points**	**Impact on pre tax profit (MNOK)**	**Inpact on equity (MNOK)**
2014	+50	-1,7	2,2
	-50	1,7	-2,0
2013	+50	-2,7	0,0
	-50	2,8	0,0

Avinor Group	**Changes in interests levels in basis points**	**Impact on pre tax profit (MNOK)**	**Inpact on equity (MNOK)**
2014	+50	-5,6	17,4
	-50	5,6	-17,1
2013	+50	-1,3	16,6
	-50	1,1	-17,6

Based on the financial instruments at 31 December 2014, the simulation shows that if the interest rate had been 0.5 per cent higher, pre-tax profit for the year would have been MNOK 5.6 lower (2013: MNOK 1.3).

The average yield on financial instruments were as follows:

	2014 (%)	**2013(%)**
Overdraft	IA	IA
State loan	2,85	3,40
Debenture loan	4,02	4,30
Bankloan	4,77	5,29

The figures include interest hedging derivatives.
At 31 December 2014, Avinor AS had total borrowings amounting to MNOK 10,068.9 (2013: MNOK 7,071.8) in addition to a overdraft of MNOK 0.0 (2013: 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 2014 approximately 36 per cent of 2015'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 -18.0 (2013: MNOK -19.1) based on the exchange rate at year-end.

Sensitivity analysis of electrical power contracts at 31 December 2014 (impact on pre-tax profit (MNOK) as a consequense of a 20% increase in power price):

Avinor AS:	Market value 31.12.14	Impact on pre tax profit
	-9,9	9,0

Avinor konsern:	Market value 31.12.13	Impact on pre tax profit
	-18,0	16,8

Credit risk
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. 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 21).

The group does not have any material overdue trade receivables (see note 21).
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. The group shall have a liquidity reserve sufficient, at any time, to maintain business for at least twelve months without raising new loans.

Unused credit facilities are described in note 22.

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 AS:*	**Less than 1 month**	**Between 1-3 months**	**Between 3-12 mnd**	**Between 1-5 år**	**Over 5 years**	**Total**
31/12/14						
State, bond and bank borrowings*	32,6	865,1	292,8	3 011,8	8 937,2	13 139,5
Other commitments	0,2	0,4	1,4	110,2	0,5	112,7
Trade payables	220,2	108,5	0,0	0,0	0,0	328,7
Other current liabilities	277,6	136,8	0,0	0,0	0,0	414,4
31/12/13						
State, bond and bank borrowings*	1,8	403,6	1 100,4	1 752,4	6 430,3	9 688,5
Other commitments	1,4	1,1	7,3	150,3	1,4	161,5
Trade payables	108,6	133,4	5,7	0,0	0,0	247,7
Other current liabilities	222,1	109,4	0,0	0,0	0,0	331,5

* derivatives included

Remaining period* *Avinor Group:*	**Less than 1 month**	**Between 1-3 months**	**Between 3-12 mnd**	**Between 1-5 år**	**Over 5 years**	**Total**
31/12/14						
State, bond and bank borrowings*	43,1	886,3	956,1	5 525,8	11 478,2	18 889,5
Other commitments	0,8	1,6	7,0	218,0	0,5	228,0
Trade payables	535,8	263,9	0,0	0,0	0,0	799,7
Other current liabilities	290,9	143,3	0,0	0,0	0,0	434,2
31/12/13						
State, bond and bank borrowings*	4,2	428,0	1 785,7	4 408,5	9 764,4	16 390,8
Other commitments	2,4	1,1	7,5	280,5	1,4	292,9
Trade payables	328,9	147,1	5,8	0,0	0,0	481,7
Other current liabilities	228,9	112,8	0,0	0,0	0,0	341,7

* derivatives included

See note 27 for information about long-term loans.

In addition to the refinancing of the borrowings decribed above, the group will, especially the next few 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 new terminals at Gardermoen and at Flesland 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 1.89 and 6.5 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 (according to article 11 of the company's Articles of Association)
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.

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 only 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.

Existing borrowings have covenants regarding amount of equity.

Avinor AS:	**2014**	**2013**
Interest-bearing debt	10 108,7	7 118,7
Equity	8 726,1	9 418,8
Total equity and interest-bearing debt	18 834,8	16 537,5
Gearing ratio	53,7 %	43,0 %
Equity ratio	46,3 %	57,0 %
Net debt to equity ratio	48,7 %	59,3 %

Avinor Group:	**2014**	**2013**
Interest-bearing debt	15 290,4	12 734,9
Equity	12 222,6	11 969,4
Total equity and interest-bearing debt	27 513,0	24 704,3
Gearing ratio	55,6 %	51,5 %
Equity ratio	44,4 %	48,5 %
Net debt to equity ratio	46,0 %	49,8 %

Fair value estimation
The fair value of foreign exchange forward contracts and financial power forward contracts is based on market value at the balance sheet date.

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

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

The fair value of long-term debt is based on quoted market prices or on the interest rates for debt with corresponding terms and similar credit margin.

The fair value of commercial papers equals principal amount as at 31 December 2014.

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

	2014		2013	
Avinor AS:	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Interest-bearing debt:				
Bonds	6 243,7	6 947,9	3 246,5	3 420,2
Bank borrowings	3 025,3	3 526,2	3 025,3	3 198,6
Commercial papers	800,0	800,0	800,0	800,0

	2014		2013	
Avinor Group:	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Interest-bearing debt:				
State loan	3 860,5	3 966,6	4 304,8	4 299,2
Bonds	6 243,7	6 947,9	3 246,5	3 420,2
Bank borrowings	4 346,6	4 847,5	4 336,8	4 510,1
Commercial papers	800,0	800,0	800,0	800,0

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

*Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

*Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

*Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's assets and liabilities that are measured at fair value, and assets and liabilities for which fair values are disclosed at 31 December 2014:

Avinor Group:	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
Foreign exchange contracts	0,0	9,1	0,0	9,1
Power contracts	0,0	0,0	0,0	0,0
Interest rate contracts	0,0	0,0	0,0	0,0
Derivatives used for hedging				
Foreign exchange contracts	0,0	17,2	0,0	17,2
Interest rate contracts	0,0	154,7	0,0	154,7
Total assets	**0,0**	**181,0**	**0,0**	**181,0**
Liabilities				
Financial liabilities at fair value through profit or loss				
Foreign exchange contracts	0,0	9,1	0,0	9,1
Power contracts	18,0	0,0	0,0	18,0
Interest rate contracts	0,0	14,8	0,0	14,8
Derivatives used for hedging				
Interest rate contracts	0,0	113,7	0,0	113,7
Total liabilities	**18,0**	**137,6**	**0,0**	**155,6**
Liabilities for which fair values are disclosed				
Interest-bearing debt				
State loan	0,0	3 966,6	0,0	3 966,6
Bonds	0,0	6 947,9	0,0	6 947,9
Bank borrowings	0,0	4 847,5	0,0	4 847,5
Commercial papers	0,0	800,0	0,0	800,0
Total	**0,0**	**16 562,0**	**0,0**	**16 562,0**

There were no transfers between levels during the year.

The following table presents the group's assets and liabilities that are measured at fair value, and assets and liabilities for which fair values are disclosed at 31 December 2013:

Avinor Group:	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
Foreign exchange contracts	0,0	2,0	0,0	2,0
Power contracts	0,0	0,0	0,0	0,0
Interest rate contracts	0,0	0,0	0,0	0,0
Derivatives used for hedging				
Foreign exchange contracts	0,0	9,5	0,0	9,5
Interest rate contracts	0,0	0,0	0,0	0,0
Total assets	**0,0**	**11,5**	**0,0**	**11,5**
Liabilities				
Financial liabilities at fair value through profit or loss				
Foreign exchange contracts	0,0	3,6	0,0	3,6
Power contracts	19,1	0,0	0,0	19,1
Interest rate contracts	0,0	18,2	0,0	18,2
Derivatives used for hedging				
Interest rate contracts	0,0	95,1	0,0	95,1
Total liabilities	**19,1**	**116,9**	**0,0**	**136,0**
Liabilities for which fair values are disclosed				
Interest-bearing debt				
State loan	0,0	4 299,2	0,0	4 299,2
Bonds	0,0	3 420,2	0,0	3 420,2
Bank borrowings	0,0	4 510,1	0,0	4 510,1
Commercial papers	0,0	800,0	0,0	800,0
Total	**0,0**	**13 029,5**	**0,0**	**13 029,5**

There were no transfers between levels during the year.

Interest-bearing debt in level 2
The fair value estimation is carried out by the groups main bank connecion.
The fair value of the interest-bearing debt is estimated based on the difference between the coupon/fixed rate of interest on the interest-bearing debt compared with 3 months NIBOR and implicit funding spread from the market.

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 15). 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 two 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 and the difference between the fair value and the carrying amount, in addition to the financial position and expected development in the market, including operating and financing cash flows. See note 17.

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.

Changes in the the National Insurance Scheme are implemented from 1 January 2011. However, the coordination regulations connected to SPK have not been established for persons born in 1954 and thereafter. The regulations will be implemented in the accounts as soon as they are established.

5. SEGMENT INFORMATION

Amount 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, one airport division and the airports Oslo, Bergen, Stavanger and Trondheim.

As from 1 April 2014 the internal organising of the group for management purpose is changed. The division "Other large airports" is now reported by airport (Bergen, Stavanger and Trondheim). The change has only minor effects on the other segments. All corresponding and accumulated figures are restated.

The segment information provided to the group management for the reportable segments for the year ended 31 December 2014 is as follows:

Avinor group as at 31 December 2014:

	Oslo Airport	Bergen Airport	Stavanger Airport	Trondheim Airport	Regionale airports	Total airport operations
Traffic income	1 941,7	578,1	475,7	365,2	937,7	4 298,3
Sales and rental income	3 103,2	553,0	506,1	314,6	618,9	5 095,7
Inter-segment income	70,4	9,1	59,0	12,9	15,9	167,2
Total income	*5 115,2*	*1 140,2*	*1 040,8*	*692,6*	*1 572,5*	*9 561,2*
Employee benefits expense	450,6	115,0	86,8	77,9	719,9	1 450,2
Depreciation and amortisation	588,7	83,5	89,4	90,1	359,9	1 211,6
Other operating expenses	1 604,7	217,8	166,0	143,2	1 080,6	3 212,3
Inter-segment expenses	764,7	134,9	147,9	105,8	534,1	1 687,4
Total expenses	*3 408,7*	*551,2*	*490,2*	*416,9*	*2 694,4*	*7 561,5*
Net income/(expense)	**1 706,5**	**588,9**	**550,6**	**275,7**	**(1 122,0)**	**1 999,8**
Group adjustments depreciation (a)	181,7	(24,6)	(18,9)	(22,3)	(115,5)	0,4
Group adjustments lease (b)	408,0					408,0
Operating profit/(loss)	**2 296,2**	**564,3**	**531,7**	**253,4**	**(1 237,5)**	**2 408,2**
Assets	**8 734,6**	**1 927,0**	**1 518,3**	**1 720,6**	**6 366,1**	**20 266,6**

Avinor group as at 31 December 2014 continued:

	Total airport operations	Air Navigation Services	Others	Elimination	Total
Traffic income	4 298,3	1 008,2	(6,9)		5 299,6
Sales and rental income	5 095,7	234,3	41,4		5 371,5
Inter-segment income	167,2	772,4	1 038,5	(1 978,2)	0,0
Total income	*9 561,2*	*2 014,9*	*1 073,0*	*(1 978,2)*	*10 671,1*
Employee benefits expense	1 450,2	1 197,4	331,9		2 979,5
Depreciation and amortisation	1 211,6	85,5	42,5		1 339,6
Other operating expenses	3 212,3	418,9	414,8		4 046,0
Inter-segment expenses	1 687,4	103,1	187,6	(1 978,2)	0,0
Total expenses	*7 561,5*	*1 804,9*	*976,9*	*(1 978,2)*	*8 365,1*
Net income/(expense)	**1 999,8**	**210,0**	**96,2**	**0,0**	**2 305,9**
Group adjustments depreciation (a)	0,4	-	(1,0)		(0,6)
Group adjustments lease (b)	408,0		(408,0)		0,0
Operating profit/(loss)	**2 408,2**	**210,0**	**(312,8)**	**0,0**	**2 305,3**
Assets	**20 266,6**	**571,5**	**218,5**		**21 056,6**

The segment information provided to the group management for the reportable segments for the year ended 31 December 2013 is as follows (restated):

Avinor group as at 31 December 2013:

	Oslo Airport	Bergen Airport	Stavanger Airport	Trondheim Airport	Regionale airports	Total airport operations
Traffic income	1 833,6	569,5	454,5	349,2	882,4	4 089,2
Sales and rental income	2 908,4	504,0	446,6	280,2	580,9	4 720,0
Inter-segment income	84,1	16,0	32,6	28,3	30,9	191,9
Total income	*4 826,0*	*1 089,4*	*933,6*	*657,7*	*1 494,3*	*9 001,0*
Employee benefits expense	545,5	128,1	99,5	89,6	821,6	1 684,2
Depreciation and amortisation	661,4	78,1	89,4	71,2	347,6	1 247,7
Other operating expenses	1 363,5	221,7	154,6	142,5	961,1	2 843,5
Inter-segment expenses	655,4	140,2	135,7	107,1	532,5	1 570,9
Total expenses	*3 225,9*	*568,0*	*479,2*	*410,4*	*2 662,8*	*7 346,3*
Net income/(expense)	**1 600,2**	**521,4**	**454,4**	**247,3**	**(1 168,5)**	**1 654,7**
Group adjustments depreciation (a)	181,7	(24,6)	(18,9)	(22,3)	(115,5)	0,4
Group adjustments lease (b)	389,2					389,2
Operating profit/(loss)	**2 171,1**	**496,8**	**435,5**	**225,0**	**(1 284,0)**	**2 044,3**
Assets	**8 630,9**	**1 904,2**	**1 487,9**	**1 491,5**	**6 150,6**	**19 665,1**

Avinor group as at 31 December 2013 continued:

	Total airport operations	Air Navigation Services	Others	Elimination	Total
Traffic income	4 089,2	945,6	(8,1)		5 026,6
Sales and rental income	4 720,0	217,4	13,6		4 951,0
Inter-segment income	191,9	734,7	936,0	(1 862,6)	0,0
Total income	*9 001,0*	*1 897,7*	*941,5*	*(1 862,6)*	*9 977,6*
Employee benefits expense	1 684,2	1 399,7	322,4		3 406,4
Depreciation and amortisation	1 247,7	89,8	35,4		1 372,9
Other operating expenses	2 843,5	381,4	353,3		3 578,2
Inter-segment expenses	1 570,9	95,9	195,8	(1 862,6)	0,0
Total expenses	*7 346,3*	*1 966,8*	*906,9*	*(1 862,6)*	*8 357,4*
Net income/(expense)	**1 654,7**	**(69,2)**	**34,6**	**0,0**	**1 620,2**
Group adjustments depreciation (a)	0,4	0,0	(1,0)		-0,6
Group adjustments depreciation (a)	389,2		(389,2)		0,0
Operating profit/(loss)	**2 044,3**	**(69,2)**	**33,6**	**(389,2)**	**1 619,6**
Assets	**19 665,1**	**602,8**	**160,8**		**20 428,7**

(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 Airport AS in the segment

Non-current liabilities comprise the Oslo Airport AS state loan, Avinor AS bond and bank borrowings 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.

Revenue of approximately 2.4 billions, 1.7 billions and 1.4 billions, total 5.5 billions (2013: NOK 2.2 billions, 1.9 billions and 1.5 billions, total 5.6 billions) and 52 per cent (2013: 56 per cent) of total operating income are derived from three main customers. Revenue from the first customer is attributable to Oslo Airport, Bergen Airport, Stavanger Airport and Trondheim Airport. Revenue from the two other customers are attributable to all segments.

6. SUBSIDIARIES

Amount 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 31.12.2014	Profit/ loss 2014
Avinor Flysikring AS	Norway	Oslo	Air navigation services	100 %	367,2	354,1	172,7
Oslo Airport AS	Norway	Ullensaker	Airport operations	100 %	467,9	3 768,1	1 027,3
Avinors Parkeringsanlegg Norway Oslo		Parking	100 %	109,6	112,8	8,2	
Flesland Eiendom AS	Norway	Oslo	Real estate	100 %	71,8	83,7	10,1
Værnes Eiendom AS	Norway	Oslo	Real estate	100 %	115,9	79,5	-3,3
Sola Hotel Eiendom AS	Norway	Oslo	Real estate	100 %	69,9	77,1	13,9
Hell Eiendom AS	Norway	Oslo	Real estate	100 %	24,6	17,9	0,4
Total					1 226,9	4 493,2	1 229,3

Indirectly owned subsidiaries:	Home country	Business office	Main business	Ownership voting shares	Book value	Total equity 31.12.2014	Profit/ loss 2014
Oslo Airport Eiendom AS	Norway	Ullensaker	Real estate	100 %	89,8	175,1	65,5
Total					89,8	175,1	65,5

*Avinor Flysikring is demerged from Avinor AS as a wholly-owned subsidiary of Avinor AS from June 2014.

7. OPERATING INCOME

Amount in MNOK

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Traffic income				
Takeo charges	702,7	688,5	1 197,3	1 173,6
Terminal charges	649,8	618,6	1 295,0	1 226,2
En route charges	393,3	945,6	1 008,2	945,6
Security charges	661,0	637,7	1 183,7	1 132,5
Terminal navigation charges	336,1	302,7	615,3	548,8
Total	2 742,9	3 193,1	5 299,5	5 026,6
Sales and rental income				
Duty free*	880,9	805,8	2 526,1	2 342,6
Parking*	472,1	430,6	884,0	813,3
Other	693,5	722,4	1 954,9	1 783,1
Total	2 046,5	1 958,8	5 365,0	4 939,0
Other income				
Intercompany services	692,1	617,9	0,0	0,0
Other	4,8	9,2	6,5	12,0
Total	696,9	627,1	6,5	12,0
Total operating income	**5 486,3**	**5 779,0**	**10 671,0**	**9 977,6**

* Sales and rental income from duty free and parking are mainly rental income.

8. SALARIES AND PERSONNEL COSTS, NUMBER OF EMPLOYEES, REMUNERATIONS

Amount in MNOK

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Salaries and personnel costs:				
Salaries	1 532,2	2 011,6	2 483,6	2 373,1
Payroll tax	193,7	282,8	327,7	348,0
Pension costs	100,0	466,9	44,3	565,3
Other personnel costs	82,0	99,6	123,9	120,0
Total	1 907,9	2 860,9	2 979,5	3 406,4
Reduction of total salaries and personnel costs:				
Salaries and personnel costs recognised in the balance sheet	70,2	51,8	139,9	90,4
Average number of man-years employed	1 689	2 658	3 327	3 252

Group management:
The group management consists of the group CEO and the managing director of each division and the two largest subsidiaries in addition to the managing directors of each corporate staff.

2014	Board fee	Salary	Other benefits	Estimated pension cost	Total
Amount in NOK					
Group management:					
Dag Falk-Petersen	0	2 498 696	95 411	680 549	3 274 656
Nic Nilsen, Oslo Airport AS (to 11.08.2014)	0	1 774 698	135 426	38 263	1 948 387
Øyvind Hasaas, Oslo Airport AS (from 11.08.2014)	0	751 780	13 432	168 568	933 781
Signe Astrup Arnesen (to 31.03.2014)	0	658 038	5 586	66 641	730 265
Aslak Sverdrup	0	1 427 931	9 440	243 400	1 680 770
Leif Anker Lorentzen	0	1 470 942	9 440	298 905	1 779 287
Lasse Bardal	0	1 622 176	9 440	360 982	1 992 597
Mari Hermansen,	0	1 560 507	9 440	525 581	2 095 528
Petter Johannessen	0	1 668 132	9 440	491 557	2 169 128
Anders Kirsebom	0	1 910 052	13 440	320 684	2 244 176
Jon Sjølander	0	1 700 860	9 662	428 670	2 139 192
Margrethe Snekkerbakken	0	1 766 640	10 341	480 822	2 257 802
Egil Thompson	0	1 615 429	9 440	547 703	2 172 571

2014 Amount in NOK	Board fee	Salary	Other benefits	Estimated pension cost	Total
Board:					
Ola Mørkved Rinnan	403 500	0	0	0	403 500
Ola H. Strand	254 500	0	0	0	254 500
Anne Breiby	103 000	0	0	0	103 000
Mari Thjømøe	103 000	920	0	0	103 920
Tone Merethe Lindberg	201 000	0	1 485	0	202 485
Dag Hårstad	238 000	920	0	0	238 920
Eli Skrøvset	262 500	920	0	0	263 420
Per-Erik Nordsveen	203 500	706 792	5 047	103 540	1 018 879
Grete Ovnerud	238 000	1 182 720	5 047	305 591	1 731 358
Heidi Anette Sørum	203 500	741 701	9 537	128 568	1 083 306
Olav Aadal	201 000	1 461 877	5 047	262 416	1 930 340
Total	2 411 500	24 521 732	366 098	5 452 440	32 751 770

2013 Amount in NOK	Board fee	Salary	Other benefits	Estimated pension cost	Total
Group management:					
Dag Falk-Petersen,	0	2 452 555	8 654	684 750	3 145 959
Nic Nilsen	0	1 775 432	108 571	227 295	2 111 298
Signe Astrup Arnesen	0	1 442 836	10 539	426 672	1 880 047
Lasse Bardal	20 400	1 566 984	8 654	410 578	2 006 616
Mari Hermansen	0	1 458 274	17 432	636 057	2 111 763
Petter Johannessen	0	1 607 612	17 549	521 870	2 147 031
Anders Kirsebom	0	1 786 949	10 594	425 483	2 223 026
Jon Sjølander	0	1 637 849	8 654	449 370	2 095 873
Margrethe Snekkerbakken	0	1 702 875	8 654	536 653	2 248 182
Egil Thompson	0	1 489 590	17 591	666 125	2 173 306

2013	Board fee	Salary	Other benefits	Estimated pension cost	Total
Amount in NOK					
Board:					
Ola Mørkved Rinnan	393 500	0	0	0	393 500
Kristin Vangdal (to 26.06.2013)	120 000	0	0	0	120 000
Ola H. Strand (from 26.06.2013)	221 750	0	0	0	221 750
Anne Breiby	196 000	0	0	0	196 000
Tone Merethe Lindberg (from 26.06.2013)	96 750	0	0	0	96 750
Dag Hårstad	229 000	0	0	0	229 000
Eli Skrøvset	252 500	0	0	0	252 500
Christian Berge (to 26.06.2013)	96 750	1 543 907	10 842	253 824	1 905 323
Helge Løbergsli (to 26.06.2013)	114 500	816 506	4 654	191 821	1 127 481
Per-Erik Nordsveen (from 26.06.2013)	96 750	767 092	4 654	117 134	985 630
Grete Ovnerud	211 250	1 163 127	4 654	335 360	1 714 391
Heidi Anette Sørum	198 500	687 635	8 789	130 115	1 025 039
Olav Aadal (from 26.06.2013)	96 750	1 343 252	4 654	293 058	1 737 714
Total	2 344 400	23 242 474	255 139	6 306 165	32 148 178

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 in note 9. 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 note 9.

9. DECLARATION ON THE DETERMINATION OF SALARIES AND OTHER REMUNERATION FOR THE CEO AND OTHER EXECUTIVE EMPLOYEES

The Board of Directors' declaration on the determination of salaries and other remuneration for the CEO and other executive employees of the Avinor Group

According to article 8 of the company's articles of association, the Board of Directors shall prepare a declaration concerning the determination of salaries and other remuneration for the senior management. This declaration shall be included as a note in the annual accounts. The declaration shall contain the contentsspecified in section 6-16a of the Public Limited Companies Act, and shall be handled in a corresponding manner at the company's ordinary general meeting.

Reference is made to section 5-6 third paragraph of the Public Limited Companies Act and the Government's policy for the remuneration of leading personnel in state-owned enterprises and companies, as set out by the Ministry of Industry and Fisheries, effective as from 13.2.2015.

1. EMPLOYEES COVERED BY THE DECLARATION

This declaration covers executive employees of the Group; Avinor AS, Oslo Lufthavn AS and Avinor Flysikring AS.

At year-end 2014, the Group's executive management team comprised the following employees, who are covered by this declaration:

Avinor AS
- Dag Falk-Petersen, CEO
- Petter Johannessen, CFO Avinor
- Mari Hermansen, Executive Vice President HR, Legal and Procurement
- Egil Thompson, Executive Vice President Communications, Brand and Public Relations
- Jon Sjølander, Executive Vice President Strategy
- Margrethe Snekkerbakken, Executive Vice President Regional and Local Airports Division
- Lasse Bardal, Airport Director, Trondheim Airport Værnes
- Leif A. Lorentzen, Airport Director, Stavanger Airport Sola
- Aslak Sverdrup, Airport Director, Bergen Airport Flesland

Oslo Airport
- Øyvind Hasaas, Managing Director, Oslo Airport
- Marit E. Kjær, Director Organisation and Finance
- Espen Ettre, Director Property and Commercial Development
- Mariann Hornnes, Director Technical Operations
- Thorgeir Landevaag, Director T2 Operation
- Henning Bråtebæk, Director Airport Services
- Knut Holen, Director Terminal Operations
- Ole Jørgen Holt Hanssen, Director Security and Safety Management

Avinor Flysikring AS:
- Anders Kirsebom, Managing Director
- Jan-Gunnar Pedersen, Director Business Area En-Route
- Snorre Andresen, Director Business Area TWR/APP
- Håkan Olsson, Director CNS and ATM systems
- Tor-Øivind Skogseth, Director Customers and Public Relations
- Per Ingar Skaar, Director Development and Projects
- Jan Østby, Director Remote Services
- Marisa Ruiz Retamar, Director HR and Competence
- Kresten Lyngstad, CFO
- Anne-Kr. Aagaard Chavez, Director Safety and Quality

2. DECLARATION'S VALIDITY
The declaration applies for the coming financial year, ref. article 8 of the articles of association and sections 6-16a (2) of the Public Limited Liability Companies Act. The Group's Board of Directors will use the principles described in this declaration as the basis for determining the remuneration of the CEO and in its assessment and monitoring of the CEO's determination of remuneration of executive employees.

3.THE MAIN PRINCIPLES OF THE GROUP'S EXECUTIVE EMPLOYEE REMUNERATION POLICY
Avinor's executive remuneration policy has to comply with the Government's policy for the remuneration of leading personnel in state-owned enterprises and companies (adopted by the Norwegian Government on 31 March 2011). Executive remuneration in the Group should comprise a competitive but not leading salary when compared to similar companies.

3.1 Salary
The main element of the Group's remuneration packages is a fixed basic salary.

3.2 Directors' remuneration
No remuneration is paid for board appointments in other companies in the Avinor Group.

3.3 Benefits in kind
Executive employees shall receive the benefits in kind that are common for comparable positions. These may include a car allowance, parking space, free newspapers/magazines, free phone, laptop, printer and free broadband service. In the CEO's agreement, a car allowance may be replaced with a company car within the framework set by the Board

3.4 Performance pay
A performance pay scheme may be established for executive employees based on individual targets. There must be a clear correlation between performance pay targets and the Group's targets. Any scheme will be structured in accordance with the guidelines specified in the owner's statement.

4.OPTIONS AND SHARE PROGRAMMES
No options or similar schemes will be established in the company. No share programme involving share-based remuneration will be established in the company.

5.PENSION PLANS
Executive employees shall participate in the Group's general pension plan. The basis for calculating pension entitlements shall not exceed 12G (where G = the National Insurance Scheme's basic amount the terms shall be similar to the terms that apply for other company employees. The age limit in the company is 70 years. For executive employees, members of the Group's executive management team, Managing Director Oslo Airport and Managing Director Avinor Flysikring AS the age limit is 67 years. In the Agreements with executive employees in the Group, Managing Director Oslo Airport and Managing Director Avinor Flysikring AS concluded before the guidelines from 15.02.2015, a defined-contribution retirement pension scheme for salaries exceeding 12G have been established, inclusive a disability pension scheme.

Retirement pensions are contribution-based for salaries over 12G with different rates dependent on the manager's age and are administered through the company's operating budget until further notice. Current personnel are divided into four age groups. The pension basis for contributions is the agreed fixed salary, and payment will commence once the retirement age has been reached in accordance with the individual agreement. Payment of the supplementary pension is executed by Avinor's payroll department monthly once the age limit of 67 is reached. A condition of payment is that the employee has resigned from their position in the company. If the employee retires from the Group before reaching their pensionable age, the severance agreement is to include a date for when payment of the pension is to start.

The following contribution plan applies:

For senior executives aged 60 and over:
30 % av pensionable income from 12G to 18G and
25 % av pensionable income over 18G

For senior executives aged 55 to 60:
25 % av pensionable income from 12G to 18G and
20 % av pensionable income over 18G

For senior executives aged 50 to 55:
20 % av pensionable income from 12G to 18G and
15 % av pensionable income over 18G

For senior executives aged up to 50:
15 % av pensionable income from 12G to 18G and
10 % av pensionable income over 18G

When moving up tp a new rate following a birthday, this takes effect from the first date of the month following the birthday. The employer has the full right to manage their pension scheme for salaries exceeding 12G, and the terms and conditions of the scheme may be re-evaluated by the employer at any time without this giving rise to compensation.

Annual disability pension amounts to (100 per cent disability) 38.4 per cent of salaries between 12G and 27G. The full annual disability pension presupposes that insured at retirement will get a time period of at least 20 years. If the length of services is less, the disability pension will be reduced proportionally.

Oslo Lufthavn AS has two executive employees with pension schemes exceeding 12G, established before the guidelines for salaries and other remuneration for executive employees, dated 31.3.2011, were adopted. These pension schemes are financed by regular operations and will be phased out through normal attrition.

6.TERMINATION AND SEVERANCE PAY

There is a three-month notice period applicable to both parties calculated from the first day of the month after notice is given. Notice shall be given in writing.

The CEO and Managing Directors of subsidiaries have waived their employment protection under the Norwegian Working Environment Act. For these people severance pay equivalent to 12 months' fixed salary may be agreed, including the salary of any notice period. Severance pay is calculated on the basis of the employee's regular monthly salary at the time of termination. No holiday pay is accrued on the basis of the severance pay beyond the salary during the notice period.

The severance package for those employed after 01.01.2015 will be reduced by a proportional amount calculated on the basis of the new annual income in the event of appointment to a new position or if an income is received from an enterprise of which the employee concerned is an active owner.

The employee is only entitled to severance pay in excess of their salary during the notice period if they accept the termination, leave at the request of the employer, and do not submit any claim in relation to the rules of the Norwegian Working Environment Act with regard to protection against dismissal, etc. Severance pay may be withheld if there are grounds for dismissal, or if irregularities or omissions are found during the period in which severance pay is to be given, which may result in liability for damages or the employee being prosecuted for violation of the law.

The CEO has concluded such an agreement dated 14 January 2011. A notice period of three months and a severance payment of 12 months have been agreed, which become payable upon termination by the Company. The agreement contains provisions for the deduction of income from a new employer, and ceases if the employee is entitled to disability benefit or retirement pension under the agreement. The CEO is not entitled to pay after termination of employment if the employment is terminated due to circumstances which may result in grounds for dismissal.

For other executive employees, an advance agreement for severance pay with finally determined compensation at retirement, can not be signed. Instead, an advance agreement may be signed, with a reasonable severance taking effect if the employee is not contesting dismissal. These agreements apply correspondingly to the agreements applicable the CEO and Managing Directors of subsidiaries. In the agreements with executive employees in the Group, concluded before the new guidelines, severance pay is agreed.

7.EXECUTIVE REMUNERATION POLICY AND IMPLEMENTATION OF THE GUIDELINES IN THE PRECEDING YEAR

The salary policy for executive employees in 2014 has been conducted in accordance with the above guidelines and the guidelines discussed at the Annual General Meeting on 16 May 2014.

In connection with the wage settlement, the CEO's fixed salary was adjusted by 3.3 per cent.
The basic salary of other senior personnel was adjusted in average by 3.3 per cent, with two exceptions: the base salary of the Managing Director of Avinor Flysikring AS Anders Kirsebom was set at NOK 1,800,000, and Executive Vice President HR, Legal and Procurement Mari Hermansen received an additional NOK 50,000 due to an expanded area of responsibility.

For executive employees in the Group and Managing Director Oslo Airport and Managing Director of Avinor Flysikring AS a defined-contribution retirement pension scheme has been established for salaries exceeding 12G. The scheme covers retirement pensions for operations administered by Avinor, and a disability pension scheme taken out with a life insurance company. The premium is taxable.

The total cost of the chosen scheme was NOK 1,426,000 in 2014.
The individual's total pension cost is stated in the notes to the financial statements.

The Board's declaration concerning the determination of salaries and other remuneration was published for the first time in the 2011 financial year. Executive remuneration packages are reviewed by the Board on an annual basis. Executive remuneration agreements entered into before this point in time shall not be negatively affected by this declaration. The remuneration and other benefits received by executive employees in 2014 are provided in note 8 of the annual financial statements for 2014.

10. OTHER OPERATING EXPENSES

Amount in MNOK	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Specification:				
Rent - buildings/land	107,0	90,8	61,3	46,1
Management/maintenance - buildings	222,9	193,7	583,3	497,5
Repairs, maintenance operational materials	214,0	279,8	415,9	538,8
Control/security/guard services	580,9	553,1	944,0	892,4
Meteorological services	17,2	40,6	37,9	40,6
Consulting services	277,6	172,0	429,8	257,8
Other external services	366,5	410,7	781,0	526,2
Other operating expenses	719,5	453,5	588,7	602,5
Total	2 505,6	2 194,2	3 841,9	3 401,9

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Auditor's fee - fixed charge (VAT not included):				
Statutory audit fee	0,5	0,4	1,0	0,7
Other auditors's fees charged to profit and loss (VAT not included):				
Extended financial audit services	0,3	0,0	0,3	0,0
Other attestation assignments	0,6	0,7	0,8	0,7
Tax advisory services	0,0	0,0	0,0	0,0
Accounting assistance including IFRS	0,0	0,1	0,0	0,1
Total	0,9	0,8	1,1	0,8

11. IMPACT ON EARNINGS – TERMINAL 2 PROJECT

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

Specification	2014	2013
Employee benefits expense		
Payroll and other personnel expenses for operating personnel	24,5	43,2
Total	24,5	43,2
Depreciation, amortisation and impairment charges		
Higher depreciation as the result of scrapping portions of the terminal	64,6	96,1
Total	64,6	96,1
Other operating expenses		
Operational coordination	43,6	47,2
Security	13,1	10,5
More bussing	15,7	11,1
Consulting services	5,7	6,8
Staff/support	4,7	6,2
Demolishing expenses existing plant	33,0	69,8
Additional contract costs related to maintenance of normal operations during the construction period	264,5	64,4
Other	10,8	0,0
Total	391,1	216,0
Total	**480,2**	**355,3**

12. CHANGES IN VALUE AND OTHER LOSSES/GAINS - NET

Amount in MNOK	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Specification:				
Changes in value-unrealised (note 19)	5,5	-9,0	2,8	-11,3
Changes in value-realised energy contracts	-11,2	-0,7	-25,1	-1,4
Foreign currency translation gains/losses	-1,5	17,0	16,7	12,7
Total	-7,2	7,3	-5,6	0,1

13. FINANCE INCOME AND COSTS

Amount in MNOK	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Finance income:				
Interest income on short-term bank deposits	45,4	51,5	47,0	57,9
Interest income on loans to group companies	224,4	175,4	0,0	0,0
Group contributions and dividends received	103,2	571,5	1,5	7,5
Gains on financial instruments (note 19)	0,0	7,1	0,0	7,1
Total	373,0	805,5	48,5	72,5
Finance costs:				
Interest expense on bank borrowings	375,3	296,0	563,0	530,5
Interest expense on loans from group companies	22,6	8,6	0,0	0,0
Interest expense on others	7,2	9,1	8,8	8,7
Other borrowing expenses	30,3	29,4	31,7	29,4
Borrowing costs capitalised (note 17)	-49,5	-62,4	-183,0	-142,8
Net fair value gains/losses on bank borrowings including derivatives	0,0	-10,2	0,0	-10,2
Fair value loss on financial instruments (note 19)				
- interest rate swaps: cash flow hedges, transfer from equity	-3,4	-4,3	-3,4	-6,8
- interest rate swaps: fair value hedges	0,0	9,7	0,0	9,7
Total	382,5	275,9	417,1	418,5
Finance income/(costs) - net	**-9,5**	**529,6**	**-368,6**	**-346,0**

14. INCOME TAX EXPENSE

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Income tax expense				
Current tax on profit for the year	0,7	2,4	277,5	383,1
Current tax on adjustments in respect of prior years	2,6	0,0	2,6	5,3
Current tax on group contributions	1,8	2,5	0,0	0,0
Deferred tax, adjustments prior years	0,2	0,0	0,2	0,0
Deferred tax on origination and reversal of temporary differences	84,8	142,1	257,7	-19,9
Change in tax rate, effect deferred tax assets/-liabilities	0,0	2,5	0,0	14,1
Total	90,1	149,5	538,0	382,6

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Effective tax rate reconciliation				
28% of profit before tax	74,8	134,7	523,0	356,7
Effect of adjustments prior years	2,6	0,0	2,6	0,0
Change in tax rate, effect deferred tax assets/-liabilities	0,0	2,5	0,0	14,1
Group contribution received (not subject to tax) 0,0	0,0	0,0	0,0	
Dividends received	0,0	-1,5	-0,4	-2,0
Permanent differences (28%)	0,4	1,5	0,4	1,6
Permanent differences (28%) Spitzbergen	12,3	12,3	12,4	12,3
Income tax expense	90,1	149,5	538,0	382,7
Effective tax rate	33,7	31,1	28,8	30,0

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.

15. DEFERRED INCOME TAX

Amount in MNOK

Avinor AS:
Deferred tax assets and liabilities

	At 1 January 2014		Charged/ credited to the income statement	Charged/ credited to other comprehensive income	At 31 December 2014
Receivables	-0,5	0,0	0,4	0,0	-0,1
Group contributions (receivables)	-27,8	0,0	-67,4	0,0	-95,2
Non-current assets	-935,7	-1,2	102,6	0,0	-834,3
Borrowings	0,0	0,0	-55,0	0,0	-55,0
Provisions	-112,3	3,4	-4,0	0,0	-112,9
Pension benefits	-545,2	231,0	50,1	-147,5	-411,6
Group contributions (payables)	2,5	0,0	0,0	-0,7	1,8
Profit and loss account	-4,9	0,0	0,7	0,0	-4,2
Derivative financial instruments	-8,5	0,0	57,4	-13,2	35,7
Deferred tax asset (-)/liability (net)	-1 632,4	233,2	84,8	-161,4	-1 475,7

Change in tax rate, deferred tax asset reduction	60,5
Presented as:	
Equity reduction	56,5
Other comprehensive income expense	1,5
Profit and loss expense (note 14)	2,5

	At 1 January 2013	Charged/ credited to the income statement	Charged/ credited to other comprehensive income	At 31 December 2013
Receivables	-0,5	0,0	0,0	-0,5
Group contributions (receivables)	-158,4	129,6	0,0	-28,8
Non-current assets	-1 045,7	75,3	0,0	-970,4
Provisions	-93,4	-23,0	0,0	-116,4
Pension benefits	-928,3	-40,9	403,8	-565,4
Group contributions (payables)	2,4	0,0	0,1	2,5
Profit and loss account	-6,7	1,7	0,0	-5,0
Derivative financial instruments	-8,3	-0,6	0,0	-8,9
Deferred tax asset(-)/liability (net)	-2 238,9	142,1	403,9	-1 692,9

	2014	2013
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	-1 305,1	-1 494,3
Deferred tax asset to be recovered within 12 months	-208,1	-140,5
	-1 513,2	-1 634,9
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	35,7	0,0
Deferred tax liability to be recovered within 12 months	1,8	2,5
	37,4	2,5
Deferred tax asset(-)/liability (net)	-1 475,7	-1 632,4

Avinor group:
Deferred tax assets and liabilities

	At 1 January 2014	Charged/ credited to the income statement	Charged/ credited to other comprehensive income	At 31 December 2014
Receivables	-0,9	0,4	0,0	-0,5
Group contributions (receivables)	0,0	0,0	0,0	0,0
Non-current assets	-1 224,4	159,1	0,0	-1 065,3
Borrowings	0,0	-55,0	0,0	-55,0
Provisions	-139,5	-8,0	0,0	-147,5
Pension benets	-634,0	110,5	-241,1	-764,6
Group contributions (payables)	0,0	0,0	0,0	0,0
Prot and loss account	-6,6	-5,9	0,0	-12,5
Derivative nancial instruments	-31,8	56,6	-17,8	7,0
Deferred tax asset(-)/liability (net)	-2 037,0	257,7	-258,9	-2 038,2

Change in tax rate, deferred tax asset reduction	**75,5**
Presented as:	
Equity reduction	59,3
Other comprehensive income expense	2,0
Prot and loss expense (note 14)	14,1

	At 1 January 2013	Charged/ credited to the income statement	Charged/ credited to other com-prehensive income	At 31 December 2013
Receivables	-0,8	-0,1	0,0	-0,9
Group contributions (receivables)	0,0	0,0	0,0	0,0
Non-current assets	-1 338,5	68,8	0,0	-1 269,7
Provisions	-102,1	-42,6	0,0	-144,7
Pension benefits	-1 085,1	-47,8	475,5	-657,4
Group contributions (payables)	0,0	0,0	0,0	0,0
Prot and loss account	-9,1	2,3	0,0	-6,8
Derivative nancial instruments	-41,8	-0,5	9,3	-33,0
Deferred tax asset(-)/liability (net)	-2 577,4	-19,9	484,8	-2 112,5

	2014	2013
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	-1 936,2	-1 935,6
Deferred tax asset to be recovered within 12 months	-148,0	-140,4
	-2 084,2	-2 076,0
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	45,9	14,5
Deferred tax liability to be recovered within 12 months	0,1	24,5
	46,0	39,0
Deferred tax asset(-)/liability (net)	-2 038,2	-2 037,0

16. INTANGIBLE ASSETS

Amount in MNOK

Avinor AS/Avinor group:

Air traffic management systems	Avinor AS	Avinor group
At 1 January 2013		
Cost	158,5	158,5
Accumulated amortisation and impairment	-112,1	-112,1
Net book amount	46,4	46,4
Year ended 31 December 2013		
Opening net book amount	46,4	46,4
Additions	0,0	0,0
Amortisation charge	-15,0	-15,0
Closing net book amount	31,4	31,4
At 31 December 2013		
Cost	158,5	158,5
Accumulated amortisation and impairment	-127,1	-127,1
Net book amount	31,4	31,4
Year ended 31 December 2014		
Opening net book amount	31,4	31,4
Additions	0,0	0,0
Disposals	-25,1	-1,8
Amortisation charge	-6,3	-13,9
Closing net book amount	0,0	15,7
At 31 December 2014		
Cost	0,0	155,7
Accumulated amortisation and impairment	0,0	-140,0
Net book value	0,0	15,7
Estimated useful life	10 years	10 years
Method of depreciation	Straight line	Straight line

17. PROPERTY, PLANT AND EQUIPMENT

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 2013									
Cost	734,8	3 758,5	4 039,8	698,6	2 490,1	553,6	12 275,4	2 261,7	14 537,1
Accumulated depreciation	0,0	-1 045,1	-728,5	-259,3	-1 435,7	-217,2	-3 685,8	0,0	-3 685,8
Net book amount	734,8	2 713,4	3 311,3	439,3	1 054,4	336,4	8 589,6	2 261,7	10 851,3
Year ended 31 December 2013									
Opening net book amount	734,8	2 713,4	3 311,3	439,3	1 054,4	336,4	8 589,6	2 261,7	10 851,3
Additions	19,2	625,9	719,8	96,3	329,5	42,6	1 833,3	2 085,0	3 918,3
Reclassification	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-1 833,3	-1 833,3
Government grants	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-75,3	-75,3
Disposals	0,0	-7,8	-0,1	-0,3	-1,4	0,0	-9,7	0,0	-9,7
Depreciation charge	0,0	-180,8	-170,3	-44,2	-216,9	-39,9	-652,0	0,0	-652,0
Closing net book amount	754,0	3 150,7	3 860,7	491,1	1 165,6	339,1	9 761,2	2 438,1	12 199,3
At 31 December 2013									
Cost	754,0	4 374,3	4 758,8	791,9	2 812,7	596,1	14 087,8	2 438,1	16 525,9
Accumulated depreciation	0,0	-1 223,6	-898,1	-300,8	-1 647,1	-257,0	-4 326,6	0,0	-4 326,6
Net book amount	754,0	3 150,7	3 860,7	491,1	1 165,6	339,1	9 761,2	2 438,1	12 199,3
Year ended 31 December 2014									
Opening net book amount	754,0	3 150,7	3 860,7	491,1	1 165,6	339,1	9 761,2	2 438,1	12 199,3
Additions	48,3	206,8	727,0	55,7	188,6	45,4	1 271,8	2 178,7	3 450,5
Reclassification	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-1 271,8	-1 271,8
Government grants	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-24,4	-24,4
Disposals	-0,9	-198,2	-4,2	-17,7	-315,4	-3,5	-539,9	-246,6	-786,5
Depreciation charge	-1,0	-187,9	-188,1	-41,7	-195,7	-35,2	-649,6	0,0	-649,6
Closing net book amount	800,4	2 971,4	4 395,4	487,4	843,1	345,8	9 843,6	3 074,0	12 917,6
At 31 December 2014									
Cost	801,4	4 359,5	5 465,2	799,4	2 121,8	636,6	14 183,9	3 074,0	17 257,9
Accumulated depreciation	-1,0	-1 388,1	-1 069,8	-312,0	-1 278,7	-290,8	-4 340,4	0,0	-4 340,4
Net book amount	800,4	2 971,4	4 395,4	487,4	843,1	345,8	9 843,6	3 074,0	12 917,6

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 2013									
Cost	1 373,5	11 673,3	7 722,2	963,8	4 966,4	1 416,1	28 115,5	4 552,3	32 667,8
Accumulated depreciation	0,0	-3 595,2	-1 869,1	-431,5	-3 310,7	-653,5	-9 860,0	0,0	-9 860,0
Net book amount	1 373,5	8 078,1	5 853,1	532,3	1 655,7	762,6	18 255,5	4 552,3	22 807,8
Year ended 31 December 2013									
Opening net book amount	1 373,5	8 078,1	5 853,1	532,3	1 655,7	762,6	18 255,5	4 552,3	22 807,8
Additions	19,2	928,0	1 665,5	197,7	430,2	269,5	3 510,1	4 214,5	7 724,6
Reclassification	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-3 510,1	-3 510,1
Government grants	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-75,3	-75,3
Disposals	0,0	-7,8	-0,1	-0,5	-1,4	0,0	-9,8	0,0	-9,8
Depreciation charge	0,0	-551,8	-301,6	-59,6	-345,3	-100,2	-1 358,5	0,0	-1 358,5
Closing net book amount	1 392,7	8 446,5	7 216,9	669,9	1 739,2	931,9	20 397,3	5 181,4	25 578,7
At 31 December 2013									
Cost	1 392,7	12 591,2	9 387,1	1 156,4	5 389,7	1 685,5	31 602,6	5 181,4	36 784,0
Accumulated depreciation	0,0	-4 144,7	-2 170,2	-486,5	-3 650,5	-753,6	-11 205,3	0,0	-11 205,3
Net book amount	1 392,7	8 446,5	7 216,9	669,9	1 739,2	931,9	20 397,3	5 181,4	25 578,7
Year ended 31 December 2014									
Opening net book amount	1 392,7	8 446,5	7 216,9	669,9	1 739,2	931,9	20 397,3	5 181,4	25 578,7
Additions	48,8	392,5	893,9	74,7	347,1	222,4	1 979,4	4 736,0	6 715,4
Reclassification	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-1 979,4	-1 979,4
Government grants	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-24,4	-24,4
Disposals	-1,0	-1,8	-0,3	-2,6	-0,3	-3,3	-9,5	0,0	-9,5
Depreciation charge	-1,1	-541,9	-305,8	-61,8	-348,8	-66,9	-1 326,3	0,0	-1 326,3
Closing net book amount	1 439,4	8 295,3	7 804,7	680,2	1 737,2	1 084,1	21 040,9	7 913,6	28 954,5
At 31 December 2014									
Cost	1 440,7	12 768,5	10 255,7	1 213,2	5 645,7	1 890,8	33 214,6	7 913,6	41 128,2
Accumulated depreciation	-1,3	-4 473,2	-2 451,0	-533,0	-3 908,5	-806,7	-12 173,7	0,0	-12 173,7
Net book amount	1 439,4	8 295,3	7 804,7	680,2	1 737,2	1 084,1	21 040,9	7 913,6	28 954,5

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

Grants regarding the construction of a hangar on Svalbard.

BORROWING COSTS

Property plant and equipment includes borrowing costs when the construction period of major asset is longer than one year. Capitalised borrowing costs amounted to MNOK 183.0 in 2014 and MNOK 142.8 in 2013. The average capitalisation rate for 2014 was 4.34 per cent (2013: 4.38 per cent).

SECURITY

Bank borrowings are secured on land and buildings for the value of MNOK 429.0 (2013: MNOK 452.0). Under Avinor AS's Articles of Association, assets from basic operations cannot be pledged as security.

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 previously been defined as one cash-generating unit (CGU). The Air Navigation Service has been assesed as a own business area with cash flows that are mainly independent from the cash flows of the rest of the group. As a result the group will, as from 2014, have two cash-generating units. For the rest of the group, exclusive of the Air Navigation Services, 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, exclusive of the Air Navigation Services, 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 2014 the discount rate is 8.4 per cent before tax.

As at 31 December 2014 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 (2013 figures in brackets). All figures in per cent.

	2015	2016	2017	2018	2019	2020
Passenger growth	2,5 (2,8)	1,8 (2,4)	4,3 (3,2)	3,1 (2,4)	2,8 (2,5)	2,6 (2,2)
Consumer price index	2,0 (2,0)	2,0 (2,2)	1,7 (2,0)	2,0 (2,0)	2,0 (2,0)	2,0 (2,0)

	2021	2022	2023	2024	2025	2026 - 2030
Passenger growth	1,9 (2,1)	2,1 (2,0)	2,0 (1,9)	2,0 (1,9)	2,0 (1,9)	1,6-2,0 (1,9 -2,0)
Consumer price index	2,0 (2,0)	2,0 (2,0)	2,0 (2,0)	2,0 (2,0)	2,0 (2,0)	2,0 (2,0)

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 0.0 per cent and an estimated normalised investment level.

As at 31 December 2014 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 2,753 (2013: +/- MNOK 2,283)

Traffic charges: A change of 1 per cent compared with assumed growth will result in a change in recoverable amount of +/- MNOK 672 (2013: +/- MNOK 893)

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 +11,048/-7,688 (2013: MNOK +17,456/-9,653)

Cost increases: A change of 1 per cent compared with assumed growth will result in a change in the recoverable amount of +/- MNOK 574 (2013: MNOK +/- 1,504)

18. FINANCIAL INSTRUMENTS BY CATEGORY

Amount in MNOK

AVINOR AS:

	Loans and receivables	Assets fair value through the profit and loss	Derivates used for hedging	Total
31 December 2014				
Assets as per balance sheet				
Loans and receivables to group companies	6 479,9			6 479,9
Derivative financial instruments		1,7	154,7	156,4
Other financial assets	62,6			62,6
Trade receivables	468,6			468,6
Other receivables	58,3			58,3
Cash and cash equivalents	900,6			900,6
Total	7 970,0	1,7	154,7	8 126,4

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Loans and payables to group companies			1 800,2	1 800,2
Derivative financial instruments	24,7			24,7
Other long-term liabilities			9 300,0	9 300,0
Trade payables and other liabilities			1 551,5	1 551,5
Total	24,7	0,0	12 651,7	12 676,4

	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Total
Per 31. desember 2013				
Assets as per balance sheet				
Loans and receivables to group companies	5 182,8			5 182,8
Other financial assets	30,2			30,2
Trade receivables	613,1			613,1
Other receivables	41,4			41,4
Cash and cash equivalents	644,2			644,2
Total	6 511,7	0,0	0,0	6 511,7

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
Loans and payables to group companies			1 104,5	1 104,5
Derivative financial instruments	31,9			31,9
Other long-term liabilities			5 913,1	5 913,1
Trade payables and other liabilities			1 784,8	1 784,8
Sum	31,9	0,0	8 802,4	8 834,3

AVINOR GROUP:

	Loans and receivables	Assets fair value through the profit and loss	Derivates used for hedging	Total
31 December 2014				
Assets as per balance sheet				
Derivative financial instruments		9,1	171,9	181,0
Other financial assets	188,2			188,2
Trade receivables	1 199,9			1 199,9
Other receivables	157,1			157,1
Cash and cash equivalents	932,0			932,0
Total	2 477,2	9,1	171,9	2 658,2

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
State loan			3 416,1	3 416,1
Derivative financial instruments	41,9	113,7		155,6
Other long-term liabilities			10 522,4	10 522,4
Trade payables and other liabilities			2 585,8	2 585,8
Total	41,9	113,7	16 524,3	16 679,9

	Loans and receivables	Assets at fair value through the profit and loss	Derivatives used for hedging	Total
31 December 2013				
Assets as per balance sheet				
Derivative financial instruments		11,4		11,4
Other financial assets	130,8			130,8
Trade receivables	1 073,9			1 073,9
Other receivables	311,8			311,8
Cash and cash equivalents	673,7			673,7
Total	2 190,2	11,4	0,0	2 201,6

	Liabilities at fair value through the profit and loss	Derivatives used for hedging	Other financial liabilities	Total
Liabilities as per balance sheet				
State loan			3 860,4	3 860,4
Derivative financial instruments	40,9	95,0		135,9
Other long-term liabilities			7 129,0	7 129,0
Trade payables and other liabilities			2 568,9	2 568,9
Total	40,9	95,0	13 558,3	13 694,2

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

19. DERIVATIVE FINANCIAL INSTRUMENTS

Amount in MNOK

	Avinor AS			Avinor Group		
Assets						
	2014	2013	Movement	2014	2013	Movement
Interest rate swaps	104,7	0,0	154,7	154,7	0,0	154,7
Forward foreign exchange contracts	1,7	0,0	1,7	26,3	11,5	14,8
Forward energy contracts	0	0,0	0,0	0,0	0,0	0,0
	106,4	0,0	156,4	181,0	11,5	169,5

Liabilities						
	2014	2013	Movement	2014	2013	Movement
Interest rate swaps	14,8	18,2	-3,4	128,5	113,3	15,2
Forward foreign exchange contracts	6,0	2,9	-2,9	9,1	3,6	5,5
Forward energy contracts	9,9	10,8	-0,9	18,0	19,1	-1,1
	24,7	31,9	-7,2	155,6	136,0	19,6
Net movement			**163,6**			**149,9**
Details of net movement:						
Changes in value and other losses/(gains) - net (note 12)			5,5			2,8
Forward foreign exchange contracts - recognised in OCI			0,0			7,6
Interest rate swaps - recognised in finance costs (note 13)			3,4			3,4
Interest rate swaps - recognised in other comprehensive income			-48,9			-73,7
Interest rate swaps - termination value			0,0			0,0

All interest rate swaps, with the exception of one fair value hedge, are designated 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 2014 was MNOK 430.2 (2013: MNOK 363.0). The notional principal amount of the outstanding forward energy contracts at 31 December 2014 was MNOK 102 (2013: MNOK 59).

The notional principal amount of the outstanding interest rate swaps contracts at 31 December 2014 were MNOK 3,689 (2013: MNOK 1,049). At 31 December 2014, the fixed interest rates vary from 3.41% to 5.96% (2013: 4.30% to 5.96%). The main floating rate is NIBOR and fixed interest rate is Euro. Gains and losses recognised in the hedging reserve in other comprehensive income (note 24) on interest rate swap contracts as of 31 December 2013 will be continuously released to the income statement until the repayment of the bank borrowings (note 27). The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the balance sheet.

20. OTHER FINANCIAL ASSETS

Amount in MNOK

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Other non-current receivables	62,6	30,2	188,2	130,8
Total	62,6	30,2	188,2	130,8

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.

21. TRADE AND OTHER RECEIVABLES

Amounts in MNOK

Trade receivables	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Trade receivables	469,5	617,1	1 201,6	1 078,8
Less: Provision for impairment of trade receivables	-0,9	-4,0	-1,7	-4,9
Trade receivables - net	468,6	613,1	1 199,9	1 073,9
Receivables written off during the year	0,4	0,9	4,6	1,4

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.

Movement in the provision for impairment of trade receivables is as follows:

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
At 1 January	4,0	4,5	5,0	5,4
Provision for receivables impairment	0,9	4,0	0,2	4,0
Receivables written off during the year as uncollectible	0,4	0,9	4,6	1,4
Unused amounts reversed	-4,4	-5,4	-8,1	-5,8
At 31 December	0,9	4,0	1,7	4,9

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

At 31 December the aging of the company's receivables was as follows:

	Not due	<30 d	30-60d	60-90d	>90d
2014	409,1	40,3	1,5	0,3	18,3
2013	604,2	7,2	1,9	3,8	0,0

At 31 December the aging of the group's receivables was as follows:

	Not due	<30 d	30-60d	60-90d	>90d
2014	1 057,9	76,6	4,7	35,9	26,5
2013	1 071,4	1,5	2,4	3,5	0,0

Specification of trade and other receivables

	Avinor AS		Avinor group	
	2014	2013	2014	2013
Trade receivables	468,6	613,1	1 199,9	1 073,9
Intra-group accounts	508,6	611,5	0,0	0,0
Accrued income	58,3	40,3	134,0	149,3
Prepaid expenses	22,2	35,5	48,3	37,6
Other short-term assets	0,0	1,1	23,1	162,6
Total	1 057,7	1 301,5	1 405,3	1 423,4

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		Avinor group	
	2014	2013	2014	2013
Euro	4,6	168,1	191,5	168,1
	4,6	168,1	191,5	168,1

22. CASH AND CASH EQUIVALENTS

Amounts in MNOK

	Avinor AS		Avinor group	
	2014	2013	2014	2013
Cash and bank at hand	900,6	644,2	932,0	673,7
Short-term bank deposits	0,0	0,0	0,0	0,0
Total	900,6	644,2	932,0	673,7

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

Cash and cash equivalents	900,6	644,2	932,0	673,7
Bank overdrafts	0,0	0,0	0,0	0,0
Total	900,6	644,2	932,0	673,7

Avinor AS has a credit facility of MNOK 4,000 and a overdraft limit of MNOK 800 in a bank.

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 Avinor Flysikring AS, Oslo Airport AS, Oslo Airport Eiendom AS, Avinors Parkeringsanlegg AS, Flesland Eiendom AS, Værnes Eiendom AS, Sola Hotel Eiendom AS and Hell Eiendom AS are therefore formally receivables from Avinor AS, and these companies are jointly responsible for the withdrawals that the Avinor group has made.

23. 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:	2014	2013
NOK 858.0 per share in 2012		463,4
NOK 824.9 per share in 2013	445,4	
Total	445,4	463,4

Proposed dividend for approval in the general assembly (Not presented as a liability per 31 December)	2014	2013
NOK 824.9 per share		445,4
NOK 925.9 per share	500,0	
Total	500,0	445,4

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

24. OTHER RESERVES

Amounts in MNOK

Avinor AS:	Pensions	Hedges	Total
At 1 January 2013	-1 093,0	-0,1	-1 093,0
Actuarial gains/(losses) on pensions	1 442,2		1 442,2
Tax effect	-403,8		-403,8
Change in tax rate, effect deferred tax assets/-liabilities	-1,5	0,0	-1,5
At 31 December 2013	**-56,1**	**-0,1**	**-56,1**
Actuarial gains/(losses) on pensions	-546,2		-546,2
Tax effect	147,5		147,5
Fair value change cash flow hedge		-48,9	-48,9
Tax effect		13,2	13,2
At 31 December 2014	**-454,8**	**-35,8**	**-490,5**

Avinor Group:	Pensions	Hedges	Total
At 1 January 2013	-1 237,9	-81,1	-1 319,2
Actuarial gains/(losses) on pensions	1 698,0		1 698,0
Tax effect	-475,4		-475,4
Fair value change cash flow hedge		33,4	33,4
Tax effect		-9,4	-9,4
Change in tax rate, effect deferred tax assets/-liabilities	-1,2	-0,8	-2,0
At 31 December 2013	**-16,5**	**-57,9**	**-74,6**
Actuarial gains/(losses) on pensions	-893,0		-893,0
Tax effect	241,1		241,1
Fair value change cash flow hedge		-66,1	-66,1
Tax effect		17,8	17,8
At 31 December 2014	**-668,4**	**-106,2**	**-774,8**

25. PENSION OBLIGATION

Amounts in MNOK

Defined benefit plan

The group is required by law to have a pension plan. The pension plan of the group satisfies these requirements. The pension plan encompasses pension benefits in accordance with the act relating to the Norwegian Public Service Fund (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 50 per cent of the employees have an retirement age of 62 or 65 years.

Actuarial loss in 2014 (MNOK 893.0 for the group and MNOK 546.2 for the parent) were mainly caused by changes in financial assumptions and a change in the payroll tax rate. The negative change have, however, been modified by changes in assumptions related to the adjustment in life expectancy and expected disability benefits.

The tariff K2013 have been used for calculating life and mortality expectancy, while the tariff K1963 multiplied by 200% have been used for determination of disability risk.

	Life expectancy		Mortality expectancy		Disability expectacy	
Age	Male	Female	Male	Female	Male	Female
20	81	85	0,0237 %	0,0094 %	0,1148 %	0,1724 %
40	82	86	0,0501 %	0,0293 %	0,2638 %	0,5236 %
60	84	87	0,3510 %	0,2383 %	1,4064 %	2,4044 %
80	89	91	3,8661 %	2,5469 %	IA	IA

The amounts recognised in the income statement are as follows:

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Current service cost	234,1	380,0	383,1	461,3
Interest cost	183,4	162,3	273,0	188,3
Change in pension adjustment	-72,3	0,0	-125,0	0,0
Change in life expectancy	-106,6	0,0	-267,9	0,0
Expected return on plan assets	-127,0	-94,3	-188,3	-109,5
Contribution from the employees	-26,9	-34,6	-43,8	-41,5
Administration fee	4,7	6,1	7,7	7,3
Payroll tax, employers contribution	10,4	47,4	5,6	59,4
Total pension cost (Note 8)	**99,9**	**466,9**	**44,2**	**565,3**

The movement in pension obligations and plan assets:

Avinor AS		2014			2013	
	Funded	Unfunded	Total	Funded	Unfunded	Total
Change in gross pension obligation:						
Obligation at 1 January	5 928,8	9,1	5 937,9	6 828,7	6,5	6 835,2
Current service cost	236,5	2,3	238,8	383,5	2,6	386,1
Interest cost	183,4		183,4	162,3		162,3
Change in life expectancy	-106,6		-106,6	0,0		0,0
Change in disability benefits	-72,3		-72,3	0,0		0,0
Demerger - Avinor Flysikring AS	-2 366,7		-2 366,7	0,0		0,0
Actuarial losses/(gains) -financial assumptions	392,4		392,4	-1831,2		-1 831,2
Actuarial losses/(gains) -demographic assumptions	0,0		0,0	502,3		502,3
Benefits paid	-122,7		-122,7	-116,8		-116,8
Gross pension obligation at 31 December	**4 072,9**	**11,4**	**4 084,3**	**5 928,8**	**9,1**	**5 937,9**
Change in pension funds:						
Fair value at 1 January 1.1	4 110,3		4 110,3	3 835,4		3 835,4
Expected return on plan assets	127,0		127,0	94,3		94,3
Demerger - Avinor Flysikring AS	-1 617,0		-1 617,0	0,0		0,0
Employer contributions	277,9		277,9	321,1		321,1
Actuarial (losses)/gains	-28,0		-28,0	-23,7		-23,7
Benefits paid	-122,7		-122,7	-116,8		-116,8
Fair value of plan assets at 31 December	**2 747,5**	**0,0**	**2 747,5**	**4 110,3**	**0,0**	**4 110,3**
Net pension obligation	1 325,4	11,4	1 336,8	1 818,5	9,1	1 827,6
Payroll tax, employers contribution	186,9		186,9	191,0		191,0
Net pension obligation recognised in the balance sheet at 31 December	**1 512,3**	**11,4**	**1 523,7**	**2 009,5**	**9,1**	**2 018,6**
Actual return on plan assets last year	114,3		114,3	167,8		167,8
Expected employer contribution next year	218,0		218,0	384,0		384,0
Expected payment of benefits next year	-129,0		-129,0	-120,0		-120,0

Avinor Group:			2014			2013
	Funded	Unfunded	Total	Funded	Unfunded	Total
Change in gross pension obligation:						
Obligation at 1 January	6 868,2	17,0	6 885,2	7 922,0	14,8	7 936,8
Current service cost	388,4	2,5	390,8	458,7	2,6	461,3
Interest cost	273,0		273,0	188,3		188,3
change in life expectancy	-267,9		--267,9	0		0,0
change in disability benefits	-125,0		-125,0	0		0,0
Actuarial losses/(gains) -financial assumptions	807,6		807,6	-2142,3		-2 142,3
Actuarial losses/(gains) -demographic assumptions	0,0		0,0	576,2	-0,4	575,8
Benefits paid	-139,6		-139,6	-134,7		-134,7
Gross pension obligation at 31 December	**7 804,7**	**19,5**	**7 824,1**	**6 868,2**	**17,0**	**6 885,2**
Change in pension funds:						
Fair value at 1 January 1.1	4 769,2		4 769,2	4 445,6		4 445,6
Expected return on plan assets	188,3		188,3	109,5		109,5
Employer contributions	440,5		440,5	385,3		385,3
Actuarial (losses)/gains	83,2		83,2	-36,5		-36,5
Benefits paid	-139,6		-139,6	-134,7		-134,7
Fair value of plan assets at 31 December	**5 341,6**	**0,0**	**5 341,6**	**4 769,2**	**0,0**	**4 769,2**
Net pension obligation	2 463,1	19,5	2 482,5	2 099,0	17,0	2 116,0
Payroll tax, employers contribution.	347,4	1,6	349,0	230,3	1,6	231,9
Net pension obligation recognised in the balance sheet at 31 December	**2 810,4**	**21,1**	**2 831,5**	**2 329,3**	**18,6**	**2 347,9**
Actual return on plan assets last year	134,8		134,8	190,2		190,2
Expected employer/employee contribution next year	444,0		444,0	443,9		443,9
Expected payment of benefits next year	-153,0		-153,0	-138,4		-138,4

Movement in the defined benefit obligation over the year:

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Obligation at 1 January	1 827,6	2 999,8	2 116,0	3 491,2
Pension cost charged to the income statement	116,4	454,1	82,5	540,1
Employer/employee contribution	-282,6	-327,2	-448,1	-392,6
Administration fee	4,7	6,1	7,7	7,3
Demerger - Avinor Flysikring AS	-749,7	0,0	0,0	0,0
Actuarial (gains)/losses recognised in other comprehensive income	420,4	-1 305,2	724,4	-1 530,0
Liability in the balance sheet at 31 December	**1 336,8**	**1 827,6**	**2 482,4**	**2 116,0**

Actuarial (gains)/losses on post-employment benefit obligations:

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Actuarial (gains)/losses	420,4	-1 305,2	724,4	-1 530,0
Payroll tax on actuarial (gains)/losses	57,0	-137,0	99,9	-168,0
Effect change in payroll tax rate	68,7	0,0	68,7	0,0
Total actuarial (gains)/losses on post-employment benefit obligations	**546,2**	**-1 442,2**	**893,0**	**-1 698,0**

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 covered bond interest rates. The pension obligation's weighted average duration is 23 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 .

	2013	2014
Discount rate	2,40%	4,10%
Future salary increases	2,75%	4,00%
Future pension increases	1,75%	2,75%
Early retirement scheme	15,00%	15,00%
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 return on the assets.

Pension obligation - sensitivities

Pension obligation sensitivities - changes in weighted financial assumptions: Discount rate: A change of 1 per cent compared with the discount rate applied will result in a change in the pension obligation of MNOK 1,708/-1,406 (2013: MNOK 1,150/-1,522) . Future salary increases: A change of 1 per cent in the expected inflation rate will result in a change in the pension obligation of MNOK -1,392/1,722 (2013: MNOK -1,520/1,167).

26. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Amounts in MNOK

Avinor AS	Severance pay	Early retirement pay	Environ-mental pollution	Other	Total
At 1 January 2014	11,5	15,5	133,8	0,6	161,4
Additional provision 2014	0,0	0,0	0,0	0,0	0,0
Reversed 2014	-1,9	-12,7	0,0	0,0	-14,6
Used in 2014	-2,4	-2,8	-28,6	-0,4	-34,1
At 31 December 2014	**7,3**	**0,0**	**105,2**	**0,2**	**112,7**

Avinor Group	Severance pay	Early retirement pay	Environ-mental pollution	Other	Total
At 1 January 2014	11,5	17,0	263,9	0,6	293,0
Additional provision 2014	0,0	2,9	6,2	0,0	9,1
Reversed 2014	-1,9	0,0	0,0	0,0	-1,9
Used in 2014	-2,4	-4,8	-64,8	-0,4	-72,3
At 31 December 2014	**7,3**	**15,1**	**205,3**	**0,2**	**227,9**

The short-term part of provisions for other liabilities and charges are included in other short term liability. See note 3.

Severance 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.

Early retirement pay
The company has entered into individual early retirement 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).

27. BORROWINGS

Amounts in MNOK

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Non-current				
State loan	0,0	0,0	3 416,1	3 860,4
Bonds	6 243,7	2 850,0	6 243,7	2 850,0
Bank borrowings	3 025,3	3 025,3	4 247,7	4 241,2
others	31,0	37,8	31,0	37,8
Total long-term	**9 300,0**	**5 913,1**	**13 938,5**	**10 989,4**
Current				
Commercial papers	800,0	800,0	800,0	800,0
First year instalment on long-term debt	8,7	405,6	559,1	945,5
Total current	**808,7**	**1 205,6**	**1 359,1**	**1 745,5**

All borrowings in NOK.

Information about State loan and bank borrowings	**Currency**	**Effective interest rate**
State loan	NOK	2,85%
Bonds, inclusive commercial papers	NOK	4,02%
Bank borrowings	NOK	4,77%

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:	**2016**	**2017**	**2018**	**2019**	**2020**	**Deretter**	**Sum**
State loan	444,4	444,4	444,4	444,4	444,4	1 194,1	3 416,1
Bonds	400,0	0,0	0,0	700,0	450,0	4 693,7	6 243,7
Bank borrowings	166,6	228,4	214,8	275,1	335,5	3 027,3	4 247,7
Others	12,0	11,9	4,6	2,5	0,0	0,0	31,0

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 2024. The first instalment was paid 30 June 2002.

Bonds
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, as at 31 December 2014, are as follows:
Face value MNOK 400, maturity date 20 May 2016, interest rate 6.56 per cent
Face value MNOK 450, maturity date 8 May 2020, interest rate 3.75 per cent
Face value MNOK 2,000, maturity date 8 May 2028, interest rate 4.45 per cent
Face value MEUR 300, maturity date 20 March 2021, interest rate 1.75 per cent

Face value MNOK 700, maturity date 30 October 2019, interest rate 3 months NIBOR pluss 0.37 per cent

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 raised in 2011 a loan of NOK 1.5 billion from the Nordic Investment Bank (NIB). The loan, disbursed in December 2011, has a term of 20 years and is irredeemable for 8 years. In 2012 Avinor AS raised an additional loan of MNOK 1525.3 from the European Investment Bank (EIB). The loan, distributed in June 2012, has a term of 16 years and is irredeemable for 4.5 years. Avinors Parkeringsanlegg AS, Flesland Eiendom AS, Værnes Eiendom AS and Sola Hotel Eiendom AS have issued a negative pledge clause.The mortgages in Oslo Airport Eiendom AS are secured with a MNOK 275.4 (2013: MNOK 309.3) mortgage in buildings on leased land. The carrying amount of themortgaged buildings is MNOK 429.0 (2013: MNOK 452.0).
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 4,000 at a floating interest rate, expiring in 2019. The group can requeste a prolonged term, this require acceptance from all participating banks.The group also has an unused bank overdraft limit of MNOK 800 at a floating interest rate.

Commercial papers
Avinor AS has in 2014 raised several loans in commercial papers, amounting to MNOK 800 as at 31 December 2014.

28. OTHER SHORT-TERM LIABILITY

Amounts in MNOK

	Avinor AS		Avinor Group	
	2014	2013	2014	2013
Holiday allowance	184,0	238,6	295,0	281,5
Advance from customers	60,8	50,4	131,5	272,3
Wages and social security	49,5	89,6	116,4	103,5
Accruals	416,8	328,7	776,9	433,5
Intra-group liability	1 800,2	1 104,5	0,0	0,0
Other short-term liability	414,1	331,5	434,1	341,8
Total	**2 925,4**	**2 143,3**	**1 753,9**	**1 432,6**

29. CONTINGENCIES

Norwegian Defence:
A cooperation agreement exists between Norwegian Defence and Avinor with corresponding local agreements concerning sharing responsibilities and expenses forairports where both parties have activities. Accounts payment have been made on the basis of figures from 2004.

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. The involved parties are in contact regarding the local agreements, and have as an ambition to reach an agreement during 2015.

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.

The external environment:
The results from previous environmental investigations and risk assesments show contaminant distribution of the environmental toxin PFOS from several airports. Thus, additional investigations, mainly in groundwater, surface water and biota, have been carried out 20 airports during 2013. Based on the results from these investigations, the risk assessments from 2012 will be revised and sent to the Norwegian Environment Agency for additional review.

The Norwegian Environment Agency has already instructed Oslo Airport Gardermoen to iniate remediation within 1 August 2014. The measures have not yet been iniated. The reason for this is that the public procurment prochedures Oslo airport has to adhere to, are time-consuming, and the determination of the actual method of measures is complicated.Kristiansand airport has been instructed to draw up an action programme before 1st of April 2015.Likewise, Evenes airport has been given notice to draw up a similar programme. The Norwegian Environment Agency have not yet made an assessment of the necessary measures for the rest of the airports.. As the results have not yet been concluded, cost related to remediation are presently associated with great uncertainties. See note 26.

Fighter plane base:
The Storting has resolved that Bodø's main air station shall be closed down, while Evenes will be the advanced base for fighter planes in the north. The government have decided that Evenes shall not be established as an advanced base before 2020. Bodø airport shall function as an advanced base after the close-down of Bodø main air station. This will be an intermediate solution until the new fighter planes are operational and have replaced the existing planes. Avinor shall take over the responsibility of the operation of Bodø airport from the 1st of August 2016. The takeover is being iniated, and will have financial consequences for Avinor with regard to future investments in property, plant and equipment and running operating expenses.

Approach services for Rygge, Sandefjord and Skien airports:
Avinor has demanded compensation for approach services rendered to Rygge, Sandefjord and Skien airports. The Norwegian Defence have paid for Rygge in accordance with existing agreements, but with the reservation that the compensation for civilian traffic have to be repaid if Sandefjord and Skien do not pay. Sandefjord and Skien airports contest the claim for payment on grounds of principle, as they claim that the demand for payment do not have a legal basis. They refuse to enter an agreement on voluntary basis. Legal action have been initiated. The legal proceedings are expected to start in the 2nd quarter of 2015.

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 2014	Avinor AS 2013	Avinor Group 2014	Avinor Group 2013
Property, plant and equipment	1 175,6	817,4	4 419,9	4 239,1
Total	**1 175,6**	**817,4**	**4 419,9**	**4 239,1**

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 2014	Avinor Flysikring AS	Oslo Airport AS	Oslo airport Eiendom AS	Avinors parkeringsselskap AS	Flesland Eiendom AS	Værnes Eiendom AS	Sola Hotel Eiendom AS	Hell Eiendom AS	Sum
Loans to group companies	0,0	5 971,3	0,0	0,0	0,0	0,0	0,0	0,0	5 971,3
Intra-group receivables	6,6	474,9	1,6	24,4	0,3	0,3	0,3	0,2	508,6
Total	6,6	6 446,2	1,6	24,4	0,3	0,3	0,3	0,2	6 479,9
Other short-term intra-group	312,0	1 085,0	89,8	75,3	78,6	55,1	88,0	16,4	1 800,2
Total	312,0	1 085,0	89,8	75,3	78,6	55,1	88,0	16,4	1 800,2

Avinor AS at 31 December 2013	Oslo Airport AS	Oslo airport Eiendom AS	Avinors parkeringsselskap AS	Flesland Eiendom AS	Værnes Eiendom AS	Sola Hotel Eiendom AS	Hell Eiendom AS	Sum
Loans to group companies	4 571,3	0,0	0,0	0,0	0,0	0,0	0,0	4 571,3
Intra-group receivables	545,5	51,2	14,6	0,0	0,0	0,0	0,2	611,5
Total	5 116,8	51,2	14,6	0,0	0,0	0,0	0,2	5 182,8
Other short-term intra-group liability	704,9	140,6	30,1	84,9	52,6	75,8	15,6	1 104,5
Total	704,9	140,6	30,1	84,9	52,6	75,8	15,6	1 104,5

The subordinated loan capital of Oslo Airport AS amounts to MNOK 1371.3 at 31 December 2014. 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. Loan from Avinor AS, financing the development of terminal 2 (T2) at Oslo Airport AS, amounts to MNOK 4,600 at 31 December 2014. The interest on the loan is based on the borrowing rate of Avinor AS. There are no instalments on the loan. Avinor AS charges Oslo Airport AS a ground rent of MNOK 408.0.

32. EVENTS AFTER BALANCE SHEET DATE

The board has in a meeting on the 11th of February 2015 decided to put up for sale a hotel on Gardermoen (Oslo airport) for the purpose of strengthening the equity of the group, provided that a reasonable sale price is reached. The hotel will therefore, according to IFRS 5 be reclassified from non-current asset to current in the 1st quarter of 2015.

RESPONSIBILITY STATEMENT FROM THE BOARD OF DIRECTORS AND THE CEO

We confirm, to the best of our knowledge that the financial statements for the period 1 January to 31 December 2014 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, 26. March 2015

Ola Mørkved Rinnan Board Chairman	Ola H. Strand Vice Chairman	Tone Merethe Lindberg	Dag Falk-Petersen CEO
Eli Skrøvset	Olav Aadal	Dag H. Hårstad	Heidi Anette Sørum
Mari Thjømøe	Grete Ovnerud	Per-Erik Nordsveen	

Building a better
working world

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Medlemmer av den norske revisorforening

To the Annual Shareholders' Meeting of
Avinor AS

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Avinor AS, comprising the financial statements for the Parent Company and the Group. The financial statements of the Parent Company and the Group comprise the statement of financial position as at 31 December 2014, the statements of comprehensive income, cash flows and changes in equity for the year then ended as well as a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Chief Executive Officer's responsibility for the financial statements

The Board of Directors and Chief Executive Officer are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and Chief Executive Officer 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 on the financial statements for the Parent Company and the Group.

Opinion

In our opinion, the financial statements of Avinor AS have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Parent Company and the Group as at 31 December 2014 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU.

Report on other legal and regulatory requirements

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

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report and in the statements on corporate governance concerning the financial statements, the going concern assumption and the proposal for the allocation of the result 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 the Board of Directors and Chief Executive Officer have fulfilled their duty to ensure that the Company's accounting information is properly recorded and documented as required by law and generally accepted bookkeeping practice in Norway.

Oslo, March 26 2015
ERNST & YOUNG AS

Jan Wellum Svensen
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)