

# Annual report 2010





*The extension of the Duty Free area in arrivals has been completed and now provides a total retail area of 1,500m<sup>2</sup>.*

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# Introduction

For the Oslo Airport (Oslo Lufthavn AS - OSL) 2010 turned out to be a year characterized by a strong traffic increase after a weak period lasting from the middle of 2008 into 2009.

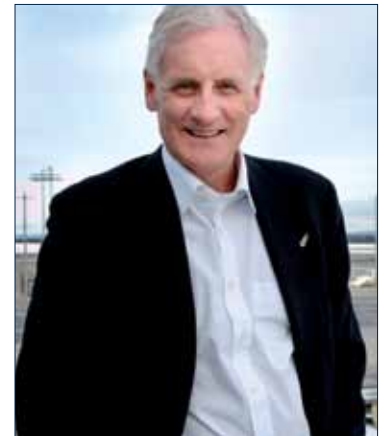
The global economy put in a positive performance during the year, and the impact on air traffic is evident by recovering passenger volume.

In April, the volcanic eruption with the subsequent dispersion of ash in the airspace over Norway and Europe, resulted in Norwegian airspace for all intents and purposes being closed for 4 days, with further disruptions also in the following period. For OSL, this brought about the most serious disruption of operations since it was opened in 1998.

One milestone was reached in December, when the Norwegian Ministry of Transport and Communications granted permission to extend the terminal building, with an appurtenant extension of the runway systems. This provided a basis for a final decision regarding expansion at the Board meeting of Avinor in January 2011. The project will increase the capacity of the airport to 28 million passengers, and lay the ground for further expansion to 35 million passengers.

The company's operating profits (before financial items) was NOK 1,413 million. This is NOK 32 million better than in 2009. Profits after taxes were NOK 810 million.

Nic. Nilsen



*Managing director, Nic. Nilsen*



# Oslo Lufthavn AS

**T**he main purpose of Oslo Lufthavn AS (OSL) is to own and operate Norway's main airport, Oslo Airport Gardermoen.

OSL is responsible for providing infrastructure, buildings and service facilities to the users of the airport. Thus, the company is responsible for keeping runways open for traffic, offer aircraft security services to arriving and departing aircraft, operating the terminal, including security checks, baggage handling systems and commercial offerings (retail outlets, restaurants and services) as well as ensuring efficient ground transportation services.

The vision of the company is to become the best airport in Europe. OSL shall be the most attractive airport for airlines and passengers. OSL shall be safe, efficient and provide good experiences.

## Ownership

The company is 100 percent owned by Avinor AS, and is the most important financial element in the co-financing of a total of 46 airports and associated aircraft security services in Norway.

## Corporate governance

Pursuant to its articles of association, the purpose of the company is to own and operate the main airport at Gardermoen.

The company's annual general meeting is the board of directors of Avinor AS. The company does not have a corporate assembly, but has extended employee representation on the board of directors.

The board of directors consists of five directors elected by the shareholders, and three directors

elected by the employees. The board adopts an annual plan for its work.

The responsibilities and functions of the board of directors and the managing director are set by a directive to the board of directors and the managing director, approved by the board of directors.

### Composition of the board of directors

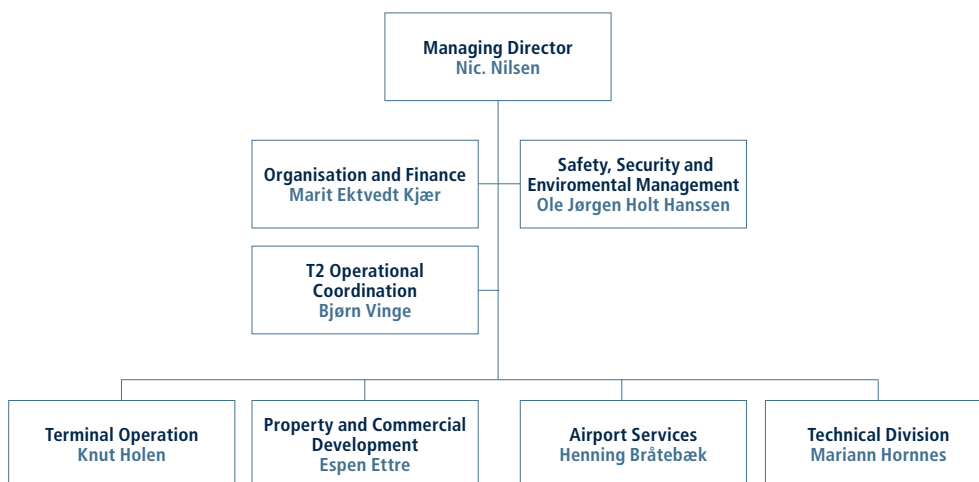
After the annual general meeting on June 17, 2010, and the election of employee representatives on September 21, 2010, the directors are the following:

Sverre Quale	Chairman	Avinor AS	Elected for 2 years
Petter Johannessen	Deputy Chairman	Avinor AS	Elected for 2 years
Trine Lysne	Director	Avinor AS	Not up for election
Hilde Jordfald	Director	Avinor AS	Elected for 2 years
Helge Clem	Director	Avinor AS	Elected for 2 years
Ingjerd Kvande	Director	Employee elected OSL	Elected for 2 years
Hans Petter Stensjøen	Director	Employee elected OSL	Elected for 2 years
Ole Hansen	Director	Employee elected OSL	Elected for 2 years

Sverre Quale stepped down as CEO of Avinor towards the end of 2010, and then also resigned from the board of directors. Petter Johannessen took over as acting chairman until the extraordinary general meeting in 2011.

### Organisation of the company

The company is organised into four operations areas and two staff areas. There is also a separate area for the expansion of the existing terminal.



### Oslo Lufthavn Eiendom AS

Oslo Lufthavn Eiendom AS is a wholly owned subsidiary of OSL, which responsibility it is to develop and build commercial buildings on central sites around the airport. The company owns the hotel (Hotel Radisson Blu) adjacent to the terminal. A new hotel, Park Inn, was opened in September 2010. It is also operated by Rezidor Hotels Norway AS. The hotel has a total floorage of 188,400 sq. ft, has 300 rooms and approximately 16,000 sq. ft of new conference facilities. Both hotels are operated by Rezidor Hotels Norway AS. In addition, the company owns OSL Flyporten, an office and service building, as well as a car park for employees.

In 2010, the company had sales of NOK 122 million, and profits of NOK 53.1 million before taxes.



### Oslo Lufthavn Tele og Data AS

Oslo Lufthavn Tele og Data AS (OLTD) is owned by Telenor Norge AS and OSL, each with a 50% interest. OLTD is the general provider of telecommunications, IT services, IT systems and IT products to airlines, service companies, retail establishments, government agencies and visitors at the Oslo Airport, as well as some Avinor airports.

In 2010, the company had sales of NOK 37.2 million and annual profits of NOK 2.3 million before taxes.





OSL has achieved the highest level of public transport usage in Europe at 67%.

## Traffic at Oslo Airport in 2010

After the financial crisis, the passenger volume started growing again from November 2009. The growth continued throughout 2010, and without the problems caused by the ashy clouds from the volcanic eruption on Iceland, OSL would have set a new passenger record in 2010. An estimated 350,000 passengers were lost in April due to the three-day total traffic stop, and the more than one week it took before the situation returned to normal. Total passenger volume increased by 1,003,391 in 2010.

Ryanair's establishment of a base at Rygge Airport resulted in rapid growth at Rygge, with a reduction in the offering from the Torp Airport. The airports at Rygge and Torp are now of approximately the same size, with about 1.5 million passengers each. The OSL share of traffic in Eastern Norway strengthened a little in 2010, which indicates that the competition from Rygge has not had a detrimental impact on OSL.

SAS continued to reduce its capacity towards

the summer. Then the company grew again, and for 2010 as a whole, SAS carried 2% fewer passengers than in 2009. The company's share of the passenger market at OSL was 40% (-2%).

Norwegian continued its expansion and increased its passenger volume by 14%, or 0.9 million. The company's share of the market at OSL in 2010 was 38% (+5%).

The biggest share after SAS and Norwegian was carried by Lufthansa (3%), Thomas Cook and KLM (2% each).

Biggest growth after Norwegian was achieved by Thai Airways (+64,000 passengers), Swiss (+58,000) and Air Berlin (+45,000).

Fastest growing international routes were to Berlin (+71,000), Bangkok (+64,000), Zürich (+52,000), Helsinki (+40,000), Vienna (+38,000) and Stockholm (+36,000). The routes to Frankfurt and Prague experienced a decline of 15,000 and 16,000 passengers, respectively.

With respect to domestic traffic, the biggest increases were to Molde (+49,000), Trondheim (+46,000) and Evenes (+45,000). The Bergen route experienced a decline of 10,000 passengers.

The Oslo Airport had direct routes to 123 domestic and international destinations. That is four more than in 2009.

From 2009 to 2010 the passenger volume per passenger aircraft movement increased from 90 to 94, whereas the yield (number of passengers/seats offered) remained the same: 69%. This was due to a transition to bigger aircraft, in particular because Norwegian exchanged its 148-seat B737-400's with new B737-800's with 186 seats.

From 2000 to 2010 the passenger volume has increased by 5 million. During the same period, the average number of passengers per aircraft movement increased from 75 to 94, and the yield from 62% to 69%.

**Passengers**

Passengers	2010	2009	Change in %
Scheduled domestic	8,950,404	8,612,714	3.9
Charter domestic	13,765	15,167	-9.2
Scheduled international	8,963,271	8,348,178	7.4
Charter international	1,163,673	1,111,663	4.7
<b>Total</b>	<b>19,091,113</b>	<b>18,087,722</b>	<b>5.5</b>

**Largest routes**

Destination	Passengers 2010	Change from 2009
Trondheim	1,542,427	-5.6%
Bergen	1,522,124	-4.3%
Stavanger	1,234,333	-7.8%
Copenhagen	1,106,776	-14.5%

**Comparison with other major Nordic airports**

Airport	Passengers	Growth 2009–10	International share
Oslo	19,091,113	5,5 %	53%
Copenhagen	21,501,750	9,1 %	89%
Stockholm	16,962,544	5,6 %	76%
Helsinki	12,883,400	2,2 %	83%

**Aircraft movements**

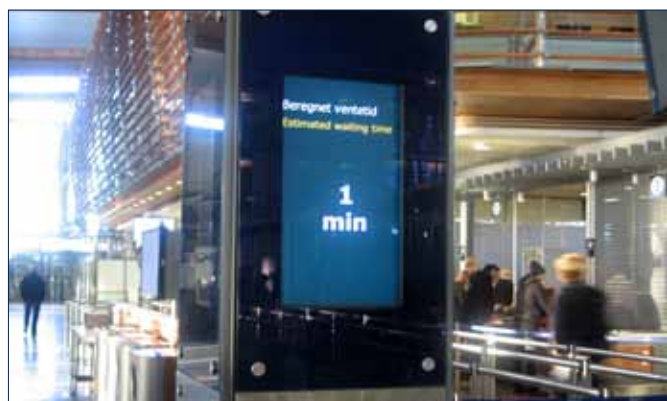
Aircraft movements	2010	2009	Change in %
Scheduled domestic	98,977	98,017	1.0
Scheduled international	94,028	92,487	1.7
Charter	10,301	10,683	-3.6
Freight	8,944	9,852	-9.2
Other (GA, military, etc.)	8,877	8,534	4.0
<b>Total</b>	<b>221,127</b>	<b>219,573</b>	<b>0.7</b>

**Freight and mail**

In 2010, the tonnage of mail and freight to/from OSL was 86,999 tons. This is an increase of 9,238 tons, or 10.6% from 2009.

**Public transportation share**

The percentage of travelers choosing public transportation to the airport is high and growing. In 2010, 67% of the travelers chose bus or train for their travel to and from the airport. This is the highest percentage for public transport in Europe.



A new queue measurement system showing waiting times for security control was introduced in autumn 2010.



OSL was closed for four days during April as a result of the volcanic eruption in Iceland. This was the most serious disruption to operations since 1998.



# Safety, audits and inspections

**S**afety is always priority number one, and the company is engaged in extensive safety work in a number of areas.

The reporting of serious events to the Civil Aviation Authority - Norway and the Accident Investigation Board Norway, is done in compliance with the reporting regulation issued by the Civil Aviation Authority - Norway.

There were no aviation accidents at Oslo Airport Gardermoen in 2010.

There was one event categorized as a serious aviation event.

Civil Aviation Authority - Norway conducted supervision of the meteorological service in 2010.

The supervisory activities of OSL (audits, inspections) have, in compliance with the company's priority areas, focused on quality and safety matters. During 2010, 23 audits, 7 internal and 16 contracted, were conducted. The subjects of the audits cover a broad range of issues. Recurring themes have been safety,

security, external environment, HES and quality of services/contractors. Several quality and financial audits have also been conducted.

In 2010, OSL was subject to one inspection by ESA, the EFTA Surveillance Authority.



*OSL recycles 80% of the glycol that is used for de-icing.*

# The external environment

Climatic impact is an important area for OSL, and the reduction of the company's emission of greenhouse gasses is subject of particular focus. In May 2010, OSL achieved the highest level of Airport Carbon Accreditation (ACA), a new European industry scheme for the certification of airport operators' efforts to manage and reduce the emission of greenhouse gasses within their direct control. This means that OSL has set targeted reduction of emissions of greenhouse gasses from the airport, with a related long-term action plan, where the ambition is to break away the development of emission levels from traffic growth developments. OSL is a carbon neutral enterprise that compensates for the residual direct emission from operations controlled by the airport, with climatic allowances through the UN system.

In recent years, several important measures have been implemented, which reduce the emission of deicing chemicals. This has provided improved control of the environmental impact on waterways and groundwater. During 2010, one breach of the emission permit for ground water was discovered, and no breaches for waterways. 80% of the consumption of aircraft deicing fluid this season was collected and used by municipal water treatment plants as chemicals in cleansing processes.

In the fall of 2010, there was an accident that triggered fire fighting foam in one of the airline hangars at the airport. Some of the foam infiltrated the aquifer and later test samples showed that the foam contained PFOS, a prohibited substance. The aquifer situation is being monitored, and options are being

considered for cleaning up the ground pollution. The total aircraft noise impact in the vicinity of the airport increased a little from 2009 to 2010, concurrently with a small growth in air traffic. However, the increase in the medium noise level was greater than indicated by a traffic change alone, and shows the consequence of a shift of late evening traffic to the period after 11:00 PM. Aircraft noise at this time of day is weighted differently than daytime noise.

OSL is applying great resources to the compliance with requirements, and improvement of the environmental performance of the airport. For a more detailed review of the environmental condition at and around the airport, the board of directors refers to the OSL Environmental Report 2010.



# Employees and working environment

**H**ealth, environment and safety has high priority, and we are working systematically to prevent absence due to illness and injuries.

At the end of the year, Oslo Lufthavn AS had 439 full-time employees, versus 442 full-time employees at the end of 2009. The average age was 46 years, and the personnel turnover was 1.6%. In 2010, 96% of the employees completed objective and development talks with their supervisor.

At the end of 2010, the gender mix was 22% women and 78% men. 43% of newly recruited employees are women. In management positions, the percentage of females was 10.8%.

All jobs in the company are full-time jobs. 16 employees have applied for and been granted a less than full-time position. Of these, 11 are women. Around 50% of the company's employees are working shifts, of which 87% are men.

In terms of pay, female managers are at a pay level corresponding to 108% of the pay level for male managers. Overall, women are at the same pay level as men.

One of the objectives of OSL is to achieve better gender mix and diversity, especially in management positions. The company has emphasized and is aiming to further develop female managers through the company's leadership development program. The company seeks to expand the diversity of the different job categories in the organization.

## Absence due to illness

At OSL, absence due to illness was 5.1% in 2010, the same percentage as in 2009. The absence level was low in the second and third quarter, but increased towards the end of the year. It is absences over 17 days that have increased.

In the past few years, long-term absence due to illness (over 56 days), which constitute the biggest part of the total absence due to illness, has shown a downward trend.

In 2010, three instances were registered as occupational injuries, versus 11 in 2009. Three of the instances resulted in absence. This results in an H-value of 2.7, versus 4.8 in 2009. The number of days absent due to injuries was 67, versus 71 in 2009. All incidents were followed up closely, both with respect to the employee,

and with respect to preventative measures to prevent the same injury from occurring again.

Challenges associated with long-term absence due to illness include rising average age and a high percentage of people working shifts. These elements have been followed up in 2010, through measures directed at groups and individuals. The company is an IA ("inclusive working life") company, and is organizing and following up absence due to illness accordingly.

### Skill development

The company's skill development program comprises both professional and more general development. Company management participates in the group management development program that was initiated in 2008. In 2010, OSL managers participated in networking groups where the main focus was on teamwork. In addition, the company has developed a professionally oriented management program with modules for relevant subjects.

The Oslo Airport is actively working on skill development based on the skill requirements for each function/profession and is developing skill improvement measures especially adapted to

individual functions and groups within the company.

In 2010, 3,509 people related to the airport participated in OSL's HES seminars and took the associated exam, whereas 3,602 people took the course in practical fire protection training.

### Discrimination

The object of the Discrimination Act is to promote equal opportunities, ensuring equal rights and to prevent discrimination due to ethnicity, national origin, descent, skin color, language, religion and faith. The company is working actively, purposefully and systematically to promote the objective of the Act in our company. The activities include recruitment, pay and terms of employment, promotion, development opportunities and protection against harassment.

### Health, environment and safety

In order to comply with the main company responsibility pursuant to the Working Environment Act, Oslo Lufthavn AS has established an overall HES structure at the airport. HES inspections of the airport common areas are conducted regularly, under the

supervision of OSL. The management and principal safety ombudsman of the relevant companies take part. In addition, systematic safety inspections are conducted within the company, which is an important step in the mapping of the working environment and the preventive HES work.

OSL has established a coworker support scheme as a separate care plan, which is part of the company's readiness plans. The scheme was established primarily to enable providing assistance to OSL employees who have experienced critical or serious events on the job. Secondly, the scheme is intended to assist employees with other challenges associated with their life situation. The scheme cooperates closely and well with the company's AKAN (Workplace Advisory Center for issues related to alcohol, drugs and addictive gambling) committee.

OSL is an IA ("inclusive working life") company and organizes work in such a way that employees may remain in their job. This includes people with disabilities. Special physical requirements for some jobs means that people with disabilities will be excluded from these jobs.



Break gymnastics at the annual working environment day.



Managers on courses.



Construction of the new VIP house got underway in 2010 and will be completed during 2011.

# Developments

## Aircraft area measures

Two of the airport's taxiways have been upgraded so they may be used under low visibility procedures, i.e. special procedures that are initiated when there is reduced visibility on the runway systems.

## Terminal measures

The Duty Free shop expansion project in the international arrivals area was started in 2009. The second stage, comprising an eastwards

expansion of approximately 8,400 sq. ft. was completed in the spring of 2010, and the shop now covers a total area of 16,000 sq. ft.

## Central area work

New automatic barrier systems have been established at the upper and lower forecourts of the short-term parking garage. Four new bus stops have been built in the arrival area towards the airport, with the associated rebuilding of the footpath systems.

## VIP house

In connection with the eastwards expansion of the terminal, the VIP areas had to be removed. A new VIP house is under construction, planned for completion in the middle of 2011.



*In December, a licence application submitted by OSL was approved, which will result in an increase in capacity.*

# Future developments and challenges

## Traffic developments

In 2009, Oslo Airport accommodated 18.1 million passengers. Traffic showed positive development from November 2009 and through 2010, with the exception of lost traffic due to the ash cloud situation in April. The 2010 passenger volume of 19.1 million demonstrates that air travel is about to make up for the traffic lost during the financial crisis in 2008 and 09, and this growth looks to continue unabated into 2011.

The company is actively working to lay the ground for offering passengers a good selection of routes. Norway is quite dependent on air transportation, and both the route offering and frequency is important. This applies to both domestic and international destinations. Though there are now a few intercontinental routes from Oslo Airport, we are of the opinion that there is unmet need relative to demand.

As part of the background analyses for the capacity expansion at Oslo Lufthavn, Møreforskning Molde AS, consulting company, pointed out the important role that the principal airport plays for both individuals and businesses, both regionally and nationally.

The Norwegian Institute of Transport Economics prepares annual traffic estimates that are actively used to develop offerings and to facilitate the most efficient traffic handling possible until when the expansion of the terminal is completed in 2017. The current capacity of 22-23 million passengers will be challenged in 2015-2016, if traffic develops as expected.

## New area zoning plan

OSL has started preparing a municipal area zoning plan, to replace the existing, national zoning plan. This is required by the municipalities

of Ullensaker and Nannestad in order to coordinate all existing zoning plans with respect to the challenges raised by the T2 development. The Norwegian Ministry of Transport and Communications has accepted amendment of the national plan, provided the general terms and conditions pertaining to OSL are no worse than they are today. The zoning area is the same as for the national plan.

A planning schedule has been prepared for the area zoning work, and this was approved by the host municipalities on December 7, 2010.

OSL is targeting a resolution by the affected municipalities regarding public oversight, for the beginning of July, with a hearing deadline in the middle of October. The target is for the plan to be approved before the end of 2011.

### Master plan 2010-2040

In the fall of 2008, OSL decided to initiate the planning of the development of a master plan to review the airport's area and capacity requirements for the period 2010-2050.

The master plan will facilitate long-term development of OSL, and be an important part of Avinor's input to the next National Transport Plan, NTP, 2014-2023. In this, a third runway will be a key issue. The current NTP, 2010-2019, states, inter alia: "The Government has made a decision in principle that area should be set aside for a potential third runway".

According to the Norwegian Ministry of Transport and Communications, the work with the NTP is scheduled to enable agency plan proposals to be presented in February/March 2012. After that, the Ministry will prepare a report to the Storting (the Norwegian parliament). This will be presented in January 2013. Both the distribution of roles, and how the master plan may be adapted to this schedule, will be further agreed with the Ministry.

In 2008, the Akershus county administration passed the county zoning sub-plan, "Gardermoen 2040, strategic development plan for Gardermoen". It unequivocally recommends area planning at Gardermoen to include a future third runway.

The municipality of Ullensaker has prepared a municipal zoning plan with an area section that also emphasizes area usage and growth patterns for the areas around the airport. The municipal council passed the plan on March 2, 2009.

### Terminal expansion

On the background of increased traffic volume, and because the terminal is approaching its capacity limit, the airport must expand its capacity. The project includes expansion of the aircraft area with new taxiways, and expansion of the OSL passenger terminal. The current terminal facilities are estimated to have a capacity of 22-23 million passengers.

A revised outline project plan was completed in 2009. The board of directors resolved to proceed with a pilot project, which was completed in 2010. An impact statement was prepared in accordance with the Planning and Building Act, which was completed in May 2010. Then, a permit application was prepared, which was approved by the Ministry of Transport and

Communications on December 22, 2010. The development itself was approved by the board of directors of Avinor on January 19, 2011.

Metier, a consulting company, has performed a quality assurance analysis on behalf of Avinor, pursuant to the requirements of the Norwegian Ministry of Finance for major government projects. In general, the analysis provides a positive evaluation of the project, including an assessment of economic and progress risks. The other observations and recommendations of Metier are related to the overall uncertainty picture, contract strategy, organization and control, success factors and potential pitfalls. These were followed up during 2010, and measures related to the project have been included in the project quality system, which is a part of the project control system.

The first development stage will provide a capacity of 28 million passengers and facilitate further expansion. Fully developed, the terminal will have a capacity of 35 million passengers. The timing of further expansion beyond 28 million passengers will depend on traffic growth.

The first development stage consists of the following elements:

- Expansion and rebuilding of the current passenger terminal
- New pier northwards with gates and aircraft parking spaces
- Extension of the current traffic apron
- Extension of the aircraft area north of the current terminal, including a new taxiway
- New remote parking spaces
- Associated infrastructure for environmental protection
- Temporary structures to facilitate traffic handling during the construction period

The total area increase of the first development stage is 1,259,400 sq. ft., plus rebuilding of approximately 247,600 sq. ft. of the existing terminal.

Oslo Airport is focusing strongly on environmental and sustainability solutions, both for the development project and operation of the new areas. The development will result in an as climate neutral installation as possible, and will be a model of environmental responsibility. Specific goals:

- 50 percent reduction of the consumption of thermal energy relative to the current situation

- No negative impact on ground water resources by increased activity in connection with the terminal and aircraft area expansion
- Having the highest percentage in Europe of travelers who use public transportation to the airport

The progress schedule calls for completion in the spring of 2017, with construction work starting in April 2011. The critical path for the project is to make the new aircraft area operational by June 2013, before commencing on the north pier, which has to be started then in order for the project to be completed by 2017.

The size, geographical scope and interdisciplinary nature of the project pose great challenges and it must be carried out concurrently with a fully operational airport and strong passenger growth. This is a demanding process and thus structure, systems and good collaborative relations between the development and operating organizations is greatly emphasized. Communication as such is an important tool and a communication strategy has been prepared that will be instrumental for the company reaching its objectives, and the desired reputation of the airport.

### Commercial developments

The sale of the retail outlets and restaurants in the terminal increased in 2010. In addition, parking income increased more than expected. This resulted in OSL's total rental income exceeding NOK 2,000 million.

The expansion of the arrivals duty free shop was completed in May, and the sales increase here contributed strongly to 2010 earnings.

The terminal has too few commercial areas and the 2011 area usage plan for departure and arrival areas has been prepared with the objective of rationalizing the area usage in the terminal. The plan calls for some new retail areas, but also changes of store fronts and passenger flow through the international pier.

Most leases for retail outlets and restaurants will expire December 31, 2011, and the tender and negotiation of new contracts has already started. The new area usage plan is also the basis for these negotiations.



*Sales from retail outlets and eateries increased during 2010.*

# Accounts 2010

## Going concern

The annual financial statements have been prepared on the basis of a going concern. The reason for this assumption is the earnings estimates for 2011 and long-term estimates for the years ahead. The company's equity ratio is low, but yet the company is in a healthy financial position, as the company has subordinated loans of NOK 1,371 million, with priority after other liabilities.

## Turnover

In 2010, OSL had a turnover of NOK 3,693 million, which is an increase of NOK 173 million relative to 2009.

42% of revenues are directly related to air traffic, and revenue is invoiced on the basis of departed passengers and flights from the airport. From

2009 to 2010, these revenues increased by NOK 69 million.

The remaining revenues came from derived activities such as leasing of floorage for retail operations, service, parking and other use of building and ground infrastructure. The percentage of revenue from derived activities increased in 2010. These revenues are strongly dependent on traffic developments, especially international.

Profits, investments, financing and liquidity  
Oslo Lufthavn AS presents its financial statements pursuant to "Regulation regarding simplified IFRS", issued by the Ministry of Finance on January, 21, 2008.

The 2010 income statement shows profits before

taxes of NOK 1,124 million, and NOK 810 million after taxes. The corresponding numbers for 2009 were NOK 1,045 million and NOK 753 million, respectively.

As of December 31, 2010, the company had total assets of NOK 10,376 million. The assets mainly consist of airport investments in the form of runway systems and buildings. Liabilities mainly consist of equity of NOK 1,205 million, subordinated loans from Avinor AS of NOK 1,371 million and a long-term government loan from the Ministry of Transport and Communications of NOK 5,638 million.

In 2010, the company's total investments in fixed assets amounted to NOK 427 million.

As of December 31, 2010, the company had unencumbered equity of NOK 167.3 million, after allocations of profits. The company's financial position is good, and OSL is able to repay its short-term debt and installments on its long-term debt out of liquid assets. The subordinated loan from Avinor AS has a lower priority than all other liabilities.

Included in the result are payments by OSL of NOK 375 million in ground rent and NOK 60 million in interest on the subordinated loan from parent Avinor AS.

**Financial risk**

**Market risk**

The company is exposed to changes in long-term interest rate levels, as a significant part of the company's financing (government loan) is tied to the interest on long-term government bonds.

The company is marginally exposed to changes in foreign currency exchange rates.

**Credit risk**

Thus far, OSL and its parent, Avinor AS, have experienced low losses on receivables from our most important customers, the airlines. Other income is to a great extent related to turnover based compensation, with short credit periods. The economic downturn had an adverse effect on the finances of our customers, but the company is still of the opinion that there is low to moderate risk of customers not being able to fulfill their obligations.

**Liquidity risk**


The company is affiliated with the group's group account scheme, and is considering its liquidity to be good.

**Allocation of annual profits**

The board of directors proposes that the year's profits after taxes of NOK 809,576,045 should be allocated on a group contribution to Avinor AS in the amount of NOK 770,400,000, and a transfer to retained earnings in the amount of NOK 39,176,045.

The proposed group contribution is based on a loss for tax purposes in Avinor AS, as well as the financial coordination of the group. According to Report to the Storting no. 48 (2008-2009) about the business of Avinor AS, in financial terms, the group is regarded as one entity set up to finance the overall airport structure.

Gardermoen. March 24. 2011

 Petter Johannessen Fungerende styreleder	 Helge Clem Fungerende nestleder	 Hilde Jorfald
 Ole Hansen	 Trine Lysne	 Lasse Bardal
 Ingjerd Kvande	 Hans P Stensjoen	 Nic Nilsen Administrerende direktør

# Profit and loss accounting

1 January–31 December

NOK mill.	Note	2010	2009
<b>OPERATING REVENUES</b>			
Traffic revenues		1 568,00	1 499,20
Rental income from real property		1 985,40	1 879,70
Sales revenues		137,9	139,1
Other operating revenues		1,6	1,9
<b>Total operating revenues</b>	<b>3</b>	<b>3 692,90</b>	<b>3 519,90</b>
<b>OPERATING EXPENSES</b>			
Changes in stocks of manufactured goods		43,6	43,5
Salaries, holiday pay, National Insurance contrib. etc.	4	366,5	415,6
Depreciation	8	468	440,5
Changes in value and other losses / gains – net	5,6	-17,2	-0,7
Other operating expenses	6	1 419,20	1 239,70
<b>Total operating expenses</b>		<b>2 280,10</b>	<b>2 138,50</b>
<b>Operating profit / loss</b>		<b>1 412,80</b>	<b>1 381,30</b>
<b>FINANCIAL INCOME AND EXPENSES</b>			
Interest income		13,5	16,4
Financial income		1,1	2
Interest expenses		291,1	351,6
Financial expenses		12,1	3,1
<b>Net financial expenses</b>	<b>5</b>	<b>288,5</b>	<b>336,3</b>
<b>Ordinary profit before tax</b>		<b>1 124,30</b>	<b>1 045,00</b>
Tax on ordinary profit	7	314,7	292,2
<b>PROFIT / LOSS FOR THE YEAR</b>		<b>809,6</b>	<b>752,8</b>
<b>EXPANDED RESULT</b>			
Actuarial gains / losses on pension commitment		45,6	-21
Tax effect		-12,8	5,9
Cash flow hedging			47,6
Tax effect			-13,3
<b>Total expanded result after tax</b>		<b>32,8</b>	<b>19,2</b>
<b>Year's total comprehensive income</b>		<b>842,4</b>	<b>772</b>
Transfers			
Paid Group contribution		770,4	
Transferred to other equity		72	
<b>Total transfers</b>		<b>842,4</b>	

# Balance

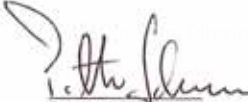








on 31 December 2010

NOK mill.	Note	2010	2009
<b>Assets</b>			
<b>FIXED ASSETS</b>			
<b>Intangible assets</b>			
Deferred tax assets	7	342,1	362,7
<b>Total intangible assets</b>		<b>342,1</b>	<b>362,7</b>
<b>Tangible fixed assets</b>			
Tangible fixed assets		7 960,00	8 129,10
Plant under construction		542,9	419,1
<b>Total tangible fixed assets</b>	8	<b>8 502,90</b>	<b>8 548,20</b>
<b>Fixed asset investments</b>			
Investments in subsidiaries	9	89,8	89,8
Investments in associated companies / joint ventures	9	1,6	1,6
Other long-term receivables	14	20,8	47,4
<b>Total fixed assets investments</b>		<b>112,2</b>	<b>138,8</b>
<b>Total fixed assets</b>		<b>8 957,20</b>	<b>9 049,70</b>
<b>CURRENT ASSETS</b>			
<b>Receivables</b>			
Accounts receivable	14	347,3	313,6
Intragroup receivables	10	974,3	829,7
Derivatives	12	8,9	1,6
Other receivables	14	47,2	29,7
<b>Total receivables</b>		<b>1 377,70</b>	<b>1 174,60</b>
<b>Cash in hand and bank deposits</b>	15	<b>41,4</b>	<b>30</b>
<b>TOTAL CURRENT ASSETS</b>		<b>1 419,10</b>	<b>1 204,60</b>
<b>TOTAL ASSETS</b>		<b>10 376,30</b>	<b>10 254,30</b>

# Balance

on 31 December 2010

NOK mill.	Note	2010	2009
<b>Equity and liabilities</b>			
<b>EQUITY</b>			
<b>Paid-in capital</b>			
Share capital	16	250,0	250,0
Share premium reserve		46,9	46,9
Other paid-in capital		160,3	160,3
<b>Total paid-in capital</b>		<b>457,2</b>	<b>457,2</b>
<b>Retained earnings</b>			
Other unrecognised equity		62,1	-113,2
<b>Other equity</b>		<b>685,6</b>	<b>788,9</b>
<b>Total retained earnings</b>		<b>747,7</b>	<b>675,7</b>
<b>TOTAL EQUITY</b>	17	<b>1 204,90</b>	<b>1 132,90</b>
<b>LIABILITIES</b>			
<b>Provisions for liabilities and charges</b>			
Pension commitments	18	271,8	347
Deferred tax	7	7,7	0,8
Other commitments		0,9	0,8
<b>Total provisions for liabilities and charges</b>		<b>280,4</b>	<b>348,6</b>
<b>Long-term liabilities</b>			
Government loan	13	5 193,50	5 637,90
Subordinated loan capital from parent company	5,13	1 371,30	1 371,30
<b>Total long-term liabilities</b>		<b>6 564,80</b>	<b>7 009,20</b>
<b>Short-term liabilities</b>			
Accounts payable		140,3	138,5
Tax payable	7	0,4	0,2
Unpaid government taxes		61,3	71,6
Intragroup contributions		1 070,00	935
Intragroup liabilities	10	428,8	390,8
Other short-term liabilities	11	625,5	227,5
<b>Total short-term liabilities</b>		<b>2 326,20</b>	<b>1 763,60</b>
<b>TOTAL LIABILITIES</b>		<b>9 171,40</b>	<b>9 121,40</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10 376,30</b>	<b>10 254,30</b>

 Petter Johannessen Fungerende styreleder	 Helge Clem Fungerende nestleder	 Hilde Jorfald
 Ole Hansen	 Trine Lysne	 Lasse Bardal
 Ingrid Kvande	 Hans P Stensj�en	 Nic Nilsen Administrerende direkt�r

# Cash flow statement

1 January–31 December

NOK mill.	2010	2009
<b>CASH FLOW FROM OPERATIONS</b>		
Cash flow from operations	1 729,70	2 048,60
- Taxes paid for the period	-0,1	-106
Tax payable	-106,0	-45,2
<b>Net cash flow from operations</b>	<b>1 729,60</b>	<b>1 942,60</b>
<b>CASH FLOW FROM INVESTMENTS</b>		
- Investments in fixed assets	-493,4	-655,4
+ Sale of fixed assets (sale amount)	1,2	1,6
+ / - Changes in other investments	0,1	0,6
<b>Net cash flow from investment activities</b>	<b>-492,1</b>	<b>-653,2</b>
<b>CASH FLOW FROM FINANCING</b>		
- Investments in fixed assets	-291,1	-333,8
+ / - Group contribution/dividends	-935	-975
<b>Net cash flow from financing activities</b>	<b>-1 226,10</b>	<b>-1 308,80</b>
<b>+ / - Net change in liquid assets during the year</b>	<b>11,4</b>	<b>-19,4</b>
<b>Cash and bank deposits as of 01.01.</b>	<b>30</b>	<b>49,4</b>
<b>Cash and bank deposits as of 31.12.</b>	<b>41,4</b>	<b>30</b>
<b>Cash flow from operations</b>		
Profit before taxes	468	440,5
+ Ordinary depreciation	468	440,5
+/- Loss/Gain on sale of fixed assets	2,3	0
+ / - Revaluations and other losses/gains - net	7,3	3,1
+ / - Change in inventories, accounts receivable and accounts payable	-11,8	-46,3
+ Difference between pension accrued as cost and contributions/disbursements	-29,5	36,6
+ / - Changes in other accrual items	274,9	320,6
+ / - Changes in inter-group receivables and payables	-106,5	249,1
<b>Cash flow from operations</b>	<b>1 729,70</b>	<b>2 048,60</b>
<b>In the cash flow statement, income from the sale of fixed assets consists of:</b>		
Book value	3,5	1,6
+/- Gain/loss on sale of fixed assets	-2,3	0
Compensation on disposal of fixed assets	1,2	1,6

# Notes to the accounts

(figures in NOK 1,000,000) for the period 1 January 2010 – 31 December 2010

## Note 1 Accounting principles

Oslo Lufthavn AS is a limited liability company incorporated in Norway. The company's registered office is at Gardermoen, Edvard Munchs veg, 2060 Gardermoen, Norway.

The annual financial statements are presented in accordance with §3-9 of the Norwegian Accounting Act and the Regulation regarding simplified IFRS issued by the Norwegian Ministry of Finance on January 21, 2008. This entails that recognition and measurement is according to International Financial Reporting Standards (IFRS) and presentation and note information is in accordance with the Norwegian Accounting Act and generally accepted accounting standards in Norway. The annual financial statements were approved by the company's board of directors on March 24, 2011.

### 1.1 Simplified IFRS

The company has applied the following simplifications relative to the recognition and valuation provisions of IFRS:

- IFRS 1 no. 7 regarding continuation of acquisition cost of investments in subsidiaries, associates and joint ventures
- IAS 10 no. 12 and 13 are departed from in order to recognize dividends and group contributions in accordance with the provisions of the Norwegian Accounting Act.
- IAS 28 and IAS 31 are departed from in order to use the cost method for investments in associates and joint ventures.

### 1.2 Basis for preparation of the annual financial statements

The corporate financial statements are based on the principles of historical cost accounting, with the exception of financial instruments, which are measured at fair value.

### 1.3 Use of estimates in the preparation of the annual financial statements

The management has used estimates and assumptions that have influenced assets, liabilities, income, cost and information about contingent liabilities. In particular, this applies to the depreciation of fixed assets, valuation of goodwill and valuations related to acquisitions and pension liabilities. Future events may result in amendment of the estimates. Estimates and their underlying assumptions are assessed continuously. Changes in accounting estimates are recognized in the same period as when the changes occur. If the changes also apply to future period, the effect is distributed on the current and future periods.

### 1.4 Segment information

The company is organized as one reporting segment.

### 1.5 Principles for income recognition

Income is recognized when it is probable that transactions will generate future economic benefits that will accrue to the company and the amount can be reliably estimated. Dividends from subsidiaries are recognized in the same year as the dividends are declared by the subsidiary. Dividends from other companies are recognized when the shareholders' right to receive dividends has been resolved by the annual general meeting.

Group contributions received from subsidiaries are recognized if they are within the accumulated retained earnings of the subsidiary subsequent to the time of investment. Upon recognition, the group contribution is recognized as a gross amount (before taxes) in a separate line item in the income statement. Repayment of the cost price will reduce the value of the investment in the balance sheet. In that case, the group contribution is recognized as a net amount (after taxes).

Group contributions made to subsidiaries increase the book value of the investment. Group contribution paid is recognized as a net amount (after taxes).

Group contribution paid to the parent company is recognized as a direct offset against retained earnings. Group contribution paid is recognized as a net amount (after taxes).

### 1.6 Translation of foreign currency

Foreign currency transactions are translated at the exchange rate at the time of transaction. Monetary items denominated in foreign currency are translated to NOK at the rate on the date of the balance sheet. Non-monetary items that are valued at historical price expressed in foreign currency are translated to NOK at the currency exchange rate at the time of transaction. Non-monetary items measured at fair value, denominated in foreign currency, are translated at the prevailing rate at the date of the balance sheet. Changes in currency exchange rates are recognized in the income statement on a current basis during the financial period.

### 1.7 Income tax

Tax cost is comprised of taxes payable and changes in deferred taxes. Deferred taxes/tax credits are calculated on all differences between the book value and the tax-related value of assets and liabilities.

Deferred tax credits are recognized when it becomes probable that the company will have sufficient taxable profits in later periods to be able to utilize the tax credit. The company recognizes previously non-recognized deferred tax credits to the extent that it has become probable that the company will be able to utilize the deferred tax credit. The company will also reduce deferred tax credits to the extent that the company no longer considers it probable that it will be able to utilize the deferred tax credit.

Deferred taxes and deferred tax credits are valued on the basis of expected future tax rates for the items on which the temporary difference has accrued. Deferred taxes and deferred tax credits are recognized at nominal value and are classified as financial fixed assets in the balance sheet.

The tax cost is comprised of taxes payable and deferred taxes. Taxes are recognized in the income statement, except when they are related to items recognized in the expanded income statement or directly against equity. If this is the case, the tax is also recognized in the expanded income statement or directly against equity.

**1.8 Fixed assets**

Fixed assets are initially recognized in the balance sheet at acquisition cost. Acquisition cost includes costs directly related to the acquisition of the assets. Subsequent expenses are added to the book value of the assets or recognized in the balance sheet separately, when it becomes probable that future economic benefits related to the expense will accrue to the group, and the expense may be reliably measured. Other repair and maintenance costs are recognized in the income statement in the period in which the expenses accrue.

Borrowing cost accruing during the construction of assets is recognized in the balance sheet until the asset is ready for its intended use.

Building sites and residential units are not subject to depreciation. Other assets are depreciated in a straight line in such a way that the acquisition cost of the fixed assets is depreciated to residual value over their expected useful life, which is:

Buildings and real estate	10–50 years
Roads, plant etc.	5–50 years
Runway system	15–50 years
Means of transport	3–10 years
Other fixed assets	5–15 years

The expected useful life of fixed assets are reconsidered in every balance sheet date and amended if necessary. Gains and losses on disposals are recognized in the income statement, and constitute the difference between the sale price and the book value.

**1.9 Leases**

The company as lessee

**Financial leases**

Leases whereby the company assumes the material risk and return related to ownership of the asset, are financial leases.

**Operational leases**

Lease agreements whereby the material risk and return related to ownership of the assets is not transferred, are classified as operational leases. Lease payments are classified as operating cost and are recognized in a straight line over the lease period.

The company as lessor

**Operational leases**

The company recognizes assets that are let as fixed assets in the balance sheet. The lease income is recognized in a straight line over the lease period.

**1.10 Financial assets**

The company classifies financial assets into the following categories:

1. At fair value through the income statement
2. Loans and receivables

The classification is dependent on the purpose of the asset. Financial assets are classified by management upon acquisition.

**Financial assets at fair value through the income statement**

Financial assets at fair value consist of financial derivatives with a positive market value. Assets in this category are classified as current assets if they are held for trading purposes or if they are expected to be realized within 12 months of the date of the balance sheet.

**Loans and receivables**

With the exception of derivatives, loans and receivables are financial assets with regular payments. These financial assets are not traded on an active market. They are classified as current assets, unless they mature more than 12 months after the date of the balance sheet. In such case, they are recognized as fixed assets. Loans and receivables are classified as "accounts receivable and other receivables" in the balance sheet.

On each balance sheet date, the company considers whether there are objective indicators of value impairment of individual assets or groups of financial assets. Revaluations are made if the value impairment is considered to be material or of a permanent nature.

**1.11 Derivatives and hedging**

Derivatives are recognized in the balance sheet at fair value at the time of the execution of the derivative contract, and then currently at fair value. Recognition of associated gains and losses is dependent on whether the derivative is designated as a hedging instrument, and if that is the case, what type of hedging. The company classifies derivatives that are part of a hedging transaction as hedging of a certain risk related to an asset, liability recognized in the balance sheet or a very probable future transaction (cash flow hedging).

At the start of the hedging transaction, the company documents the relationship between the hedging instrument and the hedging objects, the purpose of the risk management and the strategy behind the different hedging transactions. The company also documents whether the derivatives used are effective with respect to offsetting changes in fair value or cash flow related to the hedging objects. Such assessments are documented both at the start of the hedging and continuously during the hedging period.

The fair value of a hedging derivative is classified as a fixed asset or long-term liability if the remaining time to maturity of the hedging object is more than 12 months, and as a current asset or short-term liability if the remaining time to maturity of the hedging object is less than 12 months. Derivatives held for trading purposes are classified as current assets or short-term liabilities.

As a general rule, the company defines its derivatives related to funding as hedging derivatives, and thus generally applies hedge accounting to these loans. This means that changes in values of derivatives are recognized directly in equity, and are classified as short-term liabilities or current assets in the balance sheet.

The company is implementing financial hedging in connection with the purchase of energy and foreign currency. For energy it uses power derivatives traded on the NordPool exchange. These derivatives do not qualify for hedge accounting.

Changes in the fair value of derivatives that do not qualify for hedge accounting are recognized in the income statement as "changes in value and other (losses)/gains – net" or as net financial costs. Derivatives are recognized at fair value through the income statement.

#### Cash flow hedging

The effective part of a change in fair value of derivatives designated and qualified as cash flow hedging, are recognized directly in the expanded income statement. Losses and gains on the inefficient part are recognized as "other (losses)/gains – net" or as net finance costs.

Amounts recognized in the expanded income statement and accrued as equity, are reclassified to the income statement during the period in which the hedged liability or planned transaction is affecting the income statement (for example when the planned sale takes place). The gain or loss related to the effective part of the interest rate swap hedging a fixed rate loan, are recognized in the income statement under "finance costs". When a hedging instrument matures or is sold, or when a hedge no longer satisfies the criteria for hedge accounting, the total gain or loss is recognized in the expanded income statement as equity, and is reclassified to the income statement concurrently with the recognition of the planned transaction. If an expected transaction no longer is expected to occur, the amount recognized under equity is immediately reclassified to the income statement.

#### 1.12 Financial liabilities

The company classifies financial liabilities into the following categories:

1. At fair value through the income statement.
2. Other financial liabilities.

The classification is dependent on the purpose of the liability. Financial liabilities are classified by management when they accrue.

Financial liabilities at fair value through the income statement  
Financial liabilities at fair value consist of financial derivatives with a negative market value. Liabilities in this category are classified as current liabilities if they are expected to mature within 12 months of the date of the balance sheet.

#### Other financial liabilities

Other financial liabilities are financial liabilities with regular payments, except derivatives. These financial liabilities are not traded on an active market. They are classified as current liabilities, unless they mature more than 12 months after the date of the balance sheet. In such case, they are recognized as long-term liabilities.

#### 1.13 Derivatives that are not hedging instruments

Financial derivatives that are not recognized as hedging instruments are valued at fair value. Changes in fair value are recognized currently in the income statement.

#### 1.14 Receivables

Accounts receivable and other receivables are recognized in the balance sheet at face value after deduction of provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of each receivable item.

#### 1.15 Cash and cash equivalents

Cash includes cash on hand and bank deposits. Cash equivalents are short-term liquid investments that may be immediately converted to a known cash amount, and with a maximum maturity of 3 months.

#### 1.16 Classification and valuation of balance sheet items

Current assets and current liabilities include items with a due date of less than one year from the date of the balance sheet, as well as items related to the circulation of goods. The first-year installment on long-term debt is classified as a current liability. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at acquisition cost or fair value, whichever is lower. The book value of short-term liabilities is the nominal amount at the time of accrual.

Fixed assets are valued at acquisition cost, but are revalued to fair value if a value impairment is not expected to be temporary. The book value of long-term liabilities is the nominal amount at the time of accrual.

#### 1.17 Subsidiaries/associates

Subsidiaries, associates and joint ventures are valued according to the cost method in the corporate financial statements. The investments are valued at the acquisition cost of the shares, unless revaluation has been necessary.

#### 1.18 Short-term investments

Short-term investments (shares and interests valued as current assets) are valued at average acquisition cost or fair value on the date of the balance sheet, whichever is lower. Dividends received and other distributions from other companies are recorded as other financial income.

#### 1.19 Pensions

The pension scheme is not a pension fund. The payment of pensions is guaranteed by the government under law (§1 of the Pension Act). Management of assigned pension assets is simulated ("fictive fund") as if these assets were invested in long government bonds. The pension scheme may not be moved in the same manner as a private pension scheme, and it is assumed that the pension scheme will be continued by the Norwegian Public Service Pension Fund. The simulation is based on holding bonds until maturity. Thus, pension assets are valued at book value.

The pension schemes are generally financed through contributions to the Norwegian Public Service Pension Fund, determined by periodic actuarial calculations. The company has a defined benefit pension scheme. A defined

benefit scheme is a scheme whereby the employer is committed to provide periodic pension benefits to the employee when he/she retires. Pension payments are dependent on several factors, including years of company service and salary. The liability recognized in the balance sheet with respect to defined benefit schemes is the present value of the defined benefits at the date of the balance sheet minus the fair value of the pension assets. The pension liability is calculated annually by an independent actuary using a straight-line accruals method. The present value of the defined benefits is determined by discounting the estimated future payments with the interest rate on a bond issued by a company with high creditworthiness (or the yield on long government bonds) in the same currency as the benefits will be paid and with a maturity that is approximately the same as the related pension liability.

Changes in assumptions, base data and benefits that result in accounting losses or gains, are recognized directly in the expanded income statement.

#### **1.20 Imposed investments in another party's property**

Costs associated with noise insulation of properties in the vicinity of the airport have been recognized in the balance sheet and depreciated over 15 years. As of the 2003 financial year and later, any cost of noise insulation will be recognized directly in the income statement. The same principle applies to costs associated with the reestablishment of general aviation facilities.

#### **1.21 Contingent liabilities and assets**

Contingent liabilities are not recognized in the annual financial statements. Information is provided about material contingent liabilities, with the exception of contingent liabilities for which the probability of realization is low.

Contingent assets are not recognized in the annual financial statements, but information is provided when there is a certain probability that a benefit will accrue to the company.

#### **1.22 Events after the balance sheet date**

New information regarding the company's financial position, that becomes available after the date of the balance sheet, is considered in the annual financial statements. Events after the date of the balance sheet, that do not affect the company's financial position on the date of the balance sheet, but which will affect the company's financial position in the future, are reported if they are material.

#### **1.23 Group financial statements**

Group financial statements are prepared by Avinor AS, the company's parent. Group financial statements are available from the website of Avinor AS, [www.avinor.no](http://www.avinor.no).

## Note 2 Financial risks

The company's activities give rise to different types of financial risks: market risk (including foreign currency risk, fair value risk, fair value interest rate risk, floating interest rate risk and energy price risk), credit risk and liquidity risk. The company's general risk management plan focuses on minimizing the volatility of the potential adverse effect on the company's earnings. The company employs financial derivatives to hedge against certain risks. Risk management for the company is conducted by the group financial department at Avinor AS, in accordance with guidelines approved by the group board of directors. The group financial department identifies, evaluates and hedges financial risk in close cooperation with the different operating units. Guidelines have been established to regulate overall risk management, as well as specific areas such as foreign currency risk, interest rate risk, credit risk, use of financial derivatives and other financial instruments, and placement of excess liquidity.

### Credit risk

The company is mainly exposed to credit risk related to accounts receivable and other current receivables. The company reduces its exposure to credit risk by subjecting all counterparties that are granted credit by the company, such as customers, to approval and assessment of creditworthiness. The company has no material credit risk related to any individual counterparty or several counterparties that may be grouped due to similar credit risks. The company has credit risk related to two significant customers that constitute approximately 1/3 of turnover.

Payment from these customers has not been a problem. The company considers the risk of customers not being able to fulfill their obligations to be medium. The company has guidelines for ensuring that sales are only made to customers that have had no previous payment problems, and for amounts outstanding not to exceed stipulated credit limits. The company has not vouched for any third party liabilities.

### Interest rate risk

Through its financing activities, the company is exposed to interest rate risk (see note 13). Part of the interest bearing debt has floating interest rates, which entails that the company is affected by changes in interest rate levels. The objective of the company's management of interest rate risk is to reduce interest costs and at the same time keeping the volatility of future interest payments within acceptable limits. The company uses different derivatives to adjust its effective interest rate exposure. As of December 31, 2010, all interest rate derivatives are aligned with the maturity and other terms and conditions of specific loans. When adjusting for interest rate derivatives, 72% of the company's long-term debt is at a fixed rate of interest.

As of December 31, 2010, the company held no interest rate forward contracts or option contracts.

### Liquidity risk

Liquidity risk is the risk of the company not being able to service its financial liabilities as they mature. The company's strategy for handling liquidity risk is to have sufficient liquid assets at all times to be able to fulfill its financial liabilities as they mature, both under normal and extraordinary circumstances, without risking unacceptable losses or the company's reputation. The company participates in the group account system of Avinor AS. Unused credit facilities beyond credit in the group account scheme are described in note 15. Other excess liquidity is placed in bank deposits.

Please refer to note 13 for information about long-term loans.

### Currency risk

Due to purchases in different countries with different currencies, the company is exposed to fluctuations in foreign currency exchange rates related to the value of the NOK relative to other currencies. The company enters forward currency contracts and option agreements in order to reduce the currency risk in cash flows denominated in foreign currencies. Currency risk is estimated for each foreign currency, considering assets and liabilities, off balance sheet liabilities and very probable purchases and sales in the relevant currency. As of December 31, 2010, the company held no currency forward contracts or option contracts.

### Energy price risk

The company is a consumer of electric power. Financial and physical contracts have been entered with NordPool in order to hedge parts of the power consumption.

As of December 31, 2010 contracts have been entered that cover most of the expected consumption in 2011 and 2012. Energy purchases are made in EUR. The contracts are not subject to hedge accounting.

### Other note information

No financial assets have been reclassified in such a way that valuation methods have been changed from amortized cost to fair value, or vice versa.

The group has implemented the amendments to IFRS 7 related to financial instruments measured at fair value on the date of the balance sheet. The amendments require presentation of fair value measurements per level, with the following levels for measurement of fair value:

- Price quoted in an active market for an identical asset or liability (level 1)
- Valuation based on other observable factors either directly (price) or indirectly (derived from prices) than quoted price (used in level 1) for the asset or liability (level 2)
- Valuation based on factors that are not derived from observable markets (non-observable assumptions) (level 3)

The table below shows OSL's assets and liabilities valued at fair value as of December 31, 2010:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value over result	8.9	0.0	0.0	8.9
Derivatives used for hedging	0.0	0.0	0.0	0.0
<b>Total assets</b>	<b>8.9</b>	<b>0.0</b>	<b>0.0</b>	<b>8.9</b>
<b>Liabilities</b>				
Financial liabilities at fair value over result	0.0	0.0	0.0	0.0
Derivatives used for hedging	0.0	0.0	0.0	0.0
<b>Total liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Note 3 Operating revenues

NOK mill.	2010	2009
<b>Traffic revenues</b>		
Terminal charges	468.6	433.7
Take-off charges	634.6	609.7
<b>Total terminal / take-off charges</b>	<b>1,103.2</b>	<b>1,043.3</b>
Security charges	464.8	455.9
<b>Traffic revenues in profit and loss account</b>	<b>1,568.0</b>	<b>1,499.2</b>
<b>Terminal-take-off charges broken down by traffic type</b>		
International traffic	637.2	603.6
Domestic traffic	466.0	439.7
<b>Total terminal / take-off charges</b>	<b>1,103.2</b>	<b>1,043.3</b>

### Rental income

The item "Lease income real estate" of NOK 1,985.4 (2009: NOK 1,879.7) comprises compensation for leasing of real estate and use of infrastructure in the airport area.

### Sales revenues

Sales revenue of NOK 137.9 (2009: NOK 139.1) consists of:

- sale of goods and services to handling operators
- intra group sale of services
- lease/sale of telecommunication services
- other sale of services

**Note 4 Payroll expenses, number of employees, remuneration, loans to employees, etc.**

NOK mill.	2010	2009
<b>Payroll costs</b>		
Wages and salaries	289.7	285.8
National Insurance contributions	46.0	44.8
Pension costs	12.0	66.8
Other personnel costs	18.8	18.2
<b>Total</b>	<b>366.5</b>	<b>415.6</b>

The average number of full-time employee equivalents during the financial year was 507. 434 of these were provided by full-time employees.

NOK mill.	Managing Director	Board
<b>Executive remuneration</b>		
Salaries	1.6	0.4
Other remuneration	0.1	
Pension costs	0.5	

The managing director is covered by the company's collective pension scheme with the Norwegian Public Service Pension Fund, plus he has additional pension coverage beyond 12G. In case of termination, the managing director is entitled to receive full salary during the 6 month notice period. There is no contractual severance pay beyond the notice period.

**Loans and guarantees to employees, officers, etc.**

As of December 31, 2010, the company had no loans to employees.

No loan/surety has been provided to the general manager, chairman of the board or other intimates.

**Auditor (recognized as cost)**

- Statutory audit 0.3

Auditor fees are stated exclusive of VAT.

**Note 5 Financial items**

NOK mill.	2010	2009
<b>Financial income</b>		
Interest income on short-term bank deposits	0.9	1.2
Interest income on intragroup receivables	12.8	15.4
Intragroup contributions and dividends received	1.0	1.8
<b>Total financial income</b>	<b>14.6</b>	<b>18.4</b>
<b>Financial expenses</b>		
Interest cost, bank loan / government loan	230.6	239.5
Interest cost on intragroup liability	60.4	107.1
Interest cost, other	-0.8	4.1
Fair value loss on financial instruments	13.0	4.0
<b>Total financial expenses</b>	<b>303.2</b>	<b>354.7</b>

**Note 6 Other operating expenses**

NOK mill.	2010	2009
Ground rent to Avinor AS	375.0	236.8
Rent of premises / land	38.9	40.9
Building operation / maintenance	183.0	154.0
Operating equipment repair / maintenance	165.6	161.4
External services	554.9	563.3
Other operating expenses	101.7	83.3
<b>Total other operating expenses</b>	<b>1,419.2</b>	<b>1,239.7</b>

**Note 7 Taxation**

NOK mill.	2010	2009
<b>Tax cost</b>		
Tax payable	0.4	0.2
Too much / too little paid in previous years	0.0	0.0
Tax effect intragroup contribution	299.6	261.7
Change in deferred tax	14.7	30.3
<b>Total tax</b>	<b>314.7</b>	<b>292.2</b>
<b>Reconciliation of effective tax rate</b>		
28% tax on the result before tax	314.8	292.6
Effect off too much / too little paid in previous years	0.0	0.0
Received group contribution without tax effect	0.0	0.0
Dividend received	-0.3	-0.5
Permanent differences (28%)	0.2	0.1
<b>Permanent differences (28%) Svalbard</b>	<b>0.0</b>	<b>0.0</b>
<b>Tax cost</b>	<b>314.7</b>	<b>292.2</b>
<b>Effective tax rate</b>	<b>28.0</b>	<b>28.0</b>

**Specification of deferred tax asset and deferred tax**

NOK mill.				
<b>2010</b>	31.12.09	Result	Equity	31.12.10
Receivables	0.4	-0.5	0.0	-0.1
Receivables group contribution	0.0	0.0	0.0	0.0
Fixed assets	-273.9	8.4	0.0	-265.4
Provision according to good accounting practice	8.9	-3.7	0.0	5.2
Pensions	-97.1	8.3	12.8	-76.1
Liability group contribution	0.0	0.0	0.0	0.0
Profit and loss account	-0.5	0.1	0.0	-0.4
Financial instruments	0.4	2.1	0.0	2.5
<b>Net deferred tax asset (-) / deferred tax (+)</b>	<b>-361.9</b>	<b>14.7</b>	<b>12.8</b>	<b>-334.3</b>
<b>Of which deferred tax asset recognised on balance sheet</b>	<b>-362.7</b>			<b>-342.0</b>
<b>Of which deferred tax commitment recognised on balance sheet</b>	<b>0.8</b>			<b>7.7</b>
<b>2009</b>	31.12.2008	Result	Equity	31.12.09
Receivables	0.5	-0.1	0.0	0.4
Receivables group contribution	0.0	0.0	0.0	0.0
Fixed assets	-304.0	30.1	0.0	-273.9
Provision according to good accounting practice	-0.7	9.6	0.0	8.9
Pensions	-81.1	-10.2	-5.9	-97.1
Liability group contribution	0.0	0.0	0.0	0.0
Profit and loss account	-0.6	0.1	0.0	-0.5
Financial instruments	-13.7	0.9	13.3	0.4
<b>Net deferred tax asset (-) / deferred tax (+)</b>	<b>-399.6</b>	<b>30.3</b>	<b>7.5</b>	<b>-361.9</b>
<b>Of which deferred tax asset recognised on balance sheet</b>	<b>-400.1</b>			<b>-362.7</b>
<b>Of which deferred tax commitment recognised on balance sheet</b>	<b>0.5</b>			<b>0.8</b>

NOK mill.	2010	2009
<b>Deferred tax asset</b>		
Deferred tax asset with reversal in more than 12 months	-342.0	-371.9
Deferred tax asset with reversal within 12 months	-0.1	9.3
<b>Total deferred tax asset</b>	<b>-342.1</b>	<b>-362.7</b>
<b>Deferred tax</b>		
Deferred tax with reversal in more than 12 months	2.5	0.8
Deferred tax with reversal within 12 months	5.2	0.0
<b>Total deferred tax</b>	<b>7.7</b>	<b>0.8</b>
<b>Net deferred tax asset (-) / deferred tax (+)</b>	<b>-334.4</b>	<b>-361.9</b>

## Note 8 Fixed assets

NOK mill.	Land	Buildings and other real estate	Runway system	Means of transport and aircraft	Inventory, machinery, etc	Roads, facilities, plant, etc	Total
As of 1 January 2009							
Acquisition cost	15.8	6,123.3	3,474.9	211.5	1,983.7	1,115.2	12,924.45
Accumulated depreciation and write-downs (-)	0.0	-1,770.0	-1,278.7	-161.1	-1,435.2	-509.8	-5,154.8
<b>Balance sheet value 01.01</b>	<b>15.8</b>	<b>4,353.3</b>	<b>2,196.2</b>	<b>50.4</b>	<b>548.5</b>	<b>605.4</b>	<b>7,769.6</b>
<b>Financial year 2009</b>							
Balance sheet value 01.01	15.8	4,353.3	2,196.2	50.4	548.5	605.4	7,769.6
Additions	0.0	392.9	167.6	35.8	179.8	23.7	799.8
Disposals (acquisition cost) (-)	0.0	0.0	0.0	-3.2	-4.4	0.0	-7.6
Disposals (accumulated depreciation) (+)	0.0	0.0	0.0	3.2	4.4	0.0	7.6
Depreciation for the year (-)	0.0	-206.4	-78.5	-14.9	-94.2	-46.5	-440.5
<b>Balance sheet value 31.12</b>	<b>15.8</b>	<b>4,539.8</b>	<b>2,285.3</b>	<b>71.3</b>	<b>634.1</b>	<b>582.6</b>	<b>8,128.9</b>
<b>As of 31 December 2009</b>							
Acquisition cost	15.8	6,516.2	3,642.5	244.1	2,159.1	1,138.9	13,716.6
Accumulated depreciation and write-downs	0.0	-1,976.4	-1,357.2	-172.8	-1,525.0	-556.3	-5,587.7
<b>Balance sheet value 31.12</b>	<b>15.8</b>	<b>4,539.8</b>	<b>2,285.3</b>	<b>71.3</b>	<b>634.1</b>	<b>582.6</b>	<b>8,128.9</b>
<b>Financial year 2010</b>							
Balance sheet value 01.01	15.8	4,539.8	2,285.3	71.3	634.1	582.6	8,128.9
Additions		77.4	89.3	23.3	110.1	2.9	303.0
Disposals (acquisition cost) (-)		-4.3		-10.1	-4.9		-19.2
Disposals (accumulated depreciation) (+)		0.8		9.7	4.9		15.4
Depreciation for the year (-)		-215.3	-84.9	-10.4	-111.9	-45.5	-468.05
<b>Balance sheet value 31.12</b>	<b>15.8</b>	<b>4,398.4</b>	<b>2,289.6</b>	<b>83.9</b>	<b>632.3</b>	<b>540.0</b>	<b>7,960.0</b>
<b>As of 31 December 2010</b>							
Acquisition cost	15.8	6,589.3	3,731.7	257.4	2,264.3	1,141.8	14,000.3
Accumulated depreciation and write-downs	0.0	-2,190.9	-1,442.1	-173.5	-1,632.0	-601.8	-6,040.3
<b>Balance sheet value 31.12</b>	<b>15.8</b>	<b>4,398.4</b>	<b>2,289.6</b>	<b>83.9</b>	<b>632.3</b>	<b>540.0</b>	<b>7,960.0</b>
Economic lifetime		10–50 years	15–50 years	3–20 years	5–15 years	5–50 years	
Depreciation method	IA	Straight line	Straight line	Straight line	Straight line	Straight line	

There has been no interest on building loans recognised on the balance sheet in 2010.

### Plant under construction

As of December 31, 2010, installations under construction amount to NOK 542.9 (2009: NOK 419.1).

**Note 9 Subsidiaries and associated companies**

NOK mill. Company	Acquisition date	Owner-ship / voting share	Company's share capital	No. of shares	Profit / loss 2010	Equity 31.12.10	Book value
<b>Subsidiary</b>							
Oslo Lufthavn Eiendom AS	1996	100%	6.5	6500	38.2	168.3	89.8
<b>Total book value subsidiaries</b>							<b>89.8</b>
<b>Associated companies / joint ventures</b>							
Oslo Lufthavn Tele & Data AS	1997	50%	3.1	1550	1.6	3.7	1.6
Airport Coordination AS	1998	20%	0.10	20	-0.26	0.22	0.02
<b>Total book value associated companies / joint ventures</b>							<b>1.6</b>
<b>Total book value subsidiaries and associated companies / joint ventures</b>							<b>91.4</b>

The companies have their registered offices in Ullensaker Municipality. Investments are valued in accordance with the cost method in the company's accounts.

**Note 10 Accounts with closely related parties**

NOK mill.

As of 31 December

	Group companies								Joint ventures, associated companies			
	Avinor AS		Oslo Lufthavn Eiendom AS		Flesland Eiendom AS		Avinor Parkerings- selskap AS		Oslo Lufthavn Tele og Data AS		Airport Coordina- tion Norway AS	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
<b>Receivables</b>												
Accounts receivables, etc	419.3	377.3	10.4	12.2			0.0	1.3	5.5	2.7	0.3	0.3
Group account	544.6	439.0										
Intragroup contributions / divd												
Intragroup accounts												
<b>Total receivables</b>	<b>963.9</b>	<b>816.2</b>	<b>10.4</b>	<b>12.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.3</b>	<b>5.5</b>	<b>2.7</b>	<b>0.3</b>	<b>0.3</b>
<b>Liabilities</b>												
Subordinated loan	1 371.3	1 371.3										
Intragroup contributions / divd	1 070.0	935.0										
Accounts payable etc	423.7	379.4	3.8	10.1			1.3	1.3		0.0		0.0
<b>Total liabilities</b>	<b>2 885.0</b>	<b>2 685.7</b>	<b>3.8</b>	<b>10.1</b>	<b>0.0</b>	<b>0.0</b>	<b>1.3</b>	<b>1.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Note 11 Other short-term liabilities**

NOK mill.	2010	2009
<b>Specification</b>		
Holiday pay	32.4	31.4
Prepayments from customers	73.5	70.4
Wages and social security costs	10.4	8.5
Provisions for operating / investment costs	66.4	116.8
First year's principal repayment of government loan	444.4	0.0
Other short-term liabilities	-1.7	0.4
<b>Total other short-term liabilities</b>	<b>625.5</b>	<b>227.5</b>

**Note 12 Derivatives**

NOK mill.	31.12.10	31.12.09	Change
<b>Assets</b>			
Interest rate swaps	0.0	0.0	0.0
Currency forward contracts	0.0	0.0	0.0
Energy contracts	8.9	1.6	7.3
<b>Total assets</b>	<b>8.9</b>	<b>1.6</b>	<b>7.3</b>
<b>Liabilities</b>			
Interest rate swaps – hedging against equity	0.0	0.0	0.0
Interest rate swaps – not hedging against result	0.0	0.0	0.0
Currency forward contracts	0.0	0.0	0.0
Energy contracts	0.0	0.0	0.
<b>Total liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Note 13 Long-term liabilities**

NOK mill.	2012	2013	2014	2015	2016	After this	Total
<b>Repayment plan interest-bearing loan</b>							
Government loan	444.4	444.4	444.4	444.4	444.4	2,971.5	5,193.5

**Government loan**

As of December 31, 2010, the company had loans from the government in the amount of NOK 5,637.9 (2009: NOK 5,637.9). The first year's installment is classified as a short-term liability. No installments were made on the loan in 2010 and 2009. Accrued and paid interest amount to NOK 230.6 (2009: NOK 239.5).

The loan is divided into 6 promissory notes with different terms of interest. Promissory note 1-5 are subject to a rate of interest equal to the government's lending rate for government run enterprises (average yield on 5 year government bonds in the period 01.10 – 30.09) plus 30 basis points. The interest rate on one of these promissory notes is renewed each year. The interest rate on the last promissory note (promissory note 6) is set to 3, 6 or 12 month NIBOR plus 20 basis points. All interest is paid in arrears on December 31.

The loan will be repaid over 20 years, starting in 2002. The first installment was paid on June 30, 2002.

**Subordinated loan capital**

As of December 31, 2010, subordinated loans from parent Avinor AS amounted to NOK 1371.3. No installments were made on the loan in 2010. Accrued and paid interest amount to NOK 60.3 (2009: NOK 107.0).

The interest rate is set as the average of 12 month NIBOR as of February 15, May 15, August 15 and November 15 each year. A margin of 1.5% is added. Interest is calculated for the 12-month period running from January 1 each year. Interest is due for payment in arrears on December 1 each year.

**Security**

A negative mortgage pledge has been established for the government loan.

**Note 14 Receivables**

NOK mill.	2010	2009
<b>Accounts receivable</b>		
Accounts receivable book value	347.7	313.9
Provision for latent loss recognised in the balance sheet	-0.4	-0.3
<b>Book value of accounts receivable as of 31.12</b>	<b>347.3</b>	<b>313.6</b>
Actual loss on accounts receivable for the year	0.8	0.7
<b>Other short-term receivables</b>		
Accrued, uninvoiced income	20.4	21.7
Prepaid operating expenses	9.0	3.8
Other short-term receivables	17.8	4.2
<b>Total other short-term receivables</b>	<b>47.2</b>	<b>29.7</b>

**Long-term receivables**

The company has given a construction contribution for investment in a glycol treatment plant.

**Note 15 Bank deposits**

Cash holdings at the end of the period are presented in the cash flow statement. The company participates in the group account system established for the Avinor group. Avinor AS is the group account holder.

Of the bank deposits, NOK 27.8 (2009: 8.6) are encumbered assets, divided on:

Tax withholdings	NOK	0.1
Deposit account energy purchasing	NOK	27.7

Oslo Lufthavn AS has a credit facility of NOK 100 mill with the Norwegian Ministry of Transport and Communications.

**Note 16 Number of shares, shareholders, etc.**

The company is 100 percent owned by Avinor AS. Avinor AS has its registered office in Oslo. As of December 31, 2010, the share capital of Oslo Lufthavn AS was NOK 250,000 made up of 250,000 shares each with a nominal value of NOK 1.

**Note 17 Equity**

NOK mill.	Share capital	Share premium account	Other paid-in capital	Other equity, not recognised	Retained earnings	Total
<b>Equity</b>						
<b>Equity 01.01.09</b>	250.0	46.9	160.3	-132.4	709.4	1,034.2
Annual result					752.7	752.7
Pension commitments in acc. with IAS 19				-15.1		-15.1
Financial instruments				34.3		34.3
Group contributions					-673.2	-673.2
<b>Equity 31.12.08</b>	<b>250.0</b>	<b>46.9</b>	<b>160.3</b>	<b>-113.2</b>	<b>788.9</b>	<b>1,132.9</b>
<b>Equity 01.01.10</b>	250.0	46.9	160.3	29.3	646.4	1 132.9
Annual result					809.6	809.6
Pension commitments in acc. with IAS 19				32.8		32.8
Group contributions					-770.4	-770.4
<b>Equity 31.12.10</b>	<b>250.0</b>	<b>46.9</b>	<b>160.3</b>	<b>62.1</b>	<b>685.6</b>	<b>1,204.9</b>

## Note 18 Pension commitments

As of January 1, 2011, amendments to the national insurance scheme were made effective. However, the coordination regulations for public occupational pensions do not apply to people born in 1954 and later. In addition, the rules for disability pension and survivor pension in the public pension scheme have not been determined.

### Contribution-based pension

According to the Mandatory Occupational Pension Act, it is compulsory for the company to have a company pension plan. The company's pension scheme satisfies the requirements of this law.

The pension scheme provides benefits in accordance with the Norwegian Public Service Pension Fund Act. The benefits are retirement, disability, spouse and child pension. In addition, any calculation of benefits from the age of 62 years apply according to early retirement pension agreement (AFP) for the government sector. Pension benefits are coordinated with benefits from National Insurance, and any previously earned rights from a public scheme. Gross pensions are guaranteed independently of the benefits from National Insurance (the gross guarantee).

Some employees have agreements regarding pension coverage of 66% of salary beyond 12G.

Estimate deviations in 2010 are mainly due to low estimates of pension assets in 2009. The reason therefore was that the assets related to personnel transferred from OSL to Avinor in 2008, were overvalued. Thus the 2009 asset estimate was undervalued. The reason for the miscalculation was the people involved were discharge as if they had full vesting.

In the management pension, the cost is NOK 0.3 million after an estimate deviation of NOK 0.6 million that was accrued as income (positive) and the gross amount was NOK 0.9 million

### Pension assets

Premium determination and calculation of provisions for pension benefits for the pension scheme in the Norwegian Public Service Pension Fund, are made according to normal actuarial principles.

### Actuarial assumptions

Age	Estimated lifetime		Probability of death		Probability of disability	
	Man	Woman	Man	Woman	Man	Woman
20	79	84	0.02%	0.02%	0.11%	0.17%
40	80	84	0.09%	0.05%	0.26%	0.52%
60	82	85	0.75%	0.41%	1.41%	2.40%
80	87	89	6.69%	4.31%	NA	NA

### Economic assumptions

	2010	2009
Discount rate	4.00%	4.40%
Return on pension funds in %	4.50%	5.10%
Salary growth in %	4.00%	4.25%
Pension regulation in %	3.00%	4.00%
Utilisation of early retirement pension	20.00%	20.00%
Average resignation rate over 50	0.20%	0.20%
Average resignation rate under 50	3.00%	3.00%

	2010	2009
<b>Pension cost for the year is calculated as follows</b>		
Costs of current period's pension contributions	41.8	59.2
Interest cost	31.0	25.2
Life span adjustment	-1.2	0
Estimated return on pension funds	-36.3	0
Expected return on pension assets	-21.5	-22.9
2% contribution from employees	-4.5	-4.3
Administration expenses	0.9	0.8
National Insurance contribution	1.9	8.8
<b>Pension cost for the year</b>	<b>12.0</b>	<b>66.8</b>
<b>Pension commitments and pension funds</b>		
Change in gross pension commitment		
Pension commitment 01.01	713.6	661.3
Additions and disposals	-15.4	-14.2
Costs of current period's pension contributions	41.6	59.2
Life span adjustment	-1.2	0.0
Pension adjustment	-36.4	0.0
Interest cost	30.7	25.2
Actuarial gain and loss	-0.4	-17.9
<b>Gross pension commitment 31.12</b>	<b>732.5</b>	<b>713.6</b>
<b>Change in gross pension funds</b>		
Fair value of pension funds 01.01	409.6	407.6
Actual return on pension funds	21.5	22.9
Premium payments	39.1	30.3
Payment of pensions / paid-up policies	-15.4	-14.2
Actuarial loss	39.3	-37.1
<b>Fair value of pension funds 31.12</b>	<b>494.1</b>	<b>409.5</b>
<b>Accrued National insurance contribution</b>	<b>33.4</b>	<b>42.9</b>
<b>Net pension commitment on balance sheet 31.12</b>	<b>271.8</b>	<b>347.0</b>
Actual return on pension funds previous year	18.5	
Estimated premium payment next year	49.9	39.9
Estimated payment next year	15.9	

The calculation of pension costs and net pension liability is based on a number of assumptions. The discount rate is determined on the basis of observed yields on government bonds in Norway with a surcharge for maturity.

Wage increases, pension adjustments and G adjustments are based on historical observations for the company, and based on expected inflation in the long term of 2.0%.

### Note 19 Leases

The company operates its business on land rented from Avinor AS, the parent company. The land lease is running until October 4, 2048. The ground rent for 2010 is recognized in the income statement in the amount of NOK 375 (2009: NOK 236.8). The ground rent for the period 2004-2009 has been regulated annually according to changes in the CPI. The ground rent for the period 2010-2015 has been set by the board of directors of Avinor, and will not be regulated during this period.

The company rents office premises and a parking garage from its subsidiary, Oslo Lufthavn Eiendom AS (OSLE). In 2010, rent of premises/installations was recognized in the income statement in the amount of NOK 27.5 (2009: 27.2).