

## **Start-up aid and aid to marketing (incl. Regional Development funds)**

Updated with effect from Jan 1st 2011

The Avinor group may participate financially as follows:

- Start-up aid for all airlines starting up new routes
- Offer direct grants to finance marketing activities
- Provide assistance in connection with establishing a Route Development Fund (RDF).

The reason for participating financially is to increase the traffic volume and the financial results of the Avinor group (Avinor). For the passengers and the regions, it will mean both a better service and an increase in the number of routes. The financial assistance provided should lower the financial risks of the company when starting up new routes.

All the different types of financial assistance will be published and available on the internet page of Avinor AS ([www.avinor.no](http://www.avinor.no)) and Oslo Lufthavn AS ([www.osl.no](http://www.osl.no)).

Both Avinor AS and Oslo Lufthavn AS can grant this type of financial support. The companies applying must do so in writing. Each application will be dealt with separately and according to the conditions set out in this paper. The Avinor Group will determine the amount, type and duration of any such financial support on a case-by-case basis. In particular, special attention is given to the feasibility and profitability evaluation of the route, both for the Avinor group and for the company that is applying for support.

### **1. Start-up aid**

Start-up aid can be granted to an airline, to encourage the start up of a new route from one airport to a new destination (a direct flight). The financial support provided, will reduce both the risk and the cost of the airline when setting up a new route. In turn, the new route will provide increasing revenue for the Avinor Group.

#### **a) The following discounts will apply to all qualifying new routes:**

Reduction in Take-off charges by up to **100%** for year 1, up to **75%** for year 2, up to **50%** for year 3.

In addition a reduction in passenger charges by up to **40%** for year 1, up to **30%** for year 2, up to **20%** for year 3 may be granted.

No discounts are given on other charges.

#### **b) The following discount will apply to new intercontinental routes (routes to/from destinations outside Europe and with a minimum flight time of 6 hours each way):**

Reduction in Take-off charges by up to **100%** for year 1, up to **75%** for year 2, up to **50%** for year 3.

In addition a reduction in passenger charges by up to **75%** for year 1, up to **50%** for year 2, up to **25%** for year 3 may be granted..

No discounts are given on other charges.

Common rules for a) and b):

No discounts are granted after the third year (36 months).

The discount will be granted only when an airline is starting up a scheduled return flight, showing it will be operating for a whole year with at least two weekly departures (freight one weekly departure) or an operation with an aircraft that is flying a summer and a winter flight program with at least two weekly return flights.

No discounts on the Take-off charges to be granted on night departures (between 2400-0600).

Discounts apply to all airlines starting up with corresponding new routes within the three years period, during which the airlines can apply for start-up aid. Start-up aid to an airline that previously closed down a route, which was granted start-up aid, could be given but only in exceptional cases.

Airlines must apply in writing for financial support before starting up the route. The application must incl. a budget for the new route and also incl. a feasibility study.

The financial support will be assessed and decided individually, according to the evaluated profitability of the new route. Discounts may be denied in cases of poor payment history and/or lack of required bank guarantees.

The Avinor group would like the airlines to use the amount granted as a discount, to finance marketing activities related to promoting the new route.

The Start-up aid scheme is the same for Avinor AS and for Oslo Lufthavn AS.

Please address the application to Avinor AS or Oslo Lufthavn AS, depending on where the new route departs from.

## **2. Marketing assistance**

The aim is to participate in connection with the start up of new routes or other special activities at the airport, that are leading to an increase in volume and income on Avinors behalf or to an increase in the service for the local travellers. The support is reducing the financial risk for the airlines when setting up new routes.

Direct grants can be established to cover part of the following marketing expenses:

- Special activities at the gate in connection with the opening up of a new route
- Special events for invited persons like representatives from the airlines, the press etc. in connections with the opening up of a new routes, other major events at the airport etc
- Temporary dedicated check-in areas in connections with special events and openings of new routes
- Marketing campaigns directed at travellers to make them aware of a special occasion at the airport, when opening up new routes to new destinations etc
- Newsletters, reports on the radio, press conferences, articles in magazines etc.

- Setting up direct internet links between airports and airlines/special destinations in connections with opening of new routes.

The direct grant will only be given once to the same activity. The amount will not exceed 50% of the "external" costs of the project. The "external" costs are the direct expenses, except for the cost for the use of personnel and other types of costs directly related to the funding partners/owners of the project. In addition to this, the amount of the direct grant will be assessed in relation to the estimated effect of the project on the increase of the volume of traffic, profit, other type of services etc.

The marketing activities must be part of a plan which must be profitable both for the companies applying for the grant and for Avinor.

A written application must be in the hands of Avinor AS or Oslo Lufthavn AS before the start of the planned activities. Each application for direct grants will be decided individually and nobody have any special rights to direct grants to finance any projects.

The scheme is the same for Avinor AS and for Oslo Lufthavn AS.

Please address the application to Avinor AS or Oslo Lufthavn depending on where the activities are taking place.

### **3. Route Development Fund (RDF)**

The reason for setting up locally based RDFs is to increase the number of visitors from abroad to the region. Avinor is participating because of the increase in the number of passengers and flights at the local airports. In addition, the direct grant is reducing the financial risk of the airlines when setting up the new routes.

The Avinor group can participate in various ways **together** with other organizations in setting up RDF locally.

The support is granted in the establishing phase of the RDF. The assistance can be in the form of personnel from Avinor taking part in the planning and the setting up of the RDF. In addition they can apply for direct grants, up to 50% of the direct cost related to the above mentioned phase. The direct grants from the Avinor group cannot finance any of the direct expenses of the other participants.

A written application incl. a budget and a feasibility study must be in the hands of the Avinor group before the start of the activity. In addition, the study must describe how the planned RDF will contribute towards a positive development of the tourist industry in the region. The budget must indicate the amount needed to set up the RDF and a plan on how this will be financed.

The direct grant from the Avinor group will be decided in relation to Avinor's profitability of the project.

The scheme is the same for Avinor AS and for Oslo Lufthavn AS.

The written application must be in the hands of Avinor AS or Oslo Lufthavn AS before the start up of the activities.

Each application will be assessed individually by Avinor based on the profitability of the project. Nobody have any special rights to direct grants from the Avinor group to finance any projects.

Please address the application to Avinor AS or Oslo Lufthavn AS depending on where the activities is taking place.