

Norwegian Air Shuttle ASA

Q3 2013 Presentation

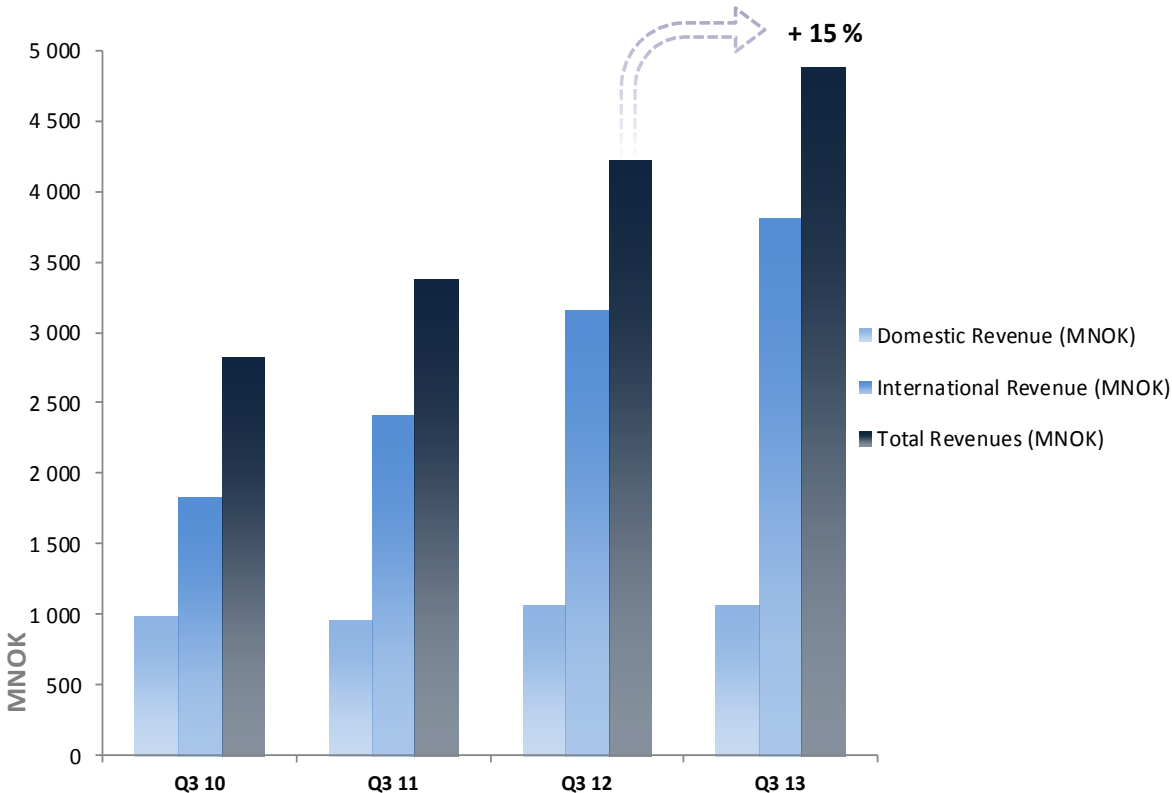


Europe's best
low-cost airline

norwegian


Double digit revenue growth in Q3

- Group revenues of MNOK 4,878 in Q3 2013



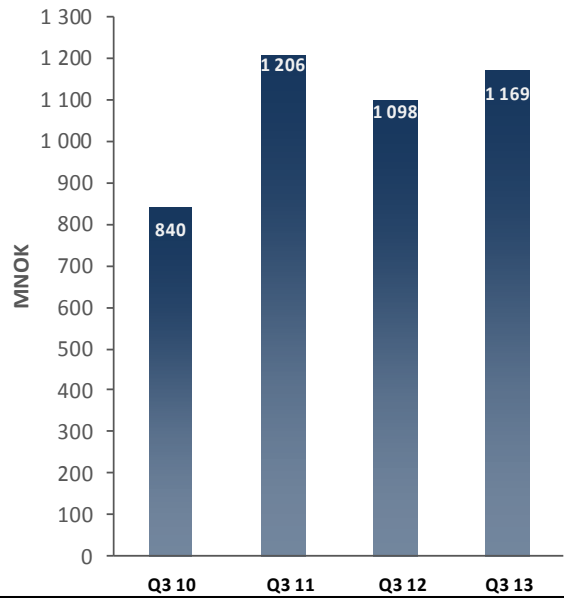
Revenues	2 828	3 376	4 224	4 878
Domestic revenue	992	958	1 071	1 072
% y.o.y. chg	27 %	-3 %	12 %	0 %
International revenue	1 836	2 419	3 153	3 806
% y.o.y. chg	23 %	32 %	30 %	21 %



Pre-tax profit of MNOK 604 in Q3

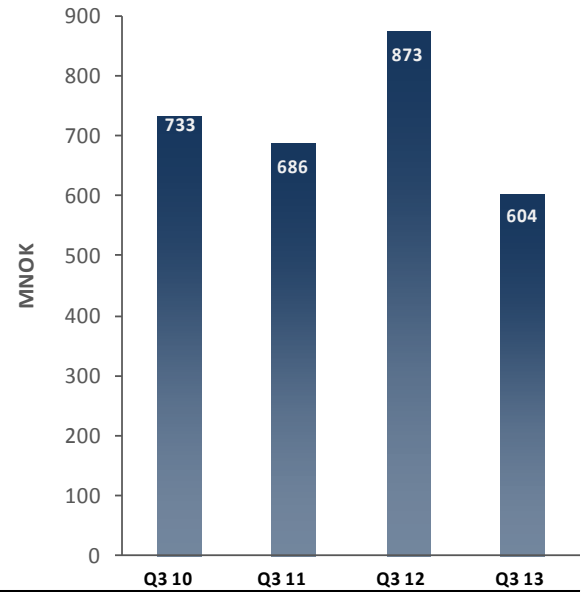
		Q3 13	Q3 12
EBITDAR	MNOK	1 169	1 098
EBITDA	MNOK	778	822
EBIT	MNOK	638	708
Pre-tax profit (EBT)	MNOK	604	873
Net profit	MNOK	436	628

EBITDAR development Q3



EBITDAR margin	Q3 10	Q3 11	Q3 12	Q3 13
	30 %	36 %	26 %	24 %

EBT development Q3

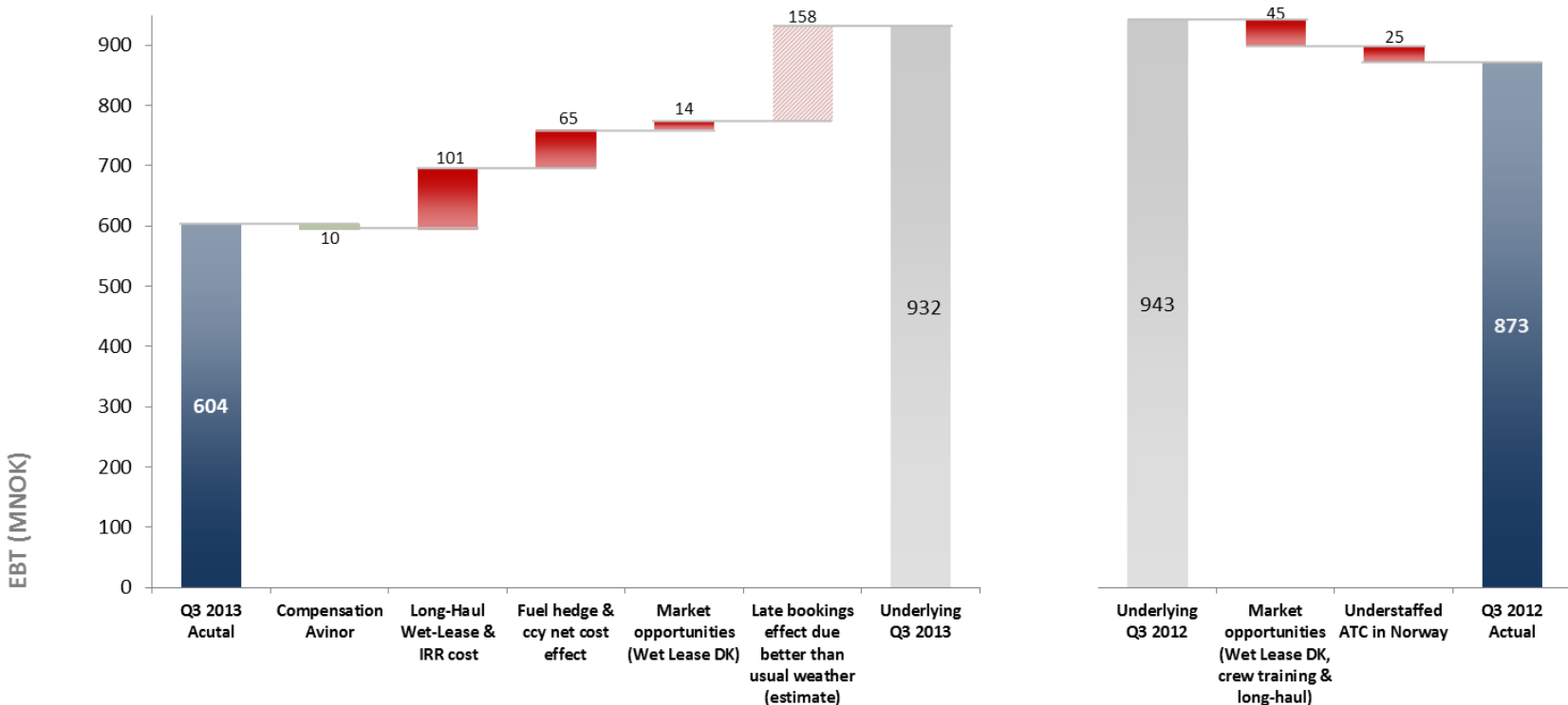


EBT margin	Q3 10	Q3 11	Q3 12	Q3 13
	26 %	20 %	21 %	12 %

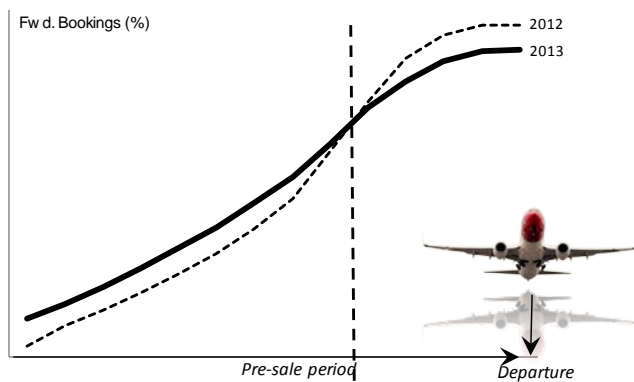


Underlying EBT result MNOK 932

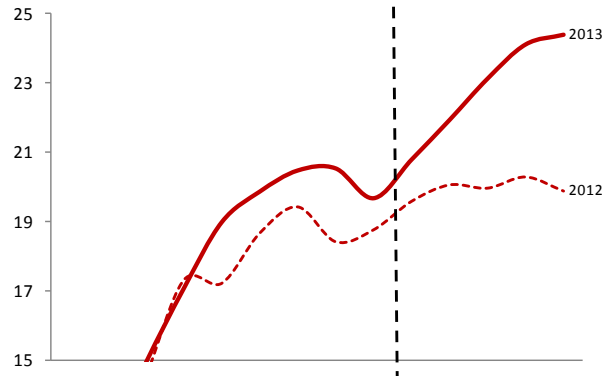
- Estimated long-haul wet-lease, fuel & irregularity effects MNOK 101
 - Planned wet-lease MNOK 64
 - Increased fuel consumption A340 vs B788 MNOK 19
 - IRR cost MNOK 18
- Start-up costs Long-Haul, LGW & ALC unadjusted for (business as usual)

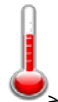


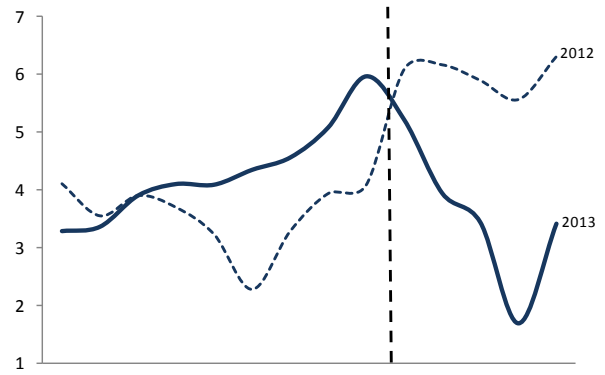
Extraordinary summer weather affected late bookings




Share of available seats sold on typical leisure routes from the Nordics (avg. for departure during the month of July)



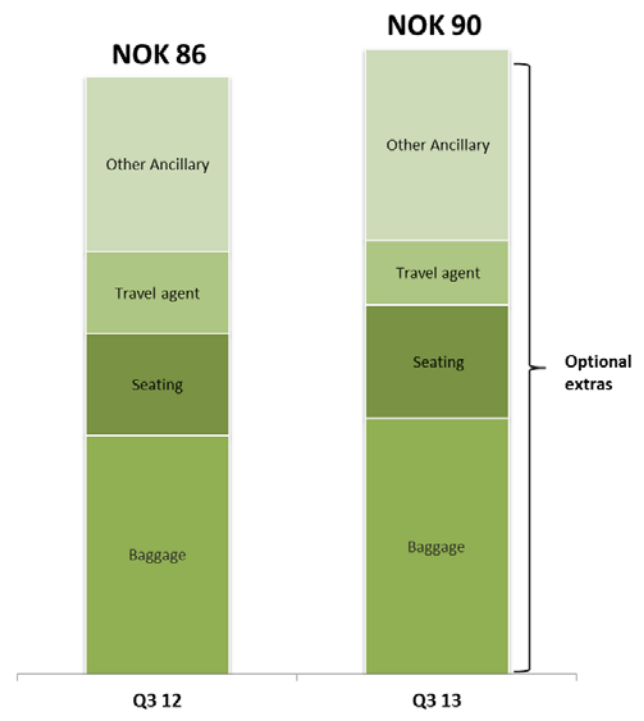

 Avg. daily max temperature (°C) preceding week (Oslo) - average for departures in July




 Avg. daily precipitation (mm) preceding week (Oslo) - average for departures in July

Ancillary revenue remains a significant contributor

- Ancillary revenue comprises 11 % of Q3 revenues (target 15%)
- NOK 90 per scheduled passenger (an increase of 5 % from last year)



Cash position of NOK 2.3 billion (+568 million)

- Cash flows from operations in Q3 13 MNOK 67 (MNOK 460)
- Cash flows from investing activities in Q3 13 MNOK -618 (MNOK -565)
- Cash flows from financing activities in Q3 13 MNOK -68 (MNOK 267)
- Cash and cash equivalents at period-end MNOK 2 303 (MNOK 1735)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

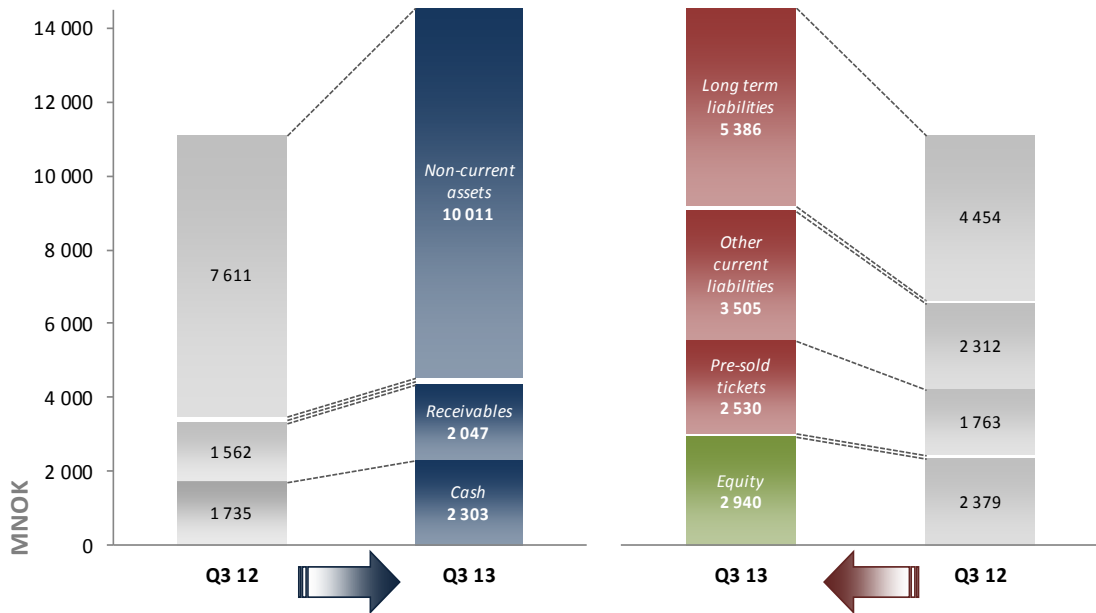
Unaudited

	Q3 2013	Q3 2012	YTD 2013	YTD 2012	Full Year 2012
<i>(Amounts in NOK million)</i>					
Net cash flows from operating activities	67.4	459.7	2 113.4	1 575.1	2 021.6
Net cash flows from investing activities	-617.9	-564.9	-1 161.4	-1 220.1	-2 765.5
Net cash flows from financial activities	-67.9	267.4	-378.2	276.1	1 369.4
Foreign exchange effect on cash	-1.7	-1.8	-1.9	-1.3	0.3
Net change in cash and cash equivalents	-620.1	160.4	571.9	629.8	625.8
Cash and cash equivalents in beginning of period	2 922.9	1 574.4	1 730.9	1 104.9	1 104.9
Cash and cash equivalents in end of period	2 302.9	1 734.8	2 302.9	1 734.8	1 730.9

Equity improved by MNOK 561 compared to last year

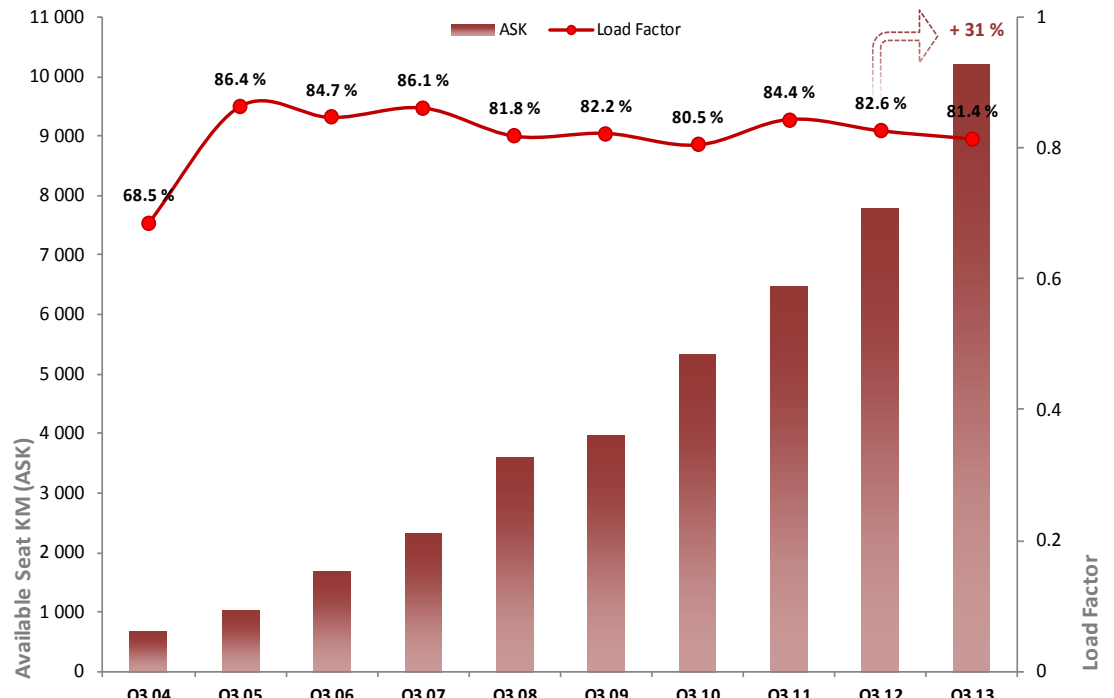


- Total balance of NOK 14.4 billion
- Net interest bearing debt NOK 3.4 billion (2.7)
- Equity of NOK 2.9 billion at the end of the third quarter
- Group equity ratio of 20 % (22 %)



High load factor maintained on 31 % capacity growth

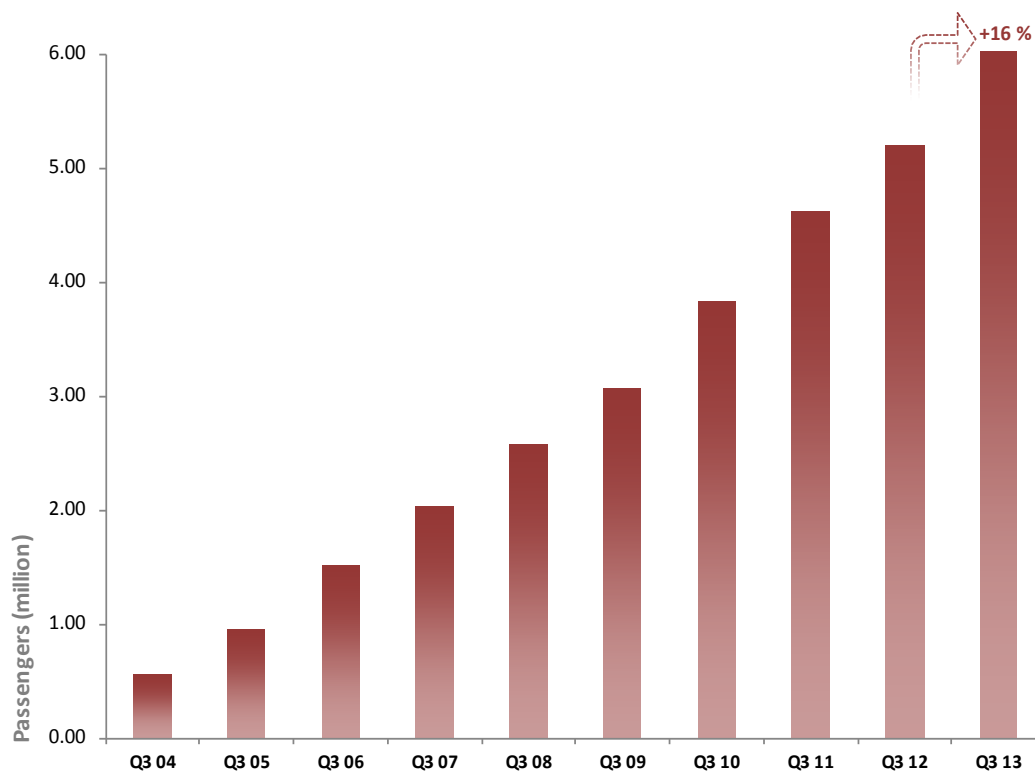
- Average flying distance up 11 %



ASK	683	1033	1694	2333	3590	3979	5331	6480	7780	10223
Load Factor	68.5 %	86.4 %	84.7 %	86.1 %	81.8 %	82.2 %	80.5 %	84.4 %	82.6 %	81.4 %

Passenger record in Q3

- 6.0 million passengers
- An increase of 800,000 passengers



Pax (mill)	0.5	0.9	1.5	2.0	2.6	3.1	3.8	4.6	5.2	6.0
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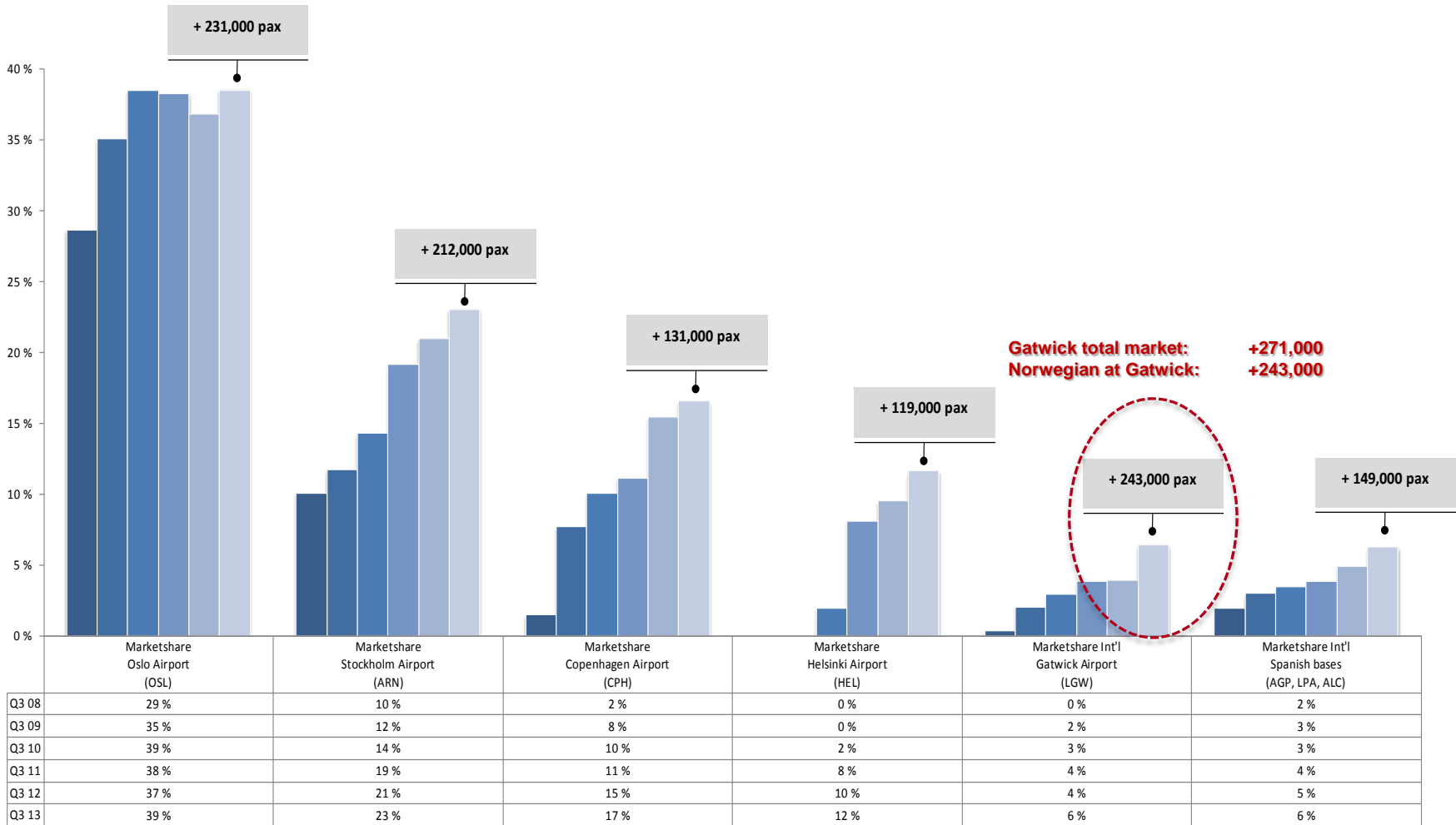


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Highest growth at London Gatwick

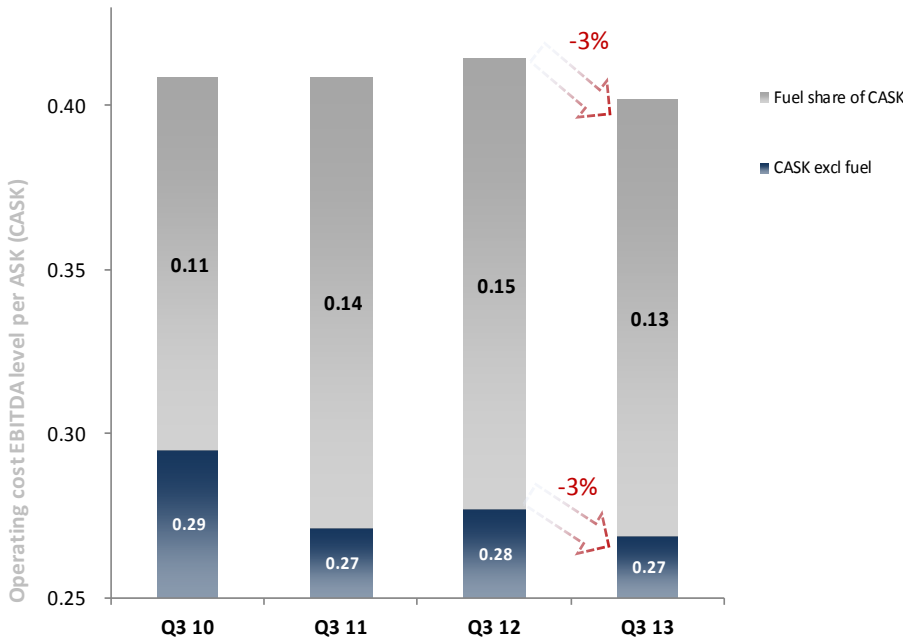
- Increasing market share in all Nordic markets
- Norwegian accounted for 90 % of growth at London Gatwick





Unit cost excluding fuel down 3 %

- Underlying unit cost down 7 %
 - Excl. fuel hedge, EUR & USD effect MNOK 65
 - Excl. Long-Haul wet lease, fuel & IRR costs MNOK 101



Cost per ASK (CASK) (NOK)	0.41	0.41	0.41	0.40
CASK ex. fuel	0.29	0.27	0.28	0.27

Other losses / (gains) is not included in the CASK concept as it primarily contains hedge gains/losses offset under financial items* as well as other non-operational income and/or cost items such as gains on the sale of spare part inventory and unrealized foreign currency effects on receivables/payables and (hedge) of operational expenses.
 *Norwegian hedges USD/NOK to counter foreign currency risk exposure on USD denominated borrowings translated to the prevailing currency rate at each balance sheet date. Hedge gains and losses are according to IFRS recognized under operating expenses (other losses/ (gains) while foreign currency gains and losses from translation of USD denominated borrowings are recognized under financial items.

Aiming for FY CASK NOK 0.25 excluding fuel

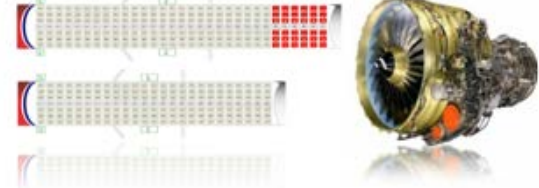
Scale economies

- Uniform fleet of Boeing 737-800s
- Overheads
- 3 new 737-800 delivered in Q3 (13 y.o.y.)



New more efficient aircraft

- Flying cost of 737-800 lower than 737-300
- 737-800 has 38 "free" seats
- Unchanged unit fuel consumption in Q3 due to A340-300 wet lease



Growth adapted to int'l markets

- Cost level adapted to local markets
- Outsourcing/ Off-shoring



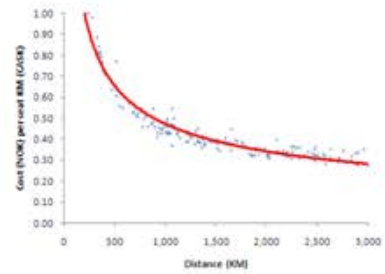
Crew and aircraft utilization

- Rostering and aircraft slings optimized
- Q3 utilization of 12.2 BLH pr a/c (+0.3 BLH)



Optimized average stage length

- Fixed costs divided by more ASKs
- Frequency based costs divided by more ASKs
- Q3 sector length up by 11 %

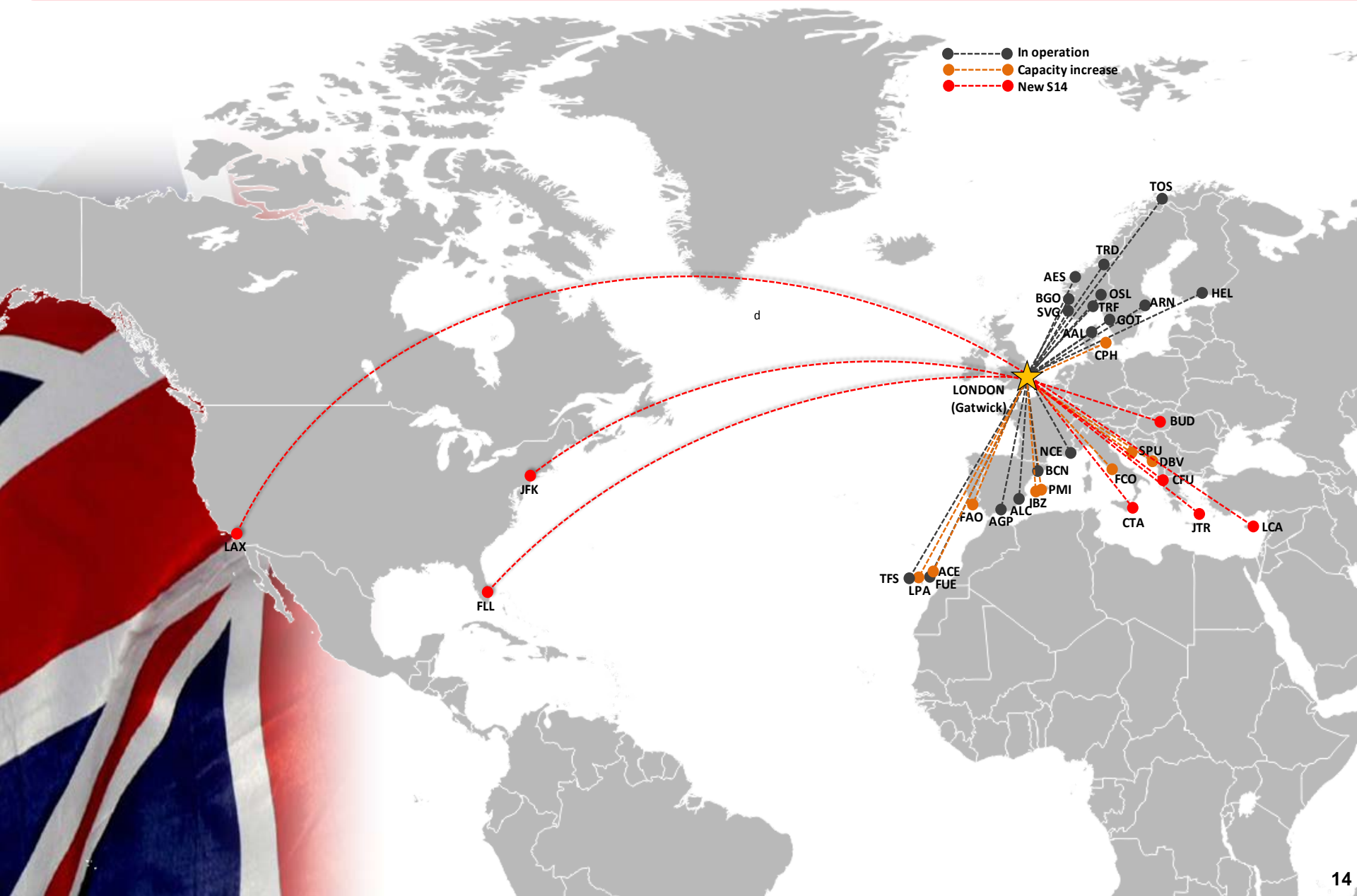


Automation

- Self check-in/ bag drop
- Automated charter & group bookings
- Streamlined operative systems & processes



London: Growth on short-haul & adding long-haul



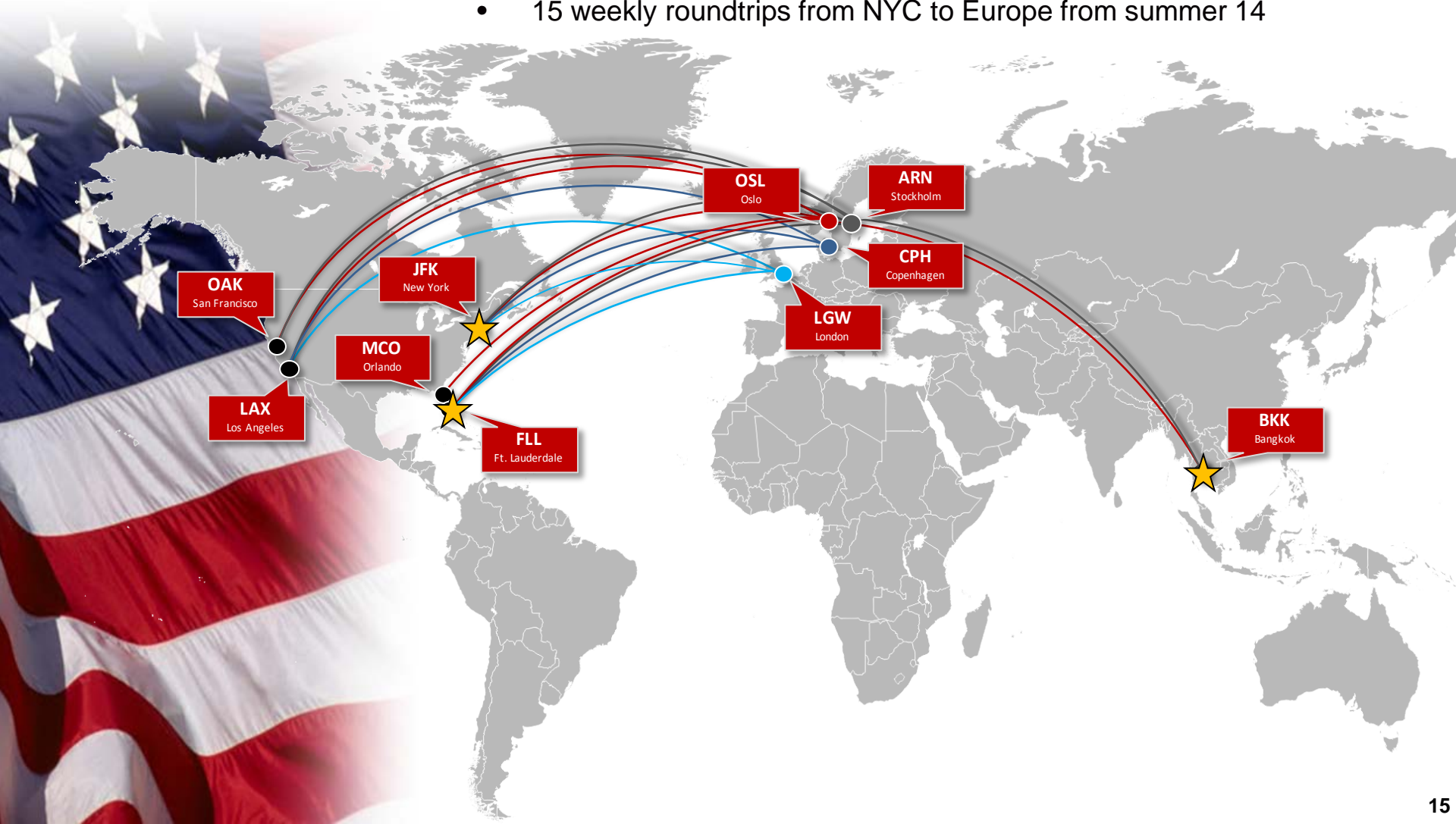


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New crew bases in New York and Florida

- JFK with most departures in Norwegian's long-haul network
- 15 weekly roundtrips from NYC to Europe from summer 14





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Competitors are national airlines flying internationally

«Other European companies are capable of coping without creating this kind of creative corporate structures»

*Petter Førde, Chairman, Norwegian Pilots Association
Majority of members fly for SAS and other competitors (Mr. Førde flies for Widerøe)*

“Other European Companies” have a very different business model

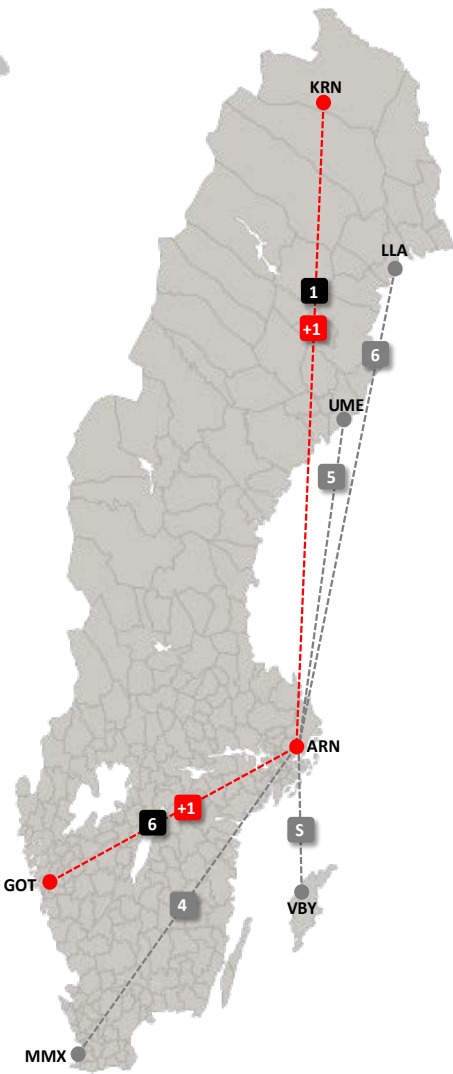
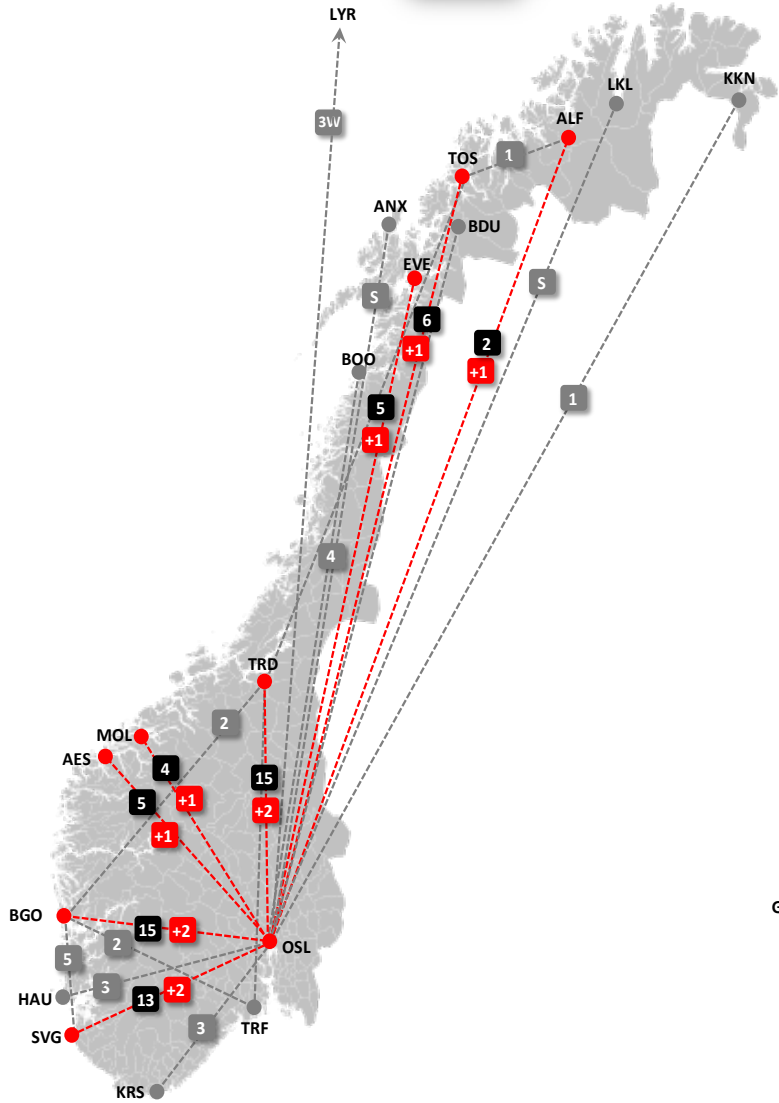


Improved product in all Scandinavian domestic markets



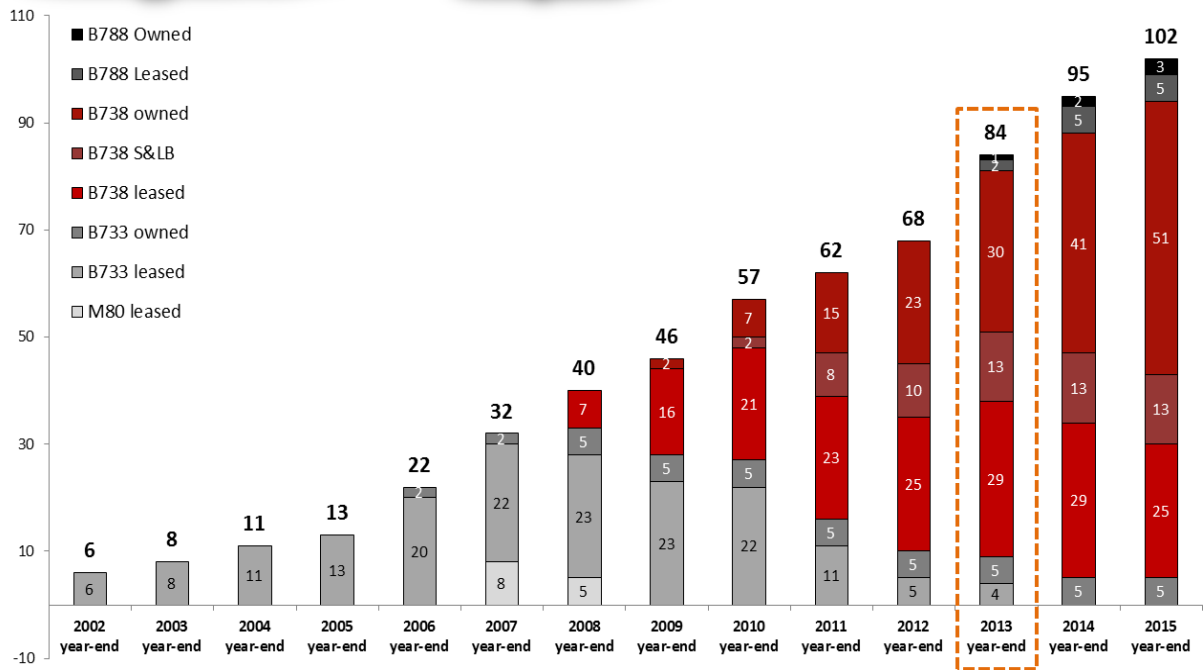
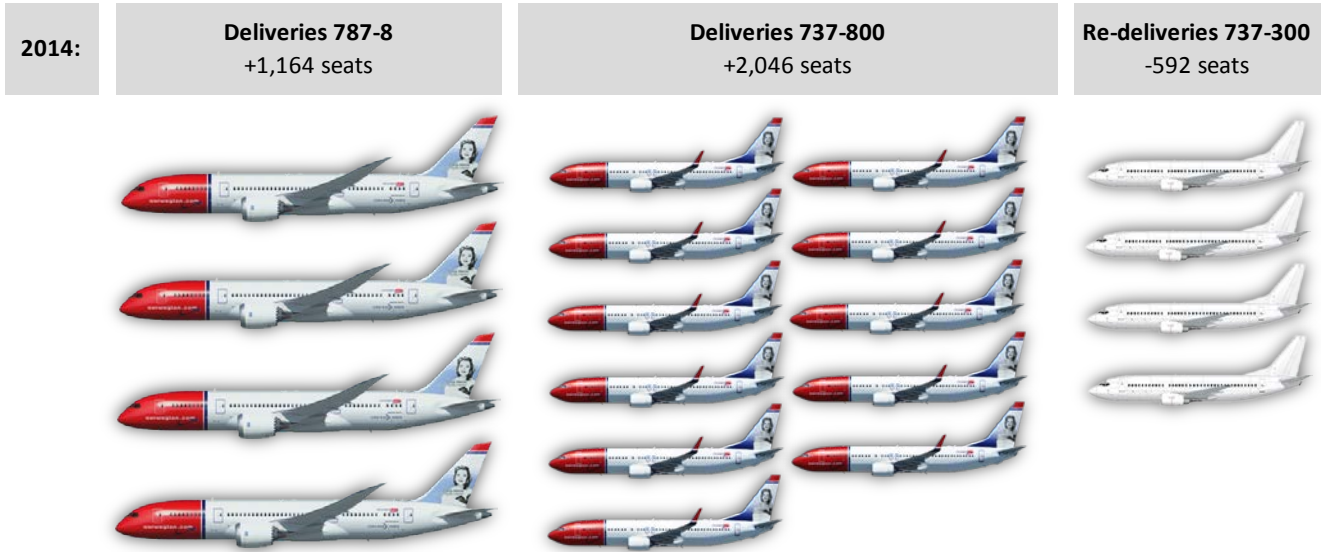
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- - - - ● Route with more departures S14 vs S13
- - - - ● Route with no change S14 vs S13
- 15 New daily number of departures
- +2 Change from S13 to S14
- 3W Weekly number of departures
- S Seasonal

Current committed fleet plan



Dreamliner saves 40 tons of fuel roundtrip Bangkok



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- Wet leased aircraft with 50 % higher fuel consumption per seat
- MNOK 80 in savings - per airplane - per year



- **Business environment**
 - Economic uncertainty in parts of Europe
 - Seasonal fluctuations
 - Yield pressure from capacity investment
- **Production**
 - The company expects a production growth (ASK) of 32% (Previously “in excess of 30%”)
 - Increasing the fleet by adding 737-800's
 - Utilization and distance increase short-haul driven by UK and Spanish bases
 - Launch of long-haul operations
 - Capacity deployment depending on development in the overall economy and marketplace
- **Cost development**
 - Unit cost expected in the area of 0.42
 - Excluding hedged volumes
 - Fuel price dependent – USD 950 pr. ton
 - Currency dependent – USD/NOK 5.75
 - Production dependent
 - Based on the currently planned route portfolio



- The company expects a production growth (ASK) of 40 %
 - Utilization and distance increase driven by UK and Spanish bases and long-haul
 - Continuous optimization of the route portfolio
- Unit cost target in the area 0.40
 - Fuel price dependent – USD 950 per ton
 - Currency dependent • USD/NOK 6.00 • EUR/NOK 7.75 •
 - CASK 2014 target approximately 0.385 on 2013 fuel & ccy assumptions
 - Production dependent
 - Based on the current route portfolio



From bases in **NORWAY**



From bases in **SWEDEN**
DENMARK
FINLAND

**Norwegian offers 401
scheduled routes to
124 destinations in
38 countries**

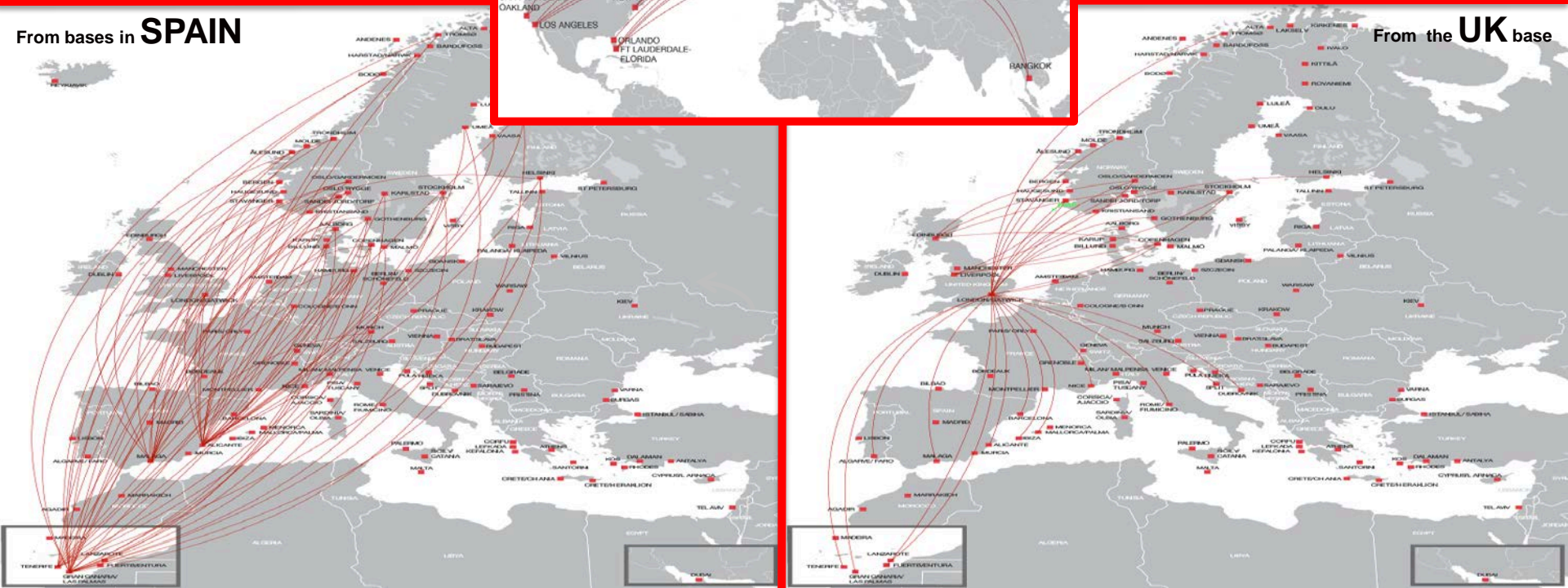


From bases in the **USA & THAILAND**



From bases in **SPAIN**

From the **UK base**





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