

Norwegian Air Shuttle ASA

Q3 2011 Presentation

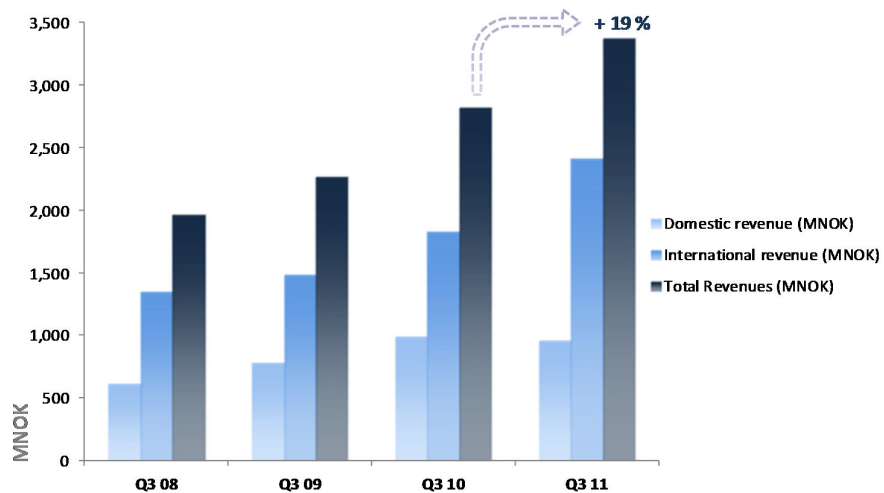
October 20th 2011

CEO Bjørn Kjos



Double digit revenue growth in Q3

- Group revenues of MNOK 3,376 in Q3 2011



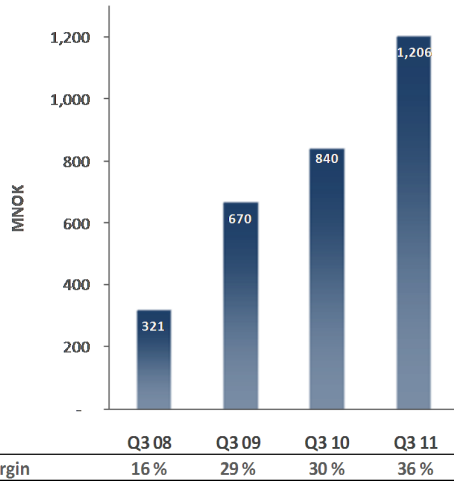
Revenues	1,972	2,272	2,828	3,376
Domestic revenue	614	781	992	958
% y.o.y. chg	40 %	27 %	27 %	-3 %
International revenue	1,358	1,491	1,836	2,419
% y.o.y. chg	53 %	10 %	23 %	32 %



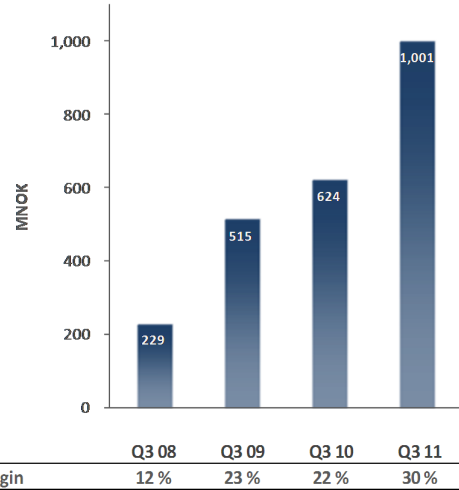
Q3 operating result (EBITDA) of 1 Billion NOK, improved by 378 million from last year

- EBITDAR	MNOK	+ 1,206	(840)
- EBITDA	MNOK	+ 1,001	(624)
- EBIT	MNOK	+ 923	(573)
- Pre-tax profit (EBT)	MNOK	+ 686	(733)
- Net profit	MNOK	+ 495	(528)

EBITDAR development Q3



EBITDA development Q3

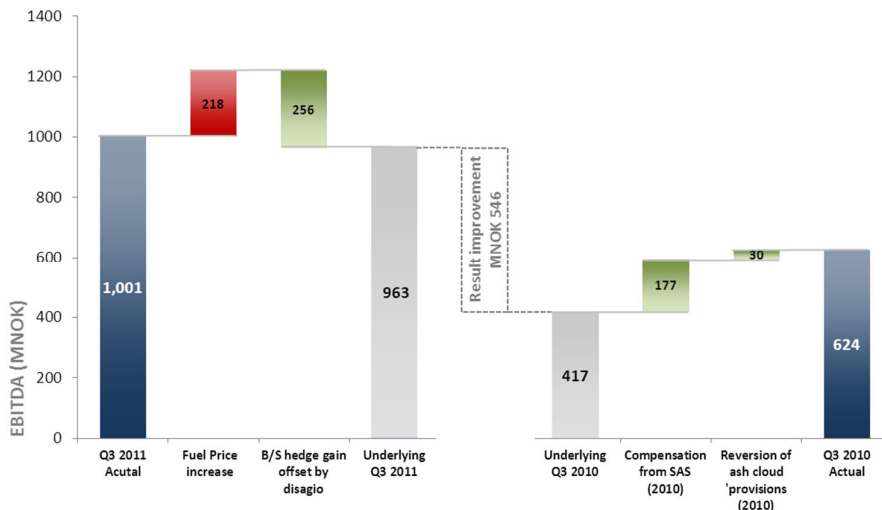


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Underlying EBITDA improvement of MNOK 546

- Fuel price up 48 % since last year – equivalent to MNOK 265
- More efficient aircraft saves MNOK 47
- USD hedges designed to counter balance sheet agio/disagio from USD liabilities





Cash and cash equivalents of 1.4 billion, up MNOK 249 from last year

- Cash flows from operations in Q3 2011 MNOK +243 (-48)
- Cash flows from investing activities in Q3 2011 MNOK -801 (-479)
- Cash flows from financing activities in Q3 2011 MNOK +768 (+127)
- Cash and cash equivalents at period-end MNOK +1,430 (+1,181)

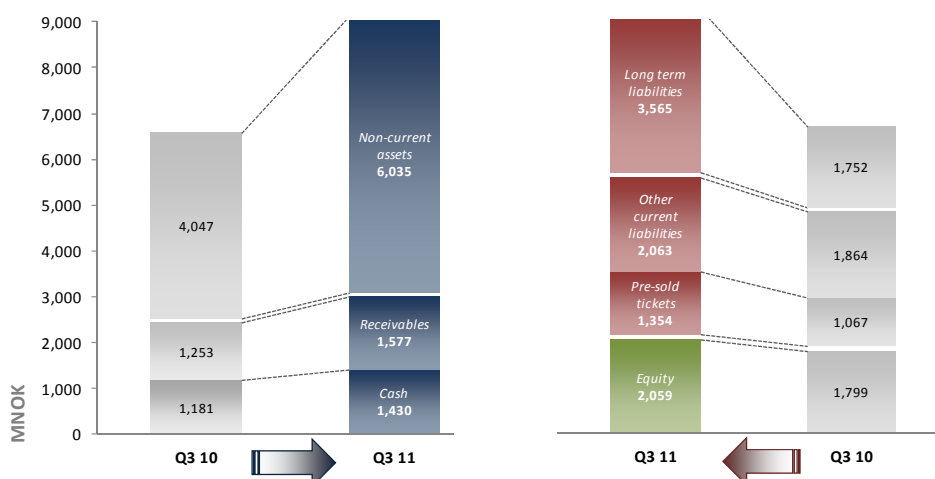
(Mill. NOK)	Quarter ended Sept 30		YTD Sept 30		Year ended Dec 31
	2011	2010	2011	2010	2010
Net cash flows from operating activities	243.0	-47.5	747.0	661.9	820.1
Net cash flows from investing activities	-800.5	-478.9	-1,706.7	-1,413.5	-1,863.4
Net cash flows from financial activities	767.5	126.7	1,210.2	524.5	813.9
Foreign exchange effect on cash	0.4	-0.4	0.7	-0.5	-0.6
Net change in cash and cash equivalents	210.3	-400.0	251.2	-227.5	-230.1
Cash and cash equivalents in beginning of period	1,219.3	1,581.0	1,178.4	1,408.5	1,408.5
Cash and cash equivalents in end of period	1,429.6	1,181.0	1,429.6	1,181.0	1,178.4

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Group equity improved by MNOK 260 compared to last year

- Total balance of NOK 9.0 billion
- Equity of NOK 2.1 billion at the end of the third quarter
- Group equity ratio of 23 % (28 %)

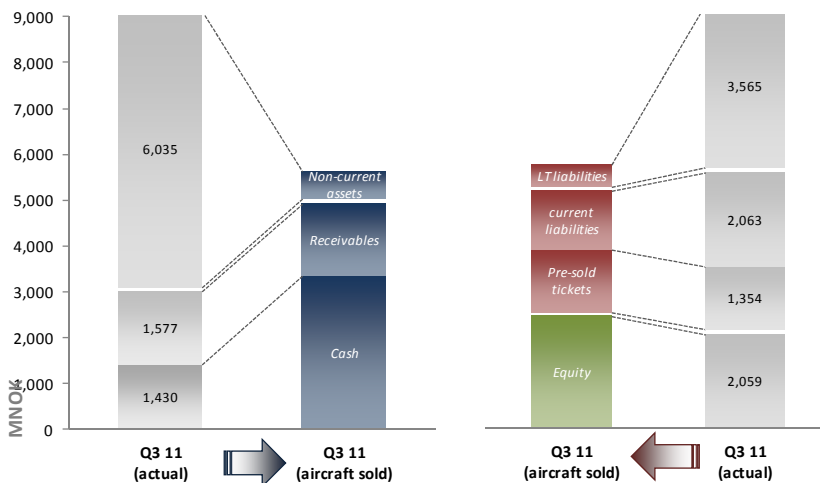


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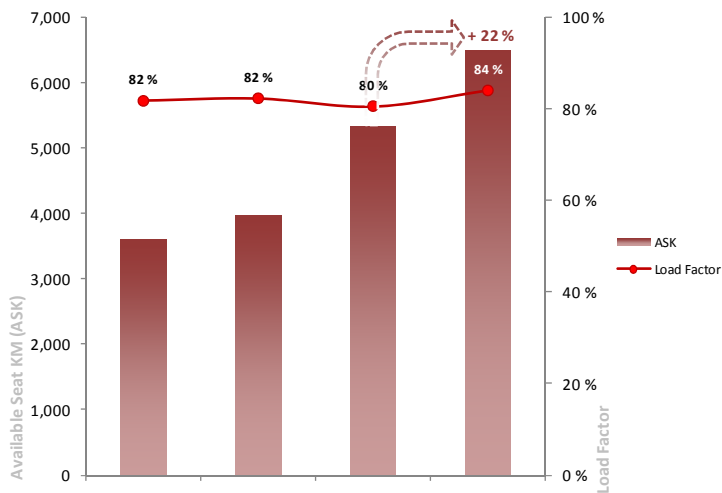
Flexibility to increase Equity ratio from 23 % to 45 %

- Liquidating on-balance sheet aircraft would double the equity ratio
- Would generate capital gains and cash
- Norwegian to own aircraft to keep cost down



Traffic growth of 27 % in Q3

- Load up 4 p.p. despite capacity growth of 22 %
- Unit revenue (RASK) up 6 %

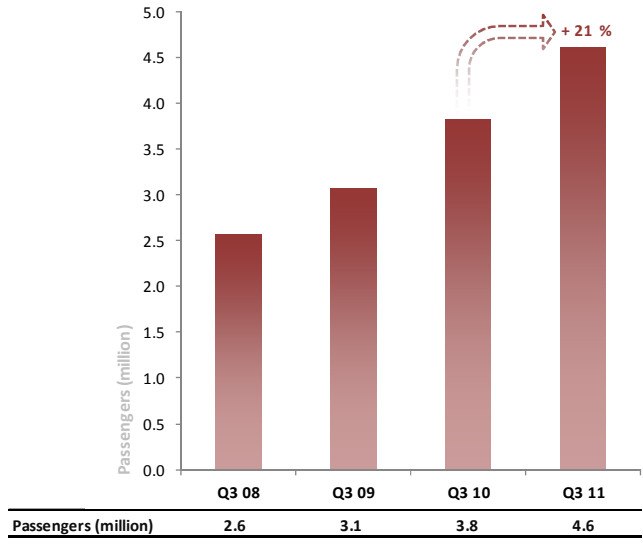
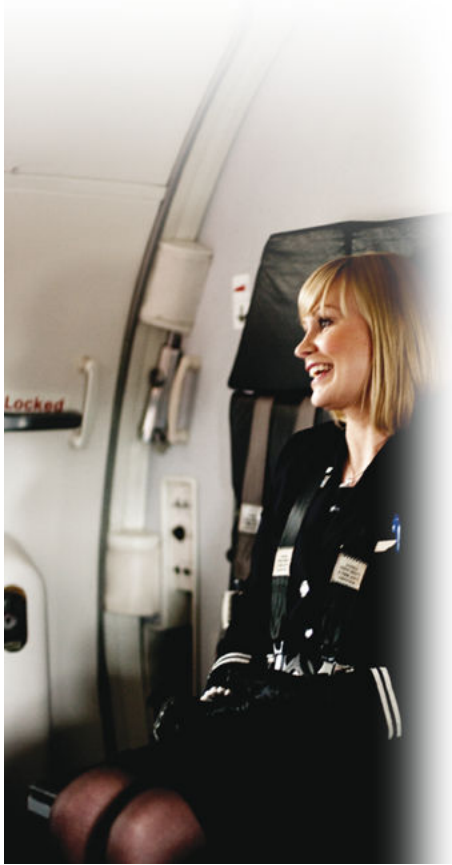


	Q3 08	Q3 09	Q3 10	Q3 11
ASK	3,590	3,979	5,331	6,480
Load Factor	82 %	82 %	80 %	84 %



Passenger record in Q3

- 4.6 million passengers, 21 % growth from last year
- An increase of 790,000 passengers



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Largest share of growth outside Norway Newly started base in Helsinki with 340.000 passengers in Q3

Norwegian in Oslo
+ 126,000 pax

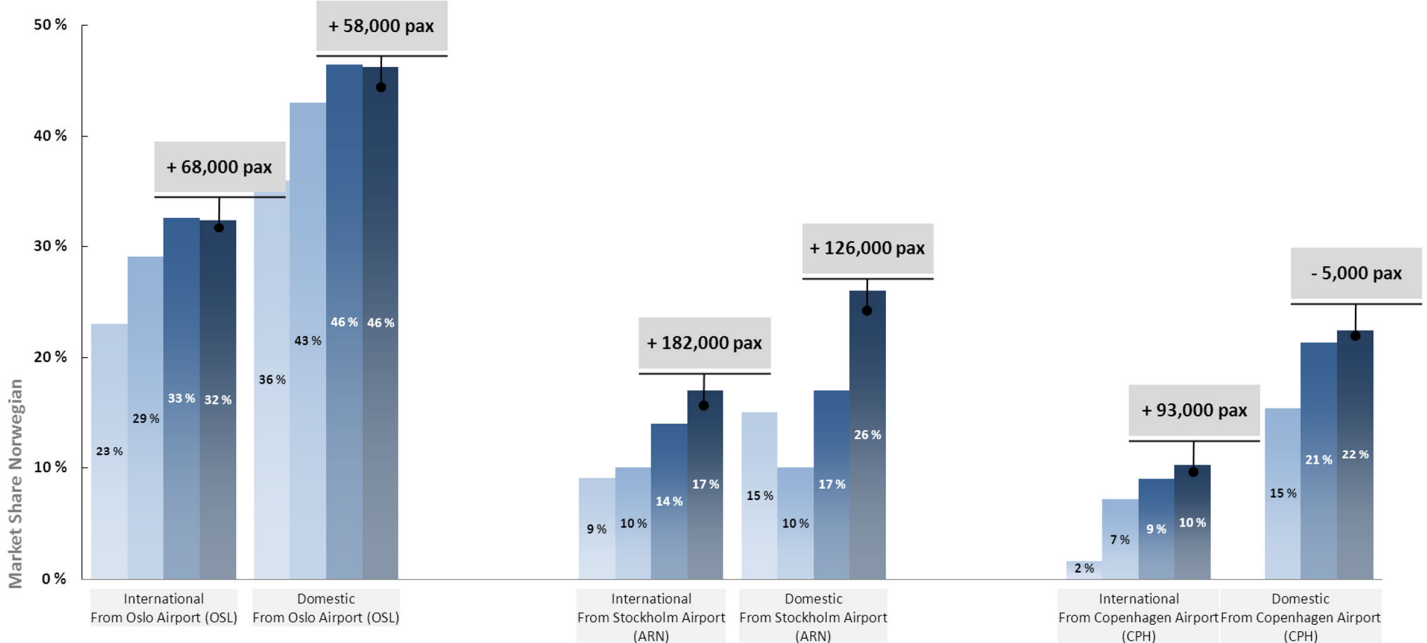
Norwegian in Stockholm
+ 308,000 pax

Norwegian in Copenhagen
+ 88,000 pax

- Marginal increase in domestic frequencies
- Growth due to larger aircraft and charter


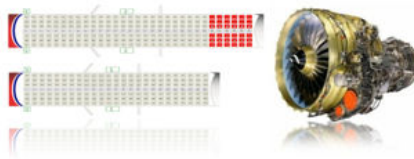


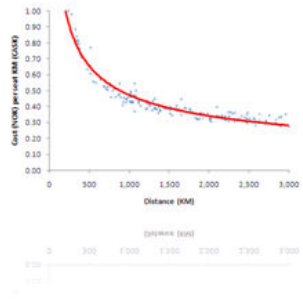

- New dom. routes to Malmö & Gothenburg
- Substantial international production growth

- International production growth





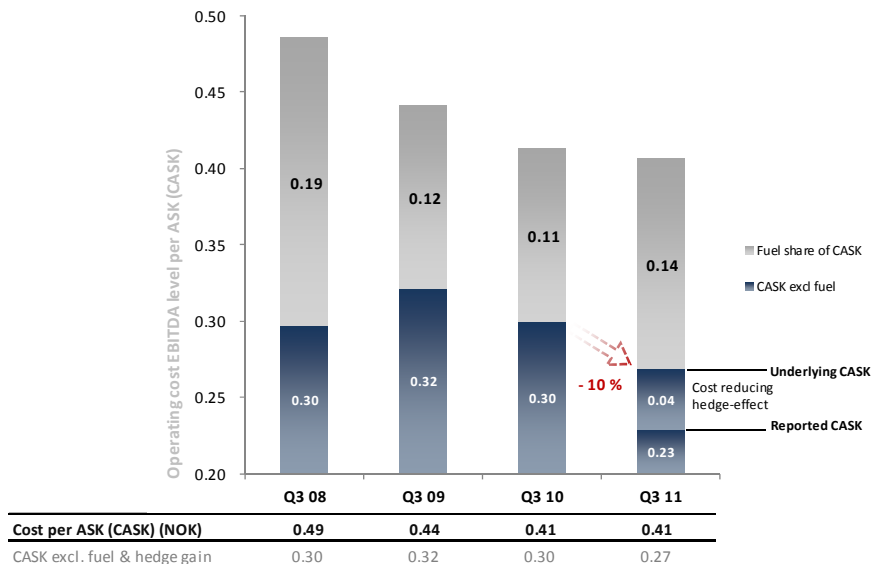
Norwegian aiming for CASK NOK 0.30 excluding fuel

<p>Scale economies</p> <ul style="list-style-type: none"> Uniform fleet of Boeing 737-800s Overheads 	<p>New more efficient aircraft</p> <ul style="list-style-type: none"> Flying cost of 737-800 lower than 737-300 737-800 has 38 "free" seats 6 % lower unit fuel consumption in Q3 	<p>Growth adapted to int'l markets</p> <ul style="list-style-type: none"> Salaries adapted to international cost levels Outsourcing/ Off-shoring 205 employees in the Baltics (admin and ops) 
<p>Crew and aircraft utilization</p> <ul style="list-style-type: none"> Rostering and aircraft slings optimized Q3 utilization of 11.7 BLH pr a/c 	<p>Optimized average stage length</p> <ul style="list-style-type: none"> Fixed costs divided by more ASKs Frequency based costs divided by more ASKs Q3 stage length up by 4 % 	<p>Automation</p> <ul style="list-style-type: none"> Self check-in/ bag drop Automated charter & group bookings Streamlined operative systems & processes 



Underlying unit cost down 10 %

- Unit cost incl. fuel & excl. hedge gain down 2 % in spite of 48 % higher fuel price
- More efficient aircraft saved MNOK 89 in fuel cost in Q3 (NOK 0.014 per ASK)
- Unit cost excl. fuel & hedge gain 0.27 - Down 10 % from last year

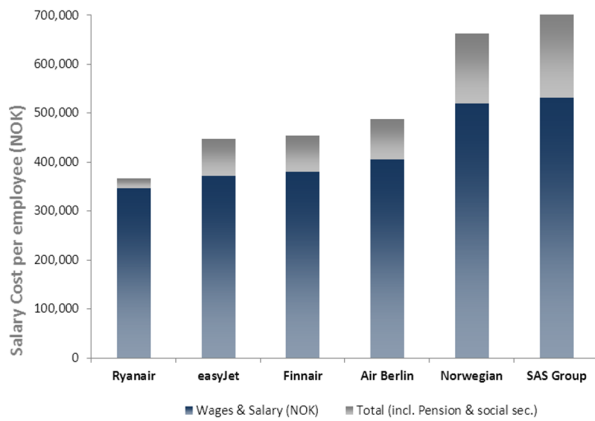




Larger aircraft & improving utilization reduce unit cost

- Improving utilization and larger aircraft offset highest salary cost in the industry
- Still an upside from smarter rostering and seasonal adaptations

Salary cost per employee

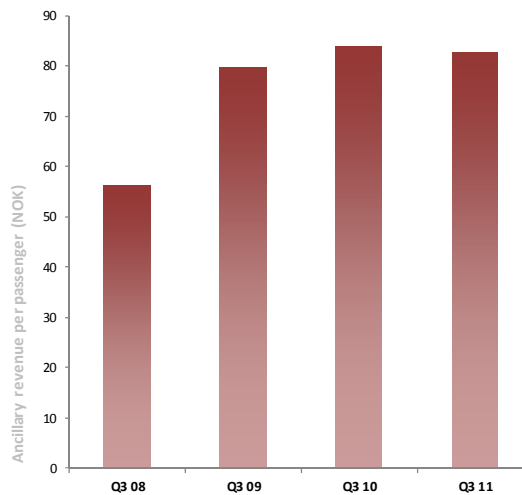


Salary cost per ASK (12 mths rolling)



Ancillary revenues remains a significant contributor

- High growth in new markets
- Ancillary revenue comprises 11 % of Q3 revenues (target 15 %)

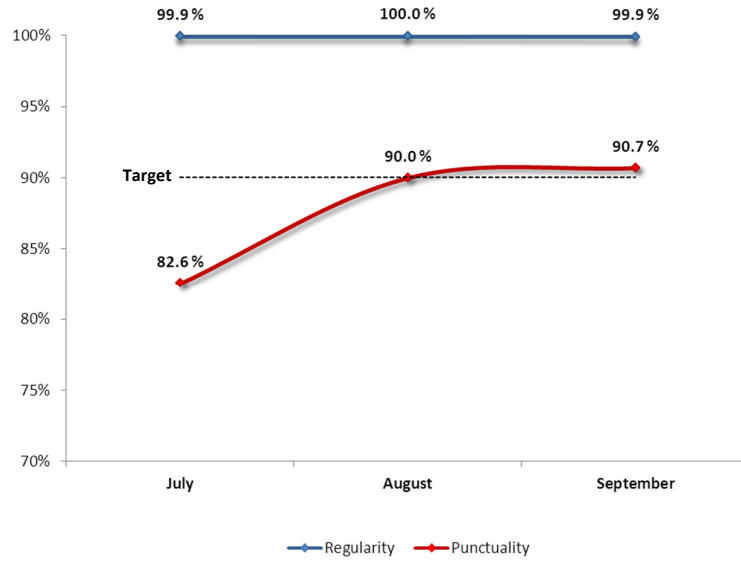


ary revenue/ scheduled pax	56	80	84	83
ary revenue/ all pax (inc. charter)	56	79	84	80



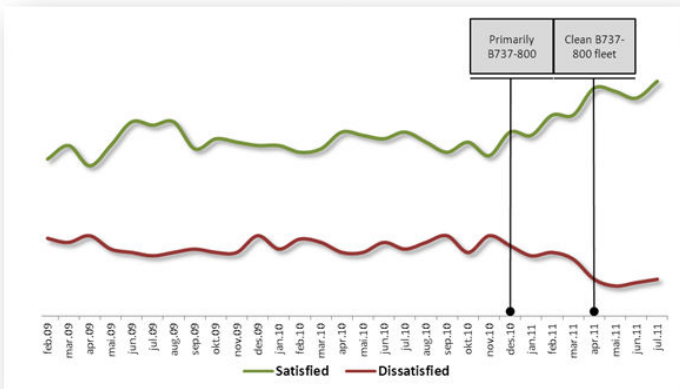
World class punctuality and regularity

- Punctuality of 88 % in Q3
- High punctuality combined with high regularity (few cancellations)
- Continuous work saves cost and improves satisfaction

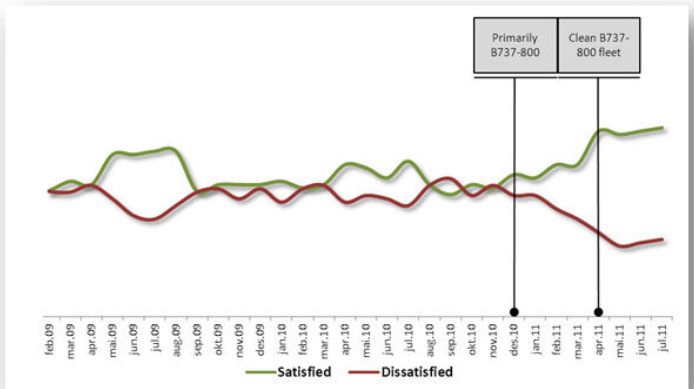


Customer satisfaction in Sweden Noteworthy change with «clean» -800 base & WiFi

Comfort on board



Leg room



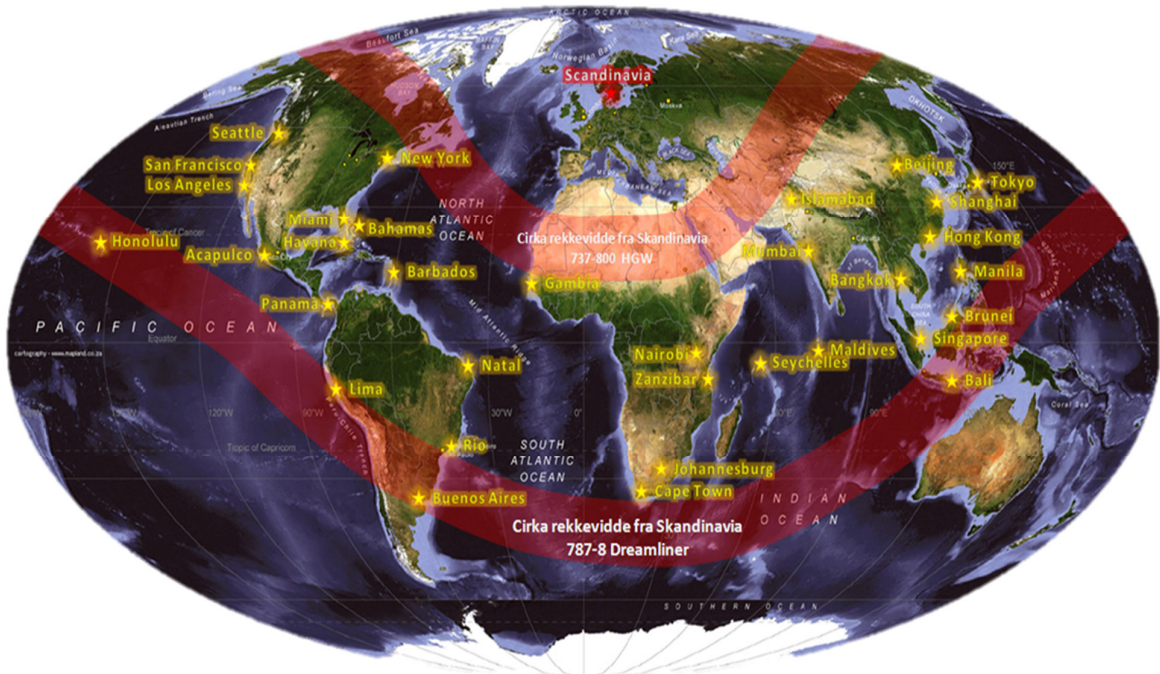
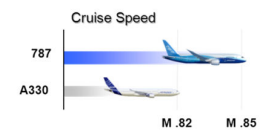
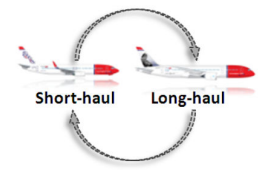
Seats
All new aircraft will have "Recaro" seats, designed to increase leg room by moving the seat pocket upwards and using new materials to make the seatback thinner. Furthermore, Norwegian has taken the decision to reduce the number of seats on all aircraft from 189 to 186, providing even more legroom.



Long-haul business idea:

Lowest overhead costs – most efficient aircraft – untapped market

- Six Boeing 787-8 Dreamliners on order
- Leveraging on existing overhead cost efficiency

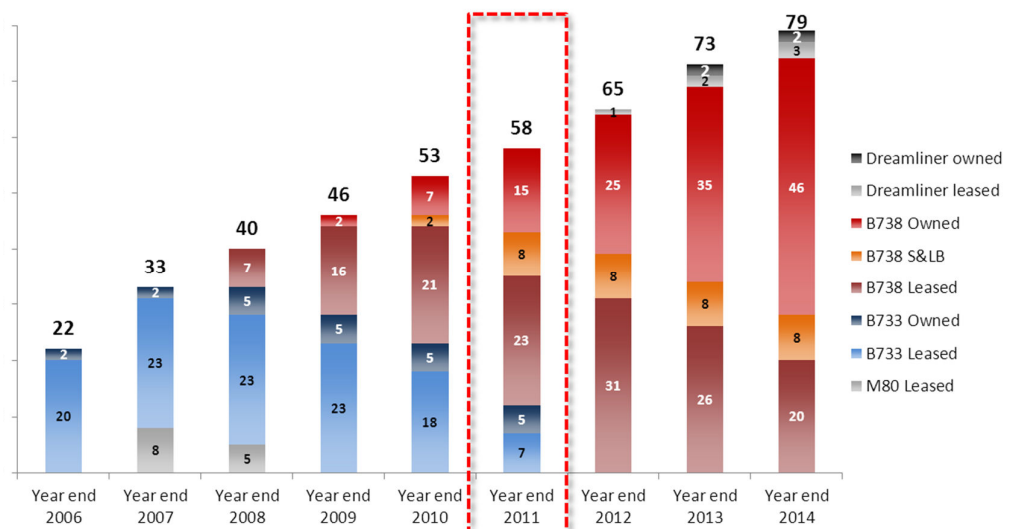


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Current planned fleet development

- 61 aircraft in the fleet at end of Q3
 - 737-800: 44 (increase of 15 since last year)
 - 737-300: 17 (decrease of 11 since last year)
- 2 new 737-800 deliveries in Q4
 - 1 lease
 - 1 owned






Expectations for 2011

- 
- **Business environment**
 - Uncertain business climate
 - Seasonal fluctuations
 - Continued but stabilized yield pressure
 - **Production**
 - The company expects a production growth (ASK) of approximately 24 %
 - Primarily from increasing the fleet by adding 737-800's
 - Capacity deployment depending on development in the overall economy and marketplace
 - **Cost development**
 - Unit cost expected in the area of 0.46 (excluding hedged volumes)
 - Fuel price dependent – USD 850 pr. ton (excluding hedged volumes)
 - Currency dependent – USD/NOK 6.00 (excluding hedged volumes)
 - Based on the current route portfolio
 - Larger share of aircraft with more capacity and lower unit cost

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Expectations for 2012

- 
- **The company expects a production growth (ASK) of 15 %**
 - Primarily by replacing Boeing 737-300s with Boeing 737-800s
 - Continuous optimization of the route portfolio
 - **Unit cost expected in the area NOK 0.43 - 0.44**
 - Fuel price dependent – USD 850 per ton
 - Currency dependent – USD/NOK 6.00
 - Production dependent
 - Based on the current route portfolio

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Norwegian offers 265 scheduled routes to 102 destinations



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