

Norwegian Air Shuttle ASA

Q1 2013 Presentation

April 18th 2013

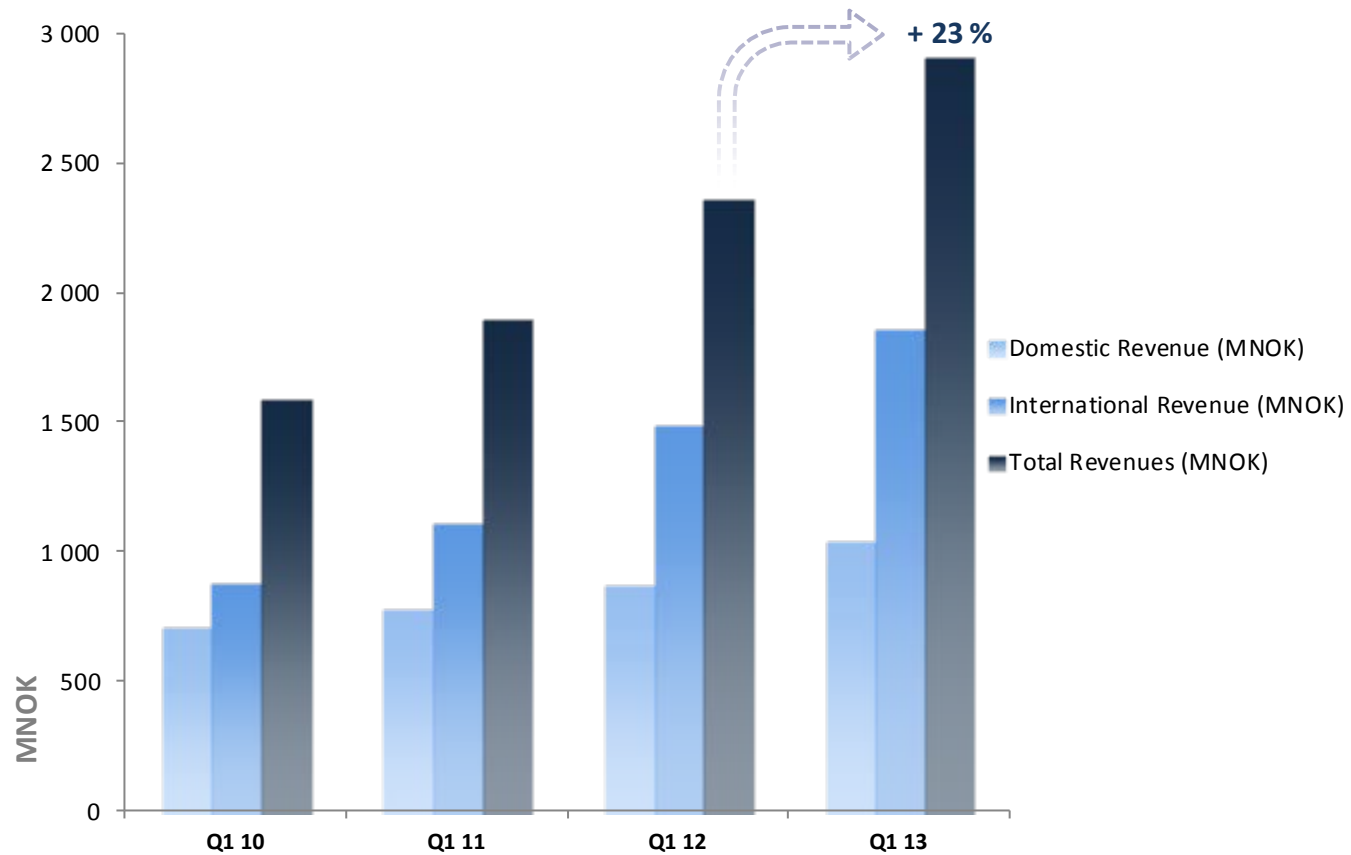
CEO Bjørn Kjos





Double digit revenue growth in Q1

- Group revenues of MNOK 2,904 in Q1 2013



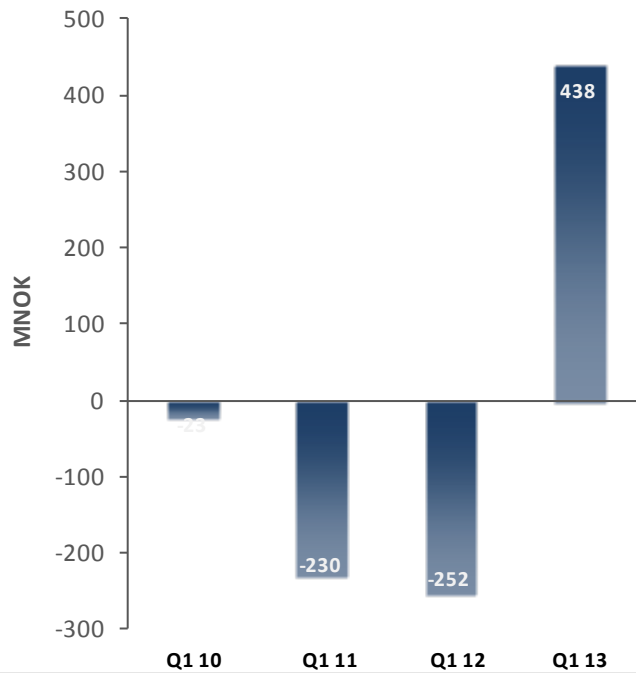
	Q1 10	Q1 11	Q1 12	Q1 13
Revenues	1 592	1 895	2 360	2 904
Domestic revenue	709	780	872	1 043
% y.o.y. chg	17 %	10 %	12 %	20 %
International revenue	883	1 115	1 488	1 861
% y.o.y. chg	13 %	26 %	33 %	25 %



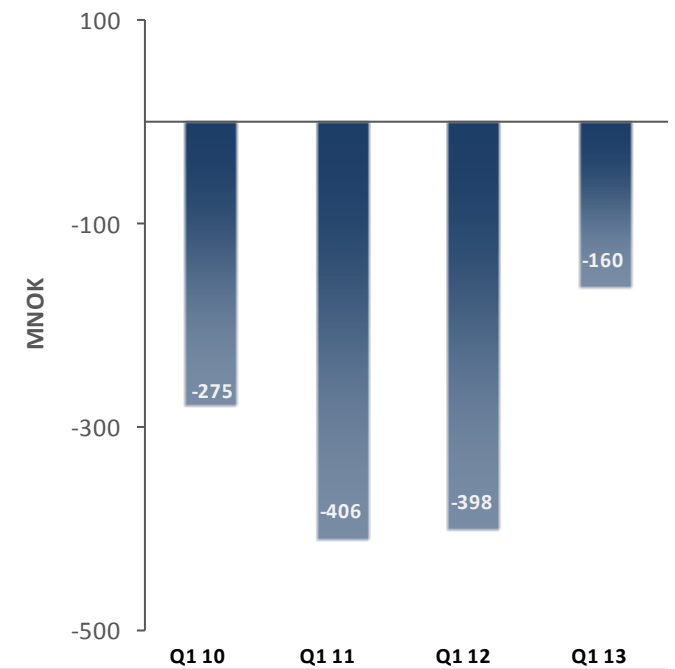
Pre-tax profit improved by 238 million in Q1

EBITDAR	MNOK	438	-252
EBITDA	MNOK	189	-497
EBIT	MNOK	69	-574
Pre-tax profit (EBT)	MNOK	-160	-398
Net profit	MNOK	-117	-285

EBITDAR development Q1



EBT development Q1

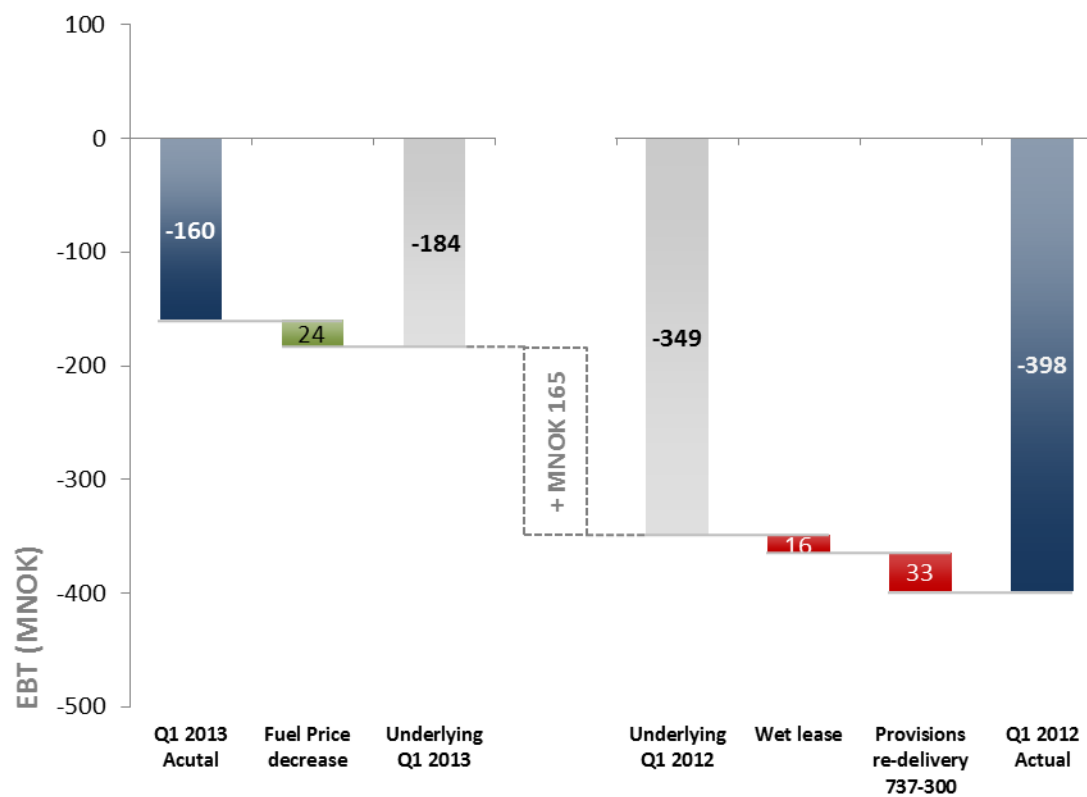


	Q1 10	Q1 11	Q1 12	Q1 13
EBITDAR margin	-1 %	-12 %	-11 %	15 %

	Q1 10	Q1 11	Q1 12	Q1 13
EBT margin	-17 %	-21 %	-17 %	-6 %



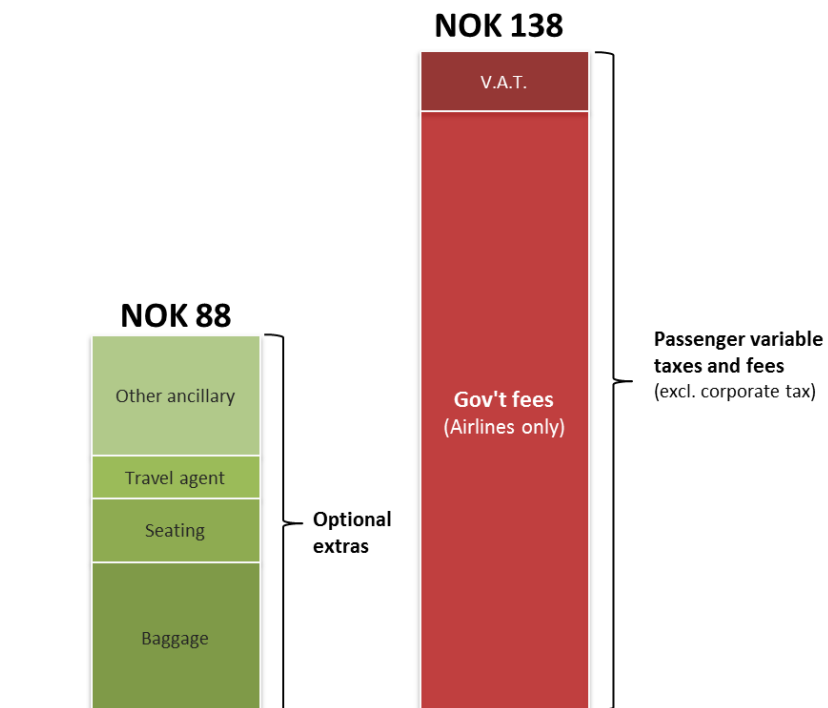
Underlying EBT improvement of MNOK 165 in Q1





Ancillary revenue remains a significant contributor

- Ancillary revenue comprises 12 % of Q1 revenues
- NOK 88 per scheduled passenger (an increase of 5 % from last year)





Cash & cash equivalents of NOK 2.4 billion

- Cash flows from operations in Q1 13 MNOK 962 (MNOK 544)
- Cash flows from investing activities in Q1 13 MNOK 158 (MNOK -178)
- Cash flows from financing activities in Q1 13 MNOK -407 (MNOK 15)
- Cash and cash equivalents at period-end MNOK 2 445 (MNOK 1487)

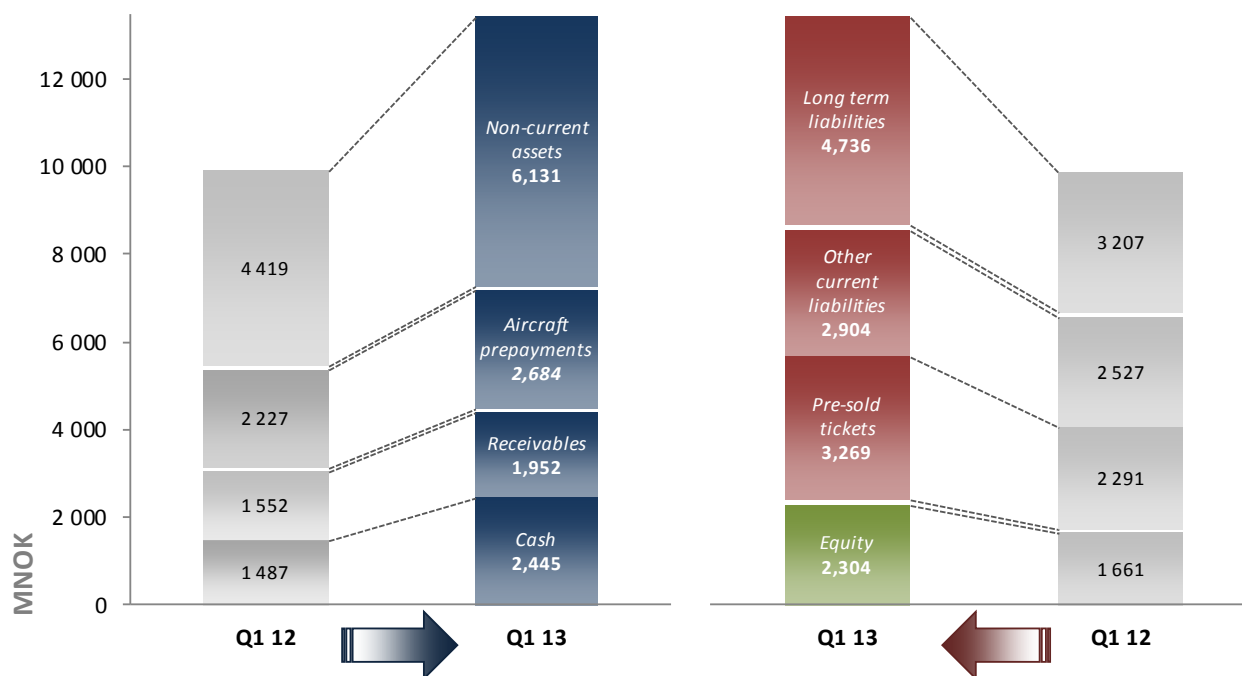
Condensed Consolidated Statement of Cash Flow

Unaudited	Quarterly (end of Q1 13)		YTD (end of Q1 13)		Year End
	Q1 13	Q1 12	Q1 13	Q1 12	2012
(Mill. NOK)					
Net cash flows from operating activities	961.6	544.0	961.6	544.0	2 021.6
Net cash flows from investing activities	158.2	-177.6	158.2	-177.6	-2 765.5
Net cash flows from financial activities	-406.6	14.9	-406.6	14.9	1 369.4
Foreign exchange effect on cash	0.8	0.3	1.1	0.3	0.3
Net change in cash and cash equivalents	714.0	381.6	1 339.8	381.6	625.8
Cash and cash equivalents in beginning of period	1 730.9	1 104.9	1 730.9	1 104.9	1 104.9
Cash and cash equivalents in end of period	2 444.9	1 486.6	2 444.9	1 486.6	1 730.9



Equity improved by MNOK 643 compared to last year

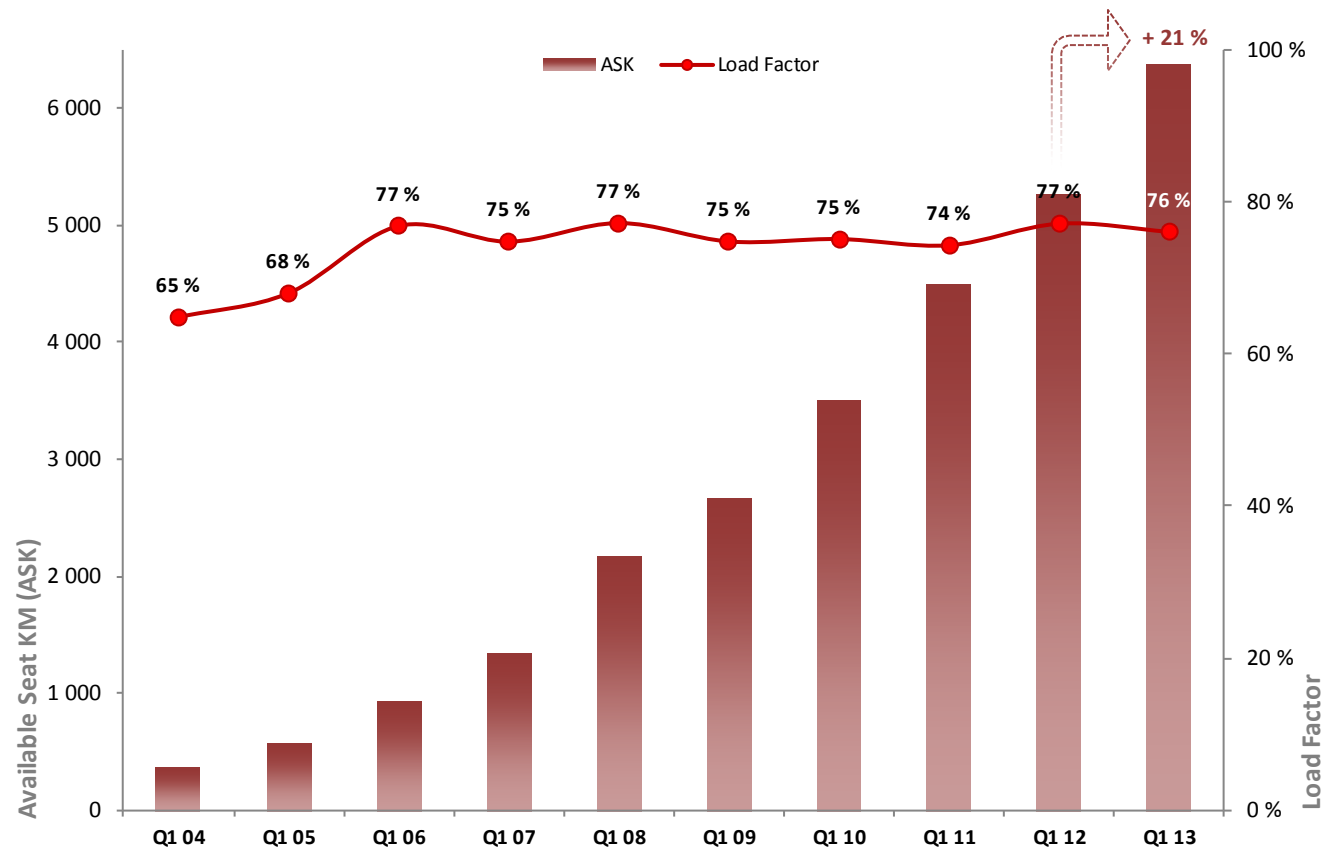
- Total balance of NOK 13.2 billion
- Net interest bearing debt NOK 3.0 billion
- Equity of NOK 2.3 billion at the end of the first quarter
- Group equity ratio of 17 % (17 %)





Traffic growth of 19 % in Q1

- Unit revenue (RASK) up 2 %
- Average flying distance up 11 %

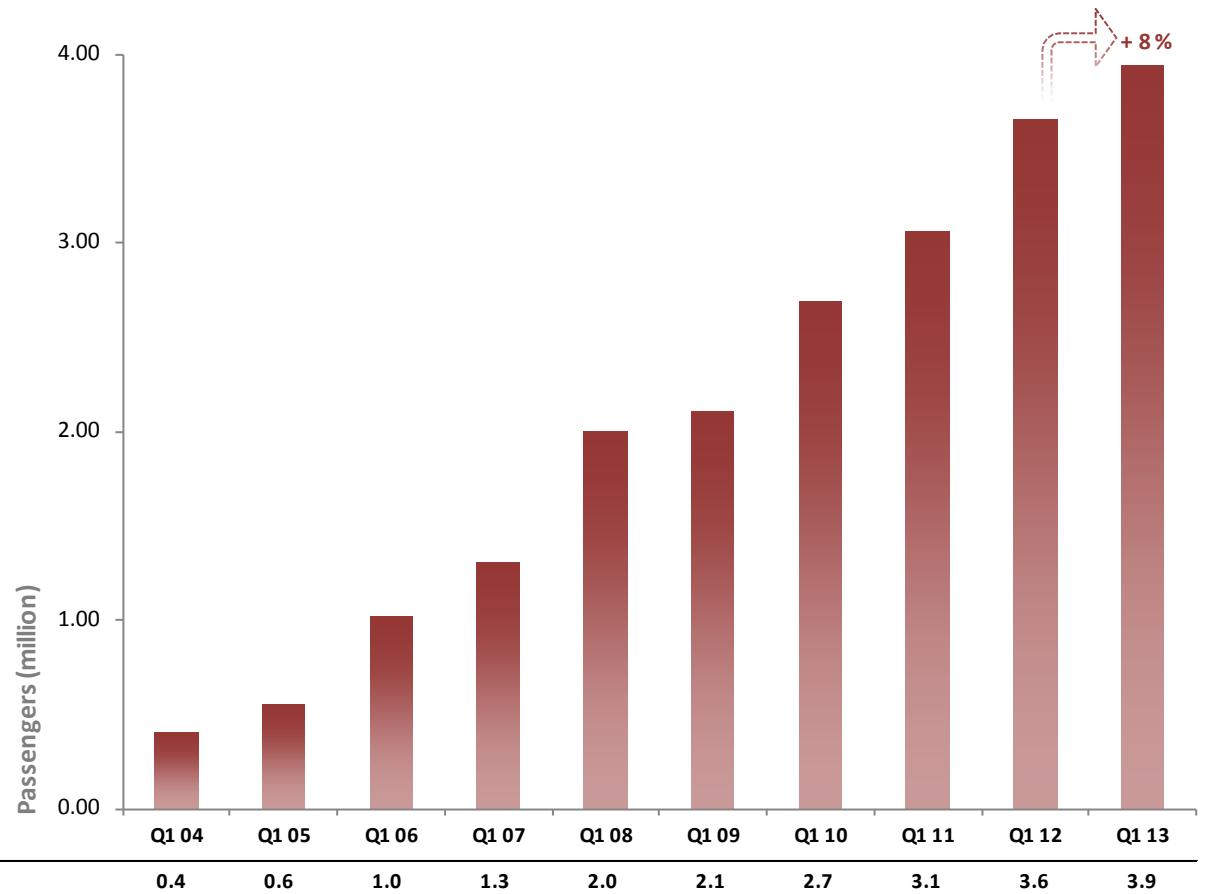


ASK	370	569	933	1342	2183	2674	3507	4498	5266	6378
Load Factor	65 %	68 %	77 %	75 %	77 %	75 %	75 %	74 %	77 %	76 %



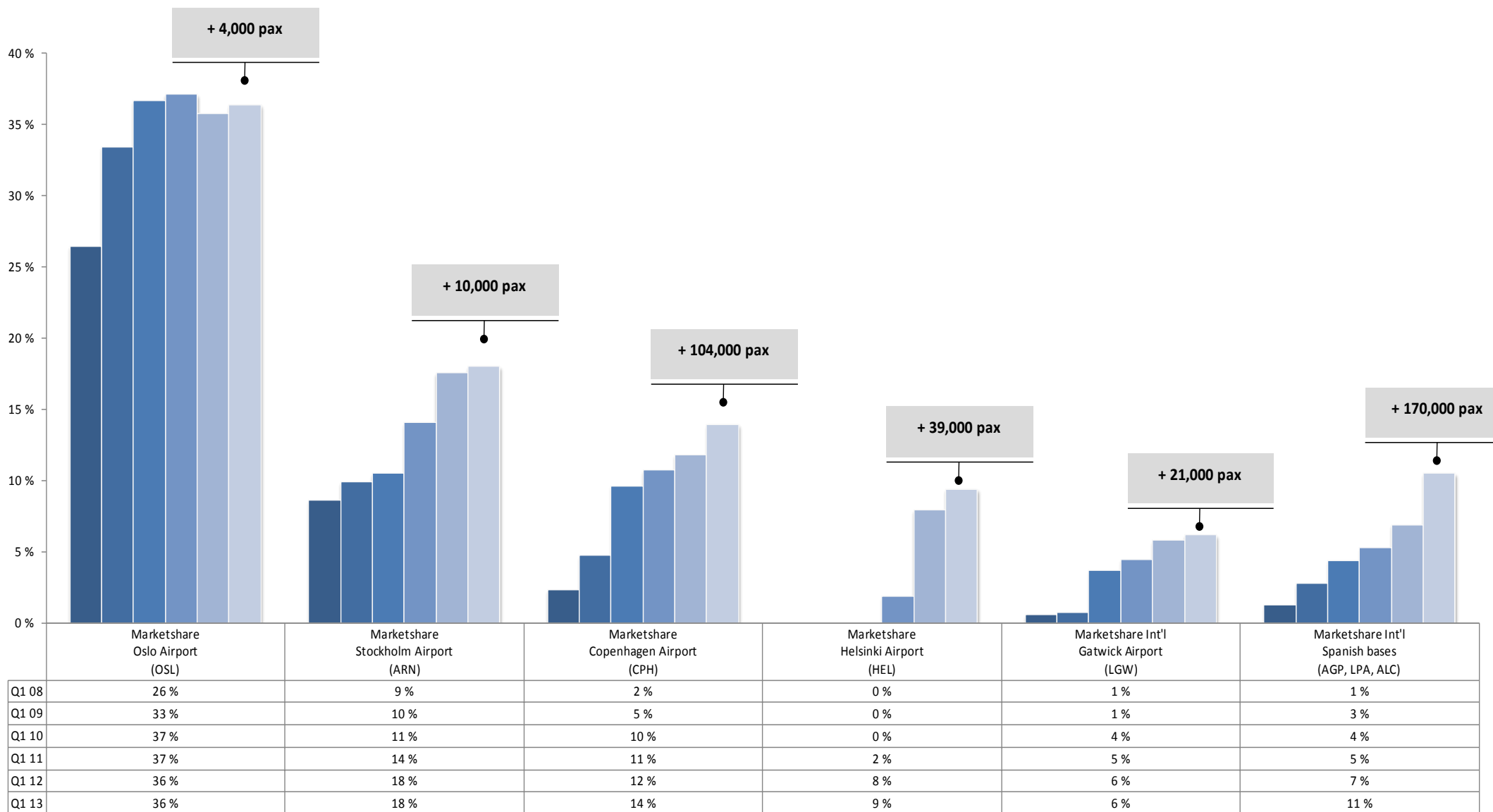
3.9 million passengers in Q1

- An increase of 280,000 passengers





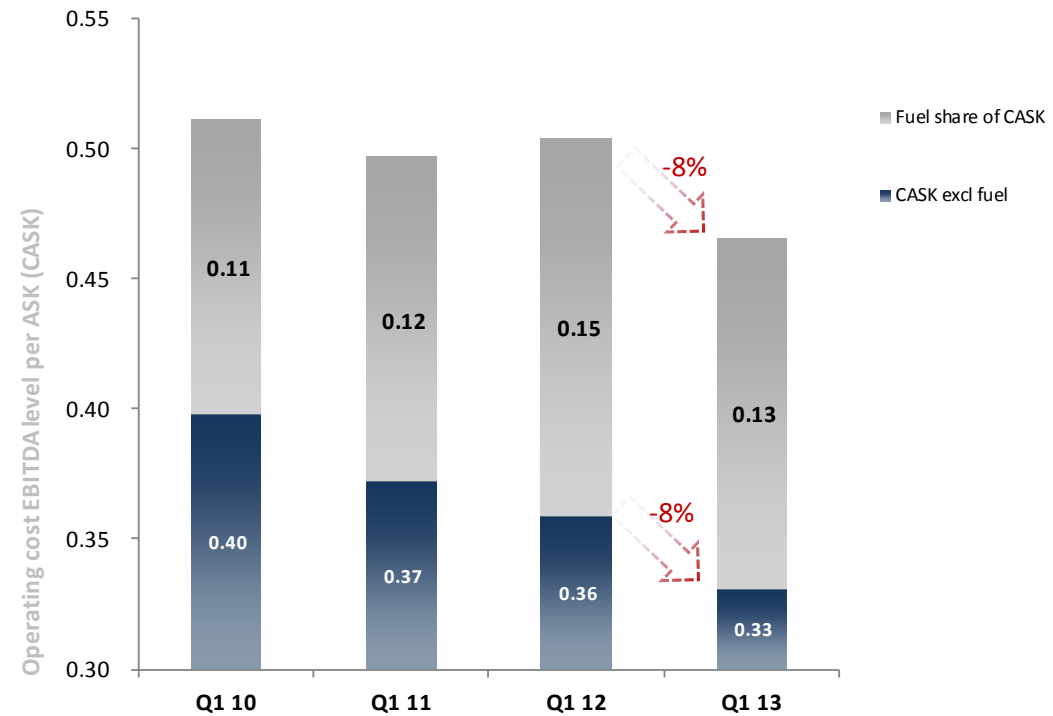
Continued strong international growth in Q1





Unit cost down 8 % in Q1

- Unit cost including & excluding fuel down 8 %

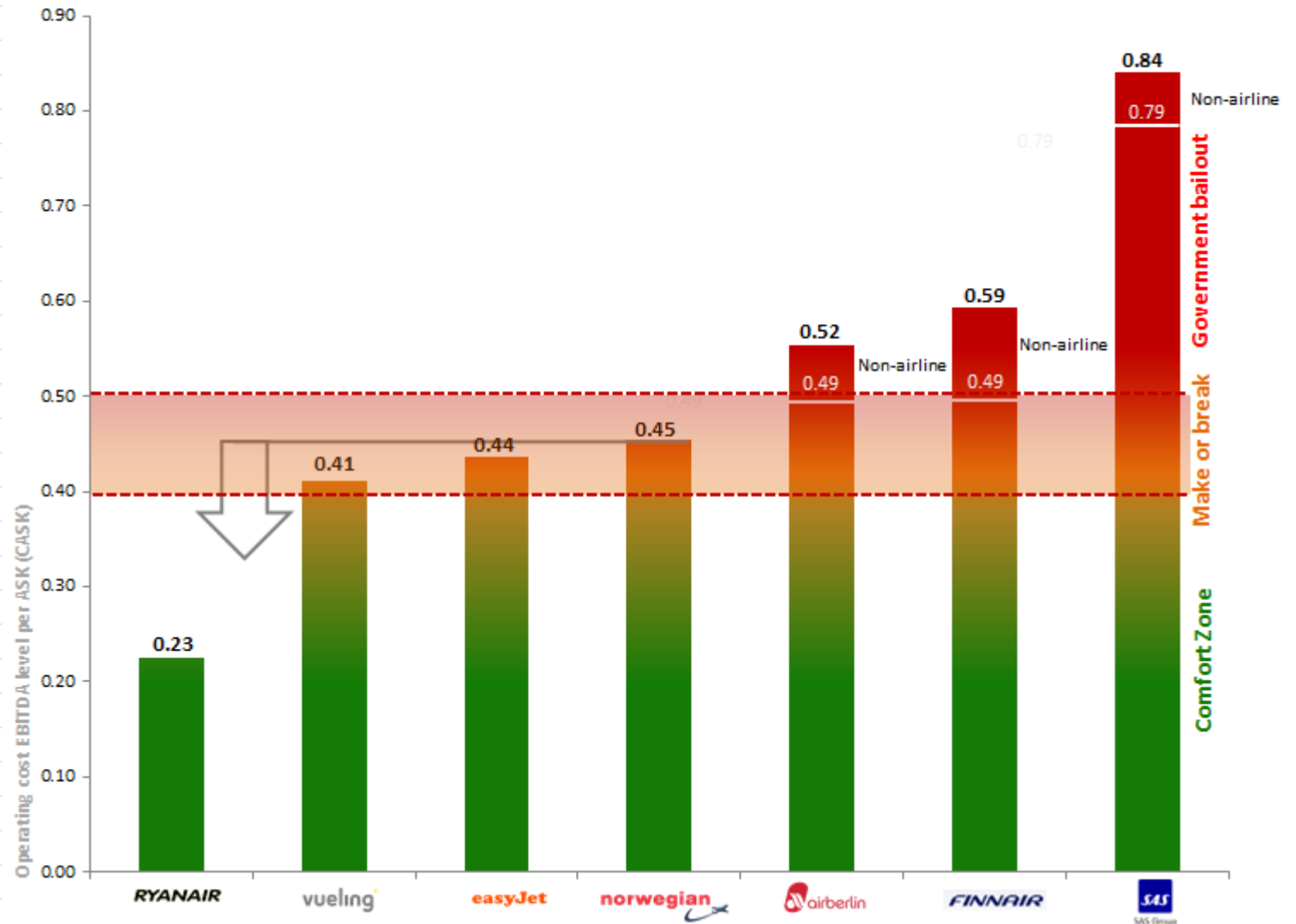


Cost per ASK (CASK) (NOK)	Q1 10	Q1 11	Q1 12	Q1 13
CASK ex. fuel	0.40	0.37	0.36	0.33

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 (Net foreign exchange (loss) or gain). For the above reason CASK excludes losses and gains from "other losses/ (gains)" to better reflect the actual cost development.



Aiming for the cost “Comfort Zone”

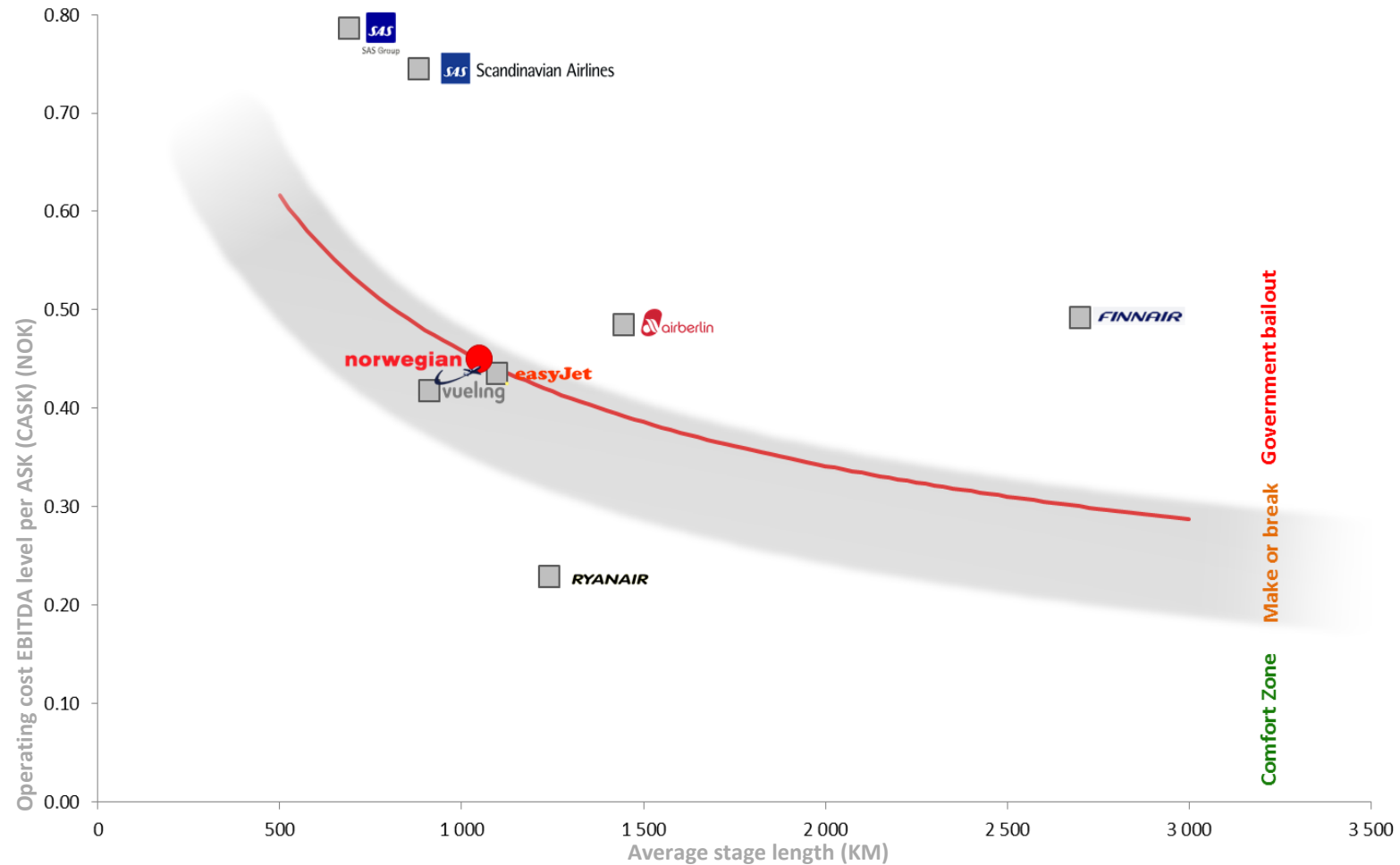


Sources: SAS Group Q3-2012 report & Annual Report 2011 (cost displayed October 2011 – September 2012), Finnair Plc. Annual Report 2012, Ryanair Annual Report 2012, easyJet Annual Report 2012, Air Berlin Annual Report 2012, Vueling Results Presentation FY'12 and Q4'12 and Norwegian's estimations

- Cost per available seat kilometer is an industry-wide cost level indicator often referred to as “CASK”. Usually represented as operating expenses before depreciation and amortization (EBITDA level) over produced seat kilometers (ASK).
- Finnair: Non-airline operating expenses calculated by deducting “airline Business” expenses as presented in the “Business segment data” from total operating expenses.
- SAS Group: Revenues from mail & freight, ground handling services, technical maintenance and terminal & forwarding services as presented in the 2011 annual report are classified as “non-airline” and are deducted from airline operating expenses.
- SAS Group’s figures are unadjusted for “restructuring costs” as it has been a constant fixture in most financial statements the last decade.
- Foreign exchange rates used are equivalent to the daily average rates corresponding to the reporting periods and as stated by the Central Bank of Norway
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Longer distance reduces unit cost



Comfort Zone
Make or break
Government bailout

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Reaching the aim of FY CASK NOK 0.30 excluding fuel

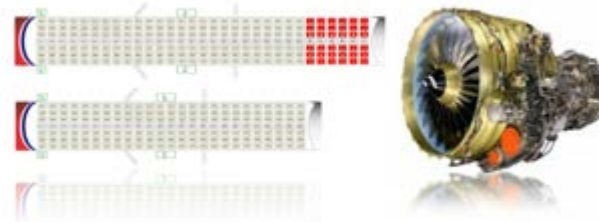
Scale economies

- Uniform fleet of Boeing 737-800s
- Overheads



New more efficient aircraft

- Flying cost of 737-800 lower than 737-300
- 737-800 has 38 "free" seats
- 5 % lower unit fuel consumption in Q1



Growth adapted to int'l markets

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



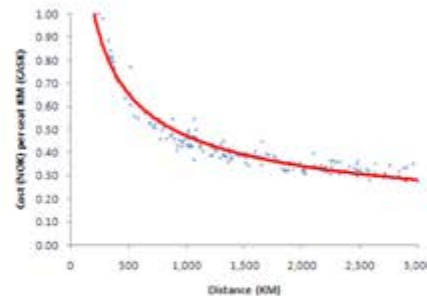
Crew and aircraft utilization

- Rostering and aircraft slings optimized
- Q1 utilization of 10.6 BLH pr a/c (+0.4 BLH)



Optimized average stage length

- Fixed costs divided by more ASKs
- Frequency based costs divided by more ASKs
- Q1 stage length up by 11 %



Automation

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





Offering a better product at lower cost



In-flight
Wi-Fi



World-class
Reliability



Greenest
Fleet



Newest
Aircraft



Non-stop
Flights



Direct to gate
No check-in &
Fast-Track security



Frequent
Departures

Low fares
& rewarding frequent
flyer program



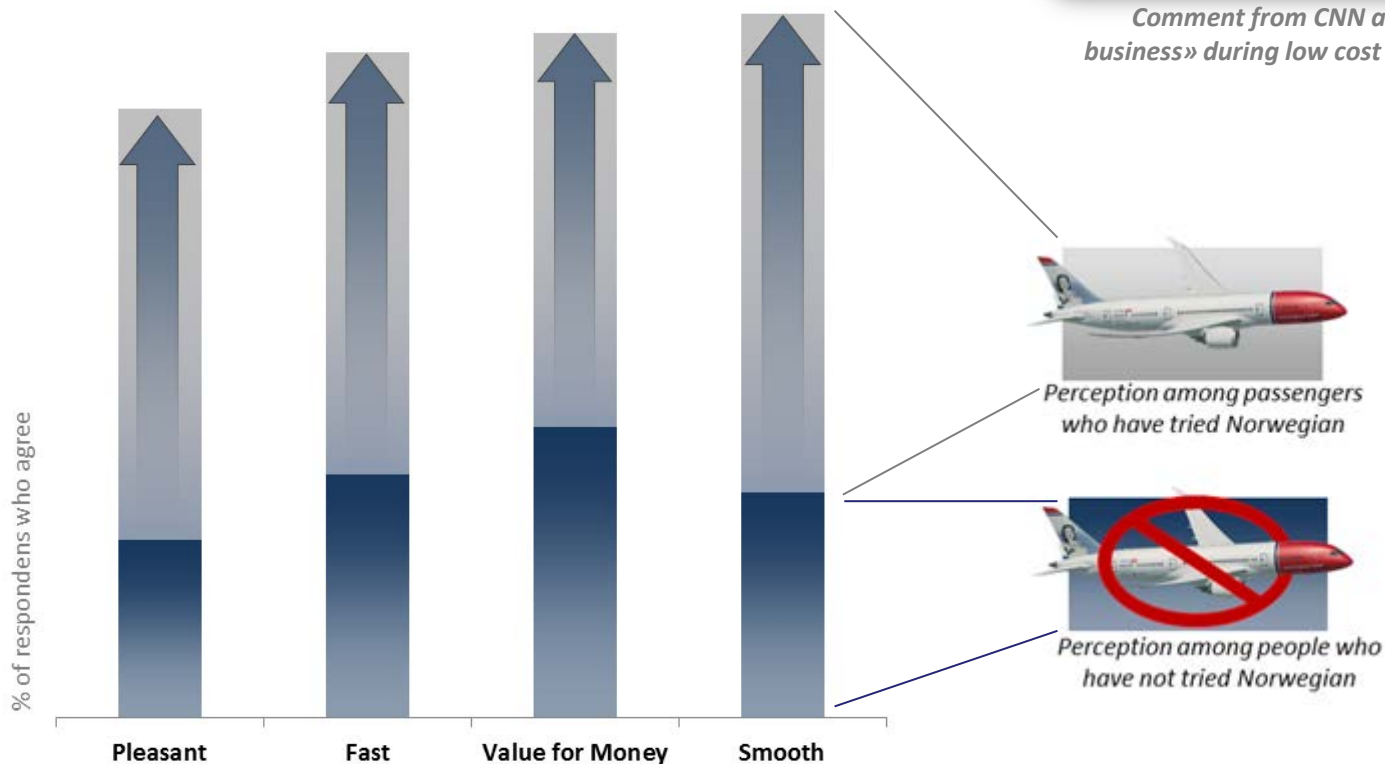


Trial increases customer perception

- London - Mediterranean routes with 83% load
 - April to date (two first weeks)
 - Entirely new production



Comment from CNN and «Quest means business» during low cost airline testing (Apr.2013)



Perception among passengers who have tried Norwegian

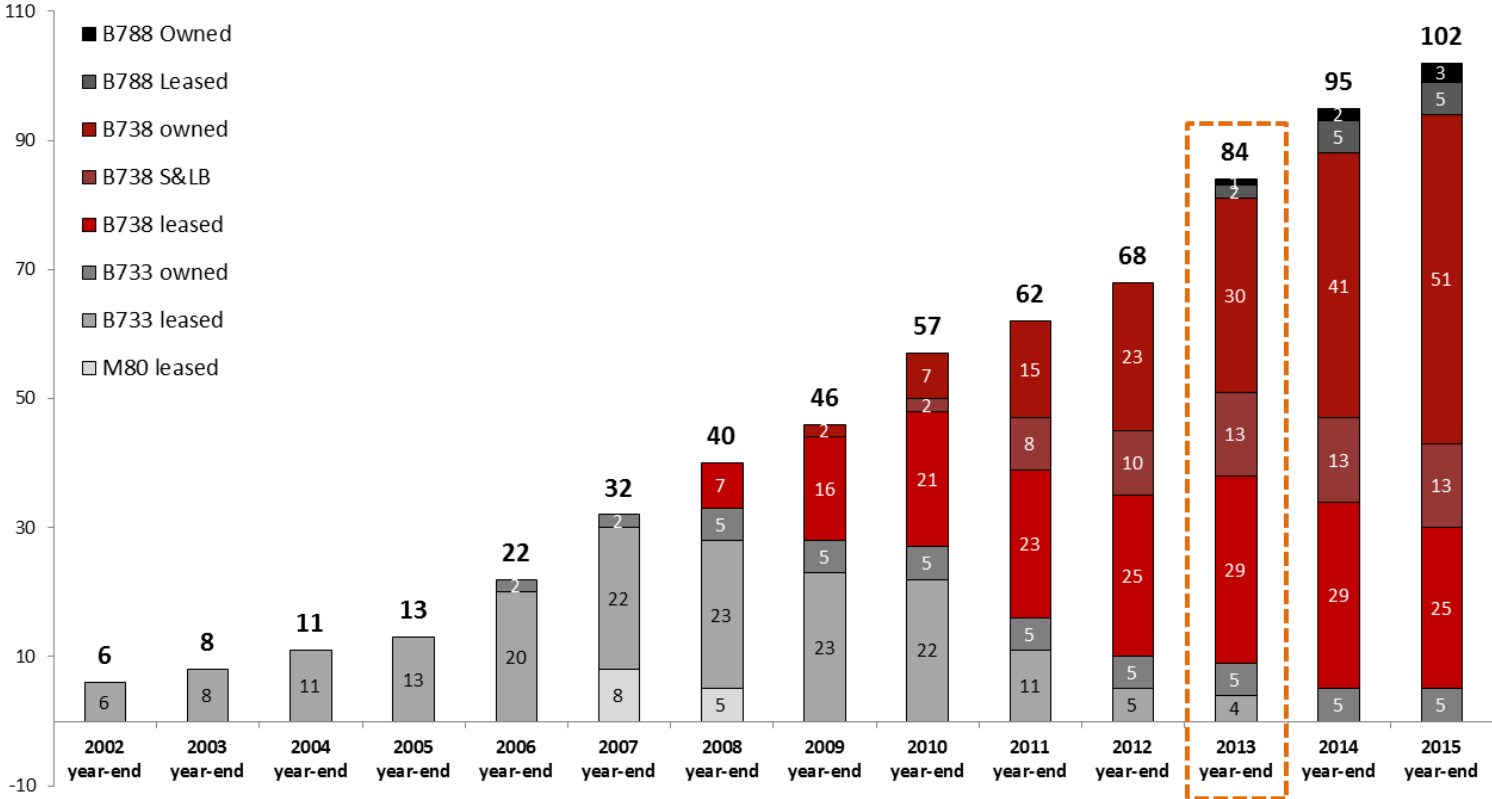


Perception among people who have not tried Norwegian



Current committed fleet plan

- 14 new 737-800 deliveries in 2013
- 3 new 787-8 Dreamliner expected in 2013





Expectations for 2013 (Group)

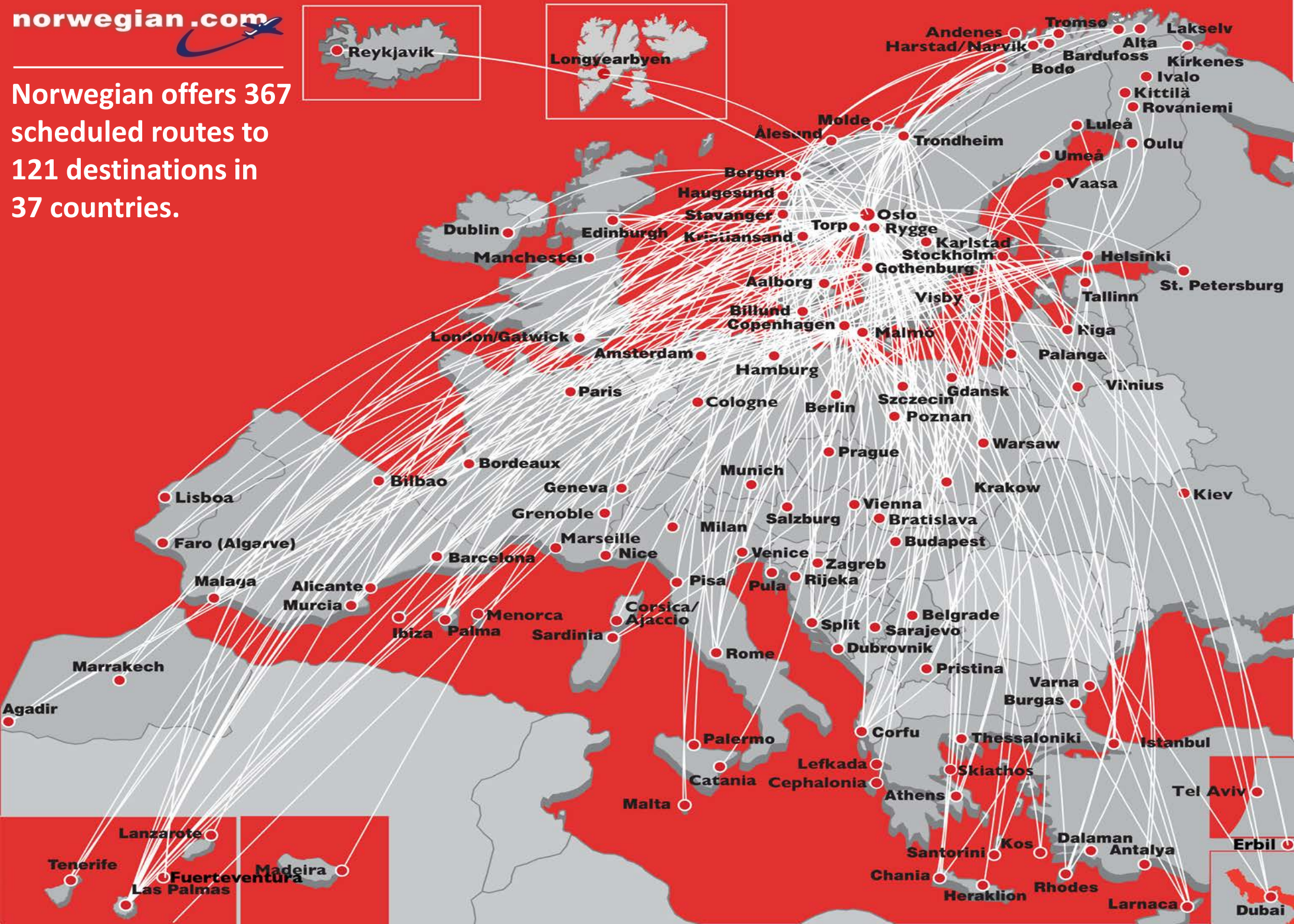


- **Business environment**
 - Increased economic uncertainty in parts of Europe
 - Seasonal fluctuations
 - Continued but eased yield pressure

- **Production**
 - The company expects a production growth (ASK) in excess of 25%
 - 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 – 0.43 (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

Norwegian offers 367
scheduled routes to
121 destinations in
37 countries.





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