

Norwegian Air Shuttle ASA

Q4 2013 Presentation



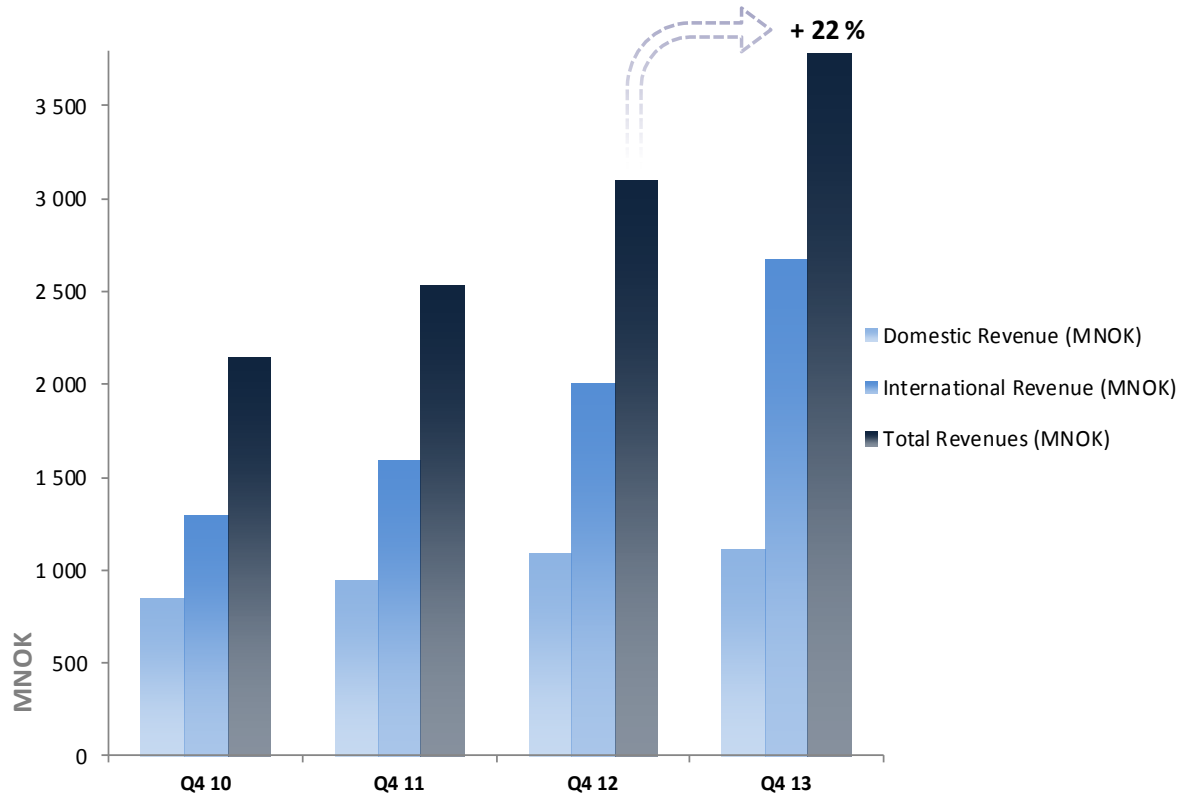
Europe's best
low-cost airline

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Double digit revenue growth in Q4

- Group revenues of MNOK 3,786 in Q4 2013

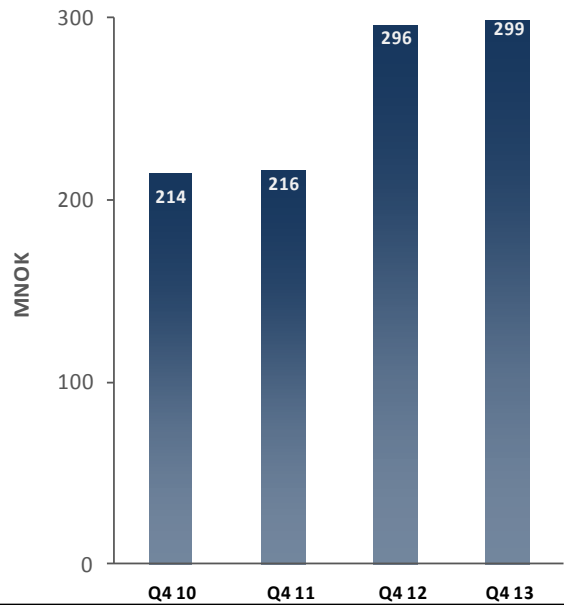


Revenues	Q4 10	Q4 11	Q4 12	Q4 13
Revenues	2 146	2 536	3 106	3 786
Domestic revenue	848	947	1 097	1 116
% y.o.y. <i>chg</i>	5 %	12 %	16 %	2 %
International revenue	1 297	1 589	2 008	2 670
% y.o.y. <i>chg</i>	37 %	22 %	26 %	33 %

Q4 influenced by price stimulation & currency

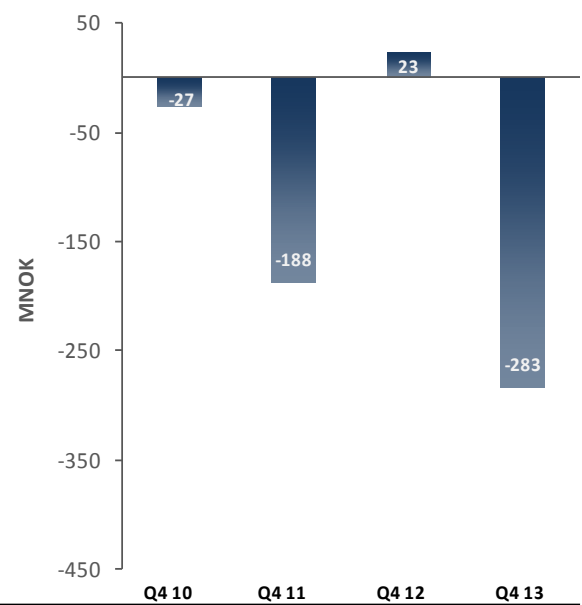
		Q4 13	Q4 12
EBITDAR	MNOK	299	296
EBITDA	MNOK	-41	53
EBIT	MNOK	-183	-52
Pre-tax profit (EBT)	MNOK	-283	23
Net profit	MNOK	-197	24

EBITDAR development Q4



EBITDAR margin	Q4 10	Q4 11	Q4 12	Q4 13
	10 %	9 %	10 %	8 %

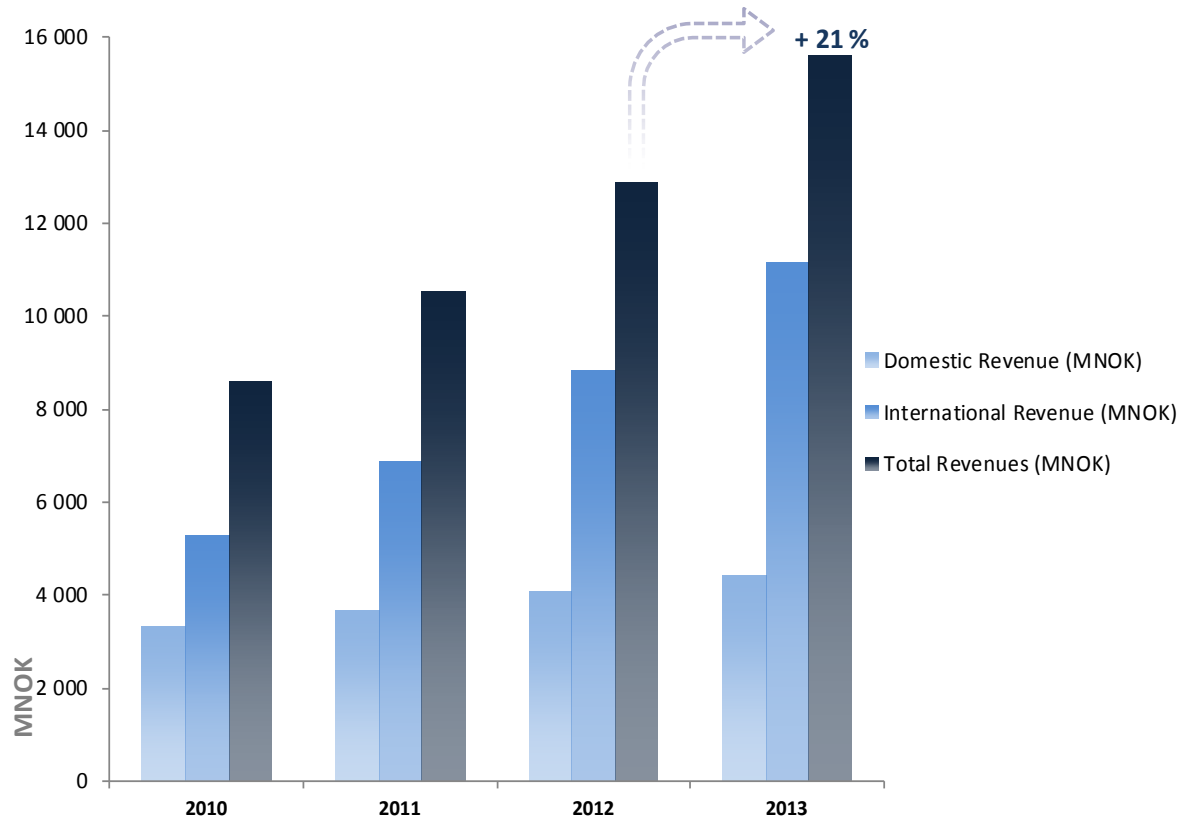
EBT development Q4



EBT margin	Q4 10	Q4 11	Q4 12	Q4 13
	-1 %	-7 %	1 %	-7 %

Revenue growth of 2.7 billion in 2013

- Annual turnover MNOK 15,580



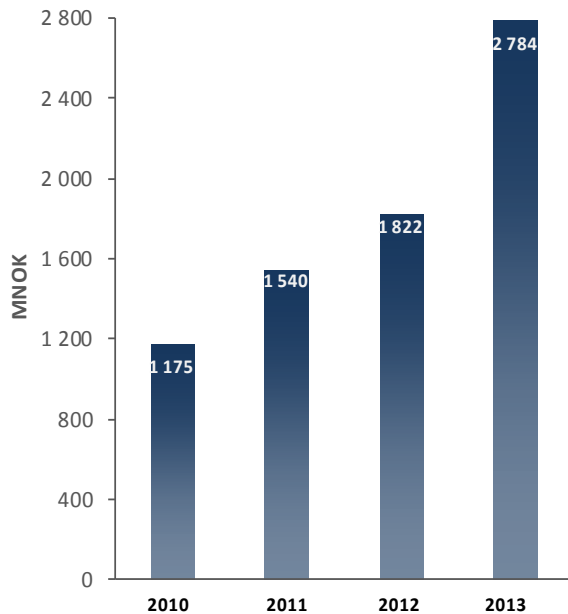
Revenues	8 598	10 532	12 859	15 580
Domestic revenue	3 316	3 667	4 057	4 423
% y.o.y. chg	14 %	11 %	11 %	9 %
International revenue	5 282	6 865	8 802	11 157
% y.o.y. chg	20 %	30 %	28 %	27 %



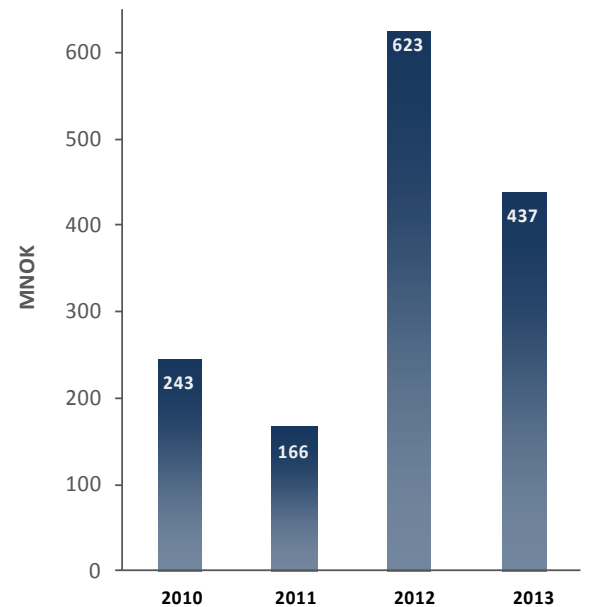
Pre-tax profit of MNOK 437 in 2013

		2013	2012
EBITDAR	MNOK	2 784	1 822
EBITDA	MNOK	1 500	789
EBIT	MNOK	970	403
Pre-tax profit (EBT)	MNOK	437	623
Net profit	MNOK	319	457

EBITDAR development (full year)



EBT development (full year)



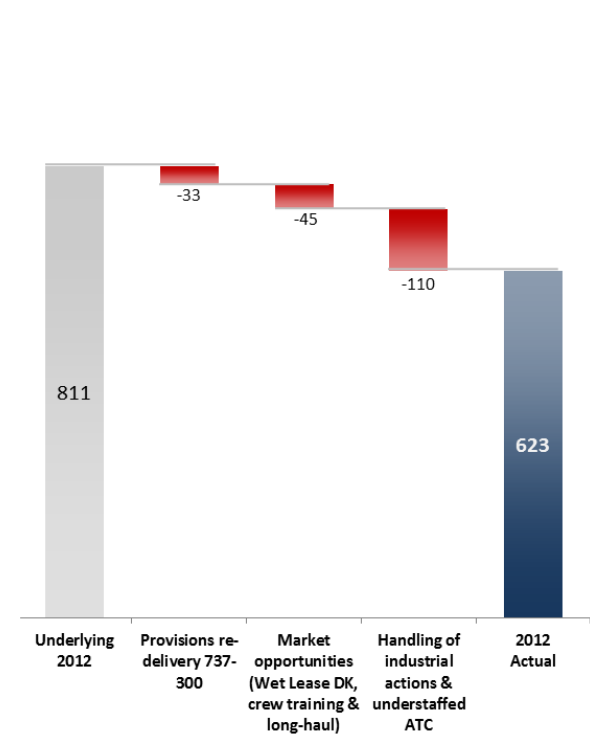
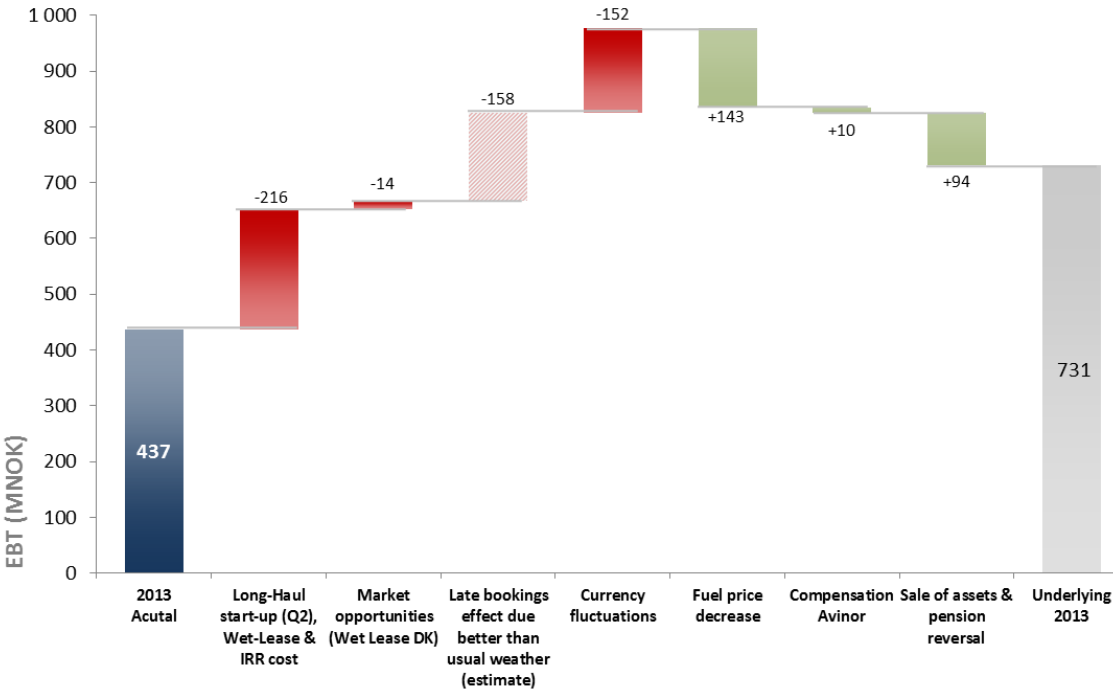
EBITDAR margin	2010	2011	2012	2013
	14 %	15 %	14 %	18 %

EBT margin	2010	2011	2012	2013
	3 %	2 %	5 %	3 %



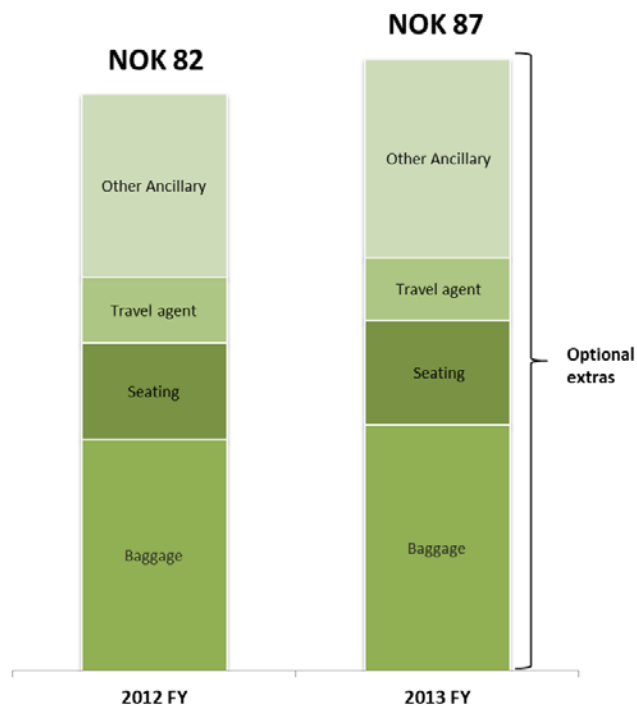
2013 underlying EBT result MNOK 731

- Reversal of pension provisions (Group defined benefit pension plan ended)
- Estimated long-haul earnings effect MNOK 216
 - Q2 low utilization & staff training
 - Extra costs due to wet-lease Q2, Q3 & Q4
 - Irregularity costs Q3 & Q4
- Start-up costs LGW & ALC unadjusted for (business as usual)



Ancillary revenue remains a significant contributor

- Ancillary revenue comprises 11 % of 2013 revenues (target 15%)
- NOK 87 per scheduled passenger (an increase of 6 % from last year)





2013 Positive Free Cash Flow despite 2.1 billion investments

- Cash flows from operations in Q4 13 MNOK 264 (MNOK 447)
- Cash flows from investing activities in Q4 13 MNOK -965 (MNOK -1545)
- Cash flows from financing activities in Q4 13 MNOK 563 (MNOK 1093)
- Cash and cash equivalents at period-end MNOK 2 166 (MNOK 1731)

Full year

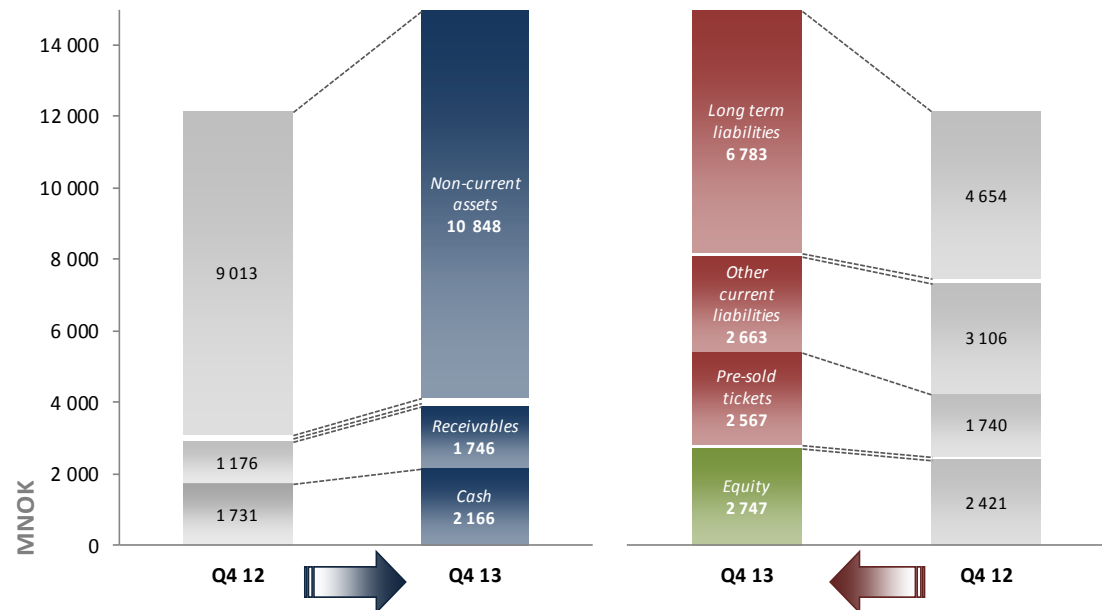
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW					
Unaudited					
	Q4	Q4	YTD	YTD	Full Year
<i>(Amounts in NOK million)</i>	2013	2012	2013	2012	2012
Net cash flows from operating activities	263.5	446.5	2,376.9	2,021.7	2,021.7
Net cash flows from investing activities	-964.5	-1,545.4	-2,125.9	-2,765.5	-2,765.5
Net cash flows from financial activities	562.3	1,093.3	184.2	1,369.4	1,369.4
Foreign exchange effect on cash	1.9	1.6	0.0	0.3	0.3
Net change in cash and cash equivalents	-136.8	-3.9	435.2	625.9	625.9
Cash and cash equivalents in beginning of period	2,302.9	1,734.8	1,730.9	1,104.9	1,104.9
Cash and cash equivalents in end of period	2,166.1	1,730.9	2,166.1	1,730.9	1,730.9



Equity improved by MNOK 326 compared to last year



- Total balance of NOK 14.8 billion
- Net interest bearing debt NOK 4.3 billion (3.0)
- Equity of NOK 2.7 billion at the end of the fourth quarter
- Group equity ratio of 19 % (20 %)



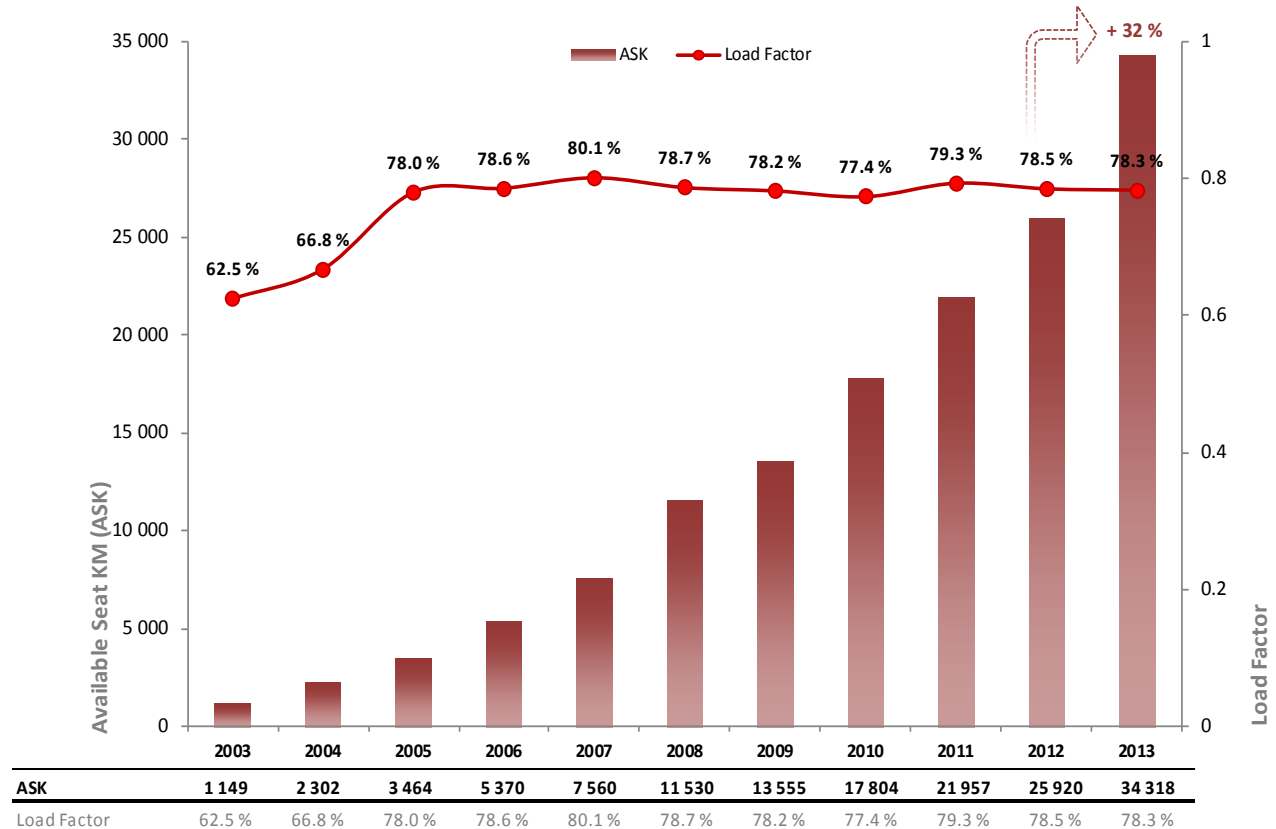
- **Planned external financing 2014:** **MNOK +/- 3,000**
 - Committed / arranged financing: **MNOK 1,700**
 - EETC, JOLCO & guaranteed export financing
- **Year-end 2013 PDP balance:** **MNOK 2,550**
 - 94 % paid with own funds
- **Year-end 2014 debt increase:** **MNOK +/- 2,200**
(long-term debt, net of amortization)



Traffic growth of 32% in 2013



- Stable load despite high growth
- Average flying distance up 11 %



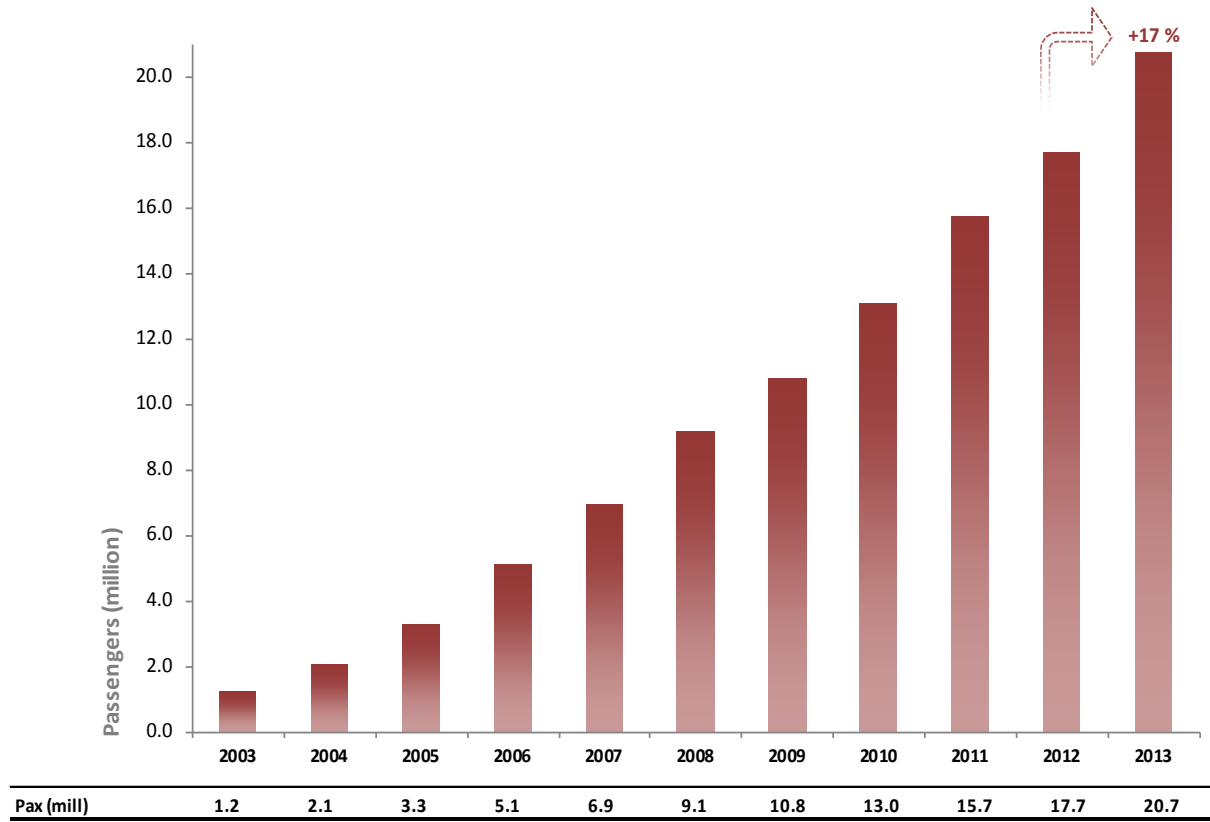
20.7 million passengers in 2013



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- An increase of 3,000,000 passengers



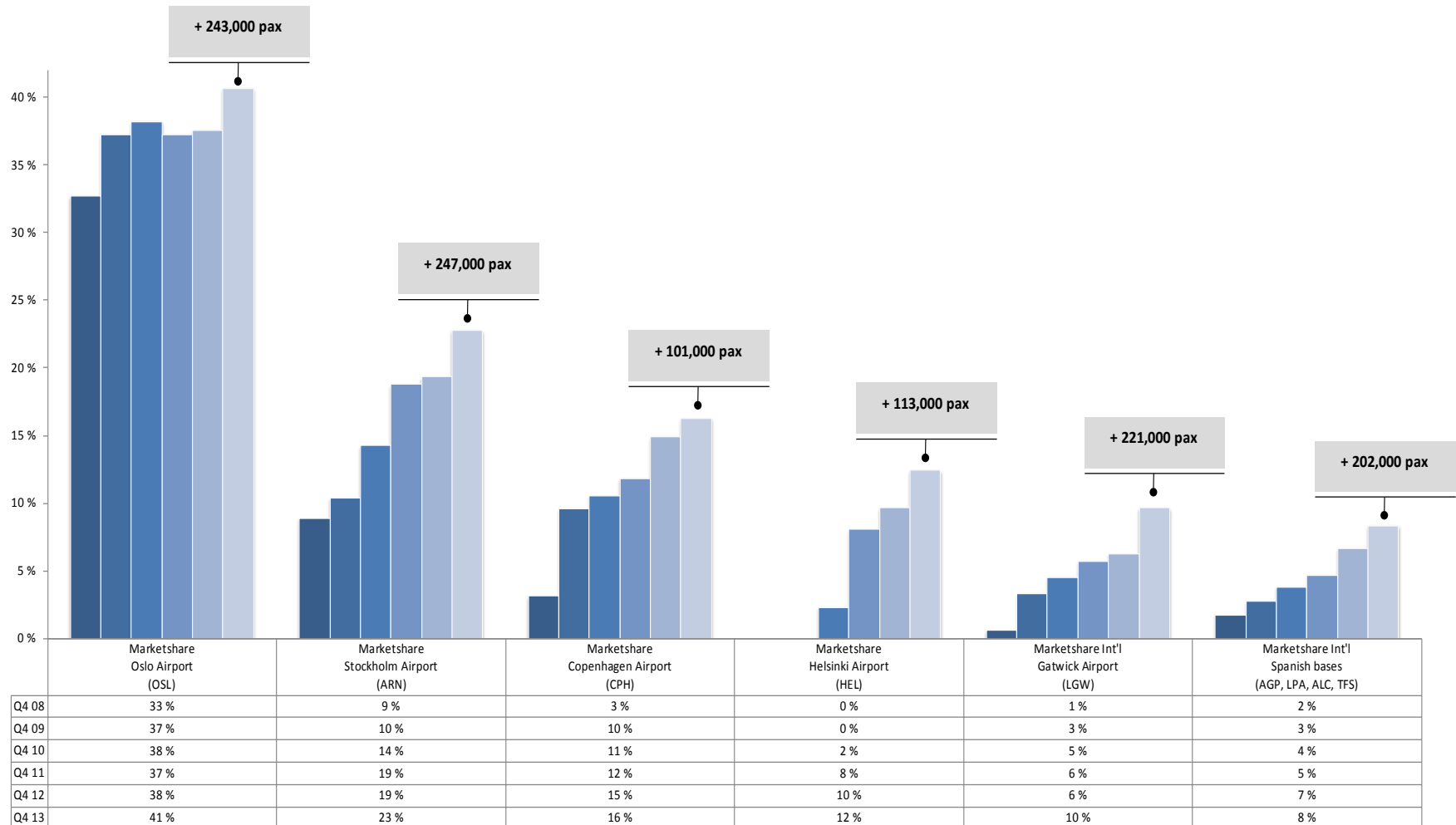
Strong demand: Growing market share in all markets



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- Business model works – lower costs and prices attract volume

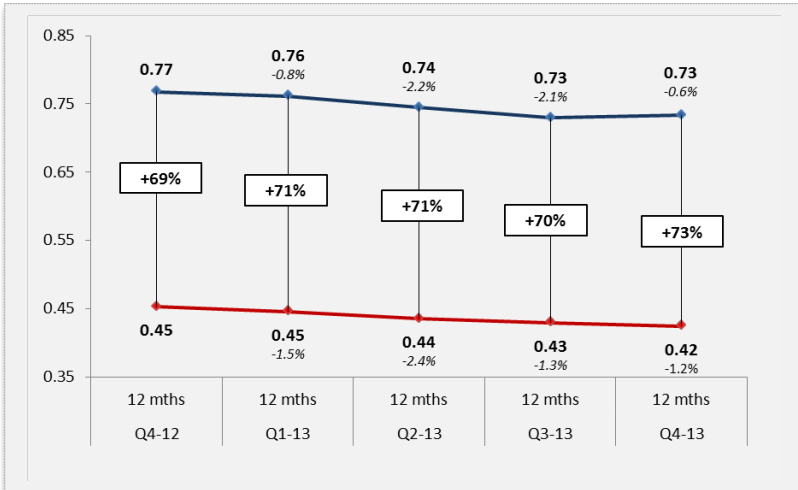
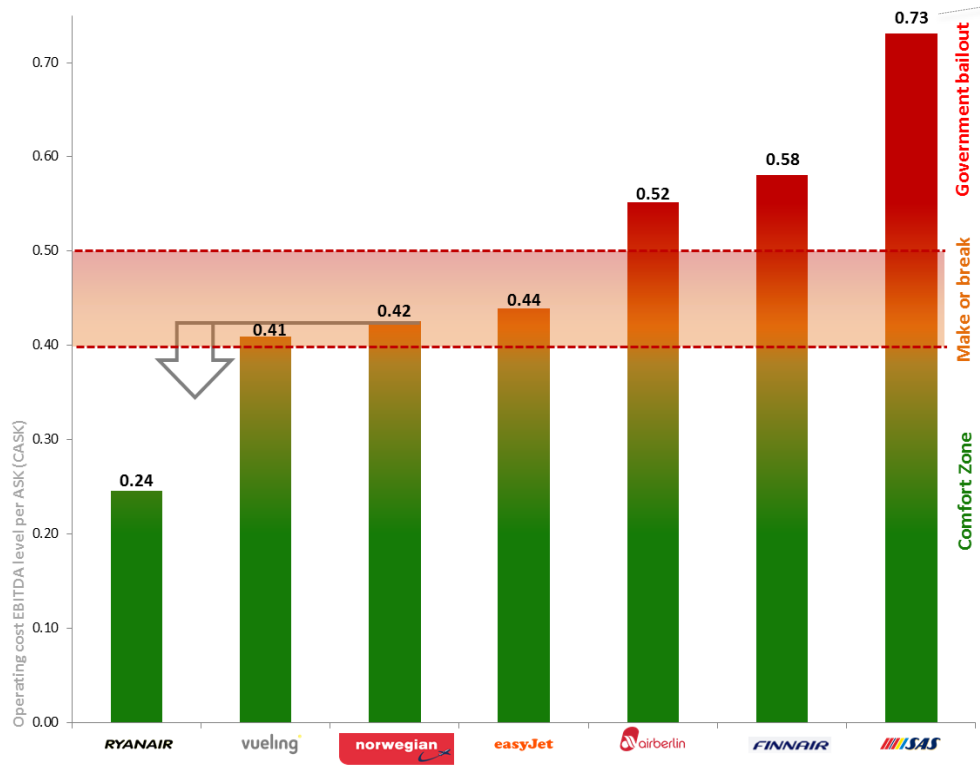




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Lowest cost always wins



Sources: Norwegian Q4 2013 report (period displayed January 2013 – December 2014), SAS Group Year-end report November 2012 - October 2013 (period displayed November 2012 – October 2013, Scandinavian Airlines (SK) only), Finnair Plc. Annual Report 2012 and Finnair Group Financial Statements Bulletin 2013, Ryanair Annual Report 2013, easyJet 2013 full year results statement and Annual Report 2013 (period displayed October 2012 – September 2013), Air Berlin Annual Report 2012, Vueling Results Presentation FY'12 and Q4'12 and Norwegian's estimations.

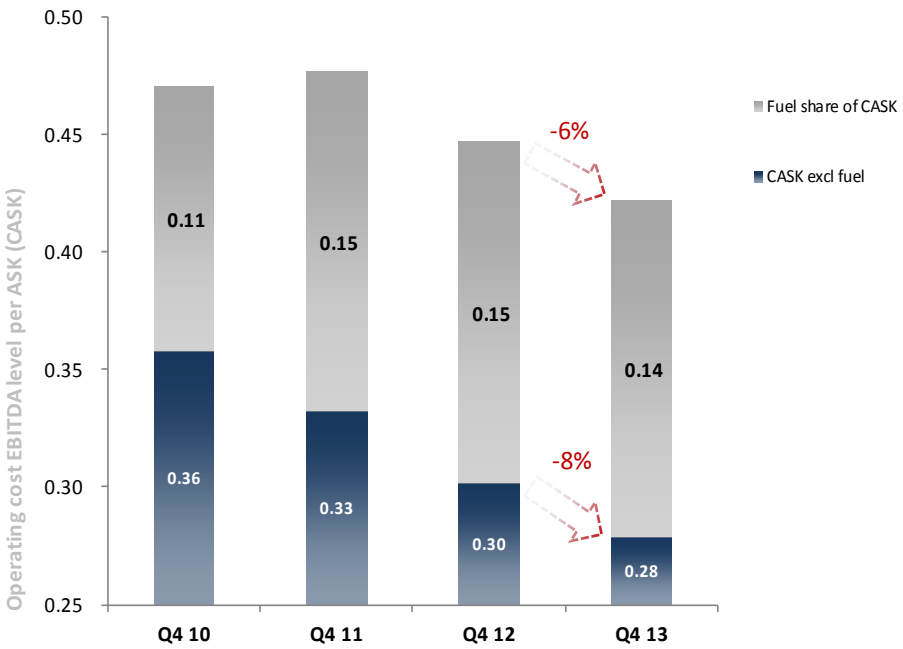
- Cost per available seat kilometer is an industry-wide cost level indicator often referred to as "CASK". Usually represented as operating expenses before depreciation and amortization (EBITDA level) over produced seat kilometers (ASK).
- Foreign exchange rates used are equivalent to the daily average rates corresponding to the reporting periods and as stated by the Central Bank of Norway
- Note: For some carriers the available financial data represents Group level data which may include cost items from activities that are unrelated to airline operations.
- 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 (hedges 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.



Unit cost ex fuel down 8% in Q4

- Unit cost including fuel down 6 %



	Q4 10	Q4 11	Q4 12	Q4 13
Cost per ASK (CASK) (NOK)	0.47	0.48	0.45	0.42
CASK ex. fuel	0.36	0.33	0.30	0.28

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.
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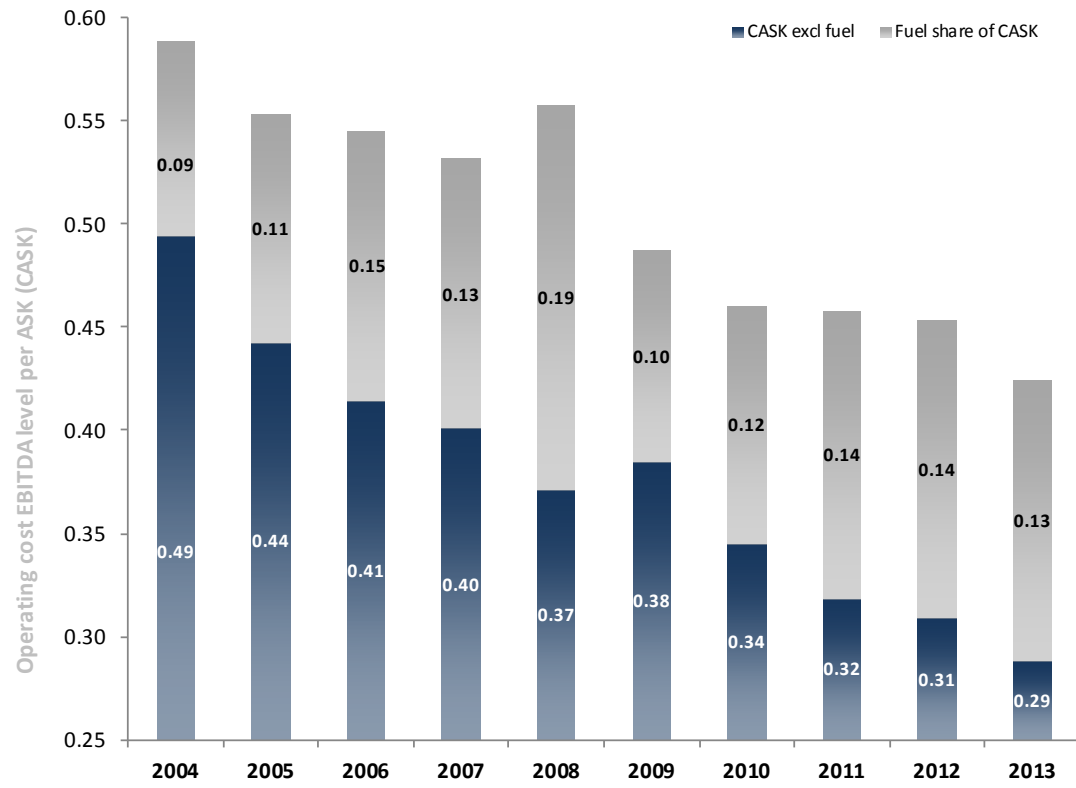


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Unit cost ex fuel down 7% in 2013

- Unit cost including fuel down 6 %



Cost per ASK (CASK) (NOK)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
CASK ex. fuel	0.49	0.44	0.41	0.40	0.37	0.38	0.34	0.32	0.31	0.29

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.
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Aiming for FY CASK NOK 0.25 excluding fuel

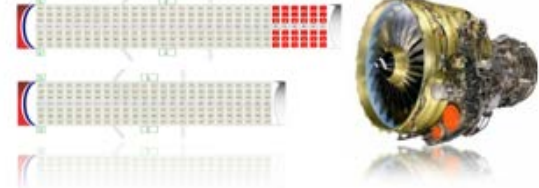
Scale economies

- Uniform fleet of Boeing 737-800s
- Overheads
- 4 new 737-800 delivered in Q4 (14 y.o.y.)



New more efficient aircraft

- Flying cost of 737-800 lower than 737-300
- 737-800 has 38 "free" seats
- 1 % lower unit fuel consumption in Q4



Growth adapted to int'l markets

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



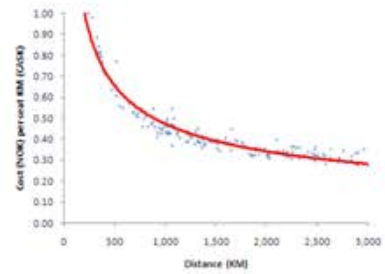
Crew and aircraft utilization

- Rostering and aircraft slings optimized
- Q4 utilization of 11.4 BLH pr a/c (+0.6 BLH)



Optimized average stage length

- Fixed costs divided by more ASKs
- Frequency based costs divided by more ASKs
- Q4 sector length up by 15 %

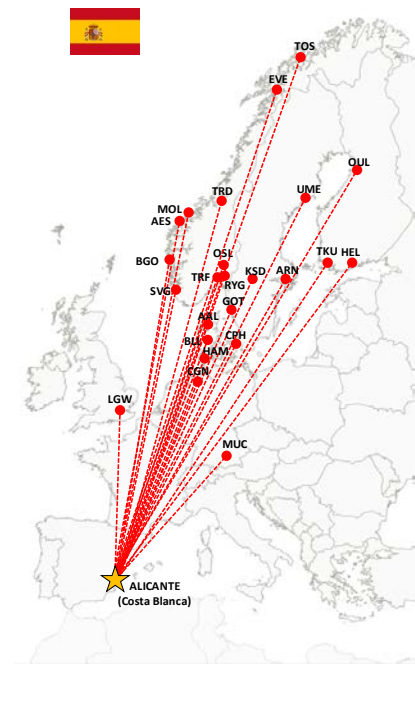
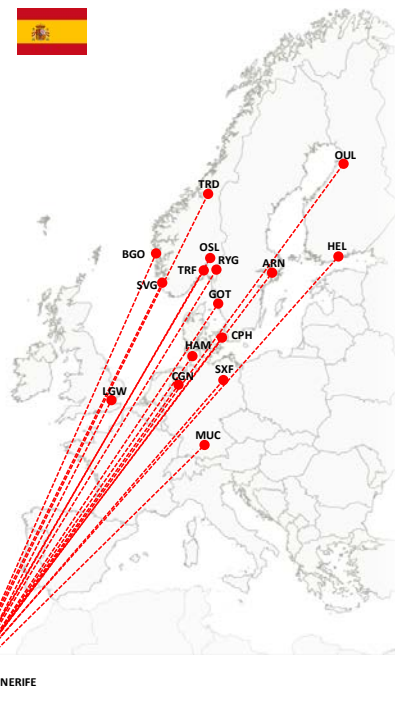
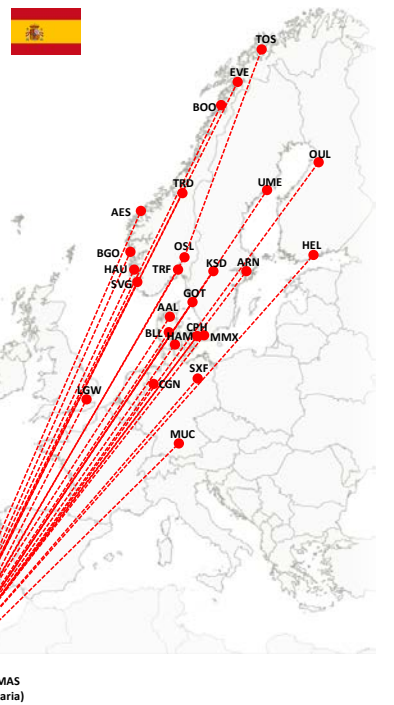
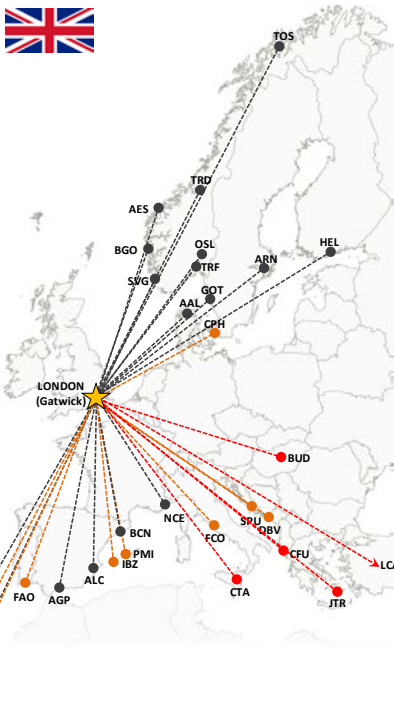
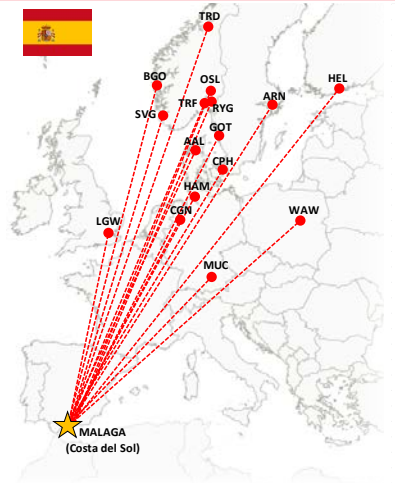
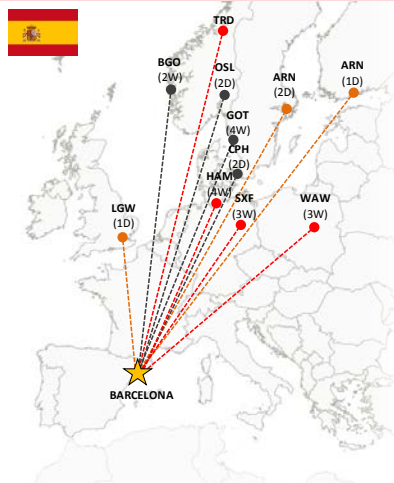


Automation

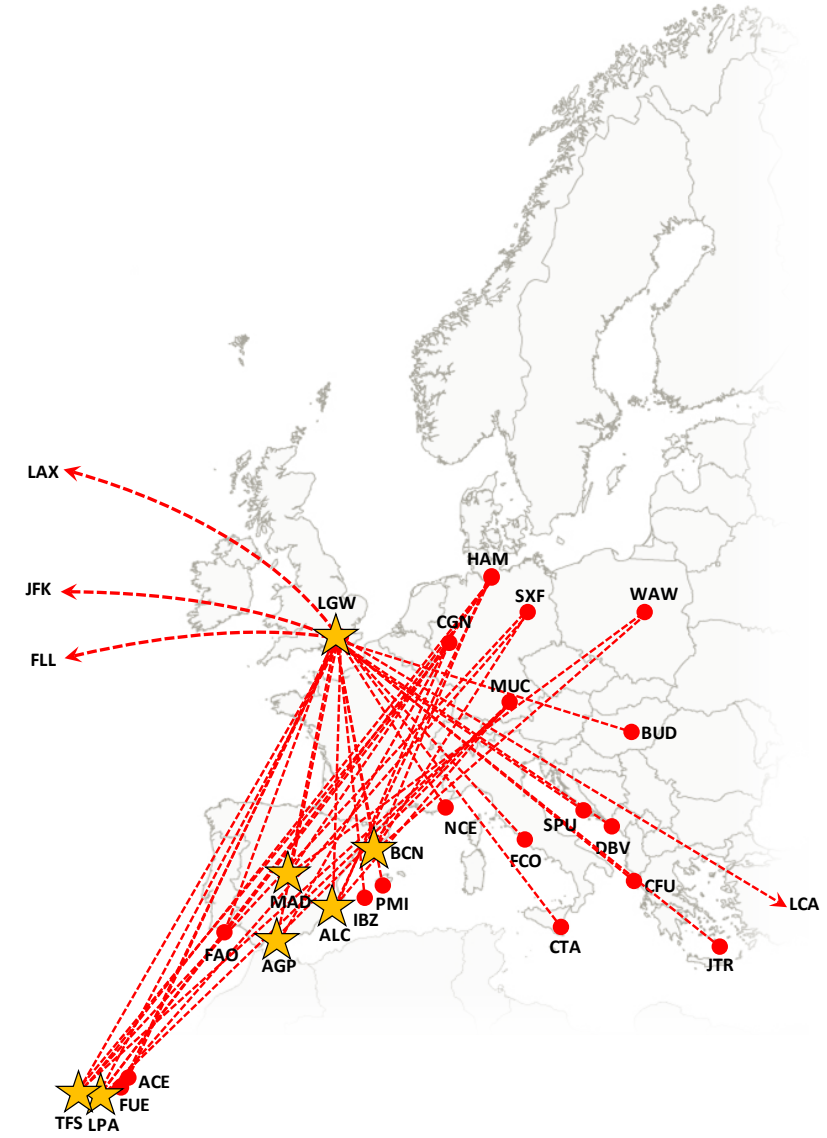
- Self check-in/ bag drop
- Automated charter & group bookings
- Streamlined operative systems & processes



Traffic patterns determine the location of bases



Growing share of non-Nordic routes



Increasing the Dreamliner order by another four 787-9

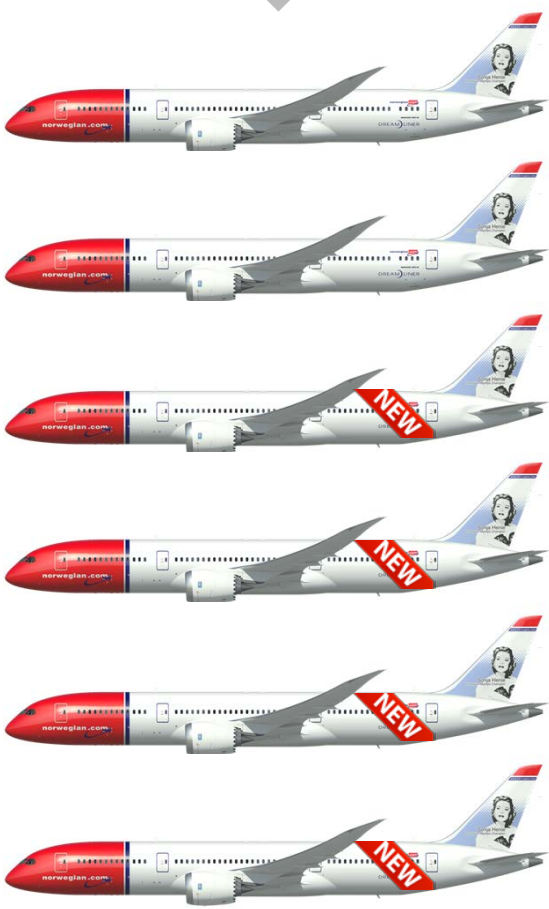
787-8 in operation



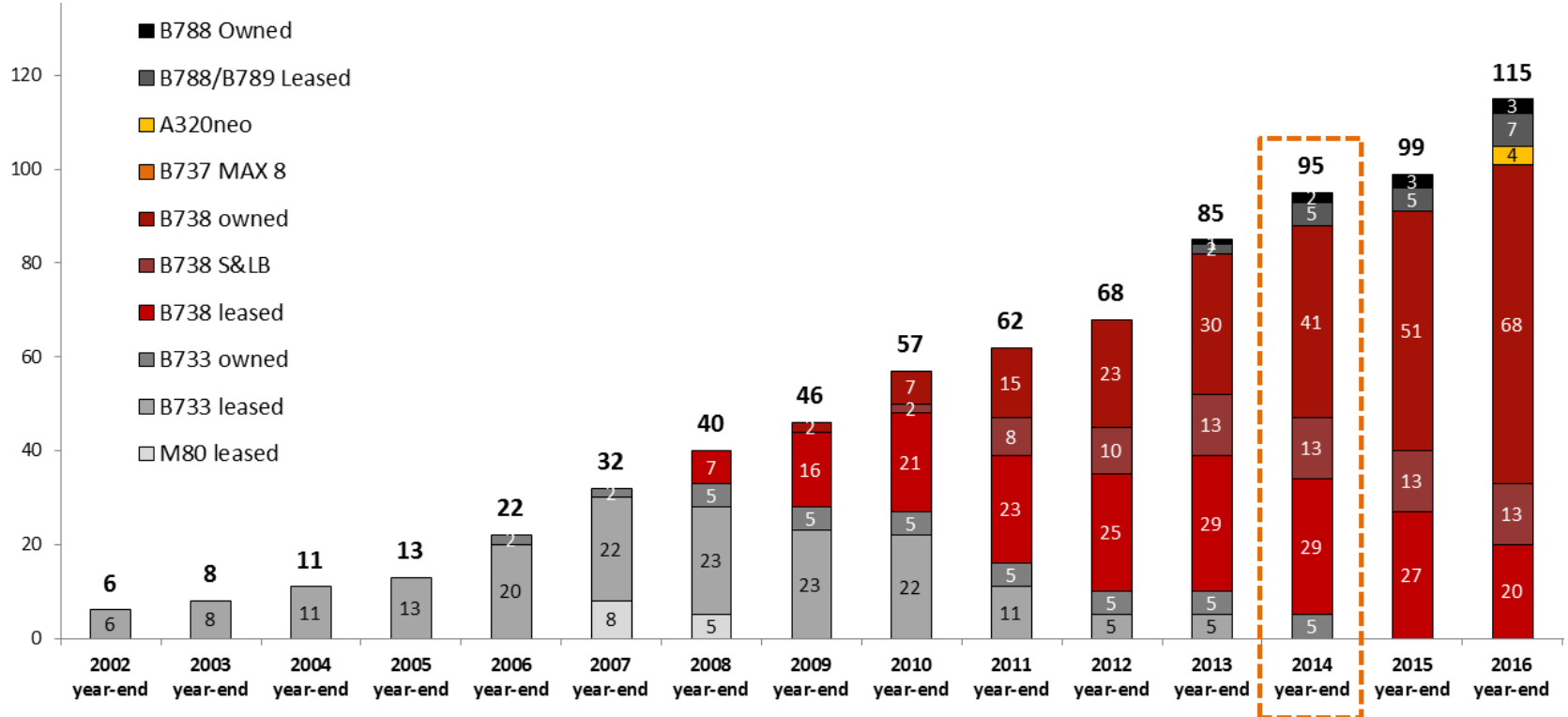
787-8 on firm order



787-9 on firm order



Current committed fleet plan



- **Business environment**
 - Economic uncertainty in parts of Europe
 - Seasonal fluctuations
 - Yield pressure from capacity investment
 - Increased competitive pressure in the Nordic region
- **Production**
 - The company expects a production growth (ASK) of 40 % (unchanged)
 - Increasing the fleet by adding 737-800's and 787-8's
 - Utilization and distance increase short-haul driven by UK and Spanish bases
 - Expanding long-haul operations
 - Capacity deployment depending on development in the overall economy and marketplace
- **Cost development**
 - Unit cost expected in the area of 0.40 (unchanged)
 - Excluding hedged volumes
 - Fuel price dependent – USD 950 pr. ton
 - Currency dependent • USD/NOK 6.00 • EUR/NOK 7.75 •
 - Production dependent
 - Based on the currently planned route portfolio



From bases in **NORWAY**

norwegian



From bases in **SWEDEN**

DENMARK

FINLAND

**Norwegian offers 413
scheduled routes to
128 destinations in
38 countries**

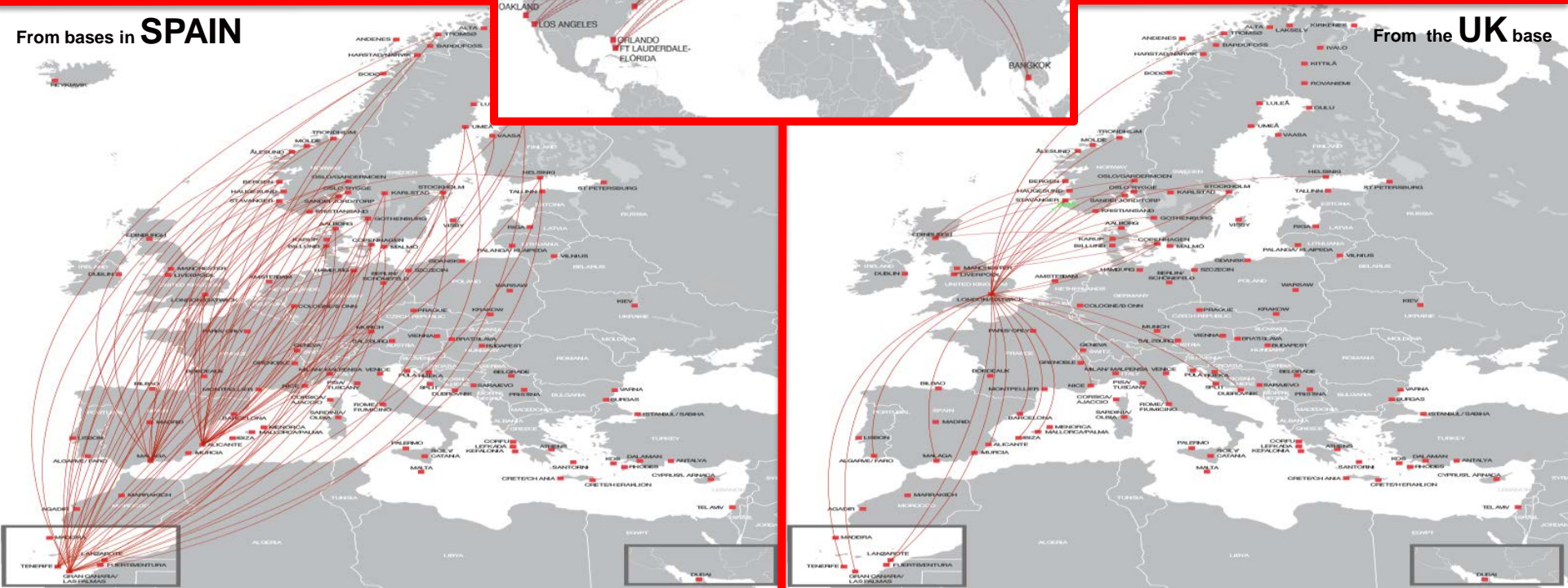


From bases in the **USA & THAILAND**



From bases in **SPAIN**

From the **UK base**



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