Interim report

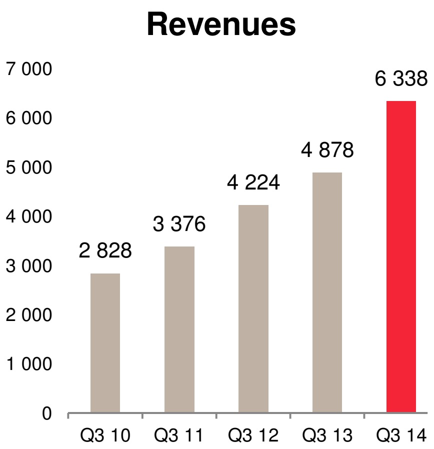
Norwegian Air Shuttle ASA – third quarter 2014

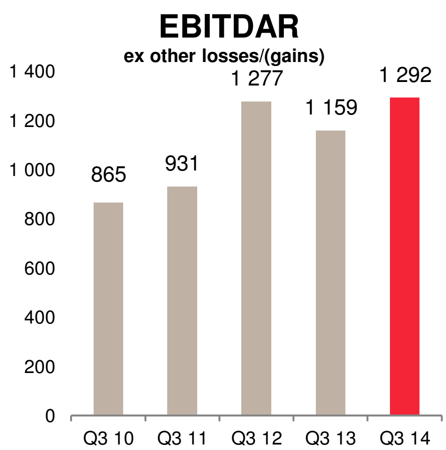
Unit cost:

-1%

Unit cost NOK 0.40

- **Positive momentum in UK and Spain**
- **Load factor up to 85% (+3.2 p.p.) on 36% capacity growth**
- **EBT margin of 8%**





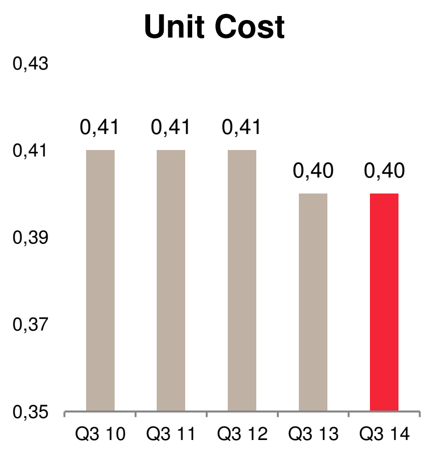


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Photo above: Bjørn Morgan

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Norwegian reports strong passenger growth and solid load factor

Norwegian reports strong growth in all European markets with a capacity increase of 36 percent and a load factor of 85 percent in its third quarter results. The pre-tax result (EBT) was 505 MNOK, compared to 604 MNOK the same quarter previous year. The costs associated with wet-leasing replacement aircraft and a weak Norwegian Krone (NOK) significantly affected the figures.

Even with strong passenger growth, the load factor was high and increased by three percentage points to 85 percent in the third quarter. Norwegian carried 7.1 million passengers this quarter and the company's operations at London Gatwick had the strongest passenger growth.

The combination of a weak Norwegian Krone (NOK), the delayed approval from the U.S. Department of Transportation and costs associated with flight delays, affected the results this quarter. Wet-leasing replacement aircraft and extra fuel, as well as accommodation, food and drink for delayed passengers also created extra costs. The costs associated with the long overdue application before the U.S. Department of Transportation for a foreign air carrier permit for Norwegian's Irish subsidiary, Norwegian Air International were also considerable. The application is in full accordance with the Open Skies Agreement between the EU and the U.S.

"We're very satisfied that throughout our world-wide route network, an increasing number of new passengers choose Norwegian. Norwegian has recently received several international awards and was even named 'Europe's best low-cost airline' the second year running. However, we have also experienced some turbulence this quarter. Our results are affected by additional costs related to the pending U.S. permit for our subsidiary in Dublin, consequently reducing our ability to optimize our fleet of aircraft. Even though technical difficulties with our Boeing 787 Dreamliners have also caused additional costs, our long-haul operation now consists of more aircraft and improved reliability. Looking into 2015, we will see a year of consolidation and lower growth. Next year, our fleet of short-haul aircraft will consist exclusively of Boeing 737-800s as older Boeing 737-300s will be phased out," said CEO Bjørn Kjos.

CONSOLIDATED FINANCIAL KEY FIGURES

Unaudited

(Amounts in NOK million)	**Q3 2014**	Q3 2013	*Change*	**YTD 2014**	YTD 2013	*Change*	Full Year 2013
Operating revenue	**6,337.5**	4,877.8	*30 %*	**14,937.7**	11,793.9	*27 %*	15,579.5
EBITDAR	**1,217.3**	1,169.1	*4 %*	**1,563.3**	2,485.0	*-37 %*	2,783.9
EBITDAR excl other losses/(gains)	**1,291.6**	1,158.6	*11 %*	**1,506.5**	2,039.6	*-26 %*	2,294.6
EBITDA	**726.5**	777.5	*-7 %*	**207.5**	1,540.2	*87 %*	1,499.5
EBITDA excl other losses/(gains)	**800.8**	767.0	*4 %*	**150.7**	1,094.8	*86 %*	1,010.2
EBIT	**532.2**	637.7	*-17 %*	**-328.4**	1,152.9	*128 %*	969.7
EBT	**505.2**	603.5	*-16 %*	**-443.3**	720.4	*162 %*	437.4
Net profit/ loss (-)	**373.8**	435.9	*-14 %*	**-91.4**	515.5	*118 %*	321.6
EBITDAR margin	**19.2 %**	24.0 %		**10.5 %**	21.1 %		17.9 %
EBITDA margin	**11.5 %**	15.9 %		**1.4 %**	13.1 %		9.6 %
EBIT margin	**8.4 %**	13.1 %		**-2.2 %**	9.8 %		6.2 %
EBT margin	**8.0 %**	12.4 %		**-3.0 %**	6.1 %		2.8 %
Net profit margin	**5.9 %**	8.9 %		**-0.6 %**	4.4 %		2.1 %
Book equity per share (NOK)				**78.9**	83.6	*-6 %*	78.2
Equity ratio (%)				**15 %**	20 %	*-25 %*	19 %
Net interest bearing debt				**7,607.1**	3,461.1	*120 %*	4,346.1

OPERATIONAL REVIEW

CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

(Ratios in NOK)	**Q3 2014**	Q3 2013	Change	**YTD 2014**	YTD 2013	Change	Full Year 2013
Yield	**0,45**	0,51	-11 %	**0,44**	0,52	-16 %	0,50
Unit Revenue	**0,38**	0,41	-7 %	**0,35**	0,41	-13 %	0,39
Unit Cost	**0,40**	0,40	-1 %	**0,42**	0,43	-2 %	0,42
Unit Cost ex fuel	**0,26**	0,27	-4 %	**0,28**	0,29	-3 %	0,29
Ancillary Revenue/Sched. PAX	**124**	91	37 %	**116**	86	34 %	87
Internet bookings	**79 %**	81 %	-2 pp	**79 %**	80 %	-1 pp	80 %
ASK (million)	**13 905**	10 223	36 %	**35 337**	25 142	41 %	34 318
RPK (million)	**11 763**	8 319	41 %	**28 628**	19 737	45 %	26 881
Passengers (million)	**7,06**	6,02	17 %	**18,33**	15,46	19 %	20,71
Load Factor	**84,6 %**	81,4 %	3 pp	**81 %**	79 %	3 pp	78 %
Average sector length (km)	**1 437**	1 260	14 %	**1 337**	1 158	15 %	1 168
Fuel consumption (metric tonnes)	**295 380**	219 369	35 %	**750 033**	538 623	39 %	735 154
CO_2 per RPK	**79**	83	-5 %	**83**	87	-4 %	87

Traffic Development

A total of 7.06 million passengers travelled with Norwegian in the third quarter of 2014, compared to 6.02 million in the third quarter of 2013, an increase of 17 %. Production (ASK) increased by 36 % and passenger traffic (RPK) increased by 41%. The load factor was 84.6% in the third quarter, an increase of 3.2 percentage points compared to the same period last year.

At the end of the third quarter the total fleet including aircraft on maintenance and excluding wetlease comprised 99 aircraft. The Group utilized every operational aircraft on average 12,3 block hours per day in the third quarter compared to 12,2 last year.

The share of Internet sales was 79 % which is a decrease of 2 percentage point from last year.

Operating performance

Punctuality, the percentage of flights departing on schedule, was 84% in the third quarter 2014, a decrease of 4 percentage points from the same quarter last year.

Regularity, the percentage of scheduled flights actually taking place, was 99.7 % in the third quarter, compared to 99.8 % in the same quarter last year.

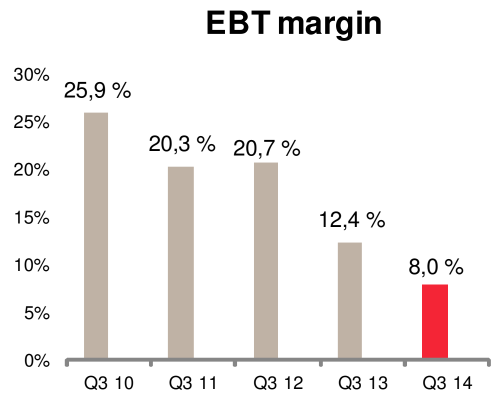
FINANCIAL REVIEW

Profit and loss statement

Third quarter earnings were affected by strong capacity growth and strong competition in leisure markets. Ticket revenue per unit produced decreased by 7 % and unit cost decreased by 1 %, resulting in an EBT margin of 8.0 %. Sector length increased significantly by 14 %, affecting unit revenue and unit cost in the third quarter. Irregularity costs from the long haul operation are estimated to MNOK 74 in the third quarter. In addition the Group incurred approximately MNOK 63 in costs related to the delayed US DOT approval.

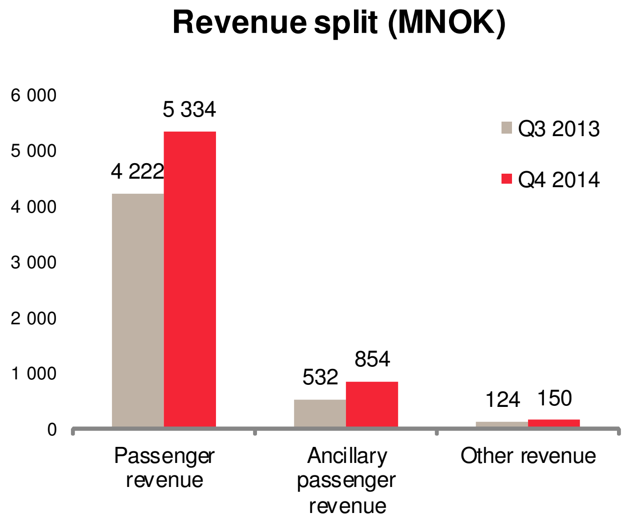
Earnings before interest, depreciation, amortization, restructuring and rent (EBITDAR) excluding other losses/(gains) for the third quarter was MNOK 1 291.6 (1 158.6).

Earnings before tax (EBT) was MNOK 505.2 (603.5) , and net profit/(loss) was MNOK 373.8 (435.9) in the third quarter.

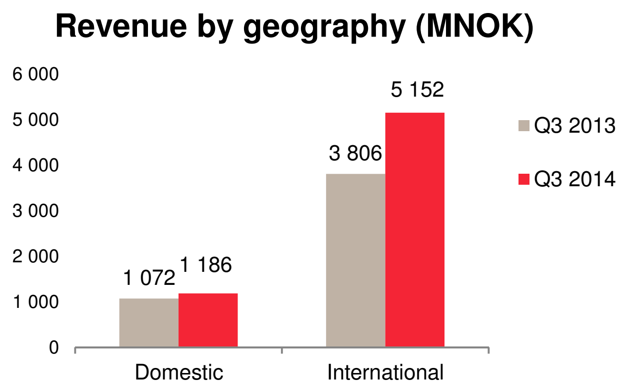


Revenues

Total revenues in the third quarter were MNOK 6,338 (4,878), an increase of 30 %. MNOK 5,334 (4,222) of the revenues in the third quarter was related to ticket revenues. The ticket revenue per unit produced (RASK) in the third quarter was NOK 0.38 compared to NOK 0.41 for the same period last year. The RASK development compared to last year reflects lower yield and increased load factor, primarily due to establishment of new European short haul bases and long haul operations to North America and Southeast Asia. Ancillary revenue was MNOK 854 (532), while the remaining MNOK 150 (124) was related to freight, third-party products, gain from sale of assets and other income. Ancillary passenger revenue was NOK 124 per scheduled passenger (NOK 91) in the third quarter, an increase of 37%, mainly due to ancillary revenue from long haul operations.



Revenue from international traffic increased by 35.4 % to MNOK 5,152 in third quarter 2014, and revenue from domestic traffic increased by 10.6% to MNOK 1,186 compared to last year. Increased capacity has mainly been added to international routes while domestic routes in the Nordic countries have experienced minor increases through the last years. Norwegian has grown rapidly expanding international traffic and adding new bases, destinations and markets to its portfolio. The expansion enables continued cost efficiency and continuously improves competitive power.



Operating expenses

COST BREAKDOWN

Unaudited

(Amounts in NOK million)	Q3 2014	Q3 2013	Change	YTD 2014	YTD 2013	Change	Full Year 2013
Personell expenses	**842.8**	691.1	*22 %*	**2 373.8**	1 942.4	*22 %*	2 478.3
Sales/ distribution expenses	**115.5**	83.6	*38 %*	**344.2**	248.4	*39 %*	339.4
Aviation fuel	**1 944.8**	1 365.8	*42 %*	**4 860.8**	3 382.2	*44 %*	4 694.3
Airport and ATC charges	**792.7**	639.1	*24 %*	**2 086.6**	1 608.5	*30 %*	2 185.3
Handling charges	**547.1**	383.1	*43 %*	**1 396.4**	967.9	*44 %*	1 339.4
Technical maintenance expenses	**349.0**	243.2	*44 %*	**954.2**	641.9	*49 %*	927.8
Other flight operation expenses	**193.0**	119.7	*61 %*	**632.8**	421.5	*50 %*	587.0
General and administrative expenses	**261.2**	193.6	*35 %*	**782.4**	541.6	*44 %*	733.3
Other losses/(gains) - net	**74.3**	-10.5	*-808 %*	**-56.8**	-445.4	*-87 %*	-489.3
Total operating expenses	**5 120.2**	3 708.7	*38 %*	**13 374.4**	9 308.9	*44 %*	12 795.7
Leasing	**490.8**	391.6	*25 %*	**1 355.8**	944.8	*44 %*	1 284.4
Total operating expenses incl lease	**5 611.0**	4 100.3	*37 %*	**14 730.2**	10 253.7	*44 %*	14 080.1

Operating expenses excluding leasing and depreciation increased by 38 % to MNOK 5,120 (3,709) this quarter. A production increase (ASK) of 36 % is the main factor explaining the increased operating expenses this quarter.

The unit cost was NOK 0.40, which is a decrease of 1 % from last year. Unit cost ex fuel was MNOK 0.26 (-4 %). Increased production from international expansion of new bases, destinations and markets affect the sector length and cost levels, reducing underlying unit cost in the third quarter. Appreciation of USD and EUR against NOK affects the unit cost by an estimated 3 % increase.

Personnel expenses increased by 22 % to MNOK 843 (691) in the third quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 10 %. The increased expenses from hired personnel and new bases are more than offset by the productivity increase (36 %) and increased sector length and number of seats derived from international production.

The average number of man-labor year increased by 23 % compared to same quarter last year.

Sales and distribution expenses increased by 38 % to MNOK 116 (84) in the third quarter compared to the same quarter last year. Unit cost for sales and distribution expenses increased by 2 %. Appreciation of EUR against NOK is partly offset by reduced cost due to an increased sector length.

Aviation fuel expenses increased by 42 % to MNOK 1.945 (1.366) in the third quarter compared to the same quarter last year. The increase is driven by the production increase of 36 %. A 4.3 % appreciation of USD against NOK, and 1.0 % reduction in USD spot price resulted in an increase in unit cost of 4 % for the quarter.

The Group has at the end of the third quarter forward contracts to cover approximately 30 % of fuel exposure at an average price of USD 930 per ton for the remaining of 2014, and approximately 25 % and 12,5 % of fuel exposure in Q1 and Q2 2015 respectively, at an average price of USD 920 per ton.

Airport and air traffic control (ATC) charges increased by 24 %, to MNOK 793 (639) in the third quarter compared to the same quarter last year. Unit cost for airport and ATC charges decreased by 9 %. Increased prices and appreciation of EUR against NOK are more than offset by reduced cost due to an increased sector length of 14 % and increased capacity.

Handling charges increased by 43 %, to MNOK 547 (383) in the third quarter compared to the same quarter last year. Unit cost for handling charges increased with 5 % from last year due to increased prices from introducing larger aircraft and appreciation of EUR against NOK.

Technical maintenance costs increased by 44 %, to MNOK 349 (243) in the third quarter compared to the same quarter last year. Unit cost for technical maintenance increased by 6 %. The increase in unit costs is related to maintenance expenses for the Boeing 787-8 Dreamliner, and appreciation of USD against NOK. The increased technical expenses are partially offset by an increased share of 737-800Ws with lower maintenance cost than 737-300 aircraft and an increased share of owned 737-800 aircraft in the fleet. Planned maintenance cost on owned aircraft is capitalized and reduces maintenance cost per unit produced.

Other flight operation expenses increased by 61 % to MNOK 193 (120) in the third quarter compared to the same quarter last year. Other flight operation expenses include costs directly attributable to operation of the aircraft fleet, such as de-icing, insurance and meals and housing for crew. Unit cost increased 19 % in the quarter due to increased costs for meals and housing for hired crew personnel, partly related to irregularity in the long haul operation, and appreciation of EUR against NOK. Increased sector length and increased capacity partly offset the increased costs.

General and administrative expenses increased by 35 % to MNOK 261 (194) in the third quarter compared to the same quarter last year due to the introduction of new markets, products and international bases. Unit cost for general and administrative expenses decreased by 1 %.

Other losses/(gains)-net; a loss of MNOK 74 was recognized in the third quarter compared to a gain of MNOK 11 in the third quarter last year. Included in other losses/(gains)-net are gains/losses from foreign currency contracts and gains/losses on working capital in foreign currency.

Leasing costs increased by 25 % to MNOK 491 (392) in the third quarter compared to the same quarter last year. Unit cost for leasing decreased by 8 %. Increased costs due to the use of wetlease aircraft in international operation, the introduction of Boeing 787-8 Dreamliner in the fleet, and appreciation of USD against NOK, are more than offset by the production increase and larger share of owned aircraft .

During the third quarter the Group operated 41 (26) owned Boeing 737-800Ws, 2 (0) owned Boeing 787-8 Dreamliner and 5 (5) Boeing 737-300s

Profit/Loss from Associated Company in the third quarter was estimated to MNOK 13 (13) which represents the 20 % share of Bank Norwegian's second quarter results.

Financial Items were MNOK -40 (-47) in the third quarter. Interest on prepayments of MNOK 45 (18) was capitalized, reducing interest expenses. Included in other financial income (expense) is a currency loss on USD denominated borrowings amounting to MNOK 295 (gain of 20), due to appreciation of USD against NOK. At the end of 2013, the Group transferred owned aircraft to subsidiaries with USD as functional currency, and a gain of MNOK 297 on currency translation is included in financial items in third quarter 2014, offsetting the gains from borrowings. These gains and losses have no cash effects.

Income taxes amounted to MNOK 131 (168) in the third quarter.

Financial position and liquidity

The significant transactions contemplating the financial aspect of the restructuring took effect as of 31.12.2013. After the restructuring, the aircraft assets are accounted for in USD, creating a natural hedge against USD denominated borrowings.

Net interest bearing debt at the end of the third quarter was MNOK 7,607 compared to MNOK 4,346 at the end of last year. The financial position is highly affected by increased production and asset acquisitions. At the end of third quarter, the financial position continues to be solid with an equity ratio of 15 %, a decrease of 4 percentage point from 19 % at year-end 2013.

Net change in cash and cash equivalents in third quarter was MNOK -908, and MNOK -735 year to date. Investments in new aircraft and equipment were MNOK 746 in third quarter, and MNOK 3,683 for the year, with net cash from financing activities of MNOK 118 and MNOK 1,706 for the quarter and year to date, respectively. Operational activities continue to derive sufficient cash to maintain a solid financial position and high levels of investments in new aircraft.

Total non-current assets amount to MNOK 14,980 at the end of the third quarter, compared to MNOK 10,851 at the end of last year. The main investments during the year are related to prepayments to aircraft manufacturers for aircraft on order and delivery of eleven new owned Boeing 737-800Ws and one 787-8 Dreamliner.

Total current assets amount to MNOK 4,040 at the end of the third quarter, compared to MNOK 3,912 at the end of last year. Investments have decreased by MNOK 74 during the year due to changes in fair value of term contracts, and are at quarter end classified as short term debt. Receivables have increased by MNOK 909 during the year due to increased production. Cash and cash equivalents have decreased by MNOK 735 during the year.

Total non-current liabilities at the end of the third quarter were MNOK 9,054, compared to MNOK 6,728 at the end of last year. Long-term borrowings increased by MNOK 2,436 during the year. The increase in borrowings is mainly related to external borrowings on eleven Boeing 737-800Ws and one 787-8. Additionally, mark-to-market adjustment of USD denominated borrowings increase the value of borrowings. Down-payments on aircraft financing partially offsets the increase. Other non-current liabilities decrease by MNOK 110 due to increased accruals for heavy maintenance offset by reduction in deferred tax.

Total short-term liabilities at the end of the third quarter were MNOK 7,194, compared to MNOK 5,285 at the end of last year. Current liabilities increased by MNOK 1,230 during the year due to increased production. Short-term borrowings increased by MNOK 90 during the year due to increase in borrowings offset by down-payments of pre-delivery payment financing, which is replaced by long term borrowings at delivery of aircraft. Mark-to-market adjustment of USD denominated borrowings contribute to the increased value. Air traffic liability increased by MNOK 589 from end of last year due to increased production.

Equity at the end of the third quarter was MNOK 2,773 compared to MNOK 2,750 at the end of last year. The increase in equity consists of a net loss for the period of MNOK 91, offset by exchange rate gain from Group holdings of MNOK 106.

Cash flow

Cash and cash equivalents were MNOK 1,431 at the end of the third quarter compared to MNOK 2,166 at the end of last year.

Cash flow from operating activities in the third quarter amounted to MNOK -281 compared to MNOK 67 in the third quarter last year, mainly due to changes in air traffic settlement liabilities. Air traffic settlement liability decreased by MNOK 1,423 during the third quarter compared to a decrease of MNOK 847 during the same quarter last year. The change is due to seasonality effects and last year presales was stronger than normal due to the start up on the long haul production. Cash from other adjustments amounted to MNOK 443 during third quarter compared to MNOK 171 in the same quarter last year. Other adjustments mainly consist of changes in accounts receivable, current liabilities and currency gain/loss with no cash effects.

Cash flow from investment activities in the third quarter was MNOK -747, compared to MNOK -618 in the third quarter last year. Prepayments to aircraft manufacturers and delivery of three new Boeing 737-800 are the main investments in the quarter, the same as in the third quarter last year.

Cash flow from financing activities in the third quarter was MNOK 118 compared to MNOK -68 in the third quarter last year. Proceeds from long term financing of three new aircraft are partially offset by down-payment on borrowings and financing costs in the quarter.

RISK AND UNCERTAINTIES

The airline industry is undergoing a challenging time as a consequence of the financial crisis and global downturn. Future demand is dependent on sustained consumer and business confidence in the Company's key markets.

A market place where capacity growth exceeds market growth will increase the risk of yield pressure. However, low yield stimulates new demand, thus growing the market further. This necessitates a similar reduction in the cost level in order to maintain profitability.

In the event of industrial actions, operations may be disrupted, causing inconvenience for passengers and impacting financial performance.

Fuel price and currency fluctuations are risks which can have a significant impact on Norwegian's business and financial results. Sudden and significant changes in fuel price and foreign exchange rates could significantly impact fuel and other costs, and debt denominated in foreign currency.

OUTLOOK

The demand for travelling with Norwegian and advance bookings have been satisfactory entering the fourth quarter of 2014. Norwegian will continue to take advantage of its increasing competitive power realized through continuous cost efficiency, and from introducing larger aircraft (14 new 737-800Ws will be delivered in 2014) with a lower operating cost.

Norwegians short haul operations have, in addition to the Nordic countries, at the present six bases operational in Spain (Malaga, Alicante, Las Palmas, Tenerife, Madrid and Barcelona) and a base in London.

Norwegian guides for a production growth (ASK) of 35% for 2014, including the long haul production. The growth in short haul production is mainly from increasing the fleet by adding 737-800s and through increasing the average sector length. Norwegian may decide to adjust capacity in order to optimize the route portfolio depending on the development in the overall economy and in the marketplace.

Assuming a fuel price of USD 950 per ton and USD/NOK 6.00 for the year 2014 (excluding hedged volumes) and with the currently planned route portfolio, the Company is targeting a unit cost (CASK) of NOK 0.41 for 2014.

Norwegian guides for a production growth (ASK) of 5 % for 2015, including the long haul production. The growth in short haul production is mainly from increasing the fleet by adding 737-800s. The long haul production will grow in accordance with the phasing in of aircraft and the company will have eight Boeing 787 by the end of the first half year of 2015. Norwegian may decide to adjust capacity in order to optimize the route portfolio depending on the development in the overall economy and in the marketplace.

Assuming a fuel price of USD 950 per ton and USD/NOK 6.00 and EUR/NOK 7.75 for the year 2015 (excluding hedged volumes) and with the currently planned route portfolio, the Company is targeting a unit cost (CASK) in the range of NOK 0.39 - 0.40 for 2015.

In accordance with the strategic plan, the leasing company in Ireland, Arctic Aviation Assets Ltd, has started its leasing operations.

Norwegian has established and prepared for an organizational structure which secures cost efficient international expansion and necessary traffic rights for the future.

Fornebu, 22 October 2014

CEO
Bjørn Kjos

CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited

(Amounts in NOK million)	Note	**Q3 2014**	Q3 2013	**YTD 2014**	YTD 2013	Full Year 2013
Operating revenue						
Total operating revenue	*3*	**6,337.5**	4,877.8	**14,937.7**	11,793.9	15,579.5
Total operating revenue		**6,337.5**	4,877.8	**14,937.7**	11,793.9	15,579.5
Operating expenses						
Operational expenses		**3,941.5**	2,843.5	**10,266.7**	7,276.3	10,079.4
Payroll and other personnel expenses		**842.8**	691.1	**2,373.8**	1,942.4	2,478.3
Other operating expenses		**335.9**	174.1	**733.9**	90.2	238.0
Total operating expenses		**5,120.2**	3,708.7	**13,374.4**	9,308.9	12,795.7
Operating profit/loss before leasing & depr (EBITDAR)		**1,217.3**	1,169.1	**1,563.3**	2,485.0	2,783.9
Leasing		**490.8**	391.6	**1,355.8**	944.8	1,284.4
Operating profit/loss before depr (EBITDA)		**726.5**	777.5	**207.5**	1,540.2	1,499.5
Depreciation and amortization		**194.4**	139.8	**535.9**	387.3	529.8
Operating profit/loss (EBIT)		**532.2**	637.7	**-328.4**	1,152.9	969.7
Financial items						
Interest income		**9.8**	16.9	**38.6**	49.7	66.3
Interest expense		**47.5**	35.5	**149.0**	76.8	130.4
Other financial income (expense)		**-1.9**	-28.0	**-42.0**	-439.2	-514.8
Net financial items		**-39.6**	-46.6	**-152.4**	-466.3	-578.9
Profit/Loss from associated company		**12.6**	12.5	**37.4**	33.8	46.6
Net result before tax (EBT)		**505.2**	603.5	**-443.3**	720.4	437.4
Income tax expense (benefit)		**131.3**	167.6	**-351.9**	204.9	115.8
Net profit/loss		**373.8**	435.9	**-91.4**	515.5	321.6
Net profit attributable to:						
Owners of the parent company		**373.8**	**435.9**	**-91.4**	**515.5**	321.6
Earnings per share (NOK) - Basic		**10.6**	12.4	**-2.6**	14.7	9.2
Earnings per share (NOK) - Diluted		**10.5**	12.2	**-2.6**	14.5	9.0
No. of shares at the end of the period		**35,162,139**	35,162,139	**35,162,139**	35,162,139	35,162,139
Average no. of shares outstanding		**35,162,139**	35,162,139	**35,162,139**	35,162,139	35,162,139
Average no. of shares outstanding - diluted		**35,787,139**	35,606,278	**35,787,139**	35,606,278	35,651,865

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited

(Amounts in NOK million)	*Note*	**At 30 Sept 2014**	At 30 Sept 2013	At 31 Dec 2013
ASSETS				
Non-current assets				
Intangible assets		**352.2**	277.9	253.8
Tangible fixed assets		**14,009.6**	9,403.0	10,150.8
Fixed asset investments		**618.4**	329.7	446.3
Total non-current assets		**14,980.2**	10,010.6	10,850.9
Current assets				
Inventory		**76.3**	70.7	74.1
Investments		**0.0**	123.3	48.5
Receivables		**2,532.2**	1,852.6	1,623.1
Cash and cash equivalents		**1,431.4**	2,302.9	2,166.1
Total current assets		**4,039.9**	4,349.5	3,911.9
TOTAL ASSETS		**19,020.1**	14,360.1	14,762.7
EQUITY AND LIABILITIES				
Shareholders equity				
Paid-in capital	*7*	**1,179.6**	1,165.3	1,170.2
Other equity		**1,592.9**	1,774.8	1,579.6
Total equity		**2,772.5**	2,940.0	2,749.8
Non-current liabilities				
Other non-current liabilities		**874.4**	893.9	984.5
Long term borrow ings	*6*	**8,179.7**	4,492.0	5,743.8
Total non-current lilabilities		**9,054.1**	5,385.9	6,728.3
Short term liabilities				
Current liabilities		**3,179.1**	2,232.4	1,949.7
Short term borrow ings	*6*	**858.8**	1,272.0	768.4
Air traffic settlement liabilities		**3,155.6**	2,529.8	2,566.5
Total short term liabilities		**7,193.6**	6,034.2	5,284.6
Total liabilities		**16,247.7**	11,420.1	12,012.9
TOTAL EQUITY AND LIABILITIES		**19,020.2**	14,360.1	14,762.7

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Unaudited

(Amounts in NOK million)	**Q3 2014**	Q3 2013	**YTD 2014**	YTD 2013	Full Year 2013
OPERATING ACTIVITIES					
Profit before tax	**505.2**	603.5	**-443.3**	720.4	437.4
Paid taxes	**0.0**	0.0	**0.0**	0.0	0.0
Depreciation, amortization and impairment	**194.4**	139.8	**535.9**	387.3	529.8
Changes in air traffic settlement liabilities	**-1,423.4**	-846.8	**589.1**	790.0	826.8
Other adjustments	**443.5**	170.8	**556.1**	215.7	583.0
Net cash flows from operating activities	**-280.3**	67.4	**1,237.8**	2,113.4	2,376.9
INVESTMENT ACTIVITIES					
Purchases, proceeds and prepayment of tangible assets	**-745.9**	-617.9	**-3,682.2**	-1,161.4	-2,045.9
Purchases of other long-term investments	**-1.4**	0.0	**-1.4**	0.0	-80.0
Net cash flows from investing activities	**-747.3**	-617.9	**-3,683.6**	-1,161.4	-2,125.9
FINANCING ACTIVITIES					
Loan proceeds	**786.4**	496.3	**3,015.9**	960.5	2,459.8
Principal repayments	**-574.0**	-456.3	**-1,029.4**	-1,107.5	-1,829.7
Financing costs paid	**-94.3**	-107.9	**-280.9**	-231.1	-445.9
Proceeds from issuing new shares	**0.0**	0.0	**0.0**	0.0	0.0
Net cash flows from financial activities	**118.0**	-67.8	**1,705.6**	-378.2	184.2
Foreign exchange effect on cash	**2.1**	-1.7	**5.5**	-1.8	0.0
Net change in cash and cash equivalents	**-907.5**	-620.0	**-734.7**	572.0	435.2
Cash and cash equivalents in beginning of period	**2,338.8**	2,922.9	**2,166.1**	1,730.9	1,730.9
Cash and cash equivalents in end of period	**1,431.4**	2,302.9	**1,431.4**	2,302.9	2,166.1

STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(Amounts in NOK million)	**YTD 2014**	YTD 2013	Full Year 2013
Net profit for the period	**-91.4**	515.5	321.6
Available-for-sale financial assets	**-1.2**	0.6	1.2
Exchange rate differences Group	**106.0**	-1.2	-2.9
Total comprehensive income for the period	**13.5**	515.0	319.8
Profit attributable to:			
Owners of the company	**12.5**	515.5	318.8
Non-controlling interests	**1.0**	-0.5	1.0

CONDENSED CONSOLIDATED CHANGES IN EQUITY

Unaudited

(Amounts in NOK million)	**YTD 2014**	YTD 2013	Full Year 2013
Equity - Beginning of period	**2,749.8**	2,420.7	2,420.7
Total comprehensive income for the period	**13.5**	515.0	319.8
Share issue	**0.0**	0.0	0.0
Equity change on employee options	**9.3**	4.4	9.4
Equity - End of period	**2,772.5**	2,940.1	2,749.8

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1 General and accounting principles

Norwegian Air Shuttle ASA (the Group) consists of Norwegian Air Shuttle ASA and its subsidiaries. The Company is a limited liability company incorporated in Norway. The condensed consolidated interim financial statements comprise the Group.

The consolidated financial statements of the Group for the year ended 31 December 2013 is available upon request from the company's registered office at Oksenøyveien 3, 1330 Fornebu, Norway, or at www.norwegian.com.

These condensed consolidated interim financial statements have been prepared in accordance with rules and regulations of Oslo Stock Exchange and International Financial Reporting Standard (IAS) 34 Interim Financial Reporting. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements for the Group at 31 December 2013. These condensed interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2013.

Judgments, estimates and assumptions

The preparation of condensed consolidated interim financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the period ended 31 December 2013.

Note 2 Risk

SENSITIVITY ANALYSIS

Unaudited	**Effect on income MNOK**
1% decrease in jet fuel price	56
1% depreciation of NOK against USD	-80
1% depreciation of NOK against EURO	-9

The sensitivity analysis reflects the effect on operating costs in 2014 by changes in market prices and exchange rates. The effect on operating costs is annualized based on current level of production, fuel prices and exchange rates. Operational hedges are not included in the calculation of the sensitivity.

Note 3 Revenue

Passenger revenue comprise only ticket revenue, while ancillary passenger revenue is other passenger related revenue such as optional extras. Other revenue consist of revenue not directly related to passengers such as cargo, third-party commissions etc.

SALES REVENUE BREAKDOWN

Unaudited *(Amounts in NOK million)*	**Q3 2014**	Q3 2013	*Change*	**YTD 2014**	YTD 2013	*Change*	Full Year 2013
Per activity							
Passenger revenue	**5,333.8**	4,221.8	*26.3 %*	**12,487.1**	10,194.1	*22.5 %*	13,381.5
Ancillary passenger revenue	**853.8**	532.1	*60.5 %*	**2,064.6**	1,299.5	*58.9 %*	1,757.9
Other revenue	**150.0**	123.9	*21.1 %*	**385.9**	300.4	*28.5 %*	440.2
Total	**6,337.5**	4,877.8	*29.9 %*	**14,937.7**	11,793.9	*26.7 %*	15,579.5
Per geographical market							
Domestic	**1,185.5**	1,072.3	*10.6 %*	**3,390.6**	3,307.1	*2.5 %*	4,423.1
International	**5,152.0**	3,805.6	*35.4 %*	**11,547.1**	8,486.8	*36.1 %*	11,156.5
Total	**6,337.5**	4,877.8	*29.9 %*	**14,937.7**	11,793.9	*26.7 %*	15,579.5

Note 4 Segment information

The Executive Management team reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segment on these reports.

Executive Management considers the business as one operational segment, which is low cost air passenger travel. The Group's operating profit arises from airline-related activities and the only revenue generating assets of the Group are its aircraft fleet, which is employed flexibly across the entire operation and irrespective of geographic location.

Performance is measured by Executive management based on the operating segment earnings before interest, tax, depreciation and amortization (EBITDA). Other information is measured in a manner consistent with that in the financial statements.

Note 5 Information on related parties

During the third quarter 2014 there are no changes in related parties compared to the description in Note 27 in the Annual Report for 2013. There have been no significant transactions with related parties during the third quarter 2014.

Note 6 Borrowings

Unaudited

(Amounts in NOK million)	**At 30 Sept 2014**		At 30 Sept 2013		At 31 Dec 2013	
	Long term	**Short term**	Long term	Short term	Long term	Short term
Bond issue	**-584.5**	**0.0**	-592.7	0.0	-593.9	0.0
Revolving credit facility	**0.0**	**0.0**	0.0	-734.9	0.0	-218.1
Aircraft financing	**-7,591.1**	**-858.8**	-3,892.6	-532.2	-5,143.0	-546.7
Financial lease liability	**-4.1**	**0.0**	-6.8	-5.0	-6.8	-3.6
Total	**-8,179.7**	**-858.8**	-4,492.0	-1,272.0	-5,743.8	-768.4
Total Borrowings	**-9,038.5**		-5,764.0		-6,512.2	

Note 7 Shareholder information

20 Largest shareholders at 30 September 2014

	Shareholder	Country	Number of shares	Percent
1	HBK INVEST AS	NOR	9 499 116	27.0 %
2	FOLKETRYGDFONDET	NOR	2 441 393	6.9 %
3	SKAGEN VEKST	NOR	1 488 707	4.2 %
4	SKAGEN KON-TIKI	NOR	1 085 248	3.1 %
5	VERDIPAPIRFONDET DNB	NOR	950 026	2.7 %
6	DANSKE INVEST NORSKE	NOR	911 507	2.6 %
7	DNB NOR BANK ASA EGE	NOR	878 376	2.5 %
8	CLEARSTREAM BANKING	LUX	725 671	2.1 %
9	J.P. MORGAN CHASE BA	GBR	692 874	2.0 %
10	ODIN NORGE	NOR	529 960	1.5 %
11	DANSKE INVEST NORSKE	NOR	509 297	1.4 %
12	VERDIPAPIRFONDET DNB	NOR	505 678	1.4 %
13	KLP AKSJE NORGE VPF	NOR	503 395	1.4 %
14	VERDIPAPIRFONDET HAN	NOR	350 000	1.0 %
15	DNB LIVSFORSIKRING A	NOR	348 894	1.0 %
16	KOMMUNAL LANDSPENSJO	NOR	319 816	0.9 %
17	DANSKE BANK AS MEGLE	NOR	289 261	0.8 %
18	BNP PARIBAS S.A.	FRA	285 065	0.8 %
19	JPMORGAN CHASE BANK,	GBR	276 515	0.8 %
20	MORGAN STANLEY & CO	GBR	253 808	0.7 %
	Top 20 shareholders		**22 844 607**	**65.0 %**
	Other shareholders		12 317 532	35.0 %
	Total number of shares		**35 162 139**	**100.0 %**

The parent company Norwegian Air Shuttle ASA had a total of 35,162,139 shares outstanding at 30 September 2014, equal to 31 December 2013.

The shareholding of HBK Invest reflects the actual shareholding and may deviate from the official shareholder register as HBK Invest has signed a securities lending agreement with Nordea and Danske Bank. Under this agreement these institutions may borrow shares from HBK Invest for a limited period of time to improve the liquidity in the share trading, for example by fulfilling their market maker obligations.

Note 8 Contingencies and legal claims

There are no other contingencies or legal claims other than stated in note 28 to the Annual Financial Statements for 2013.

Note 9 Events after the reporting date

There are no events after the reporting date.

Definitions

ASK:	Available Seat Kilometers. Number of available passenger seats multiplied by flight distance.
RPK:	Revenue Passenger Kilometers. Number of sold seats multiplied by flight distance.
Unit revenue:	Passenger Revenue divided by Available Seat Kilometers.
Unit cost:	Total operating expenses plus leasing, excluding other losses/(gains)-net, divided by Available Seat Kilometers.
Load factor:	Relationship between RPK and ASK (percentage). Describes the rate of utilization of available seats.
EBITDAR:	Earnings before interest, tax, depreciation, amortization and restructuring or rent.
EBITDA:	Earnings before interest, tax, depreciation and amortization.
EBIT:	Earnings before interest and tax.
EBT:	Earnings before tax.

Information about the Norwegian Group

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Board of Directors Norwegian Air Shuttle ASA

Bjørn H. Kise, Chairman
Ola Krohn-Fagervoll, deputy Chairman
Liv Berstad
Benedicte Schilbred Fasmer
Linda Olsen
Thor Espen Bråten
Kenneth Utsikt

Group Management

Bjørn Kjos, Chief Executive Officer
Asgeir Nyseth, CEO, Norwegian Long Haul AS
Frode E. Foss, Chief Financial Officer
Geir Steiro, Chief Operating Officer
Dag Skage, Chief Information Officer
Frode Berg, Chief Legal Officer
Thomas A. Ramdahl, Chief Commercial Officer
Gunnar Martinsen, SVP Human Resources
Anne-Sissel Skånvik, SVP Corporate Communications

Investor Relations

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Other sources of Information

Annual reports

Annual reports for Norwegian Group are available on www.norwegian.com

Quarterly publications

Quarterly reports and presentations are available on http://www.norwegian.no/om-norwegian/investor-relations/

Financial calendar 2014

6	March	Monthly traffic data February
4	April	Monthly traffic data March
7	May	First Quarter results (Q1)
9	May	Monthly traffic data April
14	May	General Shareholder Meeting
5	June	Monthly traffic data May
7	July	Monthly traffic data June
17	July	Second Quarter Results (Q2)
7	Aug	Monthly traffic data July
4	Sept	Monthly traffic data August
6	Oct	Monthly traffic data September
23	Oct	Third Quarter Results (Q3)
6	Nov	Monthly traffic data October
4	Dec	Monthly traffic data November