

Norwegian Air Shuttle ASA (NAS)

Q1 2004

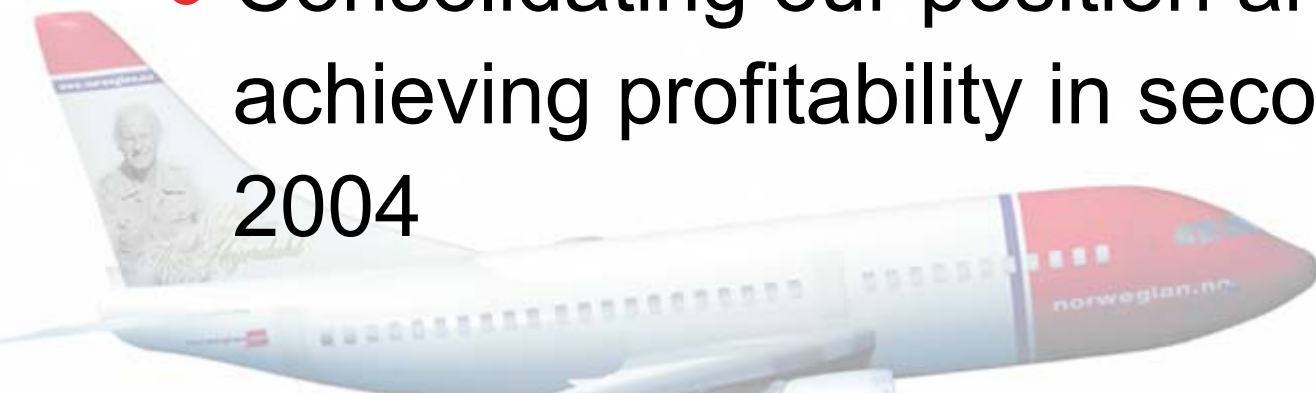


Presentation

Oslo – Frankfurt – London

25-27 May 2004

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- Q1 results in line with expectations, and a strong financial position maintained
 - Established as Norway's low-fare carrier
 - Consolidating our position and achieving profitability in second half 2004

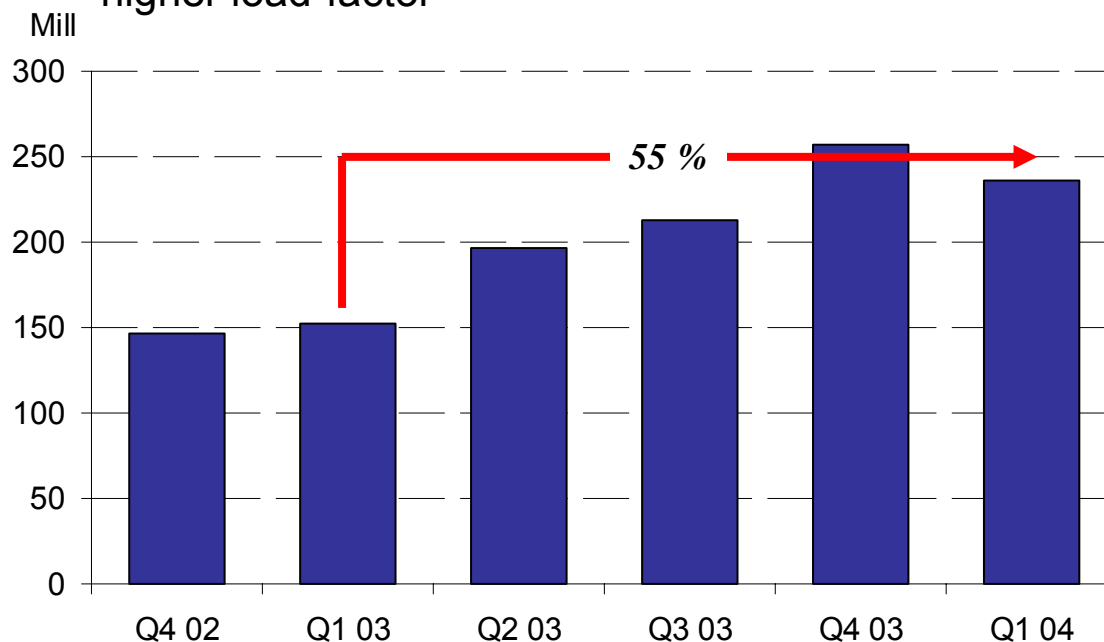


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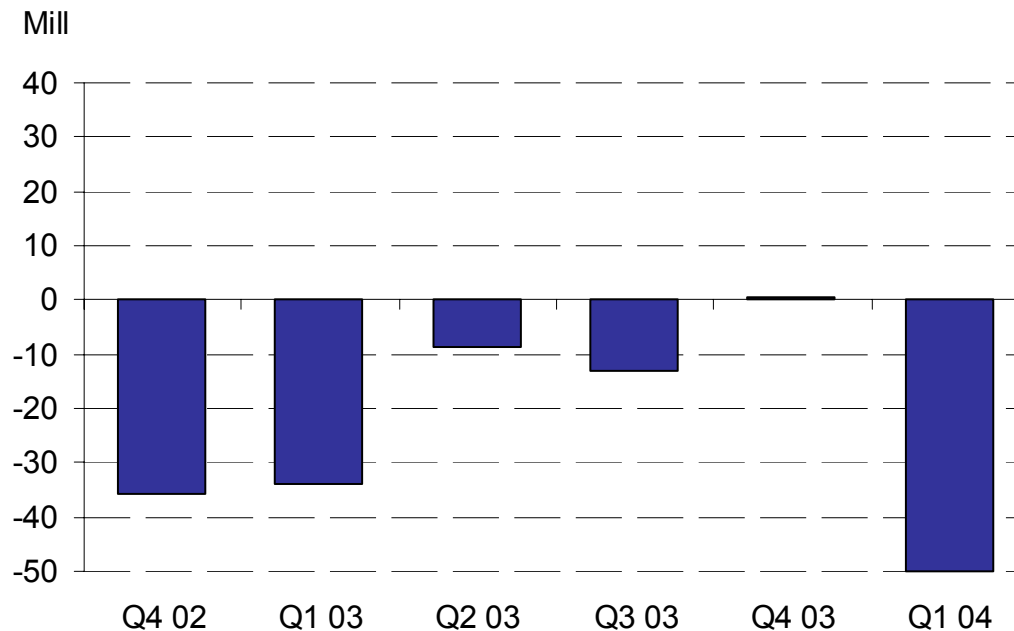
Turnover up 55% from Q1 2003

- 236 Mill NOK in turnover in Q1 2004, compared to 153 in Q1 2003
- 90% increase in passenger volume from Q1 2003. (400.000 passengers in Q1 2004, 210.000 in Q1 2003)
- Growth driven by increased production
- Rapid expansion accomplished with continuously higher load-factor



EBITDA level as expected

- EBITDA result of -49.9 MNOK in Q1 2004, versus -34 MNOK in Q1 2003
- EBITDA result includes 6 MNOK in “one offs”
- “One offs” relates to:
 - 2.5 MNOK in additional costs for redelivery of leased Fokker F-50 planes
 - 3.5 MNOK in additional costs on pre-sold tickets due to introduction of VAT on public transportation from march 01.



Increase in cash holdings

- Positive cash flow from operations of 12.2 MNOK, driven by high pre-sales levels for spring / summer-travel
- Sold off 3 financially leased Fokker F-50 planes and made down payment of related debt

Cash Flow statement

	First Quarter		2003
	2004	2003	
Operating activities	12 208	32 751	61 498
Investments	18 814	-4 829	-28 637
Financial activities	-20 652	-3 143	217 938
Net change	10 370	24 779	250 799
Cash balance per 1 January	314 036	63 237	63 237
Cash balance per 31 March	324 407	88 016	314 036

Strong financial position





- Total assets of 560 MNOK
- Cash position of 324 MNOK.
IPO proceeds constitutes 235 MNOK
- Equity-share of 40%

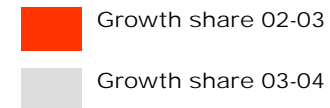
First Quarter					
FIXED ASSETS	2004	2003	EQUITY	2004	2003
Intangible assets	78 844	30 254			
Tangible fixed assets	26 612	57 743	Paid-in equity	263 532	71 157
Financial fixed assets	13 988	13 014	Retained earnings	-40 043	9 723
TOTAL FIXED ASSETS	119 445	101 011	TOTAL EQUITY	223 490	80 880
CURRENT ASSETS			LIABILITIES		
Material and consumables	3 874	8 599	Provisions	35 359	14 933
Receivables	113 037	85 724	Other long-term liabilities		29 770
Cash and bank deposits	324 407	88 016	Current liabilities	301 915	157 766
TOTAL CURRENT ASSETS	441 318	182 339	TOTAL LIABILITIES	337 273	202 470
TOTAL ASSETS	560 763	283 350	TOTAL EQUITY AND LIABILITIES	560 763	283 350
			No of shares	18085230	79021
			Nominal share value	0,1	13

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Expansion concluded

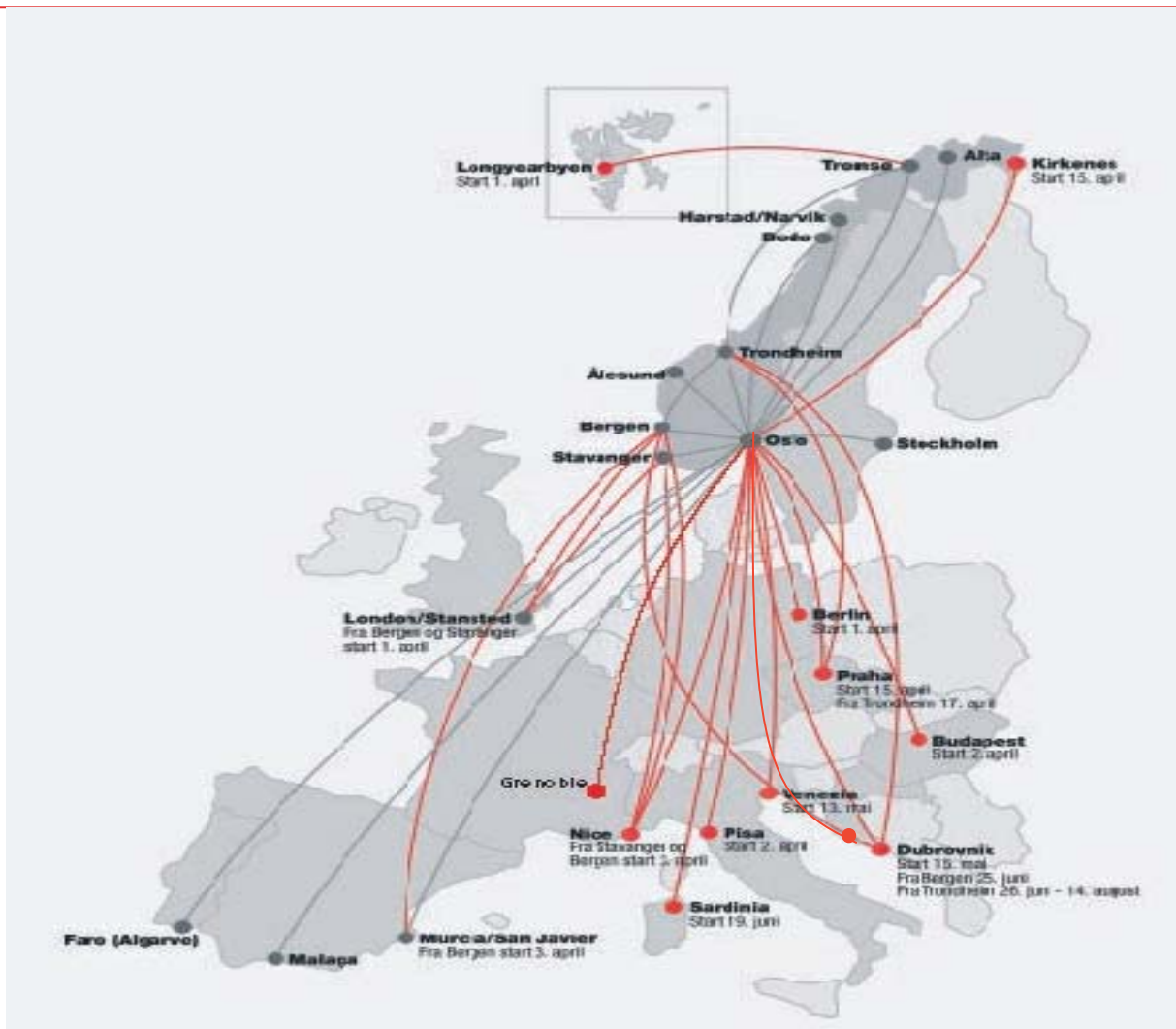
	Sept. 02	Sept. 03	Sept. 04	
Fleet	6	8	11	 83%
Airborne hours (ABH)	769	1 311	2345 (1)	 205%
Avail. Seat Kilom. (ASK) (mill)	57	119	243 (1)	 326 %
Manyears	254	300	400	 57 %
Number of passangers	65 879	129 298		
Loadfactor (RPK/ASK)	51 %	64 %		
Share of Norwegian market	~5%	~10%		



(1) Subject to change

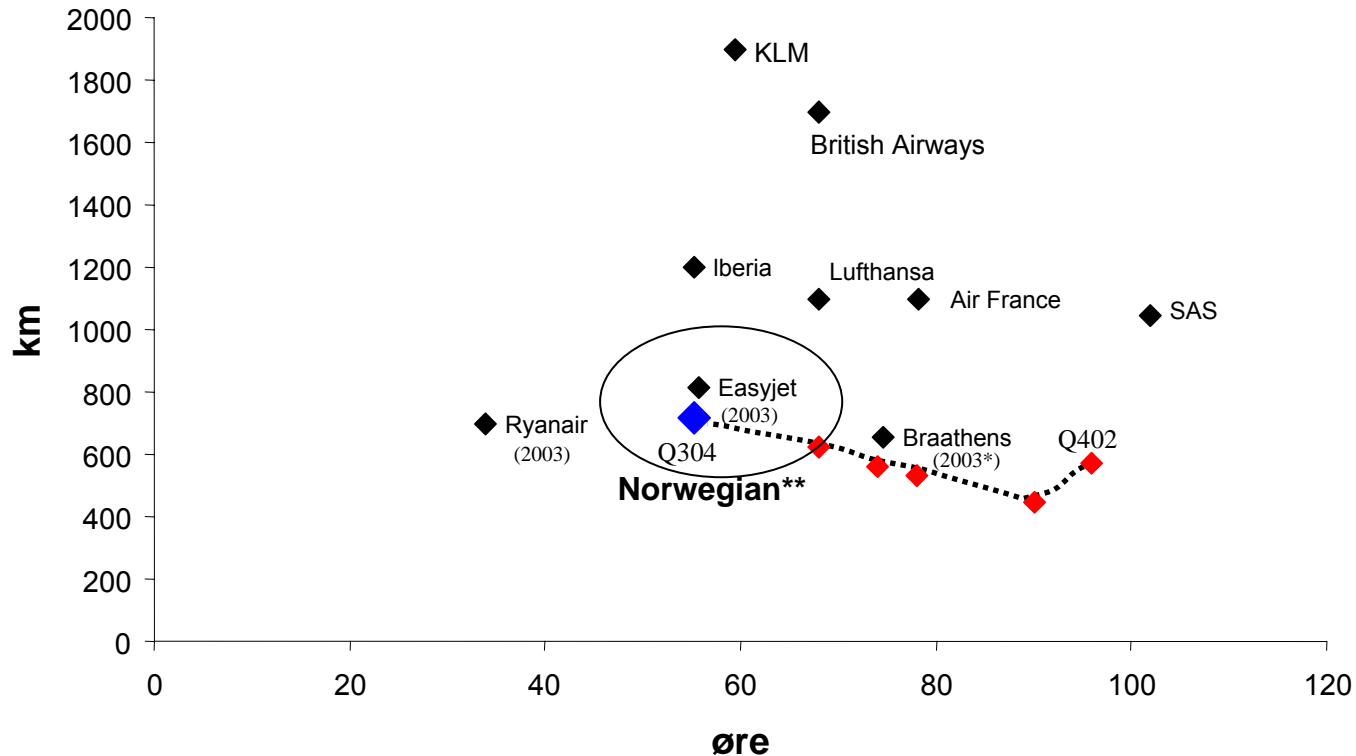


33 routes by end June 2004



Low cost position established

Cost / ASK versus average sector length (1)



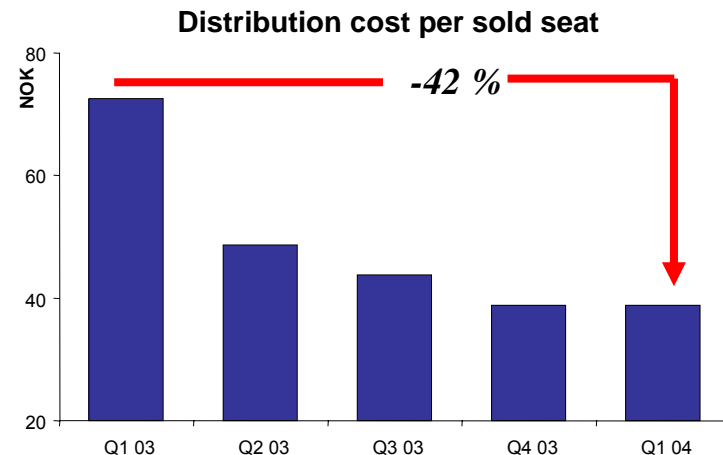
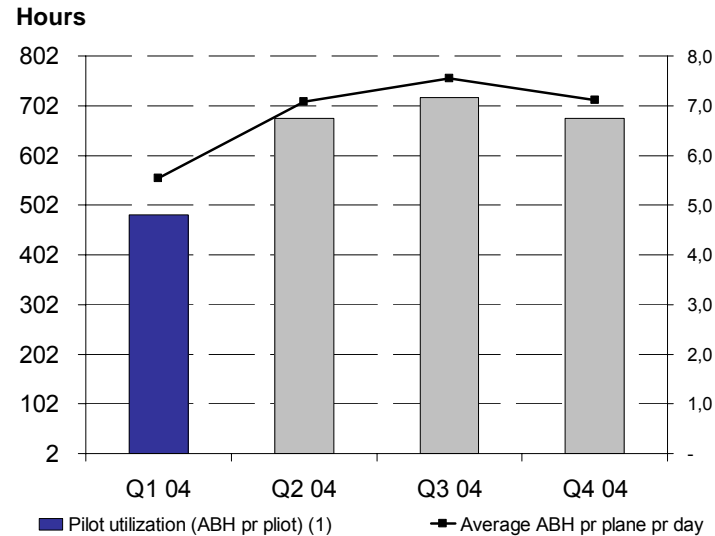
(1) Source: Goodbody Stockbrokers & Annual Reports. 2002 numbers unless specified

11 *) Braathens numbers ex. lease costs

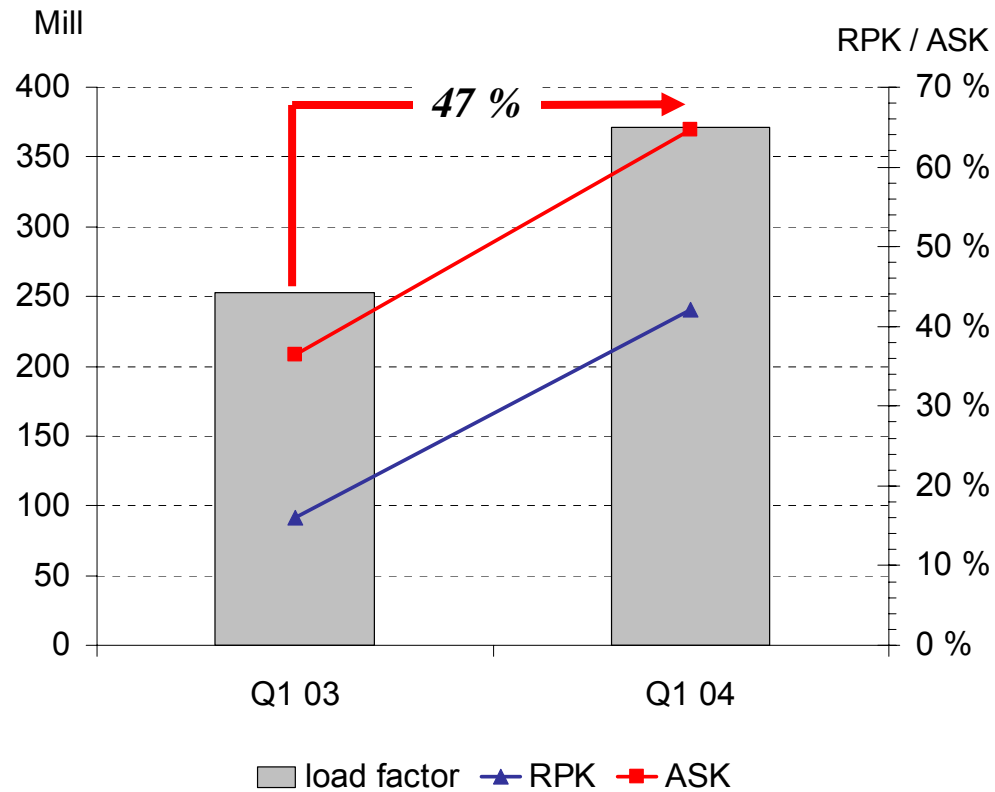
***) Norwegian numbers with lease costs included, constitutes ~6 øre/ASK

Increasing efficiency further

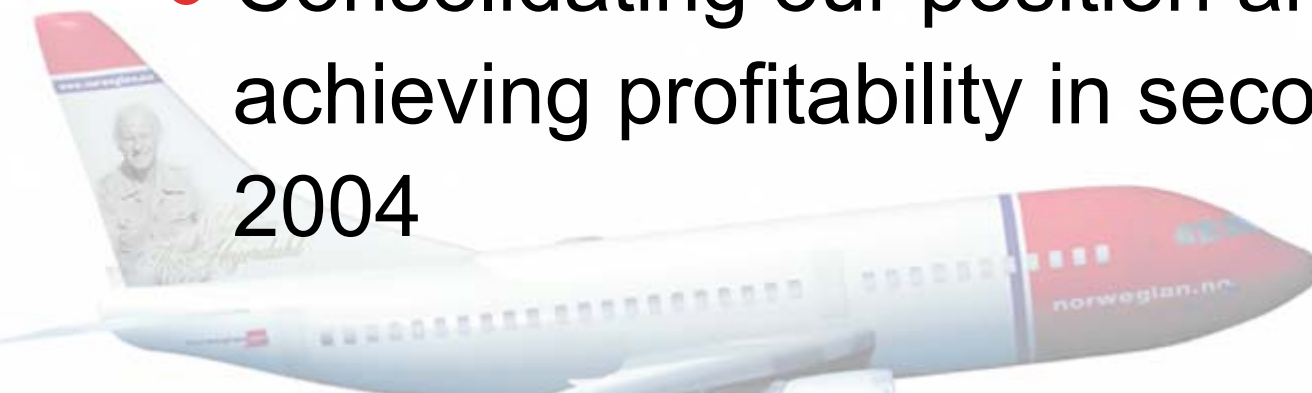
- ABH per pilot is expected to increase from 500 to 700 during 2004
- ABH per plane per day is expected to increase from 5.5 to more than 7 hours during 2004
- Distribution costs per sold seat has gone down with more than 40 % since Q1 2003
- Distribution costs has mainly been reduced due to ticket-less travel and higher internet penetration



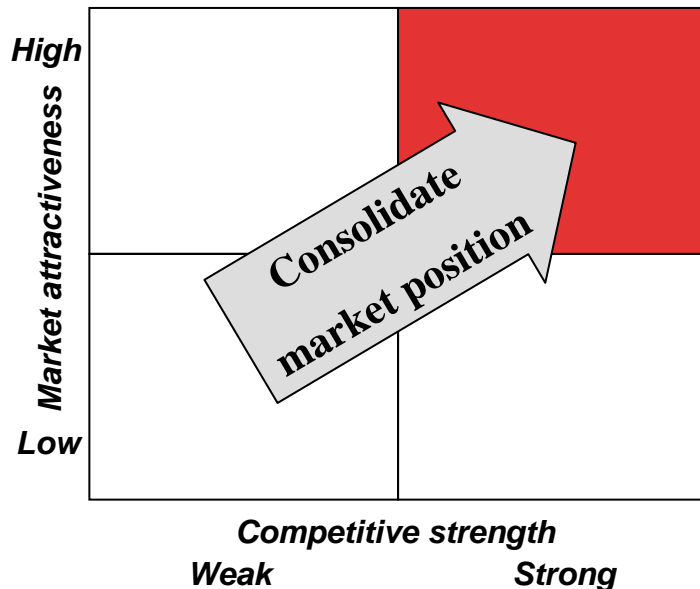
47 % increase in load factor



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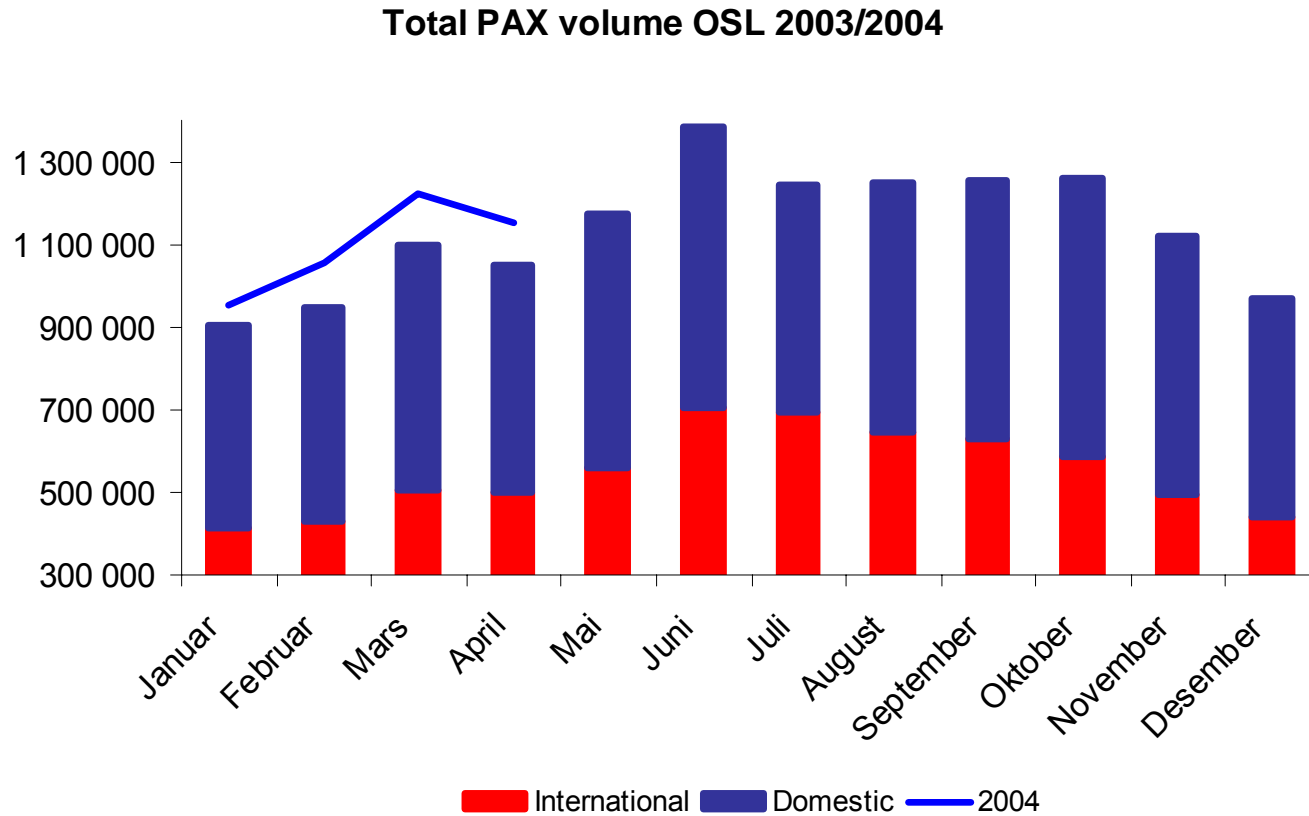


Focus is on consolidating our domestic market position



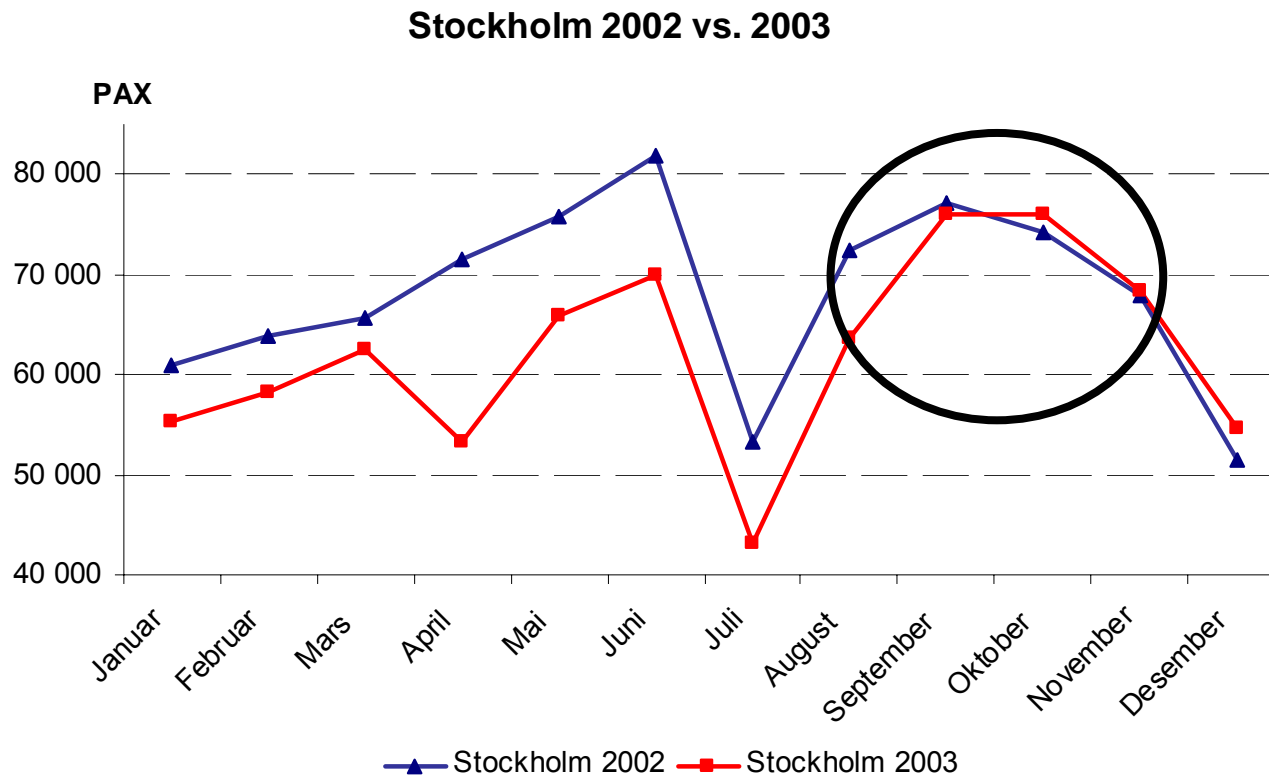
- Optimize domestic production programme with current fleet
- Improve product / timetable in "peak-period" on key domestic routes
- Focus on maintaining market shares and managing yield levels on key domestic routes
- Actively optimize excess capacity utilization

Seasonal variations expected to positively effect load-factors



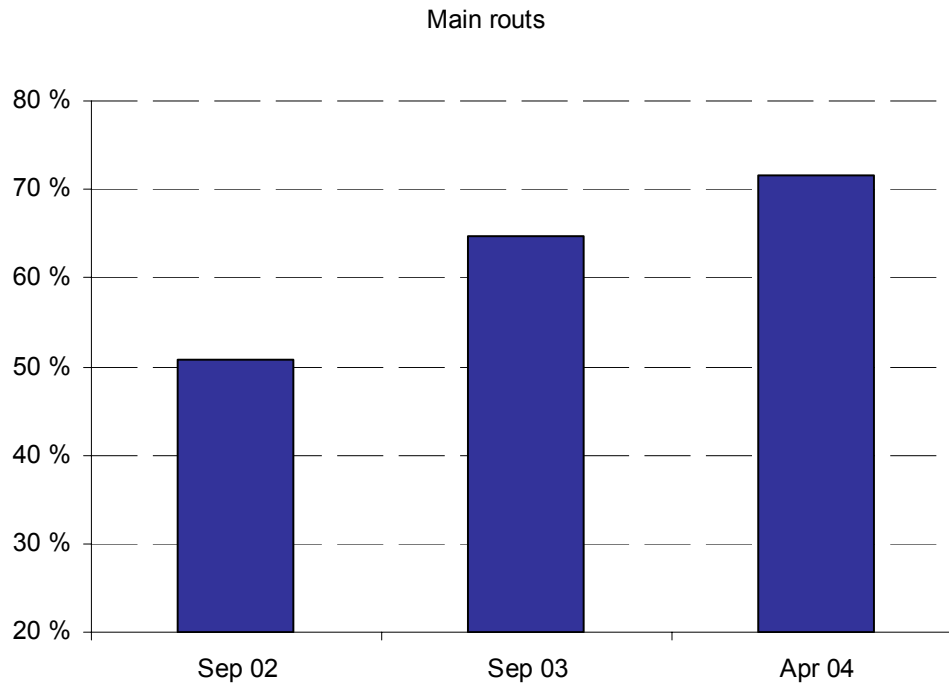
Lower prices stimulates demand

- Norwegian commenced Oslo – Arlanda on September 1, 2003



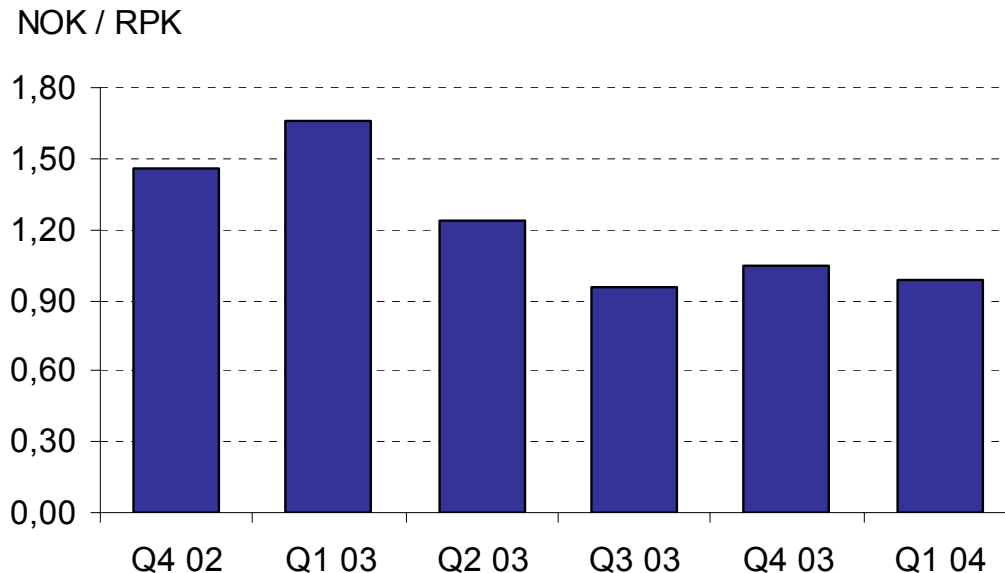
Our route portfolio matures

- Load-factor development on 4 main domestic routes since start-up (Stavanger, Bergen, Trondheim and Tromsø)



Aggressive pricing hits yield

- Yield levels will continue to fall as a consequence of longer flights in 2004: the average sector length is expected to increase from 60 min in January to more than 70 min for the full year
- Domestic price campaigns impacted yield levels in Q1. Continued price campaigns domestically and aggressive competitor pricing is expected to put further pressure on the yield
- Increased demand, maturity and optimization of production should increase average price without affecting low-fare position



2004 expected to be somewhat better than 2003

- A continued price pressure domestically, will lead to an EBITDA level for Q2 which is somewhat better than Q1
- Higher passenger volumes and continued competitor-driven price pressure is expected for Q3 & Q4
- If the current price pressure prevails for the whole year, a negative EBITDA level for 2004 is expected, although somewhat better than the result in 2003

Summary:

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