Norwegian Air Shuttle ASA

Q4 2011 Presentation

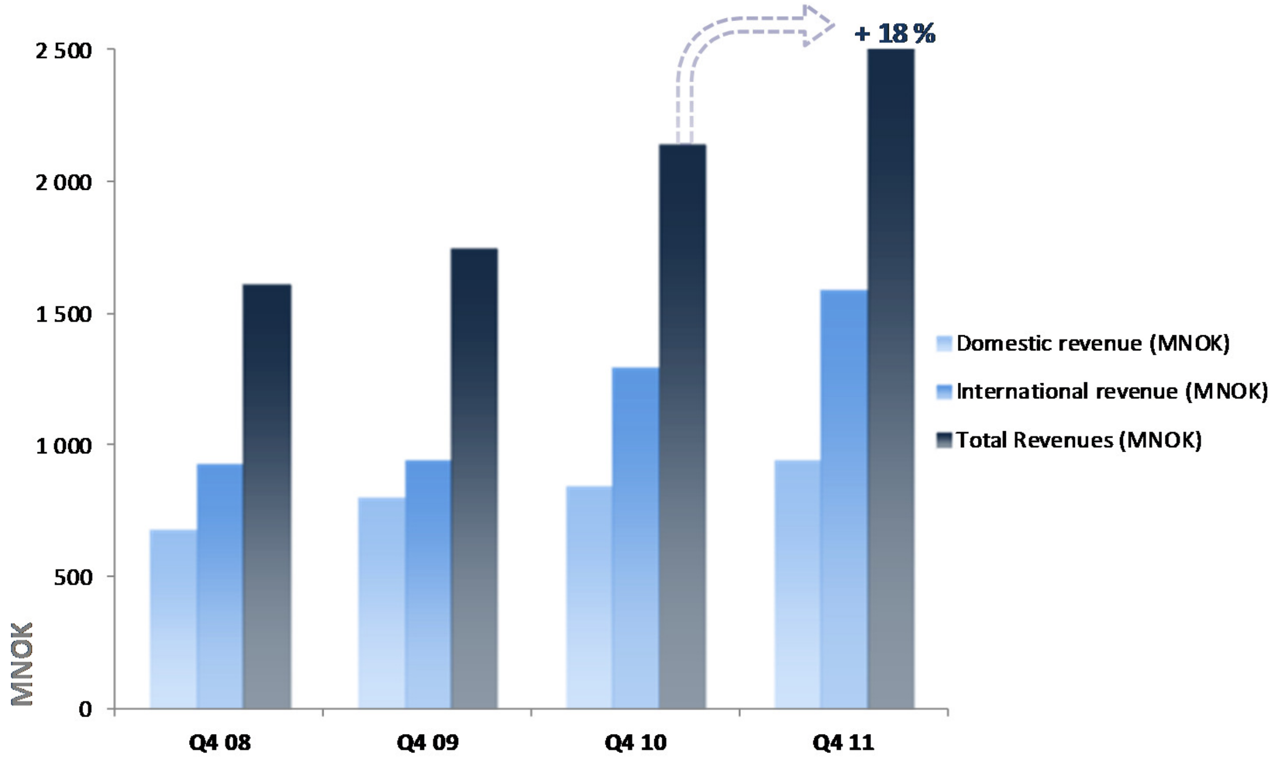
February 16th 2012

CEO Bjørn Kjos

norwegian.com

Double digit revenue growth in Q4

- Group revenues of MNOK 2,536 in Q4 2011

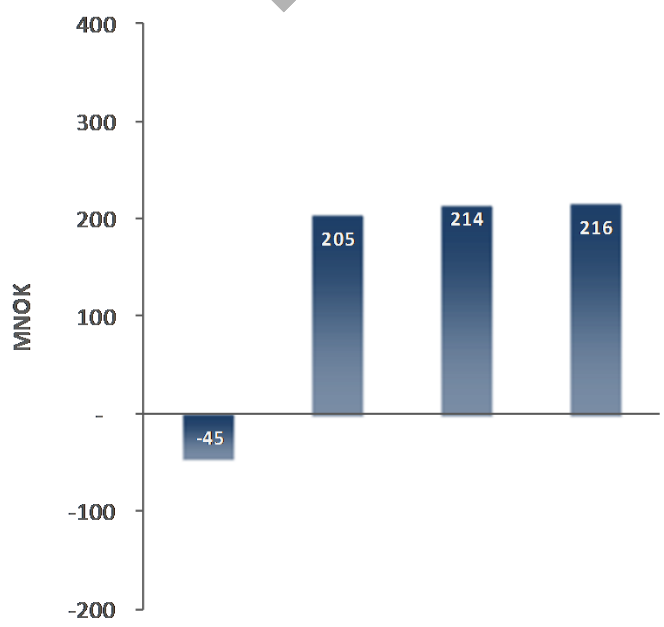


Revenues	1 615	1 750	2 145	2 536
Domestic revenue	684	804	848	947
% y.o.y. chg	*39 %*	*18 %*	*5 %*	*12 %*
International revenue	931	946	1 297	1 589
% y.o.y. chg	*43 %*	*2 %*	*37 %*	*22 %*

EBITDA break-even in seasonally slow quarter

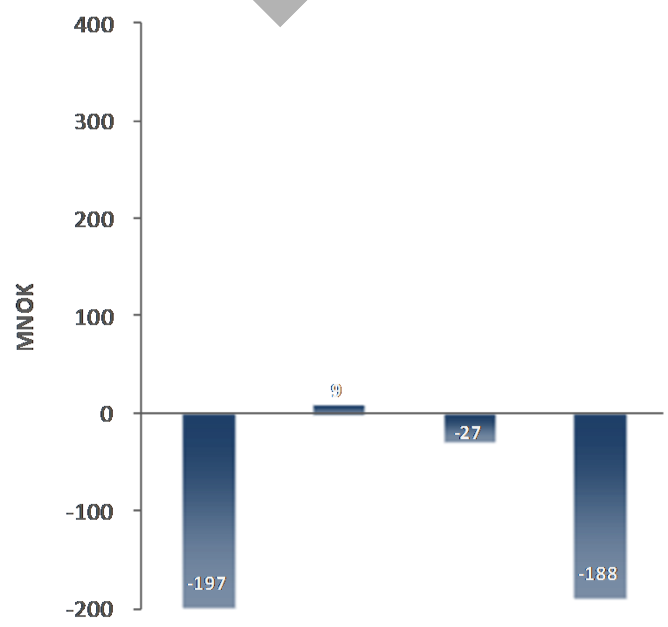
–	**EBITDAR**	**MNOK**	**+ 216**	**(214)**
–	EBITDA	MNOK	+ 2	(14)
–	EBIT	MNOK	- 85	(-32)
–	**Pre-tax profit (EBT)**	**MNOK**	**- 188**	**(-27)**
–	Net profit	MNOK	- 133	(-24)

EBITDAR development Q4



	Q4 08	Q4 09	Q4 10	Q4 11
EBITDAR margin	-3 %	12 %	10 %	9 %

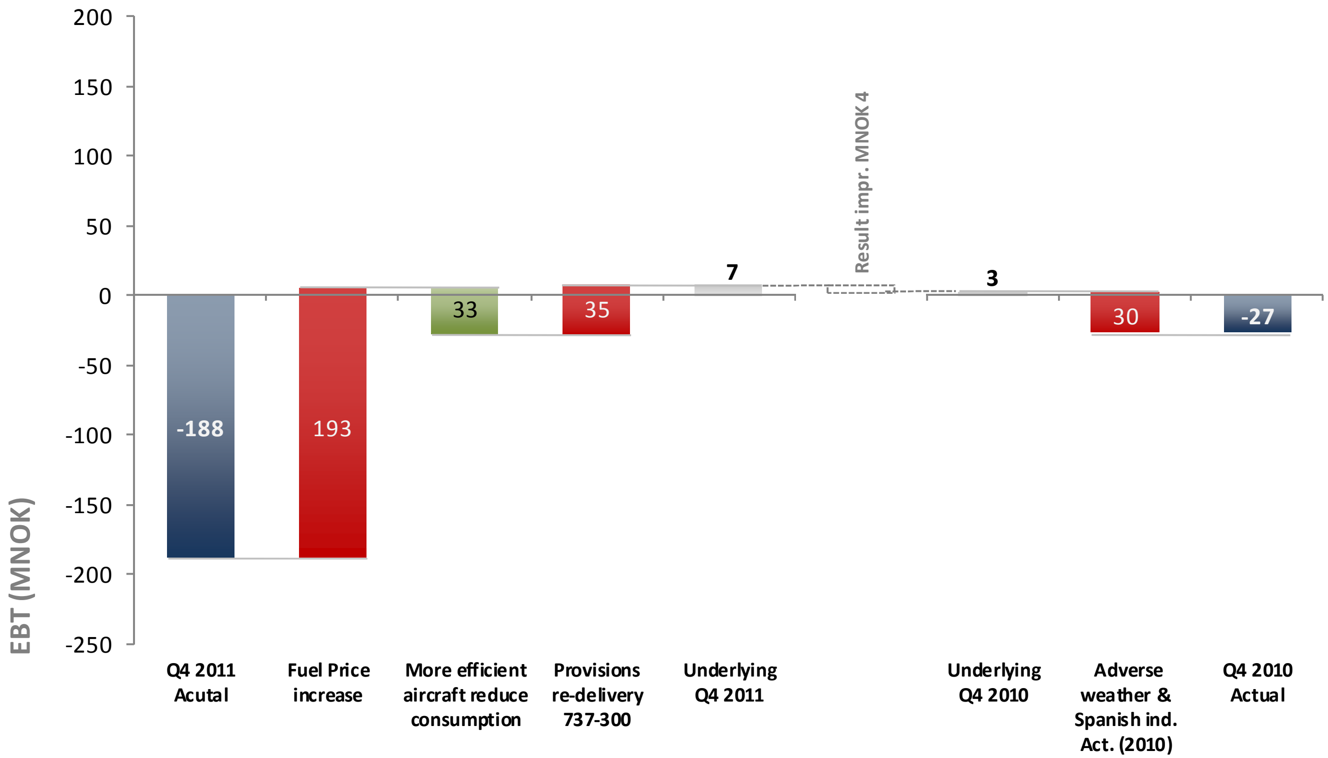
EBT development Q4



	Q4 08	Q4 09	Q4 10	Q4 11
EBT margin	-12 %	0 %	-1 %	-7 %

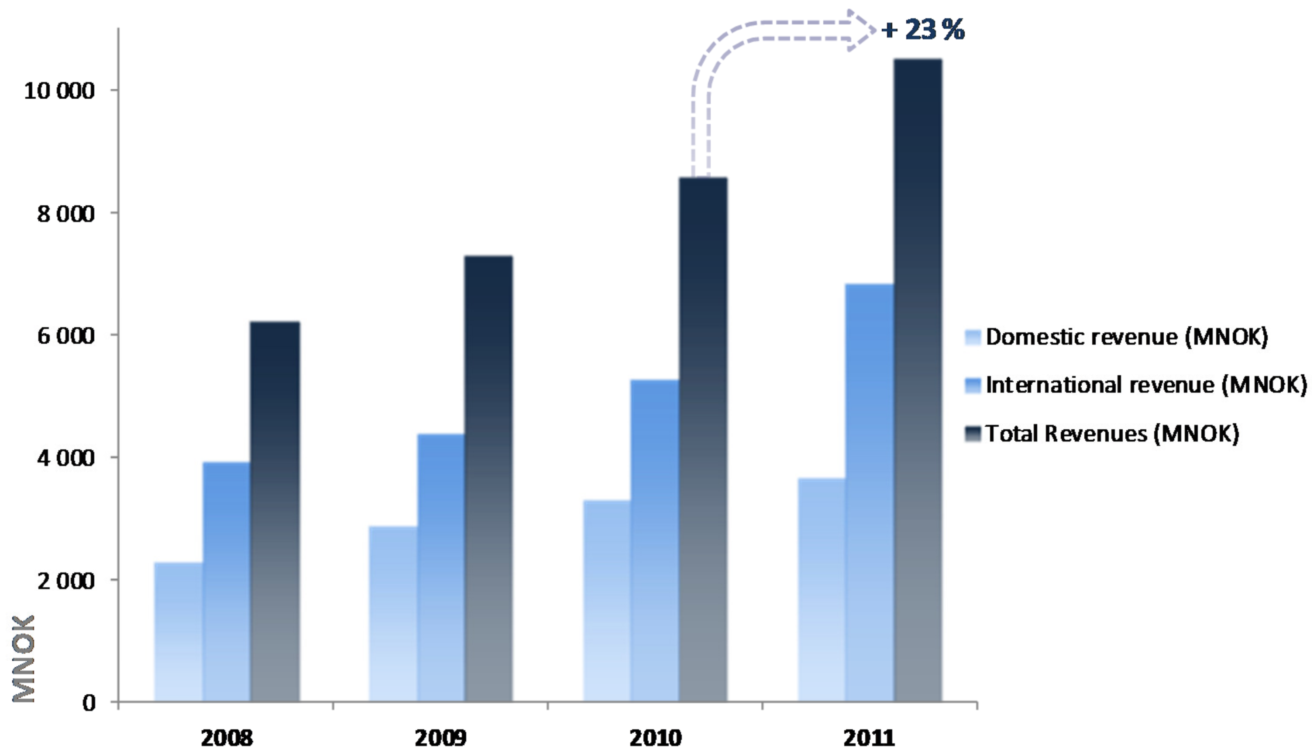
Underlying EBT improvement of MNOK 4

- Fuel price up 36 % since last year – equivalent to MNOK 193
- More efficient aircraft saves MNOK 33 in fuel cost
- MNOK 35 accumulated maintenance provisions for re-delivery of 737-300's



Revenue growth of 1.9 billion in 2011

- Annual turnover of MNOK 10,532

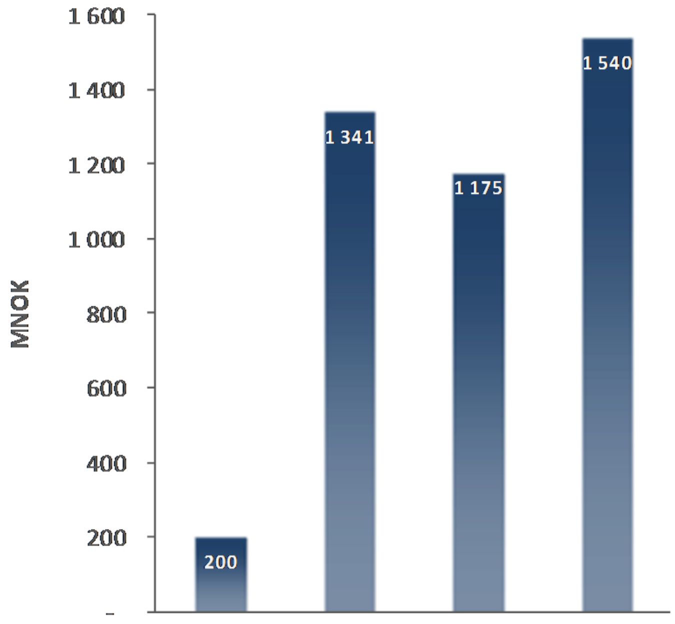


Revenues	6 226	7 309	8 598	10 532
Domestic revenue	2 295	2 900	3 316	3 667
% y.o.y. chg	*28 %*	*26 %*	*14 %*	*11 %*
International revenue	3 931	4 409	5 282	6 866
% y.o.y. chg	*61 %*	*12 %*	*20 %*	*30 %*

2011 pre-tax profit of MNOK 167

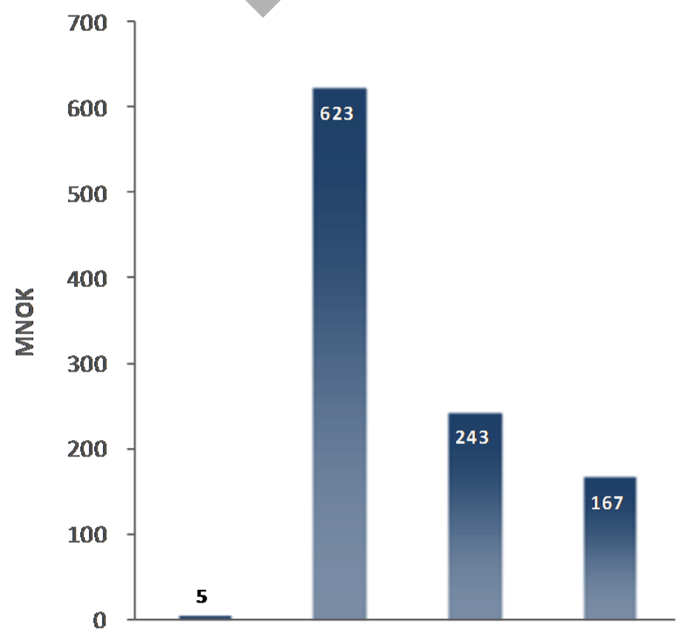
EBITDAR	**MNOK**	**+ 1,540**	**(+ 1,175)**
EBITDA	MNOK	+ 710	(+ 397)
EBIT	MNOK	+ 416	(+ 210)
Pre-tax profit (EBT)	**MNOK**	**+ 167**	**(+ 243)**
Net profit	MNOK	+ 122	(+ 171)

EBITDAR (full year)



	2008	2009	2010	2011
EBITDAR margin	3 %	18 %	14 %	15 %

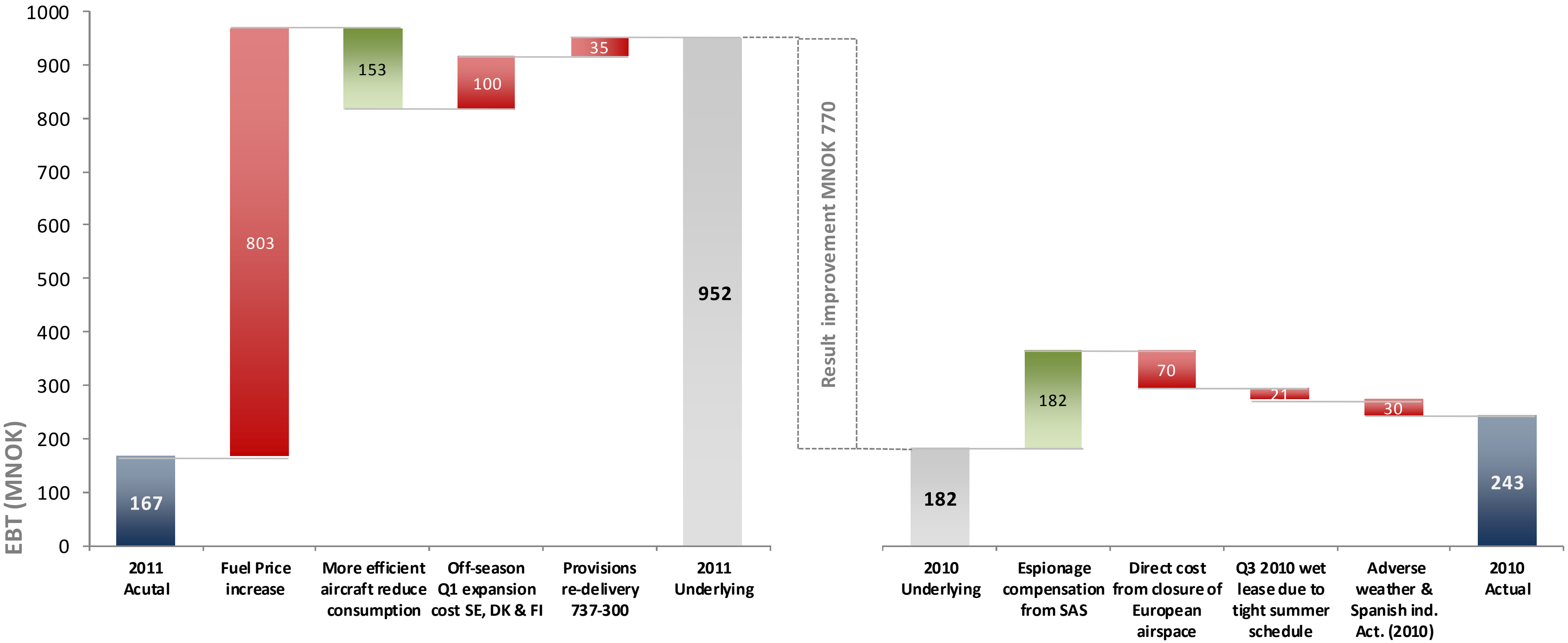
EBT (full year)



	2008	2009	2010	2011
EBITDA margin	0 %	9 %	3 %	2 %

2011 underlying pre-tax profit improvement of MNOK 770

- Fuel price up 41 % since last year – equivalent to MNOK 803
- More efficient aircraft saves MNOK 153 in fuel cost
- Non-lean items accounted for MNOK 135



Cash and cash equivalents of 1.1 billion

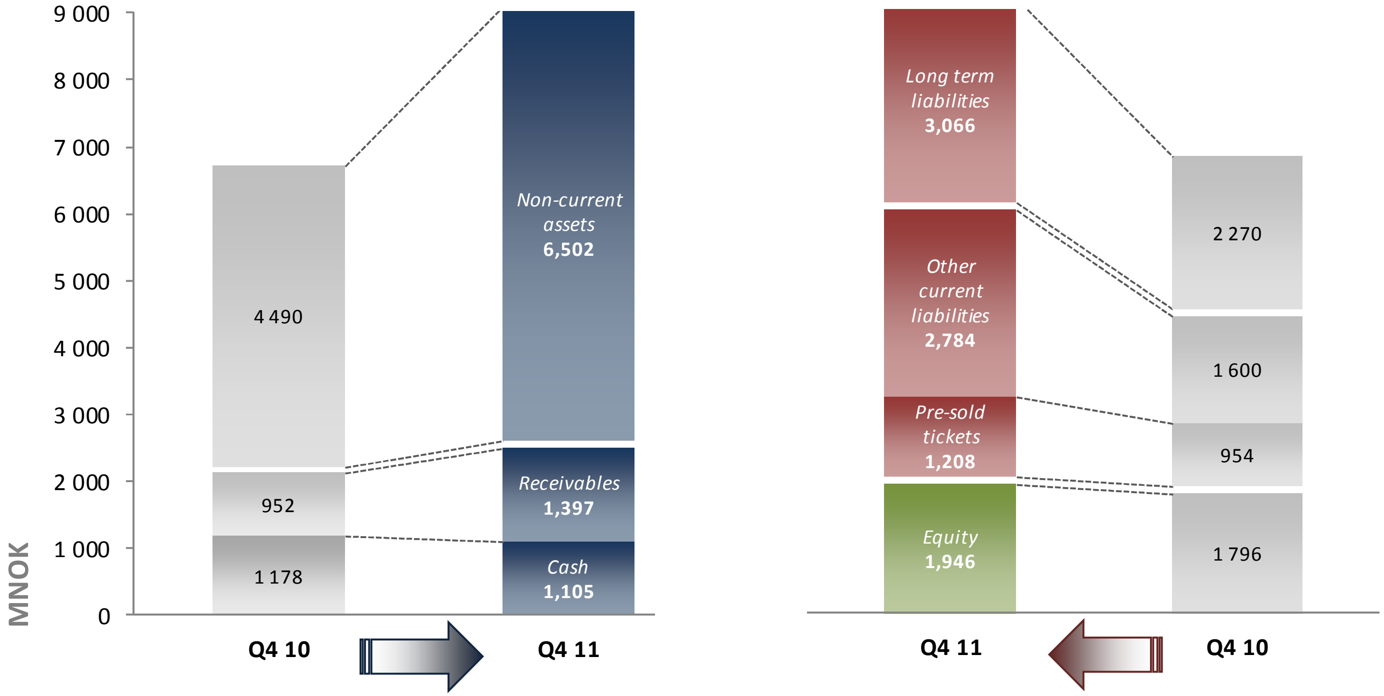
- Cash flows from operations in Q4 2011 — MNOK -73 (+158)
  - MNOK 180 espionage compensation from SAS last year
  - MNOK 188 improved collection of receivables last year
- Cash flows from investing activities in Q4 2011 — MNOK -483 (-450)
- Cash flows from financing activities in Q4 2011 — MNOK +232 (+289)
- Cash and cash equivalents at period-end — MNOK +1,105 (+1,178)

Condensed Consolidated Statement of Cash Flow (unaudited)

	Quarter ended Dec 31		YTD Dec 31		Year ended Dec 31
(Mill. NOK)	2011	2010	2011	2010	2010
Net cash flows from operating activities	-73.3	158.2	673.7	820.1	820.1
Net cash flows from investing activities	-482.8	-450.0	-2,189.5	-1,863.4	-1,863.4
Net cash flows from financial activities	232.1	289.3	1,442.2	813.9	813.9
Foreign exchange effect on cash	-0.6	-0.2	0.1	-0.6	-0.6
Net change in cash and cash equivalents	-324.7	-2.6	-73.5	-230.1	-230.1
Cash and cash equivalents in beginning of period	1,429.6	1,181.0	1,178.4	1,408.5	1,408.5
Cash and cash equivalents in end of period	1,104.9	1,178.4	1,104.9	1,178.4	1,178.4

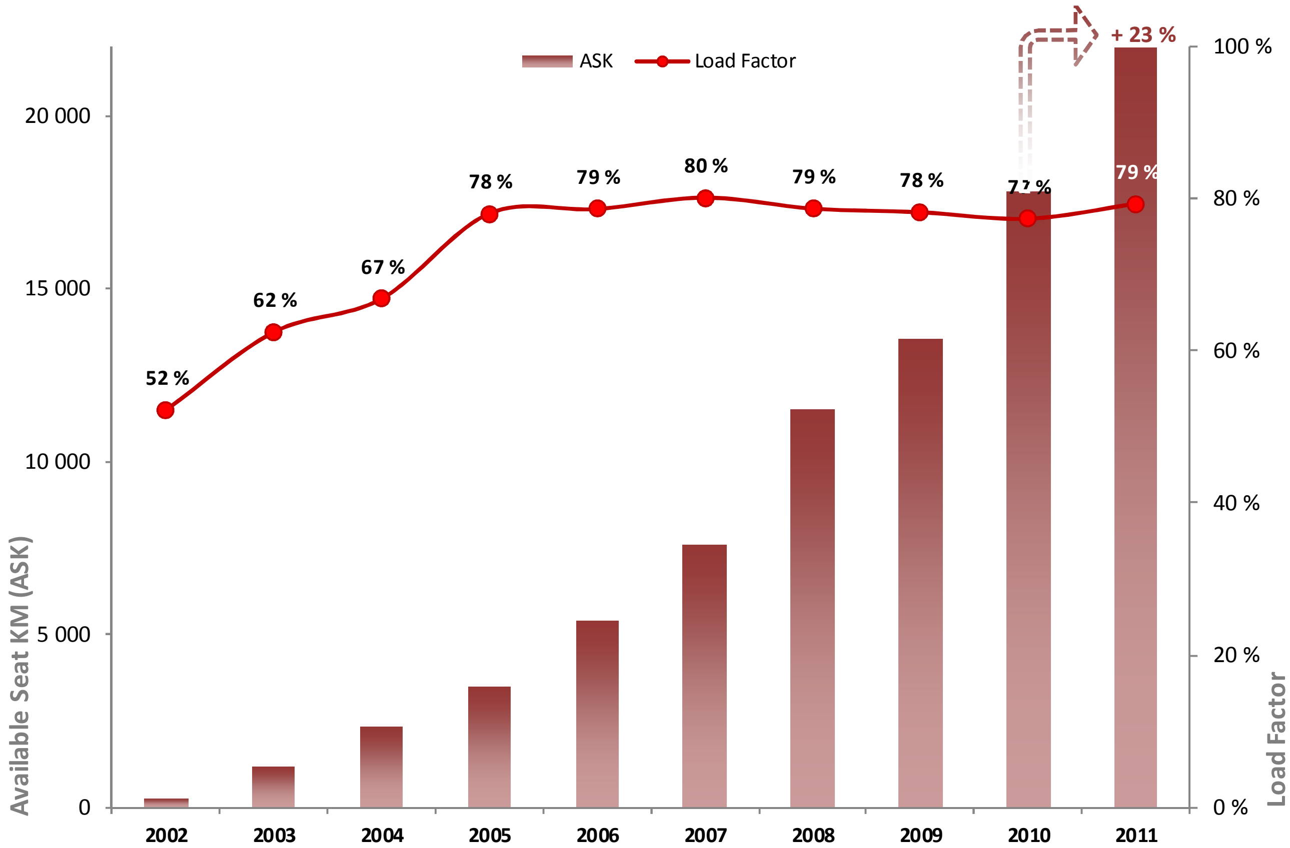
Group equity improved by MNOK 150 compared to last year

- Total balance of NOK 9.0 billion
- LT debt NOK 2.7 billion – net LT debt NOK 1.6 billion
- Equity of NOK 1.9 billion at the end of the fourth quarter
- Group equity ratio of 22 % (27 %)



Traffic growth of 26 % in 2011

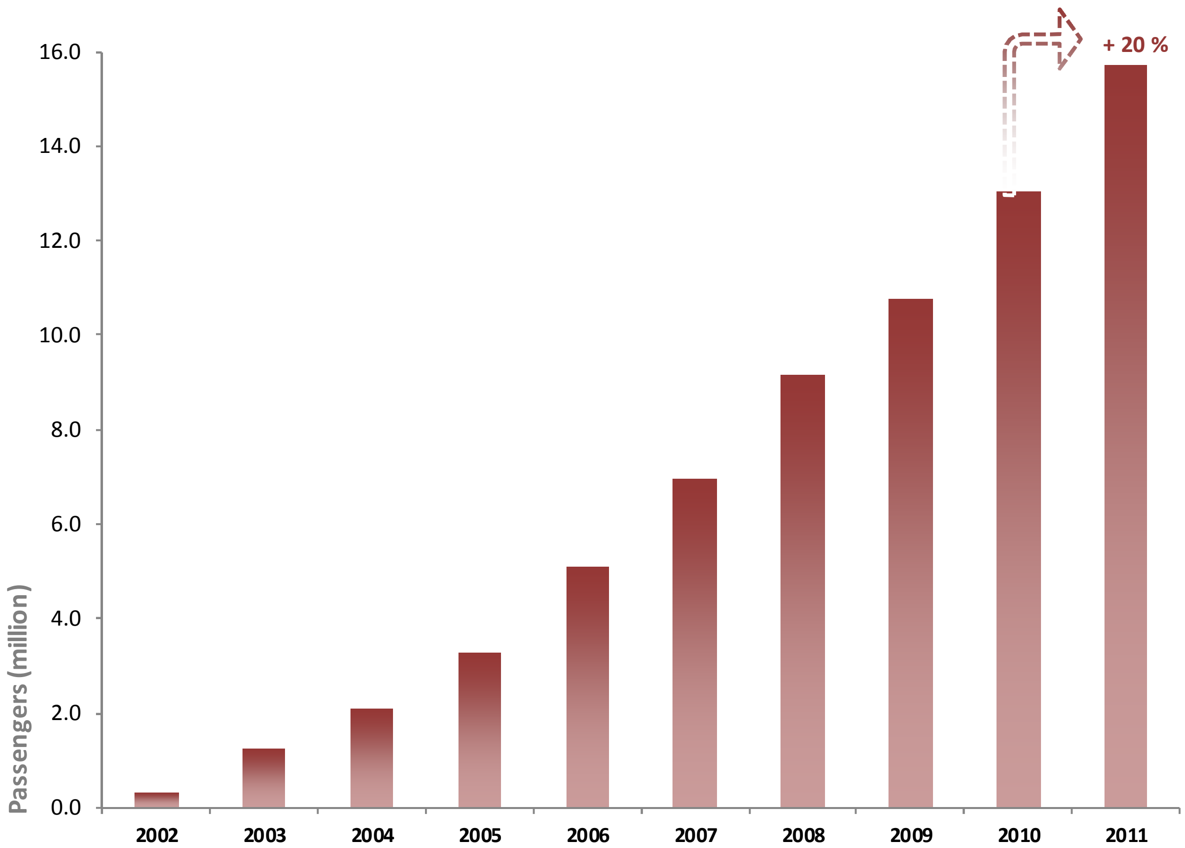
- Load up 2 p.p. despite capacity growth of 23 %
- Unit revenue (RASK) up 2 %



ASK	248	1 149	2 301	3 464	5 371	7 560	11 530	13 555	17 804	21 958
Load Factor	52 %	62 %	67 %	78 %	79 %	80 %	79 %	78 %	77 %	79 %

15.7 million passengers in 2011

- An increase of 2,670,000 passengers

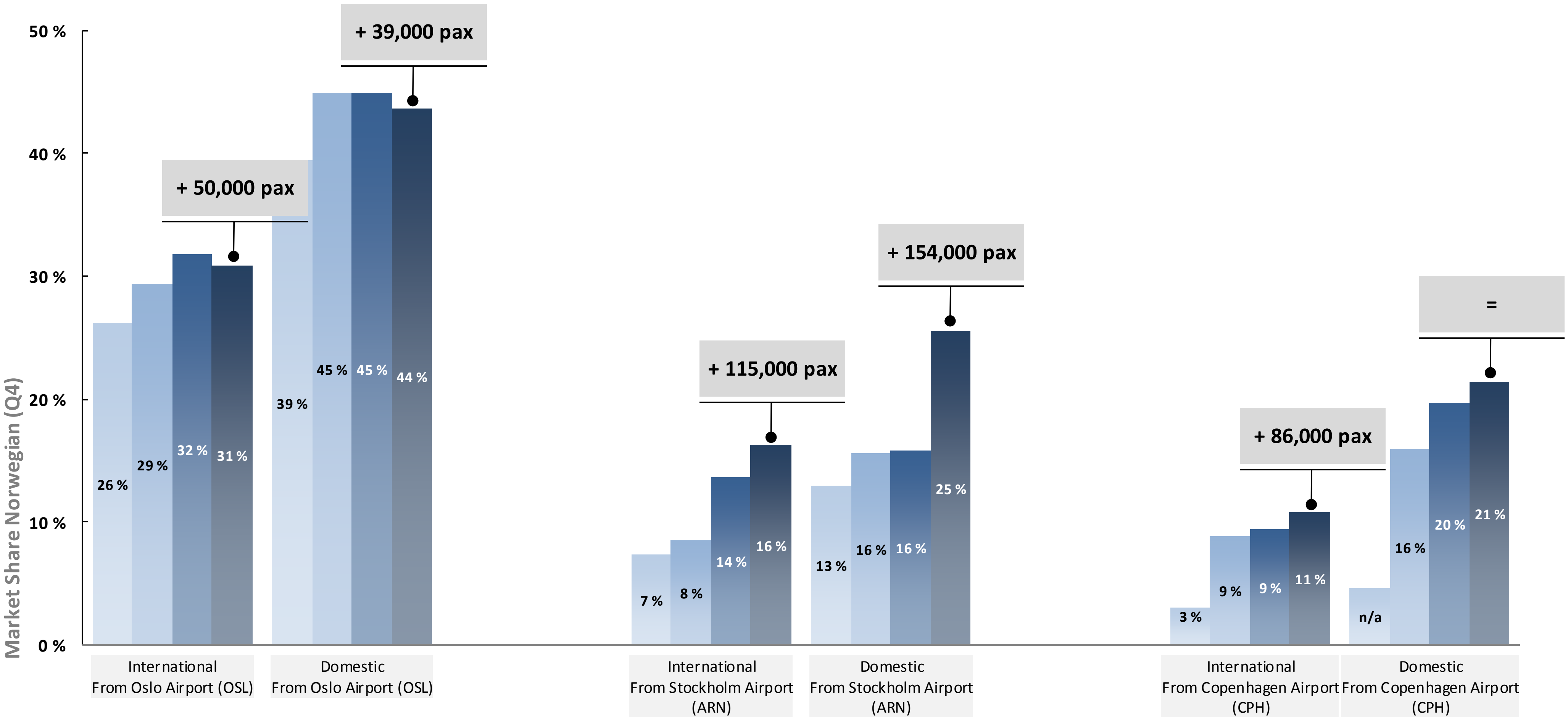


Pax (mill)	0.3	1.2	2.1	3.3	5.1	6.9	9.1	10.8	13.0	15.7

Largest share of growth outside Norway

Newly started base in Helsinki with 300,000 passengers in Q4

Norwegian in Oslo + 89,000 pax	Norwegian in Stockholm + 269,000 pax	Norwegian in Copenhagen + 86,000 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



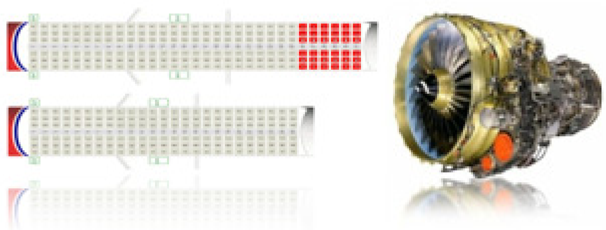
Norwegian aiming for CASK NOK 0.30 excluding fuel

Scale economies

- Uniform fleet of Boeing 737-800s
- Overheads

New more efficient aircraft

- Flying cost of 737-800 <u>lower</u> than 737-300
- 737-800 has 38 “free” seats
- 4 % lower unit fuel consumption in Q4



Growth adapted to int’l markets

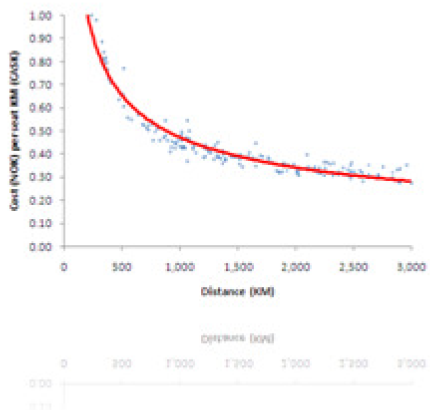
- Cost level adapted to local markets
- Outsourcing/ Off-shoring

Crew and aircraft utilization

- Rostering and aircraft slings optimized
- Q4 utilization of 10.6 BLH pr a/c

Optimized average stage length

- Fixed costs divided by more ASKs
- Frequency based costs divided by more ASKs
- Q4 stage length up by 1 %

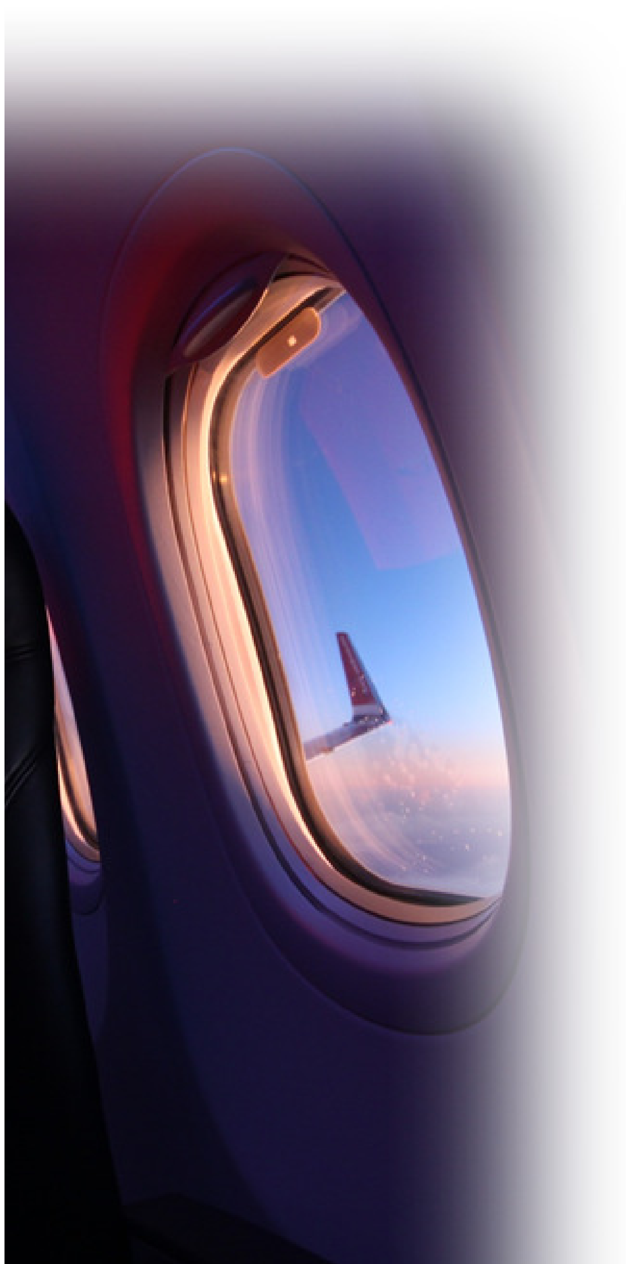


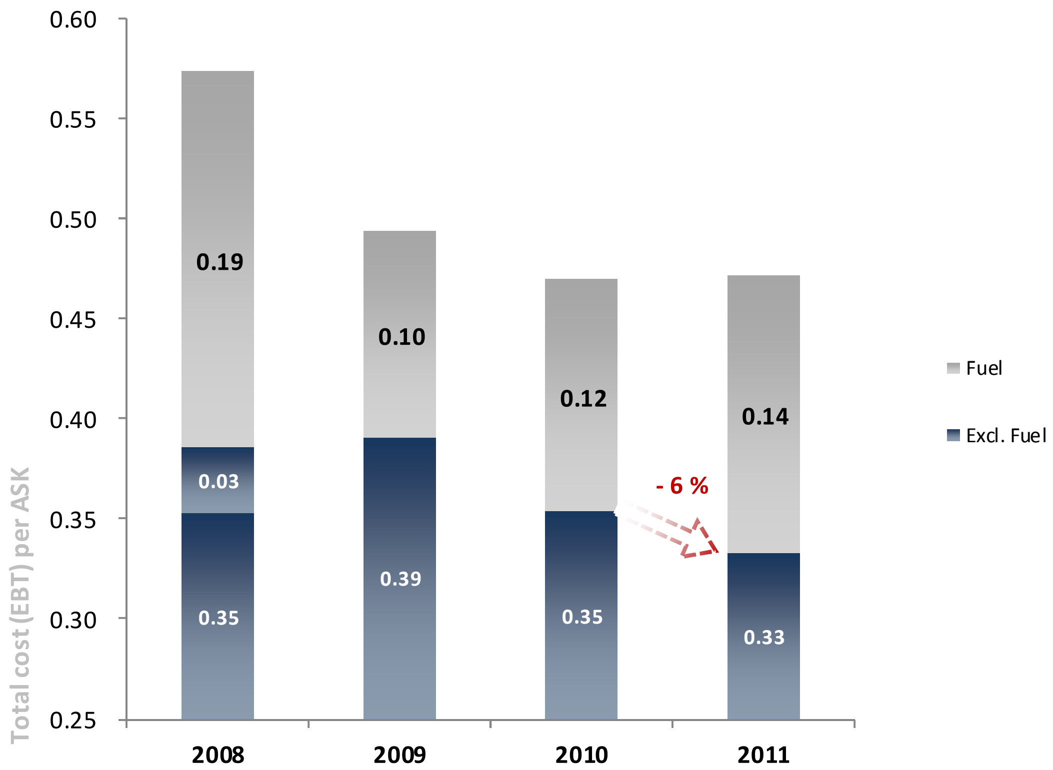
Automation

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

Underlying unit cost incl. depreciation & interest expense down 6 %

- Unit cost flat in spite of 41 % higher fuel price
- More efficient aircraft saved MNOK 153 in fuel cost in 2011

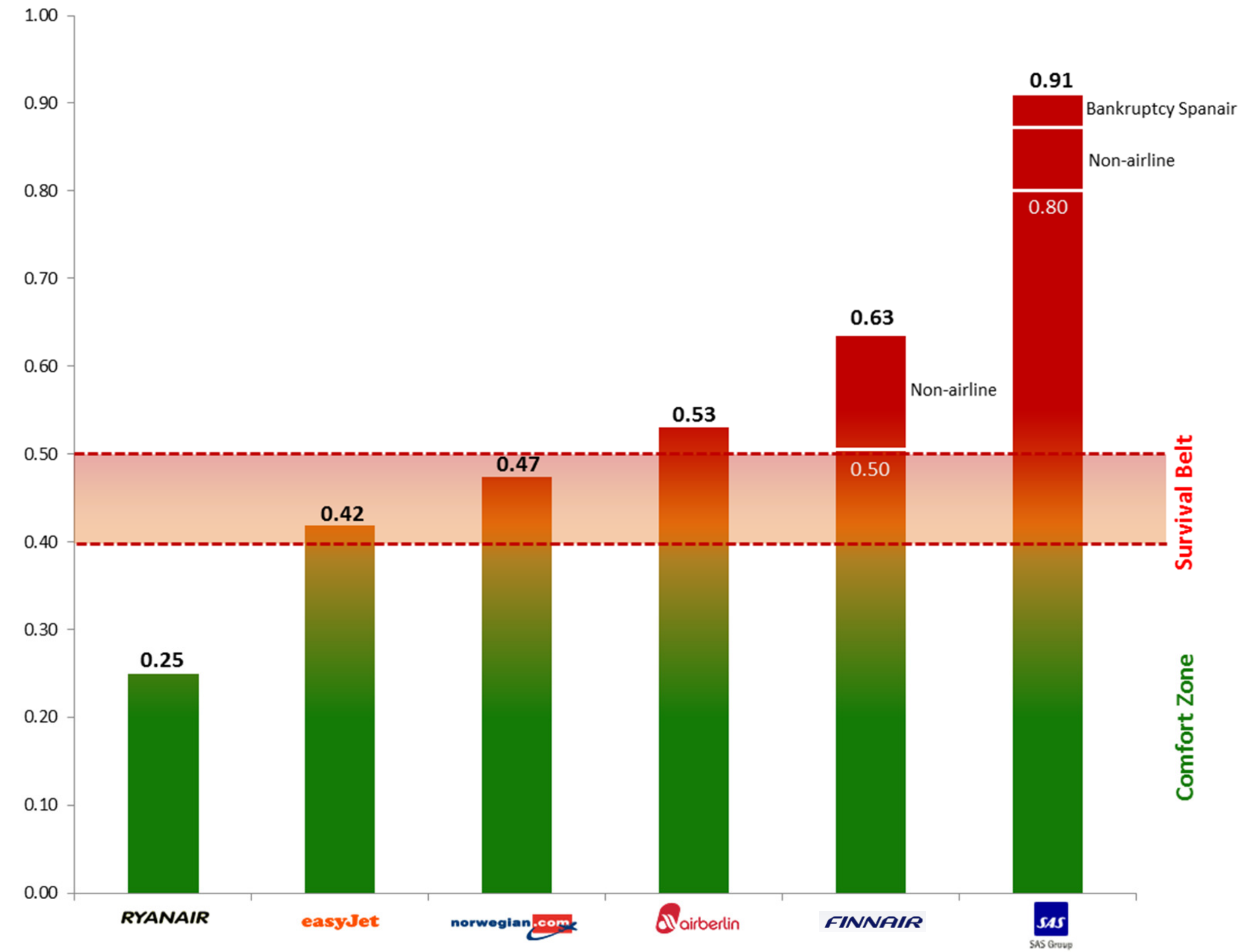




	2008	2009	2010	2011
Total cost per ASK (NOK)	**0.54**	**0.49**	**0.47**	**0.47**
Excl. fuel & hedge gain	0.39	0.39	0.35	0.33

Norwegian positioned in the cost “Survival Belt” – a prerequisite for self sustainability

Aiming for the “Comfort Zone”

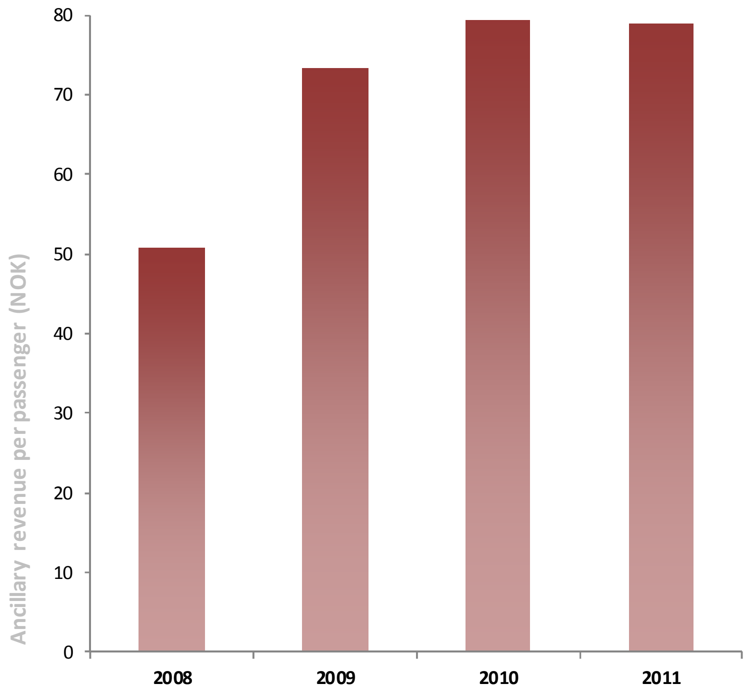


Sources: SAS Group year-end report 2011 & Annual Report 2010, Finnair Plc. year-end report 2011 and Annual Report 2010, Ryanair Annual Report 2011, easyJet year-end report 2011, Air Berlin Annual Report 2010 and Norwegian’s estimations

- 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). Here represented including depreciation and interest expenses.
- Air Berlin: Based on 2010 financial figures as 2011 financial statements were not available on the date calculations were made..
- 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 2010 annual report are classified as “non-airline” and are deducted from airline operating expenses.
- SAS Group’s figures are unadjusted for “restructuring costs” and “one-offs” as both items have 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

Ancillary revenues remains a significant contributor

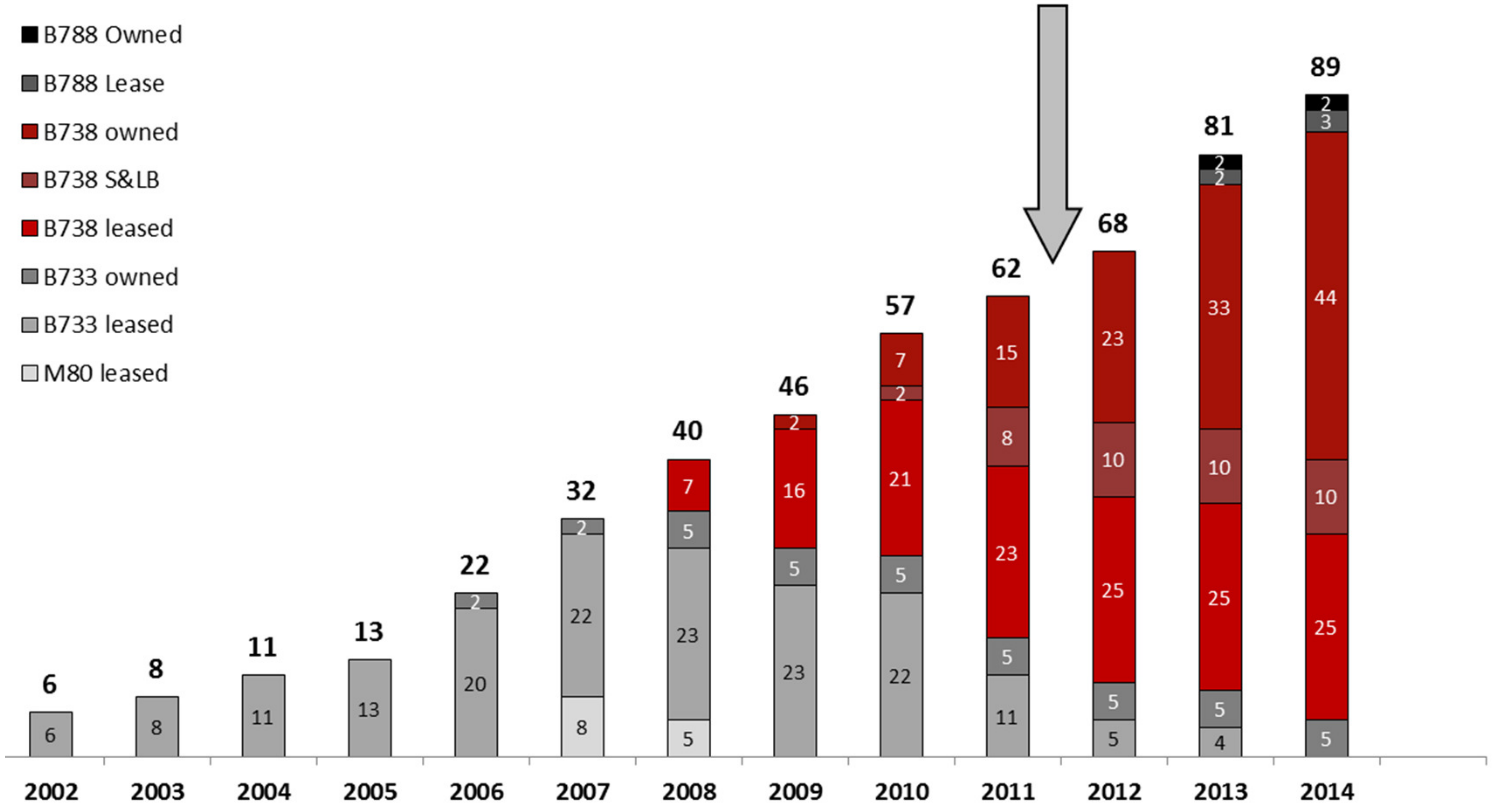
- Ancillary revenue comprises 12 % of 2011 revenues



	2008	2009	2010	2011
Ancillary revenue/ scheduled pax	**51**	**73**	**79**	**79**
Ancillary revenue/ all pax (inc. charter)	51	73	79	78

Current committed fleet plan

- 13 new 800 deliveries in 2012
- Short term shortage of 800's
  - Temporarily covered by existing 300's (2012 CASK guidance unaffected)
- First 787-8 Dreamliner deliveries expected in Q1 2013



10th year in operation:

Converging strategic moves

- **Short Haul operation streamlined**
  - Cost efficient, high quality product
  - Most reliable airline in its markets

- **Long Haul launching in a year**
  - Targeting cost leadership
  - Fastest aircraft in the market flying non-stop

- **Frequent Flyer bonus program "Reward" with 1.3 mill customers**
  - Linking the portfolio of product offerings together
  - Connected to subsidiary BankNorwegian enhancing the overall benefits of the program

- **BankNorwegian makes NOK 100 million profit after joint "Reward" efforts**

  *Annualized result per Q3 2011

- **Positioning Norwegian for the future**
  - New order of 222 aircraft
  - Building a sustainable business model
  - Control over strategic assets

Expectations for 2012

- **Business environment**
  - Uncertain business climate
  - Seasonal fluctuations
  - Continued but stabilized yield pressure

- **Production**
  - The company expects a production growth (ASK) of approximately 15 %
  - 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 0.43 – 0.44 (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
    - Production dependent
    - Larger share of aircraft with more capacity and lower unit cost

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Norwegian offers 296 scheduled routes to 114 destinations

Norwegian Air Shuttle ASA

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