Norwegian Air Shuttle ASA

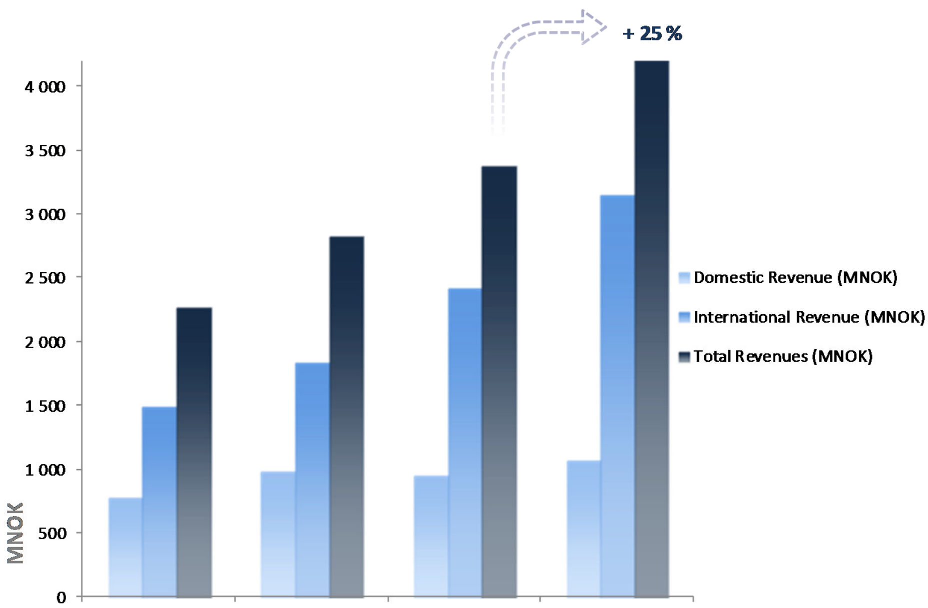
Q3 2012 Presentation
October 25th 2012

CEO Bjørn Kjos

norwegian.com

Double digit revenue growth in Q3

- Group revenues of MNOK 4,224 in Q3 2012

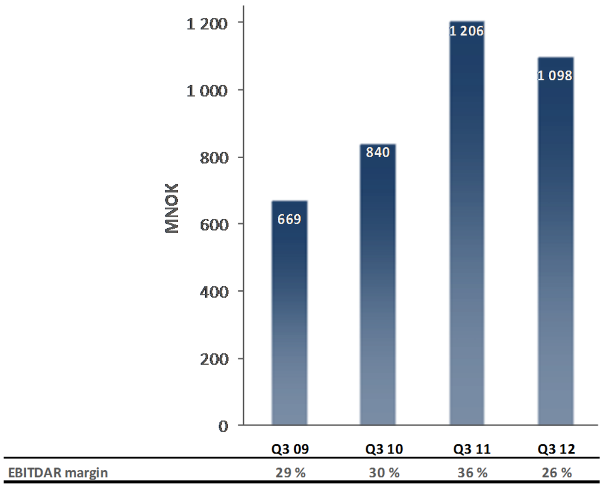


	Q3 09	Q3 10	Q3 11	Q3 12
Revenues	2 271	2 828	3 376	4 224
Domestic revenue	781	992	958	1 071
% y.o.y. chg	*27 %*	*27 %*	*-3 %*	*12 %*
International revenue	1 491	1 836	2 419	3 153
% y.o.y. chg	*10 %*	*23 %*	*32 %*	*30 %*

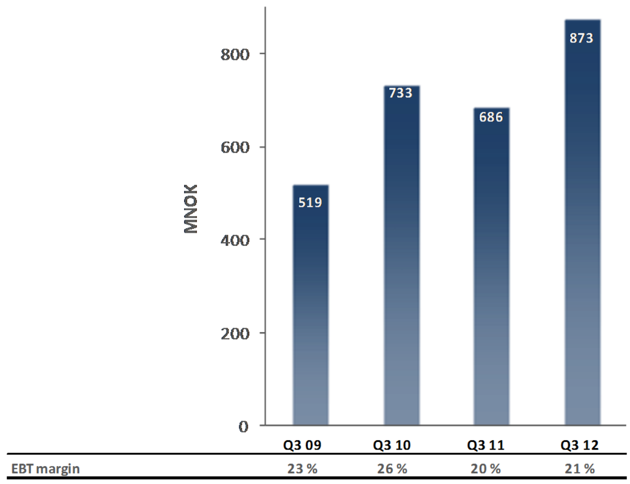
Pre-tax profit improved by 187 million

EBITDAR	**MNOK**	**1 098**	**1 206**
EBITDA	MNOK	822	1 001
EBIT	MNOK	708	923
Pre-tax profit (EBT)	**MNOK**	**873**	**686**
Net profit	MNOK	628	495

EBITDAR development Q3



EBT development Q3



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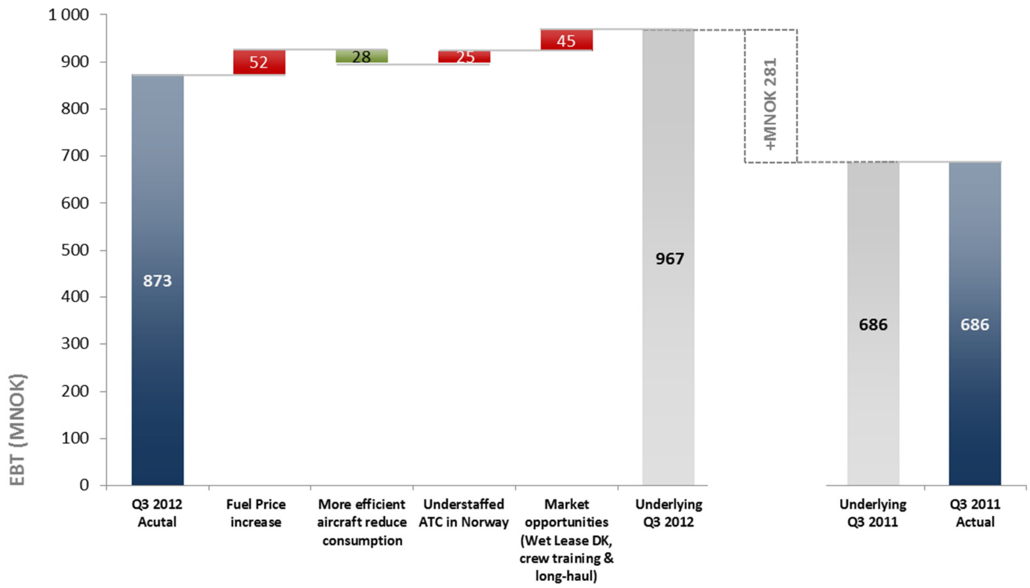
Underlying EBT improvement of MNOK 281

- Realized fuel price up 3 % since last year – equivalent to MNOK 52



Cash & cash equivalents of NOK 1.7 billion

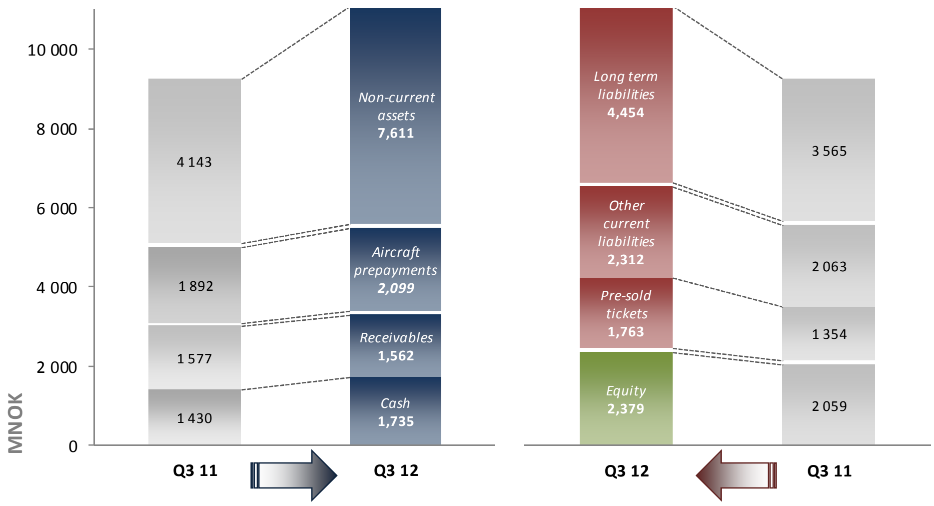
• Cash flows from operations in Q3 12	MNOK 460	(MNOK 243)
• Cash flows from investing activities in Q3 12	MNOK -565	(MNOK -801)
• Cash flows from financing activities in Q3 12	MNOK 267	(MNOK 768)
• Cash and cash equivalents at period-end	MNOK 1 735	(MNOK 1430)

Condensed Consolidated Statement of Cash Flow

Unaudited	Quarterly (end of Q3 12)		YTD (end of Q3 12)		Year End
(Mill. NOK)	Q3 12	Q3 11	Q3 12	Q3 11	2011
Net cash flows from operating activities	459.7	243.0	1 575.1	747.0	673.7
Net cash flows from investing activities	-564.9	-800.5	-1 220.1	-1 706.6	-2 189.4
Net cash flows from financial activities	267.4	767.5	276.1	1 210.2	1 442.3
Foreign exchange effect on cash	-1.8	0.4	-1.3	0.7	0.1
Net change in cash and cash equivalents	160.4	210.4	629.8	251.3	-73.3
Cash and cash equivalents in beginning of period	1 574.4	1 219.3	1 104.9	1 178.4	1 178.4
Cash and cash equivalents in end of period	1 734.8	1 429.6	1 734.8	1 429.6	1 104.9

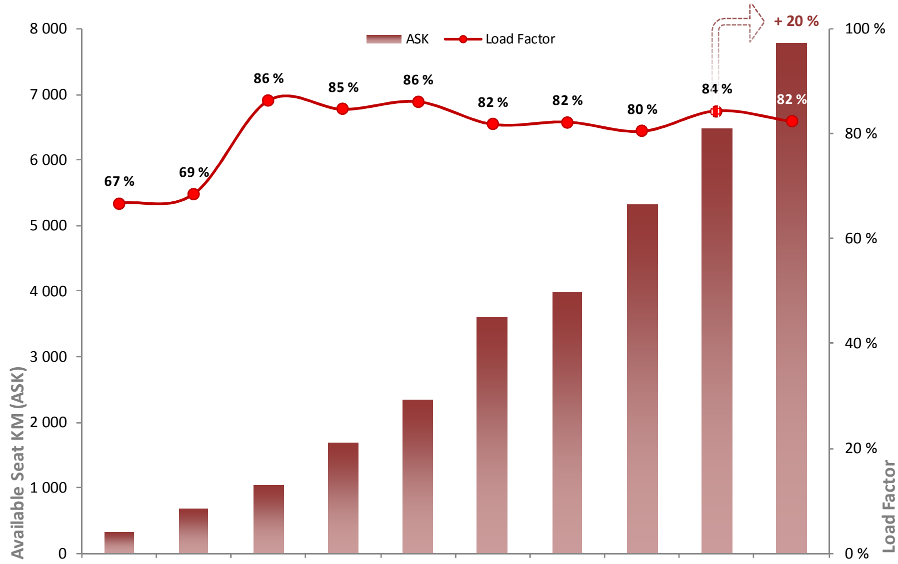
Equity improved by MNOK 320 compared to last year

- Total balance of NOK 10.9 billion
- Net interest bearing debt NOK 2.7 billion
- Equity of NOK 2.4 billion at the end of the third quarter
- Group equity ratio of 22 % (23 %)



Traffic growth of 17 % in Q3 2012

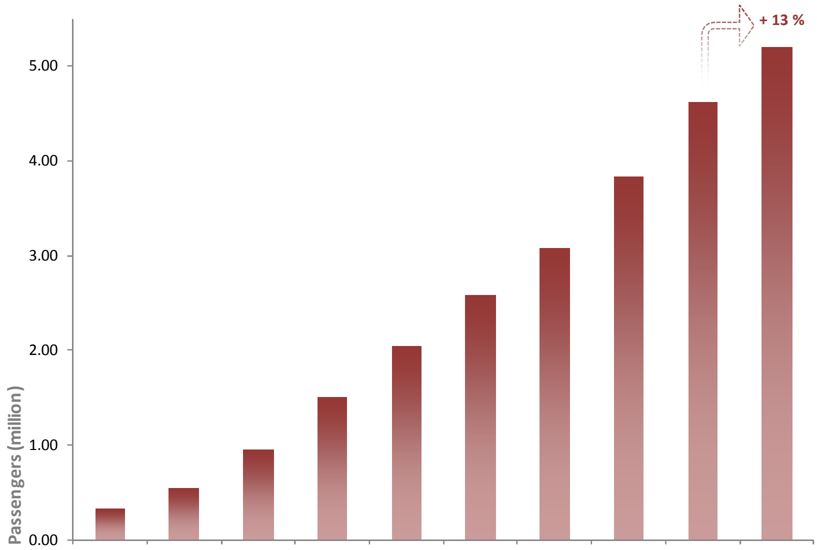
- Unit revenue (RASK) up 5 %
- Average flying distance up 5 %



	Q3 03	Q3 04	Q3 05	Q3 06	Q3 07	Q3 08	Q3 09	Q3 10	Q3 11	Q3 12
ASK	331	683	1 033	1 694	2 333	3 590	3 979	5 331	6 480	7 780
Load Factor	67 %	69 %	86 %	85 %	86 %	82 %	82 %	80 %	84 %	82 %

Passenger record in Q3

- 5.2 million passengers, 13 % growth from last year
- An increase of 580,000 passengers

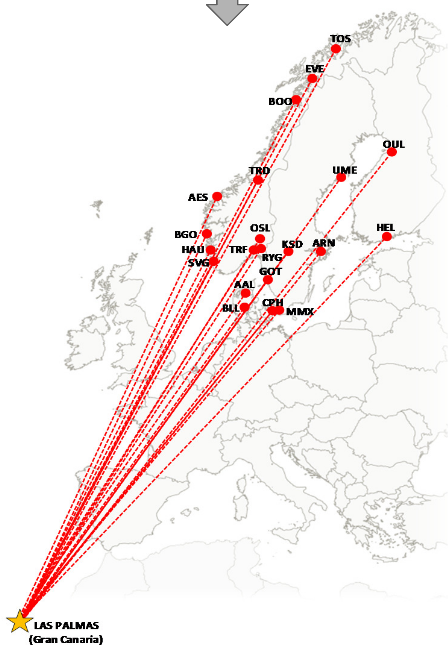


	Q3 03	Q3 04	Q3 05	Q3 06	Q3 07	Q3 08	Q3 09	Q3 10	Q3 11	Q3 12
Pax (mill)	0.3	0.5	0.9	1.5	2.0	2.6	3.1	3.8	4.6	5.2

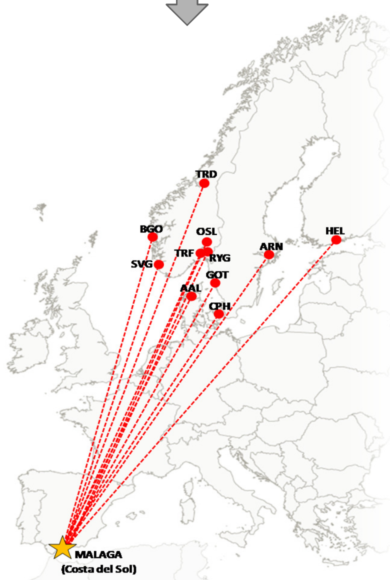
Previous base establishments in Spain

- Flights to and from Spain will increase by 60 %
- 350 weekly flights to and from Spain during Winter 2012/13

Non-stop flights Las Palmas



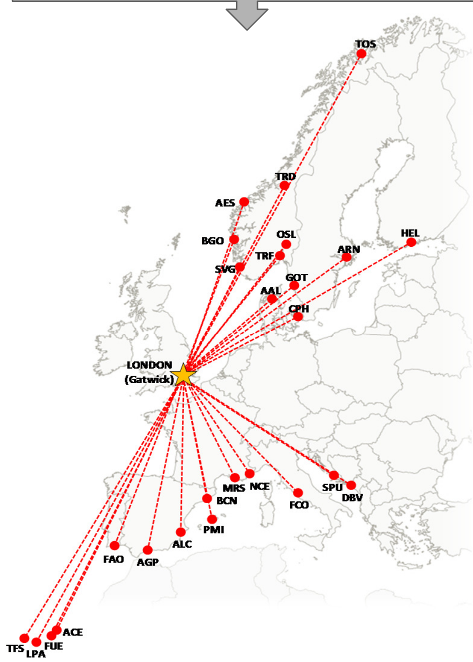
Non-stop flights Malaga



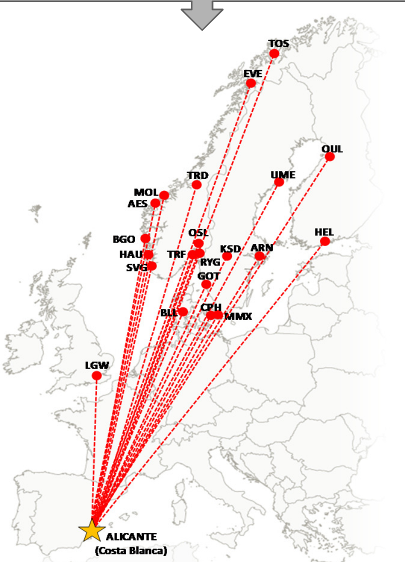
Establishing first UK base and 3rd Spanish base

- Flights to and from London Gatwick will increase by 70 %
- 320 weekly flights to and from LGW from late summer 2013

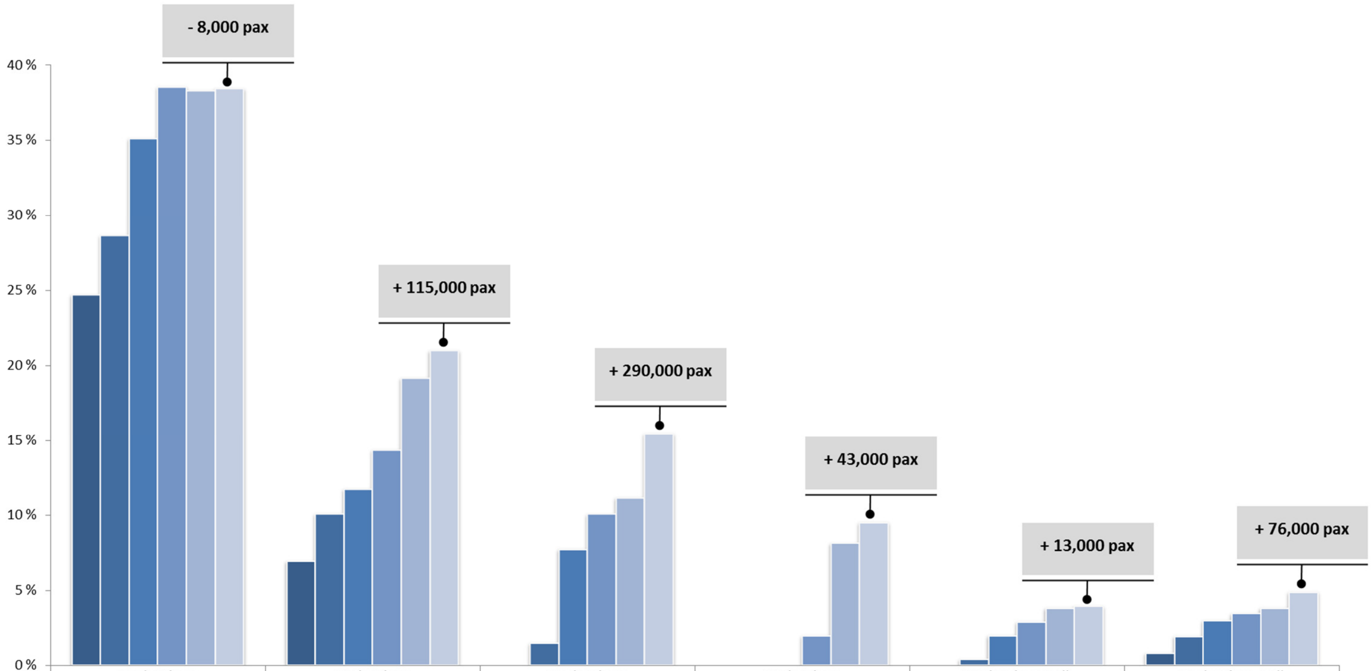
Non-stop flights London (Gatwick)



Non-stop flights Alicante



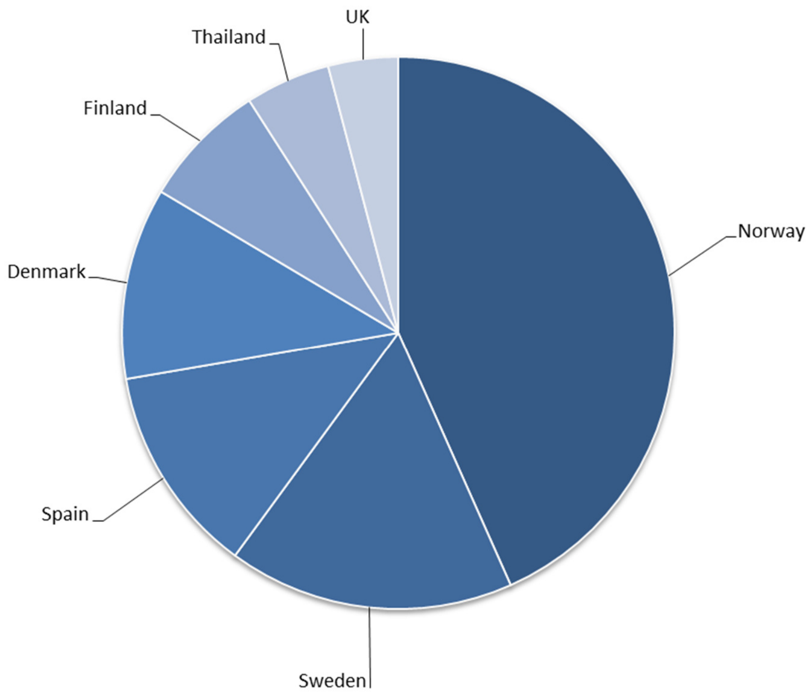
Continued strong international growth in Q3



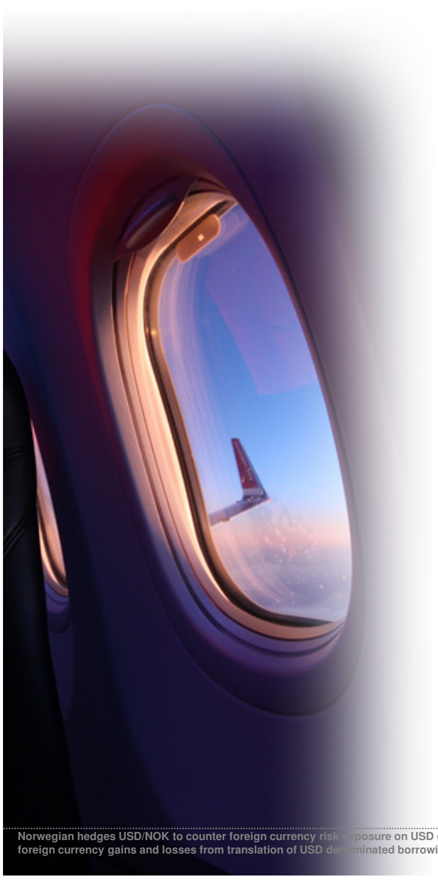
	Marketshare Oslo Airport (OSL)	Marketshare Stockholm Airport (ARN)	Marketshare Copenhagen Airport (CPH)	Marketshare Helsinki Airport (HEL)	Marketshare Int'l Gatwick Airport (LGW)	Marketshare Int'l Spanish bases (AGP, LPA, ALC)
Q3 07	25 %	7 %	0 %	0 %	0 %	1 %
Q3 08	29 %	10 %	2 %	0 %	0 %	2 %
Q3 09	35 %	12 %	8 %	0 %	2 %	3 %
Q3 10	39 %	14 %	10 %	2 %	3 %	3 %
Q3 11	38 %	19 %	11 %	8 %	4 %	4 %
Q3 12	38 %	21 %	15 %	10 %	4 %	5 %

Sources: Avinor, Swedavia, Copenhagen Airports, Finavia, Gatwick Airport, Aena

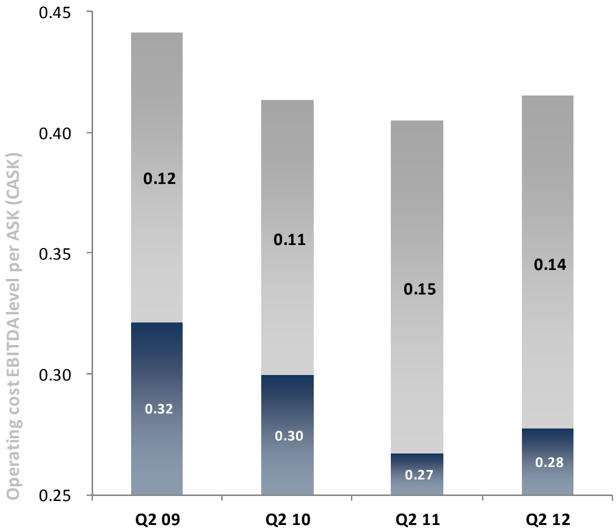
Norwegian 2013 ASK production by base country



Unit cost at constant currency (USD & EUR) down 1 %



- Unit cost including fuel up 2 %
  - 3 % higher NOK denominated fuel price
  - USD/NOK up 7 % y.o.y. (maintenance, fuel & leasing)



	Q2 09	Q2 10	Q2 11	Q2 12
Cost per ASK (CASK) (NOK)	**0.44**	**0.41**	**0.40**	**0.41**
CASK ex. fuel	0.32	0.30	0.27	0.28

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 while foreign currency gains and losses from translation of USD denominated borrowings are recognized under financial items and is thus not included in the CASK concept. Hedge effects offset under financial items have not been included in this graph.

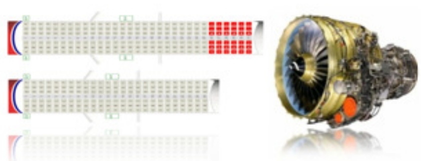
Norwegian aiming for FY CASK NOK 0.30 excluding fuel

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
- 3 % lower unit fuel consumption in Q3



Growth adapted to int’l markets

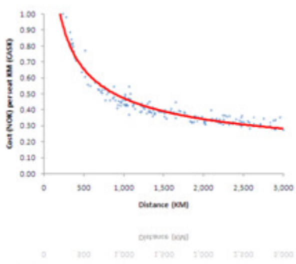
- Cost level adapted to local markets
- Outsourcing/ Off-shoring

Crew and aircraft utilization

- Rostering and aircraft slings optimized
- Q3 utilization of 11.9 BLH pr a/c (+0.2 BLH)

Optimized average stage length

- Fixed costs divided by more ASKs
- Frequency based costs divided by more ASKs
- Q3 stage length up by 5 %

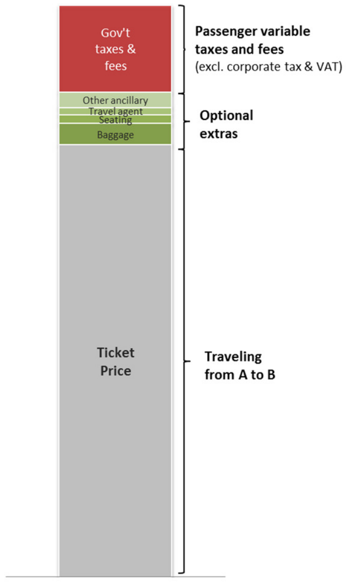


Automation

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

Ancillary revenue remains a significant contributor

- Ancillary revenue comprises 10 % of Q3 revenues
- NOK 86 per scheduled passenger (an increase of 4 % from last year)



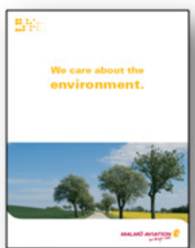
Actual environmental performance over glossy reports

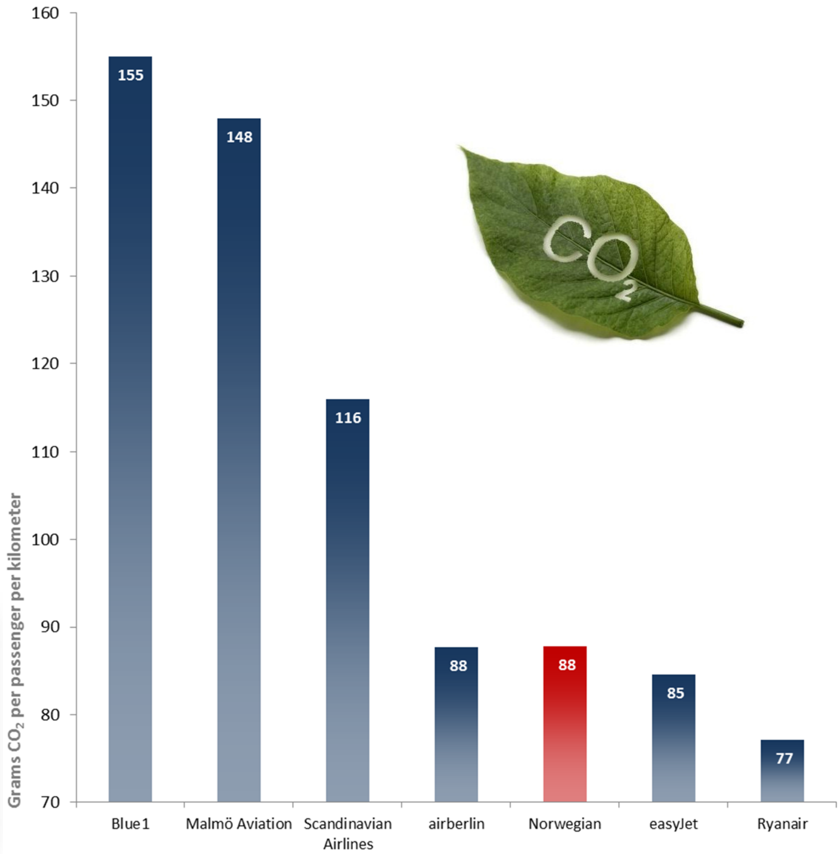
CARBON DISCLOSURE PROJECT

CDP Methodology and why Norwegian won't participate:

1. CDP scores *absolute* emissions reduction irrespective of starting point
   → Easier to reduce emissions from a high level than a low level. The worse performance last year, the easier to obtain a high score this year.
2. CDP scores CO_2 emissions per dollar revenue
   → The more expensive fares, the higher the score in CDP.
3. CDP scores CO_2 emissions per full time employee
   → The less efficient operations, the higher the score in CDP.
4. CDP scores the response rate of each participant. The more questions answered, the higher the score
   → The more torrent of words (the thicker the glossy report), the higher the score in CDP.

A nice, thick and glossy report doesn't necessarily imply environmental progressiveness.

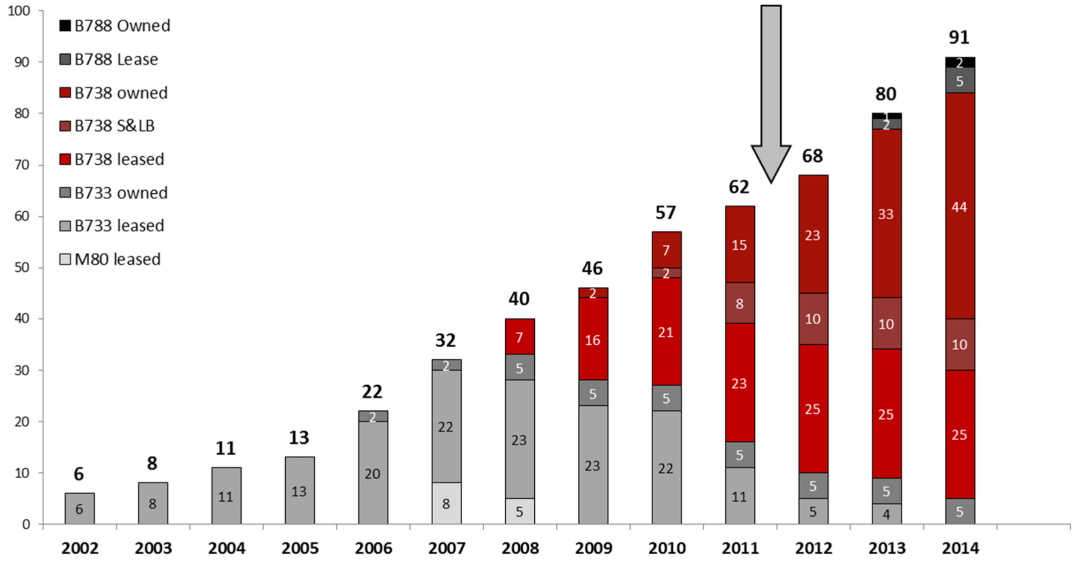




Sources: SAS Group Sustainability Report 2011 (Blue1 & Scandinavian Airlines), Malmö Aviation "We care about the environment" report, Air Berlin Annual Report 2011, easyJet Annual Report 2011, Ryanair Annual Report 2012 & Norwegian's own calculations.

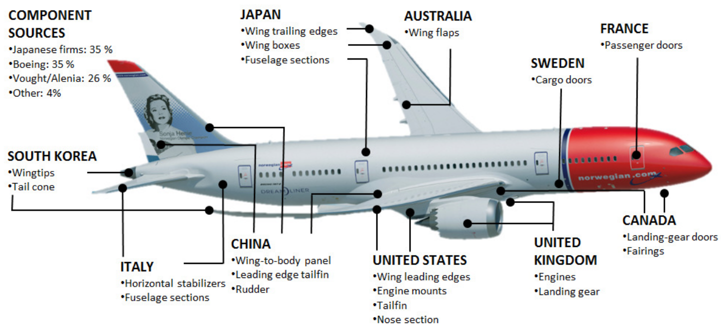
Current committed fleet plan

- 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 Q2 2013



Construction well underway for Norwegian's first 787 Dreamliner

- Components built on various continents
- Final assembly in Seattle, Washington
- Delivery to Norwegian in April 2013



Fwd part of section 41 under construction in Kansas

Aft part of section 41 under construction in Kansas

Expectations for 2012

- Business environment
  - Increased economic uncertainty in parts of Europe
  - Seasonal fluctuations
  - Continued but stabilized yield pressure
- Production
  - The company expects a production growth (ASK) of appr. 18 %
  - 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)
    - CASK guidance upheld as larger scale from increased production is offsetting unforeseen one-offs
    - Based on the currently planned route portfolio
    - Production dependent
    - Larger share of aircraft with more capacity and lower unit cost

Expectations for 2013 (short-haul)

- The company expects a production growth (ASK) in excess of 20 %
  - Utilization and distance increase driven by UK and Spanish bases
  - Continuous optimization of the route portfolio
- Unit cost expected in the area NOK 0.42 – 0.43
  - Fuel price dependent – USD 950 per ton
  - Currency dependent – USD/NOK 5.75

    (CASK NOK 0.42 on 2012 guidance assumptions)
  - Production dependent
  - Based on the current route portfolio

Norwegian Air Shuttle ASA
Organization number NO 965 920 358 MVA

Mailing address P.O. Box 113
No – 1330 Fornebu
Visiting address Oksenøyveien 3

Telephone +47 67 59 30 00
Telefax +47 67 59 30 01
Internet www.norwegian.com