Q32013

Interim report

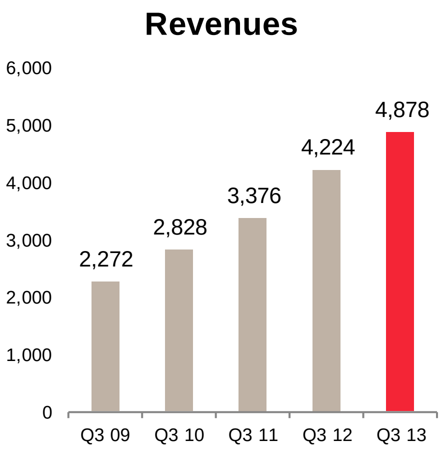
Norwegian Air Shuttle ASA – third quarter

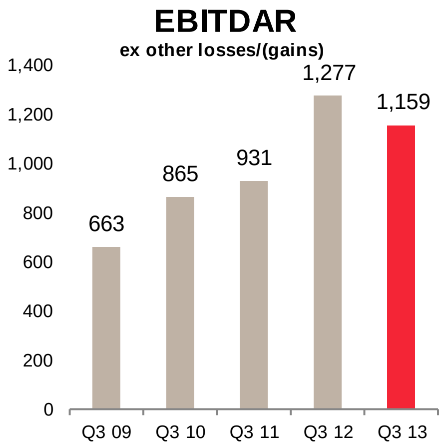
Unit cost:

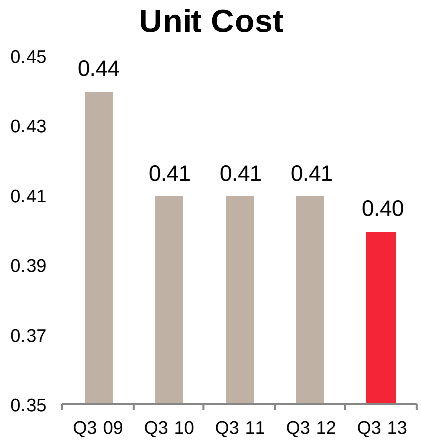
-3%

Unit cost NOK 0.40

- **Pre-tax profit of MNOK 604**
- **Strong passenger growth, up 16% to 6.02 million passengers**
- **Significant capacity growth (+31%) and sustained high load factor**
- **Punctuality of 88%, up 2 pp. including long haul traffic**







norwegian

Other losses/(gains) is not included in the Unit Cost definition or the underlying earnings as it primarily contains hedge losses/gains offset by financial items.

Norwegian reports strong passenger growth throughout Europe

Norwegian reports strong growth in all European markets and a high load factor in its third quarter results. The base at London Gatwick shows the strongest passenger growth, followed by Oslo Airport Gardermoen and Stockholm Arlanda. The company reported a third quarter pre-tax profit of 604 MNOK, a result significantly affected by the additional costs associated with wet-leasing replacement aircraft on long haul routes. In addition the summer bookings were lower this quarter due to the unusually warm weather in the Nordics.

The third quarter was characterized by a solid production growth (ASK) with an increase of 31%. The growth is pervasive in all markets, but the company's base at London Gatwick Airport has the highest increase in number of passengers. Norwegian accounts for 90% of the growth at the airport. Despite strong capacity growth, the load factor remains high at 81%.

The pre-tax result (EBT) was 604 MNOK, compared to 873 million in 2012. The costs associated with wet-leasing replacement aircraft for the Dreamliner totalled 101 MNOK, significantly affecting the quarterly results. This amount includes the cost of wetlease, extra fuel and costs for accommodation, food and drink for delayed passengers.

The warm summer weather in northern Europe has also resulted in a slower summer sale than previous years, affecting both Norwegian and other airlines this season.

"In this quarter, we clearly see the outline of the company's growth strategy. We have a strong passenger growth in all markets and we have managed to maintain a high load factor. At the same time, our results this quarter are significantly affected by the additional costs associated with replacement aircraft for the Dreamliner. In addition, Northern European sun seekers chose to enjoy the warm summer at home instead of flying south," said CEO Bjørn Kjos.

CONSOLIDATED FINANCIAL KEY FIGURES

Unaudited

(Amounts in NOK million)	**Q3 2013**	Q3 2012	*Change*	**YTD 2013**	YTD 2012	*Change*	Full Year 2012
Operating revenue	**4,877.8**	4,224.0	*15 %*	**11,793.9**	9,753.6	*21 %*	12,859.0
EBITDAR	**1,169.1**	1,097.7	*7 %*	**2,485.0**	1,525.4	*63 %*	1,821.6
EBITDAR excl other losses/(gains)	**1,158.6**	1,276.8	*-9 %*	**2,039.6**	1,712.7	*19 %*	2,150.3
EBITDA	**777.5**	822.4	*-5 %*	**1,540.2**	735.4	*-109 %*	788.7
EBITDA excl other losses/(gains)	**767.0**	1,001.5	*-23 %*	**1,094.8**	922.7	*-19 %*	1,117.4
EBIT	**637.7**	707.6	*-10 %*	**1,152.9**	455.3	*-153 %*	403.5
EBT	**603.5**	872.9	*-31 %*	**720.4**	600.2	*-20 %*	623.2
Net profit/ loss (-)	**435.9**	628.0	*-31 %*	**515.5**	433.0	*-19 %*	456.6
EBITDAR margin	**24.0 %**	26.0 %		**21.1 %**	15.6 %		14.2 %
EBITDA margin	**15.9 %**	19.5 %		**13.1 %**	7.5 %		6.1 %
EBIT margin	**13.1 %**	16.8 %		**9.8 %**	4.7 %		3.1 %
EBT margin	**12.4 %**	20.7 %		**6.1 %**	6.2 %		4.8 %
Net profit margin	**8.9 %**	14.9 %		**4.4 %**	4.4 %		3.6 %
Book equity per share (NOK)				**83.6**	68.2	*23 %*	68.8
Equity ratio (%)				**20 %**	22 %	*-9 %*	20 %
Net interest bearing debt				**3,461.1**	2,739.5	*26 %*	3,796.1

Other losses/(gains) is not included in the Unit Cost concept or the underlying earnings as it primarily contains hedge losses/gains offset under financial items.

OPERATIONAL REVIEW

CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

(Ratios in NOK)	**Q3 2013**	Q3 2012	*Change*	**YTD 2013**	YTD 2012	*Change*	Full Year 2012
Yield	**0.51**	0.58	-12 %	**0.52**	0.55	-7 %	0.55
Unit Revenue	**0.41**	0.48	-13 %	**0.41**	0.44	-7 %	0.43
Unit Cost	**0.40**	0.41	-3 %	**0.43**	0.46	-6 %	0.45
Unit Cost ex fuel	**0.27**	0.28	-3 %	**0.29**	0.31	-6 %	0.31
Ancillary Revenue/Sched. PAX	**90**	86	5 %	**86**	83	4 %	82
Internet bookings	**81 %**	80 %	1 pp	**80 %**	78 %	2 pp	80 %
ASK (million)	**10,223**	7,780	31 %	**25,142**	19,403	30 %	25,920
RPK (million)	**8,319**	6,408	30 %	**19,737**	15,332	29 %	20,353
Passengers (million)	**6.02**	5.19	16 %	**15.46**	13.31	16 %	17.69
Load Factor	**81 %**	82 %	-1 pp	**79 %**	79 %	0 pp	79 %
Average sector length (km)	**1,260**	1,138	11 %	**1,158**	1,050	10 %	1,048
Fuel consumption (metric tonnes)	**221,468**	168,572	31 %	**540,754**	426,301	27 %	569,197
CO_2 per RPK	**84**	83	2 %	**83**	89	-6 %	88

Traffic Development

A total of 6.02 million passengers travelled with Norwegian in the third quarter of 2013, compared to 5.19 million in the third quarter of 2012, an increase of 16%. Production (ASK) increased by 31% and passenger traffic (RPK) increased by 30%. The load factor was 81% in the third quarter, a decrease of 1 percentage point compared to the same period last year.

At the end of the third quarter the total fleet including aircraft on maintenance and excluding wet lease comprised 80 aircraft. The Group utilized every operational aircraft on average 12.2 block hours per day in the third quarter compared to 11.9 last year.

The share of Internet sales was 81 % which is an increase of 1 percentage point from last year.

Operating performance

Punctuality, the percentage of flights departing on schedule, was 88% in the third quarter 2013, compared to 86% in the same quarter last year.

Regularity, the percentage of scheduled flights actually taking place, was 99.8% in the third quarter which is the same as last year. Third quarter 2013 is the sixteenth consecutive quarter in which Norwegian operates with the highest regularity in its major markets.

FINANCIAL REVIEW

Profit and loss statement

Third quarter earnings were affected by strong capacity growth, strong competition in leisure markets and sustained high load factor. Ticket revenue per unit produced decreased by 13% and unit cost decreased by 3%, resulting in an EBT margin of 12%. Sector length increased significantly by 11%, affecting unit revenue and unit cost in the third quarter.

Costs from the long haul operation related to wetlease and irregularities are estimated to MNOK 101 in the third quarter.

Earnings before interest, depreciation, amortization, restructuring and rent (EBITDAR) excluding other losses/(gains) for third quarter were MNOK 1,159 (1,277).

Earnings before tax (EBT) were MNOK 604 (873) in third quarter. The net profit/(loss) for the third quarter was MNOK 436 (628).

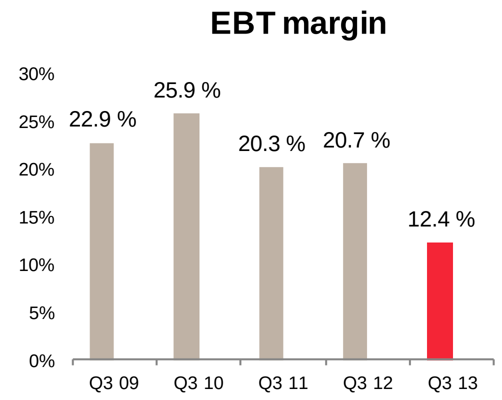
Revenues

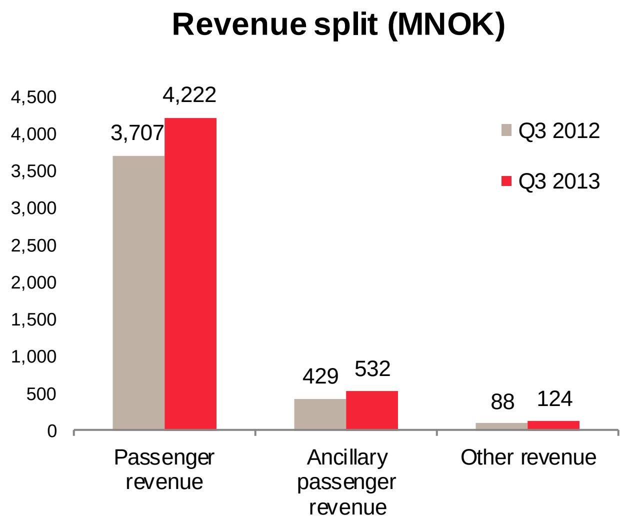
Total revenues in the third quarter were MNOK 4,878 (4,224), an increase of 15%. MNOK 4,222 (3,707) of the revenues in the third quarter was related to ticket revenues.

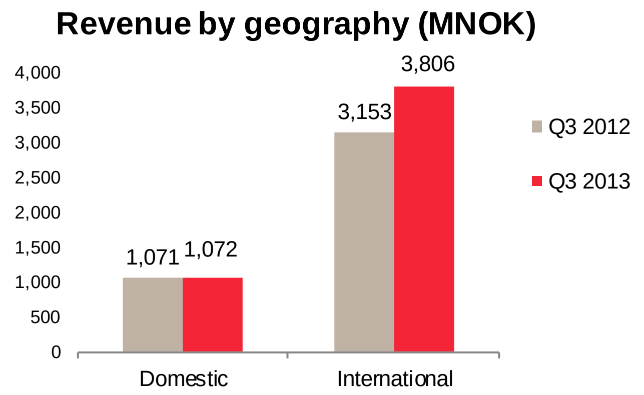
The ticket revenue per unit produced (RASK) in the third quarter was NOK 0.41 compared to NOK 0.48 for the same period last year. The RASK development compared to last year reflects lower yield and marginally lower load factor due to increased competition in leisure markets and increased capacity in peak season. Warm summer weather in northern Europe during third quarter affected late bookings.

Ancillary revenue was MNOK 532 (429), while the remaining MNOK 124 (88) was related to freight, third-party products and other income. Ancillary passenger revenue was NOK 90 per scheduled passenger (NOK 86) in the third quarter, an increase of 5%, mainly due to ancillary revenue from long haul operations.

Revenue from international traffic increased by 21% to MNOK 3,806 in third quarter 2013, while revenue from domestic traffic was at the same level as last year at MNOK 1,072. 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.







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Operating expenses

COST BREAKDOWN

Unaudited

(Amounts in NOK million)	Q3 2013	Q3 2012	*Change*	YTD 2013	YTD 2012	*Change*	Full Year 2012
Personell expenses	**691.1**	539.6	*28 %*	**1,942.4**	1,535.2	*27 %*	2,068.2
Sales/ distribution expenses	**83.6**	69.7	*20 %*	**248.4**	200.0	*24 %*	275.0
Aviation fuel	**1,365.8**	1,070.1	*28 %*	**3,382.2**	2,802.5	*21 %*	3,748.3
Airport and ATC charges	**638.6**	493.3	*29 %*	**1,607.9**	1,299.1	*24 %*	1,730.2
Handling charges	**383.1**	307.3	*25 %*	**967.9**	821.8	*18 %*	1,077.3
Technical maintenance expenses	**243.2**	209.9	*16 %*	**641.9**	627.8	*2 %*	792.6
Other flight operation expenses	**120.3**	98.8	*22 %*	**422.2**	361.3	*17 %*	485.9
General and administrative expenses	**193.4**	158.6	*22 %*	**541.5**	393.1	*38 %*	531.2
Other losses/(gains) - net	**-10.5**	179.1	*-106 %*	**-445.4**	187.3	*-338 %*	328.7
Total operating expenses	**3,708.7**	3,126.3	*19 %*	**9,308.9**	8,228.2	*13 %*	11,037.4
Leasing	**391.6**	275.2	*42 %*	**944.8**	790.0	*20 %*	1,032.9
Total operating expenses incl lease	**4,100.3**	3,401.6	*21 %*	**10,253.7**	9,018.2	*14 %*	12,070.3

Operating expenses excluding leasing and depreciation increased by 19% to MNOK 3,709 (3,126) this quarter. A production increase (ASK) of 31% is the main factor explaining the increased operating expenses this quarter.

The unit cost was NOK 0.40, which is a decrease of 3% from last year. Unit cost ex fuel was MNOK 0.27 (-3%). 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.

Personnel expenses increased by 28% to MNOK 691 (540) in the third quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 3%. Salary increase to employees and increased personnel expenses from hiring and training crew on new international bases are more than offset by the productivity increase and increased sector length derived from international production.

The average number of man-labor year increased by 29% compared to same quarter last year.

Sales and distribution expenses increased by 20% to MNOK 84 (70) in the third quarter compared to the same quarter last year. Unit cost for sales and distribution expenses decreased by 9% mainly due to increased sector length.

Aviation fuel expenses increased by 28% to MNOK 1,366 (1,070) in the third quarter compared to the same quarter last year. The higher cost is driven by a production increase of 31% and is partially offset by a 3% decrease in the realized fuel price per ton denominated in NOK including hedge gain of MNOK 11. The average net spot price denominated in USD is equal to the same period last year. This resulted in a decrease in the unit cost for fuel by 3%.

The Group has at the end of the third quarter forward contracts to cover approximately 1% of fuel exposure at an average price of USD 929 per ton for the remaining of 2013.

Airport and air traffic control (ATC) charges increased by 29%, to MNOK 639 (493) in the third quarter compared to the same quarter last year. Unit cost for airport and ATC charges decreased by 1%. Increased prices and appreciation of EUR against NOK are more than offset by reduced cost due to an increased sector length 11% and increased capacity.

Handling charges increased by 25%, to MNOK 383 (307) in the third quarter compared to the same quarter last year. Unit cost for handling charges decreased by 5%. Increased prices from introducing larger aircraft and appreciation of EUR against NOK are more than offset by reduced costs from increased sector length and increased capacity.

Technical maintenance costs increased by 16%, to MNOK 243 (210) in the third quarter compared to the same quarter last year. Unit cost for technical maintenance decreased by 12% in the third quarter due to 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 22% to MNOK 120 (99) 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, meals and housing for crew and insurance. Unit cost for other flight operation expenses decreased by 7% in the third quarter due to increased sector length and increased capacity.

Other losses/(gains) is not included in the Unit Cost definition or the underlying earnings as it primarily contains hedge losses/gains offset by financial items.

General and administrative expenses increased by 22% to MNOK 193 (159) in the third quarter compared to the same quarter last year. Unit cost for general and administrative expenses decreased by 7% due to introduction of new markets, products and bases, including the long haul operation.

Other losses/(gains)-net; a gain of MNOK 11 was recognized in the third quarter compared to a loss of MNOK 179 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.

Forward foreign currency contracts in USD are designated to counter currency revaluation effects from USD denominated borrowings. Currency losses from term contracts amounted to MNOK 18 and are more than offset by currency gains of MNOK 20 on USD denominated borrowings booked as other financial expense.

Leasing costs increased by 42% to MNOK 392 (275) in the third quarter compared to the same quarter last year. Unit cost for leasing increased by 8% due to use of wetlease of MNOK 83 (34) in the third quarter. Adjusted for use of wetlease in the period, unit cost for leasing decreased by 3% due to an increased share of 737-800Ws and increased sector length. The positive impact on unit cost is partially offset by an increased number of leased 737-800Ws and the introduction of Boeing 787 in the fleet.

During the third quarter the Group operated 30 (21) owned Boeing 737-800Ws and 5 (5) Boeing 737-300s.

Profit/Loss from Associated Company in the third quarter was estimated to MNOK 13 (10) which represents the 20 % share of Bank Norwegian's second quarter results.

Financial Items were MNOK -47 (155) in the third quarter. Interest on prepayments of MNOK 18 (30) was capitalized, reducing interest expenses. Included in other financial income (expense) is a currency gain on USD denominated borrowings amounting to MNOK 20 due to depreciation of USD against NOK. In comparison, a gain of MNOK 192 was recognized in the third quarter 2012. These gains have no cash effects.

Income taxes amounted to a cost of MNOK 168 (245) in the third quarter.

Financial position and liquidity

Net interest bearing debt at the end of the third quarter was MNOK 3,461 compared to MNOK 3,796 at the end of last year. The financial position is highly affected by seasonality and asset acquisitions. Exiting the third quarter, the financial position continues to be solid with an equity ratio of 20%, a decrease of 2 percentage points from last year and equal to year end 2012.

Net change in cash and cash equivalents in third quarter was MNOK -620. Investments in new aircraft were MNOK -618 with net cash from financing activities of MNOK -68. 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 10,011 at the end of the third quarter, compared to MNOK 9,013 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 three new owned Boeing 737-800Ws. The investment is partially offset by delivery of three sale and leaseback transactions.

Total current assets amount to MNOK 4,350 at the end of the third quarter, compared to MNOK 2,906 at the end of last year. Investments have increased by MNOK 113 during the year due to changes in fair value of term contracts. Receivables have increased by MNOK 756 during the year due to seasonality and increased production. Cash and cash equivalents have increased by MNOK 572 during the year.

Total non-current liabilities at the end of the third quarter were MNOK 5,386, compared to MNOK 4,654 at the end of last year. Long-term borrowings increased by MNOK 315 during the year. The increase in borrowings is related to mark-to-market adjustment of USD denominated borrowings and drawdown of pre-delivery payment financing. Down-payments on aircraft financing partially offsets the increase.

Total short-term liabilities at the end of the third quarter were MNOK 6,034, compared to MNOK 4,844 at the end of last year. Current liabilities increased by MNOK 477 during the year due to increased production, but are partially offset by increase in fair value of term contracts. Short-term borrowings decreased by MNOK 77 during the year due to mark-to-market adjustment of USD denominated borrowings and increased borrowings with redemption within next 12 months. The increase is more than offset by down-payment of pre-delivery payment financing. Air traffic liability increased by MNOK 790 during the year due to increased production and seasonality.

Equity at the end of the third quarter was MNOK 2,940 compared to MNOK 2,421 at the end of last year. The increase in equity is mainly related to net profit of MNOK 516.

Norwegian established a fully owned asset management company during third quarter. The asset management company is incorporated in Ireland and the mandate is to take delivery and operate as a lessor of aircraft to Group companies. This Irish subsidiary has applied USD as its functional currency which reduces the currency exposure to the statement of financial position.

Cash flow

Cash and cash equivalents were MNOK 2,303 at the end of the third quarter compared to MNOK 1,731 at the end of last year.

Cash flow from operating activities in the third quarter amounted to MNOK 67 compared to MNOK 460 in the third quarter last year. Due to seasonality and reduced late bookings, air traffic settlement liability decreased by MNOK 847 during the third quarter compared to MNOK 720 during the third quarter last year. Cash from other adjustments amounted to MNOK 171 during third quarter compared to MNOK 192 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 -618, compared to MNOK -565 in the third quarter last year. Prepayments to aircraft manufacturers and delivery of three new Boeing 737-800Ws are the main investments in the quarter, whereof one aircraft was fully financed by equity. In comparison, three new Boeing 737-800Ws were delivered in the third quarter last year.

Cash flow from financing activities in the third quarter was MNOK -68 compared to MNOK 267 in the third quarter last year. Proceeds from long term financing of two new aircraft and pre-delivery payment financing are more than 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. The company is at the present taking part in the planned bi-annual negotiations with the Norwegian Pilot Union. The negotiations are terminated and the arisen disagreement will be handled in a mediation process on 1-3 November under the supervision of the National Mediator.

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 2013. 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 2013) with a lower operating cost. Going forward, the Company expects continued competitive pressure in the European market place.

Norwegians short haul operations have, in addition to the Nordic countries, at the present three bases operational in Spain (Malaga, Alicante and Las Palmas) and a base in London. A new base in Tenerife is planned operational at the start of the winter program.

Norwegian guides for a production growth (ASK) of 32% for 2013 including the long haul production. The growth in short haul production is mainly from increasing the fleet by adding Boeing 737-800Ws 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 5.75 for the year 2013 (excluding hedged volumes) and with the currently planned route portfolio, the Company is targeting a unit cost (CASK) of NOK 0.42 for 2013.

Norwegian guides for a production growth (ASK) of 40% 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) in the area of NOK 0.40 for 2014.

Despite some technical issues related to one Boeing 787 aircraft, the establishment of the long haul operation has developed in accordance with plan and the introduction of routes for the summer season of 2014 has been well received by the market. The long haul production will grow in accordance with the phasing in of aircraft and the company will have 7 Boeing 787 by the end of 2014.

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

Fornebu, 23 October 2013

CEO
Bjørn Kjos

CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited

(Amounts in NOK million)	*Note*	**Q3 2013**	Q3 2012	**YTD 2013**	YTD 2012	Full Year 2012
Operating revenue						
Total operating revenue	3	**4,877.8**	4,224.0	**11,793.9**	9,753.6	12,859.0
Total operating revenue		**4,877.8**	4,224.0	**11,793.9**	9,753.6	12,859.0
Operating expenses						
Operational expenses		**2,843.5**	2,255.9	**7,276.3**	6,100.3	8,096.3
Payroll and other personnel expenses		**691.1**	539.6	**1,942.4**	1,535.2	2,068.2
Other operating expenses		**174.1**	330.8	**90.2**	592.7	873.0
Total operating expenses		**3,708.7**	3,126.3	**9,308.9**	8,228.2	11,037.4
Operating profit/loss before leasing & depr (EBITDAR)		**1,169.1**	1,097.7	**2,485.0**	1,525.4	1,821.6
Leasing		**391.6**	275.2	**944.8**	790.0	1,032.9
Operating profit/loss before depr (EBITDA)		**777.5**	822.4	**1,540.2**	735.4	788.7
Depreciation and amortization		**139.8**	114.8	**387.3**	280.0	385.2
Operating profit/loss (EBIT)		**637.7**	707.6	**1,152.9**	455.3	403.5
Financial items						
Interest income		**16.9**	16.3	**49.7**	37.2	51.3
Interest expense		**35.5**	24.4	**76.8**	77.3	118.8
Other financial income (expense)		**-28.0**	163.1	**-439.2**	160.4	254.4
Net financial items		**-46.6**	154.9	**-466.3**	120.3	186.9
Profit/Loss from associated company		**12.5**	10.3	**33.8**	24.5	32.8
Net result before tax (EBT)		**603.5**	872.9	**720.4**	600.2	623.2
Income tax expense (benefit)		**167.6**	244.8	**204.9**	167.1	166.5
Net profit/loss		**435.9**	628.0	**515.5**	433.0	456.6
Net profit attributable to:						
Owners of the parent company		**435.9**	**628.0**	**515.5**	**433.0**	456.6
Earnings per share (NOK) - Basic		**12.4**	18.0	**14.7**	12.4	13.1
Earnings per share (NOK) - Diluted		**12.2**	17.9	**14.5**	12.3	13.0
No. of shares at the end of the period		**35,162,139**	34,878,226	**35,162,139**	34,878,226	35,162,139
Average no. of shares outstanding		**35,162,139**	34,878,226	**35,162,139**	34,878,226	34,924,769
Average no. of shares outstanding - diluted		**35,514,349**	35,162,139	**35,606,278**	35,162,139	35,162,139

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited

(Amounts in NOK million)	*Note*	**At 30 Sept 2013**	At 30 Sept 2012	At 31 Dec 2012
ASSETS				
Non-current assets				
Intangible assets		**277.9**	245.8	242.1
Tangible fixed assets		**9,403.0**	7,123.4	8,516.7
Fixed asset investments		**329.7**	242.2	254.3
Total non-current assets		**10,010.6**	7,611.4	9,013.0
Current assets				
Inventory		**70.7**	78.5	68.4
Investments		**123.3**	0.0	10.2
Receivables		**1,852.6**	1,483.8	1,096.6
Cash and cash equivalents		**2,302.9**	1,734.8	1,730.9
Total current assets		**4,349.5**	3,297.1	2,906.0
TOTAL ASSETS		**14,360.1**	10,908.5	11,919.1
EQUITY AND LIABILITIES				
Shareholders equity				
Paid-in capital	7	**1,165.3**	1,142.7	1,160.8
Other equity		**1,774.8**	1,236.3	1,259.8
Total equity		**2,940.0**	2,379.0	2,420.7
Non-current liabilities				
Other non-current liabilities		**893.9**	598.0	476.3
Long term borrowings	6	**4,492.0**	3,856.3	4,177.6
Total non-current lilabilities		**5,385.9**	4,454.3	4,654.0
Short term liabilities				
Current liabilities		**2,232.4**	1,694.1	1,755.3
Short term borrowings	6	**1,272.0**	618.0	1,349.4
Air traffic settlement liabilities		**2,529.8**	1,763.1	1,739.8
Total short term liabilities		**6,034.2**	4,075.2	4,844.4
Total liabilities		**11,420.1**	8,529.5	9,498.4
TOTAL EQUITY AND LIABILITIES		**14,360.1**	10,908.5	11,919.1

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Unaudited

(Amounts in NOK million)	**Q3 2013**	Q3 2012	**YTD 2013**	YTD 2012	Full Year 2012
OPERATING ACTIVITIES					
Profit before tax	**603.5**	872.9	**720.4**	600.2	623.2
Paid taxes	**0.0**	0.0	**0.0**	-1.0	-2.5
Depreciation, amortization and impairment	**139.8**	114.8	**387.3**	280.0	385.2
Changes in air traffic settlement liabilities	**-846.8**	-720.3	**790.0**	554.7	531.4
Other adjustments	**170.8**	192.3	**215.7**	141.2	484.4
Net cash flows from operating activities	**67.4**	459.7	**2,113.4**	1,575.1	2,021.7
INVESTMENT ACTIVITIES					
Purchases, proceeds and prepayment of tangible assets	**-617.9**	-564.9	**-1,161.4**	-1,220.1	-2,765.5
Net cash flows from investing activities	**-617.9**	-564.9	**-1,161.4**	-1,220.1	-2,765.5
FINANCING ACTIVITIES					
Loan proceeds	**496.3**	416.3	**960.5**	826.9	2,106.4
Principal repayments	**-456.3**	-84.6	**-1,107.5**	-366.7	-460.7
Financing costs paid	**-107.9**	-64.3	**-231.1**	-184.1	-294.4
Proceeds from issuing new shares	**0.0**	0.0	**0.0**	0.0	18.1
Net cash flows from financial activities	**-67.8**	267.4	**-378.2**	276.1	1,369.4
Foreign exchange effect on cash	**-1.7**	-1.8	**-1.8**	-1.3	0.3
Net change in cash and cash equivalents	**-620.0**	160.4	**572.0**	629.9	625.9
Cash and cash equivalents in beginning of period	**2,922.9**	1,574.4	**1,730.9**	1,104.9	1,104.9
Cash and cash equivalents in end of period	**2,302.9**	1,734.8	**2,302.9**	1,734.8	1,730.9

STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(Amounts in NOK million)	**YTD 2013**	YTD 2012	Full Year 2012
Net profit for the period	**515.5**	433.0	456.6
Available-for-sale financial assets	**0.6**	0.0	0.0
Exchange rate differences Group	**-1.2**	-0.4	0.3
Total comprehensive income for the period	**515.0**	432.6	456.9
Profit attributable to:			
Owners of the company	**515.5**	433.0	456.6

CONDENSED CONSOLIDATED CHANGES IN EQUITY

Unaudited

(Amounts in NOK million)	**YTD 2013**	YTD 2012	Full Year 2012
Equity - Beginning of period	**2,420.7**	1,945.6	1,945.6
Total comprehensive income for the period	**515.0**	432.6	456.9
Share issue	**0.0**	0.0	18.1
Equity change on employee options	**4.4**	0.0	0.0
Equity - End of period	**2,940.0**	2,379.0	2,420.7

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 2012 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 2012. 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 2012.

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 2012.

Note 2 Risk

SENSITIVITY ANALYSIS

Unaudited	Effect on income MNOK
1% decrease in jet fuel price	41
1% depreciation of NOK against USD	-53
1% depreciation of NOK against EURO	-33

The sensitivity analysis reflects the effect on operating costs 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 fees. 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 2013	Q3 2012	*Change*	YTD 2013	YTD 2012	*Change*	Full Year 2012
Per activity							
Passenger revenue	**4,221.8**	3,707.0	*13.9 %*	**10,194.1**	8,492.3	*20.0 %*	11,201.1
Ancillary passenger revenue	**532.1**	428.6	*24.1 %*	**1,299.5**	1,065.9	*21.9 %*	1,405.5
Other revenue	**123.9**	88.4	*40.2 %*	**300.4**	195.4	*53.7 %*	252.5
Total	**4,877.8**	4,224.0	*15.5 %*	**11,793.9**	9,753.6	*20.9 %*	12,859.0
Per geographical market							
Domestic	**1,072.3**	1,071.3	*0.1 %*	**3,307.1**	2,960.3	*11.7 %*	4,057.3
International	**3,805.6**	3,152.7	*20.7 %*	**8,486.8**	6,793.3	*24.9 %*	8,801.7
Total	**4,877.8**	4,224.0	*15.5 %*	**11,793.9**	9,753.6	*20.9 %*	12,859.0

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 2013 there are no changes in related parties compared to the description in Note 27 in the Annual Report for 2012. There have been no significant transactions with related parties during the third quarter 2013.

Note 6 Borrowings

Unaudited

	At 30 Sept		At 30 Sept		At 31 Dec	
(Amounts in NOK million)	2013		2012		2012	
	Long term	**Short term**	Long term	Short term	Long term	Short term
Bond issue	**-592.7**	**0.0**	-587.7	0.0	-588.9	0.0
Revolving credit facility	**0.0**	**-734.9**	-27.3	-241.1	0.0	-930.7
Aircraft financing	**-3,892.6**	**-532.2**	-3,229.3	-372.0	-3,577.8	-413.7
Financial lease liability	**-6.8**	**-5.0**	-12.0	-5.0	-10.9	-5.0
Total	**-4,492.0**	**-1,272.0**	-3,856.3	-618.0	-4,177.6	-1,349.4
Total Borrowings	**-5,764.0**		-4,474.3		-5,527.0	

Other losses/(gains) is not included in the Unit Cost definition or the underlying earnings as it primarily contains hedge losses/gains offset by financial items.

Note 7 Shareholder information

20 Largest shareholders at 30 September 2013

	Shareholder	Country	Number of shares	Percent
1	HBK INVEST AS	NOR	9,499,116	27.0 %
2	FOLKETRYGDFONDET	NOR	3,356,393	9.5 %
3	SKAGEN VEKST	NOR	1,448,775	4.1 %
4	SKAGEN KON-TIKI	NOR	1,095,007	3.1 %
5	CLEARSTREAM BANKING	LUX	783,839	2.2 %
6	J.P. MORGAN CHASE BA	GBR	692,874	2.0 %
7	DANSKE INVEST NORSKE	NOR	639,493	1.8 %
8	VERDIPAPIRFONDET DNB	NOR	599,356	1.7 %
9	DANSKE INVEST NORSKE	NOR	408,189	1.2 %
10	KLP AKSJE NORGE VPF	NOR	391,598	1.1 %
11	VARMA MUTUAL PENSION	FIN	376,818	1.1 %
12	DNB NOR BANK ASA EGE	NOR	357,154	1.0 %
13	STENSHAGEN INVEST AS	NOR	311,679	0.9 %
14	JP MORGAN CHASE BANK	SWE	309,036	0.9 %
15	STATE STREET BANK AN	USA	281,532	0.8 %
16	DNB LIVSFORSIKRING A	NOR	253,673	0.7 %
17	SKANDINAVISKA ENSKIL	SWE	252,218	0.7 %
18	KOMMUNAL LANDSPENSJO	NOR	250,768	0.7 %
19	STATOIL PENSJON	NOR	241,997	0.7 %
20	KLP AKSJE NORGE INDE	NOR	224,184	0.6 %
	Top 20 shareholders		**21,773,699**	**61.9 %**
	Other shareholders		13,388,440	38.1 %
	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 2013, equal to 31 December 2012.

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

As described in note 28 in the Annual Report for 2012, Norwegian was in a legal dispute with the Norwegian Pilot Union at 31 December 2012. This dispute was on-going at 30 September 2013, as the sentence issued from the Norwegian Labor Court on 5 June 2013 was appealed by Norwegian to the Norwegian Supreme Court during third quarter. As described in note 19 in the Annual Report for 2012, provisions for pension costs of MNOK 187 have been made based on management's best estimate of future obligations including potential legal claims, conversion costs, administration fee and potential compensations to employees arising from the legal dispute.

Note 9 Events after the reporting date

On 15 October, Norwegian's board decided on a new company structure to ensure international growth and necessary traffic rights. Norwegian Air Shuttle ASA will still be the parent company. Two fully owned subsidiaries will be established, each with their own air operator's certificate (AOC) - one in Norway and one in the EU.

The company intends to offer pilots at bases outside of Scandinavia permanent employment. A new operating company in Norway that will operate from today's Scandinavian bases and all pilots permanently employed in Scandinavia will be transferred to the Norwegian operating company. They will keep their current wages and conditions. Other Norwegian Air Shuttle ASA employees will not be affected by these changes.

A new EU operating company will be established in order to secure necessary traffic rights to fly out of Europe and in line with legal developments in Europe, fully owned country-specific resource companies will be established. Hired pilots will be offered permanent employment locally in the respective resource companies. Pilots in Finland are the first to be offered permanent employment by the first quarter 2014. Pilots at bases in Spain and England will follow.

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.

Other losses/(gains) is not included in the Unit Cost definition or the underlying earnings as it primarily contains hedge losses/gains offset by financial items.

Information about the Norwegian Group

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Organization Number	NO 965 920 358 MVA

Board of Directors Norwegian Air Shuttle ASA

Bjørn H. Kise, Chairman
Ola Krohn-Fagervoll, deputy Chairman
Liv Berstad
Marianne Wergeland Jenssen
Linda Olsen
Thor Espen Bråten
Kenneth Utsikt

Group Management

Bjørn Kjos, Chief Executive Officer
Asgeir Nyseth, Chief Operating Officer
Frode E. Foss, Chief Financial Officer
Per Ivar Gjørvad, Chief Information Officer
Frode Berg, Chief Legal 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 2013

6	November	Monthly traffic data October
5	December	Monthly traffic data November

Financial calendar for presentation of fourth quarter results will be announced during fourth quarter.