

Interim report

Norwegian Air Shuttle ASA – first quarter 2016

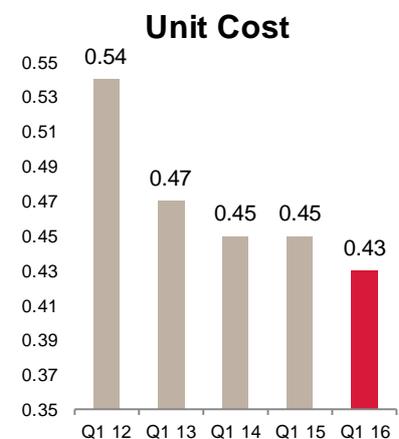
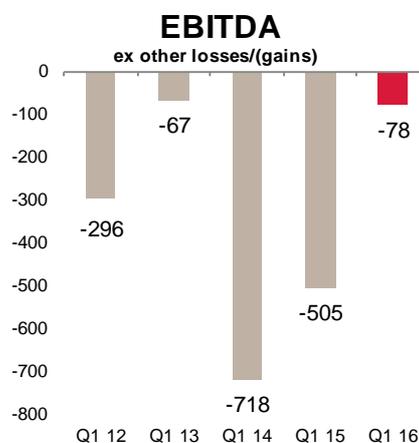
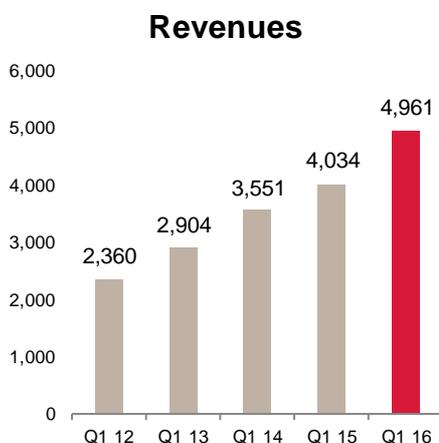


Unit cost:

-5%

Unit cost NOK 0.43

- EBITDA ex other losses/(gains) up NOK 426 million
- Cash and cash equivalents of NOK 3,190 million
- Production increase (ASK) +17%
- Unit revenue up 5% to NOK 0.34



Norwegian reports underlying result improvement and high load factor in the first quarter

Norwegian today reported its first quarter results for 2016 with an underlying improvement of more than 400 MNOK, compared to the same quarter previous year. The company's intercontinental and Nordic routes had a positive impact on the results. The load factor was record high at 85 percent, in a quarter that is traditionally considered low season.

The pre-tax result (EBT) was -992 MNOK, compared to -777 MNOK the same quarter previous year. Included in the 2016 figures are negative currency effects and losses from forward jet-fuel contracts, amounting to a loss of 528 MNOK.

The load factor for the first quarter was 85 percent, up two percentage points compared to the same quarter last year. The airline carried close to six million passengers in the first quarter, an increase of 17 percent. Norwegian's strongest growth was at London Gatwick, where the airline operates both long- and short-haul routes. The growth at Spanish airports is also considerable. In the Nordic countries passenger numbers increased, both in regards to total number of passengers and market shares.

"The first quarter results show that we have an underlying profit improvement of 400 million NOK compared to the same

quarter last year. Our load factor continues to be very high. The long-haul operations are becoming significantly more important. We also see growth in the Nordics and in Europe in general. We also see that the Scandinavian and European route networks both play an increasingly important role in our long-haul strategy, as many of our passengers connect from short haul to long haul and vice versa. An increasing number of business travellers choose to fly with Norwegian, and we have entered into agreements with several large corporations in the first quarter. This indicates that passengers appreciate a high quality product at a low price," says CEO Bjørn Kjos.

In the first quarter, Norwegian launched new long-haul routes between Paris and the US, and took delivery of five brand new Boeing 737-800 and one Boeing 787-9 Dreamliner.

CONSOLIDATED FINANCIAL KEY FIGURES

Unaudited

(Amounts in NOK million)	Q1 2016	Q1 2015	Change	Full Year 2015
Operating revenue	4,960.6	4,034.3	23%	22,491.1
EBITDAR	62.6	68.4	-8%	3,694.3
EBITDAR excl other losses/(gains)-net	590.5	65.8	797%	4,168.4
EBITDA	-606.1	-502.0	-21%	1,481.1
EBITDA excl other losses/(gains)-net	-78.2	-504.6	85%	1,955.2
EBIT	-894.5	-722.4	-24%	347.8
EBT	-991.9	-776.5	-28%	75.0
Net profit/ loss (-)	-800.0	-538.3	-49%	246.2
EBITDAR margin	1.3 %	1.7 %		16.4 %
EBITDA margin	-12.2 %	-12.4 %		6.6 %
EBIT margin	-18.0 %	-17.9 %		1.5 %
EBT margin	-20.0 %	-19.2 %		0.3 %
Net profit margin	-16.1 %	-13.3 %		1.1 %
Book equity per share (NOK)	55.5	53.4	4%	82.9
Equity ratio (%)	6%	7%	-14%	9%
Net interest bearing debt	15,908.6	13,096.6	21%	17,130.6

See definitions on page 14

OPERATIONAL REVIEW

CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

<i>(Ratios in NOK)</i>	Q1 2016	Q1 2015	Change	Full Year 2015
Yield	0.40	0.39	2%	0.44
Unit Revenue	0.34	0.32	5%	0.38
Unit Cost	0.43	0.45	-5%	0.42
Unit Cost ex fuel	0.35	0.35	1%	0.31
Ancillary Revenue/PAX	138	136	1%	127.20
Internet bookings	76%	82%	-6 pp	77%
ASK (million)	11,803	10,056	17%	49,028
RPK (million)	10,050	8,344	20%	42,284
Passengers (million)	5.82	4.96	17%	25.75
Load Factor	85%	83%	2 pp	86%
Average sector length (km)	1,450	1,389	4%	1,407
Fuel consumption (metric tonnes)	244,882	209,360	17%	1,015,337
CO ₂ per RPK	77	79	-3%	76

Traffic Development

A total of 5.82 million passengers travelled with Norwegian in the first quarter of 2016, compared to 4.96 million in the first quarter of 2015, an increase of 17%. Production (ASK) increased by 17% and passenger traffic (RPK) increased by 20%. The load factor was 85% in the first quarter, an increase of 2 percentage points compared to the same period last year.

At the end of the first quarter the total fleet including aircraft on maintenance and excluding wetlease comprised 109 aircraft. The Group utilized every operational aircraft on average 10.7 block hours per day in the first quarter compared to 10.6 last year.

The share of Internet sales was 76% which is a decrease of 6 percentage points from last year.

Operating performance

Punctuality, the percentage of flights departing on schedule, was 76% in the first quarter 2016, a decrease of 4 percentage points from the same quarter last year.

Regularity, the percentage of scheduled flights actually taking place, was 99.5% in the first quarter, compared to 95.1% in the same quarter last year.

FINANCIAL REVIEW

Income statement and financial key figures

First quarter earnings were affected by strong capacity growth, increased load factor of 2 p.p and stable yield. Production (ASK) increased by 17% driven by increased sector length of 4% and increased capacity. Depreciation of NOK against foreign currencies, international expansion, reduced fuel spot prices and wetlease expenses significantly affected the unit cost in first quarter. Passenger revenue per unit produced increased by 5% and the unit cost decreased by 5% from same quarter last year.

Operating profit before interest, depreciation, amortization, restructuring, rent/leasing and associated company (EBITDAR) excluding other losses/(gains) for the first quarter was NOK 591 million (66), while profit (loss) before tax (EBT) was NOK -992 million (-777), resulting in an EBT margin of -20% compared to -19% in the first quarter last year. Included in EBT are negative currency effects and losses from forward jet-fuel contracts, amounting to a loss of NOK 528 million presented as other losses/(gains)-net, compared to a gain of NOK 3 million last year.

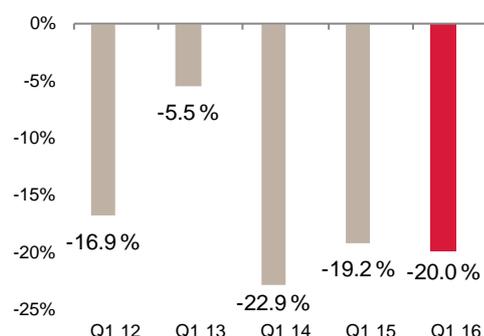
Revenues

Total revenues in the first quarter were NOK 4,961 million (4,034), an increase of 23%. NOK 3,971 million (3,221) of the revenues in the first quarter was related to passenger revenues.

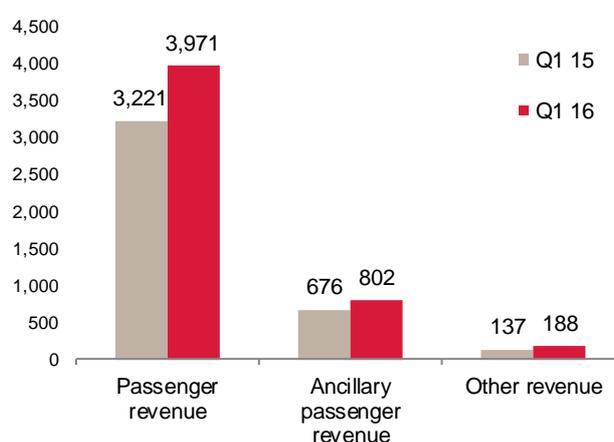
Passenger revenue per unit produced (unit revenue) in the first quarter was NOK 0.34 compared to NOK 0.32 for the same period last year. The development in unit revenue compared to last year reflects higher yield (+2%) and increased load factor (+2 p.p) in key markets, partially offset by increased average sector length (+4%). Ancillary revenue was NOK 802 million (676), while the remaining NOK 188 million (137) was related to freight, commissions and third-party products. Ancillary passenger revenue was NOK 138 per passenger (NOK 136) in the first quarter, an increase of 1%.

Norwegian has grown rapidly expanding international traffic and adding new bases, destinations and markets to its portfolio. As a consequence, the share of passengers outside Scandinavia passed 40% in first quarter 2016, with the strongest passenger growth in the US and Spain. The international expansion enables continued cost efficiency and continuously improves competitive power.

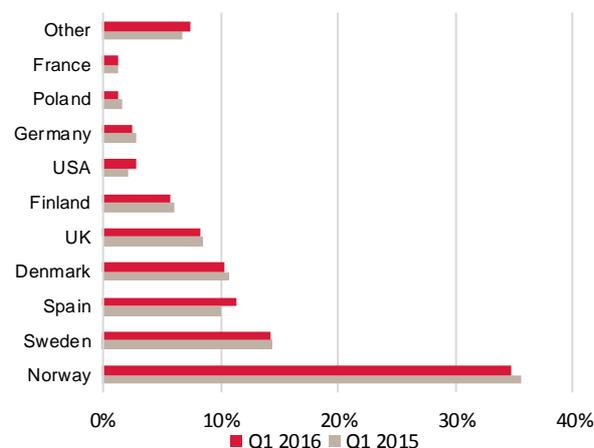
EBT margin



Revenue split (MNOK)



Passenger by origin (%)



Operating expenses

COST BREAKDOWN

Unaudited

(Amounts in NOK million)	Q1 2016	Q1 2015	Change	Full Year 2015
Personell expenses	924.3	796.6	16%	3,433.7
Sales/ distribution expenses	199.4	136.0	47%	595.2
Aviation fuel	860.8	1,024.5	-16%	5,184.5
Airport and ATC charges	684.6	570.6	20%	2,949.3
Handling charges	599.7	511.5	17%	2,336.8
Technical maintenance expenses	407.6	364.9	12%	1,716.5
Other flight operation expenses	336.5	232.8	45%	849.6
General and administrative expenses	357.3	331.5	8%	1,257.1
Other losses/(gains) - net	527.9	-2.6	-20404%	474.1
Total operating expenses	4,898.0	3,965.9	24%	18,796.8
Leasing	668.7	570.4	17%	2,213.3
Total operating expenses incl lease	5,566.7	4,536.3	23%	21,010.1

Operating expenses excluding leasing and depreciation increased by 24% to NOK 4.898 million (3,966) this quarter. The increase is mainly due to a production increase (ASK) of 17% and depreciation of NOK against USD and EUR, partially offset by reductions in fuel spot prices and increased average sector length.

The unit cost was NOK 0.43, a decrease of 5% compared to the first quarter last year. Unit cost ex fuel was NOK 0.35, equal to last year. At constant currency, unit cost ex fuel decreased by 6% this quarter.

Personnel expenses increased by 16% to NOK 924 million (797) in the first quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 1% due to increased capacity and increased sector length from international bases, partially offset by depreciation of NOK against EUR and increased salaries.

The average number of full time equivalents (FTE) increased by 7% compared to same quarter last year.

Sales and distribution expenses increased by 47% to NOK 199 million (136) in the first quarter compared to the same quarter last year. Unit cost for sales and distribution expenses increased by 25%. Increased credit card commissions from sales in international markets and significantly increased sales through travel agents more than offset unit cost reductions from increased production.

Aviation fuel expenses decreased by 16% to NOK 861 million (1,025) in the first quarter compared to the same quarter last year. Increased production of 17% and depreciation of NOK against USD are more than offset by the reduction in fuel spot prices, compared to the same quarter last year, resulting in a decrease in unit cost of 28% for the quarter.

The Group has at the end of the first quarter 2016 forward contracts to cover approximately 50% of fuel exposure for the remaining of 2016 at an average price of USD 555 per ton, and approximately 20% of fuel exposure in 2017 at an average price of USD 563 per ton.

Airport and air traffic control (ATC) charges increased by 20% to NOK 685 million (571) in the first quarter compared to the same quarter last year. Unit cost for airport and ATC charges increased by 2%, mainly due to depreciation of NOK against USD and EUR.

Handling charges increased by 17%, to NOK 600 million (512) in the first quarter compared to the same quarter last year. Unit cost for handling charges was equal to last year. Increased handling at more expensive international airports, higher load factor and depreciation of NOK against USD and EUR, were partially offset by increased average sector length and reduced passenger refunds from irregularities. First quarter last year included strike-related passenger costs.

Technical maintenance costs increased by 12%, to NOK 408 million (365) in the first quarter compared to the same quarter last year. Unit cost for technical maintenance decreased by 5% due to increased production, partially offset by depreciation of NOK against USD. An increased share of owned aircraft in the fleet reduces technical maintenance expenses per unit produced, as planned maintenance cost on owned aircraft is capitalized.

Other flight operation expenses increased by 45% to NOK 337 million (233) in the first 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 other leases, as well as training, meals and housing for crew. Unit cost increased by 23% in the quarter, mainly due to external training for pilots and international expansion.

General and administrative expenses increased by 8% to NOK 357 million (332) in the first quarter compared to the same quarter last year, due to the introduction of new markets, products and international bases. Expenses to enhance Norwegian Reward customer loyalty programme increased in first quarter compared to last year. Unit cost for general and administrative expenses decreased by 8%.

Other losses/(gains)-net; includes gains/losses from foreign currency contracts, forward fuel contracts and gains/losses on working capital in foreign currency. Total loss in first quarter was NOK 528 million (gain of NOK 3 million last year), whereof NOK 409 million relates to losses from working capital in foreign currency.

Leasing costs increased by 17% to NOK 669 million (570) in the first quarter compared to the same quarter last year. Unit cost for leasing was equal to last year. Increased costs from depreciation of NOK against USD and increased use of wetlease were offset by lower share of leased aircraft in the fleet.

During the first quarter the Group operated 56 (43) owned Boeing 737-800Ws and 3 (2) owned Boeing 787-8 Dreamliner.

Depreciation increased by 31% to NOK 288 million (220) in the first quarter compared to the same quarter last year due to increased number of owned aircraft in the fleet.

Profit/Loss from Associated Company in the first quarter was estimated to NOK 36 million (22) which represents the 20% share of Bank Norwegian's fourth quarter results.

Financial Items were NOK -133 million (-76) in the first quarter. Interest on prepayments of NOK 72 million (59) was capitalized, reducing interest expenses.

Income taxes amounted to a tax benefit of NOK 192 million (-238) in the first quarter.

Financial position and liquidity

Aircraft assets are accounted for in USD, creating a natural hedge against USD denominated borrowings when translated into NOK. During first quarter, five new Boeing 737-800Ws were delivered and financed through long-term borrowings structured as private placement directed to institutional investors in the US market. An arrangement for pre-delivery payment financing (PDP) of fifty Airbus 320 Neo aircraft scheduled for delivery in 2016 to 2019 was finalized at the end of January 2016. The facility covers PDP financing for deliveries until the end of 2019 and is structured as a revolving credit facility. These deliveries in the next 4 years are key to the Norwegian Group's future growth plans, and the PDP financing facility is a milestone in Norwegian's ongoing program for financing direct-buy aircraft.

Net assets at the end of first quarter 2016 is highly affected by appreciation of NOK against USD, compared to closing rate at December 31, 2015.

Net interest bearing debt at the end of the first quarter was NOK 15,907 million compared to NOK 17,131 million at the end of last year. The financial position is highly affected by increased production, appreciation of NOK against USD and asset acquisitions. At the end of first quarter, the financial position continues to be solid with an equity ratio of 6%, down one percentage point on first quarter last year.

Net change in cash and cash equivalents in first quarter was NOK 736 million. Investments in new aircraft and equipment were NOK 1,666 million in the first quarter, with net cash from financing activities of NOK 375 million and cash flow from operations of NOK 2,007 million.

Total non-current assets amount to NOK 26,614 million at the end of the first quarter, compared to NOK 26,523 million at the end of last year. The main investments during the first quarter are related to prepayments to aircraft manufacturers for aircraft on order and delivery of five new owned Boeing 737-800Ws. Appreciation of NOK against USD highly affects aircraft values in first quarter by offsetting aircraft investments, resulting in a decrease in tangible fixed assets of NOK 118 million, compared to year-end 2015.

Total current assets amount to NOK 6,370 million at the end of the first quarter, compared to NOK 5,111 million at the end of last year. Receivables have increased by NOK 527 million during the quarter due to increased production and unit revenue. Cash and cash equivalents have increased by NOK 736 million during the quarter.

Total non-current liabilities at the end of the first quarter were NOK 17,578 million, compared to NOK 17,936 million at the end of last year. Long-term borrowings decreased by NOK 345 million during the first quarter due to appreciation of NOK against USD and EUR and down-payments on aircraft financing, partially offset by increased external borrowings for five new Boeing 737-800Ws and pre-delivery payment financing for Airbus 320 Neo. Other non-current liabilities decrease by NOK 13 million due to appreciation of NOK against USD and EUR and decreased deferred tax liability, partially offset by increased accruals for heavy maintenance.

Total short-term liabilities at the end of the first quarter were NOK 13,420 million, compared to NOK 10,733 million at the end of last year. Current liabilities decreased by NOK 126 million during the first quarter mainly due to reduced marked-to-market value of derivative financial instruments. Short-term borrowings decreased by NOK 141 million during the first quarter due to reduced pre-delivery payment financing from delivery of aircraft and appreciation of NOK against USD, partially offset by new pre-delivery payment financing of Airbus 320 Neo and increased portion of borrowings falling due within next twelve months. Air traffic liability increased by NOK 2,954 million from end of last year due to increased production and unit revenue.

Equity at the end of the first quarter was NOK 1,986 million compared to NOK 2,965 million at the end of last year. Equity decreased due to net loss in the period of NOK 800 million

and exchange rate loss from Group holdings in subsidiaries of NOK 180 million.

Cash flow

Cash and cash equivalents were NOK 3,190 million at the end of the first quarter compared to NOK 2,454 million at the end of last year.

Cash flow from operating activities in the first quarter amounted to NOK 2,007 million compared to NOK 996 million in the first quarter last year. Air traffic settlement liability increased by NOK 2,954 million during the first quarter compared to NOK 2,497 million during the same quarter last year. Receivables increased by NOK 584 million compared to NOK 598 million in the same quarter last year. Cash from other adjustments amounted to NOK 341 million during first quarter compared to NOK -347 million in the same quarter last year. Other adjustments mainly consist of changes in current liabilities and currency gain/loss with no cash effects.

Cash flow from investment activities in the first quarter was NOK -1,666 million, compared to NOK -1,597 million in the first quarter last year. Prepayments to aircraft manufacturers and investments in new aircraft are the main investments. Five new aircraft was delivered in first quarter, while two aircraft were delivered in first quarter last year.

Cash flow from financing activities in the first quarter was NOK 375 million compared to NOK 196 million in the first quarter last year. Proceeds from financing of aircraft and pre-delivery payment financing 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, as well as hedging of such, 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 and assets denominated in foreign currency.

OUTLOOK

The market in Norway is influenced by the slowdown in the economy and there is increased competition in the Danish market. The demand for travelling with Norwegian and advance bookings have been satisfactory entering the first quarter of 2016. Norwegian will continue to take advantage of its increasing competitive power realized through continuous cost efficiency, and from introducing larger aircraft (17 new 737-800Ws and 4 new 787-9 will be delivered in 2016) with a lower operating cost. In addition four Airbus 320neo aircraft will be delivered in 2016, which will be leased to airline HK Express.

Norwegian has twenty operational bases globally.

Norwegian guides for a production growth (ASK) of 18% for 2016, including the long haul production. The growth in short haul production is mainly from increasing the fleet by adding 737-800Ws. The long haul production will grow in accordance with the phasing in of aircraft and the Group will have twelve Boeing 787 Dreamliners by the end of 2016. 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 350 per ton, USD/NOK 8.25 and EUR/NOK 9.00 for the year 2016 (excluding hedged volumes) and with the currently planned route portfolio, the Group is targeting a unit cost (CASK) in the area of NOK 0.37 for 2016.

Norwegian is establishing and preparing for an organizational structure that will secure cost efficient international expansion and necessary traffic rights for the future.

Fornebu, 20 April 2016

CEO
Bjørn Kjos

CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited

<i>(Amounts in NOK million)</i>	<i>Note</i>	Q1 2016	Q1 2015	Full Year 2015
Operating revenue				
Total operating revenue	3	4,960.6	4,034.3	22,491.1
Total operating revenue		4,960.6	4,034.3	22,491.1
Operating expenses				
Operational expenses		3,073.9	2,831.6	13,593.0
Payroll and other personnel expenses		924.6	796.6	3,433.7
Other operating expenses		899.6	337.7	1,770.1
Total operating expenses		4,898.0	3,965.9	18,796.8
Operating profit before leasing, depreciation and amortization (EBITDAR)				
		62.6	68.4	3,694.3
Leasing		668.7	570.4	2,213.3
Operating profit before depreciation and amortization (EBITDA)		-606.1	-502.0	1,481.1
Depreciation and amortization		288.4	220.4	1,133.3
Operating profit (EBIT)		-894.5	-722.4	347.8
Financial items				
Interest income		12.8	14.0	76.3
Interest expense		132.1	78.2	349.7
Other financial income (expense)		-13.9	-11.9	-102.7
Net financial items		-133.1	-76.1	-376.2
Profit/Loss from associated company		35.8	22.1	103.4
Profit (loss) before tax (EBT)		-991.9	-776.5	75.0
Income tax expense (income)		-191.9	-238.2	-171.1
Net profit (loss)		-800.0	-538.3	246.2
Net profit attributable to:				
Owners of the parent company		-800.0	-538.3	246.2
Earnings per share (NOK) - Basic		-22.4	-15.3	7.0
Earnings per share (NOK) - Diluted		-22.4	-15.0	7.0
No. of shares at the end of the period		35,759,639	35,162,139	35,759,639
Average no. of shares outstanding		35,759,639	35,162,139	35,233,540
Average no. of shares outstanding - diluted		35,759,639	35,787,139	35,726,319

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited

<i>(Amounts in NOK million)</i>	<i>Note</i>	At 31 March 2016	At 31 March 2015	At 31 Dec 2015
ASSETS				
Non-current assets				
Intangible assets		982.2	957.9	800.3
Tangible fixed assets		24,694.2	19,997.0	24,812.2
Fixed asset investments		937.2	793.9	910.3
Total non-current assets		26,613.6	21,748.8	26,522.7
Current assets				
Inventory		100.0	81.1	104.1
Receivables		3,080.1	2,916.7	2,553.1
Cash and cash equivalents		3,189.8	1,615.4	2,454.2
Total current assets		6,369.8	4,613.2	5,111.4
TOTAL ASSETS		32,983.4	26,362.0	31,634.1
EQUITY AND LIABILITIES				
Shareholders equity				
Paid-in capital	7	1,330.0	1,187.2	1,330.0
Other equity		655.5	689.1	1,634.7
Total equity		1,985.5	1,876.3	2,965.3
Non-current liabilities				
Other non-current liabilities		1,379.6	1,356.6	1,392.4
Long term borrowings	6	16,198.4	10,790.0	16,543.4
Total non-current liabilities		17,577.9	12,146.6	17,935.8
Short term liabilities				
Current liabilities		3,551.6	2,954.7	3,677.6
Short term borrowings	6	2,900.0	3,922.0	3,041.4
Air traffic settlement liabilities		6,968.5	5,462.4	4,014.4
Total short term liabilities		13,420.0	12,339.1	10,733.4
Total liabilities		30,998.0	24,485.8	28,669.1
TOTAL EQUITY AND LIABILITIES		32,983.4	26,362.0	31,634.4

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Unaudited

<i>(Amounts in NOK million)</i>	Q1 2016	Q1 2015	Full Year 2015
OPERATING ACTIVITIES			
Profit before tax	-991.9	-776.5	75.0
Paid taxes	0.0	0.0	-44.1
Depreciation, amortization and impairment	288.4	220.4	1,133.3
Changes in air traffic settlement liabilities	2,954.1	2,497.0	1,049.0
Changes in accounts receivable	-584.2	-598.0	-175.3
Other adjustments	341.0	-347.4	318.7
Net cash flows from operating activities	2,007.3	995.5	2,356.7
INVESTMENT ACTIVITIES			
Purchases, proceeds and prepayment of tangible assets	-1,666.3	-1,597.0	-5,189.2
Net cash flows from investing activities	-1,666.3	-1,597.0	-5,189.2
FINANCING ACTIVITIES			
Loan proceeds	994.5	576.9	5,771.4
Principal repayments	-444.4	-259.1	-1,827.5
Financing costs paid	-175.2	-121.7	-799.7
Proceeds from issuing new shares	0.0	0.0	138.1
Net cash flows from financial activities	375.0	196.1	3,282.3
Foreign exchange effect on cash	19.7	9.7	-6.8
Net change in cash and cash equivalents	735.6	-395.7	443.0
Cash and cash equivalents in beginning of period	2,454.2	2,011.1	2,011.1
Cash and cash equivalents in end of period	3,189.8	1,615.4	2,454.2

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Unaudited

<i>(Amounts in NOK million)</i>	Q1 2016	Q1 2015	Full Year 2015
Net profit (loss) for the period	-800.0	-538.3	246.2
Actuarial gains and losses	0.0	21.0	44.5
Exchange rate differences Group	-179.8	283.1	421.1
Total comprehensive income for the period	-979.8	-234.2	711.8
Profit attributable to:			
Owners of the company	-979.8	-234.2	711.8

CONDENSED CONSOLIDATED CHANGES IN EQUITY

Unaudited

<i>(Amounts in NOK million)</i>	Q1 2016	Q1 2015	Full Year 2015
Equity - Beginning of period	2,965.3	2,108.3	2,108.3
Total comprehensive income for the period	-979.8	-234.2	711.8
Share issue	0.0	0.0	138.1
Equity change on employee options	0.0	2.1	7.1
Equity - End of period	1,985.5	1,876.3	2,965.3

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 report comprise Norwegian Air Shuttle ASA and its subsidiaries (the Group).

The consolidated financial statements of the Group for the year ended December 31, 2015 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 December 31, 2015. 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 December 31, 2015.

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 December 31, 2015.

Note 2 Risk

SENSITIVITY ANALYSIS

Unaudited

	Effect on income MNOK
1% decrease in jet fuel price	35
1% depreciation of NOK against USD	-118
1% depreciation of NOK against EURO	-8

The sensitivity analysis reflects the effect on operating costs in 2016 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 products, gain from sale of assets and other income.

OPERATING REVENUE BREAKDOWN

Unaudited (Amounts in NOK million)	Q1 2016	Q1 2015	Change	Full Year 2015
Per activity				
Passenger revenue	3,970.9	3,220.7	23.3 %	18,505.8
Ancillary passenger revenue	801.6	676.4	18.5 %	3,275.3
Other revenue	188.1	137.2	37.1 %	710.1
Total operating revenue	4,960.6	4,034.3	23.0 %	22,491.1
				0
Per geographical market				
Domestic	1,129.7	981.4	15.1 %	4,786.9
International	3,830.9	3,052.9	25.5 %	17,704.2
Total operating revenue	4,960.6	4,034.3	23.0 %	22,491.1

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 first quarter 2016 there are no changes in related parties compared to the description in Note 26 in the Annual Report for 2015. There have been no significant transactions with related parties during the first quarter 2016.

Note 6 Borrowings**Unaudited**

(Amounts in NOK million)	At 31 March 2016		At 31 March 2015		At 31 Dec 2015	
	Long term	Short term	Long term	Short term	Long term	Short term
Bond issue	-3,199.0	0.0	-564.3	-287.5	-3,221.6	0.0
Revolving credit facility	-57.0	-834.7	-195.3	-2,546.2	0.0	-1,473.5
Aircraft financing	-12,937.4	-2,065.3	-10,028.1	-1,088.4	-13,321.8	-1,567.9
Financial lease liability	-5.0	0.0	-2.3	0.0	0.0	0.0
Total	-16,198.4	-2,900.0	-10,790.0	-3,922.0	-16,543.4	-3,041.4
Total Borrowings	-19,098.3		-14,712.0		-19,584.8	

Note 7 Shareholder information

20 Largest shareholders at March 31, 2016

Shareholder	Country	Number of shares	Percent
1 HBK INVEST AS	NOR	8,795,873	24.6 %
2 FOLKETRYGDFONDET	NOR	3,026,203	8.5 %
3 SKAGEN VEKST	NOR	1,109,539	3.1 %
4 VERDIPAPIRFONDET DNB NORGE (IV)	NOR	1,100,000	3.1 %
5 SKAGEN KON-TIKI	NOR	1,049,080	2.9 %
6 DANSKE INVEST NORSKE INSTT. II.	NOR	891,847	2.5 %
7 CLEARSTREAM BANKING S.A.	LUX	800,000	2.2 %
8 VERDIPAPIRFONDET DNB NORGE SELEKTI	NOR	644,158	1.8 %
9 FERD AS	NOR	545,200	1.5 %
10 KLP AKSJE NORGE VPF	NOR	518,575	1.5 %
11 DANSKE INVEST NORSKE AKSJER INST	NOR	486,297	1.4 %
12 VERDIPAPIRFONDET DELPHI NORDEN	GBR	444,172	1.2 %
13 STATOIL PENSJON	NOR	413,985	1.2 %
14 DNB NOR MARKETS, AKSJEHAND/ANALYSE	NOR	375,000	1.0 %
15 JP MORGAN CHASE BANK, NA	NOR	366,374	1.0 %
16 DNB LIVSFORSIKRING ASA	NOR	355,000	1.0 %
17 VERDIPAPIRFONDET HANDELSBANKEN	NOR	347,432	1.0 %
18 DATUM AS	NOR	312,653	0.9 %
19 KOMMUNAL LANDSPENSJONSKASSE	NOR	304,816	0.9 %
20 SKANDINAVISKA ENSKILDA BANKEN AB	SVE	294,243	0.8 %
Top 20 shareholders		22,180,447	62.0 %
Other shareholders		13,579,192	38.0 %
Total number of shares		35,759,639	100.0 %

The parent company Norwegian Air Shuttle ASA had a total of 35,759,639 shares outstanding at March 31, 2016, equal to December 31, 2015. There were a total of 12,184 shareholders at the end of the quarter.

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 additions or changes to the information regarding contingencies or legal claims presented in note 27 to the Annual Financial Statements for 2015.

Note 9 Events after the reporting date

Norwegian Air Shuttle ASA has successfully completed a tap issue of NOK 175 million in the unsecured bond NAS04 (ISIN NO001071386.0, maturity July 3, 2017). The total nominal amount outstanding in NAS04 after the tap issue will be NOK 1,000 million. The settlement date for the tap issue is expected to be April 15, 2016. Net proceeds from the tap issue will be used for general corporate purposes.

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, restructuring, rent/leasing and associated company.
EBITDA:	Earnings before interest, tax, depreciation, amortization and associated company.
EBIT:	Earnings before interest, tax and associated company. Equivalent to Operating profit in the Consolidated Income Statement in the annual report.
EBT:	Earnings before tax. Equivalent to Profit (loss) before tax in the Consolidated Income Statement in the annual report.
EBITDAR ex other losses/(gains)	Earnings before interest, tax, depreciation, amortization, restructuring, rent/leasing, and associated company, adjusted for other losses/(gains)-net.
EBITDA ex other losses/(gains)	Earnings before interest, tax, depreciation, amortization and associated company, adjusted for other losses/(gains)-net.
Other losses/(gains)-net	Consist of fair value losses/(gains) on financial assets at fair value through profit or loss and foreign exchange losses/(gains) on operating activities.
Equity ratio	Book equity divided by Total Assets.
Net interest bearing debt	Long term borrowings plus Short term borrowings less Cash and cash equivalents.
Constant currency	A currency exchange rate that excludes the impact of exchange rate fluctuations from comparable period, e.g last year as comparable period.
Fixed asset investment	Consist of the following items presented in the statement of financial position in the annual report: Financial assets available for sale, Investment in associate and Other receivables.

Information about the Norwegian Group

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Board of Directors Norwegian Air Shuttle ASA

Bjørn H. Kise, Chairman
Liv Berstad, Deputy Chairman
Ada Kjeseth
Christian Fredrik Stray
Thor Espen Bråten
Linda Olsen
Kenneth Utsikt

Group Management

Bjørn Kjos Chief Executive Officer
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 Chief Human Resources Officer
Anne-Sissel Skånvik Chief Communications Officer
Edward Thorstad Chief Customer Officer
Asgeir Nyseth CEO, Norwegian Air UK Ltd
Tore K. Jenssen COO, Arctic Aviation Assets Ltd and CEO, Norwegian Air International Ltd

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 2016

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