

Interim report

Norwegian Air Shuttle ASA – fourth quarter and full year 2015

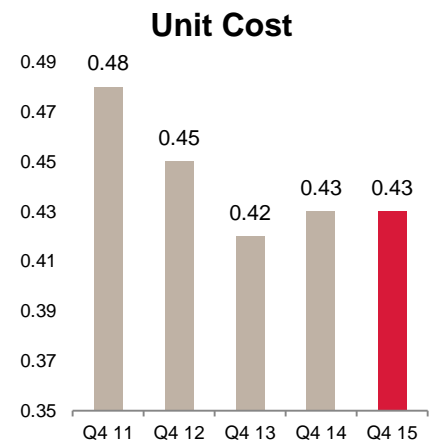
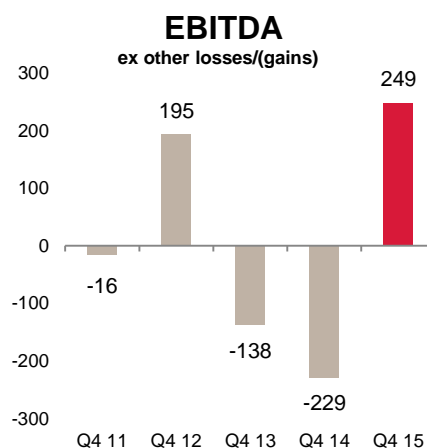
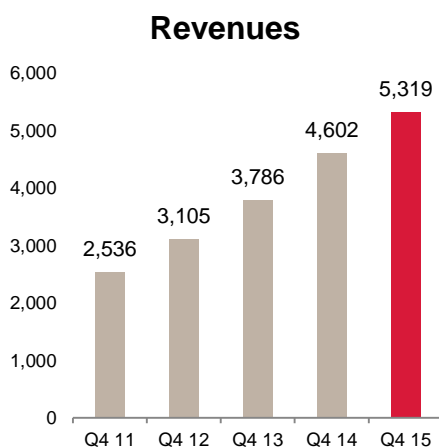


Unit cost full year:

-1%

Unit cost NOK 0.42

- Full year EBITDA ex other losses/(gains) of MNOK 1,955 (-79)
- Load factor up 5 p.p (86%) for full year
- Full year unit revenue +8% (0.38)
- Expected unit cost in the area of 0.37 for full year 2016



Norwegian reports strong improvement in earnings in 2015

Norwegian's 2015 results are characterized by high load factor, continued fleet renewal and moderate capacity growth. The company reported high load factor throughout 2015, which averaged at 86 percent. The pre-tax result improved by 1.7 BNOK, compared with last year.

In 2015, the company reported a net profit of 75 MNOK. The figure was heavily influenced by an unrealized loss on fuel hedging for 2016 and 2017, which makes up 800 MNOK. Adjusted for such unrealized hedging the 2015 pre-tax results was 875 MNOK. This was a strong improvement compared to -1.168 MNOK the previous year.

Total revenue was 22.5 BNOK - an increase of 15 percent. The production growth (ASK) increased by 5 percent, which illustrates a breather in the company's expansion, explained by fading out older aircraft whilst adding new aircraft to the fleet. The load factor remained high at 86 percent in 2015, up 4 percentage points from the year before. Norwegian carried close to 26 million passengers in 2015, an increase of 7 percent from 2014.

Fourth quarter 2015

For the fourth quarter, the underlying result increased by approximately 500 MNOK. The net loss before tax of 703 MNOK was mainly related to fuel hedging for 2016 and the depreciation of the Norwegian krone.

The company's total turnover in the fourth quarter was 5.3 BNOK, an increase of 16 percent from the same quarter in 2014. Whilst the international traffic increased by 19 percent, domestic Scandinavian routes also improved with an increase of 5 percent. With few empty seats the load factor increased by 4 percentage point to 85 percent.

The airline carried 6.13 million passengers during the fourth quarter, which represents a passenger growth of 9 percent.

"We enter 2016 with favorable fuel cost and one of the youngest fleets in Europe, which presents a significant competitive advantage. We see a satisfactory demand for quality flights at affordable fares, but the unpredictable political decision to introduce passenger tax in Norway is creating an uncertain situation in this market. It is a paradox that the company with the lowest emissions seems to be punished the hardest," says CEO Bjørn Kjos.

CONSOLIDATED FINANCIAL KEY FIGURES

Unaudited

(Amounts in NOK million)	Q4 2015	Q4 2014	Change	FULL YEAR 2015	FULL YEAR 2014	Change
Operating revenue	5,318.9	4,602.4	16%	22,491.1	19,540.0	15%
EBITDAR	295.3	-379.8	-178%	3,694.3	1,183.5	212%
EBITDAR excl other losses/(gains)	810.6	260.8	211%	4,168.4	1,767.3	136%
EBITDA	-266.4	-869.9	-69%	1,481.1	-662.4	324%
EBITDA excl other losses/(gains)	248.9	-229.3	-209%	1,955.2	-78.6	2588%
EBIT	-632.9	-1,082.2	-42%	347.8	-1,410.5	125%
EBT	-702.9	-1,183.7	-41%	75.0	-1,627.0	105%
Net profit/ loss (-)	-373.4	-978.4	-62%	246.2	-1,069.8	123%
EBITDAR margin	5.6 %	-8.3 %		16.4 %	6.1 %	
EBITDA margin	-5.0 %	-18.9 %		6.6 %	-3.4 %	
EBIT margin	-11.9 %	-23.5 %		1.5 %	-7.2 %	
EBT margin	-13.2 %	-25.7 %		0.3 %	-8.3 %	
Net profit margin	-7.0 %	-21.3 %		1.1 %	-5.5 %	
Book equity per share (NOK)				82.9	60.0	38%
Equity ratio (%)				9%	9%	0%
Net interest bearing debt				17,130.6	11,272.8	52%

OPERATIONAL REVIEW

CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

<i>(Ratios in NOK)</i>	Q4 2015	Q4 2014	Change	FULL YEAR 2015	FULL YEAR 2014	Change
Yield	0.43	0.42	2%	0.44	0.43	1%
Unit Revenue	0.36	0.34	7%	0.38	0.35	8%
Unit Cost	0.43	0.43	-2%	0.42	0.42	-1%
Unit Cost ex fuel	0.32	0.30	7%	0.31	0.29	9%
Ancillary Revenue/Sched.PAX	128	119	7%	129	116	11%
Internet bookings	76%	81%	-5 pp	77%	82%	-5 pp
ASK (million)	11,909	11,142	7%	49,028	46,479	5%
RPK (million)	10,107	8,988	12%	42,284	37,615	12%
Passengers (million)	6.13	5.65	9%	25.75	23.98	7%
Load Factor	85%	81%	4 pp	86%	81%	5 pp
Average sector length (km)	1,389	1,340	4%	1,407	1,338	5%
Fuel consumption (metric tonnes)	247,060	231,210	7%	1,015,337	981,243	3%
CO ₂ per RPK	77	81	-5%	76	83	-9%

Traffic Development

A total of 6.13 million passengers travelled with Norwegian in the fourth quarter of 2015, compared to 5.65 million in the fourth quarter of 2014, an increase of 9%. Production (ASK) increased by 7% and passenger traffic (RPK) increased by 12%. The load factor was 85% in the fourth quarter, an increase of 4 percentage points compared to the same period last year.

At the end of the fourth quarter the total fleet including aircraft on maintenance and excluding wetlease comprised 105 aircraft. The Group utilized every operational aircraft on average 11.3 block hours per day in the fourth quarter compared to 11.1 last year.

The share of Internet sales was 76% which is a decrease of 5 percentage point from last year.

Operating performance

Punctuality, the percentage of flights departing on schedule, was 83% in the fourth quarter 2015, a decrease of 1 percentage point from the same quarter last year.

Regularity, the percentage of scheduled flights actually taking place, was 99.6% in the fourth quarter, compared to 99.8% in the same quarter last year.

The operating performance for the quarter is influenced by new handling agents into service, which affected the on-time performance.

FINANCIAL REVIEW

Profit and loss statement

Fourth quarter earnings were affected by increased load factor of 4p.p and increased yield of 2%. Production (ASK) increased by 7% driven by increased sector length of 4% and increased capacity. Depreciation of NOK against foreign currencies, international expansion and reduced fuel spot prices significantly affected the unit cost in fourth quarter. Ticket revenue per unit produced increased by 7% and the unit cost decreased by 2% from same quarter last year, resulting in an EBT margin of -13.2% compared to -25.7% last year.

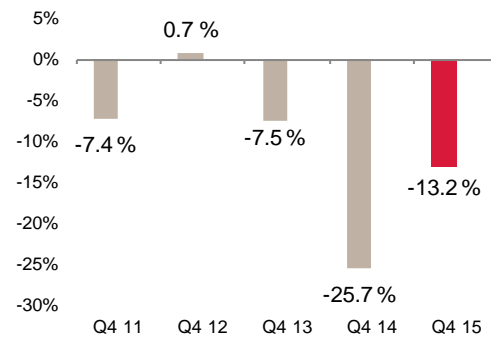
Earnings before interest, depreciation and amortization, (EBITDA) excluding other losses/(gains) for the fourth quarter was MNOK 249 (-229), while earnings before tax (EBT) was MNOK -703 (-1,184).

Revenues

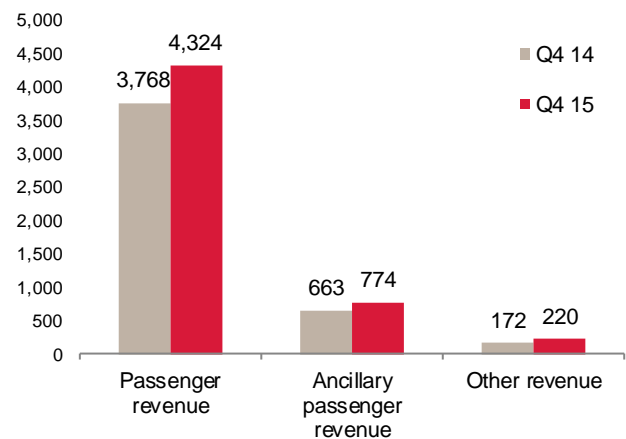
Total revenues in the fourth quarter were MNOK 5,319 (4,602), an increase of 16%. MNOK 4,324 (3,768) of the revenues in the fourth quarter was related to ticket revenues. The ticket revenue per unit produced in the fourth quarter was NOK 0.36 compared to NOK 0.34 for the same period last year. The development in unit revenue compared to last year reflects higher yield (+2%) and increased load factor (+4p.p) in key markets, partially offset by increased average sector length (+4%). Fourth quarter increased capacity was primarily added to a new Caribbean short haul base, Spanish domestic and long haul operations between Europe and the Caribbean. Ancillary revenue was MNOK 774 (663), while the remaining MNOK 220 (172) was related to freight, commissions, third-party products and gain from sale of assets. Ancillary passenger revenue was NOK 128 per scheduled passenger (NOK 119) in the fourth quarter, an increase of 7%, mainly due to increased ancillary revenue from long haul operations and increased sale of pre-sold packages.

Norwegian has grown rapidly expanding international traffic and adding new bases, destinations and markets to its portfolio. The international expansion enables continued cost efficiency and continuously improves competitive power.

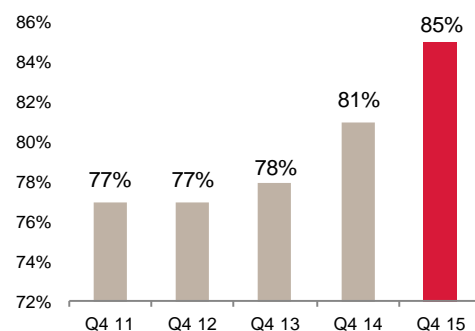
EBT margin



Revenue split (MNOK)



Load factor



Operating expenses

COST BREAKDOWN

Unaudited

(Amounts in NOK million)	Q4 2015	Q4 2014	Change	FULL YEAR 2015	FULL YEAR 2014	Change
Personell expenses	862.7	835.2	3%	3,433.7	3,209.0	7%
Sales/ distribution expenses	151.1	124.9	21%	595.2	469.1	27%
Aviation fuel	1,199.9	1,460.2	-18%	5,184.5	6,321.1	-18%
Airport and ATC charges	711.4	637.3	12%	2,949.3	2,723.9	8%
Handling charges	613.5	458.4	34%	2,336.8	1,854.8	26%
Technical maintenance expenses	431.1	335.8	28%	1,716.5	1,290.0	33%
Other flight operation expenses	233.7	222.1	5%	849.6	855.2	-1%
General and administrative expenses	304.9	267.2	14%	1,257.1	1,049.6	20%
Other losses/(gains) - net	515.3	640.6	-20%	474.1	583.8	-19%
Total operating expenses	5,023.6	4,982.1	1%	18,796.8	18,356.5	2%
Leasing	561.7	490.1	15%	2,213.3	1,845.9	20%
Total operating expenses incl lease	5,585.3	5,472.3	2%	21,010.1	20,202.4	4%

Operating expenses excluding leasing and depreciation increased by 1% to MNOK 5,024 (4,982) this quarter. The increase is mainly due to a production increase (ASK) of 7% and depreciation of NOK against USD and EUR, partially offset by reductions in fuel spot prices and average sector length.

The unit cost was NOK 0.43, a decrease of 2% compared to the fourth quarter last year. Unit cost ex fuel was NOK 0.32, an increase of 7%. Depreciation of NOK against USD and EUR affects the unit cost ex fuel by an estimated 8% increase. Adjusted by changes in currency, unit cost ex fuel decreased by 2% this quarter.

Personnel expenses increased by 3% to MNOK 863 (835) in the fourth quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 3% due to productivity increase and increased sector length from international bases, partially offset by depreciation of NOK against EUR and increased salaries.

The average number of man-labor year increased by 3% compared to same quarter last year.

Sales and distribution expenses increased by 21% to MNOK 151 (125) in the fourth quarter compared to the same quarter last year. Unit cost for sales and distribution expenses increased by 13%. Increased credit card commissions from sales in international markets and increased sales through travel agents more than offset unit cost reductions from increased sector length.

Aviation fuel expenses decreased by 18% to MNOK 1,200 (1,460) in the fourth quarter compared to the same quarter last year. Increased production of 7% and depreciation of NOK against USD are more than offset by the reduction in fuel spot prices during the quarter, resulting in a decrease in unit cost of 23% for the quarter.

The Group has at the end of the fourth quarter 2015 forward contracts to cover approximately 50% of fuel exposure in 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 12% to MNOK 711 (637) in the fourth quarter compared to the same quarter last year. Unit cost for airport and ATC charges increased by 4%. Increased prices and depreciation of NOK against USD and EUR are partially offset by reduced cost due to an increased sector length and increased capacity.

Handling charges increased by 34%, to MNOK 614 (458) in the fourth quarter compared to the same quarter last year. Unit cost for handling charges increased by 25% from last year mainly due to increased handling at more expensive international airports, higher load factor and passenger refunds from irregularities. Depreciation of NOK against USD and EUR was partially offset by increased average sector length.

Technical maintenance costs increased by 28%, to MNOK 431 (336) in the fourth quarter compared to the same quarter last year. Unit cost for technical maintenance increased by 20% due to depreciation of NOK against USD and additional maintenance expenses for engine overhaul. The increased technical expenses are partially offset by increased production and an increased share of owned 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 5% to MNOK 234 (222) in the fourth 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, other leases and meals and housing for crew. Unit cost decreased by 2% in the quarter due to increased sector length and increased capacity, partially offset by depreciation of NOK against USD and EUR.

General and administrative expenses increased by 14% to MNOK 305 (267) in the fourth 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 fourth quarter compared to last year. Unit cost for general and administrative expenses increased by 7%.

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 fourth quarter was MNOK 515 (MNOK 641), whereof MNOK 658 (MNOK 504) relates to losses from fuel contracts.

Leasing costs increased by 15% to MNOK 562 (490) in the fourth quarter compared to the same quarter last year. Unit cost for leasing increased by 7% due to depreciation of NOK against USD, partially offset by a reduced cost from the use of wetlease of MNOK 48 in 2014 and fewer leased aircraft in 2015.

During the fourth quarter the Group operated 51 (41) owned Boeing 737-800Ws and 3 (2) owned Boeing 787-8 Dreamliner.

Depreciation increased by 72% to MNOK 366 (212) in the fourth quarter compared to the same quarter last year due to increased number of owned aircraft in the fleet and additional depreciation from reduced residual values for 737-300 aircraft.

Profit/Loss from Associated Company in the fourth quarter was estimated to MNOK 37 (20) which represents the 20 % share of Bank Norwegian's third quarter results.

Financial Items were MNOK -107 (-122) in the fourth quarter. Interest on prepayments of MNOK 67 (53) was capitalized, reducing interest expenses.

Income taxes amounted to a tax benefit of MNOK 330 (205) in the fourth quarter. Fourth quarter 2015 tax benefit includes adjustments from previous year for differences between estimated tax and final tax returns.

Financial position and liquidity

Aircraft assets are accounted for in USD, creating a natural hedge against USD denominated borrowings when translated into NOK. During fourth quarter, additional agreements have been signed to further strengthen the liquidity and financial position, including an agreement to purchase 19 new 787-9 Dreamliners with delivery from 2017 to 2020, with options for an additional ten aircraft. New financing has been completed through issuing a new unsecured bond of MEUR 125. As a part of the long term plan to ensure optimal management of the aircraft fleet, a final agreement to lease out 12 Airbus 320neo aircraft to airline

HK Express, was signed. The 12 aircraft are scheduled to be delivered between 2016 and 2018.

Net interest bearing debt at the end of the fourth quarter was MNOK 17,131 compared to MNOK 11,273 at the end of last year. The financial position is highly affected by increased production and asset acquisitions. At the end of fourth quarter, the financial position continues to be solid with an equity ratio of 9%, equal to year-end 2014.

Net change in cash and cash equivalents in fourth quarter was MNOK 158. Investments in new aircraft and equipment were MNOK -657 in the fourth quarter, with net cash from financing activities of MNOK 1,081 and cash flow from operations of MNOK -278.

Total non-current assets amount to MNOK 26,603 at the end of the fourth quarter, compared to MNOK 18,439 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 ten new owned Boeing 737-800Ws and one new Boeing 787-8.

Total current assets amount to MNOK 5,111 at the end of the fourth quarter, compared to MNOK 4,268 at the end of last year. Receivables have increased by MNOK 380 during the year due to increased production and unit revenue. Cash and cash equivalents have increased by MNOK 443 during the year.

Total non-current liabilities at the end of the fourth quarter were MNOK 17,952, compared to MNOK 11,068 at the end of last year. Long-term borrowings increased by MNOK 6,590 during the year due to two new bond issues listed on Oslo Stock Exchange with principal amount of MNOK 1,000 and MEUR 125, a tap issue of MNOK 425 and increased external borrowings for ten Boeing 737-800Ws and one Boeing 787-8. Additionally, drawdown of pre-delivery payment financing and mark-to-market adjustment of USD denominated borrowings increased the value of borrowings in the period. Down-payments on aircraft financing partially offsets the increase. Other non-current liabilities increase by MNOK 295 due to increased accruals for heavy maintenance, but is partially offset by a decrease in pension liability and deferred tax liability.

Total short-term liabilities at the end of the fourth quarter were MNOK 10,796, compared to MNOK 9,530 at the end of last year. Current liabilities increased by MNOK 507 during the year due to increased trade liabilities from increased production, reduced mark-to-market value of derivative financial instruments and increased liabilities to Norwegian Reward loyalty programme members. Short-term borrowings decreased by MNOK 289 during the year due to reduced pre-delivery payment financing, partially offset by increased portion of borrowings falling due within next twelve months and mark-to-market adjustment of USD denominated borrowings. Air traffic liability increased by MNOK 1,049 from end of last year due to increased production and unit revenue.

Equity at the end of the fourth quarter was MNOK 2,965 compared to MNOK 2,108 at the end of last year. Equity increased due to net profit in the period of MNOK 246, share issue of MNOK 138 from exercise of employee share options, exchange rate gain from Group holdings in subsidiaries of MNOK 421 and reversal of actuarial losses.

Cash flow

Cash and cash equivalents were MNOK 2,454 at the end of the fourth quarter compared to MNOK 2,011 at the end of last year.

Cash flow from operating activities in the fourth quarter amounted to MNOK -278 compared to MNOK -892 in the fourth quarter last year. Air traffic settlement liability decreased by MNOK 186 during the fourth quarter compared to a decrease of MNOK 190 during the same quarter last year. Receivables decreased by MNOK 497 compared to MNOK 493 in the same quarter last year. Cash from other adjustments amounted to MNOK -253 during fourth quarter compared to MNOK -21 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 fourth quarter was MNOK -657, compared to MNOK -1,306 in the fourth quarter last year. Prepayments to aircraft manufacturers and investments in new aircraft are the main investments. One new aircraft was delivered in fourth quarter 2015, while fourth quarter last year mainly consisted of prepayments to aircraft manufacturers.

Cash flow from financing activities in the fourth quarter was MNOK 1,081 compared to MNOK 2,773 in the fourth quarter last year. Proceeds from a new bond issue of MEUR 125, and financing of one aircraft are partially offset by down-payment on borrowings and financing costs in the quarter. MNOK 37 was received in the quarter for share issue related to exercise of employee options.

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. On 27 March 2016, the first Italian base will be opened at Rome Fiumicino Airport.

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 737-800s. The long haul production will grow in accordance with the phasing in of aircraft and the company will have twelve Boeing 787 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 Company 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.

In February 2016, Norwegian reached an agreement with cabin crew in Norway and Denmark. The new collective agreements are for a two-year period and will secure a steady foundation for the coming years.

Fornebu, 10 February 2016

CEO
Bjørn Kjos

CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited

<i>(Amounts in NOK million)</i>	<i>Note</i>	Q4 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2014
Operating revenue					
Total operating revenue	3	5,318.9	4,602.4	22,491.1	19,540.0
Total operating revenue		5,318.9	4,602.4	22,491.1	19,540.0
Operating expenses					
Operational expenses		3,338.5	3,237.7	13,593.0	13,504.4
Payroll and other personnel expenses		862.7	835.2	3,433.7	3,209.0
Other operating expenses		822.5	909.2	1,770.1	1,643.1
Total operating expenses		5,023.6	4,982.1	18,796.8	18,356.5
Operating profit/loss before leasing & depr (EBITDAR)					
Leasing		561.7	490.1	2,213.3	1,845.9
Operating profit/loss before depr (EBITDA)		-266.4	-869.9	1,481.1	-662.4
Depreciation and amortization		366.5	212.3	1,133.3	748.1
Operating profit/loss (EBIT)		-632.9	-1,082.2	347.8	-1,410.5
Financial items					
Interest income		31.2	14.3	76.3	52.9
Interest expense		113.1	72.5	349.7	221.4
Other financial income (expense)		-25.5	-63.6	-102.7	-105.6
Net financial items		-107.4	-121.8	-376.2	-274.1
Profit/Loss from associated company		37.4	20.2	103.4	57.6
Net result before tax (EBT)		-702.9	-1,183.7	75.0	-1,627.0
Income tax expense (benefit)		-329.5	-205.4	-171.1	-557.3
Net profit/loss		-373.4	-978.4	246.2	-1,069.8
Net profit attributable to:					
Owners of the parent company		-373.4	-978.4	246.2	-1,069.8
Earnings per share (NOK) - Basic		-10.4	-27.3	7.0	-30.4
Earnings per share (NOK) - Diluted		-10.4	-26.9	6.9	-30.0
No. of shares at the end of the period		35,759,639	35,162,139	35,759,639	35,162,139
Average no. of shares outstanding		35,738,342	35,162,139	35,233,540	35,162,139
Average no. of shares outstanding - diluted		35,787,139	35,651,865	35,591,045	35,651,865

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**Unaudited**

<i>(Amounts in NOK million)</i>	<i>Note</i>	At 31 Dec 2015	At 31 Dec 2014
ASSETS			
Non-current assets			
Intangible assets		880.2	725.7
Tangible fixed assets		24,812.2	16,985.8
Fixed asset investments		910.3	727.3
Total non-current assets		26,602.6	18,438.8
Current assets			
Inventory		104.1	82.9
Receivables		2,553.1	2,173.5
Cash and cash equivalents		2,454.2	2,011.1
Total current assets		5,111.4	4,267.5
TOTAL ASSETS		31,714.0	22,706.3
EQUITY AND LIABILITIES			
Shareholders equity			
Paid-in capital	7	1,330.6	1,185.2
Other equity		1,634.7	923.1
Total equity		2,965.3	2,108.3
Non-current liabilities			
Other non-current liabilities		1,409.0	1,114.5
Long term borrowings	6	16,543.4	9,953.5
Total non-current liabilities		17,952.4	11,068.0
Short term liabilities			
Current liabilities		3,740.8	3,234.3
Short term borrowings	6	3,041.4	3,330.4
Air traffic settlement liabilities		4,014.1	2,965.4
Total short term liabilities		10,796.3	9,530.1
Total liabilities		28,748.7	20,598.1
TOTAL EQUITY AND LIABILITIES		31,714.0	22,706.3

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Unaudited

<i>(Amounts in NOK million)</i>	Q4 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2014
OPERATING ACTIVITIES				
Profit before tax	-702.9	-1,183.7	75.0	-1,627.0
Paid taxes	0.0	-202.8	-44.1	-202.8
Depreciation, amortization and impairment	366.5	212.3	1,133.3	748.1
Changes in air traffic settlement liabilities	-185.8	-190.2	1,049.0	398.9
Changes in account receivable	497.2	493.1	-175.3	-140.2
Other adjustments	-252.7	-20.8	318.7	1,110.1
Net cash flows from operating activities	-277.6	-892.2	2,356.7	287.1
INVESTMENT ACTIVITIES				
Purchases, proceeds and prepayment of tangible assets	-657.1	-1,306.3	-5,189.2	-4,930.0
Purchases of other long-term investments	0.0	0.0	0.0	-1.4
Net cash flows from investing activities	-657.1	-1,306.3	-5,189.2	-4,931.4
FINANCING ACTIVITIES				
Loan proceeds	1,921.5	3,116.2	5,771.4	6,132.0
Principal repayments	-668.9	-229.9	-1,827.5	-1,259.3
Financing costs paid	-208.8	-113.4	-799.7	-394.3
Proceeds from issuing new shares	37.3	0.0	138.1	0.0
Net cash flows from financial activities	1,081.2	2,772.9	3,282.3	4,478.4
Foreign exchange effect on cash	11.1	5.4	-6.8	10.9
Net change in cash and cash equivalents	157.6	579.8	443.0	-155.0
Cash and cash equivalents in beginning of period	2,296.5	1,431.4	2,011.1	2,166.1
Cash and cash equivalents in end of period	2,454.2	2,011.7	2,454.2	2,011.1

STATEMENT OF COMPREHENSIVE INCOME

Unaudited

<i>(Amounts in NOK million)</i>	Q4 2015	Q4 2014	FULL YEAR 2015	FULL YEAR 2014
Net profit for the period	-373.3	-978.4	246.2	-1,069.8
Available-for-sale financial assets	0.0	1.0	0.0	-0.2
Actuarial gains and losses	23.5	-52.5	44.5	-52.5
Exchange rate differences Group	88.4	361.4	421.1	467.4
Total comprehensive income for the period	-261.4	-668.5	711.8	-655.1
Profit attributable to:				
Owners of the company	-261.4	-668.5	711.8	-656.1
Non-controlling interests	0.0	0.0	0.0	1.0

CONDENSED CONSOLIDATED CHANGES IN EQUITY

Unaudited

<i>(Amounts in NOK million)</i>	FULL YEAR 2015	FULL YEAR 2014
Equity - Beginning of period	2,108.3	2,749.8
Total comprehensive income for the period	711.8	-655.1
Share issue	138.1	0.0
Equity change on employee options	7.1	14.5
Equity - End of period	2,965.3	2,108.3

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 financial statements comprise the Group.

The consolidated financial statements of the Group for the year ended 31 December 2014 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 2014. 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 2014.

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 2014

Note 2 Risk

SENSITIVITY ANALYSIS

Unaudited

	Effect on income MNOK
1% decrease in jet fuel price	32
1% depreciation of NOK against USD	-119
1% depreciation of NOK against EURO	-10

The sensitivity analysis reflects the effect on operating costs in 2015 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.

SALES REVENUE BREAKDOWN

Unaudited (Amounts in NOK million)	Q4 2015	Q4 2014	Change	FULL YEAR 2015	FULL YEAR 2014	Change
Per activity						
Passenger revenue	4,324.2	3,767.5	14.8 %	18,505.8	16,254.6	13.8 %
Ancillary passenger revenue	774.4	662.8	16.8 %	3,275.3	2,727.4	20.1 %
Other revenue	220.4	172.0	28.1 %	710.1	558.0	27.3 %
Total	5,318.9	4,602.4	15.6 %	22,491.1	19,540.0	15.1 %
Per geographical market						
Domestic	1,256.1	1,201.3	4.6 %	4,786.9	4,591.9	4.2 %
International	4,062.8	3,401.0	19.5 %	17,704.2	14,948.1	18.4 %
Total	5,318.9	4,602.4	15.6 %	22,491.1	19,540.0	15.1 %

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 fourth quarter 2015 there are no changes in related parties compared to the description in Note 27 in the Annual Report for 2014. There have been no significant transactions with related parties during the fourth quarter 2015.

Note 6 Borrowings**Unaudited**

(Amounts in NOK million)	At 31 Dec 2015		At 31 Dec 2014	
	Long term	Short term	Long term	Short term
Bond issue	-3,221.6	0.0	-543.1	-287.5
Revolving credit facility	0.0	-1,477.2	-526.6	-2,045.1
Aircraft financing	-13,321.8	-1,564.2	-8,880.5	-997.8
Financial lease liability	0.0	0.0	-3.2	0.0
Total	-16,543.4	-3,041.4	-9,953.4	-3,330.4
Total Borrowings	-19,584.8		-13,283.8	

Note 7 Shareholder information

20 Largest shareholders at 31 December 2015

Shareholder	Country	Number of shares	Percent
1 HBK INVEST AS	NOR	8,795,873	24.6 %
2 FOLKETRYGDFONDET	NOR	3,020,703	8.4 %
3 SKAGEN VEKST	NOR	1,121,036	3.1 %
4 VERDIPAPIRFONDET DNB NORGE (IV)	NOR	1,100,000	3.1 %
5 SKAGEN KON-TIKI	NOR	987,500	2.8 %
6 DANSKE INVEST NORSKE INSTIT. II.	NOR	885,247	2.5 %
7 CLEARSTREAM BANKING S.A.	LUX	800,000	2.2 %
8 VERDIPAPIRFONDET DNB NORGE SELEKTI	NOR	645,310	1.8 %
9 FERD AS	NOR	585,568	1.6 %
10 KLP AKSJE NORGE VPF	NOR	510,197	1.4 %
11 DANSKE INVEST NORSKE AKSJER INST	NOR	500,575	1.4 %
12 VERDIPAPIRFONDET DELPHI NORDEN	GBR	488,986	1.4 %
13 STATOIL PENSJON	NOR	416,647	1.2 %
14 DNB NOR MARKETS, AKSJEHAND/ANALYSE	NOR	400,000	1.1 %
15 JP MORGAN CHASE BANK, NA	NOR	394,724	1.1 %
16 DNB LIVSFORSIKRING ASA	NOR	389,682	1.1 %
17 VERDIPAPIRFONDET HANDELSBANKEN	NOR	335,822	0.9 %
18 DATUM AS	NOR	320,989	0.9 %
19 KOMMUNAL LANDSPENSJONSKASSE	NOR	304,816	0.9 %
20 SKANDINAVISKA ENSKILDA BANKEN AB	SVE	295,309	0.8 %
Top 20 shareholders		22,298,984	62.4 %
Other shareholders		13,460,655	37.6 %
Total number of shares		35,759,639	100.0 %

The parent company Norwegian Air Shuttle ASA had a total of 35,5,759,639 shares outstanding at 31 December 2015, an increase of 597,500 shares from 31 December 2014. There were a total of 11,183 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 other contingencies or legal claims other than stated in note 28 to the Annual Financial Statements for 2014.

Note 9 Events after the reporting date

At 26 January 2016, Norwegian announced a new charter agreement for the summer 2016, to continue its cooperation with TUI Nordic, TUI UK, Thomas Cook Northern Europe and Nazar Nordic to fly their customers from the Nordics and the UK to various summer destinations including the Balearics, the Greek Isles and the Canaries. The total value of the contracts is approximately NOK 500 million, NOK 100 million more than previous year, and include more than 2,200 flights.

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.

At 2 February 2016, a long-term financing of six Boeing 737 800 aircraft was completed. The financing is structured as a private placement directed to institutional investors in the US market.

In February 2016, Norwegian reached an agreement with cabin crew in Norway and Denmark. The new collective agreements are for a two-year period.

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.

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 Corporate Communications
Edward Thorstad	Chief Customer Officer
Asgeir Nyseth	CEO, Norwegian Air UK Ltd
Tore K. Jenssen	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