Highlights Q2 2016

➔ SkyTrax awards 2016 for:

   **World’s Best Low-Cost Long Haul** Airline (2\textsuperscript{nd} time) and **Europe’s Best Low-Cost** Airline (4\textsuperscript{th} in a row)

➔ New base at Palma de Mallorca, the 16\textsuperscript{th} in Europe and 20\textsuperscript{th} overall

➔ Added ten new 737-800 aircraft and two 787-9 Dreamliners in first half 2016 (five 737 and one 787 in Q2)

➔ Clean EBITDA of NOK 1 billion (up from 0.8 million)
7.7 million passengers in Q2 2016 (+11 %)
Q2 load factor up to 88 % (+3 pp.)

→ 12 % growth in capacity (ASK)
→ 16 % growth in traffic (RPK)
→ Average flying distance increased by 3 %
Stable market shares in all key airports (12m rolling)

Oslo
+ 943,000 pax
42 % mkt share

Arlanda
+ 1,135,000 pax
22 % mkt share

Copenhagen
+ 192,000 pax
17 % mkt share

Helsinki
+ 173,000 pax
12 % mkt share

Gatwick
+ 509,000 pax
10 % mkt share

Spanish bases
+ 876,000 pax
4 % mkt share

Mkt. Size:
Oslo: 25 mill
Arlanda: 23 mill
Copenhagen: 27 mill
Helsinki: 17 mill
Gatwick: 41 mill
Spanish bases: 138 mill

Sources: Avinor, Swedavia, Copenhagen Airports, Finavia, Gatwick Airport, Aena
13 % revenue growth in Q2

→ 14 % growth in international revenue, + 9 % for domestic Scandinavia
→ Flat unit revenue (RASK). RASK in constant currency fell 4 %
→ 3 p.p. higher load offset by 3 % lower yield and 3 % increased stage length
18% growth in total ancillary revenue in Q2

- 15% share of Group revenue
- Per passenger sales increased by 6% to NOK 131
Continued strong growth in the US and Spain

- 6% growth in Scandinavia, stronger in Sweden and Denmark
- Norway: 33% of passengers (down from 35% in Q1 2016)
- Over 40% of passengers booking from outside Scandinavia

Growth in number of passengers:

<table>
<thead>
<tr>
<th>Country</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td></td>
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<tr>
<td>Italy</td>
<td></td>
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<tr>
<td>Denmark</td>
<td></td>
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<tr>
<td>Sweden</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td></td>
</tr>
</tbody>
</table>

Passengers by origin:

- USA
- Spain
- Hungary
- UK
- Italy
- Denmark
- Sweden
- Poland
- Germany
- Hungary
- Other
- Norway
- France
- Finland
- Germany
- Poland
- Other
New base in Palma: a total seven bases in Spain
New charter agreement for the US market

- Utilize capacity better in the European low season
- Three aircraft for winter 2016/17
- Agreement with Apple Vacations and Funjet, two leading US tour operators
- Flights from Chicago/Rockford and Milwaukee
- More than 600 flights to multiple destinations in Mexico, Jamaica and the Dominican Republic

Winter operations with seven aircraft

- Expanding Caribbean winter program with FLL-Guadeloupe
- Over-night connection from Europe to French Caribbean through FLL, BOS and JFK
- Added frequency to JFK-Guadeloupe to 4 weekly
Growing long-haul in Europe and to/from USA
Scaling up the widebody fleet to 32 by 2018

<table>
<thead>
<tr>
<th>Widebody aircraft (delivered and firm orders)</th>
<th>Deliveries 787-8 (291 seats)</th>
<th>Deliveries 787-9 (344 seats)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2014</td>
</tr>
<tr>
<td>Aircraft</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Seats</td>
<td>873</td>
<td>2 037</td>
</tr>
</tbody>
</table>
Convert part of Airbus order to A321neo LR

- Original order of 100 Airbus 320neo’s for delivery in 2016-2021

- 30 of these orders will be converted to the bigger A321neo LR

- The A321neo LR will be operated by Norwegian

- Delivery schedule:
  - 2019: 8 aircraft
  - 2020: 11 aircraft
  - 2021: 11 aircraft
Advantage of the A321neo LR vs. A320neo

- **+40 pax**
  - 40 more seats compared to an A320neo

- **+500 nm**
  - A321LR extended range with ACTs

- **+15%**
  - Vs Widebody
  - Vs A320neo

- **- 40%**
  - Cost trip savings compared to a widebody aircraft

- **3000 nm**
  - A320neo

- **3500 nm**
  - A321LR

**COST PER TRIP**

- **- 40%**
  - Vs Widebody
  - Vs A320neo

**COST PER SEAT**

- **- 15%**
  - Vs Widebody
  - Vs A320neo

- **- 5%**

Source: Airbus
«Short long-haul»
500 nm wider range than A320neo (+17 %)

Source: Airbus
Top modern fleet with an average age of 3.6 years

Deliveries 787-9
+1376 seats

Deliveries 737-800
+3,162 seats

Re-deliveries 737-800
-744 seats

- B788/B789 Owned
- B788/B789 Leased
- B737 MAX 8 owned
- B738 owned
- B738 S&LB
- B738 leased
- B733 owned
- B733 leased
- M80 leased

Deliveries 787-9

Deliveries 737-800
2016: +3,162 seats

Re-deliveries 737-800
2016: -744 seats


Year-end 2016: 116

Year-end 2017: 144

Year-end 2018: 159

Year-end 2016: 116
Unit cost comparison based on the latest full-year results (in NOK)

- Cost per available seat kilometer is an industry-wide cost level indicator often referred to as "CASK". Usually represented as operating expenses before depreciation and amortization (EBITDA level) over produced seat kilometers (ASK).
- Foreign exchange rates used are equivalent to the daily average rates corresponding to the reporting periods and as stated by the Central Bank of Norway.
- Note: For some carriers the available financial data represents Group level data which may include cost items from activities that are unrelated to airline operations.
- Other losses / (gains) is not included in the CASK concept as it primarily contains hedge gains/losses offset under financial items as well as other non-operational income and/or cost items such as gains on the sale of spare part inventory and unrealized foreign currency effects on receivables/payables and hedges of operational expenses.
- Norwegian hedges USD/NOK to counter foreign currency risk exposure on USD denominated borrowings translated to the prevailing currency rate at each balance sheet date. Hedge gains and losses are according to IFRS recognized under operating expenses (other losses / gains) while foreign currency gains and losses from translation of USD denominated borrowings are recognized under financial items.

Sources: Based on official full-year 2015 annual report for Norwegian Air Shuttle, Finnair, Vueling, SAS Group (31.10.2015), Eurowings (10.06.2016), and full-year 2015 report for Ryanair and WizzAir (31.03.2016). Eurowings figures are from the "Eurowings Management Presentation" 10.06.2016.
EBT improved to NOK 0.9 billion in Q2

(NOK million) | Q2 15 | Q2 16 | Change
---|---|---|---
Revenue | 5,861 | 6,632 | 
EBITDAR | 1,285 | 1,965 | 681
EBITDA | 765 | 1,324 | 559
Pre-tax profit (EBT) | 456 | 930 | 474
Net profit | 325 | 745 |

EBITDAR development Q2

<table>
<thead>
<tr>
<th>Q2 13</th>
<th>Q2 14</th>
<th>Q2 15</th>
<th>Q2 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDAR margin</td>
<td>22 %</td>
<td>11 %</td>
<td>22 %</td>
</tr>
</tbody>
</table>

EBT development Q2

<table>
<thead>
<tr>
<th>Q2 13</th>
<th>Q2 14</th>
<th>Q2 15</th>
<th>Q2 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBT margin</td>
<td>7 %</td>
<td>-3 %</td>
<td>8 %</td>
</tr>
</tbody>
</table>
Underlying EBITDA\* increased to NOK 1 billion

<table>
<thead>
<tr>
<th>NOK million</th>
<th>Q2 2015</th>
<th>Q2 2016</th>
<th>chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5 861</td>
<td>6 632</td>
<td>771</td>
</tr>
<tr>
<td>EBITDA as reported</td>
<td>765</td>
<td>1 324</td>
<td>559</td>
</tr>
<tr>
<td>Other losses/gains</td>
<td>100</td>
<td>460</td>
<td>360</td>
</tr>
<tr>
<td><strong>EBITDA excl other losses/gains</strong></td>
<td><strong>665</strong></td>
<td><strong>864</strong></td>
<td><strong>199</strong></td>
</tr>
<tr>
<td>Non-recurring items:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Additional mainenance exp. engine overhaul</td>
<td>-84</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- passenger compensation according to EU reg.</td>
<td>-34</td>
<td>-81</td>
<td></td>
</tr>
<tr>
<td>- wetlease</td>
<td>-11</td>
<td>-82</td>
<td></td>
</tr>
<tr>
<td><strong>Sum non-recurring items</strong></td>
<td><strong>-129</strong></td>
<td><strong>-163</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Clean EBITDA</strong></td>
<td><strong>794</strong></td>
<td><strong>1 027</strong></td>
<td><strong>233</strong></td>
</tr>
<tr>
<td>Margin clean EBITDA</td>
<td>13,5 %</td>
<td>15,5 %</td>
<td></td>
</tr>
</tbody>
</table>

\* Underlying (clean) EBITDA adj for other losses/gains and non-recurring items
Unit cost cut by 1 % to NOK 0.40

→ CASK ex fuel +7 % to NOK 0.31 (fuel cost per ASK -23 %)
→ 4 % negative impact of currency

Other losses / (gains) is not included in the CASK concept as it primarily contains hedge gains/losses offset under financial items* as well as other non-operational income and/or cost items such as gains on the sale of spare part inventory and unrealized foreign currency effects on receivables/payables and (hedges of operational costs).

*Norwegian hedges USD/NOK to counter foreign currency risk exposure on USD denominated borrowings translated to the prevailing currency rate at each balance sheet date. Hedge gains and losses are according to IFRS recognized under operating expenses (other losses/ (gains) while foreign currency gains and losses from translation of USD denominated borrowings are recognized under financial items.
Full impact of lower fuel cost, fuel unit cost -23%

- Stable share of personnel cost at 14 %
- Lower share of fuel cost - reduced to 19 %
- Fuel hedging:
  - 50 % of 2016 and 27 % of 2017
NOK 3.2bn cash-flow from operations in first half

- Invested a net NOK 2 bn in new aircraft of which NOK 1.2 financed by own cash
- A strong NOK 600m increase in pre-sold tickets in first half compared to 2015
- NOK 3 billion in cash at the end of Q2

<table>
<thead>
<tr>
<th>NOK million</th>
<th>Q2 2015</th>
<th>Q2 2016</th>
<th>Chg</th>
<th>H1 2015</th>
<th>H1 2016</th>
<th>Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>456</td>
<td>930</td>
<td>474</td>
<td>-321</td>
<td>-62</td>
<td>259</td>
</tr>
<tr>
<td>Depreciation</td>
<td>245</td>
<td>318</td>
<td>73</td>
<td>465</td>
<td>607</td>
<td>142</td>
</tr>
<tr>
<td>Change air traffic settlement liabilities</td>
<td>142</td>
<td>283</td>
<td>141</td>
<td>2 639</td>
<td>3 237</td>
<td>598</td>
</tr>
<tr>
<td>Change working capital</td>
<td>472</td>
<td>-308</td>
<td>-780</td>
<td>-473</td>
<td>-551</td>
<td>-78</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td>1 315</td>
<td>1 223</td>
<td>-92</td>
<td>2 310</td>
<td>3 231</td>
<td>921</td>
</tr>
<tr>
<td>Net cash flows from investing activities</td>
<td>-1 092</td>
<td>-1 986</td>
<td>-894</td>
<td>-2 689</td>
<td>-3 652</td>
<td>-963</td>
</tr>
<tr>
<td>Net cash flows from financial activities</td>
<td>1 224</td>
<td>625</td>
<td>-599</td>
<td>1 420</td>
<td>999</td>
<td>-421</td>
</tr>
<tr>
<td>Foreign exchange effect on cash</td>
<td>-17</td>
<td>-41</td>
<td>-24</td>
<td>-7</td>
<td>-22</td>
<td>-15</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>1 430</td>
<td>-179</td>
<td>-1 609</td>
<td>1 034</td>
<td>556</td>
<td>-478</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, end of period</strong></td>
<td>3 045</td>
<td>3 010</td>
<td>-35</td>
<td>3 045</td>
<td>3 010</td>
<td>-35</td>
</tr>
</tbody>
</table>
Improving equity ratio in spite of adding 16 on-balance aircraft

- Added sixteen new 737-800 on balance the last 12 months + PDP’s
- NOK 17 bn net debt (NOK 16 bn in Q1)
- Equity increased by NOK 580m (8 % equity ratio, 13 % incl. mv of Bank Norwegian)
Outlook for 2016

Markets and business

- Soft macro and passenger tax introduced in Norway
- Monitoring demand in the UK post Brexit, limited changes to bookings
- Bookings on par with last year, capacity adjusted

An estimated production growth (ASK) of 18 % (unchanged)

- Short-haul + 12 %, Long-haul + 40 %
- Increasing distance driven by mix (long-haul)

Unit cost in the area of NOK 0.38 (up from 0.37)

- Impact of wetlease and cancellations
- Assumptions: Fuel price of USD 350 per metric ton, USD/NOK 8.25, EUR/NOK 9.00
- Based on the current route portfolio and planned production

21 new aircraft in 2016 (unchanged)

- Seventeen direct buy 737-800
- Four leased 787-9 Dreamliners
Summary

- Stable markets and good momentum on bookings
- US Charter contracts and launched winter routes to the French Caribbean, Mexico, Jamaica and Dominican Republic
- Converted 30 Airbus Neo orders to A321’s
- Passengers voted Norwegian best in SkyTrax awards for 2016
- Financing on-track
- Limited immediate direct impact of Brexit
- Successful listing of Bank Norwegian on OSE (ticker NOFI)
Norwegian operates 450 routes to 140 destinations from bases in
- USA & THAILAND
- SWEDEN
- DENMARK
- FINLAND
- SPAIN
- USA & THAILAND
- NORWAY
- UK base