Norwegian Air Shuttle ASA (NAS)

Q1 2004

Presentation

Oslo – Frankfurt – London

25-27 May 2004
- Q1 results in line with expectations, and a strong financial position maintained
- Established as Norway’s low-fare carrier
- Consolidating our position and achieving profitability in second half 2004
● Q1 results in line with expectations, and a strong financial position maintained

● Established as Norway’s low-fare carrier

● Consolidating our position and achieving profitability in second half 2004
Turnover up 55% from Q1 2003

- 236 Mill NOK in turnover in Q1 2004, compared to 153 in Q1 2003
- 90% increase in passenger volume from Q1 2003. (400,000 passengers in Q1 2004, 210,000 in Q1 2003)
- Growth driven by increased production
- Rapid expansion accomplished with continuously higher load-factor
EBITDA level as expected

- EBITDA result of -49.9 MNOK in Q1 2004, versus -34 MNOK in Q1 2003
- EBITDA result includes 6 MNOK in “one offs”
- “One offs” relates to:
  - 2.5 MNOK in additional costs for redelivery of leased Fokker F-50 planes
  - 3.5 MNOK in additional costs on pre-sold tickets due to introduction of VAT on public transportation from March 01.
Increase in cash holdings

- Positive cash flow from operations of 12.2 MNOK, driven by high pre-sales levels for spring / summer-travel
- Sold off 3 financially leased Fokker F-50 planes and made down payment of related debt

<table>
<thead>
<tr>
<th>Cash Flow statement</th>
<th>First Quarter</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004</td>
<td>2003</td>
</tr>
<tr>
<td>Operating activities</td>
<td>12 208</td>
<td>32 751</td>
</tr>
<tr>
<td>Investments</td>
<td>18 814</td>
<td>-4 829</td>
</tr>
<tr>
<td>Financial activities</td>
<td>-20 652</td>
<td>-3 143</td>
</tr>
<tr>
<td>Net change</td>
<td>10 370</td>
<td>24 779</td>
</tr>
<tr>
<td>Cash balance per 1 January</td>
<td>314 036</td>
<td>63 237</td>
</tr>
<tr>
<td>Cash balance per 31 March</td>
<td>324 407</td>
<td>88 016</td>
</tr>
</tbody>
</table>
**Strong financial position**

- Total assets of 560 MNOK
- Cash position of 324 MNOK.
  - IPO proceeds constitutes 235 MNOK
- Equity-share of 40%

### First Quarter

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>78 844</td>
<td>30 254</td>
<td>Paid-in equity</td>
<td>263 532</td>
<td>71 157</td>
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<tr>
<td>Tangible fixed assets</td>
<td>26 612</td>
<td>57 743</td>
<td>Retained earnings</td>
<td>-40 043</td>
<td>9 723</td>
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<tr>
<td>Financial fixed assets</td>
<td>13 988</td>
<td>13 014</td>
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<td></td>
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<tr>
<td><strong>TOTAL FIXED ASSETS</strong></td>
<td><strong>119 445</strong></td>
<td><strong>101 011</strong></td>
<td><strong>TOTAL EQUITY</strong></td>
<td><strong>223 490</strong></td>
<td><strong>80 880</strong></td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
<td>LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Material and consumables</td>
<td>3 874</td>
<td>8 599</td>
<td>Provisions</td>
<td>35 359</td>
<td>14 933</td>
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<tr>
<td>Receivables</td>
<td>113 037</td>
<td>85 724</td>
<td>Other long-term liabilities</td>
<td>29 770</td>
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<tr>
<td>Cash and bank deposits</td>
<td>324 407</td>
<td>88 016</td>
<td>Current liabilities</td>
<td>301 915</td>
<td>157 766</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td><strong>441 318</strong></td>
<td><strong>182 339</strong></td>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>337 273</strong></td>
<td><strong>202 470</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>560 763</strong></td>
<td><strong>283 350</strong></td>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td><strong>560 763</strong></td>
<td><strong>283 350</strong></td>
</tr>
<tr>
<td>No of shares</td>
<td>18085230</td>
<td>79021</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Nominal share value</td>
<td>0,1</td>
<td>13</td>
<td></td>
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</tbody>
</table>
Q1 results in line with expectations, and a strong financial position maintained

Established as Norway’s low-fare carrier

Consolidating our position and achieving profitability in second half 2004
Expansion concluded

<table>
<thead>
<tr>
<th></th>
<th>Sept. 02</th>
<th>Sept. 03</th>
<th>Sept. 04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fleet</td>
<td>6</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Airborne hours (ABH)</td>
<td>769</td>
<td>1 311</td>
<td>2345 (1)</td>
</tr>
<tr>
<td>Avail. Seat Kilom. (ASK) (mill)</td>
<td>57</td>
<td>119</td>
<td>243 (1)</td>
</tr>
<tr>
<td>Manyears</td>
<td>254</td>
<td>300</td>
<td>400</td>
</tr>
<tr>
<td>Number of passangers</td>
<td>65 879</td>
<td>129 298</td>
<td></td>
</tr>
<tr>
<td>Loadfactor (RPK/ASK)</td>
<td>51 %</td>
<td>64 %</td>
<td></td>
</tr>
<tr>
<td>Share of Norwegian market</td>
<td>~5%</td>
<td>~10%</td>
<td></td>
</tr>
</tbody>
</table>

(1) Subject to change

Growth share 02-03
Growth share 03-04
33 routes by end June 2004
Low cost position established

Cost / ASK versus average sector length (1)

(1) Source: Goodbody Stockbrokers & Annual Reports. 2002 numbers unless specified

*) Braathens numbers ex. lease costs

**) Norwegian numbers with lease costs included, constitutes ~6 öre/ASK
Increasing efficiency further

- ABH per pilot is expected to increase from 500 to 700 during 2004
- ABH per plane per day is expected to increase from 5.5 to more than 7 hours during 2004

- Distribution costs per sold seat has gone down with more than 40 % since Q1 2003
- Distribution costs has mainly been reduced due to ticket-less travel and higher internet penetration
47 % increase in load factor
- Q1 results in line with expectations, and a strong financial position maintained
- Established as Norway’s low-fare carrier
- Consolidating our position and achieving profitability in second half 2004
Focus is on consolidating our domestic market position

- Optimize domestic production programme with current fleet
- Improve product / timetable in "peak-period" on key domestic routes
- Focus on maintaining market shares and managing yield levels on key domestic routes
- Actively optimize excess capacity utilization
Seasonal variations expected to positively effect load-factors

Total PAX volume OSL 2003/2004

- January: 900,000 - 1,100,000
- February: 1,000,000 - 1,200,000
- March: 1,000,000 - 1,200,000
- April: 1,000,000 - 1,200,000
- May: 1,000,000 - 1,200,000
- June: 1,000,000 - 1,200,000
- July: 1,000,000 - 1,200,000
- August: 1,000,000 - 1,200,000
- September: 1,000,000 - 1,200,000
- October: 1,000,000 - 1,200,000
- November: 1,000,000 - 1,200,000
- December: 1,000,000 - 1,200,000

International
Domestic
2004
Lower prices stimulates demand

- Norwegian commenced Oslo – Arlanda on September 1, 2003

Stockholm 2002 vs. 2003

PAX

Januar  Februar  Mars  April  Mai  Juni  Juli  August  September  Oktober  November  Desember

Stockholm 2002  Stockholm 2003
Our route portfolio matures

- Load-factor development on 4 main domestic routes since start-up (Stavanger, Bergen, Trondheim and Tromsø)
Aggressive pricing hits yield

- Yield levels will continue to fall as a consequence of longer flights in 2004: the average sector length is expected to increase from 60 min in January to more than 70 min for the full year.
- Domestic price campaigns impacted yield levels in Q1. Continued price campaigns domestically and aggressive competitor pricing is expected to put further pressure on the yield.
- Increased demand, maturity and optimization of production should increase average price without affecting low-fare position.
2004 expected to be somewhat better than 2003

- A continued price pressure domestically, will lead to an EBITDA level for Q2 which is somewhat better than Q1

- Higher passenger volumes and continued competitor-driven price pressure is expected for Q3 & Q4

- If the current price pressure prevails for the whole year, a negative EBITDA level for 2004 is expected, although somewhat better than the result in 2003
Summary:
- Q1 results in line with expectations, and a strong financial position maintained
- Established as Norway’s low-fare carrier
- Consolidating our position and achieving profitability in second half 2004