

# Norwegian (NAS) Q4 2006

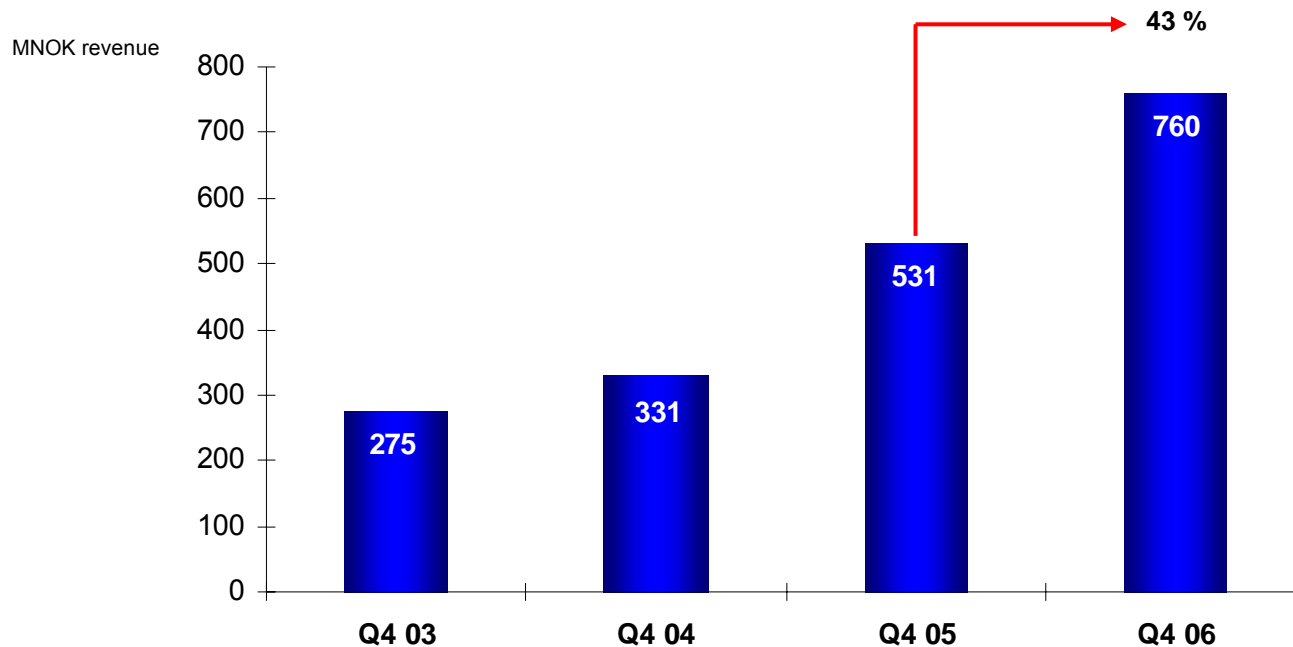
Bjørn Kjos (CEO)

14. February 2007



# Strong revenue growth in Q4

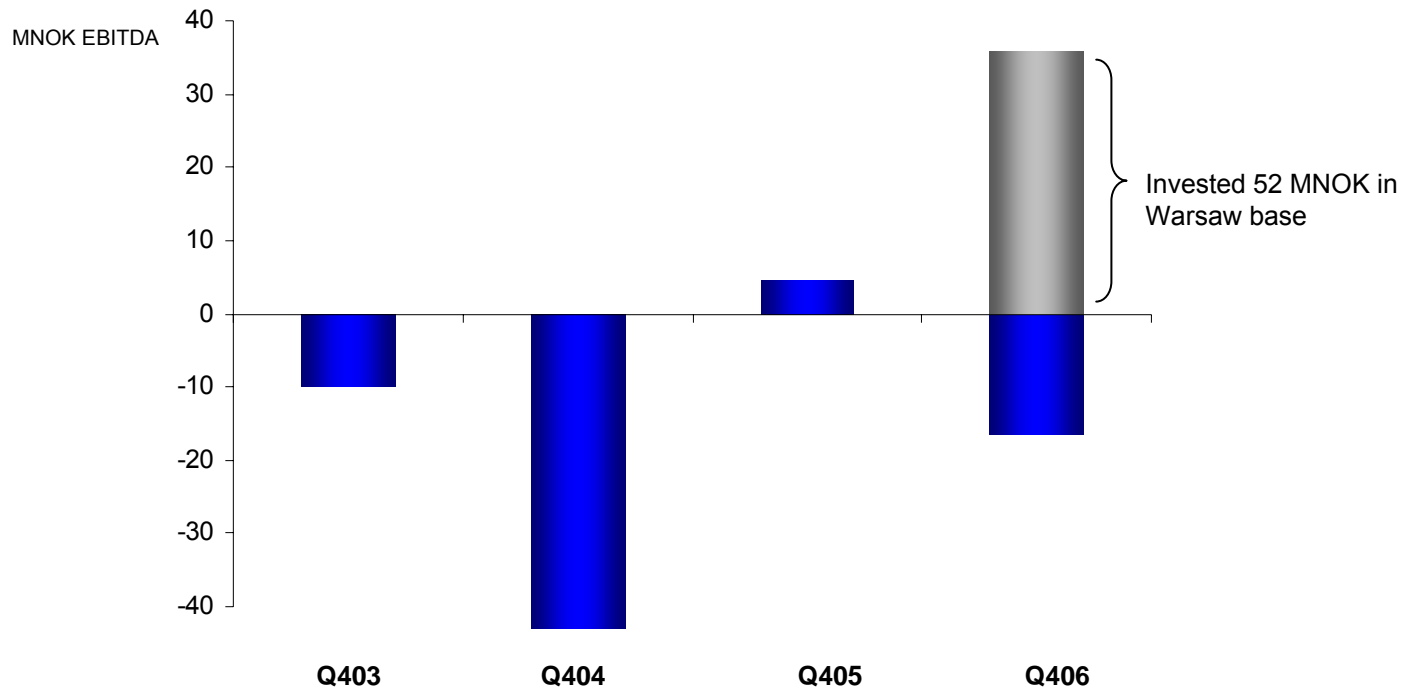
- 760 MNOK in revenue, 43 % growth since last year
- 47 % international revenue, 53 % domestic revenue



|                              |     |       |       |      |
|------------------------------|-----|-------|-------|------|
| Revenue                      | 275 | 331   | 531   | 760  |
| Domestic revenue             | 248 | 223   | 300   | 404  |
| International revenue        | 27  | 108   | 231   | 356  |
| Domestic revenue growth      |     | -10 % | 35 %  | 35 % |
| International revenue growth |     | 300 % | 114 % | 54 % |

# Quarterly earnings of 35 MNOK ex Warsaw base

- Total earnings (EBITDA) of -17 MNOK (5 MNOK )
- Earnings after tax of -15 MNOK (2 MNOK)

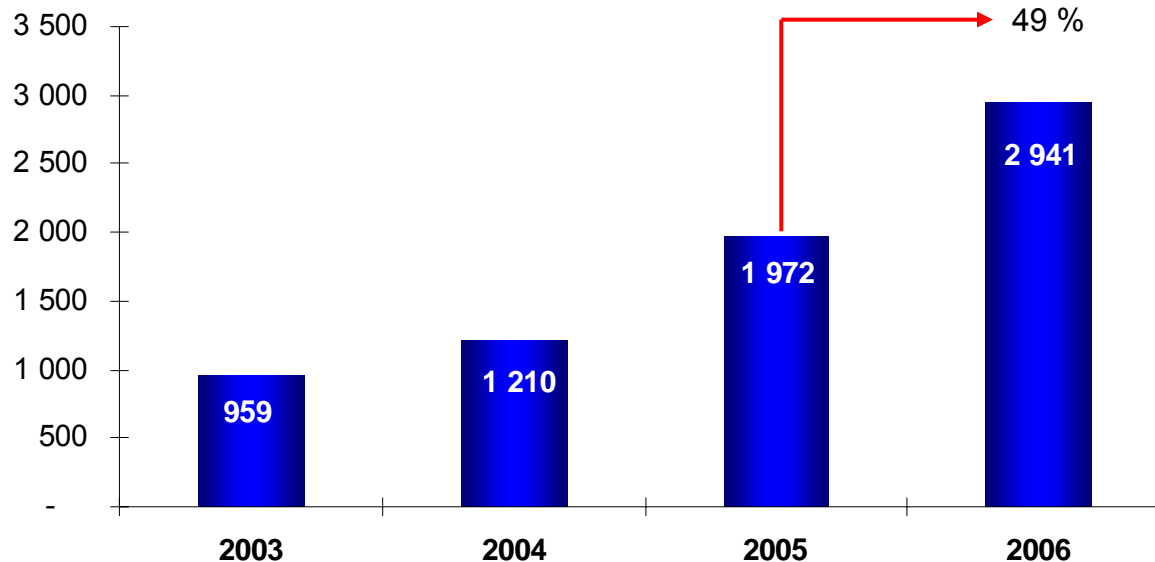


|                         |      |       |     |      |
|-------------------------|------|-------|-----|------|
| EBITDA MNOK             | -10  | -43   | 5   | -17  |
| Earnings after tax MNOK | -12  | -31   | 2   | -15  |
| EBITDA margin %         | -9 % | -13 % | 1 % | -2 % |

# Continued revenue growth in 2006

- 2.941 MNOK in turnover, 49 % increase since last year
- Strong revenue growth from international expansion

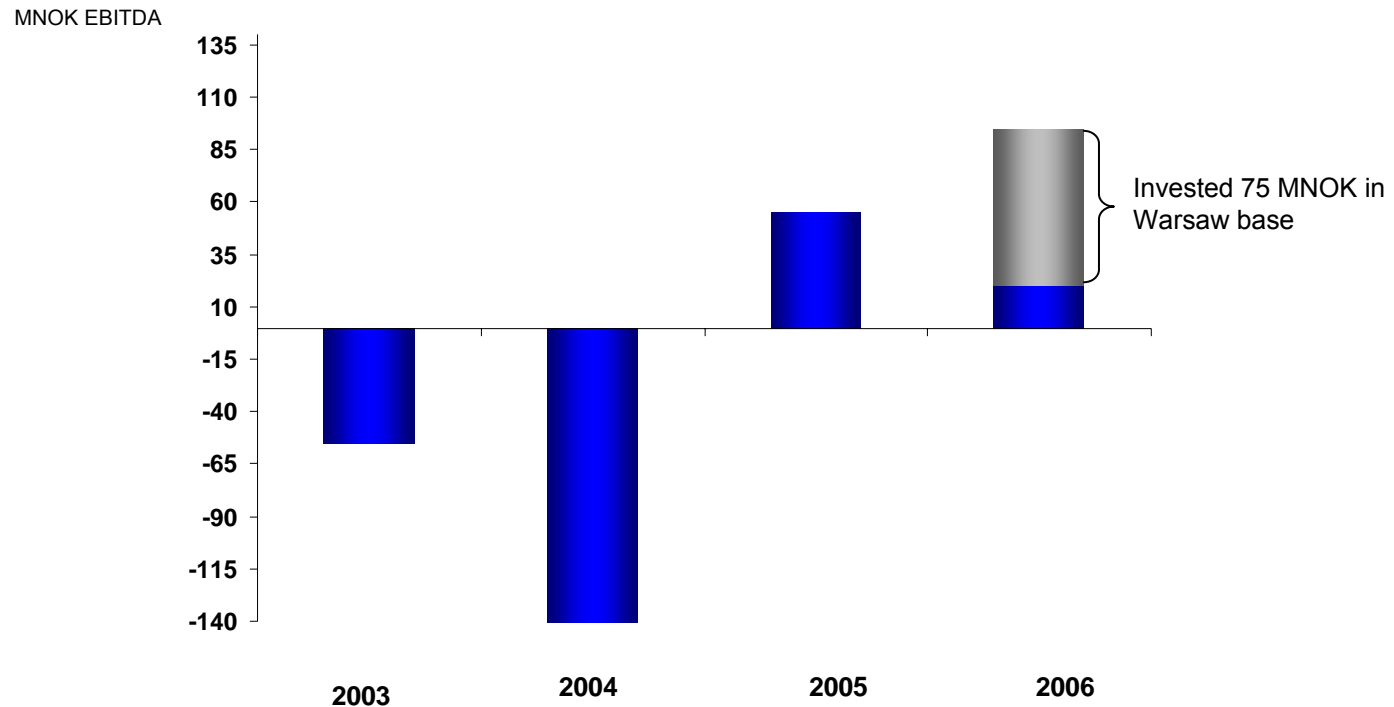
MNOK revenue



|                              |     |       |       |       |
|------------------------------|-----|-------|-------|-------|
| Revenue                      | 959 | 1 210 | 1 972 | 2 941 |
| Domestic revenue             | 892 | 830   | 1 048 | 1 471 |
| International revenue        | 67  | 380   | 924   | 1 470 |
| Domestic revenue growth      |     | -7 %  | 26 %  | 40 %  |
| International revenue growth |     | 467 % | 143 % | 59 %  |

# Earnings of 95 MNOK ex Warsaw base

- Total earnings (EBITDA) of 19 MNOK in 2006 (55 MNOK)
- Earnings after tax -13 MNOK in 2006 (27 MNOK)
- MNOK 106 from price increase on fuel



|                         |      |       |     |       |
|-------------------------|------|-------|-----|-------|
| EBITDA MNOK             | -55  | -141  | 55  | 19    |
| Earnings after tax MNOK | -43  | -110  | 27  | -13   |
| EBITDA margin %         | -6 % | -12 % | 3 % | 0,7 % |

# Positive cash flow from operations

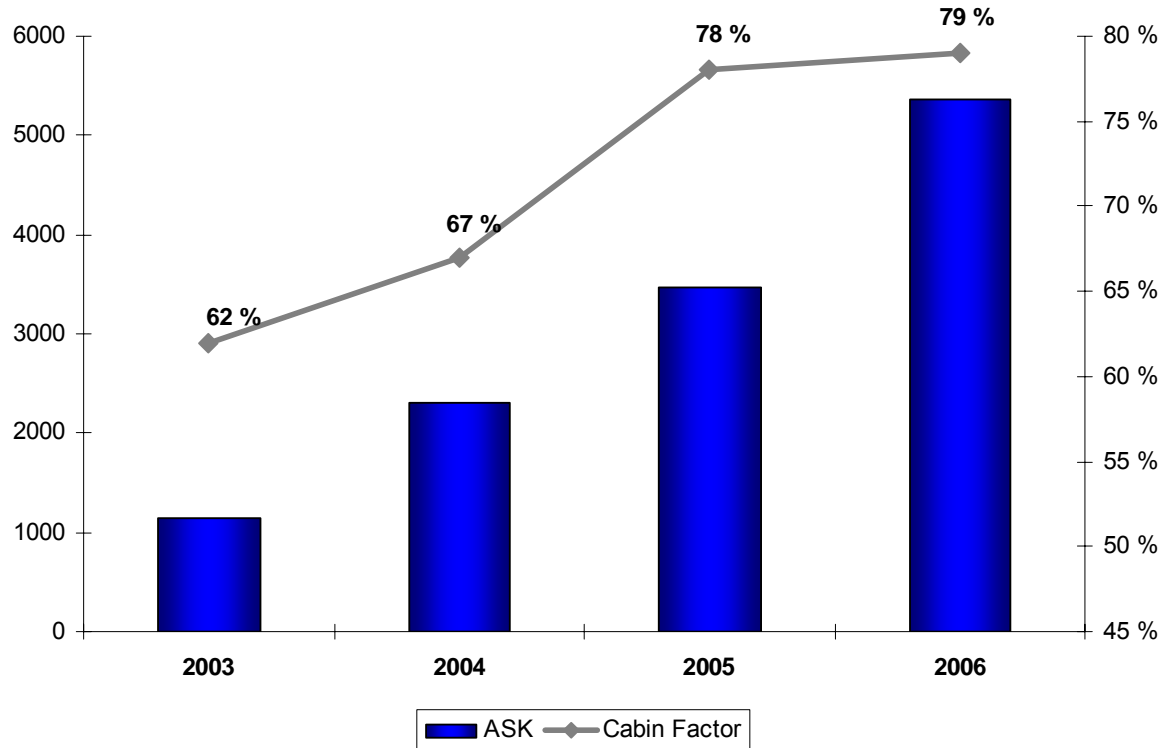
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- Positive cash flow of 76 MNOK from operations in 2006 (120)
- Negative cash flow of 122 MNOK from operations in Q4 (19)
  - from Warsaw base performance and heavy maintenance disbursement
- Investments: 2 aircraft 737-300
- Financial activities: equity issue in March/April

| <b>CASH FLOW (TNOK)</b> | <b>Fourth quarter</b> |               | <b>Accumulated</b> |               |
|-------------------------|-----------------------|---------------|--------------------|---------------|
|                         | <b>2006</b>           | <b>2005</b>   | <b>2006</b>        | <b>2005</b>   |
| <b>Form:</b>            |                       |               |                    |               |
| Operating activities    | -122 061              | 19 140        | 75 648             | 120 359       |
| Investments             | -33 061               | -7 733        | -245 257           | -38 369       |
| Financial activities    |                       | 424           | 139 864            | -15 682       |
| <b>Net change</b>       | <b>-155 747</b>       | <b>11 832</b> | <b>-29 755</b>     | <b>66 308</b> |
| Opening balance         | 387 456               | 249 633       | 261 464            | 195 157       |
| Closing balance         | 231 709               | 261 464       | 231 709            | 261 464       |

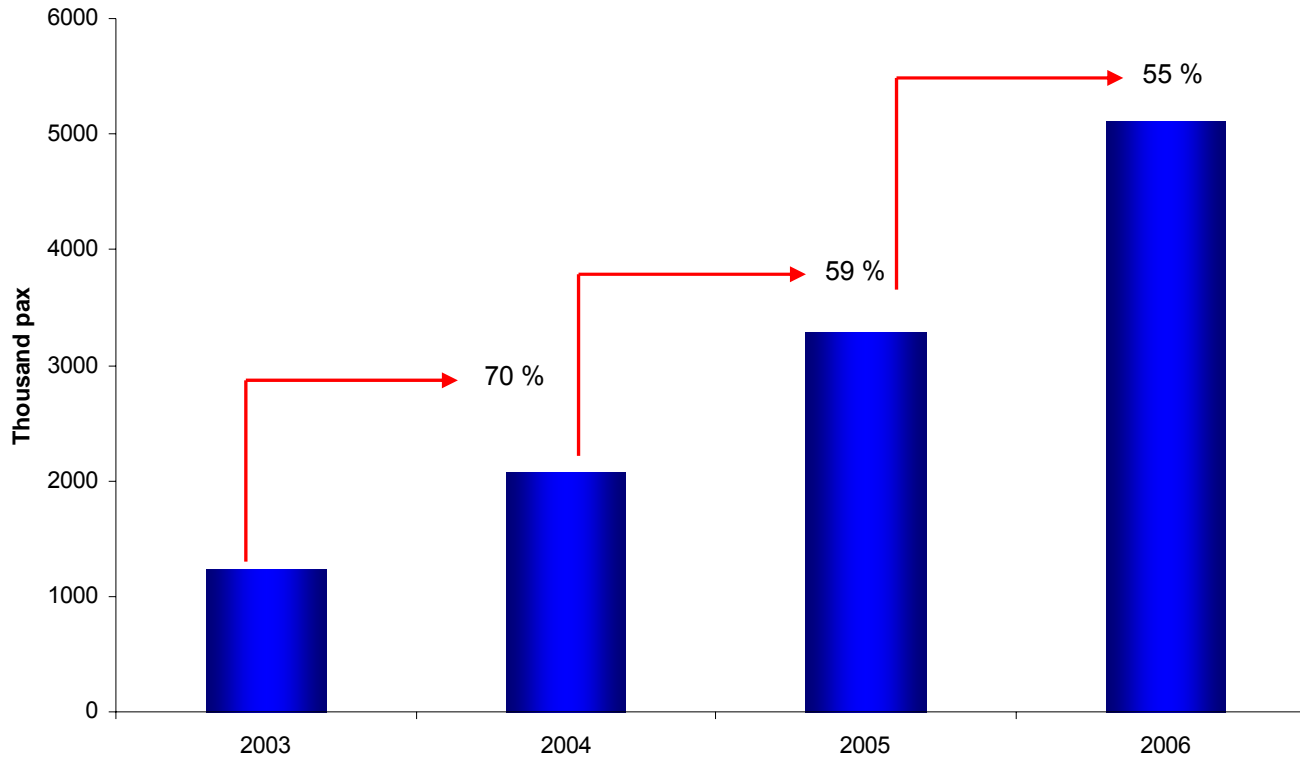
# Cabin factor reaching target level of 80 %

- 79 % Cabin factor in 2006 – absorbing production growth of 55 %
- Started 30 new routes during 2006



# More than 5 mill passengers traveled with Norwegian in 2006

- 5,1 million passengers in 2006, up 55 % from last year
- 2,7 million domestic and 2,4 million international pax

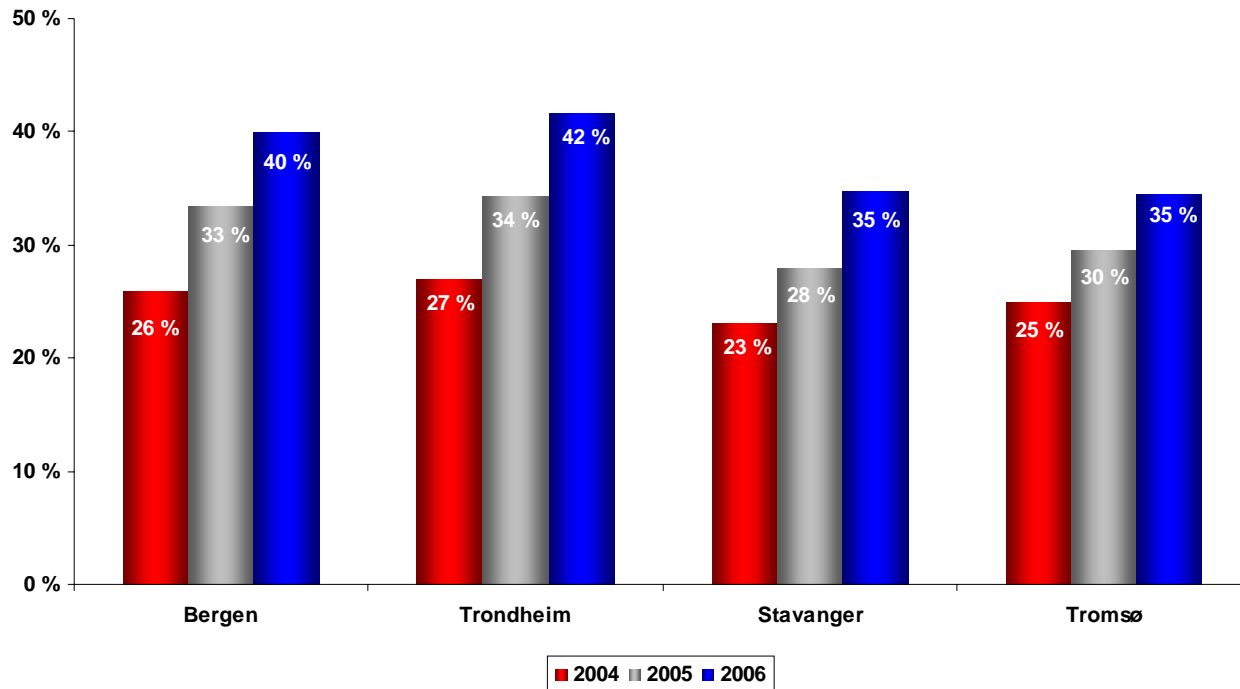




# Norwegian continues to increase market share

- 38 % market share on key domestic routes, 6 pp growth since last year
- Building new markets and competitive edge by offering a better product

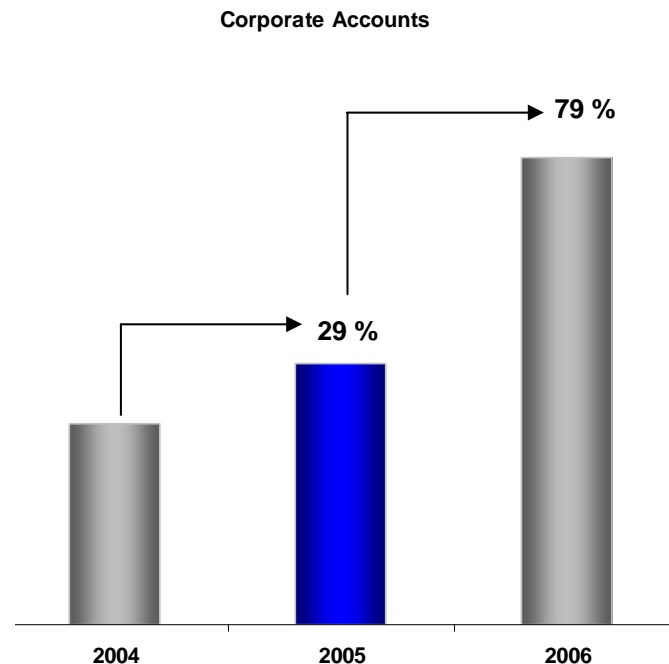
% Market Share



# Flying Norwegian is good for business

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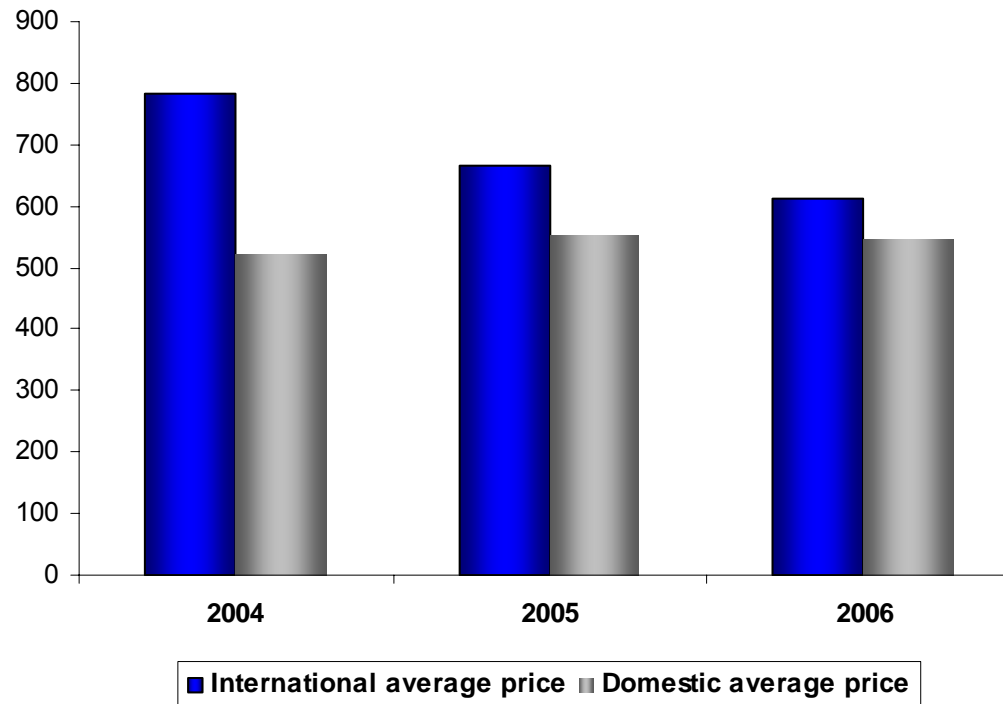
- Corporate accounts increased 79 % in 2006 compared to last year
- Corporate customers signs up at an increasing rate as the product and schedule improves over time



# Still a guarantor for low fares

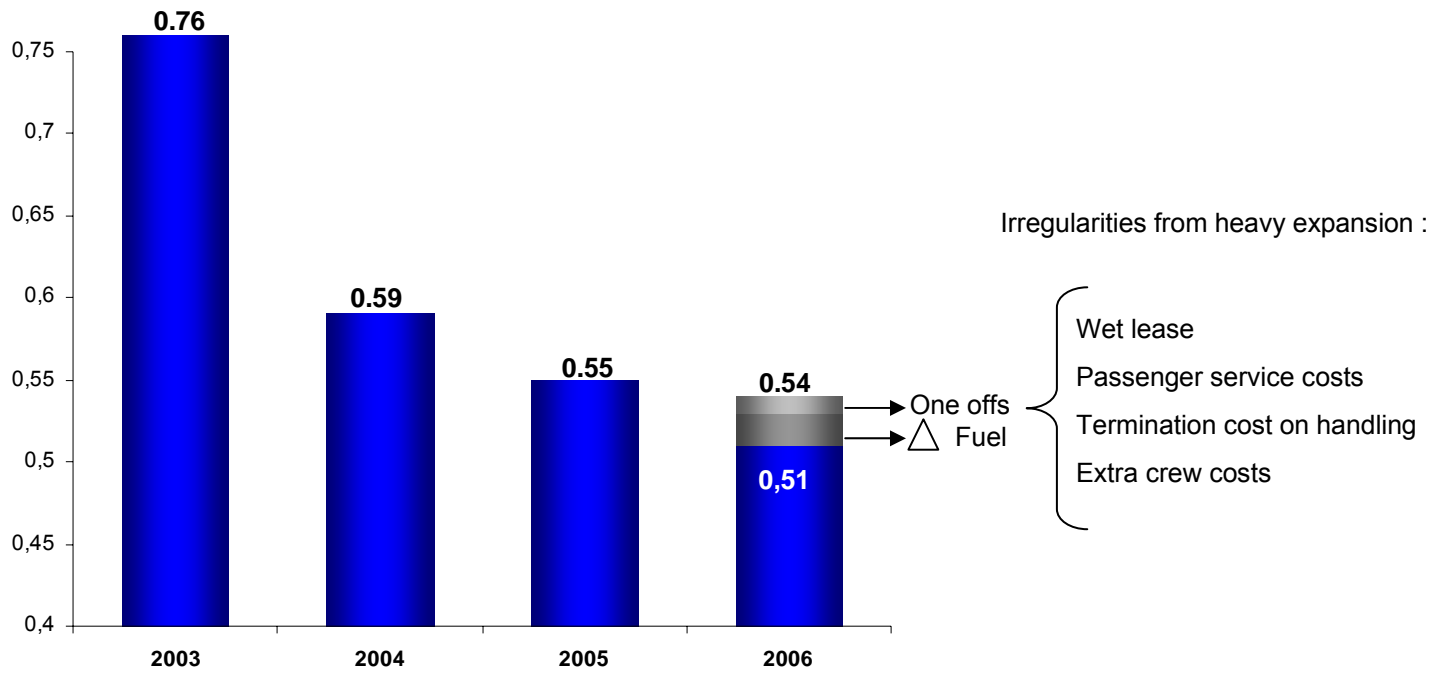
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- Average prices are down 4 % compared to 2005
- International prices are down 8 % due to heavy expansion
- Domestic prices are down 1 % compared to 2005



# Cost development

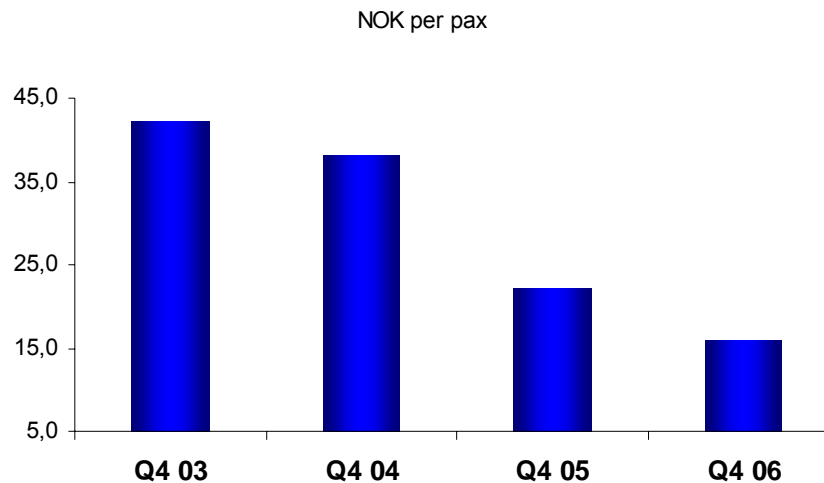
- Unit cost of 0.54 in 2006
- Cost level affected by higher fuel prices and one offs
  - Fuel price cost effect of 106 MNOK



# Lower distribution costs

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- Distribution cost per sold ticket of NOK 16 in Q4 06
- Annual distribution cost per sold ticket of NOK 19 in 2006

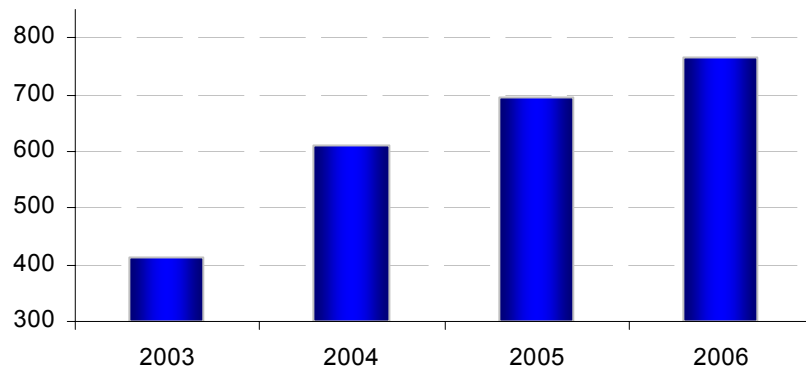


# Increased fleet and crew utilization

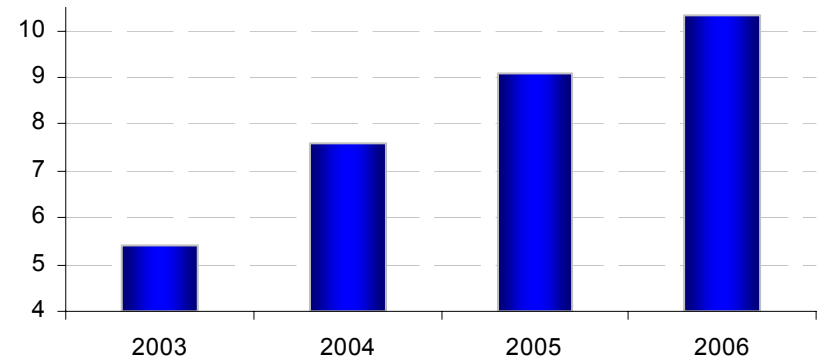
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- Crew utilization of 765 block hours per crew per year, up 10 % from last year
- Aircraft utilization of 10,4 block hours per plane per day, up 14 % from last year

Block hours/crew/year



Block hours/plane/day

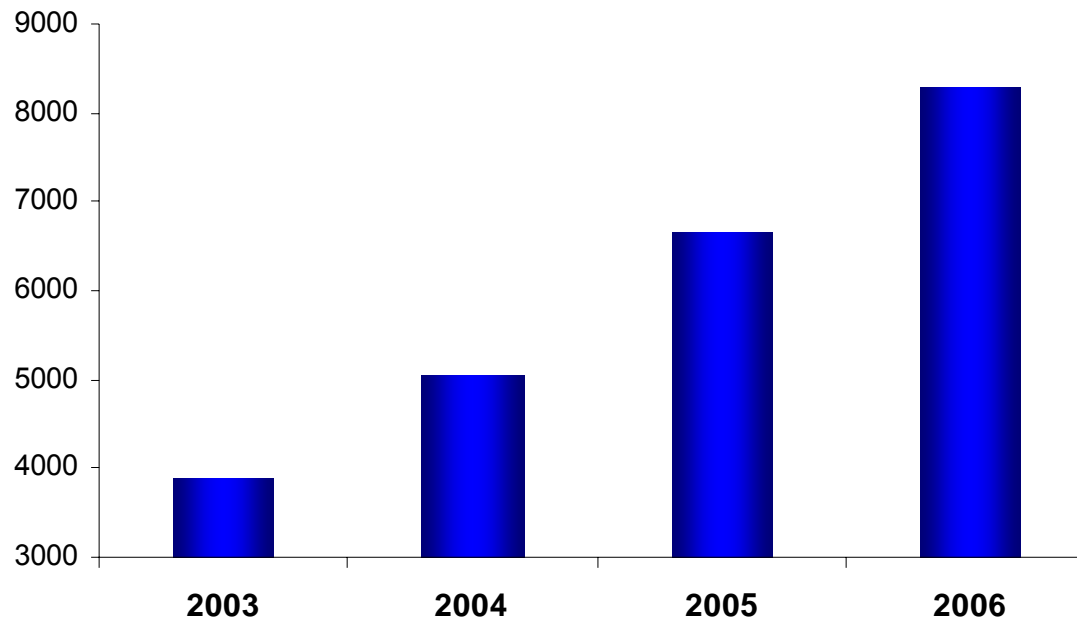


# Lean organization

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- Carrying approx 8,300 passengers per employee
- Approx 25 % growth since 2005 ( 6,600 )

Pax per average employee



# 3 years of expansion

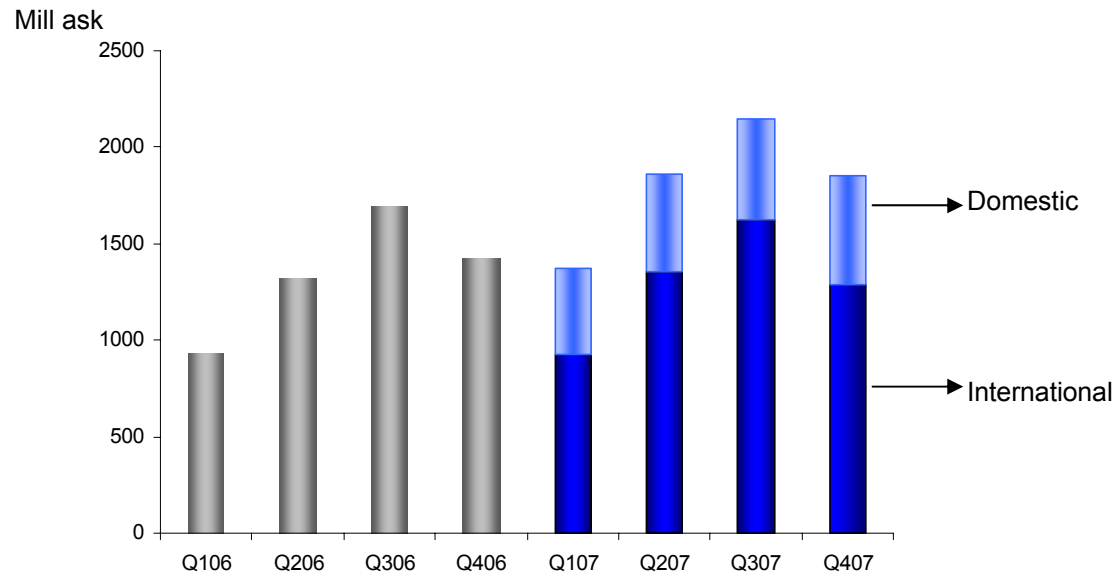
| 2004                     | 2005                     | 2006                      |
|--------------------------|--------------------------|---------------------------|
| 41 routes                | 54 routes                | 87 routes                 |
| 12 aircraft              | 14 aircraft              | 22 aircraft               |
| 2,1 mill passengers      | 3,3 mill passengers      | 5,1 mill passengers       |
| 1 210 MNOK in revenue    | 1 972 MNOK in revenue    | 2 941 MNOK in revenue     |
| 445 employees and 1 base | 560 employees and 1 base | 670 employees and 3 bases |





# Continued expansion in 2007

- Another 2 planes on the way in ( 24 in production from May)
- Expected production increase in the magnitude of 30 to 40 % compared to last year (\*)
- Mainly from international expansion on existing routes



# Expectations for 2007

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Expected business environment:

- Increased competition on international routes

Expected results:

- Unit cost for 2007 in the area of NOK 0,53
  - At current fuel and currency levels, and flight program in Poland
- Increased revenue from third party sales

Expected results Poland start up:

- Flight program will continuously be monitored in order to obtain profitable operation as soon as possible
- Warsaw base is not expected to be profitable before H2 2007

Plenty of opportunities  
87 routes  
More than 1000 weekly departures



- From Poland
- Only summer routes
- Only winter routes