

Interim report

Norwegian Air Shuttle ASA – fourth quarter and full year 2014



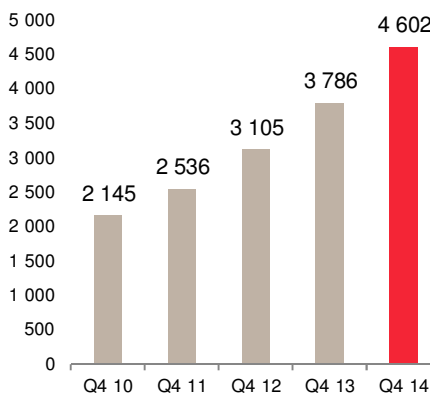
Unit cost:

3%

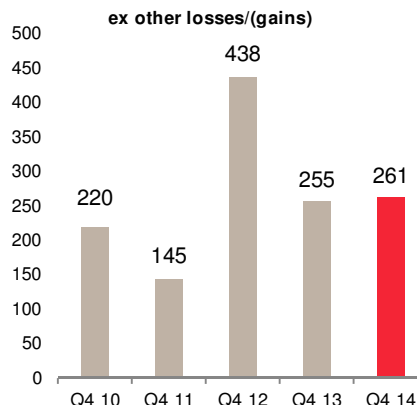
Unit cost NOK 0.43

- EPS negatively affected by currency and fuel hedge
- Load factor up to 81% (+3 p.p.) on 21% capacity growth
- Gaining substantial market share at Gatwick (+6 pp)

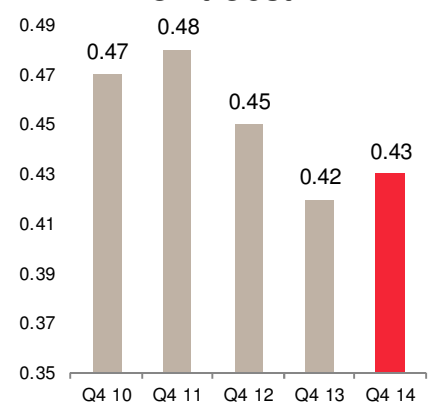
Revenues



EBITDAR



Unit Cost



Strong expansion and fuel hedge affect Norwegian's 2014 results

Norwegian's 2014 results are characterized by strong revenue and capacity growth as well as major investments for future expansion. Fuel hedging for 2015 in the amount of 459 MNOK was a considerable cost in 2014. Consequently, major costs for 2015 have already been covered. The company reported a net profit of -1,050 MNOK compared to 322 MNOK in 2013.

After seven profitable years, Norwegian (NAS) today reported a negative result for 2014. The company's total revenue was 19.5 BNOK – an increase of 25 percent compared to 2013, the production growth (ASK) increased by 35 percent, while the load factor remained high at 81 percent, up three percentage points from the year before.

For the fourth quarter, the underlying result was in line with the same quarter in 2013. The net profit of -958 MNOK was mainly caused by fuel hedging and a weak Norwegian krone. By transferring a major part of Norwegian's fleet to its subsidiary Arctic Asset Aviation Ltd. (AAA), the value of the aircraft has increased in line with the dollar. This has had a positive effect of 361 MNOK on the equity, which in practice offsets the exchange loss between the Norwegian Krone (NOK) and USD during the fourth quarter of 2014.

The Group's total turnover in the fourth quarter was 4.6 BNOK, an increase of 22 percent from the same quarter previous year. The net profit was -958 MNOK compared to -194 MNOK the year before.

The airline carried 5.65 million passengers during the fourth quarter, which represents a passenger growth of eight percent. The capacity growth (ASK) was 21 percent and the load factor increased by one percentage point to 81 percent.

"There is no denying that 2014 has been a weak year for Norwegian. At the same time, we do see several positive trends entering 2015. Last year was characterized by the continued international expansion, not least the launch of new long-haul routes. Our growth strategy yields results as we continue to gain a stronger global foothold. Even with large investment costs, we have managed to reduce unit costs and renewed our fleet considerably," said CEO Bjørn Kjos.

"Entering 2015, we see a satisfactory demand for quality flights at affordable fares and are already in the first quarter benefiting from the low oil price. Still, there is no doubt that we need to further reduce our cost level in order to stay competitive in a very challenging market," continued Kjos.

CONSOLIDATED FINANCIAL KEY FIGURES

Unaudited

<i>(Amounts in NOK million)</i>	Q4 2014	Q4 2013	Change	FULL YEAR 2014	FULL YEAR 2013	Change
Operating revenue	4 602,4	3 785,6	22 %	19 540,0	15 579,5	25 %
EBITDAR	-379,8	298,9	-227 %	1 183,5	2 783,9	-57 %
EBITDAR excl other losses/(gains)	260,8	255,0	2 %	1 767,3	2 294,6	-23 %
EBITDA	-869,9	-40,8	2032 %	-662,4	1 499,5	144 %
EBITDA excl other losses/(gains)	-229,3	-84,7	171 %	-78,6	1 010,2	108 %
EBIT	-1 082,2	-183,3	490 %	-1 410,5	969,7	245 %
EBT	-1 183,7	-283,0	318 %	-1 627,0	437,4	472 %
Net profit/ loss (-)	-958,4	-194,0	394 %	-1 049,8	321,6	426 %
EBITDAR margin	-8,3 %	7,9 %		6,1 %	17,9 %	
EBITDA margin	-18,9 %	-1,1 %		-3,4 %	9,6 %	
EBIT margin	-23,5 %	-4,8 %		-7,2 %	6,2 %	
EBT margin	-25,7 %	-7,5 %		-8,3 %	2,8 %	
Net profit margin	-20,8 %	-5,1 %		-5,4 %	2,1 %	
Book equity per share (NOK)				60,5	78,2	-23 %
Equity ratio (%)				9 %	19 %	-53 %
Net interest bearing debt				11 272,8	4 346,1	159 %

OPERATIONAL REVIEW

CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

<i>(Ratios in NOK)</i>	Q4 2014	Q4 2013	Change	FULL YEAR 2014	FULL YEAR 2013	Change
Yield	0,42	0,45	-6 %	0,43	0,50	-13 %
Unit Revenue	0,34	0,35	-3 %	0,35	0,39	-10 %
Unit Cost	0,43	0,42	3 %	0,42	0,42	-1 %
Unit Cost ex fuel	0,30	0,28	9 %	0,29	0,29	-1 %
Ancillary Revenue/Sched. PAX	119	89	34 %	116	87	34 %
Internet bookings	81 %	83 %	-2 pp	82 %	80 %	2 pp
ASK (million)	11 142	9 176	21 %	46 479	34 318	35 %
RPK (million)	8 988	7 144	26 %	37 615	26 881	40 %
Passengers (million)	5,65	5,25	8 %	23,98	20,71	16 %
Load Factor	81 %	78 %	3 pp	81 %	78 %	3 pp
Average sector length (km)	1 340	1 195	12 %	1 338	1 168	15 %
Fuel consumption (metric tonnes)	231 210	196 531	18 %	981 243	735 154	33 %
CO ₂ per RPK	81	87	-6 %	83	87	-5 %

Traffic Development

A total of 5.65 million passengers travelled with Norwegian in the fourth quarter of 2014, compared to 5.25 million in the fourth quarter of 2013, an increase of 8 %. Production (ASK) increased by 21 % and passenger traffic (RPK) increased by 26 %. The load factor was 80.6% in the fourth quarter, an increase of 3 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 100 aircraft. The Group utilized every operational aircraft on average 11.1 block hours per day in the fourth quarter compared to 11.4 last year.

The share of Internet sales was 81.3 % which is a decrease of 2 percentage point from last year.

Operating performance

Punctuality, the percentage of flights departing on schedule, was 84 % in the fourth quarter 2014, an increase of 1 percentage points from the same quarter last year.

Regularity, the percentage of scheduled flights actually taking place, was 99.8 % in the fourth quarter, compared to 99.2 % in the same quarter last year.

FINANCIAL REVIEW

Profit and loss statement

Fourth quarter earnings were affected by strong capacity growth and strong competition in leisure markets. Depreciation of NOK against EUR and USD significantly affected the unit cost. Ticket revenue per unit produced decreased by 3 % and unit cost increased by 3 %, resulting in an EBT margin of -25.7 %. Sector length increased by 12 %, affecting unit revenue and unit cost in the fourth quarter. Irregularity costs from the long haul operation are estimated to MNOK 12 in the fourth quarter. In addition the Group incurred approximately MNOK 54 in costs related to the delayed US DOT approval.

Earnings before interest, depreciation, amortization, restructuring and rent (EBITDAR) excluding other losses/(gains) for the fourth quarter was MNOK 260.8 (255.0).

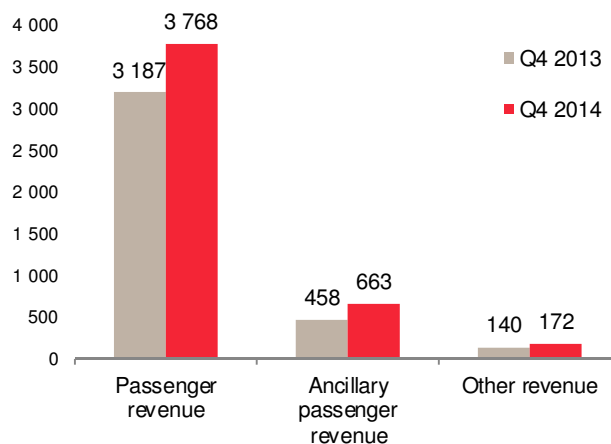
Earnings before tax (EBT) was MNOK -1 183.7 (-283.0), and net profit/(loss) was MNOK -958.4 (-194.0) in the fourth quarter.

Revenues

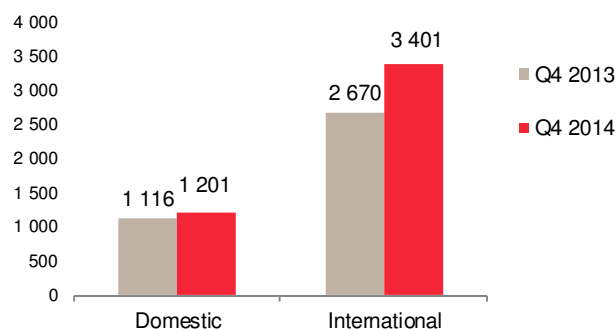
Total revenues in the fourth quarter were MNOK 4 602.4 (3 785.6), an increase of 22 %. MNOK 3 767.5 (3 187.4) of the revenues in the fourth quarter was related to ticket revenues. The ticket revenue per unit produced (RASK) in the fourth quarter was NOK 0.34 compared to NOK 0.35 for the same period last year. The RASK development compared to last year reflects lower yield and increased load factor, primarily due to establishment of new European short haul bases and long haul operations to North America and Southeast Asia. Ancillary revenue was MNOK 662.8 (458.4), while the remaining MNOK 172.0 (139.8) was related to freight, third-party products, gain from sale of assets and other income. Ancillary passenger revenue was NOK 119 per scheduled passenger (NOK 89) in the fourth quarter, an increase of 34%, mainly due to ancillary revenue from long haul operations.

Revenue from international traffic increased by 27.4 % to MNOK 3 401.0 in fourth quarter 2014, and revenue from domestic traffic increased by 7.7 % to MNOK 1 201.3 compared to last year. Increased capacity has mainly been added to international routes while domestic routes in the Nordic countries have experienced minor increases through the last years. Norwegian has grown rapidly expanding international traffic and adding new bases, destinations and markets to its portfolio. The expansion enables continued cost efficiency and continuously improves competitive power.

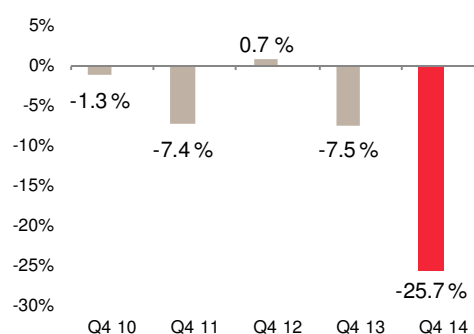
Revenue split (MNOK)



Revenue by geography (MNOK)



EBT margin



Operating expenses

COST BREAKDOWN

Unaudited

(Amounts in NOK million)	Q4 2014	Q4 2013	Change	FULL YEAR 2014	FULL YEAR 2013	Change
Personell expenses	835,2	535,9	56 %	3 209,0	2 478,3	29 %
Sales/ distribution expenses	124,9	91,0	37 %	469,1	339,4	38 %
Aviation fuel	1 460,2	1 312,1	11 %	6 321,1	4 694,3	35 %
Airport and ATC charges	637,3	576,9	10 %	2 723,9	2 185,3	25 %
Handling charges	458,4	371,5	23 %	1 854,8	1 339,4	38 %
Technical maintenance expenses	335,8	286,0	17 %	1 290,0	927,8	39 %
Other flight operation expenses	222,4	165,6	34 %	855,2	587,0	46 %
General and administrative expenses	267,2	191,7	39 %	1 049,6	733,3	43 %
Other losses/(gains) - net	640,6	-43,9	-1559 %	583,8	-489,3	-219 %
Total operating expenses	4 982,1	3 486,8	43 %	18 356,5	12 795,7	43 %
Leasing	490,1	339,6	44 %	1 845,9	1 284,4	44 %
Total operating expenses incl lease	5 472,3	3 826,4	43 %	20 202,4	14 080,1	43 %

Operating expenses excluding leasing and depreciation increased by 43 % to MNOK 4 982.1 (3 486.8) this quarter. A production increase (ASK) of 21 % is the main factor explaining the increased operating expenses this quarter.

The unit cost was NOK 0.43, which is an increase of 3 % from last year. Unit cost ex fuel was MNOK 0.30 (9 %). Increased production from international expansion of new bases, destinations and markets affect the sector length and cost levels, reducing underlying unit cost in the fourth quarter. Appreciation of USD and EUR against NOK affects the unit cost by an estimated 6 % increase.

Personnel expenses increased by 56 % to MNOK 835 (536) in the fourth quarter compared to the same quarter last year. Unit cost for personnel expenses increased by 28 %. Included in fourth quarter 2013, is a reversal of estimates for provisions related to pension liabilities, contributing to the high increase year over year comparison. The increased expenses from hired personnel and new bases are offset by the productivity increase (21 %) and increased sector length and number of seats derived from international production.

The average number of man-labor year increased by 18 % compared to same quarter last year.

Sales and distribution expenses increased by 37 % to MNOK 125 (91) in the fourth quarter compared to the same quarter last year. Unit cost for sales and distribution expenses increased by 13 %. Appreciation of EUR against NOK is partly offset by reduced unit cost due to an increased sector length.

Aviation fuel expenses increased by 11 % to MNOK 1 460 (1 312) in the fourth quarter compared to the same quarter last year. The increase is driven by the production increase of 21 %. A 13 % appreciation of USD against NOK, and 20

% reduction in USD spot price resulted in a decrease in unit cost of 8 % for the quarter.

The Group has at the end of the fourth quarter 2014 forward contracts to cover approximately 30 % of fuel exposure at an average price of USD 815 per ton for 2015, and approximately 17 % of fuel exposure in Q1 at an average price of USD 630 per ton.

Airport and air traffic control (ATC) charges increased by 10 %, to MNOK 637 (577) in the fourth quarter compared to the same quarter last year. Unit cost for airport and ATC charges decreased by 9 %. Increased prices and appreciation of EUR against NOK are more than offset by reduced cost due to an increased sector length of 12 % and increased capacity.

Handling charges increased by 23 %, to MNOK 458 (372) in the fourth quarter compared to the same quarter last year. Unit cost for handling charges increased with 2 % from last year due to increased prices from introducing larger aircraft and appreciation of EUR against NOK.

Technical maintenance costs increased by 17 %, to MNOK 336 (286) in the fourth quarter compared to the same quarter last year. Unit cost for technical maintenance decreased by 3 %. The increase in unit costs is related to maintenance expenses for the Boeing 787-8 Dreamliner, and appreciation of USD against NOK. The increased technical expenses are offset by an increased share of 737-800Ws with lower maintenance cost than 737-300 aircraft and an increased share of owned 737-800 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 34 % to MNOK 222 (166) 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 and meals and housing for crew. Unit cost increased 11 % in the quarter due to increased costs for meals and housing for hired crew personnel, partly related to irregularity in the long haul operation, and appreciation of EUR against NOK. Increased sector length and increased capacity partly offset the increased costs.

General and administrative expenses increased by 39 % to MNOK 267 (192) in the fourth quarter compared to the same quarter last year due to the introduction of new markets, products and international bases. Unit cost for general and administrative expenses increased by 15 %.

Other losses/(gains)-net; a loss of MNOK 641 was recognized in the fourth quarter compared to a gain of MNOK 44 in the fourth quarter last year. Included in other losses/(gains)-net are gains/losses from foreign currency contracts and forward fuel contracts and gains/losses on working capital in foreign currency.

Leasing costs increased by 44 % to MNOK 490 (340) in the fourth quarter compared to the same quarter last year. Unit cost for leasing increased by 19 %. Increased costs due to the use of wetlease aircraft in international operation and appreciation of USD against NOK of 13 %, are only partly offset by the production increase and larger share of owned aircraft .

During the fourth quarter the Group operated 41 (30) owned Boeing 737-800Ws, 2 (1) owned Boeing 787-8 Dreamliner and 5 (5) Boeing 737-300s

Profit/Loss from Associated Company in the fourth quarter was estimated to MNOK 20.2 (13) which represents the 20 % share of Bank Norwegian's third quarter results.

Financial Items were MNOK -122 (-113) in the fourth quarter. Interest on prepayments of MNOK 53 (20) was capitalized, reducing interest expenses. Included in other financial income (expense) is a currency loss on USD denominated borrowings amounting to MNOK 943 (61), due to appreciation of USD against NOK. At the end of 2013, the Group transferred owned aircraft to subsidiaries with USD as functional currency, and a gain of MNOK 966 on currency translation is included in financial items in fourth quarter 2014, offsetting the losses from borrowings. These gains and losses have no cash effects. Due to large fluctuations in currency rates in the last months of the year, financial items includes a net currency loss of MNOK 35.

Income taxes amounted to a tax benefit of MNOK 225.4 (89.0) in the fourth quarter.

Financial position and liquidity

The significant transactions contemplating the financial aspect of the restructuring took effect as of 31.12.2013. After the restructuring, the aircraft assets are accounted for in USD, creating a natural hedge against USD denominated borrowings.

Net interest bearing debt at the end of the fourth quarter was MNOK 11 273 compared to MNOK 4 346 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 %, a decrease of 10 percentage points from 19 % at year-end 2013.

Net change in cash and cash equivalents in fourth quarter was MNOK 579.8, and MNOK -155.0 year to date. Investments in new aircraft and equipment were MNOK -1,306.3 in fourth quarter, and MNOK 4,988.5 for the year, with net cash from financing activities of MNOK 2,772.9 and MNOK 4,478.4 for the quarter and year to date, respectively. Cash flow from operations was MNOK -892.2 for the quarter, and MNOK 345.6 for the year.

Total non-current assets amount to MNOK 18 362.6 at the end of the fourth quarter, compared to MNOK 10,851 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 eleven new owned Boeing 737-800Ws and one 787-8 Dreamliner.

Total current assets amount to MNOK 4,267.5 at the end of the fourth quarter, compared to MNOK 3,911.9 at the end of last year. Fair value of term contracts have decreased during the year, and hence investments in term contracts are classified under current liabilities at year end. Receivables have increased by MNOK 550 during the year due to increased production. Cash and cash equivalents have decreased by MNOK 155 during the year.

Total non-current liabilities at the end of the fourth quarter were MNOK 11,439.2, compared to MNOK 6,728 at the end of last year. Long-term borrowings increased by MNOK 4,497.2 during the year. The increase in borrowings is mainly related to external borrowings on eleven Boeing 737-800Ws and one 787-8, and new pre-delivery payment financing. Additionally, mark-to-market adjustment of USD denominated borrowings increase the value of borrowings. Down-payments on aircraft financing partially offsets the increase. Other non-current liabilities increase by MNOK 213.8 due to increased accruals for heavy maintenance offset by reduction in deferred tax.

Total short-term liabilities at the end of the fourth quarter were MNOK 9,062.6, compared to MNOK 5,285 at the end of last year. Current liabilities increased by MNOK 1,104.6 during the year due to increased production. Short-term borrowings increased by MNOK 2,274.5 during the year due to increase in borrowings, primarily for pre-delivery payment financing, which is replaced by long term borrowings at delivery of aircraft. Mark-to-market adjustment of USD denominated borrowings contribute to the increased value. Air traffic liability increased by MNOK 398.9 from end of last year due to increased production.

Equity at the end of the fourth quarter was MNOK 2,128.3 compared to MNOK 2,749.8 at the end of last year. The decrease is mainly due to a net loss for the period of MNOK 1,049.8 and actuarial losses of MNOK 52.4, offset by

exchange rate gain from Group holdings in subsidiaries of MNOK 467.4.

Cash flow

Cash and cash equivalents were MNOK 2,011.1 at the end of the fourth quarter compared to MNOK 2,166.1 at the end of last year.

Cash flow from operating activities in the fourth quarter amounted to MNOK -892.2 compared to MNOK 263.5 in the fourth quarter last year, mainly due to loss before tax and paid taxes in fourth quarter. Air traffic settlement liability decreased by MNOK 190.2 during the fourth quarter compared to a increase of MNOK 36.7 during the same quarter last year. The change is due to seasonality effects and last year presales was stronger than normal due to the start up on the long haul production. Cash from other adjustments amounted to MNOK 472.3 during fourth quarter compared to MNOK 367.3 in the same quarter last year. Other adjustments mainly consist of changes in accounts receivable, current liabilities and currency gain/loss with no cash effects.

Cash flow from investment activities in the fourth quarter was MNOK -1,306.3, compared to MNOK -964.5 in the fourth quarter last year. Prepayments to aircraft manufacturers are the main investments in the quarter, while fourth quarter last year mainly consisted of investments in new aircraft.

Cash flow from financing activities in the fourth quarter was MNOK 2,772.9 compared to MNOK 562.3 in the fourth quarter last year. Proceeds from 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 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 denominated in foreign currency.

OUTLOOK

The demand for travelling with Norwegian and advance bookings have been satisfactory entering the first quarter of 2015. Norwegian will continue to take advantage of its increasing competitive power realized through continuous cost efficiency, and from introducing larger aircraft (10 new 737-800Ws will be delivered in 2015) with a lower operating cost.

Norwegians short haul operations have, in addition to the Nordic countries, at the present six bases operational in Spain (Malaga, Alicante, Las Palmas, Tenerife, Madrid and Barcelona) and one base in London.

Norwegian guides for a production growth (ASK) of 5 % for 2015, including the long haul production. The long haul production will grow in accordance with the phasing in of aircraft and the company will have eight Boeing 787 by the end of the first half year of 2015. 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 575 per ton and USD/NOK 7.5 for the year 2015 (excluding hedged volumes) and with the currently planned route portfolio, the Company is targeting a unit cost (CASK) in the range of NOK 0.39- 0.40 for 2015.

Norwegian has established and prepared for an organizational structure which secures cost efficient international expansion and necessary traffic rights for the future.

Fornebu, 11 February 2015

CEO
Bjørn Kjos

CONDENSED CONSOLIDATED INCOME STATEMENT**Unaudited**

<i>(Amounts in NOK million)</i>	<i>Note</i>	Q4 2014	Q4 2013	FULL YEAR 2014	FULL YEAR 2013
Operating revenue					
Total operating revenue	3	4 602,4	3 785,6	19 540,0	15 579,5
Total operating revenue		4 602,4	3 785,6	19 540,0	15 579,5
Operating expenses					
Operational expenses		3 237,7	2 803,0	13 504,4	10 079,4
Payroll and other personnel expenses		835,2	535,9	3 209,0	2 478,3
Other operating expenses		909,2	147,8	1 643,1	238,0
Total operating expenses		4 982,1	3 486,8	18 356,5	12 795,7
Operating profit/loss before leasing & depr (EBITDAR)					
		-379,8	298,9	1 183,5	2 783,9
Leasing		490,1	339,6	1 845,9	1 284,4
Operating profit/loss before depr (EBITDA)					
		-869,9	-40,8	-662,4	1 499,5
Depreciation and amortization		212,3	142,5	748,1	529,8
Operating profit/loss (EBIT)		-1 082,2	-183,3	-1 410,5	969,7
Financial items					
Interest income		14,3	16,6	52,9	66,3
Interest expense		72,5	53,6	221,4	130,4
Other financial income (expense)		-63,6	-75,5	-105,6	-514,8
Net financial items		-121,8	-112,6	-274,1	-578,9
Profit/Loss from associated company		20,2	12,8	57,6	46,6
Net result before tax (EBT)		-1 183,7	-283,0	-1 627,0	437,4
Income tax expense (benefit)		-225,4	-89,0	-577,3	115,8
Net profit/loss		-958,4	-194,0	-1 049,8	321,6
Net profit attributable to:					
Owners of the parent company		-958,4	-194,0	-1 049,8	321,6
Earnings per share (NOK) - Basic		-27,3	-5,5	-29,9	9,2
Earnings per share (NOK) - Diluted		-26,9	-5,4	-29,4	9,0
No. of shares at the end of the period		35 162 139	35 162 139	35 162 139	35 162 139
Average no. of shares outstanding		35 162 139	35 162 139	35 162 139	35 162 139
Average no. of shares outstanding - diluted		35 651 865	35 651 865	35 651 865	35 651 865

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited

<i>(Amounts in NOK million)</i>	<i>Note</i>	At 31 Dec 2014	At 31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets		649,5	253,8
Tangible fixed assets		16 985,8	10 150,8
Fixed asset investments		727,3	446,3
Total non-current assets		18 362,6	10 850,9
Current assets			
Inventory		82,9	74,1
Investments		0,0	48,5
Receivables		2 173,5	1 623,1
Cash and cash equivalents		2 011,1	2 166,1
Total current assets		4 267,5	3 911,9
TOTAL ASSETS		22 630,1	14 762,7
EQUITY AND LIABILITIES			
Shareholders equity			
Paid-in capital	7	1 185,2	1 170,2
Other equity		943,1	1 579,6
Total equity		2 128,3	2 749,8
Non-current liabilities			
Other non-current liabilities		1 198,3	984,5
Long term borrowings	6	10 241,0	5 743,8
Total non-current liabilities		11 439,2	6 728,3
Short term liabilities			
Current liabilities		3 054,3	1 949,7
Short term borrowings	6	3 042,9	768,4
Air traffic settlement liabilities		2 965,4	2 566,5
Total short term liabilities		9 062,6	5 284,6
Total liabilities		20 501,9	12 012,9
TOTAL EQUITY AND LIABILITIES		22 630,1	14 762,7

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Unaudited

<i>(Amounts in NOK million)</i>	Q4 2014	Q4 2013	FULL YEAR 2014	FULL YEAR 2013
OPERATING ACTIVITIES				
Profit before tax	-1 183,7	-283,0	-1 627,0	437,4
Paid taxes	-202,8	0,0	-202,8	0,0
Depreciation, amortization and impairment	212,3	142,5	748,1	529,8
Changes in air traffic settlement liabilities	-190,2	36,7	398,9	826,8
Other adjustments	472,3	367,3	1 028,4	583,0
Net cash flows from operating activities	-892,2	263,5	345,6	2 376,9
INVESTMENT ACTIVITIES				
Purchases, proceeds and prepayment of tangible assets	-1 306,3	-884,5	-4 988,5	-2 045,9
Purchases of other long-term investments	0,0	-80,0	-1,4	-80,0
Net cash flows from investing activities	-1 306,3	-964,5	-4 989,9	-2 125,9
FINANCING ACTIVITIES				
Loan proceeds	3 116,2	1 499,3	6 132,0	2 459,8
Principal repayments	-229,9	-722,2	-1 259,3	-1 829,7
Financing costs paid	-113,4	-214,8	-394,3	-445,9
Proceeds from issuing new shares	0,0	0,0	0,0	0,0
Net cash flows from financial activities	2 772,9	562,3	4 478,4	184,2
Foreign exchange effect on cash	5,4	1,9	10,9	0,0
Net change in cash and cash equivalents	579,8	-136,8	-155,0	435,2
Cash and cash equivalents in beginning of period	1 431,4	2 302,9	2 166,1	1 730,9
Cash and cash equivalents in end of period	2 011,1	2 166,1	2 011,1	2 166,1

STATEMENT OF COMPREHENSIVE INCOME

Unaudited

<i>(Amounts in NOK million)</i>	FULL YEAR 2014	FULL YEAR 2013
Net profit for the period	-1 049,8	321,6
Available-for-sale financial assets	-0,2	1,2
Actuarial gains and losses	-52,5	0,0
Exchange rate differences Group	467,4	-2,9
Total comprehensive income for the period	-635,1	319,8
Profit attributable to:		
Owners of the company	-636,1	320,3
Non-controlling interests	1,0	-0,5

CONDENSED CONSOLIDATED CHANGES IN EQUITY

Unaudited

<i>(Amounts in NOK million)</i>	FULL YEAR 2014	FULL YEAR 2013
Equity - Beginning of period	2 749,8	2 420,7
Total comprehensive income for the period	-635,1	319,8
Share issue	0,0	0,0
Equity change on employee options	14,5	9,4
Equity - End of period	2 128,3	2 749,9

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 2013 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 2013. 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 2013.

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

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 commissions etc.

SALES REVENUE BREAKDOWN

Unaudited (Amounts in NOK million)	Q4 2014	Q4 2013	Change	FULL YEAR 2014	FULL YEAR 2013	Change
Per activity						
Passenger revenue	3 767,5	3 187,4	18,2 %	16 254,6	13 381,5	21,5 %
Ancillary passenger revenue	662,8	458,4	44,6 %	2 727,4	1 757,9	55,2 %
Other revenue	172,0	139,8	23,0 %	558,0	440,2	26,8 %
Total	4 602,4	3 785,6	21,6 %	19 540,0	15 579,5	25,4 %
Per geographical market						
Domestic	1 201,3	1 115,9	7,7 %	4 591,9	4 423,1	3,8 %
International	3 401,0	2 669,7	27,4 %	14 948,1	11 156,5	34,0 %
Total	4 602,4	3 785,6	21,6 %	19 540,0	15 579,5	25,4 %

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 2013.

Note 2 Risk

SENSITIVITY ANALYSIS

Unaudited	Effect on income MNOK
1% decrease in jet fuel price	44
1% depreciation of NOK against USD	-100
1% depreciation of NOK against EURO	-9

The sensitivity analysis reflects the effect on operating costs in 2014 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 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.

Note 6 Borrowings

Unaudited

(Amounts in NOK million)

	At 31 Dec 2014		At 31 Dec 2013	
	Long term	Short term	Long term	Short term
Bond issue	-830,6	0,0	-593,9	0,0
Revolving credit facility	-526,6	-2 045,1	0,0	-147,1
Aircraft financing	-8 880,5	-997,8	-5 143,0	-617,7
Financial lease liability	-3,2	0,0	-6,9	-3,6
Total	-10 241,0	-3 042,9	-5 743,8	-768,4
Total Borrowings	-13 283,8		-6 512,2	

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 2014 there are no changes in related parties compared to the description in Note 27 in the Annual Report for 2013. There have been no significant transactions with related parties during the fourth quarter 2014.

Note 7 Shareholder information

20 Largest shareholders at 31 December 2014

Shareholder	Country	Number of shares	Percent
1 HBK INVEST AS	OSLO	8 795 873	25.0 %
2 FOLKETRYGDFONDET	OSLO	2 441 393	6.9 %
3 SKAGEN VEKST	OSLO	1 551 707	4.4 %
4 SKAGEN KON-TIKI	OSLO	1 048 248	3.0 %
5 DANSKE INVEST NORSKE INSTT. II.	OSLO	888 707	2.5 %
6 CLEARSTREAM BANKING S.A.	LUX	797 842	2.3 %
7 MORGAN STANLEY & CO. INTERNATIONAL	GBR	637 850	1.8 %
8 CREDIT SUISSE SECURITIES	GBR	597 985	1.7 %
9 KLP AKSJE NORGE VPF	OSLO	523 395	1.5 %
10 DANSKE INVEST NORSKE AKSJER INST	OSLO	509 297	1.4 %
11 BNP PARIBAS S.A.	OSLO	505 000	1.4 %
12 J.P. MORGAN CHASE BANK N.A. LONDON	GBR	492 874	1.4 %
13 JPMORGAN CHASE BANK, N.A	GBR	423 275	1.2 %
14 DEUTSCHE BANK AG	GBR	352 722	1.0 %
15 ODIN NORGE	OSLO	321 805	0.9 %
16 KOMMUNAL LANDSPENSJONSKASSE	OSLO	319 816	0.9 %
17 STOREBRAND NORGE I	GBR	304 117	0.9 %
18 VERDIPAPIRFONDET HANDELSBANKEN	OSLO	300 000	0.9 %
19 PROTECTOR FORSIKRING ASA	OSLO	220 500	0.6 %
20 THE BANK OF NEW YORK MELLON SA/NV	BEL	210 767	0.6 %
Top 20 shareholders		21 243 173	60.4 %
Other shareholders		13 918 966	39.6 %
Total number of shares		35 162 139	100.0 %

The parent company Norwegian Air Shuttle ASA had a total of 35,162,139 shares outstanding at 31 December 2014, equal to 31 December 2013.

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 2013.

Note 9 Events after the reporting date

There are no events after the reporting date.

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
Ola Krohn-Fagervoll, deputy Chairman
Liv Berstad
Benedicte Schilbred Fasmer
Linda Olsen
Thor Espen Bråten
Kenneth Utsikt

Group Management

Bjørn Kjos, Chief Executive Officer
Asgeir Nyseth, CEO, Norwegian Long Haul AS
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, SVP Human Resources
Anne-Sissel Skånvik, SVP Corporate Communications

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 2015

5	March	Monthly traffic data February
10	April	Monthly traffic data March
29	April	First Quarter results (Q1)
7	May	Monthly traffic data April
12	May	General Shareholder Meeting
4	June	Monthly traffic data May
6	July	Monthly traffic data June
16	July	Second Quarter Results (Q2)
6	Aug	Monthly traffic data July
4	Sept	Monthly traffic data August
6	Oct	Monthly traffic data September
22	Oct	Third Quarter Results (Q3)
5	Nov	Monthly traffic data October
4	Dec	Monthly traffic data November

