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Norwegian second quarter - strong earnings improvement and over 4 million passengers

Norwegian carried more than 4 million passengers in the second quarter, 26 percent more than the same period last year. The turnover was just over 2.7 billion NOK, up 34 percent. The operating result for the second quarter was 137 million NOK, which is 185 million NOK better than last year, despite an extra fuel charge of 193 million NOK. The underlying operating result was 333 million NOK better than previous year.

"The results for second quarter, are as expected, strongly affected by the high fuel price, which is almost 50 percent higher than the same period last year. Second quarter, last year was also influenced by the authorities closure of the airspace caused by volcanic eruption in Iceland. That set aside, together with fuel and currency effects, the underlying operating result for the second quarter was 333 million better than the same period last year. This is due to lower costs thanks to a more modern fleet and more efficient operation, said Norwegians CEO Bjørn Kjos.

"I am very pleased with the strong passenger growth, not least as we keep a steady course toward lower costs and increased competitiveness. During the second quarter, we have secured financing for several new aircraft to be delivered between summer 2011 and end of 2012. New aircraft are essential for being a strong competitor in terms of passenger comfort, lower fuel consumption and environmental savings. During the quarter, we have managed to save more than 50 million as a result of more fuel-efficient aircraft in the fleet, said Kjos.

So far this year, the company has received 12 brand new Boeing 737-800. A further three will be delivered from Boeing later this year. At the same time

older Boeing 737-300 are being phased out. As of July 2011, Norwegian has 35 new Boeing 737-800 in its fleet. Fleet replacements to new and larger aircraft with more seats are also an important contribution to increased production. Compared with second quarter last year, the production growth is up 24 percent. The load factor for the quarter is also better compared to same period last year, up 3 percentage points to 78 percent.

Strong growth in Sweden and Finland

Norwegian flew more than 840 000 passengers in the second quarter compared with same period last year. The majority of the strong growth comes from Finland, which is a new market for the company, and from Sweden, where Norwegian has opened several new routes. In Norway and Denmark, the route network and number of passengers are more stable. For Norway, much of the growth stems from charter, which is a priority area for Norwegian.

Key figures second quarter 2011 (2010)

Passengers:	4.0mn NOK	(3.2mn)
Revenue:	2.727mn NOK	(2.032mn)
Load factor:	78 per cent	(75 per cent)
EBITDAR:	347mn NOK	(144mn NOK)
EBITDA:	137mn NOK	(-49mn NOK)
EBIT:	73mn NOK	(-93mn NOK)
EBT:	75mn NOK	(-188mn NOK)
Net result:	54mn NOK	(-134 mill NOK)

For further details, see attached pdf.

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Norwegian Air Shuttle ASA, commercially branded “Norwegian,” is a public low-cost airline noted on the Oslo Stock Exchange. The company is the second largest airline in Scandinavia, and has a route portfolio that stretches across Europe into North Africa and the Middle East. With competitive prices and customer friendly solutions and service, the company has experienced significant growth over the previous years. With more than 13 million

passengers in 2010, Norwegian is the 3rd largest low-cost airline in Europe. Norwegian currently operates 58 aircraft on 244 routes to about 100 destinations and employs approximately 2 500 people.

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