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Corona crisis: Norwegian positive to the government's tax cut – further measures with immediate liquidity effect are crucial

The global spread of coronavirus has had an enormous impact on the global aviation industry. At the beginning of the year, Norwegian expected to deliver a positive result in 2020, however, this guidance had to be withdrawn due to this unprecedented situation. The company is continuously working to reduce costs even further. However, the corona crisis has now led to the need of powerful and extraordinary measures from the government in order to strengthen the company's liquidity in a critical phase.

“We welcome the fact that the government has decided to remove aviation taxes in Norway, but sadly, this is not enough as we're in a very demanding situation at the moment. We need exact measures to strengthen our liquidity in the short term immediately. At the same time, it is crucial for us that the government will work on solutions for a phase two. We are asking for these solutions to come quickly. At the same time, we will take all measures necessary to reduce the financial losses this situation is causing us, no matter how painful they are. At the same time, we will also take care of our colleagues and customers in the best possible way,” says Norwegian CEO Jacob Schram.

The outlook for 2020 was promising

Norwegian has undergone a significant restructuring and in February, the company notified the market that it expected positive results for 2020. During 2019, the company implemented a wide range of initiatives to reduce costs. Among other things, the internal cost-reduction program #Focus2019 delivered on target with cost reductions of NOK 2.3 billion. In 2020, the company introduced further measures to improve its results by an additional

NOK 1.5 billion.

The turmoil in the capital markets has meant that in practice loans and credits are now closed, which means that it is not possible to finance businesses in a normal fashion. This means that the corona virus has created an extraordinary situation for us.

The past year, Norwegian has sold 24 aircraft and reduced its production by up to 15 percent compared to the previous year before the corona virus hit us. The company has also a low share of fuel hedging and has only locked 25 percent of expected fuel consumption at a relatively low level.

Advice to customers

Customers booked to travel on affected flights will be contacted to discuss their options including rebooking onto a flight at a later date. Due to a high number of enquires we encourage all customers to check our website www.norwegian.com/updates for the latest travel advice. If your travels are past April 15th, 2020, please refrain from contacting our Customer Care team at this time.

Norwegian in the UK and Ireland:

- Norwegian carries almost **6 million UK passengers each year** from London Gatwick, Edinburgh and Manchester Airports to **30 destinations worldwide**
- Norwegian is the **third largest airline at London Gatwick**, with 4.6 million yearly passengers, and over 1,200 UK-based pilots and cabin crew
- In 2014, Norwegian introduced the **UK's first low-cost, long haul flights to the U.S.** - the airline now flies to 11 U.S destinations, Buenos Aires and Rio de Janeiro from London Gatwick
- Norwegian is the only airline to offer **free inflight WiFi** on UK flights to more than 30 European destinations and 13 long-haul destinations.
- The airline has one of the **youngest aircraft fleets in the world** , including next-generation Boeing 787 Dreamliner, Boeing 737 MAX and Boeing 737-800s
- Norwegian has been **voted 'Europe's best low-cost carrier' by**

passengers for six consecutive years at SkyTrax World Airline Awards from 2013-2018, along with being awarded the '**World's best low-cost long-haul airline**' in 2015, 2016, 2017, 2018 and 2019

- Norwegian Reward is the airline's free to join **award-winning loyalty programme** offering members CashPoints and Rewards that reduce the cost of Norwegian flights

Contacts



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