

## Note 16 - Pensions

The Company operated defined benefit plans and defined contribution plans. The majority of the employees participated in a defined benefit plan. The Norwegian defined benefit plan was closed 1 December 2012 and all employees were transferred to the defined contribution plan. Pension plans are placed with DNB Liv.

### Defined contribution plan

The defined contribution plans require that the Company pays premiums to public or private administrative pension plans on mandatory, contractual or voluntary basis. The Company has no further obligations once these premiums are paid. The premiums are accounted for as payroll expenses as soon as they are incurred. Pre-paid premiums are accounted for as an asset to the extent that future benefits can be determined as plausible.

Defined contribution plans comply with Norwegian Pension legislation.

Pension expenses on defined contribution plans were NOK 24.2 million in 2013 (2012: NOK 69.1 million). The decrease in expenses relates to a reversal of estimates for provisions related to the pension liability, in addition to transfer of pilot employee contracts to Norwegian Air Norway AS

### Defined benefit plan

The closed defined benefit plan was a funded plan where the benefits were mainly dependent on pension entitlement earned, salary at the time of retirement and the size of payments from the National Insurance. The plan also covered a life insurance and disability insurance. Per 31 December 2012, no employees were active members, and 62 were on pension retirement. In addition, employees are included in the early retirement scheme (AFP), with the right to retire at the age of 62. The AFP is a multi-employer plan, where the Norwegian government finances 1/3 of the contribution plans. The AFP pension plan is a defined benefit plan administered by a separate legal entity (Fellesordningen). The plan is temporarily accounted for as a defined contribution plan, as the plans administrators have not been able to calculate the pension obligation for each entity participating in the plan.

The scheme is in compliance with the Occupational Pensions Act.

The pension liability in the closed benefit plan was calculated on linear accumulation. Changes in the obligation due to changes in, and deviations from, the estimated assumptions were spread over the estimated average remaining vesting period, for the part of deviations which exceeds 10% of the gross pension liability. Pension costs for the year for the Company's defined benefit plans were calculated by independent actuaries and were based on information as of 1 January 2012. The related pension liability was derecognized from the statement of financial position on 1 December 2012.

Risk tables for death and disability are based on the most commonly used statistics in Norway, (K-2005) and (IR 02) respectively.

<b>Pension expense (NOK 1,000)</b>	<b>Funded</b>	<b>Unfunded</b>	<b>Total 2013</b>	<b>Total 2012</b>
Net present value of benefits earned	0	0	0	172,399
Interest cost on pension liability	0	0	0	22,683
Return on plan assets	0	0	0	-13,955
Administrative expenses	0	0	0	2,888
Recognized actuarial gains/losses	0	0	0	0
Recognized net liability - settlement	0	0	0	-28,745
Social security tax	0	0	0	25,946
<b>Net pension expense defined benefit plans</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>181,215</b>
Pension expense on defined contribution plans			0	60,520
Social security tax			0	8,533
<b>Total pension expense</b>			<b>-</b>	<b>250,268</b>

	<b>2013</b>	<b>2012</b>
Best estimate of actual return on pension funds previous year	0	5.70 %
Expected contribution to be paid next year	0	0
Expected benefits to be paid	0	0

Actuarial assumptions related to demographic factors and retirements are based on assumptions commonly used in insurance. The estimated utilization rate for the AFP scheme is 20%.

## Historical information

<b>(NOK 1,000)</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Present value of defined benefit obligation	0	0	955,025	685,779	483,721	388,730
Fair value of plan assets	0	0	514,910	401,328	301,612	233,000
<b>Deficit/(surplus) in the plan</b>	<b>0</b>	<b>0</b>	<b>440,115</b>	<b>284,451</b>	<b>182,109</b>	<b>155,730</b>
Experience adjustments on plan liabilities	0	0	108,905	81,092	-25,272	50,340
Experience adjustments on plan assets	0	0	28,702	2,130	-28,148	2,549