

Note 29 - Commitments

In August 2007 Norwegian Air Shuttle ASA entered a purchase agreement of 42 new Boeing 737-800 aircraft with Blended Winglets and purchase rights for additional 42 aircraft of the same model from Boeing. The order of 42 aircraft has a list price of USD 3.1 billion.

Between 2008 and 2011 the Company extended its aircraft order and exercised purchase rights with additional 36 aircraft, to the total order of Boeing 737-800 to 78 aircraft.

Norwegian Air Shuttle ASA entered into a purchase agreement of three Boeing 787-8 Dreamliner aircraft in June 2011. One aircraft was delivered in 2013, and the remaining two aircraft will be delivered in 2014 and 2015. The aircraft have a (total) list price of USD 580 million. The three aircraft will complement 787-8 Dreamliner leases (note 12). At 31 December 2013, the Company has 7 Boeing 787-8 Dreamliner lease orders with expected delivery from 2014 to 2016.

In January 2012, the Company entered into additional purchase contracts with Boeing Commercial airplanes and Airbus S.A.S comprising a total of 372 aircraft, whereof 222 were firm orders. The firm orders were for 22 Boeing 737-800, 100 Boeing 737 MAX8 and 100 Airbus A320neo. The agreements also include purchase rights for an additional 100 Boeing 737 MAX8 and 50 Airbus A320neo. The firm orders have an aggregated value at list price of approximately NOK 127 billion. The delivery of aircraft starts in 2016. The aircraft purchase is supported by the Export-Import Bank of the United States (Ex-Im) and European Export Credit Agencies.

The Company presents list prices on aircraft purchase contracts. Discounts are achieved on the aircraft purchase contracts; hence the actual committed purchase prices are lower than the presented list prices. Actual committed purchase prices are regarded as contractual and business sensitive information.

Norwegian Air Shuttle ASA has selected the Rolls-Royce Trent 1000 engine to power up to 9 new 787-8 Dreamliners. The contract, signed with Rolls-Royce, includes "Total Care" long-term support agreements which include all maintenances, spare parts and other support services. The contract value quoted at list price is USD 450 million when comprising 18 engines.

Norwegian Air Shuttle ASA has entered into a maintenance agreement with Boeing comprising all long-haul aircraft on order. The agreement secures cost efficient maintenance and has a duration of 12 years.

For details on commitments for aircraft leases, see note 10.

In fourth quarter 2013, Norwegian Air Shuttle ASA transferred 35 aircraft, including leased and owned aircraft, to 100% owned single purpose entities established in Dublin, Ireland. The entities will operate as lessors for the airline companies in the Norwegian Group.

In substance, the transfer of aircraft has not had any impact on the Groups financial position, besides impact on USD/NOK exposure. The aircraft was previously was accounted for in NOK in parent company, and is now accounted for in USD in subsidiary. The parent company holds the financial responsibility towards external lessors. Transfer of owned aircraft are secured through financial sub-leases with assets transferred as pledged security, and financial sub-leases are secured on a back-to back basis.