

Note 8 – Intangible Assets

(NOK 1,000)	Software	Goodwill	Other Intangible Assets	Total
Acquisition cost at 1 January 2012	237,211	94,157	31,019	362,388
Additions	55,901	0	0	55,901
Disposals	-3,867	0	0	-3,867
Acquisition cost at 31 December 2012	289,245	94,157	31,019	414,421
Acquisition cost at 1 January 2013	289,245	94,157	31,019	414,421
Additions	39,571	0	2,847	42,418
Acquisition cost at 31 December 2013	328,816	94,157	33,867	456,839
Accumulated amortization and write-down at January 1 2012	124,585	18,831	4,591	148,008
Amortization in 2012	50,053	6,277	0	56,330
Amortization disposals in 2012	-2,582	0	0	-2,582
Accumulated amortization and write-down at 31 December 2012	172,056	25,109	4,591	201,756
Accumulated amortization and write-down at January 1 2013	172,056	25,109	4,591	201,756
Amortization in 2013	54,921	6,277	0	61,198
Accumulated amortization and write-down at 31 December 2013	226,977	31,386	4,591	262,955
Book value at 31 December 2012	117,189	69,048	26,428	212,665
Book value at 31 December 2013	101,839	62,771	29,275	193,884
Economic life	3-5 years	15 years	Indefinite	
Amortization plan	Linear	Linear	None	

Capitalized software is related to external consulting fees for the development of Norwegian's own systems for booking and ticket-less travel, various sales portals, back office and maintenance system (AMOS). The depreciation of the software commence as each module is completed.

Goodwill consists of purchased goodwill from Norwegian Air Shuttle Sweden AB in 2009. All airline operations were purchased from the subsidiary and the airline operations were run by Norwegian Air Shuttle ASA from 1 July 2009. Payment for the operations exceeding initial goodwill from the purchase of the shares in Norwegian Air Shuttle Sweden AB in 2007 (see note 25) was added to the value of the shares. Goodwill and slots were identified as assets and measured at the value from initial purchase price in 2007.

The management has determined that goodwill related to the Swedish airline operation has a definite economic useful life of 15 years. The assessment is based on an assumption that the Company will earn future benefits from the Swedish operation for all foreseeable future. The depreciation plan of 15 years is based on an average depreciation plan for the Company's total tangible and intangible assets.

Other intangible assets consist of intellectual property rights which are related to the purchases of internet domains. The Company has developed web portals in Norway, Sweden and Denmark. Slots from the purchase of Norwegian Air Shuttle Sweden AB with an acquisition cost of NOK 22.4 million are included in other intangible assets. Other intangible assets are determined to have indefinite economic useful lives and are not amortized.

Intangible assets with indefinite economic useful lives are tested for impairment annually. No impairment losses are identified for intangible assets in 2013.

Intangible assets with definite economic useful lives are tested for impairment if there are identified indicators of impairment.

The method used to estimate the recoverable amount is value in use, based on discounted cash flow analysis. The analysis reflects the cash flow projections in the financial business plan covering the next year approved by the Board of Directors. The budget for the next 12 months has applied for cash flows within a planning horizon of 8 years, as the aircraft fleet is estimated for re-investment every 8 years. Key assumptions used in the calculation are growth rates, operating costs, terminal value and discount rate. Cash flow beyond the 8 year period is extrapolated with a long term growth rate. Estimated cash flow and discount rate are after tax.