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

OSLO, NORWAY (MARCH 13, 2020) – 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At the beginning of the year, Norwegian expected to deliver a positive result in 2020, however, this guidance had to be withdrawn due to this unprecedented situation.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 Norwegian government in order to strengthen the company's liquidity in a critical phase.

“We welcome the fact that the Norwegian 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.

About Norwegian Air

Norwegian Air is the world's fifth largest low-cost airline and carried over 36 million passengers in 2019. The airline operates more than 500 routes to over 150 destinations in Europe, North Africa, Middle East, Thailand, North and South America. Norwegian has a fleet of around 160 aircraft, with an average age of 4.6 years, making it one of the world's youngest and most fuel-efficient fleets.

Norwegian has been named the [Most Fuel-Efficient Airline on Transatlantic Routes](#) by the International Council on Clean Transportation (ICCT) twice. In 2019, the airline [saved 1.7 million metric tons of CO2 emissions](#) compared to the industry average. Norwegian has been voted 'Europe's Best Low-Cost Airline' by passengers for six consecutive years at the SkyTrax World Airline Awards 2013-2019, along with being named the ['World's Best Low-Cost Long-Haul Airline'](#) for the past five consecutive years. Norwegian employs more than 11,000 people worldwide.

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