

Positive signs again

(Oslo/Bodø November 11th 2003) The Norwegian airline Widerøe has succeeded in returning to profit with the 3rd quarter figures following a turbulent period. Accumulated for September, the company's result was a profit amounting to NOK 24.9 million. This is a very good news following the negative figures for the first and second quarter of this year and shows that the company's thorough restructuring program already sees positive results.

The result for the third quarter alone is NOK 16.3 million. Compared with the same quarter last year when the result was a deficit of NOK 2.4 million, it shows that Widerøe is about to gain ground again even if the result so far this year is close to NOK 30 million less than for the same period last year (NOK 54.7 million).

--We are of course not satisfied with the result when we view the period so far this year. We have, however, created a basis for new growth through an extensive restructuring program as well as cost efficiency measures amounting to approximately NOK 200 million. We now see the first results through the development for the third quarter, says President and CEO Mr. Per Arne Watle.

He places emphasis on that fact that this restructuring program to a large degree is due to the employees and the employee representatives who quickly saw what situation the company was in and thus were willing to contribute through considerable concessions through new collective agreements.

--We therefore sincerely thank the company's employees today, says Mr. Watle.

--All contenders within aviation see that the times have changed, not only due to the downturn in economic activity, a generally lower degree of travel through the last year as well as due to the passengers' price tolerance, which today is considerably lower than only a few years ago, says Mr. Watle

In total 1.25 million passengers flew with Widerøe due this year's first nine months. This is an increase of 13 percent compared with the same period last year. The growth in the number of passengers travelling do not reflect a growth in passenger revenue. It is exactly on the same level as last year, namely NOK 1.1 billion.

--The reason for this is that each passenger is paying gradually less per kilometre. The public is no longer willing, to the same degree as earlier, to purchase full-fare tickets. It was this trend we seriously saw during last quarter last year and which has continued up until now. The industry had to react. Widerøe's customers noticed this on October 26th when we introduced a new and simpler product while we at the same time reduced our fares on some routes with up to 25 percent, says Mr. Watle.

-- We now look forward to continue with our core business, namely transporting an increasing number of passengers to a growing number of destinations. Already as of December 1st, we will open our third service to the British Isles being from Bergen to Manchester, says Mr. Watle.

Widerøe is the largest regional airline in the Nordic countries, having a turnover of NOK 1.8 billion and carrying 1.5 million passengers. Widerøe's Flyveselskap ASA operates 29 Dash 8 aircraft to 34 destinations in Norway and 6 destinations abroad. The company has 1,250 employees. In 2002 Widerøe was awarded the silver medal in the competition for being Europe's best regional airline. The PSO services on the STOL network account for less than half of Widerøe's operations. In recent years, the largest growth has been seen on the regional network in Southern Norway and to destinations abroad. This network consists

presently of services from Torp Airport, Sandeffjord to Copenhagen, Stockholm, Bergen, Stavanger, and Trondheim, and as well as Oslo - Gothenburg, Stavanger – Aberdeen, Bergen – Aberdeen, Stavanger-Newcastle, Bergen – Stavanger, Bergen - Manchester and Trondheim – Copenhagen. Widerøe is Member of the SAS Group.

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Widerøe's website is: www.wideroe.no

Extract from the Profit and Loss Account and the Balance Sheet

Profit and Loss Account

<u>Figures in NOK 1.000 -</u>	<u>30.09.03</u>	<u>30.09.02</u>
Operating revenue		
Traffic revenue	1.179.718	1.166.445
Government purchase of services	230.547	248.779
Other income	125.917	91.201
Total operating income	1.536.182	1.506.425
Operating cost	1.479.882	1.398.915
Operating profit/loss	56.300	107.510
Net financial expenses	31.384	52.770
Profit/loss after financial items	24.916	54.740
Net extraordinary expenses	0	0
Pre-tax profit/loss	24.916	54.740

Balance Sheet

<u>Figures in NOK 1.000</u>	<u>30.09.2003</u>	<u>31.12.2002</u>
Fixed Assets	1.375.436	1.033.928
Current Assets	428.592	372.966
Total Assets	1.804.028	1.406.894
Equity	442.246	356.430
Long-term liabilities	550.329	608.769
Short-term liabilities	811.453	441.695
Total liabilities and equity	1.804.028	1.406.894