

## SECOND QUARTER AND FIRST HALF REPORT 2009

### HIGHLIGHTS

- First half revenue up by 24.5% to MNOK 3,287.8, quarterly revenue up by 22.5 % to MNOK 1,900.5 (1,551.2).
- Earnings before depreciation and leasing (EBITDAR) in first half were MNOK 466.8 (-76.6) and in the quarter were MNOK 418.3 (67.9)
- Earnings before depreciation (EBITDA) in first half were MNOK 155.7 (-267.9) and in the quarter were MNOK 257.6 (-41.8).
- Net result after tax in first half was MNOK 70.6 (-272.9) and in the quarter was MNOK 180.2 (-62.2).
- Ancillary revenue pr passenger up 64 % in first half.
- The number of passengers in first half were 4.9 mill (+12.6 %) and in the quarter were 2.8 mill (+18.8%).
- Unit cost was 0.51 in first half and 0.47 in the quarter compared to 0.56 in the first half last year and 0.54 in the second quarter last year. Unit cost excluding fuel was 0.41 in first half and 0.38 in the quarter compared to 0.39 in first half last year and 0.35 in the second quarter last year.

### CONSOLIDATED KEY FINANCIAL FIGURES

Unaudited

(1000 NOK)	Quarter ended 30.06.		YTD 30.06.		Year ended
	2009	2008	2009	2008	2008
Operating revenue	1 900 528	1 551 220	3 287 811	2 639 806	6 226 413
EBITDAR	418 308	67 898	466 842	(76 638)	199 797
EBITDA	257 594	(41 769)	155 690	(267 908)	(208 243)
EBIT	222 788	(72 694)	88 705	(332 342)	(337 855)
EBT	245 016	(86 065)	94 872	(378 999)	5 339
Net profit/ loss (-)	180 244	(62 176)	70 609	(272 934)	3 944
EBITDAR margin	22.0%	4.4%	14.2%	-2.9%	3.2%
EBITDA margin	13.6%	-2.7%	4.7%	-10.1%	-3.3%
EBIT margin	11.7%	-4.7%	2.7%	-12.6%	-5.4%
Net profit margin	9.5%	-4.0%	2.1%	-10.3%	0.1%

### CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

	Quarter ended 30.06.		YTD 30.06.		Year end
	2009	2008	2009	2008	2008
Yield (NOK)	0.62	0.61	0.61	0.60	0.62
Unit Revenue (NOK)	0.48	0.47	0.47	0.47	0.49
Unit Cost (NOK)	0.47	0.54	0.51	0.56	0.56
Unit Cost ex. fuel (NOK)	0.38	0.35	0.41	0.39	0.37
Ancillary Revenue /PAX (NOK)	67.91	41.66	68.76	41.82	50.74
ASK (mill)	3 469	2 974	6 144	5 157	11 530
Passengers	2 784 448	2 344 219	4 889 222	4 341 254	9 136 553
Load Factor	78%	78%	77%	78%	79%

**OPERATIONS****Traffic Development**

A total of 2,784,448 passengers travelled with Norwegian (the Group) in the second quarter of 2009, compared to 2,344,219 in the second quarter of 2008, an increase of 19 %. The Group had a load factor of 78 % this quarter which is equivalent to the same period last year. The production (ASK) has increased by a total of 17 %, and the passenger traffic (RPK) has increased by 17 %.

At the end of the second quarter the total fleet including aircraft on maintenance and excluding wet lease was 45 aircraft. The Group utilized every operational aircraft (including wet lease) on average 10.2 block hours in the second quarter compared to 10.8 block hours last year.

The share of Internet sales was 88 % which is equivalent to the same period last year.

**Traffic Figures**

	Quarter ended 30.06.			YTD 30.06.			Full Year 2008
	2009	2008	Change	2009	2008	Change	
Internet bookings	88%	87%	1 pp	88%	88%	0 pp	87%
ASK (mill)	3 469	2 974	17 %	6 144	5 157	19 %	11 530
RPK (mill)	2 716	2 330	17 %	4 716	4 016	17 %	9 074
Load factor	78%	78%	0 pp	77%	78%	-1 pp	79%
Passengers	2 784 448	2 344 219	19 %	4 889 222	4 341 254	13 %	9 136 553

**Revenue**

Total revenue in second quarter was MNOK 1,900.5 (1,551.2), an increase of 22.5 %. MNOK 1,671.2 (1,409.8) of the revenues in the second quarter is related to ticket revenues. MNOK 189.1 (97.6) is other passenger related revenue, while the remaining MNOK 40.2 (43.6) is related to freight, third-party products, and other income.

The yield for Norwegian in second quarter was NOK 0.62 compared to NOK 0.61 for the same period last year. Ancillary passenger revenue was NOK 67.9 pr passenger (41.6) in second quarter 2009, an increase from same period last year of 63 %.

**Operating Expenses**

The operating expenses excluding leasing and depreciation were MNOK 1,482.2 (1,483.3) this quarter. Operating expenses for the quarter is at the same level as last year even with a production increase of 17% (ASK). The main factors contributing to the decreased cost level relatively to increased production is a reduction in fuel costs by 42%. Furthermore the Group's operations have during first and second quarter been challenged by a weakening of NOK (mainly against USD) compare to same period last year. Costs affected by the weakening of NOK are mainly fuel, leasing and maintenance. Included in operating expenses in the quarter is MNOK 25 in gains on fuel derivatives, MNOK 44 in unrealized gains and MNOK 19 in realized losses.

The Group has at the end of the second quarter, forward contracts to cover approx 19.2% of fuel exposure for the remaining 2009.

USD currency contracts cover approximately 0 % of expected exposure for operating activities in USD until December 2009. Changes in fair value of foreign currency contracts are included in operating costs. Total expense in second quarter was MNOK -3.2 (cost reduction).

Profit/loss from associated company in second quarter of MNOK -0.5 (-5.8) consists of the Group's estimate on the 20 % share of Bank Norwegian's second quarter results.

**Earnings**

Earnings before interest, depreciation and amortisation (EBITDA) in the second quarter were MNOK 257.6 (-41.8), and the earnings before tax (EBT) were MNOK 245.0 (-86.1).

**Financial items**

Financial items in second quarter were MNOK 22.8 (-7.5).

Borrowing cost, in accounting for the prepayments on the purchase contract with Boeing, MNOK 10.2 have been capitalised in second quarter.

**Tax**

Income taxes amounted to a charge of MNOK 65 in the quarter compared with a positive amount of MNOK 40 in first quarter and a positive amount of MNOK 24 in second quarter last year.

**Net result**

The net result for second quarter was MNOK 180.2, compared to MNOK -62.2 in the same period last year.

**Balance sheet**

Total non-current assets amounts to MNOK 2,056 at 30 June, compared to MNOK 1,604 at the end of last year. Included in tangible fixed assets are the prepayments to Boeing on 42 new aircraft of MNOK 1.144, compared to MNOK 705 at the end of last year.

Total current assets amounts to MNOK 2,203 at 30 June, compared to MNOK 1,574 at the end of last year. Due to seasonality, receivables have increased by MNOK 395.

Total liabilities at 30 June were MNOK 3,283, compared to MNOK 2,281.5 at the end of last year. Due to seasonality traffic liability is at a high level at the end of second quarter while at a low level at the end of the year. Interest bearing liabilities at the end of June was MNOK 957.

**Shares**

The parent company Norwegian Air Shuttle ASA had a total of 32,359,778 shares outstanding at 30 June, compared to 32,359,778 shares outstanding at the end of 2008.

**Cash**

Cash and cash equivalents were MNOK 821 at 30 June compared to MNOK 607 at the end of last year.

Operating activities

Cash flow in second quarter from operating activities amounts to MNOK 322.6, compared to MNOK 98.9 in second quarter last year. The main contribution to the positive cash flow from operating activities in the quarter is profit before tax and depreciation.

Investment activities

Cash flow in second quarter from investment activities was MNOK -430.3, compared to MNOK -106.4 in second quarter last year. Prepayment to Boeing is the main investment in the quarter.

Financing activities

Net cash flow from financing activities in the second quarter was MNOK 286.2 compared to MNOK -5.9 in second quarter last year. Financing during second quarter is related financing of prepayments to Boeing.

**Risk and uncertainties**

The airline industry is undergoing a challenging time as a consequence of the financial crisis and the global downturn. The demand for tickets has so far not been significantly affected by the turmoil in the global financial markets. However future demand is dependent on sustained consumer and business confidence in our key Scandinavian markets.

The Group expects production (ASK) to increase by 15 % in 2009 depending on demand and traffic development.

**Outlook**

The demand for travelling with Norwegian and advanced bookings has been satisfactory entering the third quarter of 2009. Norwegian has executed several sales and marketing campaigns that have been well received by the market, and continue to attract customers to the continuously growing route portfolio. The current macro economic outlook is uncertain. Slowdown in the business environment expected throughout 2009. Norwegian will closely monitor the traffic development and will make adjustments to the route portfolio if necessary.

The Swedish operation will continue to focus on the restructuring and optimizing efforts. The Polish market is experiencing uncertain macro conditions and weaker demand. The Danish operation has a total fleet of 5 aircraft at the beginning of Q3. The routes have so far been well received in the market, and experiencing some pressure on yield.

With fuel price USD 730, USD/NOK 6,40 for the remainder of the year and the current route portfolio the unit cost is expected to be in the area of NOK 0.51 in 2009.

**Interim report Q3 2009**

The interim report for third quarter 2009 will be presented 22 October 2009.

Fornebu, 13 July 2009

The Board of Directors of Norwegian Air Shuttle ASA



**Consolidated Income Statement**

Unaudited

(1000 NOK)	Note	Quarter ended 30.06.		YTD 30.06.		Year ended
		2009	2008	2009	2008	2008
<b>OPERATING REVENUE</b>						
Total operating revenue	3	1 900 528	1 551 220	3 287 811	2 639 806	6 226 413
<b>Total revenue</b>		<b>1 900 528</b>	<b>1 551 220</b>	<b>3 287 811</b>	<b>2 639 806</b>	<b>6 226 413</b>
<b>OPERATING EXPENSES</b>						
Operational expenses	4	1 084 908	1 155 904	2 014 013	2 043 719	4 623 778
Payroll and other personnel expenses	4	338 769	249 525	638 181	484 614	1 079 617
Other operating expenses	4	58 543	77 893	168 775	188 111	323 221
<b>TOTAL OPERATING EXPENSES</b>		<b>1 482 221</b>	<b>1 483 322</b>	<b>2 820 969</b>	<b>2 716 445</b>	<b>6 026 615</b>
<b>OPERATING PROFIT / LOSS BEFORE LEASING &amp; DEPR (EBITDAR)</b>						
		<b>418 308</b>	<b>67 898</b>	<b>466 842</b>	<b>-76 638</b>	<b>199 797</b>
Leasing		160 713	109 667	311 152	191 270	408 041
<b>OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)</b>						
		<b>257 594</b>	<b>-41 769</b>	<b>155 690</b>	<b>-267 908</b>	<b>-208 243</b>
Depreciation and amortization		34 806	30 925	66 984	64 434	129 611
<b>OPERATING PROFIT / LOSS (EBIT)</b>						
		<b>222 788</b>	<b>-72 694</b>	<b>88 705</b>	<b>-332 342</b>	<b>-337 855</b>
<b>Net financial items</b>						
		<b>22 756</b>	<b>-7 531</b>	<b>6 079</b>	<b>-36 772</b>	<b>351 966</b>
Profit/Loss from associated company		-528	-5 840	88	-9 884	-8 773
<b>NET RESULT BEFORE TAX (EBT)</b>						
		<b>245 016</b>	<b>-86 065</b>	<b>94 872</b>	<b>-378 999</b>	<b>5 339</b>
Income tax expense (benefit)		64 772	-23 889	24 262	-106 065	1 394
<b>NET PROFIT / LOSS</b>						
		<b>180 244</b>	<b>-62 176</b>	<b>70 609</b>	<b>-272 934</b>	<b>3 944</b>
Earnings per share (NOK) - Basic		5,57	-2,98	2,18	-13,08	0,16
Earnings per share (NOK) - Diluted		5,43	-2,98	2,13	-13,08	0,15
No. of shares at the end of the period		32 359 788	20 865 526	32 359 788	20 865 526	32 359 778
Average no. of shares outstanding		32 359 778	20 865 526	32 359 778	20 865 526	24 591 685
Average no. of shares outstanding - diluted		33 189 468	20 865 526	33 189 468	20 865 526	26 154 082

**Financial key figures**

Unaudited

(NOK)	Quarter ended 30.06.		YTD 30.06.		Year ended
	2009	2008	2009	2008	2008
Operating margin (%)	12%	-5%	3%	-13%	-5%
Book equity per share (NOK)			30.18	11.44	27.73
Equity ratio (%)			23%	8%	28%

**Consolidated Balance Sheet**

Unaudited

(1000 NOK)	Quarter ended 30.06.		Year ended Dec 31
	2009	2008	2008
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	257 912	358 834	257 833
Tangible fixed assets	1 702 280	1 110 580	1 263 787
Fixed asset investments	96 478	85 026	82 775
<b>TOTAL NON CURRENT ASSETS</b>	<b>2 056 670</b>	<b>1 554 440</b>	<b>1 604 395</b>
<b>CURRENT ASSETS</b>			
Inventory	32 221	28 285	34 214
Investments	39 417	76 273	18 360
Receivables	1 310 081	818 605	914 379
Cash and cash equivalents	821 352	433 969	607 536
<b>TOTAL CURRENT ASSETS</b>	<b>2 203 071</b>	<b>1 357 132</b>	<b>1 574 489</b>
<b>TOTAL ASSETS</b>	<b>4 259 741</b>	<b>2 911 572</b>	<b>3 178 884</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS EQUITY</b>			
Paid-in capital	835 348	445 321	831 316
Other equity	141 362	-206 607	66 053
<b>TOTAL EQUITY</b>	<b>976 710</b>	<b>238 714</b>	<b>897 368</b>
<b>LIABILITIES</b>			
Provisions for liabilities and charges	193 283	125 666	175 905
Other long term liabilities	604 322	567 873	451 123
Current liabilities	2 485 427	1 979 319	1 654 487
<b>TOTAL LIABILITIES</b>	<b>3 283 031</b>	<b>2 672 858</b>	<b>2 281 515</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4 259 741</b>	<b>2 911 572</b>	<b>3 178 884</b>

**Consolidated Cash flow statement**

Unaudited

(NOK 1 000)	Quarter ended June 30		YTD June 30	Year ended	
	2009	2008	2009	Dec 31	
Net cash flows from operating activities	322 666	98 938	448 091	113 362	-331 765
Net cash flows from investing activities	-430 256	-106 380	-512 167	-169 798	-253 600
Net cash flows from financial activities	286 186	-5 809	282 273	-11 754	686 643
Exchange rate effect on cash	-6 129	191	-4 381	750	4 848
<b>Net change in cash and cash equivalents</b>	<b>172 467</b>	<b>-13 059</b>	<b>213 816</b>	<b>-67 441</b>	<b>106 126</b>
Cash and cash equivalents in beginning of period	648 885	447 028	607 536	501 410	501 410
Cash and cash equivalents in end of period	821 352	433 969	821 352	433 969	607 536



**Statement of comprehensive income**

Unaudited

(1000 NOK)	YTD 30.06.		Year ended Dec 31	
	2009	2008	2008	
<b>Net profit for the period</b>	70 609	-272 934	3 944	
Available-for-sale financial assets	3 658	0	-4 376	
Exchange rate differences Group	859	1 172	1 293	
<b>Total comprehensive income for the period</b>	<b>75 127</b>	<b>-271 762</b>	<b>861</b>	
<b>Profit attributable to:</b>				
- Owners of the company	70 609	-272 934	3 944	

**Consolidated changes in equity**

Unaudited

(1000 NOK)	YTD 30.06.		Year ended Dec 31	
	2009	2008	2008	
Equity - Beginning of period	897 368	508 273	508 273	
Total comprehensive income for the period	75 127	-271 762	861	
Share issue	0	0	382 002	
Equity change on employee options	4 214	2 204	6 232	
<b>Equity - End of period</b>	<b>976 710</b>	<b>238 714</b>	<b>897 368</b>	

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****General and accounting principles**

Norwegian Air Shuttle ASA (the Group) consists of Norwegian Air Shuttle ASA and its subsidiaries. The company is a limited company incorporated in Norway. The condensed consolidated interim financial statements comprise the Group.

The consolidated financial statements of the Group for the year ended 31. December 2008 is available upon request from the company's registered office at Oksenøyveien 10A, 1330 Fornebu, Norway, or at [www.norwegian.no](http://www.norwegian.no).

These condensed consolidated interim financial statements have been prepared in accordance with rules and regulations of Oslo Stock Exchange and International Financial Reporting Standard (IAS) 34 Interim Financial Reporting. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements for the Group at 31 December 2008. These condensed interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2008.

**Note 1 Judgements, estimated and assumptions**

The preparation of condensed consolidated interim financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the period ended 31 December 2008.

## Note 2 Risk

### SENSITIVITY ANALYSIS

Unaudited

### Effect on income

MNOK

1 % decrease in jet fuel price	14
1 % weakening of NOK against USD	-27
1 % weakening of NOK against EUR	-7

The sensitivity analysis reflects the effect on P/L by substantial changes in market prices and exchange rates. The effect on P/L is annualized based on today's level of production, fuel prices and exchange rates. Operational hedges are not included in the calculation of the sensitivity.

## Note 3 Revenue

Passenger revenue comprise only ticket revenue, while ancillary passenger revenue is other passenger related revenue such as fees. Other revenue consist of revenue not directly related to passengers such as cargo, 3<sup>rd</sup> party commissions etc.

### SALES REVENUE

Unaudited

(NOK)	Quarter ended 30.06.		YTD 30.06.		Year ended
	2009	2008	2009	2008	2008
<b>Per activity</b>					
Passenger revenue	1 671 155	1 409 895	2 888 471	2 404 065	5 641 533
Ancillary passenger revenue	189 089	97 657	336 194	181 552	463 609
Other revenue	40 285	43 668	63 147	54 190	121 271
<b>Total</b>	<b>1 900 528</b>	<b>1 551 220</b>	<b>3 287 811</b>	<b>2 639 806</b>	<b>6 226 413</b>
<b>Per geographical market</b>					
Domestic	708 826	559 754	1 315 211	997 233	2 294 940
International	1 191 703	991 466	1 972 600	1 642 573	3 931 473
<b>Total</b>	<b>1 900 528</b>	<b>1 551 220</b>	<b>3 287 811</b>	<b>2 639 806</b>	<b>6 226 413</b>

**Note 4 Operating expenses****COST BREAKDOWN**

Unaudited

(1000 NOK)	Quarter ended 30.06.		YTD 30.06.		Year ended
	2009	2008	2009	2008	2008
Personell expenses	338 769	249 525	638 181	484 614	1 079 617
Sales/ distribution expenses	36 244	28 860	77 047	60 840	114 914
Aviation fuel	310 499	538 561	595 443	882 352	2 162 008
Airport charges	264 083	222 545	479 091	382 729	838 508
Handling charges	181 915	154 253	335 316	277 409	615 141
Technical maintenance expenses	184 075	132 703	348 690	255 125	559 657
Other expenses	169 280	153 916	353 456	351 501	627 333
Other losses/(gains) - net	-2 644	2 959	-6 256	21 874	29 437
<b>Total operating costs</b>	<b>1 482 221</b>	<b>1 483 322</b>	<b>2 820 969</b>	<b>2 716 445</b>	<b>6 026 615</b>

**Note 5 Segment information**

Executive Management reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segment on these reports.

Executive Management considers the business as one operational segment, which is low cost air passenger travel. The Group's operating profit arises from airline-related activities and the only revenue generating assets of the Group are its aircraft fleet, which is employed flexibly across the Norwegian, Polish, Danish and Swedish operation.

Performance is measured by Executive management based on the operating segment earnings before interest, tax, depreciation and amortization (EBITDA). Other information is measured in a manner consistent with that in the financial statements.

**Note 6 Information on related parties**

During second quarter 2009 there are no changes in related parties compared to the description in Note 27 in the 2008 annual report. There have been no significant transactions with related parties during second quarter 2009.

**Definitions**

ASK: Available Seat Kilometres. Number of available passenger seats multiplied by the flight distance.

RPK: Revenue Passenger Kilometres. Number of sold seats multiplied by flight distance.

CABIN FACTOR: Relationship between RPK and ASK as a percentage. Describes the rate of utilisation of available seats.

EBITDA: Operating profit/loss before financial items, taxes and depreciation

EBITDAR: Operating profit/loss before financial items, taxes, depreciation and leasing costs for aircraft

**Responsibility Statement**

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2009 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Fornebu, 13 July 2009  
The Board of Directors of Norwegian Air Shuttle ASA

Bjørn H Kise  
(Chairman of the board)

Erik G Braathen  
(Deputy Chairman of the Board)

Ola Krohn-Fagervoll

Liv Berstad

Marianne Wergeland Jenssen

Linda Olsen  
(employee representative)

Thor Espen Bråten  
(employee representative)

Kenneth Utsikt

Bjørn Kjos  
(Managing Director)

## Information about the Norwegian Group

### Head office Norwegian Air Shuttle ASA

Mailing address P.O. Box 113  
No – 1330 Fornebu  
Visiting address Oksenøyveien 10A

Telephone +47 67 59 30 00  
Telefax +47 67 59 30 01  
Internet [www.norwegian.com](http://www.norwegian.com)

Organisation Number NO 965 920 358 MVA

### Board of Directors - Norwegian Air Shuttle ASA

Bjørn H. Kise, Chairman  
Erik G. Braathen, deputy Chairman  
Ola Krohn-Fagervoll  
Liv Berstad  
Marianne Wergeland Jenssen  
Linda Olsen  
Thor Espen Bråten  
Kenneth Utsikt

### Group Management

Bjørn Kjos, Chief Executive Officer  
Asgeir Nyseth, Chief Operating Officer  
Hans-Petter Aanby, Chief Information Officer  
Daniel A. Skjeldam, Chief Commercial Officer  
Frode E. Foss, Chief Financial Officer  
Gunnar Martinsen, SVP Human Resources  
Anne-Sissel Skånvik, SVP Corporate Communications

### Investor Relations

Karl Peter Gombrii [karl.gombrii@norwegian.no](mailto:karl.gombrii@norwegian.no)

### Other sources of Information

#### Annual reports

Annual reports for Norwegian Group are available on [www.norwegian.com](http://www.norwegian.com)

#### Quarterly publications

Quarterly reports are available on [www.norwegian.com](http://www.norwegian.com).

The publications can be ordered by sending an e-mail to [investor.relations@norwegian.com](mailto:investor.relations@norwegian.com)