

### HIGHLIGHTS

- First quarter revenue up by 15 % to MNOK 1,592.2 (1,387.3).
- Earnings before depreciation and leasing (EBITDAR) in the first quarter were MNOK -22.8 (48.5)
- Earnings before depreciation (EBITDA) in the first quarter were MNOK -192.2 (-101.9).
- Net result after tax in the first quarter was MNOK -199.1 (-109.6).
- Ancillary revenue pr passenger up 14 % in the first quarter.
- The number of passengers in the first quarter was 2.7 mill (+28%).
- Unit cost was NOK 0.51 in the first quarter compared to NOK 0.56 in the first quarter last year. Unit cost excluding fuel was NOK 0.40 in the first quarter compared to NOK 0.45 in the first quarter last year.
- Cash and money market deposit of MNOK 1,628 as of 31.03.10
- Cash flow from operating activities in first quarter MNOK 398 (125)

### CONSOLIDATED KEY FINANCIAL FIGURES

#### Consolidated Financial Key figures and ratios

Unaudited

(1000 NOK)	Quarter ended 31.03.		Year ended Dec 31
	2010	2009	2009
Operating revenue	1 592 168	1 387 283	7 309 189
EBITDAR	-22 777	48 534	1 340 863
EBITDA	-192 245	-101 905	720 748
EBIT	-238 525	-134 082	571 866
EBT	-275 270	-150 144	623 040
Net profit/ loss (-)	-199 118	-109 634	446 251
EBITDAR margin	-1,4%	3,5%	18,3%
EBITDA margin	-12,1%	-7,3%	9,9%
EBIT margin	-15,0%	-9,7%	7,8%
Net profit margin	-12,5%	-7,9%	6,1%

### CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

	Quarter ended 31.03.		Year ended Dec 31
	2010	2009	2009
Yield (NOK)	0,51	0,61	0,60
Unit Revenue (NOK)	0,38	0,46	0,47
Unit Cost (NOK)	0,51	0,56	0,49
Unit Cost ex. fuel (NOK)	0,40	0,45	0,38
Ancillary revenue /PAX (NOK)	79,64	69,89	73,34
ASK (mill)	3 507	2 674	13 555
Passengers	2 683 690	2 104 774	10 754 104
Load factor	75%	75%	78%

## OPERATIONS

### Traffic Development

A total of 2,683,690 passengers travelled with Norwegian in the first quarter of 2010, compared to 2,104,774 in the first quarter of 2009, an increase of 28 %. The Group had a load factor of 75% this quarter which is equivalent to the same period last year. The production (ASK) has increased by a total of 31 %, and the passenger traffic (RPK) has increased by 32 %.

At the end of the first quarter the total fleet including aircraft on maintenance and excluding wet lease comprised 51 aircraft. The Group utilized every operational aircraft on average 10.4 block hours in the first quarter compared to 9.8 last year.

The share of Internet sales remained unchanged at 88 %, compared to the same period last year.

### Traffic Figures

	Quarter ended 31.03.			Full Year
	2010	2009	y.o.y Change	2009
Internet bookings	88%	88%	0 pp	88%
ASK (mill)	3 507	2 674	31 %	13 555
RPK (mill)	2 635	2 000	32 %	10 602
Load factor	75%	75%	0 pp	78%
Passengers	2 683 690	2 104 774	28 %	10 754 104

**Revenue**

Total revenue in the first quarter was MNOK 1,592.2 (1,387.3), an increase of 15 %. MNOK 1,347.4 (1217.3) of the revenues in the first quarter is related to ticket revenues. MNOK 213.7 (147.1) is other passenger related revenue, while the remaining MNOK 31.0 (22.8) is related to freight, third-party products, and other income.

The yield for Norwegian in the first quarter was NOK 0.51 compared to NOK 0.61 for the same period last year. The yield development compared to last year reflects the adjusted route portfolio and the introduction of new aircraft with higher capacity and lower unit cost.

Ancillary passenger revenue was NOK 80 pr passenger (70) in the first quarter 2010, an increase of 14% compared to the same period last year.

**Operating Expenses**

The operating expenses excluding leasing and depreciation were MNOK 1,615 (1,339) this quarter. A production increase (ASK) of 31%, and an increase in fuel are factors explaining the increased operating expenses this quarter compared to the same quarter last year. The unit cost excluding fuel was NOK 0.40 in the first quarter compared to NOK 0.45 in the first quarter last year. Replacement of the MD 80's (autumn 2009) and gradually increasing the share of B737-800's in the fleet together with a strengthening of NOK against USD and EURO, contributes to the reduced unit cost.

**Personnel expenses** increased by 23% to MNOK 369 (299) in the first quarter compared to the same quarter last year. The increase in personnel expenses are mainly due to production growth.

**Aviation fuel expenses** increased by 40 % to MNOK 398 (284) in the first quarter compared to the same quarter last year. Unit cost for fuel increased by 6%, due to an increase in the price of aviation fuel. Adjusted for the price increase, unit cost for fuel is reduced due to replacement of the MD 80's and increased share of B737-800's leading to a more fuel efficient fleet. Included in operating expenses in the quarter is MNOK 1.4 (-3.4) in gains on fuel derivatives. The Group has at the end of the first quarter, forward contracts to cover approximately 28 % of fuel exposure at an average price of USD 720 pr ton for the remaining of 2010.

**Airport charges** increased by 24% to MNOK 267 (215) in the first quarter compared to the same quarter last year. Unit cost for airport charges decreased by 5%. Unit cost for airport charges has mainly decreased due to strengthening of NOK against EURO and changes in the route portfolio.

**Handling charges** increased by 20% to MNOK 184 (153) in the first quarter compared to the same quarter last year. Unit cost for handling charges decreased by 8%. The decrease in unit cost is partly caused by the strengthening of NOK against EURO and partly by the increased number of B737-800's in our fleet.

**Technical maintenance costs** decreased by 7% to MNOK 152 (165) in the first quarter compared to the same quarter last year. Unit cost for Technical maintenance costs decreased by 30% in first quarter compared to first quarter last year. Strengthening of NOK against USD and an increased share of 737-800's together with replacement of MD80's are the main factors explaining the reduced unit cost.

USD forward currency contracts cover approximately 11 % of expected exposure at an average price of 5,84 for operating activities in USD for 2010. Changes in fair value of foreign currency contracts are included in operating costs, and resulted in a net gain of MNOK 9 in the first quarter.

**Profit/loss from associated company**

Profit/loss from associated company in the first quarter is estimated to MNOK 1.0 (0.6) which represents the 20 % share of Bank Norwegian's first quarter results.

**Earnings**

Earnings before interest, depreciation and amortisation (EBITDA) in the first quarter were MNOK -192.2 (-101.9) and the earnings before tax (EBT) were MNOK -275.3 (-150.1).

**Financial items**

Financial items in the first quarter were MNOK -37.7 (-16.7). Included in financial items is disagio related to fair value adjustment of our USD loan amounting to MNOK 40.

In relation to accounting for the prepayment on the purchase contract with Boeing, MNOK 11.9 in interest cost has been capitalised in the first quarter.

**Tax**

Income taxes amounted to an income of MNOK 76.2 in the quarter compared with MNOK 40.5 in the first quarter last year.

**Net result**

The net result for the first quarter was MNOK -199.1, compared to MNOK -109.6 in the same period last year.

**Balance sheet**

Total non-current assets amounts to MNOK 3,135 at the end of first quarter, compared to MNOK 2,719 at the end of last year. The main investment during the year is related to the purchase of one new 737-800 HGW, and prepayments to Boeing on the remaining 45 new aircraft on order.

Total current assets amounts to MNOK 2,711 at the end of first quarter, compared to MNOK 2,303 at the end of last year. Cash and cash equivalents have increased by MNOK 219 during the first quarter 2010.

Total liabilities at the end of first quarter were MNOK 4,444, compared to MNOK 3,420 at the end of last year. Total interest bearing liabilities at the end of March was MNOK 1,840 compared to MNOK 1,583 at the end of last year. Due to seasonality and increased production, air traffic liability has increased by MNOK 690 in the first quarter.

**Shares**

The parent company Norwegian Air Shuttle ASA had a total of 34,209,858 shares outstanding at 31 March which is the same as at the end of 2009.

**Cash flow**

Cash and cash equivalents were MNOK 1,627 at the end of the first quarter compared to MNOK 1,408 at the end of last year.

Operating activities

Cash flow in the first quarter from operating activities amounted to MNOK 398, compared to MNOK 125 in the first quarter last year. Changes in air traffic liability, receivables, accounts payable and other accruals increased the cash in the quarter by MNOK 571. The period result, adjusted for non cash items, reduced the cash in the quarter by MNOK 173.

Investment activities

Cash flow in the first quarter from investment activities was MNOK -376, compared to MNOK -82 in the first quarter last year. Delivery of the third Boeing 737-800HGW and the prepayments to Boeing are the main investments in the quarter.

Financing activities

Net cash flow from financing activities in the first quarter was MNOK 197 compared to MNOK -4 in the first quarter last year. Financing of the third Boeing 737-800HGW is the main financing activity in the quarter.

**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 Norwegian's tickets has so far not been significantly affected by the turmoil in the global financial markets. Demand may be affected by potential future disruptions in air traffic caused by volcanic ashes in European airspace.

**Outlook**

The demand for travelling with Norwegian and advanced bookings has been satisfactory entering the second quarter of 2010. 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. Norwegian will closely monitor the traffic development and will make adjustments to the route portfolio as necessary.

The closure of European airspace due to volcanic ashes is causing disruption in production, cancellations, reduced sales and additional costs from handling passengers. At this time it is estimated that the recent disruption in air traffic will have a negative earnings effect of MNOK 100 in the second quarter.

The Danish operation has a total fleet of 7 aircraft at the beginning of Q2. The routes have been well received in the market, and are experiencing some pressure on yield from increased competition.

For 2010 Norwegian anticipates a production growth (ASK) of approximately 30 % mainly from increasing the fleet by adding 737-800's. Norwegian may decide to adjust capacity deployment depending on the development in the overall economy and in the marketplace.

Assuming a fuel price of USD 790 pr ton and USD/NOK 5,95 for the remainder of the year (excluding hedged volumes) and the current route portfolio, the company is targeting a unit cost (CASK) of NOK 0.48 (including current hedges) for 2010.

**Interim report Q2 2010**

The interim report for second quarter 2010 will be presented 13 July 2010.

Fornebu, 21 April 2010

Bjørn Kjos  
CEO



**Consolidated Income Statement**

Unaudited

(1000 NOK)	Note	Quarter ended 31.03.		Year ended Dec 31
		2010	2009	2009
<b>OPERATING REVENUE</b>				
Total operating revenue	3	1 592 168	1 387 283	7 309 189
<b>Total revenue</b>		<b>1 592 168</b>	<b>1 387 283</b>	<b>7 309 189</b>
<b>OPERATING EXPENSES</b>				
Operational expenses	4	1 152 790	945 322	4 318 731
Payroll and other personnel expenses	4	368 684	299 412	1 303 299
Other operating expenses	4	93 471	94 015	346 297
<b>TOTAL OPERATING EXPENSES</b>		<b>1 614 945</b>	<b>1 338 748</b>	<b>5 968 327</b>
<b>OPERATING PROFIT / LOSS BEFORE LEASING &amp; DEPR (EBITDAR)</b>				
		<b>-22 777</b>	<b>48 534</b>	<b>1 340 863</b>
Leasing		169 468	150 439	620 114
<b>OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)</b>				
		<b>-192 245</b>	<b>-101 905</b>	<b>720 748</b>
Depreciation and amortization		46 280	32 178	148 882
<b>OPERATING PROFIT / LOSS (EBIT)</b>				
		<b>-238 525</b>	<b>-134 082</b>	<b>571 866</b>
<b>Net financial items</b>				
		<b>-37 706</b>	<b>-16 678</b>	<b>47 974</b>
Profit/Loss from associated company		961	616	3 200
<b>NET RESULT BEFORE TAX (EBT)</b>				
		<b>-275 270</b>	<b>-150 144</b>	<b>623 040</b>
Income tax expense (benefit)		-76 152	-40 510	176 789
<b>NET PROFIT / LOSS</b>				
		<b>-199 118</b>	<b>-109 634</b>	<b>446 251</b>
Earnings per share (NOK) - Basic		-5,82	-3,39	13,73
Earnings per share (NOK) - Diluted		-5,70	-3,20	13,34
No. of shares at the end of the period		34 209 858	32 359 778	34 209 858
Average no. of shares outstanding		34 209 858	32 359 778	32 499 404
Average no. of shares outstanding - diluted		34 917 665	34 311 712	33 463 429

**Financial key figures**

Unaudited

(NOK)	Quarter ended 31.03.		Year ended Dec 31
	2010	2009	2009
Operating margin (%)	-15,0%	-9,7%	7,8%
Book equity per share (NOK)	40,99	24,43	46,82
Equity ration (%)	24,0%	21,5%	31,9%

**Consolidated Balance Sheet**

Unaudited

(1000 NOK)	Note	Quarter ended 31.03.		Year ended Dec 31
		2010	2009	2009
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets		273 268	279 697	190 700
Tangible fixed assets		2 774 172	1 293 953	2 446 814
Fixed asset investments		87 529	89 715	81 604
<b>TOTAL NON CURRENT ASSETS</b>		<b>3 134 968</b>	<b>1 663 365</b>	<b>2 719 118</b>
<b>CURRENT ASSETS</b>				
Inventory		40 338	30 252	40 825
Investments		25 948	33 408	23 688
Receivables		1 016 833	1 295 531	829 858
Cash and cash equivalents		1 627 801	648 885	1 408 475
<b>TOTAL CURRENT ASSETS</b>		<b>2 710 920</b>	<b>2 008 075</b>	<b>2 302 846</b>
<b>TOTAL ASSETS</b>		<b>5 845 888</b>	<b>3 671 440</b>	<b>5 021 964</b>
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS EQUITY</b>				
Paid-in capital		1 094 241	833 407	1 093 155
Other equity		308 121	-42 762	508 555
<b>TOTAL EQUITY</b>		<b>1 402 362</b>	<b>790 646</b>	<b>1 601 710</b>
<b>LIABILITIES</b>				
Provisions for liabilities and charges		203 238	187 290	167 894
Other long term liabilities	7	970 097	452 227	925 512
Current liabilities	7	3 270 192	2 241 278	2 326 847
<b>TOTAL LIABILITIES</b>		<b>4 443 526</b>	<b>2 880 794</b>	<b>3 420 253</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5 845 888</b>	<b>3 671 440</b>	<b>5 021 964</b>

**Consolidated Cash flow statement**

Unaudited

(NOK 1 000)	Quarter ended March 31		Year ended
	2010	2009	Dec 31
Net cash flows from operating activities	398 346	125 426	884 404
Net cash flows from investing activities	-376 399	-81 912	-1 269 894
Net cash flows from financial activities	197 266	-3 913	1 188 162
Exchange rate effect on cash	113	1 748	-1 734
<b>Net change in cash and cash equivalents</b>	<b>219 326</b>	<b>41 349</b>	<b>800 938</b>
Cash and cash equivalents in beginning of period	1 408 475	607 536	607 536
Cash and cash equivalents in end of period	1 627 801	648 885	1 408 475



**Statement of comprehensive income**

Unaudited

(1000 NOK)	YTD 31.03.		Year ended Dec 31
	2010	2009	2009
<b>Net profit for the period</b>	-199 118	-109 634	446 251
Available-for-sale financial assets	0	0	1 608
Exchange rate differences Group	-1 316	820	-5 007
<b>Total comprehensive income for the period</b>	<b>-200 434</b>	<b>-108 814</b>	<b>442 852</b>
<b>Profit attributable to:</b>			
- Owners of the company	-199 118	-109 634	446 251

**Consolidated changes in equity**

Unaudited

(1000 NOK)	YTD 31.03.		Year ended Dec 31
	2010	2009	2009
Equity - Beginning of period	1 601 710	897 368	897 368
Total comprehensive income for the period	-200 434	-108 814	442 852
Share issue	0	0	253 053
Equity change on employee options	1 086	2 091	8 437
<b>Equity - End of period</b>	<b>1 402 362</b>	<b>790 646</b>	<b>1 601 710</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 2009 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 2009. 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 for the year ended 31 December 2009.

**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 2009.

## Note 2 Risk

### SENSITIVITY ANALYSIS

Unaudited

### Effect on income MNOK

1 % decrease in jet fuel price	+18
1% weakening of NOK against USD	-29
1% weakening of NOK against EURO	-12

The sensitivity analysis reflects the effect on P/L by 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

(1000 NOK)	Quarter ended 31.03.		Year ended Dec 31
	2010	2009	2009
<b>Per activity</b>			
Passenger revenue	1 347 391	1 217 316	6 389 406
Ancillary passenger revenue	213 729	147 105	788 655
Other revenue	31 048	22 862	131 129
<b>Total</b>	<b>1 592 168</b>	<b>1 387 283</b>	<b>7 309 189</b>
<b>Per geographical market</b>			
Domestic	709 295	606 385	2 899 736
International	882 873	780 898	4 409 454
<b>Total</b>	<b>1 592 168</b>	<b>1 387 283</b>	<b>7 309 189</b>

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

Unaudited

(1000 NOK)	Quarter ended 31.03.		Year ended Dec 31
	2010	2009	2009
Personell expenses	368 684	299 412	1 303 299
Sales/ distribution expenses	43 391	40 803	149 415
Aviation fuel	397 776	284 944	1 384 776
Airport charges	266 818	215 008	1 037 716
Handling charges	184 301	153 402	722 658
Technical maintenance expenses	152 395	164 615	659 796
Other expenses	210 569	184 176	721 429
Other losses/(gains) - net	-8 990	-3 613	-10 763
<b>Total operating costs</b>	<b>1 614 945</b>	<b>1 338 748</b>	<b>5 968 327</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**

Note 27 in the Annual Report for 2009 lists the details of transactions with related parties. In March 2010 Norwegian Air Shuttle ASA signed a 10 year rental contract with the related party HBK Invest AS for its new head office at Oksenøyveien 3, Fornebu. In Q1, there were no other changes or transactions in conjunction with related parties that had a material impact on the Group's financial position or profit or loss for the period.

**Note 7****BORROWINGS**

Unaudited

(NOK 1 000)	YTD March 31 2010		Year ended Dec 31 2009	
	Long term	Short term	Long term	Short term
Bond issue	-398 572	-162 697	-398 296	-162 698
Revolving credit facility	0	-671 590	-144 747	-478 863
Aircraft financing	-526 372	-52 628	-335 833	-33 743
Financial lease liability	-27 880	0	-28 829	0
<b>Total</b>	<b>-952 824</b>	<b>-886 916</b>	<b>-907 705</b>	<b>-675 304</b>
<b>TOTAL BORROWINGS</b>	<b>-1 839 740</b>		<b>-1 583 010</b>	

## 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, tax and depreciation

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

## Information about the Norwegian Group

### Head office Norwegian Air Shuttle ASA

Mailing address P.O. Box 113  
No – 1330 Fornebu  
Visiting address Oksenøyveien 3  
Telephone +47 67 59 30 00  
Telefax +47 67 59 30 01  
Internet [www.norwegian.no](http://www.norwegian.no)  
Organisation Number NO 965 920 358 MVA

### Board of Directors - Norwegian Air Shuttle ASA

Bjørn H. Kise, 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)