

THIRD QUARTER REPORT 2011

HIGHLIGHTS

- Third quarter revenue up by 19.4 % to MNOK 3,376.2 (2,827.9).
- Earnings before depreciation and leasing (EBITDAR) in the third quarter were MNOK 1,206.2 (839.9).
- Earnings before depreciation (EBITDA) in the third quarter were MNOK 1,001.2 (623.6).
- Net result after tax in the third quarter was MNOK 494.9 (528.1).
- Ancillary revenue per passenger down 5 % in the third quarter.
- The number of passengers in the third quarter was 4.61 mill. (+21%).
- Unit cost was NOK 0.37 in the third quarter compared to NOK 0.41 in the third quarter last year. Unit cost excluding fuel was NOK 0.23 in the third quarter compared to NOK 0.30 in the third quarter last year.
- Cash and money market deposits of MNOK 1,430 (1,181) as of 30.09.11
- Cash flow from operating activities in the third quarter was MNOK 243 (-48)

CONSOLIDATED KEY FINANCIAL FIGURES

Unaudited

(Mill. NOK)	Quarter ended 30.09.		YTD 30.09.		Year ended
	2011	2010	2011	2010	2010
Operating revenue	3,376.2	2,827.9	7,995.8	6,452.3	8,597.7
EBITDAR	1,206.2	839.9	1,323.4	961.3	1,175.3
EBITDA	1,001.2	623.6	708.2	382.6	396.9
EBIT	923.3	573.3	501.3	242.0	210.2
EBT	686.1	733.3	354.3	270.3	243.1
Net profit/ loss (-)	494.9	528.1	255.4	194.5	170.9
EBITDAR margin	35.7%	29.7%	16.6%	14.9%	13.7%
EBITDA margin	29.7%	22.1%	8.9%	5.9%	4.6%
EBIT margin	27.3%	20.3%	6.3%	3.7%	2.4%
Net profit margin	14.7%	18.7%	3.2%	3.0%	2.0%

OPERATIONS**CONSOLIDATED TRAFFIC FIGURES AND RATIOS**

Unaudited

	Quarter ended 30.09.			YTD 30.09.			Full Year
	2011	2010	Change	2011	2010	Change	2010
Yield (NOK)	0.54	0.53	1 %	0.53	0.52	1 %	0.52
Unit Revenue (NOK) *)	0.45	0.43	6 %	0.42	0.40	3 %	0.40
Unit Cost (NOK)	0.37	0.41	-11 %	0.44	0.46	-3 %	0.46
Unit Cost ex. fuel (NOK)	0.23	0.30	-24 %	0.30	0.34	-10 %	0.34
Ancillary Revenue /PAX (NOK)	79.54	83.60	-5 %	79.59	80.07	-1 %	79.36
Internet bookings	83%	87%	-4 pp	82%	87%	-5 pp	87%
ASK (mill)	6,480	5,331	22 %	16,496	13,287	24 %	17,804
RPK (mill)	5,468	4,290	27 %	13,132	10,279	28 %	13,774
Passengers (mill)	4.61	3.82	21 %	11.71	9.71	21 %	13.03
Load Factor	84%	80%	4 pp	80%	77%	2 pp	76%

*) Passenger Revenue/ASK

Traffic Development

A total of 4.61 million passengers travelled with Norwegian in the third quarter of 2011, compared to 3.82 million in the third quarter of 2010, an increase of 21 %. Production (ASK) increased by 22 % and passenger traffic (RPK) increased by 27 %. The load factor was 84 % in the third quarter, an increase of 4 percentage point compared to the same period last year.

At the end of the third quarter the total fleet including aircraft on maintenance and excluding wet lease comprised 61 aircraft. The Group utilized every operational aircraft on average 11.7 block hours per day in the third quarter compared to 11.7 last year.

The share of Internet sales was 83 % which is a decrease of 4 percentage points due to increased sales through travel agents.

Operating performance

Punctuality, the percentage flights departing on schedule, was 88% in the third quarter 2011, compared to 84% in the same quarter last year. In 2011, July came in at 83% due to congested airports during the peak holiday season, both August and September passed the 90% target.

Regularity, the percentage of scheduled flights actually taking place, was a record 99.9% in the third quarter 2011, up from 99.7% in the same quarter last year. Third quarter 2011 continues as the eighth consecutive quarter in which the airline operates with the highest regularity in its major markets. Only 21 out of 33,725 scheduled departures were cancelled in the third quarter 2011.

Revenue

Total revenue in the third quarter was MNOK 3,376 (2,828), an increase of 19 %. MNOK 2,939 (2,278) of the revenues in the third quarter is related to ticket revenues. MNOK 367 (320) is ancillary revenue, while the remaining MNOK 71 (230) is related to freight, third-party products, and other income.

MNOK 175 of the third party revenue in 2010 was related to damage payment from SAS for unlawful use of Norwegian's trade secrets.

The ticket revenue per unit produced (RASK) in the third quarter was NOK 0.45 compared to NOK 0.43 for the same period last year. The RASK development compared to last year reflects improved load factor and higher yield despite increased sector length.

Ancillary passenger revenue was NOK 80 per passenger (84) in the third quarter 2011, a decrease of 5% compared to the same period last year. Passengers from charter traffic decreases ancillary revenue per passenger. Charter traffic has increased in third quarter compared to the same quarter last year.

Operating Expenses**COST BREAKDOWN**

Unaudited

(Mill. NOK)	Quarter ended 30.09.		YTD 30.09.		Year ended
	2011	2010	2011	2010	2010
Personell expenses	462.9	377.0	1,367.7	1,116.1	1,531.2
Sales/ distribution expenses	46.1	39.5	149.2	122.8	167.9
Aviation fuel	892.5	607.1	2,262.5	1,551.2	2,059.8
Airport and ATC charges	441.2	369.6	1,167.9	965.6	1,295.9
Handling charges	261.4	217.0	728.5	642.8	863.6
Technical maintenance expenses	166.7	192.8	510.7	520.5	697.2
Other expenses	174.6	159.9	637.8	574.7	803.5
Other losses/(gains) - net	-275.3	25.1	-151.9	-2.6	3.4
Total operating costs	2,170.0	1,988.0	6,672.4	5,491.0	7,422.4

Operating expenses excluding leasing and depreciation increased by 9 % to MNOK 2,170 (1,988) this quarter. A production increase (ASK) of 22% combined with an increased market price for fuel are the main factors explaining the increased operating expenses this quarter, compared to the same quarter last year. A cost reducing gain from term contracts results in MNOK 259 lower operating cost in third quarter 2011 compared to the same quarter last year.

The unit cost excluding fuel is NOK 0.23 in the third quarter compared to NOK 0.30 in the third quarter last year. The cost reducing gain from term contracts contributes to a decrease in unit cost by NOK 0.04. The underlying cost excluding effects from fuel and term contracts is thus NOK 0.27, which is a reduction in 10% since last year. A larger share of Boeing 737-800Ws aircraft contributes to the reduced unit cost.

Personnel expenses increased by 23% to MNOK 463 (377) in the third quarter compared to the same quarter last year. Unit cost for personnel expenses increased by 1%. Adjusted for use of wetlease in 2010, unit cost for personnel expenses decreased by 1% in third quarter compared to the same quarter last year. Normal salary increase is more than offset by the productivity increase following an increasing share of Boeing 737-800Ws which with more seat capacity per aircraft drives down the crew cost per unit produced.

The average numbers of man-labour year increased by 19% compared to same quarter last year.

Sales and distribution expenses increased by 17% to MNOK 46 (40) in the third quarter compared to the same quarter last year. Unit cost for sales and distribution expenses decreased by 4%. Increased distribution costs related to increased sales through travel agents are more than offset by reduced credit card costs.

Aviation fuel expenses increased by 47% to MNOK 893 (607) in the third quarter compared to the same quarter last year. The higher cost is driven by a production increase of 22% combined with an increase in the gross realized fuel price per ton denominated in NOK of 28% including a hedge loss of MNOK 3 and service charge from fuel suppliers. The weighted average net spot price denominated in USD increased by 48% during the same period.

The increase in fuel price per ton denominated in NOK is partly offset by a more efficient fleet of Boeing 737-800Ws, and increased sector length of 5%. This resulted in an increase in the unit cost for fuel by 21%.

The Group has at the end of the third quarter, forward contracts to cover approximately 5% of fuel exposure at an average price of USD 1011 per ton for the remaining of 2011.

Airport and air traffic control (ATC) charges increased by 19%, to MNOK 441 (370) in the third quarter compared to the same quarter last year. Increased prices for airport and ATC charges are more than offset by depreciation of EUR against NOK and reduced cost due to an increased share of 737-800Ws with larger capacity, resulting in a reduced unit cost of 2%.

Handling charges increased by 20% to MNOK 261 (217) in the third quarter compared to the same quarter last year. Included in third quarter 2010 is a cost reduction of MNOK 16 related to reversal of cost from closure of European Airspace in April 2010. Adjusted for MNOK 16, unit cost for handling charges decreased by 8% due to increased share of 737-800Ws with larger capacity and increased sector length of 5%.

Technical maintenance costs decreased by 14%, to MNOK 167 (193) in the third quarter compared to the same quarter last year. Unit cost for technical maintenance costs decreased by 29% in the third quarter. Due to lower maintenance cost on 737-800Ws compared to 737-300, the increased share of 737-800Ws has a positive impact on technical maintenance costs. Depreciation of USD against NOK reduces the technical maintenance costs. As planned maintenance cost on owned aircraft is capitalized, an increased share of owned aircraft contributes to the reduced unit cost for technical maintenance.

Other losses/(gains)-net a gain of MNOK 275 was recognized in the third quarter 2011 compared to a loss of MNOK 25 the third quarter last year. Included in other losses/(gains)-net is change in fair value of foreign currency contracts and gains/losses on working capital in foreign currency.

As of 30 September the Group had term contracts amounting to MUSD 616 and MEUR 30. Gain on term contracts in third quarter amounts to MNOK 259. These currency gains are offset by unrealized currency losses on USD denominated financing booked as financial income.

Leasing costs decreased by 5% to MNOK 205 (216) in the third quarter compared to the same quarter last year. Unit cost for leasing decreased by 22% in the third quarter. An increased share of owned Boeing 737-800Ws together with a depreciation of USD against NOK is the main reasons for the reduced unit cost. This is partly offset by an increased number of leased Boeing 737-800Ws in the fleet. Use of wetlease in the peak season decreased in the third quarter compared to the same period last year, affecting the reduced unit cost. During the third quarter the Company operated 13 (5) owned Boeing 737-800Ws and 5 (5) Boeing 737-300.

Profit/Loss from Associated Company

Profit/loss from associated company in the third quarter is estimated to MNOK 6 (2) which represents the 20 % share of Bank Norwegian's estimated third quarter results.

Earnings

Earnings before interest, depreciation and amortization (EBITDA) in the third quarter were MNOK 1,001 (624) and the earnings before tax (EBT) were MNOK 686 (733).

Financial Items

Net financial items in the third quarter were MNOK -243 (158).

In the third quarter, interest on prepayments of MNOK 13 was capitalized.

Included in other financial income (expense) is a currency loss on USD denominated financing amounting to MNOK 251 due to depreciation of USD against NOK. In comparison, a gain of MNOK 172 was recognized in the third quarter 2010. These unrealized gains have no cash effects.

Tax

Income taxes amounted to an expense of MNOK 191 (205) in the quarter.

Net Result

The net result for the third quarter was MNOK 495, compared to MNOK 528 in the same period last year.

Balance Sheet

Total non-current assets amount to MNOK 6,035 at the end of the third quarter, compared to MNOK 4,490 at the end of last year. The main investments during the year are related to the purchase of 7 new Boeing 737-800Ws, and prepayments to Boeing on the remaining 56 new 737-800Ws and 3 new 787- 8 Dreamliner on order.

Total current assets amount to MNOK 3,006 at the end of the third quarter, compared to MNOK 2,130 at the end of last year. Receivables have increased by MNOK 454 during the year due to seasonality and increased production. Cash and cash equivalents have increased by MNOK 251 during 2011.

Total non-current liabilities at the end of the third quarter were MNOK 3,565, compared to MNOK 2,270 at the end of last year. Long-term borrowings increased by MNOK 1,144 during the year. The increase in borrowings is related to aircraft financing and marked-to-market adjustment of USD denominated borrowings.

Total short-term liabilities at the end of the third quarter were MNOK 3,417, compared to MNOK 2,555 at the end of last year. Current liabilities increased by MNOK 186 during the year mainly due to increased production. Short-term borrowings increased by MNOK 277 during the year due to pre-delivery financing. At the point of aircraft delivery, pre-delivery financing will be converted to long term financing. Air traffic liability has increased by MNOK 400 during the year due to seasonality and increased production.

Total interest bearing liabilities at the end of September were MNOK 3,906 compared to MNOK 2,485 at the end of last year.

Shares

The parent company Norwegian Air Shuttle ASA had a total of 34,573,332 shares outstanding at 30 September compared to 34,573,332 at the end of last year.

Cash Flow

Cash and cash equivalents were MNOK 1,430 at the end of the third quarter compared to MNOK 1,178 at the end of last year.

Cash flow from operating activities in the third quarter amounted to MNOK 243, compared to MNOK -48 in the third quarter last year. Due to seasonality and increased production, changes in air traffic settlement liability decreased by MNOK 600 during the third quarter 2011 compared to MNOK 469 in the third quarter 2010. Cash from other adjustments amounts to MNOK 78 during third quarter compared to MNOK -362 in the same quarter last year. Included in other adjustments in the third quarter 2010 is MNOK 180 related to compensation from SAS. Other adjustments mainly consist of changes in accounts receivable, current liability and currency gain/loss with no cash effects.

Cash flow from investment activities in the third quarter was MNOK -801, compared to MNOK -479 in the third quarter last year. Deliveries of two Boeing 737-800Ws and the prepayments to Boeing are the main investments in the quarter.

Net cash from financing activities in the third quarter was MNOK 768 compared to MNOK 127 in the third quarter last year. Long term financing of two new Boeing 737-800Ws and pre-delivery financing are the main financing activities in the third quarter.

Other Information

Norwegian Air Shuttle ASA has extended its current aircraft order with Boeing Commercial Airplanes for an additional 15 Boeing 737-800Ws to be delivered between 2015 and 2018. The total order for purchased aircraft now stands at a total of 78 whereof 22 have been delivered. Norwegian has 12 remaining purchase rights for aircraft of the type. All future 737 aircraft will be fitted with CFM Evolution engines, Boeing SKY interiors and in-flight Wi-Fi.

Norwegian Air Shuttle ASA has entered into a Letter of Intent to lease one new Boeing 787-8 Dreamliner long haul aircraft from ILFC. The aircraft is the third leased Dreamliner from ILFC, and the sixth Dreamliner on order for Norwegian. Norwegian will take delivery of the aircraft in early 2014 and the lease term is 12 years. The letter of Intent is entered into as part of Norwegian's set up for Long Haul operations.

Risk and Uncertainties

The airline industry is undergoing a challenging time as a consequence of the financial crisis and global downturn. Future demand is dependent on sustained consumer and business confidence in the Company's key Scandinavian markets.

A market place where capacity growth exceeds market growth will increase the risk of yield pressure. However, low yield stimulates new demand, thus growing the market further. This necessitates a similar reduction in the cost level in order to maintain profitability.

Overstimulation by low yield increases the risk of yield spillage, leading to a marketplace with reduced earning potential.

Fuel price and currency fluctuations are risks which can have a significant impact on Norwegian's business and financial results. Sudden and significant changes in fuel price and foreign exchange rates could significantly impact fuel and other costs, and debt denominated in foreign currency.

Outlook

The demand for travelling with Norwegian and advance bookings has been satisfactory entering the fourth quarter of 2011. Norwegian will continue to take advantage of its increasing competitive power realized through continuous cost cutting, and from introducing larger aircraft (737-800s), with a lower operating cost. Going forward, the Company expects continued competitive pressure as competitors are announcing capacity increases and lowering fares in parts of the Scandinavian market.

The installation of WI-FI equipment onboard Norwegian's new 737-800's is proceeding as planned. A total of 30 aircraft is expected to have WI-FI equipment installed by the end of the year.

For 2011 Norwegian guides for a production growth (ASK) of 24 % mainly from increasing the fleet by adding 737-800s. 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 850 per ton and USD/NOK 6.00 for the year 2011 (excluding hedged volumes) and with the current route portfolio, the Company is targeting a unit cost (CASK) of NOK 0.46 for 2011.

Norwegian guides for a production growth (ASK) of 15 % in 2012 mainly from increasing the fleet by adding 737-800s. Norwegian may decide to adjust capacity in order to optimize the route portfolio depending on the development in the overall economy and in the marketplace.

Assuming a fuel price of USD 850 per ton and USD/NOK 6.00 for the year 2012 (excluding hedged volumes) and with the current route portfolio, the Company is targeting a unit cost (CASK) in the area of NOK 0.43 - 0.44 for 2012.

Interim report Q4 2011

The interim report for fourth quarter 2011 will be presented 16 February 2012.

Fornebu, 19 October 2011

Bjørn Kjos
CEO

Consolidated Income Statement

Unaudited

(Mill. NOK)	Note	Quarter ended 30.09.		YTD 30.09.		Year ended
		2011	2010	2011	2010	2010
OPERATING REVENUE						
Total operating revenue	3	3,376.2	2,827.9	7,995.8	6,452.3	8,597.7
Total revenue		3,376.2	2,827.9	7,995.8	6,452.3	8,597.7
OPERATING EXPENSES						
Operational expenses		1,892.7	1,522.4	5,175.9	4,077.7	5,524.9
Payroll and other personnel expenses		462.9	377.0	1,367.7	1,116.1	1,531.2
Other operating expenses		-185.5	88.6	128.8	297.3	366.3
TOTAL OPERATING EXPENSES		2,170.0	1,988.0	6,672.4	5,491.0	7,422.4
OPERATING PROFIT / LOSS BEFORE LEASING & DEPR (EBITDAR)						
		1,206.2	839.9	1,323.4	961.3	1,175.3
Leasing		205.0	216.3	615.2	578.6	778.4
OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)						
		1,001.2	623.6	708.2	382.6	396.9
Depreciation and amortization		78.0	50.3	206.9	140.7	186.7
OPERATING PROFIT / LOSS (EBIT)						
		923.3	573.3	501.3	242.0	210.2
FINANCIAL ITEMS						
Interest income		10.8	13.8	28.2	28.8	39.3
Interest expense		17.9	12.5	45.5	30.2	19.7
Other financial income (expense)		-235.9	156.8	-143.9	25.5	7.0
NET FINANCIAL ITEMS		-243.0	158.1	-161.3	24.1	26.6
Profit/Loss from associated company		5.8	2.0	14.3	4.3	6.3
NET RESULT BEFORE TAX (EBT)						
		686.1	733.3	354.3	270.3	243.1
Income tax expense (benefit)		191.2	205.3	98.8	75.8	72.2
NET PROFIT / LOSS						
		494.9	528.1	255.4	194.5	170.9
Earnings per share (NOK) - Basic		14.32	15.44	7.39	5.69	4.99
Earnings per share (NOK) - Diluted		14.06	15.13	7.26	5.57	4.88
No. of shares at the end of the period		34,573,332	34,209,858	34,573,332	34,209,858	34,573,332
Average no. of shares outstanding		34,573,332	34,209,858	34,573,332	34,209,858	34,272,595
Average no. of shares outstanding - diluted		35,201,513	34,912,806	35,201,513	34,912,806	34,991,268

Financial key figures

Unaudited

(Mill. NOK)	Quarter ended 30.09.		YTD 30.09.		Year ended
	2011	2010	2011	2010	2010
Operating margin (%)	27%	20%	6%	4%	2%
Book equity per share (NOK)			59.55	52.58	51.94
Equity ratio (%)			23%	28%	27%

Consolidated Balance Sheet

Unaudited

(Mill. NOK)	Note	Quarter ended 30.09.		Year ended Dec 31
		2011	2010	2010
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		222.0	210.8	210.3
Tangible fixed assets		5,636.6	3,731.1	4,161.9
Fixed asset investments		176.1	104.7	118.2
TOTAL NON CURRENT ASSETS		6,034.7	4,046.7	4,490.4
CURRENT ASSETS				
Inventory		77.2	47.5	66.2
Investments		202.9	8.3	43.4
Receivables		1,296.5	1,197.6	842.1
Cash and cash equivalents		1,429.6	1,181.0	1,178.4
TOTAL CURRENT ASSETS		3,006.2	2,434.4	2,130.1
TOTAL ASSETS		9,040.9	6,481.1	6,620.5
EQUITY AND LIABILITIES				
SHAREHOLDERS EQUITY				
Paid-in capital		1,122.4	1,095.9	1,113.5
Other equity		936.4	702.9	682.4
TOTAL EQUITY		2,058.8	1,798.8	1,795.9
NON CURRENT LIABILITIES				
Other non-current liabilities		457.6	323.5	306.1
Long term borrowings	6	3,107.8	1,428.1	1,963.9
TOTAL NON-CURRENT LIABILITIES		3,565.4	1,751.6	2,270.0
SHORT TERM LIABILITIES				
Current liabilities		1,265.1	1,143.7	1,079.4
Short term borrowings	6	797.8	720.7	521.0
Air traffic settlement liabilities		1,353.8	1,066.5	954.2
TOTAL SHORT TERM LIABILITIES		3,416.8	2,930.8	2,554.6
TOTAL LIABILITIES		6,982.2	4,682.4	4,824.6
TOTAL EQUITY AND LIABILITIES		9,040.9	6,481.1	6,620.5

Condensed Consolidated Statement of Cash Flow (unaudited)

(Mill. NOK)	Quarter ended Sept 30		YTD Sept 30		Year ended Dec 31
	2011	2010	2011	2010	2010
OPERATING ACTIVITIES					
Profit before tax	686.1	733.3	354.3	270.3	243.1
Paid taxes	0.0	0.0	-5.6	0.0	-109.6
Depreciation, amortization and impairment	78.0	50.3	206.9	140.7	194.0
Changes in air traffic settlement liabilities	-599.5	-468.8	399.6	273.8	161.5
Other adjustments	78.4	-362.3	-208.2	-22.8	331.0
Net cash flows from operating activities	243.0	-47.5	747.0	661.9	820.1
INVESTMENT ACTIVITIES					
Purchase, proceeds and prepayment of tangible assets	-800.5	-470.1	-1,706.7	-1,367.4	-1,805.6
Purchases of other long-term investments	0.0	-8.7	0.0	-46.0	-57.8
Net cash flows from investing activities	-800.5	-478.9	-1,706.7	-1,413.5	-1,863.4
FINANCING ACTIVITIES					
Loan proceeds	878.9	168.9	1,675.1	810.6	1,194.9
Principal repayments	-57.6	-26.2	-280.3	-213.0	-242.6
Net increase (decrease) in other short-term debt	-53.8	-16.0	-184.7	-73.1	-151.6
Proceeds from issuing new shares	0.0	0.0	0.0	0.0	13.2
Net cash flows from financial activities	767.5	126.7	1,210.2	524.5	813.9
Foreign exchange effect on cash	0.4	-0.4	0.7	-0.5	-0.6
Net change in cash and cash equivalents	210.3	-400.0	251.2	-227.5	-230.1
Cash and cash equivalents in beginning of period	1,219.3	1,581.0	1,178.4	1,408.5	1,408.5
Cash and cash equivalents in end of period	1,429.6	1,181.0	1,429.6	1,181.0	1,178.4

Statement of comprehensive income

Unaudited

(Mill. NOK)	YTD 30.09.		Year ended Dec 31
	2011	2010	2010
Net profit for the period	255.4	194.5	170.9
Available-for-sale financial assets	0.0	0.0	2.8
Exchange rate differences Group	-1.5	-0.3	-0.5
Total comprehensive income for the period	253.9	194.2	173.1
Profit attributable to:			
- Owners of the company	255.4	194.5	170.9

Consolidated changes in equity

Unaudited

(Mill. NOK)	YTD 30.09.		Year ended Dec 31
	2011	2010	2010
Equity - Beginning of period	1,795.9	1,601.7	1,601.7
Total comprehensive income for the period	253.9	194.2	173.1
Share issue	0.0	0.0	13.2
Equity change on employee options	8.9	2.7	7.1
Equity - End of period	2,058.8	1,798.8	1,795.9

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 liability 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 2010 is available upon request from the company's registered office at Oksenøyveien 3, 1330 Fornebu, Norway, or at www.norwegian.com.

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 2010. 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 2010.

Note 1 Judgements, estimates 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 2010.

Note 2 Risk

SENSITIVITY ANALYSIS

Unaudited

Effect on income MNOK

1% decrease in jet fuel price	+30
1% depreciation of NOK against USD	- 40
1% depreciation of NOK against EURO	- 17

The sensitivity analysis reflects the effect on operating costs by changes in market prices and exchange rates. The effect on operating costs is annualized based on current 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, 3rd party commissions etc.

SALES REVENUE

Unaudited

(Mill. NOK)	Quarter ended 30.09.		YTD 30.09.		Year ended
	2011	2010	2011	2010	2010
Per activity					
Passenger revenue	2,938.6	2,278.5	6,903.6	5,374.3	7,210.2
Ancillary passenger revenue	366.7	319.7	931.9	777.5	1,034.0
Other revenue	70.9	229.6	160.3	300.5	353.5
Total	3,376.2	2,827.9	7,995.8	6,452.3	8,597.7
Per geographical market					
Domestic	957.7	992.2	2,719.2	2,467.5	3,315.5
International	2,418.5	1,835.7	5,276.6	3,984.7	5,282.1
Total	3,376.2	2,827.9	7,995.8	6,452.3	8,597.7

Note 4 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, Danish, Finnish 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 5 Information on related parties

During the third quarter 2011 there are no changes in related parties compared to the description in Note 27 in the Annual Report for 2010. There have been no significant transactions with related parties during the third quarter 2011.

Note 6 Borrowings

Unaudited

(Mill. NOK)	YTD Sept 30 2011		YTD Sept 30 2010		Year ended Dec 31 2010	
	Long term	Short term	Long term	Short term	Long term	Short term
Bond issue	-598.4	0.0	-398.7	0.0	-597.4	0.0
Revolving credit facility	0.0	-517.3	0.0	-607.4	0.0	-367.2
Aircraft financing	-2,492.8	-275.6	-1,002.4	-113.3	-1,346.5	-148.8
Financial lease liability	-16.6	-5.0	-27.2	0.0	-20.0	-5.0
Total	-3,107.8	-797.8	-1,428.1	-720.7	-1,963.9	-521.0
TOTAL BORROWINGS	-3,905.7		-2,148.9		-2,484.9	

Definitions

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

Unit revenue: Passenger Revenue divided by Available Seat Kilometres.

Unit cost: Total operating expenses plus leasing divided by Available Seat Kilometres.

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.

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

EBITDA: Operating profit/loss before depreciation (earnings before financial items, tax and depreciation)

EBIT: Operating profit/loss (Earnings before financial items and tax)

Information about the Norwegian Group

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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
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Other sources of Information

Annual reports

Annual reports for Norwegian Group are available on www.norwegian.com

Quarterly publications

Quarterly reports are available on www.norwegian.com.

The publications can be ordered by sending an e-mail to investor.relations@norwegian.com