

SECOND QUARTER AND FIRST HALF REPORT 2012

HIGHLIGHTS

- First half revenue up by 20% to MNOK 5,530 (4,620), quarterly revenue up by 16% to MNOK 3,170 (2,725).
- First half RASK up 4% to 0.41, where yield was up 4% to 0.54 and load factor was equal to last year. Second quarter RASK up 2% to 0.44, where yield was up 5% to 0.57 and load factor was down 2 percentage points to 76%.
- Earnings before depreciation and leasing (EBITDAR) in first half were MNOK 428 (117) and in the second quarter were MNOK 680 (347).
- Earnings before financial items and tax (EBIT) in first half were MNOK -252 (-422) and in the second quarter were MNOK 322 (73).
- Earnings before tax (EBT) in first half were MNOK -273 (-332) and in the second quarter were MNOK 125 (75).
- The number of passengers in first half was 8.12 (+14%) and in the second quarter was 4.47 mill. (+11%).
- Unit cost in the first half was NOK 0.48 (NOK 0.49) and NOK 0.43 (0.47) in the second quarter. Unit cost excluding fuel and effects from other losses and gains in the first half was NOK 0.33 (0.34) and NOK 0.31 (NOK 0.32) in the second quarter.
- Gross realized fuel price per ton up 7% in the second quarter.
- Cash and money market deposits of MNOK 1,574 (1,219) as of 30 June 2012.
- Cash flow from operating activities in first half was MNOK 1,115 (504) and MNOK 571 (275) in the second quarter.
- The negative impact on earnings from industrial actions and related risk there of was MNOK 70 in the second quarter.

CONSOLIDATED KEY FINANCIAL FIGURES

Unaudited

(Mill. NOK)	Quarter ended 30.06.		YTD 30.06.		Year ended
	2012	2011	2012	2011	2011
Operating revenue	3,169.7	2,724.8	5,529.6	4,619.6	10,532.2
EBITDAR	679.5	346.9	427.8	117.2	1,539.5
EBITDA	410.0	136.6	-87.1	-293.0	709.9
EBIT	322.3	72.8	-252.3	-422.0	415.9
EBT	125.0	74.5	-272.7	-331.8	166.5
Net profit/ loss (-)	90.5	53.7	-195.0	-239.5	122.1
EBITDAR margin	21.4%	12.7%	7.7%	2.5%	14.6%
EBITDA margin	12.9%	5.0%	-1.6%	-6.3%	6.7%
EBIT margin	10.2%	2.7%	-4.6%	-9.1%	3.9%
Net profit margin	2.9%	2.0%	-3.5%	-5.2%	1.2%

OPERATIONS**CONSOLIDATED TRAFFIC FIGURES AND RATIOS**

Unaudited

	Quarter ended 30.06.			YTD 30.06.			Full Year
	2012	2011	Change	2012	2011	Change	2011
(ratios in NOK)							
Yield	0.57	0.55	5 %	0.54	0.52	4 %	0.52
Unit Revenue	0.44	0.43	2 %	0.41	0.40	4 %	0.41
Unit Cost	0.43	0.47	-7 %	0.48	0.49	-1 %	0.45
Unit Cost ex fuel	0.28	0.32	-13 %	0.33	0.35	-6 %	0.31
Unit Cost ex fuel and hedge	0.31	0.32	-1 %	0.33	0.34	-2 %	0.32
Ancillary Revenue/PAX	75.9	76.4	-1 %	78.5	79.6	-1 %	78.0
Ancillary Revenue/Sched. PAX	78.2	78.4	0 %	80.8	81.5	-1 %	80.2
Internet bookings	80%	84%	-4 pp	81%	83%	-2 pp	82%
ASK (mill)	6,357	5,518	15 %	11,623	10,016	16 %	21,958
RPK (mill)	4,861	4,322	12 %	8,925	7,665	16 %	17,421
Passengers (mill)	4.47	4.04	11 %	8.12	7.10	14 %	15.70
Load Factor	76%	78%	-2 pp	77%	77%	0 pp	79%

Traffic Development

A total of 4.47 million passengers travelled with Norwegian in the second quarter of 2012, compared to 4.04 million in the second quarter of 2011, an increase of 11%. Production (ASK) increased by 15% and passenger traffic (RPK) increased by 12%. The load factor was 76% in the second quarter, a decrease of 2 percentage points compared to the same period last year.

At the end of the second quarter the total fleet including aircraft on maintenance and excluding wet lease comprised 65 aircraft. The Group utilized every operational aircraft on average 10.7 block hours per day in the second quarter compared to 11.0 last year.

The share of Internet sales was 80 % which is a decrease of 4 percentage points due to increased sales through travel agents.

Operating performance

Punctuality, the percentage of flights departing on schedule, was 89.0% in the second quarter 2012, compared to 84.8% in the same quarter last year.

Regularity, the percentage of scheduled flights actually taking place was 99.7% which is equivalent to the same quarter last year. Second quarter 2012 is the eleventh consecutive quarter in which Norwegian operates with the highest regularity in its major markets.

Revenue

Total revenue in the second quarter was MNOK 3,170 (2,725), an increase of 16%. MNOK 2,785 (2,367) of the revenues in the second quarter is related to ticket revenues. MNOK 339 (309) is ancillary revenue, while the remaining MNOK 46 (49) is related to freight, third-party products and other income.

The ticket revenue per unit produced (RASK) in the second quarter was NOK 0.44 compared to NOK 0.43 for the same period last year. The RASK development compared to last year reflects higher yield and reduced load factor, the latter as a consequence of industrial actions and related threats in the second quarter.

Ancillary passenger revenue was NOK 76 per passenger which is at the same level as last year. Charter revenue and revenue from group sales are presented under passenger revenue and includes a postulation for ancillary revenue from charter and group sales. As charter and group traffic has increased in the second quarter 2012, compared to the same quarter last year, ancillary revenue per passenger has been affected.

Operating Expenses

COST BREAKDOWN

Unaudited

(Mill. NOK)	Quarter ended 30.06.		YTD 30.06.		Year ended
	2012	2011	2012	2011	2011
Personell expenses	483.8	451.7	995.6	904.8	1,836.2
Sales/ distribution expenses	66.1	47.8	130.4	103.1	198.9
Aviation fuel	966.4	808.7	1,732.4	1,370.1	3,055.8
Airport and ATC charges	452.7	396.7	805.8	726.7	1,561.4
Handling charges	272.6	250.8	514.5	467.0	982.2
Technical maintenance expenses	208.3	171.3	417.9	343.9	711.6
Other expenses	233.0	217.5	497.0	463.2	870.1
Other losses/(gains) - net	-192.7	33.4	8.2	123.4	-223.5
Total operating costs	2,490.3	2,377.9	5,101.9	4,502.4	8,992.6

Operating expenses excluding leasing and depreciation increased by 5% to MNOK 2,490 (2,378) this quarter. A production increase (ASK) of 15% combined with an increased market price for fuel and appreciation of USD against NOK are the main factors explaining the increased operating expenses this quarter. These factors are partly offset by a cost reducing gain of MNOK 193 from other losses/(gains)-net in the second quarter.

The unit cost excluding fuel is NOK 0.28 in the second quarter compared to NOK 0.32 in the second quarter last year. The underlying cost excluding effects from fuel and term contracts is NOK 0.31, which is a reduction of 1% since last year. A larger share of Boeing 737-800Ws aircraft and increased sector length reduces underlying unit cost in the second quarter, but are partly offset by appreciation of USD against NOK.

Personnel expenses increased by 7% to MNOK 484 (452) in the second quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 7%. Salary increase is more than offset by the productivity increase and increased sector length of 3%, 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 number of man-labor year increased by 16% compared to same quarter last year.

Sales and distribution expenses increased by 39% to MNOK 66 (48) in the second quarter compared to the same quarter last year. Unit cost for sales and distribution expenses increased by 20% due to increased sales through travel agents and increased prices. The increased distribution cost is partly offset by a reduction in credit card cost.

Aviation fuel expenses increased by 19% to MNOK 966 (809) in the second quarter compared to the same quarter last year. The higher cost is driven by a production increase of 15% and a 7% increase in the realized fuel price per ton denominated in NOK including an increased hedge loss of MNOK 13. The average net spot price denominated in USD decreased by 1% 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 3%. This resulted in an increase in the unit cost for fuel by 5%.

The Group has at the end of the second quarter forward contracts to cover approximately 2% of fuel exposure at an average price of USD 1,094 per ton for the remaining of 2012.

Airport and air traffic control (ATC) charges increased by 14%, to MNOK 453 (397) in the second quarter compared to the same quarter last year. Unit cost for airport and ATC charges decreased by 1%. 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.

Handling charges increased by 9%, to MNOK 273 (251) in the second quarter compared to the same quarter last year. Unit cost for handling charges decreased by 6%. Depreciation of EUR against NOK and increased sector length of 3% are the main factors explaining the decreased unit cost. An increased share of 737-800Ws with larger capacity also contributes to the reduced unit cost.

Technical maintenance costs increased by 22%, to MNOK 208 (171) in the second quarter compared to the same quarter last year. Unit cost for technical maintenance costs increased by 6% in the second quarter due to appreciation of USD against NOK. The negative effect on unit cost is more than offset by positive impacts from reduced maintenance cost on leased 737-800Ws compared to 737-300s. Planned maintenance cost on owned aircraft is capitalized and reduces maintenance cost per unit through an increased share of owned aircraft in the fleet.

Other losses/(gains)-net a gain of MNOK 193 was recognized in the second quarter compared to a loss of MNOK 33 the second 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 June the Group had term contracts with a mark-to-market value of MNOK 84. Forward currency contracts in USD are designated to counter currency revaluation effects from USD denominated borrowings. Gains on term contracts in second quarter amount to MNOK 175. Currency gains from term contracts are offset by currency losses of MNOK 185 on USD denominated borrowings booked as other financial expense.

Leasing costs increased by 28% to MNOK 270 (210) in the second quarter compared to the same quarter last year. Unit cost for leasing increased by 11% in the second quarter due to use of wetlease of MNOK 31 (10) and appreciation of USD against NOK. An increased share of owned Boeing 737-800Ws reduces leasing costs, but is more than offset by an increased number of leased Boeing 737-800Ws in the fleet. During the second quarter the Group operated 16 (11) owned Boeing 737-800Ws and 5 (5) Boeing 737-300s.

Profit/Loss from Associated Company

Profit/loss from associated company in the second quarter is estimated to MNOK 6 (4) which represents the 20 % share of Bank Norwegian's estimated second quarter results.

Earnings

Earnings before interest, depreciation and amortization (EBITDA) in the second quarter were MNOK 410 (137) and the earnings before tax (EBT) were MNOK 125 (75).

Financial Items

Net financial items in the second quarter were MNOK -204 (-2).

In the second quarter, interest on prepayments of MNOK 20 (25) was capitalized.

Included in other financial income (expense) is a currency loss on USD denominated borrowings amounting to MNOK 185 due to appreciation of USD against NOK. In comparison, a gain of MNOK 45 was recognized in the second quarter 2011. These gains and losses have no cash effects.

Tax

Income taxes amounted to an expense of MNOK 35 (21) in the quarter.

Net Result

The net result for the second quarter was MNOK 91, compared to MNOK 54 in the same period last year.

Balance Sheet

Total non-current assets amount to MNOK 7,078 at the end of the second quarter, compared to MNOK 6,502 at the end of last year. The main investments during the year are related to the purchase of 2 new Boeing 737-800Ws and prepayments to aircraft manufacturers for aircraft on order.

Total current assets amount to MNOK 3,352 at the end of the second quarter, compared to MNOK 2,502 at the end of last year. Receivables have increased by MNOK 530 during first half and MNOK 145 during the second quarter due to seasonality and increased production. Cash and cash equivalents have increased by MNOK 470 during first half and MNOK 88 during second quarter 2012.

Total non-current liabilities at the end of the second quarter were MNOK 3,712, compared to MNOK 3,066 at the end of last year. Long-term borrowings increased by MNOK 711 during first half and MNOK 450 during the second quarter. The increase in borrowings during second quarter is related to aircraft financing and mark-to-market adjustment of USD denominated borrowings. Down-payments on aircraft financing partly offset the increase.

Total short-term liabilities at the end of the second quarter were MNOK 4,970, compared to MNOK 3,992 at the end of last year. Current liabilities increased by MNOK 305 during first half and MNOK 52 during the second quarter mainly due to seasonality and increased production. Short-term borrowings decreased by MNOK 605 during first half due to early redemption of the bond issue NAS02 and down-payment of pre-delivery payment financing. During second quarter, short term borrowings decreased by MNOK 95 due to down-payment of pre-delivery payment financing and mark-to market adjustments of USD denominated borrowings. Air traffic liability has increased by MNOK 1,275 during first half and MNOK 193 during the second quarter due to seasonality and increased production.

Total interest bearing liabilities at the end of June were MNOK 4,357 compared to MNOK 4,250 at the end of last year.

Shares

The parent company Norwegian Air Shuttle ASA had a total of 34,878,226 shares outstanding at 30 June compared to 34,878,226 at the end of last year.

Cash Flow

Cash and cash equivalents were MNOK 1,574 at the end of the second quarter compared to MNOK 1,105 at the end of last year.

Cash flow from operating activities in the second quarter amounted to MNOK 571 compared to MNOK 274 in the second quarter last year. Due to seasonality and increased production, changes in air traffic settlement liability increased by MNOK 193 during the second quarter 2012 compared to MNOK 131 in the second quarter 2011. Cash from other adjustments amounts to MNOK 166 during second quarter compared to MNOK 8 in the same quarter last year. 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 second quarter was MNOK -478, compared to MNOK -756 in the second quarter last year. Deliveries of two new Boeing 737-800Ws and prepayments to aircraft manufacturers are the main investments in the quarter.

Cash flow from financing activities in the second quarter was MNOK -6 compared to MNOK 471 in the second quarter last year. Long term financing of two new Boeing 737-800Ws are offset by down-

payments on borrowings and financing costs, resulting in a decrease in cash from financing activities in the second quarter.

Other Information

The Group entered into an agreement with ILFC at 24 May 2012 for the lease of two new Boeing 787-8 Dreamliner long haul aircraft. Including the two aircraft, Norwegian has a total of eight Dreamliners on order whereof five are leased. Norwegian will take delivery of the two aircraft in early 2014 with lease term of 12 years. The agreement 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.

In the event of industrial actions, operations may be disrupted, causing inconvenience for passengers and impacting financial performance.

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 have been satisfactory entering the third quarter of 2012. Norwegian will continue to take advantage of its increasing competitive power realized through continuous cost cutting, and from introducing larger aircraft (737-800Ws), with a lower operating cost. Going forward, the Company expects continued competitive pressure.

Norwegian will by the start of the winter schedule have two bases established and operational in Spain, in Malaga and Las Palmas.

For 2012 Norwegian guides for a production growth (ASK) in excess of 15% mainly from increasing the fleet by adding 737-800Ws. 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 2012 (excluding hedged volumes) and with the currently planned route portfolios, the Company is targeting a unit cost (CASK) in the area of NOK 0.43 – 0.44 for 2012.

The establishment of the long haul operation is going ahead in accordance with plans and the organization is preparing for the first long haul flight which will take place in the first half of 2013. Norwegian will during the second half of 2012 start the sale of tickets on long haul flights.

Interim report Q3 2012

The interim report for third quarter 2012 will be presented 25 October 2012.

Fornebu, 12 July 2012

The Board of Directors of Norwegian Air Shuttle ASA

Consolidated Income Statement

Unaudited

(Mill. NOK)	Note	Quarter ended 30.06.		YTD 30.06.		Year ended
		2012	2011	2012	2011	2011
OPERATING REVENUE						
Total operating revenue	3	3,169.7	2,724.8	5,529.6	4,619.6	10,532.2
Total revenue		3,169.7	2,724.8	5,529.6	4,619.6	10,532.2
OPERATING EXPENSES						
Operational expenses		2,060.1	1,782.2	3,844.4	3,283.2	6,988.0
Payroll and other personnel expenses		483.8	451.7	995.6	904.8	1,836.2
Other operating expenses		-53.7	144.0	261.8	314.3	168.4
TOTAL OPERATING EXPENSES		2,490.3	2,377.9	5,101.9	4,502.4	8,992.6
OPERATING PROFIT / LOSS BEFORE LEASING & DEPR (EBITDAR)						
		679.5	346.9	427.8	117.2	1,539.5
Leasing		269.5	210.3	514.8	410.3	829.7
OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)						
		410.0	136.6	-87.1	-293.0	709.9
Depreciation and amortization		87.7	63.8	165.3	129.0	293.9
OPERATING PROFIT / LOSS (EBIT)						
		322.3	72.8	-252.3	-422.0	415.9
FINANCIAL ITEMS						
Interest income		12.6	8.9	20.9	17.4	41.2
Interest expense		31.8	17.7	52.9	27.7	70.2
Other financial income (expense)		-184.5	6.7	-2.6	92.0	-239.9
NET FINANCIAL ITEMS		-203.7	-2.1	-34.6	81.7	-268.9
Profit/Loss from associated company		6.4	3.8	14.2	8.5	19.5
NET RESULT BEFORE TAX (EBT)						
		125.0	74.5	-272.7	-331.8	166.5
Income tax expense (benefit)		34.5	20.8	-77.7	-92.3	44.4
NET PROFIT / LOSS						
		90.5	53.7	-195.0	-239.5	122.1
Earnings per share (NOK) - Basic		2.60	1.55	-5.59	-6.93	3.53
Earnings per share (NOK) - Diluted		2.57	1.53	-5.55	-6.80	3.46
No. of shares at the end of the period		34,878,226	34,573,332	34,878,226	34,573,332	34,878,226
Average no. of shares outstanding		34,878,226	34,573,332	34,878,226	34,573,332	34,628,464
Average no. of shares outstanding - diluted		35,162,139	35,202,103	35,162,139	35,202,103	35,251,848

Financial key figures

Unaudited

(Mill. NOK)	Quarter ended 30.06.		YTD 30.06.		Year ended
	2012	2011	2012	2011	2011
Operating margin (%)	10%	3%	-5%	-9%	4%
Book equity per share (NOK)			50.20	45.19	55.78
Equity ratio (%)			17%	20%	22%

Consolidated Balance Sheet

Unaudited

(Mill. NOK)	Note	Quarter ended 30.06.		Year ended Dec 31
		2012	2011	2011
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		249.8	213.0	238.3
Tangible fixed assets		6,607.5	4,948.0	6,065.5
Fixed asset investments		221.2	148.5	197.8
TOTAL NON CURRENT ASSETS		7,078.4	5,309.6	6,501.6
CURRENT ASSETS				
Inventory		76.7	74.3	82.0
Investments		97.9	0.8	242.8
Receivables		1,602.8	1,367.5	1,072.5
Cash and cash equivalents		1,574.4	1,219.3	1,104.9
TOTAL CURRENT ASSETS		3,351.8	2,662.0	2,502.2
TOTAL ASSETS		10,430.2	7,971.5	9,003.9
EQUITY AND LIABILITIES				
SHAREHOLDERS EQUITY				
Paid-in capital		1,142.7	1,119.7	1,142.7
Other equity		608.2	442.6	802.9
TOTAL EQUITY		1,750.9	1,562.2	1,945.6
NON CURRENT LIABILITIES				
Other non-current liabilities		302.1	218.2	367.7
Long term borrowings	6	3,409.6	2,635.5	2,698.4
TOTAL NON-CURRENT LIABILITIES		3,711.7	2,853.8	3,066.1
SHORT TERM LIABILITIES				
Current liabilities		1,537.0	1,373.9	1,232.0
Short term borrowings	6	947.3	228.4	1,551.9
Air traffic settlement liabilities		2,483.3	1,953.3	1,208.3
TOTAL SHORT TERM LIABILITIES		4,967.5	3,555.5	3,992.2
TOTAL LIABILITIES		8,679.3	6,409.3	7,058.3
TOTAL EQUITY AND LIABILITIES		10,430.2	7,971.5	9,003.9

Condensed Consolidated Statement of Cash Flow

Unaudited	Quarter ended June 30		YTD June 30		Year ended Dec 31
(Mill. NOK)	2012	2011	2012	2011	2011
OPERATING ACTIVITIES					
Profit before tax	125,0	74,5	-272,7	-331,8	166,5
Paid taxes	-0,3	-2,8	-1,0	-5,6	-9,8
Depreciation, amortization and impairment	87,7	63,8	165,3	129,0	293,9
Changes in air traffic settlement liabilities	192,8	131,4	1 275,0	999,1	254,1
Other adjustments	166,2	7,8	-51,1	-286,6	-31,1
Net cash flows from operating activities	571,4	274,7	1 115,4	504,0	673,7
INVESTMENT ACTIVITIES					
Purchases, proceeds and prepayment of tangible assets	-477,6	-756,0	-655,2	-906,2	-2 189,5
Purchases of other long-term investments	0,0	0,0	0,0	0,0	0,0
Net cash flows from investing activities	-477,6	-756,0	-655,2	-906,2	-2 189,5
FINANCING ACTIVITIES					
Loan proceeds	271,9	616,4	410,6	796,2	2 008,6
Principal repayments	-209,3	-68,8	-282,1	-222,7	-347,7
Net increase (decrease) in other short-term debt	-68,8	-76,5	-119,8	-130,8	-239,1
Proceeds from issuing new shares	0,0	0,0	0,0	0,0	20,4
Net cash flows from financial activities	-6,2	471,1	8,7	442,6	1 442,2
Foreign exchange effect on cash	0,2	0,2	0,5	0,3	0,1
Net change in cash and cash equivalents	87,8	-10,0	469,5	40,8	-73,5
Cash and cash equivalents in beginning of period	1 486,6	1 229,3	1 104,9	1 178,4	1 178,4
Cash and cash equivalents in end of period	1 574,4	1 219,3	1 574,4	1 219,3	1 104,9

Statement of comprehensive income

Unaudited

	YTD 30.06.		Year ended Dec 31
(Mill. NOK)	2012	2011	2011
Net profit for the period	-195,0	-239,5	122,1
Available-for-sale financial assets	0,0	0,0	0,0
Exchange rate differences Group	0,2	-0,4	-1,7
Total comprehensive income for the period	-194,8	-239,9	120,4
Profit attributable to:			
- Owners of the company	-195,0	-239,5	122,1

Consolidated changes in equity

Unaudited

	YTD 30.06.		Year ended Dec 31
(Mill. NOK)	2012	2011	2011
Equity - Beginning of period	1,945,6	1,795,9	1,795,9
Total comprehensive income for the period	-194,8	-239,9	120,4
Share issue	0,0	0,0	20,4
Equity change on employee options	0,0	6,2	8,8
Equity - End of period	1,750,9	1,562,2	1,945,6

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 2011 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 2011. 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 2011.

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 2011.

Note 2 Risk

SENSITIVITY ANALYSIS

Unaudited

Effect on income MNOK

1% decrease in jet fuel price	+31
1% depreciation of NOK against USD	- 47
1% depreciation of NOK against EURO	- 19

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 30.06.		YTD 30.06.		Year ended
	2012	2011	2012	2011	2011
Per activity					
Passenger revenue	2,784.5	2,366.9	4,785.3	3,965.4	9,097.7
Ancillary passenger revenue	339.3	308.7	637.3	564.8	1,224.3
Other revenue	45.9	49.2	107.1	89.4	210.2
Total	3,169.7	2,724.8	5,529.6	4,619.6	10,532.2
Per geographical market					
Domestic	1,017.1	982.0	1,889.0	1,761.6	3,666.7
International	2,152.6	1,742.7	3,640.6	2,858.0	6,865.5
Total	3,169.7	2,724.8	5,529.6	4,619.6	10,532.2

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 second quarter 2012 there are no changes in related parties compared to the description in Note 27 in the Annual Report for 2011. There have been no significant transactions with related parties during the second quarter 2012.

Note 6 Borrowings

Unaudited

(Mill. NOK)	YTD June 30 2012		YTD June 30 2011		Year ended Dec 31 2011	
	Long term	Short term	Long term	Short term	Long term	Short term
Bond issue	-462	0	-598	0	0	-599
Revolving credit facility	0	-624	0	0	0	-648
Aircraft financing	-2 934	-318	-2 020	-223	-2 683	-300
Financial lease liability	-13	-5	-18	-5	-15	-5
Total	-3 410	-947	-2 636	-228	-2 698	-1 552
TOTAL BORROWINGS	-4 357		-2 864		-4 250	

Note 7 Events after the reporting date

There are no events after the balance sheet date.

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 2012 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, 12 July 2012

The Board of Directors of Norwegian Air Shuttle ASA

Bjørn H Kise
(Chairman of the board)

Ola Krohn-Fagervoll
(Deputy Chairman)

Liv Berstad

Marianne Wergeland Jenssen

Thor Espen Bråten
(Employee Representative)

Linda Olsen
(Employee Representative)

Jeanette Vannebo
(Employee Representative)

Bjørn Kjos
(Managing Director)

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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Board of Directors - Norwegian Air Shuttle ASA

Bjørn H. Kise, Chairman
Ola Krohn-Fagervoll, deputy Chairman
Liv Berstad
Marianne Wergeland Jenssen
Linda Olsen
Thor Espen Bråten
Jeanette Vannebo

Group Management

Bjørn Kjos, Chief Executive Officer
Asgeir Nyseth, Chief Operating 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

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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