PROSPECTUS

Norwegian Air Shuttle ASA

Underwritten Rights Issue of 11,494,252 New Shares in Norwegian Air Shuttle ASA at Subscription Price NOK 34.80 per share, with Subscription Rights for shareholders as of end of 5 August 2008

Subscription Period:
11 August to 25 August 2008 at 16:30 CET, both days inclusive

Important notice: The Subscription Rights must be used to subscribe for New Shares or sold before the end of the Subscription Period, as they thereafter will have no value.

Joint Lead Managers:

ABG SUNDAL COLLIER

ARCTIC SECURITIES

8 August 2008

IMPORTANT NOTICE

Please see section 14 for definitions, which apply also to the front page.

This Prospectus has been prepared in order to provide a presentation of Norwegian Air Shuttle ASA and its business in connection with the Rights Issue as described herein. This Prospectus has been prepared to comply with the Norwegian Securities Trading Act and related legislation and regulations including the EC Commission Regulation EC/809/2004. The Prospectus has been prepared solely in the English language. Oslo Børs has reviewed and approved this Prospectus in accordance with the Norwegian Securities Trading Act section 7-7.

The Company has furnished the information in this Prospectus. The Managers make no representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Managers.

All inquiries relating to this Prospectus must be directed to the Company or the Managers. No other person is authorised to give any information about or to make any representations on behalf of the Company in connection with the Rights Issue. If any such information is given or made, it must not be relied upon as having been authorised by the Company or by the Managers.

The information contained herein is of the date hereof and subject to change, completion and amendment without notice. In accordance with section 7-15 of the Norwegian Securities Trading Act, every significant new factor, material mistake, or inaccuracy relating to the information included in the Prospectus, which is capable of affecting the assessment of the Shares between the time when the Prospectus is approved and the end of the Subscription Period, will be included in a supplement to the Prospectus. Publication of this Prospectus shall not create any implication that there has been no change in the Company's affairs or that the information herein is correct as of any date subsequent to the date of the Prospectus.

In the ordinary course of their respective businesses, the Managers and certain of their affiliates have engaged, and may continue to engage, in investment and commercial banking transactions with the Company.

The contents of this Prospectus are not to be construed as legal, business or tax advice. Each reader of this Prospectus should consult with its own legal, business or tax advisor as to legal, business or tax advice. If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, lawyer, accountant or other professional adviser before making any investment decision.

This Prospectus is subject to Norwegian law. Any dispute arising in respect of or in connection with this Prospectus or the Rights Issue is subject to the exclusive jurisdiction of the Norwegian courts with Oslo District Court as legal venue.

The distribution of this Prospectus and the offering of the New Shares and the granting of Subscription Rights in the Rights Issue may in certain jurisdictions be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or a solicitation of an offer to purchase, any of the New Shares or the Subscription Rights in any jurisdiction or in any circumstances in which such offer or solicitation would be unlawful. No one has taken any action that would permit a public offering of the New Shares or the Subscription Rights to occur outside of Norway.

The Subscription Rights and the New Shares have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "Securities Act"), or with any securities authority of any state of the United States. The Subscription Rights and the New Shares will be offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act and in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act. Accordingly, the Subscription Rights and the New Shares issued (pursuant to the exercise of Subscription Rights or otherwise) may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except in transactions that are exempt from, or in transactions not subject to, registration under the Securities Act and in compliance with any applicable state securities laws. For a description of certain restrictions on transfer of the Subscription Rights and the New Shares, see "Terms of the Rights Issue".

The Subscription Rights and the New Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into Canada, Japan or Australia.

LIST OF CONTENTS

1. EXECUTIVE SUMMARY

This summary should be read as an introduction to the Prospectus and is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. Any decision to invest in the Rights Issue should be based on consideration of the Prospectus as a whole by the investor, including the risks of investing set out in section 2.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff might under the applicable legislation have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Civil liability attaches to the Board that has tabled this summary and applied for the notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

1.1 Description of the Company

1.1.1 Business Description

Norwegian Air Shuttle ASA, ”Norwegian”, was established as a low cost carrier 1 September 2002 and was listed on the Oslo Stock Exchange 18 December 2003. Norwegian is a low-cost carrier operating mainly air transport of passengers on domestic and international routes in Europe, as further described below. The Company will, especially through its subsidiary FlyNordic, re-branded Norwegian.se, have revenues from charter operations.

Revenues from other activities than passenger transport, such as commission from hotel, rental cars, parking and cargo constitutes a marginal part of Norwegian’s revenues today.

1.1.2 History and development

The Company was first incorporated on 22 January 1993 as Norwegian Air Shuttle AS. The Company’s initial activities were based on the acquisition of part of the business of Busy Bee of Norway AS (Busy Bee), a company that petitioned to be wound-up around the 1992/1993 year end. Busy Bee was part of Ludvig G. Braathen Rederi, and its business vision was to provide services to Braathens, principally by flying certain of Braathens’ routes serving the Western area of Norway. Prior to the start of the low-price operation, Norwegian’s activities were principally concentrated on commuter routes serving the Western region and Northern Norway. Between 2000 and 2002 Norwegian also operated helicopters and aircraft in Norway in the flying ambulance sector through its previous subsidiary Lufttransport AS. Since the domestic market in Norway is one of the largest air travel markets in the Nordic region, and is also significant in European terms, Norwegian decided in 2002 that it would be attractive to establish a position as a new player in its domestic market alongside Scandinavian Airlines (SAS). The Company chose to start operations on the four busiest routes in Norway, namely the routes from Oslo to Stavanger, Bergen, Trondheim and Tromsø. After the first month of operations Norwegian had built up a market share of between 10% and 15% on the individual start-up routes. Since then the Company has continually expanded its service offering and by summer 2008 the company operates 156 routes to 87 destinations. As of 30 June 2008 the Company operated 40 aircraft, four owned and 36 leased under operational leases.

1.1.3 Market

The air travel market inside Norway is characterized by a duopoly comprising SAS, Widerøe (owned by SAS) and Norwegian. SAS is the largest player with a history dating back several decades and had in excess of 60% market share on domestic routes in Norway in H1 2007. Norwegian started challenging the established position of SAS in the autumn of 2002. Since then, Norwegian has increased both the number of destinations and the frequency of its flights resulting in significant increases in market shares going from 9% in H1 2003 to 23% in H1 2007. The third significant operator, Widerøe that primarily serves remote destinations with short runways, has seen a somewhat decrease in its market share to about 12% in H1 2007. For Norwegian, the achieved market shares on destinations in which the company is in direct competition with SAS varies from about 32% (Oslo-Stavanger) to about 47% (Oslo-Evenes). In H1 2007, about 60% of travels inside Norway have its origination in business purposes which represents an upward trend from earlier periods.

In 2007, a total of 13 million passengers arrived and departed airports in Norway on flights bound for destinations outside Norway. This represents a 10.1% increase from the year before. In contrast to the market for flights inside Norway, there is larger competition on the international routes originating in Norway. Eight operators have market shares in excess of 3%. SAS, Lufthansa, KLM and BA are network carriers primarily serving their own hubs in their country of origin. The largest LCCs, Norwegian, Ryanair and Sterling have a more diverse destination structure which is driven solely by point-to-point demand.

1.1.4 Board of Directors, Management and Employees

Board of Directors
The Company's Board consists of the following persons:

Erik G. Braathen
Bjørn H. Kise
Liv Berstad
Marianne Wergeland Jenssen
Ola Krohn-Fagervoll
Monika Johansen
Halvor Vatnar
Sissel Gjelstad Vårum

Management
The Company's management consists of the following persons:

Bjørn Kjos, CEO
Frode E. Foss, CFO
Asgeir Nyseth, COO
Hans-Petter Aanby, CTO
Daniel A Skjeldam, CCO
Anne Grete Ellingsen, DCC
Gunnar Martinsen, DHR

Employees
As 30 June 2008 the Company had 1,222 employees.

1.1.5 Research and development, intellectual property rights and patents

The EU Directive 2407/92 requires that airline companies must have an Air Operators Certificate (AOC). The purpose of the AOC is to certify that the company has the necessary technical expertise and organisational resources to operate aircraft safely. The Company obtained an AOC in August 2002 for Boeing 737, and this has been updated ever since in order to include new aircraft operated by the Company. The Company's subsidiary in Sweden has also a valid AOC. Norwegian has registered its "Lavpriskalender" (low fare calendar) as a "protected design". The registration prohibits other companies to the same or similar design as Norwegian with respect to the web interface, graphic symbols etc. The technical aspect of the "Lavpriskalender" is not and can not be patented.

Apart from the abovementioned, there are no substantial contracts, patents, certificates etc. Norwegian depends upon.

1.1.6 Auditor

The Company's auditor is PricewaterhouseCoopers AS.

1.1.7 Advisors

The Company's Managers in connection with the Rights Issue have been ABG Sundal Collier Norge ASA and Arctic Securities ASA. Wiersholm, Mellbye & Bech, advokatfirma AS has performed a legal due diligence on the Company according to scope agreed with the Managers

1.1.8 Major shareholders and Related Party Transactions

Shareholders
Shareholders owning 1% or more of the Company registered in the VPS as of the date of this Prospectus:

Rank	Investor name	# of shares	% of shares outstanding
1	HBK HOLDING AS	3 165 747	15,2 %
2	BSB INVEST AS	3 064 720	14,7 %
3	VITAL FORSIKRING ASA	1 317 343	6,3 %
4	FINNAIR PLC	1 063 830	5,1 %
5	GOLDMAN SACHS INT.	1 022 000	4,9 %
6	OJADA AS	900 500	4,3 %
7	DNB NOR NORGE (IV) V	792 686	3,8 %
8	BROWN BROTHERS HARRI	744 970	3,6 %
9	FIDELITY FUNDS-NORDIC	673 000	3,2 %
10	FERD AS	594 000	2,8 %
11	FIDELITY FUNDS EUROPE	526 690	2,5 %
12	ANKERLØKKEN HOLDING	520 000	2,5 %
13	SKAGEN VEKST	450 000	2,2 %
14	VERDIPAPIRFONDET KLP	450 000	2,2 %
15	HOLBERG NORDEN	406 600	1,9 %
16	FONDSAVANSE AS	335 000	1,6 %
17	HOLBERG NORGE	311 800	1,5 %
18	DNB NOR SMB VPF	238 073	1,1 %
19	AWECO INVEST AS	207 000	1,0 %
	Total Top 19	**16 783 959**	**80,4 %**

Related party transaction

Board member Kise also owns minority shares i HBK Holding and BSB Invest AS through minority shares in HBK Invest AS. There have been no financial transactions between BSB Invest AS and HBK Holding AS and

Norwegian Air Shuttle ASA in 2007 or 2006. Board member Bjørn H. Kise is partner in the law firm Vogt & Wiig which is one of the legal advisors of Norwegian Air Shuttle ASA. The fees for legal services in 2007 paid to Vogt & Wiig was TNOK 5,075, ex. vat. Payable fees included in trade payables as at 31 December 2007 were TNOK 4.

The Company has a cooperation agreement with Bank Norwegian AS related to inter alia the Company's customer loyalty program. The Company has also provided Call Norwegian AS with funding. Both agreements are considered to be on commercial terms

Terms and conditions for transactions with related parties Sale to, or purchase from related parties are performed at arms-lengths conditions. The Group has not given any guarantees to related parties. Terms and principles for transactions with related parties are continuously evaluated.

1.2 Key Financial Information

1.2.1 Key financial data

The table below lists the key financial data for 2005, 2006 and 2007 in addition to 1-2Q and Q2 2007 and 2008. The key financial data has been derived from audited consolidated financial statements included elsewhere in this prospectus. Those consolidated financial statements have been prepared in accordance with IFRS.

NOK 1000	2005 Audited IFRS	2006 Audited IFRS	2007 Audited IFRS	1-2Q 2007 Unaudited IFRS	1-2Q 2008 Unaudited IFRS	2Q 2007 Unaudited IFRS	2Q 2008 Unaudited IFRS
Revenues	1 972 247	2 941 400	4 226 202	1 756 912	2 639 807	1 018 853	1 551 221
Total operating revenues	**1 972 247**	**2 941 400**	**4 226 202**	**1 756 912**	**2 639 807**	**1 018 853**	**1 551 221**
Operational expenses	1 504 338	2 368 636	3 171 818	1 328 273	2 240 216	742 768	1 251 925
Payroll	298 223	412 940	622 189	257 089	484 614	135 554	249 525
Depreciations and impairment losses	29 316	51 070	74 044	33 613	64 434	18 093	30 925
Other operating expenses	111 091	139 264	224 200	95 461	182 884	55 512	91 539
Total operating expenses	**1 942 968**	**2 971 910**	**4 092 251**	**1 714 436**	**2 972 148**	**951 927**	**1 623 914**
Operating profit	**29 279**	**-30 510**	**133 951**	**42 476**	**-332 341**	**66 926**	**-72 693**
Net financial items	**9 657**	**-1 196**	**-29 949**	**-1 286**	**-36 773**	**-4 918**	**-7 532**
Share of profit (loss) from associated company	**-**	**-**	**-1 821**	**-**	**-9 884**		**-5 840**
Gain from sale of subsidiary	**-**	**-**	**10 800**	**-**	**-**	**-**	**-**
Profit (loss) before tax	**38 936**	**-31 706**	**112 981**	**41 190**	**-378 998**	**62 008**	**-86 065**
Income tax expense (income)	10 955	-9 709	28 402	11 430	-106 065	17 306	-23 889
Profit (loss) after tax	**27 980**	**-21 997**	**84 580**	**29 760**	**-272 933**	**44 702**	**-62 176**
Total tangible fixed assets	36 820	228 444	682 643	232 946	1 110 580	232 946	1 110 580
Total non-current assets	174 857	367 103	1 068 393	384 896	1 554 440	384 896	1 554 440
Total current assets	500 965	694 841	1 262 705	1 506 986	1 357 130	1 506 986	1 357 130
Total assets	**675 822**	**1 061 944**	**2 331 098**	**1 891 882**	**2 911 570**	**1 891 882**	**2 911 570**
Total equity	141 585	260 727	508 273	290 798	238 715	290 798	238 715
Total liabilities	534 236	801 217	1 822 825	1 601 084	2 672 856	1 601 084	2 672 856
Total equity and liabilities	**675 822**	**1 061 944**	**2 331 098**	**1 891 882**	**2 911 570**	**1 891 882**	**2 911 570**
Net cash flow from operating activities	95 356	75 561	457 931	491 160	113 362	257 222	98 938
Net cash flow from investment activities	-38 369	-245 257	-532 619	-62 392	-169 798	-43 939	-106 380
Net cash flow form financial activities	-14 600	139 863	306 425	382 975	-11 754	302 184	-5 809
Cash and cash equivalents at end of period	**204 086**	**174 248**	**403 959**	**1 048 618**	**433 970**	**1 048 618**	**433 970**

Norwegian as during the last few years experienced a strong growth in revenues as a result of large expansion. The profitability has been affectedly late primarily by a large increase in fuel prices.

For complete financial statements, accounting policies, management discussion & analysis and other financial information see section 8 below.

1.2.2 Significant Changes after Q2 2008

Norwegian has entered into a code share agreement with Sterling to reduce excess capacity and operational costs. Norwegian will operate most flights out of Oslo and Sterling will operate most southbound flights out of Stockholm. The above mentioned cooperation agreement is subject to approval from competition authorities.

Norwegian announced in 2008 the introduction of a new voluntary options program for its employees whereby employees can take a reduction in their salary to be compensated with options in Norwegian. The voluntary option program will not exceed three percent of the share capital.

1.2.3 Trends

The demand for travelling with Norwegian and advanced bookings has been satisfactory entering the third quarter of 2008. 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.

Due to increased fuel price the Group is intensifying cost reductions as well as taking measures to increase revenues. The Group introduced a fuel surcharge in early May which in second quarter is partly offsetting increased cost of fuel. The fuel surcharge has been well absorbed by the market and has so far not affected the demand more than expected. Revenue generated in second quarter from the fuel surcharge covered 20% - 25% of second quarter's year on year fuel cost increase. This ratio is expected to increase in second half of 2008 as the fuel surcharge will be reflected in the reported revenues.

The Polish operation develops satisfactory, however the route program for the coming winter season will be closely monitored due to the present high fuel prices.

The integration of Norwegian.se will continue to realize further synergies. The MD80 fleet will be phased out before the end of leasing period and will during the coming winter season be replaced by Boeing 737's. Changes in the route program are expected in order to strengthen the domestic Swedish operation.

The Group guided at first quarter presentation a unit cost of NOK 0.52 for 2008 assuming an average fuel price in 2008 of USD 980 pr ton. During second quarter the fuel price have increased even further and will significantly affect the fuel costs in the coming quarters. The present spot price for jet fuel has been traded in the area of USD 1400 pr ton. With fuel prices at these levels, the Group expects a unit cost of 0.55 for the full year 2008 based on the existing route network.

1.2.4 Capitalization and Indebtedness

The following table is a summary of the consolidated capitalisation and indebtedness of the Company as of 30 June 2008. The summary is un-audited:

NOK 1000	30.06.2008
Guaranteed	
Secured *)	116 662
Unguaranteed/unsecured	1 988 321
Current debt	**2 104 983**
Guaranteed	
Secured *)	257 369
Unguaranteed/unsecured	310 504
Non-current debt	**567 873**
Share capital	2087
Share premium fund	408 277
Other paid-in equity	34 957
Other reserves	-206 607
Shareholders equity	**238 714**
Total capitalisation	**2 911 570**

*) Aircraft as security

NOK 1000	30.06.2008
A. Cash	433 969
B. Cash equivalents	0
C. Trading securities and other financial instruments	0
D. Liquidity (A+B+C)	**433 969**
E. Current financial receivables	**764 913**
F. Current bank debt	116 662
G. Current portion of non-current debt	0
H. Other current financial debt	1 398 786
I. Current financial debt (F+G+H)	**1 515 448**
J. Net current financial indebtedness (I-E-D)	**316 566**
K. Non-current bank loans	
L. Bonds issued	300 000
M. Other non-current loans	257 369
N. Non-current financial indebtedness (K+L+M)	**557 369**
O. Net financial indebtedness (J+N)	**873 935**

1.3 Share Capital

The Company's current Share Capital is NOK 2,086,522.66 divided into 20,865,526 Shares, each with a nominal value of NOK 0.10.

1.4 The Rights Issue

1.4.1 Purpose of the Rights Issue, Background of the Rights Issue and Use of Proceeds

In order to partly finance the 10 first aircraft to be purchased from Boeing (see Stock Notice dated 30 August 2007) and strengthening of the working capital position, the Board proposed for an EGM in Norwegian a Rights Issue of NOK 400 million.

1.4.2 Overview of the Rights Issue

The Company plans to carry out the Rights Issue consisting of:

The Rights Issue:	The offering of New Shares with Subscription Rights to Eligible Shareholders, as described in this Prospectus
Number of New Shares:	The Rights Issue comprises 11,494,252 New Shares.
Subscription Price:	The Subscription Price for each New Share is NOK 34.80.
Subscription Period:	The Subscription Period will last from and including 11 August 2008 to 25 August 2008 at 16:30 (CET)
Allocation date:	The final allocation will take place on or about 29 August 2008. Allotment letters will be sent on or about 1 September 2008.
Payment date:	On or about 2 September 2008.
Settlement:	The New Shares are expected to be delivered to the purchasers VPS accounts on or about 4 September 2008.
Trading of allocated	The New Shares may not be traded before registration of the Share Capital increase in the Norwegian Register of Business Enterprises. First day of trading on Oslo Børs is expected to be 4 September 2008.
Number of Shares before the Rights Issue:	20,865,526 Shares, each with nominal value NOK 0.10.
Number of Shares after the Rights Issue:	32,359,778 Shares, each of nominal value of NOK 0.10.
Gross proceeds of the Rights Issue:	The gross proceeds are expected to amount to NOK 400 million.
Costs:	Estimated transaction cost for the Company related to the Rights Issue will be approximately NOK 17 million, of which up to NOK 16 million is related to fees to the Managers.

1.5 Dilution

Upon the Rights Issue, the number of issued and outstanding Shares will increase with 11,494,252 shares equalling to 55% of the issued and outstanding Shares prior to the Rights Issue.

1.6 Summary of Risk Factors

Please revert to section 2 "Risk Factors" below for a description of certain relevant risk factors summarised in the following:

Risk factors related to the Company and the industry in which it operates

- Dependency on the international market
- Fleet increase related to growth
- Additional routes
- Be able to handle growth
- Airport access and related impositions and costs
- Competition
- Fluctuation in the Company's earnings
- Dependence on key personnel
- Liability and risk of losses
- Currencies fluctuations
- Jet fuel fluctuations
- Credit risk

Risk factors relating to the Shares and the Rights Issue

- General - Macro economy
- Volatility of share price
- Sale of Subscription Rights
- Failure to exercise Subscription Rights
- Dilution in shareholding
- Trading market in Subscription Rights and market value fluctuation
- Pre-emptive rights may not be available to U.S. holders of the Company's Shares
- It may be difficult for investors based in the United States to enforce civil liabilities predicated on U.S. securities laws against the Company, its affiliates, directors and officers
- Holders of the Company's Shares that are registered in a nominee account may not be able to exercise voting rights as readily as shareholders whose shares are registered in their own names with the VPS
- The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions
- The ability of shareholders to make claims against the Company following registration of the share capital increase in the Norwegian Companies Register is severely limited under Norwegian law

Furthermore, the risks described in section 2 are not the only ones facing the Company. Additional risks not presently known to the Company or risks the Company currently deems immaterial may also impair the Company's business operations and adversely affect the price of the Company's Shares.

1.7 Additional information

For the life of this Prospectus the following documents are available for inspection at the Company's offices:

- Memorandum of Incorporation and the Articles of Association
- Q1 and Q2 2008 interim financial statements
- 2007 financial statements
- 2006 financial statements
- 2005 financial statements
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request which is included or referred to in the registration document

The Prospectus has been made publicly available at the below addresses.

The Company's office:

Norwegian Air Shuttle ASA

Oksenøyveien 10A

N-1366 Lysaker, Norway

The Managers' offices:

ABG Sundal Collier Norge ASA	Arctic Securities ASA
Munkedamsveien 45	Haakon VII gate 6
N-0250 Oslo, Norway	N-0123 Oslo, Norway

2. RISK FACTORS

Before investing in the Company, investors should carefully consider all of the information contained in this Prospectus, and in particular the following risk factors, which may affect some or all of the Company's activities, the industry in which it operates and the securities being offered. The risk factors described below are not the only ones that will be faced by the Company. Other risks and uncertainties, including those not currently considered material by the Company's management, may impair the Company's business. The risk factors discussed below may adversely affect the business, financial condition, operating results or cash flow of the Company. The order in which risk factors appear is not intended as an indication of the relative weight or importance thereof. Such information is presented as of the date hereof and is subject to change, completion or amendment without notice.

An investment in the Shares is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or a part of the investment.

2.1 Risk factors related to the Company and the industry in which it operates

2.1.1 General

In the description in this Chapter, several risk factors are described that could be relevant for Norwegian and the airline industry as a whole, as well as for the Rights Issue. The descriptions are made on the basis of the Company's best assessment, but can not be considered exhaustive. It should therefore be noted that other factors, not described in this document, also could have an impact on the consolidated Company group or the Rights Issue.

2.1.2 Dependency on the international market

Norwegian operates routes within Norway and internationally. Norwegian will be vulnerable to conditions resulting in a decline in demand on these routes, including changes in economic issues, political issues, large increases in the prices related to airport access or costs and taxes paid by the passengers in Norway and Internationally. Norwegian's prospective operations and growth will be influenced by the general growth and potentially increased competition in the Norwegian and international market.

2.1.3 Fleet increase related to growth

At present the company operates 40 aircraft and need to maintain an increase in passenger numbers to be able to utilize its purchase and lease commitments of 53 aircraft within 2014. The company has great flexibility for its current leased 737-300 aircraft to adjust to market fluctuations.

2.1.4 Additional routes

Norwegian commenced operations on several new domestic and international routes during H1 2008 and will start operating several new routes in H2 inclusive a route to Dubai during Q4 08. Norwegian may experience additional competition on the new routes and there is no guarantee that the low price strategy will gain the same level of acceptance on these routes. If the Company proves unable to expand its operations successfully in line with it plans and budgets, this may have an adverse effect on the Company's financial results and future growth in revenue and profit. The load factor on the new routes will be lower compared to the established routes and marketing and sales promotions will increase the costs. This might result in losses which again may have a significant impact on the Company's financial results.

2.1.5 Be able to handle growth

Since Norwegian introduced their low price model in 2002, the Company has had a strong growth. This growth resulted in a corresponding growth in demand for the Company's management resources, systems and internal control routines. Norwegian has had a rapid expansion the last six years. This type of rapid expansion might be a strain on the Company's managerial resources together with the Company's operational, financial, managerial and control systems to such a degree that they no longer are sufficient enough to meet Norwegians needs and might lead to need for bigger investments.

Norwegian expects to develop their financial and managerial reporting systems and procedures to make room for increased growth. There is no guarantee that Norwegian will be able to develop these control systems and procedures in an effective way and in case the Company fails in doing so it might have negative effects on the Company's operation, results and financial standing.

2.1.6 Airport access and related impositions and costs

Norwegian's growth is dependent on access to the right airports in the geographical markets Norwegian has chosen and with a level of costs in accordance with Norwegian's low price strategy. Conditions that delays, limits or defers Norwegian's access to the airport or slot position, which the Company already serves or wishes to serve in the future, will represent obstacles to the Company's further growth. Changes in the terms and conditions for Norwegian's access to such facilities or an increase in the costs involved as a result of expiry or termination of its contracts may have an adverse effect on Norwegian's earnings.

Airports might also introduce limitations on operational hours, noise level, use of runway or total numbers of daily departures. These types of restrictions might affect Norwegian's ability to offer services or improve its range of services at such airports.

2.1.7 Competition

There is intense competition between airlines. Airlines compete principally in terms of ticket price, service, frequency, punctuality, safety, brand recognition, passenger loyalty and other service-related issues. Norwegian competes with a number of other airlines, principally SAS on domestic routes in Norway and Sweden, and other operators including but not limited to KLM, British Airways, Sterling and Ryanair on international routes from Norway and Sweden. Many of these competitors are larger companies and have both greater resources and enjoy stronger brand recognition internationally. Norwegian may experience further competition on routes they operate from new and existing low-price airlines. Any changes in Norwegian's competitiveness may effect the Company's operating result and financial position.

2.1.8 Fluctuation in the Company's earnings

The Company' profitability is likely to vary from quarter to quarter, and the management of Norwegian expects such variations to continue in future. Trends in passenger volumes are closely correlated with general economic conditions and seasonality. Moreover the air travel market is exposed to fluctuations caused by normal seasonal variations. For example in historic terms, January and February have been months of low demand, which affects airline revenues and earnings. Other specific events such as aircraft accidents, terror attacks, political uncertainty etc. may also have a major impact on demand and passenger numbers.

2.1.9 Dependence on key personnel

Norwegian is planning an expansion of the Company's activities. As the Company bases much of its business development on challenging traditional industry solutions and creating new solutions, the Company is highly dependent upon key individuals that holds this knowledge and have gathered the experience. If such key individuals should choose to end their employment with Norwegian, this could have adverse consequences for the Company's further development.

Similarly the Company's future development is dependent on the Company's ability to attract and retain skilled personnel and to develop the level of expertise throughout its organisation.

2.1.10 Liability and risk of losses

Norwegian's operations are by nature exposed to different incidents that can disturb operations, such as technical incidents, aircraft accidents and terrorist attacks. Such accidents or incidents might lead not only to the costs of repairing or replacing damaged aircraft and the effect that this may have on the services the Company offers, but also to possible claims from deaths and injured passengers and/or other parties. Norwegian carries liability insurance in line with normal aviation industry standards. While the Company believes that its insurance cover is sufficient, there can be no guarantee that the level of insurance will not have to be increased in the future, or that insurance premiums will not increase significantly or that Norwegian will not be exposed to major losses caused by accidents or other incidents. Any such events may have a significant impact on the Company's financial condition. In addition aircraft accidents or other events, even if fully insured, may cause a negative perception of Norwegian's brand that may lead to significant reduction in demand with adverse effect on earnings.

The operations are also influenced by external circumstances, such as air traffic controllers going on strike, which may lead to higher costs and loss of reputation, and negative impact on earnings.

2.1.11 Currencies and jet fuel increase

The Company' operation and profitability is exposed to fluctuations in the currency market. Norwegian has entered into Term contracts on USD cover approximately 60% of expected exposure for operating activities in USD until December 2008. Term contracts on EUR cover approximately 15% of expected exposure in EUR until December 2008. The Boeing contract to purchase 42 737-800 aircraft is denominated in US dollars, and the Company has hedged approximately 40% of this exposure by using term contracts.

Jet fuel is a significant cost component for Norwegian and the future development of the jet fuel prices will have a major impact on Norwegian's profitability. The Group had no forward contracts for fuel in the second quarter, and has at the end of the second quarter, no forward contracts to cover fuel exposure for 2008.

2.1.12 Credit risks

There are limited credits risks to the group's operations, as the main part of the outstanding claims are with credit card companies, which is a minor credit risk. Part of the sales is directly through travel agencies with a moderate credit risk.

2.2 Risk Factors relating to the Shares and the Rights Issue

2.2.1 General macro economy

All share investments are connected with risks. The Company is exposed to fluctuations in the general economy. Changes in interest rates and foreign exchange ratios will influence the financial situation of the Company.

2.2.2 Volatility of share price

The Company's share price may experience substantial volatility. The trading price of the Shares could fluctuate significantly in response to variations in operating results, adverse business developments, interest rate changes, changes in financial estimates by securities analysts, matters announced in respect of major customers or competitors or changes to the regulatory environment in which the Company operates.

The market price of the Shares could decline due to sales of a large number of Shares in the Company in the market or the perception that such sales could occur. Such sales could also make it more difficult for the Company to offer equity securities in the future at a time and at a price that are deemed appropriate.

Factors that influence share prices include, but are not limited to:

- Response to quarterly and annual reports issued by the companies
- Changes in earnings estimates by analysts
- Changing conditions in the air travel industry at large
- Changes in general market or economic outlook
- Rumours and speculation in the market

2.2.3 Sale of Subscription Rights

The sale of Subscription Rights on behalf of Existing Shareholders who are not able to take up their Subscription Rights may result in a reduction in the market price of the Subscription Rights and of the Shares and increased volatility in the Shares.

Certain shareholders will be unable to take up and exercise their Subscription Rights as a matter of applicable law. The Subscription Rights of such shareholders will be sold on their behalf in the market, but no assurance can be given as to the price that may be achieved. Eligible Subscription Rights Holders may also choose not to take up and exercise and therefore sell their Subscription Rights in the market. The sale of Subscription Rights could cause significant downward pressure on and may result in a substantial reduction in the price of the Subscription Rights and the Shares.

2.2.4 Failure to exercise Subscription Rights

Failure to exercise Subscription Rights by the end of the Subscription Period will result in Subscription Rights becoming null and void.

If any Eligible Subscription Rights Holder does not exercise its Subscription Rights by the end of the Subscription Period, its Subscription Rights will have no value and will lapse without compensation to the holder.

2.2.5 Dilution in shareholding

Existing shareholders who do not participate in the Equity Offering may experience significant dilution in their shareholding, and certain shareholders resident in the U.S., Canada, Japan, and Australia in particular will not be able to participate in the Equity Offering.

Subscription Rights that are not exercised by the end of the Subscription Period will automatically expire without compensation to the holder. To the extent that an Existing Shareholder does not exercise its Subscription Rights prior to the expiry of the Subscription Period or to the extent that an Existing Shareholder is not permitted to participate in the Equity Offering at all, such Shareholders' proportionate ownership and voting interests in the Company after the completion of the Equity Offering will be diluted.

2.2.6 Trading market in Subscription Rights and market value fluctuation

An active trading market in Subscription Rights may not develop on Oslo Børs during the Subscription period and the market value of the Subscription Rights may fluctuate. In addition, because the trading price of the Subscription Rights depends on the trading price of the Shares, the price of the Subscription Rights may be volatile and subject to the same risks as described in the above risk factor. The existing volatility of the Shares may also magnify the volatility of the Subscription Rights.

2.2.7 Pre-emptive rights may not be available to U.S. holders of the Company's Shares

Under Norwegian law, prior to the Company's issuance of any new shares for consideration in cash, the Company must offer holders of the Company's then-outstanding Shares pre-emptive rights to subscribe and pay for a sufficient number of shares to maintain their existing ownership percentages, unless these rights are waived at a general meeting of the Company's shareholders. U.S. holders of the Shares may not be able to receive, trade or exercise pre-emptive rights for new Shares unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements of the Securities Act is available. The Company is not a registrant under the U.S. securities laws. If U.S. holders of the Shares are not able to receive, trade or exercise pre-emptive rights granted in respect of their Shares in any rights offering by the Company, then they may not receive the economic benefit of such rights. In addition, their proportional ownership interests in the Company will be diluted.

2.2.8 It may be difficult for investors based in the United States to enforce civil liabilities predicated on U.S. securities laws against the Company, its affiliates, directors and officers

The Company is organized under the laws of Norway. The Company's directors and officers reside outside of the United States, and the Company's assets, and those of the Company's directors and executive officers, are located in Norway. As a result, it may be difficult for investors in the United States to effect service of process within the United States upon the Company or the Company's directors and officers or to enforce judgments obtained in U.S. courts predicated on the civil liability provisions of U.S. Federal securities laws against the Company or the Company's directors and officers.

2.2.9 Holders of the Company's Shares that are registered in a nominee account may not be able to exercise voting rights as readily as shareholders whose shares are registered in their own names with the VPS

Beneficial owners of the Company's Shares that are registered in a nominee account may not be able to vote such shares unless their ownership is re-registered in their names with the VPS prior to the Company's general meetings. The Company cannot guarantee that beneficial owners of the Company's Shares will receive the notice for a general meeting in time to instruct their nominees to either effect a re-registration of their shares or otherwise vote their shares in the manner desired by such beneficial owners.

2.2.10 The transfer of Shares is subject to restrictions under the securities laws of the United States and other jurisdictions

The Company has not registered the Shares under the Securities Act or the securities laws of other jurisdictions other than Norway and the Company does not expect to do so in the future. The Shares may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act) nor may they be offered or sold in any other jurisdiction in which the registration of the shares is required but has not taken place, unless an exemption from the applicable registration requirement is available or the offer or sale of the shares occurs in connection with a transaction that is not subject to these provisions. In addition, there can be no assurances that shareholders residing or domiciled in the United States will be able to participate in future capital increases or subscription rights.

2.2.11 The ability of shareholders to make claims against the Company following registration of the share capital increase in the Norwegian Companies Register is severely limited under Norwegian law

Following the registration of the capital increase relating to any Shares of the Company (including the New Shares) in the Norwegian Companies Registry, purchasers of those Shares have very limited rights against the Company under Norwegian law.

3. RESPONSIBILITY STATEMENT

3.1 Board of Directors

The Board of Directors of Norwegian is responsible for this Prospectus and its contents.

The members of the Board of Directors of Norwegian confirm that to the best of their knowledge, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Fornebu, 8 August 2008

The Board of Directors of Norwegian Air Shuttle ASA

Erik G. Braathen (Chairman)	Bjørn H. Kise (Deputy chairman)
Ola Krohn-Fagervoll (Board member)	Liv Berstad (Board member)
Marianne Wergeland Jenssen (Board member)	Monika Johansen (employee representative)
Sissel Gjelstad Vårum (employee representative)	Halvor Vatnar (employee representative)

4. CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. The forward-looking statements are contained principally in sections 1 “Executive Summary”, 2 “Risk Factors”, 5 “Presentation of the Company”, 6 “The Company’s Industry”, and 8 “Financial Information”. These statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements.

In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “could”, “should”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict”, “potential” or “continue”, the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, prospective investors should specifically consider various factors, including the risks outlined in the Risk Factors in section 2 above. These factors may cause our actual results to differ materially from any forward-looking statement. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement.

Except as required by law, the Company undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this Prospectus to conform these statements to actual results or to changes in our expectations or publicly release the result of any revisions to these forward-looking statements which the Company may make to reflect events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events. Investors are advised, however, to consult any further public disclosures made by the Company, such as filings made with Oslo Børs or press releases.

5. PRESENTATION OF THE COMPANY

If not otherwise indicated in the text, the source of the information in this section is Norwegian. Information which has been sourced from a third party has been accurately reproduced. As far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

5.1 General

Norwegian Air Shuttle ASA, ”Norwegian”, was established as a low cost carrier 1 September 2002 and was listed on the Oslo Stock Exchange 18 December 2003 with the headquarters at Fornebu/Oslo. Norwegian Air Shuttle ASA is a Norwegian Public Limited Company duly incorporated under the laws of Norway and in accordance with Allmennaksjeloven 13. juni 1997 nr 45. Norwegian is a low-cost carrier operating mainly air transport of passengers on domestic and international routes in Europe.

The Company’s registered organization number is 965 920 358.

The Company’s registered office is at Oksenøyveien 10A, 1366 Lysaker, Norway. The Company’s telephone number is +47 67 59 30 00, the fax number is +47 67 59 30 01 and the Web-address is: www.norwegian.no.

5.2 Historical background and Company development

The Company was first incorporated on 22 January 1993 as Norwegian Air Shuttle AS. The Company’s initial activities were based on the acquisition of part of the business of Busy Bee of Norway AS (Busy Bee), a company that petitioned to be wound-up around the 1992/1993 year end. Busy Bee was part of Ludvig G. Braathen Rederi, and its business vision was to provide services to Braathens, principally by flying certain of Braathens’ routes serving the Western area of Norway. Prior to the start of the low-price operation, Norwegian’s activities were principally concentrated on commuter routes serving the Western region and Northern Norway. Between 2000 and 2002 Norwegian also operated helicopters and aircraft in Norway in the flying ambulance sector through its previous subsidiary Lufttransport AS (the largest helicopter ambulance company in Scandinavia).

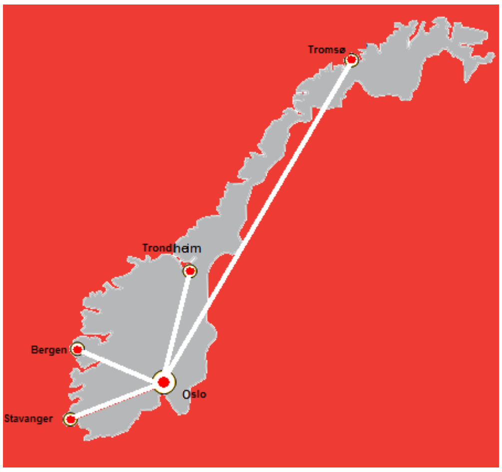
Since the domestic market in Norway is one of the largest air travel markets in the Nordic region, and is also significant in European terms, Norwegian decided in 2002 that it would be attractive to establish a position as a new player in its domestic market alongside SAS. This period was affected by an economic downturn, and there was a general desire for increased competition and lower prices. At the same time there was overcapacity in the aircraft market, and this created good opportunities to negotiate favourable leasing agreements. Therefore, Norwegian announced that it intended to start a low-price operation in Norway. In June 2002 the existing frequent flyer bonus arrangements was discontinued in Norway, and Norwegian started to make detailed preparations to launch a low-price operation using Boeing 737-300 aircraft. Over the course of the next three months Norwegian signed long-term lease contracts for six aircraft and increased the number of employee from 110 to 294. The concept for this operation from the very start was to make the distribution of tickets as accessible, simple and cheap as possible. The Company placed great importance on ensuring that tickets would be available through all the main distribution channels of travel agents, call centres and the internet. Norwegian obtained an AOC to fly Boeing 737s on 30 August 2002, and the first scheduled flight departed on time on Sunday 1 September 2002.

The Company chose to start operations on the four busiest routes in Norway, namely the routes from Oslo to Stavanger, Bergen, Trondheim and Tromsø. After the first month of operations Norwegian had built up a market share of between 10% and 15% on the individual start-up routes. Over the intervening period to October 2003 Norwegian opened 13 further routes, and this permitted a significantly better utilisation of its aircraft fleet with an equivalent reduction in costs per airborne hour. The Company has continually adapted its production on each route and this has produced a gradual improvement in both capacity utilisation and operational profitability.

Since 2003 Norwegian has continuously expanded their operations and has showed significant growth in both revenue and passengers:

Norwegian 2003

- Revenue: NOK 818m
- Unit Cost: NOK 0.91
- Utilization: < 5 hrs pr plane pr day
- Passengers: 300,901
- Aircraft: 4
- Routes: 4
- Employees: 320
- Bases: 1



Norwegian 2007

- Revenue: NOK 4,226m
- Unit Cost: NOK 0.53
- Utilization: > 10 hrs pr plane pr day
- Passengers: 6,934,376
- Aircraft: 32
- Routes 155
- Employees: 1,196
- Bases: 7

Source: Norwegian, year end 2003 and 2007

Norwegian has continued expanding its route network from all the major cities in Norway, both domestically and internationally.

In July 2006 Norwegian Air Shuttle Polska Sp.zo.o started to operate out of Warsaw, Poland, to capture the strong growth coming from Poland as the disposable income is increasing as well as becoming a part of the European Union and the Schengen Agreement is making it easier to travel.

In July 2007 Norwegian acquired the Swedish company Nordic Airlink Holding AB “FlyNordic” from Finnair, which was re-branded to Norwegian.se in April 2008. Furthermore Norwegian established a new base from Rygge Airport, close to Oslo, in February 2008 and started to fly 14 new routes from Rygge Airport.

In May 2007 Norwegian entered into lease agreement for 11 new Boeing 737-800 HGW of which six are delivered and additional one will be delivered during H2 2008, while three will be delivered in 2009 and one in 2010.

Norwegian decided in 2007 to commercially utilize its strong brand name and customer satisfaction and invested in, and was a major contributor, in launching an internet bank – Bank Norwegian AS. The bank is built on the same principles as the airline operation of offering customers services at low prices. Norwegian has retained a 20% ownership in Bank Norwegian AS as well as several commercial agreements between the two operations, amongst them a royalty payment to Norwegian from Bank Norwegian AS for the use of the Norwegian name. The bank was opened in November 2007.

In August 2007, Norwegian entered into a purchase agreement with Boeing for the purchase of 42 aircraft.

Norwegian is also in the early stages of establishing a telecom company with the name Call Norwegian AS, building on the same principles as for the establishment of Bank Norwegian AS of offering customers good products at low prices. Norwegian currently owns 100% of Call Norwegian AS.

By summer 2008 the company operates 156 routes to 87 destinations. As of 30 June 2008 the Company operated 40 aircraft, four owned and 36 leased under operational leases. The first two of four owned aircraft were purchased in 2006 while the last two were purchased in 2008. All owned aircraft are of the type 737-300. Norwegian announced on 30 August 2007 that the Company had entered into an agreement with Boeing to acquire 42 new Boeing 737-800 HGW with delivery period 2009-2014, with about seven aircraft per year. As part of the announced transaction, Norwegian secured an option to acquire a further 42 new Boeing 737-800 HGW.

At year end 2007 Norwegian had 1,196 permanent employees. In addition the Company had 53 apprentices and 168 temporary staff, working in the cabins.

The table below sets out the main milestones in Norwegian's history:

Year	Event
1993	Company starts to operate on the western coast of Norway
Sep 2002	Launch of low cost carrier based on 737 fleet
Dec 2003	IPO on Oslo Stock Exchange
2004	Entered into two cooperative agreements, with FlyNordic and Sterling.
2005	First year of profitability with 737 operations only two years after start up
July 2006	Norwegian Air Shuttle Polska Sp.zo.o started
2007	Bank Norwegian AS and "Norwegian Reward" loyalty programme established
May 2007	Entering into agreement to lease 11 Boeing 737-800 HGW
July 2007	Acquired FlyNordic
Aug 2007	Entered into a contract with Boeing for the purchase of 42 737-800 HWG aircraft
Dec 2007	Enter 3-year agreement the Norwegian Ministry of Defence with a contract value of approx NOK 1.0 bn
2008	Call Norwegian AS established, expected to start operations in Q4 08
2008	Established operations at Rygge Airport
2008	Re-branded FlyNordic to Norwegian.se
2008	Announced code sharing agreement with Sterling on routes from Oslo and Stockholm

5.3 The strategic focus of Norwegian

The basic principles behind the network-development of the group are the following:

- Growing in the major point to point markets on domestic Norwegian and Swedish routes that have been excessively priced or underserved
- Growing international markets that have been excessively priced or underserved
- Developing smaller markets through low fares and focus on building tourism to and from Norway and Sweden
- Developing markets out of Poland, on routes that have been excessively priced or underserved
- Maximising aircraft utilization through effective planning and effective use of bases to a target of 12 hours.
- Replacing important business routes with Mediterranean routes in the mid-summer period
- Replacing Mediterranean routes with routes to the Alps in the winter.

5.4 Principal activities

5.4.1 Main area of business

Norwegian is a low-cost carrier operating mainly air transport of passengers on domestic and international routes in Europe, to Middle East and North Africa, as further described below. The Company will, especially through its subsidiary FlyNordic, re-branded Norwegian.se, has revenues from charter operations.

Revenues from other activities than passenger transport, such as commission from hotel, rental cars, parking and cargo constitutes a marginal part of Norwegian's revenues today.

5.4.2 Routes offered by Norwegian

Summer 2008 the company operated 156 routes – 22 domestic and 134 international routes.

The domestic routes are as follows:

From Bergen to: Trondheim, Stavanger and Rygge

From Bodø to: Tromsø

From Oslo to: Alta, Bardufoss, Bergen, Bodø, Harstad/Narvik, Kirkenes, Kristiansand, Longyearbyen, Stavanger, Tromsø, Trondheim, Aalesund,

From Trondheim to: Bodø, Tromsø

From Stockholm to: Kiruna, Luleå, Umeå, Østersund,

The international routes are as follows:

From Trondheim to Alicante, Alicante/Murcia, Dubrovnik, London Stansted, Malaga,, Nice, Prague, Riga, Split and Warsaw.

From Bergen to Alicante, Alicante/Murcia, Berlin, Dubrovnik, Krakow, Las Palmas, London Gatwick, London Stansted, Malaga, Nice, Paris, Prague, Salzburg, Split, Stockholm, Warsaw

From Stavanger to Alicante, Alicante/Murcia, Berlin, Dubrovnik, Krakow, Las Palmas, London Gatwick, Malaga, Nice, Paris, Prague, Split and Warsaw.

From Rygge Airport to: Alicante, Antalya, Athens, Barcelona, Belgrade, Budapest, Istanbul, Las Palmas, London Stansted, Malaga, Palanga/Klaipeda, Pristine, Sarajevo, Szczecin, Valencia, Warsaw.

From Tromsø to: London Stansted

From Oslo to Alicante, Alicante/Murcia, Antalya, Berlin, Bordeaux, Budapest, Burgos, Chania, Copenhagen, Corfu, Dubai, Dubrovnik, Düsseldorf, Edinburgh, Faro, Gdansk, Geneva, Hamburg, Heraklion, Ibiza, Kos, Krakow, Larnaca, Las Palmas, Lanzarote, London Gatwick, London Stansted, Madrid, Malaga, Malta, Marrakech, Moscow, Munich, Nice, Palma de Mallorca, Paris, Pisa, Prague, Pula - Croatia, Rhodes, Rijeka - Croatia , Riga, Rome, Salzburg, Sharm el Sheikh, Split, St. Petersburg, Stockholm, Tallinn, Tenerife, Varna, Venice, Vilnius, Warsaw and Wroclaw.

From Warsaw to: Alicante, Athens, Birmingham, Copenhagen, Malaga, Paris, Roma, Split and Stockholm.

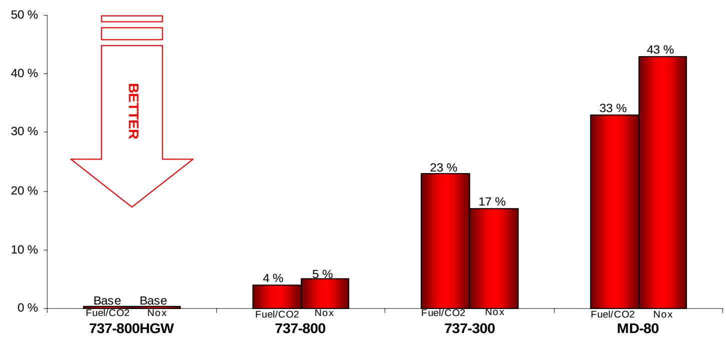
From Stockholm to: Aleppo – Syria, Alicante, Bordeaux, Copenhagen, Dubai, Dubrovnik, Istanbul, Krakow, Malaga, Nice, Paris, Sarajevo, Split and Tallinn.

5.4.3 Aircraft

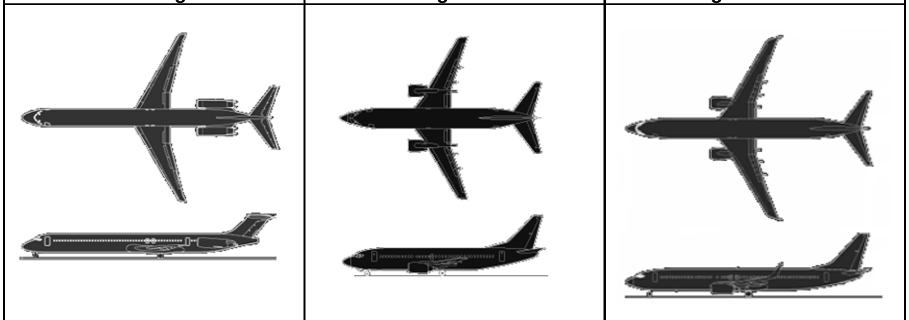
As of 30 June 2008 the company operated 40 aircraft, four owned and 36 leased under operational leases. The first two of four owned aircraft were purchased in 2006 wile the last two were purchased in 2008. All owned aircraft are of the type 737-300

Norwegian announced on 30 August 2007 that the Company had entered into agreement with Boeing to acquire 42 new Boeing 737-800 HGW with delivery period 2009-2014, with about seven aircraft per year. As part of the announced transaction, Norwegian secured an option to acquire a further 42 new Boeing 737-800 HGW. The new Boeing 737-800 HGW give up to 30% reduction of CO2 and NOx emissions relative to the current Norwegian fleet and a 20-30% reduction in fuel consumption per passenger seat that will increase Norwegian's competitive cost advantage even further against its main competitors.

Relative Per Pax Emissions



McDonnell Douglas MD-80		Boeing 737-300		Boeing 737-800 HGW	
Consumption (tons/yr/AC)	8 867	Consumption (tons/yr/AC)	8 200	Consumption (tons/yr/AC)	8 513
Fleetsize	42	Fleetsize	42	Fleetsize	32,9
Seat Number	6216	Seat Number	6216	Seat Number	6216
Jet-A1 (USD/ton)	1300	Jet-A1 (USD/ton)	1300	Jet-A1 (USD/ton)	1300
NOK/USD	5,1	NOK/USD	5,1	NOK/USD	5,1
Tot. Fuel Cost (NOK)	2 468 989 424	**Tot. Fuel Cost (NOK)**	2 283 351 121	**Tot. Fuel Cost (NOK)**	1 856 383 025
Save w/ 737-800 HGW	**612 606 398**	**Save w/ 737-800 HGW**	**426 968 096**	**Save w/ 737-800 HGW**	**0**



Source: Norwegian Q4 2007 presentation and Boeing 737 – 800 HGW information report 2007

5.4.4 Aircraft safety

Norwegian has not been involved in any accidents or incidents where passengers or crew personnel has been injured since they were founded more than ten years ago. There have not been any registered injuries or work accidents on the ground that has led to any bigger major or disabilities. It is very important to have a pro-active attitude towards preventing work accidents. The aircraft security is ensured through training programs that all crew has to undertake when hired and yearly training programs with consecutive tests and skill requirements. All programs, tests and requirement skills are approved by the Civil Aviation Authority.

The aircraft safety is also ensured through strict maintenance and inspection programs on the aircraft pursuant to the manufacture's recommendations and the Civil Aviator Authority's approval.

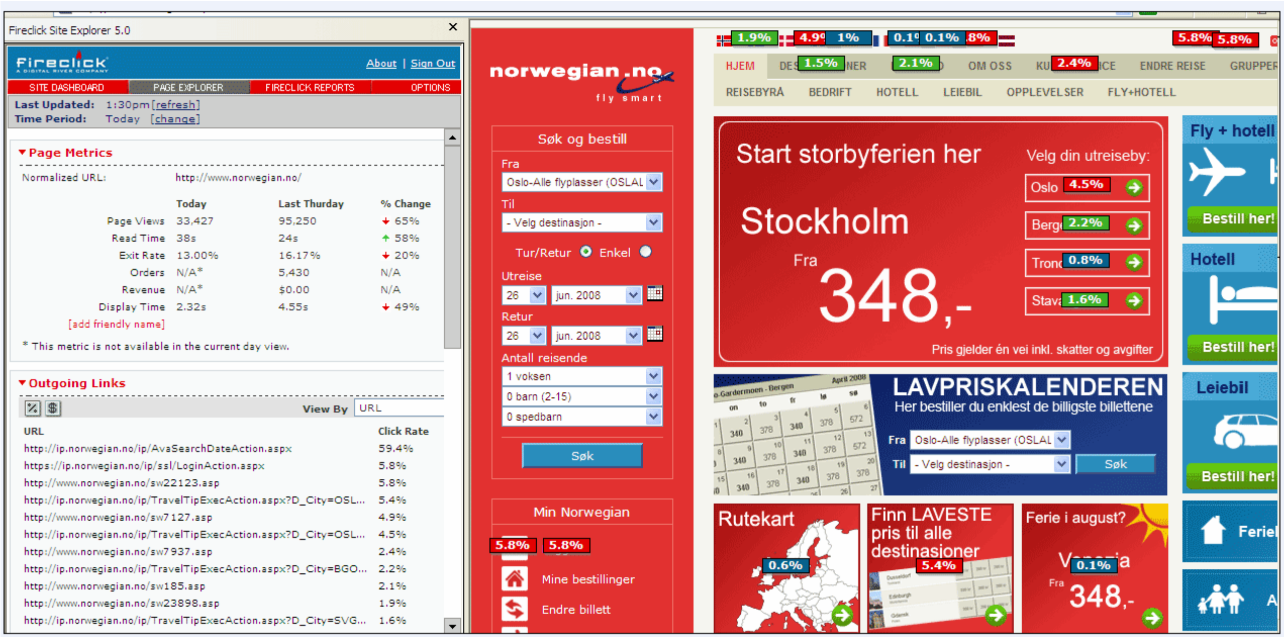
All training focuses on aircraft safety and the avoidance of incidents and accidents. The reporting system the crew use to report deviations is a useful tool, so that the Company is made aware of this and can make the precautions to avoid potential accidents.

The Company's pilots and aircraft (Boeing 737-800), are approved for instrument approach in CAT II/IIA weather conditions (fog) in the same way as other companies. This type of approval requires special training- and follow-up programs. The Company executes this as a part of the two yearly simulator trainings that the pilots must complete.

5.4.5 Distribution channel

From the start-up in 2002 the Company has focused on serving three major distribution channels to cover the entire market: Internet, Travel Agents and call centres.

87% of all tickets sold in the last 12 months for travelling with Norwegian is sold through the Internet based distribution channels, resulting in low administration costs per ticket sold as well as giving Norwegian the tool to conduct active revenue management by increasing load factors for flights where there are a large amount of seats available from active use of its website.

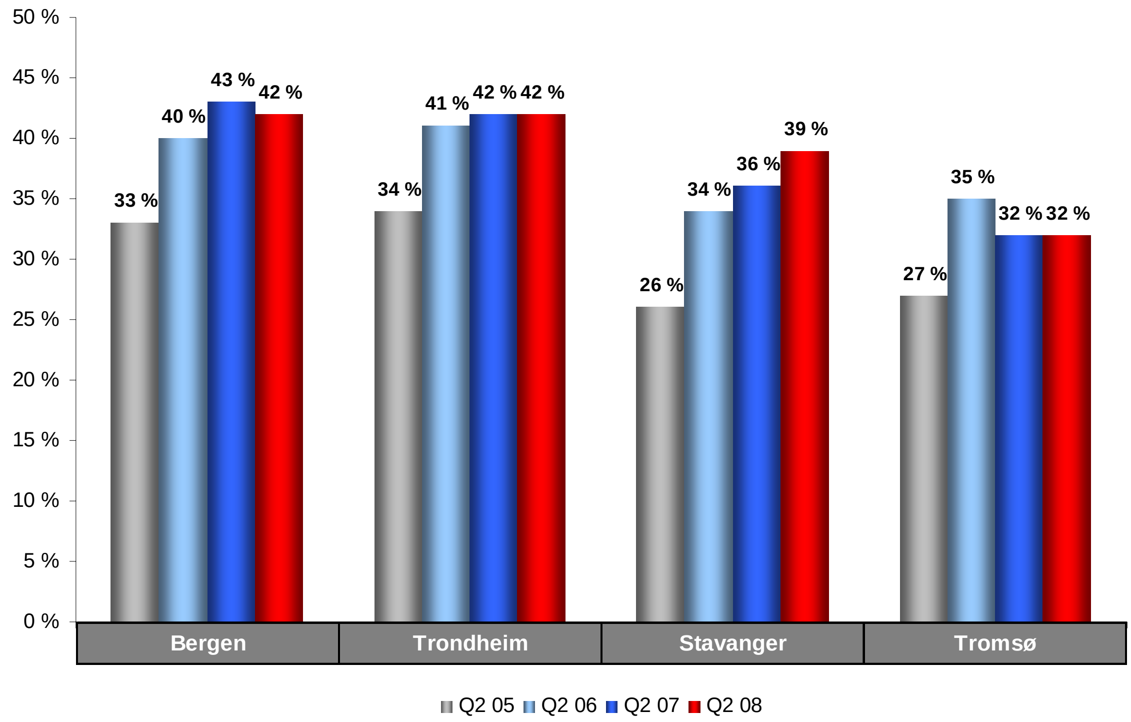


Source: Norwegian

Norwegian has industry leading information technology making the solutions offered to customers the best in the market, both in terms of completing a booking and being able to access the 'Lavpriskalenderen', low cost calendar, so customers will be able to get the pricing for all flights to selected destinations for a given period, something that has proved hugely popular with the customers. Norwegian was ranked as the company with the second best reputation/respected brand in Norway across all industries in 2007 based on the yearly survey conducted by Reptrack and Apeland Informasjon, May 2008.

5.4.6 Norwegian market share development

Norwegian has firmly established itself in the Norwegian market with high and growing market share on the key domestic routes since it started operating domestic routes in 2002. The Norwegian airline market is being dominated by two players, SAS and Norwegian, as well as the demographics and road and train network making the alternatives to air transport non existent for many customers. Norwegian has experienced a strong growth in its market share in the past years, having gained a market share of 42% on the important domestic routes between Oslo – Bergen and Oslo – Trondheim.



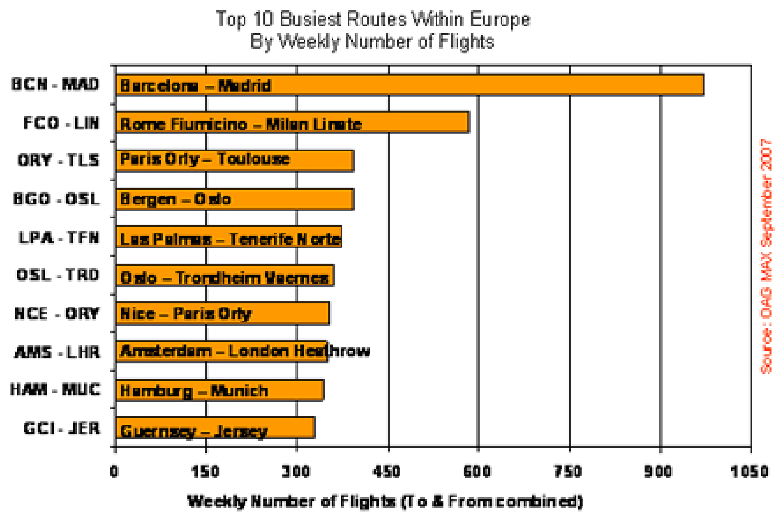
Source: Norwegian, Q2 2008 presentation

With only one competitor (SAS) there is significant room to continue to grow the market share for Norwegian on the most profitable domestic routes as well as open routes to new destinations where SAS has been operating solely, as recently done with the Oslo – Kristiansand route.

The establishment of a new base in Poland and Rygge Airport and the acquisition of FlyNordic in 2007 have made Norwegian well positioned for further growth internationally, especially given the acquired attractive slot times at Stockholm Arlanda and estimated strong growth in air travel from Poland in the coming years.

5.4.7 Norwegian attractively positioned for growth

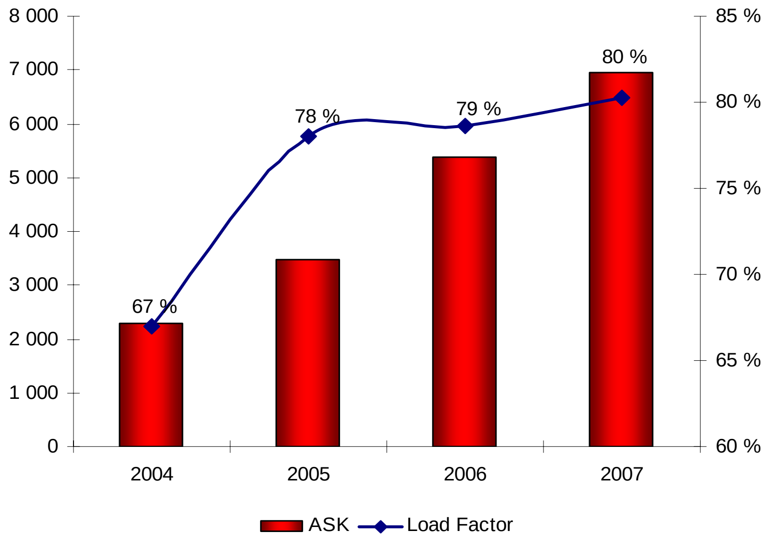
Despite a somewhat slower economic growth outlook, air travel is expected to remain strong in Norway given the demographics of Norway, being a large country where there are long distances between major cities and for most people travelling by air is by far the best alternative. The routes between Oslo-Bergen and Oslo-Trondheim are amongst the 10 busiest routes within Europe.



Source: OAG MAX September 2007 (http://www.oag.com/oagcorporate/pressreleases/07+OAG+reveals+latest+industry+intelligence+on+ the+busiest+ routes+2109072.html)

In addition more attractive routes and peak slot times following the acquisition of FlyNordic will also drive growth for Norwegian. Full integration of Norwegian.se will be a key driver of profit growth in the coming years and attractive Scandinavian routes from Stockholm is expected to result in increased load factor and profitability. Moreover the operation in Poland and the opening of the new base at Rygge Airport is expected to increase the number of passengers, revenue growth and utilisation of the aircraft. Norwegians focus on a common aircraft fleet for all Norwegian's bases will also result in reduced costs for the Company.

Over the past four years Norwegian have increased their capacity, available seat kilometre (ASK), significantly from just over 2,300 million ASK in 2004 to about 7,000 million ASK in 2007.



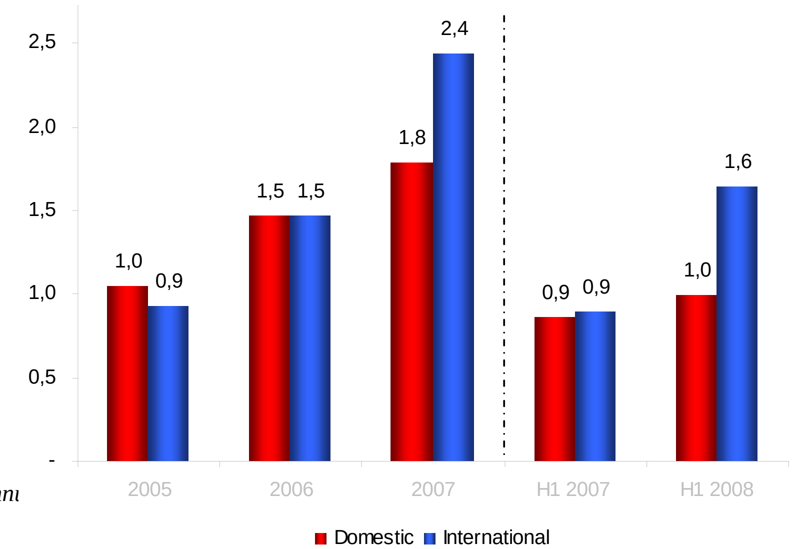
Source: Norwegian, Q4 2007 presentation

Norwegian increased their capacity by 30% in 2007 while at the same time increasing the load factor to 80%, absorbing the increased capacity offered by the Company.

5.4.8 Historic revenue development and breakdown

Norwegian has experienced strong growth in its revenue over the past years, with most of the revenue growth coming from the Company's international operations as Norwegian has added new and attractive international routes to the route network.

Historic sales revenue breakdown



Source: Norwegian, annu

The domestic market has also showed strong growth in revenue in recent years, growing by 21% in 2007, and 15% y-o-y from H1 2007 to H1 2008.

The strong growth is closely related to the number of aircraft in operation:

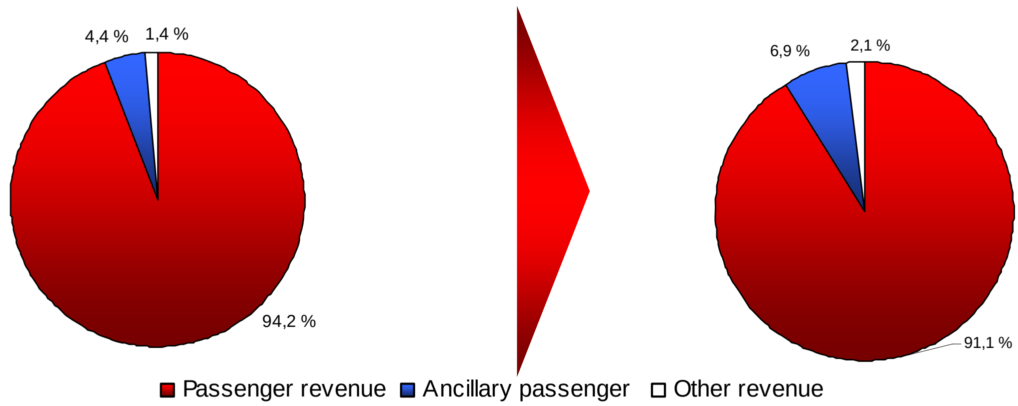
Number of aircraft operated at the end of the period, incl. wet lease.							
	2005	2006	2007	Q1 2007	Q2 2007	Q1 2008	Q2 2008
Lease	14	17	23	18	22	33	37
Owned	-	2	2	2	2	2	4
Total	**14**	**19**	**25**	**20**	**24**	**35**	**41**

Source: Norwegian, annual reports and interim statements

Over the past year, Norwegian has been able to increase its portion of non-passenger ticket revenue from increased ancillary passenger revenue coming from luggage fees, seat selection fees, commission from sale of hotels and insurances sold to customers while booking the flight.

Revenue breakdown (H 1 2007)

Revenue breakdown (H 1 2008)



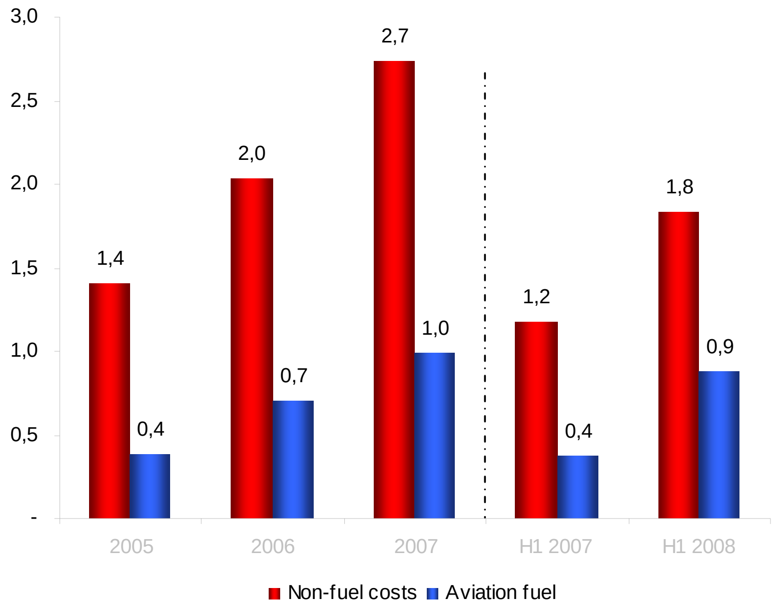
Source: Norwegian, Q2 2007 and Q2 2008 interim reports

Norwegian is working to increase the proportion of non-ticket revenue to a higher share through new revenue initiatives from developing new offers to flight customers as well as new initiatives such as the establishment of Bank Norwegian AS and more recently Call Norwegian AS.

5.4.9 Cost breakdown

Norwegian's cost and organisational structure is built on the foundation of being a low-cost airline, offering tickets to its customers at a lower price than its competitors. Historically a significant part of the operating costs for Norwegian has been fixed costs, it is therefore important to keep a high utilisation factor of its aircraft and ensure a high load factor for the routes it operates.

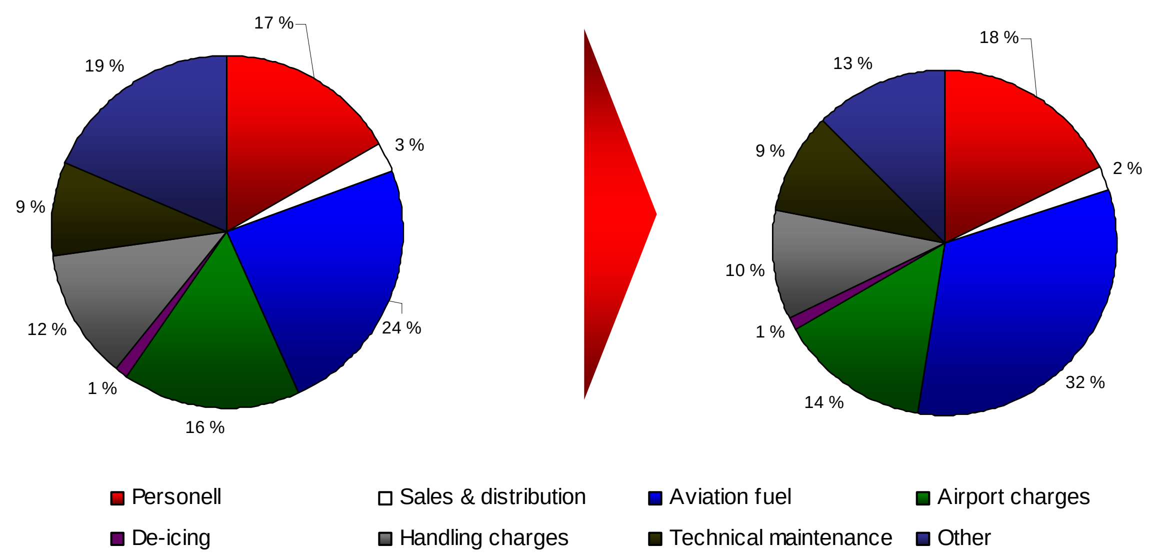
Historic operating cost breakdown



Source: Norwegian, annual reports and interim statements

Given the recent increase in aviation fuel the relative importance of the variable costs have increased but is expected to be compensated for in form of the recently introduced fuel surcharge.
Sales and distribution costs continue to be very low for Norwegian given the success of tickets being sold through the Norwegian.no and Norwegian.se websites. Over the past year the increase in jet fuel has made fuel represent 32% of the operating costs in H1 2008 compared to 24% for the same period in 2007.

Operating cost breakdown (H 1 2007)	Operating cost breakdown (H 1 2008)



Source: Norwegian, Q2 2007 and Q2 2008 interim reports

5.5 FlyNordic transaction

5.5.1 General

On the 24 April 2007 Norwegian and Finnair announced that they had signed a Memorandum of understanding regarding the sale of Finnair's subsidiary Nordic Airlink Holding AB to Norwegian.

On the 30 June 2007 the parties signed and entered into a SPA on the terms and conditions for Norwegian's acquisition of 100% of the shares in Nordic Airlink Holding AB from Finnair. The consideration for the shares were paid to Finnair by the issuance of new shares and option rights in Norwegian, as well as a cash payment for the net asset value as of 30 June 2007 and a profit-sharing agreement for the charter operations of FlyNordic. The total cash payment was NOK 20.6 million and a further NOK 4.6m is estimated to be paid to Finnair as part of the profit-sharing agreement for the charter operation.

5.5.2 The background and rationale for the Transaction

The Company is of the opinion that the acquisition of Nordic Airlink Holding AB in 2007 will strengthen Norwegian's position in both the Norwegian and Swedish market when the full integration between the companies is completed. FlyNordic is present in the Swedish domestic market, as well as on the intra-Scandinavian market. Norwegian aim for a strong domestic position in both the Norwegian and Swedish markets, as well as increasing the already high frequencies on the Scandinavian Capital triangle.

Norwegian identified several key areas of integration and improvement, which is in the process of being implemented, and is expected to contribute to Norwegian's growth and at the same time contribute to improving Norwegian's unit costs and competitive advantage. The most important areas of integration and improvement are the integration of FlyNordic's route portfolio into Norwegians distribution channels, integrating existing route portfolio, unifying the group's aircraft fleet, and increasing FlyNordic's utilization of its aircraft fleet to Norwegian's levels. Other key areas of integration of the product and services are to raise levels to a standard platform for both airlines. The key focus point in relation to the product is the interdictions of systems in both companies that will reduce costs and improve customer service at the airports. Finally, network optimization is a key focus in the ongoing integration phase between the companies.

5.6 Research and development, intellectual property rights and patents

The EU Directive 2407/92 requires that airline companies must have an Air Operators Certificate (AOC). The purpose of the AOC is to certify that the company has the necessary technical expertise and organisational resources to operate aircraft safely. The Company obtained an AOC in August 2002 for Boeing 737, and this has been updated ever since in order to include new aircraft operated by the Company. The Company's subsidiary in Sweden has also a valid AOC. Norwegian has registered its "Lavpriskalender" (low fare calendar) as a "protected design". The registration prohibits other companies to the same or similar design as Norwegian with respect to the web interface, graphic symbols etc. The technical aspect of the "Lavpriskalender" is not and can not be patented.

Apart from the abovementioned, there are no substantial contracts, patents, certificates etc. Norwegian depends upon.

5.7 Material contracts

5.7.1 Banking and telecom services

The Company's general meeting made an amendment to the Articles of Association 3 May 2007. The changes allows for Norwegian to participate or engage in business activities outside of Norwegian's core activities of providing low cost flights, at that time, current primary business area.

The changes allowed Norwegian to have the possibility to be engaged in other areas of business, inter alia, in order to obtain efficiency gains and create synergies with Norwegian's primary business. Norwegian has established a strong position within internet based services and e-commerce solutions. It is regarded as a possibility to utilize the Company's position and know-how on internet within other business areas and thereby create added value for the Company. Typical examples would be provision of services related to car-rental, hotel booking, sale of tax free products etc. Furthermore, the article of association does not restrict the Company's possibility to participate in other parts of the value-chain, including provision of financial services, credit card issuance and payment services.

Since after the amendment of the Articles of Association, Norwegian has invested in, and been a major contributor, in launching an internet bank – Bank Norwegian AS. Norwegian has a 20% ownership in Bank Norwegian AS as well as several commercial agreements between the two operations, amongst them a royalty payment to Norwegian from Bank Norwegian AS for the use of the Norwegian name.

Norwegian is also in the early stages of establishing a telecom company with the name Call Norwegian AS, building on the same principles as for the establishment of Bank Norwegian AS of offering customers good products at low prices. Norwegian currently owns 100% of Call Norwegian AS. The Company has also provided Call Norwegian AS with funding as revolving credit of up to NOK 4,667,500 with an interest cost of 7.0% p.a with the revolving credit and the interest costs falling due 31 December 2008

5.7.2 Contract with Boeing

Norwegian has ordered 42 new Boeing 737-800 HGW aircraft with Blended Winglets from Boeing. The aircraft have a list price of USD 3.1 billion. In addition to this, Norwegian ensured purchase rights for an additional 42 aircraft of the same model from Boeing. The 42 aircraft are being delivered over a six year time period (2009 – 2014) averaging seven aircraft per year.

5.7.3 Leasing and purchase contracts

The company is continuously entering into new leasing contracts in order to meet the growth ambition. During the firs half of 2008 the Company has taken deliveries of the first six of 53 aircraft of the type 737-800 HGW, all as operational leases. In additional the company has in first half of 2008 extended the leasing period for three, 737-300 aircraft. The Company has not entered into any new material size leasing contracts for any properties.

5.8 Disputes

See Section 13 Legal Matters

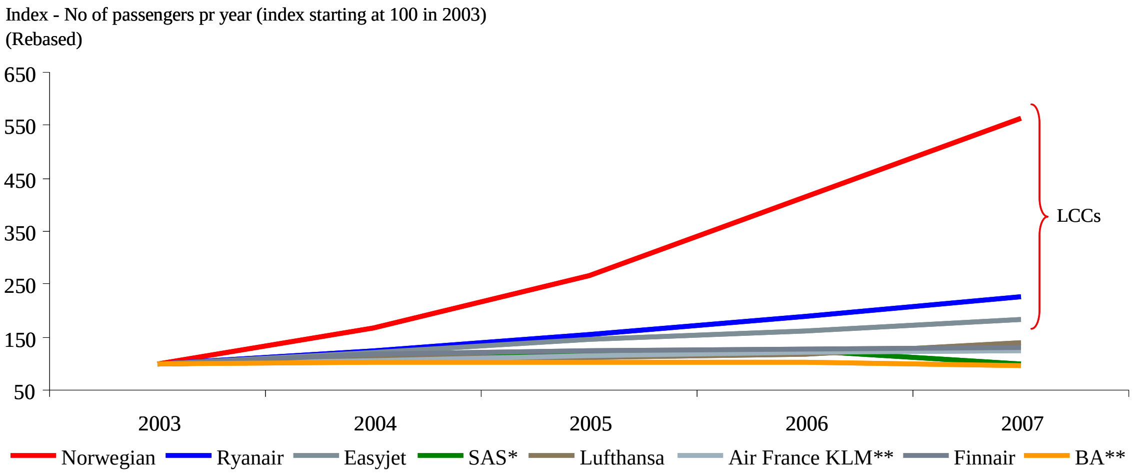
6. THE COMPANY'S INDUSTRY

If not otherwise indicated in the text, the source of the information in this section is Norwegian. Information which has been sourced from a third party has been accurately reproduced. As far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

6.1 Introduction

The European low cost carriers (LCCs) have, in sharp contrast to the established network carriers, experienced significant growth both in terms of number of passengers and earnings. The trend started in 1997 when the last cross border operational barrier for the European Union (plus Norway and Iceland) airliners was brought down. From that year any technically qualified airline in the European Union was able to run services inside any other country. This deregulation fuelled the growth of the low cost carriers. As can be seen from the figure below, the LCCs have seen a tremendous growth. By way of example, over the period 2003 to 2007 Ryanair increased its annual passenger numbers from around 21 million to around 48 million, while Easyjet achieved an increase from around 11 million to around 37 million over the same period. For comparison, Finnair saw an increase in passengers from 7 million in 2003 to 9 million in 2007, while BA saw a decrease in passengers from 36 million in 2003 to 33 million in 2007. On aggregate, the LCCs in the figure below increased their passenger figures with 116% (21% CAGR) over the period, while the others saw and increase of 18% (4% CAGR).

Passenger figures for selected European airliners



*Including Spanair 2003-2006
** Year from April 1 to March 31

Source: Company annual reports
http://www.norwegian.no/sw24381.asp
http://www.ryanair.com/site/EN/about.php?page=Invest&sec=reports
http://www.easyjet.com/EN/Investor/investorrelations_financialreports.html
http://www.sasgroup.net/SASGroup/default.asp
http://www.lufthansa-financials.de/servlet/PB/menu/1024490_l2/index.html
http://www.airfranceklm-finance.com/financial-results-air-france-klm.html&navigationAnnee=2007
http://www.finnairgroup.com/investors/investors_5_1.html
http://www.bashares.com/phoenix.zhtml?c=69499&p=irol-reportsannual

The success of the low cost operators is largely attributable to a business model incorporating both passenger demands and low cost operations. Passengers are met with cheap, efficient and safe operations, at the same time as the low cost carriers, providing point to point services, have been able to significantly reduce turnaround times and operating costs through inter alia limited in flight services and ticket sales through internet. This success has been achieved at the expense the established network carriers, in addition to increased demand that has been driven by lower prices and enhanced service offering.
Until 2002 is was allowed for airline carriers to let its passengers earn mileage on domestic flights. This effectively hindered new airline carriers to challenge SAS established position in Norway. In 2002 the

government resolved that earning of mileage on domestic flights should be prohibited, inter alia to facilitate establishment of competing airline carriers within the Norwegian air travel market. Any repeal of the rules concerning prohibition of earnings of mileage may weaken NAS competitive position. NAS is, however, not depending on the existence of such rules and has also established its own mileage scheme, “cashpoints”.

6.2 Key market observations

The macroeconomic picture has and should continue to provide a solid foundation for air passenger demand. Strong growth in developing economies, particularly Poland and other Eastern European countries alongside high oil and gas prices supporting strong growth in Russia, will continue to positively affect the European economy. The growth in Europe has recently shown signs of weaker momentum, but the base case is still for steady and positive economic growth over the next years. The airline industry remain exposed to several risks, ranging from temporary negative impacts (inter alia security worries) to longer term concerns such as high fuel prices and slower than expected economic growth. These risks, several of which are exogenous, imply that possibilities for future turmoil cannot be disregarded. However, the underlying factors driving growth for air passengers remain positive. On the supply side, expansion of traffic could be constrained by congestion at some large airports, but, both airports in Norway (inter alia Oslo Airport) and abroad (inter alia London Heathrow) continue to expand capacity by planning additional terminal capacity and runways. At the same time, increased airline and airport security requirements could impact demand if they translate into higher monetary costs for passengers and increased social costs represented by longer travel times. IATA’s latest forecast[1], based upon a comprehensive survey of the airline industry, shows that passenger demand growth will continue to provide a positive boost to airline revenues over the five years from 2007 to 2011. However, segmental growth differences are still likely to occur between international passengers and domestic passenger.

IATA expects that international passenger volume growth has passed its peak level for the current cycle, but will remain strong. International air passenger numbers are expected to grow at an average annual growth rate (AAGR) of 5.1% between 2007 and 2011, lower than the average rate of 7.4% seen between 2002 and 2006. Demand growth will be weakened by slightly slower economic growth, but will also be boosted by the liberalization of markets and the emergence of new routes and services. Domestic passenger numbers are forecast to grow at an AAGR of 5.3% between 2007 and 2011, higher than the average rate of 4.4% seen between 2002 and 2006[2].

At present, airlines have stronger balance sheets than they had five years ago. But the challenges and increased competition over the last years have left the industry with less financial flexibility. Share prices have declined recently, reducing the attractiveness and possibilities of raising equity capital, at the same time as the cost of credit has increased significantly. Consequently, financially challenged airlines with negative operating cash flows and possibly large capital expenditure programs will find it challenging to obtain sufficient funding going forward. Continued cost focus, improved operational flexibility and efficient capacity management are necessary to translate the improvements already achieved into a stable and profitable industry. Industry consolidation may be a natural consequence of these challenges if capital markets do not improve and profitability is brought down.

Competition for passengers will be strong as new capacity increases at a faster rate. In 2005 and 2006, record new aircraft purchase contracts were entered into by the airline industry. The large numbers of new orders represented strong confidence in the future prospects of the European airline industry. On the other hand, the increase in capacity enhances the risk of excess capacity on certain destinations, as the new capacity is obtained by the airliners over the next few years. The strong capacity growth is illustrated by backlogs at Airbus and Boeing suggesting that the first possible delivery for new single-aisle aircraft ordered today is at the earliest in 2013-2014 implying full capacity utilization at the manufactures.

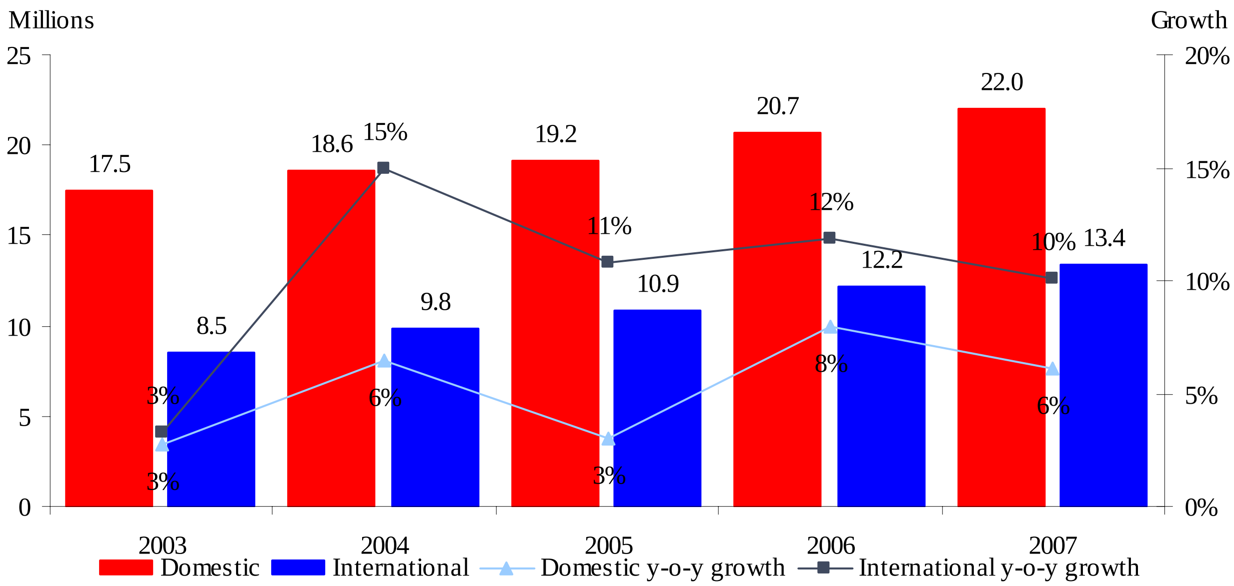
6.3 The Norwegian air travel market

A total of 35 million passengers arrived, and departed at Norwegian airports on scheduled flights and chartered/non-scheduled flights. I addition, there were some six million transfer and transit passengers. Driven by

[1] Source: IATA, www.iata.org
[2] Source: IATA, www.iata.org

challenging topography and scattered population, the people of Norway have become amongst the most frequent flyers in Europe. In terms of number of flights, two of the ten busiest European routs are found in Norway. Bergen-Oslo is the fourth busiest route, and Oslo-Trondheim follows on the sixth place[3].

Number and growth in number of passengers arriving and departing airports in Norway



Source: Avinor, Trafikkstatistikk årsstatistikk 2007 (http://www.avinor.no/avinor/trafikk/10_Trafikkstatistikk)

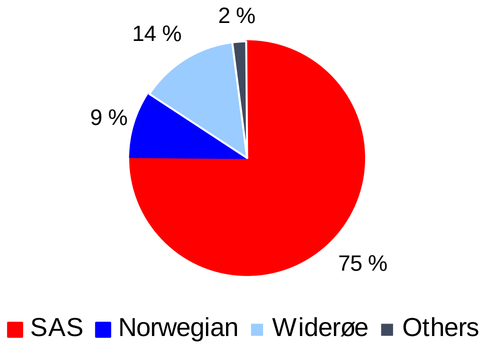
The number of passengers has increased significantly over the period with a CAGR of 8%. This trend has been present for both domestic passengers and international passengers, however, international passengers have grown faster than domestic passengers as can be seen from the diagram above. Turmoil in the international financial markets and generally weaker economic outlooks has created concerns for investors and players within the airline industry. Recent air traffic statistics from Avinor, indicates a certain slowdown in domestic travel with a 3.6% increase in number of domestic passengers from January to May 2008 compared to the same period in 2007. On the other hand, international travel continues to hold up, and from January to May 2008, there was an 11.1% increase in the number of international passengers compared to the same period in 2007. Norway's busiest airport, Oslo Airport Gardermoen, is also expecting significant increases in passengers, best illustrated by the decision to build a second terminal increasing capacity to about 35 million passengers per year[4].

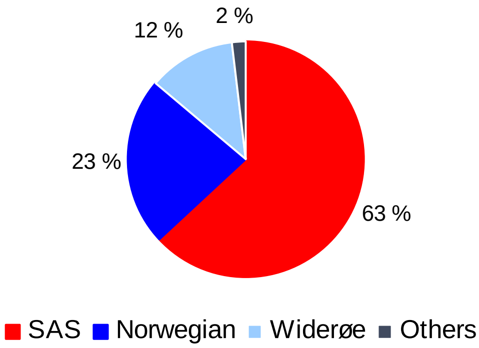
6.3.1 Domestic travel in Norway

A total of 22 million passengers arrived and departed airports in Norway in 2007. The increase from 2006 was 6.1% and 2007 represented the 5th year of consecutive growth following the global downturn accelerated by the terrorist attacks in 2001. SAS is the largest operator on domestic routes in Norway. Norwegian is growing significantly and trebled its number of passengers from H1 2003 to H1 2007 while SAS increased its number of passengers with about 3%[5]. As can be seen from the figure below, there is a limited number of airline operators and the three largest players control 98% of the market.

[3] Source: OAG MAX, www.oagmax.com
[4] Source: Oslo Airport Gardermoen, www.osl.no
[5] Source: Avinor, www.avinor.no

Market shares in Norway in H1 2003 (left side) and H1 2007 (right side)





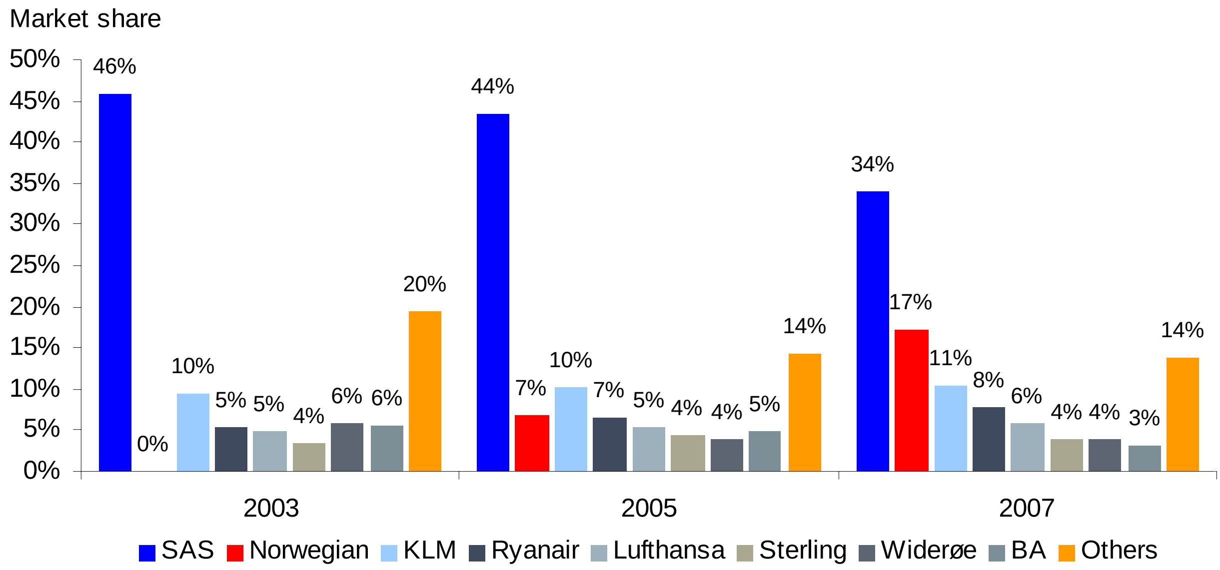
Source: Avinor, Flytrafikken første tertial 2007 (http://www.avinor.no/avinor/trafikk/20_Reisevaner)

The air travel market inside Norway is characterized by a triopoly comprising SAS, Norwegian and Widerøe. SAS is the largest player with a history dating back several decades and had in excess of 60% market share on domestic routes in Norway in H1 2007. Norwegian started challenging the established position of SAS in the autumn of 2002. Since then, Norwegian has increased both the number of destinations and the frequency of its flights resulting in significant increases in market shares going from 9% in H1 2003 to 23% in H1 2007. The third significant operator, Widerøe that primarily serves remote destinations with short runways, has seen a somewhat decrease in its market share to about 12% in H1 2007. For Norwegian, the achieved market shares on destinations in which the company is in direct competition with SAS varies from about 32% (Oslo-Stavanger) to about 47% (Oslo-Evenes). In H1 2007, about 60% of travels inside Norway have its origination in business purposes which represents an upward trend from earlier periods.

6.3.2 Travel from Norway to abroad

In 2007, a total of 13 million passengers arrived and departed airports in Norway on flights bound for destinations outside Norway. This represents a 10.1% increase from the year before. In contrast to the market for flights inside Norway, there is larger competition on the international routes originating in Norway. Eight operators have market shares in excess of 3%. SAS, Lufthansa, KLM and BA are network carriers primarily serving their own hubs in their country of origin. The largest LCCs, Norwegian, Ryanair and Sterling have a more diverse destination structure which is driven solely by point-to-point demand. The network carriers will, in addition to supply point-to-point services, to a larger extent provide possibilities for transfer flights. According to Avinor's research as much as 75% of passengers flying to Amsterdam, where transfer passengers scheduled for connecting flights. In terms of market shares, the three largest LCCs had about 9% in 2003. This has increased with over 200% to about 29% in 2007 fuelled by Norwegian's establishment of scheduled routes to foreign destinations during the summer of 2003 and further expansion of Ryanair's and Sterling's service offering.

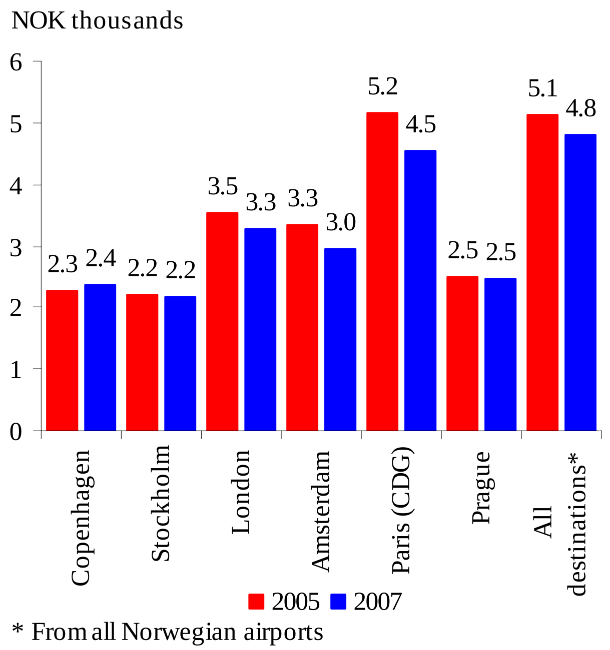
Market shares for passengers on scheduled flights between Norway and abroad

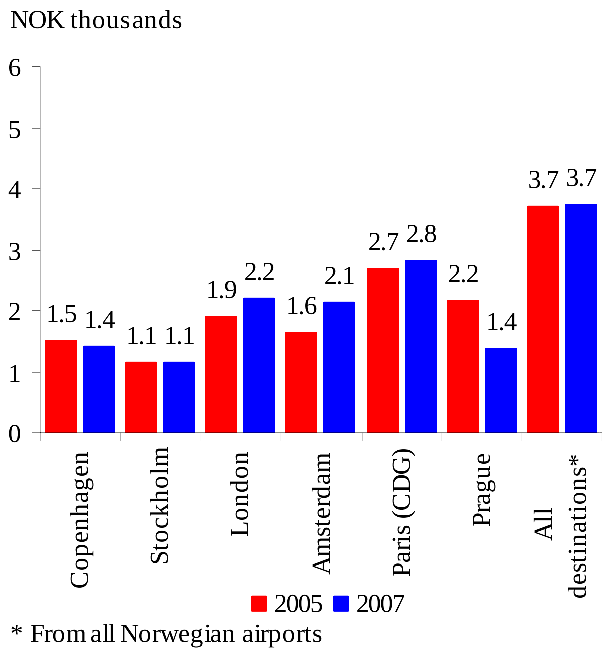


Source: Avinor, Flytrafikken første tertial 2007 (http://www.avinor.no/avinor/trafikk/20_Reisevaner)

It is reasonable to believe that the growth of the LCCs has significantly contributed to the downward price pressure that has been observed from 2005 to 2007. Business trips have seen a 6% reduction in prices, while leisure has been relatively flat. The actual price changes varies greatly by destination, however, the trend is unambiguous for business originated travel.

Average prices for tickets to selected destinations from Oslo (business left side, leisure right side)





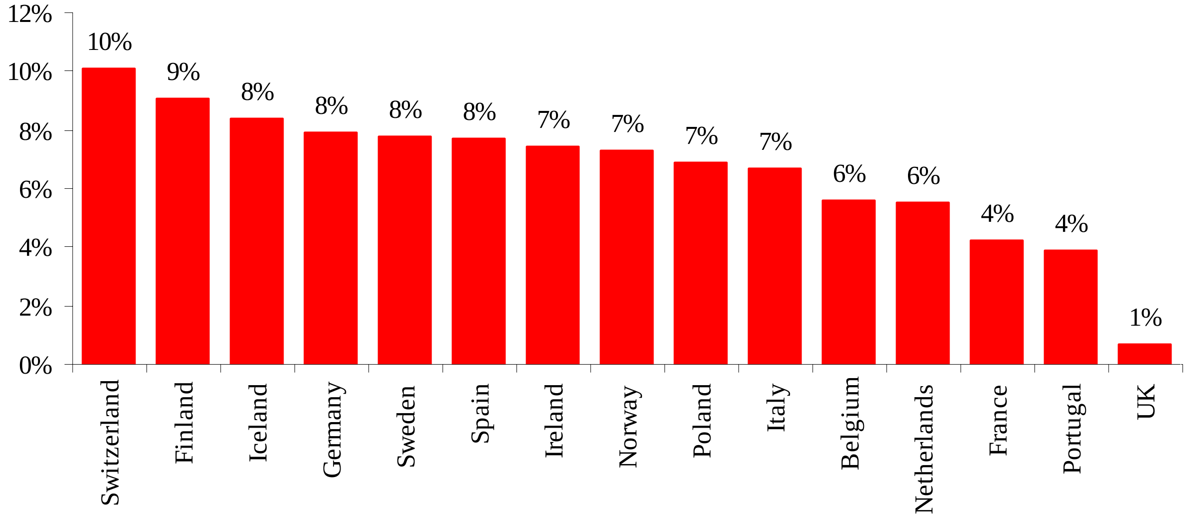
Source: Avinor, Flytrafikken første tertial 2007 (http://www.avinor.no/avinor/trafikk/20_Reisevaner)

6.4 The European air travel market

As for Norway, the European Union has experienced strong economic growth over the last years. This has also transferred positively to the airline industry that has experienced correspondingly strong growth. Association of

European Airliners (AEA) members boarded some 279 million passengers in 2007, an increase of 4% from the year before. The majority of this growth was seen with the cross-boarder segment. The cross-border market increased with 6.9% in terms of ASK and 7.3% in terms of RPK in 2007. Passenger figures were correspondingly strong with 5.9% increase on average across Europe. Several countries exceeded this figure, Switzerland achieved 10%, Germany 8%, Spain 7% and Italy achieved 7%. UK lagged the reset of Europe significantly with just a 1% increase, while the second largest economy in Europe, France, was somewhat below average at 4%.

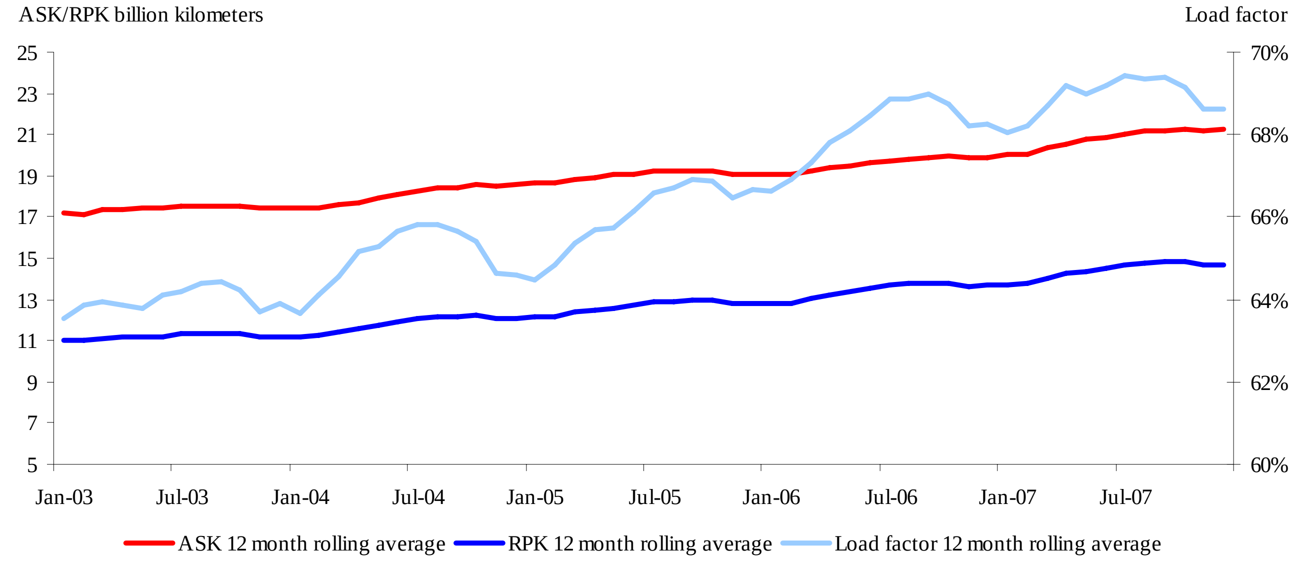
Growth in intra European passengers in 2007



Source: AEA, Summary Report 2007 (http://www.aea.be/research/economics/index.html)

The competitive landscape in Europe is fundamentally different from the market in Norway. Large network carriers with global alliances together with a large number of LCCs create significant competition for passengers. Markets that have been heavily deregulated over the last decade have fostered growth for increased competition benefitting passengers that see an enhanced service offering and reduced prices. Both demand side and supply side factors have driven the development of the airline industry. On the demand side, improved general economic conditions have supported higher load factors and increased production in terms of ASK. On the supply side, both established players and new entrants have increased route frequencies and started flying on new destinations. This has lead to a positive development in both ASK, RPK and load factors over the last periods.

ASK, RPK and load factor for cross boarder European flights



Source: AEA, Summary Report 2007 (http://www.aea.be/research/economics/index.html)

Over the next five years, International Air Transport Association (IATA) estimates that developing economies in Eastern Europe will make a greater contribution towards air traffic growth. The increase in disposable incomes for a large portion of the population in EU will boost the demand for air travel. However, because incomes are growing from relatively low levels, air traffic growth may initially be focused on domestic and short-haul travel with long-haul travel developing over the medium to long-term.

6.5 Trends in the European airline industry

LCCs continue to grow in the European market at the expense of the network carriers. According to AEA, the European LCCs increased their production in terms of ASK by 27% from mid 2006 to mid 2007. A large amount of the market targeted by the LCCs is leisure travel to Mediterranean destinations, and Eastern Europe. Several of the European LCCs like Norwegian and Wizzair, have developed route structures based on hubs in different countries in an attempt to derive critical mass in a generally fragmented marketplace. In comparison, the network carriers are still essentially state-owned and hold a strong national identity. Given this, they would have much more difficulty in implementing such a strategy as passengers likely would have had prejudices towards the "foreign" operators. As can be observed in the markets place, the dominating players for cross-boarder flights were the operator does not have the same nationality as the country of origin, are the LCCs.

In a pressured economic environment for the airline industry, the LCCs have long been aware of the potential for leveraging their passenger volumes to generate revenues in addition to income from ticket sales. For some, these add-on revenues have become an increasingly important part of their business. Ryanair's add-on revenues in their annual report for the year ending 31 March 2008 increased by 35% to EUR 488 million, equivalent to 18% of their total revenue. It is reasonable to believe that the trend to search for add-on revenues will continue in the future, especially given the predicted harsher operating environments.

To define an LCC is a subjective judgement that will involve evaluating a significant amount of non-vital services provided on flights, being both commercial and operational in nature. While Ryanair has for long stood out as a frontrunner for the LCCs in Europe while continually reducing costs associated with non vital services, the distinction between LCCs and network carriers continues to wear down. In the LCC world, the operators have, in their search for add-on revenues, started adding back services with an associated cost to be paid when the service is consumed. Assigned seating, food and beverages and priority boarding are some examples. In parallel to this, the network carriers attempts to reduce cost by removing, or at least differentiating the service offering. The savings obtained by the network carriers and their increasingly discriminating pricing strategy have made the network carriers to be able to review and adjust their commercial strategy and better defend their positions and market shares.

7. ORGANISATION, BOARD AND MANAGEMENT

7.1 Overview

Norwegian Air Shuttle ASA is a public limited liability company, incorporated under the laws of Norway pursuant to the Norwegian Public Limited Liability Companies Act. Norwegian Air Shuttle ASA was established in 1993 and the Company is the current holding company of the Norwegian group and was incorporated and registered in the Norwegian Register of Business Enterprises on 12 March 2005.

7.2 Registered Address and Organization Number

The registered business and postal addresses of Norwegian are:

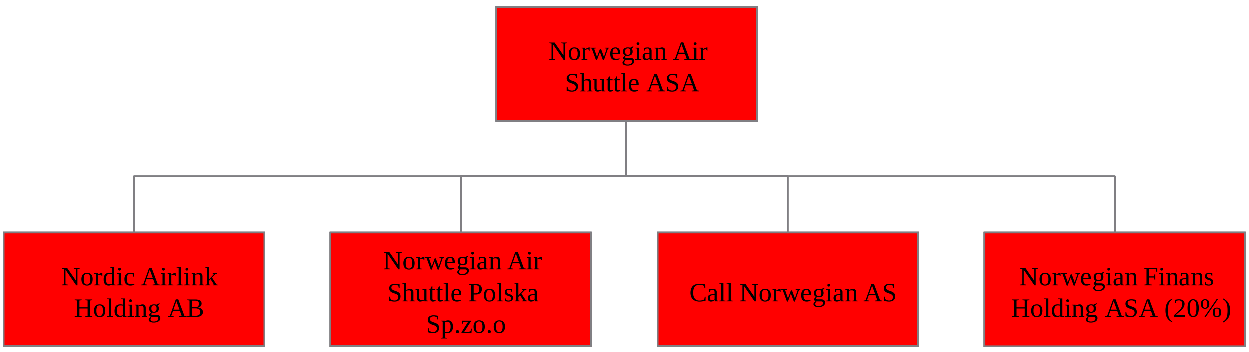
Visiting address:	Postal address:
Oksenøyveien. 10 A	Postboks 115
1366 Lysaker	1366 Lysaker

Website: www.norwegian.no

The Company is registered with the Norwegian Register of Business Enterprises under the organisation number 965 920 358. The telephone number for the Company's main office is +47 67 59 30 00, and the fax number is + 47 67 59 30 01.

7.3 Legal Structure

The figure below shows the legal structure of Norwegian as per 30 June 2008.



Norwegian Air Shuttle ASA (Norway)
Norwegian Air Shuttle ASA is the parent company of the group. The company is based at Oslo, Stavanger, Bergen, Trondheim and Rygge and are controlled directly through the head-office at Fornebu. As of year-end 2007 the company operated 24 Boeing 737-300's and one wet-leased Airbus A320 out of these bases.

Nordic Airlink Holding AB (Sweden)
Nordic Airlink Holding AB operates eight MD-80 out of Stockholm Airport Arlanda. The MD80 fleet will be phased out before the end of leasing period and will during the coming winter season be replaced by Boeing 737's. Changes in the route program are expected in order to strengthen the domestic Swedish operation The airline was rebranded from FlyNordic to Norwegian.se in April 2008. The company has its own management and organization.

Norwegian Air Shuttle Polska Sp.zo.o (Poland)
Norwegian Air Shuttle Polska Sp.zo.o operates out of Warsaw, Poland. Norwegian Air Shuttle Polska Sp.zo.o operates and manage the crew on the routes operating from Poland as well as the local administration and sales activities.
Call Norwegian AS (Norway)
Call Norwegian AS was established in January 2008 and will be commercialized in the fourth quarter of 2008. They will be offering products such as cell-phone coverage and internet access in the air in cooperation with the airline, further leveraging the Norwegian brand and producing additional ancillary revenue for the airline.

Norwegian Finans Holding ASA (Norway)
Norwegian Air Shuttle ASA owns 20% of the shares in the internet based Bank Norwegian AS through Norwegian Finans Holding ASA. The airline's loyalty program Norwegian Reward is run in cooperation with the bank.

7.4 Founders

Bjørn Kjos among others founded Norwegian Air Shuttle ASA 22 January 1993. Initially the company operated routes between destinations in western Norway on behalf of Braathens. This operation was terminated 31 March 2003 and in April 2003 Norwegian started flying regional routes in the north of Norway. Since then Norwegian has continuously expanded and now operates a total of 156 routes – 22 domestic and 134 international.

7.5 The Board of Directors

In accordance with Norwegian law, the Board is responsible for administering the Company's affairs and for ensuring that the Company's operations are organized in a satisfactory manner.

The composition of the Board complies with the Norwegian Code on Corporate Governance.

The Company's Articles of Association provide that the Board shall have no fewer than six members and no more than eight members. In accordance with Norwegian law, the CEO and at least half of the members of the Board must either be resident in Norway, or be citizens of and resident in an EU/EEA country. The majority of the members of the Board are elected by the general meeting of shareholders. The employees have pursuant to Norwegian law the right to elect up to 1/3 and at least two of the board members conditional of a number of 50 employees in Norway. The Board is elected for a term of two years in accordance with the Public Limited Company Act. Board members may be re-elected.

The Board consists of eight members, whereof three members are employee elected board members. Except for Erik G. Braathen, Bjørn H. Kise and Ola Krohn Fagervoll, the remaining two shareholder-elected board members are independent of the management, main business associates and the main shareholders.

Erik G. Braathen is not independent of the main shareholders and main business associates due to the fact that the company Ojada AS and the fact that Erik G. Braathen is a shareholder and board member of Ojada AS. As per 8 August 2008, Ojada AS have a total shareholding of 4.32% in Norwegian.

Bjørn H. Kise is not independent of the main shareholders and main business associates due to the fact that the companies HBK Holding AS and BSB Invest AS and the fact that Bjørn H. Kise is a shareholder and board member of HBK Holding AS and BSB Invest AS. As of 8 August 2008, HBK Holding AS has a total shareholding of 15.17% and BSB Invest AS has a shareholding of 14.69% in Norwegian. Mr. Kise holds respectively 9.0% and 8.33 % of HBK Holding AS and BSB Invest AS, ownership in BSB Invest AS is owned through a 10% ownership in HBK Invest AS which owns 83.33% of BSB Invest AS, which in total represent 540 300 shares in Norwegian.

Ola Krohn Fagervoll is pursuant to considerations conducted in compliance with the Norwegian Code on Corporate Governance not regarded as independent of the management, as he has been the Deputy Managing Director of Norwegian in the period from May 2003 till August 2005.

7.5.1 Members of the Board

The Board of Directors of Norwegian currently consists of the following persons:

Name of Director	Director since	Current term expires	Business address
Erik G. Braathen	May 2002	Jun 2010	Ojada AS Olav V´s gate 5, 9. etg. P.B. 1273 Vika, 0111 Oslo
Bjørn H. Kise	Feb 1993	Jun 2010	Vogt & Wiig Advokatfirma Roald Amundsensgate 6 P.B. 1503 Vika, 0117 Oslo
Liv Berstad	May 2005	Jun 2009	KappAhl AS P.B. 1438, 1602 Fredrikstad
Marianne Wergeland Jenssen	Dec 2007	Jun 2009	Nord Pool ASA Vollsveien 19 P.B. 373, 1326 Lysaker
Ola Krohn-Fagervoll	May 2005	Jun 2009	PetroAdvisors AS Haakon VII's 10 c/o RS Platou Shipbrokers A/S P.B. 1604 Vika, 0119 Oslo
Monika Johansen	Dec 2006	Dec 2008	Norwegian Air Shuttle ASA P.B. 115, 1366 Lysaker
Halvor Vatnar	Autumn 1999/ 2000	Dec 2008	Norwegian Air Shuttle ASA P.B. 115, 1366 Lysaker
Sissel Gjelstad Vårum	Dec 2006	Dec 2008	Norwegian Air Shuttle ASA P.B. 115, 1366 Lysaker

Erik G. Braathen, Chairman of the Board
Chairman of the Board since autumn 2004

Mr. Braathen holds a Master of International Management from AGSIM, Phoenix, Arizona and Bachelor of Arts & Economics from the University of Washington. Mr. Braathen has extensive experience from senior positions he held in the airline Braathens ASA from 1986 – 1999, including Deputy Managing Director, Managing Director and Group Chief Executive Officer. Since 1999 he has been the Chief Executive Officer of Ojada AS, a privately owned investment company. He also holds a number of board appointments in large and medium sized companies.

Ojada AS holds 900,500 shares in Norwegian.

Bjørn H. Kise , Deputy Chairman of the Board

Mr. Kise is a Law graduate of the University of Oslo. Mr. Kise has over 25 year's experience of legal practice as a partner with the firm Vogt & Wiig. Kise has held the right of audience in the Supreme Court since 1998. Mr. Kise has been a member of the Board of Norwegian since 1993 and was Chairman of the Board from 1996 to 2002. Bjørn Kise also holds a number of board appointments in large and medium-sized companies in Norway and abroad.

Mr. Kise holds respectively 9.0% and 8.33% of HBK Holding AS and BSB Invest AS, ownership in BSB Invest AS is owned through a 10% ownership in HBK Invest AS which owns 83.33% of BSB Invest AS, which in total represent 540,300 shares in Norwegian.

Liv Berstad, Member of the Board

Liv Berstad is a Business economist from BI Norwegian School of Management. Liv Berstad has extensive experience from retail trade in the Nordic region, mainly from construction material, fashion and cosmetics. Ms. Berstad started in KappAhl as finance manager in 1989, and in 1996 she was made CFO, a position she still holds. Ms. Berstad holds a number of board appointments in large and medium-sized companies.

Marianne Wergeland Jenssen, Member of the Board

Mrs Wergeland Jenssen holds a Master of General Business from BI Norwegian School of Management. She has considerable international experience and has for a large part of her professional career had management positions in commercial energy companies. Marianne Wergeland Jenssen was managing director of Smartphones Telecom AS. From 2005 to 2007 she held a board position in the same company. She has also been in charge of commodities derivatives marketing in Sempra Energy Trading Limited in the UK and has been managing director of Sempra Energy Trading AS. Marianne Wergeland Jenssen is currently managing the Nord Pool Financial Exchange at Nord Pool ASA – The Nordic Power Exchange.

Ola Krohn-Fagervoll Member of the Board

Mr. Krohn-Fagervoll is a Business economics graduate of the Norwegian School of Management. He holds a MBA degree from the University of Wisconsin. Visiting research fellow at Stanford University. Mr. Krohn-Fagervoll has eight years experience from corporate consultancy and corporate development with A.T. Kearney and Concordia BV (Goldman Sachs/Schøyen Group private equity project), and his prior experience included five years in Saga Petroleum’s strategy department and an Export Council scholarship with BP (London). Mr. Krohn-Fagervoll was the Deputy Managing Director of Norwegian from May 2003 until august 2005. Since 2005 Ola Krohn-Fagervoll has worked as advisor and he is now an associated partner in PetroAdvisor AS. Mr. Krohn-Fagervoll has held leading positions such as CFO, acting CEO, COO and project directors in various companies.

Mr. Krohn-Fagervoll holds 9,970 shares in Norwegian.

Monika Johansen, Member of the Board, employee representative

Monika Johansen was educated as a specialized consultant within the travel services profession in 2001. Ms. Johansen started her career in Norwegian Air Shuttle ASA in 2005 at the call center, and is currently employed with customer relations. She is also elected as club leader of a union started in cooperation with the Norwegian Union for Commerce and Office Employees.

Halvor Vatnar, Member of the Board, employee representative

Mr. Vatnar conducted Pilot training in the USA and technical military training in Norway. Mr. Vatnar’s experience includes six years service in the Navy Corps, eight years as a service engineer and sales consultant with Norsk Data and five years with Norsk Flytjeneste, including target flying for the Air Force. Mr. Vatnar has been employed by Norwegian as a pilot since 1995.

Mr. Vatnar holds 769 shares in Norwegian

Sissel Gjelstad Vårum, Member of the Board, employee representative

Mrs. Vårum graduated from Business College, and worked as an accountant for Halliburton Mfg & Services Ltd. for 4 years before joining Braathen SAFE as a stewardess in 1977. She worked for Busy Bee of Norway from 1986 also as a stewardess, and was a member of the union board. Sissel Vårum joined Norwegian Air Shuttle A/S in 1993, and had the pleasure of being crew aboard the first flight 27.01.93. Mrs. Vårum worked as ground - and line instructor, and also as temporary chief stewardess in 2000. She established a union, and was a member of the union board until 2005. She is today working as supervisor and cabin chief with Norwegian Air Shuttle A/S and has more than 30 years experience in airline business.

7.5.2 Remuneration of the Board

The remuneration of the members of the Board of Directors is determined annually by the annual general meeting of the Company. The remuneration to the Board of Directors totalled NOK 680,000[6] in 2007:

Name	Remuneration (NOK)
Erik G.Braathen	150 000
Bjørn H. Kise	125 000
Liv Berstad	100 000
Marianne Wergeland Jenssen[7]	-
Ola Krohn-Fagervoll	100 000
Monika Johansen[7]	-
Halvor Vatnar	35 000
Sissel Gjelstad Vårum[7]	-

7.5.3 Directors' Shareholding and Options

The following of the Company's directors have direct or indirect ownership interests in the Company. The following table sets forth information concerning ownership of the Company's Shares, as of the date of this Prospectus, by each of the directors.

Name of director	Shares	Options
Erik G.Braathen	900 500	-
Bjørn H. Kise	540 300	-
Liv Berstad	-	-
Marianne Wergeland Jenssen	-	-
Ola Krohn-Fagervoll	9970	-
Monika Johansen	-	-
Halvor Vatnar	769	-
Sissel Gjelstad Vårum	-	-

[6] Includes Berit Slåtto Neerbye 100,000, Kari-Helene Mordt Fjær 35,000, Frode Husan 18,000 and Lasse Holm 18,000 who has left the Board of Directors
[7] Newly elected and did not receive any compensation for 2007

7.5.4 The Board of Directors current and previous directorship and partnerships

Over the five years preceding the date of this document, the members of the Board hold or have held the following membership of the administrative management, supervisory bodies and/or partnerships (apart from their directorships of the Company):

Board of Directors:	Current membership of the administrative management, supervisory bodies and/or partnerships	Previous membership of the administrative management, supervisory bodies and/or partnerships during the five years preceding the date of this prospectus
Erik G.Braathen	Chairman of the Board: Ipnett AS Ojada AS Sayonara AS Board member of: Parkveien 43 AS Babcock & Brown Air Ltd Board of Representatives: Bank 2 ASA Election committee: Norwegian Air Shuttle ASA Protector Forsikring ASA Confirmit ASA	Board Member: Talos AS Inventron AS Getmedic AS Well Diagnostics AS
Bjørn H. Kise	Chairman of the Board: Nutripharma ASA BNS Consent Holding AS Scan-Net AS Klif Holding AS BSB Invest AS Board member of: HBK Holding AS HBK Invest AS CPB Holding AS Borak AS Vogt & Co Uddeholm AS Uddeholm Eiendom AS Uddeholm Tooling Svenska AB Norsk Jordforbedring AS Hera Vekst AS Solum AS DK Brumm 1 ANS Brum m5 ANS Partner in Vogt & Wiig	None
Liv Berstad	Board member of: Møller Bil AS Expert AS KappAhl AS Management director: KappAhl AS	Board member of: Herføll gruppen AS Vestfold Logistikk Senter AS

Marianne Wergeland Jenssen	Senior vice president financial market in Nord Pool ASA	Chairman of the Board: Sollerud Barnehage, Board member of: Sempra Energy Norway AS, Board member of Smartphones Telecom AS Managing director of Smartphones Telecom AS
Ola Krohn-Fagervoll	Chairman of the Board: Krohn Holding AS Board member of: PetroInvestor AS Sørensen International AS Partnership: PetroAdvisor AS	Administrative mgmt: Deputy CEO. Chairman of board: READ ASA
Monika Johansen	None	None
Halvor Vatnar	None	None
Sissel Gjelstad Vårum	None	None

7.5.5 Loans or Guarantees to the Board of Directors

There are no loans or guarantees given by the Company to any member of the Board of Directors

7.5.6 Independence from Management and Large Shareholders

The Board of Directors of the Company has eight members, five of whom were elected by the general meeting of the Company, and three by the Company’s employees.

Two of the shareholders elected Board members are considered independent in relation to the Company’s largest shareholders, the group management of the Company, as well as in relation to the Company’s most important business connections. This is in compliance with the Norwegian Code of Practice for Corporate Governance (the “Code of Practice”).

None of the Board members have any commercial, familial or other relations to any such parties that assumingly could affect the decisions towards such parties, other than the fact that Erik G. Braathen has ownership interest in Ojada AS, a shareholder holding around 4.32% of the Shares of the Company, Bjørn H. Kise has ownership interest in HBK Holding AS, a shareholder holding around 15.17% and BSB Invest AS 14.69% of the Shares of the Company, Mr. Kise holds respectively 9.0% and 8.33% of HBK Holding AS and BSB Invest AS, ownership in BSB Invest AS is owned through a 10% ownership in HBK Invest AS which owns 83.33% of BSB Invest AS, which in total represent 540 300 shares in Norwegia006E and the fact that Ola Krohn Fagervoll has been Deputy Managing Director of Norwegian in the period from May 2003 till August 2005. Except for what is stated above, none of the shareholder elected board members has:

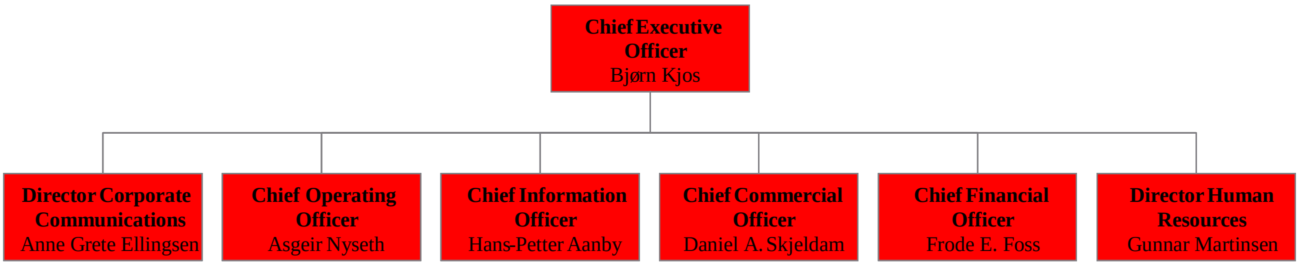
- been employed in any leading position in the Company (corporation) during the last five years;
- received any material payment/remuneration from the Company other than the director’s fees (or pension benefit);
- neither themselves, nor as a representative, any commercial relations with the Company;
- result-dependent director’s fees, or share options, in the Company;
- cross-relations with any persons within the management of the Company, other Board members or other share holder representatives; or
- been a partner or an employee in the Company’s prevailing auditing firm during the last three years.

All Board members are, except as stated in this Section 7.5.6, considered independent from major shareholders, customers, suppliers and other contractual parties of the Company.

7.6 Management

The figure below shows the organisational structure of the Executive Management of the Company:

As of the date of publication of this Prospectus, the Company's management consists of the individuals presented below:



Bjørn Kjos, Chief Executive Officer (CEO)

Mr. Kjos is a Law graduate of the University of Oslo, and a graduate from the Air Force pilot academy and officer training school. Kjos was a fighter pilot in the 334 squadron for six years. Mr. Kjos has 20 years experience from legal practice, and was granted right of audience in the Supreme Court in 1993. He is still a partner in the legal practice Vogt & Wiig, but has been on leave of absence since 1 October 2002. Bjørn Kjos was involved in establishing Norwegian Air Shuttle in 1993, and was the Chairman of the Board from 1993 until 1996. Kjos was also Chairman for the period of the start of the Boeing 737 operation from June-September 2002. Mr. Kjos has been the managing director of Norwegian since October 2002. Mr Kjos' business address is Oksenøyveien 10 A 1366 Lysaker.

Mr. Kjos holds directly and indirectly 5,694,722 shares and 30,000 options in Norwegian Air Shuttle ASA.

Frode E. Foss, Chief Financial Officer (CFO)

Mr. Foss is a Business economics graduate and holds a Masters Degree in finance from the University of Wyoming. He is qualified as an Authorized Financial Analyst (AFA) in 2002. Mr. Foss has eight years experience from auditing, financial consultancy and management for hire (accounting, management, control and organization) with Arthur Andersen and Ernst & Young. Mr. Foss has been Chief Financial Officer in Norwegian since October
2002. Mr Foss' business address is Oksenøyveien 10 A 1366 Lysaker.

Mr. Foss holds 25,000 shares and 30,000 options in Norwegian Air Shuttle ASA.

Asgeir Nyseth, Chief Operating Officer (COO)

Mr. Nyseth conducted officer training school and technical education at the Norwegian Air Force. Mr. Nyseth has extensive experience as an air technician, from both Lufttransport and Scandinavian Airlines. He was technical director of Lufttransport for a period of three years and was made CEO of Lufttransport in 2000. Nyseth started as Chief Operational Officer in 2006. Mr Nyseth's business address is Oksenøyveien 10 A 1366 Lysaker.
Mr. Nyseth holds 30,000 options in Norwegian Air Shuttle ASA.

Hans-Petter Aanby, Chief Information Officer (CIO)

Mr. Aanby holds a Master's Degree from the University of Oslo with further studies at Norges IT Høyskole. Mr. Aanby has eight years experience from Scandinavian Airlines, including three years as head of Corportate IT and five years as project manager. He also has experience as an IT consultant on system development. Hans Petter

Aanby has been head of IT at Norwegian since May 2003. Mr Aanby's business address is Oksenøyveien 10 A 1366 Lysaker.

Mr. Aanby holds 3,174 shares and 30,000 options in Norwegian Air Shuttle ASA.

Daniel A Skjeldam, Chief Commercial Officer (CCO)

Mr. Skjeldam holds a degree in Master of Science in Economics and Business Administration from the Norwegian School of Economics and Business Administration. He was part of the start-up team of Norwegian in 2002 and has since been Product Manager, Director of Station Services and Director of Network and Revenue before entering the position as Chief Commercial Officer in October 2007. Before joining Norwegian, Skjeldam worked as a business consultant and also as an Officer in the Norwegian Army. Mr Skjeldam's business address is Oksenøyveien 10 A 1366 Lysaker.

Mr. Skjeldam holds 30,000 options in Norwegian Air Shuttle ASA.

Anne Grete Ellingsen, Director Corporate Communications

Mrs. Ellingsen has a Business economics graduate and has conducted political science studies at NKS Høgskole. Mrs. Ellingsen has 25 years of extensive experience from marketing and corporate communications and she joined the airline business in Braathens Corporate Communications department in 1997. She has been employed as Director Corporate Communication in Norwegian since February 2004. Mrs Ellingsen's business address is Oksenøyveien 10 A 1366 Lysaker.

Gunnar Martinsen, Director Human Resources

Mr. Martinsen has a degree from the Norwegian School of Management. He was a part of the start up team of Norwegian, and has been a part of the management since 1993. Martinsen has extensive experience from organizational development and human resources from several industries, among others as a consultant. Mr Martinsen's business address is Oksenøyveien 10 A 1366 Lysaker.

Mr. Martinsen holds 4,520 shares and 5,000 options in Norwegian Air Shuttle ASA.

7.6.1 Executive Management compensation

The table below illustrates the compensation to members of the executive management. Reference is also made to note 7 in the financial statements for 2007.

NOK 1000		Annual Compensation			
Name and Principal Positions	Year	Total salary	Base salary	Other Annual Compensation	Pensions
Bjørn Kjos, CEO	2007	1 399	1 284	115	119
Frode E. Foss, CFO	2007	1 917	1 050	866	91
Asgeir Nyseth, COO	2007	1 003	992	10	122
Hans-Petter Aanby, CTO	2007	2 970	1 156	1 814	134
Daniel A Skjeldam, CCO	2007	905	892	13	69
Anne Grete Ellingsen, DCC	2007	855	832	23	143
Gunnar Martinsen, DHR	2007	691	672	20	136

7.6.2 Management's Shareholdings and Options

The following members of management of the Company have direct or indirect ownership interests in the Company. The following tables set forth information concerning ownership of the Company's Shares and options held, as of the date of this Prospectus, by each of the executive management.

Management's shareholdings and options

Name	Position	Shares	Options
Bjørn Kjos	Chief Executive Officer	5 694 722	30 000
Frode E. Foss	Chief Financial Officer	25 000	30 000
Asgeir Nyseth	Chief Operating Officer	-	30 000
Hans-Petter Aanby	Chief Information Officer	3 174	30 000
Daniel A Skjeldam	Chief Commercial Officer	-	30 000
Anne Grete Ellingsen	Director Corporate Communications	-	-
Gunnar Martinsen	Director Human Resources	4 520	5 000

Description of option program

The Board of Directors established on October 24 2007 a share option program granting the management team and key personnel of the organization 269,000 share options. A total of 269,000 share options were granted to a total of 19 employees as part on an incentive scheme. At an eventual exercise, the exercise price will be paid in cash to Norwegian.

Date of grant	Name of Optionee	Expire date	Exercise period	Exercise price	Number of options
24.10.2007	Bjørn Kjos	23.10.2009	*	173.07	30 000
24.10.2007	Frode E. Foss	23.10.2009	*	173.07	30 000
24.10.2007	Asgeir Nyseth	23.10.2009	*	173.07	30 000
24.10.2007	Hans-Petter Aanby	23.10.2009	*	173.07	30 000
24.10.2007	Daniel A Skjeldam	23.10.2009	*	173.07	30 000
24.10.2007	Gunnar Martinsen	23.10.2009	*	173.07	5 000
24.10.2007	Other Norwegian employees	23.10.2009	*	173.07	114 000

*) All options must be exercised within two years of entering into the option agreement.

7.6.3 The Executive Management current and previous directorship and partnerships

Over the five years preceding the date of this Prospectus, the executive management hold or have held the following membership of the administrative management, supervisory bodies and/or partnerships (apart from their current directorships of the Company):

Executive Management:	Current membership of the administrative management, supervisory bodies and/or partnerships	Previous membership of the administrative management, supervisory bodies and/or partnerships during the five years preceding the date of this prospectus
Bjørn Kjos	Board member of: BSB Invest AS HBK Holding AS Ankerløkken Holding AS Partner Vogt & Wiig	Chairman of the Board: Lufttransport AS
Frode E. Foss	Chairman of the Board: FEF Invest AS Board member of: Arendal Lufthavn Gullknapp AS	None
Asgeir Nyseth	Chairman of the Board: Nord Norsk Finans AS Føn-Invest AS CEO of Føn-Invest AS	None
Hans-Petter Aanby	None	None
Daniel A Skjeldam	Board member of: CAN Norway (Airport Coordination Norway) AS Tereda Holding AS	None
Anne Grete Ellingsen	None	None
Gunnar Martinsen	None	None

7.6.4 Loans or Guarantees to the Management

There are no loans or guarantees given by the Company to any member of the Executive Management of the Company

7.6.5 Severance pay etc.

No members of the administrative, management or supervisory bodies' have any service contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment.

Maunu von Lüders, former CEO of FlyNordic, paid full salary for the year 2008, he left FlyNordic 31 December 2007

7.7 Employees

As of the date of this Prospectus, Norwegian had 1,301 employees.

The table below illustrates the number of full time equivalent employees at year end 2005-2007:

Country	31.12.2005	31.12.2006	31.12.2007
Norway	498	693	966
Sweden	-	-	126
Poland	-	18	51
Total	**498**	**711**	**1 143**

As of 30 June 2008, no loans have been given to employees of the Company.

7.8 Pensions and Other Obligations

Defined contribution plan
Nordic Airlink Holding AB's (FlyNordic) post employment benefits consists of both defined contribution plans and defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed premium to a separate entity (a fund), and will have no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditures for defined contribution plans are recognized as costs during the period when the employee provides service. Under a defined benefit plan it is the Company's obligation to provide agreed benefits to current and former employees. The related actuarial and investment risks fall on the Company. The pension plans of certain employees are secured through an insurance at Alecta. Alecta has not been able to produce the necessary information that Swedish companies need to account for defined benefit plans according to IAS 19. These pension plans are therefore accounted for as defined contribution plans. For the defined contribution plans FlyNordic pays premiums to publicly or privately administrative pension plans on mandatory, contractual or voluntary basis. FlyNordic has no further obligations once these premiums are paid. The premiums are accounted for as personnel expenses once paid. Pre-paid premiums are accounted for as an asset to the extend that future benefits can be determined as plausible. A total of 126 employees were included in the pension plan as per 31 December 2007. Total pension cost expensed in profit and loss in 2007 was TNOK 5,510.

Defined benefit plan
All employees in Norway participate in a defined benefit plan. The benefits are mainly dependent on pension entitlement earned, salary at the time of retirement and the size of payments from the National Insurance. The liabilities are covered through Vital AS. The plan also covers a life insurance and disability insurance. Per 31 December 2007, a total of 679 employees were active members, and 21 were on pension retirement. In addition, all employees are included in the early retirement scheme (AFP), which is an unfunded plan for retirement right at the
age of 62. The AFP is a multi-employer plan, where the Norwegian state pays a contribution of 40% of paid pensions for the retired persons older than 64 years. The Group payments of contribution to the plan are recognised as an expense in the income statement as incurred. The Group also pays 25% of the pension paid to own pensioners. This is a obligation for the Group that is not funded. The AFP obligation for the Group is shown under the heading "unfunded". The Scheme is in compliance with the act on occupational pensions. The pension obligation is calculated on a linear accumulation. Changes in the obligation due to changes in and deviations from

the estimated assumptions, are spread over the estimated average remaining vesting period for the part of deviations that exceeds 10% of the gross pension liability. Pension costs for the year for the Group's defined benefit plans are calculated by independent actuaries and are based on information as of 1 January 2007. Management has made an assessment of changes in estimates and basis of calculation will have a material effect on the financial statements as per 31 December 2007.

Defined benefit liability and fund

31 December 2007 NOK 1000	Funded	Unfunded	Total
Change in present value of defined benefit liability:			
Gross pension liability 1 January	184 507	818	185 325
Current service costs	43 815	266	44 081
Interest cost	7 953	36	7 989
Actuarial gains/losses	19 453	53	19 506
Benefits paid	-7 500	-	-7 500
Gross pension liability 31 December	**248 228**	**1 173**	**249 401**
Change in fair value of plan assets:			
Fair value of pension assets 1 January	137 516	-	137 516
Expected return	5 345	-	5 345
Actuarial gains/losses	-2 375	-	-2 375
Administrative expenses	0	-	0
Contributions paid	42 014	-	42 014
Benefits paid	-7 500	-	-7 500
Fair value of plan assets 31 December	**175 000**	**-**	**175 000**
Net pension liability	73 228	1 173	74 401
Unrecognized actuarial gains/losses	-51 469	-113	-51 582
Social security tax	10 326	165	10 491
Net recognized pension liability 31 December	32 085	1 225	33 310

7.9 Incentive Programs

Management stock option program

On 24 October 2007 the Board issued 269,000 stock options to 19 employees in the company management team. The total number of outstanding stock options as of 17 July is 269,000. The stock options have an exercise price of NOK 173.07. The stock options are acquired over a two year period, whereof 50% are acquired the first year, and the remaining the second year. Stock options not exercised before 23 October 2009 will be discontinued.

Employee Share Saving Plan (ESSP)

In July 2007 the company implemented a share saving program for the employees where the employees, by deduction in salary, purchase shares in the company regularly. The company contributes with up to 50% of the purchased shares, limited to NOK 6,000 per employee per year. In addition the company will distribute bonus shares provided that the purchased shares are held for a period of 24 month after the purchase. The shares are purchased in the market, and the share saving plan has no dilutive effect for the shareholders.
334 employees are currently participating in the share purchase plan.

Broad based voluntary stock option program

The company intends to implement a voluntary option program for all employees, where employees are offered stock options in return for a reduction in salary. The option program shall not exceed 3% of the share capital. The fair value of the options granted to each employee (based on Black & Scholes valuation model) is expected to correspond to 125% of the respective employee's salary reduction. The final details of the option program have not yet been established.

7.10 Corporate Governance

Norwegian's principles for corporate governance are based on accountability, transparency, fairness and simplicity with the ultimate goal of maximizing shareholder value while simultaneously creating added value for all stakeholders. The principles are designed to ensure that laws, regulations and ethical standards are in compliance. Norwegian's core values are anchored in simplicity, directness and relevance, but no business conduct within the Group should under any circumstance jeopardize safety, security, punctuality and service.

With the exceptions as explained below, NAS complies with the Norwegian Code of Practice for Corporate Governance of 4 December 2007 (the "Code").

- Due to Norwegian Air Shuttle ASA's high growth rate, competitive position and associated need for flexibility, the General Assembly has decided to deviate from the Norwegian code of practice for corporate governance's recommendations with respect to capital increase. Mandates to increase the company's share capital are granted to the Board of Directors for a two year period, and can be utilized for commercial possibilities and employee incentive programs.
- Norwegian Air Shuttle ASA does not have an audit Board committee to assist in matters of financial reporting and compensation to members of the Executive Management. The Board deems the current procedure where a representative of the finance department briefs the Board on matters of financial reporting, to be sufficient. In cases of ambiguity the auditor is consulted.

For further information regarding the corporate governance of the Company, reference is made to the annual report 2007 of the Company.

7.11 Conflict of interest

The Company is not aware of any potential conflicts of interest between any duties to the Company of the members of the Board of Directors or the Company's management, and their private interests or other duties.

7.12 Statement from the Board of Directors and the management

During the last five years preceding the date of this document, no member of the Board of Director or the senior management has:

- any convictions in relation to indictable offences or convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his capacity as a founder, director or senior manager of a company

7.13 Committees

The Company has established a nomination committee consisting of four members, and the chairman of the committee is the chairman of the Board, which is secured through a provision in the Company's Articles of Association.

8. FINANCIAL INFORMATION

The financial information set forth below may not contain all of the information that is important to a potential purchaser of the Shares and should be read together with the financial statements and the notes thereto that have been included elsewhere in this Prospectus.

The following consolidated financial figures have been extracted from the Company's audited consolidated annual financial statements, hereunder the annual profit/loss, balance sheet, accounting principles, cash flow statement, development in equity and explanatory notes, for the financial years ending 31 December 2005, 2006 and 2007, in addition to unaudited 1-2Q 2007 and 2008 prepared in accordance with IFRS as adopted by EU. The consolidated annual financial statements have been audited, and the audit reports were issued without any qualifications or comments.

8.1 Accounting Policies

The accounting policies applied in preparing the financial statements for Norwegian are described below.

The consolidated financial statements of Norwegian Air Shuttle ASA for the year ended 31 December 2007 were authorised for issue in accordance with a resolution of the Directors on 31 March 2008. Norwegian Air Shuttle ASA is a public limited company, incorporated in Norway and headquartered at Fornebu/Oslo. The Company stocks are listed on the Oslo Stock Exchange.

The consolidated financial statements of Norwegian Air Shuttle ASA have been prepared in accordance with International Financial Reporting Standards, adopted by EU. The consolidated financial statements have been prepared under the historical cost convention, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

8.2 Consolidated income statement

NOK 1000	2005 Audited IFRS	2006 Audited IFRS	2007 Audited IFRS	1-2Q 2007 Unaudited IFRS	1-2Q 2008 Unaudited IFRS	2Q 2007 Unaudited IFRS	2Q 2008 Unaudited IFRS
Revenues	1 972 247	2 941 400	4 226 202	1 756 912	2 639 807	1 018 853	1 551 221
Total operating revenues	**1 972 247**	**2 941 400**	**4 226 202**	**1 756 912**	**2 639 807**	**1 018 853**	**1 551 221**
Operational expenses	1 504 338	2 368 636	3 171 818	1 328 273	2 240 216	742 768	1 251 925
Payroll	298 223	412 940	622 189	257 089	484 614	135 554	249 525
Depreciations and impairment losses	29 316	51 070	74 044	33 613	64 434	18 093	30 925
Other operating expenses	111 091	139 264	224 200	95 461	182 884	55 512	91 539
Total operating expenses	**1 942 968**	**2 971 910**	**4 092 251**	**1 714 436**	**2 972 148**	**951 927**	**1 623 914**
Operating profit	**29 279**	**-30 510**	**133 951**	**42 476**	**-332 341**	**66 926**	**-72 693**
Net financial items	**9 657**	**-1 196**	**-29 949**	**-1 286**	**-36 773**	**-4 918**	**-7 532**
Share of profit (loss) from associated company	**-**	**-**	**-1 821**	**-**	**-9 884**		**-5 840**
Gain from sale of subsidiary	**-**	**-**	**10 800**	**-**	**-**	**-**	**-**
Profit (loss) before tax	**38 936**	**-31 706**	**112 981**	**41 190**	**-378 998**	**62 008**	**-86 065**
Income tax expense (income)	10 955	-9 709	28 402	11 430	-106 065	17 306	-23 889
Profit (loss) after tax	**27 980**	**-21 997**	**84 580**	**29 760**	**-272 933**	**44 702**	**-62 176**

8.3 Consolidated balance sheet

8.3.1 Audited annual accounts

Assets NOK 1000	2005 Audited IFRS	2006 Audited IFRS	2007 Audited IFRS
Non-current assets			
Intangible assets	31 955	33 243	232 407
Deferred tax	86 694	96 597	61 317
Total intangible assets	**118 649**	**129 840**	**293 724**
Aircrafts, parts and installations on aircraft	23 223	214 419	209 820
Equipment and fixtures	13 597	14 025	24 313
Buildings	-	-	3 933
Hedged item - Firm commitments	-	-	128 031
Prepayment Boeing contract	-	-	316 546
Total tangible fixed assets	**36 820**	**228 444**	**682 643**
Financial assets available for sale	-	-	10 004
Investment in associate	-	-	53 516
Other receivables	19 388	8 819	28 507
Total fixed assets investment	**19 388**	**8 819**	**92 027**
Total non-current assets	**174 857**	**367 103**	**1 068 393**
Current assets			
Inventory	36 764	19 341	28 000
Trade and other receivables	200 174	443 492	491 543
Financial assets available for sale	-	-	215 758
Derivative financial assets	2 563	298	7 771
Hedged item - Firm commitments	-	-	18 222
Investments	2 563	298	241 751
Cash and cash equivalents	261 464	231 710	501 410
Total current assets	**500 965**	**694 841**	**1 262 705**
Total assets	**675 822**	**1 061 944**	**2 331 098**

Equity and liabilities NOK 1000	2005 Audited IFRS	2006 Audited IFRS	2007 Audited IFRS
Equity			
Share capital	1 837	1 967	2 087
Share premium	157 099	271 934	408 277
Other paid-in equity	423	1 709	32 753
Owned Shares	-28	-	-
Called-up and fully paid equity	**159 331**	**275 610**	**443 117**
Retained earnings	-17 746	-14 883	65 156
Total equity	**141 585**	**260 727**	**508 273**
Non-current liabilities			
Pension liabilities	30 487	30 794	33 310
Provisions for periodic maintenance	34 779	81 734	101 042
Deferred tax liabilities	-	-	19 470
Derivative financial instruments	-	-	154 333
Borrowings	-	-	297 697
Total non-current liabilities	**65 266**	**112 528**	**605 852**
Short term liabilities			
Trade and other payables	250 277	395 850	644 837
Air traffic settlement liabilities	218 693	291 795	536 548
Derivative financial instruments	-	1 014	34 375
Tax payable	-	30	1 212
Total short term liabilities	**468 970**	**688 689**	**1 216 972**
Total liabilities	**534 236**	**801 217**	**1 822 825**
Total equity and liabilities	**675 821**	**1 061 944**	**2 331 098**

8.3.2 Condensed unaudited quarterly accounts

Assets NOK 1000	2Q 2007 Unaudited IFRS	2Q 2008 Unaudited IFRS
Total intangible assets	**119 473**	**358 834**
Total tangible fixed assets	**232 946**	**1 110 580**
Total fixed assets investment	**32 477**	**85 026**
Total non-current assets	**384 896**	**1 554 440**
Current assets		
Inventory	28 474	28 285
Trade and other receivables	418 883	818 603
Investments	11 011	76 273
Cash and cash equivalents	1 048 618	433 969
Total current assets	**1 506 986**	**1 357 130**
Total assets	**1 891 882**	**2 911 570**

Equity and liabilities NOK 1000	2Q 2007 Unaudited IFRS	2Q 2008 Unaudited IFRS
Equity		
Called-up and fully paid equity	**276 059**	**445 321**
Retained earnings	14 739	-206 606
Total equity	**290 798**	**238 715**
Total non-current liabilities	**414 755**	**693 539**
Total short term liabilities	**1 186 329**	**1 979 317**
Total liabilities	**1 601 084**	**2 672 856**
Total equity and liabilities	**1 891 882**	**2 911 570**

8.4 Consolidated cash flow statement

8.4.1 Audited annual accounts

Cash flow NOK 1000	2005 Audited IFRS	2006 Audited IFRS	2007 Audited IFRS
Cash flow from operating activities			
Profit before income tax	29 278	-30 510	133 951
Taxes paid	0	-163	-738
Depreciations, amortization and write-down	29 316	51 070	74 044
Pension expense without cash effect	-8 480	307	2 516
Other non cash items	-	-	1 963
Interest income	10 305	10 047	40 901
Interest expense	-648	-11 243	-70 849
Change in inventories, accounts receivable and accounts payable	-121 790	-1 887	32 153
Change in air traffic settlement liabilities	109 660	73 102	156 343
Change in other current assets and current liabilities	47 715	-15 161	87 648
Net cash flow from operating activities	**95 356**	**75 561**	**457 931**
Cash flow from investment activities			
Prepayments Boeing contract			-316 546
Purchases of tangible assets	-21 244	-229 930	-56 785
Purchases of intangible assets	-17 209	-15 029	-14 030
Net cash from acquisitions	-	-	126 246
Investments in shares and bonds	85	-298	-271 504
Net cash flow from investment activities	**-38 369**	**-245 257**	**-532 619**
Cash flow from financing activities			
Proceeds from long term debt	-	-	297 000
Proceeds from issuing new shares	1 057	114 993	9 425
Acquisition of own shares	-15 658	-	-
Proceeds from sale of own shares	0	24 871	-
Net cash flow form financial activities	**-14 600**	**139 863**	**306 425**
Foreign exchange effect on cash	-	-8	-2 025
Net change in cash and cash equivalents	42 387	-29 838	229 711
Cash and cash equivalents at 1 January	161 699	204 086	174 248
Cash and cash equivalents at end of period	**204 086**	**174 248**	**403 959**
Cash and cash equivalents in balance sheet		231 710	501 410
Restricted funds		57 462	97 451
Cash in cash flow statement		174 248	403 959

8.4.2 Condensed unaudited quarterly accounts

Cash flow NOK 1000	1-2Q 2007 Unaudited IFRS	1-2Q 2008 Unaudited IFRS	2Q 2007 Unaudited IFRS	2Q 2008 Unaudited IFRS
Net cash flow from operating activities	**491 160**	**113 362**	**257 222**	**98 938**
Net cash flow from investment activities	**-62 392**	**-169 798**	**-43 939**	**-106 380**
Net cash flow form financial activities	**382 975**	**-11 754**	**302 184**	**-5 809**
Foreign exchange effect on cash	5 165	750	4 937	191
Net change in cash and cash equivalents	816 908	-67 440	520 405	-13 059
Cash and cash equivalents at end of period	**1 048 618**	**433 970**	**1 048 618**	**433 970**

8.5 Consolidated statement of changes in equity

Change in equity NOK 1000	Share capital	Share premium	Other paid-in equity	Total paid-in equity	Retained earnings	Total equity
Balance at 1 January 2005	**1 833**	**156 441**		**158 274**	**-30 066**	**128 208**
Share issue	4	658		661		661
Purchase of own shares	-28			-28	-15 660	-15 688
Stock option programme			423	423		423
Net profit for the year				0	27 980	27 980
Balance at 31 December 2005	**1 809**	**157 099**	**423**	**159 331**	**-17 746**	**141 585**
Balance at 1 January 2006	**1 809**	**157 099**	**423**	**159 331**	**-17 746**	**141 585**
Share issue	130	119 470		119 600		119 600
Expenses for share issue, net of tax		-4 635		-4 635		-4 635
Sale of own shares	28			28	24 870	24 898
Stock option programme			1 286	1 286		1 286
Currency translation differences				0	-10	-10
Net profit for the year				0	-21 997	-21 997
Balance at 31 December 2006	**1 967**	**271 934**	**1 709**	**275 610**	**-14 883**	**260 727**
Balance at 1 January 2007	**1 967**	**271 934**	**1 709**	**275 610**	**-14 883**	**260 727**
Share issue	106	127 021		127 128		127 128
Expenses for share issue, net of tax		-90		-90		-90
Stock options - share issue	13	9 412		9 425		9 425
Option issue for FlyNordic acquisition			29 485	29 485		29 485
Stock option programme			1 558	1 558		1 558
Currency translation differences				0	-4 540	-4 540
Net profit for the year				0	84 580	84 580
Balance at 31 December 2007	**2 086**	**408 277**	**32 752**	**443 117**	**65 156**	**508 273**
Balance at 1 January 2008	**2 086**	**408 277**	**32 752**	**443 117**	**65 156**	**508 273**
Stock option programme						2 204
Currency translation differences						1 172
Net profit for the period						-272 934
Balance at 30 June 2008						**238 714**

8.6 Pro forma financial information

On 30th June 2007 Norwegian entered into an agreement to acquire all shares in FlyNordic. The pro forma financial information is prepared to show the combined financial information for the Norwegian group and FlyNordic adjusted as if the acquisition of FlyNordic had been with financial effect from 1st January 2007. The unaudited pro forma financial information is prepared for illustrative purposes only and there is higher uncertainty in pro forma financial information than in historical financial information. The pro forma financial information addresses a hypothetical situation and therefore does not represent the group's actual financial position or results, nor does it necessarily reflect what the actual results would have been if the transaction had occurred earlier, and it is not indicative of future results or financial position.

The below pro forma financial information consists of unaudited combined income statements for the year ended 31st December 2007 as if the acquisition of FlyNordic had been made with financial effect from 1st January 2007. The actual consolidation of FlyNordic into the Norwegian group took place with effect from 01.08.2007.

Basis for presentation

The unaudited pro forma combined financial information has been prepared in accordance with CESR's recommendations for the consistent implementation of the European Commission's Regulation on prospectuses number 809/2004. The basis for the unaudited pro forma financial information is the historical consolidated audited financial statements of the Norwegian group for 2007, the historical unaudited interim financial information of FlyNordic, prepared for group reporting purposes to previous shareholder (IFRS reporting entity), for the seven month period ended 31.07.07., and the unaudited effect of presenting FlyNordic according to Norwegian group accounting principles. The pro forma financial information should be read in conjunction with those financial statements.

Pro forma assumptions

The pro forma financial information has been made on an assumption that 100 % of the shares of FlyNordic have been acquired. The total estimated consideration of NOK 199.8 million consists of a cash payment amounting to NOK 42.1 million (incl. earn out charter), 1,063,830 shares in Norwegian and 1,121,633 options to buy additional shares in Norwegian. The calculation of value of the shares and options Finnair received and calculation of fair value adjustments is based on the actual calculations presented in Norwegian year end consolidated accounts and presented in note 4.

As part of the consideration Finnair has received ordinary shares and share options in Norwegian. As a consequence of the agreed transaction structure, Finnair's ownership in Norwegian is 1,063,830 shares. In addition, Finnair is granted an option to subscribe for an additional 1,121,633 shares by 31st December 2008. The average strike price of the options is 114.2 NOK. If Finnair exercise all share options, Finnair's share in Norwegian may increase to 6.8% (after issue). The ongoing charter operation within FlyNordic will be subject to an earn-out model until the end of October 2008, where Finnair are entitled to 50 % of the charter operations profit.

Adjustment a)

Total acquisition costs as of 31.12.07 was NOK 199.8 million, including fees to advisors. NOK 21.7 million of the total purchase price of NOK 199.8 million is cash consideration (earn out not included). As a consequence, historical financial income has been reduced in order to reflect the reduced cash holding following the acquisition. An interest rate of 3.75%, representing the best estimate on average interest rate obtained on excess cash for the Company during the period, has been assumed when calculating the reduced financial income.

Adjustment b)

Excess value has been allocated to brand name, charter, AOC and air traffic slots and remaining value as goodwill. With exemption of charter, these assets are considered to have indefinite lifespan, hence no amortisation/depreciation are to be adjusted for the pro forma information Charter operation fair value adjustment is time limited, and is amortized over economic life, estimated to 15 months from acquisition date. The pro forma financial information is prepared to show the combined financial information for the Norwegian group and FlyNordic adjusted as if the acquisition of FlyNordic had been with financial effect from 1st January 2007. In the pro forma figures for 2007 we have therefore estimated the economic life of the charter operations to be 22 months and included 12 months depreciation.

Adjustment c)

Profit in Fly Nordic and pro forma adjustments is adjusted with a calculated tax rate of 28%.

Adjustment d)

In the period 01.01.07 -31.07.08 Norwegian and FlyNordic had some trade. These trading activities are in the pro forma figures adjusted for as if FlyNordic was a part of the Norwegian Group.

Adjustment e)

Accruals (TNOK2.175) for lease aircraft maintenance based on Norwegians accounting policy.

Pro-Forma Profit & Loss NOK 1000	Notes:	Fly Nordic 2007 Unaudited	Harmonisation to Norwegian accounting principles	Norwegian Group 2007 Audited	Pro forma adjustment	Combined proforma 2007 Unaudited
Revenues	**d)**	**497 152**		**4 226 202**	**-14 963**	**4 708 391**
Operational expenses	d), e)	382 073	2 175	3 171 818	-14 963	3 541 103
Payroll and other personell expenses		53 962		622 189		676 151
Depreciation and impairment losses	b)	238		74 044	4 831	79 113
Other operating expenses		35 400		224 200		259 600
Total operating expenses		**471 674**	**2 175**	**4 092 251**	**-10 132**	**4 555 968**
Operating profit/ loss		**25 478**	**-2 175**	**133 951**	**-4 831**	**152 423**
Net financial items	**a)**	**1 437**		**-29 949**	**-476**	**-28 988**
Share of profit(loss from associated company		**-**		**-1 821**		**-1 821**
Gain from sale of subsidary		**-**		**10 800**		**10 800**
Profit/ loss before tax		**26 915**	**-2 175**	**112 981**	**-5 306**	**132 415**
Tax	b), c), e)	7 536	-609	28 402	-1 486	33 843
Profit/loss for the period		**19 379**	**-1 566**	**84 579**	**-3 820**	**98 571**

8.6.1 Independent assurance report on pro forma financial information

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers AS
Postboks 748
NO-0106 Oslo
Telephone +47 02316
Telefax +47 23 16 10 00

To the directors and shareholders of Norwegian Air Shuttle ASA

Independent assurance report on pro forma financial information

We have examined the Pro Forma Financial Information in section 8.6 in the Prospectus, comprising the statement of income for the year ended December 31, 2007. This Pro Forma Financial Information has been prepared solely to show what the significant effects on the Group might have been had the transactions described in section 5.5 occurred at an earlier date. This Pro Forma Financial Information is the responsibility of the Board of Directors. It is our responsibility to provide the opinion required by EU Regulation No 809/2004 as included in the Norwegian Securities Trading Act section 7-13. We are not responsible for expressing any other opinion on the pro forma financial information or on any of its constituent elements.

We conducted our examination in accordance with the Norwegian Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". Our work consisted primarily of comparing the unadjusted financial information with the source documents, obtaining evidence supporting the adjustments and discussing the pro forma financial information with the directors of the Company.

Based on our examination, in our opinion:

a) the pro forma financial information has been properly compiled on the basis stated;

b) such basis is consistent with the accounting policies of the issuer

Without qualifying our opinion, we draw attention to the fact that, as outlined in Section 8.6, this Pro Forma Financial information is prepared by using management's assumptions. It is not necessarily indicative of the effects on the financial position that would have been attained had the above-mentioned transactions actually occurred earlier. Moreover this accompanying Pro Forma Financial Information is not intended to, and does not, provide all the information and disclosures necessary to present a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by EU.

Oslo, August 8 2008
PricewaterhouseCoopers AS

Håvard S. Abrahamsen
State Authorized Public Accountant

8.7 Operating and financial review

2Q 2008
A total of 2,344,219 passengers travelled with Norwegian (the Group) in the second quarter of 2008, compared to 1,595,107 in the second quarter of 2007. This is equivalent to an increase of 47% in the number of passengers. Norwegian.no had a passenger load factor of 78% this quarter, compared to 79% in 2007. The production (ASK) has increased by a total of 34% for Norwegian.no compared to the same period last year, and the passenger traffic (RPK) has increased by 33%. Norwegian.se had a passenger load factor of 79%.

Total revenue in second quarter was NOK 1,551.2 million (1,018.9 in Q2 2007), an increase of 52.3%. NOK 1,409.9 million (958.6 in Q2 2007) of the revenues in the second quarter is related to ticket revenues. NOK 97.6 million (41.7 in Q2 2007) is other passenger related revenue, while the remaining NOK 43.6 million (18.6 in Q2 2007) is related to freight, third-party products, and other income.

The operating expenses excluding leasing and depreciation were NOK 1,483.3 million (857.3 in Q2 2007) this quarter up 73.0% from same period last year. The increase in operating expenses is mainly related to the increase in fuel cost and the increases in production (ASK). In addition, the union strike (Avinor) in May is estimated to have reduced earnings with NOK 25 – 30 million. Furthermore a cost of NOK 25 million related to wet-leases has reduced earnings as two of the Groups 737-300 deliveries have been delayed entering into service.

Throughout second quarter the Group’s operations has been challenged by an increasing fuel price that compared to last years price level, has caused an added fuel expense of NOK 200 million for second quarter compared to same period last year. The average cost pr ton fuel in second quarter was USD 1,176 compared to USD 644 in the second quarter 2007. The increase in personnel cost comes from hiring and training new personnel for the new 737-800 aircraft operating with effect from first and second quarter.

1-2Q 2008
Norwegian generated revenues of NOK 2,640 million during 1-2Q 2008, an increase of 50% compared with the NOK 1,757 million reported in the corresponding period in 2007. It has been a decline in gross operating margin from 1-2Q 2007 to 1-2Q 2008 by 15 percentage points, from 2% to a negative 13% respectively. The total operating expenses were NOK 2,972 million for 1-2Q 2008, compared to NOK 1,714 million in 1-2Q 2007.

Developments in 2007

Financial results and operations

Approximately 6.9 million passengers travelled with the Group in 2007, of which 0.6 million with FlyNordic (August - December), this was equivalent to an increase of 36%.

Norwegian generated revenues of NOK 4,226 million during 2007, an increase of 43.7% compared with the NOK 2,941 million reported in the corresponding period in 2006. The sales increase is predominantly related to the half year effect from the acquisition of FlyNordic in August 2007 as well as a strong increase in ticket sales. The Polish and Norwegian operations experienced an overall increase in the cabin factor from 79% in 2006 to 80% in 2007. The yield decreased from NOK 0.68 in 2006 to 0.67 in 2007. This was largely due to an increased average sector length of 4%. Total operating expenses were NOK 4,092 million for 2007, compared to NOK 2,972 million in 2006. This is mainly due to the acquisition of FlyNordic, and general labour costs increases in line with market developments.

The profit before tax for 2007 amounted to NOK 112.9 million, compared to a loss of NOK -31.7 million in the corresponding period in 2006.

Balance Sheet

Norwegian had a par value of NOK 300 million in interest bearing debt, and net cash balance of NOK 201.4 million at 31 December 2007. Norwegian had no interest bearing debt at 31 December in 2006 million and the net cash balance was NOK 231.7 million. The interest bearing debt includes an unsecured bond issue of NOK 300 million with a maturity date of 19 April 2010. The coupon is NIBOR +2%.
As of 31 December 2007, aircraft, parts and installations amounted to NOK 209.8 million on the Company’s balance sheet and prepayment of Boeing contract amounted to NOK 316.5 million.

Cash flow statement

The Company's total cash flow was positive NOK 229.7 million in 2007 compared to a negative NOK 29.8 million in 2006. The cash flow from operating activities in 2007 was positive NOK 457.9 million. The cash flow from investing activities was negative NOK 532.6 million. Net cash flow from financing activities was positive NOK 306.4 million as Norwegian issued a bond of NOK 300 million. Cash balance at 31 December 2007 was NOK 501.4 million including restricted funds and NOK 404.0 million excluding restricted funds.

Developments in 2006

Financial results and operations

Approximately 5.1 million passengers travelled with Norwegian during 2006, an increase of 55% compared to 2006.

During the year, passenger traffic (RPK) increased by 56% and production (ASK) increased by 55% compared to 2005. The load factor for the year ended at 79% which was an increase of 1% point from 2005. The domestic load factor ended at 78%, an increase of 5% points. The international load factor was 79%, which was down 2% points compared to last year. The load factor decrease on the international route portfolio was due to the Group's heavy expansion. Norwegian opened in total 30 new international routes during 2006.

Norwegian generated revenues of NOK 2,941 million in 2006, an increase of 49.1% compared with the NOK 1,972 reported for 2005. There was a reduction in gross operating margin during 2006 by 2 percentage points, from a positive 1% in 2005 to a negative 1% in 2006. The income was negatively influenced by a decrease in the yield from NOK 0.71 in 2005 to 0.68 in 2006. The yield reduction was entirely due to the fact that the increase in production is mainly from the international routes, and has resulted in an increased average sector length.

The operating costs were NOK 2,972 million in 2006, compared to NOK 1,943 million in the same period in 2005. Since the start of the low cost operations, Norwegian has achieved a significant increase in production, by increasing the number of aircraft to 19 in operation by the end of 2006, and also by better utilisation of the aircraft. The continuous cost cutting focus has resulted in a lower annual unit cost. In 2006 the cost per ASK was 0.54 (0.55 in 2005). Ordinary depreciation and impairment losses are included with NOK 51 million compared to NOK 29.3 million in 2005. The loss before tax in 2006 amounted to NOK -31.7 million, compared to a profit of NOK 38.9 million in 2005. The negative result for the year is caused by start up costs for the expansion into Poland.

Balance Sheet

Norwegian had no interest bearing debt and a net cash balance of NOK 231.7 million at 31 December 2006. Norwegian had no interest bearing debt and a net cash balance of NOK 204.1 million at 31 December 2005.

As of 31 December 2006, aircraft, parts and installations amounted to NOK 214.4 million on the Company's balance sheet.

Cash flow statement

The Company's total cash flow was negative NOK 29.8 million in 2006 compared to a positive cash flow of NOK 42.4 million in 2005.

The group has during the year invested significant amounts in the operations including the purchase of two aircraft. The total amount invested in assets was NOK 245.3 million, but positive cash flow from operations (NOK 75.6 million) and the stock issue reduced the total liquidity by only NOK 29.8 million in 2006.

The difference between net profit and cash flow from operating activities is caused by depreciations, and an increase in traffic settlement liability.

Developments in 2005

Financial results and operations

Approximately 3.3 million passengers flew with Norwegian during 2005, an increase of 50% compared to 2004.

During the year, passenger traffic (RPK) increased by 76%. Production (ASK) increased by 51% compared to 2004. The load factor for the year as a whole ended at 78% which was an increase of 11% points from 2004. The domestic load factor ended at 73%, an increase of 11% points. The international load factor was 81%, an increase of 13% points compared to 2004.

Norwegian generated revenues of NOK 1,972 million in 2005, an increase of 62.9% compared with the NOK 1,210 million reported for 2004. The increase in sales is related to an increase in production by 51 % from 2004 to 2005. The company has also had a great increase in the cabin factor from 67 % in 2004 to 78 % in 2005. The income is negatively influenced by a decrease in the yield from NOK 0.77 in 2004 to 0.71 in 2005. There was an improvement in gross operating margin during 2005 by 14 percentage points, from negative 13% in 2004 to positive 1% in 2005. The company has had a relative cost reduction due to better utilization of assets and personnel, more advantageous agreements, more efficient sale- and distribution channels, in addition to other cost reducing measurements. Since the start of the low cost operations, Norwegian has achieved a significant increase in production, by increasing the number of aircraft to 14 by the end of 2005, and also by better utilisation of the aircraft. This resulted in costs per ASK being reduced by a total of 7% from 2004 to 2005. Utilisation of the fleet is significantly improved as result of the expansion, and each aircraft has for the year as a whole an average 9.1 hours per day in use (block hours), compared to 7.6 hours in 2004.

The profit before tax in 2005 amounted to NOK 38.9 million compared to a loss before tax of NOK 152.5 million in 2004.

Balance Sheet

Norwegian had no interest bearing debt at 31 December 2005 or 2004. The net cash balance was NOK 204.1 million at 31 December 2005 and NOK 195.2 million at 31 December in 2004.

Cash flow statement

The Company’s total cash flow was positive by NOK 42.4 million in 2005 compared to a negative cash flow of NOK -118.9 million in 2004.

By December 31st 2005, the company had a cash balance of NOK 261.5 million, a strengthening of the liquidity by NOK 66.3 million during 2005. Operations have given a positive cash flow of NOK 119.3 million for the year. The discrepancy between the annual result and the cash flow from operations is first and foremost based on a strong increase in tickets sold, compared to passengers travelled with the company, which the accrual of income is based on. However, part of the new sale is locked to the increase in accounts receivable. Other receivables have also had a substantial increase, which affects the cash flow negatively.

8.8 Geographic information

The Group’s operating profit arises from airline-related activities and the only revenue earning assets of the Group are its aircraft fleet, which is registered in Norway and in Sweden. The Norwegian aircraft fleet is employed flexibly across the Norwegian and Polish operations. There is no suitable basis of allocating these assets and related liabilities to segments other than Norwegian operations and Swedish operations. The Group’s only segment is therefore geographical.

The operations are based in Norway and Poland, and in august 2007, the Group acquired Nordic Airlink Holding AB (FlyNordic), based in Stockholm, Sweden. At present other EU/EEA countries is the most profitable and has shown the most significant growth over the last years.

Amounts in NOK 1000	2005 IFRS Audited	2006 IFRS Audited	2007 IFRS Audited	1-2Q 2007 IFRS Unaudited	1-2Q 2008 IFRS Unaudited
Norway	1 047 992	1 471 852	1 784 828	861 363	997 233
International	924 255	1 469 548	2 443 706	895 548	1 642 574

8.9 Description of cash flow

The Company's primary source of liquidity on a daily basis is the operational cash flow. In 2005 Norwegian realised a positive cash flow from operating activities of NOK 95.3 million and negative cash flow from investing activities of NOK 38.3 million. Financing activities had a negative cash flow of NOK 14.6 million for the year ended 31 December 2005. The net change in cash and cash equivalents for the year ended 31 December 2005 amounted to positive NOK 42.3 million.

In 2006 Norwegian realised a positive cash flow from operating activities of NOK 75.6 million and negative cash flow from investing activities of NOK 245.3 million. Financing activities had a positive cash flow of NOK 139.9 million for the year ended 31 December 2005. The net change in cash and cash equivalents for the year ended 31 December 2006 amounted to negative NOK 29.8 million.

In 2007 the cash flow from operating activities was positive with NOK 457.9 million and the cash flow from investing activities was negative with NOK -532.6 million, of which the prepayments for the Boeing contract constitute NOK 316.5 million. An upgrade of leased aircraft and investments in the Group's IT systems was NOK 70.8 million, while the investment in shares, including Norwegian Finans Holding ASA (Bank Norwegian AS) was NOK 56.5 million.

Net cash flow from financing activities was positive with NOK 306.4 million, mainly as a result of a debt issue of NOK 300 million during the year. Net change in cash for the year ended 31 December 2007 was positive NOK 229.7 million.

Cash and cash equivalents balance was NOK 447.0 million (528.2 in Q1 2007) at the end of the first quarter 2008, compared to NOK 501.4 million at the end of the previous quarter. The decrease in cash was caused by prepayments made on the Boeing contract of NOK 45.3 million during the quarter, as well as seasonality in sales pattern affecting trade receivables and credit card receivables on the quarter financial closing date.

Cash flow in second quarter 2008 from operating activities amounted to NOK 98.9 million, compared to NOK 257.2 million in second quarter last year. The reduced cash flow comes form higher fuel costs and lower earnings compared to last year as well as a different advance booking pattern due to larger share of charter sales.

Cash flow spent on the investment activity in the second quarter 2008 was NOK 106.4 million. Two new aircraft and upgrade on existing aircraft of NOK 251.2 million and as well as prepayment on Boeing of NOK 71.0 million is the main investment in the quarter. Positive cash flow comes from releasing financial investments of NOK 215.8 million.

Cash and cash equivalents balance at end of first half 2008 was NOK 434.0 million compared to NOK 501.4 million at year end 2007.

8.10 Historical investments

The table below sets forth historical consolidated investments for the financial years 2005, 2006, 2007 and the period ended 30 June 2008.

Figures in NOK 1000	2005 Audited IFRS	2006 Audited IFRS	2007 Audited IFRS	30 June 2008 Unaudited IFRS
Investments in fixed assets	21.243	248.729	63.448	248.539
Investments intangible assets	17.209	12.885	223.135	17.956
Total	**38.452**	**261.614**	**286.583**	**266.495**

As of 30 June 2008 the company operated 40 aircraft, four owned and 36 leased under operational leases. The first two of four owned aircraft were purchased in 2006 wile the last two were purchased in 2008. All owned aircraft are of the type 737-300. Investment in intangible asses is mainly related to the acquisition of Nordic Airlink Holding AB on 31 July 2007. In addition intangible assets include development of software for booking, various sales portals, back office and financial reporting systems.

In 2008 the Group changed the Swedish brand name from FlyNordic to Norwegian.se, and a write down of NOK 12.0 million on the value of the brand name is included in first half amortization. Total purchase price for Nordic Airlink Holding AB as of 31 December 2007 was NOK 199.8 million. A part of the purchase price was a profit sharing for the charter operations. As of 30 June 2008 the purchase price for the charter operations was revaluated resulting in adjustment of the purchase price from NOK 199.8 million to NOK 182.9 million. As a consequence the book value of goodwill has been reduced by NOK 16.9 million to NOK 102.4 million.

Depreciation is generally carried out using the straight-line method over the estimated useful life. Own aircraft are decomposed into two components for depreciation purpose. Aircraft must be maintained and significant components charged after a specific number of cycles or airborne hours; the value is depreciated over the period until next maintenance occurs. The second component is defined as the remainder of the aircraft and depreciated using the straight-line method.

8.11 Planned and committed investments

Norwegian announced on 30 August 2007 that the Company had entered and agreement with Boeing to acquire 42 new Boeing 737-800 HGW with delivery period 2009-2014, with about seven aircraft per year. As part of the announced transaction, Norwegian secured an option to acquire a further 42 new Boeing 737-800 HGW. The aircraft have a list price of USD 3.1 billion. Norwegian have not made a firm decision with regards to the ownership of aircraft to be purchased from Boeing, whether these will be taken on the balance sheet or done through a sale lease back agreement will be evaluated. If Norwegian decide to take ownership of all of the aircraft to be purchased from Boeing this will result in significant investments for Norwegian.

8.12 Significant Changes and trends since the last financial year

Other than the changes described below, there have been no significant changes to report after 31 December 2007. No significant change has occurred in the financial or trading position of the Group since the end of the last financial period for which audited financial information has been published, other than those described below.

The first two quarters in 2008 has shown a decrease in the yield (average income per RPK) as a result of longer average sector length as well as pressure on prices from increased competition in certain areas in Scandinavia. At the same time, the operating expenses have increased mainly due to the increase in fuel cost and the increases in production (ASK). Throughout second quarter the Group's operations has been challenged by an increasing fuel price that compared to last years price level, has caused an added fuel expense of NOK 200 million for second quarter compared to same period last year.

In addition, Norwegian has entered into a code share agreement with Sterling to reduce excess capacity and operational costs. Norwegian will operate most flights out of Oslo and Sterling will operate most southbound flights out of Stockholm. The above mentioned cooperation agreement is subject to approval from competition authorities.

Norwegian has also mandated Natixis Transport Finance to provide pre-delivery payment loan financing for its initial batch of ten new Boeing 737-800 HGW aircraft, to be delivered between summer 2009 and spring 2011. The loan will be structured as a revolving credit facility of maximum USD 133.3 million. Norwegian will as a result of the loan facility establish a subsidiary, SPV, in Ireland.

Norwegian also announced the introduction of a new voluntary options program for its employees whereby employees can take a reduction in their salary to be compensated with options in Norwegian. The voluntary option program will not exceed 3% of the share capital.

The demand for travelling with Norwegian and advanced bookings has been satisfactory entering the third quarter of 2008. 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.

Due to increased fuel price the Group is intensifying cost reductions as well as taking measures to increase revenues. The Group introduced a fuel surcharge in early May which in second quarter is partly offsetting increased cost of fuel. The fuel surcharge has been well absorbed by the market and has so far not affected the demand more than expected. Revenue generated in second quarter from the fuel surcharge covered 20% - 25% of second quarter’s year on year fuel cost increase. This ratio is expected to increase in second half of 2008 as the fuel surcharge will be reflected in the reported revenues.

The Polish operation develops satisfactory, however the route program for the coming winter season will be closely monitored due to the present high fuel prices.

The integration of Norwegian.se will continue to realize further synergies. The MD80 fleet will be phased out before the end of leasing period and will during the coming winter season be replaced by Boeing 737’s. Changes in the route program are expected in order to strengthen the domestic Swedish operation.

The Group guided at first quarter presentation a unit cost of NOK 0.52 for 2008 assuming an average fuel price in 2008 of USD 980 pr ton. During second quarter the fuel price have increased even further and will significantly affect the fuel costs in the coming quarters. The present spot price for jet fuel has been traded in the area of USD 1400 pr ton. With fuel prices at these levels, the Group expects a unit cost of 0.55 for the full year 2008 based on the existing route network.

8.13 Capitalisation and Indebtedness

The table below shows the consolidated statement of capitalization and indebtedness (distinguishing between guaranteed and un-guaranteed, secured and unsecured indebtedness). No other material change has taken place regarding the Company's capital resources as per 30 June 2008.

NOK 1000	30.06.2008
Guaranteed	
Secured *)	116 662
Unguaranteed/unsecured	1 988 321
Current debt	**2 104 983**
Guaranteed	
Secured *)	257 369
Unguaranteed/unsecured	310 504
Non-current debt	**567 873**
Share capital	2087
Share premium fund	408 277
Other paid-in equity	34 957
Other reserves	-206 607
Shareholders equity	**238 714**
Total capitalisation	**2 911 570**

*) Aircraft as security

NOK 1000	30.06.2008
A. Cash	433 969
B. Cash equivalents	0
C. Trading securities and other financial instruments	0
D. Liquidity (A+B+C)	**433 969**
E. Current financial receivables	**764 913**
F. Current bank debt	116 662
G. Current portion of non-current debt	0
H. Other current financial debt	1 398 786
I. Current financial debt (F+G+H)	**1 515 448**
J. Net current financial indebtedness (I-E-D)	**316 566**
K. Non-current bank loans	
L. Bonds issued	300 000
M. Other non-current loans	257 369
N. Non-current financial indebtedness (K+L+M)	**557 369**
O. Net financial indebtedness (J+N)	**873 935**

The table above should be read together with the Company's consolidated financial statements set forth above in Section 8.2 to 8.5.

The Company's consolidated actual capitalization as per 30 June 2008 was NOK 2,912 million. Net financial indebtedness was NOK 874 million.

8.13.1 Debt structure

The following tables set forth an overview of the Company's financing and the corresponding repayment commitments as at 30 June 2008.

Amounts in NOK 1000	Nominal interest rate	Currency amount	Credit balance 31.Dec.2007	Amount due next 12 months	Maturity date
FRN Norwegian Air Shuttle ASA Open Bond Issue 2007/2010	NIBOR + 2.0%	NOK 300m	NOK 300m	-	21.04.2010

The bond loan described in the table above has a total frame of NOK 500 million, of which NOK 300 million is drawn. The bond loan mature in 21 April 2010 and no amortisations need to be done prior to that date. The debt to total assets ratio and the debt to total equity ratio was 10% and 125% respectively as of 30 June 2008.

Norwegian has mandated Natixis Transport Finance to provide pre-delivery payment loan financing for its initial batch of ten new Boeing 737-800 HGW aircraft, to be delivered between summer 2009 and spring 2011.

8.13.2 Leasing agreements

Operating leases / lease of office buildings:

The company is continuously entering into new leasing contracts in order to meet the growth ambition. During the first half of 2008 the Company has taken deliveries of the first six leased aircraft of the type 737-800 HGW, all as operational leases. In additional the company has commitment to take deliveries of additional 5 leased aircraft and a purchase contract of 42 aircraft of the type 737-800 HGW. In additional the company has in first half of 2008 extended the leasing period for three 737-300 aircraft. The Company has not entered into any new material size leasing contracts for property.

Finance leases:

The company has no financial lease agreements.

8.14 Working capital statement

The Company is of the opinion that it has sufficient working capital to meet the Company's present requirements for a period of at least 12 months.

8.15 Use of Financial Instruments

The Company is exposed to fluctuations in foreign currencies. Revenues are mainly denominated in Norwegian and Swedish kroner SEK (local currency), while fuel costs, technical maintenance and leasing costs mainly are denominated in US Dollars - USD. Airport and handling-charges are mainly in Euro and local currency. The Company's commitment to purchase 42 Boeing 737-800 HGW is denominated in USD. The Company has foreign exchange contracts to partially secure future payments of aircraft leases, fuel payments and other operating costs denominated in USD and Euro. In addition the Company has hedged a portion the Boeing purchase commitment.

8.16 Financial Risk Management

The Company views the most significant financial risks as exchange rate risk and liquidity risk. The Company continuously evaluates these risks and determines policies related to how these risks are to be handled. The Company is using financial forecasts to ensure that sufficient funds are available to meet obligations under both normal and stressed circumstances. With regards to exchange rate risk, the Company is exposed to movements in NOK relative to other currencies. To reduce the exchange rate risk, the Company has procedures in place to estimate the next 12 months costs in USD and Euro and hedge a portion of the estimated exposure.

There are limited credits risks to the group's operations, as the main part of the outstanding claims are with credit card companies, which is a minor credit risk. Part of the sales is directly through travel agencies with a moderate credit risk. There has not been granted any guarantees for third party liabilities.

8.17 Capital resources

The Company is funded through cash flow from its running operations, and plans to fund its further expansion through such cash flow as well as from the contemplated rights issue. Norwegian will also evaluate the possibility of issuing debt instruments if the market conditions for such instruments are deemed attractive to Norwegian.

Management monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. In addition, the Group's liquidity management policy involves projecting cashflows in major currencies and considering the level of liquid assets necessary to meet these; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans.

As of 30 June 2008, Norwegian had an equity ratio of 8%.

8.18 Major shareholders and Related Party Transactions

Shareholders

Shareholders owning 1% or more of the Company registered in the VPS as of the date of this Prospectus:

Rank	Investor name	# of shares	% of shares outstanding
1	HBK HOLDING AS	3 165 747	15,2 %
2	BSB INVEST AS	3 064 720	14,7 %
3	VITAL FORSIKRING ASA	1 317 343	6,3 %
4	FINNAIR PLC	1 063 830	5,1 %
5	GOLDMAN SACHS INT.	1 022 000	4,9 %
6	OJADA AS	900 500	4,3 %
7	DNB NOR NORGE (IV) V	792 686	3,8 %
8	BROWN BROTHERS HARRI	744 970	3,6 %
9	FIDELITY FUNDS-NORDIC	673 000	3,2 %
10	FERD AS	594 000	2,8 %
11	FIDELITY FUNDS EUROPE	526 690	2,5 %
12	ANKERLØKKEN HOLDING	520 000	2,5 %
13	SKAGEN VEKST	450 000	2,2 %
14	VERDIPAPIRFONDET KLP	450 000	2,2 %
15	HOLBERG NORDEN	406 600	1,9 %
16	FONDSAVANSE AS	335 000	1,6 %
17	HOLBERG NORGE	311 800	1,5 %
18	DNB NOR SMB VPF	238 073	1,1 %
19	AWECO INVEST AS	207 000	1,0 %
	Total Top 19	**16 783 959**	**80,4 %**

A person, entity or group acting in concert that acquires shares, options for shares or other rights to shares resulting in its beneficial ownership, directly or indirectly, in the aggregate meeting or exceeding the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 and 90% of the share capital or the voting rights in the Company has an obligation under Norwegian law to notify Oslo Børs immediately.

Related party transaction

Board member Bjørn H. Kise also owns minority shares i HBK Holding and BSB Invest AS through minority shares in HBK Invest AS. There have been no financial transactions between BSB Invest AS and HBK Holding AS and Norwegian Air Shuttle ASA in 2007 or 2006. Board member Bjørn H. Kise is partner in the law firm Vogt & Wiig which is on of the legal advisor of Norwegian Air Shuttle ASA. The fees for legal services in 2007 paid to Vogt & Wiig was TNOK 5,075, ex. vat. Payable fees included in trade payables as at 31 December 2007 were TNOK 4.

The Company has a cooperation agreement with Bank Norwegian AS related to inter alia the Company's customer loyalty program. The Company has also provided Call Norwegian AS with funding as revolving credit of up to NOK 4,667,500 with an interest cost of 7.0% p.a with the revolving credit and the interest costs falling due 31 December 2008 . Agreements between the enities are considered to be on commercial terms.

Terms and conditions for transactions with related parties Sale to, or purchase from related parties are performed at arms-lengths conditions. The Group has not given any guarantees to related parties. Terms and principles for transactions with related parties are continuously evaluated.

8.19 The Company's Auditor

PricewaterhouseCoopers AS has been the Company's elected auditor for the three years ended 31 December 2005, 2006 and 2007. The auditor is a member of Den Norske Revisorforening (The Norwegian Institute of Public Accountants). The registration number in the Norwegian Register of Business Enterprises is 987 009 713. The registered address of PricewaterhouseCoopers AS is:

Name:	PricewaterhouseCoopers AS
Address:	Dronning Eufemiasgate 8
Telephone:	02316
Fax:	+47 23 16 10 00

9. TERMS OF THE RIGHTS ISSUE

9.1 Purpose of the Rights Issue and use of proceeds

In order to partly finance the 10 first aircraft to be purchased from Boeing (see Stock Notice dated 30 August 2007) and strengthening of the working capital position, the Board proposed for an EGM in Norwegian a Rights Issue of NOK 399,999,970.

9.2 Overview of the Rights Issue

The Company plans to carry out the Rights Issue consisting of:

The Rights Issue:	The offering of New Shares with Subscription Rights to Eligible Shareholders, as described in this Prospectus
Number of New Shares:	The Rights Issue comprises 11,494,252 New Shares.
Subscription Price:	The Subscription Price for each New Share is NOK 34.80.
Subscription Period:	The Subscription Period will last from and including 11 August 2008 to 25 August 2008 at 16:30 (CET)
Allocation date:	The final allocation will take place on or about 29 August 2008. Allotment letters will be sent on or about 1 September 2008.
Payment date:	On or about 2 September 2008.
Settlement:	The New Shares are expected to be delivered to the purchasers VPS accounts on or about 4 September 2008.
Trading of allocated New Shares	The New Shares may not be traded before registration of the Share Capital increase in the Norwegian Register of Business Enterprises. First day of trading on Oslo Børs is expected to be 4 September 2008.
Number of Shares before the Rights Issue:	20,865,526 Shares, each with nominal value NOK 0.10.
Number of Shares after the Rights Issue:	32,359,778 Shares, each of nominal value of NOK 0.10.
Gross proceeds of the Rights Issue:	The gross proceeds amounts to NOK 399,999,970.
Costs:	Estimated transaction cost for the Company related to the Rights Issue will be approximately NOK 17 million, of which up to NOK 16 million is related to fees to the Managers.
ISIN number of the New Shares:	NO 0010196140.

9.3 Share Capital before and after the Rights Issue

Prior to the Rights Issue the Company’s Share Capital is NOK 2,086,552.60 divided into 20,865,526 Shares each with a nominal value of NOK 0.10. For further details, see section 10 below.

The Company's Share Capital after completion of the Rights Issue will be NOK 3,235,977.80 divided into 32,359,778 Shares, each with a nominal value of NOK 0.10.

9.4 The Rights Issue

At the EGM held on 5 August 2008, the shareholders of the Company approved the Rights Issue, including an increase in the Share Capital by NOK 1,149,425.20 to NOK 3,235,977.80, by the issuance of 11,494,252 New Shares, by the following resolution (translated from Norwegian):

“1. The share capital shall be increased with NOK 1,149,425.20 by issuance of 11,494,252 new shares. This

implies total proceeds of NOK 399,999,970

2. The nominal amount per share shall be NOK 0.10

3. The existing shareholders of the company on the date of the general meeting shall have a preferential right to subscribe the shares. The shares of the company shall be traded exclusive of the subscription right from 6th August 2008. The company will issue tradable subscription rights that will be listed on the Oslo Stock Exchange. Oversubscription and subscription without subscription rights is permitted. The distribution of shares in case of oversubscription will be based on the relative number of subscription rights that are exercised. For shareholders domiciled in jurisdictions where subscription based on subscription rights is illegal or restricted, the company shall, either by itself, or through an agent, have the right to dispose of such shareholders' subscription rights, against payment of net sales proceeds to the relevant shareholder.

4. The subscription price shall be NOK 34.80 per share.

5. The rights issue has been fully underwritten by a consortium which has undertaken to subscribe for those shares not subscribed for and allocated in the rights issue. The members of the consortium are responsible for a pro rata share of the total commitment, and each member of the consortium is only responsible for the maximum amount the individual member has committed to. Any shares subscribed for by the consortium members in the rights issue will be deducted from underwriter's duties under the underwriting agreement. The underwriting consortium is being paid a commission of 2% of the committed capital.

6. The subscription shall take place on a separate subscription form which will be sent to each shareholder together with a prospectus for the new shares after the general meeting has decided to issue the shares in the rights issue. It is expected that the subscription form and the prospectus will be sent to the shareholders on 11th August 2008.

7. If the subscription form and the prospectus is sent to the shareholders as described in item 6, the subscription period will start on 11 August, however, the subscription period shall in any event not start before the Oslo Stock Exchange has approved the prospectus for the rights issue. The subscription period is two weeks. The members of the underwriting consortium shall have a right to subscribe for shares which are not subscribed for within the subscription period as soon as practicable after the end of the subscription period.

8. The share consideration shall be paid within four trading days after end of the subscription period. When subscribing for shares, individual subscribers domiciled in Norway must when signing the subscription form give Arctic Securities ASA and ABG Sundal Collier Norge ASA a proxy to charge the subscribers bank account in Norway for an amount which corresponds to payment for the shares allotted to the subscriber. Other subscribers shall transfer the payment to a specific account in the name of the company.

9. The new shares will give the subscribers right to dividend resolved after registration of the rights issue in the Register of Business Enterprises. Other shareholder rights will also be valid from such registration.."

In accordance with the above resolution, the EGM further resolved to change the articles of associations section 4 to read as follows:

> *"The company's share capital is NOK 3,235,977.80 divided on 32,359,778 shares, each of par value NOK 0.10"*

Eligible Shareholders will receive Subscription Rights to subscribe for the New Shares based on their pro rata ownership stake in the Company as of 5 August 2008, in accordance with section 10-4 of the Norwegian Public Limited Companies Act.

Each Eligible Shareholder will receive 0.55087 Subscription Rights for every share held at the end of 5 August 2008, cf. the above resolution. The holders of Subscription Rights will be entitled to subscribe for one New Share for every Subscription Right held, at the Subscription Price, NOK 34.80, within the end of the Subscription Period. To the extent the number of Subscription Rights held by each Eligible Shareholder does not result in a whole number of Subscription Rights, the number of Subscription Rights allocated shall be rounded down to the next whole number of Subscription Rights. The Subscription Rights will be registered on each Eligible Shareholder's account in the VPS.

The date for determining the existing shareholders who receive Subscription rights was 5 August 2008. On 5 August 2008, the Shares traded on Oslo Børs included the right to receive Subscription Rights. From 6 August 2008 the Shares were traded exclusive of the right to receive Subscription Rights.

Transactions in Shares made on or before 5 August 2008, but which have not settled or failed to be registered in the VPS within three trading days after 5 August 2008 will not be allocated Subscription Rights.

The Subscription Rights may only be used by the investor owning the Subscription Rights. After expiry of the Subscription Period, the Subscription Rights will be of no value. Acquired Subscription Rights give the same right to subscription as allocated Subscription Rights.

Holders of Subscription Rights may subscribe for a higher number of New Shares than they hold Subscription Rights for.

The principles for allocation of the New Shares in the case of oversubscription are described in section 9.10.

9.5 Dilution

The percentage of immediate dilution resulting from the Rights Issue for existing shareholders who do not participate in the Rights Issue is approximately 55%. The immediate dilution per share was NOK 6.11.

9.6 The Subscription Period

The Subscription Period for the Rights Issue will commence on 11 August 2008 and expires at 16:30 (CET) on 25 August 2008 and may not be closed prior to this. The Subscription Period can not be prolonged.

The preliminary result of the Rights Issue will be made public following the end of the Subscription Period, on or about 26 August 2008.

9.7 The Subscription Price

The Subscription Price is NOK 34.80 for each New Share. To secure interest for participating in the underwriting consortium and the Rights Issue, as well as to secure liquidity in the Subscription Rights, the Subscription Price has been set at a 30% discount to the volume weighted average trading price on Oslo Børs during the last five trading days prior to the day of the EGM. In setting the Subscription Price the Board has put emphasis to the fact that the equity issue will be organised as a rights issue, allowing the Company’s shareholders to maintain their relative ownership interests, and that the Subscription Rights are expected to be listed on Oslo Børs.

The subscribers will not incur any costs related to the mere subscription for or allocation of the New Shares.

The Rights Issue will result in NOK 399,999,970 in gross proceeds to the Company. After deductions of costs associated with the Rights Issue, the premium shall be allocated to the Company's share premium reserve.

9.8 Use and transfer of the Subscription Rights

The Subscription Rights are transferable and will be listed on Oslo Børs during the Subscription Period, under the ticker code NAS T. The Subscription Rights are registered with the VPS under the ISIN NO 0010451628. Trading in Subscription Rights on Oslo Børs will commence on 11 August and expire as 16.30 hours (CET) on 25 August 2008. Persons interested in trading Subscription Rights should be aware that the exercise of Subscription Rights by holders who are located in countries outside of Norway may be restricted or prohibited by applicable securities law.

The Subscription Rights must be used to subscribe for New Shares or sold before the end of the Subscription Period, as they thereafter will have no value.

Subscription Rights of existing shareholders resident in jurisdictions where the Prospectus may not be distributed and/or with legislation that forbids or otherwise restricts the subscription of New Shares (an "Ineligible Shareholder"), will initially be transferred to the VPS account of such shareholders. The Company will, however, for the existing shareholders identified as Ineligible Shareholders by the Company instruct the Managers to withdraw such shareholders' Subscription Rights and the Managers will then procure that the Subscription Rights are sold for the benefit of such Ineligible Shareholder from and including 15 August 2008, provided that (i) the value of the Subscription Rights is at least equal to the anticipated costs related to the sale of such Subscription Rights, and (ii) the relevant Ineligible Shareholder has not by 16.30 CET on 14 August 2008 documented to the Managers a right to receive the withdrawn Subscription Rights, in which case the Managers shall re-deliver the withdrawn Subscription Rights to such Ineligible Shareholder. The net proceeds from the sale (after costs) of the Ineligible Shareholders' Subscription Rights will be credited to the Ineligible Shareholders' bank account registered in the VPS for payment of dividends. There can be no assurance that the Company and the Managers will be able to sell the Subscription Rights at a profit. Neither the Company nor the Managers will procure any sale of Subscription Rights not utilised before the expiration of the Subscription Period.

9.9 Subscription Offices

Details of the Subscription Offices for subscriptions in the Rights Issue:

ABG Sundal Collier Norge ASA	Arctic Securities ASA
Munkedamsveien 45	Haakon VII gate 6
N-0250 Oslo, Norway	N-0123 Oslo, Norway
Fax: +47 22 01 60 62	Fax: +47 21 01 31 36

The Subscription Forms must be delivered to one of the Managers by way of telefax, ordinary post or hand delivery. The Subscription Forms must be received by one of the Managers within the expiry of the Subscription Period. It is not sufficient for the Subscription Form to be postmarked within the deadline. Norwegian subscribers may subscribe on the following internet pages within the Subscription Period:

www.norwegian.no
www.abgsc.no
www.arcticsec.no

Subscribers for New Shares bear the risk of any postal delays, unavailable fax lines or technical computer problems relating to the above mentioned internet addresses.

The Managers has discretion to refuse any improperly completed, delivered or executed Subscription Forms or any subscription which may be unlawful.

Oversubscription and subscription without Subscription Rights will be permitted, however, in each case there will be no guarantee that any New Shares will be allocated for such subscription. Multiple subscriptions within the Subscription Period are admitted.

The minimum subscription is for 1 New Share and the maximum subscription is for 11,494,252 New Shares.
By delivering the Subscription Form to the Manager or by subscribing on the internet, the subscription for New Shares is irrevocable and may not be withdrawn, cancelled or modified.

9.10 Allocation of the New Shares

In the event that the Subscription Rights are not fully utilised, the remaining New Shares will first be allocated to investors who have subscribed for more New Shares than they hold Subscription Rights. The remaining New Shares will as far as possible be allocated among such investors in proportion to the number of Subscription Rights each of them has used, cf. the pro rata principle in accordance with section 10-4 third paragraph of the Public Limited Companies Act, and otherwise based on the Board's discretion. Any New Shares remaining after allocation to Subscribers holding Subscription Rights, including any New Shares allocated as a result of an over-subscription, will be allocated to other investors relative to their subscribed amount.

Notifications of allocations of New Shares are expected to be issued by the Managers on or about 1 September 2008.

9.11 Payment for the allocated New Shares

Each investor applying for New Shares in the Rights Issue will by signing the Subscription Form give the Managers an authorisation to charge a specified bank account for the payment amount for the number of New Shares the person is allotted. The specified bank account is expected to be debited on or about 2 September 2008. There must be funds available for the full amount on the specified bank account at the latest on 29 August 2008. Please note that it typically takes at least one business day to transfer money from one Norwegian bank account to another (international bank transfers may take a longer period to complete). Subscribers who do not have a bank account in Norway must contact the Managers well ahead of the payment date in order to arrange for payment by other means as the Managers may instruct.

The Managers reserves the right to make up to three debits in the period 2 September to 15 September 2008 if there are insufficient funds on the account on the debiting date. If payment for allocated New Shares is not made by the relevant subscriber when due, the New Shares will not be delivered to the investor. The Company and the Managers reserves the right, at the cost and risk of the investor, to cancel the allotment, have a third party paying for the allocated New Shares on behalf of the subscriber and to re-allot or otherwise dispose of all or parts of the allocated New Shares on such terms and in such manner as the Managers may decide (however so that the investor will not be entitled to profits from such disposal, if any) in accordance with section 10-12 fourth paragraph of the Public Limited Companies Act. If a third party has paid for the allocated New Shares on behalf of the subscriber, these New Shares may be taken over or sold within three days after payment should have been made by the subscriber without any further notification. The investor will remain liable for payment for the New Shares together with any interest, costs, charges and expenses accrued, and the Managers may enforce payment for such amount outstanding in accordance with Norwegian law.

Interest will accrue on late payments at the applicable statutory rate on overdue payment, which at the date of this Prospectus is 12.75% per annum.

9.12 Underwriting Agreement

An Underwriting Syndicate was established on 7 July 2008, which guarantees the subscription of the New Shares. The Underwriting Syndicate is not responsible for non-payment of New Shares that have been subscribed for and allocated in the Rights Issue. The Underwriting Syndicate will receive an underwriting fee of 2% of the total guarantee amount. The participants in the Underwriting Syndicate are listed below:

Investor	Business Address
Ojada AS (Chairman Erik Braathen)	Olav Vs gate 5, 0161 Oslo, Norway
Bjørn Kjos - CEO	Norwegian, Oksenøyv. 10A, 1366 Lysaker, Norway
Skagen AS	Skagen 3, 4006 Stavanger, Norway
Skagen Vekst	
Skagen Vekst III	
KLP Fondsforvaltning AS	Karl Johansgate 41b, 0162 Oslo, Norway
KLP AksjeNorge	
KLP LIV	
Holberg Fondsforvaltning AS	Lars Hillesgate 19, 5008 Bergen, Norway
Holberg @	
Holberg Norden 2	
Holden Norden 2	
Holberg Norden	
Holberg Norge	
Holberg Global	
DnB NOR Kaptilforvaltning AS	Øvre Slottsgate 3, 0157 Oslo, Norway
Avanse Norge (II)	
DnB NOR 20TI	
DnB NOR 30YJ	
DnB NOR Barnefond	
DnB NOR SMB	
DnB NOR Norge (IV)	
Unit Link: Vital Norske Aksjer Aktiva	
Vital Forsikring Omløp	
MP Pensjon	Akersgaten 1-5, 0158 Oslo, Norway
Net AS	Haakon VII`s gate 1, 0116 Oslo, Norway
King Holding AS	Hopsnesvegen 81, 5232 Paradis Bergen, Norway
WarrenWicklund Asset Management	Hieronymus Heyerdahlsgate 1, 0166 Oslo, Norway
Dukat AS	Haakon VII`s gate 6, 0161 Oslo, Norway
Ventor AS	Bryggetorget 1, 0250 Oslo, Norway
Nerland Invest AS	Lingedalsveien 6/10, 6415 Molde, Norway
Orkla Finans Investment Fund	Tordenskioldsgate 8-10, 0160 Oslo, Norway
Orkla Finans Nordic Alpha	Tordenskioldsgate 8-10, 0160 Oslo, Norway
Valhall AS	Akersgaten 7, 0158 Oslo, Norway
Soegne Shipping AS	Birkedalsveien 67, 4640 Søgne, Norway
Terra Fondsforvaltning AS	Terra Fondsforvaltning AS, Munkedamsvn 35, 0250 Oslo, Norway
Terra Total	
Terra Norden	
Terra Vekst	
Choice Hotels AS	Frederik Stangsgate 22-24, 0264 Oslo, Norway
Fondsavanse AS	Haakon VIIs gate 2, 0161 Oslo, Norway
Arctic Securities ASA	Haakon VII`s gate 6, 0161 Oslo, Norway
ABG Sundal Collier Norge ASA	Munkedamsveien 45, Vika Atrium, 0250 Oslo, Norway
Ferd AS	Strandveien 50, 1366 Lysaker, Norway
Silvercoin AS	Agatveien 22, 1639 Fredrikstad, Norway

The following insiders have participated in the guarantee consortium, as announced in the press release on 8 July 2008, with the following amounts:

- Ojada AS (Chairman, Erik Braathen) NOK 30 million
- Bjørn Kjos (CEO) NOK 30 million

ABG Sundal Collier Norge ASA and Arctic Securities ASA , as the Company's Managers, are underwriting NOK 2,711,905 each in the transaction.

9.13 Delivery and trading of allocated New Shares

Assuming that payment from all Subscribers are made when due, New Shares allotted in the Rights Issue are expected to be transferred to the investors' VPS accounts on or about 4 September 2008. It is expected that the share capital increase will be registered in the Norwegian Register of Business Enterprises (*Foretaksregisteret)* on the same date.

A Subscriber will not under any circumstances be entitled to sell or transfer its New Shares until these shares have been paid in full by such Subscriber and been registered in the Norwegian Register of Business Enterprises.

Furthermore, any Subscriber (having paid for its shares) that sells or transfers its New Shares before registration of the share capital increase in the Norwegian Register of Business Enterprises and delivery of the New Shares on the Subscriber's VPS account, runs the risk that full payment by all subscribers does not take place in accordance with the procedures set out in section 9.11 above. In such case the completion of the Rights Issue and thereby the delivery of the New Shares to the Subscriber may be delayed. The Subscriber will then run the risk that the Subscriber is unable to settle the sale or transfer its New Shares in time.

The New Shares will be listed on Oslo Børs after the share capital increase has been registered in the Norwegian Register of Business Enterprises (*Foretaksregisteret).* Assuming timely payment by all Subscribers, the Company expects that the New Shares will be listed on Oslo Børs on or about 4 September 2008. Like the existing Shares of the Company, the New Shares will be listed on Oslo Børs under the ticker code NAS. One trading round lot is comprised of 200 Shares.

9.14 The rights conferred by the New Shares

The New Shares will in all respects carry full shareholder rights equal to the existing ordinary Shares of the Company once the New Shares have been issued and registered at the Norwegian Register of Business Enterprises. The New Shares carry right to dividends, if any, which is resolved distributed after the Share Capital increase is registered in the Norwegian Register of Business Enterprises in line with all other Shares of the Company, cf. Section 10.5 and 10.8. Each New Share will confer the right to one vote at general meetings, cf. Section 11.2. For a description of rights attaching to Shares in the Company, see section 10 "Shares and Share Capital" of this Prospectus.

9.15 Publication of information in respect to the Rights Issue

In addition to press releases on the Company's web site, the Company intends to use the Oslo Børs information system to publish information in respect to the Rights Issue.

9.16 Gross proceeds from the Rights Issue

The gross proceeds from the Rights Issue to the Company will be NOK 399,999,970.

9.17 VPS Registration

The Shares are registered in the Norwegian Central Securities Depository (VPS). The Shares' securities numbers are ISIN NO 0010196140. The Company's registrar is DnB NOR Bank ASA, Stranden 21, 0250 Oslo, Norway.

9.18 Managers and advisors

The guarantee consortium has been established by ABG Sundal Collier Norge ASA, Munkedamsveien 45, N-0250 Oslo and Arctic Securities ASA, Haakon VII gate 6, N-0123 Oslo who also manages the Rights Issue. The Managers have assisted Norwegian in preparing this Prospectus.

As at the date of this Prospectus, ABG Sundal Collier owned 0 shares in Norwegian, and employees in ABG Sundal Collier owned 0 shares in Norwegian. ABG Sundal Collier may have holdings in the underlying shares as a result of derivatives trading.

As at the date of this Prospectus, Arctic Securities owned 0 shares in Norwegian, and employees in Arctic Securities owned 0 shares in Norwegian. Arctic Securities may have holdings in the underlying shares as a result of derivatives trading.

9.19 Costs

The estimated transaction costs of the Company related to the Rights Issue will be approximately NOK 17 million, of which up to NOK 16 million is related to fees to the Manager, meaning that the net proceeds of the Rights Issue will be approximately NOK 383 million. No expenses or taxes are charged to the subscribers in the Rights Issue by the Company or the Managers.

9.20 Mandatory anti-money laundering procedures

The Rights Issue is subject to the Norwegian Money Laundering Act No. 41 of 20 June 2003 and the Norwegian Money Laundering Regulations No. 1487 of 10 December 2003 (collectively the "Anti-Money Laundering Legislation").

All subscribers who are not registered as existing customers with the Managers must verify their identity to the Managers in accordance with requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Subscribers that have designated an existing Norwegian bank account and an existing VPS-account on the Subscription Form are exempted, provided the aggregate Subscription Price is less than NOK 100,000, unless verification of identity is requested by the Manager. The verification of identification must be completed prior to the end of the Subscription Period. Investors that have not completed the required verification of identification will not be allocated Shares.

Further, in participating in the Rights Issue, each subscriber must have a VPS account. The VPS account number must be stated on the Subscription Form. VPS accounts can be established with authorised VPS registrars, which can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian Ministry of Finance. Establishment of VPS account requires verification of identification before the VPS registrar in accordance with the Anti-Money Laundering Legislation.

9.21 Notice to prospective investors outside of Norway including in the United States, Canada, Japan and Australia

The distribution of this Prospectus and the offering of the New Shares and the granting of Subscription Rights in the Rights Issue may in certain jurisdictions be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer of, or a solicitation of an offer to purchase, any of the New Shares or the Subscription Rights in any jurisdiction or in any circumstances in which such offer or solicitation would be unlawful.

No actions have been taken to register or qualify the Subscription Rights and the New Shares to be offered in the Rights Offering or otherwise to permit a public offering of the securities in any jurisdiction outside of Norway. Accordingly, if you reside in any country other than Norway, you may not be permitted to trade or exercise any Subscription Rights or subscribe for any New Shares in the Rights Offering. The Company and the Managers require persons into whose possession this Prospectus comes to inform themselves of, and observe, all such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the Company nor the Managers accept any legal responsibility for any violation by any person of any such restrictions.

Investors should consult their professional advisors as to whether they require any governmental or other consents or need to observe any formalities to enable them to received the Subscription Rights of to subscribe for the New Shares.

United States
The Company and the Managers are relying upon certain exemptions from the registration requirements of the U.S. Securities Act of 1933 as amended (the "Securities Act") in the Rights Offering. Neither the Subscription Rights nor the New Shares to be issued in the Rights Offering have been approved or disapproved by the United States Securities and Exchange Commission or any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Subscription Rights or New Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Subscription Rights and the New Shares have not been and will not be registered under the Securities Act, or with any securities authority of any state of the United States. Accordingly, the Subscription Rights and the New Shares issued (pursuant to the exercise of Subscription Rights or otherwise) may not be offered, pledged, sold, resold, granted, delivered, allotted, taken up, or otherwise transferred, as applicable, in the United States, except in transactions that are exempt from, or in transactions not subject to, registration under the Securities Act and in compliance with any applicable state securities laws. As a result, no offer of the Subscription Rights or the New Shares (pursuant to the exercise of Subscription Rights or otherwise) is being made to persons who are located in the United States, except as provided below. The Subscription Rights and the New Shares being offered and sold outside the United States may be sold in reliance on Regulation S under the Securities Act.

The Subscription Rights may be delivered and the New Shares may be offered and delivered (pursuant to the exercise of Subscription Rights or otherwise) (such Subscription Rights and New Shares are collectively referred to as the "Securities" for purposes of this section) in the United States to a limited number of persons reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the Securities Act, "**QIBs**") pursuant to applicable exemptions under the Securities Act, provided that such persons, by signing the same, represent, warrant and undertake as provided in the U.S. Subscribers' Letter in the form set forth in the Annex – "Form of U.S. Subscribers' Letter" to this Prospectus. Additionally, copies of this Prospectus may only be forwarded in or into the United States to persons reasonably believed to be QIBs. Any person in the United States who obtains a copy of this Prospectus and who is not a QIB is requested to disregard the contents of this Prospectus.

In connection with its purchase of the Securities, each U.S. subscriber or subscriber of the Securities that is in the United States, by virtue of its acceptance of this Prospectus, will be deemed to make each of the representations, warranties and undertakings in the U.S. Subscribers' Letter in the form as set forth in the Annex – "Form of U.S. Subscribers' Letter" to this Prospectus and is required to sign and return such U.S. Subscribers' Letter to the Managers prior to its purchase of any Securities.

In order to comply with the resale requirements under Rule 144A under the Securities Act, the Managers have agreed to subscribe and pay for a limited number of Securities for resale in the United States, and then to immediately re-sell such Securities to QIBs on the terms and subject to the conditions set forth in this Prospectus. The Managers hereby expressly disclaim any liability to the purchasers of the Securities beyond the liability of the Company to the Managers as subscriber of such Securities.
Each purchaser understands that the Securities being offered in the Rights Offering are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and have not been and will not be registered under

the Securities Act or with any securities regulatory authority of any state or jurisdiction of the United States or any other jurisdiction.

The Securities may not be offered, resold, pledged or otherwise transferred except (a)(1) to the Company, (2) to a person who the seller reasonably believes is a QIB purchasing for its own account or for the account or benefit of a QIB in a transaction meeting the requirements of Rule 144A, (3) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (4) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), (5) pursuant to any other available exemption from registration under the Securities Act, or (6) pursuant to an effective registration statement under the Securities Act and (b) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction. No representations can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resales of the Securities. By purchasing the Securities, it represents and agrees for the benefit of the Company that it understands and agrees to the foregoing restrictions and that it will notify any purchaser of any or all of the Securities of the resale restrictions referred to above.

Holders of the securities, and any prospective buyers designated by the holder, have the right to obtain from the Company, upon such holder's request, certain reasonably current information of the Company, including a business description dated as of a date within 12 months prior to the resale, the Company's most recent balance sheet dated as of a date within 16 months prior to the resale and the Company's most recent profit and loss and retained earnings statements for the 12 months preceding the date of the balance sheet.

Prospective purchasers are hereby notified that the sellers of the Securities purchased in this Rights Offering may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act.

Canada, Japan and Australia

The Subscription Rights and the New Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into Canada, Japan or Australia.

10. SHARES AND SHARE CAPITAL

10.1 Current Share Capital

The Company's current Share Capital is NOK 2,086,522.66 divided into 20,865,526 Shares, each with a nominal value of NOK 0.10. All Shares are fully paid and designated by name. The Shares have been created under the Norwegian Private and Public Limited Liability Companies Acts.

10.2 Share Capital Development for the latest 3 financial years

Below is a table showing the development of the Company's share capital during the past three financial years up to the date of the Prospectus

Change in equity NOK Date	Type of increase/decrease	No of Shares after change	Offer price	Face value	Change in in number of shares	Share capital after change
October 2003	Opening Balance	10 272 730		0,1		1 027 273
December 2003	Increase	18 085 230	32,0	0,1	7 812 500	1 808 523
May 2004	Increase/option program	18 284 570	0,1	0,1	199 340	1 828 457
October 2004	Increase/option program	18 333 398	0,1	0,1	48 828	1 833 340
February 2005	Increase/option program	18 369 196	0,1	0,1	35 798	1 836 920
March 2006	Private Placemenet	19 669 196	92,0	0,1	1 300 000	1 966 920
July 2007	Issue to Finnair	20 733 026	0,1	0,1	1 063 830	2 073 303
October 2007	Increase/option program	20 865 526	0,1	0,1	132 500	2 086 553

10.3 Authorisation to increase the Share Capital

On 5 August 2008, an Extraordinary General Assembly resolved to grant the Board authorisation to increase the Company's share capital:

"1. The share capital shall be increased with NOK 1,149,425.20 by issuance of 11,494,252 new shares. This implies total proceeds of NOK 399,999,970

2. The nominal amount per share shall be NOK 0.10

3. The existing shareholders of the company on the date of the general meeting shall have a preferential right to subscribe the shares. The shares of the company shall be traded exclusive of the subscription right from 6th August 2008. The company will issue tradable subscription rights that will be listed on the Oslo Stock Exchange. Oversubscription and subscription without subscription rights is permitted. The distribution of shares in case of oversubscription will be based on the relative number of subscription rights that are exercised. For shareholders domiciled in jurisdictions where subscription based on subscription rights is illegal or restricted, the company shall, either by itself, or through an agent, have the right to dispose of such shareholders' subscription rights, against payment of net sales proceeds to the relevant shareholder.

4. The subscription price shall be NOK 34.80 per share.

5. The rights issue has been fully underwritten by a consortium which has undertaken to subscribe for those shares not subscribed for and allocated in the rights issue. The members of the consortium are responsible for a pro rata share of the total commitment, and each member of the consortium is only responsible for the maximum amount the individual member has committed to. Any shares subscribed for by the consortium members in the rights issue will be deducted from underwriter's duties under the underwriting agreement. The underwriting consortium is being paid a commission of 2% of the committed capital.

6. The subscription shall take place on a separate subscription form which will be sent to each shareholder together with a prospectus for the new shares after the general meeting has decided to issue the shares in the rights issue. It is expected that the subscription form and the prospectus will be sent to the shareholders on 11th August 2008.

7. If the subscription form and the prospectus is sent to the shareholders as described in item 6, the subscription period will start on 11 August, however, the subscription period shall in any event not start before the Oslo Stock Exchange has approved the prospectus for the rights issue. The subscription period is two weeks. The members of *the underwriting consortium shall have a right to subscribe for shares which are not subscribed for within the subscription period as soon as practicable after the end of the subscription period.*

8. The share consideration shall be paid within four trading days after end of the subscription period. When subscribing for shares, individual subscribers domiciled in Norway must when signing the subscription form give Arctic Securities ASA and ABG Sundal Collier Norge ASA a proxy to charge the subscribers bank account in Norway for an amount which corresponds to payment for the shares allotted to the subscriber. Other subscribers shall transfer the payment to a specific account in the name of the company.

9. The new shares will give the subscribers right to dividend resolved after registration of the rights issue in the Register of Business Enterprises. Other shareholder rights will also be valid from such registration.."

The Board of Directors was authorised to increase the Company's share capital with NOK 1,149,425.20 through the issue of up to 11,494,252 New Shares, each with a nominal value of NOK 0.10, for the board to be able to implement the Company's stock option program for employees and further growth.

10.4 Own Shares

As of the date of this Prospectus, the Company holds 0 own Shares, with a total nominal value of NOK 0 and a book value of NOK 0.1 per share.

10.5 Dividend Policy

Any proposal to pay annual dividend must be recommended by the directors and approved by the Company's Shareholders at a general meeting. Dividends will not be paid if equity is below what is considered to be an appropriate level for Norwegian to develop its business. No dividend has been distributed to the shareholders since the Company was listed on Oslo Børs.

10.6 Warrants and Stock Options

The employees and management of the Group have been given options to buy shares in the parent company. The fair value of the options to be settled in equity instruments is estimated at the grant date and recognised as an expense over the vesting period. The fair value of the options to be settled in cash is estimated at each year end and recognised as an expense over the vesting period. The fair value is determined by an external valuer using a Black and Scholes model. The assumptions underlying the number of options expected to invest are adjusted to reflect conditions prevailing at the balance sheet date.

Finnair received stock options for up to 5% of Norwegians share capital at the time of the transaction equalling 646,692 options at strike NOK 110/share and 474,941 options at strike NOK 120/share. The options expire at the end of 2008.

10.7 Convertible Instruments

Norwegian has not issued any convertible instruments.

10.8 Distribution of dividends

Dividends may be paid in cash or in some instances in kind. The Norwegian Public Limited Companies Act provides several constraints on the distribution of dividends:

- Dividends are payable only out of distributable reserves. Section 8-1 of the Norwegian Public Limited Companies Act provides that distributable reserves consist of the profit for the prior fiscal year (as reflected in the consolidated income statement approved by the annual general meeting of shareholders) and the retained profit from previous years (adjusted for any reclassification of equity), less (i) uncovered losses, (ii) the book value of research and development, goodwill and net deferred tax assets (as recorded in the balance sheet, as of the most recent fiscal year end, approved by the annual general meeting of shareholders), (iii) the total nominal value of treasury shares which the Company has acquired for ownership or as security in previous fiscal years, and credit and security which, pursuant to Sections 8-7 to 8-9 of the Norwegian Public Limited Companies Act, fall within the limits of distributable equity, and (iv) that part of the profit for the prior fiscal year which, by law or pursuant to the Company's Articles of Association, must be allocated to the undistributable reserve or cannot be distributed as a dividend.

- Dividends cannot be distributed if the Company's equity amounts to less than 10% of the total assets
- Dividends can only be distributed to the extent compatible with good and careful business practice, with due regard to any losses which the Company may have incurred since the balance sheet date (i.e. the prior fiscal year end) or which the Company may expect to incur.

According to the Norwegian Public Limited Companies Act, there is no time limit after which entitlement to dividends lapses. Further, there are no dividend restrictions or specific procedures for non-Norwegian resident shareholders in the Act. For a description of withholding tax on dividends that is applicable to non-Norwegian residents see section 12.

10.9 Distribution of assets on liquidation

Under Norwegian law, a company may be wound-up by a resolution of the company’s shareholders in a general meeting passed by the same vote as required with respect to amendments to the articles of association. The shares rank equally in the event of a return on capital by the company upon a winding-up or otherwise.

11. SHAREHOLDER MATTERS AND NORWEGIAN SECURITIES LAW

11.1 General Assemblies

According to the Norwegian Public Companies Act, a company's shareholders are to exercise supreme authority in the company through the general meeting.

A shareholder may attend the general meeting either in person or by proxy. According to the Securities Trading Act section 5-9 (3) a company listed on Oslo Børs shall send proxy forms to its shareholders for the General Assemblies

In accordance with the Norwegian Public Companies Act, the annual general meeting of the company shall be held each year on or prior to 30 June. The following business must be discussed and decided at the Annual General Assembly:

- approval of the annual accounts and annual report, including the distribution of any dividend
- the statement of the Board of Directors with regard to remuneration and benefits to the company's managing director and other senior management; and
- any other business required to be discussed at the general meeting by law or in accordance with the company's Articles of Association.

Norwegian Public Companies Act requires that written notice of General Assemblies be sent to all shareholders whose addresses are known at least two weeks prior to the date of the meeting, unless a company's Articles of Association stipulate a longer period. For listed companies, the Norwegian Corporate Governance Code recommends that the notice calling the meeting and the support information on the resolutions to be discussed at the general meeting are made available on the company's home page no later that 21 days prior to the date of the General Assembly.

A shareholder is entitled to have an issue discussed at a general meeting if such shareholder provides the Board of Directors with notice of the issue so that it can be included in the written notice of the General Assembly.

In addition to the Annual General Assembly, extraordinary general meetings of shareholders may be held if deemed necessary by the company's Board of Directors. An extraordinary General Assembly must also be convened for the consideration of specific matters at the written request of the company's auditors or shareholders representing a total of at least 5% of the share capital.

11.2 Voting Rights

Subject to the terms of a company's Articles of Association to the contrary, the Norwegian Public Companies Act provides that each outstanding share shall represent a right to one vote. No voting rights can be exercised with respect to treasury shares (own shares) held by a company.

In general, decisions that shareholders are entitled to make under the Norwegian Public Companies Act or the company's Articles of Association may be made by a simple majority of the votes cast. In the case of elections, the persons who obtain the most votes cast are elected. However, certain decisions, including but not limited to resolutions to:

- authorize an increase or reduction of the company's share capital,
- waive preferential rights in connection with any share issue,
- approve a merger or demerger, and
- amend the company's Articles of Associations,

must receive the approval of at least two-thirds of the aggregate number of votes cast at the general meeting, as well as at least two-thirds of the share capital represented at the meeting. There are no quorum requirements for General Assemblies.

In general, in order to be entitled to vote, a shareholder must be registered as the owner of shares in the share register kept by the Norwegian Central Securities Depository ("VPS") (described below), or, alternatively, report and show evidence of the shareholder's share acquisition to the company prior to the general meeting. Under Norwegian law, a beneficial owner of shares registered through a VPS-registered nominee is not guaranteed to be able to vote the beneficial owner's shares unless ownership is re-registered in the name of the beneficial owner prior to the relevant General Assembly.

11.3 Amendments to the Company's Articles of Association

The affirmative vote of two-thirds of the votes cast at a general meeting as well as at least two-thirds of the share capital represented at the meeting is required to amend the company's Articles of Association. Certain types of changes in the rights of the company's shareholders require the consent of all shareholders or 90% of the votes cast at a general meeting.

11.4 Additional issuances and preferential rights

If a public limited company issues any new shares, including bonus share issues (involving the issuance of new shares by a transfer from the company's share premium reserve or distributable equity to the share capital), the Articles of Associations must be amended, which requires a two-thirds majority of the votes cast and the share capital represented at a general meeting of shareholders. In connection with an increase in the company's share capital by a subscription for shares against cash contributions, Norwegian law provides the company's shareholders with a preferential right to subscribe for the new shares on a pro rata basis in accordance with their then-current shareholdings in the company. The preferential rights to subscribe to an issue may be waived by a resolution in a General Assembly passed by a two-thirds majority of the votes cast at a General Assembly as well as at least two-thirds of the share capital represented at the meeting .

The General Assembly may, with a two-thirds majority vote as described above, authorize the Board of Directors to issue new shares. Such authorization may be effective for a maximum of two years, and the par value of the shares to be issued may not exceed 50% of the nominal share capital as at the time the authorization was registered in the Norwegian Registry of Business Enterprises. The preferential right to subscribe for shares against consideration in cash may be set aside by the Board of Directors only if the authorization includes such possibility for the Board of Directors.

To issue shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights, the Company may be required to file a registration statement in the United States under U.S. securities laws. If the Company decides not to file a registration statement, these holders may not be able to exercise their preferential rights.

Under Norwegian law, bonus shares may be issued, subject to shareholder approval and provided, amongst other requirements, that the company does not have an uncovered loss from a previous accounting year, by transfer from the company's distributable equity or from the company's share premium reserve. Any bonus issues may be accomplished either by issuing shares or by increasing the par value of the shares outstanding. If the increase in share capital is to take place by new shares being issued, these new shares must be allotted to the shareholders of the company in proportion to their current shareholdings in the company.

11.5 Minority Rights

The Norwegian Public Companies Act contains a number of protections for minority shareholders against oppression by the majority, including but not limited to those described in this and preceding sections. Any shareholder may petition the courts to have a decision of the company's Board of Directors or general meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the company itself. In certain grave circumstances, shareholders may require the courts to dissolve the company as a result of such decisions. Shareholders holding in the aggregate 5% or more of a public limited company's share capital have a right to demand that the company holds an Extraordinary General Assembly to discuss or resolve specific matters. In addition, any shareholder may demand that the company places an item on the agenda for any General Assembly if the company is notified in time for such item to be included in the notice of the meeting.

11.6 Mandatory takeover bids and squeeze-out rules

The Securities Trading Act Chapter 6 requires any person, entity or group acting in concert that acquires shares representing more than 1/3 of the voting rights of a Norwegian company listed on Oslo Børs to make an unconditional general offer for the purchase of the remaining shares in the company. The obligation to make a mandatory bid will be repeated at acquisition of shares representing 40% or more and 50% or more of the voting rights. The offer is subject to approval by Oslo Børs before submission of the offer to the shareholders. The offer price per share must be at least as high as the highest price paid or agreed by the offeror in the six-month period prior to the date the relevant threshold was exceeded, but equal to the market price if it is clear that the market price was higher when the relevant threshold was exceeded. In the event that the acquirer thereafter, but prior to the expiration of the bid period acquires, or agrees to acquire, additional shares at a higher price, the acquirer is obliged to restate its bid at that higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. A shareholder who fails to make the required offer must within four weeks dispose of sufficient shares so that the obligation ceases to apply (i.e., to reduce the ownership to a level below the relevant threshold). Otherwise, Oslo Børs may cause the shares exceeding the relevant threshold to be sold by public auction. A shareholder who fails to make such bid cannot, as long as the mandatory bid requirement remains in force, vote for his shares on the company's shareholders meetings or exercise any rights of share ownership unless a majority of the remaining shareholders approve. The shareholder can, however, exercise the right to dividends and pre-emption rights in the event of a share capital increase. Oslo Børs may impose a daily fine upon a shareholder who fails to make the required offer.

A shareholder or consolidated group that owns shares representing more than 1/3 of the votes in a listed company, and that has not made an offer for the purchase of the remaining shares in the company in accordance with the provisions concerning mandatory offers (e.g., due to available exemptions), is obliged, in general, to make a mandatory offer in the case of each subsequent acquisition. However, there are exceptions to this rule, including for a shareholder or a consolidated group that, upon admission of the company to listing on a regulated market, owns more than 1/3 of the shares in the company.

Pursuant to the Norwegian Public Companies Act section 4-25, compulsory acquisition ("squeeze out") of the remaining shares may be initiated by a purchaser who owns more than 90% of the shares (and corresponding voting rights). Such squeeze out is initiated through a decision by the Board of Directors of the 90% owner and payment of the price offered. Failing agreement between the parties, the price shall be determined through a valuation by the court, but the acquirer will obtain title to the shares immediately.

11.7 Disclosure Obligations

A person, entity or group acting in concert that acquires shares, options for shares or other rights to shares resulting in its beneficial ownership, directly or indirectly, in the aggregate meeting or exceeding the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 and 90% of the share capital or the voting rights in the Company has an obligation under Norwegian law to notify Oslo Børs immediately. The same applies to disposal of shares (but not options or other rights to shares) resulting in a beneficial ownership, directly or indirectly, in the aggregate meeting or falling below said thresholds.

11.8 Rights of redemption and repurchase of shares

A public limited company may issue redeemable shares (i.e., shares redeemable without the shareholder's consent), but this is not common practice. The company's share capital may be reduced by reducing the par value of the shares. Such decision requires the approval of two-thirds of the votes cast at a general meetings well as two-thirds of the aggregate share capital present in the general meeting. Redemption of individual shares requires the consent of the holders of the shares to be redeemed.

A public limited company may purchase its own shares if an authorisation for the Board of Directors of the company to do so has been given by the shareholders at a General Assembly with the approval of at least two-thirds of the aggregate number of votes cast at the meeting. The aggregate nominal value of treasury shares so acquired and held by the company is not permitted to exceed 10% of the company's share capital, and treasury shares may only be acquired if the company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the shareholders at the General Assembly cannot be given for a period exceeding 18 months.

11.9 Shareholder vote on certain reorganizations

A decision to merge with another company or to demerge requires a resolution of the company's shareholders at a General Assembly passed by two-thirds of the aggregate votes cast, as well as two-thirds of the aggregate share capital represented, at the general meeting. A merger plan or de-merger plan signed by the company's Board of Directors along with certain other required documentation shall be sent to all shareholders and registered with the Norwegian Register of Business Enterprises at least one month prior to the General Assembly.

11.10 Distribution of assets on liquidation

According to the Public Limited Companies Act, a company may be wound-up by a resolution of the company's shareholders in a General Assembly passed by the same vote as required with respect to amendments to the Articles of Association. The shares rank equally in the event of a return on capital by the company upon a winding-up or otherwise.

11.11 The Articles of Association

Article 1

The name of the Company is Norwegian Air Shuttle ASA. The Company is a public limited company.

Article 2

The Company's registered office is in Bærum.

Article 3

The Company's objective is to be engaged in aviation, other transport and travel related business activities as well as activities connected therewith. The Company may also directly or indirectly be engaged in other forms of internet-based provision of goods and services, including car-rental, hotel booking, payment services, financial services and services related to credit cards. Participation in such activities as mentioned may take place through co-operation agreements, ownership interests or by any other means.

Article 4

The Company's share capital is NOK 2,086,552.60 divided into 20,865,526 shares each of nominal value NOK 0.10.

Article 5

The Company's Board of Directors shall consist of six to eight members as determined by the decision of the General Assembly.

Article 6

Power of signing for the Company is vested in the Chairman alone or any two members of the Board of Directors signing jointly. The Board may delegate the power of signing.

Article 7

The Company shall hold its Annual General Assembly each year before the end of the month of June. At least two weeks written notice must be given to call the Annual General Assembly. The notice calling the Assembly shall include the agenda for the Assembly. Shareholders wishing to attend the Annual General Assembly must, in the manner directed by the Board, give notice of this to the Company no later than three days before the date of the Assembly. The Chairman of the Company's Board of Directors shall be the Chairman of Annual General Assembly. The Annual General Assembly will consider and decide upon:

1. Approval of the Annual Report and Accounts, including any dividend,
2. Election of the Board of Directors,
3. All such other matters as are dealt with by a general meeting by the operation of law or pursuant to these Articles of Association.

The Company's General Assemblies can be hold in the City of Oslo.

Article 8

The Company shall have an Election Committee. The duty of the Election Committee is to make recommendations to the General Assembly on nominations for candidates to be elected by the shareholders as Members and Deputy Members of the Board. The Election Committee shall consist of four members, and its members shall be shareholders or representatives of shareholders. The Chairman of the Board of Directors shall be a permanent member and Chairman of the Election Committee, and the three other members shall be elected by the
General Assembly. Elected members of the Election Committee shall be elected for a two-year period.

12. NORWEGIAN TAXATION OF SHAREHOLDERS

Set out below is a summary of certain Norwegian tax matters related to investments in Norwegian shares and subscription rights. The summary is based on Norwegian laws, rules and regulations applicable as of the date of this Prospectus, and is subject to any changes in law occurring after such date. Such changes could possibly be made on a retroactive basis. The summary does not address foreign tax laws. The summary is of a general nature and does not purport to be a comprehensive description of all the Norwegian tax considerations that may be relevant for a decision to acquire, own or dispose of Shares in Norwegian. Shareholders who wish to clarify their own tax situation should consult with and rely upon their own tax advisers. Shareholders resident in jurisdictions other than Norway should consult with and rely upon local tax advisors with respect to the tax position in their country of residence.

Please note that for the purpose of the summary below, a reference to a Norwegian or foreign shareholder refers to the tax residency rather than the nationality of the shareholder.

12.1 Tax consequences related to the ownership and disposal of shares – Norwegian Shareholders

This section summarizes Norwegian tax rules relevant to shareholders that are residents of Norway for Norwegian tax purposes ("Norwegian shareholders").

12.1.1 Taxation of dividends

Personal shareholders

Dividends distributed to Norwegian personal shareholders (i.e. shareholders who are individuals) are taxable as general income at a rate of 28% to the extent the dividends exceed a statutory tax-free allowance. The allowance is calculated on a share by share basis, and is equal to the tax purchase price of the share multiplied with a determined risk free interest rate based on the effective rate after tax of interest on treasury bills (*Norwegian*: Statskasseveksler) with three months maturity. Any part of the calculated allowance one year exceeding the dividend distributed on the share the same year ("unused allowance") is added to the tax purchase price of the share and included in the basis for calculating the allowance the following year, and may also be carried forward and set off against future dividends received on the same share.

Corporate shareholders

Norwegian corporate shareholders (i.e. limited liability companies and similar entities) are exempt from tax on dividends received on shares in Norwegian limited liability companies and similar entities.

Shares owned through partnerships

Partnerships are as a general rule transparent for Norwegian tax purposes. Taxation occurs at partner level, and each partner is taxed on a current basis for its proportional share of the net income generated by the partnership at a rate of 28%, regardless of whether such income is distributed to the partners or not. However, dividends received by the partnership are not taxed on a current basis. For partners who are Norwegian personal shareholders taxation occurs when the dividends received are distributed from the partnership to such partners. Such distributions will be taxed as general income at a rate of 28%. The Norwegian personal shareholders will be entitled to deduct a calculated allowance when calculating their taxable income. Norwegian corporate shareholders holding shares through a partnership will be exempt from taxation of their proportional part of dividends received and distributed by the partnership.

12.1.2 Taxation upon realisation of shares

Personal shareholders

Sale or other disposal of shares is considered a realisation for Norwegian tax purposes.

A capital gain or loss generated by a Norwegian personal shareholder through a realisation of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the shareholder's general income in the year of disposal. The tax rate for general income is currently 28%. The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares realised.

The taxable gain/deductible loss on the realisation of shares is calculated per share as the difference between the consideration received and the tax purchase price of the share, less costs incurred in relation to the acquisition or realisation of the share. Any unused allowance on a share (see above) may be set off against capital gains related to the realisation of the same share, but this may not lead to or increase a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for personal shareholders who emigrate.

Corporate shareholders

Norwegian corporate shareholders are exempt from tax on capital gains upon the realisation of shares in Norwegian limited liability companies and similar entities. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Shares owned through partnerships

Partnerships are as a general rule transparent for Norwegian tax purposes, and taxation occurs at partner level on a current basis. However, capital gains received by the partnership are not taxed on a current basis. For partners who are Norwegian personal shareholders taxation occurs when the capital gains received are distributed from the partnership to such partners. Such distributions will be taxed as general income at a rate of 28%. The Norwegian personal shareholders will be entitled to deduct a calculated allowance when calculating their taxable income. Norwegian corporate shareholders holding shares through a partnership will be exempt from taxation of their proportional part of capital gains received and distributed by the partnership.

12.1.3 Taxation on realisation of subscription rights

Personal shareholders

If the subscription rights are exercised and shares are subscribed, no taxation will be triggered.

Sale or other disposal of Subscription Rights is considered as a realisation for Norwegian tax purposes. A capital gain generated by realization of Subscription Rights is taxable as general income at a rate of 28%.

Corporate shareholders

Norwegian corporate shareholders are exempt from tax on capital gains on exercise or realisation of subscription rights in Norwegian limited liability companies and similar entities.

12.1.4 Net wealth tax

Norwegian limited liability companies and certain similar entities are exempt from Norwegian net wealth tax.

For other Norwegian shareholders, shares will form part of their basis for calculation of Norwegian net wealth tax. Listed shares are valued at 100% of their quoted value as of 1 January in the assessment year (the year following the income year). The current marginal wealth tax rate is 1.1%.

12.2 Tax consequences related to the ownership and disposal of shares – Foreign shareholders

This section summarizes Norwegian tax rules relevant to shareholders that are not residents of Norway for Norwegian tax purposes (“foreign shareholders”). The potential tax liabilities for foreign shareholders in the jurisdiction where they are resident for tax purposes or other jurisdictions will depend on tax rules applicable in the relevant jurisdiction.

12.2.1 Taxation of dividends

Dividends paid by Norwegian limited liability companies and similar entities to foreign shareholders, both corporate and personal, are as a general rule subject to withholding tax in Norway at a rate of 25%, unless otherwise provided for in an applicable income tax treaty or the recipient is covered by the specific regulations for shareholders resident within the EEA (see below). When distributing dividend, the withholding obligation lies with the Company.

Foreign personal shareholders who are resident within the EEA for tax purposes are subject to Norwegian withholding tax on dividends received from Norwegian companies at the regular rate or at a reduced rate determined in an applicable tax treaty. However, such shareholders may apply individually to the tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share (see above).

Foreign corporate shareholders that are tax resident within the EEA are exempt from Norwegian withholding tax on dividends distributed from Norwegian limited liability companies and similar entities, provided i.a. that the foreign corporate entity is considered to be “equivalent” to a Norwegian corporate entity and that the foreign shareholder is the beneficial owner of the dividends.

Dividends distributed to foreign partnerships are normally subject to withholding tax at a rate of 25%. However, the partners in the partnership may be entitled to a reduced withholding tax rate (or a zero rate) based on their tax residency and/or applicable tax treaties. However, this depends on each partner’s specific situation, and each investor is advised to consult with their tax advisors in this respect.

In accordance with the present administrative system in Norway, a distributing company will normally deduct withholding tax at the applicable reduced rate when dividends are paid directly to an eligible foreign shareholder based on the information registered with the VPS (the Norwegian Central Securities Depository) with regard to the tax residence of the foreign shareholder. Dividends paid to foreign shareholders in respect of nominee registered shares will be subject to withholding tax at the general rate of 25% unless the nominee, by agreeing to provide certain information regarding beneficial owners, has obtained approval for reduced rate from the Central Office for Foreign Tax Affairs (Sentralskattekontoret for utenlandssaker). Foreign shareholders who have suffered a higher withholding tax than set out by an applicable tax treaty and foreign corporate shareholders resident within EEA that are be exempt from Norwegian tax on dividends may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

If a foreign shareholder is carrying on business activities in Norway, and the relevant shares are effectively connected with such business activities, dividends distributed to such shareholder will be subject to the same taxation as Norwegian shareholders, as described above.

Foreign shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments including the ability to effectively claim refunds withholding tax.

12.2.2 Taxation of capital gains upon the realisation of shares

Capital gains on the realisation of shares in Norwegian companies by a foreign personal shareholder will not be subject to taxation in Norway unless the personal shareholder (i) holds the shares in connection with the conduct business activities in Norway or (ii) has been a tax resident of Norway within the five calendar years preceding the year of the sale or disposition (and whose gains are not exempt pursuant to the provisions of an applicable income tax treaty), see section 12.1 above.

Capital gains on the realisation of shares in Norwegian companies by foreign corporate shareholders are not subject to taxation in Norway.

12.2.3 Taxation on realisation of Subscription Rights

If the Subscription Rights are exercised and shares are subscribed, no taxation will be triggered. Sale or other disposal of Subscription Rights is considered as a realisation for Norwegian tax purposes, but will not be subject to taxation is Norway unless the foreign personal shareholder (i) holds the Subscription Rights in connection with the conduct business activities in Norway or (ii) has been a tax resident of Norway within the five calendar years preceding the year of the sale or disposition (and whose gains are not exempt pursuant to the provisions of an applicable income tax treaty).

Foreign corporate shareholders are exempt from tax on capital gains on exercise or realisation of Subscription Rights in Norwegian limited liability companies and similar entities.

12.2.4 Net Wealth tax

Foreign shareholders are not subject to net wealth tax in Norway on shares in Norwegian companies unless the shareholder is an individual and the shareholding is effectively connected with business activities carried out by the shareholder in Norway.

12.3 Duties on the transfer of shares

No stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares in Norwegian companies.

12.4 Inheritance tax

When shares are transferred either through inheritance or as a gift, such transfer may give rise to inheritance or gift tax in Norway if the decedent, at the time of death, or the donor, at the time of the gift, is a resident or citizen of Norway, or if the shares are effectively connected with a business carried out through a permanent establishment in Norway. However, in the case of inheritance tax, if the decedent was a citizen but not a resident of Norway, Norwegian inheritance tax will not be levied if inheritance tax or a similar tax is levied by the decedent’s country of residence.

In the case of listed shares, the basis for the tax calculation is the market value of the shares.

13. LEGAL MATTERS

13.1 Summary of relevant legislation, licence requirements etc.

The operation of regular commercial air traffic in Norway requires a licence from the Civil Aviation Authority. Section 8-1, cf. Section 8-3, of the Civil Aviation Act stipulates that licences to operate regular air traffic routes exclusively within Norway can only be granted to companies where at least 2/3 of the share capital is owned by domestic investors and all the members of the Board of Directors are citizens of Norway. Section 16-1 of the Civil Aviation Act lays down detailed regulations on the application of the EEA agreement to civil aviation in Norway. These regulations take precedence over the general provisions of the Act on matters including granting licences for regular commercial air traffic. Under the terms of EU Directive 2407/92 (which forms part of the EEA agreement) the provisions of the Civil Aviation Act on licensing commercial air traffic do not apply in the EEA area. However the EEA agreement does require that commercial air traffic be licensed by the national Civil Aviation Authority. The Company holds a licence to operate commercial air traffic for aircraft over 10 tonnes with seating capacity of more than 20. This licence is valid until 1 September 2009. The conditions of the licence include a requirement that the Company should at all times be controlled by companies registered in the EEA area and/or citizens of countries in the EEA area.

EU Directive 2407/92 also requires that airline companies must have an AOC. The purpose of the AOC is to certify that the Company has the necessary technical expertise and organisational resources to operate aircraft safely. The AOC has to be reissued each time the Company acquires a new aircraft, and was last time reviewed on 26 August 2004 and valid until 1 September 2009. There are no grounds to suggest that this certificate will not be renewed in due course for a similar or longer period. AOCs are normally issued for fixed periods.

In addition to these particular requirements, civil aviation is a highly regulated sector subject to extensive detailed regulations in respect of areas such as operations and safety. The activities of the Company are subject to detailed regulations and restrictions, arising in part from the Civil Aviation Act. These apply to areas such as the operation of aircraft (including crewing, operations etc.), aircraft maintenance, the qualifications of aircrew and technical personnel etc. The countries in Europe that are members of the Joint Aviation Authorities apply harmonised regulations on the operation and maintenance of aircraft.

13.2 Material disputes

The Company has an ongoing dispute with SAS AB (publ) and SAS Scandinavian Airlines Norge AS (SAS) regarding compensation to the Company for SAS' unjustified access to and use of sensitive business secrets through the booking system Amadeus. 20 May 2008 the Company was awarded NOK 132,000,000 in compensation (including interests) and NOK 6,839,770 in legal costs from SAS by the Asker and Bærum district court, and the Company was acquitted for the counterclaim made by SAS. Both parties have appealed the decision, and legal proceedings are expected to start first six months of 2009. The Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM) filed criminal charges against SAS regarding the same matter. These charges have resulted in a fine of NOK 4 million for SAS.

A pilot in the Company has on 28 June 2007 taken legal action against the Company regarding a former share option incentive scheme. The district court has ruled on the matter in favor of the Pilot, awarding the pilot NOK 75,000, the Company has appealed the decision. Should the pilot win the case in the court of appeal, then there is a chance that another 40 pilots could claim compensation with a total potential cost for Norwegian of NOK 3.4 million

Parat, the trade union in which the cabin crew is organized, took 15 November 2006 legal action against the Company in relation to alleged illegal hiring of cabin crew. The matter was finally settled on 21 August 2007.

The Company in April 2008 received a letter of complaint from the Consumer Ombudsman regarding marketing of low-fare tickets, following a complaint from a private person to the Ombudsman. The Ombudsman has on 17 July 2008 informed the Company that the Ombudsman is not satisfied with the Company's response and that it is the opinion of the Ombudsman that the Company's advertising on several occasions has been misleading. The Ombudsman has asked the Company to discuss the matter in a meeting.
Legal suit, FlyNordic vs. Nordic East Maintenance AB

FlyNordic is the Defendant in a legal suit brought by the Plaintiff Nordic East Maintenance AB before the City Court of Stockholm (T 31726-05, avd 6, enh 61). The subject matter in dispute has an estimated value of SEK 32,600,000. A stay of proceedings has been declared pending a decision from the Court of Appeal. There are no recognized provisions in connection with this legal suit.

Norwegian purchased all the shares in FlyNordic from Finnair Plc. According to the shares purchase agreement, Finnair has undertaken to indemnity FlyNordic and/or Norwegian against any and all damage arising out of the said legal proceedings.

Except for the matters described above, the Company is not involved in any governmental, legal or arbitration proceedings, which may have, or have had in the recent past significant effects on the Company and/or the Company's financial position or profitability. The Company is further not aware of any such proceedings that are pending or threatened, nor has the Company been involved in any such proceedings during the last 12 months.

13.3 Covenant in Bond Agreement

According to the Bond Agreement related to the bond issue announced 27 March 2007, each bondholder may demand early redemption of its bonds if any person or group (as such term is defined in the Norwegian Public Limited Liability Companies Act § 1-3), acting in concert, directly or indirectly, gains control, directly or indirectly, of at least 50 per cent of the issued share capital or the voting rights of the Company.

13.4 FlyNordic – Finnair share option

The Company acquired 100% of Finnair`s Swedish subsidiary FlyNordic in June 2007. As consideration Finnair received ordinary shares and stock options in the Company. As a consequence of the agreed transaction structure Finnair`s ownership in the Company is currently approximately 5%. If Finnair decides to exercise all its stock options, Finnair`s share in the Company may increase to approximately 6.8% (based on the current number of shares after the Rights Issue). The stock options can be exercised until the end of 2008 at an average strike price of NOK 115.

As part of the transaction Finnair and the Company have started a co-operation, and the Company's network will be linked to Finnair`s increasing Asian connections. FlyNordic was rebranded to Norwegian from 5 April 2008.

13.5 Disputes involving FlyNordic

Legal suit, FlyNordic vs. Nordic East Maintenance AB

FlyNordic is the Defendant in a legal suit brought by the Plaintiff Nordic East Maintenance AB before the City Court of Stockholm (T 31726-05, avd 6, enh 61). The subject matter in dispute has an estimated value of SEK 32.600.000. According to the City Court secretary, a stay of proceedings has been declared pending a decision from the Court of Appeal. There are no recognized provisions in connection with this legal suit. The case has not yet been settled.

Court claim against FlyNordic after cancelled flights due to bankruptcy in GO International

In relation to the bankruptcy of GO International, FlyNordic has become involved in a claim raised in the Swedish travel guarantee committee (Svenska Resgarantinämden). Due to the bankruptcy in GO International several passengers had their flight cancelled. The passengers hold FlyNordic liable for their loss. The claim is according to the Swedish Travel Guarantee Committee maximum SEK 355,625. The case has been settled.

Damages claim against Amadeus

FlyNordic has filed a damage claim against Amadeus in the amount of EUR 70,000 regarding errors in Amadeus booking system. FlyNordic hold Amadeus liable for their loss on the grounds of the errors. The case has been settled.

13.6 New Boeing Aircraft

In May 2007, the Company the leased 11 Boeing 737-800 aircraft. The aircraft will be delivered over a three year period, staring 2008. The Company has taken delivery of six of the 11 aircraft. The average lease period for the 11 aircraft is eight years. The new aircraft are significantly more environment-friendly and fuel efficient than the existing fleet of aircraft.

In August 2007, the Company announced that it had ordered an additional 42 new Boeing 737-800 aircraft with Blended Winglets. The aircraft have a list price of USD 3.1 billion or just over NOK 18 billion. Parallel to this, the Company has ensured purchase rights for an additional 42 aircraft of the same model from Boeing. The new aircraft will supplement the 11 leased Boeing 737-800 aircraft.

The 42 airplanes will be delivered over a five- year period from 2009 through 2014, with an average of seven aircraft each year. The Company has entered into hedging agreements to cover part of the NOK/USD exposure in connection with the purchases.

14. DEFINITIONS AND GLOSSARY OF TERMS

14.1 Definitions

AAGR	Average annual growth rate
ABG Sundal Collier	ABG Sundal Collier Norge ASA
AEA	Association of European airlines
Arctic Securities	Arctic Securities ASA
Articles	The articles of association of Norwegian
AOC	Air Operators Certificate
ASK	Available Seat Kilometres
Basis point	One-hundredth of a percentage point
Board or Board of Directors	The Board of Directors of the Company
CAGR	Compound Annual Growth Rate
Code	See: Norwegian Corporate Governance Code
Company	Norwegian Air Shuttle ASA
EEA	The European Economic Area
EGM	Extraordinary General Assembly of the Company held on 5 August 2008, which approved the Rights Issue, including the issuance of the New Shares
Eligible Shareholders	Shareholders in the Company after the close of business as of 5 August 2008
EU	The European Union
EUR	EURO, the currency introduced at the start of the third stage of the Economic and Monetary Union to the Treaty establishing the European Economic Community, as amended by the Treaty on the European Union
IATA	International air transport association
IFRS	International Financial Reporting Standards
Group	The Company and all its subsidiaries
Managers	ABG Sundal Collier Norge ASA and Arctic Securities ASA
M&A	Mergers and acquisitions
Norwegian Air Shuttle	Norwegian Air Shuttle ASA
New Shares	The new Shares to be issue in connection with the Rights Issue
NIBOR	Norwegian InterBank Offer Rate; the reference interest rate quoted between Norwegian banks
NOK or Norwegian kroner	The lawful currency of Norway
Norwegian Corporate Governance Code	Norwegian Code of Practice for Corporate Governance dated 4 December 2007
Norwegian Public Companies Act	The Norwegian Public Limited Liability Companies Act of 19 June 1997 no. 45
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75
Oslo Børs	Oslo Børs ASA (the Oslo Børs)
Prospectus	This document, including all appendices hereto.
QIBs	Qualified Institutional buyers, as defined in Rule 144A under the Securities Act
Register of Business Enterprises	The Norwegian Register of Business Enterprises, in Norwegian "Foretaksregisteret"
Rights Issue	The offering of New Shares with Subscription Rights to Eligible Shareholders, as described in this Prospectus
RPK	Revenue passenger kilometres
Securities Act	The United States Securities Act of 1933
Share Capital	The total amount of registered and outstanding Shares in Norwegian
Shares	Shares of the Company
SPA	Sales and purchase agreement

Subscription Form	The form to be used for subscription of New Shares under the Rights Issue, a form of which is included as Appendix 1 to this Prospectus
Subscription Offices	ABG Sundal Collier Norge ASA and Arctic Securities ASA
Subscription Period	From and including 11 August 2008 to and including 25 August 2008 at 16.30 (CET)
Subscription Price	NOK 34.80, the price to be paid for each New Share
Subscription Rights	Transferable preferential subscription rights to be issued to Eligible Shareholders under the Rights Issue, as further described in section 9 (“Terms of the Rights Issue”)
Underwriting Syndicate	The underwriters of the Rights Issue as described in section 9.13
ISIN	Securities number in the Norwegian Registry of Securities (VPS)
VPS	The Norwegian Central Securities Depository (Verdipapirsentralen)

15. DOCUMENTS ON DISPLAY AND INCORPORATED BY REFERENCE

15.1 Documents on display

For the life of this Prospectus the following documents (and copies thereof) are available for inspection at the Company's offices:

- Memorandum of Incorporation and the Articles of Association of Norwegian
- Q1 and Q2 2007 and 2008 interim financial statements
- 2007 financial statements
- 2006 financial statements
- 2005 financial statements
- All reports, letters, and other documents, historical financial information, valuations, pro forma statement from PwC and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document

The Prospectus has been made publicly available at the below addresses.

The Company's office:

Norwegian Air Shuttle ASA

Norwegian Air Shuttle ASA

Oksenøyveien 10A

N-1366 Lysaker, Norway

The Managers' office:

ABG Sundal Collier Norge ASA	Arctic Securities ASA
Munkedamsveien 45	Haakon VII gate 6
N-0250 Oslo, Norway	N-0123 Oslo, Norway

15.2 Documents incorporated by references

The below listed documents are incorporated by reference and are available at the Company's website:

Reference:	Chapter in prospectus:	Incorporated by reference:	Internet:	Eventual note:
Q1 2008 profit and loss statement, balance sheet, cash flow and notes	8.2, 8.3.2, 8.4.2, 8.8	Q1 2008 report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Interimreports/2008/Q1_08_Report.pdf	
Q2 2008 profit and loss statement, balance sheet,	8.2, 8.3.2, 8.4.2, 8.8, 8.10	Q2 2008 report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Interimreports/2008/Q2_08_Report.pdf	

cash flow and notes				
Q1 2007 profit and loss statement, balance sheet, cash flow and notes	8.2, 8.3.2, 8.4.2, 8.8	Q1 2007 report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Interimreports/2007/NAS1stQuarter2007_final.pdf	
Q2 2007 profit and loss statement, balance sheet, cash flow and notes	8.2, 8.3.2, 8.4.2, 8.8	Q2 2007 report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Interimreports/2007/NAS2Quarter2007.pdf	
2007 profit and loss statement, balance sheet, cash flow and notes	8.2, 8.3.1, 8.4.1, 8.8, 8.10	2007 annual report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Annualreports/Annual_Report_2007.pdf	
2006 profit and loss statement, balance sheet, cash flow and notes	8.2, 8.3.1, 8.4.1, 8.8, 8.10	2006 annual report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Annualreports/NASAnnualreport2006.pdf	
2005 profit and loss statement, balance sheet, cash flow and notes	8.2, 8.3.1, 8.4.1, 8.8, 8.10	2005 annual report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Annualreports/Annualreport_Norwegian05.pdf	
Accounting policies	8.1	2007 annual report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Annualreports/Annual_Report_2007.pdf	Note 1
Consolidated statement of changes in equity 2007	8.5	2007 annual report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Annualreports/Annual_Report_2007.pdf	Note 14
Consolidated statement of changes in equity 2006	8.5	2006 annual report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Annualreports/NASAnnualreport2006.pdf	Note 14
Consolidated statement of changes in equity 2005	8.5	2005 annual report	http://www.norwegian.no/graphics/Investorrelations/ Financialreports/Annualreports/Annualreport_Norwegian05.pdf	Note 14

The above mentioned information can also be inspected at the registered head office of the Company.

APPENDIX 1: SUBSCRIPTION FORM

Norwegian Air Shuttle ASA

RIGHTS ISSUE WITH SUBSCRIPTION RIGHTS FOR EXISTING SHAREHOLDERS AS OF END OF 5 AUGUST 2008

SUBSCRIPTION FORM

For information regarding the rights issue (the "Rights Issue") with subscription rights ("Subscription Rights") for shareholders in Norwegian Air Shuttle ASA (the "Company") as of end of 5 August 2008 as well as corresponding terms for subscription, allotment and other information, reference is made to the prospectus dated 8 August 2008 (including appendices) issued in connection with the Rights Issue (the "Prospectus"). In addition, such information can be obtained by contacting the Company. The subscription of new shares (the "New Shares") may take place through telefax, ordinary post or hand-delivery in the period **from and including 11 August 2008 through 25 August 2008 at 16.30 (CET);** at: ABG Sundal Collier Norge ASA, P.O. Box 1444 Vika, 0115 Oslo, Norway. telefax: + 47 22 01 60 62 or Arctic Securities ASA, Haakon VII gate 6, 0123 Oslo, Norway, telefax + 47 21 01 31 36 (the "Managers"). The completed subscription form (the "Subscription Form") must be received by one of the Managers no later than 25 August 2008 at 16.30 CET. It is not sufficient for the Subscription Form to be postmarked within the deadline. Norwegian subscribers can in addition gather information and subscribe on the following Internet pages: www.norwegian.no, www.abgsc.no and www.arcticsec.no within the same deadline. Subscribers for New Shares bear the risk of any postal delays, unavailable fax lines or technical computer problems relating to the above mentioned internet addresses.

The Company and the Manager reserve the right to disregard improperly completed, delivered or executed Subscription Forms, or any subscription which may be unlawful. By delivering the Subscription Form to the Manager or subscribing on the Internet, the subscription for New Shares is irrevocable and may not be withdrawn, cancelled or modified.

The Company's articles of association, the notice of the extraordinary shareholders meeting with appendices, minutes from the extraordinary shareholders meeting including the wording of the resolution of the shareholders meeting to increase the Company's share capital, as well as the annual accounts and the annual report for the last two years are available at the Company's office.

Guidelines for the subscriber:

Subscription for New Shares in the Rights Offering is made on terms and conditions set out in this Subscription Form and in the Prospectus, including limitations set out under 'Important Notice' and Section 9 'Terms of the Rights Issue'. Shareholders as of the end of 5 August 2008 ("Eligible Shareholders") will receive 0.55087 Subscription Rights for every shares in the Company held on this date, and will be registered on each Eligible Shareholder's VPS account. Each Subscription Right entitles the shareholder the right to be alloted one new share in the Company. Fractions of Subscription Rights will not be distributed, and the number of Subscription Rights will be rounded down to the nearest whole Subscription Right. The Subscription Rights are transferable, and will be listed on Oslo Børs in the subscription period with ticker code NAS T. The Subscription Rights are registered with the VPS under the International Securities Identification Number (ISIN) NO 0010451628. Oversubscription and subscription without Subscription Rights is permitted, although with no guarantee that any New Shares will be allotted for such subscriptions. The subscription price is NOK 34.80 per share. In the event that the Subscription Rights are not fully utilised, the remaining New Shares will be allocated in accordance with the principles set forth in Section 9.10 in the Prospectus. Notifications of allocations of New Shares are expected to be issued by the Manager on or about 1 September 2008.

By subscribing, the subscriber grants the Manager an irrevocable authorisation to debit the allotted subscription amount in NOK from the bank account designated by the subscriber. The debiting of the account will take place on or about 2 September 2008. The entire subscription amount must be available on the designated bank account at the latest within 29 August 2008. The allocated New Shares are expected to be delivered on or about 4 September 2008, provided that sufficient funds have been credited to the account. The Manager is awarded the right to make up to three debits in the period 2 September to 15 September 2008 if there are insufficient funds on the account on the debiting date.In the event that there are not sufficient funds on the account for the allotted amount, the Company and the Managers reserves the right, at the cost and risk of the investor, to cancel the allotment, have a third party paying for the allocated New Shares on behalf of the subscriber and to re-allot or otherwise dispose of all or parts of the allocated New Shares on such terms and in such manner as the Managers may decide (however so that the investor will not be entitled to profits from such disposal, if any) in accordance with section 10-12 fourth paragraph of the Public Limited Companies Act. If a third party has paid for the allocated New Shares on behalf of the subscriber, these New Shares may be taken over or sold within three days after payment should have been made by the subscriber without any further notification. The subscriber will remain liable for payment for the New Shares together with any interest, costs, charges and expenses accrued, and the Managers may enforce payment for such amount outstanding in accordance with Norwegian law.

The New Shares are expected to be registered in the Norwegian Register of Business Enterprises on or about 4 September 2008. The New Shares may not be traded before registration of the share capital increase in the Norwegian Register of Business Enterprises. First day of trading on Oslo Børs is expected to be or about 4 September 2008.

If the subscriber has not got a Norwegian bank account, one of the Managers must be contacted.

SPECIFICATION OF THE SUBSCRIPTION

Subscriber's VPS-account no.	No. of Subscription Rights	Subscribes for (number of shares)	(For official use: Serial no.)
		Subscription price per share NOK 34.80 =	Total amount to be paid NOK

One-time authorisation for debiting account (must be filled in):

The undersigned hereby grants an irrevocable authorisation to the Managers to debit the Norwegian bank account set out herein for the allotted amount (the value in NOK of: number of allotted shares * NOK 34.80)	______________________ **Bank account (11 digits)**

____

Place and date of subscription.
(Must be dated within the Subscription Period.)

Binding signature. The subscriber must be of age.
When signed per procura, documentation in the form of company certificate or power of attorney must be enclosed.

DETAILS RE SUBSCRIBER (REQUIRED INFORMATION)

Subscriber's VPS account no.	**PLEASE NOTIFY THE REGISTRAR OF ANY CHANGES**
Subscriber's first name	
Subscriber's surname/firm etc.	
Street address etc. (private subscribers; home address)	
Postal code and area	
Date of birth and national ID number	
Dividends to be credited to bank account (11 digits)	
Nationality	
Telephone (at day time)/Telefax/e-mail	

Norwegian Air Shuttle ASA
Oksenøyveien 10A
NO-1366 Lysaker, Norway
Tel.: +47 67 59 30 00
Fax: +47 67 59 32 77
www.norwegian.no

ABG Sundal Collier Norge ASA
Munkedamsveien 45
PO BOX 1444 Vika
NO-0115 OSLO, Norway
Tel.: +47 22 01 60 00
Fax: +47 22 01 60 62
www.abgsc.no

Arctic Securities ASA
Haakon VII gate 6
PO BOX 1833 Vika
NO-0123 OSLO, Norway
Tel.: +47 21 01 31 00
Fax: +47 21 01 31 37
www.arcticsec.no

280978 – signatur.no