NORWEGIAN AIR SHUTTLE ASA

norwegian.no

SECOND QUARTER AND FIRST HALF REPORT 2008

HIGHLIGHTS

- First half revenue up by 50.3 % to MNOK 2,639.8 (1,756.9), quarterly revenue up 52.3 %.
- The Group earnings before depreciation (EBITDA) in first half were MNOK -267.9 (76.1) and in the quarter were MNOK -41.8 (85.0).
- Ancillary passenger revenue up 136.4 % in first half.
- 4.3 mill passengers (+50%) carried in first half
- PDP financing for the 10 first 737-800 mandated in second quarter.
- Established a base and launched 13 new routes from Rygge airport.
- Delivery of 6 of 53 aircraft 737-800 NG
- Call Norwegian established
- A proposed Rights Issue of MNOK 400 which is fully underwritten was announced July 8th

KEY FINANCIAL FIGURES

Consolidated Financial Key figures and ratios

Unaudited	Quarter ended June 30		YTD June 30		Year ended Dec 31
(NOK 1 000)	**2008**	**2007**	**2008**	**2007**	**2007**
Operating revenue	1 551 221	1 018 853	2 639 807	1 756 911	4 226 202
EBITDAR	67 899	161 541	-76 637	205 716	504 395
EBITDA	-41 768	85 019	-267 907	76 089	207 995
EBIT	-72 693	66 926	-332 341	42 476	133 951
Net profit/ loss (-)	-62 176	44 702	-272 934	29 760	84 580
EBITDAR margin	4.4 %	15.9 %	-2.9 %	11.7 %	11.9 %
EBITDA margin	-2.7 %	8.3 %	-10.1 %	4.3 %	4.9 %
EBIT margin	-4.7 %	6.6 %	-12.6 %	2.4 %	3.2 %
Net profit margin	-4.0 %	4.4 %	-10.3 %	1.7 %	2.0 %

TRAFFIC FIGURES AND RATIOS

Unaudited	Quarter ended June 30		YTD June 30		Year ended Dec 31
(NOK 1 000)	**2008**	**2007**	**2008**	**2007**	**2007**
Yield (NOK) *)	0.63	0.68	0.61	0.69	0.65
Unit Revenue (NOK) *)	0.50	0.54	0.48	0.53	0.52
Unit Cost (NOK) *)	0.54	0.53	0.57	0.54	0.53
Unit Cost ex. fuel (NOK) *)	0.37	0.41	0.40	0.42	0.40
Ancillary revenue/PAX (NOK) *)	46.8	26.2	49.0	26.5	33.3
Norwegian.no					
ASK (mill)	2 370	1 763	4 226	3 105	6 959
Passengers	1 892 375	1 595 107	3 522 814	2 898 318	6 362 725
Load factor	78 %	79 %	78 %	77 %	80 %
Norwegian.se					
ASK (mill)	603		931		602
Passengers	451 844		818 440		571 651
Load factor	79 %		77 %		79 %

*) Only Norwegian Air Shuttle ASA, excluding Norwegian.se (FlyNordic)

OPERATIONS

Traffic development

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 %.

At the end of the second quarter 2008 Norwegian had 41 operational aircraft (whereof 1 wet lease), compared to 24 at the end of the same period last year. The total fleet including aircraft on maintenance and excluding wet lease was 41 aircraft. The utilization of the aircraft has improved as a consequence of the expansion and in the second quarter every operational aircraft were utilized 10.9 block hours pr day, compared to 10.6 block hours in the same period last year (Norwegian.no).

The share of Internet sales has increased 1 percentage point to 87 % for Norwegian.no. For Norwegian.se 90 % of sales was internet based.

Traffic Figures

	Quarter ended June 30			Y.T.D. June 30			Full Year
	2008	2007	y.o.y Change	2008	2007	y.o.y Change	2007
norwegian.no							
TOTAL							
Internet bookings	87 %	86 %	1 pp	88 %	86 %	2 pp	86 %
ASK (mill)	2 370	1 763	34 %	4 226	3 105	36 %	6 959
RPK (mill)	1 856	1 400	33 %	3 303	2 404	37 %	5 586
Load factor	78 %	79 %	-1 pp	78 %	77 %	1 pp	80 %
Passengers	1 892 375	1 595 107	19 %	3 522 814	2 898 318	22 %	6 362 725
DOMESTIC							
ASK (mill)	588	488	21 %	1 076	935	15 %	1 950
RPK (mill)	457	382	20 %	834	719	16 %	1 550
Load factor	78 %	78 %	0 pp	78 %	77 %	1 pp	79 %
Passengers	906 552	768 208	18 %	1 708 719	1 464 462	17 %	3 116 165
INTERNATIONAL							
ASK (mill)	1 782	1 276	40 %	3 150	2 170	45 %	5 008
RPK (mill)	1 398	1 019	37 %	2 468	1 684	47 %	4 036
Load factor	78 %	80 %	-2 pp	78 %	78 %	0 pp	81 %
Passengers	985 822	826 899	19 %	1 814 094	1 433 866	27 %	3 246 570
norwegian.se							
TOTAL							*
Internet bookings	90 %	-		84 %	-		75 %
ASK (mill)	603	-		931	-		602
RPK (mill)	474	-		713	-		473
Load factor	79 %	-		77 %	-		79 %
Passengers	451 844	-		818 440	-		571 651

** Full year 2007 for norwegian.se (FlyNordic) only includes the ownership period from August - December.*

Revenue

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

The yield (average income per RPK) for Norwegian in second quarter (excluding Norwegian.se) was NOK 0.63 compared to NOK 0.68 same period last year. The decrease in yield comes from longer average sector length as well as pressure on prices from increased competition in certain areas in Scandinavia. Ancillary passenger revenue was NOK 46.8/PAX (26.2) in second quarter 2008, an increase of 78.6 % mainly due to the introduction of seating and baggage fees in 2007. The increase in ancillary revenue offset the decrease in yield

Operating Expenses

The operating expenses excluding leasing and depreciation were MNOK 1,483.3 (857.3) 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 MNOK 25 – 30. Furthermore a cost of MNOK 25 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 MNOK 200 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.

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. 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. Changes in fair value of foreign currency term contracts are included in operating costs. Total expense in second quarter was MNOK 3.2.

In addition, the Group purchased in December 2007, term contracts on USD to minimize the USD exposure on the purchase of three used Boeing 737-300 in the first half year of 2008. Changes in fair value on these contracts are booked as other costs in the profit and loss, amounting to an expense of MNOK 2.9 in second quarter.

The increase in depreciation and amortization is caused by amortization of fair value adjustments of assets in Norwegian.se (FlyNordic). In the first quarter the Group changed the Swedish brand name from FlyNordic to Norwegian.se, and a write down of MNOK 12.0 on the value of the brand name is included in first half amortization.

Profit/loss from associated company in second quarter of MNOK -5.8 (0.0) consists of the Group’s estimate on the 20% share of Bank Norwegian’s second quarter results.

Earnings

Earnings before depreciation and write-down (EBITDA) in the second quarter were MNOK -41.8 (85.0), and the earnings before tax (EBT) were MNOK -86.1 (62.0).

Financial items

Financial items in second quarter of MNOK -7.5 (-4.9) include an expense of MNOK 3.2, for the inefficiency of the hedge contract connected to the purchase contract for new generation Boeing aircraft. Calculated interest income of MNOK 5.7 on prepayment on the purchase contract for 42 new aircraft is included in financial items.

Tax
The companies in the Group have tax losses to be carried forward both in Norway and Sweden. Deferred tax asset of MNOK 21.2 was recognized in second quarter of 2008. Reduction in deferred tax liability relating to fair value adjustments of assets in Norwegian.se of MNOK 2.9 was recognized in the profit and loss as tax income.

Net result
Net result for second quarter of 2008 was MNOK -62.2, compared to MNOK 44.7 in second quarter 2007.

Balance sheet
Total non-current assets amounted to MNOK 1,554.4 at the end of the quarter compared to 1,068.4 at year end. Included in tangible fixed assets are the prepayments to Boeing on 42 new aircraft of MNOK 432.8, compared to 316.5 at year end, and fair value of hedge object related to the hedge contract of MNOK 214.4 up from MNOK 128.0 at year end. Two new aircraft has been capitalised during first half of 2008 increasing book value of aircraft up to MNOK 361.9 compared to MNOK 151.4 at year end. Deferred tax asset has increased by MNOK 98.7 up to MNOK 160.0 compared to year end.

Total liabilities at the end of the quarter were MNOK 2,672.9 (1,601.0), of which MNOK 300 is interest bearing. Traffic liability was MNOK 1,093.3 in the end of second quarter up from MNOK 536.5 at year end. Due to seasonality traffic liability is at a high level at the end of second quarter while at a low level at the end of the year. Additionally, the growth in production contributes to an increased traffic liability.

Shares
The parent company Norwegian Air Shuttle ASA had a total of 20,865,526 shares outstanding at the end of June 2008.

Cash flow
Cash and cash equivalents balance at end of first half was MNOK 434.0 compared to MNOK 501.4 at year end.

Operating activities
Cash flow in second quarter from operating activities amounted to MNOK 98.9, compared to MNOK 257.2 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

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

Financing activities
PDP financing for the 10 first 737-800 was signed in the end of second quarter. The financing covers pre payment stream on 10 aircraft. In addition, the company has ongoing a rights issue of MNOK 400 to partly cover the Groups equity share of these aircraft.

Significant Risk and uncertainties
The airline industry is undergoing a challenging time as a consequence of high fuel costs, which has increased the risk in the industry. Of material developments for the company last year, it should be noted that Norwegian's guided capacity growth is 50% for 2008 and has taken deliveries of the first six of 53 aircraft of the type 737-800 NG the company ordered last year (last delivery in 2014), the on going integration of Norwegian.se (FlyNordic) which was acquired from Finnair in 2007 and the launch of a new base at Rygge Airport.

Outlook

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 fully reflected in the reported revenues.

Norwegian has during the second quarter started operation of several new routes, among them are Oslo – Bardufoss, Oslo – Kristiansand, Trondheim – Tromsø, Stavanger – Krakow, Stavanger – Split, Trondheim – Split and Trondheim – Warszawa. The Group took delivery of and set into full production five 737-800's during the second quarter. The production capacity will in the third quarter be monitored and will be subject to changes as needed to accommodate for continuously rising fuel prices.

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 during the coming winter season and will be replaced by Boeing 737's. Changes in the route program is expected in order to strengthen the domestic Swedish operation.

In order to partly finance the 10 first aircraft to be purchased from Boeing and strengthening of the working capital position, the Board of Directors proposed on 8th of July to call for an extraordinary general meeting on 5th August 2008 to resolve a share capital increase, in the form of a Rights Issue, in the amount of NOK 400 million. The proposed Rights Issue is fully underwritten.

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.

Interim report Q3 2008

The interim report for third quarter 2008 will be presented 23 October 2008.

Fornebu, 16 July 2008

The Board of Directors of Norwegian Air Shuttle ASA


Longyearbyen
Tromsø
Harstad/Narvik
Alta
Bardufoss
Kirkenes
Bodø
Kiruna
Luleå
Trondheim
Umeå
Østersund
Bergen
Stavanger
Oslo/Gardermoen
Edinburgh
Kristiansand
Oslo/Rygge
Stockholm
St. Petersburg
Tallinn
Birmingham
Copenhagen
London/Stansted
Riga
London/Gatwick
Moscow
Palanga
Hamburg
Vilnius
Paris
Düsseldorf
Gdansk
Szczecin
Berlin
Warszawa
Praha
Bordeaux
Wroclaw
Munich
Krakow
Geneva
Zürich
Salzburg
Madrid
Faro (Algarve)
Venice
Budapest
Nice
Barcelona
Valencia
Rijeka
Pisa
Pula
Malaga
Alicante
Belgrade
Murcia/San Javier
Split
Sarajevo
Ibiza
Palma
Dubrovnik
Rome
Pristina
Varna
Burgas
Marrakech
Korfu
Istanbul
Athens
Malta
Dubai
Lanzarote
Only summer routes
Only winter routes
Tenerife
Kos
Antalya
Sharm el Sheikh
Las Palmas
Chania
Rhodos
Heraklion
Cyprus

Consolidated Income Statement

Unaudited

		Quarter ended June 30		YTD June 30		Year ended Dec 31
(NOK 1 000)	Note	**2008**	**2007**	**2008**	**2007**	**2007**
OPERATING REVENUE						
Total operating revenue	3	1 551 221	1 018 853	2 639 807	1 756 911	4 226 202
TOTAL REVENUE		**1 551 221**	**1 018 853**	**2 639 807**	**1 756 911**	**4 226 202**
OPERATING EXPENSES						
Operating expenses	4	1 142 258	666 246	2 048 947	1 198 646	2 875 418
Personell expenses	4	249 525	135 554	484 614	257 089	622 189
Other operating expenses	4	91 539	55 512	182 883	95 461	224 200
TOTAL OPERATING EXPENSES		**1 483 322**	**857 312**	**2 716 445**	**1 551 195**	**3 721 807**
OPERATING PROFIT / LOSS BEFORE LEASING & DEPR (EBITDAR)		**67 899**	**161 541**	**-76 637**	**205 716**	**504 395**
Leasing		109 667	76 522	191 270	129 627	296 400
OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)		**-41 768**	**85 019**	**-267 907**	**76 089**	**207 995**
Depreciation and amortization		30 925	18 093	64 434	33 613	74 044
OPERATING PROFIT / LOSS (EBIT)		**-72 693**	**66 926**	**-332 341**	**42 476**	**133 951**
Net financial items		**-7 532**	**-4 918**	**-36 773**	**-1 286**	**-29 949**
Profit/loss associated company		-5 840	0	-9 884	0	-1 821
Gain from sale of subsidiary		0	0	0	0	10 800
NET RESULT BEFORE TAX (EBT)		**-86 065**	**62 007**	**-378 999**	**41 189**	**112 982**
Income tax expense (benefit)		-23 889	17 306	-106 065	11 430	28 402
NET PROFIT/ (LOSS)		**-62 176**	**44 702**	**-272 934**	**29 760**	**84 580**
Earnings per share (NOK) - Basic		-3,0	2,3	-3,0	2,3	4,2
Earnings per share (NOK) - Diluted		-3,0	2,3	-3,0	2,3	4,1
No. of shares at the end of the period		20 865 526	19 669 196	20 865 526	19 669 196	20 865 526
Average no. of shares outstanding		20 865 526	19 669 196	20 865 526	19 669 196	20 196 040
Average no. of shares outstanding - diluted		20 865 526	19 805 446	20 865 526	19 805 446	20 831 005

Operating margin (%)	-5 %	7 %	-13 %	2 %	3 %
Book equity per share (NOK)			11.4	14.8	24.4
Equity ratio (%)			8 %	15 %	22 %

Consolidated Balance Sheet

Unaudited

		June 30		Year ended Dec 31
(NOK 1 000)	Note	**2008**	**2007**	**2007**
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		358 834	119 473	293 724
Tangible fixed assets		1 110 580	232 946	682 642
Fixed assets investment		85 026	32 477	92 027
TOTAL NON_CURRENT ASSETS		**1 554 440**	**384 897**	**1 068 393**
CURRENT ASSETS				
Consumable goods		28 285	28 474	28 000
Financial assets		76 273	11 011	241 751
Receivables		818 603	418 883	491 543
Cash in bank and in hand etc.		433 969	1 048 618	501 410
TOTAL CURRENT ASSETS		**1 357 130**	**1 506 986**	**1 262 705**
TOTAL ASSETS		**2 911 570**	**1 891 882**	**2 331 098**
EQUITY AND LIABILITIES				
SHAREHOLDERS EQUITY				
Called-up and fully paid equity		445 321	276 060	443 117
Retained earnings		-206 606	14 739	65 156
TOTAL EQUITY		**238 714**	**290 798**	**508 273**
LIABILITIES				
Provisions for liabilities and charges		125 666	114 755	134 352
Other long term liabilities		567 873	300 000	471 501
Current liabilities		1 979 317	1 186 329	1 216 972
TOTAL LIABILITIES		**2 672 856**	**1 601 084**	**1 822 825**
TOTAL EQUITY AND LIABILITIES		**2 911 570**	**1 891 882**	**2 331 098**

Consolidated Cash flow statement

Unaudited

	Quarter ended June 30		YTD June 30		Year ended Dec 31
(NOK 1 000)	**2008**	**2007**	**2008**	**2007**	**2007**
Net cash flows from operating activities	98 938	257 222	113 362	491 160	497 920
Net cash flows from investing activites	-106 380	-43 939	-169 798	-62 392	-532 619
Net cash flows from financial activities	-5 809	302 184	-11 754	382 975	306 425
Exchange rate effect on cash	191	4 937	750	5 165	-2 025
Net change in cash and cash equivalents	**-13 059**	**520 405**	**-67 441**	**816 908**	**269 700**
Cash and cash equivalents in beginning of period	447 028	528 213	501 410	231 710	231 710
Cash and cash equivalents in end of period	433 969	1 048 618	433 969	1 048 618	501 410

Consolidated changes in equity
Unaudited

(NOK 1 000)	YTD June 30 2008	YTD June 30 2007	Year ended Dec 31 2007
Equity - Beginning of period	508 273	260 727	260 727
Share issue			136 463
Equity change on employee options	2 204	450	1 558
Stock options issued for FlyNordic aquisition			29 485
Profit/loss	-272 934	29 760	84 580
Exchange rate difference group	1 172	-138	-4 540
Equity - End of period	238 714	290 798	508 273

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

General and accounting principles

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

The consolidated financial statements of the Group for the year ended 31. December 2007 is available upon request from the company's registered office at Oksenøyveien 10A, 1330 Fornebu, Norway, or at www.norwegian.no.

These condensed consolidated interim financial statements have been prepared in accordance with rules and regulations of Oslo Stock Exchange and International Financial Reporting Standard (IAS) 34 Interim Financial Reporting. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements of the Group as at and for the year ended 31 December 2007. These condensed interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2007.

Note 1 Judgements, estimated and assumptions

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

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the period ended 31 December 2007.

Note 2 Risk

SENSITIVITY ANALYSIS Unaudited	Effect on income MNOK
1 % decrease in jet fuel price	20
1 % weakening of NOK against USD	-33
1 % weakening of NOK against EUR	-10

The sensitivity analysis reflects the effect on P/L by substantial changes in market prices and exchange rates. The effect on P/L is annualized based on today's level of production, fuel prices and exchange rates

Note 3 Revenue

In First quarter the Group reclassified line items of revenue between passenger revenue, ancillary passenger revenue and other revenue. Passenger revenue comprise only ticket revenue, while ancillary passenger revenue is other passenger related revenue such as fees. Other revenue consist of revenue not directly related to passengers such as cargo, 3rd party commissions etc.

SALES REVENUE
Unaudited

	Quarter ended June 30		YTD June 30		Year ended Dec 31
(NOK 1 000)	**2008**	**2007**	**2008**	**2007**	**2007**
Per activity					
Passenger revenue	1 409 896	958 563	2 404 065	1 655 181	3 956 081
Ancillary passenger revenue	97 656	41 735	181 552	76 788	212 049
Other revenue	43 669	18 555	54 191	24 942	58 072
Total	1 551 221	1 018 853	2 639 807	1 756 911	4 226 202
Per geographical market					
Domestic	559 754	459 643	997 233	861 363	1 782 497
International	991 467	559 209	1 642 574	895 548	2 443 706
Total	1 551 221	1 018 853	2 639 807	1 756 911	4 226 202

Note 4 Operating expenses

COST BREAKDOWN
Unaudited

	Quarter ended June 30		YTD June 30		Year ended Dec 31
(NOK 1 000)	**2008**	**2007**	**2008**	**2007**	**2007**
Personell expenses	249 525	135 900	484 614	257 717	622 189
Sales/ distribution expenses	28 856	23 179	60 836	45 735	94 162
Aviation fuel	538 427	217 167	882 223	370 224	990 741
Airport charges	222 544	144 477	382 729	252 054	601 780
De-icing	7 794	5 195	31 424	18 231	38 080
Handling charges	154 236	108 762	277 392	183 851	404 275
Technical maintenance expenses	132 703	68 482	255 125	133 372	412 837
Other expenses	149 235	154 149	342 101	290 011	557 743
Total operating costs	**1 483 322**	**857 312**	**2 716 445**	**1 551 195**	**3 721 807**

Note 5 Segment information

The Group's business is managed in one operational segment which is low cost air passenger travel. The products are in all effect identical in all geographical markets.

The Group has operations in three geographical areas, but the revenue generating assets, the aircraft, are utilized separately between Norway and Sweden. Because the Group only has one business segment, the primary reporting format is the geographical segments.

There have been no changes from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

Quarter ended June :	Quarter ended June 30			YTD June 30		
(NOK 1 000)	Norway	Sweden	Total	Norway	Sweden	Total
External Revenue	1 288 657	262 564	1 551 221	2 215 482	424 325	2 639 807
Operating profit/loss	-16 110	-56 583	-72 693	-203 335	-129 006	-332 341
Depreciation *)	20 996	9 929	30 925	38 552	25 882	64 434

*) Includes depreciation and write down on the fair values of assets identified in purchase price allocation. Write down on fair value of brand name FlyNordic is MNOK 15.7.

Note 6 Business combinations

At 31 July 2007, the Group purchased 100% of the shares in Nordic Airlink Holding AB from Finnair Plc. Total purchase price as of 31.12.07 was MNOK 199.8. A part of the purchase price was a profit sharing for the charter operations. As of 30.06.08 the purchase price for the charter operations was revaluated resulting in adjustment of the purchase price from MNOK 199.8 to MNOK 182.9. As a consequence the book value of goodwill has been reduced by MNOK 16.9 to MNOK 102.4.

Note 7 Information on related parties

During first half 2008 there are no change in related parties compared to described in Note 27 in the annual report. There have been no significant transactions with related parties during first half 2008.

Definitions

ASK: Available Seat Kilometres. Number of available passenger seats multiplied by the flight distance.
RPK: Revenue Passenger Kilometres. Number of sold seats multiplied by flight distance.
CABIN FACTOR: Relationship between RPK and ASK as a percentage. Describes the rate of utilisation of available seats.
EBITDA: Operating profit/loss before financial items, taxes and depreciation
EBITDAR: Operating profit/loss before financial items, taxes, depreciation and leasing costs for aircraft

Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2008 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of the Group's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

Fornebu, 16 July 2008
The Board of Directors of Norwegian Air Shuttle ASA

Erik G Braathen (Chairman of the board)	Bjørn H Kise (Deputy Chairman of the Board)	Ola Krohn-Fagervoll
Liv Berstad	Marianne Wergeland Jenssen	Monika Johansen (employee representative)
Halvor Vatnar (employee representative)	Sissel Vårum (employee representative)	Bjørn Kjos (Managing Director)

Information about the Norwegian Group

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Internet	www.Norwegian.no
Organisation Number	NO 965 920 358 MVA

Board of Directors in Norwegian Air Shuttle ASA
Erik G. Braathen, chairman
Bjørn H. Kise, deputy chairman
Ola Krohn-Fagervoll
Liv Berstad
Marianne Wergeland Jenssen
Monika Johansen
Halvor Vatnar
Sissel Vårum

Invester Relations
Karl Peter Gombrii karl.gombrii@norwegian.no

Other sources of Information
Anual reports
Annual reports for Norwgian Group are available on www.norwegian.no

Quarterly publications
Quarterly reports are available on www.norwegian.no.

The publications can be ordered by sending an e-mail to investor.relations@norwegian.no