



Norwegian Air Shuttle ASA

Second quarter presentation

Bjørn Kjos - CEO

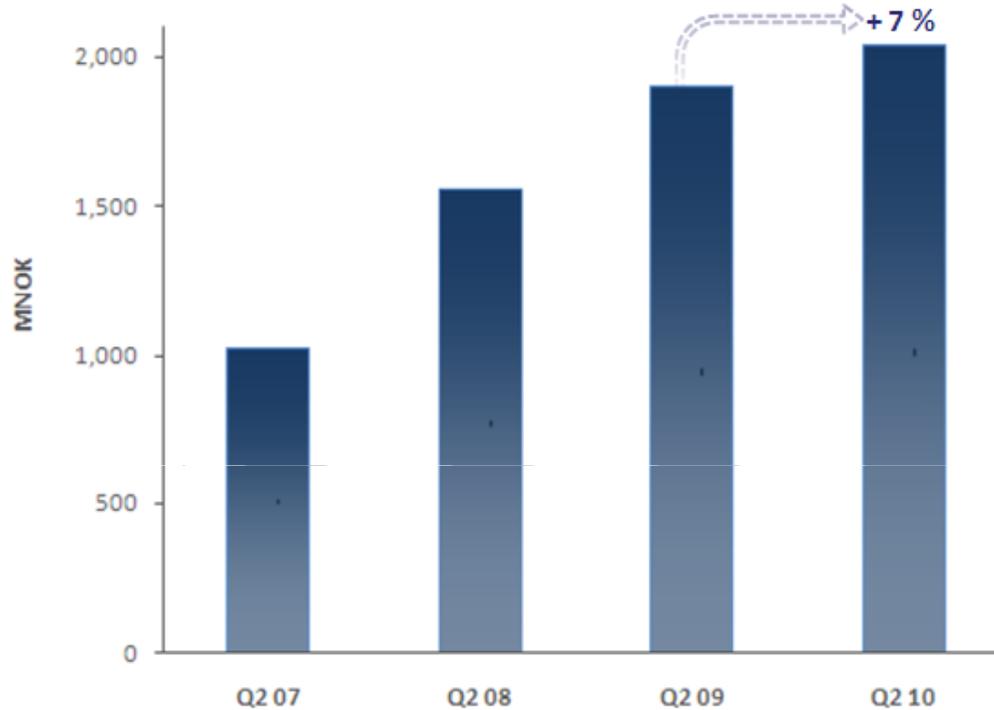
July 13th 2010





Continued revenue growth in Q2

- Group revenues of MNOK 2,032 in Q2 2010, 7 % growth since last year
 - Domestic revenue: MNOK 766 (+8 %)
 - International revenue: MNOK 1,266 (+6 %)



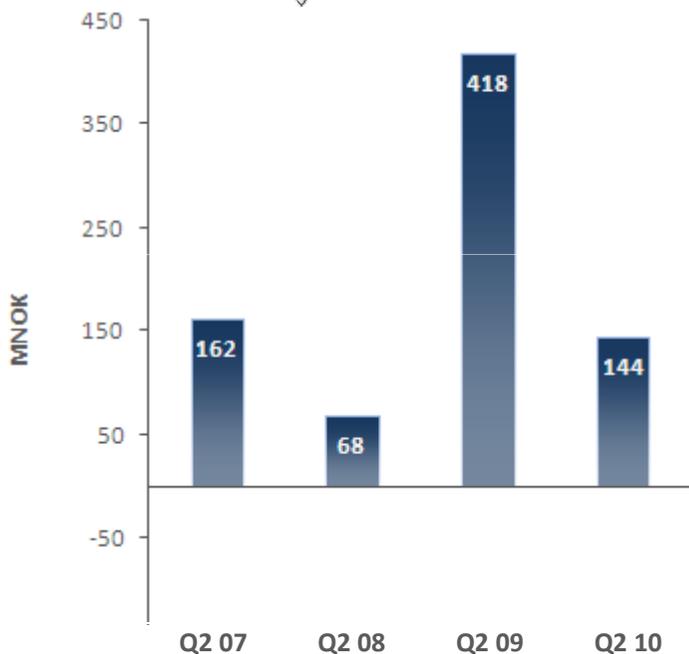
Revenues	1,019	1,551	1,901	2,032
Domestic revenue	459	560	709	766
% y.o.y. chg	20 %	22 %	27 %	8 %
International revenue	560	991	1,192	1,266
% y.o.y. chg	46 %	77 %	20 %	6 %



Operating margin influenced by authorities' closure of European airspace

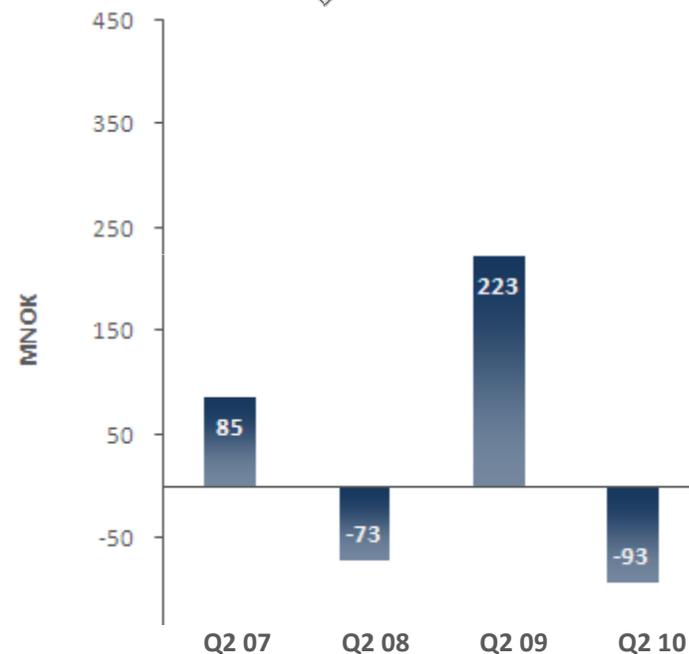
- EBITDAR	MNOK	+ 144	(+418)
- EBITDA	MNOK	- 49	(+258)
- Operating profit (EBIT)	MNOK	- 93	(+ 223)
- Pre-tax profit (EBT)	MNOK	- 188	(+245)
- Net profit	MNOK	- 134	(+180)

EBITDAR development Q2



EBITDAR margin	Q2 07	Q2 08	Q2 09	Q2 10
	8 %	3 %	21 %	7 %

EBIT development Q2

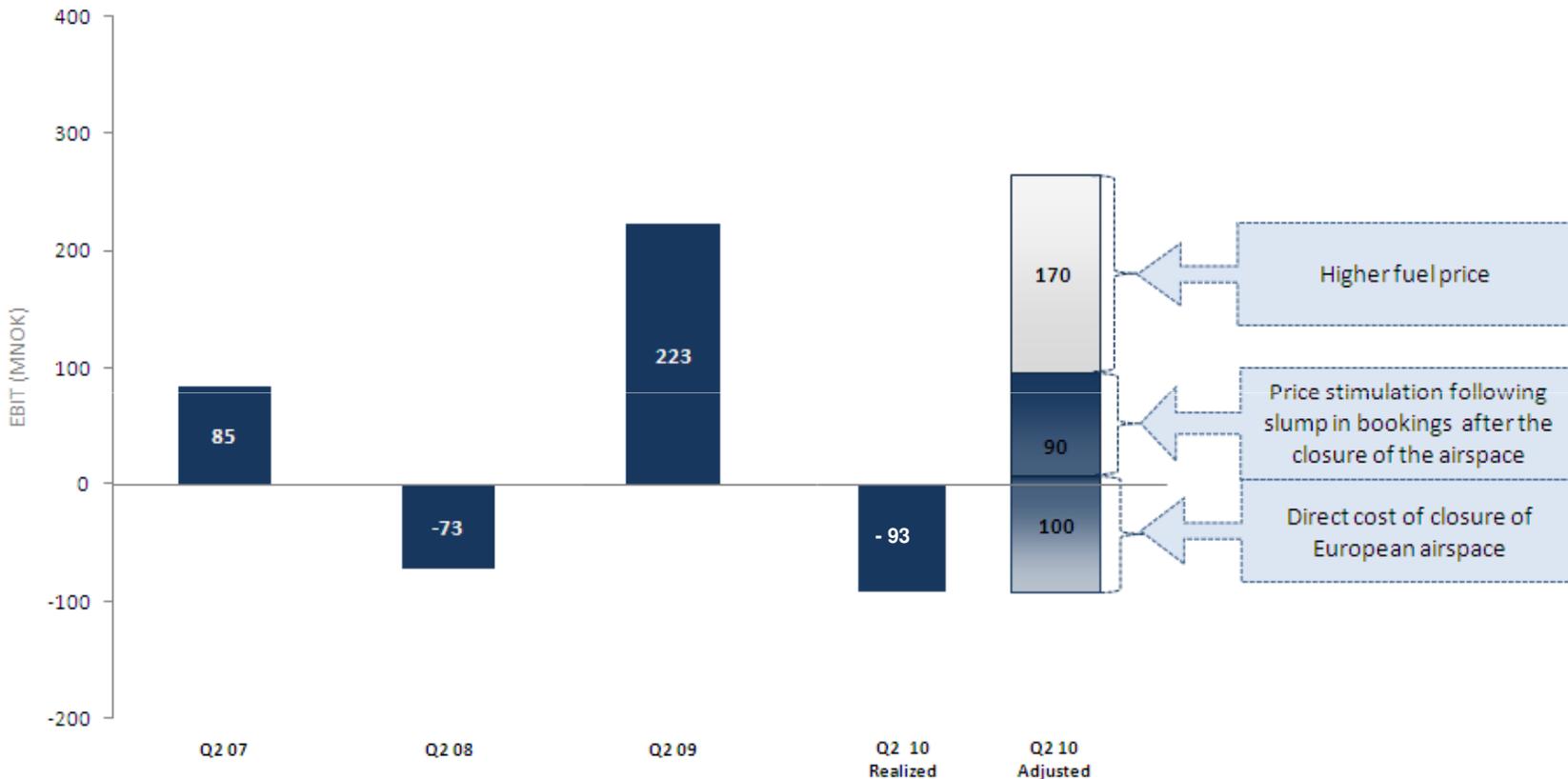


EBIT/ operating margin	Q2 07	Q2 08	Q2 09	Q2 10
	4 %	-4 %	11 %	-5 %



Underlying positive operating margin

- The closure of European airspace had an immediate earnings effect of MNOK -100
- Market stimulation necessitated by the closure of the airspace reduced revenue by an estimated MNOK 90 in May and June
- The realized fuel price per ton was up 44 % in Q2





Cash up MNOK 760 compared to Q2 last year 1.6 billion in cash and cash equivalents

- Cash flows from operations in Q2 2010 MNOK +311 (+323)
 - Positively affected by changes in ticket liabilities, receivables and payables
 - Negatively affected by the seasonal operating result

- Cash flows from investing activities in Q2 2010 MNOK -558 (-430)
 - Aircraft delivery and pre-delivery-payments for future deliveries

- Cash flows from financing activities in Q2 2010 MNOK +201 (+286)
 - Principal repayments bond issue MNOK - 177
 - Aircraft financing MNOK + 408

- Cash and cash equivalents at period-end MNOK +1,581 (+1,628 in Q1)

Condensed consolidated statement of cash flow (unaudited)

(Mill. NOK)	Quarter ended June 30		YTD June 30		Year ended
	2010	2009	2010	2009	Dec 31 2009
Net cash flows from operating activities	311.1	322.7	709.4	448.1	913.8
Net cash flows from investing activities	-558.2	-430.3	-934.6	-512.2	-1,299.9
Net cash flows from financial activities	200.6	286.2	397.8	282.3	1,188.1
Foreign exchange effect on cash	-0.2	-6.1	-0.1	-4.4	-1.0
Net change in cash and cash equivalents	-46.8	172.5	172.5	213.8	800.9
Cash and cash equivalents in beginning of period	1,627.8	648.9	1,408.5	607.5	607.5
Cash and cash equivalents in end of period	1,581.0	821.4	1,581.0	821.4	1,408.5



Group equity of 1.3 billion compared to 1.0 billion in Q2 last year

- Equity decreased from MNOK 1,402 at the beginning of the period to MNOK 1,268 at the end of the second quarter
- Primarily due to the Q2 operating loss from closure of airspace and unrealized currency effects
- Group equity ratio of 20 % (23 %)

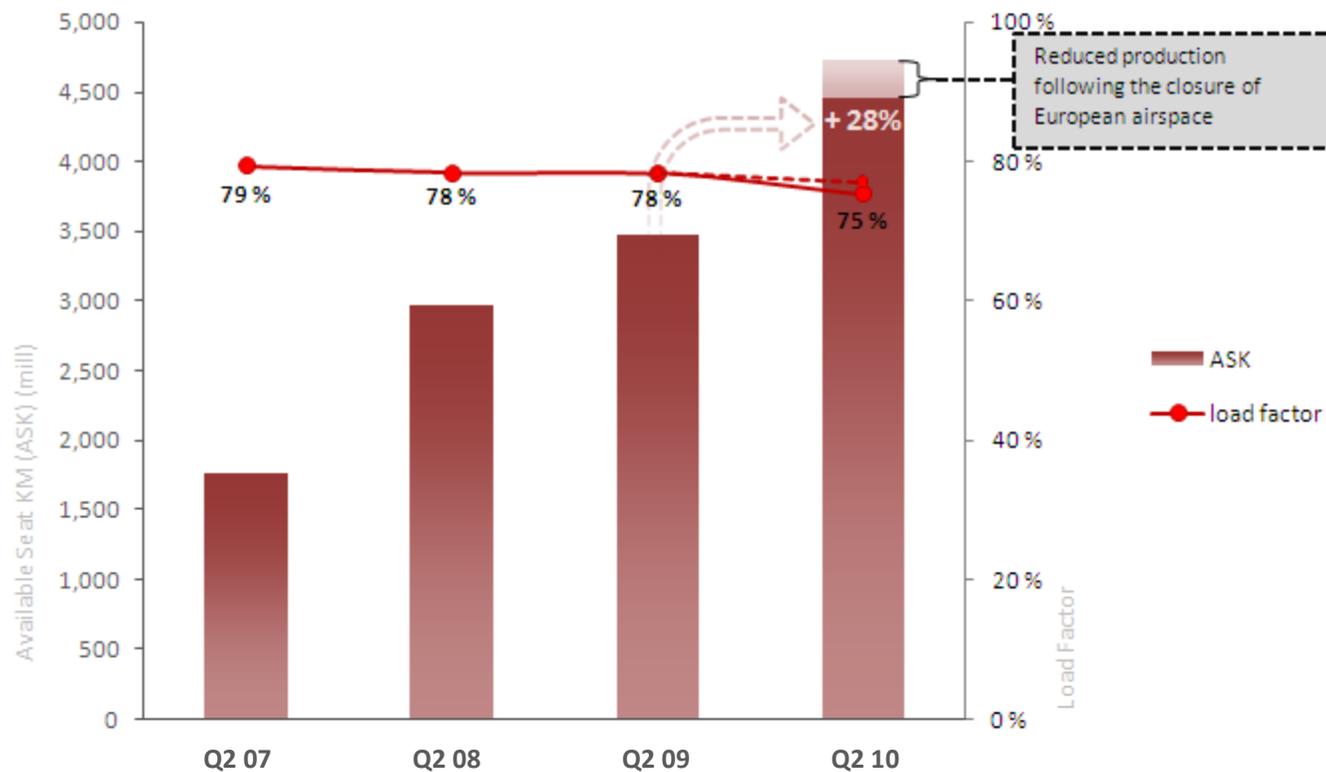
Consolidated changes in equity

Unaudited

(Mill. NOK)	YTD 30.06.		Year ended Dec 31	
	2010	2009	2009	
Equity - Beginning of period	1,601.7	897.4	897.4	
Total comprehensive income for the period	-335.8	75.1	442.9	
Share issue	0.0	0.0	253.1	
Equity change on employee options	2.2	4.2	8.4	
Equity - End of period	1,268.1	976.7	1,601.7	

Production growth of 28 % compared to targeted 38 %

- 75% load factor in Q2 10 – down 3 p.p. from last year
- Load and ASK affected by the closure of European airspace

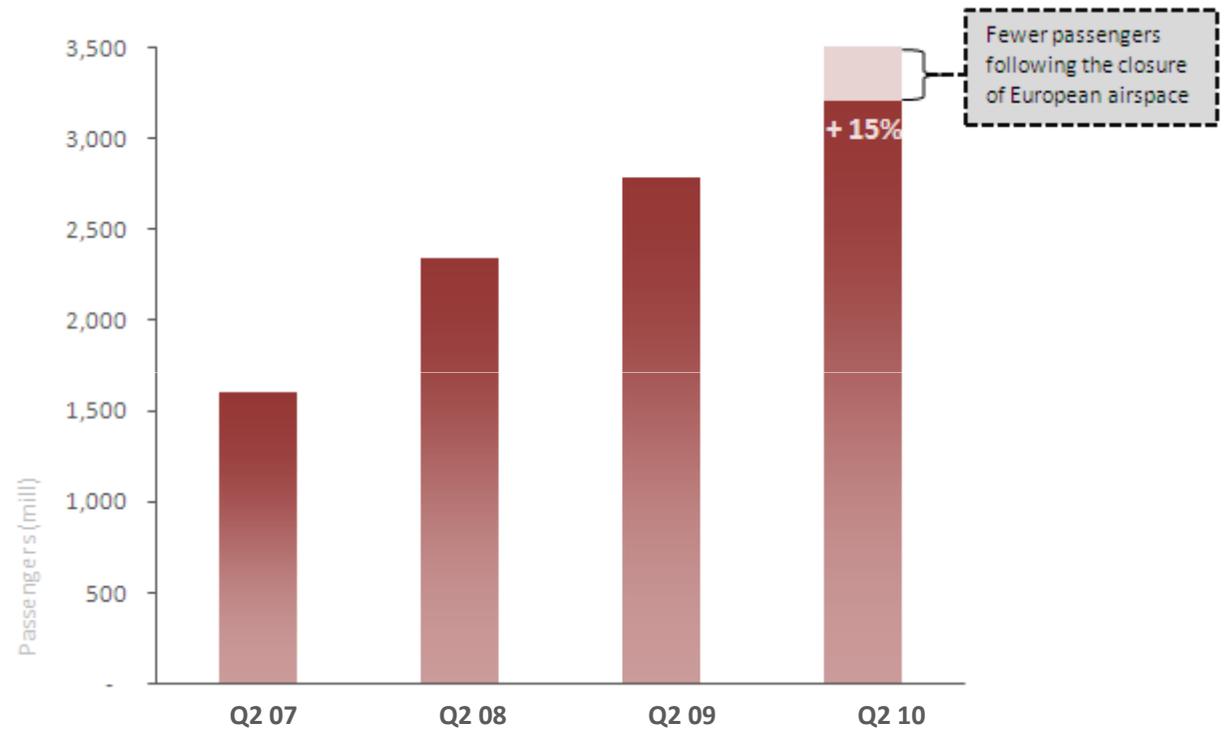


ASK	1,763	2,974	3,469	4,449
Load Factor	79 %	78 %	78 %	75 %



3.2 million passengers in Q2 (+15%) (+ 417 000 passengers)

- Approximately 300 000 less than planned due to the closure of European airspace



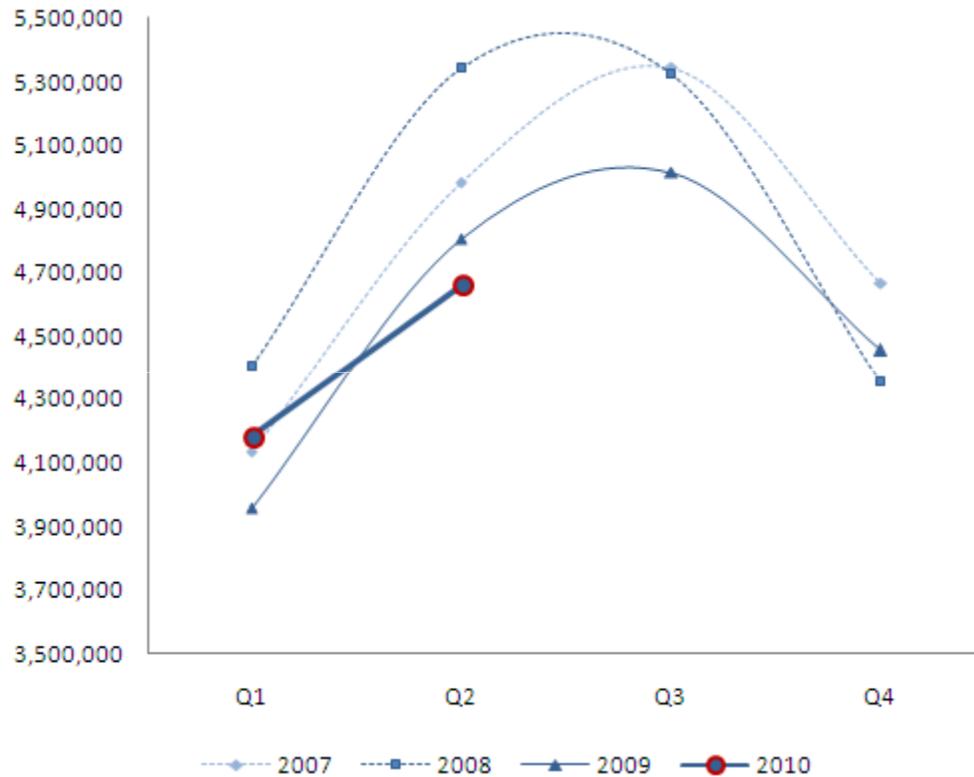
Passengers (million)	1,595	2,344	2,784	3,202
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Passenger volumes at Oslo Airport affected by the closure of European airspace Norwegian with continued strong growth

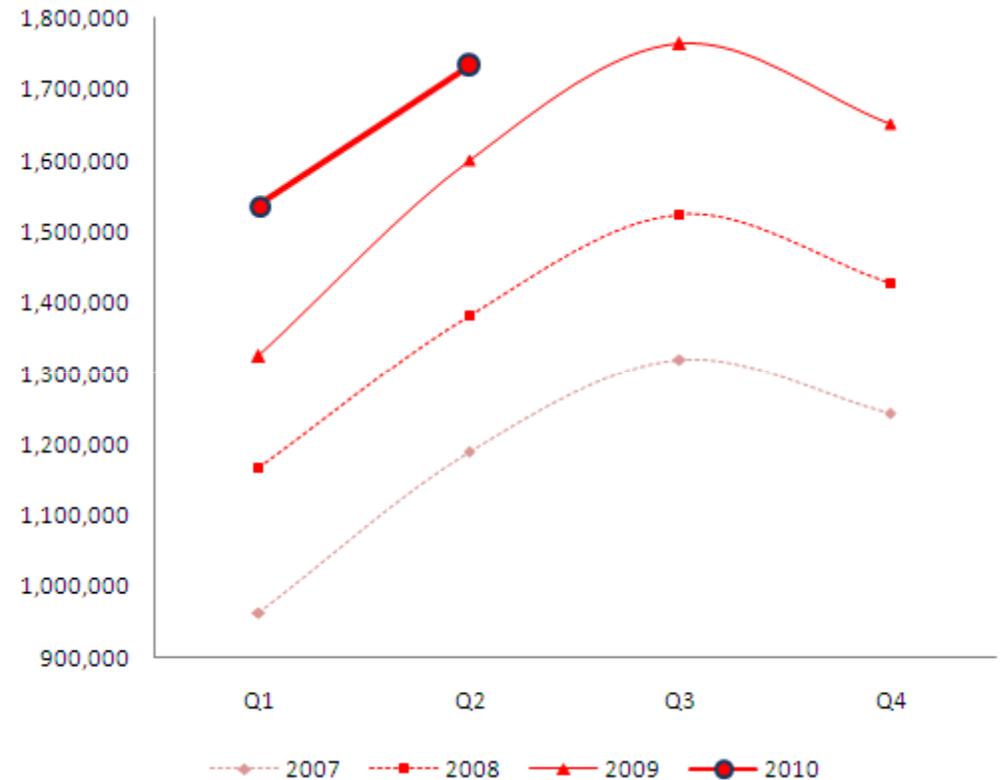
Oslo airport (OSL) – all airlines

- - 3 % compared to Q2 2009
- - 13 % compared to Q2 2008

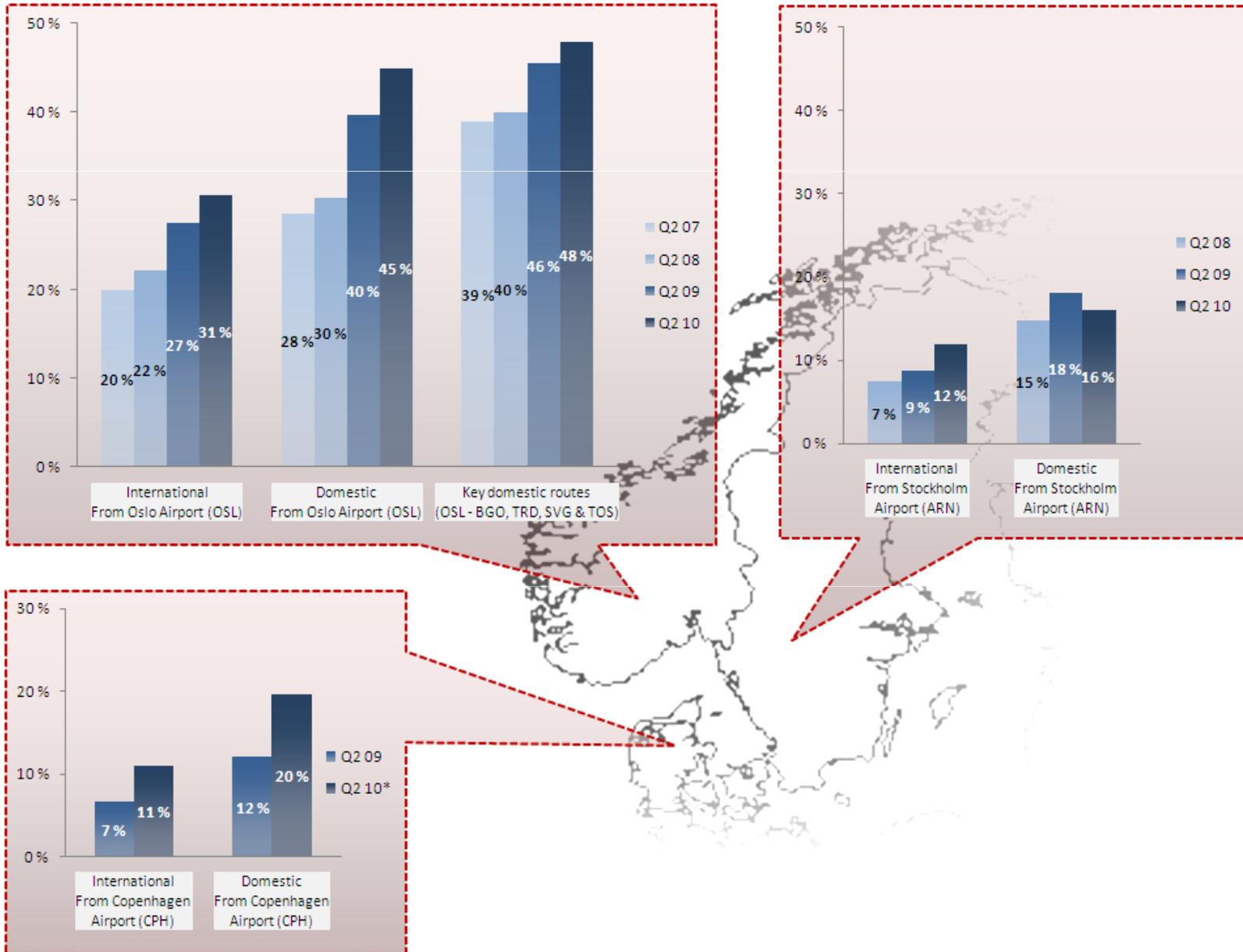


Oslo airport (OSL) – only Norwegian

- + 8 % compared to Q2 2009
- + 25 % compared to Q2 2008



Stronger foothold in domestic and international markets

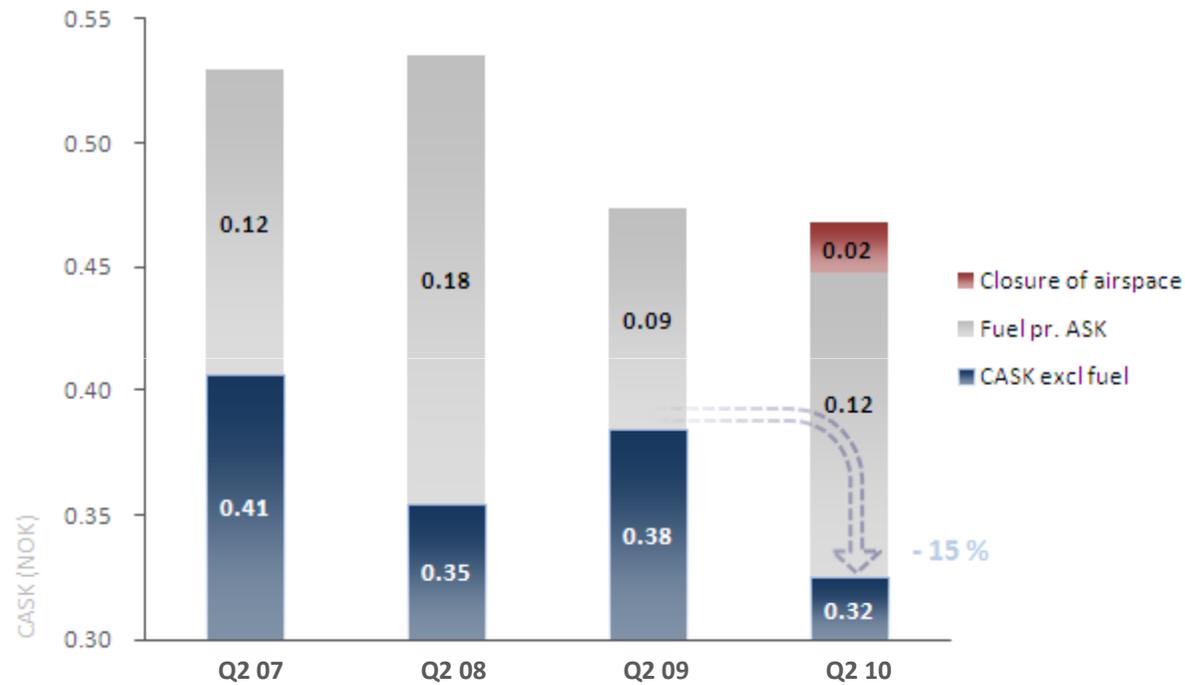


*Only April and May for CPH



Underlying cost reduction of 15 %

- Unit cost down 1 % despite higher fuel price and closure of airspace
 - Unit cost higher due to closure of European airspace
 - More efficient aircraft consumes less fuel
- Unit cost excluding fuel and effects from closure of airspace down 15 %
 - New, more efficient Boeing 737-800 aircraft
 - Favorable currency effects (-0.01 pr. ASK; -0.02 including fuel)

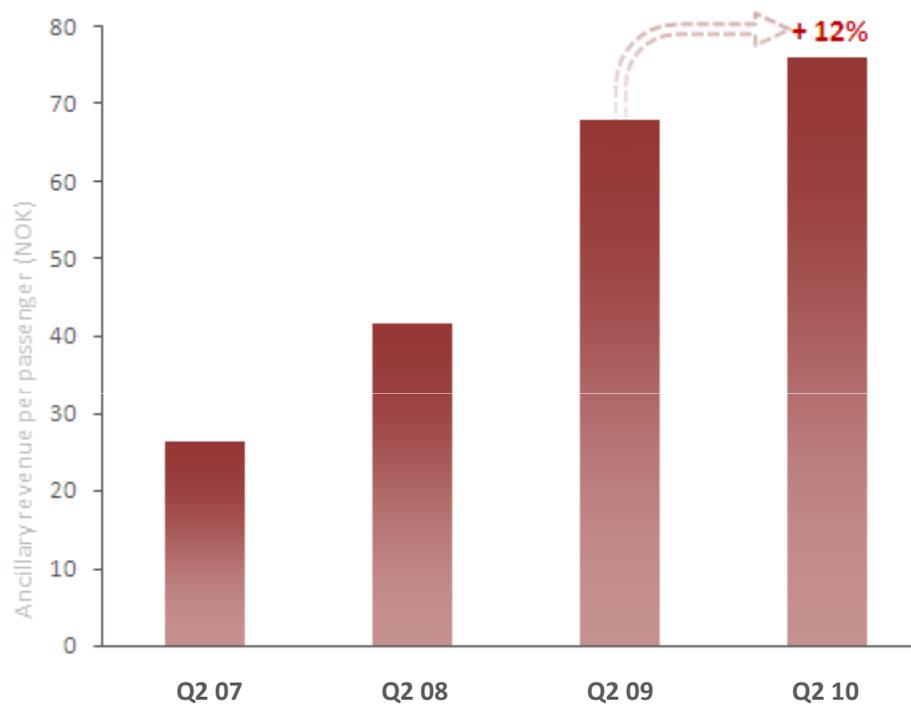


Cost pr ASK (CASK) (NOK)	0.53	0.54	0.47	0.47
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Continued growth in ancillary revenue

- Ancillary revenue comprises 12% of Q2 revenues
- Ancillary revenue per passenger higher on longer flights



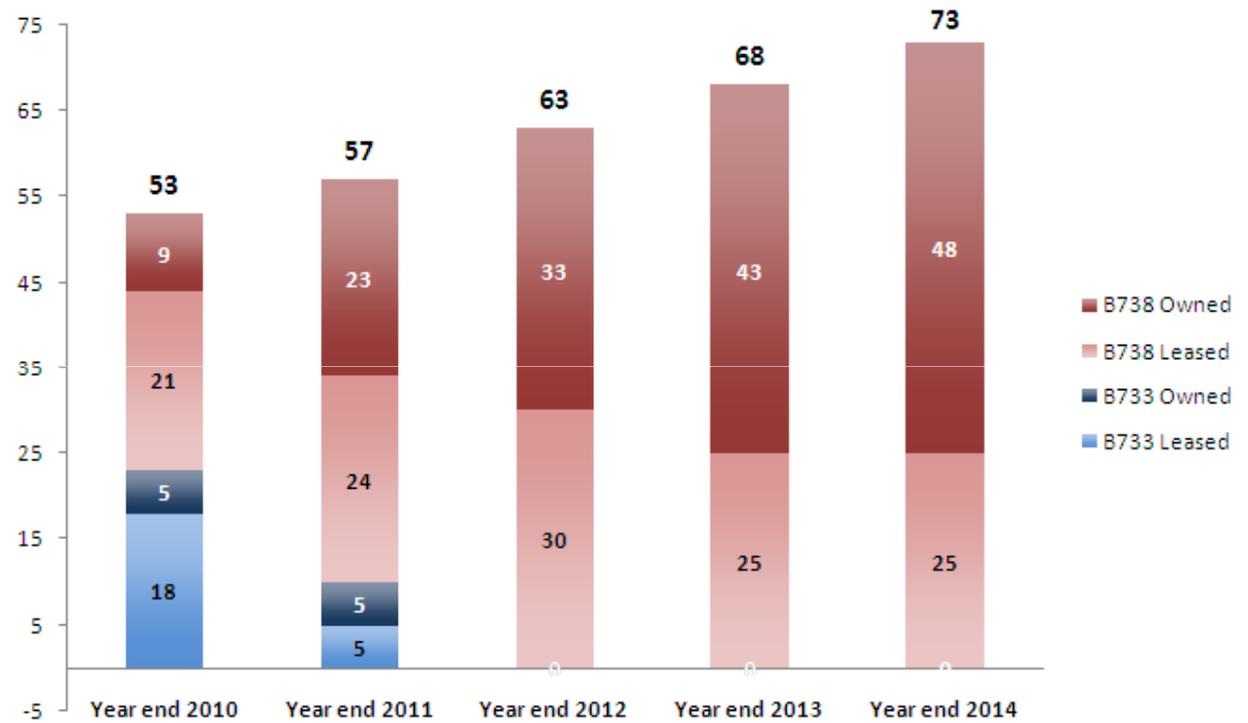
Ancillary revenue/ pax	26	42	68	76
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Revised fleet plan 2010 – 2014

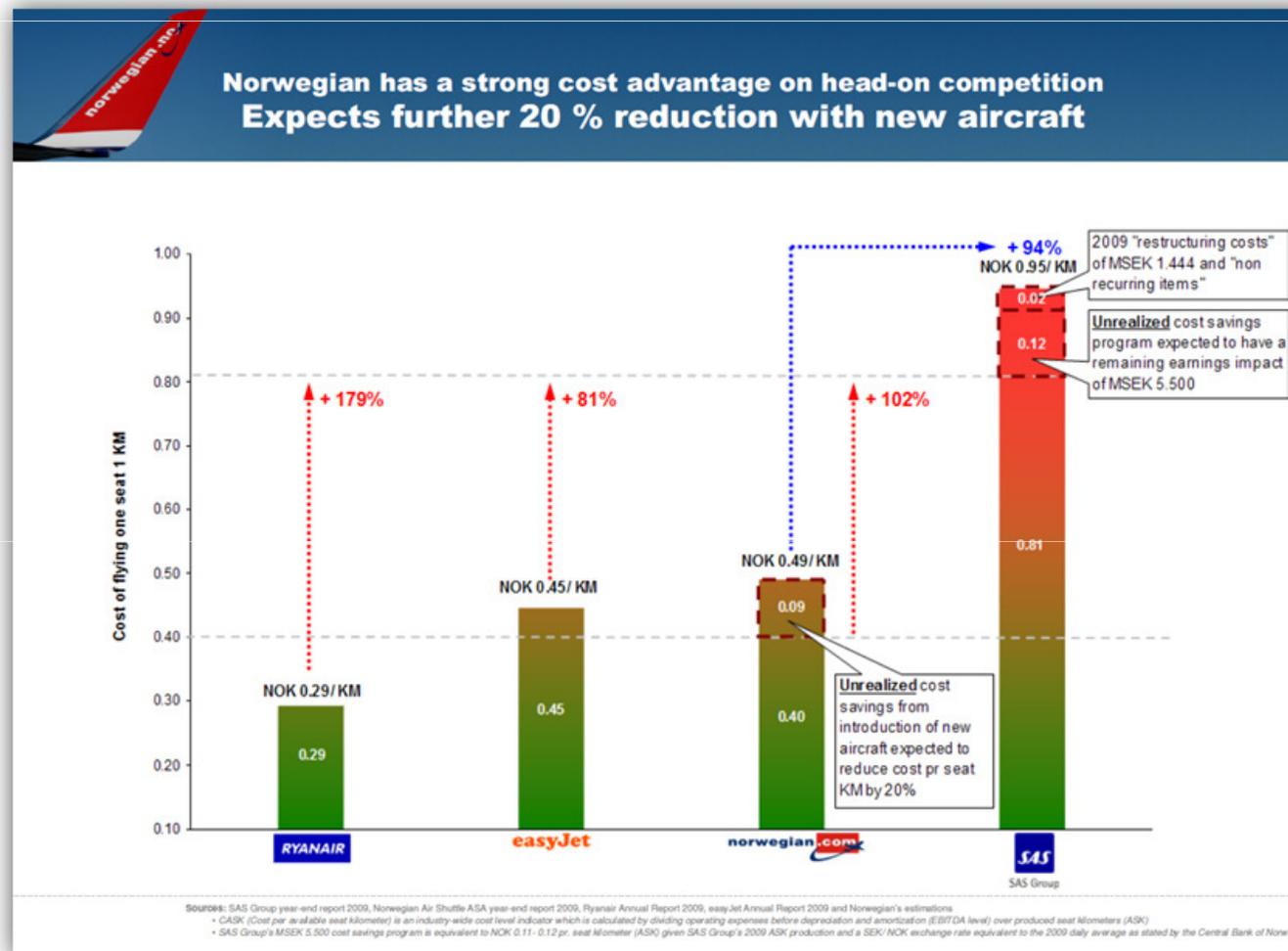
Unitary fleet of efficient Boeing 737-800 already in 2012

- Phase out of 737-300 accelerated by 2 years
- Three more aircraft than previously indicated in 2014



Accelerated fleet renewal will reduce unit cost further

- Cost leader announced additional 19 % cost reduction since the Q4 presentation
- Norwegian aims to accelerate fleet renewal by phasing out B737-300 faster

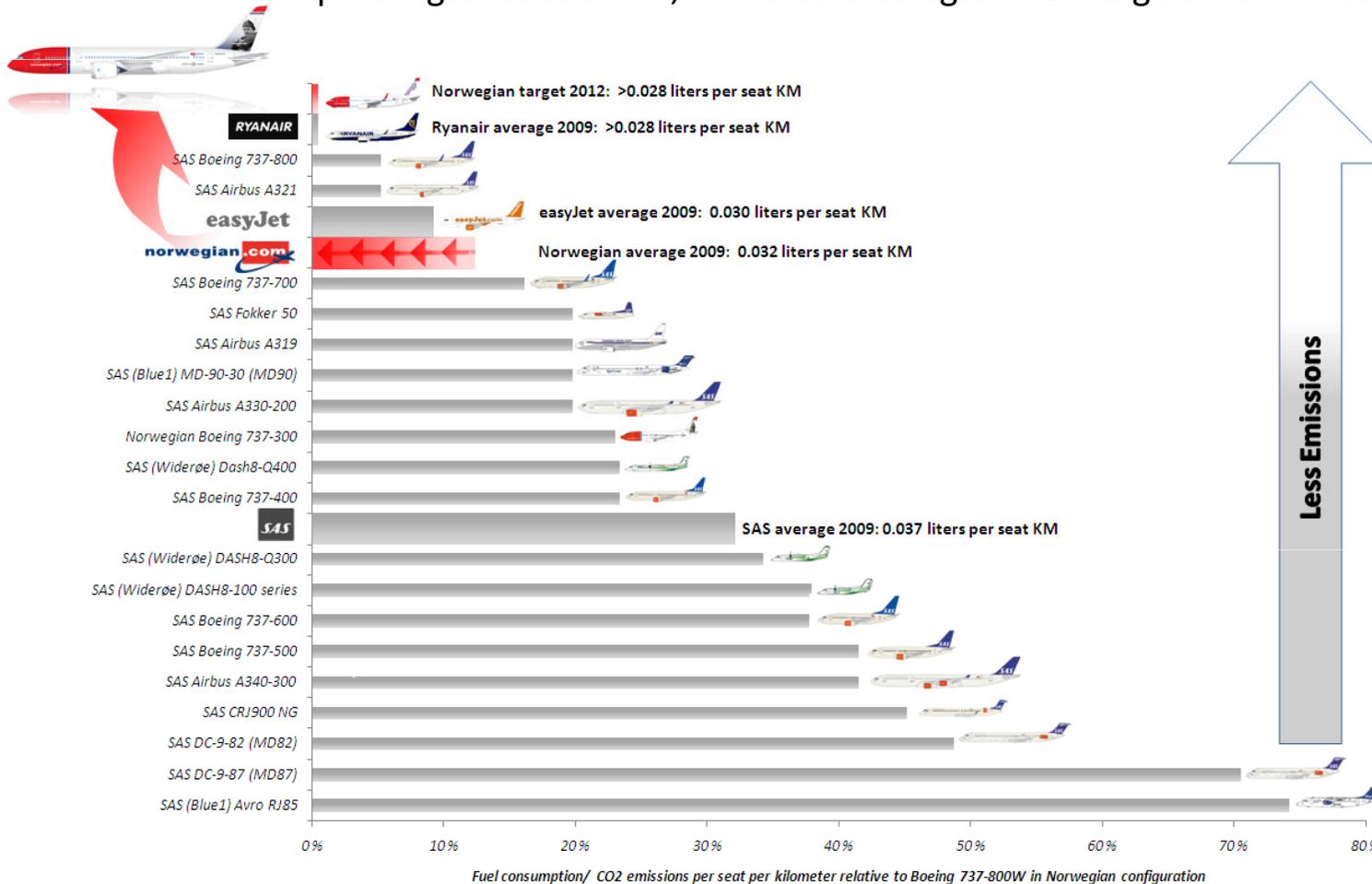




Fleet renewal enhances competitive edge and reduces emissions

Head-on competition with 23 % more emissions pr pax pr KM in 2009

- Competitor emitted 127g CO₂/RPK in 2009 which is 42% more than Norwegian's 737-800s
- Competitor would have saved **430 million liters** of fuel in 2009 if they flew the same number of passengers kilometers, but with Norwegian's Boeing 737-800 rather than their own fleet.



SAS' inflight magazine June 2010:
"SAS is best in class when it comes to the environment, Norwegian among the worst"



430 million liters is more fuel than a super tanker can carry, or enough fuel to make **20,000 737-800 flights** from Oslo to Dubai...

Sources: SAS Group Annual Report 2009, Norwegian Air Shuttle ASA Annual Report 2009, easyJet Plc Annual Report 2009, The Boeing Company. Calculations provided by Arctic Securities

- Relative figures for Boeing and McDonnell Douglas aircraft have been cross checked with figures provided by the manufacturer, taking into consideration aircraft configuration and stage length.
- The ratio between metric tons of Jet A-1 Fuel and liter by the thousand is 0.8 and is an internationally recognized factor applied by EU-ETS. 1 ton Jet A-1 fuel is equivalent to 1,250 liters.
- The ratio between consumed metric tons of Jet A-1 fuel and CO2 is 3.15
- Photo courtesy Frontline Ltd. The ship is a double hull 309,996 dwt VLCC and can carry approximately 350 million liters



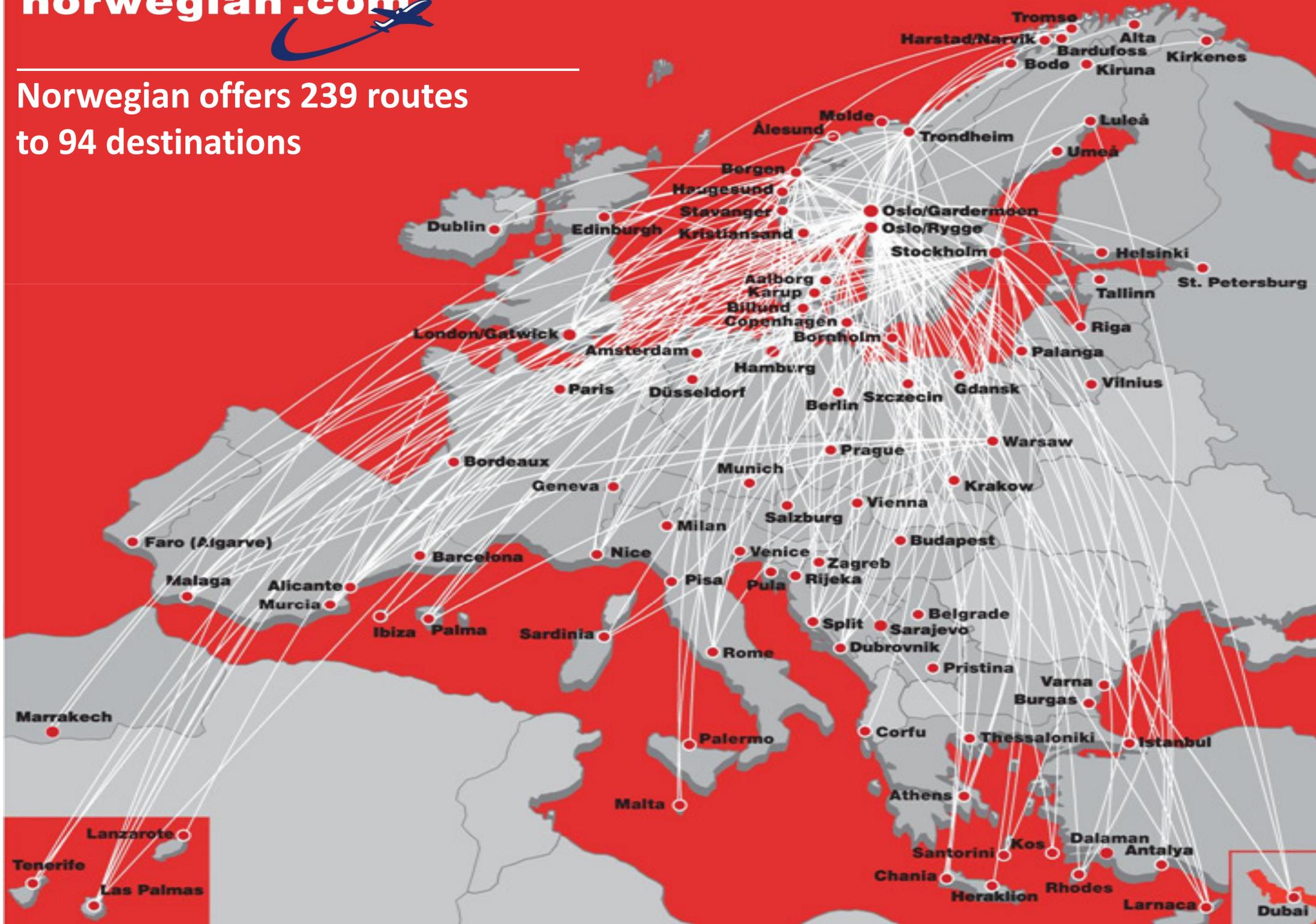
Expectations for 2010

- **Business environment**
 - Uncertain business climate
 - Seasonal fluctuations
 - Strong competition

- **Production**
 - The company expects a production growth (ASK) of approximately 30%
 - Primarily from increasing the fleet by adding 737-800's
 - Capacity deployment depending on development in the overall economy and marketplace

- **Cost development**
 - Unit cost expected in the area of 0.47 (including current hedges)
 - Fuel price dependent – USD 730 pr ton for the remainder of the year (excluding hedged volumes)
 - Currency dependent – USD/NOK 6.30 for the remainder of the year (excluding hedged volumes)
 - Based on the current route portfolio
 - Larger share of aircraft with more capacity and lower unit cost

Norwegian offers 239 routes
to 94 destinations



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