NORWEGIAN AIR SHUTTLE ASA

SECOND QUARTER AND FIRST HALF REPORT 2011

HIGHLIGHTS

- First half revenue up by 27.5 % to MNOK 4,620 (3,624), quarterly revenue up by 34.1 % to MNOK 2,725 (2,032).
- Earnings before depreciation and leasing (EBITDAR) in first half were MNOK 117.2 (121.4) and in the second quarter were MNOK 346.9 (144.2).
- Earnings before depreciation (EBITDA) in first half were MNOK -293.0 (-241.0) and in the second quarter were MNOK 136.6 (-48.7).
- Net result after tax in first half was MNOK -239.5 (-333.6) and in the second quarter was MNOK 53.7 (-134.4).
- Ancillary revenue per passenger at the same level as last year.
- The number of passengers in the second quarter was 4.04 mill. (+26%).
- Unit cost was NOK 0.49 in first half and NOK 0.47 in the second quarter compared to NOK 0.49 in the first half last year and NOK 0.47 in the second quarter last year. Unit cost excluding fuel was NOK 0.35 in the first half and NOK 0.32 in the second quarter compared to NOK 0.37 in the first half last year and NOK 0.34 in the second quarter last year.
- Cash and money market deposits of MNOK 1,219 (1,581) as of 30.06.11
- Cash flow from operating activities in the second quarter was MNOK 275 (311)

CONSOLIDATED KEY FINANCIAL FIGURES

Unaudited

	Quarter ended 30.06.		YTD 30.06.		Year ended
(Mill. NOK)	**2011**	**2010**	**2011**	**2010**	**2010**
Operating revenue	2,724.8	2,032.3	4,619.6	3,624.4	8,597.7
EBITDAR	346.9	144.2	117.2	121.4	1,175.3
EBITDA	136.6	-48.7	-293.0	-241.0	396.9
EBIT	72.8	-92.8	-422.0	-331.3	210.2
EBT	74.5	-187.8	-331.8	-463.1	243.1
Net profit/ loss (-)	53.7	-134.4	-239.5	-333.6	170.9
EBITDAR margin	12.7%	7.1%	2.5%	3.3%	13.7%
EBITDA margin	5.0%	-2.4%	-6.3%	-6.6%	4.6%
EBIT margin	2.7%	-4.6%	-9.1%	-9.1%	2.4%
Net profit margin	2.0%	-6.6%	-5.2%	-9.2%	2.0%

OPERATIONS

CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

	Quarter ended 30.06.			YTD 30.06.			Full Year
	2011	2010	Change	2011	2010	Change	2010
Yield (NOK)	0.55	0.52	5 %	0.52	0.52	0 %	0.52
Unit Revenue (NOK) *)	0.43	0.39	9 %	0.40	0.39	2 %	0.40
Unit Cost (NOK)	0.47	0.47	0 %	0.49	0.49	1 %	0.46
Unit Cost ex. fuel (NOK)	0.32	0.34	-6 %	0.35	0.37	-4 %	0.34
Ancillary Revenue /PAX (NOK)	76.41	76.22	0 %	79.63	77.78	2 %	79.36
Internet bookings	84%	88%	-4 pp	83%	88%	-5 pp	87%
ASK (mill)	5,518	4,449	24 %	10,016	7,956	26 %	17,804
RPK (mill)	4,322	3,354	29 %	7,665	5,989	28 %	13,774
Passengers (mill)	4.04	3.20	26 %	7.10	5.89	21 %	13.03
Load Factor	78%	75%	3 pp	77%	77%	-1 pp	76%

*) Passenger Revenue/ASK

Traffic Development

A total of 4.04 million passengers travelled with Norwegian in the second quarter of 2011, compared to 3.20 million in the second quarter of 2010, an increase of 26 %. Production (ASK) increased by 24 % and passenger traffic (RPK) increased by 29 %. The load factor was 78 % in the second quarter, an increase of 3 percentage point compared to the same period last year.

At the end of the second quarter the total fleet including aircraft on maintenance and excluding wet lease comprised 59 aircraft. The Group utilized every operational aircraft on average 11.0 block hours per day in the second quarter compared to 10.7 last year.

The share of Internet sales was 84 % which is a decrease of 4 percentage points due to increased sales through travel agents.

Revenue
Total revenue in the second quarter was MNOK 2,725 (2,032), an increase of 34%. MNOK 2,367 (1,748) of the revenues in the second quarter is related to ticket revenues. MNOK 309 (244) is ancillary revenue, while the remaining MNOK 49 (40) is related to freight, third-party products, and other income.

The ticket revenue per unit produced (RASK) in the second quarter was NOK 0.43 compared to NOK 0.39 for the same period last year. The RASK development compared to last year partially reflects improved load factor, the closure of European airspace in April last year, together with an adjusted route portfolio.

Ancillary passenger revenue was NOK 76 per passenger which is at the same level as last year.

Operating Expenses

COST BREAKDOWN
Unaudited

	Quarter ended 30.06.		YTD 30.06.		Year ended
(Mill. NOK)	**2011**	**2010**	**2011**	**2010**	**2010**
Personell expenses	451.7	370.4	904.8	739.1	1,531.2
Sales/ distribution expenses	47.8	39.9	103.1	83.3	167.9
Aviation fuel	808.7	546.3	1,370.1	944.1	2,059.8
Airport and ATC charges	396.7	329.1	726.7	596.0	1,295.9
Handling charges	250.8	241.5	467.0	425.8	863.6
Technical maintenance expenses	171.3	175.3	343.9	327.7	697.2
Other expenses	217.5	204.2	463.2	414.8	803.5
Other losses/(gains) - net	33.4	-18.8	123.4	-27.7	3.4
Total operating costs	**2,377.9**	**1,888.1**	**4,502.4**	**3,503.0**	**7,422.4**

Operating expenses excluding leasing and depreciation increased by 26% to MNOK 2,378 (1,888) this quarter. A production increase (ASK) of 24% combined with an increased market price for fuel are the main factors explaining the increased operating expenses this quarter, compared to the same quarter last year.

The unit cost excluding fuel was NOK 0.32 in the second quarter compared to NOK 0.34 in the second quarter last year. A larger share of Boeing 737-800Ws owned and leased aircraft contributes to the reduced cost level.

Personnel expenses increased by 22% to MNOK 452 (370) in the second quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 2%. The main factor explaining the reduced unit cost is a productivity increase following an increasing share of Boeing 737-800Ws which with more seat capacity per aircraft drives down the crew cost per unit produced. The average numbers of man-labour year increased by 19% compared to same quarter last year.

Sales and distribution expenses increased by 20% to MNOK 48 (40) in the second quarter compared to the same quarter last year. Unit cost for sales and distribution expenses decreased by 4%. Increased distribution costs related to increased sales through travel agents are partly offset by reduced credit card costs.

Aviation fuel expenses increased by 48% to MNOK 809 (546) in the second quarter compared to the same quarter last year. The higher cost is driven by a production increase of 24% combined with an increase in the gross realized fuel price per ton denominated in NOK of 34% including a hedge loss of MNOK 7 and fuel vendor's service charge. The weighted average net spot price denominated in USD increased by 48% during the same period.

The increase in fuel price per ton denominated in NOK is partly offset by a more efficient fleet of Boeing 737-800Ws, and increased sector length of 2%. This resulted in an increase in the unit cost for fuel by 19%.

The Group has at the end of the second quarter, forward contracts to cover approximately 5% of fuel exposure at an average price of USD 1100 per ton for the remaining of 2011.

Airport and air traffic control (ATC) charges increased by 21%, to MNOK 397 (329) in the second quarter compared to the same quarter last year. Increased prices for airport and ATC charges are more than offset by reduced cost due to an increased share of 737-800Ws with larger capacity, resulting in a reduced unit cost of 3%.

Handling charges increased by 4% to MNOK 251 (242) in the second quarter compared to the same quarter last year. Unit cost for handling charges decreased by 16%. The reduced unit cost is influenced by compensation paid to passengers after the closure of the European airspace in April 2010. An increased share of 737-800Ws with larger capacity also contributes to the reduced unit cost.

Technical maintenance costs decreased by 2%, to MNOK 171 (175) in the second quarter compared to the same quarter last year. Unit cost for technical maintenance costs decreased by 21% in the second quarter. Due to lower maintenance cost on 737-800Ws compared to 737-300, the increased share of 737-800Ws has a positive impact on technical maintenance costs. Depreciation of USD against NOK reduces the technical maintenance costs. As planned maintenance on owned aircraft is capitalized, an increased share of owned aircraft contributes to the reduced unit cost for technical maintenance.

Other losses/(gains)-net a loss of MNOK 33 was recognised in the second quarter 2011 compared to a gain of MNOK 19 the second quarter last year. Included in other losses/(gains)-net is change in fair value of foreign currency contracts, gains/losses on working capital in foreign currency.

As of 30 June the Group had term contracts amounting to MUSD 418. Loss on term contracts in second quarter amounts to MNOK 55. These currency losses are offset by unrealized currency gains on USD denominated financing booked as financial income.

Leasing costs increased by 9% to MNOK 210 (193) in the second quarter compared to the same quarter last year. Unit cost for leasing decreased by 12% in the second quarter. An increased share of owned Boeing 737-800Ws together with a depreciation of USD against NOK is the main reason for the reduced unit cost. This is partly offset by an increased number of leased Boeing 737-800Ws in fleet. Use of wetlease in the peak season increased by MNOK 10 compared the same period last year. During the second quarter the company operated 11 (2) owned Boeing 737-800Ws and 5 (5) Boeing 737-300.

Profit/Loss from Associated Company
Profit/loss from associated company in the second quarter is estimated to MNOK 3.8 (1.3) which represents the 20 % share of Bank Norwegian's estimated second quarter results.

Earnings
Earnings before interest, depreciation and amortization (EBITDA) in the second quarter were MNOK 136.6 (-48.7) and the earnings before tax (EBT) were MNOK 74.5 (-187.8).

Financial Items
Net financial items in the second quarter were MNOK -2.1 (-96.4).

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

Included in other financial income (expense) is a currency gain on USD denominated financing amount to MNOK 45 (-122) due to depreciation of USD against NOK. These unrealized gains have no cash effects.

Tax
Income taxes amounted to an expense of MNOK 20.8 in the quarter compared to an income of MNOK 53.4 in the second quarter last year.

Net Result
The net result for the second quarter was MNOK 53.7, compared to MNOK -134.4 in the same period last year.

Balance Sheet
Total non-current assets amount to MNOK 5,310 at the end of the second quarter, compared to MNOK 4,490 at the end of last year. The main investments during the year are related to the purchase of 5 new Boeing 737-800Ws, and prepayments to Boeing on the remaining 58 new 737-800Ws and 3 new 787- 8 Dreamliner on order.

Total current assets amount to MNOK 2,662 at the end of the second quarter, compared to MNOK 2,130 at the end of last year. Receivables has increased by MNOK 525 during first half and MNOK 189 during second quarter due to seasonality and increased production.

Total non-current liabilities at the end of the second quarter were MNOK 2,854, compared to MNOK 2,270 at the end of last year. Long-term borrowings increased by MNOK 672 during first half and MNOK 425 in second quarter. The increase in borrowings is related to aircraft financing and marked-to-market adjustment of USD denominated borrowings.

Total short-term liabilities at the end of the second quarter were MNOK 3,556, compared to MNOK 2,555 at the end of last year. Current liabilities increased by MNOK 295 during first half mainly due to increased production. Short-term borrowings decreased by MNOK 293 during first half due to delivery of aircraft and the related reduction on pre-delivery financing. Air traffic liability has increased by MNOK 999 during the first half and MNOK 131 during second quarter due to seasonality and increased production.

Total interest bearing liabilities at the end of June were MNOK 2,864 compared to MNOK 2,485 at the end of last year.

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

Cash Flow
Cash and cash equivalents were MNOK 1,219 at the end of the second quarter compared to MNOK 1,178 at the end of last year.

Cash flow from operating activities in the second quarter amounted to MNOK 275, compared to MNOK 311 in the second quarter last year. Due to seasonality and increased production changes in air traffic settlement liability increased by MNOK 131 during the second quarter 2011 compared to MNOK 52 in the second quarter 2010. Cash from other adjustments amounts to MNOK 8 during second quarter compared to MNOK 403 in the same quarter last year. Other adjustments mainly consist of changes in accounts receivable, current liability and currency gain/loss with no cash effects.

Cash flow from investment activities in the second quarter was MNOK -756, compared to MNOK -558 in the second quarter last year. Deliveries of five Boeing 737-800Ws and the prepayments to Boeing are the main investments in the quarter.

Net cash from financing activities in the second quarter was MNOK 471 compared to MNOK 201 in the second quarter last year. Long term financing of five new Boeing 737-800Ws are the main financing activities in the second quarter.

Other Information

Norwegian Air Shuttle ASA has entered into an agreement with Boeing to acquire three Boeing 787-8 Dreamliner aircraft. Two of the aircraft are expected to be delivered during the first half of 2013, the third aircraft in early 2015. The three aircraft will complement the two 787-8 leases announced on November 8, 2010.

Norwegian Air Shuttle ASA has extended its current aircraft order with Boeing Commercial Airplanes for an additional 15 Boeing 737-800Ws to be delivered between 2015 and 2018. The total order for purchased aircraft now stands at a total of 78 whereof 19 have been delivered. Norwegian has 12 remaining purchase rights for aircraft of the type. All future 737 aircraft will be fitted with CFM Evolution engines, Boeing SKY interiors and in-flight Wi-Fi.

In July 2011 Norwegian Air Shuttle ASA mandated ING on a USD 550 million financing facility. The facility covers term financing for 11 Boeing 737-800Ws which are scheduled for delivery between summer 2011 and end of 2012 and pre-delivery financing for aircraft delivering during the same period.

ING is the sole lender on the pre-delivery financing, and is arranging the Ex-Im Bank-guaranteed take-out financing for all 11 Boeing 737-800Ws aircraft. The first tranche of the Ex-Im Bank-guaranteed financing covering aircraft delivering in 2011 was closed with TD Bank, and a commitment for the Ex-Im Bank-guaranteed financing for the remaining aircraft delivering in 2012 is expected to be finalized with another lender by the end of July 2011.

Risk and Uncertainties

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

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

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

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

Outlook

The demand for travelling with Norwegian and advance bookings has been satisfactory entering the third quarter of 2011. Norwegians capacity increase from introducing larger aircraft (737-800's), with a lower cost level, brings with it lower fares and even higher passenger volumes.

The new base in Helsinki started operations at the end of the first quarter. The demand for tickets in Finland is satisfactory and in line with expectations.

The installation of WI-FI equipment onboard Norwegians new 737-800's is proceeding as planned. A total of 11 aircraft will have internet access onboard during the summer of 2011, and by the end of the year 21 aircraft will have WI-FI equipment installed.

For 2011 Norwegian guides for a production growth (ASK) of 25 % mainly from increasing the fleet by adding 737-800's. The increase in aircraft capacity will mainly be deployed in Finland and Sweden, and in Norway for charter operation. Norwegian may decide to adjust capacity deployment depending on the development in the overall economy and in the marketplace.

Assuming a fuel price of USD 850 pr ton and USD/NOK 6.00 for the year 2011 (excluding hedged volumes) and with the current route portfolio, the company is targeting a unit cost (CASK) of NOK 0.46 for 2011.

Interim report Q3 2011
The interim report for third quarter 2011 will be presented 20 October 2011.

Fornebu, 13 July 2011

The Board of Directors of Norwegian Air Shuttle ASA

Consolidated Income Statement

Unaudited

(Mill. NOK)	Note	Quarter ended 30.06. 2011	Quarter ended 30.06. 2010	YTD 30.06. 2011	YTD 30.06. 2010	Year ended 2010
OPERATING REVENUE						
Total operating revenue	3	2,724.8	2,032.3	4,619.6	3,624.4	8,597.7
Total revenue		**2,724.8**	**2,032.3**	**4,619.6**	**3,624.4**	**8,597.7**
OPERATING EXPENSES						
Operational expenses		1,782.2	1,402.5	3,283.2	2,555.3	5,524.9
Payroll and other personnel expenses		451.7	370.4	904.8	739.1	1,531.2
Other operating expenses		144.0	115.2	314.3	208.7	366.3
TOTAL OPERATING EXPENSES		**2,377.9**	**1,888.1**	**4,502.4**	**3,503.0**	**7,422.4**
OPERATING PROFIT / LOSS BEFORE LEASING & DEPR (EBITDAR)		**346.9**	**144.2**	**117.2**	**121.4**	**1,175.3**
Leasing		210.3	192.9	410.3	362.4	778.4
OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)		**136.6**	**-48.7**	**-293.0**	**-241.0**	**396.9**
Depreciation and amortization		63.8	44.1	129.0	90.4	186.7
OPERATING PROFIT / LOSS (EBIT)		**72.8**	**-92.8**	**-422.0**	**-331.3**	**210.2**
FINANCIAL ITEMS						
Interest income		8.9	8.6	17.4	14.9	39.3
Interest expense		17.7	8.6	27.7	17.6	19.7
Other finacial income (expense)		6.7	-96.4	92.0	-131.3	7.0
NET FINANCIAL ITEMS		**-2.1**	**-96.4**	**81.7**	**-134.1**	**26.6**
Profit/Loss from associated company		3.8	1.3	8.5	2.3	6.3
NET RESULT BEFORE TAX (EBT)		**74.5**	**-187.8**	**-331.8**	**-463.1**	**243.1**
Income tax expense (benefit)		20.8	-53.4	-92.3	-129.5	72.2
NET PROFIT / LOSS		**53.7**	**-134.4**	**-239.5**	**-333.6**	**170.9**
Earnings per share (NOK) - Basic		1.55	-3.93	-6.93	-9.75	4.99
Earnings per share (NOK) - Diluted		1.53	-3.85	-6.80	-9.55	4.88
No. of shares at the end of the period		34,573,332	34,209,858	34,573,332	34,209,858	34,573,332
Average no. of shares outstanding		34,573,332	34,209,858	34,573,332	34,209,858	34,272,595
Average no. of shares outstanding - diluted		35,202,103	34,915,952	35,202,103	34,915,952	34,991,268

Financial key figures

Unaudited

(Mill. NOK)	Quarter ended 30.06. 2011	Quarter ended 30.06. 2010	YTD 30.06. 2011	YTD 30.06. 2010	Year ended 2010
Operating margin (%)	3%	-5%	-9%	-9%	2%
Book equity per share (NOK)			45.19	37.07	51.94
Equity ratio (%)			20%	20%	27%

Consolidated Balance Sheet

Unaudited

		Quarter ended 30.06.		Year ended Dec 31
(Mill. NOK)	Note	2011	2010	2010
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		213.0	295.8	210.3
Tangible fixed assets		4,948.0	3,298.3	4,161.9
Fixed asset investments		148.5	104.4	118.2
TOTAL NON CURRENT ASSETS		**5,309.6**	**3,698.6**	**4,490.4**
CURRENT ASSETS				
Inventory		74.3	45.6	66.2
Investments		0.8	20.2	43.4
Receivables		1,367.5	1,041.2	842.1
Cash and cash equivalents		1,219.3	1,581.0	1,178.4
TOTAL CURRENT ASSETS		**2,662.0**	**2,688.1**	**2,130.1**
TOTAL ASSETS		**7,971.5**	**6,386.6**	**6,620.5**
EQUITY AND LIABILITIES				
SHAREHOLDERS EQUITY				
Paid-in capital		1,119.7	1,095.4	1,113.5
Other equity		442.6	172.8	682.4
TOTAL EQUITY		**1,562.2**	**1,268.1**	**1,795.9**
NON CURRENT LIABILITIES				
Other non-current liabilities		218.2	185.9	306.1
Long term borrowings	6	2,635.5	1,352.2	1,963.9
TOTAL NON-CURRENT LIABILITIES		**2,853.8**	**1,538.1**	**2,270.0**
SHORT TERM LIABILITIES				
Current liabilities		1,373.9	1,210.8	1,079.4
Short term borrowings	6	228.4	834.2	521.0
Air traffic settlement liabilities		1,953.3	1,535.3	954.2
TOTAL SHORT TERM LIABILITIES		**3,555.5**	**3,580.4**	**2,554.6**
TOTAL LIABILITIES		**6,409.3**	**5,118.5**	**4,824.6**
TOTAL EQUITY AND LIABILITIES		**7,971.5**	**6,386.6**	**6,620.5**

Condensed Consolidated Statement of Cash Flow (unaudited)

	Quarter ended June 30		YTD June 30		Year ended Dec 31
(Mill. NOK)	**2011**	**2010**	**2011**	**2010**	**2010**
OPERATING ACTIVITIES					
Profit before tax	74.5	-187.8	-331.8	-463.1	243.1
Paid taxes	-2.8	0.0	-5.6	0.0	-109.6
Depreciation, amortization and impairment	63.8	44.1	129.0	90.4	194.0
Changes in air traffic settlement liabilities	131.4	52.1	999.1	742.6	161.5
Other adjustments	7.8	402.7	-286.6	339.5	331.0
Net cash flows from operating activities	**274.7**	**311.1**	**504.0**	**709.4**	**820.1**
INVESTMENT ACTVITIES					
Purchase, proceeds and prepayment of tangible assets	-756.0	-542.9	-906.2	-897.3	-1,805.6
Purchases of other long-term investments	0.0	-15.3	0.0	-37.3	-57.8
Net cash flows from investing activities	**-756.0**	**-558.2**	**-906.2**	**-934.6**	**-1,863.4**
FINANCING ACTIVITIES					
Loan proceeds	616.4	408.5	796.2	641.7	1,194.9
Principal repayments	-68.8	-177.3	-222.7	-186.8	-242.6
Net increase (decrease) in other short-term debt	-76.5	-30.7	-130.8	-57.1	-151.6
Proceeds from issuing new shares	0.0	0.0	0.0	0.0	13.2
Net cash flows from financial activities	**471.1**	**200.6**	**442.6**	**397.8**	**813.9**
Foreign exchange effect on cash	0.2	-0.2	0.3	-0.1	-0.6
Net change in cash and cash equivalents	**-10.0**	**-46.8**	**40.8**	**172.5**	**-230.1**
Cash and cash equivalents in beginning of period	**1,229.3**	**1,627.8**	**1,178.4**	**1,408.5**	**1,408.5**
Cash and cash equivalents in end of period	**1,219.3**	**1,581.0**	**1,219.3**	**1,581.0**	**1,178.4**

Statement of comprehensive income

Unaudited

	YTD 30.06.		Year ended Dec 31
(Mill. NOK)	**2011**	**2010**	**2010**
Net profit for the period	-239.5	-333.6	170.9
Available-for-sale financial assets	0.0	0.0	2.8
Exchange rate differences Group	-0.4	-2.2	-0.5
Total comprehensive income for the period	-239.9	-335.8	173.1
Profit attributable to:			
- Owners of the company	-239.5	-333.6	170.9

Consolidated changes in equity

Unaudited

	YTD 30.06.		Year ended Dec 31
(Mill. NOK)	**2011**	**2010**	**2010**
Equity - Beginning of period	1,795.9	1,601.7	1,601.7
Total comprehensive income for the period	-239.9	-335.8	173.1
Share issue	0.0	0.0	13.2
Equity change on employee options	6.2	2.2	7.1
Equity - End of period	**1,562.2**	**1,268.1**	**1,795.9**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

The consolidated financial statements of the Group for the year ended 31. December 2010 is available upon request from the company's registered office at Oksenøyveien 3, 1330 Fornebu, Norway, or at www.norwegian.com.

These condensed consolidated interim financial statements have been prepared in accordance with rules and regulations of Oslo Stock Exchange and International Financial Reporting Standard (IAS) 34 Interim Financial Reporting. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements for the Group at 31 December 2010. These condensed interim financial statements are unaudited.

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2010.

Note 1 Judgements, estimates and assumptions
The preparation of condensed consolidated interim financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the period ended 31 December 2010.

Note 2 Risk

SENSITIVITY ANALYSIS Unaudited	**Effect on income** **MNOK**
1% decrease in jet fuel price	+29
1% depreciation of NOK against USD	-36
1% depreciation of NOK against EURO	-17

The sensitivity analysis reflects the effect on operating costs by changes in market prices and exchange rates. The effect on operating costs is annualized based on today's level of production, fuel prices and exchange rates. Operational hedges are not included in the calculation of the sensitivity.

Note 3 Revenue

Passenger revenue comprise only ticket revenue, while ancillary passenger revenue is other passenger related revenue such as fees. Other revenue consist of revenue not directly related to passengers such as cargo, 3rd party commissions etc.

SALES REVENUE

Unaudited

	Quarter ended 30.06.		YTD 30.06.		Year ended
(Mill. NOK)	**2011**	**2010**	**2011**	**2010**	**2010**
Per activity					
Passenger revenue	2,366.7	1,748.3	3,965.0	3,095.7	7,210.2
Ancillary passenger revenue	308.8	244.0	565.2	457.8	1,034.0
Other revenue	49.2	39.9	89.4	70.9	353.5
Total	2,724.8	2,032.3	4,619.6	3,624.4	8,597.7
Per geographical market					
Domestic	982.0	766.0	1,761.6	1,475.3	3,315.5
International	1,742.7	1,266.2	2,858.0	2,149.1	5,282.1
Total	2,724.8	2,032.3	4,619.6	3,624.4	8,597.7

Note 4 Segment information

Executive Management reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segment on these reports.

Executive Management considers the business as one operational segment, which is low cost air passenger travel. The Group's operating profit arises from airline-related activities and the only revenue generating assets of the Group are its aircraft fleet, which is employed flexibly across the Norwegian, Danish, Finnish and Swedish operation.

Performance is measured by Executive management based on the operating segment earnings before interest, tax, depreciation and amortization (EBITDA). Other information is measured in a manner consistent with that in the financial statements.

Note 5 Information on related parties

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

Note 6 Borrowings

Unaudited

	YTD June30 2011		YTD June 30 2010		Year ended Dec 31 2010	
(Mill. NOK)	**Long term**	**Short term**	**Long term**	**Short term**	**Long term**	**Short term**
Bond issue	-598	0	-399	0	-597	0
Revolving credit facility	0	0	0	-731	0	-367
Aircraft financing	-2,020	-223	-926	-104	-1,347	-149
Financial lease liability	-18	-5	-27	0	-20	-5
Total	**-2,636**	**-228**	**-1,352**	**-834**	**-1,964**	**-521**
TOTAL BORROWINGS	**-2,864**		**-2,186**		**-2,485**	

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 2011 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, 13 July 2011
The Board of Directors of Norwegian Air Shuttle ASA

Bjørn H Kise
(Chairman of the board)

Ola Krohn-Fagervoll
(Deputy Chairman)

Liv Berstad

Marianne Wergeland Jenssen

Thor Espen Bråten
(Employee Representative)

Linda Olsen
(Employee Representative)

Kenneth Utsikt
(Employee Representative)

Bjørn Kjos
(Managing Director)

Definitions

ASK: Available Seat Kilometres. Number of available passenger seats multiplied by flight distance.
Unit revenue: Passenger Revenue divided by Available Seat Kilometres.
Unit cost: Total operating expenses plus leasing divided by Available Seat Kilometres.
RPK: Revenue Passenger Kilometres. Number of sold seats multiplied by flight distance.
CABIN FACTOR: Relationship between RPK and ASK as a percentage. Describes the rate of utilisation of available seats.
EBITDAR: Operating profit/loss before depreciation and leasing costs for aircraft (earnings before financial items, tax, depreciation and leasing costs for aircraft)
EBITDA: Operating profit/loss before depreciation (earnings before financial items, tax and depreciation)
EBIT: Operating profit/loss (Earnings before financial items and tax)

Information about the Norwegian Group

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

Group Management
Bjørn Kjos, Chief Executive Officer
Asgeir Nyseth, Chief Operating Officer
Hans-Petter Aanby, Chief Information Officer
Daniel A. Skjeldam, Chief Commercial Officer
Frode E. Foss, Chief Financial Officer
Gunnar Martinsen, SVP Human Resources
Anne-Sissel Skånvik, SVP Corporate Communications

Investor Relations
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Other sources of Information

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

Quarterly publications
Quarterly reports are available on www.norwegian.com.

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