NORWEGIAN AIR SHUTTLE ASA

FOURTH QUARTER REPORT 2011

HIGHLIGHTS

- Fourth quarter revenue up by 18.2 % to MNOK 2,536.4 (2,145.4).
- Earnings before depreciation and leasing (EBITDAR) in the fourth quarter were MNOK 216.1 (214.0).
- Earnings before depreciation (EBITDA) in the fourth quarter were MNOK 1.7 (14.2).
- Net result after tax in the fourth quarter was MNOK -133.3 (-23.6).
- Ancillary revenue per passenger down 5 % in the fourth quarter. Ancillary revenue per scheduled passenger was equivalent to last year.
- The number of passengers in the fourth quarter was 3.99 mill. (+20%).
- Unit cost was NOK 0.46 in the fourth quarter compared to NOK 0.47 in the fourth quarter last year. Unit cost excluding fuel and effects from other losses and gains was NOK 0.33 in the fourth quarter compared to NOK 0.36 in the fourth quarter last year.
- Unit cost for aviation fuel expense up 21% from 0.11 in fourth quarter 2010 to 0.14 in 2011. Gross realized fuel price per ton up 36% in fourth quarter compared to fourth quarter last year.
- Pre-delivery payment financing facilities of MNOK 600 was arranged and closed during fourth quarter 2011. The facilities cover pre-delivery payments on aircraft delivering during 2012 to 2014.
- Cash and money market deposits of MNOK 1,105 (1,178) as of 31.12.11.
- Cash flow from operating activities in the fourth quarter was MNOK -73 (158).
- Events after the reporting date; Firm order of 222 new aircraft with an aggregated value at list price of approximately NOK 127 billion. The delivery of aircraft starts in 2016 and is supported by export credit agencies.

CONSOLIDATED KEY FINANCIAL FIGURES

Unaudited

	Quarter ended 31.12.		YTD 31.12.		Year ended
(Mill. NOK)	**2011**	**2010**	**2011**	**2010**	**2010**
Operating revenue	2,536.4	2,145.4	10,532.2	8,597.7	8,597.7
EBITDAR	216.1	214.0	1,539.5	1,175.3	1,175.3
EBITDA	1.7	14.2	709.9	396.9	396.9
EBIT	-85.3	-31.8	415.9	210.2	210.2
EBT	-187.7	-27.2	166.5	243.1	243.1
Net profit/ loss (-)	-133.3	-23.6	122.1	170.9	170.9
EBITDAR margin	8.5%	10.0%	14.6%	13.7%	13.7%
EBITDA margin	0.1%	0.7%	6.7%	4.6%	4.6%
EBIT margin	-3.4%	-1.5%	3.9%	2.4%	2.4%
Net profit margin	-5.3%	-1.1%	1.2%	2.0%	2.0%

OPERATIONS

CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

	Quarter ended 31.12.			YTD 31.12.			Full Year
	2011	2010	Change	2011	2010	Change	2010
Yield (NOK)	0.51	0.53	-3 %	0.52	0.52	0 %	0.52
Unit Revenue (NOK) *)	0.40	0.41	-1 %	0.41	0.40	2 %	0.40
Unit Cost (NOK)	0.46	0.47	-2 %	0.45	0.46	-3 %	0.46
Unit Cost ex. fuel (NOK)	0.32	0.36	-11 %	0.31	0.34	-11 %	0.34
Ancillary Revenue /PAX (NOK)	73.39	77.27	-5 %	78.02	79.36	-2 %	79.36
Internet bookings	83%	86%	-3 pp	82%	87%	-5 pp	87%
ASK (mill)	5,461	4,516	21 %	21,958	17,804	23 %	17,804
RPK (mill)	4,289	3,495	23 %	17,421	13,774	26 %	13,774
Passengers (mill)	3.99	3.32	20 %	15.70	13.03	20 %	13.03
Load Factor	79%	77%	2 pp	79%	77%	2 pp	77%

*) Passenger Revenue/ASK

Traffic Development

A total of 3.99 million passengers travelled with Norwegian in the fourth quarter of 2011, compared to 3.32 million in the fourth quarter of 2010, an increase of 20 %. Production (ASK) increased by 21 % and passenger traffic (RPK) increased by 23 %. The load factor was 79 % in the fourth quarter, an increase of 2 percentage points compared to the same period last year.

At the end of the fourth quarter the total fleet including aircraft on maintenance and excluding wet lease comprised 62 aircraft. The Group utilized every operational aircraft on average 10.6 block hours per day in the fourth quarter compared to 10.5 last year.

The share of Internet sales was 83 % which is a decrease of 3 percentage points due to increased sales through travel agents.

Operating performance

Punctuality, the percentage of flights departing on schedule, was 89% in the fourth quarter 2011, compared to 77% in the same quarter last year. In 2011, October hit the 90 % target, while November and December punctuality was at 85% and 78%, respectively. Freezing rain and closed airspace in Oslo from inactive air traffic control systems affected punctuality in November and December.

Regularity, the percentage of scheduled flights actually taking place was 99.8% compared to 98.8% in the fourth quarter 2011. Fourth quarter 2011 is the ninth consecutive quarter in which Norwegian operates with the highest regularity in its major markets.

Revenue
Total revenue in the fourth quarter was MNOK 2,536 (2,145), an increase of 18 %. MNOK 2,194 (1,836) of the revenues in the fourth quarter is related to ticket revenues. MNOK 293 (257) is ancillary revenue, while the remaining MNOK 50 (53) is related to freight, third-party products, and other income.

The ticket revenue per unit produced (RASK) in the fourth quarter was NOK 0.40 compared to NOK 0.41 for the same period last year. The RASK development compared to last year reflects reduced yield and increased sector length. The reduction in yield is offset by improved load factor.

Ancillary passenger revenue was NOK 73 per passenger (77) in the fourth quarter 2011, a decrease of 5% compared to the same period last year. Charter revenue is presented under passenger revenue and includes a postulation for ancillary revenue from charter sales. As charter traffic has increased in the fourth quarter 2011, compared to the same quarter last year, ancillary revenue per passenger has been affected. Ancillary revenue per scheduled passenger was equivalent to last year.

Operating Expenses

COST BREAKDOWN
Unaudited

	Quarter ended 31.12.		YTD 31.12.		Year ended
(Mill. NOK)	**2011**	**2010**	**2011**	**2010**	**2010**
Personell expenses	468.4	415.2	1,836.2	1,531.2	1,531.2
Sales/ distribution expenses	47.2	45.1	195.9	167.9	167.9
Aviation fuel	793.3	508.6	3,055.8	2,059.8	2,059.8
Airport and ATC charges	393.5	330.3	1,561.4	1,295.9	1,295.9
Handling charges	253.7	220.7	982.2	863.6	863.6
Technical maintenance expenses	200.9	176.7	711.6	697.2	697.2
Other expenses	234.9	228.8	873.2	803.5	803.5
Other losses/(gains) - net	-71.6	6.0	-223.5	3.4	3.4
Total operating costs	**2,320.2**	**1,931.4**	**8,992.6**	**7,422.4**	**7,422.4**

Operating expenses excluding leasing and depreciation increased by 20 % to MNOK 2,320 (1,931) this quarter. A production increase (ASK) of 21% 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. A cost reducing gain from term contracts results in MNOK 72 lower operating cost in fourth quarter 2011 compared to the same quarter last year.

The unit cost excluding fuel is NOK 0.32 in the fourth quarter compared to NOK 0.36 in the fourth quarter last year. The underlying cost excluding effects from fuel and term contracts is NOK 0.33, which is a reduction of 7% since last year. A larger share of Boeing 737-800Ws aircraft contributes to the reduced unit cost.

Personnel expenses increased by 13% to MNOK 468 (415) in the fourth quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 7%. Salary increase is more than offset by the productivity increase 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 17% compared to same quarter last year.

Sales and distribution expenses increased by 5% to MNOK 47 (45) in the fourth quarter compared to the same quarter last year. Unit cost for sales and distribution expenses decreased by 13%. Increased distribution costs related to increased sales through travel agents are more than offset by reduced credit card costs.

Aviation fuel expenses increased by 56% to MNOK 793 (509) in the fourth quarter compared to the same quarter last year. The higher cost is driven by a production increase of 21% and a 32% increase in the realized fuel price denominated in NOK per ton and including a reduction in gain from hedges of MNOK 40. The average net spot price denominated in USD increased by 36% 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. This resulted in an increase in the unit cost for fuel by 29%.

The Group has at the end of the fourth quarter, forward contracts to cover approximately 2% of fuel exposure at an average price of USD 1000 per ton for 2012.

Airport and air traffic control (ATC) charges increased by 19%, to MNOK 394 (330) in the fourth quarter compared to the same quarter last year. Increased prices for airport and ATC charges are more than offset by depreciation of EUR against NOK and reduced cost due to an increased share of 737-800Ws with larger capacity, resulting in a reduced unit cost of 2%.

Handling charges increased by 15% to MNOK 254 (221) in the fourth quarter compared to the same quarter last year. Unit cost for handling charges decreased by 5% due to increased share of 737-800Ws with larger capacity.

Technical maintenance costs increased by 14%, to MNOK 201 (177) in the fourth quarter compared to the same quarter last year. Unit cost for technical maintenance costs decreased by 6% in the fourth 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. Revisions of estimates for maintenance provisions on 737-300 relating to redelivery checks partly offsets the positive impact from reduced maintenance cost on 737-800W in fourth quarter 2011. Depreciation of USD against NOK reduces the technical maintenance costs. As planned maintenance cost 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 gain of MNOK 72 was recognized in the fourth quarter 2011 compared to a loss of MNOK 6 the fourth quarter last year. Included in other losses/(gains)-net is change in fair value of foreign currency contracts and gains/losses on working capital in foreign currency.

As of 31 December the Group had term contracts with a mark-to-market value of MNOK 261. Forward currency contracts in USD are designated to counter currency revaluation effects from USD denominated borrowings. Gain on term contracts in fourth quarter amounts to MNOK 68. Currency gains from term contracts are therefore offset by unrealized currency losses of MNOK 88 on USD denominated financing booked as other financial expense.

Leasing costs increased by 7% to MNOK 214 (200) in the fourth quarter compared to the same quarter last year. Unit cost for leasing decreased by 11% in the fourth quarter. An increased share of owned Boeing 737-800Ws together with a depreciation of USD against NOK are the main reasons for the reduced unit cost. This is partly offset by an increased number of leased Boeing 737-800Ws in the fleet. During the fourth quarter the Group operated 14 (5) owned Boeing 737-800Ws and 5 (5) Boeing 737-300.

Profit/Loss from Associated Company
Profit/loss from associated company in the fourth quarter is estimated to MNOK 5 (2) which represents the 20 % share of Bank Norwegian's estimated fourth quarter results.

Earnings
Earnings before interest, depreciation and amortization (EBITDA) in the fourth quarter were MNOK 2 (14) and the earnings before tax (EBT) were MNOK -188 (-27).

Financial Items
Net financial items in the fourth quarter were MNOK -108 (3).

In the fourth quarter, interest on prepayments of MNOK 19 was capitalized.

Included in other financial income (expense) is a currency loss on USD denominated financing amounting to MNOK 88 due to depreciation of USD against NOK. In comparison, a loss of MNOK 0.3 was recognized in the fourth quarter 2010. These losses have no cash effects.

Tax
Income taxes amounted to an income of MNOK 54 (4) in the quarter.

Net Result
The net result for the fourth quarter was MNOK -133, compared to MNOK -24 in the same period last year.

Balance Sheet
Total non-current assets amount to MNOK 6,502 at the end of the fourth quarter, compared to MNOK 4,490 at the end of last year. The main investments during the year are related to the purchase of 8 new Boeing 737-800Ws, and prepayments to Boeing on the remaining 55 new 737-800Ws and 3 new 787- 8 Dreamliner on order.

Total current assets amount to MNOK 2,502 at the end of the fourth quarter, compared to MNOK 2,130 at the end of last year. Receivables have increased by MNOK 230 during the year due to increased production. Cash and cash equivalents have decreased by MNOK 73 during 2011.

Total non-current liabilities at the end of the fourth quarter were MNOK 3,066, compared to MNOK 2,270 at the end of last year. Long-term borrowings increased by MNOK 735 during the year. The increase in borrowings is related to aircraft financing and mark-to-market adjustment of USD denominated borrowings. Financing facilities in the amount of MNOK 600 for pre-delivery payment financing were entered into in December 2011. These facilities cover a total of 55 new 737-800W aircraft delivering from 2012 through 2018.

Total short-term liabilities at the end of the fourth quarter were MNOK 3,992, compared to MNOK 2,555 at the end of last year. Current liabilities increased by MNOK 153 during the year mainly due to increased production. Short-term borrowings increased by MNOK 1,031 during the year due to pre-delivery financing. At the point of aircraft delivery, pre-delivery financing will be converted to long term financing. Air traffic liability has increased by MNOK 254 during the year due to increased production.

Total interest bearing liabilities at the end of December were MNOK 4,250 compared to MNOK 2,485 at the end of last year.

Shares
The parent company Norwegian Air Shuttle ASA had a total of 34,878,226 shares outstanding at 31 December compared to 34,573,332 at the end of last year.

Cash Flow
Cash and cash equivalents were MNOK 1,105 at the end of the fourth quarter compared to MNOK 1,178 at the end of last year.

Cash flow from operating activities in the fourth quarter amounted to MNOK -73.3, compared to MNOK 158.2 in the fourth quarter last year. Due to seasonality and increased production, changes in air traffic settlement liability decreased by MNOK 146 during the fourth quarter 2011 compared to MNOK 112 in the fourth quarter 2010. Cash from other adjustments amounts to MNOK 177.1 during fourth quarter compared to MNOK 354.1 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. Included in other adjustments in fourth quarter last year was MNOK 180 in compensation from SAS following conviction of industrial espionage against Norwegian.

Cash flow from investment activities in the fourth quarter was MNOK -483, compared to MNOK -450 in the fourth quarter last year. Delivery of one Boeing 737-800W and prepayments to Boeing are the main investments in the quarter.

Net cash from financing activities in the fourth quarter was MNOK 232 compared to MNOK 289 in the fourth quarter last year. Long term financing of one new Boeing 737-800W and pre-delivery financing are the main financing activities in the fourth quarter.

Other Information

Norwegian Air Shuttle ASA has arranged and closed financing facilities in the amount of NOK 600 million for pre-delivery payment (PDP) financing. The facilities cover PDP financing for aircraft delivering in the current 2012 - 2014 financial planning time horizon. These facilities are part of Norwegian's continuously ongoing financing activities for a total of 55 new Boeing 737-800W aircraft delivering in the period from 2012 to 2018.

The Norwegian Armed Forces has entered into a contractual agreement with Norwegian Air Shuttle ASA. The agreement has duration of three years with a clause for a one year extension. The aggregated passenger volume for the duration of the contract is estimated to approximately 1.2 million. Norwegian has had an agreement with the Norwegian Armed Forces from February 2008 to January 2012. The new agreement is effective from January 2012.

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 earnings potential.

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

Outlook
The demand for travelling with Norwegian and advance bookings has been satisfactory entering the first quarter of 2012. Norwegian will continue to take advantage of its increasing competitive power realized through continuous cost cutting, and from introducing larger aircraft (737-800Ws), with a lower operating cost. Going forward, the Company expects continued competitive pressure. Pricing and production appear to have been adjusted recently to reflect the market situation.

The installation of WI-FI equipment onboard Norwegian’s new 737-800Ws is proceeding as planned. A total of 50 aircraft are expected to have WI-FI equipment installed by the end of second quarter this year.

For 2012 Norwegian guides for a production growth (ASK) of 15 % mainly from increasing the fleet by adding 737-800Ws. Norwegian may decide to adjust capacity deployment depending on the development in the overall economy and in the marketplace.

Assuming a fuel price of USD 850 per ton and USD/NOK 6.00 for the year 2012 (excluding hedged volumes) and with the current route portfolio, the Company is targeting a unit cost (CASK) in the area of NOK 0.43 – 0.44 for 2012.

Interim report Q1 2012
The interim report for first quarter 2012 will be presented 26 April 2012.

Fornebu, 16 February 2012

Bjørn Kjos
CEO

Consolidated Income Statement

Unaudited

(Mill. NOK)	Note	Quarter ended 31.12. 2011	Quarter ended 31.12. 2010	YTD 31.12. 2011	YTD 31.12. 2010	Year ended 2010
OPERATING REVENUE						
Total operating revenue	3	2,536.4	2,145.4	10,532.2	8,597.7	8,597.7
Total revenue		**2,536.4**	**2,145.4**	**10,532.2**	**8,597.7**	**8,597.7**
OPERATING EXPENSES						
Operational expenses		1,812.1	1,447.2	6,988.0	5,524.9	5,524.9
Payroll and other personnel expenses		468.4	415.2	1,836.2	1,531.2	1,531.2
Other operating expenses		39.7	69.1	168.4	366.3	366.3
TOTAL OPERATING EXPENSES		**2,320.2**	**1,931.4**	**8,992.6**	**7,422.4**	**7,422.4**
OPERATING PROFIT / LOSS BEFORE LEASING & DEPR (EBITDAR)		**216.1**	**214.0**	**1,539.5**	**1,175.3**	**1,175.3**
Leasing		214.4	199.8	829.7	778.4	778.4
OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)		**1.7**	**14.2**	**709.9**	**396.9**	**396.9**
Depreciation and amortization		87.0	46.0	293.9	186.7	186.7
OPERATING PROFIT / LOSS (EBIT)		**-85.3**	**-31.8**	**415.9**	**210.2**	**210.2**
FINANCIAL ITEMS						
Interest income		13.0	10.5	41.2	39.3	39.3
Interest expense		24.7	-10.5	70.2	19.7	19.7
Other finacial income (expense)		-95.9	-18.5	-239.9	7.0	7.0
NET FINANCIAL ITEMS		**-107.7**	**2.5**	**-268.9**	**26.6**	**26.6**
Profit/Loss from associated company		5.3	2.1	19.5	6.3	6.3
NET RESULT BEFORE TAX (EBT)		**-187.7**	**-27.2**	**166.5**	**243.1**	**243.1**
Income tax expense (benefit)		-54.4	-3.5	44.4	72.2	72.2
NET PROFIT / LOSS		**-133.3**	**-23.6**	**122.1**	**170.9**	**170.9**
Earnings per share (NOK) - Basic		-3.85	-0.69	3.53	4.99	4.99
Earnings per share (NOK) - Diluted		-3.78	-0.68	3.46	4.88	4.88
No. of shares at the end of the period		34,878,226	34,573,332	34,878,226	34,573,332	34,573,332
Average no. of shares outstanding		34,628,464	34,272,595	34,628,464	34,272,595	34,272,595
Average no. of shares outstanding - diluted		35,251,848	34,991,268	35,251,848	34,991,268	34,991,268

Financial key figures

Unaudited

(Mill. NOK)	Quarter ended 31.12. 2011	Quarter ended 31.12. 2010	YTD 31.12. 2011	YTD 31.12. 2010	Year ended 2010
Operating margin (%)	-3%	-1%	4%	2%	2%
Book equity per share (NOK)			55.78	51.94	51.94
Equity ratio (%)			22%	27%	27%

Consolidated Balance Sheet

Unaudited

		Quarter ended 31.12.		Year ended Dec 31
(Mill. NOK)	**Note**	**2011**	**2010**	**2010**
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		235.3	210.3	210.3
Tangible fixed assets		6,068.5	4,161.9	4,161.9
Fixed asset investments		197.8	118.2	118.2
TOTAL NON CURRENT ASSETS		**6,501.6**	**4,490.4**	**4,490.4**
CURRENT ASSETS				
Inventory		82.0	66.2	66.2
Investments		242.8	43.4	43.4
Receivables		1,072.5	842.1	842.1
Cash and cash equivalents		1,104.9	1,178.4	1,178.4
TOTAL CURRENT ASSETS		**2,502.2**	**2,130.1**	**2,130.1**
TOTAL ASSETS		**9,003.9**	**6,620.5**	**6,620.5**
EQUITY AND LIABILITIES				
SHAREHOLDERS EQUITY				
Paid-in capital		1,142.7	1,113.5	1,113.5
Other equity		802.9	682.4	682.4
TOTAL EQUITY		**1,945.6**	**1,795.9**	**1,795.9**
NON CURRENT LIABILITIES				
Other non-current liabilities		367.7	306.1	306.1
Long term borrowings	6	2,698.4	1,963.9	1,963.9
TOTAL NON-CURRENT LIABILITIES		**3,066.1**	**2,270.0**	**2,270.0**
SHORT TERM LIABILITIES				
Current liabilities		1,232.0	1,079.4	1,079.4
Short term borrowings	6	1,551.9	521.0	521.0
Air traffic settlement liabilities		1,208.3	954.2	954.2
TOTAL SHORT TERM LIABILITIES		**3,992.2**	**2,554.6**	**2,554.6**
TOTAL LIABILITIES		**7,058.3**	**4,824.6**	**4,824.6**
TOTAL EQUITY AND LIABILITIES		**9,003.9**	**6,620.5**	**6,620.5**

Condensed Consolidated Statement of Cash Flow (unaudited)

(Mill. NOK)	Quarter ended Dec 31 2011	Quarter ended Dec 31 2010	YTD Dec 31 2011	YTD Dec 31 2010	Year ended Dec 31 2010
OPERATING ACTIVITIES					
Profit before tax	-187.7	-27.2	166.5	243.1	243.1
Paid taxes	-4.2	-109.8	-9.8	-109.6	-109.6
Depreciation, amortization and impairment	87.0	53.3	293.9	194.0	194.0
Changes in air traffic settlement liabilities	-145.5	-112.2	254.1	161.5	161.5
Other adjustments	177.1	354.1	-31.1	331.0	331.0
Net cash flows from operating activities	**-73.3**	**158.2**	**673.7**	**820.1**	**820.1**
INVESTMENT ACTVITIES					
Purchases, proceeds and prepayment of tangible assets	-482.8	-438.2	-2,189.5	-1,805.6	-1,805.6
Purchases of other long-term investments	0.0	-11.8	0.0	-57.8	-57.8
Net cash flows from investing activities	**-482.8**	**-450.0**	**-2,189.5**	**-1,863.4**	**-1,863.4**
FINANCING ACTIVITIES					
Loan proceeds	333.5	384.2	2,008.6	1,194.9	1,194.9
Principal repayments	-67.4	-29.6	-347.7	-242.6	-242.6
Net increase (decrease) in other short-term debt	-54.4	-78.5	-239.1	-151.6	-151.6
Proceeds from issuing new shares	20.4	13.2	20.4	13.2	13.2
Net cash flows from financial activities	**232.1**	**289.3**	**1,442.2**	**813.9**	**813.9**
Foreign exchange effect on cash	-0.6	-0.2	0.1	-0.6	-0.6
Net change in cash and cash equivalents	**-324.7**	**-2.6**	**-73.5**	**-230.1**	**-230.1**
Cash and cash equivalents in beginning of period	**1,429.6**	**1,181.0**	**1,178.4**	**1,408.5**	**1,408.5**
Cash and cash equivalents in end of period	**1,104.9**	**1,178.4**	**1,104.9**	**1,178.4**	**1,178.4**

Statement of comprehensive income

Unaudited

(Mill. NOK)	YTD 31.12. 2011	YTD 31.12. 2010	Year ended Dec 31 2010
Net profit for the period	122.1	170.9	170.9
Available-for-sale financial assets	0.0	2.8	2.8
Exchange rate differences Group	-1.7	-0.5	-0.5
Total comprehensive income for the period	120.4	173.1	173.1
Profit attributable to:			
- Owners of the company	122.1	170.9	170.9

Consolidated changes in equity

Unaudited

(Mill. NOK)	YTD 31.12. 2011	YTD 31.12. 2010	Year ended Dec 31 2010
Equity - Beginning of period	1,795.9	1,601.7	1,601.7
Total comprehensive income for the period	120.4	173.1	173.1
Share issue	20.4	13.2	13.2
Equity change on employee options	8.8	7.1	7.1
Equity - End of period	**1,945.6**	**1,795.9**	**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	+31
1% depreciation of NOK against USD	- 41
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 current level of production, fuel prices and exchange rates. Operational hedges are not included in the calculation of the sensitivity.

Note 3 Revenue

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

SALES REVENUE

Unaudited

	Quarter ended 31.12.		YTD 31.12.		Year ended
(Mill. NOK)	**2011**	**2010**	**2011**	**2010**	**2010**
Per activity					
Passenger revenue	2,193.7	1,835.9	9,097.3	7,210.2	7,210.2
Ancillary passenger revenue	292.8	256.6	1,224.7	1,034.0	1,034.0
Other revenue	49.9	53.0	210.2	353.5	353.5
Total	2,536.4	2,145.4	10,532.2	8,597.7	8,597.7
Per geographical market					
Domestic	947.4	848.0	3,666.7	3,315.5	3,315.5
International	1,588.9	1,297.4	6,865.5	5,282.1	5,282.1
Total	2,536.4	2,145.4	10,532.2	8,597.7	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 fourth 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 fourth quarter 2011.

Note 6 Borrowings

Unaudited

	YTD Dec 31 2011		YTD Dec 31 2010		Year ended Dec 31 2010	
(Mill. NOK)	**Long term**	**Short term**	**Long term**	**Short term**	**Long term**	**Short term**
Bond issue	0.0	-598.7	-597.4	0.0	-597.4	0.0
Revolving credit facility	0.0	-648.0	0.0	-367.2	0.0	-367.2
Aircraft financing	-2,682.9	-300.2	-1,346.5	-148.8	-1,346.5	-148.8
Financial lease liability	-15.5	-5.0	-20.0	-5.0	-20.0	-5.0
Total	**-2,698.4**	**-1,551.9**	**-1,963.9**	**-521.0**	**-1,963.9**	**-521.0**
TOTAL BORROWINGS	**-4,250.3**		**-2,484.9**		**-2,484.9**	

Note 7 Events after the reporting date

At 25 January 2012, Norwegian Air Shuttle ASA placed orders with Boeing Commercial Airplanes and Airbus S.A.S. comprising a total of 372 aircraft whereof 222 are on firm order. The firm orders are for 22 Boeing 737-800, 100 Boeing 737 MAX8 and 100 Airbus A320neo. The agreements also include purchase rights for an additional 100 Boeing 737 MAX8 and 50 Airbus A320neo. The firm orders have an aggregated value at list price of approximately NOK 127 billion. Norwegian will be the European launch customer for the new Boeing 737 MAX8. The aircraft is the successor of the 737-800 featuring an all-new engine configuration which combined with airframe improvements will give a 10 - 12 % reduction in fuel burn over its predecessor. The existing 737-800 is currently the most efficient single-aisle aircraft and is the backbone of Norwegian's operation. Norwegian will take delivery of the new Airbus A320neo for future business and growth opportunities. The aircraft is the successor of the existing Airbus A320 featuring an all-new engine configuration which combined with airframe improvements will reduce fuel burn by 15 - 17 % compared to the existing A320. The order will consolidate Norwegian's position as one of the most competitive and cost efficient airlines in Europe. The order is designed to replace the existing fleet and to secure the best available capacity for growth. The order is in line with Norwegian's established strategy of continuously striving for the lowest cost in the Company's markets which include operating the most fuel and cost efficient aircraft. The delivery of aircraft starts in 2016. The aircraft purchase is supported by the Export-Import Bank of the United States (Ex-Im) and European Export Credit Agencies.

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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Liv Berstad
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Linda Olsen
Thor Espen Bråten
Kenneth Utsikt

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Asgeir Nyseth, Chief Operating Officer
Hans-Petter Aanby, Chief Information Officer
Daniel A. Skjeldam, Chief Commercial Officer
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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