Q22013

Interim report

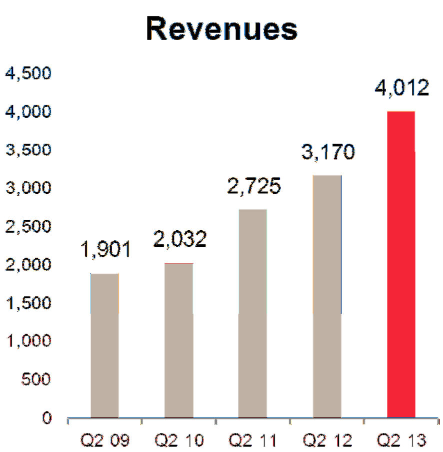
Norwegian Air Shuttle ASA – second quarter and first half

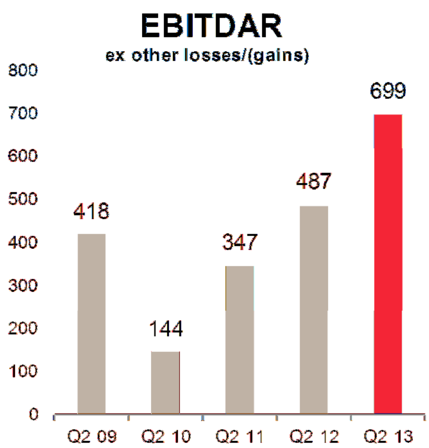
Unit cost:

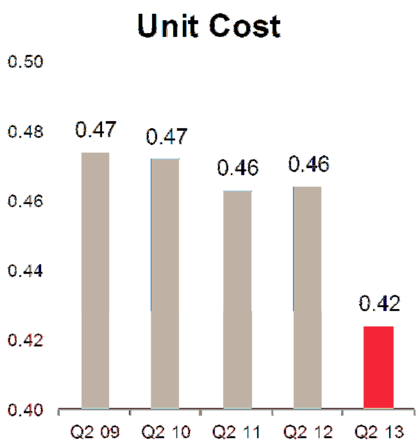
-9%

Unit cost NOK 0.42

- **Pre-tax profit of MNOK 277 and margin improvement of 3 p.p.**
- **International expansion contributes to 9% unit cost reduction**
- **Load up 1 p.p. and significant capacity growth of 34%**
- **Launch of long-haul operations with a load factor of 96%**







norwegian

Other losses/(gains) is not included in the Unit Cost definition or the underlying earnings as it primarily contains hedge losses/gains offset by financial items.

Photo above: Chris Raezer

norwegian.com

Norwegian reports a pre-tax result of 277 MNOK – an improvement of 152 MNOK

The second quarter is characterized by a strong unit cost reduction, solid production growth and a higher load factor. The unit cost reduction of 9 percent was achieved despite start-up costs for Norwegian's long-haul operation and the establishment of new bases in Europe. The cost reduction is essential to strengthen the company's competitiveness.

The total revenue in the second quarter was 4 BNOK, up 27 percent from the same quarter last year. More than 5.5 million passengers chose to travel with Norwegian during the second quarter, which is an increase of 23 percent and more than 1 million passengers compared to the same period last year. The company's traffic growth (RPK) was considerably higher at 35 percent which reflects that each of Norwegian's passengers on average flies significantly longer than they did a year ago.

Norwegian realized a solid production growth (ASK) of 34 percent. The growth is distributed across all markets in which the company operates. Despite Norwegian's strong capacity growth, the company is still filling its seats. The load factor in this quarter was 77 percent, up one percentage point from the same quarter last year. On its long-haul routes, Norwegian has had a load factor of 96 percent, while the load factor at the new Gatwick base has already reached 85 percent on the newly launched Mediterranean routes.

"This has been a very good quarter for Norwegian. We have finally started our long-haul flights and we have opened a new base in London. The international growth strategy is starting to yield results; we have managed to cut costs despite substantial growth, which is essential to strengthen the company's competitiveness," said Norwegian's CEO Bjørn Kjos.

CONSOLIDATED FINANCIAL KEY FIGURES

Unaudited

(Amounts in NOK million)	**Q2 2013**	Q2 2012	*Change*	**H1 2013**	H1 2012	*Change*	Full Year 2012
Operating revenue	**4,012.1**	3,169.7	*27 %*	**6,916.1**	5,529.6	*25 %*	12,859.0
EBITDAR	**877.5**	679.5	*29 %*	**1,315.9**	427.8	*208 %*	1,821.6
EBITDAR excl other losses/(gains)	**698.5**	486.8	*43 %*	**881.0**	436.0	*102 %*	2,150.3
EBITDA	**573.9**	410.0	*40 %*	**762.7**	-87.1	*976 %*	788.7
EBITDA excl other losses/(gains)	**394.9**	217.3	*82 %*	**327.8**	-78.9	*515 %*	1,117.4
EBIT	**446.1**	322.3	*38 %*	**515.2**	-252.3	*304 %*	403.5
EBT	**276.9**	125.0	*122 %*	**116.9**	-272.7	*143 %*	623.2
Net profit/ loss (-)	**196.8**	90.5	*117 %*	**79.6**	-195.0	*141 %*	456.6
EBITDAR margin	**21.9 %**	21.4 %		**19.0 %**	7.7 %		14.2 %
EBITDA margin	**14.3 %**	12.9 %		**11.0 %**	-1.6 %		6.1 %
EBIT margin	**11.1 %**	10.2 %		**7.4 %**	-4.6 %		3.1 %
EBT margin	**6.9 %**	3.9 %		**1.7 %**	-4.9 %		4.8 %
Net profit margin	**4.9 %**	2.9 %		**1.2 %**	-3.5 %		3.6 %
Book equity per share (NOK)				**71.2**	50.2	*42 %*	68.8
Equity ratio (%)				**17 %**	17 %	*0 %*	20 %
Net interest bearing debt				**2,843.5**	2,782.5	*2 %*	3,796.1

OPERATIONAL REVIEW

CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

(Ratios in NOK)	**Q2 2013**	Q2 2012	*Change*	**H1 2013**	H1 2012	*Change*	Full Year 2012
Yield	**0.53**	0.57	-7 %	**0.52**	0.54	-2 %	0.55
Unit Revenue	**0.41**	0.44	-6 %	**0.40**	0.41	-3 %	0.43
Unit Cost	**0.42**	0.46	-9 %	**0.44**	0.48	-8 %	0.45
Unit Cost ex fuel	**0.29**	0.31	-8 %	**0.31**	0.33	-8 %	0.31
Ancillary Revenue/Sched. PAX	**80**	78	2 %	**83**	81	3 %	82
Internet bookings	**80 %**	80 %	0 pp	**80 %**	81 %	-1 pp	80 %
ASK (million)	**8,541**	6,357	34 %	**14,918**	11,623	28 %	25,920
RPK (million)	**6,566**	4,861	35 %	**11,418**	8,925	28 %	20,353
Passengers (million)	**5.51**	4.47	23 %	**9.44**	8.12	16 %	17.69
Load Factor	**77 %**	76 %	1 pp	**77 %**	77 %	0 pp	79 %
Average sector length (km)	**1,102**	1,008	9 %	**1,099**	999	10 %	1,048
Fuel consumption (metric tonnes)	**183,556**	139,549	32 %	**319,286**	257,729	24 %	569,197
CO_2 per RPK	**88**	91	-2 %	**88**	91	-3 %	88

Traffic Development

A total of 5.51 million passengers travelled with Norwegian in the second quarter of 2013, compared to 4.47 million in the second quarter of 2012, an increase of 23%. Production (ASK) increased by 34% and passenger traffic (RPK) increased by 35%. The load factor was 77% in the second quarter, an increase of 1 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 75 aircraft. The Group utilized every operational aircraft on average 11.6 block hours per day in the second quarter compared to 10.6 last year.

The share of Internet sales was 80 % which is the same as last year.

Operating performance

Punctuality, the percentage of flights departing on schedule, was 88% in the second quarter 2013, compared to 89% in the same quarter last year.

Regularity, the percentage of scheduled flights actually taking place, was 99.6% in the second quarter compared to 99.8% the same quarter last year. Second quarter 2013 is the fifteenth consecutive quarter in which Norwegian operates with the highest regularity in its major markets.

Other losses/(gains) is not included in the Unit Cost definition or the underlying earnings as it primarily contains hedge losses/gains offset by financial items.

FINANCIAL REVIEW

Profit and loss statement

Second quarter earnings were affected by strong capacity growth and sustained high load factor. Ticket revenue per unit produced decreased by -6% and unit cost decreased by 9%, resulting in an increased EBT margin of 3 percentage points. Sector length increased significantly by 9%, affecting unit revenue and unit cost in the second quarter.

The long haul operation experienced load factor of 96% and due to launch of new bases and destinations, start-up costs of MNOK 60.

Earnings before interest, depreciation, amortization, restructuring and rent (EBITDAR) excluding other losses/(gains) for first half were MNOK 881 (436) and MNOK 699 (487) in second quarter.

Earnings before tax (EBT) were MNOK 117 (-273) in first half and MNOK 277 (125) in second quarter. The net profit/(loss) for the first half was MNOK 80 (-195) and MNOK 197 (91) in second quarter.

Revenues

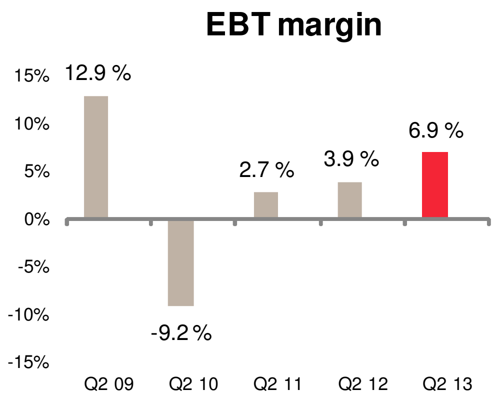
Total revenues in the second quarter were MNOK 4,012 (3,170), an increase of 27%. MNOK 3,499 (2,785) of the revenues in the second quarter was related to ticket revenues.

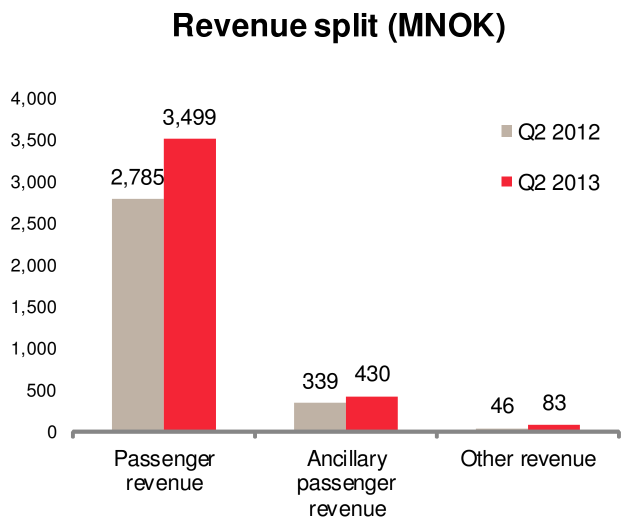
The ticket revenue per unit produced (RASK) in the second quarter was NOK 0.41 compared to NOK 0.44 for the same period last year. The RASK development compared to last year reflects lower yield, increased sector length of 9%, and increased load factor.

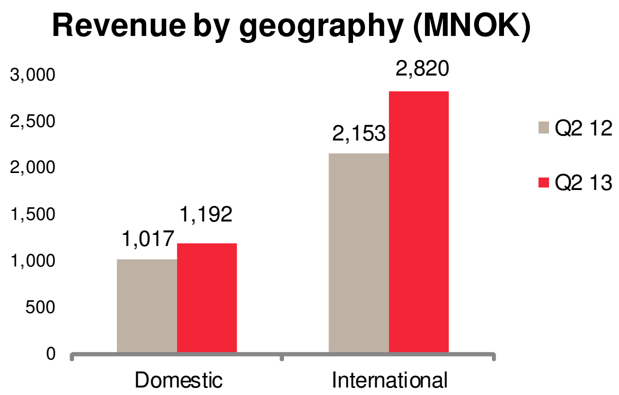
Ancillary revenue was MNOK 430 (339), while the remaining MNOK 83 (46) was related to freight, third-party products and other income. Ancillary passenger revenue was NOK 80 per scheduled passenger (NOK 78) in the second quarter, an increase of 2%.

Revenue from international traffic increased by 31% to MNOK 2,820 in second quarter 2013, while revenue from domestic traffic increased by 17% to MNOK 1,192. Increased capacity has mainly been added to international routes while domestic routes in the Nordic countries have experienced minor increases through the last years. Norwegian has grown rapidly expanding international traffic and adding new bases, destinations and markets to its portfolio. The expansion enables continued cost efficiency and continuously improves competitive power.

Norwegian signed agreements during the second quarter for the transportation of charter passengers from the Nordics to the Canary Islands for the winter season 2013/2014. The contracts imply an increase in the number of charter flights of 22% compared to the winter season 2012/13. The aggregated value of the contracts is approximately MNOK 380.







Other losses/(gains) is not included in the Unit Cost concept or the underlying earnings as it primarily contains hedge losses/gains offset under financial items.

Operating expenses

COST BREAKDOWN

Unaudited

(Amounts in NOK million)	**Q2 2013**	Q2 2012	*Change*	**H1 2013**	H1 2012	*Change*	Full Year 2012
Personell expenses	**627.3**	483.8	*30 %*	**1,251.2**	995.6	*26 %*	2,068.2
Sales/ distribution expenses	**82.1**	66.1	*24 %*	**164.8**	130.4	*26 %*	275.0
Aviation fuel	**1,156.7**	966.4	*20 %*	**2,016.4**	1,732.4	*16 %*	3,748.3
Airport and ATC charges	**568.0**	452.7	*25 %*	**969.3**	805.8	*20 %*	1,730.2
Handling charges	**332.2**	272.6	*22 %*	**584.8**	514.5	*14 %*	1,077.3
Technical maintenance expenses	**235.4**	208.3	*13 %*	**398.6**	417.9	*-5 %*	792.6
Other flight operation expenses	**130.6**	114.9	*14 %*	**301.9**	262.5	*15 %*	485.9
General and administrative expenses	**181.3**	118.1	*54 %*	**348.1**	234.4	*49 %*	531.2
Other losses/(gains) - net	**-179.0**	-192.7	*-7 %*	**-434.9**	8.2	*-5404 %*	328.7
Total operating expenses	**3,134.6**	2,490.3	*26 %*	**5,600.2**	5,101.9	*10 %*	11,037.4
Leasing	**303.6**	269.5	*13 %*	**553.1**	514.8	*7 %*	1,032.9
Total operating expenses incl lease	**3,438.2**	2,759.8	*25 %*	**6,153.4**	5,616.7	*10 %*	12,070.3

Operating expenses excluding leasing and depreciation increased by 26% to MNOK 3,135 (2,490) this quarter. A production increase (ASK) of 34% is the main factor explaining the increased operating expenses this quarter.

The unit cost was NOK 0.42, which is a decrease of 9% from last year. Unit cost ex fuel was MNOK 0.29 (-8%). Increased production from international expansion of new bases, destinations and markets affect the sector length and cost levels, reducing underlying unit cost in the second quarter.

Personnel expenses increased by 30% to MNOK 627 (484) in the second quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 3%. Salary increase to employees and increased personnel expenses from hiring and training crew on new international bases are more than offset by the productivity increase and increased sector length derived from international production.

The average number of man-labor year increased by 28% compared to same quarter last year.

Sales and distribution expenses increased by 24% to MNOK 82 (66) in the second quarter compared to the same quarter last year. Unit cost for sales and distribution expenses decreased by 8% mainly due to increased sector length.

Aviation fuel expenses increased by 20% to MNOK 1,157 (966) in the second quarter compared to the same quarter last year. The higher cost is driven by a production increase of 34% and is partially offset by a 9% decrease in the realized fuel price per ton denominated in NOK including an increased hedge loss of MNOK 0.1. The average net spot price denominated in USD decreased by 10% during the same period. This resulted in a decrease in the unit cost for fuel by 11%.

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 933 per ton for the remaining of 2013.

Airport and air traffic control (ATC) charges increased by 25%, to MNOK 568 (453) in the second quarter compared to the same quarter last year. Unit cost for airport and ATC charges decreased by 7%. Increased prices for airport and ATC charges are more than offset by reduced cost due to an increased sector length 9% and increased capacity.

Handling charges increased by 22%, to MNOK 332 (273) in the second quarter compared to the same quarter last year. Unit cost for handling charges decreased by 9%. Increased sector length of 9% and increased capacity contribute to reduced unit cost.

Technical maintenance costs increased by 13%, to MNOK 235 (208) in the second quarter compared to the same quarter last year. Unit cost for technical maintenance decreased by 16% in the second quarter due to an increased share of 737-800Ws with lower maintenance cost than 737-300 aircraft and an increased share of owned 737-800 aircraft in the fleet. Planned maintenance cost on owned aircraft is capitalized and reduces maintenance cost per unit produced.

Other flight operation expenses increased by 14% to MNOK 131 (115) in the second quarter compared to the same quarter last year. Other flight operation expenses include costs directly attributable to operation of the aircraft fleet, such as de-icing, meals and housing for crew and insurance. Unit cost for other flight operation expenses decreased by 15% in the second quarter due to an increased sector length and increased capacity.

General and administrative expenses increased by 54% to MNOK 181 (118) in the second quarter compared to the same quarter last year. Unit cost for general and

Other losses/(gains) is not included in the Unit Cost definition or the underlying earnings as it primarily contains hedge losses/gains offset by financial items.

administrative expenses increased by 14% due to introduction of new markets, products and bases, including the long haul operation.

Other losses/(gains)-net; a gain of MNOK 179 was recognized in the second quarter compared to a gain of MNOK 193 the second quarter last year. Included in other losses/(gains)-net are gains/losses from foreign currency contracts and gains/losses on working capital in foreign currency.

Forward foreign currency contracts in USD are designated to counter currency revaluation effects from USD denominated borrowings. Currency gains from term contracts amounted to MNOK 169 and are more than offset by currency losses of MNOK 179 on USD denominated borrowings booked as other financial expense.

Leasing costs increased by 13% to MNOK 304 (270) in the second quarter compared to the same quarter last year. Unit cost for leasing decreased by 16% due to an increased share of owned 737-800Ws. The positive impact on unit cost is partially offset by an increased number of leased 737-800Ws in the fleet. Leasing expenses from the use of wetlease in the second quarter amounted to MNOK 34, compared to MNOK 31 last year.

During the second quarter the Group operated 23 (16) owned Boeing 737-800Ws and 5 (5) Boeing 737-300s.

Profit/Loss from Associated Company in the second quarter was estimated to MNOK 10 (6) which represents the 20 % share of Bank Norwegian's first quarter results.

Financial Items were MNOK -179 (-204) in the second quarter. Interest on prepayments of MNOK 38 (20) was capitalized, reducing interest expenses. Included in other financial income (expense) is a currency loss on USD denominated borrowings amounting to MNOK 179 due to appreciation of USD against NOK. In comparison, a loss of MNOK 185 was recognized in the second quarter 2012. These losses have no cash effects.

Income taxes amounted to a cost of MNOK 80 (35) in the second quarter.

Financial position and liquidity

Net interest bearing debt at the end of the second quarter was MNOK 2,844 compared to MNOK 3,796 at the end of last year. The financial position is highly affected by seasonality and asset acquisitions. Exiting the second quarter, the financial position continues to be solid with an equity ratio of 17% equal to the same quarter last year and 3 percentage points lower than year end 2012.

Net change in cash and cash equivalents was MNOK 478. Investments in new aircraft were MNOK 702 with net cash from financing activities of MNOK 96. Operational activities continue to derive sufficient cash to maintain a solid financial position and high levels of investments in new aircraft.

Total non-current assets amount to MNOK 9,472 at the end of the second quarter, compared to MNOK 9,013 at the end of last year. The main investment during the first half is related to prepayments to aircraft manufacturers for aircraft on order. The investment is partially offset by delivery of three sale and leaseback transactions.

Total current assets amount to MNOK 4,950 at the end of the second quarter, compared to MNOK 2,906 at the end of last year. Investments have increased by MNOK 274 during the first half due to changes in fair value of term contracts. Receivables have increased by MNOK 574 during the first half due to seasonality and increased production, but are partially offset by increased turnover. Cash and cash equivalents have increased by MNOK 1,192 during first half.

Total non-current liabilities at the end of the second quarter were MNOK 4,855, compared to MNOK 4,654 at the end of last year. Long-term borrowings increased by MNOK 46 during the first half. The increase in borrowings is related to mark-to-market adjustment of USD denominated borrowings and drawdown of pre-delivery payment financing. Down-payments on aircraft financing partially offsets the increase.

Total short-term liabilities at the end of the second quarter were MNOK 7,064, compared to MNOK 4,844 at the end of last year. Current liabilities increased by MNOK 389 during the first half due to increased production, but are partially offset by increase in fair value of term contracts. Short-term borrowings increased by MNOK 194 during the first half due to mark-to-market adjustment of USD denominated borrowings and increased borrowings with redemption within next 12 months. The increase is partially offset by down-payment of pre-delivery payment financing. Air traffic liability increased by MNOK 1,637 during the first half due to increased production and seasonality.

Equity at the end of the second quarter was MNOK 2,503 compared to MNOK 2,421 at the end of last year. The increase in equity is mainly related to first half net profit of MNOK 80.

Cash flow

Cash and cash equivalents were MNOK 2,923 at the end of the second quarter compared to MNOK 1,731 at the end of last year.

Cash flow from operating activities in the second quarter amounted to MNOK 1,084 compared to MNOK 571 in the second quarter last year. Due to seasonality and increased production, changes in air traffic settlement liability increased by MNOK 108 during the second quarter compared to MNOK 193 during the second quarter last year. Cash from other adjustments amounted to MNOK 572 during second quarter compared to MNOK 166 in the same quarter last year. Other adjustments mainly consist of changes in accounts receivable, current liabilities and currency gain/loss with no cash effects.

Cash flow from investment activities in the second quarter was MNOK -702, compared to MNOK -478 in the second quarter last year. Prepayments to aircraft manufacturers are the main investments in the quarter. There are no investments related to aircraft deliveries in the second quarter. In comparison, two new Boeing 737-800Ws were delivered in the second quarter last year.

Cash flow from financing activities in the second quarter was MNOK 96 compared to MNOK -6 in the second quarter last year. Proceeds from pre-delivery payment financing are partially offset by down-payment on borrowings and financing costs in the quarter.

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 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.

In the event of industrial actions, operations may be disrupted, causing inconvenience for passengers and impacting financial performance.

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 have been satisfactory entering the third quarter of 2013. Norwegian will continue to take advantage of its increasing competitive power realized through continuous cost efficiency, and from introducing larger aircraft (14 new 737-800Ws will be delivered in 2013) with a lower operating cost. Going forward, the Company expects continued competitive pressure in the European market place.

Norwegians short haul operations have, in addition to the Nordic countries, at the present three bases operational in Spain (Malaga, Alicante and Las Palmas) and a base in London. A new base in Tenerife is planned operational at the start of the winter program.

Norwegian guides for a production growth (ASK) in excess of 30% for 2013 including the long haul production. The growth in short haul production is mainly from increasing the fleet by adding 737-800s and through increasing the average sector length. Norwegian may decide to adjust capacity in order to optimize the route portfolio depending on the development in the overall economy and in the marketplace.

Assuming a fuel price of USD 950 per ton and USD/NOK 5.75 for the year 2013 (excluding hedged volumes) and with the currently planned route portfolio, the Company is targeting a unit cost (CASK) in the area of NOK 0.42 for 2013.

The establishment of the long haul operation has developed in accordance with plan and the first long haul flight took place on 30 May 2013. The demand for tickets on the long haul network has so far exceeded expectations. The long haul production will grow in accordance with the phasing in of aircraft. The 787 will be used on the European network during July and is expected to be deployed on the long haul network in August.

Fornebu, 10 July 2013

The Board of Directors
Norwegian Air Shuttle ASA

CONDENSED CONSOLIDATED INCOME STATEMENT

Unaudited

(Amounts in NOK million)	*Note*	**Q2 2013**	Q2 2012	**H1 2013**	H1 2012	Full Year 2012
Operating revenue						
Total operating revenue	3	**4,012.1**	3,169.7	**6,916.1**	5,529.6	12,859.0
Total operating revenue		**4,012.1**	3,169.7	**6,916.1**	5,529.6	12,859.0
Operating expenses						
Operational expenses		**2,503.1**	2,060.1	**4,432.9**	3,844.4	8,096.3
Payroll and other personnel expenses		**627.3**	483.8	**1,251.2**	995.6	2,068.2
Other operating expenses		**4.2**	-53.7	**-83.9**	261.8	873.0
Total operating exp+enses		**3,134.6**	2,490.3	**5,600.2**	5,101.9	11,037.4
Operating profit/loss before leasing & depr (EBITDAR)		**877.5**	679.5	**1,315.9**	427.8	1,821.6
Leasing		**303.6**	269.5	**553.1**	514.8	1,032.9
Operating profit/loss before depr (EBITDA)		**573.9**	410.0	**762.7**	-87.1	788.7
Depreciation and amortization		**127.9**	87.7	**247.5**	165.3	385.2
Operating profit/loss (EBIT)		**446.1**	322.3	**515.2**	-252.3	403.5
Financial items						
Interest income		**21.3**	12.6	**32.8**	20.9	51.3
Interest expense		**21.9**	31.8	**41.3**	52.9	118.8
Other financial income (expense)		**-178.4**	-184.5	**-411.2**	-2.6	254.4
Net financial items		**-179.0**	-203.7	**-419.7**	-34.6	186.9
Profit/Loss from associated company		**9.8**	6.4	**21.3**	14.2	32.8
Net result before tax (EBT)		**276.9**	125.0	**116.9**	-272.7	623.2
Income tax expense (benefit)		**80.1**	34.5	**37.3**	-77.7	166.5
Net profit/loss		**196.8**	90.5	**79.6**	-195.0	456.6
Net profit attributable to:						
Owners of the parent company		**196.8**	**90.5**	**79.6**	**-195.0**	456.6
Earnings per share (NOK) - Basic		**5.6**	2.6	**2.3**	-5.6	13.1
Earnings per share (NOK) - Diluted		**5.5**	2.6	**2.2**	-5.6	13.0
No. of shares at the end of the period		**35,162,139**	34,878,226	**35,162,139**	34,878,226	35,162,139
Average no. of shares outstanding		**35,162,139**	34,878,226	**35,162,139**	34,878,226	34,924,769
Average no. of shares outstanding - diluted		**35,514,349**	35,162,139	**35,514,349**	35,162,139	35,162,139

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited

(Amounts in NOK million)	*Note*	**At 30 Jun 2013**	At 30 Jun 2012	At 31 Dec 2012
ASSETS				
Non-current assets				
Intangible assets		**253.3**	249.8	242.1
Tangible fixed assets		**8,912.1**	6,607.5	8,516.7
Fixed asset investments		**307.0**	221.2	254.3
Total non-current assets		**9,472.4**	7,078.4	9,013.0
Current assets				
Inventory		**72.4**	76.7	68.4
Investments		**284.3**	97.9	10.2
Receivables		**1,670.3**	1,602.8	1,096.6
Cash and cash equivalents		**2,922.9**	1,574.4	1,730.9
Total current assets		**4,949.9**	3,351.8	2,906.0
TOTAL ASSETS		**14,422.2**	10,430.3	11,919.1
EQUITY AND LIABILITIES				
Shareholders equity				
Paid-in capital		**1,163.3**	1,142.7	1,160.8
Other equity		**1,339.5**	608.2	1,259.8
Total equity		**2,502.8**	1,750.9	2,420.7
Non-current liabilities				
Other non-current liabilities		**631.9**	302.1	476.3
Long term borrowings		**4,223.5**	3,409.6	4,177.6
Total non-current lilabilities		**4,855.4**	3,711.7	4,654.0
Short term liabilities				
Current liabilities		**2,144.6**	1,537.0	1,755.3
Short term borrowings		**1,542.9**	947.3	1,349.4
Air traffic settlement liabilities		**3,376.6**	2,483.3	1,739.8
Total short term liabilities		**7,064.0**	4,967.6	4,844.4
Total liabilities		**11,919.5**	8,679.3	9,498.4
TOTAL EQUITY AND LIABILITIES		**14,422.2**	10,430.3	11,919.1

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Unaudited

(Amounts in NOK million)	**Q2 2013**	Q2 2012	**H1 2013**	H1 2012	Full Year 2012
OPERATING ACTIVITIES					
Profit before tax	**276.9**	125.0	**116.9**	-272.7	623.2
Paid taxes	**0.0**	-0.3	**0.0**	-1.0	-2.5
Depreciation, amortization and impairment	**127.9**	87.7	**247.5**	165.3	385.2
Changes in air traffic settlement liabilities	**108.0**	192.8	**1,636.8**	1,275.0	531.4
Other adjustments	**571.6**	166.2	**44.8**	-51.1	484.4
Net cash flows from operating activities	**1,084.4**	571.4	**2,046.0**	1,115.4	2,021.7
INVESTMENT ACTIVITIES					
Purchases, proceeds and prepayment of tangible assets	**-701.7**	-477.6	**-543.5**	-655.2	-2,765.5
Net cash flows from investing activities	**-701.7**	-477.6	**-543.5**	-655.2	-2,765.5
FINANCING ACTIVITIES					
Loan proceeds	**270.1**	271.9	**464.1**	410.6	2,106.4
Principal repayments	**-106.7**	-209.3	**-651.2**	-282.1	-460.7
Financing costs paid	**-67.1**	-68.8	**-123.3**	-119.8	-294.4
Proceeds from issuing new shares	**0.0**	0.0	**0.0**	0.0	18.1
Net cash flows from financial activities	**96.2**	-6.2	**-310.4**	8.7	1,369.4
Foreign exchange effect on cash	**-1.0**	0.2	**-0.1**	0.5	0.3
Net change in cash and cash equivalents	**477.9**	87.8	**1,192.0**	469.5	625.9
Cash and cash equivalents in beginning of period	**2,444.9**	1,486.6	**1,730.9**	1,104.9	1,104.9
Cash and cash equivalents in end of period	**2,922.9**	1,574.4	**2,922.9**	1,574.4	1,730.9

STATEMENT OF COMPREHENSIVE INCOME

Unaudited

(Amounts in NOK million)	**H1 2013**	H1 2012	Full Year 2012
Net profit for the period	**79.6**	-195.0	456.6
Available-for-sale financial assets	**0.7**	0.0	0.0
Exchange rate differences Group	**0.0**	0.2	0.3
Total comprehensive income for the period	**80.3**	-194.8	456.9
Profit attributable to:			
Owners of the company	**79.6**	-195.0	456.6

CONDENSED CONSOLIDATED CHANGES IN EQUITY

Unaudited

(Amounts in NOK million)	**H1 2013**	H1 2012	Full Year 2012
Equity - Beginning of period	**2,420.7**	1,945.6	1,945.6
Total comprehensive income for the period	**80.3**	-194.8	456.9
Share issue	**0.0**	0.0	18.1
Equity change on employee options	**2.4**	0.0	0.0
Equity - End of period	**2,502.8**	1,750.9	2,420.7

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Note 1 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 2012 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 2012. 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 2012.

Judgments, 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 judgments, 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 judgments 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 2012.

Note 2 Risk

SENSITIVITY ANALYSIS

Unaudited	Effect on income MNOK
1% decrease in jet fuel price	40
1% depreciation of NOK against USD	-54
1% depreciation of NOK against EURO	-32

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, third-party commissions etc.

SALES REVENUE BREAKDOWN

Unaudited *(Amounts in NOK million)*	**Q2 2013**	Q2 2012	*Change*	**H1 2013**	H1 2012	*Change*	Full Year 2012
Per activity							
Passenger revenue	**3,498.9**	2,784.5	*25.7 %*	**5,972.3**	4,785.3	*24.8 %*	11,201.1
Ancillary passenger revenue	**429.9**	339.3	*26.7 %*	**767.4**	637.3	*20.4 %*	1,405.5
Other revenue	**83.3**	45.9	*81.5 %*	**176.5**	107.1	*64.8 %*	252.5
Total	**4,012.1**	3,169.7	*26.6 %*	**6,916.1**	5,529.6	*25.1 %*	12,859.0
Per geographical market							
Domestic	**1,192.0**	1,017.1	*17.2 %*	**2,234.9**	1,889.0	*18.3 %*	4,057.3
International	**2,820.1**	2,152.6	*31.0 %*	**4,681.2**	3,640.6	*28.6 %*	8,801.7
Total	**4,012.1**	3,169.7	*26.6 %*	**6,916.1**	5,529.6	*25.1 %*	12,859.0

Note 4 Segment information

The Executive Management team 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 entire operation and irrespective of geographic location.

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 2013 there are no changes in related parties compared to the description in Note 27 in the Annual Report for 2012. There have been no significant transactions with related parties during the first half 2013.

Note 6 Borrowings

Unaudited

(Amounts in NOK million)	At 30 Jun 2013		At 30 Jun 2012		At 31 Dec 2012	
	Long term	**Short term**	Long term	Short term	Long term	Short term
Bond issue	**-591.4**	**0.0**	-462.4	0.0	-588.9	0.0
Revolving credit facility	**0.0**	**-1,034.8**	0.0	-624.5	0.0	-930.7
Aircraft financing	**-3,624.3**	**-503.2**	-2,934.0	-317.8	-3,577.8	-413.7
Financial lease liability	**-7.8**	**-5.0**	-13.2	-5.0	-10.9	-5.0
Total	**-4,223.5**	**-1,542.9**	-3,409.6	-947.3	-4,177.6	-1,349.4
Total Borrowings	**-5,766.4**		-4,356.9		-5,527.0	

Note 7 Shareholder information

20 Largest shareholders at 30 June 2013

	Shareholder	Country	Number of shares	Percent
1	HBK INVEST AS	NOR	9,499,116	27.0 %
2	FOLKETRYGDFONDET	NOR	2,705,704	7.7 %
3	SKAGEN VEKST	NOR	1,410,775	4.0 %
4	SKAGEN KON-TIKI	NOR	1,095,007	3.1 %
5	CLEARSTREAM BANKING	LUX	805,683	2.3 %
6	J.P. MORGAN CHASE BA	GBR	802,565	2.3 %
7	DANSKE BANK AS MEGLE	NOR	731,642	2.1 %
8	STATE STREET BANK AN	USA	678,883	1.9 %
9	VERDIPAPIRFONDET DNB	NOR	607,889	1.7 %
10	DANSKE INVEST NORSKE	NOR	596,593	1.7 %
11	STATOIL PENSJON	NOR	424,185	1.2 %
12	DANSKE INVEST NORSKE	NOR	401,989	1.1 %
13	KLP AKSJE NORGE VPF	NOR	374,598	1.1 %
14	JP MORGAN CHASE BANK	SWE	327,931	0.9 %
15	THE BANK OF NEW YORK	USA	324,769	0.9 %
16	STATE STREET BANK AN	USA	316,736	0.9 %
17	STATE STREET BANK &	USA	312,826	0.9 %
18	STATE STREET BANK AN	USA	307,586	0.9 %
19	VARMA MUTUAL PENSION	FIN	300,000	0.9 %
20	OP-EUROPE EQUITY FUN	FIN	300,000	0.9 %
	Top 20 shareholders		**22,324,477**	**63.5 %**
	Other shareholders		12,837,662	36.5 %
	Total number of shares		**35,162,139**	**100.0 %**

The parent company Norwegian Air Shuttle ASA had a total of 35,162,139 shares outstanding at 30 June 2013, equal to 31 December 2012.

The shareholding of HBK Invest reflects the actual shareholding and may deviate from the official shareholder register as HBK Invest has signed a securities lending agreement with Nordea and Danske Bank. Under this agreement these institutions may borrow shares from HBK Invest for a limited period of time to improve the liquidity in the share trading, for example by fulfilling their market maker obligations.

Note 8 Events after the reporting date

There are no significant events after the reporting date.

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 2013 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, 10 July 2013

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)

Definitions

ASK:	Available Seat Kilometers. Number of available passenger seats multiplied by flight distance.
RPK:	Revenue Passenger Kilometers. Number of sold seats multiplied by flight distance.
Unit revenue:	Passenger Revenue divided by Available Seat Kilometers.
Unit cost:	Total operating expenses plus leasing, excluding other losses/(gains)-net, divided by Available Seat Kilometers.
Load factor:	Relationship between RPK and ASK (percentage). Describes the rate of utilization of available seats.
EBITDAR:	Earnings before interest, tax, depreciation, amortization and restructuring or rent.
EBITDA:	Earnings before interest, tax, depreciation and amortization.
EBIT:	Earnings before interest and tax.
EBT:	Earnings before tax.

Other losses/(gains) is not included in the Unit Cost definition or the underlying earnings as it primarily contains hedge losses/gains offset by financial items.

Information about the Norwegian Group

Head office Norwegian Air Shuttle ASA

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Internet	www.norwegian.no
Organization Number	NO 965 920 358 MVA

Board of Directors Norwegian Air Shuttle ASA

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
Frode E. Foss, Chief Financial Officer
Per Ivar Gjørvad, Chief Information Officer
Frode Berg, Chief Legal Officer
Gunnar Martinsen, SVP Human Resources
Anne-Sissel Skånvik, SVP Corporate Communications

Investor Relations

Karl Peter Gombrii
karl.gombrii@norwegian.no

Other sources of Information

Annual reports

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

Quarterly publications

Quarterly reports and presentations are available on http://www.norwegian.no/om-norwegian/investor-relations/

Financial calendar 2013

7	August	Monthly traffic data July
5	September	Monthly traffic data August
4	October	Monthly traffic data September
24	October	Q3 report and presentation
6	November	Monthly traffic data October
5	December	Monthly traffic data November

Other losses/(gains) is not included in the Unit Cost concept or the underlying earnings as it primarily contains hedge losses/gains offset under financial items.