NORWEGIAN AIR SHUTTLE ASA

FIRST QUARTER REPORT 2012

HIGHLIGHTS

- First quarter revenue up by 25% to MNOK 2,360 (1,895).
- RASK up 7% to 0.38, where yield was up 3% to 0.49 and load factor was up 3% to 77%.
- Earnings before depreciation and leasing (EBITDAR) were MNOK -252 (-230).
- Earnings before tax (EBT) were MNOK -398 (-406).
- The number of passengers was 3.65 mill. (+19%).
- Unit cost was NOK 0.54 (NOK 0.52), and unit cost excluding fuel and effects from other losses and gains was NOK 0.36 (NOK 0.37).
- Gross realized fuel price per ton up 25%.
- Cash and money market deposits of MNOK 1,487 (1,229) as of 31 March 2012.
- Cash flow from operating activities was MNOK 544 (229).
- 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 31.03.		Year ended Dec 31
(Mill. NOK)	**2012**	**2011**	**2011**
Operating revenue	2,359.9	1,894.8	10,532.2
EBITDAR	-251.7	-229.6	1,539.5
EBITDA	-497.0	-429.6	709.9
EBIT	-574.6	-494.8	415.9
EBT	-397.7	-406.3	166.5
Net profit/ loss (-)	-285.5	-293.2	122.1
EBITDAR margin	-10.7%	-12.1%	14.6%
EBITDA margin	-21.1%	-22.7%	6.7%
EBIT margin	-24.3%	-26.1%	3.9%
Net profit margin	-12.1%	-15.5%	1.2%

OPERATIONS

CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

	Quarter ended 31.03.			Full Year
Tekst	2012	2011	Change	2011
Yield (NOK)	0.49	0.48	3 %	0.52
Unit Revenue (NOK)	0.38	0.36	7 %	0.41
Unit Cost (NOK)	0.54	0.52	5 %	0.45
Unit Cost ex. fuel (NOK)	0.40	0.39	1 %	0.31
Unit Cost ex. fuel and losses/gains- net (NOK)	0.36	0.37	-4 %	0.32
Ancillary revenue /PAX (NOK)	81.69	83.88	-3 %	78.02
Internet bookings	82%	85%	-3 pp	82%
ASK (mill)	5,266	4,498	17 %	21,958
RPK (Mill)	4,063	3,343	22 %	17,421
Passengers (mill)	3.65	3.06	19 %	15.70
Load factor	77%	74%	3 pp	79%

Traffic Development

A total of 3.65 million passengers travelled with Norwegian in the first quarter of 2012, compared to 3.06 million in the first quarter of 2011, an increase of 19 %. Production (ASK) increased by 17 % and passenger traffic (RPK) increased by 22 %. The load factor was 77 % in the first quarter, an increase of 3 percentage points compared to the same period last year.

At the end of the first quarter the total fleet including aircraft on maintenance and excluding wet lease comprised 65 aircraft. The Group utilized every operational aircraft on average 10.2 block hours per day in the first quarter compared to 10.4 last year.

The share of Internet sales was 82 % 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 83.9% in the first quarter 2012, compared to 82.6% in the same quarter last year.

Regularity, the percentage of scheduled flights actually taking place was 99.3% compared to 99.4% in the first quarter 2011. First quarter 2012 is the tenth consecutive quarter in which Norwegian operates with the highest regularity in its major markets.

Revenue
Total revenue in the first quarter was MNOK 2,360 (1,895), an increase of 25%. MNOK 2,001 (1,598) of the revenues in the first quarter is related to ticket revenues. MNOK 298 (256) is ancillary revenue, while the remaining MNOK 61 (40) is related to freight, third-party products and other income.

The ticket revenue per unit produced (RASK) in the first quarter was NOK 0.38 compared to NOK 0.36 for the same period last year. The RASK development compared to last year reflects improved load factor and higher yield despite increased sector length.

Ancillary passenger revenue was NOK 82 per passenger (84) in the first quarter 2012, a decrease of 3% compared to the same period last year. Charter revenue and revenue from group sales are presented under passenger revenue and includes a postulation for ancillary revenue from charter and group sales. As charter and group traffic has increased in the first quarter 2012, compared to the same quarter last year, ancillary revenue per passenger has been affected.

Operating Expenses

COST BREAKDOWN
Unaudited

	Quarter ended 31.03.		Year ended Dec 31
(Mill. NOK)	**2012**	**2011**	**2011**
Personell expenses	511.8	453.1	1,836.2
Sales/ distribution expenses	64.2	54.8	195.9
Aviation fuel	766.1	561.3	3,055.8
Airport charges	353.1	330.0	1,561.4
Handling charges	241.8	216.2	982.2
Technical maintenance expenses	209.7	172.7	711.6
Other expenses	264.0	246.3	873.2
Other losses/(gains) - net	200.9	90.0	-223.5
Total operating costs	**2,611.6**	**2,124.4**	**8,992.6**

Operating expenses excluding leasing and depreciation increased by 23 % to MNOK 2,611 (2,124) this quarter. A production increase (ASK) of 17% combined with an increased market price for fuel and losses on forward contracts are the main factors explaining the increased operating expenses this quarter, compared to the same quarter last year. A loss from term contracts results in MNOK 142 higher operating cost in first quarter 2012 compared to the same quarter last year.

The unit cost excluding fuel is NOK 0.40 in the first quarter compared to NOK 0.39 in the first quarter last year. The underlying cost excluding effects from fuel and term contracts is NOK 0.36, which is a reduction of 4% since last year. A larger share of Boeing 737-800Ws aircraft and increased sector length contributes to the reduced underlying unit cost.

Personnel expenses increased by 13% to MNOK 512 (453) in the first quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 4%. 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 number of man-labor year increased by 9% compared to same quarter last year.

Sales and distribution expenses increased by 17% to MNOK 64 (55) in the first quarter compared to the same quarter last year. Unit cost for sales and distribution expenses is equal to the first quarter 2011.

Aviation fuel expenses increased by 36% to MNOK 766 (561) in the first quarter compared to the same quarter last year. The higher cost is driven by a production increase of 17% and a 25% increase in the realized fuel price denominated in NOK per ton and including a reduction in gain from hedges of MNOK 42. The average net spot price denominated in USD increased by 15% 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 17%.

The Group has at the end of the first quarter, forward contracts to cover approximately 4% of fuel exposure at an average price of USD 1087 per ton for the remaining of 2012.

Airport and air traffic control (ATC) charges increased by 7%, to MNOK 353 (330) in the first quarter compared to the same quarter last year. Unit cost for airport and ATC charges decreased by 9%. Increased prices for airport and ATC charges are more than offset by increased sector length of 3%, depreciation of EUR against NOK and reduced cost due to an increased share of 737-800Ws with larger capacity.

Handling charges increased by 12%, to MNOK 242 (216) in the first quarter compared to the same quarter last year. Unit cost for handling charges decreased by 4% due to increased sector length of 3% and increased share of 737-800Ws with larger capacity.

Technical maintenance costs increased by 21%, to MNOK 210 (173) in the first quarter compared to the same quarter last year. Unit cost for technical maintenance costs increased by 4% in the first quarter. A revision of estimates for maintenance provisions on 737-300s relating to redelivery checks and increased cost from consumption of inventory in line maintenance increased unit cost in first quarter 2012. The negative effect on unit cost is partly offset by positive impacts from reduced maintenance cost on leased 737-800Ws compared to 737-300s. Planned maintenance cost on owned aircraft is capitalized and reduces maintenance cost per unit through an increased share of owned aircraft in the fleet.

Other losses/(gains)-net a loss of MNOK 201 was recognized in the first quarter 2012 compared to a loss of MNOK 90 the first 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 March the Group had term contracts with a mark-to-market value of MNOK -5. Forward currency contracts in USD are designated to counter currency revaluation effects from USD denominated borrowings. Losses on term contracts in first quarter amount to MNOK 192. Currency losses from term contracts are offset by unrealized currency gains of MNOK 186 on USD denominated financing booked as other financial expense.

Leasing costs increased by 23% to MNOK 245 (200) in the first quarter compared to the same quarter last year. Unit cost for leasing increased by 5% in the first quarter due to use of wetlease of MNOK 16. Adjusted for wetlease costs, unit cost for leasing decreased with 2%. An increased share of owned Boeing 737-800Ws reduces leasing costs but is partly offset by an increased number of leased Boeing 737-800Ws in the fleet compared to number of 737-300s. During the first quarter the Group operated 15 (7) owned Boeing 737-800Ws and 5 (5) Boeing 737-300s.

Profit/Loss from Associated Company

Profit/loss from associated company in the first quarter is estimated to MNOK 8 (5) which represents the 20 % share of Bank Norwegian's estimated first quarter results.

Earnings

Earnings before interest, depreciation and amortization (EBITDA) in the first quarter were MNOK -497 (-430) and the earnings before tax (EBT) were MNOK -398 (-406).

Financial Items

Net financial items in the first quarter were MNOK 169 (84).

In the first quarter, interest on prepayments of MNOK 21 (20) was capitalized.

Included in other financial income (expense) is a currency gain on USD denominated financing amounting to MNOK 186 due to depreciation of USD against NOK. In comparison, a gain of MNOK 100 was recognized in the first quarter 2012. These losses have no cash effects.

Tax
Income taxes amounted to an income of MNOK -112 (113) in the quarter.

Net Result
The net result for the first quarter was MNOK -286, compared to MNOK -293 in the same period last year.

Balance Sheet
Total non-current assets amount to MNOK 6,646 at the end of the first quarter, compared to MNOK 6,502 at the end of last year. The main investment during the first quarter is related to the prepayments to aircraft manufacturers on aircraft on order.

Total current assets amount to MNOK 3,039 at the end of the first quarter, compared to MNOK 2,502 at the end of last year. Receivables have increased by MNOK 386 during the first quarter due to seasonality and increased production. Cash and cash equivalents have increased by MNOK 382 during first quarter 2012.

Total non-current liabilities at the end of the first quarter were MNOK 3,207, compared to MNOK 3,066 at the end of last year. Long-term borrowings increased by MNOK 261 during the first quarter. The increase in borrowings is related to early redemption of the bond issue NAS02, reclassifying MNOK 466 from short term part of long term borrowings to long term borrowings. Early redemption of the bond issue and increased pre-delivery payment financing are partly offset by mark-to-market adjustment of USD denominated borrowings and down-payments on aircraft financing.

Total short-term liabilities at the end of the first quarter were MNOK 4,817, compared to MNOK 3,992 at the end of last year. Current liabilities increased by MNOK 253 during the first quarter mainly due to seasonality and increased production. Short-term borrowings decreased by MNOK 510 during the first quarter due to early redemption of the bond issue NAS02. Air traffic liability has increased by MNOK 1,082 during the first quarter due to seasonality and increased production.

Total interest bearing liabilities at the end of March were MNOK 4,001 compared to MNOK 4,250 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 March compared to 34,878,226 at the end of last year.

Cash Flow
Cash and cash equivalents were MNOK 1,487 at the end of the first quarter compared to MNOK 1,105 at the end of last year.

Cash flow from operating activities in the first quarter amounted to MNOK 544 compared to MNOK 229 in the first quarter last year. Due to seasonality and increased production, changes in air traffic settlement liability increased by MNOK 1,082 during the first quarter 2012 compared to MNOK 868 in the first quarter 2011. Cash from other adjustments amounts to MNOK -217 during first quarter compared to MNOK -294 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 first quarter was MNOK -178, compared to MNOK -150 in the first quarter last year. Prepayments to aircraft manufacturers are the main investments in the quarter. Two Boeing 737-800Ws were delivered in the first quarter 2012 and financed as sales and lease back transactions resulting in minor net cash effects from investment activities.

Net cash from financing activities in the first quarter was MNOK 15 compared to MNOK -28 in the first quarter last year. Pre-delivery financing is the main financing activity with cash effect in the first quarter. Early redemption of bond issue NAS02 has no cash effect in the first quarter 2012.

Other Information

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 and 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 export credit agencies.

Norwegian and Nordiska Fritidsresegruppen/TUI Nordic have agreed to widen the scope of the existing agreement for the transportation of customers to include the summer season 2012 with more than 900 flights with an approximate additional contract value of MNOK 450.

A maintenance agreement with Boeing comprising all six long-haul aircraft on order is entered into. The agreement secures cost efficient maintenance and has duration of 12 years.

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.

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 second 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.

Norwegian will during 2012 participate in the bi-annual renegotiation of collective agreements with unions representing Norwegian employees in accordance with the rules set out in the main agreement of 2010 between NHO and LO/YS.

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 portfolios, the Company is targeting a unit cost (CASK) in the area of NOK 0.43 – 0.44 for 2012.

The establishment of the long haul operation has been initiated and the organization is preparing for the first long haul flight which will take place in the first half of 2013. Norwegian will during the second half of 2012 start the sale of tickets on long haul flights. The preparation is going ahead in accordance with plans.

Interim report Q2 2012
The interim report for second quarter 2012 will be presented 12 July 2012.

Fornebu, 25 April 2012

Bjørn Kjos
CEO

Consolidated Income Statement

Unaudited

(Mill. NOK)	Note	Quarter ended 31.03. 2012	2011	Year ended Dec 31 2011
OPERATING REVENUE				
Total operating revenue	3	2,359.9	1,894.8	10,532.2
Total revenue		**2,359.9**	**1,894.8**	**10,532.2**
OPERATING EXPENSES				
Operational expenses	4	1,784.3	1,501.0	6,988.0
Payroll and other personnel expenses	4	511.8	453.1	1,836.2
Other operating expenses	4	315.5	170.3	168.4
TOTAL OPERATING EXPENSES		**2,611.6**	**2,124.4**	**8,992.6**
OPERATING PROFIT / LOSS BEFORE LEASING & DEPR (EBITDAR)		**-251.7**	**-229.6**	**1,539.5**
Leasing		245.3	200.0	829.7
OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)		**-497.0**	**-429.6**	**709.9**
Depreciation and amortization		77.5	65.2	293.9
OPERATING PROFIT / LOSS (EBIT)		**-574.6**	**-494.8**	**415.9**
FINANCIAL ITEMS				
Interest income		8.3	8.5	41.2
Interest expense		21.1	10.0	70.2
Other financial income (expense)		181.9	85.3	-239.9
NET FINANCIAL ITEMS		**169.1**	**83.8**	**-268.9**
Profit/Loss from associated company		7.8	4.6	19.5
NET RESULT BEFORE TAX (EBT)		**-397.7**	**-406.3**	**166.5**
Income tax expense (benefit)		-112.2	-113.1	44.4
NET PROFIT / LOSS		**-285.5**	**-293.2**	**122.1**
Earnings per share (NOK) - Basic		-8.19	-8.48	3.53
Earnings per share (NOK) - Diluted		-8.12	-8.33	3.46
No. of shares at the end of the period		34,878,226	34,573,332	34,878,226
Average no. of shares outstanding		34,878,226	34,573,332	34,628,464
Average no. of shares outstanding - diluted		35,162,139	35,203,120	35,251,848

Financial key figures

Unaudited

(Mill. NOK)	Quarter ended 31.03. 2012	2011	Year ended Dec 31 2011
Operating margin (%)	-24.3%	-26.1%	3.9%
Book equity per share (NOK)	47.62	43.55	55.78
Equity ratio (%)	17.1%	21.1%	21.6%

Consolidated Balance Sheet

Unaudited

(Mill. NOK)	Note	Quarter ended 31.03. 2012	2011	Year ended Dec 31 2011
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		250.9	229.5	238.3
Tangible fixed assets		6,193.4	4,257.6	6,065.5
Fixed asset investments		201.7	142.4	197.8
TOTAL NON CURRENT ASSETS		**6,645.9**	**4,629.5**	**6,501.6**
CURRENT ASSETS				
Inventory		84.6	73.6	82.0
Investments		10.1	8.1	242.8
Receivables		1,457.7	1,178.6	1,072.5
Cash and cash equivalents		1,486.6	1,229.3	1,104.9
TOTAL CURRENT ASSETS		**3,038.9**	**2,489.6**	**2,502.2**
TOTAL ASSETS		**9,684.9**	**7,119.1**	**9,003.9**
EQUITY AND LIABILITIES				
SHAREHOLDERS EQUITY				
Paid-in capital		1,142.7	1,116.6	1,142.7
Other equity		518.1	389.1	802.9
TOTAL EQUITY		**1,660.8**	**1,505.6**	**1,945.6**
NON CURRENT LIABILITIES				
Other non-current liabilities		247.3	222.2	367.7
Long term borrowings	6	2,959.4	2,210.6	2,698.4
TOTAL NON-CURRENT LIABILITIES		**3,206.6**	**2,432.9**	**3,066.1**
SHORT TERM LIABILITIES				
Current liabilities		1,484.8	1,177.7	1,232.0
Short term borrowings	6	1,042.0	181.0	1,551.9
Air traffic settlement liabilities		2,290.5	1,821.9	1,208.3
TOTAL SHORT TERM LIABILITIES		**4,817.4**	**3,180.6**	**3,992.2**
TOTAL LIABILITIES		**8,024.1**	**5,613.5**	**7,058.3**
TOTAL EQUITY AND LIABILITIES		**9,684.9**	**7,119.1**	**9,003.9**

Condensed Consolidated Statement of Cash Flow (unaudited)

	Quarter ended March 31		Year ended Dec 31
(Mill. NOK)	**2012**	**2011**	**2011**
OPERATING ACTIVITIES			
Profit before tax	-397.7	-406.3	166.5
Paid taxes	-0.8	-2.8	-9.8
Depreciation, amortization and impairment	77.5	65.2	293.9
Changes in air traffic settlement liabilities	1,082.2	867.7	254.1
Other adjustments	-217.3	-294.4	-31.1
Net cash flows from operating activities	**544.0**	**229.3**	**673.7**
INVESTMENT ACTVITIES			
Purchases, proceeds and prepayment of tangible assets	-177.6	-150.1	-2,189.5
Purchases of other long-term investments	0.0	0.0	0.0
Net cash flows from investing activities	**-177.6**	**-150.1**	**-2,189.5**
FINANCING ACTIVITIES			
Loan proceeds	138.8	179.8	2,008.6
Principal repayments	-72.8	-153.9	-347.7
Net increase (decrease) in other short-term debt	-51.0	-54.3	-239.1
Proceeds from issuing new shares	0.0	0.0	20.4
Net cash flows from financial activities	**14.9**	**-28.4**	**1,442.2**
Foreign exchange effect on cash	0.3	0.1	0.1
Net change in cash and cash equivalents	**381.7**	**50.9**	**-73.5**
Cash and cash equivalents in beginning of period	**1,104.9**	**1,178.4**	**1,178.4**
Cash and cash equivalents in end of period	**1,486.6**	**1,229.3**	**1,104.9**

Statement of comprehensive income

Unaudited

	YTD 31.03.		Year ended Dec 31
(Mill. NOK)	**2012**	**2011**	**2011**
Net profit for the period	-285.5	-293.2	122.1
Available-for-sale financial assets	0.0	0.0	0.0
Exchange rate differences Group	-0.8	-0.2	-1.7
Total comprehensive income for the period	-286.3	-293.4	120.4
Profit attributable to:			
- Owners of the company	-285.5	-293.2	122.1

Consolidated changes in equity

Unaudited

	YTD 31.03.		Year ended Dec 31
(Mill. NOK)	**2012**	**2011**	**2011**
Equity - Beginning of period	1,945.6	1,795.9	1,795.9
Total comprehensive income for the period	-286.3	-293.4	120.4
Share issue	0.0	0.0	20.4
Equity change on employee options	0.0	3.1	8.8
Equity - End of period	**1,660.8**	**1,505.6**	**1,945.6**

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 2011 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 2011. 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 2011.

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 2011.

Note 2 Risk

SENSITIVITY ANALYSIS Unaudited	**Effect on income** **MNOK**
1% decrease in jet fuel price	+35
1% depreciation of NOK against USD	- 45
1% depreciation of NOK against EURO	- 19

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 31.03.		Year ended Dec 31
(Mill. NOK)	**2012**	**2011**	**2011**
Per activity			
Passenger revenue	2,000.7	1,598.3	9,097.3
Ancillary passenger revenue	298.1	256.4	1,224.7
Other revenue	61.1	40.2	210.2
Total	2,359.9	1,894.8	10,532.2
Per geographical market			
Domestic	871.9	779.5	3,666.7
International	1,488.0	1,115.3	6,865.5
Total	2,359.9	1,894.8	10,532.2

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 first quarter 2012 there are no changes in related parties compared to the description in Note 27 in the Annual Report for 2011. There have been no significant transactions with related parties during the first quarter 2012.

Note 6 Borrowings

Unaudited

	YTD March 31 2012		YTD March 31 2011		Year ended Dec 31 2011	
(Mill. NOK)	**Long term**	**Short term**	**Long term**	**Short term**	**Long term**	**Short term**
Bond issue	-466.0	0.0	-597.7	0.0	0.0	-598.7
Revolving credit facility	0.0	-750.5	0.0	0.0	0.0	-648.0
Aircraft financing	-2,479.0	-286.6	-1,594.1	-176.1	-2,682.9	-300.2
Financial lease liability	-14.3	-5.0	-18.9	-5.0	-15.5	-5.0
Total	**-2,959.4**	**-1,042.0**	**-2,210.6**	**-181.0**	**-2,698.4**	**-1,551.9**
TOTAL BORROWINGS	**-4,001.4**		**-2,391.7**		**-4,250.3**	

Bondholder meeting in NAS 02 (ISIN NO 001 0560915) was held 30 March 2012 in relation to the new unsecured bond issue. At the bondholder meeting, bondholders committed and accepted an early redemption. As such, MNOK 466 of the bond issue NAS 02 is presented in the balance sheet at 31 March 2012 as long term borrowings, while MNOK 134 is presented as current liabilities.

Note 7 Events after the reporting date

On 16 April 2012, Norwegian has successfully completed a new unsecured bond issue of MNOK 600 with maturity date in April 2015. An application will be made for the bonds to be listed on the Oslo Stock Exchange. Net proceeds from the new bond issue will be used to refinance existing bonds and for general corporate purposes. Following the exchange offer to the bondholders and early redemption of NAS 02, Norwegian has subscribed for MNOK 134 of the total issue volume of MNOK 600.

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)

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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