

### HIGHLIGHTS

- Third quarter revenue up by 24.5 % to MNOK 2,827.9 (2,271.5).
- Earnings before depreciation and leasing (EBITDAR) in the third quarter were MNOK 839.9 (669.5).
- Earnings before depreciation (EBITDA) in the quarter were MNOK 623.6 (514.7).
- Net result after tax in the third quarter was MNOK 528.0 (374.8).
- Ancillary revenue per passenger up 5 % in the third quarter.
- The number of passengers in the third quarter was 3.8 mill. (+25%).
- Unit cost was NOK 0.41 in the third quarter compared to NOK 0.44 in the third quarter last year. Unit cost excluding fuel was NOK 0.30 in the third quarter compared to NOK 0.32 in the third quarter last year.
- The Appeals Committee of the Supreme Court has denied SAS' appeal which means SAS is held liable to pay MNOK 182 to Norwegian in damages for unjustified access to and unlawful use of Norwegians trade secrets.
- During the quarter, currency gains on USD denominated financing amount to MNOK 172, due to depreciation of USD against NOK. These unrealized gains have no cash effects.
- Cash and money market deposits of MNOK 1,181 (782) as of 30.09.10
- Cash flow from operating activities in the third quarter was MNOK -48 (113)

### CONSOLIDATED KEY FINANCIAL FIGURES

Unaudited

(Mill. NOK)	Quarter ended 30.09.		YTD 30.09.		Year ended
	2010	2009	2010	2009	2009
Operating revenue	2,827.9	2,271.5	6,452.3	5,559.3	7,309.2
EBITDAR	839.9	669.5	961.3	1,136.3	1,340.9
EBITDA	623.6	514.7	382.6	670.4	720.7
EBIT	573.3	475.6	242.0	564.3	571.9
EBT	733.3	519.5	270.3	614.4	623.0
Net profit/ loss (-)	528.0	374.8	194.5	445.5	446.3
EBITDAR margin	29.7%	29.5%	14.9%	20.4%	18.3%
EBITDA margin	22.1%	22.7%	5.9%	12.1%	9.9%
EBIT margin	20.3%	20.9%	3.7%	10.2%	7.8%
Net profit margin	18.7%	16.5%	3.0%	8.0%	6.1%

**OPERATIONS****CONSOLIDATED TRAFFIC FIGURES AND RATIOS**

Unaudited

	Quarter ended 30.09.			YTD 30.09.			Full Year
	2010	2009	Change	2010	2009	Change	2009
Yield (NOK)	0.53	0.61	-13 %	0.52	0.61	-14 %	0.60
Unit Revenue (NOK)	0.43	0.50	-15 %	0.40	0.48	-16 %	0.47
Unit Cost (NOK)	0.41	0.44	-6 %	0.46	0.48	-5 %	0.49
Unit Cost ex. fuel (NOK)	0.30	0.32	-7 %	0.34	0.38	-10 %	0.38
Ancillary Revenue /PAX (NOK)	83.60	79.51	5 %	80.07	72.90	10 %	73.34
Internet bookings	87%	87%	0 pp	87%	87%	0 pp	87%
ASK (mill)	5,331	3,979	34 %	13,287	10,123	31 %	13,555
RPK (mill)	4,290	3,272	31 %	10,279	7,989	29 %	10,602
Passengers (mill)	3.82	3.07	25 %	9.71	7.96	22 %	10.75
Load Factor	80%	82%	-2 pp	77%	79%	-2 pp	78%

**Traffic Development**

A total of 3.82 million passengers travelled with Norwegian in the third quarter of 2010, compared to 3.07 million in the third quarter of 2009, an increase of 25 %. The Group had a load factor of 80 % this quarter which is a decrease of 2 percentage points compared to the same period last year. The production (ASK) increased by a total of 34 %, and the passenger traffic (RPK) increased by 31 %.

At the end of the third quarter the total fleet including aircraft on maintenance and excluding wet lease comprised 54 aircraft. The Group utilized every operational aircraft on average 11.7 block hours in the third quarter compared to 10.8 last year.

The share of Internet sales remained unchanged at 87 % which is equivalent to last year.

## Revenue

Total revenue in the third quarter was MNOK 2,828 (2,271), an increase of 24.5 %. MNOK 2,278 (1,993) of the revenues in the third quarter is related to ticket revenues. MNOK 320 (244) is ancillary revenue, while the remaining MNOK 230 (34) is related to freight, third-party products, and other income. MNOK 175 is related to damage payment from SAS for unlawful use of Norwegian's trade secrets.

The ticket revenue per unit produced (RASK) in the third quarter was NOK 0.43 compared to NOK 0.50 for the same period last year. The RASK development compared to last year partially reflects an adjusted route portfolio with 5 % longer sector length and the introduction of new aircraft with higher capacity and lower unit cost. RASK is also influenced by new routes and added frequencies in the business segment.

Ancillary passenger revenue was NOK 84 per passenger (80) in the third quarter 2010, an increase of 5% compared to the same period last year.

## Operating Expenses

### COST BREAKDOWN

Unaudited

(Mill. NOK)	Quarter ended 30.09.		YTD 30.09.		Year ended
	2010	2009	2010	2009	2009
Personell expenses	377.0	308.5	1,116.1	946.7	1,303.3
Sales/ distribution expenses	39.5	36.9	122.8	113.9	149.4
Aviation fuel	607.1	476.6	1,551.2	1,072.0	1,384.8
Airport and ATC charges	369.6	294.6	965.6	773.7	1,037.7
Handling charges	217.0	193.1	642.8	528.5	722.7
Technical maintenance expenses	192.8	167.9	520.5	516.6	659.8
Other expenses	159.9	130.8	574.7	484.2	721.4
Other losses/(gains) - net	25.1	-6.4	-2.6	-12.7	-10.8
<b>Total operating costs</b>	<b>1,988.0</b>	<b>1,602.0</b>	<b>5,491.0</b>	<b>4,423.0</b>	<b>5,968.3</b>

Operating expenses excluding leasing and depreciation increased by 24% to MNOK 1,988 (1,602) this quarter, significantly lower than the production increase (ASK) of 34%.

The unit cost excluding fuel was NOK 0.30 in the third quarter compared to NOK 0.32 in the third quarter last year. A larger share of owned and leased Boeing 737-800W aircraft and a 5 % longer average sector length contributes to the reduced cost level. Increased economies of scale and a continuing cost focus are other factors explaining the reduced unit cost.

**Personnel expenses** increased by 22% to MNOK 377 (308) in the third quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 8.8%. The main factor explaining the reduced unit cost is a productivity increase following an increasing share of Boeing 737-800Ws which with more capacity per aircraft drives down the crew cost per unit produced. The average numbers of man-labour year increased by 14% compared to same quarter last year.

**Aviation fuel expenses** increased by 28 % to MNOK 607 (476) in the third quarter compared to the same quarter last year. The higher cost is driven by a production increase of 34% combined with an increase in the gross realized fuel price per ton denominated in NOK of 2% including a hedge gain of MNOK 15 and fuel vendor's service charge. The weighted average net spot price denominated in USD increased by 15 % during the same period.

The increase in fuel price per ton is offset by a more efficient fleet of Boeing 737-800Ws, and increased sector length of 5% resulting in a reduction in the unit cost for fuel by 5%.

The Group has at the end of the third quarter, forward contracts to cover approximately 28% of fuel exposure at an average price of USD 751 per ton for the remaining of 2010.

**Airport and air traffic control (ATC) charges** increased by 25%, to MNOK 370 (295) in the third quarter compared to the same quarter last year. Unit cost for airport and ATC charges decreased by 6.3%. The unit cost for airport and ATC charges has mainly decreased due to strengthening of NOK against EUR (approximately 55% of these costs are denominated in EUR) and changes to the route portfolio together with an increased sector length of 5%. The currency effect is partially offset by price changes.

**Handling charges** increased by 12% to MNOK 217 (193) in the third quarter compared to the same quarter last year. Unit cost for handling charges decreased by 16.1%. The decrease in unit cost is influenced by increased average sector length of 5%, the strengthening of NOK against EUR and by the increasing number of Boeing 737-800Ws in the fleet. Due to the closure of the European Airspace in April, expected costs were accrued. Reassessment of closure cost in the third quarter resulted in a reversal of MNOK 16 of the accrual.

**Technical maintenance costs** increased by 15 %, to MNOK 193 (168) in the third quarter compared to the same quarter last year. Unit cost for technical maintenance costs decreased by 14% in the third quarter. The positive impact on the maintenance costs is mainly a result of an increased number of owned Boeing 737-800Ws together with an increased share of leased aircraft of the same type in the fleet.

**Leasing costs** increased by 40% to MNOK 216 (154) in the third quarter compared to the same quarter last year. Unit cost for leasing increased by 4% in the third quarter. An increased number of leased Boeing 737-800Ws and use of wetlease in the peak season is the main reason for the increased unit cost. This is partly offset by an increased share of owned Boeing 737-800Ws in the fleet. During the third quarter the company operated 5 owned Boeing 737-800Ws compared to none in the same quarter last year. In the third quarter the company operated 5 owned Boeing 737-300s which is the same number as the third quarter last year.

USD forward currency contracts cover approximately 30 % of expected exposure for the remaining of 2010. Changes in fair value of foreign currency contracts are included in operating costs, and resulted in a net loss of MNOK 25 in the third quarter.

#### **Profit/loss from associated company**

Profit/loss from associated company in the third quarter is estimated to MNOK 2.0 (1.0) which represents the 20 % share of Bank Norwegian's third quarter results.

#### **Earnings**

Earnings before interest, depreciation and amortization (EBITDA) in the third quarter were MNOK 623.6 (514.7) and the earnings before tax (EBT) were MNOK 733.3 (519.5).

#### **Financial items**

Net financial items in the third quarter were MNOK 158.1 (43.0).

In the third quarter, interest on prepayments of MNOK 12.5 is capitalized.

Included in other financial income (expense) is a currency gain on USD denominated financing amount to MNOK 172 due to depreciation of USD against NOK. These unrealized gains have no cash effects.

#### **Tax**

Income taxes amounted to a charge of MNOK 205.3 in the quarter compared to MNOK 144.6 in the third quarter last year.

#### **Net result**

The net result for the third quarter was MNOK 528.0, compared to MNOK 374.8 in the same period last year.

**Balance sheet**

**Total non-current assets** amount to MNOK 4,047 at the end of the third quarter, compared to MNOK 2,719 at the end of last year. The main investment during the year is related to the purchase of 3 new Boeing 737-800W, and prepayments made to Boeing by the end of the third quarter on the aircraft order.

**Total current assets** amount to MNOK 2,434 at the end of the third quarter, compared to MNOK 2,303 at the end of last year. Cash and cash equivalents have decreased by MNOK 227 during 2010.

**Total non-current liabilities** at the end of the third quarter were MNOK 1,752, compared to MNOK 1,093 at the end of last year.

Long-term borrowings increased by MNOK 521 during the year and are related to new aircraft financing and marked-to-market adjustment of USD denominated borrowings. MNOK 190 of new loan is denominated in NOK while the remaining is denominated in USD.

**Total short-term liabilities** at the end of the third quarter were MNOK 2,931, compared to MNOK 2,327 at the end of last year.

Current liabilities increased by MNOK 285 during 2010 due to seasonality and increased production. Short-term borrowings increased by MNOK 45 during 2010, a bond issue of MNOK 163 was repaid while other-short term financing increased by MNOK 208. Due to seasonality and increased production, air traffic liability has increased by MNOK 274 during 2010.

Total interest bearing liabilities at the end of June were MNOK 2,149 compared to MNOK 1,583 at the end of last year.

**Shares**

The parent company Norwegian Air Shuttle ASA had a total of 34,209,858 shares outstanding at 30 September which is the same as at the end of 2009.

**Cash flow**

Cash and cash equivalents were MNOK 1,181 at the end of the third quarter compared to MNOK 1,408 at the end of last year.

**Cash flow from operating activities** in the third quarter amounted to MNOK -48, compared to MNOK 113 in the third quarter last year. Included in other adjustments of MNOK -362 is MNOK -180 related to compensation suit against SAS and currency gain on USD denominated financing amount to MNOK -172.

**Cash flow from investment activities** in the third quarter was MNOK -479, compared to MNOK -416 in the third quarter last year. Delivery of the fifth Boeing 737-800W and the prepayments to Boeing are the main investments in the quarter.

**Net cash from financing activities** in the third quarter was MNOK 127 compared to MNOK 260 in the third quarter last year.

**Other information**

Norwegian has during the third quarter extended its current aircraft order with Boeing Commercial Airplanes for an additional 15 Boeing 737-800 to be delivered between 2014 and 2016. The total order for purchased aircraft at the end of the third quarter stands at a total of 63 whereof six have been delivered. Following this additional order Norwegian has 27 remaining purchase rights for aircraft of the same type.

During the third quarter Norwegian has completed a sale and leaseback agreement for two Boeing 737-800 aircraft. One was delivered in September and the second will be delivered in October. This sale and leaseback transaction constitutes a part of Norwegian's financing strategy for the six option aircrafts called in August 2009.

The Appeals Committee of the Supreme Court has on 28th September 2010 denied SAS' appeal against Borgarting High Court's judgment 16 March 2010, in which SAS was held liable to pay to Norwegian damages for unjustified access to and unlawful use of Norwegians trade secrets. This means that the High Court judgment is final, and that the damages and costs awarded are payable to Norwegian.

In the High Court judgment Norwegian was awarded MNOK 160 in damages, MNOK 6.8 in costs before the county court, and MNOK 7.9 before the High Court, from SAS AB (publ.) and SAS Scandinavian Airlines Norge AS. Interest will be added to these amounts. Norwegian has also been awarded MNOK 0.6 in costs in connection with the Supreme Court's consideration of SAS ill-fated appeal. This results in MNOK 182 in net earnings for Norwegian in the third quarter.

### **Risk and uncertainties**

The airline industry has been through a challenging time as a consequence of the financial crisis and global downturn. The structural changes that the financial crisis has brought to the marketplace necessitate swift adaption in order to remain competitive.

Norwegian operates primarily in a duopolistic market. The other player has strong ownership through the three Scandinavian States. There is a risk that state owned- and privately owned companies have different opportunities when it comes to attracting capital, funding or financial guarantees as required when operating in a rapidly changing environment.

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

### **Outlook**

The demand for travelling with Norwegian and advanced bookings has been satisfactory entering the fourth quarter of 2010. Norwegians capacity increase from introducing larger aircraft (737-800's), with a lower cost level, accommodating lower fares and even higher passenger volumes.

At this time it is perceived that the likelihood for further closure of European airspace is greatly reduced due to the present absence of volcanic activity and changes in procedures for closing European airspace. The previous estimate and guided MNOK 100 in negative earnings effect from the volcanic ashes has been re-evaluated and reduced to MNOK 70. Remaining estimates of direct costs and related accruals are assessed to be adequate for any claims not yet received.

For 2010 Norwegian guides for a production growth (ASK) of 30 % mainly from increasing the fleet by adding 737-800's. Assuming a fuel price of USD 737 pr ton and USD/NOK 5,87 for the remainder of the year (excluding hedged volumes) and with the current route portfolio, the company is targeting a unit cost (CASK) of NOK 0.46 (including current hedges) for 2010, down 2% since the Q2 2010 guiding.

Norwegian guides for a production growth (ASK) of 20 % in 2011 mainly from increasing the fleet by adding 737-800's. The increase in aircraft capacity will mainly be deployed in Finland and Sweden, and in Norway for charter operation. Norwegian may decide to adjust capacity 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 850 pr ton and USD/NOK 6.00 for the year 2011 (excluding hedged volumes) and with the current route portfolio, the company is targeting a unit cost (CASK) in the area of NOK 0.46 – 0.47 for 2011 compared to last years guiding for 2010 of 0.49 – 0.50 with the same assumptions.

Fornebu, 20th October 2010

Bjørn Kjos  
CEO

**Consolidated Income Statement**

Unaudited

(Mill. NOK)	Note	Quarter ended 30.09.		YTD 30.09.		Year ended
		2010	2009	2010	2009	2009
<b>OPERATING REVENUE</b>						
Total operating revenue	3	2,827.9	2,271.5	6,452.3	5,559.3	7,309.2
<b>Total revenue</b>		<b>2,827.9</b>	<b>2,271.5</b>	<b>6,452.3</b>	<b>5,559.3</b>	<b>7,309.2</b>
<b>OPERATING EXPENSES</b>						
Operational expenses		1,522.4	1,194.2	4,077.7	3,208.3	4,318.7
Payroll and other personnel expenses		377.0	308.5	1,116.1	946.7	1,303.3
Other operating expenses		88.6	99.2	297.3	268.0	346.3
<b>TOTAL OPERATING EXPENSES</b>		<b>1,988.0</b>	<b>1,602.0</b>	<b>5,491.0</b>	<b>4,423.0</b>	<b>5,968.3</b>
<b>OPERATING PROFIT / LOSS BEFORE LEASING &amp; DEPR (EBITDAR)</b>						
		<b>839.9</b>	<b>669.5</b>	<b>961.3</b>	<b>1,136.3</b>	<b>1,340.9</b>
Leasing		216.3	154.8	578.6	465.9	620.1
<b>OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)</b>						
		<b>623.6</b>	<b>514.7</b>	<b>382.6</b>	<b>670.4</b>	<b>720.7</b>
Depreciation and amortization		50.3	39.1	140.7	106.1	148.9
<b>OPERATING PROFIT / LOSS (EBIT)</b>						
		<b>573.3</b>	<b>475.6</b>	<b>242.0</b>	<b>564.3</b>	<b>571.9</b>
<b>FINANCIAL ITEMS</b>						
Interest income		13.8	5.9	28.8	16.0	23.4
Interest expense		12.5	5.7	30.2	14.7	21.0
Other financial income (expense)		156.8	42.8	25.5	47.7	45.6
<b>NET FINANCIAL ITEMS</b>		<b>158.1</b>	<b>43.0</b>	<b>24.1</b>	<b>49.1</b>	<b>48.0</b>
Profit/Loss from associated company		2.0	0.9	4.3	1.0	3.2
<b>NET RESULT BEFORE TAX (EBT)</b>						
		<b>733.3</b>	<b>519.5</b>	<b>270.3</b>	<b>614.4</b>	<b>623.0</b>
Income tax expense (benefit)		205.3	144.6	75.8	168.9	176.8
<b>NET PROFIT / LOSS</b>						
		<b>528.0</b>	<b>374.8</b>	<b>194.5</b>	<b>445.5</b>	<b>446.3</b>
Earnings per share (NOK) - Basic		15.44	11.58	5.68	13.77	13.73
Earnings per share (NOK) - Diluted		15.12	11.19	5.57	13.30	13.34
No. of shares at the end of the period		34,209,858	32,359,778	34,209,858	32,359,778	34,209,858
Average no. of shares outstanding		34,209,858	32,359,778	34,209,858	32,359,778	32,499,404
Average no. of shares outstanding - diluted		34,912,806	33,489,990	34,912,806	33,489,990	33,463,429

**Financial key figures**

Unaudited

(Mill. NOK)	Quarter ended 30.09.		YTD 30.09.		Year ended
	2010	2009	2010	2009	2009
Operating margin (%)	20%	21%	4%	10%	8%
Book equity per share (NOK)			52.58	41.85	46.82
Equity ratio (%)			28%	30%	32%

**Consolidated Balance Sheet**

Unaudited

(Mill. NOK)	Note	Quarter ended 30.09.		Year ended Dec 31
		2010	2009	2009
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Intangible assets		210.8	257.5	190.7
Tangible fixed assets		3,731.1	2,083.7	2,446.8
Fixed asset investments		104.7	83.0	81.6
<b>TOTAL NON CURRENT ASSETS</b>		<b>4,046.7</b>	<b>2,424.2</b>	<b>2,719.1</b>
<b>CURRENT ASSETS</b>				
Inventory		47.5	35.9	40.8
Investments		8.3	30.4	23.7
Receivables		1,197.6	1,228.5	829.9
Cash and cash equivalents		1,181.0	782.3	1,408.5
<b>TOTAL CURRENT ASSETS</b>		<b>2,434.4</b>	<b>2,077.1</b>	<b>2,302.8</b>
<b>TOTAL ASSETS</b>		<b>6,481.1</b>	<b>4,501.3</b>	<b>5,022.0</b>
<b>EQUITY AND LIABILITIES</b>				
<b>SHAREHOLDERS EQUITY</b>				
Paid-in capital		1,095.9	846.6	1,093.2
Other equity		702.9	507.6	508.6
<b>TOTAL EQUITY</b>		<b>1,798.8</b>	<b>1,354.2</b>	<b>1,601.7</b>
<b>NON CURRENT LIABILITIES</b>				
Other non-current liabilities		323.5	409.9	185.7
Long term borrowings	6	1,428.1	731.4	907.7
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,751.6</b>	<b>1,141.3</b>	<b>1,093.4</b>
<b>SHORT TERM LIABILITIES</b>				
Current liabilities		1,143.7	728.7	858.8
Short term borrowings	6	720.7	402.1	675.3
Air traffic settlement liabilities		1,066.5	875.0	792.7
<b>TOTAL SHORT TERM LIABILITIES</b>		<b>2,930.8</b>	<b>2,005.8</b>	<b>2,326.8</b>
<b>TOTAL LIABILITIES</b>		<b>4,682.4</b>	<b>3,147.1</b>	<b>3,420.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,481.1</b>	<b>4,501.3</b>	<b>5,022.0</b>

**Condensed consolidated statement of cash flow (unaudited)**

(Mill. NOK)	Quarter ended Sept 30		YTD Sept 30		Year ended Dec 31
	2010	2009	2010	2009	2009
<b>OPERATING ACTIVITIES</b>					
Profit before tax	733.3	519.5	270.3	614.4	623.0
Depreciation, amortization and impairment	50.3	39.1	140.7	106.1	148.9
Changes in air traffic settlement liabilities	-468.8	-410.5	273.8	276.9	194.6
Other adjustments	-362.3	-35.0	-22.8	-436.2	-52.7
<b>Net cash flows from operating activities</b>	<b>-47.5</b>	<b>113.1</b>	<b>661.9</b>	<b>561.1</b>	<b>913.8</b>
<b>INVESTMENT ACTIVITIES</b>					
Purchase and prepayment of tangible assets	-470.1	-395.9	-1,367.4	-863.4	-1,228.7
Purchases of other long-term investments	-8.7	-19.7	-46.0	-64.4	-71.2
<b>Net cash flows from investing activities</b>	<b>-478.9</b>	<b>-415.7</b>	<b>-1,413.5</b>	<b>-927.9</b>	<b>-1,299.9</b>
<b>FINANCING ACTIVITIES</b>					
Loan proceeds	168.9	264.2	810.6	563.4	968.3
Principal repayments	-26.2	0.0	-213.0	0.0	-4.2
Net increase (decrease) in other short-term debt	-16.0	-4.1	-73.1	-21.1	-26.9
Proceeds from issuing new shares	0.0	0.0	0.0	0.0	250.8
<b>Net cash flows from financial activities</b>	<b>126.7</b>	<b>260.1</b>	<b>524.5</b>	<b>542.3</b>	<b>1,188.1</b>
Foreign exchange effect on cash	-0.4	3.5	-0.5	-0.9	-1.0
<b>Net change in cash and cash equivalents</b>	<b>-400.0</b>	<b>-39.1</b>	<b>-227.5</b>	<b>174.7</b>	<b>800.9</b>
<b>Cash and cash equivalents in beginning of period</b>	<b>1,581.0</b>	<b>821.4</b>	<b>1,408.5</b>	<b>607.5</b>	<b>607.5</b>
<b>Cash and cash equivalents in end of period</b>	<b>1,181.0</b>	<b>782.3</b>	<b>1,181.0</b>	<b>782.3</b>	<b>1,408.5</b>

**Statement of comprehensive income**

Unaudited

(Mill. NOK)	YTD 30.09.		Year ended Dec 31
	2010	2009	2009
<b>Net profit for the period</b>	194.5	445.5	446.3
Available-for-sale financial assets	0.0	6.8	1.6
Exchange rate differences Group	-0.3	-2.8	-5.0
<b>Total comprehensive income for the period</b>	<b>194.2</b>	<b>449.5</b>	<b>442.9</b>
<b>Profit attributable to:</b>			
- Owners of the company	194.5	445.5	446.3

**Consolidated changes in equity**

Unaudited

(Mill. NOK)	YTD 30.09.		Year ended Dec 31
	2010	2009	2009
Equity - Beginning of period	1,601.7	897.4	897.4
Total comprehensive income for the period	194.2	449.5	442.9
Share issue	0.0	0.0	253.1
Equity change on employee options	2.7	7.2	8.4
<b>Equity - End of period</b>	<b>1,798.8</b>	<b>1,354.2</b>	<b>1,601.7</b>

## 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 2009 is available upon request from the company's registered office at Oksenøyveien 3, 1330 Fornebu, Norway, or at [www.norwegian.com](http://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 2009. 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 2009.

### 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 2009.

### Note 2 Risk

#### SENSITIVITY ANALYSIS

Unaudited

#### Effect on income MNOK

1 % decrease in jet fuel price	+19
1% weakening of NOK against USD	-29
1% weakening of NOK against EURO	-12

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

### Note 3 Revenue

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

## SALES REVENUE

Unaudited

(Mill. NOK)	Quarter ended 30.09.		YTD 30.09.		Year ended
	2010	2009	2010	2009	2009
<b>Per activity</b>					
Passenger revenue	2,278.5	1,993.3	5,374.3	4,881.8	6,389.4
Ancillary passenger revenue	319.7	243.8	777.5	580.0	788.7
Other revenue	229.6	34.3	300.5	97.5	131.1
<b>Total</b>	<b>2,827.9</b>	<b>2,271.5</b>	<b>6,452.3</b>	<b>5,559.3</b>	<b>7,309.2</b>
<b>Per geographical market</b>					
Domestic	992.2	780.7	2,467.5	2,095.9	2,899.7
International	1,835.7	1,490.8	3,984.7	3,463.4	4,409.5
<b>Total</b>	<b>2,827.9</b>	<b>2,271.5</b>	<b>6,452.3</b>	<b>5,559.3</b>	<b>7,309.2</b>

## 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, Polish, Danish 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 third quarter 2010 there are no changes in related parties compared to the description in Note 27 in the Annual Report for 2009. There have been no significant transactions with related parties during the third quarter 2010.

## Note 6 Borrowings

Unaudited

(Mill. NOK)	YTD Sept 30 2010		YTD Sept 30 2009		Year ended Dec 31 2009	
	Long term	Short term	Long term	Short term	Long term	Short term
Bond issue	-399	0	-299	0	-398	-163
Revolving credit facility	0	-608	-220	-402	-145	-479
Aircraft financing	-1,002	-113	-190	0	-336	-34
Financial lease liability	-27	0	-23	0	-29	0
<b>Total</b>	<b>-1,428</b>	<b>-722</b>	<b>-731</b>	<b>-402</b>	<b>-908</b>	<b>-675</b>
<b>TOTAL BORROWINGS</b>	<b>-2,150</b>		<b>-1,134</b>		<b>-1,583</b>	

## 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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Organisation Number NO 965 920 358 MVA

### Board of Directors - Norwegian Air Shuttle ASA

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

### Group Management

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

### Investor Relations

Karl Peter Gombrii [karl.gombrii@norwegian.no](mailto:karl.gombrii@norwegian.no)

### Other sources of Information

#### Annual reports

Annual reports for Norwegian Group are available on [www.norwegian.com](http://www.norwegian.com)

#### Quarterly publications

Quarterly reports are available on [www.norwegian.com](http://www.norwegian.com).

The publications can be ordered by sending an e-mail to [investor.relations@norwegian.com](mailto:investor.relations@norwegian.com)