Norwegian Air Shuttle ASA

Quarterly Report – FIRST Quarter 2008

First quarter highlights

- High growth in revenue. The first quarter consolidated operating revenue increased by 47.5 % to MNOK 1,088.6, compared to last year.
- Norwegian (the Group) total quarterly earnings before depreciation (EBITDA) were MNOK -226.1 (-8.9), and the quarterly earnings after tax were MNOK -210.8 (-14.9). The quarterly result is affected by increased seasonality, introduction of new aircraft, the integration and expansion of Norwegian.se (FlyNordic), and the start of 13 new routes from Rygge airport.
- Norwegian took delivery of the first two of 50 brand new Boeing 737-800s during the first quarter.
- Announced the rebranding of FlyNordic to Norwegian.se.

Financial key figures and ratios

Unaudited

	Quarter ended March 31		Year ended Dec 31
(NOK 1 000)	**2008**	**2007**	**2007**
Consolidated revenue	1 088 586	738 059	4 226 202
Consolidated EBITDA	-226 139	-8 930	207 995
Consolidated net profit/(loss)	-210 758	-14 942	84 580
Yield (NOK) *)	0.58	0.69	0.65
Unit Cost (NOK) *)	0.60	0.56	0.53
Ancillary revenue/PAX (NOK) *)	51.5	26.9	36.7

*) Only Norwegian Air Shuttle ASA, excluding Norwegian.se (FlyNordic)

Traffic figures

	Quarter ended March 31		Year ended Dec 31
	2008	**2007**	**2007**
Norwegian.no			
ASK (mill)	1 855	1 342	6 959
Passengers	1 630 439	1 303 211	6 362 725
Load factor	78 %	75 %	80 %
Norwegian.se			
ASK (mill)	327		602
Passengers	366 596		571 651
Load factor	73 %		79 %

OPERATIONS

Traffic development

A total of 1,997,035 passengers travelled with Norwegian (the Group) in the first quarter of 2008, compared to 1,303,211 in the first quarter of 2007. This is equivalent to an increase of 53 % in the number of passengers. Norwegian.no had a passenger load factor of 78 % this quarter, compared to 75 % in 2007. The production (ASK) has increased by a total of 38 % for Norwegian.no since the same period last year, and the passenger traffic (RPK) has increased by 44 %. Norwegian.se had a passenger load factor of 73 %.

At the end of the first quarter 2008 Norwegian had 32 operational aircraft, compared to 20 at the end of the same period last year. The total fleet including aircraft on maintenance was 35 aircraft. The utilization of the aircraft has improved as a consequence of the expansion and optimisation and in the first quarter every operational aircraft were utilized 10.3 block hours pr day, compared to 9.5 block hours in the same period last year.

The share of Internet sales for Norwegian.no has increased 1 percentage point to 88 %. For Norwegian.se 70 % of sales was internet based.

Traffic Figures

	Quarter ended March 31			Year ended Dec 31
	2008	2007	y.o.y Change	2007
norwegian.no				
TOTAL				
Internet bookings	88 %	87 %	1 pp	86 %
ASK (mill)	1 855	1 342	38 %	6 959
RPK (mill)	1 447	1 004	44 %	5 586
Load factor	78 %	75 %	3 pp	80 %
Passengers	1 630 439	1 303 211	25 %	6 362 725
DOMESTIC				
ASK (mill)	488	448	9 %	1 950
RPK (mill)	377	338	12 %	1 550
Load factor	77 %	75 %	2 pp	79 %
Passengers	802 167	696 254	15 %	3 116 165
INTERNATIONAL				
ASK (mill)	1 368	894	53 %	5 008
RPK (mill)	1 070	666	61 %	4 036
Load factor	78 %	74 %	4 pp	81 %
Passengers	828 272	606 967	36 %	3 246 570
norwegian.se				
TOTAL				*
Internet bookings	70 %			75 %
ASK (mill)	327			602
RPK (mill)	239			473
Load factor	73 %			79 %
Passengers	366 596			571 651

** Full year 2007 for norwegian.se (FlyNordic) only includes the ownership period from August - December.*

Revenue
The Group has reclassified various revenue items between passenger revenue and ancillary revenue. Comparable figures for previous year have been restated to the same classification. See note 3 for details.

The Group's total revenue in the first quarter was MNOK 1,088.6 (738.1), an increase of 47.5 %. MNOK 994.2 (696.6) of the revenues in the first quarter is related to ticket revenues. MNOK 83.9 (34.8) is other passenger related revenue, while the remaining MNOK 10.5 (6.7) is related to freight, third-party products, and other income.

The yield for Norwegian Air Shuttle ASA (excluding Norwegian.se) was NOK 0.58 compared to NOK 0.69 same period last year. The lower yield is to a large extent affected by a longer average sector length as well as intensified competitive pressure during the quarter.

Ancillary passenger revenue was NOK 51.5/PAX (26.7) in first quarter 2007, an increase of 93 % mainly due to the introduction of seating and baggage fees. The increase in ancillary revenue partly offset the decrease in yield.

The quarterly revenues are more affected by seasonality than previously due to the increased share of international production. The international production is more dependent on the leisure market which has its peak demand in the summer months. The effect is strengthened by the launch of the new base at Rygge Airport and the Groups expansion in Sweden through Norwegian.se, which at the present has its strongest foothold in the leisure market.

Operating Expenses
The operating costs (excluding leasing and depreciation and write-downs) were MNOK 1,233.1 (693.9) this quarter. The cost increase is related to the increase in production (ASK) by 38 % compared to last year as well as the acquisition of Norwegian.se (FlyNordic).

Market price for jet fuel has increased substantially, by 18.8 % in USD, during the quarter, contributing to the higher cost. Stated in NOK the price increase has been 11.4 %. Year on year effect of increased fuel prices on first quarter expenses is MNOK 74.9. Additionally, there has been a relative large increase in personnel costs, as the company has been hiring and training new personnel for the new generation aircraft, which started operation in first quarter. Expenses for training new personnel in first quarter were MNOK 20.

The Group had no forward contracts for fuel in the first quarter, and has at the end of the first quarter, no forward contracts to cover fuel exposure for 2008. Term contracts on USD cover approximately 45 % of expected exposure for operating activities in USD until December 2008. Term contracts on EUR cover approximately 19 % of expected exposure in EUR until December 2008. Changes in fair value of foreign currency term contracts are included in operating costs, in the operating expense line item the hedge is designed to secure. Total expense in first quarter was MNOK 18.0.

In addition, the Group purchased in December 2007, term contracts on USD to minimize the USD exposure on the purchase of three used Boeing 737-300 in the first half year of 2008. Changes in fair value on these contracts are booked as other costs in the profit and loss, amounting to an expense of MNOK 18.9 in first quarter.

The increase in depreciation and amortization is caused by amortization of fair value adjustments of assets in Norwegian.se (FlyNordic). In the first quarter the Group changed the Swedish brand name from FlyNordic to Norwegian.se, and a write down of MNOK 12.0 on the value of the brand name is included in first quarter amortization. Remaining book value of brand name of MNOK 15.2 will be amortized over the next 12 months.

Profit/loss from associated company of MNOK -4.0 (0.0) consists of the Group's share of Bank Norwegian's first quarter results. As the Bank's first quarter results have not been publicly issued, the Group has made estimates based on previous quarter's results, and other publicly available financial information.

Earnings
Earnings before depreciation and write-down (EBITDA) in the first quarter were MNOK -226.1 (-8.9), and the earnings before tax (EBT) were MNOK -292.9 (-20.8).

The change in earnings are caused by the increased fuel price (MNOK 74.9), fair value adjustment of foreign exchange forward contracts (MNOK 64.9), training of crew and pilots for new aircraft (MNOK 20), and write- down of brand name FlyNordic (MNOK 12). The quarter revenues and expenses are also affected by increased seasonality, expansion in Sweden and the start up of a new base at Rygge airport.

Financial items
Financial items in first quarter of MNOK -29.2 (3.6) include an expense of MNOK 32.5, for the inefficiency of the hedge contract connected to the purchase contract for new generation Boeing aircraft.

Tax
The companies in the Group have tax losses to be carried forward both in Norway and Sweden. Deferred tax asset of MNOK 78.0 was recognized in first quarter of 2008. Reduction in deferred tax liability relating to fair value adjustments of assets in Norwegian.se (FlyNordic) of MNOK 4.4 was recognized in the profit and loss as tax income.

Net result
Net result for first quarter of 2008 was MNOK -210.8, compared to MNOK -14.9 in first quarter 2007.

Balance sheet
Total non-current assets amounted to MNOK 1,287.2 (376.5) at the end of the quarter, of which intangible assets of deferred tax, fair value adjustments of Norwegian.se's (FlyNordic) assets, and capitalized expenses for developing IT systems, are MNOK 358.0. Included in tangible fixed assets are the prepayments to Boeing for new generation aircraft of MNOK 361.8 and fair value of hedge object related to the hedge contract of MNOK 231.0.

Total liabilities at the end of the quarter were MNOK 2,446.3 (1,239.1), of which MNOK 297.9 is interest bearing.

Shares
The parent company Norwegian Air Shuttle ASA had a total of 20,865,526 shares outstanding at the end of first quarter 2008. As per 31 March 2008, a total of 1,390,633 options are outstanding.

Cash flow
Cash and cash equivalents balance was MNOK 447.0 (528.2) at the end of the quarter, compared to MNOK 501.4 at the end of the previous quarter. The decrease in cash is caused by prepayments made on the Boeing contract of MNOK 45.3 during the quarter, as well as seasonality in sales pattern affecting trade receivables and credit card receivables on the quarter financial closing date.

OUTLOOK

The demand for travelling with Norwegian and advanced bookings has been satisfactory entering the second quarter of 2008. Norwegian's traffic growth has been higher than the capacity increase resulting in higher loadfactors compared to last year. Norwegian has executed several sales and marketing campaigns that have been well received by the market, and continue to attract customers to the continuously growing route portfolio.

Norwegian has during the first quarter started operation at the new base at Rygge Airport with a total of 13 routes started in the first quarter. The performance of the majority of these routes has so far met expectations. Norwegian has in the first quarter announced several new routes, among them are Oslo – Dubai, Stockholm – Dubai, Oslo – Kristiansand and Oslo – Bardufoss. The Group took delivery of and set into full production the first two of 53 737-800's during the first quarter.

The Warsaw base continues its positive development, however the base is not expected to be profitable in 2008 as capacity is added with another aircraft introduced to the base later this year.

Norwegian is well under way in the integration process of key functions within FlyNordic and Norwegian. Two of the most important milestones in the integration process were successfully executed in April. This was the migration of FlyNordic's commercial IT platform over to Norwegian's existing platform, which has successfully proven itself as a cost effective and reliable platform, and the rebranding of FlyNordic to Norwegian.se. The next major step in the integration process will be unifying the aircraft fleet. FlyNordic will during Q2-Q4 receive several Boeing 737-800's while at the same time they will be starting the process of phasing out their MD80 fleet.

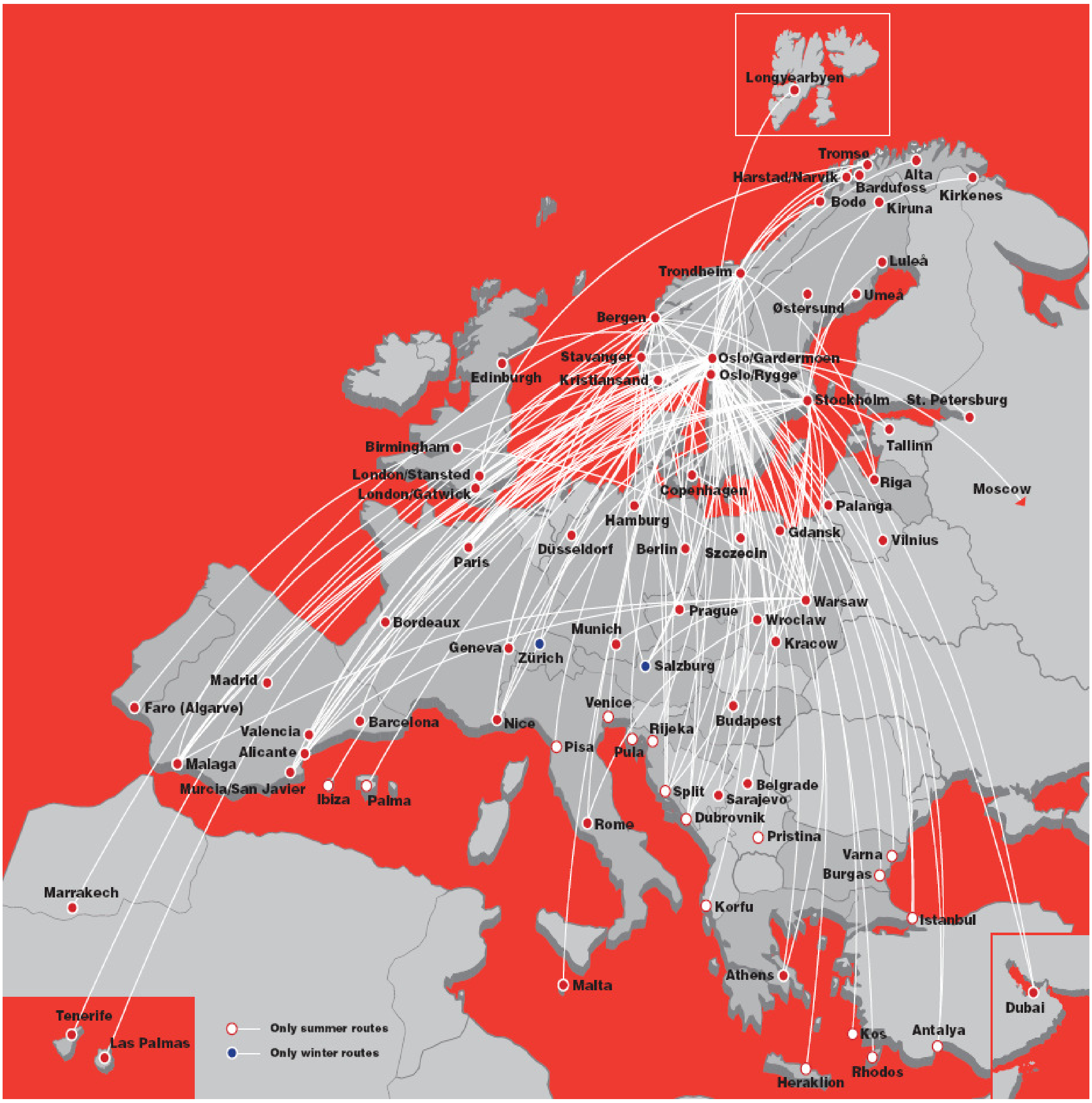
As previously communicated the Group expects significantly larger seasonal fluctuations in 2008 than previous years. This is due to the larger share of international production in the route portfolio, in part due to the Groups expansion in Sweden through Norwegian.se and the start up of the new base at Rygge.

Norwegian has currently no hedging positions for fuel. At the end of first quarter, approximately 45 % of the companies USD exposure and 19 % of EUR exposure for rest of year 2008 was hedged.

The Group guided at the beginning of the year a unit cost of NOK 0.50 for 2008 based on the then current fuel price of USD 850 per ton. During first quarter 2008 the fuel price have increased and will significantly affect the fuel costs in the coming quarters. Based on the current fuel price and the expectations for the future fuel price levels, the Group is estimating a unit cost of NOK 0.52 for 2008. This assumes an average fuel price of USD 980 pr ton. Continued intense competition is expected to impact Group yield.

Fornebu, 23 April 2008

Bjørn Kjos
CEO



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Consolidated Income Statement
Unaudited

		Quarter ended March 31		Year ended Dec 31
(NOK 1 000)	Note	**2008**	**2007**	**2007**
OPERATING REVENUE				
Total operating revenue	3	1 088 586	738 059	4 226 202
TOTAL REVENUE		**1 088 586**	**738 059**	**4 226 202**
OPERATING EXPENSES				
Operating expenses	4	906 689	532 399	2 875 418
Personell expenses	4	235 089	121 535	622 189
Other operating expenses	4	91 345	39 949	224 200
TOTAL OPERATING EXPENSES		**1 233 123**	**693 883**	**3 721 807**
OPERATING PROFIT / LOSS BEFORE LEASING & DEPR (EBITDAR)		**-144 537**	**44 176**	**504 395**
Leasing		81 602	53 106	296 400
OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)		**-226 139**	**-8 930**	**207 995**
Depreciation and amortization		33 509	15 520	74 044
OPERATING PROFIT / LOSS (EBIT)		**-259 648**	**-24 450**	**133 951**
Net financial items		**-29 241**	**3 632**	**-29 949**
Profit/loss associated company		-4 044	0	-1 821
Gain from sale of subsidiary		0	0	10 800
NET RESULT BEFORE TAX (EBT)		**-292 934**	**-20 818**	**112 982**
Income tax expense (benefit)		-82 176	-5 876	28 402
NET PROFIT/ (LOSS)		**-210 758**	**-14 942**	**84 580**
Earnings per share (NOK) - Basic		-10.1	-0.8	4.2
Earnings per share (NOK) - Diluted		-9.5	-0.8	4.1
No. of shares at the end of the period		20 865 526	19 669 196	20 865 526
Average no. of shares outstanding		20 865 526	19 669 196	20 196 040
Average no. of shares outstanding - diluted		22 256 159	19 805 446	20 831 005
Operating margin (%)		-24 %	-3 %	3 %
Book equity per share (NOK)		14.4	12.5	11.8
Equity ratio (%)		11 %	17 %	22 %

Consolidated Balance Sheet

Unaudited

(NOK 1 000)	Note	March 31 2008	March 31 2007	Year ended Dec 31 2007
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		357 962	136 163	293 724
Tangible fixed assets		834 628	231 067	682 642
Fixed assets investment		94 618	9 319	92 027
TOTAL NON_CURRENT ASSETS		**1 287 207**	**376 549**	**1 068 393**
CURRENT ASSETS				
Consumable goods		30 014	26 445	28 000
Investments		269 693	11 046	241 751
Receivables		712 934	542 865	491 543
Cash in bank and in hand etc.		447 028	528 213	501 410
TOTAL CURRENT ASSETS		**1 459 668**	**1 108 570**	**1 262 705**
TOTAL ASSETS		**2 746 875**	**1 485 119**	**2 331 098**
EQUITY AND LIABILITIES				
SHAREHOLDERS EQUITY				
Called-up and fully paid equity		444 219	275 610	443 117
Retained earnings		-143 656	-29 597	65 156
TOTAL EQUITY		**300 563**	**246 013**	**508 273**
LIABILITIES				
Provisions for liabilities and charges		105 832	108 812	134 352
Other long term liabilities		593 271	76 500	471 501
Current liabilities		1 747 209	1 053 794	1 216 972
TOTAL LIABILITIES		**2 446 312**	**1 239 107**	**1 822 825**
TOTAL EQUITY AND LIABILITIES		**2 746 875**	**1 485 119**	**2 331 098**

Consolidated Cash flow statement

Unaudited

(NOK 1 000)	Quarter ended March 31 2008	Quarter ended March 31 2007	Year ended Dec 31 2007
Net cash flows from operating activities	14 423	238 498	497 920
Net cash flows from investing activites	-63 419	-18 453	-532 619
Net cash flows from financial activities	-5 946	76 500	306 425
Exchange rate effect on cash	559	-42	-2 025
Net change in cash and cash equivalents	**-54 382**	**296 503**	**269 700**
Cash and cash equivalents in beginning of period	501 410	231 710	231 710
Cash and cash equivalents in end of period	447 028	528 213	501 410

Consolidated changes in equity

Unaudited

	Quarter ended March 31		Year ended Dec 31
(NOK 1 000)	**2008**	**2007**	**2007**
Equity - Beginning of period	508 273	260 727	260 727
Share issue			136 343
Equity change on empoyee options	1 102	269	1 559
Stock options issued for FlyNordic aquisition			29 485
Profit/loss	-210 758	-14 942	84 580
Exchange rate difference group	1 946	-41	-4 421
Equity - End of period	300 563	246 013	508 273

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 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 2007 are available upon request from the company's registered office at Oksenøyveien 10A, 1330 Fornebu, Norway, or at www.norwegian.no.

These condensed consolidated interim financial statements have been prepared in accordance with rules and regulations of Oslo Stock Exchange and International Financial Reporting Standard (IFRS) 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 of the Group as at and for the year ended 31 December 2007. 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 as at and for the year ended 31 December 2007.

Note 1 Judgements, estimated 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 2007.

Note 2 Risk

SENSITIVITY ANALYSIS Unaudited	**Effect on income** **MNOK**
1 % decrease in jet fuel price	17
1 % weakening of NOK against USD	-30
1 % weakening of NOK against EUR	-10

The sensitivity analysis reflects the effect on P/L by substantial 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, and is exclusive of the Group's foreign exchange forward contracts.

Note 3 Revenue

The Group has for first quarter reporting reclassified line items of revenue between passenger revenue, ancillary passenger revenue and other 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^{rd} party commissions etc.

Previous periods have been restated.

SALES REVENUE
Unaudited

	Quarter ended March 31		**Year ended Dec 31**
(NOK 1 000)	**2008**	**2007**	**2007**
Per activity			
Passenger revenue	994 169	696 618	3 956 046
Ancillary passenger revenue	83 895	35 053	233 696
Other revenue	10 522	6 388	36 460
Total	1 088 586	738 059	4 226 202
Per geographical market			
Domestic	437 479	401 720	1 794 729
International	651 107	336 339	2 431 474
Total	1 088 586	738 059	4 226 202

Note 4 Operational expenses

COST BREAKDOWN
Unaudited

(NOK 1 000)	Quarter ended March 31 2008	2007	Year ended Dec 31 2007
Personell expenses	235 089	121 535	622 189
Sales/ distribution expenses	31 980	22 556	94 162
Aviation fuel	343 795	153 057	990 741
Airport charges	160 185	107 577	601 780
De-icing	23 630	13 036	38 080
Handling charges	123 156	75 089	404 275
Technical maintenance expenses	122 422	64 890	412 837
Other expenses	192 866	136 144	557 743
Total operating costs	**1 233 123**	**693 883**	**3 721 807**

Note 5 Segment information

The Group's business is managed in one operational segment which is low cost air passenger travel. The products are in all effect identical in all geographical markets.

The Group has operations in three geographical areas, but the revenue generating assets, the aircraft, are utilized separately between Norway and Sweden. Because the Group only has one business segment, the primary reporting format is the geographical segments.

There have been no changes from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

Quarter ended March 31 2008 (NOK 1 000)	Norway	Sweden	Total
External Revenue	926 825	161 761	1 088 586
Operating profit/loss	-187 258	-72 390	-259 648
Depreciation *)	17 556	15 953	33 509

*) Includes depreciation and write down on the fair values of assets identified in purchase price allocation. Write down on fair value of brand name FlyNordic is MNOK 12.0.