

Interim report

Norwegian Air Shuttle ASA – second quarter 2014



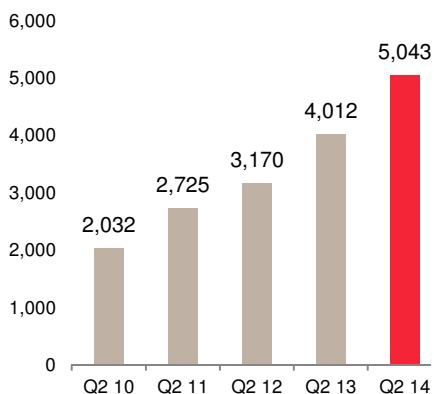
Unit cost:

-2%

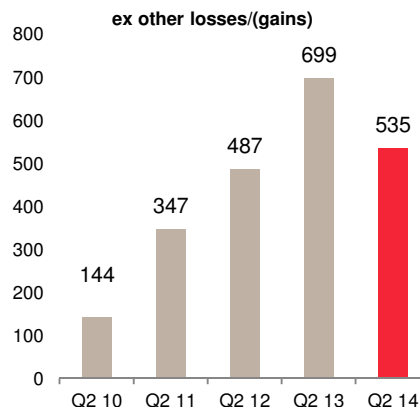
Unit cost NOK 0.41

- Net profit of MNOK 128.3
- Strong passenger growth, up 16% to 6.4 million passengers
- Significant capacity growth (+41%) and increased load factor (+3%)
- Voted Europe's best low-cost carrier for the second year running by SkyTrax World Airline Awards

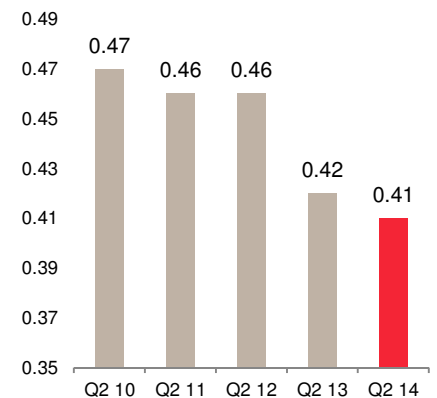
Revenues



EBITDAR



Unit Cost



Strong production growth and record high load factor

Norwegian (NAS) today reported a second quarter 2014 net profit of 128 MNOK. The second quarter is characterized by strong growth and a record high load factor, and influenced by significant, one-off costs, a weak Norwegian currency and high oil prices.

The second quarter figures also reflect Norwegian's growth strategy and the company's goal to fill all its new seats. Despite significant costs related to the start-up of the long-haul operation and higher costs due to the weak Norwegian currency, the unit cost (CASK) is down, strengthening Norwegian's competitive advantage further.

The total revenue in the second quarter was over 5 BNOK, up 26 percent from the same quarter last year. The pre-tax result (EBT) was -137 MNOK. 6.4 million passengers chose to travel with Norwegian during the second quarter, which is an increase of 16 percent and almost 900 000 passengers more than the same period last year. The company's traffic growth (RPK) was considerably higher at 46 percent, which reflects that each of Norwegian's passengers on average flies significantly longer than they did a year ago.

Norwegian realized a strong production growth (ASK) of 41 percent. The growth is, naturally, stronger in new markets. Despite Norwegian's strong capacity growth, the company is still filling its seats. The load factor in this quarter was 80 percent, up three percentage points from the same quarter

last year, which is record high for a second quarter.

"This quarter, we see clear results of the company's strategy. Over the past year, we have established a long-haul operation and we have opened several new bases in Europe. More than half of our 417 routes are currently operated outside Norway, which illustrates a significant international expansion over the past year. At the same time, we have managed to cut costs, which is essential in such a competitive, global business as the aviation industry. We have, however, had significant, one-off expenses. Both wet lease of aircraft and the strike from labour union Parat has affected the result significantly. There is also a high competitive pressure, particularly in the Scandinavian market," said Norwegian's CEO Bjørn Kjos.

Norwegian was recently awarded the title "Europe's best low-cost carrier" for the second year running by the renowned SkyTrax World Airline Awards, where the passengers themselves decide the winners. Norwegian also came third in the vote for "World's best low-cost carrier", only beaten by AirAsia and AirAsia X.

CONSOLIDATED FINANCIAL KEY FIGURES

Unaudited

(Amounts in NOK million)	Q2 2014	Q2 2013	Change	YTD 2014	YTD 2013	Change	Full Year 2013
Operating revenue	5,043.4	4,012.1	26 %	8,600.1	6,916.1	24 %	15,579.5
EBITDAR	562.8	877.5	-36 %	346.0	1,315.9	-74 %	2,783.9
EBITDAR excl other losses/(gains)	534.6	698.5	-23 %	214.9	881.0	-76 %	2,294.6
EBITDA	93.7	573.9	-84 %	-519.0	762.8	168 %	1,499.5
EBITDA excl other losses/(gains)	65.5	394.9	-83 %	-650.1	327.9	298 %	1,010.2
EBIT	-85.1	446.1	-119 %	-860.5	515.3	267 %	969.7
EBT	-137.0	276.9	-149 %	-948.5	116.9	911 %	437.4
Net profit/ loss (-)	128.3	196.8	-35 %	-465.2	79.6	684 %	321.6
EBITDAR margin	11.2 %	21.9 %		4.0 %	19.0 %		17.9 %
EBITDA margin	1.9 %	14.3 %		-6.0 %	11.0 %		9.6 %
EBIT margin	-1.7 %	11.1 %		-10.0 %	7.5 %		6.2 %
EBT margin	-2.7 %	6.9 %		-11.0 %	1.7 %		2.8 %
Net profit margin	2.5 %	4.9 %		-5.4 %	1.2 %		2.1 %
Book equity per share (NOK)				65.4	71.5	-8 %	78.2
Equity ratio (%)				12 %	18 %	-33 %	19 %
Net interest bearing debt				5,974.0	2,843.5	110 %	4,346.1

OPERATIONAL REVIEW

CONSOLIDATED TRAFFIC FIGURES AND RATIOS

Unaudited

<i>(Ratios in NOK)</i>	Q2 2014	Q2 2013	Change	YTD 2014	YTD 2013	Change	Full Year 2013
Yield	0.44	0.53	-17 %	0.42	0.52	-19 %	0.50
Unit Revenue	0.35	0.41	-14 %	0.33	0.40	-17 %	0.39
Unit Cost	0.41	0.42	-2 %	0.43	0.44	-2 %	0.42
Unit Cost ex fuel	0.28	0.29	-4 %	0.30	0.31	-4 %	0.29
Ancillary Revenue/Sched. PAX	110	80	38 %	110	83	32 %	87
Internet bookings	79 %	80 %	-1 pp	81 %	80 %	1 pp	80 %
ASK (million)	12,012	8,541	41 %	21,432	14,918	44 %	34,318
RPK (million)	9,585	6,566	46 %	16,865	11,418	48 %	26,881
Passengers (million)	6.40	5.51	16 %	11.27	9.44	19 %	20.71
Load Factor	80 %	77 %	3 pp	79 %	77 %	2 pp	78 %
Average sector length (km)	1,296	1,102	18 %	1,280	1,099	16 %	1,168
Fuel consumption (metric tonnes)	255,150	183,773	39 %	454,653	319,254	42 %	735,154
CO ₂ per RPK	84	88	-5 %	85	88	-4 %	87

Traffic Development

A total of 6.4 million passengers travelled with Norwegian in the second quarter of 2014, compared to 5.51 million in the second quarter of 2013, an increase of 16 %. Production (ASK) increased by 41 % and passenger traffic (RPK) increased by 46%. The load factor was 80% in the second quarter, an increase of 3 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 wetlease comprised 96 aircraft. The Group utilized every operational aircraft on average 11.8 block hours per day in the second quarter compared to 11.6 last year.

The share of Internet sales was 79 % which is a decrease of 1 percentage point from last year.

Operating performance

Punctuality, the percentage of flights departing on schedule, was 88% in the second quarter 2014, unchanged from the same quarter last year.

Regularity, the percentage of scheduled flights actually taking place, was 99.4 % in the second quarter, compared to 99.6 % in the same quarter last year.

FINANCIAL REVIEW

Profit and loss statement

Second quarter earnings were affected by strong capacity growth and strong competition in leisure markets as well as effects from the industrial action caused by centralized union. Ticket revenue per unit produced decreased by 14 % and unit cost decreased by 2 %, resulting in an EBT margin of -2.7 %. Sector length increased significantly by 18 %, affecting unit revenue and unit cost in the second quarter. Irregularity costs from the long haul operation are estimated to MNOK 101 in the second quarter.

Earnings before interest, depreciation, amortization, restructuring and rent (EBITDAR) excluding other losses/(gains) for the first half year was MNOK 214.9 (881.0) and MNOK 534.6 (698.5) in second quarter.

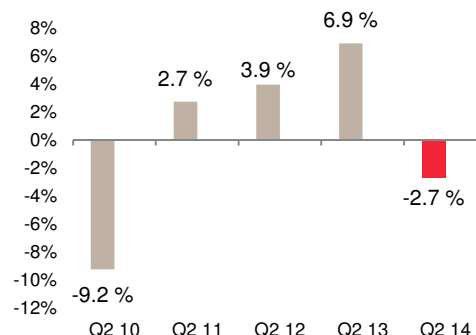
Earnings before tax (EBT) was MNOK -948.5 (116.9) in first half year, and MNOK -137.0 (276.9) in second quarter. The net profit/(loss) for the first half year was MNOK -465.2 (79.6), and second quarter was MNOK 128.3 (196.8).

Revenues

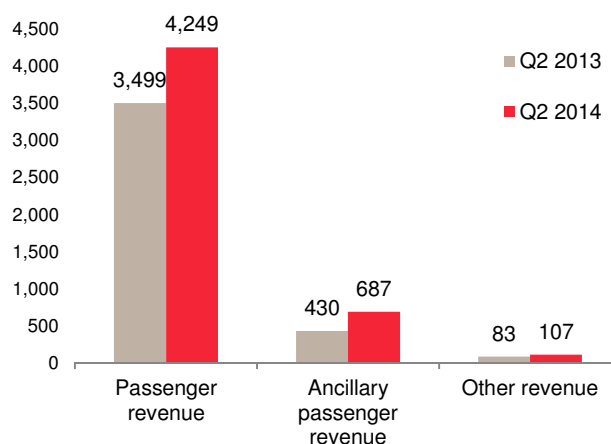
Total revenues in the second quarter were MNOK 5,043 (4,012), an increase of 26 %. MNOK 4,249 (3,499) of the revenues in the second quarter was related to ticket revenues. The ticket revenue per unit produced (RASK) in the second quarter was NOK 0.35 compared to NOK 0.41 for the same period last year. The RASK development compared to last year reflects lower yield and increased load factor, primarily due to establishment of new European short haul bases and long haul operations to North America and Southeast Asia. Ancillary revenue was MNOK 687 (430), while the remaining MNOK 107 (83) was related to freight, third-party products, gain from sale of assets and other income. Ancillary passenger revenue was NOK 110 per scheduled passenger (NOK 80) in the second quarter, an increase of 38%, mainly due to ancillary revenue from long haul operations.

Revenue from international traffic increased by 37.2 % to MNOK 3,870 in second quarter 2014, while revenue from domestic traffic decreased compared to last year to MNOK 1,173. 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.

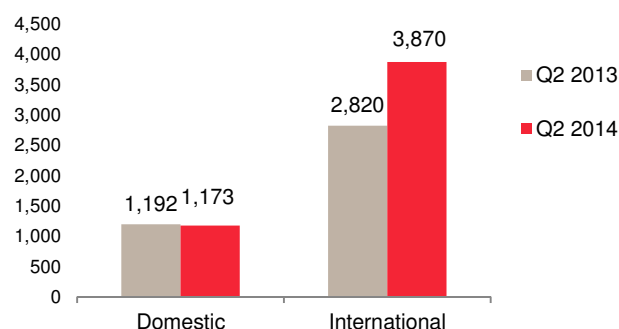
EBT margin



Revenue split (MNOK)



Revenue by geography (MNOK)



Operating expenses

COST BREAKDOWN

Unaudited

(Amounts in NOK million)	Q2 2014	Q2 2013	Change	YTD 2014	YTD 2013	Change	Full Year 2013
Personell expenses	771.2	627.3	23 %	1,531.0	1,251.3	22 %	2,478.3
Sales/ distribution expenses	107.1	82.1	30 %	228.6	164.8	39 %	339.4
Aviation fuel	1,638.8	1,156.7	42 %	2,916.1	2,016.4	45 %	4,694.3
Airport and ATC charges	716.1	568.1	26 %	1,293.9	969.4	33 %	2,185.3
Handling charges	472.5	332.2	42 %	849.3	584.8	45 %	1,339.4
Technical maintenance expenses	332.8	235.4	41 %	605.3	398.6	52 %	927.8
Other flight operation expenses	218.9	130.5	68 %	439.8	301.7	46 %	587.0
General and administrative expenses	251.1	181.2	39 %	521.2	348.1	50 %	733.3
Other losses/(gains) - net	-28.2	-179.0	-84 %	-131.1	-434.9	-70 %	-489.3
Total operating expenses	4,480.6	3,134.6	43 %	8,254.1	5,600.2	47 %	12,795.7
Leasing	469.1	303.6	55 %	865.1	553.1	56 %	1,284.4
Total operating expenses incl lease	4,949.6	3,438.2	44 %	9,119.2	6,153.3	48 %	14,080.1

Operating expenses excluding leasing and depreciation increased by 43 % to MNOK 4,481 (3,135) this quarter. A production increase (ASK) of 41 % is the main factor explaining the increased operating expenses this quarter.

The unit cost was NOK 0.41, which is a decrease of 2 % from last year. Unit cost ex fuel was MNOK 0.28 (-4 %). 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. Appreciation of USD and EUR against NOK affects the unit cost by an estimated 4 % increase.

Personnel expenses increased by 23 % to MNOK 771 (627) in the second quarter compared to the same quarter last year. Unit cost for personnel expenses decreased by 13 %. The increased expenses from hired personnel and new bases are more than offset by the productivity increase (41 %) and increased sector length and number of seats derived from international production.

The average number of man-labor year increased by 30 % compared to same quarter last year.

Sales and distribution expenses increased by 30 % to MNOK 107 (82) in the second quarter compared to the same quarter last year. Unit cost for sales and distribution expenses decreased by 7 %. Appreciation of EUR against NOK is more than offset by reduced cost due to an increased sector length.

Aviation fuel expenses increased by 42 % to MNOK 1,639 (1,157) in the second quarter compared to the same quarter last year. The increase is driven by the production increase of 41 %. A 4% increase in the USD spot price resulted in an increase in unit cost of 1 % for the quarter.

The Group has at the end of the second quarter forward contracts to cover approximately 7 % of fuel exposure at an average price of USD 950 per ton for the remaining of 2014.

Airport and air traffic control (ATC) charges increased by 26 %, to MNOK 716 (568) in the second quarter compared to the same quarter last year. Unit cost for airport and ATC charges decreased by 10 %. Increased prices and appreciation of EUR against NOK are more than offset by reduced cost due to an increased sector length and increased capacity.

Handling charges increased by 42 %, to MNOK 473 (332) in the second quarter compared to the same quarter last year. Unit cost for handling charges increased with 1 % from last year due to increased prices from introducing larger aircraft and appreciation of EUR against NOK.

Technical maintenance costs increased by 41 %, to MNOK 333 (235) in the second quarter compared to the same quarter last year. Unit cost for technical maintenance increased by 1 %. The main reasons for increased unit costs are maintenance expenses related to the Boeing 787-8 Dreamliner, and appreciation of USD against NOK. The increased technical expenses are partially offset by 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 68 % to MNOK 219 (131) 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, insurance and meals and housing for crew. Increased costs for meals and housing for hired crew personnel is more than offset by increased sector length and increased capacity. Appreciation of USD and EUR

against NOK results in a 19 % increased unit cost in the quarter.

General and administrative expenses increased by 39 % to MNOK 251 (181) in the second quarter compared to the same quarter last year due to the introduction of new markets, products and international bases. Unit cost for general and administrative expenses decreased by 1 %.

Other losses/(gains)-net; a gain of MNOK 28 was recognized in the second quarter compared to a gain of MNOK 179 in 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.

Leasing costs increased by 55 % to MNOK 469 (304) in the second quarter compared to the same quarter last year. Unit cost for leasing increased by 10 % due to the use of wetlease aircraft in international operation and by an increased number of leased 737-800Ws and the introduction of Boeing 787-8 Dreamliner in the fleet. Appreciation of USD against NOK increases unit cost in the period.

During the second quarter the Group operated 38 (23) owned Boeing 737-800Ws, 2 (0) owned Boeing 787-8 Dreamliner and 5 (5) Boeing 737-300s

Profit/Loss from Associated Company in the second quarter was estimated to MNOK 11 (10) which represents the 20 % share of Bank Norwegian's first quarter results.

Financial Items were MNOK -63 (-179) in the second quarter. Interest on prepayments of MNOK 24 (38) was capitalized, reducing interest expenses. Included in other financial income (expense) is a currency loss on USD denominated borrowings amounting to MNOK 170 (179), due to appreciation of USD against NOK. At the end of 2013, the Group transferred owned aircraft to subsidiaries with USD as functional currency, and a gain of MNOK 164 on currency translation is included in financial items in second quarter 2014, offsetting the gains from borrowings. These gains and losses have no cash effects.

Income taxes amounted to an income of MNOK 265 (-80) in the second quarter. Included in the income tax benefit in second quarter is an adjustment of tax payable and deferred tax from 2013.

Financial position and liquidity

The significant transactions contemplating the financial aspect of the restructuring took effect as of 31.12.2013. After the restructuring, the aircraft assets are accounted for in USD, creating a natural hedge against USD denominated borrowings.

Net interest bearing debt at the end of the second quarter was MNOK 5,974 compared to MNOK 4,346 at the end of last year. The financial position is highly affected by increased production and asset acquisitions. At the end of

second quarter, the financial position continues to be solid with an equity ratio of 12 %, a decrease of 7 percentage point from 19 % at year-end 2013.

Net change in cash and cash equivalents in second quarter was MNOK -821. Investments in new aircraft and equipment were MNOK -1,902 with net cash from financing activities of MNOK 660. 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 14,000 at the end of the second quarter, compared to MNOK 10,851 at the end of last year. The main investments during the quarter are related to prepayments to aircraft manufacturers for aircraft on order and delivery of three new owned Boeing 737-800Ws, and one Boeing 787-8.

Total current assets amount to MNOK 4,924 at the end of the second quarter, compared to MNOK 3,912 at the end of last year. Investments have increased by MNOK 21 during the quarter due to changes in fair value of term contracts. Receivables have increased by MNOK 817 during the year due to increased production. Cash and cash equivalents have increased by MNOK 173 during the year.

Total non-current liabilities at the end of the second quarter were MNOK 8,321, compared to MNOK 6,728 at the end of last year. Long-term borrowings increased by MNOK 975 during the quarter and 1,810 during first half year. The increase in borrowings is mainly related to external borrowings on eight Boeing 737-800Ws and one 787-8. Additionally, mark-to-market adjustment of USD denominated borrowings increase the value of borrowings. Down-payments on aircraft financing partially offsets the increase. Other non-current liabilities decrease by MNOK 218 due to increased accruals for heavy maintenance offset by reduction in deferred tax.

Total short-term liabilities at the end of the second quarter were MNOK 8,304, compared to MNOK 5,285 at the end of last year. Current liabilities increased by MNOK 705 during the quarter and 1,017 the first half year due to increased production. Short-term borrowings decreased by MNOK 10 during the first half year due to increase in borrowings offset by down-payments of pre-delivery payment financing, which is replaced by long term borrowings at delivery of aircraft. Increased value of borrowings from mark-to-market adjustment of USD denominated borrowings partially offset the decrease. Air traffic liability decreased by MNOK 116 during the quarter, but increased by MNOK 2,013 the first half year due to increased production.

Equity at the end of the second quarter was MNOK 2,299 compared to MNOK 2,750 at the end of last year. The decrease in equity is mainly related to net loss of MNOK 465.

Cash flow

Cash and cash equivalents were MNOK 2,339 at the end of the second quarter compared to MNOK 2,166 at the end of last year.

Cash flow from operating activities in the second quarter amounted to MNOK 416 compared to MNOK 1,085 in the second quarter last year, mainly due to loss in the period. Air traffic settlement liability decreased by MNOK 116 during the second quarter compared to an increase of MNOK 108 during the same quarter last year. Cash from other adjustments amounted to MNOK 487 during second quarter compared to MNOK 572 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 -1.902, compared to MNOK -702 in the second quarter last year. Prepayments to aircraft manufacturers and delivery of three new Boeing 737-800Ws and one new Boeing 787-8 are the main investments in the quarter. In comparison, there were no investments related to aircraft deliveries in the second quarter last year.

Cash flow from financing activities in the second quarter was MNOK 660 compared to MNOK 96 in the second quarter last year. Proceeds from long term financing of four new aircraft 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 2014. 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 2014) with a lower operating cost.

Norwegians short haul operations have, in addition to the Nordic countries, at the present six bases operational in Spain (Malaga, Alicante, Las Palmas, Tenerife, Madrid and Barcelona) and a base in London.

Norwegian guides for a production growth (ASK) in excess of 35% for 2014, 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 6.00 for the year 2014 (excluding hedged volumes) and with the currently planned route portfolio, the Company is targeting a unit cost (CASK) in the area of NOK 0,40 - 0.41 for 2014.

The long haul production will grow in accordance with the phasing in of aircraft and the company will have eight Boeing 787 by the end of the first half year of 2015.

In accordance with the strategic plan, the leasing company in Ireland, Arctic Aviation Assets Ltd, is starting its leasing operations.

Norwegian has established and prepared for an organizational structure which secures cost efficient international expansion and necessary traffic rights for the future.

Fornebu, 16 July 2014

CEO
Bjørn Kjos

CONDENSED CONSOLIDATED INCOME STATEMENT**Unaudited**

<i>(Amounts in NOK million)</i>	<i>Note</i>	Q2 2014	Q2 2013	YTD 2014	YTD 2013	Full Year 2013
Operating revenue						
Total operating revenue	3	5,043.4	4,012.1	8,600.1	6,916.1	15,579.5
Total operating revenue		5,043.4	4,012.1	8,600.1	6,916.1	15,579.5
Operating expenses						
Operational expenses		3,484.0	2,503.1	6,325.1	4,432.9	10,079.4
Payroll and other personnel expenses		773.1	627.3	1,531.0	1,251.3	2,478.3
Other operating expenses		223.5	4.2	398.0	-83.9	238.0
Total operating expenses		4,480.6	3,134.6	8,254.1	5,600.2	12,795.7
Operating profit/loss before leasing & depr (EBITDAR)						
		562.8	877.5	346.0	1,315.9	2,783.9
Leasing		469.1	303.6	865.1	553.1	1,284.4
Operating profit/loss before depr (EBITDA)						
		93.7	573.9	-519.0	762.8	1,499.5
Depreciation and amortization		178.8	127.9	341.5	247.5	529.8
Operating profit/loss (EBIT)		-85.1	446.1	-860.5	515.3	969.7
Financial items						
Interest income		15.0	21.3	28.8	32.8	66.3
Interest expense		55.3	21.9	101.4	41.3	130.4
Other financial income (expense)		-22.4	-178.5	-40.1	-411.2	-514.8
Net financial items		-62.7	-179.0	-112.7	-419.7	-578.9
Profit/Loss from associated company		10.9	9.8	24.8	21.3	46.6
Net result before tax (EBT)		-137.0	276.9	-948.5	116.9	437.4
Income tax expense (benefit)		-265.3	80.1	-483.3	37.3	115.8
Net profit/loss		128.3	196.8	-465.2	79.6	321.6
Net profit attributable to:						
Owners of the parent company		128.3	196.8	-465.2	79.6	321.6
Earnings per share (NOK) - Basic		3.7	5.6	-13.2	2.3	9.2
Earnings per share (NOK) - Diluted		3.6	5.5	-13.0	2.2	9.0
No. of shares at the end of the period		35,162,139	35,162,139	35,162,139	35,162,139	35,162,139
Average no. of shares outstanding		35,162,139	35,162,139	35,162,139	35,162,139	35,162,139
Average no. of shares outstanding - diluted		35,787,139	35,514,349	35,787,139	35,514,349	35,651,865

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited

<i>(Amounts in NOK million)</i>	<i>Note</i>	At 30 June 2014	At 30 June 2013	At 31 Dec 2013
ASSETS				
Non-current assets				
Intangible assets		489,5	253,3	253,8
Tangible fixed assets		12 915,8	8 912,1	10 150,8
Fixed asset investments		594,3	307,0	446,3
Total non-current assets		13 999,6	9 472,4	10 850,9
Current assets				
Inventory		75,5	72,4	74,1
Investments		69,2	284,3	48,5
Receivables		2 440,5	1 670,3	1 623,1
Cash and cash equivalents		2 338,8	2 922,9	2 166,1
Total current assets		4 924,1	4 949,9	3 911,9
TOTAL ASSETS		18 923,7	14 422,2	14 762,7
EQUITY AND LIABILITIES				
Shareholders equity				
Paid-in capital	7	1 174,3	1 163,3	1 170,2
Other equity		1 124,6	1 339,5	1 579,6
Total equity		2 298,9	2 502,8	2 749,8
Non-current liabilities				
Other non-current liabilities		766,7	631,9	984,5
Long term borrowings	6	7 554,0	4 223,5	5 743,8
Total non-current liabilities		8 320,7	4 855,4	6 728,3
Short term liabilities				
Current liabilities		2 966,3	2 144,5	1 949,7
Short term borrowings	6	758,8	1 542,9	768,4
Air traffic settlement liabilities		4 579,0	3 376,6	2 566,5
Total short term liabilities		8 304,1	7 063,9	5 284,6
Total liabilities		16 624,8	11 919,4	12 012,9
TOTAL EQUITY AND LIABILITIES		18 923,7	14 422,2	14 762,7

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

Unaudited

<i>(Amounts in NOK million)</i>	Q2 2014	Q2 2013	YTD 2014	YTD 2013	Full Year 2013
OPERATING ACTIVITIES					
Profit before tax	-135.7	276.9	-948.5	116.9	437.4
Paid taxes	0.0	0.0	0.0	0.0	0.0
Depreciation, amortization and impairment	179.9	127.9	341.5	247.5	529.8
Changes in air traffic settlement liabilities	-115.6	108.0	2,012.5	1,636.8	826.8
Other adjustments	487.3	571.6	112.6	44.8	583.0
Net cash flows from operating activities	415.9	1,084.4	1,518.1	2,046.0	2,376.9
INVESTMENT ACTIVITIES					
Purchases, proceeds and prepayment of tangible assets	-1,901.9	-701.7	-2,936.3	-543.5	-2,045.9
Purchases of other long-term investments	0.0	0.0	0.0	0.0	-80.0
Net cash flows from investing activities	-1,901.9	-701.7	-2,936.3	-543.5	-2,125.9
FINANCING ACTIVITIES					
Loan proceeds	1,143.3	270.1	2,229.5	464.1	2,459.8
Principal repayments	-366.1	-106.7	-455.4	-651.2	-1,829.7
Financing costs paid	-116.8	-67.1	-186.6	-123.3	-445.9
Proceeds from issuing new shares	0.0	0.0	0.0	0.0	0.0
Net cash flows from financial activities	660.3	96.2	1,587.5	-310.4	184.2
Foreign exchange effect on cash	4.7	-1.0	3.4	-0.1	0.0
Net change in cash and cash equivalents	-821.0	477.9	172.7	1,192.0	435.2
Cash and cash equivalents in beginning of period	3,159.9	2,444.9	2,166.1	1,730.9	1,730.9
Cash and cash equivalents in end of period	2,338.8	2,922.9	2,338.8	2,922.9	2,166.1

STATEMENT OF COMPREHENSIVE INCOME

Unaudited

<i>(Amounts in NOK million)</i>	YTD 2014	YTD 2013	Full Year 2013
Net profit for the period	-465,2	79,6	321,6
Available-for-sale financial assets	-0,9	0,7	1,2
Exchange rate differences Group	11,3	0,0	-2,9
Total comprehensive income for the period	-454,8	80,3	319,8
Profit attributable to:			
Owners of the company	-465,2	79,6	321,6
Non-controlling interests	1,0	1,0	1,0

CONDENSED CONSOLIDATED CHANGES IN EQUITY

Unaudited

<i>(Amounts in NOK million)</i>	YTD 2014	YTD 2013	Full Year 2013
Equity - Beginning of period	2,749.8	2,420.7	2,420.7
Total comprehensive income for the period	-454.8	80.3	319.8
Share issue	0.0	0.0	0.0
Equity change on employee options	3.9	2.4	9.4
Equity - End of period	2,298.9	2,502.8	2,749.8

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 2013 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 2013. 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 2013.

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

Note 3 Revenue

Passenger revenue comprise only ticket revenue, while ancillary passenger revenue is other passenger related revenue such as optional extras. 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 2014	Q2 2013	Change	YTD 2014	YTD 2013	Change	Full Year 2013
Per activity							
Passenger revenue	4,249.0	3,498.9	21.4 %	7,153.3	5,972.3	19.8 %	13,381.5
Ancillary passenger revenue	687.1	429.9	59.8 %	1,210.9	767.4	57.8 %	1,757.9
Other revenue	107.3	83.3	28.8 %	236.0	176.5	33.7 %	440.2
Total	5,043.4	4,012.1	25.7 %	8,600.1	6,916.1	24.3 %	15,579.5
Per geographical market							
Domestic	1,172.9	1,192.0	-1.6 %	2,205.1	2,234.9	-1.3 %	4,423.1
International	3,870.4	2,820.1	37.2 %	6,395.1	4,681.2	36.6 %	11,156.5
Total	5,043.4	4,012.1	25.7 %	8,600.1	6,916.1	24.3 %	15,579.5

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 2013.

Note 2 Risk

SENSITIVITY ANALYSIS

Unaudited	Effect on income MNOK
1% decrease in jet fuel price	60
1% depreciation of NOK against USD	-77
1% depreciation of NOK against EURO	-37

The sensitivity analysis reflects the effect on operating costs in 2014 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 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 2014 there are no changes in related parties compared to the description in Note 27 in the Annual Report for 2013. There have been no significant transactions with related parties during the second quarter 2014.

Note 6 Borrowings

Unaudited

<i>(Amounts in NOK million)</i>	At 30 June 2014		At 30 June 2013		At 31 Dec 2013	
	Long term	Short term	Long term	Short term	Long term	Short term
Bond issue	-596.3	0.0	-591.4	0.0	-593.9	0.0
Revolving credit facility	0.0	0.0	0.0	-1,034.8	0.0	-218.1
Aircraft financing	-6,950.3	-758.8	-3,624.3	-503.2	-5,143.0	-546.7
Financial lease liability	-7.5	0.0	-7.8	-5.0	-6.8	-3.6
Total	-7,554.0	-758.8	-4,223.5	-1,542.9	-5,743.8	-768.4
Total Borrowings	-8,312.8		-5,766.4		-6,512.2	

Note 7 Shareholder information

20 Largest shareholders at 30 June 2014

Shareholder	Country	Number of shares	Percent
1 HBK INVEST AS	NOR	9,499,116	27.0 %
2 FOLKETRYGDFONDET	NOR	2,441,393	6.9 %
3 SKAGEN VEKST	NOR	1,448,775	4.1 %
4 VERDIPAPIRFONDET DNB	NOR	1,032,482	2.9 %
5 SKAGEN KON-TIKI	NOR	997,061	2.8 %
6 DNB NOR BANK ASA EGEHANDELSKONTO	NOR	916,242	2.6 %
7 DANSKE INVEST NORSKE	NOR	897,712	2.6 %
8 CLEARSTREAM BANKING	LUX	800,270	2.3 %
9 J.P. MORGAN CHASE BANK	GBR	692,874	2.0 %
10 DANSKE INVEST NORSKE	NOR	525,437	1.5 %
11 KLP AKSJE NORGE VPF	NOR	441,598	1.3 %
12 JP MORGAN CHASE BANK	NOR	428,909	1.2 %
13 STATOIL PENSJON	NOR	424,295	1.2 %
14 DNB LIVSFORSIKRING ASA	NOR	342,580	1.0 %
15 THE BANK OF NEW YORK	USA	321,820	0.9 %
16 VERDIPAPIRFONDET HANDELSBANKEN	NOR	310,000	0.9 %
17 MORGAN STANLEY & CO	GBR	304,115	0.9 %
18 DEUTSCHE BANK AG	GBR	301,351	0.9 %
19 VARMA MUTUAL PENSION	GBR	298,444	0.8 %
20 KOMMUNAL LANDSPENSJONSKASSE	NOR	279,768	0.8 %
Top 20 shareholders		22,704,242	64.6 %
Other shareholders		12,457,897	35.4 %
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 2014, equal to 31 December 2013.

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 Contingencies and legal claims

There are no other contingencies or legal claims other than stated in note 28 to the Annual Financial Statements for 2013.

Note 9 Events after the reporting date

On June 16th 2014, Norwegian reported that it had successfully completed the book building of NOK 400 million in a new unsecured bond issue with a tenor of 3 years in the Norwegian bond market. The settlement date for the bond issue was 3 July 2014.

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 2014 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, 16 July 2014

The Board of Directors of Norwegian Air Shuttle ASA

Bjørn H Kise
(Chairman of the board)

Ola Krohn-Fagervoll
(Deputy Chairman)

Liv Berstad

Benedicte Schilbred Fasmer

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.

Information about the Norwegian Group

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Board of Directors Norwegian Air Shuttle ASA

Bjørn H. Kise, Chairman
Ola Krohn-Fagervoll, deputy Chairman
Liv Berstad
Benedicte Schilbred Fasmer
Linda Olsen
Thor Espen Bråten
Kenneth Utsikt

Group Management

Bjørn Kjos, Chief Executive Officer
Asgeir Nyseth, CEO, Norwegian Long Haul AS
Frode E. Foss, Chief Financial Officer
Geir Steiro, Chief Operating Officer
Per Ivar Gjervad, Chief Information Officer
Frode Berg, Chief Legal Officer
Thomas A. Ramdahl, Chief Commercial Officer
Gunnar Martinsen, SVP Human Resources
Anne-Sissel Skånvik, SVP Corporate Communications

Investor Relations

Karl Peter Gombrii
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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 and presentations are available on <http://www.norwegian.no/om-norwegian/investor-relations/>

Financial calendar 2014

6	March	Monthly traffic data February
4	April	Monthly traffic data March
7	May	First Quarter results (Q1)
9	May	Monthly traffic data April
14	May	General Shareholder Meeting
5	June	Monthly traffic data May
7	July	Monthly traffic data June
17	July	Second Quarter Results (Q2)
7	Aug	Monthly traffic data July
4	Sept	Monthly traffic data August
6	Oct	Monthly traffic data September
23	Oct	Third Quarter Results (Q3)
6	Nov	Monthly traffic data October
4	Dec	Monthly traffic data November