NORWEGIAN AIR SHUTTLE ASA
QUARTERLY REPORT – FOURTH QUARTER 2007

FOURTH QUARTER IN BRIEF

- The Group earnings before tax (EBT) was MNOK -34.0 (-35.6) in the fourth quarter.
- The fourth quarter operating revenue increased by 50.7 %, compared to last year, to MNOK 1,145.4 (759.9).
- The total quarterly earnings before depreciation (EBITDA) were MNOK -36.3 (-19.0), and the quarterly earnings after tax were MNOK -21.5 (-24.8).
- Norwegian transported a total of 1,670,075 passengers in the fourth quarter, passenger traffic (RPK) increased by 38 % compared to the same period last year. FlyNordic transported 332,565 passengers in the fourth quarter.
- The passenger load factor was 78 % (72 %) in the fourth quarter for Norwegian, whereas FlyNordic had a load factor of 74 %.
- The total production (ASK) increased by 27 % to 1,811 million this quarter for Norwegian. Total production (ASK) for Fly Nordic was 311 million in fourth quarter.
- The total quarterly unit cost for Norwegian was NOK 0.55 (0.55).
- Norwegian started Bank Norwegian in October 2007, and Norwegian's total ownership in the bank is 20 %. A total of MNOK 9.0 of EBT is due to the sale of ownership and share of net results in the bank during the quarter.

TRAFFIC STATISTICS						
	4.quarter			**Accumulated**		
Norwegian	**2007**	**2006**	**Change**	**2007**	**2006**	**Change**
Internet bookings	85 %	84 %	1 pp	86 %	84 %	2 pp
ASK (mill)	1 811	1 421	27 %	6 959	5 371	30 %
RPK (mill)	1 415	1 024	38 %	5 586	4 223	32 %
Cabin factor	78 %	72 %	6 pp	80 %	79 %	2 pp
Passengers	1 670 075	1 298 545	29 %	6 362 725	5 104 814	25 %
Segment						
Domestic						
ASK (mill)	514	466	10 %	1 950	1 771	10 %
RPK (mill)	400	339	18 %	1 550	1 381	12 %
Cabin factor	78 %	73 %	5 pp	79 %	78 %	1 pp
Passengers	851 623	690 706	23 %	3 116 165	2 701 619	15 %
International						
ASK (mill)	1 298	954	36 %	5 008	3 600	39 %
RPK (mill)	1 015	685	48 %	4 036	2 842	42 %
Cabin factor	78 %	72 %	6 pp	81 %	79 %	- pp
Passengers	818 452	607 839	35 %	3 246 570	2 403 195	35 %
FlyNordic	**2007 (Q4)**	**2007 (Q3)***		**2007****		
Internet bookings	81 %	67 %	14 pp	75 %		
ASK (mill)	311	291	7 %	602		
RPK (mill)	231	242	(5) %	473		
Load factor	74 %	83 %	(9) pp	79 %		
Passengers	332 565	239 086	39 %	571 651		

*** Only August and September**
**** From August - December**

Traffic Development

A total of 1,670,075 passengers travelled with Norwegian Air Shuttle ASA in the fourth quarter of 2007, compared to 1,298,545 in the fourth quarter of 2006. This equals an increase of 29 % in the number of passengers. The company had a passenger load factor of 78 % this quarter, compared to 72 % in 2006. The production (ASK) has increased by a total of 27 % since the same period last year, and the passenger traffic (RPK) has increased by 38 %.

The growth is related to the company's expansion throughout the year. At the end of the fourth quarter 2007 the company operated 25 aircraft (whereof 1 was wet lease), compared to 22 at the end of the same period last year. The utilization of the aircraft has improved as a consequence of the expansion and in the fourth quarter every aircraft were utilized 9.5 block hours pr day, compared to 9.1 block hours in the same period last year (total fleet).

The share of Internet sales has increased to 85 %, compared to 84 % in the same period last year.

The group operated in total 33 aircraft at year end, whereof 8 in FlyNordic.

Comments to the Accounts

PROFIT AND LOSS STATEMENT
The group's total turnover in the fourth quarter was MNOK 1,145.4 (759.9), an increase of 50.7 %. MNOK 1,086.1 (745.0) of the revenues in the fourth quarter are related to ticket revenues, while the remaining MNOK 59.3 (14.9) are related to freight, fees, third-party products, and other income. The increase in ticket revenues is related to an increase in passenger traffic by 38 % as well as the acquisition of FlyNordic.

The operating costs (excluding leasing and depreciation and write-downs) were MNOK 1,112.0 (727.5) this quarter. The cost increase is related to the increase in production (ASK) by 27 % compared to last year as well as the acquisition of FlyNordic. Personnel costs have increased by 66 % compared to fourth quarter last year, as a result of the increase in operating personnel related to the production increase, as well as the hiring and training of personnel for the new generation aircraft to arrive in first half of 2008.

The group has utilized on average 32 aircraft this quarter compared to 19 the same quarter last year. The quarterly cost of jet fuel has increased from MNOK 180.9 last year to MNOK 320.1 this year, and the temporary wet lease of one aircraft during the quarter, further impact the unit cost negatively.

The group had no term contracts for fuel in the fourth quarter, and has at the end of the fourth quarter, no term contracts to cover fuel exposure for 2008. Term contracts on USD cover approximately, on average, 70 % of expected exposure in USD until December 2008. Term contracts on EUR cover approximately, on average, 22 % of expected exposure in EUR until December 2008.

The increase in depreciation and amortization is mainly caused by depreciation of fair value adjustments of assets in FlyNordic.

Financial items YTD include costs of MNOK 32.7, for the inefficiency of the hedge contract connected to the purchase contract for Boeing Aircraft. The effect on fourth quarter was MNOK 1.0.

Earnings before depreciation and write-down (EBITDA) in the fourth quarter were MNOK -36.3 (-19.0), and the earnings before tax (EBT) were MNOK -34.0 (-35.6). Included in earnings before tax, is a gain from the sale of Bank Norwegian of MNOK 10.8. The group now controls 20 % of the shares in the bank, and the result from associated company included in EBT is the group's share of the Banks net results. The banks financial statements have not been publicized, so the net result estimate is based on the financial information issued in connection with the public offering of shares.

EBITDA year to date 2007 is MNOK 208.0 (20.6), and EBIT is 134.0 (-30.5).

BALANCE SHEET
Intangible assets include a deferred tax asset of MNOK 61.3, capitalised expenses related to the development of IT-systems of MNOK 34.7, and goodwill and fair value of identified intangible assets resulting from the acquisition of Fly Nordic of MNOK 197.2. Purchased aircraft are valued at MNOK 151.4 in the balance sheet. Total investments in intangibles and fixed assets were MNOK 70.8 this quarter, mainly related to IT systems and upgrades on aircraft and spare parts. Prepayments on the Boeing purchase contract were MNOK 361.5.
Fixed asset investments of MNOK 92.0 include shares in Bank Norwegian valued at MNOK 53.5.

The value of consumable goods were MNOK 28.0 by the end of the quarter, including MNOK 8.2 for parts to be used in engine overhaul in the future. Short term investments of MNOK 241.8 include a short term placement in bonds, of MNOK 215.8. Short term receivables are MNOK 491.5 at the end of the quarter, compared to MNOK 443.5 at the end of the fourth quarter of 2006. The increase is mainly related to addition of FlyNordic's assets, reimbursement claims in connection with heavy maintenance on aircraft, and to the general increase in activity and sales leading to higher receivables on travel agents and credit card companies. In addition, receivables are affected by reimbursements of VAT. The increase is offset by a general decrease in credit period as a result of the groups increased focus and initiatives on receivables collection.

Accruals for future maintenance liabilities are MNOK 101.0 compared to MNOK 81.7 in the fourth quarter last year.

The group's pension liabilities are at the end of the quarter MNOK 33.3 compared to MNOK 30.8 in 2006. Other long term liabilities are the publicly issued bond of MNOK 300.0, less amortized costs of MNOK 2.6, issued in April 2007. The hedge instrument connected to the Boeing purchase contract is valued at MNOK 178.9, of which MNOK 154.3 is long term. Deferred tax resulting from the purchase price allocation for the acquisition of FlyNordic is MNOK 18.9. The traffic settlement debt related to tickets sold, but not used, was MNOK 536.5 (291.8) at the end of the year, which is a decrease of MNOK 41.7 in the quarter. This is due to lower sales activity than travel activity during the quarter.

At the end of the fourth quarter of 2007, the group's cash balance was MNOK 501.4 a decrease of MNOK 308.7 during the quarter and an increase of MNOK 273.3 compared to the fourth quarter of 2006. Included in cash balance are restricted funds of MNOK 100.3 related to the hedge contract and other deposits and guarantees. Operating activities this quarter has given a negative cash flow of MNOK 8.9. Net cash flow from investment activities reduced the cash flow by MNOK 310.8 in the period, due to prepayments on the Boeing purchase contract of MNOK 49.8, and a short term placement in bonds of MNOK 215.0. Investments in tangible and intangible assets were MNOK 13.0. Cash flow from investment activities of MNOK 9.4 consist of share issue for employee stock option exercise.

The group had book equity of MNOK 508.3 by the end of the quarter, equivalent to an equity ratio of 21.8 %.

ACQUISITION OF FLYNORDIC
On July 30th 2007, Norwegian purchased the Swedish airline company Nordic Airlink Holding AB (FlyNordic) from Finnair Oy. Norwegian received 100 % of the shares in FlyNordic. In consideration of the shares Finnair received 1,063,830 shares in Norwegian, 1,121,633 stock options in Norwegian, a cash consideration for the net asset value of FlyNordic at June 30th 2007, and an agreement on profit sharing for future charter profits in FlyNordic.

The shares issued in Norwegian have nominal value of NOK 0.1 per share, and a share price of NOK 119.5, the market value at the date of control. The options are valued at MNOK 29.5, using the Black & Scholes model of option pricing. The cash consideration for net asset value is determined at MNOK 20.6. The Charter revenue profit sharing is provisionally adjusted at the end of the year to MNOK 21.5, and will be finalized during fourth quarter of 2008. The adjustments will change the total acquisition value, and hence the goodwill recorded as a result of the transaction. MNOK 1.1 is recognized as transaction costs.
Total purchase price is provisionally recorded at MNOK 199.8.

Provisional purchase price allocation determines MNOK 75.8 in identifiable intangible assets in excess of book equity of MNOK 24.5, and a deferred tax asset related to the intangible assets of MNOK 21.2. Goodwill is recognized as the excess of purchase price over identifiable assets and liabilities, with MNOK 120.7, of which goodwill related to deferred tax is 21.2. Remaining goodwill is related to the workforce and expected synergies in operations and cost efficiencies, to be realized when the two companies are synchronized.
The identified intangible assets are brand name, charter traffic, Air Operating Certificate, and air traffic slots. All assets except charter traffic are determined to have indefinite lives. Charter traffic asset had an estimated fair value of MNOK 22.8 at the time of acquisition, with an economic life of 15 months, over which the fair value is amortized.

ACCOUNTING PRINCIPLES
The quarterly report has been compiled according to IFRS accounting principles, which are the same accounting principles that were used in preparing the Annual Report for 2006. The quarterly financial statements for comparable periods are restated to IFRS accounting principles. The quarterly financial report is prepared in accordance with IAS 34 for interim reporting. The quarterly accounts are not audited.

Code share
Earlier, the group entered into a code share agreement with Sterling and FlyNordic, and in 2006 the group entered into a co-operation with Polkovo Airlines on the Oslo-St.Petersburg route. This agreement gives Norwegian the right to sell an agreed upon number of seats on flights that Norwegian operate, and correspondingly buy a fixed number of seats on flights the partner operates. In accordance with current accounting principles the sold capacity on Norwegian flights is recorded as gross revenue, and bought capacity is recorded at gross cost. Accordingly, all operational key figures (ASK, RPK and load factor) are reported using the gross principle. The code share agreement with Sterling ended on October 28th 2007.

Hedge accounting
During third quarter, Norwegian entered into a purchase contract for 42 new Boeing 737-800 aircraft with the Boeing Company. The aircraft will be delivered during 2009 until 2014. In order to reduce exchange rate risk, the company established a USD hedge directly connected to the delivery and payment on 39 % of the contractual aircraft value. The arrangement is recognized as fair value hedge accounting, according to IAS 39 – Financial instruments. Fair value hedges are hedges of the Groups exposure in fair value of a recognized asset or liability, or an identified portion of such, that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedge item is adjusted for gain and losses attributable to the risk being hedged, the derivative is remeasured at fair value and gains and losses from both are taken to financial items in the profit and loss statement.

The hedges are structured forwards, knock-in forwards. Testing of hedge efficiency on balance sheet date has been performed, which proves efficiency within the defined levels of the accounting standard. The financial instruments include an element of options, which open for a potential downside for Norwegian, when compared to ordinary future contracts. The method of estimating fair value on the option elements of the hedge contracts will give the forwards a certain inefficiency compared to the cash flow on the hedged object, which results in a loss for Norwegian in 2007 of MNOK 32.7.

In December 2007, the group entered into a purchase contract on 3 used Boeing 737-300 aircraft. The aircraft will be delivered in second quarter of 2008. In order to reduce currency risk, the company established a USD hedge connected to the payments on the aircraft. The hedges are accounted for as economic hedges with fair value through profit and loss. The fair value adjustment per fourth quarter affecting the profit and loss was MNOK -2.6, included in other operating expenses.

Investments in associates
During the quarter, the groups reduced its holdings in Bank Norwegian Holding AS from 100 % to 20 % according to Norwegian legislation for restrictions on ownership in financial institutions. The investment is accounted for using IFRS 28, Investments in Associates. The group's share of net results

in the associated company is included in profit and loss, with adjustments for profits resulting from downstream sales.

Capitalisation of borrowing cost
The Group has applied IAS 23, Borrowing cost, in accounting for the prepayments on the purchase contract with Boeing. Borrowing costs in the amount of MNOK 7.2 have been capitalised in fourth quarter.

OUTLOOK

The demand for travelling with Norwegian and advanced bookings has been satisfactory entering the first 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 fourth quarter introduced seating on its entire network giving our passengers the opportunity to choose their own seat for a small fee or a randomly selected seat free of charge at check-in. The new routes which were introduced in the fourth quarter have been well received by the market. The routes to Tenerife, Las Palmas and Marrakech have achieved high loadfactors during the first months of operation giving comfort to the introduction of the larger 737-800s this year. The first two 737-800 have been operational since the beginning of February, and the rest of the deliveries in 2008 are going ahead according to plan.

Norwegian's growth ambition for 2008 is estimated to a 50 % increase in ASK for the group (including FlyNordic). The larger share of international production in the route portfolio is expected to result in larger seasonal fluctuations on the group's quarterly results in 2008. The first quarter of 2008 is also expected to be somewhat negatively influenced by this year's early Easter holiday as well as opening of 16 new routes at Rygge Airport.

Norwegian's loyalty program, Norwegian Reward, has been well received in the market and is expected to strengthen demand and improve yield on international routes. Norwegian Reward and Bank Norwegian is closely linked and has and has more than 40,000 registered users.

The Warsaw base continues to mature and improve, however the base is not expected to be profitable in 2008 as capacity is added and another aircraft introduced to the base later this year.

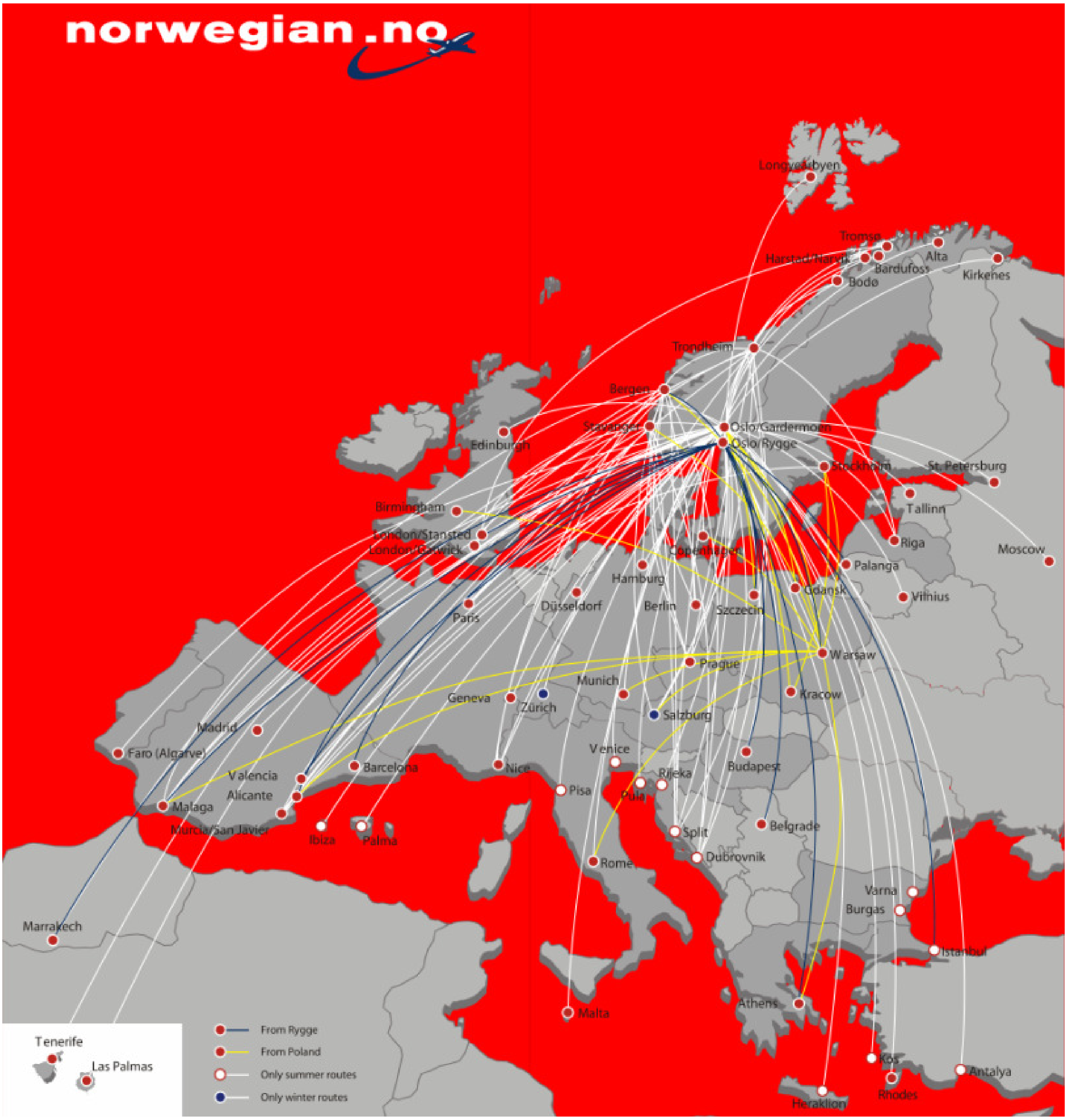
Norwegian is well under way in the integration process of key functions within FlyNordic and Norwegian. The company expects to realize synergy effects and increase efficiency throughout 2008. FlyNordic is expected to break even in 2008 even though an ambitious growth plan is introduced for the subsidiary.

At the quarterly presentation in October 2007 the company guided on a unit cost of NOK 0.52 for Norwegian in 2008. The company's revised target for unit cost for 2008 is NOK 0.50 for the Group at current fuel prices of around $ 850 /ton. The revised target on unit cost follows from changes to route portfolio, inclusion of FlyNordic and longer average flight distance, and applies also to yield and unit revenue levels.

Norwegian will on February 14th commence operations at Rygge, the company's new base in Norway. It is currently scheduled 16 routes out of Rygge, and the sale of these routes has shown satisfactory development.

Fornebu, February 13th 2008

Bjørn Kjos
CEO



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PROFIT AND LOSS ACCOUNT (KNOK)

	4. Quarter 2007	4. Quarter 2006	YTD 2007	YTD 2006
OPERATING REVENUE				
Total operating revenue	1 145 389	759 912	4 226 202	2 941 400
TOTAL REVENUE	**1 145 389**	**759 912**	**4 226 202**	**2 941 400**
OPERATING EXPENSES				
Operating expenses	847 711	570 177	2 875 418	2 188 299
Personell expenses	193 892	116 928	622 189	412 940
Other operating expenses	70 423	40 391	224 200	139 263
TOTAL OPERATING EXPENSES	**1 112 026**	**727 497**	**3 721 807**	**2 740 502**
OPERATING PROFIT / LOSS BEFORE LEASING & DEPR (EBITAR)	**33 363**	**32 415**	**504 395**	**200 897**
Leasing	69 667	51 379	296 400	180 338
OPERATING PROFIT / LOSS BEFORE DEPR (EBITDA)	**-36 304**	**-18 964**	**207 995**	**20 559**
Depreciation and amortization	21 414	13 403	74 044	51 070
OPERATING PROFIT / LOSS (EBIT)	**-57 718**	**-32 367**	**133 951**	**-30 511**
PROFIT/LOSS ASSOCIATED COMPANY	-1 821		-1 821	
NET FINANCIAL ITEMS	14 728	-3 216	-29 949	-1 195
GAIN FROM SALE OF SUBSIDIARY	10 800		10 800	
PROFIT / LOSS BEFORE TAX (EBT)	**-34 012**	**-35 583**	**112 982**	**-31 706**
TAX	-12 543	-10 824	28 402	-9 709
PROFIT / LOSS FOR THE PERIOD	**-21 469**	**-24 759**	**84 580**	**-21 997**

BALANCE SHEET (KNOK)

	4. Quarter 2007	4. Quarter 2006
FIXED ASSETS		
Intangible assets	293 177	129 839
Tangible fixed assets	682 642	228 443
Fixed assets investment	92 027	8 820
TOTAL FIXED ASSETS	**1 067 846**	**367 102**
CURRENT ASSETS		
Consumable goods	28 000	19 341
Investments	241 751	298
Receivables	491 543	443 493
Cash in bank and in hand etc.	501 410	231 710
TOTAL CURRENT ASSETS	**1 262 705**	**694 841**
TOTAL ASSETS	**2 330 551**	**1 061 943**
EQUITY		
Called-up and fully paid equity	443 117	275 610
Retained earnings	65 156	-14 883
TOTAL EQUITY	**508 273**	**260 727**
LIABILITIES		
Provisions for liabilities and charges	134 352	112 528
Other long term liabilities	470 954	
Current liabilities	1 216 972	688 689
TOTAL LIABILITIES	**1 822 278**	**801 216**
TOTAL EQUITY AND LIABILITIES	**2 330 551**	**1 061 943**
No. Of shares	20 865 526	19 669 196
Face value	0,1	0,1

CASH FLOW STATEMENT (KNOK)

	4. Quarter 2007	4. Quarter 2006	YTD 2007	YTD 2006
Net cash flows from operation activities	-8 855	-122 061	497 920	75 648
Net cash flows from investments	-310 781	-33 601	-532 619	-245 257
Net cash flows from financial activities	9 425		306 425	139 864
Exchange rate effect on cash	1 539	-86	-2 025	-9
Net change in cash and cash equivalents	**-308 672**	**-155 747**	**269 700**	**-29 755**
Cash and cash equivalents in beginning of period	810 082	387 456	231 710	261 464
Cash and cash equivalents in end of period	501 410	231 710	501 410	231 710

FINANCIAL KEY FIGURES	4. Quarter 2007	2006	YTD 2007	2006
Operating margin (%)	-5 %	-4 %	3 %	-1 %
Earnings per share (NOK) (calculated on average no. Of shares)	-1,0	-1,3	4,2	-1,1
Book equity per share (NOK)	24,4	13,3	24,4	13,3
Equity ratio (%)	22 %	25 %	22 %	25 %
No. Of shares at the end of the period	20 865 526	19 669 196	20 865 526	19 669 196
Average no. of shares in the period	20 829 125	19 669 196	20 196 040	19 312 719
Average no. of shares and options in the period	22 189 200	19 793 015	20 831 005	19 448 674

Equity (KNOK)	4. Quarter 2007	2006	YTD 2007	2006
Equity - Beginning of period	516 392	285 980	260 727	141 585
Share issue	9 461		136 343	114 966
Equity change on empoyee options	873	-411	1 559	1 285
Stock options issued for FlyNordic aquisition			29 485	
Sale of own shares				24 898
Profit/loss	-21 469	-24 759	84 580	-21 997
Exchange rate difference group	3 016	-82	-4 421	-9
Equity - End of period	508 273	260 727	508 273	260 727

SALES REVENUE (KNOK)	4. Quarter 2007	2006	YTD 2007	2006
Per activity				
Passenger revenue	1 086 127	744 986	4 048 923	2 879 431
Other revenue	59 262	14 926	177 280	61 969
Total	1 145 389	759 912	4 226 202	2 941 400
Per geographical market				
Domestic	486 241	403 710	1 784 828	1 471 852
International	659 148	356 202	2 441 374	1 469 547
Total	1 145 389	759 912	4 226 202	2 941 400

COST BREAKDOWN (KNOK)	4. Quarter 2007	2006	YTD 2007	2006
Personell costs	193 892	116 928	622 189	412 940
Sales/ distribution costs	26 813	17 668	94 162	92 889
Aviation fuel	320 086	180 915	990 741	702 746
Aircraft leases	69 667	51 379	296 400	180 338
Airport charges	177 535	114 006	601 780	417 942
De-icing	18 478	13 319	38 080	26 661
Handling charges	119 418	75 896	404 275	306 825
Technical maintenance costs	111 635	73 245	412 837	306 333
Depr. / write-down	21 414	13 405	74 044	51 070
Other costs	144 168	135 518	557 743	474 166
Total operating costs	**1 203 108**	**792 279**	**4 092 251**	**2 971 910**

SENSITIVITY ANALYSIS	Effect on profit and loss MNOK
1 % increase in jet fuel price	-10,9
1 % weakening of NOK against USD	-20,3
1 % weakening of NOK against EUR	-7,7

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, fuelprices and exchange rates

Definitions

ASK: Available Seat Kilometres. Number of available passenger seats multiplied by the flight distance.
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.
EBITDA: Operating profit/loss before financial items, taxes and depreciation
EBITDAR: Operating profit/loss before financial items, taxes, depreciation and leasing costs for aircraft