



ATLANTIC AIRWAYS



1-3 Quarter Report 2010

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Third quarter in brief

- ❑ Revenue for the third quarter of 2010 was DKK 133.6 million compared to DKK 110.4 million for the third quarter of 2009, an increase of 21%
- ❑ The result before depreciation (EBITDA) for the third quarter of 2010 was DKK 33.2 million compared to DKK 14.6 million for the third quarter of 2009
- ❑ Net financial items were DKK -1.0 million in the third quarter of 2010 compared with net financial items of DKK -2.4 million in the third quarter of 2009
- ❑ Total depreciation for the third quarter of 2010 was DKK 13.1 million compared to DKK 16.6 million in the third quarter of 2009
- ❑ The result before tax for the third quarter of 2010 was DKK 19.0 million compared to DKK -4.4 million for the third quarter of 2009
- ❑ The result after tax for the third quarter of 2010 was DKK 15.6 million compared to DKK -3.6 million in the same period the previous year
- ❑ Number of aircraft block hours were 2,716 in the third quarter of 2010 compared to 2,486 in the third quarter the previous year

1-3 quarter of 2010 in brief

- ❑ Revenue for the first 3 quarters of 2010 was DKK 304.6 million compared to DKK 319.2 million for the first 3 quarters of 2009, a decrease of 5%
- ❑ The result before depreciation (EBITDA) for the first 3 quarters of 2010 was DKK 51.0 million compared to DKK 36.2 million for the first 3 quarters of 2009
- ❑ Net financial items were DKK -2.6 million in the first 3 quarters of 2010 compared with net financial items of DKK 12.6 million in the first 3 quarters of 2009
- ❑ Total depreciation for the first 3 quarters of 2010 was DKK 38.1 million compared to DKK 41.0 million for the first 3 quarters of 2009
- ❑ The result before tax for the first 3 quarters of 2010 was DKK 10.3 million compared to DKK 7.8 million for the first 3 quarters of 2009
- ❑ The result after tax for the first 3 quarters of 2010 was DKK 8.4 million compared to DKK 6.4 million for the same period the previous year
- ❑ Number of aircraft block hours were 6,164 in the first 3 quarters of 2010 compared to 8,756 in the same period in 2009

Highlights for the third quarter 2010

Atlantic Airways: Solid operational improvements and return to profits

Atlantic Airways' EBITDA for the third quarter of 2010 amounted to DKK 33.2 million compared to DKK 14.6 million for the same period last year, corresponding to an increase of 127%. Result before tax for the third quarter of 2010 was DKK 19.0 million compared to a loss of DKK 4.4 million last year, a net improvement of DKK 23.4 million. Revenue increased 21% to DKK 133.6 million in the third quarter of 2010 from DKK 110.4 million last year. All segments – scheduled services, as well as charter and helicopter activities - showed an improvement in both revenue and earnings compared to the third quarter of last year.

EBITDA for the first 3 quarters of 2010 was DKK 51.0 million compared to DKK 36.2 for the first 3 quarters of 2009, an increase of 41%. Result before tax for the first 3 quarters of 2010 amounted to DKK 10.3 million compared to DKK 7.8 million in 2009, up 32%. It is estimated that result before tax for the first 3 quarters for 2010 has been negatively affected by approximately DKK 5 million related to airspace closures associated with volcanic activity in Iceland. However, in contrast, last year's result before tax was affected by extra ordinary high financial income in the level of DKK 18 million.

On this background, for the full year 2010, we are confident that the company will achieve both a positive EBIT and net result providing that external factors such as fuel and currencies remain at the same level.

“We are very satisfied with the results achieved by Atlantic Airways in the third quarter seen in the light of the considerable challenges we have seen earlier in 2010”, says Magni Arge, CEO of Atlantic Airways. He continues: “Increased activity in charter and helicopter segments has supported us well, but the result is as much the consequence of a demanding turnaround process, which has included a reduction of capacity, adjusting supply, reducing costs and effectively managing the yield parameter. The improved profit trend is encouraging, but our long term succes requires continuous work to improve cost-competitiveness.”

For further information contact:

Magni Arge, CEO, tel +298 213700, magni@atlantic.fo

Marius Davidsen, CFO, +298 213703, marius@atlantic.fo

Financial highlights and key ratios

	Q3 2010	Q3 2009	YTD 2010	YTD 2009	FY 2009
INCOME STATEMENT (DKK 1,000)					
Net sales	133.597	110.428	304.648	319.211	402.137
Result before depr., amort. and impairm. (EBITDA)	33.175	14.591	51.045	36.160	43.633
Depreciations, amortisations and impairment	-13.132	-16.641	-38.091	-41.017	-63.001
Result before financial items (EBIT)	20.043	-2.050	12.954	-4.857	-19.368
Net financial items	-1.036	-2.358	-2.645	12.607	11.745
Share of profit/loss of associates	0	0	0	0	-441
Result before tax (EBT)	19.007	-4.408	10.309	7.750	-8.064
Tax	-3.421	793	-1.878	-1.373	1.455
Profit	15.586	-3.615	8.430	6.377	-6.609
BALANCE SHEET (DKK 1,000)					
Assets					
Total non-current assets	229.155	305.735	229.155	305.735	303.389
Total current assets	184.386	134.446	184.386	134.446	96.467
Total assets	413.541	440.181	413.541	440.181	399.856
Equity and liabilities					
Total equity	225.094	226.103	225.094	226.103	214.377
Total non-current liabilities	68.668	135.502	68.668	135.502	127.797
Total current liabilities	119.780	78.576	119.780	78.576	57.681
Total equity and liabilities	413.541	440.181	413.541	440.181	399.856
Cash flows (DKK 1,000)					
Cash flows for the period	-23.899	-24.854	10.786	22.262	-16.842
Financial ratios					
EBITDAR (DKK 1,000)	34.566	17.592	55.121	45.303	54.805
EBITDAR margin (%)	26%	16%	18%	14%	14%
Return on investment (%)	5%	0%	3%	-1%	-5%
Current ratio (%)	154%	171%	154%	171%	167%
Solvency ratio (%)	54%	51%	54%	51%	54%
Return on equity before tax (%)	8%	-2%	5%	3%	-4%
Return on equity after tax (%)	7%	-2%	4%	3%	-3%
Income/cost ratio (%)	1,16	0,96	1,03	1,02	0,98
Shares					
Number of shares (1,000)	1035	1035	1035	1035	1035
Earnings after tax per share (DKK)	15,06	-3,49	8,15	6,16	-6,39
Dividend per share (DKK)	0	0	0	0	0
Share price end of period (DKK)	118	142	118	142	142
Share price end of period/Earnings after tax per share (P/E)	7,84	-40,66	14,49	23,05	-22,24
Traffic statistics					
Capacity - scheduled flight (ASK) (1,000)	118.653	114.411	267.855	271.616	343.205
Traffic - scheduled flight (RPK) (1,000)	89.341	89.704	199.287	204.608	265.050
Load factor (%)	75%	78%	74%	75%	77%

Management's Review

Atlantic Airways has since June 2009 been in an ongoing process to adjust organisational capacity and reduce costs as a response to lower demand and to intensified competition. The number of aircrafts have been reduced from seven to four and the number of employees has been necessarily reduced from around 280, including pilots on loan from SAS, to around 170. Other cost reduction initiatives as well as a sharp focus on yield management have been key factors in turning the company's quarterly result before tax around from a loss of DKK 4.4 million in Q3 2009 to a profit of DKK 19.0 million in Q3 2010. The third quarter is normally the most busy quarter of the year, as it covers the high season for holiday travel, and this year was no exemption. Result before tax for the first 3 quarters of 2010 was improved to DKK 10.4 million compared to DKK 7.8 million for the corresponding period last year in spite of the airspace closure during April and May 2010 which had a negative impact on earnings of approximately DKK 5 million before tax. At DKK 304.6 million, revenue was 5% lower for the first 3 quarters of 2010 compared to the same period last year due to the substantial ACMI production (leasing of Aircraft, Crew, Maintenance and Insurance) on behalf of SAS during the first half of 2009. In Q3 2010 we saw a comparative increase in revenue of 21% and this positive trend is expected to continue in Q4 2010.

Growth in the scheduled service segment has been modest compared to the growth other Nordic countries are experiencing. The decreased number of passengers is a trend, which has not been broken yet, although September 2010 showed higher numbers compared to the same period last year. One reason for this is believed to be the slower recovery from economical crisis in Faroe Islands. Secondly, a contributing factor this summer has been the growing charter activity to and from the Faroes, which has diverted some amount of traffic from scheduled services. However, there is no doubt that increased passenger charges are slowing the recovery of passenger growth. In November 2010, Copenhagen Airport will follow Vagar Airport and increase charges by DKK 76 for every traveller to Faroe Islands. An increase in charges by this magnitude is unprecedented and will most certainly affect the development of traffic negatively between the Faroes and Copenhagen as well as traffic generated from tourism.

Charter and helicopter activity contributed significantly in Q3 2010 compared to last year. Atlantic Airways has organised the air logistics for ENI during their drilling campaign, which started in early June and is expected to end in early November 2010. There have been regular charters several times weekly transporting crew to Faroe Islands and an AW 139 helicopter has been dedicated for the sole use of ENI during their drilling operation. There are positive signs that European charter activity is improving in the ad hoc segment and to some degree in the ACMI segment, but the competition is stronger than ever.

Income from helicopter operations increased in Q3 2010 compared to the same period last year. This was mainly due to the ENI contract on the AW 139. The air logistic support has been well organised with only minor deviation from the planned activity. Atlantic Airways has demonstrated the ability to deliver all aspects of air logistics to drilling campaigns with a high professional standard.

Atlantic Airways has decided to focus its helicopter activity in and around the Faroe Islands. The Ministry of Fishery and Ministry of Transport have expressed their interest in a four-year extension of the existing SAR and domestic service, including improvement of the existing set-up and the Bell 412 helicopters. The company has consequently decided to reduce the financial exposure in the helicopter segment and base the fleet of owned helicopters on longer-term contracts. A contract is signed to sell the AW 139 helicopter and delivery will take place in Q4. For shorter-term contracts the company will lease in additional capacity.

The implementation of a fuel efficiency programme has increased fuel efficiency. Fuel cost, however, have increased compared to last year as the average fuel cost for the first 3 quarters of 2010 increased by 22% compared to the same period last year. The consequences of rising fuel costs have been reduced by hedging and adjusted fuel surcharge.

Traffic Development

The number of block hours decreased by 30% in the first 3 quarters of 2010 in comparison to the first 3 quarters of 2009. Aircraft and helicopters were airborne for a total of 6,164 block hours in the first 3 quarters of 2010 compared to 8,756 hours in the same period last year.

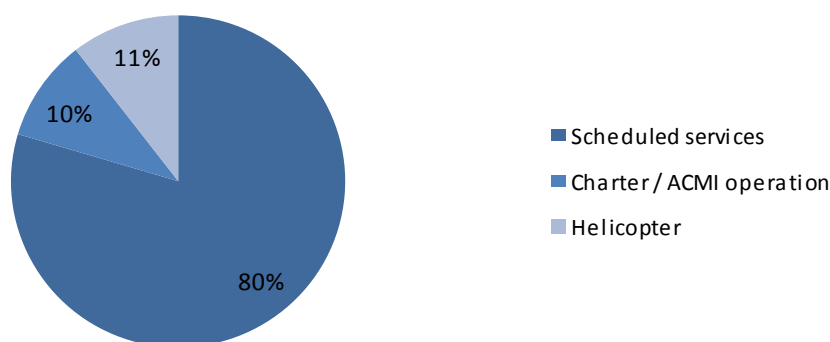
The larger part of the decrease was due to a decline in ACMI/charter activity, which decreased by 76% compared to the first 3 quarters of last year. Supply of seats in scheduled services has been adjusted to the lower demand. Supply of available seat kilometres (ASK) declined by 2.6%, while the passenger traffic, measured in

revenue passenger kilometres (RPK), fell by 1.4%. Offshore helicopter activity was significantly lower than the same period last year, but improved in Q3 2010 compared to Q3 last year.

Business area

Percentages of Total Revenue

Q1-Q3 2010



Traffic information

	Q3 2010	Q3 2009	Change	Change	YTD 2010	YTD 2009	Change	Change
Passengers	pass	pass	pass	%	pass	pass	pass	%
Scheduled services	66.071	67.304	-1.233	-2%	147.976	155.441	-7.465	-5%
ACMI/Charter operations	3.958	5.677	-1.719	-30%	14.695	111.356	-96.661	-87%
Aircraft in total	70.029	72.981	-2.952	-4%	162.671	266.797	-104.126	-39%
Helicopter	3.196	2.365	831	35%	7.329	5.485	1.844	34%
Total	73.225	75.346	-2.121	-3%	170.000	272.282	-102.282	-38%

	hours	hours	hours	%	hours	hours	hours	%
Block hours	hours	hours	hours	%	hours	hours	hours	%
Scheduled services	2.078	1.988	90	5%	4.758	4.868	-110	-2%
ACMI/Charter operations	325	262	63	24%	726	3.046	-2.320	-76%
Aircraft in total	2.403	2.250	153	7%	5.484	7.914	-2.430	-31%
Helicopter	313	236	77	33%	680	842	-161	-19%
Total	2.716	2.486	230	9%	6.164	8.756	-2.591	-30%

Scheduled services

Passenger numbers on scheduled services in the first 3 quarters of 2010 decreased by 5%. In the first eight months of 2010 passenger numbers on scheduled services decreased, but passenger numbers on scheduled services increased in September compared to the same period in 2009.

The load factor on the scheduled services network for the first 3 quarters of 2010 decreased from 75% to 74% compared to the first 3 quarters of 2009.

In the third quarter of 2010 passenger numbers on scheduled services decreased by 2% compared to the third quarter of 2009.

Charter/ACMI operations

Charter activity increased from 262 block hours to 325 block hours in Q3 2010 due to increased activity in the segment. Production decreased from 3,046 block hours in the first 3 quarters of 2009 to 726 block hours in the first 3 quarters of 2010. This is also reflected in the reduction of the fleet as two leased aircraft have been redelivered to Lessors. As a consequence of lower demand for the ACMI/charter series and strong competition,

Atlantic Airways has intensified its efforts pursuing ad hoc charters in the local environment and in Europe to improve utilisation.

Helicopter Operations

SAR services and domestic helicopter flights in Q3 2010 remain at the same level compared to last year. The AW 139 helicopter was relocated in May from Esbjerg in Denmark to the Faroe Islands to support ENI in connection with oil exploration in Faroese waters. The AW 139 helicopter is expected to remain in this service until early November 2010.

Other income

Ancillary revenues, revenues from duty-free, and freight and mail transportation increased by 1% in the first 3 quarters of 2010 compared to the same period in 2009.

Fleet development

Atlantic Airways has made arrangements to phase out the remaining two older Bae 146-200 aircraft in 2010. As a result, the company will be left with three Bae Avro RJ aircrafts in permanent operation. Two are in ownership and one is on lease which expires in 2013. Atlantic Airways has access to capacity on short term lease in 2011 if required.

The helicopter activity will in 2011 be based on the two Bell 412 in ownership and lease of additional capacity if required.

The company expects to take delivery of its first Airbus 319 in March 2012.

Financial Statement, 1 July – 30 September 2010

Revenue for the third quarter increased 21% from DKK 110.4 million in Q3 2009 to DKK 133.6 million in Q3 2010.

EBITDA was DKK 33.2 million for the third quarter compared to DKK 14.6 million for the third quarter in 2009, an increase of 127%.

Result before tax for the third quarter was DKK 19.0 million compared to DKK -4.4 million the same period last year.

The third quarter result after tax was DKK 15.6 million compared to DKK -3.6 million for the same period the previous year.

Revenue from scheduled services increased by DKK 7.3 million in Q3 2010 compared to last year due to increased airport and passenger charges, higher yield and fuel surcharges.

Revenue from aircraft charter operations increased by DKK 7.1 million in Q3 2010 compared to last year due to increased charter activity.

Income from helicopter operations increased by DKK 6.6 million in Q3 2010 compared to last year due to offshore operations in the Faroese Sea.

Financial Statement, 1 January – 30 September 2010

Total revenue for the first 3 quarters of 2010 decreased 5% from DKK 319.2 million in the first 3 quarters of 2009 to DKK 304.6 million in the first 3 quarters of 2010.

In the first 3 quarters of 2010, EBITDA was DKK 51.0 million compared to DKK 36.2 million the previous year, an increase of 41%.

The overall negative impact on the company's earnings of the airspace closure in April and May 2010 associated

with volcanic activity in Iceland was approximately DKK 5 million before tax.

Net financial income was DKK -2.6 million for the first 3 quarters of the year compared to DKK 12.6 million for same period last year.

Result before tax for the first 3 quarters of 2010 was DKK 10.3 million compared to DKK 7.8 million the same period last year.

Result after tax was DKK 8.4 million for the first 3 quarters of 2010 compared to DKK 6.4 million for the same period the previous year.

Income from scheduled services increased by DKK 4.4 million in the first 3 quarters of 2010 compared to the first 3 quarters of 2009.

Charter income decreased by DKK 25.0 million this year compared to the first 3 quarters of 2009 as a consequence of reduced charter activity.

Income from helicopter operations increased by DKK 4.4 million this year compared to the same period last year.

Flight expenses decreased by DKK 18.1 million in the first 3 quarters of 2010 compared to the same period last year. The drop is due to declining activities in charter operations and due to a reduction in fleet capacity. Fuel cost has increased in the first 3 quarters of 2010, but it has to an extent been offset through higher fuel surcharges as well as fuel and currency hedging.

Company adjustments to decreased demand, and hence lower production, is also evident in personnel costs. Employee costs were DKK 66.9 million in the first 3 quarters of 2010 compared to DKK 77.7 million the previous year. In the first 3 quarters of 2010 the number of full-time equivalent employees was 170 compared to 204 in the first 3 quarters of 2009. Excluded in the number of full-time equivalent employees in the first half of 2009 were 30 employees on loan from SAS.

Depreciation for the first 3 quarters of 2010 was DKK 38.1 million compared to DKK 41.0 million in the first 3 quarters of 2009.

Balance Sheet

Total non-current assets decreased by DKK 74 million to DKK 229 million compared to the end of 2009.

Cash and cash equivalents increased by DKK 10.8 million in the first 3 quarters of the year to DKK 76 million.

Total current assets increased by DKK 88 million compared to the end of 2009.

Total equity as of 30 September 2010 was DKK 225 million, resulting in an equity ratio of 54%.

The company's total liabilities as of 30 September 2010 was DKK 188 million, of which non-current liabilities was DKK 69 million.

The balance sheet total as of 30 September 2010 was DKK 414 million, which is DKK 14 million higher than at the beginning of the year.

Pre-down payment on the Airbus 319 was DKK 32 million.

Shares

On 30 September 2010 the share price was DKK 118 and the market value of the company's outstanding share capital DKK 122 million, which is 46% below the company's equity value. At the end of 2009 the share price was DKK 141.

Events after 30 September 2010

In October 2010, Atlantic Airways signed a contract to sell its AW 139 helicopter to Wiking Helikopter Service in Germany. Delivery is expected to take place before year end. Atlantic Airways has an option to lease back the helicopter next year to support its operations.

In October 2010 Chilean-based DAP airline has taken delivery of one BAE 146 aircraft on a lease/purchase contract. The number of owned and long-term leased aircrafts have been reduced to three in October, but the company expects to have access to shorter-term leases in 2011.

There have been no events from the balance sheet date until today that might affect the true and fair view of the financial statement for the first 3 quarters of 2010.

Outlook for 2010

The winter period is traditionally the most challenging for Atlantic Airways as the fluctuation in demand is high between summer and winter. Conditions to provide scheduled services are expected to deteriorate because of increased airport charges and proposed tax on fuel in the Faroes. This will – at least in the short term – slow the possible recovery of passenger numbers. However, activity related to the current oil exploration and short-term charter activity will contribute to the earnings in Q4 2010.

Overall, Atlantic Airways expect that both operations and earnings in Q4 2010 will improve compared to last year. For the full year 2010, management is confident that the company will achieve both a positive EBIT and net result, providing that external factors such as fuel and currencies remain at the same level.

Risk management

The important risk factors, which were assessed at length in the 2009 Annual Report were: Demand for airline travel, demand for charter aircraft and helicopters, exchange rate changes, fuel prices, the weather, and interest rate risk. Air traffic may also be affected by cancellations and delays connected to ash clouds from volcanic eruptions. However, new rules to mitigate for risk involved in operations in light or medium contaminated areas has reduced the expected impact considerably.

The company realises that the profit and loss account can be affected by the general uncertainty in the Faroese and international economies, as well as realising that the result for the year and the balance sheet can be affected by the risk of increased competition, changes in oil prices, demand for airline travel, currency fluctuations, the general level of cost, the weather, volcanic ash, operations and accidents, financial risk, credit risk, and exchange rate risk.

Auditing

The report for the first 3 quarters of the year 2010 has not been audited, nor has it been reviewed.

Financial Calendar 2010

4 November	Interim Statement Q3
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Management's Statement

The Board of Directors and the Management have today discussed and approved the condensed interim financial statement of Atlantic Airways P/F for the period 1 January – 30 September 2010.

The interim financial statement, which has not been audited or reviewed by the company's independent auditor, has been prepared in accordance with IAS 34 "Interim Financial Statements" as adopted by the EU.

We consider the accounting policies appropriate. It is our opinion that the interim financial statement gives a true and fair view of the Company's assets and liabilities and financial position as at September 30, 2010, results, changes in equity and cash flows for the period of 1 January – 30 September 2010.

In addition, we also consider the Management's review to give a true and fair presentation of the development in the Company's activities and financial affairs, the result for the period and the Company's financial position as a whole, as well as a description of the significant risks and elements of uncertainty that may affect the Company.

Sørvágur the 4th of November 2010

Management:

Magni Arge
CEO

Marius Davidsen
CFO

Board of directors

Bjarni Askham Bjarnason
Chairman

Kaj Johannesen
Vice-chairman

Jens Wittrup Willumsen

Tezz Tordsdotter Ohlsson

Ingi S. Joensen

Olaf S. Poulsen

Company Information

P/F Atlantic Airways

Vágar Airport
FO-380 Sørvágur
Faroe Islands
Tel + 298 34 10 00
Fax +298 34 10 01
Established 1987
Reg. no. 1223
VAT Number 379778
Domicile municipality: Sørvágur
Website: www.atlantic.fo
Email: ir@atlantic.fo

Share

Stock Exchange:
VMF Market on NASDAQ OMX Iceland &
NASDAQ OMX Copenhagen
ISIN code FO 0000000062
Share Capital DKK 103.500.000
No. of Shares 1.035.000

Board of directors

Bjarni Askham Bjarnason, Chairman
Kaj Johannesen, Deputy Chairman
Jens Wittrup Willumsen
Tezz Tordsdotter Ohlsson
Ingi S. Joensen
Olaf S. Poulsen

Management

Magni Arge, CEO
Marius Davidsen, CFO

Auditor

P/F NOTA, State Authorized Public Accountants

Income Statement

				(DKK 1,000)
	Note	Q1-Q3 2010	Q1-Q3 2009	2009
Net sales	4	304.647.672	319.211.063	402.137
Other income		555.467	0	0
Total revenue	3,4,6	305.203.140	319.211.063	402.137
Flight expenses	5	-187.253.448	-205.338.019	-258.669
Employee expenditures	7	-66.904.715	-77.712.926	-99.835
Total operating expenses		-254.158.163	-283.050.945	-358.504
Result before depreciation, amort. and impairment (EBITDA)		51.044.976	36.160.117	43.633
Depreciations, amort. and impairment	8,12,13	-38.091.096	-41.017.070	-63.001
Result before financial items (EBIT)		12.953.880	-4.856.953	-19.368
Financial income	9	6.216.656	20.591.058	22.322
Financial expenses	10	-8.861.739	-7.983.687	-10.577
Net financial items		-2.645.083	12.607.371	11.745
Share of profit/loss of associates		0	0	-441
Result before taxes (EBT)		10.308.798	7.750.419	-8.064
Taxes	11	-1.878.498	-1.373.475	1.455
Net Profit / Loss for the year		8.430.300	6.376.944	-6.609
Attributable to:				
Shareholders of Atlantic Airways P/F		8.430.300	6.376.944	-6.609
Earnings per share	29			
Earnings per share (DKK) (EPS)		8,23	6,23	-6,45
Diluted earnings per share (DKK) (EPS-D)		8,23	6,23	-6,45

Statement of comprehensive income

	Note	Q1-Q3 2010	Q1-Q3 2009	(DKK 1,000) 2009
Net Profit / Loss for the year		8.430.300	6.376.944	-6.609
Other comprehensive income				
Value adjustm. of cash flow hedges		2.313.352	0	1.514
Available-for-sale financial assets		-27.000	-1.652.310	-1.859
Dividend own shares		0	0	6
Tax of other comprehensive income		0	0	0
Other comprehensive income after tax		2.286.352	-1.652.310	-338
Total comprehensive income		10.716.652	4.724.634	-6.947
Attributable to:				
Shareholders of Atlantic Airways P/F		10.716.652	4.724.634	-6.947

Balance Sheet as at 30 September

<i>(DKK 1,000)</i>				
ASSETS	Note	Q3 2010	Q3 2009	2009
Intangible assets	12	5.492.502	7.118.536	6.809
Aircraft and maintenance	13	126.144.272	218.273.070	208.158
Spare parts	13	16.654.080	17.687.747	17.936
Operating equipment	13	7.754.843	9.462.736	9.091
Hangar, buildings and land	13	38.983.084	40.945.185	40.455
Shares in associated companies	16	674.267	1.115.742	674
Prepaid aircraft acquisitions	15	32.292.534	9.972.286	19.106
Other shares	16	1.159.791	1.159.791	1.160
Total non-current assets		229.155.372	305.735.094	303.389
Consumables	17	3.170.475	3.633.675	3.761
Trade receivables	18	37.494.741	21.618.447	21.770
Prepayments		2.030.306	877.992	500
Other receivables		617.732	2.756.354	2.674
Other shares "available-for-sale"		702.000	935.190	729
Cash flow hedging		1.272.618	0	1.514
Cash and cash equivalents	27	76.305.481	104.624.394	65.519
		121.593.353	134.446.053	96.467
Assets held for sale	19	62.792.331	0	0
Total current assets		184.385.685	134.446.053	96.467
TOTAL ASSETS		413.541.056	440.181.147	399.856

Balance Sheet as at 30 September

(DKK 1,000)				
EQUITY AND LIABILITIES	Note	Q3 2010	Q3 2009	2009
Share capital	20	103.500.000	103.500.000	103.500
Share premium reserve		23.500.000	23.500.000	23.500
Value adjustm. of cash flow hedges		3.827.630	545.742	1.514
Revaluation reserve shares	22	229.500	462.690	257
Retained earnings	23	94.036.613	98.094.112	85.606
Total equity		225.093.743	226.102.544	214.377
Mortgage loans	24	48.419.763	107.543.338	102.667
Provisions for deferred taxes	11	20.247.876	27.958.839	25.130
Total non-current liabilities		68.667.639	135.502.177	127.797
Mortgage loans	24	10.382.500	18.282.500	18.282
Trade payables		18.126.619	31.377.094	19.685
Deferred income and accruals		34.509.879	28.916.832	19.714
	24	63.018.997	78.576.426	57.681
Liabilities ass. with assets held for sale	19	56.760.677	0	0
Total current liabilities	24	119.779.674	78.576.426	57.681
Total liabilities	24	188.447.314	214.078.603	185.479
TOTAL EQUITY AND LIABILITIES		413.541.056	440.181.147	399.856
Accounting Principles	1			
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Statement of Changes in Equity

(DKK 1,000)	Share capital	Share premium reserve	Hedging reserve	Revaluation reserve shares	Retained earnings	Proposed dividend	Total
Equity at 01.01.2009	103.500	23.500	-	2.115	91.663	5.000	225.779
Result for the period	-	-	-	-	6.377	-	6.377
Value adjustm. of cash flow hedges	-	-	546	-	-	-	546
Revaluation reserve shares	-	-	-	-1.653	-	-	-1.653
Total comprehensive income	-	-	-	-	-	-	5.270
Dividends paid	-	-	-	-	-	-5.000	-5.000
Dividend Own shares	-	-	-	-	54	-	54
Equity at 30.09.2009	103.500	23.500	546	463	98.094		226.102
Equity at 01.01.2010	103.500	23.500	1.514	257	85.606		214.377
Result for the period	-	-	-	-	8.430	-	8.430
Value adjustm. of cash flow hedges	-	-	2.313	-	-	-	2.313
Revaluation reserve shares	-	-	-	-27	-	-	-27
Total comprehensive income	-	-	-	-	-	-	10.717
Dividends paid	-	-	-	-	-	-	-
Equity at 30.09.2010	103.500	23.500	3.827	230	94.036	-	225.094

Breakdown of changes in share capital

(DKK 1,000)	2009	2008	2007	2006	2005
Share capital at the beginning of the period	103.500	103.500	103.500	75.000	75.000
Increase of share capital	-	-	-	28.500	-
Total	103.500	103.500	103.500	103.500	75.000

The notes 20-23 and 29 are an integral part of the Statement of Changes in Equity

Cash Flow Statement

(DKK 1,000)	Note	Q3 2010	Q3 2009	2009
Net profit/loss for the period		8.430	6.377	-6.609
Depreciations		38.091	41.017	63.001
Taxes		1.878	1.373	-1.455
Adjustments		39.970	42.391	61.545
+/- trade receivables		-15.725	25.755	14.877
+/- prepayments		-1.531	0	1.507
+/- other receivables		2.056	0	9.679
+/- stock		591	-2.661	-2.788
+/- shares in associated companies and other shares		0	-213	229
+/- own shares		0	0	0
+/- trade payables		-1.559	4.890	-3.158
+/- other liabilities and accrued expenses		14.796	7.872	-4.973
Cash flows from operating activities		-1.372	35.643	15.373
Cash flow from operations activities		47.028	84.411	70.310
Purchase of intangible, tangible assets and prepaid aircraft	12,13,14	-26.649	-45.305	-65.384
Cash flows from investing activities		-26.649	-45.305	-65.384
Repayment of long-term loans	24	-12.147	-11.845	-16.768
Foreign exchange effect on cash		2.554	0	0
Paid dividends		0	-5.000	-5.000
Cash flows from financial activities		-9.593	-16.845	-21.768
Total cash flows for the period		10.786	22.262	-16.842
Cash, beginning of the period		65.519	82.362	82.362
Cash, end of the period		76.305	104.624	65.519

The notes 8-28 are an integral part of the Cash Flow Statement

Notes

1. Accounting Principles

Reporting entity

Atlantic Airways P/F (the “Company”) is a limited liability company incorporated and domiciled in Faroe Islands. The address of the Company’s registered office is at Vágur Airport in Sørvágur, Faroe Islands. The financial statements of the Company as at and for the period January 1, to September 30, 2010 comprise the Company and the Company’s interests in associates. Atlantic Airways is an airline company focused on passenger transportation and is formed of three business divisions: Schedule Services, Charter Services, and Helicopter Services. Schedule Services and Charter Services have 4 aircraft in operation as at 30 September 2010 supported by 159 employees with the operational base at Vágur. In the Helicopter Services there are 3 helicopters in operation as at 30 September 2010 supported by 11 people with the operational base at Vágur. The Company is listed on the NASDAQ OMX Iceland and NASDAQ OMX Copenhagen stock exchanges.

Statement of compliance

The condensed interim financial statement for the period 1 January – 30 September 2010 have been prepared in accordance with IAS 34 “Interim Financial Statements”, as adopted by the EU, and in accordance with the guidelines for companies listed on the NASDAQ OMX Iceland and NASDAQ OMX Copenhagen.

These condensed interim financial statement were approved by the Board of Directors on November 4, 2010.

Significant accounting principles

The accounting policies applied by the Company in these condensed financial statements are the same as those applied by the Company in its annual report for the year ended 31 December 2009.

The annual report for 2009, which is available at the Company’s website www.atlantic.fo, contains a full description of the accounting policies.

At 30. September 2010, assets held for sale comprises an aircraft, a helicopter and maintenance. (note 19).

Assets held for sale comprise non-current assets and disposal groups held for sale. Disposal groups are defined as a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction and those liabilities directly associated with the assets that will be transferred in the transaction.

Assets are classified as held for sale if management has decided to sell the asset or disposal group and taken the necessary steps to carry out the sale, such that the carrying amount will be recovered principally through a sale within 12 months in accordance with a formal plan rather than through continuing use.

Assets or disposal groups held for sale are measured at the lower of carrying amount or fair value less costs to sell. Assets are not depreciated or amortised from the date when they are reclassified as held for sale. Impairment losses on initial recognition as held for sale and gains and losses on subsequent remeasurement at the lower of carrying amount and fair value less costs to sell are recognised in the income statement in the items to which they relate.

Assets and liabilities are recognised separately in the statement of financial position.

If a sale is not completed as expected, the asset or disposal group is reclassified to the items in the statement of financial position from which the asset or disposal group was originally separated. This reclassification is made at the carrying amount less any depreciation charges that would have been recognised if the asset had not been classified as held for sale.

2. Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Notes

3. Business segment

Business segments

(DKK 1,000)	Aircraft Services		Helicopter Services		Total	
	Q1-Q3 2010	Q1-Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Q1-Q3 2010	Q1-Q3 2009
Income statement						
Net sales	272.583	291.528	32.065	27.683	304.648	319.211
Other income	555	0	0	0	555	0
Total revenue from external customers	273.139	291.528	32.065	27.683	305.203	319.211
Total revenue	273.139	291.528	32.065	27.683	305.203	319.211
Operating expenses	260.036	293.977	32.214	30.091	292.249	324.068
Operating result	13.103	-2.449	-149	-2.408	12.954	-4.857
Effects of associated companies					0	0
Net financing costs					-2.645	12.607
Result before tax					10.309	7.750
Income tax expense					-1.878	-1.373
Profit					8.430	6.377
Balance sheet						
Segment assets	276.747	310.612	136.794	129.569	413.541	440.181
Segment liabilities and equity	335.385	353.462	78.156	86.719	413.541	440.181
Cash flows						
Cash flows from operating activities	57.458	79.788	-10.430	4.623	47.028	84.411
Cash flows from investing activities	-25.860	-47.612	-790	2.307	-26.649	-45.305
Cash flows from financing activities	-2.781	-10.032	-6.813	-6.813	-9.593	-16.845
Other						
Depreciations and amortisation	27.702	34.478	10.389	6.539	38.091	41.017

Geographical segments

Revenue comprises the following markets:

	Faroe Islands		Europe		Total	
	Q1-Q3 2010	Q1-Q3 2009	Q1-Q3 2010	Q1-Q3 2009	Q1-Q3 2010	Q1-Q3 2009
Total revenue from external customers	176.684	167.600	128.519	151.611	305.203	319.211

Notes

4. Total external revenue (DKK 1,000)	Q1-Q3 2010	Q1-Q3 2009
Passenger transport	207.595	201.669
Charter activity	46.440	66.674
Cargo and mail	9.098	8.876
Other	25.577	26.222
SAR and Inter-Island services	15.937	15.770
Other income	555	0
Total	305.203	319.211

Significant customers

Last year revenue from trading with a significant customer, SAS, amounted to approx. 10% of net revenue in Q1-Q3 2009. The charters for SAS expired on 31 May 2009.

5. Flight expenses (DKK 1,000)	Q1-Q3 2010	Q1-Q3 2009
Aircraft fuel	-51.973	-43.449
Aircraft maintenance	-17.927	-30.505
Other costs	-117.354	-131.384
Total	-187.253	-205.338

6. Specification of numbers of passengers:	Q1-Q3 2010	Q1-Q3 2009
Passengers fixed wing, scheduled services	147.976	155.441
Passengers fixed wing, charter	14.695	111.356
Passangers fixed wing	162.671	266.797
Passengers by Helicopters	7.329	5.485
Total passengers	170.000	272.282

Block hours:

Aircraft, block hours, scheduled services	4.758	4.868
Aircraft, block hours, charter	726	3.046
Total aircraft block hours	5.484	7.914
Helicopters	680	842
Total airborne hours	6.164	8.756

Income overseas:

Export value in DKK	128.518.839	151.611.420
Export value in %	42%	47%

Notes

7. Employee expenditures	Q1-Q3 2010	Q1-Q3 2009
DKK		
Wages and salaries	-57.948.888	-67.119.919
Pensions	-4.732.512	-4.705.699
Expenses for social security	-1.932.094	-2.402.961
Other employee expenditures	-2.291.222	-3.484.348
Bonus	0	0
Share-based payments	0	0
Total	-66.904.715	-77.712.926
Number of employees	170	204

8. Depreciation, amort. and impairments (DKK)	Q1-Q3 2010	Q1-Q3 2009
Amortisation of intangible assets	-1.870.774	-1.657.447
Impairments of intangible assets	0	0
Depreciation of tangible assets	-31.488.667	-39.359.623
Impairments of tangible assets	0	0
Depreciation of assets held for sale	-4.731.656	0
Impairments of assets held for sale	0	0
Total depreciation, amortisation and impairments	-38.091.096	-41.017.070

9. Financial income (DKK)	Q1-Q3 2010	Q1-Q3 2009
Interest, cash, etc.	585.285	1.293.833
Dividends	0	120.000
Profit from options	2.404.159	17.871.025
Other interest income	84.915	521.556
Currency adjustments	3.142.297	784.644
Total	6.216.656	20.591.058

10. Financial expenses (DKK)	Q1-Q3 2010	Q1-Q3 2009
Interest on long term loans	-3.941.493	-6.794.072
Other interest expenses	-989.077	-819.609
Currency adjustments	-3.931.169	-370.006
Total	-8.861.739	-7.983.687

Notes

11. Tax (DKK)	Q1-Q3 2010	Q1-Q3 2009
Taxes	0	0
Changes in deferred taxes during the period	-1.878.498	-1.373.475
Total taxes	-1.878.498	-1.373.475
Deferred taxes as of Jan 1st	18.369.378	26.585.364
Changes in deferred taxes during the period	1.878.498	1.373.475
Deferred tax at the end of the period	20.247.876	27.958.839
Taxes from net profit/loss for the period:		
Calculated 18% tax of result before taxes	1.855.584	1.395.075
Change from previous years	22.914	0
Dividend from other shares	0	-21.600
Total	1.878.498	1.373.475
Effective tax percent	18%	18%
Provisions for deferred tax comprises:		
Property, plant and equipment	30.534.101	32.988.498
Financial assets	70.878	376.010
Receivables	-504.000	-486.000
Tax loss carried forward	-3.092.427	-4.919.669
Transferred to assets held for sale	-6.760.677	0
Total	20.247.876	27.958.839

12. Intangible fixed assets (DKK)

	Software
Acquisition value as of Jan 1st	14.500.740
Additions during the period	553.946
Disposal during the period	0
Acquisition value as of September 30th	15.054.686
Amortisations as of Jan 1st	-7.691.410
Amortisations during the period	-1.870.774
Amortisations of disposal	0
Amortisations as of September 30th	-9.562.184
Book value as at September 30th 2010	5.492.502
Book value as at December 31st 2009	6.809.330

Notes

13. Tangible fixed assets (DKK)

	Aircraft and maintenance	Spare parts	Operating Equipment	Hangar, buildings and land	Total
Acquisition value as of Jan 1st	245.078.954	41.258.941	21.011.262	47.214.671	354.563.828
Additions during the period	12.482.013	0	308.941	0	12.790.954
Disposal during the period	-14.153.216	-2.252.420	-278.149	0	-16.683.785
Acquisition value as of Sep. 30th	243.407.752	39.006.521	21.042.054	47.214.671	350.670.998
Depreciations and write-downs as of Jan 1st	-104.172.719	-23.322.506	-11.920.265	-6.760.010	-146.175.500
Depreciations and write-downs during the period	-27.243.978	-1.128.018	-1.645.094	-1.471.577	-31.488.667
Depreciations and write-downs of disposal	14.153.216	2.098.084	278.149	0	16.529.448
Depreciations and write-down as of September 30th	-117.263.481	-22.352.440	-13.287.210	-8.231.587	-161.134.718
Book value as at September 30th 2010	126.144.272	16.654.079	7.754.843	38.983.084	189.536.278
<i>Book value as at Sep 30st 2009</i>	<i>144.316.753</i>	<i>17.687.747</i>	<i>9.462.736</i>	<i>40.945.185</i>	<i>212.412.421</i>

14. Insurance value (DKK)

	Insurance value	Carrying amount
Aircraft and helicopters	435.000.000	142.798.351
Other equipment	*	46.737.927
Total		189.536.278

*Replacement value

15. Prepaid aircraft acquisitions

Prepaid aircraft acquisitions in the balance sheet is for the purchase of one Airbus A319 aircraft to be delivered in 2012.

Notes

16. Financial assets (DKK)

	Shares in ass.		
	companies	Other shares	Total
Acquisition value as of Jan 1st	570.000	947.291	1.517.291
Additions during the period	0	0	0
Disposal during the period	0	0	0
Acquisition value as of September 30th	570.000	947.291	1.517.291
Revaluations and share of result as of Jan 1st	104.267	212.500	316.767
Revaluations during the period	0	0	0
Share of result in the period	0	0	0
Additions during the period	0	0	0
Disposal during the period	0	0	0
Revaluations as of September 30th	104.267	212.500	316.767
Book value as at September 30th 2010	674.267	1.159.791	1.834.058
Book value as at September 30th 2009	1.115.742	1.159.791	2.275.533

Name	Domicile	Comp. pos.	Share capital	Profit/Losses	Company's portion		
					Equity	Result before taxes	Profit/Losse
P/F Green Gate Incoming	Tórshavn	49%	500.000	*)	349.267	**) *)	*)
P/F Gjáargarður	Gjógv	27%	1.200.000	*)	325.000	**) *)	*)
					674.267	-	-

*) Not available

**) As at Dec 31st 2008

17. Consumables (DKK)

	Q3 2010	Q3 2009
Inventories	3.170.475	3.633.675
Write-downs of inventories	0	0
Consumables total	3.170.475	3.633.675

18. Trade receivables (DKK)

	Q3 2010	Q3 2009
Trade receivables	40.294.741	24.318.447
Write-downs of trade receivables	-2.800.000	-2.700.000
Trade receivables total	37.494.741	21.618.447

Notes

19. Assets held for sale

At 30. September 2010, assets held for sale comprises an aircraft, a helicopter and maintenance.

The company has decided to phase in a new Airbus aircraft, and therefore wants to phase out it's older BAE 146 aircrafts. The delivery on one aircraft is expected to be before year end. This aircraft is in the Aircraft Services segment. The company also has decided to sell one AW 139 helicopter. This is to reduce the expose in the Helicopter segment. The delivery is expected to take place before year end.

The selling price is expected to exceed the carrying amount of assets held for sale. Accordingly no depreciation and impairment losses have been recognised in the income statement.

Mortgage loan amounting to DKK 50 million is related to the financing of the helicopter. The provision for deferred taxes relates to disposition of the assets held for sale.

	Q3 2010	Q3 2009
Aircraft and maintenance	62.792.331	73.956.317
Assets held for sale total	62.792.331	73.956.317
Mortgage loans	50.000.000	57.498.435
Provision for deferred taxes	6.760.677	6.793.575
Total liabilities ass. with assets held for sale	56.760.677	64.292.010

20. Equity

Share capital

The share capital amounting to DKK 103.500.00 is divided in 1.035.000 shares of DKK 100. The shares are not divided in different categories.

Share premium reserve

Share premium comprises premium on issue of shares.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not been realised.

Revaluation reserve shares

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in equity as revaluation reserve shares.

Retained earnings

Retained earnings from the year and previous years.

Proposed dividend

Proposed dividends for the year is disclosed as a separate item under equity named: Proposed dividend. Proposed dividends are recognised as a liability when the proposed dividends are adopted at the annual general meeting.

Notes

21. Own shares

	Number		Nominal value		% of Share capital	
	Q3 2010	Q3 2009	Q3 2010	Q3 2009	Q3 2010	Q3 2009
1. Jan 10	11.111	0	1.111.100	0	1%	0%
Addition	0	11.111	0	1.111.100	0%	1%
Disposal	0	0	0	0	0%	0%
30-sep-10	11.111	11.111	1.111.100	1.111.100	1%	1%

22. Revaluation reserve shares (DKK)

	Q1-Q3 2010	Q1-Q3 2009
Reserve as of Jan 1st	256.500	2.115.000
Adjustment for the period	-27.000	-1.652.310
Revaluations	0	0
Reserve at the end of the period	229.500	462.690

23. Retained earnings (DKK)

	Q1-Q3 2010	Q1-Q3 2009
Retained earnings opening	85.606.313	91.663.492
+ Dividend own shares	0	53.676
+ Net profit	8.430.300	6.376.944
- proposed dividend	0	0
Total	94.036.613	98.094.112

24. Non-current and current liabilities (DKK)

	Liab. Sep 30th 2010	Short term liab. 0-1 year	Due for payment after 5 years	Liab. Sep 30th 2009
Mortgage loans	58.802.263	10.382.500	5.197.793	125.825.838
Provision for deferred taxes	20.247.876	0	0	27.958.839
Trade payables	18.126.619	18.126.619	0	31.377.094
Deferred income and accruals	34.509.879	34.509.879	0	28.916.832
Liabilities ass. with assets held for	56.760.677	56.760.677	0	0
Total non-current and current liab.	188.447.314	119.779.674	5.197.793	214.078.603

Specified as follows:

Current liabilities	119.779.674	78.576.426
Non-current liabilities	68.667.639	135.502.177

The company has not had any defaults of principal, interest or other breaches with respect to their liabilities during the period (Q1-Q3 2009: the same).

Notes

25. Mortgaging and contingent liabilities etc.

Aircraft with a book value as at 30 September 2010 of DKK 189 million are mortgaged.

DKK 2,2 million of the Cash and cash equivalents have been pledged.

The company has entered into a contract with Airbus, about purchasing an aircraft for US\$ 40.8 million, with an option to extend it with an aircraft. The company has so far paid up front US\$ 6.6 million. The delivery of the first aircraft is expected to be in the first quarter of 2012. A cancellation of the contract with Airbus is possible, but in that case the prepayment will be lost.

The company is obligated to pay a sum of DKK 5.4 million a year until 30 September 2013 for the lease of one aircraft. The leasing rate in 2013 is amounting to DKK 3.6 million.

Notes

26. Related parties

Control:	Basis of influence
Vinnumálaráðið, Tinganes, 100 Tórshavn	Majority shareholder

Significant influence:

The Company has in Q1-Q3 2010 provided helicopter services to the Faroese Ministry of the Interior amounted to DKK 4.95 million (Q1-Q3 2009: DKK 4.95 million) and to the Faroese Ministry of Fisheries amounted to DKK 10.5 million (Q1-Q3 2009: DKK 10.5 million). The Company has not granted loans, provided security, recourse guarantee or guarantee obligations to the principal shareholder.

All transactions are priced on an arm's length basis.

The Company has not traded with, granted loans, provided security, recourse guarantee or guarantee obligations to the Board of Directors, the Board of Executives or to non-group enterprises in which the parties concerned are interested.

Associated company's

P/F Green Gate Incoming	(Note 16)
P/F Gjáargarður	(Note 16)

The Company has not been involved in trade of particular importance with associated company's. The Company has not granted loans, provided security, recourse guarantee or guarantee obligations to the associated company's

Transactions with associates are priced on an arm's length basis.

27. Cash and cash equivalents (DKK)	Q1-Q3 2010	Q1-Q3 2009
Cash and cash equivalents	76.305.481	104.624.394
Total	76.305.481	104.624.394

28. Additional cash flow information (DKK)	Q1-Q3 2010	Q1-Q3 2009
Interest paid	-4.930.569	-7.613.681
Interests received	670.200	1.815.389
Total	-4.260.370	-5.798.292

Notes

29. Earnings per share	Q1-Q3 2010	Q1-Q3 2009
Net Profit/Loss for the year	8.430.300	6.376.944
Number of shares	1.035.000	1.035.000
Number of own shares	11.111	11.111
Total (Excluding own shares)	1.023.889	1.023.889
Earnings per share (DKK) (EPS)	8,23	6,23
Diluted earnings per share (DKK) (EPS-D)	8,23	6,23

The calculation of earnings per share is based on the profit after tax and on the weighted average number of shares in issue during the period.

30. Dividend

The Annual General Meeting on 25 March 2010 decided not to distribute a dividend for the financial year 2009. A dividend of DKK 5 million was distributed to Atlantic Airways' shareholders in 2009.

31. Seasonality

The airline industry is highly seasonal. Revenue from scheduled services are normally higher in the third quarter and lower in first and fourth quarter due to significantly higher demand during the summer. A breakdown of the company's income statement during five quarters is specified below.

	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009
INCOME STATEMENT (DKK 1,000)					
Total Revenue	133.597	92.838	78.768	82.926	110.428
Flight expenses	-77.297	-59.201	-50.755	-54.284	-71.642
Employee expenditures	-23.125	-22.592	-21.188	-22.123	-24.195
Result before depr., amort. and impairm. (EBITDA)	33.175	11.045	6.825	6.519	14.591
Depreciations, amortisations and impairment	-13.132	-12.415	-12.544	-21.031	-16.641
Result before financial items (EBIT)	20.043	-1.370	-5.719	-14.512	-2.050
Net financial items	-1.036	-417	-1.193	-862	-2.358
Share of p/l of ass. companies	0	0	0	-441	0
Result before tax (EBT)	19.007	-1.787	-6.912	-15.815	-4.408
Tax	-3.421	322	1.221	2.829	793
Profit	15.586	-1.465	-5.691	-12.986	-3.615

32. Currency gain

The interim first 3 quarters report last year includes a currency gain of DKK 17.7 million.

Notes

33. Fleet reduction

In July, the company made arrangements to phase out the two remaining BAE 146-200 aircraft. One aircraft was sold to a subsidiary company of the Canadian based Tronos group and will be leased back for 2011 summer season. The other aircraft will be delivered to the Chilean based airline DAP in October on a lease / purchase agreement.

The company has reduced the helicopter fleet by selling the AW 139 helicopter in October. Delivery is expected to take place before year end. Atlantic Airways has an option to lease back the helicopter next year to support its operations.

34. Events after the end of the third quarter

There have been no events from the balance sheet date until today that might affect the true and fair view of the financial statement for the first 3 quarters of 2010.

Definitions

ACMI

Leasing of Aircraft, Crew, Maintenance and Insurance. The lessee has to bear a significant portion of direct costs related to the charter – hereunder fuel cost and airport fees.

Airborne hours

Number of flown hours.

ASK: Available seat kilometres

The total number of seats available for passengers multiplied by the number of kilometers which they are flown.

Block hours

Refers to the time the aircraft leaves the departure gate until it arrives at the destination gate.

EBT

Earnings before tax.

EBIT

Earnings before interest and tax.

EBITDAR

Operating income before interest, tax, depreciations, amortizations and leasing cost.

EBITDA

Operating income before interest, tax, depreciations and amortizations.

Load factor

RPK divided by ASK. Describes the utilisation of the available seats.

RPK: Revenue Passenger Kilometres

Number of paying passengers multiplied by the distance they are flown in kilometers.