

Publishing of interim report postponed. According to the preliminary interim report EBITDA was ISK 8.4 billion in Q3, compared to ISK 6.2 billion in Q3 2008.

The publishing of the interim report 30.09.09, reviewed by the Company's auditors, has been postponed until week 49. The Company is engaged in financial restructuring, as has previously been reported. This work is well underway, but has not been finalized, therefore the preparation of the Group's interim report has been delayed. It is expected that important steps in the restructuring process will be finalized in November

According to the preliminary interim report, the total turnover of Icelandair Group in the third quarter was ISK 53.7 billion, an increase of 29% from the same period of last year. EBITDA was ISK 8.4 billion, as compared to ISK 6.2 billion in the corresponding period of last year. Depreciation and financial cost increase considerably from the same period last year.

In the period January – September 2009 the total turnover of Icelandair Group was ISK 108.1 billion, an increase by 28% from the corresponding period of last year. EBITDA was ISK 7.5 billion but was ISK 7.2 billion in the same period of 2008. Depreciation and financial cost rose considerably between years. Cash at September 30 2009 was ISK 6.1 billion but was ISK 7.4 billion at the same time last year.

Björgólfur Jóhannsson CEO of Icelandair Group:

“EBITDA for the third quarter considerably exceeds the budget for the year and the EBITDA shows significant operational improvement from the previous year, however depreciation and financial cost has increased substantially. In general, the subsidiaries of the Group are returning good results in the third quarter. Combination of dynamic marketing efforts and cost cutting measures have allowed the Group's employees to return impressive operational results under tough circumstances. Positive development of external factors, such as the Euro-Dollar exchange rate and jet fuel prices also contribute to the improved results.

The primary key figures, such as cash and equity ratios, have improved considerably from the interim report as of June 30 2009. The restructuring of the Group's Capital Structure has been in progress in cooperation with its bank for quite some time. It is expected that important steps in the restructuring process will be finalized in November. Due to this the preparation of the interim report has been delayed and its publishing postponed until week 49”.

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