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Atlantic Airways Stock Exchange Announcement 1/2009

Atlantic Airways: DKK 18.6 million result, doubling its cash, and dividend DKK 5 million.

Atlantic Airways' result for 2008 was DKK 18.6 million before tax and DKK 15 million after tax. Cash increased more than twofold from DKK 38 million to DKK 82 million, and the board proposes a DKK 5 million dividend. The company is also pleased to be the best performing listed airline in the Nordic countries last year.

The profit and loss account for 2008 shows a pre-tax result of DKK 18.6 million and DKK 15 million after tax. This is the 14th year in a row that the company posts a positive result, and the company is in a strong financial position to take on challenges ahead.

In 2008, core operations improved markedly. The result before market value adjustment, depreciation, and tax was DKK 87 million compared to DKK 65 million in 2007 – an increase of 34%.

“This past year had many challenges – both expected and unexpected – so we are very pleased with our good result, having improved profitability, and also strengthened our cash flow,” says Mr. Magni Arge, CEO of Atlantic Airways.

Many challenges

Atlantic Airways' increased its production significantly in 2008. Airborne hours increased from 11,600 to 15,000 hours, an increase of 32%. At the same time, the number of full-time equivalent employees increased from 192 to 277. As if this was not challenging enough, the record fuel prices and global economic turmoil put a great strain on the company to adapt to new and unforeseen circumstances.

Fuel costs on scheduled services increased by DKK 27 million in 2008, or 36%. Increased investments also lead to an increase in depreciation from DKK 45 million to DKK 60 million. Net financial expenditure was DKK 13,5 million in 2008 compared to net financial income of DKK 9 million in 2007.

Despite of this, the result for 2008 was satisfactory at DKK 18.6 million compared to DKK 29 million in 2007. Equity is now DKK 221 million, the equity ratio is 51%, and cash increased from DKK 38 million to DKK 82 million.

Atlantic Airways was established in 1987 and has grown steadily since then. Operations started cautiously in March 1988, with a single aircraft and just one route, between the Faroe Islands and

Copenhagen. Atlantic Airways has gradually expanded and established new income streams, ensuring the company a stable economic base. The main activity consists of scheduled service with Faroes as a cornerstone, charter operations in Europe and helicopter operations in Faroese and North Sea waters. Atlantic Airways currently operates seven jet aircrafts and three medium size helicopters.

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