



2009

- **Economical crisis affected aviation severely**
- **Decline in all segments: scheduled, charter/ACMI and helicopters**
- **Number of block hours reduced by 40%**
- **Turnover reduced from 547 MDKK to 402 MDKK**
- **EBITDA reduced 50%**
- **Financial items + 11,7 MDKK, impairment – 4,2 MDKK**
- **Result before tax (EBT) -8,1 MDKK**
- **Result after tax -6,6 MDKK**
- **Total equity is 214 MDKK and solvency 54 %**

2

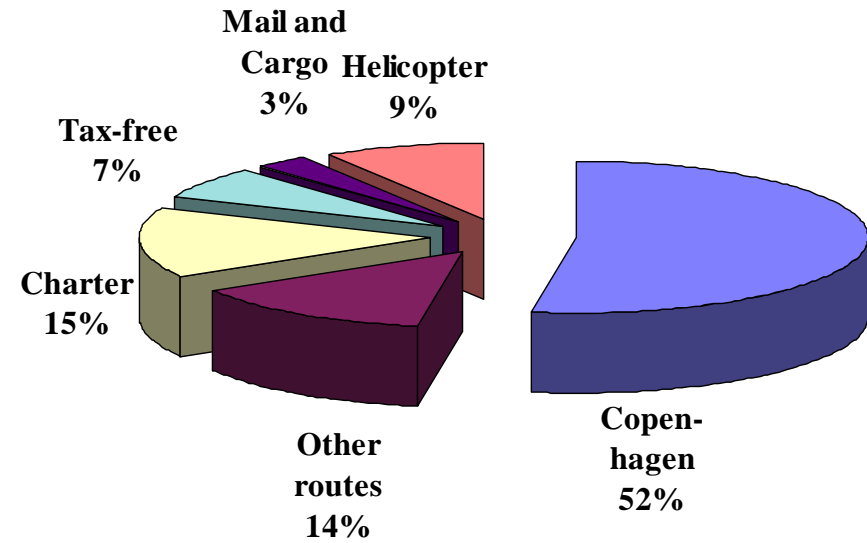
Events during the year



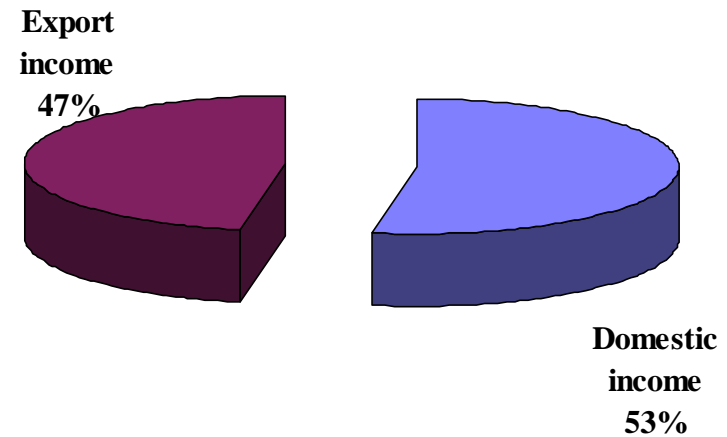
- Substantial changes in environment, activity and earnings has led to substantial changes in the organisation
- Tax free trade moved from the air on the ground in January
- Reduced capacity on scheduled segment in line with demand reduction 9%
- Low demand causes pressure on yield as well as new yield management
- ACMI /charter dived sharply in 2009
- Low oil price and ENI postponement reduced helicopter demand
- Initiatives to right size production capacity, improve efficiency and reduce cost generally
- Closed base in Stavanger, minimized Copenhagen – Vagar is main base
- Downsizing from 277 in '09 to around 165 in Q1 '10
- Challenging excercis to reduce – appreciate cooperation with employee
- Persistent focus on new activity or reduction of capacity pays off at last



Diversified income



Export income





The fleet

- Seven a/c in ownership
 - Book value 208 MDKK
- Airbus 319 delivered Q1 2012
- Two leased a/c redelivered in 2009
 - One in June and one in November

Fleet today	No.	Own	Manufact.
Avro RJ 100/85	3	2	1993-1999
BAe 146-200	2	2	1985-1988
Bell 412	2	2	1993-1997
AW 139	1	1	2008

Expected delivery

1 A319	2012
--------	------

Expected sales

Depending on activity, 1-2 BAe 146

Depending on activity, 1 AW 139 helicopter



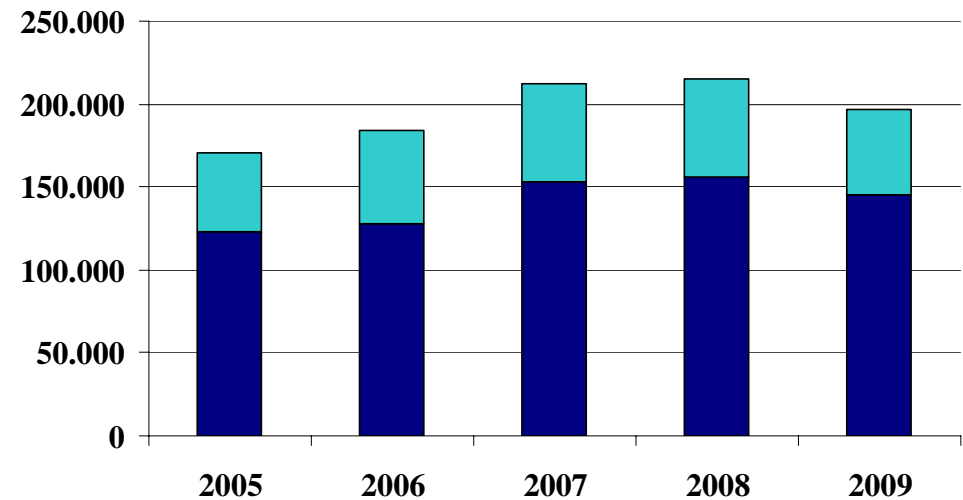
Scheduled flights

Pax on scheduled flights fell 9% from 214.00 to 196.000

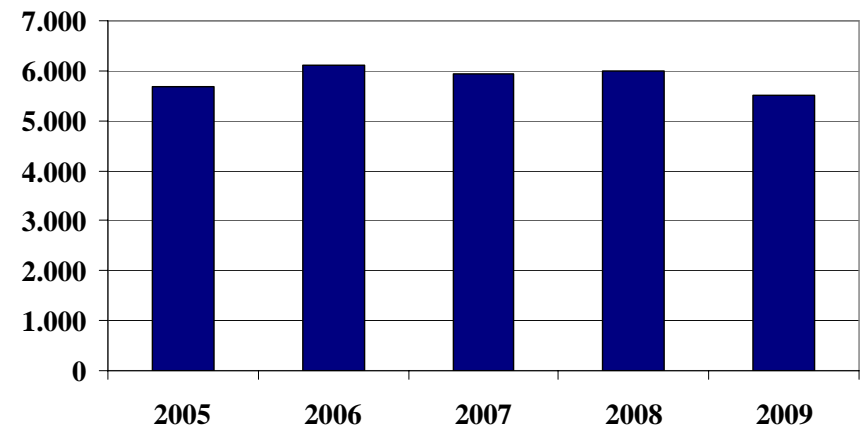
Number of frequencies and flights where reduced accordingly and Load Factor retained at 77%

Weekly Departures expected	High season	Low season
Copenhagen	31	18
Reykjavík	2	2
Billund	8	2
Aalborg	3	
Stavanger	2	
London	2	
	48	22

Scheduled flight - Number of passengers



Scheduled flight - Airborne hours





Airport facilities

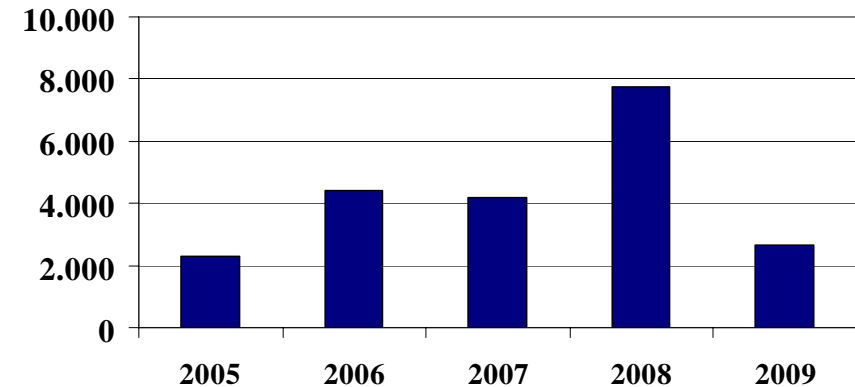
- Embrace the development of aviation infrastructure in Faroe Islands
- Extended runway, improved regularity and advantageous conditions to develop air services with Faroes as a cornerstone are central
- Extending the runway to 1.799 opens up for new and more efficient aircraft, but will cause fewer frequencies.
- Improved regularity needs investment in new landing aids and procedures to improve utilisation in adverse weather conditions
- Increased charges leads to higher fares and less passengers. The passenger fees and taxes are now among the highest in Europe.
- Steep increases in charges for out-of-hours opening related to weather is unfair to a carrier based in Faroe islands providing services early morning and late hours.



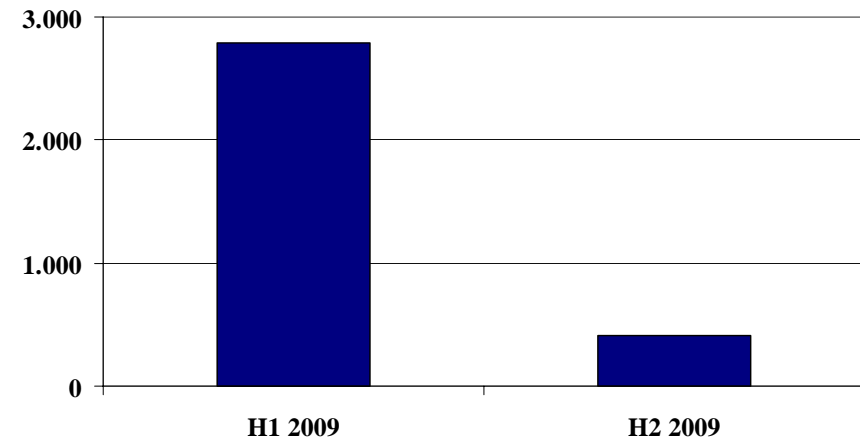
Charter/ACMI

- Turnover 2009 - 60 mió.kr.
- SAS contract expired in June
- No new substantial contract since then
- Market is severely affected by economical crisis. Competition much harder because of overcapacity and and relatively high Euro/DKK.
- Reduction in H 2 alone was 90%
- Niches like London City contracted severely
- However we have been relatively succesful in ad hocs which fit to a reduced capacity
- Do not expect substantial change in 2010

Charter operations
Block hours



Charter operations - block hours 2009

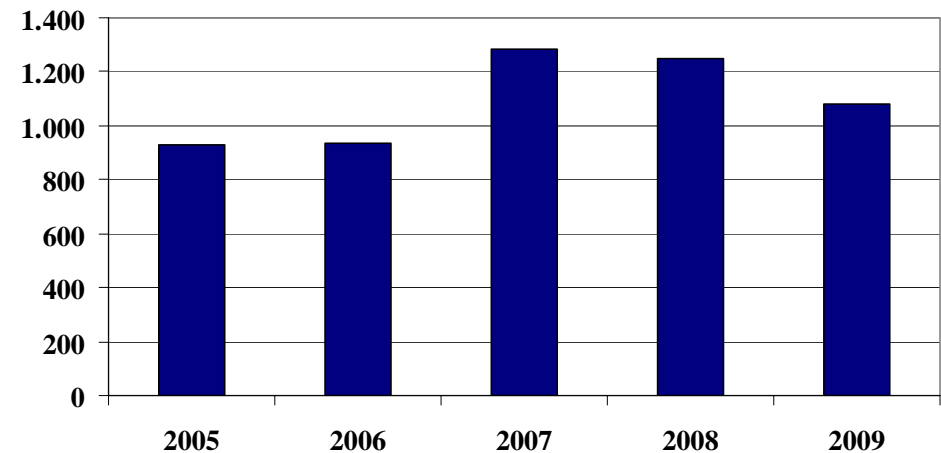




Helicopters

- Turnover 2009 - 36 MDKK
- Domestic services since 1994
 - Scheduled service to remote islands
- SAR contract from 2000 - 2010
 - Invested in dedicated SAR helicopter
 - Demanding training to improve competence
 - Discussions with ministry on future domestic helicopter services
- Offshore and charter
 - AW 139 generated far lower income than expected in 2009
 - Market fell in april and ENI postponed
 - Seeking new markets and opportunities such as sale or long term lease of asset
 - Activity improved since november 2009
 - Support ENI from May 2010

Block hours - Helicopter services





Frásögn nevndarinnar um virki felagsins í farna ári

Income Statement

DKK 1.000	2009	2008
Total income	402.137	546.836
Flight expenses	-258.669	-348.091
Employee expenditures	-99.835	-111.775
Total operating expenses	-358.504	-459.866
Result before dep., amort. and impairment (EBITDA)	43.633	86.970
Depreciations, amort. and impairment	-63.001	-60.513
Result before financial items	-19.368	26.457
Financial income	22.322	11.536
Financial expenses	-10.577	-10.099
Net financial items	11.745	1.437
Share of profit/loss of associates	-441	-75
Result before taxes (EBT)	-8.064	27.818
Taxes	1.455	-4.971
Net Profit/Loss for the year	-6.609	22.847

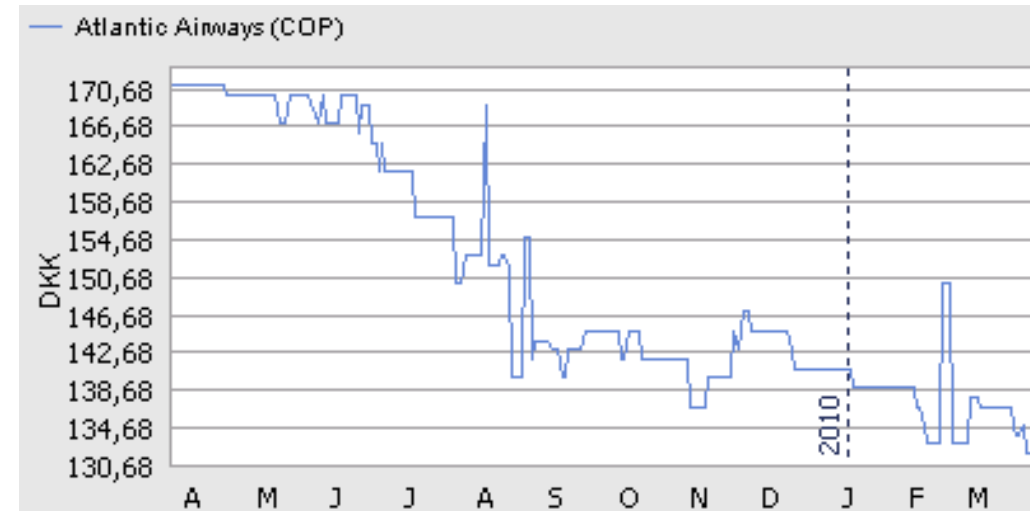
**Balance Sheet as at 31 December 2009**

ASSETS (DKK 1.000)	2009	2008
Total non-current assets	303.389	301.235
Total current assets	96.467	136.929
TOTAL ASSETS.	399.856	438.164
TOTAL EQUITY AND LIABILITIES (DKK 1.000)	2009	2008
Total equity.	214.377	226.324
Total non-current liabilities.	127.797	146.027
Total current liabilities.	57.682	65.813
Total liabilities.	185.479	211.840
TOTAL EQUITY AND LIABILITIES.	399.856	438.164



Stock exchange

- Listed on OMX in Copenhagen and Reykjavik
- Market cap 137 MDKK (Share price DKK 132 24.03.2010)
- Market value at year end 2009 was 34% lower than total equity
- Limited liquidity and trade





Outlook

- Hard to predict the economical outlook in general and in aviation
- Adjusting towards an activity level slightly lower than H2 2009
- Necessary to keep focus on adjustments, to secure a healthy competitive edge
- The company expects to operate 4 fixed wing aircraft in 2010
- Working on phasing out BAe 146 and prepare to phase in A 319
- Structure for future domestic helicopter service to be decided
- Improving on efficiency and yield pr. scheduled flight
- Growing interest amongst tourists to Faroe Islands
- Adjustment from 2009 will pay off in full in 2010
- So far this year has met expectations
- The company expects a better result in 2010
- A passionate team of employees makes the difference