Report for Q1 2010/11

(July 1 – September 30, 2010) **Release no. 188**
November 10, 2010

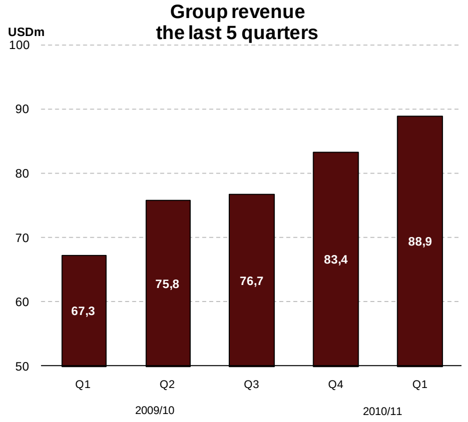
(This is a translation into English of the original text in Danish. In case of discrepancies between the two texts, the Danish text shall be considered final and conclusive)

SUMMARY – A strong quarter and robust Aftermarket earnings

Satair's report for Q2 2010/11 reflects an all-time high performance, with revenue growth of 32% and an increase in profit before tax of 174% for the continuing activities.

The growth rates achieved for both revenue and earnings were above expectations: first-quarter revenue (the Aftermarket) came to USD 88.9 million (approx. DKK 470 million), reflecting growth of 32% to which the acquired activities (Eaton and Aero Hardware) contributed 12 percentage points. EBITDA totaled USD 8.9 million against the year-earlier level of USD 4.8 million. Profit before tax stood at USD 6.3 million (approx. DKK 33 million). The cash flow from operating activities for the entire Group was positive in an amount of USD 2.1 million and above expectations, while the Aftermarket contributed a negative cash flow from operating activities on account of strong growth. Satair maintains the guidance announced on October 25, 2010 in connection with the divestment of the OEM activities.

Satair's CEO John Stær comments: "After the sale of the OEM activities our focus going forward will be on our core business, which is the Aftermarket activities. The strong first-quarter performance proves that we made the right strategic choice when deciding to sell. The continuing activities posted first-quarter revenue at an all-time high, and we reap the benefit of an improvement in the market environment, the acquisition of activities and the addition of new product lines. Going forward Satair will endeavor to use its strong market position and attractive financial situation to achieve further growth in coming years".



Q1 2010/11 at a glance:

- Revenue: USD 88.9 million (32%, contributed by acquisition: 12%)
- Gross margin: 21.0 (20.5)
- EBITDA: USD 8.9 million (USD 4.8 million) and EBITDA margin: 10.1% (7.2%)
- EBIT: USD 7.7 million (USD 3.6 million) and an EBIT margin of 8.6% (5.4%)
- Profit before tax: USD 6.3 million (USD 2.3 million)
- Cash flow from operating activities: USD 2.1 million USD (USD -10.7 million USD)

Divestment of OEM activities

Satair divested its OEM activities effective from October 27, 2010, and the profit on the sale will not be recognized until in the interim report for Q2 2010/11. The decision to sell the OEM activities was made in Q1 2010/11, and so the OEM activities are considered discontinuing effective from July 1, 2010. Accordingly, the main focus of this interim report will be on developments in the Aftermarket.

Guidance for FY 2010/11

Satair maintains the guidance announced on October 25, 2010 in connection with the divestment of the OEM activities: the revenue forecast is unchanged at around USD 350-360 million for the continuing Aftermarket activities, reflecting 15% in growth from the year-earlier level; the gross margin is forecast at around 20.0; EBITDA at around USD 30.0 million and the EBITDA margin at approx. 8.5%; profit before tax is forecast at approx. USD 22 million less the result and profit for the discontinuing activities, and profit after tax from the discontinuing activities is expected to contribute USD 66 million. The full-year forecast for the cash flow from operating activities is around USD 15 million.

.

Conference call and webcast: Wednesday, November 10, 2010 at 10 am. Telephone: +45 7026 5040. The conference call can be followed via a link on Satair's website, www.satair.com, and will subsequently be available on Satair's website

Further information:
CEO John Stær, jst@satair.com or
CFO Michael Højgaard, mih@satair.com

CONTENTS

GROUP FINANCIAL HIGHLIGHTS AND KEY RATIOS – adjusted for the divestment of the OEM activities

(USDm)	Q1 2010/11	Q1 2009/10	Full year 2009/10
Income statement, continuing activities			
Revenue	**88.9**	67.3	303.2
Gross profit	**18.7**	13.8	63.1
Staff cost and other cost	**(10.2)**	(9.7)	(39.8)
Profit before depreciation and amortization (EBITDA)	**8.9**	4.8	23.2
Profit on primary operations (EBIT)	**7.7**	3.6	18.4
Profit on financial items	**(1.3)**	(1.3)	(3.6)
Profit before tax	**6.3**	2.3	14.8
Profit for the period in review for continuing activities	**4.5**	1.6	10.4
Profit for the period in review for discontinuing activities	**1.5**	3.0	9.4
Profit for the period	**6.0**	4.6	19.8
Balance sheet			
Total assets	**316.6**	299.6	315.8
Total shareholders' equity	**136.0**	123.4	126.7
Interest-bearing debt, credit institutions	**94.3**	107.6	87.6
Invested capital	**234.0**	230.6	210.3
Statement of cash flow			
Cash flow from operating activities	**2.1**	(10.7)	8.4
Cash flow from investing activities	**(13.2)**	(0.1)	(0.6)
Cash flow from financing activities	**5.0**	-	12.5
Net cash flow for the year	**(6.0)**	(10.8)	20.3
Key ratios, continuing activities			
Gross margin, %	**21.0**	20.5	20.8
SG&A margin, %	**11.4**	14.4	13.1
EBITDA margin, %	**10.1**	7.2	7.7
EBIT margin, %	**8.6**	5.4	6.1
Return on equity, %	**4.6**	3.8	16.0
Equity ratio, %	**42.9**	41.2	40.1
Financial gearing	**0.7**	0.9	0.7
Working capital rated to revenue, annualized	**32**	66	56
Share-related key ratios			
No. of shares end of period	**4,282,252**	4,282,252	4,282,252
Average no. of shares, restated	**4,282,252**	4,282,252	4,282,252
Earnings per share, USD	**1.40**	1.06	4.62
Earnings per share – diluted, USD	**1.40**	1.06	4.62
Cash flow from operating activities per share, USD	**0.5**	(2.5)	2.0
Book value per share, USD	**31.7**	28.8	29.6
Listed share price, end of period, DKK	**238.0**	179.5	226.5
Market cap, USDm	**186.7**	151.2	159.8
Other indicators			
USD/DKK at end of period	**546**	508	607
Average rate USD/DKK	**577**	521	537
Average no. of employees, continuing activities	**320**	296	297
Average no. of employees, discontinuing activities	**190**	211	197
No. of employees, end of period, continuing activities	**329**	300	299
No. of employees, end of period, discontinuing activities	**196**	208	189

All key ratios are calculated on the basis of interim data and have not been annualized. The definitions of the key ratios used above are in accordance with "Recommendations and Key Ratios 2010" issued by the Danish Society of Financial Analysts. Definitions for the applied key ratios appear on p. 25 of the Annual Report 2009/10. The interim figures are unaudited.

DEVELOPMENTS IN THE FIRST QUARTER OF 2010/11

Divestment of OEM activities

In September 2010, Satair decided to sell its OEM activities and effective from October 27, 2010 Satair signed an agreement with the US company B/E Aerospace for the sale of its OEM activities. Because of the transaction, the divested activities will be recognized as discontinuing with effect from July 1, 2010, and will be reported in one single line in the income statement. The comparative figures have been adjusted accordingly.

Satair achieved a selling price of USD 162.2 million for the divested activities (approx. DKK 870 million) stated on a debt-free basis, and the accounting profit from the sale was approx. USD 60 million (approx. DKK 350 million) to be recognized in the income statement in the report for Q2 2010/11.

The divestment is part of a strategic adjustment process under which Satair withdraws from the market for fasteners and similar products related to aircraft manufacture but maintains its core activities in the Aftermarket.

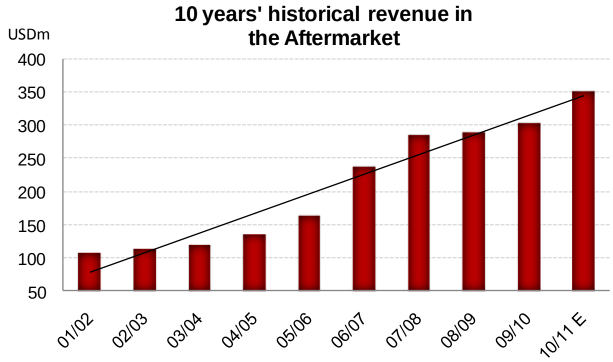
The divested activities contributed revenue in 2009/10 of USD 103 million, representing 25% of Satair's consolidated revenue.

With the sale of the OEM activities follows a considerable strengthening of Satair's balance sheet, as the sale leaves Satair with cash reserves in the region of USD 65 million and USD 147 million in total drawing rights. This provides a good basis for both organic and acquisitive growth in the Aftermarket, where the Group already has a strong foothold.

Satair has now launched a new strategic process and will announce the future goals for its development and a new segmentation outline in the course of fiscal 2010/11.

Not later than at the Annual Shareholders' Meeting in October 2011 a decision will be made about the size of a possible extraordinary dividend, depending upon what the Board of Directors may decide about the capital requirements for identified growth opportunities.

The past ten years have seen robust growth in the Group's Aftermarket activities. Including acquisitions, but less the divested activities, annual revenue growth has averaged 8.7%.

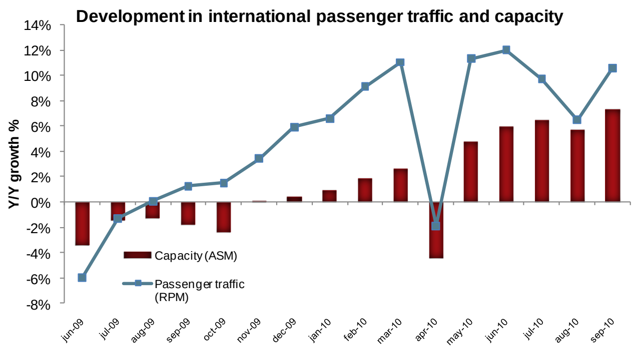


The chart in note 2 shows a breakdown on regions of revenue in the past four quarters adjusted for the divestment of the OEM activities.

Market developments

The global economy stabilized in the course of 2010, with high growth rates in the growth economies (China, India, etc.) and low growth rates in the developed economies. Growth in 2010 is expected to average at around 4%.

Economic growth triggers a demand for air travel, and the chart below illustrates the positive developments in both air traffic and air capacity (capacity being defined as the number of air kilometers offered).



Source: IATA

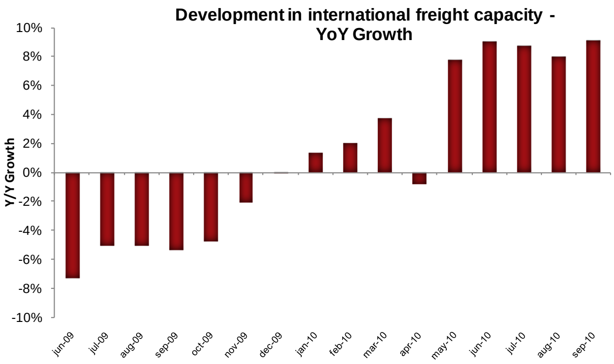
Many air carriers have spent the past two years on efforts to trim their organization and introduce new earnings elements (fees and services). Combined with fine growth in air traffic, the financial results of the air carriers have improved significantly, and the aviation industry is headed for an overall profit in 2010 after the huge losses endured in 2009.

Commercial developments

Developments in Satair's Aftermarket activities in Q1 2010/11 were highly satisfactory, with a first-quarter revenue of USD 88.9 million against the year-earlier level of USD 67.3 million, up 32%. Besides being above expectations this is also an all-time-high quarterly revenue for the Aftermarket Division.

Organic growth came to 20%, including USD 8.3 million in total revenue contribution from the acquired Aero Hardware (in the following referred to as "Satair Miami") and new Eaton agencies, corresponding to 12 percentage points in growth. The contribution from the acquired activities was in line with expectations, and the high growth was driven by several factors, among them the improved the market environment referred to above and the positive effect of a certain amount of inventory-building among customers in the period in review.

Air cargo is an important market for Satair, as the Group is acting as distributor of spare parts for Telair International, a supplier of cargo handling systems. The systems are used primarily in cargo aircraft, but are also used in large passenger aircraft. Last year this market felt the negative impact of low cargo volumes, but cargo capacity is now picking up strongly, and this is reflected strongly in Satair's sales figures for the Telair products.



Source: IATA

Developments by region

Geographical revenue distribution

USD million	Q1 10/11	Q1 09/10	Growth Q1	Organic growth Q1
EMEA	**32.4**	26.4	23%	15%
Asia/Pacific	**30.5**	23.8	28%	23%
North/South America	**26.0**	17.1	52%	23%
Total	**88.9**	**67.3**	32%	20%

EMEA is an abbreviation of Europe, Middle East and Africa

EMEA reported 23% growth in first-quarter revenue of which 15% was organic. Growth was highest in the Middle East (63%), where regional operators are still adding capacity at a considerable level, but the increase should also be considered against the backdrop of the weak Q1 in 2009/10. Europe posted 15% in revenue growth, mainly driven by the new product agencies and some capacity expansion. Sales to Germany, Russia and Switzerland showed fine growth, while sales to Great Britain and Greece declined due to the severe impact of the financial crisis in these two markets.

Asia/Pacific contributed 28% in revenue growth in a reflection of strong economic growth in the countries in this region. China reported revenue growth of 50%-plus after a sluggish Q1 in 2009/10, driven by steep increases in both passenger and cargo volumes. India also posted strong growth, more than doubling the year-earlier revenue level. Robust revenue growth was also contributed by Hong Kong and several other markets, however with a decline in sales in Japan. First-quarter sales of spare parts to cargo systems performed particularly well in the period in review in a reflection of the increase in outbound air cargo.

North and South America posted 52% in revenue growth, driven mainly by revenue growth in the USA and fine growth in several countries in Central and South America. The region contributed a total of 23% in organic growth.

Satair Miami posted revenue of USD 2.3 million starting on August 6, 2010, corresponding to 14 percentage points of the growth reported or the region, with the new Eaton agencies contributing 15 percentage points of the region's growth.

COMMENTS TO THE ACCOUNTS FOR Q1 2010/11

Divestment of OEM activities
On October 25, 2010 Satair signed an agreement for the sale of its OEM activities, and the transaction was closed effective from October 27, 2010.

As the decision to sell was made in Q1 2010/11, the OEM activities were considered to be discontinuing as of July 1, 2010.

For that reason the first-quarter reporting of the OEM activities will take the form of one single line in the income statement, the statement of comprehensive income and the statement of cash flows, and the comparative figures have been adjusted accordingly.

Also effective from Q1 2010/11 the OEM activities will be included in the balance sheet in one line, however without any adjustment of the comparative figures.

In Q2 2010/11 the profit on the sale of the OEM activities will be included in the income statement in the line ”Result of discontinuing activities”.

The comments below to the accounting developments are reflective of this reporting methodology.

Acquisition of Satair Miami
Satair Miami was acquired effective from August 6, 2010, making a contribution to the first-quarter report of just under two months of full operations.

Revenue and gross profit
Satair posted USD 88.9 million in first-quarter revenue, reflecting growth of 32% from the year-earlier level and a contribution from the acquired activities of 12 percentage points.

The overall level of revenue posted by the Group was above expectations.

The revenue for the period in review does not reflect any noteworthy currency effect.

Gross profit came to USD 18.7 million against the year-earlier level of USD 13.8 million, up 36%, and the gross margin came to 21.0% against 20.5% in Q1 last year and 20.8% for the full year 2009/10.

The gross margin performed above expectations due to a favorable development in several important product agencies.

Write downs on slow-moving products were on a par with expectations.

Operating expenses
Operating expenses (staff and other operating expenses) came to a total of USD 10.2 million in Q1 2010/11 against USD 9.7 million in the same quarter last year, up 5%. The acquired activity Satair Miami contributed just under USD 0.4 million to the first-quarter operating expenses, and this contribution is included in the 5%.

The strengthening of USD against EUR contributed a reduction in costs of approx. USD 0.5 million, resulting in an underlying cost increase adjusted for currency and acquisitions in the region of 8%.

At the closing of Q1 the Aftermarket had a total of 329 full-time employees against 300 last year. Satair Miami contributed a total of 27 employees.

EBITDA
The policy for currency risk management adopted and applied since Q2 2008/09 has now been used in more than four quarters, and so it is no longer relevant to report on ”EBITDA before special items”. For that reason, focus going forward will be on EBITDA alone.

Driven by robust revenue growth, the moderate increase in gross margin and the limited growth in overall expenses, EBITDA rose 84% in Q1 2010/11 from the year-earlier level. EBITDA came to USD 8.9 million against USD 4.8 million last year.

The EBITDA margin totaled 10.1% against 7.2% in the same quarter last year. The cost ratio came to 11.4% against 14.4% in Q1 2009/10 and 13.1% for the full year 2009/10.

Hedging of future currency cash flows
Effective from Q3 2009/10 the Group changed its risk management policy. See the details in the section on accounting policies and in note 2 in the Annual Report 2009/10.

In accordance with the changed risk management policy, cover has been arranged at an average USD/DKK rate of 575 of the total aggregate amount in expected net cash flows in EUR and DKK for FY 2010/11, which is USD 35 million.

For the remaining nine months of the fiscal year, hedging has been arranged of a total of USD 25.2 million at an average USD/DKK rate of 570.

The statement of comprehensive income for the Group for Q1 2010/11 includes a total gain on currency hedging of USD 0.6 million relating to hedging of the expected amount in currency translation in the remaining three quarters of the year. In the income statement a gain of USD 0.4 million has been recognized for the current quarter, compared to a gain of USD 0.7 million in the same period last year.

The average USD/DKK rate in Q1 2010/11 stood at 577 against 521 in the same period last year, up 11%.

Other income statement items

The amount in amortization and depreciation includes amortization of acquired distribution rights, the investment in SAP and non-current assets, and it is recognized in the income statement in accordance with the Group's accounting policies. The item reflected a total cost of USD 1.3 million in Q1 2010/11 against USD 1.2 million last year.

Financials

First-quarter financial expenses represented a cost item of USD 1.2 million against the year-earlier level of USD 1.6 million in a reflection of the expiry in December 2009 of certain interest hedging contracts. At end-September 2010 the total amount in debt covered by hedging came to USD 53.6 million at an average interest rate of 4.93% p.a. The average term to maturity is 6 years.

In connection with the change in the Group's risk management policy in Q3 2009/10 the majority of signed interest hedging contracts was modified to make them eligible for hedge accounting. In Q1 the accounting item 'Fair value adjustment of interest hedging contracts' reflects USD 0.3 million in income against USD 0.7 million in income in the same quarter last year because of the expiry in December 2009 of certain interest hedging contracts.

Based on the interest hedging contracts signed at the end of Q1 2010/11, the accounting adjustments to be made on a quarterly basis from now on will stabilize at the level of USD 0.3 million in income until the contracts expire in 2017.

Also, Q1 2010/11 reflected a cost item of USD 0.5 million from foreign exchange adjustments of payables, etc., in foreign currency, unchanged from the year-earlier level.

Profit before tax

First-quarter profit before tax came to USD 6.3 million against USD 2.3 million last year.

Tax for Q1 2010/11 is calculated at a rate of 28% against 32% last year.

Cash flows

In Q1 2010/11 the cash flow from operating activities was positive in an amount of USD 2.1 million against a negative amount of USD 10.7 million last year. The positive cash flow in the period under review was higher than expected due to a lower amount tied up in inventories.

The discontinuing activities made a positive contribution of USD 7.9 million to the cash flow from operating activities.

The acquisition of Satair Miami is included in investments in an amount of USD 13.9 million. The transaction involves the issuance of a debt instrument of USD 5.0 million falling due in August 2011, and hence joined cash flow in Q1 2010/11 is USD 8.9 million.

The aggregate amount in net debt to credit institutions came to USD 94.3 million at end-September 2010 against USD 87.6 million at end-June 2010 and USD 107.6 million at end-Q1 last year.

Balance sheet

The OEM activity is reported in the balance sheet in one line named "assets", respectively "liabilities intended for sale", and this has resulted in a considerable lowering of the working capital.

At end-September 2010 the total amount in working capital stood at USD 104.1 million, corresponding to 32% of the revenue attained in the past 12 months. At end-June 2010 the corresponding figure was 56%, and in the same quarter last year it was 66%. Accordingly, the sale of the OEM activities has caused a sizeable lowering of the amount tied up in working capital.

The risk of losses on receivables is not seen to be higher than before.

Liquidity reserves

The amount in total drawing rights stands at USD 147 million, and with a total of USD 94.3 million in net debt at the closing of Q1 2010/11 the amount in unutilized liquidity reserves at the closing of Q1 came to USD 53 million.

Of the total amount in drawing rights of USD 147 million, USD 53 million is covered by a contractual obligation on the part of the lender for a period of three to four years.

GUIDANCE FOR 2010/11

Market developments

The global economy has emerged from the recession, and the IMF is forecasting annual growth in 2010 and 2011 upwards of 4%. Provided that the global economy stabilizes at this level, it would result in expectations of air traffic growth of around 5-6% under normal circumstances. However, growth will be widely different from one region to the next, the highest growth rates being forecast for Asia/Pacific and the Middle East, with low growth rates forecast for Europe. Boeing is expecting growth in global air traffic of 5% in 2011 and in air cargo of 6%.

Financial outlook

The financial outlook for 2010/11 is unchanged for the continuing activities, however with an adjustment of the overall outlook due to the divestment of the OEM activities. The guidance announced in connection with the sale of the OEM activities on October 25, 2010 (revenue, EBITDA and profit before tax and before the proceeds of the sale of the OEM activities) is unchanged.

The outlook remains based on a USD/DKK rate of 575, as this rate is frozen under the adopted financial policy.

Revenue in 2010/11 (Aftermarket) is forecast at around USD 350-360 million, corresponding to an average growth of 15% from fiscal 2009/10.

The gross margin is forecast at the level of 20.0% against 20.8% last year in a reflection of expectations of higher growth for product agencies yielding a below average gross profit.

EBITDA is still forecast at the level of USD 30.0 million USD, and the EBITDA margin is forecast at 8.0%.

Amortization, depreciation and writedowns are forecast at an unchanged level of USD 5.3 million including USD 0.8 million in depreciation of the investment in SAP.

Financials are now expected to constitute a net cost item of around USD 2.5 million against the previous level of USD 4.5 million, the reduction being attributable to the improved liquidity after the sale of the OEM activities.

Profit before tax is now forecast at around USD 22 million against the previous guidance of USD 30 million.

The effective rate of tax in 2010/11 is forecast at around 24%.

Discontinuing activities

The result from discontinuing activities is expected to make a total contribution of USD 66 million in profit after tax, consisting of profit after tax of the divested OEM activities and the preliminary calculation of the profit on the sale.

Cash flows

An unchanged positive cash flow from operating activities is forecast in the region of USD15.0 million.

The cash flow from investing activities before the sale of the OEM activity is forecast in the region of USD 9.0 million against the previous forecast of USD10.0 million due to the declaration of dividend by an associate which was higher than expected. Also, the sale of the OEM activity is expected to generate around USD 155 million in cash net proceeds.

Note 3 shows the financial guidance illustrated by charts.

Forwarding-looking statements

The above forward-looking statements, in particular those that relate to future sales and operating profit, are subject to risks and uncertainties as various factors, many of which are outside Satair's control, may cause the actual development to differ materially from the expectations contained in this report. Factors that might affect such expectations include, among others, major changes in the market environment, the product portfolio, the customer portfolio, exchange rates, interest rates and company acquisitions or divestments. See also the section on risks on p. 40-43 of the Annual Report 2009/10.

FINANCIAL DIARY

February 9, 2011	Report for Q2 2010/11
May 11, 2011	Report for Q3 2010/11
June 30, 2011	Closing of fiscal 2010/11

STATEMENT BY BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

The Board of Directors and the Executive Committee today discussed and approved the interim report for the period July 1 - September 30, 2010 of Satair A/S.

The interim report, which contains a summary of the consolidated financial statements of Satair A/S, has been presented in accordance with IAS 34 on the presentation of interim reports and other Danish disclosure requirements for listed companies. The interim report has been presented in accordance with the same accounting policies as the Annual Report 2009/10, including the International Financial Reporting Standards as approved by the EU.

We consider the chosen accounting policies to be appropriate, the accounting estimates to be reasonable and the overall presentation of the interim report to be adequate. In our opinion the interim report gives a true and fair picture of the Group's assets, liabilities and financial position at September 30, 2010 and of the result of the Group's activities and cash flows for the period July 1 - September 30, 2010.

Furthermore, in our opinion the management review includes a fair view of the development and the performance of the business and the financial position of the Group, together with a description of the material risks and uncertainties the Group faces.

The interim report is unaudited and not reviewed by the auditors.

Kastrup, November 10, 2010

Executive Committee

John Stær CEO	Michael Højgaard CFO	Morten Olsen COO

Board of Directors

N.E. Nielsen, (Chairman)	Dorte Sonne Ekner	William E. Hoover
Nicholas Howley	Per Iversen	Majbrit Karlsdotter
Yves Liénart	Finn Rasmussen	Carsten L. Sørensen

CONSOLIDATED INCOME STATEMENT

USD '000	Q1 2010/11	Q1 2009/10	Full year 2009/10
Continuing activities			
Revenue	88,903	67,257	303,215
Cost of goods sold	(70,189)	(53,446)	(240,088)
Gross profit	**18,714**	**13,811**	**63,127**
Staff costs	(7,395)	(6,811)	(27,462)
Other costs	(2,781)	(2,850)	(12,357)
Fair value adjustments of certain hedging instruments	407	699	(63)
Profit before depreciation and amortization (EBITDA)	**8,945**	**4,849**	**23,245**
Amortization	(1,092)	(1,016)	(4,096)
Depreciation	(197)	(197)	(780)
Profit on primary operations (EBIT)	**7,656**	**3,636**	**18,369**
Financial income	-	-	9
Financial expenses	(1,173)	(1,636)	(5,962)
Foreign currency translation adjustments	(539)	(501)	(172)
Fair value adjustment of interest hedging contracts	282	696	2,047
Share of profit of associates	112	143	527
Profit before tax	**6,338**	**2,338**	**14,818**
Income tax expense	(1,805)	(759)	(4,409)
Profit for the period in review from continuing activities	**4,533**	**1,579**	**10,409**
Discontinuing activities			
Revenue	22,752	29,269	103,299
Profit on primary operations (EBIT)	2,359	3,806	11,494
Profit for the period in review from discontinuing activities	1,455	2,979	9,358
Profit for the period	**5,988**	**4,558**	**19,767**
Attributable to:			
Equity holders of the parent company	5,988	4,558	19,767
Profit for the period	5,988	4,558	19,767
Earnings per share, USD for continuing activities	1.06	0.37	2.43
Earnings per share, USD for discontinuing activities	0.34	0.70	2.19
Earnings per share – diluted, USD for continuing activities	1.06	0.37	2.43
Earnings per share – diluted, USD for discontinuing activities	0.34	0.70	2.19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

USD '000	Q1 2010/11	Q1 2009/10	Full year 2009/10
Profit from continuing activities	4,533	1,579	10,409
Profit from discontinuing activities	1,455	2,979	9,358
Total profit for the period in review	**5,988**	**4,558**	**19,767**
Continuing activities			
Value adjustment of hedging transactions before tax	(575)	(2,185)	(9,047)
Value adjustment of interest-rate contracts transferred to financial items	607	578	2,929
Value adjustment of foreign exchange hedging contracts transferred to fair value adjustments of certain hedging instruments	(407)	699	63
Value adjustment of investment in associates	5	-	(6)
Tax on comprehensive income	94	227	1,255
Other income after tax for the period in review from continuing activities	**(276)**	**(681)**	**(4,806)**
Discontinuing activities			
Other income from discontinuing activities for the period in review	3,503	(331)	(5,462)
Other income after tax in the period in review	**3,227**	**(1,012)**	**(10,268)**
Total comprehensive income for the period in review	**9,215**	**3,546**	**9,499**

CONSOLIDATED BALANCE SHEET – ASSETS

USD ’000	Sep. 30, 2010	Sep. 30, 2009	June 30, 2010
Non-current assets:			
Intangible assets	55,720	51,950	49,151
Property, plant and equipment	10,785	11,710	10,978
Investments in associates	1,002	1,333	1,711
Deferred tax assets	3,825	6,682	7,233
Total non-current assets	**71,332**	**71,675**	**69,073**
Current assets:			
Inventories	88,703	159,247	156,278
Receivables from sales and services	50,825	60,240	64,591
Receivable in corporate tax	-	307	1,475
Other receivables and prepayments	1,410	1,871	1,055
Cash and cash equivalents	9,869	6,260	23,342
Total current assets	**150,807**	**227,925**	**246,741**
Assets intended for sale	94,495	-	-
Total assets	**316,634**	**299,600**	**315,814**

CONSOLIDATED BALANCE SHEET – SHAREHOLDERS’ EQUITY AND LIABILITIES

USD ’000	Sep. 30, 2010	Sep. 30, 2009	June 30, 2010
Shareholders’ equity:			
Share capital	12,745	12,745	12,745
Reserves and retained earnings	123,209	110,608	113,994
Total shareholders’ equity	**135,954**	**123,353**	**126,739**
Non-current liabilities:			
Other non-current liabilities	8,951	4,536	3,524
Credit institutions	62,245	44,064	61,584
Total non-current liabilities	**71,196**	**48,600**	**65,108**
Current liabilities:			
Credit institutions	41,938	69,828	49,375
Payable to suppliers	35,446	35,999	50,891
Current tax payable	2,731	3,576	2,904
Other current liabilities	19,558	18,244	20,797
Total current liabilities	**99,673**	**127,647**	**123,967**
Liabilities intended for sale	9,811	-	-
Total liabilities	**180,680**	**176,247**	**189,075**
Total equity and liabilities	**316,634**	**299,600**	**315,814**

CONSOLIDATED STATEMENT OF CASH FLOW

USD ’000	Q1 2010/11	Q1 2009/10	Full year 2009/10
Profit before depreciation and amortization (EBITDA)	8,945	4,849	23,245
Non-cash items	(1,120)	(370)	(3,794)
Interest paid	(1,116)	(1,561)	(5,682)
Paid in corporate tax	(396)	1	(3,227)
Change in working capital	(12,131)	(7,342)	(8,459)
Cash flow from discontinuing operating activities	7,945	(6,265)	6,283
Cash flow from operating activities	**2,127**	**(10,688)**	**8,366**
Dividend from associates	826	-	-
Acquisition of intangible assets	(5)	(103)	(373)
Acquisition of tangible assets	(14)	(23)	(139)
Acquisition of company	(8,896)	-	-
Sale of tangible fixed assets	1	-	-
Cash flow from investing activities for discontinuing activities	(62)	(2)	(49)
Cash flow from investing activities	**(8,150)**	**(128)**	**(561)**
Dividend paid to the shareholders of Satair A/S	-	-	(2,567)
Arrangement of long-term borrowings	-	-	28,149
Repayment of long-term borrowings	-	-	(6,725)
Cash flow from financing activities for discontinuing activities	-		(6,382)
Cash flow from financing activities	**-**	**-**	**12,475**
Net cash flow for the period	**(6,023)**	**(10,816)**	**20,280**
Cash and cash equivalents less overdraft facilities at beginning of period	(15,282)	(39,068)	(39,068)
Foreign exchange adjustment of cash and cash equivalents	(13)	(3)	3,506
Cash and cash equivalents less overdraft facilities at the end of period	**(21,318)**	**(49,887)**	**(15,282)**

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

2009/10

USD '000	Share capital	Premium on issues	Cash flow hedge	Foreign ex-change adjust-ment	Share capital	Premium on issues
Shareholders' equity at July 1, 2009	**12,745**	**42,382**	**3,103**	**(2,517)**	**64,094**	**119,807**
Movements in shareholders' equity in the period in review						
Total income for the period	-	-	(970)	(42)	4,558	3,546
Shareholders' equity at September 30, 2009	**12,745**	**42,382**	**2,133**	**(2,559)**	**68,652**	**123,353**

2010/11

USD '000	Share capital	Premium on issues	Cash flow hedge	Foreign ex-change adjust-ment	Share capital	Premium on issues
Shareholders' equity at July 1, 2010	12,745	42,382	(1,474)	(8,208)	81,294	126,739
Movements in shareholders' equity in the period in review						
Total income for the period	-	-	(442)	3,669	5,988	9,215
Shareholders' equity at September 30, 2010	12,745	42,382	(1,916)	(4,539)	87,282	135,954

The Annual Shareholders' Meeting on October 25, 2010 adopted the proposal made by the Board of Directors to declare a dividend of DKK 8.00 per share corresponding to a total amount in dividend of USD 5.6 million.

NOTE 1: ACCOUNTING POLICIES

Basis of accounting
The interim report contains a summary of the consolidated financial statements of Satair A/S.

The presentation currency is USD.

Accounting policies
The interim report is presented under the same accounting policies as the Annual Report 2009/10, which was prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union (EU).

Discontinuing activities
With the divestment of the OEM activities, the provisions of IFRS 5 on discontinuing activities have become relevant. The application of IFRS 5 involves the classification of the assets and liabilities of the OEM Division into assets, respectively liabilities, held for sale. The result of such discontinuing activities is recognized and presented from the time the final decision to sell is made in the income statement, the statement of comprehensive income, the statement of cash flows, the statement of shareholders' equity and in the balance sheet separately from the continuing activities. Apart from the balance sheet, the comparative figures will be adjusted accordingly.

Significant accounting estimates and judgments
The estimate used by Satair A/S when calculating the carrying amount of assets and liabilities builds upon assumptions that depend upon future events. This includes, among other things, assessments of the need for inventory write-downs. A description of these risks is available on pp. 40-43 of the Annual Report 2009/10.

NOTE 2: QUARTERLY RESULTS FOR THE GROUP

	2010/11	2009/10			
USD ’000	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Consolidated revenue before the sale of the OEM activities	111,655	108,015	101,220	100,753	96,526
Adjustments due to divestment of:					
The OEM Division	(21,957)	(23,864)	(23,172)	(23,943)	(28,253)
Net adjustment of other affected revenue components	(795)	(719)	(1,323)	(1,009)	(1,016)
Revenue, continuing activities	**88,903**	**83,432**	**76,725**	**75,801**	**67,257**
Cost of goods sold	(70,189)	(66,173)	(60,223)	(60,246)	(53,446)
Gross profit	**18,714**	**17,259**	**16,502**	**15,555**	**13,811**
Gross margin, %	21.0	20.7	21.5	20.5	20.5
Staff costs	(7,395)	(6,546)	(6,884)	(7,221)	(6,811)
Other costs	(2,781)	(3,057)	(3,469)	(2,981)	(2,850)
Fair value adjustments of certain hedging instruments	407	(1,027)	(620)	885	699
Profit before amortization and depreciation (EBITDA)	**8,945**	**6,629**	**5,529**	**6,238**	**4,849**
EBITDA margin, %	10.1	7.9	7.2	8.2	7.2
SG&A margin	11.4	11.5	13.5	13.5	14.4
Amortization	(1,092)	(1,029)	(1,026)	(1,025)	(1,016)
Depreciation	(197)	(188)	(194)	(201)	(197)
Profit on primary operations (EBIT)	**7,656**	**5,412**	**4,309**	**5,012**	**3,636**
EBIT margin, %	8.6	6.5	5.6	6.6	5.4
Financial income	-	-	9	-	-
Financial expenses	(1,173)	(1,432)	(1,476)	(1,418)	(1,636)
Foreign currency translation adjustments	(539)	357	484	(512)	(501)
Fair value adjustment of interest hedging contracts	282	283	282	786	696
Share of profit of associates	112	140	115	129	143
Profit before tax	**6,338**	**4,760**	**3,723**	**3,997**	**2,338**
Income tax expense	(1,805)	(1,570)	(1,042)	(1,038)	(759)
Profit for the period in review for continuing activities	**4,533**	**3,190**	**2,681**	**2,959**	**1,579**
Profit for the period in review for discontinuing activities	1,455	2,299	2,061	2,019	2,979
Profit for the period in review	**5,988**	**5,489**	**4,742**	**4,978**	**4,558**

NOTE 3: GUIDANCE FOR THE FULL YEAR 2010/11

The divestment of the OEM activities on October 27, 2010 is expected to have a major impact on the forecast for 2010/11, and the guidance announced on September 14, 2010 is no longer comparable with the guidance going forward. For that reason it has been decided not to include the guidance of September 14, 2010 in the chart below.

	2010/11	2009/10
USDm	**Nov. 2010**	**Full Year**
Revenue	**350-360**	**303.2**
Gross margin	**~20.0**	**20.8**
EBITDA	**~30.0**	**23.2**
EBITDA margin	**~8.5**	6.5
Profit before tax	**~22.0**	**14.8**
Cash flow from operating activities	**~15.0**	8.4
Assumptions re exchange rates		
USD/DKK	**575**	537
EUR/USD	**129**	139
Currency assumptions are fixed as per currency hedging		

Discontinuing activities are forecast to contribute a total amount in profit after tax of USD 66 million in fiscal 2010/11.

NOTE 4: ACQUISITION OF COMPANY

Acquired by the Group on August 6, 2010, Satair Miami (Aero Hardware) is incorporated in the interim report for Q1 2010/11. The acquired assets consist principally of production equipment and intangible assets representing a value of USD 8.3 million, inventories valued at USD 3.4 million, receivables valued at USD 2.8 million, and other receivables and payables of USD 1.0 million. The stated principal items are preliminary. As the purchase sum has not been finally assigned, the intangible assets, including goodwill, have not been allocated. Reference is made to note 25 in the Annual Report 2009/10. In the interim report, the most significant impacts on profit, balance sheet, etc., are described in detail in the relevant context with the indication Satair Miami. The transaction costs recognized in Q1 amount to USD 0.1 million.

About Satair
Satair is among the world leaders in sales and distribution of spares for aircraft maintenance and provides a range of services that reduce costs in the supply chain.

Headquartered in Denmark, Satair provides services to customers and suppliers all over the globe through its sales and warehousing locations in Europe, North America, the Middle East, Asia Pacific and China.

Satair has around 350 employees worldwide and posts an annual revenue of USD 350 million-plus.