



ATLANTIC AIRWAYS



1 Quarter Report 2014

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First quarter of 2014 in brief

Financial highlights

- ❑ Revenue in the first quarter of 2014 was DKK 109.1 million, compared with DKK 104.1 million in the first quarter of 2013
- ❑ Earnings before depreciation (EBITDA) in the first quarter of 2014 were DKK 4.5 million, compared with DKK 13.4 million in the first quarter of 2013
- ❑ Net financial items in the first quarter of 2014 amounted to DKK -1.8 million, compared with DKK -2.4 million in the first quarter of 2013
- ❑ Total depreciation in the first quarter of 2014 was DKK 12.3 million, compared with DKK 14.3 million in the first quarter of 2013
- ❑ The result before tax in the first quarter of 2014 was DKK -9.6 million, compared with DKK -3.3 million in the first quarter of 2013
- ❑ Net result after tax in the first quarter of 2014 was DKK -7.9 million, compared with DKK -2.7 million in the first quarter of 2013

Traffic development

- ❑ The number of passengers carried on scheduled flights in the first quarter of 2014 was 40,753, compared with 41,155 in the first quarter of 2013
- ❑ The load factor on scheduled services in the first quarter of 2014 was 63%, compared with 67% in the first quarter of 2013
- ❑ The total number of aircraft block hours operated was 1,656 in the first quarter of 2014, compared with 1,637 in the first quarter of 2013
- ❑ Block hours sold on ACMI and other charter operations in the first quarter of 2014 was 498, compared with 452 in the first quarter of 2013
- ❑ Block hours for helicopter activity amounted to 146 in the first quarter of 2014, compared with 135 in the first quarter of 2013

Highlights for the first quarter of 2014

Increased turnover, but lower result

Revenue increased 5% to DKK 109.1 million in Q1 2014 from DKK 104.1 million in the corresponding period in 2013. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) in Q1 2014 decreased 67% from DKK 13.4 million in the first quarter of 2013, to DKK 4.5 million.

The result before tax (EBT) for the first quarter of 2014 was DKK -9.6 million, compared with DKK -3.3 million in the same period last year and the result after tax for the first quarter of 2014 was DKK -7.9 million, compared with DKK -2.7 million in the first quarter of 2013

The main explanatory factors for the lower result in Q1 2014 are higher leasing costs associated with the fleet renewal combined with significantly lower charter production than expected due to the violence in Egypt and subsequent advice against travels to Sharm el Sheikh. Furthermore, the seasonal effects of the Easter period, higher maintenance costs, costs in connection with the voluntary offer to purchase the outstanding shares not already owned by Føroya Landsstýri or Atlantic Airways as well as costs in connection with the review of the strategy has affected the result negatively.

The supply of seats (ASK) on scheduled services in the first quarter was 6% higher than in the corresponding period last year. Passenger load factor decreased from 67% to 63%. Passenger traffic decreased by 1% due to the seasonal effects of the Easter period. The largest part of the Easter traffic in 2013 was in March, while all the Easter traffic this year was in April.

Atlantic Airways expects a clearly better full-year result after tax in 2014 compared with 2013, yet uncertainty regarding flights to Egypt, adverse weather and fuel prices may have a negative impact on the result. Other risk factors mentioned in the section 'Risk management' may similarly affect the financial performance.

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Financial highlights and key ratios

	Q1 2014	Q1 2013	YTD 2014	YTD 2013	FY 2013
INCOME STATEMENT (DKK 1,000)					
Net sales	109.064	104.124	109.064	104.124	541.314
Other income	0	0	0	0	881
Result before depr., amort. and impairm. (EBITDA)	4.496	13.424	4.496	13.424	81.532
Depreciations, amortisations and impairment	-12.308	-14.267	-12.308	-14.267	-62.643
Result before financial items (EBIT)	-7.813	-842	-7.813	-842	18.890
Net financial items	-1.763	-2.427	-1.763	-2.427	-9.798
Share of profit/loss of associates	0	0	0	0	-109
Result before tax (EBT)	-9.576	-3.269	-9.576	-3.269	8.983
Tax	1.724	588	1.724	588	-1.617
Profit	-7.852	-2.681	-7.852	-2.681	7.366
BALANCE SHEET (DKK 1,000)					
Assets					
Total non-current assets	324.670	360.012	324.670	360.012	331.828
Total current assets	166.313	137.824	166.313	137.824	152.051
Total assets	490.983	497.836	490.983	497.836	483.878
Equity and liabilities					
Total equity	239.396	243.688	239.396	243.688	248.487
Total non-current liabilities	137.320	161.578	137.320	161.578	141.568
Total current liabilities	114.267	92.569	114.267	92.569	93.823
Total equity and liabilities	490.983	497.836	490.983	497.836	483.878
Cash flows (DKK 1,000)					
Net cash flow from operating activities	12.468	20.720	12.468	20.720	73.898
Net cash flow used in investing activities*	-4.151	-3.804	-4.151	-3.804	-24.043
Net cash flow from financing activities	-2.281	-7.060	-2.281	-7.060	-30.978
Cash flows for the period	6.035	9.856	6.035	9.856	18.876
*Of this purchase of property, plant and equipment	-4.167	-3.901	-4.167	-3.901	-33.527
Financial ratios					
EBITDAR (DKK 1,000)	11.165	14.774	11.165	14.774	94.354
EBITDAR margin (%)	10%	14%	10%	14%	18%
Return on investment (%)	-2%	0%	-2%	0%	4%
Current ratio (%)	146%	149%	146%	149%	162%
Solvency ratio (%)	49%	49%	49%	49%	51%
Return on equity before tax (%)	-4%	-1%	-4%	-1%	4%
Return on equity after tax (%)	-3%	-1%	-3%	-1%	3%
Income/cost ratio (%)	0,92	0,97	0,92	0,97	1,02
Shares					
Number of shares (1,000)	1.035	1.035	1.035	1.035	1035
Earnings after tax per share (DKK)	-7,59	-2,59	-7,59	-2,59	7,12
Dividend per share (DKK)	-	-	-	-	0
Share price end of period (DKK)	208	160	208	160	141
Share price end of period/Earnings after tax per share (P/E)	-27,42	-61,78	-27,42	-61,78	19,81
Traffic statistics					
Capacity - scheduled flight (ASK) (1,000)*	83.001	78.539	83.001	78.539	396.348
Traffic - scheduled flight (RPK) (1,000)*	52.120	52.411	52.120	52.411	292.070
Load factor (%)	63%	67%	63%	67%	74%
Passengers carried on scheduled flight	40.753	41.155	40.753	41.155	225.200
Total number of passengers	58.969	59.848	58.969	59.848	299.782
Block hours	1.656	1.637	1.656	1.637	8.387
Other					
Number of full-time employees	174	167	174	167	181
Aircraft operated as at 31 March	4	4	4	4	4
Helicopters operated as at 31 March	3	2	3	2	2

*The distance is calculated using the Great Circle Distance

Management Review

Traffic Development

Total fleet production (the number of block hours) remained unchanged in the first quarter of 2014, as fixed-wing and rotor-wing aircraft were airborne for a total of 1,656 block hours in the first quarter of 2014, compared with 1,637 block hours in the same period the previous year.

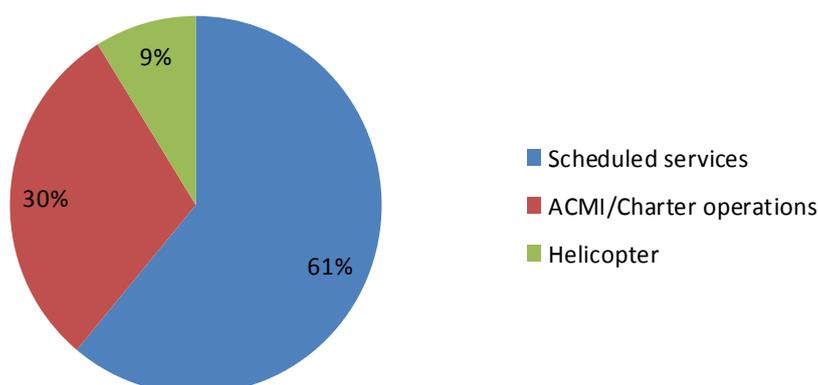
The number of block hours flown on scheduled services decreased by 4% to 1,011 block hours in the first quarter of 2014 due to the adjusted average seat capacity caused by the increased Airbus A319 fleet, with its increased capacity as well as the seasonal effects of the Easter period. However, in the same period the supply of available seat-kilometres on scheduled services increased by 6% compared with the first quarter of 2013.

ACMI/charter activity increased from 452 block hours to 498 block hours, or 10%, in the first quarter of 2014, compared with the first quarter of 2013.

The helicopter production increased from 135 to 146 hours, equal to 8%.

During the first quarter fixed-wing fleet production increased by 1% and rotor-wing by 8%, compared with the first quarter in 2013.

Q1 2014 fleet production (Block Hours)



Traffic information

	Q1 2014	Q1 2013	Change	Change
Passengers	pass	pass	pass	%
Scheduled services	40.753	41.155	-402	-1%
Helicopter operations	1.053	1.022	31	3%
Block hours	hours	hours	hours	%
Scheduled services	1.011	1.050	-39	-4%
ACMI/Charter operations	498	452	46	10%
Aircraft in total	1.510	1.502	8	1%
Helicopter operations	146	135	11	8%
	1.656	1.637	19	1%

Scheduled services

Passenger numbers on scheduled services decreased by 1% in the first quarter of 2014, compared with the first quarter of 2013. Passenger numbers increased in January and February, while passenger numbers decreased in March due to seasonal effects of the Easter period.

The load factor on scheduled services decreased from 67% in the first quarter of 2013 to 63% in the first quarter of 2014.

Charter/ACMI operations

Charter activity (measured in block hours) increased by 10% in the first quarter of 2014, compared with the first quarter of 2013. Block hours sold increased from 452 to 498. The increase is due to the addition of the charter operations on behalf of the Danish tour operator Atlantis Rejser, which started in June 2013. However, due to the violence in Egypt and subsequent advice against travels to Sharm el Sheikh, the charter production has been significantly lower than expected.

Atlantic Airways has provided services in various charter segments, such as ad hoc flights in Europe for various clients as well as charter series for tour operators in Denmark.

Helicopter Operations

The airlines helicopter activities in the first quarter of 2013 have been based on the two Bell 412 helicopters in ownership and on a leased AW 139 helicopter. The two Bell 412 helicopters provide the Faroese government with SAR coverage 24 hours a day and domestic transport to the most remote islands and the AW 139 helicopter provides offshore support to Statoil.

In January 2014 Atlantic Airways won a tender with Statoil to provide helicopter services in connection with oil exploration in Faroese waters in 2014. The company will also provide fixed-wing transport during the period of exploration drilling, which started in May and is estimated to last for 5-8 months. An AW 139 helicopter entered the fleet in March on a short-term lease to fulfil this contract.

Fleet development

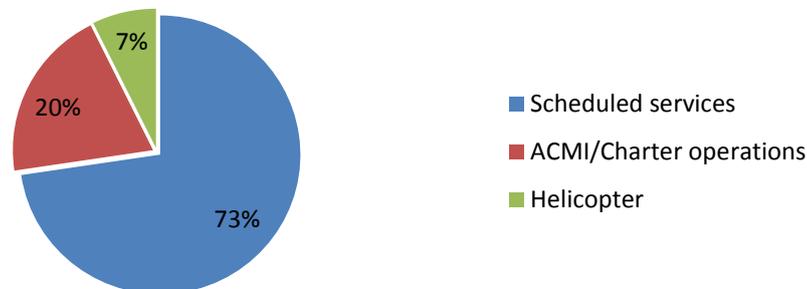
Four fixed-wing aircrafts were in service at the end of the first quarter of 2014: three Airbus A 319 and one BAE Avro RJ aircraft. The BAE Avro RJ100 and one Airbus A319 aircraft are in the company's ownership, while two Airbus A319 are on lease contracts, which expire in 2016.

The Avro RJ aircraft will leave the fleet in August 2014. In February 2014 the company leased out the remaining Avro RJ-100 aircraft for a period of 17-30 months to Malmø Aviation in Sweden with effect from end August 2014.

An AW 139 helicopter entered the fleet in March 2014 on a short-term lease, in order to support Statoil's oil exploration in Faroese waters in 2014.

At the end of the first quarter of 2014, the helicopter fleet consisted of two Bell 412 helicopters and one AW139 helicopter.

Business area Percentages of Total Revenue Q1 2014



Financial Statement, 1 January – 31 March 2014

Total revenue for the first quarter of 2014 increased 5% to DKK 109.1 million, compared with DKK 104.1 million in the first quarter of 2013.

The first quarter is generally a slow quarter as air traffic is lower during the winter.

Revenue from scheduled services decreased by DKK 1.6 million in the first quarter of 2014, compared with the same period in 2013 following a decrease in passenger traffic due to Easter fluctuations.

Revenue from fixed-wing ACMI/charter operations increased by DKK 3.4 million in the first quarter of 2014, compared with the first quarter of 2013. This increase was due to addition of charter production on behalf of Atlantis Rejser.

Revenue from helicopter operations increased by DKK 3.1 million in the first quarter of 2014, compared with the first quarter of 2013 due to offshore activity.

Flight expenses increased by DKK 12.8 million in the first quarter of 2014, compared with the first quarter of 2013. The increase is mainly arising from higher leasing cost due to the lease of two A319 and one AW139, increased fixed-wing charter activity and rotor wing charter activity, higher maintenance costs, costs in connection with the voluntary offer to purchase the outstanding shares not already owned by Føroya Landsstýri or Atlantic Airways as well as costs in connection with the strategy review.

Employee costs were DKK 25.3 million in the first quarter of 2014, compared with DKK 24.2 million in the first quarter of 2013.

The EBITDA result was DKK 4.5 million in the first quarter of 2014, compared with DKK 13.4 million in the first quarter of 2013, a decrease of 67%.

Depreciation for the first quarter of 2014 was DKK 12.3 million, compared with DKK 14.3 million in the first quarter of 2013.

Net financial items amounted to DKK -1.8 million in the first quarter of 2014, compared with DKK -2.4 million in the first quarter of 2013.

The result before tax in the first quarter of 2014 was DKK -9.6 million, compared with DKK -3.3 million in the same period in 2013.

The result after tax in the first quarter of 2014 was DKK -7.9 million, compared with DKK -2.7 million in the first quarter of 2013.

Balance Sheet

Total non-current assets decreased by DKK 7 million in the first quarter of 2014 to DKK 325 million, compared with the end of 2013.

Cash and cash equivalents increased by DKK 6 million in the first quarter of the year, to DKK 122 million.

Total current assets increased by DKK 14 million in the first quarter of 2014 to DKK 166 million, compared with year-end 2013.

Total equity as of 31 March 2014 was DKK 239 million, resulting in an equity ratio of 49%.

The company's total liabilities as of 31 March 2014 were DKK 252 million, of which non-current liabilities were DKK 138 million. Total liabilities at year-end 2013 were DKK 235 million.

The balance sheet total as of 31 March 2014 was DKK 491 million, which is DKK 7 million higher than at the beginning of the year.

Shares

On 10 February 2014 the Board of Directors announced its intention to offer DKK 210 per shares of a nominal value of DKK 100 each for the shares not already owned by Føroya Landsstýri or Atlantic Airways. This represents a premium of 49% compared to the closing price of Atlantic Airways' share on the previous trading day. The Offer Document was published 7 March 2014 and expired 22 April 2014. On 25 April the company announced that by the time of the expiration of the Offer, shareholders representing 286,172 shares had accepted the Offer, and Føroya Landsstýri and Atlantic Airways combined owned 95.72% of the share capital. Settlement took place 29 April 2014.

In May, a redemption of the minority shareholders of Atlantic Airways was announced. The shareholders of Atlantic Airways are encouraged to transfer their shares in the Company to the Ministry of Trade and Industry within a four-week period, expiring on 16 June 2014, at 16.00 (Faroese time). The shares will be transferred to the Ministry of Trade and Industry at a price of 4,403.28 ISK, or 210 DKK, paid in cash for each share.

Events after 31 March 2014

The result of the Offer for Shares in Atlantic Airways P/F was announced 25 April 2014. The Ministry of Trade and Industry, and Atlantic Airways, combined own 95.72% of the total share capital of Atlantic Airways. And on its own, the Ministry of Trade and Industry controls 94% of the total votes of Atlantic Airways. As a result, the Ministry of Trade and Industry has in May determined to redeem the Atlantic Airways shares held by the remaining shareholders. The shareholders of Atlantic Airways are therefore encouraged to transfer their shares in the Company to the Ministry of Trade and Industry within a four-week period, expiring on 16 June 2014, at 16.00 (Faroese time).

The annual General Meeting was held 30 April 2014. The members of the Board of Directors to be elected by the General Meeting were re-elected apart from Ms. Tezz Tordsdottir Ákerman. In her place Ms. Laila Hentze was elected.

On 23 May 2014, the Board member Olaf Poulsen resigned as employee representative in the Board of Directors in Atlantic Airways P/F as he is leaving his position at Atlantic Airways. His deputy Hanna Svabo joined the Board on the same day as employee representative.

There have been no events from the balance sheet date up to today that may affect the true and fair view of the financial statement for the first quarter of 2014.

Outlook for 2014

The first quarter of the year is traditionally a weak financial quarter in the airline industry, and Atlantic Airways' result after the first three months of 2014 reflects that.

The passenger numbers on the scheduled services is expected to increase in 2014, compared with 2013.

The charter production has been significantly lower than expected due to the violence in Egypt and subsequent advice against travels to Sharm el Sheikh. As part of lowering the exposure towards Egypt, the company has intensified its efforts in regard to pursuing charter contracts in order to improve capacity utilization. Atlantic Airways has thus leased one A319 aircraft on a wet-lease contract to the Icelandic carrier WOW Air in the period May to September 2014.

The helicopter activity will be higher in 2014, compared with 2013. The company will provide Statoil with helicopter service in connection with oil exploration in Faroese waters. The exploration is expected to last until Q4 2014. There was no offshore activity the previous year.

Atlantic Airways expects a clearly better full-year result after tax in 2014 compared with 2013, yet uncertainty regarding flights to Egypt, adverse weather and fuel prices may have a negative impact on the result. Other risk factors mentioned in the section 'Risk management' may similarly affect the financial performance.

Risk management

The important risk factors, which may affect the profit and loss account as well as the balance sheet and long-term objectives, were assessed at length in the 2013 Annual Report and included: economic conditions in the Faroese and international markets, increased competition, changes in oil prices, changes in the price of carbon emission permits, the European Emissions Trading Scheme, demand for airline travel, demand for fixed-wing and rotor-wing charter operations, the general level of costs, the weather and traffic disruption, volcanic ash, operations and accidents, regulation, technology, financial risk, credit risk, liquidity risk, currency risk and interest rate risk.

The Board of Directors and Executive Management incorporate the identification and management of risks as an integral part of their activities. By identifying substantial areas of risk, as well as areas of opportunity, at an early point, Atlantic Airways is able to act accordingly and take due measures in its operations.

Auditing

The report for the first quarter of the year 2014 has not been audited, nor has it been reviewed.

Financial calendar 2014

The shares of Atlantic Airways P/F will be removed from trading at Nasdaq OMX Iceland and Nasdaq OMX Copenhagen as of closing of trading on Monday, 16 June 2014.

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 – 31 March 2014.

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 and additional disclosure requirements for interim financial statements of listed companies.

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 March 31, 2014, results, changes in equity and cash flows for the period of 1 January – 31 March 2014.

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 30th of May 2014

Management:

Jørgen Holme
CEO

Marius Davidsen
CFO

Joen Remmer
COO

Board of directors

Niels Mortensen
Chairman

Kaj Johannesen
Vice-chairman

Søren Jespersen

Laila Hentze

Ingi S. Joensen

Hanna Svabo

Company Information

P/F Atlantic Airways, Faroe Islands

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Fax +298 34 10 01
Established 1987
Reg. no. 1223
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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

Niels Mortensen, Chairman
Kaj Johannesen, Vice Chairman
Søren Jespersen
Laila Hentze
Ingi S. Joensen
Hanna Svabo

Management

Jørgen Holme, CEO
Marius Davidsen, CFO
Joen Remmer, COO

Auditor

P/F Januar, State Authorized Public Accountants

Income Statement

(DKK 1,000)	Note	Q1 2014	Q1 2013	2013
Net revenue	4	109.064	104.124	541.314
Other income		0	0	881
Total revenue	3,4,6	109.064	104.124	542.195
Flight expenses	5	-79.299	-66.528	-353.299
Employee expenditures	7	-25.269	-24.171	-107.364
Total operating expenses		-104.568	-90.699	-460.663
Result before depreciation, amort. and impairment (EBITDA)		4.496	13.424	81.532
Depreciations, amort. and impairment	8,12,13	-12.308	-14.267	-62.643
Result before financial items (EBIT)		-7.813	-842	18.890
Financial income	9	1.086	795	2.422
Financial expenses	10	-2.849	-3.222	-12.220
Net financial items		-1.763	-2.427	-9.798
Share of profit/loss of associates	15	0	0	-109
Result before taxes (EBT)		-9.576	-3.269	8.983
Income tax	11	1.724	588	-1.617
Net Profit / Loss for the year		-7.852	-2.681	7.366
Attributable to:				
Shareholders of Atlantic Airways P/F		-7.852	-2.681	7.366
Earnings per share	28			
Earnings per share (DKK) (EPS)		-7,67	-2,62	7,19
Diluted earnings per share (DKK) (EPS-D)		-7,67	-2,62	7,19

Atlantic Airways P/F has not had any discontinuing operations during these periods.

Statement of comprehensive income

(DKK 1,000)	Q1 2014	Q1 2013	2013
Net Profit / Loss for the year	-7.852	-2.681	7.366
Other comprehensive income			
Value adjustment of cash flow hedges	-1.352	3.844	-2.358
Tax of value adjustment of cash flow hedges	243	-692	424
Revaluation reserve shares	-131	-119	-281
Tax of available-for-sale financial assets	0	0	0
Dividend own shares	0	43	43
Other comprehensive income after tax	-1.239	3.076	-2.172
Total comprehensive income	-9.091	396	5.194
Attributable to:			
Shareholders of Atlantic Airways P/F	-9.091	396	5.194

Atlantic Airways P/F has not had any discontinuing operations during these periods.

Balance Sheet as at 31 March

ASSETS (DKK 1,000)	Note	31.03.2014	31.03.2013	31.12.2013
Intangible assets	12	2.051	5.521	2.965
Aircraft and maintenance	13	267.571	295.749	274.259
Spare parts	13	9.740	13.005	10.201
Operating equipment	13	9.595	9.376	9.323
Hangar, buildings and land	13	33.144	34.742	33.510
Total tangible assets		320.050	352.874	327.293
Investment in associates	15	1.595	479	595
Other shares	16	975	1.138	975
Other non-current assets		2.570	1.617	1.570
Total non-current assets		324.670	360.012	331.828
Inventories	17	2.594	2.484	2.989
Trade receivables	18	19.942	19.073	17.872
Prepayments		10.138	4.782	4.833
Other receivables		11.174	0	9.797
Other shares "available-for-sale"		450	743	581
Derivatives		0	3.783	0
Total receivables		41.703	28.380	33.082
Cash and cash equivalents	26	122.015	106.960	115.980
Total current assets		166.313	137.824	152.051
TOTAL ASSETS		490.983	497.836	483.878

Balance Sheet as at 31 March

EQUITY AND LIABILITIES (DKK 1,000)	Note	31.03.2014	31.03.2013	31.12.2013
Share capital	19	103.500	103.500	103.500
Share premium reserve	19	23.500	23.500	23.500
Value adjustm. of cash flow hedges	19	-3.325	2.869	-2.217
Revaluation reserve shares	19,21	-23	270	108
Retained earnings	19,22	115.743	113.549	123.596
Proposed dividend	19,29	0	0	0
Total equity		239.396	243.688	248.487
Mortgage loans	23	109.229	132.609	111.510
Deferred income tax liabilities	11	28.091	28.969	30.058
Total non-current liabilities		137.320	161.578	141.568
Mortgage loans	23	15.563	18.383	15.563
Trade payables	23	23.815	16.441	35.365
Current income tax liabilities	11	0	0	0
Deferred income and accruals	23	70.834	57.462	40.193
Derivatives	23	4.055	284	2.703
Total current liabilities	23	114.267	92.569	93.823
Total liabilities	23	251.587	254.147	235.391
TOTAL EQUITY AND LIABILITIES		490.983	497.836	483.878

Statement of Changes in Equity

(DKK 1,000)	Share		Revaluation		Retained earnings	Proposed dividend	Total
	Share capital	premium reserve	Hedging reserve	reserve shares			
Equity at 01.01.2013	103.500	23.500	-283	389	116.187	4.000	247.293
Result for the period	-	-	-	-	-2.681	-	-2.681
Value adjustm. of cash flow hedges	-	-	3.913	-	-	-	3.913
Tax of value adjustm. of cash flow hedges	-	-	-704	-	-	-	-704
Transfers to flight expences	-	-	-69	-	-	-	-69
Tax of transfer to flight expences	-	-	12	-	-	-	12
Revaluation reserve shares	-	-	-	-119	-	-	-119
Tax of revaluation reserve shares	-	-	-	-	-	-	-
Dividends Own shares	-	-	-	-	43	-	43
Total comprehensive income	-	-	3.152	-119	-2.638	-	395
Proposed dividend	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-4.000	-4.000
Equity at 31.03.2013	103.500	23.500	2.869	270	113.549	-	243.688
Equity at 01.01.2014	103.500	23.500	-2.217	108	123.596	-	248.487
Result for the period	-	-	-	-	-7.852	-	-7.852
Value adjustm. of cash flow hedges	-	-	-51	-	-	-	-51
Tax of value adjustm. of cash flow hedges	-	-	9	-	-	-	9
Transfers to flight expences	-	-	-1.301	-	-	-	-1.301
Tax of transfer to flight expences	-	-	234	-	-	-	234
Revaluation reserve shares	-	-	-	-131	-	-	-131
Tax of revaluation reserve shares	-	-	-	-	-	-	-
Dividends Own shares	-	-	-	-	0	-	0
Total comprehensive income	-	-	-1.109	-131	-7.852	-	-9.091
Proposed dividend	-	-	-	-	-	-	0
Dividends paid	-	-	-	-	-	-	-
Equity at 31.03.2014	103.500	23.500	-3.326	-23	115.744	-	239.396

Breakdown of changes in share capital

(DKK 1,000)	2014	2013	2012	2011	2010
Share capital at the beginning of the year	103.500	103.500	103.500	103.500	103.500
Increase of share capital	-	-	-	-	-
Total	103.500	103.500	103.500	103.500	103.500

The notes 19-22 and 29 are an integral part of the Statement of Changes in Equity

Cash Flow Statement

(DKK 1,000)	Note	Q1 2014	Q1 2013	2013
Net profit/loss for the period		-7.852	-2.681	7.366
Depreciations		12.308	14.267	62.643
Taxes		-1.724	-588	1.617
Adjustments		10.585	13.678	64.259
+/- trade receivables		-2.071	5.639	6.841
+/- prepayments		-5.305	-2.469	-2.520
+/- other receivables		-1.377	1.891	-7.906
+/- Inventories		395	-87	-593
+/- investment in associates and other shares		-1.000	0	47
+/- trade payables		-11.550	-13.830	5.094
+/- current income tax liabilities		0	0	0
+/- deferred income and accruals		30.642	18.579	1.309
Changes in operating assets and liabilities		9.735	9.723	2.272
Cash flow from operating activities		12.468	20.720	73.898
Purchase of intangible, tangible assets and prepaid aircraft	12,13	-4.167	-3.901	-33.527
Sale of intangible and tangible assets	12,13	16	96	9.484
Cash flows from investing activities		-4.151	-3.804	-24.043
Proceeds from new loans	23	0	0	0
Changes of long-term loans	23	-2.281	-3.060	-26.978
Paid dividends		0	-4.000	-4.000
Cash flows from financing activities		-2.281	-7.060	-30.978
Total cash flows for the period		6.035	9.856	18.876
Cash and cash equivalents at the beginning of the period		115.980	97.104	97.104
Cash and cash equivalents at the end of the period	26	122.015	106.960	115.980
Additional cash flow information	27			

The notes 8-27 are an integral part of the Cash Flow Statement

The company has in addition to the cash and cash equivalents access to DKK 41.6 million in credit facilities.

Notes

1. Accounting Principles

Reporting entity

P/F Atlantic Airways, Faroe Islands (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 March 31, 2014 and for the period January 1, to March 31, 2014 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 had 4 aircraft in service as at March 31, 2014, supported by 163 employees with the operational base at Vágur. In the Helicopter Services there are 3 helicopters in service as at 31 March 2014 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. On 10 February 2014 the Board of Directors announced its intention to offer DKK 210 per shares of a nominal value of DKK 100 each for the shares not already owned by Føroya Landsstýri (Vinumálaráðið) or Atlantic Airways. This represents a premium of 49% compared to the closing price of Atlantic Airways’ share on the previous trading day. The Offer Document was published 7 March 2014 and expired 22 April 2014. On 25 April the company announced that by the time of the expiration of the Offer shareholders representing 286,172 shares has accepted the Offer and Vinnumálaráðið (Ministry of Industry) and Atlantic Airways combined own 95.72% of the share capital. Settlement took place 29 April 2014.

In May, a redemption of the minority shareholders of Atlantic Airways was announced. The shareholders of Atlantic Airways are encouraged to transfer their shares in the Company to the Ministry of Trade and Industry within a four-week period, expiring on 16 June 2014, at 16.00 (Faroese time). The shares will be transferred to the Ministry of Trade and Industry at a price of 4,403.28 ISK, or 210 DKK, paid in cash for each share.

Statement of compliance

The condensed interim financial statement for the period 1 January – 31 March 2014 has 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 statements were approved by the Board of Directors on May 30, 2014.

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 2013.

The annual report for 2013, which is available at the Company’s website www.atlantic.fo, contains a full description of the accounting policies.

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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are: utilisation of tax losses, provisions and valuation of financial instruments.

Notes

3. Business segment

(DKK 1,000)	Aircraft Services		Helicopter Services		Total	
	Q1 2014	Q1 2013	Q1 2014	Q1 2013	Q1 2014	Q1 2013
Income statement						
Net sales	96.227	94.407	12.836	9.717	109.064	104.124
Other income	0	0	0	0	0	0
Total revenue from external customers	96.227	94.407	12.836	9.717	109.064	104.124
Operating expenses	105.073	95.521	11.804	9.445	116.877	104.966
Operating result	-8.845	-1.114	1.032	272	-7.813	-842
Effects of associated companies	-	-	-	-	0	0
Financial income	1.084	794	2	1	1.086	795
Financial expenses	-2.723	-3.076	-125	-146	-2.849	-3.222
Result before tax	-10.484	-3.396	909	128	-9.576	-3.269
Income tax expense					1.724	588
Profit					-7.852	-2.681
Balance sheet						
Segment assets	450.271	454.296	39.117	43.061	489.388	497.357
Investment in associates	-	-	-	-	1.595	479
Segment liabilities and equity	478.795	481.086	12.188	16.750	490.983	497.836
Cash flows						
Cash flows from operating activities	8.272	10.629	4.196	10.091	12.468	20.720
Cash flows from investing activities	-3.733	-2.356	-418	-1.448	-4.151	-3.804
Cash flows from financing activities	-1.531	-5.529	-750	-1.531	-2.281	-7.060
Other						
Depreciations and amortisation	-15.610	11.537	3.302	2.730	-12.308	14.267
Geographical segments						
Revenue comprises the following markets:						
	Faroe Islands		Europe		Total	
	Q1 2014	Q1 2013	Q1 2014	Q1 2013	Q1 2014	Q1 2013
Total revenue from external customers	57.502	55.623	51.562	48.501	109.064	104.124

Notes

4. Total revenue (DKK 1,000)	Q1 2014	Q1 2013
Passenger transport	64.783	63.161
Charter activity (fixed wing and rotor wing)	23.074	18.600
Cargo and mail	2.885	2.913
Other	9.197	10.287
SAR and Inter-Island services	9.124	9.164
Other income	0	0
Total	109.064	104.124

5. Flight expenses (DKK 1,000)	Q1 2014	Q1 2013
Aircraft fuel	-21.039	-19.111
Aircraft maintenance	-5.720	-4.752
Passenger/aircraft charges	-11.790	-10.657
Handling and catering costs	-6.774	-5.938
Airway charge	-3.631	-3.917
Cancellations and diversions	-2.195	-1.784
Other costs	-28.151	-20.370
Total	-79.299	-66.528

6. Specification of numbers of passengers:	Q1 2014	Q1 2013
Passengers fixed wing, scheduled services	40.753	41.155
Passengers fixed wing, ACMI/charter	17.163	17.671
Passangers fixed wing	57.916	58.826
Passengers by Helicopters	1.053	1.022
Total passengers	58.969	59.848

Block hours:		
Aircraft, block hours, scheduled services	1.011	1.050
Aircraft, block hours, charter	498	452
Total aircraft block hours	1.510	1.502
Helicopters	146	135
Total airborne hours	1.656	1.637

Income overseas:		
Export value in DKK (1,000)	51.562	48.501
Export value in %	47%	47%

Notes

7. Employee expenditures (DKK 1,000)	Q1 2014	Q1 2013
Wages and salaries	-22.151	-20.702
Pensions	-1.572	-1.600
Expenses for social security	-736	-739
Other employee expenditures	-810	-1.130
Bonus	0	0
Share-based payments	0	0
Total	-25.269	-24.171

Number of employees	174	167
---------------------	-----	-----

8. Depreciation, amort. and impairments (DKK 1,000)	Q1 2014	Q1 2013
Amortisation of intangible assets	-914	-1.119
Impairments of intangible assets	0	0
Depreciation of tangible assets	-11.394	-13.147
Impairments of tangible assets	0	0
Total depreciation, amortisation and impairments	-12.308	-14.267

9. Financial income (DKK 1,000)	Q1 2014	Q1 2013
Interest, cash, etc.	0	91
Dividends	0	0
Profit from options	0	0
Other interest income	1.031	0
Currency adjustments	55	704
Total	1.086	795

10. Financial expenses (DKK 1,000)	Q1 2014	Q1 2013
Interest on long term loans	-1.583	-1.915
Other interest expenses	-216	-452
Currency adjustments	-1.049	-854
Total	-2.849	-3.222

Notes

11. Income tax (DKK 1,000)	Q1 2014	Q1 2013
Taxes	0	0
Changes in deferred taxes during the period	1.724	588
Total taxes	1.724	588
Deferred income tax liabilities as of Jan 1st	30.058	28.865
Changes in deferred income taxes during the period	-1.724	-588
Taxes recognised in equity	-243	692
Deferred income tax liabilities at the end of the period	28.091	28.969
Taxes from net profit/loss for the period:		
Calculated 18% tax of result before taxes	1.724	588
Adjustments from previous years	0	0
Total	1.724	588
Effective tax percent	18%	18%
Deferred income tax liabilities comprises:		
Intangible assets	369	994
Tangible assets	38.353	38.784
Other non-current assets	-244	28
Receivables	-45	-63
Derivatives	-730	630
Tax loss carried forward	-9.613	-11.404
Total	28.091	28.969

Notes

12. Intangible assets (DKK 1,000)

2014	Development expenditures	Software	Total
Acquisition value as of Jan 1st	4.585	18.128	22.713
Additions during the period	0	0	0
Disposal during the period	0	0	0
Acquisition value as of March 31st	4.585	18.128	22.713
Amortisations as of Jan 1st	-3.952	-15.797	-19.748
Amortisations during the period	-633	-281	-914
Amortisations of disposal	0	0	0
Amortisations as of March 31st	-4.585	-16.078	-20.662
Book value as at March 31st 2014	0	2.051	2.051

2013	Development expenditures	Software	Total
Acquisition value as of Jan 1st	4.585	17.196	21.781
Additions during the period	0	262	262
Disposal during the period	-	0	0
Acquisition value as of March 31st	4.585	17.458	22.043
Amortisations as of Jan 1st	-1.421	-13.982	-15.402
Amortisations during the period	-633	-486	-1.119
Amortisations of disposal	0	0	0
Amortisations as of March 31st	-2.053	-14.468	-16.521
Book value as at March 31st 2013	2.531	2.990	5.521

Notes

13. Tangible assets (DKK 1,000)

2014	Aircraft and maintenance	Spare parts	Operating Equipment	Hangar, buildings and land	Total
Acquisition value as of Jan 1st	433.839	26.156	24.146	47.411	531.553
Additions during the period	3.117	0	1.050	0	4.167
Disposal during the period	0	-6	-26	0	-32
Acquisition value as of December 31st	436.956	26.150	25.170	47.411	535.687
Depreciations and impairments as of Jan 1st	-159.581	-15.955	-14.823	-13.901	-204.259
Depreciations during the period	-9.804	-456	-767	-367	-11.394
Depreciations and impairments of disposal	0	2	15	0	16
Depreciations and impairments as of March 31st	-169.385	-16.409	-15.575	-14.268	-215.638
Book value as at March 31st 2014	267.571	9.740	9.594	33.144	320.050

2013	Aircraft and maintenance	Spare parts	Operating Equipment	Hangar, buildings and land	Total
Acquisition value as of Jan 1st	483.499	37.711	23.493	47.411	592.115
Additions during the period	3.639	0	0	0	3.639
Disposal during the period	0	-138	-277	0	-415
Acquisition value as of March 31st	487.137	37.574	23.216	47.411	595.339
Depreciations and impairments as of Jan 1st	-180.080	-23.782	-13.521	-12.253	-229.636
Depreciations and impairments during the period	-11.308	-828	-596	-416	-13.147
Depreciations and impairments of disposal	0	42	277	0	319
Depreciations and impairments as of March 31st	-191.388	-24.568	-13.840	-12.669	-242.465
Book value as at March 31st 2013	295.749	13.005	9.376	34.742	352.874

Notes

14. Insurance value (DKK 1,000)	Insurance value	Carrying amount
Aircraft and helicopters	1.027.000	277.311
Other equipment	*	42.737
Total		320.049

*Replacement value

15. Investment in associates (DKK 1,000)

	Investment in associates*
2014	
Acquisition value as of Jan 1st	795
Additions during the period	1.000
Disposal during the period	0
Acquisition value as of March 31st	1.795
Revaluations and share of result as of Jan 1st	-200
Revaluations during the period	0
Share of result acc. to the latest financial statement	0
Additions during the period	0
Disposal during the period	0
Revaluations as of March 31st	-200
Book value as at March 31st 2014	1.595
2013	
Acquisition value as of Jan 1st	570
Additions during the period	0
Disposal during the period	0
Acquisition value as of March 31st	570
Revaluations and share of result as of Jan 1st	-91
Revaluations during the period	0
Share of result acc. to the latest financial statement	0
Additions during the period	0
Disposal during the period	0
Revaluations as of March 31st	-91
Book value as at March 31st 2013	479

Notes

Summary of aggregate financial information for investments in associates (DKK 1,000)

P/F Green Gate Incoming		P/F Gjáargarður		P/F Duty Free		Total
<i>Domicile: Tórshavn</i>		<i>Domicile: Gjógv</i>		<i>Domicile: Sørvágur</i>		
<i>Share capital: 500 mDKK</i>		<i>Share capital: 1.200 mDKK</i>		<i>Share capital: 2.000 mDKK</i>		
<i>Company's portion: 49%</i>		<i>Company's portion: 31%</i>		<i>Company's portion: 50%</i>		
Assets	1.558	Assets	10.080	Assets	2.000	13.638
Equity	217	Equity	976	Equity	2.000	3.193
Liabilities	1.341	Liabilities	9.104	Liabilities	0	10.445
Net profit	-423	Net profit	364	Net profit	0	-59
<i>Company's portion</i>		<i>Company's portion</i>		<i>Company's portion</i>		
Equity	106	Equity	264	Equity	1.000	1.370
Net profit	-207	Net profit	98	Net profit	0	-109

*According to the latest financial statements.

16. Other shares (DKK 1,000)

2014	Other shares
Acquisition value as of Jan 1st	1.975
Additions during the period	0
Disposal during the period	0
Acquisition value as of March 31st	1.975
Revaluations and share of result as of Jan 1st	-1.000
Revaluations during the period	0
Impairment during the period	0
Share of result acc. to the latest financial statement	0
Additions during the period	0
Disposal during the period	0
Revaluations as of March 31st	-1.000
Book value as at March 31st 2014	975
2013	Other shares
Acquisition value as of Jan 1st	1.138
Additions during the period	0
Disposal during the period	0
Acquisition value as of March 31st	1.138
Revaluations and share of result as of Jan 1st	0
Revaluations during the period	0
Impairment during the year	0
Share of result acc. to the latest financial statement	0
Additions during the period	0
Disposal during the period	0
Revaluations as of March 31st	0
Book value as at March 31st 2013	1.138

Notes

17. Inventories (DKK 1,000)	Q1 2014	Q1 2013
Inventories	2.594	2.484
Inventories total	2.594	2.484

18. Trade receivables (DKK 1,000)	Q1 2014	Q1 2013
Trade receivables	20.192	19.423
Write-downs of trade receivables	-250	-350
Trade receivables total	19.942	19.073

19. 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.

Value adjustment of cash flow hedges

The value adjustment of cash flow hedges 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.

20. Own shares

	Number		Nominal value		% of Share capital	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
1. Jan 13	11.111	11.111	1.111.100	1.111.100	1%	1%
Addition	0	0	0	0	0%	0%
Disposal	0	0	0	0	0%	0%
31-mar-14	11.111	11.111	1.111.100	1.111.100	1%	1%

Notes

21. Revaluation reserve shares (DKK 1,000)	Q1 2014	Q1 2013
Reserve as of Jan 1st	108	389
Adjustment for the period	-131	-119
Revaluations	0	0
Reserve at the end of the period	-23	270

22. Retained earnings (DKK 1,000)	Q1 2014	Q1 2013
Retained earnings opening	123.596	116.187
+ Dividend own shares	0	43
+ Net profit	-7.852	-2.681
- proposed dividend	0	0
Total	115.743	113.549

23. Non-current and current liabilities (DKK 1,000)

	Liab. Mar. 31st 2014	Short term liab. 0-1 year	Due for payment after 5 years	Liab. Mar. 31st 2013
Mortgage loans	124.792	15.563	68.000	150.992
Deferred income tax liabilities	28.091	0	0	28.969
Trade payables	23.815	23.815	0	16.441
Current income tax liabilities	0	0	0	0
Deferred income and accruals	70.834	70.834	0	57.462
Derivatives	4.055	4.055	0	284
Liabilities ass. with assets held for sale	0	0	0	0
Total non-current and current liab.	251.587	114.267	68.000	254.147

Specified as follows:

Current liabilities	114.267	92.569
Non-current liabilities	137.320	161.578

The company has not had any defaults of principal, interest or other breaches with respect to their liabilities during the period (Q1 2013: the same).

24. Mortgaging and contingent liabilities etc.

Aircraft with a book value as at 31 March 2014 of DKK 268 million are mortgaged.

As a lessee the Company has in place operating leases for 3 aircraft at the end of March 2014. The leases are for two A319 and a AW 139 helicopter. At the end of March 2014 the leases are payable as follows for each year:

In the year 2014: DKK 22.2 million

In the year 2015: DKK 22.7 million

In the year 2016: DKK 15.5 million

Notes

25. Related parties

Control:	Basis of influence
Vinnumálaráðið (Ministry of Industry), Tinganes, 100 Tórshavn	Majority shareholder

Significant influence:

The Company has in Q1 2014 provided helicopter services to the Faroese Ministry of Industry amounted to DKK 2.5 million (Q1 2013: DKK 2.5 million) and to the Faroese Ministry of Fisheries amounted to DKK 6.5 million (Q1 2013: DKK 6.5 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 15)
P/F Gjáargarður	(Note 15)
P/F Duty Free	(Note 15)

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

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

26. Cash and cash equivalents (DKK 1,000)	Q1 2014	Q1 2013
Cash and cash equivalents	122.015	106.960
Total	122.015	106.960

27. Additional cash flow information (DKK 1,000)	Q1 2014	Q1 2013
Interest paid	-1.799	-2.368
Tax paid	0	0
Interests received	1.031	91
Total	-769	-2.276

Notes

28. Earnings per share (DKK 1,000)	Q1 2014	Q1 2013
Net Profit/Loss for the year	-7.852	-2.681
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)	-7,67	-2,62
Diluted earnings per share (DKK) (EPS-D)	-7,67	-2,62

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.

29. Dividend

The Annual General Meeting on 30 April 2014 decided not to distribute dividend for the financial year 2013 in connection with the voluntary offer to purchase the outstanding shares not already owned by Føroya Landsstýri or Atlantic Airways. A dividend of DKK 4 million were distributed to Atlantic Airways' shareholders the previous year.

30. 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.

	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
INCOME STATEMENT (DKK 1,000)					
Total Revenue	109.064	119.281	189.241	129.549	104.124
Flight expenses	-79.293	-85.144	-122.625	-79.289	-66.241
Employee expenditures	-25.275	-27.750	-29.206	-25.950	-24.458
Result before depr., amort. and impairm. (EBITDA)	4.496	6.388	37.410	24.310	13.424
Depreciations, amortisations and impairment	-12.308	-12.179	-21.837	-14.360	-14.267
Result before financial items (EBIT)	-7.813	-5.791	15.573	9.950	-842
Net financial items	-1.763	-2.818	-2.281	-2.272	-2.427
Share of p/l of ass. companies	0	0	0	-109	0
Result before tax (EBT)	-9.576	-8.609	13.292	7.569	-3.269
Tax	1.724	1.550	-2.392	-1.362	588
Profit	-7.852	-7.060	10.899	6.207	-2.681

Notes

31. Events after the end of the first quarter

The result of the Offer for Shares in Atlantic Airways P/F was announced 25 April 2014. The Ministry of Trade and Industry, and Atlantic Airways, combined own 95.72% of the total share capital of Atlantic Airways. And on its own, the Ministry of Trade and Industry controls 94% of the total votes of Atlantic Airways. As a result, the Ministry of Trade and Industry has in May determined to redeem the Atlantic Airways shares held by the remaining shareholders. The shareholders of Atlantic Airways are therefore encouraged to transfer their shares in the Company to the Ministry of Trade and Industry within a four-week period, expiring on 16 June 2014, at 16.00 (Faroese time).

The annual General Meeting was held 30 April 2014. The members of the Board of Directors to be elected by the General Meeting were re-elected apart from Ms. Tezz Tordsdottir Ákerman. In her place Ms. Laila Hentze was elected.

On 23 May 2014, the Board member Olaf Poulsen resigned as employee representative in the Board of Directors in Atlantic Airways P/F as he is leaving his position at Atlantic Airways. His deputy Hanna Svabo has joined the Board from the same day as employee representative.

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 quarter of 2014.

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.

C-checks

Heavier maintenance checks.

Current ratio (%)

Total current assets, end of period divided by total current liabilities.

EBT

Earnings before tax.

EBIT

Earnings before interest and tax.

EBITDAR

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

EBITDAR margin

Earnings before interest, tax, depreciations, amortizations and leasing cost as a percentage of revenue.

EBITDA

Operating income before interest, tax, depreciations and amortizations.

ETS

EU Emission Trading Scheme.

Great Circle Distance

The shortest distance between any two points on the surface of the Earth in kilometer

Load factor

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

Minima

Aerodrome operating minima

Return on equity (%)

Profit/loss after tax, end of period divided by average equity.

Return on investment (%)

Profit/loss before financial items divided by total assets.

RPK: Revenue Passenger Kilometres

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

Sale of Block hours

ACMI/Charter hours (non-scheduled flights).

Solvency ratio (%)

Equity, end of period divided by total assets.