

OMX

Atlantic Airways P/F
Vagar Airport
FO-380 Sørvágur
Faroe Islands

Telephone: +298 34 10 00
Telefax: +298 34 10 01
Website: www.atlantic.fo
E-mail: magni@atlantic.fo
marius@atlantic.fo

20 February 2008

Atlantic Airways Stock Exchange Announcement 5/2008

Atlantic Airways pre-tax profit of DKK 29 million in 2007

Pre-tax profit was DKK 29 million, with profit of 23.8 million after tax. The company pays out DKK 6 million dividend to shareholders. Equity increased to DKK 214 million, which is 10% higher than market value

2007 was a good year in financial terms for Atlantic Airways. Profit after tax for the year was DKK 23.8 million, and pre-tax profit was 29 million. This is best result so far in the company's 20-year history. The result for 2007 is a six-fold increase on the result for 2006, when profit after tax was 4 million. Half the company's revenues derive from abroad, with the remaining half earned on the domestic market.

The main reasons for the good result are to be found in strong operational performance, and also from growth in financial income. Load factors on scheduled flights increased significantly, the number of charter flight hours was stable, and the helicopter activity experienced robust growth.

The company posted some non-recurring charges to the profit and loss account during the year – such as costs related to the privatisation and listing of the company. The weather hampered flight operations in 2007, particularly in the second half of the year. Costs associated with irregular flights increased to just under 14 million, which is twice as much as in 2005.

Revenue increased from 519 million to 539 million. The board of directors proposes to pay a total of DKK 6 million in dividend. After payout of dividend equity increased from 196 million to 214 million, which is 10 % higher than the current market value of the company.

Provided the current economic climate prevails, the company estimates the profit for 2008 to be in the range from 20 to 25 million. The volume of scheduled flight activity is expected to be on the same level as in 2007, while the number of charter flight hours is expected to increase significantly, but gross margins will be lower. The outlook for helicopter operations is fair.

The company is facing increasing levels of cost, and cannot avoid to review prices on certain services. That said, the company will maintain strict control of its costs in order to ensure healthy operational performance, and in 2008 Atlantic Airways intends to improve on its result before financial items for the past year. The company does not expect significant financial income in 2008. The Board of Directors and the Management are pleased with the strong performance in 2007.

The full Annual Report for 2007 and a presentation of the annual report can be seen on the company website www.atlantic.fo and is also attached to the OMX stock exchange announcement.

For further information contact Magni Arge, CEO, tel +298 213700 - magni@atlantic.fo or Marius Davidsen, CFO, +298 213703 – marius@atlantic.fo