

Satair Annual Report 2010/11

Release no. 213
14 September 2011

2010/11 lived up to Satair's expectations

After the divestment of its OEM activities the Group has focused on the Aftermarket which developed favourably during the period in review. This was due partly to fine traffic growth, partly to a particularly keen demand for spares triggered by a steep increase in maintenance activities. The combination of the favourable market environment, in-house efficiencies and improved order execution procedures resulted in an extremely satisfactory financial performance in alignment with the expectations stated in the Q3 release dated 10 May, 2011.

Revenue

Revenue in fiscal 2010/11 increased from USD 303.2 million to USD 403.0 million, up USD 99.8 million or 33%, driven by organic growth of USD 61.5 million (20%) and growth from acquisitions of companies and product lines totalling USD 38.3 million (13%).

EBITDA

EBITDA for fiscal 2010/11 came to USD 36.2 million against USD 23.2 million in 2009/10, up 56%. The steep revenue growth led to major cost efficiencies, and that accelerated earnings. Not unexpectedly, the strong sales growth had a certain adverse effect on the gross margin, which declined by 0.5 percentage points in 2010/11.

The EBITDA margin came to 9.0% against 7.7% last year.

Profit from discontinuing activities

The accounting profit from the divestment of the OEM activity to B/E Aerospace effective from 27 October 2010 comes to USD 66.6 million including operating profit from the OEM activity from the opening of the year until the time of divestment. Cash proceeds from the sale were USD 162.2 million which was paid on the date of divestment.

Profit for the year

Profit for 2010/11 came to a total of USD 86.9 million against USD 19.8 million in 2009/10.

Cash flows

The free cash flow before the acquisition and divestment of companies came to USD 19.8 million in 2010/11, up from USD 7.8 million in 2009/10.

Financial guidance for 2011/12

The expectations for FY 2011/12 announced in release no. 207 dated 27 July 2011 are maintained.

Revenue is thus forecast in the region of USD 500 million, reflecting growth of approx. 24%, and an EBITDA of around USD 44 million.

EBITDA has been stated before transaction costs for the possible sale to Airbus of the Satair Group. On the assumption that the transaction goes ahead as planned, the transaction costs are expected to aggregate USD 5.0 million for recognition as expenses in FY 2011/12.

The free cash flow before acquisition and divestment of companies is forecast at around USD 18.0 million.

The guidance builds upon a USD/DKK rate of 525.

Offer to buy

On 2 August 2011, Airbus made a public offer to the holders of shares and warrants in Satair. The offer to buy expires on 27 September 2011. The Board of Directors finds that the combination with Airbus offers good strategic opportunities that are likely to accelerate the fulfillment of Satair's activities.

Dividend

Given the offer made for the company and the terms outlined in the Offer Document, which provide that the offer price of DKK 580 will be reduced on a DKK-for-DKK basis in the event of any declarations of dividend, the Board of Directors has decided to propose to the Annual General Meeting that no dividend be declared for fiscal 2010/11.

Attachment:

Satair Annual Report 2010/11.pdf



Webcast: Wednesday 14 September, 2011 at 10.00, 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 the Group's website.

**Further information**

John Stær, jst@satair.com, +45 4015 9286
CFO Michael Højgaard, mih@satair.com, +45 4030 4349

Forward-looking statement

The above forward-looking statements about Satair's objectives, 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, including the global economy and the events in the Middle East and Japan, etc., currency fluctuations, changes in the product portfolio, the customer portfolio and company acquisitions or divestments.

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 360 employees worldwide and revenue in 2010/11 of USD 403 million.

