

ANNUAL REPORT 2010/11

CIMBER **STERLING**

ANNOUNCEMENT NO. 12-2011/12
26 JULY 2011

Company registration (CVR) no.: 56 45 45 36 97 16



CIMBER
STERLING

Management's review

Information to shareholders	3
Financial highlights and key ratios for the Group	4
Highlights of the year	5
Strategy and outlook	6
Risk factors	8
Financial review	10
Corporate social responsibility	16
Safety	17
Corporate governance, risk management and internal controls	18
Board of Directors and Executive Board	20
Shareholder information	23
Definitions and glossary	26

Management statement and auditors' report

Statement by the Executive Board and Board of Directors	27
Independent auditors' report	28

Financial statements

Consolidated financial statements	30
Statement of comprehensive income	31
Balance sheet	32
Statement of changes in equity	34
Cash flow statement	35
Notes to the consolidated financial statements	36
Parent company financial statements	71
Statement of comprehensive income	72
Balance sheet	73
Statement of changes in equity	74
Cash flow statement	75
Notes to the parent company financial statements	76

Route network

Domestic routes	86
Full-year routes	87

Cimber Sterling is the largest Danish airline. The Company's primary activity is scheduled air services in Denmark and between Denmark and a number of European cities and holiday destinations. In addition, Cimber Sterling is to a limited extent engaged in aircraft maintenance, development and sale of software for logistics relating to aircraft maintenance, and leasing of aircraft on wet and dry leases.

Cimber Sterling has more than 850 employees, offices at five Danish airports and a fleet of 26 large and small aircraft. Cimber

Sterling operates more than 1,000 flights per week and carries some 2.5 million leisure and business passengers per year on six domestic routes and 39 international routes..

The Company was founded in 1950 and listed on NASDAQ OMX Copenhagen in December 2009.

For more information, go to www.cimber.com

Another year of change



Vilhelm Hahn-Petersen
Chairman

"We faced many challenges in 2010/11. Given our new agreement with Mansvell Enterprises Ltd., we believe we will be able to build the necessary extra strength, both operationally and financially, to operate in an extremely competitive market."



Jacob Krogsgaard
CEO

The year 2010/11 was another year of change at Cimber Sterling. In spite of a further positioning of the Company, especially in the domestic segment, and an improvement of our traffic economy in terms of our RPK, we failed to meet our financial guidance for the year. We had to lower our forecasts of our operating results a number of times during 2010/11 and we were furthermore affected by special items amounting to a not insignificant amount. Our performance was highly unsatisfactory, and at the end of the reporting period it was clear that the Company's equity had been lost.

Management focused throughout the year on strengthening the capital base of Cimber Sterling. In March 2011, Cimber Sterling announced, with subsequent shareholder approval obtained at an extraordinary general meeting held on 8 June 2011, that the Company had signed a three-year agreement with GEM Global Yield Fund for a three-year equity commitment of up to DKK 300 million. We have not yet made any drawdowns on that facility, and in connection with the agreement entered into with Mansvel Enterprises Ltd., the agreement with GEM has been put on hold.

In light of the framework conditions for airline operations since the financial crisis and with unforeseen factors such as the ash cloud, higher fuel costs and severe winter weather, it also became clear, however, that it was imperative to secure the future of Cimber Sterling by participating actively in the ongoing industry consolidation.

This materialised when we were able to announce on 16 June 2011 that Cimber Sterling and Mansvell Enterprises Ltd. had signed a non-binding agreement for an expected injection of capital amounting to approximately DKK 165 million through a directed share issue. The subscription agreement, which is subject to certain conditions, was subsequently signed on 7 July and now awaits shareholder approval at an extraordinary general meeting to be held on 29 July 2011.

The agreement with Mansvell gives Cimber Sterling a principal shareholder with a strong capital base and with ambitions as well as the necessary means to establish a strong Nordic regional airline. Mansvell's airline activities currently include Swedish-based airlines Skyways and City Airline, and the Board of Directors and Executive Board are confident that this is a very good solution for Cimber Sterling in which we will benefit from forming part of a larger organisation in an extremely competitive market.

Our performance during the past year reflects both why we should be very satisfied with the agreement and why Mansvell has elected to invest in Cimber Sterling.

In 2010/11, we recorded a 26% year-on-year increase in passenger

numbers. Our yield – revenue per passenger kilometer – increased by 10%, an improvement not achieved by just anyone in the industry. And our market share of the Danish domestic market increased from 45% last year to 50% this year. These key figures show that Cimber Sterling not only has a strong position in the Danish domestic market, but that we have successfully strengthened our position in recent years.

However, our results for 2010/11 were far from satisfactory. This should be seen in light of the difficult conditions and a number of adverse factors severely affecting Cimber Sterling and the rest of the industry. The sky-rocketing fuel costs combined with severe winter weather led to a substantial increase in our operating costs. And the persistent surplus capacity squeezed earnings in the markets we operate in. Moreover, changed terms of payments, such as increased demands by our business partners for prepayments, guarantees and deposits adversely affected our working capital during the financial year. The old proverb "being poor is expensive" also applies to Cimber Sterling and has placed us in a negative spiral. In light of this, we had an obvious need to strengthen our capital base.

In 2010, we conducted a customer satisfaction survey, in which as much as 83% of our passengers stated that they were satisfied or very satisfied with their flight experience on Cimber Sterling. This together with our unique employee culture and the support we get from our employees and our more than 60 years of experience in the airline industry makes Cimber Sterling an attractive business partner.

Based on the new agreement and Cimber Sterling's obvious strengths and experience, we are confident with respect to our performance in the year to come and in the future in general.

Summary

The injection of approximately DKK 165 million of capital by Mansvell Enterprises Ltd. and the new ownership has created a basis for applying a going-concern assumption. The Group's future capital and cash resources will require continuing focus on achieving the expected future financial performance. In the years ahead, the Board of Directors and the Executive Board will continue to focus on strengthening the Company's operations, cash resources and capital base. Consequently, no dividend is expected to be distributed in the coming years.

Based on the above, the Board of Directors and Executive Board believe that the parent company's and the Group's cash resources for 2011/12 are adequate, and the financial reporting for 2010/11 has therefore been prepared based on a going-concern assumption. See note 2 to the financial statements.

FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE GROUP

DKKm	2010/11	2009/10	2008/09	2007/08	2006/07
Income statement					
Revenue	1,941	1,551	1,298	1,148	971
EBITDAR	54	5	150	183	163
Rental and leasing expenses	-134	-117	-58	-70	-64
Depreciation, amortisation and impairment	-120	-116	-94	-84	-46
EBIT before special items	-200	-228	-2	29	54
Net special items	-68	-66	0	45	0
Operating profit/loss (EBIT)	-268	-294	-2	74	54
Financial income and expenses	-6	-14	-77	-4	-18
Profit/loss before tax (EBT)	-274	-309	-79	69	36
Income tax	61	80	20	-13	-10
Profit/loss for the year	-213	-229	-59	56	26
Balance sheet					
Share capital	46	46	1	1	1
Equity	-26	187	162	200	203
Interest-bearing debt/finance leases	384	409	484	497	330
Property, plant and equipment	562	730	776	795	596
Cash and cash equivalents/securities	19	61	4	3	52
Total assets	969	1,115	1,090	1,046	875
Cash flow statement					
Cash flows from operating activities	-57	-61	154	116	65
Cash flows from investing activities	41	-79	-95	-250	-23
Cash flows from financing activities	-26	193	-57	111	-42
Financial ratios for the Group					
Revenue growth	25.1%	19.5%	13.0%	18.3%	17.0%
EBITDAR margin	2.8%	0.3%	11.6%	19.8%	16.8%
EBIT margin	-13.8%	-18.9%	-0.1%	6.4%	5.5%
Return on equity	-264.4%	-130.8%	-32.5%	27.8%	13.6%
Equity ratio	-2.7%	16.8%	14.9%	19.2%	23.2%
Invested capital (DKKm)	339	535	642	694	481
Per share ratios					
Earnings per share - EPS (DKK)	-4.7	-5.0	-1.3	1.2	0.6
Book value per share (DKK)	-0.58	4.11	9.00	11.11	11.28
Price per share at year-end (DKK)	2.14	4.04	-	-	-
Market value at year-end (DKKm)	97	184	-	-	-
Traffic-related ratios					
Own passengers (rounded to nearest thousand)	2,078	1,643	1,045	989	850
Yield (DKK)	0.98	0.89	2.05	2.25	2.63
RASK (DKK)	0.62	0.56	0.87	1.05	1.18
CASK before special items (DKK)	0.69	0.64	0.89	1.06	1.16
Total load factor	66%	66%	63%	65%	62%
Other					
Average number of employees	840	820	762	633	541
Number of aircraft (own and leased)	26	28	28	26	20

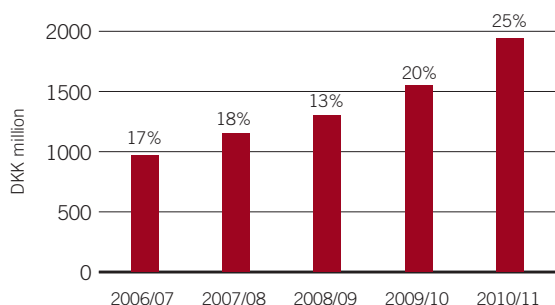
The financial year 2008/09 was the first in which the financial statements were presented under IFRS as adopted by the EU. Financial highlights and key figures as from 2006/07 have been restated to IFRS.

The ratios have been calculated in accordance with "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts apart from earnings per share, which has been calculated in accordance with IAS 33, see note 23 to the financial statements. Earnings per share and book value per share for the years prior to 2009/10 have been restated for the change in share capital in relation to the IPO for comparative purposes. See definitions of traffic-related ratios on page 26.

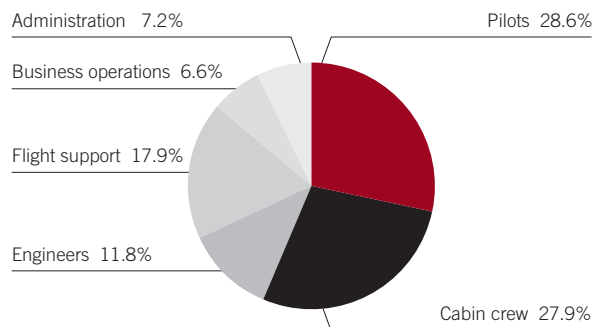


- Revenue grew by 25% in 2010/11 from DKK 1,551 million to DKK 1,941 million, which was in line with the guidance of DKK 1,925-1,950 million.
- EBIT before special items for 2010/11 was a loss of DKK 200 million, which was in line with the guidance of a loss of DKK 190 million to DKK 200 million, and better than the loss of DKK 228 million posted in 2009/10.
- Net special items of DKK 68 million included a loss on the sale of three ATR aircraft, extraordinary winter costs in addition to one-off costs relating to prior financial years and costs incurred to strengthen the capital base.
- The loss before tax was DKK 274 million as compared with a loss of DKK 309 million in 2009/10. The loss after tax was DKK 213 million against a loss of DKK 229 million in 2009/10.
- The number of passengers rose by 26%, while production and traffic increased by 24% and 25% respectively.
- The staff was increased by 20 in 2010/11 to an average of 840, up from 820 in 2009/10.
- Significant events in 2010/11:
 - Strengthening of the share of the Danish domestic market (from 45% at year-end 2009/10 to 50% at year-end 2010/11)
 - Sale and lease-back of three ATR aircraft
 - Agreement with GEM Global Yield Fund on a three-year equity commitment (put on hold)
 - Changes to the Board of Directors and the Executive Board.
- After the end of the reporting period, the Group has entered into a subscription agreement with Mansvell Enterprises Ltd. which is subject to certain conditions. Under the agreement, 110.5 million new shares will be subscribed for through an expected injection of capital of approximately DKK 165 million in a directed share issue, subject to shareholder approval at an extraordinary general meeting to be held on 29 July 2011. Against that background and given the perspective of the new ownership, it is deemed appropriate to base the financial statements on a going-concern assumption. See note 2 to the financial statements.

Revenue growth in 2006/07-2010/11



Number of employees by function in 2010/11



A flexible network carrier

Cimber Sterling's strong market position and brand provide a good starting point for the coming integration with Mansvell's other airline activities. Economies of scale in operations and the financial foundation are crucial in the highly changeable airline industry.

Cimber Sterling's vision

To be Denmark's leading airline

- by operating flights on time, at reasonable prices and at the right service level, when demanded by customers;
- by being an attractive and safe workplace for our employees;
- by acting responsibly in relation to our community and society in general; and
- by creating shareholder value.

Cimber Sterling entered into a subscription agreement with Mansvell Enterprises Ltd. on 7 July. Under the agreement, the Company secures access to operational and financial economies of scale when its operations are integrated with Mansvell's airline activities in Sweden: Avia Express Sweden AB (Skyways) and City Airlines AB. In the longer term, the market perspective is expected to change from Danish to Nordic.

Cimber Sterling's vision and the general strategy of improving the profitability will be retained in the short term irrespective of the new ownership. We expect that a revised strategy for Cimber Sterling will be communicated in the course of 2011/12, which will clarify the synergy effects of the new constellation.

Overall strategy

Cimber Sterling's long-standing experience as a network carrier and its leading position on the domestic market continue to form the basis of its strategy of improving profitability by:

- lowering unit costs through improved capacity utilisation and efficient operations;
- lowering costs and increasing efficiency in internal processes and routines; and
- an increased number of passengers combined with a diversified price policy and increased sales of add-on services.

A solid platform for further market positioning

Cimber Sterling is today the largest Danish airline, and its current focus on domestic operations in Denmark and scheduled services between Denmark and a number of major European cities and holiday destinations provides a good balance in the use of large and small aircraft and the carrying of business as well as leisure passengers to and from Denmark and all of Europe.

This provides good risk diversification over several market segments and evens out the traditional travel patterns of passengers over the day, week and year.

The market platform is based on Cimber Sterling as

- the market leader in the Danish market for domestic air services;
- a focused airline serving major European cities;
- the preferred airline in Denmark for leisure travellers.

Future business activities

In 2011/12, Cimber Sterling will focus on optimising earnings through a continuing critical review of the profitability of its individual routes.

In certain cases, frequencies will be increased on existing routes, and the route network may also be expanded to include carefully selected new destinations.

Future activities will be initiated based on the following priorities:

- optimisation of the existing route network;
- increased sales of add-on services.

In addition to Cimber Sterling's core services, the Company also wants to act as a provider of flight capacity to travel agencies, tour operators and other airlines, including SAS, and to enter into code-share agreements with major airlines.

Low fares require efficient cost management

In order to offer competitive fares, Cimber Sterling continuously focuses on costs and the related unit costs. Cimber Sterling's fleet mix allows the Company to adapt the aircraft type and thereby the number of available seats to demand at short notice and thereby to reduce fixed costs per flight.

Efficient capacity utilisation is crucial in the efforts to keep down capacity, and the Company constantly works to increase the utilisation rate of the entire fleet.

Management believes that Cimber Sterling's current cost platform is competitive compared with that of traditional network carriers, and Cimber Sterling moreover offers customers benefits not normally offered by low cost carriers.

Business model

Cimber Sterling's business model is based on a diversified price policy under which sales of tickets to its core segments forms the cornerstone of the business, and sales of add-on services such as payment for baggage, seat selection and inflight service are of increasing importance. Moreover, certain services such as ticket booking, booking changes and payment by credit card are subject to charges.

The business model includes endeavours to achieve the highest possible capacity utilisation, which spells falling unit costs and increased profitability.



Customer values

Management believes that values such as 'A reasonable price, 'Respect for time' and 'Flexibility' help differentiate Cimber Sterling vis-à-vis typical low-cost carriers and supports the general perception of Cimber Sterling as a network carrier.

A reasonable price

At Cimber Sterling, it is important to be able to offer both business and leisure travellers a reasonable price for their whole trip so as to align the price of the ticket including related travel costs with the value to the customer.

Respect for time

Time is often a key factor for choosing air travel rather than other modes of transport. With its many daily flights, especially on its domestic and regional services, Cimber Sterling contributes to making

its customers' trips more efficient and time-saving, which together with online check-in and check-in via mobile phone helps reduce time wasted at airports.

Flexibility

Business travellers make up as much as 80% of the passengers on certain Cimber Sterling services. For these travellers, flexibility is often pivotal in their choice of airline. Cimber Sterling seeks to provide such flexibility through a number of codeshare and interline agreements with other airlines, ensuring that customers arrive at their final destination as smoothly and fast as possible. In addition, flexibility is ensured as flight tickets can be booked on Cimber Sterling's website, through travel agents or through other airlines cooperating with Cimber Sterling.

Outlook for 2011/12

Cimber Sterling expects continuing growth in demand for the Company's core services in 2011/12. However, the persistent excess supply and the extremely competitive market make it difficult to estimate developments in average fares. Developments in the USD/DKK exchange rate and fuel costs are also important factors affecting the earnings level in 2011/12.

- Airline traffic to and from Denmark and on domestic services is expected to see a growing trend in 2011/12, which will have a positive impact on results.
- The competitive situation and the persistent excess supply will have an adverse effect on results.

Cimber Sterling's highest priority is a continuing improvement of its profitability, to which the planned integration with the other airline activities owned by Mansvell Enterprises Ltd. will contribute.

Cimber Sterling forecasts consolidated revenue for 2011/12 of DKK 2.1 billion, up from DKK 1,941 million in 2010/11, and an EBIT loss in the region of DKK 20 million to DKK 60 million against a loss of DKK 200 million in 2010/11.

The forecasts are made for the Company on an "as is" basis after a capital injection of approximately DKK 165 million but disregarding the potential benefits of new equity and a new majority shareholder on Cimber Sterling's operations and/or strategy. The result is extremely sensitive to developments in the DKK/USD exchange rate, fuel costs, number of passengers and yield.

The injection of approximately DKK 165 million of capital by Mansvell and the new ownership has created a basis for applying a going-concern assumption. The Group's future capital and cash resources will require continuing focus on achieving the expected future financial performance. See note 2 to the financial statements for a detailed description 2.

Risk management and response are given top priority

Overall, Cimber Sterling's risk exposure can be divided into financial, business and external risks. All the risks could significantly reduce Cimber Sterling's profitability if they materialise. Management has identified, evaluated and assigned priorities to the Company's key risks.

The airline industry was under tremendous pressure during 2010/11, facing unrelenting challenges. Not least, the persistent surplus capacity in the market impacted Cimber Sterling's ability to achieve profitable growth. In addition, the Company was adversely affected by extraordinarily severe winter weather with the handling of operating disruptions and capacity adjustments having a major impact on the cost base. Financially, the rising prices of aircraft fuel and the higher average USD/DKK exchange rate had an adverse impact on the Company.

These factors had a major adverse impact on the Company's cash resources. Accordingly, the Board of Directors of Cimber Sterling in 2010/11 embarked on a process aimed at securing a long-term strengthening of the Company's capital base and strategic market position. Cimber Sterling entered into a subscription

agreement on 7 July 2011 with Mansvell Enterprises Ltd. which is subject to certain conditions. The agreement ensures that the Company will have access to operational as well as financial economies of scale.

Moreover, an agreement has been signed with GEM Global Yield Fund regarding a three-year equity commitment for up to DKK 300 million, which was approved at the Company's extraordinary general meeting held on 8 June 2011. No drawdowns have been made on the facility. In connection with the agreement entered into with Mansvel Enterprises Ltd., the agreement with GEM has been put on hold.

In addition, the Company has implemented a number of cost-saving, revenue-generating and cost-cutting measures.

Risk	Description	Response
FINANCIAL RISKS		
Cash flow	The cash flow is affected by the mix of business segments and sales channels. Approximately 39% of revenue is derived from the leisure segment, where leisure travellers pay for their tickets in advance. The stricter requirements as a result of the Company's situation have put the traditional financing options under pressure. The Company has creditors who are past due, and who will be paid down in whole or in part as soon as possible.	Cimber Sterling is making targeted efforts to optimise its business segments and sales channels taking into account profitability and cash flow enhancement.
Operational gearing	The high proportion of capital investments and long-term leases for aircraft result in a high proportion of fixed costs.	A high utilisation rate can keep unit costs down.
Foreign exchange fluctuations	A large share of current payments, for instance for fuel, aircraft leases, purchases and sales of materials, aircraft and maintenance, are in USD. In addition, a share of the Company's debt is denominated in USD.	The risk could be hedged by forward exchange contracts. This is currently not being done.
Fuel prices	Moreover, the cost of fuel is a material cost to the Company. The price of fuel is highly volatile and is settled in USD.	The risk could be hedged, which is currently not done. Rising fuel prices can to a certain extent be passed on to passengers.
Interest rate changes	Floating-rate loans expose the Company to interest rate changes.	The risk could be hedged by interest rate swaps. This is currently not being done.
Capital base	The capital base is insufficient to operate an airline of the current size.	In order to remedy this, the Company has entered into an agreement with Mansvell Enterprises Ltd. about a capital increase through a directed share issue.

RISK FACTORS

Risk	Description	Response
BUSINESS RISKS		
Access to airports	The ability to secure the right slots and access to the right airports is essential.	Ongoing talks with the airports and collaboration with a number of major airlines via codeshare and interline agreements often makes it possible to borrow important slots.
Discontinuation of existing partnership agreements	Cimber Sterling currently sells approximately 17% of its tickets through other airlines. To this should be added additional revenue from wet and/or dry leases of aircraft. Any premature termination of these agreements would have an adverse impact on the Company's results of operations.	The partnerships are reciprocal, which reduces the risk. Moreover, the Company is making structured efforts to reduce its dependence on individual companies through alternative partnerships and more direct contact to end users (passengers).
Work stoppages	The airline industry has historically been exposed to strikes and other kinds of work stoppages, although Cimber Sterling has not experienced any during the past eight years. A work stoppage could potentially paralyse operations and thus adversely affect the Company's cash position and reputation.	For flight engineers and administrative staff, local collective agreements have been entered into with the Danish Metal Workers' Union and HK. Collective agreements have also been signed between Cimber Sterling and Serviceforbundet for Cimber Air Pilotforening and Cimber Cabin Union. Cimber Sterling cannot prevent work stoppages and airports at among its third-party suppliers.
Aircraft capacity changes	It is essential that Cimber Sterling has access to leasing of additional aircraft on commercial terms. Any sale of aircraft on forced terms could result in substantial losses.	Continuous optimisation of operating capacity by way of the mix of owned and leased aircraft and the length of lease periods.
Loss of key employees	The Company relies on a number of key employees, including certain 'Nominated Postholders'.	The Company is dedicated to attracting and retaining key employees by offering competitive compensation, attractive working conditions and personal development opportunities.
Image/reputation	Negative perception of the Company in connection with, for instance, negative or erroneous media coverage.	Focus on customer values and communicative contingency setup.
IT breakdowns	Any breakdown of the Company's IT system could potentially damage the operating activities and adversely affect the Company's image.	In spite of a suitable level of safety and security in the Company, there is always a potential risk of an IT breakdown.
Timely and fair financial reporting of passenger revenue	Multiple distribution channels with differences in transparency make it difficult to estimate historic revenue without a considerable time lag. Historic revenue is used as an active instrument in decision-making regarding future corrective action.	The Company is making targeted efforts to improve system support for providing historical data at a shorter lag.
EXTERNAL RISKS		
Accidents and disasters	A flight disaster would result in legal claims for compensation and, possibly grounding of aircraft. In addition, the Company's image could be severely damaged, resulting in a loss of customers.	The Company regularly rehearses its contingency plans in order to ensure that any such events will be handled in the best possible manner and with the least possible impact on the rest of the business.
Regulation	The airline industry is subject to very extensive regulation, including of safety, security, pollution and travel guarantee rules, of which the latter was recently expanded. Increased regulation results in increased costs.	Wherever possible, the fees for such services are passed on to customers.
Imposition of taxes and charges	The airline industry is subject to extensive taxes and charges, for instance on aircraft, the licence to operate and tickets. Any introduction of fuel taxes would result in a substantial increase in costs.	New taxes and charges can to a certain extent be passed on to passengers, but this would affect the volume.
Surplus capacity	Surplus capacity in the market could have an adverse impact on the Company's profitability if, for instance, competitors transfer surplus capacity to routes currently being served by Cimber Sterling.	Cimber Sterling gives priority to operational flexibility to the effect that capacity can be adjusted relatively quickly. In addition, Cimber Sterling focuses a good deal on niche production, where the competition consists of smaller operators which are more comparable with Cimber Sterling.
Macroeconomic factors	The Company relies on the overall demand for air transport in Europe. This demand is to a great extent dependent on macroeconomic developments, including employment and consumer confidence.	Operations are planned in relation to the supply/demand situation.
Weather conditions	Poor weather conditions, including ordinary poor weather conditions such as snow and fog, but also unusual events such as ash clouds, are impossible to predict and may have serious consequences.	These external conditions cannot be predicted and constitute a material risk to Cimber Sterling, although such events also hit the competition and do not change the relative positions of the airline operators.

Market and traffic performance 2010/11

The traffic economy improved in 2010/11, but not enough to compensate for the lower-than-expected number of passengers. The rate of passenger growth was 26%, down from an expected rate of 42%. The load factor remained unchanged at 65% against an expected increase by 5 percentage points, whereas the yield improved to DKK 0.98 (+10%) against an expected decline to the level of DKK 0.84. This increase was mainly achieved through a change in the segment mix.

	2006/07	2007/08	2008/09	2009/10	2010/11	Δ 2010/11
Own passengers	850,382	988,890	1,044,809	1,643,060	2,077,975	26%
Total passengers	1,112,244	1,451,922	1,837,535	2,306,093	2,548,259	11%
ASK ('000), own network	474,431	596,008	826,399	2,072,073	2,579,485	24%
ASK ('000), total	722,558	986,135	1,437,388	2,625,405	3,016,726	15%
RPK ('000), own network	276,617	370,867	474,286	1,347,620	1,682,144	25%
RPK ('000), total	445,155	638,382	910,120	1,733,690	2,004,338	16%
Load factor, own network	58%	62%	57%	65%	65%	0 p.p.
Load factor, total	62%	65%	63%	66%	66%	0 p.p.
Yield (DKK)	2.63	2.25	2.05	0.89	0.98	10%
RASK (DKK)	1.18	1.05	0.87	0.56	0.62	10%
CASK before special items (DKK)	1.16	1.06	0.89	0.64	0.69	7%
CASK (DKK)	1.16	1.06	0.89	0.66	0.71	8%
CASK without fuel (DKK)	1.04	0.94	0.78	0.58	0.60	3%

Cimber Sterling's market share on own activities for passengers out of Copenhagen Airport was 8.2% at year-end 2010/11, which was 14% higher than in 2009/10. In the Danish domestic market, Cimber Sterling's market share in 2010/11 was 50%, representing an increase of approximately 10% year on year.

Traffic performance in 2010/11

In 2010/11, Cimber Sterling carried 2,077,975 own passengers, representing a year-on-year increase of 26%. The number of passengers increased by 11%. This was 250,000 fewer passengers than originally forecast.

Available capacity (ASK) on Cimber Sterling's own network increased by 24% during the year, whilst traffic (RPK) increased by 25%. The overall increase in capacity (ASK) was 15%, whilst traffic (RPK) increased by 16%. This brought the load factor for own routes to 65%, which was on a level with 2009/10. The expected improvement of the load factor by 5 percentage points was not achieved, which was primarily caused by performance in the Leisure segment.

The yield for 2010/11 was DKK 0.98, which represented a year-on-year increase of 10%. The original forecast of a fall in the yield by DKK 0.05 was based on a relatively larger increase in the Leisure segment, which failed to materialise. The greater activity in the Domestic and Regional segments with traditionally shorter flights and higher yields led to an increase in the average yield.

Revenue per available seat kilometre (RASK) was DKK 0.62 in 2010/11, which represented a year-on-year increase of 10%. This was also attributable to a change in the segment mix. This also explains the increase in costs per available seat kilometre (CASK), which increased by 7% to DKK 0.69 in 2010/11 before special items. Domestic and regional traffic have higher CASKs than the other segments due to the shorter flights and primary use of aircraft with fewer seats. CASK excluding fuel costs was DKK 0.60 in 2010/11, up from DKK 0.58 in the same period of last year, equivalent to a 3% increase.



Traffic performance - Domestic

Cimber Sterling has about 500 weekly domestic flights and carries some 3,000 business and leisure passengers per day who need direct domestic flights and/or connections to Cimber Sterling's own services as well as to flights on other airlines (via code share and interline agreements). Cimber Sterling uses dynamic pricing to stimulate demand and move travellers from car and train transport to air transport.

Cimber Sterling grew its share of the domestic market from 45% to 50% in 2010/11.

The number of domestic passengers increased from 793,475 passengers in 2009/10 to 1,067,358 passengers in 2010/11, equivalent to a growth rate of 35%. Capacity (ASK) increased by 26% in 2010/11, and traffic (RPK) increased by 32% during the same period, leading to an improvement of the load factor from 60% in 2009/10 to 62% in 2010/11. The RASK for the Domestic segment rose by 2% in 2010/11

Traffic performance - Regional

Cimber Sterling operated 15 routes from Denmark to selected international destinations in 2010/11 for business and leisure passengers who need direct flights and/or connections to other airlines (via code share and interline agreements). The full-year destinations are typically major cities such as London, Prague, Oslo and Stockholm.

The number of regional passengers increased from 317,086 passengers in 2009/10 to 437,878 passengers in 2010/11, equivalent to a growth rate of 38%. Capacity (ASK) increased by 25% in 2010/11, and traffic (RPK) increased by 38% during the same period, leading to an improvement of the load factor from 51% in 2009/10 to 56% in 2010/11. The RASK for the Regional segment rose by 16% in 2010/11

Traffic performance - Leisure

Cimber Sterling has 24 destinations in its summer programme and aims to be the preferred scheduled airline bringing Danish passengers to their preferred holiday destinations. Cimber Sterling collaborates with a number of tour operators selling group tours on existing routes and charters (spot and ad-hoc), which also contributes to the Company's capacity utilisation.

Flights to the major holiday destinations such as Gran Canaria, Crete, Nice, Malaga and Mallorca are primarily operated using large B737s, due to the substantially longer flight distances than for the other segments. In addition, the high volume allows Cimber Sterling to offer low fares.

The number of leisure passengers increased from 532,499 passengers in 2009/10 to 572,739 passengers in 2010/11, equivalent to a growth rate of 8%. Capacity (ASK) increased by 24% in 2010/11, and traffic (RPK) increased by 21% during the same period, leading to a decline in the load factor from 71% in 2009/10 to 69% in 2010/11. The RASK for the Regional segment rose by 14% in 2010/11

Financial performance in 2010/11

Cimber Sterling generated revenue of DKK 1,941 million in 2010/11, and an operating loss before special items of DKK 200 million. Management considers the loss to be highly unsatisfactory.

Financial forecasts relative to targets in 2010/11

DKKm	Annual report 2009/10 on 6 July 2010	Forecast on 16 March 2011	Forecast* on 17 May 2011
Revenue	2,000	2,000	1,925-1,950
EBIT before special items	-20-80	-125-145	-190-200

* after the end of the reporting period

Cimber Sterling's revenue and operating profit before special items for 2010/11 was on a level with the guidance issued on 17 May 2011.

Revenue

Revenue amounted to DKK 1,941 million in 2010/11, equal to a 25% increase from DKK 1,551 million in 2008/09. In spite of this growth, Cimber Sterling did not achieve its ambitious growth target of DKK 2 billion. This was to a great extent attributable to Q4, when the winter weather and technical challenges resulted in a large number of cancellations as well as loss of passengers.

Costs

Operating costs

Operating costs increased by 31% in 2010/11 to DKK 1,301 million from DKK 995 million in 2009/10. The increase was caused by the strong growth in the level of activity which affected, among other things, fuel, charges and catering costs. More specifically, fuel costs increased by DKK 135 million in 2010/11, representing a 66% year-on-year increase.

Moreover, Cimber Sterling experienced a number of technical challenges during a part of 2010/11, which increased aircraft maintenance costs.

Other external costs

Other external costs increased from DKK 109 million in 2009/10 to DKK 128 million in 2010/11, partly due to increased marketing, IT and communications costs.

Staff costs and other costs

The average number of full-time employees increased by 2% from 820 to 840 in 2010/11, and total staff costs increased by 3% from DKK 443 million in 2009/10 to DKK 457 million in 2010/11. The increase should be seen in light of the strong increase in the level of activity.

Leases and depreciation

As at 30 April 2011, Cimber Sterling had a fleet of 26 aircraft (28 in 2009/10), of which 14 were held on operating leases, one was held on a finance lease and the remaining 11 were owned by Cimber Sterling. The available fleet was reduced by two CRJ aircraft as compared with the end of the 2009/10 financial year. Cimber Sterling sold and leased back three ATR aircraft during the period. Lease costs increased by DKK 17 million from DKK 117 million in 2009/10 to DKK 134 million in 2010/11. Lease costs and depreciation increased by a combined DKK 21 million in 2010/11.

Financial expenses

Net financial expenses decreased from DKK 14 million in 2009/10 to DKK 6 million in 2010/11, primarily caused by the positive effects of the falling DKK/USD exchange rate.

Net special items in 2010/11 DKKm

Loss on the sale of 3 ATR aircraft	31
Extraordinary winter costs	7
One-off costs regarding prior financial years	27
Costs of strengthening capital base	3
Total	68

Net special items

Cimber Sterling was affected in 2010/11 by net special items of DKK 68 million. The one-off costs were partly attributable to a loss on the sale of three ATR aircraft, extraordinary winter costs and one-off costs relating to prior financial years. One-off costs relating to prior financial years were primarily related to the deviation in the reconciliation of accounts with credit card companies. Moreover, the Company was affected by costs incurred to strengthen the capital base.



Tax

In both 2010/11 and 2009/10, tax was an income due to the capitalisation of deferred tax. Based on current plans, it is expected that the tax asset will be used up within the next seven years.

Management believes that the necessary documentation exists for recognising the deferred tax asset. Tax amounted to a total income of DKK 61 million. The effective tax rate was 22.3%. The tax assets as at 30 April 2011 totalled DKK 92 million (2009/10: DKK 31 million), which are expected to begin to be used in 2012/13 and to be fully used within seven years. According to these expectations and projections, 6% of the deferred tax assets will have been used after three years, 59% after five years and 100% after seven years. See note 35 for information on sensitivity.

Profit/loss

Operating profit/loss (EBIT)

Operating profit/loss (EBIT) before special items was a loss of DKK 200 million, a 12% improvement on the loss of DKK 228 million in 2009/10. Operating profit/loss (EBIT) including net special items was reduced from a loss of DKK 294 million in 2009/10 to a loss of DKK 268 million in 2010/11.

Profit/loss before tax (EBT)

The loss before tax was DKK 274 million against a loss of DKK 309 million in 2009/10.

Profit/loss for the period

The loss after tax was DKK 213 million against a loss of DKK 229 million in 2009/10.

Assets and invested capital

Total assets amounted to DKK 969 million as at 30 April 2011, which represented a year-on-year fall of 13% or DKK 146 million as compared with total assets as at 30 April 2010. The change was mainly attributable to a decline in aircraft and aircraft parts of DKK 168 million. In December 2010, three ATR aircraft were sold and leased back. Conversely, deferred tax increased by DKK 61 million

as a result of the loss for the year, while cash and cash equivalents were reduced by DKK 42 million. Other balance sheet items showed a total net increase of DKK 3 million.

Valuation of aircraft

The impairment test made at the end of the financial year did not identify any impairment of the aircraft fleet or aircraft parts. The valuation is based on the expected future net cash flows. The valuation is made on the basis of the total fleet, of which one aircraft has an estimated market value that is significantly less than the carrying amount. The reason is that the aircraft was acquired at a significantly higher USD exchange rate than the exchange rate ruling on the balance sheet date. See also note 35 to the financial statements.

The estimated market value of Cimber Sterling's fleet based on list prices in USD at the end of 2010/11 and translated into DKK was DKK 436 million, which was DKK 85 less than the carrying amount of DKK 521 million. Due to the higher estimated recoverable value of the overall fleet, this difference did not give rise to the recognition of any impairment.

Invested capital

Invested capital at the end of 2010/11 totalled DKK 339 million, which was DKK 196 million lower than at the end of 2009/10. The fall was mainly attributable to the fall in equity resulting from the loss for the year.

Changes in equity

Equity stood at minus DKK 26 million at 30 April 2011 against DKK 187 million at 30 April 2010. The Group's equity ratio was reduced from 16.8% in 2009/10 to a negative equity ratio in 2010/11 as a result of the loss for the year. The Company equity will be restored in connection with the subscription agreement entered into with Mansvell Enterprises Ltd. regarding the subscription of 110.5 million new shares through an expected capital injection of approximately DKK 165 million by a directed issue of shares to be adopted at an upcoming general meeting.

Financing and capital structure*Change in interest-bearing debt and lease liabilities*

Net interest-bearing debt including liabilities under finance leases was increased from DKK 348 million in 2009/10 to DKK 365 million in 2010/11. Long-term interest-bearing debt was reduced from DKK 339 million in 2009/10 to DKK 253 million in 2010/11, and short-term interest-bearing debt less cash and securities increased from DKK 9 million to DKK 112 million at the end of 2010/11. Debt secured against the aircraft fleet totalled DKK 212 million at 30 April 2011.

Capital resources

At the end of 2010/11, Cimber Sterling had financial resources, defined as cash and available drawing rights, of DKK 1 million. See note 2 to the financial statements.

Cash flows*Cash generated from operations*

Operating activities generated a cash outflow of DKK 57 million in 2010/11 against a cash outflow of DKK 61 million in 2009/10.

Cash flows from investing and financing activities

Cash flows from investing activities were a net inflow of DKK 41 million, whereas the Group had a net cash outflow for investing activities of DKK 79 million in 2009/10. Investments in 2010/11 were primarily made in the maintenance of the existing fleet less the consideration received from the sale of three aircraft and an increase in other long-term receivables.

The cash flow from financing activities in 2010/11 was an outflow of DKK 26 million, primarily as a result of servicing of debt.

The cash flow for the year was an outflow of DKK 42 million (2009/10: an inflow of DKK 53 million).

Capital and cash resources – going concern

The capital injection of approximately DKK 165 million by Mansvell Enterprises Ltd. has created a basis for applying a going-concern assumption. The Group's future capital and cash resources will require continuing focus on achieving the expected future financial performance. In the years ahead, the Board of Directors and the Executive Board intend to focus on strengthening the Company's operations, cash resources and capital base. Consequently, no dividend is expected to be distributed in the coming years.

Based on the above, the Board of Directors and Executive Board believe that the parent company's and the Group's cash resources for 2011/12 are adequate, and the financial reporting for 2010/11 has therefore been prepared based on a going-concern assumption. See also note 2 to the financial statements.

Q4 2010/11

Cimber Sterling continued its high level of activity in Q4 2010/11 and passenger numbers grew by 21%.

Cimber Sterling generated revenue totalling DKK 473 million in Q4 2010/11, and the operating loss before special items was DKK 86 million. Higher fuel costs and increased costs of handling operating disruptions were the primary reasons for the weak performance in Q4 2010/11.

Events after the balance sheet date

The Group entered into a subscription agreement on 7 July 2011 with Mansvell Enterprises Ltd. which is subject to certain conditions. The agreement involves the subscription for 110.5 million new shares through an expected capital injection of approximately DKK 165 million through a directed share issue. It is expected that the issuance of new shares will be approved by the shareholders at an extraordinary general meeting to be held on 29 July 2011, for which advance undertakings have been obtained from the major shareholders, who combined represent 46% of the share capital, and approvals are expected from the relevant regulatory authorities.

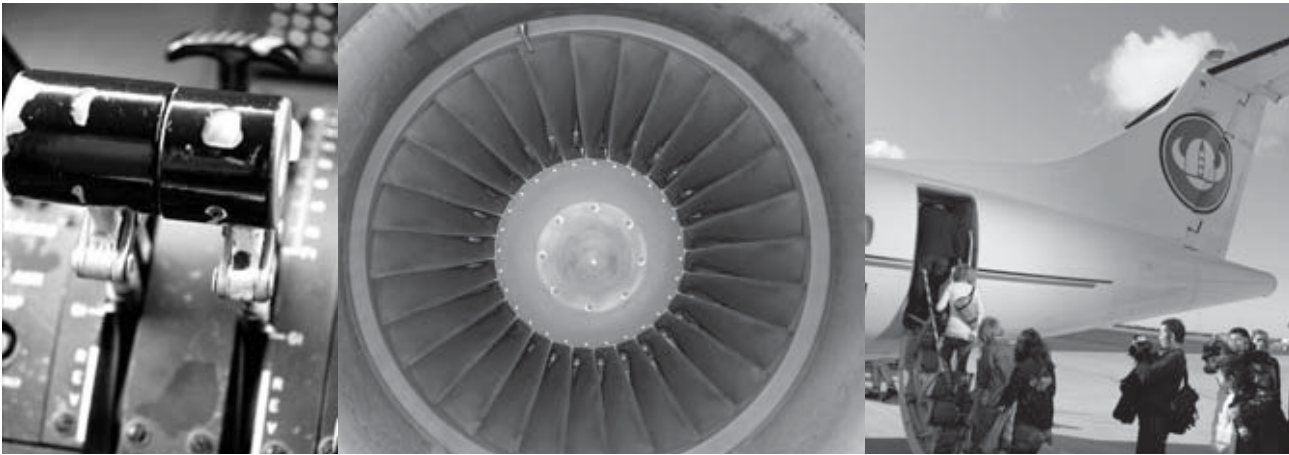
Parent company

Revenue for 2010/11 was DKK 2.5 million, which was on a level with revenue for 2009/10. Profit before tax was DKK 5 million against a loss of DKK 7 million in 2009/10. The improvement is in all essentials attributable to last year's extraordinary costs related to the IPO of Cimber Sterling Group A/S.

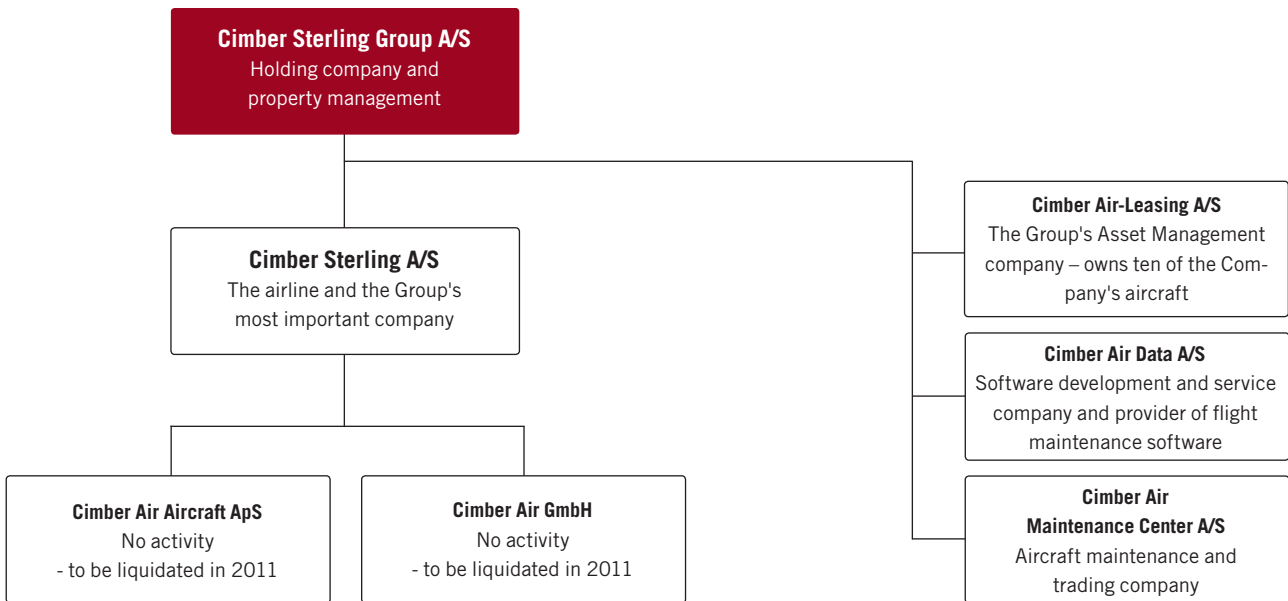
Total assets amounted to DKK 421 million as at 30 April 2011, which represented a year-on-year increase of 8% as compared with total assets as at 30 April 2010. The company provided a tax free contribution of DKK 266 million to its subsidiary Cimber Sterling A/S in 2010/11.

Equity increased by DKK 2 million from DKK 356 million in 2009/10 to DKK 358 million in 2010/11. The increase was attributable to the results posted for the year.

The Company has made an assessment of the recoverable value of the company's non-current assets, most of which are investments in subsidiaries. Against that background, it was not deemed necessary to recognise an impairment of the non-current assets.



ORGANISATIONAL STRUCTURE AS AT 30 APRIL 2011



Corporate social responsibility – an integral part of our business

Cimber Sterling's vision of being Denmark's leading airline is also reflected in its approach to corporate social responsibility and its continuing focus on doing the right things in the right way.

At Cimber Sterling, corporate social responsibility is considered to be more than just common sense: it is a prerequisite for operating a healthy business. Cimber Sterling believes that maintaining a committed approach to corporate social responsibility is a natural part of showing respect for the society we are a part of. In other words, corporate social responsibility is an integral component of Cimber Sterling's business strategy. Consequently, it is a big priority for Cimber Sterling to develop and plan its day-to-day operations and future growth platform with care and due consideration for its social and environmental footprint.

In 2010/11, Cimber Sterling worked to establish the necessary in-house processes and organisation relating to the Company's work with corporate social responsibility. The process of defining a complete corporate social responsibility strategy which will chart the course for and create consistency in the Company's future efforts continues. This description is therefore a voluntary report. The corporate social responsibility activities in 2010/11 included an initiative in the field of society and suppliers by way of an expansion of the systematic auditing of the Company's suppliers. The Company also focuses on implementing a number of specific initiatives within the other two priority fields: Environment and climate, and employees.

Active involvement of Management and employees in day-to-day activities are to ensure that Cimber Sterling continuously includes corporate social responsibility in day-to-day processes and structures where it is natural to discuss corporate social responsibility subjects and set the Company's goals for its corporate social responsibility work. In 2011/12, Cimber Sterling intends to increasingly engage the works council and health and safety committees in the work, focusing especially on staff conditions. The environmental and climate work will also be organised in a cross-organisational environmental and climate body which is to handle environmental and climate matters in general in day-to-day operations.

Environment and climate

Cimber Sterling recognises that our operations as an airline leave an environmental footprint. Cimber Sterling takes its responsibility seriously and continuously strives to mitigate the adverse environmental impacts caused by the Company's operations.

Focus on CO₂ reductions

By far the most of Cimber Sterling's CO₂ emissions are attributable to its flight operations. The correlation between fuel consumption and the amount of CO₂ emitted from its operations is directly proportional: the less fuel consumed, the less CO₂ is emitted into the atmosphere. Cimber Sterling strives to the greatest extent possible to ensure the right match between routes and aircraft types with a view to reducing CO₂ emissions per passenger and per flight as much as possible. In order to enhance the quality of the data around our

fuel consumption and thus our CO₂ emissions, new systems will be implemented in 2011 to log the fuel consumption. This measure will ensure continuing optimisation of the fuel consumption and a more precise data base for fixing future CO₂ quotas. Cimber Sterling's ton/km accounts for 2010 have been verified by an external auditing authority approved by the Danish Energy Agency.

Human resources

The Company's unique, strong employee culture builds on diligence, professional pride, commitment and the will to make an extra effort in order to give the customers a good travel experience. Cimber Sterling is aware that the tight market conditions places heavy demands on the employees' adaptability and willingness to change. For a number of years, the Company has been dedicated to creating an optimum framework by strengthening employee welfare. The well-being of the Company's employees is the cornerstone of the HR policy, which we update and supplement on an ongoing basis.

Using its HR policy as a platform, Cimber Sterling has set up a number of committees focusing on work planning and close ties between employees and management.

Focus on sickness absence and stress prevention

Cimber Sterling makes a dedicated effort to ensure that its working environment does not cause sickness, that sickness absence is reduced and that employees on sick leave are helped back to work. These efforts comprise initiatives such as work planning and formal and informal follow-up interviews aimed at retaining the employee affected. Cimber Sterling is focused on creating a framework that can help the employees maintain a good work-life balance. Cimber Sterling believes that the dialogue with its employees concerning stress prevention and stress handling is crucial to this end. The Company also offers its employees health insurance ensuring quick access to professional treatment.

Employee well being

At Cimber Sterling, we integrate mandatory working environment assessments with surveys of employee well being and we are continuously working to develop methods for measuring the working environment and employee well being. In 2010/11, administration held dialogue meetings with each department regarding the working environment and employee well being. The dialogue meetings especially indicated that there was a need to increase the focus on cross-organisational collaboration, which will be a special area of focus in 2011/12.

www.cimber.com

Read more about Cimber Sterling's social responsibility at <http://investor.cimber.com/accountability.cfm>, which includes a voluntary responsibility.

Flight safety at Cimber Sterling

Cimber Sterling's safety culture is based on comprehensive knowledge, experience and competence. The safety culture stems from the Company's long history in commercial aviation and is carried by the organisational structure and each employee's obligation to integrate safety into our business principles and processes.

Giving priority to safety is a must at Cimber Sterling. Having a competent and motivated staff is one of the best safety measures in commercial air transport, and the Company consistently works to optimise safety in all parts of its operations.

Policy, requirements and responsibilities

Cimber Sterling's policy is to ensure that its flight operations, ground operations and maintenance operations maintain the highest possible safety level. Cimber Sterling's safety standards in many cases meet or exceed all statutory requirements. Day-to-day operations are carried out at the highest safety standards and with general attention to safety in all working procedures.

Cimber Sterling is committed to pursuing safety in all Company functions and in the organisation as a whole. The employees are responsible for conducting their work in a safe manner at all times, and all employees must, within reason, do everything to avoid and prevent accidents.

Any safety programme relies on safety awareness and on smooth collaboration in the organisation. Therefore, it is the responsibility of all employees to report any information or event that could jeopardise flight integrity.

Areas of focus in the safety activities

- Compliance with the law by way of maintaining a documented quality system which meets international as well as national regulatory requirements. In addition, organisational and industry experience is used to ensure that the Company maintains the lowest possible risk exposure.
- Continuing identification of risks and risk evaluation ensures that there is organisational focus on and awareness of potential hazards.
- Risk handling through identification of hazards which are either eliminated or controlled in order to reduce the hazard to an acceptable risk.
- Safety handling via systematic handling of and follow-up on risks related to flight operations, related ground operations and aircraft engineering/maintenance in order to achieve a high standard of safety performance.

Cimber Sterling receives award for highest technical reliability

In June 2011, Cimber Sterling received the prestigious Airline Reliability Performance Award. The award is presented by the Canadian aircraft maker, Bombardier, whose aircraft include the CRJ (Canadair Regional Jet). Cimber Sterling has 13 aircraft of that type in its fleet and received the award for the highest technical reliability, i.e. for being the airline with the lowest number of cancellations for technical reasons. Bombardier has built approximately 1,000 CRJ 200 aircraft, and about 15 commercial airlines use that type of aircraft.

- Training of the organisation through feedback, internal communication, recurring training and an open dialogue. The purpose of this learning process is to improve and challenge current practice and identify latent conditions which could cause errors and/or safety breaches in the organisation.

Safety management system

Cimber Sterling's safety management system is a transparent and well-documented system which ensures optimal handling of flight safety in its operations. In order to improve safety, all comparable data are collected in a regular and timely manner.

The reporting and monitoring of flight data and a comprehensive programme for technical operating safety are essential elements of the Company's safety management system. The various data supplement each other and enable the organisation to evaluate trends and take preventive measures or corrective action in order to mitigate potential risks.

Reporting of deviations

Cimber Sterling gives high priority to unlimited reporting of all events and matters which could in any way jeopardise safety. The Company seeks to promote a timely and unlimited flow of information via a comprehensive online reporting system. The purpose is to generate data for analysis which can form the basis for corrective action in the future.

All reported information is treated confidentially.

Statutory report on corporate governance

Cimber Sterling's management emphasises the exercise of sound corporate governance and remains focused on constantly improving the management. The overall framework for governing Cimber Sterling is aimed at ensuring that the Company meets its obligations to its shareholders, customers, employees, authorities and other stakeholders to the best possible extent while serving to maximise long-term value creation.

The Board of Directors of Cimber Sterling works continually to ensure that Cimber Sterling complies with the policies and procedures defined by the Committee on Corporate Governance and NASDAQ OMX Copenhagen. The Board of Directors discusses how the Company's corporate governance can be used in practice to consistently ensure that Cimber Sterling's corporate governance is of the highest quality and that the work of the Board of Directors supports Cimber Sterling's future business potential. Openness is a key factor.

The Board of Directors discloses the statutory information on corporate governance required under section 107b of the Danish Financial Statements Act on the Cimber Sterling website. The Board of Directors' overall position on NASDAQ OMX Copenhagen's corporate governance recommendations is therefore available at Cimber Sterling's website. This statutory report on corporate governance covers the financial reporting period 1 May 2010 to 30 April 2011 and forms part of Management's review. The information on corporate governance, cf. section 107b (1-5) or section 107c (1) is not comprised by the independent auditors' report on the Group's annual report 2010/11.

In April 2010, the Committee on Corporate Governance issued revised recommendations on corporate governance. In that connection, Cimber Sterling has elected to prepare the Company's corporate governance report as a more functional report with "traffic lights" based on the recommendations. This provides the best possible overview of which recommendations Cimber Sterling complies fully with and which ones the Company has elected not to comply with, or which the Company is still working on.

Tasks and responsibilities of the Board of Directors

The work of the Board of Directors has been defined in a set of rules of procedure, which are reviewed at least once annually. Accordingly, Cimber Sterling complies with the recommendation that the rules of procedure should match the needs of the Company. The Board of Directors holds approximately six meetings per year or more as required. In addition, the Board holds an annual strategy meeting. This process ensures a quick and efficient management response to external circumstances as and when needed. In the 2010/11 financial year, the Board of Directors held 28 meetings,

including a number of extraordinary meetings due to strategic considerations and the Group's operating performance.

Composition of the Board of Directors

The Board of Directors consists of eight members, three of whom have been elected by the employees of Cimber Sterling A/S and by the shareholders in general meeting of the parent company. The members elected by the shareholders hold office for terms of one year at a time.

The Board of Directors has been composed on the basis of a wish to prioritise professional experience. Several of the Board members elected by the shareholders in general meeting, excluding employee representatives as defined in the recommendations, are independent. The Board of Directors has assessed the personal competencies of each individual Board member and finds that they attend to their tasks on the Board of Directors of Cimber Sterling in a responsible manner.

In the course of the financial year, two members of the Board of Directors were replaced as the Company's former Chairman retired from the Board at the annual general meeting, and the new member of the Board elected at the annual general meeting retired from the Board before the end of the period. After the end of the period, a new Board member with significant experience from the aviation industry has been elected.

Executive Board

The Board of Directors appoints the Executive Board and determines the employment terms for the Executive Board members. The Executive Board is responsible for the day-to-day operations of Cimber Sterling, including for the development of its activities and operations, performance and internal matters. The delegation of responsibilities to the Executive Board by the Board of Directors is laid down in the Company's rules of procedure and in the rules of the Danish Companies Act.

Cimber Sterling's Executive Board comprises three members who make up the Group Management. The number of members of the Executive Board is assessed regularly based on the complexity,

Links to Corporate Governance

Current report (2011)
Previous report (2010)
Recommendations of the Committee on Corporate Governance of April 2010

<http://investor.cimber.com/governancestatement2011.cfm>
<http://investor.cimber.com/governance.cfm>
<http://www.corporategovernance.com.graphics/Corporategovernance/recommendations.pdf>

nature, etc. of its tasks. The Company's Executive Board currently consists of the Company's CEO and two additional executives with responsibility for the areas Commercial and Operations. In addition, a temporary executive has been appointed to help the Company's CEO in the area of Finance, Business Optimization and Controlling.

Board evaluation

The Company complies with the recommendations to the effect that the work of the Board of Directors and the collaboration between the Executive Board and the Board of Directors is evaluated annually. The members of the Executive Board and the Board of Directors are evaluated on the basis of a questionnaire survey and interviews. The evaluation will be followed up systematically and comprises, among other things, an assessment of the performance, collaboration and competencies of the individual members and the quality of the work performed by the Executive Board and its reporting to the Board of Directors. As the composition of the Board of Directors changed in the course of 2010 and 2011, the Board of Directors has elected to postpone the evaluation. The Board of Directors expects to make the evaluation in the autumn of 2011.

Remuneration to the Board of Directors and the Executive Board

The Board of Directors has defined the overall framework for a remuneration policy for the Executive Board, which has subsequently been approved by the shareholders in general meeting. The remuneration policy is available at Cimber Sterling's website (www.cimber.dk) under 'Investor'. The key issue is that the remuneration policy contributes to creating a strong incentive for the Executive Board to pursue Cimber Sterling's objective of profitable growth. A particular purpose of the remuneration policy is to match the Company's peers in the European airline industry.

In the 2010/11 financial year, the members of the Board of Directors received total remuneration of DKK 1.7 million. Of this amount, the Chairman received DKK 350 thousand and each ordinary member received DKK 150 thousand. The Board of Directors of Cimber Sterling is not comprised by any bonus or option programmes. The Chairman, the Deputy Chairman and members of the audit and remuneration committees receive a supplement to the fixed annual remuneration as a member of the Board of Directors. The total annual remuneration to the Board of Directors is approved by the general meeting in connection with the adoption of the annual report.

In 2010/09, remuneration to the Executive Board consisted of base salaries and standard benefits, such as a company car, telephone and a bonus programme. The total remuneration paid to the Executive Board amounted to DKK 6.9 million in 2010/11. No bonus has

been paid out on the basis of the current financial year. A more detailed description of the remuneration is provided in note 6 to the financial statements.

The Board of Directors finds the employment terms of the Executive Board, including remuneration and severance terms, to be in accordance with the standard terms for positions of this nature.

Risk management, internal control and audit

The Board of Directors complies with the recommendations that the most important business risks should be identified, that a plan for the Company's risk management should be prepared and submitted to the Board of Directors for approval and that the Executive Board should report to the Board of Directors on a regular basis with a view to systematically tracking developments in the most important risk areas. Cimber Sterling's overall risk factors are listed on pages 8-9.

Cimber Sterling's internal control and risk management procedures relating to the financial reporting process, internally as well as externally, aim to ensure

- that the financial reporting gives a timely and true and fair view free from material misstatement in accordance with applicable legislation, standards and other regulations; and
- that appropriate accounting policies are selected and applied and that the accounting estimates made are reasonable in the circumstances.

The risk assessment is conducted using a top down method, which clarifies significant items subject to high risk and special areas subject to significant risk. The control procedures are based on the risk assessment and structured so as to comprise the control activities that must be carried out as a minimum. The objective of the control activities is to ensure that potential errors are avoided, detected and corrected on a timely basis in the financial reporting process. The control procedures contain both manual and automatic controls. As a result of the critical situation the Company has faced in the past year, the progress originally intended was not achieved.

The framework for the auditors' duties, including their remuneration, audit and non-audit services, is agreed annually between the Board of Directors and the auditors on recommendation from the audit committee. In consultation with the Executive Board, the Board of Directors also conducts an annual assessment of the auditors' independence and qualifications. The Board of Directors reviews and addresses the Group's insurance matters and insurance coverage once annually.

Objectives of the Board committees

Remuneration committee

The objectives of the remuneration committee are to assist the Board of Directors in assessing the Executive Board's performance and development in relation to the attainment of Cimber Sterling's goals and to ensure efficient remuneration of the members of the Executive Board, including all pay, bonus and share-based remuneration programmes and other remuneration programmes.

Audit committee

The objective of the audit committee is to monitor the effectiveness of the internal control and risk management system and the statutory audit, including verification of the independence of the auditors.



Vilhelm Hahn-Petersen (1960)
Chairman
 Member of the Board of Directors since 2006, chairman of Cimber Sterling's remuneration committee.

Background

Vilhelm Hahn-Petersen is a partner and founder of the investment company Cata-Cap and has previously been a partner of Denmark's largest private equity fund Axcel Management A/S (2004-2009) and COO and Director of Operations of the LCC easyJet (1999-2003).

Chairman of the boards of directors of:

- Capacent People (principal shareholder)

Member of the boards of directors of:

- Panmi Invest 4 ApS
- Panmi Invest 3 ApS
- VPG Holding A/S (deputy chairman)
- Vital Petfood Group A/S (deputy chairman)
- Esko-Graphics A/S (deputy chairman)
- Best VPG Holding A/S



Jørgen Nielsen (1957)
Deputy chairman
 Member of the Board of Directors since 1994.

Background

Senior Vice President Business Development and co-owner of the Company. Mr. Nielsen is an airline captain. Mr. Nielsen is an airline captain. He started as CTO of Cimber Air 25 years ago after graduating as a fighter pilot (F100/F16) with the Danish Air Force. From 1994 to 2009, Mr. Nielsen held the position of CEO of the Cimber Sterling Group A/S and Cimber Sterling A/S.



Jesper Jarlbæk (1956)
 Member of the Board of Directors since 2009, chairman of Cimber Sterling's audit committee and member of Cimber Sterling's remuneration committee.

Background

Jesper Jarlbæk is a 'business angel' and a professional board member of a number of growth companies. Mr. Jarlbæk has extensive experience with financial management and risk management and has previously held positions with Arthur Andersen, most recently as a managing partner (1974-2002). Mr. Jarlbæk has also held a position as executive vice president with Deloitte in charge of advisory services (2002-2006).

Chairman of the boards of directors of:

- Advis A/S
- Altius Invest A/S
- Basico Consulting International ApS and two subsidiaries
- Groupcare Holding A/S and two subsidiaries
- Jaws A/S
- Julie Sandlau China ApS
- Prospect A/S
- Southern Trident Pty Ltd.
- Spøing A/S
- TIMPCO ApS
- Valuemaker A/S

Member of the boards of directors of:

- Bang & Olufsen A/S and a subsidiary
- Earlbrook Holdings Ltd. A/S
- IT2 TMS Ltd., UK
- Københavns Privathospital A/S
- Polaris III Invest Fonden
- TK Development A/S
- TORM A/S
- Økonomiforum ApS



Kåre Stolt (1964)
 Member of the Board of Directors since 2011.
 Member of the audit committee of Cimber Sterling.

Background

Kåre Stolt is an attorney-at-law and Senior Partner of Accura Advokatpartnerselskab specialising in M&A, stock market issues and corporate law. Mr. Stolt also has substantial experience from the airline industry, having advised Danish as well as foreign airlines on legal matters during his almost 25-year career. Mr. Stolt was a co-founder of, and until a couple of years ago, served on the board of DanCopter. Denmark's largest helicopter operator.

In addition to his diverse experience in the legal profession, Mr. Stolt served as CEO of NKT Elektronik from 1995-1997 and was a partner at Pricewaterhouse Coopers from 1998-1999.

Chairman of the boards of directors of:

- Accura Advokatpartnerselskab
- Bates/Y&R A/S
- Tera Holding A/S
- Scanbur A/S
- Agio Partners P/S

Member of the boards of directors of:

- Ronald A/S
- Enbridge Capital ApS

BOARD OF DIRECTORS AND EXECUTIVE BOARD



Lone Marie Koch (1955)

Member of the Board of Directors since 1994, member of Cimber Sterling's remuneration committee.

Background

Lone Marie Koch is a co-owner of the Company. Ms. Koch has held various management positions with Cimber Sterling since 1978 within the commercial areas, sales, marketing, optimisation and product development. As Manager Inflight Service Team, Ms. Koch has since 2010 been responsible for procurement for and inflight sales and service on Cimber Sterling's scheduled and charter flights.



John Fahnøe Christiansen* (1952)

Member of the Board of Directors since 2009 and member of the Board of Directors of Cimber Air A/S since 1995.

Background

Captain at Cimber Sterling. Since 1985, Mr. Christiansen has been a co-pilot and later a captain at Cimber Sterling.



Carsten Jakobsen* (1964)

Member of the Board of Directors since 2009 and member of the Board of Directors of Cimber Air A/S since 2000.

Background

Base Cabin Manager/Chief Cabin instructor and a member of the Cimber Sterling welfare team. He joined Cimber Sterling in 1991.



Sten Vestergård-Poulsen* (1963)

Member of the Board of Directors since 2009 and member of the Board of Directors of Cimber Air A/S since 2005.

Background

Captain at Cimber Sterling. He joined Cimber Sterling in 1997 and has been chairman of the Cimber Air Pilot Association (CAP) since 2008.

Composition of the Board of Directors 2010/11

Name	Year of birth	Nationality	Year of election	Committees	No. of shares 2010/11	No. of shares 2009/10
Vilhelm Hahn-Petersen	1960	Danish	2006	Remuneration	20,000	20,000
Jørgen Nielsen	1957	Danish	1994	-	6,040,000	6,040,000
Jesper Jarlbæk	1956	Danish	2009	Audit/Remuneration	10,000	10,000
Kåre Stolt (elected on 8 June 2011)	1964	Danish	2011	Audit	0	-
Lone Marie Koch	1955	Danish	1994	Remuneration	6,000,000	6,000,000
John Fahnøe Christiansen*	1952	Danish	2009	-	1,040	1,040
Carsten Jakobsen*	1964	Danish	2009	-	0	0
Sten Vestergård-Poulsen*	1963	Danish	2009	-	7,290	0

*employee representative

Christian Johannes Gellert Nielsen resigned from the Board of Directors on 3 April 2011.

There is no provision on an upper age limit of Board members in the articles of association.

Members of the Board of Directors elected by the shareholders in general meeting shall retire at each year's annual general meeting, but are eligible for re-election.

Number of meetings/telephone meetings held by the Board of Directors in 2010/11	28
Number of meetings held by the audit committee in 2010/11	7
Number of meetings held by the remuneration committee in 2010/11	4

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT:



Jacob Saaby Krogsgaard (1971)
President and CEO

Jacob Krogsgaard joined Cimber Sterling in 2006 and has held the position of CEO since the beginning of 2010. Mr. Krogsgaard has previously held positions as Executive VP Global Delivery at Reson A/S (2005–2006) and VP of the GM Networks Business Unit of Nettetst A/S (2001–2005).



Steen Neuchs Vedel, Executive Vice President (1965)
Executive Vice President, COO

Steen Neuchs Vedel joined Cimber Sterling in 2008. Mr. Neuchs Vedel is Head of Operations, which includes the responsibility as Accountable Manager. Mr. Neuchs Vedel has previously held various management positions with SAS, most recently as Vice President of SGS Ground Handling A/S and as Head of Administration at SGS during the period 1999–2003.



Stefan Vilner, Executive Vice President (1967)
VP, Commercial, CCO

Stefan Vilner joined Cimber Sterling in April 2011 and he is responsible for all commercial operations. Mr. Vilner was previously CEO of the aviation company JetBird Ltd. in Ireland (2007-2010), CCO of Sterling Airlines (2003-2007). Mr. Vilner has also been the CEO of a travel company, a consultant and has spent three years in London as International Sales & Marketing Manager of Go-Fly, a low-cost carrier owned by British Airways.

Composition of the Executive Board 2010/11

Name	Title	Year of birth	Year of employment	No. of shares 2010/11	No. of shares 2009/10
Jacob Saaby Krogsgaard	CEO	1971	2006	60,000	30,000
Steen Neuchs Vedel	COO	1965	2008	22,285	0
Stefan Vilner (appointed on 1 April 2011)	CCO	1967	2011	0	-

Henriette Schütze resigned from the Executive Board on 31 January 2011

Lars Bording resigned from the Executive Board on 31 March 2011

Cimber Sterling's shares

Cimber Sterling strives to maintain an open and continuous dialogue with our shareholders, prospective investors and the general public.

Cimber Sterling recommends all shareholders to have their shares registered in Cimber Sterling's register of shareholders pursuant to the Company's Articles of Association. Moreover, Cimber Sterling recommends all shareholders to sign up for Cimber Sterling's news service through the corporate website and to register their e-mail address in the register of shareholders through our investor Portal.

Cimber Sterling's website (www.cimber.dk > Investor) is one of the most important channels for investor-related information. Cimber Sterling's communication with the stock market, including quarterly reports and traffic performance announcements, are archived here immediately after release.

In order to comply with the disclosure requirements, Cimber Sterling adheres to NASDAQ OMX Copenhagen's recommendation to refrain from participating in investor meetings or comment on the Company's performance for a period of three weeks prior to the release of financial reports.

Share price performance

The negative financial performance in 2010/11 is reflected in the share price performance, and the share price at the end of the financial year was DKK 2.14, 47% below the share price at the end of 2009/10. The market capitalisation was DKK 97 million as at 30 April 2011, down from DKK 184 million as at 30 April 2010.

The market value of the average daily trading volume of Cimber Sterling's shares was approximately DKK 0.2 million in 2010/11, down from DKK 1.4 million in 2009/10. The total trading volume in the shares in 2010/11 was DKK 58 million, down from DKK 138.7 million in the five months Cimber Sterling was listed in 2009/10.

Share capital

The nominal value of Cimber Sterling's share capital is DKK 45.5 million. There is only one class of shares, which represents one

Master data

Stock exchange	NASDAQ OMX Copenhagen
Index:	SmallCap
Sector:	Industry, Airlines
ISIN code:	DK0060196848
Symbol	Cimber
Share capital:	DKK 45.5 million
Denomination:	DKK 1
Number of shares:	45,500,000
Negotiable instruments:	Yes
Voting restrictions	No

vote for each share of DKK 1 nominal value held, and there are no restrictions on voting rights or ownership other than the restriction imposed by the Licence Regulation for passenger airlines that more than 50% must be held by EU citizens or EU member states.

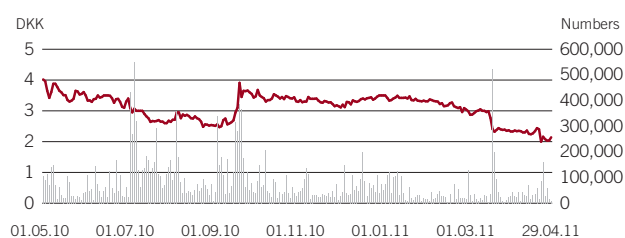
Ownership

At 30 April 2011, Cimber Sterling had approximately 4,600 registered shareholders. Around 95% of Cimber Sterling's total share capital belongs to registered shareholders and the ten largest shareholders hold an aggregate of 62% of the registered share capital. Foreign investors hold 1.76% of the shares.

Cimber Sterling shares held by management

In accordance with applicable legislation, Cimber Sterling maintains a list of insiders. Insiders and persons related to insiders by family may only trade shares during open trading window periods, that is, four weeks after the release of any financial report. At 30 April 2011, the Board of Directors and the Executive Board held a total of 12,160,615 shares in Cimber Sterling. At 30 April 2010, their total shareholding was 12,136,040 shares.

Price and trading performance in 2010/11



Shareholdings of more than 5%

Pursuant to section 29 of the Danish Securities Trading Act, the following shareholders have notified Cimber Sterling that they hold more than 5% of the share capital:

• Bardin ApS	13.2%
• Helenia Holding ApS	13.2%
• Koch & Nielsen ApS	13.2%
• Ree Kredit A/S	11.0%
• B&MC Holding A/S	6.2%

Cimber Sterling does not hold any treasury shares.

Investor portal

In 2010, Cimber Sterling's website was expanded to include an investor portal, enabling shareholders to change their e-mail address and order admission cards for general meetings. On the website, shareholders can register for shareholder news via the news agent – see www.cimber.com > investor > news agent.

Change of control

A number of the Group's licences, including the licence to operate as an airline, loan agreements and insurance policies include change of control provisions. The Executive Board believes that the change in ownership will not have any material impact or cause any loss of rights.

General meetings

Cimber Sterling encourages its shareholders to exercise their influence at general meetings. Registration of shares may take place by contacting the shareholder's custodian bank.

An extraordinary general meeting of Cimber Sterling Group A/S will be held on 29 July 2011 in Sønderborg, Denmark. The venue will be specified in the notice convening the general meeting. The extraordinary general meeting will consider a proposal for restoring the Group's negative equity and the agreement entered into with Mansvell Enterprises Ltd.

The annual general meeting of Cimber Sterling Group A/S will be held on Tuesday, 30 August 2011 in Copenhagen. The venue will be specified in the notice convening the general meeting.

Notice to convene the annual general meeting will be announced on Cimber Sterling's website, through NASDAQ OMX Copenhagen and by e-mail to shareholders registered with an e-mail address in the register of shareholders and will be forwarded by ordinary mail to any shareholders who have so requested.

Dividends

In light of Cimber Sterling's financial performance in 2010/11, the Board of Directors recommends to the shareholders in general meeting that no dividend be declared in respect of 2010/11.

Analyst coverage

Cimber Sterling is covered by the two following analysts:

- SEB Steven Brooker
- Aktieinfo Lau Svenssen

Continued efforts are made to expand the dialogue with other airline analysts.

Investor queries

The Executive Board is responsible for Cimber Sterling's investor relations. Questions or comments from shareholders, analysts or other stakeholders may be addressed to:

Jacob Krogsgaard, CEO
 Tel.: +45 74 42 22 24
 E-mail: ir@cimber.dk

Register of shareholders

Cimber Sterling's register of shareholders is kept by:
 VP Investor Services A/S
 Weidekampsgade 14
 DK-2300 Copenhagen

Financial calendar 2011/12

30 August	Annual general meeting
14 September	Interim report - first quarter of 2011/12
14 December	Interim report - second quarter of 2011/12
14 March	Interim report - third quarter of 2011/12

An updated financial calendar, including dates of announcement of monthly traffic data, is available at www.cimber.com > Investor

Company announcements in 2010/11

No.	Date	Year	Subject
1	7 May	2010	Traffic figures March/April 2010
2	7 June	2010	Traffic figures April/May 2010
3	24 June	2010	Change to the Board of Directors
4	5 July	2010	Update of financial calendar 2010/11
5	6 July	2010	Cimber Sterling Group - Annual report 2009/10
6	6 July	2010	Traffic figures May/June 2010
7	7 July	2010	The family behind Cimber Sterling Group A/S is partially released from its lock-up commitment and sells additional shares to Karsten Ree.
8	19 July	2010	Reporting of buyings in the shares of Cimber Sterling Group A/S by senior employees
9	23 July	2010	Reporting of buyings in the shares and associated securities of Cimber Sterling Group A/S by senior employees
10	28 July	2010	Notice to annual general meeting (AGM)
11	6 August	2010	Traffic figures June/July 2010
12	19 August	2010	Election to the Board of Directors
13	19 August	2010	Chairman's report - annual general meeting held on 19 August 2010
14	19 August	2010	Business transacted at the annual general meeting of Cimber Sterling Groups held on 19 August 2010
15	25 August	2010	The family behind Cimber Sterling Group A/S buys shares from Ree Kredit A/S
-	25 August	2010	Articles of association for Cimber Sterling Group - August 2010
16	3 September	2010	Cimber Sterling's Q1 2010/11 performance in line with forecast
17	7 September	2010	Traffic figures July/August 2010
18	15 September	2010	Interim report for the 1st quarter 2010/11 for the period 1 May 2010 - 31 July 2010
19	22 September	2010	Reporting of buyings in the shares and associated securities of Cimber Sterling Group A/S by senior employees
20	1 October	2010	Loan backed by a government guarantee approved by Vaekstfonden
21	7 October	2010	Traffic figures August/September 2010
22	13 October	2010	Update of financial calendar 2010/11
23	5 November	2010	Traffic figures September/October 2010
24	3 December	2010	Cimber announces additional strengthening of cash resources
25	7 December	2010	Traffic figures October/November 2010
26	14 December	2010	Interim report for the 2nd quarter 2010/11 for the period 1 May 2010 - 31 October 2010
27	3 January	2011	Change of management and board of directors
28	7 January	2011	Traffic figures November/December 2010
29	7 February	2011	Traffic figures December 2010/January 2011
30	8 February	2011	Cimber Sterling implements fuel-surcharge
31	7 March	2011	Traffic figures January/February 2011
32	11 March	2011	Cimber Sterling increases fuel-surcharge
33	16 March	2011	Interim report for the 3rd quarter 2010/11 for the period 1 November 2010 - 31 January 2011
34	16 March	2011	Cimber Sterling - Change in management
35	6 April	2011	Change in board at Cimber Sterling
36	7 April	2011	Traffic figures February/March 2011
37	29 April	2011	Financial calendar for 2011/12

Definitions

On-time flights	Flights departing within 15 minutes of scheduled departure time.
Return On Invested Capital (ROIC)	Operating profit after tax (NOPAT) divided by average invested capital.
ASK	Available Seat Kilometres. Number of available seats multiplied by the distance covered, measured in kilometres.
WACC	Weighted average cost of capital. Average cost of capital for equity and debt weighted by their relative market values
Charter/ACMI	Aircraft Crew Maintenance Insurance. Flights operated for other customers using aircraft on full charters or on wet leases.
EBIT	Operating profit before financial expenses and tax.
EBITDA	Operating profit/(loss) before depreciation and amortisation, financial expenses and tax.
EBITDAR	Operating profit before rental and leasing expenses, depreciation, amortisation and impairment, financial expenses and tax.
Own production	The part of production for which Cimber Sterling owns or leases capacity, i.e. excluding Charter/ACMI. Charter/ACMI
Own routes	Cimber Sterling routes for which it sells tickets (including routes not yet started up or seasonally closed).
Financial gearing	Equity / (interest-bearing debt plus finance leases).
External production	The part of production for which Cimber Sterling does not own or lease capacity, i.e. Charter/ACMI.
Flights operated	Flights operated according to the planned programme.
Load factor	Revenue Passenger Kilometres (RPK) divided by Available Seat Kilometres (ASK).
RASK	Revenue per Available Seat Kilometres. Total revenue from passenger transport, Charter/ACMI divided by ASK.
RPK	Revenue Passenger Kilometres. Number of revenue passengers multiplied by the distance covered, measured in kilometres.
Equity ratio	Equity/total assets.
Yield	Total revenue from passenger transport in own production divided by RPK in own production.

Glossary

Cimber Sterling	The Company and its subsidiaries.
Code share	Refers to the practice in which a flight operated by an airline under its own code (the operating carrier) is also marketed under the codes of one or more other airlines (the marketing carriers).
GDS	Global Distribution Systems. Term denoting global booking systems such as Amadeus, Galileo, Worldspan and others, used by airlines, travel agents and major businesses for booking flights, hotel accommodation, etc.
Hub	Term denoting an airport used as a transfer point by airlines in bringing their passengers to their final destination.
IATA	International Air Transport Association.
ICAO	International Civil Aviation Organisation.
Interline	Agreement between airlines regarding air travel for which one ticket covers several legs of the journey operated by different airlines and the baggage can be checked through to the final destination.
IOSA	IATA Operational Safety Audit. A safety certification attesting an airline's operational procedures and documents.
LCC	Low Cost Carrier. An airline with relatively low operating costs offering relatively cheap air travel, but which has also eliminated several traditional passenger services.
Network carrier	An airline whose business model involves the offering to its passengers of connections to and onward carriage on own and other airline services. Typical network carriers are the traditional national carriers such as British Airways, SAS, Lufthansa.
Nominated Postholders	The persons with overall responsibility for (i) Flight Operations, (ii) Maintenance System, (iii) Crew Training and (iv) Ground Operations, and who have been approved by the Danish Civil Aviation Administration.
Overhaul	Repair and maintenance of spare parts.
Point-to-point	Single-destination routes, i.e. flights between two airports.
Regional airline	Generally a small or medium-sized airline operating short-haul or medium-haul flights in defined regions.
Rotables	Sale and exchange of components/spare parts.
Safety Management System	A system ensuring optimal management of flight safety in operations.
Slots	Allocated departure and landing times.
Turnaround time	The length of time an aircraft is parked at the gate.

STATEMENT BY THE EXECUTIVE BOARD AND BOARD OF DIRECTORS

Today, the Executive and Board of Directors have discussed and approved the annual report of Cimber Sterling Group A/S for the financial year 1 May 2010 to 30 April 2011.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent company's financial statements give a true and fair view of the Group's and the parent company's financial position at 30 April 2011 and of the results of the Group's and the parent company's operations and cash flows for the financial year 01 May 2010 - 30 April 2011.

Reference is made to note 2 to the consolidated financial statements "Accounting estimates and judgements" including "Capital and cash resources - going concern", in which a statement is given of the basis for presenting the consolidated financial statements and the parent company financial statements on a going-concern assumption. It is stated therein that an agreement has been entered into with Mansvell Ltd. about an injection of DKK 165 million through a directed share issue. Furthermore, the other measures described in note 2 to strengthen the cash and capital resources and operations in 2011/12 have been taken into account. The Board of Directors and the Executive Board believe that, taken into account these measures - especially the injection of capital through the directed share issue, and the new ownership - the cash resources are adequate to continue operations in 2011/12.

Furthermore, in our opinion the Management's review includes a fair review of the development and performance of the business, the results of operations and the financial position of the Group and the parent company, together with a description of the principal risks and uncertainties that the Group and the parent company face.

We recommend that the annual report be approved at the annual general meeting.

Sønderborg, 8 July 2011

Executive Board:

Jacob Saaby Krogsgaard
CEO

Steen Neuchs Vedel
COO

Stefan Vilner
CCO

Board of Directors:

Vilhelm Hahn-Petersen
Chairman

Jørgen Nielsen
Vice Chairman

Lone Marie Koch

Jesper Jarlbæk

Kåre Stolt

Sten Vestergård-Poulsen *)

John Fahnøe Christiansen*)

Carsten Jacobsen*)

* employee representatives

To the shareholders of Cimber Sterling Group A/S

We have audited the consolidated financial statements and the parent company financial statements of Cimber Sterling Group A/S for the financial year 1 May 2010 – 30 April 2011, pp. 30-85. The consolidated financial statements and the parent company financial statements comprise statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes for the Group as well as for the Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In addition to our audit, we have read the Management's review which is prepared in accordance with Danish disclosure requirements for listed companies and provided a statement thereon.

Management's responsibility

Management is responsible for the preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Furthermore, Management is responsible for the preparation of a Management's review that includes a fair review in accordance with the Danish disclosure requirements for listed companies.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 April 2011 and of the results of the Group's and the Company's operations and cash flows for the financial year 1 May 2010 – 30 April 2011 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Emphasis of matter

We refer to note 2 to the consolidated financial statements "Accounting estimates and judgements", including "Capital resources and liquidity - going concern", in which Management accounts for the rationale for presenting the consolidated financial statements and parent company financial on the basis of a going concern status. Furthermore, the financial statements disclose that the Company has entered into an agreement with Mansvell Ltd. for injection of DKK 165 million by direct placing. Furthermore, other measures taken to strengthen liquidity, capital resources and operations in 2011/12 as set out in note 2 have been taken into account. The Board of Directors and the Executive Board are of the opinion that as a result of the measures taken - particularly the capital injection in the form of direct placing and the new owners - the Company has sufficient liquidity to continue as a going concern in 2011/12.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Sønderborg, 8 July 2011

KPMG

Statsautoriseret Revisionspartnerselskab

Finn L. Meyer	Thorbjørn Bruhn
State Authorised	State Authorised
Public Accountant	Public Accountant

Consolidated financial statements

Contents

Statement of comprehensive income	31	16 Securities	53
Balance sheet	32	17 Inventories of consumer goods and goods for resale	54
Statement of changes in equity	34	18 Trade receivables	54
Cash flow statement	35	19 Other receivables	54
		20 Prepaid expenses	55
		21 Securities	54
		22 Capital management	55
		23 Earnings per share	55
		24 Deferred tax	56
		25 Provisions	57
		26 Financial risks and financial instruments	57
		27 Income tax receivable	64
		28 Prepayments from customers and accrued income	64
		29 Other payables	64
		30 Contingent liabilities, security and contractual obligations	65
		31 Lease obligations and lease income	66
		32 Finance leases	
		33 Fees to auditors appointed in general meeting	67
		34 Related parties	68
		35 Impairment tests	68
		36 Events after the balance sheet date	70
		37 New financial reporting regulations	70
Notes to the consolidated financial statements			
1 Accounting policies	36		
2 Accounting estimates and judgements	42		
3 Segment information regarding reporting segments	44		
4 Operating costs	47		
5 Other external costs	47		
6 Staff costs	48		
7 Depreciation and amortisation of non-current assets	49		
8 Software development costs	49		
9 Special items	49		
10 Financial income	50		
11 Financial expenses	50		
12 Income tax	50		
13 Intangible assets	51		
14 Property, plant and equipment	52		
15 Deposits	53		

STATEMENT OF COMPREHENSIVE INCOME

DKK '000	Note	2010/11	2009/10
Revenue	3	1,940,516	1,551,222
Operating costs	4	-1,301,453	-994,790
Other external costs	5	-127,869	-108,908
Staff costs	6	-456,828	-442,579
Operating profit/loss before rental and leasing expenses, depreciation, impairment, etc. (EBITDAR)		54,366	4,945
Leasing expenses	31	-134,216	-117,303
Depreciation, amortisation and impairment	7/8	-120,042	-115,532
Operating profit/loss before special items		-199,892	-227,890
Net special items	9	-68,097	-66,447
Operating profit/loss (EBIT)		-267,989	-294,337
Financial income	10	17,530	6,702
Financial expenses	11	-23,096	-21,100
Profit/loss before tax (EBT)		-273,555	-308,735
Income tax	12	60,885	80,184
Profit/loss for the year		-212,670	-228,551
Value adjustments transferred to operating costs		0	-11,280
Tax on other comprehensive income		0	2,822
Other comprehensive income after tax			
Total comprehensive income		-212,670	-237,009
Distribution of profit for the year:			
Shareholders of Cimber Sterling Group A/S		-212,670	-228,551
Distribution of comprehensive income:			
Shareholders of Cimber Sterling Group A/S		-212,670	-237,009
Earnings per share			
Earnings/diluted earnings per share	23	-4.7	-5.0

BALANCE SHEET AS AT 30 APRIL

DKK '000	Note	2010/11	2009/10
ASSETS			
Non-current assets			
Intangible assets			
Trademarks	13	4,028	4,554
Rights	13	3,696	4,169
Development projects	13	3,315	1,818
		11,039	10,541
Property, plant and equipment			
Land and buildings	14	16,406	18,206
Aircraft and aircraft components	14	521,202	689,671
Other plant and equipment	14	18,606	21,473
Property, plant and equipment in progress	14	6,042	1,129
		562,256	730,479
Other non-current assets			
Deposits	15	49,839	25,754
Securities	16	82	82
Deferred tax	24	92,145	31,264
		142,066	57,100
Total non-current assets		715,361	798,120
Current assets			
Inventories of consumer goods and goods for resale	17	77,854	80,248
Trade receivables	18	120,899	125,740
Income tax receivable	27	1	2
Other receivables	19	13,225	29,775
Prepaid expenses	20	22,406	19,450
Securities	21/26	4,090	4,075
Cash and cash equivalents	26	14,840	57,140
Total current assets		253,315	316,430
TOTAL ASSETS		968,676	1,114,550

BALANCE SHEET AS AT 30 APRIL

DKK '000	Note	2010/11	2009/10
EQUITY AND LIABILITIES			
Equity			
Share capital		45,500	45,500
Share premium		246,757	247,527
Value adjustment of hedging instruments		0	0
Retained earnings		-318,553	-105,883
Total equity		-26,296	187,144
Liabilities			
Non-current liabilities			
Deferred tax	24	0	0
Provisions	25	6,290	15,650
Mortgage debt	26	19,374	21,595
Banks	26	217,162	291,272
Lease obligations	26/32	12,317	22,390
Other interest-bearing liabilities	21/26	3,900	3,900
Total non-current liabilities		259,043	354,807
Current liabilities			
Mortgage debt	26	2,161	2,021
Banks	26	121,028	59,521
Lease obligations	26/32	8,016	8,288
Prepayments from customers and accrued income	28	277,289	265,120
Trade payables	26	195,427	99,280
Other payables	29	129,703	119,396
Provisions	25	2,305	18,973
Total current assets		735,929	572,599
Total liabilities		994,972	927,406
TOTAL EQUITY AND LIABILITIES		968,676	1,114,550
Accounting estimates and judgements	2		
Contingent liabilities, security and contractual obligations	30		
Lease obligations and lease income	31		
Related parties	34		
Impairment tests	35		
Events after the balance sheet date	36		
New financial reporting regulations	37		

STATEMENT OF CHANGES IN EQUITY

DKK '000

TDKK	Share capital	Share premium	Reserve for hedging transactions	Retained earnings	Total
Equity at 1 May 2009	600	30,652	8,458	122,668	162,378
Conversion of shares	17,400	-17,400			0
Capital increase	27,500	247,500			275,000
Share issue costs		-13,297			-13,297
Tax on share issue costs		72			72
Value adjustment of hedging instruments			-11,280		-11,280
Tax on other comprehensive income			2,822		2,822
Loss for the year				-228,551	-228,551
Equity at 30 April 2010	45,500	247,527	0	-105,883	187,144
Adjustment of share issue costs		-770			-770
Loss for the year				-212,670	-212,670
Equity at 30 April 2011	45,500	246,757	0	-318,553	-26,296

CASH FLOW STATEMENT

DKK '000	2010/11	2009/10
Profit/loss before tax	-273,555	-308,735
Adjustment for non-cash operating items, etc.:		
Depreciation and amortisation	7	120,042
Other non-cash operating items, net		115,532
Provisions		0
Financial income	10	-11,280
Financial expenses	11	29,001
	-17,530	-6,702
	23,096	21,100
Cash generated from operations before changes in working capital	-173,975	-161,084
Change in working capital:		
Inventories		2,394
Receivables		18,434
Trade payables, prepayments and other payables		118,624
		1,897
		21,319
		97,220
Cash generated from operations	-34,523	-40,648
Interest received	123	524
Interest paid	-23,096	-21,100
Cash flows from operating activities	-57,496	-61,224
Acquisition of intangible assets	-2,188	-1,039
Acquisition of property, plant and equipment	-108,504	-85,556
Disposal of property, plant and equipment	158,380	16,951
Changes in other non-current receivables	-6,677	-5,374
Changes in securities	-15	-3,948
Cash flows from investing activities	40,996	-78,966
External financing:		
Changes in bank debt, etc.	-25,030	-68,727
Share issue	-770	261,775
Shareholders:		
Dividend paid, including costs	0	0
Cash flows from financing activities	-25,800	193,048
Net cash flows from operating, investing and financing activities	-42,300	52,858
Cash and cash equivalents at 1 May	57,140	4,282
Cash and cash equivalents at 30 April	14,840	57,140

1 ACCOUNTING POLICIES

Cimber Sterling Group A/S is a public limited company domiciled in Denmark. The annual report for the period 1 May 2010 - 30 April 2011 comprises both the consolidated financial statements of Cimber Sterling Group A/S and its subsidiaries (the Group) and separate financial statements of the parent company.

The annual report of Cimber Sterling Group A/S for 2010/11 is presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies cf. the Danish Statutory Order on Adoption of IFRS issued in pursuance of the Danish Financial Statements Act. The annual report is presented on a going-concern basis.

In addition, the annual report has been prepared in compliance with International Financial Reporting Standards as issued by the IASB.

The Board of Directors and the Executive Board have considered and approved the annual report of Cimber Sterling Group A/S for 2010/11 on 8 July 2011. The annual report will be presented for approval by the shareholders of Cimber Sterling Group A/S at the annual general meeting to be held on 30 August 2011.

BASIS OF PREPARATION

The annual report is presented in Danish kroner, rounded to the nearest DKK thousand.

The annual report has been prepared on the historical cost basis except that the following assets and liabilities are measured at fair value: derivative financial instruments, financial instruments held for trading and financial instruments classified as available for sale.

The accounting policies set out below have been applied consistently to the financial year and the comparative figures. The comparative figures are not adjusted for standards to be implemented for future application. As the implemented standards and interpretations had not affected the balance sheet as at 1 May 2009 and the related notes, they have been left out.

Changes in accounting policies

Cimber Sterling Group has implemented with effect from 1 May 2010 the standards and interpretations that come into force for 2010/11. None of these have affected recognition and measurement for 2010/11.

DESCRIPTION OF ACCOUNTING POLICIES**Consolidated financial statements**

The consolidated financial statements comprise Cimber Sterling Group A/S and subsidiaries in which the parent company has control over the Company's financial and operating policies so as to obtain returns

or other benefits from its activities. Control is obtained when the Company directly or indirectly holds more than 50% of the voting rights in the subsidiary or controls the subsidiary in some other way.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements prepared in accordance with the Group accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions have been eliminated. The subsidiaries' line items are fully recognised in the consolidated financial statements.

Foreign currency translation

For each of the reporting entities in the Group, a functional currency is determined. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in other currencies than the functional currency are considered transactions denominated in foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or the previous balance sheet date is recognised in the income statement as financial income or financial expenses.

On recognition in the consolidated financial statements of enterprises with another functional currency than DKK, the income statements are translated at the exchange rates at the transaction date and the balance sheet items are translated at the exchange rates at the balance sheet date. An average exchange rate for the month is used as the exchange rate at the transaction date to the extent that this does not significantly change the presentation of the underlying transactions. Foreign exchange differences arising on translation of the equity at the beginning of the year of such entities at the exchange rates at the balance sheet date and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the balance sheet date are recognised directly in other comprehensive income in a separate translation reserve under equity.

Derivative financial instruments

Derivative financial instruments are recognised at the trade date and

measured in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are presented separately in the balance sheet, and set-off of positive and negative values is only made when the Company has the right and the intention to settle several financial instruments net. Fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the value of the hedged asset or liability as far as the hedged portion is concerned. Hedges of future cash flows under a firm commitment, other than currency hedges, are accounted for as fair value hedges. The portion of the derivative financial instrument that is not included in a hedge is presented under financials.

Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a cash flow hedge that is an effective hedge of changes in the value of the hedged item are recognised in equity under a separate hedging reserve until the hedged transaction is realised. At this time, gains and losses regarding such hedging transactions are transferred from equity and recognised in the same item as the hedged item.

If the hedging instrument no longer meets the criteria for hedge accounting, the hedging relationship is discontinued prospectively. The accumulated value change recognised in equity is reclassified to the income statement in the financial year in which the hedged cash flows affect the income statement.

If the hedged cash flows are no longer expected to be realised, the accumulated value change is reclassified to the income statement immediately. The portion of the derivative financial instrument that is not included in a hedge is presented under financials.

For derivative financial instruments that do not meet the criteria for hedge accounting, changes in fair value are recognised in the income statement as financial income or financial expenses.

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Revenue regarding services that primarily comprise air transport of passengers is recognised at the time when the air transport is carried through. Tickets sold for air transport not carried through at the balance sheet date are recognised in the balance sheet in the line item "Prepayments from customers and accrued income". The liability is reduced at the time when the air transport is carried through or when a customer asks for a refund.

Ancillary income which is derived from the aircraft activity but which

is not an integral part of the ticket price is recognised in revenue at the time when the air transport is carried through. Ancillary income among other things comprises income relating to transport and includes payment for extra baggage, equipment, animals, seating and fees for booking and change of tickets.

The Group has established loyalty programmes, including Cimber Sterling Travel Card. Among other things, members of the loyalty programmes receive benefits in the form of discounts on purchased flights. These discounts are recognised in revenue in the period when the flight is carried through. Further, the Group participates in SAS' bonus programmes. Cimber Sterling pays a monthly fee to cover all commitments.

Revenue from leasing of aircraft, etc., is recognised in revenue on a straight-line basis during the lease term.

Revenue from the sale of goods for resale primarily relating to minor aircraft components is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be reliably measured and is expected to be received. The Group's sale of IT software is recognised as income when the application has been installed at the client.

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Operating costs

Operating costs comprise costs directly incurred in generating the revenue for the year except depreciation, amortisation and rental and leasing expenses and staff costs, which are presented separately. Costs regarding operation and maintenance of the fleet, including costs relating to fuel, handling, airport taxes, catering and booking, are recognised in operating costs.

The trading enterprise recognises costs of sales corresponding to revenue for the year.

Other external costs

Other external costs comprise costs incurred during the year for administration, except depreciation, amortisation, rental and leasing expenses and staff costs that are presented separately. Write-downs of trade receivables and goods for resale as well as costs for sales and marketing are also included.

Special items

Net special items comprise costs of a non-recurring nature.

Gains and losses on disposal of property, plant and equipment

Gains and losses on disposal of property, plant and equipment are de-

terminated as the selling price less costs to sell and the carrying amount at the time of sale. Gains/losses on the scrapping of property, plant and equipment is recognised in depreciation, amortisation and impairment. Gains and losses on the sale of property, plant and equipment is recognised in other operating income and other operating costs, respectively, unless they are of an extraordinary nature.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, debt and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, including finance lease liabilities, as well as surcharges and refunds under the Danish tax prepayment scheme, etc. Furthermore, changes in the fair value of derivative financial instruments which are not designated as hedging instruments are included.

Income taxes

The parent company is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated to the jointly taxed companies in proportion to their taxable income. Companies that use tax losses in other companies pay a joint tax contribution to the parent company at an amount corresponding to the tax value of the tax losses used. Companies whose tax losses are used by other companies receive joint tax contributions from the parent company corresponding to the tax value of the losses used (full absorption). The jointly taxed companies are taxed under the Danish tax prepayment scheme.

Income tax comprises current tax and changes in deferred tax for the year. The tax expense relating to the results for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity.

BALANCE SHEET

Intangible assets

Trademarks and rights, etc.

Trademarks and rights are measured at cost less accumulated amortisation and impairment. Trademarks are amortised over the expected useful life, which is usually ten years. Rights and licences are amortised on a straight-line basis over the lower of the remaining term of the right or contract period and the useful life, which is also usually ten years.

Development projects

Development projects relate to the development of software for own use and sale. Projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities in the Company are demonstrated, and where the Company intends to produce, market or use the

project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net sales price can cover production costs, selling costs, administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Recognised development costs are measured at cost less accumulated amortisation and impairment. Cost comprises wages and salaries and other costs attributable to the Group's development activities.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life from the date when the asset is ready for use. The amortisation period is usually five years. The basis of amortisation is calculated less any impairment.

Property, plant and equipment

Land and buildings, aircraft, aircraft components, other plant and equipment, tools and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use. The cost of self-constructed assets, primarily improvement costs on aircraft, comprises direct and indirect costs of materials, components, suppliers and wages and salaries. The cost of an asset is divided into separate components which are depreciated separately if the useful lives of the individual components are not the same. Official regulation dictates that periodical inspection and maintenance of all aircraft is to be conducted. Certain (non-metal) components must be replaced depending on the use of the aircraft and consequently those components usually have a shorter useful life than the principal components of the aircraft. The components that are called "rotables" have the same useful life as the aircraft as they are maintained on an ongoing basis, and the related costs are recognised in the income statement as incurred. According to the rules and regulations in force, aircraft are to be maintained and important components replaced after a certain number of take-offs/landings and/or hours in flight. Maintenance and overhauls carried out are recognised in the balance sheet and depreciated over the period until the next required maintenance and overhaul.

In connection with other property, plant and equipment, subsequent costs, e.g. in connection with replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset when it is probable that the costs will result in future economic benefits for the Group. The replaced components are derecognised in the balance sheet and the carrying amount is recognised in the income statement. Other costs for ordinary repairs and maintenance are recognised in the income statement as incurred.

The cost of assets held under finance leases is recognised at the lower of the fair value of the assets and the present value of the future minimum lease payments. For the calculation of the present value, the interest rate implicit in the lease or the Group's alternative borrowing rate is used as the discount rate. Any modifications to leased aircraft etc. are depreciated over their expected useful life.

Property, plant and equipment is depreciated on a straight-line basis over the expected useful lives of the assets/components. The expected useful lives are as follows:

Buildings and building components	approx. 17 years
Leasehold improvements	approx. 17 years
Aircraft (metal components) including 'rotables':	
ATR	25 years
CRJ	20 years
Aircraft components (non-metal)	2-12 years
Aircraft held under finance lease	8 years
Other plant and equipment	3-5 years

Land is not depreciated.

The depreciable amount is determined taking the residual value and impairment losses, if any, into consideration. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When changing the depreciation period or the residual value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

Impairment of non-current assets

The carrying amount of non-current assets is tested annually for indicators of impairment or on a current basis in case an indication of impairment occurs. When there is an indication that an asset may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or the cash-generating unit to which the asset belongs.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit, respectively, exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement under "Depreciation, amortisation and impairment".

Impairment of non-current assets is reversed only to the extent of changes having occurred in the assumptions and estimates underlying the impairment calculation. Impairment is only reversed to the extent

that the asset's new carrying amount does not exceed the carrying amount that the asset would have had after depreciation and amortisation if the asset had not been impaired.

Inventories of consumer goods and goods for resale

Inventories of consumer goods and goods for resale primarily comprise aircraft components and aircraft servicing and repair materials. These inventories are measured at the lower of cost in accordance with the weighted average cost formula and the net realisable value.

Goods for resale (aircraft components) and aircraft servicing and repair materials are measured at cost, comprising purchase price plus delivery costs.

The net realisable value is calculated as the sales price less costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in the expected sales price.

Receivables

Receivables are measured at amortised cost. Individual write-down is made for bad debt losses when there is objective evidence that a receivable has been impaired.

Write-downs are calculated as the difference between the carrying amount and the present value of the expected cash flows, including the realisable value of any received collateral. The discount rate is the effective interest rate used on initial recognition of each receivable.

Deposits paid on inception of leases are recognised at amortised cost if it is material to the measurement of the receivable. The difference between nominal value and amortised cost is considered an additional rental and leasing expense which is accrued on a straight-line basis over the lease term.

Prepaid expenses

Prepaid expenses are measured at cost.

Securities

Shares and bonds that are monitored, measured and reported at fair value on an ongoing basis in accordance with the Group's investment policy are recognised at fair value on the trading date and are subsequently measured at fair value. Changes in fair value are recognised in the income statement as financial income or financial expenses.

Equity

Dividends

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). The proposed dividend payment for the year is disclosed as a separate item under equity.

Extraordinary dividend is recognised as a liability at the date when the decision to pay extraordinary dividend is made.

Value adjustments of hedging instruments

The hedging reserve 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.

Share premium

Share premium comprises premium on issue of shares. Share premium can be used for distribution in cases where retained earnings constitute a profit.

Employee benefits

The Group has entered into pension schemes and similar arrangements with the majority of the Group's employees.

Contributions to defined contribution plans where the Group makes fixed pension payments to independent pension funds are recognised in the income statement in the period to which they relate and any contributions outstanding are recognised in the balance sheet as other payables.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for prepaid tax.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and settle the liabilities simultaneously.

Deferred tax related to elimination of unrealised intra-group profits and losses is adjusted on consolidation.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to be realised or settled. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Provisions

Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation and it is probable that there will be an outflow of economic resources to settle the obligation.

The amount recognised as a provision is Management's best estimate of the expenses required to settle the obligation.

On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability. A pre-tax discount rate is used that reflects the current market interest rate level plus risks specific to the liability. Changes in present values during the year are recognised as financial expenses.

A provision for onerous contracts is recognised when the expected benefits to be obtained by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

Some leases regarding aircraft contain requirements that the aircraft be returned at the end of the lease term in the state and condition in which they were taken over at the inception of the lease. Moreover, the Group is obligated to comply with the maintenance programmes defined by the lessor (and the aircraft manufacturer) in the leases. The contractual maintenance relates to regular maintenance as well as periodic overhauls. Typically, specific events (number of take-offs/landings, number of hours in flight, etc.) decide the timing and nature of the maintenance and overhaul. Provision is made for the contractual maintenance to the extent it is not covered by the regular payment made and deposited with the lessor, see the section Leases under Accounting policies.

Financial liabilities

Amounts owed to mortgage credit institutions, etc., are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan.

Financial liabilities also include the capitalised outstanding obligation under finance leases, which is measured at amortised cost.

Other liabilities are measured at amortised cost.

Leases

For accounting purposes, lease obligations are divided into finance and operating leases.

Leases are classified as finance leases if they transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating leases.

The accounting treatment of assets held under finance leases and the related lease obligations is described under Property, plant and equipment and Financial liabilities, respectively.

Operating lease payments are recognised in the income statement on a straight-line basis over the lease term. Apart from lease payments, continuous payments to the lessor for maintenance obligations are recognised as costs in the income statement. These are repaid to the Group when the contractual maintenance has been carried out by the Group during the lease term.

Assets leased out under operating leases are recognised, measured and presented in the balance sheet as the Group's other assets of a similar nature.

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of businesses is shown separately in cash flows from investing activities. Cash flows from acquired businesses are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of businesses are recognised up until the date of disposal.

Cash flows from operating activities are calculated according to the indirect method as the results before tax adjusted for non-cash operating items, changes in working capital, interest received and interest paid, dividends received and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of businesses and activities, purchase and sale of intangible assets, property, plant and equipment and other non-current assets as well as purchase and sale of securities not classified as cash and cash equivalents.

Finance leases are accounted for as non-cash transactions.

Cash flows from financing activities comprise changes in the size or composition of share capital and related costs as well as the raising of

loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash flows from assets held under finance leases are recognised as payment of interest and repayment of debt.

Cash and cash equivalents comprise cash at bank and in hand.

Cash flows in other currencies than the functional currency are translated using average exchange rates unless these deviate significantly from the rate at the transaction date.

Segment information

Segment information is prepared in accordance with the Group's accounting policies and complies with internal management reporting.

Cimber Sterling Group A/S' reportable segments comprise the following entities selling various services and products:

- Aircraft operation
- Cimber Air Maintenance Center A/S

The aircraft operation segment comprises the Group's activities within air transport, including transport of passengers on both domestic and international routes, lease of aircraft and personnel as well as other related activities related to air transport. The Cimber Air Maintenance Center A/S segment comprises the Group's activities within sale of aircraft maintenance and sale of small aircraft components to other airlines.

Segment revenue and costs and segment assets and liabilities comprise items which are directly attributable to the individual segment and the items which can be allocated to the individual segment on a reliable basis.

Non-current segment assets comprise non-current assets used directly in the operating activities of the segment, including intangible assets and property, plant and equipment.

Current segment assets comprise current assets used directly in the operating activities of the segment, including inventories, trade receivables, other receivables, prepaid expenses and deferred income.

Segment liabilities comprise liabilities resulting from the operating activities of the segment, including trade payables, prepayments received and other payables.

DEFINITION OF EBITDAR AND EBIT

The subtotal "Operating profit before rental and leasing expenses, depreciation, amortisation, impairment, etc." is presented in the income

statement also named EBITDAR. EBITDAR is often used in connection with airlines as an alternative to EBITDA (ex. rental and leasing expenses) as rental and leasing expenses are often an alternative to purchase and thereby depreciation on aircraft. EBIT is defined as operating profit/loss, i.e. profit/loss before financial income and expense.

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

Capital and cash resources - going concern

As a result of general economic developments, strongly intensifying competition on fares and the supply of capacity, surging fuel prices and extraordinarily severe winter weather, the Group's financial performance had an adverse impact on cash and cash equivalents, increasing the demands on the Group's cash resources.

The consolidated and parent company financial statements have been prepared on a going-concern basis.

Management's assessment in this respect is based on the fact that the Group has adequate cash resources at its disposal to support the day-to-day operations of the Group, payment of the Group's financial liabilities, including substantial overdue creditors, and implementation of the Group's current strategy plan, including planned investments. The level of prepayments is also an important assumption underlying the Group's cash flow budget. Management believes that the level of the current credit and loan facilities can be maintained. In addition to the financing secured against aircraft and real property, part of the financing is uncommitted and therefore subject to termination. The cash resources have been calculated according to the existing operating, balance sheet and cash flow budgets for the Group approved by the Board of Directors. The basis of the Group's strategy plan is that the Group has a fleet of aircraft in good condition and that the existing capacity enables the Group to achieve the budgeted growth targets in the coming years.

To secure the Group's capital base and cash resources going forward, the following measures have been taken:

Capital increase

The Group entered into a subscription agreement on 7 July 2011 with Mansvell Enterprises Ltd. which is subject to certain conditions. The agreement involves the subscription for 110.5 million new shares through an expected capital injection of approximately DKK 165 million through a directed share issue. The agreement is subject to shareholder approval at an extraordinary general meeting to be held on 29 July 2011, regulatory approval by the Danish Transport Authority of Mansvell Enterprises Ltd. as the new majority owner, for which an advance commitment has been obtained as well as a merger approval in the relevant jurisdictions. Irrevocable advance commitments have

already been obtained from major shareholders representing 46% of the share capital that they will vote in favour of the capital increase and will not tender their shares in a tender offer which Mansvell Enterprises Ltd. may be obliged to make as a result of its acquisition of a controlling interest in Cimber Sterling. Moreover, an agreement has been entered into with GEM (Global Yield Fund Ltd.) for an equity commitment of up to DKK 300 million against the subscription of new shares. Shareholder approval to use the GEM facility was obtained at an extraordinary general meeting held on 8 June 2011. The Group has not yet made any drawdowns on the GEM facility, and in connection with the agreement entered into with Mansvell Enterprises Ltd., the agreement with GEM has been put on hold.

Refinancing of aircraft

Management has initiated a refinancing programme through a combination of sale, sale and lease-back and refinancing of the existing fleet with a view to strengthening the Group's capital base.

Divestment of non-core activities

Work to divest non-core activities is continuing.

Outlook for 2011/12

At the end of the financial year 2010/11, the Group's cash resources amounted to DKK 1 million (half of which was cash funds and half of which was an undrawn bank credit facility). The Group expects that financing will be obtained as set out in the paragraphs above in connection with an expected capital injection of approximately DKK 165 million, which will form part of the Company's capital resources for 2011/12. If the budget assumptions change, including changes in seasonal fluctuations, in prepayments received and consequently in the financing requirements, the Company's cash resources may come under pressure. This also applies if existing credit and/or borrowing facilities are terminated.

The new ownership is expected to lead to synergies which are not included in the current forecasts.

Capital and cash resources – going concern

The expected capital injection of approximately DKK 165 million by Mansvell Enterprises Ltd. has created a basis for applying a going-concern assumption. The Group's future capital and cash resources will require continuing focus on achieving the expected future financial performance. In the years ahead, the Board of Directors and the Executive Board intend to focus on strengthening the Company's operations, cash resources and capital base. Consequently, no dividend is expected to be distributed in the coming years.

Based on the above, the Board of Directors and Executive Board believe that the parent company's and the Group's cash resources for

2011/12 are adequate, and the financial reporting for 2010/11 has therefore been prepared based on a going-concern assumption.

Estimation uncertainty

The calculation of the carrying amounts of certain assets and liabilities relies on judgements, estimates and assumptions about future events.

The estimates and assumptions made are based on historical experience and other factors that Management finds reasonable in the circumstances but by nature are subject to uncertainty. The assumptions may be incomplete or imprecise and unexpected events or circumstances may arise.

The Group is thus subject to risks and uncertainties that may result in the actual outcome differing from the estimates made.

It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or due to new information or subsequent events.

In 2009/10 and 2010/11, global economic and financial market trends meant that the degree of uncertainty of a number of key assumptions about future events, including interest rate levels, sales volume, volatility, etc. has changed significantly relative to previous years. Moreover, competition has intensified in the parts of the airline industry in which the Group operates, which affects earnings and cash. The following factors are particularly critical in relation to meeting budgets: Load factor, yield, fuel prices and the USD exchange rate.

Estimates that are material particularly to the financial reporting are described below.

Deferred tax asset

A deferred tax asset of DKK 92 million (2009/10: DKK 31 million), which is expected to begin to be used in 2012/13 and to be used up after seven years, is recognised in the balance sheet. The assessment of the use thereof is based on the expectations of results included in the impairment test. If the applied assumptions change, the estimates will change, too, and the assessment is thus subject to uncertainty. According to these expectations and projections, 6% of the deferred tax assets will have been used after three years, 59% after five years and 100% after seven years. See note 35 for information on sensitivity.

Impairment of non-current assets

Management regularly assesses the carrying amounts of the Group's assets, particularly aircraft and aircraft components, to determine whether there are any indications of impairment. An estimate is made of whether the activities will be able to support the value of the non-current assets, plant and equipment. Due to the characteristics of the business, estimates are made based on expected cash flows - also many years into the future, and such estimates are inherently uncer-

tain. At the end of 2010/11, the Group's non-current assets were tested for impairment. The impairment test indicated that no impairment write-down is needed under the stated assumptions. The significant assumptions are listed in note 35 to the financial statements.

The impairment test is based on the assumption that the Group as a whole is a single cash generating unit. As stated in note 35, the Company has, in line with prior-year and industry practice, obtained estimated market values by way of list prices (in USD). At the USD exchange rate ruling on the balance sheet date, DKK 5.02, the market values of the fleet were determined to be DKK 85 million below the carrying amount, of which approximately DKK 45 million concerned one aircraft. However, in accordance with the Group's accounting policies which specify that the recoverable value is the higher of the fair value of the asset less expected costs to sell and its value in use, the Group has recognised aircraft and aircraft components and other non-current assets without any impairment in accordance with the value in use determined. The impairment test with necessary adjustments was also used in the assessment of the use of the deferred tax asset of DKK 92 million and in the assessment of the investments in subsidiaries totalling DKK 320 million (in the parent company).

Depreciation and residual values of property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the expected useful lives of the assets considering the assets' residual values.

Management regularly evaluates the appropriateness of the useful lives and residual values of such assets, including in particular aircraft and aircraft components. The assessments are based on current conditions and estimated market values, economic benefit forecasts and historical industry trends. The expected future uses and residual values may prove unrealisable, which may result in a need to re-evaluate remaining useful lives and residual values and indicate impairment or losses on the sale of property, plant and equipment.

Maintenance obligations under aircraft leases

The leases comprise conditions to the effect that aircraft must be returned to the lessor in a specified state. Provision is made on the basis of expected costs and assumptions of the scope of the maintenance work on return.

Accounting policies

In applying the Group's accounting policies, in addition to estimates, management makes judgements that may impact the amounts recognised in the financial statements.

Such judgements include, inter alia, whether leases should be treated as operating or finance leases.

DKK'000

3 Segment information regarding reporting segments

2010/11	Aircraft operations	Cimber Air Maintenance Center A/S	Total- reporting segments	Other	Consolidated financial statements
Revenue to external customers	1,869,083	65,953	1,935,036	5,480	1,940,516
Inter-segment revenue	105,465	117,533	222,998	3,045	226,043
Total segment revenue	1,974,548	183,486	2,158,034	8,525	2,166,559
EBITDAR	45,828	11,579	57,407	-3,041	54,366
Operating profit/loss before special items	-205,167	10,751	-194,416	-5,476	-199,892
Net special items (note 9)	-65,097	0	-65,097	-3,000	-68,097
Operating profit/loss (EBIT)	-270,264	10,751	-259,513	-8,476	-267,989
Financial income and expenses				-5,566	-5,566
Profit/loss before tax (EBT)				-273,555	-273,555
Tax				60,885	60,885
Profit/loss after tax					-212,670
Segment assets	765,948	90,384	856,332	112,344	968,676
Property, plant and equipment	544,990	5,019	550,009	12,247	562,256
Depreciation and amortisation	116,778	828	117,606	2,436	120,042
Segment liabilities	893,399	37,450	930,849	64,123	994,972

The item "Other" primarily comprises the business Cimber Air Data A/S.

DKK'000

3 Segment information regarding reporting segments (continued)

2009/10	Aircraft operations	Cimber Air Maintenance Center A/S	Total reporting segments	Other	Consolidated financial statements
Revenue to external customers	1,482,972	61,447	1,544,419	6,803	1,551,222
Inter-segment revenue	1,331	113,798	115,129	3,217	118,346
Total segment revenue	1,484,303	175,245	1,659,548	10,020	1,669,568
EBITDAR	-3,272	9,160	5,888	-943	4,945
Operating profit/loss before special items	-233,170	8,054	-225,116	-2,774	-227,890
Net special items (note 9)	-55,047	0	-55,047	-11,400	-66,447
Operating profit/loss (EBIT)	-288,216	8,054	-280,163	-14,174	-294,337
Financial income and expenses				-14,398	-14,398
Profit/loss before tax (EBT)				-308,735	-308,735
Tax				80,184	80,184
Profit/loss after tax					-228,551
Segment assets	914,240	95,217	1,009,457	105,093	1,114,550
Property, plant and equipment	717,133	5,446	722,579	7,900	730,479
Depreciation and amortisation	112,596	1,106	113,702	1,830	115,532
Segment liabilities	899,869	24,662	924,531	2,875	927,406

Inter-segment transactions are made on an arm's length basis. For a definition of EBITDAR and EBIT, see accounting policies on page 36.

The item "Other" primarily comprises the business Cimber Air Data A/S, see below.

Intra-group loans and advances are not included in the assets of the reporting segments. The reporting segments' liabilities exclude deferred tax.

	2010/11	2009/10
Revenue		
Total reporting segments	1,935,036	1,544,419
Cimber Air Data A/S	5,966	7,523
Elimination of intra-group revenue	-486	-720
Total revenue, see income statement	1,940,516	1,551,222

DKK '000

2010/11

2009/10

3 Segment information regarding reporting segments (continued)
Operating profit/loss (EBIT)

Total reporting segments	-259,513	-280,163
Cimber Air Data A/S	-779	-1,148
Share issue costs	0	-11,400
Elimination of intra-group transactions etc.	-7,697	-1,626
Total operating profit/loss (EBIT), see income statement	-267,989	-294,337

Assets

Total reporting segments	856,332	1,009,457
Cimber Air Data A/S	5,140	3,594
Cash and cash equivalents and securities	18,930	61,215
Deferred tax and other unallocated assets and eliminations	88,274	40,284
Total assets, see income statement	968,676	1,114,550

Liabilities

Total reporting segments	546,892	515,544
Cimber Air Data A/S	3,521	1,241
Interest-bearing debt	383,958	408,987
Deferred tax	0	0
Other unallocated liabilities and eliminations	60,601	1,634
Total liabilities, see income statement	994,972	927,406

The above segmentation is based on internal management and what is considered the Group's core businesses.

Breakdown of revenue:

Passenger transport	1,533,524	1,151,006
Charter/ACMI/aircraft leasing	215,959	284,829
Sales of add-on services	95,368	31,833
Aircraft service and maintenance	38,399	23,568
Sales of spare parts	28,053	38,887
Other	29,213	21,099
	1,940,516	1,551,222

Geographical information

More than 90% of the Group's activities relate to flights that originate from Denmark. Apart from certain leased aircraft, all non-current assets are located in Denmark. Leased aircraft and crews are typically deployed to different areas in Scandinavia.

Significant customers

Revenue from trading with a significant customer in 2010/11 totalled approx. 16% of revenue (2009/10: approx. 22%). Revenue primarily relates to leasing of aircraft and crew as well as ticket sales for destinations operated by the customer.

DKK '000 2010/11 2009/10

4 Operating costs

Aircraft fuel	338,835	204,027
Aircraft maintenance	197,731	179,121
Passenger/aircraft charges	398,932	323,628
Handling and catering costs	341,925	242,530
Hedging	0	-11,280
Other costs	24,030	56,764
	1,301,453	994,790

To this should be added DKK 7.0 million (2009/10: DKK 27.8) recognised as special items in the income statement. See note 9.

5 Other external costs

The increase in other external costs from 2009/10 to 2010/11 was due to higher costs relating to marketing, IT and communications.

DKK '000	2010/11	2009/10
6 Staff costs		
Wages and salaries	388,622	370,414
Pensions	24,025	38,181
Other social security costs	5,854	5,523
Other staff costs	55,934	45,508
Staff costs capitalised in connection with aircraft improvements	-17,607	-17,047
	456,828	442,579
<p>To this should be added DKK 0 million (2009/10: DKK 19.4) recognised as special items in the income statement. See note 9.</p> <p>In the above, remuneration for the Executive Board and other key management personnel and the Board of Directors is included in the following amounts:</p>		
Executive Board:		
Salaries	6,857	7,513
Pension contributions	58	328
	6,915	7,841
Other key management personnel		
Salaries	500	3,427
Pension contributions	-	223
	500	3,650
Board of Directors:		
Emoluments	1,680	1,493
Average number of full-time employees	840	820
<p>At the beginning of the financial year, the Executive Board had four members, Jacob Saaby Krogsgaard, Henriette Schütze, Steen Neuchs and Lars Bording. In connection with Henriette Schütze's termination on 31 January 2011, the Executive Board was reduced by one member. In connection with Stefan Vilner's appointment on 1 April 2011 as CCO, Lars Bording left the Executive Board and retired from his position with Cimber Sterling on 30 April 2011. The total remuneration paid to the Executive Board amounted to DKK 6.9 million in 2010/11.</p> <p>In connection with Henriette Schütze's resignation, no new CFO was appointed to the Executive Board. Instead, a temporary executive has been appointed to help the Company's CEO in the area of Finance, Business Optimization and Controlling.</p> <p>In 2009/10, the Executive Board originally had two members, which was changed to four during the financial year. Other key management personnel consisted of four persons at the beginning of 2009/10. This was changed to zero persons during the course of 2009/10.</p> <p>The Board of Directors consists of eight persons, under which an audit committee and a remuneration committee have been established.</p> <p>The fees for committee members are: audit committee, DKK 100 thousand per member; remuneration committee, DKK 50 thousand per member.</p>		

DKK '000

2010/11

2009/10

7 Depreciation and amortisation of non-current assets

Trademarks	526	527
Rights	473	467
Development projects	691	663
Buildings	1,800	1,643
Aircraft and aircraft components	104,981	94,993
Other plant and equipment	7,517	7,065
Gains/losses on scrapping of property, plant and equipment	4,054	10,174
	120,042	115,532

To this should be added a loss of DKK 31.0 million (2009/10: DKK 0) recognised as special items in the income statement. See note 9.

8 Software development costs

The relationship between costs incurred and development costs expensed is:

Software development costs incurred	2,188	1,030
Development costs recognised under intangible assets	-2,188	-1,030
Amortisation of recognised development costs	691	663

Development costs for the year recognised in the income statement under operating costs and amortisation

691 **663**

Developed software is intended for own use and for sale.

9 Net special items

Cimber Sterling was affected in 2010/11 by net special items totalling DKK 68.1 million (2009/10: DKK 66.4 million), which were of a one-off nature.

The net special items consisted of a loss of DKK 31 million on the sale of 3 ATR aircraft, extraordinary winter costs of DKK 7 million, one-off costs relating to prior financial years of DKK 27 million, and costs to strengthen the capital base of DKK 3 million.

One-off costs relating to prior financial years were primarily related to the deviation in the reconciliation of accounts with credit card companies.

DKK '000	2010/11	2009/10
10 Financial income		
Interest, cash etc.	12	56
Foreign exchange gains, net	17,407	6,178
Capital gain on securities (fair value option)	18	54
Other	93	414
	17,530	6,702
Interest on financial assets measured at amortised cost	12	56
11 Financial expenses		
Interest, banks	14,592	19,328
Foreign exchange losses, net	0	0
Capital losses on securities (fair value option)	199	0
Other	8,305	1,772
	23,096	21,100
Interest on financial liabilities measured at amortised cost	14,592	19,328
12 Income tax		
Tax on taxable income for the year	0	0
Change in deferred tax	-60,888	-83,026
Prior-year tax adjustments	3	-52
Tax recognised in other comprehensive income	0	2,894
	-60,885	-80,184
Income tax paid during the year	1	0
Tax on the profit/loss for the year can be explained as follows:		
Calculated 25% tax of profit/loss before tax	-68,389	-77,184
Tax effect of:		
Non-taxable income	-4	-6
Other non-deductible costs	1,404	2,679
Changes in deferred tax on non-capitalised tax	0	164
Prior-year tax adjustments	5,908	-4,859
Other	196	-978
	-60,885	-80,184
Effective tax rate	22,3%	25,6%

DKK'000

13 Intangible assets

2010/11	Trade marks	Rights	Development projects	Total
Cost at 1 May 2010	5,255	4,735	9,447	19,437
Additions	0	0	2,188	2,188
Cost at 30 April 2011	5,255	4,735	11,635	21,625
Amortisation at 1 May 2010	701	566	7,629	8,896
Amortisation	526	473	691	1,690
Amortisation at 30 April 2011	1,227	1,039	8,320	10,586
Carrying amount at 30 April 2011	4,028	3,696	3,315	11,039
Amortised over	10 years	10 years	5 years	
2009/10	Trade marks	Rights	Development Projects	Total
Cost at 1 May 2009	5,255	4,726	8,417	18,398
Additions	0	9	1,030	1,039
Cost at 30 April 2010	5,255	4,735	9,447	19,437
Amortisation at 1 May 2009	174	99	6,966	7,239
Amortisation	527	467	663	1,657
Amortisation at 30 April 2010	701	566	7,629	8,896
Carrying amount at 30 April 2010	4,554	4,169	1,818	10,541
Amortised over	10 years	10 years	5 years	

Intangible assets are tested for impairment at least once a year, and more frequently if there are indications of impairment. At 30 April 2011, Management tested the Company's intangible assets for impairment. See note 35 for a more detailed description of the impairment test.

DKK'000

14 Property, plant and equipment**2010/11**

	Land and buildings	Aircraft and aircraft components	Other plant and equipment	Property, plant and equipment under construction*)	Total
Cost at 1 May 2010	29,524	1,138,009	45,007	1,129	1,213,669
Additions	0	98,915	4,676	4,913	108,504
Disposals	0	-305,395	-87	0	-305,482
Cost at 30 April 2011	29,524	931,529	49,596	6,042	1,016,691
Depreciation at 1 May 2010	11,318	448,338	23,534	0	483,190
Depreciation	1,800	104,981	7,517	0	114,298
Disposals	0	-142,992	-61	0	-143,053
Depreciation at 30 April 2011	13,118	410,327	30,990	0	454,435
Carrying amount at 30 April 2011	16,406	521,202	18,606	6,042	562,256

Depreciated over 17 years 8 - 25 years 3 - 5 years -

Of which assets held under finance leases

2009/10

	Land and buildings	Aircraft and aircraft components	Other plant and equipment	Property, plant and equipment under construction*)	Total
Cost at 1 May 2009	25,284	1,110,139	36,963	9,080	1,181,466
Additions	4,240	69,844	10,344	1,129	85,557
Disposals	0	-41,974	-2,300	-9,080	-53,354
Cost at 30 April 2010	29,524	1,138,009	45,007	1,129	1,213,669
Depreciation at 1 May 2009	9,675	378,170	17,872	0	405,717
Depreciation	1,643	94,993	7,065	0	103,701
Disposals	0	-24,825	-1,403	0	-26,228
Depreciation at 30 April 2010	11,318	448,338	23,534	0	483,190
Carrying amount at 30 April 2010	18,206	689,671	21,473	1,129	730,479

Depreciated over 17 years 8 - 25 years 3 - 5 years -

Of which assets held under finance leases 46,803

(*) aircraft maintenance overhaul in progress

DKK '000

2010/11

2009/10

14 Property, plant and equipment (continued)

In 2010/11 and 2009/10, capitalisation of aircraft components was only made in connection with the improvements made in connection with large-scale maintenance. Disposals relate particularly to the sale and lease-back of three ATR aircraft and the improvements that have become obsolete due to new larger maintenance overhauls of aircraft. Property, plant and equipment under construction primarily relates to work in connection with large-scale maintenance.

The useful lives/depreciation periods of the majority of the aircraft can be specified as follows:

ATR	25 years
CRJ	20 years

The useful lives are based on information regarding expected useful lives from the individual aircraft manufacturers. For 2010/11, there is no information giving rise to changes in useful lives or residual values. Residual values are assessed annually by reference to lists in USD translated into DKK.

Property, plant and equipment is tested for impairment at least once a year, and more frequently if there are indications of impairment. At 30 April 2011, Management tested the Company's property, plant and equipment for impairment. See note 35, which contains a more detailed description of the impairment test and the related sensitivity.

15 Deposits

Cost at 1 May	25,836	20,380
Additions	31,567	16,938
Disposals	-3,676	-11,564
Value adjustments	-3,888	0
Carrying amount at 30 April	49,839	25,754

The assets are expected to be refunded in:

Less than 1 year	22,031	6,676
Between 1 and 5 years	27,808	19,078
More than 5 year	0	0

16 Securities

The Group has an ownership interest in Airport Coordination Denmark A/S. The ownership interest is recognised at cost as the fair value cannot be reliably determined.

DKK '000	2010/11	2009/10
17 Inventories of consumer goods and goods for resale		
Inventories before write-down for obsolescence	78,959	81,116
Obsolescence	-1,105	-868
Inventories	77,854	80,248
Expensed write-downs of inventories to net realisable value for the year included in operating costs	1.105	868
Reversed write-downs of inventories to net realisable value for the year included in operating costs	0	0
Cost of sales for the year recognised in operating costs	77,426	50,689
The Group is subject to official requirements regarding management of inventories of goods for consumption and goods for resale which means great focus on removing and scrapping obsolete goods from inventories.		
18 Trade receivables		
Trade receivables before write-downs	132,675	137,202
Write-downs	-11,776	-11,462
Trade receivables	120,899	125,740
Receivables falling due after more than one year	236	439
Write-downs at 1 May	11,462	5,496
Additions during the year	314	5,970
Used during the year	0	-4
Write-downs at 30 April	11,776	11,462
Receivables due but not impaired as at 30 April can be specified as follows:		
Up to 30 days	11,147	8,928
Between 30 and 90 days	2,947	2,905
More than 90 days	4,072	2,880
	18,166	14,713
A significant part of the Group's receivables are receivables from credit card companies with which direct reconciliation is not possible. In accordance with general practice, receivables are based on calculations and analyses.		
For credit risks, see note 26.		
19 Other receivables		
Other receivables primarily comprise receivables relating to VAT and expenses for re-invoicing in connection with maintenance of leased aircraft.		
All receivables fall due within one year.		

DKK '000	2010/11	2009/10
<p>20 Prepaid expenses Prepaid expenses mainly relate to accrual of booking expenses and similar expenses.</p>		
<p>21 Securities Securities primarily consist of DKK 3.9 million deposited in security of employee bonds; the balancing item is included in other long-term interest-bearing debt in the amount of DKK 3.9 million.</p>		
<p>22 Capital management The Group has spent significant resources and management capacity on managing capital, cash and cash equivalents, etc. As a result of the Group's performance, the original targets could not be met. The planned capital contribution through a directed share issue and the new ownership are deemed to be the first step towards a more stable and strong capital base. On an ongoing basis, the Group assesses the need for adjustment of the capital structure in order to weigh the higher required rate of return on equity against increased uncertainty related to loan financing. Equity as a percentage of total assets at the beginning of 2010/11 was 17%. As at 30 April 2011, the equity had been lost, which requires injection of new capital. The Group has substantial overdue creditors, and the debt to credit institutions that is not secured against assets is not subject to any termination provisions. Based on the results for the year and the Company's current situation, the Company has consistently focused on finding a solution concerning the future capital.</p> <p>In the coming years, now under new ownership, the Group will strive to step up growth of the existing capacity.</p> <p>The Board of Directors and the Executive Boards are working on an ongoing basis to strengthen the capital base aiming to reach a long-term target of an equity ratio of 35-40%. For a detailed description, see the section "Capital and cash resources" in note 2 to the financial statements.</p> <p>The share capital consists of 45.5 million shares of DKK 1.00 each.</p> <p>The share capital is not divided into classes, and there are no voting restrictions.</p> <p>Dividends No dividends are proposed for the financial year 2010/11.</p> <p>Dividend per share in 2010/11 amounted to DKK 0.</p> <p>Dividends for Cimber Sterling Group A/S' shareholders have no tax consequences for the results of Cimber Sterling Group A/S.</p>		
<p>23 Earnings per share Profit/loss for the year</p>	-212,670	-228,551
Average number of shares	45,500	45,500
Earnings/diluted earnings per share	-4,7	-5,0

DKK '000	2010/11	2009/10
24 Deferred tax		
Deferred tax at 1 May	-31,264	51,762
Prior-year adjustments of deferred tax	3	0
Deferred tax for the year recognised in profit/loss for the year, see note 12	-60,884	-80,204
Deferred tax for the year recognised in other comprehensive income	0	-2,822
Deferred tax at 30 April	-92,145	-31,264
Deferred tax relates to		
Tax assets		
Intangible assets and property, plant and equipment	290	2,678
Current assets	2,944	2,903
Liabilities	2,253	12,979
Tax loss carryforwards	188,926	130,046
Deferred tax assets before offsetting	194,413	148,606
Offsetting against deferred tax liabilities	-102,268	-117,342
	92,145	31,264
Tax liabilities		
Intangible assets	977	908
Property, plant and equipment	98,819	108,431
Current assets	2,472	8,003
Liabilities	0	0
Deferred tax liabilities before offsetting	102,268	117,342
Offsetting against deferred tax assets	-102,268	-117,342
	0	0
Tax loss carryforwards subject to time or source limitations are not capitalised. The amount involved is DKK 8 million (2009/10: DKK 56 million).		
Temporary differences are offset against tax loss carryforwards, the remaining amount of which is recognised as a tax asset in the amount of DKK 92 million (2009/10: DKK 31 million). The tax assets are expected to begin to be used in 2012/13 and to be fully used within seven years. This forecast is based on expectations of future results before tax incorporated in the Group's impairment test.		
The impairment test with the necessary adjustments has also been used in an assessment of the use of the deferred tax asset of DKK 92 million. According to these expectations and projections, 6% of the deferred tax assets will have been used after three years, 59% after five years and 100% after seven years. See note 35 for information on sensitivity.		

25 Provisions

Provisions at 1 May

34,623

5,622

Used during the year

-31,328

-4,872

Provision for the year

5,300

33,873

Provisions at 30 April**8,595****34,623**

The provisions are expected to be payable in:

Less than 1 year

2,305

18,973

Between 1 and -5 years

6,290

15,650

Provisions in 2010/11 comprise DKK 9 million in respect of costs of contractual maintenance work in accordance with operating leases.

The reduction in provisions is due to the use of last year's provisions for costs relating to the ash cloud.

26 Financial risks and financial instruments

Due to its operations, investments and financing, the Group is exposed to a number of financial risks, including market risks (currency, interest rate and price risks), credit risks and liquidity risks.

The Group's financial risks are managed centrally with the general aim of managing and reducing the financial risks that arise as a result of the Group's day-to-day operating, investing and financing activities. The overall framework for financial risk management is outlined in the Group's finance policy which has been approved by the Board of Directors. The daily monitoring of risk is the responsibility of the Company's Treasury department, which in a weekly basis informs the Management of the Group's concentration of risk in significant areas.

Currency risks

The Group's currency risks mainly relate to the Group's purchases of aircraft fuel and spare parts and lease payments and loan instalments regarding aircraft in USD. Income is mainly denominated in DKK. In addition, the Group has income denominated in SEK, NOK and EUR. In order to optimise cash flows, the Group as far as possible to uses proceeds in foreign currency to pay creditors denominated in the same currency.

During the financial year 2010/11, the Group did not hedge its exposure to USD or other currencies.

DKK'000

26 Financial risks and financial instruments (continued)

Currency exposure in USD based on financial instruments at the balance sheet date can be illustrated as follows (assuming a 10% increase in USD):

DKKm	Nominal position			Total	Sensitivity		
	Cash and cash equivalents and receivables	Financial liabilities (excl. derivatives)	Derivative financial instruments		Probable change in exchange rate	Effect on profit/loss for the year	Effect on equity for the year
2010/11							
USD/DKK	36	-198	0	-162	+ 10%	-16	-16
2009/10							
USD/DKK	32	-193	0	-161	+ 10%	-12	-12

The above figures only indicate the currency exposure for financial instruments at the balance sheet date (effect on financial income and expenses) which is not considered representative for the Group's entire exposure to USD. The sensitivity analysis below is based on EBIT sensitivity compared to USD before hedge accounting, if any.

DKKm	Higher rate during the year	EBIT	Equity
2010/11			
USD/DKK	+ 10%	-47	-63
2009/10			
USD/DKK	+ 10%	-35	-26

A negative change in exchange rates will have a corresponding positive effect on the profit/loss for the year and equity.

A significant assumption for the above sensitivity analysis is that the indicated sensitivities are based on unchanged sales and price levels (both purchases and sales), cost structure and interest rate level. In some cases, it has historically been possible to obtain higher fares, etc., due to an increasing USD exchange rate.

DKK'000

26 Financial risks and financial instruments (continued)**Interest rate risks**

Due to its investing and financing activities, the Group is exposed to risks related to interest rate fluctuations in both Denmark and abroad.

The breakdown of the Group's cash and cash equivalents and interest-bearing debt by floating interest rate and fixed interest rate, respectively, can be specified as follows:

	2010/11			2009/10		
	Floating interest rate	Fixed interest rate	Total	Floating interest rate	Fixed interest rate	Total
Cash and cash equivalents	14,840	0	14,840	57,140	0	57,140
Mortgage debt	16,242	5,293	21,535	17,173	6,443	23,616
Banks	291,190	47,000	338,190	350,793	0	350,793
Finance leases	20,333	0	20,333	30,678	0	30,678
Other liabilities	0	3,900	3,900	0	3,900	3,900

Fixed interest loans are loans on which the rate of interest is fixed throughout its term. Floating interest loans typically carry interest at a rate of 3 month-LIBOR (CIBOR) plus a margin.

An increase in interest rate levels of 1% per annum compared with the actual interest rates for the year would, all other things being equal, have had a negative effect on the profit/loss for the year and equity at year end 2010/11 of DKK 4 million (2009/10: a negative effect of DKK -4 million). A decrease in interest rate levels would have had a corresponding positive effect.

A significant assumption for the above sensitivity analysis is that the indicated sensitivities are based on unchanged sales and price levels (both acquisitions and sales), cost structure and the exchange rate level.

Price risks

The Group purchases a considerable amount of aircraft fuel. Historically, there have been significant changes in fuel prices as these often follow the general development in the price of oil on the world market. As at 30 April 2011, the Group's future fuel consumption has not been hedged.

DKK'000

26 Financial risks and financial instruments (continued)

The expected effect on profit/loss for the year if Cimber Sterling had realised other fuel prices is illustrated below:

DKKm	Realised price during the year	Profit/loss after tax 2010/11	Profit/loss after tax 2009/10
Fuel prices	+ 10%	-34	-15

Equity is negatively affected to the same extent as the expected effect on profit/loss for the year after tax. A fall in fuel prices will have a corresponding positive effect on profit/loss for the year and equity. A significant assumption for the above sensitivity analysis is that the indicated sensitivities are based on unchanged sales level, cost structure and interest rate level.

Historically, the Group has been able to compensate for considerable increases in fuel prices by invoicing a fuel surcharge or increasing fares. Also, previously high fuel prices were an indication of a high economic level of activity, enabling the Group to compensate for higher fuel costs by increasing fares.

Liquidity risk

It is the Group's objective at all times to have sufficient cash resources to continuously be able to act appropriately in case of unforeseen fluctuation in liquidity. Consequently, it is the Group's objective in connection with financing to ensure long-term and reliable financing of operations and investments. In the section "Capital and cash resources" in note 2 to the financial statements, the Company's liquidity situation and risk is further detailed. Market conditions have increased pressure on the Company's liquidity, and the Board of Directors and Executive Board have taken measures to ensure that liquidity is injected and generally ensure an adequate and reasonable capital base and cash resources. The Company has seen rapid growth that continually requires making decisions regarding financing and liquidity. Alternative sources of funds are considered on an ongoing basis. Below, the maturities of the Group's interest-bearing liabilities at the balance sheet date are illustrated:

2010/11	Carrying amount	Contractual cash flows	0-1 years	1-3 years	3-5 years	After 5 years
Mortgage debt	21,535	27,727	3,247	6,088	3,980	14,412
Banks	338,190	366,687	131,677	210,631	15,904	8,475
Finance leases						
Net	20,333	21,413	8,016	13,397	0	0
Interest element	0	628	235	393	0	0
Other liabilities	3,900	4,389	117	244	4,028	0
	383,958	420,844	143,292	230,753	23,912	22,887

DKK'000

26 Financial risks and financial instruments (continued)

2009/10	Carrying amount	Contractual cash flows	0-1 years	1-3 years	3-5 years	After 5 years
Mortgage debt	23,616	29,332	2,621	5,090	4,881	16,740
Banks	350,793	386,043	69,713	191,427	94,748	30,55
Finance leases						
Net	30,678	30,678	8,288	17,126	5,264	0
Interest element	0	1,191	562	593	36	0
Other liabilities	3,900	4,389	117	244	4,028	0
	408,987	451,633	81,301	214,480	108,957	46,895

Interest-bearing debt is recognised in the balance sheet as follows:

	2010/11	2009/10
Current liabilities	131,205	69,830
Non-current liabilities	252,753	339,157
	383,958	408,987

A significant assumption for the above maturity analysis is that it is based on undiscounted cash flows, including estimated interest payments. Interest payments are estimated based on current market conditions. Reference is made to note 31 where maturities of the Group's operating lease liabilities are indicated.

Cash and cash equivalents primarily comprise deposits with banks that are short-term and form part of cash and cash equivalents, a total of DKK 14.2 million tied up in security accounts. Bank deposits typically carry interest at 0.5-1% per annum.

The Company's liquidity is affected by seasonal fluctuations, and the operating finance needs therefore fluctuate during the year. The Company has an ordinary credit facility to meet the fluctuating operating finance needs during the year. The adequacy of the credit facility is assessed on an ongoing basis. At the balance sheet date, the Company has taken measures to ensure adequate cash resources. As previously mentioned, the section "Capital and cash resources" in note 2 to the financial statements gives a detailed description of these.

Loan covenants

Three loans totalling DKK 65 million at 30 April 2011 in Cimber Air-Leasing A/S are subject to a covenant that the loans are not to exceed a certain portion of the market values of the aircraft that the loans are secured on. This covenant must be met at certain dates. In the course of the financial year, extraordinary payments were made due to falling market value. The market values may fall by 8% until 31 December 2011, before extraordinary payments will be triggered.

DKK'000

26 Financial risks and financial instruments (continued)**Credit risks**

As a result of the Group's operations, the Group is exposed to credit risks. The Group's credit risks are primarily attributable to trade receivables, a significant portion of which is made up by credit card companies. The Group's credit risk policy ensures that all large customers and other business partners are rated and monitored on an ongoing basis. The Group often receives prepayments, deposits or bank guarantees in connection with agreements with major customers.

A considerable part of the Group's current receivables are distributed on many customers and historically the Group has had relatively small losses due to customers' non-payment. The Group's maximum credit risks are reflected in the carrying amounts of the individual assets included in the balance sheet. As in prior years, the Company has significant receivables from credit card companies. Generally in the industry, a reconciliation thereof is subject to a certain uncertainty, with later payments being used for settlement.

Categories and fair values of financial assets and liabilities

	2010/11		2009/10	
	Carrying amount	Fair value	Carrying amount	Fair value
Securities (fair value option)	4,090	4,090	4,075	4,075
Financial assets at fair value through income statement	4,090	4,090	4,075	4,075
Deposits and securities	49,921	49,921	25,836	25,836
Receivables from services, etc.	120,899	120,899	125,740	125,740
Other receivables	13,225	13,225	29,774	29,774
Cash and cash equivalents	14,840	14,840	57,140	57,140
Loans and receivables	198,885	198,885	238,490	238,490
Mortgage debt	21,535	21,934	23,616	24,144
Banks	338,190	338,190	350,793	350,793
Finance leases	20,333	20,333	30,678	30,678
Other non-current debt	3,900	3,900	3,900	3,900
Prepayments from customers and accrued income	277,289	277,289	265,120	265,120
Trade payables and other payables	325,131	325,131	218,676	218,676
Financial liabilities measured at amortised cost	986,378	986,777	892,783	893,311

As a result of the Company's financial situation, many suppliers have required very short periods of payment. Moreover, substantial deposits have been paid to certain suppliers. This meant that, as at 30 April 2011, the Company had overdue creditors in the order of approximately DKK 100 million. The Company has entered into payment agreements with significant number of these creditors.

Methods for determining fair values

Securities are measured at quoted prices.

The fair value of mortgage debt is measured based on the fair value of the underlying bonds. For fixed-rate debt, fair value is measured based on discounting of the future cash flows at the current market rate of interest at the balance sheet date for corresponding loans. Floating-rate debt to banks is measured at par.

DKK'000

26 Financial risks and financial instruments (continued)

Derivative financial instruments are measured according to generally accepted measurement methods, based on relevant observable exchange rates and disclosed by the relevant banker. There were not derivative financial instruments as at 30 April 2011.

Financial assets and liabilities regarding sale and purchase of goods and services, etc., with short credit periods are assessed to have fair values equal to the carrying amounts.

Fair value hierarchy for financial assets and liabilities measured at fair value through the balance sheet

	2010/11 Quoted prices level 1	2009/10 Quoted prices level 1
Securities	4,090	4,075
Derivative financial instruments	0	0

Fair value hierarchy means that the Group is to classify financial instruments measured at fair value in the balance sheet in accordance with the following hierarchy:

- Quoted prices in active markets for identical assets or liabilities (level 1).
- Input other than quoted prices at level 1 that are observable for the asset or the liability, either directly (as prices) or indirectly (derived from prices) (level 2).
- Input for the asset or the liability that is not based on observable market data (level 3).

The Group has no level 2 or level 3 financial instruments.

Hedge accounting

Over periods of time, the Group has applied a number of derivative financial instruments for hedging of financial risks. In the last two financial years, the Group did not apply financial instruments for hedging of future cash flows in connection with purchases in foreign currencies.

At 30 April 2011, the Group has not entered into any hedges.

DKK '000	2010/11	2009/10
27 Income tax receivable		
Income tax at 1 May	2	5
Current tax for the year	0	-3
Tax paid	1	0
Income tax received during the year, net	-2	0
Income tax at 30 April	1	2
28 Prepayments from customers and accrued income		
In connection with the Company's start-up of leisure activities prepayments from customers increased considerably. Already in 2009/10, prepayments increased sharply, and this continued in 2010/11 in step with the Group's increasing level of activity. In the airline industry, prepayments tend to increase in step with growth as tickets are typically paid before being used. Accordingly, prepayments, which make up most of this balance sheet item, are an important element of the Group's cash flow.		
29 Other payables		
VAT, withholding tax, ATP and other taxes	33,263	16,576
Staff costs payable	73,231	70,787
Other	23,209	32,033
Other payables at 30 April	129,703	119,396

DKK '000

2010/11

2009/10

30 Contingent items, security and contractual obligations

Charges and security

Mortgage debt secured on land and buildings	21,535	23,616
Carrying amount of land and buildings provided as security	16,406	17,854
Payables to credit institutions secured on aircraft fleet	212,481	350,793
Carrying amount of aircraft fleet provided as security	521,202	587,101
Finance lease liabilities	20,333	30,678
Carrying amount of assets held under finance leases	35,183	46,803

Security

The subsidiaries Cimber Sterling A/S and Cimber Air Maintenance Center A/S have provided floating charges which means that the receivables, inventories, plant and equipment and rights of these companies with a carrying amount in excess of DKK 75 million have been provided as security to a bank (2009/10: DKK 75 million). The charge is maximised at DKK 75 million (2009/10: DKK 75 million).

The shares in Cimber Air Leasing A/S have been provided as security for the parent company's loan with an external lender in the amount of DKK 37 million.

An owner's mortgage of DKK 88 million on aircraft has been provided as security for a bank loan facility.

Guarantees

Bank guarantees have been provided for a total of DKK 29 million (2009/10: DKK 47 million)

Contingent liabilities

The Group is party to an employment case filed by a former pilot in the Group. Through his trade union, the pilot has claimed damages in the amount of DKK 1.5 million regarding non-compliance with the Danish Equal Treatment Act. It is Management's opinion that the claim is unfounded. The parties have agreed to request a preliminary ruling from the European Court of Justice in 2011.

Due to the Group's long-standing activities in Sønderborg, contamination has previously been detected on one of the Group's properties. Thus, this property is listed as partially contaminated at knowledge level 2 according to the Danish Act on Soil Contamination. The Group has not determined any potential loss.

Other contingent liabilities do not exceed DKK 10 million.

Significant contractual obligations

The Group has entered into a number of general strategic cooperation agreements regarding ticket sales. A codeshare agreement has been made with the principal customer. This agreement alone relates to approx. 7% (2009/10: 12%), or approx. DKK 145 million, of the Group's ticket sales. The Group has entered into a number of general IT agreements regarding the Group's application of various IT systems. The agreements can typically be terminated with 2-3 months' notice. However, one of the agreements is interminable for a period of approx. three years from the balance sheet date. The minimum payments for this agreement are approx. DKK 3 million per year (2009/10: DKK 3 million). For contractual lease obligations, see note 31.

DKK '000

2010/11

2009/10

Lease obligations and lease income

Lease obligations

The Group has entered into a number of operating leases.
The main leases relate to aircraft.

The following aircraft have been leased:

B737-700: expires in the period 2012 - 2014.

ATR 42/72: expires in the period 2012 - 2014.

CRJ200: expires in the period 2010 - 2012.

Interminable minimum lease payments under operating leases fall due for payment in the following intervals:

Buildings:

0-1 year	4,058	3,639
1-5 years	961	2,574
After 5 years	817	861

Aircraft:

0-1 year	137,510	115,538
1-5 years	143,786	186,035
After 5 years	0	0

Plant and equipment:

0-1 year	1,439	1,720
1-5 years	782	1,319
After 5 years	0	0

Apart from the fixed minimum payments, a variable portion is typically settled with the lessor (maintenance reserve). This portion is to cover future maintenance obligations. When the Group incurs maintenance costs on the aircraft in question, the costs are reimbursed by the lessor to the extent they can be covered by the payments for the variable portion.

Moreover, the Group has entered into a finance lease regarding an aircraft.
Reference is made to notes 26 and 14.

Further, the Group has entered into agreements regarding lease of aircraft and crew to an airline (wet leases). At 30 April 2011, a total of four aircraft were leased out (2009/10: seven aircraft) under operating leases, all under wet leases. The leases are based on a fixed monthly rent and a variable portion dependent on specific time consumption. The leases expire in the financial year 2011/12.

DKK '000

2010/11

2009/10

31 Lease obligations and lease income (continued)

Interminable minimum lease payments (income) under operating leases fall due for payment in the following intervals:

Aircraft:

0-1 year	105,365	118,287
1-5 years	0	0
>5 years	0	0

Pursuant to the wet leases, apart from fixed minimum payments, a variable portion is settled if the number of hours of flight exceeds an agreed minimum. The Group incurs all maintenance and operating costs directly related to the actual aircraft.

32 Finance leases

Finance leases comprise the leasing of one aircraft (2009/10: one aircraft).

	2010/11			2009/10		
	Minimum lease payment	Interest element	Carrying amount	Minimum lease payment	Interest element	Carrying amount
0 - 1 year	8,376	-360	8,016	8,850	-562	8,288
1 - 5 years	12,585	-268	12,317	23,019	-629	22,390
More than 5 years	0	0	0	0	0	0
	20,961	-628	20,333	31,869	-1,191	30,678

There are no contingent lease payments under the leases.

2010/11

2009/10

33 Fees to auditors appointed in general meeting

The total fees to KPMG can be specified as follows:

Statutory audit	1,350	1,300
Other assurance engagements	104	10
Assistance and reports in connection with listing	0	5,172
Tax and VAT assistance	102	332
Other services	1,585	17
	3,141	6,831

DKK'000

34 Related parties

Cimber Sterling Group A/S' related parties with significant influence comprise companies with significant influence over the Group, including shareholders who are registered in the Company's register of shareholders and own at least 5% of the voting rights or 5% of the share capital and the Group's Board of Directors and Executive Board including the members' close relatives. Moreover, related parties comprise companies in which these persons have significant interests.

There have been no transactions with the Board of Directors or the Executive Board apart from ordinary fees and salaries except that the Group rents a number of premises that are owned by the Group's former CEO, who remains a member of the Board of Directors and an employee of the Group. The annual rent totals approx. DKK 150 thousand (2009/10: DKK 150 thousand). The agreement is interminable until June 2012. The agreement has been entered into on an arm's length basis. Moreover, some of the premises have been sublet to family members of the former CEO. The annual rental income totals approx. DKK 30 thousand (2009/10: DKK 30 thousand).

Moreover, a number of the Group's related parties have provided temporary loan financing during the course of 2010/11. Overall, the Group has borrowed approximately DKK 47 million from related parties.

One member of the Board of Directors is chairman of a consulting firm whose services were used by the Group during the financial year. Revenue in relation to the Company in 2010/11 for the Group totalled DKK 2.2 million plus VAT (2009/10: DKK 2.1 million plus VAT).

The following shareholders are registered in the Company's register of shareholders as holding 5% or more of the Company's voting rights or 5% or more of the share capital:

Bardin ApS	13.2%
Helena Holding ApS	13.2%
Koch & Nielsen ApS	13.2%
Ree Kredit A/S	11.0%
B&MC Holding A/S	6.2%

35 Impairment tests

Intangible assets and property, plant and equipment are tested for impairment if there is an indication of impairment. In view of the financial development in the airline industry and in the Company, impairment tests were performed at the end of the 2010/11 financial year.

The Group has therefore assessed the recoverable amounts of the Group's non-current assets, of which aircraft constitute by far the major part. Where the recoverable amount is lower than the carrying amount, the asset is written down.

For purposes of testing the recoverable amount, assets are grouped in the lowest cash-generating unit. Management has assessed that the Group's activities constitute a single unit, and the Group as a whole is thus considered a single cash-generating unit.

Recoverable amounts are determined based on the value in use as determined through the application of projected net cash flows on the basis of the budget for the year 2011/12 approved by the Board of Directors and projections until 2015/16.

35 Impairment tests (continued)

The following assumptions are deemed significant for the calculation of value in use:

- The assumed EBIT margin is -1.5% in 2011/12, rising to 4.7% in 2015/16 and in the terminal period.
- At the end of 2010/11, the Group has launched sales-promoting, cost-cutting and profitability-enhancing initiatives, which are expected to have an effect as from 2011/12. These initiatives were fully implemented at the end of the financial year and included in the budget for 2011/12.
- In the projection of passenger numbers, it is assumed in the theoretical model that the growth can be realised at the present capacity level by improving the capacity utilisation over the projection period by a total of 7 percentage points relative to the 2011/12 budget. The increase in passenger numbers over the projection period has been determined on the basis of the IMF world economic outlook for GDP growth. In practice, this increase will be a combination of the yield and capacity utilisation.
- Aircraft fuel and average passenger income for the projection period are based on the 2011/12 budget and are projected with the rate of inflation only, which is approximately 2% for the period. The inflation rate in the terminal period is 0%.
- The discount rate after tax is 9.3% (2009/10: 8.4%) and has been calculated based on an ungeared beta value of 0.79 (2009/10: 0.68) and an assumed debt ratio of 30% (2009/10: 30%). The ungeared beta for the Group has been calculated as an ungeared beta average for low-fare airlines and traditional airlines.
- No increase in future net cash flows has been assumed after 2015/16 (the terminal period).
- Capital and cash resources are deemed adequate throughout the period.

The recoverable amount is determined as the highest of the value in use and the net realisable value. The net realisable value is calculated as the fair value of the non-current assets. To support the calculation of net realisable values, assessments of the aircraft have been obtained by reference to lists of values in USD. The overall value thus determined is lower than the carrying amount in the order of DKK 85 million, of which approximately DKK 45 million relates to one aircraft. A significant part of the negative deviation is attributable to the low DKK/USD exchange rate (5.02).

Management believes, based on the way the Group is operated and organised, that the Group's fleet is a single business unit (cash-generating unit) and that the fleet should therefore be measured as a single unit. Consequently, the lower value has not resulted in a need for impairment of individual aircraft.

Based on this, no need for impairment write-down of non-current assets has been identified in 2010/11.

Sensitivity

The valuation test is particularly sensitive to the expected improvement of the EBIT margin from -1.5% in the budget year 2011/12 to 4.7% in 2015/16 and the terminal period being achieved.

A reduction of the EBIT margin to approx. 1.5% in 2015/16 and in the terminal period would have the effect that the value in use according to the impairment test corresponds to the carrying amount of the tested non-current assets, including mainly aircraft and aircraft components. At a lower EBIT margin than approx. 1.5% in 2015/16 and in the terminal period, a requirement for impairment of the tested non-current assets would be triggered.

If the EBIT margin falls 1 percentage point below the break-even point of 1.5%, equivalent to an EBIT margin of 0.5% in 2015/2016 and in the terminal period, this will trigger an impairment requirement in the order of DKK 165 million.

The impairment test with necessary adjustments was also used in the assessment of the use of the deferred tax asset of DKK 92 million and in the parent company in the assessment of the investments in subsidiaries totalling DKK 320 million.

35 Impairment tests (continued)*Deferred tax asset*

A reduction of the EBIT margin to less than 4.7% in 2015/16 and in the terminal period will trigger an impairment requirement of the deferred tax assets at an unchanged utilisation period of seven years. If the EBIT margin falls 1 percentage point below the break-even point of 4.7%, equivalent to an EBIT margin of 3.7% in 2015/16 and in the terminal period, this will trigger an impairment requirement in the order of DKK 20 million at an unchanged utilisation period of seven years.

Investments in parent company

A reduction of the EBIT margin from 4.7% to approx. 4% in 2015/16 and in the terminal period would have the effect that the value in use according to the impairment test corresponds to the carrying amount of investments in subsidiaries in the parent company financial statements.

If the EBIT margin falls 1 percentage point below the break-even point of 4%, equivalent to an EBIT margin of 3% in 2015/16 and in the terminal period, this will trigger an impairment requirement on investments in subsidiaries (in the parent company financial statements) in the order of DKK 190 million.

36 Events after the balance sheet date

Cimber Sterling and Mansvell Enterprises Ltd. have entered into a subscription agreement which is subject to certain conditions. The agreement involves the subscription for 110.5 million new shares through an expected capital injection of approximately DKK 165 million through a directed share issue. Mansvell Enterprises Ltd. already owns two Swedish airlines.

A number of the Group's licences, including the licence to operate as an airline, and insurance policies include change of control provisions. The Executive Board believes that the change in ownership will not have any material impact or cause any loss of rights.

After the balance sheet date, the agreement with GEM Global Yield Fund regarding a three-year equity commitment has been approved at an extraordinary general meeting held on 8 June 2011. The agreement has been put on hold in connection with the Mansvell transaction.

Other than as set out above, no significant events have occurred after the balance sheet date.

37 New financial reporting regulations

IASB has issued the following new financial reporting standards (IAS and IFRS) and interpretations (IFRIC), which are, however, not mandatory for Cimber Sterling at the preparation of the annual report for 2010/11: IFRS 9, amendments to IFRIC 14, IFRIC 19, revised IAS 24, amendments to IFRS 1, amendments to IAS 32, and improvements to IFRS (May 2010). Only amendments to IAS 32 have been adopted by the EU.

Standards and interpretations adopted with a different effective date in the EU than the corresponding effective dates set by IASB are implemented early so that implementation follows IASB's effective dates for the financial year beginning on or after 1 May 2011. Except as set out below, none of the new standards or interpretations are expected to materially affect the financial reporting of Cimber Sterling.

As part of Annual Improvement 2010 IAS 34 will be amended: Interim Financial Reporting. The standard only affects the Group's disclosures in interim financial statements. The information required by the standard will be given the description "minimum disclosures" instead of as previously "selected explanatory notes", as a result of which the disclosure requirements will be extended. Additional examples have been added of significant events and transactions that lead to disclosure requirements. Moreover, relevant updates must be made about significant events and transactions that have been disclosed in the most recent consolidated financial statements and parent company financial statements. The amendments are effective for financial years starting on or after 1 January 2011.

Parent company financial statements

Contents

Statement of comprehensive income	72
Balance sheet	73
Statement of changes in equity	74
Cash flow statement	75

Notes to the parent company financial statements

1 Accounting policies	76
2 Accounting estimates and judgements	76
3 Revenue	77
4 Other external costs	77
5 Staff costs	77
6 Depreciation and amortisation of non-current assets	77
7 Financial income	77
8 Financial expenses	78
9 Income tax	78
10 Investments in subsidiaries	79
11 Property, plant and equipment	80
12 Amounts owed by subsidiaries	81
13 Income tax	81
14 Deferred tax	81
15 Equity	81
16 Mortgage debt	82
17 Debt to credit institutions	82
18 Financial risks and financial instruments	82
19 Fees to auditors appointed in general meeting	84
20 Contingent liabilities and security, etc.	84
21 Related parties	85
22 Impairment tests	85
23 Events after the balance sheet date	85

STATEMENT OF COMPREHENSIVE INCOME

DKK '000	Note	2010/11	2009/10
Revenue	3	2,560	2,497
Other external costs	4/18	-7,699	-14,440
Staff costs	5	-1,337	-1,327
Operating profit/loss before rental and leasing expenses, depreciation, impairment, etc. (EBITDAR)		-6,476	-13,270
Depreciation, amortisation and impairment	6	-1,708	-1,744
Operating profit/loss (EBIT)		-8,184	-15,014
Financial income	7	15,151	9,909
Financial expenses	8	-2,016	-1,638
Profit/loss before tax (EBT)		4,951	-6,743
Income tax	9	-2,473	-917
Total comprehensive income		2,478	-7,660
Proposed appropriation of profit/loss:			
Proposed dividend		0	0
Retained earnings		2,478	-7,660

BALANCE SHEET AS AT 30 APRIL

DKK '000	Note	2010/11	2009/10
ASSETS			
Non-current assets			
Property, plant and equipment			
	11		
Land and buildings		15,716	17,448
Aircraft and aircraft components		0	56
		15,716	17,504
Other non-current assets			
Investments in subsidiaries	10	319,652	53,537
Subordinated loan capital		0	15,000
Deferred tax	14	0	36
		319,652	68,573
Total non-current assets		335,368	86,077
Current assets			
Amounts owed by subsidiaries	12/18	85,466	300,579
Income tax receivable	13	1	2
Other receivables	18	0	2,968
Securities	18	190	175
Cash and cash equivalents	18	8	415
Total current assets		85,665	304,139
TOTAL ASSETS		421,033	390,216
EQUITY AND LIABILITIES			
Equity			
	15		
Share capital		45,500	45,500
Share premium		246,758	247,527
Retained earnings		65,427	62,949
Total equity		357,685	355,976
Liabilities			
Non-current liabilities			
Mortgage debt	16	17,166	18,543
Joint taxation contribution	13	0	865
Total non-current liabilities		17,166	19,408
Current liabilities			
Mortgage debt	16	1,311	1,664
Debt to credit institutions	17	37,000	0
Amounts owed to subsidiaries	18	1,280	9,401
Joint taxation contribution	13	2,436	425
Other payables	18	4,155	3,342
Total current liabilities		46,182	14,832
Total liabilities		63,348	34,240
TOTAL EQUITY AND LIABILITIES		421,033	390,216

STATEMENT OF CHANGES IN EQUITY

DKK'000

	Share capital	Share premium	Retained earnings	Total
Equity at 30 April 2009	600	30,652	70,609	101,861
Conversion of shares	17,400	-17,400		0
Capital increase	27,500	247,500		275,000
Share issue costs		-13,297		-13,297
Tax on share issue costs		72		72
Comprehensive income for the year			-7,660	-7,660
Equity at 30 April 2010	45,500	247,527	62,949	355,976
Comprehensive income for the year	0	0	2,478	2,478
Share issue costs	0	-769	0	-769
Equity at 30 April 2011	45,500	246,758	65,427	357,685

CASH FLOW STATEMENT

DKK '000	Note	2010/11	2009/10
Profit/loss before tax		4,951	-6,743
Adjustment for non-cash operating items, etc.:			
Depreciation, amortisation and impairment	6	1,708	1,744
Financial income	7	-15,151	-9,909
Financial expenses	8	2,016	1,638
Cash generated from operations before changes in working capital		-6,476	-13,270
Other receivables		2,968	-2,957
Other payables		811	1,278
Cash generated from operations		-2,697	-14,949
Interest received		15,138	9,909
Interest paid		-2,016	-1,638
Income tax paid		-1,290	-557
Cash flows from operating activities		9,135	-7,235
Contribution to subsidiary		-266,115	0
Disposal of property, plant and equipment		80	65
Change of loans to and from subsidiaries		221,992	-252,994
Changes in portfolio of securities		0	-47
Cash flows from investing activities		-44,043	-252,976
External financing:			
Changes in bank debt, etc.		35,270	-1,599
Share issue		-769	261,775
Cash flows from financing activities		34,501	260,176
Net cash flows from operating, investing and financing activities		-407	-35
Cash and cash equivalents at 1 May		415	450
Cash and cash equivalents at 30 April		8	415

1 ACCOUNTING POLICIES

In accordance with the requirements of the Danish Financial Statements Act for IFRS reporters to present separate parent company financial statements, the separate financial statements of the parent company are included in the annual report.

The parent company financial statements are presented in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies.

Changes in accounting policies

The accounting policies are unchanged from the previous year. See note 1 to the consolidated financial statements for a description.

Description of accounting policies

The accounting policies applied by the parent company deviate from the accounting policies set out in note 1 to the consolidated financial statements in the following respects:

Revenue

Dividends from investments in subsidiaries are recognised as income in the parent company's income statement in the financial year in which the dividend is declared. If the distributed amount exceeds the comprehensive income of the subsidiary for the period in which the dividend is declared, an impairment test is performed.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Cost includes the consideration at fair value plus direct acquisition costs.

If there is an indication of impairment, an impairment test is performed as described in the accounting policies applying to the consolidated financial statements. Where cost exceeds the recoverable amount, the investment is written down to this lower amount.

Tax

Cimber Sterling Group A/S is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The parent company is the management company for the joint taxation arrangement and handles the settlement of all corporate tax payments to the tax authorities. Joint tax contributions to/from subsidiaries are recognised under tax on the profit for the year. Tax payable and receivable is recognised under current assets/liabilities. Joint tax contributions payable and receivable are recognised in the balance sheet as amounts owed to subsidiaries and amounts owed by subsidiaries, respectively.

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

The determination of the carrying amount of certain assets and liabilities requires estimates as to how future events will affect the value of such assets and liabilities at the balance sheet date. Areas subject to estimates that are material to the financial reporting of the parent company are made include the determination of any need for impairment write-downs on equity investments and amounts owed by subsidiaries.

The estimates made are based on assumptions that Management finds reasonable in the circumstances but which are inherently uncertain and unpredictable. The assumptions may be incomplete or imprecise and unexpected events or circumstances may arise. Moreover, the Company is subject to risks and uncertainties that may cause the actual outcome to differ from these estimates. Particular risks pertaining to the Cimber Sterling Group A/S Group are described in notes 2 and 25 to the consolidated financial statements and in the risk sections in the management's review.

The notes to the financial statements comprise disclosures on assumptions of future events and other estimation uncertainties at the balance sheet date involving a considerable risk of changes that could lead to a material adjustment of the carrying amount of assets or liabilities in the coming financial year.

See also accounting estimates and judgements in respect of the Group.

Accounting policies

Management believes that, in applying the parent company's accounting policies, Management does not make assessments in addition to estimates that may have significant effect on the amounts recognised in the parent company's financial statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

DKK '000 2010/11 2009/10

3 Revenue

Revenue consists of rental income from Group companies.
No dividend has been received from subsidiaries.

4 Other external costs

Other external costs in 2010/11 declined by DKK 6.7 million. The decline was due to the costs incurred in 2009/10 in connection with the IPO.

5 Staff costs

Emoluments to the parent company's Board of Directors
Other

1,680 1,493
-343 -166

1,337 1,327

The Company had no employees during the financial year.
For a specification of the fees to the Board of Directors, see Corporate governance and Internal controls.

6 Depreciation and amortisation of non-current assets

Buildings
Aircraft and aircraft components
Gains on sales of aircraft and aircraft components

1,732 1,732
3 12
-27 0

1,708 1,744

7 Financial income

Interest, cash, etc.
Foreign exchange gains, net
Capital gain on securities (fair value option)
Interest, subsidiaries

3 0
0 1
14 54
15,134 9,854

15,151 9,909

Interest on financial assets measured at amortised cost

3 0

DKK '000

2010/11

2009/10

8 Financial expenses

Interest, banks	1,980	963
Interest, subsidiaries	0	671
Other	36	4
	2,016	1,638

Interest on financial liabilities measured at amortised cost	1,980	963
--	-------	-----

9 Income tax

Tax on taxable income for the year (joint taxation contribution)	2,437	865
Change in deferred tax	36	-6
Prior-year tax adjustments	0	-14
Joint taxation contribution reclassified to equity	0	72
	2,473	917

Income tax paid during the year	1,289	0
---------------------------------	--------------	----------

Tax on the profit/loss for the year can be explained as follows:

Calculated 25% tax of profit/loss before tax	1,238	-1,686
--	-------	--------

Tax effect of:

Non-taxable income	0	-2
Other non-deductible costs	1,235	2,386
Changes in deferred tax on non-capitalised tax	0	164
Other	0	55
	2,473	917

	50.0%	-13.6%
--	-------	--------

DKK'000

10 Investments in subsidiaries

2010/11	Investments in subsidiaries	Subordinated loan capital	Amounts owed by subsidiaries
Cost at 1 May 2010	53,537	15,000	0
Additions	266,115	0	0
Disposals	0	-15,000	0
Carrying amount at 30 April 2010	319,652	0	0

Investments in subsidiaries:

	Ownership
Cimber Sterling A/S, Sønderborg, Denmark	100%
Cimber Air Data A/S, Sønderborg, Denmark	100%
Cimber Air-Leasing A/S, Sønderborg, Denmark	100%
Cimber Air Maintenance Center A/S, Sønderborg, Denmark	100%
Cimber Air Aircraft ApS, Sønderborg, Denmark	100%
Cimber Air GmbH, Kiel, Germany	100%

The Company has provided a tax free contribution of DKK 266 million to Cimber Sterling A/S.

DKK'000

11 Property, plant and equipment
2010/11

	Land and buildings	Aircraft and aircraft components	Total
Cost at 1 May 2010	29,791	200	29,991
Additions	0	0	0
Disposals	0	-200	-200
Cost at 30 April 2011	29,791	0	29,791
Depreciation at 1 May 2010	12,343	144	12,487
Depreciation	1,732	3	1,735
Disposals	0	-147	-147
Depreciation at 30 April 2011	14,075	0	14,075
Carrying amount at 30 April 2011	15,716	0	15,716

Depreciated over 16 2/3 years 16 2/3 years

2009/10

	Land and buildings	Aircraft and aircraft components	Total
Cost at 1 May 2009	29,791	200	30,056
Additions	0	0	0
Disposals	0	0	-65
Cost at 30 April 2010	29,791	200	29,991
Depreciation at 1 May 2009	10,611	132	10,743
Depreciation	1,732	12	1,744
Disposals	0	0	0
Depreciation at 30 April 2010	12,343	144	12,487
Carrying amount at 30 April 2010	17,448	56	17,504

Depreciated over 16 2/3 years 16 2/3 years

DKK '000 2010/11 2009/10

12	Amounts owed by subsidiaries			
	Amounts owed by subsidiaries before impairment		85,466	300,579
	Impairment		0	0
	Amounts owed by subsidiaries		85,466	300,579

Amounts owed by subsidiaries represent short-term intra-group accounts.

Regular assessments are made of whether there is a need for impairment of the Company's overall accounts with its subsidiaries. Such a requirement has not been found.

13	Income tax			
	Income tax payable at 1 May		1,288	922
	Tax paid, net		-1,290	-499
	Tax on profit/loss for the year (joint tax contribution)		2,437	865
	Income tax at 30 April		2,435	1,288

Distributed as follows in the balance sheet:

	Income tax receivable		-1	-2
	Joint tax contribution payable, non-current debt		0	865
	Joint tax contribution payable, current debt		2,436	425
	Total		2,435	1,288

14	Deferred tax	Deferred tax comprises tax in relation to aircraft. As the Company's aircraft had been sold in 2010/11, there is no deferred tax as at 30 April 2011.		
-----------	---------------------	---	--	--

15	Equity	<p>The share capital consists of 45.5 million shares of DKK 1.00 each.</p> <p>The share capital is not divided into classes, and there are no voting restrictions.</p> <p>Share premium comprises premiums on issuance of shares and is a distributable reserve.</p> <p>An amount of DKK 0.8 million was recognised in external costs in connection with the IPO in the financial year before last.</p> <p>Capital management</p> <p>Cimber Sterling Group A/S performs capital management on a group basis, and no operational targets or policies exist for the parent company in isolation.</p> <p>Further information on capital structure is set out in note 21 to the consolidated financial statements.</p> <p>Dividends</p> <p>No dividends are proposed for the financial year.</p> <p>Dividend per share in 2009/10 amounted to DKK 0.</p> <p>Dividends for Cimber Sterling Group A/S' shareholders have no tax consequences for the results of Cimber Sterling Group A/S.</p>		
-----------	---------------	--	--	--

DKK '000	2010/11	2009/10
16 Mortgage debt		
Mortgage debt is recognised in the balance sheet as follows:		
Non-current liabilities	17,166	18,543
Current liabilities	1,311	1,664
Carrying amount	18,477	20,207
Of which fixed-interest debt	5,293	6,443
17 Debt to credit institutions		
Debt to credit institutions is recognised in the balance sheet as follows:		
Non-current liabilities	0	0
Current liabilities	37,000	0
Carrying amount		
37,000	0	
Of which fixed-interest debt	37,000	0

18 Financial risks and financial instruments

Due to the nature of its operating, investing and financing activities, the Company is exposed to a number of risks, which are described below. A comprehensive overview of the Group's financial risks is set out in note 25 to the consolidated financial statements.

Credit risks:

Due to the nature of the parent company's operations and certain financing activities, the parent company is subject to limited external credit risks. There is a credit risk in respect of receivables from subsidiaries in relation to the Group's operation as a going concern. See note 2 to the consolidated financial statements for a description.

Classes and fair values of financial instruments:

	2010/11		2009/10	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Amounts owed by subsidiaries	85,466	85,466	315,579	315,579
Other receivables	0	0	2,968	2,968
Cash and cash equivalents	8	8	415	415
Securities (fair value option)	190	190	175	175
Total loans and receivables	85,664	85,664	319,137	319,137
Financial liabilities				
Amounts owed to subsidiaries	1,280	1,280	9,401	9,401
Mortgage debt	18,477	18,876	20,207	20,207
Banks	37,000	37,000	0	0
Other payables	4,155	4,155	3,342	3,342
Financial liabilities measured at amortised cost	60,912	61,311	32,950	32,950

DKK'000

18 Financial risks and financial instruments (continued)**Liquidity risk**

The maturities of the parent company's interest-bearing liabilities are illustrated below:

2010/11	Carrying amount	Contractual cash flows				After 5 years
			0-1 years	1-3 years	3-5 years	
Banks	37,000	37,771	37,771	0	0	0
Mortgage debt	18,477	23,176	21,873	5,232	3,124	12,947

2009/10	Carrying amount	Contractual cash flows				After 5 years
			0-1 years	1-3 years	3-5 years	
Mortgage debt	20,207	25,766	2,233	4,305	4,090	15,138

Interest rate risk

Due to its mortgage debt with a carrying amount of DKK 18.5 million, the parent company is exposed to a limited risk related to interest rate fluctuations in Denmark.

The breakdown of the parent company's cash and cash equivalents and interest-bearing debt by fixed interest rate and floating interest rate, respectively, can be specified as follows:

	2010/11			2009/10		
	Floating interest rate	Fixed interest rate	Total	Floating interest rate	Fixed interest rate	Total
Cash and cash equivalents	8	0	8	415	0	415
Mortgage debt	13,238	5,239	18,477	13,764	6,443	20,207
Banks	0	37,000	37,000	0	0	0

Fixed interest loans are loans on which the rate of interest is fixed throughout its term. Floating interest loans typically carry interest at a rate 3-month LIBOR plus a margin. An increase in interest rate levels of 1% p.a. compared with the actual interest rates for the year would, all other things being equal, have had a negative effect of DKK 0.1 million. A decrease in interest rate levels would have had a corresponding positive effect.

Fair value hierarchy for financial assets and liabilities measured at fair value through the balance sheet

	2010/11	2009/10
	Quoted prices level 1	Quoted prices level 1
Securities	190	175

Fair value hierarchy means that the Company is to classify financial instruments measured at fair value in the balance sheet in accordance with the following hierarchy:

- Quoted prices in active markets for identical assets or liabilities (level 1).
- Input other than quoted prices at level 1 that are observable for the asset or the liability, either directly (as prices), or indirectly (derived from prices) (level 2).
- Input for the asset or the liability that is not based on observable market data (level 3).

The Company has no level 2 or level 3 financial instruments.

DKK '000

2010/11

2009/10

19 Fees to auditors appointed in general meeting

Fee to auditors is included in other external costs.

The total fees to KPMG can be specified as follows:

Statutory audit	441	425
Other assurance engagements	0	0
IPO	0	5,172
Tax and VAT assistance	49	0
Other services	1,183	25
	1,673	5,622

20 Contingent liabilities and security, etc.

As security for debt to mortgage credit institutions, DKK 18,477 thousand (2009/10: DKK 20,207 thousand) the Company has provided charges on land and buildings with a carrying amount of DKK 15.716 thousand (2009/10: DKK 17.448 thousand).

The Company has provided security for bank debt of DKK 37.000 thousand by way of shares in the subsidiary Cimber Air-Leasing A/S. The loan was obtained in the financial year 2010/11.

Together with other group companies, the Company has provided joint and several unlimited surety in respect of Cimber Sterling A/S.

The Company has entered into land leases. The total lease liability during the period of non-terminability is DKK 1,116 thousand. The terms are as follows:

0-1 year	60	59
1-5 years	239	235
After 5 years	817	861

21 Related parties

The Company has no related parties exercising control.

Other related parties with which the Company has had transactions:

Cimber Sterling A/S
Cimber Air Aircraft ApS
Cimber Air-Leasing A/S
Cimber Air Data A/S
Cimber Air Maintenance Center A/S.

Related party transactions comprised property letting for an annual amount of DKK 24 thousand. In addition, interest on intercompany accounts and loans to subsidiaries. For a specification of interest, see notes 7 and 8 to the financial statements.

See the description of related parties in note 33 to the consolidated financial statements.

22 Impairment tests

Non-current assets are tested for impairment if there is an indication of impairment. In view of the financial development in the airline industry and in the Company, impairment tests were performed at the end of the 2010/11 financial year.

The Company has made an assessment of the recoverable value of the Company's non-current assets, by far most of which are investments in subsidiaries. Where the recoverable amount is lower than the carrying amount, the asset is written down.

The impairment test at Group level has been used with the necessary adjustments. See note 35 to the consolidated financial statements for a description of assumptions and sensitivities.

Based on this, no need for impairment write-down of non-current assets has been identified in 2010/11.

23 Events after the balance sheet date

Cimber Sterling and Mansvell Enterprises Ltd. have entered into a subscription agreement which is subject to certain conditions. The agreement involves the subscription for 110.5 million new shares through an expected capital injection of approximately DKK 165 million through a directed share issue. Mansvell Enterprises Ltd. already owns two Swedish airlines.

After the balance sheet date, the agreement with GEM Global Yield Fund regarding a three-year equity commitment has been approved at an extraordinary general meeting held on 8 June 2011. The agreement has been put on hold in connection with the Mansvell transaction.

Domestic routes



Source: Cimber Sterling, 2010/11. See www.cimber.com for the fully updated traffic programme.



ATR 42

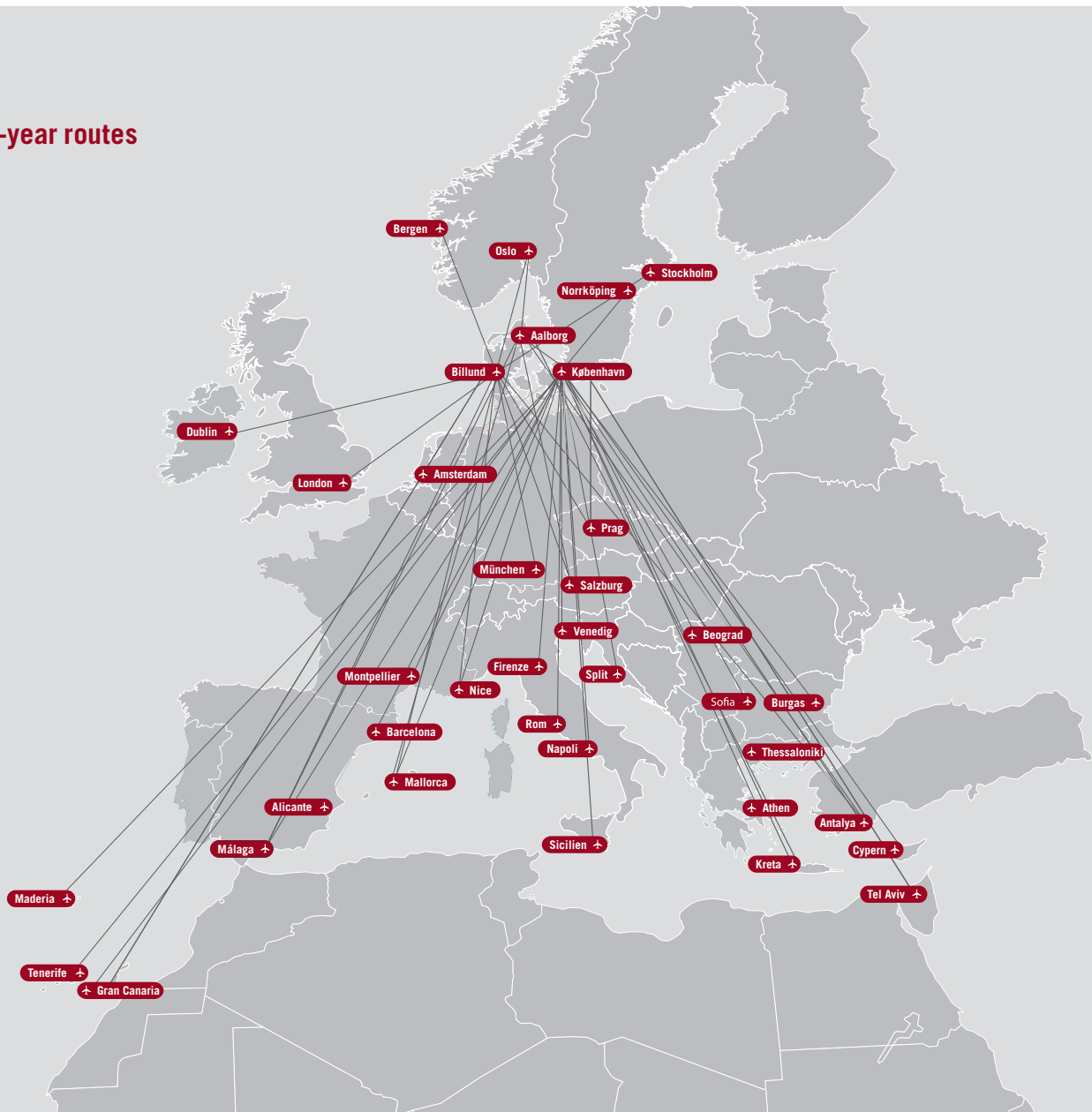
Number of seats 46
Max. speed: 567 km/h
Operating range: 3,644 km
Fuel consumption: Approx. 700 l/h



ATR 72

Number of seats 66
Max. speed: 515 km/h
Operating range: 3,770 km
Fuel consumption: Approx. 900 l/h

Full-year routes



CRJ 200LR

Number of seats: 50
 Max. speed: 860 km/h
 Operating range: 3,700 km
 Fuel consumption: Approx. 1,400 l/h



Boeing 737-700

Number of seats: 148
 Max. speed: 853 km/h
 Operating range: 6,230 km
 Fuel consumption: Approx. 2,900 l/h



Photos: Arne V. Petersen and Cimber Sterling employees' private photos.
In the event of any discrepancy between the Danish Annual Report and the English version,
the Danish Annual Report shall prevail.



CIMBER
STERLING

Cimber Sterling Group A/S
Lufthavnsvej 2
DK-6400 Sønderborg, Denmark
Tel.: +45 74 10 12 18
www.cimber.com
Company registration (CVR) no.: 56 36 97 16

BOJEMOBECK