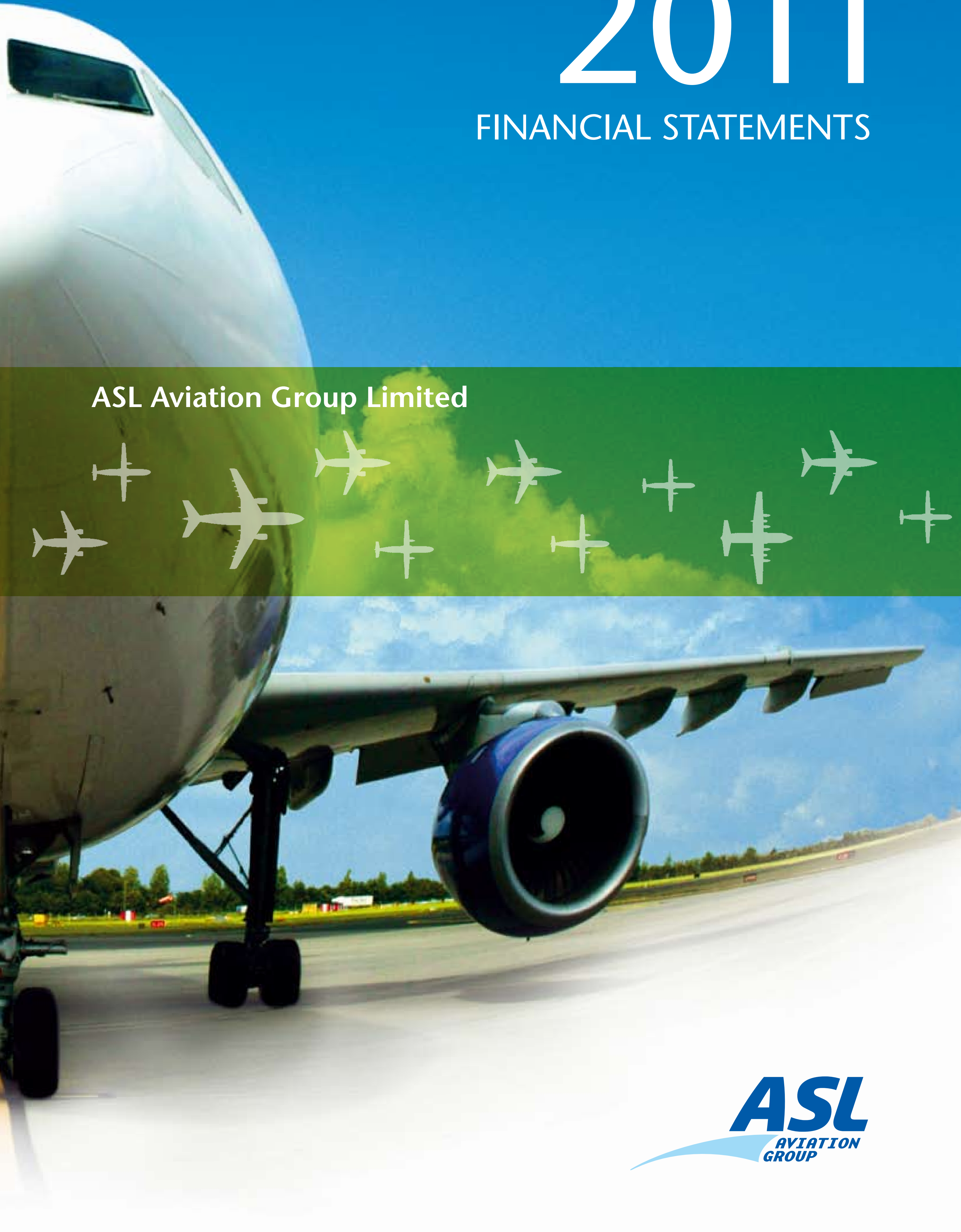
2011

FINANCIAL STATEMENTS

ASL Aviation Group Limited



ASL AVIATION GROUP

Directors' report and financial statements

Contents

Directors and other information

Directors	P.M. Chavanne (French) L. Criel (Belgian) H. Flynn K. Ottevaere (Belgian) B. Timmermans (Belgian) E. Verkest (Belgian)
Secretary	N. O'Connor
Bankers	Bank of Ireland The Mall Malahide Co. Dublin Lloyds TSB Bank plc Kemp Town Brighton Branch PO Box 2898 Brighton East Sussex BN1 1PX
Solicitors	Matheson Ormsby Prentice 70 Sir John Rogerson's Quay Dublin 2
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Registered office	No 3 Malahide Road Swords Co. Dublin

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2011.

Principal activities, business review and future developments

ASL Aviation Group Limited ("ASL" and / or "the Group") is a joint venture undertaking between Compagnie Maritime Belge NV ("CMB") and 3P Air Freighters Limited ("3P").

The principal activities of the Group during the year were as follows:

- Provision of air cargo transport services to the integrator and postal markets
- Provision of air passenger transport services
- Aircraft leasing
- Aircraft spares trading
- Other aviation related services

The ASL Aviation Group produced a very good set of trading results for the 2011 financial year. Consolidated net profit increased by more than 112% to €30.5 million in 2011, compared with the comparative 2010 trading period (€14.3 million). This result includes the profit generated on the disposal of the Group's investment in Jetworx, an associate company involved in aircraft maintenance. There were no changes in the Group's shareholdings in subsidiary companies during the year.

This trading result is especially positive given the pressure on the aviation industry arising from the general economic environmental conditions. These conditions are reducing the airline industry activity and yields, generating negative impacts on aircraft values and the rising costs of fuel and regulatory compliance costs are creating added burdens on aviation.

The Group recognises that its ability to provide quality service for its customers is critical to its continued success. Within the Group, the airline companies are measured by punctuality of flights and reliability in completing the scheduled services. All three airlines within the Group boast impeccable performance records, consistent with the very best industry standards in the respective areas of operations.

The Group's leasing portfolio continues to provide steady financial returns and for the first time accounts for more than half of the Group's overall profitability. As an aircraft lessor the Group is exposed to credit and default risk but actively manages the portfolio and continues to target proven reliable lessees. During 2011, the Group was able to extend and replace the leases on a number of aircraft, which puts the Group in a strong position with regards to committed revenue streams for future trading periods.

The spares trading element of the Group continues to show real growth and improved profitability.

The Group seeks to maximise the value of its owned aircraft fleet. The carrying value of the aircraft fleet is regularly reviewed and compared with market values and the Group is active in trading aircraft where opportunities exist or where the aircraft no longer fit with the desired profile or evolving operational requirements of the Group.

Looking forward, the strategic focus of the Group is to optimise the financial and operational performance of the Group companies, to continue to seek out opportunities for further strategic investments in aviation companies and also to further enhance and leverage the operational synergies between the various companies that make up the Group.

Results and dividends

The results for the year have been presented on page 9 and in the related notes. The directors do not recommend payment of a dividend.

Principal risks and uncertainties

Financial risk is managed within the framework set out by the Board of Directors and includes regular assessments and monitoring of risks within the Group. The Group has outsourced its internal audit function to an audit firm which performs periodic risk evaluations and reviews as and when directed by the Audit Committee.

Aircraft owning and leasing companies are exposed to changes in the values of the aircraft and the associated lease rates. While aircraft values have been impacted by the current downturn in the economic cycle, the directors remain confident that the carrying values are appropriate.

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Currency risk

Credit risk

The Group has a concentration of credit risk in the postal and integrator markets which are its primary customers. The large majority of these customers are established or state managed companies where the directors consider the exposure to be minimal.

The Group performs credit evaluations on an ongoing basis for individual counterparties. During 2011, the credit risk of certain leasing activities was minimised as the Group continued credit insurance against the risk of default.

The Group carefully considers all significant new customers before extending credit and implements reduced credit terms such as weekly payments wherever possible.

Cash is only deposited with financial institutions which have a strong credit rating.

Liquidity risk

Liquidity risk is the risk that the Group may not meet its obligations as they fall due. The Group ensures, as far as possible, that it always has sufficient liquidity to meet its obligations when due under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group prepares cash forecasts and monitors liquidity levels to ensure that it maintains sufficient working capital balances to support the regular operations of the Group in the short term. In the long term substantial cash requirements for business expansion are financed from external borrowings, shareholder loans or capital contributions.

The directors are very careful to ensure that capital commitments are funded prior to entering into a binding commitment or that access to funding for capital commitments is reasonably assured.

Interest rate risk

The Group is exposed to interest rate risk through its borrowings and deposits. Interest rate swaps are utilised within the Group in order to mitigate some of this risk.

Currency risk

The Group is exposed to currency risk since a number of its aircraft related activities are denominated in US dollar which is the base currency worldwide for aircraft leasing, aircraft values and maintenance activity. Certain aircraft financing arrangements are denominated in ZAR (South African Rand) so as to be consistent with the lease income streams. Furthermore, the spares trading activities conducted from the United Kingdom have expenses in GBP and income in Euro, GBP and US dollars. The holding company has advanced loans to and received loans from subsidiary companies for the purposes of working capital loans, investment and treasury management. These loans are typically denominated in the base currency of the underlying subsidiary.

Certain companies within the Group use derivative financial instruments to hedge exposure to exchange rates. In group companies, where derivative financial instruments are not used to hedge exposure to foreign currency, the policy followed is to manage levels of inflows and outflows in each currency to reduce the overall exposure to movements in currency translation rates.

Further disclosures in relation to these principal risks and uncertainties are given in Note 23 to the financial statements.

Directors and secretary and their interests

Mr Michel Casselman resigned as a director on 1 November 2011. Mr Karl Ottevaere was appointed as a director on 22 November 2011.

The directors and secretary who held office at 31 December 2011 had no interests in the shares of the company or group companies other than a non-beneficial interest held by Mr Hugh Flynn at the beginning and end of the year in 100 A ordinary shares of ZAR1 each of Safair Operations (Pty) Limited.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the company are maintained at its offices at No 3 Malahide Road, Swords, Co. Dublin.

Auditor

In accordance with Section 160 (2) of the Companies Act 1963, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board

H. Flynn	**L. Criel**
Director	*Director*

4 April 2012

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), as applied in accordance with the provisions of the Companies Acts, 1963 to 2009.

The consolidated and company financial statements are required by law and IFRSs as adopted by the EU, to present fairly the financial position of the Group and the Company and the performance of the Group. The Companies Acts, 1963 to 2009 provide in relation to such financial statements that references in the relevant part of these Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009 and, as regards the consolidated financial statements, Article 4 of the IAS Regulation. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Acts 1963 to 2009.

On behalf of the board

H. Flynn	**L. Criel**
Director	*Director*

Independent auditor's report

to the members of ASL Aviation Group Limited

We have audited the Group and Company financial statements (''financial statements'') of ASL Aviation Group Limited for the year ended 31 December 2011 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with IFRSs as adopted by the EU, and have been properly prepared in accordance with the Companies Acts 1963 to 2009. We also report to you, in our opinion, whether proper books of account have been kept by the company; whether at the period end there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company statement of financial position is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the directors' report and consider implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditor’s report (continued)

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group’s affairs as at 31 December 2011 and of its profit for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU as applied in accordance with the provisions of the Companies Acts 1963 to 2009, of the state of the Company’s affairs as at 31 December 2011; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2009.

Other matters

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company statement of financial position is in agreement with the books of account.

In our opinion the information given in the directors’ report is consistent with the financial statements.

The net assets of the Company, as stated in the Company statement of financial position are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2011 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Sean O’Keefe
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen’s Green
Dublin 2

4 April 2012

Consolidated income statement

for the year ended 31 December 2011

	Note	2011 €'000	2010 €'000
Continuing operations			
Revenue	2	**407,284**	339,517
Cost of goods and services		**(254,913)**	(216,875)
Depreciation and amortisation	4	**(35,975)**	(26,177)
Employee benefits expense	5	**(73,193)**	(67,102)
Other operating income/(expenses)	3	**6,284**	(2,135)
Results from operating activities		**49,487**	27,228
Finance income	6	**1,112**	860
Finance costs	6	**(11,021)**	(9,075)
Net finance costs		**(9,909)**	(8,215)
Profit before income tax	4	**39,578**	19,013
Income tax expense	7	**(9,126)**	(4,674)
Profit for the year		**30,452**	14,339
Profit attributable to:			
Owners of the Company		**30,504**	14,241
Non-controlling interest		**(52)**	98
Profit for the year		**30,452**	14,339

The accompanying notes are an integral part of these financial statements.

On behalf of the board

H. Flynn
Director

L. Criel
Director

Consolidated statement of comprehensive income

for the year ended 31 December 2011

	2011 €'000	2010 €'000
Profit for the year	**30,452**	14,339
Other comprehensive income		
Foreign currency translation differences on retranslation of foreign operations	**5,030**	(1,291)
Total comprehensive income for the year	**35,482**	13,048
Attributable to:		
Owners of the Company	**35,122**	12,554
Non-controlling interest	**360**	494
Total comprehensive income for the year	**35,482**	13,048

The accompanying notes are an integral part of these financial statements.

Consolidated statement of financial position

at 31 December 2011

Assets	Note	2011 €'000	2010 €'000
Property, plant and equipment	8	**281,673**	297,368
Intangible assets	11	**8,401**	8,441
Deferred tax assets	21	**762**	4,454
Trade and other receivables	14	**1,807**	1,647
Total non-current assets		**292,643**	311,910
Inventories	12	**19,451**	17,284
Trade and other receivables	14	**50,123**	44,493
Cash at bank	15	**65,595**	46,052
Restricted cash	15	**16,685**	22,325
Assets classified as held for sale	16	**2,467**	6,133
Total current assets		**154,321**	136,287
Total assets		**446,964**	448,197
Equity			
Share capital	17	**-**	-
Share premium	17	**7,006**	7,006
Capital contribution	17	**31,931**	31,931
Currency translation reserve	17	**58**	(4,560)
Retained earnings		**75,744**	45,240
Total equity attributable to equity holders of the company		**114,739**	79,617
Non-controlling interest		**9,548**	9,188
Total equity		**124,287**	88,805
Liabilities			
Loans and borrowings	18	**79,435**	81,520
Employee benefits	19	**4,683**	4,102
Provisions	20	**23,910**	9,431
Deferred tax liabilities	21	**15,526**	11,273
Trade and other payables	22	**1,332**	8,160
Total non-current liabilities		**124,886**	114,486
Loans and borrowings	18	**118,288**	151,176
Current tax liabilities	13	**843**	1,724
Trade and other payables	22	**71,454**	81,915
Provisions	20	**7,206**	10,091
Total current liabilities		**197,791**	244,906
Total liabilities		**322,677**	359,392
Total equity and liabilities		**446,964**	448,197

The accompanying notes are an integral part of these financial statements.

On behalf of the board

H. Flynn
Director

L. Criel
Director

Company statement of financial position

at 31 December 2011

	Note	2011 €'000	2010 €'000
Assets			
Property, plant and equipment	8	**24,448**	27,696
Investments in subsidiaries	9	**73,042**	73,042
Total non-current assets		**97,490**	100,738
Inventories	12	**1,685**	2,349
Loans to and receivables from subsidiaries	24	**61,660**	62,888
Trade and other receivables	14	**4,849**	623
Cash at bank	15	**19,185**	2,588
Total current assets		**87,379**	68,448
Total assets		**184,869**	169,186
Equity			
Share capital	17	**-**	-
Share premium	17	**7,006**	7,006
Capital contribution	17	**31,931**	31,931
Retained earnings		**11,390**	7,700
Total equity		**50,327**	46,637
Liabilities			
Loans and borrowings	18	**34,328**	23,551
Deferred tax liabilities	21	**194**	254
Total non-current liabilities		**34,522**	23,805
Loans and borrowings	18	**60,267**	73,105
Current tax liabilities	13	**109**	110
Amounts due to subsidiaries	24	**32,355**	20,202
Trade and other payables	22	**7,289**	5,327
Total current liabilities		**100,020**	98,744
Total liabilities		**134,542**	122,549
Total equity and liabilities		**184,869**	169,186

The accompanying notes are an integral part of these financial statements.

On behalf of the board

H. Flynn
Director

L. Criel
Director

Consolidated statement of changes in equity

	Attributable to equity holders of the Company							
	Share capital €'000	Share premium €'000	Capital contribution €'000	Currency translation reserve €'000	Retained earnings €'000	Total €'000	Non-controlling interest €'000	Total equity €'000
Balance at 1 January 2010	-	7,006	31,931	(2,873)	30,999	67,063	8,694	75,757
Total comprehensive income for year								
Profit for the year	-	-	-	-	14,241	14,241	98	14,339
Other comprehensive income								
Foreign currency translation differences	-	-	-	(1,687)	-	(1,687)	396	(1,291)
Total comprehensive income for the year	-	-	-	(1,687)	14,241	12,554	494	13,048
Balance at 31 December 2010	**-**	**7,006**	**31,931**	**(4,560)**	**45,240**	**79,617**	**9,188**	**88,805**
Balance at 1 January 2011	-	7,006	31,931	(4,560)	45,240	79,617	9,188	88,805
Total comprehensive income for year								
Profit for the year	-	-	-	-	30,504	30,504	(52)	30,452
Other comprehensive income								
Foreign currency translation differences	-	-	-	4,618	-	4,618	412	5,030
Total comprehensive income for the year	-	-	-	4,618	30,504	35,122	360	35,482
Balance at 31 December 2011	**-**	**7,006**	**31,931**	**58**	**75,744**	**114,739**	**9,548**	**124,287**

The accompanying notes are an integral part of these financial statements.

Company statement of changes in equity

	Share capital €'000	Share premium €'000	Capital contribution €'000	Retained earnings €'000	Total €'000
Balance at 1 January 2010	-	7,006	31,931	(421)	38,516
Total comprehensive income for year					
Profit for the year	-	-	-	8,121	8,121
Balance at 31 December 2010	**-**	**7,006**	**31,931**	**7,700**	**46,637**
Balance at 1 January 2011	-	7,006	31,931	7,700	46,637
Total comprehensive income for the year					
Profit for the year	-	-	-	3,690	3,690
Balance at 31 December 2011	**-**	**7,006**	**31,931**	**11,390**	**50,327**

The accompanying notes are an integral part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2011

	2011 €'000	2010 €'000
Operating activities		
Profit for the year	**30,452**	14,339
Adjustments for:		
Depreciation of property, plant and equipment	**35,334**	25,780
Amortisation of intangible assets	**641**	397
Profit on disposal of associate undertaking	**(1,512)**	-
(Profit)/Loss on disposal of property, plant and equipment	**(2,583)**	1,106
Loss on disposal of intangible fixed assets	**405**	-
Impairment of aircraft	**2,617**	-
Gain on bargain purchase	**-**	(67)
Release of claims provision	**-**	(20)
Net finance costs	**9,909**	8,215
Income tax expense	**9,126**	4,674
Operating cash inflows before movements in working capital	**84,389**	54,424
Increase in inventories	**(2,167)**	(3,013)
Increase in trade and other receivables	**(5,790)**	(265)
(Decrease)/Increase in trade and other payables	**(18,971)**	8,219
Increase in provisions and employee benefits	**12,174**	5,984
Foreign exchange translation	**3,049**	(2,329)
Income taxes paid	**(2,992)**	(2,012)
Net cash from operating activities	**69,692**	61,008
Cash flows from investing activities		
Proceeds on disposal of assets held for sale	**3,666**	347
Proceeds on disposal of property, plant and equipment	**8,576**	3,685
Purchases of property, plant and equipment	**(22,888)**	(21,743)
Purchases of intangible assets	**(1,006)**	(1,080)
Acquisitions of subsidiaries, net of cash acquired	**-**	(55,134)
Interest and similar income received	**1,112**	860
Net cash used in investing activities	**(10,540)**	(73,065)
Cash flows from financing activities		
New bank loans received	**38,875**	3,500
Repayment of bank loans	**(59,357)**	(21,409)
Loan repayments to shareholders	**(14,491)**	-
Loans received from shareholders	**-**	54,132
Interest paid	**(9,339)**	(9,075)
Net cash (used in)/from financing activities	**(44,312)**	27,148
Net increase in cash and cash equivalents	**14,840**	15,091
Cash and cash equivalents at the beginning of the year	**68,377**	53,608
Effect of exchange rate fluctuations on cash held	**(937)**	(322)
Cash and cash equivalents at end of year	**82,280**	68,377

The accompanying notes are an integral part of these consolidated financial statements.

Company statement of cash flows

for the year ended 31 December 2011

	2011 €'000	2010 €'000
Operating activities		
Profit for the year	**3,690**	8,121
Adjustments for:		
Depreciation of property, plant and equipment	**4,980**	2,712
Profit on disposal of aircraft	**(829)**	(161)
Impairment of aircraft	**2,617**	-
Net finance expense	**2,225**	1,672
Income tax credit	**(61)**	(56)
Dividend income	**(6,000)**	(7,000)
Operating cash inflows before movements in working capital	**6,622**	5,288
Decrease/(increase) in inventories	**664**	(1,817)
Increase in trade and other receivables	**(4,226)**	(210)
Increase in trade and other payables	**1,398**	1,303
Income taxes refunded	**2**	85
Net cash from operating activities	**4,460**	4,649
Cash flows from investing activities		
Proceeds on disposal of aircraft	**1,043**	2,245
Purchases of property, plant and equipment	**(4,565)**	(9,438)
Interest and similar income received	**17**	527
Investments in subsidiary undertakings	**-**	(50,678)
Dividends received from subsidiary undertakings	**6,000**	7,000
Net cash from/(used) in investing activities	**2,495**	(50,344)
Cash flows from financing activities		
New bank loans received	**13,147**	3,500
Repayment of bank borrowings	**(654)**	(7,733)
Loans advanced and repayments to subsidiary undertakings	**(29,614)**	(21,484)
Loans and repayments received from subsidiary undertakings	**42,995**	17,665
Loans received from shareholders	**-**	53,798
Loan repayments to shareholders	**(14,784)**	-
Interest paid	**(1,448)**	(2,199)
Net cash from financing activities	**9,642**	43,547
Net increase/(decrease) in cash and cash equivalents	**16,597**	(2,148)
Cash and cash equivalents at the beginning of the year	**2,588**	4,736
Cash and cash equivalents at 31 December	**19,185**	2,588

The accompanying notes are an integral part of these consolidated financial statements.

Notes

(forming part of the financial statements)

1 Summary of significant accounting policies

Reporting entity

ASL Aviation Group Limited is a company domiciled in Ireland. The address of the Company's registered office is No 3, Malahide Road, Swords, Co. Dublin. The consolidated financial statements for the year ended 31 December 2011 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is primarily involved in the provision of air cargo transport services, the provision of air passenger transport services, aircraft leasing, aircraft spares and other aviation related services.

(a) Statement of compliance

The financial statements for the Group and Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU on 31 December 2011. The financial statements were authorised for issue by the directors on 4 April 2012.

(b) Basis of preparation

The consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand.

The financial statements have been prepared on the historical cost basis except for derivative financial instruments which have been recorded at fair value.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which are the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

1 Summary of significant accounting policies (continued)

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 per cent of the voting power of another entity. Investments in associates are accounted for using the equity method and are recognised initially at cost (or at fair value where acquired as a result of a business combination). The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income, from the date that significant influence commences until the date significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest, including any long-term investments, is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iii) Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, only to the extent that there is no evidence of impairment.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to Euro at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Euro at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Euro at rates approximating the exchange rates at the dates of the transactions.

Foreign currency differences arising on the translation of foreign operations are recognised directly in equity, in the currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the currency translation reserve is transferred to profit or loss.

(e) Derivative financial instruments

The Group holds derivative financial instruments to hedge certain of its interest rate and foreign currency risk exposures.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value are recognised immediately in profit or loss.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

1 Summary of significant accounting policies (continued)

(e) Derivative financial instruments (continued)

Interest rate swap agreements can swap interest rates from either fixed to variable or from variable to fixed and are used to alter interest rate profiles. The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measured date.

(f) Intangible assets

(i) Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries. Goodwill represents the difference between the cost of the acquisition and the net fair value of identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is recognised as an asset and initially at its cost. After initial recognition goodwill is remeasured at cost less any accumulated impairment losses (see accounting policy (l)).

If the net fair value of the acquired net assets exceeds the cost of the acquisition, the excess is recognised immediately in profit or loss after a reassessment of the identifiable assets, liabilities and contingent liabilities.

(ii) Other intangible assets

Other intangible assets that are acquired are stated at cost less accumulated amortisation and impairment losses (see accounting policy (l)).

(iii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and its cost can be measured reliably. All other expenditure is expensed as incurred.

(iv) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset as from the date they are available for use. The estimated maximum useful life is as follows:

Software 3-5 years

(g) Aircraft, property, plant and equipment

(i) Owned assets

Aircraft and other items of property, plant and equipment are stated at cost or fair value at the date of acquisition (when acquired as part of a business combination) less accumulated depreciation (see below) and impairment losses (see accounting policy (l)) if any. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of aircraft or of another item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the aircraft or the item of property, plant and equipment and are recognised net.

1 Summary of significant accounting policies (continued)

(g) Aircraft, property, plant and equipment (continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenditure is recognised in the income statement as an expense as incurred.

(iii) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

(iv) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of aircraft and other items of property, plant and equipment. Land is not depreciated.

Aircraft operated within the Group	These are depreciated on a component basis. The components are aircraft specific but typically include the airframe, engines, landing gear and major overhaul and inspection modules. Engines, landing gear and major overhaul and inspection items are depreciated over the period of the maintenance interval, to estimated residual core value, which does not exceed 8 years. Airframes are depreciated over a period from 4 to 22 years depending on the age of the aircraft at acquisition.

The estimated maximum useful lives of other assets are as follows:

Aircraft leased to third parties	Between 5 and 10 years to estimated residual values of between $1 million and $20 million or their equivalent.
Aircraft improvements	These are depreciated over the duration of the underlying aircraft lease.
Engines	Engines typically comprise the engine core and the life limited parts. Engine cores are depreciated over the remaining life of the engine between 3 and 10 years. Where the lessee is obliged to restore life limited components to their original condition, through lease return conditions or through contributing appropriate maintenance reserves, the life limited components of engines are not depreciated. Otherwise life limited components are depreciated on the basis of the engine usage.
Significant aircraft spare parts	2-10 years
Equipment and machinery	3-10 years
Motor vehicles	5 years
Computer equipment	3 years
Buildings	Improvements to leased premises are depreciated over the term of the lease.

The useful lives and residual values are reassessed annually.

1 Summary of significant accounting policies (continued)

(h) Non-derivative financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the consolidated statement of financial position. Loans to and receivables from subsidiaries are disclosed separately in the company statement of financial position.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired (see accounting policy (l)).

(i) Inventories

Inventories of spare parts and consumables are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(j) Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses (see accounting policy (l)).

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Restricted cash includes cash deposits which are held as maintenance contributions for leased aircraft and may be called upon by lessees under contract, and other deposits where the Group's ability to withdraw funds is restricted.

(l) Impairment

The carrying amounts of the Group's assets, other than deferred tax assets (see accounting policy (v)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

(i) Calculation of recoverable amount

The recoverable amount of the loans and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of its fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1 Summary of significant accounting policies (continued)

(l) Impairment (continued)

(ii) Reversals of impairment

An impairment loss in respect of a loan or receivable is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss recognised for goodwill shall not be reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. The assets are measured at the lower of their carrying amount and fair value less cost to sell.

(n) Share capital

(i) Ordinary share capital

Ordinary share capital is classified as equity.

(ii) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at cost, less attributable transaction costs.

Attributable transaction costs relate to costs directly incurred in the initiation and arrangement of financing agreements. These costs are capitalised and charged to income over the term of the underlying financing agreement.

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

1 Summary of significant accounting policies (continued)

(p) Employee benefits (continued)

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the period end on AA credit rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

All actuarial gains and losses are recognised in the income statement.

(iii) Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service. The accruals for employee entitlements to salaries, performance bonuses and annual leave represent the amount to which the Group has a present obligation to pay as a result of the employee's services provided to the balance sheet date. The accruals for employee benefits have been calculated at undiscounted amounts based on current salary rates. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating, when the absence occurs.

(q) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provisions are determined by discounting, where the effect is material, the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

In certain instances the Group may enter into long term aircraft lease contracts. These lease arrangements often create an obligation for the Group to return the aircraft in a specific condition on termination of the lease. In such circumstances the Group makes provision throughout the period of the lease on a systematic basis for the estimated cost of the maintenance and repair of the aircraft and in particular for time and usage limited components. Such costs are charged to the income statement on the basis of the use of the aircraft or the passage of time whichever is applicable. The provisions are reviewed and adjusted on an ongoing basis, taking account of changes in market rates and experience of the aircraft type. Any shortfall or surplus associated with a maintenance event is charged/(credited) to the income statement at the time of the maintenance event.

(r) Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: loans and borrowings; and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

1 Summary of significant accounting policies (continued)

(s) Revenue

Revenue from aircraft chartering and related services rendered is recognised in the income statement in proportion to the fair value of services delivered in the period. Advance deposits for charters are deferred until the operation of the charter takes place.

Revenue from the sale of aircraft spares is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Transfers of risk and rewards vary depending on the individual terms of the contract of sale. For the sale of aircraft, transfer usually occurs upon delivery of the aircraft to the new owner.

Rental income from the leasing of aircraft under operating leases is recognised in the income statement on a straight-line basis over the term of the lease.

Revenue excludes value added tax.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(t) Leased assets

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is recognised at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are allocated using the effective interest rate method to determine the lease finance cost, which is charged against income over the lease period, and the capital repayment, which reduces the liability to the lessor.

Other leases where the lessor retains the risks and rewards of ownership of the underlying asset are classified as operating leases and the leased assets are not recognised in the Group's statement of financial position.

Payments made under operating leases are recognised as an expense on a straight-line basis or using another systematic approach where this is more representative of the time pattern of the user's benefit.

Payments made under operating leases with fixed escalation clauses are recognised in the income statement on a straight-line basis over the term of the lease.

Certain aircraft operating leases require that the lessee undertakes specific inspections and overhauls at minimum periodic intervals to re-certify that the airframe and engines are completely airworthy in accordance with civil aviation requirements. As such required overhauls and inspections are considered to constitute components of the lessor's asset, such payments are considered to be made in exchange for the right of use of the aircraft and are accrued according to the shorter of flying time or minimum periods between such inspections and overhauls.

(u) Finance income and finance costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, and foreign exchange gains and losses.

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

1 Summary of significant accounting policies (continued)

(v) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(w) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2011, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the Group's consolidated financial statements.

2 Revenue

	2011 €'000	2010 €'000
Group		
Aircraft charter and other related services	**347,101**	306,673
Aircraft spares trading	**15,557**	9,456
Aircraft leasing	**44,626**	23,388
	407,284	339,517

3 Other operating income/(expenses)

	2011 €'000	2010 €'000
Proceeds from insurance claims	**3,864**	-
Profit on disposal of associate undertaking	**1,512**	-
Indemnity income in relation to associate undertaking	**713**	-
Profit/(loss) on disposal of property, plant and equipment	**2,583**	(1,106)
Loss on disposal of intangible assets	**(405)**	-
Impairment of aircraft	**(2,617)**	-
Other income/(expenses)	**634**	(1,029)
	6,284	(2,135)

Insurance proceeds relate to an impaired aircraft in 2011. The associated impairment charge for the aircraft was €2,617,000.

A net profit of €1,512,000 was generated from the disposal of Safair Technical (Pty) Ltd (trading as Jetworx), an associate undertaking, in 2011 (see note 10). During 2011 ASL received an additional amount of $1 million (€713,000) arising out of warranty conditions attached to the contract for the acquisition in 2010 of the Safair Group companies. This amount is included in income in 2011.

4 Statutory and other information

Profit before income tax is stated after charging/(crediting):

	2011 €'000	2010 €'000
Group		
Depreciation of property, plant and equipment	**35,334**	25,780
Amortisation of intangible assets	**641**	397
Impairment of aircraft	**2,617**	-
(Profit)/loss on the disposal of property, plant and equipment	**(2,583)**	1,106
Loss on disposal of intangible assets	**405**	-
Rentals payable under operating leases		
– Land and buildings	**3,286**	651
– Aircraft	**22,480**	16,204
Profit on disposal of associate undertaking (Note 10)	**(1,512)**	-
Net foreign exchange gain	**(2,249)**	(1,049)
Proceeds from insurance claims	**(3,864)**	-

Auditor's remuneration		
– Audit of group and company accounts	**185**	185
– Other assurance services	**20**	28
– Tax advisory services	**60**	92
– Other non-audit services	**15**	13
	280	318

Auditor's remuneration for the audit of the company accounts was €30,000 *(2010: €30,000).*

5 Employee benefits and numbers

The average number of persons (including directors) employed by the Group was as follows:

	2011	2010
Directors and senior management	17	16
Crew, administration and engineering	893	800
	910	816

The aggregate payroll costs of these persons were as follows:

	2011 €'000	2010 €'000
Group		
Wages and salaries	53,713	47,341
Social welfare	16,651	17,207
Pension costs	2,829	2,554
	73,193	67,102

For services to the Group, the aggregate emoluments of directors of the Company, including pension contributions, were as follows:

	2011 €'000	2010 €'000
Directors' emoluments	490	402

6 Finance income and finance costs

	2011 €'000	2010 €'000
Group		
Finance income		
Interest income on bank deposits	1,112	750
Other	-	110
	1,112	860
Finance expense		
Interest on bank borrowings	9,433	7,745
Interest on shareholder loans	707	339
Guarantee fees	881	991
	11,021	9,075

7 Income tax expense

	2011 €'000	2010 €'000
Group		
Current tax expense		
Corporation tax – Ireland – current year	**645**	306
Corporation tax – foreign – current year	**1,597**	2,936
Adjustment for prior periods	**(131)**	(85)
	2,111	3,157
Deferred tax expense		
Change in tax base of assets	**1,996**	-
Origination and reversal of temporary differences	**5,019**	1,517
	7,015	1,517
Total income tax expense	**9,126**	4,674

A reconciliation of the expected income tax of the Group and the actual income tax charge is as follows:

	2011 €'000	2010 €'000
Profit for the year	**30,452**	14,339
Income tax expense	**9,126**	4,674
Profit before income tax	**39,578**	19,013
Expected income tax, computed by applying the Irish tax rate 12.5% (2010: 12.5%)	**4,947**	2,377
Effect of different tax rates of subsidiaries operating in foreign jurisdictions	**5,416**	2,176
Tax exempt profit	**-**	(606)
Income taxed at a higher rate	**12**	40
Non-deductible expenses	**914**	817
Change in tax base of assets	**(1,996)**	-
Other differences	**(36)**	(45)
Adjustment for prior periods	**(131)**	(85)
Income tax expense	**9,126**	4,674

8 Property, plant and equipment

Group

	Aircraft €'000	Equipment & Machinery €'000	Motor Vehicles €'000	Buildings €'000	Total €'000
Cost or deemed cost					
Balance at 1 January 2010	171,927	4,891	659	674	178,151
Acquisitions through business combinations	165,368	2,365	57	350	168,140
Additions	21,743	-	-	-	21,743
Disposals	(9,622)	(7)	(73)	-	(9,702)
Foreign exchange movements	5,695	6	-	-	5,701
Balance at 31 December 2010	355,111	7,255	643	1,024	364,033
Impairment	(2,617)	-	-	-	(2,617)
Additions	17,299	939	655	3,995	22,888
Disposals	(18,483)	(1,597)	(501)	-	(20,581)
Foreign exchange movements	7,819	(11)	3	(6)	7,805
Balance at 31 December 2011	**359,129**	**6,586**	**800**	**5,013**	**371,528**
Depreciation					
Balance at 1 January 2010	39,696	1,488	202	69	41,455
Charge for the year	24,134	1,156	91	399	25,780
Disposals	(4,911)	-	-	-	(4,911)
Foreign exchange and other movements	4,341	-	-	-	4,341
Balance at 31 December 2011	63,260	2,644	293	468	66,665
Charge for the year	33,221	1,365	215	533	35,334
Disposals	(12,727)	(1,579)	(282)	-	(14,588)
Foreign exchange and other movements	2,444	-	-	-	2,444
Balance at 31 December 2011	**86,198**	**2,430**	**226**	**1,001**	**89,855**
Net book value					
At 31 December 2011	**272,931**	**4,156**	**574**	**4,012**	**281,673**
At 31 December 2010	291,851	4,611	350	556	297,368
At 31 December 2009	132,231	3,403	457	605	136,696

8 Property, plant and equipment (continued)

At 31 December 2011, aircraft with a net book value of €175.8 million *(2010: €148.5 million)* were mortgaged to lenders as security for bank loans (see Note 18).

Aircraft with a net book value of €246.9 million at 31 December 2011 *(2010: €239 million)* are leased to third parties under operating leases.

Company	Aircraft €'000	Office Equipment €'000	Motor Vehicles €'000	Total €'000
Cost or deemed cost				
At 1 January 2010	32,625	16	-	32,641
Additions in year	9,420	18	-	9,438
Disposals in year	(3,659)	-	-	(3,659)
At 1 January 2011	38,386	34	-	38,420
Additions in year	4,262	4	299	4,565
Disposals in year	(687)	(17)	(48)	(752)
Impairment	(2,617)	-	-	(2,617)
At 31 December 2011	**39,344**	**21**	**251**	**39,616**
Accumulated depreciation				
At 1 January 2010	9,585	2	-	9,587
Charge for year	2,703	9	-	2,712
Disposals	(1,575)	-	-	(1,575)
At 1 January 2011	10,713	11	-	10,724
Charge for year	4,877	7	96	4,980
Disposals	(499)	(4)	(33)	(536)
At 31 December 2011	**15,091**	**14**	**63**	**15,168**
Net book value				
At 31 December 2011	**24,253**	**7**	**188**	**24,448**
At 31 December 2010	27,673	23	-	27,696
At 31 December 2009	23,040	14	-	23,054

9 Investments in subsidiaries

	Shares in subsidiaries €'000
Company	
Cost	
At 1 January 2010	22,884
Additions in the year	50,678
At 31 December 2010	73,562
Additions in the year	-
At 31 December 2011	**73,562**
Provision for impairment	
At 1 January 2010, 31 December 2010 and 31 December 2011	**520**
Net book value	
At 31 December 2011	**73,042**
At 31 December 2010	73,042
At 31 December 2009	22,364

10 Group entities

Subsidiary undertakings	Country of incorporation	Nature of business	Shareholding
Air Contractors (Ireland) Ltd	Ireland	Aircargo transport services	100%
Europe Airpost SA	France	Air transport services	*97%
Air Contractors (UK) Ltd	United Kingdom	Aviation related services	100%
ACL Aviation Ltd	Ireland	Aircraft leasing	50%
ACL Leasing Ltd	Ireland	Aircraft leasing	50%
ACL Air Ltd	Ireland	Aircraft leasing	50%
ACL Aircraft Trading Ltd	United Kingdom	Aviation related services	100%
ACL Aviation Support Ltd	United Kingdom	Aviation related services	*100%
Air Contractors Engineering Ltd	United Kingdom	Aviation related services	100%
S.A.S. Europe Airpost Holdings	France	Aircraft leasing	100%
Safair Operations (Pty) Ltd	South Africa	Air transport services	*100%
Safair Lease Finance (Pty) Ltd	South Africa	Aircraft leasing	*100%
Safair Aviation (Ireland) Ltd	Ireland	Aircraft leasing	100%
Safair Lease Finance (Ireland) Ltd	Ireland	Aircraft leasing	100%
Safair Lease Finance 72 Ltd	Ireland	Aircraft leasing	*100%

** Indirect share holdings*

ACL Aviation Limited, ACL Leasing Limited, ACL Air Limited are considered to be subsidiary undertakings, in accordance with IAS27, as the parent has the power, in respect of those entities, (i) to appoint or remove the majority of members of their boards of directors and (ii) to cast the majority of votes at meetings of their boards of directors.

In the opinion of the directors the carrying value of the investments in subsidiary undertakings is supported by the fair value of those investments.

Former associate undertaking	Country of incorporation	Nature of business	Previous shareholding (indirect)
Safair Technical (Pty) Ltd (trading as Jetworx)	South Africa	Aviation related services	28%

Safair Technical (Pty) Ltd (trading as Jetworx) was acquired as part of the Safair Group acquisition in 2010. The investment and loans advanced to Jetworx amounting to ZAR40.8 million (approximately €4.4 million) were impaired to a nil carrying value at acquisition, due to the uncertainty over whether that company would be in a position to repay the loans. A net profit of €1,512,000 was generated from the subsequent disposal of this associated undertaking in 2011.

The remaining external shareholders of Europe Airpost SA exercised an option which required Air Contractors (Ireland) Limited to purchase the 3% shareholding which it did not previously own subsequent to year end but before the date of approval of these financial statements. This option was exercised for €1,581,242.

11 Intangible assets

	Goodwill €'000	Software €'000	Total €'000
Cost or deemed cost			
At 1 January 2010	7,389	968	8,357
Additions	-	1,080	1,080
Disposal	-	(194)	(194)
At 31 December 2010	7,389	1,854	9,243
At 1 January 2011	7,389	1,854	9,243
Additions	-	1,006	1,006
Disposal	-	(1,253)	(1,253)
At 31 December 2011	**7,389**	**1,607**	**8,996**
Amortisation			
At 1 January 2010	-	599	599
Amortisation in year	-	397	397
Amortisation of disposal	-	(194)	(194)
At 31 December 2010	-	802	802
At 1 January 2011	-	802	802
Amortisation in year	-	641	641
Amortisation of disposal	-	(848)	(848)
At 31 December 2011	-	**595**	**595**
Net book value			
At 31 December 2011	**7,389**	**1,012**	**8,401**
At 31 December 2010	7,389	1,052	8,441
At 31 December 2009	7,389	369	7,758

Goodwill primarily represents the excess paid over the fair value of the identifiable assets and liabilities of ACL Aviation Trading Limited (including its subsidiary, ACL Aviation Support Limited). This goodwill has been reviewed for impairment on the basis of future cashflows expected to be attributable to this cash-generating unit, discounted at an appropriate discount rate for these activities, currently 8%. No impairment has been recognised. There are no reasonably foreseeable circumstances in which a change in the cash flow assumptions underpinning the fair value of the underlying business would result in an impairment.

12 Inventories

	Group		Company	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Aircraft parts held for resale and consumables	**19,451**	17,284	**1,685**	2,349

Inventories are stated at the lower of cost and net realisable value. The replacement cost of inventory does not differ materially from its carrying value. The impairment provision in respect of group inventory amounted to €4,314,000 *(2010:€4,017,000)*. The write-down of inventories to net realisable value of €297,000 during the year *(2010: €1,472,000)* is reflected in cost of goods and services in the income statement.

13 Current tax assets and liabilities

	Group		Company	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Current tax liability	**843**	1,724	**109**	110

The current tax liability (Group) of €843,000 *(2010: €1,724,000)* represents income tax payable in respect of the current year.

14 Trade and other receivables

	Group		Company	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Trade receivables	**31,600**	27,871	**248**	300
Prepayments and accrued income	**10,202**	6,911	**4,300**	72
Derivatives	**1,610**	1,449	**-**	-
VAT receivable	**846**	1,880	**40**	-
Other debtors	**7,672**	8,029	**261**	251
	51,930	46,140	**4,849**	623
Non-current	**1,807**	1,647	**-**	-
Current	**50,123**	44,493	**4,849**	623
	51,930	46,140	**4,849**	623

15 Cash and cash equivalents

	Group		Company	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Cash at bank	**65,595**	46,052	**19,185**	2,588
Restricted cash	**16,685**	22,325	**-**	-
	82,280	68,377	**19,185**	2,588

Restricted cash includes cash deposits which are held as maintenance contributions for leased aircraft and may be called upon by lessees under contract, and other deposits where the Group's ability to withdraw funds is restricted.

The prior year comparatives for restricted cash and cash at bank have been reclassified on a basis consistent with the current year.

16 Assets held for sale

	2011	2010
	€'000	€'000
Group		
Aircraft held for sale	**2,467**	6,133

Assets held for sale at 31 December 2011 comprises one aircraft for which the agreement for sale with the purchaser had not reached a sufficient state of certainty at year end to recognise a sale.

17 Capital and reserves

	2011	2010
	€'000	€'000
Group		
Share capital – Group and Company		
Authorised		
100,000,000 Ordinary shares of €0.01 each	**1,000**	1,000
Allotted, called up and fully paid		
300 Ordinary shares of €0.01 each	**-**	-
Share premium – Group and Company	**7,006**	7,006
Capital contribution – Group and Company	**31,931**	31,931
Currency translation reserve – Group	**58**	(4,560)

The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

18 Interest-bearing loans and borrowings

	Group		Company	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Non-current	**79,435**	81,520	**34,328**	23,551
Current	**118,288**	151,176	**92,622**	93,307
	197,723	232,696	**126,950**	116,858
Non-current liabilities				
Bank loans	**79,435**	81,520	**34,328**	23,551
Current liabilities				
Current portion of bank loans	**61,742**	80,139	**9,188**	7,472
Other loans	**56,546**	71,037	**51,079**	65,633
Loans and borrowings	**118,288**	151,176	**60,267**	73,105
Loans from subsidiary undertakings (Note 24)	**-**	-	**32,355**	20,202
Total	**118,288**	151,176	**92,622**	93,307

	Group		Company	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
(i) Bank loans				
Secured bank loans	**141,177**	161,659	**43,516**	31,023
Less current portion	**(61,742)**	(80,139)	**(9,188)**	(7,472)
Non-current portion	**79,435**	81,520	**34,328**	23,551

The maturity profile of the bank borrowings is as follows:

Group	**Total**	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
As at 31 December 2011	**141,177**	**61,742**	**15,441**	**59,445**	**4,549**
As at 31 December 2010	161,659	80,139	44,040	33,504	3,976

The bank loans are secured over aircraft assets with a net book value of €175.8 million *(2010: €148.5 million).* The loans bear interest at rates between 4.31% and 9%.

Included in bank loans are foreign currency loans of which the amounts outstanding at 31 December 2011 were US$ 126.3 million – equivalent to €97.6 million *(2010: US$171.8 million – equivalent to €128.6 million)* and ZAR (South African Rand) 13.6 million – equivalent to €1.3 million *(2010: ZAR 67.8 million – equivalent to €7.6 million).*

Company	**Total**	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
As at 31 December 2011	**43,516**	**9,188**	**9,283**	**20,496**	**4,549**
As at 31 December 2010	31,023	7,472	7,491	16,060	-

18 Interest-bearing loans and borrowings (continued)

	Group		Company	
	2011 €'000	2010 €'000	**2011 €'000**	2010 €'000
(ii) Other loans				
Shareholder loans: CMB/3P (Note 24)				
– Current portion	**56,546**	71,037	**51,079**	65,633

Shareholder loans are unsecured and interest-bearing at LIBOR plus 1%.

Included in other loans are foreign currency loans of which the amounts outstanding were US$ 72.2 million – equivalent to €55.8 million *(2010: US$94.8 million – equivalent to €71 million).*

(iii) Undrawn borrowing facilities
At 31 December 2011 the Group had no undrawn borrowing facilities.

19 Employee benefits

The Group makes contributions to defined contribution schemes that provide pension benefits for employees upon retirement. The Group also operates an unfunded defined benefit scheme in respect of a subsidiary undertaking.

Defined benefit scheme

	2011 €'000	2010 €'000
Group		
The amounts recognised in the statement of financial position in relation to post-employment benefits are as follows:		
Present value of unfunded obligations	**4,683**	4,102
Unrecognised actuarial gains/(losses)	**-**	-
Unrecognised past service cost	**-**	-
Net liability	**4,683**	4,102
Amounts in the statement of financial position:		
Liabilities	**4,683**	4,102
Assets	**-**	-
Net liability	**4,683**	4,102
Movements in the net liability recognised in the statement of financial position		
Net liability at beginning of year	**4,102**	3,477
Expense recognised in the income statement	**581**	625
Net liability at 31 December 2011	**4,683**	4,102

19 Employee benefits (continued)

Defined benefit scheme (continued)

	2011 €'000	2010 €'000
Group		
The amounts recognised in profit or loss are as follows:		
Current service costs	**552**	513
Interest on obligation	**232**	219
Net actuarial gains recognised in year	**(203)**	(107)
Total expense – included in 'Employee benefits expense'	**581**	625

Principal actuarial assumptions at 31 December	2011	2010
Discount rate	**5.0%**	5.0%
Future salary increases (including inflation)	**2.0%+ salary scale**	2.0%+ salary scale
Future pension increases	**0%**	0%
Inflation	**2.0%**	2.0%

20 Provisions

	2011 €'000	2010 €'000
Group		
Aircraft maintenance		
At beginning of year	**19,292**	13,933
Subsidiaries acquired	**-**	8,342
Charge for the year	**37,317**	10,736
Utilised	**(26,229)**	(13,719)
At end of the year	**30,380**	19,292
Claims and other		
At beginning of year	**230**	250
Charge for the year	**506**	-
Write back to income statement	**-**	(20)
At the end of the year	**736**	230
Total provisions	**31,116**	19,522
Non-current portion	**23,910**	9,431
Current portion	**7,206**	10,091
	31,116	19,522

Claims relate to certain disputes with employees that are currently pending.

21 Deferred tax assets and liabilities

	Group		Company	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Deferred tax assets	**762**	4,454	**7**	-
Deferred tax liabilities	**(15,526)**	(11,273)	**(201)**	(254)
Net	**(14,764)**	(6,819)	**(194)**	(254)

Deferred tax assets and liabilities are attributable to the following:

	2011			**2010**		
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Group						
Property, plant and equipment	**407**	**(15,526)**	**(15,119)**	2,899	(11,273)	(8,374)
Provisions	**30**	**-**	**30**	30	-	30
Unused tax losses	**325**	**-**	**325**	1,525	-	1,525
	762	**(15,526)**	**(14,764)**	4,454	(11,273)	(6,819)
Company						
Property, plant and equipment	**-**	**(395)**	**(395)**	392	(907)	(515)
Unused tax losses	**201**	**-**	**201**	261	-	261
	201	**(395)**	**(194)**	653	(907)	(254)

Movement in temporary differences during the year

	Balance at 1 January 2011 €'000	**Reclassification to other headings €'000**	**Recognised in income statement €'000**	**Balance at 31 December 2011 €'000**
Property, plant and equipment	(8,374)	(930)	(5,815)	**(15,119)**
Provisions	30	-	-	**30**
Unused tax losses	1,525	-	(1,200)	**325**
	(6,819)	**(930)**	**(7,015)**	**(14,764)**

	Balance at 1 January 2011 €'000	**Recognised in income statement €'000**	**Balance at 31 December 2011 €'000**
Company			
Property, plant and equipment	(515)	120	**(395)**
Unused tax losses	261	(60)	**201**
	(254)	**60**	**(194)**

21 Deferred tax assets and liabilities (continued)

There are no unrecognised deferred tax assets and liabilities in the Group or Company.

22 Trade and other payables

	Group		Company	
	2011 €'000	2010 €'000	**2011 €'000**	2010 €'000
Trade payables	**21,606**	26,471	**681**	543
Accruals and other payables	**32,589**	34,714	**2,471**	3,392
Advance deposits received	**18,027**	25,681	**4,137**	1,392
Derivatives	**564**	3,209	**-**	-
	72,786	90,075	**7,289**	5,327
Current	**71,454**	81,915	**7,289**	5,327
Non-current	**1,332**	8,160	**-**	-
	72,786	90,075	**7,289**	5,327

Advance deposits received relates to amounts received from customers in relation to contributions for aircraft maintenance, less amounts drawn by customers to fund such maintenance expenditure.

The derivatives balance relates to the fair value of interest rate swaps and forward exchange contracts at the year-end.

23 Financial instruments – market and other risks

In the course of its normal business the Group is exposed to credit, liquidity, interest rate and currency risks.

Credit risk

The Group performs counterparty credit evaluations on an on-going basis. The Group utilises credit insurance to protect against the possible default of certain lessees. At 31 December 2011 future lease income of US$5.4 million (€4.2 million) *(2010: US$10.5 million (€7.8 million))* is covered by credit insurance arrangements.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

23 Financial instruments – market and other risks (continued)

The ageing of trade and other receivables is as follows:

	31 December 2011 €'000	31 December 2010 €'000
Not past due	**41,895**	32,496
Past due 0-30 days	**5,083**	4,546
Past due 31-365 days	**4,952**	9,098
More than a year	**-**	-
	51,930	46,140

Past due amounts are not impaired when collection is still considered to be likely, for instance if management is confident the outstanding amounts can be recovered.

Trade and other receivables are stated net of provision for impairment of €3.2 million *(2010: €4.6 million).*

Liquidity risk

Liquidity risk is the risk that the Group may not meet its obligations as they fall due. The Group ensures, as far as possible, that it always has sufficient liquidity to meet its obligations when due under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	Bank loans 2011 €'000	Other loans 2011 €'000	Trade and other payables 2011 €'000	Total 2011 €'000	Bank loans 2010 €'000	Other loans 2010 €'000	Trade and other payables 2010 €'000	Total 2010 €'000
Group								
Less than one year	**69,968**	**57,439**	**67,307**	**194,714**	93,688	72,366	81,915	247,969
Between 1 and 5 years	**84,621**	**-**	**1,332**	**85,953**	85,136	-	8,160	93,296
More than 5 years	**5,139**	**-**	**-**	**5,139**	4,175	-	-	4,175
	159,728	**57,439**	**68,639**	**285,806**	182,999	72,366	90,075	345,440

23 Financial instruments – market and other risks (continued)

Interest rate risk

At the reporting date the interest rate profile of the Group's interest bearing borrowings was:

	31 December 2011 €'000	31 December 2010 €'000
Fixed rate instruments	**28,823**	74,747
Variable rate instruments	**168,900**	157,949
	197,723	232,696

Cashflow sensitivity analysis for variable rate instruments

A 50 basis point movement in the interest rates would have the increased (decreased) equity and profit and loss by the amount shown below. This analysis assumes that all other variables remain constant.

	2011		2010	
	+50 basis points €'000	**- 50 basis points €'000**	+50 basis points €'000	- 50 basis points €'000
Variable rate instruments				
Financial liabilities	**483**	**(483)**	474	(474)

Currency risk

The Group is exposed to currency risk since a number of its aircraft related activities are denominated in US dollar which is the base currency worldwide for aircraft leasing, aircraft values and maintenance activity and also to South African Rand from its South African subsidiaries. Furthermore, the spares trading activities conducted from the United Kingdom have expenses in GBP and income in Euro, GBP and US dollar. The Company has advanced loans to and received loans from subsidiary companies for the purposes of working capital loans, investment and treasury management. These loans are typically denominated in the base currency of the underlying subsidiary.

Europe Airpost s.a., – the French subsidiary, has hedged all of its 2012 estimated US$ needs, mainly related to leasing and planned maintenance expenses, which amounts to US$24.1 million or €18.6 million.

At each closing date, these contracts are re-measured to fair value with any adjustment recognised in net profit or loss for the year.

For the remainder, the Group's currency risk is, to a large extent, limited to a translation risk and to an exposure on foreign currency cash holdings.

23 Financial instruments – market and other risks (continued)

A 10% strengthening of the Euro against the US dollar at 31 December would have increased/(decreased) the equity and profit by:

Currency risk (continued)

	31 December 2011 €'000	31 December 2010 €'000
Equity	**6,427**	7,212
Profit	**2,420**	8,895

A 10% weakening of the Euro against the US dollar at 31 December 2011 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Capital management

The Group is continuously optimising its capital structure (mix between debt and equity). The main objective is to maximise shareholder value while keeping the desired financial flexibility to execute strategic projects.

During 2010 additional bank borrowings were entered into, along with shareholder loans, to fund the Safair Group acquisition. During 2011, additional bank funding was acquired to fund the purchase of a number of aircraft and facilitate the repayment of a portion of shareholder loans and bank loans.

23 Financial instruments – market and other risks (continued)

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities shown in the Group statement of financial position are as follows:

	2011 Carrying amounts €'000	2010 Carrying amounts €'000
Assets carried at fair value		
Derivatives		
– forward exchange contracts	**287**	-
– interest rate swaps	**1,323**	1,449
	1,610	1,449
Assets carried at amortised cost		
Loans and receivables	**50,320**	44,691
Cash and cash equivalents	**82,280**	68,377
	132,600	113,068
Liabilities carried at fair value		
Derivatives – interest rate swaps	**397**	2,159
– forward exchange contracts	**167**	1,050
	564	3,209
Liabilities carried at amortised cost		
Secured bank loans – fixed rate	**28,823**	74,747
– variable rate	**112,354**	86,912
Shareholder loans – variable rate	**56,546**	71,037
Trade and other payables	**72,222**	86,866
	269,945	319,562

The difference between the fair value and carrying amounts of fixed rate loans is not material. For other financial assets and liabilities the fair values are equal to the carrying amounts.

The fair values of forward exchange contracts and interest rate swaps are based on information provided by the financial institution with whom the contracts have been concluded.

For the year ended 31 December 2011 the impact on the Group's profit and loss from the use of derivatives amounted to a gain of €2,756,000 *(2010: loss of €887,000).*

24 Related parties

Identity of related parties

The Group has related party transactions with its major shareholders and directors. The Company also has related party transactions with its subsidiaries.

Group

Transactions with shareholders

The company is a joint venture undertaking of Compagnie Maritime Belge NV ("CMB") and 3P Air Freighters Limited ("3P") who own 51% and 49% respectively of the Company's share capital.

Both CMB and 3P provide financing to the group and CMB also guarantees some of the obligations of the Group. The guarantee is for debt in the amount of €53,124,000 at 31 December 2011 *(2010: €39,017,000)*. The Group provides some financial and lease management services to 3P.

	Balance owing at end of year		Income/(charge) for year	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
3P Air Freighters				
Loan	**24,940**	32,020		
Management fees			**9**	105
Interest paid			**(358)**	(138)
CMB				
Loan	**31,606**	39,017		
Guarantee fees paid			**(881)**	(991)
Interest paid			**(349)**	(201)

Transactions with directors and key management personnel

Key management personnel are the directors of the Company. The total amount of remuneration payable to all directors of the company for their services during the year was as follows:

	2011	2010
	€'000	€'000
Total remuneration – directors	**490**	402

24 Related parties (continued)

Company

Details of transactions with related undertakings are outlined below:

Name of related party	Nature of transaction	Income/ (expenditure) in the year ended 31 December 2011 €'000	Payable balance at 31 December 2011 €'000	Receivable balance at 31 December 2011 €'000
Subsidiaries				
Air Contractors (Ireland) Ltd	Management fee	234	-	-
	Lease income	3,341	-	-
	Interest receivable/Loan	462	-	31,776
	Expense recharge	(167)	-	-
Air Contractors UK Ltd	Management fee	40	-	-
	Interest payable/Loan	(122)	8,073	-
	Expense recharge	(343)	-	-
ACL Aircraft Trading Ltd	Management fee	40	-	-
	Interest receivable/Loan	83	-	5,326
ACL Aviation Support Ltd	Management fee	350	-	-
	Lease income	1,458	-	-
	Interest receivable/Loan	322	-	5,795
Air Contractors Engineering	Management fee	17	-	-
	Interest receivable/Loan	45	-	1,902
Europe Airpost	Management fee	410	-	-
	Lease income	531	-	-
	Interest payable/Loan	(284)	22,934	-
	Expense recharge	(48)	-	-
ACL Aviation Ltd	Management fee	34	-	-
	Interest receivable/Loan	52	-	2,130
	Interest payable/Loan	(14)	1,348	-
ACL Air Ltd	Management fee/Loan	18	-	970
	Expense recharge	(45)	-	-
ACL Leasing Ltd	Management fee/Loan	170	-	2,682
Safair Lease Finance (Pty) Ltd	Loan	-	-	7,265
Safair Aviation (Ireland) Ltd	Interest receivable/Loan	34	-	3,814
			32,355	61,660
Shareholders				
CMB	Interest payable/Guarantee fees/ Shareholder loan	(792)	26,050	-
3P	Interest payable/Shareholder loan	(358)	25,029	-
			51,079	-

24 Related parties (continued)

Company (continued)

Name of related party	Nature of transaction	Income/ (expenditure) in the year ended 31 December 2010 €'000	Payable balance at 31 December 2010 €'000	Receivable balance at 31 December 2010 €'000
Subsidiaries				
Air Contractors (Ireland) Ltd	Lease income/ Management fees/Loan and interest	2,710	-	20,465
Air Contractors UK Ltd	Loan and interest	(329)	-	1,871
	Management fee	40	-	-
ACL Aircraft Trading Ltd	Loan and interest/ Management fee	40	-	5,508
	Commissions	(290)	-	-
ACL Aviation Support Ltd	Loan and interest/ Management fee	1,385	-	6,138
	Spares purchased	(19)	-	-
Air Contractors Engineering	Loan and interest	67	-	1,148
Europe Airpost	Loan and interest	(114)	20,032	103
	Management fees	410	-	-
ACL Aviation Ltd	Loan and interest/ Management fee	111	-	3,576
ACL Air Ltd	Loan and interest	24	-	1,054
ACL Leasing Ltd	Management fee/Loan	-	-	2,639
Safair Operations (Pty) Ltd	Management fee/Loan	153	170	-
Safair Lease Finance (Pty) Ltd	Loan	-	-	5,987
Safair Aviation (Ireland) Ltd	Loan	-	-	14,399
			20,202	62,888
Shareholders				
CMB	Interest payable/ Guarantee fees/ Shareholder loan	(618)	33,612	
3P	Interest payable/ Shareholder loan	(138)	32,021	
			65,633	

25 Operating leases

	Group		Company	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
As lessee				
Operating lease commitments				
The future non-cancellable operating lease rentals for aircraft and property that are payable are as follows:				
Less than one year	**23,091**	15,270	**-**	-
Between 1 and 5 years	**27,356**	29,934	**-**	-
More than 5 years	**9,396**	8,983	**-**	-
	59,843	54,187	**-**	-

As lessor

Aircraft leasing rights

The Group leases out certain aircraft under operating leases.

The future minimum operating lease payments that are receivable under non-cancellable leases are as follows:

	Group		Company	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Less than one year	**60,506**	71,033	**1,908**	2,379
Between 1 and 5 years	**64,885**	71,618	**4,473**	10,103
More than 5 years	**-**	3,133	**-**	-
	125,391	145,784	**6,381**	12,482

26 Commitments

At 31 December 2011, the Group had the following commitments:

	Group		Company	
	2011	2010	**2011**	2010
	€'000	€'000	**€'000**	€'000
Aircraft purchases	**17,998**	14,516	**-**	-
Leasehold improvements	**-**	2,878	**-**	120
Inventory purchases	**-**	63	**-**	63
	17,998	17,457	**-**	183

The aircraft purchase commitments approximate to market prices.

The purchase commitment relates to the commitment to purchase aircraft which the Group currently leases for delivery during 2012. The purchase price is contracted in US Dollars. The transaction was completed in February 2012.

27 Major exchange rates

	Closing rate		Average rate	
	31 December 2011 €'000	31 December 2010 €'000	**31 December 2011 €'000**	31 December 2010 €'000
The following major exchange rates have been used in preparing the consolidated financial statements				
US Dollar	**1.2939**	1.3362	**1.4035**	1.3294
British Pound	**0.8353**	0.8608	**0.8734**	0.8583
South Africa Rand	**10.4830**	8.8625	**10.085**	9.808

28 Subsequent events

Subsequent to year end but before the date of approval of these financial statements, the remaining external shareholders of Europe Airpost SA exercised an option which required Air Contractors (Ireland) Limited to purchase the 3% shareholding which it did not previously own. This option was exercised for €1,581,242.

29 Company result for the year

A separate company income statement is not presented in these financial statements as the Company has availed of the exemption provided by Section 148(8) of the Companies Act, 1963. The company recorded a profit of €3,690,000 for the year ended 31 December 2011 *(2010: profit of €8,121,488).*

30 Approval of financial statements

The board of directors approved these financial statements on 4 April 2012.

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