

KLAUS HEINEMANN, FINNAIR CHAIRMAN OF THE BOARD, AT THE FINNAIR AGM IN 25 MARCH 2015

Distinguished Finnair shareholders, ladies and gentlemen,

Welcome to Finnair Annual General Meeting for 2015. It is a pleasure to see so many of you here today.

2014 was an eventful year for Finnair, and CEO Pekka Vauramo will discuss it in more detail in his presentation. Nevertheless, I want to raise a few important points already now in my opening words.

One of the most important events last year was that we managed together with the personnel to agree on collective labor and savings agreements with all personnel groups.

For this, I want to express my sincere and warm thanks to the whole Finnair personnel. We are very fortunate that we are not in the same position as some of our competitors, many of whom have struggled with strikes during this and last year.

Finnair Board of Directors considers this an important achievement, and we hope the active cooperation with personnel groups continues as we now prepare for service renewal and the arrival of the new Airbus A350 aircraft, both of which are vital for Finnair.

Year 2015 is for us an important year, as we now enter a new phase, where we in line with our strategy seek to increase revenue. Even if the changes ahead are positive in nature, they will not be easy ones, as launching new products and taking new aircraft into use always requires an organization to learn new things and also move away from the old ways of working. I do believe that the Finnair team is well aware of the great opportunities the upcoming changes of 2015 offer us in terms of improving our performance. I also believe that the Finnair spirit will support the performance of the team.

In last year's annual general meeting I expressed a wish to have a constructive discussion in Finland about Finnair ownership structure and the future of the company in the consolidating aviation market. I have the same wish also this year, as I believe that Finnair's future matters to the whole Finnish national economy. Aviation is a significant catalyst for economy, and air connections are critical in the global marketplace. I think it would be worthwhile to consider how the air connections could best be secured in this consolidating world.

Over the past months we have seen consolidation move forward on its inevitable course: British Airways' parent company IAG is in the process of buying Aer Lingus and Qatar acquired a 9,9% stake in IAG.

I fully understand that Finland must exercise caution and carefully evaluate the different future alternatives. At the same time, it is crucial to ensure the possibility to take action, should it be deemed sensible for the nation. Hence, I feel the discussion on leeway in terms



of government ownership is still needed, and the Finnair Board of Directors considers such discussion and evaluation to be important. However, as I already last year pointed out, it is equally important that the majority of Finnair shares remain in Finnish hands also in the future.

Finally, I would like to say a few words about Finnair's domestic flying, which has been financially in the red for a long time. We tried to address these issues with the Flybe cooperation, but our joint venture was heavily loss-making, and last year it became evident that Finnair and Flybe UK, the mother company of Flybe Nordic, have very different views on how the domestic flying could be restored to profitability. Consequently, Flybe UK withdrew from the cooperation, and Finnish companies StaffPoint and GWS will join us as new owners for Flybe Nordic.

I naturally understand the national concern in Finland over maintaining air connections - or connections in general. I am familiar with Finland's aviation strategy and the statements by Transportation Minister Risikko.

I have understood that the purpose of the regional working groups that were established after the strategy was completed is that the regions together with local businesses seek ways to enable maintaining air connections. The strategy also emphasizes improving the way different traffic modes fit together to form so called travel chains, to make traffic flows smoother.

It is excellent to see this emphasis on the cooperation between different traffic modes in the strategy. Based on our studies, customers expect not only the schedules of different traffic modes to fit together, but also the related services such as ticketing and baggage handling to be integrated. Such cooperation has produced good results elsewhere in Europe and for example in Japan.

A responsible Board of Directors has a legal duty to address also the challenge presented by loss-making domestic flying. Finnair has also expressed its interest in taking part in discussions on the ways to stimulate demand for aviation in Finland. Nevertheless, it is important to separate the obligation of the public sector to provide a service, and the obligations of a listed company.

Dear shareholders,

Year 2015 carries a significant meaning for Finnair. We enter into a new phase. Our long-haul fleet renewal starts in the second half of the year, and once it is completed, we will have the most modern long-haul fleet in Europe. We intend to utilize this competitive advantage very effectively. At the same time, we continue to work to increase productivity and revenues, because our target is clear: we want to create a sustainably profitable Finnair integrated into a global aviation world that succeeds in the international race.

Thank you!