



Enskilda Nordic Seminar 2006

Copenhagen

12 January 2006

President and CEO

Jukka Hienonen

On blue and white wings since 1923

- Over 8 million passengers/year
- Turnover 1.7 billion euro
- 9 000 employees
- 70 aircraft
- Listed 1989 in Helsinki



Finnair Group Business Units

FINNAIR GROUP

SCHEDULED PASSENGER TRAFFIC

Finnair Scheduled Passenger Traffic

Finnair Cargo

Aero

FlyNordic

Finnair Aircraft Finance

LEISURE

Finnair Leisure Flights

Suntours Ltd

TRAVEL SERVICES

Finland Travel Bureau Area

Estravel

Amadeus Finland

AVIATION SERVICES

Finnair Technical Services

Northport – ground handling

Finnair Catering

Finncatering

Finnair Facilities Management

Airline structure

- Finnair Scheduled Passenger Traffic
 - Long-haul traffic
 - European traffic
 - Domestic trunk routes
- Finnair Leisure Flights
 - Mediterranean, Asia, North and South America
- Aero
 - Feeder traffic operator based in Tallinn, Estonia
 - The Baltics and Southern Finland
- FlyNordic
 - Low cost operator based in Stockholm
 - Scandinavia and elsewhere in Europe

Superiority of product

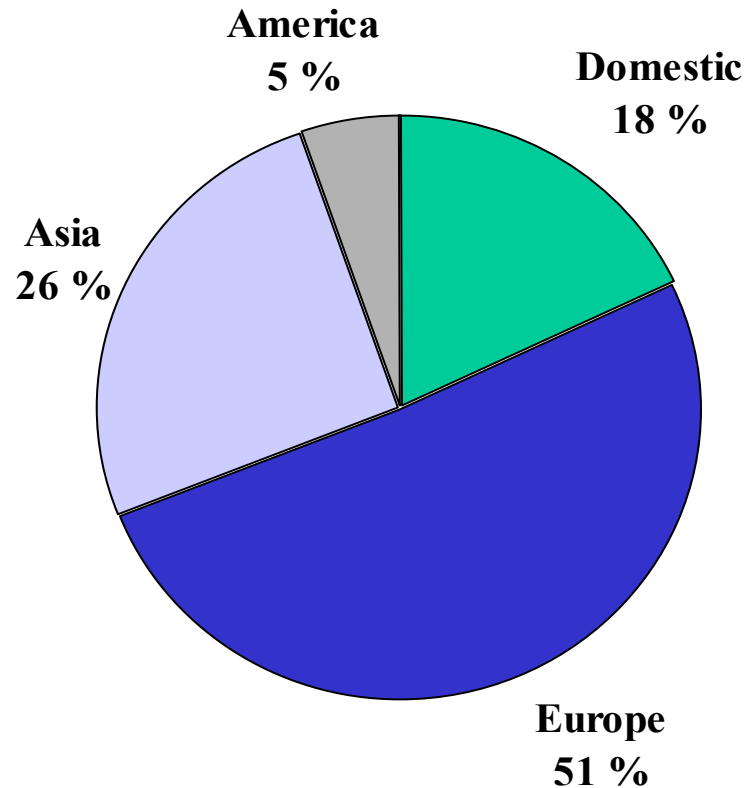
- Direct to over 40 international destinations for key clientele
 - No time-consuming transfers at crowded airports
- Best schedules - morning-evening concept
- Most punctual airline in Europe
- Top class service in Europe
- **oneworld** – alliance with quality partners
- Modern fleet in European traffic

Asian success story

- Demand grew 17% in 2005, passenger numbers increased 15% and cargo tonnes grew 13%
- Over 80 weekly flights between Asia and Europe
- 1-2 new destinations per year
- This year Nagoya and Delhi
- New Asian feeder routes in Europe: Edinburgh, Tuscany, Krakow and Geneva
- Lie-flat beds in Business Class throughout the entire long haul fleet
- Long-haul fleet will continue to expand: 12 new Airbus A340/A350 replacing current seven Boeing MD-11

Every fourth euro from Asian traffic

Scheduled Traffic, passenger and cargo revenues 2005 Q1-Q3



Finnair long-haul destinations

ASIA

Bangkok (daily/12 flights/week)

Beijing (daily)

Delhi (3 flights/week as of 11/06)

Guangzhou (3 flights/week)

Hong Kong (3 flights/week)

Nagoya (3 flights/week as of 6/06)

Osaka (5 flights/week)

Shanghai (5 flights/week)

Singapore (4 flights/week)

Tokyo (2 flights/week)

NORTH AMERICA

New York (5-7 flights/week)



□ Seasonal service ■ Scheduled destinations ■ Leisure destinations

Finnair favored in reservation systems

AN1A09SEP ARNPVG (=Stockholm-Shanghai)

** AMADEUS AVAILABILITY - AN ** PVG PU DONG.CN

- | | | |
|---|---|--------------|
| 1 | AY 892 J9 C9 D9 RL UL Y5 B4 /ARN 2 HEL 2 1425 1620 E0/320 | |
| | AY 057 J9 C9 D9 I9 RL UL Y9 /HEL 2 PVG 1700 0650+1E0/M11 | 10:25 |
| 2 | SK 415 C9 D9 J9 Y9 S9 B9 M9 /ARN 5 CPH 3 1320 1430 E0/321 | |
| | SK 997 A2 C9 D9 J9 Y9 S9 B9 /CPH 3 PVG 1515 0735+1 0/343 | 12:15 |
| 3 | KL1110 J0 C0 Z0 S0 B0 M0 K0 ARN 5 AMS 1300 1505 E0.737 | |
| | KL895 C4 D4 W4 Y9 T4 K4 H4 AMS PVG 1720 0845+1 0.74M | 13:45 |
| 4 | CA 912 C4 D4 Y4 B4 H4 K4 L4 ARN 5 PEK 1750 0800+1 0.767 | |
| | MU 583 C4 Y4 V4 Q4 PEK PVG 1140+1 1335+1 0.320 | 13:45 |

=> total travel time defines the order of alternatives

FlyNordic

- Stockholm-based low cost carrier
- “Creaming the crop” on high-volume routes
- Domestic routes in Sweden, intra-Scandinavian and European routes
- Currently a fleet of eight Boeing MD-80 aircraft
- Competitive cost structure
- 1.2 million passengers in 2005
- Growth of 62%
- Using main airports, attracting business travel

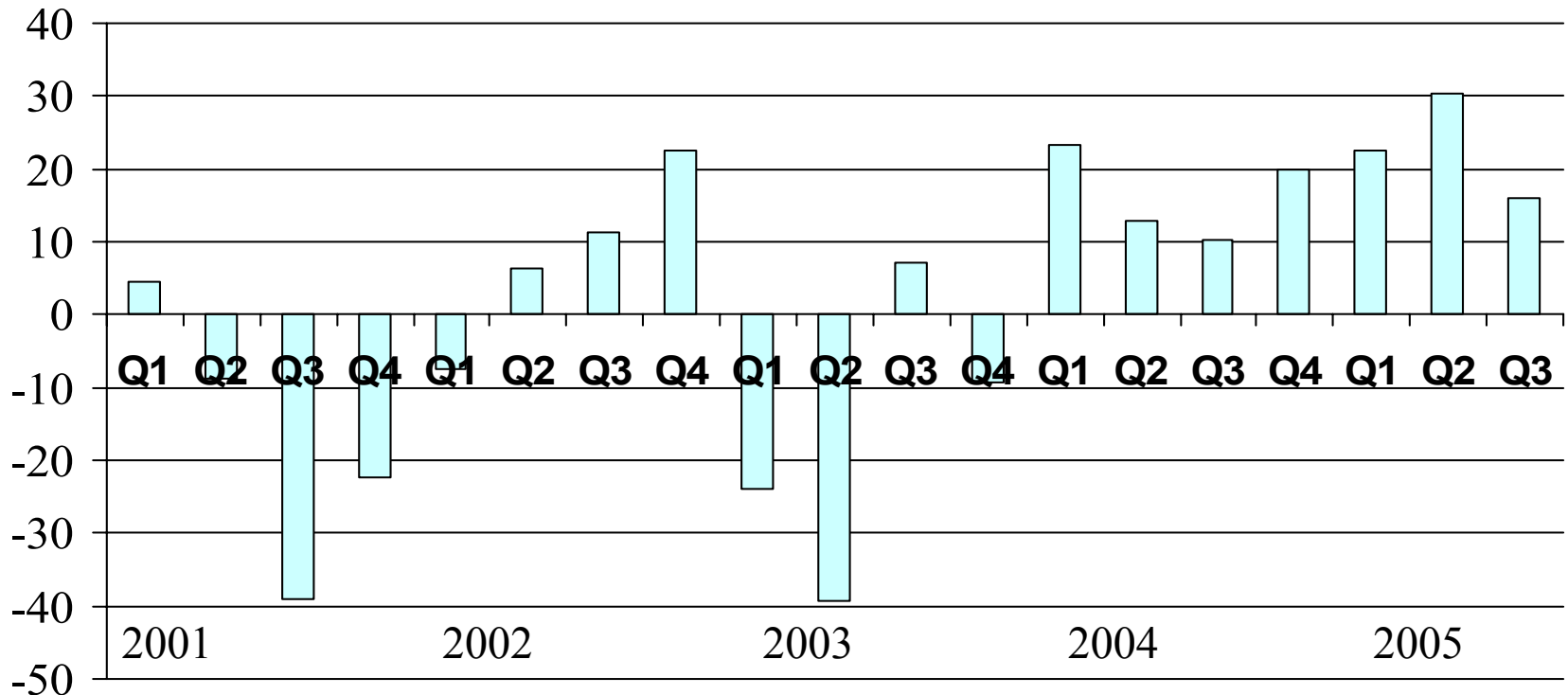
oneworld energised

- Largest airline in Asia and the Pacific region, Japan Airlines on the way to **oneworld**
- Royal Jordanian will complement our network in growing middle-eastern market
- Hungary's Malev serve as partner in Central Europe
- **oneworld** only profitable alliance
 - Its members' combined profit in 2004 was 1.5 billion dollars, total combined loss by two other alliances approx. 10 billion dollars.

Continuous result improvement

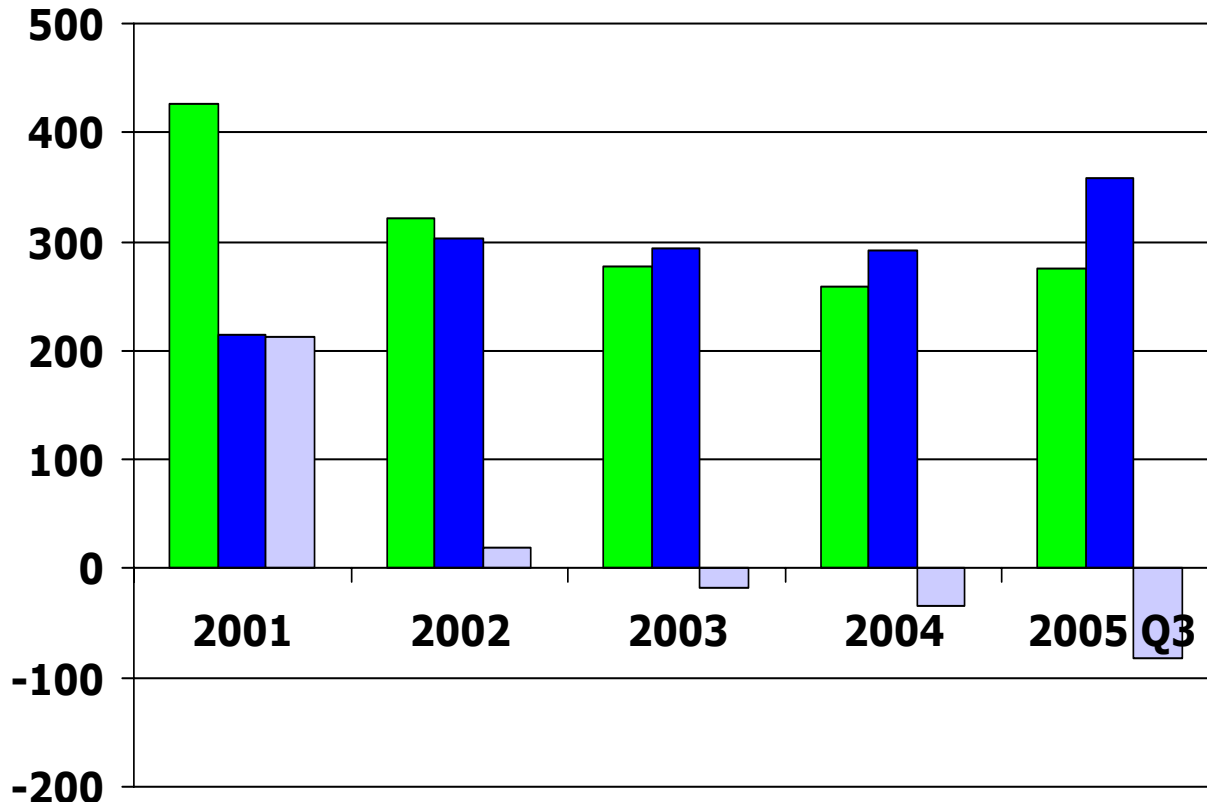
Change in EBIT per quarter (excluding capital gains)

EUR mill.



Net debt free

EUR mill.



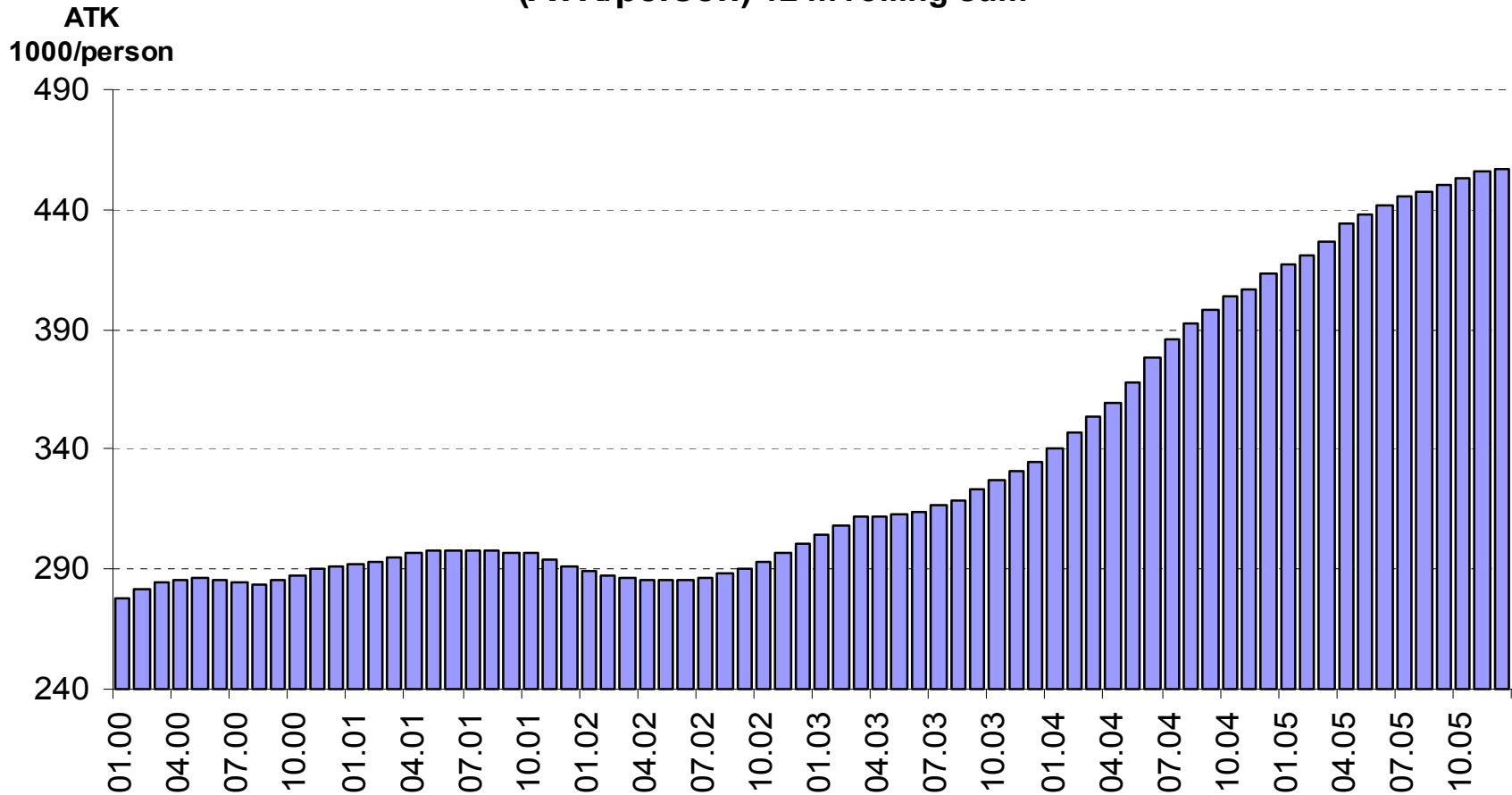
■ Interest bearing debt
■ Liquid funds
■ Net debt

30.9.2005

**Liquid funds 358 EUR mill.
Credit facilities 200 EUR mill.**

Work for productivity bears fruit

Productivity (incl. Aero and FlyNordic)
(ATK/person) 12 m rolling sum



Fully harmonised fleet by 2012

Airbus A340/A350

Long haul

- 12-18 aircraft
- 250-314 seats



Embraer 170/190

Feeder traffic

- 16 aircraft
- 76-100 seats



Airbus A319/A320/A321

Mid haul

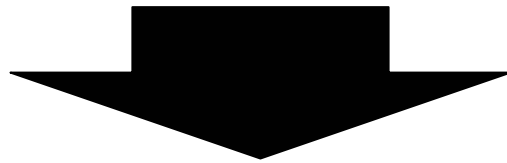
- 29 aircraft
- 126-181 seats

Modern fleet

- Half of the entire fleet already renewed 1999-2004
- One of the most modern fleets in Europe by the summer
- All remaining Boeing MD-80 aircraft retired by summer 2006
- New Embraer planes increase flexibility and improve load factors
- Eighth wide-body planned for this year
- 12 new Airbus A340/A350 wide-body aircraft in 2007-2012

Strategy corner stones

- Growth from Europe-Asia traffic and neighbouring markets
- Preferred airline by key customers
- Improved flexibility
- Cost efficiency vs. relevant competitors



SUSTAINABLE, PROFITABLE GROWTH

Fuel costs increase

- 2003: 10.2% of turnover
- 2004: 12.5% of turnover
- 2005: >15.5% of turnover
- 2006: >19% of turnover at current price level and planned traffic increases

Finnair has hedged approx. 70% of its fuel purchases for the next six months, descending from this level for 18 months

Short term outlook

- Strategy continues to show its strength
- Asian expansion continues with arrival of more aircraft
- Productivity is improving
- The Q4 result is not expected to have a significant influence on the full year result level
- 2005 result clearly profitable
- Fuel expenses continue to rise during the first half of 2006 despite increased hedging
- Competition tightens in Europe

Thank you for flying with us!