FINNAIR GROUP FINANCIAL STATEMENT JANUARY 1 – JUNE 30, 2006

Low price level and restructuring costs weigh on result for first six months of year

Summary of second quarter key figures April 1 – June 30, 2006

– Turnover rose 5.4% to 494.6 million euros
– Passenger traffic grew 6.8% from the previous year, passenger load factor rose 5.1 percentage points to 75.5%
– Unit revenues from flight operations grew by 0.8%, unit costs by 6.5%
– Operating profit excluding depreciation, aircraft leasing payments and non-recurring arrangement expenses(EBITDAR) was 68.2 million euros (73.5 million)
– Operating profit was 5.5 million euros (35.3 million)
– Operating profit excluding capital gains, arrangement expenses and changes in the fair value of derivatives, i.e. operating loss on operations, fell to 18.2 million euros (30.0 million)
– Non-recurring arrangement expenses:
– personnel expenses, 10 million euros
– write-down of Finnair Technical Services' inventories from discontinued types of aircraft, 5.2 million
– Profit after financial items was 3.3 million euros (36.3 million).
– At the end of June, Finnair was debt-free and balance sheet cash and bank equivalents totalled 366.1 million euros
– Equity ratio 38.5% (40.9%)
– Equity per share 7.33 euros (7.63)
– Earnings per share (undiluted) 0.01 euros (0.31) and earnings per share (with dilution) 0.01 euros (0.30)
– Return on capital employed 4.1% (10.7%)
– The result for the entire year is still expected to be in the profit, but below the previous year's level

President and CEO Jukka Hienonen on the interim result

Competition in air traffic has continued to be intense in the early part of the year. Two competitors have withdrawn from the market in the wake of losses. As the price of oil has increased, costs have risen strongly and this is also reflected in Finnair's result. Our current profit level is unsatisfactory.

We have focused on improving our cost-efficiency. The statutory employer-employee negotiations related to this were for the most part concluded at the end of June. As a result, around 670 jobs will be discontinued within the Group's support functions. These structural changes will result in significant non-recurring costs, which have been recognised in this interim report.

Finnair has become a significant player in traffic between Asia and Europe, which is also apparent in our restructuring. This year we have added two aircraft on long-haul routes and have recruited more personnel for flight operations. Demand for our Asian traffic continues to be strong, with a good price level, and our market share is still increasing.

We will maintain our customer relationships through a developing route network and a desirable product. It is gratifying to note the record high passenger load factor of our aircraft and the continuing strong growth in demand, which also provide grounds for improving the level of prices.

As a consequence of a strong order book, a modern fleet and the implemented structural changes, I believe that Finnair has a good basis for strengthening profitability in future.

General Review

In the early part of the year Finnair's passenger and cargo volumes have grown and load factors have risen to record highs. The market situation is characterised, however, by a battle for market shares, which has significantly reduced the average price of flight tickets. The average price of Finnair's passenger traffic fell in the early part of the year by two per cent and in the second quarter by 4.6 per cent.

Finnair's unit revenues have declined by a third in five years. At the same time the price of fuel has tripled, as a result of which Finnair has improved the efficiency of its operations in several ways in recent years. The price of fuel remains high and is continuing to burden profitability.

To safeguard sound business operations, the Finnair Group has a programme to improve competitiveness. In May statutory employer-employee negotiations were initiated with the aim of reducing personnel numbers by around 670, mainly in support functions, by the end of 2007. The negotiations ended in terms of the parent company on 27th June, at which time a reduction of jobs in accordance with the restructuring programme was agreed. Employer-employee negotiations are still continuing in the subsidiaries. In addition, negotiations are under way in the Flight Operations Group to achieve productivity improvements and reduce operating costs. More than half of the announced 80 million euro annual savings target has been identified to date.

Due to increases in Asian traffic, resources and personnel will be added in the coming years in a number of areas, including flight operations. Correspondingly, support operations for which there is no commercial justification due to technical developments will be cut. The aim of these measures is to improve the competitiveness of all of Finnair's operations and to increase transparency.

Introducing the new Embraer aircraft in place of the Boeing MD-80s has again resulted in a temporary fall in productivity during the second quarter due to the retraining of staff. The long-term savings generated by the new type of aircraft will be based on more efficient capacity utilisation and lower operating costs. Embraer's modern technology will also reduce maintenance costs. The long-serving Boeing MD-80 aircraft were withdrawn from the parent company's scheduled passenger traffic in July 2006.

European airlines' traffic grew by around six per cent in the early part of the year. Finnair's traffic growth is above the European average. Finnair's Asian traffic grew in April-June by more than 22.5 per cent, increasing Finnair's market share in traffic between Europe and Asia.

In December 2005, Finnair announced that it would acquire 12 new long-haul aircraft by 2014. The addition of capacity in traffic between Asia and Europe will continue despite a delay in the introduction of the new Airbus A350 type of aircraft.

A seventh long-haul Boeing MD-11 aircraft began operating in January 2006. Due to maintenance shutdowns of aircraft caused by the makeover of the wide-bodied fleet cabins, the additional capacity was not fully taken into use until the late spring. An Airbus A340 wide-bodied aircraft acquired for the fleet and introduced in July will also increase passenger and cargo capacity in the latter part of the year.

Passenger numbers carried by the Finnair-owned budget airline FlyNordic grew at the beginning of the year by ten per cent compared to the previous year. Price development in the Swedish market, however, has been weaker than expected and the price of fuel has risen sharply, which have adversely affected FlyNordic profitability. The company's result on operations was a loss in the first half of the year but profitability improved in the second quarter of the year.

Financial Result, 1 April – 30 June 2006

Turnover rose 5.4 per cent and was 494.6 million euros. The Group's operating profit on operations excluding capital gains, non-recurring arrangement expenses and changes in the fair value of derivatives fell to 18.2 million euros (30.0 million euros) Adjusted operating profit margin was 3.7 per cent (6.4%). The result after financial items was 3.3 million euros (36.3 million euros). Changes in the fair value of derivatives had no substantial effect on the result for the second quarter of 2006.

Passenger traffic capacity grew in April-June by 0.4 per cent and demand by 6.8 per cent. Passenger load factor rose 5.1 percentage points from the previous year to 75.5 per cent. The quantity of cargo carried grew by 2.2 per cent.

In scheduled passenger and leisure traffic, total unit revenues per passenger kilometre fell by 1.1 per cent. Unit revenues per tonne kilometre for cargo traffic rose by 4.8 per cent. Weighted unit revenues for passenger and cargo traffic fell by 0.7 per cent.

Euro-denominated operating costs rose during the period by 12.0 per cent. Unit costs of flight operations rose by 6.5 per cent. Unit costs, excluding fuel costs, rose by 1.4 per cent.

Fuel costs increased in the second quarter by around 21.7 million euros compared with the previous year, i.e. by 31.4 per cent. Relative to flight performance (euros per available tonne kilometre) the increase was 29.7 per cent.

The 52.0 per cent rise in fleet material procurement and maintenance costs resulted from a 5.2 million euro write-down on Finnair Technical Services' inventories due to the discontinuation of maintenance preparedness for certain types of aircraft, from modification and maintenance costs of the Airbus A340 aircraft introduced at the end of

June and from makeover costs for the cabins of the Boeing MD-11 long-haul fleet.

Capital gains on asset sales totalled 1.9 million euros (1.8 million). In the second quarter, one ATR 72 aircraft used by the subsidiary Aero was sold.

Earnings per share for the quarter amounted to 0.01 euros (0.31). Equity per share at the end of June was 7.33 euros (7.63).

Financial Result, 1 January – 30 June 2006

Turnover rose 6.8 per cent and was 974.9 million euros. The Group's operating profit excluding capital gains, changes in the fair value of derivatives and arrangement expenses fell to 13.1 million euros (44.0 million euros). Adjusted operating profit margin was 1.3 per cent (4.8%). The result after financial items was a loss of 1.9 million euros (53.7 million euros profit).

Passenger traffic capacity grew in January-June by one per cent and demand by 5.4 per cent. Passenger load factor rose 3.1 percentage points from the previous year to 75.0 per cent. The quantity of cargo carried grew by 2.8 per cent.

In scheduled passenger and leisure traffic, total unit revenues per passenger kilometre rose by 1.9 per cent. Unit revenues per tonne kilometre for cargo traffic rose by 6.1 per cent. Weighted unit revenues for passenger and cargo traffic rose by 1.9 per cent.

Euro-denominated operating costs rose in the early part of the year by 12.6 per cent. Unit costs of flight operations rose by 8.3 per cent. Unit costs of flight operations, excluding fuel costs, rose by 2.1 per cent.

Earnings per share for January-June amounted to -0.04 euros (0.45).

Investment, financing and risk management

In January-June 2006, investments totalled 119.0 million euros (30.9 million euros). The cash-flow impact of investments in January-June, including advance payments, was 147.3 million euros. The investment programme for new aircraft in 2006 and 2007 is more than 250 million euros in both years.

In June, Finnair issued a 100 million euro bond. Also in June, Finnair signed a 50 million euro credit facility for aircraft financing. At the end of June, the Group had balance sheet cash and cash equivalents amounting to 366.1 million euros, in addition to which there was a total of 250 million euros in unused committed credit facilities.

Operational net cash flow was 23.6 million euros, compared with 105.7 million euros a year earlier. At the end of June the Group's financial assets exceeded its interest-bearing debt by 12.8 million euros. Gearing has risen from -15.3 per cent at end-June 2005 to -3.8 per cent this year. Gearing adjusted for leasing liabilities was 92.6 per cent (81.0%). The equity ratio fell from the same period in the previous year by 2.4 percentage points to stand at 38.5 per cent. The key figures are better than the targets set by the Board of Directors.

According to the financial risk management policy approved by Finnair's Board of Directors, the company has hedged 62 per cent of scheduled traffic's aviation fuel purchases during the next six months and thereafter for the following 18 months with a decreasing level of hedging.

Finnair Leisure Flights has price hedged 60 per cent of the fuel consumption of its agreed traffic programme for the winter season.

A weakening of the US dollar against the euro has a positive impact on Finnair's operational result. At the end of June, the degree of hedging for a dollar basket over the next 12 months was 81 per cent.

Shares and Share Capital

During the period January-June 2006, the highest price for the Finnair Plc share on the Helsinki Exchanges was 15.00 euros, while the lowest price was 10.01 euros and the average price 12.61 euros. The market value of the company's shares was 1,071.8 million euros on 30 June 2006. At the beginning of the financial year the market value was 1,039.9 million euros. In the period January-June, 23.0 million of the company's shares were traded on the Helsinki Stock Exchange. On 30 June 2006 the Finnish government owned 56.13 per cent of the company's shares, while 34.07 per cent were held by foreign investors or in the name of a nominee.

At the beginning of the financial period, the company held 535,000 of its own shares. On 23 March 2006 the Annual General Meeting authorised the Board of Directors for a period of one year to purchase the company's own shares up to a maximum of 3,500,000 shares and dispose of the company's own shares up to a maximum of 3,650,000 shares. The authorisation applies to shares amounting to less than five per cent of the company's share capital. By 30 June 2006, the company had not exercised the authorisation to purchase its own shares. As part of a 2004 share bonus scheme, the company transferred a total of 383,097 of its own shares to key individuals in April 2006. On 30 June 2006 the company held a total of 151,903 own shares, i.e. 0.17 per cent of all shares.

Two series of Finnair Plc option rights are traded on the Main List of the Helsinki Stock Exchange. At the beginning of the financial period 396,394 Series A options and 816,150 Series B options were in circulation. In January-June 2006, a total of 666,925 shares were subscribed for with options and the share capital was increased by 566,886.25 euros. Finnair Plc's registered share capital on 30 June 2006 was 74,979,429.90 euros and the total number of shares was 88,211,094.

If all the share options in circulation on 30 June 2006 were exchanged for Finnair Plc shares, the Finnish Government's holding would be 55.8 per cent. On the basis of share options that remain unexercised, the company's share capital can rise by a maximum of 463,776.15 euros, corresponding to

545,619 shares, which is 0.6 per cent of the company's shares.

Personnel

In the period January-June, the average number of staff employed by the Finnair Group amounted to 9,707 people, which was 2.1 per cent more than a year before. The number of scheduled passenger traffic personnel grew in the early part of the year by 6.6 per cent. The increase has been directed at the Flight Operations Group. The number of personnel in other business areas has declined or remained as before. The trend is in accordance with the Finnair Group's restructuring plan.

Scheduled Passenger Traffic had an average of 4,139 employees and Leisure Traffic 333 employees in the first half of the year. The total number of personnel in technical, catering and ground handling services was 3,836 and in travel services 1,165. A total of 234 people were employed in other functions. Around 225 staff were employed in foreign units, where they are engaged mainly in commercial duties.

The company has collective employment agreements valid at least until 30 September 2007 with six labour unions and with pilots until May 2008.

On 5 May 2006, Finnair announced a target for statutory employer-employee negotiations, aimed at cutting 670 jobs by the end of 2007. These negotiations are continuing in the subsidiaries, but in terms of the parent company the negotiations were concluded on 27 June 2006. Negotiations to improve flexibility in the terms and conditions of employment of pilots and cabin staff will continue.

Second quarter costs include a ten million euro provision for arrangement expenses provision to cover the implementation of pension and other solutions agreed in the statutory employer-employee negotiations. The expense provision has been recognised in personnel expenses.

Performance of the Divisions

The primary segment reporting of the Finnair Group's financial statements is based on business areas. The reporting business areas are Scheduled Passenger Traffic, Leisure Traffic, Aviation Services and Travel Services.

Scheduled Passenger Traffic

This business area is responsible for sales of scheduled passenger traffic and cargo, service concepts, flight operations and activity connected with the procurement and financing of aircraft. Scheduled Passenger Traffic leases to Leisure Traffic the crews and aircraft it requires. The business area consists of the following units and companies: Finnair Scheduled Passenger Traffic, Aero Airlines, FlyNordic, Finnair Cargo Oy and Finnair Aircraft Finance Oy.

In April-June the business area's turnover grew 6.8 per cent to 392.3 million euros. The operating profit on operations was 21.7 million euros (25.2 million euros).

Demand for Finnair's Scheduled Passenger Traffic grew by 12.1 per cent in the second quarter, while capacity grew by 1.8 per cent, leading to an improvement in passenger load factor by 6.7 percentage points to 73.4 per cent.

Unit revenues for scheduled passenger traffic declined by 4.6 per cent in April-June. In addition to a general fall in the price level, the decline in unit revenues was also affected by growth of the relative share of long-haul traffic in traffic as a whole. In long-haul traffic, passenger kilometre-based unit revenue is lower than in European and domestic traffic. In long-haul traffic, however, average prices rose significantly. The price level in European and domestic traffic, on the other hand, fell from the previous year's level.

In April-June, cargo unit revenues rose by 4.8 per cent. The total quantity of cargo carried in scheduled traffic grew by 2.2 per cent. The quantity of cargo carried in Asian traffic grew by 14.6 per cent from the previous year.

Finnair's market share in traffic between Asia and Europe has grown further through additional flights and new destinations. In international traffic, Finnair has maintained its market share relative to its main competitors.

The arrival punctuality of scheduled passenger flights was 85.5 per cent (88.0%) during the first six months of the year.

Leisure Traffic

This business area consists of Finnair Leisure Flights as well as the Aurinkomatkat-Suntours package tour company, which is the biggest in its field in Finland with a market share of more than 35 per cent. Finnair Leisure Flights also enjoys a strong market leadership in leisure travel flights, even though more competition has entered the market.

In April-June Leisure Flights carried 8.7 per cent fewer passengers than a year earlier. Capacity was reduced to the same extent, so Leisure Flights' passenger load factor, 84.2 per cent, remained at the previous year's level. For the summer season, two Leisure Flights aircraft have been leased to an English charter company. In the second quarter, Aurinkomatkat-Suntours sold more travel packages than in the corresponding period last year, but overcapacity in the sector reduced price levels and weakened profitability.

The division's turnover grew during the second quarter by 0.5 per cent to 82.4 million euros. Growth resulted from fuel surcharges levied due to increased fuel costs. The operating profit on operations was 1.0 million euros (2.4 million euros).

For the coming winter season, Finnair has agreed fixed prices with tour operators and provided for the fuel risk with price hedging in accordance with the Group's financial policy.

In spring 2006 three lease agreements of Leisure Flights' seven Boeing 757 aircraft were renewed on clearly more favourable terms. The agreements of the other four aircraft had already been renewed.

During this and next year, winglets will be fitted to the seven Boeing 757-200 aircraft used by Finnair Leisure Flights. They improve an aircraft's aerodynamics and thus reduce fuel consumption and emissions. Fuel consumption will fall by an estimated 4-5 per cent.

Aviation Services

This business area comprises aircraft maintenance services, ground handling and the Group's catering operations. In addition, the Group's property holdings, office services and the management and maintenance of properties related to the Group's operational activities are also functions of the Aviation Services business area.

Aviation Services' turnover rose in April-June by 0.1 per cent to 97.5 million euros. The operating result on operations declined, however, to a loss of 1.5 million euros (10.6 million euros profit).

The downturn in the business area's result resulted from a lower price level for services as well as from non-recurring depreciation and recognition of write-downs made due to the discontinuation of maintenance preparedness for certain types of aircraft. The operations of Aviation Services are being improved through principles based on the LEAN process concept.

At the beginning of 2006, Finnair Technical Services initiated a competitiveness project, which will review the entire organisation and attempt to make operations more profitable by improving processes and operating models. At the same time, operations for which there is no commercial justification will be discontinued.

The technical development of the fleet has, among other things, lengthened maintenance intervals and thus will reduce the labour committed to maintenance activities. Finnair will cut back the maintenance preparedness of types of aircraft that have been removed from its fleet and will focus on acquiring deeper expertise of fewer types of aircraft.

Statutory employer-employee negotiations took place on May-June to reduce personnel numbers by nearly 300 in Finnair Technical Services. The reduction will be implemented through various pension solutions, outsourcing of functions and redundancies.

The ground handling company Northport Oy is expanding its operations to Oslo's Gardemoen Airport. Its Finnhandling subsidiary, which will be run with a light cost and administration structure, will start operating in Oslo in autumn 2006. The subsidiary is already operating at Stockholm's Arlanda Airport.

Travel Services

This business area consists of the Group's domestic and foreign travel agency operations - including Finland Travel Bureau, Estravel and Area – as well as the operations of the reservations systems supplier Amadeus Finland Oy.

The business area's turnover was 23.1 million euros (24.3 million euros) and operating profit on operations was 0.9 million euros (2.0 million euros). The decline in operating profit resulted mainly from pressure on service fees caused by tight competition.

During the last three years, the Finnair Group's travel agencies have successfully adopted a new earnings logic as airlines have abandoned the payment of sales commissions and shifted to charging service fees from customers. The process of adaptation and productivity improvement is continuing, however.

Through a business transaction completed at the end of June, Area sold to Finland Travel Bureau its operating points that specialise in leisure travel. Area will focus on providing these services on the internet and via its telephone service as well as on business travel. Finland Travel Bureau (FTB) will continue as a full-service travel department store. FTB's city destination package tour production was transferred to Aurinkomatkat-Suntours. As a result of the arrangements, personnel numbers in the travel agencies will be reduced by 60–70 people.

Services and Products

The Finnair route network consists of a comprehensive domestic network as well as an international network of nearly 50 destinations, of which ten are on long-haul routes. Finnair's success in European scheduled passenger traffic is based on the morning-evening concept favoured by business passengers.

The long-haul strategy exploits Helsinki's ideal position on flight routes between Asia and Europe. Finnair has 40 flight connections a week to Asian destinations. Moreover, the company has over 100 flights a month to China in its present traffic programme.

Growth in Asian traffic will continue strongly also in the future. This year a new destination opened, to Nagoya, Japan in June and traffic to New Delhi, India will begin in November. Of next year's new destinations, it has been announced that Kuala Lumpur in Malaysia will open in summer 2007.

Finnair's present destinations in Asia, in addition to Nagoya, are Bangkok, Hong Kong, Guangzhou, Osaka, Beijing, Singapore, Shanghai and Tokyo.

The type of aircraft used in long-haul traffic is mainly the wide-bodied Boeing MD-11. The cabins of the wide-bodied fleet were refurbished and new lie-flat seats were fitted in business class at the beginning of the year. In the summer, the first Airbus A340 wide-bodied aircraft was taken into use. The wide-bodied fleet will be expanded in the next few years to satisfy growing demand in Asian traffic.

The first seven of ten 76-seat Embraer 170 aircraft to be delivered to Finnair have already joined the fleet. In the latter part of the year, Finnair's Embraer fleet will be strengthened by one new aircraft each month. Of these aircraft, four are the larger 100-seat Embraer 190 model.

In Europe, five new destinations, which will serve local demand as well as the needs of Asian traffic, were opened in the spring. The new destinations are

Edinburgh, Geneva, Kiev, Krakow and Pisa/Florence. Flight frequencies on the St. Petersburg and Warsaw routes have been increased. Next year Bucharest, Ljubljana and Lisbon will be added to the European network. In addition, the Madrid and Manchester flights will fly direct, without an intermediate stop in Stockholm. Following this change, all significant connecting flights for traffic between Europe and Asia will be flown without intermediate stops.

Finnair Leisure Flights carries the customers of ten tour operators to 66 holiday destinations in 33 countries. In addition, holiday customers can use the internet to purchase flight seats on ten of Leisure Flights' routes. A new holiday route destination is Phuket in Thailand.

Future prospects

Finnair's passenger and cargo demand continues to grow. Due to more flexible use of capacity, load factors are also improving. In domestic and European traffic, competition for market share will remain tight.

Finnair's increases in capacity will be directed to Asian traffic, where capacity will grow in the latter part of the year by around 30 per cent. One or two new destinations will be opened in Finnair's Asia network each year and flight frequencies to current destinations will be increased. Asian traffic load factors and average prices are expected to remain good.

In December 2005 Finnair decided to commit to growth in Asian traffic by acquiring 12 new Airbus A340/A350 wide-bodied aircraft by 2014. In addition, there are four options for both types of aircraft.

Airbus Industrie has announced that it will revise the design of the A350, which will delay the introduction of this type of aircraft also as far as Finnair is concerned. On completion, the A350 aircraft will be more economic and have a higher level of performance. In terms of compensation for the delay in the aircraft, negotiations between Finnair and Airbus will seek a solution that safeguards the smooth continuity of Finnair's operations.

At the current price level of jet fuel, fuel costs are expected to be approximately 20 per cent of turnover in the current year. In 2005 fuel costs were equivalent to 15.6 per cent of turnover.

In the present market climate, compensating for the additional burden caused by fuel costs is challenging, which means that unit costs will be reduced in other expense items. In addition, productivity improvements will be pursued through operational rationalisation and structural changes.

Measures to boost competitiveness will be directed particularly at units that provide support services to flight operations, but a more flexible cost and operating structure will also be sought in flight operations. Personnel will be added where flight operations are expanding, while job numbers will be reduced in support operations. The profit impact of solutions relating to the current restructuring programme will fall for the most part in 2007. Savings will be fully apparent in 2008.

The result for the full year is still expected to be in profit, but below the previous year's level.

FINNAIR PLC
Board of Directors

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FINNAIR GROUP INTERIM REPORT FOR JANUARY 1 - JUNE 30, 2006

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and applies the accounting principles used in the annual financial statements for the financial period 2005. The interim report includes the condensed financial statements from the reported period. The income taxes are entered in accordance with the estimated average tax rate for the whole financial year.

KEY FIGURES EUR mill.

	2006	2005	Change	2006	2005	Change	2005
	1 Apr– 30 June	1 Apr– 30 June	%	1 Jan– 30 June	1 Jan– 30 June	%	1 Jan – 31 Dec
Turnover	494.6	469.4	5.4	974.9	912.8	6.8	1 871.1
Profit before depreciation and lease payments, EBITDAR *	68.2	73.5	-7.2	109.1	133.2	-18.1	249.3
Lease payments for aircraft	23.2	21.5	7.9	45.8	44.7	2.5	88.5
Operating profit, EBIT*	18.2	30.0	-39.3	13.1	44.0	-70.2	70.1
Fair value changes of derivatives	0.6	3.5	-82.9	0.5	8.2	-93.9	4.5
Profit from disposal of capital assets	1.9	1.8	5.6	1.9	1.8	5.6	7.3
Operating profit, EBIT	5.5	35.3	-84.4	0.3	54.0	-99.4	81.9
Profit for the financial year (share attributable to shareholders of parent company)	0.4	26.4	-98.5	-3.6	37.9	-109.5	61.4
Operating profit, EBIT, % of turnover *	3.7	6.4	-	1.3	4.8	-	3.7
EBITDAR, % of turnover *	13.8	15.7	-	11.2	14.6	-	13.3
Unit revenues of flight operations c/RTK	77.5	76.9	0.8	74.5	72.6	2.6	72.2
Unit costs of flight operations. c/ATK	47.6	44.7	6.5	46.8	43.2	8.3	45.3
Earnings per share EUR (basic)	0.01	0.31	-	-0.04	0.45	-108.9	0.73
Earnings per share EUR (diluted)	0.01	0.30	-	-0.04	0.44	-109.1	0.71
Equity per share EUR	7.33	7.63	-3.9	7.33	7.63	-3.9	7.73
Gross investment EUR mill.	70.3	20.6	241.3	119.0	30.9	285.1	57.5
Gross investment, % of turnover	14.2	4.4	-	12.2	3.4	-	3.1
Equity ratio %				38.5	40.9	-	42.2
Gearing %				-3.8	-15.3	-	-25.1
Adjusted gearing %				92.6	81.0	-	66.8
Rolling 12-month ROCE %				4.1	10.7	-	11.1
Rolling 12-month ROE %				3.0	8.3	-	9.8

* Excluding capital gains, fair value changes of derivatives and reorganization express.
Unit costs of flight operations c / ATK = Operating expenses (excluding fair value changes of derivatives) of Scheduled Traffic business area and Leisure Flights business unit / ATK of Group

CALCULATION OF KEY RATIOS

Earnings / share:

$$\frac{\text{Profit for the financial year}}{\text{Average number of shares at the end of the financial year, adjusted for share issues}}$$

Equity / share:

$$\frac{\text{Shareholders' equity}}{\text{Number of shares at the end of the financial year, adjusted for share issues}}$$

Gearing, %:

$$\frac{\text{Net interest-bearing liabilities *100}}{\text{Shareholders' equity + minority interest}}$$

Operating profit, EBIT :
Operating profit excluding the disposal of the capital assets and fair value changes of derivatives

Shareholders equity = To equity holders of the parent
The figures of interim report have not been audited.

Return on capital employed, %: (ROCE)

$$\frac{\text{Profit before taxes + interest and other financial expenses *100}}{\text{Balance sheet total - non-interest-bearing liabilities (average)}}$$

Net interest bearing liabilities:
Interest-bearing liabilities - interest-bearing assets - listed shares

Equity ratio, %:

$$\frac{\text{Shareholders' equity + minority interest *100}}{\text{Balance sheet total - advances received}}$$

Return on equity %: (ROE)

$$\frac{\text{Result before extraordinary items – taxes *100}}{\text{Equity + minority interests (average)}}$$

INCOME STATEMENT EUR mill.

	2006 1 Apr– 30 June	2005 1 Apr– 30 June	Change %	2006 1 Jan– 30 June	2005 1 Jan– 30 June	Change %	2005 1 Jan – 31 Dec
Turnover	**494.6**	**469.4**	**5.4**	**974.9**	**912.8**	**6.8**	**1 871.1**
Work used for own purposes and capitalized	0.3	0.8	-62.5	0.4	3.5	-88.6	11.3
Other operating income	7.3	8.7	-16.1	13.0	15.3	-15.0	31.8
Operating income	**502.2**	**478.9**	**4.9**	**988.3**	**931.6**	**6.1**	**1 914.2**
Operating expenses							
Staff costs	130.8	119.1	9.8	254.4	237.3	7.2	495.8
Fuel	90.8	69.1	31.4	180.1	128.8	39.8	292.7
Lease payment for aircraft	23.2	21.5	7.9	45.8	44.7	2.5	88.5
Other rental payments	19.2	16.3	17.8	40.0	33.0	21.2	69.2
Fleet materials and overhauls	23.1	15.2	52.0	48.9	37.3	31.1	82.6
Traffic charges	40.4	41.8	-3.3	79.1	77.7	1.8	159.1
Ground handling and catering expenses	35.0	33.1	5.7	68.2	65.4	4.3	134.0
Expenses for tour operations	22.9	20.4	12.3	57.1	50.8	12.4	102.0
Sales and marketing expenses	24.8	24.9	-0.4	41.7	42.2	-1.2	95.5
Depreciation	26.8	22.0	21.8	50.2	44.5	12.8	90.7
Other expenses	59.7	60.2	-0.8	122.5	115.9	5.7	222.2
Total	**496.7**	**443.6**	**12.0**	**988.0**	**877.6**	**12.6**	**1 832.3**
Operating profit EBIT	**5.5**	**35.3**	**-84.4**	**0.3**	**54.0**	**-99.4**	**81.9**
Financial income	2.0	7.0	-71.4	4.7	10.8	-56.5	20.1
Financial expenses	-4.3	-6.0	-28.3	-7.0	-11.1	-36.9	-14.6
Share of result in associates	0.1	0.0	-	0.1	0.0	-	0.1
Profit before taxes	**3.3**	**36.3**	**-**	**-1.9**	**53.7**	**-**	**87.5**
Direct taxes	-2.4	-9.9	-	-1.0	-15.1	-	-25.5
Profit for financial year	**0.9**	**26.4**	**-**	**-2.9**	**38.6**	**-**	**62.0**

Earnings per share to shareholders of the parent company	0.4	26.4		-3.6	37.9		61.4
Minority interest	0.5	0.0		0.7	0.7		0.6
Earnings per share calculated from profit attributable to shareholders of the parent company							
Earnings per share EUR	0.01	0.31		-0.04	0.45		0.73
Earnings per share EUR (diluted)	0.01	0.30		-0.04	0.44		0.71

BALANCE SHEET EUR mill.

	30 June 2006	30 June 2005	31 Dec 2005
ASSETS			
Non-current assets			
Intangible assets	50.5	40.0	44.6
Tangible assets	933.9	865.5	844.4
Investments in associates	2.9	3.1	3.1
Financial assets	16.2	17.5	17.7
Deferred tax receivables	26.5	26.1	17.5
Total	1 030.0	952.2	927.3
Short-term receivables			
Inventories	40.3	47.3	45.1
Trade receivables and other receivables	274.9	276.9	247.6
Investments	324.4	322.6	391.7
Cash and bank equivalents	41.7	28.5	26.7
Total	681.3	675.3	711.1
Assets total	**1 711.3**	**1 627.5**	**1 638.4**
SHAREHOLDERS´ EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the parent company			
Shareholders´equity	75.0	72.1	73.8
Other equity	565.6	572.1	598.6
Total	640.6	644.2	672.4
Minority interest	1.9	1.7	1.6
Equity, total	642.5	645.9	674.0
Long-term liabilities			
Deferred tax liability	124.1	141.4	125.8
Financial liabilities	299.7	225.1	214.9
Pension obligations	7.6	5.5	12.7
Total	431.4	372.0	353.4
Short-term liabilities			
Current income tax liabilities	8.3	6.5	20.1
Financial liabilities	58.1	50.3	52.7
Trade payables and other liabilities	571.0	552.8	538.2
Total	637.4	609.6	611.0
Liabilities total	1 068.8	981.6	964.4
Shareholders' equity and liabilities, total	**1 711.3**	**1 627.5**	**1 638.4**

CASH FLOW STATEMENT

EUR mill.	1 Jan - 30 June 2006	1 Jan - 30 June 2005	1 Jan -31 Dec 2005
Cash flow from operating activities			
Profit for the financial year	-2.9	38.6	62.0
Operations for which a payment is not included **1)**	41.4	38.6	91.7
Interest and other financial expenses	7.0	11.2	14.6
Interest income	-4.7	-3.3	0.0
Other financial income	0.0	-7.5	-12.0
Dividend income	0.0	-0.1	-0.3
Taxes	1.0	15.1	25.5
Changes in working capital:			
Change in trade and other receivables	-40.7	-30.9	-18.5
Change in inventories	4.9	-0.5	1.3
Change in accounts payables and other liabilities	37.3	44.1	33.5
Interest paid	-4.1	-4.2	-9.5
Paid financial expenses	-2.3	-6.1	-1.5
Received interest	4.4	3.2	0.0
Received financial income	0.0	7.5	7.0
Taxes paid	-17.7	0.0	-2.0
Net cash flow from operating activities	**23.6**	**105.7**	**191.8**
Cash flow from investing activities			
Sell of subsidiarys. net of cash sold	0.0	0.0	3.5
Investments in intangible assets	-10.8	-6.6	-16.1
Investments in tangible assets	-136.5	-33.2	-57.7
Net change of financial interest bearing assets at fair value through profit and loss	31.1	4.8	-30.2
Sales of tangible fixed assets	2.1	0.6	2.8
Received dividens	0.0	0.1	0.3
Change in non-current receivable	1.5	-2.5	-2.6
Net cash flow from investing activities	**-112.6**	**-36.8**	**-100.0**
Cash flow from financing activities			
Loan withdrawals and changes	103.2	4.8	11.0
Loan repayments	-12.9	-6.7	-19.0
Purchase of own shares	0.0	0.0	-1.5
Sales own shares	0.0	0.0	0.2
Optio right to own shares	3.0	0.4	12.6
Share premium account changes	0.0	0.0	2.3
Dividends paid	-21.8	-8.5	-8.5
Net cash flow from financing activities	**71.5**	**-10.0**	**-2.9**
Change in cash flows	**-17.5**	**58.9**	**88.9**
Change in liquid funds			
Liquid funds, at beginning	339.4	250.5	250.5
Change in cash flows	-17.5	58.9	88.9
Liquit funds, in the end	**321.9**	**309.4**	**339.4**

EUR mill.	1 Jan - 30 June 2006	1 Jan - 30 June 2005	1 Jan -31 Dec 2005
Notes to cash flow statement			
1) Operations for which a payment is not included			
Depreciation	49.2	44.5	90.7
Employee benefits	-5.3	-4.4	2.6
Other adjustments	-2.5	-1.5	-1.6
Total	41.4	38.6	91.7
Financial asset at fair value	324.4	322.6	391.7
Cash and bank equivalents	41.7	28.5	26.7
Short-term cash and cash equivalents in balance sheet	366.1	351.1	418.4
Shares held to trading purposes	-4.2	-5.5	-7.9
Maturing after more than 3 months	-40.0	-36.2	-71.1
Total in cash flow statement	321.9	309.4	339.4

SHAREHOLDERS´EQUITY EUR mill.

Equity attributable to shareholders of parent company									
	Share capital	**New issue**	**Share premium account**	**Bonus issue**	**Hedging reserve**	**Retained earnings**	**Total**	**Minority interests**	**Own equity total**
Share-holders equity 1.1.2005	72.1	0.0	5.7	147.7	-9.9	359.5	**575.1**	**1.2**	**576.3**
New issue shares			0.4				0.4		0.4
Translation difference						-0.1	-0.1		-0.1
Dividend payment						-8.5	-8.5	-0.2	-8.7
Change in fair value of hedging instruments					39.4		39.4		39.4
Profit for the period						37.9	37.9	0.7	38.6
Share-holders equity 30.6.2005	72.1	0.0	6.1	147.7	29.5	388.8	**644.2**	**1.7**	**645.9**

SHAREHOLDERS´EQUITY EUR mill.

Equity attributable to shareholders of parent company									
	Share capital	**New issue**	**Share premium account**	**Bonus issue**	**Hedging reserve**	**Retained earnings**	**Total**	**Minority interests**	**Own equity total**
Share-holders´ equity 1.1.2006	73.8	0.6	18.3	147.7	20.9	411.1	**672.4**	1.6	**674.0**
New issue shares	1.2	-0.6	2.4				3.0		3.0
Share-based payment expense			-2.3			2.1	-0.2		-0.2
Translation difference						-0.1	-0.1		-0.1
Dividend payment						-21.8	-21.8	-0.4	-22.2
Change in fair value of hedging instruments					-9.1		-9.1		-9.1
Profit for the period						-3.6	-3.6	0.7	-2.9
Share-holders equity 30.6.2006	75.0	0.0	18.4	147.7	11.8	387.7	**640.6**	**1.9**	**642.5**

SEGMENT INFORMATION

The business segments. Scheduled Passenger Traffic, Leisure Traffic, Aviation Services and Travel Services, are the primary reporting format. The geographical segments, Finland, Europe, Asia, North America and Others, make up the secondary reporting format. Segment information is based on the corresponding information reported in the financial statement 2005.

PRIMARY REPORTING FORMAT - BUSINESS SEGMENT DATA 1 Jan - 30 June 2006

	Scheduled Passenger Traffic	Leisure Traffic	Aviation Services	Travel Services	Group eliminations	Unallocated items	Group
EUR mill.							
External turnover	689.8	190.0	51.8	43.3		0.0	974.9
Internal turnover	55.3	1.8	147.9	2.4	-207.4		0.0
Turnover	745.1	191.8	199.7	45.7	-207.4	0.0	974.9
Operating profit	18.1	6.8	-15.5	1.2		-10.3	0.3
Share of results of associated undertakings						0.1	0.1
Financial income						4.7	4.7
Financial expenses						-7.0	-7.0
Income tax						-1.0	-1.0
Minority interest						-0.7	-0.7
Result for the period							-3.6
Other items							
Investments	101.8	0.4	15.3	0.5	0.0	1.0	119.0
Depreciation	34.6	0.1	13.2	0.7	0.0	1.6	50.2

PRIMARY REPORTING FORMAT - BUSINESS SEGMENT DATA 1 Jan - 30 June 2005

	Scheduled Passenger Traffic	Leisure Traffic	Aviation Services	Travel Services	Group elimina tions	Unallocated items	Group
EUR mill.							
External turnover	639.9	182.0	47.2	43.7		0.0	912.8
Internal turnover	52.0	1.8	150.8	2.5	-207.1		0.0
Turnover	691.9	183.8	198.0	46.2	-207.1	0.0	912.8
Operating profit	36.4	7.2	16.1	3.3		-9.0	54.0
Share of results of associated undertakings						0.0	0.0
Financial income						10.8	10.8
Financial expenses						-11.1	-11.1
Income tax						-15.1	-15.1
Minority interest						-0.7	-0.7
Result for the period							37.9
Other items							
Investments	17.7	0.0	11.6	0.4	0.0	1.2	30.9
Depreciation	31.1	0.1	11.3	0.8	0.0	1.2	44.5

TURNOVER

	2006	2005	Change	2006	2005	Change	2005
	1 Apr– 30 June	1 Apr – 30 June	%	1 Jan– 30 June	1 Jan – 30 June	%	1 Jan – 31 Dec
EUR mill.							
Scheduled Passenger Traffic	392.3	367.3	6.8	745.1	691.9	7.7	1 407.9
Leisure Traffic	82.4	82.0	0.5	191.8	183.8	4.4	387.3
Aviation Services	97.5	97.4	0.1	199.7	198.0	0.9	400.9
Travel Services	23.1	24.3	-4.9	45.7	46.2	-1.1	91.2
Group eliminations	-100.7	-101.6	-0.9	-207.4	-207.1	0.1	-416.2
Total	**494.6**	**469.4**	**5.4**	**974.9**	**912.8**	**6.8**	**1 871.1**

OPERATING PROFIT EXCLUDING GAINS ON SALES OF FIXED ASSETS. FAIR VALUE CHANGES OF DERIVATIVES AND ARRANGEMENT EXPENSES

	2006	2005	Change	2006	2005	Change	2005
	1 Apr– 30 June	1 Apr – 30 June	%	1 Jan– 30 June	1 Jan – 30 June	%	1 Jan – 31 Dec
EUR mill.							
Scheduled Passenger Traffic	21.7	25.2	-13.9	17.2	34.9	-50.7	34.3
Leisure Traffic	1.0	2.4	-58.3	6.9	7.3	-5.5	20.3
Aviation Services	-1.5	10.6	-114.2	-5.0	15.8	-131.6	25.5
Travel Services	0.9	2.0	-55.0	1.2	3.3	-63.6	8.1
Unallocated items	-3.9	-10.2	-61.8	-7.2	-17.3	-58.4	-18.1
Total	**18.2**	**30.0**	**-39.3**	**13.1**	**44.0**	**-70.2**	**70.1**

AVERAGE PERSONNEL

	2006	2005	Change
	1 Jan – 30 June	1 Jan – 30 June	%
Scheduled Passenger Traffic	4 139	3 882	6.6
Leisure Traffic	333	330	0.9
Aviation Services	3 836	3 879	-1.1
Travel Services	1 165	1 176	-0.9
Other functions	234	238	-1.7
Finnair Group Total	**9 707**	**9 505**	**2.1**

SECONDARY REPORTING FORMAT - GEOGRAPHICAL SEGMENTS

TURNOVER OUTSIDE THE GROUP BY SALES DESTINATION

	2006	2005	Change	2006	2005	Change	2005
	1 Apr– 30 June	1 Apr – 30 June	%	1 Jan– 30 June	1 Jan – 30 June	%	1 Jan – 31 Dec
EUR mill.							
Finland	104.5	116.7	-10.5	222.7	231.7	-3.9	475.3
Europe	256.9	244.6	5.0	471.7	450.8	4.6	916.7
Asia	104.6	79.9	30.9	209.9	158.3	32.6	361.0
North America	17.1	17.8	-3.9	29.5	33.7	-12.5	65.7
Others	11.5	10.4	10.6	41.1	38.3	7.3	52.4
Total	**494.6**	**469.4**	**5.4**	**974.9**	**912.8**	**6.8**	**1 871.1**

CONTINGENT LIABILITIES AND DERIVATIVE CONTRACTS EUR mill.

	30 June 2006	30 June 2005	31 Dec 2005
Other contingent liabilities			
Pledges on own behalf	244.1	255.0	260.1
Pledges on own behalf of subsidiaries	0.0	0.0	0.0
Guarantees on group undertakings	430.6	72.9	414.2
Guarantees on others	0.0	0.0	0.0
Total	**674.7**	**327.9**	**674.3**
Aircraft lease obligations	425.8	424.7	490.9
Total	**1 100.5**	**752.6**	**1 165.2**

Derivative contracts	**Nominal value**	**Fair value**	**Nominal value**	**Fair value**	**Nominal value**	**Fair value**
	30 June 2006	**30 June 2006**	**30 June 2005**	**30 June 2005**	**31 Dec 2005**	**31 Dec 2005**
Currency derivatives						
Forward contracts	634.3	-12.6	439.0	17.6	640.7	23.7
Currency options						
Bought	0.0	0.0	41.3	0.1	0.0	0.0
Sold	0.0	0.0	82.7	-0.1	0.0	0.0
Currency swaps	76.0	-27.6	98.7	-28.2	91.5	-23.8
Interest rate derivativies						
Interest rate swaps	20.0	1.0	0.0	0.0	20.0	0.4
Interest rate options						
Bought	0.0	0.0	24.8	0.0	25.4	0.0
Sold	0.0	0.0	49.6	-0.3	50.9	-0.1
Total	**730.2**	**-39.3**	**736.2**	**-10.9**	**828.6**	**0.3**
Other derivative contracts						
Fuel price agreements (tonnes)	466 800	29.6	311 700	29.9	423 500	8.8
Fuel options (tonnes)						
Bought	31 500	2.0	28 500	1.3	12 000	0.2
Sold	63 000	-1.0	28 500	-0.4	12 000	-0.1

AIR TRAFFIC 1 January – 30 June 2006

	Total traffic	**Europe**	**North America**	**Asia**	**Domestic**	**Scheduled Traffic Total**	**Leisure**	**Cargo**
Passengers (1000)	4 445	2 239	67	404	1 127	3 837	608	
%-change	4.8	9.7	-24.2	24.4	0.7	7.4	-9.0	
Cargo and mail (tonnes)	45 229	12 122	3 815	21 281	1 988	39 206	189	45 229
%-change	2.8	-4.0	-10.6	17.2	-7.5	5.4	-19.9	2.8
Available seat-kilometres mill	11 637	3 897	540	3 430	1 008	8 875	2 762	
%-change	1.0	0.4	-30.8	18.1	-4.0	3.0	-5.1	
Revenue passenger kilometres	8 732	2 572	445	2 693	569	6 279	2 453	
%-change	5.4	10.1	-27.8	23.3	-0.6	10.0	-4.7	
Passenger load factor %	75.0	66.0	82.3	78.5	56.5	70.7	88.8	
%-change	3.1	5.8	3.4	3.3	1.9	4.5	0.3	
Available tonne-kilometres	1 732							396
%-change	1.7							8.5
Revenue tonne-kilometres mill	1 010							230
%-change	6.0							7.6
Overall load factor %	58.3							58.2 *
%-change	2.3							-0.8

* Operational calculatory capacity