

Q2 Key facts



- Asia and business travel growing
- New Singapore route made promising start
- Finnair rose to become one of top three airlines in Asian traffic
- FCA (Finncomm) acquisition, and establishment of Flybe Nordic
- Unit costs (CASK) -7.6%, excluding fuel -11.6%
- Net cash flow EUR 90.1 million
- Increasing competition in domestic market and European traffic consumed unit revenue
- Weak Japan and the high price of oil continued to adversely affect financial performance
- Operational result was loss of EUR 13.8 million



Target: permanent 140 million euro cut in cost base by the year 2014

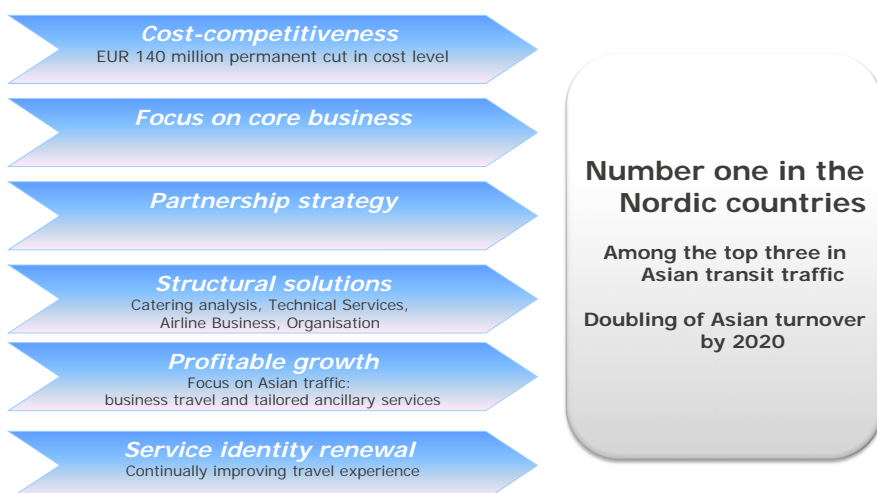
- We are targeting 140 million euro annual cut in cost base by the year 2014
- Planning of these savings and discussions with the personnel group representatives are initiated immediately
- Performance improvement of this magnitude will require new thinking and a significant change in ways of working and operational structures
- We will explore possibilities for efficiency gains throughout the organization and analyze structural solutions with respect to flight operations, particularly in European traffic
- The aim is to implement part of the cost savings during the current year

Profitability to be driven by Asian growth



- Finnair aims to double its turnover in Asian traffic by 2020
- In addition to traffic growth, we aim increase turnover from ancillary sales delivering added value to customers
- We are continually exploring new strategic opportunities in Asian traffic
- Partnerships are one of the cornerstones of our strategy; we are actively seeking new partners in all areas

The New Finnair

Finnair is a quality airline

- Finnair is a leading European airline in the level of customer service:
 - *Selected as the best North European airline*
 - *Customer satisfaction still rising*
- Our operational quality is top class
- One of the most innovative airlines
- Making customer service a competitive asset: our goal is to be the airline of choice in Asia-Europe traffic
- We will develop our service culture and sharpen our service identity



The Finnair logo, consisting of the word "FINNAIR" in a bold, sans-serif font. The letters are rendered in a 3D style, appearing to be white with a slight shadow underneath, giving them a three-dimensional appearance. The logo is positioned in the center of the slide.

Results for the second quarter

Traffic Region Development Q2 2011 vs. Q2 2010

North Atlantic		Europe		Asia	
ASK	27.0%	ASK	24.3%	ASK	27.8%
RPK	32.3%	RPK	27.9%	RPK	21.4%
PLF%	3.3%-p	PLF%	2.0%-p	PLF%	-3.9%-p
Traffic revenue	16.4%	Traffic revenue	18.0%	Traffic revenue	28.0%

Leisure traffic		Domestic		Total	
ASK	-21.7%	ASK	41.7%	ASK	21.0%
RPK	-21.9%	RPK	29.1%	RPK	18.0%
PLF%	-0.3%-p	PLF%	-5.1%-p	PLF%	-1.8%-p
Traffic revenue	-20.5%	Traffic revenue	23.7%	Traffic revenue	18.2%

Cargo	
ATK	48.8%
RTK	39.7%
CLF%	-4.2%-p
Traffic revenue	54.8%

- Asia traffic share 53% of total ASK

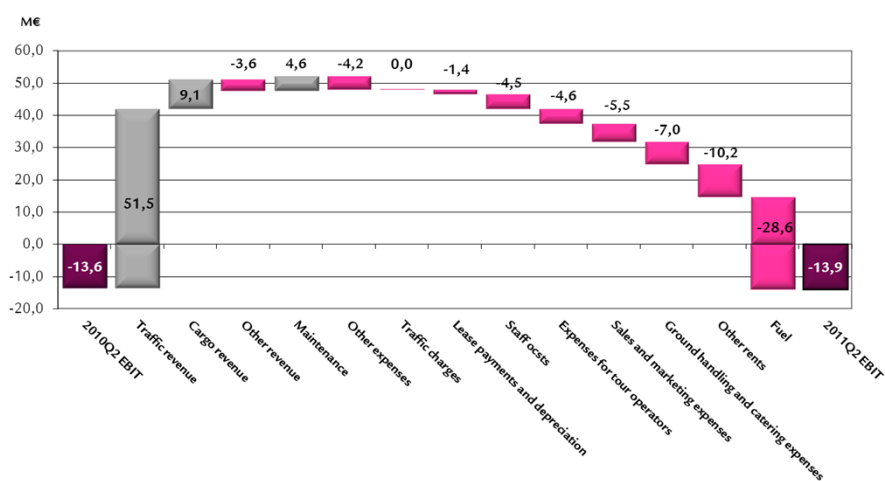
Key Figures

		Q2 2011	Q2 2010	Change %	H1 2011	H1 2010	Change %
Turnover and result							
Turnover	EUR million	539,4	473,5	13,9	1 073,10	955	12,4
Operational result, EBIT	EUR million	-13,8	-13,6	1,5	-56,9	-39,9	42,6
Operational result, % turnover	%	-2,6	-2,9		-5,3	-4,2	
Operating result, EBIT	EUR million	-25,2	-33,3	-24,3	-68,3	-59,2	15,4
EBITDAR	EUR million	33,8	32,5	4	37,4	52,5	-28,8
Result before taxes	EUR million	-30,2	-37,9	-20,3	-76,4	-67,3	13,5
Net result	EUR million	-23	-27,8	-17,3	-56,8	-49,5	14,7
Balance sheet and cash flow							
Equity ratio	%				32,9	32,2	
Gearing	%				24	36,1	
Adjusted gearing	%				78,7	98,1	
Capital expenditure, CAPEX	EUR million	30,9	74,8	-58,7	61,8	143,5	-56,9
Return on capital employed, ROCE 12months rolling	%				-3,4	-7,8	
Return on equity, ROE, 12 months rolling	%				-7,9	-13,7	
Net cash flow from operating activities	EUR million	90,1	19,5		52,1	1,6	

Travel Services

- The significant overcapacity in Finland's package tour market attributed to a loss of operational result of 5.6 Mill Eur
- Aurinkomatkat turnover grew in the second quarter 2011 by 8%, while passenger numbers grew by 17% compared with the previous year
- Integration of the leisure operations of Area and SMT into Aurinkomatkat was completed in Q2
- Aurinkomatkat renewed its visual identity and the name was abbreviated to the form 'Aurinko' in its new logo
- Business travel grew in Q2 and Finnair's business travel agencies increased their market share; Travel agencies' productivity improved and the result turned clearly into profit

Operational EBIT Build Up Q2



RASK & CASK Development

Airline Business, Q2 2011 vs. Q2 2010

c ASK	Change %
RASK, revenue per ASK	-4,3
CASK, cost per ASK	-7,6
CASK excl. Fuel	-11,6
Fuel	+5,2
Staff costs	-9,6
Traffic charges	-17,9
Ground handling & catering exp.	-6,1
Depreciation & lease expenses	-12,0
Other expenses	-10,8

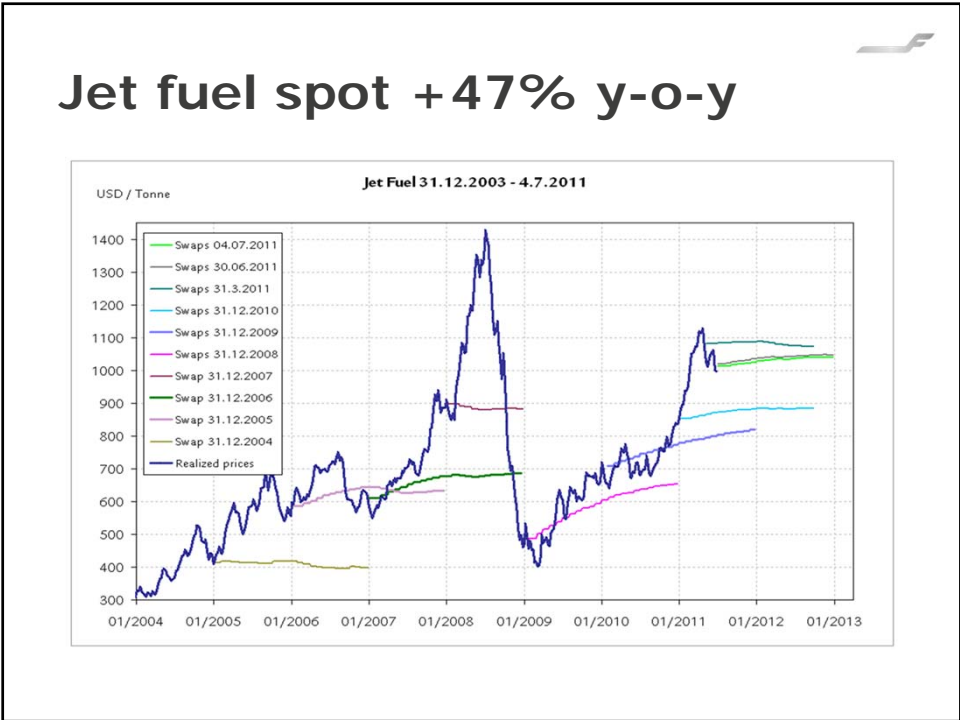
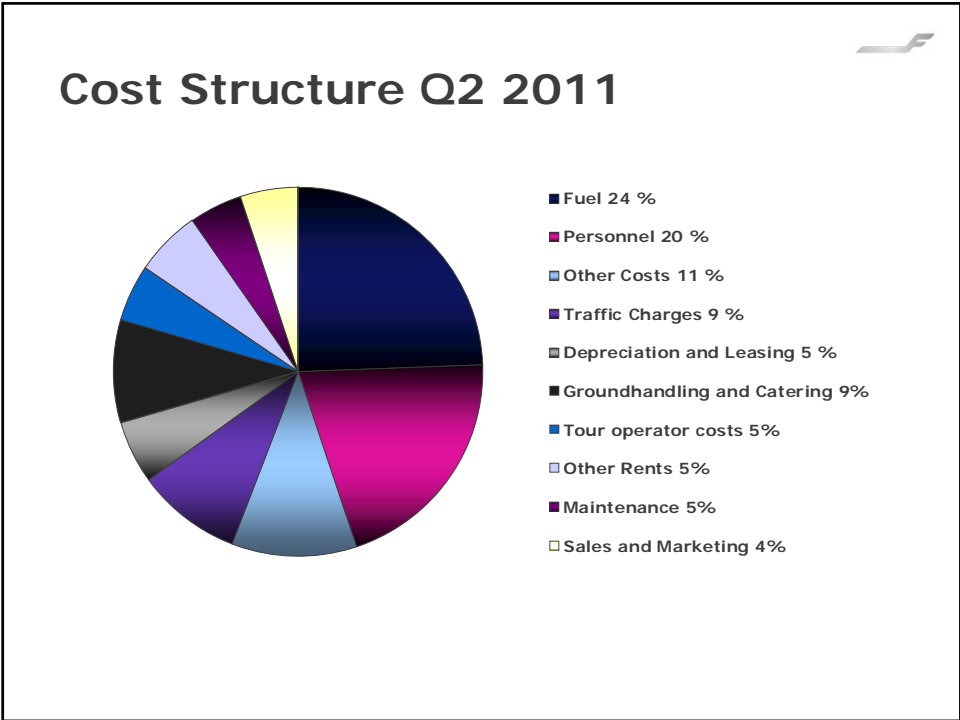
Change % Q2 2011 vs. Q2 2010

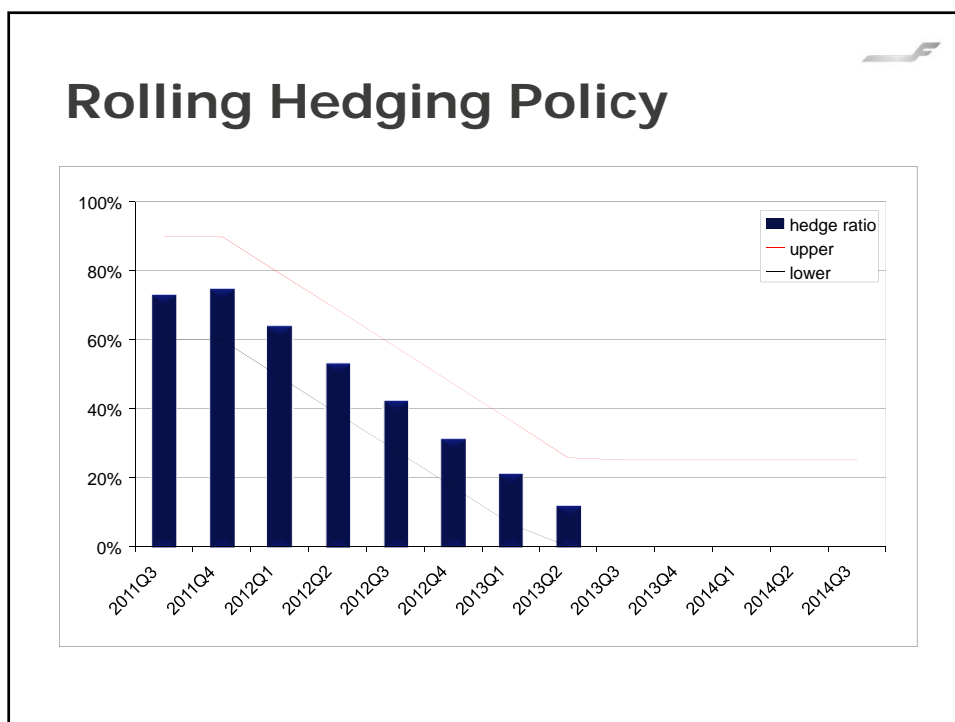
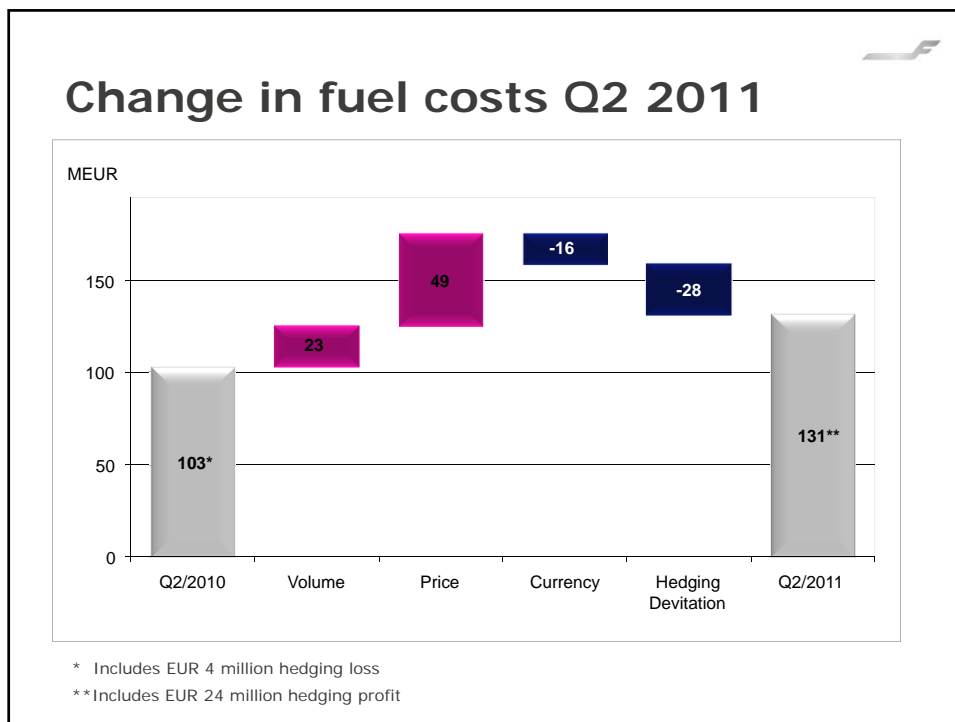
Development of operating expenses,

Finnair Group, Q2 2011 vs. Q2 2010

	Mill. EUR	Change %
Operating expenses	+ 61,4	+12,4
Operating expenses excl. Fuel	+32,8	+ 8,4
Fuel	+28,6	+27,7
Staff costs	+ 4,5	+4,2
Traffic charges	+ 0,0	
Ground handling & catering exp.	+ 7,0	+16,8
Expenses for tour operators	+ 4,6	+20,6
Depreciation & lease expenses	+ 1,5	+3,3
Other expenses	+4,3	+ 7,9

Change % Q2 2011 vs. Q2 2010





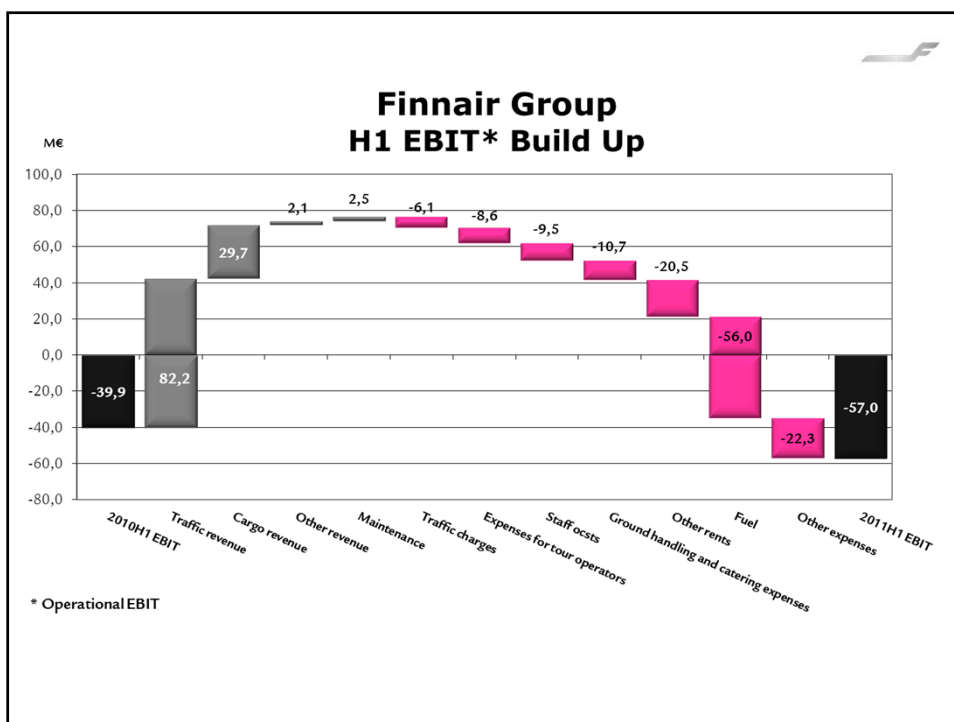
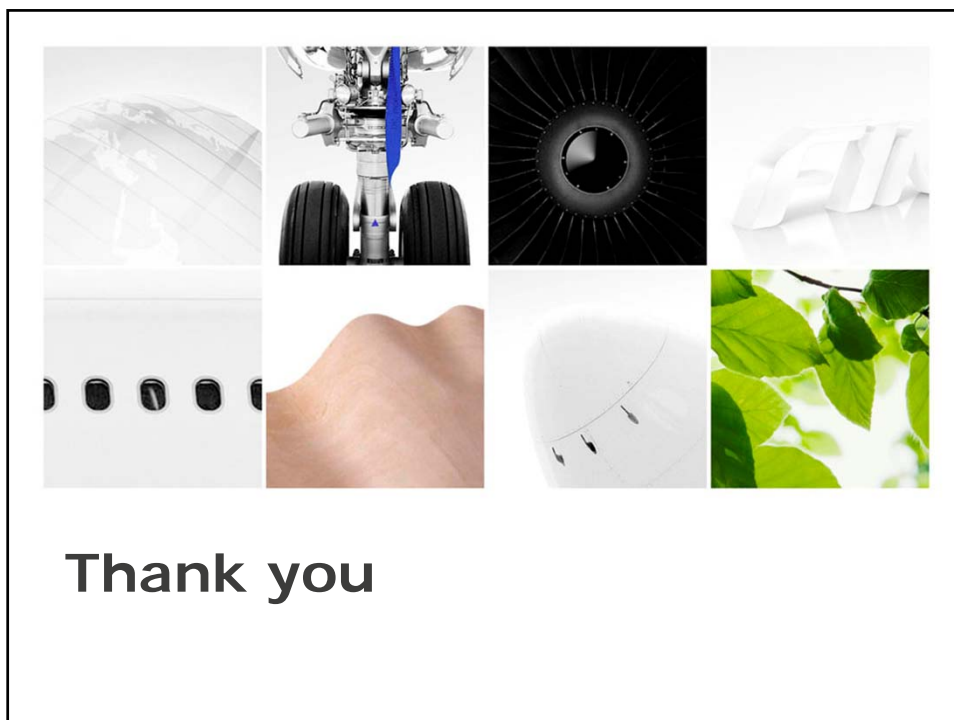
Strong balance sheet

Equity ratio and adjusted gearing



Outlook for rest of 2011

- Result for second half of year expected to return to profit, in line with earlier profit guidance
- We aim to implement part of the cost savings target during the current year
- We expect positive result not to be achieved in 2011, due to the heavy losses in first half of the year
- Turnover expected to grow by more than 10% in the full year



RASK & CASK Development Airline Business, 1H11 vs. 1H10 2010

c ASK	Change %
RASK, revenue per ASK	-2,7
CASK, cost per ASK	-3,8
CASK excl. Fuel	-7,1
Fuel	+6,4
Staff costs	-6,0
Traffic charges	-9,9
Ground handling & catering exp.	-7,0
Depreciation & lease expenses	-9,4
Other expenses	-3,7

Change % 1H11 vs. 1H10

Traffic Region Development H1 2011 vs. H1 2010

North Atlantic		Europe		Asia	
ASK	21.6%	ASK	17.3%	ASK	24.0%
RPK	22.6%	RPK	-14.0%	RPK	12.7%
PLF%	0.3%-p	PLF%	-1.8%-p	PLF%	-10,7 %-p
Traffic revenue	16.8%	Traffic revenue	9.9%	Traffic revenue	25.8%

Leisure traffic		Domestic		Total	
ASK	-9.4%	ASK	28.7%	ASK	16.3%
RPK	-9.6%	RPK	14.4%	RPK	9.1%
PLF%	-0.1%-p	PLF%	-1.8%-p	PLF%	-4.8%-p
Traffic revenue	-9.0%	Traffic revenue	15.5%	Traffic revenue	13.8%

- Asia traffic share 53% of total ASK

Cargo	
ATK	280%
RTK	255%
CLF%	-4.4%-p
Traffic revenue	251%