



Market environment and strategy

Mika Vehviläinen
CEO



Finnair's vision

Double our revenue
between Europe and Asia by 2020

Become the most desired option
in travel between Europe and Asia

Become number one airline
and grow in the Nordic countries





Finnair offers the fastest connections between

over 50
European
destinations

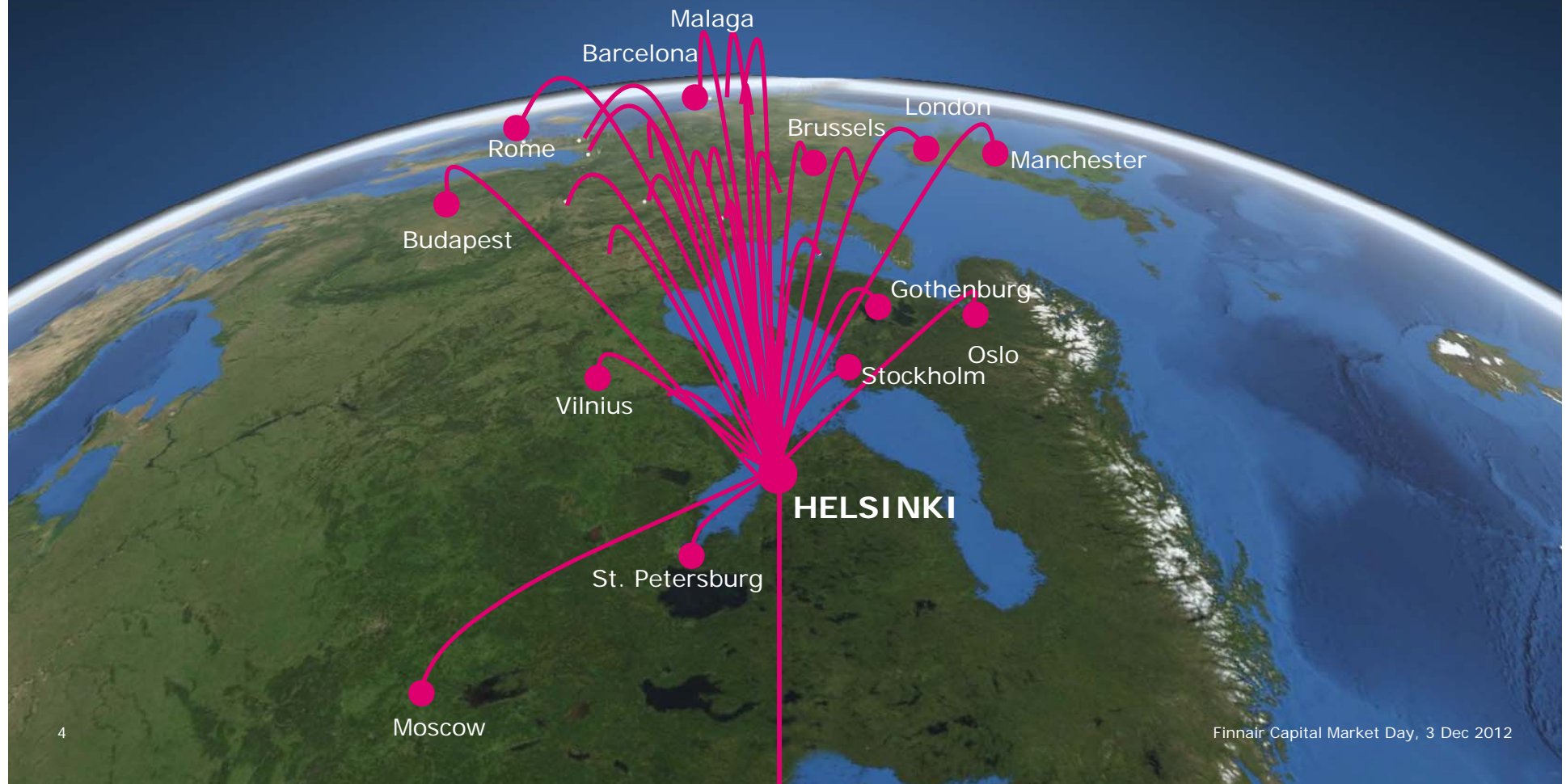


**12 Asian
mega-cities**

Tokyo
Nagoya
Osaka
Beijing
Chongqing
Shanghai
Hong Kong
Seoul
Bangkok
Singapore
Delhi

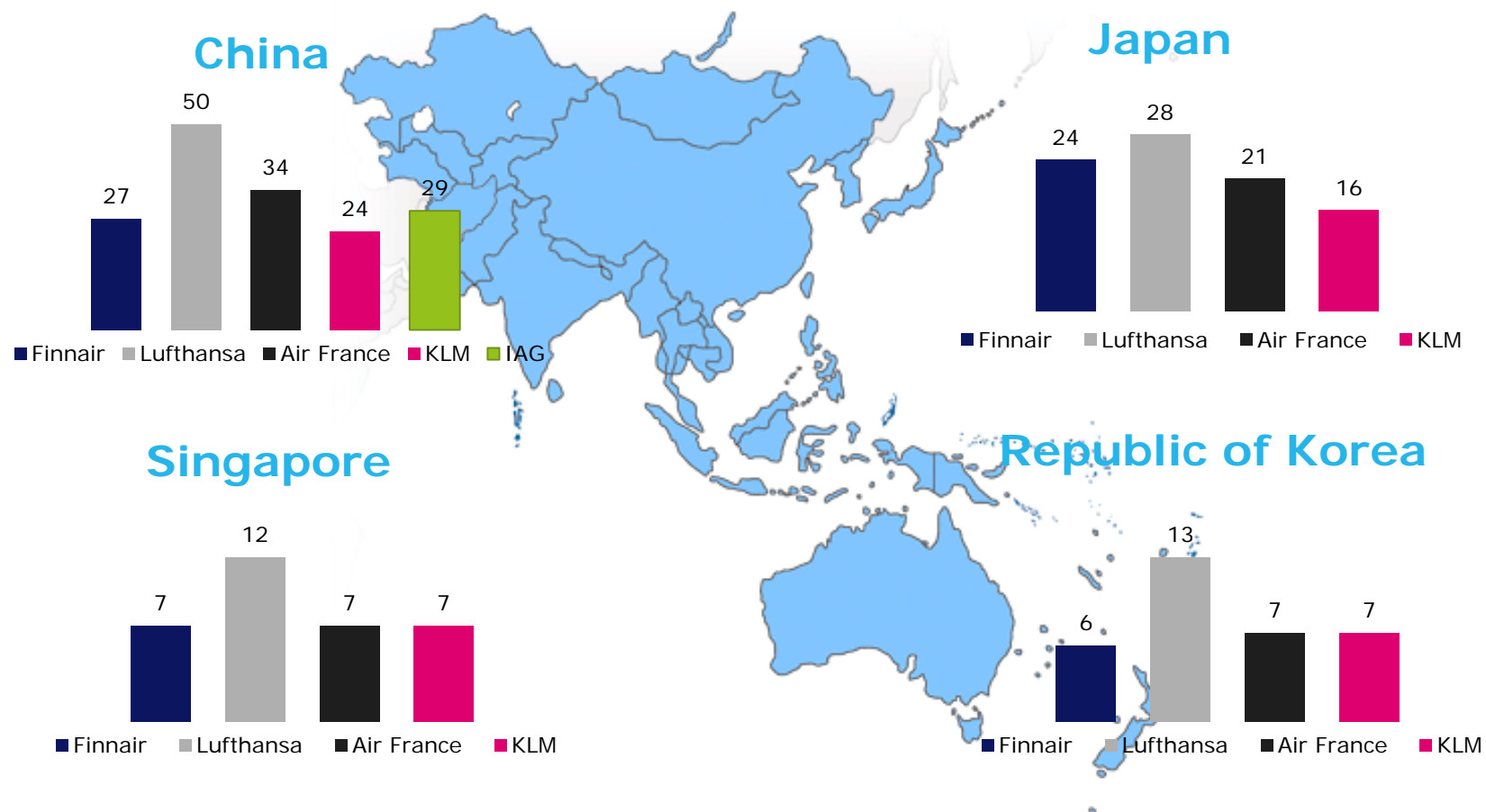
**Hanoi from
June 2013**

Gateway to Europe for our Asian customers





Finnair has strong presence in Asian key economies, weekly frequencies*

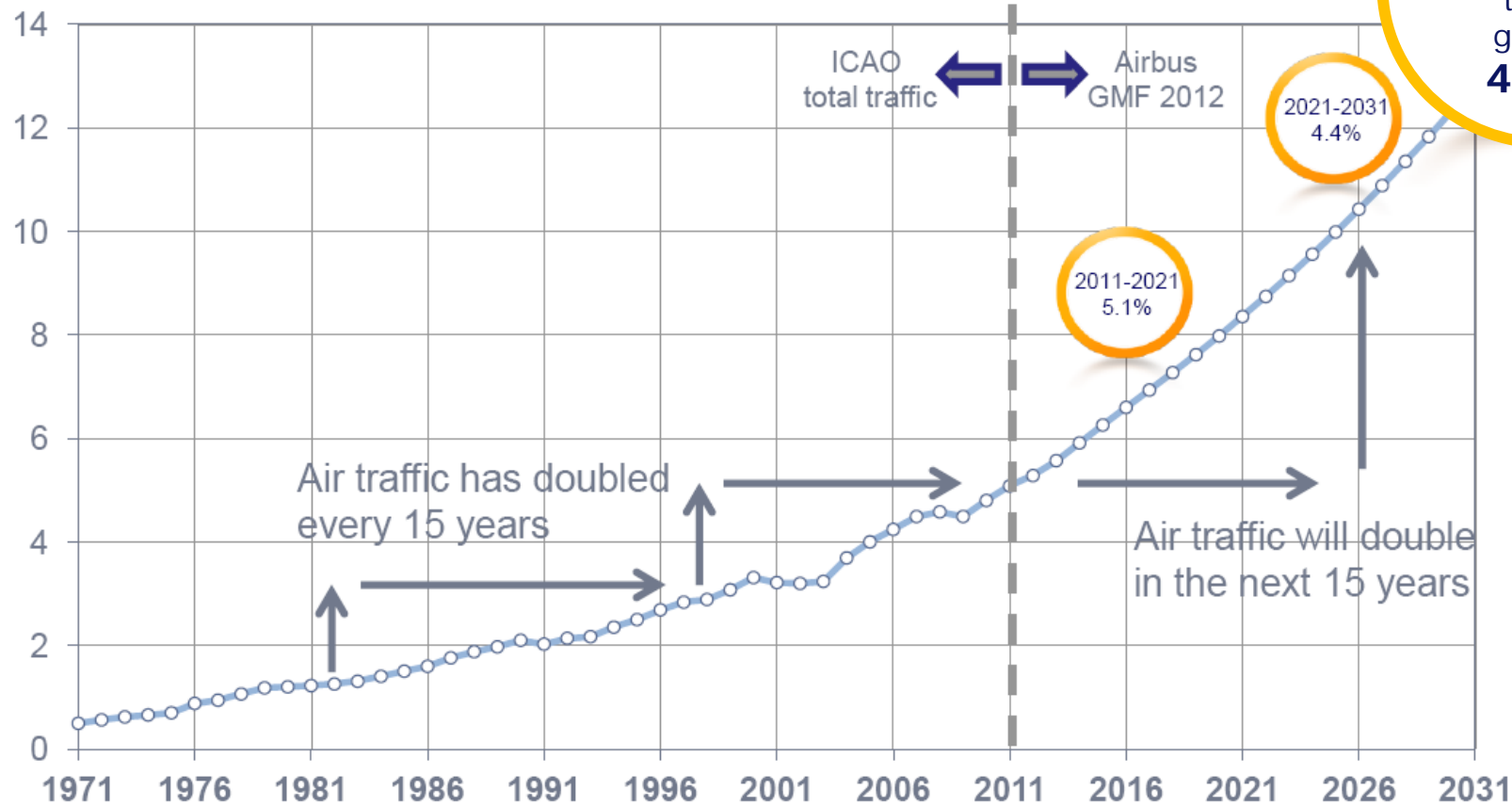


- **Finnair is the **3rd largest carrier** in its destinations, estimated market share of 5.9%. Winter schedule.*
- *Market size of 20 million transfer passengers annually, globally one of the fastest growing traffic areas.*
- *Traffic between Europe and China forecasted to **triple** during the next 30 years.*



Air traffic remains a growth market

World annual RPK (trillion)



Source: Airbus Global market forecast September 2012.



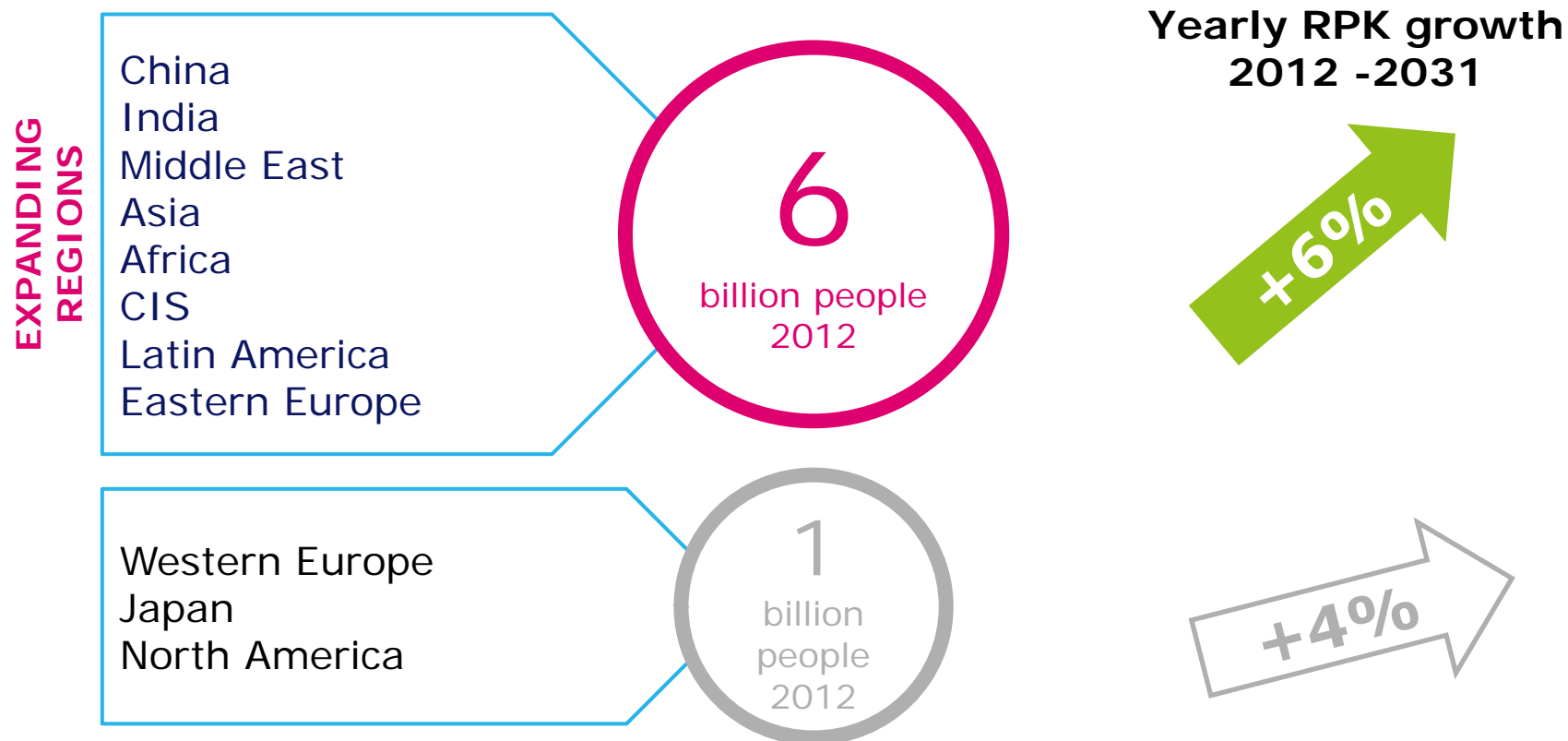
Global ASK traffic now growing at a slower pace after a strong recovery in 2010



Source: Airbus Global market forecast September 2012.



Growth is highest in expanding regions...



Billions of people increasingly want to travel by air

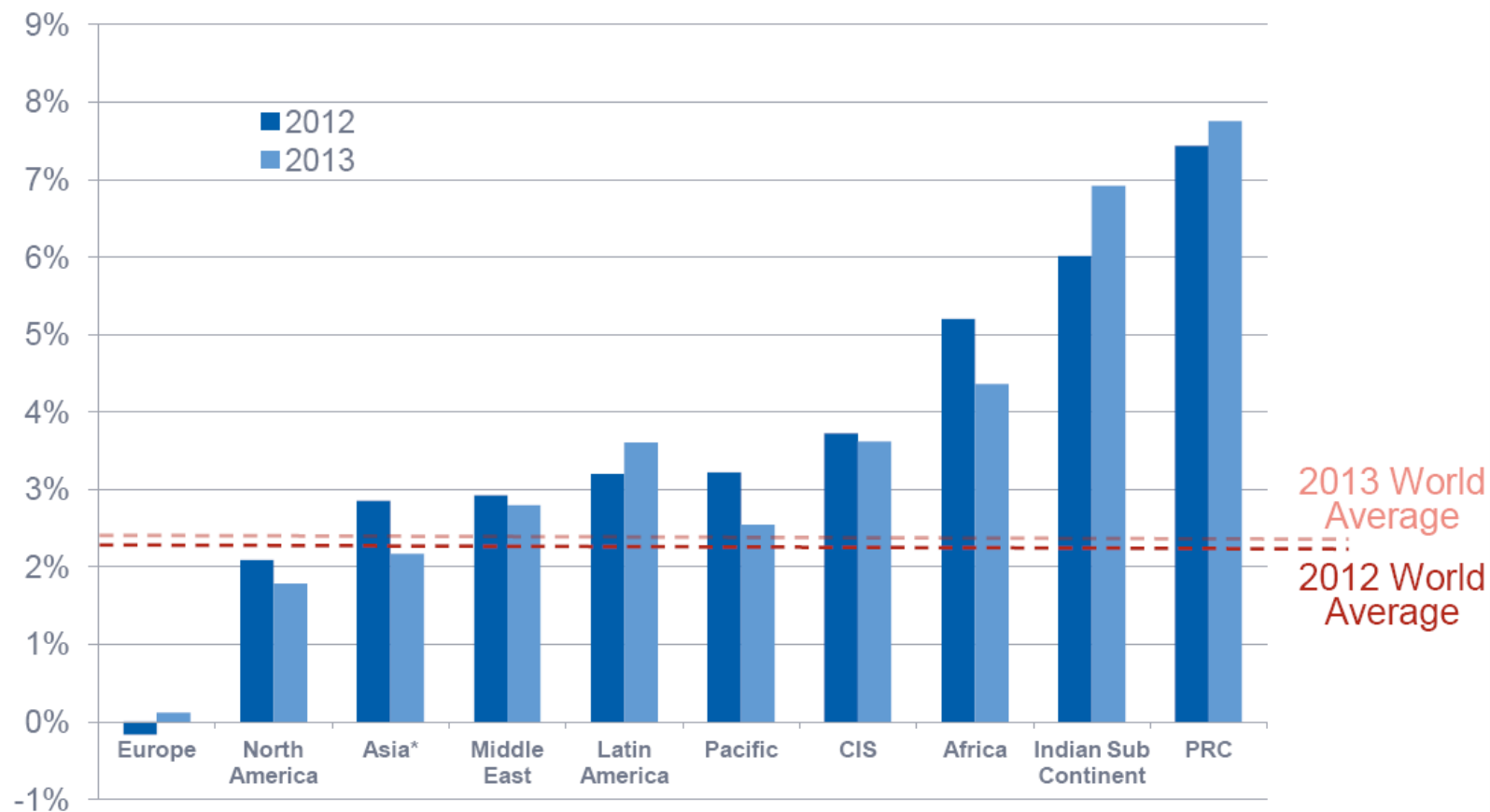
Source: Airbus Global market forecast September 2012.

Finnair Capital Market Day, 3 Dec 2012



...following strong economic growth in these areas – China is forecasted to continue as the fastest growing market in 2012-2013

2012 and 2013 real GDP forecast by region



Source: Airbus Global market forecast September 2012.



Main drivers for traffic growth in Asia

- More people, bigger cities, more wealth
- Emerging markets, more first time flyers and growing middle class
- Growing tourism and internationalisation will stimulate demand
- China average propensity to travel **x4.6** in 2031 vs. 2011

Source: Airbus Global market forecast September 2012.



Change in the industry continues

- **Alliance landscape is changing**
 - Qatar to join **oneworld** alliance, Middle-Eastern airlines active in partnering with legacy carriers

- **Market exits in short haul traffic**



- **Legacy carriers continue to restructure their loss-making short haul operations**



Finnair today

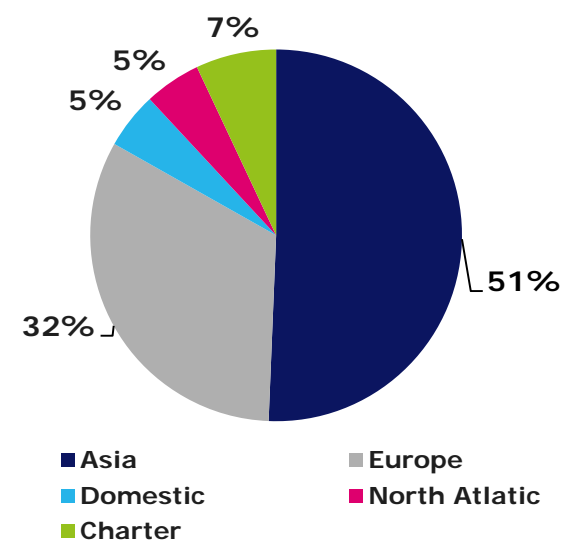
- Focus on **core Airline business**

- Scheduled long and short haul traffic
- Leisure traffic
- Cargo traffic

- **Partnerships** in both core business and in airline support services



Passenger Revenue split in Q3 2012





We are committed to adding value and increasing profitability

ADDING VALUE

Product development, for example:

- Investments in Customer Service – Peace of Mind
- Better meals through partnership
- New ticket types
- Marimekko partnership etc.

INCREASING PROFITABILITY

- Improved operational efficiency
- Cutting costs and changing cost structure
- Increasing revenues