Back in Black

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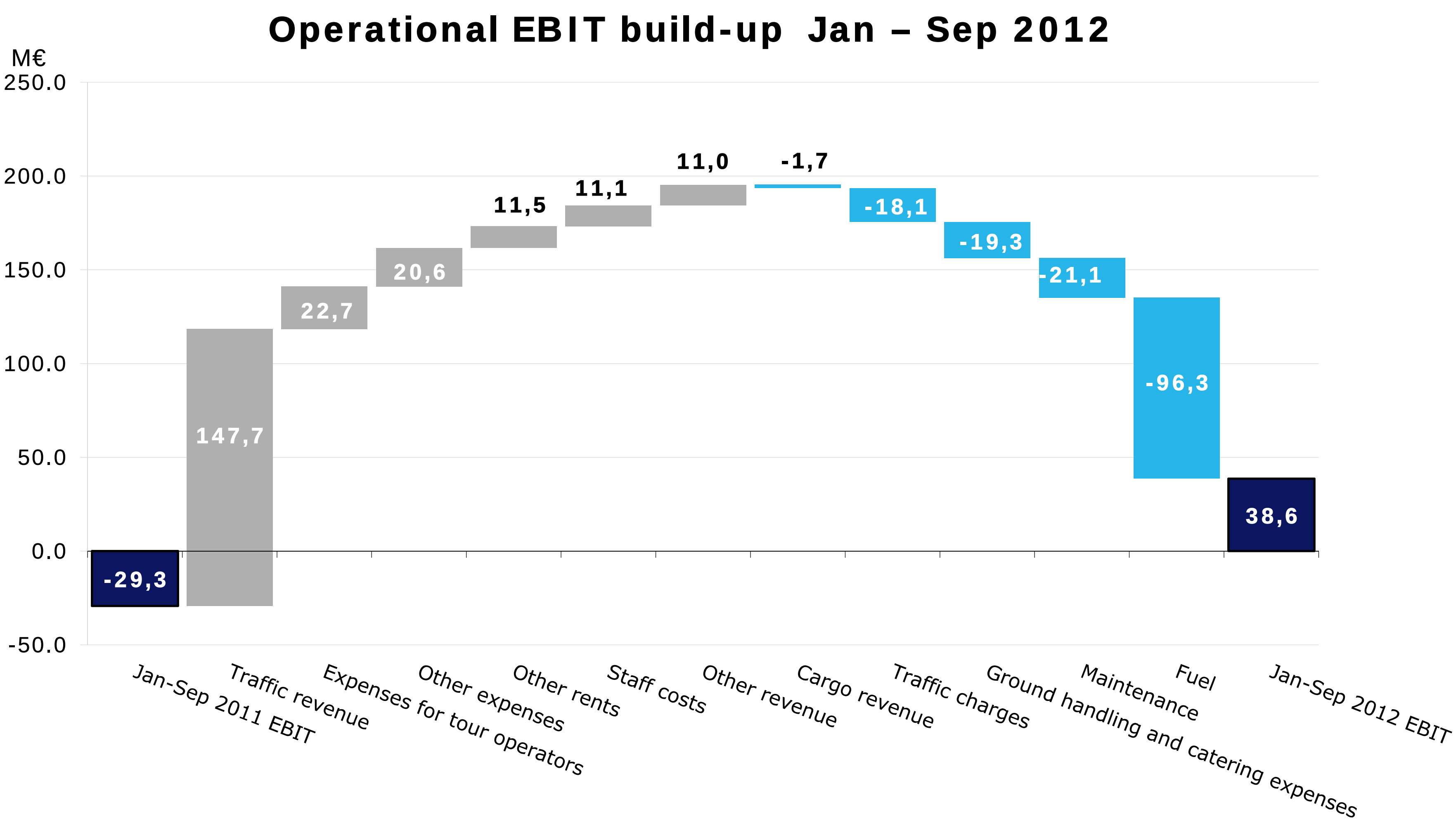
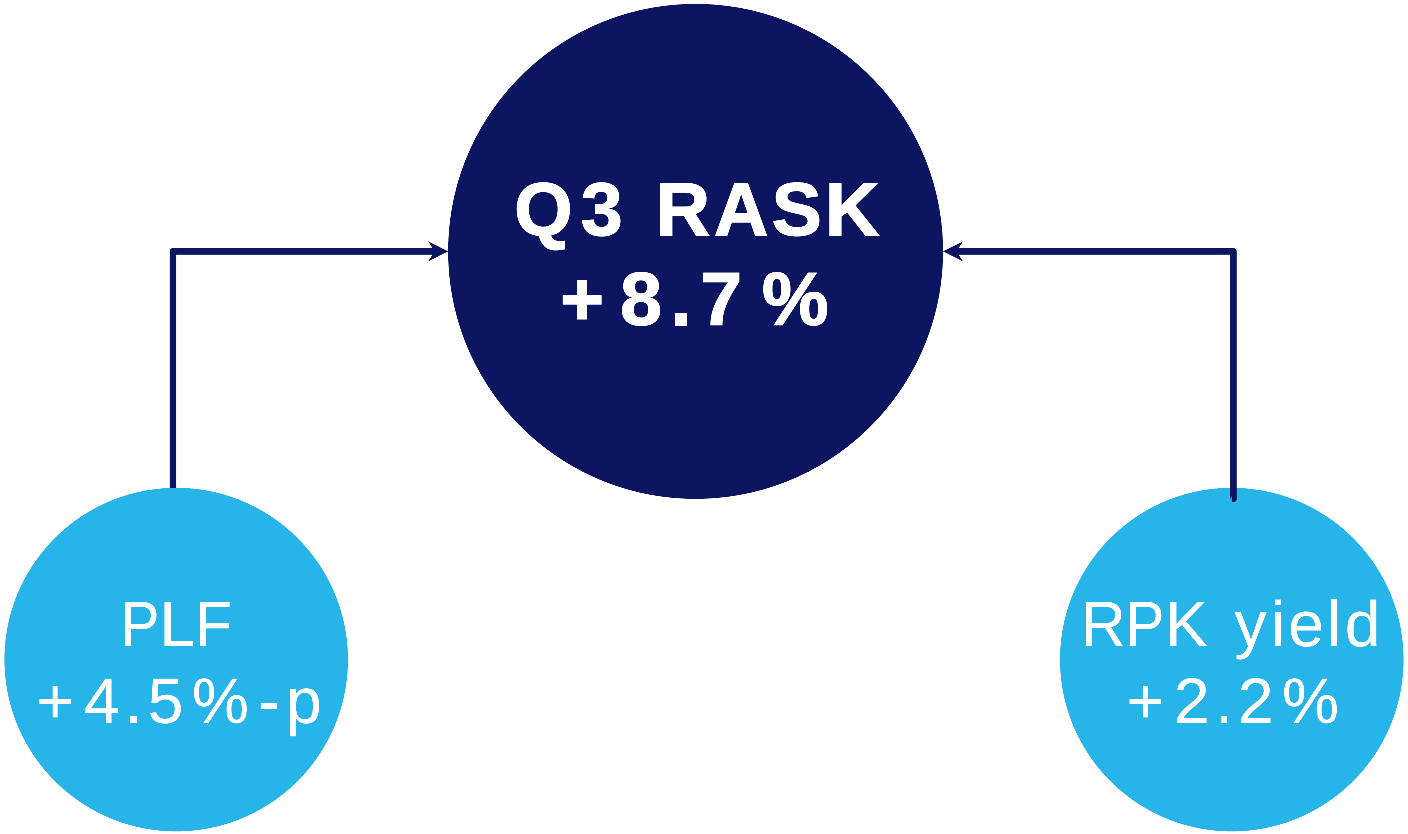
CFO

Improved business performance in Jan – Sep 2012…

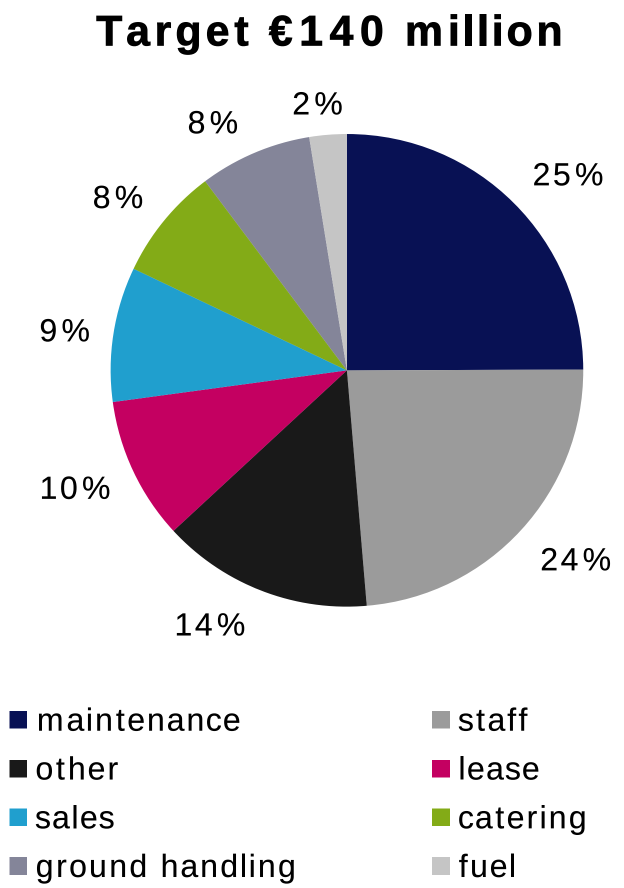


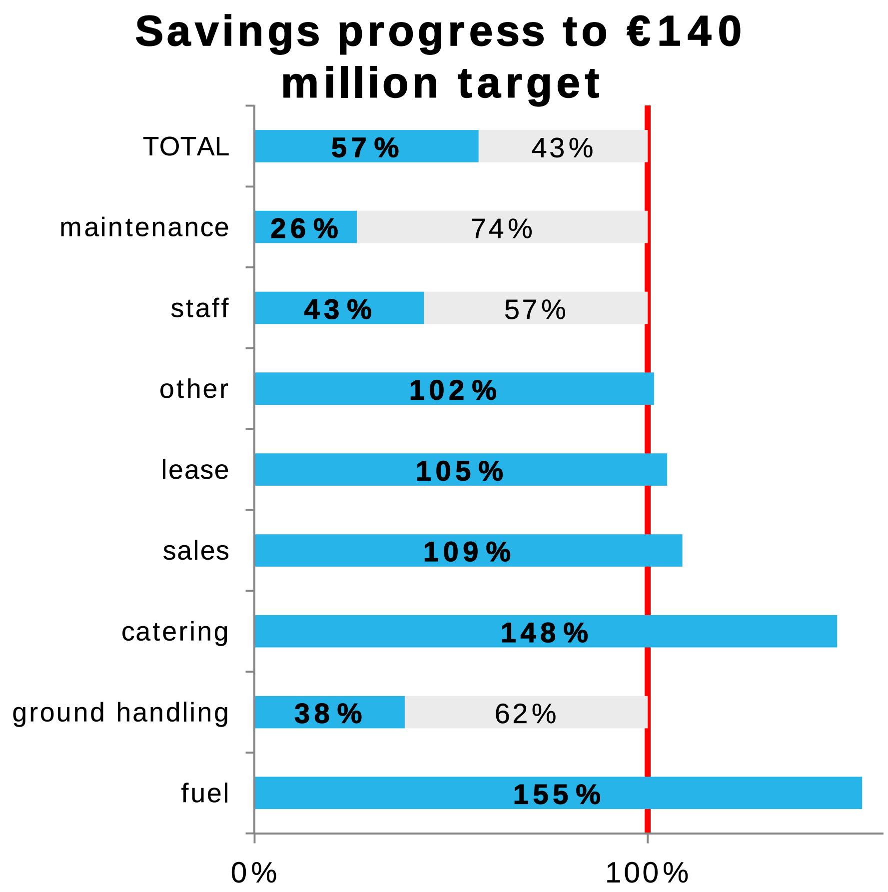
...driven by increased traffic and unit revenue improvement

- **Unit revenue per available seat kilometre (RASK) up by 8.7% in Jan-Sep 2012 as both passenger load factor (PLF, +4.5%-p) and yield per revenue passenger kilometre (RPK yield, +2.2%) improved y-o-y**



Implementation of €140 million restructuring and cost savings program ahead of target

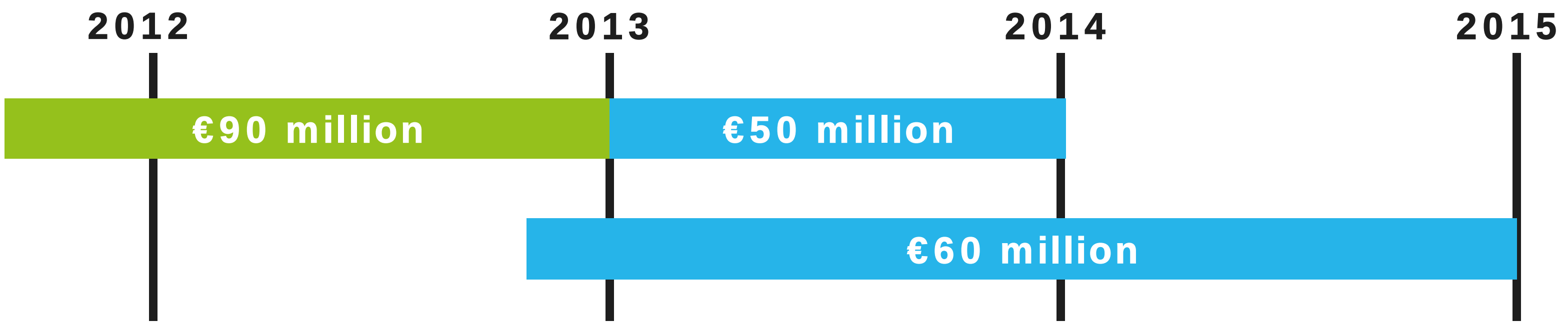




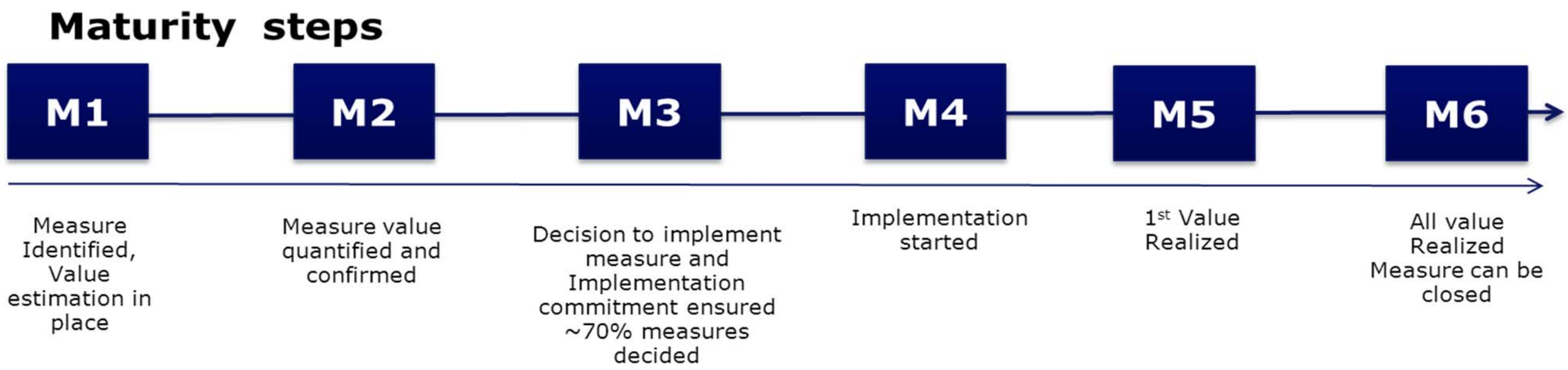
New €60 million savings programme will ensure reaching our target of 6% operational EBIT margin

- The aim is to achieve a permanent reduction in costs of **€60 million** by the end of 2014
- The new programme **complements the existing €140 million** structural change and cost reduction **programme** launched in 2011

Savings timeline for in total €200 million sustainable savings from 2010 cost level



Hands-on approach to drive our costs down



- Dedicated project organisation and well defined responsibilities and timelines for each savings initiative
- Regular Executive Board level monitoring of advancements
- All Executive Board members and persons responsible for initiative implementation are incentivised in achieving the targets
- 9 Program streams and over 200 savings initiatives in total

Our financial targets

- **Operational profit (EBIT) margin 6%**
  - over €120 million in the coming few years
- **EBITDAR margin 17%**
  - over €350 million in the coming few years
- **Economic profit**
  - To create positive value over pretax WACC of 9.5%
- **Adjusted gearing <140%**
- **Dividend policy** pay-out ratio minimum **one third** of the EPS

The path towards our profitability target

Continuous unit cost reduction (ex. fuel)

- Fixed cost leverage through growth and outsourcing

Improved productivity and quality

- Fleet and network optimisation
- Operational quality top class

Revenue maximi-zation

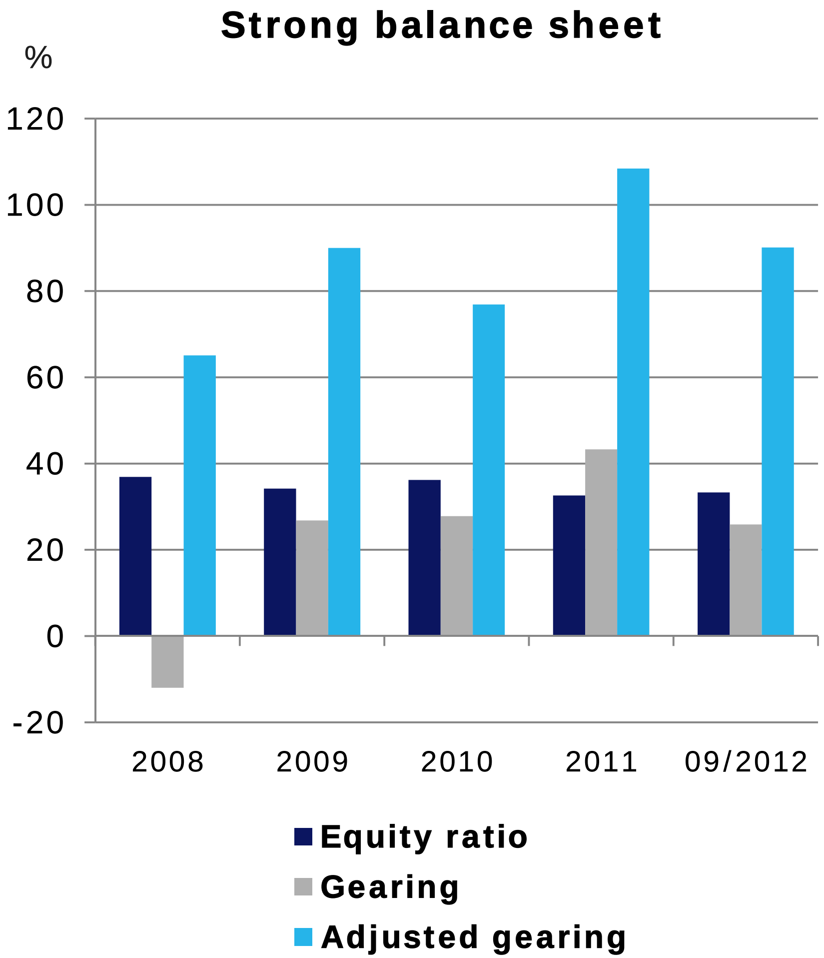
New product offering

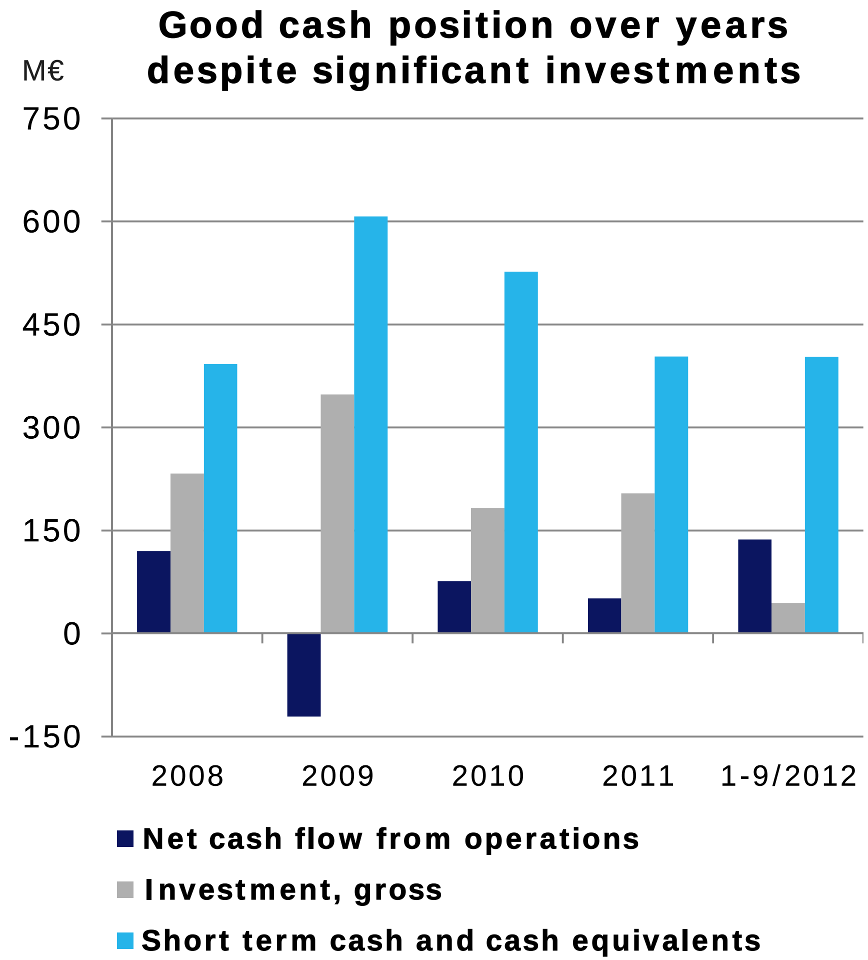
- New destinations
- Next generation Airbus 350 XWB

Capital efficiency and strong balance sheet

Finnair fleet and future investments

Strong financial position supports business development and future investments



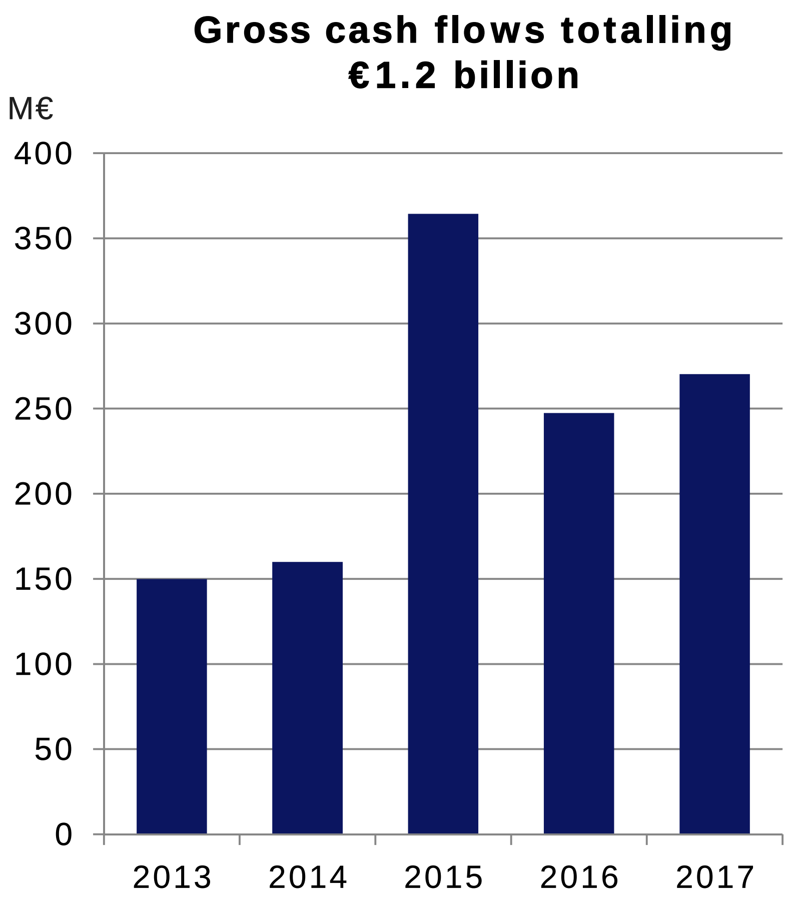


Fleet renewal is key for successful strategy implementation – leads to reduced unit costs and improved fuel efficiency

- **First phase in 2008-2010**
  - In Long haul, MD11 fleet replaced with Airbus 330/340
- **Second phase in 2012**
  - Reducing 9 aircraft from European fleet
  - Embraer traffic transferred to Flybe
- **Third phase in 2013-2014**
  - Boeing 757 fleet to be replaced with Airbus A321 ERs
- **Fourth phase from H2 2015**
  - Airbus 350 XWB, partly to replace current A340s, partly to increase capacity

Harmonized Airbus fleet brings asset and crew utilization benefits

Finnair invests in new technology



- 5 Airbus 321 ER and 11 Airbus 350 XWB aircraft
- Net effect of investments is materially lower
  - lease expiries for current aircraft

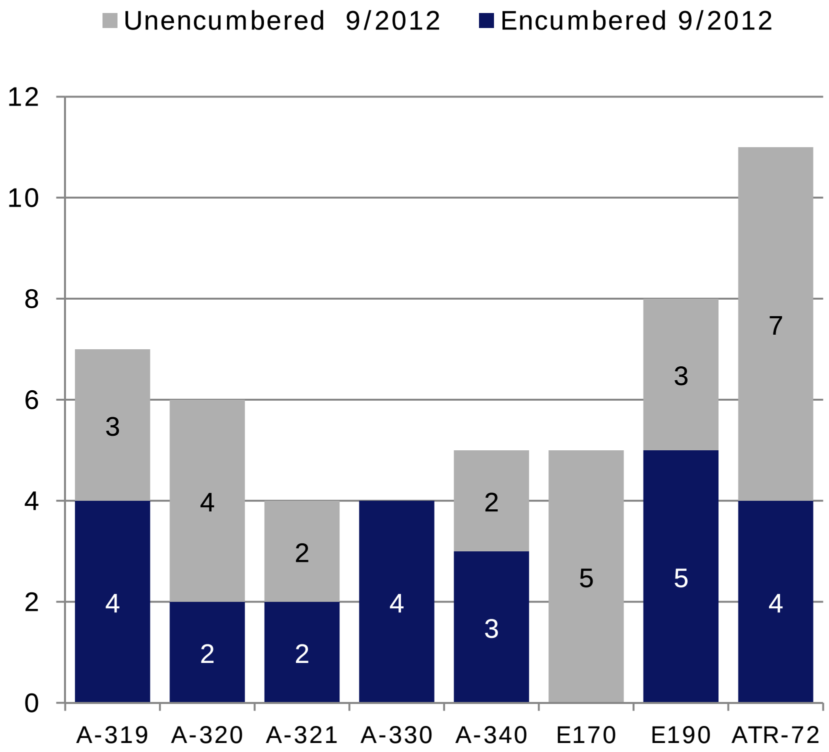
We have several funding sources available for aircraft investments

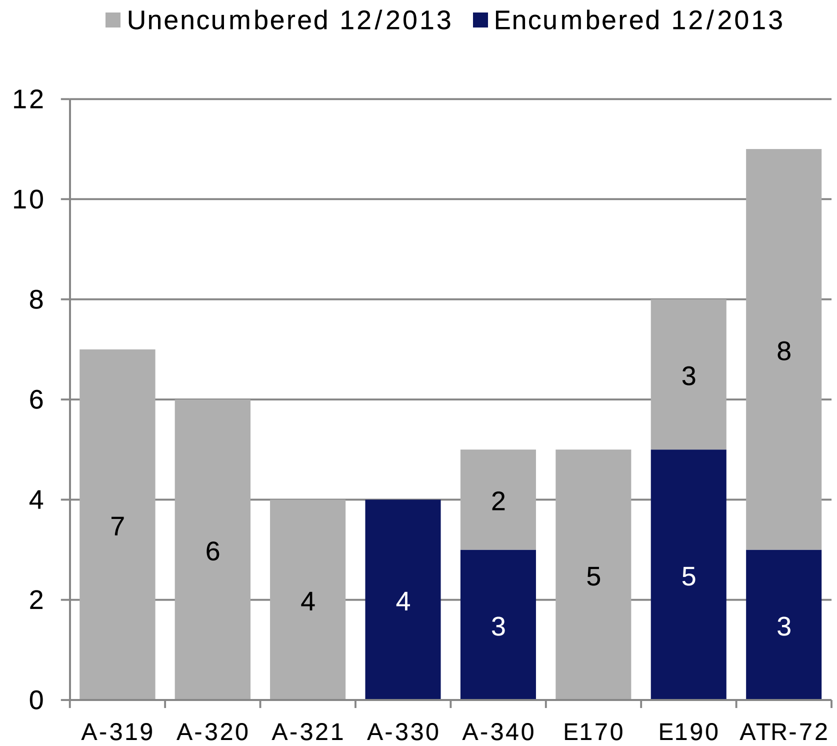
secured by aircraft as collateral, loan to values 70-100% depending on the vehicle

In the long-run, owning aircraft is the most cost-efficient way to finance fleet.

Finnair’s strategy is >50% ownership of the core fleet

We can finance investments with our increasing debt capacity





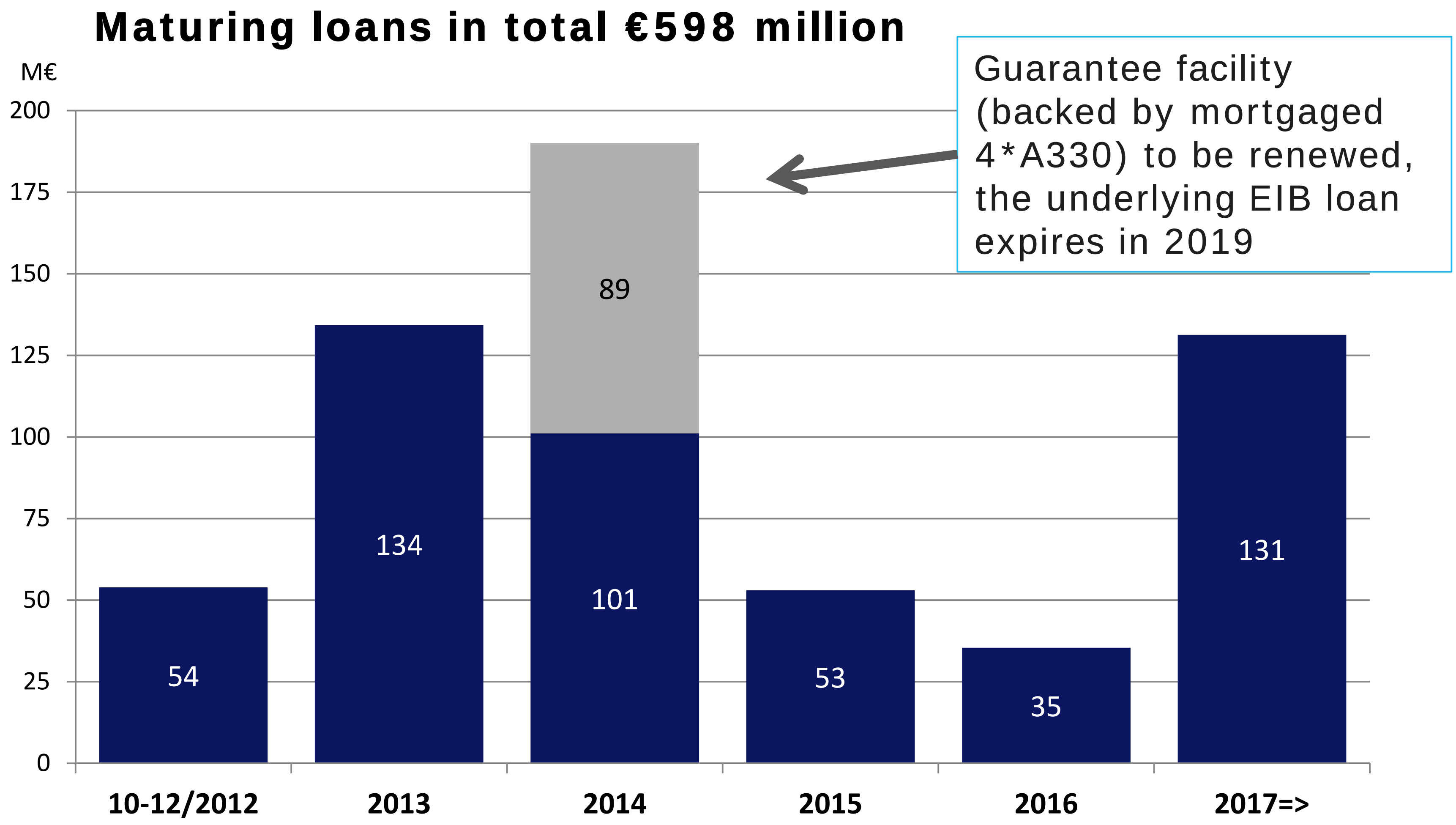
- Currently **26** unencumbered aircraft = **68%** of the total fleet value of €1.05 billion
- In 15 months **35** unencumbered aircraft

Our funding strategy is to use different funding sources to ensure the lowest total funding cost with maximum operational flexibility and continuity

- **Fleet investments through secured financing, unsecured loans for refinancing and flexibility**
  - Commercial paper programme of €200 million, €61 million outstanding.
  - Revolving credit facility of €200 million expires in Q2/2013. Unutilized, last time of utilisation 2002. Only facility with a covenant.

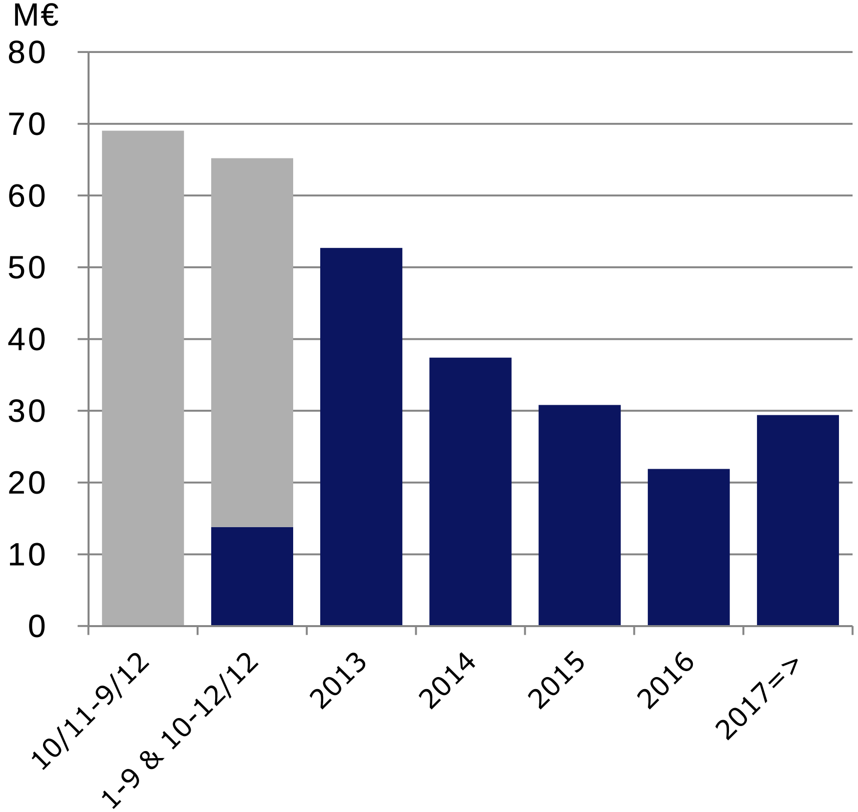
- Other potential funding sources
  - **Non-core fleet sale and leasebacks**
  - **Asset optimization**
  - **Pension loan**
  - **Senior unsecured bond**

We have a balanced loan maturity profile

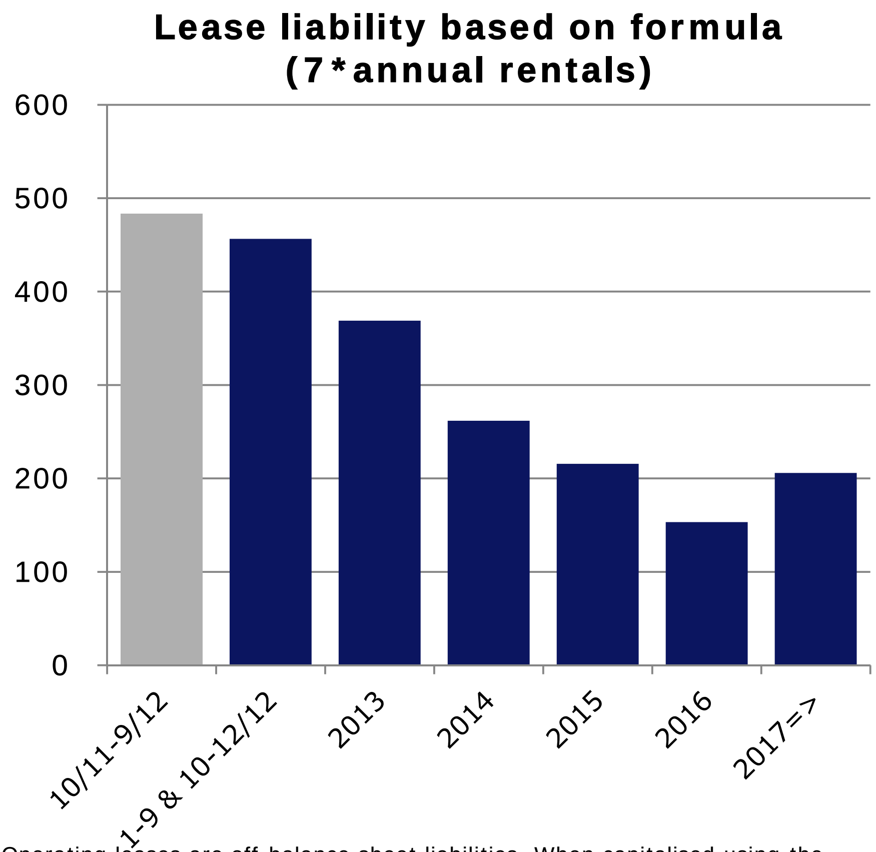


Our actual lease liabilities are lower than reported due to expiring lease agreements

Lease commitments, in total €186 million



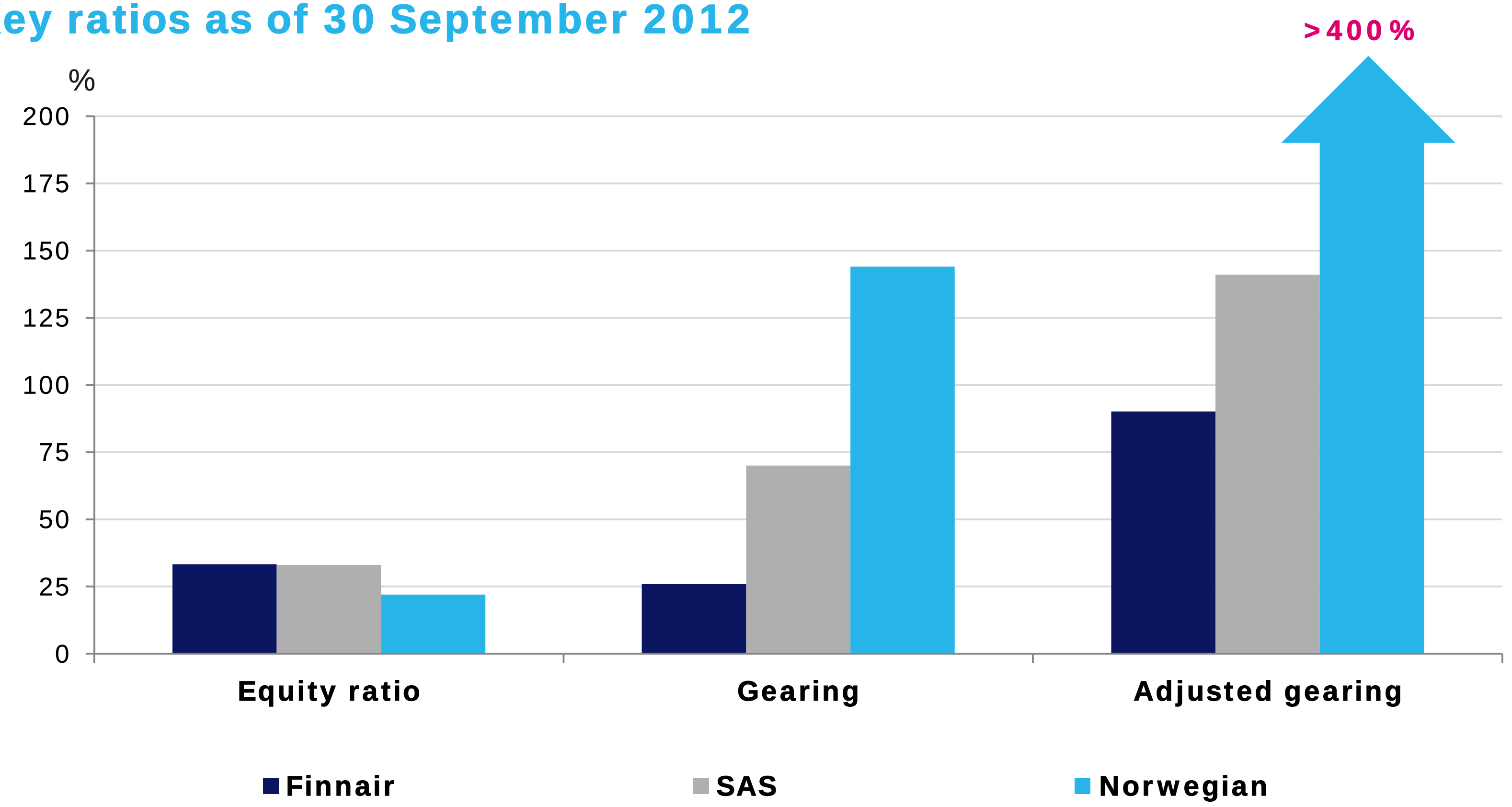
Aircraft operating lease liabilities



Operating leases are off-balance sheet liabilities. When capitalised using the common method of 7*annual aircraft lease payments, the adjusted gearing on 30 Sep 2012 is 90.1%.

Finnair has the strongest balance sheet in the Nordics

Key ratios as of 30 September 2012



- *Norwegian adjusted gearing >400%*
- *Pension liabilities excluded from SAS adjusted gearing*

Summary

- Profitable Q3 result
- Cost savings are progressing as planned
- We have a strong balance sheet
- Finnair will be the first European airline to fly new A350s in long haul traffic
- We have a good funding position to finance future investments