

Finnair Group Financial Statements 1 January–31 December 2011

In the fourth quarter Finnair's turnover increased by 11.7% and the operational result was -31.6 million euros.

Key figures

| | | 10-12/ 2011 | 10-12/ 2010 | Change % | 1-12/ 2011 | 1-12/ 2010 | Change % |
|--|-----------------|----------------|----------------|-------------|---------------|---------------|-------------|
| Turnover and result | | | | | | | |
| Turnover | EUR mill. | 577.4 | 516.9 | 11.7 | 2 257.7 | 2 023.3 | 11.6 |
| Operational result, EBIT* | EUR mill. | -31.6 | -6.7 | - | -60.9 | -4.7 | - |
| Operational result % of turnover | per cent | -5.5 | -1.3 | - | -2.7 | -0.2 | - |
| Operating result, EBIT | EUR mill. | -30.1 | -4.7 | - | -87.8 | -13.3 | - |
| EBITDAR | EUR mill. | 26.4 | 38.0 | -30.5 | 139.6 | 176.6 | -21.0 |
| Result before taxes | EUR mill. | -38.2 | -9.6 | - | -111.5 | -33.0 | - |
| Net result | EUR mill. | -32.6 | -5.7 | - | -87.5 | -22.8 | - |
| Balance sheet and cash flow | | | | | | | |
| Equity ratio | per cent | | | | 32.6 | 36.2 | -3.6%-p |
| Net gearing | per cent | | | | 43.3 | 27.8 | 15.5%-p |
| Adjusted gearing | per cent | | | | 108.4 | 79.6 | 28.8%-p |
| Gross investment | EUR mill. | 21.1 | 27.1 | -22.1 | 203.9 | 183.5 | 11.1 |
| Return on capital employed (ROCE) 12 months rolling | per cent | | | - | -5.2 | -0.4 | -4.8%-p |
| Return on equity (ROE) 12 months rolling | per cent | | | - | -10.9 | -2.7 | -8.2%-p |
| Net cash flow from operating activities | EUR mill. | 8.5 | 16.4 | -48.2 | 50.8 | 76.0 | -33.2 |
| Share | | | | | | | |
| Share price at end of quarter | EUR | 2.30 | 5.04 | -54.4 | 2.30 | 5.04 | -54.4 |
| Earnings per share (EPS) | EUR | -0.27 | -0.06 | - | -0.75 | -0.24 | - |
| Traffic data, unit costs and revenue | | | | | | | |
| Passengers | thousand people | 1 913 | 1 660 | 15.2 | 8 013 | 7 139 | 12.2 |
| Available seat kilometres (ASK) | mill. | 7 288 | 6 045 | 20.6 | 29 345 | 25 127 | 16.8 |
| Revenue passenger kilometres (RPK) | mill. | 5 192 | 4 441 | 16.9 | 21 498 | 19 222 | 11.8 |
| Passenger load factor (PLF) | per cent | 71.2 | 73.5 | -2.3 %-p | 73.3 | 76.5 | -3.2 %-p |
| Unit revenue per available seat kilometre (RASK) | cents/ASK | 6.1 | 6.4 | -4.5 | 6.0 | 6.2 | -3.1 |
| Unit revenue per revenue passenger kilometre, yield | cents/RPK | 7.44 | 7.35 | 1.2 | 7.24 | 7.11 | 1.8 |
| Unit cost per available seat kilometre (CASK) | cents/ASK | 6.7 | 6.9 | -2.3 | 6.4 | 6.6 | -2.7 |
| CASK excluding fuel | cents/ASK | 4.9 | 5.3 | -7.0 | 4.7 | 5.0 | -6.1 |
| Available tonne kilometres (ATK) | mill. | 1 151 | 959 | 20.0 | 4 571 | 3 808 | 20.0 |
| Revenue tonne kilometres (RTK) | mill. | 698 | 606 | 15.2 | 2 823 | 2 471 | 14.2 |
| Cargo and mail | tonnes | 38 031 | 33 729 | 12.8 | 145 883 | 123 154 | 18.5 |
| Cargo traffic unit revenue per revenue tonne kilometre | cents/RTK | 26 | 26 | -0.8 | 27 | 26 | 3.1 |
| Overall load factor | per cent | 60.7 | 63.2 | -2.5 %-p | 61.8 | 64.9 | -3.1 %-p |
| Number of flights | Pcs | 18 585 | 17 861 | 4.1 | 78 916 | 74 195 | 6.4 |
| Personnel | | | | | | | |
| Average number of employees | | | | | 7 467 | 7 578 | -1.5 |

* Operational result: Operating result excluding changes in the fair value of derivatives and in the value of foreign currency denominated fleet maintenance reserves, non-recurring items and capital gains.

CEO Mika Vehviläinen on the results:

Finnair continued to grow in 2011. Our turnover increased in line with our expectations by 11.6 % year-on-year, and we also progressed in our cost savings program as anticipated. Unfortunately the increased fuel price and global uncertainties more than offset our progress in cost savings, and Finnair's operational result was a loss of 60.9. Naturally, we cannot be satisfied with this result.

The year 2011 began with strong growth in aviation industry, which was slowed down already in March after the tsunami in Japan in March. The growth was also negatively impacted by the weakening of the global economy in the second half of the year. The capacity growth slowed down clearly towards the end of the year, and unlike in previous recessions in the Western countries, the oil price remained high due to the strong growth of developing countries and the uncertainty of the situation in the Middle East.

The seasonally strong third quarter was followed by considerably weaker fourth quarter and growing year-on-year loss. The achieved savings of the set 140 million euro reduction target were in line with the target but still moderate during 2011, and we estimate that a majority of the savings will be realised by the end of 2012

At mid-year it became obvious that the company has to carry out a significant structural change in order to end its loss-making cycle and build a Finnair for the future. In August 2011, we published an extensive transformation and cost-reduction programme with an aim to restore the company's vitality and enable its future growth. The changes are necessary and inevitable.

Our strategy is to focus on increasing our Asian traffic and pursue leadership in the Nordic countries in cooperation with a strong partner network. This works as a compass for us all amid the changes. The significance of the partner network will be emphasized even more because, as a small company, we can no longer do everything by ourselves. Competition in our industry has tightened so that the continuous development of both cost competitiveness and quality require specialisation and large-scale cooperation.

We began to implement the changes in maintenance operations already at the beginning of 2011, and the transformation will continue this year. We also reorganised cargo traffic operations and began to look for a partner for our catering business. In addition, we took a step forward in strengthening our position in the Nordic countries by establishing Flybe Nordic, together with British airline Flybe. The new carrier specialises in regional flying in the Nordic and Baltic countries.

In the second half of the year, we optimised our operations in many ways: Together with the aircrew, we agreed upon solutions to improve productivity, optimised our route network and the use of our fleet as well as renegotiated aircraft leasing agreements. As a result of the optimised use of the fleet, we can give up several short-haul planes. In addition to this, we have identified several other targets for cost reduction and optimisation. The optimisation efforts have also paid off; our unit costs excluding fuel decreased by 6.1 per cent during 2011.

In addition to cutting costs, we have focused on our future growth and improved the quality of our operations further. In May last year, we opened the Singapore route, and began preparations for the Chongqing route to be opened in May 2012. These steps have been taken in order to double our turnover in Asian operations by 2020.

Our aim is to strengthen our position in the Nordic markets as well. The plans that were announced today are aimed to end the loss-making cycle of European traffic and establish a cost-effective partnership company for this traffic. We are investigating the possibility of transferring the entire narrow-body fleet or a part of it to the new company. This would be a big change for Finnair. We will now begin discussions with our potential partners and staff about alternative implementation methods for this change.

During 2011, we received recognition for the excellent quality of our service. Among other honours, Finnair was named the best airline in Northern Europe. During the year, we also focused on developing a smoother travel experience. As a result, customer satisfaction, punctuality and the speed of baggage handling continued to improve, and we were among the best network carriers in these areas. This was a great achievement from our personnel, which has continued to show their full commitment in customer service even amid the transformation. Employees deserve a warm thank you for their excellent work.

The on-going structural change is demanding for the staff. Our aim is to discuss the process openly with different parties, and to facilitate difficult changes by using measures that are possible in Finnair's current situation. However, I believe that our strategy, clear goals and strong company culture will help us surpass the difficult and painful change. Together, we are now building the Finnair of the future.

Markets and general overview

Global airline traffic has changed significantly in recent years, and similar structural change is happening in the industry as has already been faced by many other industries. Typical for this change process are market

liberalisation, increasing competition, overcapacity, consolidation, alliances and specialisation. The global consolidation of the industry is predicted to continue. Finnair aims to make use of the opportunities created by this development.

The year 2011 was marked by high oil prices and increased capacity in the market. In the early 2011, the industry was getting ready for expected growth in the markets, due to which supply increased more rapidly than demand. The competitive situation thus became very tough. As the global economy weakened, the competitive situation continued to get even tighter, which affected both passenger and cargo traffic.

The impact of the cabin crew strike in December 2010 on demand was still felt at the beginning of the year. The seasonally weak start of the year was also affected by the shocking catastrophe in Japan in March, and as a result particularly the demand from Europe to Japan decreased significantly. Despite this, Finnair continued its daily flights to Japan. The demand from Japan to Europe recovered rapidly but travel from Europe to Japan during the rest of the year was weaker than in the previous year.

The strong capacity growth in air traffic stabilised in the second quarter due to high oil prices, the uncertainty in the global economy, the disaster in Japan as well as the disturbances in the Middle East and Northern Africa. However, Finnair was able to increase its market share in the traffic between Asia and Europe on the routes it operates. Business travel and the demand for business class also developed positively during the first half of the year.

The growth in demand slowed down in the second half of the year due to the uncertainty in the global economy. Increasing macro-economic instability led to a weaker than expected development of business travel and weakened the profitability of cargo traffic. Due to overcapacity in the package tours markets, the operational result of our package tours subsidiary Aurinkomatkat exceptionally showed a loss. The high price of oil and the disturbances at the start of the year also weakened the profitability of the company for the whole year, due to which Finnair's operational result for 2011 showed a 60.9 million euro loss.

Strategy implementation

In 2011, Finnair focused on optimising operations, growth and service quality in line with our vision to be the number one carrier in the Nordics. The opening of the Singapore route and the preparations of the Chongqing route to be opened in May 2012 are steps toward the envisaged doubling of the turnover of Asian operations by 2020.

In order to improve cost competitiveness, Finnair will focus on its core activities in future, and build an even stronger partnership network around itself. In aviation services, the company's baggage handling and apron services were transferred to Swissport. Finnair also explores options to find a cost-efficient solution for equipment and engine maintenance and investigates possible partnering opportunities and structural solutions in Catering.

The strategic focus of Finnair's airline traffic is on the traffic between Asia and Europe, and for this reason, in addition to increasing the Asian traffic, the company aims to develop alternative ways for producing the company's own narrow body traffic in order to reduce the unit costs of European and domestic traffic and to increase flexibility. Finnair is aiming at a leading position as a Nordic operator in cooperation with its partners in order to produce additional value for its shareholders and customers.

In order to promote these strategic aims, Finnair acquired Finnish Commuter Airlines Oy (FCA) together with Flybe UK in July. The acquisition of FCA was carried out by establishing a new company, Flybe Nordic, of which Flybe owns 60 per cent and Finnair 40 per cent. The new company began its operations in August after receiving approval from the Competition Authority. Flybe as a majority shareholder is responsible for the company's operational activities and management. The aim is to make Flybe Nordic a strong regional airline in the Nordic and Baltic countries, which will complement Finnair's network by acting as a cost-effective feeder traffic platform for the company's international flights.

In addition to the Flybe arrangement, Finnair and Neff Capital Management LLC established a cargo traffic joint venture Nordic Global Airlines Ltd (NGA) in March. The company began to operate cargo traffic with the MD11 aircraft fleet at the beginning of August.

In 2011, Finnair continued to implement its comprehensive identity renewal. One of the central areas is the renewal of Finnair's service identity, the practical matters for which were started in the first quarter of the year.

Through the service identity renewal, Finnair meets the needs and expectations of customers with broad-minded and innovative solutions and offers customers peace of mind during all stages of travel.

Finnair's cabin crew began using their new uniforms in December. In addition to the uniforms, Finnair renewed the company logo, aircraft livery and the look of the cabins. The visual identity reform has now been implemented for the most part.

Finnair transformation and cost reduction programme

In 2011, it became obvious that Finnair would have to carry out a substantial structural change in order to meet the needs of the changing aviation landscape. The company has to break its loss-making cycle so that it can build the Finnair of the future according to its strategy. After careful strategic work and extensive industry comparison, Finnair announced in August that it aims to reduce its annual costs permanently by 140 million euros by 2014. The transformation and cost reduction programme focuses particularly on improving the profitability of short-haul flights in the tightened competitive environment. In order to improve cost competitiveness, the company focuses on its core activities and building an even stronger partnership network around itself.

According to the company's estimates, the biggest cost reductions will be achieved in personnel and maintenance costs, as the share of both of these is approximately a quarter of the overall target. The share of sales and distribution costs is approximately 15 per cent and the share of IT, fleet and ground handling costs amounts to approximately 30 per cent of the overall reduction target.

Finnair reduced its overhead costs by streamlining administration and optimising procurement, marketing and distribution activities. The company aims to further reduce procurement costs through centralised management.

In the aviation services, the company's baggage handling and apron services were transferred to Swissport. The company also explores options to find a cost-efficient solution for equipment and engine maintenance and investigates possible partnering opportunities and structural solutions for Catering.

In November, Finnair introduced new pricing categories for domestic and Scandinavian flights. The purpose of the new price categories is to attract new customer segments and make flying a more attractive alternative in regional traffic. For enabling the new pricing scheme, the company began to optimize the size and utilisation of its fleet. The capacity of the A32S fleet is also being increased through new cabin configurations. Moreover, Finnair announced that it is looking for alternative production platforms in order to reduce the unit costs of European and domestic traffic and to increase flexibility. New solutions that improve productivity were also agreed upon with the aircrew.

During 2011, the company developed Uraportti, a concept to help Finnair personnel find employment as quickly as possible when it is necessary to reduce staff. Significant changes in the company's operations, deeper alliances and an increase in cost-effectiveness in all operations are required in order to achieve the planned cost reductions. These measures mean big changes to the company's personnel, and staff cuts cannot be avoided.

In 2011, approximately 10 million euros of the set 140 million euro reduction target in annual costs by 2014 were achieved. The cost reductions that require structural changes are estimated to be implemented mainly in 2012, while the overall target is estimated to be reached by the end of 2013.

Both Finnair's Board of Directors and the company's management are committed to Finnair's structural change and to the company's development so that Finnair can face the industry's competitive challenges.

Significant near term risks and uncertainties

Due to the short booking horizon in passenger and cargo traffic, long-term forecasting is difficult. In addition to operational activities, Finnair's result is largely affected by the development of the market price of fuel, as fuel costs are among the biggest expense items, in addition to personnel costs. The result is also affected by exchange-rate fluctuations of the US dollar and the Japanese yen against the euro. Fuel, aircraft leasing and spare part costs are dollar-denominated, whereas the yen is an important income currency due to the large scale of Japanese business operations.

The company protects itself against the risks of currency, interest rate and jet fuel positions by using different derivative instruments, such as forward contracts, swaps and options, according to the risk management policy verified by the Board of Directors.

The Flybe collaboration has gotten off to a good start, but there are certain risks related to achieving the targeted strategic goals. The company's medium-term goal is to become the market leader in regional aviation in the Nordic countries and Baltic States. However, the market is competitive, price competition in regional aviation is aggressive and there are alternative forms of travel available. The company must be cost competitive and reach potential customers in order to achieve its strategic objectives. Majority owner Flybe is responsible for the management and development of the company's operations.

The extensive cost savings and structural change programme initiated by the company has inherent risks related to the content and the scheduling of the programme: The Company must implement an adequate amount of structural changes along with development, partnership and cost reduction measures as scheduled in order to improve the profitability as expected.

Finnair's operations are associated with a number of strategic, economic and operational risks and these have been comprehensively outlined in the 2011 consolidated financial report to be released during week 10.

Seasonality and sensitivities in business operations

Due to the seasonality of the airline business, Finnair turnover and profit are generally clearly at their lowest in the first quarter and at their highest in the third quarter of the year. The growing proportional share of Asian traffic increases seasonal fluctuation due to destination-specific seasons in Asian leisure and business travel.

The effect of a one-percentage-point change in the average returns of the passenger load factor or passenger traffic on the group's operating result is approximately 15 million euros. The effect of a one-percentage-point change in the unit cost of scheduled passenger traffic on the operating result is approximately 17 million euros.

Fuel costs are a significant cost-related uncertainty factor in Finnair's business operations. A 10-per-cent change in the world market price of fuel has an effect of approximately 18 million euros on Finnair's operating result at annual level, taking hedging into account. A 10-per-cent change in the euro-dollar exchange rates has an effect of approximately 21 million euros on Finnair's operating result at annual level, taking hedging into account.

Outlook for 2012

The continuing uncertainty in the world economy, the seasonal fluctuation in demand as well as continued high price of fuel are reflected in the operational result of first half of the year, which is estimated to be clearly loss-making.

Finnair's passenger traffic capacity in its current structure and form is estimated to grow by around 5 per cent in 2012. The growth will come mainly from Asian traffic, where Finnair will increase capacity by opening a new route to Chongqing in May.

Finnair's fuel costs are estimated to be significantly higher in 2012 compared to the previous year due to increased capacity and high price of fuel.

Cost reductions of 80 million euros out of the total target of 140 million euros are estimated to be achieved by the end of 2012. The realisation of the cost reductions will mainly take place during the second half of the year.

Financial result 1 October–31 December 2011

In Q4 of 2011 Finnair's turnover increased by 11.7 per cent (12.9%) year on year and totalled 577.4 million euros (516.9). The group's operational result, which refers to the operating result excluding non-recurring items, capital gains and changes in the fair value of derivatives and in the value of foreign currency-denominated fleet maintenance reserves, was -31.6 million euros (-6.7). The operating result was -30.1 million euros (-4.7). The result before taxes was -38.2 million euros (-9.6) and the net result -32.6 million euros (-5.7)

Finnair's result includes the change in the fair value of derivatives and in the value of foreign currency-denominated fleet maintenance reserves that took place during the year but will fall due later. This is an unrealized valuation result based on the IFRS financial reporting standard, where the result has no cash flow effect and which is not included in the operational result. The change in the fair value of derivatives and in the value of foreign currency denominated fleet maintenance reserves improved the result reported for the last quarter by 4.6 million euros. A year earlier, the profit and loss effect of the corresponding item was 5.6 million euros.

The exchange rate fluctuation between the US dollar and the euro did not affect the operational result significantly in the fourth quarter. At the end of December, the degree of hedging for a dollar basket for the next 12 months was 71 per cent.

Euro-denominated operating costs amounted to 613.4 (529.9) million euros in the last quarter of 2011. Fuel costs, including price and currency hedging, rose by 37.3 per cent, amounting to 146.4 million euros. Personnel costs were 117.8 million euros (114.0). Other rental costs were 31.4 million euros (27.0). The item includes rental payments for capacity bought from other airlines, which share has grown markedly due to the increased use of leased capacity.

Financial result 1 January–31 December 2011

In 2011, the turnover of Finnair Group was 2,257.7 million euros (2 023.3 million euros in 2010). The operational result, which refers to the operating result excluding non-recurring items, capital gains and the change in the fair value of derivatives and in the value of foreign currency denominated fleet maintenance reserves, totalled -60.9 million euros (-4.7). The operating result amounted to -87.8 million euros (-13.3). The result before taxes was -111.5 million euros (-33.0) and the net result was -87.5 million euros (-22.8).

Changes in the fair value of derivatives and in the value of foreign currency denominated fleet maintenance reserves impaired the reported full year by -2,4 million euros (-6.4).

The euro-denominated operational costs for the full year were 2 335.6 (2 050.7) million euros. Fuel costs, including price and currency hedging, rose by 28.6 per cent, amounting to 555.2 million euros (431.7). The euro-denominated market price of fuel has risen by nearly 50 per cent from the previous year. Personnel costs were 455.4 million euros (438.8). Other rental costs were 128 million euros (88.0). The item includes rental payments for capacity bought from other airlines, which share has grown markedly due to the increased use of leased capacity.

The net cash flow from operating activities for the full year amounted to 50.8 million euros (76.0). The return on capital employed for 12 months was -5.2 per cent (-0.4) and the return on equity was -10.9 per cent (-2.7).

Balance sheet 31 December 2011

At the end of the accounting period, the balance sheet cash funds amounted to 49.5 million euros (41.5). The Group's balance sheet totalled 2,357 million euros (2,411.8 million euros on 31 December 2010). Shareholders' equity was 752.5 million euros (853.3), which is 5.89 euros per share (6.67). The Equity attributable to Group's shareholders was 751.8 million euros (852.5).

Shareholders' equity includes a fair value fund related to hedge accounting, the value of which is affected by changes in the oil price and foreign exchange rates. The size of the item on the closing date was 30 million euros, after deferred taxes, and it includes foreign exchange and fuel derivatives as well as, to a lesser degree, other items (35.2).

Cash flow and financial position

The net cash flow from operating activities amounted to 50.8 million euros in 2011 (76.0 in 2010). The cash flow before financing activities was 14.0 million euros (226.7). The change in cash flow is related to investments made in 2011. Financial expenses for the whole year were 30.6 million euros (26.3) and the financial income amounted to 9.0 million euros (6.5).

Advance payments related to fixed asset investments were 6.5 million euros (19.4). At the end of the financial year, the interest-bearing debt amounted to 729.3 million euros (764.5). The equity ratio was 32.6 per cent (36.2) and gearing was 43.3 per cent (27.8). The adjusted gearing was 108.4 per cent (79.6).

The Group's liquid assets stood at 403.3 million euros (526.9) at the year-end. In addition to liquid assets, Finnair has the option of a loan-back of employment pension fund reserves from Ilmarinen Mutual Pension Insurance Company amounting to approximately 380 million euros. The use of this option requires a bank guarantee. In addition, Finnair renewed a 200 million euro syndicated three-year credit facility in June 2010 that is intended as reserve financing and has not been used to date. Financial flexibility is also achieved through a 200 million euro short-term commercial paper programme, of which 10 million euros was in use at the closing date.

Capital Expenditure

In the fourth quarter, the capital expenditure, excluding advance payments, totalled 21.1 million (27.1) and 203.9 million (183.5) in 2011. Fleet investments in 2011 totalled around 190 million, of which around 104 million is related to the ATR 72 planes purchased in connection with the Flybe Nordic arrangement and leased to Flybe. In 2010, Finnair's fleet investments totalled 168.7 million. Investments in 2012 are estimated to total around 70 million.

Fleet

The Finnair Group's fleet is managed by Finnair Aircraft Finance Oy, a wholly-owned subsidiary of Finnair Plc. At the end of December 2011, Finnair Group had a total of 65 aircraft in flight operations. The average age of Finnair's entire fleet is just over seven years.

Finnair had no new operative aircraft deliveries in the fourth quarter. In the last quarter of 2010, Finnair made a sale and leaseback agreement for one A330 aircraft and received one A340 lease aircraft.

During 2011, in connection with the Flybe Nordic arrangement, Finnair purchased nine ATR 72 aircraft from Finnish Commuter Airlines (FCA) and continues to lease them back to Flybe. The fleet investment totalled around 104 million. Furthermore, the deal included delivery agreements of three ATR 72 aircraft, two of which were delivered during the last quarter of 2011. The third ATR 72 aircraft will be delivered at the end of 2012. The last two MD11 aircraft and one Embraer 170 aircraft were sold during 2011.

The deliveries of Airbus 350 XWB aircraft are estimated to start at the beginning of 2015 at the earliest. The final delivery schedule is still unclear and Finnair is analysing alternative solutions in order to minimise the effect of possible delays in deliveries. Some of the aircraft will replace the A340 aircraft currently in use in long-haul traffic. Finnair has the possibility to adjust the size of its fleet flexibly according to demand and outlook due to its lease agreements with different durations.

Fleet operated by Finnair on 31 December 2011

| | Seats | Quantity | Own* | Leased | Average age |
|--------------|-------------|-----------|-----------|-----------|-------------|
| Airbus A319 | 105–138 | 11 | 7 | 4 | 9.5 |
| Airbus A320 | 111–159 | 12 | 6 | 6 | 8.7 |
| Airbus A321 | 136–196 | 6 | 4 | 2 | 10.1 |
| Airbus A330 | 297/271/263 | 8 | 7 | 1 | 1.4 |
| Airbus A340 | 270/269 | 7 | 5 | 2 | 8.2 |
| Boeing B757 | 227 | 4 | 0 | 4 | 13.2 |
| Embraer 170 | 76 | 5 | 1 | 4 | 5.3 |
| Embraer 190 | 100 | 12 | 8 | 4 | 3 |
| Total | | 65 | 38 | 27 | 7 |

*Includes 3 finance leased Airbus 330 aircraft

Business Area Development

The segment reporting of Finnair Group's financial statements is based on business area. The reporting business areas are Airline Business, Aviation Services and Travel Services.

Airline Business

This business area is responsible for scheduled passenger and charter traffic as well as cargo sales, customer service and service concepts, flight operations and activity connected with the procurement and financing of aircraft. The Airline Business segment comprises the Sales & Marketing, Operations, Customer Service and Resources Management functions as well as the subsidiaries Finnair Cargo Oy, Finnair Cargo Terminal Operations Oy, Finnair Flight Academy Oy and Finnair Aircraft Finance Oy.

Key figures

| | | 10-12/ 2011 | 10-12/ 2010 | Change % | 1-12/ 2011 | 1-12/ 2010 | Change % |
|-----------------------------------|-----------|----------------|----------------|-------------|---------------|---------------|-------------|
| Turnover and result | | | | | | | |
| Turnover | EUR mill. | 496.4 | 432.8 | 14.7 | 1 970.5 | 1 740.4 | 13.2 |
| Operational result, % of turnover | % | -4.2 | -1.9 | | -1.8 | 0.1 | |
| Operational result, EBIT | EUR mill. | -20.7 | -8.1 | | -35.6 | 1.9 | |
| Employees | | | | | | | |
| Average number of employees | | | | | 3 565 | 3 524 | 1.2 |

In 2011, Finnair traffic measured in revenue passenger kilometres rose by approximately 11.8 per cent, and the overall capacity showed a year-on-year increase of 16.8 per cent. Asian traffic capacity measured in available seat kilometres grew by 27.8 per cent and traffic measured in revenue passenger kilometres by 17.6 per cent, mainly boosted by the Singapore route opened in May.

Business travel showed a significant growth in early 2011, but the growth slowed down during the last quarter of the year. In Asian traffic, the overall load factor was lower than previously due to the increase in capacity, which was also reflected in the unit revenues in the fourth quarter: Finnair's unit revenue per available seat kilometre (RASK) declined by 4.5 per cent, while the unit revenue per revenue passenger kilometre (RPK yield) showed a slight year-on-year improvement of 1.2 per cent.

In the last quarter, growth of business travel demand slowed down markedly, particularly in Finland, while travel from Asia to Europe continued to grow, especially in business class. Demand from Japan to Europe was at a good level. In the last quarter an average of up to 90 per cent of passengers travelling on Finnair's Japan routes originated from Japan.

In the last quarter, corporate sales showed a year-on-year increase of 20 per cent. The growth was mainly from Asian sales, which grew by 47 per cent. Corporate sales growth was strongest in Singapore, Korea, Hong Kong, China and Japan. Global corporate sales accounted for 27 per cent of total scheduled traffic.

In leisure traffic the load factor was below the target due to overcapacity in the Finnish package tour market. In Q4 of 2011, Finnair's charter flights carried around 51,300 passengers, which was around 21 per cent fewer than in the previous year. The full year capacity decrease in leisure traffic results mainly from the fact that from the beginning of the summer season, some of the previous leisure flights have been operated as scheduled services. The overall capacity of these flights has not changed substantially from last year.

Cargo flights started in 2010 continued and expanded during 2011 in cooperation with the Nordic Global Airlines and World Airways. In the last quarter, cargo flights were operated to Hong Kong, Seoul, Shanghai, New York, Mumbai and Frankfurt. Mainly due to increased cargo capacity, Finnair Cargo's sales grew by around 10 per cent in the last quarter compared to the previous year. Increasing economic uncertainty slowed growth in cargo demand and impaired load factors in the last quarter. The available tonne kilometres grew by 20 per cent and the revenue tonne kilometres by 15.5 per cent. Cargo traffic unit revenue per tonne kilometre was close to flat. The amount of cargo and mail grew by around 13 per cent. The overall load factor was 60.7 per cent.

Cooperation with World Airways will end until further notice beginning in March 2012 due to decreased demand.

At the end of 2011, Finnair's market share was 5.4 per cent (5.4 per cent) on operated route pairs in scheduled traffic between Europe and Asia. Finnair's market share of flights departing from Finland was 46 per cent.

The arrival punctuality of Finnair's flights in 2011 improved from the previous year: 85.1 per cent (80.8 per cent) of all flights arrived on schedule, and 86.1 per cent (82.2 per cent) of scheduled flights arrived on schedule.

Air Traffic Services and Products

Route Network

During its summer season beginning in March, Finnair flew a record 74 flights per week to 10 Asian cities. Finnair offered the fastest connections between Europe and Asia, with more than 200 route pairs. Singapore was opened as a new destination in May. A direct service to Chicago from Helsinki was also available during the summer on the flights of **oneworld** partner American Airlines.

Finnair and its **oneworld** alliance partner Qantas began code share flights from Helsinki via Bangkok to Sydney in February. Codeshare flights from Helsinki via Singapore to Melbourne, Brisbane, Perth, Adelaide and Sydney began in May, when Finnair began daily flights to Singapore.

Flights to Malaga, Nice and Toronto, previously leisure flight services, were changed to scheduled services during the summer season. During the winter season, Finnair began scheduled service to Dubai in the United Arab Emirates.

Finnair's and Flybe's cooperation flights in the Nordic countries began with Flybe's new route network at the start of the winter season. Flybe aims to provide service to markets that do not yet have flight service by opening new regional routes and flights.

In July, Finnair announced that it would open routes to Chongqing in China. Finnair is the first airline to open direct scheduled flights from Europe to Chongqing. The flights begin in May of 2012.

Other Renewals and Services

In November, Finnair introduced new affordable prices for domestic and Scandinavian flights. Return flights to domestic destinations up to Oulu and to Stockholm are available starting at 69 euros. Return flights to Copenhagen are available starting at 79 euros. The goal of these new prices is to attain new passenger groups and make flying a more attractive alternative for all customer groups.

At the beginning of the year, Finnair launched onto the market, in cooperation with Diners Club Finland, a combined Finnair Plus membership card and a Diners Club credit card. The cooperation allows Finnair Plus members to accumulate points faster than before with daily purchases, thereby making it easier to achieve membership benefits.

In the beginning of March, Finnair launched a service environment for mobile phone users, combining travel-related services, instructions and tips in one place. The service environment can be found at m.finnair.com.

Awards

The World Airline Awards recognised Finnair as the best North European airline of 2011 at the Paris Air Show. The World Airline Awards™ is based on the Skytrax World Airline Survey, renowned in the aviation industry and widely known as the only global and independent customer satisfaction survey measuring the operations of airlines. Readers of the American travel magazine Travel + Leisure voted Finnair the second best airline in Europe and the 12th best airline in the world.

In late 2011, Finnair and Helsinki Airport employed seven Quality Hunters, whose task was to travel in Europe, Asia and the United States for seven weeks, looking into factors affecting the quality of flight travel and in this manner develop the services offered by Finnair and Helsinki Airport.

Finnair won two European Excellence Awards with its Rethink Quality and Angry Birds projects.

Finnair's Rethink Quality project from 2010 won the award in the Travel and Tourism category, while Finnair's Angry Birds Asian Challenge mobile gaming tournament on a Helsinki–Singapore flight last September won the Event category. The MTL Communications Awards, arranged by the Finnish Association of Marketing Communication Agencies, also awarded the Rethink Quality campaign with the top prize in the Business to Consumer series.

In September 2011 Finnair also won a Silver Euro Effie award in recognition of its Local Heroes marketing campaigns in Manchester, England and Düsseldorf, Germany. The campaigns, utilising local notable personalities and aimed at business travellers flying to Asia, far exceeded company targets and increased Finnair's brand awareness and supported sales growth in two of its key growing European markets. Finnair is the first Finnish company to win an Effie.

The American Global Traveller Magazine for business travellers named oneworld as the Best Airline Alliance in 2011. The honorary title was bestowed to oneworld based on a reader survey for the second year in a row. The members of the oneworld airline alliance include American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Japan Airlines, LAN, Malév Hungarian Airlines, Mexicana, Qantas, Royal Jordanian and S7. In 2012, the Indian Kingfisher, German Airberlin and Malaysia Airlines will also join the alliance.

Aviation Services

This business area consists of aircraft maintenance services, ground handling and the Group's catering operations. In addition, most of the Group's property holdings, the procurement of office services and the management and maintenance of properties related to the Group's operational activities also belong to the Aviation Services business area. Aviation Services' business consists mainly of intra-Group service provision. Of the business area's turnover, one quarter comes from outside the Group.

| Key figures | | | | | | | |
|-----------------------------------|-----------|----------------|----------------|-------------|---------------|---------------|-------------|
| | | 10-12/ 2011 | 10-12/ 2010 | Change % | 1-12/ 2011 | 1-12/ 2010 | Change % |
| Turnover and result | | | | | | | |
| Turnover | EUR mill. | 104.0 | 109.8 | -5.3 | 424.1 | 429.0 | -1.1 |
| Operational result, % of turnover | % | -6.7 | 1.3 | | 1.8 | 1.9 | |
| Operational result, EBIT | EUR mill. | -7.0 | 1.4 | | 7.8 | 8.1 | -4.5 |
| Employees | | | | | | | |
| Average number of employees | | | | | 2 619. | 2 685. | -2.5 |

The profitability of catering operations improved with the increase in the number of passengers, showing a positive operational result in Q4. The operations of Finnair Technical Services were loss making in the final quarter of the year. The operational result of ground handling service provider Northport showed a slight loss in Q4.

Travel Services (Tour Operators and Travel Agencies)

This business area consists of the tour operator Aurinkomatkat-Suntours and its subsidiaries operating in Estonia and Russia as well as the business travel agencies Matkatoimisto Area and Finland Travel Bureau (FTB) and FTB's subsidiary Estravel, which operates in the Baltic countries. Amadeus Finland produces travel sector software and solutions. Aurinkomatkat serves leisure travellers, offering its customers package tours, tailored itineraries, flight and hotel packages, flights, and cruises, as well as golf, sailing and skiing holidays.

| Key figures | | | | | | | |
|-----------------------------------|-----------|----------------|----------------|-------------|---------------|---------------|-------------|
| | | 10-12/ 2011 | 10-12/ 2010 | Change % | 1-12/ 2011 | 1-12/ 2010 | Change % |
| Turnover and result | | | | | | | |
| Turnover | EUR mill. | 88.8 | 90.2 | -1.6 | 321.9 | 316.9 | 1.6 |
| Operational result, % of turnover | % | -3.8 | 2.3 | | -4.0 | - | |
| Operational result, EBIT | EUR mill. | -3.4 | 2.1 | | -12.8 | 0.0 | |
| Employees | | | | | | | |
| Average number of employees | | | | | 980 | 1 110 | -11.7 |

In October–December, the operational result of Travel Services was loss making, falling to -3.4 (2.1) million. The overcapacity in the Finnish package tour market continued throughout the year, significantly weakening profitability.

In addition to overcapacity, the package tour operations throughout the year were impacted by the changes in the political situation in the Arab world. Some trips to Tunisia and Egypt during the winter season had to be cancelled or transferred to other destinations. April's rains in Southern Thailand and the November–December flooding in Bangkok reduced travel to Thailand.

Aurinkomatkat's Russian operations remained loss making. Aurinkomatkat's subsidiaries operating in Russia will cease their operations during the first half of 2012. The non-recurring cost items related to the shutdown of the Russian operations encumbered the operational result of Travel Services in the last quarter of 2011. Package tour operations in Estonia were profitable.

Aurinkomatkat's market share in Finland increased almost two percentile units (33.7%) and customer satisfaction remained at a very high level. According to a recent survey by Taloustutkimus Oy, Aurinkomatkat is Finland's most popular and reliable tour operator.

Business travel demand in Finland developed as anticipated during the early part of the year, but took a downturn in the last quarter due to the uncertain economic situation in Europe. However, the result of the business travel agencies was clearly in the black due to improvements in productivity and new product launches.

The financial development of the business segments is also described in the notes to the financial statements in Section 3, Segment Information.

Events after the Review Period

On 9 February 2012, in connection with the publication of its financial statement, Finnair publishes its plan aimed to end the loss-making cycle of European traffic and establish a cost-effective partnership company for this traffic. The company announced its plans to transfer either some or all of its narrow-body fleet to the future company. The company will immediately begin discussions concerning the implementation alternatives with prospective partners and the staff.

On 3 February 2012, Finnair announced an agreement on the sublease of four Embraer 170 aircraft to Estonian Air. The sublease opportunity is in part made possible by Finnair's continued work on network optimization and rationalization, and the company achieves considerable savings with the agreement.

Group Structure

The companies that are part of the Finnair Group are presented in the notes to the financial statements in Section 33, Operating Subsidiaries.

Dividend

The Board of Directors will propose to the Annual General Meeting to not distribute a dividend for 2011.

Changes in Company Management

During 2011, Finnair announced the following changes in its Executive Board: On 11 January 2011, Gregory Kaldahl joined Finnair as Senior Vice President, Resources Management. He is also a member of Finnair's Executive Board and the Management Board. On 14 March 2011, Arja Suominen was appointed Senior Vice President, Communications and Corporate Responsibility, as well as member of Finnair's Executive Board and the Management Board. Christer Haglund, Senior Vice President, Communications, resigned from his position at Finnair on 15 April 2011, and Finnair Group's Deputy Chief Executive Officer Lasse Heinonen resigned from his position at Finnair on 15 May 2011.

Board Authorisations

By the decision of the 2010 Annual General Meeting, Finnair Plc's Board has the authorisation to decide on the disposal of at most 5,000,000 own shares in the possession of the company and the terms of said disposal. This authorisation shall remain valid until 31 May 2013.

Personnel

During 2011, the Finnair Group had an average number of 7,467 employees (7,578). The personnel were divided by business area as follows: Airline Business 3,565 (3,524), Aviation Services 2,619 (2,685) and Travel Services 980 (1,110). A total of 303 people were employed in other functions (259). On 31 December 2011, the number of employees was 7,458 (7,616).

Corporate Responsibility

In April 2011, Finnair published its report for 2010, based on the international Global Reporting Initiative, in a more extensive form than previously. Finnair started reporting in accordance with the GRI principles as one of the first airlines in the world; the published report was Finnair's third report on corporate responsibility as a whole.

The Carbon Disclosure Project's (CDP) report on the Nordic countries for 2011 set Finnair clearly above all other airlines from the Nordic countries. CDP is responsible for the only global climate change reporting system in the world. The report praises Finnair's actions that have enabled it to significantly reduce its greenhouse gas emissions, improve its reporting and identify the strategic business risks related to climate change. In particular, Finnair was highlighted due to its biofuel trials and the significant emission reductions achieved by its travel agencies.

Since 1999, Finnair has reduced its emissions per seat by one quarter. The company is committed to further emission reductions of 24 per cent per seat from 2009 levels by 2017. The final goal is carbon-neutral flight operations. In striving to reach this goal, the company follows a strategy divided into four sectors: technological development, improvement of its operations, development of infrastructure and support of the global emissions trading scheme.

Share Price Development and Trading

At the end of 2011, Finnair's market value was 294.7 million euros (645.8), and the closing price was 2.30 euros. During 2011 the highest price for the Finnair Plc share on the NASDAQ OMX Helsinki Stock Exchange was 5.37 euros (5.72), the lowest price 2.30 euros (3.61) and the average price 3.62 euros (4.49). Some 21.4 million (27.3) of the company's shares, with a value of 77.5 million euros (122.5), were traded on the NASDAQ OMX Helsinki Stock Exchange.

The number of shares recorded in Finnair's Trade Register entry was 128,136,115 at the end of the year. The Finnish State owned 55.8 per cent (55.8) of Finnair's shares, while 12.3 per cent (15.2) were held by foreign investors or in the name of a nominee.

On 31 December 2011, Finnair held a total of 410,187 of its own shares, representing 0.3 per cent of the total share capital. No changes in the number of own shares held by Finnair took place during 2011.

Publication of the Financial Statements and the Annual Report and the 2012 Annual General Meeting

Central parts of Finnair Plc. Group's financial statements for the year 2011 and the Report of the Board of Directors for 2011 will be published as part of the financial report for 2011 during week 10. The financial statements in their entirety, the Report of the Board of Directors and other final accounts referred to in the Limited Liability Companies Act will be available on the company's website on 7 March 2012 at the latest. Finnair Plc's Annual General Meeting will be held on 28 March 2012 at 3:00 p.m. in Helsinki.

Report on the Governance and Steering System

Report of the Board of Directors and Finnair Plc's Corporate Governance statement will be published as a document separate from the Board's annual report as part of the company's financial report for 2011 during week 10, and it will also be available on the company's website.

FINNAIR PLC
Board of Directors

Appendices

Press Conference

Finnair will hold a press conference on 9 February 2012 at 11:00 a.m. and an analyst briefing at 12:30 p.m. at Helsinki Airport's World Trade Center, located at the address Lentäjätie 3. A phone conference on the financial statements will be held at 17 (Finnish time) in English. The telephone number for the conference is +358 (0)923 101 514, and the PIN-code is 444649#.

Finnair Plc
Communications
9 February 2012

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| Key Figures | | Oct-Dec 2011 | Oct-Dec 2010 | Change % | Jan-Dec 2011 | Jan-Dec 2010 | Change % |
|---|-------------|-----------------|-----------------|----------|-----------------|-----------------|----------|
| Turnover and result | | | | | | | |
| Turnover | EUR million | 577,4 | 516,9 | 11,7 | 2 257,7 | 2 023,3 | 11,6 |
| Operational result, EBIT | EUR million | -31,6 | -6,7 | - | -60,9 | -4,7 | - |
| Operational result, % turnover | % | -5,5 | -1,3 | - | -2,7 | -0,2 | - |
| Operating result, EBIT | EUR million | -30,1 | -4,7 | - | -87,8 | -13,3 | - |
| EBITDAR | EUR million | 26,4 | 38,0 | -30,5 | 139,6 | 176,6 | -21,0 |
| Result before taxes | EUR million | -38,2 | -9,6 | - | -111,5 | -33,0 | - |
| Net result | EUR million | -32,6 | -5,7 | - | -87,5 | -22,8 | - |
| Balance sheet and cash flow | | | | | | | |
| Equity ratio | % | | | | 32,6 | 36,2 | -3,6 %-p |
| Gearing | % | | | | 43,3 | 27,8 | 15,5 %-p |
| Adjusted gearing | % | | | | 108,4 | 79,6 | 28,8 %-p |
| Capital expenditure, CAPEX | EUR million | 21,1 | 27,1 | -22,1 | 203,9 | 183,5 | 11,1 |
| Return on capital employed, ROCE 12 months rolling | % | | | - | -5,2 | -0,4 | -4,8 %-p |
| Return on equity, ROE , 12 months rolling | % | | | - | -10,9 | -2,7 | -8,2 %-p |
| Net cash flow from operating activities | EUR million | 8,5 | 16,4 | -48,2 | 50,8 | 76,0 | -33,2 |
| Share | | | | | | | |
| Share price at end of quarter | EUR | 2,30 | 5,04 | -54,4 | 2,30 | 5,04 | -54,4 |
| Earnings per share | EUR | -0,27 | -0,06 | - | -0,75 | -0,24 | - |
| Traffic data, unit costs and revenue | | | | | | | |
| Passengers | number of | 1 913 | 1 660 | 15,2 | 8 013 | 7 139 | 12,2 |
| Available seat kilometres, ASK | million | 7 288 | 6 045 | 20,6 | 29 345 | 25 127 | 16,8 |
| Revenue passenger kilometres, RPK | million | 5 192 | 4 441 | 16,9 | 21 498 | 19 222 | 11,8 |
| Passenger load factor, PLF | % | 71,2 | 73,5 | -2,3 %-p | 73,3 | 76,5 | -3,2 %-p |
| Unit revenue per available seat kilometre, RASK | cents/ASK | 6,1 | 6,4 | -4,5 | 6,0 | 6,2 | -3,1 |
| Unit revenue per revenue passenger kilometre, yield | cents/ASK | 7,44 | 7,35 | 1,2 | 7,24 | 7,11 | 1,8 |
| Unit cost per available seat kilometre, CASK | cents/ASK | 6,7 | 6,9 | -2,3 | 6,4 | 6,6 | -2,7 |
| CASK excluding fuel | cents/ASK | 4,9 | 5,3 | -7,0 | 4,7 | 5,0 | -6,1 |
| Available tonne kilometres, ATK | million | 1 151 | 959 | 20,0 | 4 571 | 3 808 | 20,0 |
| Revenue tonne kilometres, RTK | million | 698 | 606 | 15,2 | 2 823 | 2 471 | 14,2 |
| Cargo and mail | tonnes | 38 031 | 33 729 | 12,8 | 145 883 | 123 154 | 18,5 |
| Cargo traffic unit revenue per tonne kilometre | cents/RTK | 26 | 26 | -0,8 | 27 | 26 | 3,1 |
| Overall load factor | % | 60,7 | 63,2 | -2,5 %-p | 61,8 | 64,9 | -3,1 %-p |
| Flights | number of | 18 585 | 17 861 | 4,1 | 78 916 | 74 195 | 6,4 |
| Personnel | | | | | | | |
| Average number of employees | | | | | 7 467 | 7 578 | -1,5 |

Financial statements January 1 - December 31, 2011

Consolidated income statement

| in mill. EUR | Oct-Dec | Oct-Dec | Change % | Jan-Dec | Jan-Dec | Change % |
|---|--------------|--------------|-------------|----------------|----------------|-------------|
| | 2011 | 2010 | | 2011 | 2010 | |
| Turnover | 577,4 | 516,9 | 11,7 | 2 257,7 | 2 023,3 | 11,6 |
| Work used for own purposes and capitalized | 0,6 | 2,4 | -75,0 | 3,1 | 8,7 | -64,4 |
| Other operating income | 3,8 | 3,9 | -2,6 | 13,9 | 14,0 | -0,7 |
| Capital gains * | 0,0 | 4,2 | - | -3,0 | 6,1 | - |
| Operating income | 581,8 | 527,4 | 10,3 | 2 271,7 | 2 052,1 | 10,7 |
| Operating expenses | | | | | | |
| Staff costs | 117,8 | 114,0 | 3,3 | 455,4 | 438,8 | 3,8 |
| Fuel | 146,4 | 106,6 | 37,3 | 555,2 | 431,7 | 28,6 |
| Lease payment for aircraft | 17,6 | 14,3 | 23,1 | 69,9 | 63,1 | 10,8 |
| Other rental payments | 31,4 | 27,0 | 16,3 | 128,0 | 88,0 | 45,5 |
| Fleet materials and overhaul | 30,4 | 31,9 | -4,7 | 117,8 | 120,7 | -2,4 |
| Traffic charges | 55,7 | 44,9 | 24,1 | 211,6 | 188,5 | 12,3 |
| Ground handling and catering expenses | 52,0 | 42,7 | 21,8 | 195,8 | 172,9 | 13,2 |
| Expenses for tour operations | 34,6 | 34,5 | 0,3 | 131,2 | 120,0 | 9,3 |
| Sales and marketing expenses | 22,8 | 22,0 | 3,6 | 93,3 | 83,7 | 11,5 |
| Depreciation | 40,4 | 30,4 | 32,9 | 130,6 | 118,2 | 10,5 |
| Other expenses | 64,3 | 61,6 | 4,4 | 246,8 | 225,1 | 9,6 |
| Total | 613,4 | 529,9 | 15,8 | 2 335,6 | 2 050,7 | 13,9 |
| Operational result, EBIT | -31,6 | -6,7 | | -60,9 | -4,7 | |
| Fair value changes of derivatives and foreign currency denominated fleet maintenance reserves | 4,6 | 5,6 | -17,9 | -2,4 | -6,4 | -62,5 |
| Non-recurring items | -3,1 | -7,8 | - | -21,5 | -8,3 | - |
| Total Expenses | 611,9 | 532,1 | 15,0 | 2359,5 | 2065,4 | 14,2 |
| Operating result, EBIT | -30,1 | -4,7 | | -87,8 | -13,3 | |
| Financial income | 2,4 | 1,6 | 50,0 | 9,0 | 6,5 | 38,5 |
| Financial expenses | -8,2 | -6,4 | 28,1 | -30,6 | -26,3 | 16,3 |
| Share of result in associates | -2,3 | -0,1 | - | -2,1 | 0,1 | - |
| Result before taxes | -38,2 | -9,6 | | -111,5 | -33,0 | |
| Direct taxes | 5,6 | 3,9 | -43,6 | 24,0 | 10,2 | 135,3 |
| Result for the period | -32,6 | -5,7 | | -87,5 | -22,8 | |
| Earnings per share attributable to shareholders of the parent company | | | | | | |
| Earnings per share to shareholders of the parent company | -32,6 | -5,4 | - | -87,7 | -23,0 | - |
| Non-controlling interest | 0,0 | -0,3 | - | 0,2 | 0,2 | - |
| Earnings per share (basic, diluted) | -0,27 | -0,06 | - | -0,75 | -0,24 | - |

* not included in the operational result, EBIT

Consolidated balance sheet

| in mill. EUR | Dec 31, 2011 | Dec 31, 2010 |
|--|-----------------|-----------------|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | 32,3 | 38,6 |
| Tangible assets | 1 468,2 | 1 406,6 |
| Investments in associates | 13,7 | 7,6 |
| Financial assets | 32,1 | 13,6 |
| Deferred tax receivables | 75,2 | 48,0 |
| Total | 1 621,5 | 1 514,4 |
| Short-term receivables | | |
| Inventories | 48,9 | 47,5 |
| Trade receivables and other receivables | 283,3 | 252,3 |
| Investments | 353,8 | 485,4 |
| Cash and cash equivalents | 49,5 | 41,5 |
| Total | 735,5 | 826,7 |
| Non-current Assets held for sale | 0,0 | 70,7 |
| Assets total | 2 357,0 | 2 411,8 |
| Shareholders' equity and liabilities | | |
| Capital and provisions attributable to equity holders of the parent company | | |
| Shareholders' equity | 75,4 | 75,4 |
| Other equity | 676,4 | 777,1 |
| Total | 751,8 | 852,5 |
| Non-controlling interest | 0,7 | 0,8 |
| Equity total | 752,5 | 853,3 |
| Long-term liabilities | | |
| Deferred tax liability | 98,5 | 103,3 |
| Financial liabilities | 516,0 | 677,7 |
| Pension obligations | 0,0 | 2,5 |
| Provisions | 86,9 | 72,6 |
| Total | 701,4 | 856,1 |
| Short-term liabilities | | |
| Current income and tax liabilities | 0,0 | 0,3 |
| Provisions | 46,0 | 27,8 |
| Financial liabilities | 229,9 | 98,5 |
| Trade payables and other liabilities | 627,2 | 575,8 |
| Total | 903,1 | 702,4 |
| Liabilities total | 1 604,5 | 1 558,5 |
| Shareholders' equity and liabilities, total | 2 357,0 | 2 411,8 |

Shareholders' equity as of 31 December 2011

| | Share capital | Share premium account | Bonus issue | Hedging reserve | Unrestricted equity | Translation difference | Retained earnings | Equity attributable to share-holders of the company | Non-controlling interest | Hybrid bond | Hybrid bond interest | Own equity, total |
|---|---------------|-----------------------|--------------|-----------------|---------------------|------------------------|-------------------|---|--------------------------|--------------|----------------------|-------------------|
| As of 1 Jan 2011, in Mill. EUR | | | | | | | | | | | | |
| Shareholders' equity | 75,4 | 20,4 | 147,7 | 35,2 | 247,2 | 0,0 | 215,2 | 741,1 | 0,8 | 119,4 | -8,0 | 853,3 |
| Dividend payment | | | | | | | 0,6 | 0,6 | -0,3 | 0,0 | - | 0,3 |
| Shareholders' equity related to owners 31 Dec 2011 | | | | | | | | | | | | |
| 2011 | 75,4 | 20,4 | 147,7 | 35,2 | 247,2 | 0,0 | 215,8 | 741,7 | 0,5 | 119,4 | -8,0 | 853,6 |
| Hybrid bond | | | | | | | | 0,0 | 0,0 | 0,0 | -8,2 | -8,2 |
| Result for the period | | | | | | | -87,7 | -87,7 | 0,2 | | | -87,5 |
| Items of Comprehensive income | | | | -5,2 | | -0,2 | | -5,4 | 0,0 | | | -5,4 |
| Comprehensive income for the financial period | 0,0 | 0,0 | 0,0 | -5,2 | 0,0 | -0,2 | -87,7 | -93,1 | 0,2 | 0,0 | - | -92,9 |
| Shareholders' equity 31 Dec 2011 | 75,4 | 20,4 | 147,7 | 30,0 | 247,2 | -0,2 | 128,1 | 648,6 | 0,7 | 119,4 | -16,2 | 752,5 |
| As of 1 Jan 2010, in Mill. EUR | | | | | | | | | | | | |
| Shareholders' equity | 75,4 | 20,4 | 147,7 | -25,2 | 247,2 | 0,5 | 238,3 | 704,3 | 0,9 | 119,4 | 0,0 | 824,6 |
| Dividend payment and repayment | | | | | | | -0,1 | -0,1 | -0,3 | 0,0 | - | -0,4 |
| Shareholders' equity related to owners 31 Dec 2010 | | | | | | | | | | | | |
| 2010 | 75,4 | 20,4 | 147,7 | -25,2 | 247,2 | 0,5 | 238,2 | 704,2 | 0,6 | 119,4 | - | 824,2 |
| Hybrid bond | | | | | | | | 0,0 | 0,0 | 0,0 | -8,0 | -8,0 |
| Result for the period | | | | | | | -23,0 | -23,0 | 0,2 | | | -22,8 |
| Items of Comprehensive income | | | | 60,4 | | -0,5 | 0,0 | 59,9 | 0,0 | | | 59,9 |
| Comprehensive income for the financial period | 0,0 | 0,0 | 0,0 | 60,4 | 0,0 | -0,5 | -23,0 | 36,9 | 0,2 | 0,0 | - | 37,1 |
| Shareholders' equity 31 Dec 2010 | 75,4 | 20,4 | 147,7 | 35,2 | 247,2 | 0,0 | 215,2 | 741,1 | 0,8 | 119,4 | -8,0 | 853,3 |

Consolidated cash flow statement

| in mill. EUR | Jan-Dec 2011 | Jan-Dec 2010 |
|---|-----------------|-----------------|
| Cash flows from operating activities | | |
| Profit for the financial year | -87,5 | -22,8 |
| Operations for which a payment is not included * | 148,9 | 122,6 |
| Interest and other financial expenses | 30,6 | 26,3 |
| Interest income | -7,5 | -6,2 |
| Other financial income | -1,4 | -0,2 |
| Dividend income | 0,0 | -0,1 |
| Taxes | 0,0 | -10,2 |
| Changes in working capital | -15,3 | -13,8 |
| Interest paid | -19,7 | -19,1 |
| Paid financial expenses | -5,2 | -3,7 |
| Received interest | 5,6 | 4,7 |
| Received financial income | 2,3 | 0,1 |
| Taxes paid | 0,0 | -1,9 |
| Net cash flow from operating activities ** | 50,8 | 76,0 |
| Cash flows from investing activities | | |
| Investments in subsidiaries | 0,0 | -0,1 |
| Investments in associates | -8,3 | 0,0 |
| Investments in intangible assets | -5,3 | -5,2 |
| Investments in tangible assets | -145,0 | 24,6 |
| Net change of financial interest bearing assets at fair value | 70,8 | 112,0 |
| Net change of shares classified as available for sale | 0,2 | 1,6 |
| Sales of tangible fixed assets | 60,1 | 10,8 |
| Received dividends | 0,1 | 0,1 |
| Change in non-current receivable | -9,4 | 6,9 |
| Net cash flow from investing activities | -36,8 | 150,7 |
| Cash flows from financing activities | | |
| Loan withdrawals and changes | 34,1 | 49,5 |
| Loan repayments and changes | -76,8 | -234,3 |
| Hybrid bond, interest / capital | -10,8 | -10,8 |
| Net cash flow from financing activities | -53,5 | -195,6 |
| Change in cash flows | -39,5 | 31,1 |
| Change in liquid funds | | |
| Liquid funds, at beginning | 294,0 | 262,9 |
| Change in cash flows | -39,5 | 31,1 |
| Liquid funds, at end | 254,5 | 294,0 |
| Notes to consolidated cash flow statement | | |
| * Operations for which a payment is not included | | |
| Depreciation | 130,6 | 118,7 |
| Employee benefits | 15,2 | 7,0 |
| Fair value changes in derivatives and changes in exchange | 2,4 | 6,4 |
| Other adjustments | 0,7 | -24,1 |
| Total | 148,9 | 108,0 |
| Financial asset at fair value | 353,8 | 517,3 |
| Liquid funds | 49,5 | 9,6 |
| Short-term cash and cash equivalents in balance sheet | 403,3 | 526,9 |
| Maturing after more than 3 months | -135,9 | -206,7 |
| Shares held to trading purposes | -12,9 | -26,2 |
| Total in cash flow statement | 254,5 | 294,0 |

** The paid items related to financial lease agreements 2010 have been classified so that they are part of financing activities cash flow instead of operating activities cash flow

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIC OF PREPARATION

This consolidated interim report has been prepared according to the International (IAS) Standard 34: Interim Financial Reporting.

2. ACCOUNTING PRINCIPLES

The accounting principles adhered to in the interim report are consistent with the principles adhered to in the 2010 consolidated financial statements.

The following new standards, changes to standards and the application of interpretations which are perceived to be essential for the Group have been introduced from the beginning of 2011:

IAS 24 (Revised) Related Party Disclosures The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard still requires disclosures that are important to users of financial statements but eliminates requirements to disclose information that is costly to gather and of less value to users. It achieves this balance by requiring disclosure about these transactions only if they are individually or collectively significant.

IAS 32 (Amendment) Financial Instruments: Presentation – Classification of Rights Issues the amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments The interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor. IFRIC 19 requires a gain or loss to be recognised in profit or loss when a liability is settled through the issuance of the entity's own equity instruments. The amount of the gain or loss recognised in profit or loss will be the difference between the carrying value of the financial liability and the fair value of the equity instruments issued.

IFRIC 14 (Amendment) Prepayments of a Minimum Funding Requirement the amendment is aimed at correcting an unintended consequence of IFRIC 14. As a result of the interpretation, entities are in some circumstances not permitted to recognise some prepayments for minimum funding contributions as an asset. The amendment remedies this unintended consequence by requiring prepayments in appropriate circumstances to be recognised as assets.

The interpretation does not have any essential impact on the consolidated financial statements

The standards and interpretations published by the IASB to be introduced by the Group in 2012 and 2013 will be introduced in the accounting principles of 2011 financial statements.

3. CRITICAL FINANCIAL STATEMENT ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements bulletin requires the company's management to make estimates and assumptions that influence the levels of reported assets and liabilities as well as of revenue and expenses. The actual outcomes may differ from the estimates and assumptions made.

The main estimates and assumptions used are the same as used while preparing the financial statements 2010.

4. SEGMENT INFORMATION

The reported segments of the Group are business segments. The business segments are Airline Business, Aviation Services and Travel Services.

Pricing between segments takes place at the going market price.

Business segment data Jan - Dec 2011

| in mill. EUR | Airline Business | Aviation Services | Travel Services | Group eliminations | Unallocated items | Group |
|---|------------------|-------------------|-----------------|--------------------|-------------------|----------------|
| External turnover | 1 822,9 | 114,2 | 320,6 | | | 2 257,7 |
| Internal turnover | 147,6 | 309,9 | 1,3 | -458,8 | | 0,0 |
| Turnover | 1 970,5 | 424,1 | 321,9 | -458,8 | 0,0 | 2 257,7 |
| Operating profit | -44,6 | -11,2 | -12,8 | | -19,2 | -87,8 |
| Share of results of associated undertakings | | | | | -2,1 | -2,1 |
| Financial income | | | | | 9,0 | 9,0 |
| Financial expenses | | | | | -30,6 | -30,6 |
| Income tax | | | | | 24,0 | 24,0 |
| Non-controlling interest | | | | | -0,2 | -0,2 |
| Result for the period | | | | | | -87,7 |
| Depreciation | 102,2 | 24,6 | 2,7 | 0,0 | 1,1 | 130,6 |

Business segment data Jan - 31 Dec 2010

| in mill. EUR | Airline Business | Aviation Services | Travel Services | Group eliminations | Unallocated items | Group |
|---|------------------|-------------------|-----------------|--------------------|-------------------|----------------|
| External turnover | 1 594,6 | 113,2 | 315,5 | | | 2 023,3 |
| Internal turnover | 145,8 | 315,8 | 1,4 | -463,0 | | 0,0 |
| Turnover | 1 740,4 | 429,0 | 316,9 | -463,0 | 0,0 | 2 023,3 |
| Operating profit | -7,9 | 10,5 | -2,3 | | -13,6 | -13,3 |
| Share of results of associated undertakings | | | | | 0,1 | 0,1 |
| Financial income | | | | | 6,5 | 6,5 |
| Financial expenses | | | | | -26,3 | -26,3 |
| Income tax | | | | | 10,2 | 10,2 |
| Non-controlling interest | | | | | -0,2 | -0,2 |
| Result for the period | | | | | | -23,0 |
| Depreciation | 99,1 | 16,4 | 1,8 | 0,0 | 1,4 | 118,7 |

| Turnover, in Mill. EUR | Oct-Dec 2011 | Oct-Dec 2010 | Change % | Jan-Dec 2011 | Jan-Dec 2010 | Change % |
|------------------------|--------------|--------------|-------------|----------------|----------------|-------------|
| Airline Business | 496,4 | 432,8 | 14,7 | 1 970,5 | 1 740,4 | 13,2 |
| Aviation Services | 104,0 | 109,8 | -5,3 | 424,1 | 429,0 | -1,1 |
| Travel Services | 88,8 | 90,2 | -1,6 | 321,9 | 316,9 | 1,6 |
| Group eliminations | -111,8 | -115,9 | -3,5 | -458,8 | -463,0 | -0,9 |
| Total | 577,4 | 516,9 | 11,7 | 2 257,7 | 2 023,3 | 11,6 |

| Operating profit* | Oct-Dec 2011 | Oct-Dec 2010 | Change % | Jan-Dec 2011 | Jan-Dec 2010 | Change % |
|-------------------|--------------|--------------|----------|--------------|--------------|----------|
| Airline Business | -20,7 | -8,1 | 155,6 | -35,6 | 1,9 | |
| Aviation Services | -7,0 | 1,4 | - | 7,7 | 8,1 | -4,5 |
| Travel Services | -3,4 | 2,1 | - | -12,8 | 0,0 | - |
| Unallocated items | -0,5 | -2,1 | -76,2 | -20,3 | -14,7 | 38,1 |
| Total | -31,6 | -6,7 | | -60,9 | -4,7 | |

*excluding capital gains, non recurring items and fair value changes in derivatives and changes in the exchange rates of overhauls

| Employees average by segment | Jan-Dec 2011 | Jan-Dec 2010 | Change % |
|------------------------------|--------------|--------------|-------------|
| Airline Business | 3 565 | 3 524 | 1,2 |
| Aviation Services | 2 619 | 2 685 | -2,5 |
| Travel Services | 980 | 1 110 | -11,7 |
| Other functions | 303 | 259 | 17,0 |
| Total | 7 467 | 7 578 | -1,5 |

5. MANAGEMENT OF FINANCIAL RISKS

No significant changes have been made to the Group's risk management principles in the reporting period. The objectives and principles of risk management are consistent with information presented in the Group's 2010 Annual Report.

The tables below present the nominal value or the amount and net fair value of derivative contracts used in Group's hedge accounting.

| Derivatives | Dec 31, 2011 | | Dec 31, 2010 | |
|---|----------------|----------------|---------------|----------------|
| | Nominal value | Fair net value | Nominal value | Fair net value |
| Currency derivatives, in Mill. EUR | | | | |
| Hedge accounting items | | | | |
| Forward contracts, Jet Fuel currency hedging | 373,5 | 22,9 | 324,2 | 9,3 |
| Forward contracts, Hedging of Aircraft purchase price | | | | |
| Fair value hedging | 330,0 | 25,2 | 297,4 | 15,4 |
| Cash flow hedging | - | - | - | - |
| Forward contracts, Currency hedging of lease payments | 45,7 | 2,8 | 42,8 | 0,6 |
| Total | 749,2 | 50,9 | 664,4 | 25,3 |
| Currency derivatives at fair value through profit or loss | | | | |
| Operating cash flow hedging (forward contracts) | 187,2 | 8,7 | 160,8 | -3,8 |
| Operational cash flow hedging (options) | | | | |
| Call options | 109,7 | 2,4 | 37,8 | 0,0 |
| Put options | 162,5 | -2,2 | 33,0 | -0,2 |
| Balance sheet hedging (forward contracts) | 78,8 | 3,6 | 92,8 | 3,6 |
| Total | 538,2 | 12,5 | 324,4 | -0,4 |
| Currency derivatives, total | 1 287,4 | 63,4 | 988,8 | 24,9 |
| Commodity derivatives, in tonnes/MWh | | | | |
| Hedge accounting items | | | | |
| Jet Fuel swaps (tonnes) | 537 400 | 21,1 | 547 350 | 30,1 |
| Electricity hedging MWh | 113 223 | -0,3 | 127 402 | 1,3 |
| Currency derivatives at fair value through profit or loss | | | | |
| Jet fuel forward contracts, (tonnes) | 13 400 | -0,5 | 101 750 | 6,6 |
| Jet differential forward contracts (tonnes) | - | - | 22 000 | 0,6 |
| Options | | | | |
| Jet fuel options, (tonnes) | 240 600 | 7,8 | 83 750 | 4,7 |
| Jet fuel put options, (tonnes) | 481 200 | -7,8 | 162 750 | -1,6 |
| Electricity hedging MWh | 26 352 | -0,1 | 39 157 | 0,1 |
| Commodity derivatives, total | | 20,2 | | 41,8 |
| Interest rate derivatives, in Mill. EUR | | | | |
| Cross currency Interest rate swaps | | | | |
| Cross currency interest rate swaps at fair value through profit or loss | 27,0 | 0,2 | 2,6 | -1,2 |
| Total | 27,0 | 0,2 | 2,6 | -1,2 |
| Interest rate swaps | | | | |
| Interest rate swaps at fair value through profit or loss | 25,0 | -0,8 | 25,0 | -0,3 |
| Interest rate derivatives, total | 25,0 | -0,8 | 25,0 | -0,3 |
| Interest rate option | 8,3 | - | - | - |
| Interest rate option, total | 8,3 | - | - | - |

6. COMPANY ACQUISITIONS AND SALES

During the financial period the Group didn't have any acquired businesses other and mentioned in the interim report.

7. INCOME TAXES

Operational and deferred taxes based on the result have been recognised in the income statement at prevailing tax rates.

8. DIVIDEND PER SHARE

The Board of Directors will propose to the Annual General Meeting to not distribute a dividend for 2011.

The Annual General Meeting on 24 March 2011 decided not to distribute a dividend for financial year 2010.

9. CHANGE IN INTANGIBLE AND TANGIBLE ASSETS

| in mill. EUR | Dec 31, | Dec 31, |
|---|----------------|----------------|
| | 2011 | 2010 |
| Carrying amount at the beginning of period | 1 515,9 | 1 534,5 |
| Fixed asset investments | 203,9 | 183,5 |
| Change in advances | -12,9 | -62,3 |
| Disposals | -75,8 | -4,6 |
| Transfers | 0,0 | -16,5 |
| Depreciation | -130,6 | -118,7 |
| Carrying amount at the end of period | 1 500,5 | 1 515,9 |
| Proportion of assets held for sale at beginning of period | 70,7 | 19,4 |
| Proportion of assets held for sale at end of period | 0,0 | 70,7 |

10. INTEREST - BEARING LIABILITIES

The loan withdrawals were according to the loan withdrawals program. The rest of the loan transactions presented in the accounts relate to old secured loans, which owing to their exceptional agreement structure have a net repayment entered gross both as a withdrawal and a repayment.

11. CONTINGENT LIABILITIES

| in mill. EUR | Dec 31, 2011 | Dec 31, 2010 |
|--|-----------------|-----------------|
| Pledges on own behalf | 757,7 | 593,4 |
| Guarantees on behalf of group undertakings | 72,5 | 65,5 |
| Guarantees on behalf of others | 1,8 | 2,6 |
| Total | 832,0 | 661,5 |

Investment commitments for property, plant and equipment on 31 Dec 2011 totalled 1.000.0 million euros (1.100,0)

12. LIABILITIES

| in mill. EUR | Dec 31, 2011 | Dec 31, 2010 |
|---------------------------------|-----------------|-----------------|
| Fleet lease payment liabilities | 228,7 | 282,3 |
| Other liabilities | 290,6 | 249,8 |
| Total | 519,3 | 532,1 |

13. RELATED PARTY TRANSACTIONS

| Lähipiiriin kanssa toteutuneet liiketapahtumat Milj. euroa | Dec 31, 2011 | Dec 31, 2010 |
|--|-----------------|-----------------|
| Sales of goods and services | | |
| Associated companies | 5,1 | 0,5 |
| Purchases of goods and services | | |
| Associated companies | 25,5 | 1,2 |
| Receivables and liabilities | | |
| Receivables from associated companies | 4,4 | 0,1 |
| Liabilities from associated companies | 4,1 | 0,0 |

14. AIR TRAFFIC Jan-Dec 2011

| | Total | Europe | North America | Asia | Domestic | Scheduled traffic | Leisure traffic | Cargo |
|--------------------------------|---------|--------|------------------|--------|----------|----------------------|--------------------|--------|
| Passengers (1000) | 8 013 | 4 103 | 190 | 1 438 | 1 544 | 7 275 | 738 | - |
| %-change | 12,3 | 14,4 | 29,5 | 15,7 | 21,2 | 16,4 | -16,8 | - |
| Cargo and mail (tonnes) | 145 883 | 21 965 | 8 199 | 79 181 | 2 275 | 111 620 | 254 | 34 009 |
| %-change | 18,5 | 2,5 | -0,1 | 8,6 | -0,5 | 6,5 | -77,7 | 98,0 |
| Available seat-kilometres mill | 29 345 | 8 574 | 1 565 | 14 245 | 1 424 | 25 808 | 3 537 | - |
| %-change | 16,8 | 14,6 | 28,8 | 27,8 | 20,5 | 22,7 | -13,8 | - |
| Revenue passenger kilometres | 21 498 | 5 740 | 1 258 | 10 686 | 771 | 18 455 | 3 043 | - |
| %-change | 11,8 | 16,2 | 29,5 | 17,6 | 15,2 | 17,8 | -14,5 | - |
| Passenger load factor % | 73,3 | 66,9 | 80,4 | 75,0 | 54,1 | 71,5 | 86 | - |
| %-change | -3,2 | 0,9 | 0,4 | -6,5 | -2,5 | -3 | -0,7 | - |
| Available tonne-kilometres | 4 571 | - | - | - | - | - | - | 1 385 |
| %-change | 20 | - | - | - | - | - | - | 34,5 |
| Revenue tonne-kilometres mill | 2 823 | - | - | - | - | - | - | 898 |
| %-change | 14,3 | - | - | - | - | - | - | 19,9 |
| Overall load factor % | 61,8 | - | - | - | - | - | - | 64,8 * |
| %-change | -3,1 | - | - | - | - | - | - | -7,9 |

* Operational calculatory capacity

15. ITEMS OF STATEMENT OF COMPREHENSIVE INCOME

Other comprehensive income include the unrealisable change in the fair value of the hedging instruments of the hedge accounting items which has earlier recognised straight in the hedging reserve of the shareholders' equity and the translation difference.

| in mill. EUR | Oct-Dec | Oct-Dec | Jan-Dec | Jan-Dec |
|--|--------------|-------------|--------------|--------------|
| | 2011 | 2010 | 2011 | 2010 |
| Profit for the period | -32,6 | -5,7 | -87,5 | -22,8 |
| Other comprehensive income items | | | | |
| Translation differences | 0,0 | 0,0 | -0,2 | -0,5 |
| after taxes | -1,1 | 4,2 | -9,9 | 1,5 |
| Change in fair value of hedging instruments after taxes | 11,3 | 30,9 | 4,7 | 58,9 |
| Other comprehensive income items, total | 10,2 | 35,1 | -5,4 | 59,9 |
| Comprehensive income for the financial period | -22,4 | 29,4 | -92,9 | 37,1 |
| Earnings per share to shareholders of the parent company of the comprehensive income statement | -22,4 | 29,7 | -93,1 | 36,9 |
| Earnings per share to non-controlling interest of the comprehensive income statement | 0,0 | -0,3 | 0,2 | 0,2 |

16. EVENTS AFTER THE REVIEW PERIOD

There were no other remarkable events after the closing date than what is told in the report.

17. CALCULATION OF KEY RATIOS

Earnings / share:

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

Equity / share:

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

Gearing, %:

$$\frac{\text{Net interest-bearing liabilities}}{\text{Shareholders' equity + non-controlling interest}}$$

Operating profit.EBIT =

Operating profit excluding capital gains, non-recurring items and fair value changes in derivatives and changes in the exchange rates of fleet overhauls

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, %:

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

Return on equity %:(ROE)

$$\frac{\text{Result *100}}{\text{Equity + non-controlling interest (average)}}$$