



1Q 2013 Result



Market Environment remains challenging

According to **IATA**,

- The earlier profit improvement in Europe has paused, visible already in Q4 2012 profits
- **Jet fuel prices** eased further in March, but still remain above \$120/b
- **Passenger markets** increase strongly, capacity growing less than traffic
 - **Growth** in international passenger travel driven by Asia-Pacific region
- **Freight volumes** remain stable, capacity growing in contrast to the soft demand



Strategy execution yielding results



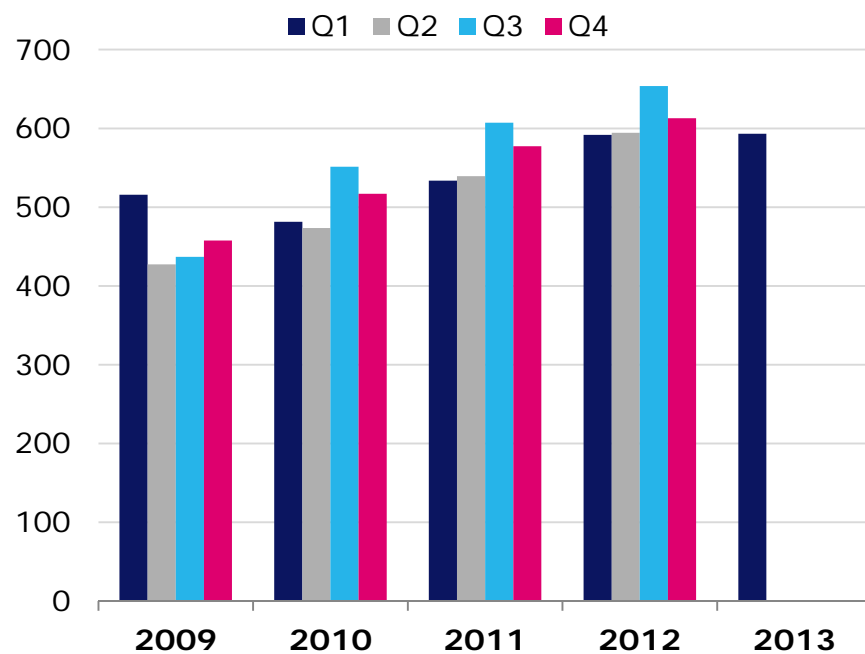
Q1 saw a result improvement y-o-y

- **Result improved, turnover at last years' level**
 - Q1 Turnover **593.2 M€**
 - Operational EBIT **-17.7 M€** (-23.5 M€)
 - Euro based revenue impacted by the weakening of Yen
- **Load factor improvement continued in Q1**
 - Unit revenue per available seat kilometre (RASK) flat
 - passenger load factor (PLF, +3.4%-p) up
 - yield per revenue passenger kilometre (RPK yield, -3.5%) down
- **Strong financial position**
 - Equity ratio **33.6%**
 - Gearing **19.9%**
 - Adjusted gearing **77.6%**
 - **401.4 M€** short-term cash and cash equivalents as per 31 March 2013

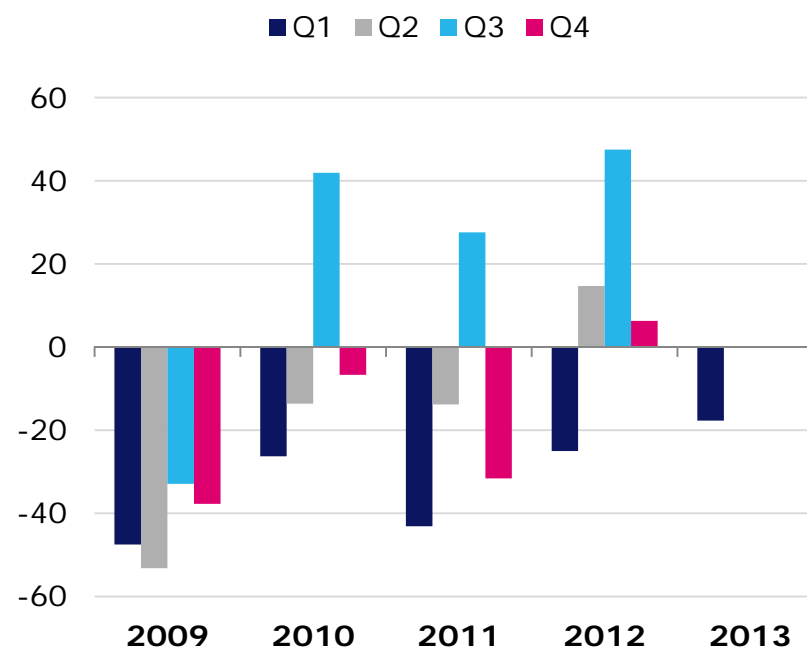


Turnover at last years level, EBIT* loss narrowed

Quarterly turnover, € million



Quarterly Operational EBIT, € million

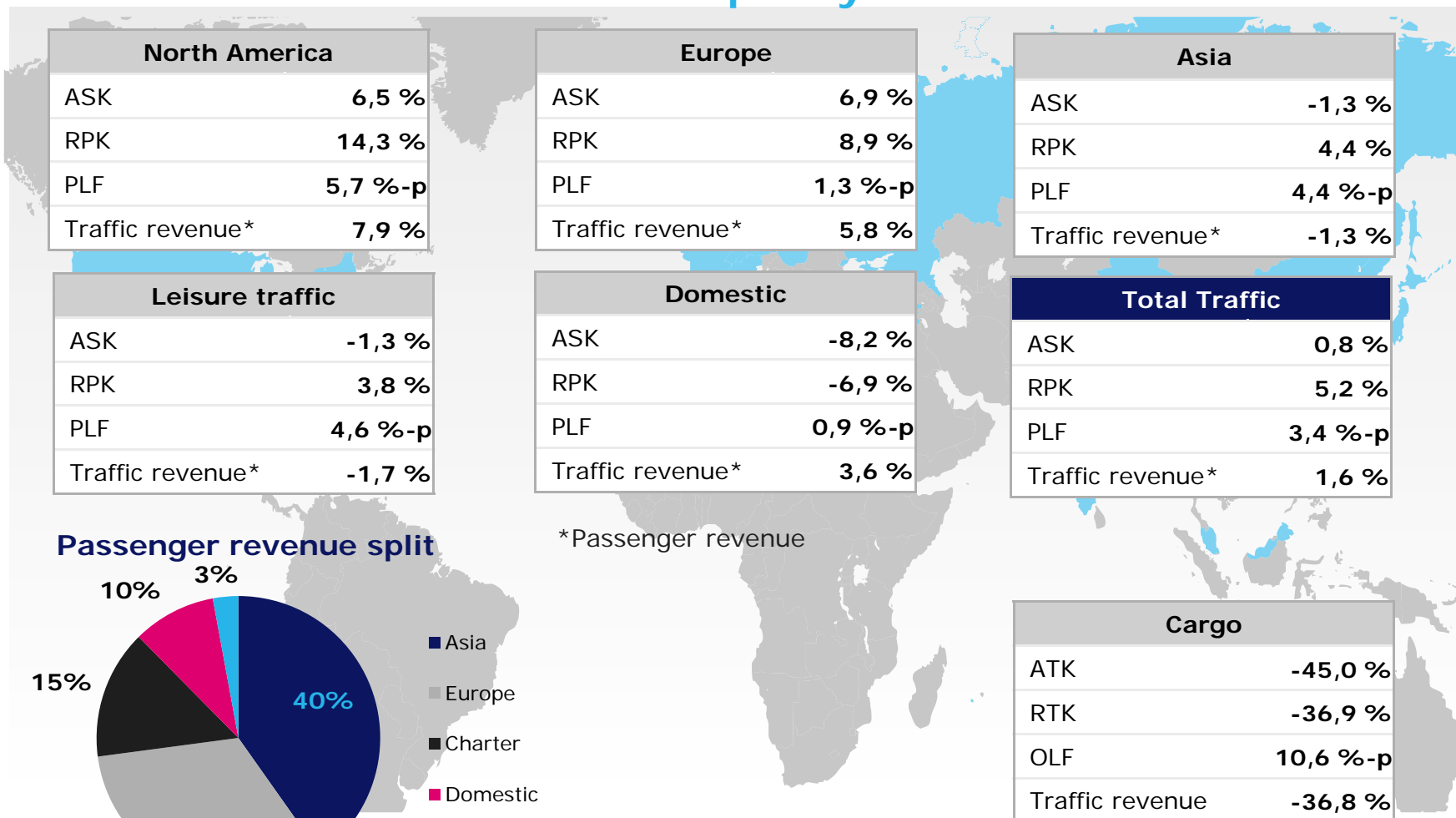


**Operational result (EBIT), excluding non-recurring items, capital gains and changes in the fair value of derivatives and in the value of foreign currency denominated fleet maintenance reserves*

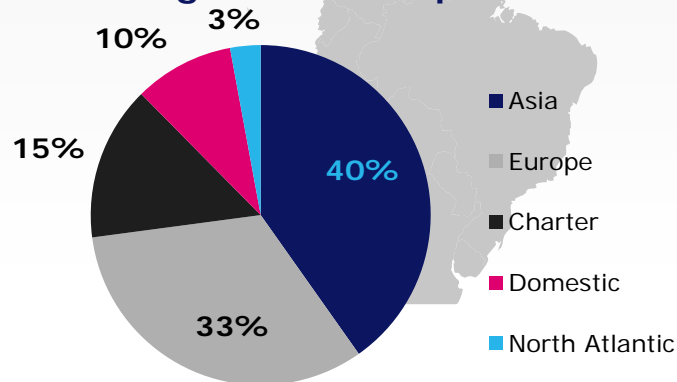


Load factors improved in all traffic categories

Asian share 46% of the total capacity



Passenger revenue split

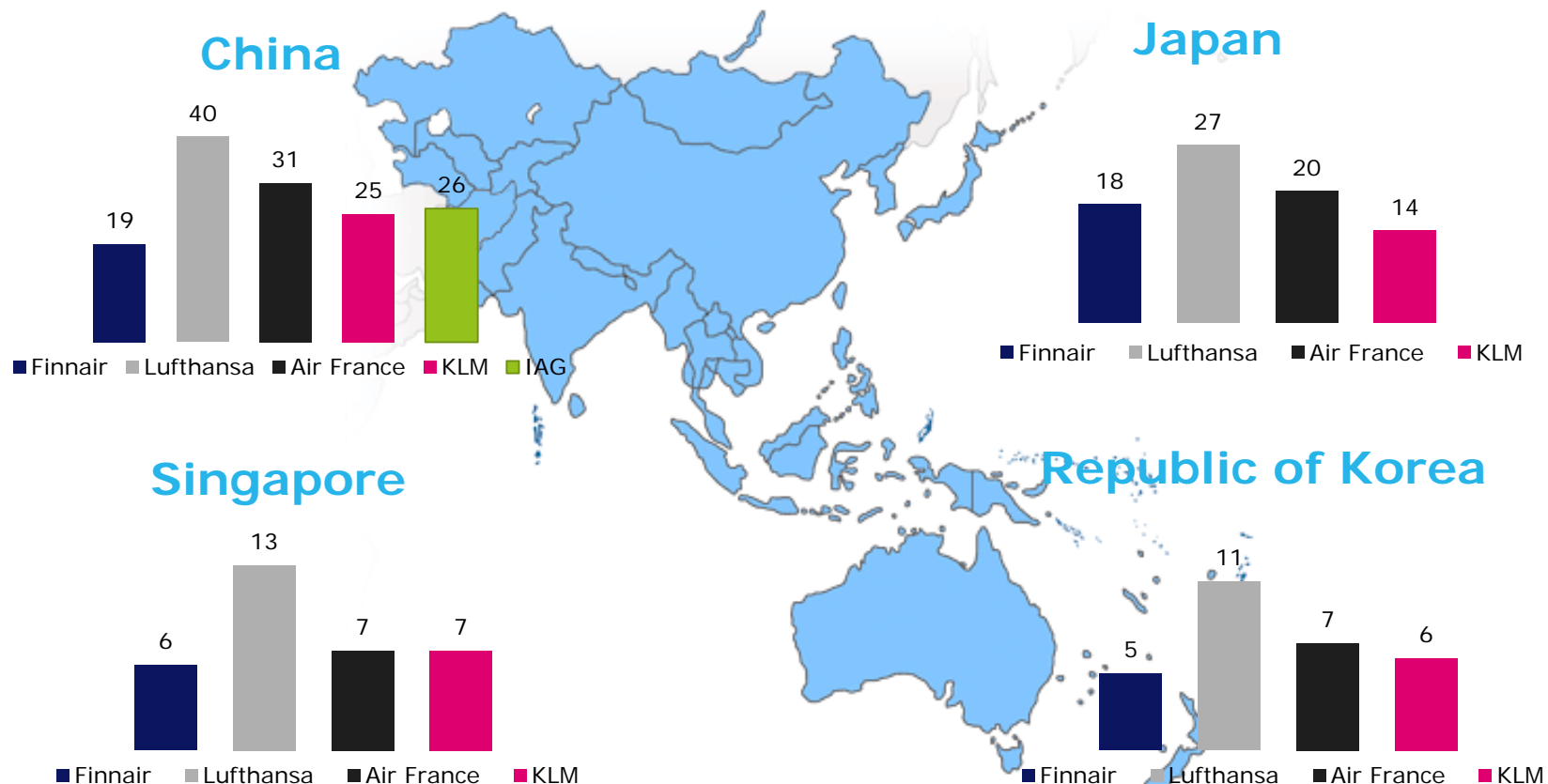


* Passenger revenue

* passenger revenue



Finnair has strong presence in Asian key economies, weekly frequencies in Q1*

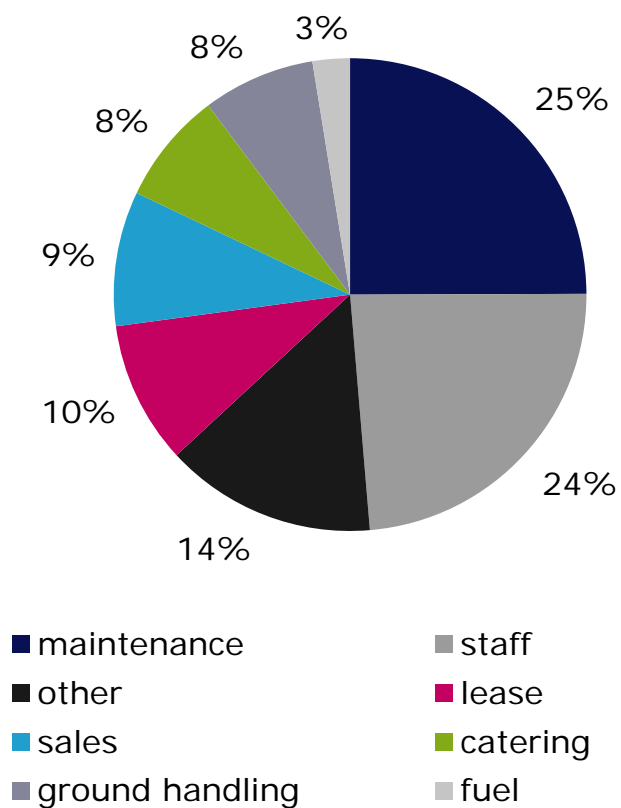


- *Finnair was the **6th largest carrier** in its destinations, estimated market share of 5.3% in Q1.
- Market size of 20 million transfer passengers annually, globally one of the fastest growing traffic areas.
- Traffic between Europe and China forecasted to **triple** during the next 30 years.

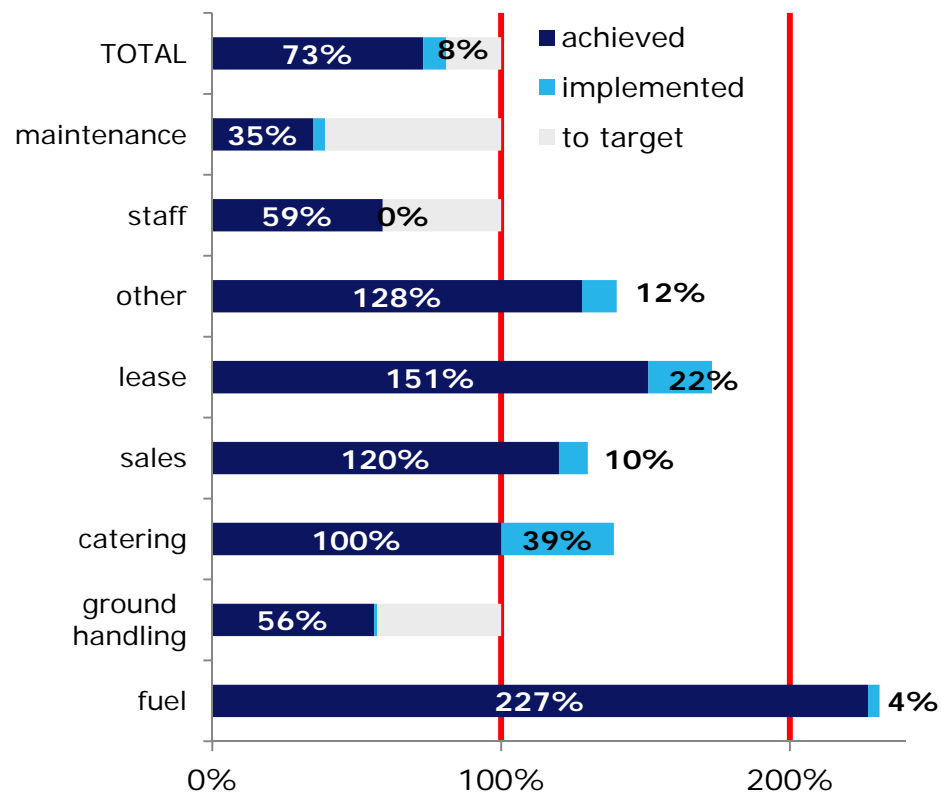


Implementation of cost savings program well on track, approx. €119 million of realised savings so far

Target €140 million



Achieved savings to target

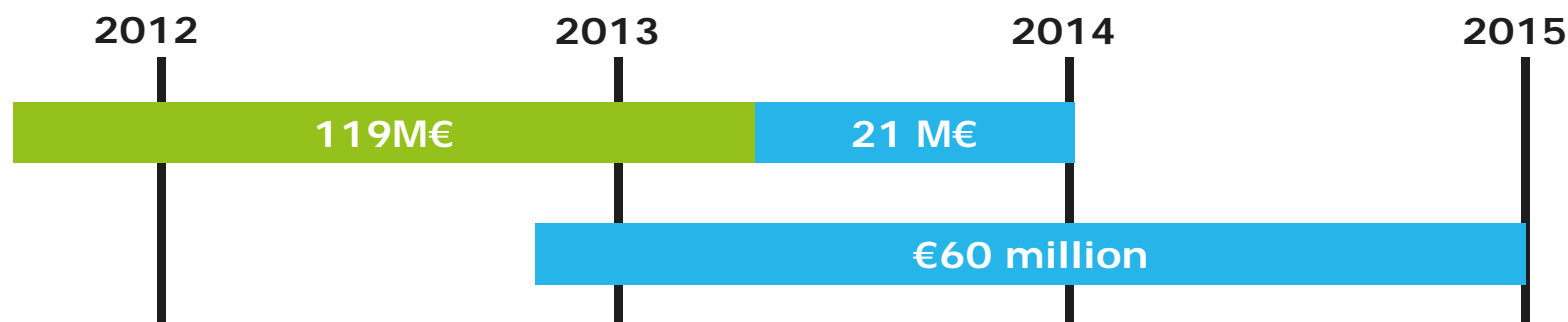




We continue to seek further cost savings

- Finnair seeks significant savings from labour productivity improvements as a part of the 60M€ savings program
- Finnair will start discussions with personnel and respective labour unions on productivity improvements

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





No changes in outlook for 2013

- The uncertain economic outlook in Europe, weakened consumer demand and slower growth in Asia increase the uncertainty of the future development of air traffic. Fuel costs are expected to remain high in 2013 as well, and the demand for air traffic is estimated to grow moderately.
- Finnair estimates that its turnover will grow in 2013. Unit costs excluding fuel (CASK excl. fuel) are expected to decrease compared to 2012. Finnair estimates that its operational result will show a profit in 2013.



Financials



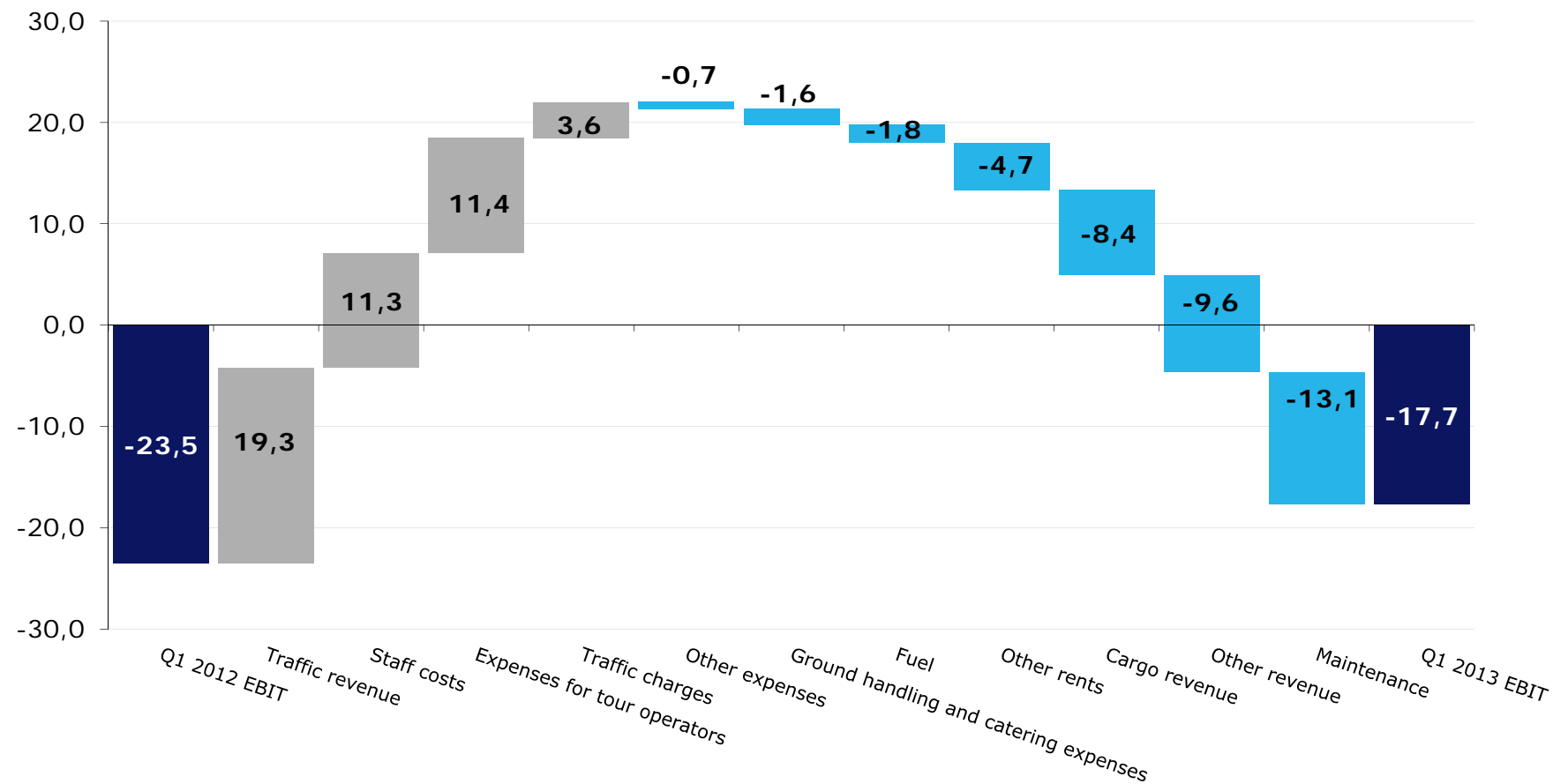
Q1 Key figures

Key Figures		Jan-Mar 2013	Jan-Mar 2012	Change %
Turnover and result				
Turnover	EUR million	593.2	591.8	0.2
Operational result, EBIT	EUR million	-17.7	-23.5	24.8
Operational result, % turnover	%	-3.0	-4.0	1 %-p
Operating result, EBIT	EUR million	-13.8	-18.7	26.5
EBITDAR	EUR million	28.2	26.4	6.7
Result before taxes	EUR million	-18.7	-24.7	24.4
Net result	EUR million	-15.8	-19.3	18.3
Balance sheet and cash flow				
Capital expenditure, CAPEX	EUR million	19,0	7.4	156.5
Net cash flow from operating activities	EUR million	-16,7	-7.9	-110.8
Share				
Share price at end of quarter	EUR	2.55	2.30	10.9
Earnings per share, from the result of the period*	EUR	-0.12	-0.15	17.9
Earnings per share	EUR	-0.15	-0.17	12.1



Operational EBIT build-up in Q1 2013

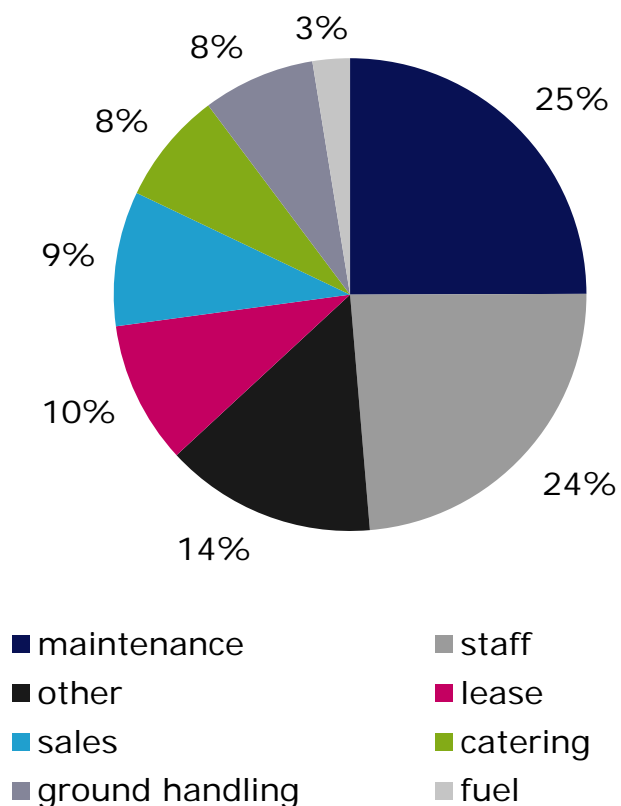
Mill. Eur



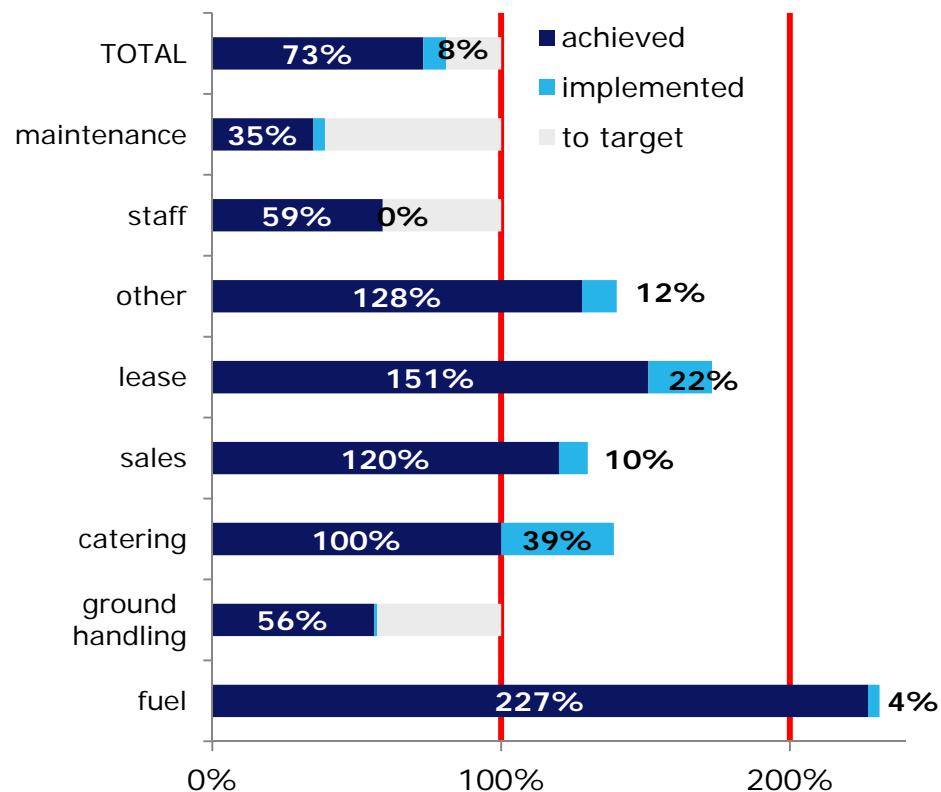


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Achieved savings to target

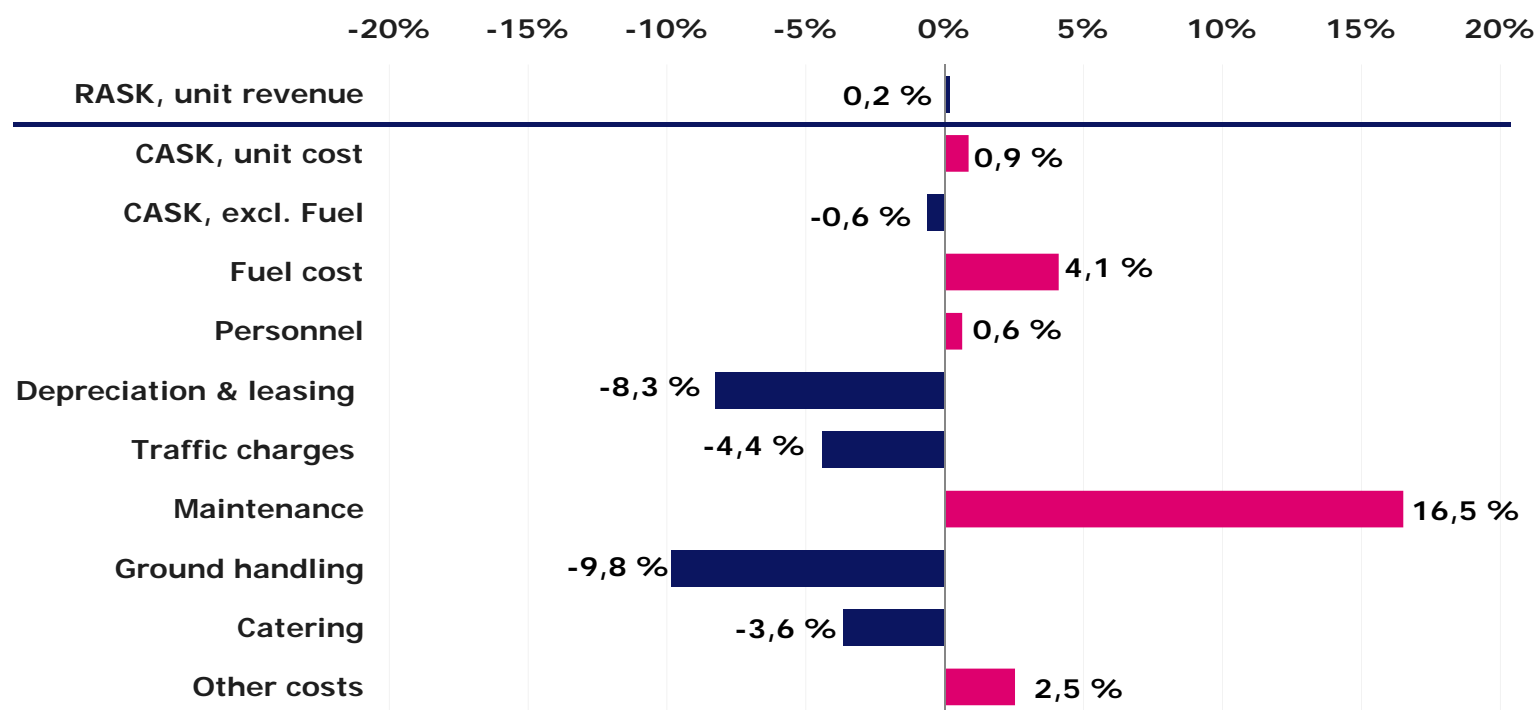




Airline business: RASK & CASK development Q1 2013

- Unit revenue per available seat kilometre (RASK) flat
- Unit cost per available seat kilometre excluding fuel (CASK, excl. fuel) down slightly

Change, y-o-y, %

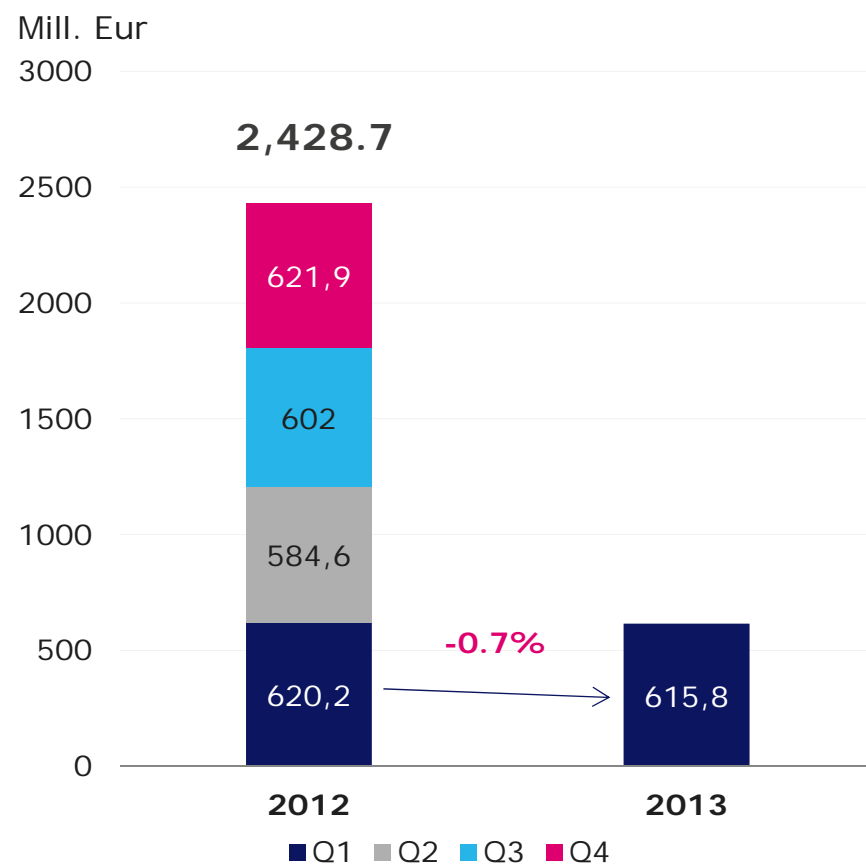


Aviation services operational result has been transferred from other expenses to maintenance, catering and ground handling expenses starting from Q1 2013. Q1 2012 comparison figures were changed respectively.

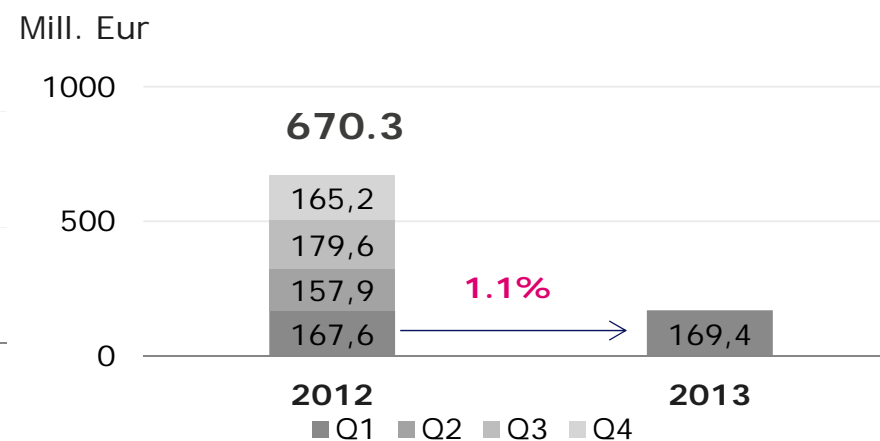


Operational and fuel at last years levels

Operational costs



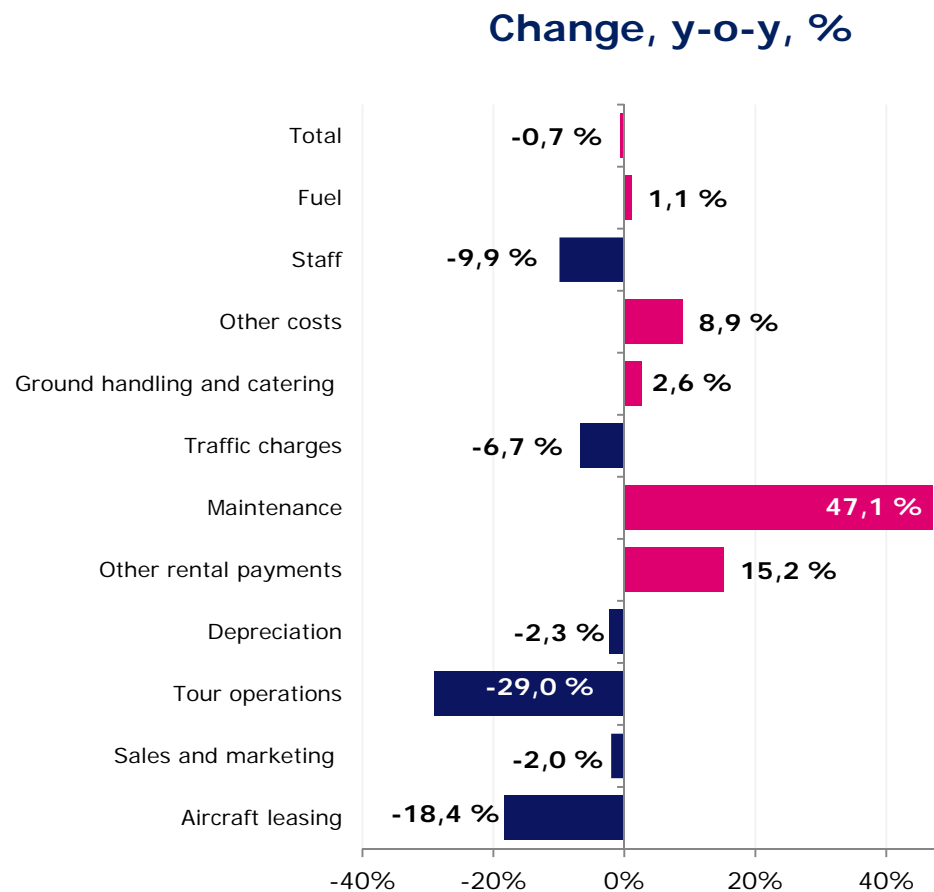
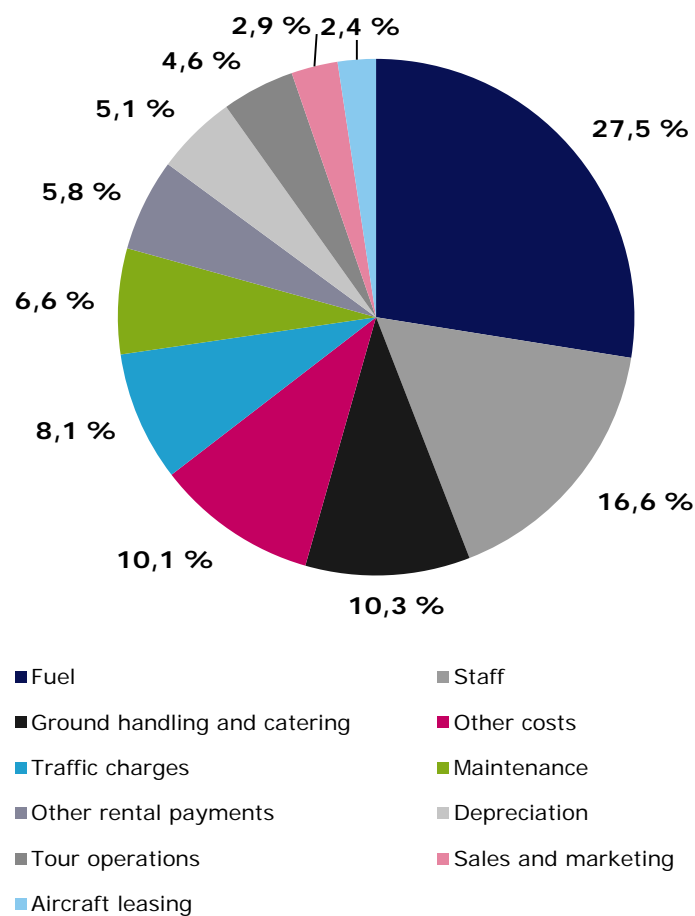
The share of fuel costs 27%



* Hedging taken into account

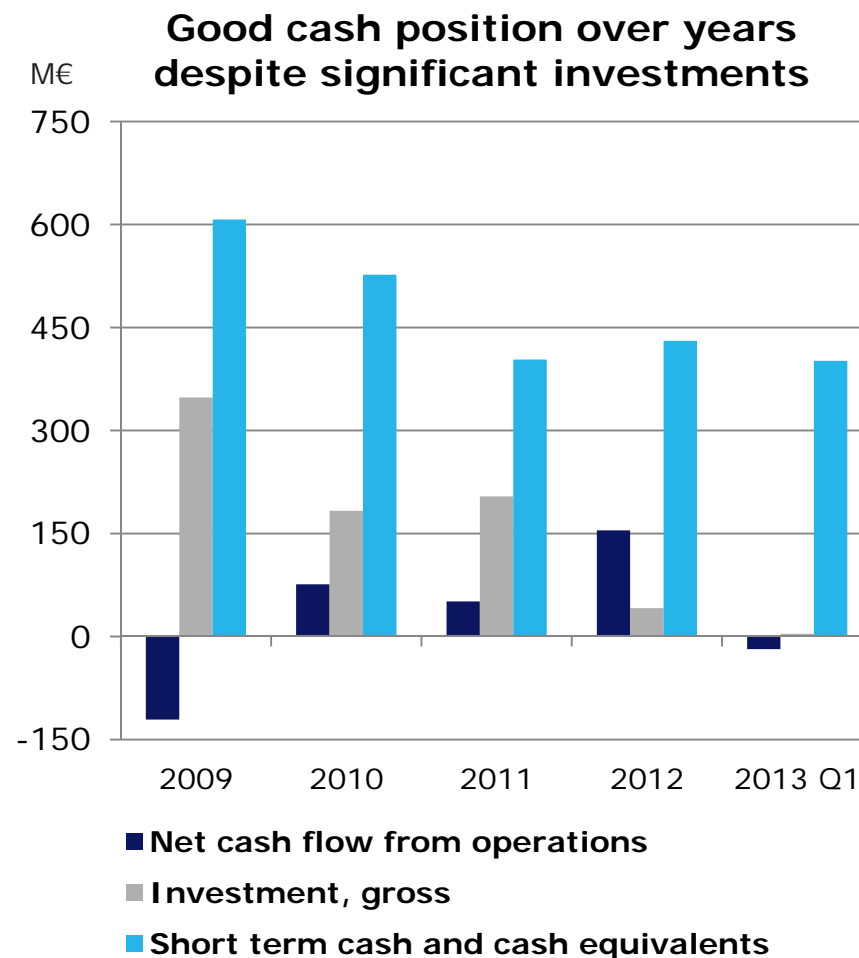
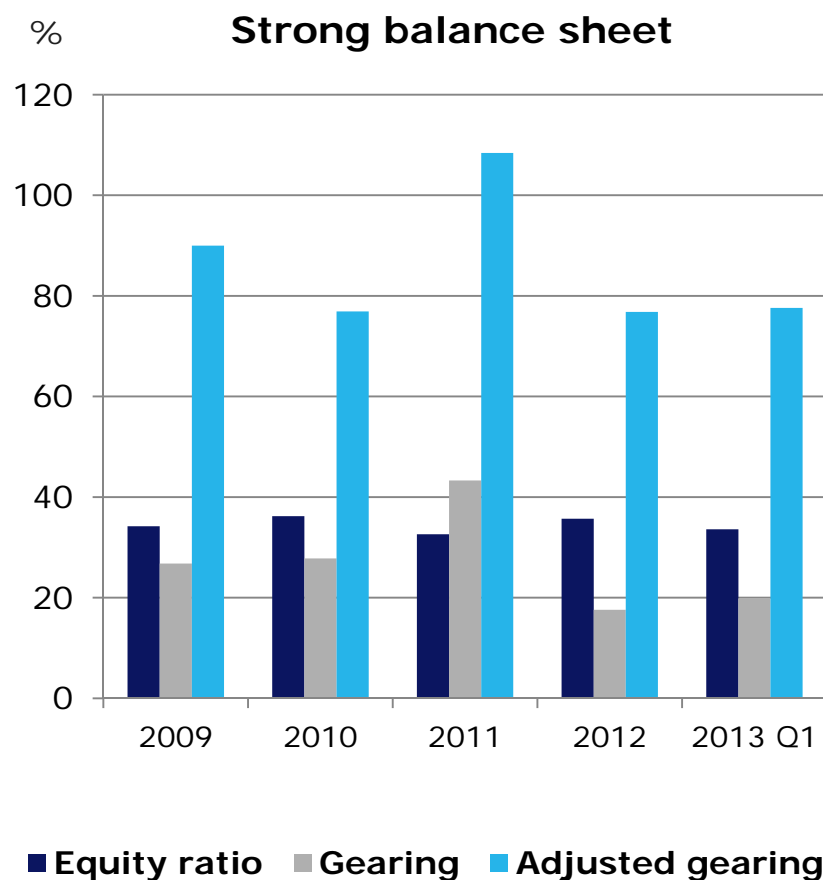


Fuel and personnel biggest cost items in Operational costs Q1 2013, total of 616 Mill. Eur





Strong financial position supports business development and future investments





Finnair is the first European carrier to receive next generation Airbus 350 XWB's

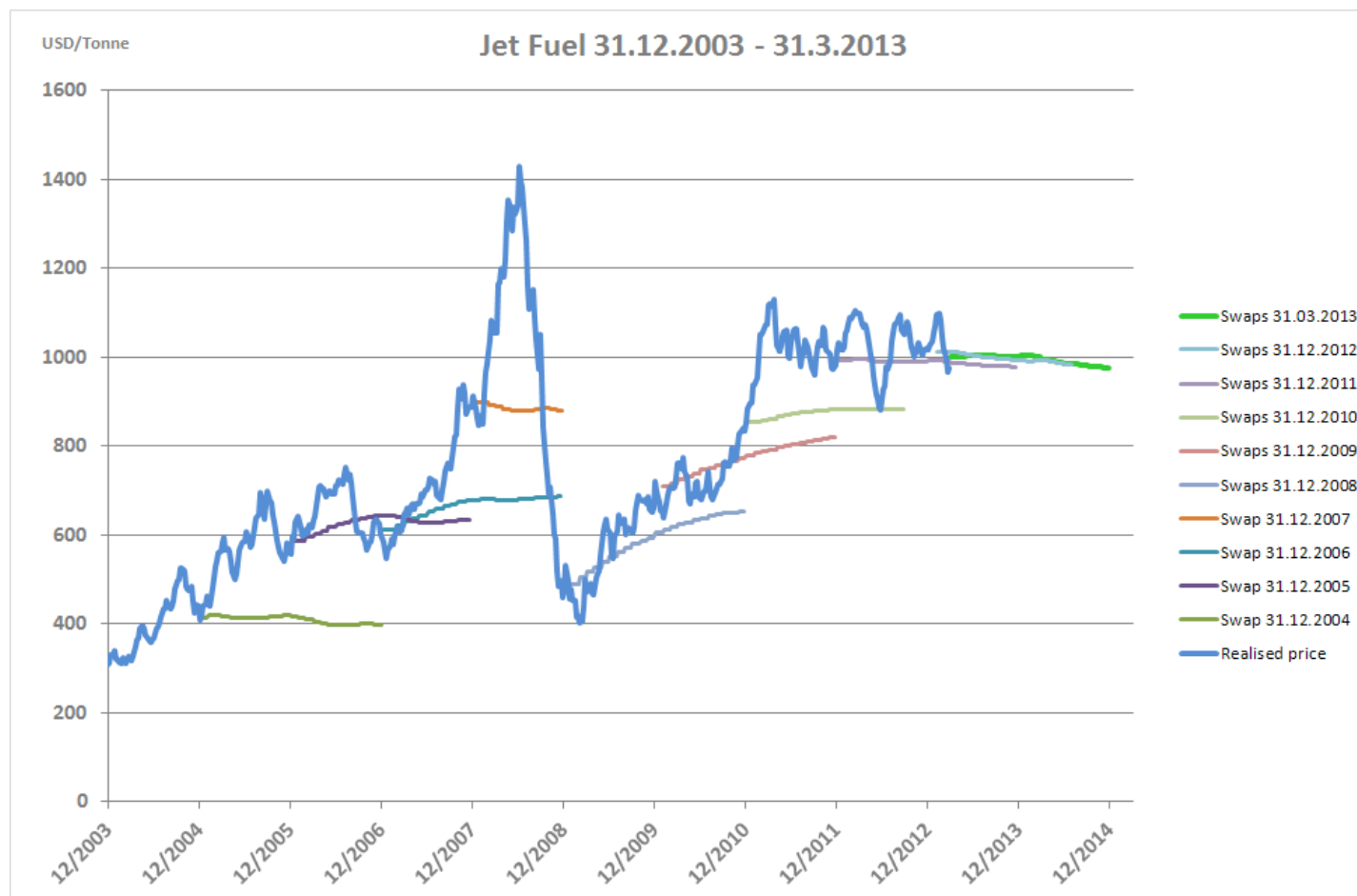
Competitive advantage:

- **Up to 18% more capacity:** from 270 seats to 310-320 seats
- Estimated **seat cost -30%** compared to Airbus 340
- Improved revenue position with superior product
- 11 orders and 8 options



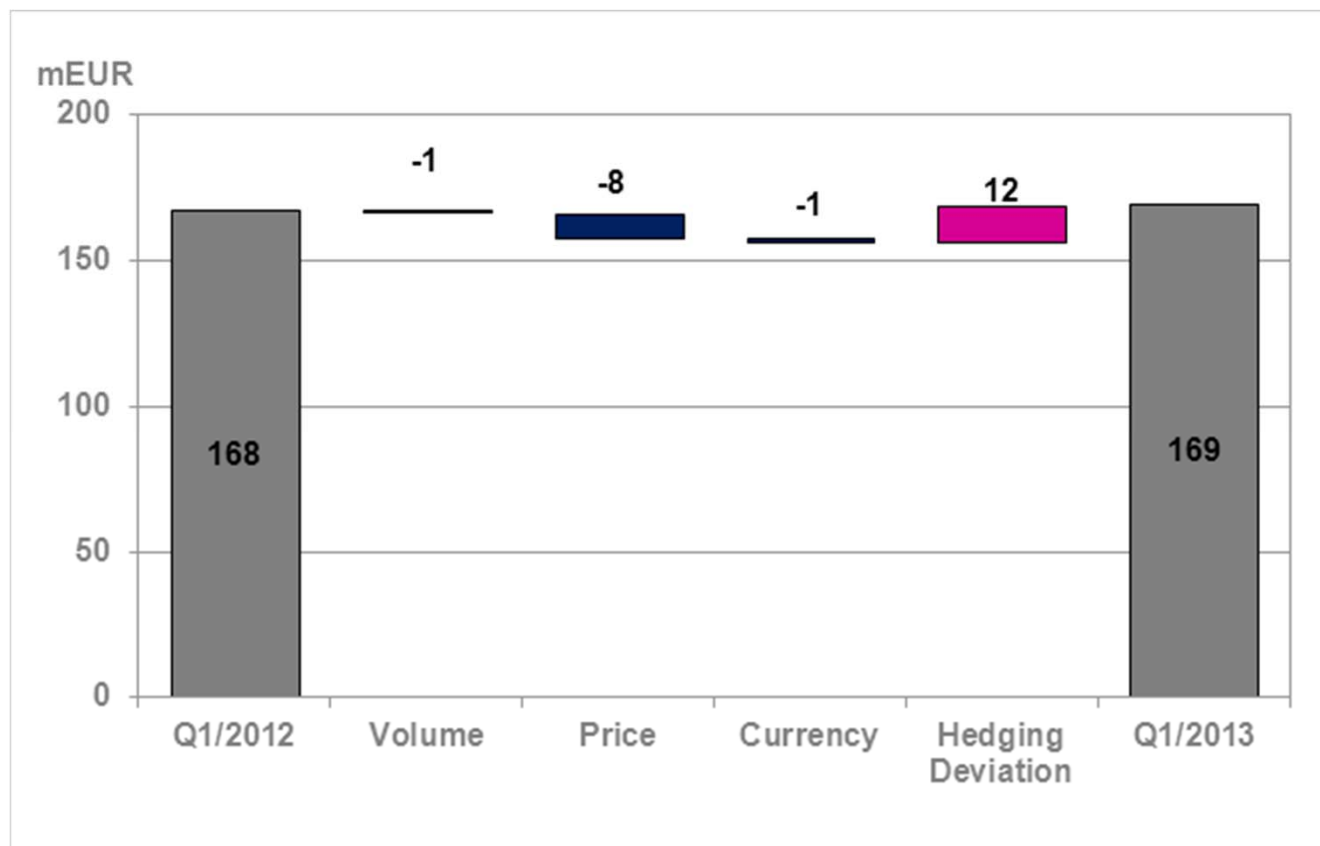


Fuel, spot-price development





Hedging profit of 5 M€ in Q1



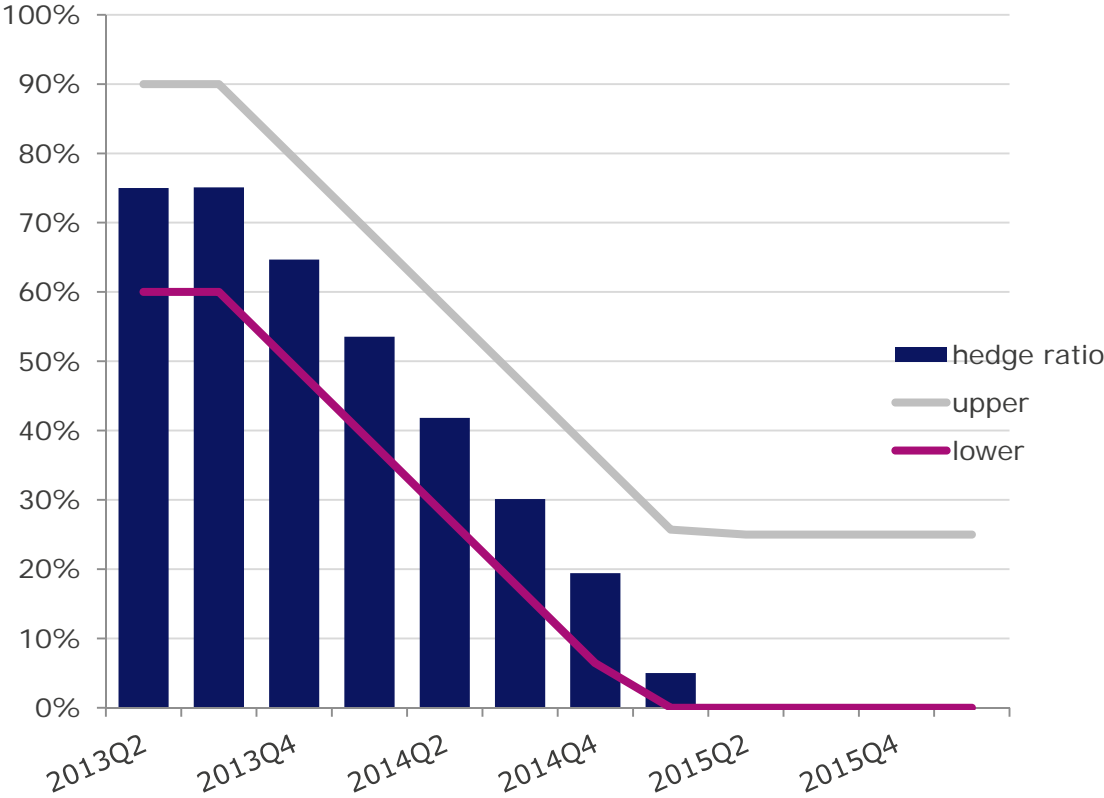
*2012 Incl. Hedging profit of 17 Mill. EUR

**2013 Incl. Hedging profit of 5 Mill. EUR

Rolling hedging policy



Hedging positions, 31 March 2013
Hedge ratio H1 2013: 75%



- Finnair hedges jet fuel positions 24 months ahead within the limits defined in the hedging policy
- Finnair is 75% hedged for the first half and 70% for second half of 2013
- 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