Finnair Group interim report 1 January – 30 September 2013

Unit costs continued to decline in Q3, but the operational result was hurt by the weaker yen.

The historical comparative financials presented in the interim report include certain changes to previously reported information. These changes result from retrospective application of an amendment to IFRS accounting standard IAS19 Employee Benefits. The changes are described in detail in notes 2 and 17 to the interim report.

Key figures	7-9 2013	7-9 2012	Change %	1-9 2013	1-9 2012	Change %	2012
Turnover and result							
Turnover, EUR million	636.9	650.3	-2.1	1,839.8	1, 836.5	0.2	2,449.4
Operational result, EBIT, EUR million*	38.4	50.4	-23.7	26.9	43.1	-37.7	43.2
Operational result, % of turnover	6.0	7.7	-1.7%-p.	1.5	2.3	-0.9%-p.	1.8
Operating result, EBIT, EUR million	35.2	72.6	-51.5	9.7	37.3	-74.1	33.8
EBITDAR, EUR million	82.4	99.3	-17.0	162.0	191.4	-15.3	240.2
Result before taxes, EUR million	31.3	68.8	-54.5	33.9	20.1	68.6	14.8
Net result, EUR million	23.5	51.9	-54.7	24.7	14.0	76.9	10.5
Balance sheet and cash flow							
Equity ratio, %				32.9	33.3	-0.4 %-p.	35.4
Gearing, %				9.9	26.1	-16.2 %-p.	18.0
Adjusted gearing, %				63.0	90.3	-27.3 %-p.	77.8
Capital expenditure, CAPEX, EUR million	3.6	7.4	-51.2	30.6	17.7	72,9	41.4
Return on capital employed, ROCE, 12 months rolling, %				3.9	0.3	3.5 %-p.	2.8
Return on equity, ROE, 12 months rolling, %				2.8	-2.4	5.2 %-p.	1.4
Net cash flow from operating activities	29.7	44.5	-33.3	108.3	136.8	-20.9	154.7
Share							
Share price at end of quarter, EUR	3.12	2.07	50.7	3.12	2.07	50.7	2.38
Net result for the period per share**	0.18	0.41	-54.9	0.19	0.11	78.5	0.08
Earnings per share (EPS)	0.16	0.39	-58.8	0.12	0.06	107.3	0.01
Traffic data, unit costs and revenue							
Passengers, 1,000	2,565	2,361	8.6	7,121	6,693	6.4	8,774
Available seat kilometres (ASK), million	8,275	7,810	6.0	23,732	22,799	4.1	30,366
Revenue passenger kilometres (RPK), million	6,982	6,352	9.9	19,174	17,871	7.3	23,563
Passenger load factor (PLF), %	84.4	81.3	3.0%-p	80.8	78.4	2.4%-p	77.6
Unit revenue per available seat kilometre, (RASK), cents/ASK	6.44	6.93	-7.1	6.30	6.53	-3.5	6.49
Unit revenue per revenue passenger kilometre, yield, cents/RPK	6.74	7.54	-10.7	6.86	7.33	-6.4	7.30
Unit cost per available seat kilometre, (CASK), cents/ASK	6.29	6.60	-4.6	6.49	6.59	-1.5	6.58
CASK excluding fuel, cents/ASK	4.16	4.43	-6.2	4.37	4.51	-3,1	4.50
Available tonne kilometres (ATK), million	1,264	1,187	6.5	3,578	3,511	1.9	4,647
Revenue tonne kilometres (RTK), million	864	801	7.9	2,378	2,295	3.6	3,029
Cargo and mail, tonnes	39,611	37,338	6.1	108,670	112,084	-3.0	148,132
Cargo traffic unit revenue per revenue tonne kilometre, cents/RTK	23.99	24.41	-1.7	24.42	25.12	-2.8	25.45
Overall load factor, %	68.4	67.5	0.9%-p	66.5	65.4	1.1%-p	65.2
Flights, number***	24,955	23,915	4,3	73,712	71,742	2,7	95,097
Personnel							
Average number of employees				5,913	6,966	-15.1	6,784

* 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.
** Before hybrid bond interest.
*** The number of flights also includes Finnair's purchased traffic. Numbers for the comparison periods have been changed accordingly.

CEO Pekka Vauramo:

Finnair's turnover decreased slightly in the third quarter of the year from the corresponding period in 2012 and totalled 637 million euros. Turnover was affected especially by the year-on-year decline in euro-denominated revenue, driven by the weak yen. Demand for air traffic developed well, but not enough to compensate the decrease in unit revenues, which was reflected both in turnover and in operating profit.

As the third quarter is seasonally our strongest, the operational result of 38.4 million euros is disappointing. The bright spot during the period was the continued decline in our costs: airline unit costs excluding fuel decreased by 6.2 per cent year-on-year.

Due to the weakening unit revenue development and the weakened outlook for the rest of the year especially in cargo and leisure traffic, we lowered our financial guidance regarding turnover and operational profit for 2013. In this situation the full implementation of our structural change and cost-reduction programs is absolutely essential for securing Finnair's future vitality and achieving profitable growth. A significant part of the ongoing 60 million euro cost-reduction program is targeted at personnel-related costs. During the autumn, Finnair has engaged in negotiations on collective labour agreements with several key personnel groups.

Going forward, we must also focus on ways to improve unit revenues. Work on revising our commercial strategy began in the third quarter and will continue in the coming months. I am also confident that the organisational changes we implemented during the period under review will promote the further development of our service products as well as our operations.

Our strong balance sheet is an important resource for future investments in our fleet. The good situation in the aircraft financing market facilitates the implementation of sales and leaseback arrangements on very competitive terms. In the third quarter, we successfully carried out a number of financing arrangements, which is evidence of investor trust in Finnair.

Business environment in the third quarter

There were no significant changes in Finnair's business environment in the third quarter of the year and the market remained difficult. European network carriers, Finnair included, continued to implement structural change and cost-reduction programs to improve their competitiveness in the prevailing tight competitive situation.

Despite many European economies remaining in recession, demand for passenger traffic in Europe continued to grow. Combined with the conservative stance airlines have taken towards increasing their capacity, this led to improved load factors. Measured in passenger volume, the market for flights between Helsinki and Finnair's European destinations grew by 4.0 per cent, while the market between Finnair's Asian and European destinations increased by 3.8 per cent.* Finnair was successful in increasing its market share in both markets.*The demand for air cargo in traffic between Asia and Europe grew year-on-year.

The price of the largest individual cost factor of airlines, i.e. jet fuel, remained at a high level. The euro appreciated by one third against the Japanese yen and approximately six per cent against the US dollar compared to the corresponding period last year. The yen is an important income currency in Finnair's operations, while the dollar is a significant expense currency.

Strategy implementation and partnerships

Finnair's vision is to be number one airline in the Nordic region and the most desired option for travel between Asia and Europe. In addition, its aim is to double its revenue from Asian traffic by 2020.

Finnair deepened its cooperation with oneworld alliance partners at the beginning of July. At the beginning of July, Finnair joined the transatlantic joint business founded by American Airlines, British Airways and Iberia, and announced its intention to join Japan Airlines and British Airways in a joint business in traffic between

Japan and Europe. Japan is one of Finnair's most important markets. Competition authorities granted anti-trust immunity to the latter joint business after the review period in October. The new joint business is expected to be launched in the first half of 2014.

The first months of the transatlantic joint business have met the company's expectations and the cooperation has started well. The airlines participating in the joint business cooperate commercially by sharing revenue and by coordinating flight schedules and fares. The aim of the participating airlines is to improve the efficiency of their operations, expand their networks and provide the travelling public between Europe and Japan with improved intercontinental connections.

The sales of Finnair's new summer season long-haul routes, Xian and Hanoi, were in line with expectations in the period under review. Also in the third quarter, Finnair continued the development of the partnership projects and cooperation processes initiated in 2012 and the implementation of its strategically significant structural change and cost-reduction programs.

Progress of the structural change and cost-reduction programs

By the end of June, Finnair had achieved the cost-reduction target of 140 million euros set for structural change and cost-reduction program commenced in August 2011. During the period under review, Finnair continued to seek cost reductions in all of the program's cost categories, with the primary focus being on personnel and maintenance costs, two categories in which progress has lagged behind the original cost reduction targets.

Regarding the supplementary cost-reduction program of 60 million euros commenced in October 2012, Finnair made an announcement in August stating its aim to reduce flight crew costs by approximately 35 million euros and technical services and customer service personnel costs by approximately 8 million. In the review period, Finnair continued negotiations with personnel and their trade union representatives regarding the solutions and schedules for achieving these cost reduction targets. The objective is to achieve the level of market wages and labour costs in the industry, primarily by implementing changes to wage structures and working hours.

As of the third quarter of the year, Finnair has monitored the progress of its cost-reduction programs against a combined total target of reducing annual costs permanently by 200 million euros. The point of reference for the cost reduction target is the company's cost level in 2010. By the end of September 2013, Finnair had achieved a total cost reduction of 150 million euros, which was reflected in decreased airline business unit costs during the period under review. At the same time, the company has been able to move a significant share of fixed costs to volume-based variable costs.

Achieving the targets of the cost-reduction program is essential for improving the company's competitiveness, as high fuel prices, cost reduction measures taken by competitors, intensified competition and fleet investments in the coming years require a substantial improvement in profitability. The long-term return objective set for the company by Finnair's Board of Directors is an operating profit margin of six per cent.

Financial performance in July–September 2013

Finnair's turnover in July–September declined slightly year-on-year, amounting to 636.9 million euros (650.3), while capacity increased by 6.0 per cent. The depreciation of the Japanese yen by one third year-on-year had a negative effect on euro-denominated revenue. Operational costs excluding fuel remained largely unchanged from the comparison period and stood at 418.8 million euros (422.4). Fuel costs, including hedging and costs incurred from emissions trading, were 185.1 million euros (179.6). Personnel costs declined by 10.0 per cent to 86.6 million euros (96.2) due to the personnel reductions implemented after the comparison period, but part of the personnel costs in the comparison period are now seen in the form of higher costs for outsourced catering and maintenance services. Euro-denominated operational costs amounted to 603.9 million euros (602.0). 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, was 38.4 million euros (50.4).

Finnair's income statement 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 period under review but will fall due later. This is an unrealised valuation result based on IFRS, 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 amounted to -0.7 million euros (7.7). Non-recurring costs during the period totalled -3.5 million euros (-6.8) and the operational result was 35.2 million euros (72.6). The operational result for the comparison period was increased by capital gains of 21.3 million euros, of which approximately 15 million euros were related to a catering arrangement implemented with LSG Sky Chefs in August 2012. Finnair's result before taxes for July–September was 31.3 million euros (68.8) and the result after taxes 23.5 million euros (51.9).

Unit revenue per available seat kilometre (RASK) declined primarily due to the depreciation of the Japanese yen by 7.1 per cent compared to the corresponding period in 2012 and amounted to 6.44 euro cents (6.93). Excluding the effect of exchange rate fluctuations, passenger unit revenue declined by 0.2 per cent from the comparison period. Unit cost per available seat kilometre (CASK) decreased by 4.6 per cent and amounted to 6.29 euro cents (6.60). Unit cost excluding fuel (CASK excl. fuel) decreased by 6.2 per cent and totalled 4.16 euro cents (4.43) as a result of successful cost-reduction measures.

Financial performance in January–September 2013

Finnair's turnover in January–September was largely unchanged from the corresponding period in 2012, totalling 1,839.8 million euros (1,836.5), while capacity grew by 4.1 per cent year-on-year. Growth in turnover was slowed down by the decline in euro-denominated revenue, resulting from the depreciation of the yen against the euro, and the weaker that expected development in cargo and leisure traffic. Operational costs excluding fuel amounted to 1,301.6 million euros (1,301.7). Fuel costs, including hedging and costs incurred for emissions trading, increased by 4.1 per cent to 526.1 million euros (505.1). Personnel costs decreased by 10.2 per cent to 289.3 million euros (322.1) as a result of the implementation of structural changes. The rise in euro-denominated operational costs was significantly slower than the increase in capacity. They increased by 1.2 per cent year-on-year and amounted to 1,827.6 million euros (1,806.8). The operational result was 26.9 million euros (43.1).

The change in the fair value of derivatives and in the value of foreign currency denominated fleet maintenance reserves amounted to 6.0 million euros (-4.0). Non-recurring items stood at -24.2 million euros (-23.1), with the majority being associated with the result of the employee consultations in technical services concluded in June.

The operating result was 9.7 million euros (37.3). In April, Finnair sold its entire holding of shares in Norwegian Air Shuttle ASA and recorded a capital gain of 34 million euros as financial income. The result before taxes for January–September was 33.9 million euros (20.1). The result after taxes was 24.7 million euros (14.0).

Unit revenue per available seat kilometre (RASK) declined by 3,5 per cent year-on-year, to 6,30 euro cents (6.53). Excluding the effect of exchange rate fluctuations, passenger unit revenue declined by 0.5 per cent from the comparison period. Unit cost per available seat kilometre (CASK) decreased by 1.5 per cent and amounted to 6.49 euro cents (6.59). Unit cost excluding fuel (CASK excl. fuel) decreased by 3,1 per cent to 4,37 euro cents (4.51).

Balance sheet on 30 September 2013

The Group's balance sheet totalled 2,339.2 million euros at the end of the period under review (2,304.4 million euros on 30 September 2012). Shareholders' equity totalled 758.3 million euros (752.5), which is 5.93 euros per share (5.89). The disposal of the shares in Norwegian Air Shuttle ASA increased shareholders' equity by approximately 5 million euros in the second quarter.

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 as well as net pension liabilities according to IAS 19. The value of the item at the end of the review period was -24.0 million euros (16.0) after deferred taxes, and it is mainly comprised of items related to the valuation of fuel and exchange rate derivatives.

Cash flow and financial position in January–September 2013

Finnair has a strong financial position, which supports business development and future investments. In January–September, net cash flow from operating activities totalled 108.3 million euros (136.8) and net cash flow from investing activities was -120.9 million euros (-38.6).

The equity ratio was 32.9 per cent (33.3) and gearing declined to 9.9 per cent (26.1). The adjusted gearing was 63.0 per cent (90.3). At the end of the period under review, interest-bearing debt amounted to 631.6 million euros (598.0) and interest-bearing net debt stood at 74.3 million euros (195.1).

The company's liquidity remained excellent in the review period. The Group's cash funds amounted to 557.4 million euros (402.9) at the end of the period. In addition to the cash funds on the balance sheet, the Group has the option of re-borrowing employment pension fund reserves worth approximately 430 million euros from its employment pension insurance company. Drawing these reserves requires a bank guarantee. The Group's entirely unused 200 million euro syndicated credit agreement, which was intended as reserve funding, matured at the end of June. Finnair negotiated a new 180 million euro syndicated credit agreement that will mature in July 2016. The limit is currently unused.

The size of the hybrid loan issued by Finnair in November 2012 is 120 million euros. In August, Finnair issued a 150 million euro bond that will mature in five years. The bond pays an annual coupon of five per cent, and it was listed on NASDAQ OMX Helsinki Ltd on 2 September 2013.

In September, Finnair signed an agreement with Japanese aircraft leasing company NBB to sell and leaseback two new Airbus A321 Sharklet aircraft.

At the end of the review period, 54.3 million euros of the short-term commercial paper program totalling 200 million euros were in use. Net cash flow from financing in January–September amounted to 53.3 million euros (-129.2). Financial expenses totalled -13.8 million euros (-21.1) and financial income 39.8 million euros (6.3). Financial income includes a capital gain of 34 million euros recorded on the sale of shares in Norwegian Air Shuttle ASA.

Advance payments related to fixed asset investments were 66.3 million euros (21.0).

The current state of the credit market and Finnair's good debt capacity enables the financing of future fixed-asset investments on competitive terms. The company has 34 unencumbered aircraft, the balance sheet value of which corresponds to approximately 46 per cent of the value of the entire fleet of 1.2 billion euros. This includes three finance lease aircraft. The number of unmortgaged aircraft will increase to 36 by the end of 2013.

Capital expenditure

In January–September, capital expenditure excluding advance payments totalled 30.6 million euros (17.7) and was primarily related to one spare engine and the company's fleet.

Capital expenditure for the full year 2013 is now estimated at approximately 90 million euros, with investments in the fleet representing a majority of this total. The sale and leaseback agreement of two new Airbus A321 Sharklet aircraft in the review period decreased the 2013 capital expenditure estimate by approximately 60 million.

Fleet

Finnair's fleet is managed by Finnair Aircraft Finance Oy, a wholly-owned subsidiary of Finnair Plc. The fleet operated by Finnair grew by one aircraft during the period under review, as Finnair took delivery of the first of five Airbus 321 Sharklet aircraft ordered by the company. At the end of September 2013, Finnair itself operated 45 aircraft, of which 15 are wide-body and 30 narrow-body aircraft.

In addition to the aircraft operated by Finnair, its balance sheet includes 25 aircraft owned by the company that are operated by other airlines, mainly by Flybe Nordic.

The average age of the fleet operated by Finnair was 10.4 years at the end of the review period and that of the fleet operated by other airlines 5.0 years. Finnair also has eight leased aircraft, which it has subleased to be operated by other airlines.

The Airbus A321 Sharklet aircraft ordered by Finnair in 2010 will replace four Boeing 757 aircraft used on leisure flights that will be removed from the fleet. The new aircraft will also be used in the company's European traffic. The first of the aircraft was delivered to Finnair in September and the second in October. The third aircraft will be delivered by the end of 2013 and the final two aircraft in the first half of 2014.

Finnair estimates that its first A350 XWB aircraft will be delivered and added to the fleet in the second half of 2015. Finnair ordered 11 A350 XWB aircraft from Airbus in 2005. Some of these aircraft will replace aircraft currently in use in long-haul traffic. The order includes an additional option for the delivery of eight more aircraft. Finnair is evaluating alternatives to minimise the effects that possible delays in deliveries may have.

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 30.9.2013	Seats	#	Own	Leased (operational leasing)	(finance leasing)	Average age	Change from 31.12.2012	Ordered	Add. options
European traffic									
Airbus A319	138/123	9	7	2		12.2			
Airbus A320	165	10	6	4		11.1			
Airbus A321	196	6	4	2		12.7			
Airbus A321 Sharklet	209	1		1		0.1	+1	4	
Embraer 170	76						-1		
Long-haul traffic									
Airbus A330	297/271/263	8	4	1	3	3.9			
Airbus A340	270/269	7	5	2		10.7			
Airbus A350	na.							11	8
Leisure traffic									
Boeing B757	227	4	0	4		15.7			
Total		**45**	**26**	**16**	**3**	**10.4**	**0**	**15**	**8**

Fleet owned by Finnair and operated by other airlines on 30.9.2013*	Seats	#	Own	Average age	Change from 31.12.2012	Ordered	Add. options
ATR 72	68–72	12	12	4.2			
Embraer 170	76	5	5	7.3	+1		
Embraer 190	100	8	8	4.8			
Total		**25**	**25**	**5.0**	**+1**	**0**	**0**

* All ATR aircraft, all E190 aircraft and two E170 aircraft have been leased to Flybe Nordic and three E170 aircraft to parties outside the Group.

Business area development in July–September

The segment reporting of Finnair Group's financial statements is based on business areas. 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	7-9 2013	7-9 2012	Change %	1-9 2013	1-9 2012	Change %	2012
Turnover and result							
Turnover, EUR million	589.5	599.2	-1.6	1,663.9	1,644.7	1.2	2,187.0
Operating result, EBIT, EUR million	37.6	56.9	-34.0	38.5	30.2	27.4	30.2
Operating result, % of turnover	6.3	9.5	-3.2%-p	2.3	1.8	0.5%-p	1.4
Personnel							
Average number of employees				3,632	3,656	-0.7	3,660

The turnover of Airline Business in July–September remained largely unchanged from the previous year and amounted to 589.5 million euros (599.2). The segment's operating result showed a profit and stood at 37.6 million euros (56.9).

In July–September, Finnair traffic measured in revenue passenger kilometres rose by 9.9% and overall capacity by 6.0% year-on-year. The overall passenger load factor increased by 3.0 percentage points to 84.4 per cent.

The development of traffic was particularly positive in Asian and European traffic. Measured in revenue passenger kilometres, Asian traffic grew by 9.3 per cent year-on-year, while capacity grew by 4.2 per cent. European traffic grew by 17.1 per cent and capacity by 13.8 per cent. In Asian traffic, the load factor increased by 4.1 percentage points to 85.9 per cent, while in European traffic the load factor increased by 2.3 percentage points to 80.3 per cent. Domestic traffic as measured in revenue passenger kilometres increased by 1.6 per cent year-on-year, while capacity decreased by 3.2 per cent. The load factor in domestic traffic was 65.9 per cent.

The depreciation of the Japanese yen against the euro had a negative effect on yield in Asian traffic. The increased demand in European traffic compensated the decrease in Asian revenues partly, but despite that unit revenue (RASK) declined in July–September by 7.1 per cent year-on-year.

In July–September, the largest sales units in Asian traffic were Japan, China, Finland and South Korea. However, the uncertainty in the euro area economy continued to affect domestic business travel, and corporate sales decreased from the corresponding period in 2012. Finnair's market share in the route pairs operated by the company in scheduled traffic between Asia and Europe increased to 6.3 per cent (6.1).* In scheduled traffic between Finland and Europe, Finnair's market share increased to 47.9 per cent (46.1), excluding Flybe operations.*

The capacity of leisure traffic declined by 2.1 per cent year-on-year, with the passenger load factor of leisure traffic decreasing by 0.2 percentage points to 93.4 per cent. Approximately 218,700 passengers flew on Finnair's leisure flights in July–September.

The amount of cargo and mail carried by Finnair in traffic between Asia and Europe increased by 6.1 per cent year-on-year. The overall load factor of Finnair's cargo traffic increased by 0.9 percentage points to 68.4 per cent, while the available tonne kilometres rose by 6.5 per cent and the revenue tonne kilometres by 7.9 per cent. One significant change was Japan Airlines launching a daily Tokyo-Helsinki flight on 1 July. Finnair Cargo has purchased the available cargo capacity on the flights, allowing it to offer two daily flights to Tokyo. The positive trend in volume and turnover for cargo operations in Brussels also had a significant effect on the growth in the demand for cargo. Network revenue from Brussels-based cargo operations on Asian passenger aircraft routes increased by 52 per cent compared to the second quarter. Cargo traffic unit revenue decreased by 1.7 per cent to 23.99 euro cents year-on-year (24.41). Average yields in traffic between Europe, the Nordic region and Asia remain under substantial pressure due to market overcapacity and weak demand.

Finnair Cargo operated separate cargo flights to Hong Kong, Mumbai, New York and Brussels during the third quarter of the year. The second cargo hub in Brussels feeds air cargo three times per week to Helsinki on an MD11 cargo aircraft and an A340 passenger aircraft, which complements feeder traffic by road and expedites the transport of air cargo. Cargo flights to Mumbai were discontinued on 17 September due to weakened forecasts of Indian cargo volume and yield as well as the significant depreciation of the Indian rupee. Separate cargo flights accounted for 20.9 per cent of total cargo traffic in the third quarter.

The arrival punctuality of Finnair's flights was excellent in July–September, with 91.8 per cent (92.1) of scheduled flights and 91.3 per cent (91.9) of all flights arriving on schedule.

Air traffic services and products

Route network and alliances

During the summer season, Finnair flew up to 81 flights per week from Helsinki to Asia and offered the fastest connections between Europe and Asia with more than 200 route pairs. In addition, Finnair operates more than 800 flights weekly from Helsinki to other Finnish and European destinations.

In September, Qatar Airways announced it was joining the oneworld alliance as a full member from 30 October 2013. From that date onwards, Finnair Plus members will accumulate points on Qatar Airways flights and enjoy other oneworld benefits, such as lounge access. Qatar Airways will add to the oneworld network over 20 new destinations and five new countries, namely Ethiopia, Iran, Rwanda, Serbia and Tanzania.

Other renewals and services

Business Class in-flight dining on Finnair's long-haul flights departing from Helsinki was renewed from 18 September 2013 with the launch of menus designed by two renowned Finnish chefs, Pekka Terävä and Tomi Björck. Finnair renewed its Economy class meal service earlier in the year.

The company also improved the onboard entertainment systems in its aircraft during the period under review. The entertainment offering on long-haul flights was nearly doubled in both Economy and Business class. Finnair offers passengers Samsung 3 tablet devices for a fee on its new A321 Sharklet aircraft.

The service upgrades are part of Finnair's service renewal to mark its 90th anniversary.

Aviation Services

After the structural changes in Technical Services and catering implemented in 2012, the Aviation Services segment consists of aircraft maintenance and the operations of Finncatering Oy and Finnair Travel Retail Oy. The business operations of Finnair Catering Oy, which were transferred to LSG Sky Chefs on 1 August 2012, are included in the segment's figures for the comparison year until 31 July 2012. In addition, most of Finnair's property holdings, office services and the management and maintenance of properties related to the company's operational activities also belong to the Aviation Services business area. Over half of the business area's turnover comes from outside the Group.

Key figures	7-9 2013	7-9 2012	Change %	1-9 2013	1-9 2012	Change %	2012
Turnover and result							
Turnover, EUR million	44.4	69.5	-36.2	154.0	245.9	-37.4	319.5
Operating result, EBIT, EUR million	-2.2	11.9	-118.8	-30.2	4.4	<-200	-1.3
Operating result, % of turnover	-5.0	17.1	-22.1%-p	-19.6	1.8	-21.4%-p	-0.4
Personnel							
Average number of employees				1,251	2,142	-41,6	1,984

The turnover of Aviation Services declined substantially from the comparison period due to the outsourcing of the engine and equipment maintenance operations to Finnair's outsourcing partner in July 2012 and the transfer of Finnair Catering Oy's operations to LSG in August 2012.

The segment's turnover amounted to 44.4 million euros (69.5) and the operating result showed a loss of -2.2 million euros (11.9).

Travel Services (Tour Operators and Travel Agencies)

This business area consists of the tour operator Aurinkomatkat (Suntours), its subsidiary operating in Estonia, and the business travel agencies Area and Finland Travel Bureau (FTB) and FTB's subsidiary Estravel, which operates in the Baltic countries, as well as Amadeus Finland, which 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	7-9 2013	7-9 2012	Change %	1-9 2013	1-9 2012	Change %	2012
Turnover and result							
Turnover, EUR million	50.1	58.3	-14.0	183.2	211.5	-13.4	284.4
Operating result, EBIT, EUR million	-0.1	3.8	-102.9	1.4	2.7	-47.2	4.9
Operating result, % of turnover	-0.1	6.5	-6.6%-p.	0.8	1.1	-0.3%-p.	1.7
Personnel							
Average number of employees				761	873	-12.8	855

In July–September, the turnover of Travel Services decreased from the previous year and amounted to 50.1 million euros (58.3). The operating result was -0.1 million euros (3.8).

Consumers' uncertainty regarding their own economic development was reflected in the demand for leisure travel. Package tours are currently purchased increasingly close to the time of travel, which is reflected in unit revenue from package tour sales.

Aurinkomatkat cancelled all of its winter season travel to Egypt at the end of August due to travel restrictions in force in the country. The impact of these cancellations will be reflected in both leisure traffic and Finnair's scheduled flights in the fourth quarter of 2013 and the first quarter of 2014.

Finnair's first Airbus 321 Sharklet aircraft began flying leisure flights in September.

In business travel agencies, the number of flights booked in Finland decreased in July–September by 11 per cent year-on-year. Business travel sales decreased by 5%, whereas the sales of international online travel agencies decreased by 16 per cent.

Changes in the Board's Compensation and Appointments Committee and the company's senior management

Pekka Vauramo (M.Sc.) took his position as CEO of Finnair on 1 June 2013. He succeeds Mika Vehviläinen, who left the company on 28 February 2013.

Anssi Komulainen, Head of Customer Service, left Finnair's Executive Board and Management Board on 31 August 2013. As customer service functions were moved partly to Finnair's Commercial Division and partly to Operations, Finnair did not appoint a successor to Komulainen.

Finnair's Board of Directors added Antti Kuosmanen as a new member to the Board's Compensation and Appointments Committee on 23 September 2013. The Chairman of the Committee is Jussi Itävuori and the other members are Harri Kerminen and Gunvor Kronman.

Personnel

Due to the on-going structural changes, the number of Finnair's employees decreased year-on-year in January–September, and the company employed an average of 5,913 (6,966) people during the period. The personnel were divided by business area as follows: Airline Business 3,632 (3,656), Aviation Services 1,251 (2,142) and Travel Services 761 (873). A total of 269 (295) people were employed in other functions. The number of employees was 5,908 (6,495) on 30 September 2013.

The employee consultations in finance department and Technical services were concluded during the first half of the year. In the third quarter, Finnair continued negotiations with its personnel and their trade union representatives regarding solutions and scheduled for achieving the savings targets outlined in the additional 60 million euro cost saving program.

Finnair will offer re-employment support to the affected personnel with its Career Gate service as well as financial support. The reductions in personnel will be implemented gradually, with the majority taking effect by the end of 2013.

Remuneration programs for management and personnel

In February 2013, Finnair's Board of Directors approved a new performance share plan for Finnair's key personnel. The share plan replaces the previous plan that expired at the end of 2012. The purpose of the share plan is to encourage the management to work to increase long-term shareholder value and also to commit the management to the company. The share plan is described in more detail in a Stock Exchange Release published on 8 February 2013.

At the end of March 2013, the Board of Directors of Finnair decided to launch an employee share savings plan for Finnair employees. The objective of the plan is to encourage the employees to become shareholders in the company, and thereby strengthen the employees' interest in the development of Finnair's shareholder value and to reward them over the long term. Over 1,000 Finnair employees, or approximately one fifth of all employees, participated in the first phase of the share savings plan. The share savings plan is described in more detail in a Stock Exchange Release published on 27 March 2013.

Share price development and trading

At the end of September 2013, Finnair's market value stood at 399.8 million euros (265.2), and the closing price of the share was 3.12 euros (2.07). During the January–September period, the highest price for the Finnair share on the NASDAQ OMX Helsinki Stock Exchange was 3.25 euros (2.64), the lowest price 2.40 euros (1.67) and the average price 2.85 euros (2.27). Some 21.7 million (10.4) of the company's shares, with a total value of 61.7 million (23.7) euros, 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 period. The Finnish State owned 55.8 per cent (55.8) of Finnair's shares, while 12.7 per cent (11.9) were held by foreign investors or in the name of a nominee.

The number of own shares held by Finnair decreased in May, as Finnair transferred a total of 708,679 shares held by the company as treasury shares to the 74 participants of Finnair's share-based incentive scheme 2010–2012 as a reward payment. The incentive scheme is described in more detail in previously published materials, such as the company's Annual Report 2012.

On 30 September 2013, Finnair held a total of 301,508 of its own shares, representing 0.2 per cent of the total share capital.

Corporate responsibility

In March, Finnair published its annual Sustainability Report, which is based on the Global Reporting Initiative (GRI). The report details and assesses the financial, social and environmental sustainability of the Finnair Group's activities in 2012.

Finnair began employee training on its updated Code of Conduct in the first half of the year. The aim is that the majority of Finnair's personnel will attend training by the end of 2013. In addition, the company launched a Supplier Code of Conduct project in the third quarter with the aim of more effectively identifying supply chain risks.

In June, Finnair was certified as a pioneer in environmental management in IATA's Environmental Assessment (IEnvA) Program. The program is designed to independently assess and improve the environmental management of an airline. Finnair is part of a pilot group of airlines that has been developing and participating in the program. The airline assessments are undertaken by independent accredited environmental assessment organisations.

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, fuel price development has a key impact on Finnair's result, as fuel costs are the company's most significant expense item. The result is also affected by exchange-rate fluctuations of the US dollar and the Japanese yen against the euro. Fuel costs, aircraft leasing costs and purchases of spare parts are dollar-denominated, whereas the yen is an important income currency in Finnair's strong Japanese 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. Fuel purchases are hedged for 24 months forward on a rolling basis, and the degree of hedging decreases towards the end of the hedging period. The higher and lower limits of the degree of hedging are 90 and 60 per cent for the following six months. At the end of September, the hedging ratio for fuel purchases in the final quarter of 2013 was 75 per cent and 68 per cent for the first half of 2014. The hedging ratio for a dollar basket over the following 12 months was 76 per cent, and the hedging ratio for a yen basket was 71 per cent.

The achievement of the strategic advantages and cost reductions sought through Finnair's partnership projects involve risks due to, for example, changes in partners' business operations. Negotiations on collective labour agreements between Finnair and the trade unions representing its employees involve risks that, if realised, could have an effect on the achievement of the company's cost reduction targets, the uninterrupted continuity of its operations and the company's reputation. The achievement of other cost reduction categories included in the cost-reduction program also involve risks.

The aviation industry is affected by a number of regulatory projects at the EU and international levels. Estimating the impacts of the regulatory changes on airlines' operational activities and/or costs in advance is difficult. Examples of such regulatory projects include international regulation related to emission trading, EU regulations on data privacy and the decision made by the Court of Justice of the European Union in October 2012 regarding flight passengers' rights.

A number of strategic, financial and operational risks are involved in Finnair's operations. Risks and risk management are described in more detail on the company's website and the Financial Report 2012.

Seasonal variation and sensitivities in business operations

Due to the seasonal variation of the airline business, the Group's turnover and profit are generally very much 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.

A one-percentage-point change in the passenger load factor or the average yield in passenger traffic has an effect of approximately 15 million euros on the group's operating result. A one-percentage-point change in the unit cost of scheduled passenger traffic has an effect of approximately 17 million euros on the operating result.

Fuel costs are a significant uncertainty factor in Finnair's business operations: a 10-per-cent change in the world market price of fuel has an effect of approximately 31 million euros on Finnair's operating result at an annual level, taking hedging into account.

A 10-per-cent change in the euro-dollar exchange rates has an effect of approximately 13 million euros on Finnair's operating result at an annual level, taking hedging into account. A 10-per-cent change in the euro-yen exchange rate has an effect of approximately 7.5 million euros on Finnair's operating result at an annual level, taking hedging into account.

Other events during the review period

Finnair inaugurated its new head office at Tietotie 9 in Vantaa, Finland in July. The majority of the Group's functions, with the exception of flying crew and technical services, will move to the new HOTT Building (House of Travel and Transportation) by the end of the year.

Events after the review period

On 7 October 2013, Finnair redeemed the outstanding share of the hybrid bond issued in 2009. The outstanding share amounted to 52.4 million euros.

In early October, Finnair was named Best European Airline at the annual TTG Travel Awards. The readers of TTG's travel magazines highlighted Finnair's punctuality, service quality and quick connections.

Also in early October, Finnair announced it will open a new Premier Lounge at Helsinki Airport in spring 2014. The lounge upgrade is part of Finnair's service renewal to mark its 90th anniversary.

In October, Finnair placed among the leading companies in the Carbon Disclosure Project (CDP), which assesses the quality of environmental reporting related to climate change published by companies. Finnair was also included in the CDP Nordic 260 Climate Disclosure Leadership Index (CDLI) for the second consecutive year. The index highlights those companies listed on the Nordic stock exchanges that have displayed a strong approach to the disclosure of information regarding climate change. The Carbon Disclosure Project is the only global climate disclosure system and represents 722 international investors controlling assets of over 87 trillion dollars.

At the ICAO Assembly concluded in October, the International Civil Aviation Organisation (ICAO) decided on the first steps towards a market-based system to reduce emissions in the international airline industry. The aim is to have the emissions reduction plan approved in 2016 and the system implemented in 2020. Following ICAO's decision, the European Commission gave its proposal to European Parliament and Council on expanding the current intra-European emissions trading scheme (intra-EU ETS). In the so-called airspace model, the scope of intra-EU ETS would be expanded to the portion of international flights to/from the EU that occurs within EU airspace. The Commission's proposal is expected to be opposed by some non-EU countries, which may affect Finnair's growth opportunities in Asia and incur additional costs.

Outlook for 2013

Finnair lowered its financial guidance regarding turnover and operational profit for 2013 due to the weakening unit revenue development on 24 October 2013.

Current outlook (given on 24 October 2013):

The weak visibility of air traffic development continues due to the uncertain economic outlook in Europe and slower growth in Asia. Fuel costs are expected to remain high in the last quarter of 2013, and the demand for air traffic is estimated to grow moderately.

Due to the continuing negative effect of the weak yen on unit revenue in Japanese sales, and the deterioration of cargo and leisure traffic revenues, Finnair expects its turnover in 2013 to be below the 2012 level. Unit costs excluding fuel (CASK excl. fuel) are expected to decrease compared to 2012. If the strong deterioration of unit revenues continues in the last quarter of the year, it is possible that Finnair will not reach a profitable operational result in 2013.

Previous Outlook (given on 14 August 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.

Due to the negative effect of the weak yen on unit revenue in Japanese sales, Finnair expects its turnover in 2013 to be largely unchanged from 2012. 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.

Finnair's financial statements bulletin for 2013 will be published on Tuesday 11 February 2014.

FINNAIR PLC
Board of Directors

Briefings

Finnair will hold a press conference on 25 October 2013 at 11:00 a.m. and an analyst briefing at 12:30 p.m. at its office at Tietotie 9. An English-language telephone conference will begin at 3:30 p.m. Finnish time. The conference may be attended by dialling your local access number +358 800 770 306 and using the PIN code 255856#

Finnair Plc
Communications
25 October 2013

* Finnair’s estimate. The estimate is based on IATA’s BSP (Billing and Settlement Plan) data and Finnair’s estimates of airlines’ own sales through their own sales channels, such as websites.

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Key Figures	Jul-Sep 2013	Jul-Sep 2012	Change %	Jan-Sep 2013	Jan-Sep 2012	Change %	Jan-Dec 2012
Turnover and result							
Turnover, EUR million	636.9	650.3	-2.1	1,839.8	1,836.5	0.2	2,449.4
Operational result, EBIT, EUR million *	38.4	50.4	-23.7	26.9	43.1	-37.7	43.2
Operational result, % of turnover	6.0	7.7	-1.7 %-p	1.5	2.3	-0.9 %-p	1.8
Operating result, EBIT, EUR million	35.2	72.6	-51.5	9.7	37.3	-74.1	33.8
EBITDAR, EUR million	82.4	99.3	-17.0	162.0	191.4	-15.3	240.2
Result before taxes, EUR million	31.3	68.8	-54.5	33.9	20.1	68.6	14.8
Net result, EUR million	23.5	51.9	-54.7	24.7	14.0	76.9	10.5
Balance sheet and cash flow							
Equity ratio, %				32.9	33.3	-0.4 %-p	35.4
Gearing, %				9.9	26.1	-16.2 %-p	18.0
Adjusted gearing, %				63.0	90.3	-27.3 %-p	77.8
Gross investment, EUR million	3.6	7.4	-51.2	30.6	17.7	72.9	41.4
Return on capital employed, ROCE, 12 months rolling, %				3.9	0.3	3.5 %-p	2.8
Return on equity, ROE, 12 months rolling, %				2.8	-2.4	5.2 %-p	1.4
Net cash flow from operating activities, EUR million	29.7	44.5	-33.3	108.3	136.8	-20.9	154.7
Share							
Share price at the end of quarter, EUR	3.12	2.07	50.7	3.12	2.07	50.7	2.38
Earnings per share from the result of the period, EUR **	0.18	0.41	-54.9	0.19	0.11	78.5	0.08
Earnings per share, EUR	0.16	0.39	-58.8	0.12	0.06	107.3	0.01
Traffic data, unit costs and revenue							
Passengers, 1,000	2,565	2,361	8.6	7,121	6,693	6.4	8,774
Available seat kilometres (ASK), million	8,275	7,810	6.0	23,732	22,799	4.1	30,366
Revenue passenger kilometres (RPK), million	6,982	6,352	9.9	19,174	17,871	7.3	23,563
Passenger load factor (PLF), %	84.4	81.3	3.0 %-p	80.8	78.4	2.4 %-p	77.6
Unit revenue per available seat kilometre, (RASK), cents/ASK	6.44	6.93	-7.1	6.30	6.53	-3.5	6.49
Unit revenue per revenue passenger kilometre, yield, cents/RPK	6.74	7.54	-10.7	6.86	7.33	-6.4	7.30
Unit cost per available seat kilometre, (CASK), cents/ASK	6.29	6.60	-4.6	6.49	6.59	-1.5	6.58
CASK excluding fuel, cents/ASK	4.16	4.43	-6.2	4.37	4.51	-3.1	4.50
Available tonne kilometres (ATK), million	1,264	1,187	6.5	3,578	3,511	1.9	4,647
Revenue tonne kilometres (RTK), million	864	801	7.9	2,378	2,295	3.6	3,029
Cargo and mail, tonnes	39,611	37,338	6.1	108,670	112,084	-3.0	148,132
Cargo traffic unit revenue per revenue tonne kilometre, cents/RTK	23.99	24.41	-1.7	24.42	25.12	-2.8	25.45
Overall load factor, %	68.4	67.5	0.9 %-p	66.5	65.4	1.1 %-p	65.2
Flights, number ***	24,955	23,915	4.3	73,712	71,742	2.7	95,097
Personnel							
Average number of employees				5,913	6,966	-15.1	6,784

* 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.

** Before hybrid bond interest.

*** The number of flights, unlike in the past, includes Finnair's purchased traffic. Numbers for the comparison periods have been changed accordingly.

Comparative figures for 2012 have been restated according to the revised IAS 19 Employee Benefits.

Consolidated income statement

in mill. EUR	Jul-Sep 2013	Jul-Sep 2012	Change %	Jan-Sep 2013	Jan-Sep 2012	Change %	Jan-Dec 2012
Turnover	**636.9**	**650.3**	**-2.1**	**1,839.8**	**1,836.5**	**0.2**	**2,449.4**
Work used for own purposes and capitalized	1.7	0.5	> 200 %	2.4	1.6	47.4	1.7
Other operating income	3.7	1.6	131.3	12.4	11.8	5.0	20.8
Capital gains *	1.0	21.3	-95.2	1.0	21.3	-95.2	22.2
Operating income	**643.3**	**673.7**	**-4.5**	**1,855.5**	**1,871.2**	**-0.8**	**2,494.1**
Operating expenses							
Staff costs	86.6	96.2	-10.0	289.3	322.1	-10.2	429.2
Fuel	185.1	179.6	3.1	526.1	505.1	4.1	670.3
Lease payment for aircraft	13.9	16.2	-14.4	42.7	51.4	-16.9	66.2
Other rental payments	39.7	27.6	43.7	112.0	85.1	31.7	123.2
Fleet materials and overhaul	37.4	35.5	5.1	117.3	90.7	29.3	133.1
Traffic charges	60.9	61.6	-1.1	170.0	174.0	-2.3	226.0
Ground handling and catering expenses	65.9	63.3	4.2	194.6	181.1	7.4	247.2
Expenses for tour operations	19.7	16.8	17.1	65.6	73.9	-11.3	96.8
Sales and marketing expenses	17.0	19.2	-11.2	54.8	58.0	-5.5	75.7
Depreciation	30.1	32.7	-7.9	92.4	96.9	-4.6	130.8
Other expenses	47.6	53.3	-10.6	162.8	168.5	-3.4	230.2
Total	**603.9**	**602.0**	**0.3**	**1,827.6**	**1,806.8**	**1.2**	**2,428.7**
Operational result, EBIT	**38.4**	**50.4**	**-23.7**	**26.9**	**43.1**	**-37.7**	**43.2**
Fair value changes of derivatives and foreign currency denominated fleet maintenance reserves	-0.7	7.7	-109.3	6.0	-4.0	> 200 %	-4.0
Non-recurring items	-3.5	-6.8	48.5	-24.2	-23.1	-4.9	-27.6
Total Expenses	**608.1**	**601.1**	**1.2**	**1,845.9**	**1,833.9**	**0.7**	**2,460.3**
Operating result, EBIT	**35.2**	**72.6**	**-51.5**	**9.7**	**37.3**	**-74.1**	**33.8**
Financial income	1.2	1.4	-16.6	39.8	6.3	> 200 %	7.9
Financial expenses	-4.9	-5.5	11.0	-13.8	-21.1	34.4	-25.5
Share of result in associates and joint ventures	-0.2	0.3	-161.0	-1.8	-2.4	25.4	-1.4
Result before taxes	**31.3**	**68.8**	**-54.5**	**33.9**	**20.1**	**68.6**	**14.8**
Direct taxes	-7.8	-16.9	53.7	-9.1	-6.1	-49.6	-4.3
Result for the period	**23.5**	**51.9**	**-54.7**	**24.7**	**14.0**	**76.9**	**10.5**
Result for the period attributable to shareholders of the parent company	23.3	51.8		24.4	13.7		10.2
Result for the period to non-controlling interest	0.2	0.1		0.4	0.3		0.3
Earnings per share attributable to shareholders of the parent company (euro)							
Earnings per share (basic, diluted)	0.16	0.39		0.12	0.06		0.01
Earnings per share from the result of the period	0.18	0.41		0.19	0.11		0.08

* Not included in the operational result, EBIT.

Comparative figures for 2012 have been restated according to the revised IAS 19 Employee Benefits. The grouping of de-icing, cleaning of aircraft and a few other expenses have been changed.

Consolidated balance sheet

in mill. EUR	30 Sep 2013	30 Sep 2012	31 Dec 2012
ASSETS			
Non-current assets			
Intangible assets	19.6	27.8	25.5
Tangible assets	1,325.4	1,372.4	1,362.6
Investments accounted for using the equity method	10.5	11.3	12.3
Financial assets	21.5	22.9	22.7
Deferred tax receivables	76.5	75.6	77.6
Total	1,453.5	1,510.0	1,500.7
Short-term receivables			
Inventories	18.5	17.8	17.1
Trade receivables and other receivables	286.4	323.0	251.1
Investments	425.1	354.5	363.5
Cash and cash equivalents	132.3	48.4	67.0
Total	862.3	743.7	698.7
Non-current assets held for sale	23.5	50.7	31.9
Assets total	**2,339.2**	**2,304.4**	**2,231.3**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	75.4	75.4	75.4
Other equity	682.1	676.2	699.0
Total	757.6	751.6	774.4
Non-controlling interest	0.8	0.9	0.9
Equity total	758.3	752.5	775.3
Long-term liabilities			
Deferred tax liability	89.4	97.1	91.6
Financial liabilities	480.6	458.1	413.5
Pension obligations	10.2	2.4	3.6
Provisions	78.2	85.1	82.3
Total	658.4	642.7	591.0
Short-term liabilities			
Current income and tax liabilities	0.0	0.0	0.1
Provisions	42.1	43.2	38.2
Financial liabilities	174.7	167.8	174.2
Trade payables and other liabilities	703.4	695.6	650.3
Liabilities of non-current assets held for sale	2.3	2.6	2.2
Total	922.5	909.2	865.0
Liabilities total	1,580.9	1,551.9	1,456.0
Shareholders' equity and liabilities total	**2,339.2**	**2,304.4**	**2,231.3**

Comparative figures for 2012 have been restated according to the revised IAS 19 Employee Benefits, for more information see note 17.

Consolidated statement of changes in equity

in mill. EUR	Share capital	Share premium account	Legal reserve	Hedging reserve	Unrestricted equity	Translation difference	Retained earnings	Hybrid bond	**Equity attributable to share-holders of the company**	Non-controlling interest	**Own equity total**
Shareholders' equity, 1 Jan 2013	75.4	20.4	147.7	0.2	247.1	-0.3	112.6	171.1	**774.3**	0.9	**775.2**
Dividend and share based payments							-12.7		-12.7	-0.5	**-13.2**
Purchase of own shares					-1.7				-1.7		**-1.7**
Assignment of own shares / Share premium account charges					1.8		-0.3		1.5		**1.5**
Hybrid bond interest and expenses							-4.0	0.0	-4.0		**-4.0**
Shareholders' equity related to owners	75.4	20.4	147.7	0.2	247.3	-0.3	95.5	171.1	**757.4**	**0.4**	**757.8**
Result for the period						0.0	24.4		24.4	0.4	24.7
Items of comprehensive income				-24.2					-24.2		-24.2
Comprehensive income for the financial period	**0.0**	**0.0**	**0.0**	**-24.2**	**0.0**	**0.0**	**24.4**	**0.0**	**0.2**	**0.4**	**0.5**
Shareholders' equity, 30 Sep 2013	**75.4**	**20.4**	**147.7**	**-24.0**	**247.3**	**-0.3**	**119.9**	**171.1**	**757.6**	**0.8**	**758.3**

in mill. EUR	Share capital	Share premium account	Legal reserve	Hedging reserve	Unrestricted equity	Translation difference	Retained earnings	Hybrid bond	**Equity attributable to share-holders of the company**	Non-controlling interest	**Own equity total**
Shareholders' equity, 1 Jan 2012	75.4	20.4	147.7	30.0	247.2	-0.2	111.9	119.4	**751.8**	0.7	**752.5**
Change in accounting principles (IAS 19)				27.2					27.2		**27.2**
Shareholders' equity, restated, 1 Jan 2012	75.4	20.4	147.7	57.2	247.2	-0.2	111.9	119.4	**779.0**	0.7	**779.7**
Hybrid bond interest and expenses									0.0		**0.0**
Shareholders' equity related to owners	75.4	20.4	147.7	57.2	247.2	-0.2	111.9	119.4	**779.0**	**0.7**	**779.7**
Result for the period							13.8		13.8	0.2	14.0
Items of comprehensive income				-41.2					-41.2		-41.2
Comprehensive income for the financial period	**0.0**	**0.0**	**0.0**	**-41.2**	**0.0**	**0.0**	**13.8**	**0.0**	**-27.4**	**0.2**	**-27.2**
Shareholders' equity, 30 Sep 2012	**75.4**	**20.4**	**147.7**	**16.0**	**247.2**	**-0.2**	**125.7**	**119.4**	**751.6**	**0.9**	**752.5**

Consolidated cash flow statement

in mill. EUR	Jan-Sep 2013	Jan-Sep 2012	Jan-Dec 2012
Cash flows from operating activities			
Profit for the financial year	24.7	10.6	10.5
Operations for which a payment is not included *	103.1	120.5	119.5
Other adjustments to profit for the period			
Interest and other financial expenses	13.8	21.1	24.7
Interest income and other financial income	-38.0	-5.8	-7.9
Income taxes	9.1	6.1	4.3
Changes in working capital	5.3	-5.5	22.2
Interest paid	-7.4	-10.7	-16.7
Paid financial expenses	-1.6	-3.0	-6.0
Received interest	1.3	3.5	4.2
Taxes paid	-2.0	0.0	-0.1
Net cash flow from operating activities	**108.3**	**136.8**	**154.7**
Cash flows from investing activities			
Investments in associates and joint ventures	0.0	-0.7	-0.7
Investments in intangible assets	-0.8	-4.1	-4.8
Investments in tangible assets	-56.5	-27.9	-53.3
Net change of financial interest bearing assets at fair value through profit and loss	-119.0	-18.3	-5.2
Net change of shares classified as available for sale	54.3	0.0	0.1
Sales of tangible fixed assets	0.0	10.6	10.6
Received dividends	1.1	0.1	0.1
Change in non-current receivables	0.0	1.7	-1.0
Net cash flow from investing activities	**-120.9**	**-38.6**	**-54.2**
Cash flows from financing activities			
Proceeds and changes from borrowings	150.0	50.8	71.0
Loan repayments and changes	-76.7	-180.0	-207.9
Hybrid bond repayments	0.0	0.0	-67.7
Proceeds from hybrid bond	0.0	0.0	120.0
Hybrid bond interest and expenses	-5.3	0.0	-14.3
Purchase of own shares	-1.7	0.0	0.0
Dividends paid	-13.0	0.0	0.0
Net cash flow from financing activities	**53.3**	**-129.2**	**-98.9**
Change in cash flows	**40.7**	**-31.0**	**1.6**
Liquid funds, at beginning	256.1	254.5	254.5
Change in cash flows	40.7	-31.0	1.6
Liquid funds, at end	**296.8**	**223.5**	**256.1**
Notes to consolidated cash flow statement			
* Operations for which a payment is not included			
Depreciation	93.6	101.9	130.8
Employee benefits	5.9	12.6	12.3
Fair value changes in derivatives and changes in exchange rates of fleet overhauls	-6.0	4.0	4.0
Other adjustments	9.6	2.0	-27.6
Total	103.1	120.5	119.5
Financial asset at fair value	425.1	354.5	363.5
Liquid funds	132.3	48.4	67.0
Short-term cash and cash equivalents in balance sheet	557.4	402.9	430.5
Maturing after more than 3 months	-260.1	-154.2	-141.1
Shares held to trading purposes	-0.4	-25.2	-33.3
Total in cash flow statement	296.8	223.5	256.1

Comparative figures for 2012 have been restated according to the revised IAS 19 Employee Benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASICS 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 2012 consolidated financial statements, except for the changes mentioned below. The figures presented in this statement are not rounded, and therefore total sum calculated from these individual figures does not necessarily match the corresponding sum stated here. Key figures stated here are calculated using the exact figures.

The standards and interpretations published by the IASB to be introduced by the Group in 2013 and 2014 are introduced in the accounting principles of 2012 financial statements. The amendment to IAS 19 Employee Benefits eliminates the corridor approach and calculates the finance costs on a net funding basis. All actuarial gains and losses are recognised in comprehensive income.

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 2012.

4. SEGMENT INFORMATION

Segment information is presented in line with business segments, which are based on the Group's internal organisation structure and management reporting. The business segments are Airline Business, Aviation Services and Travel Services. Pricing between segments takes place at the going market price.

Business segment data

in mill. EUR			**Jan-Sep 2013**			
	Airline Business	Aviation Services	Travel Services	Group eliminations	Unallocated items	**Group**
External turnover	1,576.1	81.3	182.4			1,839.8
Internal turnover	87.8	72.7	0.8	-161.3		0.0
Turnover	1,663.9	154.0	183.2	-161.3	0.0	1,839.8
Operating profit	38.5	-30.2	1.4		0.0	9.7
Share of result in associates and joint ventures					-1.8	-1.8
Financial income					39.8	39.8
Financial expenses					-13.8	-13.8
Income tax					-9.1	-9.1
Non-controlling interest					-0.4	-0.4
Result for the period attributable to shareholders of the parent company						24.4
Depreciation	86.4	5.0	1.0	0.0	0.0	92.4

Business segment data

in mill. EUR			**Jan-Sep 2012**			
	Airline Business	Aviation Services	Travel Services	Group eliminations	Unallocated items	**Group**
External turnover	1,546.9	79.3	210.3			1,836.5
Internal turnover	97.8	166.6	1.2	-265.6		0.0
Turnover	1,644.7	245.9	211.5	-265.6	0.0	1,836.5
Operating profit	30.2	4.4	2.7		0.0	37.3
Share of result in associates and joint ventures					-2.4	-2.4
Financial income					6.3	6.3
Financial expenses					-21.1	-21.1
Income tax					-6.1	-6.1
Non-controlling interest					-0.3	-0.3
Result for the period attributable to shareholders of the parent company						13.7
Depreciation	83.2	12.6	1.1	0.0	0.0	96.9

Turnover

in mill. EUR	Jul-Sep 2013	Jul-Sep 2012	Change %	Jan-Sep 2013	Jan-Sep 2012	Change %	Jan-Dec 2012
Airline Business	589.5	599.2	-1.6	1,663.9	1,644.7	1.2	2,187.0
Aviation Services	44.4	69.5	-36.2	154.0	245.9	-37.4	319.5
Travel Services	50.1	58.3	-14.0	183.2	211.5	-13.4	284.4
Group eliminations	-47.1	-76.7	38.6	-161.3	-265.6	39.3	-341.5
Total	**636.9**	**650.3**	**-2.1**	**1,839.8**	**1,836.5**	**0.2**	**2,449.4**

Operating profit

in mill. EUR	Jul-Sep 2013	Jul-Sep 2012	Change %	Jan-Sep 2013	Jan-Sep 2012	Change %	Jan-Dec 2012
Airline Business	37.6	56.9	-34.0	38.5	30.2	27.4	30.2
Aviation Services	-2.2	11.9	-118.8	-30.2	4.4	<-200 %	-1.3
Travel Services	-0.1	3.8	-102.9	1.4	2.7	-47.2	4.9
Total	**35.2**	**72.6**	**-51.5**	**9.7**	**37.3**	**-74.1**	**33.8**

Employees average by segment

	Jan-Sep 2013	Jan-Sep 2012	Change %	Jan-Dec 2012
Airline Business	3,632	3,656	-0.7	3,660
Aviation Services	1,251	2,142	-41.6	1,984
Travel Services	761	873	-12.8	855
Other functions	269	295	-8.8	285
Total	**5,913**	**6,966**	**-15.1**	**6,784**

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 2012 Financial 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	**30 Sep 2013**		**30 Sep 2012**		**31 Dec 2012**	
	Nominal value	Fair net value	Nominal value	Fair net value	Nominal value	Fair net value
Currency derivatives, in Mill. EUR						
Hedge accounting items						
Forward contracts, Jet Fuel currency hedging	369.6	-12.3	376.0	11.1	413.5	0.3
Forward contracts, Hedging of Aircraft purchase price						
Fair value hedging	279.7	5.3	306.2	20.4	291.1	13.4
Cash flow hedging	0.0	0.0	0.0	0.0	0.0	0.0
Forward contracts, Currency hedging of lease payments	40.8	-1.1	35.8	1.1	40.3	-0.2
Total	690.1	-8.1	718.0	32.6	744.9	13.5
Currency derivatives at fair value through profit or loss						
Operating cash flow hedging (forward contracts)	268.8	-2.1	150.0	2.8	173.3	-0.9
Operational cash flow hedging (options)						
Call options	156.6	10.7	127.9	1.9	105.5	5.9
Put options	186.3	-0.8	132.5	-1.7	110.5	-0.8
Balance sheet hedging (forward contracts)	20.6	-0.8	51.5	1.2	47.8	0.0
Total	632.3	7.0	461.9	4.2	437.1	4.2
Currency derivatives total	**1,322.3**	**-1.1**	**1,179.9**	**36.8**	**1,182.0**	**17.7**

Commodity derivatives, in tonnes/MWh						
Hedge accounting items						
Jet Fuel swaps (tonnes)	546,680	-6.0	513,410	10.5	574,660	-1.7
Electricity hedging MWh	8,784	0.0	15,768	0.0	0	0.0
Total		-6.0		10.5		-1.7
Currency derivatives at fair value through profit or loss						
Jet fuel forward contracts (tonnes)	12,000	0.2	1,900	0.0	0	0.0
Options						
Jet fuel options (tonnes)	175,000	2.1	242,000	7.5	214,000	3.1
Jet fuel put options (tonnes)	179,000	-2.7	352,000	-5.4	301,000	-4.1
Electricity hedging MWh	79,637	-0.3	88,073	-0.5	91,536	-0.5
Total		-0.6		1.6		-1.5
Commodity derivatives total		**-6.6**		**12.1**		**-3.2**

Interest rate derivatives, in Mill. EUR						
Hedge accounting items						
Interest rate swaps	150.0	1.0				
Total	150.0	1.0				
Currency derivatives at fair value through profit or loss						
Cross currency Interest rate swaps	20.2	0.7	25.9	1.5	22.9	1.0
Interest rate swaps	25.0	-0.6	25.0	-1.2	25.0	-1.1
Interest rate option	0.0	0.0	7.7	0.0	0.0	0.0
Total	45.2	0.0	58.6	0.3	47.9	-0.1
Interest rate option total	**195.2**	**1.0**	**58.6**	**0.3**	**47.9**	**-0.1**

6. FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

Fair value hierarchy of financial assets and liabilities valued at fair value								
Fair values at the end of the reporting period	**30 Sep 2013**				**31 Dec 2012**			
in mill. EUR	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets valued at fair value								
Financial assets at fair value through profit and loss								
Securities held for trading	424.6	34.9	389.7		330.3	34.6	295.7	
Derivatives held for trading								
Currency and interest rate swaps	1.0		1.0		0.0		0.0	
- of which in fair value hedge accounting								
Currency derivatives	20.2		20.2		28.3		28.3	
- of which in cash flow hedge accounting	0.2		0.2		6.0		6.0	
Commodity derivatives	2.8		2.8		5.3		5.3	
- of which in cash flow hedge accounting	2.8		2.8		5.3		5.3	
Financial assets available-for-sale								
Share investments	0.0				32.3	32.3		
Total	**448.7**	**34.9**	**413.8**	**0.0**	**396.2**	**66.9**	**329.3**	**0.0**

Liabilities valued at fair value								
Financial liabilities recognised at fair value through profit and loss	150.4		150.4		0.0		0.0	
Derivatives held for trading								
Interest rate swaps	0.0		0.0		0.1		0.1	
- of which in cash flow hedge accounting								
Currency derivatives	21.3		21.3		11.6		11.6	
- of which in cash flow hedge accounting	13.7		13.7		5.9		5.9	
Commodity derivatives	9.5		8.9	0.6	7.5		6.5	1.0
- of which in cash flow hedge accounting	8.6		8.6		7.0		7.0	
Total	**30.8**		**30.2**	**0.6**	**19.2**		**18.2**	**1.0**

During the reporting period no significant transfers took place between fair value hierarchy Levels 1 and 2.

The fair values of hierarchy Level 1 are based fully on quoted (unadjusted) prices in active markets of the same assets and liabilities.

The fair values of Level 2 instruments are based to a significant extent on input data other than the quoted prices included in Level 1, but however on data that are observable either directly (price) or indirectly (derived from price) for the said asset or liability.

The fair values of Level 3 instruments, on the other hand, are based on asset or liability input data that are not based on observable market information (unobservable inputs), but rather to a significant extent on confirmations supplied by counterparties based on generally accepted valuation models.

The fair value hierarchy level, to which a certain item valued at fair value is classified in its entirety, is determined in accordance with the requirements of IFRS 7 based on the lowest level of input significant to the overall fair value of the said item. The significance of the input data has been assessed in its entirety in relation to said item valued at fair value.

Reconciliation of financial assets and liabilities valued at fair value according to Level 3								
Fair values at the end of the reporting period	Recognised at fair value through profit and loss		Available-for-sale share investments	Total	Recognised at fair value through profit and loss		Available-for-sale share investments	Total
in mill. EUR	Securities held for trading	Derivatives held for trading	30 Sep 2013		Securities held for trading	Derivatives held for trading	31 Dec 2012	
Opening balance	-	-1.0	-	-1.0	-	0.0	-	0.0
Profits and losses in income statement total	-	0.6		0.6	-	2.9		2.9
In comprehensive income	-		-	-	-		-	-
Purchases (and sales)	-	-	-	-	-	-	-	-
Settlements (and issues)	-	-0.2	-	-0.2	-	-3.9	-	-3.9
Transfers to and from Level 3	-	-	-	-	-	-	-	-
Closing balance		**-0.6**		**-0.6**		**-1.0**		**-1.0**
Total profits and losses recognised for the period for assets held at the end of the reporting period								
In other operating expenses		0.6		0.6		2.9		2.9

During the reporting period, no transfers took place to or from fair value hierarchy Level 3 in the fair value levels of financial assets and liabilities. According to management estimates, the changing of input data used in determining the fair value of financial instruments valued at Level 3 to some other possible alternative assumption would not significantly change the fair value of items valued at fair value in Level 3, given the relatively small amount of the said assets and liabilities.

The book value of the financial assets and liabilities corresponds to their fair value during the reporting period.

7. COMPANY ACQUISITIONS AND SALES

During the financial period the Group did not acquire or sell any businesses.

8. INCOME TAXES

Operational and deferred taxes based on the result have been recognised in the income statement at prevailing tax rates applied for the full year's estimated result.

9. DIVIDEND PER SHARE

The Annual General Meeting on 27 March 2013 decided to distribute a dividend of 0.10 euros per share. The total dividend was 12.7 million euros, based on the number of shares registered on 3 April 2013. The dividend was paid on 10 April 2013.

10. CHANGE IN INTANGIBLE AND TANGIBLE ASSETS

in mill. EUR	30 Sep 2013	30 Sep 2012	31 Dec 2012
Carrying amount at the beginning of period	1,388.1	1,500.5	1,500.5
Fixed asset investments	30.6	17.7	41.4
Change in advances	33.6	14.5	26.2
Disposals	-13.7	-30.6	-49.3
Depreciation	-93.6	-101.9	-130.7
Carrying amount at the end of period	**1,345.0**	**1,400.2**	**1,388.1**
Proportion of assets held for sale at the beginning of period	16.7	0.0	0.0
Proportion of assets held for sale at the end of period	15.0	20.7	16.7

11. NON-CURRENT ASSETS HELD FOR SALE

Mainly inventories and tangible asset related to Finnair Technics and Finncatering Oy.

Non current assets held for sale	30 Sep 2013	30 Sep 2012	31 Dec 2012
Tangible assets	15.0	20.7	16.7
Inventories	5.9	26.6	12.3
Trade receivables and other receivables	2.6	3.4	2.9
Cash and cash equivalents	0.0	0.0	0.0
Total	23.5	50.7	31.9

Liabilities of non-current assets held for sale	30 Sep 2013	30 Sep 2012	31 Dec 2012
Trade payables and other liabilities	2.3	2.6	2.2
Total	2.3	2.6	2.2

12. INTEREST-BEARING LIABILITIES

During the third quarter Finnair issued a new 5 year fixed rate bond with nominal value of 150 million euros. The loan withdrawals were according to the loan withdrawals program.

13. CONTINGENT LIABILITIES

in mill. EUR	30 Sep 2013	30 Sep 2012	31 Dec 2012
Pledges on own behalf	572.4	646.8	633.5
Guarantees on behalf of group undertakings	66.6	67.3	65.3
Guarantees on behalf of others	2.4	3.3	2.5
Total	**641.4**	**717.4**	**701.3**

Investment commitments for property, plant and equipment on 30 Sep 2013 totalled 1,070.0 million euros (1,000.0).

14. LIABILITIES

in mill. EUR	30 Sep 2013	30 Sep 2012	31 Dec 2012
Fleet lease payment liabilities	185.5	176.7	170.0
Other liabilities	247.2	262.0	258.0
Total	**432.7**	**438.7**	**428.0**

15. RELATED PARTY TRANSACTIONS

in mill. EUR	30 Sep 2013	30 Sep 2012	31 Dec 2012
Sales of goods and services			
Associates and joint ventures	49.6	13.9	25.0
Purchases of goods and services			
Associates and joint ventures	87.4	74.9	98.9
Receivables and liabilities			
Receivables from associates and joint ventures	41.6	4.6	22.5
Liabilities from associates and joint ventures	2.7	8.2	7.2

16. 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 been recognised straight in the hedging reserve of the shareholders' equity, and the translation difference.

in mill. EUR	Jul-Sep 2013	Jul-Sep 2012	Change %	Jan-Sep 2013	Jan-Sep 2012	Change %	Jan-Dec 2012
Profit for the period	**23.5**	**51.9**	-54.7	24.7	14.0	76.9	**10.5**
Other comprehensive income items							
Items that may be classified reclassified to profit or loss in subsequent periods							
Translation differences	0.0	0.1	-120.5	0.0	-0.1	79.5	0.0
Change in fair value of available-for-sale financial assets after taxes	0.0	-0.4	100.0	-10.4	8.6	<-200 %	15.7
Change in fair value of hedging instruments after taxes	3.2	15.0	-78.5	-13.4	-17.3	22.3	-36.5
Items that will not be reclassified to profit or loss in subsequent periods							
Actuarial gains and losses from defined benefit plans	-2.4	-7.6	68.0	-0.3	-32.4	99.1	-36.1
Other comprehensive income items total	**0.8**	**7.1**	**-89.0**	**-24.2**	**-41.2**	**41.3**	**-56.9**
Comprehensive income for the financial period	**24.3**	**59.0**	**-58.9**	**0.5**	**-27.2**	**102.0**	**-46.4**

Earnings per share to shareholders of the parent company of the comprehensive income statement	24.1	58.9	-59.0	0.2	-27.3	100.7	-46.5
Earnings per share to non-controlling interest of the comprehensive income statement	0.2	0.1	50.6	0.4	0.1	> 200 %	0.1

17. Change in accounting principles

From 1 January 2013 Finnair Group has adopted the amendments to IAS 19 Employee Benefits. The change is allocated for the Airline Business segment. The grouping of de-icing, cleaning of aircraft and a few other expenses have been changed. The effects of the amendments on consolidated income statement and consolidated balance sheet are described below.

Consolidated income statement			**Jul-Sep 2012**		
in mill. EUR	Reported	IAS 19 Employee Benefits	De-icing and cleaning of aircraft	Other adjustment	Restated
Operating income	**673.7**	**0.0**	**0.0**	**0.0**	**673.7**
Staff costs	97.7	-1.5	0.0	0.0	96.2
Fleet materials and overhaul	36.9	0.0	-1.4	0.0	35.5
Ground handling and catering expenses	61.9	0.0	1.4	0.0	63.3
Sales and marketing expenses	18.8	0.0	0.0	0.4	19.2
Other expenses	53.7	0.0	0.0	-0.4	53.3
Other expenses total	333.6	0.0	0.0	0.0	333.6
Operating result, EBIT	**71.1**	**1.5**	**0.0**	**0.0**	**72.6**
Result before taxes	**67.3**	**1.5**	**0.0**	**0.0**	**68.8**
Direct taxes	-16.5	-0.4	0.0	0.0	-16.9
Result for the period	**50.8**	**1.1**	**0.0**	**0.0**	**51.9**

Consolidated income statement			**Jan-Sep 2012**		
in mill. EUR	Reported	IAS 19 Employee Benefits	De-icing and cleaning of aircraft	Other adjustment	Restated
Operating income	**1,871.2**	**0.0**	**0.0**	**0.0**	**1,871.2**
Staff costs	326.5	-4.5	0.0	0.1	322.1
Fleet materials and overhaul	108.7	0.0	-18.0	0.0	90.7
Ground handling and catering expenses	163.1	0.0	18.0	0.0	181.1
Sales and marketing expenses	57.0	0.0	0.0	1.0	58.0
Other expenses	169.6	0.0	0.0	-1.1	168.5
Other expenses total	1,013.5	0.0	0.0	0.0	1,013.5
Operating result, EBIT	**32.8**	**4.5**	**0.0**	**0.0**	**37.3**
Result before taxes	**15.6**	**4.5**	**0.0**	**0.0**	**20.1**
Direct taxes	-5.0	-1.1	0.0	0.0	-6.1
Result for the period	**10.6**	**3.4**	**0.0**	**0.0**	**14.0**

Consolidated balance sheet	30 Sep 2012			31 Dec 2012		
in mill. EUR	Reported	Adjustment	Restated	Reported	Adjustment	Restated
ASSETS						
Non-current assets						
Financial assets	30.4	-7.5	22.9	33.1	-10.4	22.7
Other non-current assets	1,487.1	0.0	1,487.1	1,478.0	0.0	1,478.0
Non-current assets total	1,517.5	-7.5	1,510.0	1,511.1	-10.4	1,500.7
Short-term receivables total	794.4	0.0	794.4	730.6	0.0	730.6
Assets total	**2,311.9**	**-7.5**	**2,304.4**	**2,241.7**	**-10.4**	**2,231.3**
Shareholders' equity and liabilities						
Capital and provisions attributable to equity holders of the parent company						
Shareholders' equity	75.4	0.0	75.4	75.4	0.0	75.4
Other equity	678.0	-1.8	676.2	709.2	-10.2	699.0
Total	753.4	-1.8	751.6	784.6	-10.2	774.4
Non-controlling interest	0.9	0.0	0.9	0.9	0.0	0.9
Equity total	754.3	-1.8	752.5	785.5	-10.2	775.3
Long-term liabilities						
Deferred tax liability	97.7	-0.6	97.1	94.9	-3.3	91.6
Pension obligations	0.0	2.4	2.4	0.5	3.1	3.6
Other long-term liabilities	543.2	0.0	543.2	495.8	0.0	495.8
Total	640.9	1.8	642.7	591.2	-0.2	591.0
Short-term liabilities total	916.7	-7.5	909.2	865.0	0.0	865.0
Liabilities total	1,557.6	-5.7	1,551.9	1,456.2	-0.2	1,456.0
Shareholders' equity and liabilities total	**2,311.9**	**-7.5**	**2,304.4**	**2,241.7**	**-10.4**	**2,231.3**

18. EVENTS AFTER THE REVIEW PERIOD

There have not been other remarkable events after the closing date as told in the interim report.

19. CALCULATION OF KEY RATIOS

Earnings / share:

Result for the period - hybrid bond interest
/
Average number of shares at the end of the financial year, adjusted for share issues

Return on capital employed, % (ROCE):

Profit before taxes + interest and other financial expenses * 100
/
Balance sheet total - non-interest-bearing liabilities (average)

Earnings per share from the result of the period:

Result for the period
/
Average number of shares at the end of the financial year, adjusted for share issues

Net interest-bearing liabilities:

Interest-bearing liabilities - interest-bearing assets - listed shares

Equity / share:

Shareholders' equity
/
Number of shares at the end of the financial year, adjusted for share issues

Equity ratio, %:

Shareholders' equity + non-controlling interest * 100
/
Balance sheet total - advances received

Gearing, %:

Net interest-bearing liabilities * 100
/
Shareholders' equity + non-controlling interest

Return on equity, % (ROE):

Result * 100
/
Equity + non-controlling interest (average)

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.