FINNAIR GROUP INTERIM REPORT JANUARY 1–SEPTEMBER 30, 2011

Third quarter turnover up 10.1%, operational result 27.6 million euros
The first steps taken in the structural change during the profitable third quarter

Key figures

		July-Sept 2011	July-Sept 2010	Change %	Jan - Sept 2011	Jan - Sept 2010	Change %
Turnover and result							
Turnover	EUR million	607.2	551.4	10.1	1 680.3	1 506.4	11.5
Operational result, EBIT*	EUR million	27.6	41.9	-34.1	-29.3	2.0	
Operational result, %of turnover	%	4.5	7.6		-1.8	0.1	
Operating result, EBIT	EUR million	10.6	50.6	-79.1	-57.7	-8.6	
EBITDAR	EUR million	75.8	86.1	-12.0	113.2	138.6	-18.3
Result before taxes	EUR million	3.1	43.9	-92.9	-73.3	-23.4	
Net result	EUR million	1.9	32.4	-94.1	-54.9	-17.1	
Balance sheet and cash flow							
Equity ratio	%				33.1	34.0	
Gearing	%				41.9	33.5	
Adjusted gearing	%				101.4	90.0	
Capital expenditure, CAPEX	EUR million	121.0	12.9		182.8	156.4	
Return on capital employed, ROCE, 12 months rolling	%				-3.4	-2.9	
Return on equity, ROE, 12 months rolling	%				-7.5	6.4	
Net cash flow from operating activities	EUR million	-5.7	46.8		46,4	48.4	
Share							
Share price at end of quarter	EUR	2.94	4.95		2.94	4.95	
Earnings per share	EUR	0.00	-0.24		-0.48	-0.18	
Traffic data, unit costs and revenue							
Passengers	1,000	2 174	1 960	11.0	6 100	5 479	11.3
Available seat kilometres, ASK	million	7 553	6 612	14.2	22 057	19 082	15.6
Revenue passenger kilometres, RPK	million	5 849	5 194	12.6	16 305	14 781	10.3
Passenger load factor, PLF	%	77.4	78.5	-1.1	73.9	77.5	-3.5
Unit revenue per available seat kilometre, RASK	cents/ASK	6.4	6.7	-4.3	6.0	6.2	-3.3
Unit revenue per revenue passenger kilometre, yield	cents/RPK	7.4	7.5	-1.9	7.2	7.03	2.0
Unit cost per available seat kilometre, CASK	cents/ASK	6.2	6.3	-1.3	6.3	6.5	-2.9
CASK excluding fuel	cents/ASK	4.5	4.6	-3.5	4.6	4.9	-5.9
Available tonne kilometres, ATK	million	1 196	1 020	17.3	3 420	2 848	20.1
Revenue tonne kilometres, RTK	million	769	679	13.3	2 125	1 865	14.0
Cargo and mail	tonnes	39 286	34 891	12.6	107 852	89 426	20.6
Cargo traffic unit revenue per tonne kilometre	cents/RTK	26.3	25.6	3.1	26.7	25.5	4.8
Overall load factor	%	64.4	66.6		62.1	65.5	-3.3
Flights	1	19 764	19 575	1.0	60 595	56 616	7.0
Personnel							
Average number of employees					7 514	7 608	-1.2

*Operational result: Operating 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

Finnair CEO Mika Vehviläinen on Q3 2011:

We achieved a positive result in the seasonally strong third quarter, with operational profit totalling 27.6 million euros and our balance sheet is still strong. Even though this year has been a difficult one for us, there was still some positive news in the review period. In August, authorities approved Flybe Nordic’s acquisition of Finnish Commuter Airlines. I firmly believe that this associated undertaking has good potential of becoming the leading company in regional aviation in the Nordic countries and the Baltic States. In the future, it will not only increase local travel but also boost passenger streams for our Asian and European feeder traffic. Our corporate sales have also continued its positive development and I am especially pleased that the Asian corporate sales reached almost 50% growth year-on-year.

Customer satisfaction has further improved and the American Travel + Leisure magazine ranked Finnair among the top 12 airlines in the world when it comes to quality of service. The efforts devoted to the development of our customer service identity during the past year are beginning to bear fruit, for which our personnel deserves special thanks.

The Singapore route, launched in May, has been well received, and we can be pleased with the first few months of this new route. We have reviewed our route network with a critical eye and made route-specific changes to our winter season flight selection. We will continue the assessment of our network in order to maximise its efficiency.

Nevertheless, we cannot be satisfied with the third quarter results, especially because - as we have stated before - that the last quarter of the year will not be profitable. Therefore, the structural change and cost saving measures that we announced in August are absolutely necessary. We have systematically gone through all of our cost items and assessed the areas where we could cut costs without jeopardizing the future of our business. We have already begun taking measures in areas where it is possible to make savings quickly. For more extensive savings, we will discuss with employee representatives and analyse various alternative ways of carrying out the structural changes required to achieve these savings.

We estimate that we will achieve this year a smallish part of our target of reducing annual costs by 140 million euros, while the most substantial progress will take place in 2012, with some measures still to be taken in 2013. In September, we announced our plan to cut costs both in the company's support functions as well as in marketing and distribution. At the same time, we also initiated appropriate employee consultations. In addition, we have announced that we are investigating partnership opportunities in Catering and Technical Services and conducting negotiations with Swissport about the transfer of baggage and apron services at the Helsinki-Vantaa airport to them. We will certainly be able to provide more information about these and other plans as investigations and planning proceed.

Changes are needed also because of the current uncertainty in the global economy. After the European holiday season, business travel has not taken off in line with our earlier expectations, and in cargo traffic, the load factor has declined due to overcapacity in the industry. In addition there are some indications that the global economy has also started to have an impact on the Asian demand. Travel Services suffered from overcapacity in the industry, and consequently the Aurinkomatkat-Suntours continued to report a heavy loss. In addition, the price of oil has remained at an exceptionally high level despite the weakened economic outlook. Traditionally the price of oil has decreased as the economic outlook weakens. Accordingly, we updated our outlook for the second half of the year in early October to be more pessimistic.

The state of global economy will shake the competitive positions in the industry as well as the viability of airlines in an unprecedented manner. Therefore, it is clear that we must implement the measures to improve our profitability as soon as possible.

We are committed to making structural changes and developing Finnair to make it even stronger as it faces future competitive challenges.

Business environment and development of Finnair's flight operations

In the third quarter, growth in turnover slowed down due to increasing uncertainty in the global economy. Year-on-year, Finnair's turnover increased by 55.8 million euros to 607.2 million euros. Revenue from Asian traffic grew by 22.6% year-on-year. Despite the economic slowdown, the price of fuel has remained high, which has weakened the profitability. The increasing macroeconomic uncertainty can be seen in the weaker than anticipated development of business travel pre-bookings. Also the profitability of Finnair's cargo traffic declined due to a decline in load factors and cargo demand, and Aurinkomatkat-Suntours, Finnair's tour operator subsidiary, continued to suffer from overcapacity in the industry. On October 6, 2011 Finnair updated its outlook for the second half of 2011 and estimated that it will not reach profitability in the second half of the year, contrary to its earlier expectations.

Finnair’s profitability declined and its operational result was 27.6 million euros, compared with 41.9 million euros in the corresponding period of the previous year. Due to improvements in operational efficiency, operating costs excluding fuel were in line with expectations, at 439.9 million euros (397.2). Unit costs, excluding fuel, fell by 3.5% compared with the previous year. Fuel hedging gains were 21 million euros in July–September. According to the Finnair hedging policy, the degree of hedging in October–December is 79%.

Progress in the cost saving and structural change programme

The cost saving and structural change programme, announced in connection with the second-quarter interim report in August 2011, has proceeded as planned. The programme encompasses all functions of the company, and key areas in focus are organisation, fleet, IT, crew, maintenance, sales and distribution and airport operations costs.

The company’s plan to streamline its administration and increase the efficiency of its marketing and distribution activities was announced August 29, 2011, and employee consultations have been initiated in Finance, HR, IT and marketing organizations of the airline business. The estimated workforce reduction need in these functions is approximately 155 positions in aggregate. In addition, Finnair aims to significantly improve the cost efficiency of its IT, procurement, distribution and marketing activities and decrease their spending.

Finnair has started negotiations to transfer baggage and apron services to Swissport, a Swiss company specializing in these operations. Furthermore, the company aims to renegotiate aircraft leasing agreements which are about to expire align them with the current leasing market situation. The company is also evaluating the optimum size of its fleet in European air traffic. The company is currently analysing different alternatives to find a cost-efficient solution for component and engine maintenance services and investigating possible partnering opportunities in Catering. In addition, Finnair has initiated numerous smaller saving measures throughout the company.

According to preliminary estimates, the largest cost savings will be achieved in personnel and maintenance costs, each of these amounting to approximately 25% of the total savings target. The share of sales and distribution costs is approximately 15% of the total savings target and that of IT, fleet and ground handling costs combined approximately 30%.

Finnair estimates that approximately 10 million euros of its aim of reducing annual costs by 140 million euros by 2014 will already be achieved during this year. Implementation of cost savings that require structural changes are expected to take place mainly in 2012 and the overall target is expected to be achieved by the end of 2013.

Key factors and risks

In addition to operations, Finnair’s result is significantly impacted by the development of the market price of jet fuel, because fuel purchases are one of the largest cost items alongside personnel costs and account for one fourth of total costs. The result is also affected by exchange-rate fluctuations of the US dollar and the Japanese yen against the euro. Due to the large scale of Japanese business operations, the yen is a significant revenue currency for Finnair, while fuel costs, on the other hand, are dollar based.

There are certain risks associated with the strategy implementation and start-up of the new associated undertaking Flybe Nordic. 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 and to succeed the new company will have to make its brand known and be able to differentiate positively in cost-efficient regional aviation.

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 has to be able to create, plan and implement sufficient operational developments and cost savings as scheduled in order to improve the profitability as expected.

The European Union has decided to include air traffic in the carbon dioxide emissions trading scheme as of 2012. The scope of the scheme will cover intra-EU air traffic as well as flights departing from and arriving in the EU. This will affect the competitive situation of intercontinental air traffic in particular, increasing the risks European airlines are exposed to and cause them to incur additional costs, thus enhancing competition. Preparations need to be made also for potential measures targeted at airlines in EU countries, in case non-EU countries do not accept the rules of the EU emissions trading scheme. In 2012, additional costs resulting from emissions trading are estimated to be approximately 8 million euros.

Finnair has submitted its emission monitoring and verification plan successfully to authorities and taken an active role in the preparation of Finnish legislation. In addition, Finnair has promoted the implementation of a global emissions trading agreement at various forums.

Finnair's operations are associated with a number of strategic, economic and operational risks and these have been comprehensively outlined in the 2010 Annual Review and consolidated financial statements

http://www.finnairgroup.com/sijoittajat/sijoittajat_9.html.

Due to the short booking horizon in passenger and cargo traffic, long-term forecasting is difficult.

Outlook for the second half of 2011

On October 6, 2011 Finnair updated its outlook for the second half of 2011 and estimated that it will not reach profitability in the second half of the year. The company's earlier expectation was that the second half of the year would be profitable.

The current estimate is that the operational result of the second half of the year will be slightly negative. However, it is expected that the result for the second half of 2011 will be better than that of the first half of the year.

The company reiterates its estimate that the operational result for 2011 will be negative. Finnair's turnover is expected to grow by more than 10% for the entire year 2011.

Financial Result, July 1–September 30, 2011

In July–September 2011, Finnair Group's turnover was 607.2 million euros, increasing 10.1% year-on-year.. The Group's operational result, i.e. 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 was 27.6 million euros (41.9). The result before taxes was 3.1 million euros (43.9) and the net result for the period was 1.9 million euros (32.4).

Changes in the fair value of derivatives and in the value of foreign currency denominated fleet maintenance reserves impaired the reported result for the third quarter by 15.3 million euros. The impact of this item in the corresponding period of the previous year was positive by 8.4 million euros.

The exchange rate fluctuation of the US dollar in relation to the euro did not affect the operational result significantly in the third quarter. At the end of September, the degree of hedging for a dollar basket over the following 12 months was 72%.

In the third quarter, euro-denominated operating costs were 584.2 (513.9) million euros. Fuel costs, including price and currency hedging, rose by 23.7% and were 144.3 million euros. The company's personnel costs were 110.5 million euros (107.0). Other rental payments were 36.2 million euros (20.9). This includes the rental payments for capacity bought from other airlines, which share has grown significantly due to increased use of leased capacity.

Financial Result, January 1–September 30, 2011

In January–September 2011, the Finnair Group's turnover was 1 680.3 million euros (1 506.4 million euros in the corresponding period of 2010). The Group's operational result, i.e. 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 was a loss of 29.3 million euros (2.0 profit). The result before taxes was a loss of 73.3 million euros (23.4 loss)) and the net result for the period was -54.9 million euros (-17.1).

Changes in the fair value of derivatives and in the value of foreign currency denominated fleet maintenance reserves impaired the reported result for the first nine months of the year by 7.0 million euros. The impact of this item was -12 million euros year-on-year.

In the review period, euro-denominated operating costs were 1 722.2 (1 520.8) million euros. Fuel costs, including price and currency hedging, rose by 25.7% and were 408.8 million euros (325.1). The company's personnel costs were 337.7 million euros (324.8). Other rental payments totaled to 96.6 million euros (61). This includes the rental payments for capacity bought from other airlines, which share has grown significantly due to increased use of leased capacity.

Net cash flow from operating activities in January-September 2011 was 46.4 million euros (48.4).

Return on capital employed for the last 12 months was 3.4% (-2.9) and return on equity was -7.5% (6.4).

Balance sheet

The Group's balance sheet total at the end of September 2011 was 2 419.7 million euros (2 497.4 in the corresponding period of 2010), while shareholders' equity totalled 783.1 million euros (832), i.e. 6.13 euros per share (6.51). Equity attributable to owners of the parent on September 30 was 782.3 million euros (830.9).

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 19.9 million euros, after deferred taxes, and it includes foreign exchange and fuel derivatives as well as, to a lesser degree, other items (0.1).

Cash flow and financing

Net cash flow from operating activities in January–September 2011 was 46.4 million euros (48.4 in the corresponding period of 2010. Cash flow before financing activities was 45.8 million euros (266.5). Financial expenses totalled 22.4 million euros (19.9) and financial income 6.6 million euros (4.9).

Advance payments related to fixed asset investments were 16.9 million euros (46.1). On September 30, 2011 interest-bearing debt was 738 million euros (817.6). The equity ratio was 33.1% (34.0) and gearing 41.9% (33.5). Adjusted gearing was 101.4% (90.0).

The Group's liquidity remained good. 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, which at the closing date was completely unused.

Capital expenditure

In July–September 2011, Finnair Group's capital expenditure, excluding advance payments, totalled 121 million euros (12.9) and in January–September 182.8 million euros (156.4). Fleet investments account for around 104 million euros of total capital expenditure, related to the purchase of nine ATR 72 aircraft in connection with the Flybe Nordic arrangement. No fleet investments were made in the corresponding period in 2010.

Fleet

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

There were no new aircraft deliveries in the third quarter. The last MD11 aircraft was sold during the reported period. For the latter part of the year, Finnair has no new aircraft deliveries.

In connection with the Flybe Nordic arrangement, Finnair purchased nine ATR 72 aircraft from Finnish Commuter Airlines (FCA) and is leasing them back to FCA. These fleet investments amount to approximately 104 million euros. Furthermore, the deal included delivery agreements for three ATR 72 aircraft to be delivered in the autumn season of this and next year.

Business area development

The segment reporting of the 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 Sales & Marketing, Operations, Customer Service and Resources Management functions as well as the subsidiaries Finnair Cargo Oy, Finnair Cargo Terminal Operations Oy, Finnair Aircraft Finance Oy and Finnair Flight Academy Oy.

Key figures

		July-Sept 2011	July-Sept 2010	Change %	Jan - Sept 2011	Jan - Sept 2010	Change %
Turnover and result							
Turnover	EUR million	545.9	488.8	11.7	1 474.1	1 307.6	12.7
Operational result, % turnover	%	7.4	9.2		-1.0	0.8	
Operational result, EBIT	EUR million	40.3	45.2	-10.8	-14.9	10.0	167.0
Personnel							
Average number of employees					3 562	3 542	0.6

Passenger traffic

In July–September 2011, Finnair traffic measured in passenger kilometres grew by approximately 12.6% year-on-year, while overall capacity grew by 14.2%. Finnair's Asian traffic capacity grew by 28.2% and traffic measured in passenger kilometres increased by 19.5%.

Growth in business travel was weaker than anticipated after the European holiday season. In Asian traffic load factors were lower than before, which was reflected in unit revenues as well: Unit revenue per available seat kilometre (RASK) for Finnair flights fell by 4.3%. Unit revenue per passenger kilometre (RPK yield) also fell, by 1.9% year-on-year.

In the third quarter, growth in business travel demand slowed down markedly, particularly in Finland, while travel from Asia to Europe continued to grow, especially in business class. Business class demand in scheduled passenger traffic grew by 40.5% in the third quarter. Travel demand from Japan to Europe was at a good level. In the third quarter, on average up to 90 % of passengers travelling on Finnair's routes to Japan are Japanese.

Corporate sales grew by 20.5% year-on-year. Growth was mainly from sales in Asia, which grew by more than 47%. Corporate sales growth was strongest in Korea, Hong Kong, China and Japan. Global corporate sales accounted for 20% of total scheduled traffic sales.

Load factors in leisure traffic were still lower than targeted, despite of a slight improvement year-on-year. In July–September 2011, Finnair's charter flights carried around 51 300 passengers, which was approximately 21% less than the previous year. The decline was primarily due to a change made in the beginning of the summer season, after which some routes previously operated as leisure flights were flown as scheduled flights from the start of the summer season.

Finnair's market share on route pairs it operates was 5.8% (6.0) in scheduled traffic between Asia and Europe. Finnair's market share of flights departing from Finland is approximately 50%.

The arrival punctuality of Finnair flights was excellent in the third quarter of the year: 90.9% (89.9%) of all flights arrived on schedule.

Cargo suffered from increasing economic uncertainty that slowed growth in cargo demand and impaired load factors. Cargo sales grew by more than 16% in the third quarter. Available tonne kilometres grew by 27.6% and revenue tonne kilometres by 11.4%. Cargo unit revenue increased by 3.1% per available tonne kilometre. The amount of cargo and mail carried grew by 10.7%. The overall load factor was 63.7%.

Air traffic services and products

Finnair and Flybe will begin cooperation flights on Flybe's new route network from the start of the IATA winter season, on October 30, 2011. Flybe Nordic will fly routes previously operated by Finncomm as well as many new routes. All new routes, which will also be included in Finnair's flight schedules, will be flown as code-share flights. Finnair Plus customers can accumulate frequent-flyer points on Flybe Nordic flights.

In the winter season, Finnair will start scheduled flights to Dubai in the United Arab Emirates. The route, previously operated as a leisure flight, will be flown three times per week in the winter season. The company has also announced that it will open a new route to Dubrovnik in Croatia for the 2012 summer season.

Readers of an 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 will employ seven Quality Hunters, whose task is to travel between Europe, Asia and the United States for seven weeks and look into factors affecting quality of flight travel. Through this they will contribute to the development of the services offered by Finnair and Helsinki Airport.

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

		July-Sept 2011	July-Sept 2010	Change %	Jan - Sept 2011	Jan - Sept 2010	Change %
Turnover and result							
Turnover	EUR million	104.8	106.7	-1.8	320.1	319.2	0.3
Operational result, % turnover	%	2.9	2.6		4.6	2.1	
Operational result, EBIT	EUR million	2.9	2.8	3.6	14.8	6.7	120.9
Personnel							
Average number of employees					2 662	2 694	-1.2

In July–September, Catering's profitability improved, thanks to the growth in the number of passengers and its operational result was clearly positive.

The analysis of structural alternatives and partnership opportunities for Finnair Catering continues and negotiations are being carried out with shortlisted potential partners. The analysis covers Finnair Catering Oy's catering operations as well as Finncatering Oy.

In the third quarter, Finnair Technical Services was loss-making. The structural change programme launched in spring 2011 has proceeded according to plan and over 95% of actions had been implemented by the end of third quarter.

The operational result of the ground handling service provider Northport showed a slight loss in the period July–September.

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

		July-Sept 2011	July-Sept 2010	Change %	Jan - Sept 2011	Jan - Sept 2010	Change %
Turnover and result							
Turnover	EUR million	60.8	63.3	-4.0	233.1	226.7	2.8
Operational result, % turnover	%	-8.1	-1.3		-4.0	-0.9	
Operational result, EBIT	EUR million	-4.9	-0.9		-9.4	-2.1	
Personnel							
Average number of employees					988	1 123	-12.0

In July–September, the operational result of the Travel Services showed a clear loss and sank to -4.9 million euros (-0.9). In the third quarter, there was still overcapacity in Finland's package tour market, which significantly weakened the profitability of Aurinkomatkat-Suntours operations. There also was significant overcapacity in Russia's package tour market.

Business travel demand in Finland increased less than expected after the holiday season, due to the uncertain economic situation in Europe. However, the result of the business travel agencies improved markedly and was positive after productivity improvements and new product launches.

Shares

Finnair's market value on the NASDAQ OMX Helsinki Stock Exchange at the end of September 2011 was 376.7 million euros (634.3) and the closing share price was 2.94 euros (4.95). During the period January–September, the highest price for the company share was 5.37 euros (4.95), the lowest price 2.60 euros (3.61) and the average price 3.77 euros (4.26). Some 15.8 million (20.5) of the company's shares, with a value of 59.6 million euros (87.4), were traded. The number of shares recorded in Finnair's Trade Register entry was 128 136 115 at the end of September. The Finnish State owned 55.8% (55.8) of Finnair's shares, while 12.8% (15.7) were held by foreign investors or in the name of a nominee. On September 30, Finnair held 410,187 of its own shares, representing 0.3% of the total share capital. In January–September 2011, the company did not acquire or dispose of any of its own shares.

Personnel

In July–September, the Group had an average of 7 514 employees (7 608). Personnel were distributed by business area as follows: Airline Business 3 562 (3 542), Aviation Services 2662 (2 694) and Travel Services 988 (1 123). The number of Group employees was 7 524 on September 30, 2011.

FINNAIR PLC
Board of Directors

Notes

Media briefing

Finnair will have its media briefing at 11:00 a.m. and analyst briefing at 12:30 p.m. at the World Trade Centre, Helsinki-Vantaa Airport, Lentäjäntie 3, on October 27, 2011.

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The consolidated financial statements for 2011 will be published on February 9, 2012. The annual general meeting of Finnair Plc. is planned to be held on 28 March 2012. The notice to convene the annual general meeting is given later on by the Board of Directors.

Financial reporting in 2012:

The interim report for January 1–March 31, 2012 will be published on April 27, 2012.
The interim report for January 1–June 30, 2012 will be published on August 10, 2012.
The interim report for January 1–September 30, 2012 will be published on October 26, 2012.

Key Figures		July-Sept 2011	July-Sept 2010	%	Jan-Sept 2011	Jan-Sept 2010	Change %
Turnover and result							
Turnover	EUR million	607.2	551.4	10.1	1 630.3	1 506.4	8.2
Operational result, EBIT*	EUR million	27.6	41.9	-34.1	-29.3	2.0	
Operational result, % turnover	EUR million	4.5	7.6		-1.8	0.1	
Operating result, EBIT	%	10.6	50.6	-79.1	-57.7	-8.6	
EBITDAR	EUR million	75.8	86.1	-12.0	113.2	138.6	-18.3
Result before taxes	EUR million	3.1	43.9	-92.9	-73.3	-23.4	
Net result	EUR million	1.9	32.4	-94.1	-54.9	-17.1	
Balance sheet and cash flow							
Equity ratio	%				33.1	34.0	
Gearing	%				41.9	33.5	
Adjusted gearing	%				101.4	90.0	
Capital expenditure, CAPEX	EUR million	121.0	12.9		182.8	156.4	
Return on capital employed, ROCE 12 months rolling	%				-3.4	-2.9	
Return on equity, ROE , 12 months rolling	%				-7.5	-6.4	
Net cash flow from operating activities	EUR million	-5.7	46.8		46.4	48.4	
Share							
Share price at end of quarter	EUR	2.94	4.95		2.94	4.95	
Earnings per share	EUR	0	-0.24		-0.48	-0.18	
Traffic data, unit costs and revenue							
Passengers	1	2 174	1 960	11.0	6 100	5 479	11.3
Available seat kilometres, ASK	million	7 553	6 612	14.2	22 057	19 082	15.6
Revenue passenger kilometres, RPK	million	5 849	5 194	12.6	16 305	14 781	10.3
Passenger load factor, PLF	%	77.4	78.5	-1.1	73.9	77.5	-3.5
Unit revenue per available seat kilometre, RASK	cents/ASK	6.4	6.7	-4.3	6	6.2	-3.3
Unit revenue per revenue passenger kilometre, yield	cents/ASK	7.4	7.5	-1.9	7.2	7.03	2
Unit cost per available seat kilometre, CASK	cents/ASK	6.2	6.3	-1.3	6.3	6.5	-2.9
CASK excluding fuel	cents/ASK	4.5	4.6	-3.5	4.6	4.9	-5.9
Available tonne kilometres, ATK	million	1 196	1 020	17.3	3 420	2 848	20.1
Revenue tonne kilometres, RTK	million	769	679	13.3	2 125	1 865	14
Cargo and mail	tonnes	39 286	34 891	12.6	107 852	89 426	20.6
Cargo traffic unit revenue per tonne kilometre	cents/RTK	26.3	25.6	3.1	26.7	25.5	4.8
Overall load factor	%	64.4	66.6		62.1	65.5	-3.3
Flights	1	19 764	19 575	1.0	60 595	56 616	7
Personnel							
Average number of employees					7 514	7 608	-1.2

**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

Consolidated income statement

in mill. EUR	July-Sept 2011	July-Sept 2010	%	Jan-Sept 2011	Jan-Sept 2010	%	Jan-Dec 2010
Turnover	**607.2**	**551.4**	**10.1**	**1 680.3**	**1 506.4**	**11.5**	**2 023.3**
Work used for own purposes and capitalized	0.5	2.5	-80.0	2.5	6.3	-60.3	8.7
Other operating income	4.1	1.9	115.8	10.1	10.1	0.0	14.0
Capital gains *	-1.7	0.3	-	-3.0	1.9	-	6.1
Operating income	610.1	556.1	9.7	1 689.9	1 524.7	10.8	2 052.1
Operating expenses							
Staff costs	110.4	107.0	3.2	337.6	324.8	3.9	438.8
Fuel	144.3	116.7	23.7	408.8	325.1	25.7	431.7
Lease payment for aircraft	17.5	13.5	29.6	52.3	48.8	7.2	63.1
Other rental payments	36.2	20.9	73.2	96.6	61.0	58.4	88.0
Fleet materials and overhaul	32.3	31.3	3.2	87.4	88.8	-1.6	120.7
Traffic charges	55.5	49.3	12.6	155.9	143.6	8.6	188.5
Ground handling and catering expenses	50.5	47.6	6.1	143.8	130.2	10.4	172.9
Expenses for tour operations	27.8	25.3	9.9	96.6	85.5	13.0	120.0
Sales and marketing expenses	21.7	20.2	7.4	70.5	61.7	14.3	83.7
Depreciation	30.7	30.7	0.0	90.2	87.8	2.7	118.2
Other expenses	57.3	51.4	11.5	182.5	163.5	11.6	225.1
Total	**584.2**	**513.9**	**13.7**	**1 722.2**	**1 520.8**	**13.2**	**2 050.7**
Operational result, EBIT	**27.6**	**41.9**	**-34.1**	**-29.3**	**2.0**	**-**	**-4.7**
Fair value changes of derivatives and foreign currency denominated fleet maintenance reserves	-15.3	8.4	-282.1	-7.0	-12.0	-41.7	-6.4
Non-recurring items	0.0	0.0	-	-18.4	-0.5	-	-8.3
Total Expenses	599.5	505.5	18.6	1747.6	1533.3	14.0	2 065.4
Operating result, EBIT	**10.6**	**50.6**	**-79.1**	**-57.7**	**-8.6**	**-**	**-13.3**
Financial income	2.3	1.4	64.3	6.6	4.9	34.7	6.5
Financial expenses	-9.9	-8.2	20.7	-22.4	-19.9	12.6	-26.3
Share of result in associates	0.1	0.1	-	0.2	0.2	-	0.1
Result before taxes	**3.1**	**43.9**	**-92.9**	**-73.3**	**-23.4**	**213.2**	**-33.0**
Direct taxes	-1.2	-11.5	-89.6	18.4	6.3	192.1	10.2
Result for the period	**1.9**	**32.4**	**-94.1**	**-54.9**	**-17.1**	**221.1**	**-22.8**
Earnings per share attributable to shareholders of the parent company							
Earnings per share to shareholders of the parent company	1.7	32.4		-55.1	-17.6		-23.0
Non-controlling interest	0.2	0.0		0.2	0.5		0.2
Earnings per share (basic, diluted)	0.00	-0.24		-0.48	-0.18		-0.24

* not included in the operational result, EBIT

Shareholders' equity as of 30 September 2011

As of 1 Jan 2011, in Mill. EUR	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**
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							0.1	0.1	-0.2	0.0	-	-0.1
Shareholders' equity related to owners 30 Sept 2011	75.4	20.4	147.7	35.2	247.2	0.0	215.3	**741.2**	**0.6**	**119.4**	**-8.0**	**853.2**
Hybrid bond								0.0	0.0	0.0	-	0.0
Result for the period							-55.1	-55.1	0.2			-54.9
Items of Comprehensive income				-15.3		0.1		-15.2	0.0			-15.2
Comprehensive income for the financial period	0.0	0.0	0.0	-15.3	0.0	0.1	-55.1	-70.3	0.0	0.0	-	-70.1
Shareholders' equity 30 Sept 2011	75.4	20.4	147.7	19.9	247.2	0.1	160.2	**670.9**	**0.8**	**119.4**	**-8.0**	**783.1**

As of 1 Jan 2010, in Mill. EUR	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**
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							0.0	0.0	-0.3	0.0	-	-0.3
Shareholders' equity related to owners 30 Sept 2010	75.4	20.4	147.7	-25.2	247.2	0.5	238.3	**704.3**	**0.6**	**119.4**	**-**	**824.3**
Hybrid bond								0.0	0.0	0.0	-	0.0
Result for the period							-17.6	-17.6	0.5			-17.1
Items of Comprehensive income				25.3		-0.5		24.8	0.0			24.8
Comprehensive income for the financial period	0.0	0.0	0.0	25.3	0.0	-0.5	-17.6	7.2	0.5	0.0	-	7.7
Shareholders' equity 30 Sept 2010	75.4	20.4	147.7	0.1	247.2	0.0	220.7	**711.5**	**1.1**	**119.4**	**-**	**832.0**

Consolidated balance sheet

in mill. EUR	**Sept 30, 2011**	Sept 30, 2010	Dec 31, 2010
ASSETS			
Non-current assets			
Intangible assets	34.3	41.1	38.6
Tangible assets	1 497.6	1 487.7	1 406.6
Investments in associates	15.9	7.9	7.6
Financial assets	24.0	12.6	13.6
Deferred tax receivables	78.0	53.8	48.0
Total	**1 649.8**	**1 603.1**	**1 514.4**
Short-term receivables			
Inventories	50.4	47.4	47.5
Trade receivables and other receivables	308.8	288.8	252.3
Investments	357.6	507.1	485.4
Cash and cash equivalents	53.1	31.6	41.5
Total	769.9	874.9	826.7
Non-current Assets held for sale	0.0	19.4	70.7
Assets total	**2 419.7**	**2 497.4**	**2 411.8**
Shareholders' equity and liabilities			
Capital and provisions attributable to equity holders of the parent company			
Shareholders' equity	75.4	75.4	75.4
Other equity	706.9	755.5	777.1
Total	782.3	830.9	852.5
Non-controlling interest	0.8	1.1	0.8
Equity total	**783.1**	**832.0**	**853.3**
Long-term liabilities			
Deferred tax liability	105.6	96.1	103.3
Financial liabilities	538.7	709.2	677.7
Pension obligations	4.1	0.0	2.5
Provisions	80.4	71.3	72.6
Total	728.8	876.6	856.1
Short-term liabilities			
Current income and tax liabilities	0.0	0.0	0.3
Provisions	44.8	23.8	27.8
Financial liabilities	211.6	120.2	98.5
Trade payables and other liabilities	651.4	644.8	575.8
Total	907.8	788.8	702.4
Liabilities total	1 636.6	1 665.4	1 558.5
Shareholders' equity and liabilities, total	**2 419.7**	**2 497.4**	**2 411.8**

Consolidated cash flow statement

in mill. EUR	Jan-Sept 2011	Jan-Sept 2010
Cash flows from operating activities		
Profit for the financial year	-54.9	-17.1
Operations for which a payment is not included *	109.2	93.4
Interest and other financial expenses	22.4	19.9
Interest income	-5.3	-4.7
Other financial income	-1.4	-0.1
Dividend income	-0.1	-0.1
Taxes	-19.6	-6.3
Changes in working capital	9.6	-23.6
Interest paid	-14.1	-13.7
Paid financial expenses	-4.8	-2.2
Received interest	4.0	3.1
Received financial income	1.4	0.0
Taxes paid	0.0	-0.2
Net cash flow from operating activities	**46.4**	**48.4**
Cash flows from investing activities		
Investments in subsidiaries	0.0	-0.1
Investments in associates	-8.3	0.0
Investments in intangible assets	0.0	-3.0
Investments in tangible assets	-147.6	8.6
Net change of financial interest bearing assets at fair value through profit and loss	105.5	200.5
Net change of shares classified as available for sale	0.0	1.4
Sales of tangible fixed assets	60.1	2.6
Received dividends	0.1	0.1
Change in non-current receivable	-10.4	8.0
Net cash flow from investing activities	**-0.6**	**218.1**
Cash flows from financing activities		
Loan withdrawals and changes	34.6	48.4
Loan repayments and changes	-78.9	-178.2
Net cash flow from financing activities	**-44.3**	**-129.8**
Change in cash flows	**1.5**	**136.7**
Change in liquid funds		
Liquid funds, at beginning	294.0	262.9
Change in cash flows	1.5	136.8
Liquid funds, at end	**295.5**	**399.7**
Notes to consolidated cash flow statement		
* Operations for which a payment is not included	90.2	87.8
Depreciation	0.0	2.3
Employee benefits	7.1	12.0
Fair value changes in derivatives and changes in exchange rates of fleet overhauls	11.9	-8.7
Other adjustments	109.2	93.4
Total		
Financial asset at fair value	357.6	507.1
Liquid funds	53.1	31.6
Short-term cash and cash equivalents in balance sheet	410.7	538.7
Maturing after more than 3 months	-101.2	-118.2
Shares held to trading purposes	-14.0	-20.8
Total in cash flow statement	295.5	399.7

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 he 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 1 Jan - 30 Sep 2011

in mill. EUR	Airline Business	Aviation Services	Travel Services	Group eliminations	Unallocated items	**Group**
External turnover	1 365.1	83.0	232.2			1 680.3
Internal turnover	109.0	237.1	0.9	-347.0		0.0
Turnover	**1 474.1**	**320.1**	**233.1**	**-347.0**	**0.0**	**1 680.3**
Operating profit	-17.6	-3.5	-9.4		-27.2	-57.7
Share of results of associated undertakings					0.2	0.2
Financial income					6.6	6.6
Financial expenses					-22.4	-22.4
Income tax					18.4	18.4
Non-controlling interest					-0.2	-0.2
Result for the period						**-55.1**
Depreciation	75.8	13.0	1.0	0.0	0.4	90.2

Business segment data 1 Jan - 30 Sep 2010

in mill. EUR	Airline Business	Aviation Services	Travel Services	Group eliminations	Unallocated items	Group
External turnover	1 201.4	79.3	225.7			1 506.4
Internal turnover	106.2	239.9	1.0	-347.1		0.0
Turnover	**1 307.6**	**319.2**	**226.7**	**-347.1**	**0.0**	**1 506.4**
Operating profit	4.0	8.3	-2.1		-18.8	-8.6
Share of results of associated undertakings					0.2	0.2
Financial income					4.9	4.9
Financial expenses					-19.9	-19.9
Income tax					6.3	6.3
Non-controlling interest					-0.5	-0.5
Result for the period						**-17.6**
Depreciation	73.4	12.4	1.0	0.0	1.0	87.8

Turnover, in Mill. EUR	**Jan-Sept 2011**	**Jan-Sept 2010**	%	**Jun-Sept 2011**	**Jun-Sept 2010**	%	**Jan-Dec 2010**
Airline Business	545.9	488.8	11.7	1474.1	1307.6	12.7	1 740.4
Aviation Services	104.8	106.7	-1.8	320.1	319.2	0.3	429.0
Travel Services	60.8	63.3	-3.9	233.1	226.7	2.8	316.9
Group eliminations	-104.3	-107.4	-2.9	-347.0	-347.1	0.0	-463.0
Total	**607.2**	**551.4**	**10.1**	**1 680.3**	**1 506.4**	**11.5**	**2 023.3**

Operating profit*	**Jan-Sept 2011**	**Jan-Sept 2010**	%	**Jun-Sept 2011**	**Jun-Sept 2010**	%	**Jan-Dec 2010**
Airline Business	40.3	45.2	-10.8	-14.9	10.0	-	1.9
Aviation Services	2.9	2.8	3.6	14.8	6.7	120.9	8.1
Travel Services	-4.9	-0.9	-	-9.4	-2.1	-	0.0
Unallocated items	-10.7	-5.2	-	-19.8	-12.6	57.1	-14.7
Total	**27.6**	**41.9**	**-34.1**	**-29.3**	**2.0**	**-**	**-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-Sept 2011**	**Jan-Sept 2010**	%
Airline Business	3 562	3 542	0.6
Aviation Services	2 662	2 694	-1.2
Travel Services	988	1 123	-12.0
Other functions	302	249	21.3
Total	**7 514**	**7 608**	**-1.2**

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	**Sept 30, 2011**		**Sept 30, 2010**		**Dec 30, 2010**	
	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	349.6	9.6	259.9	3.9	324.2	9.3
Forward contracts, Hedging of Aircraft purchase price						
Fair value hedging	320.5	14.8	291.4	11.0	297.4	15.4
Cash flow hedging						
Forward contracts, Currency hedging of lease payments	41.4	0.8	26.5	0.3	42.8	0.6
Total	**711.5**	**25.2**	**577.8**	**15.2**	**664.4**	**25.3**
Currency derivatives at fair value through profit or loss						
Operating cash flow hedging (forward contracts)	181.1	2.9	286.6	-5.4	160.8	-3.8
Operational cash flow hedging (options)						
Call options	107.3	1.4			37.8	0.0
Put options	163.1	-1.6			33.0	-0.2
Balance sheet hedging (forward contracts)	83.9	1.2	90.4	-7.0	92.8	3.6
Total	**535.4**	**3.9**	**377.0**	**-12.4**	**324.4**	**-0.4**
Currency derivatives, total	**1 246.9**	**29.1**	**954.8**	**2.8**	**988.8**	**24.9**
Commodity derivatives, in tonnes/MWh						
Hedge accounting items						
Jet Fuel swaps (tonnes)	547 950	22.1	472 550	-4.7	547 350	30.1
Electricity hedging MWh	111 684	0.0			127 402	1.3
Currency derivatives at fair value through profit or loss						
Jet fuel forward contracts, (tonnes)	7 350	0.9	104 550	1.5	101 750	6.6
Gasoil forward contracts (tonnes)						
Jet differential forward contracts (tonnes)			56 500	2.4	22 000	0.6
Options						
Jet fuel options, (tonnes)	230 700	7.8	69 000	0.8	83 750	4.7
Jet fuel put options, (tonnes)	461 400	-12.5	116 500	-0.2	162 750	-1.6
Gasoil options, (tonnes)					0	0.0
Gasoil put put options, (tonnes)					0	0.0
Electricity hedging MWh	37 911				39 157	0.1
Commodity derivatives, total		**18.3**		**-0.2**		**41.8**
Interest rate derivatives, in Mill. EUR						
Cross currency Interest rate swaps						
Hedge accounting items	0.0	0.0	0.0	0.0	0.0	0.0
Cross currency interest rate swaps at fair value through profit or loss	36.7	-1.1	3.6	-1.9	2.6	-1.2
Total	**36.7**	**-1.1**	**3.6**	**-1.9**	**2.6**	**-1.2**
Interest rate swaps						
Hedge accounting items	0.0	0.0	0.0	0.0	0.0	0.0
Interest rate swaps at fair value through profit or loss	25.0	-0.7	25.0	-0.7	25.0	-0.3
Interest rate derivatives, total	**25.0**	**-0.7**	**25.0**	**-0.7**	**25.0**	**-0.3**
Interest rate option	8.4	-	-	-	-	-
Interest rate option, total	8.4	-	-	-	-	-

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 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	**Sept 30, 2011**	Sept 30, 2010	Dec 31, 2010
Carrying amount at the beginning of period	1 519.9	1 534.5	1 534.5
Fixed asset investments	182.8	156.4	183.5
Change in advances	-2.5	-35.8	-62.3
Disposals	-78.1	-2.6	-4.6
Transfers	0.0	-16.5	-16.5
Depreciation	-90.2	-87.8	-118.7
Carrying amount at the end of period	**1 531.9**	**1 548.2**	**1 515.9**
Proportion of assets held for sale at beginning of period	70.7	19.4	19.4
Proportion of assets held for sale at end of period	0.0	19.4	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	**Sept 30, 2011**	Sept 30, 2010	Dec 31, 2010
Pledges on own behalf	701.4	698.9	593.4
Guarantees on behalf of group undertakings	66.1	67.1	65.5
Guarantees on behalf of others	1.8	2.8	2.6
Total	**769.3**	**768.8**	**661.5**

Investment commitments for property. plant and equipment on 30 Sept 2011 totalled 1.000.0 million euros (1.100,0)

12. LIABILITIES

in mill. EUR	**Sept 30, 2011**	Sept 30, 2010	Dec 31, 2010
Fleet lease payment liabilities	224.8	234.7	282.3
Other liabilities	273.6	241.9	249.8
Total	**498.4**	**476.6**	**532.1**

13. RELATED PARTY TRANSACTIONS

Related party transactions are presented in Finnair's 2010 Annual Report. There have been no substantial changes after the closing date.
Transactions and open balances with associated undertakings were of very minor significance in the reporting period.

14. AIR TRAFFIC Jan Sept 2011

		Total	Europe	North America	Asia	Domestic	Scheduled Traffic Total	Leisure	Cargo
Passengers (1000)		6099.7	3 139	152	1 096	1 151	5 539	561	
	%-change	11.3	12.7	30.5	14.3	22.8	15.4	-17.4	
Cargo and mail (tonnes)		107852	16 632	6 210	60 247	1 690	84 779	215	22 858
	%-change	20.6	3.8	-0.2	9.1	-1.1	7.1	-79.3	-
Available seat-kilometres mill		22057	6 533	1 237	10 722	1 079	19 571	2 486	
	%-change	15.6	14.4	28.4	25.7	25.4	21.8	-17.5	
Revenue passenger kilometres		16305	4 381	1 006	8 132	577	14 096	2 208	
	%-change	10.3	13.7	30.5	16.1	14.7	16.2	-16.6	
Passenger load factor %		73.9	67.1	81.3	75.8	53.5	72.0	88.9	
	%-change	-3.5	-0.4	1.3	-6.2	-5.0	-3.5	1.0	
Available tonne-kilometres		3420							1 022
	%-change	20.1							38.8
Revenue tonne-kilometres mill		2125							664
	%-change	14							22.9
Overall load factor %		62.1							65 *
	%-change	-3.3							-8.4

* 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	Jul -Sept 2011	%	Jan-Sept 2011	Jan-Sept 2010	%	Jan- Dec 2010
Profit for the period	**1.9**	-94.1	**-54.9**	**-17.1**	221.1	**-22.8**
Other comprehensive income items						
Translation differences	0.1	-83.3	0.2	-0.5	-140.0	-0.5
Change in fair value of available-for-sale financial assets after taxes	-6.1	205.0	-8.8	-2.7	225.9	1.5
Change in fair value of hedging instruments after taxes	-12.8	82.9	-6.6	28.0	-123.6	58.9
Other comprehensive income items, total	**-18.8**	123.8	**-15.2**	**24.8**	-161.3	**59.9**
Comprehensive income for the financial period	**-16.9**	-170.4	**-70.1**	**7.7**		**37.1**
Earnings per share to shareholders of the parent company of the comprehensive income statement	-17.1		-70.3	7.2		36.9
Earnings per share to non-controlling interest of the comprehensive income statement	0.2		0.2	0.5		0.2

16. EVENTS AFTER THE REVIEW PERIOD

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

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