

## Finnair Group interim report 1 January – 31 March 2015

**Revenues on a par with the 2014 corresponding period, profitability improved but the result was still loss-making**

### January–March 2014

- Revenue was on a par with the first quarter of 2014 at 540.4 million euros (543.3).
- The operational result was -28.4 million euros (-34.2).
- Operational EBITDAR was 19.2 million euros (17.4).
- Net cash flow from operating activities stood at 13.0 million euros (-20.5), and cash flow from investments totalled 142.8 million euros (233.6).
- Unit cost at constant currency excluding fuel (CASK excl. fuel) increased by 1.1% from the comparison period.
- Unit revenue at constant currency (RASK) decreased by 0.4% year-on-year.
- Earnings per share amounted to -0.09 cents (-0.24).
- Outlook: Finnair estimates that its 2015 unit costs excluding fuel at constant currency, calculated by applying the changed calculation method, will decrease from the 2014 level.

*As of 1 January 2015, Finnair has adjusted calculation methods of unit revenue (RASK) and unit cost (CASK) to better reflect the recent changes in the Group structure. RASK and CASK at constant currency exclude the impact of exchange rates. The changes are described in more detail in the table section of the interim report in note 16. Restatement of key ratios, and note 18. Calculation of key ratios. Comparison figures for 2014 have been restated accordingly.*

### CEO Pekka Vauramo:

Finnair's revenue in the first quarter of 2015 was on a par with the corresponding period in 2014 at 540.4 million euros. Revenue was increased by higher passenger traffic revenue and negatively affected by lower revenue from Aurinkomatkat Sun tours and cargo traffic, as well as the elimination of revenue from businesses sold after the comparison period. Our profitability improved substantially, although our operational result showed a loss of 28.4 million euros.

The factors contributing to the improved result in addition to the increased revenue included further progress in cost savings as well as lower fuel prices. Unfortunately, the substantial appreciation of the dollar against the euro diluted the benefit gained from the fall in the price of jet fuel and significantly increased other dollar-denominated costs. The operational result also reflects the weak financial performance of Aurinkomatkat Sun tours.

During the reporting period and in the preceding years, Finnair result has been affected by strong changes in the yen and / or changes in the dollar exchange rate. Therefore we started to report unit revenue and unit cost excluding fuel at constant currency during the review period. This change will show the actual development of our Airline Business more clearly. At the same time we adjusted the calculation method to reflect the structural changes that have taken place within the Group – the transfer of Flybe Finland's own risk flying to Finnair's purchased traffic, for example. On this basis, unit revenue at constant currency fell by 0.4 per cent and unit cost excluding fuel at constant currency rose by 1.1 percent on the comparison period. The increase in unit cost excluding fuel at constant currency is largely explained by changes in our traffic structure.

We are moving in the right direction, despite the fact that our result is still not at the level we are striving to reach. Our long-haul fleet renewal, which will start this coming autumn, will significantly improve the cost-competitiveness and customer experience of our long-haul traffic. At the same time, we will continue to focus on

increasing our revenue through, for example, ancillary revenue. The positive effect of increased ancillary sales was visible already in our first quarter figures, although its share is still small. Finnair's strategic targets are discussed in more detail in a separate stock exchange release that was issued this morning.

## **Outlook**

### Outlook published on 11 February 2015

The demand outlook for passenger and cargo traffic in Finnair's main markets still involves uncertainty. Finnair estimates that, in 2015, its capacity measured in Available Seat Kilometres will grow by approximately 3 per cent and that its revenue will remain at the 2014 level. Finnair further estimates that, in 2015, its unit costs excluding fuel will decrease from the 2014 level.

The lower price of jet fuel and the full impact from the completed savings program are supporting the financial performance of Finnair 2015.

### Outlook on 7 May 2015:

The demand outlook for passenger and cargo traffic in Finnair's main markets still involves uncertainty. Finnair estimates that, in 2015, its capacity measured in Available Seat Kilometres will grow by approximately 3 per cent and that its revenue will remain at the 2014 level. Finnair further estimates, as a change to its previous guidance, and when calculated with the same accounting principles as earlier, that its unit costs excluding fuel will increase from the 2014 level due to the structural changes in the company's business and the strong appreciation of the US dollar. By applying the changed calculation method, that neutralizes the effect of these changes as defined in notes 16. and 18. to the interim financial statements, Finnair estimates that its 2015 unit costs excluding fuel at constant currency will decrease from the 2014 level.

The lower price of jet fuel and the full impact from the completed savings program are supporting the financial performance of Finnair 2015.

According to its disclosure policy, Finnair will issue guidance on the expected development of its operational result in connection with the January-June interim report. As a separate guidance Finnair estimates, that when calculated using the exchange rates effective at the end of the review period, the non-recurring items associated with the long haul fleet renewal in 2015 will have a substantial positive impact on Finnair's operating result due to the strengthened US dollar. Finnair has previously estimated that the long haul fleet renewal would not have a significant effect on its operating result in 2014 and 2015. The non-recurring items related to the long haul fleet renewal react substantially to changes in the euro-dollar exchange rate.

## **Strategic objectives**

As a part of its annual strategy review, Finnair's Board of Directors approved on 6 May 2015 a new vision and updated the company's mission and strategic targets. Finnair's new vision is to offer its passengers a *unique Nordic experience*. Finnair's mission is to offer the smoothest, fastest connections in the northern hemisphere via Helsinki, and the best network to the world from its home markets.

Updated strategic objectives for the company are to double Asian traffic by 2020 from the 2010 level, deliver a unique customer experience and achieve world-class operations, and create shareholder value.

The mission, vision and strategic targets are discussed more closely in a separate stock exchange release published today on 7 May 2015.

## Business environment

Traffic continued to grow in Finnair's main markets in the first quarter of 2015. Measured in available seat kilometres, market capacity between Helsinki and Finnair's European destinations grew by 7.8 per cent year-on-year, while market capacity between Finnair's Asian and European destinations grew by 4.5 per cent year-on-year. Finnair's market share in European traffic (between Helsinki and Finnair's European destinations) increased to 56.9 per cent (53.7) and fell slightly in Asian traffic, to 4.9 per cent (5.1).\*

The weakness of the Finnish economy continued to be reflected in the home market demand for passenger traffic in the first quarter, particularly in the package tour market. In other traffic areas, demand grew in line with the increased capacity and unit revenues in passenger traffic increased slightly. There were weak signs of a recovery outside Finland in the demand for consumer and business travel.

In cargo traffic, capacity between Asia and Europe continued to grow, which put further downward pressure on already weak yields in Finnair's main markets for cargo traffic between Europe and Asia.

The appreciation of the dollar against the euro diluted the advantage gained by airlines from the substantial decrease in the price of jet fuel that began in autumn 2014. It also significantly increased other expense items denominated in dollars. At the same time, the appreciation of several different income currencies against the euro had a slight positive effect on Finnair's euro-denominated revenue. The US dollar is a significant expense currency in Finnair's operations, while the Japanese yen is a significant income currency.

*\* The figures are Finnair's estimates. The estimates are based on MIDT data collected on the sales volumes of travel agencies and Finnair's estimates of airlines' sales through their own sales channels, such as websites. The basis for calculation is destinations, not airports. The figures do not include seasonal routes.*

## Significant events during the review period

### Flybe Nordic acquisition and ownership negotiations

On 31 March 2015, Finnair acquired Flybe UK Ltd's 60% ownership of Flybe Nordic AB for a transaction price of 1 euro, and Flybe Nordic was transferred to Finnair's ownership on an interim basis. Flybe Nordic owns all shares in its Finnish subsidiary Flybe Finland. Flybe Finland operates a substantial part of Finnair's domestic and European routes as purchase traffic using ATR 72 and Embraer aircraft.

As a result of the acquisition, Flybe Nordic is consolidated in Finnair's financial statements in accordance with IFRS starting from 31 March 2015 and treated as a non-current asset held for sale. The change in the ownership of Flybe Nordic will not have a material impact on Finnair's full-year result for 2015.

On 7 January 2015, Finnair, Staffpoint Holding Ltd and G.W. Sohlberg Ltd (GWS) signed a Memorandum of Understanding regarding an arrangement according to which Staffpoint and GWS would own a combined 60 per cent of Flybe Nordic. Following the acquisition finalised on 31 March, Finnair continues negotiations with Staffpoint and GWS regarding the future ownership of Flybe Nordic.

Flybe Finnair Oy announced in April, that its name will be changed to Nordic Regional Airlines Oy in May. Also Flybe Nordic AB will be renamed Nordic Regional Airlines AB. The name changes require an approval by the Finnish Patent and Registration Office. It is expected to be received in early May.

### Expansion of contract flying agreement between Finnair and Flybe Finland

In March, Finnair announced it will expand its contract flying agreement with Flybe Finland from 1 May 2015 onwards to cover all routes operated by Flybe Finland at its own commercial risk until that time, namely the routes between Helsinki and Kemi-Tornio, Kokkola-Pietarsaari, Kajaani, Jyväskylä, Mariehamn, Tartu, Norrköping and Visby. The marketing and sales responsibilities for these routes were transferred entirely to

Finnair on 1 May 2015, at which time the routes' flight codes stopped using Flybe's BE designator and carry instead Finnair's AY designator.

The expansion of the contract flying agreement will not have a significant financial impact on Finnair in 2015.

#### Investment decisions on new cargo terminal and wireless connectivity across the fleet

In March, Finnair's Board of Directors approved an investment of approximately 80 million euros in a new cargo terminal and an investment program of approximately 30 million euros to bring wireless Internet connectivity to the majority of the current wide-body and narrow-body fleet. Both investments will be allocated over the next few years.

#### Aircraft sale and leaseback agreements

At the end of March, Finnair finalised the sale and leaseback transactions referred to in the memorandum of understanding signed in December 2014 between Finnair and GOAL German Operating Aircraft Leasing GmbH & Co for the sale and leaseback of three Embraer 190 aircraft. Also the sale and leaseback transactions referred to in the memorandum of understanding signed in December 2014 between Finnair and Doric Asset Finance GmbH & Co. KG for the sale and leaseback of six ATR 72 aircraft were finalised in March. All nine aircraft were owned by Finnair and operated by Flybe Finland. After the conclusion of the sale and leaseback agreements, Finnair continues to sublease the aircraft to Flybe Finland. The combined value of the transactions was approximately 140 million euros and they have a positive impact of approximately 40 million euros on Finnair's operating profit for the first quarter of 2015.

### **Financial performance in January–March 2015**

Finnair's revenue in the first quarter of 2015 was largely unchanged from the corresponding period in 2014 at 540.4 million euros (543.3). Revenue was boosted by higher passenger traffic revenue and negatively affected by lower revenue from Aurinkomatkat-Suntours and cargo traffic, as well as the elimination of revenue from businesses sold after the comparison period. Capacity measured in available seat kilometres (ASK) grew by 3.1 per cent year-on-year.

Operational costs excluding fuel were on a par with the comparison period at 421.3 million euros (421.0). Fuel costs, including hedging and costs incurred from emissions trading, decreased by 6.0 per cent to 151.3 million euros (161.0). Fuel costs were reduced by the dollar-denominated price of jet fuel declining by more than 40 per cent year-on-year, but the positive impact of this development was dampened by the dollar appreciating against the euro by some 18 per cent over the same time period. Due to Finnair's hedging policy, changes in the price of jet fuel have a delayed effect on costs.

Personnel costs were on a par with the comparison period at 90.1 million euros (90.0). Primarily due to the strengthening of the dollar, traffic charges increased by more than a fifth from the comparison period and amounted to 62.5 million euros (51.6). Overall, euro-denominated operational costs decreased somewhat from the comparison period, totalling 572.6 million euros (582.1). Finnair's EBITDAR was 19.2 million euros (17.4). The company's operational result, which refers to the operating result excluding non-recurring items, capital gains and changes in the fair value of derivatives and in the value of foreign currency-denominated fleet maintenance reserves, was -28.4 million euros (-34.2).

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 -6.8 million euros (-6.9). The non-recurring items for January–March amounted to 26.9 million euros (12.7) and mainly consisted of items related to fleet sale and leaseback agreements and the renewal of the long-haul fleet. The operating result was -8.3

million euros (-28.4). Finnair's result before taxes for January–March was -12.1 million euros (-33.9) and the result after taxes was -9.8 million euros (-28.1).

Unit revenue at constant currency (RASK) decreased by 0.4 per cent year-on-year and amounted to 5.93 euro cents (5.96). Unit cost excluding fuel at constant currency increased by 1.1 per cent year-on-year and was 4.66 euro cents (4.61). The increase in unit cost excluding fuel at constant currency is largely explained by changes in our traffic structure.

### **Balance sheet on 31 March 2015**

The Group's balance sheet totalled 2,011.0 million euros at the end of the period under review (2,056.2 million euros on 31 March 2014). Shareholders' equity decreased to 539.7 million euros (625.9), or 4.22 euros per share (4.89). Shareholders' equity declined year-on-year primarily due to the loss-making results after the comparison period, but rose in the review period due to the company's comprehensive income showing a profit.

Shareholders' equity includes a fair value reserve that is affected by changes in the fair values of oil and currency derivatives used for hedging as well as actuarial gains and losses related to pilots' defined benefit plans according to IAS 19. The value of the item at the end of March 2015 was -52.0 million euros (-38.7) after deferred taxes, and it was affected particularly by changes in the fair value of hedging instruments.

### **Cash flow and financial position**

Finnair has a strong financial position, which supports business development and future investments. In January–March 2015, net cash flow from operating activities amounted to 13.0 million euros (-20.5). The change was mainly due to the company's losses being lower than in the comparison period, as well as changes in working capital. Net cash flow from investments amounted to 142.8 million euros (233.6) and was affected by the finalisation of sale and leaseback agreements for nine aircraft during the review period. By comparison, sale and leaseback agreements were finalised for two A330 aircraft in the corresponding period in the previous year.

The equity ratio was 26.8 per cent (30.4) and gearing was -22.9 per cent (5.2). The adjusted gearing was 85.4 per cent (71.2). At the end of March, interest-bearing debt amounted to 392.9 million euros (498.8) and interest-bearing net debt stood at -123.4 million euros (32.6).

The company's liquidity remained strong in the review period. The Group's cash funds amounted to 516.3 million euros (466.3) at the end of March. 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. Using these reserves requires a bank guarantee. Finnair has an entirely unused 180 million euro syndicated credit agreement, which was intended as reserve funding and matures at the end of July 2016.

Advance payments related to fixed asset investments were 23.7 million euros (16.9).

Finnair has a 200-million-euro short-term commercial paper program, which was unused at the end of March. Net cash flow from financing amounted to -36.5 million euros (-114.7). Financial expenses totalled -4.3 million euros (-5.6) and financial income 0.5 million euros (0.8).

### **Capital expenditure**

In January–March, capital expenditure excluding advance payments totalled 12.4 million euros (33.1) and was related to improvements to the fleet and engines. Capital expenditure for the full year 2015, including advance payments and the currency hedging of advance payments, is estimated at approximately 460 million euros, with investments in the fleet representing a majority of this total. The actual amount of net capital expenditure will be

substantially lower than this figure if sale and leaseback agreements for the first two Airbus A350 XWB aircraft are finalised in the second half of 2015 as planned.

The current state of the credit market and Finnair's good debt capacity enable the financing of future fixed-asset investments on competitive terms. The company has 26 unencumbered aircraft, the balance sheet value of which corresponds to approximately 57 per cent of the value of the entire fleet of 0.7 billion euros. The balance sheet value includes three finance lease aircraft.

## Fleet

### Fleet operated by Finnair

Finnair's fleet is managed by Finnair Aircraft Finance Oy, a wholly-owned subsidiary of Finnair Plc. At the end of March 2015, Finnair itself operated 45 aircraft, of which 15 are wide-body and 30 narrow-body aircraft. Of the aircraft, 22 are owned by Finnair and 20 are leased. There were no changes to the composition of the fleet in the first quarter.

The average age of the fleet operated by Finnair was 10.4 years at the end of March 2015.

Fleet operated by Finnair on 31.3.2015*	Seats	#	Own	Leased (Operational leasing)	(Finance leasing)	Average age 31.3.2015	Change from 31.12.2014	Ordered
<b>Narrow-body fleet</b>								
Airbus A319	138	9	7	2		13.7		
Airbus A320	165	10	6	4		12.6		
Airbus A321	209/196	11	4	7		8.3		
<b>Wide-body fleet</b>								
Airbus A330	297/271/263	8	0	5	3	5.4		
Airbus A340	270/269	7	5	2		12.2		
Airbus A350	297							19
<b>Total</b>		<b>45</b>	<b>22</b>	<b>20</b>	<b>3</b>	<b>10.4</b>	<b>0</b>	<b>19</b>

\* Finnair's Air Operator Certificate (AOC).

### Renewal of the long-haul fleet

Finnair has ordered a total of 19 Airbus A350 XWB aircraft from Airbus. Based on the current delivery schedule, Finnair will receive the first four A350 XWB aircraft in the second half of 2015, seven between 2016 and 2017, and eight more between 2018 and 2023. The investment commitments for property, plant and equipment on Finnair's balance sheet, totalling 2,173 million euros, include the upcoming investments in the long-haul fleet.

Finnair plans to phase out its A340 aircraft by the end of 2017, following the successful delivery and entry into service of the A350 XWB aircraft. Airbus has agreed to acquire four A340-300 aircraft currently owned by Finnair in 2016 and 2017. The agreement between Finnair and Airbus ensures a smooth transition from A340s to A350s, mitigating potential business continuity risks related to fleet renewal and the depreciation risk associated with the A340 aircraft. 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.

Finnair has signed an agreement for the sale and leaseback of its first two Airbus A350 XWB aircraft. The agreement is expected to be concluded in conjunction with the delivery of the first Airbus A350 XWB aircraft in

autumn 2015. Calculated using the exchange rates effective at the end of the review period, Finnair estimates that, due to the strengthening of the dollar, the non-recurring items associated with the fleet renewal in 2015 will have a substantial positive impact on the company's result. Finnair had previously estimated that the longhaul fleet renewal would not have a significant effect on its result in 2014 and 2015. The non-recurring items are related to sale and leaseback arrangements and the phasing out of A340 aircraft from the fleet. The non-recurring items will be realised over several stages and they will vary from one quarter to the next. For the A340 aircraft, the non-recurring items are allocated over the period during which the aircraft are phased out. As aircraft purchases and sales are denominated in dollars, the non-recurring items related to the renewal of the long-haul fleet react substantially to changes in the euro-dollar exchange rate.

#### Fleet operated by Flybe Finland (purchased traffic)

Flybe Finland, a subsidiary of Flybe Nordic AB, operates a fleet of 26 aircraft for Finnair on a contract flying basis. Contract flying is an operated by a wholly-owned subsidiary of the Group after Flybe Nordic was transferred under Finnair's ownership on an interim basis on 31 March 2015. After the finalisation of sale and leaseback agreements for nine aircraft in March, 13 of the aircraft operated by Flybe Finland are owned by Finnair, and another 13 are leased.

<b>Fleet operated by Flybe Finland on 31.3.2015* (operates purchased traffic for Finnair)</b>	<b>Seats</b>	<b>#</b>	<b>Aircraft owned by Finnair</b>	<b>Leased** (Operational leasing)</b>	<b>Average age 31.3.2015</b>	<b>Change from 31.12.2014</b>	<b>Ordered</b>
ATR 72	68-72	12	6	6	5.7		
Embraer 170	76	2	2		9.3		
Embraer 190	100	12	5	7	6.7		
<b>Total</b>		<b>26</b>	<b>13</b>	<b>13</b>	<b>6.8</b>	<b>0</b>	<b>0</b>

\* Flybe Finland's Air Operator Certificate (AOC)

\*\* Finnair's subsidiary Finnair Aircraft Finance has leased these aircraft and subleased them to Flybe Finland. In addition to the aircraft shown in the table, Finnair has subleased four E 170 aircraft to Estonian Air.

#### **Business area development in January–March 2015**

The segment reporting of Finnair Group's financial statements is based on business areas. The reporting business areas are Airline Business 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 Commercial, Operations and Resources Management functions as well as the subsidiaries Finnair Cargo Oy, Finnair Flight Academy Oy and Finnair Aircraft Finance Oy. The segment also includes aircraft maintenance, Finnair Travel Retail Oy and Finnair's property holdings, office services and the management and maintenance of properties related to the company's operational activities.

Key figures	1–3 2015	1–3 2014	Change %	1–12 2014
<b>Revenue and result</b>				
Revenue, EUR million	510.8	508.1	0.5	2,167.7
Operational result, EUR million	-24.1	-34.5	30.1	-43.5
Operating result, EBIT, EUR million	-3.8	-28.2	86.4	-78.4
Operating result, % of revenue	-0.8	-5.5	4.8%-p	-3.6
<b>Personnel</b>				
Average number of employees	3,976	4,533	-12.3	4,232

The revenue of Airline Business in January–March was on a par with the previous year at 510.8 million euros (508.1). Revenue from passenger traffic constituted approximately 80 per cent of the segment's revenue, while ancillary revenue constituted 5 per cent, cargo revenue 9 per cent, and other revenue 6 per cent. The segment's operational result improved year-on-year but nevertheless showed a loss of 24.1 million euros (-34.5).

Revenue from passenger traffic in the first quarter increased from the previous year, and profitability improved due to lower costs and the favourable development of the exchange rates of income currencies. Ticket revenue per available seat kilometre in passenger traffic increased in all traffic areas except Europe. Capacity measured in available seat kilometres grew by 1.1 per cent year-on-year in Asian traffic, by 5.8 per cent in European traffic and by 11.3 per cent in North American traffic, and decreased by 6.0 per cent in domestic traffic. Revenue passenger kilometres increased across all other traffic areas than domestic traffic. Passenger load factors improved in Asian and domestic traffic and decreased in European and North American traffic. Total capacity grew by 3.1 per cent and revenue passenger kilometres increased by 2.3 per cent. The passenger load factor decreased by 0.6 percentage points to 78.1 per cent.

The share of ancillary revenue grew year-on-year. This increase was primarily due to new services introduced to customers for an additional fee after the comparison period.

Cargo traffic revenue decreased substantially year-on-year, but profitability improved in the first quarter. Cargo traffic during the review period consisted entirely of belly cargo on scheduled flights after Finnair discontinued separate freighter flights to Asia at the end of 2014. Available cargo tonne kilometers increased by 3.3 per cent year-on-year in spite of discontinuing separate freighter operations, because part of the leisure flights previously flown routes are now reported as scheduled traffic. Cargo revenue tonne kilometres decreased by 14.6 per cent due to the aforementioned change in the cargo traffic structure: Cargo scheduled traffic total tonnes increased instead by 1.3 per cent year-on-year. Finnair Cargo sells and manages JAL Cargo's capacity at Helsinki-Tokyo (Narita) route and leases freighter capacity for flights between its Helsinki and Brussels hubs.

Traffic data and responsibility indicators	1–3 2015	1–3 2014	Change %	2014
<b>Passenger traffic</b>				
Passengers, 1,000	2,283	2,214	3.1	9,630
Available seat kilometres (ASK), million	7,715	7,481	3.1	30,889
Revenue passenger kilometres (RPK), million	6,022	5,885	2.3	24,772
Passenger load factor (PLF), %	78.1	78.7	-0.6%-p	80.2
Unit revenue per revenue passenger kilometre (yield) cents/RPK	6.59	6.54	0.8	6.65
Unit revenue (actual), RASK, cents/ASK	6.05	5.96	1.7	6.23
Unit revenue at constant currency, RASK, cents/ASK	5.93	5.96	-0.4	6.23
Unit cost excluding fuel (actual) CASK ex. fuel, cents/ASK	4.82	4.61	4.7	4.49
Unit cost excluding fuel at constant currency, CASK ex. fue,) cents/ASK	4.66	4.61	1.1	4.49
Unit cost (actual), CASK, cents/ASK	6.75	6.65	1.4	6.53
Customer satisfaction on a scale of 1 (very poor) – 10 (very good)	8.0	8.1	-1.2	8.1

<b>Cargo traffic</b>	<b>1–3 2015</b>	<b>1–3 2014</b>	<b>Change %</b>	<b>2014</b>
Available cargo tonne kilometres (ATK), million	338	326	3,3	1,420
Revenue cargo tonne kilometres (RTK), million	180	211	-14.6	912
Cargo and mail, tonnes	30,430	35,220	-13.6	149,141
Cargo traffic unit revenue (actual), cents/RTK	23.28	23.49	-0.9	23.40
<b>Airline Business, total</b>				
Overall load factor, %	63.5	65.1	-1.6%-p	67.4
Flights, number	24,269	23,982	1.2	99,056
Arrival punctuality	86.4	86.4	0.0%-p	88.3
Fuel consumption, tonnes/ASK	0.024	0.024	1.62	0.024
CO2 emissions, tonnes/ASK	0.076	0.075	1.62	0.075

## **Air traffic services and products**

### Route network and alliances

Finnair offers connections between Asia and Europe with over 200 route pairs and also operates more than 800 flights weekly from Helsinki to other Finnish and European destinations. The number of flights to Asia per week was at most 78 in the winter season 2014/2015. In the summer season 2015, Finnair will operate at most 75 flights per week to Asia.

Finnair expanded its contract flying agreement with Flybe Finland in March, adding eight new destinations to Finnair's network from 1 May 2015 onwards. In addition, Finnair announced the launch of new routes to Gdansk, Luleå and Umeå. These routes will also be operated by Flybe Finland on a contract flying basis.

### Other renewals and services

Finnair improved its Finnair Plus frequent flyer program in January by removing fuel surcharge fees from European Classic flight awards, as well as from Tel Aviv and Dubai Classic flight awards. The passengers pay taxes and other government charges on their flights.

In February, Finnair and Stockmann launched a partnership that allows customers who are members of both companies' customer loyalty programs to earn Finnair Plus points for purchases made at Stockmann in Finland.

In March, Finnair introduced a new, lower-price Light ticket type for passengers who travel with carry-on baggage only. The Light ticket type will be available from 5 May 2015 onwards for all scheduled flight destinations operated by Finnair and Flybe in Finland, Europe and the Middle East, excluding Russia. Other Finnair ticket types still include a checked baggage allowance. The new ticket type is part of continuous service development to improve customers' travel experience and give them more choice.

### Awards

In January, FlightStats named Finnair the most punctual European airline in 2014. The **oneworld** alliance was recognised as the most punctual airline alliance in the same survey.

## **Travel Services (Tour Operators and Travel Agencies)**

This business area consists of the tour operator Aurinkomatkat (Suntours), its subsidiary operating in Estonia, the business travel agency SMT and its subsidiary Estravel, which operates in the Baltic countries, as well as Amadeus Finland, which produces travel sector information systems and solutions. Aurinkomatkat Suntours 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	1–3 2015	1–3 2014	Change %	1–12 2014
<b>Revenue and result</b>				
Revenue, EUR million	61.2	74.2	-17.5	216.7
Operational result, EUR million	-4.3	0.3	<-200	7.0
Operating result, EBIT, EUR million	-4.4	-0.3	<-200	5.9
Operating result, % of revenue	-7.2	-0,3	-6,9%-p	2.7
<b>Personnel</b>				
Average number of employees	588	704	-16.4	645

The revenue of Travel Services in January–March declined substantially from the previous year and amounted to 61.2 million euros (74.2). The decline was particularly attributable to the adaptation of Aurinkomatkat Sunjours' offering to correspond with the general development of the market. The profitability of Aurinkomatkat Sunjours fell short of expectations in spite of the restructuring of operations and the result showed a substantial loss. The revenue of the business travel agency SMT remained on a par with the comparison period and its operational result showed a slight profit. The segment's operational result fell to -4.3 million euros (0.3).

### Resolutions of the Annual General Meeting

The Annual General Meeting (AGM) of Finnair Plc was held in Helsinki, Finland on 25 March 2015. The meeting approved the financial statements and consolidated financial statements for the fiscal year 2014 and discharged the members of the Board of Directors and CEO of the company from liability.

In line with the proposal of the Board of Directors, the AGM decided that no dividend is paid based on the balance sheet adopted for the year 2014.

The AGM approved the proposal of the Shareholders' Nomination Committee regarding the composition of the Board of Directors and confirmed that the Board of Directors is composed of seven (7) members. Ms Maija-Liisa Friman, Mr. Klaus W. Heinemann, Mr. Jussi Itävuori, Mr. Harri Kerminen, Ms Gunvor Kronman, Ms Jaana Tuominen and Mr. Nigel Turned were re-elected to the Board of Directors for a term ending at the conclusion of the next AGM. The AGM elected Klaus W. Heinemann as the Chairman of the Board of Directors. The AGM approved, unchanged, the proposal of the Shareholders' Nomination Committee regarding the fees paid to the members of the Board of Directors.

Authorised Public Accountants PricewaterhouseCoopers continues as Finnair's auditor, with APA Mikko Nieminen acting as the principal auditor. The remuneration for the auditor is paid according to the auditor's reasonable invoice.

The AGM authorised the Board of Directors to decide on the repurchase of the company's own shares and/or on the acceptance as pledge of the company's own shares. The authorisation applies to a maximum of 5,000,000 shares and is valid for a period of 18 months from the decision of the AGM. The AGM also authorised the Board of Directors to decide on the disposal of a maximum of 5,000,000 of the company's own shares. The authorisation is valid for a period of 18 months from the decision of the AGM.

### Changes in senior management and the organisation

At the end of February, Finnair announced that Erno Hildén, Chief Financial Officer and member of the Executive Board, will leave the company on 30 April 2015. On 17 April 2015, Pekka Vähähyppä (M.Sc. Econ, eMBA) was appointed as Hildén's successor. Mr. Vähähyppä currently serves as CFO of Stockmann Group. He will start in his new position on 17 August 2015. Mika Stirkinen, Vice President, Group Treasury, will act as interim CFO until then.

The closer integration of cargo traffic and Aurinkomatkat Suntours into Finnair's commercial functions continued in the first quarter. The restructuring measures started in 2014 will see the entire Group's sales managed from by a single unit, and the profitability of the route network will be evaluated as a whole with the aim of optimising fleet usage and total revenue from business operations. Replacing leisure flights with scheduled flights, which began in 2014, and phasing out the separate leisure traffic category are a part of these ongoing changes.

## **Personnel**

Finnair employed an average of 4,897 (5,516) people in January–March, which is 11.2 per cent fewer than in the previous year. The Airline Business segment employed an average of 3,976 (4,533) people. Travel Services employed an average of 588 (704) people and other functions 333 (279) people. The number of employees in an employment relationship was 4,886 (5,473) on 31 March 2015.

## **Own shares**

Finnair did not acquire its own shares during the period under review. In the first quarter, the number of shares held by Finnair increased by 14,893 shares that were returned to Finnair pursuant to the rules of the company's performance share plan for 2010–2012. On 31 March 2015, Finnair held a total of 326,985 of its own shares (306,260), representing 0.26 per cent of the total share capital.

## **Share price development and trading**

At the end of March 2015, Finnair's market value stood at 410.0 million euros (344.7), and the closing price of the share was 3.20 euros (2.69). During the review period, the highest price for the Finnair share on the NASDAQ OMX Helsinki Stock Exchange was 3.30 euros (2.87), the lowest price 2.49 euros (2.39) and the average price 3.07 euros (2.66). Some 7.6 million (4.6) of the company's shares, with a total value of 23.3 million euros (12.2), were traded.

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 7.6 per cent (14.2) were held by foreign investors or in the name of a nominee.

No flagging notices were issued during the review period.

## **Corporate responsibility**

Finnair is cooperating with industry operators and the authorities to reduce the climate impacts of aviation and to achieve goals such as developing biofuel supply chains and reducing costs to allow for the broader use of biofuels in the industry. Finnair's target is to reduce its CO<sub>2</sub> emissions by 20 per cent per one hundred tonne kilometres flown from the 2009 level by 2017.

In January, Finnair became the first airline in Europe to be certified as a Stage 2 operator in the IATA (International Air Transport Association) Environmental Assessment (IEnvA) program. The system is designed to independently assess and improve an airline's environmental management. Finnair is one of only two global carriers to be certified as an IEnvA Stage 2 operator.

Responsibility indicators are described above in connection of the Airline Business segment.

## **Significant near-term risks and uncertainties**

Aviation is an industry that is globally sensitive to economic cycles and also reacts quickly to external disruptions, seasonal variation and changes in economic trends. In the implementation of strategy, Finnair and its operations involve various risks and opportunities. Finnair has implemented a comprehensive risk management process to ensure that risks are identified and mitigated as much as possible, although many risks are not within the company's full control. To exploit value creation opportunities, Finnair is also prepared to take and manage risks within the limits of its risk-bearing capacity.

The risks and uncertainties described below are considered to potentially have a significant impact on Finnair's business, financial result and future outlook within the next 12 months. This list is not intended to be exhaustive.

Exceptional variation in fuel price and the potential of the recent decrease in fuel price to be passed on to flight ticket prices or lead to an increase in capacity in Finnair's main markets as well as sudden, adverse changes in currency exchange rates constitute a risk for Finnair's revenue development. The reduction in the demand for passenger or cargo flights due to slowing or non-existent economic growth in Finnair's main markets constitutes also a risk for Finnair's revenue development.

The significance of joint operations involving closer cooperation than airline alliances, such as joint businesses, is expected to continue to grow. Being left out of potential new cooperation projects may have a negative effect on Finnair's competitive position.

The achievement of the strategic advantages and cost reductions sought through Finnair's partnership and outsourcing projects involve risks. For example, quality or availability issues and/or unexpected additional costs of partnerships and suppliers can have a negative effect on Finnair's product, reputation and profitability, or suppliers may obtain bargaining power in relation to Finnair.

The use of the next-generation Airbus A350 XWB aircraft involves risks associated with new technology and roll-out processes. In addition, implementation of Finnair's strategy includes significant operating and internal changes, which 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, noise regulation and other environmental regulation, EU regulations on privacy protection and the decision made by the Court of Justice of the European Union in October 2012 regarding flight passengers' rights. In addition, regulations on the reporting of non-financial information (responsibility) and other stakeholder requirements have increased substantially.

Geopolitical uncertainty and possible other external disruptions may affect, if materialized, significantly Finnair's operations.

If implemented, the proposed change to the Finnish pension system with regard to the statutory age of retirement would increase Finnair's pension liabilities unless the company's supplementary pension system were to be adjusted in accordance with the pension reforms.

Finnair's risk management and risks related to the company's operations are described in more detail on the company's website at [www.finnairgroup.com](http://www.finnairgroup.com).

## **Seasonal variation and sensitivities in business operations**

Due to the seasonal variation of the airline business, the Group's revenue 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.

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. Finnair's foreign exchange risk arises primarily from fuel and aircraft purchases, aircraft leasing payments and sales revenue denominated in foreign currencies. Significant dollar-denominated expense items are aircraft leasing payments and fuel costs as well as traffic charges. The largest investments, namely the acquisition of aircraft and their spare parts, are also mainly denominated in US dollars. The most significant income currencies after the euro are the Japanese yen, the Chinese yuan and the Swedish crown.

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.

Sensitivities in business operations	1 percentage point change
Passenger load factor (PLF)	EUR 15 million
Average yield of passenger traffic	EUR 15 million
Unit cost in passenger traffic (CASK)	EUR 17 million

Fuel sensitivities (rolling 12 months from date of financial statements)	10% change without hedging	10% change, taking hedging into account	Hedging ratio	
			H1 2015	FY 2015
Fuel	EUR 47 million	EUR 22 million	71%	64%

Currency distribution %	1-3 2015	1-3 2014	1-12 2014	Currency sensitivities USD and JPY (rolling 12 months from date of financial statements)		Hedging ratio (rolling 12 months from date of financial statements)
				10% change without hedging	10% change, taking hedging into account	
<b>Sales currencies</b>						
EUR	64	67	58	-	-	
USD*	2	3	3	see below	see below	see below
JPY	7	7	9	EUR 19 million	EUR 8 million	80%
CNY	5	4	7	-	-	
KRW	3	2	3	-	-	
SEK	6	5	5	-	-	
Other	13	12	15	-	-	
<b>Purchase currencies</b>						
EUR	53	54	52	-	-	
USD*	39	40	41	EUR 72 million	EUR 16 million	78%
Other	8	6	7			

\* The sensitivity analysis assumes that the Chinese yuan and the Hong Kong dollar continue to correlate strongly with the US dollar.

## Events after the review period

Finnair published today, on 7 May 2015, a separate stock exchange release regarding the company's new vision and updated the company's mission and strategic targets.

## **Financial reporting**

Finnair's interim report for 1 January – 30 June 2015 will be published on Friday, 14 August 2015.

FINNAIR PLC  
Board of Directors

## **Briefings**

Finnair will hold a press conference on 7 May 2015 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 for analysts will begin at 2:30 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#

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Key figures	Q1 2015	Q1 2014	Change %	2014
<b>Revenue and result</b>				
Revenue, EUR million	540.4	543.3	-0.5	2,284.5
Operational result, EUR million	-28.4	-34.2	17.1	-36.5
Operational result, % of revenue	-5.2	-6.3	1.0 %-p	-1.6
Operating result, EUR million	-8.3	-28.4	70.9	-72.5
Operational EBITDAR, EUR million	19.2	17.4	10.0	176.6
Result before taxes, EUR million	-12.1	-33.9	64.3	-99.1
Net result, EUR million	-9.8	-28.1	65.0	-82.5
<b>Balance sheet and cash flow</b>				
Equity ratio, % *	26.8	30.4	-3.6 %-p	27.3
Gearing, %	-22.9	5.2	-28.1 %-p	0.3
Adjusted gearing, %	85.4	71.2	14.2 %-p	107.5
Gross capital expenditure, EUR million	12.4	33.1	-62.4	82.4
Return on capital employed (ROCE), 12 months rolling, %	-5.0	2.7	-7.7 %-p	-6.5
Return on equity (ROE), 12 months rolling, %	-11.0	1.5	<-200 %	-13.8
Net cash flow from operating activities, EUR million	13.0	-20.5	163.2	24.2
<b>Share</b>				
Share price at the end of quarter, EUR	3.20	2.69		2.48
Result for the period per share, EUR	-0.08	-0.22	65.1	-0.65
Earnings per share (EPS), EUR	-0.09	-0.24	60.5	-0.71
<b>Traffic data, unit costs and revenue</b>				
Passengers, 1,000	2,283	2,214	3.1	9,630
Available seat kilometres (ASK), million	7,715	7,481	3.1	30,889
Revenue passenger kilometres (RPK), million	6,022	5,885	2.3	24,772
Passenger load factor, %	78.1	78.7	-0.6 %-p	80.2
Unit revenue per available seat kilometre, (RASK), cents/ASK *	6.05	5.96	1.7	6.23
RASK at constant currency, cents/ASK *	5.93	5.96	-0.4	6.23
Unit revenue per revenue passenger kilometre (yield), cents/RPK *	6.59	6.54	0.8	6.65
Unit cost per available seat kilometre (CASK), cents/ASK *	6.75	6.65	1.4	6.53
CASK excluding fuel, cents/ASK *	4.82	4.61	4.7	4.49
CASK excluding fuel at constant currency, cents/ASK *	4.66	4.61	1.1	4.49
Available tonne kilometres (ATK), million	1,133	1,134	0.0	4,644
Revenue tonne kilometres (RTK), million	719	738	-2.5	3,130
Cargo and mail, tonnes	30,430	35,220	-13.6	149,141
Cargo traffic unit revenue per revenue tonne kilometre, cents/RTK	23.28	23.49	-0.9	23.40
Overall load factor, %	63.5	65.1	-1.6 %-p	67.4
Flights, number	24,269	23,982	1.2	99,056
<b>Personnel</b>				
Average number of employees	4,897	5,516	-11.2	5,172

\* Equity ratio for comparison year 2014 have been restated to reflect the changed calculation formula. Unit revenue per available seat kilometre (RASK), unit revenue per revenue passenger kilometre (yield) and unit cost per available seat kilometre (CASK) for comparison year 2014 have been restated to better reflect the changes in the Group structure. RASK and CASK at constant currency exclude the impact of exchange rates. The changes are described in more detail in the note 16. Restatement of key ratios. Changed formulas are described in the note 18. Calculation of key ratios.

## CONSOLIDATED INCOME STATEMENT

in mill. EUR	Q1 2015	Q1 2014	Change %	2014
<b>Revenue</b>	<b>540.4</b>	<b>543.3</b>	<b>-0.5</b>	<b>2,284.5</b>
Other operating income	3.8	4.5	-16.2	18.3
<b>Operating expenses</b>				
Staff costs	-90.1	-90.0	0.1	-344.5
Fuel costs	-151.3	-161.0	-6.0	-660.4
Other rents	-37.7	-39.4	-4.4	-159.7
Aircraft materials and overhaul	-31.6	-30.3	4.2	-119.4
Traffic charges	-62.5	-51.6	21.1	-230.9
Ground handling and catering expenses	-60.5	-63.2	-4.2	-251.8
Expenses for tour operations	-23.7	-25.1	-5.5	-76.7
Sales and marketing expenses	-17.6	-14.3	23.2	-65.3
Other expenses	-50.0	-55.4	-9.8	-217.4
<b>Operational EBITDAR</b>	<b>19.2</b>	<b>17.4</b>	<b>-10.0</b>	<b>176.6</b>
Lease payments for aircraft	-20.9	-16.2	29.1	-78.8
Depreciation and impairment	-26.6	-35.5	-24.9	-134.3
<b>Operational result</b>	<b>-28.4</b>	<b>-34.2</b>	<b>17.1</b>	<b>-36.5</b>
Fair value changes in derivatives and changes in exchange rates of fleet overhauls	-6.8	-6.9	1.6	-43.7
Non-recurring items	26.9	12.7	111.3	7.7
<b>Operating result</b>	<b>-8.3</b>	<b>-28.4</b>	<b>70.9</b>	<b>-72.5</b>
Financial income	0.5	0.8	-36.0	3.5
Financial expenses	-4.3	-5.6	23.7	-26.9
Share of results in associates and joint ventures	0.0	-0.7	93.7	-3.2
<b>Result before taxes</b>	<b>-12.1</b>	<b>-33.9</b>	<b>64.3</b>	<b>-99.1</b>
Income taxes	2.3	5.8	-61.0	16.5
<b>Result for the period</b>	<b>-9.8</b>	<b>-28.1</b>	<b>65.0</b>	<b>-82.5</b>
<b>Attributable to</b>				
Owners of the parent company	-9.8	-28.2		-82.7
Non-controlling interests	0.0	0.1		0.2
<b>Earnings per share attributable to shareholders of the parent company</b>				
Earnings per share, EUR (diluted and undiluted)	-0.09	-0.24		-0.71
Result for the period per share, EUR	-0.08	-0.22		-0.65

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in mill. EUR	Q1 2015	Q1 2014	Change %	2014
<b>Result for the period</b>	<b>-9.8</b>	<b>-28.1</b>	<b>65.0</b>	<b>-82.5</b>
<b>Other comprehensive income items</b>				
<b>Items that may be reclassified to profit or loss in subsequent periods</b>				
Change in fair value of hedging instruments	46.7	-18.2	> 200 %	-87.0
Translation differences	0.3	0.0	-	0.4
Tax effect	-9.3	3.6	<-200 %	17.4
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>				
Actuarial gains and losses from defined benefit plans	-2.9	-11.4	74.8	-4.1
Tax effect	0.6	2.3	-74.8	0.8
<b>Other comprehensive income items total</b>	<b>35.4</b>	<b>-23.7</b>	<b>&gt; 200 %</b>	<b>-72.4</b>
<b>Comprehensive income for the period</b>	<b>25.5</b>	<b>-51.8</b>	<b>149.3</b>	<b>-154.9</b>
<b>Attributable to</b>				
Owners of the parent company	25.5	-51.9	149.1	-155.1
Non-controlling interests	0.0	0.1	-84.6	0.2

## CONSOLIDATED BALANCE SHEET

in mill. EUR	31 Mar 2015	31 Mar 2014	2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	19.9	18.4	18.4
Tangible assets	787.4	1,152.6	897.8
Investments in associates and joint ventures	4.9	7.5	4.9
Loan and other receivables	9.5	20.2	9.2
Deferred tax assets	25.4	8.6	33.8
<b>Non-current assets total</b>	<b>847.1</b>	<b>1,207.3</b>	<b>964.1</b>
<b>Current assets</b>			
Inventories	12.6	17.0	14.7
Trade and other receivables	271.2	324.0	194.0
Derivative financial instruments	294.0	29.0	163.7
Other financial assets	363.2	165.6	332.8
Cash and cash equivalents	153.1	300.7	93.4
<b>Current assets total</b>	<b>1,094.2</b>	<b>836.3</b>	<b>798.6</b>
Assets held for sale	69.7	12.6	122.4
<b>Assets total</b>	<b>2,011.0</b>	<b>2,056.2</b>	<b>1,885.1</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	75.4	75.4	75.4
Other equity	463.9	549.9	438.3
<b>Total</b>	<b>539.3</b>	<b>625.4</b>	<b>513.7</b>
Non-controlling interests	0.4	0.5	0.6
<b>Equity total</b>	<b>539.7</b>	<b>625.9</b>	<b>514.3</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities	330.1	369.3	337.7
Pension obligations	31.3	25.1	25.3
Provisions	41.2	75.4	52.1
Other liabilities	17.0	26.7	22.1
<b>Non-current liabilities total</b>	<b>419.6</b>	<b>496.5</b>	<b>437.3</b>
<b>Current liabilities</b>			
Provisions	63.2	30.1	44.2
Interest-bearing liabilities	62.8	129.6	89.9
Trade payables and other liabilities	689.7	739.9	600.8
Derivative financial instruments	199.2	34.2	198.5
<b>Current liabilities total</b>	<b>1,014.8</b>	<b>933.8</b>	<b>933.4</b>
Liabilities related to assets held for sale	36.8	0.0	0.0
<b>Liabilities total</b>	<b>1,471.2</b>	<b>1,430.3</b>	<b>1,370.7</b>
<b>Equity and liabilities total</b>	<b>2,011.0</b>	<b>2,056.2</b>	<b>1,885.1</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

in mill. EUR	Share capital	Other restricted funds	Hedging reserve and other OCI items	Unrestricted equity funds	Retained earnings	Hybrid bond	Equity attributable to owners of the parent	Non-controlling interests	Equity total
<b>Equity 1 Jan 2015</b>	<b>75.4</b>	<b>168.1</b>	<b>-87.4</b>	<b>247.4</b>	<b>-8.8</b>	<b>118.9</b>	<b>513.7</b>	<b>0.6</b>	<b>514.3</b>
Result for the period					-9.8		-9.8	0.0	-9.8
Change in fair value of hedging instruments			37.3				37.3		37.3
Actuarial gains and losses from defined benefit plans			-2.3				-2.3		-2.3
Translation differences			0.3				0.3		0.3
<b>Comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>35.4</b>	<b>0.0</b>	<b>-9.8</b>	<b>0.0</b>	<b>25.5</b>	<b>0.0</b>	<b>25.5</b>
Dividend							0.0	-0.2	-0.2
Share-based payments				0.0			0.0		0.0
<b>Equity 31 Mar 2015</b>	<b>75.4</b>	<b>168.1</b>	<b>-52.0</b>	<b>247.5</b>	<b>-18.6</b>	<b>118.9</b>	<b>539.3</b>	<b>0.4</b>	<b>539.7</b>

in mill. EUR	Share capital	Other restricted funds	Hedging reserve and other OCI items	Unrestricted equity funds	Retained earnings	Hybrid bond	Equity attributable to owners of the parent	Non-controlling interests	Equity total
<b>Equity 1 Jan 2014</b>	<b>75.4</b>	<b>168.1</b>	<b>-15.0</b>	<b>247.3</b>	<b>82.5</b>	<b>118.9</b>	<b>677.3</b>	<b>0.7</b>	<b>678.0</b>
Result for the period					-28.2		-28.2	0.1	-28.1
Change in fair value of hedging instruments			-14.6				-14.6		-14.6
Actuarial gains and losses from defined benefit plans			-9.1				-9.1		-9.1
<b>Comprehensive income for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>-23.7</b>	<b>0.0</b>	<b>-28.2</b>	<b>0.0</b>	<b>-51.9</b>	<b>0.1</b>	<b>-51.8</b>
Dividend							0.0	-0.2	-0.2
Share-based payments				-0.1			-0.1		-0.1
<b>Equity 31 Mar 2014</b>	<b>75.4</b>	<b>168.1</b>	<b>-38.7</b>	<b>247.3</b>	<b>54.3</b>	<b>118.9</b>	<b>625.4</b>	<b>0.5</b>	<b>625.9</b>

**CONSOLIDATED CASH FLOW STATEMENT**

in mill. EUR	Q1 2015	Q1 2014	2014
<b>Cash flow from operating activities</b>			
Result for the period	-9.8	-28.1	-82.5
Depreciation and impairment	34.2	35.5	135.7
Other adjustments to result for the period			
Financial income	-0.5	-0.8	-3.5
Financial expenses	4.3	5.6	26.9
Share of results in associates and joint ventures	0.0	0.7	3.2
Income taxes	-2.3	-5.8	-16.5
<b>EBITDA</b>	<b>25.9</b>	<b>7.1</b>	<b>63.2</b>
Non-cash transactions *	-31.0	-14.0	6.2
Changes in working capital	19.5	-11.6	-33.2
Interest expenses paid	-1.5	-2.6	-14.1
Other financial expenses paid	-0.6	-2.0	-4.5
Interest income received	0.8	2.7	6.7
Income taxes paid	-0.2	0.0	-0.2
<b>Net cash flow from operating activities</b>	<b>13.0</b>	<b>-20.5</b>	<b>24.2</b>
<b>Cash flow from investing activities</b>			
Investments in intangible assets	-1.7	-0.1	-4.3
Investments in tangible assets	-31.6	-39.2	-142.1
Net change in financial interest bearing assets at fair value through profit or loss **	29.0	90.4	-109.5
Divestments of fixed assets and group shares	147.4	181.8	267.6
Change in non-current receivables	-0.4	0.7	2.6
<b>Net cash flow from investing activities</b>	<b>142.8</b>	<b>233.6</b>	<b>14.4</b>
<b>Cash flow from financing activities</b>			
Loan repayments and changes	-36.4	-114.7	-169.4
Hybrid bond interests and expenses	0.0	0.0	-10.7
Dividends paid	-0.2	0.0	-0.2
<b>Net cash flow from financing activities</b>	<b>-36.5</b>	<b>-114.7</b>	<b>-180.3</b>
<b>Change in cash flows</b>	<b>119.2</b>	<b>98.4</b>	<b>-141.8</b>
Liquid funds, at beginning	190.1	331.8	331.8
Change in cash flows	119.2	98.4	-141.8
<b>Liquid funds, at end ***</b>	<b>309.3</b>	<b>430.2</b>	<b>190.1</b>
<b>Notes to consolidated cash flow statement</b>			
<b>* Non-cash transactions</b>			
Employee benefits	3.1	2.9	11.4
Fair value changes in derivatives	-3.4	6.9	34.9
Other adjustments	-30.7	-23.9	-40.1
<b>Total</b>	<b>-31.0</b>	<b>-14.0</b>	<b>6.2</b>
<b>** Net change in financial interest-bearing assets maturing after more than three months</b>			
<b>*** Liquid funds</b>			
Other financial assets	363.2	165.6	332.8
Cash and cash equivalents	153.1	300.7	93.4
<b>Short-term cash and cash equivalents in balance sheet</b>	<b>516.3</b>	<b>466.3</b>	<b>426.1</b>
Maturing after more than three months	-207.0	-36.1	-236.0
<b>Total</b>	<b>309.3</b>	<b>430.2</b>	<b>190.1</b>

## NOTES TO THE CONSOLIDATED INTERIM 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 applied are disclosed in the 2014 Consolidated Financial Statements. The new standards and interpretations applied from 2015 onwards are also presented in the Consolidated Financial Statements of 2014, and they don't have significant impact on Finnair's interim reports or Financial Statements. 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.

### 3. CRITICAL ACCOUNTING ESTIMATES AND SOURCES OF UNCERTAINTY

The preparation of the interim report 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 outcome may differ from the estimates made. The main estimates used are the same as used while preparing the financial statements 2014.

### 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 operating and reportable segments are Airline Business and Travel Services.

#### Business segment data

in mill. EUR	Q1 2015			
	Airline Business	Travel Services	Eliminations	Group total
External revenue	479.6	60.8		540.4
Internal revenue	31.2	0.4	-31.6	0.0
<b>Revenue</b>	<b>510.8</b>	<b>61.2</b>	<b>-31.6</b>	<b>540.4</b>
<b>Operational result</b>	<b>-24.1</b>	<b>-4.3</b>		<b>-28.4</b>
<b>Operating result</b>	<b>-3.8</b>	<b>-4.4</b>		<b>-8.3</b>
Share of results in associates and joint ventures				0.0
Financial income				0.5
Financial expenses				-4.3
Income taxes				2.3
Non-controlling interests				0.0
<b>Result for the period</b>				<b>-9.8</b>
Depreciation and impairment	26.4	0.3		26.6

#### Business segment data

in mill. EUR	Q1 2014			
	Airline Business	Travel Services	Eliminations	Group total
External revenue	469.4	73.9		543.3
Internal revenue	38.7	0.3	-39.0	0.0
<b>Revenue</b>	<b>508.1</b>	<b>74.2</b>	<b>-39.0</b>	<b>543.3</b>
<b>Operational result</b>	<b>-34.5</b>	<b>0.3</b>		<b>-34.2</b>
<b>Operating result</b>	<b>-28.2</b>	<b>-0.3</b>		<b>-28.4</b>
Share of results in associates and joint ventures				-0.7
Financial income				0.8
Financial expenses				-5.6
Income taxes				5.8
Non-controlling interests				-0.1
<b>Result for the period</b>				<b>-28.2</b>
Depreciation and impairment	35.0	0.4		35.5

**Revenue**

in mill. EUR	Q1 2015	Q1 2014	Change %	2014
Airline Business	510.8	508.1	0.5	2,167.7
Travel Services	61.2	74.2	-17.5	216.7
Eliminations	-31.6	-39.0	18.9	-100.0
<b>Total</b>	<b>540.4</b>	<b>543.3</b>	<b>-0.5</b>	<b>2,284.5</b>

**Revenue by product**

in mill. EUR	Q1 2015	Q1 2014	Change %	2014
Airline Business	479.6	469.4	2.2	2,070.7
Passenger revenue	382.1	361.2	5.8	1,640.2
Ancillary services	23.4	20.6	14.0	79.1
Cargo	44.8	54.3	-17.5	231.3
Other	29.3	33.3	-12.0	120.0
Travel Services	60.8	73.9	-17.7	213.8
<b>Total</b>	<b>540.4</b>	<b>543.3</b>	<b>-0.5</b>	<b>2,284.5</b>

**Operational result**

in mill. EUR	Q1 2015	Q1 2014	Change %	2014
Airline Business	-24.1	-34.5	30.1	-43.5
Travel Services	-4.3	0.3	<-200 %	7.0
<b>Total</b>	<b>-28.4</b>	<b>-34.2</b>	<b>17.1</b>	<b>-36.5</b>

**Operating result**

in mill. EUR	Q1 2015	Q1 2014	Change %	2014
Airline Business	-3.8	-28.2	86.4	-78.4
Travel Services	-4.4	-0.3	<-200 %	5.9
<b>Total</b>	<b>-8.3</b>	<b>-28.4</b>	<b>70.9</b>	<b>-72.5</b>

**Average number of employees**

	Q1 2015	Q1 2014	Change %	2014
Airline Business	3,976	4,533	-12.3	4,232
Travel Services	588	704	-16.4	645
Other functions	333	279	19.2	295
<b>Total</b>	<b>4,897</b>	<b>5,516</b>	<b>-11.2</b>	<b>5,172</b>

## 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 2014 financial statements. The tables below present the nominal value or the amount and net fair value of derivative contracts used in Group's hedge accounting.

Derivatives, in mill. EUR	Q1 2015		Q1 2014		2014	
	Nominal value	Fair net value	Nominal value	Fair net value	Nominal value	Fair net value
<b>Currency derivatives</b>						
Hedge accounting items (forward contracts):						
Jet fuel currency hedging	386.9	68.0	379.8	-12.8	385.4	35.9
Fair value hedging of aircraft acquisitions	742.1	146.0	302.1	4.0	657.6	66.3
Currency hedging of lease payments	169.2	30.5	99.5	-0.9	146.6	15.0
<b>Hedge accounting items total</b>	<b>1,298.2</b>	<b>244.5</b>	<b>781.4</b>	<b>-9.6</b>	<b>1,189.6</b>	<b>117.1</b>
Items outside hedge accounting:						
Jet fuel currency hedging	0.0	0.0	4.9	-0.3	0.0	0.0
Operational cash flow hedging (forward contracts)	348.4	33.0	364.5	3.4	370.4	29.5
Operational cash flow hedging (options)						
Call options	119.1	3.4	130.5	11.3	110.2	7.1
Put options	272.7	-7.8	164.2	-0.7	178.0	-3.0
Balance sheet hedging (forward contracts)	13.1	-0.2	19.3	-0.3	13.7	0.9
<b>Items outside hedge accounting total</b>	<b>753.3</b>	<b>28.4</b>	<b>683.3</b>	<b>13.4</b>	<b>672.2</b>	<b>34.5</b>
<b>Currency derivatives total</b>	<b>2,051.5</b>	<b>272.9</b>	<b>1,464.7</b>	<b>3.7</b>	<b>1,861.8</b>	<b>151.6</b>
<b>Commodity derivatives</b>						
Hedge accounting items:						
Jet fuel forward contracts, tonnes	500,500	-139.0	575,950	-11.3	534,700	-142.3
Electricity derivatives, MWh	30,538	-0.1	20,388	-0.1	30,220	0.0
<b>Hedge accounting items total</b>		<b>-139.0</b>		<b>-11.4</b>		<b>-142.3</b>
Items outside hedge accounting:						
Jet fuel forward contracts, tonnes	35,500	-6.8	17,500	-0.3	33,500	-8.6
Options						
Call options, jet fuel, tonnes	144,000	0.8	204,500	1.7	162,500	0.1
Put options, jet fuel, tonnes	-186,000	-33.4	204,500	-1.3	171,500	-39.3
Electricity derivatives, MWh	34,700	-0.3	63,936	-0.6	46,904	-0.3
<b>Items outside hedge accounting total</b>		<b>-39.6</b>		<b>-0.5</b>		<b>-48.1</b>
<b>Commodity derivatives total</b>		<b>-178.6</b>		<b>-11.8</b>		<b>-190.4</b>
<b>Interest rate derivatives</b>						
Hedge accounting items:						
Interest rate swaps	150.0	6.0	150.0	3.3	150.0	5.8
Interest rate options						
Call options	139.4	1.3	0.0	0.0	123.5	2.3
Put options	139.4	-8.0	0.0	0.0	123.5	-4.8
<b>Hedge accounting items total</b>	<b>428.8</b>	<b>-0.7</b>	<b>150.0</b>	<b>3.3</b>	<b>397.1</b>	<b>3.4</b>
Items outside hedge accounting:						
Cross currency Interest rate swaps	11.8	-0.5	17.1	0.0	11.6	-0.6
Interest rate swaps	0.0	0.0	25.0	-0.4	25.0	-0.1
<b>Items outside hedge accounting total</b>	<b>11.8</b>	<b>-0.5</b>	<b>42.1</b>	<b>-0.4</b>	<b>36.6</b>	<b>-0.7</b>
<b>Interest rate derivatives total</b>	<b>440.6</b>	<b>-1.2</b>	<b>192.1</b>	<b>2.9</b>	<b>433.7</b>	<b>2.7</b>
<b>Equity derivatives</b>						
Hedge accounting items:						
Stock options						
Call options	3.0	1.5	0.0	0.0	3.0	0.7
Put options	3.0	-0.2	0.0	0.0	3.0	-0.1
<b>Hedge accounting items total</b>	<b>6.0</b>	<b>1.3</b>	<b>0.0</b>	<b>0.0</b>	<b>6.0</b>	<b>0.6</b>
<b>Equity derivatives total</b>	<b>6.0</b>	<b>1.3</b>	<b>0.0</b>	<b>0.0</b>	<b>6.0</b>	<b>0.6</b>
<b>Derivatives total</b>		<b>94.3</b>		<b>-5.3</b>		<b>-35.4</b>

## 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, in mill. EUR

	31 Mar 2015	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit and loss</b>				
Securities held for trading	368.6	35.6	333.0	
Derivatives held for trading				
Interest rate derivatives	7.4		7.4	
- of which in fair value hedge accounting	6.1		6.1	
- of which in cash flow hedge accounting	1.3		1.3	
Currency derivatives	284.2		284.2	
- of which in fair value hedge accounting	146.0		146.0	
- of which in cash flow hedge accounting	98.7		98.7	
Commodity derivatives	0.9		0.9	
- of which in cash flow hedge accounting	0.1		0.1	
Equity derivatives	1.5		1.5	
- of which in fair value hedge accounting	1.5		1.5	
<b>Total</b>	<b>662.6</b>	<b>35.6</b>	<b>627.0</b>	<b>0.0</b>

### Financial liabilities recognised at fair value through profit and loss

Derivatives held for trading				
Interest rate derivatives	8.6		8.6	
- of which in fair value hedge accounting	0.1		0.1	
- of which in cash flow hedge accounting	8.0		8.0	
Currency derivatives	11.3		11.3	
- of which in fair value hedge accounting	0.1		0.1	
- of which in cash flow hedge accounting	0.2		0.2	
Commodity derivatives	179.6		179.6	
- of which in cash flow hedge accounting	139.1		139.1	
Equity derivatives	0.2		0.2	
- of which in fair value hedge accounting	0.2		0.2	
<b>Total</b>	<b>199.7</b>	<b>0.0</b>	<b>199.7</b>	<b>0.0</b>

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.

## 7. COMPANY ACQUISITIONS AND SALES

At the end of the first quarter the joint venture of Finnair and Flybe UK was transferred temporarily to Finnair's ownership as Finnair acquired Flybe UK's 60% share of Flybe Nordic with one euro on an interim basis. At the same time Finnair continued discussions with StaffPoint and GWS Group about selling the 60% share further to them, according to previously signed Memorandum of Understanding. Finnair has classified its share in the group as non-current assets and liabilities held for sale, and expects to sell the 60% share to new partners on the next coming months.

During Q1 2014 Finnair sold its subsidiary Finn catering Oy, which was previously classified as assets held for sale. During the fourth quarter Finnair sold Travel Retail's shops at Helsinki Airport to World Duty Free Group. The sale had 12.7 million euros' positive effect to Finnair's results in non-recurring items. Group did not acquire any companies or businesses in 2014.

## 8. INCOME TAXES

The tax rate for Q1 2015 was -18.7% (-17.1%).

## 9. DIVIDEND PER SHARE

The Annual General Meeting on 25 March 2015 decided that no dividend was paid for 2014.

The Annual General Meeting on 27 March 2014 decided that no dividend was paid for 2013.

## 10. CHANGE IN INTANGIBLE AND TANGIBLE ASSETS

in mill. EUR	Q1 2015	Q1 2014	2014
Carrying amount at the beginning of period	916.2	1,311.9	1,311.9
Fixed asset investments	12.4	33.1	82.4
Change in advances	19.8	6.4	64.4
Change in currency hedging of aircraft acquisitions	-79.7	-1.9	-64.1
Disposals and reclassifications	-27.2	-142.9	-342.7
Depreciation	-26.6	-35.5	-134.3
Depreciation included in non-recurring items	-7.5	-0.3	-1.4
<b>Carrying amount at the end of period</b>	<b>807.3</b>	<b>1,171.0</b>	<b>916.2</b>
Proportion of assets held for sale at the beginning of period	119.8	9.8	9.8
Proportion of assets held for sale at the end of period	40.2	7.1	119.8

## 11. NON-CURRENT ASSETS HELD FOR SALE

Assets held for sale mainly include Airbus A340 aircraft and Technical Operations hangar and inventories. The A340 is expected to be sold at Q1 2016 and other items during 2015.

In addition, assets and liabilities held for sale include Finnair's ownership in Flybe Nordic Group. The Group was previously Finnair's and Flybe UK's joint venture, but Finnair acquired Flybe UK's 60% share on an interim basis at the end of the reporting period. Finnair continues discussions with StaffPoint and GWS Group on further selling the 60% share to them, and is expecting the deal to close on the next coming months.

Assets and liabilities classified as assets held for sale at Q1 2014 rated to subsidiary Finn catering Oy, that was sold at Q1 2014 and inventories and fixed assets of Technical Operations. Three Embraer 190 and six ATR 72 aircraft included in assets held for sale at Q4 2014 was sold during Q1 2015.

Non-current assets held for sale	Q1 2015	Q1 2014	2014
Intangible and tangible assets	40.2	7.1	119.8
Non-current receivables	9.1	0.0	0.0
Inventories	1.0	5.5	2.6
Trade receivables and other receivables	17.0	0.0	0.0
Cash and cash equivalents	2.4	0.0	0.0
<b>Total</b>	<b>69.7</b>	<b>12.6</b>	<b>122.4</b>

Liabilities of non-current assets held for sale	Q1 2015	Q1 2014	2014
Trade payables and other liabilities	36.8	0.0	0.0
<b>Total</b>	<b>36.8</b>	<b>0.0</b>	<b>0.0</b>

## 12. INTEREST-BEARING LIABILITIES

During the first quarter of 2015 Finnair amortized its loans according to the loan instalment program.

### 13. CONTINGENT LIABILITIES

in mill. EUR	Q1 2015	Q1 2014	2014
Pledges on own behalf	187.5	218.7	181.1
Guarantees on behalf of group undertakings	66.3	70.4	72.8
Guarantees on behalf of others	0.2	2.3	2.2
<b>Total</b>	<b>253.9</b>	<b>291.3</b>	<b>256.1</b>

Investment commitments for property, plant and equipment at 31 March 2015 totalled 2,173 million euros (928).

### 14. OPERATING LEASE COMMITMENTS

in mill. EUR	Q1 2015	Q1 2014	2014
Lease commitments from fleet payments	816.5	496.5	635.8
Other lease commitments	241.1	239.5	246.4
<b>Total</b>	<b>1,057.5</b>	<b>736.0</b>	<b>882.2</b>

Lease commitments from fleet payments have increased mainly because of the sale and leaseback of Embraer 190 and ATR 72 aircraft.

### 15. RELATED PARTY TRANSACTIONS

in mill. EUR	Q1 2015	Q1 2014	2014
<b>Sales of goods and services</b>			
Associates	0.2	0.6	1.4
Joint ventures	13.7	17.4	59.9
Pension fund	0.0	0.2	0.1
<b>Purchases of goods and services</b>			
Associates	3.3	4.7	20.8
Joint ventures	44.9	15.0	228.3
Pension fund	1.2	0.9	4.6
<b>Financial expenses</b>			
Joint ventures	0.0	0.0	10.8
<b>Receivables</b>			
Non-current receivables from joint ventures	0.0	9.9	0.0
Current receivables from associates	1.7	0.6	1.5
Current receivables from joint ventures	0.0	64.8	7.3
<b>Liabilities</b>			
Non-current liabilities to joint ventures	0.0	10.1	8.2
Non-current liabilities to pension fund	31.3	24.8	25.3
Current liabilities to associates	4.6	2.3	4.7
Current liabilities to joint ventures	0.0	0.0	3.4
<b>Contingent liabilities</b>			
Guarantees on behalf of joint ventures	0.0	2.0	2.0

Flybe Nordic Group Ab was acquired on an interim basis to Finnair Group at the end of the reporting period. Before the acquisition, Flybe Nordic Group was Finnair's and Flybe UK's joint venture, and transactions before the acquisition are disclosed as related party transactions. Balance sheet items between Nordic Group and Finnair have on the other hand been eliminated, as ownership to these transferred to Finnair at the end of reporting period.

## 16. RESTATEMENT OF KEY RATIOS

As of 1 January 2015, Finnair has adjusted calculation methods of unit revenue (RASK, unit revenue per available seat kilometre) and unit cost (CASK, unit cost per available seat kilometre) to better reflect the changes in the Group structure. Traffic previously operated and marketed by Flybe will become part of the purchase traffic agreement between Finnair and Flybe and RASK and CASK for comparison year have been restated to reflect this change. In addition, RASK has been restated to include all revenue and costs of inflight sales. Before restatement, these were partly included in CASK. In addition, restated CASK includes all costs related to group support functions, of which some were previously excluded from the calculation. Unit revenue per revenue passenger kilometre (yield) for comparison year has also been restated due to changes in the Group structure.

Finnair also introduces new key figures RASK and CASK at constant currency to provide comparative, currency neutral measurement on unit revenues and costs. All the exchange rate changes and currency hedging effects have been excluded from RASK and CASK at constant currency.

Equity ratio formula has been restated to better reflect generally used formula in the airline business. Previously equity ratio was calculated by dividing equity with total assets, excluded with prepayments received. The restated calculation only divides equity with total assets, without any adjustments related to prepayments.

The restated quarterly 2014 key ratios are presented in the tables below. Changed formulas are described in the note 18. Calculation of key ratios.

Periodic key figures	Restated				Reported			
	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Unit revenue per available seat kilometre, (RASK), cents/ASK	6.29	6.47	6.17	5.96	6.22	6.33	6.02	5.81
Unit revenue per revenue passenger kilometre (yield), cents/RPK	6.78	6.64	6.66	6.54	6.77	6.58	6.60	6.42
Unit cost per available seat kilometre (CASK), cents/ASK	6.68	6.28	6.54	6.65	6.54	6.12	6.39	6.43
CASK excluding fuel, cents/ASK	4.64	4.22	4.52	4.61	4.49	4.05	4.35	4.37

Cumulative key figures	Restated				Reported			
	2014	Q1-Q3 2014	Q1-Q2 2014	Q1 2014	2014	Q1-Q3 2014	Q1-Q2 2014	Q1 2014
Equity ratio, %	27.3	33.9	31.3	30.4	27.7	34.4	31.8	30.8
Unit revenue per available seat kilometre, (RASK), cents/ASK	6.23	6.21	6.07	5.96	6.10	6.06	5.92	5.81
Unit revenue per revenue passenger kilometre (yield), cents/RPK	6.65	6.61	6.60	6.54	6.59	6.54	6.51	6.42
Unit cost per available seat kilometre (CASK), cents/ASK	6.53	6.49	6.60	6.65	6.37	6.31	6.41	6.43
CASK excluding fuel, cents/ASK	4.49	4.44	4.56	4.61	4.31	4.25	4.36	4.37

## 17. EVENTS AFTER THE CLOSING DATE

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

## 18. CALCULATION OF KEY RATIOS

### Operational result:

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

### Non-recurring items:

Capital gains and losses as well as items related to the restructuring and other non-recurring items

### Operational EBITDAR:

Operational result + depreciation + lease payments for aircraft

### Shareholders' equity:

Equity attributable to owners of the parent

### Gross capital expenditure:

Investments in intangible and tangible assets excluding advance payments

### Average capital employed:

Balance sheet total - non-interest-bearing liabilities (average)

### Interest-bearing net debt:

Interest-bearing liabilities - other current financial assets - cash and cash equivalents

### Earnings per share:

$$\frac{\text{Result for the period - hybrid bond interest expenses net of tax}}{\text{Average number of shares during the period, adjusted for share issues}}$$

### Result for the period/share:

$$\frac{\text{Result for the period}}{\text{Average number of shares during the period, adjusted for share issues}}$$

### Equity/share:

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

### Equity ratio, %:

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

### Gearing, %:

$$\frac{\text{Interest-bearing net debt}}{\text{Shareholders' equity} + \text{non-controlling interest}} \times 100$$

### Adjusted gearing, %:

$$\frac{\text{Interest-bearing net debt} + 7 \times \text{lease payments for aircraft}}{\text{Shareholders' equity} + \text{non-controlling interest}} \times 100$$

### Return on equity (ROE), %:

$$\frac{\text{Result for the period}}{\text{Shareholders' equity} + \text{non-controlling interest (average)}} \times 100$$

### Return on capital employed (ROCE), %:

$$\frac{\text{Result before taxes} + \text{financial expenses}}{\text{Average capital employed}} \times 100$$

### Available seat kilometres (ASK):

Total number of seats available × kilometres flown

### Revenue passenger kilometres (RPK):

Number of revenue passengers × kilometres flown

### Passenger load factor, %:

Share of revenue passenger kilometres of available seat kilometres

### Available tonne kilometres (ATK):

Number of tonnes of capacity for carriage of passengers, cargo and mail × kilometres flown

### Revenue tonne kilometres (RTK):

Total revenue load consisting of passengers, cargo and mail × kilometres flown

### Overall load factor, %:

Share of revenue tonne kilometres of available tonne kilometres

### Revenue per available seat kilometre (RASK):

Unit revenue (RASK) represents the Airline Business traffic revenue divided by available seat kilometres (ASK). Inflight sales and Cargo revenues are included in RASK on a net basis, decreased by direct costs related to those operations.

Unit revenue (RASK) with constant currency aims to provide a comparative, currency neutral measurement for unit revenues. All the currency changes and currency hedging results are excluded from the measurement.

### Cost per available seat kilometre (CASK):

Unit cost (CASK) represents the Airline Business operational costs divided by available seat kilometres. Operational costs include a calculative capital cost for Finnair operated and owned aircraft. Direct operational costs related to Cargo operations and inflight sales are excluded in the measurement as their results are included on a net basis in unit revenues. Non-traffic related revenue is netted off and deducted from operational costs.

Unit cost (CASK) with constant currency aims to provide a comparative, currency neutral measurement for unit costs. All the currency changes and currency hedging results are excluded from the measurement.

The figures of interim report have not been audited.