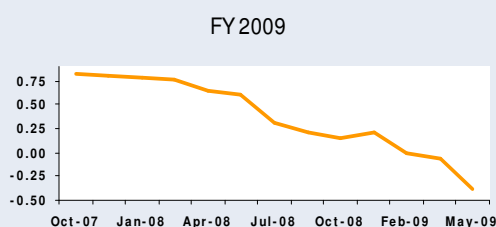


**Date:** 05/22/2009

**Consensus Rating\*:** -0.90 (Reduce)

Previous rating	<b>-0.57 (Reduce)</b>
Stock price (in €)	4.48
High/low (52 weeks)	5.80/3.50
Market cap (in € m)	574.1
ISIN	FI0009003230
Reuters	FIA1S.HE
Bloomberg	FIA1S.FH
Exchange	OMX
Sector	Transport
Website	<a href="http://www.finnairgroup.com">www.finnairgroup.com</a>
Coverage	10

### Clean EPS Estimates in Euro



### Change in Estimates yoy (in Euro m)

	Q2 09E	Q2 08	Change
Sales	466.7	545.2	-14.4%
EBIT clean	-23.7	4.6	n.m.
EBIT	-23.7	20.1	n.m.
EPS clean	-0.17	0.02	n.m.
EPS	-0.17	0.12	n.m.

#### \* Consensus Rating (CR):

##### Classification:

Buy:	1.50 ≤ CR < 2.00
Accumulate:	0.50 ≤ CR < 1.50
Hold:	-0.50 < CR < 0.50
Reduce:	-1.50 ≤ CR < -0.50
Sell:	-2.00 ≤ CR < -1.50

\*\*Please note that our 2006 clean EPS figures exclude capital gains, fair value changes of derivatives and reorganisation express (€ 22m on EBIT level). Due to the non recurring items we have adjusted the reported EPS by € 16 m.

**Disclaimer:** This document has been issued by Vara Research GmbH for information purposes only and is not intended to constitute investment advice. It is based on estimates and forecasts of various analysts regarding revenues, earnings and business developments of relevant company. Such estimates and forecasts cannot be independently verified by reason of subjective character. Vara Research GmbH gives no guarantee, representation or warranty and is not responsible or liable as to its accuracy and completeness.

## Finnair

### Summary

#### Outlook given by the company (after Q1 2009 results)

Finnair's fuel costs are expected to be lower this year than last due to a fall in fuel prices and the improved fuel economy of aircraft. At the present price level, fuel costs are expected to be around 23 per cent of Finnair's turnover in 2009 compared to 24.6 per cent in 2008. The decline in business travel demand is expected to continue in the second quarter. Through the adjustment decisions that have now been made, Finnair's scheduled traffic capacity for the whole of 2009 will fall by around eight per cent compared with 2008. In the second quarter, the capacity cut will be around ten per cent. The additional cuts in capacity are expected to improve the passenger load factor.

Finnair Group has efficiency programmes totalling about 100 million euros with expected cost savings impact occurring mainly in the current year. The implementation of the programmes still requires additional savings in all areas of operations, including personnel costs.

The second quarter is expected to remain clearly loss-making. The operational result for the full year will substantially depend on the demand situation and cost development. Visibility for the second half of the year is limited, but Finnair expects the full year operational result to be negative.

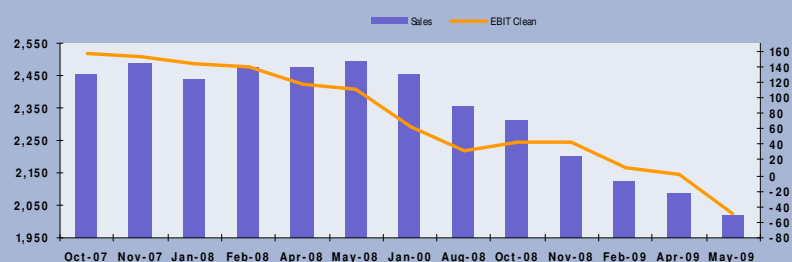
### Price Targets in Euro

	Current	Previous	Change	Up-/Downside
Current price	4.48			
Highest	4.50	5.50	-18.2%	0.4%
Consensus	4.11	4.37	-6.0%	-8.2%
Median	4.00	4.20	-4.8%	-10.7%
Lowest	3.70	3.80	-2.6%	-17.4%

### Consensus Valuation

	EPS Clean	EBIT Clean	P/E	EV/Sales	EV/EBITDAR	Div. Yield
2006	0.02	11.2	n.m.	0.56	5.40	0.8%
2007	0.71	96.6	16.1	0.82	6.24	2.2%
2008	0.00	0.8	n.m.	0.46	5.52	0.0%
2009e	-0.38	-48.6	n.m.	0.52	8.13	0.0%
2010e	0.04	24.5	112.0	0.50	4.46	0.2%

### FY 2009 Consensus Estimates (in Euro m)



### Quarterly Development (in Euro m)

