

Date **22/11/2010**

Consensus Rating*: **0.14 (Hold)**

Previous rating **0.86 (Acc.)**

Stock price (in Euro) **5.22**

High/Low (52 weeks) **5.50/3.53**

Market cap (in Euro m) **668.9**

ISIN **FI0009003230**

Reuters **FIA1S.HE**

Bloomberg **FIA1S FH**

Exchange **OMX**

Sector **Transport**

Internet www.finnairgroup.com

Coverage **7**

Finnair

Summary

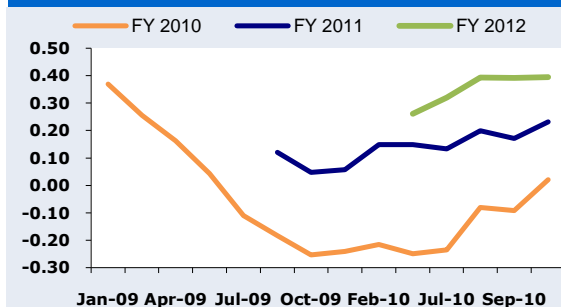
Outlook given by the company (after Q3 2010 results):

Finnair aims to maximise total revenue, which is expected to maintain the passenger load factor at the previous year's level or to reduce it slightly. Correspondingly, unit revenues are expected to be significantly higher than last year. Finnair's fuel costs are expected to be lower during the current year than last year due to the improved fuel economy of aircraft. At the present price level and hedging policy, fuel costs this year are expected to be approximately one fifth of Finnair's turnover.

Finnair's passenger traffic capacity is expected to grow in the final quarter by 5% from last year. The level of passenger kilometres in scheduled traffic is expected to grow and leisure flight capacity is expected to fall slightly.

The final quarter is expected to be profitable, but due to seasonal fluctuations of demand and sales significantly weaker than the third quarter.

EPS Estimates in Euro:



YoY Change in Estimates

	Q4 10E	Q4 09A	Change
Sales	543.4	457.7	18.7%
EBIT Clean	15.6	-39.4	n.m.
EBIT	15.6	-43.1	n.m.
EPS Clean	0.09	-0.01	n.m.
EPS	0.09	-0.30	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

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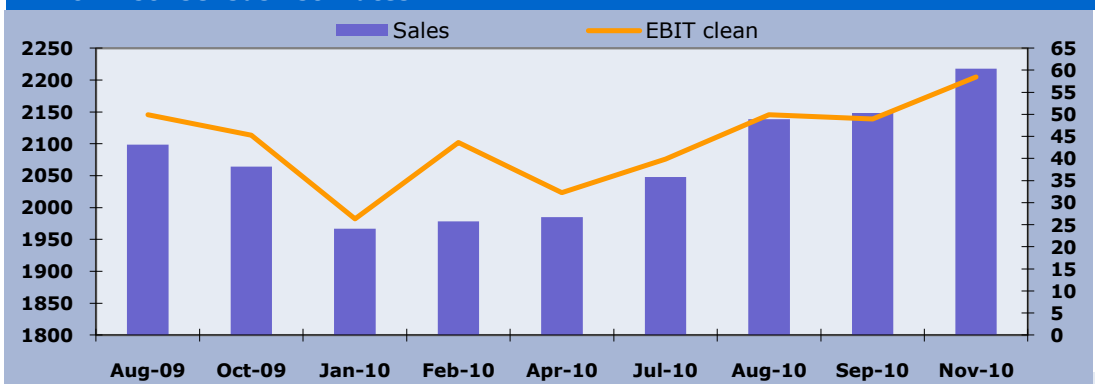
Price targets in Euro

	Current	Previous	Change	Up-/Downside
Current Price	5.22			
Highest	6.20	5.70	8.8%	18.8%
Consensus	5.64	5.12	10.1%	8.0%
Median	5.80	5.31	9.2%	11.1%
Lowest	4.60	4.25	8.2%	-11.9%

Consensus Valuation

	EPS clean	EBIT clean	P/E	EV/Sales	EV/EBITDAR	Div.Yield
2007	0.71	96.6	16.2	0.8	18.6	2.2%
2008	0.00	0.8	n.m.	0.4	n.m.	0.0%
2009	-1.25	-180.2	n.m.	0.5	n.m.	0.0%
2010E	0.02	17.6	n.m.	0.6	n.m.	0.0%
2011E	0.23	58.4	22.6	0.5	19.6	0.8%

FY 2011 Consensus Estimates



Quarterly Development (in Euro m)

