

**Date** 11/03/2011

**Consensus Rating\*:** 0.43 (Hold)

 Previous rating **0.43 (Hold)**

 Stock price (in Euro) **4.30**

 High/Low (52 weeks) **5.50/3.79**

 Market cap (in Euro m) **550.99**

 ISIN **FI0009003230**

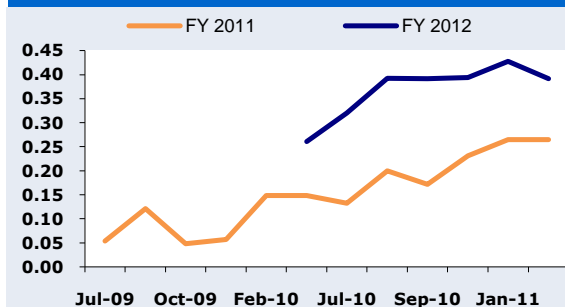
 Reuters **FIA1S.HE**

 Bloomberg **FIA1S FH**

 Exchange **OMX**

 Sector **Transport**

 Internet [www.finnairgroup.com](http://www.finnairgroup.com)

 Coverage **7**
**EPS Estimates in Euro:**

**YoY Change in Estimates**

	Q1 11E	Q1 10A	Change
Sales	568.6	481.5	18.1%
EBIT Clean	-7.5	-26.3	-71.5%
EBIT	-7.7	-25.9	-70.3%
EPS Clean	-0.06	-0.19	-69.9%
EPS	-0.06	-0.19	-68.9%

**\* 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

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 FY 2010 results):**

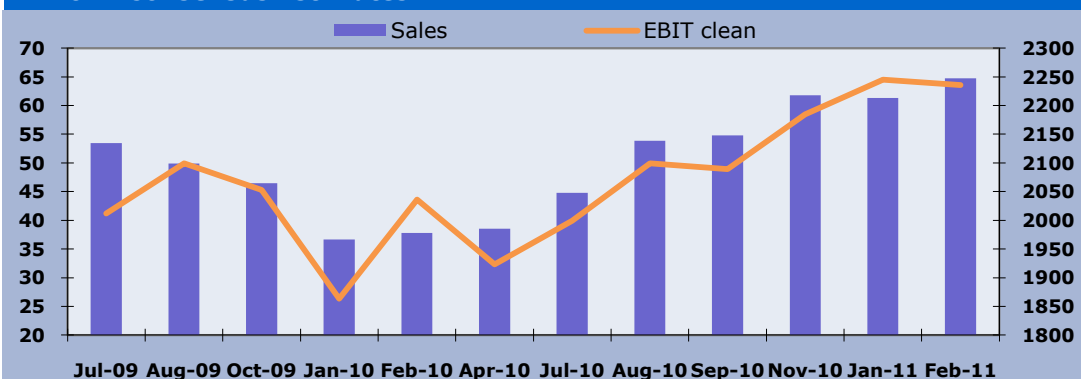
- Total capacity growth over 10%, Asian traffic by over 20%
- Better demand and yield due to increased business travelling
- Unit costs will reduction rate will level off due to the ending of stabilisation agreements and more expensive fuel
- Leisure travel returns after recession
- Cargo demand remains strong, new opportunities
- Structural changes and efficiency measures continue
  - Productivity increases
  - Network efficiencies
  - Restructuring business and developing processes
- The first quarter clearly loss-making
- The full year result is expected to be positive

**Finnair will release its Q1 2011 results on 28<sup>th</sup> April 2011.**
**Price targets in Euro**

	Current	Previous	Change	Up-/Downside
Current Price	4.30			
Highest	6.00	6.00	0.0%	39.5%
Consensus	5.43	5.51	-1.5%	26.3%
Median	5.30	5.50	-3.6%	23.3%
Lowest	5.00	5.00	0.0%	16.3%

**Consensus Valuation**

	EPS clean	EBIT clean	P/E	EV/Sales	EV/EBITDAR	Div.Yield
2009	-1.25	-180.2	n.m.	0.41	n.m.	0.0%
2010	-0.24	-4.7	n.m.	0.44	n.m.	0.0%
2011E	0.27	63.6	16.22	0.35	12.41	0.7%
2012E	0.39	85.8	10.98	0.33	9.20	2.0%
2013E	0.57	120.3	7.48	0.32	6.56	5.3%

**FY 2011 Consensus Estimates**

**Quarterly Development (in Euro m)**
