FINNAIR GROUP INTERIM REPORT 1 JANUARY - 31 MARCH 2008

Financial condition strong, challenging terrain ahead

Summary of first quarter 2008 key figures

- **Turnover rose 9.1 per cent to 576.5 million euros (528.5 million)**
- **Passenger traffic grew 12.5% in passenger kilometres from the previous year, passenger load factor fell one percentage point to 74.9% (75.9%)**
- **Unit revenues from flight operations fell by 4.9%, while unit costs fell by 5.3%**
- **Excluding the impact of FlyNordic, sold in June, turnover rose 12.5%, RPK's grew by 16.6%, load factor fell by 1.6 percentage points and unit revenues fell by 2.9% and unit costs 3.7%**
- **Operating profit was 12.1 million euros (13.7 million)**
- **The operational result, i.e. EBIT excluding capital gains, non-recurring items and changes in the fair value of derivatives, was 11.1 million euros (5.8 million)**
- **The result before taxes was a profit of 7.6 million euros (13.4 million)**
- **Gearing at the end of the March was –15.8% (16.6%) and gearing adjusted for leasing liabilities was 42.1% (116.5%)**
- **Balance sheet cash and cash equivalents at the end of the quarter totalled 461.1 million euros (221.5 million)**
- **Equity ratio 44.1% (36.9%)**
- **Equity per share 7.58 euros (6.93)**
- **Earnings per share 0.05 euros (0.10)**
- **Return on capital employed 14.3% (–0.1%)**

Comparisons of key figures have been made with first quarter 2007 figures, which include figures for FlyNordic. Figures for 2007 are presented in brackets after the figures for the current year.

The interim report's traffic performance comparison figures are actual traffic performance figures from 2007, while in order to facilitate comparison the traffic performance figures of FlyNordic, sold in July 2007, have been eliminated from the monthly published traffic figures.

President and CEO Jukka Hienonen on the interim result:

Following last year's good profit development, we have entered the current year in a good position. We were even able to improve the operational result to some extent from last year's first quarter. Finnair's balance sheet position is strong and our business is fundamentally in good shape.

The sector is moving, however, into clearly more difficult terrain. The high price of fuel and the uncertain outlook for the world economy raise question marks about the profit outlook for airlines. European airlines' load factors have fallen on average by a couple of percentage points during the early part of the year, which points to a levelling off of growth.

We are not immune to what is happening around us. At the moment, our own passenger and cargo demand is reasonably good, but the booking horizon is shorter than before. Our passenger load factor has fallen in recent months, partly due to an attempt to improve the average price of flight tickets.

For many airlines, short-term cash flow has become so vital that they are prepared to reduce average prices even though higher costs suggest that prices should be raised. Such thinking corrodes a company's future and investment capacity.

A restructuring of the sector is under way. The pressure for airlines to seek mergers has clearly increased. Expensive jet fuel has choked the life out of several airlines on different continents. If the present state of affairs continues, there will surely be more bankruptcies and mergers to come.

Another bizarre case is the 300 million euro subsidy paid by the Italian state to Alitalia even though the EU has specifically outlawed this kind of "doping". This money is not an investment in the airline's future, it will only disappear into the deep void of the company's inefficient cost structure. Giving artificial resuscitation to a badly managed company only distorts competition.

It is important that our own cost structure is in good shape, our operating chain effective and our fleet efficient. Finnair has already done much work in these areas and the results are there to be seen. We must continue purposefully on this path to ensure that we do well even if conditions deteriorate.

Market and General Review

At the beginning of 2008, growth in air traffic demand has continued, but the passenger load factor in January–February, according to Association of European Airlines AEA statistics, fell 1.4 percentage points from the previous year. In terms of passenger kilometres, Finnair's scheduled traffic is growing clearly above the European average, but the passenger load factor is still slightly below the level of European network airlines.

In the early part of the year, total Asian traffic of European airlines has not grown. On the other hand, Finnair's growth in Asian traffic has continued and business class travel in long-haul traffic is still rising. Finnair's Asian traffic is expected to grow this year by around 20 per cent. Based on ticket sale locations, one third of passengers on Finnair's Europe-Asia traffic are Central and Southern Europeans, one third live in the Nordic countries and one third are Asians.

The high price of fuel has adversely affected the sector. Weakened profitability has led to airline bankruptcies and mergers. Finnair's aim is to transfer fuel costs into flight ticket prices.

Due to seasonal fluctuations in travel demand, the first quarter of the year is generally the weakest quarter in flight traffic. Finnair was able to maintain its profitability despite higher fuel costs.

Growth in scheduled traffic demand is expected to level off and prices are expected to remain close to that of the previous year. In terms of growth in demand, the most challenging area appears to be European traffic. In Asian traffic, unit revenues are rising. Business class demand increases faster than the overall sales.

The operations of the Group's units have been enhanced by the 2006–2007 efficiency programme, whose full impact will be apparent in the cost structure this year.

In January–March, traffic irregularities weakened the punctuality of Finnair's scheduled and leisure traffic. The increasing complexity of the company's network structure has increased the disruption of traffic. Special attention is being directed at production planning and supervision, by improving processes and cooperation between units. Since March, punctuality has improved.

The operations of the Estonian subsidiary Aero were discontinued at the beginning of the year and the remaining ATR 72 turboprop aircraft used by the company were sold. At the same time, this marked the end of Finnair's propeller traffic, which had continued uninterrupted since 1924.

Financial Result, 1 January – 30 March 2008

Turnover rose in the first quarter by 9.1 per cent to 576.5 million euros (528.5 million). The Group's operational result, i.e. EBIT excluding capital gains, non-recurring items and changes in the fair value of derivatives, improved by over 5 million euros to 11.1 million euros (5.8 million). Adjusted operating margin was 1.9 per cent (1.1). The result before taxes was a profit of 7.6 million euros (13.4 million). Changes in the fair value of derivatives had no substantial impact on the result for the quarter. The main contribution to the capital gain of 1.1 million euros (1.9 million) was the sale of one ATR 72 turboprop aircraft.

In January-March, Finnair's passenger traffic capacity grew 13.5 per cent and in revenue passenger kilometres by 12.9 per cent; Asian traffic grew 23.4 per cent and leisure traffic by 19.6 per cent. Passenger load factor for traffic overall declined from the previous year by one percentage point to 74.9 per cent. The amount of cargo carried grew by 15.9 per cent.

Due to changes in the traffic mix, total unit revenues per passenger kilometre in scheduled passenger and leisure traffic fell by 4.4 per cent. Yield per passenger rose by 16.5 per cent. Unit revenues per tonne kilometre for cargo traffic rose by 2.6 per cent. Weighted unit revenues for passenger and cargo traffic fell by 4.9 per cent.

Euro-denominated operating costs rose during the period by 9.4 per cent. Unit costs for flight operations fell by 5.3 per cent. Fuel costs rose in the first quarter by 30.7 per cent and per tonne kilometre flown by 13.8 per cent. Unit costs, excluding fuel costs, fell by 11.2 per cent.

Sales and marketing costs rose by 39.7 per cent. Finnair's marketing efforts have been purposefully increased in markets outside Finland and on the internet in order to boost recognition and sales, which in turn has increased Finnair's market share in traffic between Europe and Asia.

Package tour production costs grew 24.6 per cent, which resulted from growth in sales, growth in the relative share of long-haul trips and a rise in the standard of package tour hotels in line with customer demand. Moreover, the incorporation into Aurinkomatkat-Suntours of the operations of the Estonian company Horizon Travel and the St. Petersburg travel agency Calypso, acquired last year, is evident in higher costs, but also as an increase in turnover.

Personnel expenses rose 4.0 per cent as a result of payroll increases in accordance with the collective employment agreements concluded at the end of last year and increased overtime costs due to the handling of irregular situations.

Net cash flow from operations improved significantly in January-March. Financial expenses were six million euros higher than the previous year. Earnings per share for the first quarter amounted to 0.05 euros (0.10).

Investment, financing and risk management

Investments in January–March totalled 64.4 million euros (52.3 million). The investments included two Embraer 190 aircraft. Including advance payments, the cashflow impact of fleet and auxiliary investments was around 93.0 million euros in the first quarter. The cashflow impact of the new aircraft acquisition programme and auxiliary investments in 2008 will be around 250 million euros and in 2009 more than 400 million euros. The final investment sum will depend on how many of the aircraft are acquired on operational leasing agreements.

At the end of March, the Group had balance sheet cash and cash equivalents amounting to 461.1 million euros, in addition to which there is a total of 250 million euros in to-date unused committed credit facilities.

Operational net cash flow, which describes internal financing, improved to 28.7 million euros due to more efficient management of working capital (0.6 million). Due to an improvement in internal financing and the share issue completed in December last year, gearing fell from last year's 16.6 per cent to a debt-free position, namely –15.8 per cent, at the end of the period. Gearing adjusted for leasing liabilities was 42.1 per cent (116.5%). The equity ratio correspondingly rose from the previous year by 7.2 percentage points to stand at 44.1 per cent.

The income statement's financial items include an item that weakens the result by around five million euros, which is the accounting valuation of the Norwegian Air Shuttle share options owned by Finnair, after a fall in the share price in the first quarter compared with the turn of the year. If Finnair exercises the options by the end of 2008, its holding in Norwegian will rise to more than ten per cent.

According to the financial risk management policy approved by Finnair's Board of Directors, the company has hedged 68 per cent of scheduled traffic's jet fuel purchases during the next six months and thereafter for the following 30 months with a decreasing level of hedging. Finnair Leisure Flights price hedges fuel consumption according to its agreed traffic programme within the framework of the hedging policy.

Derivatives linked to jet fuel and gasoil prices are mainly used as the fuel price hedging instrument.

Under IFRS rules, a change during the financial period in the fair value of derivatives that mature in future is recognised in the Finnair income statement item "Other expenses". The said change in the fair value of derivatives is not a realised hedging gain nor does it have an effect on cash flow; it is a valuation gain in accordance with IFRS reporting practice. During January-March, the change in the fair value of derivatives was –0.1 million euros.

The rise in the fair value of fuel hedges is compensated by a reduction in value of foreign currency hedges. In addition, income from matured fuel hedges, which was still recognised as a change in fair value outside the operational result at the turn of the year, was recognised in the operational result during the first quarter.

A weakening of the US dollar against the euro has had a positive impact on Finnair's operational result of around 11 million euros, taking foreign currency hedging into account. At the end of March, the degree of hedging for a dollar basket over the following 12 months was 68 per cent.

Shares and Share Capital

Finnair's market value at the end of March was 930.3 million euros (1,152.1 million) and the closing price was 7.26 euros. During the first quarter, the highest price for the Finnair Plc share on the OMX Nordic Exchange Helsinki was 8.49 euros (14.35), while the lowest price was 6.63 euros (12.02) and the average price 7.29 euros (13.37). The fall in the price was influenced by the separation of the subscription right from the share at the end of the year. Some 28.4 million (6.4 million) of the company's shares, with a value of 207.2 million euros (85.6 million), were traded on the OMX Nordic Exchange Helsinki.

The number of shares recorded in Finnair's Trade Register entry was 128,136,115 on 31 March 2008. The registered share capital was 75,442,904.30 euros. The Finnish State owned 55.8 per cent (55.8%) of Finnair's shares, while 21.8 per cent (33.8%) were held by foreign investors or in the name of a nominee.

At the beginning of the financial year, Finnair held 151,903 of its own shares, which it had purchased in previous years. From 11 February to 17 March 2008, Finnair acquired 598,097 of its own shares. On 31 March 2008, Finnair held 750,000 of its own shares, namely 0.59 per cent of the total number of shares outstanding. The Annual General Meeting held on 27 March 2008 authorised the Board of Directors for a period of one year to purchase the company's own shares up to a maximum of 5,000,000 shares and dispose of the company's own shares up to a maximum of 5,500,000 shares. The authorisation applies to shares amounting to less than five per cent of the company's total shares outstanding.

Finnair's second biggest shareholder, FL Group, announced on 31 March 2008 that it was disposing completely of its approximately 12 per cent holding in Finnair. The shares were sold to a number of institutional investors, mainly in the Nordic countries.

Board of Directors and Senior Management

At the Annual General Meeting held on 27 March 2008, the following former members were elected as members of Finnair Plc's Board of Directors for a term lasting until the end of the next Annual General Meeting: Christoffer Taxell (Chairman), Sigurdur Helgason, Satu Huber, Markku Hyvärinen, Kari Jordan, Ursula Ranin and Veli Sundbäck. In addition, a new member, Pekka Timonen, was elected.

PricewaterhouseCoopers Oy, Authorised Public Accountants, with Eero Suomela, Authorised Public Accountant, as auditor with main responsibility, and Jyri Heikkinen APA were elected as the company's auditors, and Tuomas Honkamäki APA and Timo Takalo APA as deputy auditors.

Christer Haglund was appointed Senior Vice President for Public Affairs and Corporate Communications and member of Finnair Plc´s Executive Board as of 1 March 2008.

Personnel

During the first quarter, the average number of staff employed by the Finnair Group totalled 9,426 (9,412), which was 0.1 per cent more than a year earlier. Scheduled Passenger Traffic had 4,168 employees and Leisure Traffic 463 employees. The total number of personnel in technical, catering and ground handling services was 3,540 and in travel services 1,102, while 153 people worked in other functions.

At the end of March, Finnair Group had around 780 employees outside of Finland, of whom 280 worked in sales and customer service duties for Finnair's passenger and cargo traffic. There are a total of 500 employees working for travel agencies and tour operators based in the Baltic states and Russia, and as guides at Aurinkomatkat-Suntours' holiday destinations. Foreign personnel are included in the total number of Group employees.

The pilots' current collective employment agreement will expire at the end of April 2008. Negotiations to reach a new agreement are continuing.

Fleet changes

Finnair Group's fleet is managed by Finnair Aircraft Finance Oy, which belongs to the Scheduled Passenger Traffic business area. At the end of March, the Finnair Group had a total of 64 aircraft in flight operations, of which ten are wide-bodied aircraft used in long-haul traffic. The average age of the Finnair Scheduled Passenger Traffic's entire fleet was 5.4 years, and in European traffic 4.4 years. Finnair has at its disposal the most modern fleet in European air traffic, which brings both cost savings and eco-efficiency.

Finnair's wide-body fleet expands with two new Airbus A340 -plane. One plane joins Finnair's fleet in May, another in July. The entire long-haul fleet then consists of 12 aircraft. One Boeing MD-11 will be phased out in fall 2008. In the beginning of February, Finnair exercised one of its three remaining options for wide-body aircraft and confirmed the eighth order for Airbus A330 long-haul plane. The airplane will be delivered in the spring 2010.

The Embraer aircraft acquisition programme, which began in autumn 2005, continued in the first quarter. In February-March, two 100-seat Embraer 190 aircraft were delivered to Finnair. Now Finnair has a total of 18 Embraer aircraft. In 2009 two more Embraer 190s will be acquired. In addition, Finnair confirmed in February orders for three Embraer 190 aircraft in 2010-2011.

In January the sale was agreed of the remaining three ATR 72 turboprop aircraft being used by the Estonian subsidiary Aero Airlines. One aircraft were handed over to the purchaser in the first quarter and two will be handed over in the second quarter. Aero stopped operating on 6 January 2008.

In April 2008 the sale was announced of six Boeing MD-80 aircraft and three spare engines, owned by Finnair but flown by FlyNordic, which was sold in July 2007.

Environment

Finnair takes the environment into consideration in all of its actions and decisions. Finnair responds positively to emissions trading principles and strives as part of the community of European airlines to argue successfully that the system should be worldwide and should not distort competition in the industry.

Finnair has been systematically modernising its fleet since 1999. The European and domestic traffic's Airbus A320 and Embraer aircraft represent the latest technology. The modern fleet is eco-efficient both in terms of carbon dioxide and noise emissions.

Kati Ihamäki MSc(Econ) was appointed as Finnair's VP, Sustainable Development as of 1 February 2008. Ihamäki's task is to promote the realisation of Finnair's environmental goals in the Group's business operations, such that Finnair is among the leading airlines in environmental activities. Ihamäki is also responsible for coordinating environmental strategy and emissions trading projects as well as for integrating environmental issues into Finnair's competitive strategy.

Performance of business areas

The primary segment reporting of the Finnair Group's financial statements is based on business areas. The reporting business areas are Scheduled Passenger Traffic, Leisure Traffic, Aviation Services and Travel Services.

Scheduled Passenger Traffic

This business area is responsible for sales of scheduled passenger traffic and cargo, service concepts, flight operations and activity connected with the procurement and financing of aircraft. Scheduled Passenger Traffic leases to Leisure Traffic the crews and aircraft it requires. The business area consists of the following units and companies: Finnair Scheduled Passenger Traffic, Finnair Cargo Oy, Finnair Cargo Terminal Operations Oy and Finnair Aircraft Finance Oy. The operations of the Estonian subsidiary Aero Airlines were discontinued on 6 January 2008.

The business area's turnover rose in the first quarter by 8.2 per cent to 423.2 million euros (391.2 million). The operational result was a loss of –0.4 million euros (–0.3 million).

Scheduled Passenger Traffic carried nearly 1.7 million passengers in January–March. This represented a decline of 11.8 per cent from the previous year, resulting from the sale of FlyNordic and the winding up of Aero's operations. Scheduled Passenger Traffic's revenue passenger kilometres, on the other hand, grew by 9.5 per cent, while capacity grew by 12.5 per cent, leading to fall in passenger load factor by 1.9 percentage points to 68.7 per cent

During the first three months of the year, unit revenues for scheduled passenger traffic fell by 4.2 per cent. If the load factor of FlyNordic, sold in July 2007, is excluded in the comparison period, Finnair Scheduled Passenger Traffic's passenger load factor fell by 2.9 per cent. The decline in unit revenues was due primarily to Easter, when business travel is lower, falling in March this year.

Cargo revenues account for a good ten per cent of all Scheduled Passenger Traffic's revenues. In January–March, cargo unit revenues rose by 2.6 per cent, taking all types of traffic into account. The total amount of cargo carried in scheduled traffic grew by 22.5 per cent. The amount of cargo carried in Asian traffic rose by 36.1 per cent from the previous year. The amount of cargo carried in traffic overall grew by 15.9 per cent from the previous year.

Finnair Cargo Oy's profitability improved significantly from last year. One key reason for the profit improvement was the significant cut in cargo capacity leased from outside the Group compared with the same period the previous year.

In international scheduled traffic, Finnair has increased its market share compared with its main competitors. In domestic traffic Finnair's market share has fallen, mainly due to the discontinuation of short routes. This has improved profitability.

During January–March, the arrival punctuality of scheduled passenger flights fell by 6.4 per cent to 70.7 per cent (77.1%). Punctuality in February was particularly weak, but there has been an improvement since then.

Leisure Traffic

This business area consists of Finnair Leisure Flights and the Aurinkomatkat-Suntours package tour company as well as its Estonian tour operator Horizon Travel, the St. Petersburg Calypso travel agency and the takeOFF brand, which focuses on youth travel. Aurinkomatkat-Suntours is Finland's leading tour operator, with a market share of 37 per cent. Finnair Leisure Flights has a strong market leadership in leisure travel flights. The unit has all the most notable Finnish tour operators as customers. The tour operators buy for their use and at their own risk the flight series they wish to holiday destinations for the whole summer or winter season.

In the first quarter, Finnair Leisure Flights carried 344,000 passengers, 19.4 per cent more than a year earlier. Performance calculated in passenger kilometres rose 19.6 per cent. Leisure Flights' passenger load factor rose one percentage point to 92.9 per cent.

Aurinkomatkat–Suntours' price level and result remained good in January–March, particularly in the case of winter long-haul trips. The St. Petersburg travel agency and tour operator Calypso AS, purchased at the beginning of the year, and the tour operator Horizon Travel Oü, acquired in Estonia last year, are included in the first quarter's figures, whereas they were not part of the comparison period's figures.

Leisure Traffic's first quarter turnover rose by 19.5 per cent to 139.3 million euros. Due to the rise in passenger load factor and more efficient use of aircraft, Leisure Flights' result was good. The Leisure Traffic business area's operational result doubled to 11.1 million euros (5.6 million).

Finnair has agreed fixed prices with tour operators and provided for the fuel risk with price hedging in accordance with the Group's financial policy.

In April, nine Aurinkomatkat customers, who were travelling to the airport, lost their lives in a bus accident near Malaga, Spain. In addition, a number of travellers were injured in the accident, some seriously. In cooperation with Aurinkomatkat, Finnair arranged the opportunity for relatives of the victims and injured to travel to Malaga, where the injured were being treated in local hospitals.

Aviation Services

This business area comprises aircraft maintenance services, ground handling and the Group's catering operations. In addition, 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.

In the first quarter, Aviation Services' turnover fell 0.8 per cent to 109.9 million euros. The operational result weakened by 0.8 million euros and was a profit of 2.5 million euros (3.3 million).

The Catering business is the most profitable of the Aviation Services. Finnair Catering's operations were aversely affected by the move, completed in the first quarter, to new production facilities in the area of Helsinki-Vantaa Airport.

Finnair Technical Services' result was slightly positive in the first quarter. It is important for Finnair Technical Services' long-term functional capacity and profitability that the unit also has customers from outside the Group. At the end of last year, it was agreed, for example, that Technical Services would handle the maintenance of the Russian airline Aeroflot's Boeing MD-11 cargo fleet. The value of the eight-year contract is more than 200 million euros. The commencement of the maintenance agreement has been delayed due to the Russian authorities not yet permitting operations with the aircraft type in Russia.

The ground handling services company Northport Oy is still loss-making, even though loss-making subsidiaries in Sweden and Norway were sold at the end of 2007. On the other hand, the quality of operations has improved. Moreover, the amount of baggage left behind or lost has declined significantly during the early part of the year. Northport's operations were adversely affected by the move of its ground equipment centre in March. The move resulted in some traffic delays and extra expenses.

Travel Services

The business area consists of the Group's travel agencies: Matkatoimisto Area, Finland Travel Bureau and its subsidiary Estravel, which operates in the Baltic states, as well as Amadeus Finland Oy, which integrates travel agency systems and sells travel reservation systems.

The business area's turnover in January-March rose by 1.9 per cent to 21.1 million euros (20.7 million), but the operational result declined from 1.3 million the previous year to 0.4 million euros due to a lower price level and a reduction in service fees. In the early part of the year, Finland Travel Bureau has managed, however, to acquire significant new customer relationships, which will be evident in sales later in the year.

Air Traffic Services and Products

In recent year, the Finnair route network has been developed to service traffic between Europe and Asia passing through Helsinki. At the same time, Finns have been offered efficient and diverse connections to destinations all over the world.

Finnair has a total of 61 direct flights per week to ten Asian destinations. In June the number of weekly flights to Asia will grow up to 65. A service began in June 2007 to the newest destination, Mumbai in India, with a frequency of five flights per week. In June 2008 the number of weekly flights to Mumbai will rise to six, and at the same time Finnair will begin direct flights to the South Korean capital Seoul. The Seoul route will be flown five times per week. Finnair's other Asian destinations are Bangkok, Delhi, Hong Kong, Guangzhou, Nagoya, Osaka, Beijing, Shanghai and Tokyo.

Finnair's long-haul strategy exploits Helsinki's ideal location on flight routes between Asia and Europe. This competitive advantage also gives rise to the Via Helsinki concept, a collaborative effort of Finnair and Finavia, which means the shortest possible route, efficient and uncongested transit connections, new kinds of airport services, and making travelling a pleasant experience. A terminal extension at Helsinki-Vantaa Airport intended to service Asian traffic in particular will open in late 2009.

Flights covering 45 European and 13 domestic destinations connect into Finnair's Asia network. At the same time, a wide selection of direct connections are offered from Finland to the rest of Europe. In January flights were added to Warsaw, and in February to Vienna and Munich. In February plans to begin scheduled flights from Helsinki to Yekaterinburg next autumn were announced.

During the early part of the year, Finnair also announced the opening of additional flights to Paris, Moscow and St. Petersburg in April. Finnair will then fly to Paris 35 times a week, and the number of Moscow flights will double when Finnair and Aeroflot, from next April, cooperate in flying four times a day between Helsinki and

Moscow, i.e. 28 times per week. There will also be additional flights to Manchester and Kiev from early summer.

Growth in Asian travel is also reflected in Leisure Flights. In the winter season just ending, Leisure Flights operated 12 weekly flights to Asia, including daily flights to Thailand. The Leisure Flights' fleet consists of seven Boeing 757 aircraft and Airbus capacity leased from Scheduled Passenger Traffic.

Short-term risks and uncertainty factors

Fuel costs are one of the most significant uncertainty factors where costs are concerned. The price of oil has been at a record high during recent months. A high degree of hedging and the relationship of the US dollar to the euro softens the impact of the rising oil price, but fuel costs are expected to grow more quickly than turnover.

A 10 per cent change in the price of oil increases the annual fuel bill by more than 25 million euros with Finnair's degree of hedging. Correspondingly a 10 per cent weakening of the US dollar against the euro improves the result by more than 20 million euros on an annual basis with Finnair's degree of hedging.

A weakening in general economic conditions might slow growth of air travel. In the airline industry, bookings extend only for a few weeks, so predicting the result far into the future is difficult. The sensitivity of the result to changes in the demand and price is significant. A change of one percentage point in the load factor affects the annual result by more than 15 million euros. Correspondingly a change of one percentage point in the average price also affects the annual result by more than 15 million euros.

Negotiations to renew the collective employment agreement of pilots, which ends on 30 April 2008, are under way.

Outlook

In 2008 Asian traffic capacity will grow by more than 20 per cent when two new Airbus A340 aircraft join Finnair's long-haul fleet in the second and third quarters. A standardised fleet will enhance the cost structure due to reduced transfer training for flight staff and synergies in maintenance operations.

The price of fuel is expected to remain high and to exert pressure for ticket price increases whenever the market situation permits. Fuel costs are expected to be more than 23 per cent of turnover in 2008.

Demand is expected to continue to be moderate in the early part of the year. Passenger load factors are expected to be slightly lower than last year's figures, due to an expected slowing of European traffic growth and efforts to increase the average price of flight tickets as fuel costs rise.

In terms of the timing of profit development, it is worth noting that Easter, when fewer higher-priced business trips are made, fell this year in the first quarter, when last year it was in the second quarter. This will improve scheduled traffic unit revenues in April compared with last year.

Demand for leisure flights will continue to be strong, particularly in terms of winter long-haul journeys. Finnair has signed an agreement with the UK airline XL Airways on the lease of an Airbus A330-200 wide-bodied aircraft for non-stop flights to Thailand next winter.

The Asian national economies are expected to continue to grow, so demand is expected to remain strong in Finnair's Asian traffic. The anticipated slowing of growth in the world economy is expected, as it continues, to also affect air traffic demand. This will be evident particularly in the North American market, which is, however, of minor significance for Finnair's traffic.

The profit impact of the 80 million restructuring programme implemented in 2006–2007 will be evident in full this year.

The operational result for the first half of the year is expected to be at the previous year's level.

FINNAIR PLC
Board of Directors

Press conference

Finnair will hold briefings for media representatives (11 a.m.) and analysts (12.30 p.m.) on 29 April 2008, at the address Toimistotorni, Lentäjäntie 3 at Helsinki-Vantaa Airport. Further information and registrations: Hanna-Kaisa Nurmi, tel. +358 9 818 4951 or hanna-kaisa.nurmi@finnair.com.

Finnair Plc
Communications
Christer Haglund
SVP Corporate Communications

For further information, please contact:

SVP and CFO Lasse Heinonen
tel. +358 9 818 4950
lasse.heinonen@finnair.fi

SVP Corporate Communications, Christer Haglund
tel. +358 9 818 4007
christer.haglund@finnair.fi

VP Financial Communications and Investor Relations Taneli Hassinen
tel. +358 9 818 4976
taneli.hassinen@finnair.fi

http://www.finnair.com/investor

KEY FIGURES EUR mill.

	2008	2007	Change	2007
	1 Jan- 31 Mar	1 Jan- 31 Mar	%	1 Jan– 31 Dec
Turnover	576.5	528.5	9.1	2 180.5
Profit before depreciation and lease payments, EBITDAR *	58.2	54.8	6.2	287.4
Lease payments for aircraft	20.4	21.7	-6.0	81.2
Operating profit, EBIT*	11.1	5.8	91.4	96.6
Fair value changes of derivatives	-0.1	6.0	-	14.5
Profit from disposal of capital assets	1.1	1.9	-	30.4
Operating profit, EBIT	12.1	13.7	-11.7	141.5
Profit for the period (share attributable to shareholders of parent company)	5.5	9.3	-40.9	101.6
Operating profit, EBIT, % of turnover *	1.9	1.1	-	4.4
EBITDAR, % of turnover *	10.1	10.4	-	13.2
Unit revenues of flight operations c/RTK	69.2	72.8	-4.9	72.6
Unit costs of flight operations c/ATK	42.5	44.9	-5.3	43.5
Earnings per share EUR (basic)	0.05	0.10	-	1.04
Earnings per share EUR (diluted)	0.05	0.10	-	1.04
Equity per share EUR	7.58	6.93	9.4	7.70
Gross investment EUR mill.	64.4	52.3	-	326.3
Gross investment, % of turnover	11.2	9.9	-	15.0
Equity ratio %	44.1	36.9		47.0
Gearing %	-15.8	16.6		-22.5
Adjusted gearing %	42.1	116.5		35.1
Rolling 12-month ROCE %	14.3	-0.1		14.2
Rolling 12-month ROE %	12.5	2.0		12.9

* Excluding capital assets, fair value changes of derivatives and non-recurring items.
Unit costs of flight operations c / ATK = Operating expenses (excluding fair value changes of derivatives and non-recurring items) of Scheduled Traffic business area and Leisure Flights business unit / ATK of Group.

CALCULATION OF KEY RATIOS

Earnings / share:
Profit for the period
____
Average number of shares at the end of the financial year, adjusted for share issues

Equity / share:
Shareholders' equity
____
Number of shares at the end of the financial year, adjusted for share issues

Gearing, %:
Net interest-bearing liabilities *100
____
Shareholders' equity + minority interest

Operating profit, EBIT :
Operating profit excluding the disposal of the capital assets, fair value changes of derivatives and non-recurring items

Shareholders equity = To equity holders of the parent

Return on capital employed,%: (ROCE)
Profit before taxes + interest and other financial expenses *100
____
Balance sheet total - non-interest-bearing liabilities (average)

Net interest bearing liabilities:
Interest-bearing liabilities - interest-bearing assets - listed shares

Equity ratio, %:
Shareholders' equity + minority interest *100
____
Balance sheet total - advances received

Return on equity %: (ROE)
Result *100
____
Equity + minority interests (average)

The figures of interim report have not been audited.

CONSOLIDATED INCOME STATEMENT (EUR mill.)

	2008	2007	Change	2007
	1 Jan 31 Mar	1 Jan 31 Mar	%	1 Jan– 30 Dec
Turnover	**576.5**	**528.5**	**9.1**	**2 180.5**
Work used for own purposes and capitalized	0.1	0.8	-87.5	3.0
Other operating income	5.9	5.9	0.0	52.8
Operating income	**582.5**	**535.2**	**8.8**	**2 236.3**
Operating expenses				
Staff costs	140.5	135.1	4.0	541.5
Fuel	134.9	103.2	30.7	439.9
Lease payment for aircraft	20.4	21.7	-6.0	81.2
Other rental payments	18.0	17.2	4.7	63.8
Fleet materials and overhauls	19.7	22.2	-11.3	76.7
Traffic charges	43.6	43.7	-0.2	177.0
Ground handling and catering expenses	35.2	36.5	-3.6	154.3
Expenses for tour operations	44.6	35.8	24.6	120.6
Sales and marketing expenses	27.1	19.4	39.7	92.0
Depreciation	27.7	27.3	1.5	112.6
Other expenses	58.7	59.4	-1.2	235.2
Total	**570.4**	**521.5**	**9.4**	**2 094.8**
Operating profit EBIT	**12.1**	**13.7**	**-**	**141.5**
Financial income	5.4	3.6	50.0	17.2
Financial expenses	-9.9	-3.9	153.8	-19.9
Share of result in associates	0.0	0.0	-	0.1
Profit before taxes	**7.6**	**13.4**	**-**	**138.9**
Direct taxes	-2.1	-4.1	-	-36.8
Profit for the period	**5.5**	**9.3**	**-**	**102.1**

Earnings per share to shareholders of the parent company	5.5	9.3		101.6
Minority interest	0.0	0.0		0.5
Earnings per share calculated from profit attributable to shareholders of the parent company				
Earnings per share EUR (basic)	0.05	0.10		1.04
Earnings per share EUR (diluted)	0.05	0.10		1.04

CONSOLIDATED BALANCE SHEET (EUR mill.)

	31 March 2008	31 March 2007	31 Dec 2007
ASSETS			
Non-current assets			
Intangible assets	49.0	48.9	46.6
Tangible assets	1 234.7	1 051.1	1 168.9
Investments in associates	5.8	5.6	5.7
Financial assets	12.9	15.3	13.8
Deferred tax receivables	21.0	23.3	13.2
Total	1 323.4	1 144.2	1 248.2
Short-term receivables			
Inventories	40.1	40.3	36.1
Trade receivables and other receivables	367.6	286.3	287.3
Investments	443.6	192.6	518.6
Cash and bank equivalents	17.5	28.9	21.5
Total	868.8	548.1	863.5
Non-current Assets held for sale	32.8	7.6	34.7
Assets total	**2 225.0**	**1 699.9**	**2 146.4**
SHAREHOLDERS´ EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the parent company			
Shareholders´equity	75.4	75.4	75.4
Other equity	890.3	538.4	909.9
Total	965.7	613.8	985.3
Minority interest	1.1	1.2	1.7
Equity, total	966.8	615.0	987.0
Long-term liabilities			
Deferred tax liability	150.1	116.2	143.4
Financial liabilities	258.9	280.0	269.6
Pension obligations	14.0	8.4	15.8
Total	423.0	404.6	428.8
Short-term liabilities			
Current income tax liabilities	7.5	4.6	12.1
Reserves	53.8	57.1	53.6
Financial liabilities	55.2	50.0	54.5
Trade payables and other liabilities	718.7	568.6	610.4
Total	835.2	680.3	730.6
Liabilities total	1 258.2	1 084.9	1 159.4
Shareholders' equity and liabilities, total	**2 225.0**	**1 699.9**	**2 146.4**

SHAREHOLDERS´EQUITY EUR mill.

Equity attributable to shareholders of parent company									
	Share capital	New issue	Share premium account	Bonus issue	Hedging reserve	Retained earnings	Total	Minority interests	Own equity total
Shareholders´ equity 1.1.2007	75.4	0.0	20.4	147.7	-21.1	377.5	**599.9**	**1.6**	**601.5**
Translation difference						-0.3	-0.3		-0.3
Dividend payment						-8.9	-8.9	-0.4	-9.3
Change in fair value of hedging instruments					13.8		13.8		13.8
Profit for the period						9.3	9.3	0.0	9.3
Shareholders´ equity 31 3.2007	75.4	0.0	20.4	147.7	-7.3	377.6	**613.8**	**1.2**	**615.0**

SHAREHOLDERS´EQUITY EUR mill.

Equity attributable to shareholders of parent company										
	Share capital	Share issue	Share premium account	Bonus issue	Hedging reserve	Unrestricted equity	Retained earnings	Total	Minority interests	Own equity total
Shareholders´ equity 1.1.2008	75.4	0.0	20.4	147.7	26.8	244.9	470.1	**985.3**	1.7	**987.0**
Translation difference							0.1	0.1		0.1
Dividend payment							-31.8	-31.8	-0.6	-32.4
Purchase of own shares	0.0	0.0	0.0				-4.7	-4.7		-4.7
Change in fair value of hedging instruments					11.3			11.3		11.3
Profit for the period							5.5	5.5	0.0	5.5
Shareholders´ equity 31.3.2008	75.4	0.0	20.4	147.7	38.1	244.9	439.2	**965.7**	**1.1**	**966.8**

CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	1 Jan – 31 Mar 2008	1 Jan – 3Mar 2007	1 Jan – 31 Dec 2007
Cash flow from operating activities			
Profit for the period	5.5	9.3	102.1
Operations for which a payment is not included **1)**	24.4	24.2	100.0
Interest and other financial expenses	9.9	3.9	19.9
Interest income	-5.4	-2.4	-11.9
Other financial income	0.0	-1.2	-5.1
Dividend income	0.0	0.0	-0.2
Taxes	2.1	4.1	36.8
Changes in working capital:			
Change in trade and other receivables	-60.2	-74.2	2.4
Change in inventories	-4.0	-1.9	2.4
Change in accounts payables and other liabilities	58.3	44.8	86.4
Interest paid	-3.2	-3.5	-14.6
Paid financial expenses	-0.2	-0.2	-2.3
Received interest	2.3	1.8	9.6
Received financial income	0.0	1.0	0.5
Taxes paid	-0.8	-5.1	-24.2
Net cash flow from operating activities	**28.7**	**0.6**	**301.8**
Cash flow from investing activities			
Sell of subsidiaries, net cash sold	0.0	0.0	0.6
Acquisitions of subsidiaries	-2.5	0.0	-0.6
Investments in intangible assets	-3.4	-3.6	-15.4
Investments in tangible assets	-91.6	-64.7	-346.2
Net change of financial interest bearing assets at fair value through profit and loss	50.4	9.8	-205.6
Net Change of shares classified as available for sale	6.4	0.0	0.0
Sales of tangible fixed assets	3.6	0.8	65.2
Received dividends	0.0	0.0	0.2
Change in non-current receivable	0.9	0.2	1.7
Net cash flow from investing activities	**-36.2**	**-57.5**	**-500.1**
Cash flow from financing activities			
Loan withdrawals	1.4	6.9	95.6
Loan repayments and changes	-11.4	-13.0	-115.0
Share issue	0.0	0.0	244.9
Purchase of own shares	-4.7	0.0	0.0
Dividends paid	0.0	0.0	-8.9
Net cash flow from financing activities	**-14.7**	**-6.1**	**216.6**
Change in cash flows	**-22.2**	**-63.0**	**18.3**
Change in liquid funds			
Liquid funds, at beginning	291.8	273.5	273.5
Change in cash flows	-22.2	-63.0	18.3
Liquit funds, in the end	**269.6**	**210.5**	**291.8**

CONSOLIDATED CASH FLOW STATEMENT

EUR mill.	1 Jan – 31 Mar 2008	1 Jan – 31 Mar 2007	1 Jan – 31 Dec 2007
Notes to consolidated cash flow statement			
1) Operations for which a payment is not included			
Depreciation	27.7	27.3	112.6
Employee benefits	-1.8	-1.6	6.8
Other adjustments	-1.5	-1.5	-19.4
Total	24.4	24.2	100.0
Financial asset at fair value	443.6	192.6	518.6
Liquid funds	17.5	28.9	21.5
Short-term cash and cash equivalents in balance sheet	461.1	221.5	540.1
Maturing after more than 3 months	-172.3	-8.1	-222.7
Shares held to trading purposes	-19.2	-2.9	-25.6
Total in cash flow statement	269.6	210.5	291.8

NOTES TO THE CONSOLIDATED INTERIM REPORT

1. BASIS OF PREPARATION

This consolidated interim report has been prepared according to the International (IAS) Standard 34: Interim Financial Reporting. which has been introduced in the EU.

2. ACCOUNTING PRINCIPLES

The accounting principles adhered to in the interim report are consistent with the principles adhered to in the 2007 consolidated financial statements, excluding the changes listed below.

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 2008:
- IFRIC 11, Group and treasury share transactions' provides guidance on whether share-based transactions involving treasury shares or involving group entities should be accounted for as equity settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation does not have any impact on the group's financial statements.

The following new standards and interpretations effective in 2008 are not relevant to the group's operations:
- IFRIC 12, 'Service Concession Arrangements' applies to contractual arrangements whereby a private sector operator participates in the development, financing, operation and maintenance of infrastructure for public sector services.
- IFRIC 14, 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction' is applied to post-employment defined benefit plans and other long-term defined benefit plans under IAS 19, if the plan includes minimum funding requirements. The interpretation also clarifies the criteria for recognition of an asset on future refunds or reductions in future contributions. The revision, amendment or interpretation to published standards is still subject to endorsement by the European Union.

These new, introduced standards and interpretations have no substantial impact on reporting in the income statement, balance sheet and notes.

3. CRITICAL FINANCIAL STATEMENT ESTIMATES AND ASSUMPTIONS

The preparation of interim reports 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. Realised results might differ from these estimates.

In connection with the preparation of this interim report, the significant estimates made by management relating to the consolidated accounting principles and the key uncertainty factors are the same as those applied in the 2007 annual financial statements .

4. SEGMENT INFORMATION

The business segments, Scheduled Passenger Traffic, Leisure Traffic, Aviation Services and Travel Services, are the primary reporting format. The geographical segment, Finland, Europe, Asia, North America and Others, are the secondary reporting format. Segment information will based on the corresponding information reported in the financial statement.

PRIMARY REPORTING FORMAT - BUSINESS SEGMENT DATA 1 January – 31 March 2008

	Scheduled Passenger Traffic	Leisure Traffic	Aviation Services	Travel Services	Group eliminations	Unallocated items	Group
EUR mill.							
External turnover	392.0	138.1	26.5	19.9			576.5
Internal turnover	31.2	1.2	83.4	1.2	-117.0		0.0
Turnover	423.2	139.3	109.9	21.1	-117.0	0.0	576.5
Operating profit	1.7	11.1	2.6	0.4		-3.7	12.1
Share of results of associated undertakings						0.0	0.0
Financial income						5.4	5.4
Financial expenses						-9.9	-9.9
Income tax						-2.1	-2.1
Minority interest						0.0	0.0
Result for the period							5.5
Other items							
Investments	46.4	0.1	17.7	0.2	0.0	0.0	64.4
Depreciation	19.6	0.1	7.3	0.4	0.0	0.3	27.7

PRIMARY REPORTING FORMAT - BUSINESS SEGMENT DATA 1 January- 31 March 2007

	Scheduled Passenger Traffic	Leisure Traffic	Aviation Services	Travel Services	Group eliminations	Unallocated items	Group
EUR mill.							
External turnover	361.5	115.4	32.3	19.3			528.5
Internal turnover	29.7	1.2	78.5	1.4	-110.8		0.0
Turnover	391.2	116.6	110.8	20.7	-110.8	0.0	528.5
Operating profit	0.7	5.6	4.1	1.3		2.0	13.7
Share of results of associated undertakings						0.0	0.0
Financial income						3.6	3.6
Financial expenses						-3.9	-3.9
Income tax						-4.1	-4.1
Minority interest						0.0	0.0
Result for the period							9.3
Other items							
Investments	41.0	0.1	9.1	1.0	0.0	1.1	52.3
Depreciation	20.1	0.1	6.4	0.4	0.0	0.3	27.3

TURNOVER

	2008	2007	Change	2007
	1 Jan– 31 Mar	1 Jan 31 Mar	 %	1 Jan– 31 Dec
EUR mill.				
Scheduled Passenger Traffic	423.2	391.2	8.2	1 685.3
Leisure Traffic	139.3	116.6	19.5	409.6
Aviation Services	109.9	110.8	-0.8	433.9
Travel Services	21.1	20.7	1.9	82.3
Group eliminations	-117.0	-110.8	5.6	-430.6
Total	**576.5**	**528.5**	**9.1**	**2 180.5**

OPERATING PROFIT EXCLUDING THE DISPOSAL OF THE CAPITAL ASSETS AND FAIR VALUE CHANGES OF DERIVATIVES AND NON-RECURRING ITEMS

	2008	2007	Change	2007
	1 Jan– 31 Mar	1 Jan 31 Mar	 %	1 Jan– 31 Dec
EUR mill.				
Scheduled Passenger Traffic	-0.4	-0.3	33.3	76.2
Leisure Traffic	11.1	5.6	98.2	24.2
Aviation Services	2.5	3.3	-24.2	10.3
Travel Services	0.4	1.3	-69.2	2.9
Unallocated items	-2.5	-4.1	-39.0	-17.0
Total	**11.1**	**5.8**	**91.4**	**96.6**

EMPLOYEES AVERAGE BY SEGMENT

	2008	2007	Change
	1 Jan– 31 Mar	1 Jan– 31 Mar	 %
Scheduled Passenger Traffic	4 168	4 121	1.1
Leisure Traffic	463	355	30.4
Aviation Services	3 540	3 649	-3.0
Travel Services	1 102	1 131	-2.6
Other functions	153	156	-1.9
Finnair Group Total	**9 426**	**9 412**	**0.1**

SECONDARY REPORTING FORMAT - GEOGRAPHICAL SEGMENTS

TURNOVER OUTSIDE THE GROUP BY SALES DESTINATION

	2008	2007	Change	2007
	1 Jan- 31 Mar	1 Jan– 31 Mar	 %	1 Jan– 31 Dec
EUR mill.				
Finland	122.6	108.2	13.3	419.7
Europe	225.5	232.9	-3.2	992.8
Asia	188.1	148.0	27.1	626.3
North America	11.5	11.3	1.8	63.2
Others	28.8	28.1	2.5	78.5
Total	**576.5**	**528.5**	**9.1**	**2 180.5**

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 2007 Annual Report.
The tables below present the nominal value or the amount and net fair value of derivative contracts used in the Group's hedge accounting.

DERIVATIVE CONTRACTS EUR mill.

Derivative contracts	31 March 2008		31 March 2007		31 Dec 2007	
Currency derivatives	**Nominal value (EUR mill.)**	**Fair value (EUR mill.)**	**Nominal value (EUR mill.)**	**Fair value (EUR mill.)**	**Nominal value (EUR mill.)**	**Fair value (EUR mill.)**
Hedge accounting items						
Forward contracts, Jet Fuel currency hedging	279.3	-30.3	270.0	-8.5	267.0	-20.0
Forward contracts, Hedging of Aircraft purchase price	461.2	-34.4	455.6	-9.5	463.0	-16.9
Forward contracts. Currency hedging of lease payments	52.0	-5.6	59.0	-1.4	56.3	-3.9
Total	**792.5**	**-70.3**	**784.6**	**-19.4**	**786.3**	**-40.8**
Currency derivatives at fair value through profit or loss	44.4	-1.5	9.4	-0.4	2.7	0.0
Operating cash flow hedging (forward contracts)						
Operational cash flow hedging (options)	61.8	-2.0	83.6	-0.3	54.3	0.1
Call options	60.2	0.3	41.3	0.0	64.5	-0.6
Balance sheet hedging (forward contracts)	67.1	-1.7	41.3	0.0	47.2	-0.6
Total	**233.5**	**-4.9**	**175.6**	**-0.7**	**168.7**	**-1.1**
Currency derivatives, total	**1 026.0**	**-75.2**	**960.2**	**-20.1**	**955.0**	**-41.9**
	31 March 2008		**31 March 2007**		**31 Dec 2007**	
	Nominal value (tonnes)	**Fair value (EUR mill.)**	**Nominal value (tonnes)**	**Fair value (EUR mill.)**	**Nominal value (tonnes)**	**Fair value (EUR mill.)**
Commodity derivatives						
Hedge accounting items						
Jet Fuel swaps	567 750	85.8	534 800	4.1	562 750	55.3
Commodity derivatives at fair value through profit or loss						
Jet Fuel Forward contracts	14 000	1.9	51 400	-1.1	11 100	0.6
Gasoil forward contracts	12 500	0.9	15 000	0.7	21 900	2.7
Jet differential forward contracts	439 000	0.1	184 500	0.0	395 000	1.1
Options						
Jet Fuel call options	72 500	5.3	47 000	0.5	64 500	2.0
Jet Fuel put options	76 000	-0.5	94 000	-0.4	76 000	-0.7
Gasoil call options	57 500	3.0	45 000	0.8	48 500	3.1
Gasoil put options	104 500	-0.2	81 000	-0.7	86 500	-0.5
Total		**96.3**		**3.9**		**63.5**
	31 March 2008		**31 March 2007**		**31 Dec 2007**	
	Nominal value (EUR mill.)	**Fair value (EUR mill.)**	**Nominal value (EUR mill.)**	**Fair value (EUR mill.)**	**Nominal value (EUR mill.)**	**Fair value (EUR mill.)**
Interest rate derivatives						
Cross currency Interest rate swaps						
Hedge accounting items	22.0	-13.2	38.5	-14.1	26.9	-13.6
Cross currency interest rate swaps at fair value through profit or loss	13.3	-10.0	20.6	-10.3	15.4	-10.1
Total	**35.3**	**-23.2**	**59.1**	**-24.4**	**42.3**	**-23.7**
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	20.0	0.7	20.0	1.0	20.0	0.9
Total	**20.0**	**0.7**	**20.0**	**1.0**	**20.0**	**0.9**
Share derivatives						
Shares						
Call options, share	15.9	3.0	0.0	0.0	16.1	8.4

6. COMPANY ACQUISITIONS AND SALES

On 23 October 2007, the Group subsidiary Oy Aurinkomatkat - Suntours Ltd Ab signed an agreement by which it purchased a majority shareholding of all three Russian companies belonging to the Calypso Group. 80 per cent of the share stock and control was transferred in January 2008, at which time the company became part of the Group. The gross investment in the shares was 2.5 million euros.

7. INCOME TAXES

Income taxes have been entered in the income statement using the tax rates that will be applied to the expected total profit for the year.

8. DIVIDEND PER SHARE

The Annual General Meeting decided on 27 March 2008 to distribute a dividend of 0.25 euros per share. The total dividend was 31.9 million euros, based on the number of shares registered on 1 April 2008. The dividend was paid on 7 April 2008.

9. CHANGE IN INTANGIBLE AND TANGIBLE ASSETS EUR mill.

	31 March 2008	31 March 2007	31 Dec 2007
Carrying amount at beginning of period	1 250.2	1 067.4	1 067.4
Fixed asset investments	66.9	52.3	326.3
Change in advances	30.7	19.9	35.8
Disposals	-3.6	-4.7	-66.7
Depreciation	-27.7	-27.3	-112.6
Carrying amount at end of period	**1 316.5**	**1 107.6**	**1 250.2**

Proportion of assets held for sale at beginning of period	34,7	7.6	7.6
Proportion of assets held for sale at end of period	32,8	7.6	34.7

10. INTEREST-BEARING LIABILITIES

In the first quarter of 2008, Group loans were repaid in accordance with a repayment programme. 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 EUR mill.

	31 March 2008	31 March 2007	31 Dec 2007
Other contingent liabilities			
Pledges on own behalf	250.8	234.7	263.1
Guarantees on group undertakings	67.5	65.6	67.5
Total	**318.3**	**300.3**	**330.6**

Investment commitments for property, plant and equipment on 31 March 2008 totalled 1,263.1 million euros (31 December 2007: 1,311.1 million euros)

12. LIABILITIES (EUR million)

	31 March 2008	31 March 2007	31 Dec 2007
Fleet lease payment liabilities	299.1	367.3	324.8
Other liabilities	239.0	169.9	177.7
Total	**538.1**	**537.2**	**502.5**

13. RELATED PARTY TRANSACTIONS

Related party transactions are presented in Finnair's 2007 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 1 January – 31 March 2008

	Total traffic	Europe	North America	Asia	Domestic	Scheduled Traffic Total	Leisure	Cargo
Passengers (1000)	2 023	880	28	304	466	1 679	344	
%-change	-7.7	-17.2	3.2	18.3	-16.0	-11.8	19.4	
Cargo and mail (tonnes)	25 167	5 361	1 563	16 470	747	24 141	107	25 167
%-change	15.9	4.4	1.1	36.1	-19.7	22.5	-9.9	15.9
Available seat-kilometres mill	7 515	1 945	229	2 973	457	5 604	1 911	
%-change	13.9	-1.6	0.7	30.3	-7.9	12.5	18.3	
Revenue passenger kilometres	5 626	1 187	186	2 201	277	3 851	1 775	
%-change	12.5	-5.3	3.2	23.4	-8.1	9.5	19.6	
Passenger load factor %	74.9	61.0	81.3	74.0	60.5	68.7	92.9	
%-change	-1.0	-2.3	2.0	-4.2	-0.1	-1.9	1.0	
Available tonne-kilometres	1 119							242
%-change	14.7							18.1
Revenue tonne-kilometres mill	647							143
%-change	14.6							22.5
Overall load factor %	57.8							58.9 *
%-change	0.0							2.1

* Operational calculatory capacity

15. EVENTS AFTER THE REVIEW PERIOD

The Finnair Group's Finnair Aircraft Finance Oy has on 11 April 2008 sold the six Boeing MD-80 aircraft and three spare engines it owns to the Allegiant Travel Company's low-cost carrier Allegiant Air. Last year Finnair recognised excess depreciation amounting three million euros for the aircraft now sold, so the aircraft sales are not expected to have any significant impact on Finnair's result.