



Finnair Group Financial Statements Release 1 January–31 December 2019

7 February 2020

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Year 2019 ended with a strong quarter; full-year comparable operating profit totalled 162.8 million euros

October–December 2019

- Earnings per share were 0.17 euros (0.24).
- Revenue increased by 13.4% to 774.9 million euros (683.4)**.
- Unit revenue (RASK) increased by 2.5%. Unit revenue at constant currency increased by 1.8%.
- Unit cost (CASK) increased by 2.3%. Unit cost at constant currency excluding fuel increased by 1.3%.
- Fuel costs increased by 26.0 million euros (+17.9%) of which the impact of fuel price*** was 12 million euros.
- Comparable operating result was 31.2 million euros (26.5). Operating result was 34.7 million euros (73.1).
- Net cash flow from operating activities was 120.1 million euros (68.3), and net cash flow from investing activities was -185.7 million euros (-51.5).****
- Number of passengers increased by 11.0% to 3.5 million (3.2).
- Available seat kilometres (ASK) grew by 10.6%.
- Passenger load factor (PLF) was 79.0% (+2.1 points).

January–December 2019

- Earnings per share were 0.49 euros (0.70).
- Revenue increased by 9.2% to 3,097.7 million euros (2,836.1)**.
- Unit revenue (RASK) decreased by 1.9%. Unit revenue at constant currency decreased by 2.4%.
- Unit cost (CASK) increased by 0.7%. Unit cost at constant currency excluding fuel decreased by 1.2%.
- Fuel costs increased by 106.3 million euros (+18.3%) of which the impact of fuel price*** was 42 million euros.
- Comparable operating result was 162.8 million euros (218.4). Operating result was 160.0 million euros (256.3).
- Net cash flow from operating activities was 564.5 million euros (503.6), and net cash flow from investing activities was -513.2 million euros (-202.6).****
- Number of passengers increased by 10.3% to 14.7 million (13.3).
- Available seat kilometres (ASK) grew by 11.3%.
- Passenger load factor (PLF) was 81.7% (-0.1 points).
- The Board of Directors proposes to the Annual General Meeting that a dividend of 0.20 euros per share be distributed for 2019.

* Quarterly and full-year figures for 2018 have been restated to reflect the adoption of the IFRS 16 standard, changes in accounting principles relating to aircraft components and the changes in the presentation of profit and loss, balance sheet and cash flow statements. The restated figures were published on 21 March 2019. In addition, IFRS interpretation committee (IFRIC) concluded in its meeting in September 2019 that customer (passenger) compensations related to delayed or cancelled flights need to be treated as deductions of revenue instead of passenger and handling costs. Due to this, Finnair has made a decision to apply the change retrospectively for quarterly and full-year figures for 2018 and 2019 in order for the years to be comparable. More information on the restatement is available in Note 20.

*** Unless otherwise stated, comparisons and figures in parentheses refer to the comparison period, i.e. the same period last year.*

**** Fuel price including impact of currencies and hedging.*

*****In Q4, net cash flow from investing activities includes 59.7 million euros of investments in money market funds or other financial assets maturing after more than three months. In 2019, these increased in net terms by 53.4 million euros. These investments are part of the Group's liquidity management.*

Outlook

Guidance on 7 February 2020:

We are currently seeing strong performance continuing in Europe. As stated earlier, the direct financial impact of coronavirus during Q1 2020 is relatively limited, even if the mainland China cancellations continued until end of Q1 2020.

We currently forecast our capacity to increase by approximately 4 per cent in 2020. Due to the situation with coronavirus, we do not provide a full year revenue estimate at this time. The guidance will be updated in connection to Q1 2020 interim report.

CEO Topi Manner:

Year 2019 was a year of rapid growth. In addition to that, it stood out due to our fantastic, and highly committed personnel. We have now moved to a new phase of sustainable, profitable growth covering the years 2020-2025.

The year 2019 was characterised by an unstable operating environment due to slower economic growth in our main markets as well as uncertainties in world trade. As a result, year 2019 was a volatile one for us but it ended with a strong quarter as the market situation improved: I was particularly happy with the strength of our European traffic and the improving unit revenues.

With capacity growth of 11.3 per cent in passenger traffic and an increase of 10.3 per cent in passenger volume, we reached a new all-time high of 14.7 million passengers, leading to 9.2 per cent growth in revenue. Our revenue for the year amounted to 3.1 billion euros and our comparable operating result for the full year was 162.8 million euros, down from 218.4 million euros in the previous year primarily due to changes in fuel price.

A central objective for sustainable, profitable growth is to grow cost-effectively, allowing us to maintain our healthy balance sheet and cash flow while carrying out significant investments of approximately 3.5–4.0 billion euros to substantially reduce our emissions and enable profitable growth. Above all, the investments are aimed at the renewal of our narrow-body fleet to make it more fuel-efficient, economic and environmentally friendly. This represents a significant step towards our long-term goal of carbon neutrality.

During my first year as the CEO, I have been pleased to see how passionate our customers and employees are about Finnair. This provides an ideal foundation for the implementation of our new strategy. I want to take this opportunity to thank our shareholders and customers for their trust in Finnair. I am also grateful to everyone at Finnair for their strong commitment and hard work in 2019.

Business environment in Q4

Traffic grew in Finnair's main markets, routes between Asia and Europe. The continuing impact of global uncertainties, such as Brexit and the US-China trade war, was reflected mostly in our cargo operations in Q4

Competitors' capacity reductions, especially on some Nordic routes and from Finland to the Mediterranean, had a beneficial effect on the competitive situation in European traffic. Measured in available seat kilometres, scheduled market capacity between origin Helsinki and Finnair's European destinations decreased by 2.1 per cent (17.3). Demand developed well in Asia-Europe transfer traffic

and in intra-European and point-to-point traffic. In European traffic, Finnair's market share increased to 60.8 per cent (56.1).¹

Direct market capacity between Finnair's Asian and European destinations grew by 1.6 per cent (7.4) year-on-year. Market capacity grew especially between Europe and Mainland China, whereas Finnair's capacity growth was focused on Greater China and Bangkok routes. Demand from Europe to certain Asian destinations, especially to Hong Kong, softened during the period. In Asian traffic, Finnair's market share increased to 6.1 per cent (5.8).²

Finnair engages in closer cooperation with certain **oneworld** partners through participation in joint businesses, namely the Siberian Joint Business (SJB) on flights between Europe and Japan, and the Atlantic Joint Businesses (AJB) on flights between Europe and North America. Joint businesses strengthen Finnair's market position, reduce the risks related to growth and make a significant contribution to Finnair's revenue. For customers, they provide more route and pricing options whereas for airlines, joint businesses are a way to gain benefits typically associated with consolidation. In both joint businesses, revenue growth was close to capacity growth in Q4, resulting in good development within the joint business traffic.

In Finland, customer demand for travel services returned to a normal level during the fourth quarter after low demand in 2018. Decreased market offering of allotment-based package holidays together with the growing demand positively affected the travel services result. Demand both for dynamic package holidays and outside the Finnish capital area is likely to continue to grow.

The ongoing global air freight market pressure continued in Q4, decreasing industry freight volumes and yields. The weakening demand also clearly suppressed Finnair's cargo revenue. Market softness was visible particularly in Finnair's key cargo markets in Asia. Finnair's global cargo volumes continued to grow year-on-year driven by the capacity increase, but the load factor decreased. In addition, the Q4 performance was strongly impacted by the postal and support strikes in Finland which took place in November.

The US dollar, which is the most significant expense currency for Finnair after the euro, appreciated by 3.0 per cent against the euro year-on-year. With regard to key income currencies, the Japanese yen was 6.5 per cent stronger against the euro than in the comparison period. The Chinese yuan appreciated by 1.2 per cent against the euro. The market price of jet fuel was 7.2 per cent lower in the fourth quarter than in the comparison period, but this decline does not fully impact Finnair's Q4 fuel costs due to its hedging policy. Finnair hedges its fuel purchases and key foreign currency items; hence, market fluctuations are not reflected directly in its result. Finnair's Q4 fuel bill was approximately 18 per cent higher than in the comparison period, and capacity growth explains roughly half of this increase.

Financial performance in Q4

Revenue in Q4

Finnair revenue grew by 13.4 per cent to 774.9 million euros (683.4). Passenger revenue grew by 16.0 per cent, ancillary revenue by 13.6 per cent and travel services revenue by 7.5 per cent. Cargo revenue decreased by 4.6 per cent.

Unit revenue (RASK) increased by 2.5 per cent and amounted to 6.69 euro cents (6.53). The unit revenue at constant currency increased by 1.8 per cent. RASK increase was supported by excellent performance in European and domestic traffic as well as improved travel services performance mainly due to capacity reductions. On the other hand, cargo provided soft yields.

¹ Based on external sources (capacity data from SRS Analyser and market share data based on DDS passenger volume estimates for October and November 2019). The basis for calculation is Finnair's non-seasonal destinations.

² Based on external sources (capacity data from SRS Analyser and market share data based on DDS passenger volume estimates for October and November 2019). The basis for calculation is Finnair's non-seasonal destinations.

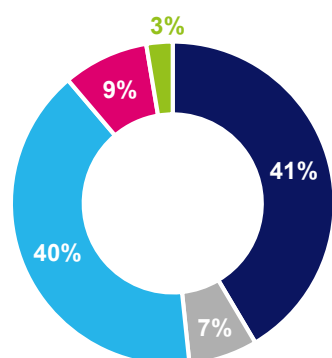
Revenue by product

EUR million	Q4/2019	Q4/2018	Change %
Passenger revenue	615.9	530.9	16.0
Ancillary revenue	44.6	39.2	13.6
Cargo	57.2	60.0	-4.6
Travel services	57.3	53.3	7.5
Total	774.9	683.4	13.4

Passenger revenue and traffic data by area, Q4 2019

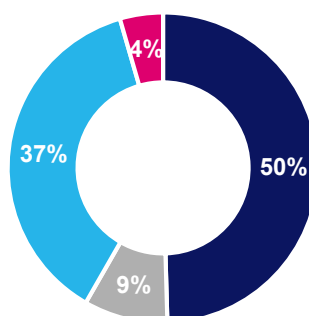
Traffic area	Passenger revenue		ASK		RPK		PLF	
	MEUR	Change, %	Mill. km	Change, %	Mill. km	Change, %	%	Change, %-p
Asia	255.4	12.0	5,742.4	11.4	4,576.1	12.5	79.7	0.8
North Atlantic	42.3	38.5	1,012.0	32.8	808.3	34.9	79.9	1.2
Europe	249.1	17.3	4,313.1	6.9	3,415.7	11.7	79.2	3.4
Domestic	52.8	8.6	520.0	0.3	350.5	5.7	67.4	3.5
Unallocated	16.2	43.8						
Total	615.9	16.0	11,587.4	10.6	9,150.6	13.6	79.0	2.1

Q4 passenger revenue (M€)



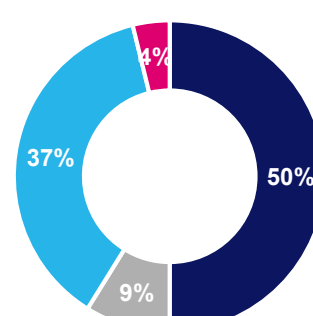
- Asia
- North-America
- Europe
- Domestic
- Un-allocated

Q4 capacity (ASKs)



- Asia
- North-America
- Europe
- Domestic

Q4 traffic (RPKs)



- Asia
- North-America
- Europe
- Domestic

Passenger traffic capacity, measured in Available Seat Kilometres (ASK), grew by 10.6 per cent overall against the comparison period. The number of passengers increased by 11.0 per cent to 3,503,700 passengers, a new record for Q4. Traffic measured in Revenue Passenger Kilometres (RPK) grew by 13.6 per cent and the passenger load factor (PLF) increased by 2.1 percentage points to 79.0 per cent.

In long-haul traffic, capacity increased following the three new A350 aircraft that entered service in December 2018, February 2019 and April 2019 respectively. The maximum weekly number of flights to Asia was 104 (101). In Asian traffic, ASKs increased by 11.4 per cent. The capacity growth was allocated, in particular to routes to Hong Kong, Guangzhou, Bangkok, and to new routes to Daxing (Beijing) and Sapporo opened in November and December, respectively. In total Asian traffic, RPKs increased by 12.5 per cent and the PLF increased by 0.8 percentage points to 79.7 per cent.

Capacity in North Atlantic traffic increased by 32.8 per cent year-on-year. The growth was allocated specifically to a new route, to Los Angeles, that was opened at the end of March, as well as additional frequencies to Chicago. In total, in North Atlantic traffic, RPKs increased by 34.9 per cent and the PLF increased by 1.2 percentage points to 79.9 per cent.

In European traffic, capacity increased due to the additional seats that were installed on some of the existing Airbus narrow-body aircraft and the changes in route network. ASKs grew by 6.9 per cent, and the new capacity was allocated to various destinations but especially to London. RPKs increased by 11.7 per cent and the PLF was up by 3.4 percentage points to 79.2 per cent. Domestic traffic capacity increased by 0.3 per cent. RPKs increased in domestic traffic by 5.7 per cent and the PLF increased by 3.5 percentage points to 67.4 per cent.

Ancillary revenue increased by 13.6 per cent and amounted to 44.6 million euros (39.2), or 12.72 euros per passenger (12.42). Advance seat reservations, in-flight sales, service charges and excess baggage were the largest ancillary categories.

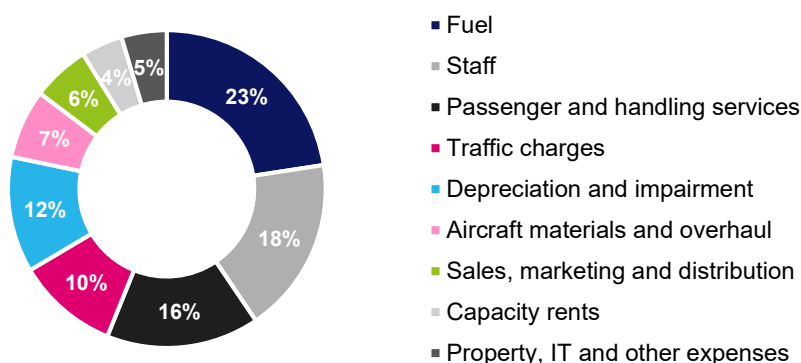
The slowdown in global air cargo demand was also visible in Finnair's Q4 cargo volumes. Available scheduled cargo tonne kilometres increased by 9.3 per cent, whereas revenue scheduled cargo tonne kilometres increased by 1.1 per cent. Cargo revenue decreased by 4.6 per cent, amounting to 57.2 million euros (60.0).

In Q4, travel services performed better than expected despite the market overcapacity and competitive environment. The total number of Travel Services passengers grew by 6.2 per cent. The load factor in Aurinkomatkat's fixed seat allotment was 95.9 per cent. Travel Services revenue increased by 7.5 per cent to 57.3 million euros (53.3). Positive development in Travel Services passengers and revenue was driven by both allotment-based holidays as well as the dynamic products Finnair Holidays and Aurinkomatkat City Breaks.

Cost development in Q4

Finnair's operating expenses increased by 12.4 per cent to 759.2 million euros (675.5). Unit cost (CASK) increased by 2.3 per cent and totalled 6.42 euro cents (6.27). CASK excluding fuel at constant currency increased by 1.3 per cent.

Q4 split of operating costs (€759.2 million in total)



Operating expenses excluding fuel increased by 10.9 per cent and amounted to 587.8 million euros (530.1). Fuel costs, including hedging results and emissions trading costs, increased by 17.9 per cent to 171.4 million euros (145.4). The cost was up due to a 12 million euro increase in fuel price³ paid and Finnair's capacity growth. Fuel efficiency (as measured by fuel consumption per ASK) improved by 2.1 per cent. Fuel consumption per RTK, which also accounts for developments in both passenger and cargo load factors, improved by 1.5 per cent.

As of 1 January 2019, staff costs include all staff related costs, whereas earlier staff travel costs and training, for example, were presented in other costs. Staff costs increased by 14.4 per cent to 136.3 million euros (119.2). Staff costs grew with the increase in the average number of people employed

³ Fuel price including impact of currencies and hedging.

and capacity growth (affecting volume related travel costs). Further, the cancelled pilot long-term incentive scheme resulted in positive impact of approximately 11 million euros in Q4 2018.

Passenger and handling costs increased by 6.8 per cent to 118.3 million (110.7), driven by increased volumes in both passenger and cargo traffic. The category also includes tour operation expenses. In its September 2019 meeting, the IFRS interpretation committee (IFRIC) concluded that customer (passenger) compensations related to delayed or cancelled flights need to be treated as deductions of revenue instead of passenger and handling costs. Due to this, Finnair has made a decision to apply the change retrospectively for quarterly and full-year figures for 2018 and 2019 in order for the years to be comparable.

Aircraft materials and overhaul costs increased by 24.5 per cent to 53.4 million euros (42.9). Fleet growth and price escalations were drivers behind the increase, but the most significant one-off item related to changes in A350 engine maintenance reserves. On the other hand, increase in the USD-based discount rate of maintenance reserves lowered the costs. Fleet growth also increased depreciation and impairment costs. Traffic charges increased mainly due to traffic growth. Capacity rents, covering purchased traffic from Norra and any wet leases or cargo rents, were at the comparison period's level as were also property, IT and other expenses.

Result in Q4

Finnair's comparable EBITDA was 120.7 million euros (104.1). The comparable operating result, or operating result excluding changes in the value of foreign currency-denominated fleet maintenance reserves, changes in the fair value of derivatives, capital gains and other items affecting comparability, increased to 31.2 million euros (26.5).

Unrealised changes in foreign currencies of fleet overhaul provisions were 4.3 million euros (-1.1) and fair value changes of derivatives where hedge accounting is not applied totalled 0.8 million euros (4.1). Items affecting comparability (sales gains or losses and/or restructuring costs) totalled -1.5 million euros during the quarter (43.7). The operating result totalled 34.7 million euros (73.1).

Financial expenses were -20.4 million euros (-21.5) and they include also interest expenses related to lease liabilities. In Q4, foreign exchange gain totalled 14.9 million euros and it was mainly associated with USD-denominated aircraft lease payments. In the comparison period, the foreign exchange loss totalled -8.6 million euros and was almost entirely related to unhedged lease liabilities.

Finnair's result before taxes was 30.4 million euros (42.0) and the result after taxes was 24.5 million euros (33.4).

Financial performance in 2019

Revenue in 2019

Finnair revenue grew by 9.2 per cent to 3,097.7 million euros (2,836.1). Passenger revenue grew by 10.4 per cent, ancillary revenue by 9.5 per cent, cargo revenue by 2.4 per cent and travel services revenue by 3.1 per cent.

Unit revenue (RASK) decreased by 1.9 per cent and amounted to 6.56 euro cents (6.69). The unit revenue at constant currency decreased by 2.4 per cent.

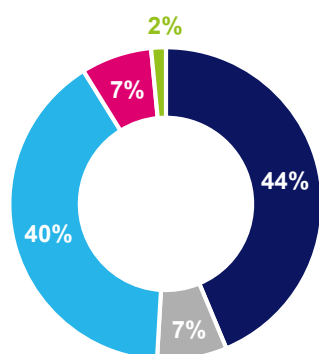
Revenue by product

EUR million	2019	2018	Change %
Passenger revenue	2,479.8	2,245.4	10.4
Ancillary revenue	176.2	160.8	9.5
Cargo	212.1	207.2	2.4
Travel services	229.5	222.6	3.1
Total	3,097.7	2,836.1	9.2

Passenger revenue and traffic data by area, 2019

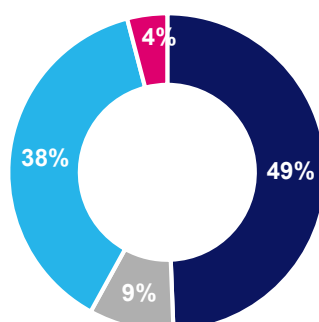
Traffic area	Passenger revenue		ASK		RPK		PLF	
	MEUR	Change, %	Mill. km	Change, %	Mill. km	Change, %	%	Change, %-p
Asia	1,083.6	8.4	23,303.6	10.7	19,329.0	7.4	82.9	-2.6
North Atlantic	179.1	30.3	4,068.4	29.7	3,470.4	32.1	85.3	1.5
Europe	997.9	11.1	17,893.4	9.8	14,472.4	13.0	80.9	2.3
Domestic	181.4	1.9	1,922.8	1.2	1,261.8	2.6	65.6	0.9
Unallocated	37.8	16.6						
Total	2,479.8	10.4	47,188.1	11.3	38,533.6	11.2	81.7	-0.1

2019 passenger revenue (M€)



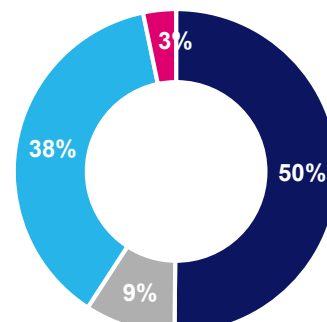
■ Asia
 ■ North-America
 ■ Europe
 ■ Domestic
 ■ Un-allocated

2019 capacity (ASKs)



■ Asia
 ■ North-America
 ■ Europe
 ■ Domestic

2019 traffic (RPKs)



■ Asia
 ■ North-America
 ■ Europe
 ■ Domestic

Passenger traffic capacity, measured in Available Seat Kilometres (ASK), grew by 11.3 per cent overall against the comparison period. The number of passengers increased by 10.3 per cent to 14,650,400 passengers, a new annual record. Traffic measured in Revenue Passenger Kilometres (RPK) grew by 11.2 per cent and the passenger load factor (PLF) decreased by 0.1 percentage points to 81.7 per cent.

In long-haul traffic, capacity increased year-on-year following the three new A350 aircraft that entered service after the comparison period. In Asian traffic, ASKs increased by 10.7 per cent. The capacity growth was allocated especially to additional flights to Hong Kong and to Japanese destinations as well as to a new year-round destination, Nanjing. In total Asian traffic, RPKs increased by 7.4 per cent and the PLF decreased by 2.6 percentage points to 82.9 per cent.

Capacity on the North Atlantic traffic increased by 29.7 per cent year-on-year, and additional capacity was directed in particular to a new route to Los Angeles which was opened at the end of March, and additional frequencies to San Francisco and Chicago. RPKs increased by 32.1 per cent and the PLF increased by 1.5 percentage points to 85.3 per cent.

In European traffic, capacity increased primarily due to the additional seats that were installed on some of the existing Airbus narrow-body aircraft. ASKs grew by 9.8 per cent. The new capacity was allocated to the longer southern European routes, capacity additions to central European destinations, and to the UK and the opening of new destinations such as Bordeaux and Bologna. In addition, the increased use of wet leases and operating certain routes with widebodies for cargo purposes further increased ASKs. RPKs increased by 13.0 per cent and the PLF was up by 2.3 percentage points to 80.9 per cent. Domestic traffic capacity increased by 1.2 per cent. Also, RPKs were up by 2.6 per cent and the PLF increased by 0.9 percentage points to 65.6 per cent.

Ancillary revenue increased by 9.5 per cent and amounted to 176.2 million euros (160.8), or 12.03 euros per passenger (12.11). Advance seat reservations, service charges, inflight sales and excess baggage were the largest ancillary categories.

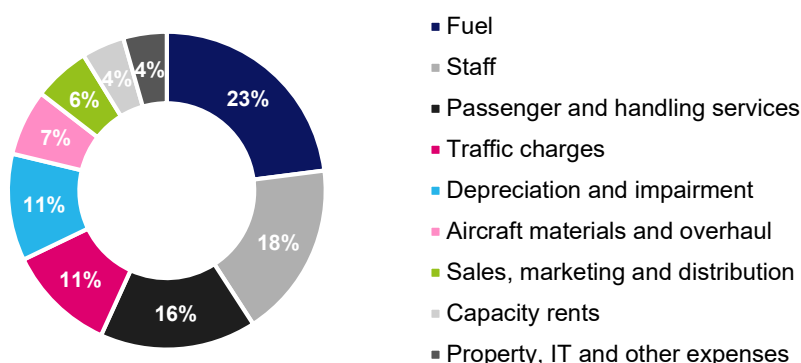
Available scheduled cargo tonne kilometres increased by 15.0 per cent, whereas revenue scheduled cargo tonne kilometres increased by 10.6 per cent. The cargo revenue increased by 2.4 per cent, amounting to 212.1 million euros (207.2).

The total number of travel services passengers grew by 8.1 per cent. The load factor in Aurinkomatkat's fixed seat allotment was 94.3 per cent (93.6). The largest passenger growth came from the growth of Finnair Holidays and Aurinkomatkat city holidays. Travel Services revenue increased by only 3.1 per cent to 229.5 million euros (222.6), and it was driven by weak H1 performance. Also in 2019, Aurinkomatkat was the largest tour operator in Finland measured by both the number of customers and by revenue.

Cost development in 2019

Finnair's operating expenses increased by 11.1 per cent to 2,991.3 million euros (2,691.4). Unit cost (CASK) increased by 0.7 per cent and totalled 6.22 euro cents (6.18). CASK excluding fuel at constant currency decreased by 1.2 per cent.

2019 split of operating costs (€2,991.3 million in total)



Operating expenses excluding fuel increased by 9.2 per cent and amounted to 2,304.0 million euros (2,110.4). Fuel costs, including hedging results and emissions trading costs, increased by 18.3 per cent to 687.3 million euros (581.0). Of this cost increase, 42 million euro is due to the increase in fuel price⁴ paid and Finnair's capacity growth explains the remainder. Fuel efficiency (as measured by fuel consumption per ASK) improved by 1.4 per cent. Fuel consumption per RTK, which also accounts for developments in both passenger and cargo load factors, improved by 0.8 per cent.

As of 1 January 2019, staff costs include all staff-related costs, whereas earlier staff travel costs and training, for example, were presented in other costs. Staff costs increased by 7.0 per cent to 534.7 million euros (499.6). Staff costs grew with the increase in the average number of people employed by 6.5 per cent and capacity growth (affecting volume related travel costs) as well as the cancellation of the pilots' long-term incentive scheme in Q4 2018 but was netted by lower volumes of entering flight crew that impacted training costs.

Passenger and handling costs increased by 8.3 per cent to 476.7 million (440.3), driven by increased volumes in both passenger and cargo traffic. The category also includes tour operation expenses. In its September 2019 meeting, the IFRS interpretation committee (IFRIC) concluded that customer (passenger) compensations related to delayed or cancelled flights need to be treated as deductions from revenue instead of passenger and handling costs. Due to this, Finnair has made a decision to

⁴ Fuel price including impact of currencies and hedging.

apply the change retrospectively for quarterly and full-year figures for 2018 and 2019 in order for the years to be comparable.

Fleet growth, annual price escalations and exceptional maintenance events increased aircraft materials and overhaul costs by 23.5 per cent to 201.2 million euros (162.9). Fleet growth also increased depreciation and impairment costs. Traffic charges increased due to traffic growth and contractual price escalations. Increase in capacity rents, covering purchased traffic from Norra and any wet leases or cargo rents, was mainly driven by higher utilisation of wet leases related to regional fleet's upgrade program. Property, IT and other expenses were at the comparison period's level.

Result in 2019

Finnair's comparable EBITDA was 488.3 million euros (512.6). The comparable operating result decreased to 162.8 million euros (218.4).

Unrealised changes in foreign currencies of fleet overhaul provisions were -1.4 million euros (-4.9) and fair value changes of derivatives where hedge accounting is not applied totalled 1.3 million euros (0.2). Items affecting comparability (sales gains or losses or restructuring costs) totalled -2.8 million euros during the period (42.6). The operating result totalled 160.0 million euros (256.3).

Financial expenses were -83.6 million euros (-84.6) and they also include interest expenses related to lease liabilities. In 2019, the foreign exchange impact was a gain of 12.7 million euros and it was mainly associated with USD-denominated aircraft lease payments and liabilities, whereas in the comparison period, a foreign exchange loss of -42.3 million euros was almost entirely related to unhedged lease liabilities.

Finnair's result before taxes was 93.0 million euros (127.2) and the result after taxes was 74.5 million euros (101.6).

Financial position and capital expenditure

Balance sheet

The Group's balance sheet totalled 3,877.9 million euros at the end of December (3,943.6). Advance payments related to A350 aircraft and the purchases of two A350 aircraft increased the fleet by 213.1 million euros during the year, and the right-of-use fleet decreased by 97.9 million euros, mainly due to depreciation. Receivables related to revenue increased, driven by the normal seasonality of the business, to 160.6 million euros (152.4).

The profit for the period increased shareholders' equity, whereas the payment of dividends in early April had the opposite effect. The increase in the fair value of jet fuel used in hedge accounting had a strengthening effect on equity due to the increase in the jet fuel price. Shareholders' equity totalled 966.4 million euros (918.5), or 7.57 euros per share (7.20).

Shareholders' equity includes a fair value reserve that is affected by changes in the fair values of jet fuel 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 December was -6.7 million euros after deferred taxes (-27.2).

Cash flow and financial position

Finnair has a strong financial position, which supports its business development and future investments. Following the adoption of IFRS 16, repayments of lease liabilities were moved from operating cash flow to financing cash flow as of 1 January 2019. In 2019, net cash flow from operating activities amounted to 564.5 million euros (503.6). Net cash flow from investments amounted to -513.2 million euros (-202.6).

The equity ratio on 31 December 2019 stood at 24.9 per cent (23.3) and gearing was 64.3 per cent (76.9). Interest-bearing liabilities amounted to 1,573.7 million euros (1,779.8), of which the share of lease liabilities amounted to 1,054.0 million euros (1,159.3). Interest-bearing net debt was 621.0 million euros (706.7).

The company's liquidity was strong during 2019. The Group's cash funds at year-end amounted to 952.7 million euros (1,073.1). During the year, Finnair refinanced its unused 175 million euro unsecured syndicated revolving credit facility, with the same size and terms substantially in line with the previous facility. The new facility has a maturity date in January 2022, and it includes two one-year extension options.

Finnair has a 200 million euro short-term commercial paper program, which was unused at the end of December. Net cash flow from financing amounted to -225.4 million euros (-289.2). Financial income was 4.8 million euros (-2.2), while financial expenses were -83.6 million euros (-84.6).

Capital expenditure

Capital expenditure excluding advance payments totalled 443.8 million euros (474.0) and was primarily related to fleet investments. Cash flow from investments totalled -478.2 million euros (-335.7), including advance payments. Cash flow from divestments totalled 1.3 million (213.8). Net change in financial assets maturing after more than three months totalled -53.4 million (-81.8). Net cash flow from investments amounted to -513.2 million euros (-202.6).

Cash flow from investments for the financial year 2020 relates mainly to the fleet and is expected to total approximately 432 million euros, including advance payments. Investment cash flow includes both committed investments as well as estimates for planned, but not yet committed, investments.

The current favourable state of the credit markets and Finnair's good debt capacity support the financing of future fixed-asset investments on competitive terms. The company has 41 unencumbered aircraft, which account for approximately 52 per cent of the balance sheet value of the entire fleet of 2,269.7 million euros.⁵

Dividend policy and the Board's proposal for the distribution of profit

The aim of Finnair's dividend policy is to pay, on average, at least one-third of the earnings per share as a dividend over an economic cycle. The aim is to take into account the company's earnings trend and outlook, financial situation and capital needs in the distribution of dividends. In 2019, earnings per share were 0.49 euros (0.70).

Finnair Plc's distributable equity amounted to 434,179,503.56 euros on 31 December 2019. The Board of Directors proposes to the Annual General Meeting that a dividend of 0.20 euros per share be distributed for 2019.

Fleet

Finnair's operating fleet

Finnair's fleet is managed by Finnair Aircraft Finance Oy, a wholly owned subsidiary of Finnair. At the end of December, Finnair itself operated 59 aircraft, of which 22 were wide-body and 37 narrow-body aircraft. Of these aircraft, 32 were owned by Finnair Aircraft Finance Oy and 27 were leased.

At the end of the year, the average age of the fleet operated by Finnair was 10.3 years.

⁵ Fleet value includes right of use assets as well as prepayments of future aircraft deliveries.

Fleet operated by Finnair*	Seats	#	Change from 31.12.2018	Own**	Leased	Average age 31.12.2019	Ordered
Narrow-body fleet							
Airbus A319	144	8		7	1	18.6	
Airbus A320	174	10		8	2	17.4	
Airbus A321	209	19		4	15	8.6	
Wide-body fleet							
Airbus A330	289/263	8		4	4	10.2	
Airbus A350	297/336	14	2	9	5	2.8	5
Total		59	2	32	27	10.3	5

* Finnair's Air Operator Certificate (AOC).

** Includes JOLCO-financed (Japanese Operating Lease with Call Option) A350 aircraft.

Fleet renewal

At the end of the year, Finnair operated fourteen A350 XWB aircraft, which have been delivered between 2015–2019. According to the current delivery schedule, Finnair will receive the remaining five A350 XWB aircraft as follows: two in H1 2020, two in 2021 and one in 2022. Finnair's investment commitments for property, plant and equipment, totalling 730 million euros, include the upcoming investments in the wide-body fleet.

Finnair will initiate a narrow-body fleet renewal within the strategy period extending to 2025.

Furthermore, in autumn 2018, Finnair announced that it is, as a part of its normal fleet maintenance operations, preparing for a gradual cabin renewal in its current long-haul fleet. This renewal is expected to amount to approximately 200 million euros and focus on the years 2020 and 2021. At the same time, Finnair announced that it will introduce a new Premium Economy cabin class for its long-haul fleet.

Finnair has the possibility to adjust the size of its fleet in line with demand forecasts through the staggered maturities of its lease agreements and changes in the number of owned aircraft.

Fleet operated by Norra (purchased traffic)

Nordic Regional Airlines (Norra) operates a fleet of 24 aircraft for Finnair on a contract flying basis. All of the aircraft operated by Norra are leased from Finnair Aircraft Finance Oy.

Fleet operated by Norra*	Seats	#	Change from 31.12.2018	Own**	Leased	Average age 31.12.2019	Ordered
ATR	68-72	12		6	6	10.4	
Embraer E190	100	12		9	3	11.5	
Total		24	0	15	9	11.0	

* Nordic Regional Airlines Oy's Air Operator Certificate (AOC).

Strategy

After the accelerated growth phase, Finnair is now targeting sustainable, profitable growth. Due to the updated strategy for the period of 2020-2025 introduced in November 2019, it will implement its strategy in five focus areas, namely: Network and fleet, Operational excellence, Modern premium airline, Sustainability as well as Culture and ways of working.

The foundation for the strategy is in the high quality and safety of Finnair's operations, Helsinki's favourable geographic position, growing focus markets, clear goals to increase revenue, modern fuel-efficient fleet as well as a strong balance sheet.

Finnair's Board of Directors has defined the following targets for the 2020-2025 strategy period:

- Comparable EBIT of over 7.5% over the cycle (at constant fuel and currency), after a 12-18-month build-up period
- ROCE of over 10% over the cycle (at constant fuel and currency), after a 12-18-month build-up period
- On-time-performance of over 85%
- Improved Net Promoter Score and improved employee Net promoter score

Finnair aims to deliver these targets through a focused strategy that leverages the geographical advantage of Finnair's hub in connecting Europe and Asia.

Additional guidance for the 2020-2025 strategy period includes the following indicative items:

- Capacity growth, measured in Available Seat Kilometres (ASK) of 3-5% CAGR
- Optimise liquidity, keeping cash-to-sales ratio above 15% (31% as per 31 December 2019)
- Gearing ratio 175% at maximum (64% as per 31 December 2019)
- Assess renewal and downsizing of the hybrid bond
- Increase the share of owned aircraft vs. leased aircraft
- Keep the dividend policy unchanged

Network and fleet

Based on the updated strategy, Finnair is targeting Asian market level growth focusing primarily on the most profitable Asian mega cities and transfer traffic. The expected annual capacity growth between 3-5% is in line with the anticipated market growth.

Transfer traffic brings half of Finnair's total revenue and two thirds of ticket sales. Three quarters of the transfer traffic is between Asia and Europe. It is anticipated that the growth will come from the transfer traffic in the future as well.

Finnair continues to leverage its home hub's unique geographical location and getting the maximum efficiencies out of it. Building a fourth bank of flights enables better utilisation of the aircraft as well as airport capacity and, thus, traffic growth will be mostly outside the main afternoon bank. As a result, the network and fleet will be further optimised, and aircraft investments will be made to improve the narrow-body to wide-body ratio enabling better utilisation of the whole fleet.

The indicative amount of investments is between 3.5 and 4.0 billion euros out of which two thirds will be into renewal and one third into growth. This includes all investments, including those committed of 730 million euros.

Operational excellence

Finnair is recognised as one of the safest airlines. The safety culture and efficiency as well as reliability and productivity of the operations continue to be at the core of the company's strategy. As a result, more effort will be put into technology, automation and utilising data as well as into working together cross-functionally.

Even though Finnair has reached its previous growth targets, productivity can be improved. The focus will be especially in fuel efficiency and on-time performance which have a great impact on both cost and productivity as well as customer experience.

In terms of on-time performance and fuel efficiency, Finnair aims to develop from being in line with peers to being one of the leaders.

Modern premium airline

Finnair aims to be defined as a modern, premium airline. This will be achieved by offering even more extensive destination and product portfolios as well as additional frequencies and by enabling a smooth travel experience. The extensive destination and product portfolios together with added frequencies cover different customer needs and ancillary products allow the customers to tailor the

way they want to travel. Finnair will additionally continue to develop its distribution channels, Finnair.com and the travel agent channel.

During Q4, the average number of monthly unique Finnair website visitors totalled 2.3 million (1.5)⁶. The renewed Finnair.com website, which makes it easier for the customer to buy tickets and services, has already been opened in more than 30 markets. The number of active users of the Finnair mobile application increased by 28.4 per cent to 365,000. Direct sales in Finnair's digital channels represented 27.6 per cent (25.0) of all tickets sold and 47.8 per cent of ancillary sales (56.2).

The indicative investments of 3.5 to 4.0 billion euros during 2020-2025 also include the new long-haul travel class, Premium Economy, which will be installed in the whole long-haul fleet starting from Q4 2020. Located in its own cabin, the Premium Economy class will feature highly customized designs for Finnair and provide customers with increased space and comfort along with an enhanced service offering. The rollout is expected to be completed by the end of 2022. Detailed planning of the cabin design and service concept as well as the commercial aspects will be communicated in 2020.

Sustainability

Sustainability is an essential part of Finnair and, thus, it is visible in everything done at Finnair.

Finnair's long-term goal is carbon neutrality. In order to achieve this goal, Finnair will e.g. continue the biofuel flights it has operated since 2011, investigate the use of other sustainable aviation fuels, utilise recycling and reduce single-use plastic waste, take part in the voluntary and non-voluntary offsetting schemes and target significant operational improvements to secure more fuel-efficient flying.

The fleet-related investment is not only impacting the customer experience but is also a significant investment in more sustainable flying.

Finnair wants to be a frontrunner in sustainability and is, therefore, working on a sustainability program which will be presented in more detail during the first half of 2020.

Culture and ways of working

The updated strategy will be implemented by engaging the entire Finnair personnel and thus the strategy will be closely linked to their everyday work and targets. The strategy emphasises genuine collaboration, target-oriented leadership and utilising of new working methods such as lean and agile.

A genuine service culture resonates well with customers in the NPS scores, which is something Finnair wants to continue improving on during the strategy period.

Finnair employed an average of 6,772 (6,422) people in Q4 2019, which is 5.4 per cent more than in the corresponding period. The number of employees increased during Q4 by 31 or 0.5 per cent, totalling 6,788 at the end of December (6,462). Altogether 153 new people were hired at Finnair in Q4 2019. The increase in personnel was mostly due to growth in the number of Cabin Crew members and Aurinkomatkat Travel Guides. The attrition rate for the last 12 months was 3.8 per cent (3.3). LTIF (Lost Time Incident Frequency), which measures the frequency of accidents at the company level, was 6.2 (10.6) in Q4, and the number of absences due to illness was slightly higher than in the comparison period and was 4.58 per cent (3.89).

Corporate sustainability

Economic, social and environmental aspects are integral to Finnair's overall business strategy and operations. Finnair wants to be a responsible global citizen and respond to its stakeholders' needs, including those concerned with corporate sustainability. Finnair cooperates with industry operators and the authorities in areas such as reducing the climate impacts of aviation, promoting equality and inclusion and the consideration of sustainability within the supply chain. Finnair is currently preparing a new corporate sustainability strategy which will be published during the first half of 2020.

⁶ The measurement method was changed in Q2 2018 due to EU GDPR.

Finnair's corporate sustainability is reflected in its strategy and vision, as well as its values of commitment to care, simplicity, courage and working together. Its current sustainability strategy embeds sustainability even deeper into the group strategy, brand and product development. The strategy measures are geared to contribute to cost containment and risk mitigation as well as value creation.

Finnair's ethical business principles are outlined in its Code of Conduct. The Code applies to all Finnair personnel and all locations. Finnair requires that its suppliers comply with ethical standards essentially similar to those which Finnair complies with in its own operations. Finnair's Supplier Code of Conduct provides clear principles to ensure ethical purchasing, including zero tolerance for corruption.

Safety has the highest priority in Finnair operations. Finnair is committed to implementing, maintaining and constantly developing strategies and processes to ensure that all its aviation activities take place under an appropriate allocation of organisational resources. This is to achieve the highest level of safety performance and compliance with the regulatory requirements while delivering our services.

Finnair is also committed to the sector's common goals of carbon-neutral growth from 2020 onwards and its long-term goal is carbon neutrality. In addition, Finnair has set an ambitious target to cut 17 per cent of its carbon dioxide emissions/RTK (Revenue Tonne Kilometre) by 2020 (from the 2013 level). Finnair estimates that this target will not be reached in full, but that its carbon dioxide emissions/RTK will decrease by 12–13 per cent by 2020 from the 2013 level.

From January 2019 on, Finnair has offered its customers the possibility of offsetting the CO₂ emissions of their flights through an emissions reduction project, and/or through the support of the use of biofuel on Finnair flights. The Push for Change service is available on our web pages in the Finnair Shop, and can be bought before, during or after a flight. Customers can also use their Finnair Plus points to buy the service. By the end of December, a total of 14,000 products were sold to compensate for emissions through either a carbon reduction project or biofuel. Total funds for emission compensation amounted to 91,172 euros. Finnair flew three biofuel flights backed by the "Push for change" carbon-decreasing initiative in 2019 from San Francisco to Helsinki. Two of the flights were flown with a biofuel mix of 12 percent and the third with a biofuel mix of 36 percent, reducing the total CO₂ emissions for the three flights by approximately 82 tons.

The key performance indicators for corporate sustainability are presented in the Key Figures table of this interim report.

Changes in company management

Topi Manner started as Finnair CEO on 1 January 2019. Manner transferred to Finnair from Nordea, where he worked as a member of Nordea's Group Executive Management and as Head of Personal Banking. Mika Stirkkinen, Vice president, Revenue Management and Pricing, started as interim Head of Commercial unit and interim member of the Executive Board on 1 January 2019, as Finnair's former CCO Juha Järvinen left the company.

Finnair appointed two new members to its Executive Board on 16 April 2019. Ole Orvér was appointed as Chief Commercial Officer, and Nicklas Ilebrand as Senior Vice President, Strategy. Both new Executive Board members started in their roles on May 1, 2019. Ole Orvér has a long international career in several airlines, where he has mainly served in leadership positions in strategy, network management and sales. Nicklas Ilebrand has previously worked at Nordea mainly in strategy and product and business development roles. Prior to that, he worked in international business consulting at McKinsey. He has also served on the board of several companies.

During the third quarter, three members of Finnair's Executive Board changed. Finnair's CFO Pekka Vähähyppä left the company on July 1, 2019, and his successor Mika Stirkkinen took up the position on the same day. Previously, Mr Stirkkinen has also held several financial management positions at Finnair. Eija Hakakari, Finnair's SVP, Human Resources and Katri Harra-Salonen, Finnair's Chief Digital Officer, left the company on September 30, 2019. Johanna Karppi, appointed Ms Hakakari's

successor, and Tomi Pienimäki, appointed successor to Ms Harra-Salonen, took up their duties on 1 October 2019. Johanna Karppi joined Finnair from Terveystalo, where she was SVP, Human Resources. She has previously held HR leadership positions at both Rautaruukki and Orion. Tomi Pienimäki has served as the CEO of Vincit and Jolla, and as the Chief Information Officer of Itella and Hackman.

Share price development and trading

Finnair's market capitalization was 753.4 million euros at the end of December (31/12/2018: 907.8). The closing price of the share on 31 December 2019 was 5.88 euros (31/12/2018: 7.09 euros). During January–December, the highest price for the Finnair Plc share on the Nasdaq Helsinki was 8.56 euros, the lowest price 5.50 euros and the average price 7.02 euros. Some 36.8 million company shares, with a total value of 257.7 million euros, were traded in Nasdaq Helsinki.

The number of Finnair shares recorded in the Trade Register 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 13.9 per cent (18.4) were held by foreign investors or in the name of a nominee.

Own shares

In January 2019, Finnair ended the share buy-back scheme initiated in December 2018. After share buy-backs that ended on 10 January 2019, Finnair held a total of 797,008 own shares, representing 0.62 per cent of the total number of shares.

In 2019, Finnair did not exercise the authorisation granted by the AGM 2019 to acquire or dispose of, its own shares. In Q1, Finnair transferred, using the authorisation granted by the AGM, a total of 105,112 own shares as incentives to the participants of the FlyShare employee share savings plan. It also transferred, in March, 149,894 own shares as a reward to the key personnel included in Finnair's share-based incentive scheme 2015–2017.

The shares remaining on the joint book-entry account, totalling 16,651 after Finnair Plc's AGM 2019 that decided on the forfeiture of the shares registered on the joint book-entry account and the rights carried by such shares, were transferred to Finnair Plc's book-entry account on 9 April 2019. After the transfer the total number of own shares owned by Finnair was 558,653, which corresponded to 0.44 per cent of Finnair Plc's total number of shares and votes.

In October, 6,340 own shares were transferred to the participants of the FlyShare employee share savings plan using the authorisation granted by the AGM. On 31 December 2019, Finnair held a total of 552,313 own shares (649,008), representing 0.43 per cent (0.51) of the total number of shares and votes.

Share-based incentive schemes

Employee share savings plan FlyShare

In December, Finnair's Board of Directors decided to launch a new, in order the eighth, 12-month savings period under the FlyShare Employee Share Plan. The objective of the plan, established in 2013, is to encourage the employees to become shareholders in the company, and thereby strengthen the employees' interest in the development of Finnair's shareholder value and to reward them over the long term. The share savings plan is described in a stock exchange release issued on 18 December 2019, in the Remuneration Statement 2019 and on the company's website.

Share-based incentive plan for key personnel

In December, the Board of Directors of Finnair also approved a new individual performance share plan covering the years 2020–2022. Within the plan, the participants have the opportunity to earn Finnair shares as a long-term incentive reward, if the performance targets set by the Board of Directors for the plan are achieved. The potential share rewards will be delivered to the participants in the spring of 2023. The plan applies to some 70 persons, and it is described in a stock exchange release issued on 18 December 2019, in the Remuneration Statement 2019 and on the company's website.

Authorisations granted by the Annual General Meeting 2019

Finnair's Annual General Meeting was held in Helsinki on 20 March 2019. 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 and on the disposal of own shares held by the company. The authorisation shall not exceed 5,000,000 shares, which corresponds to approximately 3.9 per cent of all the shares in the company. The authorisations are effective for a period of 18 months from the resolution of the AGM.

The AGM also authorised the Board of Directors to decide on donations up to an aggregate maximum of EUR 250,000 for charitable or corresponding purposes. The authorisation is effective until the next Annual General Meeting.

The resolutions of the AGM are available in full on the company's website
<https://investors.finnair.com/en/governance/general-meetings/previous-agms/agm-2019>.

Significant near-term risks and uncertainties

Aviation is an industry that is sensitive to global economic cycles and reacts quickly to external disruptions, seasonal variation and economic trends. In the implementation of its strategy, Finnair is faced with various risks and opportunities. Finnair has 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.

The risks and uncertainties described below are considered as potentially having 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 variations in the fuel price affect capacity growth in Finnair's main markets. This together with changes in ticket prices pose a risk to Finnair's revenue development, as do sudden adverse changes in the foreign exchange rates and slowing growth in demand. Generally, Finnair aims to pass exceptional variations in the fuel price to customers via ticket prices, however, the market conditions prevailing from time to time may not allow this.

Capacity increases and product improvements among Finnair's existing or new competitors may have an impact on the demand for, and yield of, Finnair's services. In addition, joint operations involving closer cooperation than airline alliances and joint businesses are expected to develop further. Potential industry consolidation could have a significant impact on the competitor landscape. Introduction of new digital distribution technologies and channels in Finnair's distribution strategy, including transition towards differentiation of fare content and availability between the channels, involves implementation and commercial risks.

The aviation industry is affected by a number of regulatory trends. Estimating the impacts of the regulatory changes on airlines' operational activities and/or costs in advance is difficult. Examples of such regulatory trends include regulation related to emissions trading, noise regulation and other environmental regulation, as well as regulations on privacy and consumer protection.

Geopolitical uncertainty, the threat of trade wars, the threat of terrorism, cyber-attacks and pandemic risks (such as coronavirus) as well as other potential external disruptions may, if they materialise, significantly affect the demand for air travel and Finnair's operations. Potentially increasing protectionism in the political environment may have an adverse impact on the market access required for the implementation of Finnair's strategy.

The UK's exit from the European Union at the end of January is not expected to have an immediate effect on the aviation industry. However, the transition period until the end of 2020 includes many commercial threats. In case of unsuccessful trade and traffic negotiations, there is a danger that the traffic rights of the UK and European airlines regarding flights between and via the UK and EU would be reduced, which may have a considerable effect on the airlines' businesses, including that of Finnair. Such effects may be negative or positive and may not be the same for all airlines.

The overall labour market situation in Finland is challenging and it may also have an impact on the negotiations in which Finnair is a party. No specific issues have been identified with collective labour agreements on which negotiations have already been commenced.

The construction work associated with the extension of Helsinki Airport, which will continue until 2022, may cause traffic delays and consequently a decline in the customer experience.

Finnair's risk management and risks related to the company's operations are described in more detail on the company's website at <https://investors.finnair.com/en/governance/risk-management>.

Seasonal variation and sensitivities in business operations

Due to the seasonal variation of the airline business, the Group's revenue and profit are generally 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 and market conditions, the 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, divestments of aircraft, aircraft lease payments, aircraft maintenance, overflight royalties and foreign currency revenue. Significant dollar-denominated expense items are fuel costs and aircraft lease payments. 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, the US dollar and the Swedish krona.

The company hedges its currency, interest rate and jet fuel exposure using a variety of derivative instruments, such as forward contracts, swaps and options, in compliance with the risk management policy approved annually 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, impact on comparable operating profit (rolling 12 months from date of financial statements)		1 percentage (point) change
Passenger load factor (PLF, %)		EUR 32 million
Average yield of passenger traffic		EUR 25 million
Unit cost (CASK excl. fuel)		EUR 23 million

Fuel sensitivities (rolling 12 months from date of financial statements)	10% change without hedging	10% change, taking hedging into account
Fuel	EUR 65 million	EUR 32 million

Fuel hedging ratios and average hedged price (rolling 12 months from date of financial statements)	Hedging ratio	Average hedge price, USD/ton*
Q1 2020	69%	686
Q2 2020	67%	681
Q3 2020	57%	665
Q4 2020	46%	640

* Average of swaps and bought call options strikes.

Currency distribution, %	Q4 2019	Q4 2018	2019	2018	Currency sensitivities USD and JPY (rolling 12 months from date of financial statements for operational cash flows)	Hedging ratio for operational cash flows (rolling next 12 months)
Sales currencies					10% change without hedging	10% change, taking hedging into account
EUR	55	56	53	55	-	-
USD*	5	4	5	4	see below	see below
JPY	9	10	11	10	EUR 36 m	EUR 16 m
CNY	6	6	7	7	-	-
KRW	2	3	3	3	-	-
SEK	3	4	3	3	-	-
Other	19	18	19	17	-	-
Purchase currencies						
EUR	57	59	57	60	-	-
USD*	36	33	36	32	EUR 84 m	EUR 26 m
Other	8	7	7	7		

* Hedging ratio and sensitivity analysis for USD basket, which consists of net cash flows in USD and HKD. The sensitivity analysis assumes that the correlation of the Hong Kong dollar with the US dollar is strong.

Hedging of foreign currency exposure in balance sheet

Finnair's asset-related foreign currency exposure increased with the recognition of the present value of qualifying operating lease liabilities in the balance sheet as right-of-use assets. The sensitivities related to interest expenses (related to lease liabilities) and foreign exchange losses/gains associated with USD denominated aircraft lease payments and liabilities are not included in the sensitivity figures in the above table, that describe impacts on comparable operating result. Unrealised foreign exchange losses/gains caused by the translation of the USD denominated liability will have an impact on Finnair's net result. In the future, the effect and amount of the foreign currency exchange could be positive or negative, depending on the USD-rate at the closing date. As at January 2019, Finnair mitigates the foreign exchange volatility introduced by this difference by using hedges and is looking for alternative solutions to hedge this position. The annual effect in net result going forward is dependent on the size of the qualifying operating lease portfolio, the duration of the leases and hedging ratio. At the end of December 2019, the hedging ratio of USD denominated aircraft lease payments and liabilities was approximately 80 per cent.

Changes in accounting principles

Compensations for Delays or Cancellations

Finnair has decided to revise its accounting related to customer compensations for delays or cancellations, based on the IFRS interpretation committee's (IFRIC) agenda decision in September 2019. The adjusted amount is not material for Finnair but as the item's recognition as an adjustment to revenue instead of other operating expenses affects some of the decimal-sensitive key ratios, Finnair has decided to also adjust the year 2018. A summary of the adjustment effects to 2018 figures has been presented on page 42 of the Report of the Board of Directors under "Restated 2018 Key Figures".

Other events during the period

Finnair is adding capacity to Japan with daily flights to Tokyo's Haneda Airport as of the start of the 2020 summer season, subject to slot availability. The new frequencies to and from Haneda will be in addition to Finnair's daily flights to Tokyo's Narita Airport. The new flights from Haneda will be codeshare flights with Finnair's long-term partner, Japan Airlines, which has a wide network of connecting flights from Haneda onwards to other destinations in Japan.

Events after the financial period

Due to the coronavirus and its impacts on air travel to and from mainland China, Finnair cancelled all its flights to mainland China between 6 February and 29 February 2020, its two weekly flights to Guangzhou between 5 February and 29 March 2020, its flights to Beijing Daxing airport between 5 February and 29 March 2020 and its flights to Nanjing between 8 February and 29 March 2020. Further, Finnair stopped accepting bookings to its mainland China flights between 31 January and 29 February 2020.

As the first quarter and especially the weeks following the Chinese New Year are typically seasonally weak for Finnair's mainland China routes in terms of profitability, Finnair estimates that the direct financial impact of group cancellations, ticket refunds and flight cancellations during the first quarter in 2020 is relatively limited, even in the case the mainland China cancellations would continue until the end of March 2020.

Financial Reporting in 2020

The publication dates of Finnair's financial reports in 2020 are the following:

- Interim Report for January–March 2020 on Wednesday 29 April 2020
- Half-Year Report for January–June 2020 on Friday 17 July 2020
- Interim Report for January–September 2020 on Wednesday 28 October 2020

FINNAIR PLC
Board of Directors

Briefings

Finnair will hold a results press conference (in Finnish) on 7 February 2020 at 11:00 a.m. at its office located at Tietotie 9, Vantaa.

An English-language telephone conference and webcast will begin at 1:00 p.m. Finnish time. The conference may be attended by dialling your local access number +358 9 7479 0361 (Finland), 0200 880 389 (Sweden), 0800 358 6377 (UK) or +44 (0)330 336 9105 (all other countries). The confirmation code is 8099758. To join the live webcast, please register at: <https://slideassist.webcasts.com/starthere.jsp?ei=1280834>

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	Q4 2019	Restated Q4 2018	Change %	2019	Restated 2018	Change %
Revenue and profitability						
Revenue, EUR million	774.9	683.4	13.4	3,097.7	2,836.1	9.2
Comparable operating result, EUR million	31.2	26.5	17.5	162.8	218.4	-25.4
Comparable operating result, % of revenue	4.0	3.9	0.1 %-p	5.3	7.7	-2.4 %-p
Operating result, EUR million	34.7	73.1	-52.5	160.0	256.3	-37.6
Comparable EBITDA, % of revenue	15.6	15.2	0.3 %-p	15.8	18.1	-2.3 %-p
Earnings per share (EPS), EUR	0.17	0.24	-29.5	0.49	0.70	-30.3
Unit revenue per available seat kilometre (RASK), cents/ASK	6.69	6.53	2.5	6.56	6.69	-1.9
RASK at constant currency, cents/ASK	6.65	6.53	1.8	6.53	6.69	-2.4
Unit revenue per revenue passenger kilometre (yield), cents/RPK	6.73	6.59	2.1	6.44	6.48	-0.7
Unit cost per available seat kilometre (CASK), cents/ASK	6.42	6.27	2.3	6.22	6.18	0.7
CASK excluding fuel, cents/ASK	4.94	4.88	1.1	4.76	4.81	-0.9
CASK excluding fuel at constant currency, cents/ASK	4.95	4.88	1.3	4.75	4.81	-1.2
Capital structure						
Equity ratio, %				24.9	23.3	1.6 %-p
Gearing, %				64.3	76.9	-12.7 %-p
Interest-bearing net debt, EUR million				621.0	706.7	-12.1
Interest-bearing net debt / Comparable EBITDA, LTM				1.3	1.4	-0.1 %-p
Gross capital expenditure, EUR million	80.7	252.4	-68.0	443.8	474.0	-6.4
Return on capital employed (ROCE), LTM, %				6.3	9.3	-3.1 %-p
Growth and traffic						
Passengers, 1,000	3,504	3,155	11.0	14,650	13,281	10.3
Ancillary revenue, EUR million	44.6	39.2	13.6	176.2	160.8	9.5
Ancillary revenue per passenger (PAX)	12.72	12.42	2.3	12.03	12.11	-0.7
Flights, number	32,301	31,089	3.9	131,186	125,848	4.2
Available seat kilometres (ASK), million	11,587	10,473	10.6	47,188	42,386	11.3
Revenue passenger kilometres (RPK), million	9,151	8,055	13.6	38,534	34,660	11.2
Passenger load factor (PLF), %	79.0	76.9	2.1 %-p	81.7	81.8	-0.1 %-p
Fuel consumption, tonnes	275,324	254,193	8.3	1,132,219	1,031,125	9.8
CO ₂ emissions, tonnes/ASK	0.0748	0.0765	-2.1	0.0756	0.0766	-1.4
CO ₂ emissions, tonnes/RTK	0.7872	0.7991	-1.5	0.7853	0.7917	-0.8
Customer Experience						
Net Promoter Score *	41	45	-9.8	38	47	-17.7
Arrival punctuality, %	83.2	78.9	4.4 %-p	79.3	79.7	-0.4 %-p
People Experience						
Average number of employees	6,772	6,422	5.4	6,771	6,360	6.5
WeTogether@Finnair Personnel Experience overall grade	3.66	3.77	-2.9	3.66	3.77	-2.9
Absences due to illness, %	4.58	3.89	0.69 %-p	4.62	4.24	0.38 %-p
LTIF (Lost-time injury frequency)	6.2	10.6	-41.5	9.6	11.7	-17.9
Attrition rate, LTM, %				3.8	3.3	0.5 %-p
Transformation						
Share of digital direct ticket sales, % **	27.6	25.0	2.6 %-p	25.9	23.9	2.0 %-p
Share of digital direct ancillary sales, % **	47.8	56.2	-8.4 %-p	50.1	55.1	-5.0 %-p
Average number of monthly visitors at finnair.com, millions ***	2.3	1.5	49.4	2.0	1.9	6.6
Active users for Finnair mobile app, thousands	365.3	284.5	28.4	332.6	265.5	25.3

* New Customer satisfaction survey was launched in beginning of January 2019. Due to renewed research methodology LTM figure cannot currently be calculated, because data in 2018 is not fully comparable to 2019. In the new survey NPS is calculated based on responses from all customers starting from beginning of 2019, including Finnair Plus and non-members. In 2018 NPS was calculated based on responses from Finnair Plus members only and therefore these results are not comparable between each other.

** In Finnair's own digital channels.

*** Measurement method changed due to EU GDPR in Q2 2018.

RESTATEMENT OF KEY FIGURES

CUMULATIVE QUARTERLY KEY FIGURES 2018, REPORTED AND RESTATED

		Reported				Restated			
		Q1	Q1-Q2	Q1-Q3	Q1-Q4	Q1	Q1-Q2	Q1-Q3	Q1-Q4
		2018	2018	2018	2018	2018	2018	2018	2018
	Revenue, EUR million	635.3	1,350.4	2,151.5	2,834.6	641.1	1,359.3	2,166.2	2,849.7
	Operating expenses total, EUR million	651.2	1,336.2	2,046.4	2,739.0	646.3	1,323.2	2,029.4	2,705.1
	Operating expenses excl. fuel, EUR million	523.8	1,063.3	1,610.8	2,158.0	518.9	1,050.4	1,593.8	2,124.0
	Comparable operating result, EUR million	3.9	51.8	160.2	169.4	14.6	73.7	191.9	218.4
	Comparable operating result, % of revenue	0.6	3.8	7.4	6.0	2.3	5.4	8.9	7.7
	Operating result, EUR million	6.0	45.9	151.7	207.5	16.9	67.7	183.1	256.3
DEL	Comparable EBITDAR, % of revenue	12.3	14.9	17.9	16.8				
NEW	Comparable EBITDA, % of revenue					13.5	16.0	18.9	18.0
	Earnings per share (EPS), EUR	-0.01	0.18	0.79	1.08	0.08	-0.07	0.46	0.70
	Equity per share, EUR	7.60	8.21	9.02	8.01	7.26	7.53	8.26	7.20
	Unit revenue per available seat kilometre (RASK), cents/ASK	6.57	6.62	6.74	6.69	6.63	6.67	6.79	6.72
	RASK at constant currency, cents/ASK	6.71	6.73	6.85	6.78	6.77	6.78	6.90	6.81
	Unit revenue per revenue passenger kilometre (yield), cents/RPK	6.05	6.30	6.44	6.48	6.12	6.35	6.49	6.52
	Unit cost per available seat kilometre (CASK), cents/ASK	6.53	6.37	6.24	6.29	6.48	6.31	6.19	6.21
	CASK excluding fuel, cents/ASK	5.21	5.03	4.88	4.92	5.16	4.97	4.82	4.84
	CASK excluding fuel at constant currency, cents/ASK	5.31	5.03	4.86	4.89	5.26	4.96	4.81	4.81
	Equity ratio, %	32.6	33.9	37.5	34.7	23.4	23.7	26.3	23.3
	Gearing, %	-28.0	-39.1	-37.4	-38.9	80.4	65.6	57.3	76.9
DEL	Adjusted gearing, %	76.7	60.7	55.2	67.2				
	Interest-bearing net debt, EUR million	-272.1	-410.5	-431.4	-397.9	746.8	631.7	605.6	706.7
DEL	Adjusted net debt, EUR million	746.0	637.3	636.7	686.8	746.8	631.7	605.6	706.7
DEL	Adjusted net debt / Comparable EBITDAR, LTM	-	-	-	1.4				
NEW	Interest-bearing net debt / Comparable EBITDA, LTM *					-	-	-	1.4
	Gross capital expenditure, EUR million	55.8	85.5	168.5	331.0	64.2	108.0	221.6	474.0
	Return on capital employed (ROCE), LTM, % *	-	-	-	11.9	-	-	-	9.3

PERIODIC QUARTERLY KEY FIGURES 2018, REPORTED AND RESTATED

		Reported				Restated			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		2018	2018	2018	2018	2018	2018	2018	2018
	Revenue, EUR million	635.3	715.0	801.2	683.1	641.1	718.2	806.9	683.5
	Operating expenses total, EUR million	651.2	685.0	710.3	692.5	646.3	676.9	706.2	675.7
	Operating expenses excl. fuel, EUR million	523.8	539.6	547.5	547.1	518.9	531.5	543.4	530.2
	Comparable operating result, EUR million	3.9	47.9	108.4	9.2	14.6	59.1	118.2	26.5
	Comparable operating result, % of revenue	0.6	6.7	13.5	1.3	2.3	8.2	14.6	3.9
	Operating result, EUR million	6.0	39.9	105.7	55.9	16.9	50.8	115.5	73.1
DEL	Comparable EBITDAR, % of revenue	12.3	17.2	23.0	13.2				
NEW	Comparable EBITDA, % of revenue					13.5	18.2	23.7	15.2
	Earnings per share (EPS), EUR	-0.01	0.19	0.60	0.29	0.08	-0.15	0.52	0.24
	Unit revenue per available seat kilometre (RASK), cents/ASK	6.57	6.67	6.95	6.52	6.63	6.70	7.00	6.53
	RASK at constant currency, cents/ASK	6.71	6.75	7.06	6.56	6.77	6.78	7.11	6.56
	Unit revenue per revenue passenger kilometre (yield), cents/RPK	6.05	6.52	6.69	6.59	6.12	6.56	6.75	6.59
	Unit cost per available seat kilometre (CASK), cents/ASK	6.53	6.22	6.01	6.43	6.48	6.15	5.97	6.27
	CASK excluding fuel, cents/ASK	5.21	4.87	4.60	5.05	5.16	4.79	4.56	4.88
	CASK excluding fuel at constant currency, cents/ASK	5.31	4.77	4.57	4.98	5.26	4.70	4.53	4.82
	Gross capital expenditure, EUR million	55.8	29.7	83.0	162.5	64.2	43.8	113.6	252.4

* Finnair restated key figures that use rolling 12-months income statement figures from 31.12.2018 onwards. Earlier periods were not restated because income statement is restated only from 1.1.2018 onwards.

CUMULATIVE QUARTERLY KEY FIGURES, RESTATEMENT OF CUSTOMER COMPENSATIONS IN Q4 2019

		Q1 2018	Q1-Q2 2018	Q1-Q3 2018	Q1-Q4 2018	Q1 2019	Q1-Q2 2019	Q1-Q3 2019
Revenue	Reported *	641.1	1,359.3	2,166.2	2,849.7	672.9	1,466.0	2,336.2
	Restatement effect	-5.6	-8.4	-13.5	-13.6	-4.7	-8.6	-13.5
	Restated 31 Dec 2019	635.5	1,350.9	2,152.7	2,836.1	668.2	1,457.3	2,322.8
Comparable operating result, % of revenue	Reported *	2.3	5.4	8.9	7.7	-2.4	2.1	5.6
	Restatement effect	0.0	0.0	0.1	0.0	0.0	0.0	0.0
	Restated 31 Dec 2019	2.3	5.5	8.9	7.7	-2.4	2.1	5.7
Comparable EBITDA, % of revenue	Reported *	13.5	16.0	18.9	18.0	8.9	12.7	15.7
	Restatement effect	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Restated 31 Dec 2019	13.6	16.1	19.0	18.1	8.9	12.7	15.8
Unit revenue per available seat kilometre (RASK), cents/ASK	Reported *	6.63	6.67	6.79	6.72	6.31	6.38	6.56
	Restatement effect	-0.06	-0.04	-0.04	-0.03	-0.04	-0.04	-0.04
	Restated 31 Dec 2019	6.58	6.63	6.75	6.69	6.26	6.34	6.52
RASK at constant currency, cents/ASK	Reported *	6.63	6.67	6.79	6.72	6.28	6.37	6.53
	Restatement effect	-0.06	-0.04	-0.04	-0.03	-0.04	-0.04	-0.04
	Restated 31 Dec 2019	6.58	6.63	6.75	6.69	6.24	6.34	6.50
Unit revenue per revenue passenger kilometre (yield), cents/RPK	Reported *	6.12	6.35	6.49	6.52	6.19	6.28	6.39
	Restatement effect	-0.07	-0.05	-0.05	-0.04	-0.06	-0.05	-0.05
	Restated 31 Dec 2019	6.05	6.30	6.44	6.48	6.13	6.24	6.34
Unit cost per available seat kilometre (CASK), cents/ASK	Reported *	6.48	6.31	6.19	6.21	6.46	6.25	6.19
	Restatement effect	-0.06	-0.04	-0.04	-0.03	-0.04	-0.04	-0.04
	Restated 31 Dec 2019	6.42	6.27	6.14	6.18	6.41	6.21	6.15
CASK excluding fuel, cents/ASK	Reported *	5.16	4.97	4.82	4.84	5.10	4.83	4.74
	Restatement effect	-0.06	-0.04	-0.04	-0.03	-0.04	-0.04	-0.04
	Restated 31 Dec 2019	5.11	4.93	4.78	4.81	5.05	4.79	4.71
CASK excluding fuel at constant currency, cents/ASK	Reported *	5.16	4.97	4.82	4.84	5.02	4.82	4.72
	Restatement effect	-0.06	-0.04	-0.04	-0.03	-0.04	-0.04	-0.04
	Restated 31 Dec 2019	5.11	4.93	4.78	4.81	4.98	4.79	4.68

PERIODIC QUARTERLY KEY FIGURES, RESTATEMENT OF CUSTOMER COMPENSATIONS IN Q4 2019

		Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Revenue	Reported *	641.1	718.2	806.9	683.5	672.9	793.0	870.3
	Restatement effect	-5.6	-2.8	-5.1	-0.1	-4.7	-3.9	-4.8
	Restated 31 Dec 2019	635.5	715.4	801.8	683.4	668.2	789.1	865.4
Comparable operating result, % of revenue	Reported *	2.3	8.2	14.6	3.9	-2.4	6.0	11.6
	Restatement effect	0.0	0.0	0.1	0.0	0.0	0.0	0.1
	Restated 31 Dec 2019	2.3	8.3	14.7	3.9	-2.4	6.0	11.6
Comparable EBITDA, % of revenue	Reported *	13.5	18.2	23.7	15.2	8.9	15.9	20.9
	Restatement effect	0.1	0.1	0.2	0.0	0.1	0.1	0.1
	Restated 31 Dec 2019	13.6	18.3	23.9	15.2	8.9	16.0	21.0
Unit revenue per available seat kilometre (RASK), cents/ASK	Reported *	6.63	6.70	7.00	6.53	6.31	6.44	6.89
	Restatement effect	-0.06	-0.03	-0.04	0.00	-0.04	-0.03	-0.04
	Restated 31 Dec 2019	6.58	6.67	6.96	6.53	6.26	6.41	6.86
RASK at constant currency, cents/ASK	Reported *	6.63	6.70	7.00	6.53	6.28	6.46	6.83
	Restatement effect	-0.06	-0.03	-0.04	0.00	-0.04	-0.03	-0.04
	Restated 31 Dec 2019	6.58	6.67	6.96	6.53	6.24	6.42	6.79
Unit revenue per revenue passenger kilometre (yield), cents/RPK	Reported *	6.12	6.56	6.75	6.59	6.19	6.36	6.57
	Restatement effect	-0.07	-0.03	-0.05	0.00	-0.06	-0.04	-0.04
	Restated 31 Dec 2019	6.05	6.53	6.70	6.59	6.13	6.32	6.53
Unit cost per available seat kilometre (CASK), cents/ASK	Reported *	6.48	6.15	5.97	6.27	6.46	6.06	6.10
	Restatement effect	-0.06	-0.03	-0.04	0.00	-0.04	-0.03	-0.04
	Restated 31 Dec 2019	6.42	6.12	5.93	6.27	6.41	6.03	6.06
CASK excluding fuel, cents/ASK	Reported *	5.16	4.79	4.56	4.88	5.10	4.59	4.59
	Restatement effect	-0.06	-0.03	-0.04	0.00	-0.04	-0.03	-0.04
	Restated 31 Dec 2019	5.11	4.77	4.52	4.88	5.05	4.56	4.55
CASK excluding fuel at constant currency, cents/ASK	Reported *	5.16	4.79	4.56	4.88	5.02	4.66	4.52
	Restatement effect	-0.06	-0.03	-0.04	0.00	-0.04	-0.03	-0.04
	Restated 31 Dec 2019	5.11	4.77	4.52	4.88	4.98	4.62	4.49

* Reported figures of financial year 2018 are referring to Finnair's restated financials 2018 disclosed on 21 March 2019. Restatement related to compensations for delays or cancellations is described in the note 20. Changes in accounting principles and restated financials 2018.

Finnair Consolidated Financial Statements 1 January - 31 December 2019

CONSOLIDATED INCOME STATEMENT

in mill. EUR	Q4 2019	Restated Q4 2018	Change %	2019	Restated 2018	Change %
Revenue	774.9	683.4	13.4	3,097.7	2,836.1	9.2
Other operating income	15.4	18.6	-17.3	56.4	73.7	-23.5
Operating expenses						
Staff costs	-136.3	-119.2	14.4	-534.7	-499.6	7.0
Fuel costs	-171.4	-145.4	17.9	-687.3	-581.0	18.3
Capacity rents	-32.1	-30.9	3.9	-130.2	-122.4	6.4
Aircraft materials and overhaul	-53.4	-42.9	24.5	-201.2	-162.9	23.5
Traffic charges	-78.7	-74.4	5.7	-331.3	-300.8	10.1
Sales, marketing and distribution costs	-44.5	-40.9	8.9	-172.1	-159.0	8.2
Passenger and handling services	-118.3	-110.7	6.8	-476.7	-440.3	8.3
Property, IT and other expenses	-35.0	-33.6	4.1	-132.4	-131.3	0.9
Comparable EBITDA	120.7	104.1	16.0	488.3	512.6	-4.7
Depreciation and impairment	-89.5	-77.5	15.5	-325.4	-294.2	10.6
Comparable operating result	31.2	26.5	17.5	162.8	218.4	-25.4
Unrealized changes in foreign currencies of fleet overhaul provisions	4.3	-1.1	> 200 %	-1.4	-4.9	72.5
Fair value changes of derivatives where hedge accounting is not applied	0.8	4.1	-81.1	1.3	0.2	> 200 %
Sales gains and losses on aircraft and other transactions	0.0	43.2	-99.9	0.2	42.7	-99.5
Restructuring costs	-1.6	0.4	<-200 %	-3.0	-0.1	<-200 %
Operating result	34.7	73.1	-52.5	160.0	256.3	-37.6
Financial income	2.1	-1.0	> 200 %	4.8	-2.2	> 200 %
Financial expenses	-20.4	-21.5	5.3	-83.6	-84.6	1.1
Exchange rate gains and losses	14.9	-8.6	> 200 %	12.7	-42.3	> 200 %
Share of results in associates and joint ventures	-0.9	-	-	-0.9	-	-
Result before taxes	30.4	42.0	-27.7	93.0	127.2	-26.9
Income taxes	-5.9	-8.6	31.1	-18.4	-25.6	27.8
Result for the period	24.5	33.4	-26.8	74.5	101.6	-26.7
Attributable to						
Owners of the parent company	24.5	33.4	-26.8	74.5	101.6	-26.7
Earnings per share attributable to shareholders of the parent company, EUR						
Basic earnings per share	0.17	0.24	-29.5	0.49	0.70	-30.3
Diluted earnings per share	0.17	0.24	-29.5	0.49	0.70	-30.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in mill. EUR	Q4 2019	Restated Q4 2018	Change %	2019	Restated 2018	Change %
Result for the period	24.5	33.4	-26.8	74.5	101.6	-26.7
Other comprehensive income items						
Items that may be reclassified to profit or loss in subsequent periods						
Change in fair value of hedging instruments	17.0	-194.8	> 200 %	75.8	-113.5	> 200 %
Tax effect	-3.4	39.0	<-200 %	-15.2	22.7	<-200 %
Items that will not be reclassified to profit or loss in subsequent periods						
Actuarial gains and losses from defined benefit plans	24.1	-2.9	> 200 %	-50.2	0.7	<-200 %
Tax effect	-4.8	0.6	<-200 %	10.0	-0.1	> 200 %
Other comprehensive income items total	32.9	-158.1	> 200 %	20.5	-90.2	> 200 %
Comprehensive income for the period	57.3	-124.7	> 200 %	95.0	11.4	> 200 %
Attributable to						
Owners of the parent company	57.3	-124.7	> 200 %	95.0	11.4	> 200 %

CONSOLIDATED BALANCE SHEET

in mill. EUR		31 Dec 2019	Restated 31 Dec 2018	Restated 1 Jan 2018
ASSETS				
Non-current assets				
Fleet	O	1,533.3	1,320.2	1,218.2
Right-of-use fleet	O	736.4	834.3	881.8
Fleet total	O	2,269.7	2,154.5	2,100.1
Other fixed assets	O	178.4	173.2	171.5
Right-of-use other fixed assets	O	141.1	164.3	186.4
Other fixed assets total	O	319.5	337.5	357.9
Other non-current assets	O	39.5	53.3	8.1
Non-current assets total		2,628.7	2,545.3	2,466.0
Current assets				
Receivables related to revenue	O	160.6	152.4	268.6
Inventories and prepaid expenses	O	80.2	120.7	61.9
Derivative financial instruments	O/I*	55.7	52.1	104.5
Other financial assets	I	800.8	892.2	833.0
Cash and cash equivalents	I	151.9	180.9	150.2
Current assets total		1,249.2	1,398.3	1,418.2
Assets held for sale	O		0.1	16.7
Assets total		3,877.9	3,943.6	3,900.9
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	O	75.4	75.4	75.4
Other equity	O	890.9	843.0	884.5
Equity total		966.4	918.5	960.0
Non-current liabilities				
Lease liabilities	I	913.6	1,034.3	1,048.5
Other interest-bearing liabilities	I	477.3	514.2	539.9
Pension obligations	O	77.1	17.0	6.4
Provisions and other liabilities	O	156.9	107.1	94.7
Deferred tax liabilities	O	64.3	47.6	60.1
Non-current liabilities total		1,689.1	1,720.2	1,749.6
Current liabilities				
Lease liabilities	I	140.4	125.1	68.7
Other interest-bearing liabilities	I	43.5	100.5	125.6
Provisions	O	17.2	30.9	25.8
Trade payables	O	84.7	72.6	90.7
Derivative financial instruments	O/I*	38.9	107.1	81.3
Deferred income and advances received	O	552.7	548.9	475.3
Liabilities related to employee benefits	O	119.4	105.6	139.2
Other liabilities	O	225.7	214.2	173.4
Current liabilities total		1,222.4	1,304.9	1,180.1
Liabilities related to assets held for sale	O			11.2
Liabilities total		2,911.5	3,025.1	2,940.9
Equity and liabilities total		3,877.9	3,943.6	3,900.9

Finnair reports its interest-bearing debt, net debt and gearing to give an overview of Finnair's financial position. Balance sheet items included in interest-bearing net debt are marked with an "I". Other items are marked with an "O".

Additional information to Balance Sheet: Interest-bearing net debt and gearing		31 Dec 2019	Restated 31 Dec 2018	Restated 1 Jan 2018
Lease liabilities		1,054.0	1,159.3	1,117.2
Other interest-bearing liabilities		520.8	614.7	665.5
Cross currency interest rate swaps *		-1.1	5.8	18.5
Adjusted interest-bearing liabilities		1,573.7	1,779.8	1,801.2
Other financial assets		-800.8	-892.2	-833.0
Cash and cash equivalents		-151.9	-180.9	-150.2
Interest-bearing net debt		621.0	706.7	818.1
Equity total		966.4	918.5	960.0
Gearing, %		64.3 %	76.9 %	85.2 %

* Cross-currency interest rate swaps are used for hedging the currency and interest rate risk of interest-bearing loans, but hedge accounting is not applied. Changes in fair net value correlate with changes in the fair value of interest-bearing liabilities. Therefore, the fair net value of cross-currency interest rate swaps recognised in derivative assets/liabilities and reported in Note 8, is considered an interest-bearing liability in the net debt calculation.

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 total
Equity 1 Jan 2019	75.4	168.1	-27.2	255.2	248.7	198.2	918.5
Result for the period					74.5		74.5
Change in fair value of hedging instruments			60.7				60.7
Actuarial gains and losses from defined benefit plans			-40.2				-40.2
Comprehensive income for the period			20.5		74.5		95.0
Hybrid bond interests and expenses					-12.6		-12.6
Dividend					-35.0		-35.0
Acquisitions of own shares					-0.5		-0.5
Share-based payments				0.9			0.9
Equity 31 Dec 2019	75.4	168.1	-6.7	256.1	275.2	198.2	966.4

in mill. EUR	Share capital	Other restricted funds	Hedging reserve and other OCI items	Unrestricted equity funds	Retained earnings	Hybrid bond	Equity total
Equity 31 Dec 2017	75.4	168.1	63.0	250.3	205.0	198.2	960.0
Change in accounting principles				3.8	-4.7		-1.0
Equity 1 Jan 2018	75.4	168.1	63.0	254.0	200.2	198.2	959.0
Result for the period					101.6		101.6
Change in fair value of hedging instruments			-90.8				-90.8
Actuarial gains and losses from defined benefit plans			0.6				0.6
Comprehensive income for the period			-90.2		101.6		11.4
Hybrid bond interests and expenses					-12.6		-12.6
Dividend					-38.4		-38.4
Acquisitions of own shares					-3.7		-3.7
Share-based payments				1.1			1.1
Adjustment of sublease contracts					1.6		1.6
Equity 31 Dec 2018	75.4	168.1	-27.2	255.2	248.7	198.2	918.5

CONSOLIDATED CASH FLOW STATEMENT

in mill. EUR	Q4 2019	Restated Q4 2018	2019	Restated 2018
Cash flow from operating activities				
Result before taxes	30.4	42.0	93.0	127.2
Depreciation and impairment	89.5	77.5	325.4	294.2
Items affecting comparability	-3.6	-46.6	2.8	-37.9
Financial income and expenses	3.4	31.1	66.1	129.0
Share of results in associates and joint ventures	0.9		0.9	
Comparable EBITDA	120.7	104.1	488.3	512.6
Change in provisions	9.6	4.6	29.5	20.6
Employee benefits	0.8	-7.9	10.6	3.0
Other adjustments	0.4	-1.2	1.5	-3.1
Non-cash transactions	10.8	-4.5	41.5	20.5
Changes in trade and other receivables	48.8	-8.5	33.4	-18.4
Changes in inventories	0.2	-0.6	-2.2	-1.8
Changes in trade and other payables	-40.8	-7.0	46.9	70.6
Changes in working capital	8.1	-16.1	78.1	50.4
Financial expenses paid, net	-18.6	-15.2	-31.5	-79.9
Income taxes paid	-0.9		-11.9	
Net cash flow from operating activities	120.1	68.3	564.5	503.6
Cash flow from investing activities				
Investments in fleet	-126.7	-156.3	-453.1	-309.7
Investments in other fixed assets	-4.8	-7.0	-25.2	-26.0
Divestments of fixed assets	0.6	113.8	1.3	213.8
Lease and lease interest payments received	4.0		16.3	
Net change in financial assets maturing after more than three months	-59.7	-2.3	-53.4	-81.8
Change in other non-current assets	0.8	0.4	0.8	1.2
Net cash flow from investing activities	-185.7	-51.5	-513.2	-202.6
Cash flow from financing activities				
Loan repayments and changes	-12.0	-13.1	-42.0	-112.5
Repayments of lease liabilities	-34.0	-30.7	-132.2	-118.9
Hybrid bond interests and expenses	-15.8	-15.8	-15.8	-15.8
Acquisitions of own shares		-3.7	-0.5	-3.7
Dividends paid			-35.0	-38.4
Net cash flow from financing activities	-61.7	-63.2	-225.4	-289.2
Change in cash flows	-127.3	-46.4	-174.1	11.8
Liquid funds, at beginning	609.0	702.2	655.8	643.9
Change in cash flows	-127.3	-46.4	-174.1	11.8
Liquid funds, at end *	481.7	655.8	481.7	655.8
* Liquid funds				
Other financial assets	800.8	892.2	800.8	892.2
Cash and cash equivalents	151.9	180.9	151.9	180.9
Cash funds	952.7	1,073.1	952.7	1,073.1
Maturing after more than three months	-470.9	-417.3	-470.9	-417.3
Liquid funds	481.7	655.8	481.7	655.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS BULLETIN

1. BASICS OF PREPARATION

This Consolidated Financial Statements Bulletin has been prepared according to the International (IAS) Standard 34: Interim Financial Reporting. Consolidated income statement includes, in addition to operating result, comparable operating result and EBITDA which are presented to better reflect the Group's business performance when comparing results to previous periods. Comparable operating result does not include capital gains and losses, changes in the unrealized fair value of foreign currency denominated fleet maintenance reserves, changes in the unrealised fair value of derivatives or restructuring costs. The basis for this is explained in more detail in the note 7. Items affecting comparability. Comparable EBITDA is a common measure in airline business which aims to reflect comparable operating result excluding capital cost. Therefore, comparable EBITDA is calculated by excluding depreciations from comparable operating result.

Finnair uses alternative performance measures referred to in the European Securities Markets Authority (ESMA) Guidelines on Alternative Performance Measures to describe its operational and financial performance, to provide a comparable view of its business and to enable better comparability relative to its industry peers. The alternative performance measures do not replace IFRS indicators. Finnair's alternative performance measures reported in financial statements are comparable operating result and EBITDA. Comparable operating result is reconciled in the note 7. Items affecting comparability. Finnair applies consistent principles when excluding items from comparable operating results. The principles are described in more detail in the note 7. Items affecting comparability.

Calculation principles of key ratios are defined in the note 21. Calculation of key ratios. Changes in accounting principles did not have an effect on calculating alternative performance measures. However, due to IFRS 16 implementation, adjusted net debt and adjusted gearing are no longer presented. Further information regarding IFRS 16 impact to key figures is presented in note 20. Changes in accounting principles and restated financials 2018.

2. ACCOUNTING PRINCIPLES

Finnair Group adopted the new IFRS 16 standard: Leases on 1 January 2019. The accounting principles applied correspond to the accounting principles disclosed in the Consolidated Financial Statements. Finnair has also changed its accounting principle relating to aircraft frame components, including cabin components and frame overhauls and made structural changes in its financial reporting chart of accounts, including income statement, balance sheet and cash flow reporting line item changes. Finnair has applied the changes in accounting principles retrospectively in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and each comparative period has been restated accordingly.

The changes to the accounting principles and restatement effects to 2018 financials are described in the note 20. Changes in accounting principles and restated financials 2018.

The figures presented in this statement are not rounded; therefore, the total sum of individual figures does not necessarily match the corresponding sum stated herein. The key figures stated here are calculated using the exact figures.

3. CRITICAL ACCOUNTING ESTIMATES AND SOURCES OF UNCERTAINTY

The preparation of the Financial Statements Bulletin 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 critical accounting estimates and sources of uncertainty are disclosed in the financial statements 2019.

4. SEGMENT INFORMATION AND REVENUE

Finnair Executive Board, defined as the chief operative decision maker according to IFRS 8: Segment reporting, considers the business as one operating segment. Therefore, segment information is not reported.

Revenue by product and traffic area

Q4 2019, in mill. EUR	Asia	North Atlantic	Europe	Domestic	Un-allocated	Total	Share %
Passenger revenue	255.4	42.3	249.1	52.8	16.2	615.9	79.5
Ancillary and retail revenue	13.9	2.7	12.0	1.2	14.8	44.6	5.7
Cargo	43.0	4.0	8.9	0.3	1.1	57.2	7.4
Travel services	8.3	2.6	49.0	-0.7	-2.0	57.3	7.4
Total	320.6	51.6	319.0	53.6	30.1	774.9	
Share %	41.4	6.7	41.2	6.9	3.9		

Q4 2018, in mill. EUR	Asia	North Atlantic	Europe	Domestic	Un-allocated	Total	Share %
Passenger revenue	228.1	30.5	212.3	48.7	11.3	530.9	77.7
Ancillary and retail revenue	11.5	1.8	10.2	2.0	13.7	39.2	5.7
Cargo	47.7	3.5	10.0	0.2	-1.3	60.0	8.8
Travel services	7.9	3.0	39.8	0.4	2.1	53.3	7.8
Total	295.1	38.9	272.4	51.2	25.8	683.4	
Share %	43.2	5.7	39.9	7.5	3.8		

2019, in mill. EUR	Asia	North Atlantic	Europe	Domestic	Un-allocated	Total	Share %
Passenger revenue	1,083.6	179.1	997.9	181.4	37.8	2,479.8	80.1
Ancillary and retail revenue	54.8	11.1	45.1	5.2	60.0	176.2	5.7
Cargo	156.8	13.8	32.9	1.3	7.3	212.1	6.8
Travel services	32.9	13.0	183.6	0.0	-0.1	229.5	7.4
Total	1,328.2	217.1	1,259.5	187.9	105.0	3,097.7	
Share %	42.9	7.0	40.7	6.1	3.4		

2018, in mill. EUR	Asia	North Atlantic	Europe	Domestic	Un-allocated	Total	Share %
Passenger revenue	999.3	137.5	898.1	178.0	32.4	2,245.4	79.2
Ancillary and retail revenue	45.3	7.5	40.7	4.4	62.9	160.8	5.7
Cargo	155.7	12.0	32.4	0.6	6.5	207.2	7.3
Travel services	35.9	13.3	165.2	1.3	7.0	222.6	7.8
Total	1,236.2	170.3	1,136.4	184.4	108.8	2,836.1	
Share %	43.6	6.0	40.1	6.5	3.8		

PLF, %	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Asia	79.7	78.9	0.8 %-p	82.9	85.5	-2.6 %-p
North Atlantic	79.9	78.6	1.2 %-p	85.3	83.8	1.5 %-p
Europe	79.2	75.7	3.4 %-p	80.9	78.6	2.3 %-p
Domestic	67.4	63.9	3.5 %-p	65.6	64.7	0.9 %-p
Total	79.0	76.9	2.1 %-p	81.7	81.8	-0.1 %-p

ASK, mill. km	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Asia	5,742.4	5,156.4	11.4	23,303.6	21,052.1	10.7
North Atlantic	1,012.0	762.1	32.8	4,068.4	3,135.6	29.7
Europe	4,313.1	4,036.4	6.9	17,893.4	16,297.8	9.8
Domestic	520.0	518.4	0.3	1,922.8	1,900.2	1.2
Total	11,587.4	10,473.3	10.6	47,188.1	42,385.8	11.3

RPK, mill. km	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Asia	4,576.1	4,067.2	12.5	19,329.0	17,999.6	7.4
North Atlantic	808.3	599.2	34.9	3,470.4	2,626.3	32.1
Europe	3,415.7	3,057.5	11.7	14,472.4	12,804.9	13.0
Domestic	350.5	331.5	5.7	1,261.8	1,229.5	2.6
Total	9,150.6	8,055.4	13.6	38,533.6	34,660.4	11.2

Key figures quarterly, last 24 months	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Revenue	774.9	865.4	789.1	668.2	683.4	801.8	715.4	635.5
Passenger revenue	615.9	709.9	641.5	512.5	530.9	652.3	577.5	484.7
Ancillary and retail revenue	44.6	45.7	45.3	40.7	39.2	42.0	40.5	39.1
Cargo	57.2	52.8	54.7	47.4	60.0	55.0	51.7	40.5
Travel services	57.3	57.0	47.6	67.7	53.3	52.5	45.7	71.2
Comparable operating result	31.2	100.7	47.2	-16.2	26.5	118.2	59.1	14.6
Operating result	34.7	94.9	47.9	-17.6	73.1	115.5	50.8	16.9
ASK, mill. km	11,587.4	12,623.6	12,307.3	10,669.8	10,473.3	11,528.0	10,718.7	9,665.7
RPK, mill. km	9,150.6	10,877.0	10,150.2	8,355.8	8,055.4	9,742.7	8,846.5	8,015.8
PLF, %	79.0	86.2	82.5	78.3	76.9	84.5	82.5	82.9

5. STAFF COSTS

in mill. EUR	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Wages and salaries	-92.1	-76.0	21.1	-371.4	-339.2	9.5
Defined contribution schemes	-15.4	-13.9	10.2	-63.4	-63.2	0.2
Defined benefit schemes	-1.8	-4.0	-55.3	-11.2	-13.2	-14.8
Pension expenses total	-17.2	-18.0	-4.5	-74.6	-76.4	-2.4
Other social expenses	-8.7	-8.3	5.9	-16.7	-17.8	-6.5
Salaries, pension and social costs	-118.0	-102.3	15.4	-462.7	-433.4	6.8
Operative staff related costs	-10.6	-9.5	11.7	-42.8	-34.6	23.7
Leased and outsourced crew	-4.0	-3.9	2.9	-16.2	-17.3	-6.4
Other personnel related costs	-3.7	-3.6	4.5	-13.0	-14.3	-9.4
Total	-136.3	-119.2	14.4	-534.7	-499.6	7.0

6. DEPRECIATION AND IMPAIRMENT

in mill. EUR	Q4 2019	Q4 2018	Change %	2019	2018	Change %
Depreciation of owned fleet	-47.9	-37.8	26.8	-171.2	-136.5	25.4
Depreciation of other fixed assets	-9.1	-5.5	66.6	-24.7	-19.3	28.0
Depreciation of right-of-use fleet	-26.8	-28.0	-4.2	-106.1	-112.9	-6.0
Depreciation of right-of-use other assets	-5.7	-6.3	-9.8	-23.3	-25.4	-8.2
Total	-89.5	-77.5	15.5	-325.4	-294.2	10.6

7. ITEMS AFFECTING COMPARABILITY

Comparable operating result aims to provide a comparable view on business development between periods. Therefore, items effecting comparability are excluded from the comparable operating result. The principles related to income statement presentation and principles related to usage of alternative performance measures are described under Basics of preparation. Calculation principles of alternative performance measures are also defined in note 21. Calculation of key ratios. The detailed content of items affecting comparability and the reasoning behind excluding those from comparable operating results is described below.

Unrealised exchange rate differences of mainly in US dollars denominated aircraft maintenance provisions are not included in the comparable operating result. These changes are not included in the comparable operating result until the maintenance event or redelivery occurs and the exchange rate differences realise. Finnair provides for the redelivery condition related to leased aircraft according to the principles described in the note 1.3.6. Provisions in the 2019 Consolidated Financial Statements.

Further, unrealised fair value changes of derivatives where hedge accounting is not applied, are not included in the comparable operating result, as the business transactions which they are hedging are recognised to the comparable operating result only when they occur. The treatment of realised gains and losses on these derivatives is described in the note 3.8 Derivatives in the 2019 Consolidated Financial Statements.

In addition to above, gains and losses on aircraft and other transactions and restructuring costs are not included in the comparable operating result. Gains and losses on transactions include sales gains and losses as well as other items that can be considered being directly related the sale of the asset. For example, a write-down, that might occur when an asset is classified under "Assets held for sale" in accordance with IFRS 5, is included in gains and losses on the transactions. Restructuring costs include termination benefits and other costs that directly related to the restructuring of operations.

in mill. EUR	Q4 2019 Operating result	Q4 2019 Items affecting compara- bility	Q4 2019 Compa- rable operating result	Q4 2018 Operating result	Q4 2018 Items affecting compara- bility	Q4 2018 Compa- rable operating result	Change %
Revenue	774.9		774.9	683.4		683.4	13.4
Sales gains on aircraft and other transactions	0.1	-0.1		43.8	-43.8		-99.7
Other operating income	15.4		15.4	18.6		18.6	-17.3
Operating expenses							
Staff costs	-136.9	0.6	-136.3	-118.8	-0.4	-119.2	15.2
Fuel costs	-170.6	-0.8	-171.4	-145.4		-145.4	17.3
Capacity rents	-32.1		-32.1	-30.9		-30.9	3.9
Aircraft materials and overhaul	-49.1	-4.3	-53.4	-44.0	1.1	-42.9	11.5
Traffic charges	-78.7		-78.7	-74.4		-74.4	5.7
Sales, marketing and distribution costs	-44.5		-44.5	-40.9		-40.9	8.9
Passenger and handling services	-118.3		-118.3	-110.7		-110.7	6.8
Sales losses on aircraft and other transactions	-0.1	0.1		-0.6	0.6		-83.9
Property, IT and other expenses	-36.0	1.0	-35.0	-29.5	-4.1	-33.6	22.0
EBITDA	124.2	-3.6	120.7	150.7	-46.6	104.1	-17.5
Depreciation and impairment	-89.5		-89.5	-77.5		-77.5	15.5
Operating result	34.7	-3.6	31.2	73.1	-46.6	26.5	-52.5

in mill. EUR	Operating result	2019 Items affecting comparability	Comparable operating result	Operating result	2018 Items affecting comparability	Comparable operating result	Change %
Revenue	3,097.7		3,097.7	2,836.1		2,836.1	9.2
Sales gains on aircraft and other transactions	0.2	-0.2		44.1	-44.1		-99.5
Other operating income	56.4		56.4	73.7		73.7	-23.5
Operating expenses							
Staff costs	-536.6	1.9	-534.7	-499.7	0.1	-499.6	7.4
Fuel costs	-686.0	-1.3	-687.3	-581.0		-581.0	18.1
Capacity rents	-130.2		-130.2	-122.4		-122.4	6.4
Aircraft materials and overhaul	-202.5	1.4	-201.2	-167.8	4.9	-162.9	20.7
Traffic charges	-331.3		-331.3	-300.8		-300.8	10.1
Sales, marketing and distribution costs	-172.1		-172.1	-159.0		-159.0	8.2
Passenger and handling services	-476.7		-476.7	-440.3		-440.3	8.3
Sales losses on aircraft and other transactions				-1.3	1.3		-100.0
Property, IT and other expenses	-133.5	1.0	-132.4	-131.1	-0.1	-131.3	1.8
EBITDA	485.4	2.8	488.3	550.4	-37.9	512.6	-11.8
Depreciation and impairment	-325.4		-325.4	-294.2		-294.2	10.6
Operating result	160.0	2.8	162.8	256.3	-37.9	218.4	-37.6

8. 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 the information presented in the Group's 2019 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	31 Dec 2019		31 Dec 2018	
	Nominal value	Fair net value	Nominal value	Fair net value
Currency derivatives				
Operational cash flow hedging (forward contracts)	924.4	17.6	700.1	10.1
Operational cash flow hedging (options)				
Bought options	201.5	3.3	242.6	5.6
Sold options	201.8	-1.0	242.0	-2.8
Fair value hedging of aircraft acquisitions	336.5	18.6	445.4	17.5
Currency hedging of lease payments	22.3	1.7	107.4	5.2
Hedge accounting items total	1,686.5	40.2	1,737.6	35.5
Balance sheet hedging (forward contracts)	775.1	-9.3	131.8	1.7
Items outside hedge accounting total	775.1	-9.3	131.8	1.7
Currency derivatives total	2,461.6	30.9	1,869.4	37.2
Commodity derivatives				
Jet fuel forward contracts, tonnes	898,000	-15.3	924,500	-74.3
Options				
Bought options, jet fuel, tonnes	57,000	0.7	169,500	0.7
Sold options, jet fuel, tonnes	57,000	-0.5	169,500	-11.6
Hedge accounting items total		-15.1		-85.2
Options				
Sold options, jet fuel, tonnes	42,000	-0.1	146,500	-1.1
Items outside hedge accounting total		-0.1		-1.1
Commodity derivatives total		-15.2		-86.4
Currency and interest rate swaps and options				
Cross currency interest rate swaps	217.9	1.1	232.7	-5.8
Items outside hedge accounting total	217.9	1.1	232.7	-5.8
Interest rate derivatives total	217.9	1.1	232.7	-5.8
Derivatives total		16.8		-54.9

9. 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 Dec 2019	Level 1	Level 2
Financial assets at fair value through profit and loss			
Securities held for trading	800.8	762.3	38.5
Derivatives held for trading			
Currency and interest rate swaps and options	1.1		1.1
Currency derivatives	47.7		47.7
- of which in fair value hedge accounting	19.0		19.0
- of which in cash flow hedge accounting	28.6		28.6
Commodity derivatives	6.9		6.9
- of which in cash flow hedge accounting	6.9		6.9
Total	856.4	762.3	94.2

Financial liabilities recognised at fair value through profit and loss

Derivatives held for trading			
Currency derivatives	16.8		16.8
- of which in cash flow hedge accounting	6.9		6.9
Commodity derivatives	22.1		22.1
- of which in cash flow hedge accounting	22.0		22.0
Total	38.9		38.9

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, to a significant extent, based on input data other than the quoted prices included in Level 1, but still mainly based directly observable data (price) or indirectly observable data (derived from price) for the particular asset or liability.

10. COMPANY ACQUISITIONS AND DIVESTMENTS

There were no business acquisitions or disposals during 2019.

11. INCOME TAXES

The effective tax rate for 2019 was 19.8% (20.1%).

12. DIVIDEND PER SHARE

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.20 per share be paid for 2019.

A dividend for 2018 of 0.274 euro per share, amounting to a total of 35.0 million euros, was decided in the Annual General Meeting on 20 March 2019. The dividend was paid on 2 April 2019.

A dividend for 2017 of 0.30 euro per share, amounting to a total of 38.4 million euros, was decided in the Annual General Meeting on 20 March 2018. The dividend was paid on 4 April 2018.

13. CHANGE IN INTANGIBLE AND TANGIBLE ASSETS

in mill. EUR	31 Dec 2019	31 Dec 2018
Carrying amount at the beginning of period	1,493.5	1,389.7
Additions	420.2	339.6
Change in advances	-2.8	40.7
Currency hedging of aircraft acquisitions	-1.1	-34.9
Disposals and reclassifications	-2.0	-85.9
Depreciation	-195.9	-155.8
Carrying amount at the end of period	1,711.7	1,493.5
Proportion of assets held for sale at the beginning of period	0.1	0.1
Proportion of assets held for sale at the end of period		0.1

14. CHANGE IN RIGHT-OF-USE ASSETS

in mill. EUR	31 Dec 2019	31 Dec 2018
Carrying amount at the beginning of period	998.6	1,068.3
New contracts	29.2	122.7
Reassessments and modifications	-5.6	11.8
Disposals	-15.1	-65.8
Depreciation	-129.5	-138.4
Carrying amount at the end of period	877.5	998.6

15. ASSETS HELD FOR SALE

Non-current assets held for sale	31 Dec 2019	31 Dec 2018
Intangible and tangible assets		0.1
Total	0.0	0.1

16. INTEREST-BEARING LIABILITIES

During 2019 Finnair amortized its loans according to the loan instalment programs.

17. CONTINGENT LIABILITIES

in mill. EUR	31 Dec 2019	31 Dec 2018
Guarantees on behalf of group undertakings	79.6	82.0
Guarantees on behalf of others		0.6
Total	79.6	82.6

Investment commitments for property, plant and equipment as at 31 December 2019 totaled 730 million euros (31 December 2018: 975). Lease commitments as at 31 December 2019 for VAT obligations, short-term leases of facilities and leases of low value IT equipment, that do not qualify as IFRS 16 leases, totaled 20.1 million euros (31 December 2018: 27).

18. RELATED PARTY TRANSACTIONS

in mill. EUR	2019	2018
Sales of goods and services		
Associates and joint ventures	27.0	44.1
Pension fund	0.7	0.2
Purchases of goods and services		
Associates and joint ventures	107.8	105.4
Pension fund	12.8	15.1
Financial income and expenses		
Associates and joint ventures	5.7	2.0
Pension fund	-0.3	-0.1
Receivables		
Non-current receivables from joint ventures	33.7	
Current receivables from associates and joint ventures	23.4	9.2
Liabilities		
Non-current liabilities to joint ventures	3.6	3.6
Non-current liabilities to pension fund	77.0	16.5
Current liabilities to associates and joint ventures	1.0	2.1

19. EVENTS AFTER THE CLOSING DATE

In early 2020, Finnair has decided to cancel all its flights to mainland China due to corona virus -related effects between 6 February and 29 February 2020 as well as some of its flights to Guangzhou, Beijing Daxing airport and Nanjing.

As the first quarter and especially the weeks following the Chinese New Year are typically seasonally weak for Finnair's mainland China routes in terms of profitability, Finnair estimates in its stock exchange release dated 31.1.2020 that the direct financial impact of group cancellations, ticket refunds and flight cancellations during the first quarter in 2020 will remain relatively limited.

20. CHANGES IN ACCOUNTING PRINCIPLES AND RESTATED FINANCIALS 2018

As of 1 January 2019, Finnair has adopted the new IFRS 16: Leases standard using the full retrospective method. Finnair has also changed its accounting principle relating to aircraft frame components, including cabin components and frame overhauls, and made structural changes in its financial reporting chart of accounts, including income statement, balance sheet and cash flow reporting changes. Finnair's financial reporting for 2018 has been restated to account for the new reporting practices.

Finnair has published a separate Stock Exchange Release 21st March 2019 related to the changes, which encloses the restated financials, including also tables where the different restatement effects to 2018 are specified separately for each restatement. Tables are available also in excel-format on Finnair's investor relations website at <https://investors.finnair.com/en>

At the end of 2019, Finnair also changed its accounting policy related to the customer compensations for delays and cancellations in accordance with the IFRIC's decision made in September 2019. As a result, Finnair is now recognizing the expenses in revenue instead of operating expenses.

Below is presented the summary of changes to figures and accounting principles as well as the restatement effects tables for each quarter of 2018 with combined effect of all three restatements.

IFRS 16 Leases

The new leasing standard IFRS 16 is effective from 2019 onwards. It replaces the previous standard (IAS 17 Leases). Finnair has adopted the standard from 2019 onwards and has applied the full retrospective method to each prior reporting period presented.

The new standard has a significant impact on the Finnair Group financial statements and key ratios. The present value of the future operating lease payments for aircraft, real estate and other qualifying operating lease arrangements are recognized as right-of-use assets (named as 'Right-of-use fleet' and 'Right-of-use other fixed assets' on Finnair balance sheet) with corresponding interest-bearing lease liabilities. Previously, future operating lease payments were presented in the notes as off-balance sheet commitments.

Assets at 31.12.2018 increased by 992.3 million euros due to the recognition of right-of-use assets, of which approximately 80 % are aircraft. Liabilities increased by 1,091.6 million euros due to the recognition of the present value of qualifying operating lease liabilities. The comparative information was restated, and the cumulative effect of applying IFRS 16 was recognized as an adjustment to the opening equity of 2018. The change decreased Finnair's equity at 31.12.2018 by 99.3 million euros.

The change had significant impacts to Finnair's 2018 reported key figures. The increase of interest-bearing net debt was also reflected in the gearing ratio, which increased by 115.6 p.p. due to the implementation of IFRS 16. Equity ratio decreased by 11.3 p.p. due to the implementation of IFRS 16. Due to the implementation of IFRS 16, Finnair also gave up on reporting two alternative key performance indicators from 1 January 2019 onwards. Adjusted net debt and adjusted gearing, which previously included adjustments for operating lease payments on aircraft, are no longer presented. Interest-bearing lease liability is now recognized on the balance sheet and therefore already included in the calculation of interest-bearing net debt and gearing, without a separate need for adjustment.

The leasing standard is also impacting Finnair's income statement. Based on the IFRS 16, operating lease expenses are divided into a depreciation of the right-of-use asset and interest costs on lease liability. The interest costs for the liability are at their highest in the beginning of the lease term, decreasing towards the end of the term as the lease liability is amortized. Previously, operating lease expenses were accrued over the lease term primarily on a straight-line basis and recognized in the operating result as lease payments for aircraft and other rents, according to the lease contract terms.

Finnair 2018 comparable operating result improved by 54.7 million euros and operating result improved by 54.8 million euros due to the implementation of the new standard. Finnair's net result in 2018 however decreased by 44.3 million euros due to interest expenses and foreign exchange losses associated with USD denominated aircraft lease payments and liability. The majority of the decrease in Finnair's net result is derived from unrealised foreign exchange losses caused by the translation of the USD denominated liability.

Majority of Finnair's existing lease agreements and lease payments for aircraft are denominated in USD. In the future, the effect and amount of foreign currency exchange rate changes on the value of the right-of-use asset and lease liability recognized in the balance sheet may either be positive or negative, depending on the exchange rate at the balance sheet date. The annual effect in net result going forward is dependent on the size of the qualifying operating lease portfolio and the duration of the leases. Finnair aims to mitigate the foreign exchange volatility by using hedges.

In the cash flow statement, repayments of lease liabilities are moved from operating cash flow to financing cash flow in accordance with IFRS 16. Operating cash flow increased by 111.9 million euros, with a corresponding reduction in financing cash flow.

IFRS 16 impacts in Finnair accounting policies

The leases recognized as right-of-use assets under IFRS 16 comprise of leased aircraft and spare engines, real estate, cars and ground equipment. Aircraft accounts for the majority (~80%) of the balance sheet value of the right-of-use asset and lease liability. The majority of the remaining right-of-use assets (~20%) is real estate contracts.

Finnair uses the exemption provided by the standard not to account for lease liability for operating leases which have a term of 12 months or less, and which do not include an option to purchase the underlying asset. In addition, Finnair does not account for IFRS 16 lease liability for leases for which the underlying asset is not material to Finnair. The assessment of whether the underlying asset is material and is within the scope or excluded from the recognition requirements of IFRS 16 is based on the concept of materiality in the Conceptual Framework and IAS 1. Finnair recognizes the lease payments associated with such short-term and immaterial leases as an expense on a straight-line basis.

Aircraft

Lease term: For the aircraft operating lease contracts, the lease term corresponds to the non-cancellable duration of the contracts signed except in cases where the Group is reasonably certain of exercising either an extension option or an early termination option that is included in the contract. At the initial measurement of the lease, Finnair does not normally include any option period in the lease term as there is significant uncertainty whether Finnair will continue the lease term, even if the lease allows for extensions. The negotiation of possible extension typically begins 12-18 months prior to the initial operating lease term expiry. Finnair remeasures the lease liability when it decides to use the extension option or when there is some other significant indication that the lease period will be extended. For example, major modifications to leased aircraft may be considered as indications of extending the lease, especially if done close to the end of leasing period.

Discount rate: Aircraft lease agreements do not clearly define the interest rate implicit in a lease. Since the fair values of the aircraft are provided publicly by third parties, Finnair is able to calculate the implicit interest rate for each qualifying aircraft operating lease. The rate implicit in the lease is defined as the rate that causes the sum of the present value of the lease payments and the present value of the residual value of the underlying asset at the end of the lease to equal the fair value of the underlying asset.

Maintenance costs: Finnair recognizes provisions for leased aircraft to maintain the aircraft during the period of the lease. For owned aircraft, provisions are not recognized because the cost is avoidable, by for instance selling the asset. IFRS 16 requires including restoration costs in the right-of-use asset. Finnair uses the criteria of whether the maintenance cost is avoidable or unavoidable in determining whether the maintenance cost is capitalized to the RoU asset or not.

Finnair is obliged to return leased aircraft and their engines according to the redelivery condition set in the lease agreement. If at the time of redelivery, the condition of the aircraft and its engines differs from the agreed redelivery condition, Finnair needs to either maintain the aircraft so that it meets the agreed redelivery condition or settle the difference in cash to the lessor. The maintenance costs can be divided into two main groups:

- 1) costs that incur independent of the usage of the aircraft / leasing period and
- 2) costs that incur dependent on the usage of the aircraft / leasing period

The final check and painting required at redelivery are considered unavoidable maintenance costs that realize when the aircraft is redelivered to the lessor, irrespective of the time or flight hours. The counterpart of the provision is recorded in the book value of the right-of-use asset at the commencement of the lease in accordance with IFRS 16 (IFRS 16:25).

Respectively, costs depending on the usage of the aircraft are not considered as part of the right-of-use asset cost.

Excluded contracts: Excluded, non-qualifying, aircraft lease contracts include wet leases and spare engines that have been mainly excluded based on short-term exemption. Finnair analyses the lease term separately for each lease based on contract term and possible extension and early termination options. When the lease term is 12 months or less and Finnair does not intend to continue the lease period after that, the lease agreement is excluded from lease liabilities.

Wet lease agreements are made to lease airline capacity typically on a short-term basis, for example when there are shortages in resourcing. The lease term of a typical wet lease agreement can vary from one day to one year.

Spare engines that have been leased on short-term basis in exceptional cases (e.g., when the owned engine is broken), are excluded from the lease liability. The lease term is usually only few days up to few months and Finnair does not intend to lease the spare engines for a longer period of time than they are needed.

Real estate

Lease term: The lease term corresponds to the non-cancellable duration of the contracts signed, except in cases where Finnair is reasonably certain of exercising either an extension option or an early termination option included in the contract.

Discount rate: Since facility agreements do not clearly specify the implicit interest rate in the lease contracts, Finnair uses an estimate of incremental borrowing cost for a portfolio of facilities, meaning that all of the facilities' (land and real estate) lease contracts are discounted using the same discount rate. A management estimate of the incremental borrowing cost is used in determining the interest rate.

Excluded contracts: Based on Finnair's evaluation, service contracts that relate to the usage of airports and terminals (HEL hub) do not qualify as lease arrangements for IFRS 16 purposes. In the contracts, the lessor has a substitution right to substitute the leased area with another area, which leads to classifying the contracts as non-leases. As an exception from this principle, there are specific lounge areas at Helsinki-Vantaa airport that are dedicated for Finnair's use, and these are therefore included in lease contracts.

Finnair has analyzed lease contracts where the lease term is not fixed but both the lessor and lessee have an option to terminate the lease within 1-12 months' notice and has concluded that these contracts are not material and termination of these contracts is practically realistic within the time of the notice (e.g. small storage space). Therefore, these contracts have been mainly excluded from the lease liability.

Other leases (cars and ground equipment)

Other leases constitute mainly of company cars and ground equipment, where the lease is considered long term and therefore qualify as IFRS 16 leases.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. Finnair has used this practical expedient for those company car and ground equipment leases that include service components.

The lease term corresponds to the non-cancellable duration of the contracts signed except in cases where Finnair is reasonably certain of exercising either an extension option or an early termination option included in the contract. Current lease contracts do not include such options that would be reasonably certain to be exercised, so the lease term of the current contracts corresponds to the lease duration of the signed contract. Finnair uses an estimate of incremental borrowing cost for each portfolio of cars and ground equipment, meaning that all the lease contracts are discounted using the same discount factor. A management estimate is used to determine the incremental interest rate. Lease contracts that individually (or by asset class) are not material to Finnair have been excluded from the lease liability. These contracts include small IT-equipment and office equipment.

Subleases

IFRS 16 did not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. Under IFRS 16, an intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). Because of this change, Finnair has reclassified certain of its sublease agreements as finance leases as at 1st January 2019.

Finnair subleases 9 (nine) aircraft and a small amount of ground equipment, where by reference to the head lease, the lease term is for the majority of the remaining economic life arising from the Right-of-use asset and therefore these are classified as finance leases in accordance with IFRS 16. The right-of-use asset arising from the head lease is derecognized and a net investment corresponding to the discounted lease payments is recognized on the Finnair balance sheet.

In accordance with IFRS 16, for subleases where Finnair is the lessor and are reclassified from operating subleases to finance leases due to IFRS 16, contracts ongoing at 1.1.2019 (date of initial application) are accounted for as new finance leases and the gain arising on the subleases is included in the cumulative catch-up adjustment in retained earnings.

Change in accounting principles of Aircraft frame components and overhauls

Finnair has revised the accounting principles of its aircraft frame components and overhauls. Finnair's financial reporting has been restated for each prior reporting period presented. Previously, only the heavy maintenance of airframes had been separated out into maintenance components. From 1st January 2019 onwards, other material maintenance and cabin components, such as landing gear and business class seats, are accounted for as separate components. The different components are depreciated based on their economic useful lives or during their maintenance period. Previously, overhauls have been booked as expenses when occurred.

Finnair has also changed its accounting principle for maintenance provisions of leased aircraft, so that a provision is recognized following the renewed component approach.

Assets at 31.12.2018 increased by 4.0 million euros. The acquisition cost of the capitalized overhauls increased the assets, and the shorter depreciation period of the cabin components compared to the old policy decreased the asset value. Liabilities increased by 7.9 million euros due to the recognition of provisions for maintenance events. The comparative information was restated, and the cumulative effect of initially applying the accounting principle was made as an adjustment to opening equity of 2018. The change decreased Finnair's equity at 31.12.2018 by 3.9 million euros.

The change had also some impact on the income statement and the key ratios reported. The 2018 comparable operating result decreased because of the change by 5.7 million euros, operating result decreased by 6.0 million euros and net result decreased by 4.7 million euros. Equity ratio decreased by 0.2 p.p. and gearing decreased by 0.1 p.p. In cash flow, the investments to owned aircraft maintenance events are now presented in investing cash flow instead of operating cash flow.

Changes in presentation of Consolidated income statement, balance sheet and cash flow statement

Finnair has renewed the presentation of its consolidated income statement, balance sheet and cash flow statement by grouping costs in the consolidated income statement to better reflect business development and operations and to include the new line items required by the IFRS 16 standard. In all statements, the lines are named to be clearer. Structural changes did not have effect on figures, but rather the line items in income statement, balance sheet and cash flow.

In the new income statement structure, customer compensations have been transferred from revenue to passenger and handling expenses. The volume-driven operating expenses have been transferred from other expenses to relevant line items:

- Personnel related expenses and hired and outsourced crew have been transferred to staff costs.
- Booking fees and credit card commissions have been transferred to sales, marketing and distribution costs.
- Lounge costs, cancellations costs, rerouting compensations, wifi-costs and IT fees based on passengers' amount have been transferred to passenger and handling services.

Groupings and naming have been changed to be more relevant:

- Other rents account name has been changed to capacity rents. Property related costs have been transferred to account property, IT and other expenses.
- Ground handling, catering and tour operation expenses have been combined to account passenger and handling services.

Due to implementing IFRS 16, lease payments are no longer presented in operating result so lease payments for aircraft account has been removed.

In non-current assets the fixed assets have been split to fleet and to other fixed assets, which include other than fleet related tangible and intangible assets. Due to IFRS 16 implementation, additional accounts for the right-of-use assets of fleet and other fixed assets have been added. Respectively, additional accounts have been added for the non-current and current lease liabilities.

In non-current assets the investments in associates and joint ventures have been combined to other non-current assets. In current assets the inventories have been combined with prepaid expenses. The new account receivables related to revenue include trade receivables and accrued income. In non-current liabilities the other non-current liabilities have been combined to the new account provisions and other non-current liabilities.

Cash flow structure has been changed to begin from result before taxes and line item income taxes has been removed from the structure. Comparable EBITDA, which is presented in the Finnair income statement, has been added to the structure and EBITDA, that is not presented in the income statement, is removed. Items affecting comparability, that are specified in a separate note of interim and financial statements, have been added as a new line item to cash flow and the gains and losses on aircraft and other transactions, that belong to the items affecting comparability account group, have been moved there.

In net cash flow from investing activities, the structure has been changed to correspond to the balance sheet presentation of fleet and other fixed assets. Divestments of fixed assets are now presented separately from divestments of group shares. Investments and divestments of group shares have been moved to line item change in other non-current assets.

Due to implementing IFRS 16, a new line item for repayments of lease liabilities has been added to the net cash flow from financing activities.

Compensations for Delays or Cancellations

IFRS interpretation committee (IFRIC) made an agenda decision in September 2019 of Compensations for Delays or Cancellations (IFRS 15: Revenue from Contracts with Customers). IFRIC concluded in its decision, that customer compensations for delays or cancellations is a variable consideration in the contract. Therefore, it should be recognized as an adjustment to revenue.

Finnair has previously considered the customer compensations as penalties and consequently accounted for those in passenger and handling expenses. In accordance with the IFRIC decision, Finnair will revise its accounting during Q4 2019 and will reclass customer compensations for delays and cancellations as an adjustment to revenue. The amount is not material for Finnair's financial statements. However, as the reclass from operating expenses to revenue will have a small effect on some of the key operating ratios reported by Finnair, Finnair has decided to restate also the year 2018 to ensure comparability between the years. The impact of the accounting change on Finnair financial statement is shown in separate tables provided at the end of this section.

RESTATEMENT OF INCOME STATEMENT, BALANCE SHEET AND CASH FLOW

CUMULATIVE QUARTERLY CONSOLIDATED INCOME STATEMENT 2018, REPORTED AND RESTATED

		Reported				Restated			
in mill. EUR		Q1 2018	Q1-Q2 2018	Q1-Q3 2018	Q1-Q4 2018	Q1 2018	Q1-Q2 2018	Q1-Q3 2018	Q1-Q4 2018
Revenue		635.3	1,350.4	2,151.5	2,834.6	641.1	1,359.3	2,166.2	2,849.7
Other operating income		19.8	37.6	55.1	73.7	19.8	37.6	55.1	73.7
Operating expenses									
Staff costs		-106.3	-222.1	-331.1	-433.4	-123.3	-256.1	-380.4	-499.6
Fuel costs		-127.4	-272.8	-435.6	-581.0	-127.4	-272.8	-435.6	-581.0
DEL	Other rents	-36.5	-74.8	-114.0	-154.9				
NEW	Capacity rents					-28.2	-58.3	-91.5	-122.4
	Aircraft materials and overhaul	-38.8	-75.1	-122.0	-169.1	-38.2	-74.8	-120.0	-162.9
	Traffic charges	-65.1	-143.2	-226.5	-300.8	-65.1	-143.2	-226.5	-300.8
DEL	Sales and marketing expenses	-22.7	-45.2	-67.2	-92.4				
NEW	Sales, marketing and distribution costs					-40.8	-80.9	-118.1	-159.0
DEL	Ground handling and catering expenses	-63.7	-127.0	-191.5	-256.9				
DEL	Expenses for tour operations	-33.1	-55.8	-85.6	-113.4				
NEW	Passenger and handling services					-119.7	-225.6	-343.1	-453.9
DEL	Other expenses	-83.1	-170.5	-247.8	-330.9				
NEW	Property, IT and other expenses					-31.6	-68.1	-97.6	-131.3
DEL	Comparable EBITDAR	78.3	201.3	385.4	475.4				
NEW	Comparable EBITDA					86.5	217.1	408.5	512.6
DEL	Lease payments for aircraft	-38.8	-78.3	-116.5	-155.0				
	Depreciation and impairment	-35.6	-71.2	-108.7	-151.1	-72.0	-143.4	-216.6	-294.2
Comparable operating result		3.9	51.8	160.2	169.4	14.6	73.7	191.9	218.4
Unrealized changes in foreign currencies of fleet overhaul provisions		2.4	-2.9	-3.6	-4.7	2.6	-3.0	-3.8	-4.9
Fair value changes of derivatives where hedge accounting is not applied		-0.4	-2.7	-3.9	0.2	-0.4	-2.7	-3.9	0.2
Sales gains and losses on aircraft and other transactions		0.2	0.1	-0.5	42.7	0.2	0.1	-0.5	42.7
Restructuring costs		-0.1	-0.3	-0.5	-0.1	-0.1	-0.3	-0.5	-0.1
Operating result		6.0	45.9	151.7	207.5	16.9	67.7	183.1	256.3
Financial income		-0.7	-1.4	-1.7	-2.9	-0.6	-1.1	-1.2	-2.2
Financial expenses		-4.5	-9.3	-13.5	-18.0	-20.7	-42.0	-63.0	-84.6
Exchange rate gains and losses		1.1	1.4	0.8	2.0	21.2	-27.2	-33.7	-42.3
Result before taxes		2.0	36.7	137.3	188.6	16.8	-2.6	85.2	127.2
Income taxes		-0.4	-7.3	-27.5	-37.9	-3.3	0.6	-17.0	-25.6
Result for the period		1.6	29.3	109.8	150.7	13.4	-2.0	68.2	101.6
Attributable to									
Owners of the parent company		1.6	29.3	109.8	150.7	13.4	-2.0	68.2	101.6
Earnings per share attributable to shareholders of the parent company, EUR									
Basic earnings per share		-0.01	0.18	0.79	1.08	0.08	-0.07	0.46	0.70
Diluted earnings per share		-0.01	0.18	0.79	1.08	0.08	-0.07	0.46	0.70

PERIODIC QUARTERLY CONSOLIDATED INCOME STATEMENT 2018, REPORTED AND RESTATED

		Reported				Restated			
in mill. EUR		Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Revenue		635.3	715.0	801.2	683.1	641.1	718.2	806.9	683.5
Other operating income		19.8	17.9	17.5	18.6	19.8	17.9	17.5	18.6
Operating expenses									
Staff costs		-106.3	-115.7	-109.1	-102.3	-123.3	-132.8	-124.3	-119.2
Fuel costs		-127.4	-145.4	-162.7	-145.4	-127.4	-145.4	-162.7	-145.4
DEL	Other rents	-36.5	-38.3	-39.2	-40.9				
NEW	Capacity rents					-28.2	-30.1	-33.2	-30.9
	Aircraft materials and overhaul	-38.8	-36.4	-46.9	-47.1	-38.2	-36.5	-45.2	-42.9
	Traffic charges	-65.1	-78.1	-83.3	-74.4	-65.1	-78.1	-83.3	-74.4
DEL	Sales and marketing expenses	-22.7	-22.5	-22.0	-25.2				
NEW	Sales, marketing and distribution costs					-40.8	-40.1	-37.3	-40.9
DEL	Ground handling and catering expenses	-63.7	-63.3	-64.5	-65.4				
DEL	Expenses for tour operations	-33.1	-22.7	-29.8	-27.8				
NEW	Passenger and handling services					-119.7	-105.9	-117.5	-110.8
DEL	Other expenses	-83.1	-87.3	-77.3	-83.1				
NEW	Property, IT and other expenses					-31.6	-36.6	-29.5	-33.6
DEL	Comparable EBITDAR	78.3	123.0	184.0	90.0				
NEW	Comparable EBITDA					86.5	130.6	191.4	104.1
DEL	Lease payments for aircraft	-38.8	-39.5	-38.1	-38.5				
	Depreciation and impairment	-35.6	-35.6	-37.5	-42.4	-72.0	-71.5	-73.2	-77.5
Comparable operating result		3.9	47.9	108.4	9.2	14.6	59.1	118.2	26.5
Unrealized changes in foreign currencies of fleet overhaul provisions		2.4	-5.3	-0.7	-1.1	2.6	-5.6	-0.8	-1.1
Fair value changes of derivatives where hedge accounting is not applied		-0.4	-2.3	-1.2	4.1	-0.4	-2.3	-1.2	4.1
Sales gains and losses on aircraft and other transactions		0.2	-0.2	-0.6	43.2	0.2	-0.2	-0.6	43.2
Restructuring costs		-0.1	-0.2	-0.2	0.4	-0.1	-0.2	-0.2	0.4
Operating result		6.0	39.9	105.7	55.9	16.9	50.8	115.5	73.1
Financial income		-0.7	-0.7	-0.3	-1.1	-0.6	-0.5	-0.2	-1.0
Financial expenses		-4.5	-4.8	-4.2	-4.6	-20.7	-21.2	-21.0	-21.5
Exchange rate gains and losses		1.1	0.3	-0.5	1.2	21.2	-48.4	-6.5	-8.6
Result before taxes		2.0	34.7	100.6	51.3	16.8	-19.4	87.7	42.0
Income taxes		-0.4	-6.9	-20.1	-10.5	-3.3	3.9	-17.5	-8.6
Result for the period		1.6	27.8	80.5	40.8	13.4	-15.5	70.2	33.4
Attributable to									
Owners of the parent company		1.6	27.8	80.5	40.8	13.4	-15.5	70.2	33.4
Earnings per share attributable to shareholders of the parent company, EUR									
Basic earnings per share		-0.01	0.19	0.60	0.29	0.08	-0.15	0.52	0.24
Diluted earnings per share		-0.01	0.19	0.60	0.29	0.08	-0.15	0.52	0.24

QUARTERLY CONSOLIDATED BALANCE SHEET, REPORTED AND RESTATED

		Reported					Restated				
in mill. EUR		Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
ASSETS											
Non-current assets											
DEL	Intangible assets	15.5	17.3	19.2	20.8	20.4					
DEL	Tangible assets	1,422.1	1,444.9	1,450.1	1,485.8	1,526.6					
NEW	Fleet						1,218.2	1,246.4	1,244.3	1,280.4	1,320.2
NEW	Right-of-use fleet						881.8	856.6	839.9	832.0	834.3
	Fleet total						2,100.1	2,103.0	2,084.2	2,112.4	2,154.5
NEW	Other fixed assets						171.5	169.2	172.0	171.4	173.2
NEW	Right-of-use other fixed assets						186.4	181.4	175.9	169.2	164.3
	Other fixed assets total						357.9	350.5	347.9	340.6	337.5
	Investments in associates and joint ventures										
DEL		2.5	2.5	2.5	2.5	3.3					
DEL	Loan and other receivables	5.6	4.9	4.6	4.3	4.3					
NEW	Other non-current assets						8.1	7.4	7.1	6.8	53.3
Non-current assets total		1,445.7	1,469.6	1,476.3	1,513.3	1,554.7	2,466.0	2,460.9	2,439.2	2,459.8	2,545.3
Current assets											
DEL	Inventories	17.2	23.1	24.7	24.6	25.1					
DEL	Trade and other receivables	319.8	381.3	318.1	248.8	242.2					
NEW	Receivables related to revenue						268.6	285.6	243.1	195.5	152.4
NEW	Inventories and prepaid expenses						61.9	112.4	93.2	69.9	120.7
	Derivative financial instruments	104.5	102.3	149.3	155.0	52.1	104.5	102.3	149.3	155.0	52.1
	Other financial assets	833.0	822.7	907.4	921.2	892.2	833.0	822.7	907.4	921.2	892.2
	Cash and cash equivalents	150.2	163.8	211.9	197.5	180.9	150.2	163.8	211.9	197.5	180.9
Current assets total		1,424.6	1,493.2	1,611.4	1,547.1	1,392.5	1,418.2	1,487.0	1,604.9	1,539.2	1,398.3
	Assets held for sale	16.7	16.7	15.3	15.4	0.1	16.7	16.7	15.3	15.4	0.1
Assets total		2,887.1	2,979.5	3,103.1	3,075.8	2,947.3	3,900.9	3,964.6	4,059.5	4,014.4	3,943.6
EQUITY AND LIABILITIES											
Equity attributable to owners of the parent											
	Share capital	75.4	75.4	75.4	75.4	75.4	75.4	75.4	75.4	75.4	75.4
	Other equity	940.3	897.1	975.2	1,078.2	946.2	884.5	853.3	888.1	980.8	843.0
Equity total		1,015.7	972.6	1,050.6	1,153.7	1,021.7	960.0	928.7	963.5	1,056.3	918.5
Non-current liabilities											
NEW	Lease liabilities						1,048.5	1,023.9	993.6	987.9	1,034.3
	Other interest-bearing liabilities	586.2	571.4	579.2	624.8	561.0	539.9	527.5	529.3	576.4	514.2
	Pension obligations	6.4	14.0	23.1	12.1	17.0	6.4	14.0	23.1	12.1	17.0
DEL	Provisions	79.0	75.1	95.7	87.3	91.3					
DEL	Other liabilities	1.1	1.1	1.1	1.3	4.8					
NEW	Provisions and other liabilities						94.7	89.9	109.0	100.6	107.1
	Deferred tax liabilities	73.9	71.9	91.2	116.7	73.5	60.1	61.0	69.4	92.3	47.6
Non-current liabilities total		746.7	733.5	790.3	842.0	747.6	1,749.6	1,716.4	1,724.3	1,769.3	1,720.2
Current liabilities											
NEW	Lease liabilities						68.7	45.3	106.2	105.3	125.1
	Other interest-bearing liabilities	132.4	118.6	119.3	53.6	108.4	125.6	112.1	111.6	45.8	100.5
	Provisions	21.1	21.0	15.6	16.5	21.2	25.8	28.2	26.5	27.7	30.9
	Trade payables	90.7	91.7	113.2	108.4	72.6	90.7	91.7	113.2	108.4	72.6
	Derivative financial instruments	81.3	94.4	40.1	25.3	107.1	81.3	94.4	40.1	25.3	107.1
	Deferred income and advances received	475.3	613.4	679.8	565.4	548.9	475.3	613.4	679.8	565.4	548.9
	Liabilities related to employee benefits	139.2	129.1	116.4	116.1	105.6	139.2	129.1	116.4	116.1	105.6
	Other liabilities	173.4	194.4	167.0	184.2	214.2	173.4	194.4	167.0	184.2	214.2
Current liabilities total		1,113.4	1,262.5	1,251.4	1,069.6	1,178.0	1,180.1	1,308.6	1,360.7	1,178.3	1,304.9
	Liabilities related to assets held for sale	11.2	10.9	10.8	10.5		11.2	10.9	10.8	10.5	
Liabilities total		1,871.4	2,007.0	2,052.5	1,922.1	1,925.6	2,940.9	3,035.9	3,095.9	2,958.1	3,025.1
Equity and liabilities total		2,887.1	2,979.5	3,103.1	3,075.8	2,947.3	3,900.9	3,964.6	4,059.5	4,014.4	3,943.6

		Reported					Restated				
Additional information to Balance Sheet: Interest-bearing net debt and gearing		Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
NEW	Lease liabilities						1,117.2	1,069.2	1,099.8	1,093.2	1,159.3
	Other interest-bearing liabilities	718.6	690.0	698.4	678.4	669.4	665.5	639.6	640.9	622.2	614.7
	Cross currency interest rate swaps	18.5	24.5	10.3	8.9	5.8	18.5	24.5	10.3	8.9	5.8
	Adjusted interest-bearing liabilities	737.1	714.5	708.8	687.3	675.2	1,801.2	1,733.4	1,751.0	1,724.3	1,779.8
	Other financial assets	-833.0	-822.7	-907.4	-921.2	-892.2	-833.0	-822.7	-907.4	-921.2	-892.2
	Cash and cash equivalents	-150.2	-163.8	-211.9	-197.5	-180.9	-150.2	-163.8	-211.9	-197.5	-180.9
	Interest-bearing net debt	-246.0	-272.1	-410.5	-431.4	-397.9	818.1	746.8	631.7	605.6	706.7
	7 x Lease payments for aircraft for the last twelve months	956.4	1,018.1	1,047.8	1,068.2	1,084.7					
DEL	Adjusted interest-bearing net debt	710.3	746.0	637.3	636.7	686.8	818.1	746.8	631.7	605.6	706.7
DEL	Equity total	1,015.7	972.6	1,050.6	1,153.7	1,021.7	960.0	928.7	963.5	1,056.3	918.5
DEL	Adjusted gearing, %	69.9 %	76.7 %	60.7 %	55.2 %	67.2 %					
NEW	Gearing, %	-24.2 %	-28.0 %	-39.1 %	-37.4 %	-38.9 %	85.2 %	80.4 %	65.6 %	57.3 %	76.9 %

CUMULATIVE QUARTERLY CONSOLIDATED CASH FLOW STATEMENT 2018, REPORTED AND RESTATED

		Reported				Restated			
in mill. EUR		Q1 2018	Q1-Q2 2018	Q1-Q3 2018	Q1-Q4 2018	Q1 2018	Q1-Q2 2018	Q1-Q3 2018	Q1-Q4 2018
Cash flow from operating activities									
DEL	Result for the period	1.6	29.3	109.8	150.7				
NEW	Result before taxes					16.8	-2.6	85.2	127.2
	Depreciation and impairment	35.6	71.2	108.7	151.1	72.0	143.4	216.6	294.2
DEL	Other adjustments to result for the period								
NEW	Items affecting comparability					-2.3	6.0	8.7	-37.9
	Financial income and expenses	4.1	9.3	14.4	18.9	0.1	70.2	98.0	129.0
DEL	Income taxes	0.4	7.3	27.5	37.9				
DEL	EBITDA	41.6	117.1	260.4	358.6				
NEW	Comparable EBITDA					86.5	217.1	408.5	512.6
DEL	Sales gains and losses on aircraft and other transactions	-0.2	-0.1	0.5	-42.7				
	Non-cash transactions *	-0.1	18.9	30.2	25.7	3.5	16.2	25.0	20.5
	Changes in working capital	40.5	149.1	65.1	50.0	40.3	149.2	66.5	50.4
	Financial expenses paid, net	-3.8	-4.0	-10.6	-8.4	-22.3	-41.4	-64.7	-79.9
Net cash flow from operating activities		78.0	281.2	345.6	383.1	108.0	341.1	435.3	503.6
Cash flow from investing activities									
DEL	Investments in intangible assets	-2.4	-4.7	-7.2	-9.8				
DEL	Investments in tangible assets	-63.3	-119.9	-158.5	-317.3				
NEW	Investments in fleet					-60.8	-115.0	-153.3	-309.7
NEW	Investments in other fixed assets					-7.5	-14.0	-19.0	-26.0
DEL	Investments in group shares	0.1	0.1	0.1	0.1				
DEL	Divestments of fixed assets and group shares	1.9	43.6	100.0	214.1				
NEW	Divestments of fixed assets					1.9	43.6	100.0	213.8
	Net change in financial assets maturing after more than three months	9.9	-6.1	-79.6	-81.8	9.9	-6.1	-79.6	-81.8
DEL	Change in non-current receivables	0.0	0.3	0.8	0.8				
NEW	Change in other non-current assets					0.1	0.4	0.8	1.2
Net cash flow from investing activities		-53.9	-86.7	-144.5	-194.0	-56.5	-91.1	-151.1	-202.6
Cash flow from financing activities									
	Loan repayments and changes	-10.0	-24.3	-104.5	-119.4	-8.2	-21.1	-99.4	-112.5
NEW	Repayments of lease liabilities					-29.1	-58.7	-88.2	-118.9
	Hybrid bond interests and expenses				-15.8				-15.8
	Acquisitions of own shares				-3.7				-3.7
	Dividends paid		-38.4	-38.4	-38.4		-38.4	-38.4	-38.4
Net cash flow from financing activities		-10.0	-62.7	-142.9	-177.3	-37.3	-118.2	-226.0	-289.2
Change in cash flows		14.1	131.8	58.2	11.8	14.1	131.8	58.2	11.8
	Liquid funds, at beginning	643.9	643.9	643.9	643.9	643.9	643.9	643.9	643.9
	Change in cash flows	14.1	131.8	58.2	11.8	14.1	131.8	58.2	11.8
Liquid funds, at end **		658.1	775.7	702.2	655.8	658.1	775.7	702.2	655.8
Notes to consolidated cash flow statement									
* Non-cash transactions									
	Employee benefits	3.6	7.2	10.9	3.0	3.6	7.2	10.9	3.0
	Change in provisions	-3.9	10.7	16.9	24.9	0.0	10.8	16.0	20.6
	Other adjustments	0.3	1.0	2.4	-2.1	-0.1	-1.7	-1.9	-3.1
Total		-0.1	18.9	30.2	25.7	3.5	16.2	25.0	20.5
** Liquid funds									
	Other financial assets	822.7	907.4	921.2	892.2	822.7	907.4	921.2	892.2
	Cash and cash equivalents	163.8	211.9	197.5	180.9	163.8	211.9	197.5	180.9
Cash funds		986.5	1,119.3	1,118.7	1,073.1	986.5	1,119.3	1,118.7	1,073.1
	Maturing after more than three months	-328.5	-343.6	-416.5	-417.3	-328.5	-343.6	-416.5	-417.3
Liquid funds		658.1	775.7	702.2	655.8	658.1	775.7	702.2	655.8

PERIODIC QUARTERLY CONSOLIDATED CASH FLOW STATEMENT 2018, REPORTED AND RESTATED

		Reported				Restated			
in mill. EUR		Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Cash flow from operating activities									
DEL	Result for the period	1.6	27.8	80.5	40.8				
NEW	Result before taxes					16.8	-19.4	87.7	42.0
	Depreciation and impairment	35.6	35.6	37.5	42.4	72.0	71.5	73.2	77.5
DEL	Other adjustments to result for the period								
NEW	Items affecting comparability					-2.3	8.3	2.7	-46.6
	Financial income and expenses	4.1	5.2	5.1	4.5	0.1	70.1	27.7	31.1
DEL	Income taxes	0.4	6.9	20.1	10.5				
DEL	EBITDA	41.6	75.5	143.2	98.2				
NEW	Comparable EBITDA					86.5	130.6	191.4	104.1
DEL	Sales gains and losses on aircraft and other transactions	-0.2	0.2	0.6	-43.2				
	Non-cash transactions *	-0.1	19.0	11.3	-4.5	3.5	12.8	8.8	-4.5
	Changes in working capital	40.5	108.7	-84.0	-15.1	40.3	108.9	-82.7	-16.1
	Financial expenses paid, net	-3.8	-0.2	-6.6	2.2	-22.3	-19.1	-23.2	-15.2
Net cash flow from operating activities		78.0	203.2	64.4	37.5	108.0	233.1	94.3	68.3
Cash flow from investing activities									
DEL	Investments in intangible assets	-2.4	-2.3	-2.5	-2.7				
DEL	Investments in tangible assets	-63.3	-56.6	-38.6	-158.8				
NEW	Investments in fleet					-60.8	-54.2	-38.3	-156.3
NEW	Investments in other fixed assets					-7.5	-6.5	-5.0	-7.0
DEL	Investments in group shares	0.1							
DEL	Divestments of fixed assets and group shares	1.9	41.7	56.4	114.2				
NEW	Divestments of fixed assets					1.9	41.7	56.4	113.8
	Net change in financial assets maturing after more than three months	9.9	-16.0	-73.4	-2.3	9.9	-16.0	-73.4	-2.3
DEL	Change in non-current receivables	0.0	0.3	0.4	0.0				
NEW	Change in other non-current assets					0.1	0.3	0.4	0.4
Net cash flow from investing activities		-53.9	-32.8	-57.8	-49.5	-56.5	-34.6	-60.0	-51.5
Cash flow from financing activities									
	Loan repayments and changes	-10.0	-14.3	-80.1	-14.9	-8.2	-12.9	-78.3	-13.1
NEW	Repayments of lease liabilities					-29.1	-29.6	-29.5	-30.7
	Hybrid bond interests and expenses				-15.8				-15.8
	Acquisitions of own shares				-3.7				-3.7
	Dividends paid		-38.4				-38.4		
Net cash flow from financing activities		-10.0	-52.7	-80.1	-34.4	-37.3	-80.8	-107.8	-63.2
Change in cash flows		14.1	117.7	-73.5	-46.4	14.1	117.7	-73.5	-46.4
	Liquid funds, at beginning	643.9	658.1	775.7	702.2	643.9	658.1	775.7	702.2
	Change in cash flows	14.1	117.7	-73.5	-46.4	14.1	117.7	-73.5	-46.4
Liquid funds, at end **		658.1	775.7	702.2	655.8	658.1	775.7	702.2	655.8
Notes to consolidated cash flow statement									
* Non-cash transactions									
	Employee benefits	3.6	3.6	3.7	-7.9	3.6	3.6	3.7	-7.9
	Change in provisions	-3.9	14.6	6.2	7.9	0.0	10.7	5.3	4.6
	Other adjustments	0.3	0.8	1.3	-4.5	-0.1	-1.6	-0.2	-1.2
Total		-0.1	19.0	11.3	-4.5	3.5	12.8	8.8	-4.5
** Liquid funds									
	Other financial assets	822.7	907.4	921.2	892.2	822.7	907.4	921.2	892.2
	Cash and cash equivalents	163.8	211.9	197.5	180.9	163.8	211.9	197.5	180.9
Cash funds		986.5	1,119.3	1,118.7	1,073.1	986.5	1,119.3	1,118.7	1,073.1
	Maturing after more than three months	-328.5	-343.6	-416.5	-417.3	-328.5	-343.6	-416.5	-417.3
Liquid funds		658.1	775.7	702.2	655.8	658.1	775.7	702.2	655.8

CUMULATIVE QUARTERLY CONSOLIDATED INCOME STATEMENT, RESTATEMENT OF CUSTOMER COMPENSATIONS IN Q4 2019

in mill. EUR		Q1 2018	Q1-Q2 2018	Q1-Q3 2018	Q1-Q4 2018	Q1 2019	Q1-Q2 2019	Q1-Q3 2019
Revenue	Reported *	641.1	1,359.3	2,166.2	2,849.7	672.9	1,466.0	2,336.2
	Restatement effect	-5.6	-8.4	-13.5	-13.6	-4.7	-8.6	-13.5
	Restated 31 Dec 2019	635.5	1,350.9	2,152.7	2,836.1	668.2	1,457.3	2,322.8
Passenger and handling services	Reported *	-119.7	-225.6	-343.1	-453.9	-127.5	-244.1	-371.9
	Restatement effect	5.6	8.4	13.5	13.6	4.7	8.6	13.5
	Restated 31 Dec 2019	-114.1	-217.2	-329.6	-440.3	-122.8	-235.5	-358.4

PERIODIC QUARTERLY CONSOLIDATED INCOME STATEMENT, RESTATEMENT OF CUSTOMER COMPENSATIONS IN Q4 2019

in mill. EUR		Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
Revenue	Reported *	641.1	718.2	806.9	683.5	672.9	793.0	870.3
	Restatement effect	-5.6	-2.8	-5.1	-0.1	-4.7	-3.9	-4.8
	Restated 31 Dec 2019	635.5	715.4	801.8	683.4	668.2	789.1	865.4
Passenger and handling services	Reported *	-119.7	-105.9	-117.5	-110.8	-127.5	-116.7	-127.7
	Restatement effect	5.6	2.8	5.1	0.1	4.7	3.9	4.8
	Restated 31 Dec 2019	-114.1	-103.1	-112.4	-110.7	-122.8	-112.8	-122.9

* Reported figures of financial year 2018 are referring to Finnair's restated financials 2018 disclosed on 21 March 2019.

21. CALCULATION OF KEY RATIOS

Alternative performance measures	Calculation	Reference to reason to use the measure	Reference to reconciliation
Items affecting comparability	Unrealized changes in foreign currencies of fleet overhaul provisions + Fair value changes of derivatives where hedge accounting is not applied + Sales gains and losses on aircraft and other transactions + Restructuring costs	Note 1. Basics of preparation, Note 7. Items affecting comparability	Note 7. Items affecting comparability
Comparable operating result	Operating result - Items affecting comparability	Note 1. Basics of preparation	Income statement, Note 7. Items affecting comparability
Comparable EBITDA	Comparable operating result + Depreciation and impairment	Note 1. Basics of preparation	Income statement
Adjusted interest-bearing liabilities	Lease liabilities + Other interest-bearing liabilities + Cross currency interest rate swaps in derivative financial instruments	Component used in calculating gearing	Additional information to Balance Sheet: Interest-bearing net debt and gearing
Cash funds	Cash and cash equivalents + Other financial assets	Component used in calculating gearing. Cash funds represent the total amount of financial assets that are available for use within short notice. Therefore, cash funds provide the true and fair view of the Group's financial position.	Additional information to Balance Sheet: Interest-bearing net debt and gearing, Liquid funds
Interest-bearing net debt	Adjusted interest-bearing liabilities - Cash funds	Note 1. Basics of preparation	Additional information to Balance Sheet: Interest-bearing net debt and gearing
Gearing, %	Interest-bearing net debt / Equity x 100	Note 1. Basics of preparation	Additional information to Balance Sheet: Interest-bearing net debt and gearing

Other key ratios - Revenue and profitability

Earnings per share (EPS)	(Result for the period - Hybrid bond expenses net of tax) / Average number of outstanding shares during the period
Unit revenue per available seat kilometre (RASK)	Unit revenue (RASK) represents the Group's revenue divided by available seat kilometres (ASK). 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.
Unit revenue per revenue passenger kilometre (yield)	Passenger Revenue by product divided by Revenue passenger kilometres (RPK).
Unit cost per available seat kilometre (CASK)	Unit cost (CASK) represents the Group's operational costs divided by available seat kilometres. Other operating income is 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.

Other key ratios - Capital structure

Equity ratio, %	Equity / Equity and liabilities total x 100
Gross capital expenditure	Investments in intangible and tangible assets excluding advance payments
Return on capital employed (ROCE)	(Result before taxes + Financial expenses + Exchange rate gains and losses) / (Equity + Lease liabilities + Other interest-bearing liabilities, average of reporting period and comparison period)

Other key ratios - Growth and traffic

Available seat kilometres (ASK)	Total number of seats available x kilometres flown
Revenue passenger kilometres (RPK)	Number of revenue passengers x kilometres flown
Passenger load factor (PLF)	Share of revenue passenger kilometres of available seat kilometres

The figures of the Financial Statements Bulletin are unaudited.