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Finavia interim report 1 January – 30 September 2011:

Exceptionally high demand for air traffic continued

Key figures for January–September 2011

- Revenues increased by 17.6% to EUR 272.7 million (231.8).
- The number of passengers increased by 16.8%
- Operating result excluding non-recurring items was EUR 40.0 million (27.0)
- Profit before taxes was EUR 42.1 million (38.3)
- Cash flow from operations was EUR 48.1 million (43.1)
- The solvency ratio was 47.5% (45.1)
- Return on equity was 8.9% (11.8)

Key figures for the third quarter

- Revenues increased by 11.5% to EUR 88.9 million (79.8).
- The number of passengers increased by 14.5%
- Operating result excluding non-recurring items was EUR 15.8 million (15.0)
- Profit before taxes was EUR 13.8 million (15.1)

FINAVIA INTERIM REPORT 1 JANUARY 2011 – 30 SEPTEMBER 2011

Financial result 1 January 2011 – 30 September 2011

The volcanic eruption of April 2010 in Iceland makes comparisons with last year more difficult.

Group revenues in January–September increased by 17.6% to EUR 272.7 million (EUR 231.8 million in the previous year). The operating result excluding non-recurring items strengthened on the previous year and stood at EUR 40.0 million (27.0). Profit before taxes was EUR 42.1 million. The result includes EUR 7.2 million of non-recurring items consisting of capital gains from sale of assets.

Cash flow from operations in January–September stood at EUR 48.1 million (43.1). The solvency ratio strengthened on the previous year and stood at 47.5% (45.1).

In January–September, the Group's operating expenses increased by 15.1% on the previous year and stood at EUR 205.7 million (178.7). In addition to the new company added to the corporate structure as a result of an acquisition, the growth is attributable to new cost items

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for the part of the parent company as well as the additional costs relating to winter maintenance and energy consumption due to the harsh winter. The increase in total costs eliminated due to reorganisation of the Group structure was 10.5%.

Staff costs increased by 11.9%. The increase in total costs eliminated due to reorganisation of the Group structure was 6.0%. The increase in staff costs was caused by the considerable increase of handling business volume in subsidiary company Airpro and by the pay rises taking place throughout the Group. The total man-years worked by Airpro Oy's personnel have increased by 17%. In the parent company, the total man-years decreased by 3.1%.

Financial result 1 July 2011 – 30 September 2011

Revenues increased in the third quarter by 11.5% and stood at EUR 88.9 million (79.8). The Group's operating result excluding non-recurring items was EUR 15.8 million (15.0). Profit before taxes was EUR 13.8 million, which was a reduction of EUR 1.3 million on the previous year.

Operating expenses in the third quarter were EUR 64.0 million, which is 14.4% higher than in the previous year. Costs for purchases of materials and services were 16.2% higher than in the previous year, while staff costs increased by 9.3%.

Development of the business areas

Airport

The segment revenues from January to the end of September grew by 14.7% on the previous year and by 11.3% during the third quarter. The cumulative revenues were EUR 189.5 million (165.2), of which EUR 63.3 million were accumulated during the third quarter (56,9). The cumulative operating result was EUR 53.0 million (51.7). The reference figures for 2010 include EUR 10.7 million of non-recurring sales revenue boosting the result. Thus the comparable operating profit for the first part of the year is EUR 12.0 million higher than in the previous year.

The growth of revenues is based on an exceptionally strong growth of volume. The number of passenger during the three first quarter was as much as 16.8% higher, while commercial aviation landings increased by 13.1%.

At the Helsinki Airport, commissioning of the queue management system began in May, and it will provide both the airport and passengers with real-time information on the expected queuing times. The queuing time has been displayed on monitors since August. The system makes queuing data available at any time, making the planning of operations and allocation of resources much easier.

The extension of Oulu Airport was opened on 15 September 2011. In its design work, an operating model compliant with the FST (For Smooth Travelling) programme, originally created for the Helsinki Airport, was utilised, in particular for the security check infrastructure and comfortable customer areas.

The strong growth of commercial operations continued during the third quarter. The positive development of passenger numbers in particular, but also the introduction of new commercial premises and new agreements have been reflected in the operating profit for the whole first part of the year. On the other hand, the refurbishment work in progress at the Helsinki Airport and the bottleneck of border controls for long-haul flights have prevented even stronger growth.

The commercial operations have several projects underway in 2011, aimed at developing the commercial services at airports and improving Finavia's revenues. Cafe Tori, opened in June at the Helsinki Airport, has been well received. The Hello Cafe chain was expanded to Kuopio in August, and another cafe of the same concept was opened in Oulu in September.

Air Navigation Services

The revenues of air navigation services for January–September stood at EUR 46.2 million (40.6). The segment still made an operating loss during January–September at EUR -1.7 million (-5.9). Nevertheless, the operating result improved by EUR 4.2 million from the previous year.

The TN units (the units by which air navigation services are measured) of commercial aviation, which are affected by the weight as well as the number of aircraft, increased by 11.6% during January–September when compared with the corresponding period in the previous year. Measured in service units (a service unit describes both the number of kilometres flown and the weight of the aircraft), the area control centre services rendered during January–September showed an increase of 14.5%.

Finavia's delays due to air traffic control regulation were considerable in July–August, but no delays attributable to Finland took place in September. The average delay of flights attributable to Finland was 0.94 minutes during the third quarter.

Real estate operations

The revenues of real estate operations in January–September increased by 27.2% from the previous year to EUR 13.0 million (10.2). The operating result improved to EUR 10.9 million from last year's EUR 6.6 million. A non-recurring item of EUR 7.0 million, which was accrued from capital gains for a land contract by LAK Plc, has been recognised in the result for the first part of the year. Correspondingly, the 2010 base figures include capital gains of EUR 3.2 million. Thus, the comparable operating result has improved by EUR 0.5 million on the previous year.

At the beginning of the year, LAK Oyj opened an office complex under the WTC concept at Helsinki Airport. Completed at the beginning of the year, the renovation of WTC burdened the result of the real estate operations segment for the first part of the year. Rental of the premises has progressed as planned, and the company expects its revenues to increase during the year due to the WTC complex.

The expansion of the Hilton hotel at the Helsinki Airport by some 80 rooms, completed in May, was a welcome addition to the hotel accommodation capacity of the airport. The better-than-expected occupancy rate of the expansion will improve the company's revenues and operating profit for the remaining part of the year.

Airpro

Airpro's revenues for January-September increased by 41.6 per cent on the previous year and stood at EUR 39.8 million (28.1). The operating result was EUR 2.7 million (2.4).

In July 2010, Airpro Oy acquired 100% of RTG Ground Handling. The effects of the acquisition will be shown in Airpro's results for 2011. In addition, the new customer agreements made a significant contribution to Airpro's growth. During the third quarter, Airpro continued to develop its service concepts with a focus on its current operations.

Investments

The Group's investments in January-September totalled EUR 29.7 million (31.6). The level of investments has clearly decreased in a couple of years following the completion of major investments during 2009 and 2010.

The major investments of the Group include the renovation of Terminal 2, the new de-icing area, extension of the Hilton hotel and extension of Oulu Airport. The modification and renovation project of Helsinki Airport Terminal 2 will be completed by the end of the year. The project will improve many aspects of both passenger experience and the infrastructure.

Construction of the new de-icing area for the Helsinki Airport began in spring 2010. This environmental investment will improve the processing of storm water and enhance de-icing operations. The first phase of the investment will be completed in autumn 2011 when two new washing bays will become available. The new storage area for glycol-containing snow will also be completed at that time. The entire project will be completed in 2013 when there are four washing bays in the area. The total cost estimate for the project is EUR 12 million.

The extension of the terminal in Oulu has been completed, and it was commissioned in September. Modification work of the old part has begun and will be completed by the end of the year. The total cost of the project is estimated at EUR 21 million, of which this Finavia's share is EUR 9 million.

Within the air navigation services, the follow-up development project to the Eurocat FRESH system is underway. The main objective of the project, which is estimated to cost around EUR 15 million, is to update Helsinki Airport's radar display system to meet internal and external requirements for the safe, economical, environmentally friendly and customer-oriented management of traffic. Commissioning of the system is scheduled for March 2012. During the current year, a provision of EUR 5 million has been made for investments in the project.

Development in air traffic

The strong growth continued during the third quarter. The growth in passenger traffic, in particular, has continued at almost the same rate as during the first half of the year. In its statistical review, the Airports Council International¹ (ACI) reported the growth of passenger numbers in January-August as 6.5% and the increase in the number of operations as 4.5%. However, the growth in passenger numbers, adjusted for the impact of the volcano crisis in

Iceland, was only 4.8% in January–August, estimates the ACI. The weekly monitor of the Association of European Airlines² (AEA) still shows strong growth in September, with passenger numbers up 8% from September 2010. For freight, the positive trend has already turned as January–September only showed an increase of 3.3% while a decrease of 2.5% was experienced in August.

As regards the growth figures of main airports in the Nordic Countries, the Helsinki Airport took the first position during the second quarter of the year. The situation has also stayed the same during the third quarter, and the growth figures for the entire January–September period were as follows: Helsinki +16%, Stockholm +14%, Oslo +11% and Copenhagen +7%.

The growth in Finnish air traffic was exceptionally strong during the second and third quarters. The growth, measured in two-digit figures, was due to the growth of volume of existing airline customers as well as to the introduction of new routes and airlines to the Finnish market. During the third quarter, the number of passengers increased by 25.2% while the corresponding figure for international traffic was 11.5%. The overall increase in passenger numbers was 14.5%. The total number of passengers during the third quarter, 5.0 million, and the 14.4 million for the whole period January–September are both new records for these periods. The previous records date back to 2008.

In international traffic, the passenger numbers in traffic between Finland and other EU countries increased by 8.6% during the third quarter and by 14.8% during the whole period January–September. Traffic to countries outside the EU continued to grow faster than the EU traffic. The growth in domestic traffic was 21.1% and in international traffic 22.3%. In Asian traffic, the growth in passenger numbers was 18.3% during the third quarter and 14.0% during January–September. The biggest growth figures were recorded for traffic to and from Singapore, Hong Kong and South Korea thanks to increased number of flights, while the figures for traffic to and from China show a systematic decrease throughout the current year.

The number of commercial aviation landings increased by 7.7% in domestic traffic and by 9.7% in international traffic during the third quarter. The growth in landings in terms of tonnage increased even faster, i.e. by 13.1%. In commercial aviation, the average size of aircraft expressed as tonnes increased by 3.9%.

The overflights in Finnish air space increased by 6.0% during the third quarter, a slightly slower growth when compared to the 7.2% of the second quarter. The entire period of January–September still shows an increase of 7.3%.

¹ ACI Europe represents over 400 airports in 46 countries in Europe.

² AEA is an association of 35 European airlines.

Changes in the Group structure

In line with the resolution of the ordinary AGM of Finavia Corporation held on 29 June 2011, IP-Kiinteistöt Oyj, the subsidiary in charge of ownership and maintenance of real estate premises associated with military aviation, was transferred to the ownership of the Finnish State on 1 September 2011.

Outlook for the rest of 2011

The Statfor Unit³ of Eurocontrol estimated in its forecast published in May that the number of Service Units⁴ in the en-route services in the entire Eurocontrol area would increase by 4.5% in 2011. The fresh forecast, updated at end of September, estimates the growth at 6.0%. The reason for the improved outlook is said to be the stronger than expected development of traffic in the Baltic States, Russia and Turkey. Furthermore, the impacts in traffic caused by the political situation in Northern Africa are expected to gradually weaken.

The Service Unit forecasts for the Nordic Countries have also slightly improved and are better than the Eurocontrol average of 6.0%, with the exception of Denmark. The 2011 forecasts for individual countries are Finland +12.4%; Sweden +8.0%; Norway 7,5%; and Denmark 5.8%.

During the first three quarters of 2011, Finavia has experienced exceptionally strong growth in the demand for air traffic. The underlying reasons for the growth are both the growth of volume of existing airline customers and the introduction of new routes and airlines to the Finnish market.

Thanks to the strong growth, the whole-year financial results of Finavia are forecast to slightly improve from the previous year. The company has continued to improve the efficiency of its operations and managed to control the increase of costs in spite of the growth in volume.

If the global economic uncertainty materialises as a decline in demand for air traffic, its impacts will also be rapidly reflected in the weakening finances of Finavia.

³ Statfor, operating under Eurocontrol, produces statistics and forecasts on air traffic in Europe and monitors and analyses trends in the aviation sector. The unit produces short-term forecasts on the development of flight operations four times a year.

⁴ The term *Service Unit* refers to an indicator that takes into account the length of the flight and the maximum takeoff weight of the aircraft.