



FINNAIR EXPECTS TO GAIN €70 MILLION WITH THE REPLACEMENT OF THE AIRBUS A340-300S WITH NEW A350-900S

News / Airlines



Finnair (Helsinki) has issued this financial fleet guidance as it prepares to accept its first Airbus A350-900:

Finnair, which is the European launch customer for the Airbus **A350-900** XWB, is preparing to receive its first A350 delivery from Airbus in early October.

As Finnair announced in December 2013, it has made sale and leaseback agreements for its two first A350 aircraft with GECAS (GE Capital Aviation Services). These agreements will be concluded in connection with the delivery of the respective aircraft, and the value of the transaction is approximately EUR 260 million.

It has also been stated previously that non-recurring items associated with the long haul fleet renewal in 2015 will have a substantial positive impact on Finnair's operating result due to the strengthened US Dollar. This separate guidance covered the sale and leaseback agreements for Finnair's first two A350s, constituting a significant positive impact, as well as the phase out of all Finnair's remaining A340-300s, which will involve non-recurring costs primarily materialising in

2015. The remainder of these costs, presently estimated at below EUR 10 million, will be booked in 2016.

Calculated at present exchange rates, the positive net impact of these arrangements on Finnair's operating profit in H2/2015 is expected to amount to approximately EUR 70 million.

Finnair has ordered a total of 19 new A350-900 XWB aircraft, and under the target delivery schedule it will receive four aircraft in the second half of 2015, seven in 2016–2017 and eight in 2018–2023.

Finnair will dispose of the seven A340-300 aircraft it currently operates by the end of 2017, replacing them as the A350s are delivered and enter into service on Finnair's scheduled traffic routes.

Airbus has agreed to acquire four A340-300 aircraft currently owned by Finnair in 2016 and 2017.

Since the arrangements relating to both sale and leaseback of the A350s and the sale of A340-300s are denominated in US Dollars, the final financial impact depends on the EUR/USD exchange rate prevailing at the time of delivery of the respective aircraft.

Disclosures on financing arrangements for the A350 aircraft other than the first two to be delivered will be made as those agreements are finalized. Finnair's fleet consists of both owned and leased aircraft.

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