ESTONIAN AIR'S RESTRUCTURING PLAN HAS TAKEN THE AIRLINE TO A PROFITABLE SUMMER 2015

News / Finance

In addition to June and July this year, Estonian Air earned profit also in August. The profit of three months amounted to almost half a million euros. Last time the company had bottom line profit three months in a row in summer 2010.

„We are happy to see that the company continued to operate profitably also in August despite of the fact that competition at aviation market has significantly increased. The redeliveries of our Embraer 170 aircraft have also negatively affected our results since August, but nevertheless the month's outcome was still profitable on the bottom line," said Jan Palmér, the CEO of Estonian Air.

Economic results have improved since March this year when Estonian Air started to operate as a capacity provider to bigger airlines in addition to serving flights to and from Tallinn.

"Excluding low flight season in January and February, Estonian Air's EBIT (operating profit) in total was turned from negative into positive number for the whole period from March till August, and improved by almost 3 million euros compared to the same period last year. By excluding the state

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loan interest from the net result, monthly result was positive in four months this year – March, June, July and August," added Palmér.

Profitable summer months indicate that the restructuring plan has helped Estonian Air to establish a solid foundation for long-term sustainability. Active sales in Estonia and destination markets, and capacity providing for other airlines have contributed to the positive outcome. In addition, a wider choice of flight destinations and improved load factor shows more effective utilization of our fleet.

"Approaching autumn and winter time will bring a low flight season and harder times with tougher challenges. Nevertheless, our results so far have been better than budgeted and next year we are aiming to reach the break-even," commented Palmér.

In August 2015, Estonian Air carried 62 355 passengers, out of which 58 628 on regular flights. The number of passengers increased 16.4%, out of which 16.1% on regular flights compared to the same period last year. ? ?

In the first eight months Estonian Air carried altogether 404 109 passengers, out of which 388 808 on regular flights. The total number of passengers increased 9.7% and on regular flights 10.1% compared to the same period last year.

In the first eight months Estonian Air operated 8 094 flights, which is 13.0% more than during the same period last year. In August the airline operated 1 054 flights, which is 12.7% more than during the same period last year.

Estonian Air, founded in 1991 and headquartered in Tallinn, is the largest carrier at Tallinn Airport. Estonian Air is aiming to provide Estonia with reliable and regular double daily connections to destinations of strategic importance and of substantial demand. Being a small country on the periphery of Europe, Estonia depends on such connections, and Estonian Air is committed to provide these services.

Estonian Air currently operates a total of five aircraft: two Embraer 170 and three Bombardier CRJ900 aircraft. In September two CRJ700 aircraft will be added to the fleet.

Estonian Air has two business lines: serving direct flights of strategic importance for Estonia and of substantial demand, and providing capacity to several major airlines in Europe and Scandinavia.

Estonian Air operates regular routes from Tallinn to Stockholm (Arlanda and Bromma), Copenhagen, Amsterdam, Brussels, Oslo, Moscow, St Petersburg, Kiev, Vilnius and Trondheim. Until October 2015, Estonian Air operates seasonal flights to Munich, Paris, Berlin, Nice, Vienna, Milan and Split in addition.

Estonian Air is a member of IATA (International Air Transport Association) and certified according to the IATAOperational Safety Audit (IOSA).

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