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INFORMATION FOR SHAREHOLDERS

Annual General Meeting

The Annual General Meeting of Finnair will take place on April 9, 2003 at 3 p m in the Helsinki Fair Centre, Messuaukio 1, Congress Wing entrance, Hall C1

Notice of attendance at the Annual General Meeting must be made by April 7, 2003 at the latest, either in writing to Finnair Oyj, Paakassa ACA/14, 01053 FINNAIR, by telephone to +358 (0)9 818 4945 or by e-mail to agm@finnair com

Shareholders who are registered with the Finnish Central Securities Depository Ltd (APK) by March 28, 2003 at the latest, or who are holders of nominee-registered shares and who on the aforementioned date are temporarily entered in the register of shareholders in the manner specified in section 3a, subsection 11a of the Companies Act, are entitled to attend the AGM Shareholders whose shares have not been transferred to the book-entry securities system may also attend the AGM on condition that such shareholders were registered in the Company's register of shareholders before June 11, 1993 In that case, the shareholder must present their share certificates at the AGM, or provide an explanation of why their shareholding rights have not yet been transferred to the book-entry system

Dividend proposal

The Board of Directors of Finnair will propose to the Annual General Meeting that a dividend of EUR 0 15 per share, representing 34 9 per cent of the earnings per share, be paid to shareholders for the financial year ending on December 31, 2002

The dividend will be paid on April 23, 2003 to those shareholders who were registered in the Company's register of shareholders on the reference date of April 14, 2003

Financial information

The Company will publish the following financial reports in 2003

Q1 January - March Interim Report, May 20, 2003
Q2 January - June Interim Report, Aug 19, 2003
Q3 January - September Interim Report, Nov 18, 2003

To order the Annual Report and other publications

The printed Annual Report 2002 is published in Finnish and English To order, fax +358 (0)9 818 4090 e-mail pr-materials@finnair com

The Annual Report 2002 is also published on the Internet in Finnish, Swedish and English at the address www finnair com/2002

Change of address

Shareholders are kindly requested to report any changes of address to the Finnish Central Securities Depository Ltd where shareholders' book-entry accounts are kept

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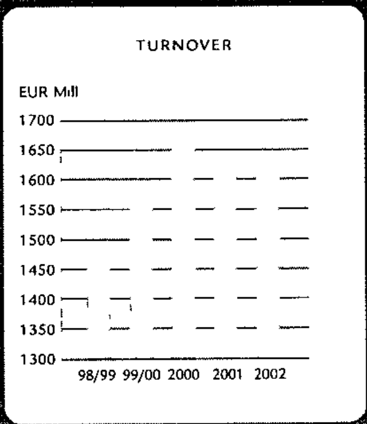
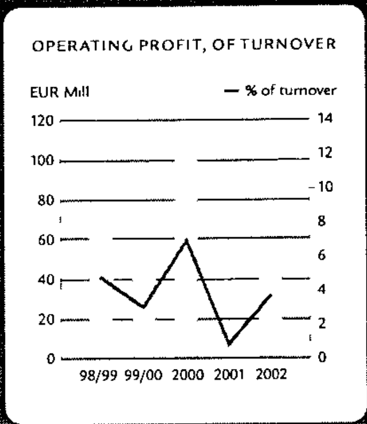
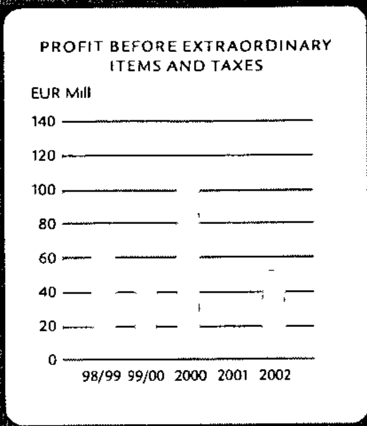
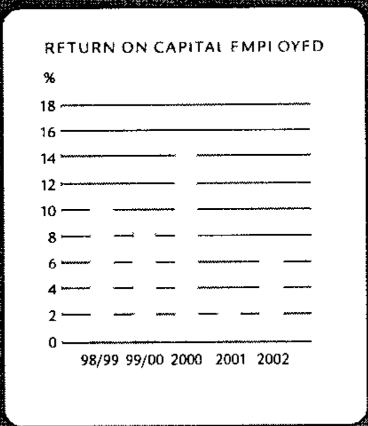
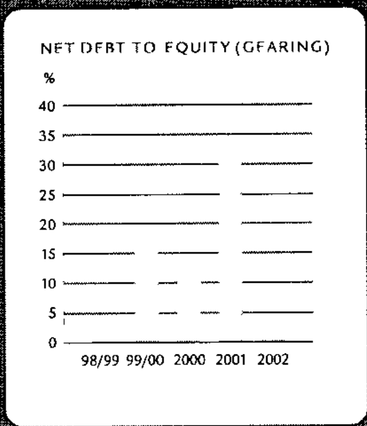
KEY FIGURES

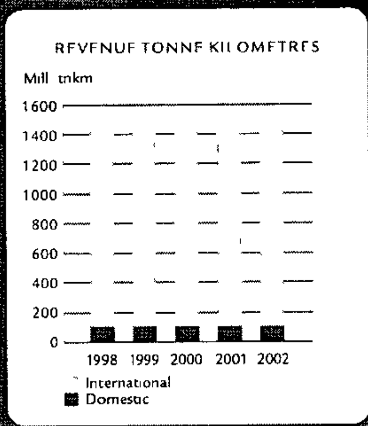












Finnair Group Key Figures

		2002	2001	2000*	1999/2000	1998/99
Turnover	EUR Mill	**1 640**	1 631	1 658	1 593	1 494
EBITDA	EUR Mill	**175**	145	232	165	164
Operating profit	EUR Mill	**60**	13	111	50	72
Operating profit, of turnover	%	**3 7**	0 8	6 7	3 1	4 8
Profit before extraordinary items and taxes	EUR Mill	**54**	9	120	57	73
Earnings/share	Euro	**0 43**	0 08	0 95	0 37	0 65
Equity/share	Euro	**7 58**	7 22	7 54	6 74	6 29
Gross capital expenditure	EUR Mill	**102**	281	247	252	220
Interest bearing net debt	EUR Mill	**20**	212	74	112	23
Equity ratio	%	**44 3**	41 3	42 2	41 7	43 9
Net debt-to-equity (Gearing)	%	**3 1**	34 6	11 1	19 6	4 4
Return on capital employed	%	**7 6**	2 9	15 3	9 1	11 7
Average number of staff		**10 476**	10 847	11 051	11 462	11 264

* Proforma figures

DIFFICULTIES IN THE PAST AND AHEAD

"We must now ensure that we emerge from this difficult period in a healthy state " That is what I wrote in this review one year ago And while it is true that we succeeded in our task in 2002, the difficult period is continuing for longer than we expected

Air traffic is always one of the first areas of business to suffer from an economic downturn and in recent years the industry has gone through a massive upheaval, the like of which it has not been experienced before The uncertainty and terrorist threats that overshadow the global political situation are reflected in the economy, of course, and therefore also in air traffic Everyone seems to be expecting economic activity to contract and travelling to decline

The gravity of the situation is illustrated by figures that sound quite unbelievable world-wide, the airlines have recorded more losses during the last two years than the total profits they made during the previous 45 years Since the events of September 11th, we have witnessed many bankruptcies, and there are more to come Airline bankruptcies are often very dramatic - the companies involved are often the national flag carriers Overcapacity will evaporate as weak companies fall by the wayside, if the world does not resort to aid that distorts competition Free competition under common ground rules is the best guarantee of customers' and tax-payers' interests and of the revival of the industry

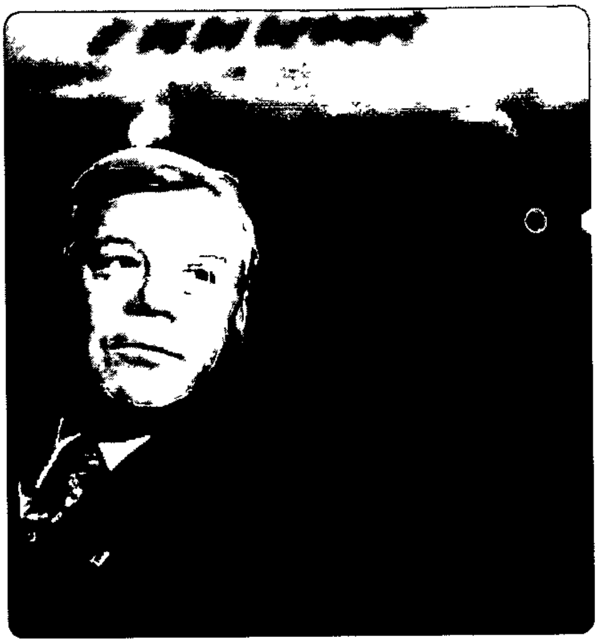
While we are waiting for a pick-up in demand, further challenges are being posed by clearly intensified price competition This is leading to a fall in unit revenues The only antidote for this is cost-cutting, in other words more efficient operations

We are also facing our own challenges in the form of new foreign and domestic competitors The fall in aircraft prices means that the threshold for newcomers has been lowered How successful they will be in an increasingly competitive market, time will tell

Although Finnair's result for the financial year falls far short of our target levels, we can, even so, be satisfied that we have kept control of our destiny under difficult circumstances Our nearly debt-free status and strong cash flow equip us to withstand the knocks better than many of our competitors, and we can plan our future instead of depleting our resources in a struggle for survival We can also be satisfied that our level of service has remained high In terms of punctuality, Finnair is still the best Nordic airline and one of the best in Europe Independent European research shows that Finnair delivers the best value for money in both business and economy class

To our home market, Finnair gives not only quality and value for money but also the best links to the rest of the world From Helsinki we fly direct to more than 30 destinations around the world, a service that business life in many capital cities can only dream about Domestic traffic is also important to us We offer the morning-evening concept also to customers living outside the Helsinki Metropolitan Area, at high season we fly to Lapland more than 110 times a week

To our Far Eastern and European customers we offer the fastest connections between Asia and Europe The competitiveness of our product is best seen, perhaps, in the growth figures more than 17 per cent in 2001 and an impressive 38 per cent in 2002[1] In line with our strategy, we intend to make further increases in our flight services to Asia Our long-haul fleet will grow in the shape of one MD-11 aircraft New destinations include Osaka in Japan this summer and Shanghai in China next autumn We are also increasing the number of flights daily to Beijing



Despite the uncertain times, our fleet of aircraft is being renewed according to plan In three years, one third of our fleet has been renewed and by the end of this year we will offer flights on 24 Airbus A320 aircraft, about which we have received very good feedback from customers The decommissioning of the DC-9 aircraft and the expansion of our Airbus fleet is also making a positive impact on environmental loading The operating environment is changing and the companies who succeed best will be those who react quickly to the new situation and are among the first to take advantage of it Anticipation, constant vigilance and flexibility are the essential qualities that will guarantee survival and future success Although we face an unprecedented number of challenges, I believe, even so, that Finnair has the ability to fly into the future as a winner

Under the circumstances, we have performed satisfactorily to date and our entire staff have shouldered their responsibilities in an exemplary manner, making the company more competitive than before We have to continue our work to achieve a more cost-effective structure in order to safeguard our competitiveness and our earnings capacity

In 2003 we celebrate notable anniversaries in aviation history The Wright brothers made their first flight 100 years ago this year and 80 years have passed since the founding of Finnair Much has happened in these years, and the passing of time has taught us many things A financially strong Finnair with top quality services will certainly earn its place in the future, too

Keijo Suila

FINNAIR IN BRIEF

Most experienced in Northern Skies
Finnair's goal is to be the leading Northern European aviation service enterprise

European excellence
Finnair's aim is provide the most highly regarded travel-related services, which are operationally the best in Europe and the most desirable choice for the customer

Market leader
Finnair is the market leader in air transport out of and into Finland as well as in gateway traffic through Finland

Values
The values that guide Finnair's operations always put the customer first Our priorities are constant development, honesty, openness, willingness to take responsibility, fairness and respect for others

Sustainable, profitable growth
Finnair's business objective is to achieve sustainable and profitable growth Geographical expectations are placed on the growing Asian and Baltic markets

Competition strategy
Finnair's competition strategy is based on its high quality of service, its status as one of the most punctual airlines in the industry and its comprehensive, continually expanding route network via its alliance partnerships Finnair is safeguarding its strong competitive position by making effective use of various distribution channels and by developing its services

Capitalising on e-business
Finnair will improve its competitiveness and cost efficiency by taking advantage of the possibilities e-business offers in its internal and external processes as well as in e-commerce and customer service

Capable partner
Finnair is determined to be a capable and active partner that provides added value for its associates Finnair is an expert on the Nordic dimension within the oneworld alliance It is Finnair's aim to consolidate its position by being a pioneer as well as a developer and user of new technology, as well as being a beneficiary of the synergies offered by the alliance

Preferred choice
Finnair's aim is to be the most desirable, safe, reliable and friendly choice for its customers Finnair is systematically developing its service concepts on the basis of feedback from its customers New technology enables us to provide an increasingly personal and comprehensive service for our clients

Professional personnel
A professionally skilled, motivated and committed work force is an asset that Finnair values highly We actively work to promote job satisfaction as well as staff capabilities in a rapidly changing work environment A management culture of reward underpins our personnel strategy

Environmental strategy
A responsible and open environmental policy is a permanent feature of the company's way of doing business We pay active attention to the most pressing environmental challenges, which are aircraft noise, engine emissions and waste management

Dividend policy
It is the aim of Finnair's dividend policy to pay on average at least one third of the earnings per share as dividend during an economic cycle

FINNAIR GROUP

SCHEDULED PASSENGER TRAFFIC	LEISURE TRAFFIC	CARGO	AVIATION SERVICES	TRAVEL SERVICES	SUPPORT SERVICE
Finnair Scheduled Passenger Traffic	Finnair Leisure Traffic	Finnair Cargo Oy	Finnair Technical Services	Finland Travel Bureau Ltd (SMT)	Group Administration
Aero Airlines A/S	Oy Aurinkomatkat - Suntours Ltd Ab		Finnair Ground Handling	A/S Estravel Ltd	Personnel Administration
			Finnair Catering Oy	Area Travel Agency Ltd	Finnair Financial Services
			Finncatering Oy	Amadeus Finland Oy	Finnair Facilities Management Oy
				Mikkelin Matkatoimisto Oy	

PROFITABLE GROWTH WITH CORE OPERATIONS

Finnair is committed in its business operations to profitable, value-creating growth Operational efficiency and product quality are at the highest level among European airlines This provides a good foundation to continue the good start that has been made on increasing traffic in strongly growing markets

The long-haul strategy's heavy emphasis on Asia has already proved to be the correct strategic choice Asia is the fastest growing market area for air traffic The proportion of Finnair's scheduled passenger traffic revenue accounted for by Asian traffic has grown in a couple of years from ten per cent to 17 per cent Two thirds of passengers on Finnair's flights to and from the Far East are Asian The increase in Asian traffic has also strengthened growth prospects for Finnair's cargo business Last year the volume of freight on Asian routes grew by 50 per cent

A considered increase in flight frequency and the addition of new destinations in Asia have generated growth at a time when the flight service offered by many airlines has gone into structural and financial decline This trend will continue in 2003

Changes in the Baltic region are providing new growth opportunities both for the development of scheduled passenger flight solutions and for extending leisure operations into new markets

Finnair's objective is also to be a first-class commercial enterprise and therefore to be for its shareholders a competitive investment in terms of total return The aim is to reach this objective through strategic solutions that support return on capital employed In terms of a profitability target, this means an operating profit of around six per cent, given the Finnair Group's present capital structure, namely an operating profit of around EUR 110-120 million in the next few years This approach will be applied in the financial management of all business units The reorganization of 2001 has improved transparency in the business units, allowing their overall financial impact to be assessed from the perspective of the added value they produce The ability of business units to generate financial added value will also guide the development of the Group structure in future

Group operations have been enhanced by targeting resources on core operations in scheduled, leisure and cargo traffic The functions that support these areas have been given their independence and partnerships have been formed with leading experts in each field of business

Goal-directed work has borne fruit Finnair is one of the most financially healthy airlines in Europe A company in good shape in terms of its cash flow and balance sheet can answer the challenges presented by the upheavals in the industry and by the uncertainty in the global economy

Financial Targets – Sustainable value creation

Operating profit (EBIT)	EBIT margin at least 6% => EUR 110-120 million in the coming few years
EBITDAR	EBITDAR margin at least 17% => over EUR 300 million in the coming few years
Economic profit	To create positive value over pretax WACC of 10% not later than 2004
Gearing	Net Debt to Equity max 0 6
Equity ratio	Equity to Balance Sheet total more than 30%
Pay out ratio	Minimum one third of the EPS
Total Shareholder Return (TSR)	On average 15% annual TSR => to double the value for shareholders in five years
Market Cap	P/B minimum target 1 0

TURBULENT TIMES - EVEN FOR THE EUROPEAN ELITE

The turbulent times continued for the scheduled passenger traffic airlines in 2002 Only those airlines with healthy finances managed to retain their competitiveness Due to its strengths, Finnair maintained its earnings capacity, even though the level and nature of demand fell in many business areas

The recovery of demand stalled due to the world economic and political situation and led to an intensification of price competition towards the end of the year Price competition is undermining the scheduled passenger traffic airlines' profitability and operating environment

Finnair's scheduled passenger traffic was adjusted to correspond with demand on European, North Atlantic and domestic routes In Asia, however, adjustment meant a sharp increase in capacity Demand on Asian routes grew by 40 per cent last year Capacity adjustment led to a rise in cabin factors in all traffic areas

Quality - cost-effectively

In what was a financially challenging year, Finnair maintained its leadership in quality, in terms of both service and operations External indicators showed without doubt that in both business class and economy class the Finnair product gives the best value for money

Operational quality is communicated by Finnair's constant presence at the top of punctuality and reliability statistics Quality has been achieved without compromising competitive financial management New, improved systems have meant that flights can be flown more economically and more punctually than before

During winter 2001/02, Finnair's four MD-11 aircraft were overhauled to give them new identical cabins, allowing the integrated use of the entire MD-11 fleet on long-haul routes This will enable additional long-haul flights to be made, in accordance with increased demand and the operational strategy The number of weekly flights between Helsinki and Bangkok increased from four to seven in February 2002 and, at the same time, a service of three flights a week was introduced to a new destination, Hong Kong The Beijing service was enhanced in February from three to four flights a week and in September to five flights In 2003, flight frequency on the Beijing route will rise to six flights

In Europe, capacity was increased on the Milan, Rome, Paris and Copenhagen routes A new destination, Stuttgart, was opened in cooperation with Finnair's domestic partner Golden Air Underperforming routes between Finland and Sweden were discontinued

Service and sales more efficient

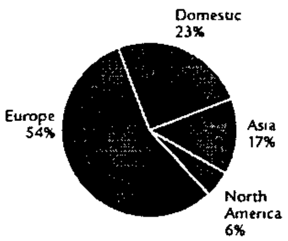
Customer relationship management has played a key role in developing sales and marketing Operations have been boosted through system integration As part of the development work, the utilization of the frequent-flyer system in sales activity was enhanced The company can now offer more targeted offers to its key customers than before An example of this is the Top Club tailored service, implemented by Finnair and the Area travel agency for the needs of frequent flyers Telephone services offered to customers were reorganized with the setting up of the Finnair Contact Centre Direct sales and the Finnair Plus frequent-flyer service were improved through improvements in quality and increased efficiency The number of Finnair Plus customers rose above the half million mark Electronic services were centralized under the www finnair fi website

Centralization cut the costs involved in maintaining the websites of different marketing locations The integrated website enables fast-tempo price campaigns to be implemented more flexibly and seats that would otherwise remain empty to be sold more effectively

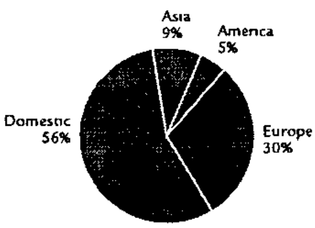
A substantial component of Internet business involves the electronic ticket, or e-ticket On flights that accept the e-ticket, its use has grown from less than 40 per cent to over 50 per cent The e-ticket can be used to fly on the entire domestic network and on some European routes

Seat reservation methods and systems were modernized Available seats can now be utilized more effectively and seats offered more surely, even on flights with high demand

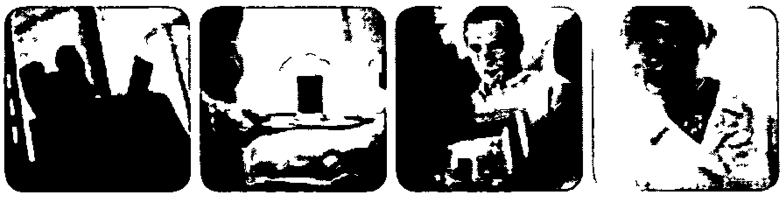
DISTRIBUTION OF SCHEDULED TRAFFIC REVENUES



DISTRIBUTION OF PASSENGER SALES IN SCHEDULED TRAFFIC REVENUES



Finnair has brought Europe and Asia closer together by offering the fastest connections between the continents. Finnair's renowned service makes the journey feel even shorter.






Finnair carries most Finns on their holidays to the sun in different parts of the world. Finland's leading leisure travel brands are the surest guarantee of a successful holiday.

COMPETITIVE FLIGHTS FOR QUALITY HOLIDAYS

Finnair's Leisure Traffic division competitively combines quality holiday packages and low-cost flights to holiday destinations. For decades now, Finnish holidaymakers have trusted the success of their vacation to the two most popular leisure travel brands in Finland: Aurinkomatkat - Suntours and Finnair's Leisure Flights. Both business units belong to the Finnair Group and are market leaders in their own fields.

The Leisure Traffic division has a strong hold on the domestic leisure travel market. The division has continually increased its market shares. New and growing markets in the neighbouring Baltic states and the St. Petersburg region will provide significant growth potential for leisure travel in the coming years.

In its package tour provision Aurinkomatkat has managed to create a satisfactory price/quality combination which is ideal for strengthening Aurinkomatkat's position on the package tour brand map. In this time of upheaval in flight traffic, Finnair's Leisure Flights unit is doing its part in responding to the challenge posed by the no-frills airlines. The unit offers competitive flights without having to reduce service to undetectable levels. During 2002, Finnair's leisure flights flew to more than 60 destinations in the Mediterranean region, the Canary Islands and the Far East. The Aurinkomatkat destination of Fortaleza in Brazil was added to the flight programme. Traffic to the Caribbean, on the other hand, was discontinued due to insufficient demand.

In the summer season, when demand in Finland is lower than in winter, the free capacity of two aircraft was leased with pilots to a UK leisure flight operator for traffic between the UK and Mediterranean destinations.

Leisure Flight Operations

Every Finnish tour operator has used Finnair's leisure flight services. Our market share has remained high, at an average level of more than 80 per cent.

The Leisure Flights unit has shifted to using mainly one type of aircraft, an MD-11 wide-bodied aircraft previously used for leisure flights was transferred to scheduled passenger traffic at the beginning of 2002. The leisure flight fleet now consists of seven Boeing B757 aircraft, two of which were acquired in spring 2002. Finnair's B757 fleet has one of the highest daily utilization rates in the world. Leisure traffic demand has contracted since September 2001. Finnair has reduced its leisure flight capacity to correspond with demand, for example by more than ten per cent in winter 2001-02. Although capacity was increased towards the end of 2002, it has not, however, recovered to its year 2000 level. The capacity reduction in leisure traffic for the whole of 2001 was a good eight per cent.

Aurinkomatkat - Suntours

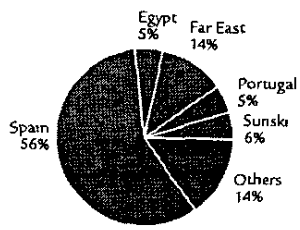
Aurinkomatkat has increased its market share in a declining package tour market. Total demand for package tours in Finland fell by 6.5 per cent compared to the previous year. Even so, Aurinkomatkat's turnover grew by 5.6 per cent.

In 2002 the package tour sector experienced changes as our main competitors rearranged their brands. Finland's package tour market has consolidated around fewer brand names. Finnair centralized its own package tour services in Aurinkomatkat three years ago when it sold the Finnmatkat company. Aurinkomatkat's market share is now nearly as big as the combined market share of Aurinkomatkat and Finnmatkat before the latter was sold.

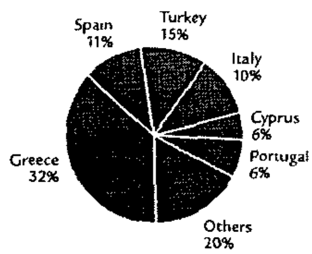
According to a study conducted by the Association of Finnish Travel Agents (SMAL) in 2002, Aurinkomatkat's market share, as measured by passenger numbers, grew four percentage units to 35 per cent and thus passed its main competitor. As measured by turnover, the market share is even bigger, at 37 per cent.

Aurinkomatkat began selling holidays on the Internet at the end of 2001. Although Internet sales still account for less than five per cent of holidays sold, the popularity of e-commerce in purchasing package tours is growing quickly.

SUNTOURS TOUR PRODUCTION BY COUNTRY
Winter 2002/2003



SUNTOURS TOUR PRODUCTION BY COUNTRY
Summer 2002



A NEW SILK ROAD CONNECTING SCANDINAVIA AND ASIA

In the coming years, air cargo will continue to be a growth sector The demand for air cargo is forecast to grow by an annual rate of more than five per cent up to 2006 Demand for Finnair's cargo services revived at the end of last year from the slump in demand in autumn 2001 and early 2002

During the last decade, the air cargo business has developed from the mere transport of cargo into a logistical service Companies achieve cost-effectiveness when they build logistics chains in which fast and reliable air cargo services play a central role

Finnair's cargo services form a strong link between East and West At both ends of the link there opens out a fan-like network through which the population centres of the Far East and Europe are reached flexibly and efficiently The new Hong Kong destination and the increase in flight frequencies to other Asian destinations will increase the volume of cargo traffic on Eastern routes in 2002 by nearly 50 per cent An important part of Finnair's Asia strategy is the cargo centre founded last year in Bangkok, from where shipments on the Southeast Asia transport network can be comprehensively monitored Finnair's Asian destinations offer flexible connections via partner networks to elsewhere in Asia and Australia

In North Atlantic traffic, Finnair Cargo continued its cooperation with Evergreen International Airlines, from which it purchases Boeing 747 cargo aircraft capacity In European cargo traffic, a Finnair subcontractor is Channel Express, which transports cargo on Airbus A300 aircraft The cargo aircraft capacity's load factor of 74 per cent is good, given the market climate

Service is the oil that lubricates the logistics chain

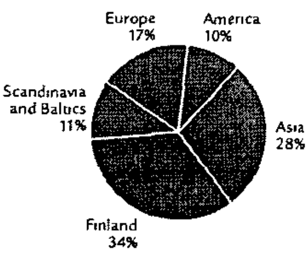
The interface between Finnair Cargo and its customers is being developed to enable customers to be more in touch with advances in logistical processes A development project initiated in 2002 will continue in cooperation with forwarding companies and end-customers The aim of the project is to improve the tracking of consignments along the entire logistics chain Sale and marketing will be developed in a more customer-oriented direction During 2003, Cargo will take steps to improve customer relationship management The objective is to improve our awareness of customer needs and to adapt our service to them The project will utilize experience acquired in the development of passenger traffic

Finnair Cargo's service and productivity will be enhanced by improving the monitoring of unit revenues By optimizing unit revenues, space for high-revenue consignments can be better secured on flights for which there is greater demand

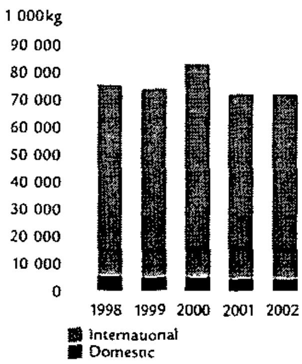
The objective is to replace the present operational information system for cargo traffic with a new system that covers the entire service chain Space booking and the monitoring of unit revenues will be an integral part of the new system

In autumn 2002, Finnair Cargo and British Airways World Cargo agreed to cooperate with respect to cargo sales in Finland Under the agreement, Finnair will act as British Airways' air cargo representative in Finland

FREIGHT AND MAIL REVENUES 2002



CARGO



Ramp Supervisor Benita Lindström oversees the loading of a cargo container on to an Asian flight

The Silk Road of today is part of the logistics chains of the Nordic countries' high-technology industry. Carrying freight between Europe and Asia increases the profitability of Finnair's Asian flights considerably.

SAFER, MORE CAPABLE AND MORE FLEXIBLE

The Aviation Services division invests in the provision of quality, cost-effective services As the largest division in terms of personnel, the division has a significant role in reinforcing Finnair's customer service image Aviation Services' biggest client is the Finnair Group

Finnair Ground Handling - FGH

FGH ensures the efficient departure and arrival of passengers, baggage and freight and provides the ground handling services required by aircraft The unit is the market leader in its field in Finland and takes care of ground handling for Finnair and nearly 20 other airlines Every year the unit's workforce of 1,200 employee handles over 100,000 flights and the baggage of eight million passengers

Cost-cutting by airlines has led to very intense price competition in the sector During 2002 FGH increased its cooperation with Finnish companies by outsourcing ground handling at domestic airports Services are provided at ten airports through cooperation agreements In addition to Helsinki-Vantaa, FGH provides services with its own organization at a further ten airports

Ground handling is a labour-intensive service area, in which the daily cycle of flight traffic requires the flexible use of labour Profitability is sought by allocating resources flexibly to times when flight traffic is at its peak The outsourcing of Finnair's ground equipment, in which nearly 400 motorized vehicles were acquired by ABB, released significant amounts of capital FGH continues to use the vehicles under a maintenance leasing agreement

Catering

The purpose of catering operations is to support the Group's core business and the high quality of customer service given on flights in line with Finnair's service strategy Operations are handled by Finnair Catering Oy and its subsidiary Finncatering Oy, which provides meals mainly for leisure flights

Finnair Catering Oy plans and supplies meals, drinks and other items served to passengers for Finnair's entire route network and also to other client airlines in Finland During 2002, we supplied 5 7 million meals for international flights, of which 75 per cent were for Finnair and 25 per cent for other companies Two million snacks were delivered for domestic flights Finnair's wines were again rated very highly in a airline service survey

In the autumn, Finnair Catering Oy implemented a reorganization in which catering and trading operations were separated into their own profit centres The objective of the change is better cost control through greater transparency and enhanced efficiency The trading business consists of retail sales at airports and on client airlines' flights as well as alcohol and tobacco sales to restaurants and other passenger traffic companies

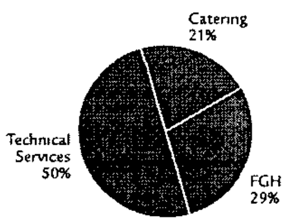
At the beginning of 2003, Finnair Catering Oy founded with Altia Oyj a joint venture company, SkyCellar, which will specialize in wine wholesaling Finnair owns 19 9 per cent of the new company and Altia 80 1 per cent Procurement cooperation initiated with Viking Line Abp will bring economies of scale in trading operations that will improve profitability

Technical Services

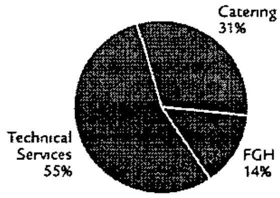
Finnair's Technical Services provides high quality technical services, primarily for Finnair but also for other airlines, of which the largest is Lufthansa Cargo The unit's services range from full-scale servicing and repairs to small, individual repair jobs

Finnair Technical's strengths are its comprehensive expertise and its punctuality, reliability and flexibility Operating capacity has been enhanced by adjusting the organization to better meet business needs The unit's own capability to maintain and repair the Airbus A320 series has been improved according to plan, thus significantly reducing the amount of subcontracting required for this type of aircraft

AVIATION SERVICES
PERSONNEL



AVIATION SERVICES
TURNOVER



STRONG DISTRIBUTION CHANNELS IN USE

The Travel Services division provides travel planning and travel management related services The division's travel agencies support the Finnair Group's goal of strengthening its position in the travel market The delayed economic upturn has prevented renewed growth in demand for business travel On the other hand, there was clear growth in leisure travel in 2002

There are two travel agency groups belonging to the Finnair Group Suomen Matkatoimisto Oy and Matkatoimisto Oy Area Suomen Matkatoimisto also includes the Baltic states' largest travel agency, the Estonian company Estravel Mikkelin Matkatoimisto Oy is a subsidiary of Area The Finnair Group's travel agencies operating in Finland have increased their market share in business travel to over 50 per cent

The travel booking and information system supplier Amadeus Finland Oy also belongs to the Travel Services division In accordance with its strategy, Finnair withdrew in 2002 from the remaining offices of the Norvista travel agency chain, which mainly operated outside Finland

The Finnair Group's travel agency business has two main strands on the one hand, the travel agencies' role in providing corporate travel management services is becoming increasingly important, while on the other hand the demand for tailored leisure travel packages has grown significantly

In recent years, airlines have reduced the commission they pay to travel agencies As a result, it has become common practice for travel agencies to charge service fees from customers

The Finnair Group's travel agencies have engaged in a degree of restructuring Area created a business travel centre in Oulu from two local offices Suomen Matkatoimisto merged Kuopion Matkatoimisto Oy and Varkauden Matkatoimisto Oy into its parent company

Distribution channels are developing

Both Suomen Matkatoimisto and Area are highly rated in terms of customer awareness Both travel agencies benefit from belonging to the global American Express travel agency network The Suomen Matkatoimisto's subsidiary Estravel has grown its operations in the Baltic states Estravel, moreover, is the market leader in Estonia

The increasing technical possibilities and use of electronic air tickets, or e-tickets, has altered the service and operating processes of the travel agencies While travel agencies can achieve cost savings, they can also offer their customers new electronic services The e-ticket is already in use for almost 50 per cent of domestic traffic, with a potential to reach 70-75 per cent of all domestic tickets

The Group's travel agencies have developed Internet services for private consumers, from open services to the extranet services used by companies Commerce via the Internet is continually increasing as customers become familiar with the benefits of the new technology

The Travel Services division also includes the reservation systems supplier Amadeus Finland Oy, which accounts for around 95 per cent of reservations made in general booking systems in Finland For this reason, Amadeus Finland is an essential partner in the travel industry

Amadeus provides comprehensive services to various links in the travel chain travel agencies, service providers, companies and individual travellers Information gained from bookings is used comprehensively to make both the entire travel process and operations more efficient

The Finnair Group's travel agencies have more than a 50 per cent share of Finland's business travel market. As distribution channels change, it is important to be able to influence the development of the sector.

SUPPORT SERVICES FREE RESOURCES

In addition to Group administration, the Support Services division is responsible for financial and personnel management services as well as real estate services

During 2002, the Support Services division was reorganized In the most notable structural change, Finnair set up with IBM a new information technology company, Aerosystems, to which Finnair IT functions were transferred Finnair owns 40 per cent of Aerosystems Oy

The ownership and management of the Finnair Group's properties has been centralized in Finnair Facilities Management Oy (FaMa) The company manages real estate covering a total area of 275,000 m^2, the largest facilities being those used by Finnair's Technical Services unit The Finnair Pension Fund owns more than a third of the total real estate

The company provides property services ranging from real estate development to property maintenance and offices services The office supplies service previously handled by FaMa was outsourced to Tamore Oy

FaMa's operating area is Finland, but the company is focusing on the strongly growing and developing Helsinki-Vantaa Airport area In 2002, the property occupied by the Pori Aviation Academy was sold to the Finnish Aviation Academy, jointly founded by Finnair and the Finnish government

EXPERTISE IS FINNAIR'S KEY RESOURCE

The structural change in the demand for air travel and the restructuring of the Group imposed great pressure on staff solutions during 2002

The fall in demand that struck the sector in the wake of September 11, 2001 compelled the company to implement deep cost-cutting measures A savings target was set at EUR 115 million, of which almost half was to come from personnel costs

Partly as a result of negotiations and partly through measures imposed by the employer, a solution affecting all personnel groups was formulated and this was implemented during 2002 The cost-cutting methods varied between personnel groups Broad agreement on the necessary savings was reached by suspending holiday bonuses, delaying pay rises and by imposing two or four-week lay-offs In this way, we were also able to keep expertise within the company

In personnel management, work was initiated to make administrative functions more efficient and thus to reduce costs The measures were implemented in line with the company's business strategy, which is to focus on core operations and to arrange the functions that support them as efficiently as possible During the financial year, the average number of staff employed by the Finnair Group amounted to 10,476 people, which was 3 4 per cent fewer than a year before As a consequence of the IT and ground equipment structural arrangements, 230 people were transferred to the employment of partners outside of the Group

Finnair Group brought a new personnel information system into use The system, which is based on a new personnel strategy, supports staff development and planning and acts as a tool in training, recruitment and the upkeep of personnel information The system helps us ensure that our business operations have the right quantity and quality of staff resources available at all times A 4D survey covering a number of subareas was developed as a tool for measuring employees' well-being

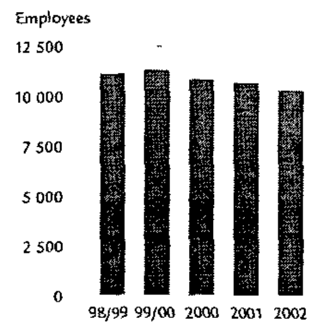
Expertise is encouraged

At the beginning of 2002, the basic training of pilots was transferred to the Finnish Aviation Academy, founded by Finnair and the Finnish government Finnair remains responsible for the further training given to pilots who join the company as first officers and for the refresher and supplementary training of pilots who are already working in the profession

Other occupational training is the responsibility of the business units' own training departments as well as the Training and Development Services unit, which serves the whole Group Group-wide training was also organized in the fields of management and finance The Finnair Group has a profit bonus scheme that allows the employees of the parent company and certain subsidiaries to participate in a profit bonus payable on the basis of the Group's result and return on capital employed The profit bonus is paid into a personnel fund, which is obliged to invest part of the profit bonus in Finnair Oyj's shares

The Group also operates an incentive scheme, which is defined separately for each business unit The total amount of bonuses paid in 2002 was 6 6 million euros

PERSONNEL



ECONOMIC ACTIVITY IS ALSO ENVIRONMENTALLY FRIENDLY

Finnair is one of Europe's leading airlines in environmental matters Our responsible attitude and transparent handling of environmental issues are established aspects of the Group's business operations and its decision-making.

We systematically gather information on the environmental effects of the services we provide This information is used to help Finnair uphold its commitment to constant development work for the improvement of environmental protection We minimize the environmental effects of our operations in an economically reasonable manner without jeopardizing aviation safety

Owing to the fall in demand in 2002, our level of activity was also reduced and this affected Finnair's environmental efficiency Ecological efficiency per seat kilometre flown declined The growth in cargo volume, on the other hand, also boosted operations from an environmental perspective Emissions and fuel consumption per tonne kilometre decreased

The renewal of the fleet continued in 2002 with the introduction of five new Airbus 320 type aircraft and two Boeing 757 aircraft By the end of 2003 the Airbus fleet will consist of 24 aircraft These aircraft use engines supplied by CFM International, which are quieter and produce lower nitrous oxide emissions This has a positive effect, particularly on air quality and noise levels in the vicinity of Helsinki-Vantaa Airport during peak hours

The accelerated renewal of the fleet will lead to the decommissioning of the remaining DC-9 aircraft by autumn 2003 Our fleet renewal has a major effect of the ecological efficiency and noise levels of our operations We can carry more passengers with less fuel consumption and fewer emissions

Efficiency through sorting and recycling

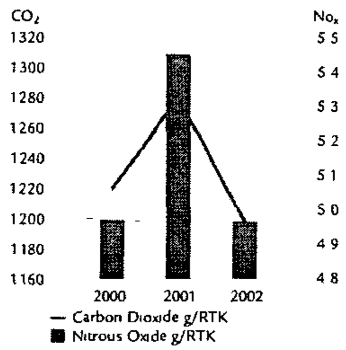
Finnair Catering has for several years now been targeting environmental issues and has raised the level of environmental protection in its operations Changes in legislation and utilization targets for waste will present major challenges in the near future Even now, waste production is being influenced by socio-economic factors The environmental loading of waste is reflected in companies' waste-management costs The nature of Finnair Catering's operations means that the reduction and utilization of the quantity of waste generated by catering production are the most significant environmental issues New environmental targets were specified in spring 2002

The basic idea is to reduce the quantity of expensive mixed waste and to improve the sorting and recycling of waste Sorting increases labour costs to some extent, but its development is justified owing to the income received from sorted waste and the lower handling fees payable for it

At the moment Catering has the capacity to supply for recycling plastic dishes, serving trolleys, aluminium cans, cans made of other metals, cardboard, glass, plastic bottles and to some extent also packaging cartons, which are used primarily on Finnair's domestic flights

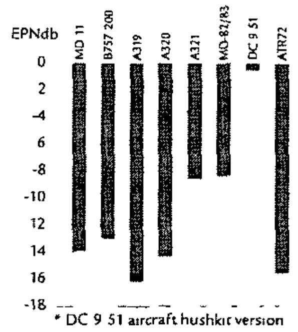
In spring 2001 Finnair Catering received an ISO 14001 environmental certificate The certificate covers catering and trading operations within the area of Helsinki-Vantaa Airport

NITROUS OXIDE AND CARBON DIOXIDE EMISSIONS

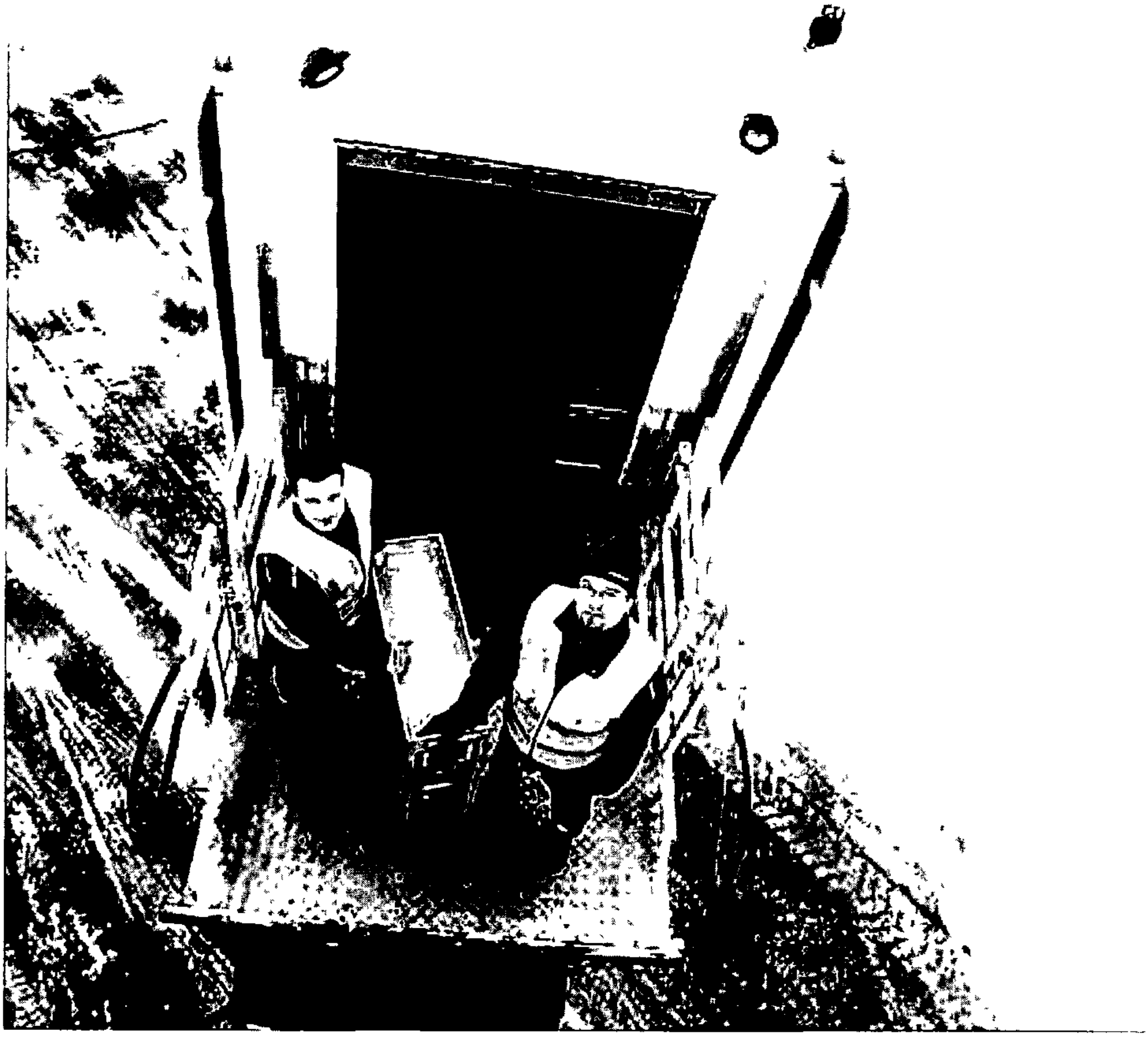


Nitrous oxide (No_x) and carbon dioxide (CO_2) emissions in air traffic in relation to tonne kilometres (RTK)

NOISE LEVELS



Margin of Finnair aircraft types measured at three different points to ICAO Chapter 3 noise certification limits



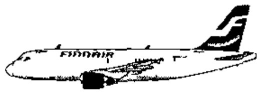
Finnair Catering loaders Marko Vaarmala (left) and Jyrki Vayrynen prepare to load a flight catering trolley

Meal services are an important part of the travel experience. Finnair produces meal services in an environmentally friendly way, honours its environmental responsibilities and recycles materials

TRAFFIC INFORMATION AND FLEET

Finnair traffic information

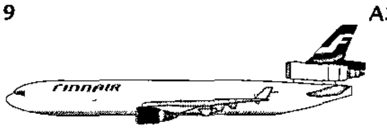
	2002	2001	2000	1999	1998	1997
Flight hours	172 681	180 863	183 082	187 578	186 888	175 253
Flight kilometres (1000)	104 838	107 574	107 379	107 487	108 021	106 211
Available seat kilometres, mill	17 785	18 489	18 219	18 433	18 232	16 908
Revenue passenger kilometres, mill	12 793	12 796	12 700	12 916	13 096	11 922
Cabin factor %	71 9	69 2	69 7	70 1	71 8	70 5
Available tonne kilometres, mill	2 491	2 493	2 509	2 455	2 463	2 196
Revenue tonne kilometres, mill	1 439	1 417	1 464	1 439	1 474	1 314
Overall load factor %	57 8	56 8	58 4	58 6	59 8	59 8
Passengers (1000)	7 037	7 537	7 542	7 437	7 552	6 853
Cargo and mail (1000 kg)	72 084	71 900	82 847	74 131	75 950	72 518



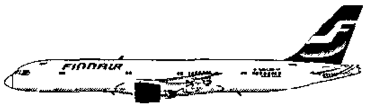
A319

A320

A321

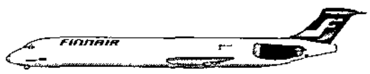


MD-11



B757

DC-9-51



MD-82/83

ATR72

Fleet December 31, 2002

	Seat	Total	Owned	Leased	Average age
A319	126	6	4	2	1 9
A320	144	7	4	3	1 2
A321	181	4	4	0	3 3
MD-82/83	140-156	14	5	9	12 6
DC-9-51	122	8	8	0	24 2
ATR72	68	9	9	0	12
MD-11	287	4	3	1	10 4
B757	227	7	0	7	3 6
Total		59	37	22	9 8

At the end of 2002, Finnair has purchase agreements for three and lease contracts for six Airbus A320 family aircraft as well as a lease contract for one Boeing MD-11 aircraft Finnair will take delivery of these aircraft between 2003-2005 Finnair bought two virtually new Airbus A319 aircraft, which are included in the 2002 Balance Sheet These two aircraft will be in service as of May 2003

FINANCIAL STATEMENTS JAN 1 – DEC 31, 2002

CONTENTS

REPORT BY THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR JANUARY 1 - DECEMBER 31, 2002

General Review

The recovery in the economy and demand that emerged in spring 2002 did not continue into the second quarter of the financial year Profitability was improved by cost-cutting measures and by successfully adjusting capacity European, domestic and leisure traffic capacity was reduced while capacity was increased in the growing Asian market, which led to an improvement in cabin factor by 2 7 percentage units to 71 9 per cent Price competition intensified in the latter part of the year

The number of business class passengers declined during the review period by 8 3 per cent, but the fall levelled out in the final months of the year Cargo demand grew at the end of the year, with growth for the whole year being 0 5 per cent

Structural reform proceeded through the restructuring of IT and ground equipment operations A Finnair and IBM joint venture company, which provides information technology services, began operating on August 1, 2002 Finnair owns 40 per cent of the new company and IBM 60 per cent The development of IT functions will continue within the new company in collaboration with a new strategic partner In addition, Finnair sold its motorized ground equipment and related maintenance and repair operations to ABB Service Oy

Uncertainty about a recovery in economic growth as well as the world political situation make the operating result for 2003 difficult to estimate Finnair will continue to focus on strengthening its competitiveness while increasing capacity on Asian routes

The company has defined its financial targets and is aiming for an operating profit of at least six per cent in the next few years

Financial Result

The Group's result after financial items and excluding capital gains improved to 18 9 million euros from the previous year's 12 6 million euro loss The result before depreciation, aircraft leasing payments and capital gains (EBITDAR) improved 8 1 per cent and was 211 5 million euros (195 6 million), representing 12 9 per cent of turnover Turnover rose by 0 5 per cent to 1,639 9 million euros Unit revenues for passenger traffic remained at the previous year's level but, taking cargo revenue into account, unit revenues overall fell a further 1 9 per cent

Operating costs fell during the year under review by 1 5 per cent and unit costs of flight operations by 4 1 per cent Most of the objectives of the 115 million euros cost-cutting programme begun at the end of 2001 were achieved There were significant falls in fuel costs, ground handling and catering costs, marketing costs and depreciations The cost of outsourced operations contributed to the rise in other operating costs

Despite lower personnel numbers and cost-cutting measures, personnel costs rose by 1 9 per cent The proportion of the Group's total operating costs accounted for by personnel costs rose to 30 0 per cent, compared to 28 9 per cent in 2001 In the financial year, contributions paid to Finnair's pension fund amounted to 86 8 million euros, which was 14 7 million euros more than the previous year This was mainly due to a weaker performance than last year of the pension fund's investment activity following a fall in stock market prices as well as to implemented early retirement arrangements The assets of Finnair's pension fund fully cover its pension liabilities

Net capital gains arising from a sale and lease-back arrangement for one MD-11 and from Group restructuring totalled 35 5 million euros The gains from the restructuring of IT operations amounted to 22 6 million euros, of which 13 3 million euros has been entered in the 2002 result and the rest periodized over 2003-2004 In the previous year, capital gains totalled 21 5 million euros, consisting mainly of the sale of four MD-80 aircraft

Return on capital employed was 7 6 per cent (2 9%) and return on equity 5 9 per cent (1 2%) Earnings per share came to 0 43 euros, whereas the year before the figure was 0 08 euros Equity per share at the end of the financial year amounted to 7 58 euros, compared with 7 22 euros the year before

Investment and Financing

Capital investments excluding advance payments for the financial year totalled 102 4 million euros In the previous year they came to 281 1 million euros The expenditure included the purchase of two Airbus A319 aircraft The aircraft's former owner, Sabena, had been declared bankrupt After conversion work, the aircraft will be brought into service in 2003 Another five new, Airbus A320, aircraft delivered in 2002 have been acquired on long-term operational lease agreements

Operational cash flow, excluding capital gains and extraordinary items, came to 151 6 million euros, having been 139 6 million euros a year previously Due to the strong cash flow, 98 3 million euros of interest-bearing debt was repaid, leaving the Group with net debt of only 20 million euros at the end of the financial year The gearing ratio has fallen from 34 6 per cent at the turn of the year to 3 1 per cent and the equity ratio has risen to 44 3 per cent, compared with 41 3 per cent at the beginning of the financial year

At the end of the financial year, the Group had liquid cash reserves of 301 7 million euros, in addition to which there was a total of 238 4 million euros in unused committed loan facilities

Shares and Share Capital

During 2002 the highest price for the Finnair Oyj share on the Helsinki Stock Exchange was 5 10 euros, while the lowest price was 3 70 euros and the average price 4 33 euros The market value of the Company's shares was EUR 317 8 million on December 31, 2002 At the beginning of the financial year the market value was the same During 2002, some 72 3 million (47 9 million) of the company's shares were traded on the Helsinki Stock Exchange At the end of the period under review, the government of Finland owned 58 4 per cent of the company's shares, while 15 1 per cent were held by foreign investors or in the name of a nominee

If all the convertible debentures and option certificates in circulation on December 31, 2002 were converted into Finnair Oyj shares, the Finnish government's holding would amount to 55 2 per cent On the basis of the unconverted debentures and option certificates in circulation on December 31, 2002, the company's share capital could rise by not more than 4,182,268 60 euros, corresponding to 4,920,316 shares

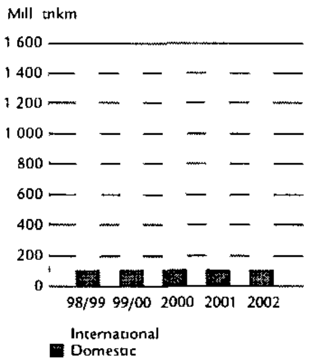
Personnel

During the financial year, the average number of staff employed by the Finnair Group amounted to 10,476 people, which was 3 4 per cent fewer than a year before As a consequence of the IT and ground equipment structural arrangements, 232 people were transferred in August-September to the employment of partners outside of the Group

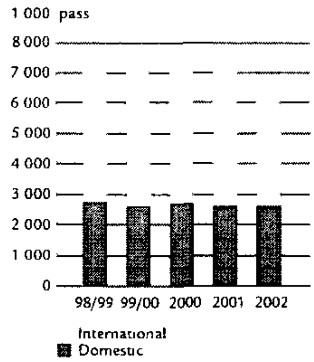
The company has labour contracts valid for around two years with all the labour unions other than the Aviation Union, which represents personnel working in various repair and ground service tasks Negotiations are under way on revising an agreement that expires in February 2003

The Finnair Group has a profit bonus scheme that allows the employees of the parent company and certain subsid-

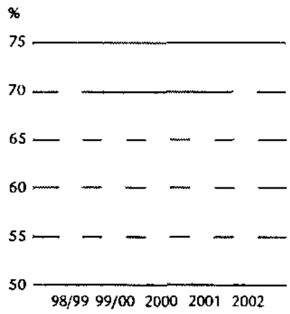
REVENUE TONNE KILOMETRES



PASSENGER VOLUMES



PASSENGER LOAD FACTOR



iaries to participate in a profit bonus payable on the basis of the Group's result and return on capital employed The profit bonus is paid into a personnel fund, which is obliged to invest part of the profit bonus in Finnair Oyj's shares The Group also operates an incentive scheme, which is defined separately for each business unit The total amount of bonuses in 2002 was 6 6 million euros

Management

The Annual General Meeting decided to reduce the number of members of the Supervisory Board from eighteen to thirteen The former auditors were re-elected

Finnair's Supervisory Board elected the following new people to the Board of Directors for the calendar year 2003 Christoffer Taxell (Chairman), Kari Jordan (Deputy Chairman), Antti Satuli and Kaisa Vikkula Samuli Haapasalo, Ari Heinio and Helena Terho were re-elected to the Board of Directors

Scheduled Passenger Traffic

This division is responsible for sales, service concepts, flight operations and the procurement and financing of aircraft The division also leases out aircraft and crews required by the Leisure Traffic division The Scheduled Passenger Traffic division also leases cargo capacity to the Group's Cargo division

Turnover for the Scheduled Passenger Traffic division rose by 2 8 per cent to 1,171 6 million euros The Group's operating profit, excluding capital gains, improved to 31 7 million euros from the previous year's 36 7 million euro operating loss

The number of business class passengers fell in the company's main market area, Europe, by 10 5 per cent, but strong growth on Asian and North American routes meant that the overall fall in demand for business class travel was 8 3 per cent Unit revenues for scheduled passenger traffic declined during the financial year by 4 0 per cent

Leisure Traffic

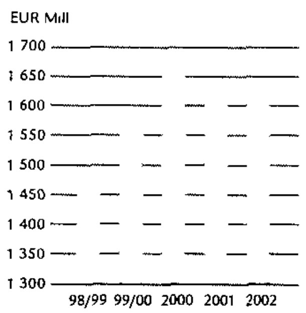
This division consists of the Leisure Flights unit and the Aurinkomatkat-Suntours package tour company, which is the biggest in its field in Finland, with a market share of more than 35 per cent Aurinkomatkat-Suntours has increased its market share further during 2002

Leisure flight capacity was reduced, which resulted in a fall in the unit's turnover by 1 4 per cent to 329 9 million euros The operating profit improved to 6 6 million euros (3 8 million) The Leisure Traffic division's unit revenues improved, with growth for the whole year being 3 2 per cent

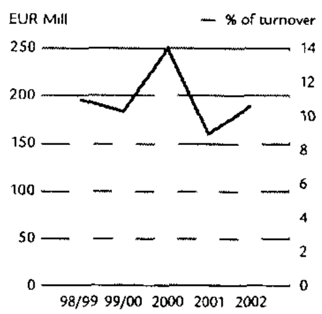
Cargo

Finnair's Cargo operations are based primarily on making use of Finnair's scheduled passenger traffic network and leisure traffic as well as Helsinki's gateway position for the transport of air freight If necessary, capacity is also leased from freight operators outside the Group

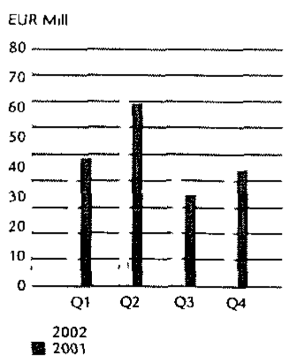
TURNOVER



EBITDA



EBITDAR EXCLUDING CAPITAL GAINS



Turnover for the Cargo division grew by 5 3 per cent to 121 7 million euros The operating profit, excluding capital gains, improved to 1 2 million euros (5 2 million loss)

The Finnair Cargo Traffic division has continued to adjust its available capacity to correspond better with demand During the financial year, about 28 per cent less cargo capacity was leased from outside the Group than the year before

Aviation Services

This division comprises aircraft maintenance services, ground services and the Group's catering operations

Turnover for Aviation Services fell by 11 3 per cent to 426 9 million euros In spite of the implementation of cost-cutting measures, profitability clearly weakened The operating loss for the division, excluding capital gains, was 2 3 million euros (25 5 million profit)

The fall in turnover was due to lower volumes from customers in the sector and a fall in the price level of services

Travel Services

The division consists of the Group's domestic and foreign travel agency operations as well as the operations of the reservations systems supplier Amadeus Finland Oy

Turnover for travel agency operations rose by 4 7 per cent to 98 1 million euros Profitability remained at nearly the previous year's level, while the operating profit was 3 5 million euros (3 8 million) The Group's travel agencies have increased sales of tailored leisure-travel trips in particular, while the levying of service and transaction fees is becoming increasingly common

Support Services

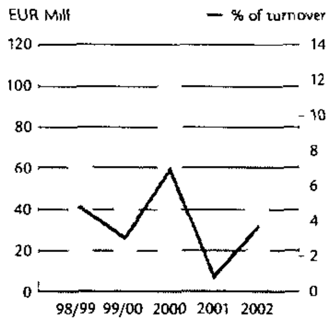
Those functions which support Group business operations, such as various financial and personnel management services, come under the Support Services division In addition, the Group's property holdings and the management and maintenance of properties relating to the Group's operational activities, as well as office services, are functions of this division

Most of the data management services that previously belonged to the Support Services division have been purchased since August 1, 2002 from the joint venture company of IBM and Finnair, which started operating on that date Mainly as a result of this, turnover for the Support Services division fell by 25 3 per cent to 72 5 million euros Turnover is made up almost entirely of sales to other units of the Group The operating loss, excluding capital gains, was 16 3 million euros (1 1 million profit)

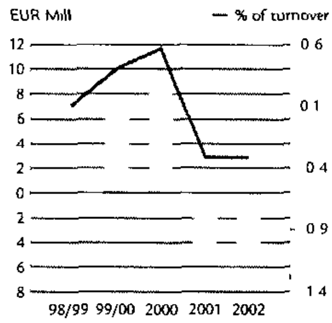
Volume Trends and the Market for Flight Operations

During 2002, member companies of the Association of European Airlines (AEA) recorded a fall in demand of 4 6 per cent and a capacity reduction of 8 8 per cent, which led to an improvement in cabin factor of 3 2 percentage points Capacity among AEA airlines fell most on North Atlantic

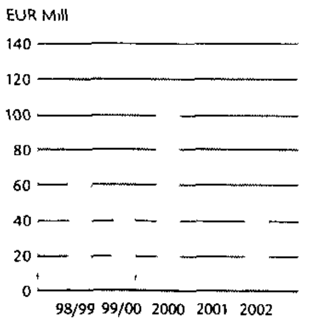
OPERATING PROFIT, EBIT



FINANCIAL INCOME AND EXPENSES



PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES



routes In the same period, Finnair's cabin factor rose better than the AEA average, by 4 5 percentage points to 64 9 per cent

The number of business class passengers on Finnair's international scheduled flights fell by 8 3 per cent During the financial year, the proportion of business class travel on international scheduled flights fell by 1 2 percentage points to 20 9 per cent The number of business class passengers has, however, grown significantly in long-haul traffic, particularly on Asian routes, while the number has fallen on European routes

In 2002, the Asian routes' share of Finnair´s passenger and cargo revenue has risen to 17 0 per cent, whereas in the corresponding period two years ago the figure was 13 1 per cent

The punctuality of Finnair´s scheduled passenger traffic was 89 3 per cent, compared with 87 4 per cent the previous year The punctuality of long-haul traffic was at an all-time high

Demand for leisure traffic fell 8 4 per cent, which corresponds to a 8 2 per cent contraction in capacity

The number of cargo kilos carried grew by 0 5 per cent Revenue tonne kilometres for all traffic by Finnair rose by 1 8 per cent and available tonne kilometres by 0 1 per cent, which led to an increase in the overall load factor of 1 0 percentage points to 57 8 per cent

Services and Products

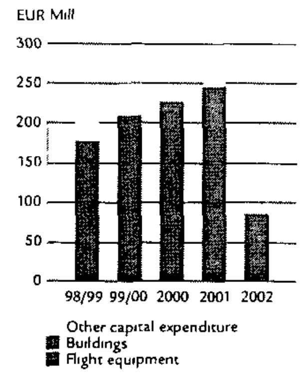
The emphasis of Finnair's long haul strategy has shifted to Asian traffic, where Finnair has a geographical advantage in travel between Asia and Europe The number of weekly Asian flights was increased to existing destinations The number of weekly flights to Beijing was increased from three to five and a daily service was started to Bangkok

In February a new route opened via Bangkok to Hong Kong Finnair also has the right to carry passengers on flights between Hong Kong and Bangkok During 2002, the capacity in Asian traffic grew by nearly 40 per cent The cabin factor on Asian flights was more than 80 per cent

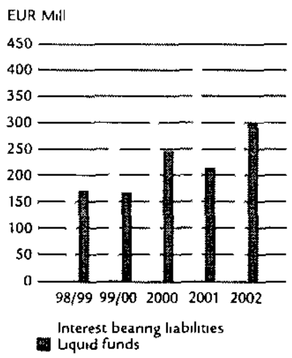
Adjustments were made to the European and domestic route networks A number of additional flights, linked with the Asian services, were added to the European route network Overall, however, capacity was reduced in Europe and in Finland by around ten per cent

In cooperation with Finnair, Golden Air has started to operate within southern Finland certain routes, which were discontinued by Finnair due to profitability reasons This way services and onward connections are safeguarded The Stuttgart route, which opened in 2002, is also operated with Golden Air aircraft Finnair's associate company, Aero Airlines AS, began traffic between Helsinki and Tallinn at the end of March, using one ATR72 aircraft In the next few years Aero's role in Baltic-region traffic will be increased

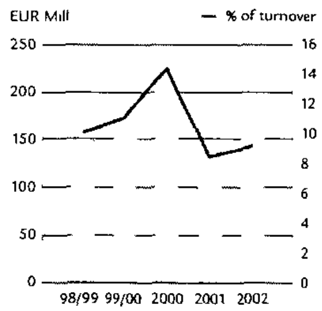
CAPITAL EXPENDITURE (GROSS)



INTEREST BEARING LIABILITIES AND LIQUID FUNDS



OPERATIONAL CASH FLOW



As business travel grows on long-haul routes, in-flight service has been developed particularly from the perspective of business passenger needs Business Class on long-haul routes was expanded from 28 to 42 seats In many customer surveys Finnair's catering and service was rated the best The renewal of Finnair's visual identity proceeded, with the redesign of service personnel uniforms At the same time, aircraft cabins and Finnair offices were refurbished to conform with Finnair's new look

Electronic services, which facilitate travelling and work on automatic check-in machines at airports, the Internet and mobile phones, have been introduced The electronic flight ticket is used by over 50 per cent of passengers travelling on domestic flights

Finnair's electronic operations and services were recognized in the summer in the Airline Strategy Awards competition The award was granted for Finnair's pioneering work in utilizing technology to improve profitability and cut costs

Cooperation With Other Airlines

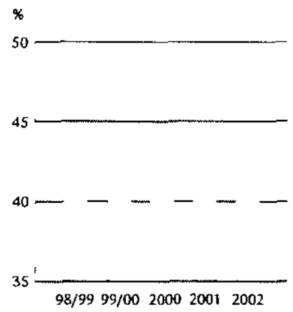
The US Department of Transport (DOT) has granted Finnair and its **one**world alliance partner American Airlines antitrust immunity, which will give the companies opportunities to harmonize their route networks, marketing and services To the customer this will be apparent as increased and efficient connections between Finland and the United States via New York and Europe, enhanced airport services and new joint prices

Finnair and British Airways expanded their cooperation from the beginning of May, which will allow Finnair to extend its route network via London to South Africa and provide additional new destinations in Canada Finnair has agreed to cooperate with Iberia on domestic Spanish routes **one**world initiated a study on the expansion of cooperation from the transport of passengers into the areas of cargo, aircraft maintenance and insurance, flight training and settlement of accounts **one**world strengthened its position as the most international airline alliance by adding shared flights, mutual use of e-tickets, and by launching new worldwide prices Finnair began cooperating with American Airlines in the field of e-tickets at the end of May

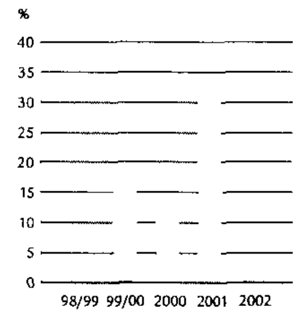
The direct benefit obtained by Finnair from alliance cooperation consists of 30 million euros in sales, which is the value of tickets for Finnair flights sold by alliance partners In addition, **one**world products bring direct additional sales of 1 5 million euros, with costs amounting to one tenth of this Cost savings will increase to more than 400,000 euros from the present level

The frequent flyer readers of the leading British travel magazine Business Traveller have voted oneworld the world's best airline alliance in their annual survey This is the first

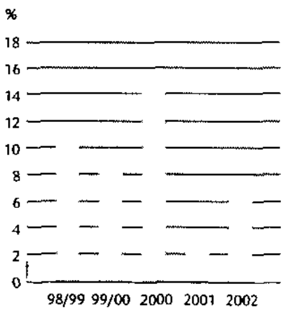
EQUITY RATIO



NET DEBT TO EQUITY (GEARING)



RETURN ON CAPITAL EMPLOYED



time that the Business Traveller Award has been granted to an airline alliance

Finnair's range of destinations in Central Europe grew through bilateral cooperation Finnair and SN Brussels Airlines began cooperating at the beginning of the summer on flights between Helsinki and Brussels

Finnair and Swiss Airlines have a valid cooperation agreement concluded with Crossair Finnair serves travellers to Switzerland by offering flexible connections by train from Zurich to the rest of Switzerland

Short Term Outlook

Uncertainty about a recovery in economic growth as well as the world political situation make the operating result for 2003 difficult to estimate The intensified market situation and the possible start-up of new airlines may have a negative impact on unit revenues in future

Finnair will continue to focus on strengthening its competitiveness through cost cutting while further developing the Group structure by concentrating on the core scheduled and leisure traffic operations

Additional increases in capacity on Asian routes can be expected June 2003 will see the start of Osaka followed by Shanghai in September Both new destinations will be served three times a week The number of weekly flights to Beijing will rise to six in June and later during the autumn to daily

The most significant adjustments in capacity will take place in European and domestic traffic The overall growth in capacity, measured in passenger kilometres, is expected to be less than five per cent in the period January-June 2003

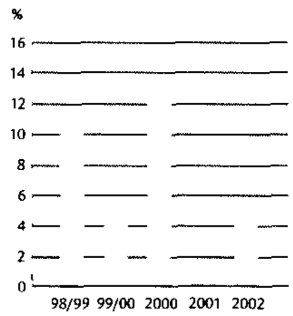
Finnair has hedged over 60 per cent of its jet fuel purchases for the first half of 2003

At the moment the Airbus A320 family consists of a total of 18 aircraft and by the end of 2003 the Airbus fleet will comprise 24 aircraft In accordance with the fleet strategy, the harmonization of the fleet will continue, so that the ageing DC-9 aircraft are decommissioned by autumn 2003 One additional wide-bodied aircraft will be leased, mainly for Asian traffic, which will increase the number of MD-11s to five Capital expenditure is expected to total around 70 million euros The new Airbus A320 aircraft will be acquired on long-term operational lease agreements

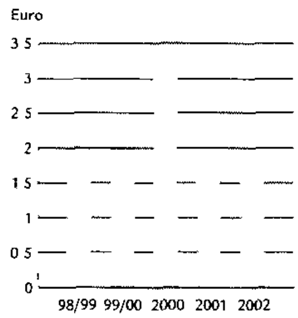
Board of Directors' Proposal on the Dividend

The Group's distributable equity amounts to 322 5 million euros while the distributable equity of the parent company comes to 307 7 million euros The Board of Directors proposes to the Annual General Meeting that a dividend of 0 15 euros per share be distributed, a total of 12 7 million euros, and that the remainder of the distributable equity be carried over as retained earnings

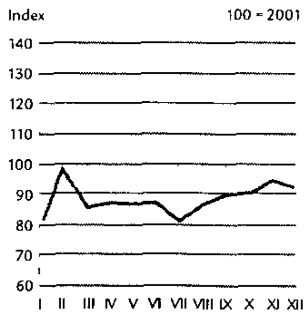
RETURN ON EQUITY



CASH FLOW/SHARE



DEVELOPMENT INDEX OF FUEL PRICE 2002



ACCOUNTING PRINCIPLES

The financial statements of Finnair Oyj and Finnair Group have been prepared in accordance with Finnish accounting practice and accounting principles based on the new Finnish Accounting regulations, which came into force on December 31, 1997 The main currency used in the preparation of the official financial statements is the euro

Consolidated Financial Statements

Apart from the parent company Finnair Oyj, the consolidated financial statements include all those companies in which the parent company holds more than 50 per cent of the votes either directly or indirectly Subsidiaries acquired during the financial period have been consolidated from the date of their acquisition Subsidiaries sold during the financial year are included in the consolidated financial statements up to the date of their sale

Inter-company transactions, receivables and debts and the internal distribution of profit were eliminated Mutual share ownership was eliminated with the acquisition cost method The elimination difference between the acquisition price of subsidiary shares and the equity of the subsidiary at acquisition arising in conjunction with elimination was allocated primarily to those asset items which caused the elimination difference and was eliminated in accordance with the depreciation plan for fixed assets The unallocated elimination difference, i e the consolidated goodwill, was eliminated at the moment of acquisition To the extent possible, the financial statements of the foreign subsidiaries were harmonized with the principles used by the Group before consolidation Translation to euros took place at the offical middle rate on the day the books were closed The translation differences caused by elimination of equity were treated as adjustment items for consolidated unrestricted equity Portions of the earnings of companies in which the Group owns 20-50 per cent of the shares and votes were combined in the consolidated financial statements using the equity method

The portion of the profit for the financial year corresponding to the Group's holding is presented in the share of profits less losses of participating interests The participating goodwill for the participating interest was entered as a non-recurring expense

Items Denominated in Foreign Currencies

Receivables, debts and liabilities denominated in foreign currencies were translated into euros at the official middle rate on the day the books were closed Advance payments made and received were entered in the parent company's balance sheet at the rate on the date of payment Exchange rate differences on trade receivables and payables were treated as adjustments of sales and purchases

Other exchange rate differences on other receivables and payables were entered as exchange rate differences under financial income and expenses Accumulated exchange rate differences were entered in their entirety in the profit and loss statement

Derivative Agreements

Interest related to derivative agreements made to hedge against foreign exchange and interest rate risks was entered on an accrual basis as either interest income or expenses Exchange rate differences related to hedging of business operations are included in the operating profit However, exchange rate differences on separate derivative financial instruments that provided hedging for specific off-balance sheet items and operational business operations were deferred until recognition of the underlying item

Hedging of Fuel Price Risk

The results of using the various hedging instruments related to hedging against a rise in the price of jet fuel were entered on an accrual basis as an adjustment to the flight operation fuel costs which were the subject of the hedging

Fixed Assets and Depreciation

The balance sheet values for fixed assets are based on original acquisition costs less planned depreciation

Planned depreciation is based on the economic service life of the asset and on the book acquisition cost Depreciation is calculated with the following principles, depending on the type of asset

- Buildings between 3-5% of the undepreciated residual value
- Aircraft and aircraft engines on a straight-line basis as follows
  - new Airbus A320 family aircraft in 20 years to a residual value of 10%
  - other jet aircraft acquired before as new in 15 years to a residual value of 10%
  - used jet aircraft more than six years old in 10 years to a residual value of 10%
  - new turboprop aircraft in 12 years to a residual value of 10%
  - turboprop aircraft acquired as used in 10 years to a residual value of 10%
  - aircraft to be withdrawn from use on a straight-line basis entirely in the operating time outlined in the fleet renewal plan

• Straight-line depreciation is 10 years for aircraft simulators and five years for computers worth more than 170,000 euros
• Depreciation of other tangible fixed assets is 23% of the undepreciated residual value
• Capitalized long-term expenditures are depreciated in 3-10 years, depending on their nature

Inventories

Inventories comprise the spare parts and materials needed for aircraft repair and maintenance and stocks for customer services Inventories were evaluated at the average acquisition cost The value of work in progress includes average salary costs, excluding salary-related costs, used stocks of materials and supplies and subcontracting work

Current Assets

Securities entered under current assets are evaluated at the lower of original acquisition cost or market value

Leasing

Lease payments for Group aircraft are significant Annual lease payments are treated as rental expenses Lease payments due in future years under aircraft lease contracts are presented as off-balance sheet items

Extraordinary Items

Items included in extraordinary items are typically substantial and one-off by nature They also deviate from the ordinary course of business operations Changes in accounting principles and procedures are implemented by using extraordinary items to show the impact on earnings

Expenditure on Research and Development

Research and development on aircraft, systems and operations is conducted primarily by manufacturers Research and product development expenditure for marketing and customer service is entered as an annual expense for the year in which it is incurred

Financial Statements

The difference between total and planned depreciation in the separate financial statements of Group companies is shown in the balance sheet item 'Accumulated appropriations' and the change in the income statement item 'Appropriations' In the consolidated balance sheet the accumulated appropriations are divided into unrestricted equity and deferred tax liability and in the consolidated income statement into result and deferred tax liability

Taxes and Deferred Tax Liability

Estimated taxes on profits for the financial year, adjustments in taxes for previous financial years and the change in deferred taxes were entered in the profit and loss statement as taxes The deferred tax liability is computed according to the tax rate in effect during the financial year The balance sheet includes a deferred tax liability due to book gains in connection with sale of flight equipment This is based on new accounting regulations on deferred tax liabilities caused by timing differences

Pension Schemes

In the Group's domestic companies mandatory and other pension coverage for personnel has primarily been arranged through the Finnair pension fund and other mandatory pension coverage has been arranged through domestic insurance companies The Finnair pension fund is a joint fund including the Parent Company and seven affiliates at the end of the financial year Both mandatory employment pension coverage and additional pension security are arranged by the fund for the Parent Company and five affiliates Since 1992, the pension fund has no longer accepted employees other than pilots for additional pension coverage

The Finnair pension fund's pension liability is fully paid up with respect to basic and additional coverage Pension fund liabilities are presented in the Notes to the Financial Statements

The foreign affiliates pension coverage has been arranged according to local legislation and practice

The pension agreements of the parent company's CEO and members of the Board of Management as well as those of the managing directors of subsidiaries are individual agreements, and the retirement ages under these agreements varies between 60 and 65 years

Comparability of Financial Years

Specific division-related turnover items have been converted according to the gross principle

CONSOLIDATED INCOME STATEMENT

	Jan 1, 2002- Dec 31, 2002 EUR Mill	Jan 1, 2001- Dec 31, 2001 EUR Mill	Note
Turnover	1 639 9	1 631 0	1
Work used for own purposes and capitalized	2 9	2 4	
Other operating income	58 9	46 7	2
Share of profits less losses of participating interests	-0 4	0 2	
OPERATING INCOME	1 701 3	1 680 3	
OPERATING EXPENSES			
Materials and services	515 5	540 9	3
Staff costs	491 8	482 5	4
Depreciation	114 5	132 1	5
Other operating expenses	519 4	511 5	6
	-1 641 3	-1 6670	
OPERATING PROFIT	60 0	13 3	
FINANCIAL INCOME AND EXPENSES	-5 6	-4 5	7
PROFIT BEFORE TAXES	54 4	8 9	
DIRECT TAXES			
Income taxes from operations	-0 7	-2 8	
Change in deferred tax liability	-16 5	1 4	
	-17 2	-1 4	10
MINORITY SHARE	-0 3	-0 3	
PROFIT FOR THE FINANCIAL YEAR	36 8	71	

CONSOLIDATED BALANCE SHEET

	Dec 31, 2002 EUR Mill		Dec 31, 2001 EUR Mill		Note
ASSETS					
FIXED ASSETS					11
Intangible assets	19 6		23 2		
Tangible assets	920 5		1 053 8		
Financial assets					
Share in participating interests	4 2		2 1		
Other investments	13 4	957 7	14 7	1 093 8	
CURRENT ASSETS					
Inventories	56 5		55 3		12
Long-term receivables	15 3		12 3		13
Short-term receivables	148 6		132 1		14
Investments	284 8		194 2		15
Cash and bank equivalents	16 9	522 1	20 5	414 3	16
		1 479 8		1 508 1	
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					17
Share capital	72 0		72 0		
Share premium account	5 6		5 6		
General reserve	147 7		147 7		
Retained earnings	380 5		379 3		
Profit for the financial year	36 8	642 7	7 1	611 8	
Capital loan		5 7		5 7	21
Total equity		648 4		617 5	
MINORITY INTERESTS		0 9		0 8	
LIABILITIES					
Deferred tax liability	116 4		100 2		19
Long-term liabilities	279 3		296 3		20, 23
Short-term liabilities	434 8	830 6	493 3	889 8	22
		1 479 8		1 508 1	

CONSOLIDATED CASH FLOW STATEMENT

	Jan 1, 2002- Dec 31, 2002 EUR Mill	Jan 1, 2001- Dec 31, 2001 EUR Mill
Business operations		
Operating profit	60	13
Depreciations	115	132
Change in working capital (net)		
Inventories, increase (-), decrease (+)	-1	1
Short-term receivables, increase (-), decrease (+)	-17	97
Non interest bearing short-term liabilities, increase (+), decrease (-)	33	-105
Financial income and expenses (net)	-6	-4
Taxes	-17	-1
Cash flow from operations	167	132
Investments		
Investments in flight equipment	-86	-246
Investments in buildings	0	0
Other investments	-16	-35
Change in advance payments	46	20
Capital expenditure, total	-56	-261
Sales of fixed assets	76	45
Cash flow from investments	20	-217
Financing		
Decrease of long-term debts	-1	40
Long-term receivables, increase (-), decrease (+)	-2	-12
Short-term debts, increase (+), decrease (-)	-92	61
Dividends	-6	-34
Cash flow of financing	-100	55
Change in liquid funds increase (+), decrease (-) in statement	87	-30
Liquid funds at the beginning	215	245
Liquid funds, decrease (-), increase (+) in balance sheet	87	-30
Liquid funds at the end	302	215

FINNAIR OYJ INCOME STATEMENT

	Jan 1, 2002- Dec 31, 2002 EUR Mill	Jan 1, 2001- Dec 31, 2001 EUR Mill	Note
Turnover	1 361 6	1 389 9	1
Work used for own purposes and capitalized	2 9	2 4	
Other operating income	56 2	44 8	2
OPERATING INCOME	1 420 6	1 437 1	
OPERATING EXPENSES			
Materials and services	430 5	475 4	3
Staff costs	393 7	390 2	4
Depreciation	105 3	121 7	5
Other operating expenses	458 5	461 5	6
	-1 388 0	-1 448 9	
OPERATING PROFIT/LOSS	32 6	-11 8	
FINANCIAL INCOME AND EXPENSES	-2 8	-1 0	7
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS	29 8	-12 8	
Extraordinary items	20 2	8 1	
Income taxes from extraordinary items	-5 9	-2 3	
	14 3	5 7	8
PROFIT/LOSS AFTER EXTRAORDINARY ITEMS	44 2	-7 0	
Appropriations	27 3	16 5	9
Direct Taxes	-17 6	-0 9	10
PROFIT FOR THE FINANCIAL YEAR	53 9	8 5	

FINNAIR OYJ BALANCE SHEET

	Dec 31, 2002 EUR Mill		Dec 31, 2001 EUR Mill		Note
ASSETS					
FIXED ASSETS					11
Intangible assets	10 8		12 8		
Tangible assets	820 3		939 0		
Financial assets					
Share in group undertakings	73 7		73 6		
Other investments	13 9	918 7	12 6	1 038 1	
CURRENT ASSETS					
Inventories	45 0		43 3		12
Long-term receivables	57 8		60 9		13
Short-term receivables	148 8		147 7		14
Investments	284 8		194 2		15
Cash and bank equivalents	11 7	548 1	15 9	461 9	16
		1 466 9		1 500 1	
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					17
Share capital	72 0		72 0		
Share premium account	5 6		5 6		
General reserve	147 7		147 7		
Retained earnings	253 8		251 2		
Profit for the finacial year	53,9	533 1	8 5	485 1	
Capital loan		5 7		5 7	21
Total equity		538 8		490 8	
ACCUMULATED APPROPRIATIONS		123 6		150 9	18
LIABILITIES					
Deferred tax liability	79 2		71 1		19
Long-term liabilities	277 6		294 8		20, 23
Short-term liabilities	447 6	804 5	492 5	858 3	22
		1 466 9		1 500 1	

FINNAIR OYJ CASH FLOW STATEMENT

	Jan 1, 2002- Dec 31, 2002 EUR Mill	Jan 1, 2001- Dec 31, 2001 EUR Mill
Business operations		
Operating profit	33	-12
Depreciation	105	122
Change in working capital (net)		
Inventories, increase(-), decrease(+)	-2	3
Short-term receivables, increase(-), decrease(+)	-1	27
Non interest bearing short-term liabilities, increase(+), decrease(-)	21	-85
Financial income and expenses (net)	-3	-1
Extraordinary items	14	6
Taxes	-18	-1
Cash flow from operations	150	58
Investments		
Investments in flight equipment	-86	-244
Investments in buildings	0	0
Other investments	-14	-29
Change in advance payments	46	20
Capital expenditure, total	-54	-254
Sales of fixed assets	67	44
Cash flow from investments	13	-210
Financing		
Increase of long-term debts	-9	60
Long-term receivables,increase (-), decrease (+)	4	0
Short-term debts, increase(+), decrease(-)	-66	94
Dividends	-6	-34
Cash flow from financing	-76	120
Change in liquid funds		
Increase (+), decrease (-) in statement	86	-32
Liquid funds at the beginning	210	242
Liquid funds, decrease (-), increase(+) in balance sheet	86	-32
Liquid funds at the end	297	210

NOTES TO THE FINANCIAL STATEMENTS

		Group		Parent Company	
		Jan - Dec 2002	Jan - Dec 2001	Jan - Dec 2002	Jan - Dec 2001
		EUR Mill		EUR Mill	
1	**Turnover And Operating Profit By Division**				
	Turnover by division				
	Scheduled Passenger Traffic	1 171 6	1 140 2	1 166 5	1 140 2
	Leisure Traffic	329 9	334 6	218 9	236 2
	Cargo	121 7	115 6	-	30 3
	Aviation Services	426 9	481 3	298 4	339 7
	Travel Services	98 1	93 7	-	
	Support Services	72 5	97 1	25 8	47 8
	Less internal adjustments	580 8	-631 5	-348 0	404 2
	Total	**1 639 9**	1 631 0	**1 361 6**	1 389 9
	Distribution of turnover by market areas, as % of turnover				
	Finland	55%	50%	45%	47%
	Europe	30%	38%	42%	41%
	Other countries	15%	12%	13%	12%
	Total	**100%**	100%	**100%**	100%
	Operating profit by division				
	Scheduled Passenger Traffic	45 6	18 7	44 8	18 7
	Leisure Traffic	6 6	3 8	3 1	2 8
	Cargo	2 0	5 2		0 5
	Aviation Services	4 5	25 6	3 1	14 1
	Travel Services	3 5	3 8	-	
	Support Services	2 3	4 1	-12 1	-10 4
	Total	**60 0**	13 3	**32 6**	11 8
2	**Other Revenue From Business Operations**				
	Capital gain on flight equipment	13 9	18 0	13 1	16 2
	Capital gain on shares	21 5	3 0	19 9	3 1
	Other items	23 5	25 7	23 2	25 4
	Total	**58 9**	46 7	**56 2**	44 8
3	**Materials and Services**				
	Materials and supplies for aircraft maintenance and overhaul	39 7	44 9	39 7	44 9
	Ground handling and catering charges	108 4	120 8	114 3	133 2
	Fuel purchases for flight operations	166 3	193 0	166 1	192 9
	Expenses for tour operations	85 6	73 8		-
	Aircraft maintenance and overhaul	40 7	41 4	40 7	41 4
	Expenses for data administration	46 7	38 1	43 8	36 8
	Other items	28 1	29 0	25 9	26 2
	Materials and services total	**515 5**	540 9	**430 5**	475 4
4	**Staff Costs**				
	Wages and salaries	361 7	365 0	286 3	292 3
	Pension costs	90 5	77 6	74 6	65 5
	Other indirect employee costs	39 6	39 9	32 8	32 4
	Total	**491 8**	482 5	**393 7**	390 2
	Salaries of Board of Directors and Managing Directors				
	Administration and managing directors	1 0	1 1	0 5	0 5
	Personnel on average				
	Scheduled Passenger Traffic	3 597	3 569	3 629	3 569
	Leisure Traffic	330	336	35	36
	Cargo	413	422		-
	Aviation Services	4 342	4 589	3 428	3 691
	Travel Services	1 342	1 422	-	
	Support Services	452	509	351	405
	Total	**10 476**	10 847	**7 443**	7 701
5	**Depreciation**				
	Planned depreciation in the income statement				
	On other long term expenditure	7 3	7 6	5 2	5 3
	On buildings	3 7	3 9		-
	On flight equipment	88 5	99 9	88 5	99 9
	On other equipment	15 0	20 7	11 6	16 5
	Total	**114 5**	132 1	**105 3**	121 7
6	**Other Operating Expenses**				
	Lease payments for aircraft	72 5	71 7	72 5	71 7
	Rents for cargo capacity	14 2	20 0	-	5 4
	Short term leases and codeshare expenses	14 7	10 5	14 7	10 5
	Office and other rents	45 1	47 3	44 5	50 0
	Traffic charges	127 2	122 1	126 2	122 1
	Sales and marketing expenses	98 9	110 3	92 2	104 5
	Other items	146 8	129 6	108 5	97 3
	Total	**519 4**	511 5	**458 5**	461 5

	Group		Parent Company	
	Jan - Dec 2002	Jan Dec 2001	Jan - Dec 2002	Jan Dec 2001
	EUR Mill		EUR Mill	
7 Financial Income And Expenses				
Dividends				
Dividends from group undertakings	-	-	3 4	2 8
Dividends from participating interests	1 1	0 4	1 0	0,4
From others	0,1	0,1	0,1	0 0
Dividends total	1 2	0 5	4 5	3 3
Interest income from long-term investments				
From group undertakings			2 1	0 0
From others	0 0	0 8	0 0	0 8
Total	0 0	0 8	2 1	0 8
Income from long-term investments total	1 3	1 3	6 6	4 1
Other interest and financial income				
Interest income from group undertakings		-	0 1	3 7
Interest income from others	9 3	10 3	8 6	9 4
Financial income from others	5 9	3 2	5 8	3 0
Total	15 3	13 4	14 5	16 1
Interest income from long-term investments and other interest and financial income, total	16 5	14 8	21 1	20 2
Value adjustments of investments				
Value adjustments of marketable securities	0 1	0 6	0 1	0 6
Total	0 1	0 6	0 1	0 6
Interest and other financial expenses				
Interest expense to group undertakings	-	-	2 3	2 2
Interest expense to others	-14 6	15 5	14 6	15 5
Other financial expenses to others	-7 6	-4 3	-7 1	4 1
Total	-22 3	-19 8	-24 0	-21 8
Financial income and expense total	-5 6	4 5	2 8	1 0
Exchange rate gains included in the item interest and financial income	5 8	3 0	5 8	3 0
Exchange rate losses included in the item interest and financial expenses	-6 6	-1 3	-6 6	2 1
8 Extraordinary Items				
Received group contribution	20 2	13 1	20 2	8 1
Given group contribution	20 2	13 1	-	
Income taxes on extraordinary items	-		5 9	2 3
Total			14 3	5 7
9 Appropriations				
Difference between planned depreciation and depreciation in taxation				
Buildings	-		-	0 0
Equipment			27 3	16 4
Increase( )/decrease(+) in untaxed reserves	-			
Total	-		27 3	16 5
10 Direct Taxes				
Income taxes on regular business operations	0 7	2 8	6 0	-2 4
Change in deferred tax liabilities	16 5	1 4	-23 6	3 4
Total	17 2	1 4	-17 6	0 9
11 Fixed assets				
Intangible rights				
Acquisition cost at the beginning	1 7	1 8		1 7
Increases	0 0	0 0		1 7
Book value at the end	1 7	1 7	-	-
Other long-term expenditure				
Acquisition cost at the beginning	58 6	51 8	34 3	39 6
Increases	5 3	9 0	4 3	6 2
Decreases	-1 6	-2 2	-1 0	11 5
Acquisition cost at the end	62 3	58 6	37 6	34 3
Accumulated planned depreciation from decreases	2 1	0 2	1 9	7 2
Accumulated planned depreciation at the end	-46 6	37 4	28 6	28 6
Book value at the end	17 9	21 4	10 8	12 8
Land				
Acquisition at the beginning	0 8	0 8	-	0 7
Increases	0 0	0 0	-	
Decreases	0 0	0 0		-0 7
Book value at the end	0 8	0 8	-	-

	Group Jan - Dec 2002	Group Jan - Dec 2001	Parent Company Jan Dec 2002	Parent Company Jan - Dec 2001
	EUR Mill		EUR Mill	
Buildings				
Acquisition at the beginning	179 0	180 9	-	179 5
Increases	0 6	1 0	-	-
Decreases	-1 7	2 9	-	179 5
Acquisition at the end	177 9	179 0	-	0 0
Accumulated planned depreciation from decreases			80 7	
Accumulated planned depreciation	88 9	-85 1	-	80 7
Book value at the end	89,0	93 8		
Accumulated difference between total and planned depreciation			-	10 3
Change in depreciation difference	-			10 3
Accumulated difference between total and planned depreciation at the end				0 0
Flight equipment				
Acquisition at the beginning	1 421 8	1 251 8	1 415 7	1 247 5
Increases	88 3	246 1	86 5	244 4
Decreases	45 2	76 1	37 4	76 1
Acquisition at the end	1 464 8	1 421 8	1 464 8	1 415 7
Accumulated planned depreciation from decreases	47 0	39 1	47 0	39 1
Accumulated planned depreciation at the end	743 7	647 3	743 7	647 3
Book value at the end	768 2	813 6	768 2	807 5
Accumulated difference between total and planned depreciation			150 8	167 2
Change in depreciation difference			27 3	-16 4
Accumulated difference between total and planned depreciation at the end		-	123 5	150 8
Other equipment				
Acquisition at the beginning	290 4	271 2	251 2	240 5
Increases	8 5	24 9	7 0	20 7
Decreases	30 2	5 7	28 5	10 0
Acquisition at the end	268 7	290 4	229 7	251 2
Accumulated planned depreciation from decreases	24 6	1 2	24 5	
Accumulated planned depreciation at the end	-254 0	-215 6	225 4	189 3
Book value at the end	39 3	76 0	28 9	61 9
Accumulated difference between total and planned depreciation	-	-	0 1	0 1
Change in depreciation difference			0 0	0 0
Accumulated difference between total and planned depreciation at the end	-	-	0 0	0 1
Share of machines and equipment in book value	799 8	874 7	792 2	862 1
Advance payments				
Acquisition at the beginning	69 6	89 3	69 6	89 3
Increases April	-46 3	-19 7	-46 3	19 7
Book value at the end	23 3	69 6	23 3	69 6
Financial assets				
Participating interests				
Acquisition at the beginning	2 1	1 9	0 7	0 7
Increases April	2 1	0 2	2 5	-
Book value at the end	4 2	2 1	3 2	0 7
Group companies				
Acquisition at the beginning	-	-	73 6	7 6
Increases			0 0	67 3
Decreases	-		-	-1 3
Book value at the end	-	-	73 7	73 6
Other interests and shares				
Acquisition at the beginning	8 4	6 7	5 7	5 6
Increases		2 2		2 2
Decreases	0 3	0 5	0 2	-2 1
Book value at the end	8 1	8 4	5 5	5 7
Loan receivables				
Acquisition at the beginning	6 3	6 0	6 3	6 6
Increases	0 1	0 9	0 1	0 3
Decreases	1 1	-0 6	-1 1	0 6
Book value at the end	5 3	6 3	5 3	6 3

Insurance values of fixed assets

Balance sheet values of aircraft and spare parts	768 2	813 6
Insurance value EUR mill	2 240 3	2 609 8
Insurance value USD mill	2 349 4	2 300 0

Insurance values of Group assets are based on repurchase values Insurance values for flight equipment are USD-based Repurchase values for other fixed assets are not specified in detail

Financial assets

Participating interests	Group ownership %	Parent Company ownership %
Gourmet Nova Finland Oy, Helsinki	40 00	40 00
Suomen Jakelutiet Oy, Helsinki	47 50	
Amadeus Estonia, Estonia	33 25	-
Toivelomat Oy, Helsinki	48 53	-
Aerosystems Oy	40 00	40 00
Finnish Aviation Academy	49 50	49 50
Affiliates		
Kiinteisto Oy Aerolan A talot, Vantaa	100 00	
Kiinteisto Oy Aerolan B talot, Vantaa	100 00	
Amadeus Finland Oy, Helsinki	95 00	95 00
Matkatoimisto Oy Area, Helsinki	100 00	100 00
Area Baltica Reisiburoo AS, Estonia	100 00	100 00
A/S Estravel Ltd, Estonia	72 02	-
Oy Aurinkomatkat Suntours Ltd Ab, Helsinki	99 13	81 30
Finnair Travel Services Oy, Helsinki	100 00	100 00
Finnair Catering Oy, Helsinki	100 00	100 00
Finnair Facilities Management Oy Helsinki	100 00	100 00
SkyCellar Oy, Helsinki	100 00	100 00
Finnair Cargo Oy Helsinki	100 00	100 00
Aero Airlines, Estonia	49 00	49 00
Finncatering Oy, Vantaa	100,00	100 00
Norvista Travel Ltd, Canada	100 00	100 00
Norvista Ltd, USA	100 00	100 00
Karair Ab, Sweden	100 00	100 00
Mikkelin Matkatoimisto Oy, Mikkeli	51 00	-
Norvista B V , Netherlands	100 00	100 00
Suomen Matkatoimisto Oy, Helsinki	100 00	100 00

	Group Jan - Dec 2002	Group Jan Dec 2001	Parent Company Jan - Dec 2002	Parent Company Jan Dec 2001
	EUR Mill		EUR Mill	
Other shares				
Market value of publicly quoted shares	2 4	6 4	1 9	5 1
book value	0 5	0 5	0 2	0 2
difference	1 8	5 8	1 6	4 9
Other financial assets, loan receivables				
From Group companies	-	-	-	-
From participating interests		-	-	-
From other companies	5 3	6 3	5 3	6 3
Total	5 3	6 3	5 3	6 3
12 Inventories				
Materials and supplies	55 1	54 3	43 6	42 5
Work in progress	1 4	1 0	1 4	0 8
Total	56 5	55 3	45 0	43 3
13 Long-Term Receivables				
Long term receivables from group undertakings				
Loan receivables		-	42 6	48 7
Total	-	-	42 6	48 7
Long-term receivables from others				
Loan receivables	-	-	-	
Prepaid expenses	-	-	-	
Other receivables	15 3	12 3	15 3	12 2
Total	15 3	12 3	15 3	12 2
Total	15 3	12 3	57 8	60 9

	Group		Parent Company	
	Jan Dec 2002	Jan - Dec 2001	Jan - Dec 2002	Jan Dec 2001
	EUR Mill		EUR Mill	
14 Short-Term Receivables				
Short-term receivables from group undertakings				
Trade receivables		-	18 1	23 6
Prepaid expenses	-		21 7	13 0
Other receivables	-		7 5	-
Total	-		47 3	36 6
Short-term receivables from participating interests				
Trade receivables	0 0	0 1	0 0	0 0
Prepaid expenses	0 0	0 0		-
Total	0 0	0 1	0 0	0 0
Short-term receivables from others				
Trade receivables	99 1	91 4	67 7	56 6
Prepaid expenses	31 8	26 5	23 4	18 6
Other receivables	17 8	14 0	10 4	35 9
Total	148 6	132 0	101 5	111 0
Short-term receivables total	148 6	132 1	148 8	147 7

15 Investments

Marketable securities	**284 8**	194 2	**284 8**	194 2

The difference between market value and activated acquisition cost is not substantial

16 Cash And Bank Equivalents

Cash and bank equivalents comprise funds in Group bank accounts

17 Equity

Share capital at the beginning	72 0	72 0	72 0	72 0
Bonus issue	0 0	-	0 0	-
Share capital at the end	**72 0**	72 0	**72 0**	72 0
Share premium	**5 6**	5 6	**5 6**	5 6
General reserve at the beginning	**147 7**	147 7	**147 7**	147 7
Bonus issue		-		
General reserve at the end	147 7	147 7	**147 7**	147 7
Retained earnings at the beginning	386 4	413 2	259 7	285 1
Dividend payment	-5 9	-33 9	5 9	33 9
Translation difference	0 0	0 0		-
Retained earnings at the end	**380 5**	379 3	**253 8**	251 2
Profit for the financial year	36 8	7 1	53 9	8 5
Capital loan	**5 7**	5 7	**5 7**	5 7
Total equity	**648 4**	617 5	**538 8**	490 8
Distributable equity				
Retained earnings at the beginning	386 4	413 2	259 7	285 1
Dividend payment	5 9	-33 9	-5 9	-33 9
Translation difference	0 0	0 0	-	-
Profit for the financial year	36 8	7 1	53 9	8 5
	417 3	386 4	**307 7**	259 7
Voluntary reserves in equity	-94 8	114 4		
	322 5	272 0	**307 7**	259 7
Voluntary reserves				
Accumulated depriciation difference	133 3	160 9		
Recidental block reserve	0 3	0 2		
	133 6	161 1		
Deferred tax liability of voluntary reserves	-38 7	-46 7		
Total	**94 8**	114 4		

18 Accumulated Appropriations

Accumulated depreciation difference		-	123 6	150 9

19 Deferred Tax Liability

From appropriations	38 7	46 7		-
Deferred tax receivables caused by timing differences	1 5	17 4	0 9	16 4
Deferred tax liability caused by timing differences	79 2	70 8	79 2	71 1
Total	**116 4**	100 2	**78 3**	54 7

20 Long-Term Liabilities

Loans from financial institutions	221 0	238 1	221 0	238 1
Pension loans	53 3	53 5	53 1	53 1
Other long term liabilities	5 1	4 8	3 6	3 6
Total	**279 3**	296 3	**277 6**	294 8
Repayment of loans				
Financial year 2003	25 7		25 7	
Financial year 2004	31 5		31 5	
Financial year 2005	25 8		25 8	
Financial year 2006	25 9		25 9	
Financial year 2007	26 0		26 0	
Financial year 2008 -	175 8		174 1	
Total	**310 7**		**309 0**	

21 Convertible Subordinated Bonds (Capital Loan)

Convertible subordinated bonds of EUR 38,683,223 09 were issued on February 28, 1994, with an annual interest rate of 7 percent until the year 2004 Thereafter the interest rate will be five percentage points above the 12-mont Euribor The bonds are undated The bond issue in question is by nature a capital loan and has the following features in common with this type of credit

1) Receivables based on the loan are in a less preferential position than other Company commitments,
2) The loan can be repaid only in the event that the Company restricted equity, computed in accordance with the Parent Company balance sheet and consolidated balance sheet approved for the previous financial year, is fully covered,
3) Annual interest cannot be paid in excess of non restricted equity on an interest payment date as reported in the accounts of the Company confirmed by the previous Annual General Meeting of Shareholders, or distributable non restricted equity as reported in consolidated Group accounts for the same period, the payment of interest is in preference to the payment of dividends,
4) The loan is unsecured,
5) The holder of the bond is not entitled to give notice or demand early repayment unless the Company is in liquidation

According to the terms of the bonds, Finnair Oyj is entitled provided that the repayment terms are met, to pay back the principal in part or in full as of September 2, 2004, and also from the beginning of the loan period whenever the price of a Finnair Oyj share on the Helsinki Stock Exchange exceeds the computed conversion price by 40 per cent for the period specified in the terms

One debenture with nominal value of EUR 1 681 88 can be converted to 271 Finnair Oyj shares at a nominal price of 0 85 euros each The computed conversion price of a share is therefore 6 21 euros The annual conversion period is January 1 to January 31 and April 1 to December 31

By December 31, 2002 bonds worth EUR 32,971,561 12 had been converted to 5,312,684 shares after which the amount of the convertible bond is EUR 5,711,661 97 Should all the unconverted bonds on December 31, 2002 be exchanged for shares, the Company's share capital would increase by EUR 782,268 60 euros which is the equivalent of 920,316 shares

	Group		Parent Company	
	Jan - Dec 2002	Jan Dec 2001	**Jan - Dec 2002**	Jan Dec 2001
	EUR Mill		EUR Mill	
22 Short-Term Liabilities				
Liabilities to group undertakings				
Trade payables			11 7	10 5
Accruals and deferred income			1 0	15 8
Other liabilities			-	-
Total	-		12 7	26 4
Liabilities to participating interests				
Trade payables	0 2	0 2	0 2	0 2
Total	0 2	0 2	0 2	0 2
Liabilities to others				
Loans from financial institutions	25 7	103 4	25 7	103 4
Pension loans	-		-	
Advanced received	28 8	23 8		-
Trade payables	77 6	76 4	43 4	42 1
Accruals and deferred income	265 1	241 5	243 4	211 7
Other liabilities	37 6	48 0	122 3	108 9
Total	434 6	493 1	434 7	466 0
Short term liabilities total	**434 8**	493 3	**447 6**	492 5
Accruals and deferred income				
Unearned air transport revenues and liability for frequent flyer bonus system)	99 0	78 3	99 0	78 3
Holiday pay reserve	60 2	56 8	48 3	46 0
Other items	105 9	106 4	97 1	103 2
Total	**265 1**	241 5	**244 4**	227 5

) The item includes a liability of 19 4 million euros for the Finnair Plus Frequent Flyer Bonus System Other items include undue interest and other deferred income for the financial year

23 Pension Liabilities				
Total liability of pension fund	700 3	658 0	648 3	612 5
Mandatory portion covered	392 4	-363 2	349 9	-326 2
Non mandatory benefit covered	-307 9	294 8	298 4	-286 3
Uncovered liability of pension fund	0 0	0 0	0 0	0 0
Liability for pensions paid directly by the companies	0 0	0 0	0 0	0 0
Total	**0 0**	0 0	**0 0**	0 0
24 Guarantees And Contingent Liabilities				
Pledges on own behalf	309 4	356 9	309 3	356 7
Pledges on group undertakings	0 6	0 6	0 6	0 6
Guarantees on group undertakings	35 3	35 4	35 3	35 4
Guarantees on others			-	-
Total	**345 3**	392 9	**345 2**	392 8

	Group		Parent Company	
	Jan - Dec 2002	Jan Dec 2001	Jan Dec 2002	Jan - Dec 2001
	EUR Mill		EUR Mill	
25 Aircraft Lease Obligations				
Amounts due to be paid				
Financial year 2003	69 3		69 3	
Financial year 2004	62 5		62 5	
Financial year 2005	59 4		59 4	
Financial year 2006	41 3		41 3	
Financial year 2007	26 1		26 1	
Financial year 2008	86 9		86 9	
Total	**345 5**		**345 5**	

Aircraft lease payments
The above lease payments comprise unpaid rentals under outstanding operating leases

Under operating leases Finnair Oyj is only obliged to pay rent for the relevant lease term with no liability on termination the economic risk of ownership remaining with the lessor All the obligations are from operating leases

26 Other Lease Obligations				
Other lease obligations	**33 2**	10 7	**29 0**	10 2

27 Disputes and litigation
During the financial year 2002, the following legal proceedings were instituted

Finnair has been sued for termination of a contract The claim is for approximately EUR 2 million The case is being tried in arbitration

Finnair and Finnair Cargo Oy have been sued for damages in a lost cargo case The claim is approximately EUR 0 9 million and is being tried in the District Court of Helsinki

A passenger sued Finnair in Australia for a so-called DVT (deep vein thrombosis) claim The case is pending until a precedent for DVT claims in Australia has been issued Finnair has not been informed of the amount of the claim

In the previously pending share redemption case involving Karair, one of the parties appealed the arbitrator's and the District Court's decision on legal costs The appeal is being tried in the Helsinki Court of Appeal

In the Finnair Catering excise tax case, the Administrative Court of Helsinki upheld the Customs' re issued taxation decisions The company did not appeal the case The company and the taxation authorities have agreed upon the procedures and principles of excise taxation to be followed in future Provisions for these taxes had been made

28 Principles Of Financial Risk Management
The operations of the Finnair Group are by nature international and require significant amounts of capital This means exposure to risks related to exchange rates, interest rates, credit, liquidity and commodity prices The policy of the Group is to minimize the negative effect of such risks on cash positions, financial performance and equity Financial risk management is concentrated on the Treasury Department of the Parent Company, which co-ordinates operations in the Group and provides various internal banking services such as group accounts and netting services Financial risk management is based on the risk management policy approved by the Finnair Board of Directors, which enables limited exposures to foreign exchange and interest rate risks within set risk limits The Company is using in its position management a wide range of hedging instruments and methods such as forward contracts, currency and interest rate swaps,foreign exchange and interest rate options

Foreign exchange risks
The Group's policy is to eliminate the identified foreign exchange risk caused by foreign currency surplus or deficit Apart from receivables and payables and other commercial commitments the estimated 6 12 month cash flows in foreign currencies are as a rule included in exposed foreign currency positions At the end of the 2002 financial year the majority of the Group s interest-bearing liabilities were denominated in euros and US dollars Exchange rate risk of the loans was mainly covered Roughly 75% of Group turnover is denominated in euros The key foreign currencies are the US dollar, the Swedish crown, the British pound and the Japanese yen Approximately 25% of the Group's operating costs are denominated in foreign currencies The main purchasing currency is the US dollar, which accounts for almost half of all operating costs denominated in foreign currency Acquisition of aircraft and the spare parts also takes place mainly in US dollars Clearly the biggest currency exposure for Finnair is dollar related Significant dollar denominated opearating expenses are rents for leased aircraft and jet fuel purchases The dollar risk is diminished by sales in dollars and other currencies which correlate strongly with the dollar Without the hedging programme, a one per cent decline in the dollar rate would have a EUR 2-2 5 million positive impact on the result

Fuel price risks in flight operations
Fuel price risk management is based on risk management policy approved by the Board of Directors Various hedging instruments such as forward contracts and options are used to manage the price risks The hedging period is mainly less than 12 months At the end of financial year 2002 Finnair had hedged 56% of the jet fuel purchases for the first six months of 2003 In the 2002 financial year fuel used in flight operations accounted for 10,1% of the Group's operating costs Fuel costs depend on fluctuations in the oil markets and value of the US dollar Without the hedging programme, a ten per cent increase in jet fuel would have a EUR 14 15 million negative impact on the result

Interest rate risks
In order to manage interest rate risks the Group's bank loans are diversified into fixed and variable interest-rate instruments so that most of the Group's interest bearing loans are interest rate fixed At the end of the 2002 financial year the average interest rate on the Group's interest-bearing loans was 3 99% Finnair invests most of the cash reserves in short-term money market instruments

Credit risks
The Group is exposed to counterparty risk when investing its cash reserves and in using derivative instruments Credit risks are managed by making contracts only with leading domestic and foreign banks, financial institutions and brokers Funds are also invested in commercial papers issued by conservatively selected companies

Liquidity risks

The goal of the Finnair Group is to maintain good liquidity Liquidity is ensured by cash reserves, bank account limits, liquid money market investments and committed credit facilities With respect to aircraft acquisition the Company's policy is to ensure financing at least 6 months before delivery for example with credit facilities The Groups liquid fund were EUR 302 million at the end of the 2002 financial year Furthermore the Parent company has following credit facilities USD 250 million for general financing needs and a domestic commercial paper programme of EUR 100 million

Derivative contracts December 31, 2002 EUR million

	Nominal value 2002	Fair value	Nominal value 2001
Currency derivatives			
Forward contracts	174 4	0 7	151 4
Currency options			
Bought	73 5	1 9	73 5
Sold	141 3	2 5	80 2
Currency swaps	168 2	5 1	228 9
Interest rate derivatives			
Interest rate options			
Bought	28 6	0 1	51 1
Sold	57 2	-2 3	-
Derivative contracts, total	643 2	8 6	585 2
Other derivative contracts			
Fuel price agreements	102,000	2 6	98,100
Fuel options			
Bought	84,150	1 2	110,850
Sold	108,150	0 4	110,850

29 Personnel Fund

A bonus provision of EUR 0 3 million has been entered into staff costs

30 Share Option Scheme For Key Personnel

The Annual General Meeting on August 24, 2000 approved the proposal by the Board of Directors to issue share option rights for key personnel of the Finnair Group The share option rights are intended to form part of the incentive program for the personnel of Finnair Group

The number of the option rights to be issued is 4,000,000 Of the option rights 2,000,000 will be marked with the letter A and 2,000,000 with the letter B The option rights entitle to subscribe for a maximum of 4,000,000 shares in Finnair Oyj The share subscription price shall be in case of option rights A the trade volume weighted average quotation of the Finnair Oyj share in the Helsinki Exchanges between July 1 and August 31, 2000, with an addition of twenty (20) per cent, this is 5 19 euros and in case of option B the trade volume weighted average quotation of the Finnair Oyj share in the Helsinki Exchanges between July 1 and August 31, 2001, with an addition of fifteen (15) per cent, this is 5 48 euros

From the share subscription price shall, as per each date when the relevant dividend is available for payment, be deducted the amount of dividend distributed after the beginning of the period for determination of the subscription price but before the date of the share subscription

The subscription period shall begin gradually on May 1, 2003 and May 1, 2004 and it shall end for all warrants on August 31, 2006 In case of option rights A the subscription period however does not begin before the average two year earnings per share exceeds by 20 per cent the earnings per share rectified of exceptional entries for the accounting period which ended on march 31, 2000

In case of option rights B the subscription period however does not begin before the average three year earnings per share exceeds by 25 per cent the earnings per share rectified of exceptional entries for the accounting period which ended on March 31, 2000

Should the above key figure not be attained due to a corporate acquisition, arrangement or some other comparable significant change, the Board of Directors shall estimate the fulfillment of objectives without those significant changes

The maximum increase in Finnair Oyj share capital is the equivalent nominal amount of 4,000,000 new shares

No social security provisions have been made by Finnair Oyj for the share option scheme

SHARES AND SHARE CAPITAL

Shares and Share Capital

On December 31, 2002, the Company's paid up share capital, entered in the Trade Register, was EUR 72,031,688 55 and comprised 84,743,163 shares Each share has one vote at the Annual General Meeting and its nominal value is EUR 0 85

The minimum and maximum values of Finnair Oyj's share capital are EUR 60 million and EUR 240 million, within the limits of which the share capital can be raised or lowered without amending the Articles of Association The Company's shares were converted to the book entry securities system in June 1993

Share Quotations

Finnair Oyj's shares are quoted on the Helsinki Exchanges Since January 1995, they have also been traded in the SEAQ (Stock Exchange Automatic Quotation) system on the London Stock Exchange

Dividend Policy and Payment of Dividend

The Board of Directors of Finnair Oyj proposes to the Annual General Meeting that a dividend of EUR 0 15 per share, or 34 9 per cent of the earnings per share, will be paid for the financial year 2002

It is the aim of Finnair's dividend policy to pay on average at least one third of the earnings per share as dividend during an economic cycle The company aims to take into account the Company's earnings trend and outlook, financial situation and capital needs for any given period

Share Option Scheme for Key Personnel

The Annual General Meeting on August 24, 2000 approved the proposal by the Board of Directors to issue share option rights for key personnel of the Finnair Group The share option rights are intended to form part of an incentive and commitment programme for key Finnair Group personnel The number of the option rights is 4,000,000 Each option grants an entitlement to subscribe for one Finnair Oyj share The subscription period shall begin in stages on May 1, 2003 and May 1, 2004 and it shall end for all option rights on August 31, 2006 The option rights account for 4 72 per cent of the shares and votes

Convertible Bonds

In February 1994, the Finnair Oyj issued a perpetual convertible subordinated bond for EUR 38,683,223 09 (FIM 230 million) on the basis of an authorization received from the Annual General Meeting of Shareholders in August 1993 and from an Extraordinary Meeting of Shareholders in November 1993 The bond in question is by nature a capital loan and has features comparable to equity items Bonds can be converted to the Company's shares as follows a bond with a nominal value of EUR 1,681 88 (FIM 10,000) entitles the holder to 271 shares in Finnair Oyj with a nominal value of EUR 0 85 each

The bonds can be converted annually between January 1 and 31 and between April 1 and December 31 By December 31, 2002, a total of EUR 32,971,561 12 in bonds had been converted to 5,312,684 shares Should all the bonds still unexchanged on December 31, 2002 be converted to shares, the Company's share capital would rise by EUR 782,268 60, which corresponds to 920,316 shares

Board of Directors' Authorizations

The Board of Directors of Finnair Oyj has no valid authorizations to decide on new share issues, grant share options or issue convertible bonds, nor authorizations to acquire or transfer the company's own shares

Government Ownership

At the end of the financial year on December 31, 2002, the Finnish Government owned 58 4 per cent of the Company's shares and votes On June 20, 1994, Parliament decided to maintain the Government's majority holding and gave its consent to reduce that holding to less than two-thirds Should all the convertible bonds in circulation and option rights be exchanged for Finnair Oyj shares, the Government's holding would be 55 2 per cent

Share Ownership by Management

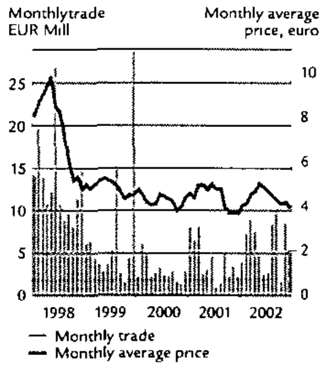
On December 31, 2002, members of the Company's Supervisory Board and Board of Directors and the President & CEO owned 29,970 shares, which represents 0 03 per cent of all the shares and votes

Share Prices and Trading

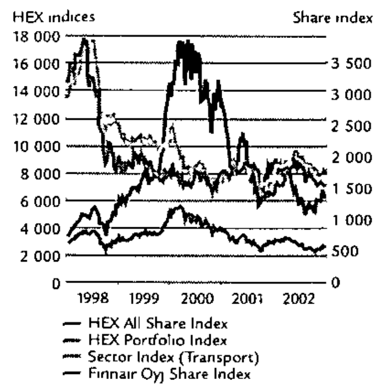
Finnair Oyj's share was quoted at EUR 3 75 on the Helsinki Exchanges on the last day of the financial year The market value of the Company's shares was EUR 317 8 million (317 8) The highest trading price during the financial year was EUR 5 10 (5 20) and the lowest EUR 3 70 (3 48)

A total of 16 7 million shares were traded on the Helsinki Exchanges for a value of EUR 72 3 million during the financial year under review, and during 2001 10 9 million shares for a value of EUR 47 9 million

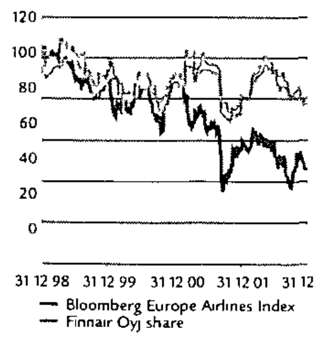
FINNAIR SHARE PRICE DEVELOPMENT AND TRADE
1998 2002



HEX INDICES AND FINNAIR OYJ SHARE INDEX
1998 2002



SHARE PRICE DEVELOPMENT COMPARED WITH OTHER EUROPEAN AIRLINES



SHARES AND SHAREHOLDERS

Share-Related Key Figures

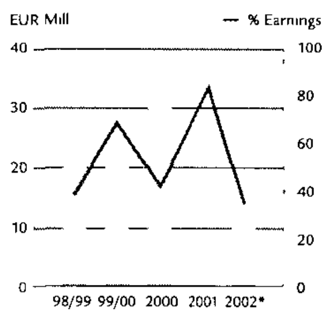
		2002	2001	Proforma 2000	1999/00	1998/99
Share related key figures						
Earnings/share	EUR	0 43	0 08	0 95	0 37	0 65
Equity/share	EUR	7 58	7 22	7 60	6 74	6 29
Dividend/share	EUR	0 15*	0 07	0 40	0 25	0 25
Dividend to-earnings ratio	%	34 5	83 1	42 2	68 4	36 8
P/E ratio		8 63	44 52	4 71	10 71	7 43
P/CEPS		1 9	2 4	1 5	2 0	2 4
Effective dividend yield	%	4 0	1 9	9 0	6 4	5 2
Number of shares and share prices						
Number of shares adjusted for issue, average		84,736,655	84,739,098	84,739,098	84,739,098	84,739,098
Number of shares adjusted for issue, end of financial year		84 743,163	84,739,098	84,739,098	84,739 098	84,739,098
Number of shares, end of financial year		84,743,163	84,739,098	84,739,098	84,739,098	84,739,098
Prices adjusted for share issue, highest	EUR	5 10	5 20	5 49	5 49	10 00
Prices adjusted for share issue lowest	EUR	3 70	3 48	3 95	3 95	4 44
Market value of share capital Mar 31/ Dec 31	MEUR	318	318	335	335	411
No of shares traded		16,683,820	10,894,673	17,449,998	17,449,998	20,073,817
No of shares traded as % of average no of shares	%	19 7	12 9	20 6	20 59	23 68

* Proposal to the Annual General Meeting by the Board of Directors

Largest shareholders as at December 31, 2002

			Number of shares	% of shares outstanding
1	State of Finland/Transport and Communications		49 510 682	58,42
	Odin Norden	5 781 566		
	Odin Finland	547 400		
2	Odin Forvaltning AS	6 328 966	6 328 966	7 47
	Tapiola General Mutual Insurance Company	256 300		
	Tapiola Mutual Pension Insurance Company	2 325 000		
	Tapiola Mutual Life Assurance Company	171 200		
	Tapiola Corporate Life Insurance Company	110 000		
3	Tapiola Group, total	2 862 500	2 862 500	3 38
4	The Local Government Pension Institution		2 026 300	2 39
	Suomi Insurance Company	438 400		
	Suomi Mutual Life Assurance Company	880 000		
5	Suomi Group, total	1 318 400	1 318 400	1 56
	OP Delta Mutual Fund	553 800		
	OP Pirkka Mutual Fund	90 000		
	OP-Tuotto Mutual Fund	62 100		
	OP Suomi Kasvu Mutual Fund	105 000		
	OP Focus Special Mutual Fund	110 000		
6	OP Group, total	920 900	920 900	1 09
	Conventum Finland Value Mutual Fund	770 000		
	Conventum Korko+Osake Mutual Fund	63 400		
	Conventum Forte Mutual Fund	50 000		
7	Conventum Group, total	883 400	883 400	1 04
8	Fortum Pension Fund B		664 420	0 78
9	Avenir Special Mutual Fund		630 000	0 74
	FIM Forte Mutual Fund	240 000		
	FIM Fenno Mutual Fund	222 700		
	FIM Rento Mutual Fund	35 000		
	FIM Nordic Mutual Fund	0		
	FIM Visio Mutual Fund	0		
10	FIM Funds total	497 700	497 700	0 59
11	Rausanne Oy		411 300	0 49
12	LEL Employee Pension Fund		341 800	0 40
13	Sonstock Oy		295 000	0 35
14	Finnair Oyj Personnel Fund		270 000	0 32
15	Phoenix Mutual Fund		269 200	0 32
16	Kaleva Mutual Insurance Company		250 000	0 30
17	Sampo Life Insurance Company		238 807	0 28
18	Onninen sijoitus Oy		236 800	0 28
19	Fennia Mutual Insurance Company		234 858	0 28
20	Rautaruukki Employee Pension Fund		231 800	0 27
21	Royal Skandia Life Assurance Ltd		161 950	0 19
22	Central Church Fund		132 800	0 16
23	Wip Small Titans Special Mutual Fund		131 000	0 15
24	Carnegie Osake Mutual Fund		130 000	0 15
	Placeringsfonden Aktia Capital	70 000		
	Placeringsfonden Aktia Secura	50 000		
	Placeringsfonden Aktia Folkhälsan	7 200		
25	Aktia, total	127 200	127 200	0 15
	Ing Stock Oy Ltd	50 000		
	Ing Finance Oy Ltd	50 000		
26	Ingman Group, total	100 000	100 000	0 12
	Registered in the name of a nominee		6 033 573	7 12
	Others		9 503 807	11 22
	Total		**84 743 163**	**100 00**

DIVIDEND



** The proposal of the Board of Directors to the AGM*

The following banks and brokerage firms are known to have prepared an investment analysis on Finnair Alfred Berg, Abn AMRO Equities, London, Carnegie Finland, Conventum, Helsinki, Credit Suisse First Boston, London, Danske Securities, Copenhagen, Deutsche Bank Helsinki, Enskilda Securities Helsinki Impivaara Securities London Morgan Stanley Dean Witter, London, Nordea Securities, Helsinki, Opstock, Helsinki UBS Warburg, London

Shareholders by type as at December 31, 2002

	Number of shares	%	Number of share-holders	%
Public bodies (state, local government employment pension funds)	55 842 869	66	25	
Outside Finland	6 719 341	8	50	1
Households	6 086 016	7	8 715	93
Registered in the name of a nominee	6 033 573	7	8	
Financial institutions and insurance companies	5 660 011	7	42	
Private companies	3 067 759	4	483	5
Associations (housing churches, others)	1 239 877	1	77	1
Public undertakings	65 400	0	12	
Not converted to book entry securities system	28 317	0		
Total	**84 743 163**	**100**	**9 412**	**100**

Breakdown of shareholdings as at December 31, 2002

Shares held	Shareholders	Number of Shares
1 100	3 448	168 241
101-1 000	4 427	1 914 761
1 001 10 000	1 361	3 923 942
10 001 100 000	136	3 996 246
100 001 1 000 000	28	9 034 535
1 000 001	4	59 643 548
Registered in the name of a nominee	8	6 033 573
Not converted to the book entry securities system		28 317
Total	**9 412**	**84 743 163**

PROPOSAL OF THE BOARD OF DIRECTORS

The Group's distributable equity according to the financial statements on December 31, 2002 amounts to EUR 322 5 million while the distributable equity of the parent company comes to EUR 307 7 million

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0 15 per share be distributed, a total of EUR 12 7 million, and that the remainder of the distributable equity be carried over as retained earnings

Helsinki, February 19, 2003, The Board of Directors of Finnair Oyj

Christoffer Taxell   Kari Jordan   Samuli Haapasalo

Ari Heinio   Antti Satuli   Helena Terho   Kaisa Vikkula

President & CEO, Finnair Oyj

Keijo Suila

STATEMENT OF THE SUPERVISORY BOARD

At the meeting held today, the Supervisory Board of Finnair Oyj has examined the financial statements of the Parent Company and of the Group and the Auditors' Report for the financial year January 1 - December 31, 2002 The Supervisory Board has decided to recommend that the Annual General Meeting approve the financial statements of the Parent Company and the Group and that the profit shown in the financial statements is dealt with in the manner proposed by the Board of Directors

The Supervisory Board states that its decisions and instructions have been followed and that it has received the information it deems necessary from the Company Board of Directors and the Chief Executive Officer

The terms of service on the Supervisory Board of Ms Riitta Backas, Ms Tytti Isohookana-Asunmaa, Mr Markku Koskenniemi, Mr Jouko K Leskinen, Mr Jussi Ranta and Mr Aulis Ruuth end at the Annual General Meeting

Helsinki, March 4, 2003

Markku Hyvarinen   Felix Bjorklund   Riitta Backas   Peter Heinstrom

Tytti Isohookana-Asunmaa   Matti Kankare   Tarja Kautto   Juha Korkeaoja

Markku Koskenniemi   Jouko K Leskinen   Sirpa Pietikainen   Jussi Ranta

Aulis Ruuth

AUDITORS' REPORT

We have examined the accounts, the financial statements and the administration of Finnair Oyj for the financial year January 1, 2002 to December 31, 2002 The financial statements prepared by the Board of Directors and the President and CEO include the review of operations and the statements of profit and loss, the balance sheets and the notes to the financial statements for the Group and the Parent Company

On the basis of our audit, we issue the statement below on the financial statements and the administration We have conducted the audit in accordance with Finnish Standards on Auditing Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation The purpose of our audit of the administration is to examine whether the members of the Supervisory Board, the Board of Directors and the President and CEO, of the Parent Company, have legally complied with the rules of the Companies Act

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements The financial statements give a true and fair view, as defined in the Accounting Act, of both the Group and the Parent Company's result of operations and the financial position The financial statements, including those of the Group, can be adopted and the members of the Supervisory Board and the Board of Directors and the President and CEO can be discharged from liability for the period audited by us The proposal by the Board of Directors concerning disposal of the profit for the financial year complies with the Companies Act

Helsinki, February 26, 2003

Pekka Nikula, ABA   Erkki Maki-Ranta, AA

FINANCIAL INDICATORS 1998/99-2002

		1-12/2002	1-12/2001	Proforma 2000	4-12/2000	1999/2000	1998/1999
Consolidated income statement							
Turnover	EUR Mill	**1 640**	1 631	1 658	1 259	1 593	1 494
- change	%	**0 5**	29 5	-	-20 9	6 6	3 4
EBITDA	EUR Mill	**175**	145	232	205	165	164
- in relation to turnover	%	**10 6**	8 9	14 0	16 3	10 3	11 0
Operating profit	EUR Mill	**60**	13	111	122	50	72
- in relation to turnover	%	**3 7**	0 8	6 7	9 7	3 1	4,8
Profit before extraordinary items	EUR Mill	**54**	9	120	125	57	73
- in relation to turnover	%	**3 3**	0 5	7 2	9 9	3 5	4 9
Profit before taxes	EUR Mill	**54**	9	149	125	85	75
- in relation to turnover	%	**3 3**	0 5	9 0	9 9	5 3	5 0
Consolidated balance sheet							
Fixed assets	EUR Mill	**958**	1 094	1 009	1 009	922	796
Current assets	EUR Mill	**522**	414	530	530	474	448
Total assets	EUR Mill	**1 480**	1 508	1 539	1 539	1 396	1 244
Shareholders equity and minority interests	EUR Mill	**649**	618	645	645	577	539
Liabilities	EUR Mill	**831**	890	894	894	819	705
Total liabilities	EUR Mill	**1 480**	1 508	1 539	1 539	1 396	1 244
Gross capital expenditure	EUR Mill	**102**	281	247	185	252	220
Gross capital expenditure in relation to turnover	%	**6 2**	17 2	14 9	14 7	15 8	14 7
Return on equity (ROE)	%	**5 9**	1 2	13 3	14 7	5 7	10 3
Return on capital employed (ROCE)	%	**7 6**	2 9	15 3	15 2	9 1	11 7
Average capital employed	EUR Mill	**1 008**	1 003	893	909	797	751
Increase in share capital	EUR Mill	**0**	0	1	1	0	2
Dividend for the financial year [1]	EUR Mill	**13**	6	34	34	21	21
Earnings/share	EUR	**0 43**	0 08	0 95	1 05	0 37	0 65
Earnings/share (with diluted effect)	EUR	**0 43**	0 08	0 94	1 04	0 36	0 65
Equity/share	EUR	**7 58**	7 22	7 54	7 54	6 74	6 29
Dividend/share	EUR	**0 15**	0 07	0 40	0 40	0 25	0 25
Dividend/earnings	%	**34 9**	83 1	42 2	38 2	68 4	38 6
Effective dividend yield	%	**4 0**	1 9	9 0	9 0	6 4	5 2
P/CEPS		**1 9**	2 4	1 5	1 7	2 0	2 4
Cash flow/share	EUR	**2 0**	1 6	2 9	2 6	2 0	2 0
P/E ratio		**8 63**	44 52	4 71	4 27	10 71	7 43
Equity ratio	%	**44 3**	41 3	42 2	42 2	41 7	43 9
Net debt-to-equity (Gearing)	%	**3 1**	34 6	11 1	11 1	19 6	4 4
Interest bearing debt	EUR Mill	**322**	427	316	316	281	197
Liquid funds	EUR Mill	**302**	215	245	245	169	174
Net interest bearing debt	EUR Mill	**20**	212	71	71	112	23
- in relation to turnover	%	**1 2**	13 0	4 3	5 6	7 1	1 6
Net financing income (+)/expenses ( )	EUR Mill	**-6**	-4	9	3	7	1
- in relation to turnover	%	**-0 3**	-0 3	0 6	0 2	0 4	0 1
Net interest expenses	EUR Mill	**-5**	-4	-2	-1	-1	6
- in relation to turnover	%	**-0 3**	-0 3	0 1	0 1	-0 1	0 4
Operational cash flow	EUR Mill	**152**	140	230	172	175	150
Operational cash flow in relation to turnover	%	**9 2**	8 6	13 9	13 7	11 0	10 0
Average number of shares adjusted for the share issue		**84 739 655**	84 739 098	84 739 098	84 739 098	84 739 098	84 739 098
and the number of shares at the end of the financial year		**85 663 479**	85 663 479	85 663 479	85 663 479	85 663 479	85 663 479
Average number of shares adjusted for the share issue		**85 663 479**	85 663 479	85 663 479	85 663 479	85 663 479	85 663 479
and the number of shares at the end of the financial year (with diluted effect) [2]		**85 663 479**	85 663 479	85 663 479	85 663 479	85 663 479	85 663 479
Personnel on average		**10 476**	10 847	11 051	11 019	11 462	11 264

The number of personnel are averages and adjusted for part-time employees

[1] The dividend for 2002 is a proposal of the Board of Directors to the Annual General Meeting
[2] Only the effect of the convertible bonds have been calculated, because the subscription price of option rights exceeds the market price of Finnair Oyj shares

CALCULATION OF KEY INDICATORS

EBITDAR	=	Operating profit + depreciation + aircraft lease rentals	
EBITDA	=	Operating profit + depreciation	
Return on equity % (ROE)	=	Result before extraordinary items – taxes / Equity + minority interests (average at the beginning and end of the financial year)	x 100
Capital employed	=	Balance sheet total - non interest bearing liabilities	
Return on capital employed % (ROCE)	=	Result before extraordinary items + interest and other financial expenses / Capital employed (average at the beginning and end of the financial year)	x 100
Earnings/share (Euro)	=	Result before extraordinary items +/- minority share – taxes / Adjusted average number of shares during the financial year	
Equity/share (Euro)	=	Equity / Number of shares at the end of the financial year, adjusted for the share issue	
Dividend/earnings %	=	Dividend per share / Earnings/share	x 100
Effective dividend yield %	=	Dividend per share / Adjusted share price at the end of the financial year	x 100
P/CEPS	=	Share price at the end of the financial year / Cash flow from operations per share	
Cash flow/share (Euro)	=	Cash flow from operations / Adjusted average number of shares during the financial year	
P/E ratio	=	Share price at the end of the financial year / Earnings/share	
Equity ratio %	=	Equity + minority interests / Balance sheet total – advances received	x 100
Net debt-to-equity % (Gearing)	=	Interest bearing debt – liquid funds / Equity + minority interests	x 100
Operational cash flow	=	Operating profit + depreciation + financial items + extraordinary items – taxes	

Turnover by Sector, EUR million

	2002				2001			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Scheduled Passenger Traffic	302 8	282 6	307 6	278 6	261 9	269 0	313 3	295 9
Leisure Traffic	90 1	81 0	78 8	79 9	79 3	90 4	71 0	93 9
Cargo	33 2	30 3	30 1	28 1	25 1	28 4	33 5	28 6
Aviation Services	107 3	105 4	103 7	110 5	111 9	123 6	129 2	116 6
Travel Services	24 3	22 8	27 6	23 4	23 0	21 7	26 5	22 5
Support Services	11 1	15 3	23 3	22 9	28 0	22 8	22 3	24 2
Less internal adjustments	-139 3	-137 3	150 0	-154 2	-149 3	-165 1	-155 5	-161 7
Finnair Group, Total	**429 5**	**400 1**	**421 1**	**389 2**	**379 9**	**390 8**	**440 2**	**420 1**
Previous year	379 9	390 8	440 2	420 1	436 2	408 9	414 2	398 8
Change %	**13 1**	**2 4**	**-4 3**	**-7 4**	**-12 9**	**-4 4**	**6 3**	**5 3**

Operating Profit by Sector, EUR million

	2002				2001			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Scheduled Passenger Traffic	21 4	0 1	27 0	-2 9	-35 1	-20 1	18 4	18 1
Leisure Traffic	2 0	2 1	5 8	-3 3	-0 2	4 3	-0 8	0 4
Cargo	0 9	1 1	0 2	-0 2	0 3	-4 3	-0 1	-1 1
Aviation Services	0 7	2 2	-0 8	3 8	4 3	8 1	11 8	1 3
Travel Services	0 4	0 1	2 6	0 6	2 6	-1 9	2 1	1 0
Support Services	-11 5	14 4	-4 6	-0 6	6 4	3 8	-1 0	-5 1
Finnair Group, Total	**12 5**	**19 8**	**30 2**	**-2 6**	**-21 7**	**-10 0**	**30 3**	**14 7**
Previous year	-21 7	-10 0	30 3	14 7	28 6	38 2	55 2	-11 3

CORPORATE GOVERNANCE

Finnair's administrative bodies are the Supervisory Board, the Board of Directors and the Chief Executive Officer (CEO) The Company is managed in accordance with the Finnish Companies Act, the Company's Articles of Association and the Company's administrative principles

Ultimate authority lies with the Company's shareholders, who exercise this authority at the Annual General Meeting The primary duties of the Annual General Meeting are to approve the profit and loss account and the distribution of dividends, elect members to the Supervisory Board, select the auditors and their deputies, and pass resolutions on any increase or decrease in the share capital and on any other changes to the Articles of Association The Annual General Meeting also determines the size of the remuneration for the Supervisory Board

The Supervisory Board

The Supervisory Board shall consist of at least 12 and not more than 18 members Members of the Supervisory Board shall be elected by the Annual General Meeting for periods of three years at a time Election must take into account the distribution of the Company's shareholdings One third of the members of the Supervisory Board shall resign every year The Supervisory Board shall elect one of its members as Chairman and one as Deputy Chairman

It is the duty of the Supervisory Board to ensure that the affairs of the Company are managed in accordance with sound business principles and with due attention to profitability, and in accordance with the provisions of the Articles of Association and the resolutions of the Annual General Meeting

The Supervisory Board shall select the Chairman and members of the Board of Directors and shall determine their remuneration The Supervisory Board shall appoint and dismiss the CEO and determine his or her salary The Supervisory Board shall appoint and dismiss the deputy CEO

The Supervisory Board shall submit a statement to the Annual General Meeting concerning the final profit and loss account and the auditor's report on the parent company and the Group, and shall convene the AGM The Supervisory Board convened five times during the past financial year

The Board of Directors

The Board of Directors shall consist of a Chairman and at least four but not more than six members The Supervisory Board shall elect the chairman and Board members for one year at a time The Board of Directors shall elect its vice-chairman from among its members

The Board of Directors is responsible for the Company's operations and finances and shall prepare those matters which are to be dealt with by the Annual General Meeting and the meetings of the Supervisory Board It is the duty of the Board of Directors to ensure that the decisions of the AGM and the Supervisory Board are carried out

It is the duty of the Board of Directors to elect the members of the board of management and to determine their terms of employment In this regard the Board of Directors shall take into account the guidelines laid down in the personnel strategy and the remuneration system, which shall accord with the Company's administrative principles The Board of Directors shall ensure the Company's accounts, budget monitoring system, internal auditing and risk management are arranged in accordance with the stipulations of the Company's administrative principles

The Board of Directors shall ensure that the openness and fairness referred to in the Company's principles of administration are carried out in practice in the presentation of the Company's profit and loss information

The Board of Directors shall convene once a month on average during the year

During the financial year the total sum of salaries, bonuses and fringe benefits paid to the Board of Directors and the CEO amounted to approximately EUR 0 55 million

The CEO and the Board of Management

The CEO shall be the chairman of the Group's board of management and the members of that board shall be selected from among the senior managers of the Company Staff representatives shall also be invited to the meetings of the management board

Members of the management board shall be responsible for the development and supervision of their own business divisions The CEO shall ensure that the decisions of the AGM, the Supervisory Board and the Board of Directors are carried out Since 1999 Keijo Suila has been Finnair Oyj's President and CEO

Governing provisions

Finnair Oyj adheres to valid legislation, provisions issued under such legislation and the company's Articles of Association Furthermore, in its activities Finnair Oyj complies with the recommendations of the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers on the management of listed companies as well as the insider rules laid down by the Helsinki Exchanges, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers

Salary and Appointment Commitee

The Board of Directors has decided to establish a Salary and Appointment Committee as of the beginning of 2003 Members of the committee are the Chairman of the Board of Directors Christoffer Taxell and Members of the Board Kari Jordan and Samuli Haapasalo The Secretary of the committee is President & CEO Keijo Suila

Supervisory Board
Markku Hyvarinen, *Chairman, Deputy CEO*
Felix Bjorklund, *Vice-Chairman, MSc (Econ)*
Riitta Backas, *MSc (Econ)*
Peter Heinstrom, *Managing Director*
Tytti Isohookana-Asunmaa, *Member of Parliament*
Matti Kankare, *Organizational Director*
Tarja Kautto, *Member of Parliament*
Juha Korkeaoja, *Member of Parliament*
Markku Koskenniemi, *Managing Director*
Jouko K Leskinen, *LL M*
Sirpa Pietikainen, *Member of Parliament*
Jussi Ranta, *Member of Parliament*
Aulis Ruuth, *Party Secretary*

Personnel representatives
Markku Kaukanen, *Chairman*
Aino Laaksonen, *Chairman*
Panu Maki, *Chairman*
Juhani Sinisalo, *Aircraft Technician*

Finnair Oyj's Board of Directors
Financial Year 2003
Christoffer Taxell, b 1948, LL M , former Government Minister, Member of the Boards of Raisio Yhtyma Oyj, Sampo Oyj and Stockmann Oyj Abp, Chairman of the Board of Stiftelsen for Åbo Akademi, and Chairman of the Board of Finnair Oyj since 2003 0 Finnair shares

Kari Jordan, B Sc (Econ), Executive Vice President of Nordea Ab, Deputy Chairman of the Centre for Finnish Business and Policy Studies (EVA), Member of the Board of the Research Institute of the Finnish Economy, and Vice Chairman of the Board of Finnair Oyj since 2003 0 Finnair shares

Samuli Haapasalo, b 1952, LL M , Director-General at the Ministry of Transport and Communications, Member of the Board of Finland Post Corporation, and Member of the Board of Finnair Oyj since 1999 0 Finnair shares

Ari Heinio, b 1945, LL M , Member of the Board of Metsa Tissue Oyj, Chairman of the Board of Silta Oy, Chairman of the Board of Fonecta Oy, Member of the Board of several other companies in different sectors, and Member of the Board of Finnair Oyj since 1994 0 Finnair shares

Antti Satuli, b 1946, LL M , Secretary of State at the Ministry for Foreign Affairs, Member of the Board of Finpro, and Member of the Board of Finnair Oyj since 2003 0 Finnair shares

Helena Terho, b 1948, M Sc (Eng), eMBA, KONE Corporation, Senior Quality Adviser, North America, Member of the Advisory Board of Nordea Bank Finland, and Member of the Board of Finnair Oyj since 1997 0 Finnair shares

Kaisa Vikkula, b 1960, D Sc (Econ), Managing Director, Mascus Oy Ab, Member of the Board of Finnair Oyj since 2003 2,000 Finnair shares

Financial Year 2002
Harri Holkeri, *Chairman*
Seppo Harkonen, *Vice Chairman*
Matti Alahuhta
Robert G Ehrnrooth
Samuli Haapasalo
Ari Heinio
Helena Terho

Group Board of Management
Keijo Suila, b 1945, B Sc (Econ), President and CEO, served with Finnair since 1998 7,100 Finnair shares, 240,000 options

Eero Ahola, b 1943, M Sc (Econ), SVP, Corporate Business Development and Strategy, served with Finnair since 1970 0 Finnair shares, 80,000 options

Mauri Annala, b 1945, M Sc (Econ), EVP, Leisure Traffic and Travel Services, served with Finnair since 1976 0 Finnair shares, 80,000 options

Henrik Arle, b 1948, LL M , EVP, Deputy CEO, Scheduled Passenger Traffic, served with Finnair since 1979 2,000 Finnair shares, 120,000 options

Hannes Bjurstrom, b 1950, SVP, Flight Operations, served with Finnair since 1999 0 Finnair shares, 80,000 options

Christer Haglund, b 1959, VP, Communications, served with Finnair since 2000 1,000 Finnair shares, 60,000 options

Juha Kinnunen, b 1948, Managing Director, Finnair Cargo Oy, served with Finnair since 1969 12 Finnair shares, 20,000 options

Tero Palatsi, b 1947, LL Lic , SVP, Administration and Personnel Resources, served with Finnair since 1999 0 Finnair shares, 100,000 options

Kari Palomaki, b 1945, SVP, Catering and Ground Handling, served with Finnair since 1967 2,000 Finnair shares, 43,000 options

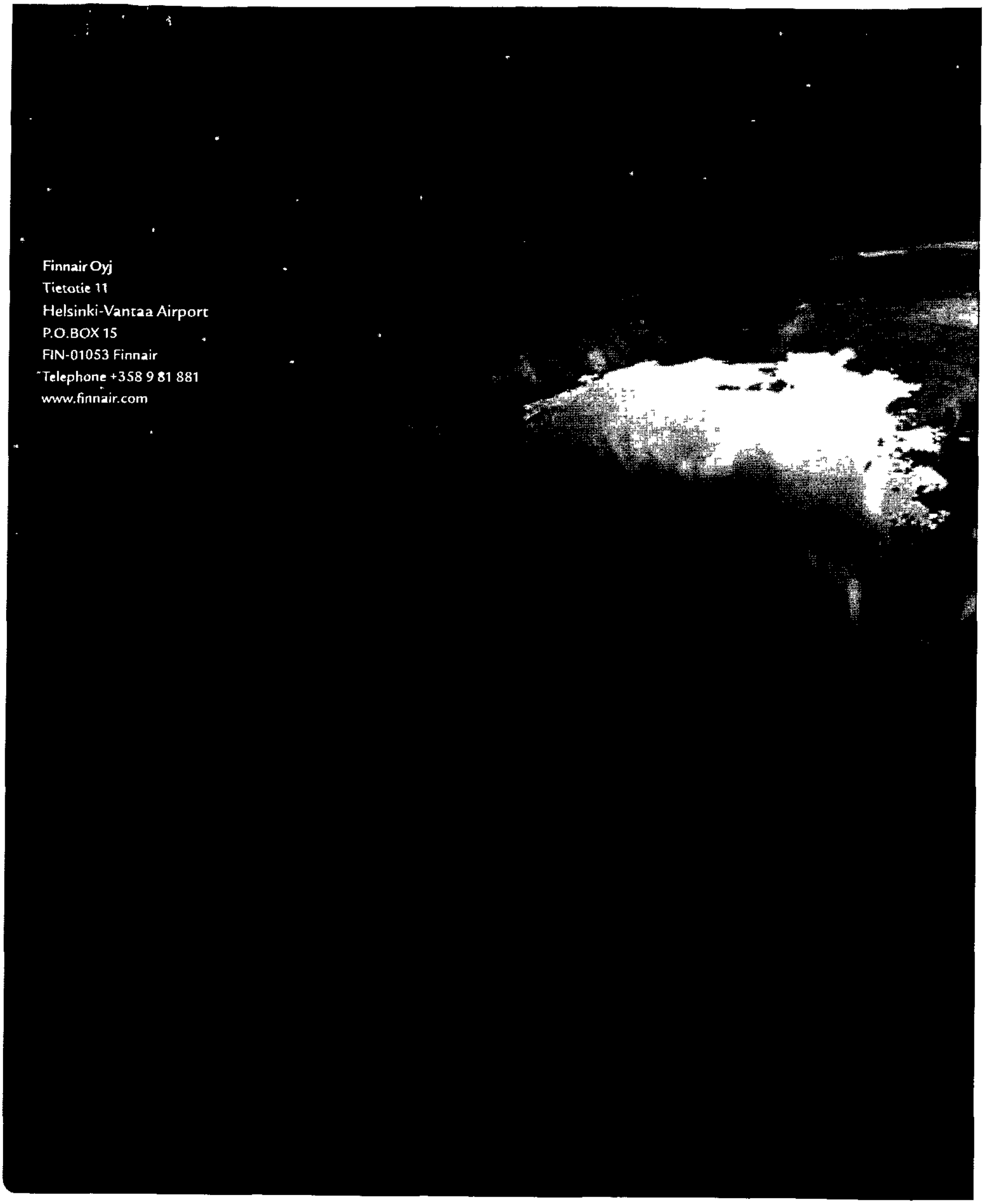
Petri Pentti, b 1962, M Sc (Econ), SVP and CFO, Economic and Finance, served with Finnair since 1989 0 Finnair shares, 100,000 options

Mika Perho, b 1959, SVP, Marketing, served with Finnair since 1985 268 Finnair shares, 100,000 options

Jarmo Vilenius, b 1950, M Sc (Eng), SVP, Technical Services, served with Finnair since 1973 54 Finnair shares, 80,000 options

Auditors

Regular auditors	Deputy Auditors
APA Pekka Nikula	APA Jyri Heikkinen
AA Erkki Maki-Ranta	APA Jorma Heikkinen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FINNAIR