

FINANCIAL STATEMENTS JAN 1 – DEC 31, 2002

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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 inclu-

ded 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.

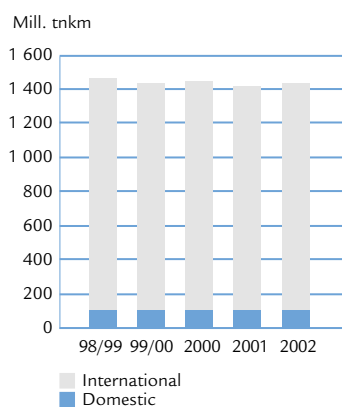
Personnel

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.

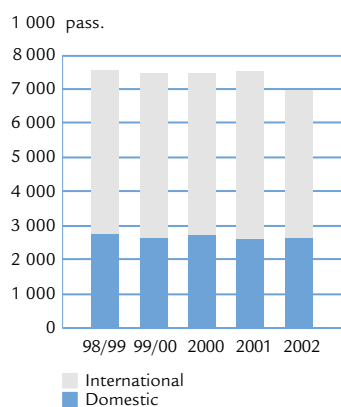
The company has labour contracts valid for around two years with all the labour unions other than the Aviation Union, which represents personnel working in various repair and ground service tasks. Negotiations are under way on revising an agreement that expires in February 2003.

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

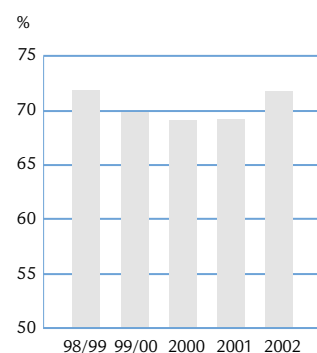
REVENUE TONNE KILOMETRES



PASSENGER VOLUMES



PASSENGER LOAD FACTOR



aries 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 Heiniö 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

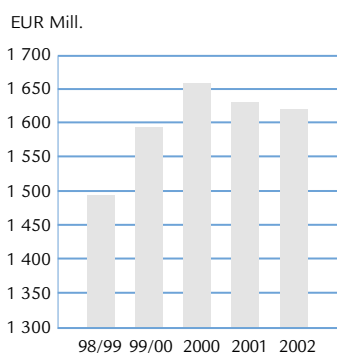
This division consists of the Leisure Flights unit and the Aurinkomatkat-Suntours package tour company, which is the biggest in its field in Finland, with a market share of more than 35 per cent. Aurinkomatkat-Suntours has increased its market share further during 2002.

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.

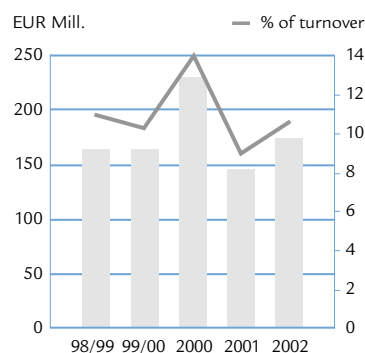
Cargo

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.

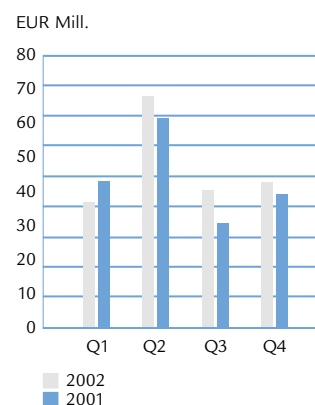
TURNOVER



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 agen-

cies have increased sales of tailored leisure-travel trips in particular, while the levying of service and transaction fees is becoming increasingly common.

Support Services

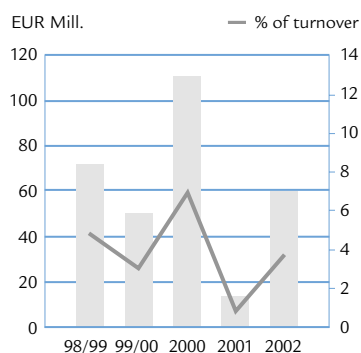
Those functions which support Group business operations, such as various financial and personnel management services, come under the Support Services division. In addition, the Group's property holdings and the management and maintenance of properties relating to the Group's operational activities, as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

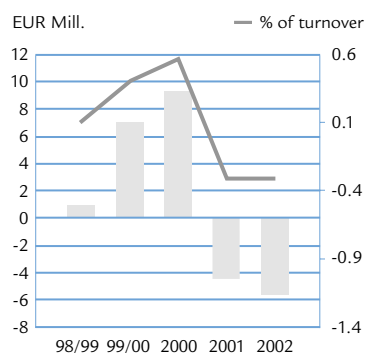
Volume Trends and the Market for Flight Operations

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

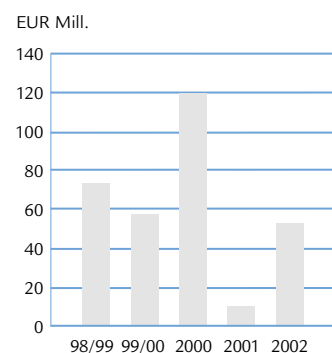
OPERATING PROFIT, EBIT



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

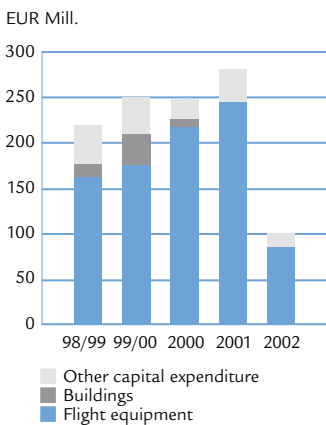
The emphasis of Finnair's long haul strategy has shifted to Asian traffic, where Finnair has a geographical advantage in travel between Asia and Europe. The number of weekly Asian flights was increased to existing destinations. The number of weekly flights to Beijing was increased from three to five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

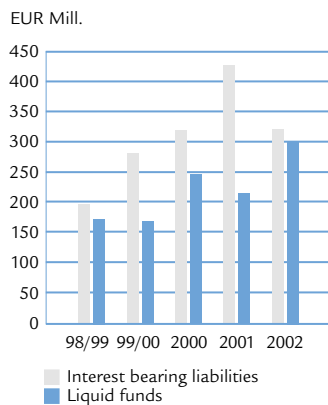
Adjustments were made to the European and domestic route networks. A number of additional flights, linked with the Asian services, were added to the European route network. Overall, however, capacity was reduced in Europe and in Finland by around ten per cent.

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.

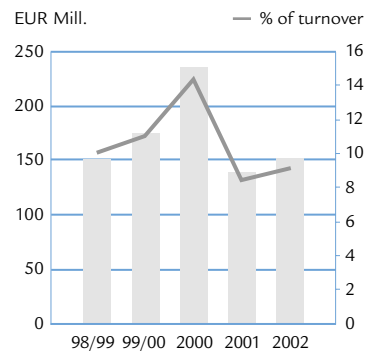
CAPITAL EXPENDITURE (GROSS)



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 **oneworld** 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 ef-

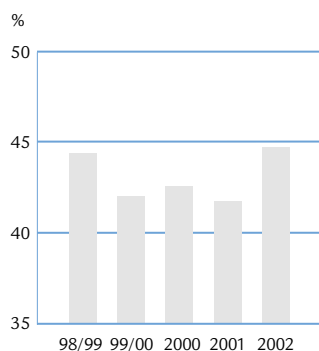
ficient connections between Finland and the United States via New York and Europe, enhanced airport services and new joint prices.

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. **oneworld** 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. **oneworld** 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.

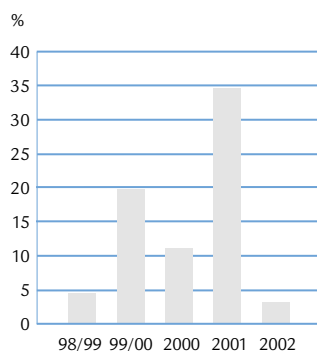
The direct benefit obtained by Finnair from alliance cooperation consists of 30 million euros in sales, which is the value of tickets for Finnair flights sold by alliance partners. In addition, **oneworld** products bring direct additional sales of 1.5 million euros, with costs amounting to one tenth 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

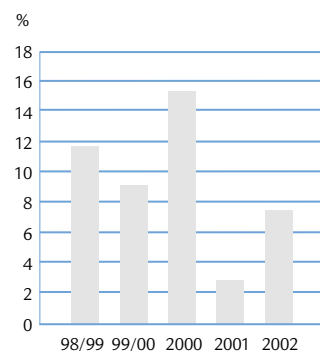
EQUITY RATIO



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.

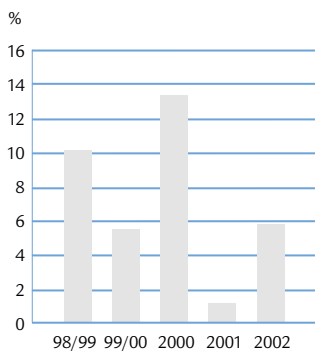
Finnair has hedged over 60 per cent of its jet fuel purchases for the first half of 2003.

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.

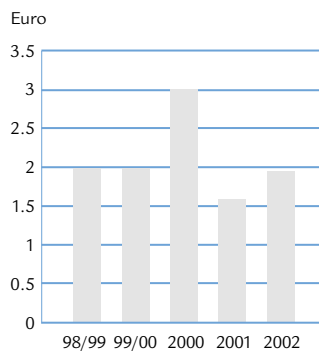
Board of Directors' Proposal on the Dividend

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.

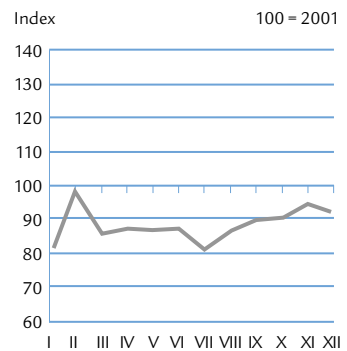
RETURN ON EQUITY



CASH FLOW/SHARE



DEVELOPMENT INDEX OF FUEL PRICE 2002



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 official 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	Jan 1, 2001- Dec 31, 2001	Note
	EUR Mill.	EUR Mill.	
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	-1 667.0	
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	7.1	

CONSOLIDATED BALANCE SHEET

	Dec 31, 2002		Dec 31, 2001		
	EUR Mill.		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					
Share capital	72.0		72.0		17
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	Jan 1, 2001- Dec 31, 2001	Note
	EUR Mill.	EUR Mill.	
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		Dec 31, 2001		
	EUR Mill.		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 financial 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

	Jan - Dec 2002	Group Jan - Dec 2001 EUR Mill.	Parent Company Jan - Dec 2002 EUR Mill.	Parent Company Jan - Dec 2001
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	-	-

	Jan - Dec 2002	Group		Parent Company	
		Jan - Dec 2001	Jan - Dec 2001	Jan - Dec 2002	Jan - Dec 2001
		EUR Mill.	EUR Mill.	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		
Kiinteistö Oy Aerolan A-talot, Vantaa	100.00	-
Kiinteistö 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
Finn catering 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, Mikkelin	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

	Jan - Dec 2002	Group Jan - Dec 2001 EUR Mill.	Jan - Dec 2002	Parent Company Jan - Dec 2001 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
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 depreciation 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-month 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 ¹⁾	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
¹⁾ 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

	Jan - Dec 2002	Group Jan - Dec 2001 EUR Mill.	Parent Company Jan - Dec 2001 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
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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 operating 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

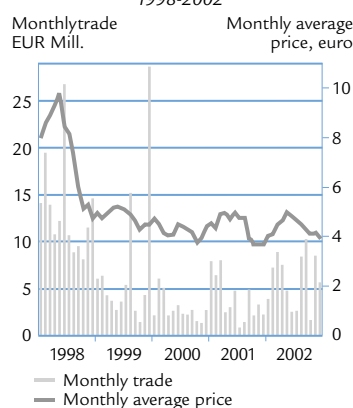
On December 31, 2002, members of the Company's Supervisory Board and Board of Directors and the President & CEO owned 29,970 shares, which represents 0.03 per cent of all the shares and votes.

Share Prices and Trading

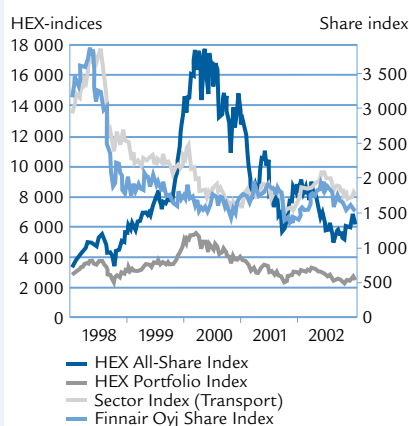
Finnair Oyj's share was quoted at EUR 3.75 on the Helsinki Exchanges on the last day of the financial year. The market value of the Company's shares was EUR 317.8 million (317.8). The highest trading price during the financial year was EUR 5.10 (5.20) and the lowest EUR 3.70 (3.48).

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.

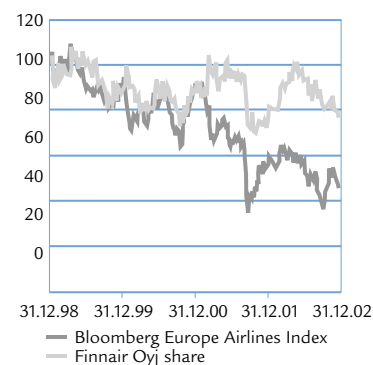
FINNAIR SHARE PRICE DEVELOPMENT AND TRADE 1998-2002



HEX-INDICES AND FINNAIR OYJ SHARE INDEX 1998-2002



SHARE PRICE DEVELOPMENT COMPARED WITH OTHER EUROPEAN AIRLINES



SHARES AND SHAREHOLDERS

Share-Related Key Figures

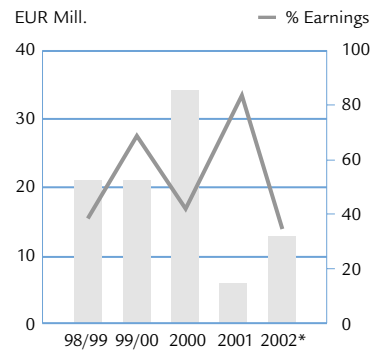
		2002	2001	Proforma 2000	1999/00	1998/99
Share-related key figures						
Earnings/share	EUR	0.43	0.08	0.95	0.37	0.65
Equity/share	EUR	7.58	7.22	7.60	6.74	6.29
Dividend/share	EUR	0.15*	0.07	0.40	0.25	0.25
Dividend-to-earnings ratio	%	34.5	83.1	42.2	68.4	36.8
P/E ratio		8.63	44.52	4.71	10.71	7.43
P/CEPS		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 Förvaltning AS	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	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	1.56
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	1.09
Conventum Finland Value Mutual Fund	770 000	
Conventum Korke+Osake Mutual Fund	63 400	
Conventum Forte Mutual Fund	50 000	
7. Conventum Group, total	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	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	0.15
Ing-Stock Oy Ltd	50 000	
Ing-Finance Oy Ltd	50 000	
26. Ingman Group, total	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 shareholders	%
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 Heiniö	Antti Satuli	Helena Terho
	President & CEO, Finnair Oyj	Kaisa Vikkula
	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 Hyvärinen	Felix Björklund	Riitta Backas	Peter Heinström
Tytti Isohookana-Asunmaa	Matti Kankare	Tarja Kautto	Juha Korkeaaja
Markku Koskenniemi	Jouko K. Leskinen	Sirpa Pietikäinen	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 Mäki-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)	=	$\frac{\text{Result before extraordinary items} - \text{taxes}}{\text{Equity} + \text{minority interests (average at the beginning and end of the financial year)}} \times 100$
Capital employed	=	Balance sheet total - non interest bearing liabilities
Return on capital employed % (ROCE)	=	$\frac{\text{Result before extraordinary items} + \text{interest and other financial expenses}}{\text{Capital employed (average at the beginning and end of the financial year)}} \times 100$
Earnings/share (Euro)	=	$\frac{\text{Result before extraordinary items} + / - \text{minority share} - \text{taxes}}{\text{Adjusted average number of shares during the financial year}}$
Equity/share (Euro)	=	$\frac{\text{Equity}}{\text{Number of shares at the end of the financial year, adjusted for the share issue}}$
Dividend/earnings %	=	$\frac{\text{Dividend per share}}{\text{Earnings/share}} \times 100$
Effective dividend yield %	=	$\frac{\text{Dividend per share}}{\text{Adjusted share price at the end of the financial year}} \times 100$
P/CEPS	=	$\frac{\text{Share price at the end of the financial year}}{\text{Cash flow from operations per share}}$
Cash flow/share (Euro)	=	$\frac{\text{Cash flow from operations}}{\text{Adjusted average number of shares during the financial year}}$
P/E ratio	=	$\frac{\text{Share price at the end of the financial year}}{\text{Earnings/share}}$
Equity ratio %	=	$\frac{\text{Equity} + \text{minority interests}}{\text{Balance sheet total} - \text{advances received}} \times 100$
Net debt-to-equity % (Gearing)	=	$\frac{\text{Interest bearing debt} - \text{liquid funds}}{\text{Equity} + \text{minority interests}} \times 100$
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