ANNUAL REPORT 2001

www.finnair.com/2001

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INFORMATION FOR SHAREHOLDERS

Annual General Meeting

The Annual General Meeting of Finnair will take place on April 11th 2002 at 11 o'clock am at the Helsinki Fair Center, Messuaukio 1, congress wing entrance, hall C1.

Notice of attendance at the Annual General Meeting must be made by April 9th 2002 at the latest, either in writing to Finnair Oyj, Pääkassa ACA/14, 01053 FINNAIR, by telephone to +358 (0)9 818 4945 and +358 (0)9 818 4946 or by e-mail to agm@finnair.com.

Shareholders who are registered with the Finnish Central Securities Depository Ltd (APK) by March 27th 2002 at the latest, or who are holders of shares entered in the administrative register and who on the aforementioned date are temporarily entered in the register of shareholders in the manner specified in section 3a § 11 a 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 11th 1993. In this 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 0.07 euros per share be paid to shareholders for the financial year ending on December 31st 2001. The dividend will be paid on April 18th 2002 to those shareholders who were registered in the Company's register of shareholders on the reference date of April 16th 2002.

Financial information

The Company will publish the following financial reports in 2002:

January - March interim report	21 May 2002
January - June interim report	22 Aug. 2002
January - September interim report	22 Nov. 2002

To order the Annual Report and other publications:

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

The Annual Report will also be published as an Internet version for the first time. The address of the electronic version of the Annual Report is www.finnair.com/2001. Interim reports, the Annual Report, and stock exchange bulletins as well as other investor material are also available on the company's web site at www.finnair.com/investors.

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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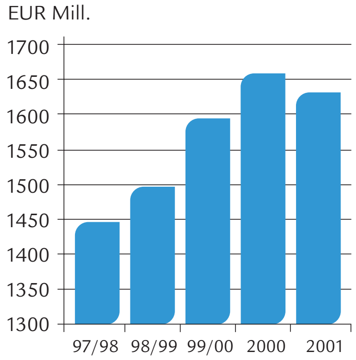
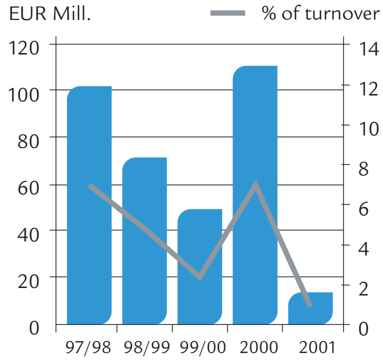
KEY FIGURES 2001

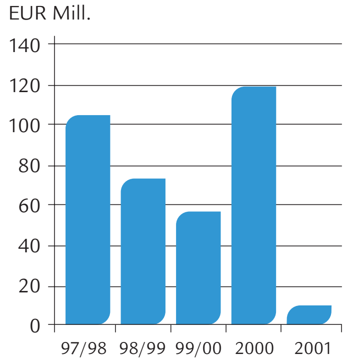
Turnover



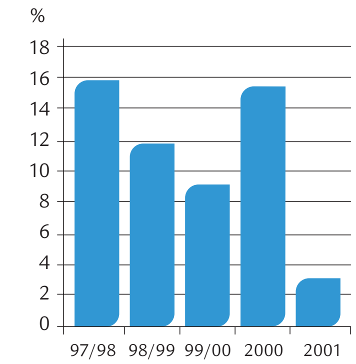
Operating profit, EBIT



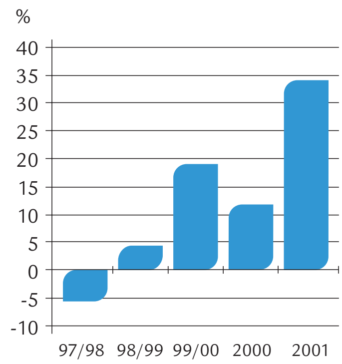
Profit before extraordinary items and taxes



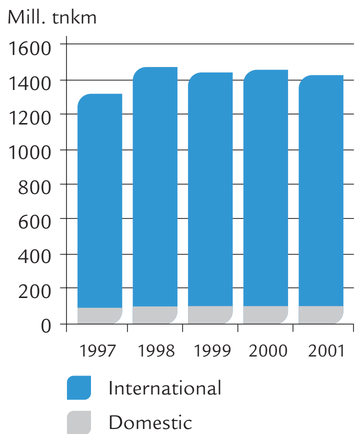
Return on capital employed



Net debt-to-equity (Gearing)



Revenue tonne kilometres



Finnair Group Key Figures

		2001	2000 *	1999/2000	1998/99	1997/98
Turnover	EUR Mill.	**1,631**	1,658	1,593	1,494	1,445
EBITDA **	EUR Mill.	**145**	232	165	164	187
Operating profit, EBIT **	EUR Mill.	**13**	111	50	72	102
Operating profit to turnover	%	**0.8**	6.7	3.1	4.8	7.1
Profit before extraordinary items and taxes	EUR Mill.	**9**	120	57	73	105
Earnings/share	Euro	**0.08**	0.95	0.37	0.65	1.03
Equity/share	Euro	**7.29**	7.60	6.81	6.36	6.61
Gross capital expenditure	EUR Mill.	**281**	247	252	220	148
Interest bearing net debt	EUR Mill.	**212**	74	112	23	-29
Equity ratio	%	**41.7**	42.6	42.1	44.4	46.5
Net debt-to-equity (Gearing)	%	**34.3**	11.5	19.4	4.3	-5.4
Return on capital employed	%	**2.9**	15.3	9.1	11.7	15.9
Average number of staff		**10,847**	11,051	11,462	11,264	10,706

* proforma figures year 2000

** including capital gains

THE SUN RISES IN THE EAST

Following the successful financial year of 2000 we hoped for further good progress during 2001. However, things turned out differently. Finnair's year began well, but already during the winter the industry took a turn for the worse and in the fall demand collapsed as a result of the terrorist action. This led to a spate of bankruptcies, dismissals and structural reorganizations which are still continuing.

At Finnair we immediately began a series of adjustment measures which alleviated the losses even during the October-December period. As a result of our capacity cutting measures, Finnair was among those few airlines to succeed in increasing its cabin factors considerably at the end of the year. The result for the year is not at a satisfactory level, but given the circumstances and compared with the rest of the industry it can be regarded at least as a moderate achievement.

Despite the exceptional market situation, Finnair managed to strengthen its position as a high quality northern European airline and to increase its market share. During the fall we drew up a EUR 115 million cost-cutting package, of which almost half consists of savings in personnel costs. During a difficult phase of the market we also managed to increase our financial flexibility in order to push through our fleet renewal program.

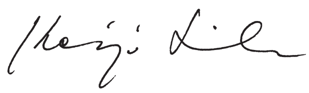
Finnair's Asian strategy is progressing according to plan. Finland's geographical position gives us an excellent head start when it comes to flying to Asia – Finnair flights between Europe and Asia are the fastest route for an extensive client base. During 2001, the number of passengers flying our Asian routes increased by more than 17% and the majority of these trips are sold in Asia. The growth opportunities for Helsinki gateway traffic are considerable because, among other things, Chinese travel is increasing dramatically. China is also constantly increasing in popularity as a tourist destination for Finns and other Europeans.

In future we will concentrate more on those areas where we perform best and where we are naturally able to offer our customers a better product than our competitors. Our competitiveness in scheduled traffic rests on our extensive network, convenient timetables, the quality of our service and our cost effectiveness. We are seeking growth both in Asia and in the expanding markets of the Baltic region.

The growth opportunities for leisure travel remain significant in the Baltic region. Finnair's strategy is to develop the Group's leisure travel activities as a separate entity which will indeed aim to emerge in the future as the dominant supplier and marketer of exciting holidays for the Baltic region. Our strong leading travel production, marketing and distribution brands provide us with a sound basis for moving forward.

New concepts, lighter structures, concentration on core activities and sensitivity to the changes taking place in our operating environment provide Finnair with plenty of new opportunities. Healthy profitability is, however, vital for our survival and we do not wish to jeopardize it. Thus we must now ensure that we emerge from this difficult period in a healthy state. As competition and structural changes proceed within the industry there will be no room for small, financially weak airlines. Finnair is both financially strong and of top quality and we will certainly earn our place in the future, too.

Finnair continues to be one of Finland's most popular employers. More than 10,000 people work for the Group and they are highly committed to the company's future. They also possess unique skills and are proud to belong to Finnair. With our new organizational structure and renewed incentive schemes we wish to encourage our staff to even greater achievements, for the benefit of both our customers and our shareholders.



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 to provide the most highly regarded quality of travel related services, which are operationally the best in Europe and which are 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 the 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.

Capitalizing 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.

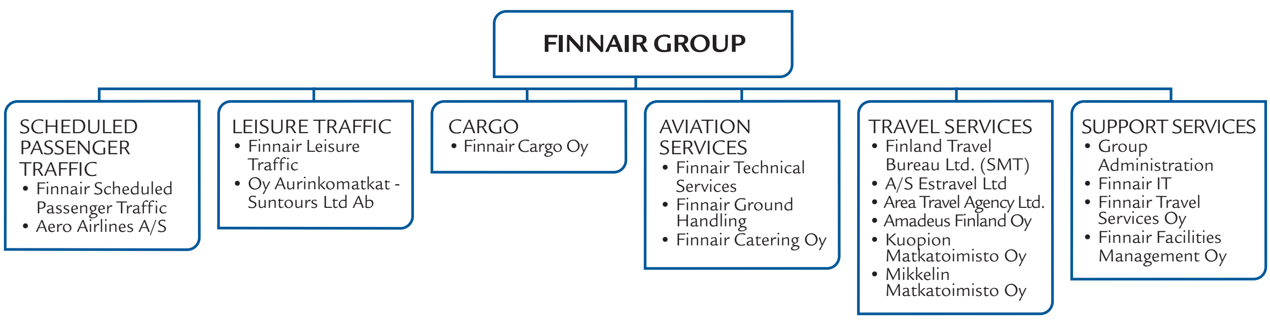
Capable partner
Finnair is determined to be a capable and active partner that provides added value for its associates. Finnair is an expert on the Nordic dimension within the **one**world alliance. It is Finnair's aim to consolidate its position by being a pioneer as well as a developer and user of new 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. Incentive schemes support 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 special 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.



A thorough understanding of the market and a well-honed product ensure healthy growth. Best Nordic and Europe’s top rank airline is set for the east.

”The sower shall reap the harvest when the morning comes, when the sun rises in the east.”
(Chinese saying)

The meeting of two cultures always creates energy. Energy produces movement. Movement is important, but so too is the goal. Finnair's goal is sustainable, profitable growth with Asia and Europe as special focus areas. A force for unity between two continents and two cultures.

GATEWAY TO THE EAST

When it comes to flying between Europe and Asia, Finnair is at its strongest. Finnair is superbly equipped to carry out flights from the Baltic region and elsewhere in Europe, via Helsinki to the population centres of Asia. With its revamped services and comfortable cabins, the airline makes travelling from one continent to another a delightful experience.

In keeping with its strategy, Finnair has for several years been shifting the focus of its long haul traffic from north Atlantic to Asian routes. We had already cut back on North American destinations long before the recession. The collapse in demand on the New York route in the autumn of 2001 accelerated the process in the direction we had already chosen.

The shortest flight paths between Europe and Asia pass through Helsinki. Finnair has a geographical advantage when it comes to travelling eastwards. Our efficient feeder traffic in Finland and the Baltic region and our robust European core network offer many passengers an effortless route into Asia. Helsinki-Vantaa, considered by many to be a world class airport, is a welcome alternative to the giant, crowded airports of Europe.

Finnair flies to the Asian cities of Tokyo, Bangkok, Singapore and Beijing. Our longstanding efforts for wider traffic rights has produced results and the company has gained the rights to expand its network and increase its Asian flights. In February 2002, we opened our route to Hong Kong via Bangkok, operating three times a week.

With this new route, the Helsinki-Bangkok route will be operating daily, with flights continuing on from Bangkok to Singapore on four days a week. The frequency of flights to Beijing will increase from three to four a week in February 2002 and to five a week in the fall. We are increasing flight frequencies as a result of new flight permits and increasing demand. We also intend to continue mapping out new destinations using both our partners' and Finnair's own capacity.

There are convenient onward flights from Finnair's destinations in Asia to other parts of Asia and to Australia via our **one**world partners' networks. The new Hong Kong route will open up connections to the whole south China region.

The growth prospects for the markets opening up in China are almost limitless. Nordic companies are expanding their activities in the Asian market and rising companies particularly in China are opening up their contacts with Scandinavia and other parts of Europe. Finnair's overhauled route system also acts as a superb channel for the growing market for business and leisure traffic from Asia to Europe. Already three quarters of our sales on the Asian routes come from the Asian market.

The transport capacity of Finnair's scheduled flights is also an essential element in Finnair Cargo's Asian traffic. Finnair Cargo is exploiting the opportunities provided by this growing traffic by setting up a gateway center for its Asian traffic in Bangkok.

Finnair's expanding Asian capacity of over twenty flights a week, with their onward connections, acts as an important link between growing markets.

A YEAR OF CHALLENGE FOR SCHEDULED TRAFFIC

The weakening trend in the global economy was already evident at the beginning of 2001, in the form of dwindling demand for air travel, especially in business class. However, Finnair's Scheduled Passenger Traffic division succeeded in raising its market share.

The terrorist acts of September led to a dramatic decline in travel as well as prompting new security measures which affected operational activities, flying costs and unit revenues. However, cabin factor levels, which had declined in the fall turned upwards towards the end of the year, thanks to a sales campaign and a number of successful measures for adjusting the traffic supply.

In consequence of the severe collapse in demand for North Atlantic traffic resulting from the events of September we were able to conveniently transfer capacity from the New York to the Bangkok route and also to leisure traffic. Overall we reduced capacity on our scheduled networks for the winter season by seven percent more than we had originally planned.

Service

The overhaul of the passenger cabins in Finnair's wide-bodied aircraft began at the same time as the fourth MD-11 aircraft previously used for leisure traffic was transferred to scheduled services. The overhauls included expanding the business class sections from 28 to 42 seats.

Our Airbus A320-type aircraft have established themselves in our European and domestic networks as an essential part of the fleet, adding to our competitive abilities. By the end of 2002 we shall be operating 17 Airbus A320s.

As part of the development of its Scandinavian feeder traffic Finnair increased its direct flights from Oslo to Helsinki and also began flying between Helsinki and Stockholm-Skavsta. The new route serves the business concentrations to the south of Stockholm, offering them excellent connections to Finnair's route network.

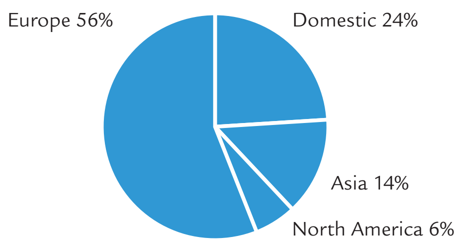
Aero Airlines AS , the partner airline set up by Finnair in Estonia, has been granted a permit to operate as an air carrier by the Estonian aviation authorities. Traffic between Estonia and Finland will begin in spring 2002, using 68 seat ATR-72 aeroplanes. Services to other parts of the Baltic will follow.

Finnair's frequent flyer program is exceptionally extensive in content since it combines the customer benefits of the **one**world alliance with the advantages of bilateral marketing cooperation between the airlines. The number of Finnair Plus members increased by more than 13 percent during 2001, amounting to 470,000 by the end of the year.

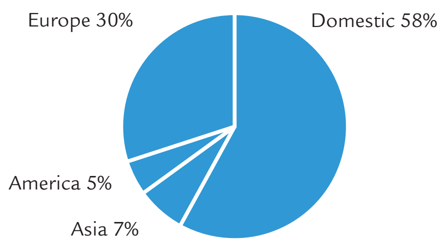
E-commerce is still a priority and development area for Finnair. Finnair's Internet site has been judged to be Finland's best Finnish web service as far as users are concerned. The personalized services introduced into the Finnair web site give users the opportunity to exploit the web services they need more effectively. The Internet check-in service has been introduced for Finnair Plus customers.

WEB LINK
GO TO WWW.FINNAIR.COM/2001 FOR GENERAL DESCRIPTION OF BUSINESS AREA

Distribution of scheduled traffic revenues



Distribution of passenger sales in scheduled traffic revenues



Captain Perttu Halmetoja, Service Chefs Marjukka Kanerva and Jonas Silfverberg together with Wei Li serve customers on flights.

Finnair's overhauled route network offers the best connections between northern Europe and Asia. Helsinki-Vantaa Airport functions as a pleasant and convenient junction point for travellers. Finnair's award winning service ensures passengers enjoy their journey to new surroundings.

A WORLD OF FANTASTIC EXPERIENCES

Concentrating on leisure travel, the Leisure Traffic division offers package tours to consumers and air transport services to tour organizers. Finnair Group divisions Aurinkomatkat - Suntours and Finnair Leisure flights are market leaders in their own fields.

The financial year for the Leisure Traffic division can be divided into two parts, with the favorable trend in leisure traffic coming to an end with the terrorist attacks in New York and end of year demand falling well below that of the previous year. The number of package tours from Finland during 2001 ended up five percent below the level for the previous year. Despite an incipient recovery in demand the number of package tours in 2002 is likely to fall short of the previous year's figure.

The sharp reduction in demand in the fall of 2001 led to a reorganization of leisure traffic and destinations. Leisure travel declined particularly to the Middle East and Egypt.

Capacity for the Canary Islands was increased in line with demand.

Leisure Flight Operations

Every Finnish tour operator has used Finnair's leisure flight services. Our market share has remained high, at more than 80 percent on average. During the period our leisure flights flew to more than 60 destinations.

Instead of the planned increase in capacity for winter 2001-02, routes and fleets were reorganized to match the changed situation. The arrangements will ensure the high utilization rates intended for leisure traffic.

In the summer of 2001 one of Finnair's Boeing 757-200 aeroplanes was leased with its pilots to fly from Newcastle in England to Mediterranean destinations.

Two new Boeing 757s will become available for leisure operations during the spring of 2002 replacing the capacity of the MD-11 aircraft which has been moved to scheduled passenger traffic, at which point there will be seven aircraft of this type in the fleet.

Aurinkomatkat -Suntours

Aurinkomatkat, Finland's largest tour operator and the best known travel brand, increased its market share even further.

Consolidation into fewer brands has taken place in the package tour sector. Three major brands remained in the market during 2002, Aurinkomatkat, Finnmatkat and Tjäreborg. These three control more than 80 percent of the Finnish package tour market.

In parallel with its traditional package tour distribution network, Aurinkomatkat began its Web On Line travel sales service in October 2001. This allows customers to do all their business through the Internet, from learning about the destination to booking and paying for the journey.

WEB LINK

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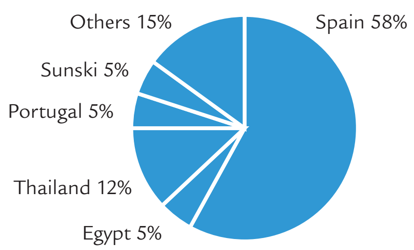
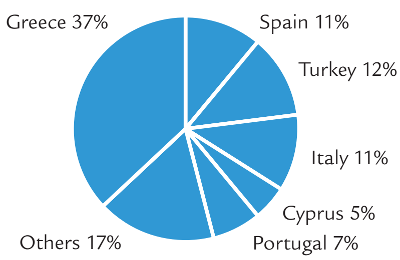
Aurinkomatkat tour production by country
Winter 2001/2002



Aurinkomatkat tour production by country
Summer 2001



A VITAL LINK FOR LOGISTICS

In the long term, air cargo is a growing business worldwide. There will be opportunities for growth in the next few years in the Asian market. The year 2001 was one of decline for air cargo, as indeed it was for air traffic in general. In addition to adjusting its capacity, Finnair Cargo laid the groundwork for an expansion in Asian traffic in 2002. Finnair Cargo forms an important link in the logistical chain for Nordic high technology companies.

Economic fluctuations usually show up first and most strongly in the air freight business. During a downturn industrial investments decrease and order books shrink, leading to a fall-off in demand for transport. During 2001, Finnair Cargo experienced a severe decrease in demand. The first signs of this decrease already began to appear at the beginning of the year. The situation worsened dramatically as a result of the events of September 11.

Price competition among the various forms of transport in Europe has driven the traditional air freight carriers to concentrate on the increasing traffic in intercontinental cargo. Finnair's strength in its traffic between North America and the Baltic region is its cargo aircraft capacity, which is highly suited to transporting large quantities of freight.

Finnair Cargo already reduced the freight capacity it hires from outside the Group in the summer of 2001. One of the two weekly Boeing B747 cargo plane flights between Finland, Sweden and the United States was discontinued. At the same time we changed our partner firm from Polar Air Cargo to Evergreen International Airlines. In addition, internal European cargo routes were combined.

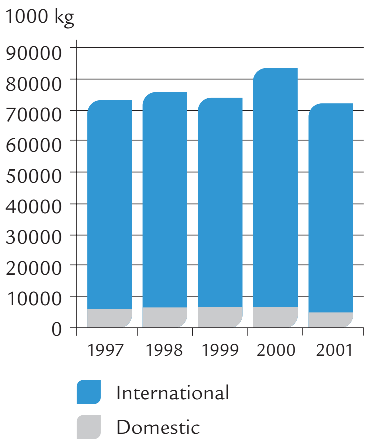
The emphasis of operations switched from Atlantic traffic to Asian. Transport supply will increase by a full 45 percent from 2001's level. This will make Finnair Cargo a leading operator in its own market area. During 2002, the Cargo division will strive to achieve a significant foothold in transport between the Baltic area and the Far East. The new route to Hongkong, scheduled to open in February 2002, as well as the increased frequency of flights to Beijing, will open up excellent prospects for onward flights to the industrial areas of mainland China.

Finnair Cargo is building up a gateway position in Bangkok from which it will conveniently be able to monitor the consignments in its South East Asian transport network. There are convenient onward flights from Finnair's Asian destinations via our partners' networks to other parts of Asia and Australia. We are negotiating with several partners with a view to expanding cooperation and opening new cargo routes.

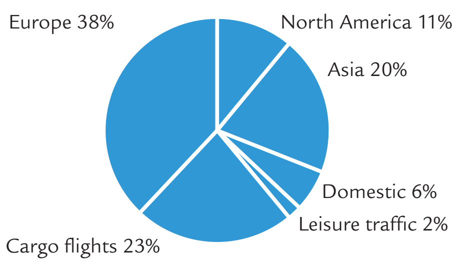
Finnair Cargo is developing electronic services in order to enable customers to make cargo reservations via the Internet and to follow the progress of consignments through the service chain.

WEB LINK GO TO WWW.FINNAIR.COM/2001 FOR GENERAL DESCRIPTION OF BUSINESS AREA

Cargo



Distribution of cargo kilos



A successful trip has to be reliable and punctual but also enjoyable and satisfying. Finnair's Aviation Services division is present at every stage of the flight, making sure it is a safe and pleasurable experience.

Aircraft technicians Erja Rautavuori and Timo Sievänen are finishing a seat pair for the renewed business class.

BRAND REINFORCERS

The Aviation Services division takes care to provide high quality, cost-effective services. With its extensive workforce, the division plays a significant role in reinforcing Finnair's customer service image. The biggest client for the division's services is the Finnair Group.

Finnair Ground Handling - FGH

FGH offers customer services and aircraft ground handling facilities in Finland. The unit takes care of the ground handling for 100,000 flight operations a year. The organizational structure has been streamlined and we have gone over to using multi-skilled personnel. In order to optimize staff resources we have instituted mobile management systems.

Operational goals relate to traffic punctuality and quality of customer service. We have adopted new technologies such as the e-ticket, the e-Gate and check-in machines which improve the effectiveness of FGH's operations. A new baggage consignment system improves security and makes for more reliable luggage delivery.

In 2002, FGH will concentrate on defining processes on the basis of customer needs, taking account of the expanded use of electronic "e-" services. The range of facilities will be extended to the lounges and to the foreign airlines' ticket and service desks.

Catering

This division includes Finnair Catering Oy and its subsidiary, Finncatering Oy, which provides meals mostly for leisure flights. Finnair Catering Oy plans and supplies meals, drinks and other items for passengers, in line with Finnair's service strategy and quality requirements.

During 2001, we supplied 5.8 million meals for international flights and more than 2 million snacks for domestic flights. Other operations are retail trading at the airports and on Finnair flights, and the whole sale of alcohol products.

In September, Finnair Catering Oy earned ISO 14001 environmental certification, the first airline caterer in the world to do so. A prestigious survey among airline customers voted the quality of our catering service as being among the elite in Europe.

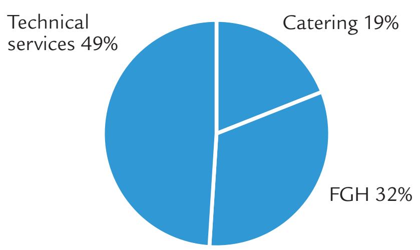
Technical Services

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

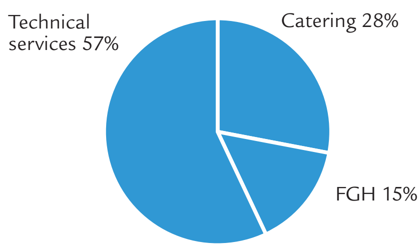
Finnair Technical unit's biggest strengths are its versatile know-how, punctuality, reliability and adaptability. The unit has earned excellent credits in these categories in customer satisfaction surveys.

WEB LINK GO TO WWW.FINNAIR.COM/2001 FOR GENERAL DESCRIPTION OF BUSINESS AREA

Aviation services personnel
4589 employees in total



Aviation services turnover
481.3 Mill. EUR in total



DISTRIBUTION CHANNELS ARE CHANGING

The Travel Services division provides travel planning and travel management related services. Its travel agencies support the Finnair Group's goal of strengthening its position in the travel market. Because companies cut back on their travel expenses, 2001 was a difficult year for the travel agency sector, with a dramatic fall off in demand for business travel.

There are two travel agency groups belonging to the Finnair Group; Suomen Matkatoimisto Oy (SMT) and Matkatoimisto Oy Area. SMT also includes the Baltic states' largest travel agency, the Estonian Estravel as well as a number of local travel agencies in Finland. Mikkelin Matkatoimisto Oy is Area's subsidiary. Finnair Group travel agencies operating in Finland account for more than 40 percent of the market share. In addition, the travel booking systems supplier Amadeus Finland Oy also belongs to the Travel Services division. In accordance with its strategy, Finnair has withdrawn from the Norvista travel agency chain, which has mainly operated outside Finland.

The role of the travel agencies is moving towards providing travel management services to companies. Various models for pricing the services provided by the travel agencies have been adopted in contracts with companies. Contracts between the travel agencies and corporate clients are either based on each transaction or on management fees for services.

As business and leisure travel requirements become more varied, customers have begun to make greater use of the expertise of travel agencies in tailoring travel packages. It is a common practice for travel agencies to charge service fees for these transactions.

The increasing technical possibilities and use of electronic air tickets, or e-tickets, has altered the service and operating processes of the travel agencies. Whilst travel agencies can achieve cost savings they can also offer their customers new electronic services. The e-ticket is already in use for almost 35 percent of domestic traffic. The proportion of e-tickets for international flights sold by travel agencies is still only a few percent but it is growing all the time.

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 increasing as customers get used to the benefits of the new technology.

The Travel Services division also includes the reservation systems supplier Amadeus Finland Oy, which accounts for about 95% 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 every link in the travel chain - the travel agencies, the service providers, companies and individual travellers. Information gained from bookings is used comprehensively to make the entire travel process and operations more efficient.

WEB LINK
GO TO WWW.FINNAIR.COM/2001 FOR GENERAL DESCRIPTION OF BUSINESS AREA

	Turnover EUR Mill.	**Personnel**
Area	21.3	428
SMT	52.7	725
Amadeus	11.1	43

EFFICIENCY FOR THE GROUP´S CORE OPERATIONS

In addition to Group administration, the Support Services division is responsible for data, financial and personnel management services as well as real estate services. The units of the division sell their services primarily to other divisions of the Finnair Group. This operating model frees up the other divisions to concentrate on their own core activities.

Finnair IT

The importance of e-business in the Group's competitiveness is constantly increasing. The operating model and organization of the Finnair IT unit were thoroughly overhauled during 2001. Operations were split into five areas: project services and consulting, specializing in project management and consulting work; systems services, which deals with IT systems development; infraservices, which handles the maintenance of equipment and the IT systems network; technological development, responsible for exploiting new technologies; and customer services and marketing, which looks after customer needs and the sale of services.

The Shared Services Center

This unit provides financial and personnel services for the Group's companies and business divisions.

Finnair Facilities Management Oy

The Finnair Group's property holdings and its property management and office services were hived off at the beginning of 2001 to become Finnair Facilities Management Oy. By bringing together the Finnair Group's property services under a new, independent company we were able to create a specialist company providing real estate services.

The company provides its clients with comprehensive property services from construction to property maintenance and office services. The company designs and builds premises for office use as well as production facilities for manufacturing needs.

The unit offers an office management service which includes separately tailored real estate services. We operate throughout Finland, although we are focusing on the rapidly expanding and developing area around Helsinki-Vantaa Airport. The unit 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.

WEB LINK GO TO WWW.FINNAIR.COM/2001 FOR GENERAL DESCRIPTION OF BUSINESS AREA

COST-CUTTING ACCORDS PREPARE US FOR TAKEOFF

The events of September put the skills and crisis handling capabilities of our staff to the test. The successful handling of the crisis was followed by a period of adjustment for both operations and finances. The healthy spirit of cooperation between the company and the labor organizations helped Finnair to avoid dismissals.

The organizational reforms at the beginning of 2001 also ushered in a period of reorganization and retraining for the staff. In addition to its professional tuition and training for its service and supervisory personnel, the company has put much effort particularly into financial training and the Finnair SkySchool program.

Because of the economic recession Finnair already began to seek cost cutting measures in the summer. The decline in passenger numbers resulting from the events of September forced us rapidly to introduce stronger measures than we had originally intended. The agreed objective was to save EUR 115 million, of which almost half was to come through personnel costs. This corresponds to staff layoffs of four weeks by the end of 2002.

The outcome of negotiations was an agreement covering all labor organizations, which will be realized during 2002. Savings methods vary between the personnel groups. We were able to agree on the necessary savings by suspending holiday bonuses, delaying pay rises and by imposing two- or four-week layoffs.

Personnel Information System

The Finnair Group has begun phasing in a new personnel information system. Based on the new personnel strategy, the system supports staff development and planning, and is a tool for training, recruitment and the upkeep of personnel information. The system helps us to ensure that our business operations have the right number and quality of staff resources available at all times. The first division to adopt the system was Finnair Cargo Oy, in December 2001.

Training

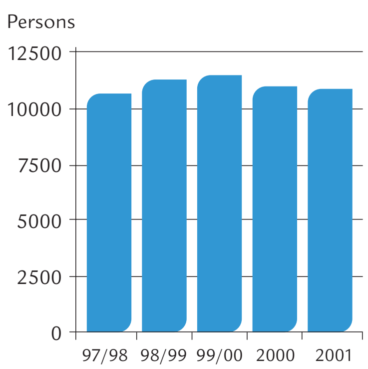
Finnair SkySchool is a management development program tailored to the needs of the Finnair Group. Its purpose is to cultivate a versatile team of managers and experts who can handle the corporate world, leadership and project work for the service of the Group. The first recruits to the program began training in spring 2001. In the coming years more than 100 highly trained Finnair personnel capable of management duties will be taking part in the program.

Financial training for the divisional management teams in accordance with the new organizational structure began in the spring of 2001. The training, which is designed to foster an understanding of the financial interdependence each division's own business activities, will continue through till the end of 2002.

Incentive Schemes

Finnair operates a profit bonus scheme managed by the personnel fund as well as a number of incentive schemes run by each division. Because of the poor financial performance the level of bonuses for the year 2001 remained modest.

Personnel on average, Finnair Group



YHDESSÄ

TOGETHER

INVESTING IN ECO-EFFICIENCY

Finnair is one of Europe's leading airlines in environmental matters. Our responsible attitude and transparent handling of environmental issues is an established aspect of the Group's business operations and its decision-making. As a member of the oneworld alliance Finnair puts common environmental objectives into practice throughout the world.

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.

In all its operations Finnair follows the existing environmental legislation and the principles of the international aviation organizations. Air traffic is more dependent than other forms of transport on an international operating environment and thus the regulations that control it have to be international. Finnair stresses the use of voluntary means for reducing aviation greenhouse gas emissions and supports the Kyoto agreement.

Helping the Environment in 2001

Finnair Catering obtained ISO 14001 certification in May 2001. This was for the economical use of natural resources and the sorting and recycling of waste, which Finnair takes care of in its catering operations. This was the world's first ISO 14001 certificate ever issued for aircraft catering.

The renewal of the fleet continued in 2001 with the introduction of four Airbus 320 type aircraft. During 2002, the Airbus fleet will grow by five to seventeen. These aircraft use the environmentally friendly engines supplied by CFM International, which produce lower nitric oxide emissions. This has a positive effect especially on the air quality in the neighborhood of Helsinki-Vantaa Airport during peak hours.

Five older aircraft, two DC-9s and three MD-80s, were dropped from the fleet in 2001. Our fleet renewal has a major effect on the ecological efficiency and noise levels of our operations. We can carry more passengers with less fuel consumption and fewer emissions. In the fall of 2001, however, passenger-specific ecological efficiency declined due to exceptionally low cabin factors. Noise nuisance has also been alleviated by changes to routes.

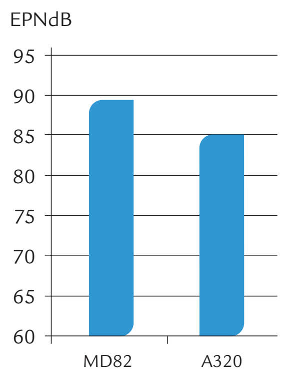
Finnair's technical division pays particular attention to the use of chemicals in aircraft maintenance. The use of environmentally hazardous substances such as solvents has been restricted and other methods are being studied in order to reduce them.

We pre-empt environmental pollution by choosing the best and most serviceable technology whenever we purchase new equipment, and by altering our working methods to a more environmentally friendly direction. Environmental awareness is integral to staff education.

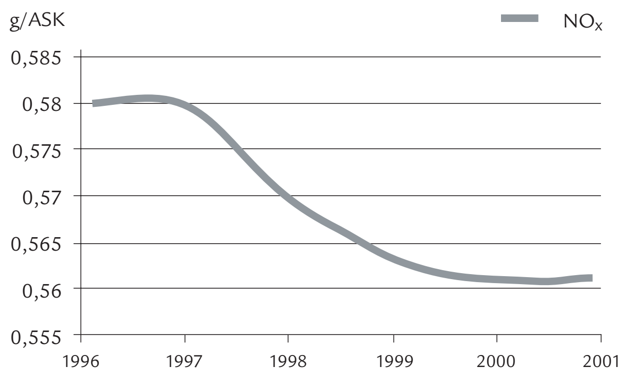
We engage in active and open dialogue on the environmental effects of our operations with various interested parties. Our environmental report forms the basis of our environmental publicity.

WEB LINK GO TO WWW.FINNAIR.COM/2001 FOR ENVIRONMENTAL INFORMATION 2001

Noise at take-off



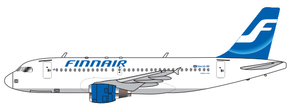
Nitric oxide emissions per available seat kilometre



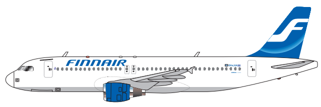
TRAFFIC INFORMATION AND FLEET

Finnair air transport

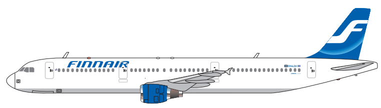
	2001	2000	1999	1998	1997
Flight hours	**180,863**	183,083	187,578	186,888	175,253
Flight kilometres (1000)	**107,766**	107,378	107,487	108,021	106,211
Available seat kilometres, mill.	**18,489**	18,219	18,433	18,232	16,908
Revenue passenger kilometres, mill.	**12,796**	12,700	12,916	13,096	11,922
Cabin factor %	**69.2**	69.7	70.1	71.8	70.5
Available tonne kilometres, mill.	**2,493**	2,509	2,455	2,463	2,196
Revenue tonne kilometres, mill.	**1,417**	1,464	1,439	1,474	1,314
Overall load factor %	**56.8**	58.3	58.6	59.8	59.8
Passengers (1000)	**7,537**	7,542	7,437	7,552	6,853
Cargo (1000 kg)	**72,030**	82,847	74,131	75,950	72,518



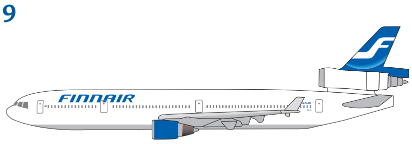
A319



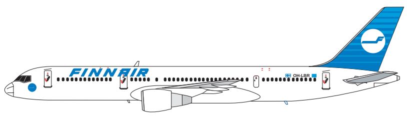
A320



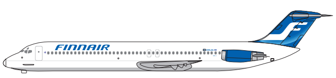
A321



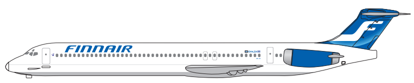
MD-11



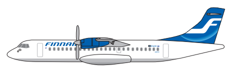
B757



DC-9



MD-82/83



ATR 72

Fleet operated by Finnair February 28, 2002

	Seat	Total	Owned	Leased	Average age
A319	126	4	4	0	1.9
A320	144	6	4	2	0.4
A321	181	4	4	0	2.4
MD-82/83	140-156	18	5	13	12.8
DC-9-51	122	8	8	0	23.3
ATR-72	68	9	9	0	11.1
MD-11	287	4	4	0	9.6
B757	227	5	0	5	3.9
Total		58	38	20	10.3

At the end of February 2002, Finnair has purchase agreements for three and lease contracts for nine Airbus 320 family aircraft as well as lease contracts for two Boeing B757 aircraft. Finnair will take delivery of the aircraft between 2002-2005.

FINANCIAL STATEMENTS
JANUARY 1 – DECEMBER 31, 2001

Contents

REPORT BY THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR JANUARY 1 – DECEMBER 31, 2001

General Review

A turn for the worse took place in Finnair's profitability during the spring of 2001 as a result of the weakening in the international economy. Despite stringent adjustment measures, which boosted efficiency after the terrorist attacks in the United States, the operational result for the financial year was a slight loss.

The most significant change in demand occurred in business class travel, where the trend was negative from March 2001 onwards. However, Finnair has been able to increase its market share in its main market areas.

The airline industry fell into one of its worst crises after the events of September 11. Between September 11 and December 31 international traffic by the European airlines fell by 17.6 percent compared with the year before. The financial result for the industry for the year 2001 was a record low and certain airlines already weakened by financial trends could no longer survive the difficulties of the fall.

Finnair maintained its position as a high quality northern European airline. The company was still one of the best of the European airlines in terms of operational quality and financial soundness.

The Group's financial management and administrative structure were overhauled on January 1, 2001. Operational activities now take place within business divisions and subsidiaries comprising six business areas. The primary goals of the current year are to consolidate the new structure and to improve cost efficiency. We shall continue to standardize the fleet. An important new area of endeavor is Asian traffic, in which capacity will be increased by almost a third.

Financial Result

The Group result for the financial year 2001 after financial items and excluding capital gains was –12.7 million euros (60.5 million euros in 2000). Turnover fell by 1.6 percent to 1,631.0 million euros. Pro forma figures for calendar year 2000 are used for comparison because the previous financial year was only 9 months long (Apr. 1 - Dec. 31 2000).

Operating costs rose by 2.5 percent. Contribution payments to the Finnair Pension Fund were 21.8 million euros higher, which contributed to the 6.6 percent increase in personnel costs. The proportion of personnel costs rose to 28.9 percent of the Group's entire operating costs, having been 27.8 percent in 2000.

The rise in fuel costs amounted to 4.6 percent, with oil prices turning downwards during the final quarter. Total leasing costs fell by 10.0 percent as a result of a reduction in codeshare agreements and cutbacks in freight capacity hired from outside the Group. Aircraft leasing costs rose by 28.9 percent as a result of the sale of MD-80 aircraft and leaseback agreements. The result for 2001 before depreciation, aircraft leasing payments and capital gains (EBITDAR) was 195.6 million euros (228.0 million).

Capital gains amounted to 21.5 million euros. Profit from the sale of four MD-80 aircraft came to a total of 16.2 million euros. During the previous year, the amount of capital gains was 59.6 million euros.

The return on capital employed was 2.9 percent and the return on equity was 1.2 percent. Earnings per share was 0.08 euros whereas the year before it was 0.95 euros. Equity per share at the end of the financial year was 7.29 euros, compared with 7.60 euros the year before.

The New Group Structure and Performance of the Divisions

The Finnair Group overhauled its structure on January 1, 2001, with the aim of improving pro-ductivity and cost effectiveness and creating genuine growth areas in order to ensure growth in the Group's earnings and increase its value. The process has continued with the search for new strategic alternatives and the identification of areas of endeavor.

The strategic process underlines the need to concentrate on the Group's core business activities, which are scheduled and leisure traffic. Growth and profitability prospects, competitive ability and strategic alternatives have been mapped out for every business unit.

The operational model for the new Group structure differs considerably from the previous one which was based on a three business division model, and because of this no comparative annual figures are available to describe the financial performance of the new divisions.

A significant amount of business takes place between the divisions. The figures given for turnover for the whole financial year for business divisions include the Group's internal sales of 631.6 million euros.

Scheduled Passenger Traffic

The division is responsible for scheduled passenger traffic sales, service concepts, flight operations and activities related to the purchasing and financing of aircraft. The division has continued to lease the necessary aircraft and crews to 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 came to 1,140.1 million euros. The operating loss for the financial year was 18.7 million euros. The loss was reduced by the profit of 16.2 million euros from the sale of aircraft. An additional write-off of 18.4 million euros was made for the aircraft to be disposed of to cover the fall in the market value of the fleet.

The earnings trend for Scheduled Passenger Traffic was especially weak in business class travel and North American traffic. Demand for business class declined in the company's main market area of Europe by 10.3 percent. The extra competition caused by overcapacity and the unhealthy pricing which followed it in certain market areas had the effect of reducing unit revenues for scheduled traffic during 2001 by 2.9 percent and during the last quarter by 4.0 percent.

Leisure Traffic

The division comprises leisure flight operations and the Aurinkomatkat package tour company, which is the largest in its field in Finland with a more than 35 percent share of the market.

Turnover for the Leisure Traffic division amounted to 334.6 million euros and the operating profit was 3.7 million euros. Leisure Traffic earnings per revenue passenger kilometre, i.e. unit earnings, increased by 5.3 percent.

The favorable trend in leisure traffic came to an end with the New York terrorist attack and demand for the rest of the year was significantly below that of a year before. The sharp fall in demand in fall 2001 led to a reorganization of leisure traffic and the destinations served.

Cargo

Finnair's Cargo services are based primarily on Finnair's scheduled traffic network and its leisure traffic, and they also make use of Helsinki's gateway position for the carriage of airfreight. Where necessary, capacity is also hired from freight operators outside the Group.

Turnover for the Cargo division amounted to 115.6 million euros and the operating loss came to 5.2 million euros. Lower volumes meant that cargo revenues fell by 10.3 percent. Finnair Cargo adjusted its capacity during 2001 by hiring about 37 percent less cargo capacity from outside the Group than the year before

Aviation Services

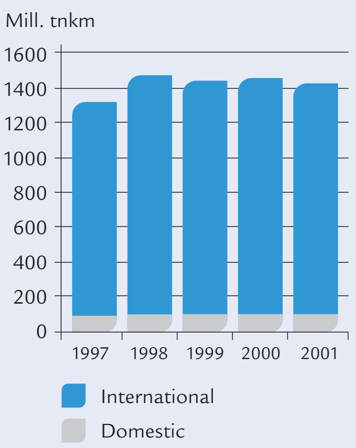
The division comprises aircraft maintenance and ground services as well as the Group's catering operations. Reduced volume from customers outside the Group has weakened the profitability of the division.

Turnover for the Aviation Services division amounted to 481.3 million euros, of which about 25 percent was generated outside the Group. The operating profit was 25.6 million euros.

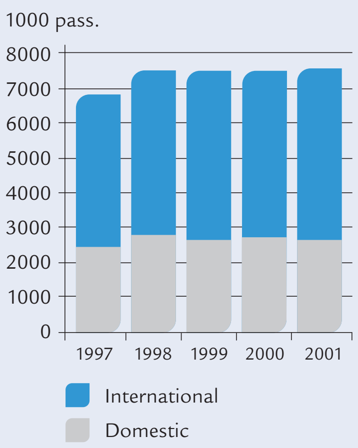
Travel Services

The division consists of the Group's domestic and foreign travel agency operations as well as the operations of the travel booking systems supplier Amadeus Finland Oy. The decline in demand, which steepened in September, led to the implementation of travel agency layoffs

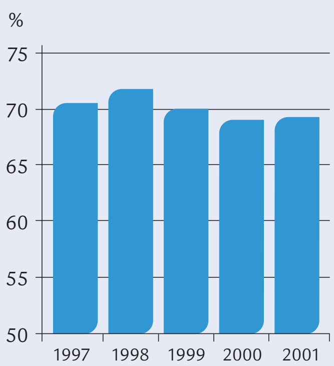
Revenue tonne kilometres



Number of passengers



Cabin factor



of about three weeks in the last quarter of the financial year.
Turnover for the travel agency business amounted to 93.7 million euros, of which about two thirds came from outside the Group. Operating profit was 3.8 million euros.

Support Services

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

Turnover for the Support Services division was 97.3 million euros, which primarily consisted of sales to other divisions of the Group. Operating profit amounted to 4.1 million euros.

Volume Trends and the Market for Flight Operations

Even before the events of September in the United States the weakened state of the global economy had led to general overcapacity within the industry. Capacity utilization among Association of European Airlines (AEA) members fell by 2.1 percentage points in 2001. The trend was particularly weak during the final months of the year, with demand falling by an average of more than 15 percent. The most dramatic fall was in North American traffic, which slumped in volume by more than 30 percent.

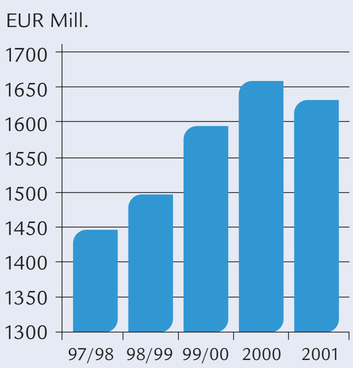
During 2001 Finnair strengthened its position in its primary scheduled traffic markets and customer segments. As a result of the strategic reorganization of long haul traffic the number of passengers using scheduled Asian traffic as well as the passenger utilization rate increased significantly during 2001. The weakest trend was in business class travel as well as North American and domestic traffic.

The number of revenue passenger kilometres for scheduled traffic during the financial year rose by 2.6 percent but fell by 2.0 percent for leisure traffic. The number of revenue passenger kilometres for all traffic rose by 0.8 percent and available passenger kilometres by 1.5 percent. The passenger utilization rate fell from 69.7 percent to 69.2 percent.

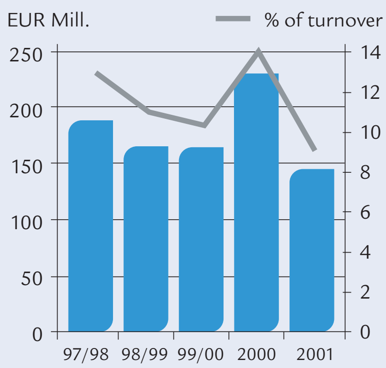
The total number of passengers during 2001 fell by 0.1 percent. The number of scheduled traffic passengers fell by 0.1 percent, whereas leisure traffic passengers increased by 0.2 percent. The number of passengers using business class in international scheduled traffic dropped by 10.0 percent but there was a rise in tourist class of 7.3 percent. The share of business class in international scheduled traffic has fallen by 3.2 percentage points to 22.0 percent.

The amount of cargo kilos carried fell by 13.1 percent. The amount of revenue tonne kilometres for all traffic fell by 3.2 percent, whereas available tonne kilometres fell by 0.6 percent, which led to a reduction in the overall utilization rate of 1.5 percentage points to 56.8 percent. Punctuality for scheduled traffic during year 2001 was 87.9 percent (87.4 percent). Finnair has maintained its position as one of Europe's most punctual airlines.

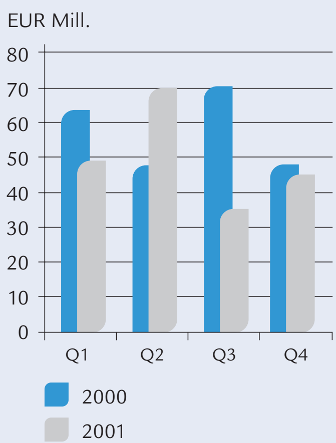
Turnover



EBITDA



EBITDAR, excl. capital gains



Investment and Financing

Capital investments during 2001 excluding advance payments amounted to a total of 281.1 million euros. During the corresponding period the previous year they reached 246.7 million euros. Investments in aircraft came to 246.1 million euros. This included spending on four Airbus A320 type airplanes as well as purchases of spare equipment and modifications.

Operational cash flow excluding profits from divestments and extraordinary items came to 118.1 million euros, whereas the figure for the year before was 170.8 million euros. At the end of the financial year the net debt for the Group amounted to 212 million euros. Because of the capital investments the net debt has increased since the end of the previous financial year by 138 million euros. The gearing ratio at the end of December was 34.3 percent and the solvency ratio was 41.7 percent, having been 42.6 percent at the end of the previous financial year.

At the end of the financial year the Group had liquid cash reserves of 215 million euros, in addition to which there was a total of 200 million euros in unused committed loan facilities. In addition, Finnair owns, among other things, all four of the wide bodied MD-11 aircraft at its disposal as well as four Airbus A320 airplanes, to which no financial obligations are attached.

Shares and Share Capital

During 2001 the average rate for the Finnair Oyj share on the Helsinki Stock Exchange was 4.40 euros (4.27), the highest rate was 5.20 euros (4.99) and the lowest was 3.48 euros (3.65). The market value of the company's shares on Dec. 31 2001 was 317.8 million euros. At the beginning of the financial year the market value was 378.8 million euros. During 2001 10.9 million (8.1 million) of the company's shares were exchanged on the Helsinki Stock Exchange. At the end of the period under review the Government of Finland owned 58.4 percent of the company's shares whilst 18.6 percent were held by foreign investors or in the name of a nominee.

If all the convertible debentures and option certificates in circulation on Dec. 31, 2001 were converted into Finnair Oyj shares, the Finnish government's holding would amount to 55.2 percent. On the basis of the unconverted debentures and option certificates in circulation on December 31 2001, the company's share capital could rise by not more than 4,185,723.85 euros, corresponding to 4,924,381 shares.

Personnel

During the financial year the average number of staff employed by the Finnair Group was 10,847, which was 204 fewer than during the previous year.

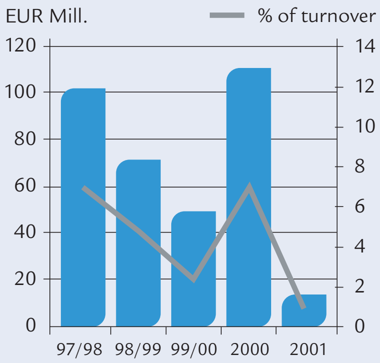
Personnel productivity for flight operations as defined by available tonne kilometres per member of staff remained unchanged.

The company has labor contracts with all the labor unions representing its employees, which are valid until the beginning of 2003, apart from the pilots' union. A contract was signed during the summer with this union, which will run until January 2005 and which aims to increase productivity even further.

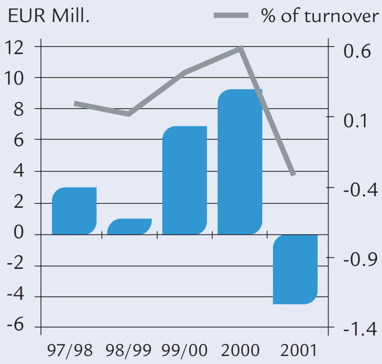
Management

All members of the Supervisory Board who were due to step down, as well as the previous auditors, were re-elected.

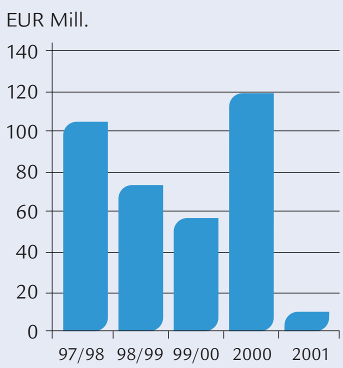
Operating profit, EBIT



Financial income and expenses



Profit before extraordinary items and taxes



The following members of the Board of Directors were re-elected by the Finnair Supervisory Board for the calendar year 2002: Harri Holkeri, Robert G. Ehrnrooth, Samuli Haapasalo, Ari Heiniö, Seppo Härkönen and Helena Terho. Harri Holkeri was re-elected as Chairman of the Board of Directors.

Services and Products

Finnair renewed its long haul traffic strategy on the basis of Helsinki's geographical position. It was decided to strengthen operations in Asia by increasing the number of weekly flights to the existing destinations of Beijing and Bangkok and by opening a new route to Hong Kong.

In February 2002, capacity in Asian traffic increased by a third. After negotiations with officials in Thailand and China, Finnair has the rights to run services between Hong Kong and Bangkok. The company also has plans to benefit from the growing demand for traffic between Asia and Europe in the future.

All Finnair's long distance flights are flown by MD-11 aircraft. The interior decor of these aircraft has been renewed and at the same time the business class sections were expanded to 42 seats. The interiors and external appearance of the planes were altered for a more uniform and fresher look.

Finnair improved the cabin services on its long haul routes in both business and tourist class sections. Business class has been expanded in particular to meet the growing demand in the Far East market. In tourist class, passengers are now offered a more comprehensive range of services.

In response to the decline in demand following the events of September and the changes taking place in the industry, Finnair reduced and rearranged its route network. Demand in American traffic collapsed, as a result of which Finnair reduced its Helsinki-New York service by two flights a week and transferred the freed up capacity to its Bangkok and Canary Islands routes. Capacity was cut by almost eight percent on European routes.

As part of its Far East strategy Finnair added the new destination of Stockholm-Skavsta to its network, which serves demand south of Stockholm, offering good connections for Finnair's Asian destinations. The route is flown by aircraft supplied by our partner Golden Air.

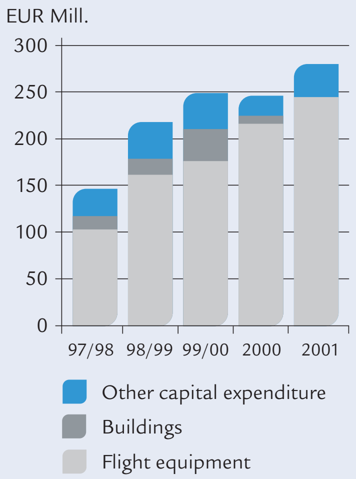
In fall 2001 the Estonian aviation authority granted a license to operate air traffic to Finnair's associate company Aero Airlines AS. Operations will begin by the spring of 2002 using one ATR72 airplane.

Because of the financial situation it was decided that some of the development projects in the electronic business sector, which will require major investment, should be postponed. However, Finnair is involved with other European airlines in setting up Opodo, an electronic travel agency. In addition Finnair has extended the use of electronic airline tickets to new international routes and brought an Internet based travel management service to the market.

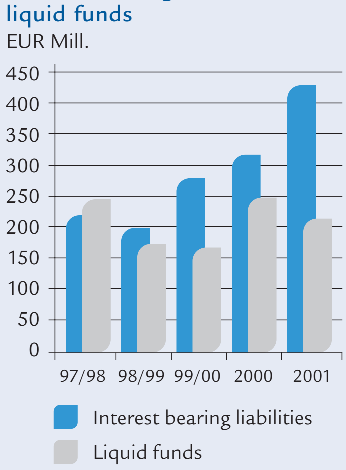
Cooperation With Other Airlines

Finnair's membership of the **one**world alliance is still active. However, the events of September 11 did affect cooperation between the companies involved. Joint long term service and marketing projects have been post-

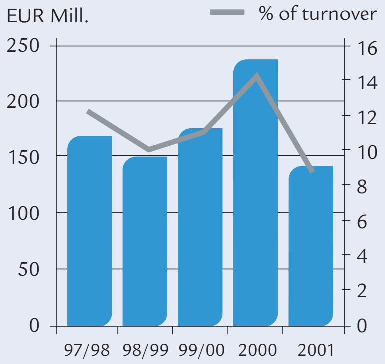
Capital expenditure (gross)



Interest bearing liabilities and liquid funds



Operational cash flow



poned because of cost-cutting measures being carried out by the member companies. On the other hand, joint purchases which lead to immediate savings have been given greater priority and incorporated in the member companies' savings programs.

American Airlines and British Airways are planning closer cooperation. However, the United States competition authorities have taken a negative stance on these companies' plans. These two airlines, which are essential to **one**world cooperation, have announced that they will continue to develop their cooperation within the framework of the present restrictions. Other **one**world companies too have committed themselves to continuing and deepening their mutual cooperation in order to consolidate the alliance.

American Airlines, the **one**world company which suffered in the September attacks, cut back its route network, thereby reducing the number of Finnair and American Airlines joint codeshare flights. In internal European traffic, cooperation has changed as various airlines have been forced to cut back on flights or have had to cease operations. Air France, which used to fly between Paris and Helsinki, terminated these operations in October. Finnair and Air France agreed on codeshare cooperation according to which Finnair flies to Paris four times a day and Air France buys a quota of seats from Finnair's capacity. In September Finnair also began cooperating with the Ukrainian firm Ukraine International Airlines between Helsinki and Kiev.

Cooperation with Swissair and Sabena was cut off when these companies ceased flying because of the financial difficulties. Finnair is negotiating with new cooperation partners in order to supplement its central European capacity.

Environmental Matters

Finnair Catering was awarded ISO 14001 certification in May 2001. The certification was for the economical use of natural resources, waste sorting and recycling associated with Finnair's catering operations. In fact this was the world's first ISO 14001 certificate to be awarded to a flight catering concern.

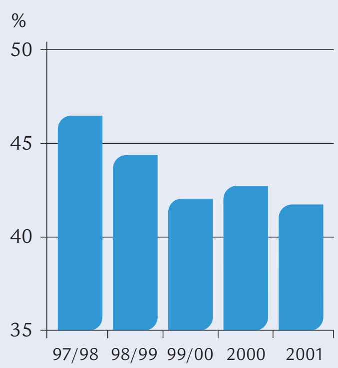
Renewal of the fleet continued during 2001 with the introduction of four Airbus 320 type aircraft into service. During 2002, the Airbus fleet will increase by five to seventeen. These airplanes employ environmentally friendly, low nitric oxide emitting engines which will have a positive effect particularly on the air quality in the immediate vicinity of Helsinki-Vantaa airport during peak hours.

The Fleet Strategy

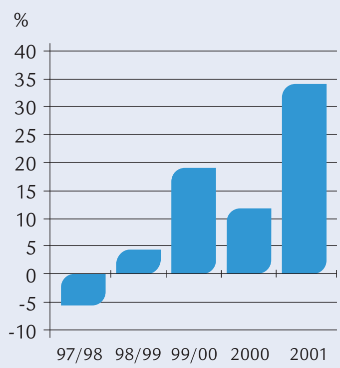
At the beginning of 2002, the company agreed on changes to the contracts concerning the order of Airbus A320 aircraft and at the same time made six new long term leasing contracts for planes to be delivered over the next few years. By the end of next year, as a result of these measures the Finnair fleet will contain 22 Airbus A320 type aircraft, of which 12 aircraft owned by Finnair and the rest leased. The primary purpose of the fleet renewal is to further reduce the number of aircraft types in service, whilst improving cost efficiency and service quality.

We agreed with the Airbus corporation on the cancellation of one Airbus A320 type aircraft and the post-

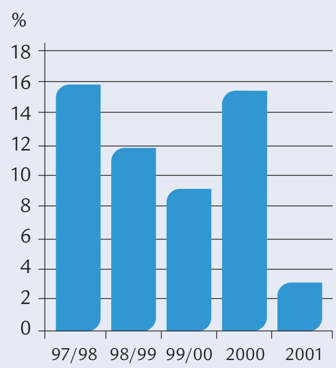
Equity ratio



Net debt-to-equity (Gearing)



Return on capital employed



ponement of the delivery of three airplanes. The four aircraft in question were originally planned for delivery between August 2002 and February 2003. Under the new contract the planes will be delivered to Finnair between January 2004 and October 2005. In consequence of the change the level of capital investment for the years 2002 and 2003 is estimated to be less than 80 million euros a year, which will be well below the record levels of previous years.

These financing measures conform to Finnair's strategy by which we shall continue to procure Airbus A320 type planes also through long term leasing contracts. In addition to new financial sources these leasing solutions will give the company significantly greater flexibility in reducing its financial requirements over the next few years. Over the long term, the leased aircraft will also allow us more flexibility in the management of capacity.

As part of its scheduled passenger and feeder traffic strategy, Finnair is also currently evaluating the suitability of adding smaller jet aircraft of about 70 to 100 seats to its fleet. These planes could replace some of the aging DC-9s and MD-80s in the fleet, as well as the 68 seater ATR72 turboprop airplanes at a later stage.

Finnair operates its scheduled long haul traffic with MD-11 aircraft and most of its leisure traffic with Boeing B757s.

Short Term Prospects

Judging by the number of advance bookings it is estimated that passenger numbers in the first half of the 2002 financial year will still be clearly below the previous year's level, at the same time as the level of unit revenues continues to be weak. Increased insurance and safety costs will also affect the profitability trend.

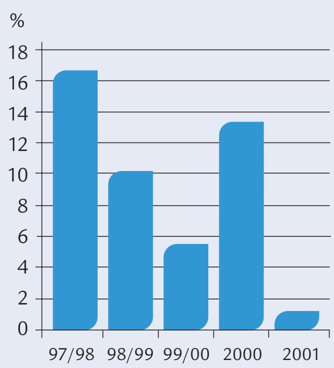
Corporate and consumer confidence in the economy has already improved somewhat, and demand is expected to turn upwards in the last quarter of the financial year. At this stage the target for the full year operational result is an improvement over 2001.

During the difficult fall of 2001 Finnair set in motion a cost cutting program aimed at reducing the negative effects on cash flow and earnings caused by the enormous drop in demand. The company's goal is to make an annual saving in operating costs of about 115 million euros. Of this sum, almost half will be made in the form of personnel cost cutting.

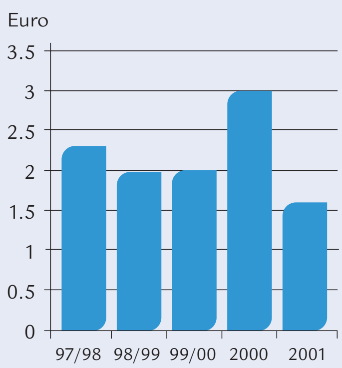
Owing to weaker demand, the price of oil has fallen considerably in recent months. During the current year, fuel costs are expected to be around 160 million euros.

Scheduled passenger traffic capacity in terms of passenger kilometres will be reduced during 2002 by close to 2 percent compared with the previous year. In accordance with our new long haul traffic strategy, capacity in our Asian scheduled traffic will be expanded at the beginning of 2002, with growth for the whole year amounting to more than 30 percent. The biggest cuts will affect European, North Atlantic and domestic traffic. Capacity in European traffic will be reduced by almost 10 percent. Leisure traffic will be reduced by about 9 percent.

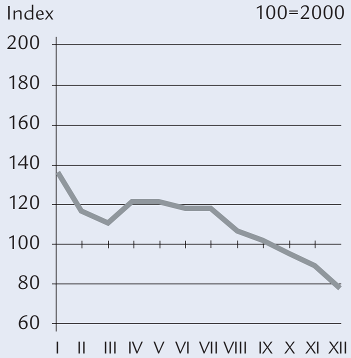
Return on equity



Cash flow/share



Development index of fuel price 2001



FINANCIAL STATEMENT PRINCIPLES

The financial statements of Finnair Oyj and Finnair Group have been prepared in accordance with the new Finnish Accounting regulations, which came into force on December 31, 1997. In all essential respects these enable the use of International Accounting Standard (IAS) principles. The official financial statements have been prepared in Finnish markka amounts.

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% of the votes either directly or indirectly.

Subsidiaries acquired during the financial period have been consolidated from the date of their acquisition. Companies in which controlling interest has been given up during the financial year are included in the consolidated financial statements up to the time of relinquishing control.

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 affiliate shares and the equity of the affiliate at acquisition arising in conjunction with elimination was allocated primarily to those asset items which caused the elimination difference and was removed 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 markkas took place at the official rate of exchange and euros at a fixed conversion 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 from 20-50% 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 Exchange

Receivables, debts and liabilities were translated into markkas at the official middle rate and euros at a fixed conversion rate on the day the books were closed. Parent company´s advance payments made and received were entered in the 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 expense. 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.

The Fuel Price Risk Hedging

The results of using the various hedging instruments were entered on an accrual basis together with the fuel costs.

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 bases 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%
- 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 EUR 170,000

• 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 rent 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.

Appropriations

The difference between total and planned depreciation is shown in the balance sheets as appropriations and the change during the financial year in the income statement. In the consolidated balance sheet the appropriations is divided into unrestricted equity and deferred tax liability and in the consolidated income statement into result and deferred tax liability.

Taxes and the Change in 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 retirement age of the CEO and managing directors of the affiliates vary between 60-65, based on agreements.

Comparability of the Financial Years

The fact that the length of the previous financial year was nine months reflects on comparability. In addition, Norvista, the group's foreign travel agency chain has been for the most part sold or has ceased operations. This does not, however, have a substantial effect when comparing group results.

CONSOLIDATED INCOME STATEMENT

	EUR Mill. January 1, 2001– December 31, 2001	EUR Mill. April 1, 2000– December 31, 2000	Notes
Turnover	1,631.0	1,259.3	1
Work used for own purposes and capitalized	2.4	2.0	
Other operating income	46.7	71.9	2
Share of profits less losses of participating interests	0.2	0.5	
OPERATING INCOME	1,680.3	1,333.7	
OPERATING EXPENSES			
Materials and services	540.9	401.5	3
Staff costs	482.5	339.7	4
Depreciation	132.1	83.0	5
Other operating expenses	511.5	387.5	6
	-1,667.0	-1,211.6	
OPERATING PROFIT	13.3	122.0	
FINANCIAL INCOME AND EXPENSES	-4.5	3.1	7
PROFIT BEFORE TAXES	8.9	125.1	
DIRECT TAXES			10
Income taxes from operations	-2.8	-27.8	
Change in deferred tax liability	1.4	-8.3	
	-1.4	-36.1	
MINORITY SHARE	-0.3	-0.3	
PROFIT FOR THE FINANCIAL YEAR	7.1	88.7	

CONSOLIDATED BALANCE SHEET

	EUR Mill. December 31, 2001		EUR Mill. December 31, 2000		Notes
ASSETS					
FIXED ASSETS					11
Intangible assets	23.2		23.8		
Tangible assets	1,053.8		970.5		
Financial assets					
Share in participating interests	2.1		1.9		
Other investments	14.7	1,093.8	12.7	1,008.8	
CURRENT ASSETS					
Inventories	55.3		56.1		12
Long-term receivables	12.3		0.1		13
Short-term receivables	132.1		228.7		14
Investments	194.2		225.7		15
Cash and bank equivalents	20.5	414.3	19.2	529.8	16
		1,508.1		1,538.6	
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	379.3		324.5		
Profit for the financial year	7.1	611.8	88.7	638.5	
Capital loan		5.7		5.7	21
Total equity		617.5		644.3	
MINORITY INTERESTS		0.8		0.6	
LIABILITIES					
Deferred tax liability	100.2		110.3		19
Long-term liabilities	296.3		246.2		20,23
Short-term liabilities	493.3	889.8	537.2	893.7	22
		1,508.1		1,538.6	

CONSOLIDATED CASH FLOW STATEMENT

	EUR Mill. January 1, 2001– December 31, 2001	EUR Mill. April 1, 2000– December 31, 2000
Business operations		
Operating profit	13	122
Depreciation	132	83
Change in working capital (net)		
Inventories, increase(-), decrease (+)	1	-3
Short-term receivables, increase(-), decrease(+)	97	21
Non interest bearing short-term liabilities, increase(+), decrease(-)	-105	31
Financial income and expenses (net)	-4	3
Taxes	-1	-31
Cash flow from operations	132	226
Investments		
Investments in flight equipment	-246	-161
Investments in buildings	0	-4
Other investments	-35	-20
Change in advance payments	20	-25
Capital expenditure, total	-261	-209
Sales of fixed assets	45	45
Cash flow from investments	-217	-164
Financing		
Increase of long-term debts	40	96
Long-term receivables, increase(-), decrease(+)	-12	-5
Short-term debts, increase(+), decrease(-)	61	-55
Dividends	-34	-21
Cash flow from financing	55	15
Change in liquid funds		
Increase (+), decrease (-) in statement	-30	76
Liquid funds in the beginning	245	169
Liquid funds, decrease (-), increase(+) in balance sheet	-30	76
Liquid funds in the end	215	245

FINNAIR OYJ - INCOME STATEMENT

	EUR Mill. January 1, 2001– December 31, 2001	EUR Mill. April 1, 2000– December 31, 2000	Notes
Turnover	1,389.9	1,147.9	1
Work used for own purposes and capitalized	2.4	2.0	
Other operating income	44.8	70.6	2
OPERATING INCOME	1,437.1	1,220.4	
OPERATING EXPENSES			
Materials and services	475.4	349.9	3
Staff costs	390.2	299.8	4
Depreciation	121.7	80.2	5
Other operating expenses	461.5	376.4	6
	-1,448.9	-1,106.4	
OPERATING PROFIT/LOSS	-11.8	114.0	
FINANCIAL INCOME AND EXPENSES	-1.0	17.4	7
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS	-12.8	131.4	
Extraordinary items	8.1	0.0	
Income taxes from extraordinary items	-2.3	0.0	
	5.7	0.0	8
PROFIT/LOSS AFTER EXTRAORDINARY ITEMS	-7.0	131.4	
Appropriations	16.5	22.0	9
Direct taxes	-0.9	-45.0	10
PROFIT FOR THE FINANCIAL YEAR	8.5	108.5	

FINNAIR OYJ - BALANCE SHEET

	EUR Mill. December 31, 2001		EUR Mill. December 31, 2000		Notes
ASSETS					
FIXED ASSETS					11
Intangible assets	12.8		18.0		
Tangible assets	939.0		956.6		
Financial assets					
Share in group undertakings	73.6		7.6		
Other investments	12.6	1,038.1	12.9	995.2	
CURRENT ASSETS					
Inventories	43.3		55.8		12
Long-term receivables	60.9		0.0		13
Short-term receivables	147.7		201.1		14
Investments	194.2		225.7		15
Cash and bank equivalents	15.9	461.9	16.1	498.7	16
		1,500.1		1,493.9	
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	251.2		176.6		
Profit for the financial year	8.5	485.1	108.5	510.5	
Capital loan		5.7		5.7	21
Total equity		490.8		516.2	
ACCUMULATED APPROPRIATIONS		150.9		177.6	18
LIABILITIES					
Deferred tax liability	71.1		59.0		19
Long-term liabilities	294.8		245.5		20,23
Short-term liabilities	492.5	858.3	495.5	800.1	22
		1,500.1		1,493.9	

FINNAIR OYJ - CASH FLOW STATEMENT

	EUR Mill. January 1, 2001– December 31, 2001	EUR Mill. April 1, 2000– December 31, 2000
Business operations		
Operating profit	-12	114
Depreciation	122	80
Change in working capital (net)		
Inventories, increase(-), decrease (+)	3	-3
Short-term receivables, increase(-), decrease(+)	27	0
Non interest bearing short-term liabilities, increase(+), decrease(-)	-85	49
Financial income and expenses (net)	-1	17
Extraordinary items	6	-
Taxes	-1	-40
Cash flow from operations	58	217
Investments		
Investments in flight equipment	-244	-160
Investments in buildings	0	-4
Other investments	-29	-18
Change in advance payments	20	-25
Capital expenditure, total	-254	-206
Sales of fixed assets	44	46
Cash flow from investments	-210	-161
Financing		
Increase of long-term debts	60	103
Long-term receivables, increase(-), decrease(+)	0	-5
Short-term debts, increase(+), decrease(-)	94	-56
Dividends	-34	-21
Cash flow from financing	120	20
Change in liquid funds		
Increase (+), decrease (-) in statement	-32	77
Liquid funds in the beginning	242	165
Liquid funds, decrease (-), increase(+) in balance sheet	-32	77
Liquid funds in the end	210	242

NOTES TO FINANCIAL STATEMENTS

	Group		Parent Company	
	January-Dec. 2001	April-Dec. 2000	**January-Dec. 2001**	April-Dec. 2000
	EUR Mill.		EUR Mill.	
1. Turnover and operating profit by division				
Turnover by division				
Scheduled Passenger Traffic	1,037.0	-	1,037.0	-
Leisure Traffic	411.4	-	234.4	-
Cargo	115.6	-	30.3	-
Aviation Services	221.4	-	78.2	-
Travel Services	93.7	-	-	-
Support Services	63.0	-	10.0	-
- Less internal adjustments	-311.2	-	-	-
Total	**1,631.0**	1,259.3	**1,389.9**	1,147.9
Distribution of turnover by market areas, as % of turnover				
Finland	50%	51%	47%	47%
Europe	38%	38%	41%	41%
Other countries	12%	11%	12%	12%
Total	**100%**	100%	**100%**	100%
Operating profit by division				
Scheduled Passenger Traffic	-18.7	-	-18.7	-
Leisure Traffic	3.8	-	2.8	-
Cargo	-5.2	-	0.5	-
Aviation Services	25.6	-	14.1	-
Travel Services	3.8	-	-	-
Support Services	4.1	-	-10.4	-
Total	**13.3**	122.0	**-11.8**	114.0
2. Other revenue from business operations				
Capital gain on flight equipment	18.0	44.0	16.2	42.7
Capital gain on shares	3.0	15.5	3.1	15.9
Other items	25.7	12.3	25.4	12.0
Total	**46.7**	71.9	**44.8**	70.6
3. Materials and services				
Materials and supplies for aircraft maintenance and overhaul	44.9	28.0	44.9	28.0
Ground handling and catering charges	120.8	94.1	133.2	99.0
Fuel purchases for flight operations	193.0	139.7	192.9	139.6
Expenses for tour operations	73.8	54.5	-	-
Aircraft maintenance and overhaul	41.4	35.3	41.4	35.3
Expenses for data administration	38.1	23.8	36.8	23.0
Other items	29.0	26.1	26.2	25.1
Materials and services total	**540.9**	401.5	**475.4**	349.9
4. Staff costs				
Wages and salaries	365.0	264.6	292.3	232.4
Pension costs	77.6	47.1	65.5	42.8
Other indirect employee costs	39.9	27.9	32.4	24.7
Total	**482.5**	339.7	**390.2**	299.8
Salaries of Board of Directors and Managing Directors				
Administration and managing directors	1.1	0.8	0.5	0.4
Personnel on average				
Scheduled Passenger Traffic	3,569	3,599	3,569	3,599
Leisure Traffic	336	404	36	37
Cargo	422	410	-	410
Aviation Services	4,589	4,609	3,691	4,445
Travel Services	1,422	1,484	-	-
Support Services	509	513	405	483
Total	**10,847**	11,019	**7,701**	8,974
5. Depreciation				
Planned depreciation in the income statement				
On other long-term expenditure	7.6	4.7	5.3	3.9
On buildings	3.9	4.3	-	4.3
On flight equipment	99.9	59.5	99.9	59.5
On other equipment	20.7	14.5	16.5	12.5
Total	**132.1**	83.0	**121.7**	80.2
6. Other operating expenses				
Lease payments for aircraft	71.7	42.2	71.7	42.2
Rents for cargo capacity	20.0	27.1	5.4	27.1
Short-term leases and codeshare expenses	10.5	26.3	10.5	26.3
Office and other rents	47.3	33.5	50.0	27.9
Traffic charges	122.1	88.5	122.1	88.5
Sales and marketing expenses	110.3	82.6	104.5	89.1
Other items	129.6	87.3	97.3	75.3
Total	**511.5**	387.5	**461.5**	376.4

	Group January-Dec. 2001 EUR Mill.	Group April-Dec. 2000 EUR Mill.	Parent Company January-Dec. 2001 EUR Mill.	Parent Company April-Dec. 2000 EUR Mill.
7. Financial income and expenses				
Dividends				
Dividends from group undertakings	-	-	2.8	15.3
Dividends from participating interests	0.4	0.4	0.4	0.4
From others	0.1	0.1	0.0	0.0
Dividends total	**0.5**	0.5	**3.3**	15.7
Interest income from long-term investments				
From group undertakings	-	-	0.0	0.0
From others	0.8	1.0	0.8	1.0
Total	**0.8**	1.0	**0.8**	1.0
Income from long-term investments total	**1.3**	1.4	**4.1**	16.8
Other interest and financial income				
Interest income from group undertakings	-	-	3.7	0.3
Interest income from others	10.3	7.8	9.4	7.4
Financial income from others	3.2	6.6	3.0	6.6
Total	**13.4**	14.4	**16.1**	14.3
Interest income from long-term investments and other interest and financial income, total	**14.8**	15.9	**20.2**	31.0
Value adjustments of investments				
Value adjustments of marketable securities	0.6	0.4	0.6	0.4
Total	**0.6**	0.4	**0.6**	0.4
Interest and other financial expenses				
Interest expense to group undertakings	-	-	-2.2	-1.0
Interest expense to others	-15.5	-10.2	-15.5	-10.2
Other financial expenses to others	-4.3	-2.9	-4.1	-2.8
Total	**-19.8**	-13.2	**-21.8**	-14.0
Financial income and expense total	**-4.5**	3.1	**-1.0**	17.4
Exchange rate gains included in the item interest and financial income	**3.0**	6.6	**3.0**	6.6
Exchange rate losses included in the item interest and financial expenses	**-1.3**	-2.1	**-2.1**	-2.1
8. Extraordinary items				
Received group contribution	-	-	8.1	-
Income taxes on extraordinary items	-	-	-2.3	-
Total	**-**	-	**5.7**	0.0
9. Appropriations				
Difference between planned depreciation and depreciation in taxation				
Buildings	-	-	0.0	0.3
Equipment	-	-	16.4	21.7
Increase(-)/decrease(+) in untaxed reserves	-	-	-	-
Total	**-**	-	**16.5**	22.0
10. Direct taxes				
Income taxes on regular business operations	2.8	27.8	-2.4	30.0
Change in deferred tax liabilities	-1.4	8.3	3.4	15.0
Total	**1.4**	36.1	**0.9**	45.0
11. Fixed assets				
Intangible rights				
Acquisition cost in the beginning	1.8	1.7	1.7	1.6
Increases	0.0	0.1	-1.7	0.1
Book value in the end	**1.7**	1.8	**0.0**	1.7
Other long-term expenditure				
Acquisition cost in the beginning	51.8	47.2	39.6	35.9
Increases	9.0	5.6	6.2	3.7
Decreases	-2.2	-1.0	-11.5	0.0
Acquisition cost in the end	**58.6**	51.8	**34.3**	39.6
Accumulated planned depreciation from decreases	0.2	0.5	7.2	0.0
Accumulated planned depreciation in the end	-37.4	-30.3	-28.6	-23.3
Book value in the end	**21.4**	22.0	**12.8**	16.3
Land				
Acquisition in the beginning	0.8	0.8	0.7	0.7
Increases	0.0	-	-	-
Decreases	0.0	-	-0.7	-
Book value in the end	**0.8**	0.8	**0.0**	0.7

	Group January-Dec. 2001 EUR Mill.	Group April-Dec. 2000 EUR Mill.	Parent Company January-Dec. 2001 EUR Mill.	Parent Company April-Dec. 2000 EUR Mill.
Buildings				
Acquisition in the beginning	180.9	177.1	179.5	175.7
Increases	1.0	3.8	0.0	3.8
Decreases	-2.9	0.0	-179.5	0.0
Acquisition in the end	179.0	180.9	0.0	179.5
Accumulated planned depreciation from decreases	-	-	80.7	-
Accumulated planned depreciation in the end	-85.1	-81.2	-80.7	-80.7
Book value in the end	**93.8**	99.7	**0.0**	98.9
Accumulated difference between total and planned depreciation	-	-	10.3	10.6
Change in depreciation difference	-	-	-10.3	-0.3
Accumulated difference between total and planned depreciation in the end	-	-	0.0	10.3
Flight equipment				
Acquisition in the beginning	1,251.8	1,205.2	1,247.5	1,202.3
Increases	246.1	161.4	244.4	160.1
Decreases	-76.1	-114.9	-76.1	-114.9
Acquisition in the end	1,421.8	1,251.8	1,415.7	1,247.5
Accumulated planned depreciation from decreases	-39.1	-71.0	-39.1	-71.0
Accumulated planned depreciation in the end	-647.3	-618.4	-647.3	-618.4
Book value in the end	**813.6**	704.4	**807.5**	700.1
Accumulated difference between total and planned depreciation			167.2	188.9
Change in depreciation difference			-16.4	-21.7
Accumulated difference between total and planned depreciation in the end	-	-	150.8	167.2
Other equipment				
Acquisition in the beginning	271.2	260.9	240.5	230.1
Increases	24.9	13.4	20.7	11.4
Decreases	-5.7	-3.1	-10.0	-1.0
Acquisition in the end	290.4	271.2	251.2	240.5
Accumulated planned depreciation from decreases	1.2	0.9	-	-
Accumulated planned depreciation in the end	-215.6	-195.8	-189.3	-172.8
Book value in the end	**76.0**	76.3	**61.9**	67.6
Accumulated difference between total and planned depreciation	-	-	0.1	0.2
Change in depreciation difference	-	-	0.0	0.0
Accumulated difference between total and planned depreciation in the end	-	-	0.1	0.1
Share of machines and equipment in book value	874.7	772.0	862.1	764.4
Advance payments				
Acquisition in the beginning	89.3	64.7	89.3	64.7
Increases April	-19.7	24.6	-19.7	24.6
Book value in the end	**69.6**	89.3	**69.6**	89.3
Financial assets				
Participating interests				
Acquisition in the beginning	1.9	1.4	0.7	0.7
Increases April	0.2	0.5	0.0	0.0
Book value in the end	2.1	1.9	0.7	0.7
Group companies				
Acquisition in the beginning	-	-	7.6	7.1
Increases	-	-	67.3	1.2
Decreases	-	-	-1.3	-0.6
Book value in the end	**-**	-	**73.6**	7.6
Other interests and shares				
Acquisition in the beginning	6.7	5.4	5.6	4.3
Increases	2.2	1.4	2.2	1.4
Decreases	-0.5	-0.1	-2.1	-0.1
Book value in the end	**8.4**	6.7	**5.7**	5.6
Loan receivables				
Acquisition in the beginning	6.0	0.7	6.6	1.4
Increases	0.9	5.3	0.3	5.3
Decreases	-0.6	-0.1	-0.6	-0.1
Book value in the end	**6.3**	6.0	**6.3**	6.6

Insurance values of fixed assets		
Balance sheet values of aircraft and spare parts	813.6	704.4
Insurance value EUR mill.	2,609.8	2,399.3
Insurance value USD mill.	2,300.0	2,232.5

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	-

Affiliates		
Kiinteistö Oy Aerolan A-talot, Vantaa	100.00	-
Kiinteistö Oy Aerolan B-talot, Vantaa	100.00	-
Finnair Cargo Oy, Helsinki	100.00	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	97.22	79.30
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
Finnair Financial Management Oy, Helsinki	100.00	100.00
Finnair Aerosystems Oy, Helsinki	100.00	100.00
Aero Airlines, Estonia	49.00	49.00
Finncatering Oy, Vantaa	100.00	-
Norvista Travel Ltd, Canada	100.00	100.00
Norvista Ltd, USA	100.00	100.00
Karair Ab, Sweden	100.00	100.00
Business Flight Center Oy, Vantaa	100.00	100.00
Oscar Aircraft Leasing Corp. Inc. *)	100.00	100.00
November Aircraft Leasing Corp. Inc *)	100.00	100.00
Mikkelin Matkatoimisto Oy, Mikkeli	51.00	-
Norvista S.R.L, Italy	100.00	100.00
Norvista B.V., Netherlands	100.00	100.00
Kuopion Matkatoimisto Oy, Kuopio	100.00	-
Suomen Matkatoimisto Oy, Helsinki	100.00	100.00

* Special purpose vehicles (for securing receivables)

	Group		Parent Company	
EUR Mill.	**January-Dec. 2001**	April-Dec. 2000	**January-Dec. 2001**	April-Dec. 2000
Other shares				
Market value of publicly quoted shares	6.4	12.1	5.1	9.8
book value	0.6	0.6	0.2	0.2
difference	**5.8**	11.6	**4.9**	9.5
Other financial assets, loan receivables				
From Group companies	-	-	-	0.6
From participating interests	-	-	-	-
From other companies	6.3	6.0	6.3	6.0
Total	**6.3**	6.0	**6.3**	6.6
12. Inventories				
Materials and supplies	54.3	54.1	42.5	53.9
Work in progress	1.0	2.0	0.8	1.9
Total	**55.3**	56.1	**43.3**	55.8
13. Long-term receivables				
Long-term receivables from group undertakings				
Loan receivables	-	-	48.7	-
Total	-	-	48.7	0.0
Long-term receivables from others				
Loan receivables	0.0	0.1	-	-
Prepaid expenses	0.0	0.0	-	-
Other receivables	12.3	0.0	12.2	-
Total	12.3	0.1	12.2	0.0
Total	**12.3**	0.1	**60.9**	0.0

	Group		Parent Company	
	January-Dec. 2001	April-Dec. 2000	**January-Dec. 2001**	April-Dec. 2000
	EUR Mill.		EUR Mill.	
14. Short-term receivables				
Short-term receivables from group undertakings				
Trade receivables	-	-	23.6	15.1
Prepaid expenses	-	-	13.0	0.3
Total	-	-	36.6	15.4
Short-term receivables from participating interests				
Trade receivables	0.1	0.1	0.0	0.0
Prepaid expenses	0.0	0.0	-	-
Total	0.1	0.1	0.0	0.0
Short-term receivables from others				
Trade receivables	91.4	100.8	56.6	61.2
Prepaid expenses	26.5	44.5	18.6	40.9
Other receivables	14.0	83.3	35.9	83.6
Total	132.0	228.7	111.0	185.6
Short-term receivables total	**132.1**	228.7	**147.7**	201.1
15. Investments				
Marketable securities	**194.2**	225.7	**194.2**	225.7

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

16. Cash and bank equivalents

Cash and bank equivalents comprise funds in Group bank accounts.

17. Equity				
Share capital in the beginning	**72.0**	71.3	**72.0**	71.3
Bonus issue	**-**	0.8	-	0.8
Share capital in the end	**72.0**	72.0	**72.0**	72.0
Share premium	**5.6**	5.6	**5.6**	5.6
General reserve in the beginning	**147.7**	148.5	**147.7**	148.5
Bonus issue	-	-0.8	-	-0.8
General reserve in the end	**147.7**	147.7	**147.7**	147.7
Retained earnings in the beginning	413.2	345.9	285.1	198.0
Dividend payment	-33.9	-21.4	-33.9	-21.4
Translation difference	0.0	0.0	-	-
Retained earnings in the end	**379.3**	324.5	**251.2**	176.6
Profit for the financial year	**7.1**	88.7	**8.5**	108.5
Capital loan	**5.7**	5.7	**5.7**	5.7
Total equity	**617.5**	644.3	**490.8**	516.2
Distributable equity				
Retained earnings in the beginning	413.2	345.9	285.1	198.0
Dividend payment	-33.9	-21.4	-33.9	-21.4
Translation difference	0.0	0.0	-	-
Profit for the financial year	7.1	88.7	8.5	108.5
	386.4	413.2	**259.7**	285.1
Voluntary reserves in equity	**-114.4**	-126.3	**-**	-
	272.0	286.9	**259.7**	285.1
Voluntary reserves				
Accumulated depriciation difference	160.9	177.6		
Recidental block reserve	0.2	0.2		
	161.1	177.9		
Deferred tax liability of voluntary reserves	-46.7	-51.6		
Total	**114.4**	126.3		
18. Accumulated appropriations				
Accumulated depreciation difference	**-**	-	**150.9**	177.6
19. Deferred tax liability				
From appropriations	46.7	51.6	-16.4	-
Tax receivable caused by timing differences	-17.3	-	-	-
Deferred tax liability caused by timing differences	70.8	58.8	71.7	59.0
Total	**100.2**	110.3	**54.7**	59.0
20. Long-term liabilities				
Loans from financial institutions	238.1	181.1	238.1	181.1
Pension loans	53.5	61.4	53.1	60.8
Other long-term liabilities	4.8	3.7	3.6	3.6
Total	**296.3**	246.2	**294.8**	245.5
Repayment of loans				
Financial year 2002	103.4		103.4	
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 -	193.1		191.6	
Total	**405.4**		403.9	

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 percent 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, 2001 bonds worth EUR 32,946,332.91 had been converted to 5,308,619 shares, after which the amount of the convertible bond is EUR 5,736,890.17. Should all the unconverted bonds on December 31, 2001 be exchanged for shares, the Company's share capital would increase by 785,723.85 euros which is the equivalent of 924,381 shares.

	Group		Parent Company	
	January-Dec. 2001	April-Dec. 2000	**January-Dec. 2001**	April-Dec. 2000
	EUR Mill.		EUR Mill.	
22. Short-term liabilities				
Liabilities to group undertakings				
Trade payables	-	-	10.5	1.9
Accruals and deferred income	-	-	15.8	0.4
Other liabilities	-	-	0.0	33.6
Total	**-**	-	**26.4**	36.0
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	103.4	48.7	103.4	48.7
Pension loans	-	0.0	-	-
Advanced received	23.8	24.8	-	-
Trade payables	76.4	110.2	42.1	79.2
Accruals and deferred income	241.5	261.3	211.7	241.4
Other liabilities	48.0	91.9	108.9	90.0
Total	**493.1**	537.0	**466.0**	459.3
Short-term liabilities total	**493.3**	537.2	**492.5**	495.5
Accruals and deferred income				
Unearned air transport revenues and liability for frequent flyer bonus system *	78.3	90.7	78.3	90.7
Holiday pay reserve	56.8	56.9	46.0	51.3
Other items	106.4	113.7	103.2	99.9
Total	**241.5**	261.3	**227.5**	241.9

*) The item includes a liability of EUR 20.5 million 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	658.0	608.0	612.5	568.9
Mandatory portion covered	-363.2	-326.4	-326.2	-294.1
Non-mandatory benefit covered	-294.8	-281.6	-286.3	-274.8
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	356.9	277.8	356.7	277.7
Pledges on group undertakings	0.6	-	0.6	-
Guarantees on group undertakings	35.4	32.1	35.4	32.1
Guarantees on others	-	0.2	-	0.2
Total	**392.9**	310.2	**392.8**	310.0

	Group		Parent Company	
	Dec. 31, 2001	Dec. 31, 2000	**Dec. 31, 2001**	Dec. 31, 2000
	EUR Mill.		EUR Mill.	
25. Aircraft lease obligations				
Amounts due to be paid				
Financial year 2002	58.1		58.1	
Financial year 2003	47.6		47.6	
Financial year 2004	35.9		35.9	
Financial year 2005	28.5		28.5	
Financial year 2006	9.4		9.4	
Financial year 2007 -	1.6		1.6	
Total	**181.0**		**181.0**	

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	**10.7**	14.6	**10.2**	14.6

27. Disputes and litigation
No new material litigations or other disputes started during the financial year 2001.

In the matter concerning the redemption of Karair Oy:s shares, the arbitrator established Finnair’s right to redeem the shares and the redemption price. One of the defendants in the arbitration has appealed the legal costs awarded.

In the Catering operations’ excise taxation matter, the taxation decisions were reversed by the Administrative Court of Helsinki and the matter remitted to the Customs. The Customs made new decisions which have also been appealed by the company.

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
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.

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 2001 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.

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. Finnair has hedged half of its fuel purchases for the first six months of 2002, after which the hedges cover a quarter of purchases during the second half of the year 2002. The hedging period is mainly less than 12 months. In the 2001 financial year fuel used in flight operations accounted for 11.6% of the Group’s operating costs. Fuel costs depend on fluctuations in oil markets and value of US dollar.

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 have fixed interest rate. At the end of the 2001 financial year the average interest rate on the Group’s interest-bearing loans was 4.28% 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 Group’s liquid funds were EUR 215 million at the end of the 2001 financial year. Furthermore the Parent company has following credit facilities:

- USD 250 mill. For general financing needs, the unused limit was USD 184 mill.
- USD 250 mill. Credit facility for financing the acquisition of Airbus A320 family which expires in January 2002 and will not be used for financing the January 2002 delivery of Airbus. At the year end the unused limit was USD 45 mill.
- Additionally Finnair has a domestic commercial paper program of EUR 100 mill. of which EUR 16 mill. was issued

Derivative contracts December 31, 2001 EUR mill.		Nominal value	Fair value
Currency derivatives			
Forward contracts		151.4	-0.5
Currency options			
Bought		73.5	0.4
Sold		80.2	-0.1
Currency swaps		228.9	26.5
Interest rate derivatives			
Interest rate options			
Bought		51.1	0.0
Derivative contracts, total		585.2	26.4
Other derivative contracts			
Fuel price agreements	tonnes	98,100	-7.2
Fuel options	tonnes	110,850	-3.6

29. Personnel fund

The criteria for payment of profit bonus to the personnel fund were not met

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) percent, this is EUR 5.19 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) percent, this is EUR 5.48. 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 percent 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 percent 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.

INFORMATION ON FINNAIR OYJ SHARES AND SHAREHOLDERS

Shares and Share Capital

On December 31, 2001, the Company's paid up share capital, entered in the trade register, was EUR 72,028,233.30 and comprised 84,739,098 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 0.07 per share or 83.1% of the earnings per share will be paid for the 2001 financial year.

It is Finnair's dividend policy to pay out on the average at least a third of the earnings per share as dividend during an economic cycle. Finnair 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 the incentive program for the key personnel of Finnair Group. The number of the option rights is 4,000,000. One option entitles to the subscription of one share in Finnair Oyj. The subscription period shall begin gradually 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% of the shares and votes.

Convertible Bonds

In February 1994, the Company's Board of Directors issued a perpetual convertible subordinated bond for FIM 230 million on the basis of 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 Company shares as follows: a bond with a nominal value of FIM 10,000 i.e. EUR 1,681.88 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, 2001, a total of FIM 195,890,000 i.e. EUR 32,946,332.91 in bonds had been converted to 5,308,619 shares. Should all the bonds still unexchanged on December 31, 2001 be converted to shares, the Company's share capital would rise by EUR 785,723.85, which corresponds to 924,381 shares.

Government Ownership

At the end of the financial year on December 31, 2001, the Finnish Government owned 58.4% 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%.

Share Ownership by Management

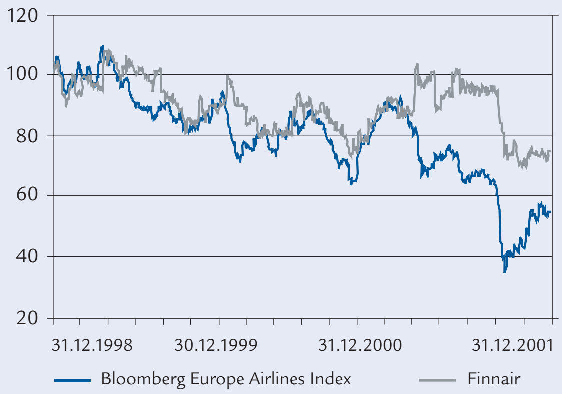
On December 31, 2001, members of the Company's Supervisory Board and Board of Directors and the Chief Executive Officer owned 37,198 shares, which represented 0.04% of all the shares and votes.

Share Prices and Trading

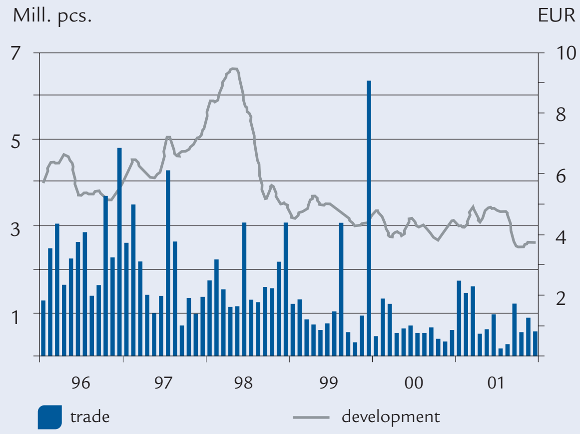
Finnair Oyj's share was quoted at EUR 3.75 on the Helsinki Exchanges on the last day of the financial year. The market value of the Company's shares was EUR 317.8 million (378.8). The highest trading price during the financial year was EUR 5.20 (4.74) and the lowest EUR 3.48 (3.65). During year 2000, the highest trading price was EUR 4.99 and the lowest EUR 3.65.

A total of 10.9 million shares were traded on the Helsinki Exchanges for a value of EUR 47.9 million during the financial year and during the year 2000 8.1 million shares for value of EUR 34.7 million. The average share price for the financial year was EUR 4.33 (4.24).

Share price development compared with other European airlines



Share price development and trade 1996-2001



Key figures and share prices

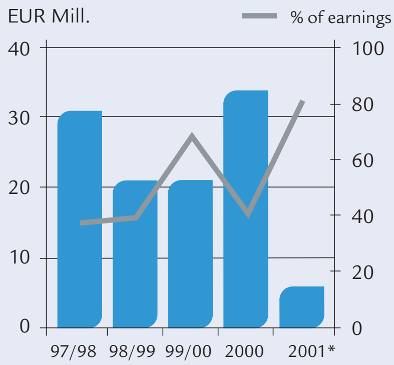
		2001	Proforma 2000	1999/00	1998/99	1997/98
Earnings/share	EUR	0.08	0.95	0.37	0.65	1.03
Equity/share	EUR	7.29	7.60	6.81	6.36	6.61
Dividend/share*	EUR	0.07	0.40	0.25	0.25	0.38
Dividend/earning	%	83.1	42.2	68.4	38.6	36.8
P/E ratio		44.52	4.71	10.71	7.43	8.83
P/CEPS		2.4	1.5	2.0	2.4	4.0
Effective dividend yield	%	1.9	9.0	6.4	5.2	4.2
Number of shares and share prices						
Number of shares adjusted for issue, average		84,739,098	84,739,098	84,739,098	84,739,098	82,796,483
Number of shares adjusted for issue, end of financial year		84,739,098	84,739,098	84,739,098	84,739,098	82,796,483
Number of shares, end of financial year		84,739,098	84,739,098	84,739,098	84,739,098	82,796,483
Prices adjusted for share issue, highest	EUR	5.20	4.99	5.49	10.00	9.41
lowest	EUR	3.48	3.65	3.95	4.44	5.72
Market value of share capital Mar. 31/ Dec. 31	MEUR	318	379	335	411	752
Trading of shares	pc.	10,894,673	8,123,712	17,449,998	20,073,817	21,061,343
Trading as % of average number of shares	%	12.9	9.6	20.6	23.7	25.4

* 2001 Proposal by the Board of Directors

Largest shareholders as at December 31, 2001

		Number of shares	% of shares
1 State of Finland		49,510,682	58.43
Odin Norden	7,802,566		
Odin Finland	515,000		
2 Odin Förvaltning AS	8,317,566	8,317,566	9.82
Tapiola General Mutual Insurance Company	256,300		
Tapiola Mutual Pension Insurance Company	1,747,700		
Tapiola Mutual Life Assurance Company	171,200		
Tapiola Corporate Life Insurance Company	110,000		
3 Tapiola Group	2,285,200	2,285,200	2.70
4 The Local Government Pension Institution		2,206,900	2.60
Suomi Insurance Company	900,000		
Suomi Mutual Life Assurance Company	880,000		
5 Suomi Group	1,780,000	1,780,000	2.10
6 Fortum Pension Foundation		664,420	0.78
7 Pension Insurance Company Ilmarinen		630,800	0.74
Mutual Insurance Company Pension-Fennnia	201,858		
Fennia Mutual Insurance Company	260,200		
Fennia Life Insurance Company Ltd	129,800		
8 Fennia Group	591,858	591,858	0.70
Mutual Fund Conventum Finland	471,400		
Mutual Fund Conventum Forte	50,000		
Mutual Fund Conventum Equity	25,000		
Mutual Fund Conventum Solid	10,000		
9 Conventum Group	556,400	556,400	0.66
10 Rausanne Oy		411,300	0.49
11 LEL Employee Pension Fund		282,800	0.33
12 Finnair Oyj Employee Fund		270,000	0.32
13 Sampo Group		238,807	0.28
OP-Delta Trust Fund	145,000		
OP-Pirkka Trust Fund	90,000		
14 OP Group	235,000	235,000	0.28
15 Palkkiyhtymä Oy		200,000	0.24
16 Wip Small Titans Fund		180,000	0.21
17 Phoenix Mutual Fund		179,200	0.21
18 Central Church Fund		132,800	0.16
19 Sanoma-WSOY Oyj		112,099	0.13
20 Dreadnought Finance Oy		100,000	0.12
21 Sonstock Oy		100,000	0.12
Registered in the name of a nominee		7,877,888	9,30
Others		7,875,378	9,29
Total		**84,739,098**	**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, BT Alex. Brown International, London, Carnegie Finland, Conventum, Helsinki, Credit Suisse First Boston, London, Danske Securities, Copenhagen, 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, 2001

	Number of shares	%	Number of Shareholders	%
Public bodies (state, local governement, employment pension funds)	55,751,770	66	23	
Outside Finland	8,449,673	10	44	
Registered in the name of a nominee	7,877,888	9	6	
Financial insitutions and insurance companies	4,116,121	5	32	
Households	5,185,498	6	8,102	96
Private companies	2,392,405	3	369	3
Companies (housing, churches, others)	928,094	1	63	1
Public undertakings	7,006		3	
Not converted to the book entry securities system	30,643			
Total	**84,739,098**	**100**	**8,642**	**100**

Breakdown of shareholding as at December 31, 2001

Shares held	Shareholders	Number of Shares
1-100	3,468	168,090
101-1,000	3,958	1,641,234
1,001-10,000	1,071	3,045,008
10,001-100,000	113	3,365,403
100,001-1,000,000	22	7,342,984
1,000,001-	4	61,267,848
Registered in the name of a nominee	6	7,877,888
Not converted to the book entry securities system		30,643
Total	**8,642**	**84,739,098**

PROPOSAL BY THE BOARD OF DIRECTORS

The Group's distributable equity according to the financial statements on December 31, 2001 was EUR 272.0 million and the Parent Company Finnair Oyj's distributable equity was EUR 259.7 million.

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.07 per share, totaling EUR 5,931,736.86, be paid. The rest of the distributable equity will be carried over to retained earnings.

Helsinki, 5 March 2002

The Board of Directors of Finnair Oyj

Harri Holkeri	Seppo Härkönen	Matti Alahuhta	Robert G. Ehrnrooth
Samuli Haapasalo	Ari Heiniö	Helena Terho	

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, 2001 – December 31, 2001. 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 Mr. Matti Kankare, Ms. Tarja Kautto, Ms. Elisa Pelkonen, Mr. Pekka Perttula, Ms. Sirpa Pietikäinen and Mr. Iiro Viinanen end in the Annual General Meeting.

Helsinki, 12 March 2002

Markku Hyvärinen	Felix Björklund	Riitta Backas	Peter Heinström
Tytti Isohookana-Asunmaa	Matti Kankare	Tarja Kautto	Juha Korkeaoja
Markku Koskenniemi	Jouko K. Leskinen	Elisa Pelkonen	Pekka Perttula
Sirpa Pietikäinen	Virpa Puisto	Jussi Ranta	Pertti Salolainen
Ralf Sund	Iiro Viinanen		

AUDITORS' REPORT

To the Shareholders of Finnair Oyj

We have examined the accounts, the financial statements and the administration of Finnair Oyj for the financial year January 1, 2001 to December 31, 2001. 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 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, 8 March 2002

Pekka Nikula	Erkki Mäki-Ranta
ABA	AA

KEY FIGURES 1997/98-2001

		2001	Proforma 2000	4-12/2000	1999/2000	1998/99	1997/98
Consolidated income statement							
Turnover	EUR Mill.	**1,631**	1,658	1,259	1,593	1,494	1,445
- change	%	**29.5**	-	-20.9	6.6	3.4	16.1
Operating margin, EBITDA	EUR Mill.	**145**	232	205	165	164	187
- in relation to turnover	%	**8.9**	14,0	16.3	10.3	11.0	12.9
Operating profit, EBIT	EUR Mill.	**13**	111	122	50	72	102
- in relation to turnover	%	**0.8**	6,7	9.7	3.1	4.8	7.1
Profit before extraordinary items	EUR Mill.	**9**	120	125	57	73	105
- in relation to turnover	%	**0.5**	7,2	9.9	3.5	4.9	7.3
Profit before taxes	EUR Mill.	**9**	149	125	85	75	106
- in relation to turnover	%	**0.5**	9,0	9.9	5.3	5.0	7.3
Consolidated balance sheet							
Fixed assets	EUR Mill.	**1,094**	1,009	1,009	922	796	693
Current assets	EUR Mill.	**414**	530	530	474	448	508
Total assets	EUR Mill.	**1,508**	1,539	1,539	1,396	1,244	1,201
Shareholders equity and minority interests	EUR Mill.	**618**	645	645	577	539	548
Liabilities	EUR Mill.	**890**	894	894	819	705	653
Total liabilities	EUR Mill.	**1,508**	1,539	1,539	1,396	1,244	1,201
Gross capital expenditure	EUR Mill.	**281**	247	185	252	220	148
Gross capital expenditure in relation to turnover	%	**17.2**	14.9	14.7	15.8	14,7	10.2
Return on equity (ROE)	%	**1.2**	13.4	14.6	5.6	10.2	16.7
Return on capital employed (ROCE)	%	**2.9**	15.3	15.2	9.1	11.7	15.9
Average capital employed	EUR Mill.	**1,003**	893	909	797	751	755
Increase in share capital	EUR Mill.	**0**	1	1	0	2	1
Dividend for the financial year 1)	EUR Mill.	**6**	34	34	21	21	31
Earnings/share	EUR	**0.08**	0.95	1.05	0.37	0.65	1.03
Earnings/share (with diluted effect)	EUR	**0.08**	0.94	1.04	0.36	0.65	-
Equity/share	EUR	**7.29**	7.60	7.60	6.81	6.36	6.61
Dividend/share	EUR	**0.07**	0.40	0.40	0.25	0.25	0,38
Dividend/earnings	%	**83.1**	42.2	38.2	68.4	38.6	36.8
Effective dividend yield	%	**1.9**	9.0	9.0	6.4	5.2	4.2
P / CEPS		**2.4**	1.5	1.7	2.0	2.4	4.0
Cash flow/share	EUR	**1.6**	3.0	2.7	2.0	2.0	2.3
P/E ratio		**44.52**	4.71	4.27	10.71	7.43	8.83
Equity ratio	%	**41.7**	42.6	42.6	42.1	44.4	46,5
Net debt-to-equity (Gearing)	%	**34.3**	11.5	11.5	19.4	4.3	-5,4
Interest bearing debt	EUR Mill.	**427**	319	319	281	197	218
Liquid funds	EUR Mill.	**215**	245	245	169	174	247
Net interest bearing debt	EUR Mill.	**212**	74	74	112	23	-29
- in relation to turnover	%	**13.0**	4.5	5.9	7.1	1.6	-2.0
Net financing income (+) / expenses (-)	EUR Mill.	**-4**	9	3	7	1	3
- in relation to turnover	%	**-0.3**	0.6	0.2	0.4	0.1	0.2
Net interest expenses	EUR Mill.	**-4**	-2	-1	-1	6	1
- in relation to turnover	%	**-0.3**	-0.1	-0.1	-0.1	0,4	0.1
Operational cash flow	EUR Mill.	**140**	230	172	175	150	170
Operational cash flow in relation to turnover	%	**8.6**	13.9	13.7	11.0	10.0	11.8
Average number of shares adjusted for the share issue and the number of share at the end of the financial year	pc.	**84,739,098**	84,739,098	84,739,098	84,739,098	84,739,098	82,796,483
Average number of shares adjusted for the share issue and the number of shares at the end of the financial year (with diluted effect) 3)	pc.	**85,663,479**	85,663,479	85,663,479	85,663,479	85,663,479	86,034,161
Personnel on average		**10,847**	11,051	11,019	11,462	11,264	10,706

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

1) The dividend for 2001 is a proposal of the Board of Directors to the Annual General Meeting
2) The deferred tax liability caused by timing differences has been taken into account when calculating the key figures for financial years 2001, proforma 2000 1999/2000 and 1998/1999. It has not been taken into account in previous year's key figures.
3) 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.

FORMULAS FOR RATIOS

EBITDA	=	Operating profit + depreciation
Return on equity % (ROE)	=	$\frac{\text{Result before extraordinary items – taxes}}{\text{Equity + minority interests (average at he beginning and end of the financial year)}} \times 100$
Capital employed	=	Balance sheet total – non interest bearing liabilities
Return on capital employed % (ROCE)	=	$\frac{\text{Result before extraordinary items + interest and other financial expenses}}{\text{Capital employed (average at he beginning and end of the financial year)}} \times 100$
Earnings/share (Euro)	=	$\frac{\text{Result before extraordinary items +/- minority share– taxes}}{\text{Adjusted average number of shares during the financial year}}$
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 %	=	$\frac{\text{Equity + minority interests}}{\text{Balance sheet total – advances received}} \times 100$
Net debt-to-equity % (Gearing)	=	$\frac{\text{Interest bearing debt – liquid funds}}{\text{Equity + minority interests}} \times 100$
Operational cash flow	=	Operating profit + depreciation + financial items + extraordinary items - taxes

Turnover by sector (EUR Mill.) 2001

	Q4	Q3	Q2	Q1
Scheduled Passenger Traffic	261.9	269.0	313.3	295.9
Leisure Traffic	79.3	90.4	71.0	93.9
Cargo	25.1	28.4	33.5	28.6
Aviation Services	111.9	123.6	129.2	116.6
Travel Services	23.0	21.7	26.5	22.5
Support Services	28.0	22.8	22.3	24.2
Less internal adjustments	-149.3	-165.1	-155.5	-161.7
Finnair Group Total	**379.9**	**390.8**	**440.2**	**420.1**
Previous year	436.2	408.9	414.2	398.8
Change %	**-12.9**	**-4.4**	**6.3**	**5.3**

Operating profit by sector (EUR Mill.) 2001

	Q4	Q3	Q2	Q1
Scheduled Passenger Traffic	-35.1	-20.1	18.4	18.1
Leisure Traffic	-0.2	4.3	-0.8	0.4
Cargo	0.3	-4.3	-0.1	-1.1
Aviation Services	4.3	8.1	11.8	1.3
Travel Services	2.6	-1.9	2.1	1.0
Support Services	6.4	3.8	-1.0	-5.1
Finnair Group Total	**-21.7**	**-10.0**	**30.3**	**14.7**
Previous year	28.6	38.2	55.2	-11.3
Change %	**<-100%**	**<-100%**	**-45.1**	**<100%**

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.

Auditors

Regular auditors
APA Pekka Nikula
SVH PricewaterhouseCoopers Oy

AA Erkki Mäki-ranta

Deputy Auditors
APA Tauno Haataja
SVH PricewaterhouseCoopers Oy

APA Jorma Heikkinen

Supervisory Board:
Markku Hyvärinen, Chairman, *Deputy CEO*
Felix Björklund, Vice-Chairman, *MSc (Econ)*
Riitta Backas, *MSc (Econ)*
Peter Heinström, *Managing Director*
Tytti Isohookana-Asunmaa, *Member of Parliament*
Matti Kankare, *Party Secretary*
Tarja Kautto, *Member of Parliament*
Juha Korkeaoja, *Member of Parliament*
Markku Koskenniemi, *Managing Director*
Jouko K. Leskinen, *LL.M.*
Elisa Pelkonen, *Executive Director*
Pekka Perttula, *Secretary General*
Sirpa Pietikäinen, *Member of Parliament*
Virpa Puisto, *Member of Parliament*
Jussi Ranta, *Member of Parliament*
Pertti Salolainen, *Ambassador*
Ralf Sund, *Project Researcher*
Iiro Viinanen, *MSc (Eng)*

Personnel representatives
Esko Annala, *Chairman*
Markku Kaukanen, *Chairman*
Aino Laaksonen, *Chairman*
Juhani Sinisalo, *Aircraft Technician*

Board of Directors

Harri Holkeri, b. 1937, MSc (Pol), Counsellor of State, Chairman of the Board, Member of Finnair Board of Directors since 1997.

Matti Alahuhta, b.1952, Dr. technology, Managing Director, Nokia Mobile Phones, Member of Finnair Board of Directors since 2001.

Robert G. Ehrnrooth, b.1939, LisSc (econ), Chairman of Wärtsilä Oyj Board, Member of Board of Fiskars Oyj Abp, Member of Finnair Board of Directors since 1990.

Samuli Haapasalo, b. 1952, LL.M., Director-General at the Ministry of Transport and Communications, Member of Finnair Board of Directors since 1999.

Ari Heiniö, b. 1945, LL.M., Member of Boards of Metsä Tissue Oyj and Sampo Insurance Co., Chairman of the Board of Commercial Employers' Association, Chairman of Supervisory Board of Varma-Sampo and Member of Supervisory Board of Alma Media Oyj, Member of Finnair Board of Directors since 1994.

Seppo Härkönen, b. 1948, Vice-Chairman of the Board, MSc (Pol), Deputy Director General of Finnish Broadcasting Company, Member of Board of Finnish News Agency STT, Member of Finnair Board of Directors since 1994.

Helena Terho, b. 1948, MSc (Eng), eMBA, KONE Corporation, Senior Quality Advisor, Northern America, Member of Nordea Bank Finland Advisory Board, Member of Finnair Board of Directors since 1997.

Group Board of Management:

Keijo Suila, b. 1945, BSc (Econ), President and CEO, served with Finnair since 1998.

Eero Ahola, b. 1943, Msc (Econ), SVP, Corporate Business Development and Strategy, served with Finnair since 1970.

Mauri Annala, b. 1945, MSc (Econ), EVP, Leisure Traffic and Travel Services, served with Finnair since 1976.

Henrik Arle, b. 1948, LL.M., EVP, Deputy CEO, Scheduled Passenger Traffic, served with Finnair since 1979.

Hannes Bjurström, b. 1950, SVP, Flight Operations, served with Finnair since 1999.

Christer Haglund, b. 1959, VP, Communications, served with Finnair since 2000.

Mikko Kuntola, b.1941, VP, Cargo, served with Finnair since 1988.

Tero Palatsi, b. 1947, Lis. Law, SVP, Administration and Human Resources, served with Finnair since 1999.

Kari Palomäki, b. 1945, SVP, Catering and Ground Handling, served with Finnair since 1967

Mika Perho, b. 1959, SVP, Marketing, served with Finnair since 1985

Petri Pentti, b. 1962, MSc (Econ), SVP and CFO, Economics and Finance, served with Finnair since 1989.

Jarmo Vilenius, b.1950, MSc (Eng), SVP, Technical Services, served with Finnair since 1973

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