

Board of Directors' Report for the Financial year 1 January–31 December 2010

MARKET AND GENERAL REVIEW

2010 began in conditions of lower demand and price levels than the previous year. Cargo demand had already resumed growth in late 2009, which was reflected in improving cargo prices during spring 2010. Passenger demand picked up during the first quarter.

Structurally, Finnair progressed in line with the general development of the sector. The positive development of unit revenue in Finnair's scheduled traffic was stronger, however, than the rest of the sector, owing to a change in the structure of demand. Business travel demand rose quickly in traffic between Europe and Asia.

Nearly all of European air traffic was affected by the ash cloud that followed the volcanic eruption in Iceland in April–May. Around 100,000 flights were cancelled due to flight restrictions over the course of a week. Finnair, too, suffered significant losses due to the traffic chaos.

In addition, Finnair's traffic was disrupted by a ten-day long strike by cabin staff in December. Without the traffic disruptions experienced, Finnair's financial year 2010 would have been profitable.

Last year Finnair implemented many efficiency measures, which helped production costs to rise more slowly compared to turnover. Profitability improved from the deep loss of the previous

year, but is still far from the company's financial targets.

The focus of Finnair's air transport is centred even more than before on Europe-Asia traffic. In addition to the company's own production, Finnair is seeking in European and domestic feeder traffic to add new production options in order to reduce unit costs and increase flexibility.

Finnair's vision was updated during the spring. The company's objective is to become the leading airline in the Nordic countries and to be the most desired option in traffic between Asia and Europe. Finnair's visual identity was also renewed to correspond with the sharpened strategy. This work will continue with a renewal of service identity, supported by a development of management culture.

The first stage of the long-haul traffic fleet modernisation has been completed. This current year and the next will be characterised by a lower level of investment. The European Airbus A320 fleet, used for scheduled and leisure flights, will receive new aircraft from 2013 and the next additions to the long-haul fleet will take place from 2014. By then, the Finnair Group's operational profitability must be significantly strengthened. This requires goal-oriented measures in the field of cost efficiency.

Finnair has lost market share in the leisure flight market. The goal is to win this market share

back using both own production and capacity leased from outside the Group. Package tour demand will pick up with a delay after the recession, but signs of recovery are already visible.

Cargo developed strongly in 2010, the recovery having begun in 2009. Finnair took advantage of Asia's strengthening cargo market by launching a regular cargo traffic route to Hong Kong, Seoul and New York. Even during the cabin staff strike, cargo was flown on some long-haul passenger aircraft.

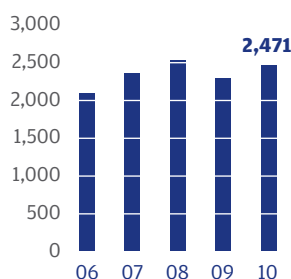
FINANCIAL RESULT, 1 JANUARY–31 DECEMBER 2010

The increase in turnover was due mainly to improved unit revenue in all categories of passenger and cargo traffic as well as volume growth calculated in tonne-kilometres. Cargo traffic volume was increased by dedicated cargo aircraft traffic launched in May 2010.

Profitability improved significantly as operational costs remained nearly unchanged, despite 10% growth in turnover. Profitability was adversely affected by the volcanic eruption in Iceland, which led to the spread of an ash cloud that halted air traffic for a week, and by a 10-day strike by cabin staff, which resulted in the cancellation of most of Finnair's flights. The negative impact of

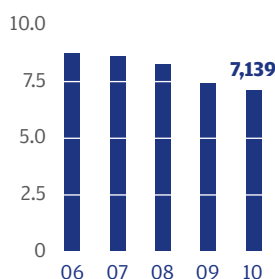
Revenue tonne kilometers

Mill. tnkm



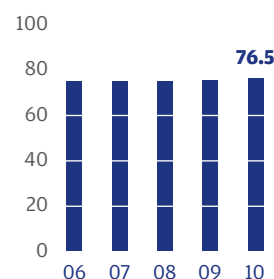
Number of passengers

Mill. passengers



Passenger load factor

%



FINANCIAL KEY FIGURES IN JANUARY–DECEMBER 2010

Key figure, EUR million	2010	2009	Change %
Consolidated turnover	2,023.3	1,837.7	10.1
Operational result ^{*)}	-4.7	-171.1	-
Operational expenses	2,050.7	2,028.4	1.1
Result before taxes	-33.0	-124.6	73.5
Net operational cash flow	61.1	-120.6	-
Earnings per share, EUR	-0.24	-0.76	-

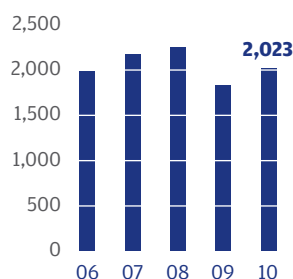
^{*)} Excluding capital gains, changes in the fair value of derivatives, changes in the exchange rates of overhauls, and non-recurring items.

DEVELOPMENT OF TRAFFIC VOLUMES AND UNIT REVENUE IN JANUARY–DECEMBER 2010

Key Performance Indicator (KPI)	Change %
Available seat-kilometres (all traffic)	-4.3
Revenue passenger kilometres (all traffic)	-3.6
Revenue passenger kilometres (Asian scheduled traffic)	7.9
Passenger load factor (all traffic), 76.5%	0.6 % points
Available tonne-kilometres (all traffic)	-2.9
Revenue tonne-kilometres (all traffic)	7.6
Cargo carried, change	38.0
Unit costs per available tonne-kilometre	4.6
Passenger traffic, unit revenue per revenue passenger-kilometre	9.9
Cargo traffic, unit revenue per tonne-kilometre	18.8
Passenger and cargo traffic, weighted unit revenue per tonne-kilometre	3.4
Passenger traffic, unit revenue per passenger	10.4

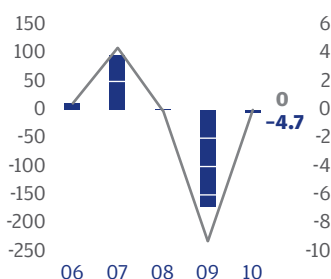
Turnover

EUR mill.

**EBIT ***

EUR mill.

■ % of turnover

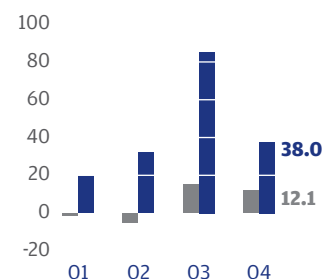


* Excluding capital gains, changes in fair value of derivatives, changes in the exchange rates of overhauls and non-recurring items.

EBITDAR*

EUR mill.

■ 2009 ■ 2010



* Excluding capital gains, changes in fair value of derivatives, changes in the exchange rates of overhauls and non-recurring items.

the ash crisis on the operational result was around 30 million euros and direct losses caused by the strike totalled 25 million euros. Both items are included in the operational result.

Personnel expenses fell clearly more than production volume, as a result of temporary lay-offs, redundancies and stabilisation agreements concluded with personnel groups. Personnel expenses were also lowered by outsourcing of loading and cargo warehousing operations, which did, however, increase ground handling expenses.

Fuel costs fell, partly due to lower consumption and partly due to reduced hedging losses.

Fleet materials and supplies as well as maintenance costs rose by just over 30% mainly due to the increase of engine maintenance and re-delivery over-hauls of the aircraft.

INVESTMENT, FINANCING AND RISK MANAGEMENT

At the end of December, balance sheet cash and cash equivalents totalled 526.9 million euros (607.4 million). Gearing stood at 27.8% (26.8). Gearing adjusted for leasing liabilities was 79.6% (90.0). The equity ratio was 36.2% (34.2). Finnair's solidity is good in comparison with the sector.

Investments in January–December totalled 183.5 million euros (347.6) and the projection for

2011 is approximately 50 million euros.

In 2009 Finnair entered into a finance leasing arrangement of around 165 million euros to finance three Airbus A330 aircraft. This was backed by the export credit institutions of the Airbus owner states. Within the framework of the financing arrangement, Finnair acquired one wide-bodied aircraft in December 2009 and two at the beginning of 2010. The aircraft are recognised in Finnair's balance sheet. The third of the A330 aircraft acquired in 2010 was sold and leased back for Finnair's use.

Finnair has the option of a loan-back of employment pension fund reserves from Ilmarinen Mutual Pension Insurance Company amounting to around 380 million euros, the withdrawal of which requires a bank guarantee.

In addition, Finnair renewed in June 2010 for three years a 200 million euro syndicated credit facility, intended as reserve financing, which has not been used to date. Financial flexibility is also achieved through a 200 million euro short-term commercial paper programme, which at the closing date was completely unused.

According to the financial risk management policy approved by Finnair's Board of Directors, the company has hedged 75% of scheduled traffic's jet fuel purchases during the next six months

and thereafter for the following 18 months with a decreasing level of hedging. In Finnair's charter traffic, fuel consumption is price hedged in accordance with a traffic programme agreed with tour operators within the framework of the hedging policy. Derivatives linked to jet fuel and gasoil prices are mainly used as the fuel price hedging instruments.

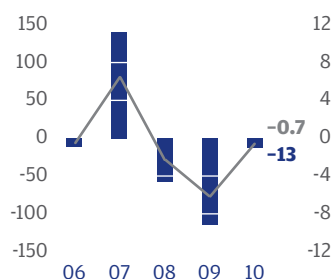
The change during the financial year in the fair value of derivatives that mature in the future, as well as the change in the exchange rates of foreign exchange-denominated engine overhaul provisions are recognised in Finnair's income statement. The change in question is a valuation result in accordance with IFRS reporting practice which has not been realised; it has no cash-flow impact, nor is it included in the operational result. During the year, the change in the fair value of derivatives and in the foreign exchange rates of overhaul provisions, amounted to -6.4 million euros (+55.5).

The operational result for January–December includes realised losses of 24.5 million euros (133.7 loss) on derivatives resulting from fuel price hedging, which appear in the fuel item of the income statement. The figure includes both foreign exchange and fuel derivatives. In the final quarter operational result, realised losses amount to 3.0 million euros.

Operating profit, EBIT

EUR mill.

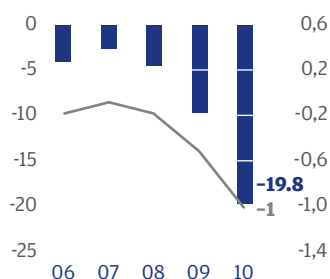
■ % of turnover



Financial income and expenses

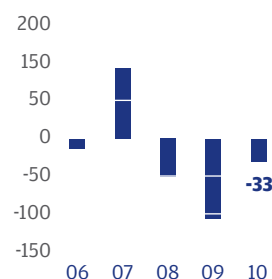
EUR mill.

■ % of turnover



Result before taxes

EUR mill.



Shareholders' equity includes a fair value fund related to hedge accounting, the value of which is affected by changes in the oil price and foreign exchange rates. The size of the item on the closing date was 35.2 million euros (-25.2), after deferred taxes, which includes foreign exchange and fuel derivatives as well as, to a lesser degree, other financial items.

A strengthening of the US dollar in relation to the euro had a negative effect of 11 million euros on Finnair's operational result in 2010. At the end of December, the degree of hedging for a dollar basket over the following 12 months was 71 per cent. A significant proportion of Finnair's sales takes place in currencies other than euros, in which case a weakening of the euro generally has a positive impact on revenues.

A rise in value of Norwegian Air Shuttle shares in 2010 had a positive impact on Finnair's shareholders' equity of around 1.5 million euros after deferred taxes. Finnair owns just over 5% of Norwegian Air Shuttle shares.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

At the Annual General Meeting held on 31 March 2010, the following former members were elected as members of Finnair Plc's Board of Directors

for a term lasting until the end of the next Annual General Meeting: Christoffer Taxell (Chairman), Elina Björklund, Sigurdur Helgason, Satu Huber, Ursula Ranin, Veli Sundbäck and Pekka Timonen. In addition, a new member, Harri Sallas, was elected.

The Annual General Meeting elected as the company's regular auditors Jyri Heikkinen, Authorised Public Accountant, and PricewaterhouseCoopers Oy, Authorised Public Accountants, in which Eero Suomela will serve as the auditor with main responsibility. APA Tuomas Honkamäki and APA Timo Takalo were elected deputy auditors.

President & CEO Jukka Hienonen relinquished his duties as President & CEO on 31 January 2010. Mika Vehviläinen M.Sc.(Econ) became Finnair's new President & CEO on 1 February 2010. Vehviläinen joined Finnair on 5 January 2010 from his position as Chief Operating Officer of Nokia Siemens Networks.

Timo Riihimäki, who served as Senior Vice President, Customer Service, resigned from the company and was succeeded as of 10 May 2010 by Anssi Komulainen, formerly Senior Vice President, Human Resources. Manne Tiensuu MA (Psych.), who was appointed as the new Senior Vice President, Human Resources, assumed his duties on 1 October 2010.

The Finnair Group's General Counsel Sami Sarelius was appointed to Finnair Plc's Executive Board as of 20 August 2010. Sarelius also acts as secretary to Finnair Plc's Board of Directors and Executive Board.

Finnair's Executive Board was restructured as of 1 September 2010. Deputy Chief Executive Officer Lasse Heinonen continues to deputise for Finnair Plc's President & CEO and he has line responsibility for Finnair's cargo operations, technical services, catering functions, and land and real-estate services.

Erno Hildén, formerly Senior Vice President Operations, became the Group's Chief Financial Officer. He is also responsible for the Group's fleet management company, Finnair Aircraft Finance Oy. Ville Iho moved to become Senior Vice President, Operations.

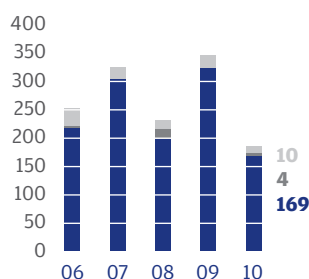
After the financial year, two changes took place in the Executive Board. Gregory Kaldahl assumed the position of Senior Vice President, Resource Management on 11 January 2011. Kaldahl was formerly employed by United Airlines. Senior Vice President, Public Affairs and Corporate Communications Christer Haglund will leave Finnair to join another company in mid-April.

Changes also took place in subsidiaries and in the Finnair Group's Board of Management.

Capital expenditure (gross)

EUR mill.

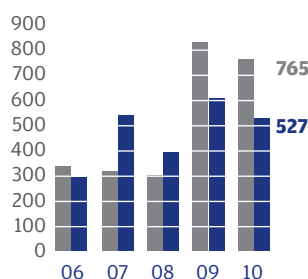
■ Other capital expenditure
■ Buildings
■ Flight equipment



Interest bearing liabilities and liquid funds

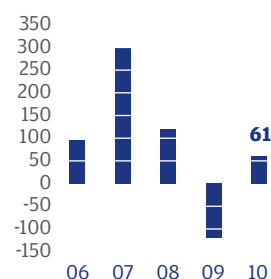
EUR mill.

■ Interest bearing liabilities
■ Liquid funds



Cash flow from operating activities

EUR mill.



Managing Director Jukka Hämäläinen of Northport Oy left the company on 31 July 2010. Ari Kuutschin, who moved to his new post from Finnair Group's Human Resources Administration, became Northport Oy's new Managing Director as of 1 August 2010.

The Finnair Group's Board of Management comprises, in addition to the members of Finnair Plc's Executive Board, Senior Vice President Catering Kristina Inkiläinen Northport Oy's Managing Director Ari Kuutschin, Senior Vice President Cargo Antero Lahtinen and Senior Vice President Technical Services Kimmo Soini.

The Finnair Group's Board of Management was expanded from the beginning of June. In addition to the current members, Vice President Sales Petri Schaaf, Vice President Flight Operations Markku Malmipuro and Vice President Cabin Service Department Kati Lehesmaa were also appointed as members. In addition, representatives of all personnel organisations became permanent members of the Board of Management. Previously, membership of personnel representatives on the Board of Management had alternated between the various personnel organisations.

Following the changes in operational functions, Ville Iho serves as the Accountable Manager referred to in the Airline Operator's Certificate.

Aurinkomatkat-Suntours' President & CEO Jukka Salama retired on 31 December 2010. Appointed to replace him as Managing Director was Aurinkomatkat's Commercial Director Tuomo Meretniemi, who took up the post on 1 January 2011.

A Corporate Governance Statement and a review of management salaries and remuneration principles are presented in the Corporate Governance section of the Financial Report.

PERSONNEL

During 2010, the Finnair Group had an average number of 7,578 employees, which was 13.9% less than a year earlier. The Airline Business segment had 3,524 employees. The total number of personnel in technical, catering and ground handling services was 2,685 and in travel services 1,110. A total of 259 people were employed in other functions. At the end of 2010, the Finnair Group had 7,616 employees, which was 329 fewer than a year earlier.

Of the Finnair Group's employees, there were around 750 working abroad at the end of the year, of which 250 worked in sales and customer service tasks in Finnair's passenger and cargo traffic and 500 worked in the service of travel agencies and tour operators based in the Baltic countries and Russia, and as guides at Aurinkomatkat-Suntours'

holiday destinations. Foreign personnel are included in the total number of Group employees.

Full-time staff account for 95% of employees. Around half of part-time staff were employees on partial child-care leave. 96.5% of staff were employed on a permanent basis. The average age of employees was 44 years. Employees over 50 years of age accounted for 28% of personnel and seven per cent of employees were under 30 years of age.

Employees' average number of years in service was 17. 39% of Finnair personnel have been employed by the Group for more than 20 years and 12% have served for more than 30 years.

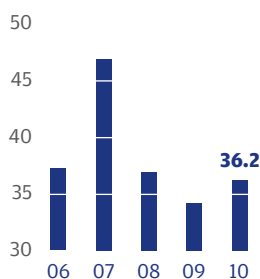
Of the Finnair Group's personnel, 53% are women and 47% are men. Three of the eight members of Finnair Plc's Board of Directors are women.

In June 2010, one-year agreements valid until 31 May 2011 were concluded with the Finnair Engineers' Association (FIRY) and the Finnair White-Collar Employees' Association (FYT). Also in June 2010, a two-year agreement valid until 31 May 2012 was concluded with the Finnair Technical Employees' Association. A pay rise connected with the agreement will be decided during spring 2011.

The collective agreement of the Finnish Aviation Employees' Association (SLV) is valid until 30 April 2011 and the agreement of the Finnish Airline Pilots' Association (SLL) is valid until 30 November 2011.

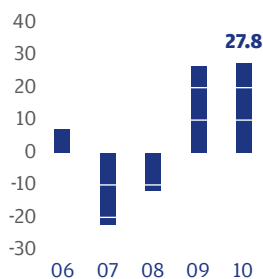
Equity ratio

%



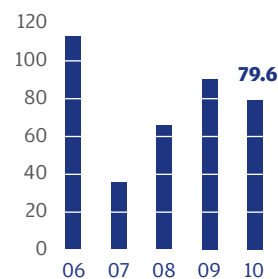
Gearing

%



Adjusted gearing

%



The collective agreement of the Finnish Aviation Union (IAU), which represents ground handling staff and some technical personnel, expired at the end of August. The IAU held a two-day strike of technical personnel in October. A new three-year collective agreement was signed, which halted the industrial action.

The collective agreement relating to cabin staff ended in April 2010. In negotiations initiated in February with the Finnish Cabin Crew Union (SLSY), no agreement was reached; the SLSY launched in December a 10-day strike, which halted most of Finnair's flight operations. The strike ended with the parties entering into a three-year collective agreement.

Stabilisation agreements reached with personnel organisations in 2009 in Finnair Technical Services and the Cabin Service Department expired at the end of 2010. The stabilisation agreements restrained growth in personnel costs.

Savings measures in other personnel groups have been implemented through temporary layoffs and other individual cuts in earnings. The number of employees in the travel agencies has been reduced to adjust operations to meet the structural change in the sector since 2008.

The ending of the stabilisation agreements requires new adjustment measures to keep per-

sonnel costs under control. In Finnair's technical services companies, negotiations covering all employees and based on the Act on Cooperation Within Undertakings will be initiated, aimed at structural savings corresponding to a reduction of an estimated 450 jobs. The move relates to an adjustment requirement arising from changes that have occurred in the business environment for aircraft overhauls.

During 2010, Group management and personnel representatives have endeavoured to identify suitable working practices to improve Finnair's management and operating culture. Bilateral discussions between employees and management has been promoted by the Forward Together [Nokka nousuun] campaign.

Incentive bonuses for 2010, based mainly on quality indicators and including social security costs, are expected to be paid to personnel and key individuals to the sum of around 17 million euros, of which collective incentives will account for around 13 million euros. Incentives in accordance with the share-based bonus scheme will be around 800,000 euros. The criteria based on the Group's result for the personnel profit bonus were not fulfilled for 2010, and no incentive payments under the scheme will be paid to the Personnel Fund.

FLEET CHANGES

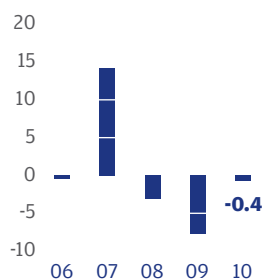
The Finnair Group's fleet is managed by Finnair Aircraft Finance Oy, a wholly-owned subsidiary of Finnair Plc. At the end of 2010, the Finnair Group had a total of 63 passenger aircraft in its own flight operations. The average age of Finnair's entire fleet is just under seven years, making it one of the most modern fleets in the world.

Two new Airbus A330-300 aircraft joined Finnair's wide-bodied fleet in early 2010 and one more in the final quarter. At the turn of the year, Finnair's fleet was further supplemented by two Airbus A340-300 aircraft, after which Finnair has a total of 15 aircraft in long-haul traffic. The latest A340-300 aircrafts were acquired on flexible lease agreements of approximately four years' duration. Most of the long-haul aircraft are less than two years old.

As part of the harmonisation of its fleet structure, last spring Finnair withdrew from service three Boeing 757-200 aircraft leased to leisure traffic, ordered five new Airbus A321ER aircraft and extended the lease period of its four remaining Boeing 757 aircraft. The remaining four Boeing 757s will be withdrawn in connection with the arrival of the new A321ERs in 2013 and 2014. Finnair was the first airline to order from Airbus the version equipped with wing-

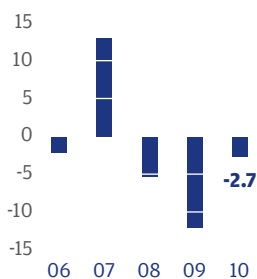
Return on capital employed

%



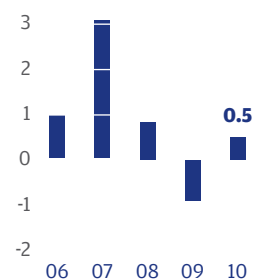
Return on equity

%



Cash flow/share

EUR



tip sharklets, which improve aircraft dynamics and fuel economy.

The last long-haul traffic Boeing MD-11 aircraft was withdrawn from Finnair's passenger traffic in February 2010. Finnair converted the two MD-11 aircraft in its ownership into cargo aircraft and sold them in July 2010 to the US leasing company Neff Air. Ownership of the aircraft will be transferred in the first half of this year. The transaction is not expected to have any significant impact on Finnair's result.

Finnair Aircraft Finance also increased the number of Embraer E170 aircraft leased out from the Group from two to four by leasing in May two E170 aircraft to Kenya Airways on a four-year agreement. One E170 aircraft was sold at the end of last year to the company Alterhein Realco AG. Ownership of the aircraft will be transferred in the spring 2011.

ENVIRONMENT AND CORPORATE RESPONSIBILITY

Finnair wishes to be the choice of the environmentally and quality aware passenger. That's why Finnair takes social, financial and environmental responsibility into consideration in all of its actions and decisions.

Finnair has been systematically modernising its fleet since 1999. The first stage of the long-haul traffic fleet modernisation was completed in the final quarter. Finnair currently flies with one of the most modern fleets in the world. In addition, emissions as well as consumption of energy and materials are minimised through operational measures both on the ground and in the air.

Last spring, Finnair published new substantial emissions targets for 2017. The objective is to reduce emissions by 24% per seat between 2009 and 2017. Emissions have already been substantially reduced, so the total emissions reduction from 1999 to 2017 will be 41% per passenger seat.

Air transport emissions trading will begin in the European Union in 2012. The scheme will apply to all flights arriving and departing from EU airports. In EU emissions trading, the level of rights to be allocated free of charge as well as Finnair's share arising from this remain open. Moreover, the rules for the second emissions trading period 2013–2020 have not yet been finally determined, which is adversely affecting preparations for emissions trading in the company. Finnair has delivered an acceptable authentication plan to the authorities. In cooperation with various actors in the sector, Finnair endorses the establish-

ment of a worldwide emissions trading scheme, which would not distort competition in the sector.

Finnair participates actively in corporate responsibility work and in discussions with its interest groups. Finnair has reported its sustainable development principles and indicators in accordance with the international Global Reporting Initiative (GRI) guidelines for two years now. The 2009 report was ranked in the best category, Class A. This year, Finnair also reported for the fourth time the environmental impact of its operations in the international Carbon Disclosure Project (CDP).

Finnair supports the International Air Transport Association IATA's vision of zero-emission flying in 2050.

BUSINESS AREA DEVELOPMENT

The primary segment reporting of the Finnair Group's financial statements is based on business areas. As of 1 October 2009, the reporting business areas are Airline Business, Aviation Services and Travel Services.

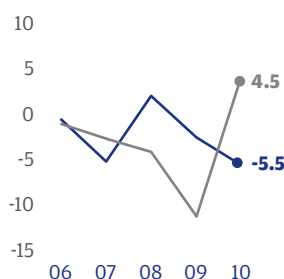
Airline Business

This business area is responsible for scheduled passenger and charter traffic as well as cargo business, service concepts, flight operations and

Unit revenue and cost

Change % from previous year

- Unit revenue, c/RTK
- Unit cost, c/RTK

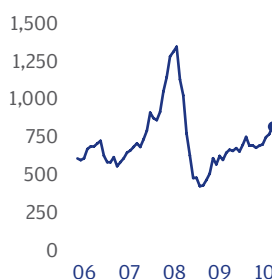


Jet Fuel market price

(Jet Fuel NWE CIF Cargoes) 2006–2010

USD/tonne

- Jet Fuel, CIF NWE



AIRLINE, BUSINESS AREA'S KEY FIGURES IN 2010

Key figure, EUR million	2010	2009	Change %
Segment turnover	1,740.4	1,537.9	13.2
Operational result ^{*)}	1.9	-161.4	-

^{*)} Excluding capital gains, changes in the fair value of derivatives, changes in the exchange rates of overhauls, and non-recurring items.

DEVELOPMENT OF TRAFFIC VOLUMES AND UNIT REVENUE IN 2010

Key Performance Indicator (KPI)	Change %
Total passengers (scheduled and leisure flights), 7.1 million	-4.0
Scheduled traffic passengers, 6.2 million	-0.9
Available seat-kilometres (scheduled traffic)	1.0
Revenue passenger kilometres (scheduled traffic)	2.5
Revenue passenger kilometres (Asian scheduled traffic)	7.9
Passengers (Asian scheduled traffic), 1.2 million	7.4
Passenger load factor (scheduled traffic), 74.5%	1.1 % points
Passenger traffic unit revenue per revenue passenger kilometre	9.3
Leisure flight passengers, 0.9 million	-21.0
Available seat-kilometres (leisure flights)	-24.5
Revenue passenger kilometres (leisure flights)	-23.4
Passenger load factor (all traffic), 86.8%	1.2 % points
Cargo carried, 123.1 million kilos	38.0
Cargo traffic unit revenue per tonne-kilometre	18.8

AVIATION SERVICES, BUSINESS AREA'S KEY FIGURES IN 2010

Key figure, EUR million	2010	2009	Change %
Segment turnover	429.0	421.3	1.8
Operational result ^{*)}	8.1	7.3	11.0

^{*)} Excluding capital gains, changes in the fair value of derivatives, changes in the exchange rates of overhauls, and non-recurring items.

TRAVEL SERVICES, (TOUR OPERATORS AND TRAVEL AGENCIES) BUSINESS AREA'S KEY FIGURES IN 2010

Key figure, EUR million	2010	2009	Change %
Segment turnover	316.9	346.5	-8.5
Operational result ^{*)}	0.0	-4.3	-

^{*)} Excluding capital gains, changes in the fair value of derivatives, changes in the exchange rates of overhauls, and non-recurring items.

activity connected with the procurement and financing of aircraft. The Airline Business segment comprises the Sales & Marketing, Operations, Customer Service and Resources Management units as well as the subsidiaries Finnair Cargo Oy, Finnair Cargo Terminal Operations Oy, Finnair Aircraft Finance Oy and, from the beginning of 2010, Finnair Flight Academy Oy.

Significantly improved unit revenue in scheduled traffic as well as volume growth in cargo contributed positively to higher turnover. Profitability was improved from the previous year's deep loss by implemented efficiency measures. Profitability was adversely affected, on the other hand, by the week-long stoppage of air traffic as a result of the volcanic ash crisis in April and by the cabin staff strike that took place in December. The business area's result for the year has been unprofitable compared to the previous years.

Growth in business travel demand from the second quarter contributed to the changes in unit revenue. Unit revenue growth was strongest in Asian traffic, where the growth of business travel demand was also most evident. In domestic traffic, the price level has been at nearly the previous year's level.

Growth in business travel demand has been clearly stronger than growth in overall demand. The proportion of business-class travellers in scheduled traffic is just under 6%, in Asian traffic more than 11%. Growth in demand is coming mainly from outside Finland.

Cargo revenues account for just over 12% of the Airline Business segment's total revenues. Cargo demand from Asia to Europe has grown rapidly. Finnair is seeking to take advantage of strong growth in cargo traffic.

Regular freighter service, initiated in May from Helsinki to Hong Kong and Seoul, and in the latter part of the year to New York, has contributed to the sharp increase in cargo volume. Cargo operations were clearly in profit during 2010. Due to strong demand, cargo was flown on passenger aircraft, even during the cabin staff strike.

Owing to increased cargo demand, Finnair Cargo Oy, the subsidiary responsible for the Finnair Group's cargo operations, is exploring the possibility of participating in a venture aimed at starting intercontinental cargo aircraft traffic from Helsinki. The US company Neff Capital Management LLC is planning to set up a cargo flight company in Finland. Finnair Cargo is considering a minority shareholding in the company.

In terms of international scheduled passenger traffic, Finnair's market share is around 50% in flights departing from Finland. The market share of Asian flights in particular has grown compared with Finnair's main competitors. In domestic traffic, Finnair has increased capacity to respond to tighter competition.

Due to major traffic irregularities at the beginning of the year, the arrival punctuality of scheduled flights in 2010 weakened from the previous year by 4.5 percentage points to 82.2% (86.7). After the difficulties of the turn of year, the punctuality trend clearly improved.

Leisure flight capacity was cut by more than 20% in connection with fleet harmonisation, when in spring 2010 the Boeing 757 fleet, which is used on leisure flights, was reduced by three aircraft.

Finnair's market share in Finland's charter flight traffic has fallen, because a number of tour operators have increased use of their Group companies' aircraft in the Finnish market. The goal is to win this market share back using own production and capacity leased from outside the Group.

Aviation Services

This business area comprises aircraft maintenance services, ground handling services and the Group's catering operations. In addition, the Group's property holdings, the procurement of office services, and the management and maintenance of properties related to the Group's operational activities also belong to the Aviation Services business area. Aviation Services' business consists mainly of intra-Group service provision. Of the business area's turnover, one quarter consists of business outside of the Group.

Growth of external turnover in the Aviation Services segment is dependent on growth of the proportion of operations outside the Finnair Group. Turnover rose slightly from 2009 and profitability improved due to operational efficiencies, stabilisation agreements reached with personnel as well as redundancies and temporary lay-offs.

The business area's positive operating result arises mainly in catering operations, which are the most profitable of the Aviation Services. Catering operations are divided into meal production and related logistics as well as travel retail functions, which include inflight sales, preorder services and airport shops in Helsinki, Tampere and Turku.

Finnair Catering's turnover has fallen due to changes in service concept, the terminal renovation

at Helsinki-Vantaa, and the reduction of leisure flights; profitability has, however, remained at a satisfactory level. The unit has implemented adjustment measures in which labour has been adjusted to altered demand. Approximately 35% of the Catering's turnover comes from outside the Finnair Group.

Finnair Technical Services was divided at the beginning of 2010 into two subsidiaries, Finnair Technical Services Oy and Finnair Engine Services Oy. The companies' turnover grew. A significant part of this growth came from higher turnover outside the Finnair Group. The proportion of turnover outside the Finnair Group is just over 26%.

Finnair Technical Services' operational result in 2010 was unprofitable, although less so than the previous year. The loss arises above all in labour-intensive Finnair Technical Services Oy, which focuses on aircraft maintenance and repair activity.

The competitiveness of Finnair's maintenance services in the international aircraft maintenance market is weak, and as a result the order book for future overhauls is low. To adjust operations, negotiations under the Act of Cooperation Within Undertakings, covering all 1,600 employees, will be initiated in Finnair's technical services companies with the objective of achieving structural savings corresponding to a reduction of 450 jobs.

The ground handling company Northport Oy is still unprofitable, although profitability improved in 2010. Adjustment measures to improve operational profitability will continue.

Travel Services (tour operators and travel agencies)

This business area consists of the Group's tour operators, i.e. Aurinkomatkat-Suntours as well as its Estonian subsidiary Horizon Travel and the subsidiary Calypso, operating in St. Petersburg, and also the travel agencies Matkatoimisto Area, Finland Travel Bureau (FTB) and its subsidiary Es-travel, operating in the Baltic states. In addition, the business area includes Amadeus Finland Oy, a provider of travel agency software and solutions.

Finland's package tour market contracted last year by 2% to 945,000 package tours. Due to the long advance booking period, a pick-up in the economy influences package tour demand with a delay. The average price of tours fell by 2%.

An unusually long and warm summer contributed to reducing demand for beach holidays. In April, the volcanic eruption in Iceland cancelled flights for a week. Extra costs arose from the

care and repatriation of passengers stranded at holiday destinations. The strike of Finnair cabin staff had an adverse effect on Aurinkomatkat-Suntours' sales, even though nearly all leisure flights were flown.

The proportion of leisure trips accounted for by internet business is growing and half of Aurinkomatkat's sales takes place online. Aurinkomatkat sold 290,000 package tours. In Finland, the average price of package tours produced by Aurinkomatkat rose, but the company's market share declined, measured in passenger numbers, to 32% and, measured in total sales, to 35%. The recession reduced demand for package tours in the St. Petersburg and Estonian subsidiaries. Due to adjustment, however, operational loss of the Russian operations was halved.

In December, the leisure travel activities of Finland Travel Bureau and Matkatoimisto Area were moved in a transfer of business to Aurinkomatkat. Overlapping functions were removed by combining the sales and production organisations. The number of personnel was reduced by 45.

International online travel agencies have rapidly won a third of Finland's flight ticket market, which has tightened competition and reduced service fees.

After a two-year downturn, business travel began to recover in the autumn. Competition, however, exerted downward pressure on service fees. The volcanic ash cloud week in April and industrial action in a number of airlines disrupted customers' travel and resulted in additional costs to travel agencies.

Cost competitiveness was improved by increased automation and by raising work productivity. Personnel reductions and structural solutions resulted in non-recurring expenses of around five million euros.

Finnair's travel agencies were successful in winning a number of significant customer relationships among both large and medium-sized companies. In the Baltic countries, too, the sales of the Finnair Group's travel agencies resumed growth. Due to flexible and effective adjustment measures, profit development in the Baltic countries was strong.

SERVICES AND PRODUCTS IN AIR TRAVEL

At the end of 2010, Finnair had a total of 65 scheduled flights per week from Helsinki to nine Asian destinations. Finnair's Asian destinations

are Bangkok, Delhi, Hong Kong, Nagoya, Osaka, Beijing, Shanghai, Seoul and Tokyo. Finnair has a total of 20 flights per week to three Japanese destinations. At the turn of the year, Finnair increased the number of its direct flights to Seoul, Nagoya, Osaka and Delhi. Finnair also flies a daily long-haul service to New York.

Next summer, Finnair will fly a record number of 74 flights per week to 10 Asian cities: to Hong Kong 12 flights per week, and daily to Tokyo, Osaka, Nagoya, Seoul, Beijing, Shanghai, Bangkok and the reopened Singapore route. There will be six flights per week to Delhi.

Scheduled flights covering 38 European and 9 domestic destinations connect into Finnair's Asian network. At the same time, a wide selection of direct connections is offered from Finland to the rest of Europe. In August, Finnair opened a new connection from Helsinki to Bromma Airport in Stockholm. The route is served by three flights per day. The new flights particularly serve business travel directed from Sweden to Finland. The route from Helsinki to Stuttgart, served by ten flights per week, also reopened in August.

In May, flight passengers selected Finnair as the best Northern European airline in a survey conducted by the independent Skytrax research centre. The **oneworld** alliance was ranked in the Skytrax survey as the world's best airline alliance for the seventh time. In December, the Global Traveler magazine, directed at US travellers, ranked **oneworld** as the best airline alliance, based on a survey of its readers.

In May, Brussels Airport awarded Finnair a prize for punctuality. In September, moreover, Finnair was selected the best airline in China, when the Chinese magazine Voyage, directed at business and luxury travellers, presented Finnair with its 2010 Travel Brand Award.

The Finnair Plus frequent-flyer programme was updated at the beginning of 2010 to enable the more versatile use of points. In addition to travel-related services, points can also be used, for example, to purchase design products at the online Finnair Plus Shop and to make charity donations, for example to the Finnish Children's Clinics Association and for the good of the Baltic Sea. Over the course of a year's cooperation, more than six million Finnair Plus points have already been donated to the Finnish Family Clinics Association.

In the spring, service was revamped on Finnair flights. From June, part of the economy class meal and drinks service became more varied and at the

same time partly required payment.

In December, Finnair announced to renew the entire visual and service identity in line with its Vision 2020 plan, which was published last spring. The visual reform covers the company logo, aircraft livery and cabin look as well as uniforms and service areas.

The service identity renewal will be launched this year. This will include a reform of service principles from the standpoint of customer expectations, based on individuality and design thinking. Finnair wishes to respond to customer needs and expectations with open-minded and innovative solutions. The travel experience will be developed into an enjoyable, easy and fresh package.

Frequent flyers will be offered reliable and easy-to-use services that make business travel efficient and enjoyable. Leisure travellers will receive a price-competitive product, which can be supplemented by the quality additional services they need.

Baggage guidelines were also revised at the beginning of September. The maximum baggage allowance in economy class was increased while at the same time the number of free baggage items was restricted to one. The free baggage weight and item allowances of business class customers, Finnair Plus Platinum, Gold and Silver members, **oneworld** tier members and buyers of the most expensive economy class tickets are greater.

As of September, leisure flight passengers have been able to check in on the internet for flights departing from Helsinki.

In September, Finnair opened a revised emissions calculator on its website. The calculator is the only one in the world to be based on quarterly updated actual cargo, passenger and fuel consumption figures. Calculations are certified by PWC. Other calculators are based on averages and assumptions.

Finnair has been a pioneer in the utilisation of social media. Finnair's corporate blog, launched last year, has had more than half a million readers and Finnair's Facebook page, which opened in March 2010, has around 40,000 friends. The Facebook page has proved to be an efficient, interactive customer communications channel in exceptional circumstances, for example.

In October, Finnair chose, from over 5,200 applicants, four Quality Hunters, who for two months travelled with Finnair and observed quality on flights, at airports and at the destinations themselves. The Quality Hunters described their experi-

riences in their blogs at the address www.finnair.com/rethinkquality. The Rethink Quality website was visited by a total of nearly 600,000 readers from 189 countries during a three-month period.

During the past years focus in Finnair's communication has been on international media in order to create brand awareness cost efficiently. These measures generate monthly approximately 500 articles, in addition to the normal news flow, in international media. Last year, these Finnair stories reached a record circulation of almost 40 billion potential readers in print and on-line media.

In December, Finnair opened at Helsinki Airport the Silver Wings Lounge, refurbished according to the new visual identity. The substantial refurbishment and enlargement gives the lounge premises over 60% more space, enabling customers' individual needs to be better taken into account. The lounge facilities can be used by Finnair Plus Platinum, Gold and Silver cardholders, **oneworld** Emerald and Sapphire cardholders and Finnair business class passengers.

At the beginning of 2011, Finnair launched onto the market, in cooperation with Diners Club Finland, a new kind of credit card, combining a Finnair Plus membership card and a Diners Club credit card. When customers use the card, they earn, irrespective of their Finnair Plus tier, from two to three Finnair Plus points per euro paid with the card everywhere in the world. The card also grants access, free of charge, to more than 300 Diners Club airport lounges. Finnair Plus Gold and Platinum tier members receive the card free of charge and with no annual fee. A MasterCard option is also available.

COOPERATION WITH OTHER AIRLINES

Cooperation with the **oneworld** alliance was active during 2010. The alliance has deepened cooperation between members and pursued joint visibility. The **oneworld** alliance was again chosen as the best alliance in the Globe Traveller magazine's annual survey of its readers.

Last year the alliance gained a new CEO and relocated its head office from Vancouver to New York.

The **oneworld** alliance, of which Finnair has been a member for over 10 years, received approval in July for its North Atlantic cooperation from both the EU Commission and the US Department of Transport. The approval means that Finnair, American Airlines, British Airways, Iberia and

Royal Jordanian can extend their cooperation in flights across the North Atlantic. The decision is significant, particularly in terms of competition between alliances.

Germany's second largest airline, Air Berlin, and the **oneworld** airline alliance have agreed that the airline will become a member of the alliance in 2012. Finnair and Air Berlin also concluded a codeshare agreement in traffic between Germany and Finland, and later in Finnair's Asian traffic. The enhancement of the cooperation is expected to strengthen Finnair's market position in traffic between Germany and Asia.

The Indian Kingfisher Airlines' joining of the **oneworld** alliance next year will expand Finnair's connections in India and will bring to **oneworld** 58 new Indian destinations.

In October, Finnair announced that it will extend its codeshare cooperation with American Airlines in the summer traffic season 2011, when American Airlines begins flights from Helsinki to Chicago. The route will be flown daily during the summer traffic season. Codeshare routes between Asia and Australia will also be initiated in 2011 with the Australian **oneworld** airline Qantas.

In September 2010, Finnair Plc and Finncomm Oy signed a preliminary agreement firstly on the purchase of a 20% minority interest in Finnish Commuter Airlines Oy (FCA), which practises Finncomm's air traffic operations, and secondly on the acquisition of the entire share stock of the companies that own the Finncomm Group's 12 ATR aircraft.

It is the parties' intention to find, in addition to Finnair, external investors in FCA. Negotiations between the parties on the detailed conditions of the corporate arrangement are under way. The objective is to complete the negotiations during the first quarter of 2011.

Finnair and Finncomm will continue their cooperation in domestic and Baltic region feeder traffic.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

Globally, the airline industry is one of the sectors most sensitive to cyclical changes in economic conditions. The development of GDP, investment and international trade has a strong impact on air transport passenger and cargo demand.

Due to the short booking horizon in passenger and cargo traffic, it is difficult to forecast demand far into the future. Unexpected external shocks

such as the spring 2010 volcanic ash cloud crisis can rapidly affect the development of air transport demand.

A change of one percentage point in the passenger load factor affects the Group's operating result by just under 15 million euros. A change of one per cent in the average yield of passenger traffic services also affects the Group's operating result by slightly less than 15 million euros.

Fuel costs constitute just over 20% of the Group's costs and. Two of the most significant uncertainty factors where costs are concerned for the Group include prices and exchange rate changes. Finnair protects itself against fuel price and foreign exchange rate volatility by entering into option and future contracts for hedging purposes. A rise in the cost of hedging arrangements also poses a risk.

A 10% change in the world market price of fuel affects Finnair's operating result on an annual basis by around 18 million euros after hedging. A 10% change in the euro-dollar exchange rate affects Finnair's operating result on an annual basis by around 21 million euros after hedging. The market price of fuel in euros has risen from last year by 34%.

The hedging policy practised by Finnair dampens fuel price fluctuations. Finnair's relative competitive position in terms of costs is also influenced by competitors' fuel price hedging policies. The company's main competitors adhere to the same principles as Finnair in their hedging policies.

OUTLOOK

Air travel and cargo demand is expected to continue to be strong in Finnair's market areas due to the strengthening of national economies and subsequent export industry growth. The demand base provides an opportunity to improve unit revenue from the previous year.

Package tour demand is expected to return to the level that preceded the recession, but a new foreign tour operator means that competition in the market will intensify.

Finnair's passenger traffic capacity is expected to grow in 2011 by over 10% from last year. Growth will be directed almost entirely at Asian traffic, where Finnair will increase its capacity by more than 20%. The level of seat-kilometres in scheduled traffic is expected to grow and leisure flight capacity is expected to fall slightly.

SHARE-RELATED KEY FIGURES

		2010	2009	2008
Earnings/share	EUR	-0.24	-0.76	-0.36
Equity/share	EUR	6.67	6.45	5.87
Dividend/share	EUR	0.00	0.00	0.00
Dividend-to-earnings ratio	%	0.0	0.0	0.0
P/E ratio		-21.09	-4.93	-13.46
P/CEPS		10.6	-4.0	5.2
Effective dividend yield	%	0.0	0.0	0.0

NUMBER OF SHARES AND SHARE PRICES

		2010	2009	2008
Average number of shares adjusted for share issue	pcs	128,136,115	128,136,115	127,969,796
Average number of shares adjusted for share issue (with diluted effect)	pcs	128,136,115	128,136,115	127,969,796
The number of shares adjusted for share issue at the end of financial year	pcs	128,136,115	128,136,115	127,969,796
The number of shares adjusted for share issue at the end of financial year (with diluted effect)	pcs	128,136,115	128,136,115	127,969,796
Number of shares, end of the financial year	pcs	128,136,115	128,136,115	128,136,115
Trading price highest	EUR	5.72	5.24	8.49
Trading price lowest	EUR	3.61	3.52	3.50
Market value of share capital Dec. 31	EUR mill.	646	481	627
No. of shares traded	pcs	27,299,521	13,846,917	64,783,468
No. of shares traded as % of average no. of shares	%	21.30	10.80	50.55

Finnair aims to maximise total revenue, which is expected to maintain the passenger load factor at the previous year's level or to reduce it slightly. Unit revenue is expected to be at last year's level.

Finnair's fuel costs in the current year are projected to be higher than last year due to capacity increases and more expensive fuel.

The consolidation trend in the sector is expected to continue in Europe. Finnair is assessing its own role in developments and is seeking to take advantage of the best options from a shareholder perspective. Developing the cooperation network will strengthen Finnair's market position.

The impact of the cabin staff strike on bookings as well as seasonal fluctuation in demand will be reflected in the first quarter operational result, which is expected to be unprofitable. Turnover is expected to grow by more than 10% and the operational result for the full year is expected to be profitable.

FINNAIR PLC LARGEST SHAREHOLDERS AS AT 31 DECEMBER, 2010

		Number of shares	%	Changes 2010
1	State of Finland; Office of Council of State	71,515,426	55.8	0
2	Skagen Global Verdipapirfonds (I-II-III-Vekst)	6,815,105	5.3	-346,643
3	Local Government Pensions Institution	5,017,724	3.9	-579,957
4	Ilmarinen Mutual Pension Insurance Co	3,025,564	2.4	0
5	OP Funds	2,650,000	2.1	1,054,276
6	Odin Norden & Odin Finland	2,534,529	2.0	-249,443
7	Tapiola Insurance Company Group	2,276,444	1.8	0
8	Suomi Mutual Life Insurance Company	2,125,000	1.7	-1,409,701
9	State Pension Fund	2,100,000	1.6	0
10	Nordea Funds	1,568,522	1.2	136,200
11	Etera Mutual Pension Insurance Company	687,198	0.5	287,198
12	Fourton Fokus Finland Fund	631,700	0.5	631,700
13	Varma Mutual Pension Insurance Company	600,000	0.5	0
14	Finnair Plc Staff Fund	563,600	0.4	283,189
15	Mandatum Life Insurance Company	508,815	0.4	-1,891,185
16	Fennia Pension Insurance Company	500,000	0.4	395,000
17	SEB Gyllenberg Funds	559,954	0.4	257,050
18	Finnair Plc (own shares)	410,187	0.3	22,758
19	City of Turku, Claim Fund	341,407	0.3	0
20	Norvestia Plc	337,733	0.3	103,346
21	Taaleritehdas Arvo Markka Osake Fund	300,000	0.2	300,000
22	Evli Suomi Fund	258,288	0.2	258,288
23	Veritas Pension Insurance Company	239,389	0.2	239,389
24	Pohjola Insurance Company	216,668	0.2	0
25	Ingman Finance Oy Ab	200,000	0.2	0
26	FIM Fenno Fund	191,900	0.1	191,900
27	City of Turku	170,498	0.1	-148,636
28	SR Danske Funds	158,345	0.1	-65,369
29	Pharmacy Pension Fund	145,000	0.1	145,000
30	Finnair Pension Fund	136,842	0.1	0
31	Mattila Rauno	124,200	0.1	121,200
32	Kotimaa Saving Bank Fund	121,700	0.1	0
33	Aro Olavi Sakari	110,000	0.1	0
34	Head Invest	100,000	0.1	100,000
35	Kamprad Ingvar	100,000	0.1	0
	Nominee registered	9,839,403	7.7	-1,162,747
	Others	10,954,974	8.5	
	Total	128,136,115	100.0	

SHAREHOLDERS BY TYPE AT 31 DECEMBER 2010

	Number of shares	Shares, %	Number of shareholders	Shareholders, %
Public bodies	86,912,211	67.8	19	0.0
Registered in the name of nominee	9,839,403	7.7	10	0.0
Outside Finland	9,635,211	7.5	62	1.0
Households	9,136,071	7.1	12,095	95.0
Financial institutions	8,095,832	6.3	33	0.0
Private companies	3,298,140	2.6	533	4.0
Associations	1,199,449	0.9	63	0.0
Not converted into the book entry system	19,798	0.0	0	0.0
Total	128,136,115	100.0	12,815	100.0

BREAKDOWN OF SHARES AT 31 DECEMBER 2010

	Number of shares	Shares, %	Number of shareholders	Shareholders, %
1–200	574,989	0	6,193	48
201–1 000	2,383,826	2	4,513	35
1 001–10 000	5,215,150	4	1,925	15
10 001–100 000	3,476,193	3	137	1
100 001–1 000 000	7,970,711	6	25	0
1 000 001–>	98,656,045	77	12	0
Registered in the name of nominee	9,839,403	8	10	0
Not converted into the book entry system	19,798	0	-	-
Total	128,136,115	100	12,815	100

ACQUISITION AND DELIVERY OF OWN SHARES AND RETURNS OF SHARES

Period	Number of shares	Acquisition value, EUR	Average price, EUR
2004	422,800	2,275,666.49	5.38
2005	-37,800	-209,838.54	5.55
2005	150,000	1,516,680.00	10.11
2006	-383,097	-2,056,847.88	5.37
2007	0	0.00	0
2008	235,526	1,538,956.35	6.53
2009	0	0.00	0
2010	22,758	114,719.52	5.04
31 Dec 2010	410,187	3,179,335.94	7.75

SHARES AND SHAREHOLDERS

Shares and share capital

On 31 December 2010, the number of Finnair shares entered in the Trade Register was 128,136,115. Each share has one vote at the Annual General Meeting. On 31 December 2010, the registered share capital was 75,442,904.30 euros.

Share listing

Finnair Oyj's shares are listed on the NASDAQ OMX Helsinki Stock Exchange.

Dividend policy

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

Share-based bonus scheme for key individuals

On 4 February 2010, the Board of Directors of Finnair Plc approved a share-based bonus scheme for key individuals for the period for 2010-2012. The bonus scheme is outlined in Note 26. The scheme does not affect the total number of shares. The level of bonus is linked to the Finnair Group's financial development.

Board of Directors' authorisations

The Annual General Meeting on 31 March 2010 granted the Board of Directors an authorisation

to acquire the company's own shares up to a maximum 5,000,000 shares. The authorisation is valid until 30 September 2011. In addition, the Annual General Meeting authorised the Board of Directors to decide on a share issue in which the shares issued are the own shares acquired by the company. The share issue authorisation applies to a maximum of 5,000,000 shares and is valid until 31 May 2013, and the authorisation cancels a corresponding authorisation given by the Annual General Meeting on 27 March 2008. In 2010 Finnair did not acquire nor dispose of its own shares by virtue of the authorisations.

At the end of 2010, Finnair held 410,187 of its own shares, namely 0.30% of the total number of shares outstanding on the last day of the year. During 2010, a total of 22,758 shares were returned to the company in connection with the company's 2007-2009 share bonus scheme; shares transferred to participants for the 2007 performance period were returned, because conditions relating to the employment relationships of the recipients were not fulfilled.

The Board of Directors has no other valid authorisations, such as authorisations to issue convertible bonds or option rights.

Government ownership

At the end of the financial year, on 31 December 2010, the Finnish Government owned 55.8% of the company's shares and votes. On 20 June 1994, the Finnish Parliament, while giving its consent to reduce the Government's holding to less than

two-thirds, decided that the Government must own more than half of Finnair Plc's shares.

Share ownership by management

On 31 December 2010, members of the company's Board of Directors and the President & CEO owned 78,362 shares, representing 0.06% of all shares and votes.

Share price development and trading

On the last day of the financial year, the Finnair Plc share was quoted at 5.04 euros on the NASDAQ OMX Helsinki Stock Exchange. On 31 December 2010, the market value of the company's shares was 645.8 million euros (480.5). During 2010 the highest price for the Finnair Plc share was 5.72 euros (5.24), while the lowest price 3.61 euros (3.52) and the average price 4.49 euros (4.15). During the financial year 2010, 27.3 million shares (13.8), with a value of 122.5 million euros (57.5), were traded on the NASDAQ OMX Helsinki Stock Exchange.

BOARD OF DIRECTORS' PROPOSAL ON THE DIVIDEND

The distributable equity of Finnair Plc amounts to 339.4 million euros. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for 2010.

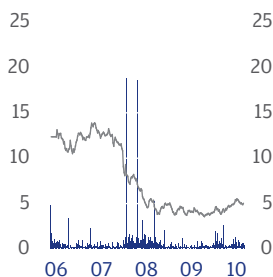
FINNAIR PLC

Board of Directors

Finnair share trade development and trade

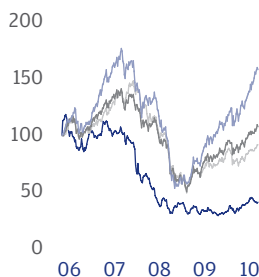
2006-2010, Monthly average price, EUR

- Monthly average price
- Monthly trade, mill. pcs



Finnair Plc Share Index and NASDAQ OMX Helsinki indices

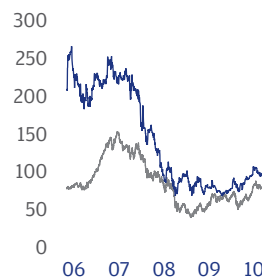
- Finnair Plc share
- Industrial Index
- OMX-Helsinki-Benchmark-Index
- All-share Index



Index 1 Jan 2006=100

Share price development compared with other European airlines

- Finnair Plc
- Bloomberg Europe Airline Index



Index 1 Jan 2006=100