

FINNAIR GROUP FINANCIAL STATEMENT FOR JANUARY 1 - DECEMBER 31, 2006

Operational result slightly in profit

Summary of 2006 key figures

- Turnover rose by 6.3% to 1,989.6 million euros
- Passenger traffic grew 7.1% from the previous year, passenger load factor rose 2.5 percentage points to 75.2%
- Unit revenues from flight operations grew by 0.4%, unit costs by 1.8%
- Operating loss was -10.8 million euros (operating profit 81.9 million)
- Operational result i.e. EBIT, excluding capital gains, non-recurring arrangement expenses and changes in the fair value of derivatives was 11.2 million euros (70.1 million)
- Result before taxes was -14.7 million euros (87.5 million).
- Gearing at the end of the year was 6.7% (-25.1%) and gearing adjusted for leasing liabilities was 112.3% (66.8%)
- Balance sheet cash and cash equivalents totalled 297.0 million euros (418.4 million).
- Equity ratio 37.2% (42.2%)
- Equity per share 6.77 euros (7.73)
- Earnings per share -0.16 euros (0.73)
- Return on capital employed -0.1% (11.1%)

President and CEO Jukka Hienonen on the result for the financial year:

We have recognised for the last year exceptionally large restructuring expenses, so 2006 represents an interim year in the development of Finnair's result despite the increase in revenue and improvement of passenger load factors. In addition to unavoidable restructuring, the result was burdened by a strong rise in fuel prices. The level of ticket prices in Finland was depressed by aggressive price-driven marketing. Two budget airlines departed the Finnish market last year.

This year we will obtain two new wide-bodied aircraft for Asian traffic, which will grow by 30 per cent. Next year we will acquire two further aircraft, whereupon our long-haul traffic capacity will have doubled in two years. The Delhi route, which opened last autumn, has proved to be popular and this year we will quadruple our Indian traffic by increasing the number of Delhi flights and by opening a route to Mumbai.

Work on cutting our loss-making operations will continue this year. Particular attention will be paid to aviation services. The objective of the competitiveness project initiated in Finnair Technical Services is to make all subareas profitable by 2008.

Ownership or partnership options will be explored for the ground handling services company Northport, whose result was a loss.

Now, with the full effort of all our personnel, we are striving to deliver clearly profitable operations. Finnair's strategy based on Asian traffic has been tested in practice. Our organisational and personnel structure as well as our operating culture are being adapted to Europe-Asia traffic, where Finnair has excellent prerequisites for success.

Demand in the key types of traffic is growing healthily. The trend of average prices in long-haul traffic is heading in the right direction. The 80 million euro restructuring programme will not be evident in full this year, but the restructuring programmes together with the stable price development of oil create a basis for a significant improvement in the operational result in 2007, especially starting from the second quarter.

General Review

The year under review was one of restructuring in Finnair. The company's main business area, international scheduled passenger traffic, has been shaped by conditions dictated by growing Asian traffic. Changes in organisational and personnel structures have been aimed at focusing operations particularly on scheduled passenger traffic between Europe and Asia. Growing Asian traffic is increasing travel demand on European routes, too.

In 2006 European airlines' scheduled passenger traffic grew more than five per cent and financial performance was better than in previous years. Finnair's scheduled passenger traffic grew overall by more than 13 per cent and Asian traffic by nearly 30 per cent. Due to the trend in fuel prices and Group restructuring, the operational result was modest and the result for the quarter was in the red, however.

In the early part of the year, turnover developed favourably, even though the average price of flight tickets declined by 2-3 per cent. Simultaneously, fuel costs rose strongly, placing a heavy burden on operating costs.

Finnair Technical Services' result was adversely affected not only by non-recurring arrangement expenses but also by some financially unprofitable external maintenance contracts. Moreover, Finnair Scheduled Passenger Traffic's replacement of its Boeing MD-80 aircraft with an Embraer fleet resulted in transition costs. More extensive maintenance than planned on two wide-bodied aircraft increased costs at Finnair Technical Services. Aircraft Heavy Maintenance unit was under-utilised and the year was heavily loss-making.

In the second quarter, a restructuring programme was initiated with the aim of finding 80 million euros of annual savings starting in 2008 as well as long-term cost competitiveness. Over 15 million euros in non-recurring expenses for restructuring were recognised in the second quarter, including a 10 million euro provision for personnel reductions and an impairment of more than five million euros on Finnair Technical Services' inventories. In a statutory employer-employee procedure, a reduction of 670 jobs by the end of 2007 was agreed. Most of the reductions will take place in Finnair Technical Services and administrative support functions.

Negotiations have been conducted with flight personnel to develop terms and conditions of employment to correspond with Finnair's present traffic structure. Finnair's goal of hiring 500 new employees for cabin work under the national collective employment agreement led to a dispute with the Finnish Flight Attendants' Association SLSY, which organised a two-day strike at the end of October. The strike had a negative impact on the result of more than 10 million euros. In negotiations held after the strike, an agreement was reached on more flexible conditions of employment and, among other things, on the establishment of a group that will focus on long-haul flights.

Finnair's fleet has been modernised by discontinuing the oldest types of aircraft and by acquiring additional new aircraft. The present fleet will enable the company to reduce operating costs and improve passenger load factors. The fleet modernisation is evident in increased depreciation and lease payments.

The postponement by Airbus of production decisions caused uncertainty in the production schedule of the A350 type of aircraft, which Finnair has ordered by 2012-15. A decision by Airbus to begin production of the aircraft would also have confirmed the production schedule of the aircraft ordered by Finnair. We expect to conclude the negotiations with Airbus Industrie in the near future and confirm a plan for aircraft acquisitions during a transition period.

At the end of November 2006, the EU and Russia agreed to discontinue gradually, from 2010 to 2013, the charging of royalty fees for traffic overflying Russia. Finnair currently pays Russia more than 20 million euros for flights that fly over Russia on its Japanese and Chinese routes.

Financial Result, 1 October – 31 December 2006

Turnover rose in the final quarter by 4.3 per cent to 499.3 million euros. The Group's operational result, i.e. EBIT excluding capital gains, non-recurring arrangement expenses and changes in the fair value of derivatives, fell to -24.4 million euros (0.4 million). Adjusted EBIT margin was -4.9 per cent (0.1%). The result before taxes was -26.3 million euros (-2.4 million). Changes in the fair value of derivatives weakened the final quarter result by 1.4 million euros, but this has no effect on cash flow.

In October-December, passenger traffic capacity rose 2.6 per cent and demand grew 3.5 per cent, while Asian traffic alone rose by 22.2 per cent. Passenger load factor rose 0.6 percentage points from the previous year to 72.2 per cent. The quantity of cargo carried grew by 1.1 per cent.

In scheduled passenger and leisure traffic, total unit revenues per passenger kilometre rose by 3.2 per cent. Yield per passenger rose by 14.8 per cent. Unit revenues for cargo traffic declined by 10.9 per cent. Weighted unit revenues for passenger and cargo traffic rose by 0.9 per cent.

Euro-denominated operating costs rose during the period by 5.3 per cent. Unit costs for flight operations fell by 3.2 per cent. Fuel costs rose by 18.5 per cent in the final quarter. Unit costs, excluding fuel costs, fell by 6.9 per cent.

A two-day strike by cabin staff in October resulted in losses of revenue and extra costs, which weakened the final quarter result by more than 10 million euros. In the final quarter, moreover, Finnair Technical Services' result was weakened by a more than 10 million euro shortfall in external revenue compared to the previous year.

Earnings per share for the quarter amounted to -0.23 euros (-0.03).

Financial Result, 1 January – 31 December 2006

Turnover rose 6.3 per cent and was 1,989.6 million euros. The Group's operational result, i.e. EBIT excluding capital gains, changes in the fair value of derivatives and arrangement expenses, i.e. the operating result on operations, fell to 11.2 million euros (70.1 million). Adjusted EBIT margin was 0.6 per cent (3.7). The result before taxes was -14.7 million euros (87.5 million). A result weakening instalment of 8.8 million euros from changes in the fair value of derivatives was registered into the result for the entire year, but it does not have an effect on cash flow.

In 2006 passenger traffic capacity grew 3.5 per cent and demand grew 7.1 per cent. Passenger load factor rose 2.5 percentage points from the previous year to 75.2 per cent. The quantity of cargo carried grew by 4.0 per cent.

In scheduled passenger and leisure traffic, total unit revenues per passenger kilometre rose by 1.4 per cent. Yield per passenger rose by 7.5 per cent. Unit revenues per tonne kilometre for cargo traffic declined by 1.6 per cent. Weighted unit revenue for passenger and cargo traffic rose by 0.4 per cent.

In 2006 euro-denominated operating costs were 10.4 per cent higher than the previous year. Relative to flight performance, unit costs of flight operations rose by 1.8 per cent. Unit costs, excluding fuel costs, fell by 3.5 per cent. Finnair's fuel costs in 2006 were more than 90 million euros, i.e. 31.5 per cent, higher than in 2005 and the share of fuel in the Group turnover was 19.4 per cent (15.6).

Earnings per share for the full year amounted to -0.16 euros (0.73). Equity per share at the end of December 2006 amounted to 6.77 euros, compared with 7.73 euros the year before.

Investment, financing and risk management

Investments in 2006 totalled 252.2 million euros (57.5 million), including one Airbus A340 wide-bodied aircraft, six Embraer 170 aircraft, one Embraer 190 aircraft and an Embraer 170 flight simulator. Including advance payments, the cash flow impact of investments was -227.7 million euros. The investment programme for new aircraft in 2007 and 2008 is more than 300 million euros in both years.

In June and August, Finnair signed two 50 million euro credit facilities for aircraft financing. In June, Finnair also issued a 100 million euro bond. At the end of the year, the Group had balance sheet cash and cash equivalents amounting to 297.0 million euros, in addition to which there was a total of 300 million euros in unused committed credit facilities.

Operational net cash flow was 95.8 million euros, compared with 191.8 million euros a year earlier. Gearing has risen from -25.1 per cent at the beginning of the year to 6.7 per cent at the end of

the year. Gearing adjusted for leasing liabilities was 112.3 per cent (66.8%). In addition to internal financing, the considerable fleet modernisation will require external capital provisional financing. Different options for confirming the capital structure are being explored. The equity ratio fell by 5.0 percentage points from the corresponding point in the previous year to stand at 37.2 per cent.

According to the financial risk management policy approved by Finnair's Board of Directors, the company has hedged 63 per cent of scheduled traffic's jet fuel purchases during the next six months and thereafter for the following 30 months with a decreasing level of hedging. At the end of 2006 Finnair adjusted its hedging policy so that the hedging horizon for jet fuel was lengthened from two to three years. Finnair Leisure Flights has price hedged around 80 per cent of the fuel consumption of its agreed traffic programme for the coming season.

Derivatives linked to the jet fuel price are mainly used as the fuel price hedging instrument. Due to the lengthening of the hedging horizon and derivatives market efficiency differences, Finnair also uses other oil derivatives.

Under IFRS rules, a change during the financial period in the fair value of derivatives that mature in future is recognised in the Finnair income statement item 'Other expenses'. It is a valuation loss in accordance with IFRS reporting practice and not a realised hedging loss nor does it have an effect on cash flow. In 2006 the change in the fair value of derivatives was -8.8 million euros.

A weakening of the US dollar against the euro has a positive impact on Finnair's operational result. At the end of December, the degree of hedging for a dollar basket over the following 12 months was 66 per cent.

Finnair's investments, financing and risk management are outlined in more detail in the Financial Report section of the annual report.

Shares and Share Capital

The market value of the company was 1,101.5 million euros (1,039.9 million) and the closing price was 12.41 euros. During 2006 the highest price for the Finnair Plc share on the Helsinki Stock Exchange was 15.00 euros (12.15), while the lowest price was 10.01 euros (5.56) and the average price 12.50 euros (8.56). During 2006, some 30.0 million (32.2 million) of the company's shares, with a value of 374.6 million euros (276.0 million), were traded on the Helsinki Stock Exchange. At the end of the period under review, the Finnish State owned 55.8 per cent (57.09%) of the company's shares, while 33.5 per cent (29.1%) were held by foreign investors or in the name of a nominee.

At the beginning of the financial period, the company held 535,000 of its own shares, which it had purchased in previous years. On 23 March 2006 the Annual General Meeting authorised the Board of Directors for a period of one year to purchase the company's own shares up to a maximum of 3,500,000 shares and dispose of the

company's own shares up to a maximum of 3,650,000 shares. The authorisation applies to shares amounting to less than five per cent of the company's share capital. Under the authorisation, the company transferred 383,097 shares to key individuals on 19 April 2006 as part of a share bonus scheme for key individuals. The company did not make further purchases of own shares in 2006. On 31 December 2006 the company held a total of 151,903 own shares, i.e. 0.2 per cent of all shares.

Two series of Finnair Plc option rights were traded on the Main List of the Helsinki Stock Exchange. At the beginning of the financial period, 396,394 Series A 2000 options were in circulation and 816,150 Series B 2000 options. The options were removed from the Helsinki Stock Exchange list on 31 August 2006, when the subscription for shares with the options ended and the options expired. Between 1 January and 31 August 2006, 396,169 new shares were subscribed for with Series A options and 816,020 new shares with Series B options, a total of 1,212,189 new shares. The subscription ratio was 1:1. A total of 355 options were not exercised. After the registration of the new shares, Finnair Plc's registered share capital on 31 December 2006 was 75,442,904.30 euros (73,783,496.05) and the total number of shares was 88,756,358 (86,804,113).

A more detailed account of the share and share capital can be found in the Financial Report section of the annual report.

Board of Directors and Senior Management

At the Annual General Meeting held on 23 March 2006, the following former members were elected as Members of the Board of Directors until the end of the next Annual General Meeting: Christoffer Taxell (Chairman), Markku Hyvärinen, Kari Jordan, Veli Sundbäck and Helena Terho. In addition, Kalevi Alestalo, Satu Huber and Ursula Ranin were elected as new members.

PricewaterhouseCoopers Oy, Authorised Public Accountants, were elected as the company's regular auditors, with Jyri Heikkinen, Authorised Public Accountant, as responsible auditor, and Matti Nykänen APA and Tuomas Honkämäki APA as deputy auditors.

Jukka Hienonen, appointed to succeed President and CEO Keijo Suila, who retired on 31 December 2005, began as President and CEO of Finnair Plc on 1 January 2006. Before joining Finnair, Hienonen was Executive Vice President of Stockmann Oyj Abp with responsibility for the department stores group.

EVP Scheduled Passenger Traffic Henrik Arle was appointed Deputy CEO of Finnair Plc as of 1 January 2006. At the same time Arle was appointed Finnair Plc's Accountable Manager, as specified in the Airline Operator's Licence.

There were changes in the Group's Board of Management. SVP Technical Services Jarmo Vilenius moved to become Managing Director of Finnair Facilities Management as of 15 January 2006. The new SVP Technical Services is Kimmo Soini, who

transferred to the post from his role as Scheduled Passenger Traffic's VP Technical Services.

SVP Leisure and Travel Services Mauri Annala retired on 1 March 2006. Kaisa Vikkula Doc(Econ) was appointed to replace him. She had been a member of Finnair's Board of Directors since 2003. Vikkula left her Board position on 16 February 2006.

Finnair's SVP, Administration and Human Resources Tero Palatsi resigned from Finnair on 15 February 2006. The duties of Senior Vice President, Human Resources were handled by VP Ari Kuutschin until 31 January 2007. As of 1 February 2007, the Senior Vice President, Human Resources is Anssi Komulainen, who moved to the position from his duties as Managing Director of Finnair Catering Oy. Kristina Inkiläinen has been appointed to replace Komulainen as Managing Director of Finnair Catering Oy and SVP, Catering as of 30 April 2007. Inkiläinen was formerly Managing Director of Select Service Partner Finland Oy.

Finnair's Legal Counsel Sami Sarelus was appointed Vice President and General Counsel as of 1 February 2007. He will also act as secretary to the company's Board of Directors and Board of Management.

At the beginning of 2006, senior management working was rearranged, so that the Group's Executive Board comprises, in addition to President and CEO Jukka Hienonen, Deputy CEO Henrik Arle, Chief Financial Officer Lasse Heinonen, Senior Vice President, Human Resources Anssi Komulainen (as of 1 February 2007), SVP, Leisure Traffic and Travel Services Kaisa Vikkula, SVP, Commercial Division Mika Perho and SVP, Finnair Technical Services Kimmo Soini.

In addition to the Executive Board, the Board of Management comprises SVP, Communications Christer Haglund, SVP, Flight Operations Hannes Bjurström, Finnair Cargo Oy's Managing Director Antero Lahtinen, Northport Oy's Managing Director Tero Vauraste and Finnair Catering Oy's Managing Director Kristina Inkiläinen (as of 30 April 2007) and plus three personnel representatives.

Finnair's Corporate Governance is outlined in more detail in the Financial Report section of the annual report.

Personnel

During 2006, the average number of staff employed by the Finnair Group totalled 9,598, which was 1.6 per cent more than a year before. Scheduled Passenger Traffic had 4,114 employees and Leisure Traffic 343 employees. The total number of personnel in technical, catering and ground handling services was 3,771 and in travel services 1,145. A total of 225 people were employed in other functions.

The number of Scheduled Passenger Traffic personnel grew in the early part of the year by 5.9 per cent. The increase has occurred in Flight Operations, particularly for the needs of growing Asian traffic. The number of personnel in other business areas has declined or remained as before.

The trend is in accordance with the Finnair Group's restructuring plan.

Foreign units had around 800 employees, of whom 300 work mainly in sales and customer service duties related to Finnair's passenger and cargo traffic. There are a total of 500 employees working for the Swedish airline FlyNordic, the Estonian airline Aero, the Estravel travel agency chain, which operates in the Baltic states, and as guides at Aurinkomatkat-Suntours' holiday destinations. Foreign personnel are included in the total number of Group employees.

Of Finnair Group personnel, half are women and half are men. The proportion of women in management positions, for example in department manager roles, is growing. There are two women members on the Finnair Group's Board of Management. Three of the eight members of Finnair Plc's Board of Directors are women.

Full-time staff account for 91 per cent of employees. Around half of part-time staff are employees on partial child-care leave. Some 92 per cent of staff are employed on a permanent basis. Seasonal staff are included among those on fixed-term contracts. The average age of employees is 43 years, with most being between 30 and 50 years of age. More than 20 per cent are over 50 years old and one in ten are under 30.

Employees' average length of service is 14 years. One third of Finnair's personnel have been in the service of Group for more than 20 years. Nearly half of these have been employed for more than 30 years.

Finnair has collective employment agreements valid at least until 30 September 2007 with six labour unions and with pilots until May 2008.

In May 2006, Finnair announced a target of cutting 670 jobs, mainly in Finnair Technical Services as well as administrative support functions by the end of 2007. A statutory employer-employee negotiation procedure related to this took place in May-June 2006 and an agreement on the reduction of jobs was reached in September. The reduction has already been implemented in administrative and property services functions through the merger and outsourcing of units. A reduction of personnel numbers by 300 in Finnair Technical Services will take place mainly through early-retirement solutions.

More flexible terms and conditions of employment have been negotiated with pilots and cabin staff to make more efficient use of labour. Around 20 million euros of annual savings will be sought through more flexible procedures. Agreement on the issue has been reached with cabin staff and agreement with pilots is expected in the near future.

At the end of October, the Finnish Flight Attendants' Association SLSY, which represents cabin staff, organised a two-day strike in response to Finnair's plans to hire 500 cabin attendants by summer 2007 on terms according to the national collective employment agreement.

According to an agreement concluded under the guidance of the national conciliator, Finnair's collective employment agreement will be applied to the recruitment and employment terms of new cabin

staff for the duration of the current agreement period. The current collective employment agreement is valid until 30 September 2007.

Changes to the current collective employment agreement were agreed that improve the efficiency of the cabin staff's work. The scheduling of cabin staff's working and free days was improved and restrictions relating to working and rest periods on long-haul routes were unwound, for example by establishing a group focusing on long-haul flights. Savings will also be made in crew hotel costs.

Incentive bonuses amounting to nearly 3 million euros are expected to be paid to personnel for 2006. The financial result for 2006 did not fulfil the terms of the share bonus scheme for key individuals nor conditions for the payment of a profit bonus to the Personnel Fund. a profit bonus to the Personnel Fund.

Fleet changes

Finnair Group's fleet is managed by Finnair Aircraft Finance Oy, which belongs to the Scheduled Passenger Traffic business area. On 31 December 2006, the Finnair fleet had 72 aircraft. The average age of the entire fleet was 8.3 years. In European traffic, the average age of the fleet is approximately four years. Finnair has at its disposal the most modern fleet in European air traffic, which brings both cost savings and eco-efficiency.

Finnair's parent company discontinued the use of the Boeing MD-80 type of aircraft at the beginning of July. This type of aircraft will continue to be used by Finnair's Swedish subsidiary FlyNordic. The Estonian subsidiary Aero AS operates with seven ATR 72 aircraft. A decision has been made to sell four aircraft. The aim is to sell the aircraft by spring 2007.

The Embraer aircraft acquisition programme, which began in autumn 2005, continues. The number of Embraer aircraft ordered to date is 20, of which ten are the 76-seat 170 model and ten the 100-seat 190 model. At the end of the year, all ten 170 model aircraft and the first Embraer 190 had been delivered to Finnair. During 2007, five more Embraer 190s will arrive, and the remaining four will be delivered in 2008-9, two each year.

For the growing needs of Asian traffic, Finnair bought its first Airbus A340 aircraft in July 2006. The aircraft was purchased pre-owned. In addition, long-haul traffic capacity in 2006 was increased by a seventh Boeing MD-11 wide-bodied aircraft, acquired in December 2005. The capacity brought by the aircraft provided cover during winter and spring 2006 for the maintenance shutdowns caused by conversion work on the six other MD-11 aircraft. The additional capacity was brought fully into use in May 2006.

In December 2005 Finnair ordered nine new Airbus A350 wide-bodied aircraft and arranged options for four more. After Finnair's order decision, Airbus Industrie announced that it would revise the design of the A350. This will delay the introduction of this type of aircraft by Finnair, with the first aircraft arriving in 2014. The redesigned A350

aircraft, when completed, will be a more economic and higher performance model than originally planned. Finnair will receive the aircraft it ordered at the originally agreed acquisition price.

Finnair has also ordered four Airbus A340-wide-bodied aircraft and has options for four more. The ordered aircraft will be delivered to Finnair in 2007–08. In negotiations between Finnair and Airbus Industrie, an agreement is expected in the near future on compensation awardable to Finnair for the delay in the A350 production schedule.

In spring 2006 three lease agreements of seven Boeing 757 aircraft used by Finnair Leisure Flights were renewed on clearly more favourable terms. The agreements of the other four aircraft had already been renewed.

By the end of 2007, winglets will be fitted to all seven Boeing 757 aircraft used by Finnair Leisure Flights. They improve an aircraft's aerodynamics and thus reduce fuel consumption and emissions. Fuel consumption falls approximately by an estimated four per cent.

Environment

At the end of 2006, the EU announced a proposal for extending emissions trading to air transport around the turn of the decade. The emissions trading calculation principles take into account the benefit produced for the fuel consumed. As it will only apply to airlines operating in the area of the EU, the scheme distorts competition in the industry.

Finnair has been renewing its fleet systematically since 1999. The Airbus A320 and Embraer aircraft families used in European and domestic traffic represent the newest technology. The modern fleet is eco-efficient both in regard to carbon dioxide and noise emissions.

Finnair takes the environment into consideration in all its operations and decision-making. Finnair environmental matters are presented in more detail in the Annual Report and on the Finnair website.

Performance of business areas

The primary segment reporting of the Finnair Group's financial statements is based on business areas. The reporting business areas are Scheduled Passenger Traffic, Leisure Traffic, Aviation Services and Travel Services.

Scheduled Passenger Traffic

This business area is responsible for sales of scheduled passenger traffic and cargo, service concepts, flight operations and activity connected with the procurement and financing of aircraft. Scheduled Passenger Traffic leases to Leisure Traffic the crews and aircraft it requires. The business area consists of the following units and companies: Finnair Scheduled Passenger Traffic, Aero Airlines, FlyNordic, Finnair Cargo Oy and Finnair Aircraft Finance Oy.

In 2006 the business area's turnover rose by 8.1 per cent to 1,522.1 million euros. The adjusted

EBIT i.e. operational result was 28.6 million euros (34.3 million).

Finnair Scheduled Passenger Traffic carried more than 7.5 million passengers in 2006. Demand for Finnair's Scheduled Passenger Traffic grew by 13.3 per cent, while capacity grew by 7.2 per cent, leading to an improvement in passenger load factor by 3.9 percentage points to 71.6 per cent.

Unit revenues for scheduled passenger traffic fell 2.0 per cent in 2006. In addition to a general fall in price levels, growth of the relative share of long-haul traffic in scheduled traffic as a whole also contributed to the decline in unit revenues. In long-haul traffic, passenger kilometre-based unit revenue is lower than in European and domestic traffic. In long-haul traffic, however, average prices rose from the previous year. The price level in European traffic was nearly the same as in 2005. In domestic traffic, on the other hand, the decline in prices continued.

Unit revenues for cargo declined by 1.6 per cent in 2006. The total quantity of cargo carried in scheduled passenger traffic grew by 6.7 per cent. The quantity of cargo carried in Asian traffic increased 19.4 per cent from the previous year.

In international scheduled traffic, Finnair has maintained its market share relative to its main competitors. In domestic traffic, Finnair's market share has fallen slightly during the current year. Finnair has reduced domestic traffic capacity significantly in order to maintain profitability.

The operating result of Finnair's Swedish subsidiary FlyNordic was in profit for the last two quarters of 2006. FlyNordic's profitability has been improved by transferring capacity from scheduled traffic to more profitable leisure traffic. The full-year's result, however, is a loss.

During 2006, the arrival punctuality of scheduled passenger flights fell by 3.6 percentage points to 84.4 per cent (88.0%). Even so, Finnair's punctuality is still among the best in Europe.

Leisure Traffic

This business area consists of Finnair Leisure Flights as well as the Aurinkomatkat-Suntours package tour company, which is the biggest in its field in Finland, with a market share of more than 39 per cent. Finnair Leisure Flights also enjoys a strong market leadership in leisure travel flights. The company has ten tour operators as customers.

In 2006 Finnair Leisure Flights carried more than 1.2 million passengers. Performance calculated in passenger kilometres was 7.2 per cent lower than a year earlier. Capacity was reduced by 7.4 per cent, so the passenger load factor of leisure flights remained nearly at the previous year's level, at 87.4 per cent. For the summer season 2006, two Leisure Flights aircraft had been leased to an English charter company.

Aurinkomatkat-Suntours' passenger numbers grew five per cent in 2006 to more than 340,000 passengers. Overcapacity in the sector reduced price levels and increased sales of loss-making last-minute departures, thus weakening profitability compared to the previous year. In terms of the result, however,

the year was the third best in Aurinkomatkat-Suntours' history. Aurinkomatkat-Suntours reached an agreement on the purchase Estonia's second biggest tour operator, Oü Horizon Travel. The company increases Aurinkomatkat's tour capacity by more than five per cent. The finalisation of the deal still awaits the approval of the competition authority.

Owing to fuel surcharges collected from tour operators, the business area's 2006 turnover remained at the previous year's level, at 386.8 million euros. The adjusted EBIT i.e. operational result was a profit of 18.6 million euros (20.3 million), a decline of 8.4 per cent.

For the current winter season, Finnair has agreed fixed prices with tour operators and provided for the fuel risk with price hedging in accordance with the Group's financial policy.

Aviation Services

This business area comprises aircraft maintenance services, ground handling 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.

In 2006 Aviation Services' turnover rose 1.6 per cent to 407.5 million euros. The adjusted EBIT i.e. operational result declined by 50 million euros, however, and was clearly loss-making, i.e. -24.5 million euros (25.5 million). The business area's loss is derived from Finnair Technical Services and Northport Oy; catering operations are profitable.

Most of the over 15 million euros in arrangement expense provisions made in the second quarter of 2006 were designated for Aviation Services, particularly Finnair Technical Services. Finnair Technical Services also has some unprofitable maintenance contracts for non-Group customers, the most significant part of which it was able to cancel during 2006.

The utilisation of the Aircraft Heavy Maintenance unit in particular has been low, and operations have been loss-making. Activity at the Aircraft Heavy Maintenance unit will be clearly better than the previous year in spring 2007.

At the beginning of 2006, Finnair Technical Services initiated a competitiveness project which examined the entire organisation's revenue and cost structure. The goal is to return the business to profitability by specialising and by developing processes and operating models. At the same time, operations for which there is no commercial justification will be discontinued.

Finnair Technical Services' personnel numbers will be cut by around 300 in 2006-7. The reduction will be implemented through various pension solutions, outsourcing of functions and redundancies.

The ground handling company Northport Oy expanded its operations to Oslo's Gardemoen

Airport. A subsidiary, which has a light cost and administration structure, started operating in Oslo on 1 October 2006. Early-stage costs and operational challenges have been connected with the start-up of operations. A Northport subsidiary is also operating at Stockholm's Arlanda Airport.

As part of the Finnair Group's restructuring and profitability improvement, opportunities for the reorganisation of Northport Oy and its subsidiaries are being investigated. Various ownership and partnership options for the company or its parts are being explored.

At the end of 2006, Finnair signed an agreement with YIT Kiinteistöteknikka Oy by which responsibility for Finnair's real-estate and facilities management services transferred to YIT for the next five years. Overall, the value of the contract is more than 40 million euros. Around 50 Finnair Facilities Management employees transferred to YIT's service under existing their terms of employment at the beginning of 2007. Group-owned properties were not transferred in the arrangement.

Travel Services

This business area consists of the Group's domestic and foreign travel agency operations - including Finland Travel Bureau, Estravel and Area - as well as the operations of the travel reservations systems supplier Amadeus Finland Oy.

In 2006, the business area's turnover fell 4.2 per cent to 87.4 million euros and the adjusted EBIT i.e. operational result was 2.3 million euros (8.1 million). The sharp decline in adjusted EBIT resulted mainly from pressure on service fees caused by tight competition in the travel agency sector as well as the discontinuation of sales commissions paid by travel providers and airlines. The result includes non-recurring items relating to company arrangements and efficiency measures.

Through a business transaction completed at the end of June, Area sold to Finland Travel Bureau (FTB) its operating points that specialise in leisure travel. Area will focus on providing these services via the internet and its telephone service as well as on business travel. FTB will continue as a full-service travel department store with the aid of its office network as well as telephone and internet services. Business travel remains FTB's main segment. FTB's city destination package tour production was transferred to Aurinkomatkat-Suntours. As a result of the arrangements, personnel numbers in the travel agencies were reduced by around 70.

FTB, Area and Amadeus Finland have brought to the market a network service with which customers can tailor for themselves a travel package from the offerings of different service providers.

Flight Traffic Services and Products

Finnair is increasingly an airline engaged in traffic between Europe and Asia, and nearly half of scheduled passenger traffic revenue is linked to Asian traffic. From spring 2007, Finnair will have a

total of 59 flight connections per week to ten Asian destinations. To China alone, the company will fly more than 100 flights per month.

Finnair's entire route network, which benefits from Helsinki's ideal location on flight routes between Asia and Europe, has been built particularly to serve this type of traffic. Flights covering 15 domestic and 40 European destinations connect into Finnair's Asia network. At the same time, a wide selection of direct connections are offered within Finland and from Finland to the rest of Europe.

Growing passenger streams between Europe and Asia have created the basis for opening new routes in Europe. The expansion of the European network also provides an excellent service to Finnish customers, who can utilise Finnair's morning-evening concept in their European connections.

In spring 2007 Finnair's Asian route network will be revised so that all destinations are served by direct flights, with no intermediate stops. The objective is to fly daily to as many Asian destinations as possible, so that business passengers are offered as competitive a product as possible. Product improvement also increases average revenues.

From spring 2007 the daily destinations will be Bangkok, Delhi, Hong Kong, Osaka, Beijing and Shanghai. In addition, Finnair will fly to Guangzhou in China and to Tokyo and Nagoya in Japan. In December 2006 Finnair doubled its traffic to Tokyo from two to four flights per week. A new destination, Mumbai in India, will open in spring 2007 with five flights per week. As a consequence of the rearrangement, the route from Bangkok to Singapore will be discontinued and the planned opening of the Kuala Lumpur route abandoned.

The type of aircraft used in long-haul traffic is mainly the wide-bodied Boeing MD-11. The cabins of the wide-bodied fleet were refurbished and new lie-flat seats were fitted in business class at the beginning of 2006. Feedback from customers has been very positive. In the summer, Finnair's first Airbus A340 wide-bodied aircraft was taken into use. Finnair's business class has been highly rated in many independent surveys, and especially the sale of long-haul business class is growing strong.

A fleet consisting of aircraft of different sizes allows routes and flights to be added to the route network flexibly as the demand base varies. In Europe, five new destinations, serving local demand as well as the needs of Asian traffic, were opened in summer 2006. The new destinations are Edinburgh, Geneva, Kiev, Krakow and Pisa/Florence. Flight frequencies on the St. Petersburg and Warsaw routes were increased.

Routes to Bucharest, Gdansk, Ljubljana, Lisbon and Nuremberg will be opened in 2007. In addition, the Madrid and Manchester flights will fly direct, without an intermediate stop in Stockholm. The changes mean that all European routes will be served by non-stop flights.

Finnair Leisure Flights carries the customers of ten tour operators to 66 holiday destinations in 33 countries. In addition, flights only can be purchased on the internet to dozens of Leisure

Flights' destinations, the latest addition being Phuket in Thailand.

Leisure Flights' fleet consists of seven Boeing 757 aircraft and Airbus capacity leased from Scheduled Passenger Traffic. At the beginning of 2007, Leisure Flights launched extra services that customers can pay for. Before their trip, customers can order on the internet a special meal or a more spacious seating place, for example. Child passengers have their own meal service.

Future prospects

The success of Finnair's core business, international scheduled passenger traffic, is based on the fastest connection between Europe and Asia. For this reason, the company's investments are focused on ensuring the growth of Asian traffic. Fleet acquisitions in the coming years will be aimed at improving competitiveness in long-haul traffic directed to Asia and in European feeder traffic.

Finnair is developing more and more into an airline engaged in Europe-Asia traffic. In 2007 Asian traffic capacity will grow by 30 per cent when two new Airbus A340 aircraft join Finnair's long-haul fleet in the second quarter. Further standardisation of the fleet will increase profitability.

The majority of passengers on Finnair's Asian flights connect to the company's European network. Growth in Asian traffic is therefore strongly reflected also in demand for European traffic, which together with the more flexible use of capacity is improving the passenger load factors of European flights.

In domestic and European traffic, competition for market share will remain tight. Ticket prices are expected to remain at the previous year's level in domestic and European traffic, but to rise in long-haul traffic. Overall, unit revenues in scheduled passenger traffic are however falling, because the relative proportion of long-haul traffic, characterised by lower unit revenues, is growing.

Productivity improvements, cost savings and pruning of loss-making operations will be sought through operational rationalisation and restructuring. The competitiveness project initiated in Finnair Technical Services is focusing particularly on the line maintenance and aircraft heavy maintenance units. Of Technical Services' four units, the operations of these units are loss-making. As far as ground handling services company Northport is concerned, possible ownership or partnership arrangements are under consideration.

Personnel will be added in the area of expanding flight operations, while job numbers will be reduced in support operations. It is essential for growth in Asian traffic to make more efficient use of flight personnel and to attain a flexible cost and operating structure in flight operations.

The profit impact of the 80 million euro restructuring programme currently under way will be fully evident in 2008, but a large proportion of the savings will also become apparent in 2007. If the development of fuel prices remains stable, this will create a basis for significant improvement in the operational result in 2007.

Board of Directors Proposal on the Dividend

The distributable equity of Finnair Plc amounts to 270.8 million euros. The Board of Directors proposes to the Annual General Meeting that a dividend of 0.10 euros per share (0.25) be distributed, a total of 8.9 million euros, and that the remainder of the distributable equity be carried over as retained earnings.

FINNAIR PLC
Board of Directors

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FINNAIR GROUP FINANCIAL STATEMENT FOR JANUARY 1 - DECEMBER 31, 2006

KEY FIGURES EUR mill.

	2006	2005	Change	2006	2005	Change
	1 Oct- 31 Dec	1 Oct- 31 Dec	%	1 Jan- 31 Dec	1 Jan- 31 Dec	%
Turnover	499.3	478.6	4.3	1 989.6	1 871.1	6.3
Profit before depreciation and lease payments, EBITDAR *	27.9	45.1	-38.1	206.8	249.3	-17.0
Lease payments for aircraft	22.8	21.5	6.0	90.8	88.5	2.6
Operating profit, EBIT*	-24.4	0.4	-	11.2	70.1	-84.0
Fair value changes of derivatives	-1.4	-9.5	-85.3	-8.8	4.5	-
Profit from disposal of capital assets	0.0	4.9	-	2.0	7.3	-72.6
Operating profit, EBIT	-25.8	-4.2	-	-10.8	81.9	-
Profit for the financial year (share attributable to shareholders of parent company)	-20.3	-2.9	-	-13.6	61.4	-
Operating profit, EBIT, % of turnover *	-4,9	0,1	-	0,6	3,7	-
EBITDAR, % of turnover *	5,6	9,4	-	10,4	13,3	-
Unit revenues of flight operations c/RTK	74,6	73,9	0,9	74,0	73,7	0,4
Unit costs of flight operations c/ATK	46,8	48,3	-3,2	46,1	45,3	1,8
Earnings per share EUR (basic)	-0,23	-0,03	-	-0,16	0,73	-
Earnings per share EUR (diluted)	-0,23	-0,03	-	-0,16	0,71	-
Equity per share EUR	6,77	7,73	-12,4	6,77	7,73	-12,4
Gross investment EUR mill.	57,1	18,6	-	252,2	57,5	-
Gross investment, % of turnover	11,4	3,9	-	12,7	3,1	-
Equity ratio %				37,2	42,2	-
Gearing %				6,7	-25,1	-
Adjusted gearing %				112,3	66,8	-
Rolling 12-month ROCE %				-0,1	11,1	-
Rolling 12-month ROE %				-2,0	9,8	-

* Excluding capital gains, fair value changes of derivatives and reorganization express.

Unit costs of flight operations c / ATK = Operating expenses (excluding fair value changes of derivatives) of Scheduled Traffic business area and Leisure Flights business unit / ATK of Group.

CALCULATION OF KEY RATIOS

Earnings / share:

Profit for the financial year

Average number of shares at the end of the financial year, adjusted for share issues

Equity / share:

Shareholders' equity

Number of shares at the end of the financial year, adjusted for share issues

Gearing, %:

Net interest-bearing liabilities * 100

Shareholders' equity + minority interest

Operating profit, EBIT :

Operating profit excluding the disposal of the capital assets and fair value changes of derivatives

Shareholders equity = To equity holders of the parent

The figures of financial statement have not been audited.

Return on capital employed.%(ROCE)

Profit before taxes + interest and other financial expenses * 100

Balance sheet total - non-interest-bearing liabilities (average)

Net interest bearing liabilities:

Interest-bearing liabilities - interest-bearing assets - listed shares

Equity ratio, %:

Shareholders' equity + minority interest * 100

Balance sheet total - advances received

Return on equity %: (ROE)

Result before extraordinary items - taxes * 100

Equity + minority interests (average)

INCOME STATEMENT EUR mill.

	2006	2005	Change	2006	2005	Change
	1 Oct– 31 Dec	1 Oct– 31 Dec	%	1 Jan– 31 Dec	1 Jan– 31 Dec	%
Turnover	499.3	478.6	4.3	1 989.6	1 871.1	6.3
Work used for own purposes and capitalized	1.7	6.3	-73.0	3.7	11.3	-67.3
Other operating income	0.8	11.8	-93.2	17.9	31.8	-43.7
Operating income	501.8	496.7	1.0	2 011.2	1 914.2	5.1
Operating expenses						
Staff costs	131.6	134.6	-2.2	508.2	495.8	2.5
Fuel	99.8	84.2	18.5	385.0	292.7	31.5
Lease payment for aircraft	22.8	21.5	6.0	90.8	88.5	2.6
Other rental payments	22.4	17.7	26.6	80.7	69.2	16.6
Fleet materials and overhauls	25.3	21.1	19.9	100.6	82.6	21.8
Traffic charges	38.9	41.0	-5.1	161.9	159.1	1.8
Ground handling and catering expenses	36.7	33.0	11.2	139.4	134.0	4.0
Expenses for tour operations	30.5	28.0	8.9	111.5	102.0	9.3
Sales and marketing expenses	26.4	28.7	-8.0	91.3	95.5	-4.4
Depreciation	29.5	23.2	27.2	104.8	90.7	15.5
Other expenses	63.7	67.8	-6.0	247.8	222.2	11.5
Total	527.6	500.9	5.3	2 022.0	1 832.3	10.4
Operating profit EBIT	-25.8	-4.2	-	-10.8	81.9	-
Financial income	3.4	3.5	-2.9	11.0	20.1	-45.3
Financial expenses	-3.9	-1.8	116.7	-15.0	-14.6	2.7
Share of result in associates	0.0	0.1	-	0.1	0.1	-
Profit before taxes	-26.3	-2.4	-	-14.7	87.5	-
Direct taxes	6.0	-0.8	-	1.7	-25.5	-
Profit for financial year	-20.3	-3.2	-	-13.0	62.0	-

Earnings per share to shareholders of the parent company	-20.3	-2.9		-13.6	61.4	
Minority interest	0.0	-0.3		0.6	0.6	
Earnings per share calculated from profit attributable to shareholders of the parent company						
Earnings per share EUR	-0.23	-0.03		-0.16	0.73	
Earnings per share EUR (diluted)	-0.23	-0.03		-0.16	0.71	

BALANCE SHEET EUR mill.

	31 Dec 2006	31 Dec 2005
ASSETS		
Non-current assets		
Intangible assets	47.5	44.6
Tangible assets	1 012.3	844.4
Investments in associates	2.9	3.1
Financial assets	15.4	17.7
Deferred tax receivables	27.1	17.5
Total	1 105.2	927.3
Short-term receivables		
Inventories	38.5	45.1
Trade receivables and other receivables	211.8	247.6
Investments	271.3	391.7
Cash and bank equivalents	25.7	26.7
Total	547.3	711.1
Non-current Assets held for sale	7.6	0.0
Assets total	1 660.1	1 638.4
SHAREHOLDERS' EQUITY AND LIABILITIES		
Capital and reserves attributable to equity holders of the parent company		
Shareholders' equity	75.4	73.8
Other equity	524.5	598.6
Total	599.9	672.4
Minority interest	1.6	1.6
Equity, total	601.5	674.0
Long-term liabilities		
Deferred tax liability	115.7	125.8
Financial liabilities	286.9	214.9
Pension obligations	7.0	12.7
Total	409.6	353.4
Short-term liabilities		
Current income tax liabilities	3.0	20.1
Reserves	10.0	0.0
Financial liabilities	56.6	52.7
Trade payables and other liabilities	579.4	538.2
Total	649.0	611.0
Liabilities total	1 058.6	964.4
Shareholders' equity and liabilities, total	1 660.1	1 638.4

SHAREHOLDERS' EQUITY EUR mill.

Equity attributable to shareholders of parent company									
	Share capital	New issue	Share premium account	Bonus issue	Hedging reserve	Retained earnings	Total	Minority interests	Own equity total
Share-holders' equity 1.1.2005	72.1	0.0	5.7	147.7	-9.9	359.5	575.1	1.2	576.3
Translation difference						0.0	0.0		0.0
Dividend payment						-8.5	-8.5	-0.2	-8.7
Purchase of own shares						-1.5	-1.5		-1.5
Sales of own shares						0.2	0.2		0.2
Optio right to own shares	1.7		10.3				12.0		12.0
Optio right to shares, share issue		0.6					0.6		0.6
Share premium account changes			2.3				2.3		2.3
Change in fair value of hedging instruments					30.8		30.8		30.8
Profit for the period						61.4	61.4	0.6	62.0
Share-holders' equity 31.12.2005	73.8	0.6	18.3	147.7	20.9	411.1	672.4	1.6	674.0

SHAREHOLDERS' EQUITY EUR mill.

Equity attributable to shareholders of parent company									
	Share capital	New issue	Share premium account	Bonus issue	Hedging reserve	Retained earnings	Total	Minority interests	Own equity total
Share-holders' equity 1.1.2006	73,8	0,6	18,3	147,7	20,9	411,1	672,4	1,6	674,0
Share premium account changes			-2,3			2,1	-0,2		-0,2
Translation difference						0,3	0,3		0,3
Purchase of minority interest						-0,6	-0,6	-0,2	-0,8
Dividend payment						-21,8	-21,8	-0,4	-22,2
Optio right to shares	1,6	-0,6	4,4				5,4		5,4
Change in fair value of hedging instruments					-42,0		-42,0		-42,0
Profit for the period						-13,6	-13,6	0,6	-13,0
Share-holders' equity 31.12.2006	75,4	0,0	20,4	147,7	-21,1	377,5	599,9	1,6	601,5

CASH FLOW STATEMENT

EUR mill.	1 Jan – 31 Dec 2006	1 Jan – 31 Dec 2005
Cash flow from operating activities		
Profit for the financial year	-13.0	62.0
Operations for which a payment is not included 1)	100.2	91.7
Interest and other financial expenses	15.0	14.6
Interest income	-9.1	0.0
Other financial income	-1.8	-12.0
Dividend income	-0.1	-0.3
Taxes	-1.7	25.5
Changes in working capital:		
Change in trade and other receivables	10.2	-18.5
Change in inventories	6.7	1.3
Change in accounts payables and other liabilities	13.4	33.5
Interest paid	-11.0	-9.5
Paid financial expenses	-3.4	-1.5
Received interest	9.9	0.0
Received financial income	1.6	7.0
Taxes paid	-21.1	-2.0
Net cash flow from operating activities	95.8	191.8
Cash flow from investing activities		
Sell of subsidiarys. net of cash sold	0.0	3.5
Investments in intangible assets	-12.6	-16.1
Investments in tangible assets	-273.0	-57.7
Net change of financial interest bearing assets at fair value through profit and loss	53.2	-30.2
Sales of tangible fixed assets	2.3	2.8
Received dividens	0.1	0.3
Change in non-current receivable	2.3	-2.6
Net cash flow from investing activities	-227.7	-100.0
Cash flow from financing activities		
Loan withdrawals and changes	108.3	11.0
Loan repayments	-25.9	-19.0
Purchase of own shares	0.0	-1.5
Sales own shares	0.0	0.2
Optio right to own shares	5.4	12.6
Share premium account changes	0.0	2.3
Dividends paid	-21.8	-8.5
Net cash flow from financing activities	66.0	-2.9
Change in cash flows	-65.9	88.9
Change in liquid funds		
Liquid funds, at beginning	339.4	250.5
Change in cash flows	-65.9	88.9
Liquit funds, in the end	273.5	339.4

EUR mill.	1 Jan – 31 Dec 2006	1 Jan – 31 Dec 2005
Notes to cash flow statement		
1) Operations for which a payment is not included		
Depreciation	104.8	90.7
Employee benefits	-2.8	2.6
Finance lease	-5.0	-4.9
Other adjustments	3.2	3.3
Total	100.2	91.7
Financial asset at fair value	271.3	391.7
Cash and bank equivalents	25.7	26.7
Short-term cash and cash equivalents in balance sheet	297.0	418.4
Shares held to trading purposes	-5.6	-7.9
Maturing after more than 3 months	-17.9	-71.1
Total in cash flow statement	273.5	339.4

SEGMENT INFORMATION

The business segments. Scheduled Passenger Traffic, Leisure Traffic, Aviation Services and Travel Services are the primary reporting format. The geographical segments. Finland, Europe, Asia, North America and Others, make up the secondary reporting format. Segment information is based on the corresponding information reported in the financial statement.

PRIMARY REPORTING FORMAT - BUSINESS SEGMENT DATA 1 January - 31 December 2006

	Scheduled Passenger Traffic	Leisure Traffic	Aviation Services	Travel Services	Group eliminations	Unallocated items	Group
EUR mill.							
External turnover	1 415.0	382.9	108.8	82.9			1 989.6
Internal turnover	107.1	3.9	298.7	4.5	-414.2		0.0
Turnover	1 522.1	386.8	407.5	87.4	-414.2	0.0	1 989.6
Operating profit	28.6	18.4	-34.9	2.3		-25.2	-10.8
Share of results of associated undertakings						0.1	0.1
Financial income						11.0	11.0
Financial expenses						-15.0	-15.0
Income tax						1.7	1.7
Minority interest						-0.6	-0.6
Result for the period							-13.6
Other items							
Investments	216.3	0.7	32.3	1.4	0.0	1.5	252.2
Depreciation	71.8	0.2	28.3	1.6	0.0	2.9	104.8

PRIMARY REPORTING FORMAT - BUSINESS SEGMENT DATA 1 January- 31 December 2005

	Scheduled Passenger Traffic	Leisure Traffic	Aviation Services	Travel Services	Group eliminations	Unallocated items	Group
EUR mill.							
External turnover	1 296.9	383.7	104.2	86.3			1 871.1
Internal turnover	111.0	3.6	296.7	4.9	-416.2		0.0
Turnover	1 407.9	387.3	400.9	91.2	-416.2	0.0	1 871.1
Operating profit	37.6	20.3	29.3	8.1		-13.4	81.9
Share of results of associated undertakings						0.1	0.1
Financial income						20.1	20.1
Financial expenses						-14.6	-14.6
Income tax						-25.5	-25.5
Minority interest						-0.6	-0.6
Result for the period							61.4
Other items							
Investments	26.8	0.1	27.8	0.9	0.0	1.9	57.5
Depreciation	62.5	0.2	23.7	1.6	0.0	2.7	90.7

TURNOVER

	2006	2005	Change	2006	2005	Change
	1 Oct–31 Dec	1 Oct–31 Dec	%	1 Jan–31 Dec	1 Jan–31 Dec	%
EUR mill.						
Scheduled Passenger Traffic	375.1	350.2	7.1	1 522.1	1 407.9	8.1
Leisure Traffic	104.3	107.4	-2.9	386.8	387.3	-0.1
Aviation Services	106.2	104.5	1.6	407.5	400.9	1.6
Travel Services	21.3	22.5	-5.3	87.4	91.2	-4.2
Group eliminations	-107.6	-106.0	1.5	-414.2	-416.2	-0.5
Total	499.3	478.6	4.3	1 989.6	1 871.1	6.3

OPERATING PROFIT EXCLUDING GAINS ON SALES OF FIXED ASSETS, FAIR VALUE CHANGES OF DERIVATIVES AND ARRANGEMENT EXPENSES

	2006	2005	Change	2006	2005	Change
	1 Oct–31 Dec	1 Oct–31 Dec	%	1 Jan–31 Dec	1 Jan–31 Dec	%
EUR mill.						
Scheduled Passenger Traffic	-8.9	-20.7	-57.0	28.6	34.3	-16.6
Leisure Traffic	3.5	4.5	-22.2	18.6	20.3	-8.4
Aviation Services	-15.1	1.8	-938.9	-24.5	25.5	-196.1
Travel Services	0.1	2.9	-96.6	2.3	8.1	-71.6
Unallocated items	-4.0	11.9	-133.6	-13.8	-18.1	-23.8
Total	-24.4	0.4	-	11.2	70.1	-84.0

AVERAGE PERSONNEL

	2006	2005	Change
	1 Jan–31 Dec	1 Jan–31 Dec	%
Scheduled Passenger Traffic	4 114	3 884	5.9
Leisure Traffic	343	336	2.1
Aviation Services	3 771	3 816	-1.2
Travel Services	1 145	1 178	-2.8
Other functions	225	233	-3.4
Finnair Group Total	9 598	9 447	1.6

SECONDARY REPORTING FORMAT - GEOGRAPHICAL SEGMENTS

TURNOVER OUTSIDE THE GROUP BY SALES DESTINATION

	2006	2005	Change	2006	2005	Change
	1 Oct– 31 Dec	1 Oct– 31 Dec	%	1 Jan– 31 Dec	1 Jan– 31 Dec	%
EUR mill.						
Finland	112.3	118.7	-5.4	436.7	475.3	-8.1
Europe	219.8	231.5	-5.1	936.5	916.7	2.2
Asia	134.9	106.2	27.0	482.0	361.0	33.5
North America	13.6	12.0	13.3	66.4	65.7	1.1
Others	18.7	10.2	83.3	68.0	52.4	29.8
Total	499.3	478.6	4.3	1 989.6	1 871.1	6.3

AIR TRAFFIC 1 January – 31 December 2006

	Total traffic	Europe	North America	Asia	Domestic	Scheduled Traffic Total	Leisure	Cargo
Passengers (1000)	8 792	4 502	143	890	2 016	7 550	1 242	
%-change	3.2	7.4	-11.1	25.7	-2.5	6.0	-10.8	
Cargo and mail (tonnes)	93 807	23 242	8 135	47 514	3 856	82 747	373	93 807
%-change	4.0	-9.7	2.9	19.4	-6.3	6.7	-6.4	4.0
Available seat-kilometres mill	23 846	7 791	1 138	7 811	1 756	18 496	5 350	
%-change	3.5	-0.6	-14.8	26.5	-8.3	7.2	-7.4	
Revenue passenger kilometres	17 923	5 259	943	6 045	998	13 225	4 678	
%-change	7.1	9.1	-13.5	27.3	-3.3	13.3	-7.2	
Passenger load factor %	75.2	67.5	82.9	77.4	56.9	71.6	87.4	
%-change	2.5	5.9	1.3	0.5	2.9	3.9	0.2	
Available tonne-kilometres	3 602							918
%-change	5.9							26.4
Revenue tonne-kilometres mill	2 100							498
%-change	8.2							11.5
Overall load factor %	58.3							54.3 *
%-change	1.2							-11.8

* Operational calculatory capacity

CONTINGENT LIABILITIES AND DERIVATIVE CONTRACTS EUR mill.

	31 Dec 2006	31 Dec 2005
Other contingent liabilities		
Pledges on own behalf	236.9	260.1
Guarantees on group undertakings	536.3	414.2
Total	773.2	674.3
Aircraft lease obligations	389.8	490.9
Total	1 163.0	1 165.2

CONTINGENT LIABILITIES AND DERIVATIVE CONTRACTS EUR mill.

Derivative contracts	Nominal value (EUR mill.)	Fair value (EUR mill.)	Nominal value (EUR mill.)	Fair value (EUR mill.)
	31 Dec. 2006	31 Dec. 2006	31 Dec. 2005	31 Dec. 2005
Currency derivatives				
Hedge accounting items				
Forward contracts. Jet Fuel currency hedging	260.2	-8.2	168.5	9.4
Forward contracts. Hedging of Aircraft purchase price	324.7	-9.1	191.6	5.5
Forward contracts. Currency hedging of lease payments	63.8	-1.9	55.2	2.8
	648.6	-19.2	415.3	17.7
Currency derivatives at fair value through profit or loss				
Operating cash flow hedging	26.7	-1.3	107.5	4.7
Balance sheet hedging	94.1	-0.6	117.9	1.3
Total	120.9	-2.0	225.4	6.0
Currency derivatives, total	769.5	-21.2	640.7	23.7
	Nominal value (tonnes)	Fair value (EUR mill.)	Nominal value (tonnes)	Fair value (EUR mills)
	31 Dec. 2006	31 Dec. 2006	31 Dec. 2005	31 Dec. 2005
Commodity derivatives				
Hedge accounting items				
Jet Fuel swaps	510 400	-12,8	351 800	11,6
Commodity derivatives at fair value through profit or loss				
Jet Fuel Forward contracts	79 300	-5,1	71 700	-2,8
Jet differential forward contracts	112 500	0,0	0	0,0
Options				
Jet Fuel call options	35 000	0,3	12 000	0,2
Jet Fuel put options	70 000	-0,5	12 000	-0,1
Gasoil call options	9 000	0,0		
Gasoil put options	18 000	0,0		
Total		-18,2		8,9
	Nominal value (EUR mill.)	Fair value (EUR mill.)	Nominal value (EUR mill.)	Fair value (EUR mill.)
	31 Dec. 2006	31 Dec. 2006	31 Dec. 2005	31 Dec. 2005
Cross currency Interest rate swaps				
Interest rate derivatives				
Hedge accounting items	42.5	-15.2	61.4	-14.2
Cross currency interest rate swaps at fair value through profit or loss	22.1	-10.7	30.1	-9.6
Total	64.7	-25.9	91.5	-23.8
Interest rate swaps				
Hedge accounting items	0.0	0.0	0.0	0.0
Interest rate swaps at fair value through profit or loss	20.0	1.0	20.0	0.4
Total	20.0	1.0	20.0	0.4