

CORPORATE GOVERNANCE

Group Structure

The parent company of the Finnair Group is Finnair Plc, which has 18 subsidiaries. The most significant subgroups are Finland Travel Bureau Ltd, Finnair Catering Oy and Northport Oy. Other notable subsidiaries are Matkatoimisto Oy Area, Aurinkomatkat-Suntours Ltd Ab, Finnair Aircraft Finance Oy and Finnair Cargo Oy. The Finnair Group's airlines are, in addition to the parent company, Aero Airlines AS and the Swedish company Nordic Airlink Holding AB. The Finnair Group's 22 business units and subsidiaries are organised into four business areas: Scheduled Passenger Traffic, Leisure Traffic, Aviation Services and Travel Services.

Annual General Meeting and exercising of voting rights

Ultimate authority in Finnair Plc is exercised by the company's shareholders at the Annual General Meeting. The Annual General Meeting is convened by the company's Board of Directors. In accordance with the Companies Act, the Annual General Meeting decides on, among other things, the following matters:

- the number, election and remuneration of the Board of Directors
- the number, election and remuneration of the auditors
- the approval of the financial statements
- the distribution of dividends
- the amendment of the Articles of Association.

The Articles of Association of Finnair Plc do not contain any redemption clauses nor any restrictions on voting rights. The company has one series of shares.

Board of Directors

Composition and term of office

The Board of Directors of Finnair Plc consists of a chairman and at least four and at most seven members. The Annual General Meeting elects the Chairman and the Members of the Board of Directors for one year at a time. The Board of Directors elects a Vice Chairman from among its members.

On 23 March 2006 the Annual General Meeting of Finnair Plc elected Christoffer Taxell as Chairman of the Board of Directors, and as Members of the Board Kari Jordan (Vice Chairman), Kalevi Alestalo, Markku Hyvärinen, Satu Huber, Ursula Ranin, Veli Sundbäck and Helena Terho. All Members of the Board are from outside the company and independent of the company. Kalevi Alestalo is in the service of the Finnish Government, Finnair Plc's largest shareholder. The Board of Directors' term of office expires at the end of the Annual General Meeting to be held on 22 March 2007.

Duties and meetings

The Board of Directors is responsible for the company's operations and finances, it convenes the Annual General Meeting and it prepares the matters to be dealt with at the Annual General Meeting. The Board of Directors is also responsible for implementing the decisions of the Annual General Meeting.

The Board of Directors appoints and dismisses the President & CEO and decides on his/her salary. The Board of Directors also appoints and dismisses the deputy to the President & CEO. The Board of Directors selects the members of the Group's senior management and decides on their terms of employment, taking into account the per-

sonnel strategy guidelines and remuneration system in accordance with the company's corporate governance. The Board of Directors is responsible for ensuring that the company's accounts, budget monitoring systems and risk management are arranged in accordance with the company's corporate governance.

The Board of Directors is also responsible for ensuring that the openness and fairness referred to in the company's corporate governance are implemented in the information given in the company's financial statements.

The company is represented by the Chairman of the Board and the company's President & CEO as well as the deputy CEO each separately, by two Members of the Board of Directors together, and by those individuals to whom the Board of Directors has conferred the right to represent the company, together with a Member of the Board or another individual entitled to represent the company. The company's powers of procuration are decided by the Board of Directors.

The Board of Directors meets on average 8–10 times per year. In 2006 Board of Directors had 11 meetings, of which two were telephone conferences. The average attendance of the Members of the Board of Directors at the meetings of the Board was 90 per cent.

The President & CEO of Finnair Plc, or a senior member of Finnair Group management nominated by the President & CEO, acts as the presiding officer at meetings of the Board of Directors. The Finnair Group's Vice President and General Counsel Sami Sarelius acts as secretary to the Board of Directors. The Board of Directors evaluates its working practices regularly.

The charter of the Board of Directors can be viewed on the Finnair Group's website <http://www.finnair.fi/group>.

Committees

The Board of Directors has established a Remuneration and Appointments Committee and an Audit Committee. The Remuneration and Appointments Committee consists of Chairman of the Board Christoffer Taxell as well as Members of the Board Kalevi Alestalo, Kari Jordan and Ursula Ranin. President & CEO Jukka Hienonen acts as the presiding officer. The committee met six times in 2006.

Audit Committee consists of Markku Hyvärinen (Chairman) and members Satu Huber, Veli Sundbäck and Helena Terho. President & CEO Jukka Hienonen acts as the presiding officer. The committee met twice in 2006.

The Finnair Group's Vice President and General Counsel Sami Sarelius acts as secretary to both committees.

The charters of the committees can be viewed on the Finnair Group's website <http://www.finnair.fi/group>.

Remuneration and other benefits

The monthly remuneration and attendance allowances decided by the Annual General Meeting for Members of the Board of Directors in 2006 were:

- Chairman's monthly remuneration, 3,500 euros/month
- Vice Chairman's monthly remuneration, 2,000 euros/month
- Member of the Board's monthly remuneration, 1,800 euros/month
- Attendance allowance, 500 euros/meeting/person

The Members of the Board of Directors are entitled to a daily allowance and compensation for travel expenses in accordance with Finnair Plc's general travel rules. In

addition, Members of the Board of Directors have a limited right to use ID tickets in accordance with Finnair Plc's ID ticket rules.

The members of Finnair Plc's Board of Directors were paid monthly remuneration and attendance allowances totalling 220,400 euros in 2006.

President & CEO and Deputy CEO

Finnair Plc has a President & CEO, whose task is to manage the company's operations according to guidelines and instructions issued by the Board of Directors. The Board of Directors appoints and dismisses the President & CEO and decides on his/her terms of employment. The Board of Directors also appoints and dismisses the deputy to the CEO. In 2006 Finnair Plc's President & CEO was Jukka Hienonen and the Deputy CEO was Henrik Arle.

President & CEO Jukka Hienonen was paid a salary of 458,805 euros and fringe benefits of 14,760 euros in 2006. Deputy CEO Henrik Arle was paid a salary of 260,071 euros and fringe benefits of 11,520 euros in 2006. Under a share bonus scheme, 24,882 shares were transferred to the President & CEO and 17,160 shares to the Deputy CEO in 2006. The total taxation value of the share and cash portions of the President & CEO's incentive bonus, based on the market value of the shares, is 758,901 euros and the taxation value of the Deputy CEO's incentive bonus is 523,380 euros. The shares bonuses are covered by restrictions on sales.

The President & CEO and the Deputy CEO have the right to retire at the 60 years of age on a full pension of 60 per cent of pensionable salary. The President & CEO's and the Deputy CEO's service contracts may be terminated with a period of notice of six months. In addition to salary for the period of notice, they are entitled to severance compensation equivalent to 12 months'

salary if their employment is terminated for reasons independent of them.

Changes in the company's management in 2006 and early 2007

Jukka Hienonen MSc(Econ) began as Finnair Plc's President & CEO on 1 January 2006 after President & CEO Keijo Suila retired at the end of 2005. 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 LL.M. 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 Certificate.

There were changes in the Finnair Plc's Executive Board at the beginning of 2006. 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 SVP, Human Resources were handled by VP Ari Kuutschin until 31 January 2007. As of 1 February 2007, the SVP, Human Resources is Anssi Komulainen, who moved to the position from his duties as Managing Director of Finnair Catering Oy and SVP, Catering. 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 General Counsel Sami Sarelius was appointed Vice President and General Counsel of the company as of 1 February 2007. He will also act as secretary to the company's Board of Directors and Board of Management.

The work of management was reorganised at the beginning of 2006. Finnair Plc's strategic management is the responsibility the company's Executive Board, which comprises the heads of key business units.

Finnair Plc's Executive Board

Finnair Plc's Executive Board meets approximately 20 times a year and its tasks include the handling of Group-wide development projects as well as Group-level principles and procedures. In addition, the Executive Board is informed about, among other things, the business plans of the Group and sector companies, financial performance, and matters to be dealt with by Finnair Plc's Board of Directors, in the preparation of which it participates.

The Executive Board includes: President & CEO Jukka Hienonen (Chairman) and members Deputy CEO Henrik Arle, Chief Financial Officer Lasse Heinonen, SVP Commercial Division Mika Perho, SVP Human Resources Anssi Komulainen, SVP Leisure Traffic and Travel Services Kaisa Vikkula and SVP Technical Operations Kimmo Soini.

Finnair Group Board of Management

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) plus four personnel representatives, namely Hannu Juppi, Markku Kaukanen, Mauri Koskenniemi and Juhani Sinisalo. The Board of Management is informed about, among other things the business plans and financial performance of the Group and sector companies. Also, investments within the authority limits of CEO are decided in The Board of Management. The Board of Management meets approximately ten times per year.

Corporate Governance of Subsidiaries

The members of the boards of directors of the most significant subsidiaries are selected from individuals belonging to Finnair Group management and from representatives proposed by personnel groups. The key tasks of the boards of directors of subsidiaries are strategy preparation, approving the operational plan and budget, and deciding on investments and commitments within the limits of instructions issued by the Board of Directors of Finnair Plc.

Share Option Scheme for Key Individuals

Matters relating to the remuneration scheme of key individuals are prepared in the Board of Directors' Remuneration and Appointments Committee. Decisions are made by the company's Board of Directors. Management incentive bonuses are determined annually based on the company's adjusted EBIT (i.e. excluding capital gains and fair value changes of derivatives), return on capital employed, business-unit quality and process indicators as well as personal performance appraisals. The bonus can be equivalent at most to four months' basic salary.

The 2000 and 2001 option scheme included around 120 key individuals of the Group. The subscription period for shares ended on 31 August 2006. The 2004–2006 share bonus scheme included around 50 key

individuals of the Group. The number of granted shares in the share bonus scheme is based on return on capital employed and earnings per share, whose target levels are decided annually by the Board of Directors. The shares bonuses are covered by restrictions on sales.

Auditors and Monitoring

Auditors

The company has at least two and at most four auditors elected by the Annual General Meeting. The auditors' term ends at the conclusion of the Annual General Meeting following the meeting of their election. At least one of the auditors must be an authorised public accountant or an authorised public accounting firm approved by the Central Chamber of Commerce.

Finnair Plc's Annual General Meeting in 2006 elected two regular auditors for the company: Authorised Public Accountants PricewaterhouseCoopers Oy, Principal Auditor APA Eero Suomela and APA Jyri Heikkinen. APA Matti Nykänen and APA Tuomas Honkamäki of PricewaterhouseCoopers Oy were elected deputy auditors. The auditors of Finnair Group subsidiaries are mainly PricewaterhouseCoopers auditing firms or auditors employed by them.

Auditing fees paid to auditors in Finland and abroad totalled 208,000 euros in 2006. Finnair Plc also paid auditors 81,000 euros for services (e.g. tax advice and SAP system audit) unrelated to the statutory audit of the accounts.

Monitoring and reporting system

The principal task of the statutory audit is to verify that the financial statements give accurate and sufficient information about the Group's result and financial position for the financial year. The auditors report their findings to the Board of Directors once per year and submit an auditors' report to company's share-

holders in connection with the annual financial statements.

Finnair Plc's Executive Board, which acts as a risk management steering group, assesses and safeguards the sufficiency, appropriateness and effectiveness of the Group's risk management, monitoring and management processes.

The Board of Directors of Finnair Plc has approved principles of internal monitoring, which are applied within the Group. Internal Auditing is responsible for fulfilling the monitoring and auditing obligation laid down in the Companies Act.

Internal auditing work is employed to verify the integrity of transactions and the accuracy of information in internal and external accounting, and to confirm that controls are exercised effectively, property is maintained, and operations are conducted appropriately in accordance with the Group's objectives. Internal Auditing also participates in the auditing of Finnair Plc subsidiaries' accounts in collaboration with External Auditing. The Internal Auditing priorities are determined in accordance with the Group's risk management strategy.

The fulfilment of financial targets is monitored by a system of Group-wide reporting. The reporting encompasses realised data and up-to-date forecasts for a rolling 12-month period. The accumulation of financial added value is monitored monthly in an internal reporting process. The Group's traffic performance is published in a monthly Stock Exchange Bulletin.

Risks arising from operations in relation to property, interruption, accident and liability have been covered by appropriate insurances.

Governing provisions

Finnair Plc adheres to valid legislation, provisions issued under such legislation

and the company's Articles of Association. Furthermore, in its activities Finnair Plc complies with the recommendations, published in 2003, on the administration and management of listed companies, as well as insider rules.

Company insiders

The Finnair Group's insiders are divided into permanent insiders and temporary insiders in accordance with the Securities Market Act.

Permanent insiders are further divided into those entered in a public insider register and those entered in a non-public company-specific insider register.

Temporary insiders are individuals who receive insider information during the performance of some assignment (project). These individuals are entered into a non-public company-specific insider register, namely a project-specific register.

Finnair Plc's permanent insiders include members of the Finnair Plc's Board of Directors, the President & CEO and his Deputy, the direct subordinates of the President & CEO, as well as the auditors, including the auditing firm's auditor with chief responsibility for the company.

Permanent company-specific insiders include the personnel representatives participating in the work of Finnair's Executive Board; the managing directors of Amadeus Finland Oy, Matkatoimisto Oy Area, Finland Travel Bureau Ltd, Oy Aurinkomatkat - Suntours Ltd Ab, Finnair Travel Services Oy, Finnair Facilities Management Oy and Finnair Aircraft Finance Oy; the secretaries of Finnair's CEO and CFO; Finnair's lawyers and internal auditors; Finnair's financial communications staff as well as the Economics and Finance Department's vice presidents, assistant vice presidents, finance managers, economics managers, and the financial management and supervi-

sion planning manager; the vice presidents of Finnair's Commercial Division and the Vice President Leisure Flights; the department managers dealing with employment affairs and HR services; and other individuals separately designated by Finnair's CEO for entry in the register.

The Board of Directors of Finnair Plc has approved Finnair Plc's insider guidelines, which contain guidelines for permanent and project-work insiders and specify the organisation and procedures of the company's insider controls. The company's insider guidelines have been distributed to all insiders.

The Legal Affairs Department is responsible for the content of the insider guidelines. Compliance with the insider guidelines is monitored by the Economics and Finance Department. The company operates a restriction on trading, which applies to insiders' trading in the company shares or in securities granting entitlement to shares for 30 days before the declaration of financial results.

Finnair Plc's insider register is maintained by Finnish Central Securities Depository Ltd. The up-to-date details of public insiders' share and option holdings can be viewed at Finnish Central Securities Depository Ltd's premises in Helsinki at the address Urho Kekkosen katu 5 C and on Finnair's website at the address www.finnairgroup.com/en.

Corporate Governance update

The Finnair Corporate Governance section is updated regularly and can be viewed on the company's website at the address www.finnairgroup.com/en. Finnair Plc's website is published in Finnish and English. The printed and electronic Annual Reports are published in Finnish, Swedish and English.

RISK MANAGEMENT

RISK MANAGEMENT AT FINNAIR

Risk management at Finnair is part of the Group's management activity and is directed primarily at risks that threaten the fulfilment of the Group's business objectives. To exploit business opportunities, Finnair is prepared to assume managed and considered risks, taking the company's risk-bearing capacity into account. In contrast, in flight safety matters, for example, Finnair does not take risks.

In Finnair, risk management means a systematic and predictive way of analysing and managing the opportunities and threats associated with operations. Risks are classified into strategic, operational, financial and accident risks. Risk management methods have been standardised for the recognition and classification of the Finnair Group's risks.

Organisation of risk management

The Board of Directors and the President & CEO are responsible for the Group's risk management strategy and principles as well as for the management of risks that threaten the fulfilment of strategic objectives. The President & CEO is responsible for ensuring that risk management is in other respects appropriately organised. The Senior Vice Presidents of the business units and the Managing Directors of subsidiaries are responsible for risk management in their own areas of responsibility.

Finnair Plc's Executive Board, which acts as a risk management steering group, assesses and directs risk management in Finnair Group. The company's internal auditing coordinates the reporting of risk management as well as adherence to a specified operating model.

The Flight Safety and Quality Departments, which operate under Finnair Plc's

Accountable Manager, as specified in the Airline Operator's Licence, regularly audit the company's own and subcontractors' actions that impact on flight safety.

Operating environment risks

Demand and the price level of passenger and cargo traffic have been influenced most by global economic cycles, competition in the industry as well as various unexpected events, such as terrorism, environmental accidents and epidemics. The company has plans of action to minimise the operational impacts arising to air transport from various external disruptive factors.

The current trend clearly indicates that competitiveness in the air transport sector depends on how flexibly the company can react and adapt to unexpected events, changes in demand and a constantly changing competitive environment.

A critical factor for operational flexibility is the adjustment of fixed costs to fluctuations in demand. Moreover, the company's ability to react quickly in adjusting capacity, routes and costs to correspond to changing demand and economic and security conditions is also an essential factor in maintaining the company's profitability. In recent years Finnair has implemented, and has under way, a number of projects that have increased structural flexibility.

The European Union has made a proposal that air transport should join the emissions trading system as of 2011. Finnair considers emissions trading as a good starting point for controlling the environmental impact of air transport. The emissions trading scheme under the proposal is not considered to pose a significant financial risk to Finnair, due, among other things, to the company's environmentally positive fleet.

Finnair will defend its operating rights

An airline registered in the European Union can operate freely within the entire area of the Union. To date Finland, like other European countries, has been accustomed to negotiating bilateral operating agreements with countries outside the European Union.

In future, regulation at the European Union level will bring the negotiation of aviation agreements between countries inside and outside the European Union under the European Commission. Existing bilateral operating agreements will remain in force in the new situation.

As a negotiating party the Union is stronger than an individual country and thus can strengthen the position of European airlines when negotiating operating rights. In some cases this may have an adverse impact on Finnair and may weaken the company's competitive position in relation to other European airlines. Finnair will actively strive to influence the parties who negotiate operating rights in order to safeguard its interests.

The company's operations are subject to legislative changes, to regulations and to changes in airport charges and taxes both on a national and an international level. The company actively monitors possible changes and strives to influence them via airline industry bodies, such as IATA and the Association of European Airlines (AEA).

Market risk

The air transport business is sensitive to both cyclical and seasonal changes. Competition in the sector is intense and the market situation is continually changing, which has reduced average ticket prices over

an extended period. Airlines are cutting their prices in order to increase volumes, achieve sufficient cash flow and maintain market share.

Finnair constantly makes market situation analyses and actively monitors competitors' changes in pricing and capacity. Finnair is able to react quickly to pricing changes that take place in the market by utilising its advanced yield management systems for passenger and cargo traffic.

A change of one percentage point in the average price level of scheduled passenger traffic services affects the Group's operating profit by more than 10 million euros. Correspondingly a change of one percentage point in the load factor of scheduled passenger traffic services also affects the Group's operating profit by more than 10 million euros.

Finnair manages the residual value risk related to aircraft ownership by leasing approximately half of the aircraft belonging to its fleet under operating lease agreements of different durations. The leasing of aircraft also provides an opportunity for flexible capacity control in the short and long term.

Reliability of flight operations

Reliability is an essential prerequisite for operating successfully in the airline industry. The air transport business, however, is exposed to various disruptive factors, such as delays, exceptional weather conditions and strikes. As well as their impact on operational and service quality, air traffic delays also increase costs.

Finnair invests continually in the overall quality and punctuality of its operational activities. The Network Control Centre

(NCC) brings together all the critical parties for flight operations, thus enabling the most effective overall solutions to be implemented. Finnair Technical's service punctuality and diverse expertise as well as its detailed specification of technical functions ensure the reliability of flight operations.

Furthermore, in operational activities the contribution of partners and interest groups is essential. Finnair monitors the quality of external suppliers within the framework of standards specified in advance and through regulations prescribed for flight operations.

According to statistics compiled on European network airlines, the arrival punctuality of Finnair's flights declined in 2006 compared with previous years. The company is still among the best airlines in European for punctuality, however.

In relation to Asian traffic, the transfer of passengers and goods from one flight to another at Helsinki-Vantaa Airport is increasing, in the short term, the risk of delays, owing to the airport's space restrictions. The completion of a new terminal extension in September 2009 will help the situation considerably.

Risk of loss or damage

Management of risks relating to loss or damage is divided into two main areas: flight safety and corporate security. Development work in these areas is coordinated by the flight safety department and the corporate security unit. Risk management in this area encompasses, for example, risks to flights, people, information, property and the environment as well as liability and loss-of-business risks, and insurance cover. The priority in the management of risks relating to

loss or damage is on risk prevention, but the company prepares for any possible emergence of risks through effective situation-management preparedness and insurance. Aircraft and other significant fixed assets are insured at fair value at least. The amount of insurance cover for aviation liability risks exceeds the minimum levels required by law.

Finnair actively monitors the effects of the company's operations on energy consumption, emissions and noise values. Finnair publishes annually a separate Environmental Report, which includes measures and key figures for the assessment of environmental efficiency.

Operational risk

Finnair's operations are based on a rigorous flight safety culture, which is maintained through continuous and long-term flight safety work. The company has prepared an operational safety policy, for which the company's Vice President, Flight Permits and Operating Licences is responsible for implementing. Every subcontractor working directly or indirectly with the Group's employees or flight operations must undertake to comply with the policy.

When operational decisions are made, flight safety always has the highest priority in relation to other factors that influence decision-making. Flight safety is an integral mechanism of all activities as well as a required way of operating not only for the company's own personnel, but also for subcontractors.

The main principle of flight safety work is non-punitive reporting of incidents in the way intended by the Aviation Act and the company's guidelines. The purpose of reporting is to find reasons, not to assign blame. The company, however, does not

tolerate wilful acts contrary to guidelines, methods or prescribed working practices. Decision-making not directly related to operations must also support the company's objective of achieving and maintaining a high level of flight safety.

Finnair is IOSA*) registered. The IOSA programme is an evaluation method for airlines' operational management and control systems. The audit which is the basis of IOSA registration states that an airline's operations fulfil the requirements of the IOSA standard.

Accident risk

The management of occupational health and safety is diverse and challenging, because the Finnair Group's operations are spread across many fields of business. Occupational safety risks are known to be high in precisely those areas – services, food industry, heavy aircraft maintenance, warehousing and transport – of which Finnair's operations principally consist.

The development of occupational safety is long-term work, and Finnair's goal is zero accidents. The investment in occupational safety made during 2006 has led to a positive trend in terms of accident frequency in nearly all of the Finnair Group's business units.

Means of improving occupational safety include identifying and evaluating safety hazards in the workplace and preventing accidents and hazardous situations. All reported incidents and accidents are investigated.

Telecommunications and technical risk

The diverse use of information technology in support of operations is increasing. Systems vulnerability and the development of new global threats represent a risk factor in a networked operating environment. Finnair is continually developing its information security and situation-management preparedness for serious disruptions to information systems and telecommunications. Such preparations have a direct impact on information technology and data security costs.

Developing information system solutions and the IT environment requires continuous investment. Careful selection of external partners in IT solutions also reduces the technology risk. The Group has gained access to technological expertise through, for example, cooperation with IBM.

Principles of financial risk management

The nature of the Finnair Group's business operations exposes the company to foreign exchange, interest rate, credit and liquidity, and fuel price risks. The policy of the Group is to minimise the negative effect of such risks on cash flow, financial performance and equity.

The management of financial risks is based on the risk management policy approved by the Board of Directors, which specifies the minimum and maximum levels permitted for each type of risk. Financial risk management is directed and supervised by the Financial Risk Steering Group. The

implementation of financial risk management practice has been centralised in the Finnair Group's Finance Department.

In its management of foreign exchange, interest rate and jet fuel positions the company uses different derivative instruments, such as forward contracts, swaps and options.

Financial risks have been described in more detail in Note 28 of the Notes to the Financial Statements.

*) IOSA = IATA Operational Safety Audit
IATA = The International Air Transport Association