

Finnair Plc

FINANCIAL STATEMENTS 31.Dec.2012

FAS Financial statements

Income Statement

Balance sheet

Cash Flow Statement

Notes

FINNAIR PLC INCOME STATEMENT

	1 Jan-31 Dec.2012	1 Jan-31 Dec.2011	Note
Turnover	2 015 191 433,73	1 800 704 168,54	2
Other operating income	10 069 615,07	7 350 408,65	3
OPERATING INCOME	2 025 261 048,80	1 808 054 577,19	
OPERATING EXPENSES			
Materials and services	1 098 880 446,55	977 252 313,15	4
Personnel expenses	287 378 443,79	286 060 666,89	5
Depreciation	6 341 062,91	6 323 765,88	6
Other operating expenses	702 698 522,32	732 788 493,33	7
	2 095 298 475,57	2 002 425 239,25	
OPERATING PROFIT/LOSS	-70 037 426,77	-194 370 662,06	
FINANCIAL INCOME AND EXPENSES	-5 988 791,41	-6 071 041,58	8
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	-76 026 218,18	-200 441 703,64	
Extraordinary items	74 824 290,00	104 956 700,00	9
PROFIT/LOSS AFTER EXTRAORDINARY ITEMS	-1 201 928,18	-95 485 003,64	
Direct Taxes	-221 431,69	-20 039 770,38	10
PROFIT/LOSS FOR THE FINANCIAL YEAR	-980 496,49	-75 445 233,26	

FINNAIR PLC

BALANCE SHEET

ASSETS		31 Dec.2012	31 Dec.2011	Note
NON-CURRENT ASSETS				11
Intangible assets	13 152 620,20		15 038 664,81	
Tangible assets	1 987 973,10		2 326 837,16	
Investments				
Holdings in ass. companies	13 138 076,71		9 422 083,66	
Holdings in group undertakings	489 691 291,90		489 666 291,90	
Other investment	17 061 787,49	535 031 749,40	17 019 604,25	533 473 481,78
CURRENT ASSETS				
Inventories				12
Long-term receivables	217 400 000,02		242 662 837,21	13
Short-term receivables	544 942 960,04		583 127 515,66	14
Marketable securities	414 995 386,09		390 331 484,68	15
Cash and bank equivalents	9 660 895,14	1 186 999 241,29	6 414 917,49	1 222 536 755,04
		1 722 030 990,69	1 756 010 236,82	
SHAREHOLDERS' EQUITY AND LIABILITIES		31 Dec.2012	31 Dec.2011	
SHAREHOLDERS' EQUITY				17
Share capital	75 442 904,30		75 442 904,30	
Share premium account	24 688 190,41		24 688 190,41	
General reserve	147 712 376,39		147 712 376,39	
Unrestricted equity	250 359 699,59		250 359 699,59	
Fair value reserve	9 342 130,69		28 115 059,52	
Retained earnings	13 713 436,15		89 158 669,41	
Result for the financial year	-980 496,49	520 278 241,04	-75 445 233,26	540 031 666,36
Total		520 278 241,04	540 031 666,36	
LIABILITIES				
Deferred tax liability	3 031 552,34		9 123 429,91	18
Long-term liabilities	316 544 322,65		302 266 650,48	19,21
Short-term liabilities	882 176 874,66	1 201 752 749,65	904 588 490,07	1 215 978 570,46
		1 722 030 990,69	1 756 010 236,82	20

FINNAIR PLC
CASH FLOW STATEMENT
 EUR mill.

1 Jan-31 Dec.2012

1 Jan-31 Dec.2011

Cash flow from operating activities

Profit /loss before extraordinary items	-76	-200,5
Depreciation	6,3	6,3
Operations for which no payment is included	4,7	2,4
Financial income and expenses	6,0	11,5
Change in working capital	-0,5	152,7
Intrest paid and other paid financial expences	-23,9	-23,1
Received interest income and other financial income	18,7	18,1
Taxes paid	-0,1	0,0
Cash flow from operating activities	-64,8	-32,6

Cash flow from investing activities

Investments in associated companies	0,0	-6,9
Investments in tangible and intangible assets	-4,1	-2,2
Sales of tangible and intangible assets	0,0	0,0
Change in long-term receivables	-3,8	-16,0
Received dividend	0,1	5,4
Other investments	25,3	-159,3
Cash flow from investing activities	17,5	-179,0

Cash flow from financing activities

Loan withdrawals	70,8	10,5
Loan repayments and changes	-152,8	-36,7
Hybrid bond repayments	-67,7	
Proceeds from hybrid bond	120,0	
Received Group contributions	105,0	114,4
Cash flow from financing activities	75,3	88,2

Change in cash flows

28,0 **-123,4**

Change in cash flows

Liquid funds at the beginning	396,7	520,1
Change in cash flows	28,0	-123,4
Liquid funds in the end	424,7	396,7

ACCOUNTING PRINCIPLES

The financial statements of Finnair Plc have been prepared in accordance with the Finnish Accounting standards. The official financial statements have been prepared in euros.

Translation of foreign currency items

Receivables, debts and liabilities were translated into euros at the official middle rate on the day the books were closed. Advance payments made and received were entered in the balance sheet at the rate on the date of payment. Exchange rate differences on trade receivables and payables were treated as adjustments of sales and purchases. Other exchange rate differences on other receivables and payables were entered as exchange rate differences under financial income and expenses. Accumulated exchange rate differences were entered in their entirety in the income statement.

Derivative contracts and hedge accounting

According to its risk management policy, Finnair uses foreign exchange, interest rate and commodity derivatives to reduce the exchange rate, interest rate and commodity risks which arise from company's balance sheet items, currency denominated purchase contracts, anticipated currency denominated purchases and sales as well as future jet fuel purchases.

The derivatives are initially recognised in the balance sheet at original acquisition cost and thereafter are subsequently valued at fair value in each financial statement and interim report. Gains and losses arising from changes in the fair value are presented in the financial statements according to the original classification of the derivative. Gains and losses on derivatives qualifying for hedge accounting are recognised in accordance with the underlying asset being hedged. Derivative contracts are designated at inception as future cash flows hedges, hedges of binding purchase contracts (cash flow hedges or fair value hedges) or as derivatives not meeting the hedge accounting criteria or to which hedge accounting is not applied (economic hedges).

At the inception of hedge accounting, Finnair documents the relationship between the hedged item and the hedging instrument as well as the company's risk management objectives and the strategy for the inception of hedging. The company documents and assesses, at the inception of hedging and at least in connection with each financial statements, the effectiveness of hedge relationships by examining the capacity of the hedging instrument to offset changes in the fair value of the hedged item or changes in cash flows. The values of derivatives in a hedging relationship are presented in the balance sheet item short-term financial asset and liabilities.

The change in the fair value of effective portion of derivative instruments that fulfil the terms of cash flow hedging are entered directly in the fair value reserve of other comprehensive income to the extent that the requirements for the application of hedge accounting have been fulfilled. The gains and losses recognised in fair value reserve are transferred to the income statement in the period in which the hedged item is entered in the income statement. When an instrument acquired for the hedging of cash flow matures or is sold or when the criteria for hedge accounting are no longer fulfilled, the gain or loss accrued from hedging instruments remain in equity until the forecast transaction takes place. However, if the forecast hedged transaction is no longer expected to occur, the gain or loss accrued in equity is released immediately to the income statement.

Finnair uses foreign exchange and interest rate swap contracts in the hedging of the interest rate and foreign exchange risks of foreign currency denominated loans. The translation difference arising from foreign exchange and interest-rate swap contracts that fulfil the conditions of hedge accounting is recognised concurrently against the translation difference arising from the loan. Other changes in fair value are recognised in terms of the effective portion in the fair value reserve. Interest income and expenses are recognised in financial income and expenses.

Finnair uses jet fuel swaps (forward contracts) and options in hedging the price risk of jet fuel. Changes in the fair value of jet fuel hedging derivatives are recognised directly in the fair value reserve in respect of derivatives defined as cash-flow hedges that fulfil the requirements of IFRS hedge accounting. Accrued gains and losses on derivatives recognised in shareholders' equity are recognised in the income statement as income or expenses for the financial period in which the hedged item is recognised in the income statement. If a forecasted cash flow is no longer expected to occur, the accrued gains and losses reported in the shareholder's equity are presented directly as other income and expenses for the financial period. Changes in the fair value of derivative contracts, so far as the IFRS hedge accounting criteria are not fulfilled, are presented in other operating income and expenses during their term to maturity.

The change in the fair value of derivatives not qualifying for hedge accounting and which are arranged to hedge operational cash flow are recognised in the income statement item other operating expenses. Changes in the fair value of interest rate derivatives not qualifying for hedge accounting are recognised in the income statement's financial income and expenses.

Financial liabilities

Liabilities are recognised at acquisition cost. Liabilities maturing within 12 months are included in current liabilities. Liabilities were translated into euros at the official middle rate on the day the books were closed and the exchange rate difference is recognised in the income statement's financial income and expenses.

Financial assets and liabilities

Financial assets have been classified into the following categories: financial assets at fair value through profit or loss (assets held for trading), held-to-maturity investments, loans and other receivables, as well as available-for-sale financial assets. The classification is made on the basis of the purpose of the acquisition of the financial assets in connection with the original acquisition. All purchases and sales of financial assets are recognised on the trade date.

The financial asset category recognised at fair value through profit or loss includes assets held for trading purposes and assets measured at fair value through profit or loss on initial recognition. Financial assets at fair value through profit and loss have mainly been acquired to obtain a gain from short-term changes in market prices. All those derivatives that do not fulfil the conditions for the application of hedge accounting are classified as financial assets at fair value through profit and loss and are valued in each financial statement at fair value. Realised and unrealised gains and losses arising from changes in fair value are recognised in the income statement (either in other operating income and expenses or in financial items) in the period in which they arise. Financial assets at fair value through profit and loss as well as those maturing within 12 months are included in current assets.

Held-to-maturity investments are financial assets not belonging to derivative contracts which mature on a specified date and which a company has the firm intent and ability to hold to maturity. They are valued at amortised acquisition cost and they are included in long-term assets. On the closing date the company had no assets belonging to the said group.

All investments at the closing date were categorised as available-for-sale financial assets.

Finnair assesses on each closing date whether there is any objective evidence that the value of a financial asset item or group of items has been impaired. If there is objective evidence that an impairment loss has arisen for loans and other receivables entered at amortised acquisition cost on the balance sheet or for held-to-maturity investments, the size of the loss is determined as the difference of the book value of the asset item and the present value of expected future cash flows of the said financial asset item discounted at the original effective interest rate. The loss is recognised through profit and loss.

Financial liabilities are initially recognised at fair value on the basis of the original consideration received. Financial liabilities are included in long- and short-term liabilities and they can be interest-bearing or non-interest-bearing.

Other assets and liabilities are recognised at fair value. Other assets include trade receivables, prepaid expenses and long-term receivables like loans and other investments. Other liabilities are trade payables, accruals and deferred income.

Derecognition of financial assets takes place when the company has lost its contractual right to receive the cash flows or when it has substantially transferred the risks and rewards outside the company.

Derivative instruments

Derivative instruments are valued in the balance sheet at fair value, which is determined as the value at which the instrument could be exchanged between knowledgeable, willing and independent parties, with no compulsion in the sales situation to sell or buy. The fair values of derivatives are determined as follows:

The fair values of all derivatives are calculated using the exchange rates, interest rates, volatilities and commodity price quotations on the closing date. The fair values of currency forward contracts are calculated at the present value of future cash flows. The fair values of currency options are calculated using generally accepted option valuation models. The fair values of interest rate swap contracts are calculated at the present value of future cash flows. The fair values of interest rate and currency swap contracts are calculated at the present value of future cash flows. The fair values of interest rate options are calculated using generally accepted option valuation models. The fair values of commodity contracts are calculated at the present value of future cash flows. The fair values of commodity options are calculated using generally accepted option valuation models.

Tangible assets and depreciation

The balance sheet values for fixed assets are based on original acquisition costs less planned depreciation.

Planned depreciation is based on the economic service life of the asset and on the book acquisition cost.

Depreciation is calculated with the following principles, depending on the type of asset:

- Depreciation of tangible assets is 23% of the undepreciated residual value
- Capitalized long-term expenditures are depreciated in 3-10 years, depending on their nature.

Inventories

The company has not any inventories

Leasing

Lease payments for the company aircraft are significant. Annual lease payments are treated as rent expenses. Lease payments due in future years under aircraft lease contracts are presented as off-balance sheet items.

Extraordinary items

Items included in extraordinary items are typically substantial and one-off by nature. They also deviate from the ordinary course of business operations. Paid or received Group contributions are recognised in extraordinary items.

Expenditure for research and development

Research and development on aircraft, systems and operations is conducted primarily by manufacturers. Research and product development expenditure for marketing and customer service is entered as an annual expense for the year in which it is incurred.

Appropriations

The difference between total and planned depreciation is shown in the balance sheets as appropriations and the change during the financial year in the income statement.

Taxes and change in deferred taxes

Estimated taxes on profit/loss for the financial year, adjustments in taxes for previous financial years and the change in deferred taxes were entered in the income statement as taxes. The deferred tax liability/asset is computed according to the tax rate in effect during the financial year.

Pension Schemes

The company's domestic employees mandatory pension cover has primarily been arranged through a Finnish pension insurance company and other additional pension cover through the Finnair pension fund or a Finnish pension insurance company. The Finnair pension fund is a joint fund including the Parent Company and eleven subsidiaries at the end of the financial year. Since 1992, the pension fund has no longer accepted employees other than pilots for additional pension coverage.

The Finnair pension fund's pension liability is fully paid up with respect to additional coverage. Pension fund liabilities are presented in the Notes to the Financial Statements.

The retirement age of the CEO, the Board of Management members' is on average 63 years.

Comparability of the financial years

The financial years are comparable.

2. Turnover and Operating Profit by Division		
Turnover by division		
Scheduled Passenger Traffic	1 800 704 168,54	1 800 704 168,54
Total	1 800 704 168,54	1 800 704 168,54
Distribution of turnover by market areas, as % of turnover		
Finland	26 %	30 %
Europe	31 %	32 %
Other countries	43 %	38 %
Total	100 %	100 %
Operating profit by division		
Scheduled Passenger Traffic	-70 037 426,77	-166 339 627,26
Aviation Services	0,00	0,00
Support Services	0,00	-28 031 034,80
Total	-70 037 426,77	-194 370 662,06
3. Other revenue from business operations		
Capital gain on sales of fixed assets	0,00	0,00
Other	10 069 615,07	7 350 408,65
Total	10 069 615,07	7 350 408,65
4. Materials and Services		
Ground handling and catering charges	170 066 043,87	178 142 912,91
Fuel purchases for flight operations	639 131 136,62	524 183 540,71
Aircraft maintenance and overhaul	194 886 194,37	187 320 243,21
Expenses for data administration	42 978 953,94	37 239 528,56
Other items	51 818 117,75	50 366 087,76
Total	1 098 880 446,55	977 252 313,15
5. Personnel expenses		
Wages and salaries	226 121 862,96	215 805 354,16
Pension costs	44 112 305,68	53 451 752,31
Other social expenses	17 144 275,15	16 803 560,42
Total	287 378 443,79	286 060 666,89
Salaries of Board of Directors and Managing Director		
Managing Director and his deputy	762 065,00	1 337 549,00
Board of Directors	349 715,00	346 200,00
Personnel on average		
Scheduled Passenger Traffic	3 484	3 398
Support Services	144	158
Total	3 628	3 556
6. Depreciation		
Planned depreciation in the income statement		
On other long-term expenditure	5 649 336,81	6 979 748,78
On other equipment	674 429,07	738 261,99
Total	6 323 765,88	7 718 010,77
7. Other operating expenses		
Lease payments for aircraft	251 036 228,26	263 887 966,24
Other rents for aircraft capacity	63 302 000,11	71 637 399,82
Office and other rents	15 763 973,76	14 385 874,02
Traffic charges	220 060 906,65	204 649 748,07
Sales and marketing expenses	60 853 557,18	80 201 758,17
Other items	91 681 856,36	98 025 747,01
Total	702 698 522,32	732 788 493,33

8. Financial Income and Expenses	1 Jan -31 Dec. 2012	1 Jan -31 Dec. 2011
Dividends		
Dividends from group undertakings	0,00	5 300 482,67
Dividends from participating interests	0,00	0,00
From others	94 996,62	75 375,88
Dividends total	94 996,62	5 375 858,55
Interest income from long-term investments		
From group undertakings	14 487 866,37	12 148 871,86
From others	9 706,62	0,00
Total	14 497 572,99	12 148 871,86
Income from long-term investments total	14 592 569,61	17 524 730,41
Other interest and financial income		
Interest income from group undertakings	0,00	0,00
Interest income from others	4 449 639,44	6 648 000,97
Financial income from others	0,00	0,00
Disposal of shares	0,00	0,00
Total	4 449 639,44	6 648 000,97
Interest income from long-term investments and other interest and financial income, total	19 042 209,05	24 172 731,38
Interest and other financial expenses		
Interest expenses to group undertakings	-1 610 982,73	-2 233 985,68
Interest expenses to others	-17 236 706,90	-18 153 656,98
Disposal losses of shares	0,00	0,00
Other financial expenses to others	-6 183 310,83	-9 856 130,30
Total	-25 031 000,46	-30 243 772,96
Financial income and expenses total	-5 988 791,41	-6 071 041,58
Exchange rate gains/losses included in the item interest	-1 517 057,25	-7 591 341,32
9. Extraordinary items		
Received group contribution	74 824 290,00	104 956 700,00
Total	74 824 290,00	104 956 700,00
10. Direct taxes		
Income taxes on regular business operations	-22 667 041,46	-53 789 461,48
Income taxes on extraordinary items	18 331 951,05	25 714 391,50
Change in deferred tax liabilities	4 113 658,72	8 035 299,60
Total	-221 431,69	-20 039 770,38
11. Fixed assets		
Other long-term expenditure		
Acquisition cost in the beginning	35 159 189,63	67 252 848,82
Increases	3 909 164,39	2 660 645,70
Decreases	0,00	-34 754 304,89
Acquisition cost in the end	39 068 354,02	35 159 189,63
Accumulated planned depreciation from decreases	0,00	34 154 014,16
Accumulated planned depreciation	-25 915 733,82	-54 274 538,98
Book value in the end	13 152 620,20	15 038 664,81
Other equipment		
Acquisition cost in the beginning	8 290 626,71	8 347 667,73
Increases	206 989,85	223 679,72
Decreases	0,00	-280 720,74
Transfer between asset items	0,00	0,00
Acquisition in the end	8 497 616,56	8 290 626,71
Accumulated planned depreciation from decreases	0,00	266 953,33
Accumulated planned depreciation	-6 509 643,46	-6 230 742,88
Book value in the end	1 987 973,10	2 326 837,16
Accumulated difference between total and planned depreciation	-	-
Change in depreciation difference	-	-
Accumulated difference between total and planned depreciation in the end	-	-
In fixed assets the share of machines and equipment in book value	1 911 929,70	2 250 793,76

Investments	31 Dec.2012	31 Dec.2011
Associates and joint ventures		
Acquisition in the beginning	9 422 083,66	2 464 466,12
Change	3 715 993,05	6 957 617,54
Book value in the end	13 138 076,71	9 422 083,66
Group companies		
Acquisition cost in the beginning	489 666 291,90	489 748 031,23
Increases	25 000,00	0,00
Decreases	0,00	-81 739,33
Book value in the end	489 691 291,90	489 666 291,90
Other interests and shares		
Acquisition in the beginning	733 375,19	733 375,19
Increases	0,00	0,00
Decreases	0,00	0,00
Book value in the end	733 375,19	733 375,19
Loan receivables		
Acquisition in the beginning	16 286 229,06	239 800,16
Increases	42 183,24	16 046 428,9
Decreases	0,00	0,00
Book value in the end	16 328 412,30	16 286 229,06
Investments		
Participating interests	Share of parent company %	
Suomen Ilmailuopisto Oy, Pori	49,50	
IC Safit Cell, Englanti	20,00	
Flybe Nordic	40,00	
Group undertakings	Share of parent company %	
Finnair Cargo Oy, Helsinki	100,00	
Finnair Cargo Terminal Operations Oy, Helsinki	100,00	
Amadeus Finland Oy, Helsinki	95,00	
Matkatoimisto Oy Area, Helsinki	100,00	
Area Baltica Reisiburoo AS, Estonia	100,00	
Oy Aurinkomatkat - Suntours Ltd Ab, Helsinki	100,00	
FTS Financial Services Oy, Helsinki	100,00	
Finnair Travel Retail Oy, Helsinki	100,00	
Finnair Catering Oy *, Helsinki	100,00	
Finnair Facilities Management Oy, Helsinki	100,00	
Finnair Aircraft Finance Oy, Helsinki	100,00	
Finnair Flight Academy Oy, Helsinki	100,00	
Finnair Technical Services Oy, Helsinki	100,00	
Finnair Engine Service Oy, Helsinki	100,00	
Back Office Servuces AS, Estonia	100,00	
IC Finnair Ltd, England	100,00	
Finnvero GmbH, Saksa	100,00	
A/S Aero Airlines, Estonia	100,00	
Norvista Travel Ltd, Canada	100,00	
Northport Oy, Helsinki	100,00	
Suomen Matkatoimisto Oy, Helsinki	100,00	
* The Group doesn't have any control over the company		
Other shares	31 Dec.2012	31 Dec.2011
Market value of publicly quoted shares	0,00	0,00
book value	0,00	0,00
difference	0,00	0,00
Other financial assets, loan receivables		
From Group companies	6 100 000,00	6 100 000,0
From associates and joint ventures	9 938 589,36	9 938 589,4
From other companies	289 822,94	247 639,70
Total	16 328 412,30	16 286 229,06

	31 Dec.2012	31 Dec.2011
12. Long-term receivables		
Long-term receivables from group undertakings		
Loan receivables	217 400 000,02	242 662 837,21
Long-term receivables from others		
Other receivables	0,00	0,00
Long-term receivables total	217 400 000,02	242 662 837,21
13. Short-term receivables		
Short-term receivables from group undertakings		
Trade receivables	25 067 024,06	25 022 517,47
Prepaid expenses	73 772 051,96	113 834 894,80
Other receivables	172 190 402,03	210 174 953,37
Total	271 029 478,05	349 032 365,64
Short-term receivables from participating interests		
Trade receivables	15 105,84	7 652,96
Prepaid expenses	38 622 303,00	0,00
Total	38 637 408,84	7 652,96
Short-term receivables from others		
Trade receivables	95 398 508,58	88 413 613,45
Prepaid expenses	34 009 558,76	76 865 015,91
Other receivables	105 868 005,81	68 808 867,70
Total	235 276 073,15	234 087 497,06
Short-term receivables total	544 942 960,04	583 127 515,66
14. Investments		
Short-term investments	414 995 386,09	390 331 484,68
At fair value		
15. Cash and Bank Equivalents		
Cash and bank equivalents comprise funds in Group bank accounts.	9 660 895,14	6 414 917,49
16. Equity		
Equity in the beginning of the year	75 442 904,30	75 442 904,30
Equity in the end of the year	75 442 904,30	75 442 904,30
Share premium account in the beginning	24 688 190,41	24 688 190,41
Share premium account in the end	24 688 190,41	24 688 190,41
Fair value fund in the beginning	28 115 059,52	34 808 413,95
Change	-18 772 928,83	-6 693 354,43
Fair value fund in the end	9 342 130,69	28 115 059,52
General reserve	147 712 376,39	147 712 376,39
Unrestricted equity	250 359 699,59	250 359 699,59
Unrestricted equity in the end	250 359 699,59	250 359 699,59
Retained earnings in the beginning	13 713 436,15	89 090 579,28
Dividend	0,00	68 090,13
Retained earnings in the end	13 713 436,15	89 158 669,41
Profit/loss for the financial year	-980 496,49	-75 445 233,26
Equity total	520 278 241,04	540 031 666,36
Distributable equity		
Retained earnings	13 713 436,15	89 158 669,41
Unrestricted equity	250 359 699,59	250 359 699,59
Profit/loss for the financial year	-980 496,49	-75 445 233,26
	263 092 639,25	264 073 135,74
* more information see note 26		
17. Deferred tax liability		
Deferred tax liability caused by timing differences	3 031 552,34	9 123 429,91
Total	3 031 552,34	9 123 429,91
18. Long-Term Liabilities		
Loans from group undertakings	998 000,00	998 000,00
Loans from financial institutions	58 749 999,97	91 612 837,16
Bond loans	0,00	0,00
Pension loans	172 350 000,00	120 000 000,00
Provisions	82 300 573,68	86 871 775,32
Other long-term liabilities	2 145 749,00	2 784 038,00
Total	316 544 322,65	302 266 650,48
Repayments of loans		
Financial year 2013	113 577 998,54	
Financial year 2014	40 750 000,00	
Financial year 2015	17 999 999,97	
Financial year 2016	0,00	
Financial year 2017-	173 348 000,00	
Total	345 675 998,51	

19. Short-term liabilities	31 Dec.2012	31 Dec.2011
Liabilities to group undertakings		
Trade payables	34 410 839,97	54 544 689,16
Accruals and deferred income	22 977 070,39	28 385 605,31
Other liabilities	143 133 901,73	156 693 535,55
Total	200 521 812,09	239 623 830,02
Liabilities to associates and joint ventures		
Trade payables	2 118 529,38	0,00
Accruals and deferred income	32 302 300,00	0,00
Total	34 420 829,38	0,00
Liabilities to others		
Loans from financial institutions	32 677 998,54	150 419 042,20
Commercial paper	80 900 000,00	10 000 000,00
Trade payables	55 030 340,81	37 694 113,23
Accruals and deferred income	414 864 452,38	412 883 177,24
Maintenance provisions	27 433 524,56	28 957 258,44
Other liabilities	36 327 916,90	25 011 068,94
Total	647 234 233,19	664 964 660,05
Short-term liabilities total	882 176 874,66	904 588 490,07
Accruals and deferred income		
Unearned air transport revenues and liability and FF bonus system *	204 627 487,11	220 842 548,03
Holiday pay reserve	50 162 885,36	50 697 001,00
Other	160 074 079,91	141 343 628,21
Total	414 864 452,38	412 883 177,24

* The item includes a liability of 32,5 million euros for the Finnair Plus Frequent Flyer Bonus System.
Other items include undue interest and other deferred income for the financial year.

20. Pension liabilities		
Total liability of pension fund	302 152 677,0	299 514 027,0
Mandatory portion covered	-	-
Non-mandatory benefit covered	-302 152 677,0	-299 514 027,0
Uncovered liability of pension fund	0,0	0,0
Liability for pensions paid directly by the company	0,0	0,0
Total liability of pension fund	0,0	0,0
21. Guarantees and Contingent Liabilities		
Other liabilities	1 291 022,00	1 842 248,00
Pledges on group undertakings	0,00	0,00
Guarantees on group undertakings	698 791 774,87	830 184 658,00
Guarantees on others	2 464 033,45	1 828 383,00
Total	702 546 830,32	833 855 289,00

22. Aircraft Lease Obligations

Parent company has acquired the aircraft fleet by operational leasing agreement from the subsidiary company which is 100% owned by parent company.
Parent company's obligations for these leases were 251,0 Mill. euros in year 2012.
In year 2013 lease payments are expected to be 239,4 Mill. euros.

Board of Directors' proposal on the dividend

Finnair Plc's distributable equity according to the financial statements on 31 December 2012 amounts to 263,092,639.25 euros.

The Board of Directors proposes to the Annual General Meeting that a dividend of 0.10 euros per share be paid and the remaining part of the result be retained and carried further in the retained earnings.

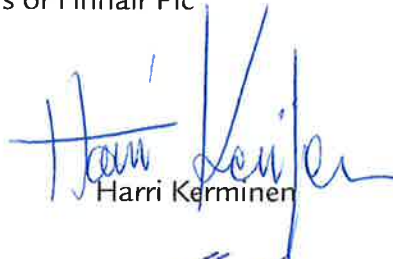
Signing of the Report of the Board of Directors and the Financial Statements

Helsinki, 7th February 2013

The Board of Directors of Finnair Plc



Harri Sailas



Harri Kerminen



Maija-Liisa Friman



Klaus Heinemann



Jussi Itävuori



Merja Karhapää



Gunvor Kronman



Mika Vehviläinen

President & CEO of Finnair Plc



Auditor's Report (Translation from the Finnish Original)

To the Annual General Meeting of Finnair Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Finnair Oyj for the year ended 31 December, 2012. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Other Opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director of the parent company should be discharged from liability for the financial period audited by us.

Helsinki, 4 March 2013

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mikko Nieminen
Authorised Public Accountant

Tilintarkastuskertomus

Finnair Oyj:n yhtiökokoukselle

Olemme tilintarkastaneet Finnair Oyj:n kirjanpidon, tilinpäätöksen, toimintakertomuksen ja hallinnon tilikaudelta 1.1.–31.12.2012. Tilinpäätös sisältää konsernin taseen, tuloslaskelman, laajan tuloslaskelman, laskelman oman pääoman muutoksista, rahavirtalaskelman ja liitetiedot sekä emoyhtiön taseen, tuloslaskelman, rahoituslaskelman ja liitetiedot.

Hallituksen ja toimitusjohtajan vastuu

Hallitus ja toimitusjohtaja vastaavat tilinpäätöksen ja toimintakertomuksen laatimisesta ja siitä, että konsernitilinpäätös antaa oikeat ja riittävät tiedot EU:ssa käyttöön hyväksytyjen kansainvälisten tilinpäätösstandardien (IFRS) mukaisesti ja että tilinpäätös ja toimintakertomus antavat oikeat ja riittävät tiedot Suomessa voimassa olevien tilinpäätöksen ja toimintakertomuksen laatimista koskevien säännösten mukaisesti. Hallitus vastaa kirjanpidon ja varainhoidon valvonnan asianmukaisesta järjestämisestä ja toimitusjohtaja siitä, että kirjanpito on lainmukainen ja varainhoito luotettavalla tavalla järjestetty.

Tilintarkastajan velvollisuudet

Velvollisuutenamme on antaa suorittamamme tilintarkastuksen perusteella lausunto tilinpäätöksestä, konsernitilinpäätöksestä ja toimintakertomuksesta. Tilintarkastuslaki edellyttää, että noudatamme ammattieettisiä periaatteita. Olemme suorittaneet tilintarkastuksen Suomessa noudatettavan hyvän tilintarkastustavan mukaisesti. Hyvä tilintarkastustapa edellyttää, että suunnittelemme ja suoritamme tilintarkastuksen hankkiaksemme kohtuullisen varmuuden siitä, onko tilinpäätöksessä tai toimintakertomuksessa olennaista virheellisyttä, ja siitä, ovatko emoyhtiön hallituksen jäsenet tai toimitusjohtaja syyllistyneet tekoon tai laiminlyöntiin, josta saattaa seurata vahingonkorvausvelvollisuus yhtiötä kohtaan, taikka rikkoneet osakeyhtiölakia tai yhtiöjärjystä.

Tilintarkastukseen kuuluu toimenpiteitä tilintarkastusevidenssin hankkimiseksi tilinpäätökseen ja toimintakertomukseen sisältyvistä luvuista ja niissä esitettävistä muista tiedoista. Toimenpiteiden valinta perustuu tilintarkastajan harkintaan, johon kuuluu väärinkäytöksestä tai virheestä johtuvan olennaisen virheellisuuden riskien arvioiminen. Näitä riskejä arvioidessaan tilintarkastaja ottaa huomioon sisäisen valvonnan, joka on yhtiössä merkityksellistä oikeat ja riittävät tiedot antavan tilinpäätöksen ja toimintakertomuksen laatimisen kannalta. Tilintarkastaja arvioi sisäistä valvontaa pystyäkseen suunnittelemaan olosuhteisiin nähden asianmukaiset tilintarkastustoimenpiteet mutta ei siinä tarkoituksessa, että hän antaisi lausunnon yhtiön sisäisen valvonnan tehokkuudesta. Tilintarkastukseen kuuluu myös sovellettujen tilinpäätöksen laatimisperiaatteiden asianmukaisuuden, toimivan johdon tekemien kirjanpidollisten arvioiden kohtuullisuuden sekä tilinpäätöksen ja toimintakertomuksen yleisen esittämistavan arvioiminen.

Käsityksemme mukaan olemme hankkineet lausuntomme perustaksi tarpeellisen määrän tarkoitukseen soveltuvaa tilintarkastusevidenssiä.

Lausunto konsernitilinpäätöksestä

Lausuntonamme esitämme, että konsernitilinpäätös antaa EU:ssa käyttöön hyväksytyjen kansainvälisten tilinpäätösstandardien (IFRS) mukaisesti oikeat ja riittävät tiedot konsernin taloudellisesta asemasta sekä sen toiminnan tuloksesta ja rahavirroista.

Lausunto tilinpäätöksestä ja toimintakertomuksesta

Lausuntonamme esitämme, että tilinpäätös ja toimintakertomus antavat Suomessa voimassa olevien tilinpäätöksen ja toimintakertomuksen laatimista koskevien säännösten mukaisesti oikeat ja riittävät tiedot konsernin sekä emoyhtiön toiminnan tuloksesta ja taloudellisesta asemasta. Toimintakertomuksen ja tilinpäätöksen tiedot ovat ristiriidattomia.

Muut lausunnot

Puollamme tilinpäätöksen vahvistamista. Hallituksen esitys taseen osoittaman voiton käyttämisestä on osakeyhtiölain mukainen. Puollamme vastuuvapauden myöntämistä emoyhtiön hallituksen jäsenille sekä toimitusjohtajalle tarkastamaltamme tilikaudelta.

Helsingissä 4. päivänä maaliskuuta 2013

PricewaterhouseCoopers Oy
KHT-yhteisö



Mikko Nieminen
KHT