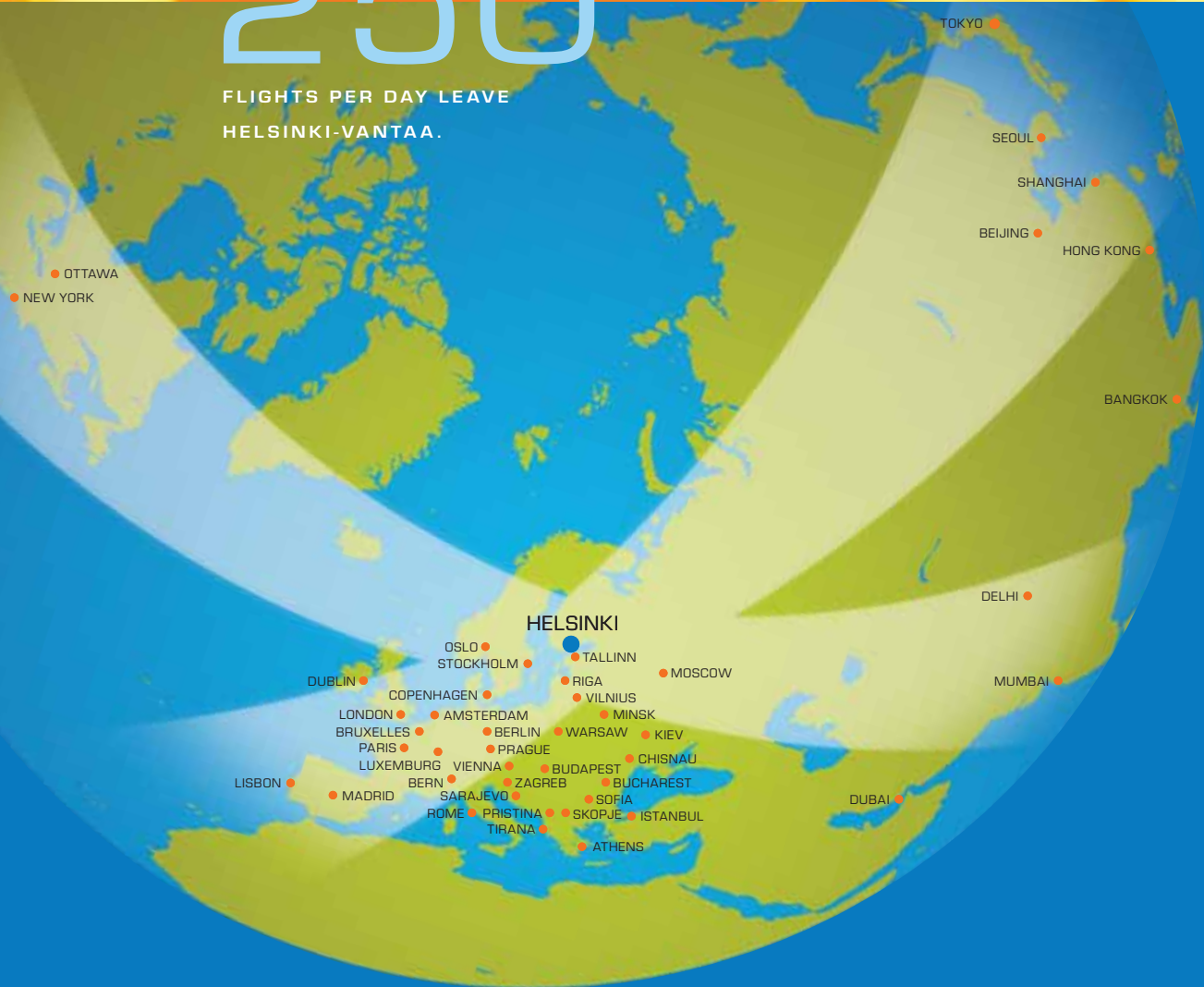


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AY133 Vilnius • 16:20 AY783 Rome • 16:25 AY727 Bucha
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306 Stockholm Arlanda • 19:55 SWN2 Copenhagen • 19:
3 Brussels • 20:10 CA3008 Beijing • 20:10 AY3931 Talli

250

FLIGHTS PER DAY LEAVE
HELSINKI-VANTAA.



HELSINKI-VANTAA'S LOCATION at the crossroads between the East and the West enables fast connections from Europe to Asia and the Americas. In 2008, there were 94,726 landings at Helsinki-Vantaa and 1,853,771 passengers changed airplanes at the airport. A total of 39,674 aircraft flew over Finnish territory. Traffic from Finland to Asia increased by 16%.

Without the flow of passengers from Asia, air connections from Finland to Europe would be only half of the present level.

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The world economy – and air traffic along with it – are facing new kinds of challenges. Finavia is working to ensure that Finland and Finns remain a part of the global world. This can only succeed if we maintain good air connections between Finland and the rest of the world.

DIRECTOR GENERAL'S REVIEW

In 2008, we were able to maintain competitive prices and through our services to create for Finns opportunities for presence, interaction and success in international markets.

On an annual level, we succeeded in continuing our profitable growth, although the recession in the world economy worsened in the second half of the year. In November, demand fell short of the level achieved in the previous year and in the early part of 2009 passenger numbers decreased sharply.

Even before this, many changes had shaken the industry around the world. In the first half of the year, the price of fuel was at a historical high, and financing problems had a negative impact on our customers' finances. Measures to mitigate the effects of climate change rose to prominence and reduced air travel to a certain extent.

In 2008, we transferred only one-third of the increase in expenses to our customers, and thus our real prices fell. Nevertheless, we posted a better result than in the previous year for the fourth time in a row, which is an achievement that is only possible by providing high-quality services at high volumes and with improving cost-efficiency. Regarding the success of the service business, our committed personnel are our best and most important resource.

Our continual investment in quality and efficiency produced results. One indication of this was that passengers judged that Helsinki-Vantaa is the best airport* in Europe.

A STRONG, CENTRAL POSITION GUARANTEES CONNECTIONS TO OTHER PARTS OF THE WORLD

We strengthened our business organisation, introduced a new business model and thus accelerated the development of our operations so that we succeeded in providing even more customer-oriented – fast, safe and environmentally-friendly – services than before.

Growth in air traffic and the number of passengers slowed as a result of the start of the economic recession. Nevertheless, the number of operations, i.e. take-offs and landings, increased at our airports. In 2008, 17.5 million passengers passed through our airports. Helsinki-Vantaa's share was 13.4 million passengers, and it is becoming one of the fastest and most efficient transit airports in Europe in line with our objectives.

As we strengthened Helsinki-Vantaa's position as a hub, there was a significant increase in the number of passengers from Asia and European countries outside the EU. Without the flow of passengers from Asia, air connections from Finland to Europe would be about half of the present level.

* 2008 Skytrax survey



The result of Helsinki-Vantaa's commercial business operations was also good, which helps to ensure the maintenance of the network of airports across all of Finland.

SUPPORT FOR THE GROWTH OF THE PROVINCES

We want to promote the well-being of provincial centres and we are thereby developing airports and their vicinities. The recently completely renovated Kittilä Airport responded to the needs of growing tourism, and the new part of the extension to the Kuusamo Airport terminal building was completed before the Christmas season. In addition, we developed the range of skills of our personnel with the objective of improving the ability to provide services especially at small airports.

Increasingly many visitors to Europe from Asia also visit Finland, as a one-hour flight from Helsinki-Vantaa Airport allows them to access many different experiences and enjoy Finland's beautiful nature. Helsinki-Vantaa Airport, only one hour away, provides Finns from the provinces with a route by air to destinations around the world. For Finns who live in a country of long distances and separated by a sea, air travel is the only fast option to visit and learn about other countries and cultures.

Air traffic also connects Finland to global markets. Traffic to other parts of Europe has the greatest impact on Finland's economy and competitiveness, as 60% of our exports are directed to EU-countries. Helsinki-Vantaa Airport accounts for over 3% of Finland's GDP.

INVESTMENTS TO IMPROVE SERVICES

Finland's airspace is well planned and has low levels of traffic compared to other parts of Europe.

The simultaneous, parallel and independent use of Helsinki-Vantaa's first and third runways enables over 80 operations – take-offs and landings – per hour. This ensures the necessary capacity and smoothness of traffic flow.

Work on the extension of the international terminal is progressing according to schedule and within budget. The extension is intended primarily to respond to the needs of growing traffic to Asia and will be completed in autumn 2009. The extension to the multi-storey car park, which was opened in February 2009, increased parking spaces by a quarter to nearly 12,000. The airport's new taxi rank area and expanded taxi supply system will speed up the final part of passengers' trips. We have financed our robust investment programme from income as well as from loans. In 2008, Finavia took out EUR 50 million in new debt.

During the year, the assistance service for the disabled and mobility impaired was transferred from airlines to become the

responsibility of airports and at the same time became more comprehensive.

Safety is the basis of all of our operations. We will continue to hone our processes by, for example, developing terminal operations and security check operations to become even more customer-oriented.

WE ARE COMMITTED TO TAKING RESPONSIBILITY

We are strongly committed to serving all of Finland, connecting and networking people, companies and organisations as well as creating competitiveness and the preconditions needed to function in a global world. We take the needs of our stakeholder groups into consideration as well as the demands of the environment and legislation.

We want the airport to be an attractive area next to which it is good to live and work. We are engaged in an open dialogue with the neighbouring municipalities of airports as well as with their elected bodies and residents' committees. Most of our airports have environmental permits or their environmental permit application processes are pending.

As a result of climate change, carbon dioxide emissions from air traffic are arousing more debate – and emotions. Many people who drive their own car may “buy a good conscience” by foregoing air travel. In people's minds, flying is considered to be more polluting than travelling by car or train. In fact, aviation accounts for 2–3% of emissions/energy use in Finland. This is a comparable amount to the figures for railway traffic. If we include the effect of infrastructure, the energy/emission effects of air traffic turn out to be more affordable than those of railroads. This is made evident in the FIN-MIPS Transport study, for example, which examined the natural resources consumed by transport and its infrastructure in relation to the passenger-kilometres and tonne-kilometres travelled.

Each one of us can make an impact regarding environmental issues – every day. Do we drive our own car or do we use public means of transport? What do we buy from the shop and what and how do we consume? Finavia also bears its responsibility. While at the present time aviation has a relatively small impact on emissions, we are continually trying to find new ways to reduce carbon dioxide emissions. A good example of this are CDA approaches, which place a smaller load on the environment and which Finland has been among the first countries in Europe to introduce.

Our skilled and committed personnel are owed a great thanks for our good performance in 2008. About EUR 1.6 million was transferred into the personnel fund under the profit bonus system. We would also like to thank our customers and

partners, with whom we are continuing our work to create the preconditions needed for the success of Finns and Finland.

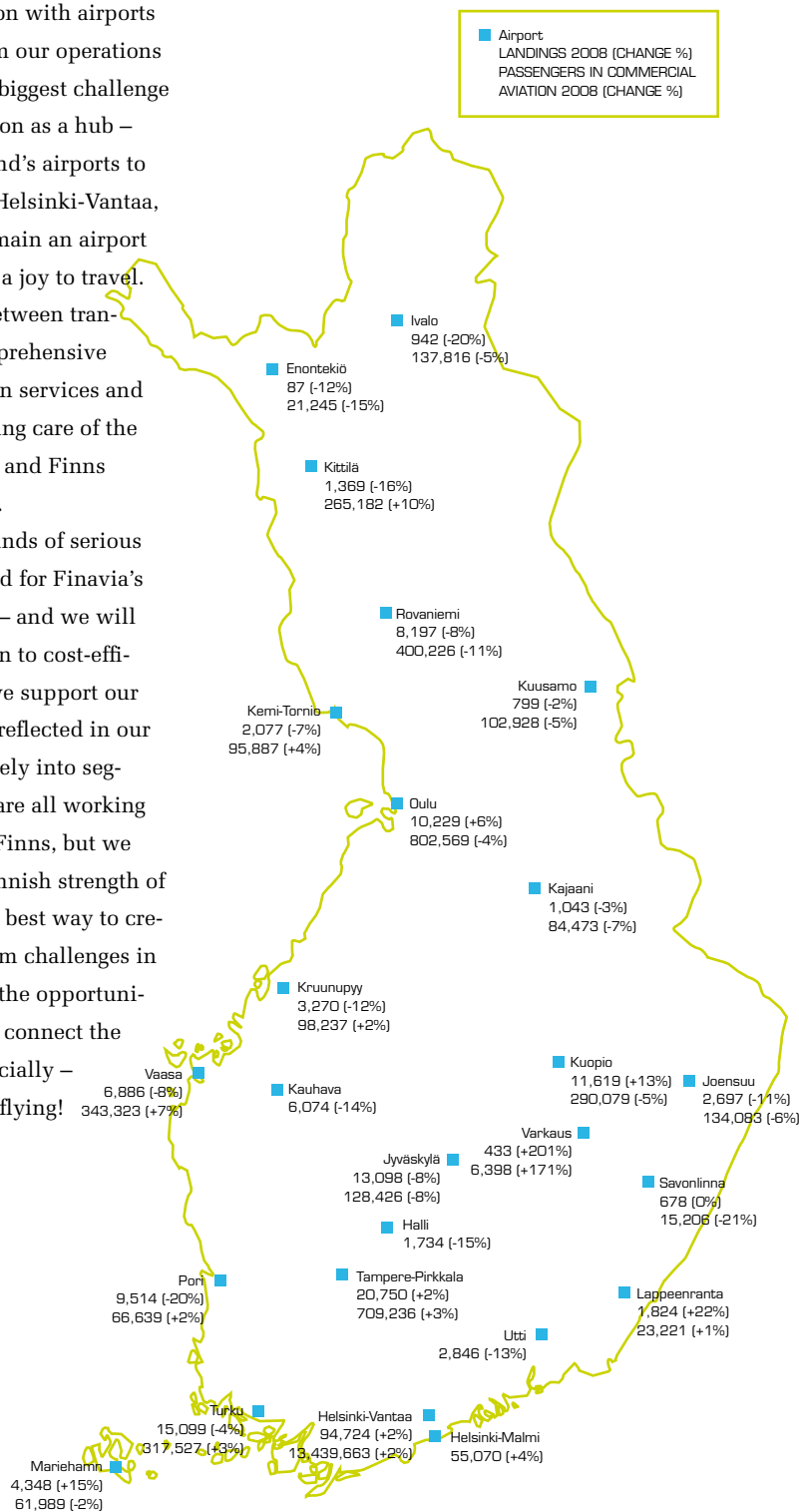
MAINTAINING HELSINKI-VANTAA AIRPORT'S POSITION IS THE MOST IMPORTANT OBJECTIVE

It is imperative that we preserve our competitiveness in the future: the level of service, cost-efficiency and ability to invest. In order to succeed in the intensive competition with airports in central and western Europe, we must reform our operations and continuously develop our processes. The biggest challenge is to maintain Helsinki-Vantaa Airport's position as a hub – along with good connections from all of Finland's airports to destinations around the world. We also want Helsinki-Vantaa, which serves as a node for Asian flights, to remain an airport with a human face through which it is always a joy to travel.

Success in the international competition between transit flight centres calls for a long-term and comprehensive approach encompassing airports, air navigation services and real estate serving the operations. Only by taking care of the operational whole can we ensure that Finland and Finns remain a part of the global world in the future.

The world economy is experiencing new kinds of serious challenges. This is also reflected in the demand for Finavia's services. We will act to meet these challenges – and we will not lose hope. We can pay even more attention to cost-efficiency than before. When setting our prices, we support our customers as only a part of the rise in costs is reflected in our prices. We will distribute our investments wisely into segments through our borrowing. Our personnel are all working together. Of course it is a big challenge for us Finns, but we will face it together. This is just the kind of Finnish strength of which we can remain proud. I believe that the best way to create a basis for the future is not to shy away from challenges in business but to remain open to the world and the opportunities of tomorrow. Finavia's strategy and flights connect the world like a physical Internet, also – and especially – during a difficult economic period. Let's keep flying!

Samuli Haapasalo
Director General



Finavia is strongly committed to promoting Finland's

competitiveness and the well-being of Finns. Finavia's basic task is to support the preconditions for travel by Finns and the competitiveness of Finnish society and its regions through the creation of safe, high-quality and cost-effective air traffic services and infrastructure.

FINAVIA IN BRIEF

VALUES THAT GUIDE

OUR BUSINESS OPERATIONS

Air traffic safety, which is created through professional skills, cooperation and responsibility.

Customer benefits for airlines and passengers motivates our operations.

The efficiency and **ability to reform** of our operations.

Cooperation between owners and partners and fulfilment of service objectives.

Finavia owns and operates 25 airports around Finland. In 2008, 17.5 million air travellers passed through Finavia's airports, 13.4 million of whom, i.e. 77%, passed through Helsinki-Vantaa. Helsinki-Vantaa was chosen as the 9th best airport in the world*. Finavia's customers are air travellers, airlines, military aviation, business – all of Finnish society.

As a State-owned enterprise, Finavia finances and develops its operations and infrastructure from its operating income within the framework of annual operational and financial targets set by the Government. At the end of the year under review, the group had 2,700 employees.

Finavia is committed to safety and accountability in all of its operations. Finavia's objective is to be a customer-oriented and profitably growing state-owned service enterprise that is constantly reforming its operations and has competent, motivated and service-oriented personnel.

INTERNATIONALLY COMPETITIVE, SAFE AND RELIABLE AIRPORT AND AIR NAVIGATION SERVICES

Finavia's reformed business structure was introduced from the beginning of 2008. Each business operation is responsible for its own offering and the development of its own operations throughout the whole network of airports. Airports and the regional air navigation services implement services as directed by regional demand.

In a new kind of cooperation, clear national concepts will be created in Group administration which will form the basis of operations and the means for implementing strategic management. Operational management at airports is carried out via these concepts.

AIRPORT OPERATIONS

Airport Operations is responsible for Finavia's network of airports. It provides airport services and is responsible for airport processes, the external and internal infrastructure and services of terminals, from the construction of spaces to the smoothness of the service chain.

Finavia provides airlines with fast aircraft turnaround times and luggage handling processes, high-quality apron and business area services and sufficient terminal capacity. Finavia ensures fast check-in, smooth security checks and pleasant terminal areas for passengers.

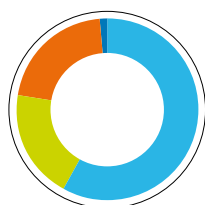
In 2008, 17.5 million passengers passed through Finavia's airports, 13.4 million of whom passed through Helsinki-Vantaa. The second busiest airport in Finland was Oulu with 802,569 passengers.

Finavia's objective is to maintain the competitiveness and continual development of the network of airports.

TURNOVER BY BUSINESS AREA (% CHANGE FROM 2007)

EUR million

Airport Operations	181.4 (+6%)
Air Navigation Operations	61.5 (+8%)
Commercial Operations	65.9 (+12%)
Others	3.6 (+23%)



* Skytrax-tutkimus vuonna 2008

AIR NAVIGATION OPERATIONS

The purpose of air navigation operations is to improve the preconditions of our customers' operations by providing safe services that produce added value. It is responsible for the administration of use and air navigation services in its area of responsibility – the airspace above Finland and the international maritime area. Air navigation services covering the whole country ensure safe air traffic with no delays in Finland's airspace which has a fairly low level of traffic compared with central and western Europe.

Air navigation services enable the effective utilisation of the available capacity and technical systems enable high-quality operations at the right scale.

In the air navigation matrix operating model, the production management business units are responsible for service concepts and their development. The daily provision of services occurs at airports, in the regional air navigation centre and centralised national service units (e.g., the technical service unit), which are responsible for ensuring that the service is implemented every day as specified in the national service concept.

The key challenge of air navigation operations is to develop into an even more customer-oriented international business. The internationally regulated nature of the sector presents a challenge. The future will be characterised by the pan-European development of air navigation services (SES II and Sesar).

In 2008, Finavia's air navigation operations handled 271,509 flights. Domestic flights increased by 1.2% to 124,845, international flights increased by 5.5% to 146,664, and the number of overflights increased by 7% to 39,674.

Finavia's objective is to provide, in a profitable manner, its customers, airlines and actors in military aviation and general aviation, safe and smooth services with no delays which support efficient operations by the users of airspace.

COMMERCIAL OPERATIONS

Commercial operations is responsible in a centralised manner for the planning and development of commercial services at Finavia's airports in cooperation with companies that operate at the airport. The services encompass shops, kiosks, restaurants and meeting services at airports, as well as parking and advertising spaces. Various partners operating at airports produce the bulk of the services.

Finavia studies the needs and wishes of air travellers as well as designs a traveller profile and services that fit demand for each airport. Finavia also finds high-quality companies as partners for the spaces.

In 2008, service companies that provided restaurant and shop services operated at Finavia's airports. For the most part,

Finavia operates the parking services itself. Income from commercial operations accounted for one-third of Finavia's income. This enables services to be offered to airlines at an internationally competitive price.

Finavia's objective is to provide passengers the highest quality commercial services possible to meet demand starting from the moment the passenger arrives at the airport until he or she boards the airplane.

AIRPRO

Finavia's subsidiary Airpro Oy develops and provides traffic, airport and travel services for passengers as well as travel and tourism companies. Airpro's strength lies in the versatile competencies of its staff, thanks to which various tasks at airports are handled skilfully.

Airpro's ground services provide airlines services that the airline and airplane need once the airplane lands and as it is preparing for the next flight. Security services are handled by high-quality technical security checks that cover the whole country.

Airpro's Airport Services provides customer-specific service solutions at 20 airports. At Helsinki-Vantaa Airport, Airpro manages bus services on the apron and the Travel Point service centre which is open 24/7. In addition, the company provides maintenance, firefighting and rescue services and handles, for example, the operations of Terminal Two for discount airlines at Tampere-Pirkkala and Turku airports.

In 2008, Airpro delivered over 70,000 pieces of luggage to the right destination and provided cabin crew services for foreign chartered flights to Finland on a daily basis.

REAL ESTATE OPERATIONS LAK

Lentoasemakiinteistöt Oyj (LAK) is a subsidiary of Finavia. LAK's objective is to provide the best business premises solutions at airports. LAK rents premises in the buildings it owns at airports mostly to companies whose operations are connected to air traffic. The company owns office and logistics properties, as well as space required for the storage and maintenance of aircraft, primarily at Helsinki-Vantaa Airport. The company also commissions the building of sites for its customers if necessary.

LAK's customers include airlines, flight catering companies, ground service companies, air cargo companies and hotels and offices serving passengers. The Hilton Helsinki-Vantaa Airport hotel owned by LAK and operated by Hilton is Finland's first airport hotel. The hotel has 246 rooms.

In 2008, LAK owned about 75,000 m² of office space.

Helsinki-Vantaa's strong position as a gateway to Asian

traffic is based on Finland's favourable location at the intersection of flight routes from Europe to Asia and from the Americas to India. This location at the node opens possibilities for Finnish business and enables Finland and Finns to be present on the world stage.

1,853,771

passengers changes airplanes at Helsinki-Vantaa. The income from these commercial operations enable the maintenance of Finavia's network of airports which covers all of Finland.



ONE OF THE SHORTEST FLIGHT ROUTES FROM CHINA TO

EUROPE runs through Helsinki-Vantaa Airport. In fact, I believe that as the economic situation improves increasingly many Chinese people will choose this route and the number of airlines operating at Helsinki-Vantaa will increase.

Good services, a wide selection of routes and fast transit times are important to passengers. Chinese people do not necessarily speak English and it is therefore a good idea to have signs in Chinese and guides who speak Chinese at Helsinki-Vantaa Airport. As the Chinese passengers tell their compatriots about their positive experiences, increasingly many Chinese people will choose a flight that runs through Helsinki-Vantaa Airport.

Both Beijing Capital International Airport and Helsinki-Vantaa Airport have their own geographic advantages. Helsinki-Vantaa is a gateway not only to Europe but also to other parts of Finland through Finland's network of airports. Beijing Capital International Airport has 30 partner airports that provide access to various parts of China and Asia.

*Huang Gang, Deputy General Manager
BCIA (Beijing Capital International Airport Co. Ltd.)*

DURING THE YEAR UNDER REVIEW, 53 MILLION passengers passed through Beijing Capital International Airport. The airport has direct connections to a total of 88 locations in China and 69 locations in other countries. Seventy-two airlines operate at the airport. When the third terminal was opened in February 2008, the capacity of Beijing Capital International Airport increased to 82 million passengers per year. <http://en.bcia.com.cn>

11

direct scheduled destinations in Asia nearly every day. 65 weekly flights. Over 110 flights per month to China alone. Daily direct connections to 40 cities in Europe. Without the advantage of the flow of passengers and cargo to Asia, there would be only a fraction as many air traffic connections from Finland to the rest of Europe.

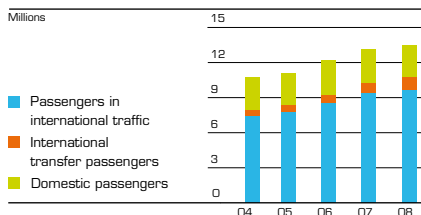
TO ASIA VIA HELSINKI-VANTAA. The procurement company of the State of Sweden chose Finnair as its main partner on Asian routes for the period 2007–2009. Under the framework agreement, officials of Swedish state offices and State-owned enterprises will in the first instance use Finnair on flights to Asia.

In addition to price, the decision was influenced by fast and direct connections via Helsinki-Vantaa Airport and the size of the network of routes.

Finnair provides connections from Sweden to 11 locations in Asia.



COMMERCIAL AVIATION PASSENGERS AT HELSINKI-VANTAA



Photograph of Beijing Capital International Airport. During 2008, there was one flight per day from Helsinki-Vantaa to Beijing.

Flights have many different purposes. Transporting passengers safely to their destination is one of them. Finnish business needs airports not only to transport cargo but to transport expertise.



TWO HUNDRED ORGAN TRANSPLANTS ARE CARRIED OUT IN FINLAND EVERY YEAR, OF WHICH 10-12 ARE HEART TRANSPLANTS. An average of eight child hearts are transported to Finland from abroad each year, mainly from neighbouring countries. Since 1964, a total of 6,500 organ transplants have been carried out in Finland. Fast operations are vital for successful organ transplants. www.lahjaelamalle.fi

EVERY MINUTE COUNTS. When we receive information by telephone that a suitable heart donor has been found, urgent preparations start here at the anaesthesia and surgery unit of the children and young people's hospital of the Hospital District of Helsinki and Uusimaa. While the heart surgeon and specially trained nurse prepare to pick up the donated heart, the tissue coordinator arranges for their transport to the airport and a return trip from there to the donating hospital.

The transportation and attachment of the heart can take a maximum of 4-5 hours from the time it has been detached from the donor's blood circulation. Therefore, the smoothness of the trip is vital as every minute counts. Reliable and well-functioning special arrangements ensure that the heart arrives on time.

*Annette Genberg, specially trained nurse,
Hospital District of Helsinki and Uusimaa (HUS)*

159,000

tonnes of freight. Ninety-six per cent of Finland's international freight traffic travels through Helsinki-Vantaa.



GOOD AIR CONNECTIONS ARE IMPERATIVE IN EXPERT BUSINESS OPERATIONS.

Over 90% of the customers of our Outotec Base Metals division are foreign. Outotec provides technologies based on our own product development for the production of base metals and ferro-alloys. Good air connections are very important to us, as personal meetings are required in the business. Most of the experts work in Espoo, while our customers are from around the world, generally from areas near mineral deposits, and often in difficult-to-reach locations, such as Siberia, the Atacama Desert in Chile or from the Australian outback.

Outotec also holds a week-long conference once every three years for its customers in which flash smelting experts give lectures and in which the participants are flown on a chartered airplane to visit two smelting plants in a different region, or perhaps even in a different country. About one hundred experts from around the world participated in the most recent flash smelting conference, which was held in China.



Markku Jortikka, Director of the Base Metals division.

OUTOTEC is an international developer and supplier of technologies focusing on minerals and metals, which provides its customers with innovative and environmentally-friendly solutions — factories, processes and devices, as well as planning, project and support services — around the world. www.outotec.com

0.5%

Punctuality is one of Helsinki-Vantaa Airport's strengths. In 2008, only 0.5% of all departing flights were delayed due to reasons resulting from Finavia's air traffic control operations.

9.

best in the world. Helsinki-Vantaa was chosen as the 9th best airport in the world in the Skytrax survey.

Air traffic forms an important physical “Internet”, which enables international interaction, mutual understanding and closeness to be created and to strengthen between people from different countries. Fast, smooth and safe services form the starting point for Finavia’s operations.



THE INTERNET ALLOWS people to stay connected wherever they are, and IT and communications technology have made distances shorter. There is always a need for meetings between people. This means air connections will play a key role, especially in peripheral areas, which includes many parts of Finland.

Erkki Liikanen, Governor, Bank of Finland

17.5 million

passengers travel each year through Finnish airports. Of these passengers, 13.4 million used Helsinki-Vantaa Airport.



A QUICK VISIT TO FINLAND. Good air connections enable fast and effective meetings. In October 2008, Helsinki-Vantaa Airport received high-powered visitors when the highest-ranking military officials from the United States and Russia, Admiral Michael Mullen and General Nikolai Makarov, arrived in Finland for negotiations.

The whole meeting, including travel, took five hours. The negotiating delegations arrived at Helsinki-Vantaa Airport's business flight terminal at ten-thirty in the morning. From the airport, the guests continued to Königstedt Mansion in Vantaa, which functioned as the State's official meeting premises, where they discussed the situation in Georgia and the planned American missile defence system, for example. A bit before three in the afternoon, the Russian motorcade was already on its way back to Helsinki-Vantaa. A bit later, the American cars and passengers were guided directly to the airplanes waiting in front of the terminal.



THE SPIRIT OF HELSINKI IN VIP SERVICES. Finland's chairmanship of the OSCE culminated in a summit of foreign ministers held at the Helsinki Fair Centre on 4–5 December 2008. The summit attracted the participation of 50 foreign ministers and 77 delegations from the 56 member states of the OSCE.

In addition to Finavia's own VIP staff and officials working at the airport, the spirit of Helsinki, a good atmosphere and the smooth arrival and departure of guests were ensured at Helsinki-Vantaa Airport by 12 VIP service professionals from the airports of Munich, Vienna, Cracow and Riga. The first VIP personnel exchange carried out in Finland will enable familiarisation with the processes and practices of various airports and the exchange of best practices. At the same time, the personnel participating in the exchange assist the airport's own personnel.

HELSENKI-VANTAA AIRPORT'S VIP SERVICES receive arriving passengers from the airplane's door and also escort departing passengers to the airplane. At the airport, VIP services handles check-in, security checks, border control inspections and customs inspections on behalf of passengers and, if requested, also helps with shopping and currency exchange. In the two VIP lounges, a warm welcome for guests can be arranged or a relaxing moment of rest before the flight. www.helsinki-vantaa.fi/vip

An extensive network of airports provides opportunities for business as well as domestic and foreign passengers. A one-hour flight from Helsinki-Vantaa to other provinces in Finland connects the various parts of our country to the world – and vice versa.

25

airports throughout Finland. In relation to its population, Finland has one of the world's most dense networks of airports.



LAPPSET GROUP OY is one of the world's leading manufacturers of playground equipment. The company's products bring joy to millions of children and adults in over 40 countries. www.lappset.com

LAPPSET FLIES TO THE WORLD. Functional and suitable air connections from Rovaniemi to the rest of the world are vital for Lappset Group, as the markets for our playground equipment are located in other parts of Finland and abroad. On the other hand, the accessibility of Rovaniemi – fast and direct connections from Europe and enough flights to Rovaniemi – is very important as over 500 VIP customers visit our factory during a four-month period each year to learn about our operations.

Rovaniemi Airport has a fabulous service culture compared with other airports around the world. Of course, we would like to have more flights here in the evenings, so that you could be home by the evening. It would also be nice to have more flights during the summer. It would be great if you could transfer from the morning flight from Rovaniemi to the morning flight to Brussels and Prague.

Johanna Ikäheimo, Chairman of the Board of Directors, Lappset Group Oy



171

domestic flights per day (excluding military flights and overflights). 2,820 flights to destinations outside Finland per week.



ABOUT 600,000 TOURISTS VISIT LEVI EACH YEAR, WHERE THEY ARE SERVED BY OVER 50 DESTINATION MANAGEMENT COMPANIES. During the best season of the year, Levi provides jobs for 1,800 people. Tourism accounts for about two-thirds of the economic output of the municipality of Kittilä. A total of EUR 700 million in tourism investments are underway or will start over the next five years, in the vicinity of Kittilä Airport. www.levi.fi



LAPLAND'S TOURISM INDUSTRY DEPENDS ON AIR TRAVEL. Lapland is far away from most places, so air travel is a vital factor in its tourism industry. Accessibility is the key to everything. Accessibility means what flights arrive here in the north, and how close, just 15 minutes away, the airport is to the Levi tourist centre.

The importance of air traffic will continue to grow in the future as the role of traditional sectors such as industry and agriculture will decrease, while tourism becomes more important. Rapid growth in the number of tourists is only possible if more tourists arrive from abroad. Thus, everything depends on how well air travel works.

Jussi Töyrylä, Managing Director, Levin Matkailu Oy

Safe and fast customer-oriented services and the maintenance of competitiveness were Finavia's key areas for development in 2008.

THE YEAR 2008

1. Finavia increased its readiness for rapid growth in the number of transit passengers. The extension of the long-distance traffic area of Helsinki Vantaa Airport's international terminal and the new luggage handling centre reached their peak heights. The spaces will be completed in 2009.
2. Vaasa was chosen as the 2008 Airport of the Year. Factors influencing the choice of the winner included customer orientation, positive development in income, growth in passenger numbers and job satisfaction.
3. New control towers were taken into use in Kuopio and Rovaniemi. The reforms improve the air traffic controller's control and capacity in situation awareness.
4. The Finnish Border Guard decided to trial an easy-to-use automatic passport check machine at the Helsinki-Vantaa Airport which EU citizens arriving from outside the Schengen Area can use if they have a passport with biometric ID. The automatic passport check has speeded up the checking process, especially during the busiest times. The opportunity for self-service check-in is now available for more passengers: at the end of the year under review, customers of 12 airlines can take care of their check-in using automatic check-in kiosks.
5. The service for assisting the disabled and mobility impaired has been transferred from the airlines to become the responsibility of airports.
6. The Hello service concept, which works on a franchise basis, was developed for sales outlets at airports; it ensures that passengers are provided with a high-quality and uniform assortment of restaurants and shops at the same price at all of Finavia's airports. The first Hello sales outlet was opened in February 2009 at Turku Airport.
7. The supplements to Helsinki-Vantaa Airport's environmental permit applications were submitted. The application assesses the operations of the airport and the environmental impacts of its air traffic until 2050.
8. Matts-Anders Nyberg, Planning Director of Finavia's Air Navigation Operations, was appointed to head the project office of the North European ANS Providers (NEAP).

For additional information on events during 2008, please see www.finavia.fi/pressreleases > 2008



Growth in air traffic and the number of passengers slowed down while the number of operations increased. Finavia's profit improved by EUR 6.7 million and stood at EUR 35.4 million.

FINAVIA GROUP

Key figures (EUR million)	2007	2008	change, %
Turnover	310.3	336.1	8
Operating profit	33.9	46.6	37
- operating profit as % of turnover	10.9	13.9	
Profit	28.7	35.4	23
- profit as % of turnover	9.2	10.5	
Return on investment (%)	4.6	5.5	
Return on total equity (%)	3.1	3.7	
Equity ratio (%)	63	62	
Capital investments	93.5	112.7	21

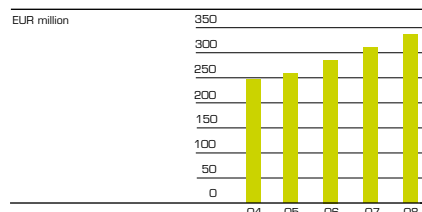
More information on the key figures is found on page 52.

FINAVIA GROUP

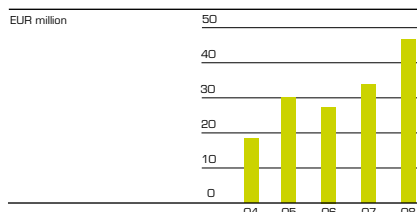
Other key figures	2007	2008	change, %
Total surface area of airports, ha	10,496	10,393	-1
Number of companies operating regular airline services (average), Helsinki-Vantaa	25	27	8
Number of destinations of regular airline services (average), Helsinki-Vantaa	91	93	2
Personnel at airports who are not employed by Finavia (who work regularly at least 2 days per month)	11,800		
Passenger numbers, commercial aviation	17,305,993	17,544,522	1
Number of flights	319,591	328,856	3
Number of items of luggage handled at Helsinki-Vantaa	5,280,000	5,210,000	-1
Amount of freight, tonnes	139,840	145,085	4
Amount of mail transported, tonnes	14,961	14,083	-6
Parking places for airplanes	194	192	-1
Sales premises for rent at Helsinki-Vantaa, m ²	8,280	8,210	-1
Number of parking spaces for cars at Helsinki-Vantaa	ca. 10,500	ca. 9,850	
Number of beds in the Aviapolis area	2,870	3,326	16
Contribution of Helsinki-Vantaa to Finland's GDP, %*	3.2	3.2	0

* Survey commissioned by Finavia from the Helsinki School of Economics in 2007

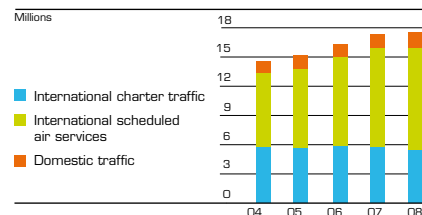
TURNOVER



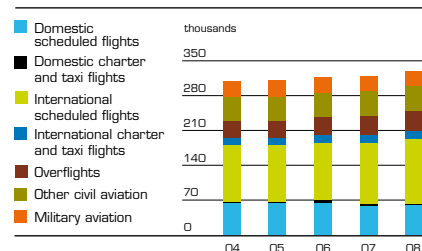
PROFIT



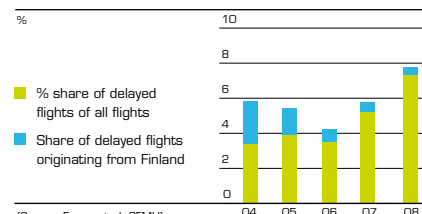
PASSENGERS



FLIGHTS

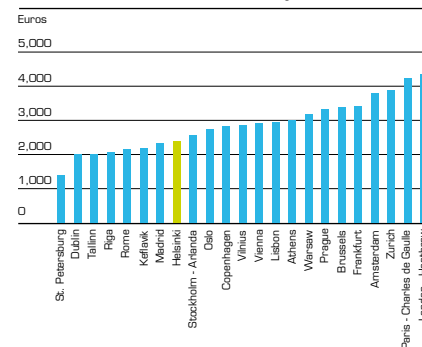


DELAYS RESULTING FROM AIR TRAFFIC CONTROL

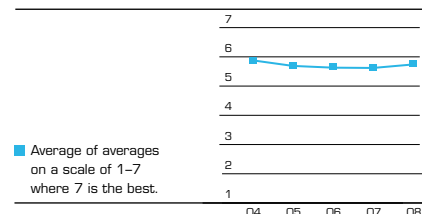


(Source: Eurocontrol: CFMU)

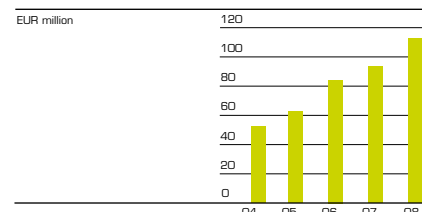
HELSINKI-VANTAA'S INTERNATIONAL COMPETITIVENESS



GENERAL GRADE FOR DOMESTIC AIRPORTS



INVESTMENTS



General result and operational targets set by the Government are on pages 45-48.

The economic outlook deteriorated rapidly in 2008. Economic growth came to a halt in Europe and eurozone GDP increased by 0.8% (2.6%) according to Eurostat. The European Central Bank forecasts that eurozone GDP will decrease between 2.2% to 3.2% in 2009 and that growth will be between -0.7 to 0.7% in 2010.*

OPERATING ENVIRONMENT

Finland's GDP increased by 0.9% (4.2%) in 2008. The Bank of Finland forecasts that GDP will contract by 0.5% in 2009 and start to recover slowly at a rate of 0.7% in 2011.**

According to Statistics Finland, the total number of overnight stays in 2008 was 15.6 million days, which was 2.0% higher than a year earlier.

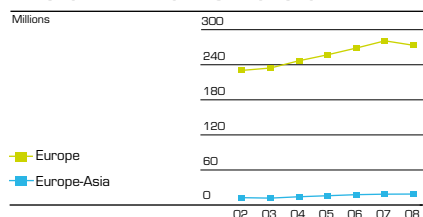
DEMAND FOR AIR SERVICES DECREASED

Demand for air services decreased as the world economy slipped into a recession. According to calculations by Eurocontrol's statistics and forecasting unit Statfor, air traffic in Europe, measured by the number of flights, increased by 0.1% (5.1%) in 2008. The development was particularly modest in the Italian, Spanish and British markets, while growth remained steady in several Eastern European countries. IATA reported that the number of tonne kilometres decreased by 2.8% in European freight traffic.

The total number of flights in Finland increased by 2.9% (1.1%). The number of domestic scheduled flights, charter flights and taxi flights increased by 1.1% (-9.7%). The total number of international flights increased by 5.8% (4.8%). These figures include overflights.

Growth in the number of passengers slowed to 1.4% (5.9%). A total of 17.5 (17.3) million passengers passed through Finavia's airports in 2008. Passenger numbers to Asia and European countries outside the EU grew at a healthy pace, although a slight slowdown was evident. The number of passengers travelling to Asia increased by 15.9% (39.8%) while the number of passengers travelling to European countries outside the EU increased by 14.0% (13.1%) on the previous year. Growth in air travel inside the EU slowed down from 6.7% a year earlier to 1.8%. There were 9.7% more overflights (excluding the Kvarken Archipelago) than in 2007.

NUMBER OF PASSENGERS IN EUROPE AND FROM ASIA TO EUROPE



Source: AEA. The statistics contain only the passengers of European carriers (excl. low-cost carriers). The number of air carriers has varied from between 30-32 during the period reviewed of 2002-2008.

Average aircraft size continued to increase. The average occupancy rate of flights decreased. The tonnage of cargo flights increased by 2.8% (6.7%).

PASSENGER NUMBERS INCREASED

Passenger numbers at Helsinki-Vantaa Airport increased by 2.3% (8.2%) and stood at 13.4 million (13.1). Air traffic from Finland to Asia increased by 16% (40%) to about 1.5 million passengers. Total traffic between Asia and Finland increased by 15.8% (39%) and exceeded the 1.48 million passenger (1.28) mark. The most popular destinations in Europe were Stockholm (-5.0%), London (+3.6%) and Copenhagen (+1.4%).

The number of transit passengers at Helsinki-Vantaa increased by 16% (34%) and reached 1,084,000 (931,931). The number of transit passengers to and from Asia increased by 19% (51%) to 458,000. The most popular destinations in Asia were Bangkok (+6.0%), Shanghai (-1.3%) and Osaka (+11.6%).

A total of 27 (25) airlines operate regular airline services from Helsinki-Vantaa to 93 (91) sites around the world.

The next busiest airports were Oulu, Tampere-Pirkkala and Rovaniemi. Growth was fastest at Kittilä (+10%), Vaasa (+7%) and Tampere-Pirkkala (+3%). The sharpest declines in passenger numbers were at Savonlinna airport (-22%) and Enontekiö airport (-15%). The most popular airports for Christmas traffic were again Rovaniemi and Kittilä, through which passed over 129,000 international passengers (direct international flights to airports). The largest number of Christmas travellers arrived in Northern Finland from Britain, a total of about 124,000.

GROWTH IS SLOWING

Eurocontrol forecasts that European air traffic will decrease by 4.9% in 2009 (up 4.2% in 2008).*** Changes in the state of the global economy make forecasts very uncertain.

AIRLINES ARE IN A CHALLENGING SITUATION

The rise in the price of oil to record levels in the early part of 2008 increased the difficulties faced by airlines and decreased air travel. Growth in business travel came to halt, growth in the number of discount flights slowed and cargo volumes fell. Several airlines terminated their operations or their opportunities for continuing operations are being investigated. The credit

crunch between banks is impairing financing arrangements and accelerating reorganisations in the airline industry. There are many ongoing international projects related to environmental legislation.

VALUES ARE CHANGING

The values of companies and private individuals are changing. Awareness of climate change is increasing negative attitudes to all consumption, especially flying and private motoring. Companies are also reforming their operating procedures and travel policies. Some companies are reducing air travel by using new technological solutions. On the other hand, global industry and commerce needs air traffic to reduce distances. At the same time, individualistic lifestyles are becoming more prevalent which boosts air travel.

THE DEVELOPMENT OF REGULATIONS AT THE EU LEVEL IS CONTINUING

The preparation of the second package of directives for the Single European Sky (SES) started in the summer of 2008. Its objective is the optimisation of the smoothness, safety and efficiency of air navigation services. At the same time, the intention is to expand the authority of the European Aviation Safety Agency to include air navigation services and airports.

As part of the effort to achieve the objectives of the SES, the Single European Sky ATM Research Programme (SESAR) was launched. Its objective is to develop air navigation systems to meet the needs of the increase in air traffic.

Finavia will provide its expertise to assist SESAR and use the systems being developed in its own operations.

The European Parliament approved the new Airport Fee Directive on 19 February 2009. The Directive must be implemented nationally by March 2011 at the latest. The purpose of the directive is to harmonise the practices of airports in pricing services, so that the transparency of pricing and the equality of customers improve. The approved Airport Fee Directive includes changes that are positive for Finavia and support the current pricing practice.

* ECB: ECB macroeconomic projections for the Euro area, March 2009.

** Bank of Finland: Economic outlook 1/2009.

*** Eurocontrol, Short-Term Forecast Monitor. Issue 1/2009.

Finavia's objective is to be a customer-oriented and profitably growing State-owned service enterprise that is constantly reforming its operations, and has competent, motivated and service-oriented personnel. Staying globally competitive requires having the best quality and efficiency in Europe.

STRATEGY

FACTORS BEHIND FINAVIA'S SUCCESS

The factors behind Finavia's success include Helsinki-Vantaa's geographical location at the intersection of routes between Europe, Asia, the Americas and India, the network of airports covering all of Finland, safe services and customer-oriented operations. Another element behind Finavia's success is the overall business structure that is vital to Helsinki-Vantaa's international competitiveness and to ensuring financing for the domestic network of airports.

FINAVIA'S STRATEGY

Finavia's strategy is to respond to

- the strong growth in transit traffic
- the globalisation of business and the increasing mobility of people and goods
- increasing demands for cost efficiency
- the need for air transport services in different parts of Finland

A GATEWAY TO ASIA AND EUROPE

Finavia's objective is to maintain Helsinki-Vantaa's strong position as a gateway for flights to Asia. This ensures good air connections for Finns to the rest of the world while at the same time opening a gateway for Asians to Europe via Helsinki, and a route for international visitors to the rest of Finland.

A NETWORK THAT COVERS ALL OF FINLAND

Finavia maintains a network of airports that covers all of the country's economic regions. The income from Helsinki-Vantaa's commercial operations is used to finance the parts of the network of airports that are important for Finnish industry and the mobility of Finns but which do not have the capacity to support an airport in and of themselves, i.e. a minimum of 300,000 passengers per year.

Finavia supports individual airports and their vicinities and helps to create flows of passengers and thereby new development opportunities and sources of income.

CUSTOMER-ORIENTED OPERATIONS

Finavia provides services in a customer-oriented way in five business areas that form a whole and make up the elements of the company's competitiveness. In addition to airports, the service totality includes air navigation services, commercial operations, the real estate assets that service the entire system, and Airpro's service business.

Finavia operates in a customer-oriented manner and in accordance with a code of ethics. The objective is to provide capacity that meets demand as well as fast and smooth services. Finavia listens to, and takes into consideration, the wishes and needs of airlines and passengers and shapes its own operating models to correspond to the needs of customers.

PROFITABLE GROWTH

To achieve profitable growth, Finavia will focus on its core business and seek growth especially in airport operations and commercial operations.

Finavia will ensure profitable growth by concentrating on its key areas of competence and by emphasising risk management. Finavia will use its strong balance sheet for investments that ensure capacity to meet demand and provide the required services. Finavia will analyse and utilise international business opportunities. Finavia takes business risks relating to the implementation of the strategy that can be managed to an acceptable level or whose effects, were they to materialise, are reasonable. Partnerships will be developed to provide more comprehensive services.

CONSTANT RENEWAL

Intense international competition between airports for the position of gateway between Europe and Asia calls for smooth, safe, cost-efficient and high-quality services at the European level. To maintain its competitiveness, Finavia must continually renew its competence, services and operating methods and develop a company culture that supports these objectives.

ENTHUSIASTIC PERSONNEL

The basis for Finavia's quality and strategic reform is formed by skilled, enthusiastic and committed personnel who make possible customer-oriented and environmentally-friendly operating methods.

Finavia wants to be a skilfully managed organisation that authentically encourages people to cooperate and learn new things, and which continually develops its personnel and management. In this way, we can achieve the best possible levels of safety, customer satisfaction and capacity that meet demand.

SAFETY

Safety is Finavia's starting point in the planning of all of its services, infrastructure, systems and the whole operating culture. The work on safety is quality work which also responds to changing official regulations.

Operations are divided between air traffic safety and safety issues that concern passengers and luggage. Risk management forms a material part of internal quality assurance.

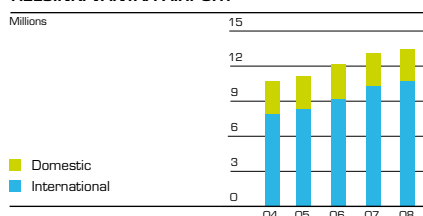
A GOOD NEIGHBOUR

As a good neighbour, Finavia is strongly committed to promoting Finland's competitiveness and the well-being of Finns. Our objective is regular and economical air transport that puts as little pressure on the environment as possible. Finavia wants an airport to be a pleasant neighbour and an attractive environment next to which it is good to live and work.

In 2008, 17.5 million passengers (17.3 million) passed through Finavia's airports. Helsinki-Vantaa's position as a gateway to Asia strengthened. New services and operating models were developed from a customer-oriented perspective.

IMPLEMENTATION OF THE STRATEGY

PASSENGERS AT HELSINKI-VANTAA AIRPORT



Helsinki-Vantaa

GROWTH IN ASIAN TRAFFIC

Helsinki-Vantaa's Asian traffic increased by 15.2% from 2007. The number of international passengers increased by 4.6% thanks especially to the growth in the number of passengers travelling to and from Asia and European countries outside the EU. The number of passengers arriving from abroad and continuing from Helsinki-Vantaa on to destinations outside Finland increased by 16.4% (34%) and reached the 1.1 million passenger (0.9 million) mark. In 2008, the share of "via Helsinki traffic" of all of Helsinki-Vantaa's international traffic was about 10%, an increase of 16.4% from the previous year.

Eighty per cent of passengers in traffic to and from Asia change aircraft at Helsinki-Vantaa and continue on to other destinations in Europe. The largest passenger numbers were in traffic between Finland and other destinations in Europe. Regular air services were provided by 27 airlines and there were direct daily flights from Helsinki-Vantaa to nine destinations in Asia.

ONE OF THE BEST TRANSIT AIRPORTS IN THE WORLD

For over 10 years, customers have said that Helsinki-Vantaa is one of the best transit airports in the world. In 2008, Helsinki-Vantaa was voted the ninth best airport in Skytrax's World Airport Awards survey*, which asked air travellers to name their favourite airport. The most important factors in the airport's success include the airport's overall level of comfort, politeness of personnel, cleanliness of terminal areas and the feeling of safety.

COMPETITIVE PRICES

In terms of air traffic fees, Helsinki-Vantaa Airport is ranked among the ten cheapest airports in Europe. In addition to competitive prices, Helsinki-Vantaa's attractiveness was boosted by the relatively low traffic in its airspace and flexible capacity.

MORE TRANSIT PASSENGERS THROUGH THE VIA HELSINKI CONCEPT

The marketing of the Via Helsinki concept continued in cooperation with Finnair. The objective is to improve Helsinki-Vantaa's international position and boost the number of international transit passengers.

* In the survey, 8.2 million passengers evaluated airports using over 40 different criteria over a period of ten months.

DISTINCTIVENESS AND MEMORABLE EXPERIENCES

Helsinki-Vantaa's distinctiveness and ability to provide memorable experiences are being developed in many ways. The expectations of Asian passengers are being studied in cooperation with Aalto University. Finavia started the design of interactive travel guide points in cooperation with Laurea University of Applied Sciences. Numerous new services were opened for passengers during the year, such as a wine bar, various restaurants, a design café and free wireless Internet access.

During the year, six new airlines joined Finavia's self-service check-in. At the end of the year, customers of 12 airlines could handle their check-in using a self-service kiosk. In 2009–2010, the check-in desks of halls 3 and 4 of terminal 2 will be renovated, the shop and restaurant area of the departure level will be developed, and the guidance systems in internal and external areas will be improved. The renovation work will start in departure hall 3 and will be completed in 2010.

New giant digital screens based on LCD technology were taken into use in the international terminal, which provide advertisers with an interesting media environment.

CAPACITY DURING CONGESTED TIMES IMPROVED

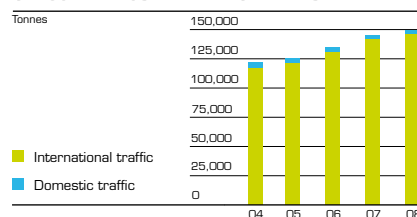
Helsinki-Vantaa's capacity during congested times improved as independent approaches became regular during the year as the new air traffic control system was introduced. In independent approaches, aircraft can land independently on two parallel runways simultaneously. HELMA, the Helsinki ground traffic development project, progressed and has been partly taken into use. It will boost the flexibility and safety of air traffic control, including in conditions of poor visibility.

To improve the apron monitoring service, the system for locating aircraft was improved. A new taxiway connection was built in the runway area. The electricity and coating work carried out on runway 2 will reduce the duration of basic renovations carried out in 2009. The extension of the P3 multi-storey car park was completed on schedule, and the new parking spaces were taken into use in January 2009. The number of parking spaces increased by 28% to nearly 12,000. The new larger taxi waiting area will ensure smooth traffic even during congested periods.

THE EXTENSION MORE CAPACITY

More capacity will be taken into use in stages during the autumn of 2009, first in July and later in December 2009 when the extension of the international terminal is completed. Subsequently, Helsinki-Vantaa will be able to handle 15–16 million passengers a year. The new luggage handling centre will handle 13.5 million pieces of luggage a year, over 4 million pieces of

CARGO AND POSTAL TRAFFIC AT HELSINKI-VANTAA



luggage more than currently. The luggage from three wide-body aircraft will be handled in 15 minutes. Places for eight wide-body aircraft will be built in the terminal, and the terminal can be extended by an additional two places. The turnaround times of aircraft will be reduced further as a result of the renovation.

The areas and services of the extension have been designed expressly for long-distance travellers. Following a long flight, passengers appreciate an airport in which changing airplanes is carried out smoothly, walking distances are short and luggage is transferred promptly from one airplane into another. One of the features to be built for the spaces is the Wellness Spa, and the range of shops in the terminal will be expanded.

In 2009, the division between domestic and international terminals will be eliminated. Terminals for departure and arrival will be determined according to the airline of the airplane with which the passenger is flying. The change will give the airlines synergy benefits and increase the smoothness of travel for transit passengers. The terminals will be renamed Terminal 1 and Terminal 2.

The extension and renovation of the passenger areas of Terminal 1 will start in 2009. At the same time, work will start to connect the luggage handling systems to the new luggage handling centre that is being built in the extension of Terminal 2.

THE COVERAGE AREA OF THE GROUND TRAFFIC RADAR WAS INCREASED

The coverage area of the ground traffic radar of Helsinki-Vantaa Airport was increased so that it is used to monitor all traffic in the airport area. The multilateral system is being completed which recognises every vehicle and piece of equipment moving in the area and warns of a possible danger of collision. To improve safety, the construction of taxiways that circle round the ends of runway 1 is being planned, which would stop the taxiing of aircraft across runway 1.

The formation of a modern operations centre has begun. The objective is to have it fully operational by the end of 2009. The operations centre comprehensively controls all operations such as the guidance of passengers, safety, the authorities, air traffic control as well as bus and taxi traffic arriving to and leaving from the airport.

During the first half of the year under review, Finavia started to establish more open cooperation with the border, customs and

police authorities operating at the airport, which have a material impact on the smoothness of air traffic. The number of passengers passing over the outer border of the Schengen Area and the amount of luggage and cargo passing through the EU's customs border have a direct effect on the operations of the authorities.

By telling the organisations of the authorities as early as possible of its plans, Finavia wants to help ensure, for example, that the personnel and other resources of the authorities enable smooth traffic for transit passengers.

CUTTING-EDGE EUROPEAN PROJECTS WERE LAUNCHED IN COOPERATION WITH CUSTOMERS

In the Airport CDM (Collaborative Decision Making) project, the various actors of the airport develop the distribution and utilisation of information. The objective is to improve the precision and predictability of air traffic and improve the efficiency of resource use. The Continuous Descent Approach (CDA) is being implemented together with airlines, which improves the smoothness and environmental friendliness of air traffic (see more on page 37).

Domestic air traffic

The number of domestic passengers decreased by 5.5%. The number of scheduled flights and charter flights to northern Finland decreased. New airlines started to operate at Finland's airports and new flight routes were opened up.

FINAVIA CREATES THE PRECONDITIONS FOR IMPROVING TOURISM

Finavia creates the preconditions that support improving tourism in northern Europe and thereby boosting employment through joint ventures with Employment and Economic Development Centres and subregions.

The rebuilt section and extension of Kittilä Airport were taken into use in February 2008. Kittilä became Finland's second-largest airport measured by surface area, and scheduled traffic from Tampere and Stockholm started in early spring 2009. In 2008, the number of passengers flying to Kittilä

increased to 9.8%. 30.3% of passengers came from Britain. The number of international flights was 803, an increase of 5.7%. The number of passengers increased from 242,000 to 265,000.

The extension of the terminal at Kuusamo Airport was completed in November 2008 and the capacity of the airport increased by threefold. The renovation of the old part of the terminal will be completed in the autumn of 2009. The objective is to increase the number of passengers from 103,000 to 170,000 by 2014. Blue1 started scheduled traffic in spring 2009.

The basic renovation of Kemi-Tornio Airport carried out in the summer of 2008 will enable the movement of large aircraft at the airport. Finavia is participating in applying for EU funding for the development project that crosses the national boundary. Finavia made a proposal to the City of Rovaniemi on improving the terminal's ground floor premises for use by the terminal and for tourism. A plan was finalised in Oulu for raising the airport's terminal capacity from 1 million passengers to 1.5 million. A plan was made to increase the capacity of Ivalo Airport especially during the peak traffic times in the winter. A second airline offering scheduled flights started flights to Ivalo in winter 2008–2009.

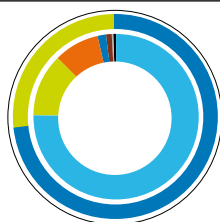
Finland's second discount terminal was opened in Turku and the Kuopio lake terminal was opened. Hungary's Wizz Air started flights from Turku to Gdansk, Poland. The Latvian airline airBaltic started direct flights from Kuopio and Tampere to Riga. During the year, easyJet started discount flights between London and Helsinki and Cimber Air between Norrköping and Helsinki. Finnair launched new routes to Seoul, the capital of South Korea and to Yekaterinburg, Russia. The incentive policy for the new routes was amended during the year. The objective is to encourage airlines to open new connections to and from Finland.

In 2008, almost two-thirds of passengers rated Finavia's domestic airports either "excellent" or "good". The increase in the overall grade of 5.74 (5.62 a year earlier) was due to factors such as the improvements in the airports' café services, comfort and the smoothness of security checks.

Vaasa was chosen as the 2008 Airport of the Year. Factors influencing the choice of the winner included customer orientation, positive development in income, growth in passenger numbers and job satisfaction.

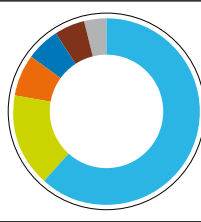
DESTINATIONS OF PASSENGERS IN INTERNATIONAL TRAFFIC 2008

- EU 76%
- Others 28%
- EU 75.5%
- Asia 12.2%
- Rest of Europe 8.8%
- North America 1.6%
- Africa 1.3%
- Middle East 0.4%
- South America 0.2%



DESTINATIONS OF PASSENGERS IN DOMESTIC TRAFFIC 2008

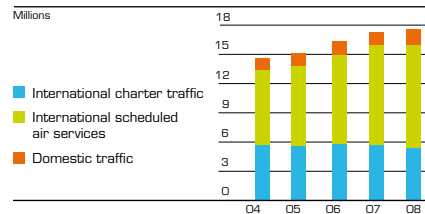
- Helsinki-Vantaa 49.8%
- Oulu 13.1%
- Rovaniemi 5.7%
- Kuopio 4.7%
- Vaasa 4.3%
- Kittilä 3.0%
- Other (15) 19.4%



AIR NAVIGATION CENTRES 2008

IFR FLIGHTS	Domestic flights	International flights	Over flights	Total
Southern Finland (Tampere)	82,095	151,500	32,662	266,257
Northern Finland (Rovaniemi)	27,833	3,353	8,084	39,270
In total area of Finland	86,661	153,196	39,409	279,266

PASSENGERS



COORDINATION AND MONITORING SYSTEMS ARE BEING DEVELOPED

The coordination and monitoring systems for managing airspace are continually being developed to respond to the needs of the growth in air traffic. There is an increase in Asian traffic and overflights in particular.

International development and the Single European Sky (SES) which will increase the uniformity and efficiency of Europe's common airspace set new challenges for air navigation operations. Finavia's participation in furthering development work in Europe takes place to a great extent through the North European Navigation Service Providers (NEAP) formed by air navigation service providers of the Nordic countries, Estonia and Ireland.

In 2007, a comprehensive national reform of the operating environment and equipment systems started at cooperating airports. In 2008, a new air traffic control system for approaches was introduced at Tampere-Pirkkala Airport. New control towers were taken into use at Rovaniemi Airport and Kuopio Airport. In addition, the equipment systems of Halli, Jyväskylä, Kauhava and Tampere-Pirkkala airports will be renovated during 2009.

The objective of the renovations is to provide customers with improvements such as shorter flight times for passengers and savings in airlines' costs.

Customer relationship strategy

A customer relationship strategy was created as part of the development of customer relationship management. Specification of operating models for the various levels and actors of the organisation was initiated. The objective is to provide even better and more customer-oriented airport services and smoother processes. Tools for customer relationship management, such as computer systems, will be developed at the same time.

AIRPORTS WERE CLASSIFIED ACCORDING TO PASSENGER TYPES

At airports that focus on business travel, such as Helsinki, Oulu, Turku, Tampere, Kuopio and Vaasa, the objective is smooth and fast passage through the airport. By using the Helsinki-Vantaa transfer passenger concept, Finavia wants to ensure – in cooperation with its partners operating at the

airport – that transit passengers have the most comfortable possible transfer. A separate peak season concept was developed for the tourist airports in northern and eastern Finland.

Basic airports can have only one aircraft at a time, and their employees are multi-skilled individuals who handle many different tasks at the airports. At basic airports, passenger numbers, the type of aircraft and weather conditions are taken into consideration in determining staff. In addition, Finavia has three military airports and Helsinki-Malmi Airport functions as a training airport.

THE "HELLO" SERVICE CONCEPT FOR SALES POINTS

The Hello service concept was developed for sales outlets at airports; it ensures that passengers are provided with a high-quality and uniform assortment of restaurants and shops at the same price at all of Finavia's airports. In the franchise-based concept, entrepreneurs can focus on the efficient provision of services, while Finavia is in charge of developing the concept; the development costs of the concept are divided between all the members of the chain. At the same time, entrepreneurs can utilise the purchase agreements that cover the whole chain.

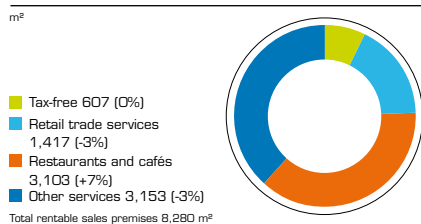
The Hello concept includes sales points providing café, restaurant and shop services according to customer demand at airports and the Hello Snack self-service point that is open 24/7. The first Hello sales point was opened in February 2009 at Turku Airport and operated as a product development unit. The spreading of the Hello concept throughout the network of airports will start in 2009.

At the turn of the year, a shop was opened at Oulu Airport and a Duty Free shop was opened at Mariehamn Airport.

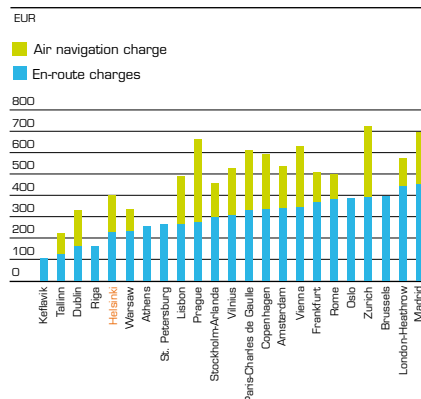
NEW SERVICES FOR PASSENGERS

Finavia expanded the presentation of flight data on its Internet pages. Now it is possible to check the departing and arriving flights of 11 airports in real time. The objective is to have real-time data from 20 airports on the Internet by 2010. In addition, Finavia launched a comprehensive timetable search on the websites of Oulu, Turku, Tampere-Pirkkala and Vaasa airports. A similar service is already available at Helsinki-Vantaa airport.

BREAKDOWN OF SALES PREMISES AT HELSINKI-VANTAA 2008 (CHANGE % FROM YEAR 2007)



AIR NAVIGATION AND AIR TRAFFIC CHARGES 2008, A-320



The assistance service for disabled passengers and passengers with reduced mobility at airports was transferred as of 26 July 2008 from airlines to the airports and became more comprehensive. The background to the change is an EU regulation that aims to improve and harmonise the service at all EU airports. Finavia obtained stair climbers for all its airports, wheelchairs for the terminals and other equipment to facilitate giving assistance. In addition, an invalid bus was acquired specifically for Helsinki-Vantaa Airport for transports taking place on the apron, as well as call points that are located near invalid parking spaces, public means of transport and taxi ranks. Passengers can use the call points to speak to the assistance service provider.

A research project was launched in cooperation with the University of Lapland, the objective of which is to produce efficient models for security services. For example, the intention is to develop security checks so that travellers would find them more comfortable.

The Finnish Border Guard decided to trial an easy-to-use automatic passport check machine at the Helsinki-Vantaa Airport which EU citizens arriving from outside the Schengen Area can use if they have a passport with biometric ID. The automatic passport check has speeded up the checking process, especially during the busiest times.

SERVICE CONCEPTS FOR AIR NAVIGATION OPERATIONS

Four national service concepts based on the needs of customers were defined as the basis for the control of air navigation operations. Helsinki-Vantaa's international service concept is prepared for an increase in international traffic. The Enroute Services concept ensures service provision to regional high-altitude traffic and overflights. Cooperating airports, i.e. YT airports, serve the Finnish Air Force. The airports are small airfields that respond to the service needs of traffic on the basis of schedule data.

Air navigation operations was developed to become a more customer-oriented safety unit by establishing centralised national service units. Larger units such as the national technical air navigation upkeep and maintenance unit (formed out of five units) enable even better maintenance of professional skills and response times and a more cost-efficient operating model than before.

Finavia continued profitable growth

Finavia continued to grow profitably in 2008. The group's result improved by 23% to EUR 35.4 million and turnover increased by 8.3% to EUR 336.1 million (see more on page 43). Finavia invested EUR 113 million during the year. The largest single investment was the extension of Helsinki-Vantaa's international terminal. This building project is the largest investment in Finavia's history and has a total value of EUR 143 million. Planned investments for 2008 total about EUR 99 million.

Reforms to maintain competitiveness

Processes and services were reformed to maintain the competitiveness of airports. The improvement of cost-efficiency continued. Procurements were centralised to achieve volume benefits and the allocation of machinery was started so that the oldest equipment is assigned to the smallest airports and the newest to the busiest

airports. Maintenance was developed at Helsinki-Vantaa Airport by opening a mechanical equipment repair shop.

In 2008, according to Eurocontrol, air traffic control delays of all flights in Finland measured by the average delay were clearly below the European average for all the months of the year. Delays have declined since 2003 from 1.35% to 0.50%. Smoothness was improved at Helsinki-Vantaa by the fact that independent approaches became regular operating procedure.

The intention is to use the concepts to improve cost-efficiency in the overall air navigation network. Profitability is being boosted by developing production models based upon the needs of customers and by centralising briefing services. A plan to develop air navigation infrastructure was completed.

Domestic and international traffic fees are listed on pages 46–47.

A NEW UNIT FOR THE MARKETING OF FINAVIA'S NETWORK OF AIRPORTS

A marketing unit for the marketing of Finavia's network of airports was established; one of its main objectives is, by working together with the airports, to promote the visibility of Finland's network of airports both in Finland and abroad, and to function as an active agent in the networked business environment of airlines and tourism operators.

In 2009, the marketing unit will work to strengthen Helsinki-Vantaa's competitive position by improving its international visibility and position, especially in long-distance flights and by boosting leisure travel to Finland on the basis of internationally competitive incoming products and services. The intention is also to improve the attractiveness of Tampere Airport and Turku Airport. The role of Internet communications in marketing will be emphasised.

The new business and process control model

The new business model, new process control model and new organisation were taken into use. The uniform management culture was made more precise and personnel were trained for the new business model (see pages 38–39).

Safety

Safety is the starting point in the planning of services, infrastructure, systems and the operating culture.

One of the objectives of Finavia's safety strategy is to combine data from various sources in order to develop the whole. The results of Finavia's own audits, and the audits of the authorities, will be utilised. Systematic reporting of anomalies, research results and safety checks that predict upcoming events are the basis of operations.

During the year under review, human factors having an impact on threats and dangerous situations were classified. This classification helps to survey hidden threats, and its objective is to strengthen positive factors – such as team spirit – that improve security.

An electronic system for reporting anomalies and observations was completed and it will be taken into use in 2009. Common basic policies were created for the line organisation, and process descriptions were prepared for security.

Audits required by the authorities will be initiated for companies operating at the airports, and monitoring will be developed on the basis of the results.

A GOOD SAFETY CULTURE

A state-of-the-art safety culture survey was carried out during the year under review. It surveyed the line organisation personnel's views and ability to take responsibility in various situations. The results showed that Finavia has a good safety culture.

A responsible neighbour

As a responsible neighbour, Finavia performs active environmental work (see pages 36–37) and participates in the development of the immediate environment. For example, Finavia participates in projects that support northern Finland's tourism industry and the development of the Aviapolis site that is being built around Helsinki-Vantaa Airport.

Finavia is actively participating in the international development projects in the industry. To a great extent, the activities take place through the NEAP group made up of the air navigation service providers of the Nordic countries, Estonia and Ireland. The planning director of Finavia's air navigation operations was chosen as the head of NEAP's project office which was launched at the beginning of 2009. The office coordinates the North European Functional Airspace Block (NEFAB), the first phase of which will be implemented in the period 2009–2012. The basis for the project is formed by SES legislation (Single European Sky), the objective of which is an integrated European airspace. In addition, the office's operations are aimed at developing training to become more uniform and developing technology and the use of airspace.

How can we achieve balance between the efficiency of operations and responsibility? Passengers are setting increasingly high quality requirements for air traffic, and at the same time their environmental awareness is rapidly increasing.



about
2%

of the world's CO₂ emissions are the result of air traffic. The effect of the emissions in increasing climatic temperatures is about double this amount (excluding the effect of cirrus clouds). On intercontinental flights, about three litres of fuel is consumed per passenger per 100 kilometres in the most favourable case, and 3–5 litres on shorter flights.



IN CONTINUOUS DESCENT APPROACHES, air traffic control allow the aircraft to fly at high altitude longer than before and let the aircraft land by a steady descent. This reduces the emissions of exhaust gases, nitrogen oxides and carbon dioxide by up to 20–40% during the approach phase, while the noise level can fall by 3–6 decibels. Large aircraft can save up to 200 kilograms of fuel per approach.

AN ENVIRONMENTALLY-FRIENDLY LANDING METHOD REDUCES noise and emissions. There is a clear need for continuous descent approaches (CDA). All airlines are paying more attention to cost savings and environmental issues.

The opportunity for continuous descent approaches offered by Helsinki-Vantaa Airport boosts Finavia's fuel and emission efficiency programme, which Finavia uses to optimise flight speeds and landing methods, for example. The reduction in noise is certainly perceived as a positive development by the residents of the area.

We hope that continuous descent approaches will also become possible at Finavia's other airports, not only at night, but also during the day while not during the most congested periods.

Hanna Salmi, Flight Operations Engineer, Blue1



EMISSIONS

- 90% of the de-icing of aircraft is carried out in areas connected to a waste water sewer. The water containing glycol is collected from the de-icing areas using six brush extractor vehicles and transported to an Imhoff tank where it creates energy. Local leachates are collected into wastewater sewers.
- Runoff water from runway 3 is absorbed into constructed soil filters underneath the runway where the anti-skid treatment substances and glycol break down biologically.
- In the future, a centralised de-icing area will handle half of the de-icing.
- 18 surface water observation points and 44 groundwater observation points.

NOISE

- Finavia has Finland's only continuously working community noise monitoring system.
- The maintenance test runs of aircraft will be transferred to a new location by 2013.
- The number of people living in the noise area (L_{den} over 55 dB) has decreased by 90% from the beginning of the 1990s to less than 12,000.

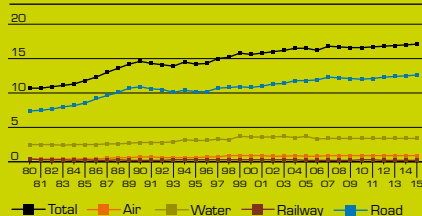
ANTI-SKID TREATMENT

- Brushing and ploughing are the main methods used in the anti-skid treatment of runways. The substances used in proactive anti-skid treatment and to remove hoar frost and ice are formates and acetates, the environmental characteristics of which cause the least harm.

SAFETY

- 278 air traffic controllers monitor safety in the air and on runways and taxiways.
- A firefighting crew consisting of about 50 professionals will rush to the scene within three minutes of an alarm.

DEVELOPMENT OF CO₂ EMISSIONS FROM TRAFFIC IN FINLAND 1980-2015



For additional information on environmental matters, please see www.finavia.fi/environment.



Competence, the ability to innovate, and cooperation form the foundation of a supportive company culture. Finavia's objectives will be achieved if every employee understands the importance of their own role within the company.

1.6 million

euros of profit bonus into the personnel fund from the 2008 result.



FINAVIA INVESTS in promoting well-being at work. In addition to the health campaign, several other campaigns were organised during the year, such as support for weight control. The company supports the well-being of personnel through sports vouchers and recreational days. There is a gym in one of the office premises. Finavia employees also proactively take part in sporting events, such as in the Helsinki City Marathon.

A SENSE OF SATISFACTION AND HEALTH. In November 2008, Finavia employees organised a campaign to improve their fitness. At the same time, a sense of satisfaction was achieved because for every 35 minutes of exercise, Finavia donated one euro to the Finnish Red Cross Catastrophe Fund.

“Exercising keeps you more healthy and in better shape, and it increases alertness and brings new friends,” says **Railii Härkönen**, HR Coordinator.

“I believe that encouragement by the employer is especially important for those who would not otherwise actively take part in sports. You can never give enough support. For me, collecting the 25 sporting points in a month was easy because I’m an active gymnast and do aerobics and go jogging every other day. It’s great to be supporting such a good cause as the Finnish Red Cross.”

A total of 444 Finavia employees took part in the health campaign, organised for the second time. The collection raised nearly EUR 6,200 for the Finnish Red Cross Catastrophe Fund.



5.74

overall grade given by passengers to Finavia's airports on a scale of 1-7. The service attitude of staff has the biggest impact in raising the overall grade.

AVIA COLLEGE has a good reputation and is a widely networked national specialised vocational institution for the aviation sector, providing high-quality training for various aviation professions to all operators in the sector both in Finland and to an increasing extent abroad as well.

As a national training facility, Avia College can offer better quality and more cost-effective training in accordance with international standards and recommendations. Common training themes are put together from the needs of customer companies and the potential to design qualification-based courses on their basis is established. Training on developing leadership also interests companies in the aviation sector. Avia College wants to position itself in particular as a leading expert in learning development that is provided through multiform and online teaching.

AVIA COLLEGE also provides basic, refresher, further and continuing training based on the needs of the various business operations in the aviation sector. In 2008, a total of about 7,800 people were trained of whom 2,300 were Finavia employees and the rest employees of various other companies in the aviation sector. About 20,000 hours of teaching was provided.

The focus of Finavia's internal training was vocational training on air navigation services and airport services. Online training on the same topic was provided for the first time to service staff working in the customer interface in aviation sector companies. www.finavia.fi/aviacollege



Air traffic creates the foundation of success for Finnish society and business by bringing the country's different areas together and Finland to the world. The aim of Finavia's operations is also to bring passenger streams to the areas surrounding the airports.

7.35 million

euros to the State in 2008. Finavia credits 50% of its profit every year as income in accordance with the objectives set by the Government.



SAVONLINNA OPERA FESTIVAL attracts 60,000 visitors every year, and over 10% come from abroad.
www.operafestival.fi



FLIGHTS BRING PEOPLE. As a result of good flight connections, visitors not just from all over Finland but also from abroad come to many of Finland's cultural events. This ensures that there are also cultural offerings around the country and not just in the Helsinki region.

Helsinki-Vantaa's central position strengthens interest towards Finland's cultural events throughout the world. At the same time, there is an increase in cultural encounters between the West and Asia, which enriches Finnish cultural life.

Jan Hultin, General Director, Savonlinna Opera Festival



over 16,000

jobs are directly related to the operations of Helsinki-Vantaa Airport. 72,000 jobs are indirectly related to the airport. One thousand jobs are created for every one million passengers. It is estimated that the contribution of Helsinki-Vantaa Airport to Finland's GDP is 3.2%.



HELSINKI-VANTAA AIRPORT IS THE HEART OF AVIAPOLIS. Aviapolis is the business and residential area that has grown up around Helsinki-Vantaa's international airport. It is described as a centre for the next generation because its location and content differ from other airport cities. Working, business life, shopping and living are all integrated within the diverse area. Comprehensive and efficient flight connections and excellent airport services make Aviapolis an excellent location, especially for companies engaged in international business.

A China Centre that will provide office space for Chinese high-tech companies is being set up in the area. The aim of the centre is to improve the ability of the Chinese to operate in European markets and likewise to assist Europeans in the Chinese market. For this reason, Helsinki-Vantaa's strong position as the gateway to Asia is extremely important.

Lea Markkula-Heilamo, Business Development Manager for the City of Vantaa

AVIAPOLIS is a business and international trade centre occupying 42 square kilometres with Helsinki-Vantaa Airport at its heart. Thirty per cent of the over 100,000 jobs in Vantaa are located within the area of Aviapolis and 16,000 people live there. www.aviapolis.fi

Finavia's responsible operations are based on legislation, international treaties and consideration of the justified expectations of various stakeholders.

RESPONSIBILITY

Finavia aims to safeguard the development in air traffic and the supply of its other services in a manner approved by society. Furthermore, Finavia has an impact on the operations of cooperation partners and operators through its airports and in Finnish airspace.

The values guiding Finavia's operations are safety, customer benefit, efficiency, the ability to innovate and cooperation. Ethical principles are followed in all the operations.

Significant economic impact

Finavia finances its business operations and investments on commercial principles through the fees that it sets and other income. It creates opportunities for the activities of Finnish business life and for maintaining jobs. Finavia credits over half of its profit to the State as income every year.

Minimising environmental impacts

Finavia's aim is for a safe airport network that operates reliably and economically, as well as for efficient air traffic that has as little impact on the environment as possible. Finavia takes care of the professional development of its employees so that they are able to consider environmental issues in a responsible way in their work. Finavia monitors and evaluates the environmental impacts of its operations and regularly reports on them.

ENVIRONMENTAL PERMITS APPLIED FOR AND OBTAINED

Environmental permit processes are a part of Finavia's normal environmental work through which legislative requirements are complied with. Project work is carried out in close cooperation with local actors.

In 2008, the supplemented environmental permit application for Helsinki-Vantaa Airport was submitted for consideration. The application assesses the operations of the airport and the environmental impacts of air traffic until 2025. The environmental permit applications for the airports in Jyväskylä and Kittilä were also submitted.

Finavia was granted environmental permits during the year for Helsinki-Malmi, Joensuu and Oulu airports. At the end of the year, the permit processes for the airports in Turku, Kuopio, Halli and Jyväskylä were underway. Finavia's Tampere-Pirkkala, Mariehamn and Utti airports gained their environmental permits earlier.

LESS NOISE

Finavia aims for as few people as possible to live within the area of aircraft noise. Noise is controlled by planning routes and directing aircraft to the most appropriate runways and by restricting access of the loudest aircraft to the airports.

Finavia launched its three-year Continuous Descent Approach (CDA) development project that aims for greater adoption of more environmentally friendly flight practices. Finavia began measures to increase CDA approaches back in 2001. The latest development project aims to reduce noise from landing aircraft and exhaust emissions by changing the operating methods of pilots, air carriers and air traffic control. The first stage aims to increase the share of CDA approaches of night-time approaches at Helsinki-Vantaa to over half. The share of CDA approaches at the daily level is already one-third.

The action plan for Helsinki-Vantaa Airport, as required by the EU's Environmental Noise Directive, was available for viewing as part of the environmental permit application. Several reports and forecasts relating to noise from aircraft were drawn up during the year, including a report on aircraft noise for Jyväskylä Airport. In addition, a decision was made on developing an aircraft run-up area at Helsinki-Vantaa, which would result in less noise.

MORE EFFECTIVE COLLECTION OF WASTE WATER

Finavia aims to reduce environmental loading resulting from substances used in anti-skid treatment and in ice protection and de-icing of aircraft through good planning at the construction stage. Environmental loading is monitored continuously.

During 2008, investments were made at Helsinki-Vantaa Airport in reducing the harm from odours and loading from runoff water from ice protection treatment of aircraft. The first dedicated area for the effective collection of ice protection and de-icing substances was taken into use and work started during the year under review on planning a second area: a remote de-icing area that will be completed in 2011. Additional treatment areas were connected to the sewer and the capacity of the sewer was further increased. The summer time cleaning of the ramp's runoff water balancing tank was improved. Three new, more efficient sweeper-suction units were acquired for the rapid cleaning of treatment areas.

The aeration of the soil filters constructed for runoff water from the third runway was improved and spraying of the discharge water from northern soil filter onto marshland for further treatment got underway. Irrigation will increase the degree of treatment of the organic loading from the soil filter even higher than its current roughly 80 per cent.

A report was commissioned during the year on the occurrence of odours from propylene glycol, which is used in ice protection for aircraft, and its disintegration products in the environment of Helsinki-Vantaa Airport. The odour was found

to be mainly limited to within the immediate vicinity of streams and had not spread to residential areas.

The collection of ice protection substances with suction units also started at Tampere-Pirkkala and Kuopio airports and will be expanded later to the major airports.

ENERGY CONSUMPTION DOWN THROUGH THE ENERGY AND CLIMATE PROGRAMME

The energy and climate programme, which got underway in 2007, is included in Finavia's operational policy, and energy issues are a fixed part of the management system and business plans. The project groups that have been running since autumn 2008 will initiate concrete energy saving measures. The aim of the programme is the continual systematic improvement in energy efficiency so that the company complies with the requirements of the forthcoming act on energy saving in the public sector. The general targets for the energy efficiency and emissions of Finavia's own operations will be specified during 2010.

ACTIVELY INFLUENCING

Finavia is an active participant in the environmental work of international aviation organisations and follows international research. It is involved in drawing up the climate policy programme of the Ministry of Transport and Communications and the act on air traffic emissions trading.

GOOD NEIGHBOUR

Finavia provides detailed information on issues relating to the environment and aircraft noise. It actively engages in debate with residents in the vicinity of the airport, officials and other stakeholders. In 2008, Finavia was contacted a total of 545 times by 248 different people with regard to air traffic at Helsinki-Vantaa, of which 92% concerned noise.

Sponsorship creates passenger streams

Finavia sponsors the types of cultural events that support individual airports and their neighbouring areas and which in turn create passenger streams. Cooperation events include the Savonlinna Opera Festival, Vantaa Baroque, Backas Jazz, Särestö Chamber Concerts, and the Avanti! Chamber Orchestra.

Through its art acquisitions, the Group wants to enhance the comfort of passengers and staff as well as support local artists. The support for flights by Monarch Airlines makes it possible for seriously ill children to travel from Great Britain to Lapland, where they get to experience a Christmas atmosphere and to meet the Finnish Father Christmas.

WWW.FINAVIA.FI/ENVIRONMENT

The environmental review for 2008 is available on the website.

Skilled, motivated and committed personnel are vital to the success of Finavia. Finavia offers interesting and challenging positions.

PERSONNEL

The multiple skills of the personnel were highlighted to an even greater extent as this is a requirement for the operations, especially at airports with less traffic. Internal rotation is supported, and working as an expert is made possible irrespective of the physical place of work.

In 2008, there were 215 recruitments, of which 18 were internal applicants. The company received around 6,200 applications from 5,500 applicants.

Finavia was mentioned for the first time in the Universum Survey, which measures what students value in relation to work and how interesting employers are. According to the opinion of the respondents, Finavia has wide-ranging and interesting jobs in a challenging international environment and is flexible with respect to reconciling work and life outside work.

MANAGEMENT AND OPERATING PRACTICES INCREASINGLY HARMONISED

Finavia has developed and harmonised its HR and management processes. Training on making unified management more effective, such as workshops for supervisors, was organised during the year. Individual and group coaching was organised for the members of the management team.

SKILLS EVALUATIONS LAUNCHED

Assessment of the skills within Finavia got underway. Every employee will draw up a personal skills evaluation that will act as the basis for a personal development plan to be drawn up in the personal development review. Skills evaluations also help in developing the competence of the entire personnel and in defining key positions.

A skills evaluation will be carried out within the entire company during 2009, and the forms for the personal development review will be transferred to the electronic skills management system. The key tasks and key personnel will be defined, which will also make career planning and planning replacements more effective.

The skills and their target levels for each role have been defined together with the management and business areas. They will be reviewed every year always in connection with updating the strategy.

MORE EFFECTIVE CHANGE MANAGEMENT

Finavia's objectives are well-planned and controlled changes that take into consideration the perspective of the employees and the employer.

The Group's HR function participates in planning and implementing changes in the business areas. If necessary, parties ensuring the occupational well-being of the personnel, such as occupational health care, are included.

STANDARDISED INDICATORS FOR REWARDING

Finavia's reward criteria support the organisation's strategic objectives. Rewarding employees was carried out for the first time during the year under review on the basis of performance evaluations made by supervisors. Supervisors received training on defining common objectives and evaluating performance. The development of the system will continue.

With the exception of the management level, the entire personnel come within the scope of Finavia's personnel fund. In 2008, Finavia transferred EUR 1.6 million (1.8 million) of profit bonus into the fund.

METHODS FOR MAKING WELL-BEING AT WORK MORE EFFECTIVE

The main focus of work on well-being at work is harmonising operating practices, preventive activity and coping at work. As a result of increased absences due to illness, effective measures were also sought for reducing absences due to illnesses.

Closer cooperation was carried out with occupational health care, which was centralised. Supervisors were required to hold discussions on well-being at work. The challenging nature of the task requires an operating model to be developed and training for supervisors, which will be a priority in 2009. In the future, contact with those who have been absent for a long time will be made more effective and the return to work will be planned jointly with the employee and occupational health care. The employee's ability to cope at work will be monitored and if necessary the job specification will be changed to match the capacity to work.

The personnel were encouraged to exercise through various campaigns. In addition, measures to maintain the fitness of fire and rescue personnel were undertaken. Ten people took part in vocationally-oriented medical rehabilitation and rehabilitation programmes aimed at maintaining the ability to work.

PERSONNEL CONSIDER THEIR WORK TO BE CHALLENGING AND INTERESTING

Supervisory work and job satisfaction are measured regularly. Cooperation with Corporate Image got underway during the year under review. A large amount of reference data on how staff satisfaction differs compared to other organisations was obtained through research.

According to the results, Finavia's organisational climate has several strengths and resource factors, the maintenance and strengthening of which will be a positive challenge in the development work. Induction into new jobs, the quality of training and work tools received a higher score than average for Finnish companies.

Finavia's personnel consider their work to be challenging and interesting, and consider Finavia to be a reliable and financially successful employer that has a bright future. The dissatisfaction of the staff focused most clearly on work organisation and guidance.

THE NUMBER OF STAFF AND STAFF COSTS REMAINED STABLE

At the end of 2008, Finavia Group had 2,700 employees (2,571), an increase of 5%. The average number of employees was 2,202 (2,239).

The group's staff costs increased by 2.2% to EUR 111.4 million (109.0 million), which is about 46% of Finavia's costs. Shift planning was made more effective during the year under review, as the optimisation of the staff structure taking into consideration seasonal and daily variations was started.

A new collective agreement for public servants that is valid until 28 February 2011 was negotiated with air traffic controllers.

Key figures	2007	2008
Number of employees at the end of the year		
CAA		
permanent	1,592	1,681
temporary	283	207
total	1,875	1,888
Subsidiary companies		
Lentoasemakiinteistöt Oyj		
permanent	4	4
temporary	0	0
Airpro Oy		
permanent	338	390
temporary	352	416
Kiinteistö Oy Turun Lentorahti		
permanent	2	2
total	696	812
Group total	2,571	2,700
CAA		
Share of women, %	29.5	30.4
Average age	42.1	42.0
Average length of employment	13.0	12.7

Finavia aims to manage its business operations in an exemplary way.

FURTHER INFORMATION on the company's control by the State as owner and management of the business operations can be found on page 50 and at www.finavia.fi/about_finavia

BOARD OF DIRECTORS 31 DECEMBER 2008



JUSSI JÄRVENTAUSTA

born 1951

Chairman of the Board of Directors 1 January 2000–
Licentiate in Laws, Master of Laws trained for the bench
Managing Director of the Federation of Finnish Enterprises 1996–

Main work experience:

Minister of Justice 1998–1999, Federation of Finnish Insurance Companies, Managing Director 1993–1995, Central Union of Finnish Entrepreneurs, Deputy Managing Director 1990–1993, Nova Life Insurance Company Ltd, Director of the legal department 1987–1990, Ministry of Justice, Director, Legislative Affairs 1982–1986, Federation of Finnish Insurance Companies, agent responsible for conditions 1977–1982, Supreme Administrative Court, Supplementary Referendary 1977

Elected positions:

Chairman of the Supervisory Board: Kemijoki Oy 2008–
Chairman of the Board of Directors: National Board of Patents and Registration of Finland 2004–



RITA LINNA

born 1966

Deputy Chairman and Member of the Board of Directors 1 November 2007–

Master of Laws, MBA
Special Advisor, Business Unit of the Ministry of Transport and Communications

Main work experience:

Ministry of Transport and Communications, Transport Policy Department, Senior Adviser 2005–2007, Senior Adviser 2001–2005; Ministry of Agriculture and Forestry, Department of Agriculture, Senior Auditor 1998–2000.



PIRKKO JUNTTI

born 1945

Member of the Board of Directors 1 November 2007–
Master of Laws

Main work experience: HSH-Nordbank Corporate Finance Oy, Senior Advisor 1998–2003, J.P. Morgan (London), director, expert and managerial positions in international finance 1983–1998.

Elected positions:

Member of the Board of Directors: Rautaruukki Corporation, Swedish Export Credit Corporation (Stockholm)
Member of the Board: Financial Supervisory Authority 2009–



EEVA NISKAVAARA

born 1953

Member of the Board of Directors 1 January 2003–
Master of Science (Econ.)

Business management consultant, entrepreneur

Main work experience: business management consultant since 1986

Elected positions:

Chairman of the Board of Directors: Valkeakoski Cooperative Bank



SINIKKA MÖNKÄRE

born 1947

Member of the Board of Directors 1 January 2006–2008

Doctor of Medicine and Surgery
Managing Director of the Finnish Slot Machine Association.

Main work experience: Member of Parliament 15 years, of which 10 years as a Minister in various ministries (Ministry of Social Affairs and Health, Ministry of Labour, Ministry of Trade and Industry, Housing Minister at the Ministry of the Environment), 17 years as a doctor in hospitals and health centres, qualified as a specialist in general practice and respiratory medicine.

Elected positions:

Member of the Supervisory Board: Ilmarinen Mutual Pension Insurance Company



HANNU SERISTÖ

born 1962

Member of the Board of Directors 1 January 2006–

Doctor of Economic Sciences
Professor of International Business and Vice Rector of Helsinki School of Economics

Main work experience: Positions in international business, especially marketing (Finnair Oyj, McKinsey & Co., Polar Electro and Suunto Oy)

Elected positions:

Chairman of the Board of Directors: Helsinki School of Economics Executive Education Oy
Member of the Board of Directors: Helsinki School of Economics



HEIKKI VAALGAMAA

born 1946

Member of the Board of Directors 1 January 2006–2008

Vocational Qualification in Business and Administration
Auditor, Finavia

Main work experience: National Board of Aviation/Civil Aviation Administration 1976–, UN Finnish Battalion, Cyprus 1974–1976, Oy Paragon Ab, Sales Representative 1969–1973.

Elected positions:

Chief Shop Steward and Chairman of the Personnel Fund at Finavia

EXECUTIVE GROUP 31.12.2008

In the back row (from the left) Juha-Pekka Pystynen, Pekka Hurtola, Samuli Haapasalo, Anne Ilola, Reijo Tasanen and Ari Haapanen. Sitting in the front row are Mervi Ultti, secretary of the management group, Irmeli Paavola and Mats Rosin.



SAMULI HAAPASALO, born 1952
President and CEO and Chairman of the Management Group 2005–
Master of Laws, Master of Laws trained for the bench
Employed by Finavia since 2005
Main work experience: Ministry of Transport and Communications since 1986, Director-General, Ministry of Transport and Communications 2000–2005
Senior Adviser and Head of Corporate Policy and Ownership Policy Unit 1992–2000

ARI HAAPANEN, born 1955
Deputy CEO 1 January 2008–
M.Sc. (Econ.)
Employed by Finavia since 1990
Main work experience:
Finnish Civil Aviation Administration Finavia, Chief Financial Officer 1998–2007, Finance Manager 1990–1998, Head of Credit, Finance and Investment at Kanta-Häme Regional Savings Bank 1986–1990, Sampo Group Credit Manager 1980–1986.
Elected positions:
Member of the Board of Directors: Finnish State Pilotage Enterprise

PEKKA HURTOLA, born 1959
Director, development and strategic tasks 2006–
Master of Laws
Employed by Finavia since 2006
Main work experience: Ministry of Transport and Communications, Senior Adviser 2001–2006, and Senior Adviser 1991–2001, Office Manager of the Finnish Meteorological Institute 1989–1991 and Referendary 1986–1988

REIJO TASANEN, born 1948
Director of Airport Operations 2007–
Engineer
Employed by Finavia since 1991
Main work experience: Director of the Civil Aviation Administration's Airports Department 2006–2007, Airport Technology Manager 2004–2006, Project Manager 1991–2003, Works Manager/Head of Department of the

National Board of Aviation 1974–1990
Elected positions:
Finnish representative CEN/TC227/Airfields group 1992–
Member of Infra division's management team RAKLI 1999–

ANNE ILOLA, born 1967
Director of air navigation operations, 12 November 2007–
Transport engineer, M.Sc. Econ, MBA
Employed by Finavia since 2007
Main work experience: Finnish Maritime Administration, member of the management group with responsibility for strategic controls of the FMA and development work 2004–2007, Elisa Corporation, Group Business Planning 2001–2004, Finland Post Corporation 1990–2001, various business and development responsibilities, including Planning and Finance Manager, Sales Director and Development Manager
Elected positions:
Chairman of the Board of Directors, Avia College 2008–

MATS ROSIN, born 1958
Director of the Commercial division 2007–
B.Sc.
Employed by Finavia since 2006
Main work experience: Civil Aviation Administration Finavia, Regional Director for Western Finland 2006–, Senior Vice President Silja Oy Ab 2004–2006, Seawind Line Oy Ab, Managing Director 2003–2005, Silja Oyj Abp Group Chief Controller 2001–2002, Seawind Line, Operational and Administrative Manager 1991–2000 and Administrative Manager 1989–1991, SF Line (nowadays Viking Line) Head of Department 1988–1989
Elected positions:
Council member, Turku Chamber of Commerce
Board positions in several small companies

IRMELI PAAVOLA, born 1943
Communications Director 2006–
M.A.
Employed by Finavia since 1987
Main work experience: Civil Aviation Administration Finavia's Communications Manager 1988–2005 and Communications Secretary 1987–1988, Information Secretary of Tampere Workers' Theatre 1975–1987

JUHA-PEKKA PYSTYNYN, born 1960
Director of Helsinki-Vantaa Airport since 2007–
Flight Officer, General Staff Colonel
Employed by Finavia since 2007
Main work experience: Chief of Operations of the Air Force (ownership of the main processes of the Air Force) 2006–2007, Chief of Staff of Satakunta Air Command 2003–2006, Finnish military member of the European Union's Single European Sky (SES) concept 2000–2003, Finnish military member of Eurocontrol and the Nato Air Traffic Management Committee (NATMC) 1998–2003, Air Force Planning Chief 2000–2003, Director of Sector Operation Centre no. 3 1997–2000 (responsible for area surveillance and air space control), Chief of Flight and Squadron Officer for Fighter Squadron 21 1987–1997.
Elected positions:
Chairman: Air Transport Pool 2007–
Member: National Emergency Supply Agency's Division for Transport and Logistics 2007–, Military Flight Accident Investigation Board 2006–

The Civil Aviation Administration is a state-owned company. The Civil Aviation Administration and the subsidiaries it owns comprise the Civil Aviation Administration Group. The Civil Aviation Administration uses the name Finavia as an auxiliary business name and as a company logo.

REPORT OF THE BOARD OF DIRECTORS FOR 2008

During the year under review, the world economy and outlook for air traffic weakened rapidly. The growth that had lasted several years came to an end and the volume of air passengers during the last few months of the year was below the level for the previous year.

In spite of the worsening outlook, Finavia's turnover increased and the profit improved. The Group's turnover was EUR 336.1 million (310.3 in 2007) and the profit was EUR 35.4 million (28.7). Growth came mainly from international traffic income, the outlook for which weakened only at the end of the year. The largest growth in terms of proportion, 12.4%, was in commercial operations.

Finavia Group achieved the profit objectives set for it and took forward the implementation of a new strategy. The division of sectors in line with the new service strategy was completed in 2007, and the management, development and organisation of the operations were carried out during the year under review in accordance with the structure of the new sectoral division. The Group's sectors are airport operations, air navigation operations, commercial operations and real estate and service operations supporting air traffic.

DEVELOPMENTS IN AIR TRAFFIC

The positive development in air traffic that had lasted for several years came to an end in 2008. According to the monitoring by Statfor, the air traffic statistics and forecasts unit of Eurocontrol, European air traffic increased by only 0.1 per cent, measured as the number of flights, in 2008 (5.1 per cent in 2007). The development was especially modest in the markets in Italy, Spain and Great Britain, while growth continued to be stable in many Eastern European countries. According to the statistics from IATA, the growth in Revenue Passenger Kilometres (RPK) for international scheduled air services in Europe was 1.8 per cent in 2008 (6.0). The number of Available Seat Kilometres (ASK) correspondingly increased by 3.8 per cent (5.2), so there was a reduction of around one percentage point in the average demand factor for the entire aircraft fleet. With respect to European cargo traffic, IATA reported a drop in Freight Tonne Kilometres (FTK) of 2.8 per cent (+2.7), despite a 2.9 per cent (2.7) increase in supply.

In Finland, the overall number of flights increased by 2.8 per cent (1.0). The number of domestic scheduled flights, charter flights and taxi flights increased by 1.1 per cent (-9.7). The number of international flights increased by 5.8 per cent (4.8) on the previous year. These figures also include overflights.

Finavia's airports handled 1.4 per cent more passengers than the year before (5.9). The number of passengers in international traffic increased by 4.8 per cent (10.1). However, the number of passengers in domestic traffic dropped for the second consecutive year, this time by 5.5 per cent (-1.8). A total of 17.6 million passengers (17.3) passed through Finavia's airports. The number of passengers at Helsinki-Vantaa Airport increased by 2.3 per cent (8.2) to 13.4 million passengers.

Measured as the number of operations, the development in air traffic was clearly better in Finland than the European average. There were 3.5 per cent more departures and landings than in the previous year (-2.1). The corresponding figure for all of Europe was only +0.1 per cent. The number of operations in domestic traffic increased by 1.2 per cent (-9.7) and by 5.5 per cent (5.8) in international traffic. The figures include departures and landings for scheduled and charter flights as well as air taxi traffic.

The number of overflights continued their growth that began in 2000. Overflights (excluding Kvarken) increased 9.7 per cent in 2008 compared to the previous year (1.8). Overflights using the transpolar route between Europe and the Far East, which is important to Finland, increased by 6.3 per cent (-0.5) after a dip in the previous year.

The cargo traffic (cargo and post) tonnage in Finnish air traffic increased 2.8 per cent compared to the previous year (6.7).

PRICE DEVELOPMENT OF FINAVIA'S AIR TRAFFIC CHARGES

Finavia aims to keep increases in prices at a reasonable level so that any possible price effect is a maximum of 50 per cent of the expected inflation. This objective does not include costs that may arise due to unforeseen external factors, such as security regulations.

The average price effect of increases in air traffic charges in 2008 was 1.11 per cent (4.98). At the beginning of the year, the overall unit price for en-route charges was increased by 5.8 per cent and as of 1 April 2008, the passenger charges were increased by 2.2 per cent. At the same time, however, the passenger charge for international transit passengers was reduced by 16.2 per cent to compensate for the security charge collected from these passengers as from 1 September 2007.

FINANCIAL RESULT 2008

Finavia Group's turnover in 2008 increased by 8.3 per cent and stood at EUR 336.1 million (310.3 in 2007). The Group's oper-

ating expenses were EUR 243.1 million (228), which was an increase on the previous year of 6.6 per cent. The Group's profit improved by EUR 6.7 million and stood at EUR 35.4 million (28.7). The growth in turnover was derived from the company's core operations. The improvement in the profit included a one-off sales profit of EUR 4.2 million.

Finavia's turnover increased by 7.7 per cent and was EUR 312.4 million (290.2). Other operating income increased by EUR 5.2 million. The income was accrued mainly from real estate sales. Finavia's profit improved by EUR 3.3 million and was EUR 34.7 million (31.4). The profit for 2008 excluding extraordinary items was EUR 30.1 million. The profit target of EUR 30.5 million set for Finavia by the Government was exceeded.

Finavia's actual operating expenses stood at EUR 231.6 million (218.4), an increase on the previous year of 6.1%. Staff costs increased by EUR 3.1 million. The growth was mainly the result of increased wages and salaries.

Purchases of materials and services and other operating expenses increased by a total of EUR 10.2 million compared with the previous year. Higher energy costs resulted in the fact that public utility charges were EUR 2.7 million higher than the previous year (an increase of 25.5%). Contracted security check services increased by EUR 1.4 million and maintenance and repair costs by EUR 1.1 million.

DEVELOPMENT OF THE BUSINESS AREAS

Airport Operations is responsible for Finavia's network of airports. It provides airport services, and is responsible for the infrastructure of airports and their development.

The good development in international traffic during the first half of the year and the increases in passenger charges boosted the income of Airport Operations by 5.6% compared with the previous year. Operating income for 2008 was EUR 181.4 million (171.8). Income is affected by the number of passengers as well as the number of landing aircraft and their weight. Passenger numbers increased by 1.4% and the number of landings by 3.4% compared with 2007.

Air Navigation Operations is responsible for controlling the use of Finnish airspace and providing air navigation services at Finavia's airports. In 2008, the income of Air Navigation Operations increased by 8.2% compared to the previous year, with turnover standing at EUR 61.5 million (56.9). The income mainly comprises the air navigation charges for airports and en-route charges.

The number of units (so-called TN units) making up the basis of air navigation charges increased by 4.4% compared with the previous year. The growth in domestic traffic was 0.8% and growth in international traffic was 6.8%, measured as TN units. The determination of charges for en-route services uses a service unit that is based on the distance of kilometres flown and the weight of the aircraft. The volume of en-route services increased by 5.9%.

Commercial Operations is responsible for the commercial services at Finavia's airports. The services are offered directly to passengers or in cooperation with other service providers operating at the airport.

The income of Commercial Operations increased by 12.4% in 2008 compared with the previous year, and turnover stood at EUR 65.9 million (58.6). The good development mainly stems from increased income from parking and an increase in rental income.

SUBSIDIARIES

Airpro Oy develops and provides traffic, airport and travel services for travel and tourism companies, and directly for passengers. Airpro's turnover in 2008 was EUR 27.6 million (25.6), representing an increase of 8% on the previous year. The growth in turnover mainly resulted from an increased number of ground handling contracts at the airports. Profit for the financial year was EUR 0.4 million (0.4). The company's balance sheet total on 31 December 2008 was EUR 6.9 million (6.1).

Finavia's real estate operations are the responsibility of **Lentoesemakiinteistöt Oyj (LAK Oyj)**. The company offers facilities services to companies operating at the airport and operates as a developer of construction projects and owner of premises located at the airports. The turnover of Real Estate Operations increased by 25.3% in 2008 and stood at EUR 10 million (8.0). The growth in turnover resulted primarily from the taking into use of premises completed in 2007. Profit for the financial year was EUR 0.9 million (0.0). The company's balance sheet value at the end of the financial year was EUR 79.9 million (81.9).

The combined turnover of the other subsidiaries (IP Kiinteistöt Oy, Kiinteistö Oy Turun Lentorahti, Kiinteistö Oy Lentäjäsentie 1, Kiinteistö Oy Lentäjäsentie 3) stood at EUR 5.5 million (5.1) in 2008. Their total loss for the financial year was EUR -0.3 million (-0.2).

INVESTMENTS

The Group's investments in fixed assets totalled EUR 112.7 million (93.5) in 2008. The majority of the investments (EUR 108 million) were made by Finavia. The largest investor of the subsidiaries was IP Kiinteistöt Oy, with investments of EUR 3.9 million.

The 2008 Budget contained an entitlement for Finavia to invest a total of EUR 120 million (100) in 2008. Finavia was authorised to make commitments on investments that will incur a total of EUR 300 million in expenses over the coming years.

Finavia's investments for the financial year totalled EUR 108 million (74.4). A total of EUR 39.8 million in commitments on investments, relating to the period after the end of the financial year, were made.

The work to extend the international terminal at Helsinki-Vantaa Airport continued on schedule in 2008 and according to the cost estimate. The total cost estimate for the extension is EUR 143 million. The renovation and expansion of the ramp currently underway will continue until autumn 2009. A new multi-storey car park was built at Helsinki-Vantaa, which was brought into service in February 2009. In order to improve the taxi service, a new waiting and pick-up area was opened in autumn 2008. Planning work on the organisation of the terminals at Helsinki-Vantaa Airport was started in 2008.

The extension to the terminal at Kuusamo Airport was brought into service in December 2008, and the redevelopment of the old section will continue in 2009. The renovation of the airside areas at Kemi-Tornio was completed in 2008 as part of the reconstruction programme for airside areas.

FINANCING

The Government authorised Finavia to take out a new long-term loan up to a maximum of EUR 100 million (50). In addition, Finavia was authorised to give personal securities without requiring countersecurity to a maximum of EUR 30 million (50) as collateral on loans taken out by property companies connected to Finavia's field of activity or its subsidiary companies providing airport and air navigation services.

Finavia took out a loan of EUR 40 million (50) during the year from the European Investment Bank. The loan is being used to finance the extension to the international terminal under construction at Helsinki-Vantaa Airport. Finavia did not give any personal securities as collateral for loans of its subsidiaries during 2008. One of the Group's subsidiaries raised long-term capital totalling EUR 2.5 million (19.25) without a personal security from Finavia.

The interest-bearing loans of Finavia and its subsidiaries totalled EUR 304.3 million (279) at the end of the year. Long-term interest-bearing loans totalled EUR 289.8 million (260.6) at the end of the year and short-term interest-bearing loans EUR 14.7 million (18.4). A total of EUR 42.5 million (69.3) was taken out in new loans and EUR 15.5 million (12.4) was repaid on old loans. The amount of interest-bearing loans increased by EUR 25.3 million (56.7) on the previous year.

Finavia's interest-bearing loans stood at EUR 189.3 million (157.8) at the end of the year, including the repayments for 2009. Finavia repaid its loan portfolio during the year to the sum of EUR 8.5 million (8.5). Finavia's long-term financing agreements contain confirmed debt financing of EUR 40 million for 2009, in accordance with the loan authorisations approved by Parliament.

The average rate of interest on Finavia's interest-bearing loans was 3.9 per cent (4.4) at the end of the year. According to the Group's interest rate risk policy, 25–100 per cent of the loan portfolio must be secured. The Group's hedge ratio at the end of 2008 was 32 per cent (43). The impact of hedged agreements has been taken into account in calculating the average rate of interest of the loans. The short and long-term fixed income investments included in the balance sheet also reduce the Group's open interest rate risk.

Finavia's operating cash flow before investments was EUR 75.1 million (65.5), which is an increase of EUR 9.6 million compared with the previous year. Cash flow after investments stood at EUR -28.3 million (11.2). Valuation gains of around EUR 0.9 million (2.2) during the year were entered against long-term securities investments held as liquid assets. A loss of EUR 1.1 million accrued on short-term investments. All financial investments have been valued in the financial statements in profit or loss at the lower of the acquisition price or probable redemption price.

ACHIEVEMENT OF THE OBJECTIVES SET FOR FINAVIA IN 2008

Pursuant to section 8(2) of the State Enterprise Act (1185/2002), the Ministry of Transport and Communications decided on the service targets and performance target to be set for Finavia.

The basic task of Finavia's operations is to create the prerequisites for competitiveness, movement and internationalisation of the Finns, Finnish society and regions through safe, high-quality and cost-effective air traffic services and infrastructure.

Finavia's strategy is to respond to the strong increase in international air travel passing through Finland, the globalisation of business life, and the increasing movement of people and goods. The demand for cost-efficiency will further increase also with respect to Finavia's services.

The appropriate availability of airport services in the different parts of the country and maintenance of the airport network even in areas where there is less demand for air traffic is the key challenge for Finavia's operations.

The service and other operational objectives set for 2008 were achieved as follows:

- **“to maintain Finavia's safety and quality control system in line with European regulations.”**

Finavia develops safety management in a systematic way. The reporting of various types of discrepancies has been encouraged for years, and the threshold for reporting has consequently become lower and the number of reports has increased for the fifth year in a row. There were 1,627 (1,257) notifications in 2008. The majority of the discrepancies concerned the operations of aircraft or their technical problems, but also to a considerable extent Finavia's own operations.

Finavia set internal safety objectives in relation to functionality, fault tolerance, response to events, as well as corrective measures and the predictability of events. The objectives were fulfilled extremely well with the exception of the predictability of events. Predictable discrepancies took place more frequently than the objective. Most of these related to the functioning of aircraft. The safety networks constructed by Finavia and the response were, however, of a very high level and the discrepancies did not result in a reduced level of operation or safety. There were no serious dangerous situations arising from Finavia's operations, although Finavia's operations were a contributory factor in four instances where damage occurred.

The most important objective in safety management in 2008 was using integrated information as the basis for analyses. The consistent analysis of various information sources and diverse information will also be a major challenge in the future. Finavia introduced the classification system of human factors that it has developed. The classification system also aroused international interest. The system compiles information on the positive and negative effects of human factors relating to discrepancies.

All Finavia's units were audited during the financial year. A total of 36 audits were carried out. The air navigation and

airport operations together with maintenance and rescue operations were audited at the airports in accordance with ISO standards. Finavia carried out a survey of various personnel groups on the safety culture. Based on the survey and audits, Finavia's safety culture was found to be at a good level.

During 2008, the safety and quality unit continued the training for those carrying out and approving safety inspections. Employees from every unit and all business areas have been trained. At the end of 2008, 103 (59) Finavia employees and six external personnel had been trained. Safety inspections are part of the safety management system through which aircraft risks relating to the system are identified in advance, analysed and managed for the whole duration of the life cycle, right from the planning stage.

The management groups of the safety management organisation operated regularly during 2008. The safety and quality management group met five times, the safety and quality committee of Air Navigation Operations met ten times, the safety and quality committee of Airport Operations nine times and the safety and quality groups of the airports and units a total of 185 times.

- **“to keep delays resulting from Finavia's air navigation below the European average”**
- **“to keep Helsinki-Vantaa Airport among the most punctual airports in Europe.”**

The growth in air traffic operations was greater than forecast in 2008 and stood at 3.5% (-2.1%). The number of operations was 491,357. The number of controlled flights increased by over six per cent and overflight traffic increased by nearly ten per cent. Finland's advantageous geographic position as a so-called great circle route contributes to the growth. The new routes that have been opened between destinations in Europe and the Far East have also partly contributed to the growth along with the increase in air traffic between destinations in Russia and the USA, India and the USA and the Middle East and the USA.

In spite of the challenges resulting from seasonal fluctuations, the regularity of air traffic was extremely high during 2008. The regularity of air traffic is continuously monitored by both Eurocontrol and through Finavia's statistics. These statistics monitor both departing and arriving traffic. According to the statistics, Finavia's operations at Helsinki-Vantaa were punctual in 2008. Only 0.57% of all departing flights were delayed by more than 15 minutes as a result of Finavia's

operations. The share of delayed flights due to air traffic control dropped to 27 compared to 79 in the previous year. Total air traffic operations at Helsinki-Vantaa in 2008 increased by 2.5 per cent on the previous year.

According to Eurocontrol's statistics, air traffic control delays of all flights in Finland measured by the average delay were clearly below the European average for all the months of the year.

The simultaneous operation of Helsinki-Vantaa's parallel runways became established during the 2008 operating period. The simultaneous use of parallel runways contributed to a new record being achieved in June when a total of 55 aircraft landed at Helsinki-Vantaa during the afternoon peak hour.

Cooperation between the Tampere area control centre and Helsinki-Vantaa has gone well and has been carried out in line with the objectives of Air Navigation Operations. Tampere-Pirkkala's tower radar concept was introduced during 2008. The operating model works with the radar systems to allow the optimum routes in situations where there is no need to open a separate approach control office.

Both the use of Helsinki-Vantaa's parallel runways and the introduction of the tower radar concept at Tampere-Pirkkala, together with their related special arrangements and cooperation measures, enable cost-effective operating models for air carriers. Fuel consumption is reduced and consequently so are emissions from air traffic. The impacts are also positive from the perspective of aircraft noise.

It has been possible to meet the service challenge demanded by the Air Force to a high level. A demonstration of this was the international ADEX 2008 air defence exercise that was carried out in Finnish airspace.

- **“to keep air traffic service prices at a level that will not impair our comparative competitiveness among airports;”**

In the competition between airports, pricing is of great significance in addition to the quality of the services. Finavia constantly monitors the development of air traffic charges in Europe, and aims at least to retain its current position in relation to the setting of prices by other airports. The international comparison of charges includes Europe's main airports (23 airports), and all the most common types of aircraft. The comparison considers all airport and air navigation charges, including en-route charges.

Helsinki-Vantaa Airport is ranked among the ten cheapest airports. The position changes slightly depending on the

type of aircraft. In the comparison of the Airbus A320 aircraft, which operates most frequently in European traffic at this airport, Helsinki-Vantaa was the group's eighth cheapest in 2008. The rank has dropped by one place compared with the previous year. At the top of the list come the airports in St Petersburg, Dublin and Tallinn, while the most expensive airports include London (Heathrow), Paris (Charles de Gaulle) and Zurich. Helsinki-Vantaa's air traffic charges are 17% cheaper on average than the charges of the other 22 airports included in the comparison.

With respect to larger aircraft, in the comparison of the Airbus A340 aircraft, which operates most commonly at this airport on routes to Asia, Helsinki-Vantaa was likewise ranked eighth. In this category, the rank has also dropped by one place compared with the previous year. The cheapest airports included St Petersburg, Keflavik and Riga, whereas those ranked among the most expensive included Paris (Charles de Gaulle), Zurich and Frankfurt. Air traffic charges at Helsinki-Vantaa are on average 14% cheaper than the corresponding charges at the other airports in the comparison.

In a comparison of air traffic charges between the main airports in the Nordic region, Helsinki-Vantaa comes out well. For example, the charges for the Airbus A320 type of aircraft are cheapest at Helsinki-Vantaa, whereas for Airbus A340 aircraft, Stockholm (Arlanda) is slightly cheaper. Copenhagen is clearly the most expensive of the main airports in the Nordic region.

- **“to maintain the level of service at Helsinki-Vantaa Airport among the five best airports in Europe”**
- **“to maintain the service level of Finavia's airports at a good level (5.7 on a scale of 1–7).”**

In 2008, Finavia established a marketing unit and its aim is to sell and market Finavia's entire airport network to both domestic and foreign air carriers. Development work on customer relationship management concerning the entire company got underway within Finavia. The aim in developing marketing and customer relationship management is to achieve growth in the volumes and to increase the service level and customer satisfaction.

Over the last few years, Helsinki-Vantaa Airport has ranked among the world's best airports in its size category in the ASQ survey commissioned by the Airports Council International (ACI). In 2007, Helsinki-Vantaa was the world's third best airport in its size category. The survey information for 2008 has not yet been published. During the past year, the research

company Skytrax chose Helsinki-Vantaa Airport as the world's ninth best airport. With respect to baggage handling, Skytrax rated Helsinki-Vantaa as the world's third best airport; the ranking in the previous year was second best.

Finavia carries out a customer satisfaction survey aimed at air passengers every year. There has been a slight drop in the overall satisfaction of customers since 2004, but this turned into a slight upward trend in 2008. Almost two out of three respondents gave a general grade of excellent or good for the airports in Finland. One-third rated the level as satisfactory or poor. The service attitude of the personnel increases the overall grade of Finavia's airports most of all. Eight sub-areas are assessed in the survey. Only parking arrangements came out worse than in the previous year. The general grade for the survey in 2008 on a scale of 1–7 was 5.74 (5.62).

- **“to carry out security checks so that the demands set for the efficiency of the airports' operations are fulfilled such that the average time to pass through the security check is a maximum of 5 minutes and during peak periods a maximum of 15 minutes.”**

Finavia ensures that the security check services at all the airports meet the EU regulations 2320/2002 and 300/2008 and the regulations and official provisions issued pursuant to them.

The focus of the period under review has been on not only official regulations but also the smooth operation of the entire security check process and a customer orientation as part of the overall service. The security check is efficient and there are no long waiting times. The target level of the waiting time in busy periods has been met. The entire security check process is being constantly improved as part of the terminal services. According to the customer satisfaction survey, customers considered the efficiency of the security check and service attitude to have improved slightly on the previous year.

- **“Finavia participates in, for its part, and allocates the required resources, under the direction of the Ministry of Transport and Communications, to the work carried out whereby suitable solutions for the EU's internal market are assessed and analysed in order to organise Finavia Group's services that are provided in its current form as a state-owned enterprise.”**

Finavia's President and CEO, Deputy CEO and Development Director took part in the work of the working group, reporting to the Ministry of Transport and Communications, where the

basic reports required by the arrangements for a limited company were worked on. The state-owned enterprise has considered possible incorporation as part of its strategy to develop its management model. In addition, projects supporting the readiness for incorporation, concerning finances and management, were started within Finavia. The policy decisions necessary for further preparations on the final method of implementation and timetable have not yet been taken.

- **“Finavia provides technical assistance to the Finnish Road Administration in evaluating the environmental impacts of alternatives for developing airport operations in the Helsinki region and allocates sufficient resources for the task.”**

Finavia has held discussions with the Finnish Road Administration and participated in the environmental impact assessment (EIA) seminar organised by the Finnish Road Administration. The process is at the EIA programming stage and will most likely last two to three years, including the actual EIA work.

- **“profit target and profit-crediting target”**

The profit target of EUR 30.5 million set for Finavia by the Ministry of Transport and Communications was achieved and the profit was EUR 34.7 million.

A profit-crediting target of 50% of the profit for 2008 was set for Finavia, however a minimum of EUR 5 million.

FINAVIA'S ENVIRONMENTAL WORK

In accordance with its environmental policy, Finavia operates in a proactive way so that aviation does not burden the environment unnecessarily. Responsibility rests with every employee. Finavia monitors and evaluates the environmental impacts of its operations and continuously improves its operations and reduces harmful environmental impacts. Environmental monitoring results are published proactively. Finavia employs an environmental management system based on the ISO 14001 certificate, which has not been certified. Finavia monitors international research in the field and cooperates on environmental issues with foreign airports and aviation organisations.

The most important environmental considerations of the airports are the de-icing of runways carried out by Finavia, the ice prevention and de-icing of aircraft performed by ground handling companies, and aircraft flight operations undertaken by air carriers, the defence forces and private individuals. Controlling the use of airspace, which comes within the scope

of Air Navigation Operations, has a direct impact on aircraft emissions and noise.

The situation concerning aircraft noise at airports is monitored on the basis of noise reports and measurements. In 2008, noise reports were drawn up for Helsinki-Vantaa and Jyväskylä airports and noise measurements were carried out at Tampere-Pirkkala, Halli and Utti. Finavia used a total of 2,538 tonnes of de-icing chemicals during the winter period 2007–2008, which is an increase of 8% compared to the previous period. The increase is a result of weather conditions.

In addition to Finavia's own environmental targets, the airports are subject to legal requirements in the permit procedure pursuant to the Environmental Protection Act. The consultation process relating to the permit procedure also ensures dialogue with stakeholders. The application for Kittilä Airport was started during the year under review. Notice was given of the environmental permit applications for Helsinki-Vantaa and Jyväskylä airports. The Western Finland Environmental Permit Authority received some 20 statements from the authorities and approximately 220 complaints from private individuals with regard to the application for the country's main airport, to which Finavia gave a detailed reply. The environmental permits for the airports at Turku, Kuopio and Halli are also under consideration by the permit authorities.

Permit decisions were issued during the financial year for Oulu and Joensuu airports, both of which are situated in groundwater areas. The permit decisions include conditions on reducing the impacts of ice protection chemicals for aircraft and runway de-icing chemicals. A suction unit has been acquired for Oulu Airport to collect the runoff from the ramp of chemicals used in aircraft ice protection for delivery to the treatment plant. A permit decision was also issued for Helsinki-Malmi Airport. The permit covers Finavia's operations at the airport.

The key environmental figures for the airports are published separately in the 2008 Environmental Review.

INTERNAL CONTROL AND RISK MANAGEMENT

The objective of Finavia's internal control system is to ensure that its operations are effective and cost-efficient, that information is reliable and that the regulations and operating principles are complied with.

Internal control and risk management are further developed within Finavia as part of management. A risk identification and assessment concerning the entire Group's strategy and develop-

ment of the operations was carried out in the Group during the year. Risk management plans will be drawn up during 2009 for the risks that were identified. Development work to organise and standardise the risk management processes will continue.

The most significant risks impacting on the implementation of Finavia's strategy relate to the general development of the sector in the current extremely uncertain economic situation. Political decisions and the decisions of the authorities that may restrict Finavia's business opportunities, for example in relation to the environmental permit, have also been identified as risks. Forecasting and managing changes pose challenges in general for making a profit, managing processes, the organisation's structural capital and business strategy. A potential air disaster constitutes a major operational risk that is managed through the effective analysis and auditing of the operational activities. In addition, potential disasters taking place in the control zone require the management of preparedness and safety, information technology and risks to stakeholders.

The safety management system is an essential part of Finavia's control and risk management system. Functions critical to safety are managed in a systematic way through the safety management system, and the aim is to ensure that a good and reliable level of safety is achieved in the services and products produced by Finavia. The system is based on the careful planning of operations, the systematic collection of data, analyses of events, the taking of decision on actions, the clear delegation of responsibilities and implementation, and the evaluation of the effectiveness and impacts of the measures. The system includes procedures that are used in evaluating the safety of new equipment, systems and practices to be introduced at the various stages of project planning and implementation. The level of safety is analysed comprehensively, and corrective and preventive measures are carried out to the urgency and extent required by the matter. Safety findings are reported regularly to the Board of Directors during the year.

The safety and quality unit operates directly under the President and CEO. It produces analyses, reports and development proposals relating to safety and communicates information on shortcomings concerning safety and their corrective and development measures. The safety and quality unit evaluates Finavia's level of safety and performs audits within Finavia as well as external organisations.

Internal auditing operates administratively under Finavia's President and CEO and reports to the Audit Committee appointed by the Board of Directors. The internal auditing

unit assists the Audit Committee by producing information for it through audit work on the effectiveness and adequacy of Finavia's control and risk management systems. The operating principles for internal auditing have been included in the operating guidelines that have been approved by Finavia's management and Board of Directors. The internal auditing unit is also committed to observing international professional standards on internal auditing.

The audits carried out during 2008 are based on the annual plan of the internal auditing unit. The audits focused on the Group's operations, profit centres and processes within the central administration. The audits evaluated areas such as the profitability and effectiveness of the operations, the reliability of financial and operational reporting, the legality of the operations and the safeguarding of assets. The audit findings have been discussed, on the completion of the audits, with the employees in charge of the area subject to the audit and the required measures have been agreed. The audit findings were also reported during the year to Finavia's management, the Audit Committee and auditors.

In the audits performed during 2008, no material areas for development concerning the operations or anything that would point to malpractice were detected in the effectiveness and efficiency of Finavia's risk management, control and management and administrative processes.

SIGNIFICANT PROCEDURES BY THE AUTHORITIES

In January 2008, the Cabinet Committee on Economic Policy started a study on the organisation of state-owned enterprises in the future. The background to the work is the decision by the Commission of the European Union that actors protected from bankruptcy cannot compete in a genuine way on the market. The results of the study are expected in the spring.

During 2008, the European Parliament discussed the proposal for a new Directive on Airport Charges announced by the European Commission. The Directive was adopted on 19 February 2009 and the period for nationally implementing the new Directive lasts until March 2011. The adopted Airport Charges Directive includes positive changes from Finavia's perspective and changes supporting current pricing practices.

The Commission of the European Union decided in 2007 to initiate a formal investigation procedure pursuant to Article 88(2) EC on State aid, concerning the arrangements at the so-called low-cost terminal at Tampere-Pirkkala Airport. The

Commission is examining and evaluating whether the arrangements are in agreement with the regulations on State aid and whether they are compatible with the common market. In its reply of 13 November 2007, Finland maintained that the actions carried out do not contain State aid. During the autumn of 2008, the Commission prepared an additional report on the matter, with the assistance of an external consultant. Finavia expects a decision on the matter in the near future.

PERSONNEL

The Group employed an average of 2,202 people (2,239) during the year under review, of which 1,721 (1,703) worked for Finavia and 475 (530) for Airpro Oy.

The number of personnel in the Group at the end of the year was 2,700 (2,571) and the number in Finavia 1,888 (1,875). The proportion of temporary employees decreased while that of permanent employees increased. The number of permanent employees in the Group was 2,077 (1,936) and the figure for temporary employees was 623 (635).

At the start of the year under review, Finavia was organised by business area. Represented as man-years, 820 people worked for Airport Operations, 563 for Air Navigation Operations, and 109 people for Commercial Operations. 253 people worked in centralised services and Group headquarters.

During the financial year, Finavia's personnel strategy was updated for the years 2008–2010. The priority areas are developing skills to support the business strategy, identifying key workers, supporting a multiple skills approach, as well as well-being at work and supervisory work. In addition, change management abilities will be improved.

The follow-up report on Finavia's equality programme was completed in the summer. A slight improvement in the position of women could be detected in the period under review of 2003–2007. For example, the number of women working in senior management and managerial positions increased. Overall, the proportion of women and men remained the same. The plan to increase the proportion of women has not been realised. The general professional segregation in Finland is considered to be one reason for this. It was decided that the main emphasis of equality work in the future will focus on impartiality in recruitment and the payroll system.

Several campaigns supporting well-being at work were carried out during 2008. Likewise, a personnel survey and supervisor survey concerning the entire personnel were carried out.

The development of the work community and supervisor work will be taken forward on the basis of the survey results.

A profit bonus on the basis of the operating profit has been paid to the personnel since 2003. In accordance with the bonus criteria, a profit bonus of EUR 1.6 million (1.8) on Finavia's profit for 2008 will be paid to the personnel fund. This cost is included in staff costs in the income statement.

ADMINISTRATION AND AUDITORS

The term of Finavia's Board of Directors is three years. The 2008 financial year was the last year of operation for the Board of Directors appointed in 2006.

The Chairman of Finavia's Board of Directors is Jussi Järventaus, Managing Director of the Federation of Finnish Enterprises. Ministerial Adviser Rita Linna acts as Deputy Chairman. The other members are Eeva Niskavaara, M.Sc. (Econ.), Sinikka Mönkäre, Managing Director, Professor Hannu Seristö, Pirkko Juntti, LL.M., and Auditor Heikki Vaalgamaa as the personnel representative. The Board of Directors met eleven times during the financial year.

The Chairman of the Audit Committee, which is appointed from among the Board of Directors, was Eeva Niskavaara and the other members were Rita Linna and Pirkko Juntti. The Audit Committee met five times during the financial year.

The Board of Directors appointed a Compensation Committee from among its members for the 2008 financial year. The Committee met four times during the financial year, and its Chairman was Jussi Järventaus and the other members were Rita Linna and Hannu Seristö. Erkki Pitkänen was the Secretary to the Board of Directors and its committees.

Finavia's President and CEO is Samuli Haapasalo.

Finavia's auditor was Deloitte & Touche Oy, Chartered Accountants, with Robert Kajander, APA, as lead auditor and Seppo Akselinmäki, CPFA, from the National Audit Office of Finland.

CHANGES IN THE GROUP STRUCTURE AND ADMINISTRATION

There were no changes in Finavia Group's structure during the year under review.

Kimmo Ruotsalainen was appointed Finavia's Marketing Director with effect from 1 February 2008. Kirsti Lehtovaara-Kolu was appointed Chief Financial Officer with effect from 15 March 2008. Raija Niskanen was appointed Airport Manager of

Kuopio Airport and Regional Director for Eastern Finland on 28 November 2008. Kaarina Soikkanen was appointed Personnel Director with effect from 1 December 2008, and Petteri Nissilä as Director of Legal Affairs.

KEY EVENTS AFTER THE FINANCIAL YEAR

In December, the Government appointed a new Board of Directors for Finavia for a three-year term starting from the beginning of 2009.

The Chairman of the Board of Directors will continue to be Jussi Järventaus, Managing Director of the Federation of Finnish Enterprises. The members of the Board of Directors are Pirkko Juntti, LL.M., Rita Linna, Ministerial Adviser at the Ministry of Transport and Communications, Eeva Niskavaara, M.Sc. (Econ.), Hannu Seristö, Vice Rector of the Helsinki School of Economics and Erja Takala, Development Director at SOK Corporation. Pauli Manninen was appointed personnel representative.

Deloitte & Touche Oy, Chartered Accountants, will continue as Finavia's auditor and the lead auditor will be Robert Kajander, APA. Pasi Tervasmäki from the National Audit Office of Finland will act as the chartered public finance auditor.

On the basis of the policy set out by the Government in January 2009 and the supplementary budget proposal, the dividend to be paid by Finavia for 2008 will be calculated so that EUR 10 million in financing will be retained from the operating profit by reducing the imputed dividend in order to fund the repair work at Helsinki-Vantaa Airport. The overall expenses of the project to repair the terminal at Helsinki-Vantaa Airport are EUR 23.1 million. The work is already underway.

The supplementary budget also contains a proposal for state participation together with a subregion in the project to expand the terminal at Oulu Airport for a total of EUR 12 million, and around EUR 9 million in operational financing is expected from Finavia. The overall expenses of the project to extend the passenger terminal at Oulu amount to about EUR 21 million. The planning of the expansion projects has been launched and the construction work will begin in autumn 2009.

OUTLOOK FOR 2009

The development of air traffic and passenger numbers will impact on the success of all of Finavia Group's business areas.

The profit announcements of air carriers and forecasts of the key research institutes on the development of air traffic

for the current and following year require preparations to be made for a greater contraction in the amount of air traffic than the level that Finavia has prepared for in its calculations made during 2008. The calculations made by Finavia are based on an assumption according to which the number of domestic passengers drops by 6 per cent, the number of passengers in international traffic drops by 3 per cent and air traffic operations are at the same level as in 2008.

The profit target set for Finavia by the Ministry of Transport and Communications for 2009 is EUR 29.4 million. The profit target set is extremely challenging in this demand situation and it is possible it will not be possible to achieve it. As a result of the weakening demand, Finavia is initiating projects to improve cost control and cost-efficiency.

In order to safeguard cash flow, Finavia is adapting its investment programme, while nevertheless ensuring the implementation of strategic projects in accordance with the agreed plans.

It is possible that the State, as the owner, will decide on incorporating Finavia. Finavia will continue the measures through which the ability will be created to start operating in the form of a limited company from the beginning of the next financial year.

PROPOSAL OF THE BOARD OF DIRECTORS ON THE DISTRIBUTION OF PROFIT

Finavia's profit in 2008 was EUR 34,706,631.43. The Ministry of Transport and Communications set a profit-crediting target for Finavia of 50% of the profit for 2008, however a minimum of EUR 5 million.

The Board of Director's proposal for the distribution of the profit for 2008 is as follows:

- **50% of the profit, EUR 17,353,315.43 will be retained in equity.**
- **EUR 10,000,000.00 will be retained in equity in accordance with the Government's stimulus decision to fund the repair work for the terminal at Helsinki-Vantaa in 2009.**
- **EUR 7,353,316.00 will be credited as profit.**

KEY FIGURES 2006-2008

FINAVIA GROUP

Key figures (EUR million)	2004	2005	2006	2007	2008
Turnover	246	258.6	285.6	310.3	336.1
- change, %			10.4	8.6	8.3
Operating profit	18.5	30.2	27.4	33.9	46.6
- operating profit as % of turnover			9.6	10.9	13.9
Profit			23.7	28.7	35.4
- profit as % of turnover			8.3	9.2	10.5
Return on capital invested % ⁽¹⁾			4.1	4.6	5.5
Return on capital invested % ⁽³⁾			2.8	3.1	3.7
Equity ratio % ⁽⁴⁾			66.7	63.1	62
Capital investments, euro			84.2	93.5	112.7
Capital investments as a % of turnover			29.5	30.1	33.5
Man-years			2,182	2,239	2,202
(person-workday total as man-years = average number of employees)					

FINAVIA

Key figures (EUR million)	2006	2007	2008
Turnover	266.9	290.2	312.4
- change, %	9.8	8.7	7.6
Operating margin	64.9	75.8	86
- margin as % of turnover	24.3	26.1	27.5
Operating profit	23.3	33.1	41.4
- operating profit as % of turnover	8.7	11.4	13.3
Profit	22.8	31.4	34.7
- profit as % of turnover	8.5	10.8	11.1
Return on capital invested (%) ⁽¹⁾	3.9	5.1	5.3
Return on basic capital (%) ⁽²⁾	12.4	17.0	18.8
Return total capital (%) ⁽³⁾	3.1	4.0	4.1
Equity ratio (%) ⁽⁴⁾	77.4	73.4	71.2
Capital investments	59.9	74.4	108.0
Capital investments as a % of turnover	22.4	25.6	34.6
Average traffic price change (%)	4.1	5	1.1
Number of personnel	1,707	1,703	1,721
Salaries and bonuses	69.5	71.5	76.7

⁽¹⁾ $\frac{\text{Profit} + \text{interest charges \& other financing costs}}{\text{Equity} + \text{interest-bearing financial loans}}$

⁽²⁾ $\frac{\text{Profit}}{\text{Basic equity}}$

⁽³⁾ $\frac{\text{Profit}}{\text{Balance sheet total}}$

⁽⁴⁾ $\frac{\text{Equity}}{\text{Balance sheet total} - \text{advances received}}$

1,000 €	GROUP		FINAVIA	
	2008	2007	2008	2007
TURNOVER	336,113	310,293	312,429	290,190
Other operating income	5,248	769	5,210	4,005
MATERIALS AND SERVICES				
Materials and supplies				
Purchases during the accounting period	37,343	33,434	36,309	32,556
Variation in inventories; increase(-)/decrease(+)	-373	-442	-264	-440
External services	52,531	47,189	59,945	56,738
Materials and services	89,501	80,181	95,990	88,854
STAFF EXPENSES				
Salaries and bonuses	90,395	85,874	76,666	71,503
Indirect staff expenses				
Pension expenses	15,537	18,018	13,162	15,709
Other indirect staff expenses	5,448	5,136	4,635	4,155
Total staff expense	111,380	109,028	94,464	91,367
DEPRECIATIONS AND VALUE ADJUSTMENTS				
Budgeted				
Buildings and structures	18,034	17,300	13,592	13,323
Machinery and equipment	17,653	16,801	16,636	15,882
Ground structures	15,354	14,419	13,720	12,830
Intellectual property rights	681	720	677	717
Other non-current expenditure	0	7	0	7
Depreciation and amortisation expense	51,722	49,247	44,627	42,759
Other operating costs	42,207	38,748	41,184	38,163
OPERATING PROFIT	46,550	33,858	41,375	33,051
FINANCING INCOME AND EXPENSES				
Income from other non-current investments	7	33	107	33
Other interest income and financing income	4,543	5,948	3,092	4,355
Impairments from non-current investments	-848	95	-848	95
Interest expenses and other financing expenses	-14,536	-11,067	-9,019	-6,136
	-10,834	-4,991	-6,668	-1,652
Profit before extraordinary items	35,716	28,867	34,707	31,399
Profit before appropriations and taxes	35,716	28,867	34,707	31,399
Income taxes	-429	-215		
Deferred taxes	40	5		
Minority interests	37	16		
Profit for the period	35,365	28,673	34,707	31,399

1,000 €	GROUP		FINAVIA	
	2008	2007	2008	2007
ASSETS				
Non-current assets				
Intangible assets				
Intellectual property rights	2,452	1,922	2,444	1,910
	2,452	1,922	2,444	1,910
Tangible assets				
Land and water areas	47,694	47,046	45,244	44,888
Buildings and structures	340,559	348,803	218,716	224,697
Machinery and equipment	123,990	121,999	116,691	114,107
Ground structures	229,533	217,603	209,025	198,077
Advance payments and incomplete acquisitions	109,578	61,671	108,131	59,629
	851,354	797,122	697,808	641,398
Investments				
Holdings in associates	8	8		
Holdings in CAA Group subsidiaries			35,786	35,786
Shares and holdings	491	491	483	483
Other investments	3,590	3,232	3,590	3,232
	4,090	3,731	39,859	39,501
Current assets				
Inventories				
Materials and supplies	2,356	2,396	2,356	2,396
Finished goods	2,088	1,625	1,867	1,514
	4,444	4,021	4,223	3,910
Receivables				
Current				
Accounts receivable	32,571	29,889	28,952	26,427
From Group companies			804	745
Other receivables	2,954	3,541	2,948	3,299
Prepaid expenses and accrued income	6,463	2,526	6,235	2,210
	41,988	35,956	38,939	32,681
Marketable securities				
Other securities	45,396	65,232	45,396	65,232
Cash and cash equivalents	16,694	11,958	12,965	5,640
	966,418	919,942	841,634	790,272

BALANCE SHEET 31 DECEMBER 2004

1,000 €	GROUP		FINAVIA	
	2008	2007	2008	2007
EQUITY AND LIABILITIES				
Equity				
Basic equity	184,542	184,542	184,542	184,542
Other equity	237,130	237,130	237,130	237,130
Profit from the previous accounting periods	139,553	126,581	141,963	126,264
Profit for the period	35,365	28,673	34,707	31,399
	596,591	576,925	598,342	579,335
Minority interest				
	4,516	4,554		
Statutory provisions				
Other provisions	2,900	3,143	2,784	3,036
Debt				
Non-current				
Loans from financial institutions	289,825	260,587	180,787	149,319
Other debt	2,384	1,789	4,002	3,413
Deferred tax liability	1,778	1,820		
	293,988	264,195	184,789	152,732
Current				
Loans from financial institutions	14,676	18,422	8,532	8,532
Advance payments received	1,199	751	1,025	579
Accounts payable	21,528	22,745	20,147	21,331
Loans to other Group companies			1,364	1,191
Other debt	7,399	7,537	6,284	6,557
Accrued expenses	23,621	21,670	18,368	16,979
	68,423	71,125	55,720	55,169
	966,418	919,942	841,634	790,272

CASH FLOW STATEMENT

1,000 €	GROUP		FINAVIA	
	2008	2007	2008	2007
CASH FLOW FROM BUSINESS OPERATIONS				
Payments received from sales	331,087	307,878	307,488	288,158
Payments received from other operating income	624	584	600	549
Payments from operating costs	-238,780	-233,457	-227,176	-221,856
Cash flow from operations before financing items and taxes	92,931	75,004	80,912	66,852
Interest and financial expenses paid	-14,251	-10,343	-8,967	-5,817
Interest received from business operations	3,381	4,824	3,162	4,428
Financing contributions received	1,237	1,201	0	0
Dividends received	7	33	7	33
Direct taxes paid	-114	-225	0	0
Cash flow before extraordinary items	83,191	70,495	75,114	65,496
Cash flow from business operations	83,191	70,495	75,114	65,496
CASH FLOW FROM INVESTMENTS				
Investments in tangible and intangible goods	-112,660	-93,466	-107,965	-74,436
Income from disposal of tangible and intangible goods	5,189	266	5,189	3,701
Outlay in other investments	-1,206	15,545	-1,206	15,545
Investments in shares of subsidiaries			0	-242
Membership fees and guarantees retained	595	588	589	1,102
Cash flow from investments	-108,082	-77,068	-103,393	-54,329
FINANCING CASH FLOW				
Short-term loans drawn	0	1,276	0	0
Repayments of short-term loans	-1,462	-1,400	0	0
Long-term loans drawn	42,500	69,250	40,000	50,000
Repayments of long-term loans	-15,546	-12,373	-8,532	-8,532
Profit crediting paid	-15,700	-11,394	-15,700	-11,394
Financing cash flow	9,792	45,359	15,768	30,074
CHANGE IN CASH AND CASH EQUIVALENTS	-15,099	38,786	-12,511	41,241
Cash and cash equivalents January 1	77,190	38,404	70,872	29,632
Cash and cash equivalents December 31	62,091	77,190	58,361	70,872

1. CONSOLIDATED ACCOUNTING PRINCIPLES

Finavia's financial statements for 2008 have been prepared in accordance with Government decree 160/2004 of 26 February 2004 on the accounting and financial reporting principles for State-owned enterprises. All Group companies are included in the consolidated financial statements. The associated company Helsinki-Vantaan Lentoaseman Taksipalvelut Oy is not included due to its negligible effect on the Group's equity. More detailed information on the companies that belong to the Group is provided in section 9, "Group Companies". Internal transactions within the Group, including internal receivables and liabilities, are not included. Cross-ownership of shares has been eliminated using the acquisition cost method. Minority interests have been separated from Finavia Group's equity and result and are presented as a separate item in the balance sheet. The deferred tax liability on balance sheet transfers has been shown as a separate item.

Valuation principles used in preparing the financial statements

Capital assets are activated to expedite acquisition costs. Planned depreciations are calculated within the Group according to uniform principles governing the economic life of each asset. Non-current investment assets and securities included under financial assets are measured at the lower of purchase price or market price. The acquisition cost of inventories has been calculated according to market averages.

The financial statements concerning the electric power grid

and the sale of electricity appear separately in the notes to the financial statements, as required by the Electricity Market Act.

Notes to the income statement

The figures in the tables are in thousands of euros, unless otherwise stated.

In 2008, Finavia requested a statement from the Finnish Accountancy Board (KILA) concerning the recognition of external services and certain other expense items in different items of the income statement. The company wanted to know how the border is drawn between the items "Materials and services" and "Other costs of business operations" in the income statement. After receiving the statement from KILA, the following changes were made in the items in the income statement: Municipal engineering charges (electricity, heat and water) have been transferred from the item "External services" in the income statement to the "Materials and services" group. In 2008, the size of this expense item is EUR 13,318,020 and the adjusted value for 2007 is EUR 10,612,961. The change concerns both the parent company and the Group. Purchases included under "External services" must be directly related to the actual service operations. This delimitation was specified and as a result EUR 5,253,433 was transferred from the "External services" item in the income statement to "Other expenses from business operations." In the 2007 income statement, the corresponding adjustment is EUR 4,203,772, both in the parent company and the Group.

2. DISTRIBUTION OF TURNOVER BY BUSINESS

Finavia's turnover is distributed by business as follows:

	CAA	
	2008	2007
Airport services	181,427	171,795
Air navigation services	61,505	56,858
Commercial services	65,921	58,635
Other	3,577	2,902
	312,429	290,190

The turnover of the airport and air navigation operations includes EUR 2,483,654 (EUR 2,841,961 in 2007) in income from public tasks.

Revenue from other areas is mainly capital gains in fixed assets from the sale of land.

3. SALARIES AND BONUSES OF MANAGEMENT

	GROUP		FINAVIA	
	2008	2007	2008	2007
CEO and deputy	512	449	312	249
Members of the Board of Directors	126	112	122	108

CAA personnel are covered by the state pension scheme. Performance-based pension payments, calculated according to the payroll for 2008 in compliance with actuarial principles providing full coverage, are entered in full in the income statement. The State Treasury set the pension contribution rate at 19.69% (20.22% in 2007).

The pension expenses for 2008 will be reduced by the refund from the State Treasury for the pension statement for 2007, amounting to EUR 2,258,928. The final pension contribution percentage for 2007 was confirmed to be 17.29%. Similarly, pension expenses in 2007 were boosted by an additional payment to the State Treasury for 2006 totalling EUR 1,554,737.

4. PERSONNEL EMPLOYED BY FINAVIA GROUP

	GROUP		FINAVIA	
	2008	2007	2008	2007
Average number of employees	2,202	2,239	1,721	1,703
Employees at the end of the year	2,700	2,571	1,888	1,875
permanent	2,077	1,936	1,681	1,592
temporary	623	635	207	283

Temporary staff includes people called to work when needed, both in the parent company and the Group.

5. AUDITOR'S FEES

	GROUP		FINAVIA	
	2008	2007	2008	2007
Authorised Public Accounting Firm Deloitte & Touche Oy				
Auditors' fees	35	47	25	33
Certificates and statements	2		1	
Other fees	43		41	

6. FINANCIAL INCOME AND EXPENSES

	GROUP		FINAVIA	
	2008	2007	2008	2007
Dividend income				
From Group companies			100	0
From others	7	33	7	33
Other interest income and financing income				
From Group companies			5	0
From others	4,543	5,948	3,087	4,355
Impairment of investments	-848	95	-848	95
Interest expenses and other financing expenses				
To others	-14,637	-11,067	-9,019	-6,136
Financial income and expenses	-10,935	-4,991	-6,668	-1,652

NOTES TO THE BALANCE SHEET

7. INTANGIBLE AND TANGIBLE ASSETS, AND DEPRECIATION AND AMORTISATION EXPENSE

The economic lifetimes are as follows:	YEARS	
Intangible assets		
Intellectual property rights	5	Straight-line depreciation
Other non-current expenditure	5	Straight-line depreciation
Tangible assets		
Buildings and structures	10-40	Straight-line depreciation
Machinery and equipment	3-15	Straight-line depreciation
Ground structures	10-40	Straight-line depreciation

CHANGES IN BALANCE SHEET ITEMS

	GROUP		FINAVIA	
	2008	2007	2008	2007
INTELLECTUAL PROPERTY RIGHTS				
Acquisition cost January 1	7,569	6,991	7,552	6,978
+ Transfers between items	1,211	607	1,211	605
- Deductions during the accounting period	0	-29	0	-31
Acquisition cost December 31	8,780	7,569	8,763	7,552
Accumulated depreciation and amortisation according to plan January 1	-5,647	-4,956	-5,642	-4,954
Accrued depreciation and amortisation for deductions	0	29	0	29
Depreciation and amortisation for the accounting period	-681	-720	-677	-717
- Accrued depreciation and amortisation according to plan December 31	-6,328	-5,647	-6,319	-5,642
Book value December 31	2,452	1,922	2,444	1,910
OTHER NON-CURRENT EXPENDITURE				
Acquisition cost January 1	621	621	608	608
+ Transfers between items	0	0	0	0
- Deductions during the accounting period	-13	0	0	0
Acquisition cost December 31	608	621	608	608
Accrued depreciation and amortisation January 1	-621	-615	-608	-601
Accrued depreciation and amortisation for deductions	13	1	0	0
Depreciation and amortisation for the accounting period	0	-7	0	-7
- Accrued depreciation and amortisation according to plan December 31	-608	-621	-608	-608
Book value December 31	0	0	0	0
LAND AND WATER AREAS				
Land and water areas				
Acquisition cost January 1	44,312	43,333	43,510	42,908
+ Additions during the accounting period	972	1,260	932	883
- Deductions during the accounting period	-575	-281	-575	-281
Acquisition cost December 31	44,709	44,312	43,867	43,510
Utility charges for properties				
Acquisition cost January 1	2,734	2,332	1,378	1,375
+ Transfers between items	251	402	0	2
- Deductions during the accounting period	0	0	0	0
Acquisition cost December 31	2,985	2,734	1,378	1,378
Land and water areas (total)	47,694	47,046	45,244	44,888

NOTES TO THE FINANCIAL STATEMENTS

	GROUP		FINAVIA	
	2008	2007	2008	2007
BUILDINGS AND STRUCTURES				
Acquisition cost January 1	541,690	495,387	393,095	376,412
+ Transfers between items	9,931	49,326	7,611	19,062
- Deductions during the accounting period	-345	-3,024	-118	-2,380
Acquisition cost December 31	551,276	541,690	400,588	393,095
Accumulated depreciation and amortisation				
according to plan January 1	-192,887	-178,465	-168,397	-157,454
Accrued depreciation and amortisation for deductions	204	2,879	118	2,380
Depreciation and amortisation for the accounting period	-18,034	-17,300	13,592	-13,323
- Accrued depreciation and amortisation according to plan December 31	-210,717	-192,887	-181,872	-168,397
Book value December 31	340,559	348,803	218,716	224,697
MACHINERY AND EQUIPMENT				
Acquisition cost January 1	354,060	339,696	338,589	327,305
+ Transfers between items	19,704	20,380	19,281	17,267
- Deductions during the accounting period	-2,962	-6,017	-2,933	-5,983
Acquisition cost December 31	370,802	354,060	354,936	338,589
Accrued depreciation and amortisation January 1				
	-232,061	-221,191	-224,482	-214,521
Accrued depreciation and amortisation for deductions	2,902	5,931	2,873	5,921
Depreciation and amortisation for the accounting period	-17,653	-16,801	-16,636	-15,882
- Accrued depreciation and amortisation according to plan December 31	-246,812	-232,061	-238,245	-224,482
Book value December 31	123,990	121,999	116,691	114,107
GROUND STRUCTURES				
Acquisition cost January 1	408,181	387,274	382,439	365,568
+ Transfers between items	27,283	20,919	24,668	16,884
- Deductions during the accounting period	0	-13	0	-13
Acquisition cost December 31	435,465	408,181	407,107	382,439
Accrued depreciation and amortisation January 1				
	-190,578	-176,172	-184,362	-171,545
Accrued depreciation and amortisation for deductions	0	13	0	13
Depreciation and amortisation for the accounting period	-15,354	-14,419	-13,720	-12,830
- Accrued depreciation and amortisation according to plan December 31	-205,932	-190,578	-198,082	-184,362
Book value December 31	229,533	217,603	209,025	198,078
ADVANCE PAYMENTS AND INCOMPLETE ACQUISITIONS				
Acquisition cost January 1	61,671	55,693	59,629	35,150
+ Additions during the accounting period	106,288	97,613	101,273	78,296
- Transfers between items	-58,381	-91,635	-52,771	-53,817
Acquisition cost December 31	109,578	61,671	108,131	59,629
SHARES AND HOLDINGS (SUBSIDIARIES AND OTHER SHARES)				
Acquisition cost January 1	499	477	36,269	36,004
+ Additions during the accounting period	0	23	0	264
- Deductions during the accounting period	0	0	0	0
Acquisition cost December 31	499	499	36,269	36,269

TOTAL

Acquisition cost January 1	1,421,337	1,331,805	1,263,068	1,192,310
+ Additions during the accounting period	107,260	98,896	102,205	79,443
Transfers between items	0	0	0	2
- Deductions during the accounting period	-3,896	-9,364	-3,626	-8,688
Acquisition cost December 31	1,524,701	1,421,338	1,361,646	1,263,068
Accrued depreciation and amortisation January 1	-621,794	-581,398	-583,491	-549,074
Accrued depreciation and amortisation for deductions	3,120	8,853	2,991	8,342
Depreciation and amortisation for the accounting period	-51,722	-49,247	-44,627	-42,759
- Accumulated depreciation and amortisation according to plan December 31	-670,396	-621,794	-625,126	-583,491
Book value December 31	854,305	799,544	736,520	679,577

8. OTHER SHARES AND HOLDINGS

	SHARES/ GROUP COMPANIES	SHARES/ SHARES COMPANIES	OTHER SHARES IN AFFILIATES AND HOLDINGS	OTHER INVESTMENTS
GROUP				
Acquisition cost January 1		8	491	3,232
+ Additions during the accounting period			0	358
- Deductions during the accounting period			0	0
Acquisition cost December 31	0	8	491	3,590
PARENT COMPANY				
Acquisition cost January 1	35,786		483	3,232
+ Additions during the accounting period	0		0	358
- Deductions during the accounting period	0		0	0
Acquisition cost December 31	35,786	0	483	3,590

9. GROUP COMPANIES

	GROUP'S OWNER- SHIP SHARE (%)	PARENT COMPANY'S OWNERSHIP SHARE (%)
Kiinteistö Oyj Lentäjantie 1, Vantaa	51.2	51.2
Airpro Oy, Vantaa	100.0	100.0
Kiinteistö Oy Turun Lentorahti, Vantaa	100.0	100.0
Kiinteistö Oyj Lentäjantie 3, Vantaa	60.9	60.9
Lentoasemakiinteistöt Oyj, Vantaa	100.0	100.0
IP-Kiinteistöt Oy, Vantaa	100.0	100.0

	BALANCE SHEET TOTAL IN EUROS	EQUITY 31.12.2008 IN EUROS	ACCOUNTING PERIOD'S TURNOVER IN EUROS	ACCOUNTING PERIOD'S PROFIT/LOSS IN EUROS
Kiinteistö Oyj Lentäjantie 1, Vantaa	32,178,483.29	7,803,289.61	1,371,448.42	-21.32
Airpro Oy, Vantaa	6,860,547.03	1,962,429.82	27,608,094.56	407,406.92
Kiinteistö Oy Turun Lentorahti, Vantaa	9,009,207.41	1,797,203.58	569,562.57	825.70
Kiinteistö Oyj Lentäjantie 3, Vantaa	10,913,656.27	1,182,914.34	597,250.07	266.16
Lentoasemakiinteistöt Oyj, Vantaa	79,928,186.18	8,660,149.44	9,999,047.20	800,620.07
IP-Kiinteistöt Oy, Vantaa	35,966,426.08	22,386,658.06	2,960,290.05	-318,831.19

	GROUP'S OWNER- SHIP SHARE (%)	PARENT COMPANY'S OWNERSHIP SHARE (%)	EQUITY 31.12.2008 IN EUROS	ACCOUNTING- PERIOD'S PROFIT/LOSS IN EUROS
HOLDINGS IN ASSOCIATES				
Helsinki-Vantaan Lentoaseman Taksipalvelut Oy, Vantaa	25.0	0.0	129,262.80	-93,124.64

10. RECEIVABLES FROM OTHER SUBSIDIARIES OF THE GROUP

	GROUP		FINAVIA	
	2008	2007	2008	2007
Accounts receivable			702	734
Prepaid expenses and accrued income			102	11
At the end of the accounting period			804	745

11. MATERIAL ITEMS CONTAINED IN ACCRUED INCOME

	GROUP		FINAVIA	
	2008	2007	2008	2007
Rent receivables	1,800	1,415	1,786	1,413
Interest receivables	108	179	107	177
Operating fee receivables	9	80	9	15
Portion of investments to be financed by external investors (T&E Centres, EU, municipalities)	3,604	-176	3,604	-176
Receivables from occupational health care (KELA)	528	476	363	349
Other	414	553	366	432
At the end of the accounting period	6,463	2,526	6,235	2,210

12. ADDITIONS AND DEDUCTIONS FROM EQUITY ITEMS

	GROUP		FINAVIA	
	2008	2007	2008	2007
Basic equity				
At the beginning of the accounting period	184,542	184,542	184,542	184,542
+ increases / - deductions				
At the end of the accounting period	184,542	184,542	184,542	184,542
Other equity				
At the beginning of the accounting period	237,130	237,096	237,130	237,096
+ increases / - deductions	0	35	0	35
At the end of the accounting period	237,130	237,130	237,130	237,130
Profit/loss brought forward	150,359	133,242	157,663	137,658
Share of accumulated depreciation in excess/less than plan	4,894	4,732		
Distribution of profit to owners	-15,700	-11,394	-15,700	-11,394
	139,553	126,580	141,963	126,264
Profit (+)/Loss (-) for the accounting period	35,442	28,511	34,707	31,399
Share of accumulated depreciation in excess/less than plan	-76	162		
Total equity	596,591	576,925	598,342	579,335

The change in other equity in 2007 is connected to a land area transferred from the Finnish Forest and Park Service to Finavia.

13. PROVISIONS

	GROUP		FINAVIA	
	2008	2007	2008	2007
Statutory provisions	2,900	3,143	2,784	3,036

The major items in statutory provisions on 31 December 2008:
A provision was made in 2004 for Finavia's EUR 3.8 million share of the uncovered pension liability of Eurocontrol, which Finavia will pay to the Eurocontrol Pension Fund (established on 1 January 2005) during the coming years. Following the items

paid in 2005–2008, the amount of the provision remaining is EUR 2,784,115. Airpro Oy recognised EUR 116,195 in claims for damages as statutory provisions (Dispute over the Flying Finn bankruptcy estate concerning receipt of receivables).

14. NON-CURRENT LIABILITIES

Loans maturing after five years or more.

	GROUP		FINAVIA	
	2008	2007	2008	2007
Loans from financial institutions	216,909	198,462	130,842	106,858

15. DEFERRED TAX LIABILITY

	GROUP		FINAVIA	
	2008	2007	2008	2007
For appropriations	1,778	1,819		

16. DEBT TO OTHER FINAVIA GROUP SUBSIDIARIES

	GROUP		FINAVIA	
	2008	2007	2008	2007
Accounts payable			1,119	1,105
Accrued expenses			245	86
At the end of the accounting period			1,364	1,191

17. MATERIAL ITEMS OF ACCRUED EXPENSES

	GROUP		FINAVIA	
	2008	2007	2008	2007
Holiday bonuses with social security contributions	14,989	14,443	13,605	13,215
Periodic salaries with social security contributions	1,500	1,575	899	1,035
TEL/VEL fees	1,439	1,559	1,356	1,333
Interest payable	3,494	3,204	668	616
Other	2,199	888	1,840	780
At the end of the accounting period	23,621	21,670	18,368	16,979

18. PROVISION OF SERVICES TO CUSTOMERS FUNDED FROM THE STATE BUDGET

	FINAVIA	
	2008	2007
Funding for services supplied		
Services provided to the Finnish Air Force	10,738	10,364
Compensation for standby duties	1,370	1,887
Services provided to the Meteorological Institute	1,578	1,552
Maintenance of rescue services	440	440
Operations of the Finnish Aviation Academy at Pori Airport	344	217
Opening hours at night in Turku for sea salvage operations	329	329
Subsidies for vocational training	2,549	2,062
	17,348	16,850

The State Enterprise Act (1185/2002) applies to Finavia from the start of 2006 based on a transitional provision. According to section 2 of the Act, a State Enterprise shall operate in compliance with business principles. Section 7 of the Act states that the State budget may contain an appropriation to finance an economically unviable task imposed upon a State Enterprise.

During 2007–2008, Finavia received appropriations from the state budget in return for the provision of services to fund the operations of the Finnish Aviation Academy at Pori Airport and to compensate for the opening hours at night of Turku Airport for sea salvage operations. In addition, the Ministry of the Interior pays the costs of search and rescue operations in full.

Partial funding to carry out investment projects and for operational procedures

	FINAVIA	
	2008	2007
To carry out investment projects (via T&E Centres)	1,176	282
For operational procedures (from the Criminal Sanctions Agency)	1,015	1,015
	2,191	1,297

19. PERSONNEL COVERED BY STATE FUNDING

	FINAVIA	
	2008	2007
Number of employees	21	21
Salaries and bonuses paid	282	292

20. FUNDING FROM THE EU AND MUNICIPALITIES

	FINAVIA	
	2008	2007
Partial funding to carry out investment projects		
- from municipalities	1,413	33
- via T&E Centres from the EU	437	0

21. GUARANTEES, PLEDGES AND LIABILITIES

The numbers listed are in accordance with the remaining equity values.

	GROUP		FINAVIA	
	2008	2007	2008	2007
Loans of the subsidiaries for which the pledge was given:				
Loans from financial institutions	60,548	66,003	60,548	66,003
Bank account overdraft facility	1,000	84	1,000	84
Commercial Paper Programme	10,000	10,000	10,000	10,000
Total guarantees given	71,548	76,087	71,548	76,087
Loans of the subsidiaries for which the pledge was given (encumbrance to the lease and the subsidiary's building)				
Loans from financial institutions	35,525	36,592		
Pledges on own behalf, total:	38,523	38,523		
Finavia and its subsidiaries have agreed on covenants with the provider of financing for securing the following loans:				
Kiinteistö Oy Turun Lentorahti	6,055	6,296		
In the covenants, an undertaking has been given to maintain the solvency ratio of Koy Turun Lentorahti Oy at the agreed level. The debtor cannot pledge or otherwise use its assets as collateral without the bank's written permission. Finavia agrees to maintain its present holding of Koy Turun Lentorahti.				
IP-Kiinteistöt Oy	12,666	10,484		
In the covenants, IP-Kiinteistöt Oy has undertaken to maintain its solvency ratio at the agreed level and Finavia has undertaken to maintain its stake in IP-Kiinteistöt Oy.				
Other guarantee liabilities	436	83	436	
Leasing liabilities				
To be paid during the 2009 accounting period	5,349	5,264	4,513	4,435
To be paid later	18,785	18,546	15,999	15,580
Guarantees, pledges and liabilities given (total)	153,362	155,283	92,496	96,102

OTHER LIABILITIES

The CAA protects itself against changes in electricity acquisition prices through derivative contracts (forward contracts).

In the financial statements for 2008, the nominal value of the portfolio was EUR 14,533,603 and the fair value of derivatives was EUR -3,351,420.

22. FINAVIA'S ELECTRIC POWER GRID OPERATIONS

Itemised statement for the electric power grid operations and sales revenues as required by the Electricity Marketing Act (386/1995).

PRINCIPLES FOR CATEGORISING THE JOINT COSTS AND BALANCE SHEET ITEMS**INCOME STATEMENT****Planned depreciations**

Planned depreciations are calculated according to the common depreciation principles of the Finavia Group.

Other operating costs

A share of the general running costs of Helsinki-Vantaa Airport – in proportion to the number of personnel – has been assigned

to the electric company's electric power grid operations at the airport. In addition, a share of the costs incurred by the Finavia Group/Headquarters has been assigned to the electricity network operations in proportion to the budgeted costs.

BALANCE SHEET

When electric power grid operations began in 1996, the opening balance sheet consisted of fixed assets for network operations (equipment and buildings). Assets under balance sheet liabilities were divided between basic capital and other equity during the start-up phase.

Personnel

The average number of staff employed for grid operations during the financial period was 6 (7).

INCOME STATEMENTS	POWER PLANT			
	NETWORK OPERATIONS		SALES OPERATIONS	
	2008	2007	2008	2007
TURNOVER	2,152	2,126	5,045	4,292
Materials and services				
Materials and supplies				
Purchases during the accounting period	697	702	4,826	4,082
External services	259	187	7	30
Staff expenses				
Salaries and bonuses	275	243	22	23
Indirect staff expenses				
Pension expenses	51	50	4	5
Other indirect staff expenses	15	13	1	1
Planned depreciations and impairments				
Intellectual property rights	5	0		
Buildings and structures	35	35		
Machinery and equipment	449	435		
	489	470		
Other operating costs	239	481	12	17
OPERATING PROFIT	127	-20	172	134
Financial income and expenses				
Other interest and financial expenses	-111	-53		
PROFIT BEFORE APPROPRIATIONS	16	-73	172	134
PROFIT FOR THE PERIOD	16	-73	172	134

BALANCE SHEET	NETWORK OPERATIONS	
	2008	2007
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intellectual property rights	69	0
Tangible assets		
Buildings and structures	799	846
Machinery and equipment	5,064	5,141
Advance payments and incomplete acquisitions	784	94
	6,647	6,081
CURRENT ASSETS		
Receivables		
Current		
Accounts receivable	959	845
Prepaid expenses and accrued income	0	0
	959	845
	7,676	6,926
EQUITY AND LIABILITIES		
EQUITY		
Basic equity	1,312	1,312
Other start-up equity	875	875
Profit from the previous accounting periods	1,281	1,353
Profit for the period	16	-73
	3,484	3,467
DEBT		
Non-current		
Membership fees	1,436	732
Current		
Accounts payable	463	248
Other debt	2,133	2,420
Accrued expenses	161	59
	2,756	2,727
	7,676	6,926

Net investments in 2008 were EUR 1,135,904.46.

Return on investment (%)

Return on investment (%) in grid operations was 4.38% (0.62% in 2007).

formula:

$$\frac{(\text{operating profit/-loss} + \text{interest expenses and other financing expenses})}{\text{Equity} + \text{interest-bearing financing loans}}$$

23. EMISSION RIGHTS

Finavia's Energy and Water unit has been granted an emission quota of 921.0 tonnes/annum for 2008 (district heating plant). 196,585 tonnes of this quota was used.

TO THE GOVERNMENT

We have audited Finavia's accounting records, financial statements, annual report and administration for the accounting period 1 January – 31 December 2008. The financial statements consist of the balance sheet, income statement, cash flow statement and notes of Finavia and Finavia Group.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board of Directors and Chief Executive Officer are responsible for the preparation of the financial statements and annual report and for ensuring that they give a true and fair view pursuant to the rules and regulations in force in Finland concerning the preparation of the financial statements and annual report. The Board of Directors is responsible for the appropriate handling of accounting and the monitoring of financial administration, and the Chief Executive Officer is responsible for ensuring the accounting is in accordance with the law and financial administration has been organised in a reliable manner.

RESPONSIBILITIES OF THE AUDITOR

The auditor must perform the audit in accordance with good Finnish auditing practice and on its basis give a statement on the financial statements, consolidated financial statements and annual report. Good auditing practice requires following professional ethical principles and the planning and implementation of the audit so as to obtain reasonable assurance that there are no material errors in the financial statements or annual report. The purpose of our audit of the administration is to examine whether members of the Board of Directors of Finavia and the Chief Executive Officer have complied with the provisions of the State Enterprise Act.

The auditing measures should verify the correctness of the figures and other information in the financial statements and annual report. The choice of the measures is based on the auditor's judgement and assessment of the risk that the financial statements contain a material inaccuracy results from malpractice or a mistake. In planning the necessary auditing measures, internal control related to the preparation and presentation of the financial statements is also evaluated. In addition, the assessment covers the general method of presenting the financial statements and annual report, the principles used in drawing up the financial statements, and evaluations applied by the management in preparing the financial statements.

We have conducted the audit in accordance with sound Finnish accounting practice. In our opinion, we have performed a sufficient number of auditing measures suitable for the purpose in order to formulate our statement.

STATEMENT

In our opinion, the financial statements and annual report give a true a fair view of the operations, finances, economic development and financial liabilities of Finavia and Finavia Group in accordance with the rules and regulations in force in Finland concerning the preparation of financial statements and the annual report. There are no inconsistencies between the information in the annual report and the financial statements.

Finavia's administration has been organised in accordance with laws and decrees, and the decisions of Parliament, the Government, Ministries, and other supervisory decisions. Finavia's internal supervision and inspection have been organised appropriately. There are no obstacles to the proposal of the Board of Directors for the use of the profit for the accounting period.

Vantaa, 17 March 2009

Seppo Akselinmäki
Chartered Public Finance Auditor

Robert Kajander
Chartered Accountant

Vantaa, 4 March 2009

Jussi Järventaus

Pirkko Juntti

Rita Linna

Pauli Manninen

Eeva Niskavaara

Hannu Seristö

Erja Takala

Samuli Haapasalo
President and Chief Executive Officer

An auditor's report on the accounts has been issued today.

Vantaa, 17 March 2009

Seppo Akselinmäki,
Chartered Public Finance Auditor

Robert Kajander, Chartered Accountant
Chartered Accountant

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OF FINAVIA'S INTERIM
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