

FINAVIA

ANNUAL REPORT

2013

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We enhanced our operations and prepared for growth

Finavia creates the prerequisites for smooth, safe and cost-efficient air traffic. Year 2013 in air traffic was marked by uncertainty regarding the operating environment and the economy. We concentrated on improving the efficiency of our operations and on our development as a service company – we prepared for future growth.



INTERNATIONAL AIR TRAVEL INCREASED

Economic uncertainty continued to weaken the demand for air traffic in 2013. The passenger volumes in international traffic developed positively towards the end of the year. The number of passengers using Helsinki Airport hit a new record of 15.3 million.



OPERATIONAL RESULT IMPROVED

Finavia Group's revenues were EUR 352.8 million (359.2). Weak demand, particularly early in the year, was reflected in the slight decrease in revenues. Thanks to efficiency measures, the operating result excluding non-recurring items improved to EUR 44.8 million (40.8).



TOWARDS SERVICE WORLD OF THE FUTURE

In 2013, Finavia continued its development as a service company. We concentrated on service expertise and signed new partnership agreements which will bring new services of international standard for our passengers.



THE DEVELOPMENT PROGRAMME STARTS

Finavia received a capital injection of EUR 200 million from the Finnish State, which enables the EUR 900 million development programme at Helsinki Airport to begin. The programme will continue until 2020. There will also be more investments at network airports.

Key indicators

KEY FINANCIAL INDICATORS, FINAVIA GROUP

EUR million	2013	2012	Change
Revenues, - Finland	352.8 100%	359.2 100%	-2.0%
Operating result without extraordinary items, as percentage of revenues	44.8 12.7%	40.8 11.4%	
Result for the period -as percentage of revenues	15.1 4.3%	15.5 4.3%	-3.0%
Return on equity, %	4.4%	4.8%	
Return on investment, %	3.4%	3.6%	
Equity ratio, %	46.9%	46.1%	
Net gearing ratio, %	47.4%	51.6%	
Cash flow from operations	34.2	68.1	-50.0%
Investments	42.1	45.1	-7.0%
Investment ratio	11.9%	12.6%	
Personnel on 31 December - Finland	2,814 2,840	2,840 2,840	-1.0%
Dividends paid	0	0	0%

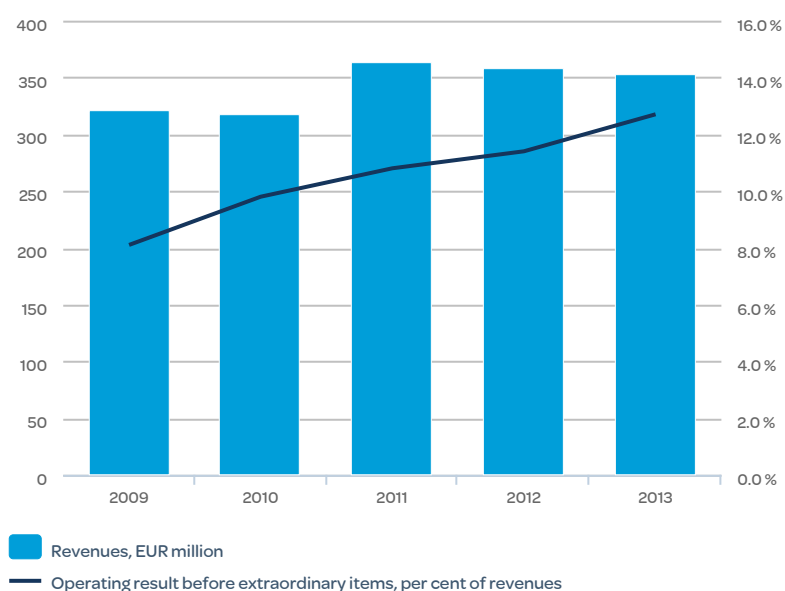
Finavia's General Meeting approved the Board of Directors' proposal that the company will distribute EUR 1.7 million as dividends. In addition, the GM decided that the parts of the weather observation systems and software completed in 2012

and 2013, owned by Finavia Corporation, will be transferred to the Finnish State, into the possession of the Ministry of Transport and Communications at their fair value of approximately EUR 1.4 million, as shown on the financial statements.

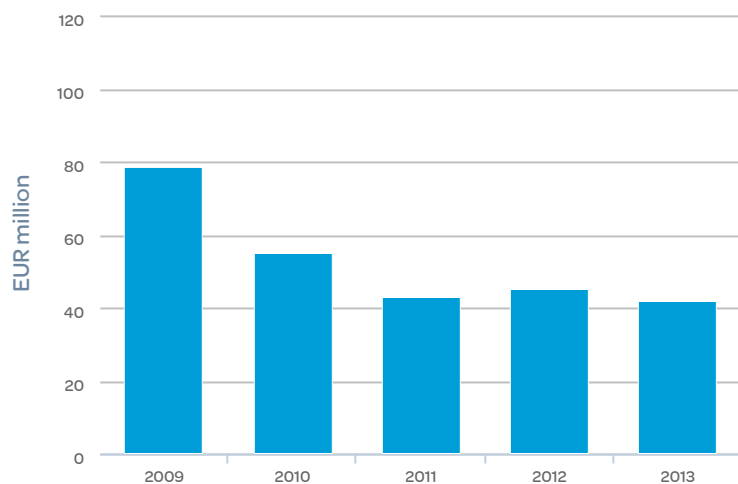
REVENUES BY BUSINESS AREA

	2013	2012	Change
Helsinki Airport	149.3	146.9	1.6%
Airport Network	41.3	42.9	-3.7%
Passengers services	57.8	58.5	-1.1%
Air Navigations services	63.7	66.1	-3.6%
Airpro	47.1	51.5	-8.4%
Real estate operations	15.6	15.1	1.3%
Eliminations	-22.1	-21.8	-1.8%
Group Total	352.8	359.2	-1.8%

Revenues and operating result before extraordinary items,
per cent of revenues



Investments



OTHER KEY INDICATORS

	2013	2012	Change
Passengers in commercial aviation, million	19.0	19.2	-0.9%
Number of flights	413,057	433,735	-4.8%
Amount of freight, tonnes	187,474	192,310	-2.5%
Amount of mail transported, tonnes	11,237	12,143	-7.5%
LAK Oyj's real estate portfolio, m ²	113,000	106,000	6.6%

OTHER KEY INDICATORS, Helsinki Airport

	2013	2012	Change
Passengers, million	15.3	14.9	2.8%
Passengers on Asian flights, million	1.9	1.8	5.0%
Number of flights	169,921	173,966	-2.3%
Number of airlines with regular services on Dec 31	25	29	-13%
Number of route destinations on Dec 31	86	82	4.0%
Leasable sales premises, m ²	14,342	14,342	0%

Major events

15.3

HELSINKI AIRPORT HAD A RECORD-BREAKING TOTAL OF 15.3 MILLION PASSENGERS

The number of passengers using Helsinki Airport reached a new record due to considerable increase in international transit travel. The 15 millionth passenger of 2013 arrived at Helsinki Airport on 19 December. Finavia expects 20 million passengers to pass through the airport every year in the 2020s.



NEW ROUTES AND AIRLINES ENHANCED CONNECTIONS TO ASIA

In June, Finnair opened routes to Xi'an, China and Hanoi, Vietnam. In July, Japan Airlines started daily flights between Helsinki Airport and Tokyo. At Helsinki Airport, Finavia has invested resources in services aimed at international passengers, in particular Asian transit passengers.



EUR 900 MILLION DEVELOPMENT PROGRAMME FOR HELSINKI AIRPORT

Finavia received a capital injection of EUR 200 million from the Finnish State. It enables launching the EUR 900 million development programme of historical proportions at Helsinki Airport. The aim of the investments is to ensure that Helsinki Airport will be able to maintain its strong competitive position in transit traffic between Europe and Asia. The development programme started in January 2014 and runs until 2020.



FINAVIA'S SHOP OPERATIONS AT HELSINKI AIRPORT TRANSFERRED TO WDFG

In November, Finavia announced that the shops at Helsinki Airport are to be transferred to World Duty Free Group. The first WDFG shops will open in spring 2014 and provide passengers with new types of memorable experiences and increasingly diverse shopping opportunities of international standard.



HELSINKI AIRPORT NAMED BEST AIRPORT IN NORTHERN EUROPE

In spring 2013, Helsinki Airport was named the best airport in Northern Europe in the esteemed World Airport Awards organised by Skytrax. In the Airport Service Quality survey measuring customer satisfaction, Helsinki Airport maintained its strong position in its reference group as a smooth transit airport.



EFFICIENCY OF AIR NAVIGATION SERVICES IMPROVED

As part of the process of improving the efficiency of Finavia's air navigation services, Finland's area control will be established in Vantaa. Finavia will establish an area control centre in Vantaa in 2015, and part of the operations will continue in Aitovuori, Tampere at least until 2018. The purpose of improving the efficiency of air navigation services is to respond to the European competitive situation and the challenges posed by regulation.



EUR 35 MILLION INVESTMENT PROGRAMME FOR THE REFURBISHMENT OF NETWORK AIRPORTS IN 2014

Things will start happening at the Tampere-Pirkkala, Turku, Vaasa, Oulu, Rovaniemi, Ivalo and Kittilä Airports in 2014. In December, Finavia announced a EUR 35 million refurbishment and modernisation programme for the provincial airports. Most of the programme will be implemented in 2014.

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60TH ANNIVERSARY OF OULU AIRPORT

Air traffic in Oulu started in 1953 using a gravel runway. Oulu Airport celebrated its 60th anniversary in 2013. It is currently the second largest airport in Finland, serving almost 900,000 passengers every year. During 2000–2013, Finavia has spent a total of EUR 40 million on developing the airport – and the work continues.



VAASA AIRPORT MODERNISED

Modernisation work at Vaasa Airport progressed in 2013: the terminal space usage, luggage handling, shop services and security checks were developed. In September, Aviator Solaris, a work by Stefan Lindfors, was unveiled. Finavia acquired the work together with the Brothers Gröndahl Foundation.



NOISE CONTROL CONTINUED

The approach methods of some of the airplanes landing at Helsinki Airport were revised in November; this will reduce the noise in Kerava and Sipoo. In addition, the routes and noise level of air traffic using Helsinki Airport can be monitored almost in real time using the WebTrak online service published by Finavia.



PASSENGER-FRIENDLY COMMUNICATIONS IN WEB AND MOBILE CHANNELS

Finavia's new, passenger-oriented website opened in August. The website is designed for easy access with any terminal device. In November, Finavia's Helsinki Airport mobile application was awarded the first prize in the public sector category of the Best Mobile Service 2013 awards organised by Teleforum ry and the Federation of Finnish Technology Industries.



NEW INVESTMENTS IN SNOW-HOW

The operational capabilities of Finavia's airports in snowy conditions are top class internationally, and this was further enhanced in 2013. During the last two years, over EUR 12 million has been invested in the strategically important snow clearing equipment, both at Helsinki Airport and at network airports.

Review by the CEO

In 2013, we took many steps in our development and improved the efficiency of our operations in many ways. The considerable economic uncertainty was reflected in our operations. We continued to develop as a service company and made preparations to start the extensive Helsinki Airport development programme in 2014.



OUR ORGANISATION SHOWED ITS FUNCTIONALITY IN A DIFFICULT ECONOMIC SITUATION

The change made at the end of 2012 in our business structure has worked well, and we achieved our goal: our method of operation made our everyday activities simpler and improved our customer service and cost-efficiency. I am therefore pleased to say that the choices we made proved to be the right ones. Our safety culture, the basis of our activities in all situations, also continued to develop.

The early part of 2013 can be described as most challenging, as far as the operating environment and demand for air traffic were concerned. However, the passenger volumes in international traffic started growing towards the end of the year in line with our forecasts. Our revenues for 2013 decreased, but thanks to our joint efforts, our operating result improved in spite of the difficult operating environment. At the same time, the standard of our customer service continued to improve, and our operative indicators rose. Every Finavia employee deserves thanks for a job

well done. Together, we met the expectations placed on the new organisation.

TOWARDS TOMORROW'S GROWTH

In addition to improving the efficiency of our operations, we firmly set our sights on future growth. It is vitally important for functional air traffic and hence, the competitiveness of Finland as a whole, that Helsinki Airport succeeds in the considerably intense international competition between transit airports.

The prerequisites for the success of Helsinki Airport improved significantly when the State of Finland decided in autumn 2013 to provide Finavia with a capital injection of EUR 200 million. The increase in equity makes it possible to carry out the EUR 900 million development programme at Helsinki Airport; we started the programme at the beginning of 2014. Now Helsinki Airport has the means to grow along with the air traffic market and offer our airline customers the new airport capacity which the growth of their businesses requires.

The first phases of the Helsinki Airport development programme are related particularly to improving passenger comfort. We are increasing our security check capacity and extending our range of services. We gave up our own duty free business in 2013 and concluded new international partnership agreements which will extend our offering already in 2014.



THE AIRPORT NETWORK NEEDS GROWTH IN PASSENGER VOLUMES

Alongside the growth potential of Helsinki Airport, Finavia wants to look after the domestic network of high-quality airports. Thanks to the capital injection, we can direct more of our cash flow to covering the network airport repair loans and to developing our main airports.

In the 2000s, air traffic has lost out to other modes of transport, particularly over short distances. Passenger volumes kept decreasing also in 2013. In my view, the declining trend in air traffic

can be reversed, however. Above all, it requires securing the prerequisites for success for the Finnish tourism industry. When the Finnish tourism industry is successful, the new passenger flows will in the end also create more comprehensive domestic flight connections.

The air transport strategy work, conducted under the leadership of the Ministry of Transport and Communications, is scheduled for completion in 2014. Finavia has been actively participating in this work. As the final outcome of the traffic strategy work, the Government will make policy decisions. Political decisions have a long-lasting impact on Finavia's operating prerequisites and the development of the company, which is why we are keeping a close eye on the matter.

WE CONTINUED TO IMPROVE THE EFFICIENCY OF AIR NAVIGATION SERVICES

The past year also kept us busy improving the efficiency of air navigation services. Following detailed investigations, we decided jointly with our personnel to establish a Finnish area control centre in Vantaa in 2015.

Financially, our air navigation services are clearly operating at a loss, which is why efficiency measures are necessary. The performance targets for air navigation services, binding on the Finnish State, also require efficiency measures. During 2014, we shall continue preparations for establishing the area control centre in Vantaa in a dialogue with Trafi (the public authority

overseeing our operations) and the air navigation services personnel. We will not make any compromises when ensuring the safety aspects, even in change situations.

YEAR 2014 MARKS THE START OF AN IMPORTANT DEVELOPMENT PHASE

Our improved efficiency and better result lay the foundation for developing Helsinki Airport to serve 20 million passengers early in the coming decade. We must keep looking after our efficiency in order to maintain our competitiveness and in order to secure functional flight connections. Ensuring the prerequisites for Finland's success in the midst of economic structural change is an important element of Finavia's economic and social responsibility. Economically sustainable business is also a necessary condition for us to be able to look after our personnel and environment in a responsible manner.

I appreciate the work done by our personnel during the year, and hope that our efforts are conveyed to each of our airline customers, passengers and partners. In 2014, we will continue our work as a first-class service company and provide airlines and passengers with exceedingly smooth airline services with memorable experiences so that our airline customers and Finnish society will have the optimal conditions for success.

Kari Savolainen

Chief Executive Officer

Asia offers growth potential in intensified competition

The radical change in the business logic of airport operators continues as the focus switches from infrastructure maintenance to running a service business. The factors affecting Finavia's operating environment include the general economic situation, tightening regulation and the growing service expectations of passengers, as well as the long-standing state of radical change in airlines' earnings logic and competition. The growth of international air and transit travel and the Asian economies represent key opportunities for Finavia.

The airport operators operate in a changing environment affected by a multitude of different factors. Certain trends generally affecting Finavia's operating environment are described below. The factors that particularly impacted operations in 2013 are discussed in more detail in the section entitled Operating environment 2013.



General increase in affluence and decrease in flight prices

International air traffic is growing in the long run: urbanisation, demographic factors and increasing affluence all support the growth. The real prices of airline tickets have decreased by about 60 per cent during the last 40 years, hand-in-hand with the lowering real costs of air traffic. It is expected that global air traffic will grow annually by about five per cent during the next 20 years. The volume of traffic is expected to double in the next 15 to 20 years.

Economic situation

Both the global and the European economic situation affect the demand for passenger and freight traffic. The economic situation also affects the competitive situation between airlines. As the

airlines' income per passenger drops, the demands for the efficiency of the entire value chain of air traffic increase – including the cost efficiency of airport operators. The airlines' needs to change their structure are an essential factor affecting the development of the entire industry.

Air traffic grows in Asia

The developing markets and growing middle class in Asian countries increase the demand for air traffic. The importance of connections between the Far East and Europe is increasing, and this will also create growth potential for passenger traffic via Helsinki Airport thanks to its advantageous geographical location. For example, it is estimated that passenger traffic between Europe and Asia-Pacific will grow by more than 6 per cent per year for the next 20 years, while the expected annual growth of Europe's internal traffic is about 3.5 per cent.

Intensifying competition between transit airports

The competition between European transit airports has intensified, and several investment programmes running to billions of euro are in progress. The main competitors of Helsinki Airport are the major transit airports in Europe – Frankfurt, Paris, Munich, London and Istanbul – as well as the rapidly growing airports in the Middle East. Copenhagen, Oslo, Stockholm and St Petersburg are also seeking to increase their market shares. Airplane manufacturer Airbus predicted in February 2013 that Helsinki Airport would grow to be one of the main hubs of global air traffic by 2031. In the estimate of Airbus, over 10,000 long-distance passengers per day will travel through each hub.

The rise of economy airlines in Europe

In recent years, economy airlines have grown significantly in Europe's internal routes, and their business model has challenged the conventional network airlines. The increased supply has also created new demand. The earnings logic of economy airlines and the quick changes in what they offer require Finavia to have flexible service production models and cost-efficient operations and bring their own challenges to the development of airport infrastructure.

Intensifying regulation and strong market supervision

Operating an airport is a licensed and strictly regulated business. Regulation concerns, for example, aviation safety, environmental matters and the pricing of Finavia's services. Intensifying regulation increases the investment and maintenance costs of airport operators. However, given the intense competitive situation between airlines, this means that the airport operators must constantly improve the efficiency of their operations in order to reduce unit costs of air traffic. The development of air navigation services is strongly guided by the formation of European airspace blocks, the air navigation services' performance targets that are binding to the Finnish State and the future opening of air navigation services to competition.

The operating environment of air traffic in Finland

Finavia's business potential is affected by developments in traffic policy in Finland, the integration of different modes of transport and political policy decisions regarding air traffic strategies. The domestic passenger volumes are reduced, among other factors, by the migration of people to major cities in the south and the improved competitiveness of alternative modes of transport. New demand can be created in certain areas, particularly on the basis of increasing international tourism. In Finland's internal traffic, the airlines are expected to base their operations on more economical models.

Growing service expectations

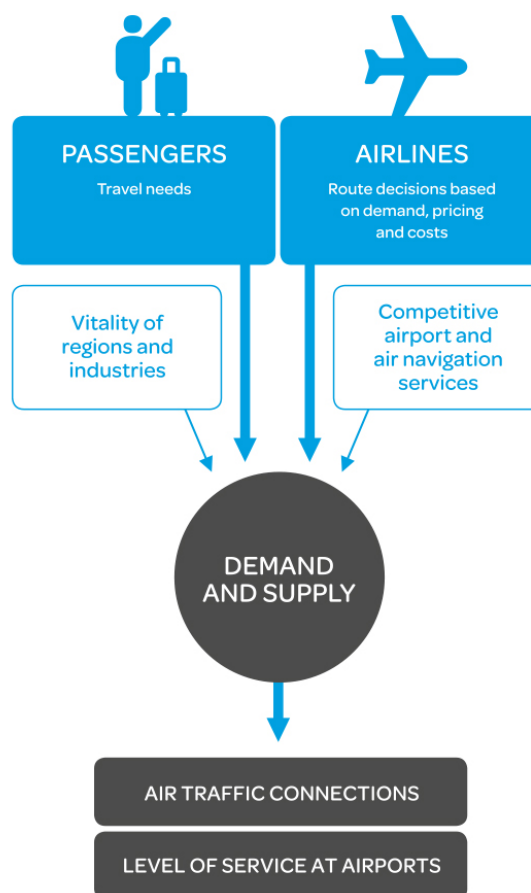
Airports are expected to provide individual services, memorable experiences and fluent travelling. Improvement of these aspects is also the goal of the investment programmes in progress in many European major airports. Finavia's extensive development programme at Helsinki Airport, designed to facilitate the prerequisites for growth, started in the beginning of 2014. Earlier travelling experience affects e.g. the choice of transit airport: it is becoming more important to stand out among competing airports. A unique travelling experience is one of the key considerations guiding Finavia's business development and investments.

AIR TRAFFIC CONNECTIONS ARE BASED ON DEMAND AND THE PROFITABILITY OF CONNECTIONS

The number and routes of available flight connections are the sum of many factors. Functional flight connections are based on

sufficient demand, created by the needs of tourism or business, for example. Without demand, airlines cannot achieve sufficient profitability on a given route.

From the point of view of airlines, profitability is not only affected by demand, but also the pricing of air tickets and costs, the most significant of which are staff and fuel costs. The service charges levied by airports and air navigation services are not decisive for the profitability of airlines, because the service charges represent, on average, about 6.5 per cent of the costs incurred by airlines (source: The Aviation & Aerospace Almanac, ICAO Air Transport Reporting Form EF-1).



The charges collected by Finavia from airlines are discussed in more detail in the section Competitive pricing.

Demand for air traffic is the key factor affecting the operating environment

In 2013, air traffic passenger volumes increased globally. The growth concentrated on developing markets in Asia, Middle East and Eastern Europe. In Europe, the continued economic uncertainty affected domestic demand in particular.

EUROPEAN AIR TRAFFIC EXPERIENCED MODERATE GROWTH

According to Airports Council International (ACI), the passenger volumes at European airports increased by 2.8 per cent (1.8). The growth was particularly strong in airports outside the EU where the growth was 9.6 per cent (8.8). As in 2012, the growth in EU airports was more modest as passenger volumes only grew by 1.0 per cent (0.2).

The growth of passenger volumes in Europe, together with the moderate increases in the capacity of airlines and the decrease in the number of operations, led to better occupancy rates of planes and thus to an improvement in the efficiency of aviation.

The number of air traffic operations decreased by 4.8 per cent (-2.1). The volume of freight traffic decreased during the year by 0.9 per cent (-2.8).

Globally, the air traffic passenger volumes increased by 4.0 per cent (3.9).

The global structural change in air traffic continued in 2013, and the competition between airports was intense. Passenger volumes at European airports increased by **+2.8%**.



AIRLINES ARE STILL FACING A CHALLENGING OPERATING ENVIRONMENT

The global restructuring of air traffic continued in 2013. This was evidenced by intense competition, overcapacity, structural arrangements and companies becoming increasingly specialised.

The challenging competitive situation was also evidenced by the cost saving and restructuring programmes of several airlines, particularly network airlines.

The cost pressures of airlines continued in 2013, also due to the continued high price levels of aviation fuel. Aviation fuel constitutes the biggest individual cost item for airlines.

At Finnish airports, the efficiency of air traffic improved due to higher occupancy rates and the use of larger airplanes. Airlines continued to rapidly react to decreasing demand and assessed the profitability of routes on the basis of their occupancy rates.

CAUTIOUSNESS OF CONSUMERS WAS ALSO REFLECTED ON AIRPORTS

The cautiousness of consumers due to the general economic situation was also evident in the development of passenger services as passengers did less shopping at the airports. The behaviour of consumers also evidenced the general radical change in commerce and the effect of web shopping on the shopping patterns of consumers.

OUTLOOK FOR 2014

The continuing economic difficulties in Europe and the slowdown in Asian economies mean uncertainties for the industry. Expectations for growth have picked up since summer 2013, but they are still very cautious. Therefore, Finavia is preparing for a situation where fluctuations in supply and demand will also continue at its airports during 2014. Changes in demand result in rapid adjustments of capacity by air carriers with the objective of achieving maximum occupancy rates. The outlook for 2014 is discussed in more detail in the Board of Directors' report.

The interim report on air traffic strategy was completed

Work on air traffic strategy is in progress in Finland under the leadership of the Ministry of Transport and Communications. It will provide guidelines for the future of air traffic in Finland. The interim report of this strategy work was published in December 2013. Finavia is actively participating in the strategy work as one of the key actors.

The air traffic strategy is one of the actions listed in the traffic policy report. The Finnish Government submitted its traffic policy report to Parliament in April 2012, and it contains traffic policy decisions for 2012–2022.

The report mentions air traffic and airport network as one particular challenge. Air traffic is very important for Finland's national competitiveness and for the functioning of its entire traffic system.

According to the interim report issued in December 2013, e.g. the following actions have been taken in preparing the strategy:

- Ceiling targets have been set for the service level of air traffic in the strategy work; these targets can be used for assessing the airport network and flight connections.

- A set of criteria has been produced for assessing the airport network. The criteria were set from the points of view of accessibility, travellers, airport keepers and airlines.
- Airports were divided into six categories on the basis of their characteristics, passenger volumes and position/function.
- Preliminary alternative scenarios have been produced for supporting the development of the airport network. The work for assessing them will continue in 2014.

Finavia expects the preparation of the air traffic strategy to intensify the cooperation between different actors so that Finland's position in international competition is secured and so that as much demand as possible is created for the air traffic in different regions of Finland.

The strategy work is scheduled for completion in late 2014.

Reforms and intensifying requirements of regulation modify the operating environment

Operating an airport is a strictly regulated business. Particularly the requirements regarding safety and the environment increase the need for investments.

The regulation regarding the maintenance of an airport affects Finavia's business development prerequisites and investment capability in many ways. The regulation has extensive implications on e.g. the requirements on air traffic safety, environmental matters and the pricing of Finavia's services, as well as the requirements on the competence and qualifications of personnel. Certain topical subjects of regulation in 2013 are presented below.

THE EU LIQUIDS REGULATION ENTERS INTO FORCE

The EU Regulation on the security screening of liquids carried in hand baggage entered into force in January 2014, which is why Finavia invested in special liquid analysers in 2013. The investment amounted to about EUR 3 million.

Pursuant to the Regulation, any baby foods, liquid pharmaceuticals, liquids required for special diets and Tax Free liquids carried in hand baggage are inspected using a liquid analyser. The regulation amendment does not affect passengers.

PREPARATIONS BEGAN FOR INTRODUCING THE EUROPEAN AVIATION REGULATIONS

During the year, Finavia began the preparations for introducing the set of regulations on European air safety. The new AGA regulations of the European Air Safety Agency (EASA) will enter into force in 2014 and replace the national regulations during the transitional period ending in 2017.

The new regulations mean that airport operators must re-apply for the licence to operate the airport. In 2013, Finavia put the new certification procedure in trial use for Rovaniemi Airport. Finavia's airport network is already largely compliant with EASA's requirements.

PROPOSAL REGARDING THE EUROPEAN COMMISSION'S STATE SUBSIDY REFORM

In 2013, the European Commission made preparations for a reform intended to prevent any bias in the use of various state subsidies for securing the operating prerequisites of airports. The EU commission issued its amendment proposal at the beginning of 2014. According to the proposal, the new guidelines concern

investment subsidies and operational subsidies for small airports in particular. The new EU guidelines have no immediate impact on the maintenance of Finavia's airports, because their operations and investments are still financed with the cash flow from Finavia's operations.

Finavia is of the opinion that due to the small traffic volumes in Finland, all airports cannot be expected to be profitable, and cross-subsidies from Helsinki Airport must be permitted to continue. This would make it possible to secure the financing of airports pivotal to Finnish society.

PERFORMANCE PLAN GUIDES THE DEVELOPMENT OF AIR NAVIGATION SERVICES

The Finnish State and Finavia's air navigation services business are bound by the air navigation performance plan drawn up for Finland in 2011 for 2012–2014 as part of the development towards the Single European Sky. The plan guides the development of air navigation services within the constraints of several very challenging targets.

In June 2013, the European Commission issued the SES 2+ regulation proposal which requires that air traffic services and air navigation support services should be provided by different companies. According to the proposal, support service procurement should be subject to competitive tendering. In practice, only air traffic services, i.e. the core services of air traffic control would be excluded from tendering.

DEBATE ON PERMISSIBLE ANTI-SKID AGENTS CONTINUED

The Society of Automotive Engineers (SAE) responsible for, among other things, the standardisation of anti-skid agents used at airports, is in the process of making amendments to the standards due to the adverse effects that acetates and formates have on airplane materials. When implemented, these amendments would in practice prevent the use of acetates and formates for anti-skid treatments.

Finavia and other airports have participated in the work of the SAE G-12 committee with the aim of preventing the standard amendments detrimental to the maintenance of airports.

Our strategy relies on international success

At the core of our strategy is ensuring the competitiveness of Finland in international air traffic and the position of Helsinki Airport as a leading transit airport. That allows us to utilise the growth potential provided by Asia in particular. It is also of strategic importance to Finavia to secure an efficient network of airports to support air traffic in Finland. The development of efficiency and profitability are strategic focal points of all our business operations.

Our task is to create, by means of functional air traffic, the prerequisites for the competitiveness of Finnish society, movement of people and goods as well as international reach. We accomplish this by producing safe and cost-effective air traffic services of high quality. Responsibility, such as producing services in an environmentally sustainable manner, is closely linked to our business.

Safety, customer orientation, efficiency and ability to reform – as well as collaboration, transparency and environmental and social responsibility – are our values. We base all of our operations on them.



MISSION

Finavia's mission is to create prerequisites for competitiveness, mobility and international reach of Finnish society. This will be implemented by producing safe, cost-effective and high quality air traffic services in an environmentally sustainable manner. Our objective is to produce added economic value, but our success is also assessed through the fulfilment of our social service mission.

VISION

Finavia is a profitable, respected and well-managed service company whose operations are among the best of all international actors. Finavia creates the prerequisites for safe and competitive air traffic in Finland.

CORE AREAS OF OUR STRATEGY UNTIL 2015

We secure the competitiveness of Helsinki Airport and its position as a leading transit airport. The fulfilment of Finavia's service mission in an economically sustainable manner requires Helsinki Airport to be successful in Asian transit travel.

We are developing the efficiency and profitability of our airport network in order to maintain its competitiveness and to enable demand-oriented air traffic in different parts of Finland.

We are re-organising the air navigation services business in compliance with the Single European Sky requirements.

We shall improve the income from passenger services to a good international level.

VALUES

Safety

Customer orientation

Efficiency and ability to renew

Collaboration and transparency

Environmental and social responsibility

We continued to improve the efficiency of our operations and development of Finavia as a first-class service company

Success in the competition between airports and the utilisation of future growth potential guided the implementation of our strategy in 2013.

Core areas of the strategy	Accomplishments in 2013
We secure the competitiveness of Helsinki Airport and its position as a leading transit airport.	• Planning work for the EUR 900 million development programme of Helsinki Airport started in 2013 when the Finnish Government decided on a capital injection of EUR 200 million for Finavia. • Implementation of the development programme started in early 2014 and will continue until 2020. • The number of passengers using Helsinki Airport exceeded 15 million for the first time ever. • New routes to Asia were opened. They contributed to the position of Helsinki Airport as the fifth most important transit airport in Europe for Asian traffic. • Passenger volume of Asian flights increased by 5.0%. • We maintained the competitive position of Helsinki Airport as the fourth least expensive major airport in Europe. We were the least expensive of major transit airports. • We invested in punctuality and in the fluency of the airplane turnaround process. The minimum transit time remained at 35 minutes, among the shortest in Europe.
We are developing the efficiency and profitability of our airport network in order to maintain its competitiveness.	• The renovation projects at Vaasa and Oulu Airports were completed. • We continued to review the methods of operation at the network airports in order to improve efficiency. • We sought closer cooperation with our partners in different areas in order to strengthen the demand potential for air traffic. Our aim is to secure efficient connections to the international air traffic network for all people in Finland. • We put the reformed Finavia brand in practical use at the network airports and continued the development of the passenger experience. • We actively participated in air traffic strategy work where the policy decisions regarding the future of air traffic in Finland are made. The air traffic strategy work, conducted under the leadership of the Ministry of Transport and Communications, is scheduled for completion in 2014. • We decided on a EUR 35 million investment programme for the network airports in 2014.
We are re-organising the air navigation services business in compliance with the Single European Sky requirements.	• We decided on the significant re-organisation of air navigation services: The Finnish area control services will be produced both in Vantaa and Tampere from 2015. In 2018, we shall assess whether area control services should be continued in both locations or should the Tampere area control be discontinued during 2018.

	• We decided to integrate some of the area control operator duties in the flight advice unit in Vantaa. • We continued cooperation projects with the providers of air navigation services who belong in the North European Functional Airspace Block NEFAB in order to improve cost efficiency. • We developed our operations in order to meet the performance targets of air navigation services that are binding to the Finnish State and Finavia.
We shall improve the income from passenger services to a good international level.	• We decided to divest our own duty free business and start cooperation with World Duty Free Group at Helsinki Airport. The goal is to create a first-class shopping environment of international standard for Helsinki Airport. • We signed a Letter Of Intent with HMSHost regarding restaurant operations at Helsinki Airport with the aim of introducing new types of food concepts to the airport. In the future, the current restaurant operator SSP Finland Oy and other restaurant entrepreneurs will also operate at Helsinki Airport. • We further diversified the service offering of Helsinki Airport and introduced new services and products ranging from a passenger rest area to top brands. • We started the complete renovation of the shopping area for long distance flights. • We increased entrepreneur cooperation and enhanced the sales promotion methods and customer service culture.

Day-to-day co-operation with Japan Airlines

Japan Airlines opened a new daily route from Tokyo to Helsinki in July 2013 – the airline's first new European route launch for 20 years. Tatsuro Nomoto, Assistant Manager at Japan Airlines, recounts the company's first experiences about the new route and co-operation with Finavia.



Japan Airlines' major European hubs are located in London and Paris. "We were looking for a new hub to connect Japan and Europe more conveniently. Helsinki's ideal location meets our strategy perfectly. In addition, Helsinki is the hub of our Oneworld partner Finnair," Tatsuro Nomoto explains the logic behind the route launch. Helsinki also provides travellers with numerous connecting flight destinations: "After the new route launch, we have received many positive comments from our customers. The passengers appreciate that through Helsinki Airport, the travel time to their destinations has shortened."

Helsinki's location enables airlines to operate Helsinki-Asia return flights in 24 hours, which is a major competitive advantage.

Helsinki was the first new European connection launch of Japan Airlines in 20 years. Co-operation with Finavia started already in

the planning phase and it includes, for example, daily check-ups with regards to punctuality of schedules and handling of luggage. Finavia also brings the different operators together, including the border guard authorities and ground handling operators. "We feel that Helsinki Airport takes good care of airlines. Whenever we have faced an issue, the airport has been very co-operative. Passengers are also well taken care of."

Finavia puts special focus on serving Asian travellers: Helsinki Airport has for instance airport signage and information on the website in Japanese. Citizens of Japan who have a biometric passport may also use the convenient automated border control at Helsinki Airport.

"A perfect airport provides smooth travelling. This means offering short connecting times and providing a rich and comfortable experience to travellers. Fast tracks, moving walkways, larger playgrounds for children and placing the transit counter at an even more easy-to-locate spot are potential improvements to further increase the smoothness of travelling at Helsinki Airport," Tatsuro Nomoto concludes.

Helsinki Airport is the leading transit airport in Northern Europe for travel between Europe and Asia. Measured by the number of flights, Helsinki Airport is the 4th most important European airport for traffic between Japan and Europe, providing the shortest and fastest connections. In addition to Japan Airlines, Finnair operates daily flights to Tokyo as well as Nagoya and Osaka. Helsinki's location enables airlines to operate Helsinki-Asia return flights in 24 hours, which is a major competitive advantage due to efficient aircraft utilisation.

The shortest route from St. Petersburg to Australia

Sofia Komissarchik from St. Petersburg is on the last leg of her trip to Australia before returning home: "We flew from Helsinki Airport via Singapore to Melbourne, and now we are on our way back to St. Petersburg. This was the shortest and also least expensive route."



Over 600,000 Russians travel every year via Helsinki Airport. They arrive both by car and plane. An unofficial count taken at the airport parking lot during the 2013 Christmas season showed that as many as half of the cars parked there were Russian. Matti Aarnos, a service advisor guiding international passengers every day, says that Russian tourists appreciate being able to leave their cars at the airport for the duration of their journey without any worries.

Helsinki Airport has several inexpensive connections to the world.

Sofia Komissarchik also considers safety and a peaceful atmosphere to be important advantages for Helsinki Airport. She also commends other practical matters: "Free luggage trolleys, good signposts and mobile charging stations," Sofia lists. "Helsinki Airport is also attractive for us Russians because of its prices. It has several inexpensive connections to the world, and the trip to Helsinki is short and convenient."

This traveller returning from the gigantic Singapore Airport also has some fresh ideas for developing Helsinki Airport. "I would like to see more entertainment at the airport, preferably free of charge. If the passenger has to stay longer than usual at the airport, a sight-seeing tour could be available as a programme, for instance. When people see the best parts of the city, they are more likely to come again."

Memorable journeys begin from the airport

Over the years, the importance of good service in airport operations has increased – this is particularly true at the peaks of the tourist season. This is well known by Martti Oinas, regional director for Lapland and head of Rovaniemi Airport; he has been involved in the development of aviation ever since the 1970s and worked at several airports operated by Finavia. In 2013, the passenger volume of Rovaniemi Airport increased to almost 430,000 passengers.



Rovaniemi, the capital of Lapland, is the regional centre for arctic region tourism, economy and administration. At best, 4,000 customers per day travel through Rovaniemi Airport during the Christmas season. At those times, the passengers are served at the airport by 80 regular employees and 20 seasonal employees plus the people working in the restaurants, shops and the Customs and the Border Guard.

We are particularly waiting for growth from Asia from where passengers arrive all round the year. Memorable experiences are here close by.

In December 2013, charter planes from a total of 17 different countries arrived Rovaniemi, but there is scheduled traffic throughout the year. Most of the travellers arriving from Asia and

Europe fly to Lapland via Helsinki using one of the 4–5 daily connections. “The operational reliability of the airport is important particularly to those passengers who only spend one day in Lapland. The plane must be able to land at the agreed airport at the agreed time. We also work in close cooperation with local tour operators to ensure the customer has smooth onward connections from the airport,” says Martti Oinas.

Service-minded attitude and flexibility are foremost on Martti Oinas's mind when he deliberates on the types of competence particularly required in airport work. Ensuring safety in all circumstances and employee qualifications are also important.

The first visit of the supersonic Concorde to the Nordic countries in Rovaniemi in 1984 is one of the memorable occasions in Martti Oinas's career. He also sees a bright future for the Lapland airports: “Initially, international publicity gave a boost for tourism. The Brits still make up the largest individual group of tourists at Rovaniemi Airport. We are particularly waiting for growth from Asia from where passengers arrive all round the year. Memorable experiences are here close by.”

The passenger volumes of many airports in Lapland have increased over the last few years, driven by tourism. So, the attraction of Lapland creates demand for flights and makes the airlines to introduce more planes to the routes. The trend has been the reverse in many other regions in Finland: the passenger volumes of air traffic have decreased over the years as the competitiveness of other modes of transport has improved.

The world via us

Finavia's core business consists of airport and passenger services as well as air navigation services. In addition, the Group includes the real estate company Lentoasemakiinteistöt Oyj and Airpro Oy, a company producing various services for airlines and airports.



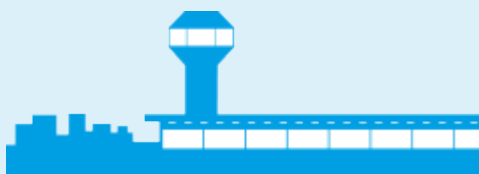
Lentoasemakiinteistöt Oyj (LAK) maintained its high occupancy rate, better than average on the office premises market.

In 2013, Airpro concentrated on improving the efficiency of its operations. The year was challenging due to the changes in customer base, among others.

25

Finavia's comprehensive network of 25 airports enables international connections from Finland – and to different parts of Finland.

Domestic passenger volumes continued to decrease in 2013. The number of passengers using Helsinki Airport reached a new record. The range of services providing memorable experiences was expanded.



Air navigation services continued to improve the efficiency of its operations in 2013. A decision was taken to concentrate Finnish area control at Helsinki Airport gradually from 2015.

Intensive development of the Single European Sky continued.

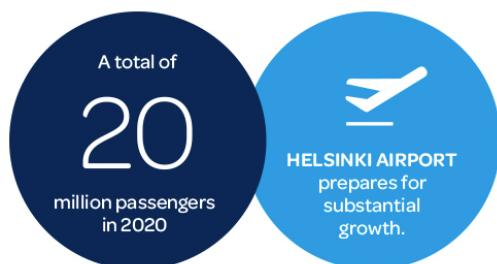
International air traffic is growing – the decline of domestic traffic continued

In 2013, the passenger volumes at Finavia's airports were slightly smaller than in the previous year. The main reason for this was the continued decline of domestic air travel. However, the volumes at Helsinki Airport continued to increase due to the good development of international transit traffic. The airport made a new record when the annual number of passengers exceeded 15 million for the first time.



YEAR 2013 FOR THE AIRPORTS

- A total of 19.0 million passengers (19.2), of which 15.3 million at Helsinki Airport
- The number of departing transit passengers grew by 5.9% to 2.4 million.
- The passenger volumes of domestic flights decreased by 10.3%. Only Rovaniemi and Lappeenranta increased their passenger volumes
- Customer satisfaction improved both at Helsinki Airport and at other airports in the network
- The work for improving the fluency of travelling and providing memorable service experiences continued.



EXTENSIVE DEVELOPMENT PROGRAMME STARTS

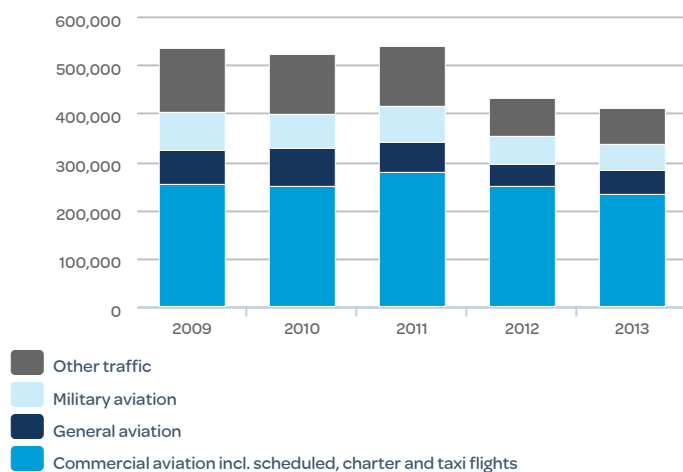
In autumn 2013, Finavia decided to initiate an approximately EUR 900 million development programme for Helsinki Airport. The extensive investment programme is part of the airport's preparations for growth and for serving 20 million passengers a year in the early 2020s. The development can now start as the Finnish Government has decided to provide Finavia with a capital injection of EUR 200 million. The work at the airport started in early 2014.

In addition to the development programme, the work to create the service world of the future will continue at Helsinki Airport. In the period 2014–2016, Finavia will invest about EUR 30 million in renovating the restaurant and shopping services at the airport.

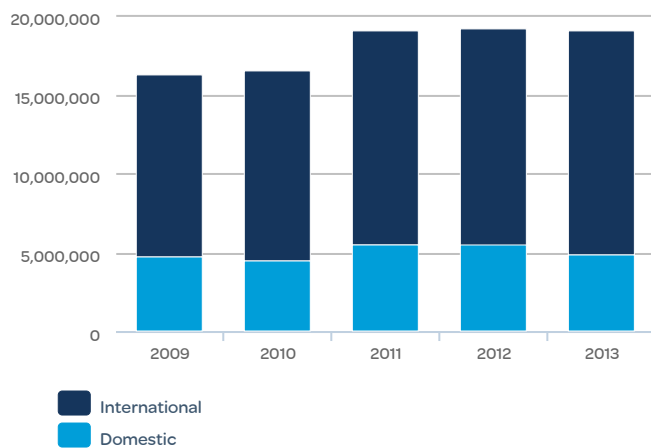
Maintenance and development investments totalling approximately EUR 35 million will be implemented in the airport network.



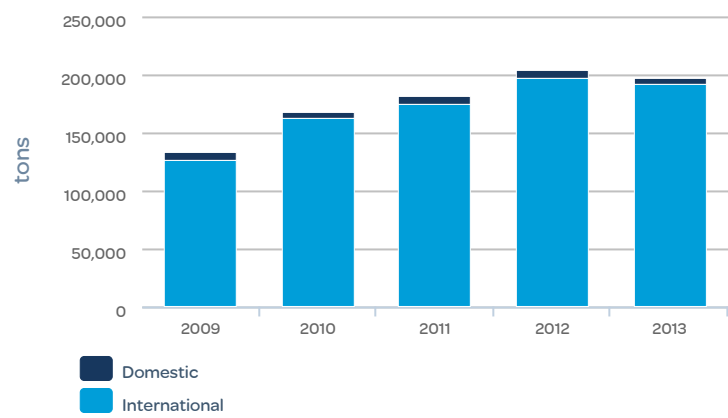
Finavia's airports' operations (take offs and landings)



Passengers at Finavia's airports



Freight traffic at Finavia's airports



Transit travel continued to grow – record-breaking number of passengers at Helsinki Airport, over 15 million

The number of passengers using Helsinki Airport grew by 2.5 per cent to 15.3 million (14.9). The growth was primarily due to the good development of international travel – it increased by 5.6 per cent. Domestic traffic at Helsinki Airport decreased by 9.7 per cent.

Helsinki Airport strengthened its position as the leading transit airport in Northern Europe as transit travel – strategically important for Finavia – continued to grow. International transit travel increased by 7.6 per cent from the previous year. There was a particularly strong increase in the number of passengers changing from one international flight to another, which grew by 10.6 per cent to 1.6 million.

The number of travellers on Asian routes increased by 5.0 per cent to 1.86 million passengers (1.77). With its increasing market share, Helsinki Airport was the fifth most important airport in Europe for Asian traffic.

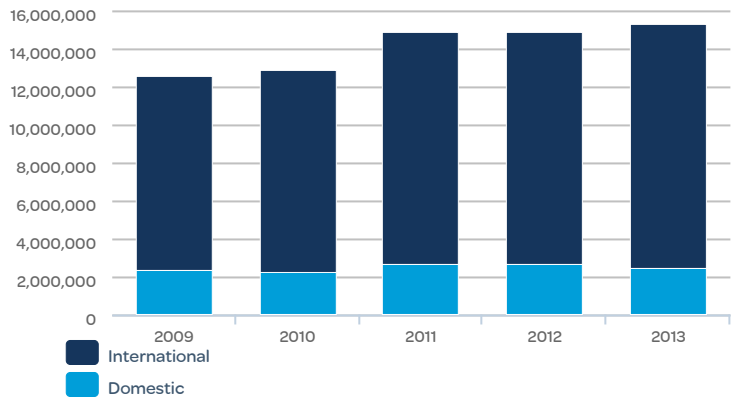
The positive trend in international traffic was also reflected in the number of landings, which remained virtually at the previous year's level. The number of landings at Helsinki Airport decreased by 2.2 per cent (-11.0).

The revenues of Helsinki Airport remained at the previous year's level and was EUR 149.3 million (146.9). The revenues increased strongly towards the end of the year as the volume of international travel returned to the pre-recession growth track.

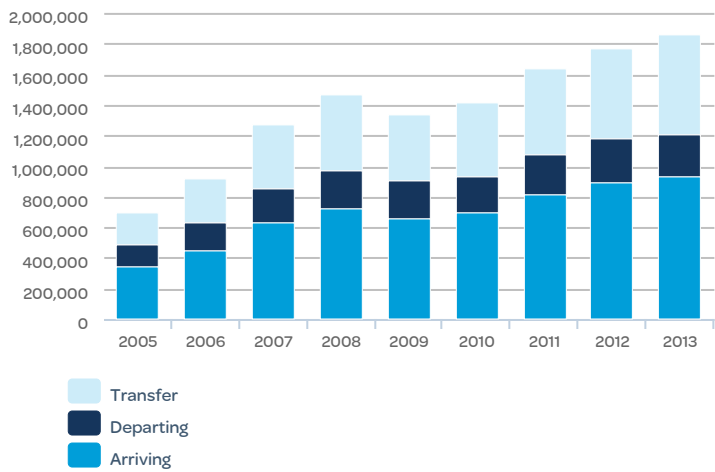
In Finavia's air traffic statistics, international travel at Helsinki Airport means passengers departing from Helsinki Airport on an international flight. Thus, the figures include passengers arriving at Helsinki-Vantaa by plane and in other vehicles. International transit travel includes all passengers who arrive at Helsinki Airport either on a domestic or an international flight and who continue on an international flight.



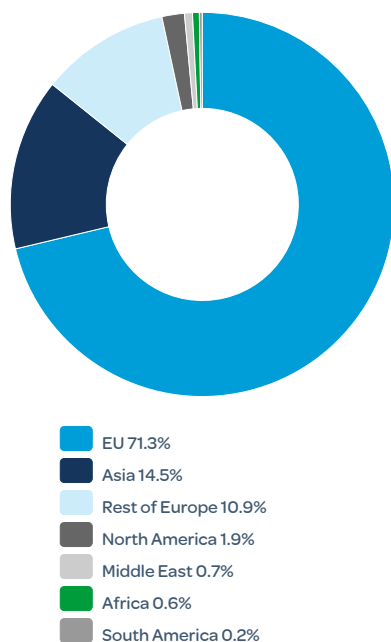
Passengers at Helsinki Airport



Passengers to Asia at Helsinki Airport



International passenger traffic at Helsinki Airport, per cent of the passengers



NEW DIRECT FLIGHTS TO ASIA

The Asian traffic of Helsinki Airport was enhanced by new routes: In line with its strategy, Finnair opened direct connections to Vietnam's capital Hanoi and Xi'an, China for the 2013 summer season.

In July, Japan Airlines started its direct flights between Tokyo and Helsinki. Finavia competed for the new connection to Japan with several other transit airports. It can be considered good news for the Finnish economy that the airline decided to deploy its aircraft investments in flights to and from Finland.

WIDER SELECTION OF INTERNATIONAL DESTINATIONS

Besides the new Asian connections, the choice of international destinations became wider in other respects as well. In April,

Norwegian added the fifth aircraft to its Finnish fleet, thus increasing its choice of European flights. The Spanish carrier Vueling was a new company to start flying to and from Helsinki Airport as it launched a connection to Barcelona in May 2013.

Severstal Aircompany started direct flights between Cherepovets, Russia and Helsinki in June. This is the only direct connection from Cherepovets to Europe. The Polish company EuroLOT.com announced that it would start flights between Gdansk and Helsinki in March 2014. The Russian airline S7 announced that it would start flying between Moscow and Helsinki in April 2014. The new connection is based on the agreement concluded between Finland and Russia in October with the aim to increase the number of flight connections between the two countries.

Smoother turnaround for airplanes

In 2013, travelling was made smoother and the turnaround of planes was enhanced at Helsinki Airport in close cooperation with airline customers and other partners.

The most significant investment in 2013 was the further development of the second central remote aircraft de-icing station commissioned in 2012. A total of EUR 13,6 million was invested in the area in 2013. The work concentrated on improving the traffic arrangements in order to allow more efficient use of the centralised remote de-icing areas.

Centralised remote de-icing is discussed in more detail in the Responsibility section of the Annual Report.

CDM NOW DEPLOYED IN FULL

The smoother turnaround of airplanes at the Helsinki Airport was facilitated by deploying the CDM (Airport Collaborative Decision Making) method. Finavia introduced the CDM method to Helsinki Airport at the end of 2012 as the first airport in Northern Europe.

In January 2013, the CDM of Helsinki Airport was integrated with the European air traffic regulation system. This allows more exact and detailed sharing of information on the airplanes' take-off preparations between the airport and the Network Manager (NM) unit of Eurocontrol, the European air traffic coordinator. This, in turn, will facilitate more efficient utilisation of the European airspace.

Thanks to CDM, the taxiing time of airplanes at Helsinki Airport has shortened, which also reduces the emissions from the airplane engines.

MORE EFFICIENT TURNAROUND OF AIRPLANES AT THE AIRPORTS

One example of this development work for making the turnaround of airplanes more efficient – which will also benefit passengers – is a pilot scheme initiated with Norwegian involving the simultaneous use of the back and front doors as the passengers embark and disembark the plane.

The use of both doors was made more extensive in 2013, and other airlines also started utilising this option. Thanks to the use of both doors, the turnaround of airplanes becomes on average 5 to 10 minutes quicker.

SNOW-HOW MACHINERY WAS UPGRADED

One of the cornerstones of Finavia's competitiveness is its ability to keep runways in summer condition in any weather. In 2013, a total of EUR 2.5 million was invested in snow-how and related equipment at Helsinki Airport. In addition to equipment procurement, new sensor technology was acquired for monitoring runway conditions.

The latest technology and automation make travelling smoother

There were more possibilities for self-service as the utilisation of new technology became more extensive at Helsinki Airport in 2013. One of the themes of the year was the aim to make check-in and security checks more fluent, particularly during peak hours.

The work in developing the passengers' possibilities for self-service continued at Helsinki Airport during the year.

The number of self-service check-in posts was increased in cooperation with airlines. New check-in machines were introduced, and there were a total of 49 of them at the end of the year. 12 further check-in machines will be added in 2014. At the end of the year, there were four automatic luggage drop points utilised by Norwegian and SAS, and their number will increase by about 10 in 2014. There are 30 border check machines at Helsinki Airport.

Finavia aims to improve the smooth flow of travelling, the level of service and the capacity by means of self-service and new technology. Self-service will allow passengers some flexibility regarding the time they check in, even out rush hour peaks at the airport, and support the cost-efficiency drive of the airlines.

AUTOMATIC SECURITY CHECK FOR TERMINAL 2

In 2013, an automatic security check line was in pilot operation at Terminal 2. The new type of security check has a line for X-rayed hand luggage and a second line, the person check line. The degree of automation for security checks will continue to be increased as

part of the drive to facilitate the smooth flow of passengers at Helsinki Airport.

Security checks were also developed by launching a quick security check option that the airlines can offer as a premium service. The quality of customer service in security checks has also been an object of development. The work done in 2013 was rewarded by a record-high amount of positive customer feedback.

THE NUMBER OF AUTOMATIC BORDER CHECK MACHINES WAS ALSO INCREASED

During the year, the number of automatic border check machines was increased by five, and there are now 30 machines. The possibility for using the machines was extended in 2012 to cover Japanese passengers in addition to the EU, EEA and Swiss citizens.

The service level of the airport was also improved by extensive monitor upgrades in the terminals; this work will continue in the coming years. With the upgrade, the screen sizes are also increased. The new monitors also allow displaying additional information in addition to the normal flight details.

Towards tomorrow's service world

The passengers expect the airport to provide even stronger memorable experiences and world-class shopping facilities. The World Duty Free Group, HMSHost and rest area are examples of the steps taken during the year by Helsinki Airport in its quest to create a first-class travelling environment.

WDFG STARTS AT HELSINKI AIRPORT – FINAVIA GAVE UP ITS OWN DUTY FREE BUSINESS

The World Duty Free Group (WDFG) started its operations at Helsinki Airport in March 2014. Finavia sold its duty free business to WDFG as a transfer of business in March 2013. After this, Finavia will no longer have shop operations of its own at Helsinki Airport.

WDFG is the biggest actor in the business in Europe, with operations in over 100 airports. The international partner allows the provision of better service, new brands and a more attractive range of products.

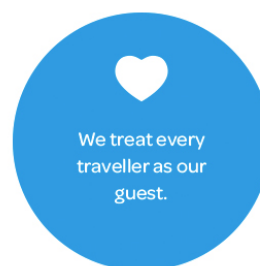
The first totally new WDFG shops will open in 2015. As part of the agreement, WDFG has also committed to making considerable investments in the shops at Helsinki Airport, and their development. The introduction of an international operator at Helsinki Airport indicates Finland's strong position as a hub for air traffic.

HMSHOST TO START RESTAURANT OPERATIONS

In October, Finavia signed a Letter Of Intent regarding restaurant operations at Helsinki Airport with HMSHost, one of the world's largest restaurant operators. The intention is to create new food concepts at the airport, based on both international and Finnish flavours.

HMSHost will open services during 2014–2016. In the future, the current restaurant operator SSP Finland Oy and other restaurant entrepreneurs will also operate at Helsinki Airport.

In March 2014, Finavia announced that it had concluded an agreement with SSP Finland Oy, valid until 2024. SSP will continue to produce services at Helsinki, Turku, Oulu and Rovaniemi Airports and will invest, as part of the agreement, a total of EUR 8 million in its places of operation.



NOVELTIES PROVIDING MEMORABLE EXPERIENCES FOR THE LONG DISTANCE FLIGHTS AREA

Travelling became even more relaxed in September when Finavia opened a unique rest area at Helsinki Airport. Passengers have access to different kinds of reclining chairs and a separate, closed space with sleeping berths. In addition, the ArtPort concept of Helsinki Airport was extended when Finavia placed Auringonkukkapelto (Field of daisies), a work by sculptor Eila Hiltunen, in the long distance flights area for the duration of the renovation works at Didrichsen Art Gallery.

The total renovation of shops in the long distance flights area began in November 2013. The previous shops will be replaced in April 2014 by a renovated area providing luxury brands, among other things.

THE DEVELOPMENT OF TOP-NOTCH SERVICES CONTINUES

The extensive development programme of Helsinki Airport, running until 2020, started at the beginning of 2014. In addition to the development programme, Finavia will invest about EUR 30 million during 2014–2016 for upgrading the restaurant and shopping services; the aim is to provide the passengers with first-class services and shopping possibilities of international standard. As the station of the Ring Rail Line opens, Finavia will also develop services to non-air travellers.

The excellent competitiveness of Helsinki Airport supports growth

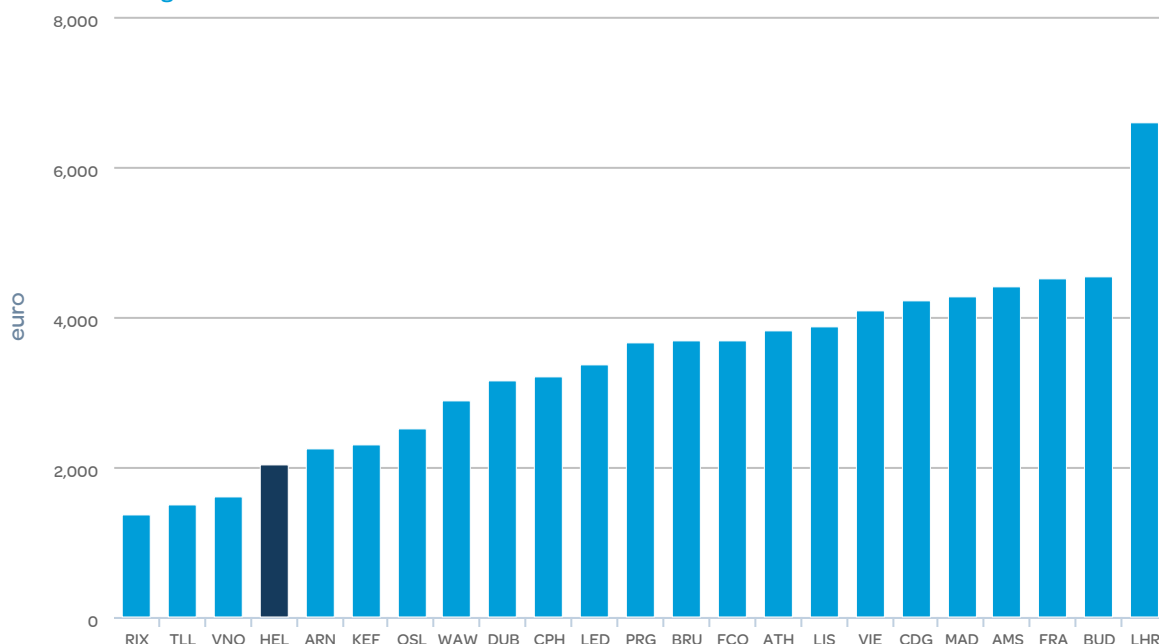
Competition between the European transit airports intensified during 2013. The cornerstones of the competitive edge of Helsinki Airport, i.e. the inexpensive air traffic charges, passenger satisfaction and punctuality, remained very good.

Finavia's traffic charges remained at a very competitive level in 2013. As in the previous year, Helsinki Airport was the fourth least expensive in a price comparison of the main European airports.

Finavia applies uniform pricing at all its airports, i.e. the charges collected from the airlines are same for the same service and are based on the level of service.

Helsinki Airport's international competitiveness:

air traffic charges 2013 - Airbus A320



RIX=Riga, VNO=Vilnius, TLL=Tallinn, HEL= Helsinki, ARN=Arlanda, KEF=Keflavik, OSL=Oslo, WAW=Warsaw, DUB=Dublin, CPH=Copenhagen, LED=Pulkovo, PRG=Prague, BRU=Brussels, FCO=Fiumicino, ATH=Athens, LIS=Lisbon, VIE=Vienna, CDG=Charles De Gaulle, MAD=Madrid, AMS=Amsterdam, FRA=Frankfurt, BUD=Budapest, LHR=Heathrow

When looking at the charges related to transit travel, Finavia was in 2013 the least expensive of all major European transit airports.

In addition to the inexpensive air traffic charges, Finavia supports the growth of air traffic by offering discounts on the charges for new routes. The history of Finavia's pricing and the method of determining the prices are discussed in more detail in the Responsibility section of the Annual Report.

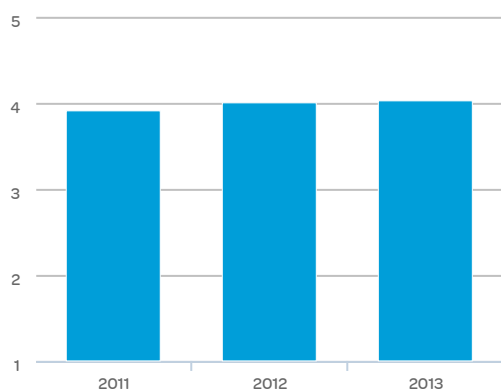
PASSENGER SATISFACTION REMAINED AT THE PREVIOUS YEAR'S LEVEL

The passengers using Helsinki Airport are very satisfied with it. This was shown by the international Airport Service Quality survey measuring customer satisfaction: the overall grade for the year was 4.03 (4.02) on a scale of 1 to 5.

According to the survey, the strengths of Helsinki Airport are the feeling of safety, ease of movement and changing planes, short walking distances and wireless network. Border control, flight

detail displays and the friendliness of airport personnel were also highly rated. The survey indicated that queuing times for security check and border control had scope for improvement. These queuing times were affected by an increasing number of passengers towards the end of the year. The capacity of security checks and border controls will be increased in the investment programme initiated in 2014 in order to secure their smooth flow.

Passenger satisfaction at Helsinki Airport



Average on a scale of 1–5

Source: Airport Service Quality Survey

BEST AIRPORT IN NORTHERN EUROPE

Helsinki Airport has received many awards as a fluent and passenger-friendly airport: in 2013, it was elected the best in Northern Europe in the prestigious Skytrax comparison of World Airport Awards. Helsinki Airport was ranked sixth in the whole of Europe and 15th globally. The survey analysed almost 40 different areas.

VERY HIGH PUNCTUALITY IN AIR TRAFFIC

As in the previous year, the punctuality of traffic departing Helsinki Airport was very good. The share of delays caused to departing

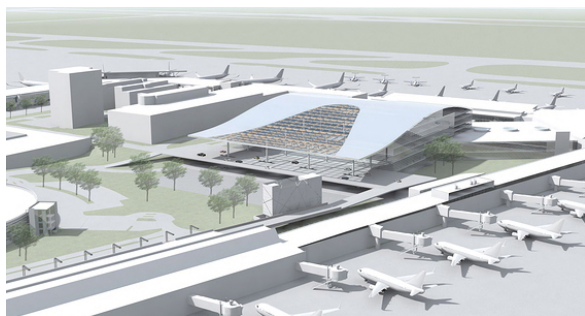
flights by the airport's own actions was in 2013 only 0.87 per cent (1.44) of all recorded delays, a very good result in international comparison. Furthermore, the minimum transit remained at 35 minutes, among the shortest in Europe.

The excellent punctuality is supported by the CDM method that makes travelling smoother. Helsinki Airport was the first Nordic airport to introduce the method. CDM means shorter taxiing times at departure, for example.

flights by the airport's own actions was in 2013 only 0.87 per cent (1.44) of all recorded delays, a very good result in international comparison. Furthermore, the minimum transit remained at 35 minutes, among the shortest in Europe.

Helsinki Airport is preparing for the increased traffic volumes of the 2020s

In autumn 2013, Finavia decided on the initiation of a development programme of approximately EUR 900 million for Helsinki Airport. The extensive investment programme is part of the airport's preparations for serving 20 million passengers a year in the early 2020s. The development is made possible by the decision taken by the Finnish Government to provide Finavia with a capital injection of EUR 200 million.



This historically large investment programme will strengthen the leading position of Helsinki Airport in transit traffic between Europe and Asia. The development programme, scheduled for 2014-2020 will, in particular, increase the check-in and transit passenger capacity and improve the traffic arrangements.

With the current traffic structure, Helsinki Airport has capacity for 15 million passengers, a limit already reached. The growth of air traffic threatens to cause congestion at the airport in the coming years, which is why the investment programme is vital for ensuring fluent travelling even in the future.

The competition between European transit airports is extremely intense, and many main airports have their investment programmes running in billions of euro.

WORK STARTED IN JANUARY 2014 BY MAKING CHECK-IN MORE FLUENT

The Helsinki Airport development programme will have a total cost of about EUR 900 million. The airport will be renovated by

listening to the passengers' suggestions and capacity will be increased on the basis of demand for air traffic. The construction of new infrastructure, such as the possible satellite terminal, is estimated not to start until 2015 at the earliest.

Start of the development programme: in the first phase, the check-in operations in Terminal 2 are to be made more fluent

- New security check-point for summer 2014: five new lines
- Check-in will be modernised by adding 12 check-in and 10 bag drop machines
- The goal is to have the security check performed in less than 15 minutes for all passengers
- Congress facilities will be reformed

THE POTENTIAL FOR DEVELOPING NETWORK AIRPORTS IS INCREASING

Due to EU regulations, the capital injection provided by the Government is earmarked for the development of Helsinki Airport. Finavia must pay back the Government's investment using the income from the airport business.

However, the capital injection will release Finavia's cash flow for maintaining its other airports. In addition to the development programme, Finavia will carry out repairs and maintenance costing about EUR 100 million at its airports and in air navigation services.

The intention is to implement most of the first phase of the EUR 35 million investment programme for the network airports during 2014.

The network's passenger volumes continued their steep decline

In 2013, a total of 3.7 million passengers travelled through the provincial airports, almost 590,000 fewer than in the previous year. Nearly all provincial airports have seen drops in the number of passengers. Of the network airports, only Rovaniemi and Lappeenranta experienced growth.

The air traffic passenger volumes continued their steep decline at Finavia's network airports (airports other than Helsinki Airport). The network had 3.7 million passengers (4.3), 13.6 per cent fewer than the year before. In December 2013, the passenger volumes took the first upwards turn since August 2012.

As a result of the steep decline in passenger volumes, the revenues of the Airport Network business decreased by 3.7 cent to EUR 41.3 million (42.9).

The map below shows the 2013 passenger volumes for each airport and the change from 2012.



PASSENGER NUMBERS DROPPED AT ALMOST ALL NETWORK AIRPORTS

Passenger volumes decreased in both domestic and international traffic. Only Rovaniemi and Lappeenranta succeeded in increasing their passenger volumes, by 5.8 and 4.8 per cent, respectively. At major airports, the passenger volumes decreased considerably: in Oulu (-18.7%), Tampere (-18.2%), Turku (-28.6%) and Vaasa (-14.7%).

At the airports in Lapland (Ivalo, Enontekiö, Kemi-Tornio, Kuusamo, Rovaniemi and Kittilä), the development was positive as a whole, and the number of international passengers in Lapland increased by a total of 6.7%. However, domestic traffic at Lapland's airports decreased by 4.5%.

WEAK DEMAND ALSO AFFECTING SUPPLY

Finavia is of the opinion that the decrease in domestic passenger volumes is a consequence of the economic recession, transition in air traffic and the increasing attractiveness of other forms of travel. Many airports are experiencing weak demand, which means that the occupancy rates of planes are too low from the airlines' point of view. This results in reduced supply as the airlines react to a drop in demand more quickly than before. Finavia is engaged in active dialogue with different economic regions in order to find ways to stimulate demand for air traffic and to better utilise the capacity of airports.

In January 2014, Finavia initiated statutory employee-employer negotiations at Lappeenranta and Varkaus Airports. Air traffic to Varkaus was suspended until further notice at the end of 2013. In January 2014, AirBaltic discontinued its flights to Lappeenranta, which will reduce the airport's passenger volumes.

PASSENGER VOLUMES AT FINAVIA'S AIRPORTS IN 2013

The table below shows the passenger volumes at each Finavia airport and their change from 2012.

AIRPORT	2013	2012	Change, %
Helsinki	15,279,043	14,858,215	2.8
Oulu	877,080	1,078,533	-18.7
Tampere	466,671	570,739	-18.2
Rovaniemi	427,029	403,892	5.7
Turku	324,667	454,948	-28.6
Vaasa	319,315	374,141	-14.7
Kuopio	261,151	282,900	-7.7
Kittilä	237,222	263,427	-9.9
Ivalo	146,314	145,455	0.6
Joensuu	131,291	146,197	-10.2
Lappeenranta	98,300	93,762	4.8
Kuusamo	74,583	86,486	-13.8
Kajaani	74,558	77,852	-4.2
Kokkola-Pietarsaari	68,991	87,076	-20.8
Kemi-Tornio	57,681	65,761	-12.3
Mariehamn	52,514	54,797	-4.2
Jyväskylä	50,570	65,220	-22.5
Pori	26,229	35,313	-25.7
Enontekiö	20,169	21,282	-5.2
Savonlinna	12,215	13,206	-7.5
Varkaus	6,759	6,650	1.6

Investment programme for the network to be initiated in 2014

In 2013, Finavia concentrated particularly on improving passenger satisfaction at its network airports. The most significant investments included the now completed refurbishment of Vaasa Airport and improvements to the check-in area at Oulu Airport. In 2014, Finavia will start an extensive investment programme at several network airports.



In 2013, Finavia continued its actions aimed at improving the passenger experience at its network airports. During the year, moderate investments were made in actual maintenance and development at the airports.

REFURBISHMENT OF VAASA AIRPORT COMPLETED

The refurbishment work of terminal facilities at Vaasa Airport, initiated in 2012, was completed late in 2013. Luggage handling, terminal space usage, shop services and security checks at the airport were modernised.

Late in the year, *Aviator Solaris*, a work by designer and sculptor Stefan Lindfors, was unveiled at the airport and a new type of combined cafeteria and shop was opened. At Vaasa as well as Turku, Oulu and Kittilä Airports, Finavia has now introduced rocking chairs where passengers can relax before boarding their flights.

In all, the refurbishment of Vaasa Airport was an investment of EUR 1 million, of which Finavia's share was EUR 675,000.

CHECK-IN AREA AT 60-YEAR-OLD OULU AIRPORT MODERNISED

The extension of Oulu Airport was completed in autumn 2011, and renovation of the old part started in early 2013. The cost of the renovation work was EUR 2.6 million, and it was among the most important investments in Finavia's airport network in 2013. Improvements were mainly made in the check-in area.

In all, Finavia has spent EUR 40 million developing Oulu Airport during the period 2000–2013. Oulu Airport is the second largest airport in Finland after Helsinki Airport.

Significant projects in 2014 in Turku, Ivalo and Tampere

In 2014, Finavia will initiate significant development and maintenance investments at network airports. The most significant projects will begin in Turku, Ivalo and Tampere.

The first phase of the network investment programme will cost about EUR 35 million; the intention is to implement most of it in 2014. Finavia can now use more of its business income for the maintenance and development of network airports because the Finnish State decided in autumn 2013 to provide the company with a capital injection. Due to EU regulations, the EUR 200 million

capital injection is earmarked for Helsinki Airport, which will release more of Finavia's cash flow for other investments.

During the period 2003–2013, a total of EUR 173 million has been invested in the network airports, of which Finavia's share is EUR 147 million.

SUMMARY OF FINAVIA'S AIRPORT NETWORK INVESTMENT PROGRAMME FROM 2014 ONWARDS

Airport	Planned investments	Passengers in 2013
Turku	- Basic reconditioning of the terminal building - Improvement of commercial services and the passenger path - Basic reconditioning of traffic areas plus environmental investments	324,667
Tampere-Pirkkala	- Terminal 2 basic reconditioning and expansion - Preparation for the basic reconditioning of Terminal 1 - Environmental investments	466,671
Ivalo	- Basic reconditioning and expansion of the terminal building - Improvement of passenger services - Basic reconditioning of the traffic area	146,314
Rovaniemi	- Terminal facility development, improvement of passenger experience - Development of passenger services	427,367
Kittilä	Development of terminal operations and improvement of passenger experience	237,222
Oulu	- Completion of the modernisation of the terminal's check-in lobby - Development of passenger services	877,080
Vaasa	- Completion of the terminal's renovation work; further development of the terminal - Development of passenger services	319,315
Several airports	- Acquisition of security check equipment for different airports due to the liquid regulation that entered into force in January 2014 - Maintenance equipment replacement at network airports - Development of automation at network airports in order to improve safety, customer service and efficiency: e.g. automated check-in and baggage systems, access control, light control automation	

Passengers very satisfied with the check-in and security check

The satisfaction of air passengers with Finavia's network airports improved slightly in 2013 from the previous year. Check-in and security checks achieved excellent results.

Passengers rated the smooth operation of check-in and security check services and their service attitude as excellent at most airports. The rating reflects the long-term and diverse concentration on developing service excellence: for example, security check officials were provided with service competence training in spring 2014.

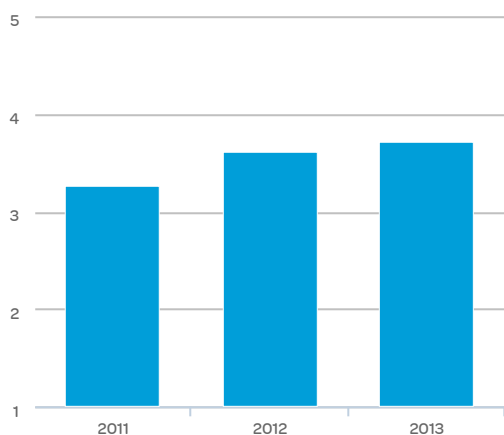
CLEAR IMPROVEMENT FOR PARKING ARRANGEMENTS

The most significant improvement in passenger satisfaction was related to parking arrangements; Finavia had paid attention to the

fluency of these arrangements at several airports during the year. In the previous year's survey, parking arrangements were still seen as an area with the biggest scope for development at network level.

The survey of 2013 lists the following areas as having room for development at the airports: cafeteria and restaurant services, general comfort and toilet facilities. The network investment programme to be initiated in 2014 will provide Finavia with better possibilities for developing the airports so that they better meet the passengers' expectations.

Passenger satisfaction at the network's other airports

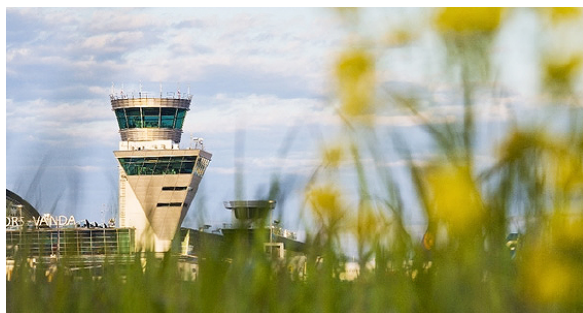


Modified scale 5=5, 4=4, 3=1, 2=-1, 1=-5

Source: TNS-Gallup. The information was gathered through personal interviews at airports.

Work to improve operational efficiency continued as part of European airspace development

Air navigation services were re-organised in 2013 when the decision was taken to establish an area air traffic control centre at Helsinki Airport. The total volume of services performed decreased by 2.5 per cent. Development and implementation of the Single European Sky, established pursuant to the political decisions made by EU Member States, progressed according to plan.



The volume of services performed as part of air navigation services at airports decreased by 3.6 per cent from 2012 due to a decreased number of operations. The volume of services decreased particularly sharply in domestic traffic.

The volume of flight route services produced by Finnish area control centres remained at the previous year's level as the last few years' growth in overflights evened out. The number of overflights reached a record high in 2013: there were a total of 48,900 flights (48,000).

The revenues of air navigation services decreased by 3.5 per cent to EUR 63.7 million (66.1). The decrease in revenues was partly due to the fact that there were 6.0 per cent fewer landings in commercial aviation.

EFFICIENCY MEASURES IN AIR NAVIGATION SERVICES

The work to improve the efficiency of air navigation services continued in 2013: the most significant single action was the decision to establish an area air traffic control centre at Helsinki Airport. Read more about improving the efficiency of air navigation services.

As in previous years, the development of operations was guided by the performance targets set for Finland as part of the development of European airspace. Achieving these targets is discussed in the section Achievement of performance targets.

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The efficiency improvement of the air navigation business continued: an area air traffic control centre will be established at Helsinki Airport.

.....

WORK TO REFORM FINNISH AIRSPACE PROGRESSED

In 2013, Finavia continued its work on reforming Finnish airspace in cooperation with different airspace users and public authorities. The purpose of reforming the airspace is to prepare for the operations of the North European Functional Airspace Block (NEFAB), such as free routing independent of flight routes, and to secure the structural reform of the Defence Forces. Another objective of the reform is more efficient use of the airspace, as expected of Finland by the EU.

The goal is to have the new airspace structure in use in November 2014. The previous equally extensive airspace reform took place in 1999.

SYSTEMS DEVELOPMENT CONTINUED

The systems development in air navigation services continued in 2013 by way of replacement investments and due to regulatory changes. A decision was taken in 2012 to procure a new Wide Area Multilateration surveillance system and its associated multiple radar processing unit for Western Finland. The system will be taken into use during 2014, and it will improve the availability and accuracy of surveillance data. The whole of Finland will be covered by a similar system in the coming years.

The Helsinki ground traffic radar was one of the systems upgraded in 2013. The renewal of the premises of the approach air control at Helsinki Airport and the associated system updates were completed, and the premises were taken into use in March 2013.

In 2014, Finavia will start to upgrade the precision approach systems at its airports, and the new systems will be installed at two airports during the year. In addition, the training simulator of Avia

College (the institute responsible for training air traffic controllers) will be updated.

MORE ENVIRONMENTALLY FRIENDLY APPROACH METHODS FROM THE DIRECTION OF KERAVA

In November 2013, Finavia revised the approach methods of planes landing at Helsinki Airport from east: the planes now

approach the airport at a higher altitude than before, which reduces noise levels in Kerava and Sipoo.

The change also allows the continuous descent approach to be used more often than before. Continuous descent approach is a method with better fuel economy, which means that the change will also reduce the emissions of airplanes during the approach phase.

Area control centre to be established at Helsinki Airport

In 2013, Finavia decided on significant measures to improve the efficiency of air navigation services. Establishing an area control centre at Helsinki Airport and streamlining the process of producing support services for air traffic control support the competitiveness of air navigation services in the changing European operating environment. The reforms also improve the quality of air navigation services and help maintain the high standard of safety.

The planning work for the reorganisation of air navigation services began in April 2013. The transfer of area control centre operations from Tampere to Helsinki Airport and the possibilities for improving efficiency in the production of flight advice services were discussed in statutory employer–employee negotiations.

The underlying reason for the reorganisation is the profoundly changing operating environment of air navigation services in Europe. In addition, the lower ticket prices on many routes and the cost pressures faced by airlines have led to a situation where airlines are looking for savings throughout the air traffic service chain.

The air navigation service performance plans binding on the States as well as other factors affecting the operating environment have led to a situation where several European providers of air navigation services are implementing extensive efficiency programmes. The performance plans applicable to Finavia were confirmed by Trafi, the public authority overseeing flight safety.

AREA CONTROL CENTRE TO BE ESTABLISHED AT HELSINKI AIRPORT

Following the statutory employer–employee negotiations, Finavia decided to initiate action to establish an area air traffic control centre in Vantaa. The area control services will be produced both in Vantaa and Tampere from 2015. In 2018, Finavia will assess whether area control services can be continued in both locations.

If this is not possible, the Tampere area control centre will be closed down during 2018.

Concentrating air traffic control in Vantaa will bring significant cost savings as a result of more efficient use of premises and reorganisation of support functions, among other things. The concentration measures will not lead to reducing the number of air traffic controllers.

Finavia aims to support relocating air traffic controllers in many ways throughout the change. This is discussed in closer detail in section Well-being at work. Tampere-based air traffic controllers in Finland's area control will, for example, be offered an option to gradually move to work as an area air traffic controller in Vantaa.

SUPPORT SERVICES FOR AIR TRAFFIC CONTROL TO BE REORGANISED

As part of the work to improve the efficiency of air navigation services and after the conclusion of statutory employee–employer negotiations in December 2013, Finavia decided to integrate part of its area control operator duties into the flight advice unit in Vantaa. In addition, the duties of the flight advice unit will be reorganised. The revision of procedures and methods will lead to a reduction of 17 person-years in the operator and flight advice unit. The aim is to primarily implement the reduction of personnel by retirement and by offering alternative jobs at Finavia.

Performance plan guided the development of air navigation services

The performance plan drawn up for Finland sets several rather tight targets for the air navigation services business.

An air navigation services performance plan for 2012–2014 was produced for Finland in 2011 as part of European airspace development. The plan is binding on the Finnish State and Finavia's air navigation services, and it guides the development of air navigation services. Trafi, the authority overseeing flight safety, has set the performance plan obligations for Finavia. The targets concern the following aspects:

- delays due to regulation of flight routes
- number of runway incursions and losses of separation as a result of actions taken by air navigation services
- the unit price of flight route charges.

The NEFAB countries will produce a performance plan for the second reference period of 2014–2019 in spring 2014. The goals of the performance plan will support attainment of the pan-European targets set by the EU. The performance plan will be sent to the European Commission for comments and approval.

The European operating environment of air navigation services is discussed in closer detail in the section European airspace development.

THE DELAY TARGETS WERE ACHIEVED

The delay targets set for Finavia are among the toughest in Europe. This is due to Finavia's historically excellent capacity level. The delay targets caused by route service regulation become tighter every year.

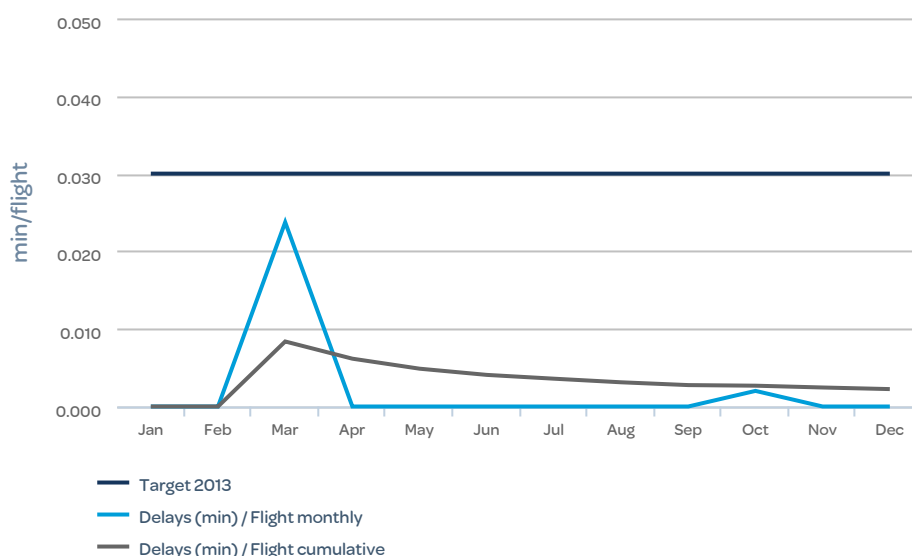
In 2013, Finavia's average delay was 0.002 min/flight, and the target was 0.03 min/flight. There was an unusually high number of delays in March due to a disturbance in the air traffic control system. The target set for 2014 is 0.02 min/flight.

The target for the delay caused by Helsinki Airport air navigation services in 2013 was 0.03 min/flight (0.05), and the actual result was on average 0.001 min/flight (0.009).

TARGETS FOR DELAYS DUE TO REGULATION OF EN-ROUTE SERVICES

	2013 (min/flight)	2012 (min/flight)
Finavia's target	0.03	0.05
Finavia's actual delay on average	0.002	0.01
Delay targets in the SES area on average	0.60	0.70
Average actual delay in the SES area	0.54	0.63

En route service delays due to air navigation services regulation



SAFETY TARGETS WERE PARTLY ACHIEVED

Performance targets have been set for Finavia both in the performance plan and through Finavia's own safety targets. The results achieved regarding the performance plan are reported by Trafi, the Finnish Transport Safety Agency. The main performance targets were to reduce the number of runway incursions and cases where the minimum staggering between aircraft flying according to instrument flight rules was not achieved.

As far as runway incursions were concerned, air navigation services achieved the goal of continuing a decreasing trend.

As far as aircraft flying according to instrument flight rules is concerned, there were more cases of not achieving the required staggering, and the business did not continue the decreasing trend target in this respect.

Furthermore, Finavia has specified a key objective of its actions not causing a single serious incident or accident. The objective was achieved with respect to accidents. There were two serious incidents: one to do with the management of airspace

reservations and the other with runway use. The target regarding serious incidents was therefore not achieved.

THE UNIT PRICE OF FLIGHT ROUTE CHARGES DECREASED AT THE BEGINNING OF 2013

The unit price of flight route charges is determined on the basis of SES legislation and Finavia's performance plan. In line with the performance plan objective of improving efficiency, the unit price of flight route charges was reduced at the beginning of 2013 to EUR 49.64.

However, Finavia had to increase the route charges by 4.9 per cent to EUR 52.06 at the beginning of 2014. The increase is compliant with the pricing regime defined in SES legislation. The underlying reasons for the price increase are the en-route services performed in 2012, which fell 10 per cent short of the forecast in the performance plan. Therefore, Finavia will not achieve the performance plan target of reducing the unit price of flight route charges during the period 2012–2014 because it was not possible to adapt the costs to the decrease in traffic volumes.

Work continued towards a Single European Sky in 2015

The framework for developing Finavia's air navigation services is made up of EU-level regulation and the targets set for the creation of Single European Sky. Close cooperation with European providers of air navigation services continued.

The EU's Single European Sky programme will create a single airspace with uniform air navigation services for Europe. It consists of nine Functional Airspace Blocks. Finland belongs to the North European Functional Airspace Block (NEFAB) together with Norway, Estonia and Latvia.

From 2015 onwards, air navigation services will be provided in the NEFAB in a uniform airspace, and preparations for this continued in 2013. In addition, NEFAB signed an agreement with the airspace block formed by Sweden and Denmark; according to the agreement, the uniform airspace would in 2015 cover NEFAB, Sweden and Denmark.

During the year, Finavia continued its close cooperation with other service providers in order to form a uniform airspace.

EU'S SES 2+ REGULATION PROPOSAL SENT FOR COMMENTS BY THE MEMBER STATES

In June 2013, the EU Commission issued a proposal for the SES 2+ Regulation, and the Member States discussed it during the autumn. Among other things, the proposal includes the requirement that air traffic services and support services for air navigation, such as aeronautical information services, technical systems and meteorological services, should be produced by different companies. According to the proposal, the procurement of support services should be subject to competitive tendering. In practice, only air traffic services, i.e. the core services provided by air traffic control, would be exempt from competitive tendering.

The European Parliament started processing the proposal in autumn 2013. Finavia is participating in the debate regarding the regulation proposal and is assessing what impact possible amendments to the regulations would have on its air navigation services.

Positive development in a difficult market situation

The occupancy rate of LAK's premises remained high in 2013. The number of customers benefiting indirectly from air traffic increased. Local plan and building design work for Aviapolis continued.



Finavia's real estate business is handled by its subsidiary Lentoasemakiinteistöt Oyj (LAK). The revenues of the real estate business amounted to EUR 15.6million (15.4), showing an increase of 1.3 per cent.

THE OCCUPANCY RATES OF PREMISES REMAINED HIGH

As in the previous year, LAK's operating environment was affected by the general economic uncertainty and the challenging operating environment of air traffic. This was further evidenced by a reduction in the facilities needed by airlines. Tenants to whom it is important to operate in the immediate vicinity of the airport but who are not directly connected to air traffic continued to increase their share of the customer base in 2013. Consequently, LAK managed to find other occupants for the vacated premises at a good rental income level. The good demand during the latter part

of the year increased the occupancy rate well above the average figure for the office premises market.

The occupancy rate of the Hilton Helsinki Airport hotel was good throughout the year and increased towards the end of the year. In terms of rental income, September was the best month ever. The WTC Helsinki Airport office complex also had a high occupancy rate.

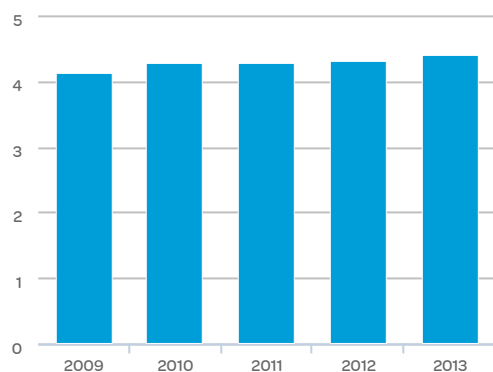
EXPANSION OF THE ILMAILUTIE 9 CONCEPT IS BEING INVESTIGATED

The conversion work of the former office building at Ilmailutie 9 was completed in February 2013. The accommodation building has about 170 furnished apartments which Majoituspalvelu Forenom Oy is renting for durations ranging from a few weeks to several months. The new type of service concept at the airport was well received, and LAK is investigating the possibilities for expanding it on the same building plot.

LAK A CLEAR WINNER REGARDING SATISFACTION WITH LESSOR

LAK has achieved high levels of customer satisfaction in earlier surveys, and this is still developing positively. In terms of overall satisfaction, LAK was clearly the most favoured lessor among 19 actors in the real estate business. Active ownership and close cooperation with customers was yet again evidenced by high customer satisfaction.

LAK's customer satisfaction



Source: 2013 customer satisfaction survey by KTI Kiinteistötieto Oy (scale of 0–5).

THE LOCAL PLAN AND BUILDING DESIGN WORK FOR AVIAPOLIS CONTINUED

LAK's most important property development site is the area development project located adjacent to Aviapolis Station, part of the future Ring Rail Line in the vicinity of Helsinki Airport. LAK coordinates the area and its development. The intention is to carry out the building projects in cooperation with different actors.

There will be about 2,000 inhabitants and office premises for 15,000 persons in the area. In addition, at least a hotel and local services will be established in the area.

The local planning process for the area continued in 2013, as did the building design work and development of the service concept. The main street of the area was completed in spring 2013 as part of the Ring Rail Line project. Construction of the underground Aviapolis railway station progressed, and the exits of the station were completed. Traffic on the Ring Rail Line will start in spring 2015.

Enhancement of operations continued at Airpro

Airpro produces ground services and passenger services for airlines and airports at Helsinki Airport and 18 other airports. In 2013, operations were affected by the lower air traffic operation volumes and the expiry of certain customer agreements. The ISAGO certificate audit will be performed at Airpro in March–April 2014.



In 2013, revenues of the Airpro business amounted to EUR 47.1 million (51.5). Revenues decreased by 8 per cent. The considerable decrease was due to a decrease in the number of air traffic operations, particularly at network airports. In addition, certain customer agreements expired due to the customers withdrawing from the Finnish air traffic market.

FOCUS ON ADAPTING TO THE MARKET SITUATION

Due to the operating environment of air traffic, Airpro continued to adapt its operations to the market situation. In 2013, the work concentrated further on improving operational efficiency, including the operation and maintenance of ground forwarding equipment. In order to improve the efficiency of operations, the development of the service concept continued at the network airports, paying attention to first-class passenger service and the possibilities of automation.

COOPERATION TO IMPROVE PASSENGER EXPERIENCE AT SECURITY CHECKS

Airpro is Finland's biggest provider of security check services. It employs about 450 qualified security check officials, most of

whom work at Helsinki Airport. In 2013, the security check services provided by Airpro at network airports decreased due to a decline in air traffic passenger volumes.

Finavia and Airpro continued developing the security check services and their smoothness in 2013, which was also evidenced by the international Airport Service Quality survey of passenger satisfaction. Satisfaction with security services at Helsinki Airport increased in 2013.

The smoothness of security check services at Helsinki Airport will improve further thanks to the Helsinki Airport development programme initiated in January 2014.

AUDIT FOR THE ISAGO CERTIFICATE IN SPRING 2014

Airpro began the preparations aimed at the Safety Audit for Ground Operations (ISAGO) by the International Air Transport Association (IATA) in 2012. The ISAGO certificate would cover Airpro's ground forwarding services at Helsinki and Oulu Airports as well as their administration. The audit for the certificate will be performed in March–April 2014.

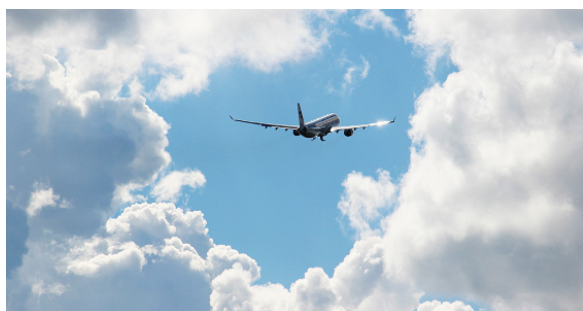
At the end of March 2014, one Nordic ground service companies held the ISAGO certificate. The objective of ISAGO is to improve safety, harmonise ground service processes and improve their quality. Certification makes it easier for airline customers to monitor the quality of ground services.

NEW CEO STARTED WORK

Janne Hattula started as the new CEO of Airpro Oy in February 2014. He is the former CEO of Blue1. Ari Haapanen, the previous CEO of Airpro Oy, went on sick leave in October 2013.

We maintain the competitiveness of Finnish society

Finavia is a state-owned Finnish limited company operating a network of 25 airports covering the whole country. We seek to be a responsible and reliable company that promotes the functionality and competitiveness of Finnish society.



We aim to fulfil our mission in an economically efficient, customer-oriented manner with minimum impact on the environment. All this is subject to our operations being sufficiently profitable to ensure the continuity and development of our business.

First-rate safety of aviation is at the core of our everyday operations; it is a vital precondition for air traffic and our business alike. We also want to be a good employer for our personnel and an open and reliable partner for our stakeholders.

Mapping of the main responsibility themes provides the basis for corporate responsibility work

In autumn 2012, Finavia carried out a survey of its main responsibility themes. A matrix of the company's most important themes was produced as a result. The matrix will be updated annually as required, taking into account any topics surfaced in stakeholder interaction.

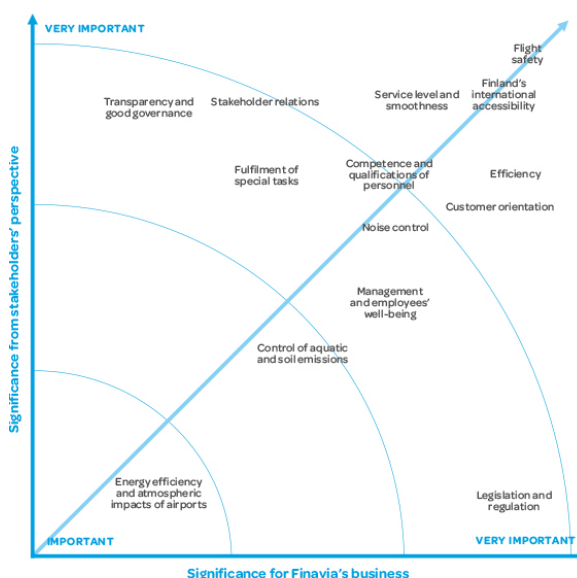
The essential themes were specified in 2012 by the members of Finavia's Executive Group responsible for corporate responsibility and by experts who mapped Finavia's main responsibility themes from the perspective of the company's business. In addition, the importance of the themes for Finavia's main stakeholders was also assessed. The specification of themes will be utilised in Finavia's corporate responsibility management and corporate responsibility reporting.

Finavia reviews the matrix of the responsibility themes annually, taking into account the possible impact of the themes on the company's business, both now and during the strategy period. In addition, themes highlighted in stakeholder cooperation are taken into account in the review.

In 2013, Finavia conducted a stakeholder survey among Finnish decision-makers and persons of influence. The survey also touched the subject of corporate responsibility. Of the themes already defined as essential by Finavia, the ones highlighted were fulfilment of special tasks, legislation and regulation, customer orientation and stakeholder relations.

As competition between airports intensifies, the importance of service competence, both for the stakeholders and Finavia's business, has been further underlined. However, the most essential theme for stakeholders and Finavia is aviation safety; it is the basis of the company's operations in all situations.

MAIN RESPONSIBILITY THEMES



Flight safety: Ensuring the safety of air traffic forms the basis for all Finavia's operations. This requires seamless cooperation between the different actors in the air traffic service chain and the public authorities. Finavia's first-class safety culture and safety management system are the cornerstones of safety. Finavia's operations regarding aviation safety are overseen by the Finnish Transport Safety Agency Trafi.

Finland's international accessibility: Helsinki Airport is the leading transit airport for air traffic between Europe and Asia. This allows comprehensive and smooth connections from and to Finland, a factor providing vital support to Finland's economic growth and possibilities to succeed in international competition. Success in international air traffic competition ensures that different areas in Finland are easily accessible and also benefits the tourist industry regionally.

Service level and smoothness: Finavia provides passengers with smooth, individual services and positive experiences at its airports. Finavia provides airlines with quick turnaround times of airplanes and other customer-oriented airline services.

Efficiency: Finavia's operational efficiency makes it possible to apply an internationally competitive price level to air traffic services and to maintain sufficient air traffic services in Finland. Finavia is constantly improving its operational efficiency, as it is the key factor for the competitiveness and attractiveness of Finavia's airports and for the company's ability to make investments.

Competence and qualifications of personnel: Finavia's employees are expected to show a high degree of professional competence, which is a prerequisite for aviation safety as well as for Finavia's standard of service and operational efficiency. The people working in airport functions and air navigation services must meet the regulatory qualification requirements at all times. Finavia improves the efficiency of its provincial airports in particular by utilising the multiple competencies principle where one person is qualified for several duties.

Customer orientation: Finavia is a service company that seeks to have all of its activities among the best in international comparison. The company's service promise, 'For Smooth Travelling', tells of a smooth and positive passenger experience. Finavia operates in close cooperation with airlines, seeks to price its services in a customer-oriented manner and provides smooth and efficient airport services.

Noise control: Aircraft noise is one of the most significant environmental impacts in the areas surrounding airports. Finavia can influence the noise, particularly through planning runway usage and flight routes. The continuous descent approach, enabled by air traffic control, also reduces aircraft noise.

Control of aquatic and soil emissions: Chemical agents have to be used in the anti-skid treatments of runways and in the de-icing and anti-icing treatments of aircraft. The substances are not classified as harmful, but they cause loading on waterways by increasing oxygen consumption. Surface water and groundwater are monitored at almost all of Finavia's airports.

Stakeholder relations: Finavia's main stakeholders include airline and passenger customers, decision-makers and public authorities, inhabitants of the areas surrounding the airports as well as the company's own personnel and other partners at the airports. In addition, partners, subcontractors as well as suppliers of goods and services, financiers and the media are important

stakeholders for Finavia. Finavia promotes good stakeholder relations through open and active dialogue.

Fulfilment of special tasks: Finavia is a company attending to special tasks, fully owned by the Finnish State. In keeping with its special mission, every airport with regular scheduled traffic is kept in operation irrespective of its profitability. Air traffic is the only mode of transport where the infrastructure is financed by its customers. The revenues from commercial services at Helsinki Airport are vitally important for maintaining the network of 25 airports. Finavia does not receive any financial support or subsidies from the Finnish State or municipalities for the operation of unprofitable airports.

Management and employees' well-being: Transparent management and well-being of personnel are the basic prerequisites for high-quality safety of, good service and cost-effectiveness. Finavia promotes good management practices and looks after the well-being of personnel by various means, including initiatives for well-being at work, transparent communication and manager training.

Legislation and regulation: Airport operations are heavily controlled by legislation and other regulation. Finavia seeks to foresee the impact of legislation and regulations on its business and tries to influence the development of regulations by engaging in active dialogue with decision-makers, influential parties and public authorities.

Transparency and good governance: Finavia's operations are predictable and transparent, and the company openly communicates on its operations, management and reward schemes. Finavia endeavours to observe the Corporate Governance Code of Finnish listed companies to the appropriate extent, given the company's operations and ownership. Furthermore, the company abides by the opinion of the Cabinet Committee on Economic Policy regarding the remuneration of management and key personnel in State-owned companies.

Energy efficiency and atmospheric impacts of airports: Globally speaking, the carbon dioxide emissions of airports represent a small percentage of the total carbon dioxide emissions of the entire air traffic industry. Finavia reduces emissions by improving its energy efficiency, by using environmentally friendly electrical and heating power and by paying attention to recycling as well as the fuel consumption of maintenance equipment.

Management of corporate responsibility at Finavia

Finavia seeks to be a responsible and reliable company that promotes the functionality and competitiveness of Finnish society. Corporate responsibility is taken into account in all operations and management at Finavia.

Corporate responsibility and its management are based on Finavia's values and on the operating principles, policies and detailed instructions defined in the Group.

The CEO, supported by the Executive Group, is answerable for Finavia's responsible operations. The company's Board of Directors actively monitors the management of corporate responsibility matters. The Board regularly discusses matters pertaining to Finavia's financial standing, efficiency, safety, environmental matters and social responsibility. Among other things, efficiency, social responsibility (manager index) and safety are indicators included in the Group's scorecard.

In practice, every Finavia employee must participate in responsible operations and promote them. The Communications Unit coordinates corporate responsibility reporting.

The Environmental Unit and the director responsible for sustainable development coordinate environmental responsibility together with business areas and airports. The Financial Unit and CFO implement the economic responsibility at practical level.

Responsibility for taking social responsibility into account and promoting it is vested in several parties at Finavia. For example, the Group's HR matters are looked after by the HR Unit and the HR director. Promoting safety is very much the responsibility of every Finavia employee. The Group's Risk Management Unit coordinates the management and development of flight safety.

Finavia is engaged in an active dialogue with its stakeholders, and the feedback we receive from them is taken into account in promoting corporate responsibility.

Air traffic supports Finland's success in the changing economy

Finavia creates, by means of functional air traffic, the prerequisites for the competitiveness, movement of people and goods as well as the international reach of Finnish society. Facilitating the prerequisites for Finland's success as the structures of the economy change is an important element of Finavia's responsibility towards society.

Air traffic is part of the entire traffic system, and it plays an important role in ensuring the accessibility of different parts of Finland. The significance of air traffic to the international accessibility and competitiveness of Finland is crucial – looking from Europe, Finland is practically an island which can only be reached quickly by flying.

Helsinki Airport is the leading transit airport in northern Europe for travel between Europe and Asia. Thanks to transit travel, Helsinki Airport provides flight connections, exceptionally comprehensive considering the population of Finland, both to Europe and from there to the global network of airports and directly to Asia. Finland's ability to maintain its competitiveness in international air traffic is the key factor affecting the number, coverage, quality and price level of flight connections.

At the end of 2013, there were regular scheduled flights (at least one weekly connection) from Finland to 86 destinations. More new routes to Asia were opened, and in 2013, Helsinki Airport had direct connections to 13 Asian destinations.



DEMAND DETERMINES THE RANGE OF AVAILABLE ROUTES

It is strategically important to Finavia to secure an efficient network of airports supporting air traffic in Finland. This will ensure that all people in Finland have connections to the international air traffic network with optimal efficiency.

In a challenging competitive situation, airlines develop the routes they offer solely on the basis of demand. The essential factor in securing comprehensive flight connections is the existence of demand potential; in Finland, this can, for example, be promoted by ensuring that tourism has the right conditions for success. A comprehensive array of cost-effective airport services is available

in Finland. Due to limited demand, their current utilisation rate is low.

In 2013, Finavia continued close cooperation with its stakeholders in developing scheduled traffic.

INVESTMENTS SUPPORT ACCESSIBILITY AND COMPETITIVENESS

The prerequisites for the success of Helsinki Airport improved significantly when the State of Finland decided in autumn 2013 to provide Finavia with a capital injection of EUR 200 million. The EUR 900 million development programme started at the beginning of 2014. Several major airports in Europe have investment programmes in progress running to billions of euros. Therefore, the development programme now started is vitally important to the competitiveness and international accessibility of Finland.

Thanks to the capital injection, Finavia can also direct more cash flow towards developing its main network airports and to enhancing its regional competitiveness. In 2013, Finavia decided on a EUR 35 million investment programme for the network airports in 2014.

AIR TRAFFIC IS VERY IMPORTANT FOR THE NATIONAL ECONOMY

According to a survey commissioned by the International Air Transport Association (Oxford Economics, 2011), air traffic is of prime importance to Finland's national economy:

- The share of air traffic of Finland's gross domestic product is about 3.2 per cent.
- Air traffic provides employment to 100,000 people, either directly or indirectly.
- The direct and indirect tax revenues produced for the Finnish State by aviation amount to about EUR 2.5 billion per year.
- Air freight represents about 0.6 per cent of Finland's foreign freight traffic. Its value is as much as 22 per cent of all foreign trade.
- About 36 per cent of tourists coming to Finland arrive by air. They provide employment to about 7,000 persons in tourism-related companies and indirectly to as many as 11,000 persons.

Efficiency of airports creates the basis for Finavia's competitiveness

Operational efficiency and cost efficiency are key factors for the competitiveness of all Finavia's airports. The importance of competitiveness is particularly highlighted in international transit travel. Finavia's cost efficiency and operational efficiency improved in 2013.

In airport operations, efficiency means operational efficiency and cost efficiency. Our operational efficiency is evidenced by smooth flow of passengers, the shortest possible transit time of 35 minutes and short turnaround times of airplanes, among others. Cost-effectiveness means above all inexpensive airport charges collected from the airlines.

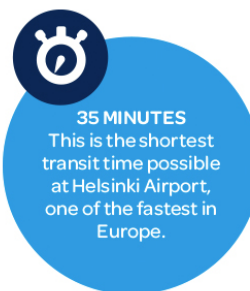
COST EFFICIENCY IS EMPHASISED IN THE AIR TRAFFIC VALUE CHAIN

Cost-efficient operations mean that Finavia must lower its unit costs per passenger and landing. As a rule, the traffic charges collected from the airlines by Finavia have decreased in real terms.

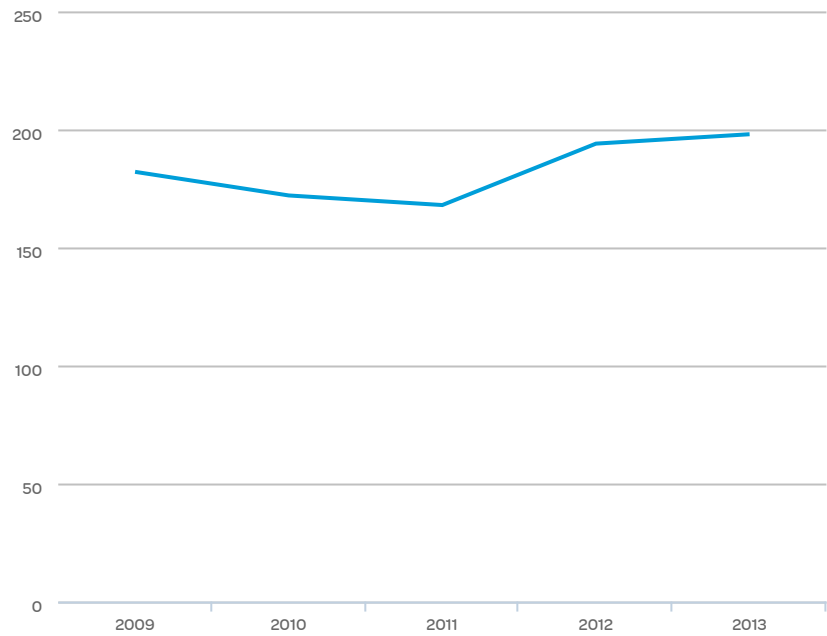
In 2013, Helsinki Airport was still the fourth least expensive airport among European main airports. When looking at the charges

related to transit travel, Helsinki Airport was the least expensive of all major European transit airports in 2013.

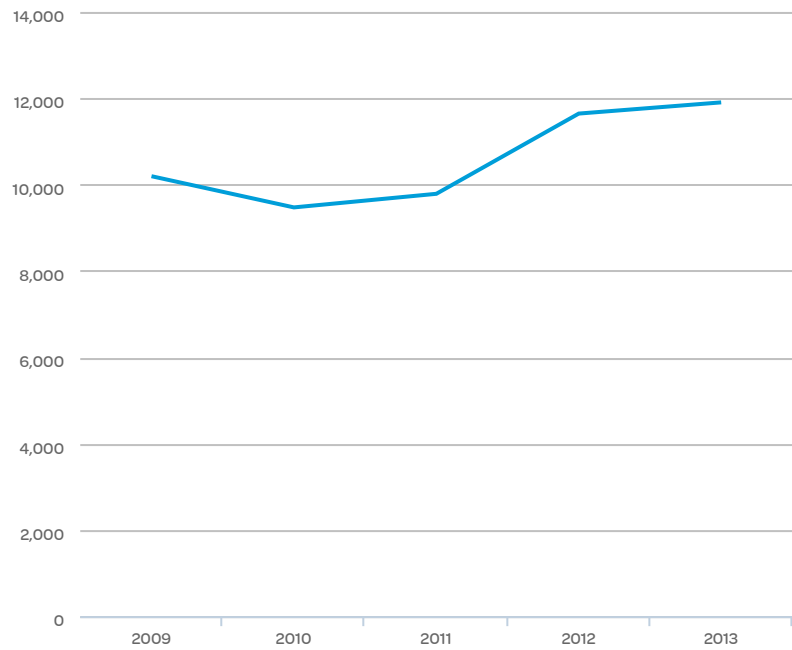
The airport charges applied by Finavia are discussed in more detail in the section Competitive pricing.



REVENUES/FTE



PASSENGERS/FTE



NEW ORGANISATION AND OPERATING MODEL FOR IMPROVED COST EFFICIENCY

Finavia revised its organisation and management system in 2012. The purpose of this revision was to support Finavia's objectives to be a customer-oriented, efficient and profitable service company.

The first cost effects of the organisational change were already seen in 2012. In 2013, the effects of streamlining the operations were exhibited as a clear improvement of profitability, as Finavia's operating result excluding non-recurring items was EUR 44.8 million (40.8) while its revenues decreased slightly.

The customer satisfaction of both airline customers and air passengers improved at the same time as efficiency improved. The personnel satisfaction indicators also remained at a good level.

OPERATIONAL EFFICIENCY IS THE TARGET OF CONTINUOUS DEVELOPMENT

Finavia also bears its responsibility for operational efficiency. During the year, close cooperation with the airlines continued. One of the aims was to facilitate quicker turnaround times for airplanes at the airport.

The CDM method introduced at Helsinki Airport in 2012 has improved the operational efficiency of the airport. This has been evidenced by, for example, shorter taxiing times for planes and improved punctuality of air traffic. In addition, in 2013 Finavia extended the possibilities for using both doors of the airplanes for embarkation and disembarkation. Thanks to the use of both doors, the turnaround of airplanes becomes on average five to ten minutes quicker.

Providing passengers with smoother passage at the airport also constitutes efficiency. The Helsinki Airport development programme initiated at the beginning of 2014 and the investments in network airports are largely aimed at making travelling smoother and at improving travel comfort.

Provincial airports are loss-making due to low passenger volumes

On average, Finavia's airport network incurs an annual loss of about EUR 20 million, excluding investment expenditure. The loss is primarily due to the fact that passenger volumes are small compared to the size of the network. Finavia covers the losses of the airport network with the income from commercial services at Helsinki Airport.



The success of **HELSINKI AIRPORT** is pivotal in funding the airport network.

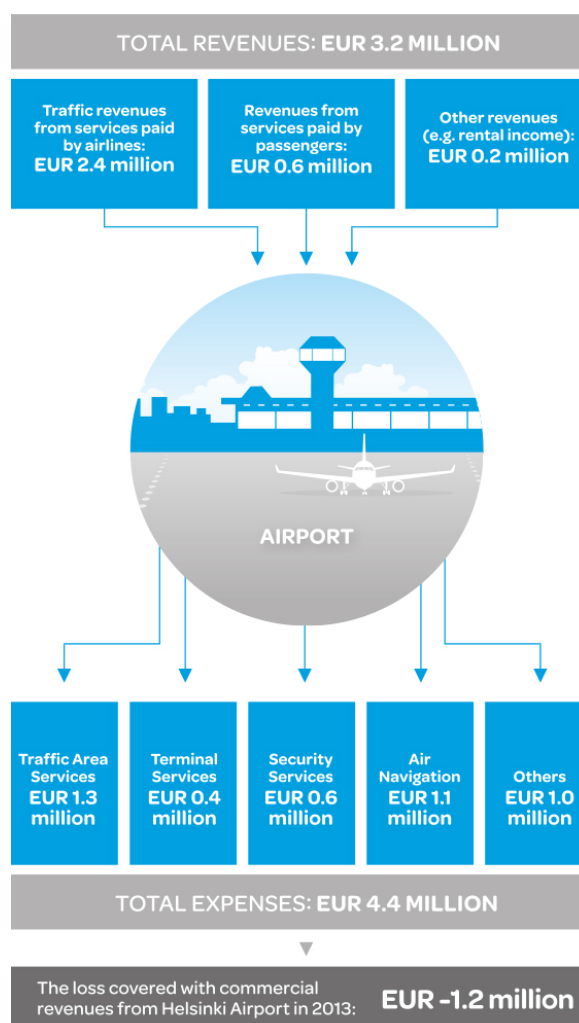
Airport operations are very capital intensive, and a significant part of the costs are fixed and determined by regulation. Staff costs are considerable and represent on average about 40 per cent of all costs. The financial results of individual airports are mainly affected by the following factors:

- Passenger volumes
- Structure of air traffic
- Structure of customer base
- Service hours of airports

The profitability of two airports with similar passenger volumes may be different, for example due to the distribution of air traffic at different times of the day. The profitability of airports is strongly dependent on the routes available and on passenger volumes.

FINANCIAL RESULT OF A MEDIUM-SIZED AIRPORT CLEARLY IN THE RED

Formation of the financial result of a fairly large airport in 2013 is shown below as an example: The airport had several hundred thousand passengers but fewer than in the previous year, which is why it incurred a bigger loss than in the previous year, EUR -1.2 million (-0.8). The loss was covered with the commercial revenues of Helsinki Airport. Finavia does not report the financial results of individual airports.



The figures in the diagram have been rounded off. The figures do not include capital expenditure or investments. The expenses of the airport only include the normal expenses for maintaining the buildings and traffic areas and for producing the services.

UNIFORM PRICING AT DIFFERENT AIRPORTS WOULD NOT BE POSSIBLE WITHOUT THE NETWORK PRINCIPLE

The air traffic charges are collected in Finland applying the network principle, according to which uniform pricing is applied at the network airports: the same service level-based charge is collected for the same service, irrespective of the profitability of individual airports. According to EU regulations, each individual airport should be profitable, but the network principle allows loss-making airports to be supported using the commercial income of Helsinki Airport.

Without the network principle and the cross-subsidies from the income of Helsinki Airport, Finavia would have to substantially increase the price level of its regional network airports to make their operations economically viable.

Due to the low traffic volumes, the possibilities for increasing commercial income elsewhere than at Helsinki Airport are limited. In addition, the decrease in domestic air traffic is likely to continue as the demographic structure changes and the competitiveness of other modes of transport improves. Finavia estimates that the company's need to internally subsidise the airport network, including investment expenditure, will increase to EUR 35–40 million a year by the end of this decade.

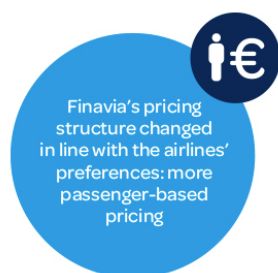
Finavia is actively marketing its services to airlines together with other regional actors in order to facilitate the growth of air traffic volumes in Finland and to better utilise the capacity of airports. In the near future, additional demand for airport services could be generated by tourism projects, for example.

Finavia has enhanced its operations in many different ways over the last few years. The efficiency measures undertaken in 2013 are discussed in section Efficiency.

Customer orientation and cost-correspondence are taken into account in pricing

Finavia applies uniform pricing at all its airports. The charges collected from airlines were increased by 1.1 per cent from the beginning of 2013. At the beginning of 2014, Finavia increased the prices by 3.9 per cent. Over the last few years, the pricing structure has been changed in line with the airlines' preferences.

Finavia's air traffic charges increased by an average of 1.1 per cent at the beginning of 2013. The structure of traffic charges changed at the same time as the prices were adjusted. The landing charges were reduced by 8.7 per cent and the passenger charges were increased by 7.7 per cent. The ratio of charges changed in line with the airlines' preferences, as the focus shifted from operation-specific charges to more passenger-based pricing.



INVESTMENTS NECESSITATED BY REGULATION ARE REFLECTED IN THE PRICING FOR 2014

The charges collected from airlines were increased by 3.9 per cent at the beginning of 2014. Even after that, Finavia's pricing is among the least expensive in Europe. In addition to the inexpensive air traffic charges, Finavia supports the growth of air traffic by offering discounts on the charges for new routes.

The pricing structure was further amended at the beginning of 2014 so that the relative increase in passenger charges was higher than that in landing charges. After the amendment, Finavia has a higher income-related risk than European airport operators on average.

The investments necessitated by regulation are evident in the price increases: the security check charges increased by 9.1 per cent, primarily due to an amendment of the EU's liquid regulation and the consequent necessary investment in liquid analysers.

FINAVIA'S AIRLINE CHARGES HAVE DECREASED IN REAL TERMS

In a price comparison of 23 main European airports in 2013, Helsinki was the fourth least expensive. In real terms, Finavia's traffic charges have decreased in real terms since 2004, with the exception of 2006 and 2007 when the EU's tightened safety regulations resulted in additional costs.

During the period 2004–2013, the average change in prices in real terms has been -1.4 per cent a year.



The prices Finavia charges from airlines are among the least expensive in Europe – for both wide-body and narrow-body aircraft



BETTER COST-CORRESPONDENCE IN 2013

The pricing changes in 2013 and 2014 support Finavia's aim of improving the cost-correspondence of income items. In recent years, only about 90 per cent of the costs of airport services and air navigation services have been covered with the income from operations. In 2013, the cost-correspondence improved to 94 per cent, largely due to the improved efficiency of Finavia's operations. The balance of costs has mainly been covered with the income from the commercial services of Helsinki Airport.

Flight safety of the highest order is the basis of our operations

The uncompromising basis of Finavia's operations is flight safety under all conditions. In Finland, the safety of aviation is of high international standard. In 2013, work to promote safety management concentrated on safety culture and proactive safety measures.

According to international regulations, flight safety processes and related changes always require a safety review and approval from the authorities.

This means that safety reviews are an integral part of Finavia's daily routine. For example, when considering new parking spots for aircraft, attention is paid to ensuring that aircraft of different sizes will fit in the new spots. At the same time, attention is paid to how air control processes aircraft that are park in a new spot. All air navigation changes also require approval from the authorities.



Finavia implements about 160 safety reviews per year.

Proactive work related to ensuring flight safety characterises all Finavia's operations and its organisation. First-class flight safety is also of critical importance from the viewpoint of the company's business and from the perspective of its main stakeholder groups, including airlines and passengers.

JUST CULTURE

Flight safety and its associated systems are very much based on regulation. However, an essential part of ensuring safety is a safety culture emphasising flight safety. This means risk-reducing procedures in daily work, plus a second dimension of deviation reporting.

All Finavia employees are obliged to report any safety risk or deviation they detect. The personnel are encouraged to report even minor observations that might help develop safety management further. The management of deviation situations does not involve finding the person responsible but the root causes instead, unless it is a case of a deliberate violation of the rules.

In 2013, more than 2,900 reports (more than 2,600) were recorded in Finavia's deviation and observation reporting system. This shows that there is an active reporting culture at Finavia.

COMPREHENSIVE SAFETY MANAGEMENT SYSTEM

Finavia's safety management system is based on seven main principles:

Compliance with official standards	• The safety management system must comply with a significant number of international and national regulations. The Transport Safety Agency (Trafi) monitors the compliance of the system. • Trafi implements its monitoring using advance approval procedures and regular audits. In 2013, 17 audits were performed (23) regarding Air Navigation Services and 12 audits (13) regarding the Airport Network business. • If deviations are observed in the audits, Finavia provides Trafi with a response regarding them.
Commitment of the management	• Priority of safety: the attainment of appropriate safety is given priority over commercial, operational, environmental and social aspects. • Safety targets have been set for different functions, and their attainment is regularly monitored. • Finavia's management is committed to the principles of the safety management system and to using the information it produces in the process of decision-making.

Proactive approach towards safety	• The safety impacts of safety-critical changes, new systems and methods are assessed in advance. • The objective is to identify and manage the risks associated with the changes and to reduce them to an acceptable level through various actions and back-up procedures. • 160 risk assessments were carried out in 2013.
Encouraging reporting of deviations and investigation without apportioning blame	• The deviations reported by personnel are classified and analysed. An independent internal investigation is initiated for more significant deviations without apportioning blame.
Efficient self-control	• In addition to the self-monitoring of operational units, independent internal audits are performed which take into account the safety impacts of the activity when deciding on the content, extent and focal areas of the audit. • The observed deviations are analysed and investigated, and the required corrective actions are implemented systematically. • In 2013, more than 20 internal audits were performed at Finavia.
Competent staff	• The personnel have the appropriate qualifications based on training, professional competence and experience. • A training record is maintained of the personnel where the details of special training, experience and level inspections required for the position are recorded. • Familiarisation with safety matters is part of the training programme of every Finavia employee.
Dissemination of useful information	• The information derived from investigations, audits, analyses of deviation reports, efficiency of corrective actions and international cooperation is extensively utilised for training personnel, for developing instructions and for internal communications.

AN EXTREMELY HIGH STANDARD OF FLIGHT SAFETY

Finavia monitors the attainment of flight safety with many different indicators. The main indicator is the safety index; its development is affected by the classification and analysis of deviation reports.

In Finland, flight safety is of high international standard, and serious incidents occur very rarely. In accordance with the associated EU regulation definition, there were two serious incidents attributable to Finavia's actions in 2013, and one in 2012. There were 413,057 flights at Finavia airports in 2013 (433,735 in 2012).

In Finland, safety investigations of serious accidents and incidents are performed by the Accident Investigation Board of Finland. In 2013, the Accident Investigation Board of Finland performed four investigations regarding Finavia and issued safety recommendations related to one incident. On 2012, Finavia received safety recommendations related to three incidents. Finavia has given its response on the implementation of the recommendations.

SAFETY MANAGEMENT ORGANISATION

The commitment of Finavia's management to promoting safety is very much underlined in the company's safety management organisation. The actual safety organisation is divided into Group, business and function unit levels. This ensures the management's safety awareness so that safety aspects can be appropriately taken into account in decision-making and management.

The safety organisations convene at regular intervals to discuss matters included in their respective spheres of responsibility, such as the achievement of safety targets and any safety threats and deficiencies observed in the operations. The observations are recorded in an action plan whose implementation is regularly monitored.

Operations are reported to the next level of the safety organisation which for its part monitors the sufficiency of the actions taken. The Risk Management Unit – independent of business operations – compiles a report of the collected safety data, and this report is discussed by Finavia's Executive Groups and Board of Directors to the extent deemed appropriate.

We concentrated on safety culture and proactive safety measures

The personnel survey supported our opinion that there is strong safety culture among Finavia's employees. In addition, a safety campaign related to apron activity was organised with Trafi. Several stakeholders of Finavia participated in this campaign.

In spring 2013, a personnel survey on safety culture was organised in Finavia. Regular safety culture surveys are part of the internationally agreed procedures used by aviation operators for developing their safety management. More than 600 Finavia employees participated in the survey.

The results were used to analyse the strengths and weaknesses of Finavia's safety culture, the general safety atmosphere and the organisation's capability to identify and manage risks. Finavia has a strong safety culture, and 60 per cent of the respondents said that they had observed favourable development in the company's safety culture. Finavia employees are also very committed to developing safety – as many as 96 per cent of respondents indicated that they identify risks present in their jobs and submit development proposals when required.

The survey results were used as the basis for producing action plans which were initiated during 2013 concerning, among others, the following matters:

- internal flow of information
- promotion of an encouraging reporting culture (just culture)

- development of change management when new procedures and equipment systems are planned and introduced
- closer specification of job descriptions for ensuring that employees cope with work
- further development of the safety management system.

SAFETY CAMPAIGN WITH TRAFI

As part of its proactive safety management, Finavia and with the Finnish Transport Safety Agency (Trafi) organised a safety campaign running throughout the year. It had two main objectives:

- to make airport apron workers report deviations more actively
- to develop cooperation between the airport organisation and local stakeholders.

The safety campaign included seven regional events with participation of about 200 experts from, e.g. ground forwarding companies, Finavia and local public authorities (the Police, Customs and the Border Guard). In addition, two extensive safety reports were published on ground forwarding. The reports listed various safety risks observed in apron operations and their prevention.

We bear our responsibility for water and soil

Airport operations require the maintenance of runways, even in winter conditions. Safe flying requires airlines to de-ice planes and treat them with an anti-icing agent. The aim is to minimise the loading caused by the agents on waterways and soil. The most significant investment of the year at Helsinki Airport was the development of the second centralised de-icing area.

Finavia is responsible for the de-icing treatments of airfield areas, while de-icing and anti-icing treatments of planes are the responsibility of the ground handling companies serving the airlines. Aquatic and soil emissions are reduced by favouring mechanical means of treatments for runways, by using de-icing agents that are as environmentally friendly as possible, by investing in centralised de-icing stations and by providing the ground handling companies with harmonised instructions. The best available practices are observed both in runway de-icing treatments and in the de-icing and anti-icing treatments of aircraft.

ENVIRONMENTAL IMPACTS ARE CONTINUOUSLY MONITORED

Finavia has been monitoring the aquatic and soil impact of its operations at Helsinki Airport for a long time. The loading of River Kymälä has been greatly reduced from the situation in early 2000s as a result of developing the management of glycol waters in front of Terminal 1 and of moving the airplane treatments from Terminals 1 and 2 to a centralised de-icing area.

Reports were produced in 2013 at Ivalo, Kittilä and Kemi-Tornio Airports regarding the environmental loading caused by glycol-containing waters and the possibilities for reducing it.



Mechanical methods preferred for the de-icing treatments of runways

Mechanical methods, such as sweeping and ploughing, are the main methods used for clearing snow. Acetate- and formate-based agents are utilised for removing frost and ice from the runway surface and for proactive prevention of ice.

Acetates and formates are among the most environmentally friendly de-icing agents. They are readily biodegradable and contain no nitrogen.

DEBATE ON PERMISSIBLE DE-ICING AGENTS CONTINUED

Particularly the manufacturers of airplanes and brakes have argued that the use of acetates and formates for de-icing treatments should be discontinued, and the active debate on the subject continued in 2013. The alleged corrosive effects of these agents on airplanes are the underlying reason for demanding the discontinuation of their use.

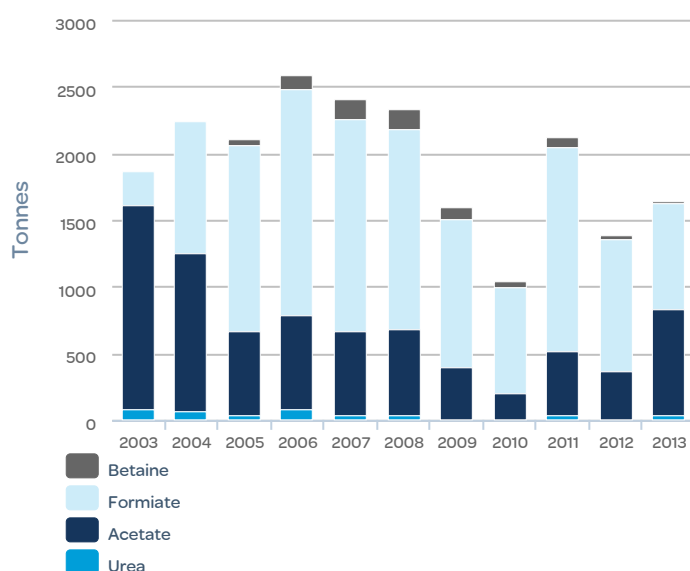
Switching to the use of urea or other substances exerting a bigger load on the environment would, in practice, lead to a significant increase in the environmental impact caused by keeping the

runway conditions safe in the Finnish climate. In 2013, Finavia continued its cooperation with foreign airports, particularly those operating in wintry conditions, in order to find a sustainable solution.

NO SIGNIFICANT CHANGE IN THE USE OF DE-ICING AGENTS

The volume of traffic and weather conditions affect the quantities of de-icing agents used for runways. The autumn of 2013 was warm in Southern Finland while for the whole country, the yearly rainfall and temperatures were close to long-term averages. The consumption of de-icing agents was about one-fifth higher than in the previous year. The winter months of 2012 were colder than usual, which reduced the need to use de-icing agents compared to winters with normal weather conditions.

Annual amount of de-icing agents used at Finavia's airports



For formate, acetate and betaine solutions, the water contained in the solutions (50%) has been deducted when calculating the total quantities. Betaine has been in trial use at Tampere-Pirkkala, Kauhava and Kuopio Airports.

About half of the total quantity of de-icing agents is used at Helsinki Airport. In 2013, a report was produced at the airport regarding the consumption of chemicals in relation to the prevailing weather conditions. The results indicated that the use of chemicals due to weather conditions had decreased during the

two previous winter seasons. The positive development has taken place thanks to continuous training, further specifying the

instructions and the introduction of the new runway condition monitoring system.

De-icing and anti-icing treatments more often at centralised de-icing areas at Helsinki Airport

Airlines are responsible for de-icing and anti-icing treatments of their planes. The agent being used (propylene glycol) is not classified as harmful, but it causes environmental loading in waterways by increasing oxygen consumption. Finavia encourages the airlines to use new mechanical methods, such as pressurised air blowers, to remove loose snow instead of the glycol-containing liquid.

The necessary de-icing and anti-icing treatments at Helsinki Airport are increasingly carried out at centralised de-icing areas where the agents can be more effectively recovered. Helsinki Airport has two centralised de-icing areas; a significant investment was made in developing the second one in 2013.

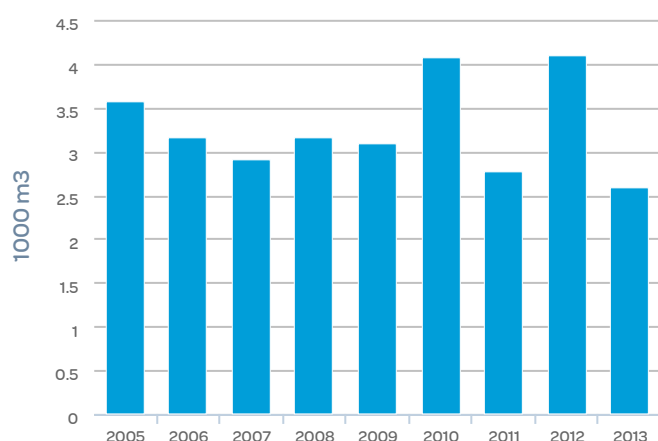
USE OF DE-ICING AND ANTI-ICING AGENTS DECREASED

The volume of traffic and weather conditions affect the quantities of airplane de-icing agents used. Helsinki Airport uses 70–80% of the total quantity. The autumn of 2013 was warm in Southern Finland, which reduced the usage of the agents, particularly at

Helsinki Airport. The total usage for the year was about one-third lower than in the previous year.

The consumption of de-icing and anti-icing agents increased rather rapidly in the early 2000s. The growth was due to increasing traffic volumes, the changes in international instructions regarding the treatments and new airplane types. From 2004 onwards, the quantity of propylene glycol has remained rather constant despite increasing traffic volumes. The weather was colder than usual in 2010 and 2012 and there were more freezing conditions, which is why the consumption of de-icing and anti-icing agents was higher in those years.

Aircraft de-icing and anti-icing propylene glycol usage



Finavia makes considerable investments in the recovery of glycol residues

Finavia completed its environmental strategy for de-icing in 2013. Its objective is to minimise the environmental impact caused by the de-icing and anti-icing agents used on airplanes. In 2013, significant investments continued at Helsinki Airport in the development of centralised de-icing areas.

The propylene glycol solutions used for de-icing and anti-icing treatments are collected for re-treatment at Helsinki, Tampere-Pirkkala, Jyväskylä, Kuopio and Oulu Airports. During the winter season 2012–2013, 81 per cent of the approximately 1.9 million litres of glycol used at Helsinki Airport was recovered. In Tampere, Jyväskylä, Kuopio and Oulu, the recovery rate in 2013 was 24–63 per cent. The recovery rates fluctuate yearly with changing weather conditions. Part of the glycol also adheres to the surface of the aircraft and cannot be recovered.

MAJOR ENVIRONMENTAL INVESTMENTS IN CENTRALISED DE-ICING OPERATIONS AT HELSINKI AIRPORT

The de-icing strategy produced for Helsinki Airport spans 15 years. It discusses the steps for developing the capacity, operations, infrastructure and the protection of the aquatic environment. In the long run, the intention is to carry out all de-icing and anti-icing treatments at the airport in centralised de-icing stations or other places specifically equipped for the purpose. The instructions for the ground handling companies carrying out de-icing and anti-icing treatments will also be increased and harmonised, and the recovery of propylene glycol solutions will be made more effective.

Helsinki Airport has two centralised de-icing areas. The first one was commissioned in 2008. The second centralised de-icing area is still partly under construction. Its first phase was commissioned in early 2012. The whole area will be in use by the end of 2014. Ground traffic arrangements for aircraft were made in the area in summer 2013, and the work will continue in 2014 with the construction of two treatment spots. The de-icing development project at Helsinki Airport also includes improvements to the first

de-icing area. The plan is to increase the number of treatment spots so that more planes can be directed there for treatments, away from the front of terminals. When the work is complete, there will be four or five treatment spots in each de-icing area. In addition, a treatment area will be equipped between Terminal 1 and Runway 1 for e.g. propeller-engine airplanes.

About EUR 14 million was invested in the development of the second centralised de-icing area in 2013. As a whole, Finavia will invest a total of EUR 55 million in de-icing areas during 2010–2015.

DE-ICING STRATEGY HARMONISES THE INSTRUCTIONS FOR THE AIRPORT NETWORK

The de-icing strategy of the airport network was completed in 2013. The strategy harmonised the locations of airplane de-icing operations, the requirements for the equipment used by ground handling companies and the maintenance principles for treatment areas at the network airports. Particular attention was paid to Tampere, Jyväskylä, Oulu and Kuopio Airports where glycol is recovered.

THE BEDROCK TUNNEL FOR DRAINING GLYCOL-CONTAINING WATERS WAS COMPLETED

The work for reconditioning and sealing the bedrock tunnel used for draining glycol-containing waters at Helsinki Airport was completed in autumn 2013. The tunnel serves as an intermediate storage before the glycol-containing water is led to the wastewater sewage. The total cost of the work amounted to approximately EUR 1.8 million.

Control and monitoring of noise was further enhanced

The noise generated by airplanes constitutes a significant environmental impact in the areas surrounding airports. In 2013, Finavia introduced the WebTrak service that allows the routes and noise levels of aircraft using Helsinki Airport to be monitored from the Internet. In addition, Finavia continued to invest resources in the planning of runway usage methods and flight route planning, as well as in the promotion of continuous descent approaches.

Finavia constantly strives to reduce noise with a long-term approach. The means of noise control include optimising runway usage and night-time limitations, flight route planning and changes in approach methods, as well as limitations on the noisiest aircraft.

Noise control and its monitoring are closely regulated by the environmental permits of airports. The monitoring system at Helsinki Airport has nine measurement stations providing accurate data on the noise levels created by different types of aircraft. The results and actual flight routes used are reported to the authorities in keeping with the environmental permit of Helsinki Airport.

WebTrak

Helsinki Airport's aircraft routes and noise level monitoring online



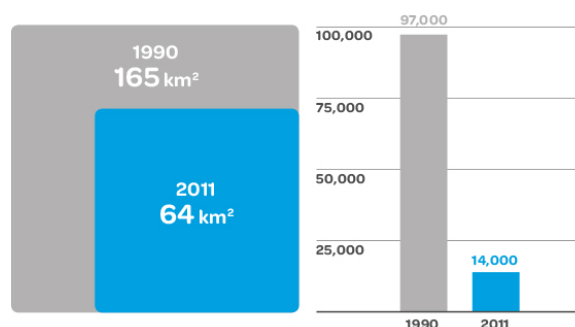
THE AREA AFFECTED BY NOISE KEEPS DECREASING

In the last decades, the aircraft noise area at Helsinki Airport has decreased substantially even though the traffic volume has increased. The reduction is due to progress in aircraft technology and air traffic control operating methods. While there were 97,000 people living in the aircraft noise area of the Metropolitan Region in 1990, the noise area had been reduced to affect only 14 000 inhabitants by 2011. The number of commercial aviation landings decreased to 82,900 in 2013 (84,800).

Finland uses, in line with the EU Noise Directive, an indicator called Lden to describe aircraft noise in daytime, evening and at night. The indicator describes, at an annual level, the weighted average of noise energy recorded during 24 hours, where the aircraft noise readings taken in the evening (7 p.m. to 10 p.m.) are increased by 5 dB and the aircraft noise readings taken at night are increased by

10 dB. The weighting is used to compensate for the differences between perceived noise disturbance at different times of the day.

DEVELOPMENT OF AIRCRAFT NOISE AREA AND RESIDENTS IN THE AREA, Helsinki Airport



MEASUREMENT STATIONS, Helsinki Airport

- 101 Korso
- 102 Tikkurila
- 103 Martinlaakso
- 104 Kalajärvi
- 105 Palojoki
- 106 Kerava
- 107 Marja-Vantaa
- 108 Laaksolahti
- 109 Maaniittu



Changes in flight methods reduced noise

Finavia is committed to the long-term development of flight routes. In 2013, two extensive technical reports were completed at Helsinki Airport. They were used as the basis for changing the landing methods to generate less noise.

The landing routes are aligned with runways. There are fewer possibilities for developing new routes for landing than there are for take-off routes; the latter can be planned so that the nearest areas of dense population can be avoided. However, noise can be affected with the correct choice of landing methods.

CHANGE IN APPROACH METHODS REDUCES NOISE IN KERAVA AND SIPOO

In 2013, Finavia carried out two extensive investigations at Helsinki Airport and produced reports to be used as the basis for a noise control plan compliant with the environmental noise directive. Following the report, some of the approach methods used by airplanes landing at the airport were revised in November. From now on, planes landing from the east will approach the airport at a higher altitude than before, which will reduce noise levels in Kerava and Sipoo, particularly during peak hours and at night.

NOISE CONTROL PLANS FOR THE AIRPORT NETWORK

In 2013, Finavia also produced noise control plans for Joensuu and Malmi Airports. Noise investigations were carried out and noise reports were produced in Tampere-Pirkkala and Vaasa in connection with environmental permits.

ALMOST 60 PER CENT OF APPROACHES USE THE CONTINUOUS DESCENT APPROACH

Fine-tuning the approach methods of airplanes can also reduce noise. For example, the continuous descent approach may

involve controlling the speed of the airplane by opening the flaps and landing gear as late as possible. Lower air speed reduces the approach noise.

In 2013, almost 60 per cent of planes landing at Helsinki Airport used the continuous descent approach, which reduces noise at a distance of 10 km from the airport. At the other airports within the network, the share of landings using the continuous descent approach was greater due to less congested airspace.

PASSENGER TRAFFIC LATE IN THE EVENING AND EARLY IN THE MORNING MUST BE SECURED

In 2013, the Transport Safety Agency Trafi considered, in compliance with the Aviation Act, an enforcement decision restricting the night-time traffic at Helsinki Airport in the manner described in the environmental permit regulations. The decision would restrict the night-time access to the airport for jet airplanes. The Agency is likely to complete its deliberations regarding its decision in 2014, and any restrictions pursuant to the decision will become effective later, following a sufficient transition period.

Finavia is of the opinion that, irrespective of environmental regulations, it must be possible to arrange night-time traffic at Helsinki Airport so that the very important passenger traffic in late evenings and early mornings with its transfer connections serving the whole of Finland, as well as the development of passenger traffic as a whole, can be secured even in the future.

Helsinki Airport noise control on the Internet

Finavia aims to improve its communications related to noise control and engage in a continuous dialogue with the local communities of areas neighbouring the airports. In 2013, the focus was on developing the web communications.

The WebTrak service, designed for monitoring air traffic and noise, was launched on the Internet in May. The community noise measurement system operated at Helsinki Airport and its associated open website are unique in Finland.

ABOUT 150 WEBTRAK USERS DAILY

WebTrak shows all airplane routes and noise measurement results by the second for the chosen time frame and serves, among others, aviation hobbyists and inhabitants who want more detailed information about air traffic in their locality.

The service provides detailed information about aircraft locations, altitudes and types at an approximate distance of 70 km from Helsinki Airport. Military, emergency and government flights are not shown.

Try out the WebTrak service: www.finavia.fi/webtrak

90 PER CENT OF ALL ENVIRONMENTAL FEEDBACK IS NOISE-RELATED

90 per cent of all environmental feedback received by Finavia concerns noise. About one-fifth of noise-related feedback is received through the feedback channel of WebTrak. Noise-related contacts occur, among other things, when an individual plane, a certain flight direction or a certain flight route is found disturbing or when changes are made to the flight routes.

In 2013, there were 420 environment-related contacts (2012: 386), of which about one-third were recurring. In addition to noise, the contacts related to atmospheric emissions, water and soil issues and permit matters. Finavia responds to all environment-related contacts and seeks to develop its operations on the basis of feedback received. The contacts are recorded and their number is reported to environmental authorities on a quarterly basis.

ENVIRONMENTAL CONTACTS

Local Authority	Individuals	Contacts in total
Espoo	54	128
Helsinki	35	60
Järvenpää	0	0
Kauniainen	2	3
Kerava	13	37
Nurmijärvi	0	0
Sipoo	3	3
Tuusula	8	8
Vantaa	64	113
Other or unknown	52	68
Total	231	420

Importance of service expertise as a distinguishing factor is increasing

Our services and the way we meet our customers help us distinguish ourselves as the competition between airports intensifies. Every Finavia employee is both an expert in his/her own field and a customer service officer for 19 million passengers and 3,000 colleagues. As the development programme of Helsinki Airport starts, the need for competent and well-motivated personnel increases further.

Competence development was one of the main themes of Finavia in 2013. We paid particular attention to developing the service expertise and professional competence of our personnel, as well as to management culture.

HELSINKI AIRPORT DEVELOPMENT PROGRAMME INCREASES THE NEED FOR PROFESSIONALS

We have succeeded in improving the productivity and efficiency of our work. It will continue to be our objective so that we can maintain our reasonable price level and succeed in the competition between airports. However, in addition to improving our efficiency, we also need new, competent staff.

The Helsinki Airport development programme started in early 2014, and passenger volumes are expected to increase in the years to come. New personnel will be needed both for existing tasks and for providing special expertise when implementing the planned investments. The importance of service expertise is further emphasised when modification or construction work is done at the airport.

AVIATION SETS SPECIAL REQUIREMENTS ON COMPETENCE

Airport operations and air navigation services are a line of business that sets several requirements on the professional competence and qualifications of personnel. About 70 per cent of employees attend regular, compulsory training sessions due to the special requirements of the industry. Tightening regulation means new qualification requirements for staff in different positions.

Much of the training takes place alongside work, and qualification is demonstrated by regular tests which the employee must pass in

order to work in his/her job. The formal qualification requirements primarily apply to technical staff and maintenance staff, persons working in air navigation services and security check staff. On average, every Finavia employee had 2.5 (3.6) working days of training.

70%

The majority of Finavia employees regularly participate in training due to the special requirements of the industry.

MULTIPLE SKILLS ARE PART OF EVERYDAY WORK AT NETWORK AIRPORTS

The requirement for multiple skills continues to increase in importance, particularly at small airports: a single employee must have the qualifications for handling several tasks in order for the airport to operate with maximal cost efficiency.

Many different duties provide variation for the working days, and the employee can develop his/her competence in a diversified manner. As part of the pursuit to develop multiple skills, Finavia is also paying special attention to managerial work so that employees can attend to different duties as fluently and flexibly as possible.

Since 2012, Finavia has paid particular attention to internal recruitment, and several persons moved to new positions within the company during 2013.

We meet millions of people every year

Finavia has an extensive set of stakeholders, ranging from Finnish society to individual passengers. We work with 114 airline customers and meet about 19 million passengers every year. We are also in close dialogue with public authorities and decision-makers, as well as people living near the airports.

We listen to our stakeholders with an open mind and take their needs and views into account in our business development. In 2013, we conducted a stakeholder survey of political decision-makers, officials in ministries of primary relevance to Finavia, entities looking after the interests of various parties and entities of provincial influence, mapping out their views and expectations on Finavia's operations and stakeholder cooperation.

In 2013, we also participated in a more extensive corporate image survey intended for the general public. The survey indicates that Finavia has maintained its reputation in spite of the publicity associated with the transfer of the Finnish area control services, the air traffic controllers' labour union negotiations and the air traffic strategy. The results regarding for instance Finavia's responsibility, service quality and operational security had improved.

FINAVIA'S MAIN STAKEHOLDERS



Active dialogue with stakeholders

Finavia's main stakeholders and the issues brought up by different stakeholders are described below. In addition, the table describes the actions through which we sought to respond to the expectations of our stakeholders in 2013.

	Issues brought up by stakeholders	Examples of Finavia's actions in 2013	Channels of interaction
Airline customers	• Efficient and punctual airport and air navigation services, continuous development of operations • Competitive pricing • Close and transparent cooperation • Management of the environmental impact of airports	• Continuous cooperation for shortening the turnaround times of airplanes and for promoting the continuous descent approach • Introduction of CDM at Helsinki Airport • Helsinki Airport is the fourth least expensive main airport in Europe • New services of international standard for passengers • Smoother travelling, e.g. by increasing automation • Investments in centralised de-icing stations at Helsinki Airport	• Meetings, discussions, continuous dialogue and cooperation • Industry organisations • Finavia's international visibility
Passengers	• Flight safety • Appropriate airport network and diverse domestic and international connections • Smooth service at airports, high standard of customer service • Diverse shopping and service options	• Day-to-day work to ensure flight safety • Enhancement of airport maintenance operations • Development as a service company • New services and shopping possibilities • Improving the airport's ability to provide memorable experiences • Preparation of the Helsinki Airport development programme • Preparation of the investment programme for network airports • Development of passenger communication	• Personal service situations • Customer feedback channels and customer satisfaction surveys • Internet, social media, mobile applications • Newspapers, magazines and other publications • Events
Personnel	• Well-being at work • Incentive bonuses • Continuous development of competence • Operational efficiency issues • Good managerial work	• Work well-being projects, vouchers for physical exercise and culture • Development of the pay scheme, personnel fund • Manager survey • Introduction of the Talent Model • Change support • Development of managerial work and manager-employee interaction, reform of manager training courses	• Manager-employee discussions • Intranet and staff magazine • Staff briefings • Training sessions • Occupational healthcare • Well-being at work questionnaires

		• Closer cooperation with personnel organisations • Clearer goal-setting, performance management and assessment	• Manager survey • Cooperation with shop stewards and dialogue with labour unions
Public authorities	• Compliance with regulations	• Continuous compliance with regulations and Finavia's own instructions and principles • Reports on operations • Preparations for introducing the future aviation regulations of the European Aviation Safety Agency • Influencing the development of regulation of the industry	• Continuous dialogue, meetings, working groups
Decision-makers (the State, municipalities)	• Provision of cost-efficient air traffic services • Good accessibility to Finland and its different regions • Promotion of business life and competitiveness by means of well-functioning air traffic	• Supporting air traffic safety work • Enhancement of operations as part of the air traffic service chain • Competitive pricing • Development of airports in the provincial network, e.g. Oulu, Vaasa, Tampere-Pirkkala • Preparation of the Helsinki Airport development programme • Preparation of the investment programme for network airports • Active stakeholder cooperation (including decision maker survey)	• Continuous dialogue, meetings, working groups • Studies
Residents in the proximity of airports	• Mitigation of aircraft noise and other environmental impacts • Open dialogue	• Introduction of Webtrak, the monitoring system for flight routes and aircraft noise, at Helsinki Airport • Mitigation of emissions into water and soil, e.g. by enhancing the use of centralised de-icing stations • Promotion of the continuous descent approach • Changes in some approach methods at Helsinki Airport	• Customer feedback channels (including the Webtrak feedback channel) • Regular reporting to inhabitants • Internet, social media
Partners, sub-suppliers and suppliers	• Business relations benefiting both parties • Equal treatment of suppliers • Finavia's ability to meet the agreed obligations • Finavia's responsibility and good reputation as a partner	• Harmonisation of the procurement process • Centralisation of supplier management	• Contract negotiations • Follow-up meetings • Daily contacts
Financiers	• Return on investment • Financially sustainable business • Transparency of operations and reporting • Responsibility	• Timely payments to financiers • Attainment of financial targets • Risk management	• Meetings • Bulletins and briefings • Financial reporting

		• Business operations compliant with Finavia's operating principles and instructions	
The media	• Reliable, open and up-to-date information on Finavia • Media access to management and corporate communications	• Active dissemination of information and communications • Accessibility, e.g. via a media desk	• Bulletins and briefings • Interviews • Meetings providing background information • Events and visits

Finavia's stakeholders also include general aviators. General aviation provides Finavia with clearly negative margins, as the income derived from it is substantially less than the costs incurred due to general aviation.

By keeping the prices of general aviation season tickets low, Finavia nevertheless enables general aviation at its airports around Finland. Finavia supports the Finnish general aviation with several hundred thousand euro every year.

Finavia has extensive influence on the development of the industry

Finavia participates in developing the industry through many organisations and bodies. A Nordic cooperation network on biofuels was established in 2013.

Among other things, Finavia is a member of the Airports Council International (ACI Europe) and CANSO, the Civil Air Navigation Services Organisation, a global cooperation organisation of ANS providers. Finland is a member of the International Civil Aviation Organisation (ICAO) and the European air navigation organisation Eurocontrol.

As part of European airspace development, Finavia exerts its influence in the North European Functional Airspace Block (NEFAB), the NORACON consortium and in the Borealis Alliance. In addition, Finavia participates in many working groups and bodies related to the industry and engages in active dialogue with domestic and international authorities and political eminences.

Finavia is a member of PALTA, the Association of Service Sector Employers.

COOPERATION NETWORK ON BIOFUELS

In 2013, the major Nordic aviation actors including Finavia established a cooperation network called the Nordic Initiative for Sustainable Aviation (NISA). The main objective of cooperation is to obtain biofuel for aviation use and thus support sustainable development.

Finavia's charitable activities and principles of sponsorship

Finavia supports the well-being and activities of its stakeholders. Every year, Finavia donates money, primarily via its main partners, to charities it deems socially important. Sponsorship is part of Finavia's business promotion and is used as a means of marketing. In 2013, Finavia spent in total about EUR 55,000 on charity and sponsorships.

In recent years, Finavia's charitable donations have primarily been targeted at the well-being of children and young people. Ever since 2008, passengers have been able to donate their left-over coins from their trip to support the operations of the Plan Finland Foundation. By the end of 2013, the fund-raising by Finavia and Plan had produced more than EUR 100,000; the money has been used to help children in developing countries.

From June 2011 onwards, passengers have also had the possibility to leave their empty drink bottles and cans to Plan's sorting stations for recycling. The deposits recovered from the returned bottles and cans are donated to Plan. Finavia has placed the spaces for collection points at its airports at the disposal of Plan free of charge.

In addition, Finavia supported the following local actors in 2013: Kiekko-Vantaa Ice Hockey Team, the Aviation Museum Society, Team 10K (hot air balloon record) and the New Children's Hospital 2017 project. In all, Finavia donated EUR 3,700 to charity in 2013.

Finavia has not donated money or other assets to political parties, politicians or political institutions.

In 2010, Finavia started sponsorship cooperation with the World Cup Levi event. The cooperation continued in 2013. Lapland Race promotes the media visibility of Lapland Airports. The objective is to highlight the easy accessibility of Lapland.

COMPATIBILITY OF VALUES AND OBJECTIVES AS THE SELECTION PRINCIPLE

Finavia Corporation observes the company's comprehensive charity and sponsorship policy. The compatibility of values and objectives is the main principle behind selecting charities and sponsorship objects. In addition, cooperation in other stakeholder relations and media visibility created by the sponsorship can also be used as selection criteria.

Investments' share of total purchases is growing

Finavia is a significant buyer of goods and services. In 2013, its procurement amounted to EUR 232 million.

Finavia's purchases can be divided into four categories:

- small purchases, equipment and services related to air navigation services
- machinery and equipment, maintenance, fuels and chemicals
- facility maintenance and security
- general Group services

In addition, the purchases of passenger services and contracting services are part of Finavia's procurement.

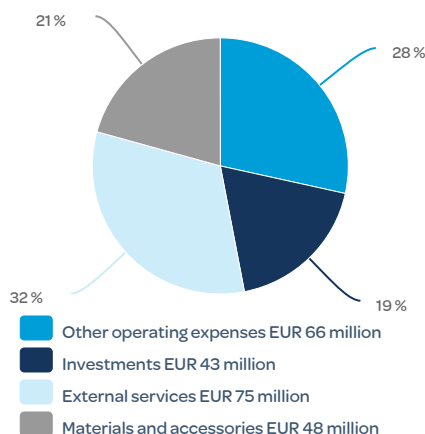
In 2013, Finavia's total purchases amounted to EUR 232 million (246). EUR 48 million (49) was spent on materials and accessories, while EUR 75 million (75) was spent on external services. At EUR 43 million (53), investments made up 18.5% (21) of total procurement.

The biggest single investment in 2013, EUR 13.6 million, was made to develop the centralised de-icing station at Helsinki Airport. The investments' share of Finavia's goods and services will increase significantly when the EUR 900 million development project of Helsinki Airport and the EUR 35 million investment programme for network airports start in 2014.

The rental, insurance, official and other payments included in Other operating expenses and the amounts included in the Ring Rail Line and environmental provisions are not included in the above figures.

Finavia buys most of the goods, services and investment goods it uses from Finland. In 2013, Finavia had a total of 3,492 suppliers of goods and services.

Procurements



Finavia's procurement principles

Finavia's procurement policy supports the implementation of Group strategy by defining the responsibilities and procedures for procurement. Finavia expects its suppliers to abide by laws, regulations and good trading practices, as well as the general ethics of operations.

The network of suppliers and partners plays a significant role in the attainment of Finavia's business objectives. The goal is open and efficient cooperation, beneficial to both parties.

PROCUREMENT POLICY SPECIFIES RESPONSIBILITIES AND PROCEDURES

Finavia's procurement policy aggregates the principles of procurement: all purchases are subject to competitive tendering, and the Act on the Contractor's Obligations and Liability when Work is Contracted Out is observed in all procurement; one of the objectives of this act is the prevention of grey economy. In addition, good trading practices, the EU Regulation provisions regarding the "Known Supplier" status and Finavia's ethical principles are observed in all procurement.

QUALITY OF OPERATIONS IS MONITORED THROUGHOUT THE CONTRACTUAL RELATIONSHIP

The supplier's products are audited at the tendering phase when Finavia checks compliance with the technical or service level-related requirements. When drafting an invitation to tender, it is

typical that points are awarded separately for price and quality and that one of these factors is weighted, depending on the nature of the procurement.

Monitoring of the suppliers' and sub-suppliers' operations and their quality is agreed upon at the beginning of the contractual relationship. The quality of operations is monitored throughout the contract period, and the frequency of monitoring meetings depends on the nature of the procurement. A new Supplier Relationship Management system will be introduced in 2014 for monitoring the suppliers.

CENTRALISED AND LOCAL COMPETENCE

Finavia's network of airports covers a large geographical area, and procurement takes place both centrally and locally as coordinated by Finavia's Procurement Department. The purchasing officials at the Procurement Department specify Finavia's contract suppliers together with the businesses and procurement teams. A lighter version of supplier contracts is concluded with local suppliers for procurements of minor monetary value.

Responsibility information

Finavia has defined the most relevant themes regarding its corporate responsibility. The most important of these themes are discussed in closer detail in the section entitled Responsibility themes. This Responsibility information section presents detailed indicators of Finavia's main areas of responsibility.

Finavia applies the Global Reporting Initiative 3.1 guidelines (Level B) to its responsibility reporting in the 2013 Annual Report. In addition, the reporting uses indicators in the Airport Operators Sector Supplement (AOSS) of GRI intended for airport operators. The indicators and their calculation principles are discussed in more detail in the section Reporting principles.

The Finnish Government's decision-in-principle regarding the owner policy of the Finnish state and its requirements for corporate responsibility reporting were taken into account in this Annual Report.

Financial added value for stakeholders

For Finavia, economic responsibility means the profitability of business and long-term development of the company's competitiveness. The main economic impact for the entire Finnish society is created by Finavia's operation as a facilitator of air traffic.

Finavia is committed to developing its business in a sustainable fashion that ensures the operating prerequisites of functional air traffic in Finland. Only by operating in an economically sustainable manner can Finavia responsibly look after its personnel, assets and the needs of its customers. Economically sustainable business supports the objective of ensuring the attractiveness of Finavia's airports and Finland's competitiveness by means of functional air traffic.

Finavia's economic responsibility entails that the company reports, in a transparent manner, its operations, and financial development, as well as direct and indirect economic impacts. According to the policy decisions regarding owner strategy, the company's overall socioeconomic result is assessed on the basis of how and at what cost the company fulfils its social service mission.

CREATION OF FINANCIAL ADDED VALUE

In order to be able to develop business in an economically sustainable manner, the expectations of different stakeholder groups must be met. Finavia must provide the passengers and its airline customers with services that meet their needs, provide its personnel with good working conditions and a competitive salary and invest resources in developing the competence of its personnel. Finavia must also build functional cooperation relations with the suppliers of goods and services, as well as its other partners.

The table below shows how Finavia created financial added value for its stakeholders in 2013. In 2013, the shares of various parties of the distributed added value was as follows: suppliers of goods and services 48 per cent (50), personnel 42 per cent (42), public sector 6 per cent (7) and financiers 4 per cent (1).

FINANCIAL ADDED VALUE FOR STAKEHOLDERS, EUR MILLION

CREATING ADDED VALUE		2013	2012	2011
Customers	Revenues, other operating income and financial income (including excise tax)	355.0	368.8	378.3
ADDED VALUE CREATED		355.0	368.8	378.3
DISTRIBUTION OF ADDED VALUE				
Suppliers of goods and services	Purchased goods, materials and services, other operating expenses (less the fees of Trafi, real estate tax and voluntary staff costs)	165.1	180.2	173.9
Personnel	Salaries and wages, pension expenses, other employer contributions, voluntary staff costs	145.0	152.0	148.2
Public sector	Employer contributions, income taxes, value-added tax, real estate taxes, fees paid to Trafi (excluding the monitoring charge collected from airlines)	20.2	24.6	28.7*
Financiers	Interest and other financial expenses	12.2	5.3	7.4
Owners	Dividends (EUR 1.7 million will be distributed as dividends for the financial period 2013)	0	0	0
Communities	Donations	0	0	0
DISTRIBUTED ADDED VALUE		342.6	362.1	358.1
RETAINED FOR BUSINESS DEVELOPMENT		12.4	6.8	20.2

** In 2011, the air traffic monitoring charge of EUR 7.9 million was recorded in Finavia's financial results, and it is shown in the above calculation in the public sector share of 2011. The monitoring charges collected in 2012 and 2013 are not included in Finavia's results, nor are they taken into account above. The air traffic monitoring charge is a statutory monitoring charge levied by the Finnish Transport Safety Agency (Trafi), collected by Finavia and paid further to Trafi. More information on the taxes and tax-like levies collected by Finavia is in section Taxes.*

In 2013, Finavia paid a total of EUR 115.9 million in salaries and wages (121.4), EUR 20.6 million in pension expenses (21.8) and EUR 6.2 million in other employer contributions (6.8). Voluntary staff costs amounted to EUR 8.5 million (8.8).

The suppliers of goods and services were paid a total of EUR 40.8 million for materials and accessories (43.8), EUR 48.6 million for external services (46.9) and EUR 42.0 million for investment goods and services (45.1). Other operating expenses less Trafi's

charges, real estate tax and voluntary staff costs amounted to EUR 33.7 million (44,5).

Financial targets and operational prerequisites

Finavia has been given special tasks and targets regarding their implementation, as well as financial targets. Finavia achieved its targets for the financial year 2013.

Finavia sets its earnings, balance sheet and financing targets so that it is capable of ensuring the continuity and development of its operations in the manner required by aviation safety and passengers' expectations. The company's financial targets for 2013 were the same as for 2012.

Finavia has been given a special task related to the maintenance of the airport network and the production of airport and air navigation services required by State aviation; they are described below in conjunction with financial targets.

Target or prerequisite	In 2013 (2012)
Efficiency: competitive prices in European comparison	Helsinki Airport was the fourth least expensive airport among the 23 main airports in Europe. Its ranking was fourth also in 2012.
Financial performance: sufficient cash flow financing to secure operational development and financing	The Group made a profit of EUR 15.1 million (15.5) for the period. The cash flow financing was sufficient to secure operational financing.
Equity ratio: at least 40 %	46.9% (46.1%)
Dividends: Finavia pays dividends to the Finnish State within the constraints of its financial results and distributable funds.	The parent company made a profit of EUR 6.8 million (3.0) for the period. The GM decided that EUR 1.7 million will be distributed as dividends for the financial year 2013.*)
Cost-efficient handling of special missions for society	Operational efficiency measures of the airport network continued. The number of FTEs continued to decline. The airport investments were targeted increasingly based on demand.
The airport and air navigation services required by State aviation are produced at cost price	For basic services, the Air Force and the Finnish Border Guard pay the price specified in the terms and conditions of service. For special services, they pay the agreed price, which covers the costs.
The operations are financed by income from their own operations.	Finavia covers the losses incurred in maintaining network airports and producing air navigation services with the income from commercial services at Helsinki Airport. In 2013, the Finnish State granted a capital investment of EUR 200 million for the Helsinki Airport development programme. The investment must be returned to the State as dividends.
Finavia may obtain partial support for the construction of airports from the State and from the Centres for Economic Development, Transport and the Environment.	In 2013 Finavia received public funding for the renovation of the passenger terminal at Vaasa Airport as the City of Vaasa provided EUR 325,000 for the purpose. The total cost of the project was EUR 1 million, of which Finavia's share was EUR 675,000. In 2012, Finavia received EUR 2.2 million in public funding for the expansion of Oulu Airport. The total cost of the project was EUR 21 million, of which Finavia's share was EUR 9 million.

*) In addition, the GM decided that the parts of the weather observation systems and software completed in 2012 and 2013, owned by Finavia Corporation, will be transferred to the Finnish State, into the possession of the Ministry of Transport and

Communications at their fair value of approximately EUR 1.4 million, as shown on the financial statements of 31 December 2013.

Direct and indirect financial impacts

Finavia's operations produce several direct and indirect financial impacts. The financial impacts will further increase as a result of the EUR 900 million development programme of Helsinki Airport and the investments to be made in network airports.

	Direct impact	Indirect impact
Finnish society	Functional air traffic is a key support factor for Finland's national competitiveness. Finavia is responsible for the competitiveness of airports so that comprehensive flight connections can be maintained. The share of air traffic of Finland's gross domestic product was about 3.2 per cent in 2011. Air traffic provides employment to 100,000 people, either directly or indirectly. The Helsinki Airport area alone employs about 20,000 persons.	
Customers	- Finavia enables comprehensive flight connections for businesses and domestic travellers. - Finavia provides its airline customers with cost-effective, punctual airport services. - Finavia makes flying as a hobby and as a small business possible by inexpensive season charges for aviation.	- Finavia is committed to developing its business in a sustainable fashion that ensures the operating prerequisites of air traffic in Finland. - Finavia endeavours to constantly improve the efficiency of its operations, which supports customer-oriented pricing. The fees charged from airlines are the fourth least expensive among European main airports. - Finavia promotes aviation culture in Finland and supports the Finnish general aviation with several hundred thousand euro every year by keeping the prices of general aviation season tickets low.
Personnel	- At the end of 2013, Finavia Group had 2,814 employees (2,840). - Finavia provides jobs in different parts of Finland, at all of its airports. - The employment impact of the Helsinki Airport development programme initiated at the beginning of 2014 is estimated at 14,000 man-years.	- The salaries and wages paid affect private consumption, while the taxes paid by the personnel contribute to the welfare of society. - Finavia invests resources in the competence of its personnel by way of different training sessions, encourages employees at airports to learn multiple skills and supports the wellbeing of its personnel in various ways.
Suppliers of goods and services	- The services purchased by Finavia include real estate, repair, maintenance, security patrol, security check, construction, and contracting and expert services, such as weather services. - The major investments are related to the development and maintenance of airports. The most significant investment in 2013 was the development of a remote de-icing area at Helsinki Airport. - The decision was made in 2013 to initiate a EUR 900 million development programme at Helsinki Airport, scheduled to run until 2020.	- Finavia seeks long-term cooperation with its partners. Operations are developed in close cooperation with partners; this also supports the business opportunities of suppliers.

Finnish State	- Finavia pays income tax, value added tax and excise taxes. - Finavia collects, on behalf of the Transport Safety Agency Trafi, the air traffic monitoring charge, which in 2013 amounted to EUR 11.1 million (11.1). The money is forwarded to Trafi. - Finavia pays dividends to the Finnish State within the constraints of its financial results and distributable funds.	- Finavia supports the development and welfare of society by paying taxes and by providing jobs in Finland. - Finavia strives to operate in an economically sustainable way by looking after the efficiency of its own operations when compared to other European airports. Thus, Finavia can support the competitiveness of Finnish companies and the welfare of Finnish people.
Financiers	- Finavia seeks to finance its operations through cash flow financing. Expansion investments required for growth may be financed through long-term borrowing.	- Finavia seeks to keep its equity ratio at a level that secures the availability of financing and a reasonable level of interest. Equity ratio as at 31 December 2013 was 46.9% (46.1).

Taxes and tax-like levies in Finavia's operations

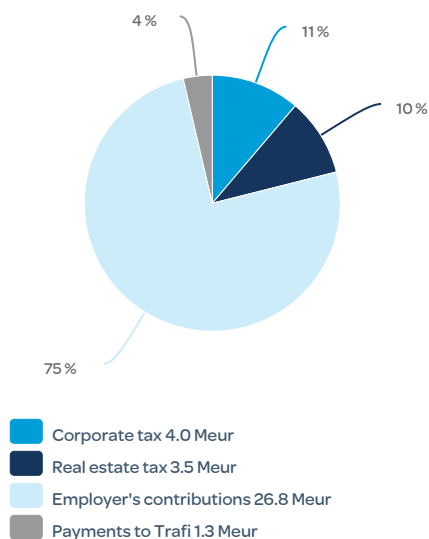
Every year, Finavia's business operations accumulate revenues for the tax collectors in the form of various taxes and tax-like levies.

In 2013, Finavia paid a total of EUR 35.6 million (40.0) in taxes and tax-like levies. In 2013, Finavia collected a total of EUR 48.2 million (49.4) in taxes and tax-like levies. These taxes and tax-like levies are not included in Finavia's financial result; instead, they are forwarded to the tax authorities.

Finavia Group only operates in Finland, and it paid all its taxes to Finland in 2013.

The graphs below show a summary of the most significant taxes and tax-like levies payable by and collected by Finavia in 2013.

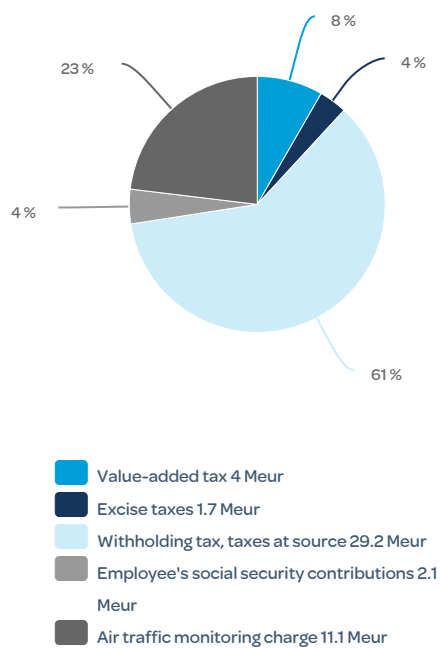
Taxes payable



The corporate tax includes the taxes recorded in the financial result for the period and the taxes recorded for the previous period (does not include deferred taxes). The payments to Trafi

include the infrastructure monitoring charges and other aviation-related charges.

Taxes collected



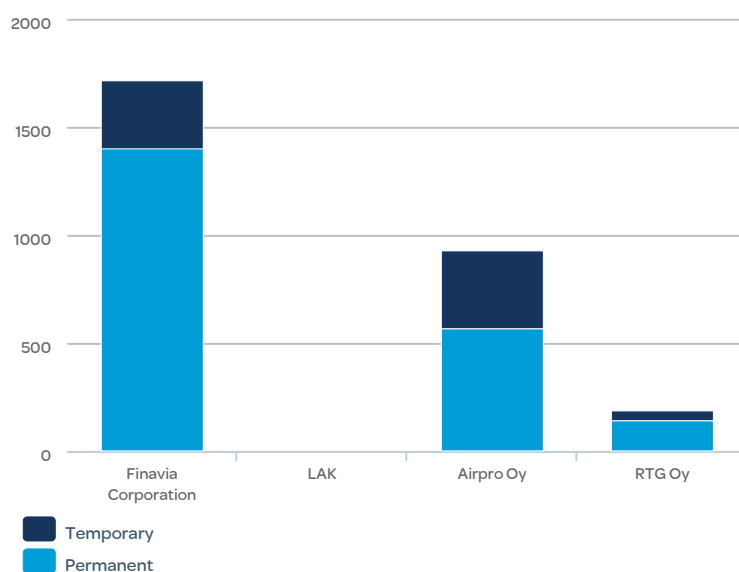
The air traffic monitoring charge is a statutory monitoring charge levied by the Finnish Transport Safety Agency (Trafí), collected by Finavia and paid further to Trafí. The charge is not related to the

airport services produced by Finavia; instead, it is an official charge, collected from all airlines and ratified by Parliament.

Information on Finavia's personnel

At the end of 2013, Finavia Corporation had 1,634 employees (1,718). The Group had 2,814 employees (2,840).

Number of personnel on 31 December 2013



FULL-TIME EQUIVALENT EMPLOYEES

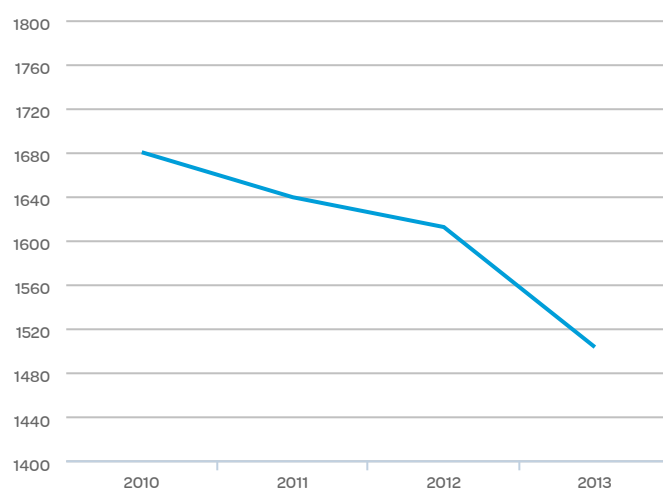
In 2013, the employees of Finavia Corporation worked a total of 1,503 full-time equivalent (man-years). This was 109 man-years less than in the previous year due to re-organisation of the company's operations. Improvements in efficiency and changes in personnel are discussed in closer detail below.

The average number of personnel in terms of man-years in the Group was 2,239 (2,413). In one year, a person can work a maximum of one man-year. Absences without pay reduce the number of man-years.

fte	2013
The Group's operations	263
Air Navigation Services	454
Passenger Services	46
Helsinki Airport	303
Avia College	30
The Airport Network	407
Enontekiö airport	2
Ivalo airport	17
Kemi-Tornio airport	16
Kittilä airport	15

Rovaniemi airport		35
	<i>Lapland</i>	85
Kajaani airport		14
Kokkola-Pietarsaari airport		10
Kuusamo airport		41
Oulu airport		15
	<i>North Finland</i>	80
Halli airport		5
Joensuu airport		15
Jyväskylä airport		20
Kuopio airport		32
Lappeenranta airport		17
Savonlinna airport		10
Utti airport		4
Varkaus airport		1
	<i>East and Middle Finland</i>	104
Helsinki-Malmi airport		11
Kauhava airport		7
Maarianhamina airport		12
Pori airport		16
Tampere-Pirkkala airport		31
Turku airport		30
Vaasa airport		28
	<i>West Finland</i>	135
Total		1503

Man-years



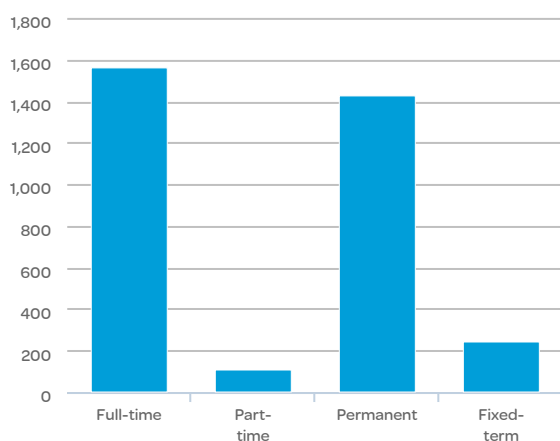
PERSONNEL BY TYPE OF CONTRACT

Of the employees of Finavia Corporation, 1,430 (1,440) were permanent and 246 (293) had a fixed-term contract in 2013. The

number of full-time employees was 1,567 (1,634) and the number of part-time employees was 109 (100).

Of the employees of Finavia Group, 2,012 (2,118) were permanent in 2013.

Personnel per type of contract

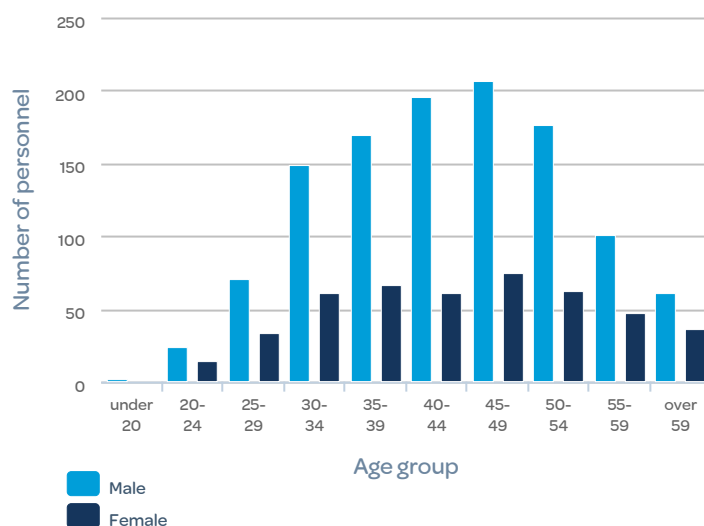


DISTRIBUTION OF PERSONNEL BY AGE AND GENDER

In 2013, the average age of Finavia Corporation's permanent employees was 43 (43). At the end of 2013, 71 per cent of the

personnel of Finavia Corporation were men and 29 per cent were women.

Age and gender structure of personnel

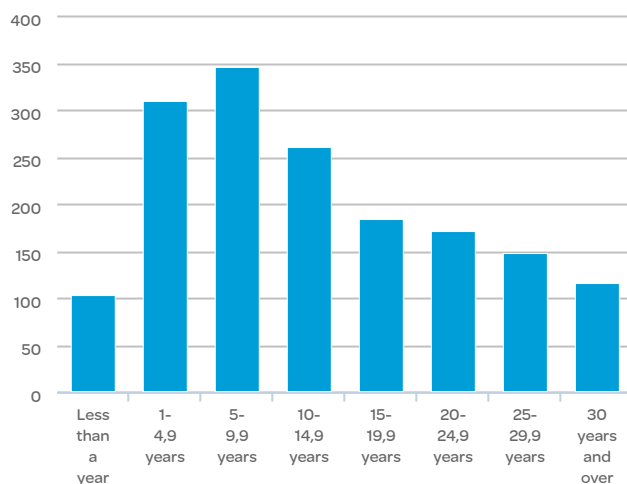


DURATION OF CONTRACTS OF EMPLOYMENT

In 2013, almost one-fifth of Finavia Corporation employees had been employed for 1–4.9 years. 20 per cent of staff had been

employed for 5–9.9 years and 16 per cent for 10–14.9 years. A total of 37 per cent of staff had been employed for longer than 15 years.

Years of service in 2013



PERSONNEL TURNOVER

The indicator of personnel turnover is calculated by adding the numbers of starting and leaving employees and by comparing this sum with the average number of permanent employees during the

year. The total personnel turnover at Finavia Corporation decreased to 8.6 per cent (9.6) in 2013. Starting employee turnover was 1.2 per cent (2.0) and leaving employee turnover was 8.7 per cent (7.6).

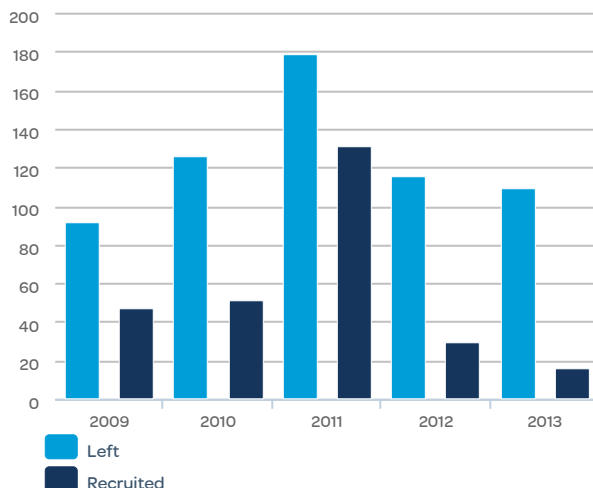
	Total turnover, %	Departure turnover, %	Incoming turnover, %
Headquarters	3.53	3.53	0.00
The Group operations	22.62	20.35	2.26
Air Navigation Services	2.11	2.11	0.00
Helsinki Airport	8.97	6.81	2.15
The Airport Network	7.90	6.88	1.02
Passenger Services	13.21	11.32	1.89
Total	8.68	7.56	1.12

CHANGES REGARDING FINAVIA'S PERSONNEL

The adaptation of staff numbers to the decreasing traffic volumes continued in 2013. Instead of recruiting new personnel, the duties of leaving employees were re-organised. There were also less

purchased services. Internal job rotation was further enhanced, for example in sales and customer service positions as well as service manager positions at Helsinki Airport. Also staff from Finavia's support functions has transferred to these positions.

Number of permanent staff recruited and left



The efficiency of operations was improved in different units. At Helsinki Airport, two fire stations were shut down as the new fire station was commissioned; this resulted in a reduction of four firemen. In addition, the improvement of efficiency led to personnel reductions in various units including the Group Financial Unit and IM Unit.

The IT Services Unit of Helsinki Airport was transferred to Corenet Oy as a transfer of business. In conjunction with the transfer of business, seven employees moved to Corenet.

In September 2013, Finavia announced that it would initiate the measures for establishing an area air traffic control centre in Vantaa. Finavia is offering air traffic controllers the option of gradually moving to work as an area air traffic controller in Vantaa. The establishment of an area air traffic control centre in Vantaa is discussed in closer detail in the section More effective air navigation services.

Following the statutory employee-employer negotiations completed in July 2013, Finavia decided that the operator duties of the Tampere area air traffic control centre are to be integrated to the flight advice unit in Vantaa where the operations will be re-organised, among other things by revising job descriptions and

working hours. The decision means that nine person-years will be reduced from the area air traffic control centre and eight person-years from Vantaa. The primary intention is to implement the necessary personnel reductions through retirement and offering replacement positions at Finavia. Any employees that may have to be made redundant will be offered a severance package.

Due to decreasing traffic volumes, Finavia started statutory employee-employer negotiations regarding Lappeenranta Airport in January 2014. The aim is to adapt the number of working shifts to the changed situation and to adapt the cost structure to the decreasing traffic income.

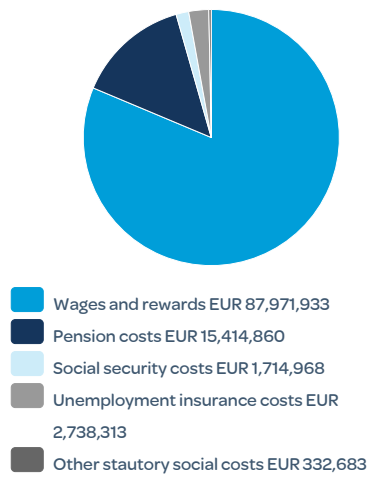
In Varkaus, air traffic was discontinued until further notice at the end of 2013 when the City of Varkaus and the State of Finland decided to end their financial support to air traffic. Due to the discontinuation of regular scheduled traffic, all Finavia employees at Varkaus Airport are subject to statutory employee-employer negotiations.

The severance packages offered to the employees are discussed in closer detail in the section Well-being at work.

STAFF COSTS

In 2013, staff costs at Finavia Corporation amounted to EUR 108,172,757 (113,048,107).

Finavia Corporation's staff costs



Well-being at work in Finavia

The improvement of well-being at work and the extension of working careers are our on-going goal. The focal areas of 2013 included support for change processes, mitigation of risks related to capacity for work, reduction of musculoskeletal disorders and mental problems as well as coping with shift work.

Several work well-being projects were initiated on the basis of the health survey conducted in 2013. The projects concentrated on weight management, managers' work-related stress, work capacity and well-being of employees over 50 years of age, musculoskeletal disorders and mental health.

Occupational healthcare was centralised to one service provider. The total costs of OHC regarding medical care and proactive OHC decreased by about seven per cent in 2013.

ATTENTION TO MUSCULOSKELETAL DISORDERS

Finavia is systematically striving to reduce absences due to illness. We pay particular attention to identifying the risks that lead to decreased work capacity and to actively supporting the employees to maintain their capacity for work.

In 2013, the percentage of absences due to illness remained at the previous year's level at 3.56 per cent, clearly below the four per cent target. The number of sick leave days decreased by four per cent. The percentage of days of absence due to illness is low at Finavia when compared to the average in Finland. However, in

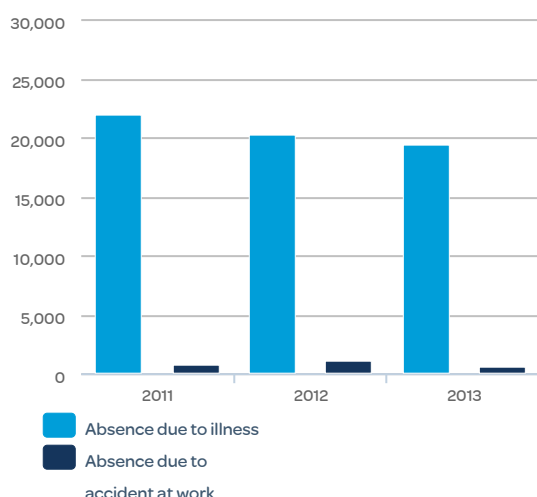
office work the percentage was higher than the average for the office sector.

At Finavia, the biggest cause of sick leaves and visits to the OHC clinic is musculoskeletal disorders. The joint project with OHC to reduce musculoskeletal disorders that was launched in 2012 continued in 2013. The annual physical exercise campaign was implemented in November 2013. In the campaign, Finavia employees raised a total of EUR 3,000 for the new children's hospital by exercising.

As part of the reform of Finavia's air navigation system, the approach control office at Helsinki Airport was renovated so that it is now more ergonomic and quiet for the staff working there around the clock.

Among other things, Finavia has sought to increase the use of lighter and substitute duties in order to support the ageing personnel in coping with their work. Particular attention is also paid to well-being at work at small airports where the air traffic schedules and personnel's numerous duties requiring many special skills may affect their ability to cope with work.

Days of absence at Finavia Corporation



MARKED REDUCTION IN THE NUMBER OF ACCIDENTS AT WORK

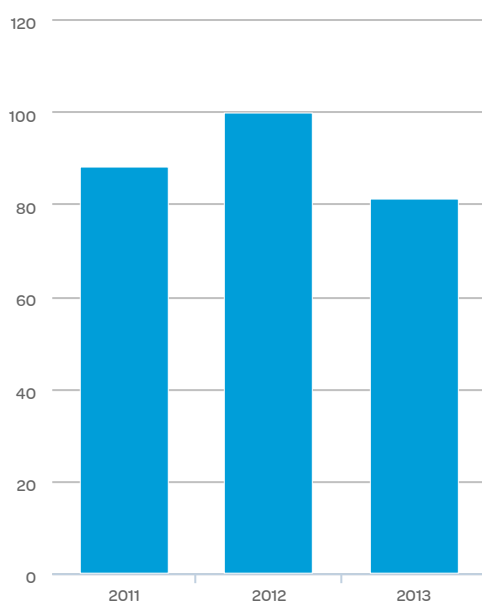
In 2013, the number of accidents compensated for by an accident insurance company decreased to 81 at Finavia (100). The figure also includes accidents that did not cause any absence from work.

The frequency of accidents at work was slightly higher than in the previous year. In 2013, there were 9.4 accidents per million

working hours, while the figure in the previous year was 8. All accidents resulting in more than three days' absence from work are included in the accident frequency. There have been no fatalities at work during 2009–2013.

Finavia is participating in the Sujuva project of the Finnish Institute of Occupational Health where the underlying factors behind accidents at work are researched and the methods for investigating the accidents are developed.

Accidents at Finavia Corporation



EXTENSIVE CHANGE SUPPORT FOR EMPLOYEES

In September 2013, following the statutory employee-employer negotiations, Finavia announced that it would initiate the measures for establishing an area air traffic control centre in Vantaa. Tampere-based air traffic controllers in Finland's control area will be given the option to gradually move to work as an area air traffic controller in Vantaa. The extensive change support package provided by Finavia includes both mental support for processing the change and extensive financial support for the moving employee and his/her family.

Some of the air control operators, office employees and members of technical staff working in Tampere will, in the future, transfer to

new jobs within Finavia when the area air traffic control operators' duties are integrated in the flight advice unit in Vantaa. The employees whose employment will end will be offered a comprehensive relocation service and individual support for considering the alternatives.

Finavia will provide the redundant personnel with support packages in excess of the statutory change support also in conjunction with other employee-employer negotiation cases. This includes OHC support, career coaching and training allowance in case the person does not find a new job during the notice period. In order to allow the person to actively seek new employment, he/she is under no obligation to work during the notice period.

We continued to improve our service expertise

Competence development was one of the main themes of Finavia in 2013. We paid particular attention to developing the service expertise and professional competence of our personnel as well as to the management culture.

At Finavia, every employee works in a service profession. The importance of customer service skills is further emphasised as the passenger volumes at Helsinki Airport grow. The new service expertise training model was tested in the manager training sessions organised during 2013. The goal is to have all Finavia employees participate in the training during 2014.

On average, Finavia employees participated in 2.5 days of training (3.6) At Finavia, personal development reviews are conducted once a year. The number of personal development reviews conducted has remained the same during recent years.

DIVERSE SUPPORT FOR MANAGERS

In 2013, the contents of management training courses were revised in line with Finavia's strategic focus areas. The management training course lasts for about one year and includes 10 training days and web studies. Managers were also offered themed training sessions on subjects such as working hours, rewarding and labour union contracts. Each year, training starts in two management training groups.

Finavia's performance assessment model was also developed so that the managers would have the tools for rewarding employees as objectively and fairly as possible. In addition, new personnel testing methods were introduced in support of developing management and teamwork.

BETTER MANAGERIAL WORK IN ALL AREAS

The manager survey of 2013 was conducted as a 360 degree survey where the managers were assessed by their colleagues, superiors and employees. Each manager also assessed his/her own performance in showing the way, setting targets, making decisions, providing motivation and interaction, cooperation skills, and self-management.

The previous manager survey was conducted in 2008, and between these surveys, managerial work has been assessed as part of the personnel surveys. The survey indicates that managerial work at Finavia has developed positively. Compared to the previous survey, there has been positive development in all individual aspects. In particular, showing the way and setting targets as well as decision-making seem to have improved.

THE RIGHT KIND OF COMPETENCE NOW AND IN THE FUTURE

During the year, the businesses' management teams defined the key roles and key experts of each business. In the future, assessment, commitment and update of successor plans will be an annual process.

The qualification requirements of security check staff were increased in 2013 by one requirement. The new training requirement is related to the Liquid Regulation entering into force in 2014.

In 2013, the fire and rescue training of airport personnel was moved to the Emergency Services College in Kuopio; the college can provide modern facilities and professional training staff as well as the capabilities for further developing the training to meet the airports' needs.

EQUALITY AS A GOAL

In 2013, Finavia started drafting a new equality plan. The equality plan allows Finavia to manage and monitor the materialisation of gender equality in the company. Many jobs in Finavia are traditionally male-dominated, and most of the applicants for them are men. This explains the relatively large proportion of male employees.

Finavia strives towards equal pay for men and women. In terms of euro, the difference between men and women at Finavia has narrowed down over the years and is now clearly smaller than the average for Finnish companies. The task of the working group appointed in 2013 is to further specify the indicators describing equal pay and to define the means for further promoting equal pay.

At Finavia, all discrimination based on race, colour of skin, age, gender, language, religion, nationality, political or other conviction or any other similar factor is prohibited in all situations. The employees and customers shall be treated fairly and equally. Finavia's ethical code of conduct is discussed in the induction training of new employees. Finavia is not aware of any incidents in 2013 where the company would have been guilty of discrimination.

Environmental impact of airports and air traffic and their management

The most significant environmental impacts of airports and air traffic are created by the runway de-icing treatment, anti-icing and de-icing treatments of aircraft and the flight operations themselves. Finavia bears the responsibility for its own operations and emissions. As a keeper of airports, Finavia is also for its part responsible for the environmental impact of operations carried out at its airports.

Action causing environmental impact	Operation	Substances deployed	Environmental impact	Responsibility for the action
Runway de-icing	Mechanical methods are primarily used: sweeping and ploughing	–	–	Finavia
	Chemical de-icing agents are utilised for removing frost and ice from the runway surface and for proactive skid prevention.	Sodium acetate, potassium acetate, sodium formate and potassium formate in granular and liquid form	Consume oxygen in waterways, but only have a minimal negative impact on the environment.	Finavia
Anti-icing and de-icing treatments of aircraft for ensuring their manoeuvrability and performance	Spraying on the aircraft surfaces	Propylene glycol	Not classified as hazardous, but upon disintegration, it consumes oxygen and emits an odour.	Ground forwarding agents
Aviation by airlines, private planes and the Defence Forces	Aviation, taxiing, test operation for maintenance purposes	–	Noise, engine emissions	Aviation operators (equipment), municipalities (land use planning), Finavia (flight methods, actions by air traffic control)
Maintenance of airport premises	Maintenance: heating, waste water management and waste management	–	Direct or indirect atmospheric emissions	Finavia

Environmental permits guide the airports' operations

Airport operations require an environmental permit. The environmental permit regulates activities impacting the environment and contains extensive regulations regarding the operations of the subject airport and their environmental impact. Environmental permits must be renewed every 7 to 10 years.

16 of Finavia's airports have an environmental permit compliant with the Environmental Protection Act that entered into force in 2000. The permit applications of Vaasa, Kuusamo and Kokkola-Pietarsaari were pending at the end of 2013. In addition, the amendment applications regarding Jyväskylä and Maarianhamina were also being processed.

The local Centres for Economic Development, Transport and the Environment have taken the view that a few airports will not need an environmental permit, unless their scope of operations is substantially changed. At airports, the activities impacting the environment are also governed by many international and national aviation regulations.

HELSINKI AIRPORT'S ENVIRONMENTAL PERMIT PROCESS PROCEEDED

In September 2013, the Administrative Court of Vaasa issued its decision concerning the environmental permit of Helsinki Airport. The decision imposes stricter review and reporting on Finavia concerning air traffic and its environmental impact. The decision supports Finavia's responsible method of operations and transparent reporting of social impacts. The prerequisites for controlled development of the airport are also maintained.

However, Finavia appealed against the decision to the Supreme Administrative Court, because Finavia's requirements for extending the permit from 2017 to 2025 were rejected. Finavia does not consider it to be in the best interest of society that the

airport's new environmental permit process has to be launched immediately after the processed permit has become legally valid.

ENVIRONMENTAL PERMIT FOR TURKU AIRPORT

The environmental permit process for Turku Airport, in progress for more than nine years, was concluded in June 2013 when the Regional State Administrative Agency of Southern Finland granted an environmental permit for the airport.

The environmental permit includes regulations, e.g. for preventing aquatic and soil emissions: the de-icing and anti-icing operations of airplanes must be performed in areas which are drained outside groundwater areas or the waters must be led to wastewater treatment. Finavia must also participate in the investigations regarding the Natura swamp area in the immediate vicinity of the airport. Finavia has already investigated the impact that the airport operations have on the water balance of the swamp area, for example.

NEW ROUND OF PERMIT APPLICATIONS

Finavia submitted the applications for the environmental permits of Vaasa and Kuusamo Airports in December 2013. The round of revising the airports' environmental permits begins in 2014. The environmental permit obtained by Utti Airport in 2005 will be the first to expire. The application regarding the revision of the permit regulations must be drawn up by the end of 2014.

Environmental management and objectives

Finavia's environmental work is based on legislation, international regulations and on taking the expectations of stakeholders into account. In this work, Finavia also takes into account the requirements of air traffic safety.

The main environmental aspects of Finavia's operations are air traffic and its control (noise, emissions, energy consumption), winter maintenance of airfield areas (aquatic and soil emissions), anti-icing treatments of airplanes (aquatic and soil emissions), waste management (including soil masses) and the maintenance of the built infrastructure (energy consumption, emissions). The work for reducing environmental impact on these areas is implemented gradually over a long period of time. For example, the further development of aquatic environment protection requires major financial investments in the construction of de-icing and snow piling areas and in organising the recovery of glycol-containing solutions.

Finavia's Environmental Unit is part of the Technology and Environment Service. The main areas of responsibility of the Environmental Unit are the sustainable development of Finavia's operations, management of the processes required by environmental legislation and looking after the interests of the operational prerequisites of airports in the planning processes for traffic systems and land use. The unit is responsible for the environmental processes of airports and for official reporting required by the permits.

In addition to the unit's experts, the Water Manager of Helsinki Airport is also a member of this team. The director responsible for sustainable development and the Environmental Management Team coordinate Finavia's environmental work.

MAIN ENVIRONMENTAL TARGETS 2013

- Management of official requirements regarding airports
- Development of Helsinki Airport noise control and related communications
- Development of aquatic environment protection at network airports
- Investigation and planning activities regarding contaminated soil
- Support to air navigation services in the planning work regarding the efficiency of Finnish airspace
- Development of internal and external environmental reporting

- Development of Finavia's environmental communications
- Support to improving energy efficiency

MAIN ENVIRONMENTAL TARGETS 2014

The work for major environmental matters will continue, and many of the targets and themes for 2013 are maintained. Separate projects and themes for 2014 are discussed below.

Technical development projects:

- Building of glycol-containing snow piling area for Tampere-Pirkkala Airport
- Finalisation and commissioning of the extension of the second centralised de-icing station at Helsinki Airport
- Reform of the refuelling stations at Turku and Halli Airports
- Reconditioning of the fire drill area in Rovaniemi

Plans, investigations and reports compliant with the permit obligations, including:

- Kylmäoja River reconditioning plan for Helsinki Airport
- Noise report regarding Helsinki Airport traffic
- Noise measurements regarding traffic in Rovaniemi
- Noise control plans for Tampere-Pirkkala, Oulu and Utti air traffic

The environmental permits of the following airports will be processed by the authorities in 2014: Helsinki, Turku, Jyväskylä, Vaasa, Kokkola-Pietarsaari, Kuusamo and Mariehamn. In addition, the permit must be applied for or revised for Varkaus and Utti Airports.

New scientific information regarding the decomposition of glycol in Finnish conditions will be obtained from a study performed with the Tampere University of Technology and Ramboll Finland Oy, investigating the effect of soil properties and temperature on the rate at which the substance disappears.

Most significant environmental investments in 2013 in de-icing areas

The aim of Finavia's environmental investments is to reduce the environmental impact of airport operations, to enhance their monitoring and to improve energy efficiency.

In 2013, Finavia's environmental investments amounted to approximately EUR 19.2 million (3.3). The most significant environmental investments were targeted at reducing the load on the aquatic environment caused by the de-icing and anti-icing treatments at Helsinki Airport.

MAIN ENVIRONMENTAL INVESTMENTS IN 2013

- Construction of R8 de-icing area at Helsinki Airport EUR 13.6 million
- Reconditioning of the rain water tunnel at Helsinki Airport EUR 1.1 million
- Replacement of snow-ploughing equipment at Helsinki Airport EUR 2.5 million
- Development of the rain and melt water drainage arrangements at Helsinki Airport EUR 0.9 million
- Refurbishment of the storage facilities for anti-skid agents at Helsinki Airport EUR 0.4 million
- Replacement of light sources in P5 parking hall at Helsinki Airport with energy-efficient alternatives EUR 0.3 million
- Technical modifications to rescue and fire-fighting vehicles (22 airports) EUR 0.1 million. A technical modification was made in the rescue and fire-fighting vehicles of airports that

allows the fire drills and operation tests to be carried out without using the actual fire-fighting chemical.

- Refurbishment of refuelling stations at Turku and Kuusamo airports EUR 0.2 million
- Reform of the ANOMS noise monitoring system (year 2013 portion) EUR 0.1 million

HELSINKI AIRPORT DEVELOPMENT PROGRAMME STARTS – ENVIRONMENTAL IMPACTS ARE TAKEN INTO ACCOUNT AS PART OF THE PLANNING PROCESS

Finavia started a EUR 900 million development programme for Helsinki Airport at the beginning of 2014. The investments will continue until 2020, and their objective is to allow Helsinki Airport to develop as a growing and fluent air traffic hub.

The environmental efficiency of the infrastructure to be implemented and the new sustainable solutions are in focus at different phases of the programme, from planning to implementation and commissioning. Finavia will report the environmental solutions in the development programme as part of its Annual Reports.

Distribution of traffic, Finavia

In 2013, the number of commercial air traffic landings decreased by 6.0 per cent from the previous year. The total number of all landings decreased by 4.6 per cent to 229,547 (245,826).

NUMBER OF AIRCRAFT LANDINGS AT FINAVIA AIRPORTS 2013

Year 2013

Airport	Commercial aviation	General aviation	Military aviation	Total
Enontekiö	89	2	17	108
Halli	0	144	954	1,098
Helsinki-Malmi	26	36,318	50	36,394
Helsinki-Vantaa	82,890	1,294	779	84,963
Ivalo	749	100	210	1,059
Joensuu	1,445	835	17	2,297
Jyväskylä	798	2,639	7,456	10,893
Kajaani	1,053	255	59	1,367
Kauhava	0	89	5,655	5,744
Kemi-Tornio	813	494	6	1,313
Kittilä	1,133	108	22	1,263
Kokkola-Pietarsaari	1,284	1,223	108	2,615
Kuopio	2,470	3,647	3,902	10,019
Kuusamo	484	54	5	543
Lappeenranta	550	418	55	1,023
Maarianhamina	1,868	1,136	0	3,004
Oulu	5,354	3,785	911	10,050
Pori	799	8,502	91	9,392
Rovaniemi	2,175	2,375	3,555	8,105
Savonlinna	514	82	2	598
Tampere-Pirkkala	3,719	8,900	3,934	16,553

Turku	4,761	6,963	232	11,956
Utti	1	507	2,111	2,619
Vaasa	3,565	2,204	264	6,033
Varkaus	447	91	0	538
Total	116,987	82,165	30,395	229,547

CHANGE FROM YEAR 2012 IN THE NUMBER OF AIRCRAFT LANDINGS

Change from previous year (%)

Airport	Commercial aviation	General aviation	Military aviation	Total
Enontekiö	33.8	75.0	450.0	47.9
Halli	-100.0	-12.6	-1.4	-2.5
Helsinki-Malmi	-75.2	-8.4	-15.8	-8.5
Helsinki-Vantaa	-11.0	33.7	3.9	-10.4
Ivalo	7.1	-5.5	3.2	4.2
Joensuu	8.3	-8.3	-34.8	-0.2
Jyväskylä	-23.5	-24.8	-8.3	-14.0
Kajaani	-1.8	83.1	29.9	10.6
Kauhava	400.0	37.1	4.4	5.0
Kemi-Tornio	-33.0	-32.7	300.0	-32.8
Kittilä	-6.0	195.5	-58.2	6.6
Kokkola-Pietarsaari	-9.1	-27.6	-31.8	-18.0
Kuopio	-14.5	8.5	-17.3	-9.6
Kuusamo	-12.0	-28.0	-64.3	-16.0
Lappeenranta	-20.1	-64.7	52.0	-49.8
Maarianhamina	-10.3	-9.3	0.0	-10.0
Oulu	-9.0	-19.7	13.6	-10.6
Pori	-20.9	-8.5	13.8	-9.5
Rovaniemi	-5.1	2.4	-20.3	-10.6

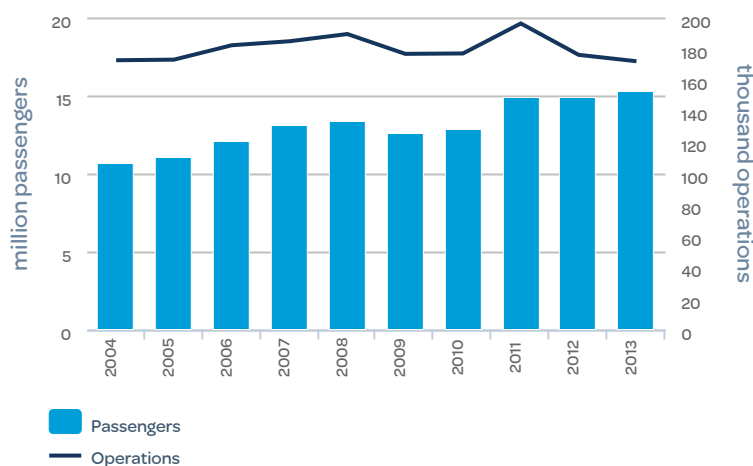
Savonlinna	-6.4	-4.4	-50.0	-6.6
Tampere-Pirkkala	-14.1	-6.0	-9.1	-9.0
Turku	0.6	7.2	-25.3	3.9
Utti	0.0	-16.6	30.3	18.4
Vaasa	-3.3	17.8	-39.4	0.6
Varkaus	-3.1	103.8	-96.4	3.0
Total	-10.3	-7.3	-5.8	-8.7

Distribution of traffic, Helsinki Airport

In 2013, the total number of operations at Helsinki Airport decreased by one per cent from 2012. Operations are divided into landings and take-offs.

The passenger volume at Helsinki Airport grew by 2.8 per cent, particularly as a result of the positive development of international travel.

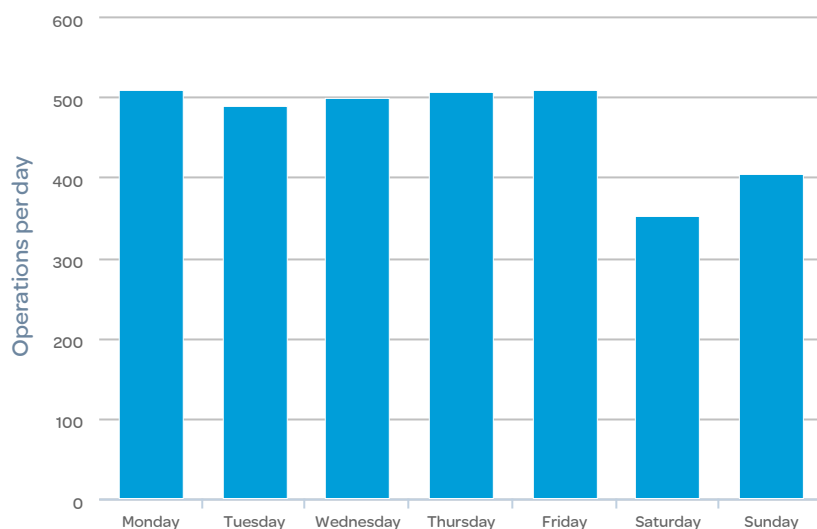
Operations and passenger number trends



Weekdays are clearly busier for air traffic than Saturdays and Sundays. In 2013, an average of 370 jet planes (370) and 135

propeller planes (145) arrived at Helsinki Airport or departed from it during weekdays.

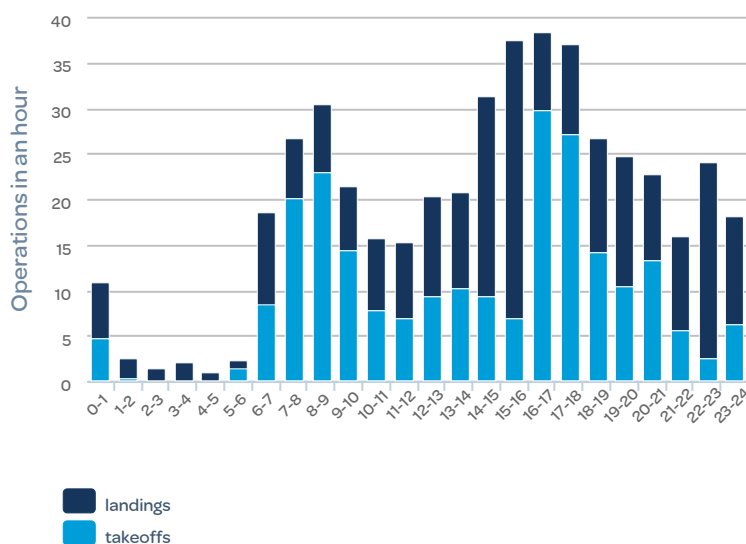
Daily traffic



Air traffic is at its busiest at Helsinki Airport on afternoons and during mornings from 8 a.m. to 9 a.m. There is plenty of arriving traffic from 2 p.m. to 4 p.m. while the peak hours for departing traffic are from 4 p.m. to 6 p.m. There is little traffic at night from 1

a.m. to 6 a.m., most of it landings. In terms of number of operations, the busiest month of 2013 was April. The traffic was at its lowest point in December.

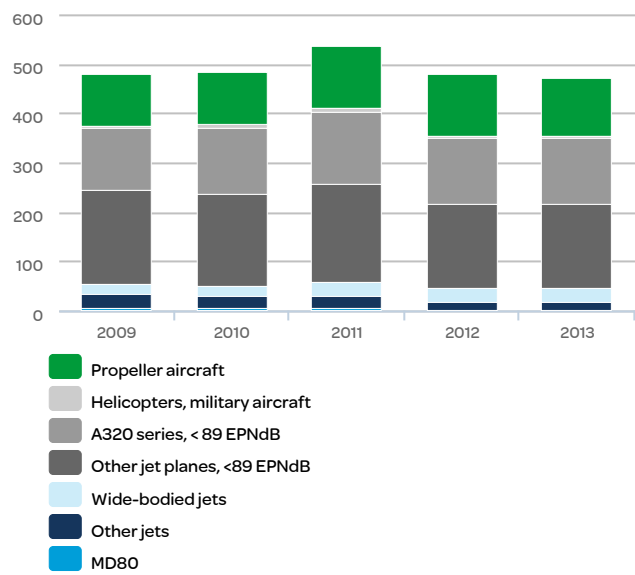
Hourly traffic



In 2013, the jet planes with low noise represented 64 per cent (63) of all planes. Wide-bodied planes represented 6 per cent (5). 25 per cent (26) of all flights were flown with propeller planes. The

noisier MD80 aircraft type has almost completely retired from traffic.

Types of aircraft in service



Principles of using runways

Helsinki Airport has three runways, which are used as required by weather conditions, traffic and environmental considerations. Headwind is the safest wind for aircraft to land and take off in. The runway to be used is chosen applying the primality principle; in addition to the direction and velocity of wind, the noise generated by aircraft and the number of planes are taken into account.

The runways for landings and take-offs are always chosen taking traffic into account, and the choices are interdependent. There are about twenty different runway combinations in use. The primary runway for landings is Runway 2 (15) from northwest, i.e. from the direction of Nurmijärvi, or Runway 1 (22L) from northeast, i.e. from the direction of Kerava, while the primary runway for take-offs is Runway 3 (22R) towards southwest, in the direction of Western Vantaa and Espoo. Aircraft with low noise can take off from Runway 1 (22L) towards the south at the same time. When the wind is from the north or east, Runway 3 (04L) or Runway 1 (04R) are usually used for landings, i.e. for approaches from south-west, the direction of Western Vantaa and Espoo, while take-offs are made from Runway 1 (04R) towards northeast in the direction of Kerava.

The aim is to handle the traffic corresponding to the demand so that the number of people living in the noise area is as small as possible. At night-time, landings are primarily made using Runway 2 (15) from northwest, i.e. from the direction of Nurmijärvi, and take-offs using Runway 3 (22R) towards southwest, in the direction of Espoo. Jet plane landings to Runway 2 (33) from the southeast and take-offs from Runway 2 (15) towards the southeast are avoided due to dense population in the affected areas. At night-time, propeller plane operations towards the southeast are also prohibited unless otherwise dictated by air traffic safety. Air traffic safety is the main reason for not always being able to choose the optimal runway for noise control.

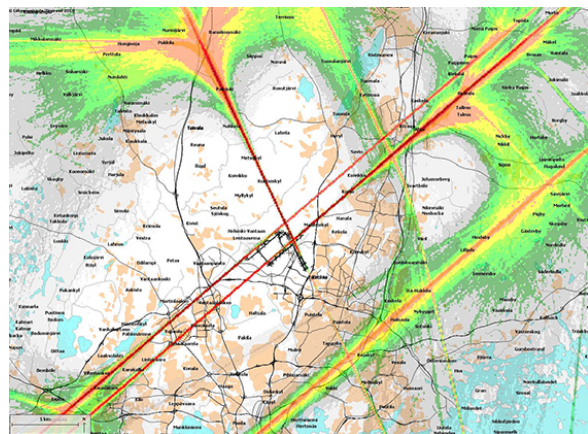
APPROACH METHODS WERE REVISED

Finavia revised some of the airplanes' approach methods in March 2013. The intermediate approach height of Runway 1 was increased by 330 metres. Now the planes landing from the east will approach the airport at a higher altitude than before, which will reduce noise levels in Kerava and Sipoo. The change will reduce the noise on the runway handling roughly one-third of all landings. The intermediate approach height of Runway 3 was decreased by 270 metres.

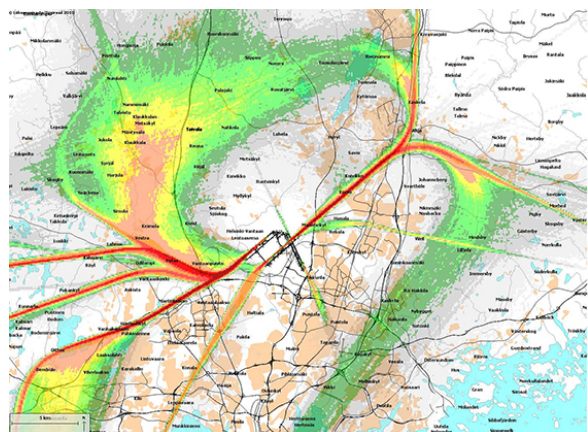
During the peak hours in the afternoon, airplanes approaching from the direction of Kerava land on Runways 1 and 3. At other times, only Runway 1 is used when landing from the direction of

Kerava. Following the revision, airplanes approaching Runway 1 are higher during peak hours and at night, in an area located to the northeast of Kerava, about 10 to 25 km from the runway. Noise control regarding Runway 3 is compromised somewhat in these situations, affecting about three per cent of all landings.

LANDING FLIGHT PATHS

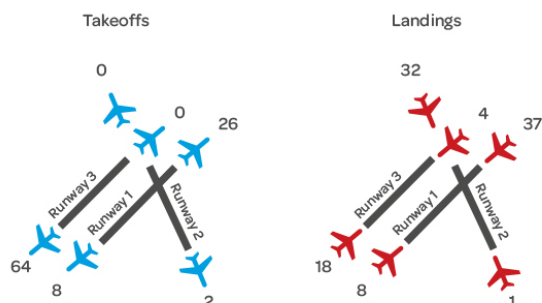


TAKEOFF FLIGHT PATHS

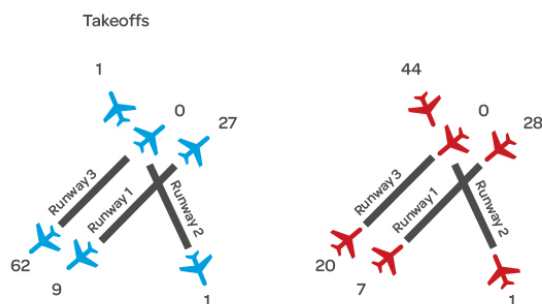


RUNWAY USE THROUGHOUT THE DAY

ALL DAY TRAFFIC, %



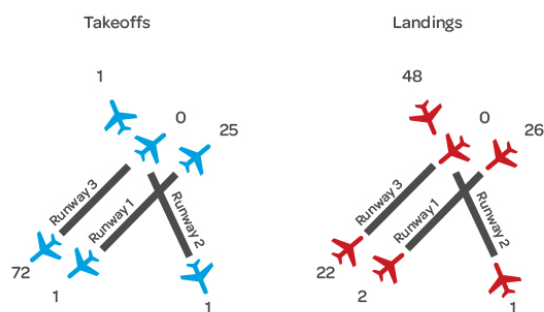
EVENING TRAFFIC (19-22 HRS), %



RUNWAY USAGE COMPARISON - 24 HOUR TRAFFIC

	2008	2009	2010	2011	2012	2013
04L takeoffs (Runway 3 to north east)	0%	0%	0%	0%	0%	0%
04R takeoffs (Runway 1 to north east)	25%	32%	31%	17%	25%	26%
22L takeoffs (Runway 1 to south west)	7%	7%	9%	7%	23%	8%
22R takeoffs (Runway 3 to south west)	65%	59%	57%	72%	49%	64%
15 takeoffs (Runway 2 to south east)	2%	2%	2%	3%	3%	2%
33 takeoffs (Runway 2 to north west)	1%	0%	0%	1%	0%	0%
04L landings (Runway 3 from south west)	20%	23%	23%	13%	15%	18%
04R landings (Runway 1 from south west)	5%	9%	8%	5%	10%	8%
22L landings (Runway 1 from north east)	38%	26%	25%	34%	39%	37%
22R landings (Runway 3 from north east)	2%	2%	2%	4%	3%	4%
15 landings (Runway 2 from north west)	34%	40%	42%	42%	33%	32%

NIGHT TIME TRAFFIC (22-07 HRS), %



In 2013, 32 per cent of all landings and 48 per cent of night-time (10 p.m. to 7 a.m.) landings used the primary landing direction, i.e. Runway 2 (15). 64 per cent of all take-offs and 72 per cent of night-time take-offs used the primary take-off direction, i.e. Runway 3 (22R). 2 per cent of take-offs were towards the southeast.

33 landings (Runway 2 from south east)	1%	0%	0%	2%	1%	1%
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Runways sometimes have to be closed due to various repair and construction works. In summer 2013, Runway 2 was closed during the daytime due to rainwater tunnel reconditioning work. The de-

icing station and rescue station construction works also had a short-term impact on the use of Runway 1.

Aquatic and soil emissions caused by de-icing treatments of runways and airplanes

Runway winter maintenance and the de-icing and anti-icing treatments of airplanes affect the aquatic and soil emissions of airport areas. Finavia seeks to minimise the environmental impacts.

Acetates and formates are among the most environmentally friendly runway de-icing agents. They are readily biodegradable and contain no nitrogen. The propylene glycol used for de-icing and anti-icing treatments is not classified as harmful, but it causes environmental loading in waterways by increasing oxygen consumption.

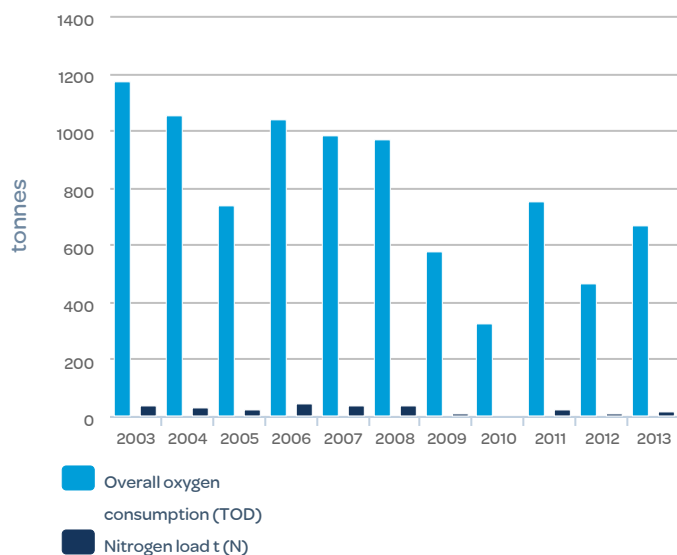
The runway de-icing agents are used in the airfield areas by Finavia, while the airplane anti-icing agents are used by airlines and ground handling companies serving the airlines. Finavia monitors the groundwater quality at 15 airports and the surface water quality at 21 airports. There are almost 300 monitoring points.

ANTI-ICING AND DE-ICING CHEMICALS

	Urea	Acetate 100%	Formiate 100%	Betaine 100%	Glycol 100%
Airport	t	t	t	t	m ³
Enontekiö	0	0	3	0	11
Halli	0	30	0	0	0
Helsinki-Malmi	0	0	4	0	0
Helsinki-Vantaa	0	0	588	0	1,924
Ivalo	0	44	0	0	39
Joensuu	0	38	0	0	29
Jyväskylä	0	53	0	0	13
Kajaani	0	2	39	0	16
Kauhava	26	28	0	12	0
Kemi-Tornio	0	52	0	0	11
Kittilä	0	56	0	0	80
Kokkola-Pietarsaari	0	61	3	0	14
Kuopio	0	63	0	6	43

Kuusamo	0	0	65	0	27
Lappeenranta	0	0	24	0	9
Maarianhamina	0	5	4	0	4
Oulu	0	109	0	0	119
Pori	0	15	0	0	2
Rovaniemi	8	62	0	0	96
Savonlinna	0	0	22	0	3
Tampere-Pirkkala	0	95	0	0	46
Turku	0	82	0	0	55
Utti	0	3	0	0	0
Vaasa	0	0	39	0	44
Varkaus	0	0	6	0	2
Total	34	791	797	18	2,587

Oxygen depletion and nitrogenous pollution caused by de-icing agents



LOADING CAUSED BY RUNWAY DE-ICING AGENTS

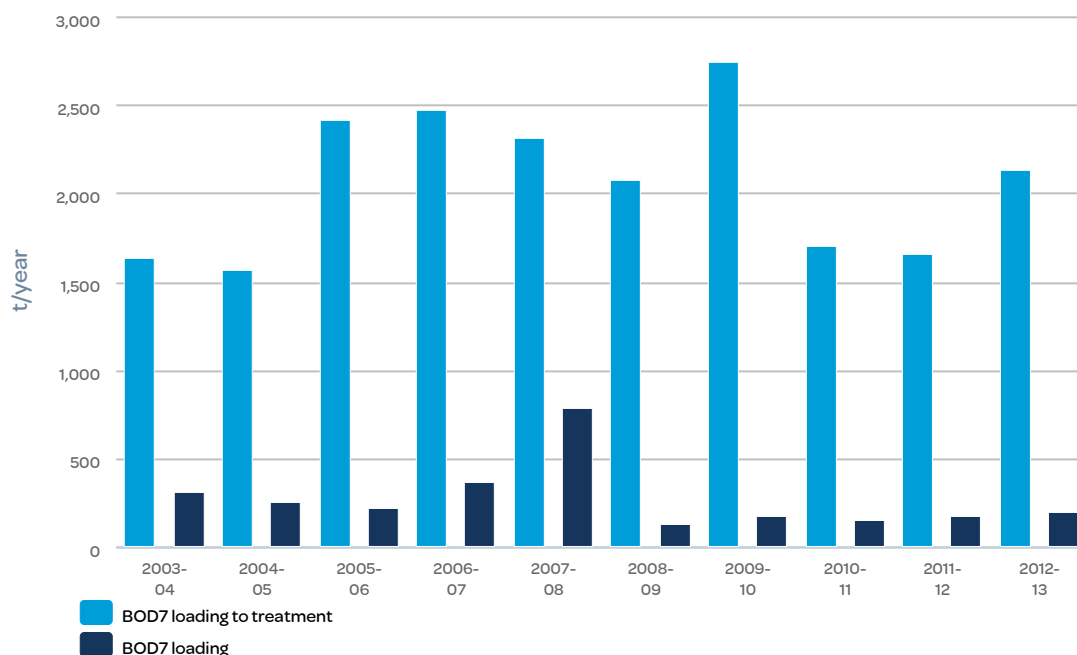
The environmental loading caused by runway de-icing agents has decreased significantly since the use of urea was discontinued at the turn of the millennium. Nitrogen loading has ended almost totally, and oxygen consumption loading has, at its best,

decreased to one-third of the situation in the early 1990s. In the 2000s, the loading has remained steady despite an increase in the consumption of runway de-icing agents. Many airports have started to use a more environmentally friendly formate solution. In recent years, the fluctuation in usage quantities due to changing weather conditions has also resulted in variations in loading.

CHEMICAL AND BIOLOGICAL OXYGEN CONSUMPTION IN DRAINING DITCHES

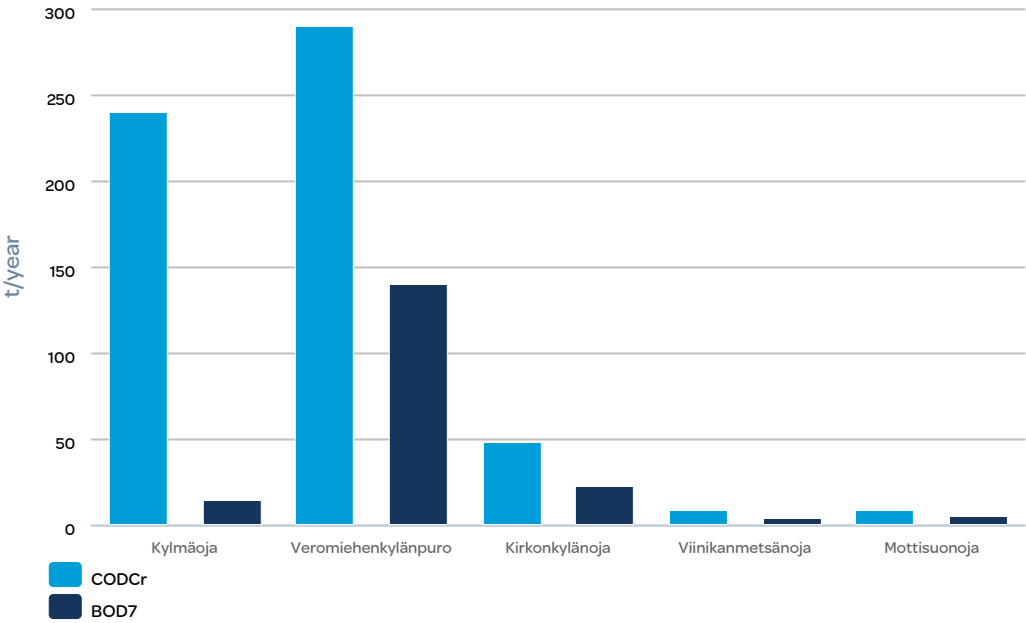
At Helsinki Airport, waters containing airplane anti-icing and de-icing agents are collected using a suction vehicle and by leading the waters from the aprons and from the anti-icing agent-containing snow piling areas to wastewater sewage. The majority of oxygen consumption loading caused by anti-icing and de-icing agents is collected for treatment.

The part of rain and melting water from the Helsinki Airport area that cannot be collected to a wastewater treatment plant is discharged via four ditches to the Vantaanjoki and Keravanjoki rivers. The loading on surface waters is regularly monitored. The quantity of oxygen-consuming substances can be described by chemical or biological oxygen consumption. In addition to the surface waters coming from the airport, the humus-containing waters of the nearby swamps affect the chemical oxygen consumption in the ditch waters.



The loading in Kylmäoja river has greatly decreased from the situation in early 2000s. This is due to developing the management of glycol-containing waters in front of Terminal 1 and

moving airplane treatments to centralised de-icing areas from the front of Terminals 1 and 2.



Continuous actions to improve energy efficiency

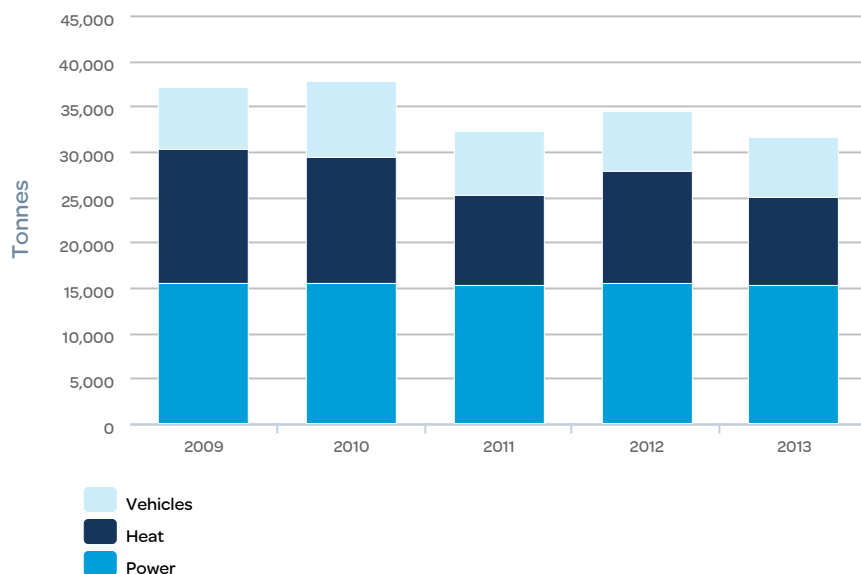
Finavia's Energy and Climate Programme provides guidelines for the energy efficiency work undertaken at airports. Energy is saved with the help of new technological solutions and training. The overall trend regarding energy and water consumption is decreasing.

Among other things, airports consume energy for heating, ventilation, cooling, illumination and the operation of various types of equipment and systems. Finavia's Energy and Climate Programme was launched in 2007. In 2013, energy efficiency was improved, among other things, by optimising the heating and ventilation of buildings, by installing geothermal systems at Rovaniemi and Savonlinna Airports and by replacing illumination systems.

In 2013, Finavia's own operations consumed 79 GWh (79.6) of electricity and 50 GWh (57.2) of heating energy, while the energy consumption of its ground vehicles amounted to 25 GWh (25.4). In 2013, the specific emission of Finavia's electricity generation was 194 kg/MWh. Finavia is investigating possibilities of achieving carbon neutrality in the future.

Energy efficiency was improved, among others, by the following actions in 2013:

- Helsinki Airport and Lapland Airports comprising six airports remained at Level 2 (reduction) of the ACA (Airport Carbon Accreditation) programme of ACI (Airports Council International). At the reduction level, the airport must reduce its carbon dioxide emissions every year.
- Geothermal power was introduced in the maintenance centre of Rovaniemi Airport in 2012. In 2013, the CO₂ emissions of the airport decreased by 57 tonnes. Savonlinna Airport is also a testing site for geothermal power. The introduction of cooling for the summer period is under consideration.
- The lamps in parking house P5 at Helsinki Airport were replaced by LED lamps, and the parking house was equipped with an automatic lighting control system. Compared to the previous lighting solution, LED lighting generates over 80% energy savings. The carbon dioxide emissions are estimated to decrease by about 180,000 kg per year, corresponding to about one per cent decrease in the emissions from Finavia's own operations at Helsinki Airport. The pay-back period of the investment is about 3–5 years.
- The recommendations of energy reviews were implemented at almost ten airports. The actions included improvements to the efficiency of air conditioning, optimisation of water circulation pump flow rates, replacement of thermostats and adjustment of water taps.
- The wood chippings-powered heating plant in Kittilä was commissioned in 2012. The energy savings in 2013 were 44,000 kWh.

Finavia's own activities' CO₂-emission

FINAVIA JOINS CO-OPERATION PROMOTING THE USE OF BIOFUELS

In 2013, the major aviation operators in Nordic Countries established the Nordic Initiative for Sustainable Aviation (NISA), a

cooperation network whose most important goal is to promote the use of biofuels in the aviation industry, thus ensuring sustainable development of air traffic. The Finnish participants are Finavia and Finnair.

AIRCRAFT EMISSIONS PER AIRPORT

	LTO-cycle	CO	HC	NO _x	SO ₂	CO ₂	Fuel
Airport	number	(t)	(t)	(t)	(t)	(t)	(t)
Enontekiö	100	0	0	0.6	0	200	50
Halli	200	1	0.1	0.01	0.001	10	2
Helsinki-Malmi	32,800	210	3.4	1.5	0.2	1,000	330
Helsinki-Vantaa	79,900	550	60	540	40	135,900	43,400
Ivalo	900	10	1	5.3	0.5	1,500	490
Joensuu	2,200	10	0.4	4	0.4	1,200	380
Jyväskylä	3,700	30	0.9	2.2	0.2	800	260
Kajaani	1,300	3	0.1	2.5	0.2	800	240
Kauhava	200	1	0.1	0.02	0.004	20	5
Kemi-Tornio	1,300	4	0.1	1.9	0.2	600	180
Kittilä	1,200	10	1.3	8.9	0.7	2,300	740
Kruunupyy	2,500	10	0.3	2.3	0.2	700	240
Kuopio	6,100	30	1	8.1	0.8	2,500	800
Kuusamo	500	4	0.4	2.3	0.2	700	220
Lappeenranta	900	6	0.3	3	0.3	800	260
Maarianhamina	2,700	20	0.8	1.8	0.2	700	210
Oulu	9,000	60	4.8	28.5	2.6	8,300	2,700
Pori	10,000	60	3.1	1.4	0.2	700	240
Rovaniemi	3,300	30	3.4	14.1	1.3	4,100	1,300
Savonlinna	600	1	0.1	1.2	0.1	400	120
Tampere-Pirkkala	11,500	70	2.2	16	1.4	4,600	1,500
Turku	9,600	70	2.9	16.8	1.5	4,800	1,500
Utti	600	7	0.2	0.02	0.003	20	7
Vaasa	4,400	20	0.8	6.8	0.7	2,100	700
Varkaus	500	1	0	1	0.09	300	90
Total	185,800	1,230	80	670	60	174,900	55,900

The above table shows the fuel consumption and emissions of airplanes at a flying height of below 915 metres (3,000 feet) during the LTO (Landing and Take Off) cycle. Airplane emissions are calculated for the internationally specified LTO cycle. The

calculation includes emissions caused by take-off and landing up to 915 m (3,000 feet) and the associated taxiing. This means emissions from a distance of approximately six kilometres from the airport during take-offs and 18 kilometres during landings.

In 2013, the total amounts of emissions and fuel consumption of airplanes during the LTO cycle decreased by an average of 7 per cent compared to 2012 (-17%).

EQUIPMENT EMISSIONS PER AIRPORT

	CO	HC	NO _x	Particles	SO ₂	CO ₂	Fuel
Airport	(t)	(t)	(t)	(t)	(t)	(t)	(t)
Enontekiö	0.2	0.1	0.6	0.03	0.001	70	20
Halli	0.3	0.1	0.6	0.03	0.001	80	20
Helsinki-Malmi	0.2	0.1	0.3	0.02	0	40	10
Helsinki-Vantaa	10.3	3.5	19.8	1.11	0.027	2,620	830
Ivalo	0.6	0.2	1.4	0.08	0.002	170	50
Joensuu	0.5	0.2	1.4	0.08	0.002	160	50
Jyväskylä	0.5	0.2	1.4	0.07	0.002	160	50
Kajaani	0.3	0.1	0.8	0.04	0.001	90	30
Kauhava	0.5	0.2	1.2	0.06	0.001	140	50
Kemi-Tornio	0.5	0.2	1.2	0.06	0.001	130	40
Kittilä	1	0.4	2.2	0.12	0.003	260	80
Kruunupyy	0.3	0.2	1	0.05	0.001	110	30
Kuopio	0.7	0.3	2	0.11	0.002	220	70
Kuusamo	0.5	0.2	0.9	0.05	0.001	110	30
Lappeenranta	0.4	0.1	0.8	0.04	0.001	100	30
Maarianhamina	0.2	0	0.2	0.01	0	30	10
Oulu	1.5	0.7	4.2	0.23	0.005	510	160
Pori	0.4	0.1	0.7	0.04	0.001	90	30
Rovaniemi	1.6	0.7	4.2	0.23	0.005	480	150
Savonlinna	0.3	0.1	0.6	0.03	0.001	70	20
Tampere-Pirkkala	0.9	0.4	2.5	0.14	0.003	290	90
Turku	1.2	0.4	2.6	0.14	0.003	310	100
Utti	0.4	0.1	0.4	0.02	0.001	70	20
Vaasa	0.8	0.3	1.3	0.07	0.002	160	50

Varkaus	0.2	0.1	0.4	0.2	0.001	50	20
Total	20	10	50	3	0.07	6,500	2,070

The total figures for emissions and fuel consumption of Finavia's ground equipment decreased by an average of 3 per cent (6%). Ground equipment includes the vehicles used for winter maintenance, apron control, repairs and maintenance. The emissions are calculated on the basis of fuel consumption figures and vehicle details.

In addition, Finavia's goal is to increase the use of alternative power options in its vehicles. At the moment, Finavia has one electric car that is used in the parking service at Helsinki Airport. Alternative power solutions for buses travelling between the parking areas are being investigated. In January 2014, four electric car-charging stations for passengers were introduced in Helsinki Airport.

ENERGY AND WATER CONSUMPTION PER AIRPORT

	Electricity	Heat	Water
Airport	MWh	MWh	m ³
Enontekiö	445	286	300
Halli	39	221	53
Helsinki-Malmi	871	2,051	1,816
Helsinki-Vantaa	53,222	20,484	120,149
Ivalo	921	1,398	192
Joensuu	710	110	2,315
Jyväskylä	1,035	1,058	3,373
Kajaani	503	856	1,187
Kauhava	120	384	141
Kemi-Tornio	486	826	866
Kittilä	1,411	1,637	3,222
Kokkola-Pietarsaari	451	721	1,414
Kuopio	1,808	1,993	3,712
Kuusamo	582	871	931
Lappeenranta	417	702	2,164
Maarianhamina	436	945	628
Oulu	4,499	4,283	13,011
Pori	544	1,023	1,039
Rovaniemi	3,943	3,012	4,808

Savonlinna	438	0*	235
Tampere-Pirkkala	1,926	1,662	2,834
Turku	2,328	2,084	3,402
Utti	39	125	97
Vaasa	1,417	2,081	2,410
Varkaus	464	223	249
Total	79,055	50,033	172,283

CONSUMPTION OF HEAT, ELECTRICITY AND WATER BY FINAVIA PROPERTIES DURING 2013 AND THE CHANGE FROM THE PREVIOUS YEAR

	Year 2013	Change
Heating consumption	50 GWh	-13%
Heating consumption per passenger	2.5 kWh/pax	-14%
Electricity consumption	79 GWh	-1%
Electricity consumption per passenger	4.1 kWh/pax	0%
Water consumption	172,000 m ³	2%
Water consumption per passenger	9.0 l/pax	3%
Ground equipment energy consumption	25 GWh	0%
Ground equipment energy consumption per passenger	1.3 kWh/pax	0%
Passengers	19.0 million	-1%

Waste

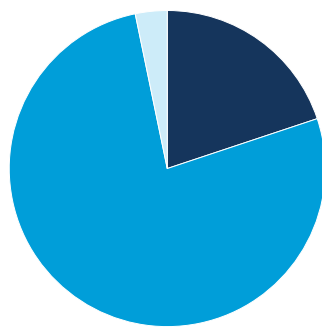
The waste amounts include waste received from actors in Finavia's airport area pursuant to a contract.

WASTE VOLUMES FOR EACH AIRPORT, tonnes

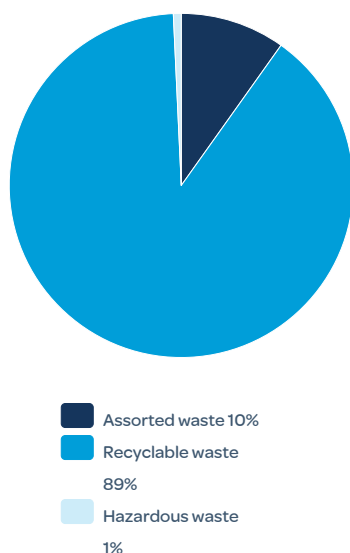
	Assorted waste	Recyclable waste	Hazardous waste
Enontekiö	2	18	0.0
Halli	3	4	0.0
Helsinki-Malmi	18	36	2.3
Helsinki-Vantaa	187	1,699	13.7
Ivalo	9	35	0.0
Joensuu	26	7	4.8
Jyväskylä	21	40	0.2
Kajaani	6	3	0.0
Kauhava	3	2	0.1
Kemi-Tornio	8	13	0.1
Kittilä	32	23	10.3
Kokkola-Pietarsaari	0	36	1.8
Kuopio	29	25	0.7
Kuusamo	0	8	0.1
Lappeenranta	12	14	8.1
Maarianhamina	0	21	0.7
Oulu	69	66	13.0
Pori	10	22	3.4
Rovaniemi	40	30	6.0
Savonlinna	13	46	2.0
Tampere-Pirkkala	110	27	5.8
Turku	0	56	5.2

Utti	1	44	22.1
Vaasa	10	82	0.0
Varkaus	7	24	0.1
Total	616	2,381	101

ITEMISED WASTE AND RECYCLABLE AND HAZARDOUS WASTE
AT FINAVIA AIRPORTS IN 2013



ITEMISED WASTE AND RECYCLABLE AND HAZARDOUS WASTE AT HELSINKI AIRPORT IN 2013



TOTAL ASSORTED, RECYCLABLE AND HAZARDOUS WASTE COLLECTED BY THE FINAVIA-MANAGED WASTE SYSTEM IN 2013 AND QUANTITY OF POLLUTED SOIL SENT FOR TREATMENT (NOT INCLUDED IN THE TOTAL VOLUME)

Year 2012	Tonnes	Change
Assorted waste	616	-23%
Recyclable waste	2,381	5%
Hazardous waste	101	-18%
Total	3,098	-3%
Polluted soil	829	-58%

The table shows the change from the previous year. Recyclable waste includes separately collected bio-waste, metal, glass, recycled paper and cardboard, lubricant waste, used tyres, WEEE and sorted construction waste. Collection of energy waste and incineration of mixed waste have increased at the airports (including Helsinki Airport and Malmi Airport), which is why the amount of mixed waste has decreased and the amount of recycled waste has correspondingly increased. Contaminated soil was sent for treatment from Helsinki Airport in 2013.

WASTE SOIL AND CRUSHED TARMAC FOR RECYCLING

In 2012, Finavia obtained an environmental permit for re-using crushed tarmac in the Helsinki Airport area. In 2013, a total of

some 3,800 tonnes of crushed tarmac removed, among other things, in connection with resurfacing taxiways and aprons, was re-used for the basic renovation of maintenance roads. In addition, crushed tarmac was taken to tarmac stations for producing recycled tarmac.

Waste soil has also been recycled earlier: the peat removed from the construction site of the third runway was placed in a dumping basin. Much of the peat has been utilised over the last 10 years for producing soil for plants and lawns, for example.

As part of the construction projects under the Helsinki Airport Development Programme, Finavia investigates, in a proactive manner, ways in which waste soil could best be utilised.

Corporate responsibility reporting

The objective of Finavia's corporate responsibility reporting is to provide information on the company's responsible operations and respond to the stakeholders' needs for information. The corporate responsibility report is published annually as part of Finavia's Annual Report. The 2013 Annual Report is published in electronic form at Finavia's website in Finnish and in English.

Finavia reported its corporate responsibility as part of its Annual Report for the first time in 2011 when the company also published separate environmental and HR reports. From 2012 onwards, the corporate responsibility report has been published in its entirety as part of the Annual Report. The 2012 Annual Report was published in March 2013.

The indicators compliant with the Global Reporting Initiative (GRI) G3.1 were utilised for corporate responsibility reporting. In

addition, the reporting uses indicators in the Airport Operators Sector Supplement (AOSS) of GRI intended for airport operators. The Finnish Government's decision-in-principle regarding the owner policy of the Finnish state and its requirements for corporate responsibility reporting were also taken into account in this Annual Report.

Feedback for the Annual Report and Finavia's corporate responsibility reporting may be sent to comms@finavia.fi.

Reporting principles

The indicators compliant with the Global Reporting Initiative (GRI) G3.1 were utilised for corporate responsibility reporting in 2013. In addition, the reporting uses indicators in the Airport Operators Sector Supplement (AOSS) of GRI intended for airport operators. The Finnish Government's decision-in-principle regarding the owner policy of the Finnish state and its requirements for corporate responsibility reporting were also taken into account in the reporting.

SCOPE OF THE REPORT

The information in the Responsibility section of this Annual Report covers the entire Group. However, some information only applies to Finavia Corporation. These cases are indicated separately. The report and indicators refer to the period of 1 January to 31 December 2013. In addition, the Annual Report brings up individual pieces of information for January-March 2014; these are separately indicated.

Mitopro Oy, an expert in corporate responsibility, has reviewed the correspondence of Finavia's 2013 Annual Report to the GRI G3.1 guidelines and confirms that the report meets the requirements of application level B.

FINANCIAL INDICATORS

The financial indicators cover the operations of Finavia Group. The figures are based on the company's accounts and financial statements. The Financial Accounting Standards (FAS) are observed for financial reporting. The financial indicators have been audited.

Finavia also complies, as applicable, with the Corporate Governance Code of Finnish listed companies approved by the Finnish Securities Market Association in 2010.

AIR TRAFFIC DATA

The flight details are obtained from the air navigation systems. The airline-specific details of passengers, freight and mail are collected from the forwarding companies operating at the airports. The information is collected in the traffic database. The air traffic statistics are based on the traffic database data.

ENVIRONMENTAL INFORMATION

Traffic details, runway usage and distribution of aircraft types

The traffic details, distribution of runway usage and aircraft type information is obtained from the Cognos system in which the information is recorded from the airport's Airport2020 system.

Locations of flight routes and noise information

Finavia operates a continuous noise and route monitoring system (ANOMS) that uses the input from radars to record the route details and the noise measurement data from nine noise measurement stations to record noise details. The information contained in the system provided the distribution of routes and the routes for calculating noise areas.

Anti-skid agents

The airports record the measures and quantities of anti-skid chemicals consumed in a maintenance diary. The airports enter the chemical-specific data monthly in RYHTI, the electronic maintenance record, from where the Environmental Unit obtains the information for reporting. For Helsinki Airport, Airport Maintenance reports the monthly quantities of chemicals used, and the Traffic Area Services Unit enters the data into RYHTI. The correctness of information contained in RYHTI is checked by the Traffic Area Services Unit.

The consumption of anti-skid agents is presented in the Annual Report as 100% concentration, obtained by deducting the 50% share of water from the quantities of liquid agents used. The oxygen consumption load caused by the anti-skid agents is calculated by using the biological oxygen demand (BOD7) factor of each product. The exception to this is urea, where the calculation factor used is its theoretical oxygen demand (ThOD) due to the fact that its decomposition process differs from the other agents. The factors used are shown in the table below.

	BOD ₇ mg/g
Acetate solution	300
Granular acetate	670
Liquid formate	90
Granular formate	170
Liquid betaine (Betafrost)	720
Urea (ThOD)	2,100

Of the anti-skid agents, urea and betaine cause nitrogen loading. A factor of 0.466 g/g was used to calculate the nitrogen loading of urea, while a factor of 0.06 g/g was used to calculate the nitrogen loading of liquid betaine (Betafrost).

DE-ICING AND ANTI-ICING AGENTS FOR AIRCRAFT

The ground handling companies performing de-icing and anti-icing treatments on aircraft keep a record of the treatments and the quantities of liquid used (types I and IV). Each month, the ground handling companies submit the daily data on liquid usage quantities and number of treatments to the Environmental Unit and to the invoicing units of those airports where the recovery of glycol has been arranged. For other airports, the Environmental Unit asks the ground handling companies for monthly data on the usage of different liquid types at six-monthly intervals.

In the Environmental Report, the annual usage quantities are presented as 100% propylene glycol, obtained by deducting the share of water from the quantities used. The share of water is 20% in type I liquids and 50% in type IV liquids.

AIRCRAFT EMISSIONS

Aircraft emissions are calculated using the LTO (Landing and Take-Off) cycle, an international standard. The emissions are calculated for flight altitudes below 915 m (3,000 ft.), taking into account the different aircraft and engine types. The calculation includes emissions caused by take-off and landing up to 3,000 ft. and the associated taxiing. Each emission component has its own factor, obtained from the EDMS (Emissions and Dispersion Modeling System) database developed and maintained by the US aviation authority. Finavia has its own software for calculating the LTO cycle.

EMISSIONS FROM FINAVIA'S GROUND VEHICLES

The factors for different emission components are obtained from the Lipasto system maintained by VTT. The calculation is based on fuel consumption and takes into account the characteristics of different vehicles.

FINAVIA'S TOTAL EMISSIONS (CO₂)

The emissions for electricity and heating were calculated from the total consumption using airport-specific factors obtained from different sources. Heating energy is produced in different ways at

different airports (pellets, district heating, etc.), and the factor for electricity varies annually with the production of electricity. The total emissions figure includes all of Finavia's emissions for electricity, heating and ground vehicles.

CONSUMPTION OF ELECTRICITY, HEATING ENERGY AND WATER

The airports read the electricity, heating energy and water meters each month and enter the readings into the RYHTI system. Finavia's Facility Services and Energy Unit checks the correctness of this information. The Environmental Unit obtains the data from RYHTI for environmental reporting.

The consumption figures per passenger are calculated by dividing the total consumption by the annual number of passengers. The consumption figures for Kauhava, Halli, Utti and Helsinki-Malmi Airports are deducted before this calculation, because they do not have actual passenger traffic.

WASTE

The airports obtain the information about their annual accumulation of waste from the annual reports and invoices of the waste management companies. The airports enter the data into the Airport Environmental Information system, from where the Environmental Unit obtains them for environmental reporting.

In the report, the accumulated waste quantities are divided into mixed waste, recyclable waste and hazardous waste. Recyclable waste includes separately collected bio-waste, metal, glass, recycled paper and cardboard, lubricant waste, used tyres, WEEE and sorted construction waste.

FUELS

The refuelling quantities of vehicles are monitored at four airports using vehicle-specific cards, and at the other airports using manual records. Vehicles are filled with petrol at public service stations, and the quantities are monitored using the receipts. Each year, the airports compile the data regarding fuel used by ground vehicles into the Airport Environmental Information system, from where the Environmental Unit obtains them for environmental reporting.

ENVIRONMENTAL FEEDBACK

Environmental feedback (including feedback received via the WebTrak service) is recorded in a browser-accessible feedback system where it is archived within a certain period in Finavia's archiving system (Kronodoc). The number of feedback messages and their nature are obtained from the environmental feedback system for environmental reporting.

PERSONNEL DETAILS

The personnel details for key indicators are obtained from different HR systems. The key indicators cover either the Finavia Group or Finavia Corporation; this is shown for each indicator. The calculation of key indicators is also guided by the general instructions of the Accounting Board regarding the calculation of the personnel indicators shown in the annual reports.

Man-years refer to regular normal working hours excluding overtime and other hours outside normal working hours. Periods without pay reduce the employee's man-year contribution. The years of service are calculated from the date the uninterrupted employment began. The age and gender distributions show the numbers of permanent employees divided by age and gender. Personnel turnover describes the turnover of permanent staff so that the departure turnover is the percentage of leaving employees and the incoming turnover is the percentage of recruited employees of total personnel.

The accidents and sick leave are calculated as calendar days, so that a day of absence is recorded if the accident or illness caused an absence for the whole day. Training days are also calculated as whole days.

All personnel are included in the scope of development discussions. In the development discussions, both parties must sign an electronic form, and these forms provide the basis for calculating the number of development discussions had.

PASSENGER SATISFACTION

The information for the network's passenger satisfaction survey was collected by personal interviews at the departure gate areas of 15 different airports. The number of interviews was proportional to passenger volumes, and 100–500 interviews per airport are conducted each year (in all, 4,166 interviews were conducted in 2013). The information was gathered in cooperation with Finncomm and Finnair on domestic flights. The results are calculated using the overall averages of the average scores for nine measured parameters. The survey was conducted in 2013 by TNS Gallup and in 2011–2012 by Innolink.

Customer satisfaction at Helsinki Airport is monitored through an international Airport Service Quality Survey measuring the passenger satisfaction at airports. At Helsinki Airport, the information is collected by personal interviews at the gate areas in line with the passenger structure. The interviews are conducted at a steady pace throughout the year, and about 1,400 passengers were interviewed in 2013.

The customer satisfaction survey of Lentoasemakiinteistöt Oy (LAK) was implemented by KTI Kiinteistötieto Oy. LAK selects the replying parties for the survey, which is conducted by telephone interviews. The survey is part of KTI's larger annual customer satisfaction survey regarding the real estate business, which produces comparison data regarding the customer satisfaction of this field of business.

GRI content index

Mitopro Oy, an expert in corporate responsibility, has reviewed the correspondence of Finavia's 2013 Annual Report to the GRI G3.1 guidelines and confirms that the report meets the requirements of application level B.

		Location	Notes
1. Strategy ja analysis			
1.1 CEO Statement	Reported	Review by the CEO	
1.2 Description of key impacts, risks, and opportunities	Reported	Responsibility themes Operating environment Strategy	
2. Organisational profile			
2.1-2.10 Organisational profile	Reported	Business Airport network Corporate Governance Major events	
3. Report parameters			
3.1-3.4 Report profile	Reported	Sustainability reporting Reporting principles	
3.5 Process for defining the report content	Reported	Responsibility themes	
3.6-3.11 Report boundary and reporting principles	Reported	Reporting principles	
3.12 GRI Content Index	Reported	GRI content index	
3.13 External Assurance	Reported	Reporting principles	The report is not externally assured
4. Governance, Commitments & Engagement			
4.1-4.10 Governance	Reported	Corporate Governance Management of corporate responsibility Strategy	
4.11 Precautionary approach	Reported	Risk management	

4.12-4.13 External initiatives and memberships in associations	Reported	Management of corporate responsibility Memberships in aviation-related associations	
4.14-4.17 Stakeholder engagement	Reported	Responsibility themes Stakeholder cooperation	

PERFORMANCE INDICATORS

Economic responsibility

<i>Disclosures on management approach</i>	Reported	Financial added value for stakeholders Financial targets and operational prerequisites	
EC1 Direct economic value generated and distributed	Reported	Financial added value for stakeholders	
EC4 Significant financial assistance received from government	Reported	Financial targets and operational prerequisites	
AO1 Total number of passengers annually, broken down by international and domestic flights	Reported	Airports	
AO2 Annual total number of aircraft movements	Reported	Key indicators Distribution of traffic, Finavia	
AO3 Total amount of cargo tonnage	Reported	Key indicators Airports	
EC8 Development and impact of infrastructure investments and services	Reported	Airport network	
EC9 Understanding and describing significant indirect economic impacts	Reported	Financial impact International accessibility	

Environmental responsibility

<i>Disclosures on management approach</i>	Reported	Environmental management	
EN1 Materials used	Partially reported	Aquatic and soil emissions	Amount of de-icing agents used at Finavia airports

EN3 Direct energy consumption	Reported	Consumption of water and energy	
EN4 Indirect energy consumption	Reported	Consumption of water and energy	
EN5 Energy saved due to conservation and efficiency improvements	Reported	Consumption of water and energy	
EN6 Initiatives to provide energy-efficient products and services	Reported	Consumption of water and energy	
EN8 Total water withdrawal	Reported	Consumption of water and energy	
AO4 Quality of storm water	Reported	Aquatic and soil emissions	
EN16 Total direct and indirect greenhouse gas emissions	Reported	Consumption of water and energy	
EN18 Initiatives to reduce greenhouse gas emissions	Reported	Consumption of water and energy	
EN20 NO _x , SO _x and other significant emissions to air	Reported	Consumption of water and energy	
EN21 Total water discharge by quality and destination	Reported	Aquatic and soil emissions	
EN22 Total weight of waste	Reported	Waste	
AO6 Aircraft and pavement de-icing/anti-icing fluid used and treated	Reported	Control of effluents to water and soil Aquatic and soil emissions	
EN26 Initiatives to mitigate environmental impacts of services, incl. noise	Reported	Major events De-icing and anti-icing treatments Aircraft noise control	
EN28 Compliance with environmental laws and regulations	Reported	Environmental permits	
EN30 Total environmental protection expenditures and investments	Reported	Environmental investments	

AO7 Number of people residing in areas affected by noise	Reported	Aircraft noise control	
Social responsibility			
<i>Disclosures on management approach</i>	Reported	Flight safety Competence and qualifications of personnel Safety management	
<i>Labour practices and decent work</i>			
LA1 Total workforce by employment type, contract and region	Reported	Personnel details	
LA2 Employee turnover	Reported	Personnel details	
LA7 Rates of injury, occupational diseases, lost days and absenteeism, total number of work-related fatalities	Reported	Well-being at work	
LA8 Education, training and prevention programs to assist employees regarding serious diseases	Reported	Well-being at work	
LA10 Average training hours per employee	Reported	Personnel development	
LA11 Programs for skills management and learning that support employability of employees	Reported	Competence and qualifications of personnel Personnel development	
LA12 Percentage of employees receiving regular performance and career development reviews	Reported	Personnel development	
LA13 Composition of governance bodies and breakdown of employees per indicators of diversity	Reported	Board of Directors Executive Group Personnel details	

LA14 Ratio of basic salary and remuneration of women to men	Reported partially	Personnel development	Description of the salary equality surveys
<i>Society</i>			
SO1 Implemented local community engagement and development programs	Reported	International accessibility Development of the network airports	
SO5 Public policy positions and participation in public policy development and lobbying	Reported	Stakeholder cooperation Memberships in aviation-related associations	
SO6 Financial contributions to political parties	Reported	Charity and sponsorships	In 2013 Finavia did not give any political contributions
<i>Product responsibility</i>			
PR1 Life cycle stages in which health and safety impacts of services are assessed	Reported	Flight safety	
PR5 Practices related to customer satisfaction	Reported	Competitiveness Passanger satisfaction	
<i>Human rights</i>			
HR4 Incidents of discrimination and corrective actions taken	Reported	Personnel development	

Corporate Governance

Finavia is committed to good governance in all of its operations. In addition to compliance with laws and regulations, our operations are guided by Finavia's values, our common principles of operation and our ethical code of conduct.

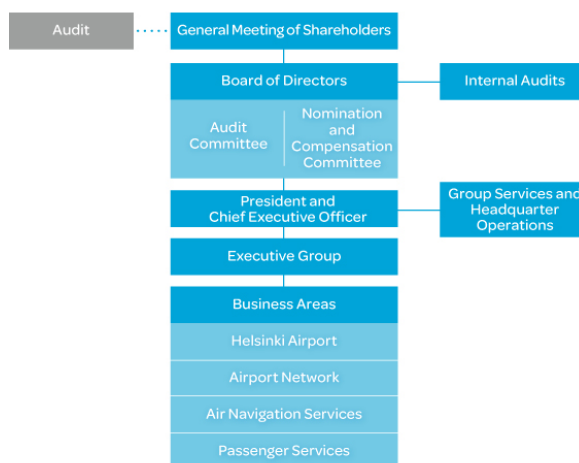


The decision-making and administration of Finavia Corporation (hereinafter also "Finavia" or the "the company") and Finavia Group is governed by the Limited Liability Companies Act, the company's Articles of Association, as well as the Guide of Governance for Limited Companies and State Enterprises under the ownership steering of the Ministry of Transport and Communications.

Finavia also complies, as applicable, with the Corporate Governance Code of Finnish listed companies approved by the Finnish Securities Market Association in 2010 ("the Governance Code"). The most significant deviations from the Governance Code are due to the fact that Finavia only has one shareholder, the Finnish State. Therefore, adherence to the Code in all respects would not be appropriate. Furthermore, the company abides by the opinion of the Cabinet Committee on Economic Policy issued on 13 August 2012 regarding the remuneration of management and key personnel.

Finavia's governance principles were confirmed in a meeting of Finavia's Board of Directors on 8 April 2013. In addition, the Board of Finavia has confirmed the principles of risk management and internal control to be observed in the Group. The company also has a separate safety management system associated with its line of business. It constitutes an essential part of the company's risk management.

FINAVIA'S GOVERNANCE MODEL



FINAVIA CORPORATION

The parent company of Finavia Group is Finavia Corporation, the administrative and executive bodies of which are its General Meeting of shareholders, Board of Directors, the Board's Audit Committee and Nomination and Compensation Committee, the CEO and the Executive Group. Finavia Corporation has its registered office in Vantaa, Finland.

BUSINESS AREAS

The Group's Business Areas are Helsinki Airport, Airport Network, Air Navigation Services and Passenger Services. In addition, Finavia's services for air traffic are supplemented by the Airpro business and the real estate business.

FINAVIA CORPORATION'S SUBSIDIARIES

The company has three business subsidiaries: Lentoasemakiinteistöt Oyj, Airpro Oy and RTG Ground Handling Oy.

Ownership

Finavia is a public limited company wholly owned by the Finnish State. Finavia has been given the special task of developing and maintaining a uniform airport network under regular scheduled traffic conditions. In addition, Finavia maintains an air navigation system and provides air navigation services.

Finavia has been given the position of a company attending to special tasks in its Articles of Association and in the Government's decision-in-principle dated 3 November 2011. The particular purpose of the company's operations is to "maintain and develop, for the purpose of promoting aviation, a uniform and integrated state network of airports; and the Finnish air navigation system for the needs of commercial air traffic and other civil aviation, military aviation and governmental aviation and to provide air navigation services in the airspace under Finland's responsibility in the manner to be separately regulated or provided. The company's public service duties will be prescribed separately."

OWNERSHIP STEERING

The Ministry of Transport and Communications is responsible for Finavia's ownership steering. In keeping with the State

Shareholdings and Ownership Steering Act, the ministry has made the ownership strategy-related policy decisions regarding Finavia Corporation.

The Finnish State has social objectives regarding companies carrying out special duties, but their operations are based on economic grounds. The Government's owner policy objectives are based on optimising the overall socio-economic results, which are primarily assessed on the basis of how well the company fulfils its social service task.

Parliament has not granted the Government any authorisations to assign the shares of Finavia Corporation.

General Meeting of shareholders

The GM is Finavia's supreme decision-making body. The Ordinary General Meeting of Shareholders is held annually on a day determined by the Board of Directors, before the end of June.

The Board of Directors convenes an extraordinary GM when required or when prescribed by the Limited Liability Companies Act. The Ordinary General Meeting of Shareholders decides on issues within its powers under the Limited Liability Companies Act, including:

- adoption of financial statements
- deciding on the distribution of dividends
- deciding on releasing the Board and CEO from liability
- election of Board members
- election of auditors
- determination of the fees payable to Board members and auditors
- deciding on donation authorisations
- amendments to the Articles of Association and

- other duties prescribed for the GM in the Limited Liability Companies Act.

The GM is attended by the Chairman of the Board, a sufficient number of Board members, the CEO and the auditor. A person who is a candidate for Board membership for the first time attends the GM deciding on his/her election unless there are weighty grounds for his/her absence.

According to the Articles of Association, the notice of a General Meeting of shareholders is delivered to the shareholders no earlier than two months and no later than one week prior to the meeting. The GM is held at the company's registered office in Vantaa, or in some other location decided by the Board of Directors. The Ordinary GM for 2013 was held on 19 March 2013.

Board of Directors

Finavia's Board of Directors is responsible for the company's governance and the appropriate organisation of its operations, as well as for ensuring that the company's accounting and financial management are appropriately supervised. The Board of Directors deals with matters that are far-reaching and important for the operations of the company and its subsidiaries.

The Board of Directors and the CEO shall manage the company and its subsidiaries professionally and in keeping with sound and cautious business principles. The Board of Directors shall promote the interests of the company. According to the Articles of Association, the Board has three to seven members. The members are elected at the Ordinary GM for a term ending at the next Ordinary GM. The GM also elects the Chairman of the Board. The Board may elect a Deputy Chairman from among its members.

WORK OF THE BOARD OF DIRECTORS

The Board of Directors convenes on the date determined by the Board, on average once a month. The Board has quorum when more than half of its members, including the Chairman or Deputy Chairman, are present in the meeting. The decisions of the Board require a simple majority. In the event of a tie, the Chairman casts the deciding vote.

The CEO is entitled to attend Board meetings and be heard at them, unless otherwise decided by the Board in certain cases. The Board meetings may also be attended by other persons whose presence is necessary, taking into account the matters to be discussed. The General Counsel of Finavia Group acts as the secretary of the Board.

Preparation of the issues to be discussed by the Board is primarily the CEO's responsibility. The CEO is also responsible for ensuring that the Board receives sufficient information to assess the operation and financial position of the company and its subsidiaries, as well as any other issues to be discussed. The matters to be discussed by the Board are presented by the CEO. In individual cases, the CEO may delegate this task to a member of the Executive Group, the CEO of a subsidiary or another person familiar with the matter.

In its decision-making, the Board of Directors adheres to the legislation valid in Finland, as well as regulations and orders issued pursuant to it. The Board of Directors has confirmed a working order for itself, containing a more detailed account of the duties and procedures of the Board. The Board of Directors carries out annual assessments of its own work and efficiency, and the results of the assessments are taken into account in the work of the Board.

DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the company's governance and the appropriate organisation of its operations, as well as for ensuring that the company's accounting and financial

management are appropriately supervised. The Board of Directors deals with matters that are far-reaching and important for the operations of the company and its subsidiaries.

The Board of Directors is empowered to:

- decide on the Group strategy and confirm the business strategy and ensure their functionality
- confirm the values to be observed in the operations of the company and its subsidiaries
- approve the annual business plans and investment plans and monitor their implementation
- decide on the main details of the company's organisational structure and management systems and confirm the function of the management system
- approve the company's major policies and monitor their implementation
- confirm the company's financing policy and decide, in line with this policy, on taking out loans and other financing decisions
- discuss and approve the financial statements and make any associated proposals regarding the actions to be taken on the basis of the company's profit or loss
- define the company's dividends policy and make a proposal to the GM regarding the amount of dividends to be paid
- appoint the company's CEO and Deputy CEO and decide on their remuneration and terms and conditions of employment
- confirm the appointments of the company's Executive Group members and other employees reporting to the CEO, as well as the terms and conditions of their employment and possible incentive schemes
- decide on the compensation system of the company's senior management and on the principles of the compensation system of other employees
- decide on the initiation and discontinuation of significant business ventures;
- decide, unless otherwise prescribed in the Articles of Association, on strategically or financially significant investments, as well as on corporate acquisitions, divestments or restructuring
- confirm the company's internal control and risk management principles and consider the most significant risks and uncertainty factors relating to the company's operations
- decide on the company's capital structure and approve its annual borrowing plan
- approve the guidelines for the company's internal audit, its annual action and audit plans and any amendments thereto
- confirm the annual continuity and preparedness plans regarding key areas of operation

- decide, unless otherwise prescribed in the Articles of Association, on the pricing and general terms and conditions of service for airport and air navigation services
- decide, unless otherwise prescribed in the Articles of Association, on the use of decision-making powers regarding the leasing, acquisition and surrender of real estate assets
- attend to all other duties prescribed for the Board of Directors in the Limited Liability Companies Act or other regulations.

When required, the Board of Directors decides on establishing new committees for the purpose of preparing the matters for which the Board is responsible and elects their members annually after the Ordinary General Meeting. The Board has an Audit Committee and a Nomination and Compensation Committee. The Board has confirmed these committees' working orders.

MEMBERS OF THE BOARD OF DIRECTORS

The Board members have sufficient general knowledge of financial matters and the field of business of the company and its subsidiaries, as well as other competencies required by their post, and the possibility of allocating sufficient time for attending to their duties as Board members. An acceptable account of the Board member candidate's interests and a security clearance are required for their appointment. The Board members must be independent of the company, as required by the competitive environment. Furthermore, at least two of the members must be independent of major shareholders.

Every year, the Board of Directors assesses the independence of its members from the company or major shareholders and determines the Board members who are deemed independent. Both genders should be represented on the Board.

2013

The Board of Directors of Finavia during the period 1 January – 19 March 2013 was composed as follows: Chairperson Soili Suonoja, Deputy Chairperson Jaakko Linna and Members Harri Pynnä, Juhapekka Ristola, Pirkko Salminen, Ralf Sund and Personnel Representative Riitta Puro.

The Ordinary GM held on 19 March 2013 elected Soili Suonoja to continue as the Chairperson of the Board. Jaakko Linna, Harri Pynnä, Pirkko Salminen, Ralf Sund and Juhapekka Ristola, and Riitta Puro as a personnel representative, were elected as Board members. At its constituent meeting, the Board elected Jaakko Linna as the Deputy Chairperson.

All members of the Board are independent of Finavia with the exception of Personnel Representative Riitta Puro, who has a contract of employment with Finavia. The members of the Board of Directors are independent of the Finnish State, with the exception of Juhapekka Ristola, who works as a civil servant at the Ministry of Transport and Communications.

In 2013, the Board convened 14 times, and the attendance rate of its members was 96.9%. The focal points of the Board of Directors' work in 2013 included the preparation and initiation of the Helsinki Airport development programme (in this connection also preparation of increasing the company's equity), including a new method of operation for passenger services and the actions initiated for improving the cost efficiency of air navigation services.

The Board conducted a self-assessment study of its work in 2013.

Board of Directors 31 December 2013



SOILI SUONOJA

Chair of the Board of Directors, 29 June 2011–

Member of the Board 2011–

Chair of the Nomination and Remuneration Committee 2011–

Member of the Audit Committee 2011–

B. 1944, Commercial Counsellor, Home Economics Teacher, MBA

Main work experience

Fazer Amica Oy, CEO 1989–2001, Fazer Group, various positions 1973–1989

Positions of trust

Chair of the Board, Alko Oy 2008– and its Board member 2004–2008; Chair of the Board at: Leijona Catering Oy 2012–, Finnpiilot Pilotage Oy 2010–, Fairtrade Finland 2009–2012, Huoltoliitto ry 2009–, Board member: VR Group 2008–, Hoiva Oy 2008–2011, Nurmijärven Linja Oy 2001–, Eilakaisla Oy 2004–, Outokumpu Oy 2003–2005, Lännen Tehtaat Oyj 2003–2011, Lassila & Tikanoja Oy 2001–2008, Itella Oyj 1998–2008.



JAAKKO LINNA

Member of the Board of Directors 1 January 2013–

B. 1967, Master of Science in Finance

Main work experience

Oy Leiras Takeda Pharmaceuticals Ab, Managing Director 2009– and Finance Director 2007–2009, Director Financial Operations, DHL Group 2005–2007, Financial management and marketing positions in Ecolab Oy, Espoon Sähkö Oyj and Fazer Amica Oy 1990–2005

Positions of trust

Oy Leiras Takeda Pharmaceuticals Ab Member of the Board of Directors 2009–, Pharmaceutical industry ry Member of the Board of Directors 2010–, Finnish Mutual Insurance Company For Pharmaceutical Injury Indemnities Member of the Board of Directors 2010–, Confederation of Finnish Industries EK Member of the General Assembly 2011–



HARRI PYNNÄ

Member of the Board of Directors 29 June 2011–

Member of the Nomination and Remuneration Committee 2011–

B. 1956, Master of Laws

Main work experience

Fortum Oyj, Fortum Distribution Finland, Head of Company Development 2013–, Fortum Oyj, General Counsel 1998–2013, Ministry of Trade and Industry, Senior Adviser, 1994–1998, Suomen Yhdyspankki Oy and Union Bank of Finland SA, Luxemburg, Legal Counsel, Bank Manager, 1982–1994

Positions of trust

Board member at Teollisuuden Voima Oyj, 2010–, Board member of several companies within the Fortum Group, Governia Oy, Chairman of the Board 2009–, Sponda Oyj, Board member 1999–2008, Suomen Teollisuussijoitus Oy, Board member and Chairman 1995–2006



JUHAPEKKA RISTOLA

Member of the Board of Directors 16 March 2012 –

Member of the Audit Committee 16 March 2012–

b. 1969, Master of Laws

Main work experience

Director–General of the Communications Policy Department of the Ministry of Transport and Communications 2010–, Head of the Communications Networks Unit and Unit for E–commerce and Data Security, Communications Policy Department 2005–2010, Ministerial Advisor at the Unit for E–commerce and Data Security, Communications Policy Department 2002–2005, Administration and Business Director, SpringToys Oy, 2000–2002

Positions of trust

Chair of the National Emergency Supply Organisation's information society cluster 2010–, Member of board of directors of the National Emergency Supply Agency 2010–2012



PIRKKO SALMINEN

Member of the Board of Directors 16 March 2012–

Chairman of the Audit Committee 16 March 2012–

B. 1957, M.Sc. (Econ.)

Main work experience

Destia Oy CFO 2008–, Destia Oy Member of Management Team 2008–, The Finnish Road Enterprise 2007, Guttu Oy Manager 2006–2007, Citycon Oyj CFO 2003–2005, Stockmann Oyj Abp Treasurer 1995–2003, Ahlcorp Oy Treasury Manager 1992–1995



RALF SUND

Member of the Board of Directors 16 March 2012–

Member of the Audit Committee 16 March 2012–

B. 1955, M.Sc.

Main work experience

Chief Economist, Finnish Confederation of Professionals, STTK 2005–, trade unions as a specialist in labour and economic policy 1979–1995, Party Secretary in Left Wing Alliance 1995–2001 and researcher, writer and teacher 2001–2005

Positions of trust

Veritas Oy, board, 2006–, Finnair Oy, Administrative Board, 1996–2002, Valmet Oy, Administrative Board, 1988–1992



RIITTA PURO

Member of the Board of Directors 16 March 2012–

B. 1961, Air Traffic Controller

Main work experience

Finavia Air Traffic Controller in Area Control Centre Finland 1990–, Supervisor since 2002, 1999–2002 Specialist on Personnel Administration, On-the-job Trainer 1992–1999, Air Traffic Controller and On-the-job Trainer (OJT) in Kauhava Air Base 1987–1990

Audit Committee

The role of the committee is to assist the Board in ensuring that the company's accounting and financial management are appropriately supervised and that the company has an appropriate system of internal control that covers its entire operations.

The committee supports the organisation and monitoring of the company's internal audit activities and sees to it that the company's operations and internal control are organised in the manner required by law, regulations and good corporate governance. The Audit Committee has a working order confirmed by the Board.

In order to meet its obligations, the committee prepares, guides and assists the Board in assessing issues relating to risk management, internal monitoring systems, financial reporting processes, audits and internal auditing.

The Audit Committee convenes at the invitation of its chairperson at least four times a year. At least three members are elected to the committee. The Board elects the chairperson and members of the committee from among its members for a term of one year at a time. The committee members must be independent of the company, and at least two members must be independent of major shareholders. The secretary of the Board acts as the secretary of the committee.

2013

From 1 January to 19 March 2013, Finavia's Audit Committee was chaired by Pirkko Salminen with Soili Suonoja, Ralf Sund and Juhapekka Ristola as its members. From 19 March to 31 December 2013, the committee was chaired by Pirkko Salminen with Jaakko Linna, Ralf Sund and Soili Suonoja as its members.

During the year, the Audit Committee analysed the company's financial reports, consolidated financial statements and interim reports as well as the reports by the auditor, internal audit and risk management and assessed the auditor's independence. The Audit Committee convened five times in 2013. The average attendance rate of its members was 100%.

Nomination and Compensation Committee

The Nomination and Compensation Committee assists the Board in attending to matters pertaining to the terms and conditions of employment and remuneration of senior management and to the compensation and incentive schemes of senior management and personnel.

The Nomination and Compensation Committee has a working order confirmed by the Board.

The committee's duties include:

- assessment of the amounts of salary and compensation payable to the CEO and Deputy CEO;
- preparation of matters related to the remuneration and other financial benefits of the CEO and Deputy CEO;
- preparation of matters related to the compensation of the company's Executive Group members and other management reporting to the CEO
- preparation of matters related to the company's compensation systems
- preparation of the appointments of employees reporting to the CEO.

The Nomination and Compensation Committee convenes at the invitation of its chairperson at least twice a year. It is chaired by the Chairman of the Board, and it has at least two annually appointed Board members as its members. The majority of the committee members must be independent of the company. The

CEO or other members of the company's management may not be members of the Nomination and Compensation Committee. The secretary of the Board acts as the secretary of the committee.

2013

During 1–6 January 2013, the Nomination and Compensation Committee included Soili Suonoja as chairwoman and Harri Pynnä as a member. During 7 January–31 December 2013, the Committee included Soili Suonoja as chairwoman and members Jaakko Linna, Harri Pynnä and Juhapekka Ristola.

During 2013, the Nomination and Compensation Committee handled the issues set out in its working order. During the year, the committee also handled matters pertaining to organisational development and successor planning.

In 2013, the Nomination and Compensation Committee convened 12 times. The average attendance rate of its members was 93.7%.

Chief Executive Officer

Kari Savolainen M.Sc. has been the CEO of Finavia since January 2012. The main duties of the CEO include planning, managing and monitoring the company's business. In addition, the CEO prepares matters for discussion by the Board and ensures that the Board's resolutions are implemented.

The CEO has the general competence to attend to and control the company's day-to-day administration in compliance with the instructions and orders issued by the Board of Directors. The CEO is responsible for ensuring that the company's accounting is in accordance with the law and financial administration has been organised in a reliable manner. The CEO chairs the Executive Group and the Boards of Directors of Finavia's major subsidiaries.

The CEO is appointed by the Board of Directors. The terms and conditions for the position of CEO are defined in a written

contract confirmed by the Board. The CEO's remuneration is discussed under Salaries and benefits of the CEO and other members of the management in the Salary and Compensation Report section of the Annual Report.

The Board may appoint a Deputy CEO as required. The Deputy CEO attends to the CEO's duties when the CEO is temporarily unavailable.

Executive Group

At the end of 2013, Finavia's Executive Group had 11 members. The Executive Group comprises Finavia's CEO and the members proposed by the CEO and confirmed by the Board.

The Executive Group is chaired by the CEO, or by the Deputy CEO if the CEO is not available. The chairperson of the Executive Group appoints the secretary for the group. The Executive Group convenes once a week at the CEO's invitation in keeping with a schedule agreed in advance.

The role of the Executive Group is to assist the CEO in preparing strategic issues for the company and Group, in coordinating the company's operations, in preparing and implementing operative matters that are significant in nature, as well as in ensuring internal cooperation and the flow of information. The Executive Group prepares the issues to be considered and decided by the Board. The Executive Group has a working order approved by the CEO.

The remuneration of the Executive group is discussed under Salaries and benefits of the CEO and other members of the

management in the Salary and Compensation Report section of the Annual Report.

2013

The Executive Group convened 39 times during the year. The focal points of the Executive Group's work in 2013 included the preparation and initiation of the Helsinki Airport development programme (in this connection also preparation of increasing the company's equity), including a new method of operation for passenger services and the actions initiated for improving the cost efficiency of air navigation services. The development of management and personnel was also in the agenda. In addition, the Executive Group concentrated on labour market issues.

Executive group 31 December 2013



KARI SAVOLAINEN

President and Chief Executive Officer

B. 1954, M.Sc.

Employed in Finavia since 2012

Main work experience

Finavia's CEO 16 January 2012–, Steveco Oy, CEO 2005–2011, Finland Post Corporation (Itella), Senior Vice President, Logistics Services 2001–2005, Finnlines Oyj, Senior Vice President, Business Development and IT 1995–2001, Kymmene Oy, IT- and business development-related expert and managerial positions 1986–1995

Positions of trust

Member of the Board of the Confederation of Finnish Industries EK 2011–, Chairman of the Board, the Finnish Port Operators Association 2009–2011, Board member of Kymenlaakso Chamber of Commerce 2009–2011, Board member, Pension Insurance Company Etera 2007–2012, Committee member, the Finnish Lifeboat Institution 2005–2011, Oy Saimaa Terminals Ab, Chairman of the Board 2005–2011, Member of the board of PALTA 2012–, member of the advisory board of the Finnish Meteorological Institute 2012–, member of the supervisory board of Ilmarinen 2013–



VILLE HAAPASAARI

Senior Vice President, Airport Director, Helsinki Airport

B. 1971, M.Sc., Forestry, B.Sc., History

Employed in Finavia since 2012

Main work experience

Finavia, Airport Director of Helsinki Airport 1 July 2012–, Finnlines Plc., HansaLink, Line Manager 2010–2012. Finnlines Plc., Baltic Sea Liner Services, Vice President 2008–2010. Finnlines Plc., Sales Vice President 2005–2010. Finnlines Plc., Key Account Manager 2001–2005



JONI SUNDELIN

Senior Vice President, Director of Airport Networks, Sales and Marketing

B. 1970, M.Sc. (Econ)

Employed by Finavia since 2012

Main work experience

Finavias' airport network, Sales and Marketing Director 7.5.2012–, Itella Logistics, Director of Logistics Business and the Scandinavian and Baltic Businesses 2005–2012, Finland Post, Logistics, Director of Agreement Logistics 2004–2005, Finland Post, Logistics Director of Business Development 2002–2004, Tamro Jakelut, Business Developer 1998–2000 and Director 2000–2003, Tamro Suomi, Trainee Manager 1997–1998

Positions of trust

Board member of Finavia Group companies Airpro Oy and RTG Oy 2012–, Eurofreight, Japan; Board member 2007–2012, Porlogis, Lda; Board member 2011–2012, Innorail Oy, Board member 2010–, Itella Logistics UAB, OU and SIA; Chairman of the Board 2007–2011, Itella Logistics Ab and AS; Chairman of the Board 2006–2011, Itella Logistics Group A/S; Chairman of the Board 2007–2011, Combifragt Group A/S; Chairman of the Board 2005–2007



ANNE GULLSTÉN

Senior Vice President, Director of Passenger Services

B. 1963, Matriculation Examination

Employed by Finavia since 2012

Main work experience

Director of Passenger Services at Finavia 1 May 2012–, K. Hartwall Invest Oy, controller 2011–2012, Picnic Finland Oy, Sales and Chain Director 2006–2011, Fazer Amica Oy, Regional Manager 2003–2006 and Project Manager 2002–2003, Gourmet Nova Oy, Financial Manager 2000–2002, Fazer Amica Oy, various positions including Financial Manager 1989–2000, Teboil Oy 1981–1989

Positions of trust

Leijona Catering Oy, Board member 2012–



RAINE LUOJUS

Senior Vice President, Director of Air Navigation Services

B. 1966, Air Traffic Controller

Employed by Finavia since 1991

Main work experience

Director of Air Navigation at Finavia 2011–, Director of Air Navigation Operations 2008–2011, Deputy Manager and Manager of Operations, Air Traffic Control at Helsinki Airport 2002–2008, Managerial positions at the Air Traffic Control of Helsinki Airport 1999–2002, Air Traffic Controller at different airports including Helsinki, Kuopio and Oulu 1991–1999

Positions of trust

Borealis Alliance's Chairman of the Board 2013–, Deputy member of ANSB 2013–, Member of NEFAB CEO Group 2011–, Member of the Governing Board of NORACON Consortium 2011–, Member of CANSON EC3 2011–



HENRI HANSSON

Senior Vice President, Technical Director

B. 1972, Construction Engineer, M.Sc. (Tech.)

Employed by Finavia since 2000

Main work experience

Finavia's Technical Director 2012–, Director of Airport Operations 2011–2012, Director of Airport Services 2009–2011, Head of Airport Technical Services 2006–2009, Project Manager 2004–2006, Project Engineer 2000–2004, Pohjolan Voima Oy, Project Engineer 1997–2000

Positions of trust

Board member of Lentoasemakiinteistöt Oyj 2012–, Avia College, Chairman of the Board 2011–2012, Member of the ACI Europe's Regional AirPorts' Forum Working Group 2009–, Member of the construction and procurement committee of the Finnish Association of Building Owners and Construction 2009–2013, member of the advisory board of the Finnish Association of Building Owners and Construction Clients 2013–



KIRSTI LEHTOVAARA-KOLU

Senior Vice President, Chief Financial Officer

B. 1957, M.Sc. (Econ.)

Employed by Finavia 2007-2014

Main work experience

CFO of Finavia 2008–2014, entrepreneur, Business Consultant 2006–2007, CEO of Hansel Oy 2003–2006, Sonera Oyj, Group CFO 1996–2003, Telecom Finland Oy, Accounting and Financial Manager 1989–1995

Positions of trust

Board member of Airpro Oy RTG Oy 2011–, Board member of LAK Oyj 2011–, Board member of VR-Yhtymä Oy 2003 – 2006, Board member of Suomen Erillisverkot Oy 2003 – 2006, Several Board memberships in the international and Finnish subsidiaries of Sonera Group 1998–2003

Finavia announced on 25 March, 2014 that Kirsti Lehtovaara-Kolu has decided to resign from Finavia. Kai Laitinen, M.Sc. (Econ.), has been appointed as the new CFO. He will start in the position on 1 August. As of 1 April, group controller Sari Kankkunen will be the acting CFO until Laitinen commences work.



JUHA-PEKKA PYSTYNEN

Senior Vice President, Director of Risk Management

B. 1960, Flight Officer, General Staff Colonel

Employed by Finavia since 2007

Main work experience

Finavia, Director of Risk Management 12 March 2012–, President and CEO of Finavia Corporation 22 August 2011–15 January 2012, Airport Director of Helsinki Airport 2007–2012, Chief of Operations 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

Positions of trust

Member of the regional committee of the Capital Region Electricity Area 2010–, member of the Board of Directors, Avia College, 2009–, Chairman of the Air Transport Pool 2007–, National Emergency Supply Agency, Transport and Logistics Sector 2007–; Military Flight Accident Investigation Board 2006–



PETTERI NISSILÄ

Senior Vice President, Director of Legal

B. 1965, LL.M., Trained on the bench, MBA

Employed by Finavia since 1998

Main work experience

CAA Finland & Finavia, General Counsel 2008–, Legal Counsel at 1998–2008, Legal Counsel Leonia Pankki Plc 1996–1998, Credit Manager Postipankki Plc 1994–1996

Positions of trust

Chairman of delegate body of Finnish Aviation Museum Foundation since 2008–, Chairman of Board of Airport Coordination Finland ry since 2004–



MIKKO SAARIAHO

Senior Vice President, Director of Communications

B. 1977, M. Sc.

Employed by Finavia since 2011

Main work experience

Communications Director at Finavia 2011–, Lassila & Tikanoja Oyj, Communications Manager 2007–2011, Finnish Broadcasting Company, Deputy Head of Financial Editorial Staff 2005–2007 and Financial Editor 2000–2005



KAARINA SOIKKANEN

Senior Vice President, Director of Administration and Personnel

B. 1960, Master of Laws

Employed by Finavia since 1990

Main work experience

Finavia's Personnel Director, 2008–, Deputy Director 2007–2008, Civil Aviation Administration Finavia: Senior Legal Adviser, 1990–2007, National Board of Aviation, counsel, 1988–1990, National Board of Health, Legal Counsel, 1986–1989

Position of trust

Board member of RTG Ground Handling Oy 2010–, member of the Board of Directors, Avia College, 2009–, Member of the Board of Directors, Airpro Oy 2004–

Internal control

Internal control at Finavia refers to measures and procedures intended for ensuring that:

- Finavia's goals and objectives are achieved
- its resources are used appropriately and efficiently
- the operational risks are appropriately managed
- financial and other information is reliable and correct.

Furthermore, internal control seeks to ensure the continuity of operations and the adequacy of the company's IT systems and to ensure that laws, regulations and Finavia's internal operating methods are complied with. Efficient internal control and risk management promote Finavia's performance and constitute an essential element of the good corporate governance observed by the Group.

As part of the internal control, the company's organisation and structure, duties and responsibilities related to key areas, as well as the procedures observed for producing services are defined in Finavia's set of operational manuals compliant with aviation regulations. In addition to the operational manuals, Finavia has defined the operational policies and procedures for different areas of operation. Finavia's Board of Directors has approved all major operational policies.

Finavia has defined the values that create the foundation for all of its operations. The company's Board of Directors has approved the ethical principles that all persons working at Finavia are expected to observe. The ethical principles cover different areas related to the safety of air traffic, equality, working peace, conflicts

of interest and confidentiality. Finavia's ethical principles prohibit all participation in bribery.

The company tries to immediately intervene in any activities that violate the values or ethical or good governance principles. Managers are responsible for overseeing that the instructions are adhered to, and managers must themselves act in an exemplary manner.

The operational policies, ethical principles and instructions related to the operational manuals and operational policy decisions are stored in the company's intranet where the company's personnel can access them. One example of these is the guide on competition law intended for the personnel. Its purpose is to help people identify any restrictions to competition. In addition to the guide, the management and personnel are regularly trained in matters related to competition law.

2013

In 2013, attention was further paid to the economical and efficient use of resources, and actions initiated in earlier years were implemented. The management of contracts was enhanced by introducing a contract management system. The management of business-related risks was further developed by revising the ID card application process as part of corporate security.

Risk management

The purpose of Finavia's risk management is to guarantee that the goals of the Group and businesses are achieved, to ensure the safety and quality of services and to promote the competitiveness of air transport. Risk management is proactive, systematic and comprehensive, and it covers all operations and risk areas of the Group as a continuous process.

Risk management is an essential element of Finavia's management and other operations and enables decision-making and operations where people are aware of risks and manage them. Risk management ensures that laws and regulations are observed, supports the achievement of goals and ensures the continuity of business operations. Finavia aims to ensure that the operations and services of the Group continue to be secure, there is a balance between business risks and profits and that the business is responsible taking sustainable development and environmental aspects into account.

The risks threatening the attainment of goals are identified and analysed in connection with the operations planning and strategy process, and measures for managing the risks are determined at the same time. Finavia takes only such business risks relating to the implementation of the strategy which can be managed to an acceptable level or the effects of which, were they to materialise, are reasonable. Risk-taking must not cause a material danger to the success of the Group or the continuity of its operations in the short or long run.

2013

The focal areas of risk management included completion of the organisation work, licensing, permit and compliance issues and development of the quality system by way of updating the set of operating manuals. Finavia also began preparations for the introduction of the Aerodromes and Ground Aids (AGA) regulations by the European Aviation Safety Agency (EASA); this work will continue in 2014. Finavia's airports will start applying the regulations by 2017. In addition, the decision was taken in 2013 to procure a new deviation reporting system related to safety management.

ORGANISATION OF RISK MANAGEMENT

The Board of Directors monitors the risk management and confirms the principles of the company's internal control and risk management. The Board of Directors approves the risk management policy and any amendments to it. The risk management policy was last approved on 4 November 2013. The Board of Directors deals with any major risks and uncertainty factors of the Group, as assessed by the CEO and the Executive Group, and decides on the means for managing them. A summary of the major risks faced by Finavia is presented to the Board of Directors at least once a year. The Board of Directors' report includes an account of the major risks and any changes in them.

The risk management policy is drawn up by **the CEO** with the assistance of **the Executive Group**. The CEO is responsible for identifying and assessing the strategy-related risks and for deciding on the actions for managing them. The CEO makes sure that the risk management model is comprehensive. He also determines the focus areas for risk management and assesses its functioning. The CEO reports to the Board of Directors on risk management matters.

Finavia's businesses, Group functions and subsidiaries are responsible for the risk management of the operations in their respective areas, as well as for the regular identification and assessment of risks in these areas. The functions determine the management actions for various risks and monitor their implementation. The functions regularly report the risks they have identified to the director or person responsible for the risk management process.

Finavia's Risk Management Unit supports and coordinates the implementation of the operational model and process of risk management. The unit collects the risk assessments carried out by different organisational units and reports to the CEO and the Executive Group on risk management matters. Every year, the Risk Management Unit compiles a summary of the major risks to the Group's business for presentation to the Board of Directors. Furthermore, the unit develops the risk management in the Group and is responsible for the functionality and development of the safety management system. The Risk Management Unit is headed by Finavia's director responsible for safety and risk management.

In 2013, the **Safety and Quality Unit** working under the Risk Management Unit was divided into two responsibility areas, Proactive Safety as well as Analysis and Follow-up. Proactive Safety concentrates on the prevention of potential safety threats to air traffic and is responsible for, among other things, Finavia's safety management system. The focus of activities of the Analysis and Follow-up responsibility area is on analysing the collected safety data and on utilising it for the further development of safety. In 2013, the responsibility area of Occupational Safety was also moved from the HR organisation to the Risk Management Unit.

The Corporate Security Unit works under the Risk Management Unit and is responsible for activities related to corporate security.

The Internal Audit Unit assesses independently the sufficiency and efficiency of the risk management process and makes recommendations for its development. The unit reports to the Audit Committee on risk management matters.

The Legal Unit is responsible for Finavia's insurance agreements.

Each Group employee must actively identify risks in his/her job and immediately report to his/her manager any problems, deficiencies and proposals for improvement. The employee is obliged to take risk management into account at all times in his/her decision-making and actions.

RISK MANAGEMENT PROCESS

Finavia has operated a comprehensive risk management model since 2011. The risk management process is used to regularly identify any business-related risks and the measures for managing them, and to report them to the management. By identifying and assessing risks, the focus of risk management can be put on the most significant risks. Risk management-related training, instructions and information help support the implementation of risk management and improve risk awareness within Finavia.

For the purpose of implementing the process, a risk management contact person has been appointed to each business and to part of Group functions. His/her duty is to coordinate the risk

management process and implement it in his/her own organisation.

Finavia's risk-bearing capacity is assessed annually as part of the annual planning process. The assessment is affected, among other things, by the Group's future outlook and the situation in the industry.

MAJOR RISKS

At Finavia, a risk is understood as a matter or event which, when it materialises, may prevent or hamper the company from achieving its goals. A risk can be understood as a loss or a failure to make use of possibilities.

Finavia's risks are classified into strategic, operative, compliance and financial risks. The major risks are discussed in more detail in the Board of Directors' report. The company's financing-related risks are shown in the notes to the financial statements.

Safety management

Finavia's primary goal in its operations is good aviation safety. The safety management system is an essential part of Finavia's risk management. The system is used to manage functions critical to safety, and the aim is to ensure that a good and reliable level of safety is achieved.

A good safety culture and a comprehensive safety management system are based on seven main principles:

- Compliance with official standards
- Commitment of Finavia's management
- Proactive approach towards safety
- Comprehensive reporting of deviations and investigation without apportioning blame
- Efficient self-control
- Competent staff
- Dissemination of useful information

Safety refers to matters related to the safe movement of aircraft. The purpose of security is to prevent objects within the sphere of Finavia's operations, such as persons, aircraft or real estate properties, from becoming targets of illegal acts.

Aviation safety is discussed in more detail in the Responsibility section of the Annual Report.

2013

In summer 2013, a personnel questionnaire was conducted regarding safety culture. More than 600 Finavia employees participated. In addition, Finavia and Trafi organised a safety campaign in 2013 that lasted the whole year. Systematic development of safety management and related training were continued throughout 2013. The personnel questionnaire and the safety campaign are discussed in more detail in the section entitled Flight safety.

Internal Audits

Internal Audit assesses, in compliance with the annual audit plan approved by the Board of Directors, the functionality of the company's control and risk management systems and makes development proposals for them.

The Board of Directors of Finavia has approved a code of procedure for the Group's Internal Audit, specifying the purpose, duties, authorities and responsibilities of Internal Audit. The company has an Internal Audit Unit that operates under the direct supervision of the President and CEO and reports to the Audit Committee of the Board of Directors.

Internal Audit is committed to observing international professional standards on internal auditing.

The audit findings are discussed in the company with the directors responsible for the functions concerned and reported to the Audit Committee of the Board of Directors. Internal Audit monitors the implementation of agreed actions and reports the progress of implementation to the Executive Group and to the Audit Committee of the Board of Directors.

2013

The internal audits carried out in 2013 focused on the functioning and processes of the Group's business activities, Group services, airports and subsidiaries. The audits assessed, among other things, the cash register processes in Finavia's own shops, procedures regarding overtime and stand-by at the airport, the company's process for reporting deviations, invoicing and the monitoring of sales-dependent rents, the agreement management process, financing monitoring process and management of the subsidiary's ground handling equipment. In addition, the adequacy of internal control and risk management in certain businesses and Group services units was assessed and a report on derivative contracts was produced by order of the Board of Directors.

Audit

According to Finavia's Articles of Association, the company has one auditor who must represent a firm of auditors approved by the Central Chamber of Commerce. The Ordinary GM selects the company's auditor on the basis of a proposal prepared by the Board's Audit Committee.

The auditor is responsible for inspecting the company's accounts, the Board of Directors' report, financial statements for and administration during the financial period. A regular audit is carried out every year in the Group companies, including wholly-owned subsidiaries and associates. Each Group company has an auditor selected by its GM. The parent company's auditor prepares, jointly with the company's management, an annual audit plan for Group companies.

The auditor reports to the CEO and the Board of Directors at least twice a year. The auditor participates in the work of the Board's Audit Committee. The auditor meets the Board, with all its members present, at least once a year. The Ordinary GM decides on the auditor's fees.

2013

The Ordinary GM of 2013 elected Ernst & Young, company of auditors, as the company's auditor, with Tiina Lind APA, CPFA as the auditor in charge. Lind has been the company's auditor in charge since the financial period of 2011.

In 2013, the auditor was paid fees amounting to EUR 71,645. In 2013, the auditor was paid EUR 48,776 for services not related to the audit.

The auditor's report for the financial period 1 January to 31 December 2013 covers the Directors' Report, the Consolidated Financial Statements and the Financial Statements of Parent Company Finavia Corporation. The auditor's report is presented in the Financial Statements section of the Annual Report.

Salary and compensation report

Finavia observes the management remuneration principles approved by the Board and the recommendations of the State ownership steering. Finavia also complies, as applicable, with the Corporate Governance Code of Finnish listed companies approved by the Finnish Securities Market Association in 2010.

Finavia's Ordinary GM decides on the remuneration of the company's Board of Directors. The Nomination and Compensation Committee annually reviews the remuneration of the members of the Board of Directors and makes proposals for submission to the Ordinary GM.

The Nomination and Compensation Committee also assesses annually the amounts of salary and compensation payable to the

CEO and Deputy CEO, as well as that of other managers reporting to the CEO, including the incentive and bonus systems. The committee makes proposals regarding these amounts of compensation to the Board of Directors.

Finavia has not deployed external experts for preparing the compensation regime in 2013.

Remuneration of the Board of Directors

The Ordinary GM decides on the fees payable to the Board of Directors. The fees payable to the Board of Directors of Finavia were not changed in 2013.

The fees payable to the members of Finavia's Board of Directors in compliance with the resolution of the Ordinary GM of 2013 were as follows:

- Chairperson EUR 1,700/month
- Deputy Chairperson EUR 1,200/month
- Member EUR 1,000/month
- a fee of EUR 500 was paid for each Board and committee meeting

The Chairperson of the Board of Directors has a company telephone. The Board members did not receive any other fees or benefits.

REMUNERATION OF THE BOARD OF DIRECTORS IN 2013

The total amounts paid to the members of the Board of Directors for Board and committee meetings were as follows:

Member of the Board of Directors	Monthly fees in 2013, EUR	Meeting fees in 2013, EUR	Total in 2013, EUR	Total in 2012, EUR
Soili Suonoja	20,400	15,000	38,400	38,400
Jaakko Linna	14,400	14,500	28,900	0
Riitta Puro	12,000	7,000	19,000	15,000
Harri Pynnä	12,000	12,500	24,500	26,500
Juhapekka Ristola	12,000	11,000	23,000	17,000
Pirkko Salminen	12,000	9,500	21,500	18,000
Ralf Sund	12,000	10,000	22,000	16,500

In 2013, board member Antti Vehviläinen received €500 in meeting remuneration for the latter part of 2012.

Remuneration of the CEO and other management

The remuneration of Finavia's CEO and Executive Group is based on a fixed monthly salary and a performance bonus. The company's management does not have any other compensation systems or supplementary pension plans.

DETAILS OF THE CEO'S CONTRACT OF EMPLOYMENT

In addition to the salary, the CEO has a company car and telephone. The retirement age of the CEO is 63 years, and the pension is determined on the basis of the Employees Pensions Act. The CEO does not have a supplementary pension plan.

The CEO's period of notice is six months. When the employment is terminated by the employer, severance pay equivalent to six months' basic salary is payable on top of the salary for the notice period.

PRINCIPLES OF PERFORMANCE-RELATED PAY

The performance bonuses are based on achieving the targets set annually by the company's Board of Directors. The financial and

safety-related targets serve as threshold benchmarks for bonuses. In addition, targets related to the service level, customer satisfaction, well-being at work and managerial work are set. The achievement of performance targets is monitored and measured using a scorecard. The Board of Directors approves the amount of performance bonuses payable to each person included in the performance bonus scheme on the basis of targets achieved. In addition to performance-related pay, Finavia does not have any other financial incentive schemes for members of the Executive Group.

The maximum amount of performance-related pay at Finavia is 15 per cent of the fixed annual salary based on the recommendations of the State ownership steering. The maximum amount of performance bonuses payable on the basis of the exceptionally good performance of the company and the employee is 30 per cent of the fixed annual salary.

FEES PAID IN 2013 TO THE CEO AND THE EXECUTIVE GROUP

	Salaries and fringe benefits in 2013, EUR	Bonus based on 2012 performance, EUR	Total paid in 2013, EUR	Total paid in 2012, EUR
CEO	345,240	78,583	423,823	267,677
Other members of the Executive Group	1,517,762	237,219	1,754,981	1,436,063

In addition, Finavia paid EUR 93,000 in 2013 as severance pay to the previous CEO.

PERFORMANCE-RELATED PAY IN 2013

The performance bonuses were based on achieving the targets set annually by the company's Board of Directors in the manner described above in the section entitled Principles of performance-related pay.

In addition to the targets set out in the scorecard, four personal targets were set for each manager included in the performance pay scheme. The weighting of personal targets was 33 per cent of the bonus, while that of the scorecard targets was 67 per cent.

In 2013, 83 per cent of the performance bonus based on the scorecard targets set to members of Finavia's Executive Group

was achieved. The percentages of achieving the personal targets were determined individually for each person on the basis of their performance.

PERFORMANCE-RELATED PAY IN 2014

The performance bonuses of the members of the Executive Group are based on the targets set out in the scorecard. The weighting of personal targets varies according to a member's strategic role. In addition to the targets set out in the scorecard, one to three individual targets with different weightings have been set for 2014 for some of the members included in the performance pay scheme. The weighting of scorecard targets is 70–100 per cent of the bonus while that of the personal targets is up to 30 per cent.

Bonuses payable to other members of staff

At Finavia, the remuneration of personnel consists of a job-specific salary, performance-based pay and project bonuses. The bonus regime consists of a performance bonus system and a personnel fund.

REMUNERATION SCHEME

The remuneration scheme of the personnel consists of a job-specific part of the salary and personal performance-related pay. Employees are paid at least the job-specific part of the salary compliant with the lower limit of the demand category of the job. In addition, the employee is paid a maximum of 50 per cent as personal pay based on his/her assessed performance. The demand category and performance are assessed at least once a year. In addition, the personnel may be paid project-specific one-off bonuses.

BONUSES PAYABLE TO PERSONNEL

In addition to senior management, key personnel of the Group are included in the scope of the performance-related pay scheme; the maximum performance bonus payable to these employees is 10–15 per cent of their fixed annual salaries. The maximum number of key personnel is 100.

The Group's parent company has a personnel fund. All employees, apart from senior management and those covered by the performance bonus scheme, are members. The personnel fund is supplemented annually with a certain sum, the maximum of which is equivalent to four per cent of the company's total payroll. The company does not have any other personnel compensation schemes.

The amount payable to the fund is determined on the basis of profit bonus targets achieved. The Board of Directors sets the targets for the personnel's performance-based pay and confirms the result achieved. The targets for the personnel's performance-related pay are identical to those applicable to the management's performance bonus benchmarks.

2013

In 2013, 87 per cent (75 per cent) of the year's profit bonus model targets were achieved. A total of EUR 3,583,089 (3,253,740) was transferred to the personnel fund.

Consolidated financial statements of the Finavia Group

This Financial Statements section presents the Board of Director's report and the financial statements of Finavia Corporation. The financial statements consist of the balance sheet, income statement, cash flow statement and notes to the Group's and Parent Company's financial statements.



Finavia Group produces air traffic services, and it has four Business Areas. They are Helsinki Airport, Air Navigation Services, Airport Network and Passenger Services. In addition, Finavia's services for air traffic are supplemented by its subsidiary Airpro and Lentoasemakiinteisöt, its subsidiary engaged in the real estate business.

Finavia Corporation

Report of the Board of Directors for 2013

OPERATING ENVIRONMENT

The long-standing economic uncertainty weakened the demand for air traffic in 2013. Demand for air traffic decreased during the first six months of the year. Demand picked up again in July, and 4 per cent growth, considered to be the average for the industry, was almost achieved during the second half of the year. Due to the weak first part of the year, the number of passengers for the whole year was nevertheless 0.9 per cent lower than in the previous year.

Finavia's airports handled a total of 19.0 million passengers in 2013 (19.2 million in 2012). In spite of the steady passenger volumes, there were a lot of changes in the operating environment of airports during the year under review.

The number of passengers for the year at Helsinki Airport exceeded the 15 million mark in December. The total number of passengers using the airport reached a new record of 15.3 million (14.9). The growth came from international traffic. International traffic started growing slowly in March, and the growth strengthened as the months went by. The annual growth of international traffic at Helsinki Airport was 5.8 per cent, exceeding industry forecasts. International transit travel increased by 10.6 per cent, and Helsinki Airport strengthened its position as a transit airport for traffic between Europe and Asia. The good growth of international traffic was supported by the new routes opened from the airport and the new airlines.

The number of domestic passengers using Helsinki Airport decreased during 2013 by 9.7 per cent from the previous year.

The total number of passengers using the provincial airports maintained by Finavia decreased by 13.8 per cent from the previous year to 3.7 million (4.3). Of these, 2.4 million (2.7) were domestic air passengers and 1.3 million (1.6) were international air passengers.

In Finavia's opinion, the decline in domestic traffic that has now been continuing for a long time is not only caused by economic cycles, but also by the fact that the short and medium-length trips earlier made by airplane are increasingly being made using other modes of transport. Flights continue to be the popular choice for long distances. The number of passengers using Rovaniemi Airport increased by 5.8 per cent. There were also positive developments at tourist airports in Lapland, where international traffic increased by 6.7 per cent. However, domestic traffic also decreased at tourist airports in Lapland by a total of 4.5 per cent.

At provincial airports, demand for air traffic weakened and airlines reduced the scope of their supply. Several routes were discontinued during the year. The passenger volumes at Tampere and Turku Airports decreased by almost one fifth when the budget airlines reduced their offering. A few of them withdrew from the Finnish market altogether.

The number of landings at Finavia airports decreased by 6.0 per cent from the previous year. As passenger volumes remained almost the same as in 2011, the airplane occupancy rates increased, which means that air traffic was more efficient than before.

The number of overflights in Finnish airspace only increased by 0.9 per cent. The growth was clearly below industry forecasts and Finavia's expectations. Overflights have been increasing steadily for more than ten years now, with annual growth of almost 10 per cent in many years.

REVENUES AND RESULT

In 2013, the revenues of Finavia Group decreased by 1.8 per cent from the previous year to EUR 352.8 million (359.2 in 2012). Revenues from air traffic increased slightly, whereas the revenues of other services provided by the Group were below the previous year's figure.

The demand for air traffic was weak during the first quarter of the year. Demand picked up again during the second quarter and strengthened towards the end of the year. Revenues from air traffic, also known as 'aero revenues', increased by 1.4 per cent and stood at EUR 203.2 million (200.4). Non-aero revenues decreased by 5.8 per cent in 2013 to a total of EUR 149.6 million (158.8). The share of these revenues of total revenues decreased to 42.2 per cent (44.2). Non-aero revenues include those from the commercial services at terminals, parking services, services produced by Airpro and rental income from real estate properties.

In spite of the slight decrease in revenues, the Group's operating result improved. The Group's operating result excluding non-recurring items was EUR 44.8 million (40.8). The operating result excluding non-recurring items was 12.7 per cent of revenues (11.4).

The profit for the period decreased slightly from the previous year and stood at EUR 15.1 million (15.5). The result included non-recurring capital gains of EUR 0.7 million (8.1). Non-recurring items totalled EUR 13.1 million (20.5). This included environmental provisions for implementing the projects necessitated by the stricter environmental requirements concerning airports, items related to the transfer of the passenger services business and expenses of severance packages.

Financial expenses amounted to EUR 12.0 million (4.9). Financial expenses include a valuation loss from non-hedging derivatives of EUR 7.6 million.

Finavia continued to improve the efficiency of its operations in 2013. Targets were set for each business area and Group function in order to improve profitability. The improved efficiency was evident in all expense categories.

The use of external services decreased by EUR 1.7 million, or 3.6 per cent, from the previous year. Material purchases decreased by EUR 3.0 million, or 6.8 per cent. Other operating expenses excluding statutory provisions decreased by 2.6 per cent to EUR 41.8 million (42.9).

Staff costs decreased by 4.9 per cent from the previous year to EUR 142.6 million (150.0). During the year being reported, the Group's average number of employees decreased by 174 person-years and, at the end of 2013, the Group had a total of 2,814 employees (2,840). The Group conducted statutory employee-employer negotiations in 2012, and consequently 94 employees were made redundant. The effect of the decrease in the number of employees could be seen in full the 2013 expenses. In other respects, the reduction in person-years was achieved by a conservative recruitment policy and careful planning of working shifts. The share of total revenues relating to staff costs decreased to 40.4 per cent (41.7).

DEVELOPMENT OF BUSINESS OPERATIONS

The Group produces air traffic services, and it has four Business Areas. They are Helsinki Airport, Air Navigation Services, Passenger Services and Airport Network.

In addition, Finavia's services for air traffic are supplemented by its subsidiaries Airpro and Lentoasemakiinteistöt.

Helsinki Airport is responsible for producing airport services for airlines and passengers at the airport. In 2013, the total number of passengers using the airport was a new record of 15.3 million (14.8). International travel grew by 5.6 per cent and transit travel by 5.9 per cent. New routes were opened at the airport, and it won new airlines as customers. Helsinki Airport strengthened its position as a North European transit airport for traffic between Asia and Europe. The total growth in passenger volumes was only 2.8 per cent. The growth was reduced by the weak demand for domestic traffic. The number of domestic traffic passengers decreased by 9.7 per cent from the previous year.

In November, the Government confirmed the third supplementary budget for 2013. It included a EUR 200 million capital injection for Finavia. The capital injection makes it possible to start Helsinki Airport's EUR 900 million development programme. During the financial period, the Group made preliminary plans regarding the development and extension of the airport so that its capacity will increase from the current 15 million passengers to 20 million passengers per year by the end of 2020. The implementation of the programme started in December.

The Airport Network business is responsible for producing airport services for airlines and passengers in the provincial airports for which Finavia is responsible. The network includes a total of 24 provincial airports.

The drop in revenues was due to decreased passenger volumes. The total number of passengers decreased by 13.8 per cent from the previous year. Airlines reduced their offerings, and several routes were discontinued. The total number of passengers using the network airports in 2013 was 3.7 million (4.3). Of these, 2.4 million were travelling on domestic routes and 1.3 million were international traffic passengers.

In 2013, the decrease in total number of passengers was contributed to by the weak developments in the largest airports in the network. The number of passengers using Oulu Airport decreased by 18.7 per cent, while the decrease in Tampere was 18.2 per cent and in Turku it was 28.7 per cent.

Only Rovaniemi and Lappeenranta increased their passenger volumes; Rovaniemi grew by 5.8 per cent and Lappeenranta by 4.8 per cent. There were also positive developments at tourist airports in Lapland, where the number of international passengers increased by a total of 6.7 per cent. On the other hand, domestic traffic at airports in Lapland decreased by 4.5 per cent.

In 2013, Finavia published an investment programme for the network airports. Its purpose is to improve the infrastructure and standard of service at the main airports of the network. The provincial airport investment programme will be financed by the Group's cash flows, which is possible thanks to the Government's capital injection received for developing Helsinki Airport. The investments in the first phase to be implemented in 2014 are estimated to total EUR 35 million.

Passenger Services produces commercial services for passengers at Finavia's airports. These include cafeteria, restaurant and shop services. The services are mainly produced in cooperation with partners by leasing business premises in the terminals. About 95 per cent of the revenues are generated at Helsinki Airport.

The revenues of Passenger Services were slightly below the previous year's level. During the year under review, the refurbishment and construction work on commercial premises at Helsinki Airport reduced the number of shops from the previous year. Particularly towards the end of the year, the shopping behaviour of air passengers showed signs of cautiousness due to the economic situation, as was the situation in retail trade generally.

In November 2013, Finavia announced that its duty free business would become part of a chain of shops operated by an international actor. The transfer of business will be implemented in March 2014. The new actor is expected to bring even more shopping opportunities of international standard to the airport. After the transfer of business, Finavia will produce all commercial services required by passengers in cooperation with different actors in the respective fields of business. Hence, the company will not have any shops of its own at Helsinki Airport after the arrangement, and it will concentrate on developing and letting the commercial premises.

The Air Navigation Services business is responsible for controlling the Finnish airspace and for providing the related en-route services and air navigation services. Air Navigation Services revenues are primarily generated from landing fees and route charges related to overflights.

The 2013 revenues of Air Navigation Services were lower than in the previous year. The decrease in revenues was due to a lower number of operations. There were fewer landings during every month apart from July, when there was a small increase of 0.3 per cent. In all, there were 6.0 per cent less landings than in the previous year. The number of domestic landings decreased by 10.5 per cent and international landings by 2.8 per cent. The number of overflights in Finnish airspace only increased by 0.9 per cent. The growth in the number of overflights was at its slowest for ten years.

The pricing of air navigation services is based on EU legislation. The EU confirms the service prices and sets efficiency targets for service producers. In Finland, air navigation services make heavy losses, primarily due to the small volume. In 2013, Finavia continued its efforts to improve the efficiency of its air navigation services and decided on the gradual concentration of Finland's area control in Vantaa, starting from 2015. The cost level of air navigation services decreased in 2013, but the simultaneous decree in the volume of air traffic operations weakened the financial result.

Finavia's range of services is supplemented by its subsidiary **Airpro**, which produces a multitude of loading, security, passenger compartment and customer services required by airports. The year 2013 was a challenging year for Airpro due to the changes taking place in its customer base. Airpro lost business as its customers reduced their routes and withdrew from the Finnish air traffic market. New customers could not fully compensate for the lost income. The company continued to adjust its operations to the market situation throughout the year.

Lentoasemakiinteistöt Oyj administers the real estate properties in the immediate vicinity of the airport and leases them to companies in the air traffic service chain and to companies utilising the proximity of the airport in their businesses. There were no significant changes in the company's operations during 2013. The occupancy rate of premises remained good, and revenues grew as the volume of leased premises increased.

BALANCE SHEET, CASH FLOW AND FINANCING

On 11 October 2013, Parliament approved the Government proposal regarding the third supplementary budget for 2013. According to the supplementary budget, the Government will increase the equity of Finavia Corporation by EUR 200 million. Finavia's GM will discuss the increase of equity in 2014.

The consolidated balance sheet total was EUR 740.8 million (720.6). ROI was 3.4 per cent (3.6) and the equity ratio 46.9 per cent (46.1). Return on equity was 4.4 per cent (4.8).

Cash flow from operations was EUR 34.2 million (68.1). The financial expenses related to the Ring Rail Line were EUR 37.6 million. During the financial period, cash flow from operations was sufficient to cover investment costs and loan repayments. Cash flow from investments stood at EUR 40.6 million (41.3). Repayments of long-term loans amounted to EUR 18.4 million (16.0).

Finavia's share of the total cost of financing the Ring Rail Line amounts to EUR 67.5 million. The European Investment Bank has granted Finavia a loan of EUR 45 million for financing the Ring Rail Line. The loan was taken out in November 2013. By the end of 2013, Finavia had paid a total of EUR 47.6 million of its share of the financing of the Ring Rail Line. The balance, EUR 19.9 million, is in Finavia's balance sheet as non-interest-bearing debt maturing in 2014 and 2015.

Liquidity remained good. On 31 December 2013, the Group had cash and cash equivalents amounting to EUR 81.3 million (61.2). The balance was strengthened by the EUR 45 million loan taken out in November 2013. In August, Finavia signed a EUR 100 million commercial paper in order to secure its liquidity.

The amount of interest-bearing loans increased during the year, totalling EUR 259.1 million (232.5) at year-end. The net gearing ratio decreased and was 47.4 per cent (51.7). The Group's net financing costs stood at EUR 12.0 million (4.7). Interest expenses decreased and stood at EUR 4.5 million (4.9). The financing costs included a valuation loss from non-hedging derivatives which was expensed in the Group from September 2013. On the balance sheet date, the valuation loss stood at EUR 7.6 million.

At the end of 2013, 50 per cent of the Group's loan portfolio was hedged with interest rate swaps and the rest with conditional hedges. The impact of interest rate swaps has been taken into account in calculating the average rate of interest of the loans. At the end of the year, the average rate of interest on the Group's interest-bearing loans was 1.47%, and their average maturity was 12.5 years. Some of the parent company's long-term loans still have state guarantees, and the company pays a guarantee commission for them. Other loans carry covenant conditions.

The efficiency programme continued with improving the efficiency of equipment usage and with paying attention to the number of leasing vehicles. The Group's leasing liabilities decreased to EUR 49.9 million (55.5).

During the financial period, the Group introduced a new financial policy and revised its financial reporting.

INVESTMENTS

The Group's investment expenses amounted to EUR 42.1 million (45.1). The investment ratio stood at 11.9 per cent (12.6). The investment expenses were adjusted to the cash flow. Early in the year, new investments were postponed due to the weak demand for air traffic, and some projects were partially or wholly postponed to coming years.

The investments primarily consisted of basic overhaul and replacement projects in traffic areas and terminals. The largest individual investment projects at Helsinki Airport were the traffic arrangements for the centralised de-icing area and the construction of the new rescue station. The largest project in the network was related to developing the check-in facilities at Oulu Airport. The investments for air navigation services were related to the replacement of radar and control systems.

SHARES AND SHARE CAPITAL

Finavia Corporation is a company wholly owned by the Finnish State. The Ministry of Transport and Communications is responsible for ownership steering. The company's share capital consists of 7,400,000 shares of equal value. The company does not have any treasury shares. The company has not had any share issues, option issues, or other issues of rights entitling to shares. The company's Board of Directors has no valid authorisations to issue shares or option rights.

Ordinary General Meeting of 2013 and constitution of the Board of Directors

The Ordinary General Meeting of Shareholders of Finavia Corporation was held on 19 March 2013 in Helsinki. The Meeting adopted the 2012 financial statements and discharged the Board and the CEO from liability.

The Meeting approved the proposal of the Board of Directors on the distribution of dividends. No dividends were distributed and the profit for 2012 was transferred to retained earnings.

Commercial counsellor Soili Suonoja was selected to continue as the Chairman of the Board. CEO Jaakko Linna, general counsel Harri Pynnä, CFO Pirkko Salminen, chief economist Ralf Sund and department head Juhapekka Ristola were elected as Board members, with air traffic controller Riitta Puro as a personnel representative. Apart from personnel representative Riitta Puro, all Board members are independent of the company. Apart from Juhapekka Ristola, all members are also independent of the owner.

In line with the resolution of the GM, the Chairman of the Board is paid a fee of EUR 1,700 per month, the Deputy Chairman a fee of EUR 1,200 per month and the other members a fee of EUR 1,000 per month. A fee of EUR 500 is paid for each Board or committee meeting. Travel expenses are compensated for on the basis of actual costs. The Chairperson of the Board of Directors has a company mobile phone.

The GM resolved that Ernst & Young Oy, Chartered Accountants, will continue as the company's auditors. Tiina Lind, APA, CPFA, is the auditor in charge.

The Board elected Jaakko Linna as the Deputy Chairman. The Nomination and Compensation Committee of the Board is chaired by Soili Suonoja, and its members are Jaakko Linna, Harri Pynnä and Juhapekka Ristola. The Audit Committee is chaired by Pirkko Salminen and its members are Soili Suonoja, Jaakko Linna and Ralf Sund.

GROUP STRUCTURE AND ORGANISATIONAL STRUCTURE

Finavia Group consists of the parent company Finavia Corporation and its wholly owned subsidiaries Lentoasemakiinteistöt Oy and Airpro Oy. Airpro Oy owns 100 per cent of RTG Ground Handling Oy.

The Group has four Business Areas: They are Helsinki Airport, Air Navigation Services, Passenger Services and Airport Network. In addition, Finavia's services for air traffic are supplemented by its subsidiaries Airpro and Lentoasemakiinteistöt.

The support services required by the businesses are produced in a centralised manner. The CFO is responsible for financial, IM and procurement services. The technical director is responsible for the planning and construction of airport infrastructure and for environmental matters. The risk management director is responsible for the risk and corporate security management system and for State aviation. Legal matters, HR, communication and internal audits are included in Headquarter Operations.

No changes took place in Finavia's business or organisational structure in 2013.

MANAGEMENT AND PERSONNEL

Kari Savolainen is the President and CEO of Finavia. The Group's management model and Executive Group were revised gradually during 2012, making 2013 the first financial period of the new organisation. No changes took place in the Executive Group in 2013.

Ari Haapanen was the CEO of Airpro until 4 October, and the company's financial director Hannu Karu was the acting CEO in October-December. In December, Janne Hattula was appointed the new CEO of Airpro Oy from the beginning of 2014.

At the end of the year, the Group had 2,814 employees (2,840). The number of permanent employees was 2,108 (2,118). The average number of personnel during the financial period in terms of person-years was 2,239 (2,413). The Group does not have any employees working abroad. At the end of the year, the parent company employed 1,634 persons (1,718). In terms of person-years, the average number of parent company employees during the year was 1,503 (1,612).

HR development concentrated on wellbeing at work and on thus reducing absences due to illness and on lengthening working careers. Service competence and managerial work were highlighted in competence development. A personnel survey was conducted in the Group in January 2014. The overall results have improved considerably from the previous survey. Finavia's clearest strengths are related to working conditions and work motivation. The most significant areas for development are in the management culture, corporate communication and involvement in business units.

REMUNERATION

The remuneration of Finavia's management is based on a fixed monthly salary and a performance bonus compliant with the Government's ownership steering recommendation. In 2013, the scope of the performance bonus scheme included the Executive Group and 100 key employees. The Executive Group of Finavia received 82 per cent of the maximum amount of performance bonus on the basis of the financial result for 2013 and the scorecard targets achieved.

In addition, the Group's parent company has a personnel fund. All employees apart from the top management and those covered by the performance bonus scheme are members. The personnel fund is supplemented annually by a certain sum, the maximum of which is equivalent to 4 per cent of the company's total payroll. The amount payable to the fund is determined on the basis of performance and service level targets achieved. In 2013, 87 per cent of the performance and service level targets set for the personnel were achieved. The result for 2013 has a provision of EUR 4.8 million for paying the performance bonuses.

The salaries, wages and fees paid during the period being reported amounted to EUR 115.9 million (121.4).

BUSINESS-RELATED RISKS

Finavia's risks are classified into strategic, operational, compliance and financial risks.

Strategic risks: There were no substantial changes in the Group's risk scenario in 2013. The main risks threatening the implementation of the company's strategy are related to general developments in the air traffic industry. The predictability of the industry is weakened by its strong dependence on fluctuations in the world economy, the changing internal structure of air traffic, and statutory regulation of the industry. The fluctuations in the demand for air traffic and the changing service requirements of airline customers dictate that the Group has to be flexible in its capacity management and service production. The business is very capital-intensive and local. The cost structure is of a fixed nature.

A decision was made during the financial period to initiate the Helsinki Airport development programme. The programme is the cornerstone of implementing Finavia's strategy, and its success is of primary importance in securing Finavia's competitiveness. In 2013, the company analysed the risks related to the planning and management of the development programme and the means for managing such risks. A dedicated risk management function has been established for the development programme.

The Single European Sky (SES) programme is in progress within the EU for the purpose of developing the use of airspace in the Member States. The long-term perspective of European development involves the development of the internal market and opening services up to competition. In this respect, Finavia's major risks are related to the restructuring of air navigation markets, changes taking place in the production of services, and decreasing possibilities to influence the determination of terms and conditions of services. The risk is managed by active participation in NEFAB cooperation and other European development work and by ensuring that Finavia's services remain cost-effective and competitive.

Operational risks: The cash flow of Finavia Group is totally dependent on the smoothness of air traffic. In managing operative business risks, the focus is on measures related to ensuring the smoothness of the air traffic service chain. The air traffic service chain is created as a result of the cooperation of many organisations and actors. As an airport operator, Finavia's role is to ensure that each actor has optimal possibilities to fulfil its respective responsibilities in the service chain. The actors operating at the airports have regular meetings aimed at improving processes and their interfaces.

The risks related to service production are increasingly dependent on the functionality of IT systems and their compatibility with the Group's own operating models and IT systems, as well as with those of its partners. The risk is managed by paying attention to the IT system architecture, documentation and interfaces and by ensuring that operating models are also functional.

Compliance risks: As a whole, the operations at Finavia's airports comply with the requirements of the Environmental Protection Act. However, the legislation requires an environmental permit retroactively, even if the activities have been in the same place for a long time and are well-established. Some of Finavia's airports have already received a permit decision; for others, the permit is still pending. Finavia cannot know with certainty which requirements will be included in a particular airport's environmental permit. Based on permit decisions already made, the company has made preparations to clean firefighting exercise areas at airports, improve the protection of fuel tanks and filling areas, and enhance the efficiency of rain and meltwater systems. During the period 2010–2013, the company made statutory provisions totalling EUR 35 million for these environmental investments. The work will be completed in the next few years.

The situations regarded as a risk include those where a permit decision fails to take into account the particular characteristics of air traffic and imposes unreasonable costs on the airport operator. The risks also include permit processes resulting in loss of revenues due to unnecessarily strict noise control and traffic restrictions. From the point of view of securing the operating prerequisites of airports, it is important that functions sensitive to noise are not planned in aircraft noise areas or in their immediate vicinity.

Financial risks: The company's financing-related risks are shown in the notes to the financial statements. An updated financial policy supporting the business was prepared for the Group in 2012, and it was put into practice during 2013.

The Group produces services for air traffic, and its cash flow is entirely dependent on one field of business. Any disturbances in the business or interruptions to service can drain the cash flow rapidly, as happened with the Icelandic ash plume in spring 2010. The cash flow-related risk is managed by ensuring that sufficient cash and cash equivalents are available and by agreeing on short-term financing arrangements in advance.

The fees for airport services and air navigation services charged from the airlines are heavily regulated and of inflexible structure. The timelines related to the pricing process are rather long. Therefore, there is a risk that Finavia incurs front-end costs long before the fees charged from the airlines are confirmed. The risk is managed by having regular consultations with customers and by developing the company's long-term pricing strategy.

The production of airport services is a very capital-intensive business, and regulatory requirements further increase the need for investments. The economic challenges of the air traffic industry and the competition between European airports do not allow for any increases in the price level.

ENVIRONMENTAL IMPACTS

The maintenance of airports and air traffic cause environmental impacts, primarily from anti-skid treatments, de-icing and anti-icing treatments of aircraft, and from the movements of aircraft on the ground and in the air. Finavia is responsible for anti-skid treatments, while the other operations are performed by ground handling companies or air carriers. Finavia instructs the other actors at airports for safety and environmental reasons.

Mechanical methods are primarily used in the anti-skid treatment of runways. Due to weather conditions, readily biodegradable formate- or acetate-based agents also have to be used for anti-skid treatments. The airlines are responsible for the de-icing and anti-icing treatments on their planes using propylene glycol. This substance is not classified as harmful, but it causes environmental loading in waterways by increasing oxygen consumption. Airplanes cause emissions and noise during take-offs and landings and when taxiing on the ground.

The maintenance of airports is an activity subject to a permit in accordance with the Environmental Protection Act (86/2000). Airports have been gradually granted permits retrospectively as existing operations, and environmental permits have been issued for 16 airports maintained by Finavia. Turku Airport was granted an environmental permit in 2013, but the permit is not yet legally valid. The permit decision was appealed to the Vaasa Administrative Court, with Finavia as one of the appellants. An application to amend the permit of Jyväskylä Airport was submitted in March 2013 because the reform process of the Defence Forces will change the flight operations of the Air Force substantially from what was earlier the basis of the permit. In addition, an application to amend the permit regulations of Mariehamn Airport regarding the noise of local flights was submitted in June 2013. The environmental permit applications for Vaasa and Kuusamo Airports were also submitted at the end of the year. In addition to the above, the application for Kokkola-Pietarsaari Airport is pending.

Finavia has implemented some of the requirements in the environmental permit decision issued in 2011 regarding Helsinki Airport, although the permit decision is not legally valid yet. In September 2013, the Vaasa Administrative Court issued its decision regarding the appeals. Eight appeals have been submitted to the Supreme Administrative Court regarding the decision of the Vaasa Administrative Court. Finavia also appealed the decision, among other things because of the time schedules of the reports requested in the decision. In line with the permit decision, Finavia applied in May 2012 for an enforcement decision from the Finnish Transport Safety Agency regarding restrictions on night-time traffic at Helsinki Airport in compliance with the Aviation Act. The application was supplemented during 2013, and Trafi is expected to reach a decision in 2014.

The Airport Noise and Operations Monitoring System (ANOMS) commissioned at Helsinki Airport in summer 2012 was supplemented in spring 2013 with the WebTrak web service (www.finavia.fi/webtrak). The service allows anyone to view the airplane routes and noise measurement station readings. Through WebTrak, users can also submit feedback on individual planes.

In November, the airport approach methods were reformed so that the intermediate approach height of planes landing on Runway 1 was increased. The purpose of the reform is to reduce the noise and emissions of airplanes, particularly at night.

Finavia is continuing its long-term efforts to improve the energy efficiency of its operations and to reduce its atmospheric emissions. In 2013 Helsinki Airport and Lapland Airports achieved Level 2 of the Airport Carbon Accreditation (ACA) programme of Airports Council International (ACI); this level requires a reduction in carbon dioxide emissions when compared to the reference year.

Finavia continued the process of putting its de-icing reform into practice with the aim of minimising the environmental impact of aircraft de-icing and anti-icing agents by guiding the companies performing the treatments and by enhancing the recovery of propylene glycol-containing liquids. The work for phase 2 of the remote de-icing station commissioned in 2011 and the construction of the fourth storage area for glycol-containing snow continued at Helsinki Airport. The work of reconditioning the bedrock tunnel used for channelling the glycol-containing waters at Helsinki Airport was completed in autumn 2012. The company's total investment amounted to EUR 1.8 million. The bedrock tunnel will serve as interim storage for glycol-containing water before it is pumped into the wastewater system.

Finavia monitors the quality of surface water and groundwater at its airports. In addition, glycol water reports were produced for Kittilä, Ivalo and Kemi-Tornio Airports, analysing the loading caused by ethylene glycol, its impact on surface water as well as the possibilities for managing and treating the water. Finavia has conducted further specifying environmental studies, in compliance with the instructions of environmental authorities, at Helsinki Airport regarding the presence of aircraft de-icing and anti-icing agents in the airport area. The results indicate that no significant risk to the natural environment exists.

The surveys regarding the pollution of fire drill areas of Ivalo, Rovaniemi and Turku airports continued with background investigations regarding harmful substances. The investigations will postpone the reconditioning of these areas until 2014.

Finavia's experts assisted the Ministry of Transport and Communications in producing the report.

The Responsibility section of the Annual Report includes a more detailed account of the principles, actions and indicators related to environmental protection.

STRATEGIC DIRECTION

Finavia's aim is to be a profitable, respected and well-managed service company whose operations are among the best of all international actors and who creates the prerequisites for safe and competitive air traffic in Finland.

In 2013, Finavia concentrated on improving the efficiency and service level of the Group as part of implementing its strategy. The efficiency of operations improved, and passenger satisfaction at airports increased.

The Group's strategic goal is to strengthen the market share of Helsinki Airport in traffic between Europe and Asia. Another goal is to increase the number of direct connections to Europe. Progress was made regarding these goals. In 2013, international transit travel increased by 10.6 per cent, and 15 new routes to Europe were opened.

During the year being reported, Finavia received a capital injection from the third supplementary State budget to implement the EUR 900 million Helsinki Airport development programme by the end of the decade. The development programme will increase the capacity of Helsinki Airport so that it can serve 20 million passengers a year instead of the current 15 million.

Finavia has been given the strategic task of developing and maintaining a uniform airport network for regular scheduled traffic. Finland's airports are rather different from each other in terms of passenger volumes and the needs of airlines and passengers. The Ministry of Transport and Communications initiated the traffic strategy work in 2012, and it will be completed by the end of 2014. Finavia participated in the strategy work with the aim of securing efficient connections to the international air traffic network for all people in Finland.

In passenger services, the strategic goal is to develop the business so that it supports the maintenance of the entire airport network. The aim is to systematically increase the revenues from commercial services at the airports. 2013 was a year of reforming operations in passenger services. The reforms already implemented and those still in progress will enable future growth. The commercial premises at the airports, service providers and range of products available will be gradually reformed starting in spring 2014.

The key strategic objective of air navigation services is to improve its cost efficiency and profitability. It is strategically important to Finavia's Air Navigation Services that the operating models and cost efficiency of air navigation services are developed so that the services are competitive when they are opened to competition at a later stage.

OUTLOOK FOR 2014

The continuing economic difficulties in Europe and the slowdown in Asian economies mean uncertainties for the industry. The expectations for growth have picked up since summer 2013, but they are still very cautious.

Finavia is prepared for a situation where the fluctuations in supply and demand will also continue at its airports during 2014. Changes in demand result in rapid adjustments of capacity by air carriers with the objective of achieving maximum occupancy rates.

The company expects the growth in international traffic which began in summer 2013 to continue during the first half of the year at the same level as in the last quarter of the previous year. After that, the growth is expected to level off and the total growth is expected to be slightly below the figure for 2013. The expectations for growth in international air traffic are based on the increased number of routes available.

In domestic traffic, the number of routes available decreased during 2013, and the trend is expected to continue. The decline in domestic air traffic passenger volumes is expected to stop, and the total number of passengers is expected to be near the 2013 figure. Individual airports must be prepared for big changes in passenger volumes.

In order to secure its results and cash flow, the company seeks to adapt its operations to demand. Costs are kept under particularly close control.

The main decisions related to the Helsinki Airport development programme will be taken during 2014 when the general development plan for the airport is completed. The basic upgrading investments for the network will start during 2014.

The company estimates that the revenues for 2014 will fall short of the 2013 level due to the change in the business structure of passenger services. The overall financial result is expected to be at the same level as in 2013.

THE BOARD'S PROPOSAL REGARDING THE APPLICATION OF PROFITS

The parent company's distributable funds on the balance sheet date of 31 December 2013 stood at EUR 110,224,257.46, of which profit for the period was EUR 6,829,018.08.

The Board of Directors proposes to the GM that EUR 1,707,254.00 is distributed as dividends and EUR 5,121,764.08 is transferred to retained earnings.

In addition, the company will distribute funds to the shareholder as a distribution of assets from reserves of unrestricted equity as referred to in Chapter 13, Section 1 of the Limited Liability Companies Act so that the parts of weather observation systems and software completed in 2012 and 2013, owned by Finavia Corporation, are transferred to the Finnish State, to the possession of the Ministry of Transport and Communications at their fair value of EUR 1,434,532.00, as shown on the financial statements in accordance with the provisions of Chapter 13 of the Limited Liability Companies Act regarding the prerequisites for distributing assets, the amount of distribution and the assets to be distributed.

There have not been any changes in the company's financial standing after the end of the financial period. The company's liquidity is good, and the Board of Directors is of the opinion that the proposed distribution of profits will not put the company's liquidity at risk.

Vantaa, 10 March 2014

Finavia Corporation

Board of Directors

INCOME STATEMENT 1 January - 31 December 2013

1,000 €	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
REVENUES	352,839	359,194	315,682	318,666
Other operating income	1,894	9,134	1,499	5,257
MATERIALS AND SERVICES				
Materials and supplies				
Purchases during the financial period	40,689	43,255	38,763	40,205
Change in inventories; increase(-)/decrease(+)	107	498	-175	306
External services	48,562	46,864	61,172	60,807
MATERIALS AND SERVICES	89,358	90,618	99,760	101,317
STAFF EXPENSES				
Salaries and bonuses	115,896	121,408	87,972	91,656
Indirect staff expenses				
Pension expenses	20,588	21,766	15,415	16,429
Other indirect staff expenses	6,165	6,782	4,786	4,963
TOTAL STAFF EXPENSES	142,649	149,955	108,173	113,048
DEPRECIATIONS, AMORTISATION, IMPAIRMENT				
According to plan				
Buildings and structures	16,376	15,622	13,538	12,121
Machinery and equipment	14,968	14,191	14,157	13,450
Other tangible assets	10,759	10,668	10,739	10,646
Intellectual property rights	1,060	717	1,033	669

Other non-current expenditure	410	81	152	16
Amortisation of group goodwill	0	45		
<i>Impairment of non-current assets</i>	<i>-273,327</i>			
DEPRECIATION AND AMORTISATION	43,301	41,325	39,619	36,902
OTHER OPERATING EXPENSES	47,092	57,963	43,299	53,503
OPERATING PROFIT	32,333	28,467	26,329	19,153
FINANCIAL INCOME AND EXPENSES				
Share of associated company profits (losses)	-70	-302		
Income from other non-current investments	0	1	0	2001
Other interest and financial income				
Impairment of non-current investment assets	235	503	369	752
Negative market value of interest derivatives	-7,626	0	-7,626	0
Interest expenses and other financial expenses	-4,548	-4,997	-3,559	-3,621
	-12,009	-4,795	-10,817	-868
PROFIT BEFORE EXTRAORDINARY ITEMS	20,325	23,672	15,513	18,285
Non-recurring income	0	0	2,000	2,600
Non-recurring expenditure	0	0	0	-1,990
NON-RECURRING ITEMS	0	0	2,000	610
PROFIT BEFORE APPROPRIATIONS AND TAXES	20,325	23,672	17,513	18,895
Appropriations				

Change in cumulative accelerated depreciation			-6,826	-8,372
Income taxes				
Taxes for the period and earlier periods	-3,992	-6,726	-3,858	-4,985
Deferred taxes	-1,245	-1,410	0	-2,503
PROFIT FOR THE FINANCIAL PERIOD	15,088	15,536	6,829	3,036

BALANCE SHEET 31 December 2013

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
1,000 €				
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Intellectual property rights	2,190	2,287	2,189	2,260
Other non-current expenditure	3,634	1,373	208	144
Goodwill				
Group goodwill				
	5,824	3,660	2,397	2,404
Tangible assets				
Land and water areas	47,003	47,061	44,233	44,256
Buildings and structures	292,577	299,967	203,823	213,734
Machinery and equipment	88,731	86,321	84,440	81,821
Other tangible assets	159,127	156,309	158,994	156,157
Advance payments and work in progress	9,962	12,033	9,295	9,995
	597,399	601,692	500,786	505,962
Investments				
Holdings in associated companies	847	876		
Shares in Group companies			9,323	9,323
Other investments	341	341	332	333
	1,187	1,217	9,655	9,656
CURRENT ASSETS				
Inventories				
Materials and supplies	2,698	2,665	2,413	2,412
Finished goods	1,900	1,746	1,859	1,691
	4,597	4,411	4,272	4,103
Non-current receivables				
From Group companies			17,330	12,700
Deferred tax assets	6,990	7,925		
	6,990	7,925	17,330	12,700
Current receivables				
Accounts receivable	29,563	30,637	24,067	25,627
From Group companies	0	0	3,918	4,179
Deferred tax assets	0	0	0	0
Other receivables	3,082	2,317	3,081	2,308
Prepaid expenses and accrued income	10,777	7,509	9,573	6,870

	43,422	40,464	40,639	38,985
Marketable securities				
Other securities	46,000	500	46,000	500
Cash and cash equivalents	35,340	60,693	29,502	55,970
	740,761	720,562	650,582	630,280
EQUITY AND LIABILITIES				
EQUITY				
Share capital	185,000	185,000	185,000	185,000
Other reserves:				
Invested unrestricted equity reserve	92,042	92,042	92,042	92,042
Profit brought forward	54,993	39,226	11,353	8,317
Profit for the period	15,088	15,536	6,829	3,036
	347,124	331,804	295,224	288,395
MINORITY INTERESTS				
UNTAXED RESERVES				
Depreciation difference			35,334	28,508
STATUTORY PROVISIONS				
Other statutory provisions	34,952	32,348	34,952	32,348
LIABILITIES				
Non-current				
Loans from financial institutions	240,691	214,114	187,474	157,239
Other liabilities	4,085	12,400	4,085	12,400
Deferred tax liability	9,266	9,188		
	254,041	235,701	191,559	169,639
Current				
Loans from financial institutions	18,406	18,390	14,766	14,766
Advance payments received	963	992	398	401
Accounts payable	23,296	34,168	21,770	32,059
Liabilities to other Group companies			1,731	3,941
Other liabilities	8,049	7,088	6,541	5,976
Accrued liabilities	53,929	60,071	48,307	54,247
	104,644	120,709	93,513	111,390
	740,761	720,562	650,582	630,280

CASH FLOW STATEMENT

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
CASH FLOW FROM BUSINESS OPERATIONS				
Payments received from sales	352,150	365,230	315,413	324,029
Payments from operating costs	-309,834	-288,271	-282,537	-255,691
Cash flow from business operations before financial items and taxes	42,316	76,959	32,876	68,338
Interest and financial expenses paid	-4,116	-4,690	-3,000	-3,099
Interest received from business operations	227	504	350	779
Dividends received	0	1	0	2,001
Other financial items from operations	-567	-531	-567	-530
Direct taxes paid	-3,630	-4,095	-2,891	-1,567
Cash flow before extraordinary items	34,230	68,148	26,768	65,922
Cash flow from business operations	34,230	68,148	26,768	65,922
CASH FLOW FROM INVESTMENTS				
Investments in tangible and intangible assets	-42,053	-45,091	-34,477	-42,877
Income from disposal of tangible and intangible assets	1,224	3,825	796	29
Subsidiary shares acquired	153	-45	0	0
Investments in other investments	-1	0	-1	0
Income from disposal of other investments	1	1	1	1
Cash flow from investments	-40,676	-41,310	-33,680	-42,847
FINANCING CASH FLOW				
Loans granted to subsidiaries			-5,400	-600
Repayments of loan receivables			500	3,670
Withdrawals of long-term loans	45,000		45,000	
Repayments of short-term loans	0	0	0	0
Repayments of long-term loans	-18,406	-16,028	-14,766	-12,413
Profit crediting / return of capital paid	0	0	0	0
Group contributions received and paid	0	0	610	0
Financing cash flow	26,594	-16,028	25,945	-9,343

CHANGE IN CASH AND CASH EQUIVALENTS	20,148	10,809	19,032	13,732
Cash and cash equivalents 1.1.	61,193	50,383	56,470	42,738
Cash and cash equivalents held by acquired and merged companies	0	0	0	0
Cash and cash equivalents held by divested companies	0	0	0	0
Cash and cash equivalents 31.12.	81,341	61,193	75,502	56,470

Notes

1. Consolidated accounting principles

All Group companies are included in the consolidated financial statements. Associate company Taxi Point Oy was disregarded due to its negligible impact on Group equity. Internal transactions within the Group, including internal receivables and liabilities, have been eliminated. Cross-ownership of shares was eliminated using the acquisition cost method.

The deferred tax liability on balance sheet transfers has been shown as a separate item.

MEASUREMENT PRINCIPLES USED IN PREPARING THE FINANCIAL STATEMENTS

Capital assets are recognised at direct acquisition cost. Planned depreciations are calculated within the Group according to a uniform set of principles on the basis of the economic life of each asset. The securities included in the financial assets are recognised at acquisition cost or market price, whichever is lower. The acquisition cost of inventories has been calculated according to market averages.

NOTES TO THE INCOME STATEMENT

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

2. Revenues by Business Area

	GROUP 2013 Million euros	GROUP 2012	Change, %
Helsinki Airport	149.3	146.9	1.6
Air Navigation Services	63.7	66.1	-3.6
Airport Network	41.3	42.9	-3.7
Passenger Services	57.8	58.5	-1.1
Airpro	47.1	51.5	-8.4
Real Estate Operations	15.6	15.1	1.3
Eliminations	-22.1	-22.1	0.0
Group total	352.8	359.2	-1.8

3. Other operating income

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Profits from sale of land areas	701	3,756	701	9
Profits from the sale of other capital assets	99	11	85	4
Compensation for damages on the basis of defaulting on the performance of a contract (with Skanska Asfaltti Oy as the counterpart)	0	0		
- the compensation was recognised as income after the Appeal Court's decision	0	4,400	0	4,400
Income from forests and land areas	438	398	438	398
Other earnings	655	570	274	446
	1,894	9,134	1,499	5,257

4. Salaries and bonuses of the management

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
CEO and Deputy CEO	675	565	424	368
Members of the Board of Directors	175	175	175	175

5. Personnel employed by Finavia Group

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Average number of employees (man-years)	2,239	2,413	1,503	1,612
Employees at the end of the year	2,814	2,840	1,634	1,718
permanent	2,108	2,118	1,371	1,398
temporary	706	722	263	320

Temporary personnel also includes individuals asked to work when needed, both in the parent company and the Group.

6. Auditor's fees

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Ernst & Young Oy				
Audit fees	72	84	57	68
Certificates and statements of opinion	8	12	8	12
Tax advice	5	18	5	11
Other services	35	13	35	8

7. Change of statutory provisions in the income statement

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Materials and services	-433	0	-433	0
Personnel expenses	-703	0	-703	0
Other operating expenses	-4,534	-15,000	-4,534	-15,000

The largest item included in statutory provisions consists of the provisions related to the airports' environmental permits. The work input in environment reservations during the year amounts to EUR 3.1 million. The expenses have been entered directly (against a reservation) on the balance account, which means that the change in the reservation in this respect does not show in the balance sheet.

8. Financial income and expenses

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Share of associated company losses	-302	-313		
Dividend income				
Dividend income from Group companies			2,000	0
From others	1	0	1	0
Other interest and financial income				
Interest income from Group companies			277	326
From others	503	1,795	475	1,700
Impairment of investments	0	161	0	161
Interest expenses and other financial expenses				
To others	-4,997	-7,088	-3,621	-4,960
Financial income and expenses, total	-4,795	-5,446	-868	-2,772

The negative market value of non-hedging interest derivatives (structured interest exchange contracts and swaptions) has been entered as expenditure as of 2013.

9. Non-recurring income and expenditure

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Non-recurring income - Group contributions received	0	0	2,000	2,600
Non-recurring expenditure - Group contributions paid	0	0	0	-1,990

10. Intangible and tangible assets and amortisation and depreciation

The economic lifetimes are as follows:

	Years	
Intangible assets		
Intellectual property rights	5	Straight-line depreciation
Other non-current expenditure	5 - 20	Straight-line depreciation
Group goodwill	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

Goodwill amounting to EUR 1,448,639.61 has been allocated to buildings; it will be amortised over 28 years. The amortisation period is the same as the remaining depreciation period of the building of the merged real estate company Koyj Lentäjätie 3.

In connection of the transfer of duty free business, additional depreciation totalling EUR 1,926,570.86 were made in 2013. The transfer of business was agreed in November 2013, but it will be implemented in March 2014.

Changes in balance sheet items:	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Intellectual property rights				
Acquisition cost 1.1.	11,997	12,199	11,950	12,120
+ Transfers between items	964	611	963	583
- Deductions during the financial period	-375	-813	-375	-753
Acquisition cost 31.12.	12,586	11,997	12,538	11,950
Accumulated depreciation and amortisation according to plan 1.1.	-9,710	-9,816	-9,690	-9,784
Accrued depreciation and amortisation for deductions	375	813	375	753
Depreciation and amortisation for the financial period	-1,060	-707	-1,033	-659
- Accrued depreciation and amortisation according to plan 31.12.	-10,396	-9,710	-10,349	-9,690
Book value 31.12.	2,190	2,287	2,190	2,260
Other non-current expenditure				
Acquisition cost 1.1.	1,464	1,463	164	163
+ Increases	2,670	1	216	1
- Deductions during the financial period	0	0	0	0
Acquisition cost 31.12.	4,134	1,464	380	164
Accrued depreciation and amortisation 1.1.	-90	-9	-20	-3
Accrued depreciation and amortisation for deductions	0	0	0	0
Depreciation and amortisation for the financial period	-410	-81	-152	-16
- Accrued depreciation and amortisation according to plan 31.12.	-500	-90	-172	-20
Book value 31.12.	3,634	1,373	208	144

Group goodwill

Acquisition cost 1.1.	4,840	4,840		
+ Increases during the financial period	0	0		
- Deductions during the financial period	-4,840	0		
Acquisition cost 31.12.	0	4,840		
Accrued depreciation and amortisation 1.1.	-4,840	-4,840		
Accrued depreciation and amortisation for deductions	4,840	0		
Depreciation and amortisation for the financial period	0	0		
- Accrued depreciation and amortisation according to plan 31.12.	0	-4,840		
Book value 31.12.	0	0		

Land and water areas**Land and water areas**

Acquisition cost 1.1.	43,854	43,587	43,485	43,206
+ Increases during the financial period	1	283	1	283
- Deductions during the financial period	-51	-16	-15	-4
Acquisition cost 31.12.	43,804	43,854	43,471	43,485

Utility charges for real estates

Acquisition cost 1.1.	3,207	3,229	770	792
+ Transfers between items	0	0	0	0
- Deductions during the financial period	-9	-22	-9	-22
Acquisition cost 31.12.	3,199	3,207	762	770

Land and water areas (total)

47,003	47,061	44,233	44,256
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Buildings and structures

Acquisition cost 1.1.	628,192	623,726	522,026	517,539
+ Increases during the financial period	0	0	0	0
+ Transfers between items	9,027	7,300	3,627	7,300
- Deductions during the financial period	-8,053	-2,834	-7,044	-2,814
Acquisition cost 31.12.	629,167	628,192	518,609	522,026

Accumulated depreciation and amortisation according to plan 1.1.	-328,225	-315,395	-308,292	-298,984
Accrued depreciation and amortisation for deductions	8,011	2,796	7,044	2,814
Depreciation and amortisation for the financial period	-16,376	-15,626	-13,538	-12,121
- Accrued depreciation and amortisation according to plan 31.12.	-336,590	-328,225	-314,786	-308,292
Book value 31.12.	292,577	299,967	203,823	213,734

Machinery and equipment

Acquisition cost 1.1.	398,522	388,140	388,919	379,469
+ Transfers between items	17,407	28,669	16,783	27,672
- Deductions during the financial period	-5,963	-18,287	-5,770	-18,223
Acquisition cost 31.12.	409,967	398,522	399,931	388,919

Accrued depreciation and amortisation 1.1.	-312,201	-316,080	-307,098	-311,683
Accrued depreciation and amortisation for deductions	5,933	18,257	5,764	18,223
Depreciation and amortisation for the financial period	-14,968	-14,379	-14,157	-13,637
- Accrued depreciation and amortisation according to plan 31.12.	-321,236	-312,201	-315,491	-307,098
Book value 31.12.	88,731	86,321	84,440	81,821

Ground structures

Acquisition cost 1.1.	450,520	433,675	450,322	433,477
+ Transfers between items	13,576	16,847	13,576	16,847
- Deductions during the financial period	-262	-2	-262	-2
Acquisition cost 31.12.	463,834	450,520	463,637	450,322
Accrued depreciation and amortisation 1.1.	-294,210	-283,544	-294,165	-283,521
Accrued depreciation and amortisation for deductions	262	2	262	2
Depreciation and amortisation for the financial period	-10,759	-10,668	-10,739	-10,645
- Accrued depreciation and amortisation according to plan 31.12.	-304,708	-294,210	-304,642	-294,165
Book value 31.12.	159,127	156,309	158,994	156,157

Advance payments and incomplete acquisitions

Acquisition cost 1.1.	12,033	19,934	9,995	19,432
+ Increases during the financial period	32,878	44,564	34,249	42,965
- Deductions	0	0	0	0
- Transfers between items	-34,949	-52,465	-34,949	-52,402
Acquisition cost 31.12.	9,962	12,033	9,295	9,995

Shares and holdings (subsidiaries and other shares)

Acquisition cost 1.1.	1,217	1,479	9,656	9,657
+ Increases during the financial period	1	0	1	0
- Deductions during the financial period	-30	-262	-1	-1
Acquisition cost 31.12.	1,187	1,217	9,655	9,656

TOTAL				
Acquisition cost 1.1.	1,555,846	1,532,273	1,437,287	1,415,856
+ Increases during the financial period	35,549	44,848	34,467	43,248
Transfers between items	6,026	961	0	0
- Deductions during the financial period	-19,582	-22,235	-13,476	-21,818
Acquisition cost 31.12.	1,577,840	1,555,846	1,458,278	1,437,287
Accrued depreciation and amortisation 1.1.	-949,277	-929,684	-919,265	-903,977
Accrued depreciation and amortisation for deductions	19,422	21,869	13,445	21,791
Depreciation and amortisation for the financial period	-43,574	-41,461	-39,619	-37,079
- Accumulated depreciation and amortisation according to plan 31.12.	-973,429	-949,277	-945,439	-919,265
Book value 31.12.	604,410	606,139	512,839	518,022

11. Other shares and participations

Group	Shares / Group companies	Shares / Associated companies	Other shares and participations	Other Investments
Acquisition cost 1.1.		876	341	0
+ Increases during the financial period		0	1	0
- Deductions during the financial period		-29	-2	0
Acquisition cost 31.12.	0	847	340	0
Parent company	9,323		333	0
Acquisition cost 1.1.	0		1	0
+ Increases during the financial period	0		-2	0
- Deductions during the financial period	0		0	0
Acquisition cost 31.12.	9,323	0	332	0

12. Group companies

	Group's holding (%)	Parent company's holding (%)
Airpro Oy, Vantaa	100.0	100.0
RTG Ground Handling Oy, Vantaa	100.0	0.0
Lentoasemakiinteistöt Oyj, Vantaa	100.0	100.0
Skyhow Oy, Vantaa	100.0	100.0
Happy Landings Finland Oy, Vantaa	100.0	100.0
Safranum Oy, Vantaa	100.0	0.0

	Balance sheet total in euros	Equity 31.12.2012 in euros	Revenues in euros	Financial period profit/loss in euros
Airpro Oy, Vantaa	15,387,221.84	7,446,939.87	38,547,175.28	616,976.92
RTG Ground Handling Oy	2,467,094.02	-4,182,831.43	10,220,671.80	58,493.98
Lentoasemakiinteistöt Oyj, Vantaa	107,860,602.97	21,733,359.26	15,643,174.69	72,698.48
Skyhow Oy, Vantaa	50,925.36	50,925.36	0.00	-2,435.63
Happy Landings Finland Oy, Vantaa	2,500.00	2,500.00		
Safranum Oy, Vantaa	2,500.00	2,500.00		

	Group's holding (%)	Parent company's holding (%)	Equity 31.12.2012 in euros	Financial period profit/loss in euros
Holdings in associated companies				
Kiinteistö Oyj Lentäjätie 1, Vantaa	37.1	0.0	6,272,119.18	-93,696.51
Taxi Point Oy, Vantaa	25.0	0.0	1,025,709.21	169,719.53

13. Deferred tax assets

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Non-current				
For accrual differences and temporary differences	6,990	7,925	0	0
Current				
For accrual differences and temporary differences	0	0	0	0

A tax asset has been recorded for Finavia's statutory provisions (of which environmental provisions are the largest).

14. Receivables from Group subsidiaries

	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Accounts receivable	1,121	1,074
Loan receivables	18,100	13,200
Group contribution receivables	2,000	2,600
Prepaid expenses and accrued income	27	5
At the end of the financial period	21,248	16,879

The loan receivables include a subordinated loan of EUR 4.2 million to the Group's subsidiary RTG Ground Handling Oy.

Interest for the loan is charged at the 10-year euro swap rate which is revised on the day preceding of the loan capital repayment. No margin is charged. The loan capital will not accrue interest for the financial periods for which the adopted financial statements do not show any distributable funds.

In case of liquidation or bankruptcy of the company, the loan capital and interest may only be paid at a lower priority than that of other creditors. The loan capital may only be returned and interest paid to the extent that the sum total of the company's unrestricted equity and sum total of subordinated loans exceeds the loss shown on the balance sheet included in the company's financial statements adopted for the financial period, or in more recent financial statements.

Neither Finavia nor the subsidiary issue any collateral guarantee for the loan capital or interest.

15. Material items contained in accrued receivables

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Rent receivables	2,557	4	2,560	0
Accrual of air navigation charges (Eurocontrol)	3,229	3,336	3,229	3,336
Portion of investments to be financed by external investors (ELY Centres, the EU, municipalities)	0	431	0	431
Receivables from occupational health care (KELA)	607	649	316	373
TyEL payment receivables	1,452	0	1,452	0
Interest receivables	649	0	649	0
Tax asset (Corporate Tax Act)	852	1,343	31	1,001
Other	1,431	1,746	1,336	1,729
At the end of the financial period	10,777	7,509	9,573	6,870

16. Increase and decrease in equity items

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Share capital				
At the beginning of the financial period	185,000	185,000	185,000	185,000
+ increases / - deductions				
At the end of the financial period	185,000	185,000	185,000	185,000
Invested unrestricted equity reserve	92,042	92,229	92,042	92,229
+ increases / - deductions	0	-187	0	-187
At the end of the financial period	92,042	92,042	92,042	92,042
Profit/loss brought forward	54,762	39,226	11,353	8,317
The amount of the deferred tax asset changed due to a change in the tax rate	-1,456	0	0	0

The portion of accumulated depreciation in excess/less than planned entered in the books changed as the tax rate changed	1,688	0	0	0
	54,994	39,226	11,353	8,317
Profit (+)/Loss (-) for the financial period	15,088	15,536	6,829	3,036
Total equity	347,124	331,804	295,224	288,395

Management of the weather observation service system was transferred to the Finnish Meteorological Institute in 2012. This reduced the invested unrestricted equity of Finavia Corporation by EUR 187,105.33. The process of transferring the management of the weather observation service system will continue in 2014.

EUR 37,062.968 of the cumulative accelerated depreciation was recorded in the Group's equity (EUR 28,313.176 in 2012).

Distributable unrestricted equity:

Invested unrestricted equity reserve	92,042	92,042
Retained earnings	18,182	11,353
	110,224	103,395

17. Provisions

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Statutory provisions	34,952	32,348	34,952	32,348

The major items in the statutory provisions on 31.12.2013:

An environmental provision of EUR 27.8 million (EUR 27.3 million in 2012) is associated with the pending environmental permit processes at different airports.

A provision of EUR 5 million has been made for expanding the safety zones of runways in compliance with EASA's new aviation regulations.

18. Non-current liabilities

Loans maturing after five years or more.

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Loans from financial institutions	131,582	114,885	123,118	98,177

19. Other long-term debt

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Other liabilities	4,085	12,400	4,085	12,400
At the end of the financial period	4,085	12,400	4,085	12,400

Other debts include an item of EUR 4.1 million, which Finavia Corporation will use to finance the construction of the Ring Rail Line during 2014–2015.

The estimated payment for 2014 is included in Accrued liabilities.

20. Deferred tax liability

	GROUP 2013	GROUP 2012
For appropriations	9,266	9,188

21. Debt to other Group subsidiaries

	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Accounts payable	1,444	1,656
Group contribution liability	0	1,990
Accrued liabilities	287	296
At the end of the financial period	1,731	3,942

22. Material items for accrued liabilities

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
Holiday bonuses with social security contributions	21,568	21,519	17,585	17,618
Periodic salaries with social security contributions	3,781	4,388	2,969	3,535
Interest payable	874	1,056	445	500
Negative market value of interest derivatives	7,626	0	7,626	0
The Ring Rail Line project	15,858	30,189	15,858	30,189
Tax liabilities	120	120	0	0
Other	4,222	2,799	3,824	2,405
At the end of the financial period	53,929	60,071	40,307	54,247

23. Guarantees, pledges and liabilities

	GROUP 2013	GROUP 2012	FINAVIA CORPORATION 2013	FINAVIA CORPORATION 2012
The numbers listed are in accordance with the remaining equity values.				
Loans of subsidiaries and associated companies for which a pledge was given:				
Loans from financial institutions	44,831	48,494	44,831	58,494
Total guarantees given	44,831	48,494	44,831	58,494
Other guarantees given for subsidiaries				
Special guarantee given for leasing liabilities	0	0	833	1,888
Loans of the subsidiaries for which the pledge was given (encumbrance to the lease)				

Loans from financial institutions	36,815	38,626		
Pledges on own behalf, total:	36,000	36,000		
Other guarantee liabilities	213	213	213	150
Leasing liabilities				
To be paid during the 2013 financial period	8,244	10,479	7,382	9,580
To be paid later	41,622	45,064	40,450	43,306

Other liabilities

Finavia Corporation is obliged to revise the VAT deductions it has made for the real estate investments completed during 2008–2013 in case the taxable use of the buildings decreases during the revision period. The maximum amount of this liability is EUR 31,924,637, and the last revision year will be 2022.

	GROUP		FINAVIA CORPORATION	
	Value of the underlying asset	Current value	Value of the underlying asset	Current value
<i>Derivative contracts</i>				
<i>Hedging contracts</i>				
Electricity forward contracts	7,646	-1,165	7,646	-1,165
Interest swaps	43,715	-974	30,604	-926
Interest swaps where the counterpart can cancel	114,389	-15,450	98,000	-13,819
<i>Non-hedging contracts</i>				
Interest swaps, structured	77,000	-13,493	77,000	-13,493
Swaptions	42,000	-751	42,000	-751
Interest and currency swaps	36,815	145	0	0

Finavia Corporation has hedged the purchase prices of electricity using derivatives (forward contracts). Interest swaps and interest and currency swaps have been used to hedge the open interest position of Finavia Group. The negative market value of non-hedging interest derivatives (structured interest swaps and swaptions) was expensed from 2013 onwards. Their commodity-specific negative market values total -7,626,173 euros.

The Finnish State is liable for all Finavia Corporation's loans. The loans of subsidiaries are guaranteed by the parent company.

Signatures for the Board of Directors' report and financial statements

Vantaa, 10 March 2014

Soili Suonoja
Chairman of the Board of Directors

Jaakko Linna

Riitta Puro

Harri Pynnä

Pirkko Salminen

Ralf Sund

Juhapekka Ristola

Kari Savolainen
President and
Chief Executive Officer

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

Vantaa, 11 March 2014

Ernst & Young Oy
Company of APA auditors

Tiina Lind
APA, CPFA

Auditor's report

TO THE AGM OF FINAVIA CORPORATION

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Finavia Corporation of Finland Ltd. for the financial period 1 January–31 December 2013. The financial statements comprise the consolidated balance sheet, consolidated income statement and consolidated cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE CEO

The Board of Directors and the CEO are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the regulations governing the preparation of financial statements and report of the Board of Directors in force in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

AUDITOR'S RESPONSIBILITIES

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

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

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

AUDIT OPINION REGARDING THE FINANCIAL STATEMENTS AND REPORT OF THE BOARD OF DIRECTORS

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

OTHER OPINIONS

We are in favour of adopting the financial statements. The Board of Directors' proposal regarding the application of profits shown on the balance sheet is compliant with the Finnish Limited Liability Companies' Act. We are in favour of discharging the members of the Board and the CEO from liability for the financial period we have audited.

Vantaa, 11 March 2014

Ernst & Young Oy
Authorised Public Accountants

Tiina Lind
APA, CPFA

Calculation of key figures

Return on investment, %	Profit + interest charges and other financial costs	x 100
	Equity + interest-bearing financial liabilities, average of opening and closing balance	

Return on equity, %	Profit, surplus or loss before extraordinary items less taxes	x 100
	Equity + minority interest, average of opening and closing balance	

Equity ratio, %	Shareholders' equity + minority interest	x 100
	Balance sheet total - advances received	

Gearing ratio, %	Interest-bearing liabilities, net
	Shareholders' equity