Interim report
January–March 2014
6 May 2014

FINNLINES Q1

JANUARY–MARCH 2014: Strong start to the year

- Revenue EUR 126.8 million (EUR 133.9 million prev. year), decrease 5.3 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 20.2 (11.1) million, increase 81.9 per cent
- Result for the reporting period EUR 0.3 (-10.9) million
- Earnings per share were 0.01 (-0.23) EUR/share

KEY FIGURES

MEUR	Q1 2014	Q1 2013	1-12 2013
Revenue	**126.8**	133.9	563.6
Result before interest, taxes, depreciation and amortisation (EBITDA)	**20.2**	11.1	83.7
Result before interest and taxes (EBIT)	**5.4**	-5.8	18.1
% of revenue	**4.3**	-4.4	3.2
Result for the reporting period	**0.3**	-10.9	6.0
EPS, EUR	**0.01**	-0.23	0.12
Equity ratio, %	**35.7**	28.4	35.7
Gearing, %	**146.9**	212.0	149.1
Shareholders' equity/share, EUR	**8.99**	8.91	8.98

EMANUELE GRIMALDI, PRESIDENT AND CEO, IN CONJUNCTION WITH THE REVIEW:

Full speed ahead

"The first quarter result was EUR 0.3 million positive, which is over EUR 11 million better than previous year. The turnaround in the company financial performance took place already during the last quarter of 2013, and has continued during 1Q 2014. This came as a confirmation of the positive development of the Group, also because the first quarter has traditionally been, due to seasonality, negative in previous years. Several measures undertaken during 2013 lie behind the strength of this performance: optimisation of vessels, route and trade flows; painful decisions to reduce staff in port operations and elsewhere; reduction of interest bearing debt; cut of the overcapacity through the sale of certain vessels; cost controlling and cost cutting. Finnlines has the youngest fleet in the Baltic with low fuel consumption and high efficiency: with the above measures and with a committed management, we expect to improve during 2014 the Group result before taxes compared to previous year."

FINNLINES PLC, INTERIM REPORT JANUARY–MARCH 2014 (unaudited)

FINNLINES' BUSINESS

Finnlines is one of the largest North-European liner shipping companies, providing sea transport services mainly in the Baltic and the North Sea. Finnlines' passenger-freight vessels offer services from Finland to Germany and Sweden, from Sweden via the Åland Islands to Finland and from Germany to Russia. The company has subsidiaries in Germany, Belgium, Great Britain, Sweden, Denmark and Poland which all are also sales offices. In addition to sea transportation, the Company provides port services in Helsinki and Turku.

GROUP STRUCTURE

Finnlines Plc is a Finnish listed company. At the end of the reporting period, the Group consisted of the parent company and 25 subsidiaries.

Finnlines is part of the Italian Grimaldi Group, which is a global logistics group specialising in maritime transport of cars, rolling cargo, containers and passengers. The Grimaldi Group comprises seven shipping companies, including Finnlines, Atlantic Container Line (ACL), Malta Motorways of the Sea (MMS) and Minoan Lines. With a fleet of about 100 vessels, the Group provides maritime transport services for rolling cargo and containers between North Europe, the Mediterranean, the Baltic Sea, West Africa, North and South America. It also offers passenger services within the Mediterranean and Baltic Sea. With 74.96 per cent (at 31 March 2014) of the shares, the Grimaldi Group is the biggest shareholder in Finnlines Plc.

GENERAL MARKET DEVELOPMENT

Based on the statistics by the Finnish Transport Agency for January–February, the Finnish seaborne imports carried in container, lorry and trailer units decreased by 1 per cent whereas exports increased by 11 per cent (measured in tons) compared to the same period in 2013. According to the statistics published by Shippax for January–February, trailer and lorry volumes transported by sea between Southern Sweden and Germany increased by 4 per cent compared to 2013. During the same period private and commercial passenger traffic between Finland and Sweden decreased by 7 per cent. Between Finland and Germany the corresponding traffic also decreased by 7 per cent (Finnish Transport Agency).

FINNLINES' TRAFFIC

During the first quarter Finnlines operated on average 24 (24) vessels in its own traffic. MS Transrussia was renamed MS Finnhansa after Finnlines Plc purchased the vessel from its subsidiary Finnlines Deutschland GmbH in the end of January 2014. The vessel flies the Finnish flag and has continued to operate on Helsinki–Rostock route.

The cargo volumes transported during January–March totalled approximately 158 thousand (151 thousand in 2013) cargo units, 16 thousand (13 thousand) cars (not including passengers' cars) and 584 thousand (518 thousand) tons of freight not possible to measure in units. In addition, some 109 thousand (105 thousand) private and commercial passengers were transported.

FINANCIAL RESULTS

January–March 2014

The Finnlines Group recorded revenue totalling EUR 126.8 (133.9) million, a decrease of 5.3 per cent compared to the same period in 2013. Shipping and Sea Transport Services generated revenue amounting to EUR 122.8 (126.0) million and Port Operations EUR 10.0 (14.3) million. The internal revenue between the segments was EUR 6.0 (6.4) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 20.2 (11.1) million, an increase of 81.9 per cent.

Result before interest and taxes (EBIT) was EUR 5.4 (-5.8) million. The increased efficiency of the operations in terms of bunker consumption, higher capacity utilisation and reduction of costs has improved the financial performance. The result is affected by the seasonality of the cargo volumes, which are typically on a lower level at the turn of the year. The number of passengers is also modest during the autumn/winter period compared to the summer season.

Net financial expenses were EUR -5.8 (-6.2) million. Financial income was EUR 0.0 (0.1) million and financial expenses totalled EUR -5.8 (-6.4) million. Result for the reporting period turned positive and was EUR 0.3 (-10.9) million and earnings per share (EPS) were EUR 0.01 (-0.23).

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH-FLOW

Interest-bearing debt decreased by EUR 220.0 million and amounted to EUR 663.6 (883.6). The equity ratio calculated from the balance sheet improved to 35.7 (28.4) per cent and gearing dropped to 146.9 (212.0) per cent. Due to the expansion of liner service network vessel lease commitments increased by EUR 15.1 million to EUR 21.2 million compared to the end of March 2013.

At the end of the period, cash and deposits together with unused committed working capital credits amounted to EUR 47.8 (8.3) million.

Net cash generated from operating activities after investing activities improved markedly and was EUR 9.7 (-7.0) million.

CAPITAL EXPENDITURE

Finnlines Group's gross capital expenditure in the reporting period totalled EUR 1.1 (1.9) million. Total depreciation amounted to EUR 14.7 (16.9) million. The investments consist of normal replacement costs of fixed assets and accrued dry-docking cost of ships. Finnlines has a capex programme in place which enables it to operate its full fleet, which is one of the youngest, most modern and most environmentally friendly of the Baltic, from 1 January 2015 onwards under the new MARPOL regulations.

PERSONNEL

The Group employed an average of 1,712 (1,906) persons during the period, consisting of 797 (928) persons on shore and 915 (978) persons at sea. The average number of shore personnel decreased mostly due to employee reductions in Port Operations. The number of persons employed at the end of the period was 1,726 (1,902) in total, of which 800 (945) on shore and 926 (957) at sea. The personnel expenses (including social costs) for the reporting period were EUR 24.6 (27.1) million.

A group company of the Finnsteve group, Containersteve Oy Ab's adaptation negotiations according to the collective agreement of the Transport Workers' Union in the Port of Kotka which started in November 2013 and consequent co-operation negotiations have resulted in the termination of all 36 employments in Kotka. Due to this the Company has booked a dismissal cost of EUR 1.0 million. Containersteve Oy Ab has made a decision to discontinue its business activities in Kotka.

THE FINNLINES SHARE

The Company's registered share capital on 31 March 2014 was EUR 103,006,282 divided into 51,503,141 shares. A total of 1.3 (0.2) million shares were traded on the NASDAQ OMX Helsinki during the period. The market capitalisation of the Company's stock at the end of March was EUR 380.6 (332.9) million. Earnings per share (EPS) were EUR 0,01 (-0.23). Shareholders' equity per share was EUR 8.99 (8.91). At the end of the reporting period, the Grimaldi Group's holding and share of votes in Finnlines was 74.96 per cent.

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Finnlines Plc's Annual General Meeting was held in Helsinki on 8 April 2014. The Annual General Meeting of Finnlines Plc approved the Financial Statements and discharged the members of the Board of Directors and President and CEO from liability for the financial year 2013. It was decided to accept the proposal of the Board of Directors that no dividend shall be paid for 2013.

The meeting decided that the number of Board Members be seven. All of the current Board Members were re-elected; Mr Christer Backman, Ms Tiina Bäckman, Mr Emanuele Grimaldi, Mr Gianluca Grimaldi, Mr Diego Pacella, Mr Olav K. Rakkenes and Mr Jon-Aksel Torgersen. The yearly compensation to the Board will remain unchanged as follows: the Chairman EUR 50,000, the Vice-Chairman EUR 40,000 and the Member EUR 30,000.

The Annual General Meeting elected APA KPMG Oy Ab as the Company's auditor for the fiscal year 2014. It was decided that the external auditors will be reimbursed according to invoice.

It was decided to authorise the Board of Directors to resolve on the issuance of shares in one or several tranches. The Board of Directors may, on the basis of the authorisation, resolve on the issuance of shares in one or several tranches, so that the aggregate number of shares to be issued shall not exceed 10,000,000 shares. The Board of Directors decides on all the conditions of the issuance of shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorisation is valid until the next Annual General Meeting. The authorisation replaces the Annual General Meeting's authorisation to decide on a share issue of 16 April 2013.

RISKS AND RISK MANAGEMENT

Finnlines is exposed to business risks that arise from capacity of the fleet existing in the market, counterparties, prospects for export and import of goods, and changes in the operating environment. The risk of overcapacity is reduced when the aging fleet is scrapped, on the other hand, and when more stringent sulphur directive requirements come into force, on the other. Finnlines operates mainly in the Emissions Control Areas where the emission regulations are stricter than globally. The sulphur content limit for heavy fuel oil will decrease to 0.1 per cent in 2015 in accordance with the MARPOL Convention. This brings a risk of increased costs in sea transportation. But considering that Finnlines has one of the youngest and largest fleet in Northern Europe, and the Company is doing targeted investment on engine systems and energy efficiency, the Company is in the strong position to greatly mitigate this risk. The effect of fluctuations in the foreign trade is reduced by the fact that the Company operates in several geographical areas. This means that slow growth in one country is compensated by faster recovery in another. Finnlines continuously monitors the solidity and payment schedules of its customers and suppliers. Currently, there are no indications of risks related to counterparties and Finnlines continues to monitor the financial position of its counterparties. Finnlines holds adequate credit lines to maintain liquidity in the current business environment.

LEGAL PROCEEDINGS

The 2013 Financial statements, published in 27 February 2014, contains a description of ongoing legal proceedings.

CORPORATE GOVERNANCE

Finnlines applies the Finnish Corporate Governance Code for listed companies. The Corporate Governance Statement can be reviewed on the corporate website: www.finnlines.com.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events to report .

OUTLOOK AND OPERATING ENVIRONMENT

The Finnlines Group's result before taxes is expected to improve in 2014 due to several reasons: certain vessels have been sold to cut overcapacity, the number of personnel has been reduced, changes in fleet/routes have increased operational efficiency, reducing consumption and increasing productivity, and the interest bearing debt has been reduced.

The second interim report of 2014 for the period of 1 January–30 June will be published on Tuesday, 29 July 2014.

Finnlines Plc

The Board of Directors

Emanuele Grimaldi
President and CEO

ENCLOSURES

- Reporting and accounting policies
- Consolidated statement of comprehensive income, IFRS
- Consolidated statement of financial position, IFRS
- Consolidated statement of changes in equity, IFRS
- Consolidated cash flow statement, IFRS (condensed)
- Revenue and result by business segments
- Property, plant and equipment
- Contingencies and commitments
- Shares, market capitalisation and trading information
- Calculation of ratios
- Related party transactions

DISTRIBUTION

NASDAQ OMX Helsinki Ltd.
Main media

This interim report is unaudited.

REPORTING AND ACCOUNTING POLICIES

This interim report included herein is prepared in accordance with IAS 34 (Interim Financial Reporting) standard. The Company has adopted new or revised IFRS standards and IFRIC interpretations from the beginning of the reporting period corresponding to those described in the 2013 Financial Statements with effect of 1 January 2014. These new or revised standards have not had an effect on the reported figures.

Finnlines Plc entered into the tonnage taxation regime in January 2013. In tonnage taxation, shipping operations transferred from taxation of business income to tonnage-based taxation.

In other respects, the same accounting policies have been applied as in the previous annual financial statements.

All figures in the accounts have been rounded and, consequently, the sum of individual figures may deviate from the presented sum figure.

The preparation of the interim financial statements in accordance with IFRS requires management to make estimates and assumptions and use its discretion in applying the accounting principles that affect the valuation of the reported assets and liabilities and other information such as contingent liabilities and the recognition of income and expenses in the income statement. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the estimates. The uncertainties related to the key assumptions were the same as those applied to the consolidated financial statements at the year-end 31 December 2013.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR 1,000	1 Jan – 31 Mar 2014	1 Jan – 31 Mar 2013	1 Jan – 31 Dec 2013
Revenue	126,803	133,935	563,587
Other income from operations	1,618	353	5,329
Materials and services	-48,429	-59,277	-229,690
Personnel expenses	-24,643	-27,121	-102,584
Depreciation, amortisation and impairement losses	-14,734	-16,919	-65,583
Other operating expenses	-35,181	-36,803	-152,983
Total operating expenses	-122,986	-140,121	-550,840
Result before interest and taxes (EBIT)	**5,435**	**-5,832**	**18,075**
Financial income	56	128	526
Financial expenses	-5,848	-6,375	-25,335
Result before taxes (EBT)	**-356**	**-12,079**	**-6,734**
Income taxes	684	1,172	12,744
Result for the reporting period	**328**	**-10,907**	**6,011**
Other comprehensive income:			
Other comprehensive income to be reclassified to profit and loss in subsequent periods:			
Exchange differences on translating foreign operations	2	-15	-9
Changes in cash flow hedging reserve			
Fair value changes			
Transfer to fixed assets			
Tax effect, net	0	6	2
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	2	-9	-7
Other comprehensive income not being reclassified to profit and loss in subsequent periods:			
Remeasurement of defined benefit plans			-399
Tax effect, net *	212		1
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	212		-398
Total comprehensive income for the reporting period	**542**	**-10,916**	**5,606**
Result for the reporting period attributable to:			
Parent company shareholders	355	-10,859	5,997
Non-controlling interests	-27	-48	14
	328	**-10,907**	**6,011**
Total comprehensive income for the reporting period attributable to:			
Parent company shareholders	569	-10,868	5,592
Non-controlling interests	-27	-48	14
	542	**-10,916**	**5,606**
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share):			
Undiluted / diluted earnings per share	0.01	-0.23	0.12
Average number of shares:			
Undiluted / diluted	51,503,141	46,821,037	49,782,370

* Tax asset has been posted from remeasurement because Finnlines Deutschland GmbH transferred from tonnage-based taxation to business taxation at the end of January 2014. The company entered into business taxation as from 1 February 2014.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR 1,000	31 Mar 2014	31 Mar 2013	31 Dec 2013
ASSETS			
Non-current assets			
Property, plant and equipment	**1,069,523**	1,245,555	1,084,389
Goodwill	**105,644**	105,644	105,644
Intangible assets	**5,706**	6,316	5,836
Other financial assets	**4,580**	4,581	4,580
Receivables	**238**	778	43
Deferred tax assets	**1,586**	1,810	1,370
	1,187,275	**1,364,685**	**1,201,861**
Current assets			
Inventories	**8,476**	10,626	8,832
Accounts receivable and other receivables	**101,663**	96,791	85,251
Income tax receivables	**61**	1	1
Cash and cash equivalents	**2,230**	3,100	2,508
	112,430	**110,517**	**96,592**
Non-current assets held for sale *	**1 ,173**		
Total assets	**1,300,878**	**1,475,202**	**1,298,453**
EQUITY			
Equity attributable to parent company shareholders			
Share capital	**103,006**	93,642	103,006
Share premium account	**24,525**	24,525	24,525
Fair value reserve			
Translation differences	**110**	107	109
Fund for invested unrestricted equity	**40,016**	21,015	40,016
Retained earnings	**295,208**	277,793	294,641
	462,866	**417,083**	**462,297**
Non-controlling interests	**332**	789	360
Total equity	**463,199**	**417,872**	**462,658**
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	**56,858**	70,121	57,560
Interest-free liabilities	**3,013**	1,261	3,242
Pension liabilities	**3,973**	3,712	3,982
Provisions	**1,925**	5,100	1,980
Interest-bearing liabilities **	**498,087**	645,674	557,759
	563,858	**725,869**	**624,523**
Current liabilities			
Accounts payable and other liabilities	**85,460**	87,846	72,815
Income tax liabilities	**18**	87	27
Provisions	**3,616**	48	3,715
Current interest-bearing liabilities **	**184,727**	243,479	134,715
	273,822	**331,461**	**211,273**
Total liabilities	**837,679**	**1,057,330**	**835,796**
Total equity and liabilities	**1,300,878**	**1,475,202**	**1,298,453**

* As a result of a decision to discontinue the business activities in Kotka the group intends to dispose five buildings located in the harbour area within the port operations. No impairement losses have been recognised on the carrying amount of the buildings of EUR 1.2 million.
** The revolving credit facilities in 2013, of which the Company can unilaterally postpone the final due date over one year after the reporting period, are reclassified from current liabilities to non-current liabilities in accordance with IFRS.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2013, IFRS

EUR 1,000	Equity attributable to parent company shareholders				
	Share capital	Share issue premium	Translation differences	Fair value reserves	Unrestricted equity reserve
Reported equity 1 January 2013	**93,642**	**24,525**	**116**		**21,015**
Effect of IAS 19 Employee benefits standard					
Restated equity 1 January 2013	**93,642**	**24,525**	**116**		**21,015**
Comprehensive income for the reporting period:					
Exchange differences on translating foreign operations			-15		
Changes in cash flow hedging reserve					
Fair value changes					
Transfer to fixed assets					
Tax effect, net			6		
Total comprehensive income for the reporting period			**-9**		
Equity 31 March 2013	**93,642**	**24,525**	**107**		**21,015**

EUR 1,000	Equity attributable to parent company shareholders			
	Retained earnings	Total	Non-controlling interests	Total equity
Reported equity 1 January 2013	**289,990**	**429,289**	**838**	**430,127**
Effect of IAS 19 Employee benefits standard	-1,338	-1,338		-1,338
Restated equity 1 January 2013	**288,652**	**427,951**	**838**	**428,788**
Comprehensive income for the reporting period:				
Result for the reporting period	-10,859	-10,859	-48	-10,907
Exchange differences on translating foreign operations		-15		-15
Changes in cash flow hedging reserve				
Fair value changes				
Transfer to fixed assets				
Tax effect, net		6		6
Total comprehensive income for the reporting period	**-10,859**	**-10,868**	**-48**	**-10,916**
Equity 31 March 2013	**277,793**	**417,083**	**789**	**417,872**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2014, IFRS

EUR 1,000	Equity attributable to parent company shareholders				
	Share capital	Share issue premium	Translation differences	Fair value reserves	Unrestricted equity reserve
Reported equity 1 January 2014	**103,006**	**24,525**	**109**		**40,016**
Comprehensive income for the reporting period:					
Exchange differences on translating foreign operations			2		
Changes in cash flow hedging reserve					
Fair value changes					
Transfer to fixed assets					
Tax effect, net			-1		
Total comprehensive income for the reporting period			**1**		
Equity 31 March 2014	**103,006**	**24,525**	**110**		**40,016**

EUR 1,000	Equity attributable to parent company shareholders		Non-controlling interests	Total equity
	Retained earnings	Total		
Reported equity 1 January 2014	**294,641**	**462,297**	**360**	**462,658**
Comprehensive income for the reporting period:				
Result for the reporting period	355	355	-28	328
Exchange differences on translating foreign operations		2		2
Changes in cash flow hedging reserve				
Fair value changes				
Transfer to fixed assets				
Remeasurement of defined benefit plans		0		0
Tax effect, net	212	211		211
Total comprehensive income for the reporting period	**567**	**569**	**-28**	**541**
Equity 31 March 2014	**295,208**	**462,866**	**332**	**463,199**

CONSOLIDATED CASH FLOW STATEMENT, IFRS (CONDENSED)

EUR 1,000	**1 Jan-31 Mar 2014**	Restated 1 Jan-31 Mar 2013	1 Jan-31 Dec 2013
Cash flows from operating activities			
Result for the reporting period	**328**	-10,907	6,011
Adjustments:			
Non-cash transactions	**13,941**	16,809	61,609
Unrealised foreign exchange gains (-) / losses (+)	**-12**	-2	19
Financial income and expenses	**5,803**	6,248	24,790
Taxes	**-684**	-1,172	-12,744
Changes in working capital			
Change in accounts receivable and other receivables	**-20,425**	-22,677	-6,402
Change in inventories	**356**	-867	927
Change in accounts payable and other liabilities	**11,752**	14,062	-170
Change in provisions	**-163**	-91	379
Interest paid	**-3,923**	-4,998	-22,366
Interest received	**21**	41	192
Taxes paid	**-91**	-158	-423
Other financing items	**-833**	-652	-3,645
Net cash generated from operating activities	**6,069**	**-4,362**	**48,175**
Cash flow from investing activities			
Investments in tangible and intangible assets	**-1,099**	-2,750	-10,960
Proceeds from sale of tangible assets			120,647
Proceeds from sale of investments	**4,767**	117	
Dividends received			12
Net cash used in investing activities	**3,669**	**-2,633**	**109,699**
Cash flows from financing activities *			
Proceeds from issue of share capital			28,365
Loan withdrawals		45,000	263,772
Net increase in current interest-bearing liabilities	**49,883**	19,209	-14,198
Repayment of loans	**-59,899**	-70,404	-449,914
Acquisition of non-controlling interest			-102
Increase / decrease in long-term receivables		9	429
Net cash used in financing activities	**-10,016**	**-6,185**	**-171,647**
Change in cash and cash equivalents	**-278**	**-13,180**	**-13,772**
Cash and cash equivalents 1 January	**2,508**	16,282	16,282
Effect of foreign exchange rate changes		-2	-2
Cash and cash equivalents at the end of period	**2,230**	**3,100**	**2,508**

* Activities related to revolving credit facilities, of which the company can unilaterally move the final due date over one year after the reporting period, have been reclassified from current liabilities to non-current liabilities within the Cash flows from financing activities group in accordance with IFRS.

REVENUE AND RESULT BY BUSINESS SEGMENTS

	1 Jan-31 Mar 2014		1 Jan-31 Mar 2013		1 Jan-31 Dec 2013	
	MEUR	%	MEUR	MEUR	%	MEUR
Revenue						
Shipping and sea transport services	122.8	96.9	126.0	94.1	538.6	95.6
Port operations	10.0	7.9	14.3	10.7	50.1	8.9
Intra-group revenue	-6.0	-4.8	-6.4	-4.8	-25.1	-4.5
External sales	**126.8**	**100.0**	**133.9**	**100.0**	**563.6**	**100.0**
Result before interest and taxes						
Shipping and sea transport services	7.2		-3.6		27.9	
Port operations	-1.8		-2.2		-9.8	
Result before interest and taxes (EBIT) total	**5.4**		**-5.8**		**18.1**	
Financial items	-5.8		-6.2		-24.8	
Result before taxes (EBT)	**-0.4**		**-12.1**		**-6.7**	
Income taxes	0.7		1.2		12.7	
Result for the reporting period	**0.3**		**-10.9**		**6.0**	

PROPERTY, PLANT AND EQUIPMENT 2014

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under constr.	Total
Acquisition cost 1 January 2014	72	75,271	1,372,769	73,122	398	1,521,632
Exchange rate differences				3		3
Increases			955	6		962
Disposals			-110	-3,312		-3,423
Reclassifications to non-current assets held for sale *		-2,497				-2,497
Acquisition cost 31 March 2014	**72**	**72,773**	**1,373,614**	**69,819**	**398**	**1,516,676**
Accumulated depreciation, amortisation and write-offs 1 January 2014		-16,316	-373,866	-47,060		-437,243
Exchange rate differences				-3		-3
Reclassification to non-current assets held for sale *		1,325				1,325
Cumulative depreciation on reclassifications and disposals			110	3,124		3,234
Depreciation for the reporting period		-642	-13,071	-754		-14,467
Accumulated depreciation, amortisation and write-offs 31 March 2014		-15,634	-386,827	-44,693		-447,154
Book value 31 March 2014	**72**	**57,139**	**986,787**	**25,126**	**398**	**1,069,523**

* As a result of a decision to discontinue the business activities in Kotka the Group intends to dispose five buildings located in the harbour area within the port operations. No impairment losses have been recognised on the carrying amount of the buildings of EUR 1.2 million.

PROPERTY, PLANT AND EQUIPMENT 2013

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under constr.	Total
Acquisition cost 1 January 2013	72	76,466	1,597,437	79,690	991	1,754,655
Exchange rate differences				-18		-18
Increases		3	1,371	421	56	1,850
Disposals		-15	-17	-571		-603
Reclassifications			372	5	-377	0
Acquisition cost 31 March 2013	**72**	**76,454**	**1,599,162**	**79,526**	**670**	**1,755,883**
Accumulated depreciation, amortisation and write-offs 1 January 2013		-15,047	-429,028	-50,285		-494,360
Exchange rate differences				16		16
Cumulative depreciation on reclassifications and disposals		12	17	567		597
Depreciation for the reporting period		-639	-14,885	-1,057		-16,581
Accumulated depreciation, amortisation and write-offs 31 March 2013		-15,674	-443,895	-50,759		-510,328
Book value 31 March 2013	**72**	**60,779**	**1,155,267**	**28,768**	**670**	**1,245,555**

CONTINGENCIES AND COMMITMENTS

EUR 1,000	31 Mar 2014	31 Mar 2013	31 Dec 2013
Minimum leases payable in relation to fixed-term leases:			
Vessel leases (Group as lessee):			
Within 12 months	**13,177**	3,500	14,007
1-5 years	**8,020**	2,613	10,644
	21,197	**6,113**	**24,651**
Vessel leases (Group as lessor):			
Within 12 months	**2,152**	5,536	2,356
1-5 years	**6,926**	16,592	7,457
	9,078	**22,128**	**9,812**
Other leases (Group as lessee):			
Within 12 months	**6,356**	6,423	6,107
1-5 years	**17,719**	17,816	17,948
After five years	**11,602**	15,143	12,358
	35,677	**39,382**	**36,413**
Other leases (Group as lessor):			
Within 12 months	**308**	582	350
	308	**582**	**350**
Collateral given			
Loans from financial institutions	**559,794**	**776,743**	**561,245**
Vessel mortgages provided as guarantees for the above loans	**1,057,000**	**1,254,000**	**1,121,000**
Other collateral given on own behalf			
Pledged deposits	**0**	472	
Corporate mortgages	**606**	606	606
	606	**1,078**	**606**
Other obligations	**2,095**	**1,905**	**2,375**
Obligations of parent company on behalf of subsidiaries			
Guarantees	**6,000**	**6,913**	**6,000**
VAT adjustment liability related to real estate investments	**6,440**	**7,603**	**6,756**

SHARES, MARKET CAPITALISATION AND TRADING INFORMATION

	31 March 2014	31 March 2013
Number of shares	**51,503,141**	46,821,037
Market capitalisation, EUR million	**380.6**	332.9

	1 Jan – 31 Mar 2014	1 Jan – 31 Mar 2013
Number of shares traded, million	**1.3**	0.2

	1 Jan – 31 Mar 2014			
	High	Low	Average	Close
Share price	8.15	7.14	7.82	7.39

CALCULATION OF RATIOS

$$\text{Earnings per share (EPS), EUR} = \frac{\text{Result attributable to parent company shareholders}}{\text{Weighted average number of outstanding shares}}$$

$$\text{Shareholders' equity per share, EUR} = \frac{\text{Shareholders' equity attributable to parent company shareholders}}{\text{Undiluted number of shares at the end of period}}$$

$$\text{Gearing, \%} = \frac{\text{Interest-bearing liabilities – cash and bank equivalents}}{\text{Total equity}} \times 100$$

$$\text{Equity ratio, \%} = \frac{\text{Total equity}}{\text{Assets total – received advances}} \times 100$$

Income tax expense is recognised based on the best estimate of the weighted-average annual income tax rate expected for the full financial year. In January 2013, the shipping operations of Finnlines Plc transferred to tonnage-based taxation.

At the end of January 2014, Finnlines Deutschland GmbH transferred from tonnage-based taxation to business taxation. The company entered into business taxation as from 1 February 2014.

RELATED PARTY TRANSACTIONS

There were no material related party transactions during the reporting period. The business transactions were carried out using market-based pricing.