Interim report
January–June 2014
29 July 2014

FINNLINES Q2

JANUARY–JUNE 2014: Result for the period improved EUR 25 million

- Revenue EUR 270.1 (283.6 prev. year) million, decrease 4.8 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 54.6 (34.9) million, increase 56.4 per cent
- Result for the reporting period EUR 15.0 (-10.0) million
- Earnings per share were 0.29 (-0.21) EUR/share
- Interest-bearing debt decreased EUR 179.8 million and was EUR 642.5 (822.4) million at the end of the period

APRIL–JUNE 2014: Best quarterly result ever in eight years

- Revenue EUR 143.3 (149.7 prev. year) million, decrease 4.3 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 34.4 (23.8) million, increase 44.6 per cent
- Result for the reporting period EUR 14.7 (0.9) million
- Earnings per share were 0.29 (0.02) EUR/share

KEY FIGURES

MEUR	1-6 2014	1-6 2013	4-6 2014	4-6 2013	1-12 2013
Revenue	**270.1**	283.6	143.3	149.7	563.6
Result before interest, taxes, depreciation and amortisation (EBITDA)	**54.6**	**34.9**	**34.4**	**23.8**	**83.7**
Result before interest and taxes (EBIT)	**25.3**	1.0	19.8	6.9	18.1
% of revenue	**9.3**	0.4	13.8	4.6	3.2
Result for the reporting period	**15.0**	**-10.0**	**14.7**	**0.9**	**6.0**
EPS, EUR	**0.29**	-0.21	0.29	0.02	0.12
Shareholders' equity/share, EUR	**9.27**	8.67	9.27	8.67	8.98
Equity ratio, %	**37.2**	30.8	37.2	30.8	35.7
Interest bearing debt, MEUR	**642.5**	822.4	642.5	822.4	673.0
Gearing, %	**138.0**	187.9	138.0	187.9	149.1

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

Best January–June result for eight years, the market value of Finnlines has almost doubled in a year

“The second quarter result for the period was EUR 14.7 million, which is the best quarter ever in eight years. The January–June result improved by EUR 25 million compared to 2013 and it is the best January–June result for eight years as well. The prudent actions taken in turning the Company into such strong performance have continued i.e. optimization of vessels, routes and trade flows; reduction of interest bearing debt through improved cash flow generation; cutting of the overcapacity through the sale of certain vessels, which enabled the better optimization of existing tonnage; efficient cost controlling and cost cutting. Finnlines is fighting successfully against the cycle, but we have to analyse every line, every vessel, every function and every cost item whether there is room for further lowering of costs and therefore room for further improvement. It is clear that the Company cannot afford to have loss-making services, routes nor vessels and therefore will find solutions for restoring profitability in all operations throughout the Group. Finnlines is well prepared for the year 2015’s sulphur directive with its capital expenditure programmes which puts our fleet in the Baltic in the most competitive position. With the joint effort for making the Group even more profitable through the present market situation, we can calmly state that we expect the Group’s result before taxes to improve compared to previous year.”

FINNLINES PLC, INTERIM REPORT JANUARY–JUNE 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 Germany 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 77.40 per cent (on 30 June 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–May, the Finnish seaborne imports carried in container, lorry and trailer units remained at the same level as in 2013 whereas exports increased by 5 per cent (measured in tons) compared to the same period in 2013. According to the statistics published by Shippax for January–May, trailer and lorry volumes transported by sea between Southern Sweden and Germany increased by 2 per cent compared to 2013. During the same period private and commercial passenger traffic between Finland and Sweden decreased by 5 per cent. Between Finland and Germany the corresponding traffic also decreased by 14 per cent (Finnish Transport Agency).

FINNLINES' TRAFFIC

During the first two quarters Finnlines operated on average 24 (23) vessels in its own traffic.

In June, Finnlines doubled the departures to Långnäs, Åland. This schedule is planned to last for the summer season.

The cargo volumes transported during January–June totalled approximately 325 (320 in 2013) thousand cargo units, 39 (30) thousand cars (not including passengers' cars) and 1,194 (1,070) thousand tons of freight not possible to measure in units. In addition, some 265 (264) thousand private and commercial passengers were transported.

FINANCIAL RESULTS

January–June 2014

The Finnlines Group recorded revenue totalling EUR 270.1 (283.6) million, a decrease of 4.8 per cent compared to the same period in 2013. Shipping and Sea Transport Services generated revenue amounting to EUR 261.9 (269.6) million and Port Operations EUR 20.2 (27.1) million. The internal revenue between the segments was EUR 12.0 (13.1) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 54.6 (34.9) million, an increase of 56.4 per cent.

Result before interest and taxes (EBIT) was EUR 25.3 (1.0) million. The increased efficiency of the operations in terms of bunker consumption, higher capacity utilisation of vessels and reduction of costs in many areas has continued to impact the financial performance of the Group.

Net financial expenses decreased and were EUR -11.5 (-12.7) million. Financial income was EUR 0.2 (0.2) million and financial expenses EUR -11.7 (-12.9) million. The above mentioned increased operational efficiency, decreased net financial expenses, and moreover, cutting of the vessel overcapacity by selling three vessels in the end of 2013, which enabled better optimization of the existing tonnage, altogether contributed to a EUR 25 million increase in the result for the reporting period. The result for January–June was EUR 15.0 (-10.0) million and earnings per share (EPS) were EUR 0.29 (-0.21).

April–June 2014

The Finnlines Group recorded revenue totalling EUR 143.3 (149.7) million, a decrease of 4.3 per cent compared to the same period in 2013. Shipping and Sea Transport Services generated revenue amounting to EUR 139.1 (143.6) million and Port Operations EUR 10.1 (12.8) million. The internal revenue between the segments was EUR -5.9 (6.7) million. Compared to the first quarter the cargo volumes and the amount of passengers have increased due to the seasonality of the trade.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 34.4 (23.8) million, an increase of 44.6 per cent.

Result before interest and taxes (EBIT) was EUR 19.8 (6.9) million.

Net financial expenses were EUR -5.7 (-6.5) million. Financial income was EUR 0.1 (0.1) million and financial expenses totalled EUR -5.8 (-6.6) million. The result for April–June was EUR 14.7 (0.9) million which is the best quarter ever in eight years. Earnings per share (EPS) rose to EUR 0.29 (0.02).

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH-FLOW

Interest-bearing debt decreased by EUR 179.8 million and amounted to EUR 642.5 (822.4) million. The equity ratio calculated from the balance sheet improved to 37.2 (30.8) per cent and gearing dropped to 138.0 (187.9) per cent. Vessel lease commitments decreased by EUR 3.1 million to EUR 17.7 million compared to the end of June 2013.

At the end of the period, cash and deposits together with unused committed working capital credits amounted to EUR 65.1 (48.3) million.

Net cash generated from operating activities after investing activities improved markedly and was EUR 31.0 (10.6) million.

CAPITAL EXPENDITURE

Finnlines Group's gross capital expenditure in the reporting period totalled EUR 6.3 (3.7) million including tangible and intangible assets. Total depreciation amounted to EUR 29.3 (33.8) million. The capital expenditures consist of normal replacement costs of fixed assets, prepayments of scrubber and re-blading projects and dry-docking cost of ships.

Due to the new stringent sulphur oxide emission regulations to be enforced 1 January 2015, Finnlines has ordered exhaust gas cleaning systems for six of its latest series of ro-ro vessels built 2011-2012 and for four of its ro-ro vessels built 2000-2002 in the second quarter. These investments are part of the 2014 capex programmes. The scrubber systems will be installed during the end of 2014 and the beginning of 2015. By selecting these scrubber systems, the vessels will be able to operate in compliance with the new environmental regulations while continuing to operate on heavy fuel oil. At the same time, Finnlines has ordered an improvement retrofit to the propulsion system to be installed on four Star-class ro-pax vessels. At the end of June, Finnlines ordered the same type of improvement retrofit to the propulsion systems of MS Finnmill and MS Finnpulp. These re-blading projects will be done during the turn of the year. This new propeller and rudder system improves substantially the vessels' relative propulsion efficiency and as a result, the vessels achieve a reduction in fuel consumption.

PERSONNEL

The Group employed an average of 1,731 (1,894) persons during the period, consisting of 800 (933) persons on shore and 931 (961) 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 were 1,823 (1,944) in total, of which 789 (956) on shore and 1,034 (988) at sea. The personnel expenses (including social costs) for the reporting period were EUR -47.2 (-54.5) million.

THE FINNLINES SHARE

The Company's registered share capital on 30 June 2014 was EUR 103,006,282 divided into 51,503,141 shares. A total of 3.6 (0.4) million shares were traded on the NASDAQ OMX Helsinki during the period. The market capitalisation of the Company's stock at the end of June was EUR 527.4 (316.7) million. Earnings per share (EPS) were EUR 0.29 (-0.21). Shareholders' equity per share was EUR 9.27 (8.67). At the end of the reporting period, the Grimaldi Group's holding and share of votes in Finnlines was 77.40 per cent.

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 one 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, contain 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 continue to be better for the remaining part of 2014 than in the corresponding period in previous year 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, fuel consumption has been reduced, overall productivity has been increased, and the interest bearing debt has been reduced.

The third interim report of 2014 for the period of 1 January–30 September will be published on Thursday, 6 November 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
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- Shares, market capitalisation and trading information
- Calculation of ratios
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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	**4–6 2014**	4–6 2013	**1–6 2014**	1–6 2013	1–12 2013
Revenue	**143,337**	149,707	**270,140**	283,643	563,587
Other income from operations	**551**	430	**2,169**	783	5,329
Materials and services	**-50,332**	-59,278	**-98,761**	-118,555	-229,690
Personnel expenses	**-22,575**	-27,418	**-47,218**	-54,539	-102,584
Depreciation, amortisation and impairment losses	**-14,571**	-16,926	**-29,305**	-33,846	-65,583
Other operating expenses	**-36,587**	-39,651	**-71,767**	-76,453	-152,983
Total operating expenses	**-124,065**	-143,273	**-247,051**	-283,394	-550,840
Result before interest and taxes (EBIT)	**19,823**	**6,864**	**25,258**	**1,032**	**18,075**
Financial income	**140**	112	**196**	241	526
Financial expenses	**-5,835**	-6,573	**-11,683**	-12,948	-25,335
Result before taxes (EBT)	**14,127**	**404**	**13,771**	**-11,675**	**-6,734**
Income taxes	**581**	506	**1,265**	1,678	12,744
Result for the reporting period	**14,708**	**910**	**15,036**	**-9,997**	**6,011**
Other comprehensive income:					
Other comprehensive income to be reclassified to profit and loss in subsequent periods:					
Exchange differences on translating foreign operations	**16**	-8	**19**	-23	-9
Changes in cash flow hedging reserve					
Fair value changes					
Transfer to fixed assets					
Tax effect, net	**-2**	2	**-2**	8	2
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	**15**	-6	**16**	-16	-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	**14,723**	**903**	**15,264**	**-10,013**	**5,606**
Result for the reporting period attributable to:					
Parent company shareholders	**14,706**	903	**15,061**	-9,955	5,997
Non-controlling interests	**3**	6	**-25**	-42	14
	14,708	**910**	**15,036**	**-9,997**	**6,011**
Total comprehensive income for the reporting period attributable to:					
Parent company shareholders	**14,721**	897	**15,289**	-9,971	5,592
Non-controlling interests	**3**	6	**-25**	-42	14
	14,723	**903**	**15,264**	**-10,013**	**5,606**
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share):					
Undiluted / diluted earnings per share	**0.29**	0.02	**0.29**	-0.21	0.12
Average number of shares:					
Undiluted / diluted	**51,503,141**	48,714,919	**51,503,141**	48,033,078	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	30 Jun 2014	30 Jun 2013	31 Dec 2013
ASSETS			
Non-current assets			
Property, plant and equipment	**1,044,864**	1,230,896	1,084,389
Goodwill	**105,644**	105,644	105,644
Intangible assets	**5,719**	6,083	5,836
Other financial assets	**4,580**	4,581	4,580
Receivables	**1,018**	579	43
Deferred tax assets	**1,601**	1,431	1,370
	1,163,426	**1,349,212**	**1,201,861**
Current assets			
Inventories	**8,268**	9,352	8,832
Accounts receivable and other receivables	**100,784**	98,396	85,251
Income tax receivables	**123**	1	1
Cash and cash equivalents	**1,771**	2,552	2,508
	110,946	**110,301**	**96,592**
Non current assets held for sale *	**15,408**		
Total assets	**1,289,780**	**1,459,514**	**1,298,453**
EQUITY			
Equity attributable to parent company shareholders			
Share capital	**103,006**	103,006	103,006
Share premium account	**24,525**	24,525	24,525
Fair value reserve			
Translation differences	**125**	100	109
Fund for invested unrestricted equity	**40,016**	40,020	40,016
Retained earnings	**309,914**	278,697	294,641
	477,587	**446,349**	**462,297**
Non-controlling interests	**293**	796	360
Total equity	**477,880**	**447,144**	**462,658**
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	**56,272**	69,088	57,560
Interest-free liabilities	**2,783**	1,429	3,242
Pension liabilities	**3,969**	3,715	3,982
Provisions	**1,913**	5,064	1,980
Interest-bearing liabilities	**505,772**	617,333	557,759
	570,709	**696,630**	**624,523**
Current liabilities			
Accounts payable and other liabilities	**85,589**	90,364	72,815
Income tax liabilities	**18**	25	27
Provisions	**103**	48	3,715
Current interest-bearing liabilities	**155,481**	225,303	134,715
	241,191	**315,740**	**211,273**
Total liabilities	**811,900**	**1,012,369**	**835,796**
Total equity and liabilities	**1,289,780**	**1,459,514**	**1,298,453**

* Finnlines Group's Port Operations are negotiating to sell port assets with book value of around EUR 15.4 million. No impairment losses have been recognized on the carrying amount of the assets of EUR 15.4 million.

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	Retained earnings	Total	Non-controlling interests	Total equity
Reported equity 1 January 2013	**93,642**	**24,525**	**116**		**21,015**	**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	**93,642**	**24,525**	**116**		**21,015**	**288,652**	**427,951**	**838**	**428,788**
Comprehensive income for the reporting period:									
Result for the reporting period						-9,955	-9,955	-42	-9,997
Exchange differences on translating foreign operations			-23				-23		-23
Tax effect, net			8				8		8
Total comprehensive income for the reporting period			**-16**			**-9,955**	**-9,971**	**-42**	**-10,013**
Share issue	9,364				19,004		28,369		28,369
Equity 30 June 2013	**103,006**	**24,525**	**100**		**40,020**	**278,697**	**446,349**	**796**	**447,144**

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	Retained earnings	Total	Non-controlling interests	Total equity
Reported equity 1 January 2014	**103,006**	**24,525**	**109**		**40,016**	**294,641**	**462,297**	**360**	**462,658**
Effect of IAS 19 Employee benefits standard									
Restated equity 1 January 2014	**103,006**	**24,525**	**109**		**40,016**	**294,641**	**462,297**	**360**	**462,658**
Comprehensive income for the reporting period:									
Result for the reporting period						15,061	15,061	-25	15,036
Exchange differences on translating foreign operations			18				18		18
Tax effect, net			-2			212	209		209
Total comprehensive income for the reporting period			**16**			**15,273**	**15,289**	**-25**	**15,264**
Dividend								-42	-42
Equity 30 June 2014	**103,006**	**24,525**	**125**		**40,016**	**309,914**	**477,587**	**293**	**477,880**

CONSOLIDATED CASH FLOW STATEMENT, IFRS (CONDENSED)

EUR 1,000	1–6 2014	Restated 1–6 2013	1–12 2013
Cash flows from operating activities			
Result for the reporting period	**15,036**	-9,997	6,011
Adjustments:			
Non-cash transactions	**28,288**	33,644	61,609
Unrealised foreign exchange gains (-) / losses (+)	**-47**	3	19
Financial income and expenses	**11,534**	12,705	24,790
Taxes	**-1,265**	-1,678	-12,744
Changes in working capital			
Change in accounts receivable and other receivables	**-19,778**	-24,084	-6,402
Change in inventories	**565**	407	927
Change in accounts payable and other liabilities	**10,235**	14,662	-170
Change in provisions	**-81**	-124	379
Interest paid	**-7,193**	-8,658	-22,366
Interest received	**69**	87	192
Taxes paid *	**-3,788**	-365	-423
Other financing items	**-1,927**	-1,657	-3,645
Net cash generated from operating activities	**31,647**	**14,943**	**48,175**
Cash flow from investing activities			
Investments in tangible and intangible assets	**-6,190**	-4,539	-10,960
Proceeds from sale of tangible assets	**6,100**	202	120,647
Proceeds from sale of investments			
Dividends received	**13**	12	12
Loans granted	**-900**		
Net cash used in investing activities	**-976**	**-4,326**	**109,699**
Cash flows from financing activities **			
Proceeds from issue of share capital		28,369	28,365
Loan withdrawals	**31,708**	100,000	263,772
Net increase in current interest-bearing liabilities	**10,653**	529	-14,198
Repayment of loans	**-74,032**	-153,457	-449,914
Acquisition of non-controlling interest			-102
Increase / decrease in long-term receivables	**305**	219	429
Dividends paid	**-42**		
Net cash used in financing activities	**-31,409**	**-24,341**	**-171,647**
Change in cash and cash equivalents	**-738**	**-13,724**	**-13,772**
Cash and cash equivalents 1 January	**2,508**	16,282	16,282
Effect of foreign exchange rate changes	**0**	-6	-2
Cash and cash equivalents at the end of period	**1,771**	**2,552**	**2,508**

* Taxes paid includes Finnlines Deutschland GmbH's payment of tax provision EUR 3.6 million.

** 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 classified from current liabilities to non-current liabilities within the Cash flows from financing activities group.

REVENUE AND RESULT BY BUSINESS SEGMENTS

	4–6 2014		4–6 2013		1–6 2014		1–6 2013		1–12 2013	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%	MEUR	%
Revenue										
Shipping and sea transport services	139.1	97.0	143.6	95.9	261.9	96.9	269.6	95.1	538.6	95.6
Port operations	10.2	7.1	12.8	8.6	20.2	7.5	27.1	9.6	50.1	8.9
Intra-group revenue	-5.9	-4.1	-6.7	-4.5	-12.0	-4.4	-13.1	-4.6	-25.1	-4.5
External sales	**143.3**	**100.0**	**149.7**	**100.0**	**270.1**	**100.0**	**283.6**	**100.0**	**563.6**	**100.0**
Result before interest and taxes										
Shipping and sea transport services	20.4		9.8		27.7		6.2		27.9	
Port operations	-0.6		-3.0		-2.4		-5.2		-9.8	
Result before interest and taxes (EBIT) total	**19.8**		**6.9**		**25.3**		**1.0**		**18.1**	
Financial items	-5.7		-6.5		-11.5		-12.7		-24.8	
Result before taxes (EBT)	**14.1**		**0.4**		**13.7**		**-11.7**		**-6.7**	
Income taxes	0.6		0.5		1.3		1.7		12.7	
Result for the reporting period	**14.7**		**0.9**		**15.0**		**-10.0**		**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				20		20
Increases			3093	20	2,788	5,901
Disposals		-2,062	-154	-3,749		-5,965
Reclassifications to non-current assets held for sale *		-4,369		-28,785		-33,154
Acquisition cost 30 June 2014	**72**	**68,840**	**1,375,708**	**40,628**	**3,186**	**1,488,434**
Accumulated depreciation, amortisation and write-offs 1 January 2014		-16,316	-373,866	-47,060		-437,243
Exchange rate differences				-18		-18
Reclassification to non-current assets held for sale *		1,132		16,613		17,745
Cumulative depreciation on reclassifications and disposals		1,012	154	3,560		4,727
Depreciation for the reporting period		-1,254	-26,076	-1,451		-28,781
Accumulated depreciation, amortisation and write-offs 30 June 2014		-15,426	-399,788	-28,356		-443 570
Book value 30 June 2014	**72**	**53,414**	**975,920**	**12,272**	**3,186**	**1,044,864**

* Finnlines Group's Port Operations are negotiating to sell port assets with book value of around EUR 15.4 million. No impairment losses have been recognized on the carrying amount of the assets of EUR 15.4 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				-26		-26
Increases		3	3,023	457	50	3,532
Disposals		-15	-62	-5,349		-5,426
Reclassifications			406	4	-410	0
Acquisition cost 30 June 2013	**72**	**76,454**	**1,600,803**	**74,776**	**630**	**1,752,735**
Accumulated depreciation, amortisation and write-offs 1 January 2013		-15,047	-429,028	-50,285		-494,360
Exchange rate differences				24		24
Cumulative depreciation on reclassifications and disposals		12	61	5,591		5,664
Depreciation for the reporting period		-1,279	-29,771	-2,118		-33,168
Accumulated depreciation, amortisation and write-offs 30 June 2013		-16,314	-458,738	-46,788		-521,839
Book value 30 June 2013	**72**	**60,140**	**1,142,066**	**27,988**	**630**	**1,230,896**

CONTINGENCIES AND COMMITMENTS

EUR 1,000	**30 Jun 2014**	30 Jun 2013	31 Dec 2013
Minimum leases payable in relation to fixed-term leases:			
Vessel leases (Group as lessee):			
Within 12 months	**12,339**	13,814	14,007
1-5 years	**5,366**	7,010	10,644
	17,705	**20,824**	**24,651**
Vessel leases (Group as lessor):			
Within 12 months	**2,152**	6,505	2,356
1-5 years	**6,390**	20,514	7,457
	8,541	**27,019**	**9,812**
Other leases (Group as lessee):			
Within 12 months	**6,328**	5,932	6,107
1-5 years	**18,040**	17,415	17,948
After five years	**10,958**	14,038	12,358
	35,327	**37,385**	**36,413**
Other leases (Group as lessor):			
Within 12 months	**307**	551	350
	307	**551**	**350**
Collateral given			
Loans from financial institutions	**530,730**	705,834	561,245
Vessel mortgages provided as guarantees for the above loans	**1,035,000**	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 *	**23,599**	1,542	2,375
Obligations of parent company on behalf of subsidiaries			
Guarantees	**6,000**	6,000	6,000
VAT adjustment liability related to real estate investments	**5,993**	7,289	6,756

* 2014 includes scrubber system and re-blading obligations EUR 21.8 million.

REVENUE AND RESULT BY QUARTER

MEUR	Q1/14	Q1/13	Q2/14	Q2/13
Shipping and sea transport services	122.8	126.0	139.1	143.6
Port operations	10.0	14.3	10.2	12.8
Intra-group revenue	-6.0	-6.4	-5.9	-6.7
External sales	**126.8**	**133.9**	**143.3**	**149.7**
Result before interest and taxes				
Shipping and sea transport services	7.3	-3.6	20.4	9.8
Port operations	-1.8	-2.2	-0.6	-3.0
Result before interest and taxes (EBIT) total	**5.4**	**-5.8**	**19.8**	**6.9**
Financial items	-5.8	-6.2	-5.7	-6.5
Result before taxes (EBT)	**-0.4**	**-12.1**	**14.1**	**0.4**
Income taxes	0.7	1.2	0.6	0.5
Result for the reporting period	**0.3**	**-10.9**	**14.7**	**0.9**
EPS (undiluted / diluted)*	0.01	-0.23	0.29	0.02

*Key indicators per share have been adjusted with the share issue adjustment factor.

SHARES, MARKET CAPITALISATION AND TRADING INFORMATION

	30 Jun 2014	30 Jun 2013
Number of shares	**51,503,141**	51,503,141
Market capitalisation, EUR million	**527.4**	316,7

	1–6 2014	1–6 2013
Number of shares traded, million	**3.6**	0.4

	1–6 2014			
	High	Low	Average	Close
Share price	10.39	7.14	8.55	10.24

CALCULATION OF RATIOS

Earnings per share (EPS), EUR	=	Result attributable to parent company shareholders / Weighted average number of outstanding shares	
Shareholders' equity per share, EUR	=	Shareholders' equity attributable to parent company shareholders / Undiluted number of shares at the end of period	
Gearing, %	=	Interest-bearing liabilities – cash and bank equivalents / Total equity	x 100
Equity ratio, %	=	Total equity / Assets total – received advances	x 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.