



Interim report
January–September 2014
6 November 2014

FINNLINES Q3

JANUARY–SEPTEMBER 2014: Result improved over EUR 37 million

- Revenue EUR 413.8 (433.3 prev. year) million, decrease 4.5 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 91.5 (63.4) million, increase 44.3 per cent
- Result for the reporting period EUR 33.2 (-3.9) million
- Earnings per share were 0.64 (-0.08) EUR/share
- Interest-bearing debt decreased EUR 96.7 million and was EUR 627.1 (723.8) million at the end of the period
- Fuel consumption reduced by 4.9 per cent

JULY–SEPTEMBER 2014: Best quarterly result ever in eight years, earnings per share up by almost 200 per cent

- Revenue EUR 143.7 (149.7 prev. year) million, decrease 4.0 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 36.9 (28.6) million, increase 29.4 per cent
- Result for the reporting period EUR 18.1 (6.1) million
- Earnings per share were 0.35 (0.12) EUR/share

KEY FIGURES

MEUR	1-9 2014	1-9 2013	7-9 2014	7-9 2013	1-12 2013
Revenue	413.8	433.3	143.7	149.7	563.6
Result before interest, taxes, depreciation and amortisation (EBITDA)	91.5	63.4	36.9	28.6	83.7
Result before interest and taxes (EBIT)	48.1	12.8	22.9	11.7	18.1
% of revenue	11.6	2.9	15.9	7.8	3.2
Result for the reporting period	33.2	-3.9	18.1	6.1	6.0
EPS, EUR	0.64	-0.08	0.35	0.12	0.12
Shareholders' equity/share, EUR	9.63	8.78	9.63	8.78	8.98
Equity ratio, %	38.6	33.4	38.6	33.4	35.7
Interest bearing debt, MEUR	627.1	723.8	627.1	723.8	673.0
Gearing, %	130.0	163.5	130.0	163.5	149.1

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

Finnlines Group's profitability growth is impressive and the fleet is ready for 2015

"The third quarter result for the reporting period, EUR 18.1 million, is the fourth consecutive quarter with impressive over EUR 10 million improvement when compared to previous year. The January–September result for the reporting period amounting to EUR 33.2 million, again, is a record result in eight years. Despite of a somewhat uncertain economic environment we have been able to improve further our profitability. Lower bunker surcharge reduced the turnover slightly. However, higher cargo volumes have increased the capacity utilisation of our vessels, which have reduced our costs and have improved our efficiency. Through operational optimisations, fuel consumption was reduced in the first nine months of the year by 4.9 per cent with benefit for both the environment and company results. The Company is targeting not only for improving its operations and profitability but also for improving its capital structure; we continue to analyse every vessel and every line in order to investigate whether there is opportunity for profitable operations in the current market situation and need to react if overcapacity exists. Finnlines Group's good cash-flow generation has enabled us to further reduce our interest bearing debt considerably and, therefore, the equity ratio has improved to 38.6 per cent. The turnaround programme striving towards cost efficiency has been well implemented and the results show our people can deliver. We are progressing well with our capex programme and after implementation we will have the strongest fleet in the Baltic Sea with scrubbers installed and efficient fuel economy with new propulsion systems. We continue our good work to improve further our operational efficiency and cost efficiency and it has already become crystal clear that the Group's result before taxes will continue to improve over the previous year. In fact, when measured at the EBITDA level Finnlines Group is likely to make its best or second best EBITDA since the beginning of this century."

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

FINNLINES' BUSINESS

Finnlines is the largest shipping company in the Baltic Sea providing both ro-ro and ro-pax services (source: Baltic Transportation Journal). Finnlines' passenger-freight vessels offer services from Finland to Germany and via the Åland Islands to Sweden, from Sweden to Germany and from Germany to Russia. Finnlines' ro-ro vessels operate in the Baltic Sea and the North Sea. 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 77.76 per cent (on 30 September 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–August, the Finnish seaborne imports carried in container, lorry and trailer units remained at the same level as in 2013 whereas exports increased by 3 per cent (measured in tons) compared to the same period in 2013. According to the statistics published by Shippax for January–August, trailer and lorry volumes transported by sea between Southern Sweden and Germany increased by 1 per cent compared to 2013. During the same period private and commercial passenger traffic between Finland and Sweden decreased by 3 per cent. Between Finland and Germany the corresponding traffic decreased by 8 per cent (Finnish Transport Agency).

FINNLINES' TRAFFIC

During the third quarter Finnlines operated on average 24 (25) vessels in its own traffic.

In August Finnlines re-opened its weekly service from the Finnish ports of Kotka and Helsinki to Tilbury, Great Britain. The vessel returns to Helsinki via Amsterdam and Antwerp and further to St. Petersburg.

On the Helsinki–Rostock service MS Finnkraft substituted MS Finnhanza, which left northern Europe at the end of September 2014.

The cargo volumes transported during January–September totalled approximately 486 (478 in 2013) thousand cargo units, 61 (43) thousand cars (not including passengers' cars) and 1,803 (1,649) thousand tons of freight not possible to measure in units. In addition, some 450 (443) thousand private and commercial passengers were transported.

FINANCIAL RESULTS

January–September 2014

The Finnlines Group recorded revenue totalling EUR 413.8 (433.3) million, a decrease of 4.5 per cent compared to the same period in 2013. Shipping and Sea Transport Services generated revenue amounting to EUR 401.9 (413.8) million and Port Operations EUR 28.6 (38.5) million. The internal revenue between the segments was EUR 16.7 (19.0) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 91.5 (63.4) million, an increase of 44.3 per cent.

Result before interest and taxes (EBIT) was EUR 48.1 (12.8) 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 -16.8 (-18.9) million. Financial income was EUR 0.3 (0.3) million and financial expenses EUR -17.2 (-19.2) 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 37.1 million increase in the result for the reporting period. The result for January–September was EUR 33.2 (-3.9) million and earnings per share (EPS) were EUR 0.64 (-0.08).

July–September 2014

The Finnlines Group recorded revenue totalling EUR 143.7 (149.7) million, a decrease of 4.0 per cent compared to the same period in 2013. Shipping and Sea Transport Services generated revenue amounting to EUR 140.0 (144.2) million and Port Operations EUR 8.5 (11.4) million. The internal revenue between the segments was EUR 4.8 (5.9) million. Compared to the first two quarters the amount of passengers has increased due to the summer high season.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 36.9 (28.6) million, an increase of 29.4 per cent.

Result before interest and taxes (EBIT) was EUR 22.9 (11.7) million.

Net financial expenses were EUR -5.4 (-6.2) million. Financial income was EUR 0.1 (0.1) million and financial expenses totalled EUR -5.5 (-6.3) million. The result for July–September was EUR 18.1 (6.1) million, which is the best quarter ever in eight years. Earnings per share (EPS) rose to EUR 0.35 (0.12).

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH-FLOW

Interest-bearing debt decreased by EUR 96.7 million and amounted to EUR 627.1 (723.8) million excluding leasing liabilities EUR 19.9 (21.5) million. The equity ratio calculated from the balance sheet improved to 38.6 (33.4) per cent and gearing dropped to 130.0 (163.5) per cent. Vessel lease commitments decreased by EUR 13.9 million to EUR 14.2 million compared to the end of September 2013.

At the end of the period, cash and deposits together with unused committed working capital credits amounted to EUR 82.0 (68.8) million.

Net cash generated from operating activities improved markedly and was EUR 55.5 (30.2) million.

CAPITAL EXPENDITURE

Finnlines Group's gross capital expenditure in the reporting period totalled EUR 20.5 (9.4) million including tangible and intangible assets. Total depreciation amounted to EUR 43.4 (50.7) 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, for four of its Star-class ro-pax vessels built 2006-2007 and for four of its ro-ro vessels built 2000-2002. 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 Finnulp. 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 1,729 (1,878) persons during the period, consisting of 778 (927) persons on shore and 951 (951) 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 1,628 (1,834) in total, of which 709 (927) on shore and 919 (907) at sea. The personnel expenses (including social costs) for the reporting period were EUR -67.2 (-78.4) million.

THE FINNLINES SHARE

The Company's registered share capital on 30 September 2014 was EUR 103,006,282 divided into 51,503,141 shares. A total of 4.0 (0.8) million shares were traded on the NASDAQ OMX Helsinki during January–September. The market capitalisation of the Company's stock at the end of September was EUR 772.5 (321.9) million. Earnings per share (EPS) were EUR 0.64 (-0.08). Shareholders' equity per share was EUR 9.63 (8.78). At the end of the reporting period, the Grimaldi Group's holding and share of votes in Finnlines was 77.76 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, Finnlines 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

In October, Finnlines has sold MS Finnhansa to the Grimaldi Group at a market price of EUR 30 million and Finnlines Plc's subsidiary has signed the sales agreement of MS Euroferry Brindisi (MS Finnarrow) with an external party at a market price of EUR 32.5 million. These actions, when concluded, will lead in Finnlines Group to a cumulative additional cash-flow of EUR 62.5 million, gains on sales of approximately EUR 3.5 million and an equity ratio improvement to around 40 per cent in the fourth quarter.

OUTLOOK AND OPERATING ENVIRONMENT

The Finnlines Group's result before taxes is expected to continue to be better for the remaining part of 2014 compared to the corresponding period in the 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 Group Financial Statement bulletin for the period of 1 January–31 December 2014 will be published on Tuesday, 24 February 2015.

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
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DISTRIBUTION

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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.

Finlines 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	7–9 2014	7–9 2013	1–9 2014	1–9 2013	1–12 2013
Revenue	143,673	149,661	413,813	433,303	563,587
Other income from operations	888	1,853	3,057	2,636	5,329
Materials and services	-50,535	-59,465	-149,296	-178,021	-229,690
Personnel expenses	-19,933	-23,887	-67,150	-78,427	-102,584
Depreciation, amortisation and impairment losses	-14,079	-16,823	-43,384	-50,668	-65,583
Other operating expenses	-37,159	-39,609	-108,927	-116,062	-152,983
Total operating expenses	-121,706	-139,784	-368,757	-423,178	-550,840
Result before interest and taxes (EBIT)	22,855	11,729	48,113	12,761	18,075
Financial income	146	107	342	348	526
Financial expenses	-5,498	-6,262	-17,181	-19,210	-25,335
Result before taxes (EBT)	17,502	5,575	31,273	-6,101	-6,734
Income taxes	645	554	1,910	2,232	12,744
Result for the reporting period	18,147	6,128	33,183	-3,869	6,011
Other comprehensive income:					
Other comprehensive income to be reclassified to profit and loss in subsequent periods:					
Exchange differences on translating foreign operations	15	14	34	-10	-9
Changes in cash flow hedging reserve					
Fair value changes					
Transfer to fixed assets					
Tax effect, net	-4	-5	-6	2	2
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	11	8	28	-7	-7
Other comprehensive income not being reclassified to profit and loss in subsequent periods:					
Remeasurement of defined benefit plans					-399
Tax effect, net *	0		212		1
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total	0		212		-398
Total comprehensive income for the reporting period	18,158	6,136	33,422	-3,877	5,606
Result for the reporting period attributable to:					
Parent company shareholders	18,132	6,076	33,193	-3,879	5,997
Non-controlling interests	15	52	-10	10	14
	18,147	6,128	33,183	-3,869	6,011
Total comprehensive income for the reporting period attributable to:					
Parent company shareholders	18,143	6,084	33,433	-3,887	5,592
Non-controlling interests	15	52	-10	10	14
	18,158	6,136	33,422	-3,877	5,606
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share):					
Undiluted / diluted earnings per share	0.35	0.12	0.64	-0.08	0.12
Average number of shares:					
Undiluted / diluted	51,503,141	51,503,141	51,503,141	49,202,477	49,782,370

The majority of amounts included in Comprehensive income relates to tonnage tax scheme. There is no tax on this income.

* 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 Sep 2014	30 Sep 2013	31 Dec 2013
ASSETS			
Non-current assets			
Property, plant and equipment	986,021	1,098,516	1,084,389
Goodwill	105,644	105,644	105,644
Intangible assets	5,717	5,941	5,836
Other financial assets	4,580	4,581	4,580
Receivables	1,018	483	43
Deferred tax assets	1,599	1,428	1,370
	1,104,579	1,216,592	1,201,861
Current assets			
Inventories	8,496	11,360	8,832
Accounts receivable and other receivables	97,011	90,475	85,251
Income tax receivables	185	1	1
Cash and cash equivalents	2,454	4,099	2,508
	108,145	105,934	96,592
Non current assets held for sale	74,086	36,620	
Total assets	1,286,810	1,359,146	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	136	109	109
Fund for invested unrestricted equity	40,016	40,016	40,016
Retained earnings	328,046	284,773	294,641
	495,730	452,429	462,297
Non-controlling interests	308	848	360
Total equity	496,038	453,277	462,658
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	55,596	68,497	57,560
Interest-free liabilities	2,550	4,349	3,242
Pension liabilities	3,961	3,711	3,982
Provisions	1,889	5,052	1,980
Interest-bearing liabilities	485,988	549,404	557,759
	549,983	631,014	624,523
Current liabilities			
Accounts payable and other liabilities	79,589	78,864	72,815
Income tax liabilities	16	25	27
Provisions	103	60	3,715
Current interest-bearing liabilities	152,560	195,907	134,715
	232,268	274,856	211,273
Total liabilities	782,251	905,869	835,796
Liabilities directly attributable to non-current assets held for sale	8,521		
Total equity and liabilities	1,286,810	1,359,146	1,298,453

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2013, IFRS

EUR 1,000	Equity attributable to parent company shareholders						Non-controlling interests	Total equity	
	Share capital	Share issue premium	Translation differences	Fair value reserves	Unrestricted equity reserve	Retained earnings			Total
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						-3,879	-3,879	10	-3,869
Exchange differences on translating foreign operations				-10			-10		-10
Tax effect, net				2			2		2
Total comprehensive income for the reporting period				-7		-3,879	-3,887	10	-3,877
Share issue	9,364				19,001		28,365		28,365
Equity 30 September 2013	103,006	24,525	109		40,016	284,773	452,429	848	453,277

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2014, IFRS

EUR 1,000	Equity attributable to parent company shareholders						Non-controlling interests	Total equity	
	Share capital	Share issue premium	Translation differences	Fair value reserves	Unrestricted equity reserve	Retained earnings			Total
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						33,193	33,193	-10	33,183
Exchange differences on translating foreign operations				34			34		34
Tax effect, net				-6		212	206		206
Total comprehensive income for the reporting period			28			33,405	33,433	-10	33,422
Dividend								-42	-42
Equity 30 September 2014	103,006	24,525	136		40,016	328,046	495,730	308	496,038

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1–9 2014	1–9 2013	1–12 2013
Cash flows from operating activities			
Result for the reporting period	33,183	-3,869	6,011
Adjustments:			
Non-cash transactions	41,788	48,970	61,609
Unrealised foreign exchange gains (-) / losses (+)	-45	33	19
Financial income and expenses	16,884	18,829	24,790
Taxes	-1,910	-2,232	-12,744
Changes in working capital			
Change in accounts receivable and other receivables	-16,676	-16,273	-6,402
Change in inventories	336	-1,601	927
Change in accounts payable and other liabilities	4,934	8,467	-170
Change in provisions	-113	-129	379
Interest paid	-15,983	-19,172	-22,366
Interest received	113	121	192
Taxes paid *	-3,885	-406	-423
Other financing items	-3,080	-2,491	-3,645
Net cash generated from operating activities	55,547	30,248	48,175
Cash flow from investing activities			
Investments in tangible and intangible assets	-16,689	-10,265	-10,960
Proceeds from sale of tangible assets	7,801	86,503	120,647
Dividends received	13		12
Loans granted	-900		
Net cash used in investing activities	-9,775	76,238	109,699
Cash flows from financing activities			
Proceeds from issue of share capital		28,365	28,365
Loan withdrawals	135,475	173,773	263,772
Net increase in current interest-bearing liabilities	17,556	43	-14,198
Repayment of loans	-199,166	-321,077	-449,914
Acquisition of non-controlling interest			-102
Decrease in long-term receivables	350	229	429
Dividends paid	-42		
Net cash used in financing activities	-45,827	-118,667	-171,647
Change in cash and cash equivalents	-55	-12,181	-13,772
Cash and cash equivalents 1 January	2,508	16,282	16,282
Effect of foreign exchange rate changes	0	-3	-2
Cash and cash equivalents at the end of period	2,454	4,099	2,508

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

REVENUE AND RESULT BY BUSINESS SEGMENTS

	7–9 2014		7–9 2013		1–9 2014		1–9 2013		1–12 2013	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%	MEUR	%
Revenue										
Shipping and sea transport services	140.0	97.4	144.2	96.3	401.9	97.1	413.8	95.5	538.6	95.6
Port operations	8.5	5.9	11.4	7.6	28.6	6.9	38.5	8.9	50.1	8.9
Intra-group revenue	-4.8	-3.3	-5.9	-4.0	-16.8	-4.0	-19.0	-4.4	-25.1	-4.5
External sales	143.7	100.0	149.7	100.0	413.8	100.0	433.3	100.0	563.6	100.0
Result before interest and taxes										
Shipping and sea transport services	22.1		13.5		49.8		19.7		27.9	
Port operations	0.7		-1.8		-1.7		-7.0		-9.8	
Result before interest and taxes (EBIT) total	22.8		11.7		48.1		12.8		18.1	
Financial items	-5.3		-6.2		-16.8		-18.9		-24.8	
Result before taxes (EBT)	17.5		5.6		31.3		-6.1		-6.7	
Income taxes	0.6		0.6		1.9		2.2		12.7	
Result for the reporting period	18.1		6.1		33.2		-3.9		6.0	

PROPERTY, PLANT AND EQUIPMENT 2014

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	** Advance payments & acquisitions under construction	Total
Acquisition cost 1 January 2014	72	75,271	1,372,769	73,122	398	1,521,632
Exchange rate differences				36		36
Increases			4,068	116	15,664	19,849
Disposals		-2,062	-261	-6,698		-9,021
Reclassifications to non-current assets held for sale *		-4,369	-94,603	-22,395		-121,367
Acquisition cost 30 September 2014	72	68,840	1,281,974	44,181	16,062	1,411,128
Accumulated depreciation, amortisation and write-offs 1 January 2014		-16,316	-373,866	-47,060		-437,243
Exchange rate differences				-33		-33
Reclassification to non-current assets held for sale *		1,132	35,638	10,510		47,280
Cumulative depreciation on reclassifications and disposals		1,012	261	6,223		7,496
Depreciation for the reporting period		-1,815	-39,060	-1,733		-42,609
Accumulated depreciation, amortisation and write-offs 30 September 2014		-15,986	-377,028	-32,093		-425,108
Book value 30 September 2014	72	52,853	904,946	12,088	16,062	986,021

* Finnlines Group is negotiating to sell two vessels with the book value of EUR 58.9 million and the Port Operations are negotiating to sell port assets with the book value of around EUR 15.1 million. No impairment losses have been recognized on the carrying amount of the assets.

** Includes mainly advance payments for the scrubber system.

PROPERTY, PLANT AND EQUIPMENT 2013

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under construction	Total
Acquisition cost 1 January 2013	72	76,466	1,597,437	79,690	991	1,754,655
Exchange rate differences				-13		-13
Increases		102	8,463	479	23	9,067
Reclassifications to non-current assets held for sale *			-126,855		-237	-127,092
Disposals		-803	-106,412	-6,344		-113,559
Reclassifications			406	5	-410	0
Acquisition cost 30 September 2013	72	75,765	1,373,037	73,817	367	1,523,058
Accumulated depreciation, amortisation and write-offs 1 January 2013		-15,047	-429,028	-50,285		-494,360
Exchange rate differences				12		12
Reclassifications to non-current assets held for sale *			90,472			90,472
Cumulative depreciation on reclassifications and disposals		801	21,612	6,579		28,991
Depreciation for the reporting period		-1,919	-44,575	-3,163		-49,657
Accumulated depreciation, amortisation and write-offs 30 September 2013		-16,166	-361,518	-46,858		-424,542
Book value 30 September 2013	72	59,599	1,011,519	26,959	367	1,098,516

CONTINGENCIES AND COMMITMENTS

EUR 1,000	30 Sep 2014	30 Sep 2013	31 Dec 2013
Minimum leases payable in relation to fixed-term leases:			
Vessel leases (Group as lessee):			
Within 12 months	11,492	13,934	14,007
1-5 years	2,683	14,175	10,644
	14,175	28,109	24,651
Vessel leases (Group as lessor):			
Within 12 months	2,446	1,580	2,356
1-5 years	5,847	4,749	7,457
	8,293	6,329	9,812
Other leases (Group as lessee):			
Within 12 months	6,307	5,658	6,107
1-5 years	17,619	17,177	17,948
After five years	10,117	13,127	12,358
	34,043	35,962	36,413
Other leases (Group as lessor):			
Within 12 months	245	364	350
	245	364	350
Collateral given			
Loans from financial institutions	520,024	601,095	561,245
Vessel mortgages provided as guarantees for the above loans			
	1,035,000	1,136,000	1,121,000
Other collateral given on own behalf			
Pledged deposits	0	11	
Corporate mortgages	606	606	606
	606	617	606
Other obligations *			
	43,782	2,777	2,375
VAT adjustment liability related to real estate investments			
	5,674	6,953	6,756

* 2014 includes scrubber system and re-blading obligations EUR 42.1 million.

REVENUE AND RESULT BY QUARTER

MEUR	Q1/14	Q1/13	Q2/14	Q2/13	Q3/14	Q3/13
Shipping and sea transport services	122.8	126.0	139.1	143.6	140.0	144.2
Port operations	10.0	14.3	10.2	12.8	8.5	11.4
Intra-group revenue	-6.0	-6.4	-5.9	-6.7	-4.8	-5.9
External sales	126.8	133.9	143.3	149.7	143.7	149,7
Result before interest and taxes						
Shipping and sea transport services	7.3	-3.6	20.4	9.8	22.1	13,5
Port operations	-1.8	-2.2	-0.6	-3.0	0.7	-1,8
Result before interest and taxes (EBIT) total	5.4	-5.8	19.8	6.9	22.8	11,7
Financial items	-5.8	-6.2	-5.7	-6.5	-5.3	-6,2
Result before taxes (EBT)	-0.4	-12.1	14.1	0.4	17.5	5,6
Income taxes	0.7	1.2	0.6	0.5	0.6	0,6
Result for the reporting period	0.3	-10.9	14.7	0.9	18.1	6,1
EPS (undiluted / diluted)*	0.01	-0.23	0.29	0.02	0.35	0,12

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

SHARES, MARKET CAPITALISATION AND TRADING INFORMATION

	30 Sep 2014	30 Sep 2013
Number of shares	51,503,141	51,503,141
Market capitalisation, EUR million	772.5	321.9

	1-9 2014	1-9 2013
Number of shares traded, million	4.0	0.8

	1-9 2014			
	High	Low	Average	Close
Share price	15.01	7.14	8.95	15.00

CALCULATION OF RATIOS

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