Interim report
January–March 2015
13 May 2015

FINNLINES Q1

JANUARY-MARCH 2015: Result for the reporting period improved to EUR 0.6 million from EUR 0.3 million

- Revenue EUR 116.8 (EUR 126.8 prev. year) million, decrease 7.9 per cent, mainly due to the reduction in cargo-related bunker surcharge
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 17.7 (20.2) million, decrease 12.1 per cent
- Result for the reporting period EUR 0.6 (0.3) million
- Earnings per share were 0.01 (0.01) EUR/share
- Interest-bearing debt decreased EUR 68.5 million and was EUR 593.5 (662.1) million at the end of the period

KEY FIGURES

MEUR	Q1 2015	Q1 2014	1-12 2014
Revenue	**116.8**	126.8	532.9
Result before interest, taxes, depreciation and amortisation (EBITDA)	**17.7**	**20.2**	**115.4**
Result before interest and taxes (EBIT)	**3.9**	5.4	58.6
% of revenue	**3.3**	4.3	11.0
Result for the reporting period	**0.6**	**0.3**	**41.7**
EPS, EUR	**0.01**	0.01	0.81
Shareholders' equity/share, EUR	**9.79**	8.99	9.78
Equity ratio, %	**40.2**	35.7	41.7
Interest-bearing debt, MEUR	**593.5**	662.1	552.5
Gearing, %	**121.0**	146.9	113.0

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

“The first quarter result was in line with our forecast and the first part of our EUR 100 million environmental technology investment programme is nearing completion.

The result of Q1 2015 was EUR 0.6 million, which was according to our forecast. During the reporting period already 12 vessels have undergone the exhaust gas cleaning systems ("scrubbers") installation and new propulsion systems have been installed into six vessels. This first part totals EUR 65 million of our EUR 100 million environmental technology investment programme for 2014 to 2016. The final completion of the ongoing scrubber installations will increase the share of heavy fuel oil to be used during the next nine months. This means that the Group will achieve savings in fuel costs due to cheaper IFO fuel compared to more expensive MGO, which our vessels had to consume during the first quarter as required by the new IMO sulphur directive. We have also kept our costs low and continue our turnaround programme in order to improve our financial and operational performance further. We have stated in February when releasing our 2014 audited financial statements that the result before taxes is expected to be better in 2015 compared to 2014. The first quarter was burdened with several vessels being docked for scrubber installations, but for the remainder of the year we will have the full fleet in operation and being able to serve our clients with more efficient and environmentally friendly vessels. Therefore, we expect good potential in the following quarters to improve our result over the previous year.”

FINNLINES PLC, INTERIM REPORT JANUARY-MARCH 2015 (unaudited)

FINNLINES' BUSINESS

Finnlines is the largest shipping company in the Baltic Sea based on both ro-ro and ro-pax volumes (source: Baltic Transportation Journal). The Company's passenger-freight vessels offer services from Finland to Germany and via the Åland Islands to Sweden, as well as from Sweden to Germany. 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 24 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 80.4 per cent (on 31 March 2015) 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 (measured in tons) decreased by 8 per cent whereas exports remained on the same level compared to the same period in 2014. During the same period private and commercial passenger traffic between Finland and Sweden increased by 1 per cent. Between Finland and Germany the corresponding traffic increased by 3 per cent (Finnish Transport Agency).

FINNLINES' TRAFFIC

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

As from 19 January 2015 Finnlines opened the route between Hanko and Rostock operated by MS Finnmerchant acquired in January 2015. The ro-ro vessel built in 2003 complements Finnlines' liner services offered to customers and strengthens the competitiveness of Finnlines' fleet.

The new stricter environmental regulations for the fuel sulphur limit came into force as from 1 January 2015. During the first quarter 2015 the installations of scrubbers and new propulsion systems have continued, which has caused occasional disruption to the services offered. The majority of the installations have been completed by the end of March 2015.

The cargo volumes transported during January-March totalled approximately 150 (158 in 2014) thousand cargo units, 33 (16) thousand cars (not including passengers' cars) and 480 (584) thousand tons of freight not possible to measure in units. In addition, some 103 (109) thousand private and commercial passengers were transported.

FINANCIAL RESULTS

January-March 2015

The Finnlines Group recorded revenue totalling EUR 116.8 (126.8) million, a decrease of 7.9 per cent compared to the same period in 2014. Shipping and Sea Transport Services generated revenue amounting to EUR 112.9 (122.8) million and Port Operations EUR 8.3 (10.0) million. The internal revenue between the segments was EUR 4.4 (6.0) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 17.7 (20.2) million, an decrease of 12.1 per cent.

Result before interest and taxes (EBIT) was EUR 3.9 (5.4) million. During the first quarter, the installations of sulphur scrubbers and propulsion systems and chartering of substituting tonnage has caused additional costs influencing the result negatively. Despite this, Finnlines Group managed to maintain the result on the same level compared to the first quarter of 2014. The increased efficiency of the operations i.e. lower bunker consumption, higher capacity utilisation and reduction of costs in many areas has continued to impact the financial performance of the Group.

In addition, the results of the first quarters are 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 compared to the summer season.

Net financial expenses amounted to EUR -4.3 (-5.8) million. Financial income was EUR 0.3 (0.0) million and financial expenses totalled EUR -4.6 (-5.8) million. The result for the reporting period remained positive and was EUR 0.6 (0.3) million and earnings per share (EPS) were EUR 0.01 (0.01).

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH-FLOW

Interest-bearing debt decreased by EUR 68.5 million and amounted to EUR 593.5 (662.1). The equity ratio calculated from the balance sheet improved to 40.2 (35.7) per cent and gearing dropped to 121.0 (146.9) per cent. Due to the expired charter agreements and redelivery of chartered tonnage vessel lease commitments decreased by EUR 13.2 million to EUR 8.0 million compared to the end of March 2014.

At the end of the period, cash and deposits together with unused committed credit lines amounted to EUR 54.9 (47.8) million.

Net cash generated from operating activities before investing activities decreased slightly and was EUR 4.9 (6.1) million.

CAPITAL EXPENDITURE

Finnlines Group’s gross capital expenditure in the reporting period totalled EUR 39.3 (1.1) million. Total depreciation amounted to EUR 13.8 (14.7) million. The investments consist of the purchase of MS Finnmerchant, normal replacement expenditure of fixed assets, scrubber and re-blading projects and dry-dockings of ships. In January, Finnlines signed a purchase agreement of two ro-ro vessels, and paid a part of the purchase price. The vessels will be delivered at the turn of the year 2015/2016.

The new stricter environmental regulations for the fuel sulphur limit came into force as from 1 January 2015. For this reason, Finnlines ordered exhaust gas cleaning systems ("scrubbers") for six of its latest series of ro-ro vessels built in 2011-2012, for four of its Star-class ro-pax vessels built in 2006-2007 and for four of its ro-ro vessels built in 2000-2002. These investments total EUR 65 million and are part of the Finnlines Group's EUR 100 million capex programme. The actual installations of scrubbers started in late 2014 and the majority of these installations were finished during the first quarter 2015. These cleaning systems enable the vessels to operate in compliance with the new environmental regulations. Finnlines has also ordered an improvement retrofit to the propulsion system on four Star-class ro-pax vessels and on two ro-ro vessels. This propulsion upgrading project started also at the turn of the year and all propulsion upgrades were done by mid February 2015. The new system will substantially improve the vessels’ relative propulsion efficiency and, as a result, reduce their fuel consumption.

In beginning of March 2015, Finnlines extended the environmental investment programme by ordering one additional scrubber for MS Finnmerchant. The installation on Finnmerchant will take place during Q3/2015.

PERSONNEL

The Group employed an average of 1,595 (1,712) persons during the period, consisting of 694 (797) persons on shore and 901 (915) 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 1,567 (1,726) in total, of which 706 (800) on shore and 861 (926) at sea. The personnel expenses (including social costs) for the reporting period were EUR 21.0 (24.6) million.

THE FINNLINES SHARE

The Company’s registered share capital on 31 March 2015 was EUR 103,006,282 divided into 51,503,141 shares. A total of 0.3 (1.3) 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 825.1 (380.6) million. Earnings per share (EPS) were EUR 0.01 (0.01). Shareholders’ equity per share was EUR 9.79 (8.99). At the end of the reporting period, the Grimaldi Group’s holding and share of votes in Finnlines was 80.4 per cent.

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Finnlines Plc’s Annual General Meeting was held in Helsinki on 14 April 2015. 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 2014. It was decided to accept the proposal of the Board of Directors that no dividend shall be paid for 2014.

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: EUR 50,000 for the Chairman, EUR 40,000 for the Vice Chairman, and EUR 30,000 for each of the other members of the Board.

The Annual General Meeting elected KPMG Oy Ab as the Company's auditor for the fiscal year 2015. 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 8 April 2014.

RISKS AND RISK MANAGEMENT

Finnlines is exposed to business risks that arise from the 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 vessels are scrapped, on the one hand, and as more stringent sulphur directive requirements have 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 was reduced to 0.10 per cent as from 1.1.2015 in accordance with the MARPOL Convention. This increases costs of sea transportation. However, with one of the youngest and largest fleets in Northern Europe and with investments targeted on engine systems and energy efficiency, Finnlines is in a 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 imminent risks related to counterparties but the Company 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 2014 Financial statements, published on 24 February 2015, contain a description of ongoing legal proceedings.

On 27 February 2015, the District Court of Helsinki rendered its decision on the dispute between Finnlines Plc and the State of Finland. According to Finnlines Plc the Finnish Act on Fairway Dues in force until 1 January 2006 has contained provisions which according to EU law were discriminatory. The Company has been charged excessive fairway dues during 2001-2004. In its decision, the District Court of Helsinki has ordered the State of Finland to refund to Finnlines Plc, as plaintiffs, the fairway dues, charged in excessive extent in the years 2001-2004 totalling about EUR 17.0 million including interest. The Finnish State has announced that it would appeal the decision to the Helsinki Court of Appeal. The case is pending.

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 first part of Finnlines Group's EUR 100 million capex programme is nearing completion, where fifteen scrubbers and six propulsion systems are being installed into the vessels. Finnlines Group’s result before taxes is expected to be better in 2015 compared to the same period in the previous year. Cost efficient and environmentally friendly fleet which is also better adjusted to current market conditions and vessel capacity requirements are the main drivers behind the Company's expectations.

The second interim report of 2015 for the period of 1 January-30 June will be published on Wednesday, 29 July 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
- Property, plant and equipment
- Fair value hierarchy
- Contingencies and commitments
- Shares, market capitalisation and trading information
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- 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 adopts new or revised IFRS standards and IFRIC interpretations from the beginning of the reporting period corresponding to those described in the 2014 Financial Statements with effect of 1 January 2015. They did not have any impact 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.

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 2014.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR 1,000	1-3 2015	1-3 2014	1-12 2014
Revenue	**116,829**	126,803	532,889
Other income from operations	**288**	1,618	6,776
Materials and services	**-42,899**	-48,429	-191,445
Personnel expenses	**-20,952**	-24,643	-88,418
Depreciation, amortisation and impairment losses	**-13,837**	-14,734	-56,843
Other operating expenses	**-35,534**	-35,181	-144,396
Total operating expenses	**-113,222**	-122,986	-481,102
Result before interest and taxes (EBIT)	**3,894**	**5,435**	**58,563**
Financial income	**354**	56	483
Financial expenses	**-4,608**	-5,848	-22,412
Result before taxes (EBT)	**-360**	**-356**	**36,634**
Income taxes	**991**	684	5,079
Result for the reporting period	**632**	**328**	**41,713**
Other comprehensive income:			
Other comprehensive income to be reclassified to profit and loss in subsequent periods:			
Exchange differences on translating foreign operations	**38**	2	69
Tax effect, net		0	
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	**38**	2	69
Other comprehensive income not being reclassified to profit and loss in subsequent periods:			
Remeasurement of defined benefit plans			-844
Tax effect, net *		212	353
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total		212	-491
Total comprehensive income for the reporting period	**670**	**542**	**41,291**
Result for the reporting period attributable to:			
Parent company shareholders	**655**	355	41,726
Non-controlling interests	**-23**	-27	-13
	632	**328**	**41,713**
Total comprehensive income for the reporting period attributable to:			
Parent company shareholders	**693**	569	41,304
Non-controlling interests	**-23**	-27	-13
	670	**542**	**41,291**
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share):			
Undiluted / diluted earnings per share	**0.01**	0.01	0.81
Average number of shares:			
Undiluted / diluted	**51,503,141**	51,503,141	51,503,141

The majority of amounts included in Comprehensive income relates to tonnage tax scheme.

* 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 2015	31 Mar 2014	31 Dec 2014
ASSETS			
Non-current assets			
Property, plant and equipment	1,014,013	1,069,523	983,183
Goodwill	105,644	105,644	105,644
Intangible assets	5,307	5,706	5,500
Other financial assets	4,576	4,580	4,576
Receivables	838	238	838
Deferred tax assets	5,703	1,586	5,353
	1,136,080	1,187,275	1,105,092
Current assets			
Inventories	7,102	8,476	5,926
Accounts receivable and other receivables	99,662	101,663	76,480
Income tax receivables	1	61	1
Cash and cash equivalents	2,185	2,230	2,680
	108,950	112,430	85,086
Non-current assets held for sale	15,121	1,173	20,297
Total assets	1,260,151	1,300,878	1,210,475
EQUITY			
Equity attributable to parent company shareholders			
Share capital	103,006	103,006	103,006
Share premium account	24,525	24,525	24,525
Translation differences	216	110	178
Fund for invested unrestricted equity	40,016	40,016	40,016
Retained earnings	336,530	295,208	335,876
	504,294	462,866	503,601
Non-controlling interests	283	332	306
Total equity	504,577	463,199	503,907
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	55,517	56,858	56,102
Other long term liabilities	150	3,013	163
Pension liabilities	4,701	3,973	4,705
Provisions	1,844	1,925	1,844
Loans from financial institutions	468,512	498,087	420,722
	530,724	563,858	483,536
Current liabilities			
Accounts payable and other liabilities	80,361	85,460	71,565
Current tax liabilities	26	18	72
Provisions	267	3,616	81
Loans from financial institutions	136,061	184,727	142,967
	216,715	273,822	214,685
Total liabilities	747,440	837,679	698,220
Liabilities related to long-term assets held for sale	8,134		8,348
Total equity and liabilities	1,260,151	1,300,878	1,210,475

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2014, IFRS

EUR 1,000	Equity attributable to parent company shareholders							
	Share capital	Share issue premium	Translation differences	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**
Comprehensive income for the reporting period:								
Result for the reporting period					355	355	-28	328
Exchange differences on translating foreign operations			2			2		2
Remeasurement of defined benefit plans						0		0
Tax effect, net			-1		212	211		211
Total comprehensive income for the reporting period			**1**		**567**	**569**	**-28**	**541**
Equity 31 March 2014	**103,006**	**24,525**	**110**	**40,016**	**295,208**	**462,866**	**332**	**463,199**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2015, IFRS

EUR 1,000	Equity attributable to parent company shareholders							
	Share capital	Share issue premium	Translation differences	Unrestricted equity reserve	Retained earnings	Total	Non-controlling interests	Total equity
Reported equity 1 January 2015	**103,006**	**24,525**	**178**	**40,016**	**335,876**	**503,601**	**306**	**503,907**
Comprehensive income for the reporting period:								
Result for the reporting period					655	655	-23	632
Exchange differences on translating foreign operations			39			39		39
Remeasurement of defined benefit plans								
Tax effect, net								
Total comprehensive income for the reporting period			**39**		**655**	**693**	**-23**	**670**
Equity 31 March 2015	**103,006**	**24,525**	**216**	**40,016**	**336,530**	**504,294**	**283**	**504,577**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1-3 2015	1-3 2014	1-12 2014
Cash flows from operating activities			
Result for the reporting period	632	328	41,713
Adjustments:			
Non-cash transactions	13,760	13,941	51,987
Unrealised foreign exchange gains (-) / losses (+)	-7	-12	-28
Financial income and expenses	4,261	5,803	21,957
Taxes	-991	-684	-5,079
Changes in working capital			
Change in accounts receivable and other receivables	-23,115	-20,425	4,855
Change in inventories	-1,176	356	2,906
Change in accounts payable and other liabilities	14,764	11,752	-9,435
Change in provisions	-8	-163	-207
Interest paid	-2,846	-3,923	-18,742
Interest received	244	21	141
Taxes paid *	111	-91	-3,990
Other financing items	-712	-833	-3,970
Net cash generated from operating activities	**4,917**	**6,069**	**82,108**
Cash flow from investing activities			
Investments in tangible and intangible assets	-42,576	-1,099	-29,575
Proceeds from sale of tangible assets	64	4,767	69,590
Proceeds from sale of investments			1
Dividends received			13
Net cash used in investing activities	**-42,512**	**3,669**	**40,029**
Cash flows from financing activities			
Loan withdrawals	90,000		169,604
Net increase in current interest-bearing liabilities (+) / net decrease (-)	-10,385	49,883	7,953
Repayment of loans	-42,564	-59,899	-298,974
Loans granted			-900
Decrease in long-term receivables	45		395
Dividends paid			-42
Net cash used in financing activities	**37,096**	**-10,016**	**-121,964**
Change in cash and cash equivalents	**-500**	**-278**	**173**
Cash and cash equivalents 1 January	2,680	2,508	2,508
Effect of foreign exchange rate changes	5		-1
Cash and cash equivalents at the end of period	**2,185**	**2,230**	**2,680**

* Taxes paid in 2014 include Finnlines Deutschland GmbH’s payment of tax provision EUR 3.6 million.

REVENUE AND RESULT BY BUSINESS SEGMENTS

	1-3 2015		1-3 2014		1-12 2014	
	MEUR	%	MEUR	%	MEUR	%
Revenue						
Shipping and sea transport services	112.9	96.6	122.8	96.9	517.4	97.1
Port operations	8.3	7.2	10.0	7.9	36.9	6.9
Intra-group revenue	-4.4	-3.8	-6.0	-4.8	-21.3	-4.0
External sales	**116.8**	**100.0**	**126.8**	**100.0**	**532.9**	**100.0**
Result before interest and taxes						
Shipping and sea transport services	5.0		7.2		61.6	
Port operations	-1.1		-1.8		-3.1	
Result before interest and taxes (EBIT) total	**3.9**		**5.4**		**58.6**	
Financial items	-4.3		-5.8		-21.9	
Result before taxes (EBT)	**-0.4**		**-0.4**		**36.6**	
Income taxes	1.0		0.7		5.1	
Result for the reporting period	**0.6**		**0.3**		**41.7**	

PROPERTY, PLANT AND EQUIPMENT 2015

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	* Advance payments & acquisitions under constr.	Total
Acquisition cost 1 January 2015	72	72,773	1,287,982	66,273	25,928	1,453,028
Exchange rate differences				39		39
Increases			30,752	90	8,387	39,229
Disposals			-159	-118		-277
Reclassifications			13,988	9	-13,997	0
Reclassifications to non-current assets held for sale		-4,369		-22,395		-26,763
Acquisition cost 31 March 2015	**72**	**68,404**	**1,332,563**	**43,899**	**20,319**	**1,465,257**
Accumulated depreciation, amortisation and write-offs 1 January 2015		-17,341	-389,749	-42,459		-449,549
Exchange rate differences				-36		-36
Cumulative depreciation on reclassifications and disposals			159	118		277
Depreciation for the reporting period		-551	-12,747	-280		-13,578
Accumulated depreciation, amortisation and write-offs 31 March 2015		-17,891	-402,338	-42,657		-462,886
Reclassification to non-current assets held for sale		1,132		10,510		11,642
Book value 31 March 2015	**72**	**51,645**	**930,225**	**11,752**	**20,319**	**1,014,013**

Due to the long-term charter contract in February 2015 of the vessel, which was classified as asset held for sale in the Financial Statement as of 31.12.2014, the classification has been ceased during the reporting period. A part of the Port Operations' assets, book value of 15.1 million euros, is continued to be classified as assets held for sale.

* Includes mainly advance payments for the scrubber systems.

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				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
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		-16,958	-386,827	-44,693		-448,479
Reclassification to non-current assets held for sale		1,325				1,325
Book value 31 March 2014	**72**	**57,139**	**986,787**	**25,126**	**398**	**1,069,523**

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

The Group has loans from financial institutions and pension loans belonging to level 2. There is no material difference between carrying values and fair values of these instruments.

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There are no instruments in this category.

During 2015 and the previous year there has been no transfers to or from the fair value hierarchy level 3.

CONTINGENCIES AND COMMITMENTS

EUR 1,000	31 Mar 2015	31 Mar 2014	31 Dec 2014
Minimum leases payable in relation to fixed-term leases:			
Vessel leases (Group as lessee):			
Within 12 months	8,020	13,177	11,409
1-5 years	0	8,020	
	8,020	21,197	11,409
Vessel leases (Group as lessor)*:			
Within 12 months	2,105	2,152	0
1-5 years	8,422	6,926	0
	10,527	9,078	0
Other leases (Group as lessee):			
Within 12 months	6,475	6,356	6,366
1-5 years	16,276	17,719	17,128
After five years	8,993	11,602	9,274
	31,743	35,677	32,768
Other leases (Group as lessor):			
Within 12 months	211	308	250
	211	308	250
Collateral given			
Loans from financial institutions	512,892	559,794	477,054
Vessel mortgages provided as guarantees for the above loans	1,035,000	1,057,000	1,035,000
Other collateral given on own behalf			
Cash deposit	850		
Corporate mortgages		606	0
	850	606	0
Other obligations **	36,247	2,095	35,453
Guarantees given by the parent company on behalf of the subsidiaries	0	6,000	0
VAT adjustment liability related to real estate investments	4,998	6,440	5,322

* A long-term bareboat agreement was terminated on 17.12.2014 due to the sale of the vessel, and another bareboat agreement was made during the first quarter of 2015.

** Includes scrubber system, re-blading obligations and vessel investments.

SHARES, MARKET CAPITALISATION AND TRADING INFORMATION

	31 March 2015	31 March 2014
Number of shares	**51,503,141**	51,503,141
Market capitalisation, EUR million	**825.1**	380.6

	1-3 2015	1-3 2014
Number of shares traded, million	**0.3**	1.3

		1-3 2015		
	High	Low	Average	Close
Share price	16.9	14.9	15.98	16.02

EVENTS AFTER THE REPORTING PERIOD

There are no significant events to report.

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.