Interim report
January–June 2015
29 July 2015

FINNLINES Q2

JANUARY-JUNE 2015: Result for the period improved EUR 1.4 million

- Revenue EUR 252.0 (270.1 prev. year) million, decrease 6.7 per cent, partly due to the reduction of cargo related bunker surcharge
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 51.5 (54.6) million, decrease 5.6 per cent
- Result for the reporting period EUR 16.4 (15.0) million, increase 9.2 per cent
- Earnings per share were 0.32 (0.29) EUR/share
- Interest-bearing debt decreased EUR 50.8 million and was EUR 590.1 (640.9) million at the end of the period

APRIL-JUNE 2015: Best second quarter result ever in ten years

- Revenue EUR 135.2 (143.3 prev. year) million, decrease 5.7 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 33.8 (34.4) million, decrease 1.8 per cent
- Result for the reporting period EUR 15.8 (14.7) million, increase 7.3 per cent
- Earnings per share were 0.31 (0.29) EUR/share

KEY FIGURES

MEUR	1-6 2015	1-6 2014	4-6 2015	4-6 2014	1-12 2014
Revenue	**252.0**	270.1	135.2	143.3	532.9
Result before interest, taxes, depreciation and amortisation (EBITDA)	**51.5**	**54.6**	**33.8**	**34.4**	**115.4**
Result before interest and taxes (EBIT)	**24.0**	25.3	20.1	19.8	58.6
% of revenue	**9.5**	9.3	14.8	13.8	11.0
Result for the reporting period	**16.4**	**15.0**	**15.8**	**14.7**	**41.7**
EPS, EUR	**0.32**	0.29	0.31	0.29	0.81
Shareholders' equity/share, EUR	**10.10**	9.27	10.10	9.27	9.78
Equity ratio, %	**41.1**	37.2	41.1	37.2	41.7
Interest bearing debt, MEUR	**590.1**	640.9	590.1	640.9	552.5
Gearing, %	**116.6**	138.0	115.0	138.0	113.0

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

January-June result shows continuing strong countercyclical performance of Finnlines Group

"The second quarter result for the period, EUR 15.8 million (EUR 14.7 million), and the six month result for the period, EUR 16.4 million (EUR 15.0 million) are a strong indication that we have proactively taken the right measures to consolidate our position in the market. Regardless of 6.7 per cent turnover decrease - due to macroeconomic conjuncture, bunker surcharge reduction, vessel maintenance, retrofits and tonnage adjustment - we have been able to adjust our operations to be more cost efficient and therefore more competitive in current recessionary business environment prevailing in Finland. Moreover, Finnlines is focusing on strengthening its long-term strategic position by acquiring three vessels and further investing in environmental technology. We will complete our EUR 100 million Environmental Technology Investment Programme by installing scrubbers to remaining vessels and also by investing to re-blade and silicon-paint hulls of several of our vessels for better fuel economy. We expect our profitability to improve over the previous year due to successful implementation of our Investment Programme which enables us to use cheaper IFO fuel compared to more expensive MGO and due to successful implementation of our Turnaround Programme which improves our operational efficiency. Our interest bearing debt was reduced by approximately EUR 51 million euros and equity ratio rose from 37.2 per cent to 41.1 per cent at 30 June 2015 regardless of our high capital expenditure of EUR 58 million. We expect our interest bearing debt to decrease further due to lower capex requirement during the second half of the year, which in turn will improve our credit profile further. Finnlines was one of the strongest companies in 2014 among the listed companies in the shipping sector when measured by total return to shareholders and by financial performance and we are striving to improve our operational and financial performance."

FINNLINES PLC, INTERIM REPORT JANUARY-JUNE 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 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 an owned fleet of about 110 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 80.61 per cent (on 30 June 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-May, the Finnish seaborne imports carried in container, lorry and trailer units decreased by 6 per cent whereas exports increased by 1 per cent (measured in tons) compared to the same period in 2014. Private and commercial passenger traffic between Finland and Sweden remained at the same level as in 2014. Between Finland and Germany the corresponding traffic decreased by 2 per cent (Finnish Transport Agency).

FINNLINES' TRAFFIC

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

In June, Finnlines further expanded the service on main routes between Germany, Finland and Russia by adding capacity to both Travemünde and Rostock services.

The cargo volumes transported during January-June totalled approximately 313 (325 in 2014) thousand cargo units, 74 (39) thousand cars (not including passengers' cars) and 959 (1,194) thousand tons of freight not possible to measure in units. In addition, some 257 (265) thousand private and commercial passengers were transported.

FINANCIAL RESULTS

January-June 2015

The Finnlines Group recorded revenue totalling EUR 252.0 (270.1) million, a decrease of 6.7 per cent compared to the same period in 2014. Shipping and Sea Transport Services generated revenue amounting to EUR 243.0 (261.9) million and Port Operations EUR 18.0 (20.2) million. The internal revenue between the segments was EUR -9.0 (-12.0) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 51.5 (54.6) million, a decrease of 5.6 per cent.

Result before interest and taxes (EBIT) was EUR 24.0 (25.3) million. Despite the increased efficiency of the operations the result was burdened with several vessels being docked for the installations of scrubbers and new propulsion systems during the first quarter. During the second quarter the majority of Finnlines' fleet has been using cheaper IFO fuel instead of MGO which has further decreased fuel costs.

Net financial expenses decreased and were EUR -9.0 (-11.5) million. Financial income was EUR 0.5 (0.2) million and financial expenses EUR -9.5 (-11.7) million. The result for January-June was EUR 16.4 (15.0) million and earnings per share (EPS) were EUR 0.32 (0.29).

April-June 2015

The Finnlines Group recorded revenue totalling EUR 135.2 (143.3) million, a decrease of 5.7 per cent compared to the same period in 2014. Shipping and Sea Transport Services generated revenue amounting to EUR 130.2 (139.1) million and Port Operations EUR 9.7 (10.2) million. The internal revenue between the segments was EUR -4.6 (-5.9) 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 33.8 (34.4) million, a decrease of 1.8 per cent.

Result before interest and taxes (EBIT) was EUR 20.1 (19.8) million. The majority of Finnlines' fleet is using cheaper IFO fuel instead of MGO which has further decreased fuel costs.

Net financial expenses were EUR -4.8 (-5.7) million. Financial income was EUR 0.1 (0.1) million and financial expenses totalled EUR -4.9 (-5.8) million. The result for April-June was EUR 15.8 (14.7) million which is the best second quarter result ever in ten years. Earnings per share (EPS) rose to EUR 0.31 (0.29).

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH-FLOW

Interest-bearing debt decreased by EUR 50.8 million and amounted to EUR 590.1 (640.9) million. The equity ratio calculated from the balance sheet improved to 41.1 (37.2) per cent and gearing dropped to 116.6 (138.0) per cent. Vessel lease commitments decreased by EUR 12.3 million to EUR 5.4 million compared to the end of June 2014.

At the end of the period, cash and deposits together with unused committed working capital credits amounted to EUR 83.9 (65.1) million.

Net cash generated from operating activities before investing activities was EUR 30.4 (31.6) million.

CAPITAL EXPENDITURE

Finnlines Group's gross capital expenditure in the reporting period totalled EUR 58.0 (6.3) million including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 27.5 (29.3) 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 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 Finnlines Group's EUR 100 million capex programme. The actual installations of scrubbers started in late 2014 and all of these installations have been completed. 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 has substantially improved the vessels' relative propulsion efficiency and, as a result, reduced 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 the third quarter in 2015. The Board is considering additional environmental investments.

PERSONNEL

The Group employed an average of 1,595 (1,731) persons during the period, consisting of 701 (800) persons on shore and 894 (931) persons at sea. The average number of shore personnel decreased mostly due to employee reductions in Port Operations. The number of sea personnel decreased due to employee reductions concerning MS Finnhansa and MS Finnsailor. The number of persons employed at the end of the period were 1,669 (1,823) in total, of which 720 (789) on shore and 949 (1,034) at sea. The personnel expenses (including social costs) for the reporting period were EUR -42.7 (-47.2) million.

THE FINNLINES SHARE

The Company's registered share capital on 30 June 2015 was EUR 103,006,282 divided into 51,503,141 shares. A total of 0.4 (3.6) 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 849.8 (527.4) million, an increase of 61.1 per cent. Earnings per share (EPS) were EUR 0.32 (0.29). Shareholders' equity per share was EUR 10.10 (9.27). At the end of the reporting period, the Grimaldi Group's holding and share of votes in Finnlines was 80.61 per cent.

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 appealed to the Helsinki Court of Appeal. The case is pending.

The Company's port operation subsidiaries have received summons from 18 former employees. All employees claim compensation based on groundless termination of their employment contracts and compensation according to Non-Discrimination Act. The total amount of the claims is EUR 2.2 million. The subsidiaries consider the basis of the claims groundless. The processes are under way.

Finnlines Plc's port operation subsidiary has initiated legal action against the Port of Helsinki. The action has been initiated due to non-respect of the obligations from the part of the Port of Helsinki under the operative agreement in force between the parties concerning the rights of the subsidiary to use the operative area in the port of Vuosaari.

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

Finnlines has been awarded EU funding for environmental upgrading and sustaining the competitiveness for three of its major liner services. These time scheduled liner services are part of the European Motorways of the Sea programme and form an essential part of the necessary infrastructure connecting Finland to the rest of Europe. Together with partners consisting of ports and port operators from Finland, Germany, Belgium and Spain, investments of about EUR 60 million will be done to overcome the challenges brought by the new sulphur directive and thus avoiding unwanted modal backshift of cargo from sea to land on these three lines. As part of the Connecting Europe Facility (CEF), the EU has awarded funding of EUR 17.9 million jointly for Finnlines and the aforementioned affiliates for these investments.

OUTLOOK AND OPERATING ENVIRONMENT

Finnlines continues its EUR 100 million Environmental Technology Investment Programme during the latter part of the year and it is expected to be concluded in spring 2016. The Company has sold vessels to avoid overcapacity and replaced them with vessels which give more flexibility in fleet optimisation and reduce operational costs. Also fuel costs and fuel consumption will be reduced further. Due to lower capex the cash flow will improve further and therefore the interest bearing debt will decrease. Finnlines Group's result before taxes is expected to be better in 2015 compared to the same period in the previous year.

The third interim report of 2015 for the period of 1 January-30 September will be published on Thursday, 12 November 2015.

Finnlines Plc
The Board of Directors

Emanuele Grimaldi
President and CEO

ENCLOSURES

- Reporting and accounting policies
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DISTRIBUTION

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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	4-6 2015	4-6 2014	1-6 2015	1-6 2014	1-12 2014
Revenue	**135,210**	143,337	**252,039**	270,140	532,889
Other income from operations	**427**	551	**715**	2,169	6,776
Materials and services	**-43,099**	-50,332	**-85,998**	-98,761	-191,445
Personnel expenses	**-21,779**	-22,575	**-42,731**	-47,218	-88,418
Depreciation, amortisation and impairment losses	**-13,706**	-14,571	**-27,543**	-29,305	-56,843
Other operating expenses	**-36,994**	-36,587	**-72,528**	-71,767	-144,396
Total operating expenses	**-115,578**	-124,065	**-228,800**	-247,051	-481,102
Result before interest and taxes (EBIT)	**20,059**	**19,823**	**23,954**	**25,258**	**58,563**
Financial income	**115**	140	**469**	196	483
Financial expenses	**-4,906**	-5,835	**-9,514**	-11,683	-22,412
Result before taxes (EBT)	**15,268**	**14,127**	**14,909**	**13,771**	**36,634**
Income taxes	**513**	581	**1,504**	1,265	5,079
Result for the reporting period	**15,781**	**14,708**	**16,413**	**15,036**	**41,713**
Other comprehensive income:					
Other comprehensive income to be reclassified to profit and loss in subsequent periods:					
Exchange differences on translating foreign operations	**9**	16	**48**	19	69
Tax effect, net		-2		-2	
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	**9**	15	**48**	16	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	**15,790**	**14,723**	**16,461**	**15,264**	**41,291**
Result for the reporting period attributable to:					
Parent company shareholders	**15,785**	14,706	**16,440**	15,061	41,726
Non-controlling interests	**-4**	3	**-27**	-25	-13
	15,781	**14,708**	**16,413**	**15,036**	**41,713**
Total comprehensive income for the reporting period attributable to:					
Parent company shareholders	**15,794**	14,721	**16,488**	15,289	41,304
Non-controlling interests	**-4**	3	**-27**	-25	-13
	15,790	**14,723**	**16,461**	**15,264**	**41,291**
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share):					
Undiluted / diluted earnings per share	**0.31**	0.29	**0.32**	0.29	0.81
Average number of shares:					
Undiluted / diluted	**51,503,141**	51,503,141	**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	30 Jun 2015	30 Jun 2014	31 Dec 2014
ASSETS			
Non-current assets			
Property, plant and equipment	**1,019,115**	1,044,864	983,183
Goodwill	**105,644**	105,644	105,644
Intangible assets	**5,190**	5,719	5,500
Other financial assets	**4,576**	4,580	4,576
Receivables	**838**	1,018	838
Deferred tax assets	**5,903**	1,601	5,353
	1,141,265	**1,163,426**	**1,105,092**
Current assets			
Inventories	**7,566**	8,268	5,926
Accounts receivable and other receivables	**106,085**	100,784	76,480
Income tax receivables	**1**	123	1
Cash and cash equivalents	**2,162**	1,771	2,680
	115,814	**110,946**	**85,086**
Non current assets held for sale	**15,121**	15,408	20,297
Total assets	**1,272,199**	**1,289,780**	**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	**225**	125	178
Fund for invested unrestricted equity	**40,016**	40,016	40,016
Retained earnings	**352,316**	309,914	335,876
	520,089	**477,587**	**503,601**
Non-controlling interests	**279**	293	306
Total equity	**520,368**	**477,880**	**503,907**
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	**55,123**	56,272	56,102
Other long-term liabilities	**138**	2,783	163
Pension liabilities	**4,699**	3,969	4,705
Provisions	**1,820**	1,913	1,844
Loans from financial institutions	**438,304**	497,942	420,722
	500,084	**562,879**	**483,536**
Current liabilities			
Accounts payable and other liabilities	**81,002**	85,589	71,565
Current tax liabilities	**5**	18	72
Provisions	**211**	103	81
Loans from financial institutions	**162,614**	154,620	142,967
	243,832	**240,330**	**214,685**
Total liabilities	**743,916**	**803,209**	**698,220**
Liabilities related to long-term assets held for sale	**7,916**	8,691	8,348
Total equity and liabilities	**1,272,199**	**1,289,780**	**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					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 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					16,440	16,440	-27	16,413
Exchange differences on translating foreign operations			48			48		48
Tax effect, net								
Total comprehensive income for the reporting period			**48**		**16,440**	**16,488**	**-27**	**16,461**
Dividend								
Equity 30 June 2015	**103,006**	**24,525**	**225**	**40,016**	**352,316**	**520,089**	**279**	**520,368**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1-6 2015	1-6 2014	1-12 2014
Cash flows from operating activities			
Result for the reporting period	16,413	15,036	41,713
Adjustments:			
Non-cash transactions	27,412	28,288	51,987
Unrealised foreign exchange gains (-) / losses (+)	-8	-47	-28
Financial income and expenses	9,053	11,534	21,957
Taxes	-1,504	-1,265	-5,079
Changes in working capital:			
Change in accounts receivable and other receivables	-29,623	-19,778	4,855
Change in inventories	-1,641	565	2,906
Change in accounts payable and other liabilities	17,054	10,235	-9,435
Change in provisions	-80	-81	-207
Interest paid	-5,037	-7,193	-18,742
Interest received	296	69	141
Taxes paid *	-1	-3,788	-3,990
Other financing items	-1,906	-1,927	-3,970
Net cash generated from operating activities	**30,427**	**31,647**	**82,108**
Cash flow from investing activities			
Investments in tangible and intangible assets	-64,374	-6,190	-29,575
Proceeds from sale of tangible assets	95	6,100	69,590
Proceeds from sale of investments			1
Dividends received	12	13	13
Net cash used in investing activities	**-64,267**	**-76**	**40,029**
Cash flows from financing activities			
Loan withdrawals	185,000	31,708	169,604
Net increase in current interest-bearing liabilities (+) / net decrease (-)	23,872	10,653	7,953
Repayment of loans	-175,644	-74,032	-298,974
Loans granted		-900	-900
Increase (-) / decrease (+) in long-term receivables	90	305	395
Dividends paid		-42	-42
Net cash used in financing activities	**33,318**	**-32,308**	**-121,964**
Change in cash and cash equivalents	**-521**	**-738**	**173**
Cash and cash equivalents 1 January	2,680	2,508	2,508
Effect of foreign exchange rate changes	3	0	-1
Cash and cash equivalents at the end of period	**2,162**	**1,771**	**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

	4-6 2015		4-6 2014		1-6 2015		1-6 2014		1-12 2014	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%	MEUR	%
Revenue										
Shipping and sea transport services	130.2	96.3	139.1	97.0	243.0	96.4	261.9	96.9	517.4	97.1
Port operations	9.7	7.1	10.2	7.1	18.0	7.2	20.2	7.5	36.9	6.9
Intra-group revenue	-4.6	-3.4	-5.9	-4.1	-9.0	-3.6	-12.0	-4.4	-21.3	-4.0
External sales	**135.2**	**100.0**	**143.3**	**100.0**	**252.0**	**100.0**	**270.1**	**100.0**	**532.9**	**100.0**
Result before interest and taxes										
Shipping and sea transport services	20.2		20.4		25.2		27.7		61.6	
Port operations	-0.1		-0.6		-1.2		-2.4		-3.1	
Result before interest and taxes (EBIT) total	**20.1**		**19.8**		**24.0**		**25.3**		**58.6**	
Financial items	-4.8		-5.7		-9.0		-11.5		-21.9	
Result before taxes (EBT)	**15.3**		**14.1**		**14.9**		**13.7**		**36.6**	
Income taxes	0.5		0.6		1.5		1.3		5.1	
Result for the reporting period	**15.8**		**14.7**		**16.4**		**15.0**		**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				51		51
Increases			42,237	172	15,354	57,763
Disposals			-215	-158		-373
Reclassifications			20,578	9	-20,586	0
Reclassification to non-current assets held for sale		-4,369		-22,395		-26,763
Acquisition cost 30 June 2015	**72**	**68,404**	**1,350,581**	**43,953**	**20,696**	**1,483,706**
Accumulated depreciation, amortisation and write-offs 1 January 2015		-17,341	-389,749	-42,459		-449,549
Exchange rate differences				-47		-47
Cumulative depreciation on reclassifications and disposals			215	158		373
Depreciation for the reporting period		-1,101	-25,346	-564		-27,011
Accumulated depreciation, amortisation and write-offs 30 June 2015		-18,442	-414,879	-42,912		-476,234
Reclassification to non-current assets held for sale		1,132		10,510		11,642
Book value 30 June 2015	**72**	**51,094**	**935,702**	**11,551**	**20,696**	**1,109,115**

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 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			3,093	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
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		-16,558	-399,788	-44,969		-461,315
Reclassification to non-current assets held for sale *		1,132		16,613		17,745
Book value 30 June 2014	**72**	**53,414**	**975,920**	**12,272**	**3,186**	**1,044,864**

* In 2014, Finnlines Group’s Port Operations were 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.

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	30 Jun 2015	30 Jun 2014	31 Dec 2014
Minimum leases payable in relation to fixed-term leases:			
Vessel leases (Group as lessee):			
Within 12 months	**5,366**	12,339	11,409
1-5 years	**0**	5,366	
	5,366	**17,705**	**11,409**
Vessel leases (Group as lessor)*:			
Within 12 months	**2,105**	2,152	0
1-5 years	**7,899**	6,390	0
	10,004	**8,541**	**0**
Other leases (Group as lessee):			
Within 12 months	**6,409**	6,328	6,366
1-5 years	**15,250**	18,040	17,128
After five years	**9,244**	10,958	9,274
	30,903	**35,327**	**32,768**
Other leases (Group as lessor):			
Within 12 months	**261**	307	250
1-5 years	**17**	0	
	278	**307**	**250**
Collateral given			
Loans from financial institutions	**484,384**	530,730	477,054
Vessel mortgages provided as guarantees for the above loans	**973,000**	1,035,000	1,035,000
Other collateral given on own behalf			
Cash deposit	**850**	0	
Corporate mortgages	**0**	606	0
	850	**606**	**0**
Other obligations **	**28,903**	23,599	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	**4,674**	5,993	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.

REVENUE AND RESULT BY QUARTER

MEUR	Q1/15	Q1/14	Q2/15	Q2/14
Shipping and sea transport services	112.9	122.8	130.2	139.1
Port operations	8.3	10.0	9.7	10.2
Intra-group revenue	-4.4	-6.0	-4.6	-5.9
External sales	**116.8**	**126.8**	**135.2**	**143.3**
Result before interest and taxes				
Shipping and sea transport services	5.0	7.3	20.2	20.4
Port operations	-1.1	-1.8	-0.1	-0.6
Result before interest and taxes (EBIT) total	**3.9**	**5.4**	**20.1**	**19.8**
Financial items	-4.3	-5.8	-4.8	-5.7
Result before taxes (EBT)	**-0.4**	**-0.4**	**15.3**	**14.1**
Income taxes	1.0	0.7	0.5	0.6
Result for the reporting period	**0.6**	**0.3**	**15.8**	**14.7**
EPS (undiluted / diluted)*	0.01	0.01	0.31	0.29

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

SHARES, MARKET CAPITALISATION AND TRADING INFORMATION

	30 Jun 2015	30 Jun 2014
Number of shares	**51,503,141**	51,503,141
Market capitalisation, EUR million	**849.8**	527.4

	1-6 2015	1-6 2014
Number of shares traded, million	**0.4**	3.6

	1-6 2015			
	High	Low	Average	Close
Share price	17.49	14.90	15.99	16.50

EVENTS AFTER THE REPORTING PERIOD

Finnlines has been awarded EU funding for environmental upgrading and sustaining the competitiveness for three of its major liner services. These time scheduled liner services are part of the European Motorways of the Sea programme and form an essential part of the necessary infrastructure connecting Finland to the rest of Europe. Together with partners consisting of ports and port operators from Finland, Germany, Belgium and Spain, investments of about EUR 60 million will be done to overcome the challenges brought by the new sulphur directive and thus avoiding unwanted modal backshift of cargo from sea to land on these three lines. As part of the Connecting Europe Facility (CEF), the EU has awarded funding of EUR 17.9 million jointly for Finnlines and the aforementioned affiliates for these investments.

CALCULATION OF RATIOS

Earnings per share (EPS), EUR	=	$\dfrac{\text{Result attributable to parent company shareholders}}{\text{Weighted average number of outstanding shares}}$	
Shareholders’ equity per share, EUR	=	$\dfrac{\text{Shareholders' equity attributable to parent company shareholders}}{\text{Undiluted number of shares at the end of period}}$	
Gearing, %	=	$\dfrac{\text{Interest-bearing liabilities - cash and bank equivalents}}{\text{Total equity}}$	x 100
Equity ratio, %	=	$\dfrac{\text{Total equity}}{\text{Assets total - received advances}}$	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. The business transactions were carried out using market-based pricing.