Interim report
January–March 2016
11 May 2016

FINNLINES Q1

JANUARY-MARCH 2016: Result for the reporting period improved to EUR 8.3 million from EUR 0.6 million

- Revenue EUR 105.2 (EUR 116.8 prev. year) million, decrease 10.0 per cent, mainly due to the reduction in cargo-related bunker surcharge
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 25.3 (17.7) million, increase 42.8 per cent
- Result for the reporting period EUR 8.3 (0.6) million, increase 1,216.3 per cent
- Earnings per share were 0.16 (0.01) EUR
- Interest-bearing debt decreased EUR 57.6 million and was EUR 536.0 (593.5) million at the end of the period

KEY FIGURES

MEUR	**1-3 2016**	1-3 2015	1-12 2015
Revenue	**105.2**	116.8	511.2
Result before interest, taxes, depreciation and amortisation (EBITDA)	**25.3**	**17.7**	**126.9**
Result before interest and taxes (EBIT)	**11.4**	3.9	70.3
% of revenue	**10.8**	3.3	13.7
Result for the reporting period	**8.3**	**0.6**	**56.8**
EPS, EUR	**0.16**	0.01	1.10
Shareholders' equity/share, EUR	**11.05**	9.79	10.89
Equity ratio, %	**45.9**	40.2	45.7
Interest-bearing debt, MEUR	**536.0**	593.5	533.7
Gearing, %	**96.9**	121.0	97.1

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

"Finnlines' improved first quarter result was according to expectations.

The result of the first quarter 2016 was EUR 8.3 (0.6) million, which was according to our expectations. The comparable first quarter in 2015 was burdened with several vessels being docked for scrubber installations. This year we have been operating with 21 vessels and therefore this first quarter with uninterrupted service to our customers brought improved results. We have also been able to use the less expensive HFO instead of MDO on vessels equipped with scrubbers. Although it does not contribute directly to our profitability since we pass this benefit to our clients through the bunker clause mechanism, it enabled us to offer low prices to our customers and through that we can have higher capacity utilisation of our vessels. We also received two vessels, MS Finncarrier and MS Finnmaster, in January, and new scrubbers were installed into both vessels. These vessels now operate in our UK service. We are continuing our EUR 100 million Environmental Technology Investment Programme according to plan with three ro-pax vessel re-bladings and scrubber installations. These were started in March. We are very proud that by the end of March 2016 we have successfully completed scrubber installations on 17 out of 22 ro-ro and ro-pax vessels. With these sulphur cleaning systems we can offer our clients more environmentally friendly and more sustainable services. The Company's interest-bearing debt decreased by EUR 57.6 million and stood at EUR 536 million. Our solidity is stronger than ever, with equity ratio at 45.9 (40.2) per cent. In 2016, we will install scrubbers, in total, in five vessels. Apart from scrubbers, we are also investing in propulsion systems and reblading, and in "silicon paint" hull projects for better fuel economy and, as stated above, for the environment. Although we had a record breaking result in 2015, we continue to strive for improved efficiency and for even better results in 2016."

FINNLINES PLC, INTERIM REPORT JANUARY-MARCH 2016 (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 21 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 98.17 per cent (on 31 March 2016) 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-March, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) increased by 5 per cent and exports increased by 1 per cent compared to the same period in 2015. During the same period private and commercial passenger traffic between Finland and Sweden increased by 5 per cent. Between Finland and Germany the corresponding traffic remained at the same level as in 2015 (Finnish Transport Agency).

FINNLINES' TRAFFIC

During the first quarter, Finnlines operated on average 21 (23) vessels in its own traffic.

In the beginning of 2016 the frequency of the Polish service increased and the new port of call in Finland is Hanko. The charter agreement of MS Misida expired and the vessel was redelivered on 4 January 2016 in Tilbury. In January 2016, Finnlines acquired two ro-ro vessels in accordance with the purchase agreement signed earlier. The vessels were put into Finnlines' liner services in February 2016.

As from January 2016 Finnlines made a major improvement on its weekly liner services between West Finland and Germany, and offers two direct sailings from Turku to Travemünde and back. The line is operated by Finnlines' newest ro-ro vessels with a capacity of 3,260 lane metres.

The cargo volumes transported during January-March totalled approximately 153 (150 in 2015) thousand cargo units, 31 (33) thousand cars (not including passengers' cars) and 369 (480) thousand tons of freight not possible to measure in units. In addition, some 113 (103) thousand private and commercial passengers were transported.

FINANCIAL RESULTS

January-March 2016

The Finnlines Group recorded revenue totalling EUR 105.2 (116.8) million, a decrease of 10.0 per cent compared to the same period in 2015. Shipping and Sea Transport Services generated revenue amounting to EUR 100.4 (112.9) million and Port Operations EUR 9.3 (8.3) million. The internal revenue between the segments was EUR 4.4 (4.4) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 25.3 (17.7) million, an increase of 42.8 per cent.

Result before interest and taxes (EBIT) was EUR 11.4 (3.9) million. During the first quarter of the previous year, the installations of sulphur scrubbers and propulsion systems and chartering of substituting tonnage caused additional costs influencing the result negatively. During the first quarter of this year, however, most of the vessels were operating using less expensive fuel oil which had a positive impact on the result.

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 -3.9 (-4.3) million. Financial income was EUR 0.0 (0.3) million and financial expenses totalled EUR -4.0 (-4.6) million. The result for the reporting period improved considerably and was EUR 8.3 (0.6) million and earnings per share (EPS) were EUR 0.16 (0.01).

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH-FLOW

Interest-bearing debt decreased by EUR 57.6 million and amounted to EUR 536.0 (593.5) million excluding leasing liabilities EUR 17.5 (19.2) million. The equity ratio calculated from the balance sheet improved to 45.9 (40.2) per cent and gearing dropped to 96.9 (121.0) per cent. Due to the expired charter agreements and redelivery of the remaining chartered tonnage vessel lease commitments decreased by EUR 8.0 million to EUR 0.0 million compared to the end of March 2015.

At the end of the period, cash and deposits together with unused committed credit lines amounted to EUR 78.0 (54.9) million.

Net cash generated from operating activities before investing activities increased and was EUR 20.3 (4.9) million.

CAPITAL EXPENDITURE

Finnlines Group's gross capital expenditure in the reporting period totalled EUR 28.2 (39.3) million including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 13.9 (13.8) million. The investments consist of the final payments related to the purchase and delivery of MS Finncarrier and MS Finnmaster, normal replacement expenditure of fixed assets, scrubber projects and dry-dockings of ships.

In 2015, Finnlines launched the second phase of the environmental investment programme which covered scrubber orders for its remaining ro-ro vessels and a further three of its ro-pax vessels. Moreover, additional energy efficiency investment was initiated by extending the propulsion upgrading programme.

The second phase of the EUR 100 million Environmental Technology Investment Programme is halfway now with the last two ro-ro vessel scrubber systems installed and commissioned in the beginning of March 2016 and the first out of the three ro-pax vessel re-bladings and scrubber installations initiated in March 2016.

By the end of March 2016, 17 out of 22 ro-ro and ro-pax vessels fully owned and operated by Finnlines are equipped with scrubbers. These cleaning systems enable the vessels to operate cost-efficiently in compliance with the new stricter environmental regulations for the fuel sulphur limit that came into force as from 1 January 2015.

PERSONNEL

The Group employed an average of 1,621 (1,595) persons during the period, consisting of 927 (901) persons at sea and 694 (694) persons on shore. The number of persons employed at the end of the period was 1,622 (1,567) in total, of which 933 (861) at sea and 689 (706) on shore. The number of sea personnel increased due to the acquisition of new vessels, MS Finnmaster and MS Finncarrier, which joined the Group's fleet in the beginning of 2016. The personnel expenses (including social costs) for the reporting period were EUR 22.4 (21.0) million.

THE FINNLINES SHARE

The Company's registered share capital on 31 March 2016 was EUR 103,006,282 divided into 51,503,141 shares. A total of 2.7 (0.3) million shares were traded on the Nasdaq Helsinki Ltd during the period. The market capitalisation of the Company's stock at the end of March was EUR 907.0 (825.1) million. Earnings per share (EPS) were EUR 0.16 (0.01). Shareholders' equity per share was EUR 11.05 (9.79). At the end of the reporting period, the Grimaldi Group's holding and share of votes in Finnlines was 98.17 per cent.

On 3 February 2016, the Grimaldi Group notified Finnlines of its redemption rights on the remaining Finnlines shares, for which it offers EUR 17.80 per share in the redemption proceedings. To implement the redemption of the shares the Grimaldi Group has initiated arbitration proceedings in accordance with the provisions of the Finnish Companies Act.

DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING

Finnlines Plc's Annual General Meeting was held in Helsinki on 12 April 2016. 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 2015. It was decided to accept the proposal of the Board of Directors that no dividend be paid for 2015.

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 2016. 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 14 April 2015.

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 through scrapping of aging vessels, on the one hand, and the more stringent Sulphur Directive requirements, 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 January 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 in 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 2015 Financial statements, published on 25 February 2016, 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 case is pending at the Helsinki Court of Appeal.

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

Finnlines will complete its EUR 100 million Environmental Technology Investment Programme in 2016. There are some early positive signs in gradual recovery in Finnish economy. Due to improved efficiency and with a more suitable fleet with regard to the current operative environment, Finnlines Group's result before taxes is expected to improve in 2016 compared to the previous year.

The second interim report of 2016 for the period of 1 January-30 June will be published on Thursday, 28 July 2016.

Finnlines Plc
The Board of Directors

Emanuele Grimaldi
President and CEO

ENCLOSURES

- Reporting and accounting policies
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DISTRIBUTION

Nasdaq Helsinki Ltd
Main media
www.finnlines.com

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 2015 Financial Statements with effect of 1 January 2016. They did not have an 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 2015.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR 1,000	1-3 2016	1-3 2015	1-12 2015
Revenue	**105,176**	116,829	511,167
Other income from operations	**825**	288	1,810
Materials and services	**-26,932**	-42,899	-161,264
Personnel expenses	**-22,396**	-20,952	-84,186
Depreciation, amortisation and impairment losses	**-13,936**	-13,837	-56,590
Other operating expenses	**-31,362**	-35,534	-140,654
Total operating expenses	**-94,626**	-113,222	-442,694
Result before interest and taxes (EBIT)	**11,374**	**3,894**	**70,284**
Financial income	**26**	354	934
Financial expenses	**-3,962**	-4,608	-18,064
Result before taxes (EBT)	**7,438**	**-360**	**53,153**
Income taxes	**875**	991	3,675
Result for the reporting period	**8,313**	**632**	**56,829**
Other comprehensive income:			
Other comprehensive income to be reclassified to profit and loss in subsequent periods:			
Exchange differences on translating foreign operations	**-33**	38	32
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	**-33**	38	32
Other comprehensive income not being reclassified to profit and loss in subsequent periods:			
Remeasurement of defined benefit plans			632
Tax effect, net			-36
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total			596
Total comprehensive income for the reporting period	**8,280**	**670**	**57,457**
Result for the reporting period attributable to:			
Parent company shareholders	**8,330**	655	56,841
Non-controlling interests	**-17**	-23	-12
	8,313	**632**	**56,829**
Total comprehensive income for the reporting period attributable to:			
Parent company shareholders	**8,297**	693	57,469
Non-controlling interests	**-17**	-23	-12
	8,280	**670**	**57,457**
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share):			
Undiluted / diluted earnings per share	**0.16**	0.01	1.10
Average number of shares:			
Undiluted / diluted	**51,503,141**	51,503,141	51,503,141

Most of the items recognised in the Consolidated Statement of Comprehensive Income fall under the tonnage tax scheme.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS

EUR 1,000	31 Mar 2016	31 Mar 2015	31 Dec 2015
ASSETS			
Non-current assets			
Property, plant and equipment	**1,011,825**	1,014,013	997,619
Goodwill	**105,644**	105,644	105,644
Intangible assets	**3,776**	5,307	3,758
Other financial assets	**4,581**	4,576	4,576
Receivables	**1,449**	838	1,258
Deferred tax assets	**6,050**	5,703	5,792
	1,133,325	**1,136,080**	**1,118,645**
Current assets			
Inventories	**4,374**	7,102	4,333
Accounts receivable and other receivables	**91,345**	99,662	86,019
Income tax receivables	**536**	1	539
Cash and cash equivalents	**1,778**	2,185	6,468
	98,034	**108,950**	**97,359**
Non-current assets held for sale	**15,121**	15,121	15,121
Total assets	**1,246,480**	**1,260,151**	**1,231,125**
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	**171**	216	209
Fund for invested unrestricted equity	**40,016**	40,016	40,016
Retained earnings	**401,649**	336,530	393,313
	569,367	**504,294**	**561,070**
Non-controlling interests	**170**	283	294
Total equity	**569,537**	**504,577**	**561,363**
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	**52,012**	55,517	52,712
Other long-term liabilities	**100**	150	113
Pension liabilities	**3,923**	4,701	3,919
Provisions	**1,810**	1,844	1,810
Loans from financial institutions	**377,889**	468,512	367,445
	435,735	**530,724**	**425,999**
Current liabilities			
Accounts payable and other liabilities	**65,324**	80,361	59,191
Current tax liabilities	**12**	26	14
Provisions	**295**	267	345
Loans from financial institutions	**168,327**	136,061	176,736
	233,957	**216,715**	**236,287**
Total liabilities	**669,692**	**747,440**	**662,286**
Liabilities related to long-term assets held for sale	**7,251**	8,134	7,476
Total equity and liabilities	**1,246,480**	**1,260,151**	**1,231,125**

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**
Dividend distribution								
Equity 31 March 2015	**103,006**	**24,525**	**216**	**40,016**	**336,530**	**504,294**	**283**	**504,577**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2016, 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 2016	**103,006**	**24,525**	**209**	**40,016**	**393,313**	**561,070**	**294**	**561,363**
Comprehensive income for the reporting period:								
Result for the reporting period					8,330	8,330	-17	8,313
Exchange differences on translating foreign operations			-39		6	-33		-33
Remeasurement of defined benefit plans								
Tax effect, net								
Total comprehensive income for the reporting period			**-39**		**8,335**	**8,297**	**-17**	**8,280**
Dividend distribution							-106	-106
Equity 31 March 2016	**103,006**	**24,525**	**171**	**40,016**	**401,649**	**569,367**	**170**	**569,537**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1-3 2016	1-3 2015	1-12 2015
Cash flows from operating activities			
Result for the reporting period	8,313	632	56,829
Adjustments:			
Non-cash transactions	13,834	13,760	56,192
Unrealised foreign exchange gains (-) / losses (+)	0	-7	-3
Financial income and expenses	3,936	4,261	17,133
Taxes	-875	-991	-3,675
Changes in working capital			
Change in accounts receivable and other receivables	-7,140	-23,115	-2,009
Change in inventories	-41	-1,176	1,592
Change in accounts payable and other liabilities	5,564	14,764	-2,515
Change in provisions	4	-8	-238
Interest paid	-2,617	-2,846	-14,240
Interest received	179	244	442
Taxes paid	-136	111	-81
Other financing items	-675	-712	-3,632
Net cash generated from operating activities	**20,347**	**4,917**	**105,794**
Cash flow from investing activities			
Investments in tangible and intangible assets *	-26,770	-42,576	-78,897
Proceeds from sale of tangible assets	89	64	799
Purchase of investments	-5		0
Dividends received			12
Net cash used in investing activities	**-26,686**	**-42,512**	**-78,085**
Cash flows from financing activities			
Loan withdrawals	73,000	90,000	282,000
Net increase in current interest-bearing liabilities (+) / net decrease (-)	4,581	-10,385	32,447
Repayment of loans	-75,931	-42,564	-338,550
Increase (-) / decrease (+) in long-term receivables		45	180
Net cash used in financing activities	**1,650**	**37,096**	**-23,922**
Change in cash and cash equivalents	**-4,689**	**-500**	**3,787**
Cash and cash equivalents 1 January	6,468	2,680	2,680
Effect of foreign exchange rate changes	-1	5	1
Cash and cash equivalents at the end of period	**1,778**	**2,185**	**6,468**

* Investments include environmental aid granted by the European Union, of which the Group has received EUR 5.8 million during the reporting period 2015.

REVENUE AND RESULT BY BUSINESS SEGMENTS

	1-3 2016		1-3 2015		1-12 2015	
	MEUR	%	MEUR	%	MEUR	%
Revenue						
Shipping and sea transport services	100.4	95.4	112.9	96.6	492.9	96.4
Port operations	9.3	8.8	8.3	7.2	35.9	7.0
Intra-group revenue	-4.4	-4.2	-4.4	-3.8	-17.6	-3.4
External sales	**105.2**	**100.0**	**116.8**	**100.0**	**511.2**	**100.0**
Result before interest and taxes						
Shipping and sea transport services	12.1		5.0		72.2	
Port operations	-0.8		-1.1		-1.9	
Result before interest and taxes (EBIT) total	**11.4**		**3.9**		**70.3**	
Financial items	-3.9		-4.3		-17.1	
Result before taxes (EBT)	**7.4**		**-0.4**		**53.2**	
Income taxes	0.9		1.0		3.7	
Result for the reporting period	**8.3**		**0.6**		**56.8**	

PROPERTY, PLANT AND EQUIPMENT 2016

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under constr. *	Total
Acquisition cost 1 January 2016	72	72,773	1,352,785	65,430	23,459	1,514,518
Exchange rate differences				-42		-42
Increases			21,540	20	6,469	28,029
Disposals			-169	-91		-260
Reclassifications			6,798		-6,798	0
Reclassifications to non-current assets held for sale **		-4,369		-22,395		-26,763
Acquisition cost 31 March 2016	**72**	**68,404**	**1,380,953**	**42,923**	**23,130**	**1,515,482**
Accumulated depreciation, amortisation and write-offs 1 January 2016		-19,544	-439,791	-42,444		-501,779
Exchange rate differences				38		38
Cumulative depreciation on reclassifications and disposals			169	91		260
Depreciation for the reporting period		-550	-12,995	-274		-13,819
Accumulated depreciation, amortisation and write-offs 31 March 2016		-20,093	-452,617	-42,589		-515,299
Reclassification to non-current assets held for sale **		1,132		10,510		11,642
Book value 31 March 2016	**72**	**49,443**	**928,337**	**10,844**	**23,130**	**1,011,825**

Assets classified as held for sale 1 Jan 2016						
Acquisition cost						
Transfer to non-current assets held for sale		4,369		22,395		26,763
Accumulated depreciation						
Transfer to non-current assets held for sale		-1,132		-10,510		-11,642
Carrying value 31 March 2016		**3,237**		**11,885**		**15,121**

* Includes mainly advance payments for the scrubber systems.

** Finnlines is negotiating a sale of port operations' assets with carrying value of EUR 15.1 million. No impairment losses were recognised on the carrying values of these assets in 2015 or 2016, as according to management's estimate, the fair value of the assets classified as held for sale was higher than the carrying value at the balance sheet date 31 March 2015 and 31 March 2016.

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**

Assets classified as held for sale 1 Jan 2015						
Acquisition cost						
Transfer to non-current assets held for sale		4,369	21,675	22,395		48,439
Reclassification between items			-21,675			-21,675
Accumulated depreciation						
Transfer to non-current assets held for sale		-1,132	-16,499	-10,510		-28,141
Reclassification between items			16,499			16,499
Carrying value 31 March 2015		**3,237**	**0**	**11,885**		**15,121**

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 had been ceased during the reporting period. A part of the Port Operations' assets, book value of 15.1 million euros, were continued to be classified as assets held for sale.

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).

Level 3 includes unlisted shares amounting to EUR 4.6 million (4.6 in 2014), which are valued at the lower of acquisition cost or probable value, as their fair value cannot be reliably measured.

CONTINGENCIES AND COMMITMENTS

EUR 1,000	31 Mar 2016	31 Mar 2015	31 Dec 2015
Minimum leases payable in relation to fixed-term leases:			
Vessel leases (Group as lessee):			
Within 12 months	**0**	8,020	58
	0	**8,020**	**58**
Vessel leases (Group as lessor):			
Within 12 months	**2,099**	2,105	2,105
1-5 years	**6,324**	8,422	6,841
	8,423	**10,527**	**8,946**
Other leases (Group as lessee):			
Within 12 months	**5,566**	6,475	6,015
1-5 years	**13,123**	16,276	13,788
After five years	**7,397**	8,993	7,795
	26,086	**31,743**	**27,598**
Other leases (Group as lessor):			
Within 12 months	**0**	211	0
	0	**211**	**0**
Collateral given			
Loans from financial institutions	**394,432**	512,892	402,941
Vessel mortgages provided as guarantees for the above loans	**973,000**	**1,035,000**	**973,000**
Other collateral given on own behalf			
Cash deposit	**0**	850	
Corporate mortgages			1,700
	0	**850**	**1,700**
Other obligations *	**5,475**	**36,247**	**36,143**
VAT adjustment liability related to real estate investments	**3,702**	**4,998**	**4,026**

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

SHARES, MARKET CAPITALISATION AND TRADING INFORMATION

	31 March 2016	31 March 2015
Number of shares	**51,503,141**	51,503,141
Market capitalisation, EUR million	**907.0**	825.1

	1-3 2016	1-3 2015
Number of shares traded, million	**2.7**	0.3

	1-3 2016			
	High	Low	Average	Close
Share price	18.68	17.15	17.97	17.61

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.