

Finnlines Plc Stock Exchange Release 8 November 2011

## INTERIM REPORT JANUARY – SEPTEMBER 2011 (unaudited)

### SUMMARY

July – September 2011

- Revenue EUR 161.2 million (EUR 147.5 million prev. year), increase 9.3%
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 29.0 million (EUR 24.6 million), increase 17.5%.
- Earnings per share were 0.08 (0.04) EUR/share

January – September 2011

- Revenue EUR 460.4 million (EUR 421.8 million prev. year), increase 9.1%
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 70.2 million (EUR 69.9 million), increase 0.3%. 2010 figure includes non-recurring refund income of EUR 5.7 million. The comparable EBITDA in 2010 was EUR 64.2, an improvement of 9.3%.
- Earnings per share were 0.01 (0.12) EUR/share. Comparable earnings per share in 2010 were EUR -0.01, excluding non-recurring items

### JANUARY – SEPTEMBER 2011 IN BRIEF

MEUR	7-9 2011	7-9 2010**)	1-9 2011	1-9 2010*)	1-12 2010*)
Revenue	161.2	147.5	460.4	421.8	561.1
EBITDA	29.0	24.6	70.2	69.9	85.9
Result before interest and taxes (EBIT)	12.9	9.3	22.7	25.2	25.6
% of revenue	8.0	6.3	4.9	6.0	4.6
Result before taxes (EBT)	6.1	3.2	2.7	8.6	3.7
EPS, EUR	0.08	0.04	0.01	0.12	0.05
EPS, EUR (comparable excl. non-recurring items, without tax effect)	0.08	0.04	0.01	-0.01	-0.08
Equity ratio, %	28.8	28.9	28.8	28.9	29.1
Gearing, %	204.6	203.4	204.6	203.4	198.8
Shareholders' equity/share, EUR	9.18	9.20	9.18	9.20	9.14

Calculation of key ratios is presented under 'Calculation of ratios'.

\*) including non-recurring items EUR 5.7 million (refund of overcharged fairway and harbour dues)

\*\*\*) third quarter of 2010 does not include non-recurring items

### GENERAL MARKET DEVELOPMENT

During the year, the recovery of market volumes continued. Based on the statistics by the Finnish Transport Agency, the Finnish seaborne imports carried in container, lorry and trailer units increased by 7% and exports by 13% during January-September 2011 compared to the previous year (measured in tons). The Finnish export and import volumes 2010 and 2011 are not comparable as such as the first quarter of 2010 was affected by the stevedoring strike in March. According to the statistics published by Shippax, trailer and lorry volumes transported by sea between Southern Sweden and Germany in January-September were on the same level as in 2010. During the same period private and commercial passenger traffic between Finland and Sweden decreased by 2%. Between Finland and Germany the corresponding decrease was 10%. In the second quarter of 2010 the volcanic ash cloud caused airspace limitations, which then abnormally increased the amounts of private passengers.

### FINNLINES TRAFFIC

During the first quarter of the year traffic was influenced by a number of external disturbances. Unexpected stevedoring strikes and very hard ice conditions in the Baltic Sea caused several temporary schedule changes, reroutings and stoppages. The oil prices remained on a high level during the whole reporting period.

In April and May two of the six ro-ro newbuildings (MS Finnbreeze and MS Finnsea) entered the traffic. During the third quarter of the year Finnlines operated on average 26 vessels in its own traffic compared to 23 vessels in the same period in 2010.

The cargo volumes transported during January-September totalled approximately 483,000 (470,000 in 2010) units, 51,000 (39,000) cars (not including passengers' cars) and 1,685,000 (1,491,000) tons of freight not possible to measure in units. In addition, some 513,000 (522,000) private and commercial passengers were transported.

## FINANCIAL RESULTS

### July – September 2011

The Finnlines Group recorded revenue totalling EUR 161.2 million (147.5), an increase of 9.3% compared to the same period in 2010. Shipping and Sea Transport Services generated revenue amounting to EUR 151.7 million (135.9) and Port Operations EUR 15.7 million (17.7). The internal revenue between the segments was EUR 6.2 million (6.1).

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 29.0 million (24.6), an increase of 17.5%. Vessel lease expenses decreased by EUR 0.7 million compared to the same period of the previous year.

Result before interest and taxes (EBIT) was EUR 12.9 million (9.3). Financial income was EUR 0.1 million (0.3) and financial expenses totalled EUR -6.9 million (-6.4). Result before taxes (EBT) was EUR 6.1 million (3.2) and earnings per share (EPS) were EUR 0.08 (0.04).

### January – September 2011

The Finnlines Group recorded revenue totalling EUR 460.4 million (421.8), an increase of 9.1% compared to the same period in 2010. Shipping and Sea Transport Services generated revenue amounting to EUR 427.0 million (385.7) and Port Operations EUR 52.3 million (53.9). The internal revenue between the segments was EUR 19.0 million (17.8).

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 70.2 million (69.9, comparable EUR 64.2 million, excluding non-recurring items of EUR 5.7 million), comparable increase 9.3%. Vessel lease expenses have decreased by EUR 4.9 million compared to the same period of the previous year.

Result before interest and taxes (EBIT) was EUR 22.7 million (25.2). The comparable EBIT for January – September 2010 was EUR 19.5 million, excluding non-recurring items of EUR 5.7 million. Financial income was EUR 0.4 million (3.2) and financial expenses totalled EUR -20.4 million (-19.8). Result before taxes (EBT) was EUR 2.7 million (8.6, comparable EBT EUR 2.9 million). Earnings per share (EPS) were EUR 0.01 (EUR 0.12, comparable EPS were EUR -0.01, excluding non-recurring items).

## STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH-FLOW

Interest-bearing net debt increased by EUR 3.0 million compared to the same period in 2010 and amounted to EUR 881.2 million (878.2). The equity ratio calculated from the balance sheet was 28.8% (28.9) and gearing was 204.6% (203.4). Vessel lease commitments have decreased by EUR 29.5 million from the end of September 2010 and were EUR 21.8 million at the end of the reporting period.

At the end of the period, cash and deposits together with unused committed working capital credits and the undrawn part of committed credits for newbuildings amounted to EUR 89.5 million. The company has a commercial paper programme amounting to EUR 100 million of which the company has issued EUR 21.7 million at the end of September.

## CAPITAL EXPENDITURE

Gross capital expenditure in the reporting period totalled EUR 56.3 million (78.8), and consists mainly of payments for newbuildings, EUR 50.3 million. Total depreciation amounted to EUR 47.5 million (44.8). Two of the six newbuildings

(MS Finnbreeze and MS Finnsea) were delivered from the shipyard in China during March 2011. The vessels were taken into use in Finnlines' service during April and May. The next two vessels (no. 3 and 4) are planned to be delivered during the fourth quarter of 2011 and the last of the newbuildings (no. 5 and 6) during the second half of 2012. In June Finnlines sold its terminal building in Pansio, Turku. The transaction had no major effect to the financial result of the reporting period.

## **PERSONNEL**

The Group employed an average of 2,097 (2,104) persons during the period, consisting of 1,092 (1,144) persons on shore and 1,005 (960) persons at sea.

The increase in the average number of sea personnel is mainly due to the newbuildings taken into use.

The decrease of number of personnel onshore is the result of measures taken during the first quarter in port operations companies. Due to notice periods the number of onshore personnel will decrease further during the last quarter.

## **DECISIONS TAKEN BY THE ANNUAL GENERAL MEETING**

The Annual General Meeting of Finnlines Plc held on 19 April 2011 approved the Financial Statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial year 2010.

The Annual General Meeting approved the Board of Directors proposal not to pay any dividend.

The Annual General Meeting decided that the Board of Directors shall have six members. The current Board Members were re-elected to the Board: Mr Emanuele Grimaldi, Mr Gianluca Grimaldi, Mr Diego Pacella, Mr Antti Pankakoski, Mr Olav Rakkenes and Mr Jon-Aksel Torgersen. The Board of Directors elected Mr Emanuele Grimaldi as Chairman and Mr Diego Pacella as Vice-Chairman.

The firm of authorised public accountants Deloitte & Touche Oy was appointed as the Company's auditors for 2011.

The Annual General Meeting authorised the Board of Directors to resolve on the issuance of new shares in one or several tranches so that the total number of shares issued based on the authorization is 20 000 000 at maximum. The authorization is valid until the next Annual General Meeting. The authorization replaces the Annual General Meeting's authorization to decide on a share issue of 14 April 2010.

## **RISKS**

The risk of overcapacity in terms of ro-ro tonnage plays, whilst the market was recovering constantly since 2009 and the scrapping of ro-ro and ro-pax tonnage exceeds the newbuilding capacity, a less important role compared to the general shipping overcapacity of the world tonnage. During autumn 2011 there has been increasing uncertainty in the global economy.

Finnlines constantly monitors the stability and the payment habits of its customers and currently there are no significant risks related to this.

Finnlines holds adequate credit lines to maintain liquidity in the current business environment.

The 2010 Financial statements contains a thorough description of Finnlines' risks and risk management, and there are no essential changes to that report.

## **ESSENTIAL CHANGES IN LEGAL PROCEEDINGS**

The 2010 Financial statements contains a thorough description of legal proceedings and the following is a description of the changes compared to what was reported in the financial statements:

Taxation of internal vessel sales carried out in 2007 by Finnlines Swedish subsidiary Rederi AB Nordö-Link ("Nordö-Link") included uncertainties. Regardless of the appeals by Nordö-Link the decision of the tax authorities that a SEK of 97.2 million (EUR 9.5 million) tax debt including interests should be paid became definite. Nordö-Link paid in March 2011 SEK 101.4 million (EUR 11.3 million), of which interest amounted to SEK 4.2 million (EUR 0.5 million). As a

deferred tax liability of EUR 10.4 million had been recorded on a Group level due to the temporary timing difference already in 2007, the net effect on the Group's income taxes in the second quarter was only EUR -0.4 million. The result impact including the interest charge was in total EUR 0.9 million negative.

In the three legal actions raised by the Finnish Transport Workers' Union ("Union") against the Finnlines' port operations subsidiary for compensation of weekend work the case raised in the District Court of Kotka resulted in a judgement by default in favour of the port operations subsidiary. The Union applied for an action of recovery of the case, application of which the Court of Kotka has now accepted. The claim of the Union is now EUR 18 thousand. The process is under way. In the case raised at the District Court of Turku the parties reached a settlement. The Union paid the main part of port operation subsidiary's legal fees. The case raised in the District Court of Helsinki is under process. The Company considers the basis of the actions under process groundless. The total amount of all claims could now be estimated to be below EUR 0.4 million.

Sub-chartering of MS Birka Transporter and MS Birka Exporter to Benfleet Shipping Limited, Cyprus (succeeding through a merger Scandinavian Shipping Invest A/S ("SSI") caused the Company a loss of time charter hires and expenses in total EUR 0.3 million, as SSI terminated the charters in summer 2009. Since the parties could not reach an agreement, the Company started arbitration proceedings against SSI for payment of the outstanding time charter hires and expenses. The Company received SSI's counter claim in the amount of EUR 1.2 million. The charters are subject to Finnish law and the place of arbitration is Helsinki. The sole arbitrator has now rendered his decision under both charters in favour of the Company and dismissed the counter claim of SSI. The sole Arbitrator ordered SSI to pay to the Company compensation for unlawful termination of the charters, for unpaid charter hires and legal fees in accordance with the demands of the Company. The Company is now proceeding for the enforcements of both decisions of the sole arbitrator. The procedure is under way.

Sponda Kiinteistöt Oy ("Sponda") has summoned the Company to the City Court of Helsinki. The dispute concerns the termination of the lease contracts signed between the parties on 2005. The Company has validly given notice of termination on some of the spaces covered by the lease agreements. The Company considers Sponda claim groundless.

In December 2010 an oil leakage from tank no 1 occurred on board MS Finnkraft in the port of Ust-Luga while bunkering heavy fuel oil. The total amount leaked to the sea was about 0.23 m3. The Company immediately started its own investigations. The Finnish authorities have now initiated investigations which are still pending. The Company is working in co-operation with the authorities in order to clarify the matter. The vessel or the Company has not received any notice or information on any environmental damage. Possible damages will be covered by the vessel's P&I Insurance.

Finnlines' German subsidiary has been taken to the City Court of Lübeck in December 2009 by its former Managing Director regarding the termination of his Service Agreement. The City Court of Lübeck has rendered the decision in favour of the Company. The former Managing Director has appealed on the decision. The process is under way.

The subsidiaries of Finnlines port operations have received two separate summons from two former employees. Both employees claim compensation based on the unfounded termination of the employment. The total amount of the two claims is EUR 0.25 million. The companies consider the basis of the claims groundless. The processes are under way.

## **CHANGES IN GROUP STRUCTURE**

The Group established two new subsidiaries in Luxembourg for the ownership of the newbuildings.

## **EVENTS AFTER THE REPORTING PERIOD**

There are no essential events after the reporting period to report.

## **OUTLOOK FOR THE REMAINING PART OF 2011**

The tough competition in the ports where the company operates has negatively influenced the price levels of port services. The Finnlines port operation companies have been compelled to adjust the number of personnel to the market requirements, from which considerable savings are expected. However, a substantial part of these savings will only be realised in 2012 due to notice periods.

During 2011, the Company will take the delivery of major part of its newbuildings and will have a modern optimized fleet to meet future demands. During the last two years the Company has been reshaped and optimized both with respect to efficiency and cost. Based on the estimated market development, the Board of Directors expects that the comparable result in 2011 will improve from the previous year, despite of the challenges in 2011.

The Group Financial Statement bulletin for 1 January – 31 December will be published on Thursday, 1 March 2012.

Finnlines Plc  
The Board of Directors

Uwe Bakosch  
President/CEO

#### ENCLOSURES

- Consolidated statement of comprehensive income, IFRS
- Consolidated statement of financial position, IFRS
- Consolidated statement of changes in equity, IFRS
- Consolidated statement of cash flows, IFRS (condensed)
- Revenue and result by business segments
- Property, plant and equipment
- Contingencies and commitments
- Revenue and result by quarter
- Shares, market capitalisation and trading information
- Calculation of ratios

#### DISTRIBUTION

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Main media

This interim report is unaudited.

## FINNLINES' BUSINESS

Finnlines is one of the largest North-European liner shipping companies, providing sea transport services mainly in the Baltic and the North Sea. In addition to freight, the Company's ro-pax vessels carry passengers between five countries and eight ports. The Company also provides port services in Helsinki, Turku and Kotka. The company has subsidiaries or sales offices in Germany, Belgium, the UK, Sweden, Denmark, Luxembourg and Poland and a representative office in Russia. Finnlines is a Finnish listed company and part of the Italian Grimaldi Group.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR 1,000	1 Jul – 30 Sep 2011	1 Jul – 30 Sep 2010	1 Jan – 30 Sep 2011	1 Jan – 30 Sep 2010	1 Jan - 31 Dec 2010
Revenue	161,157	147,479	460,384	421,833	561,108
Other income from operations	386	250	1,489	3,245	4,287
Materials and services	-64,442	-53,618	-184,421	-149,480	-202,964
Personnel expenses	-25,069	-26,689	-81,484	-80,729	-110,635
Depreciation, amortisation and write-offs	-16,051	-15,351	-47,493	-44,771	-60,322
Other operating expenses	-43,060	-42,774	-125,808	-124,939	-165,850
Total operating expenses	-148,622	-138,431	-439,206	-399,920	-539,770
<b>Result before interest and taxes (EBIT)</b>	<b>12,922</b>	<b>9,298</b>	<b>22,667</b>	<b>25,157</b>	<b>25,625</b>
Financial income	112	278	448	3,238	3,793
Financial expenses	-6,904	-6,396	-20,391	-19,831	-25,734
<b>Result before taxes</b>	<b>6,129</b>	<b>3,180</b>	<b>2,724</b>	<b>8,564</b>	<b>3,683</b>
Income taxes	-2,145	-1,358	-2,103	-3,201	-1,450
<b>Result for the reporting period</b>	<b>3,984</b>	<b>1,822</b>	<b>621</b>	<b>5,363</b>	<b>2,234</b>
Other comprehensive income:					
Exchange differences on translating foreign operations	-5	-8	-5	-58	-7
Changes in cash flow hedging reserve					
Fair value changes	937	-2,359	-401	1,114	1,418
Transfer to fixed assets			2,004		
Tax effect, net	-244	613	-417	-290	-369
<b>Total comprehensive income for the reporting period</b>	<b>4,673</b>	<b>69</b>	<b>1,803</b>	<b>6,129</b>	<b>3,276</b>
Result for the reporting period attributable to:					
Parent company shareholders	3,941	1,784	611	5,401	2,243
Non-controlling interests	43	38	10	-38	-9
	<b>3,984</b>	<b>1,822</b>	<b>621</b>	<b>5,363</b>	<b>2,234</b>
Total comprehensive income for the reporting period attributable to:					
Parent company shareholders	4,629	31	1,793	6,167	3,285
Non-controlling interests	43	38	10	-38	-9
	<b>4,673</b>	<b>69</b>	<b>1,803</b>	<b>6,129</b>	<b>3,276</b>
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share):					
Undiluted earnings per share	0.08	0.04	0.01	0.12	0.05
Diluted earnings per share	0.08	0.04	0.01	0.12	0.05
Average number of shares:					
Undiluted	46,821,037	46,821,037	46,821,037	46,821,037	46,821,037
Diluted	46,821,037	46,821,037	46,821,037	46,821,037	46,821,037

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS**

EUR 1,000	30 Sep 2011	30 Sep 2010	31 Dec 2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,272,027	1,275,604	1,263,626
Goodwill	105,644	105,644	105,644
Intangible assets	8,519	9,820	9,736
Investment properties		1,183	0
Share of associated companies		0	0
Other financial assets	4,562	4,777	4,562
Receivables	1,215	697	1,820
Deferred tax assets	3,837	2,636	4,225
	<b>1,395,804</b>	<b>1,400,360</b>	<b>1,389,613</b>
<b>Current assets</b>			
Inventories	9,272	6,004	6,567
Accounts receivable and other receivables	89,946	85,566	69,900
Income tax receivables	82	22	82
Bank and cash	3,838	3,889	6,452
	<b>103,137</b>	<b>95,482</b>	<b>83,001</b>
<b>Total assets</b>	<b>1,498,941</b>	<b>1,495,842</b>	<b>1,472,614</b>
<b>EQUITY</b>			
<b>Equity attributable to parent company shareholders</b>			
Share capital	93,642	93,642	93,642
Share premium account	24,525	24,525	24,525
Fair value reserve	-2,587	-3,998	-3,773
Translation differences	112	66	117
Unrestricted equity reserve	21,015	21,015	21,015
Retained earnings	293,145	295,692	292,534
	<b>429,853</b>	<b>430,942</b>	<b>428,060</b>
Non-controlling interests	877	838	867
<b>Total equity</b>	<b>430,729</b>	<b>431,780</b>	<b>428,927</b>
<b>LIABILITIES</b>			
<b>Long-term liabilities</b>			
Deferred tax liabilities	80,342	89,865	89,459
Interest-free liabilities	8	12	12
Pension liabilities	2,273	2,333	2,310
Provisions	4,562	4,312	4,562
Interest-bearing liabilities	672,291	718,140	701,606
	<b>759,477</b>	<b>814,663</b>	<b>797,951</b>
<b>Current liabilities</b>			
Accounts payable and other liabilities	95,934	84,457	88,130
Income tax liabilities	17	763	104
Provisions	30	205	30
Current interest-bearing liabilities	212,753	163,974	157,473
	<b>308,734</b>	<b>249,399</b>	<b>245,736</b>
<b>Total liabilities</b>	<b>1,068,212</b>	<b>1,064,062</b>	<b>1,043,687</b>
<b>Total equity and liabilities</b>	<b>1,498,941</b>	<b>1,495,842</b>	<b>1,472,614</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2010, IFRS**

EUR 1,000	Equity attributable to parent company shareholders				
	Share capital	Share issue premium	Translation differences	Fair value reserves	Unrestricted equity reserve
<b>Equity 1 January 2010</b>	<b>93,642</b>	<b>24,525</b>	<b>124</b>	<b>-4,822</b>	<b>21,015</b>
<b>Comprehensive income for the reporting period:</b>					
Exchange differences on translating foreign operations			-58		
Changes in cash flow hedging reserve					
Fair value changes				1,114	
Tax effect, net				-290	
<b>Total comprehensive income for the reporting period</b>			<b>-58</b>	<b>824</b>	
<b>Equity 30 September 2010</b>	<b>93,642</b>	<b>24,525</b>	<b>66</b>	<b>-3,998</b>	<b>21,015</b>

EUR 1,000	Equity attributable to parent company shareholders		Non-controlling interests	Total equity
	Retained earnings	Total		
<b>Equity 1 January 2010</b>	<b>290,291</b>	<b>424,775</b>	<b>876</b>	<b>425,651</b>
<b>Comprehensive income for the reporting period:</b>				
Result for the reporting period	5,401	5,401	-38	5,363
Exchange differences on translating foreign operations		-58		-58
Changes in cash flow hedging reserve				
Fair value changes		1,114		1,114
Tax effect, net		-290		-290
<b>Total comprehensive income for the reporting period</b>	<b>5,401</b>	<b>6,167</b>	<b>-38</b>	<b>6,129</b>
<b>Equity 30 September 2010</b>	<b>295,692</b>	<b>430,942</b>	<b>838</b>	<b>431,780</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2011, IFRS

EUR 1,000	Equity attributable to parent company shareholders				
	Share capital	Share issue premium	Translation differences	Fair value reserves	Unrestricted equity reserve
<b>Equity 1 January 2011</b>	<b>93,642</b>	<b>24,525</b>	<b>117</b>	<b>-3,773</b>	<b>21,015</b>
<b>Comprehensive income for the reporting period:</b>					
Exchange differences on translating foreign operations			-5		
Changes in cash flow hedging reserve					
Fair value changes				-401	
Transfer to fixed assets				2,004	
Tax effect, net				-417	
<b>Total comprehensive income for the reporting period</b>			<b>-5</b>	<b>1,186</b>	
<b>Equity 30 September 2011</b>	<b>93,642</b>	<b>24,525</b>	<b>112</b>	<b>-2,587</b>	<b>21,015</b>

EUR 1,000	Equity attributable to parent company shareholders		Non-controlling interests	Total equity
	Retained earnings	Total		
<b>Equity 1 January 2011</b>	<b>292,534</b>	<b>428,060</b>	<b>867</b>	<b>428,927</b>
<b>Comprehensive income for the reporting period:</b>				
Result for the reporting period	611	611	10	621
Exchange differences on translating foreign operations		-5		-5
Changes in cash flow hedging reserve				
Fair value changes		-401		-401
Transfer to fixed assets		2,004		2,004
Tax effect, net		-417		-417
<b>Total comprehensive income for the reporting period</b>	<b>611</b>	<b>1,793</b>	<b>10</b>	<b>1,803</b>
<b>Equity 30 September 2011</b>	<b>293,145</b>	<b>429,853</b>	<b>877</b>	<b>430,729</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS, IFRS (CONDENSED)**

EUR 1,000	1 Jan-30 Sep 2011	1 Jan-30 Sep 2010	1 Jan-31 Dec 2010
<b>Cash flows from operating activities</b>			
Result for reporting period	621	5,363	2,234
Non-cash transactions and other adjustments	68,952	63,932	82,484
Changes in working capital	-12,119	-2,913	10,187
Net financial items and income taxes	-33,881	-24,603	-27,118
<b>Net cash generated from operating activities</b>	<b>23,574</b>	<b>41,779</b>	<b>67,787</b>
<b>Cash flow from investing activities</b>			
Net investments in tangible and intangible assets	-54,568	-78,652	-81,839
Disposal of subsidiaries			1,650
Proceeds from sale of investments		1,675	159
Other investing activities	2,240	919	2,621
<b>Net cash used in investing activities</b>	<b>-52,327</b>	<b>-76,058</b>	<b>-77,409</b>
<b>Cash flows from financing activities</b>			
Loan withdrawals	37,420	44,120	44,120
Net increase in current interest-bearing liabilities	41,945	47,178	33,744
Repayment of loans	-53,846	-59,870	-69,379
Increase / decrease in long-term receivables	628	632	1,482
<b>Net cash from (used in) financing activities</b>	<b>26,147</b>	<b>32,060</b>	<b>9,967</b>
<b>Change in cash and cash equivalents</b>	<b>-2,607</b>	<b>-2,219</b>	<b>344</b>
Cash and cash equivalents 1 January	6,452	6,103	6,103
Effect of foreign exchange rate changes	-8	5	5
<b>Cash and cash equivalents at the end of period</b>	<b>3,838</b>	<b>3,889</b>	<b>6,452</b>

**REVENUE AND RESULT BY BUSINESS SEGMENTS**

	1 Jul-30 Sep 2011		1 Jul-30 Sep 2010		1 Jan-30 Sep 2011		1 Jan-30 Sep 2010		1 Jan-31 Dec 2010	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%	MEUR	%
<b>Revenue</b>										
Shipping and sea transport services	151.7	94.1	135.9	92.2	427.0	92.8	385.7	91.4	513.7	91.5
Port operations	15.7	9.7	17.7	12.0	52.3	11.4	53.9	12.8	72.3	12.9
Intra-group revenue	-6.2	-3.9	-6.1	-4.2	-19.0	-4.1	-17.8	-4.2	-24.9	-4.4
<b>External sales</b>	<b>161.2</b>	<b>100.0</b>	<b>147.5</b>	<b>100.0</b>	<b>460.4</b>	<b>100.0</b>	<b>421.8</b>	<b>100.0</b>	<b>561.1</b>	<b>100.0</b>
<b>Result before interest and taxes (EBIT)</b>										
Shipping and sea transport services	15.2		12.3		29.9		34.7		39.3	
Port operations	-2.3		-3.0		-7.3		-9.5		-13.7	
<b>Result before interest and taxes (EBIT) total</b>	<b>12.9</b>		<b>9.3</b>		<b>22.7</b>		<b>25.2</b>		<b>25.6</b>	
Financial items	-6.8		-6.1		-19.9		-16.6		-21.9	
<b>Result before taxes (EBT)</b>	<b>6.1</b>		<b>3.2</b>		<b>2.7</b>		<b>8.6</b>		<b>3.7</b>	
Income taxes	-2.1		-1.4		-2.1		-3.2		-1.4	
<b>Result for reporting period</b>	<b>4.0</b>		<b>1.8</b>		<b>0.6</b>		<b>5.4</b>		<b>2.2</b>	

**PROPERTY, PLANT AND EQUIPMENT 2010**

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under constr.	Total
Acquisition cost 1 January 2010	35	78,943	1,254,854	103,524	133,545	1,570,900
Exchange rate differences				21		21
Increases			35,376	62	43,029	78,467
Disposals		-1,394	-291	-1,968		-3,654
Reclassifications			10,355		-10,355	0
<b>Acquisition cost 30 September 2010</b>	<b>35</b>	<b>77,549</b>	<b>1,300,294</b>	<b>101,638</b>	<b>166,219</b>	<b>1,645,735</b>
Accumulated depreciation, amortisation and write-offs 1 January 2010		-7,676	-271,610	-51,557		-330,843
Exchange rate differences				-19		-19
Cumulative depreciation on reclassifications and disposals		1,394	291	1,946		3,631
Depreciation for the reporting period		-2,132	-36,070	-4,698		-42,901
Accumulated depreciation, amortisation and write-offs 30 September 2010		-8,414	-307,389	-54,328		-370,131
<b>Book value 30 September 2010</b>	<b>35</b>	<b>69,135</b>	<b>992,905</b>	<b>47,310</b>	<b>166,219</b>	<b>1,275,604</b>

**PROPERTY, PLANT AND EQUIPMENT 2011**

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under constr.	Total
Acquisition cost 1 January 2011	72	78,923	1,302,037	100,460	167,050	1,648,543
Exchange rate differences				-8		-8
Increases		5	5,159	127	50,504	55,795
Disposals		-2,175	-93	-932		-3,200
Reclassifications			94,212		-94,212	0
<b>Acquisition cost 30 September 2011</b>	<b>72</b>	<b>76,754</b>	<b>1,401,315</b>	<b>99,647</b>	<b>123,342</b>	<b>1,701,131</b>
Accumulated depreciation, amortisation and write-offs 1 January 2011		-10,510	-319,792	-54,615		-384,917
Exchange rate differences				7		7
Cumulative depreciation on reclassifications and disposals		532	93	932		1,557
Depreciation for the reporting period		-2,294	-39,181	-4,275		-45,751
Accumulated depreciation, amortisation and write-offs 30 September 2011		-12,272	-358,881	-57,951		-429,104
<b>Book value 30 September 2011</b>	<b>72</b>	<b>64,482</b>	<b>1,042,435</b>	<b>41,696</b>	<b>123,342</b>	<b>1,272,027</b>

## CONTINGENCIES AND COMMITMENTS

EUR 1,000	30 Sep 2011	30 Sep 2010	31 Dec 2010
Minimum leases payable in relation to fixed-term leases:			
<b>Vessel leases (Group as lessee):</b>			
Within 12 months	18,060	29,544	28,410
1-5 years	3,716	21,776	14,785
	<b>21,776</b>	<b>51,320</b>	<b>43,195</b>
<b>Vessel leases (Group as lessor):</b>			
Within 12 months	1,680	3,049	1,147
	<b>1,680</b>	<b>3,049</b>	<b>1,147</b>
<b>Other leases (Group as lessee):</b>			
Within 12 months	6,725	6,989	6,658
1-5 years	18,090	20,446	18,596
After five years	13,883	16,649	15,904
	<b>38,698</b>	<b>44,084</b>	<b>41,158</b>
<b>Other leases (Group as lessor):</b>			
Within 12 months	347	361	237
	<b>347</b>	<b>361</b>	<b>237</b>
<b>Collateral given</b>			
Loans from financial institutions	<b>722,795</b>	<b>738,410</b>	<b>727,419</b>
<b>Vessel mortgages provided as guarantees for the above loans</b>			
	<b>1,189,500</b>	<b>1,173,500</b>	<b>1,173,500</b>
<b>Other collateral given on own behalf</b>			
Pledged deposits	473	471	472
Corporate mortgages	606	606	606
	<b>1,079</b>	<b>1,077</b>	<b>1,078</b>
<b>Other obligations</b>			
	<b>59,772</b>	<b>103,161</b>	<b>103,819</b>
<b>Obligations of parent company on behalf of subsidiaries</b>			
Guarantees	6,913	6,913	6,913
	<b>6,913</b>	<b>6,913</b>	<b>6,913</b>
<b>VAT adjustment liability related to real estate investments</b>			
	<b>10,163</b>	<b>11,458</b>	<b>11,134</b>

### Open derivative instruments:

1000 EUR	30 Sep 2011	Fair value		Contract amount		
		30 Sep 2010	31 Dec 2010	30 Sep 2011	30 Sep 2010	31 Dec 2010
Currency derivatives	198	507	657	14,515	21,542	22,003

## REVENUE AND RESULT BY QUARTER

MEUR	Q1/11	Q1/10*)	Q2/11	Q2/10*)	Q3/11	Q3/10
Shipping and sea transport services	126.5	110.9	148.9	138.9	151.7	135.9
Port operations	18.7	14.8	18.0	21.5	15.7	17.7
Intra-group revenue	-6.1	-4.2	-6.6	-7.5	-6.2	-6.1
<b>External sales</b>	<b>139.0</b>	<b>121.5</b>	<b>160.2</b>	<b>152.8</b>	<b>161.2</b>	<b>147.5</b>
<b>Result before interest and taxes (EBIT)</b>						
Shipping and sea transport services	2.9	5.9	11.8	16.5	15.2	12.3
Port operations	-3.0	-4.5	-1.9	-2.1	-2.3	-3.0
<b>Result before interest and taxes (EBIT) total</b>	<b>-0.1</b>	<b>1.4</b>	<b>9.9</b>	<b>14.4</b>	<b>12.9</b>	<b>9.3</b>
Financial items	-6.0	-5.3	-7.1	-5.2	-6.8	-6.1
<b>Result before taxes (EBT)</b>	<b>-6.1</b>	<b>-3.8</b>	<b>2.7</b>	<b>9.2</b>	<b>6.1</b>	<b>3.2</b>
Income taxes	1.5	0.6	-1.5	-2.4	-2.1	-1.4
<b>Result for the reporting period</b>	<b>-4.6</b>	<b>-3.3</b>	<b>1.2</b>	<b>6.8</b>	<b>4.0</b>	<b>1.8</b>
EPS (undiluted)	-0.10	-0.07	0.03	0.15	0.08	0.04
EPS (diluted)	-0.10	-0.07	0.03	0.15	0.08	0.04
EPS (comparable, excl non-recurring items, without tax effect)	-0.10	-0.13	0.03	0.09	0.08	0.04

\*) including non-recurring items

## SHARES, MARKET CAPITALISATION AND TRADING INFORMATION

	30 September 2011	30 September 2010		
<b>Number of shares</b>	46,821,037	46,821,037		
<b>Market capitalisation, EUR million</b>	360.5	387.7		
	1 Jan – 30 Sep 2011	1 Jan – 30 Sep 2010		
<b>Number of shares traded, million</b>	1.3	2.2		
	1 Jan – 30 Sep 2011			
	High	Low	Average	Close
<b>Share price</b>	8.15	7.00	7.81	7.70

## CALCULATION OF RATIOS

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

Taxes corresponding to the result for the reporting period are presented as income taxes in the interim report.

## RELATED PARTY TRANSACTIONS

During the third quarter Finnlines Group has chartered out one ro-pax vessel to the Grimaldi Group. Charter hire contract is not exceeding one year's time and is done at current market price level.

Otherwise there were no material related party transactions during the reporting period. The business transactions were carried out using market-based pricing.

## REPORTING AND ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard. The Company has adopted new or revised IFRS standards and IFRIC interpretations from beginning of the reporting period corresponding to those described in the 2010 Financial Statements. These new or revised standards have not had an effect on the reported figures. In other respects, the same accounting policies have been followed as in the previous annual financial statements. Key indicator calculations remain unchanged and are presented in the 2010 Financial Statements. All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions 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.