Financial review
January–June 2017
27 July 2017

FINNLINES Q2

JANUARY–JUNE 2017: Result improved by 16 per cent over the previous year

- Revenue EUR 259.3 (230.7 in 2016) million, increase 12.4 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 69.8 (64.7) million, increase 7.9 per cent
- Result for the reporting period EUR 35.4 (30.5) million, increase 16.0 per cent
- Interest-bearing debt decreased by EUR 46.6 million and was EUR 455.9 (502.4) million at the end of the period

APRIL–JUNE 2017: Again a record second quarter result

- Revenue EUR 138.4 (125.6) million, increase 10.2 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 41.8 (39.4) million, increase 6.2 per cent
- Result for the reporting period EUR 24.2 (22.2) million, increase 9.2 per cent
- Earnings per share were 0.47 (0.43) EUR

KEY FIGURES

MEUR	1–6 2017	1–6 2016	4–6 2017	4–6 2016	1–12 2016
Revenue	**259.3**	230.7	**138.4**	125.6	473.7
Result before interest, taxes, depreciation and amortisation (EBITDA)	**69.8**	**64.7**	**41.8**	**39.4**	**139.1**
Result before interest and taxes (EBIT)	**41.1**	36.7	**27.4**	25.3	81.5
% of revenue	**15.8**	15.9	**19.8**	20.1	17.2
Result for the reporting period	**35.4**	**30.5**	**24.2**	**22.2**	**68.1**
Shareholders' equity/share, EUR	**12.10**	11.49	**12.10**	11.49	11.42
Equity ratio, %	**51.6**	48.0	**51.6**	48.0	48.9
Interest bearing debt, MEUR	**455.9**	502.4	**455.9**	502.4	491.1
Gearing, %	**73.2**	87.5	**73.2**	87.5	83.8

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

"The very strong first quarter of 2017 was followed by an equally strong second quarter. The January–June 2017 result for the period improved by approximately 16 per cent, and was EUR 35.4 (30.5) million, representing the best first half year result in Finnlines' history. The second quarter result amounted to EUR 24.2 (22.2) million, which is the best second quarter ever. Finland's export and import volumes are growing steadily month after month which is a welcomed sign of a long-expected economic recovery.

Finnlines has invested heavily during the past decade to become more and more environmentally friendly and a more sustainable shipping company. We have successfully completed our EUR 100 million Environmental Technology Investment Programme, implementing technology designed to reduce ship emissions and fuel consumption. Our new capex programme, the Energy Efficiency and Emission Reduction Investment Programme, is a well-designed programme towards sustainable shipping. This investment programme, in which we will lengthen our Breeze series ro-ro vessels, further improves our safe, reliable and environmentally sustainable fleet by providing us with increased capacity and even more cargo flexibility. In addition, the 30 per cent capacity increase per vessel will considerably reduce the energy consumption per transported unit. In addition to vessel improvements, Finnlines has invested in port operations, for example by improving IT software and hardware structure, renewing port equipment, simplifying company structure, and expanding activities with new traffics.

Finnlines' 70th anniversary year falls in the same year that Finland is celebrating the centenary of its independence. Finnlines is an iconic brand across the Baltic, and its history and that of its home nation are intimately intertwined. To ensure that Finnlines, as a pillar of the Finnish economy and its coastal trades, can serve its customers even better and meet their growing demand for top quality cargo service, we continue to invest. After a EUR 1 billion capex programme, EUR 100 million investment in environmental technology and, now, the EUR 70 million Energy Efficiency and Emission Reduction Investment Programme, Finland's flagship is stronger today than ever before. We are convinced that our investments, both completed and ongoing, will drive a continued strengthening of our competitiveness and that this positive growth will also continue during the second half of the year."

FINNLINES PLC, FINANCIAL REVIEW JANUARY–JUNE 2017 (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 public limited company, which operates under Finnish jurisdiction and legislation. 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 120 vessels, the Group provides maritime transport services for rolling cargo and containers between Northern Europe, the Mediterranean, the Baltic Sea, West Africa, North and South America. It also offers passenger services within the Mediterranean and the Baltic Sea. On 25 August 2016, Grimaldi Group gained title to all the shares in Finnlines Plc and the shares were thus delisted.

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 (measured in tons) increased by 3 per cent and exports increased by 8 per cent compared to the same period in 2016. During the same period, private and commercial passenger traffic between Finland and Sweden remained at the same level as last year. Between Finland and Germany, the corresponding traffic increased by 7 per cent (Finnish Transport Agency).

FINNLINES' TRAFFIC

As from April 2017, HansaLink's Star Class vessels started to operate on daily basis between Helsinki and Travemünde.

MS Finneagle was chartered out to the Grimaldi Group in June.

During the second quarter, Finnlines operated on average 20 (21) vessels in its own traffic.

The cargo volumes transported during January–June totalled approximately 348 (321 in 2016) thousand cargo units, 65 (58) thousand cars (not including passengers' cars) and 636 (776) thousand tons of freight not possible to measure in units. In addition, some 285 (280) thousand private and commercial passengers were transported.

FINANCIAL RESULTS

January–June 2017

The Finnlines Group recorded revenue totalling EUR 259.3 (230.7) million, an increase of 12.4 per cent compared to the same period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 249.5 (220.6) million and Port Operations EUR 20.9 (19.4) million. The Shipping and Sea Transport Services segment's revenue continued to develop positively due to higher cargo volumes especially in Finland–Germany trade. Also, higher bunker surcharge has increased the turnover since rising fuel prices has grown the costs. In Port Operations, the revenue grew due to increased external and internal cargo handling activities. The internal revenue between the segments was EUR -11.1 (-9.3) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 69.8 (64.7) million, an increase of 7.9 per cent.

Result before interest and taxes (EBIT) was EUR 41.1 (36.7) million.

As a result of the improved financial position, net financial expenses decreased and were EUR -6.1 (-7.5) million. Financial income was EUR 0.1 (0.2) million and financial expenses EUR -6.2 (-7.7) million. Result before taxes (EBT) improved by EUR 5.8 million and was EUR 35.0 (29.2) million. The result for the reporting period was EUR 35.4 (30.5) million.

April–June 2017

The Finnlines Group recorded revenue totalling EUR 138.4 (125.6) million. Cargo volumes improved during the second quarter increasing the revenue. Also, cargo-related bunker surcharge has been higher since respective fuel costs have increased. Shipping and Sea Transport Services generated revenue amounting to EUR 133.4 (120.3) million and Port Operations EUR 10.8 (10.2) million. The internal revenue between the segments was EUR -5.9 (-4.9) 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 41.8 (39.4) million, an increase of 6.2 per cent.

Result before interest and taxes (EBIT) was EUR 27.4 (25.3) million.

Net financial expenses were EUR -3.0 (-3.6) million. Financial income was EUR 0.1 (0.2) million and financial expenses totalled EUR -3.1 (-3.7) million. Result before taxes (EBT) improved by EUR 2.7 million and was EUR 24.4 (21.7) million. The result for April–June was EUR 24.2 (22.2) million which is the best second quarter result ever.

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH-FLOW

Even though the Company has implemented the Environmental Technology Investment Programme, interest-bearing debt decreased by EUR 46.6 million and amounted to EUR 455.9 (502.4) million excluding leasing liabilities of EUR 2.9 (17.1) million. The equity ratio calculated from the balance sheet improved to 51.6 (48.0) per cent and gearing dropped to 73.2 (87.5) per cent. Due to the expired charter agreements, there were no vessel lease commitments in the end of June 2017 nor in 2016.

The Group's liquidity position is strong and at the end of the period, cash and cash equivalents together with unused committed credit facilities amounted to EUR 143.6 (155.5) million.

Net cash generated from operating activities was EUR 51.4 (61.8) million.

CAPITAL EXPENDITURE

The Finnlines Group's gross capital expenditure in the reporting period totalled EUR 16.5 (34.3) million, including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 28.7 (28.0) million. The investments consist of normal replacement expenditure of fixed assets, scrubber and reblading projects, lengthening of ro-ro vessels and dry-dockings.

Finnlines' EUR 100 million Environmental Technology Investment Programme, which covered scrubber orders and energy efficiency investments is now coming to an end. The Investment Programme which started in 2014, consisted of scrubber installations on board 20 vessels, propulsion upgrades for 9 vessels and special paint application on 2 vessels.

On 31 March 2017, Finnlines signed an agreement with Remontowa S.A. shipyard in Gdansk, Poland to lengthen four of its Breeze series vessels, with an option of two additional vessels. The close to 30 per cent capacity increase will considerably reduce the energy consumption per transported unit compared to the original vessel. In other words, by adding around 1,000 lane meters to each vessel, these initiatives will improve energy efficiency further and thus contribute more to reducing emissions. In addition to the vessel lengthenings, MS Finneagle's passenger capacity was increased to over 800 passengers by building new passenger areas.

The new Energy Efficiency and Emission Reduction Investment Programme is proceeding as planned and the increased passenger capacity and related new passenger areas for MS Finneagle were introduced in June 2017. In May 2017, the steel cutting for the first new mid body section started and in the beginning of autumn 2017 the first vessel of the Breeze series will enter the shipyard to undergo the lengthening conversion.

The above Investment Programme will amount to approximately EUR 70 million if executed in full.

PERSONNEL

The Group employed an average of 1,642 (1,631) persons during the reporting period, consisting of 944 (937) persons at sea and 698 (694) persons on shore. The number of persons employed at the end of the period was 1,778 (1,725) in total, of which 1,053 (1,009) at sea and 725 (716) on shore.

The personnel expenses (including social costs) for the reporting period were EUR 45.4 (45.3) million.

THE FINNLINES SHARE

On 25 August 2016, Grimaldi Group gained title to all the shares in Finnlines Plc and the shares were thus delisted.

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 limits 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 has increased 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 2016 Financial Statements, published on 23 February 2017, contain a description of ongoing legal proceedings.

The District Court of Helsinki rendered its decisions in March 2017, in the cases of the Company's port operations subsidiaries' 18 former employees claiming compensation based on groundless termination and breach of Non-Discrimination Act as further described in the 2016 Financial Statements. The District Court dismissed the claims of the employees in full. The former employees have appealed to the Appeal Court of Helsinki. The case is pending.

CORPORATE GOVERNANCE

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 has started a new capex programme, the Energy Efficiency and Emission Reduction Investment Programme, in order to lengthen ro-ro vessels and increase passenger capacity on one ro-pax vessel. This investment is expected to provide greater efficiency and better fuel economy. In addition, Finland's export and import volumes are expected to grow and therefore Finnlines Group's result before taxes is expected to improve over the previous year's level.

The third financial review of 2017 for the period of 1 January–30 September 2017 will be published on Tuesday, 7 November 2017.

Finnlines Plc
The Board of Directors

Emanuele Grimaldi
President and CEO

FURTHER INFORMATION

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ENCLOSURES

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DISTRIBUTION

Main media

This interim report is unaudited.

REPORTING AND ACCOUNTING POLICIES

This interim report included herein is prepared in accordance with IAS 34 (Interim Financial Reporting) standard. The Group has adopted new or revised IFRS standards and IFRIC interpretations from the beginning of the reporting period corresponding to those described in the 2016 Financial Statements with effect of 1 January 2017. 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 2016.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS

EUR 1,000	4–6 2017	4–6 2016	1–6 2017	1–6 2016	1–12 2016
Revenue	**138,372**	125,563	259,258	230,739	473,711
Other income from operations	**409**	526	845	1,351	6,652
Materials and services	**-40,487**	-31,316	-80,334	-58,248	-126,486
Personnel expenses	**-22,911**	-22,903	-45,354	-45,299	-89,753
Depreciation, amortisation and impairment losses	**-14,408**	-14,085	-28,740	-28,022	-57,587
Other operating expenses	**-33,537**	-32,484	-64,603	-63,845	-125,009
Total operating expenses	**-111,343**	-100,788	-219,031	-195,415	-398,835
Result before interest and taxes (EBIT)	**27,438**	**25,301**	**41,072**	**36,675**	**81,528**
Financial income	**50**	151	110	177	412
Financial expenses	**-3,062**	-3,718	-6,183	-7,680	-14,978
Result before taxes (EBT)	**24,427**	**21,734**	**34,998**	**29,172**	**66,961**
Income taxes	**-187**	466	408	1,341	1,162
Result for the reporting period	**24,240**	**22,200**	**35,407**	**30,513**	**68,124**
Other comprehensive income:					
Other comprehensive income to be reclassified to profit and loss in subsequent periods:					
Exchange differences on translating foreign operations	**-11**	-21	-8	-53	-74
Tax effect, net					0
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	**-11**	-21	-8	-53	-74
Other comprehensive income not being reclassified to profit and loss in subsequent periods:					
Remeasurement of defined benefit plans					20
Tax effect, net					-29
Other comprehensive income not being reclassified to profit and loss in subsequent periods, total					-8
Total comprehensive income for the reporting period	**24,229**	**22,179**	**35,399**	**30,460**	**68,041**
Result for the reporting period attributable to:					
Parent company shareholders	**24,240**	22,194	35,423	30,524	68,133
Non-controlling interests	**1**	6	-16	-11	-10
	24,240	**22,200**	**35,407**	**30,513**	**68,124**
Total comprehensive income for the reporting period attributable to:					
Parent company shareholders	**24,229**	22,173	35,415	30,471	68,051
Non-controlling interests	**1**	6	-16	-11	-10
	24,229	**22,179**	**35,399**	**30,460**	**68,041**
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share):					
Undiluted / diluted earnings per share	**0.47**	0.43	0.69	0.59	1.32
Average number of shares:					
Undiluted / diluted	**51,503,141**	51,503,141	**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	30 Jun 2017	30 Jun 2016	31 Dec 2016
ASSETS			
Non-current assets			
Property, plant and equipment	**970,614**	1,000,127	982,629
Goodwill	**105,644**	105,644	105,644
Intangible assets	**3,301**	3,673	3,529
Other financial assets	**4,580**	4,581	4,580
Receivables	**1,810**	1,449	1,720
Deferred tax assets	**5,714**	6,133	5,646
	1,091,662	**1,121,607**	**1,103,747**
Current assets			
Inventories	**5,990**	5,332	6,700
Accounts receivable and other receivables	**101,648**	93,530	77,749
Income tax receivables	**37**	250	159
Cash and cash equivalents	**2,223**	1,808	1,943
	109,899	**100,921**	**86,551**
Non-current assets held for sale	**15,121**	18,999	15,121
Total assets	**1,216,682**	**1,241,527**	**1,205,419**
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	**127**	150	135
Fund for invested unrestricted equity	**40,016**	40,016	40,016
Retained earnings	**455,663**	423,843	420,240
	623,338	**591,541**	**587,923**
Non-controlling interests	**161**	176	178
Total equity	**623,499**	**591,717**	**588,100**
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	**51,018**	51,662	51,425
Other long-term liabilities	**38**	88	63
Pension liabilities	**3,821**	3,927	3,817
Provisions	**1,757**	1,781	1,757
Loans from financial institutions	**287,973**	342,861	322,600
	344,607	**400,318**	**379,663**
Current liabilities			
Accounts payable and other liabilities	**77,540**	72,555	65,174
Current tax liabilities	**8**	12	9
Provisions	**201**	280	262
Loans from financial institutions	**170,826**	169,618	171,971
	248,575	**242,464**	**237,415**
Total liabilities	**593,183**	**642,783**	**617,078**
Liabilities related to long-term assets held for sale	**0**	7,027	241
Total equity and liabilities	**1,216,682**	**1,241,527**	**1,205,419**

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					30,524	30,524	-11	30,513
Exchange differences on translating foreign operations			-59		6	-53		-53
Remeasurement of defined benefit plans								
Tax effect, net								
Total comprehensive income for the reporting period			**-59**		**30,530**	**30,471**	**-11**	**30,460**
Dividend							-106	-106
Equity 30 June 2016	**103,006**	**24,525**	**150**	**40,016**	**423,843**	**591,541**	**176**	**591,717**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2017, 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 2017	**103,006**	**24,525**	**135**	**40,016**	**420,240**	**587,923**	**178**	**588,100**
Comprehensive income for the reporting period:								
Result for the reporting period					35,423	35,423	-16	35,407
Exchange differences on translating foreign operations			-8		0	-8		-8
Remeasurement of defined benefit plans								
Tax effect, net								
Total comprehensive income for the reporting period			**-8**		**35,424**	**35,415**	**-16**	**35,399**
Dividend								
Equity 30 June 2017	**103,006**	**24,525**	**127**	**40,016**	**455,663**	**623,338**	**161**	**623,499**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1–6 2017	1–6 2016	1–12 2016
Cash flows from operating activities			
Result for the reporting period	**35,407**	30,513	68,124
Adjustments:			
Non-cash transactions	**28,198**	27,659	52,461
Unrealised foreign exchange gains (-) / losses (+)	**1**	0	-11
Financial income and expenses	**6,073**	7,503	14,577
Taxes	**-408**	-1,341	-1,162
Changes in working capital:			
Change in accounts receivable and other receivables	**-25,227**	-8,090	1,565
Change in inventories	**710**	-999	-2,367
Change in accounts payable and other liabilities	**10,993**	12,110	6,471
Change in provisions	**4**	-21	-155
Interest paid	**-2,915**	-4,275	-11,394
Interest received	**33**	202	299
Taxes paid	**-6**	166	280
Other financing items	**-1,500**	-1,666	-3,842
Net cash generated from operating activities	**51,361**	**61,761**	**124,845**
Cash flow from investing activities			
Investments in tangible and intangible assets *	**-15,331**	-34,129	-38,450
Sale of tangible assets **	**492**	236	8,810
Proceeds from sale of investments	**0**	-5	-5
Dividends received	**1**	13	13
Net cash used in investing activities	**-14,837**	**-33,885**	**-29,632**
Cash flows from financing activities			
Loan withdrawals	**56,000**	125,000	205,000
Net increase in current interest-bearing liabilities (+) / net decrease (-)	**201**	0	8,035
Repayment of loans	**-92,446**	-157,427	-271,662
Loans granted			
Increase (-) / decrease (+) in long-term receivables			200
Dividends paid		-106	-41,309
Net cash used in financing activities	**-36,245**	**-32,534**	**-99,736**
Change in cash and cash equivalents	**278**	-4,658	-4,523
Cash and cash equivalents 1 January	**1,943**	6,468	6,468
Effect of foreign exchange rate changes	**2**	-2	-3
Cash and cash equivalents at the end of period	**2,223**	**1,808**	**1,943**

* Investments include environmental aid granted by the European Union, of which the Group has received EUR 6.7 million during the reporting period 2016. No environmental aid has been paid during the first two quarters of 2017.

** Includes sale of one vessel in 2016.

REVENUE AND RESULT BY BUSINESS SEGMENTS

	4–6 2017		4–6 2016		1–6 2017		1–6 2016		1–12 2016	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%	MEUR	%
Revenue										
Shipping and sea transport services	133.4	96.4	120.3	95.8	249.5	96.2	220.6	95.6	453.6	95.8
Port operations	10.8	7.8	10.2	8.1	20.9	8.1	19.4	8.4	38.4	8.1
Intra-group revenue	-5.9	-4.2	-4.9	-3.9	-11.1	-4.3	-9.3	-4.0	-18.2	-3.9
External sales	**138.4**	**100.0**	**125.6**	**100.0**	**259.3**	**100.0**	**230.7**	**100.0**	**473.7**	**100.0**
Result before interest and taxes										
Shipping and sea transport services	25.9		25.1		39.4		37.2		82.7	
Port operations	1.5		0.2		1.6		-0.5		-1.3	
Result before interest and taxes (EBIT) total	**27.4**		**25.3**		**41.1**		**36.7**		**81.5**	
Financial items	-3.0		-3.6		-6.1		-7.5		-14.6	
Result before taxes (EBT)	**24.4**		**21.7**		**35.0**		**29.2**		**67.0**	
Income taxes	-0.2		0.5		0.4		1.3		1.2	
Result for the reporting period	**24.2**		**22.2**		**35.4**		**30.5**		**68.1**	

PROPERTY, PLANT AND EQUIPMENT 2017

EUR 1,000	Land	Buildings	Vessels *	Machinery and equipment	Advance payments & acquisitions under construction *	Total
Acquisition cost 1 January 2017	72	73,142	1,386,912	66,755	10,117	1,536,998
Exchange rate differences		-12		1		-12
Increases		16	9,146	182	7,153	16,498
Disposals		-3	-983	-345		-1,331
Reclassifications between items			6,548	110	-6,657	0
Reclassifications to non-current assets held for sale **		-4,369		-22,395		-26,763
Acquisition cost 30 June 2017	**72**	**68,773**	**1,401,623**	**44,308**	**10,613**	**1,525,389**
Accumulated depreciation, amortisation and write-offs 1 January 2017		-21,793	-474,532	-42,923	0	-539,248
Exchange rate differences		11				11
Cumulative depreciation on reclassifications and disposals		3	983	345		1,331
Depreciation for the reporting period		-1,098	-26,607	-807		-28,512
Accumulated depreciation, amortisation and write-offs 30 June 2017	**0**	**-22,877**	**-500,156**	**-43,385**	**0**	**-566,418**
Reclassifications to non-current assets held for sale **		1,132		10,510		11,642
Carrying value 30 June 2017	**72**	**47,028**	**901,467**	**11,434**	**10,613**	**970,614**
Assets classified as held for sale 1 January 2017						
Acquisition cost						
Transfer to non-current assets held for sale		4,369		22,395		26,763
Reclassification between items						
Accumulated depreciation						
Transfer to non-current assets held for sale		-1,132		-10,510		-11,642
Reclassification between items						
Carrying value 30 June 2017		**3,237**		**11,884**		**15,121**

* During 2016, EUR 14.5 million environmental aid granted by the European Union was allocated to environmental investments in vessels.

** 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 2016 nor 2017, 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 30 June 2017.

PROPERTY, PLANT AND EQUIPMENT 2016

EUR 1,000	Land	Buildings	Vessels	Machinery and equipment	Advance payments & acquisitions under construction	Total
Acquisition cost 1 January 2016	72	72,773	1,352,785	65,430	23,459	1,514,518
Exchange rate differences				-65		-65
Increases			24,233	273	9,673	34,179
Disposals			-309	-91		-400
Reclassifications between items			6,907		-6,907	0
Reclassifications to non-current assets held for sale *		-4,369	-21,675	-22,395		-48,439
Acquisition cost 30 June 2016	**72**	**68,404**	**1,361,941**	**43,152**	**26,225**	**1,499,795**
Accumulated depreciation, amortisation and write-offs 1 January 2016		-19,544	-439,791	-42,444	0	-501,779
Exchange rate differences				60		60
Cumulative depreciation on reclassifications and disposals			308	91		399
Depreciation for the reporting period		-1,097	-26,167	-524		-27,788
Accumulated depreciation, amortisation and write-offs 30 June 2016		-20,640	-465,649	-42,818	0	-529,107
Reclassification to non-current assets held for sale *		1,132	17,797	10,510		29,440
Carrying value 30 June 2016	**72**	**48,896**	**914,089**	**10,845**	**26,225**	**1,000,127**
Assets classified as held for sale 1 January 2016						
Acquisition cost						
Transfer to non-current assets held for sale		4,369	21,675	22,395		48,439
Reclassification between items						
Accumulated depreciation						
Transfer to non-current assets held for sale		-1,132	-17,797	-10,510		-29,440
Reclassification between items						
Carrying value 30 June 2016		**3,237**	**3,878**	**11,885**		**18,999**

* Finnlines negotiated a sale of assets concerning Port Operations, with book value of EUR 15.1 million. No impairment was made to the book values of these assets in 2015 nor 2016, as according to management's estimate, the fair value of the assets classified as held for sale was higher than the book value at the balance sheet date 30 June 2016.

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 2016), 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	30 Jun 2017	30 Jun 2016	31 Dec 2016
Minimum leases payable in relation to fixed-term leases:			
Vessel leases (Group as lessor)*:			
Within 12 months	**2,868**	2,099	2,444
1-5 years	**0**	5,800	0
	2,868	**7,899**	**2,444**
Other leases (Group as lessee):			
Within 12 months	**5,524**	6,048	5,343
1-5 years	**10,023**	13,173	11,298
After five years	**5,948**	6,999	6,414
	21,495	**26,220**	**23,055**
Other leases (Group as lessor):			
Within 12 months	**166**	289	191
	166	**289**	**191**
Collateral given			
Loans from financial institutions	**344,925**	**370,914**	**389,852**
Vessel mortgages provided as guarantees for the above loans	**940,500**	**985,000**	**940,500**
Other collateral given on own behalf			
Pledges	**340**	0	250
	340	**0**	**250**
Other obligations *	**40,787**	**10,153**	**6,529**
VAT adjustment liability related to real estate investments	**2,082**	**3,378**	**2,730**

* Includes lengthening of vessels, scrubber systems, reblading obligations and vessel investments.

REVENUE AND RESULT BY QUARTER

MEUR	Q1/17	Q1/16	Q2/17	Q2/16	Q3/17	Q3/16	Q4/17	Q4/16
Shipping and sea transport services	116.0	100.4	133.4	120.3		125.1		107.9
Port operations	10.1	9.3	10.8	10.2		9.7		9.2
Intra-group revenue	-5.2	-4.4	-5.9	-4.9		-4.4		-4.6
External sales	**120.9**	**105.2**	**138.4**	**125.6**		**130.4**		**112.6**
Result before interest and taxes								
Shipping and sea transport services	13.5	12.1	25.9	25.1		34.7		10.9
Port operations	0,1	-0.8	1.5	0.2		0.1		-0.8
Result before interest and taxes (EBIT) total	**13.6**	**11.4**	**27.4**	**25.3**		**34.8**		**10.1**
Financial items	-3.1	-3.9	-3.0	-3.6		-3.7		-3.4
Result before taxes (EBT)	**10.6**	**7.4**	**24.4**	**21.7**		**31.1**		**6.7**
Income taxes	0.6	0.9	-0.2	0.5		-0.8		0.6
Result for the reporting period	**11.2**	**8.3**	**24.2**	**22.2**		**30.3**		**7.3**
EPS (undiluted / diluted)	0.22	0.16	0.47	0.43		0.59		0.14

SHARE INFORMATION

	30 Jun 2017	30 Jun 2016
Number of shares	**51,503,141**	51,503,141

On 25 August 2016, Grimaldi Group gained title to all the shares in Finnlines Plc and the shares were thus delisted.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events to report.

CALCULATION OF RATIOS

Earnings per share (EPS), EUR	=	Result attributable to parent company shareholders / Weighted average number of outstanding shares	
Shareholders' equity per share, EUR	=	Shareholders' equity attributable to parent company shareholders / Undiluted number of shares at the end of period	
Gearing, %	=	Interest-bearing liabilities - cash and bank equivalents / Total equity	x 100
Equity ratio, %	=	Total equity / 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.

RELATED PARTY TRANSACTIONS

MS Finneagle was chartered out to the Grimaldi Group as from June 2017. Otherwise there were no material related party transactions during the reporting period. The business transactions were carried out using market-based pricing.