Financial review
January–September 2016
8 November 2016

FINNLINES Q3

JANUARY-SEPTEMBER 2016: Result improved to EUR 60.9 million, an increase of 48.1 per cent

- Revenue EUR 361.1 (390.3 prev. year) million, decrease 7.5 per cent, mainly due to the reduction of cargo related bunker surcharge
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 114.3 (94.7) million, increase 20.6 per cent
- Result for the reporting period EUR 60.9 (41.1) million, increase 48.1 per cent
- Interest-bearing debt decreased EUR 80.0 million and was EUR 481.4 (561.4) million at the end of the period

JULY-SEPTEMBER 2016: Best quarterly result ever EUR 30.3 million

- Revenue EUR 130.4 (138.2 prev. year) million, decrease 5.7 per cent, mainly due to the reduction of cargo related bunker surcharge
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 49.6 (43.2) million, increase 14.7 per cent
- Result for the reporting period EUR 30.3 (24.7) million, increase 23.0 per cent

KEY FIGURES

MEUR	1-9 2016	1-9 2015	7-9 2016	7-9 2015	1-12 2015
Revenue	**361.1**	390.3	130.4	138.2	511.2
Result before interest, taxes, depreciation and amortisation (EBITDA)	**114.3**	**94.7**	**49.6**	**43.2**	**126.9**
Result before interest and taxes (EBIT)	**71.5**	53.0	34.8	29.0	70.3
% of revenue	**19.8**	13.6	26.7	21.0	13.7
Result for the reporting period	**60.9**	**41.1**	**30.3**	**24.7**	**56.8**
Shareholders' equity/share, EUR	**12.07**	10.58	12.07	10.58	10.89
Equity ratio, %	**50.2**	43.7	50.2	43.7	45.7
Interest bearing debt, MEUR	**481.4**	561.4	481.4	561.4	533.7
Gearing, %	**77.5**	106.0	77.5	106.0	97.1

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

Finnlines Group's January-September result for the period, EUR 60.9 million, was about EUR 20 million better than in the corresponding period last year. The lower bunker consumption and also lower operative costs have contributed positively to the result as the share of inexpensive heavy fuel oil in Finnlines traffic is greater than in 2015 due to the scrubber installations. However, rising oil prices means that a careful control of bunker consumption and purchase prices will be even more important in order to secure a continued efficiency gains in costs. Regardless of the sluggish growth in Europe, the Company exceeded last year's record breaking result by an outstanding 48.1 per cent. This extraordinary result achievement combined with lower capital expenditures lead to an improved cash flow over previous year, which enabled to reduce the Group's debt markedly. The interest bearing debt decreased by EUR 80.0 million and amounted to EUR 481.4 (561.4) million. The gearing improved to 77.5 per cent (106.0) and the Group's equity ratio stands now at a solid 50.2 per cent level. The Group's liquidity is outstanding, cash and deposits together with unused committed credit facilities amounted to EUR 172.2 (92.4) million. Finnlines is both operationally and financially in a very advantageous position compared to its peers. Therefore, we see the future outlook very positively and we have a great potential ahead of us to further improve the performance of the Finnlines Group.

FINNLINES PLC, FINANCIAL REVIEW JANUARY-SEPTEMBER 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 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. On 25 August 2016, Grimaldi Group S.p.A has 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-August, the Finnish seaborne imports carried in container, lorry and trailer units increased by 5 per cent whereas exports increased by 2 per cent (measured in tons) compared to the same period in 2015. Private and commercial passenger traffic between Finland and Sweden remained on the same level as in 2015. Between Finland and Germany the corresponding traffic increased by 6 per cent (Finnish Transport Agency).

FINNLINES' TRAFFIC

Starting from July MS Finneagle was transferred from FinnLink service and was chartered out to Grimaldi Group.

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

The cargo volumes transported during January-September totalled approximately 476 (468 in 2015) thousand cargo units, 82 (114) thousand cars (not including passengers' cars) and 1,187 (1,504 corrected figure) thousand tons of freight not possible to measure in units. In addition, some 484 (453) thousand private and commercial passengers were transported.

FINANCIAL RESULTS

January-September 2016

The Finnlines Group recorded revenue totalling EUR 361.1 (390.3) million. This revenue decrease of 7.5 per cent was almost entirely due to the reduction in cargo-related bunker surcharge which is a compensation passed to our clients. Shipping and Sea Transport Services generated revenue amounting to EUR 345.7 (376.5) million and Port Operations EUR 29.1 (27.0) million. The internal revenue between the segments was EUR 13.7 (13.1) million, which means that the external revenue of Port Operations has continued to increase during the reporting period.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 114.3 (94.7) million, an increase of 20.6 per cent.

Result before interest and taxes (EBIT) was EUR 71.5 (53.0) million. According to the purchase option notice given earlier by the Charterers of MS Finnsailor, the sale of the vessel took place in September 2016, and generated a profit before taxes of about EUR 4.4 million. In 2016 most of the vessels were operated using less expensive fuel oil which had a positive impact on the result.

Net financial expenses decreased and were EUR -11.2 (-13.4) million. Financial income was EUR 0.2 (0.5) million and financial expenses EUR -11.4 (-14.0) million. The result for January-September was EUR 60.9 (41.1) million.

July-September 2016

The Finnlines Group recorded revenue totalling EUR 130.4 (138.2) million. This revenue decrease of 5.7 per cent was almost entirely due to the reduction in cargo-related bunker surcharge which is a compensation passed to our clients. Shipping and Sea Transport Services generated revenue amounting to EUR 125.1 (133.4) million. Port Operations revenue increased during the third quarter from EUR 8.9 million to EUR 9.7 million. The internal revenue between the segments was EUR 4.4 (4.1) million. Compared to the first two quarters the amount of passengers has increased due to the summer high season.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 49.6 (43.2) million, an increase of 14.7 per cent.

Result before interest and taxes (EBIT) was EUR 34.8 (29.0) million. The majority of Finnlines' fleet is using cheaper HFO fuel instead of MGO which has further decreased fuel costs.

Net financial expenses were EUR -3.7 (-4.4) million. Financial income was EUR 0.1 (0.1) million and financial expenses totalled EUR -3.7 (-4.5) million. The result for July-September was EUR 30.3 (24.7) million, which is the best quarter ever.

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH-FLOW

Interest-bearing debt decreased by EUR 80.0 million and amounted to EUR 481.4 (561.4) million excluding leasing liabilities EUR 18.1 (18.3) million. The equity ratio calculated from the balance sheet improved to 50.2 (43.7) per cent and gearing dropped to 77.5 (106.0) per cent. Due to the expired charter agreements and redelivery of the remaining chartered tonnage in the first quarter 2016, vessel lease commitments decreased by EUR 2.7 million to EUR 0.0 million compared to the end of September 2015.

At the end of the period, cash and deposits together with unused committed credit facilities amounted to EUR 172.2 (92.4) million.

Net cash generated from operating activities improved markedly and was EUR 94.4 (66.4) million.

CAPITAL EXPENDITURE

Finnlines Group's gross capital expenditure in the reporting period totalled EUR 40.8 (65.3) million including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 42.8 (41.8) 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 and re-blading projects, improvement of passenger areas and dry-dockings of ships.

In 2015, Finnlines launched the second phase of the EUR 100 million Environmental Technology 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 first out of three ro-pax vessels to be re-bladed and equipped with scrubbers, MS Finnclipper, received her new IAPP Certificate 18th August 2016 upon completion of scrubber system commissioning.

During spring 2016, Finnlines initiated an extensive facelift programme improving passenger areas on six of its ro-pax vessels. Vessels deployed on FinnLink route were all upgraded before summer season. For HansaLink vessels, the programme was divided into two phases. First phase was completed by midsummer and the second, more extensive phase, which includes refurbishment of shops, cafeterias and restaurants started in September 2016. All passenger service area improvements will be ready before end of 2016.

PERSONNEL

The Group employed an average of 1,664 (1,612) persons during the period, consisting of 965 (908) persons at sea and 699 (704) persons on shore. The number of persons employed at the end of the period was 1,654 (1,584) in total, of which 953 (872) at sea and 701 (712) 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 66.9 (62.7) million.

THE FINNLINES SHARE

On 25 August 2016, Grimaldi Group S.p.A has 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 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.

The District Court of Helsinki rendered in February 2016 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 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 ordered the State of Finland to refund to Finnlines Plc, as plaintiffs, the fairway dues, charged in excessive extent in 2001–2004 totalling about EUR 17.0 million including interest. The Finnish State appealed to the Helsinki Court of Appeal. The Court of Appeal rendered its decision in August 2016 by dismissing the judgment rendered by the District Court of Helsinki. The Court of Appeal sees that the claims of Finnlines have expired. The Company has submitted the request for a right to appeal at the Supreme Court.

The Company has summoned OMB Ostsee Mineralöl-Bunker GmbH ('OMB') Rostock, Germany, to the District Court and demanded compensation for the damage that has occurred to the Company for the price difference between the paid amount for the supplied fuel and the market price. The Company's basis for the demand is that OMB has abused its dominant position in the relevant market and the Company was forced to buy fuel from OMB, OMB being the sole supplier. The total claimed amount is EUR 2.76 million. In its decision the District Court of Rostock dismissed the Company's claims in full. The Company has decided to appeal the District Court's decision to the Court of Appeal. 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 will complete its EUR 100 million Environmental Technology Investment Programme in 2016. In addition, based on continued efficiency improvements and adaptations to the operative environment, as well as a gradual recovery of Finnish economy, Finnlines' outlook remains positive and the Group's 2016 annual result before taxes is expected to improve compared to the previous year.

The Group Financial Statement bulletin for the period of 1 January-31 December 2016 and the Financial Statement 2016 will be published on Thursday, 23 February 2017.

Finnlines Plc
The Board of Directors

Emanuele Grimaldi
President and CEO

FURTHER INFORMATION

Tom Pippingsköld, Chief Financial Officer, tel. +358 40 519 5041, tom.pippingskold@finnlines.com

ENCLOSURES

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DISTRIBUTION

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	7-9 2016	7-9 2015	1-9 2016	1-9 2015	1-12 2015
Revenue	130,400	138,234	361,139	390,273	511,167
Other income from operations	5,011	537	6,362	1,252	1,810
Materials and services	-32,537	-40,463	-90,786	-126,461	-161,264
Personnel expenses	-21,608	-19,937	-66,907	-62,669	-84,186
Depreciation, amortisation and impairment losses	-14,797	-14,212	-42,819	-41,755	-56,590
Other operating expenses	-31,686	-35,127	-95,532	-107,655	-140,654
Total operating expenses	-100,629	-109,739	-296,043	-338,539	-442,694
Result before interest and taxes (EBIT)	**34,783**	**29,032**	**71,458**	**52,986**	**70,284**
Financial income	61	77	238	547	934
Financial expenses	-3,732	-4,451	-11,412	-13,965	-18,064
Result before taxes (EBT)	**31,113**	**24,659**	**60,285**	**39,567**	**53,153**
Income taxes	-763	25	578	1,529	3,675
Result for the reporting period	**30,350**	**24,683**	**60,863**	**41,096**	**56,829**
Other comprehensive income:					
Other comprehensive income to be reclassified to profit and loss in subsequent periods:					
Exchange differences on translating foreign operations	-16	-18	-75	30	32
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	-16	-18	-75	30	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	**30,334**	**24,665**	**60,788**	**41,126**	**57,457**
Result for the reporting period attributable to:					
Parent company shareholders	30,345	24,672	60,869	41,112	56,841
Non-controlling interests	5	11	-6	-16	-12
	30,350	**24,683**	**60,863**	**41,096**	**56,829**
Total comprehensive income for the reporting period attributable to:					
Parent company shareholders	30,329	24,654	60,794	41,142	57,469
Non-controlling interests	5	11	-6	-16	-12
	30,334	**24,665**	**60,788**	**41,126**	**57,457**
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share):					
Undiluted / diluted earnings per share	0.59	0.48	1.18	0.80	1.10
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 Sep 2016	30 Sep 2015	31 Dec 2015
ASSETS			
Non-current assets			
Property, plant and equipment	**991,849**	1,012,706	997,619
Goodwill	**105,644**	105,644	105,644
Intangible assets	**3,557**	4,656	3,758
Other financial assets	**4,581**	4,576	4,576
Receivables	**1,449**	838	1,258
Deferred tax assets	**5,912**	6,050	5,792
	1,112,992	**1,134,469**	**1,118,645**
Current assets			
Inventories	**4,910**	5,251	4,333
Accounts receivable and other receivables	**90,821**	91,092	86,019
Income tax receivables	**151**	475	539
Cash and cash equivalents	**17,208**	2,245	6,468
	113,090	**99,063**	**97,359**
Non-current assets held for sale	**15,121**	15,121	15,121
Total assets	**1,241,203**	**1,248,653**	**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	**134**	207	209
Fund for invested unrestricted equity	**40,016**	40,016	40,016
Retained earnings	**454,188**	376,988	393,313
	621,870	**544,743**	**561,070**
Non-controlling interests	**181**	289	294
Total equity	**622,051**	**545,033**	**561,363**
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	**52,244**	55,163	52,712
Other long-term liabilities	**75**	125	113
Pension liabilities	**3,929**	4,697	3,919
Provisions	**1,765**	1,783	1,810
Loans from financial institutions	**319,029**	392,406	367,445
	377,043	**454,175**	**425,999**
Current liabilities			
Accounts payable and other liabilities	**61,332**	61,920	59,191
Current tax liabilities	**12**	0	14
Provisions	**260**	211	345
Loans from financial institutions	**174,246**	179,618	176,736
	235,849	**241,749**	**236,287**
Total liabilities	**612,892**	**695,923**	**662,286**
Liabilities related to long-term assets held for sale	**6,259**	7,696	7,476
Total equity and liabilities	**1,241,203**	**1,248,653**	**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					41,112	41,112	-16	41,096
Exchange differences on translating foreign operations			30			30		30
Tax effect, net								
Total comprehensive income for the reporting period			**30**		**41,112**	**41,142**	**-16**	**41,126**
Dividend								
Equity 30 September 2015	**103,006**	**24,525**	**207**	**40,016**	**376,988**	**544,743**	**289**	**545,033**

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					60,869	60,869	-6	60,863
Exchange differences on translating foreign operations			-75		6	-69		-69
Tax effect, net								
Total comprehensive income for the reporting period			**-75**		**60,875**	**60,800**	**-6**	**60,794**
Dividend							-106	-106
Equity 30 September 2016	**103,006**	**24,525**	**134**	**40,016**	**454,188**	**621,870**	**181**	**622,051**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1-9 2016	1-9 2015	1-12 2015
Cash flows from operating activities			
Result for the reporting period	60,863	41,096	56,829
Adjustments:			
Non-cash transactions	37,853	41,476	56,192
Unrealised foreign exchange gains (-) / losses (+)	0	-42	-57
Financial income and expenses	11,174	13,460	17,187
Taxes	-578	-1,529	-3,675
Changes in working capital:			
Change in accounts receivable and other receivables	-5,760	-15,020	-2,009
Change in inventories	-577	675	1,592
Change in accounts payable and other liabilities	4,003	1,321	-2,515
Change in provisions	-34	-119	-238
Interest paid	-10,061	-12,283	-14,240
Interest received	239	323	442
Taxes paid	285	-84	-81
Other financing items	-2,988	-2,858	-3,632
Net cash generated from operating activities	**94,418**	**66,416**	**105,794**
Cash flow from investing activities			
Investments in tangible and intangible assets *	-38,519	-71,161	-78,897
Proceeds from sale of tangible assets	8,727	195	799
Purchase of investments	-5		0
Dividends received	13	12	12
Net cash used in investing activities	**-29,783**	**-70,953**	**-78,085**
Cash flows from financing activities			
Loan withdrawals	193,000	245,000	282,000
Net increase in current interest-bearing liabilities (+) / net decrease (-)	1,583	34,338	32,447
Repayment of loans	-248,370	-275,373	-338,550
Increase (-) / decrease (+) in long-term receivables	0	135	180
Dividends paid	-106		
Net cash used in financing activities	**-53,893**	**4,101**	**-23,922**
Change in cash and cash equivalents	**10,742**	**-436**	**3,787**
Cash and cash equivalents 1 January	6,468	2,680	2,680
Effect of foreign exchange rate changes	-2	2	1
Cash and cash equivalents at the end of period	**17,208**	**2,245**	**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

	7-9 2016		7-9 2015		1-9 2016		1-9 2015		1-12 2015	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%	MEUR	%
Revenue										
Shipping and sea transport services	125.1	95.9	133.4	96.5	345.7	95.7	376.5	96.5	492.9	96.4
Port operations	9.7	7.4	8.9	6.5	29.1	8.1	27.0	6.9	35.9	7.0
Intra-group revenue	-4.4	-3.3	-4.1	-3.0	-13.7	-3.8	-13.1	-3.4	-17.6	-3.4
External sales	**130.4**	**100.0**	**138.2**	**100.0**	**361.1**	**100.0**	**390.3**	**100.0**	**511.2**	**100.0**
Result before interest and taxes										
Shipping and sea transport services	34.7		29.0		71.9		54.1		72.2	
Port operations	0,1		0.1		-0.4		-1.1		-1.9	
Result before interest and taxes (EBIT) total	**34.8**		**29.0**		**71.5**		**53.0**		**70.3**	
Financial items	-3.7		-4.4		-11.2		-13.4		-17.1	
Result before taxes (EBT)	**31.1**		**24.7**		**60.3**		**39.6**		**53.2**	
Income taxes	-0.8		0		0.6		1.5		3.7	
Result for the reporting period	**30.3**		**24.7**		**60.9**		**41.1**		**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				-85		-85
Increases			31,218	2,095	7,352	40,665
Disposals			-22,087	-184		-22,271
Reclassifications			16,330		-16,330	0
Reclassification to non-current assets held for sale **		-4,369		-22,395		-26,763
Acquisition cost 30 September 2016	**72**	**68,404**	**1,378,246**	**44,861**	**14,481**	**1,506,065**
Accumulated depreciation, amortisation and write-offs 1 January 2016		-19,544	-439,791	-42,444		-501,779
Exchange rate differences				78		78
Cumulative depreciation on reclassifications and disposals			18,208	103		18,311
Depreciation for the reporting period		-1,692	-39,946	-830		-42,469
Accumulated depreciation, amortisation and write-offs 30 September 2016		-21,236	-461,528	-43,094		-525,858
Reclassification to non-current assets held for sale **		1,132		10,510		11,642
Book value 30 September 2016	**72**	**48,300**	**916,718**	**12,278**	**14,481**	**991,849**
Assets classified as held for sale 1 Jan 2016						
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	-17,797	-10,510		-29,440
Reclassification between items			17,797			17,797
Carrying value 30 September 2016		**3,237**	**0**	**11,884**		**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 30 September 2015 and 30 September 2016.

The vessel which was classified as held for sale has been sold in September 2016.

The Company's management has reassessed and changed the economic depreciation and amortisation plan of four Kalmar STS container cranes in the Vuosaari Harbour from 25 to 35 years as of 1 January 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				29		29
Increases			45,282	241	19,194	64,718
Disposals			-424	-429		-853
Reclassifications			20,578	9	-20,586	0
Reclassification to non-current assets held for sale		-4,369		-22,395		-26,763
Acquisition cost 30 September 2015	**72**	**68,404**	**1,353,417**	**43,728**	**24,537**	**1,490,158**
Accumulated depreciation, amortisation and write-offs 1 January 2015		-17,341	-389,749	-42,459		-449,549
Exchange rate differences				-27		-27
Cumulative depreciation on reclassifications and disposals			424	429		853
Depreciation for the reporting period		-1,651	-37,871	-851		-40,373
Accumulated depreciation, amortisation and write-offs 30 September 2015		-18,991	-427,196	-42,907		-489,095
Reclassification to non-current assets held for sale		1,132		10,510		11,642
Book value 30 September 2015	**72**	**50,545**	**926,221**	**11,331**	**24,537**	**1,012,706**
Assets classified as held for sale 1 Jan 2015						
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 September 2015		**3,237**		**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 EUR 15.1 million, 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 2015), 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 Sep 2016	30 Sep 2015	31 Dec 2015
Minimum leases payable in relation to fixed-term leases:			
Vessel leases (Group as lessee):			
Within 12 months	**0**	2,683	58
1-5 years		0	
	0	**2,683**	**58**
Vessel leases (Group as lessor):			
Within 12 months	**0**	2,105	2,105
1-5 years	**0**	7,370	6,841
	0	**9,475**	**8,946**
Other leases (Group as lessee):			
Within 12 months	**5,346**	6,182	6,015
1-5 years	**11,863**	14,465	13,788
After five years	**6,648**	8,202	7,795
	23,857	**28,849**	**27,598**
Other leases (Group as lessor):			
Within 12 months	**196**	259	257
1-5 years	**0**	9	
	196	**268**	**257**
Collateral given			
Loans from financial institutions	**378,176**	453,539	402,941
Vessel mortgages provided as guarantees for the above loans	**940,500**	**973,000**	**973,000**
Other collateral given on own behalf			
Cash deposit	**0**	1,700	1,700
	0	**1,700**	**1,700**
Other obligations *	**7,967**	**35,425**	**36,143**
VAT adjustment liability related to real estate investments	**3,054**	**4,350**	**4,026**

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

REVENUE AND RESULT BY QUARTER

MEUR	Q1/16	Q1/15	Q2/16	Q2/15	Q3/16	Q3/15
Shipping and sea transport services	100.4	112.9	120.3	130.2	125.1	133.4
Port operations	9.3	8.3	10.2	9.7	9.7	8.9
Intra-group revenue	-4.4	-4.4	-4.9	-4.6	-4.4	-4.1
External sales	**105.2**	**116.8**	**125.6**	**135.2**	**130.4**	**138.2**
Result before interest and taxes						
Shipping and sea transport services	12.1	5.0	25.1	20.2	34.7	29.0
Port operations	-0.8	-1.1	0.2	-0.1	0.1	0.1
Result before interest and taxes (EBIT) total	**11.4**	**3.9**	**25.3**	**20.1**	**34.8**	**29.0**
Financial items	-3.9	-4.3	-3.6	-4.8	-3.7	-4.4
Result before taxes (EBT)	**7.4**	**-0.4**	**21.7**	**15.3**	**31.1**	**24.7**
Income taxes	0.9	1.0	0.5	0.5	-0.8	0
Result for the reporting period	**8.3**	**0.6**	**22.2**	**15.8**	**30.3**	**24.7**
EPS (undiluted / diluted)	0.16	0.01	0.43	0.31	0.59	0.48

SHARES

	30 Sep 2016	30 Sep 2015
Number of shares	**51,503,141**	51,503,141

On 25 August 2016, Grimaldi Group S.p.A has 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 Grimaldi Group as from mid July 2016 and ended until beginning of October 2016. Otherwise there were no material related party transactions during the reporting period. The business transactions were carried out using market-based pricing.