Financial review
January–September 2017
7 November 2017

FINNLINES Q3

JANUARY–SEPTEMBER 2017: Result improved by 12 per cent over the previous year

- Revenue EUR 404.5 (361.1 in 2016) million, increase 12.0 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 120.5 (114.3) million, increase 5.4 per cent
- Result for the reporting period EUR 67.9 (60.9) million, increase 11.5 per cent
- Interest-bearing debt increased by EUR 4.6 million and was EUR 486.0 (481.4) million at the end of the period

JULY–SEPTEMBER 2017: Finnlines' best ever quarter

- Revenue EUR 145.2 (130.4) million, increase 11.4 per cent
- Result before interest, taxes, depreciation and amortisation (EBITDA) EUR 50.7 (49.6) million, increase 2.2 per cent
- Result for the reporting period EUR 32.5 (30.3) million, increase 7.0 per cent

KEY FIGURES

MEUR	1–9 2017	1–9 2016	7–9 2017	7–9 2016	1–12 2016
Revenue	**404.5**	361.1	**145.2**	130.4	473.7
Result before interest, taxes, depreciation and amortisation (EBITDA)	**120.5**	**114.3**	**50.7**	**49.6**	**139.1**
Result before interest and taxes (EBIT)	**76.7**	71.5	**35.6**	34.8	81.5
% of revenue	**19.0**	19.8	**24.5**	26.7	17.2
Result for the reporting period	**67.9**	**60.9**	**32.5**	**30.3**	**68.1**
Shareholders' equity/share, EUR	**11.65**	12.07	**11.65**	12.07	11.42
Equity ratio, %	**49.6**	50.2	**49.6**	50.2	48.9
Interest bearing debt, MEUR	**486.0**	481.4	**486.0**	481.4	491.1
Gearing, %	**81.0**	77.5	**81.0**	77.5	83.8

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

“The third quarter of 2017 was the best ever quarter of Finnlines' history. The January–September 2017 result for the period improved by approximately 12 per cent, and was EUR 67.9 (60.9) million, representing the best nine month result in Finnlines' history. The third quarter result amounted to EUR 32.5 (30.3) million. The recovery of Finland's economy is reflected in our export and import volumes which have continued to grow over 10 per cent.

Finnlines has continued to invest in its fleet to become a more environmentally friendly and a more sustainable shipping company. As we have now completed our EUR 100 million Environmental Technology Investment Programme to reduce the sulphur emissions by over 90 per cent since the start of the Programme, a new investment programme, the Energy Efficiency and Emission Reduction Investment Programme has been started. In this EUR 70 million investment programme we lengthen four of our “Breeze series” ro-ro vessels with options for two more vessels. Finnlines, as an efficient operator, has during the past decade deployed bigger and bigger vessels in both ro-pax and ro-ro segments, creating economies of scale and sharply reducing emissions per ton transported. The first vessel is currently being lengthened and the last one is scheduled to be lengthened by May 2018. Approximately 30 per cent capacity increase per vessel will further reduce the energy consumption per transported unit. Finnlines has also invested in digitalisation. We have developed mobile services in our port operations, and have also implemented two major ERP systems, one in the Port and the other one is related to vessel efficiency monitoring and measurement.

In maritime industry several important themes are prevalent and necessary to implement: desulphurisation, decarbonisation, digitalisation apart from the ongoing consolidation of the industry. Above all, we are entering an era where electrical batteries will be installed in several newbuildings and every such vessel will enter our ports with zero emissions. While Finland is celebrating the centenary of its independence and Finnlines is celebrating its 70th anniversary, we are stronger than ever. This will be our third record breaking year thanks to the right strategic, operational and financial decisions taken. We continue to optimise our operations and seek for growth in order to strengthen our competitive position. In response to growing demand, we are expanding our fleet. MS Europalink will be rejoining Finnlines early next year between Sweden and Germany on Malmö–Travemunde route. MS Europalink will be equipped with closed-loop-ready scrubbers. At the same time, MS Nordlink will be redeployed on routes between Finland and Sweden, on Naantali–Kapellskär route via Långnäs. Both Star Class vessels carry up to 4,200 lane metres.

We have bigger vessels, more sustainable operations, and with more efficient operations we can serve our customers even better. We are more than ready and well equipped to grow with our customers in a very sustainable way.”

FINNLINES PLC, FINANCIAL REVIEW JANUARY– SEPTEMBER 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–August, the Finnish seaborne imports carried in container, lorry and trailer units (measured in tons) increased by 5 per cent and exports increased by 10 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 8 per cent (Finnish Transport Agency).

FINNLINES' TRAFFIC

The chartering of MS Finneagle ended in mid September and the vessel was redelivered to Finnlines. In the end of September, MS Finntide arrived in Remontowa S.A. shipyard in Gdansk, Poland for lengthening conversion.

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

The cargo volumes transported during January–September totalled approximately 530 (476 in 2016) thousand cargo units, 101 (82) thousand cars (not including passengers' cars) and 962 (1,187) thousand tons of freight not possible to measure in units. In addition, some 496 (484) thousand private and commercial passengers were transported.

FINANCIAL RESULTS

January–September 2017

The Finnlines Group recorded revenue totalling EUR 404.5 (361.1) million, an increase of 12.0 per cent compared to the same period in the previous year. Shipping and Sea Transport Services generated revenue amounting to EUR 389.6 (345.7) million and Port Operations EUR 31.5 (29.1) million. The Shipping and Sea Transport Services segment's revenue continued to grow due to higher cargo volumes in most trades. Also, bunker price level has remained higher compared to last year, therefore, bunker surcharges have increased the turnover in 2017. In Port Operations, the revenue continued to rise due to increased external and internal cargo handling activities. The internal revenue between the segments was EUR 16.6 (13.7) million.

Result before interest, taxes, depreciation and amortisation (EBITDA) was EUR 120.5 (114.3) million, an increase of 5.4 per cent.

Result before interest and taxes (EBIT) was EUR 76.7 (71.5) million. In 2016, the third quarter result included a gain on sale of EUR 4.4 million of MS Finnsailor.

As a result of the improved financial position, net financial expenses decreased and were EUR -9.0 (-11.2) million. Financial income was EUR 0.2 (0.2) million and financial expenses EUR -9.2 (-11.4) million. Result before taxes (EBT) improved by EUR 7.4 million and was EUR 67.7 (60.3) million. The result for the reporting period was EUR 67.9 (60.9) million.

July–September 2017

The Finnlines Group recorded revenue totalling EUR 145.2 (130.4) million. Cargo volumes improved during the third quarter increasing the revenue. Also, cargo-related bunker surcharge has been higher since respective fuel costs have remained on a higher level. Shipping and Sea Transport Services generated revenue amounting to EUR 140.1 (125.1) million and Port Operations EUR 10.6 (9.7) million. The internal revenue between the segments was EUR 5.5 (4.4) 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 50.7 (49.6 including a gain on sale of EUR 4.4 million) million, an increase of 2.2 per cent.

Result before interest and taxes (EBIT) was EUR 35.6 (34.8) million.

Net financial expenses were EUR -2.9 (-3.7) million. Financial income was EUR 0.0 (0.1) million and financial expenses totalled EUR -3.0 (-3.7) million. Result before taxes (EBT) improved by EUR 1.6 million and was EUR 32.7 (31.1) million. The result for July–September was EUR 32.5 (30.3) million which is the best quarter result ever.

STATEMENT OF FINANCIAL POSITION, FINANCING AND CASH-FLOW

The Company has implemented the Environmental Technology Investment Programme, which has increased interest-bearing debt by EUR 4.6 million amounting to EUR 486.0 (481.4) million excluding leasing liabilities of EUR 2.7 (18.1) million. The equity ratio calculated from the balance sheet decreased to 49.6 (50.2) per cent and gearing increased to 81.0 (77.5) per cent. Due to the expired charter agreements, there were no vessel lease commitments in the end of September 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 121.7 (172.2) million.

Net cash generated from operating activities was EUR 87.2 (94.4) million.

CAPITAL EXPENDITURE

The Finnlines Group's gross capital expenditure in the reporting period totalled EUR 26.0 (40.8) million, including tangible and intangible assets. Total depreciation and amortisation amounted to EUR 43.8 (42.8) 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 was initiated in 2014 and concluded in 2017. The Investment Programme consisted of scrubber installations on board 20 vessels, propulsion upgrades for 9 vessels and special paint application on 2 vessels.

Finnlines launched a new capex programme, the Energy Efficiency and Emission Reduction Investment Programme, in spring 2017. As the main part of the programme, Finnlines will 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 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. The steel cutting for the first new mid body section started in May 2017, and the first vessel to be converted, MS Finntide, arrived in Remontowa S.A. shipyard in Gdansk, Poland on 26 of September and is expected to return to service around mid November 2017.

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

PERSONNEL

The Group employed an average of 1,674 (1,664) persons during the reporting period, consisting of 967 (965) persons at sea and 707 (699) persons on shore. The number of persons employed at the end of the period was 1,631 (1,654) in total, of which 937 (953) at sea and 694 (701) on shore.

The personnel expenses (including social costs) for the reporting period were EUR 66.5 (66.9) 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

There have been no changes in Finnlines' ongoing legal proceedings since the end of the second quarter 2017. The 2016 Financial Statements, published on 23 February 2017, contain a description of ongoing legal proceedings.

CORPORATE GOVERNANCE

The Corporate Governance Statement can be reviewed on the corporate website: www.finnlines.com.

EVENTS AFTER THE REPORTING PERIOD

MS Finneagle was sold to the Grimaldi Group in October 2017. Otherwise there are no significant events to report.

OUTLOOK AND OPERATING ENVIRONMENT

Finnlines' operating performance keeps on improving year after year and after a long subdued economic growth, Finland's economy is growing and this growth trend is likely to continue for some time. More positive outlook in several sectors has increased our industries' orders which is reflected positively in our export and import volumes. Therefore, Finnlines Group's result before taxes is expected to improve over the previous year's level.

The fourth financial review of 2017 for the period of 1 January–31 December 2017 will be published on Tuesday, 27 February 2018.

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	7–9 2017	7–9 2016	1–9 2017	1–9 2016	1–12 2016
Revenue	**145,207**	130,400	**404,464**	361,139	473,711
Other income from operations	**712**	5,011	**1,556**	6,362	6,652
Materials and services	**-40,175**	-32,537	**-120,509**	-90,786	-126,486
Personnel expenses	**-21,118**	-21,608	**-66,472**	-66,907	-89,753
Depreciation, amortisation and impairment losses	**-15,043**	-14,797	**-43,783**	-42,819	-57,587
Other operating expenses	**-33,942**	-31,686	**-98,544**	-95,532	-125,009
Total operating expenses	**-110,278**	-100,629	**-329,308**	-296,043	-398,835
Result before interest and taxes (EBIT)	**35,640**	**34,783**	**76,712**	**71,458**	**81,528**
Financial income	**42**	61	**152**	238	412
Financial expenses	**-2,992**	-3,732	**-9,175**	-11,412	-14,978
Result before taxes (EBT)	**32,691**	**31,113**	**67,689**	**60,285**	**66,961**
Income taxes	**-207**	-763	**202**	578	1,162
Result for the reporting period	**32,484**	**30,350**	**67,891**	**60,863**	**68,124**
Other comprehensive income:					
Other comprehensive income to be reclassified to profit and loss in subsequent periods:					
Exchange differences on translating foreign operations	**-3**	-9	**-11**	-69	-74
Tax effect, net					0
Other comprehensive income to be reclassified to profit and loss in subsequent periods, total	**-3**	**-9**	**-11**	**-69**	**-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	**32,481**	**30,341**	**67,880**	**60,794**	**68,041**
Result for the reporting period attributable to:					
Parent company shareholders	**32,478**	30,345	**67,901**	60,869	68,133
Non-controlling interests	**7**	5	**-10**	-6	-10
	32,484	**30,350**	**67,891**	**60,863**	**68,124**
Total comprehensive income for the reporting period attributable to:					
Parent company shareholders	**32,475**	30,335	**67,890**	60,800	68,051
Non-controlling interests	**7**	5	**-10**	-6	-10
	32,481	**30,341**	**67,880**	**60,794**	**68,041**
Result for the reporting period attributable to parent company shareholders calculated as earnings per share (EUR/share):					
Undiluted / diluted earnings per share	**0.63**	0.59	**1.32**	1.18	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 Sep 2017	30 Sep 2016	31 Dec 2016
ASSETS			
Non-current assets			
Property, plant and equipment	**923,199**	991,849	982,629
Goodwill	**105,644**	105,644	105,644
Intangible assets	**3,187**	3,557	3,529
Other financial assets	**4,580**	4,581	4,580
Receivables	**1,810**	1,449	1,720
Deferred tax assets	**5,678**	5,912	5,646
	1,044,098	**1,112,992**	**1,103,747**
Current assets			
Inventories	**6,410**	4,910	6,700
Accounts receivable and other receivables	**103,132**	90,821	77,749
Income tax receivables	**34**	151	159
Cash and cash equivalents	**2,218**	17,208	1,943
	111,794	**113,090**	**86,551**
Non-current assets held for sale	**57,080**	15,121	15,121
Total assets	**1,212,972**	**1,241,203**	**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	**125**	134	135
Fund for invested unrestricted equity	**40,016**	40,016	40,016
Retained earnings	**432,517**	454,188	420,240
	600,189	**621,870**	**587,923**
Non-controlling interests	**168**	181	178
Total equity	**600,357**	**622,051**	**588,100**
LIABILITIES			
Long-term liabilities			
Deferred tax liabilities	**51,155**	52,244	51,425
Other long-term liabilities	**25**	75	63
Pension liabilities	**3,826**	3,929	3,817
Provisions	**1,742**	1,765	1,757
Loans from financial institutions	**309,088**	319,029	322,600
	365,836	**377,043**	**379,663**
Current liabilities			
Accounts payable and other liabilities	**66,993**	61,332	65,174
Current tax liabilities	**8**	12	9
Provisions	**201**	260	262
Loans from financial institutions	**179,576**	174,245	171,971
	246,779	**235,849**	**237,415**
Total liabilities	**612,615**	**612,892**	**617,078**
Liabilities related to long-term assets held for sale	**0**	6,259	241
Total equity and liabilities	**1,212,972**	**1,241,203**	**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					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 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					67,901	67,901	-10	67,891
Exchange differences on translating foreign operations			-11			-11		-11
Remeasurement of defined benefit plans								
Tax effect, net								
Total comprehensive income for the reporting period			**-11**		**67,901**	**67,890**	**-10**	**67,880**
Dividend					-55,623	-55,623		-55,623
Equity 30 September 2017	**103,006**	**24,525**	**125**	**40,016**	**432,517**	**600,189**	**168**	**600,357**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

EUR 1,000	1–9 2017	1–9 2016	1–12 2016
Cash flows from operating activities			
Result for the reporting period	**67,891**	60,863	68,124
Adjustments:			
Non-cash transactions	**42,731**	37,853	52,461
Unrealised foreign exchange gains (-) / losses (+)	**1**	0	-11
Financial income and expenses	**9,022**	11,174	14,577
Taxes	**-202**	-578	-1,162
Changes in working capital:			
Change in accounts receivable and other receivables	**-25,432**	-5,760	1,565
Change in inventories	**290**	-577	-2,367
Change in accounts payable and other liabilities	**2,884**	4,003	6,471
Change in provisions	**-6**	-34	-155
Interest paid	**-7,386**	-10,061	-11,394
Interest received	**41**	239	299
Taxes paid	**-37**	285	280
Other financing items	**-2,568**	-2,988	-3,842
Net cash generated from operating activities	**87,229**	**94,418**	**124,845**
Cash flow from investing activities			
Investments in tangible and intangible assets *	**-26,006**	-38,519	-38,450
Sale of tangible assets **	**972**	8,727	8,810
Proceeds from sale of investments	**0**	-5	-5
Dividends received	**1**	13	13
Net cash used in investing activities	**-25,034**	**-29,783**	**-29,632**
Cash flows from financing activities			
Loan withdrawals	**121,976**	193,000	205,000
Net increase in current interest-bearing liabilities (+) / net decrease (-)	**11,111**	1,583	8,035
Repayment of loans	**-139,385**	-248,370	-271,662
Loans granted			
Increase (-) / decrease (+) in long-term receivables	**0**	0	200
Dividends paid	**-55,623**	-106	-41,309
Net cash used in financing activities	**-61,921**	**-53,893**	**-99,736**
Change in cash and cash equivalents	**273**	10,742	-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	**2,218**	**17,208**	**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 three-quarters of 2017.

** Includes sale of one vessel in 2016.

REVENUE AND RESULT BY BUSINESS SEGMENTS

	7–9 2017		7–9 2016		1–9 2017		1–9 2016		1–12 2016	
	MEUR	%	MEUR	%	MEUR	%	MEUR	%	MEUR	%
Revenue										
Shipping and sea transport services	140.1	96.5	125.1	95.9	389.6	96.3	345.7	95.7	453.6	95.8
Port operations	10.6	7.3	9.7	7.4	31.5	7.8	29.1	8.1	38.4	8.1
Intra-group revenue	-5.5	-3.8	-4.4	-3.3	-16.6	-4.1	-13.7	-3.8	-18.2	-3.9
External sales	**145.2**	**100.0**	**130.4**	**100.0**	**404.5**	**100.0**	**361.1**	**100.0**	**473.7**	**100.0**
Result before interest and taxes										
Shipping and sea transport services	34.6		34.7		74.0		71.9		82.8	
Port operations	1.0		0.1		2.7		-0.4		-1.3	
Result before interest and taxes (EBIT) total	**35.6**		**34.8**		**76.7**		**71.5**		**81.5**	
Financial items	-2.9		-3.7		-9.0		-11.2		-14.6	
Result before taxes (EBT)	**32.7**		**31.1**		**67.7**		**60.3**		**67.0**	
Income taxes	-0.2		-0.8		0.2		0.6		1.2	
Result for the reporting period	**32.5**		**30.3**		**67.9**		**60.9**		**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		-13		-1		-14
Increases		16	11,051	228	14,677	25,972
Disposals		-3	-2,515	-381		-2,899
Reclassifications between items			6,548	110	-6,657	0
Reclassifications to non-current assets held for sale **		-4,369	-83,648	-22,395	-6,475	-116,886
Acquisition cost 30 September 2017	**72**	**68,773**	**1,318,348**	**44,317**	**11,661**	**1,443,171**
Accumulated depreciation, amortisation and write-offs 1 January 2017		-21,793	-474,532	-42,923		-539,248
Exchange rate differences		11		2		13
Cumulative depreciation on reclassifications and disposals		3	2,515	381		2,899
Depreciation for the reporting period		-1,644	-40,582	-1,216		-43,441
Accumulated depreciation, amortisation and write-offs 30 September 2017		**-23,424**	**-512,598**	**-43,756**		**-579,778**
Reclassifications to non-current assets held for sale **		1,132	48,163	10,510		59,806
Carrying value 30 September 2017	**72**	**46,481**	**853,913**	**11,071**	**11,661**	**923,199**
Assets classified as held for sale 1 January 2017						
Acquisition cost						
Transfer to non-current assets held for sale		4,369	83,648	22,395	6,475	116,886
Reclassification between items						
Accumulated depreciation						
Transfer to non-current assets held for sale		-1,132	-48,163	-10,510		-59,806
Reclassification between items						
Carrying value 30 September 2017		**3,237**	**35,484**	**11,884**	**6,475**	**57,080**

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

** Assets held for sale:
The non-current assets held for sale includes the vessel MS Finneagle which was classified as held for sale in September 2017. The book value of the vessel is EUR 42.0 million. Furthermore, in the current assets are included EUR 1.2 million prepayments regarding MS Finneagle's ongoing investments. The fair value of the asset is higher than the book value of the asset classified as held for sale.

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 September 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				-85		-85
Increases			31,218	2,095	7,352	40,665
Disposals			-22,087	-184		-22,271
Reclassifications between items			16,330		-16,330	0
Reclassifications 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
Carrying value 30 September 2016	**72**	**48,300**	**916,718**	**12,278**	**14,481**	**991,849**
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			-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**

* 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 September 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 Sep 2017	30 Sep 2016	31 Dec 2016
Minimum leases payable in relation to fixed-term leases:			
Vessel leases (Group as lessor)*:			
Within 12 months	**0**	0	2,444
1-5 years	**0**	0	0
	0	**0**	**2,444**
Other leases (Group as lessee):			
Within 12 months	**5,473**	5,346	5,343
1-5 years	**9,152**	11,863	11,298
After five years	**5,712**	6,648	6,414
	20,337	**23,857**	**23,055**
Other leases (Group as lessor):			
Within 12 months	**224**	196	191
	224	**196**	**191**
Collateral given			
Loans from financial institutions	**364,215**	**378,176**	**389,852**
Vessel mortgages provided as guarantees for the above loans	**1,002,500**	**940,500**	**940,500**
Other collateral given on own behalf			
Pledges	**340**	0	250
	340	**0**	**250**
Other obligations *	**31,411**	**7,967**	**6,529**
VAT adjustment liability related to real estate investments	**1,758**	**3,054**	**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	140.1	125.1		107.9
Port operations	10.1	9.3	10.8	10.2	10.6	9.7		9.2
Intra-group revenue	-5.2	-4.4	-5.9	-4.9	-5.5	-4.4		-4.6
External sales	**120.9**	**105.2**	**138.4**	**125.6**	**145.2**	**130.4**		**112.6**
Result before interest and taxes								
Shipping and sea transport services	13.5	12.1	25.9	25.1	34.6	34.7		10.9
Port operations	0.1	-0.8	1.5	0.2	1.0	0.1		-0.8
Result before interest and taxes (EBIT) total	**13.6**	**11.4**	**27.4**	**25.3**	**35.6**	**34.8**		**10.1**
Financial items	-3.1	-3.9	-3.0	-3.6	-2.9	-3.7		-3.4
Result before taxes (EBT)	**10.6**	**7.4**	**24.4**	**21.7**	**32.7**	**31.1**		**6.7**
Income taxes	0.6	0.9	-0.2	0.5	-0.2	-0.8		0.6
Result for the reporting period	**11.2**	**8.3**	**24.2**	**22.2**	**32.5**	**30.3**		**7.3**
EPS (undiluted / diluted)	0.22	0.16	0.47	0.43	0.63	0.59		0.14

SHARE INFORMATION

	30 Sep 2017	30 Sep 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

MS Finneagle was sold to the Grimaldi Group in October 2017. Otherwise 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. The vessel was sold in October 2017.

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