



Annual General Meeting

9. June 2015



Agenda

- 1. Approval of the Annual Report of 01.01.2014 - 31.12.2014 of AS Tallink Grupp**
- 2. Distribution of profits**
- 3. Nomination of an auditor and determination of the procedure of remuneration of an auditor**
- 4. Approval of the Share Option Program of AS Tallink Grupp**
- 5. Amending the Articles of Association**
- 6. Authorizing the acquisition of own shares**



Tallink today

17 ships

- 10 in core passenger operations
- 2 dedicated for cargo service
- 1 to be sold soon
- 4 chartered out

6654 employees

- 4525 on the sea
- 608 in hotels
- 1521 onshore organisation

8.9 million passengers

- 4.3 million 
- 1.8 million 
- 1.1 million 
- 0.4 million 
- 1.3 million other countries

921 million EUR revenue
27 million EUR profit



Global position

Operators by **Gross Tons**

Rank	Company	Gross tons
1	Stena Line	878 919
2	Grimaldi Lines	750 089
3	Tallink Grupp	537 232
4	P&O Ferries	436 092
5	Scandlines	363 341

Operators by **beds**

Rank	Company	Beds
1	Tallink Grupp	24 428
2	Stena Line	15 619
3	Tirrenia	10 442
4	Viking Line	16 562
5	Grandi Navi Veloci	10 434

Operators by **revenue (2013)**

Rank	Company	Revenue (mEuro)
1	DFDS Group	1 625,0
2	Stena Line	1 090,0
3	Tallink Grupp	942,0
4	Scandlines	564,0
5	Finnlines	505,0

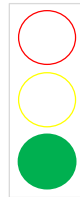
Data: Ro/pax / ferries above 1,000 GT **Source:** ShipPax MARKET:14



Fundamentals for new growth

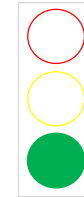
Travel & leisure industry

- Growth globally
- Growth in Europe
- Growth in Nordic
- Growth in domestic travel



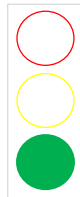
Demographics

- Ageing population
- more people have free time



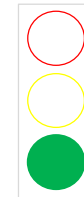
Disposable income

- Growth in all countries
- More spend devoted for free time



Retail sales

- Deflation, but continuous
- growth in total retail spending

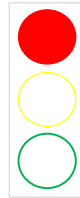




External factors

Land based competition

New ways to spend free time
New business concepts
New restaurants shops etc.



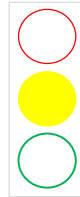
Direct competition

Pricing
Investments



Geopolitical situation

Decline of Russian passengers



Economy

No GDP growth





Strategy

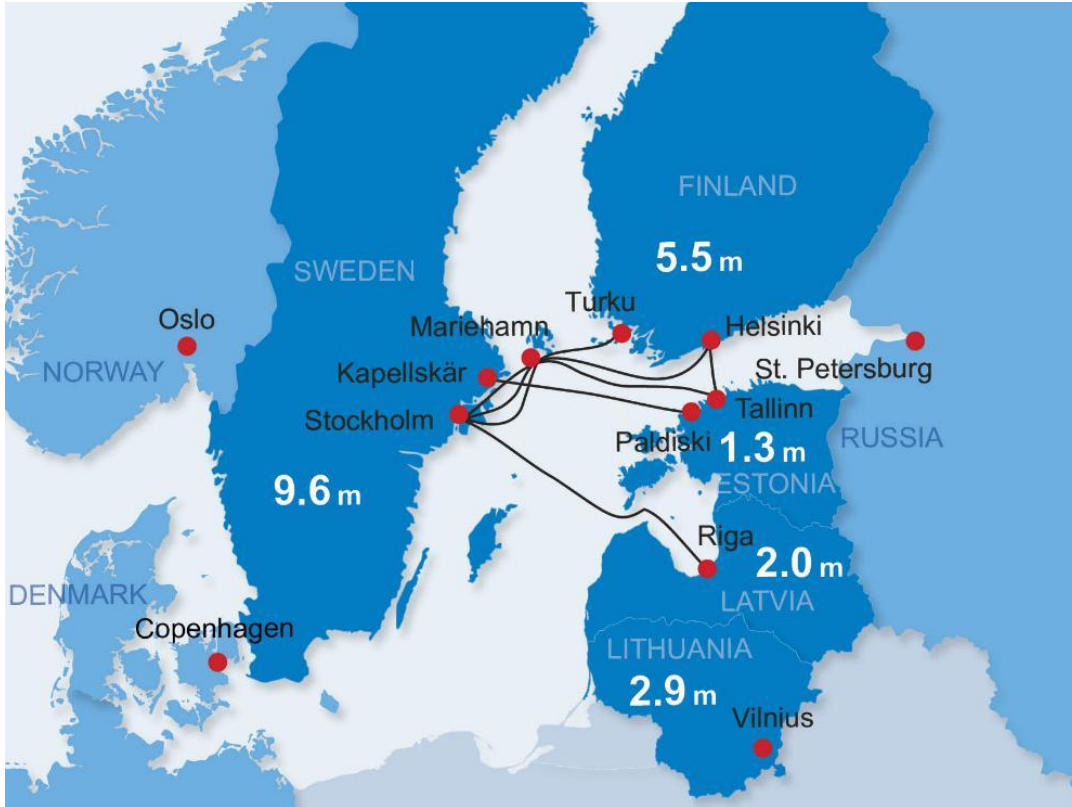
The main goals of the strategy that is directed toward increasing Tallink's value and profitability:

- Increase the volumes and strengthen the market position in the region
- Strive for the highest level of customer satisfaction
- Develop a wide range of quality services for different customers and to pursue new growth opportunities
- Cost efficient operating
- Optimal debt level that allows sustainable dividends



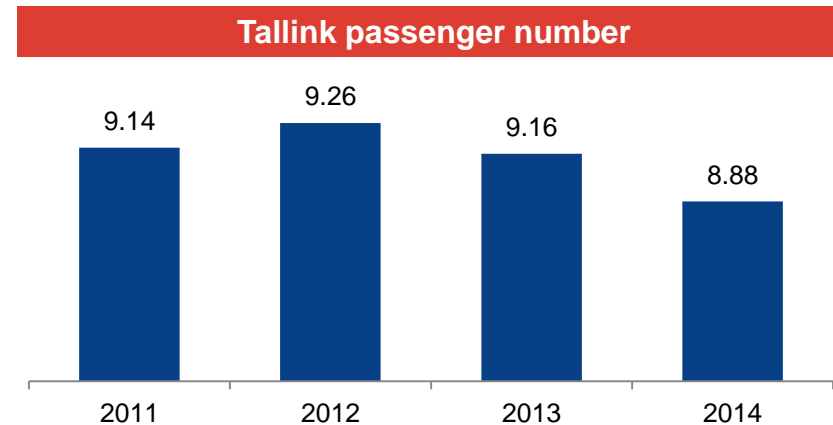


Tallink 2014



Tallink's passenger market share is 46% of the Northern Baltic Sea

- Increase in cargo volumes
- Decrease of passenger numbers
- Weak economic environment in the region
- Changed competitive landscape
- Upgrades of vessels
- Additional charters
- Re-routing of vessels
- Drop in fuel prices at the end of the year
- Continuous debt reduction

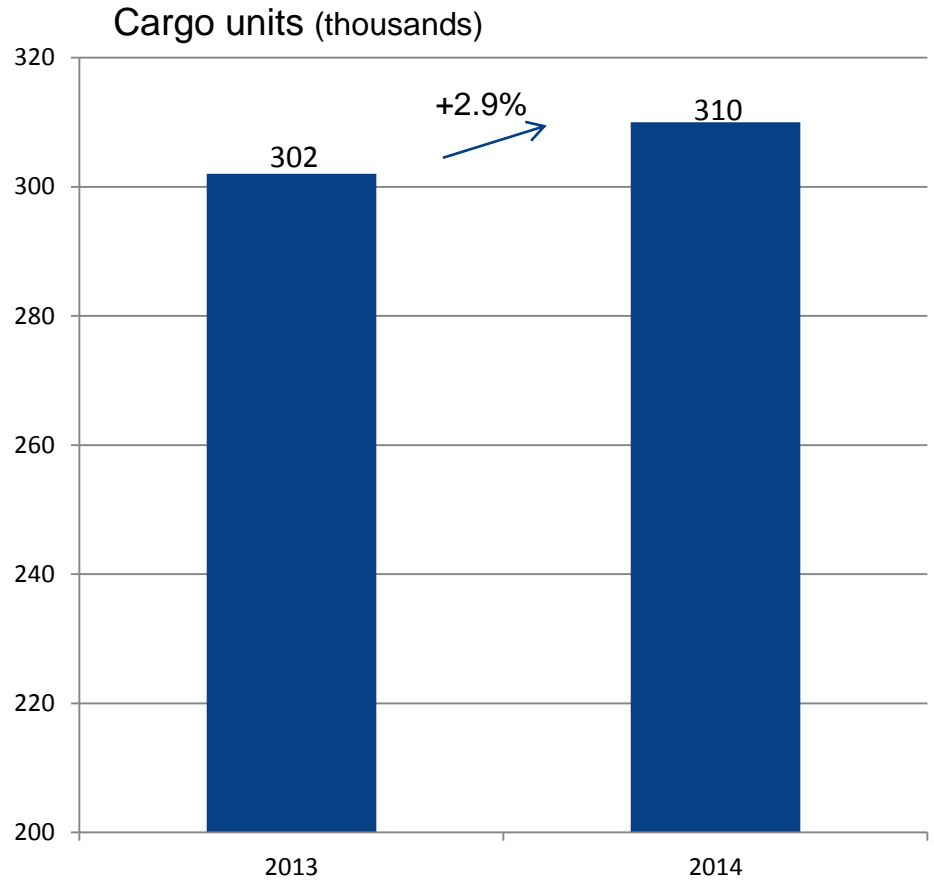
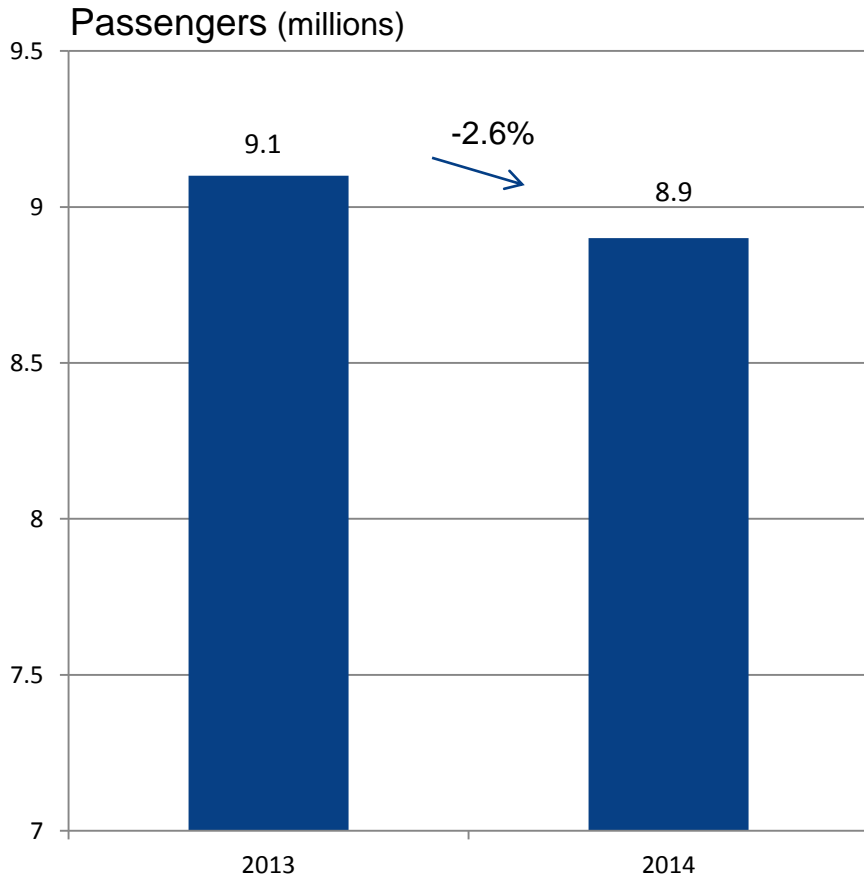


Source: Eurostat





Results of the 2014 financial year

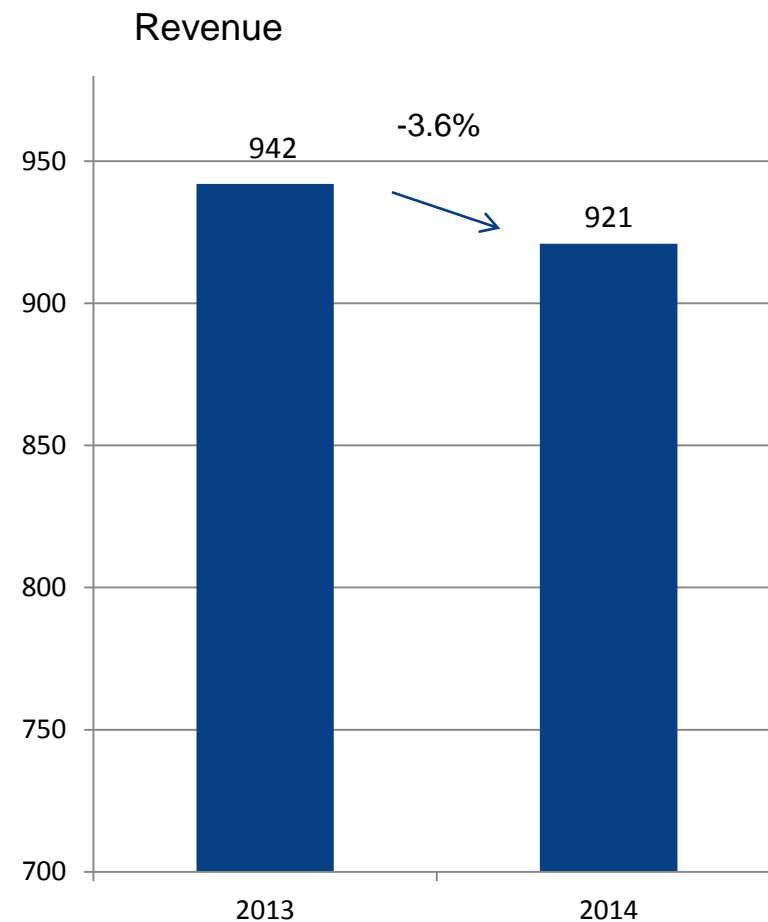




Results of the 2014 financial year

	2013	2014
Revenue (EUR million)	942	921
Gross profit (EUR million)	190	182
EBITDA ⁽¹⁾ (EUR million)	156	151
Net profit/-loss (EUR million)	43	27
EPS	0.06	0.04

(1) EBITDA – earnings before net financial items, share of profit of equity accounted investees, taxes, depreciaton and amortization.





Events that affected the 2014 Financial Year

Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> -Silja Serenade upgrade works -Maintenance of vessels 	<ul style="list-style-type: none"> -Repairworks Baltic Princess, Galaxy and Star -Isabelle maintenance -Geopolitical events 	<ul style="list-style-type: none"> -Ship re-routings -Isabelle continues as a single vessel on the Latvia-Sweden route - Drop of passengers from Russia - Silja Symphony upgrade works 	<ul style="list-style-type: none"> + Drop in fuel prices + Silja Europa charter effect + Lower costs



Results of the 2014 financial year

EUR million

2013

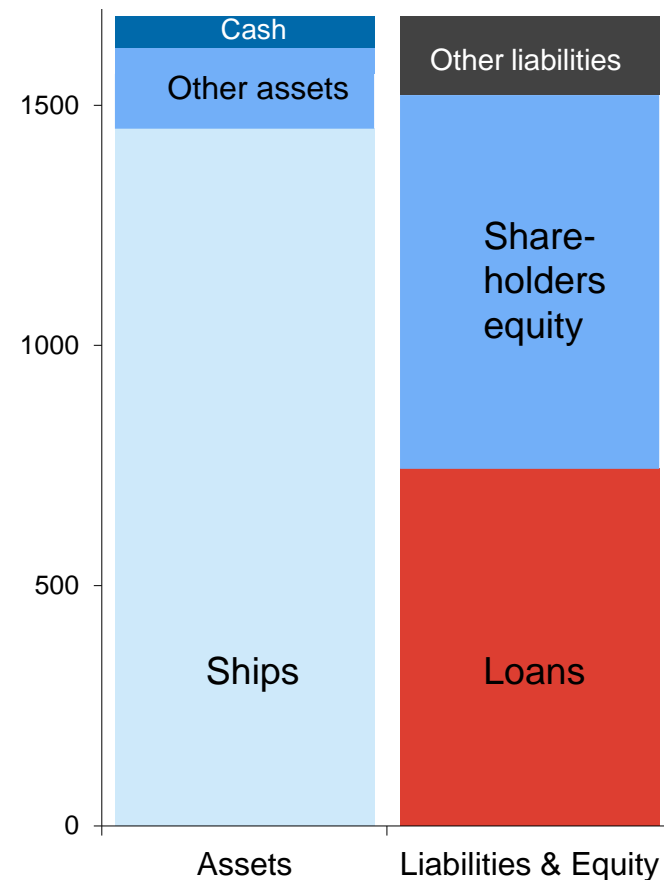
2014

Cash flows from operating activities	168	151
Investments	-43	-49
New loans	158	44
Redemption of loans	198	94
Dividends	33	20
Total net cash flow	6	(7)
Cash at the end of period	72	65



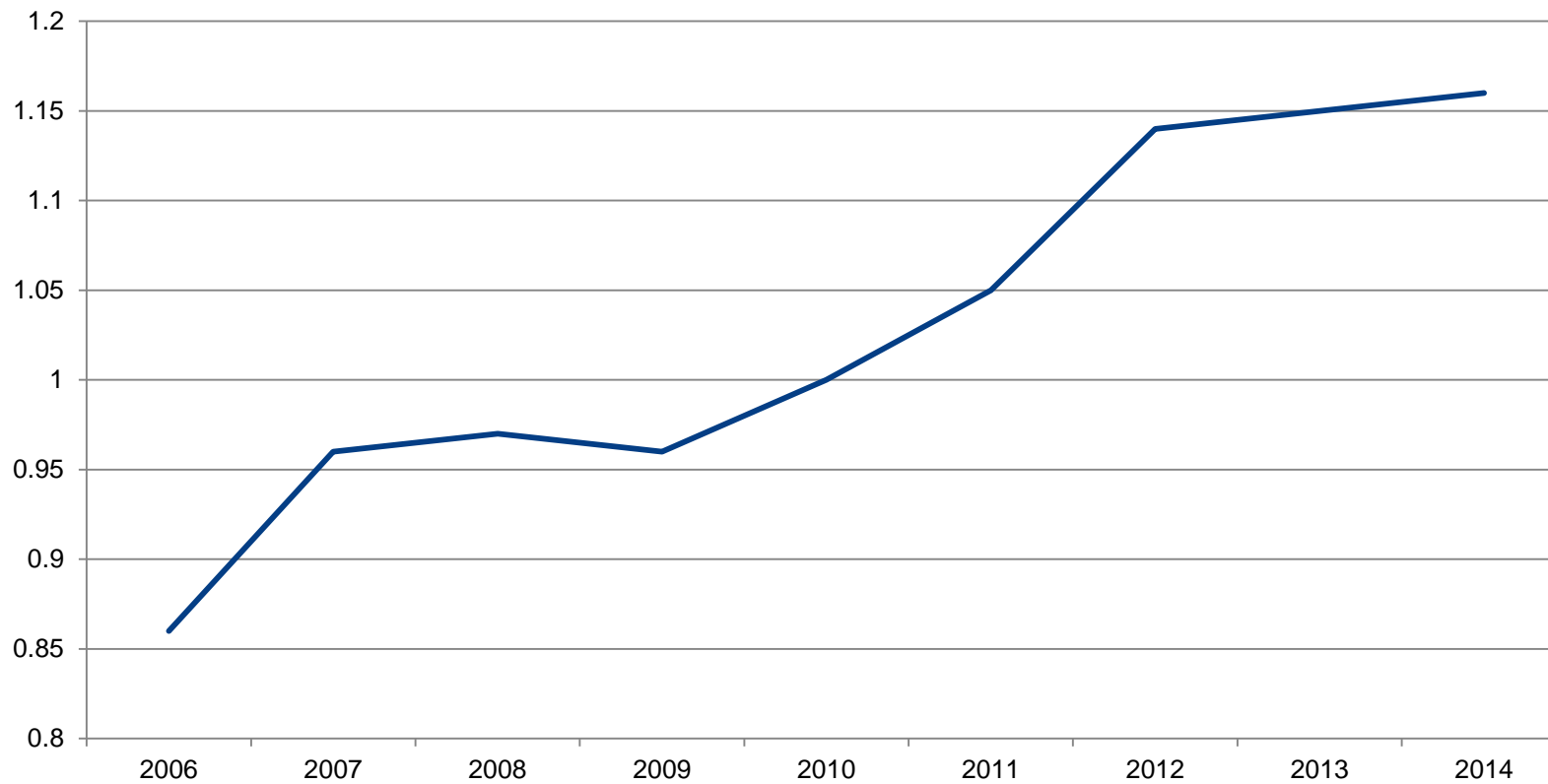
Results of the 2014 financial year

Financial position	31.12.2013	31.12.2014	change
Assets (EUR million)	1 722	1 686	-2.1%
Intrest bearing liabilities (EUR million)	794	743	-6.4%
Shareholder's equity (EUR million)	771	771	0.9%
Shareholder's equity per share	1,15	1,16	0.9%
Equity ratio	45%	46%	



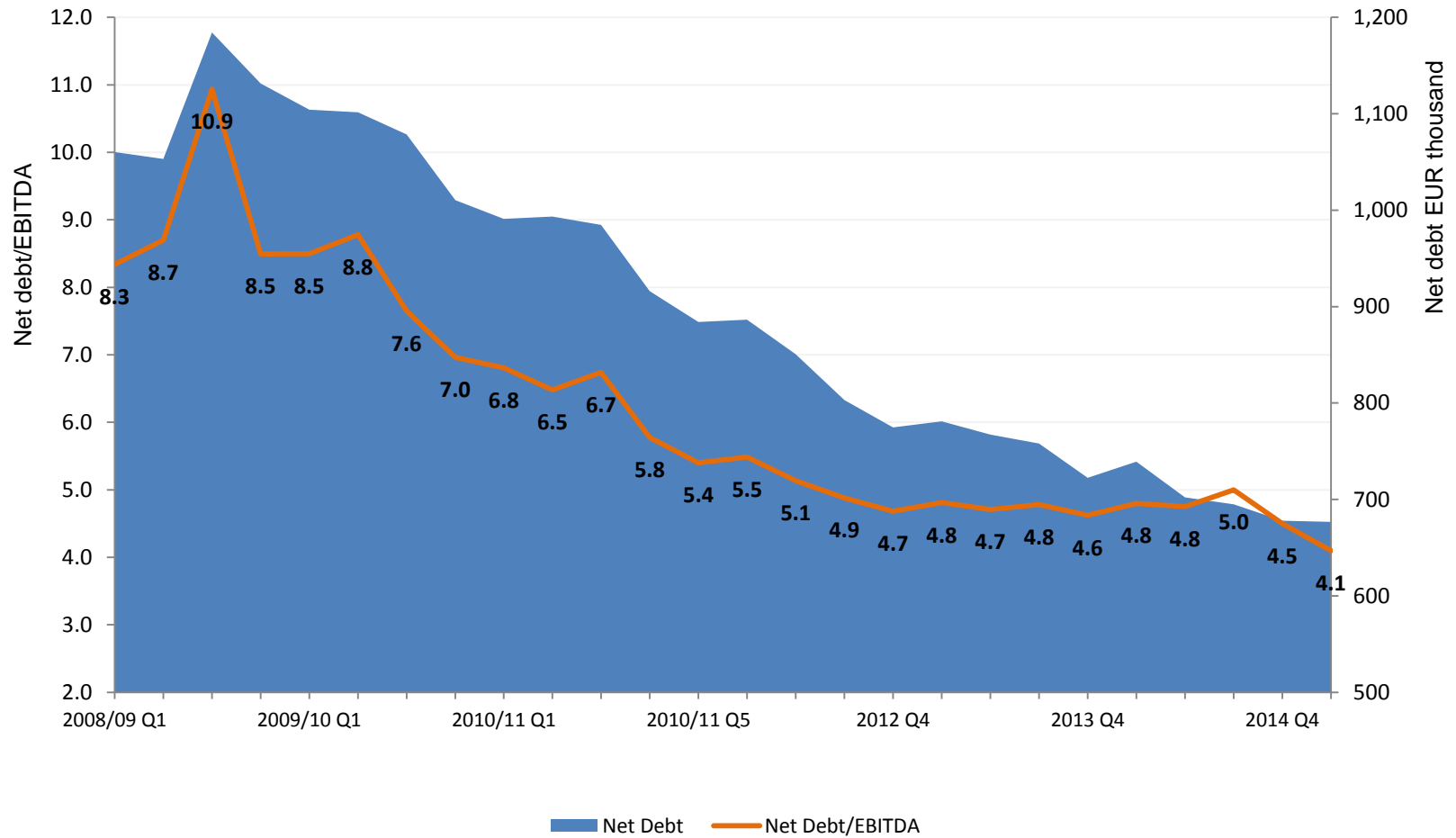


Shareholders' equity per share





Net debt



The net debt of Tallink has decreased by over EUR 500 million since the peak of 2009



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I quarter results of the 2015 financial year

1. January – 30. March 2015

		Q1 2014	Q1 2015	Change
Number of passengers	thousand	1 906	1 793	-5.9%
Cargo Units	thousand	77	75	-2.1%
Net Sales	(EUR million)	188	190	1.0%
EBITDA	(EUR million)	4	19	335.0%
Net profit/-loss	(EUR million)	-23	-13	



I quarter results of the 2015 financial year

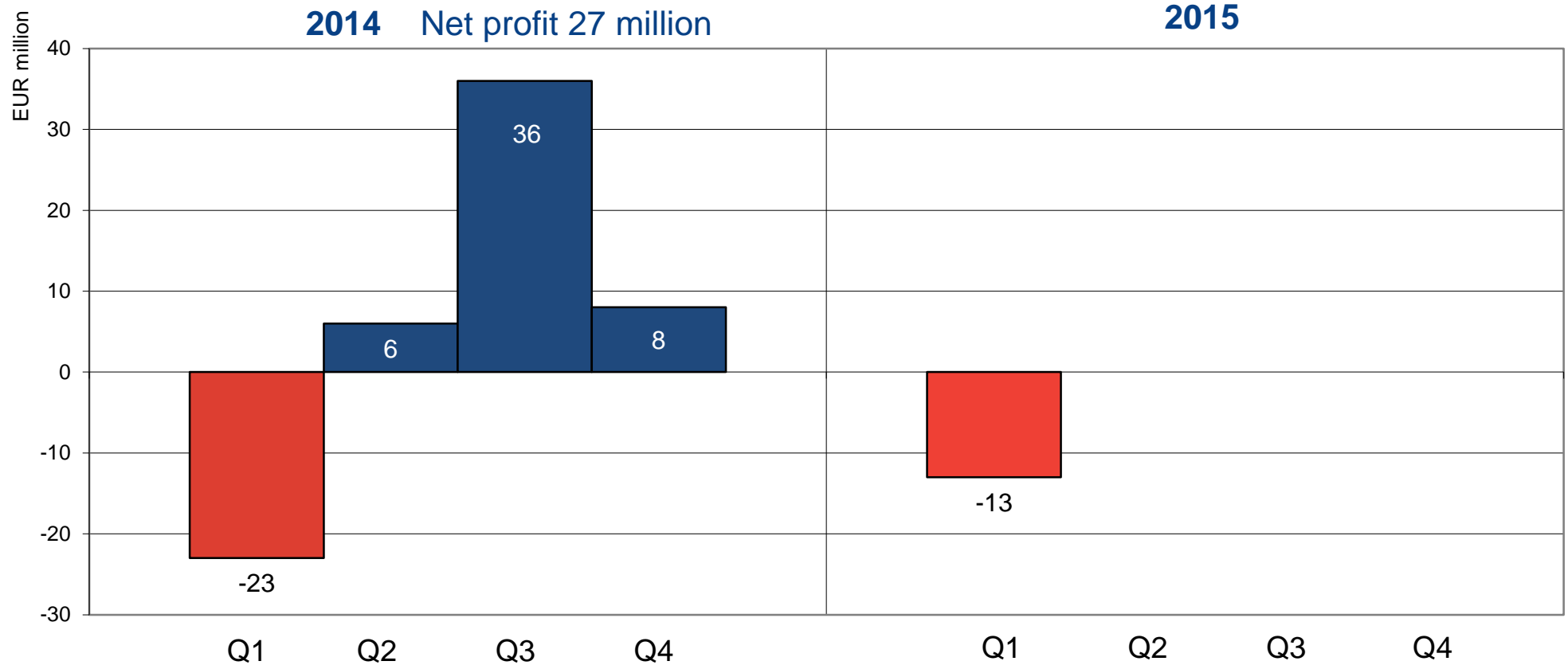
1. January – 30. March 2015

		Q1 2014	Q1 2015	Change
Cash flows from operating activities	(EUR million)	-1.5	18	
Investments	(EUR million)	14.1	4	-744.2%
Redemption of loans	(EUR million)	-15	5	
Cash at the end of period	(EUR million)	63	66	5.9%
Net debt (as of the end of the 1st quarter)	(EUR million)	749	675	-4.8%



The dynamics of high seasonality on the profit level

Net result by quarters



Typical to the Tallink business model the result is made in the summer high season



Cash outflow 2014



- Cashflow from operations
- Sale of Regina Baltica
- Sale of Silja Festival
- Credit lines



- New vessel downpayments
EUR 23 million
- Capital expenditure and
maintenance
- Scheduled loan re-payments
EUR 90 million
- Interest
- Dividends



New LNG vessel



- Increase volumes and strengthen the market position
- Increase customer satisfaction
- Offer a wide range of quality services and develop new growth opportunities

The vessel will be ready in 2017

Cost of the vessel is EUR 230 million

Financed 80% with bank loan upon delivery of the vessel



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