

# Tallink is the leading short cruise and ferry operator



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## Key points

Tallink's vision is to be the market pioneer in Europe by offering excellence in leisure and business travel and sea transportation services

**Long term objectives toward increasing the company value and profitability:**

- Strive for the highest level of customer satisfaction
- Increase volumes and strengthen the leading position on our home markets
- Develop a wide range of quality services directed at different customers and pursue new growth opportunities
- Reach a optimal debt level that will allow sustainable dividends

Current focus is on core operations to realize past investments. Along with the optimal fleet deployment the emphasis is on the profitability improvement and deleveraging.

**Current strategic cornerstones and competitive advantages:**

- Most modern fleet
- Wide route network
- Strong market share & brand awareness
- High safety level & environmental standards

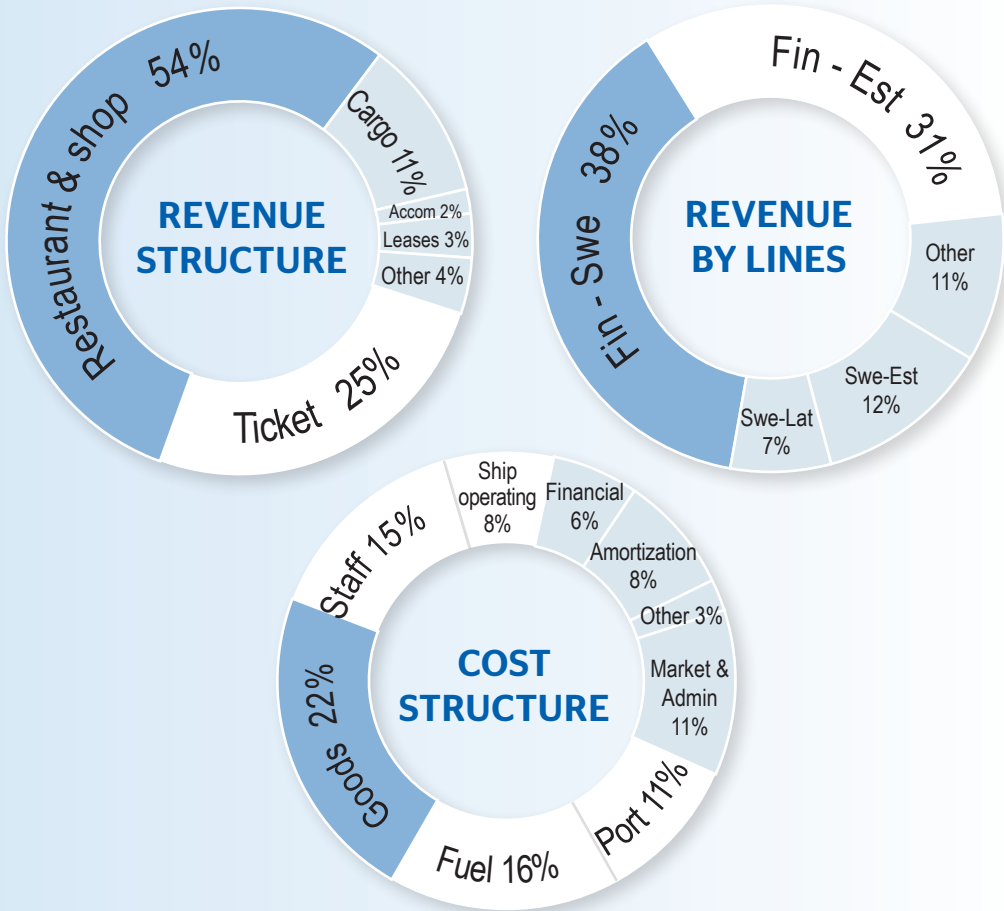
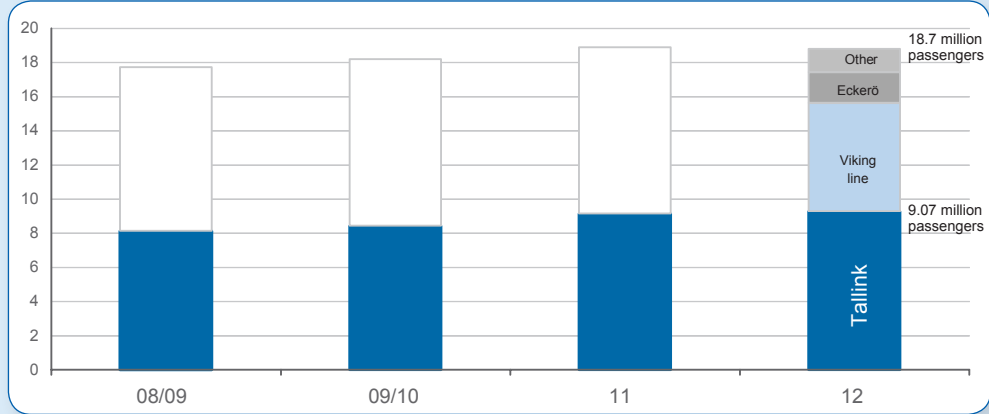
## Key Information 2012

|                             |             |                      |          |
|-----------------------------|-------------|----------------------|----------|
| Passengers                  | 9 264 561   | P/E                  | 10       |
| Sales                       | 944 mil EUR | ROA                  | 5.4%     |
| EBITDA                      | 166 mil EUR | ROE                  | 7.8%     |
| Net Profit                  | 56 mil EUR  | Equity Ratio         | 44%      |
| Average number of employees | 6 799       | EBITDA Margin        | 18%      |
| EPS                         | 0.08        | Book value per share | 1.14 EUR |

## We operate 6 routes



## The passenger market share of Tallink is 49% in the northern Baltic Sea

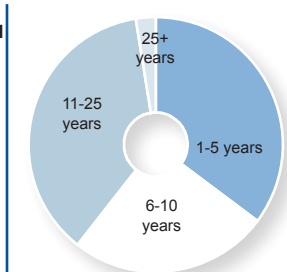


|                |                              |                                   |                                      |                        |                        |                 |                   |                   |                         |                             |                   |                        |             |                               |                       |   |                    |                                     |                       |
|----------------|------------------------------|-----------------------------------|--------------------------------------|------------------------|------------------------|-----------------|-------------------|-------------------|-------------------------|-----------------------------|-------------------|------------------------|-------------|-------------------------------|-----------------------|---|--------------------|-------------------------------------|-----------------------|
| <b>History</b> | <b>1883</b>                  | <b>1910</b>                       | <b>1928</b>                          | <b>1957</b>            | <b>1965</b>            | <b>1989</b>     | <b>1990</b>       | <b>1996</b>       | <b>2001</b>             | <b>2002</b>                 | <b>2003</b>       | <b>2004</b>            | <b>2005</b> | <b>2006</b>                   | <b>2008</b>           | <b>2009</b>   | <b>2010</b>        | <b>2011</b>                         | <b>2012</b>           |
|                | Finnish Steamship Co founded | Service between Turku & Stockholm | Service between Helsinki & Stockholm | Silja Line established | Tallinn-Helsinki route | Tallink founded | One vessel        | Management buyout | Tallinn-Stockholm route | First newbuilt cruise ferry | Private placement | Hotel operation starts | IPO         | Rights Issue                  |                       | Over 1.3 billion euros invested during the fleet investment program | Tallink Hotel Riga |                                     |                       |
|                |                              |                                   |                                      |                        |                        |                 | 166 th passengers |                   |                         |                             |                   |                        |             | Tallink and Silja Line merged | 7M passengers reached | 8M passengers reached   |                    | 9M passengers 1.3M Club One members | 1.5M Club One members |

## Our fleet consists of 19 ice class ships and has a value of 1.5 billion EUR

|  |   |  |   |  |   |
|--|---|--|---|--|---|
| <b>Star</b><br>Built: 2007<br>Length: 186 m<br>Passengers: 1860<br>Lanemeters: 2000<br>Helsinki-Tallinn          | <b>Baltic Queen</b><br>Built: 2009<br>Length: 212m<br>Passengers: 2800<br>Lanemeters: 1130<br>Tallinn-Stockholm | <b>Silja Europa</b><br>Built: 1993<br>Length: 202m<br>Passengers: 3123<br>Lanemeters: 932<br>Helsinki-Tallinn  | <b>Silja Symphony</b><br>Built: 1991<br>Length: 203m<br>Passengers: 2852<br>Lanemeters: 950<br>Helsinki-Stockholm | <b>Regina Baltica</b><br>Built: 1980<br>Length: 145m<br>Passengers: 1500<br>Lanemeters: 840<br>Chartered out         | <b>Stena Superfast VIII</b><br>Built: 2001/2002<br>Length: 203m<br>Passengers: 717<br>Lanemeters: 1900<br>Chartered out |
| <b>Superstar</b><br>Built: 2008<br>Length: 177m<br>Passengers: 2080<br>Lanemeters: 1930<br>Helsinki-Tallinn      | <b>Victoria I</b><br>Built: 2004<br>Length: 193m<br>Passengers: 2500<br>Lanemeters: 1030<br>Tallinn-Stockholm   | <b>Galaxy</b><br>Built: 2006<br>Length: 212m<br>Passengers: 2800<br>Lanemeters: 1130<br>Turku-Stockholm        | <b>Silja Serenade</b><br>Built: 1990<br>Length: 203m<br>Passengers: 2852<br>Lanemeters: 950<br>Helsinki-Stockholm | <b>Regal Star</b><br>Built: 1999<br>Length: 157m<br>Passengers: 80<br>Lanemeters: 2087<br>Paldiski-Kapellskär        | <b>Stena Superfast IX</b><br>Built: 2002<br>Length: 203m<br>Passengers: 728<br>Lanemeters: 1900<br>Chartered out        |
| <b>Baltic Princess</b><br>Built: 2008<br>Length: 212m<br>Passengers: 2800<br>Lanemeters: 1130<br>Turku-Stockholm | <b>Romantika</b><br>Built: 2002<br>Length: 193m<br>Passengers: 2500<br>Lanemeters: 1030<br>Riga-Stockholm       | <b>Silja Festival</b><br>Built: 1986<br>Length: 171m<br>Passengers: 2023<br>Lanemeters: 885<br>Turku-Stockholm | <b>Sea Wind</b><br>Built: 1972<br>Length: 155.0m<br>Passengers: 260<br>Lanemeters: 1100<br>Turku-Stockholm        | <b>Atlantic Vision</b><br>Built: 2001/2002<br>Length: 203.3m<br>Passengers: 717<br>Lanemeters: 1900<br>Chartered out | <b>Isabelle</b><br>Built: 1989<br>Length: 271m<br>Passengers: 2480<br>Lanemeters: 850<br>Riga-Stockholm                 |

## Age of fleet by value



World-wide ships age  
Ferry 24.1 years  
Cruise 12.5 years

## We operate 5 Hotels (1300 rooms)

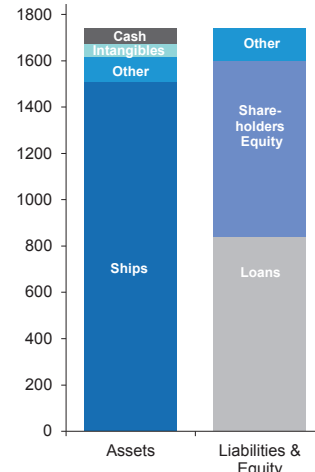
|  |  |
|--|--|
| <b>Tallink City</b><br>Rooms: 332<br>Conference<br>Nightclub<br>Tallinn  | <b>Pirita Top Spa</b><br>Rooms: 267<br>Wellness &<br>MediSPA<br>National Heritage<br>Tallinn |
| <b>Tallink Spa &amp; Conference</b><br>Rooms: 275<br>Aqua Spa<br>Tallinn | <b>Tallink Express</b><br>Rooms: 163<br>Express Cafe<br>Tallinn                              |
| <b>Tallink Hotel Riga</b><br>Rooms: 256<br>Conference<br>GYM<br>Riga     | 60% of the hotel guests arrive with Tallink ships  |



## Financials

| Million EUR               | 2009/2010 | 2011* | 2012  |
|---------------------------|-----------|-------|-------|
| Revenue                   | 814       | 908   | 944   |
| Cost of sales             | 646       | 715   | 743   |
| Marketing & GA expenses   | 94        | 101   | 109   |
| EBITDA                    | 145       | 163   | 166   |
| EBITDA margin             | 18%       | 18%   | 18%   |
| Net Profit                | 22        | 38    | 56    |
| Cash flow from operations | 164       | 160   | 163   |
| Investments               | 6         | 9     | 9     |
| Loan repayments           | 107       | 76    | 119   |
| Cash position             | 57        | 75    | 66    |
| Total assets              | 1 871     | 1 800 | 1 741 |
| Ships                     | 1 651     | 1 570 | 1 510 |
| Interest bearing loans    | 1 068     | 960   | 840   |
| Shareholders' equity      | 668       | 705   | 761   |

\*pro forma



## Our position in the world

### Ferry operator by gross tons

| Rank | Company        | Gross tons     |
|------|----------------|----------------|
| 1    | Stena Line     | 752 081        |
| 2    | Grimaldi Lines | 740 934        |
| 3    | <b>Tallink</b> | <b>512 078</b> |
| 4    | P&O Ferries    | 436 092        |
| 5    | Scandlines     | 363 341        |

### Ferry operator by beds

| Rank | Company        | Beds          |
|------|----------------|---------------|
| 1    | <b>Tallink</b> | <b>24 262</b> |
| 2    | Stena Line     | 16 502        |
| 3    | Viking Line    | 15 252        |
| 4    | Grimaldi Lines | 14 288        |
| 5    | Tirrenia       | 13 392        |

### Ferry operator by revenues (mEUR)

| Rank | Company        | Revenue    |
|------|----------------|------------|
| 1    | DFDS Group     | 1 561      |
| 2    | Stena Line     | 1 084      |
| 3    | <b>Tallink</b> | <b>908</b> |
| 4    | Scandlines     | 611        |
| 5    | Finnlines      | 605        |

Source: ShipPax MARKET: 12

### The world's top duty free & travel retail shops 2011

| Rank | Location                                       | Remarks            |
|------|--|--------------------|
| 1    | Seoul - Incheon Int'l Airport, South Korea     | Dubai              |
| 2    | Dubai International Airport, U.A.E.            | AIRPORT SHOPS      |
| 3    | Singapore - Changi Airport                     | AIRPORT SHOPS      |
| 4    | London - Heathrow Airport / All Shops, UK      | AIRPORT SHOPS      |
| 5    | Hong Kong - Hong Kong International Airport    | AIRPORT SHOPS      |
| 6    | Bangkok - Suvarnabhumi Airport, Thailand       | AIRPORT SHOPS      |
| 7    | Frankfurt - Frankfurt-Main Airport, Germany    | AIRPORT SHOPS      |
| 8    | Paris - Charles de Gaulle Airport, France      | AIRPORT SHOPS      |
| 9    | <b>Tallink</b>                                 | <b>FERRY SHOPS</b> |
| 10   | Beijing - Capital Airport, China P.R.          | AIRPORT SHOPS      |
| 11   | Amsterdam - Schiphol Airport, Netherlands      | AIRPORT SHOPS      |
| 12   | Sao Paulo - Guarulhos Int'l Airport, Brazil    | AIRPORT SHOPS      |
| 13   | Oslo - Gardermoen Airport, Norway              | AIRPORT SHOPS      |
| 14   | Taipei - Taoyuan International Airport, Taiwan | AIRPORT SHOPS      |
| 15   | London - Gatwick Airport, UK                   | AIRPORT SHOPS      |
| 16   | Tel Aviv - Ben Gurion Int'l Airport, Israel    | AIRPORT SHOPS      |
| 17   | Shanghai - Pudong Airport, China P.R.          | AIRPORT SHOPS      |

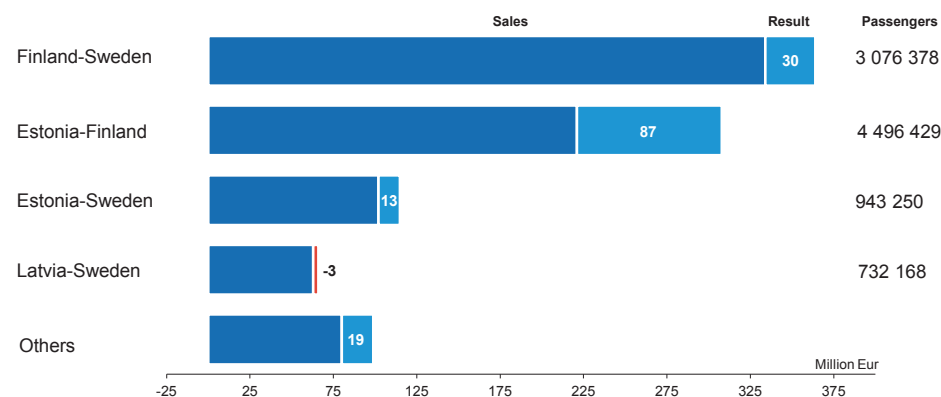
Source: Generation Research 2012

## Share price development



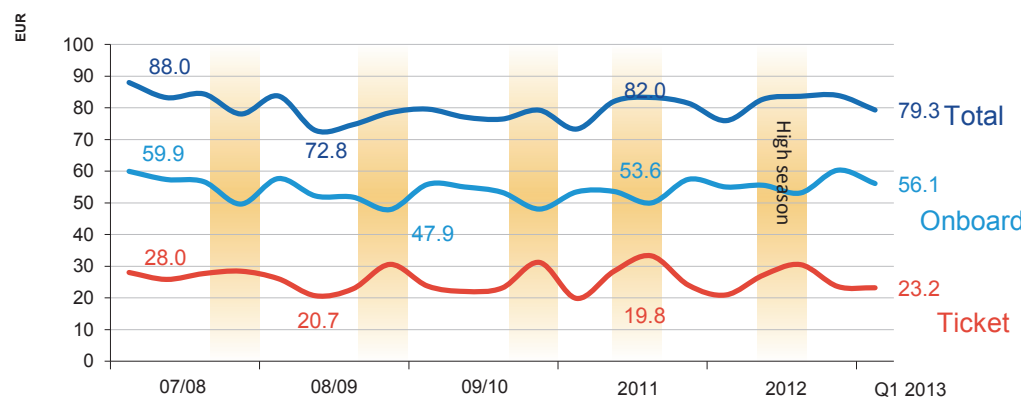
Tallink has been a leading stock on the Baltic market in liquidity, market capitalization and has a retail shareholder base over 11 000 shareholders

## Segment result by routes 2012



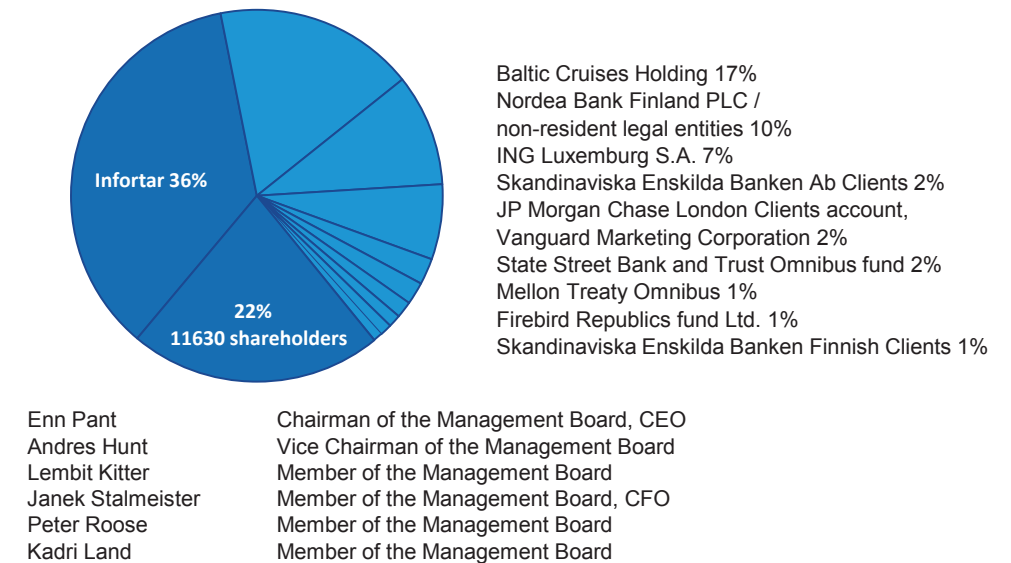
The segment result is the result before administrative expenses, financial expenses and taxes

## Passenger revenue

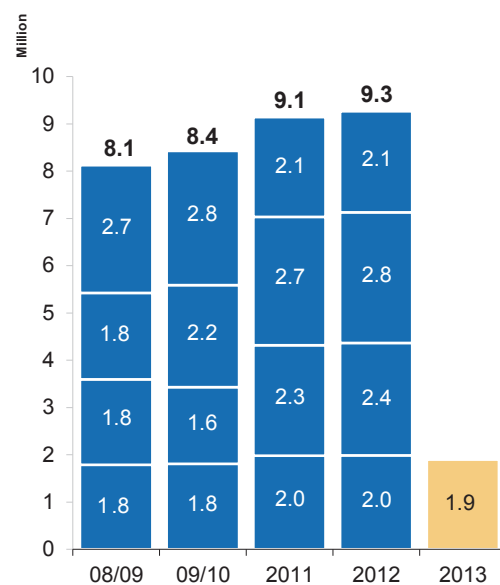


Quarterly passenger spending, highs and lows

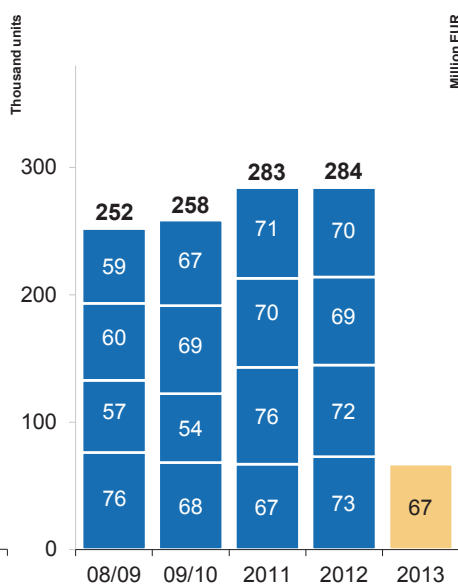
## Ownership & Management



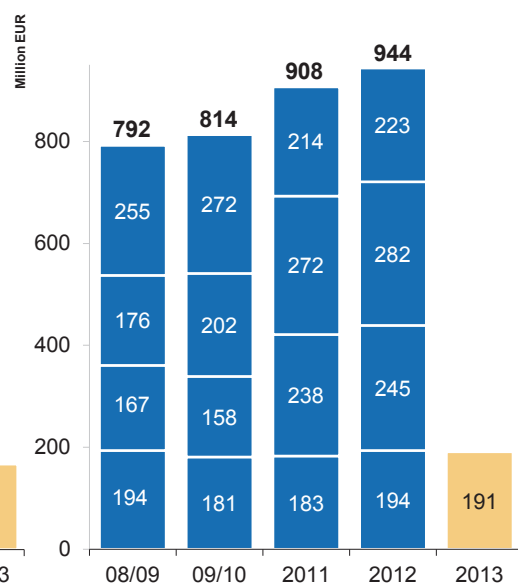
## Passengers



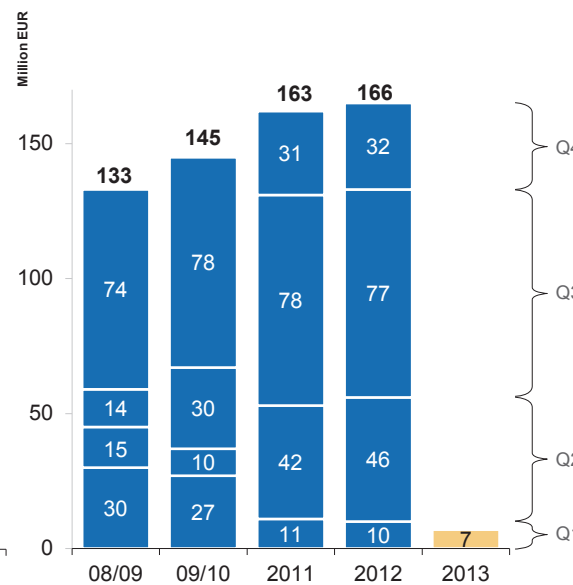
## Cargo units



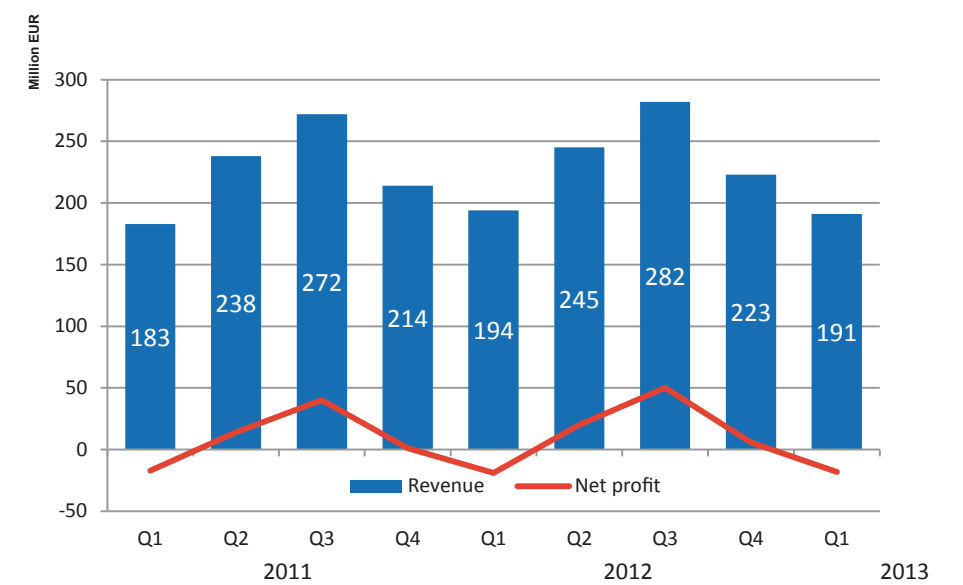
## Revenue



## EBITDA



## Quarterly seasonality



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