



Company Update

November 2007



Company's Recent expansion

Over EUR 1 billion investments in 2006-2007

- **Superfast**
3 vessels on Germany-Finland route
for 310 million € in Spring 2006
- **Silja Line**
Major competitor with 6 vessels operations
and Silja brand for € 450 million and 20
million Tallink's shares in Summer 2006
- **Galaxy**
New cruise ferry to Tallinn-Helsinki route
for 165 million € in Spring 2006
- **Star**
New shuttle vessel to Tallinn-Helsinki route
for 110 million € in Spring 2007





Highlights

The highlights of 2006/2007 financial year:

- Integration of Silja;
- Second vessel to Riga – Stockholm operations;
- Delivery of Star;
- Opening of Tallink Spa & Conference hotel;
- Ordering of new cruise vessel – Cruise 5;
- Numerous changes in the fleet;
- Bonus Issue.



Silja Integration

Main tasks carried out during the Silja Line integration process

- Reduction of overlapping positions;
- partial centralisation of some support functions, administrative, sales, technical management and procurement related duties;
- pension fund transfer out from the Group;
- restructuring of the Group structure– sale of two associate travel agency companies;
- termination of unnecessary arrangements and expensive outsourcing agreements;
- implementation of new Group wide booking and check in system.

Integration related costs EUR 16 million



Silja Operations

Silja Operations during 2006/2007 financial year

- Passengers slightly lower, but higher passenger income and overall result;
- Silja pro forma EBITDA raised from EUR 43 million in 2005/2006 financial year to EUR 62 million in 2006/2007 financial year.





Implementation of new booking system

New booking and check-in system SeaWare

- Flexible inventory management that allows for revenue maximization;
- flexible rule-based pricing/promotion/discount allowing to respond to business changes instantaneously;
- ability to target specific markets: travel agencies, consumers, regions, etc.;
- comprehensive profiling and contact tracking of travel agencies and customers;
- unified rule based business policies (payment schedules, cancellation, commissions, insurance, validation);
- packaging capabilities including hotel and onshore services for individuals and groups;
- selling limits to control inventory and pricing.



Brand new route
Opened in April 2006

Riga – Stockholm route

Good development potential

- Connecting two largest Capital Cities in the Baltic Sea region
 - Stockholm 2 million catchment area
 - Riga 1 million catchment area
- Second vessel to the route from April 2007
 - Daily departures from both directions
 - 79% yoy increase in passenger transportation on the comparable 6 month period
- Segment result in 2005/2006: EUR **-2,087** thousand
- Segment result in 2006/2007: EUR **268** thousand



Regina Baltica



Vana Tallinn



Investments into Fleet renewal New shuttle concept

- The new breed of high-speed ro-pax ferries combine the best characteristics of cruise ferries, cargo vessels and high-speed vessels with operating costs of one vessel.



- Cruise ferry
 - High passenger capacity
 - Large variety of restaurants, shops and other public spaces
- Cargo vessel
 - Large cargo and car deck
- High-speed vessel
 - Fast crossing between destinations

	Passengers	Cargo Units	Revenue	Operating result
Star vs Melodia, Kapella & AutoExpress (2006/2007 Q4 vs 2005/2006 Q4)	-22%	75%	-9%	75%

One ferry as good as three



Continued investment in new vessels is critical to Tallink's growth, expansion strategy and market leadership position

Approximately EUR 470 million newbuilding program 2008 & 2009



Superstar
Delivery: 2008
Passengers: 2,000



Tallink Cruise 4
Delivery: 2008
Passengers: 2,800



Tallink Cruise 5
Delivery: 2009
Passengers: 2,800

Current Fleet Loans and Vessel Values

(in € billion)	31.08.2004	31.08.2005	31.08.2006	31.08.2007
Market value of vessels	0.4	0.4	1.4	1.5
Secured bank loans	0.3	0.2	1.0	1.0
Market value / Loans	164%	186%	142%	155%



Changes in the fleet

Vessels chartered and sold during 2006/2007 financial year

- Meloodia chartered
- Fantaasia chartered
- AutoExpress 2 chartered

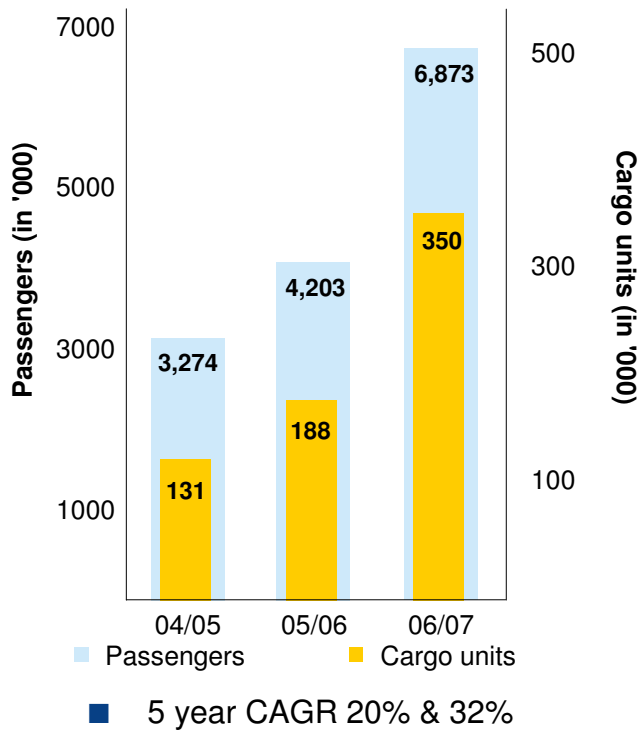
- AutoExpress 3 sold
- AutoExpress 4 sold
- Sky Wind sold



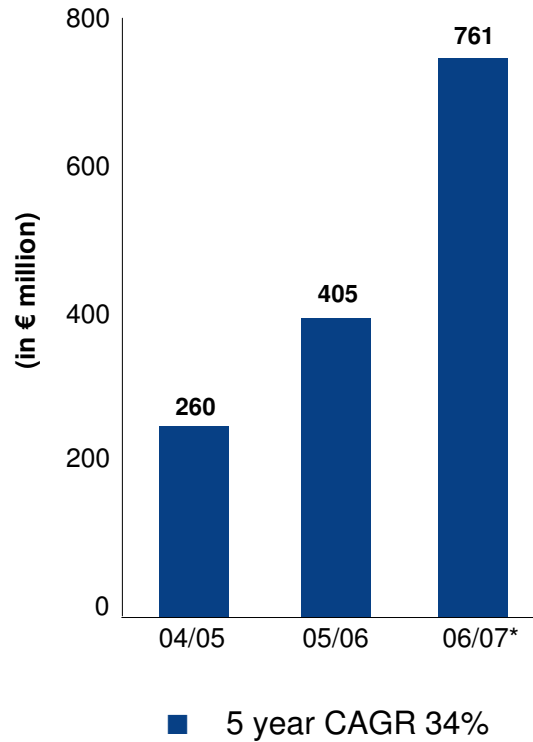


Strong operational and financial track record
 Significant growth momentum across all key indicators

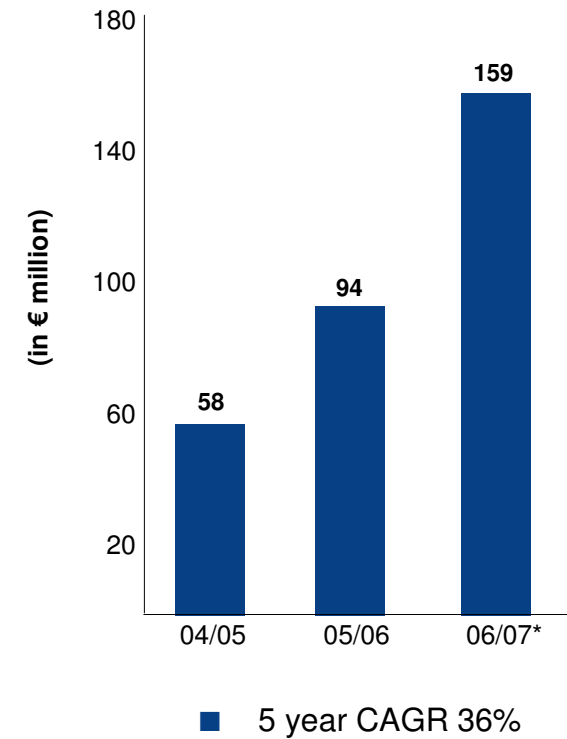
Passengers and Cargo Units



Revenue



EBITDA



*The figures of 2006/2007 financial year are unaudited

Growth is key to Tallink's success – this has been demonstrated over the past years and will remain central to its investment case going forward.



Consolidated Income Statement

(in € million)	2004/2005	2005/2006	2006/2007*
Sales	260	405	761
Cost of sales ⁽¹⁾	(190)	(288)	(560)
Marketing, general & admin ⁽¹⁾	(29)	(50)	(114)
EBITDA before one-off costs	58	94	175
<i>Margin (%)</i>	<i>22.2%</i>	<i>23.2%</i>	<i>23.2%</i>
Integration related one-off costs	0	0	(16)
Adjusted Net Profit ⁽²⁾	30	50	83
Net Profit	30	95	67

Notes:

*The figures of 2006/2007 financial year are unaudited

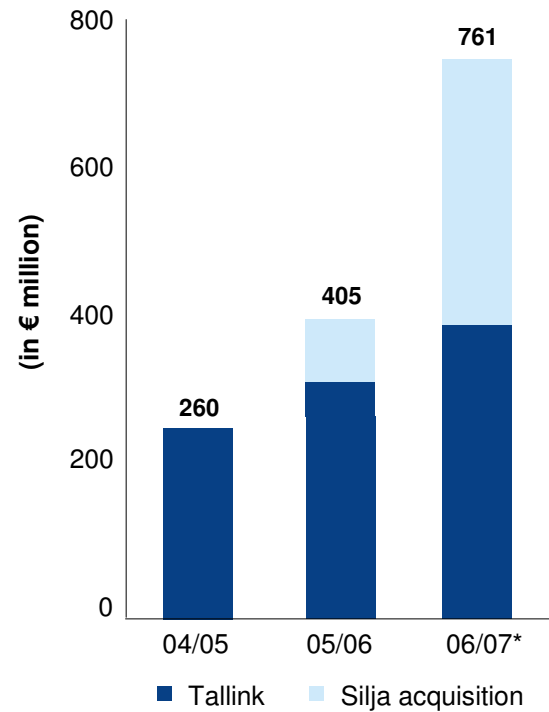
(1) Includes depreciation and amortization

(2) 2005/2006 Net Profit adjusted with negative goodwill, 2006/2007 Net Profit adjusted with one-off integration related costs

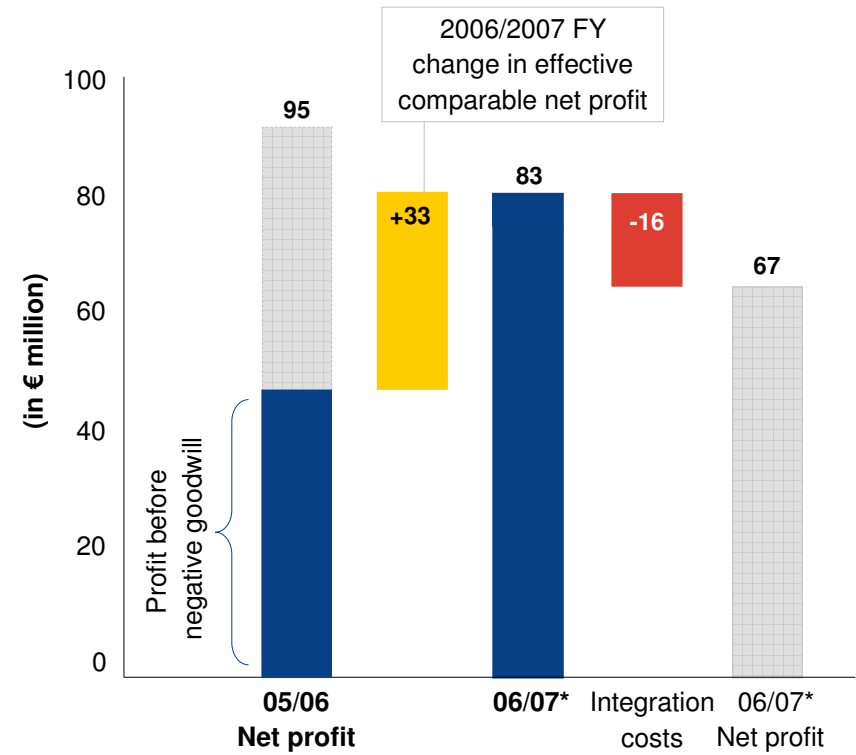


Financial development

Revenue development



Net profit development



*The figures of 2006/2007 financial year are unaudited



Consolidated Balance Sheet

(in € million)	31.08.2005	31.08.2006	31.08.2007*
Total assets	443	1,657	1,698
Non-current assets	403	1,481	1,537
Current assets	39	176	161
- of which cash -	21	90	83
Total liabilities	273	1,077	1,050
Interest bearing liabilities	245	956	948
Other liabilities	28	121	102
Shareholders' equity	170	580	648
Total liabilities and equity	443	1,657	1,698
Gearing ⁽¹⁾	59.1%	62.2%	59.4%

Note:

* The figures of 2006/2007 financial year are unaudited

(1) Gearing represents interest bearing liabilities / (interest bearing liabilities + shareholders' equity)



Consolidated Cash Flow Statement

(in € million)	2004/2005	2005/2006	2006/2007*
Net income	30	95	67
Depreciation and amortization	17	27	59
Other	10	(43)	9
Operating cash flow	57	79	135
Capital expenditure	(23)	(562)	(141)
Asset disposal	0.1	12	44
Free cash flow	34	(471)	38
Debt financing	(26)	327	(9)
<i>New loans</i>	30	805	90
<i>Repayments</i>	(57)	(478)	(99)
Equity financing	0	226	0
Interests	(11)	(12)	(36)
Change in cash	(3)	69	(7)

*The figures of 2006/2007 financial year are unaudited



2007/2008 financial year

- Full 12 month operations:
 - Two vessels on Riga – Stockholm route
 - Star
 - Tallink Spa & Conference hotel

- New vessels:
 - Superstar
 - Cruise 4

- Changes in the fleet:
 - Galaxy to Turku – Stockholm route

- Management expects 2007/2008 revenues and result to outperform 2006/2007 figures;
- High attention on the fuel costs and interest rates.



Thank you!

