Tallink in brief

- Tallink is the leading European ferry operator offering mini-cruise, passenger transportation and cargo transportation services in Baltic Sea.
- Fleet of 20 vessels
- Operating two hotels in center of Tallinn
- EUR 1.6 billion asset base
- 6,000 employees
- More than 6.5 million passengers annually*

* Combined with the 12 months pro forma figures of the acquired Silja Line ferry business
Tallink operates between:
- Tallinn and Helsinki (Est-Fin);
- Tallinn and Stockholm (Est-Swe);
- Paldiski and Kapellskär (Est-Swe);
- Riga and Stockholm (Lat-Swe);
- Helsinki and Rostock (Fin-Ger);
- Helsinki and Stockholm (Fin-Swe);
- Turku and Stockholm/Kapellskär (Fin-Swe).
**Product Offering**

**Mini-cruise, Hotel and Travel Packages**
- High-speed, Passenger and Cargo Traffic

**Success Story and Growth Drivers**
- Broad transportation, leisure and retail product: complete mini-cruise and overnight hotel & spa packages, city-break day trips, high-speed ferry and cargo
- Highly popular mini-cruise product across Scandinavia and the Baltics with extensive onboard retail and entertainment facilities
- Our destinations are attractive and lucrative for tourism and shopping destination
- Significant demand from business customers, tourism and cargo traffic boosted by EU accession

**Business segments**

- Onboard sales: 54%
- Ticket sales: 20%
- Cargo sales: 22%
- Other: 4%

Based on 06/07 6m
On the Finland – Germany route the estimated Tallink’s market share of passenger transportation is 60%.

On the Estonia – Sweden and Latvia – Sweden routes, Tallink is the only provider of daily passenger and cargo transportation.
Strong operational and financial track record
Significant growth momentum across all key indicators

Profitable 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.

Source: Tallink
Proven strategy
Market leadership and investment for profitable growth

- Continue to invest in our fleet
  - Central to maintaining market leadership and growing our business
  - Enhanced efficiency and profitability
  - Increased per-passenger spend from a wider demographic customer base
  - Further strengthening of the Tallink & Silja brands

- Build upon strong positions on existing routes
  - Strengthen overall market share and volumes
  - Further increase strong brand recognition
  - Broader customer base
  - Enhanced mini-cruise experience and promotion of our different travel destinations

- Pursue new growth opportunities in the North Europe region
  - Potential route expansion
  - Travel-related products, services and packages including hotel operations in our destinations

- Maintain profitability through efficient and flexible management while seeking revenue growth
Tallink is the only company investing aggressively into fleet renewal allowing us to provide:

- Higher quality of onboard facilities
- Increased passenger, cargo and retail capacity
- Expanded onboard consumption and retail facilities
- Reduce seasonality through ice-class specification
- Increased profitability through lower cost per passenger

*Note: Pure cruise vessel with no separate cargo or passenger car deck*
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>405</td>
<td>114</td>
<td>348</td>
</tr>
<tr>
<td>Cost of sales (1)</td>
<td>(288)</td>
<td>(92)</td>
<td>(274)</td>
</tr>
<tr>
<td>Marketing, general &amp; admin (1)</td>
<td>(50)</td>
<td>(15)</td>
<td>(47)</td>
</tr>
<tr>
<td>Integration related one-off costs</td>
<td>0</td>
<td>0</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>94</td>
<td>16</td>
<td>50</td>
</tr>
<tr>
<td><strong>Margin (%)</strong></td>
<td>23.2%</td>
<td>14.4%</td>
<td>14.5%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>67</td>
<td>7</td>
<td>18</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>95*</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td><strong>ROI (2)</strong></td>
<td>12%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td><strong>ROE (3)</strong></td>
<td>25%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Notes:**
1. Includes depreciation and amortization
2. ROI represents average of (profit after net financial cost + interest expense) / (total assets – interest free liabilities) for the period
3. ROE represents net profit / average equity for the period
* Includes negative goodwill in the amount of 45 € millions
## Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>(in € million)</th>
<th>28.02.2006</th>
<th>31.08.2006</th>
<th>28.02.2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>550</td>
<td>1,657</td>
<td>1,591</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>426</td>
<td>1,481</td>
<td>1,475</td>
</tr>
<tr>
<td>Current assets</td>
<td>124</td>
<td>176</td>
<td>116</td>
</tr>
<tr>
<td>- of which cash</td>
<td>107</td>
<td>90</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>245</td>
<td>1,077</td>
<td>1,010</td>
</tr>
<tr>
<td>Interest bearing liabilities</td>
<td>221</td>
<td>956</td>
<td>918</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>24</td>
<td>121</td>
<td>92</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>305</td>
<td>580</td>
<td>581</td>
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<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>550</td>
<td>1,657</td>
<td>1,591</td>
</tr>
<tr>
<td><strong>Gearing (1)</strong></td>
<td>42.0%</td>
<td>62.2%</td>
<td>63.2%</td>
</tr>
</tbody>
</table>

Note:
(1) Gearing represents interest bearing liabilities / (interest bearing liabilities + shareholders’ equity)
### Consolidated Cash Flow Statement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>95</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>27</td>
<td>9</td>
<td>33</td>
</tr>
<tr>
<td>Other</td>
<td>(43)</td>
<td>1</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>79</td>
<td>14</td>
<td>32</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(562)</td>
<td>(31)</td>
<td>(27)</td>
</tr>
<tr>
<td>Asset disposal</td>
<td>12</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>(471)</td>
<td>-17</td>
<td>5</td>
</tr>
<tr>
<td>Debt financing</td>
<td>327</td>
<td>(24)</td>
<td>(38)</td>
</tr>
<tr>
<td>New loans</td>
<td>805</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Repayments</td>
<td>(478)</td>
<td>(24)</td>
<td>(38)</td>
</tr>
<tr>
<td>Equity financing</td>
<td>226</td>
<td>131</td>
<td>0</td>
</tr>
<tr>
<td>Interests</td>
<td>(12)</td>
<td>(4)</td>
<td>(20)</td>
</tr>
<tr>
<td><strong>Change in cash</strong></td>
<td>69</td>
<td>86</td>
<td>(53)</td>
</tr>
</tbody>
</table>
Future growth drivers:

- New vessels
- New routes
- New businesses
Continued investment in new vessels is critical to Tallink’s growth, expansion strategy and market leadership position.

### Ship Delivery Schedule

<table>
<thead>
<tr>
<th>Ordered vessel</th>
<th>Acquisition Cost</th>
<th>Pax Capacity</th>
<th>Lane Meter Capacity</th>
<th>Delivery Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tallink Shuttle 2</td>
<td>~€113 million</td>
<td>2,000</td>
<td>2,000</td>
<td>Spring 2008</td>
</tr>
<tr>
<td>Tallink Cruise 4</td>
<td>~€165 million</td>
<td>2,800</td>
<td>1,100</td>
<td>Summer 2008</td>
</tr>
<tr>
<td>Tallink Cruise 5</td>
<td>~€180 million</td>
<td>2,800</td>
<td>1,100</td>
<td>Spring 2009</td>
</tr>
</tbody>
</table>

### Current Fleet Loans and Vessel Values

<table>
<thead>
<tr>
<th></th>
<th>31.08.2004</th>
<th>31.08.2005</th>
<th>31.08.2006</th>
<th>28.02.2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value of vessels</td>
<td>0.4</td>
<td>0.4</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Secured bank loans</td>
<td>0.3</td>
<td>0.2</td>
<td>1.0</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Market value / Loans</strong></td>
<td><strong>164%</strong></td>
<td><strong>186%</strong></td>
<td><strong>142%</strong></td>
<td><strong>152%</strong></td>
</tr>
</tbody>
</table>
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.

Ice class vessel – year around service compared to today’s eight month AutoExpress service

- **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

One ferry as good as three
Riga – Stockholm route

- Tallink opened Riga – Stockholm route in April 2006

Good development potential

- Two largest Capital Cities in the Baltic Sea region
  - Stockholm 2 million catchment area
  - Riga 1 million catchment area

- Experience with similar Tallinn – Stockholm route
  - 234 thousand passengers during 1st year of operations
  - 718 thousand passengers during last 12 months
  - Over 200% increase in 5 years

- Second vessel to the route from April 2007
  - Daily departures from both directions
Helsinki – Rostock route

- Tallink acquired three Superfast vessels in April 2006

Developments made during the first year

- Better pricing policy

- New destination in Finland since January 2007
  - More attractive destination
  - Better utilization of vessels

- Larger sales network, development of network in Germany
Tallink acquired the shares of Silja
- Transaction included Silja brand and operations with 6 vessels between Finland and Sweden
- Price EUR 450 million (EV) plus 5 million Tallink’s shares:

Keywords and rationale
- Major restructuring
- Integration
- Synergies
- Implementation of Tallink business model
Outlook for 2006/2007 financial year and operational impacts to the results

- Impacts of Galaxy, Romantika on Swedish route, Latvia – Sweden operations, Finland – Germany operations and Finland Sweden operations for the full financial year
- 2nd ship to Latvia – Sweden operation
- Delivery of new Shuttle ferry. Contribution for ~5 months

Integration of the acquired businesses: Silja and Superfast with Tallink

- Cost synergies
- Cross-selling benefits
- Wider product offering

Management’s estimations and projections:

- Revenues in range 750 million €
- EBITDA approx. 180 million €
- EPS target 0.135 €

![Graph showing revenues and EBITDA projections from 2003/04 to 2006/07]
Outstanding macro fundamentals

Strong market position

High-quality, flexible fleet

Broad product offering

Strong brands

Competitive cost base

Experienced management team
Thank you!
Finland – Estonia
Helsinki – Tallinn

Customers and Products

- Helsinki – Tallinn
  - Revenues mainly from onboard and ticket sales
  - Approximately 80% of the passengers are Finnish
  - 2 hour transportation with high-speed ro-pax ferries
  - 22 hour over-night cruise with “Galaxy”

- Investments
  - In 2002, 2006 and 2007 three brand new vessels
  - In 2008 brand new Ro-pax ferry will be introduced

Market Share

- TALLINK 44%
- Nordic Jet Line 5%
- Linda Line 3%
- Sea Containers 13%
- Eckerö Line 15%
- Viking Line 19%

Key Words

- Developing passenger market
- Increased cargo demand
## Customers and Products

**Helsinki – Stockholm**
- Revenues mainly from onboard and ticket sales
- Approximately 65% passengers are Finnish
- Over-night cruise

![Silja Serenade](image1.png) ![Silja Symphony](image2.png)

**Turku – Stockholm/Kapellskär**
- Revenues from onboard, ticket and cargo sales
- Majority of passengers are Finnish
- Over-night and day trips

![Silja Europa](image3.png) ![Silja Festival](image4.png) ![Sea Wind / Sky Wind](image5.png)

## Market Share

**Helsinki-Stockholm**
- Viking Line: 45%
- TALLINK: 55%

**Turku-Stockholm**
- Viking Line: 44%
- TALLINK: 56%

## Key Words
- Tax-free status (via Aland islands)
- Strong brand – Silja
- Loyal passenger base
- Increased cargo demand
- Overnight cruise
- City-break
- Hotel package sales
Tallink is the only provider of daily passenger and ro-ro cargo services on the routes between Sweden and Estonia.

**Key Words**
- Tax-free status (via Aland islands)
- High development potential
- Overnight cruises
- City-breaks
- Hotel package sales

**Customers and Products**

- **Stockholm – Tallinn route**
  - Revenues mainly from onboard and ticket sales
  - Approximately 70% of passengers are Swedish
  - Over-night cruise

  ![Romantika](image1)
  ![Victoria](image2)

- **Paldiski – Kapellskär route**
  - Revenues mainly from cargo sales
  - 11.5 hour trip

  ![Regal Star](image3)

**Market Share**

- Tallink is the only provider of daily passenger and ro-ro cargo services on the routes between Sweden and Estonia.
Swedish – Latvia
Stockholm – Riga

Customers and Products
- Stockholm – Riga route
  - Revenues mainly from onboard and ticket sales
  - Approximately 60% of passengers are Latvian
  - Over-night cruise

Key Words
- High growth potential
- Overnight cruise
- City-break
- Hotel package sales

Market Share
- Tallink is the only provider of daily passenger and ro-ro cargo services on the route between Sweden and Latvia

Regina Baltica
Vana Tallinn
Finland – Germany
Helsinki – Rostock

Customers and Products

- Helsinki – Rostock route
  - Revenues mainly from cargo sales
  - 22 hour trip

- High quality fast ice-classed vessels

Freight Market Share

- Finnlines 56%
- Transfennica 17%
- TALLINK 27%

Key Words

- The fastest link between Finland and Germany
- High cargo space utilization
- Potential in passenger transportation
Revenue Structure
6 months of 2006/2007 and 2005/2006 financial years

In € thousand

<table>
<thead>
<tr>
<th>Operational segments</th>
<th>06/07 6m</th>
<th>05/06 6m</th>
<th>2005/2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket sales</td>
<td>67,637</td>
<td>26,592</td>
<td>115,244</td>
</tr>
<tr>
<td>Revenue from packages</td>
<td>2,832</td>
<td>3,494</td>
<td>10,074</td>
</tr>
<tr>
<td>Sales of cargo transport</td>
<td>74,949</td>
<td>24,433</td>
<td>78,572</td>
</tr>
<tr>
<td>Accommodation sales</td>
<td>2,383</td>
<td>2,270</td>
<td>6,074</td>
</tr>
<tr>
<td>Restaurant and shops sales on-board and on mainland</td>
<td>180,887</td>
<td>52,817</td>
<td>177,464</td>
</tr>
<tr>
<td>Income from leases of vessels</td>
<td>4,408</td>
<td>1,174</td>
<td>3,663</td>
</tr>
<tr>
<td>Other</td>
<td>15,144</td>
<td>3,368</td>
<td>13,528</td>
</tr>
</tbody>
</table>

In € thousand

<table>
<thead>
<tr>
<th>2006/2007 6m</th>
<th>Estonia – Finland</th>
<th>Estonia – Sweden</th>
<th>Latvia – Sweden</th>
<th>Finland – Germany</th>
<th>Finland – Sweden</th>
<th>Estonia mainland</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>80,751</td>
<td>38,742</td>
<td>7,625</td>
<td>34,072</td>
<td>177,067</td>
<td>5,569</td>
<td>4,414</td>
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<tr>
<td>Segment Result</td>
<td>19,880</td>
<td>2,505</td>
<td>-869</td>
<td>2,510</td>
<td>22,746</td>
<td>304</td>
<td>926</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>2005/2006 6m</th>
<th>Estonia – Finland</th>
<th>Estonia – Sweden</th>
<th>Latvia – Sweden</th>
<th>Finland – Germany</th>
<th>Finland – Sweden</th>
<th>Estonia mainland</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>73,159</td>
<td>34,987</td>
<td></td>
<td>4,778</td>
<td></td>
<td>1,224</td>
<td></td>
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<tr>
<td>Segment Result</td>
<td>11,408</td>
<td>-1,460</td>
<td></td>
<td></td>
<td></td>
<td>1,685</td>
<td>197</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>169,804</td>
<td>87,619</td>
<td>8,810</td>
<td>38,276</td>
<td>84,633</td>
<td>11,759</td>
<td>3,718</td>
</tr>
<tr>
<td>Segment Result</td>
<td>37,204</td>
<td>10,440</td>
<td>-2,087</td>
<td>10,031</td>
<td>28,187</td>
<td>3,446</td>
<td>814</td>
</tr>
</tbody>
</table>

26
## Cost Structure
in 2005/2006 and 2004/2005 financial years

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of goods</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>Staff costs</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Bunker cost</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Port charges</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>General administration &amp; marketing</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Spare parts and maintenance expenses</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Cost of package sales, except ship tickets</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Other costs</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

**2005/2006 Pie Chart**

- **Cost of goods**: 22%
- **Staff costs**: 18%
- **Bunker cost**: 16%
- **Port charges**: 15%
- **Depreciation**: 8%
- **GA&M**: 9%
- **Maintenance**: 3%
- **Other costs**: 7%

**2004/2005 Pie Chart**

- **Cost of goods**: 26%
- **Staff costs**: 18%
- **Bunker cost**: 12%
- **Port charges**: 15%
- **Depreciation**: 8%
- **GA&M**: 7%
- **Maintenance**: 4%
- **Other costs**: 6%
## Cost structure in € thousand

### Cost of sales

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of goods</td>
<td>-74,188</td>
<td>-56,135</td>
</tr>
<tr>
<td>Port charges</td>
<td>-48,998</td>
<td>-33,884</td>
</tr>
<tr>
<td>Bunker cost</td>
<td>-54,199</td>
<td>-25,666</td>
</tr>
<tr>
<td>Staff costs</td>
<td>-43,404</td>
<td>-26,419</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-24,922</td>
<td>-16,635</td>
</tr>
<tr>
<td>Spare parts and maintenance expenses</td>
<td>-10,755</td>
<td>-9,371</td>
</tr>
<tr>
<td>Cost of package sales, except ship tickets</td>
<td>-7,731</td>
<td>-8,619</td>
</tr>
<tr>
<td>Other costs</td>
<td>-23,338</td>
<td>-13,696</td>
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<tr>
<td>Total cost of sales</td>
<td>-287,535</td>
<td>-190,425</td>
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### Marketing expenses

<table>
<thead>
<tr>
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<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising expenses</td>
<td>-9,874</td>
<td>-6,206</td>
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<tr>
<td>Staff costs</td>
<td>-13,690</td>
<td>-9,744</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-310</td>
<td>-337</td>
</tr>
<tr>
<td>Other costs</td>
<td>-5,175</td>
<td>-5,200</td>
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<tr>
<td>Total marketing expenses</td>
<td>-29,049</td>
<td>-21,487</td>
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</table>

### Administrative expenses

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<thead>
<tr>
<th></th>
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<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>-4,247</td>
<td>-2,814</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-1,590</td>
<td>-405</td>
</tr>
<tr>
<td>Other costs</td>
<td>-15,241</td>
<td>-4,447</td>
</tr>
<tr>
<td>Total administrative expenses</td>
<td>-21,078</td>
<td>-7,666</td>
</tr>
</tbody>
</table>
Ownership structure

Shareholders of AS Tallink Grupp

- Infortar AS: 39%
- ING Luxembourg S.A.: 9.1%
- Citigroup Venture Capital International Jersey Ltd: 7.3%
- Nordea Bank Finland Plc / Non-resident legal entities: 6.9%
- Skandinaviska Enskilda Banken AB Clients: 3.5%
- AS Suprema Client account: 3.4%
- Morgan Stanley + CO International Equity Client account: 2.5%
- Deutsche Bank AG London Prime Brokerage/Clients account: 1.6%
- Firebird Republics Fund Ltd: 1.6%
- Investors Bank and Trust CO (Treaty): 1.4%
- Others: 23.7%
AS Tallink Grupp share price performance

- AS Tallink Grupp
- BALTIX

May 06 - Jun 06 - Jul 06 - Aug 06 - Sep 06 - Oct 06 - Nov 06 - Dec 06 - Jan 07 - Feb 07 - Mar 07

€

400 - 520 - 640 - 760 - 880 - 1,000

4,000,000 - 2,000,000

AS Tallink Grupp share turnover