

# Tallink is the leading short cruise and ferry operator



## 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 to different customers and pursue new growth opportunities
- Ensure cost efficient operations
- Manage the 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**

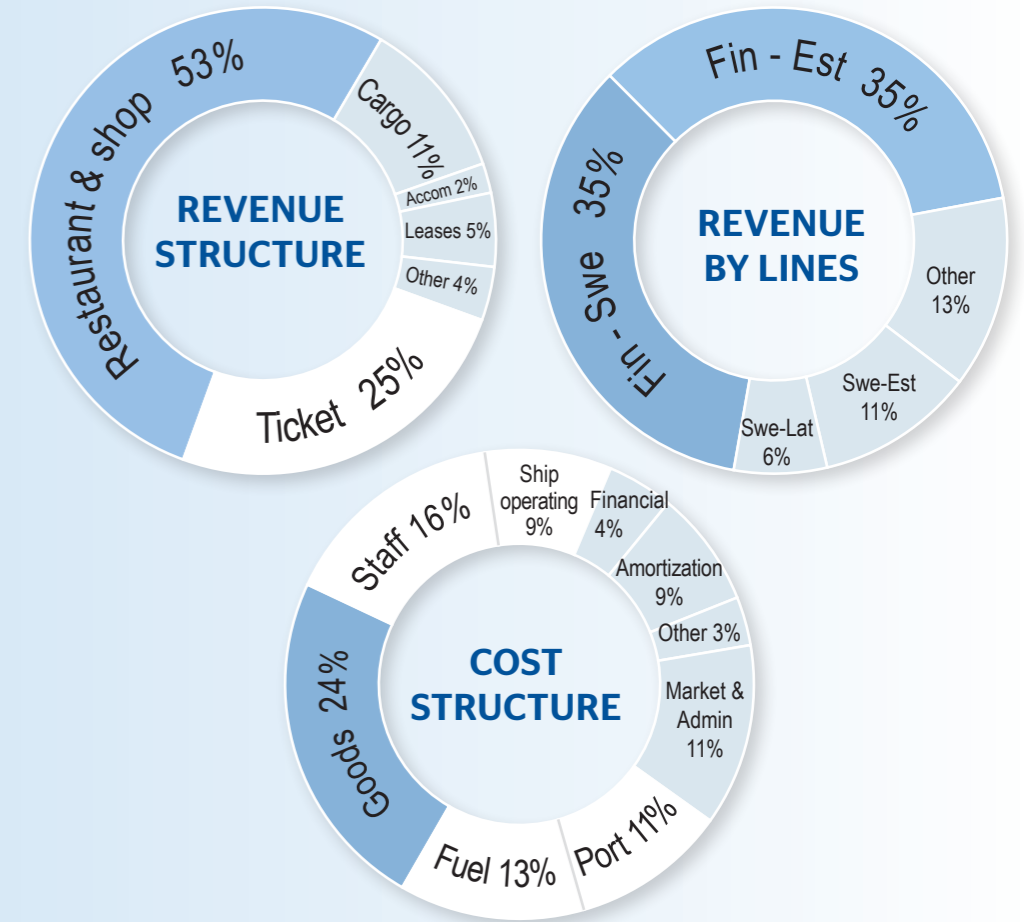
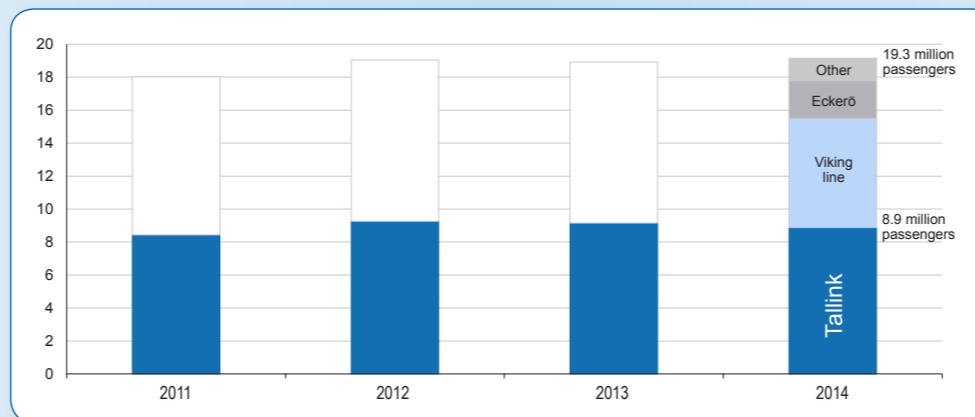
## Key information 2014

Passengers	8 881 732	P/E	21
Sales	921 mil EUR	ROA	4.1%
EBITDA	151 mil EUR	ROE	3.6%
Net Profit	27 mil EUR	Equity Ratio	46%
Average number of employees	6 952	EBITDA Margin	16%
EPS	0.04	Book value per share	1.16 EUR

## We operate 6 routes



## The passenger market share of Tallink is 46% in the northern Baltic Sea

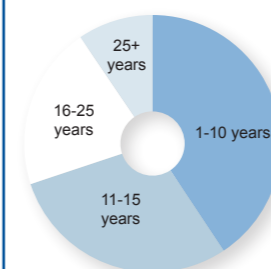


History	1883	1910	1928	1957	1965	1989	1990	1996	2001	2002	2003	2004	2005	2006	2008	2009	2010	2011	2014		
	Finnish Steamship Co founded	Service between Turku & Stockholm	Service between Helsinki & Stockholm	Silja Line established	Tallinn-Helsinki route	Tallink founded	166 th passengers	Management buyout	Tallinn-Stockholm route	First newbuilt cruise ferry	Private placement	Hotel operation starts	IPO	Rights Issue	Tallink and Silja Line merged	7M passengers reached	Over 1.3 billion euros invested during the fleet investment program	8M passengers reached	Tallink Hotel Riga	9M passengers 1.3M Club One members	1.7M Club One members

## Our fleet consists of 16 ice class ships and has a value of EUR 1.4 billion

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

## Age of fleet by value



World-wide ships age  
Ferries 23 years  
Cruise ships 12.5 years

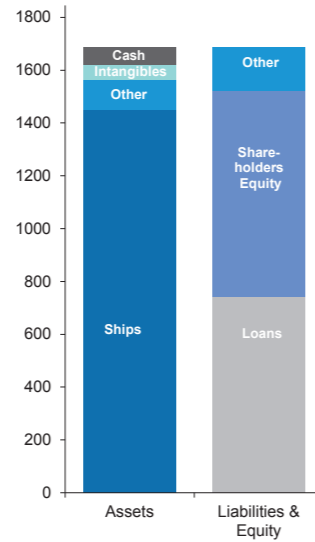
## We operate 5 Hotels (1300 rooms)

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



## Financials

	2012	2013	2014
Revenue	944	942	921
Cost of sales	743	752	740
Marketing & GA expenses	109	108	112
EBITDA	166	156	151
EBITDA margin	18%	17%	16%
Net Profit	56	43	27
Cash flow from operations	163	168	151
Investments	9	43	49
Loan repayments	119	46	51
Cash position	66	72	65
Total assets	1 741	1 722	1 686
Ships	1 510	1 479	1 451
Interest bearing loans	840	794	743
Shareholders' equity	761	771	778



## Our position in the world

### Ferry operator by gross tons

Rank	Company	Gross tons
1	Stena Line	933 618
2	Grimaldi Lines	694 597
3	<b>Tallink</b>	<b>466 960</b>
4	P&O Ferries	409 659
5	Tirrenia	373 911

### Ferry operator by beds

Rank	Company	Beds
1	<b>Tallink</b>	<b>18 963</b>
2	Stena Line	17 069
3	Viking Line	14 026
4	Grand Navi Veloci	13 680
5	Tirrenia	10 442

### Ferry operator by revenues (EUR million)

Rank	Company	Revenue
1	DFDS Group	1 714
2	Stena Line	1 340
3	<b>Tallink</b>	<b>921</b>
4	Finnlines	533
5	Viking Line	527

### The world's top duty free & travel retail shops 2014

Rank	Location	Remarks
<b>Sales &gt; US\$ 1,000.0 million</b>		
1	Seoul – Incheon Int'l Airport, South Korea	AIRPORT SHOPS
2	Dubai – Dubai International Airport, U.A.E.	AIRPORT SHOPS
3	Singapore – Changi Airport	AIRPORT SHOPS
4	London – Heathrow Airport, UK	AIRPORT SHOPS
5	Hong Kong – Hong Kong International Airport	AIRPORT SHOPS
6	Shanghai – Pudong Airport, China P.R.	AIRPORT SHOPS
7	Bangkok – Suvarnabhumi Airport, Thailand	AIRPORT SHOPS
<b>Sales &gt; US\$ 800.0 million</b>		
8	Paris – Charles de Gaulle Airport, France	AIRPORT SHOPS
<b>Sales &gt; US\$ 700.0 million</b>		
9	Beijing – Capital Airport, China P.R.	AIRPORT SHOPS
10	Frankfurt – Frankfurt-Main Airport, Germany	AIRPORT SHOPS
<b>Sales &gt; US\$ 600.0 million</b>		
11	<b>Tallink/Silja Line</b>	<b>FERRIES</b>
12	Taipei – Taoyuan International Airport, Taiwan	AIRPORT SHOPS
<b>Sales &gt; US\$ 500.0 million</b>		
13	Tokyo – Narita Airport, Japan	AIRPORT SHOPS
14	Sao Paulo – Guarulhos Int'l Airport, Brazil	AIRPORT SHOPS
15	Oslo – Gardermoen Airport, Norway	AIRPORT SHOPS
16	Amsterdam – Schipol Airport, Netherlands	AIRPORT SHOPS

Source: ShipPax MARKET: 15, Company reports

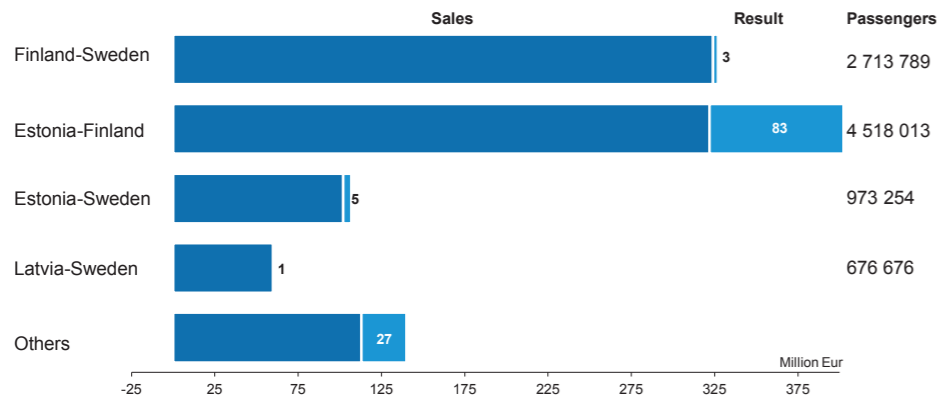
Source: Generation Research 2015

## Share price development



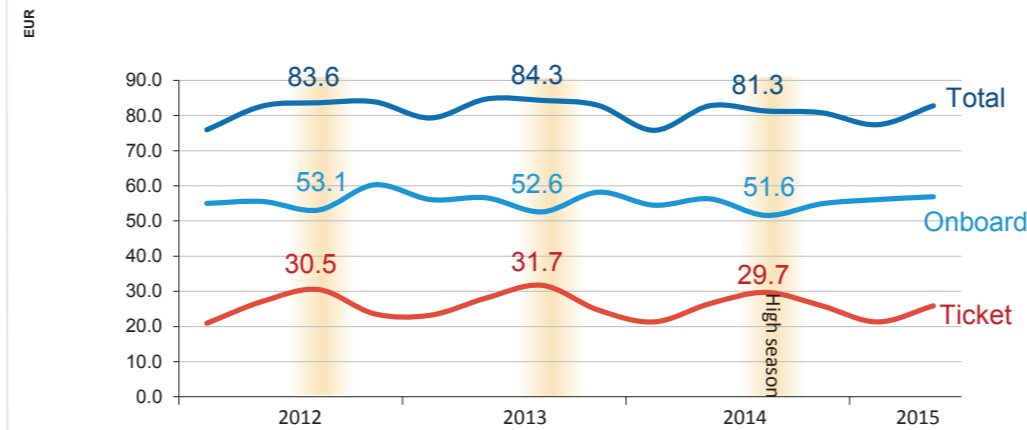
Tallink has been a leading stock on the Baltic market in liquidity, market capitalization and has a retail shareholder base around 11 000 shareholders

## Segment result by routes 2014



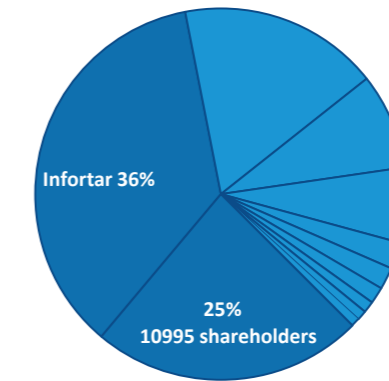
The segment result is the result before administrative expenses, financial expenses and taxes

## Passenger revenue



Quarterly passenger spending, highs and lows

## Ownership & Management

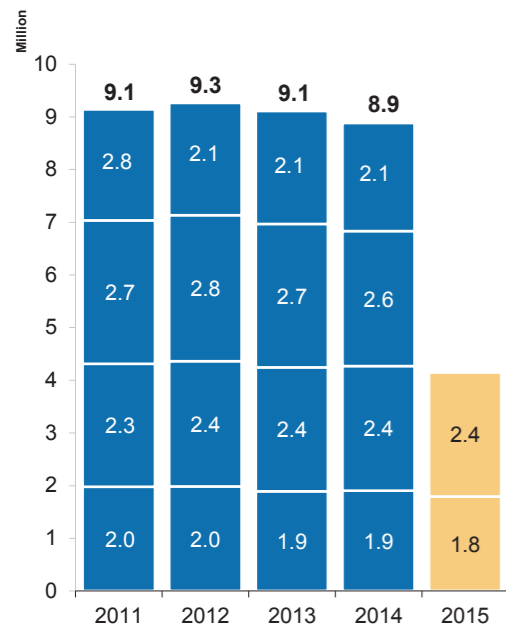


- Baltic Cruises Holding 17%
- Nordea Bank Finland PLC, clients 8%
- ING Luxemburg S.A. AIF account 4%
- ING Luxemburg client account 3%
- State Street Bank and Trust Omnibus fund NO OM01 2%
- JP Morgan Chase Bank 1%
- Firebird Republics fund Ltd. 1%
- Skandinaviska Enskilda Banken 1%
- Skandinaviska Enskilda Banken S.A. 1%
- The Bank of New York Mellon 1%

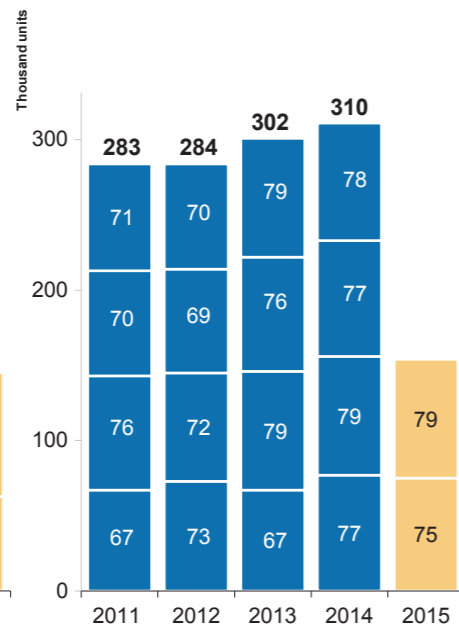
Janek Stalmeister  
Andres Hunt  
Lembit Kitter  
Kadri Land

Chairman of the Management Board, CEO  
Vice Chairman of the Management Board  
Member of the Management Board  
Member of the Management Board

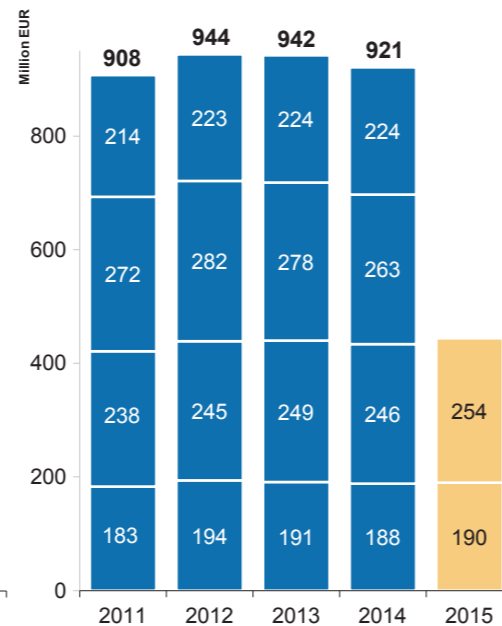
## Passengers



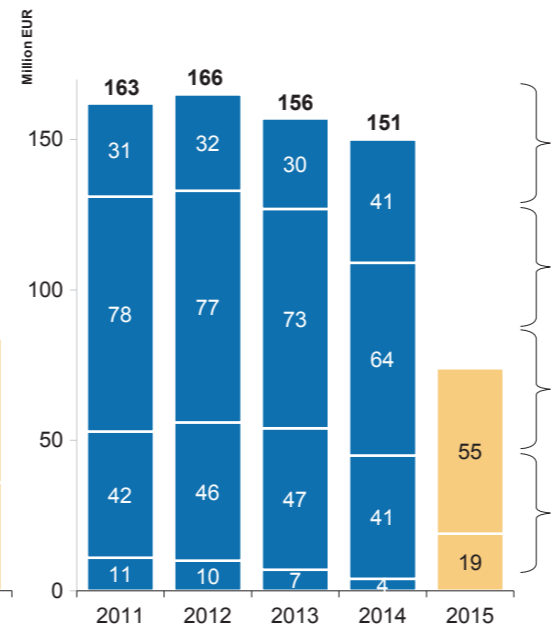
## Cargo units



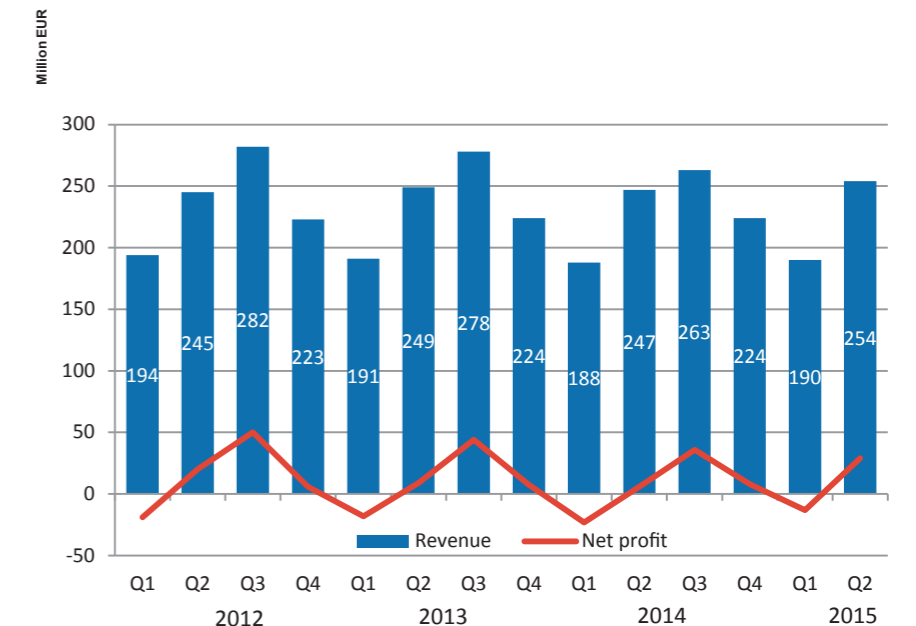
## Revenue



## EBITDA



## Quarterly seasonality



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