



Company presentation





Tallink

- Tallink is the leading European provider of leisure and business travel and sea transportation services in the Baltic Sea region
- Fleet of 16 vessels
- Operating five hotels
- Revenue EUR 921 million
- EUR 1.7 billion asset base
- Nearly 7000 employees
- 8.9 million passengers annually
- 310 thousand cargo units annually
- Listed on Nasdaq OMX Baltic – TAL1T



Over 50 years of operating and cruising experience



Tallink's business model

Product offering

1-2 overnight cruises & passenger transportation



Shuttle service



On-board tax-free shopping



Cargo transportation



Hotel & travel packages

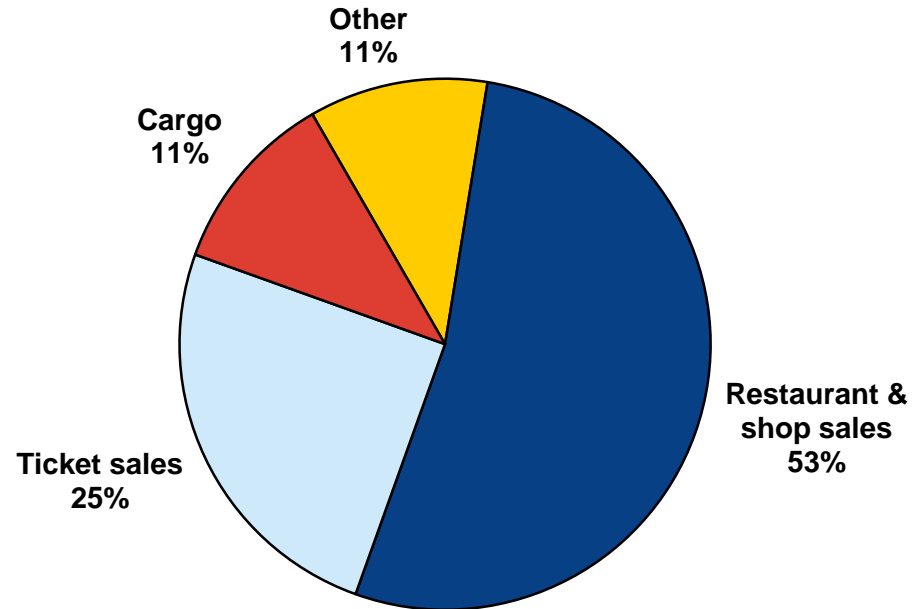


City break



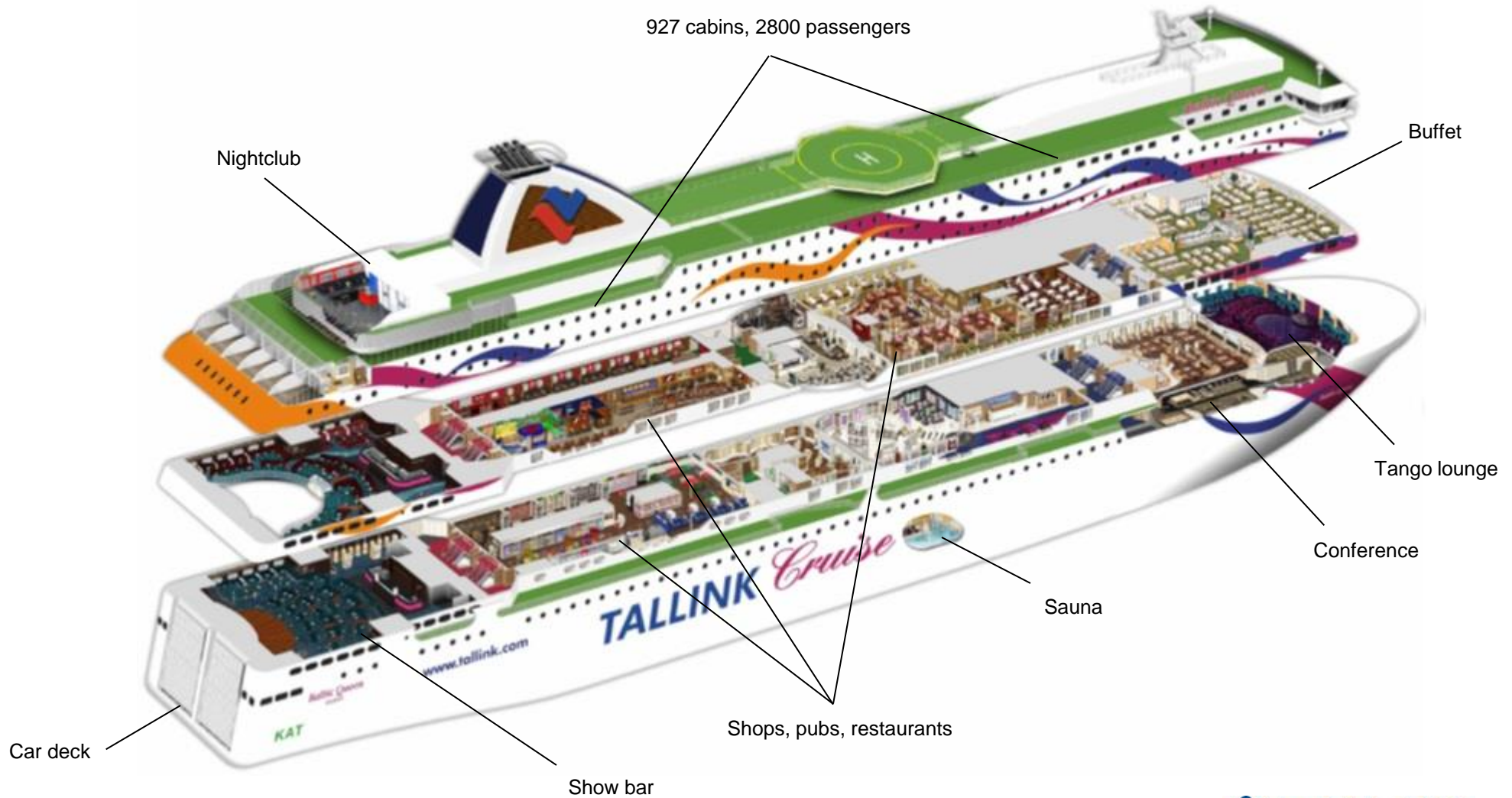
Revenue structure

2014





Cruise ferry





Tallink's position in the global ferry market

The World's top Duty free & Travel Retail Shops 2014

Ranking by actual and estimated retail sales in US\$ millions.

Rank	Location	Remarks
Sales> US\$ 1,000.0 million		
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
Sales> US\$ 800.0 million		
8	Paris – Charles de Gaulle Airport, France	AIRPORT SHOPS
Sales> US\$ 700.0 million		
9	Beijing – Capital Airport, China P.R.	AIRPORT SHOPS
10	Frankfurt – Frankfurt-Main Airport, Germany	AIRPORT SHOPS
Sales> US\$ 600.0 million		
11	Tallink/Silja Line	FERRIES
12	Taipei – Taoyuan International Airport, Taiwan	AIRPORT SHOPS
Sales> US\$ 500.0 million		
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: Generation Research 2015



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

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

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

Data: Ro/pax / ferries above 1,000 GT

Source: ShipPax MARKET:15; Company reports



Strategic plan

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
- Ensure cost efficient operations
- Manage the optimal debt level that will allow sustainable dividends

Current strategic cornerstones and competitive advantages:

Most modern
fleet

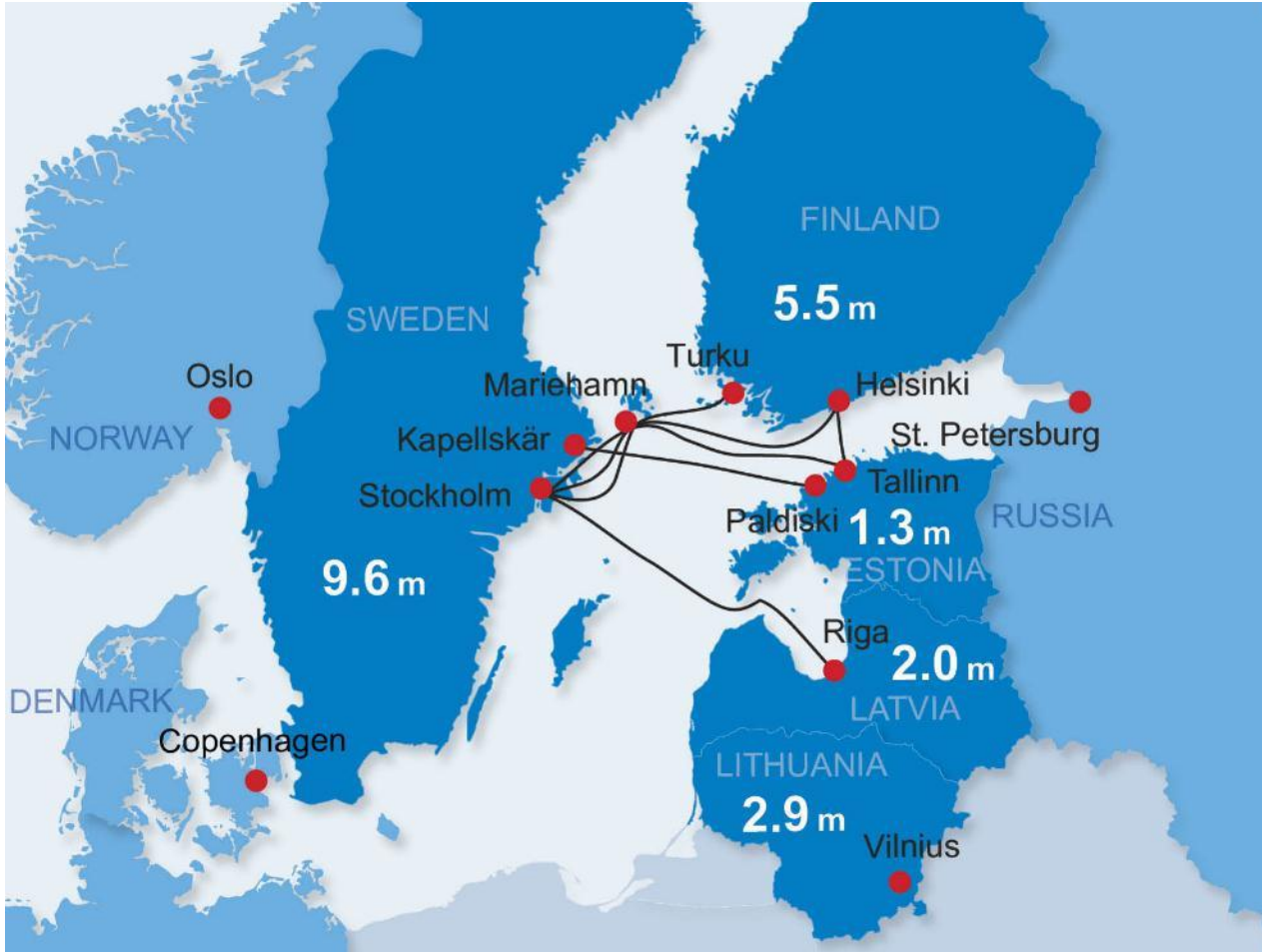
Wide route
network

Strong market share &
brand awareness

High safety level &
environmental standards

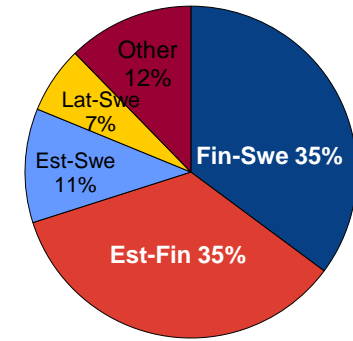


Tallink's passenger market share is 46% of the Northern Baltic Sea



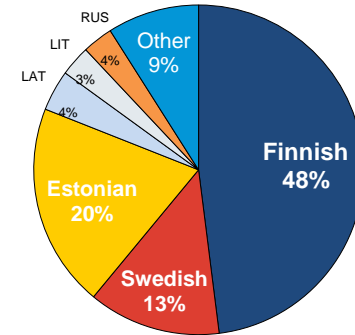
Northern Baltic passenger market ~ 19 million passengers

Revenue by routes 2014



(921 MEUR)

Passengers 2014



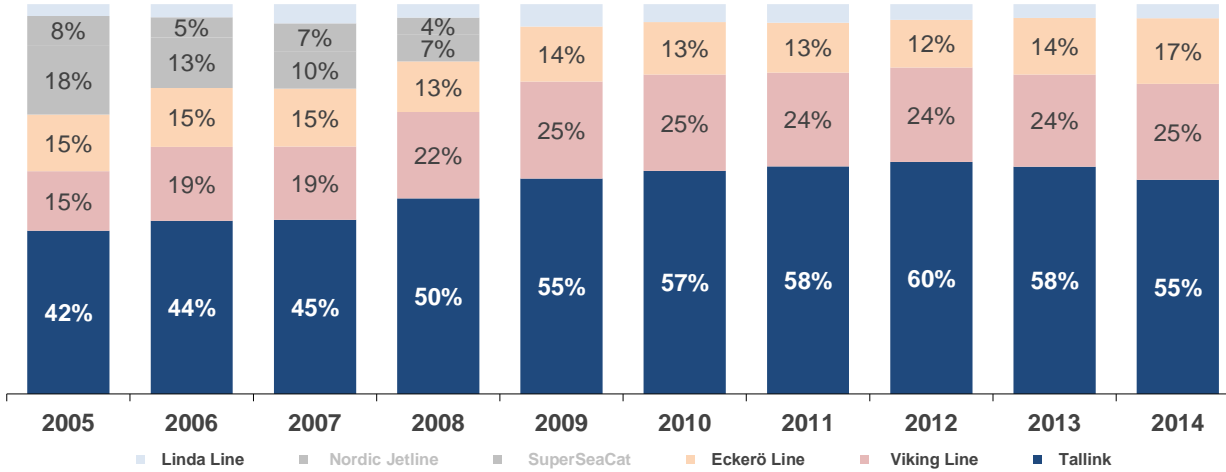
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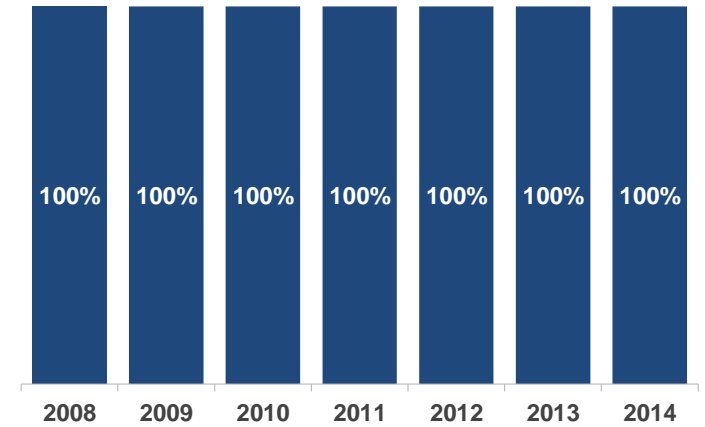
Market shares

Passenger operations

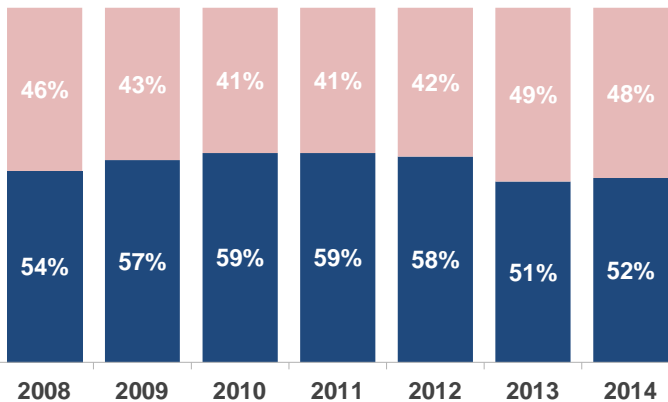
Tallinn - Helsinki



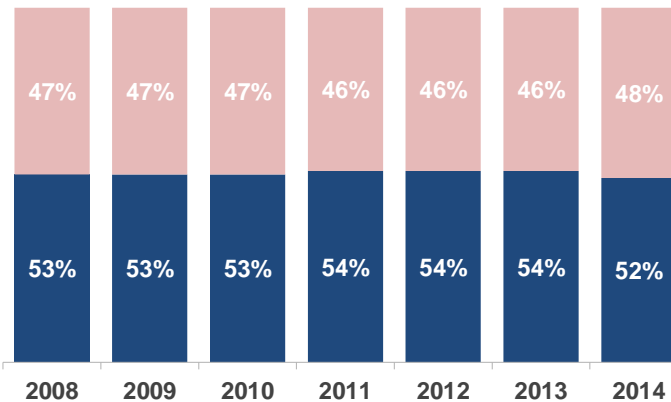
Tallinn - Stockholm



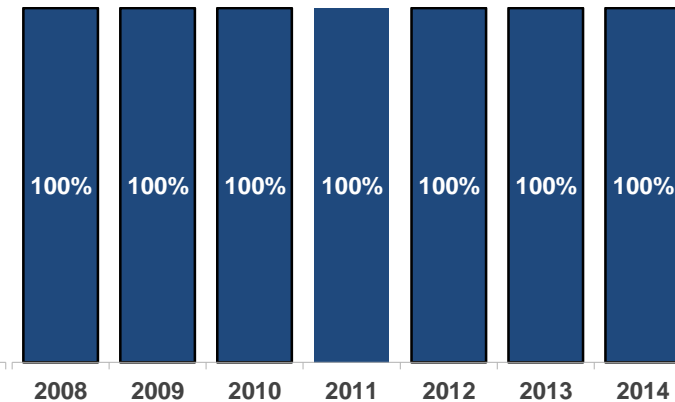
Turku - Stockholm



Helsinki - Stockholm



Riga - Stockholm





We are targeting new customers from a wider country base
More than 10% of our passengers come from outside of our home markets

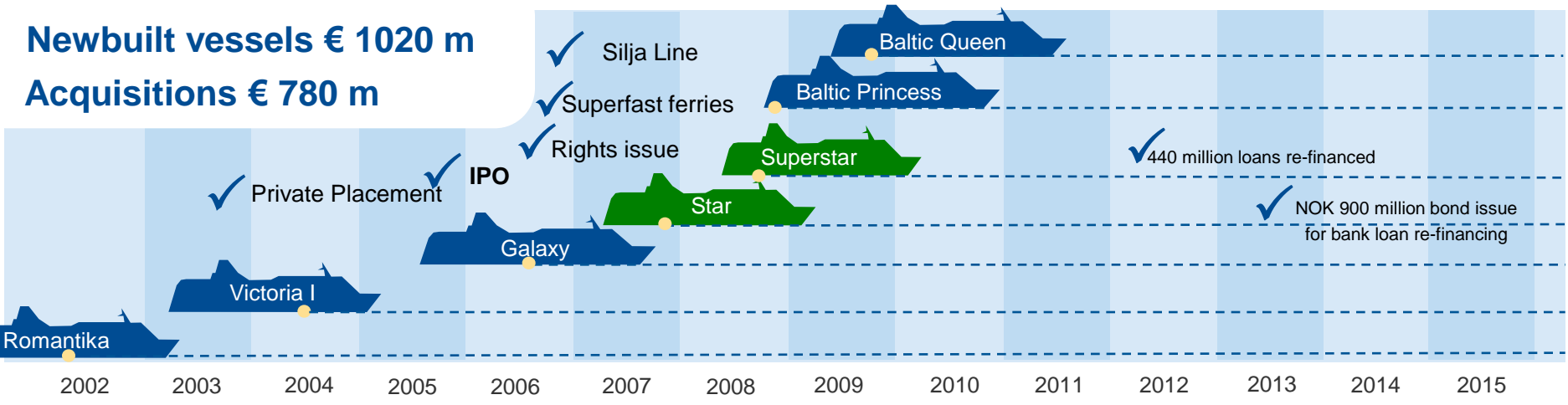
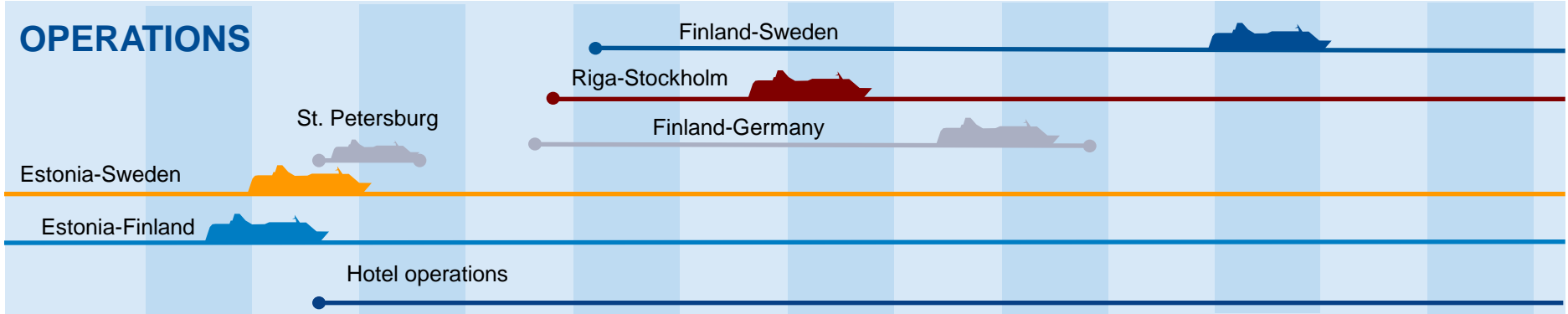


Web sales sites in 17 language

China	Finland	Italy	Lithuania	Poland	Russia
Denmark	France	Japan	Netherlands	Spain	International
Estonia	Germany	Latvia	Norway	Sweden	

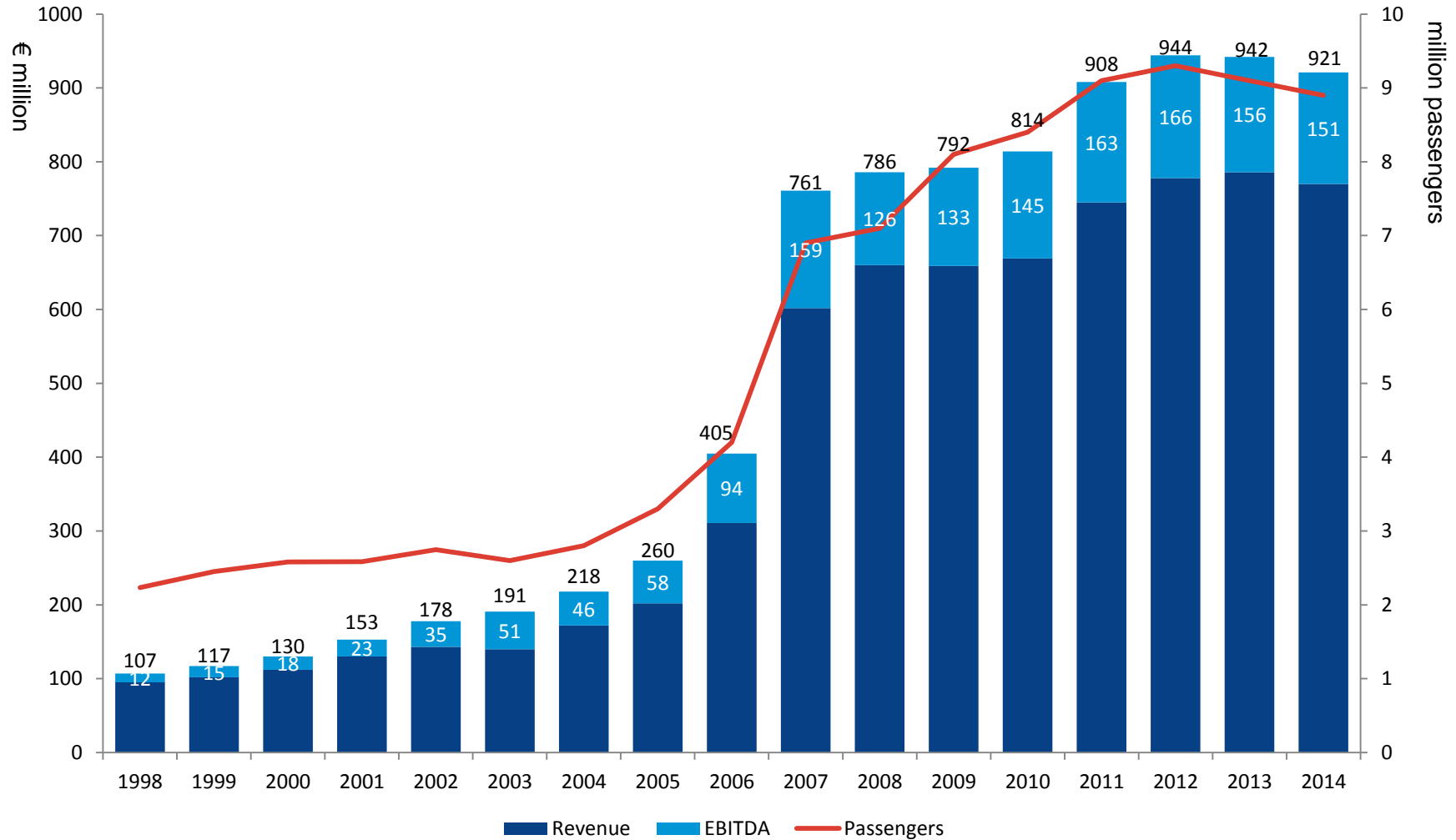


Highlights and milestones





Tallink's performance after the management buyout





Highlights and outlook

■ 2014 highlights

- Re-routing of vessels
- More vessels out of service, therefore less departures
 - Two core vessels out of operation on the Hel-Sto route for altogether 81 days
- Upgrades and refurbishments of vessels around EUR 30 million

} One off effects

■ 2015 highlights and outlook

- Positive effect from charters and re-routings
- Positive feedback from upgraded vessels
- Global fuel price lower for 2015, compared to 2014
- Sale of vessels Silja Festival and Regina Baltica
- Start of production of the new generation LNG powered fast ferry
- All time high passenger number on Tallinn-Helsinki route in July 2015
- Nordic economies remain weak
- Geopolitical events in Europe



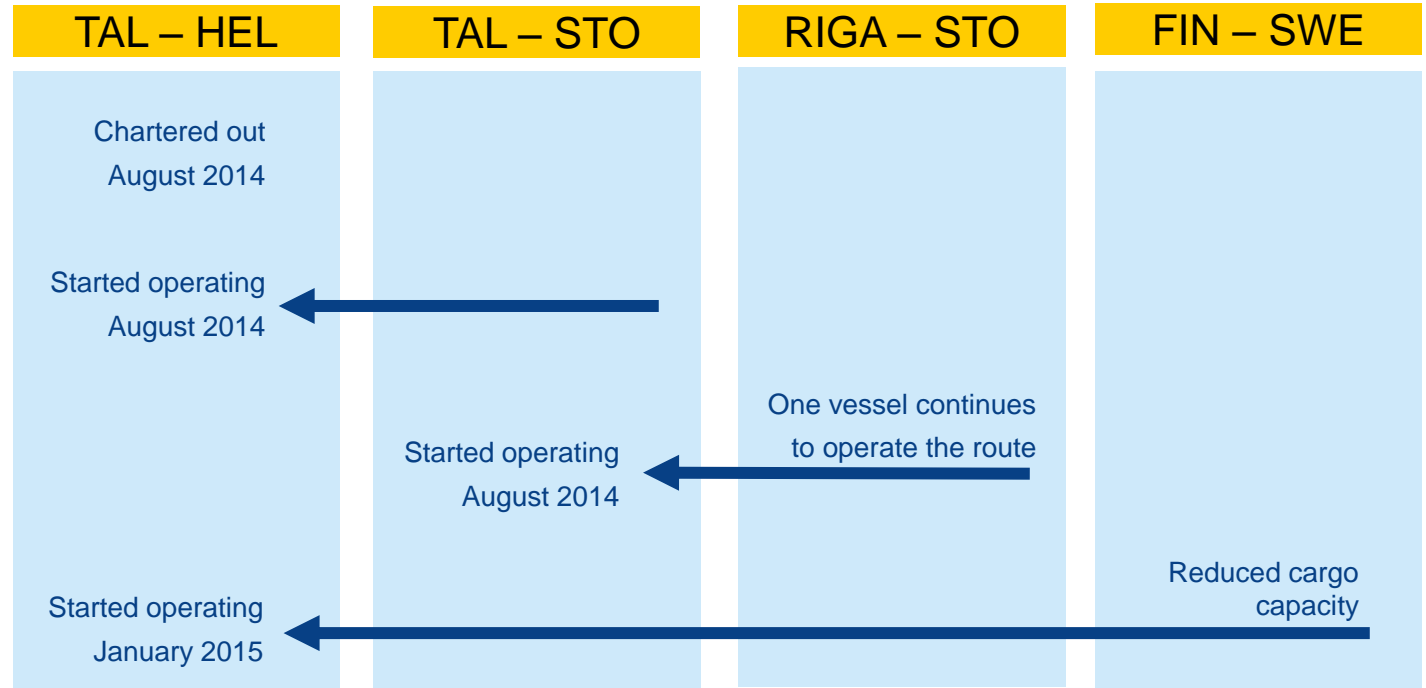
Recent re-routings

Silja Europa
Built: 1993 Cabins: 1152

Baltic Queen
Built: 2009 Cabins: 927

Romantika
Built: 2002 Cabins: 725

Seawind
Built: 1972 Lanemeters: 1100





Latest developments

- Expansion of shop areas and modernizing restaurant areas to improve the performance through retail space
- Modern retail environment visual
- Wider selection of the products
- Developing on-board areas with the goal: approachable, comfortable and customer friendly
- Responding to higher expectations of the passengers





Helsinki – Stockholm retail space upgrade 2014

- Silja Serenade upgrade in spring 2014 and Silja Symphony followed in autumn 2014
- 50% expanded shopping areas including a new Superstore, upgraded Grand Buffet concept and a new Italian restaurant
- Overall investment in to the vessels public space upgrades on the Helsinki-Stockholm route in 2014 was around EUR 30 million





Ready to take the next step on the Tallinn-Helsinki route



LNG powered fast ferry for the Tallinn-Helsinki shuttle service



Specifications

Built in: Meyer Turku Shipyard
Gross tonnage: 49 000
Length: 212 meters
Capacity: 2800 passengers
Engine: Dual fuel
Service speed: 27 knots
Delivery date: early 2017

Financing

The vessel cost is approximately EUR 230 million
20% will be paid during the construction period
80% will be financed with long term bank debt on delivery of the vessel
OECD-term export credit loan with CIRR based interest rate

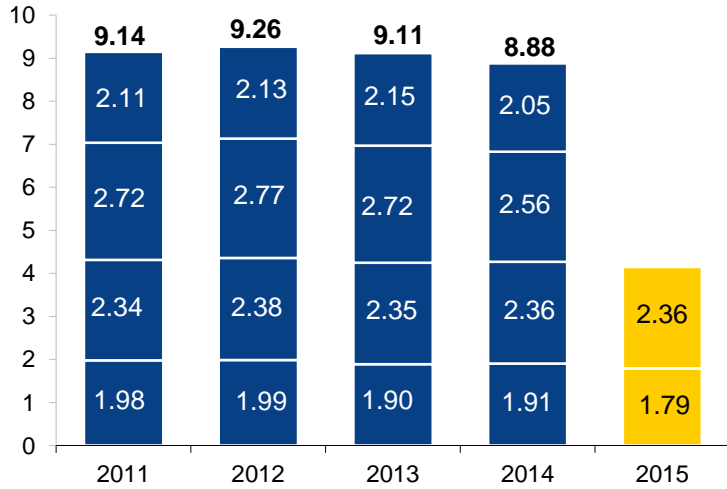
Production of the vessel started on 4th of August 2015.



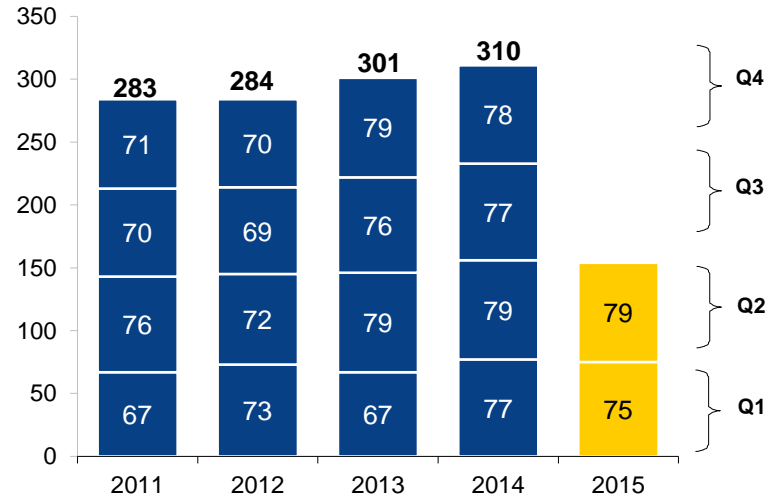
Results

quarterly seasonality breakdown

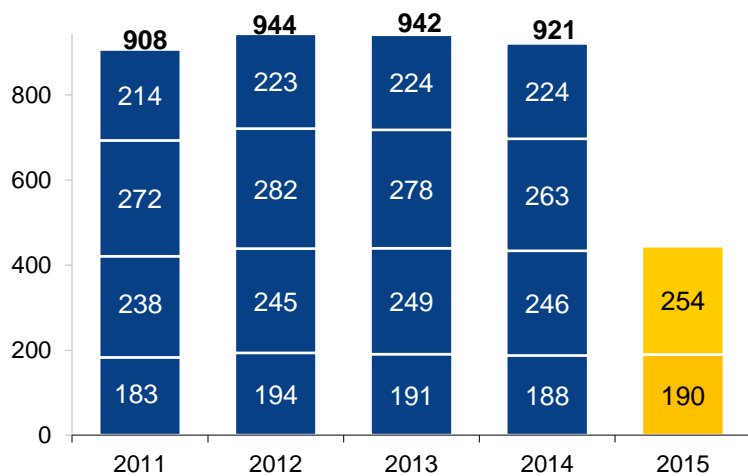
Passengers (millions)



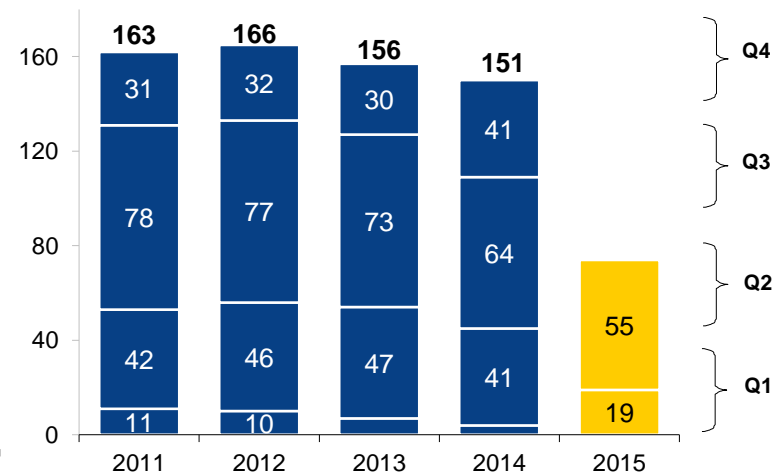
Cargo (th. units)



Revenue (EUR millions)



EBITDA (EUR millions)



Change of the financial year period



The dynamics of high seasonality on the profit level

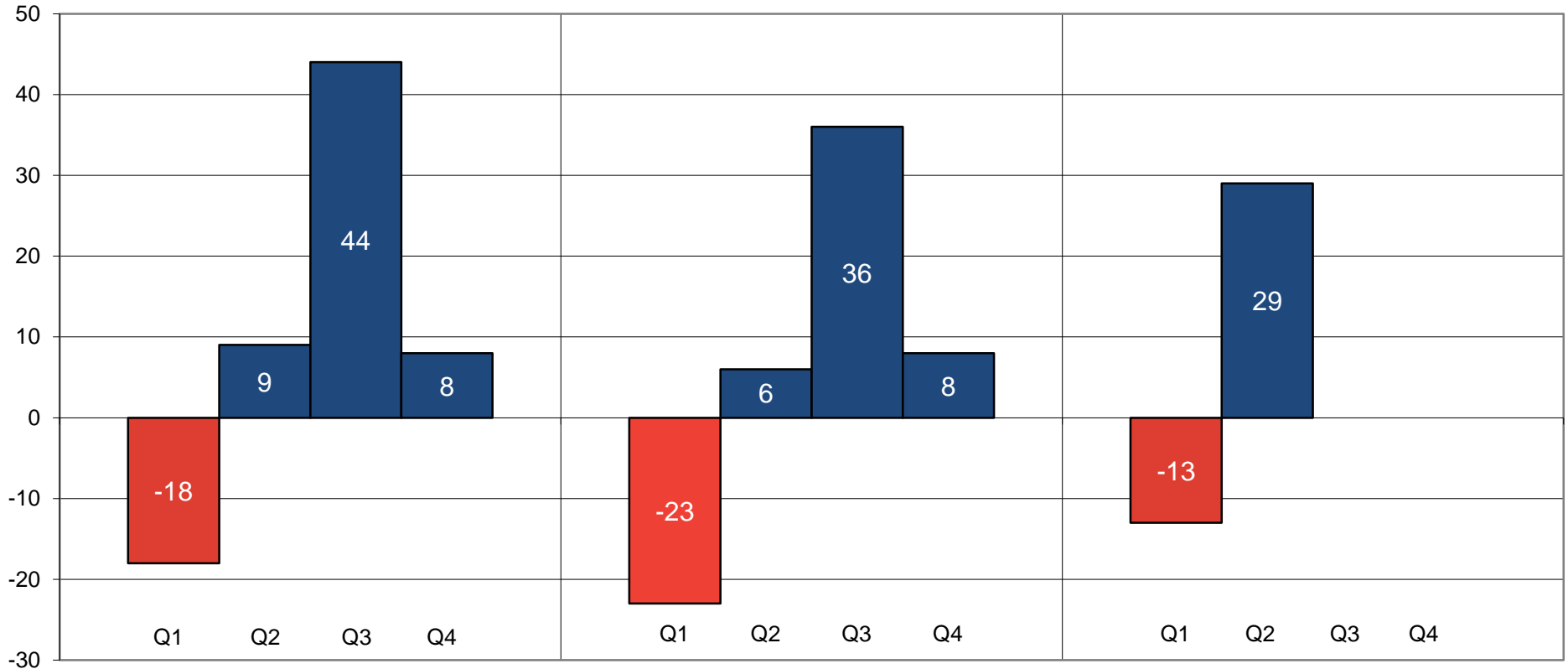
Net result by quarters

EUR millions

2013 net profit 43

2014 net profit 27

2015 net profit



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



Unaudited Consolidated Income Statement

(in EUR million)	2013	2014	2014 6 months	2015 6 months
Sales	942	921	435	444
Cost of sales ⁽¹⁾	(751)	(740)	(372)	(356)
Marketing, general & admin ⁽¹⁾	(108)	(112)	(32)	(32)
EBITDA	156	151	46	75
<i>Margin (%)</i>	16.6%	16.3%	10.5%	16.8%
Net Profit	43	27	(17)	15
EPS	0.06	0.04	(0.03)	0.02

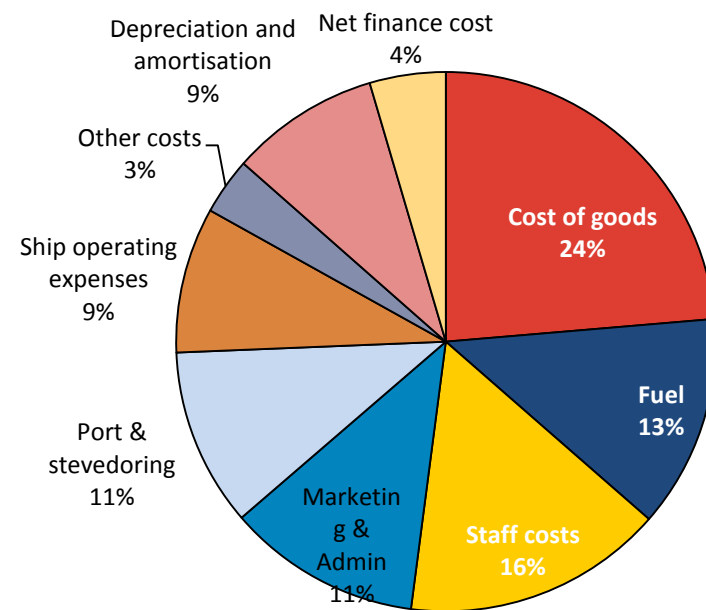
Notes:

(1) Includes depreciation and amortization



Unaudited costs breakdown

	2013	2014	Change %
Cost of goods	220 222	211 211	-4%
Fuel cost	129 826	114 008	-12%
Staff costs	135 053	139 660	3%
Marketing & Administration ⁽¹⁾	100 316	103 690	3%
Port & stevedoring	96 295	95 329	-1%
Ship operating expenses	74 017	77 930	5%
Other costs	31 363	30 417	-3%
Total costs from operations	787 092	771 746	-2%
<hr/>			
Depreciation and amortisation	73 175	79 908	9%
Net finance cost	35 956	40 683	13%
Total costs	896 223	892 337	0%



2014

1) Amortisation and depreciation excluded



Unaudited Consolidated Cash Flow Statement

(in EUR million)	2013	2014	2014 6 months	2015 6 months
Operating cash flow	168	151	51	78
Capital expenditure	(43)	(49)	(20)	(18)
Asset disposal	1	0	0	25
Free cash flow	126	102	31	85
Debt financing (net effect)	(40)	(46)	(40)	(49)
Interests & other financial items	(38)	(37)	7	(20)
Dividend paid	(33)	(20)	0	0
Dividend tax	(9)	(5)	0	0
Change in cash	6	(7)	(2)	16



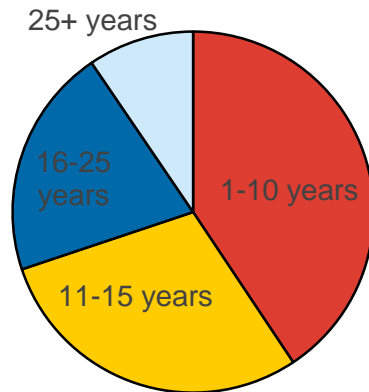
Unaudited Consolidated Statement of Financial Position

(in EUR million)	31.12.2012	31.12.2013	31.12.2014	30.06.2015
Total assets	1,742	1,722	1,686	1,665
Non-current assets	1,599	1,572	1,545	1,499
Current assets	143	150	140	166
- of which cash -	66	72	65	81
Total liabilities	981	951	907	885
Interest bearing liabilities	840	794	743	696
Other liabilities	141	157	170	164
Shareholders' equity	761	771	778	780
Net debt/EBITDA	4.7x	4.6x	4.5x	3.4x
Net debt	775	722	678	614
Equity/assets ratio	44%	45%	46%	47%
BVPS ⁽¹⁾ (in EUR)	1.14	1.15	1.16	1.16



Age of fleet

Age of fleet by value (EUR m)



Tallink Grupp ships age (value-weighted average):

- Tallink + Silja core fleet – 11.8 years
- Superfast fleet – 13.7 years
- Ships out of core operations and cargo vessels – 23.3 years

May 2015

World-wide ships age:

- Ferries – 23 years
- Cruise – 12.5 years

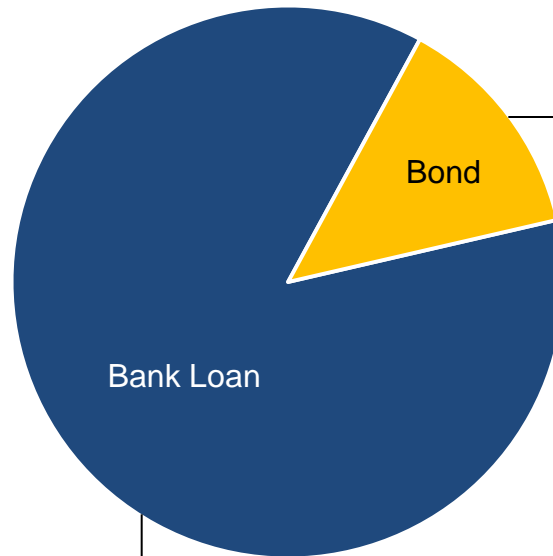
Source: ShipPax MARKET: 13, 15

- Our ice-classed fleet is versatile to operate anywhere
- We have experience in selling and chartering vessels all over the world



Debt structure

- Total EUR 696 million interest bearing liabilities outstanding as of 30.06.2015



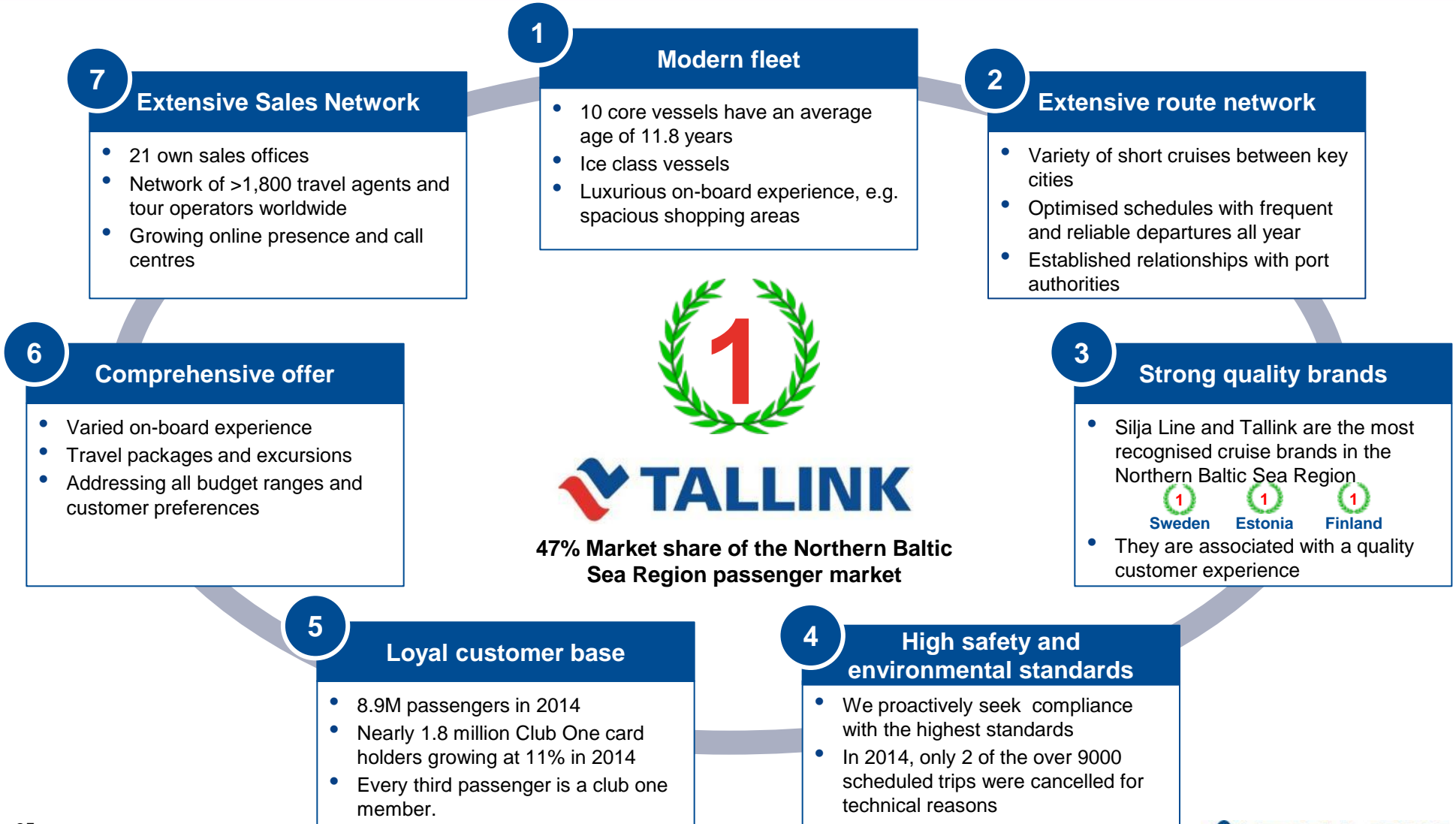
Amount:	NOK 900M (EUR 118M)
Cost:	3M NIBOR + 5.00% (3M EURIBOR +4.88%)
Type:	Senior unsecured
Issue date:	18.06.2013
Maturity date:	18.10.2018
Listing:	Oslo Børs
Currency risk eliminated by swapping to EUR	

100% EUR denominated bank loans

- 7 standalone loan agreements with bank syndicates
- Maturities ~5-10 years
- Amortizing project loans
- 6.64% of debt is fixed rate, rest in EURIBOR floating, 1/3 hedged



Unrivalled suite of competitive advantages





Tallink's Fleet



Baltic Queen
 Built: 2009
 Length: 212m
 Passengers: 2800
 Lane meters: 1130



Victoria I
 Built: 2004
 Length: 193m
 Passengers: 2500
 Lane meters: 1030



Baltic Princess
 Built: 2008
 Length: 212m
 Passengers: 2800
 Lane meters: 1130



Galaxy
 Built: 2006
 Length: 212m
 Passengers: 2800
 Lane meters: 1130



Silja Europa
 Built: 1993
 Length: 202m
 Passengers: 3123
 Lane meters: 932



Silja Serenade
Silja Symphony
 Built: 1990/91
 Length 203m
 Passengers: 2852
 Lane meters: 950

Chartered out

Helsinki-Stockholm

Tallink has invested EUR 1.3 billion to create a modern fleet



Tallink's Fleet



Tallinn-Helsinki

Superstar

Built: 2008

Length 177m

Passengers: 2080

Lane meters: 1930



Tallinn-Helsinki

Star

Built: 2007

Length 186m

Passengers: 1900

Lane meters: 2000



Tallinn-Stockholm

Romantika

Built: 2002

Length 193m

Passengers: 2500

Lane meters: 1030



Riga-Stockholm

Isabelle

Built: 1989

Length 171m

Passengers: 2480

Lane meters: 850



Chartered out

Superfast VII/VIII/IX

Built: 2001/2002

Length: 203m

Passengers: 717

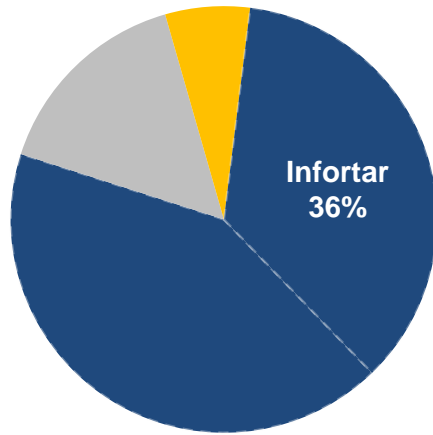
Lane meters: 1924

In addition the Group has 2 ro-pax cargo vessels in operation



Ownership structure

Shareholders of AS Tallink Grupp



- Top 10 shareholders
- Institutional investors
- Retail investors

Ten largest shareholders in the end of Q2

Infortar	36%
Baltic Cruises Holding, L.P.	17%
Nordea Bank Finland PLC	8%
ING Luxembourg S.A AIF ACCOUNT	4%
ING Luxembourg CLIENT ACC	3%
State Street Bank and Trust Omnibus fund NO OM01	2%
JP Morgan Chase Bank	1%
Firebird Republics Fund Ltd	1%
Skandinaviska Enskilda Banken Finnish Clients	1%
Skandinaviska Enskilda Banken S.A.	1%





Safety, security and environmental protection are a high priority



- Safety and Security Policy
- Environmental Policy
- ISO 14001:2004 Environmental Certificate by Lloyds Register
- MARPOL Sewage Pollution Prevention Certificate
- MARPOL Air Pollution Prevention Certificate
- International Anti-Fouling System Certificate
- MARPOL Oil Pollution Prevention Certificate
- Document of Compliance for Anti-Fouling System
- MARPOL Garbage Pollution Prevention Attestation
- Passenger Ship Safety Certificate
- International Ship Security Certificate
- Safety Management Certificate
- Document for Dangerous Goods

CERTIFICATE OF APPROVAL

This is to certify that the Environmental Management System of:

HT Shipmanagement Ltd
Sadama 5/7, 10111 Tallinn, Estonia
SIA HT Shipmanagement
Eksporta iela 3A, LV-1010 Riga, Latvia
Tallink Silja OY
Tyynenmerenkatu 9, 00220 Helsinki, Finland

has been approved by Lloyd's Register Quality Assurance to the following Environmental Management System Standard:

ISO 14001: 2004

The Environmental Management System is applicable to:

TallinkSilja Fleet Shipmanagement.

This certificate is valid only in association with the certificate schedule bearing the same number on which the locations applicable to this approval are listed.

Approval
 Certificate No: LTQ6004314

Original Approval: 04 July 2008

Current Certificate: 04 July 2014

Certificate Expiry: 03 July 2017

Issued by: Lloyd's Register EMEA Eesti filiaal
 For and on behalf of: Lloyd's Register Quality Assurance Limited



Lauteri 5, 10114 Tallinn, Estonia
 For and on behalf of: Hiramford Middlemarch Office Village Siskin Drive Coventry CV3 4FJ United Kingdom

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