



# Company Presentation

November 2008



## Tallink in brief

- Tallink is the leading European ferry operator offering mini-cruise, passenger transportation and cargo transportation services in the Baltic Sea.
- Fleet of 19 vessels
- Operating three hotels in Tallinn
- Revenues EUR 787 million
- EUR 1.9 billion asset base
- More than 6,800 employees
- 7 million passengers annually
- 330 thousand cargo units annually
- Listed on OMX Tallinn – TAL1T



**Over 50 years of operating and cruising experience**



## Tallink business model

### Product offering

1-2 overnight cruises & passenger transportation



On-board Tax-Free Shopping



Hotel & travel packages



Conferences



City break

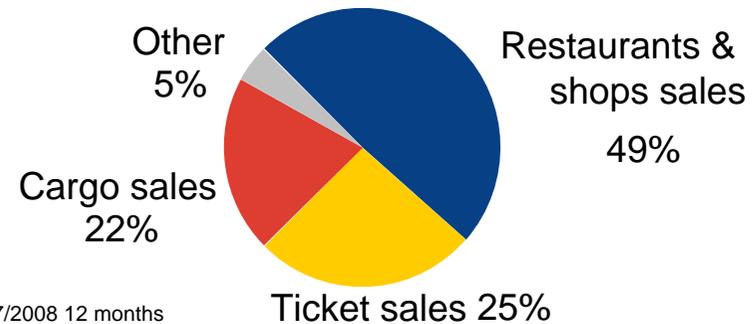


Cargo Transportation



- Broad transportation, leisure and retail product: complete mini-cruise and overnight hotel & spa packages, city-break day trips, shuttle ferry transportation 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

### Business segments

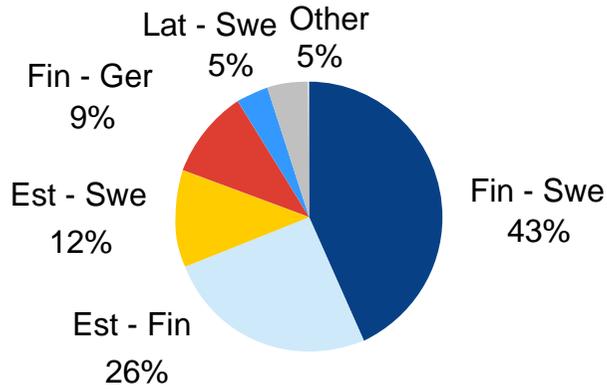


2007/2008 12 months

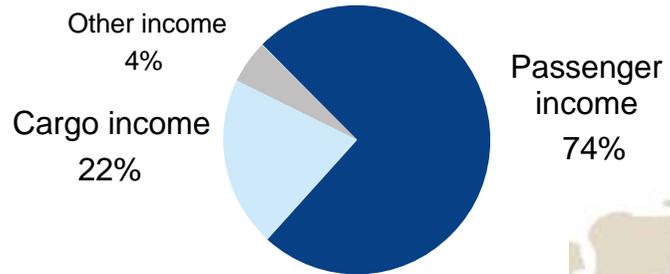


17 million passengers market

### Revenue split



### Revenue sources



2007/2008 12 months

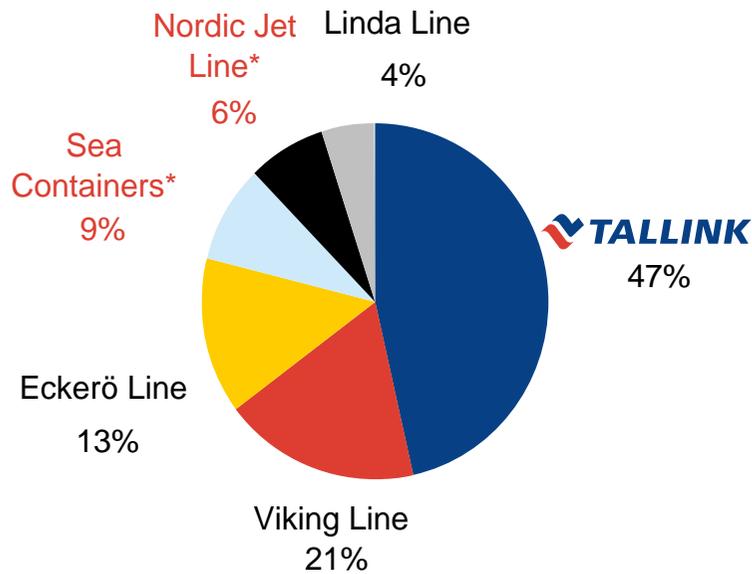


Tallink's strong customer base includes nearly half-million households in the "Club One" loyalty program



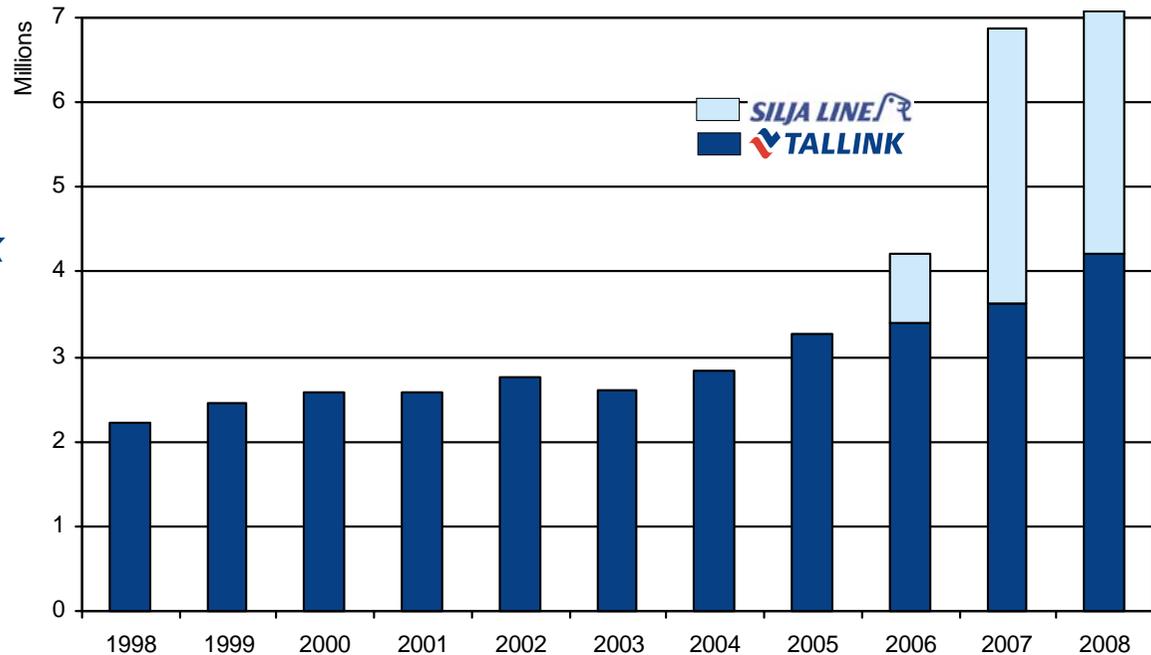
## Passenger traffic market shares

### Estonia – Finland route



\* Two competitors have ceased the operations in October 2008

### Tallink's passenger volume development



- On the Finland-Sweden routes the Tallink's market share of passenger transportation is approximately 52%
- On the Finland-Germany route the estimated Tallink's market share of passenger transportation is 53%
- On the Estonia-Sweden and Latvia-Sweden routes Tallink is the only provider of daily passenger transportation.

Source: Tallink; publicly available information on competitors; Port of Tallinn; ShipPax

**Tallink is the market leader on the Northern Baltic Sea**



# History

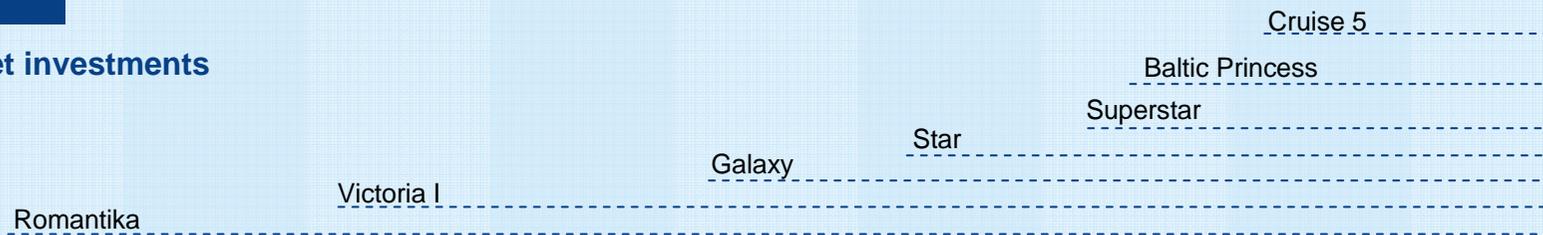
## Highlights & milestones

### Routes



### Newbuilt vessels

€843 million new fleet investments



### Acquisitions & other

€780 million acquisitions



Year 2001 2002 2003 2004 2005 2006 2007 2008 2009



One more vessel to be delivered

The newbuilding Cruise 5 will be delivered in 2009



Tallink Cruise 5 - EUR 180 million  
Delivery: 2009  
Passengers: 2,800

## Outlook

- Modern cruise ferry prices have increased significantly
- After the delivery of Cruise 5 in 2009 Tallink will have modern and most competitive fleet
- Currently no more new orders are planned
- The need for further newbuildings and new standards will become clear in 3-5 years.



## New Vessels' rerouting

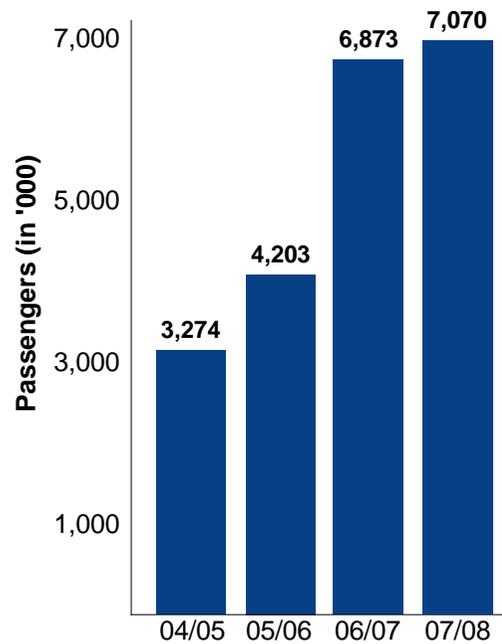
	TAL – HEL	TUR – STO	TAL – STO	RIGA – STO
<b>Baltic Princess</b> Built: 2008 Cabins: 927	 July 2008			
<b>Galaxy</b> Built: 2006 Cabins: 927		August 2008		
<b>Silja Festival</b> Built: 1986 Cabins: 588				August 2008
<b>Vana Tallinn</b> Built: 1974 Cabins: 228				<b>Available for sale or charter</b>
<b>“Cruise 5”</b> Built: 2009 Cabins: 927			 est. April 2009	
<b>Romantika</b> Built: 2002 Cabins: 691				est. April 2009
<b>Regina Baltica</b> Built: 1980 Cabins: 504				<b>Available for sale or charter</b>

Through the delivery of one new cruise ferry several routes can be upgraded.

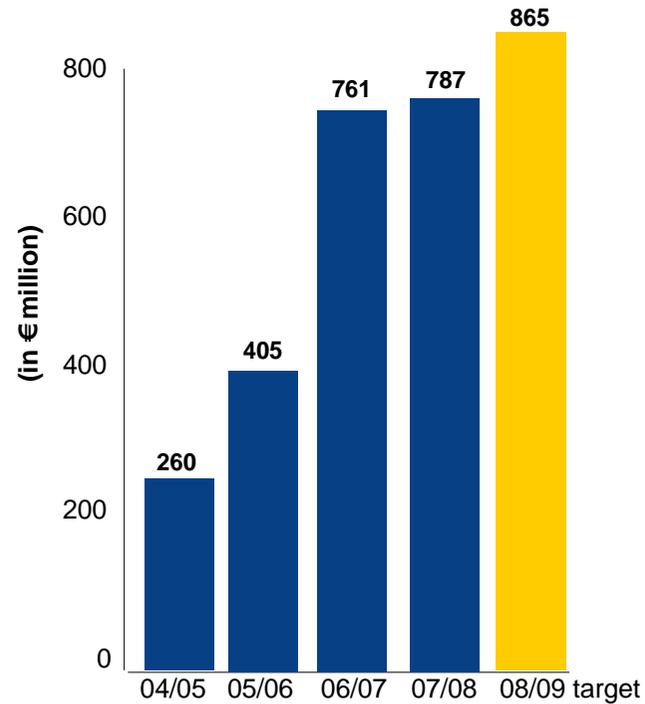


## Operational and financial track record

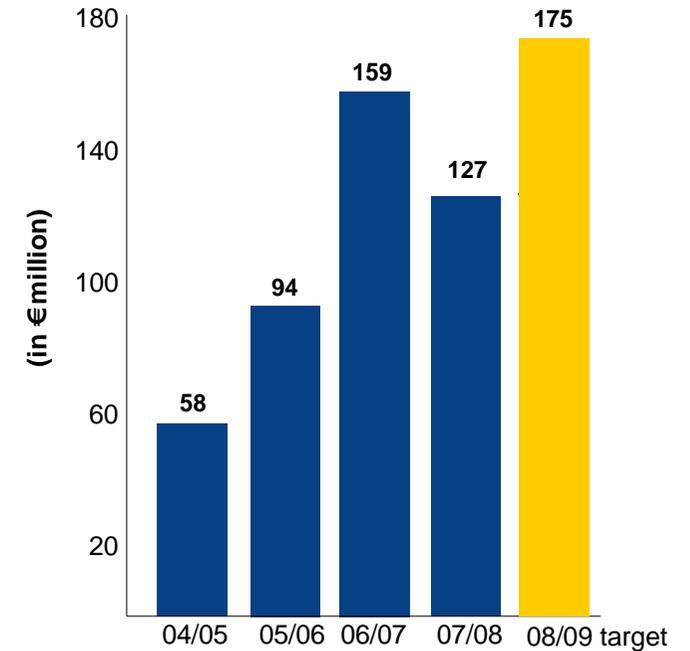
### Passengers



### Revenue



### EBITDA



Significant investments and developments during 2006-2008.



## Outlook

Known factors which will impact 2008/2009 FY operations

- The new booking reservation and check-in system running at its full functionality
- Baltic Princess delivery and related vessels' route changes successfully implemented
- Increased passenger bookings for the autumn
- Restructuring of the Germany route – two vessels continue, one vessel out in the profitable charter
- The market price of fuel decreased. Price partly fixed for 2009
- Decreased competition on the Tallinn-Helsinki route
- Decreasing interest rates
- Delivery of new cruise ferry in Spring 2009 and the consequent rerouting
- Fleet renewal program will be finished



## Consolidated Income Statement

(in € million)	2005/2006	2006/2007	2007/2008*	2008/2009 targets
<b>Sales</b>	<b>405</b>	<b>761</b>	<b>787</b>	<b>865</b>
Cost of sales <sup>(1)</sup>	(288)	(560)	(622)	
Marketing, general & admin <sup>(1)</sup>	(50)	(114)	(111)	
<b>EBITDA</b>	<b>94</b>	<b>159</b>	<b>127</b>	<b>175</b>
<i>Margin (%)</i>	23.2%	20.9%	16.1%	20.2%
Integration related one-off costs	0	(16)	0	
<b>Net Profit <sup>(2)</sup></b>	<b>50</b>	<b>67</b>	<b>20</b>	<b>40</b>
<b>EPS <sup>(2)</sup></b>	<b>0.09</b>	<b>0.10</b>	<b>0.03</b>	<b>0.06</b>

Notes:

\*The figures of 2007/2008 financial year are unaudited

(1) Includes depreciation and amortization

(2) 2005/2006 Net Profit adjusted with exclusion of negative goodwill



## Consolidated Balance Sheet

(in € million)	31.08.2006	31.08.2007	31.08.2008*
<b>Total assets</b>	<b>1,657</b>	<b>1,698</b>	<b>1,898</b>
Non-current assets	1,481	1,537	1,723
Current assets	176	161	175
- of which cash -	90	83	67
<b>Total liabilities</b>	<b>1,077</b>	<b>1,050</b>	<b>1,234</b>
Interest bearing liabilities	956	948	1,120
Other liabilities	121	102	114
<b>Shareholders' equity</b>	<b>580</b>	<b>648</b>	<b>664</b>
<b>Gearing <sup>(1)</sup></b>	<b>62.2%</b>	<b>59.4%</b>	<b>62.8%</b>
<b>Equity/assets ratio</b>	<b>35.0%</b>	<b>38.2%</b>	<b>35.0%</b>
<b>BVPS <sup>(2)</sup> (in EUR)</b>	<b>0.86</b>	<b>0.96</b>	<b>0.99</b>

Note:

\* The figures of 2007/2008 financial year are unaudited

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

(2) Shareholders' equity / number of shares outstanding



## Consolidated Cash Flow Statement

(in € million)	2005/2006	2006/2007	2007/2008*
<b>Net income</b>	<b>95</b>	<b>67</b>	<b>20</b>
Depreciation and amortization	27	59	62
Other	(43)	9	27
<b>Operating cash flow</b>	<b>79</b>	<b>135</b>	<b>109</b>
Capital expenditure	(562)	(141)	(271)
Asset disposal	12	44	29
<b>Free cash flow</b>	<b>(471)</b>	<b>38</b>	<b>(133)</b>
Debt financing	327	(9)	171
Equity financing	226	0	(4)
Interests & other financial items	(12)	(36)	(51)
<b>Change in cash</b>	<b>69</b>	<b>(7)</b>	<b>(17)</b>

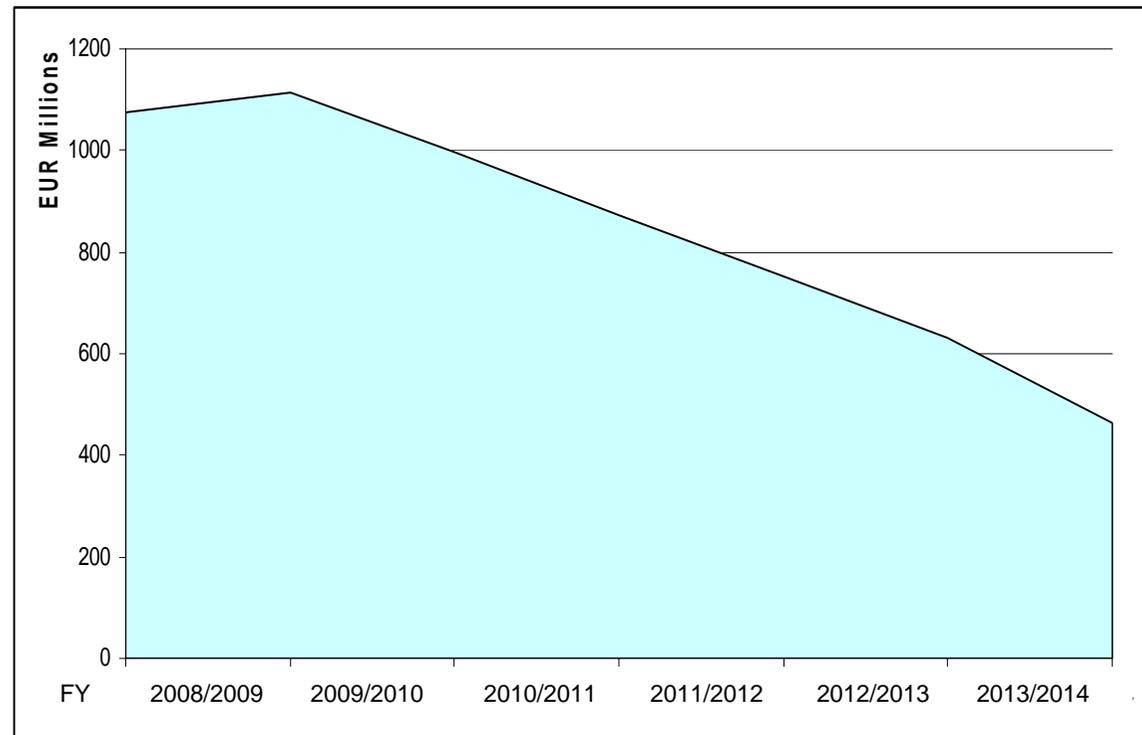
\*The figures of 2007/2008 financial year are unaudited



## Fleet loans

### Fleet loans & loan balance projection

- Average of 10-year scheduled repayment profile
- No high bullet repayments before 2013
- Not expecting the need for the refinancing
- 80% financing for the 2009 “Cruise 5” contracted.



**Estimated market value of the fleet after the delivery of “Cruise 5” will be nearly EUR 2 billion.**



Thank you!





## Tallink's position in the ferry market

Company	Employees	Vessels	GT	Beds	Passengers	Revenues	Profit
<b>1 Tallink</b>	<b>6 481</b>	19	<b>981 877</b>	<b>26 523</b>	6 873 339	761	67
2 Stena	5 700	35	965 374	10 815	15 954 000	1 032	59
3 P&O	5 000		585 199	8 303	10 800 000	1 350	
4 DFDS Group	4 427	64	790 328	9 777	1 499 000	1 114	54
5 Color Line	3 821	11	407 567	13 832	4 300 000	573	21
6 Scandlines	2 800	21	279 484		18 500 000	547	103
7 Viking Line	2 790	7	212 474	13 081	5 695 343	436	25
8 Brittany Ferries	2 568	8		6 557	2 600 000		
9 SNCM Ferryterranee	2 407	10	294 930	9 698	1 079 308		
10 Finnlines	2 335	15			500 000	686	34

Source: ShipPax MARKET:08

2006-2007 data

**Tallink is no. 1 mini-cruise ferry operator in the world.**



## Tallink in the world

## The World's Top 25 Duty Free & Travel Retail Shops 2007

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

Rank	Location	Remarks
<b>Sales &gt; US\$ 1,000.0 million</b>		
1	LONDON - Heathrow Airport, UK	AIRPORT SHOP
2	SEOUL - Incheon Int'l Airport, South Korea	AIRPORT SHOP
<b>Sales &gt; US\$ 800.0 million</b>		
3	DUBAI - Dubai International Airport, U.A.E.	AIRPORT SHOP
<b>Sales &gt; US\$ 700.0 million</b>		
4	SINGAPORE - Changi Airport, Singapore	AIRPORT SHOP
<b>Sales &gt; US\$ 500.0 million</b>		
5	AMSTERDAM - Schiphol Airport, Netherlands	AIRPORT SHOP
6	PARIS - Charles de Gaulle Airport, France	AIRPORT SHOP
7	TALLINK SILJA LINE - All Routes, Estonia/Finland	FERRY OPERATOR
<b>Sales &gt; US\$ 400.0 million</b>		
8	HONG KONG - Hong Kong International Airport, Hong Kong	AIRPORT SHOP
9	BANGKOK - Suvarnabhumi Airport, Thailand	AIRPORT SHOP
10	LONDON - Gatwick Airport, UK	AIRPORT SHOP
11	FRANKFURT - Frankfurt-Main Airport, Germany	AIRPORT SHOP

Source: Generation Research - [www.generation.se](http://www.generation.se)



## Finland – Estonia Helsinki – Tallinn

### Customers and Products

- Helsinki – Tallinn
  - Revenues mainly from onboard and ticket sales
  - Approximately 66% of the passengers are Finnish
  - 2 hour transportation with Tallink Shuttle service
  - 22 hour over-night cruise with “Baltic Princess”
- Investments
  - Brand new vessels in 2002, 2006, 2007 and 2008



Baltic Princess

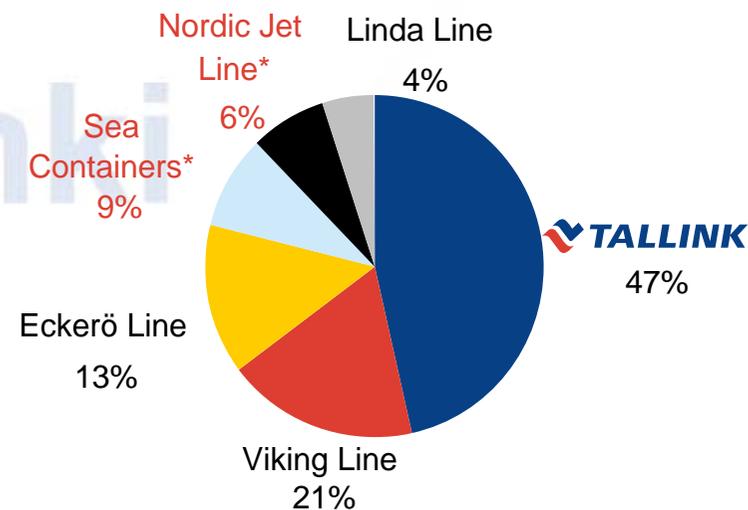


Superstar



Star

### Market Share



\* Two competitors have ceased the operations in October 2008

Source: Tallink; publicly available information on competitors; Port of Tallinn; ShipPax

### Key Highlights

- Tallink has introduced new generation high-speed ferries and the year-around Shuttle concept by replacing several of its old vessels including all fast crafts.



## Finland – Sweden

### Helsinki – Stockholm; Turku – Stockholm/Kapellskär

#### Customers and Products

##### ■ Helsinki – Stockholm

- Revenues mainly from onboard and ticket sales
- Majority of passengers from Nordic countries
- Over-night cruise



Silja Serenade



Silja Symphony

##### ■ Turku – Stockholm/Kapellskär

- Revenues from onboard, ticket and cargo sales
- Majority of passengers from Nordic countries
- Over-night and day trips



Silja Europa



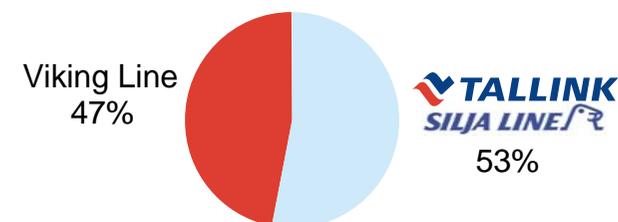
Galaxy



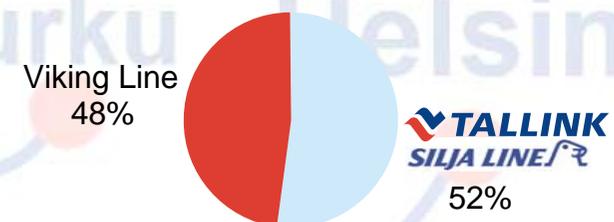
Sea Wind

#### Market Share

##### Helsinki-Stockholm



##### Turku-Stockholm



Source: Tallink; publicly available information on competitors; Port of Tallinn; ShipPax

#### Key Words

- Tax-free status (via Åland islands)
- Strong brand – Silja
- Loyal passenger base
- Overnight cruise
- City-break
- Hotel package sales



## Sweden – Estonia

### Stockholm – Tallinn; Kapellskär – Paldiski

#### Customers and Products

- Stockholm – Tallinn route
  - Revenues mainly from onboard and ticket sales
  - Approximately 55% of passengers are Scandinavian
  - Over-night cruise



Victoria



Romantika

- Paldiski – Kapellskär route
  - Revenues mainly from cargo sales
  - 11,5 hour trip



Regal Star



Kapella

#### Market Share

- Tallink is the only provider of daily passenger services on the routes between Sweden and Estonia
- On the Estonia – Sweden routes Tallink's approximate market share of ro-ro cargo transportation is 73%

#### Key Words

- Tax-free status (via Aland islands)
- Overnight cruises
- City-breaks
- Hotel package sales



Sweden – Latvia  
Stockholm – Riga

### Customers and Products

- Stockholm – Riga route
  - Revenues mainly from onboard and ticket sales
  - Approximately 60% of passengers from Baltics
  - Approximately 30% of passengers from Scandinavia
  - Over-night cruise



Regina Baltica



Silja Festival

### Market Share

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

### Key Words

- High growth potential.
- Connecting two largest capital cities in the region.
- Overnight cruise
- City-break
- Hotel package sales



Finland – Germany  
Helsinki – Rostock

Customers and Products

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

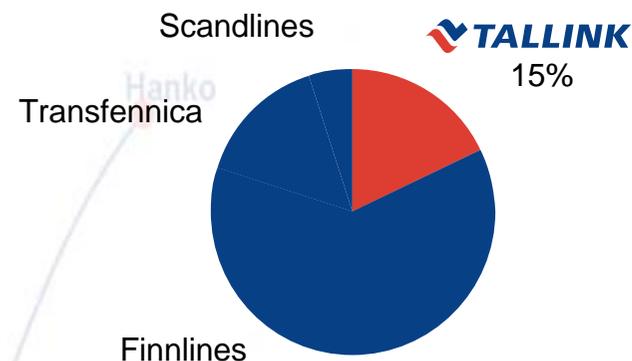


Superfast VII

Superfast VIII

- High quality fast ice-classed vessels

Freight Market Share



Source: Tallink; publicly available information on competitors; Port of Tallinn; ShipPax

Key Words

- The fast link between Finland and Germany
- Potential in passenger transportation
- Increased competition





## Other business segments

### Adding value to our product chain

#### ■ Hotel chain in Tallinn

- Tallink City Hotel with 330 rooms
- Tallink Spa & Conference hotel with 275 rooms
- Pirita Top Spa hotel with 267 rooms
- Tallink Express Hotel with 163 rooms (Jan. 2009)
- Vision to have a hotel operation in all of our destinations



#### ■ Tallink Taxi (34% minority)

- Operations started in May 2008
- 100 taxis planned for 2009





## Traffic volumes

	2007/2008	2006/2007	change
<b>Passengers</b>	<b>7 070 266</b>	<b>6 873 339</b>	<b>2,9%</b>
Finland-Sweden	2 860 278	3 234 321	-11,6%
Estonia-Finland	2 934 675	2 541 834	15,5%
Estonia-Sweden	772 810	710 226	8,8%
Latvia-Sweden	357 533	256 690	39,3%
Finland-Germany	144 970	130 268	11,3%
<b>Cargo Units</b>	<b>331 133</b>	<b>359 781</b>	<b>-8,0%</b>
Finland-Sweden	102 935	126 195	-18,4%
Estonia-Finland	118 522	109 572	8,2%
Estonia-Sweden	44 353	42 536	4,3%
Latvia-Sweden	13 262	8 479	56,4%
Finland-Germany	52 061	72 999	-28,7%
<b>Passenger Vehicles</b>	<b>671 539</b>	<b>590 978</b>	<b>13,6%</b>
Finland-Sweden	164 059	201 198	-18,5%
Estonia-Finland	363 196	251 900	44,2%
Estonia-Sweden	52 839	59 023	-10,5%
Latvia-Sweden	51 652	38 832	33,0%
Finland-Germany	39 793	40 025	-0,6%



## Revenue structure &amp; Segment result

Geographical segments	2006/07	2007/08	change
<i>EUR thousands</i>			
<b>Total revenues</b>	<b>760 759</b>	<b>786 753</b>	<b>3.4%</b>
Est-Fin	168 833	205 359	22%
Est-Swe	89 953	97 290	8%
Fin-Ger	87 762	71 201	-19%
Fin-Swe	361 610	340 970	-6%
Lat-Swe	23 847	35 016	47%
Mainland	22 187	33 074	49%
Other	12 198	10 976	-10%
<i>Inter segment elimination</i>	<i>- 5 631</i>	<i>- 7 133</i>	

Operational segments	2006/07	2007/08	change
Ticket sales	183 053	196 008	7%
Restaurants & Shops	379 967	390 126	3%
Cargo sales	154 047	159 255	3%
Hotel accommodation	7 092	9 766	38%
Charters	12 062	10 340	-14%
Other	24 538	21 258	-13%

*Note: 2007/2008 financial year figures are unaudited*

Segment result	2006/07	2007/08	change
Est-Fin	52 242	63 260	21%
Est-Swe	12 594	10 563	-22%
Fin-Ger	13 031	-6 918	-152%
Fin-Swe	64 960	39 488	-39%
Lat-Swe	268	-2 929	-1193%
Mainland	2 702	1 192	-56%
Other	3 028	5 907	95%



## Operating costs

	Structure		Costs in EUR		
	2006/2007	2007/2008	2006/2007	2007/2008	change
Cost of goods	23%	24%	-152 517	-175 103	15%
Port charges	12%	11%	-84 323	-83 008	-2%
Bunker cost	14%	18%	-91 567	-135 080	48%
Staff costs <sup>(1)</sup>	23%	22%	-158 318	-163 856	3%
Depreciation and amortisation <sup>(2)</sup>	9%	8%	-59 150	-61 628	4%
Spare parts and maintenance expenses	4%	2%	-25 289	-17 088	-32%
Servicing & Other costs	8%	6%	-51 155	-45 798	-10%
Marketing & Admin <sup>(1)</sup>	8%	7%	-52 358	-51 470	-2%

<sup>(1)</sup> amortisation & staff costs excluded

*Note: 2007/2008 financial year figures are unaudited*



## Tallink's Fleet

Vessel	Silja Serenade, Silja Symphony	Silja Europa	Superfast vessels	Romantika, Victoria I	Star	Superstar	Galaxy, Cruise 5, Baltic Princess
Built	1990-1991	1993	2001-2002	2002-2004	2007	2008	2006-2009
Passengers	2,852	3,123	717-728	2,500	1,900	2,080	2,800
Cabins	986-995	1,152	179-196	691-739	131	187	927
Lane meters	950	932	1,891	1,000	2,000	1,930	1,130
Speed (knots)	21	21.5	27.9	22	27.5	29	22-24.5
Length (meters)	203	202	203	193	185	175	212

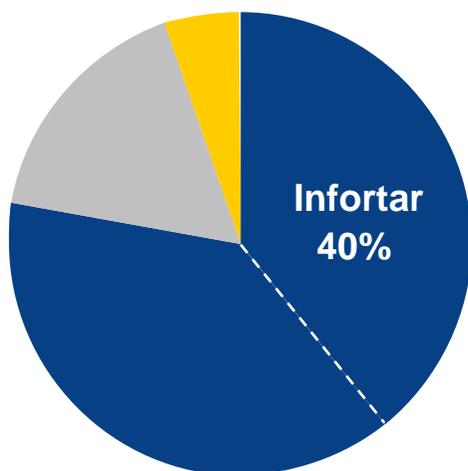
Vessel	AutoExpress 2	Sea Wind	Kapella	Regal Star	Vana Tallinn	Regina Baltica	Festival
Built	1997	1972	1974	1999	1974	1980	1986
Passengers	700	260	36	80	800	1,500	2,023
Cabins	-	98	24	38	228	504	588
Lane meters	491*	1,000	590	2,087	730	840	885
Speed (knots)	37	17.3	14.5	15.5	18	19	22
Length (meters)	82	155	110	157	154	145	171

\*Note: Only for passenger cars



## Ownership structure

## Shareholders of AS Tallink Grupp



- Top 10 shareholders
- Institutional investors
- Retail investors

## TOP 10 shareholders on November 17, 2008

%

Infortar	40.0%
Nordea Bank Finland Plc / Non-resident legal entities	9.6%
ING Luxembourg S.A.	8.4%
Citigroup Venture Capital International Jersey Ltd	7.3%
State Street Bank / Baupost Group Securities Llc	5.4%
Skandinaviska Enskilda Banken AB Clients	2.1%
Danske Capital Finland OY	1.6%
Firebird Republics Fund Ltd	1.5%
Firebird Avora Fund Ltd	1.2%
Morgan Stanley + CO International Equity Client account	1.0%

Shareholders have supported Tallink's growth with more than EUR 230 million new equity in 2005-2006

Selection of Awards for AS Tallink Grupp in 2007-2008



**MOST COMPETITIVE ESTONIAN COMPANY 2008**



AS Tallink Grupp was voted the most competitive Estonian company in 2008 by the Estonian Chamber of Commerce & Industry and Estonian Employer's Confederation.

**MOST COMPETITIVE ESTONIAN TOURISM COMPANY 2008**



AS Tallink Grupp was voted the most competitive Estonian tourism operator in 2008 by the Estonian Chamber of Commerce & Industry and Estonian Employer's Confederation.

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**BEST ESTONIAN COMPANY 2007**



AS Tallink Grupp was voted the best Estonian company in 2007 by Enterprise Estonia.

**MOST VALUABLE COMPANY BASED ON ESTONIAN CAPITAL IN 2007**



In 2007, AS Tallink Grupp was voted the most valuable company based on Estonian capital by the investment bank GILD Bankers.

**TOURISM INNOVATOR 2007**



AS Tallink Grupp was voted the most innovative tourism company in Estonia in 2007 by Enterprise Estonia.

**AWARD OF LOGISTICS 2007**



AS Tallink Grupp was awarded by the Estonian Logistics Association for launching the ever first all year round high speed ferry service Tallink Shuttle on Tallinn-Helsinki route.