

AS TALLINK GRUPP

Unaudited Interim Consolidated Financial Statements for the first quarter of the 2012 financial year

1 January 2012 - 31 March 2012

Beginning of the financial year 1. January 2012

End of the financial year 31. December 2012

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Primary activity maritime transportation
(passenger and cargo transportation)

Auditor KPMG Baltics OÜ



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MANAGEMENT REPORT

In the first quarter (1 January – 31 March) of the 2012 financial year AS Tallink Grupp and its subsidiaries (the Group) carried total of 1.84 million passengers, slightly more than in the same period of the last year. The Group's unaudited revenue for the first quarter of 2012 increased by EUR 10.6 million or nearly 6% year on year to the total of EUR 193.8 million. The sales in most of the Group's services increased whereas over half of the total revenue increase was achieved through improved passenger related sales. The total of ticket sales, restaurants, bars and shop sales increased by EUR 2.6 per passenger year on year reflecting the emphasis on the active sales onboard the vessels as well as continuous work on the dynamic pricing.

The Group's revenue development in the first quarter of the 2012 financial year was in line with the Management expectations incorporating different sales tactics and activities in the beginning of the year compared to the previous year. However the record high fuel prices have increased the Group's fuel costs eliminating the impact of the total revenue improvement. The unaudited gross profit for the first quarter of 2012 was EUR 18.8 million which is EUR 1.1 million or 6% higher than last year. Influenced by higher expenses related to increased activities in sales, marketing and support functions the Group's EBITDA in the first quarter of the 2012 financial year was EUR 10.2 million, one million euros less than year ago.

Derived from the 32% higher average fuel price for the first quarter, compared with the same period of the last year, the Group's fuel costs increased by EUR 4.6 million. Part of the fuel price increase was mitigated by optimisation of the timetables and operating schedules which help to reduce the fuel consumption. As the fuel prices in the second quarter are remaining at high levels, currently approximately 20% higher than year ago, the management is planning to further increase the fuel surcharges in the ticket pricing.

The unaudited net loss for the first quarter of 2012 financial year was EUR 18.95 million (0.03 EUR per share) compared to the net loss of EUR 17.1 million (0.03 EUR per share) year ago which then also included EUR 1.8 million income from the interest rates derivatives.

As an effect of the improved working capital development the cash flow from operating activities in the first quarter increased by EUR 3.9 million or 84% compared to the same period of the last year. In 2012 the Group has returned to its original loan repayment schedules with the repayments also in the low season. In the first quarter of 2012 the Group repaid EUR 24.4 million of its interest bearing debt. In the end of the first quarter the Group had EUR 49.3 million in cash and equivalents which is EUR 10 million more than in the same time of the previous year. In March the Group increased its overdraft credit lines by approximately EUR 20 million bringing the total unused credit lines to EUR 66 million. The total liquidity, cash and unused credit facilities at the end of the first quarter was EUR 115 million providing strong position for the sustainable operations.

Q1 KEY FIGURES

		2012 Jan-Mar	2011 Jan-Mar	change
Continuing operations				
Revenue from continuing operations	EUR million	193.8	183.1	5.8%
Gross profit from continuing operations	EUR million	18.8	20.8	-9.9%
Net profit from continuing operations	EUR million	-18.95	-14.0	-34.9%
Group total including the discontinued operations				
Revenue	EUR million	193.8	183.1	5.8%
Gross profit	EUR million	18.8	17.8	6.1%
Gross margin (%)		9.7%	9.7%	
EBITDA	EUR million	10.2	11.2	-9.2%
EBITDA margin (%)		5.3%	6.1%	
Net profit for the period	EUR million	-18.95	-17.1	-10.5%
Net profit margin (%)		-9.8%	-9.4%	
Depreciation and amortization	EUR million	17.8	17.9	0.6%
Investments	EUR million	0.4	0.8	-43.7%
Weighted average number of ordinary shares outstanding		669 882 040	669 882 040	
Earnings per share	EUR	-0.03	-0.03	
Number of passengers		1 984 735	1 980 069	0.2%
Number of cargo units		72 667	66 635	9.1%
Average number of employees		6 702	6 674	0.4%
		31.03.2012	31.12.2011	
Total assets	EUR million	1 764.9	1 799.5	-1.9%
Interest-bearing liabilities	EUR million	935.9	959.6	-2.3%
Net debt	EUR million	886.6	884.2	0.2%
Total equity	EUR million	686.2	705.1	-2.9%
Equity ratio (%)		38.9%	39.2%	
Net debt to EBITDA		5.5	5.4	
Number of ordinary shares outstanding ¹		669 882 040	669 882 040	0%
Shareholders' equity per share	EUR	1.02	1.05	-2.9%

EBITDA: Earnings before net financial items, share of profit of equity accounted investees, taxes, depreciation and amortization;

Earnings per share: net profit / weighted average number of shares outstanding;

Equity ratio: total equity / total assets;

Shareholder's equity per share: shareholder's equity / number of shares outstanding;

Gross margin: gross profit / net sales;

EBITDA margin: EBITDA / net sales;

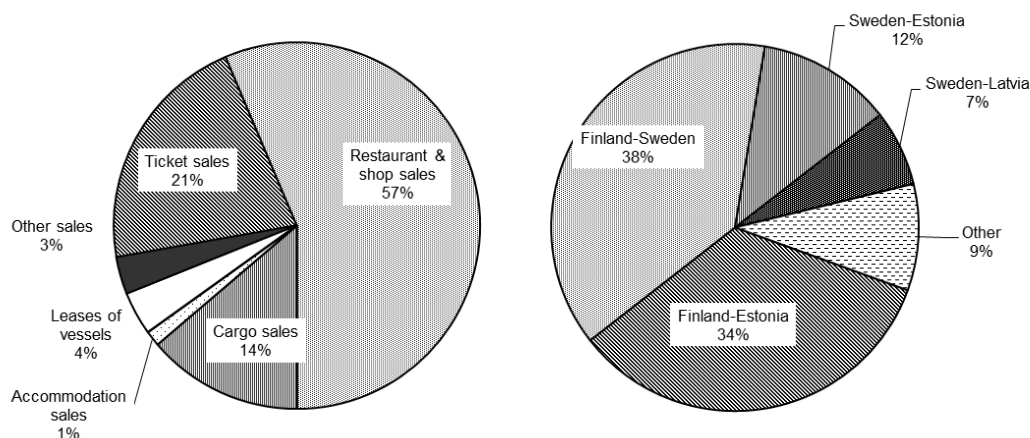
Net profit margin: net profit / net sales;

Net debt: Interest bearing liabilities less cash and cash equivalents;

Net debt to EBITDA: Net debt / 12-months trailing EBITDA.

¹ Share numbers exclude own shares.

The following graphs provide an overview of the sales distribution in the first quarter on operational and geographical segment based approach



MARKET DEVELOPMENTS

The following table provides an overview of the passengers, cargo units and passenger vehicles transported during the first quarter of 2012 and 2011 financial years.

	Q1 2012	Q1 2011	Change
Passengers	1 984 735	1 980 069	0.2%
Finland-Sweden	709 270	738 645	-4.0%
Estonia-Finland	909 012	878 882	3.4%
Estonia-Sweden	221 811	221 411	0.2%
Latvia-Sweden	144 642	141 131	2.5%
Finland-Germany*	0	0	-
Cargo Units	72 671	66 635	9.1%
Finland-Sweden	25 213	24 894	1.3%
Estonia-Finland	33 705	25 908	30.1%
Estonia-Sweden	9 260	11 107	-16.6%
Latvia-Sweden	4 493	4 726	-4.9%
Finland-Germany*	0	0	-
Passenger Vehicles	210 141	202 856	3.6%
Finland-Sweden	22 982	24 765	-7.2%
Estonia-Finland	155 491	147 310	5.6%
Estonia-Sweden	13 240	13 306	-0.5%
Latvia-Sweden	18 428	17 475	5.5%
Finland-Germany*	0	0	-

* Finland-Germany operations were discontinued in August 2011. Vessels M/S Superfast VII and M/S Superfast VIII were chartered out for at least three years.

The Group's market shares on the routes operated during a 12 month period ending 31 March 2012 were as follows:

- The Group carried approximately 58% of the passengers and 49% of ro-ro cargo on the route between Tallinn and Helsinki;
- The Group is the only provider of daily passenger transportation between Estonia and Sweden.
- The Group is the only provider of daily passenger and ro-ro cargo transportation between Riga and Stockholm;
- The Group carried approximately 55% of passengers and 35% of ro-ro cargo on the routes between Finland and Sweden;

PERSONNEL

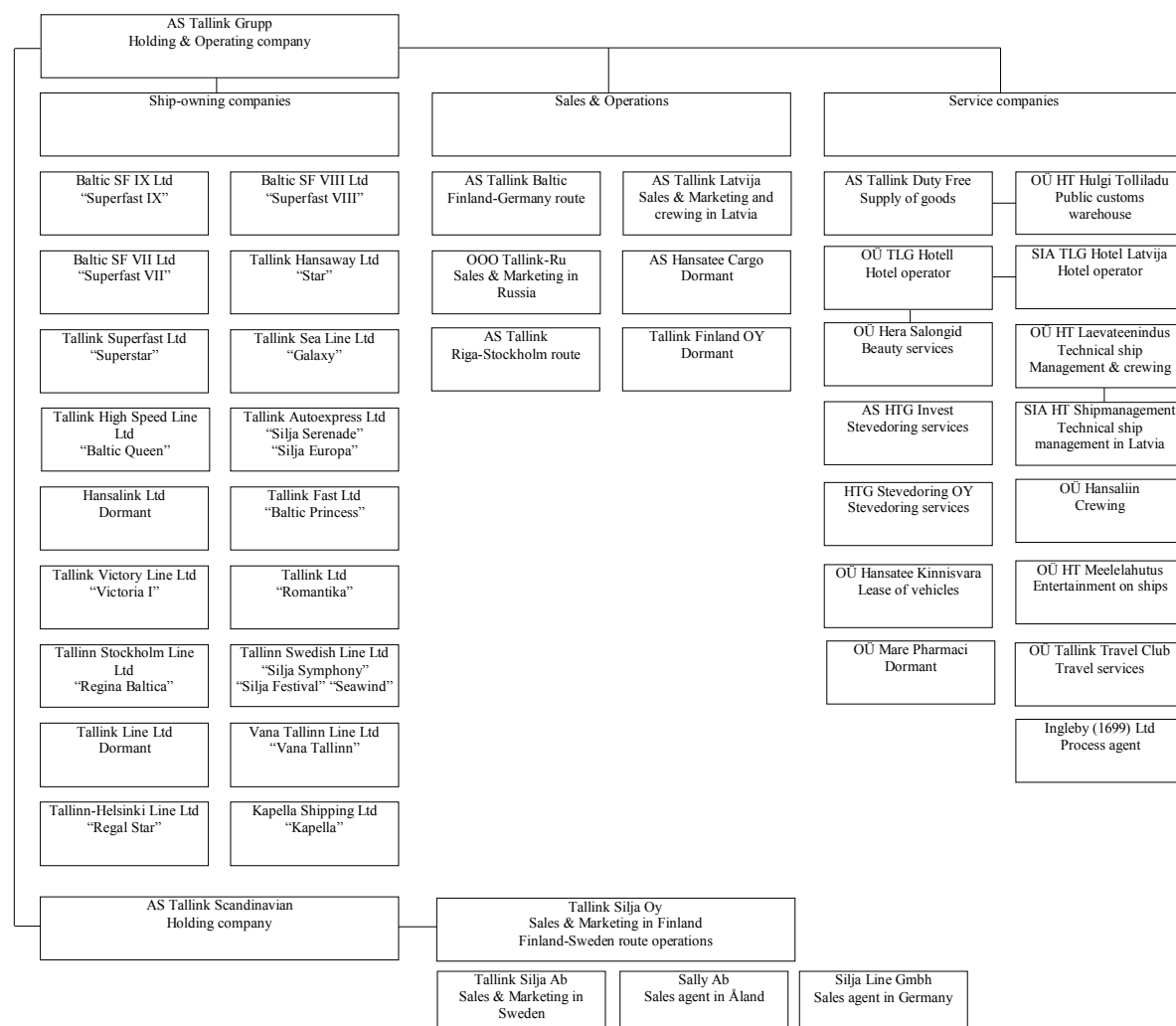
31 March 2012 the Group employed 6 806 employees (6 728, 31 March 2011). The following table provides a more detailed overview of the Group's personnel.

	Average of 1st quarter			End of 1st quarter		
	2012	2011	change %	31.03.2012	31.03.2011	change %
Onshore total	1 574	1 557	1.1%	1 594	1 560	2.2%
<i>Estonia</i>	783	788	-0.6%	792	785	0.9%
<i>Finland</i>	515	512	0.6%	508	504	0.8%
<i>Sweden</i>	198	187	5.9%	214	198	8.1%
<i>Latvia</i>	62	57	8.8%	63	59	6.8%
<i>Germany</i>	6	7	-14.3%	6	7	-14.3%
<i>Russia</i>	10	6	66.7%	11	7	57.1%
At sea	4 555	4 567	-0.3%	4 640	4 617	0.5%
Hotel*	573	550	4.2%	572	551	3.8%
Total	6 702	6 674	0.4%	6 806	6 728	1.2%

* The number of hotel personnel is not included in the total number of ashore personnel.

CORPORATE STRUCTURE

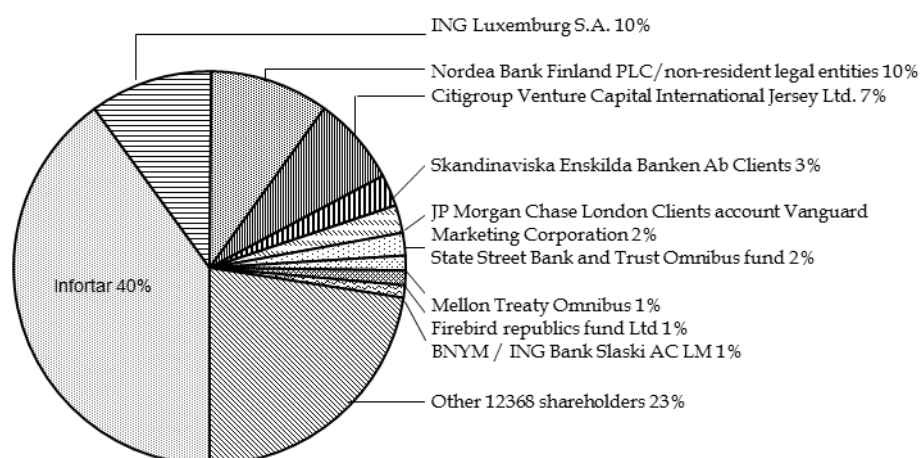
On the report date, the Group consisted of 46 companies. All of the subsidiaries are wholly-owned companies of AS Tallink Grupp. The following chart describes the structure of the Group as on the date of reporting:



The Group further owns:
34% of AS Tallink Takso

SHAREHOLDERS & SHARE PRICE DEVELOPMENT

The following chart displays the shareholder structure of AS Tallink Grupp as of 31 March 2012.



Since 9th of December 2005 the shares of AS Tallink Grupp are listed on the Tallinn Stock Exchange, where the share are traded under the symbol TAL1T. The following chart gives an overview of the share price development in the past twelve months.



Source: Nasdaq OMX Baltic

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

The Group's earnings are not generated evenly throughout the year. Summer period is the high season in the Group's operations. In the opinion of the management and based on the experience of the previous financial years the majority of the earnings are generated during summer (June-August).

AS Tallink Grupp does not have any substantial ongoing research and development projects.

The Group's fleet renewal program has been completed and thus the Group's investment requirement is relatively small going ahead. This helps to concentrate on the core operations.

At 31.03.2012 the Group had EUR 49 million in cash and equivalents. The total liquidity for the Group, including the unused credit lines was EUR 115 million providing strong position for the sustainable operations.

The management continues to target overall improvement in the Group results in the 2012 financial year. As the fuel prices in the second quarter are remaining at high levels, currently approximately 20% higher than year ago, the Group is planning to introduce further increase in the fuel surcharge in ticket pricing.

Throughout the 2012 a positive impact shall be expected from the closure of the Finland-Germany route which previous negative result will change to positive result from chartering of ships.

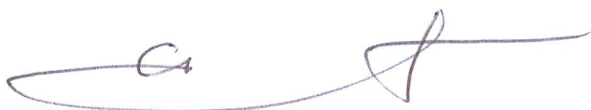
RISKS

The Group's business, financial condition and results from operations could be materially affected by various risks. These risks are not the only ones. Additional risks and uncertainties not presently known to us, or that we currently believe are immaterial or unlikely, could also impair our business. The order of presentation of the risk factors below is not intended to be an indication of the probability of their occurrence or of their potential effect on our business.

- Accidents, disasters
- Macroeconomic development
- Changes in laws and regulations
- Relations with trade unions
- Increase in the fuel prices and interest rates
- Market and customer behaviour

MANAGEMENT BOARD'S CONFIRMATION TO THE MANAGEMENT REPORT

The Management Board confirms that to the best of their knowledge the management report of AS Tallink Grupp for the first quarter of 2012 financial year presents true and fair view of the development, results and the financial position of the Group and includes the overview of the main risks and uncertainties.

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Enn Pant

Chairman of the Management Board

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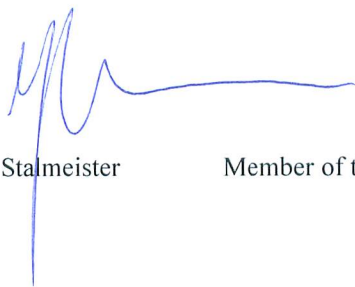
Andres Hunt

Vice Chairman of the Management Board

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Lembit Kitter

Member of the Management Board

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Janek Stalmeister

Member of the Management Board

16.05.2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited, in thousands of EUR)	01.01.2012- 31.03.2012	01.01.2011- 31.03.2011
Continuing operations		
Revenue (Note 3)	193,794	183,147
Cost of sales	-174,980	-162,275
Gross profit	18,814	20,872
Marketing expenses	-15,772	-14,871
Administrative expenses	-10,729	-9,862
Other income	156	344
Other expenses	-20	-10
Results from operating activities	-7,551	-3,527
Finance income (Note 4)	72	1,857
Finance costs (Note 4)	-11,472	-12,375
Profit/-loss before income tax	-18,951	-14,045
Income tax	0	0
Net profit/-loss from continuing operations	-18,951	-14,045
Profit/-loss from discontinued operation (Note 3)	0	-3,102
Net profit/-loss for the period	-18,951	-17,147
Other comprehensive income/-expense		
Exchange differences on translating foreign operations	57	-34
Other comprehensive income/-expense for the period	57	-34
Total comprehensive income/-expense for the period	-18,894	-17,181
Profit/-loss attributable to:		
Equity holders of the parent (Note 5)	-18,951	-17,147
Total comprehensive income/-expense attributable to:		
Equity holders of the parent	-18,894	-17,181
Earnings per share (in EUR per share)		
- basic (Note 5)	-0.03	-0.03
- diluted (Note 5)	-0.03	-0.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited, in thousands of EUR)

ASSETS	31.03.2012	31.12.2011
Current assets		
Cash and cash equivalents	49,296	75,421
Trade and other receivables	35,671	35,152
Prepayments	15,990	7,087
Inventories	24,788	25,198
Total current assets	125,745	142,858
Non-current assets		
Investments in associates	226	226
Other financial assets	2,290	2,551
Deferred income tax assets	9,452	9,452
Investment property	300	300
Property, plant and equipment (Note 7)	1,566,858	1,583,002
Intangible assets (Note 8)	60,067	61,153
Total non-current assets	1,639,193	1,656,684
TOTAL ASSETS	1,764,938	1,799,542
LIABILITIES AND EQUITY		
Current liabilities		
Interest bearing loans and borrowings (Note 9)	155,718	145,261
Trade and other payables	93,328	86,793
Deferred income	26,681	25,226
Derivatives (Note 6)	22,668	22,668
Total current liabilities	298,395	279,948
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	780,169	814,305
Other liabilities	177	198
Total non-current liabilities	780,346	814,503
TOTAL LIABILITIES	1,078,741	1,094,451
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	404,290	404,290
Share premium	639	639
Reserves	70,554	70,497
Retained earnings	210,714	229,665
Total equity attributable to equity holders of the parent	686,197	705,091
TOTAL EQUITY	686,197	705,091
TOTAL LIABILITIES AND EQUITY	1,764,938	1,799,542

CONSOLIDATED CASH FLOW STATEMENT

(unaudited, in thousands of EUR)

	01.01.2012 - 31.03.2012	01.01.2011- 31.03.2011
Cash flows from operating activities		
Net profit/-loss for the period	-18,951	-17,147
Adjustments	28,618	27,639
Changes in assets related to operating activities	-8,745	-10,059
Changes in liabilities related to operating activities	7,573	4,183
Income tax paid	-8	-11
	8,487	4,605
Cash flow used for investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 7, 8)	-431	-766
Proceeds from disposals of property, plant and equipment	0	49
Payments from settlement of derivatives	-839	-1,236
Interest received	74	12
	-1,196	-1,941
Cash flow from (+)/ used for (-) financing activities		
Redemption of loans (Note 9)	-24,383	0
Repayment of finance lease liabilities (Note 9)	-22	-21
Interest paid	-9,011	-8,305
	-33,416	-8,326
TOTAL NET CASH FLOW	-26,125	-5,662
Cash and cash equivalents:		
- at the beginning of period	75,421	44,946
- increase (+) / decrease (-)	-26,125	-5,662
Cash and cash equivalents at end of period	49,296	39,284

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited, in thousands of EUR)

	Share capital	Share premium	Translation reserve	Ships revaluation reserve	Mandatory legal reserve	Reserve for treasury shares	Share option programme reserve	Retained earnings	Share- holders' equity	Total equity
At 31 December 2010	430,648	639	373	64,811	10,869	-4,163	0	163,572	666,749	666,749
Changes in equity for the I quarter of 2011										
Transfer from profit for 2009/2010	0	0	0	0	1,093	0	0	-1,093	0	0
Decrease of share capital	-26,357	0	0	0	0	0	0	26,357	0	0
Total comprehensive income and expense for the period										
Net loss of the I quarter of the year 2011 (Note 5)	0	0	0	0	0	0	0	-17,147	-17,147	-17,147
Total other comprehensive income and expense	0	0	-34	0	0	0	0	0	-34	-34
Total comprehensive income and expense for the period	0	0	-34	0	0	0	0	-17,147	-17,181	-17,181
At 31 March 2011	404,291	639	339	64,811	11,962	-4,163	0	171,689	649,568	649,568
At 31 December 2011	404,290	639	461	61,710	11,962	-4,163	527	229,665	705,091	705,091
Changes in equity for the I quarter of 2012										
Total comprehensive income and expense for the period										
Net loss of the I quarter of the year 2012 (Note 5)	0	0	0	0	0	0	0	-18,951	-18,951	-18,951
Total other comprehensive income and expense	0	0	57	0	0	0	0	0	57	57
Total comprehensive income and expense for the period	0	0	57	0	0	0	0	-18,951	-18,894	-18,894
At 31 March 2012	404,290	639	518	61,710	11,962	-4,163	527	210,714	686,197	686,197

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 1 CORPORATE INFORMATION

The interim consolidated financial statements of AS Tallink Grupp and its subsidiaries (hereinafter as “the Group”) for the first 3 months of the financial year 2012 were authorised for issue in accordance with a resolution of the Management Board on 16 May 2012. AS Tallink Grupp is a limited company incorporated in Estonia and employed 6,806 people at 31 March 2012 (31 December 2011: 6,610).

Note 2 BASIS OF PREPARATION

The interim consolidated financial statements of AS Tallink Grupp have been prepared in a condensed form in accordance with IFRS as adopted by EU and in accordance with the requirements of International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

The same accounting policies and methods of computation are followed in the interim consolidated financial statements as in the annual consolidated financial statements of AS Tallink Grupp for the financial year ended on 31 December 2011.

The interim consolidated financial statements have been prepared in thousand euro (EUR).

Note 3 SEGMENT INFORMATION

The Group’s operations are organised and managed separately according to the nature of the different markets. The routes represent different business segments. The following tables present the Group’s revenue and profit information regarding reportable segments for the reportable and comparable period.

Geographical segments

(in thousands of EUR)

01.01.2012-31.03.2012	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Germany- Finland route (Discontinued)	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue								
Sales to external customers	62,628	23,543	11,755	0	79,761	16,107	0	193,794
Inter-segment sales	0	0	0	0	0	1,255	-1,255	0
	62,628	23,543	11,755	0	79,761	17,362	-1,255	193,794
Segment result	12,264	-1,166	-4,244	0	-3,438	-374	0	3,042
Unallocated expenses								-10,593
Net financial items (Note 4)								-11,400
Profit before income tax								-18,951

01.01.2011-31.03.2011	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Germany- Finland route (Discontinued)	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue								
Sales to external customers	56,340	21,785	11,550	0	81,716	11,756	0	183,147
Inter-segment sales	0	0	0	0	0	1,594	-1,594	0
	56,340	21,785	11,550	0	81,716	13,350	-1,594	183,147
Segment result	9,743	-617	-3,558	-3,102	1,377	-944	0	2,899
Unallocated expenses								-9,528
Net financial items (Note 4)								-10,518
Profit before income tax								-17,147

Revenue by services

(in thousands of EUR)	01.01.2012- 31.03.2012	01.01.2011- 31.03.2011
Ticket sales	41,542	39,277
Sales of cargo transport	26,687	23,897
Accommodation sales	2,605	2,422
Restaurant and shops sales on-board and on mainland	109,178	105,849
Income from leases of vessels	7,388	4,805
Other	6,394	6,897
Total revenue of the Group	193,794	183,147

Discontinued operation

In August 2011 the Group ended traffic between Germany and Finland.

(in thousands of EUR)	01.01.2012- 31.03.2012	01.01.2011- 31.03.2011
Results of discontinued operation		
Revenue	0	0
Expenses	0	-3,102
Results from operating activities	0	-3,102
Results from operating activities, net of tax	0	-3,102
Profit/-loss for the period	0	-3,102
Basic earnings per share (EUR)	0.00	0.00
Diluted earnings per share (EUR)	0.00	0.00

Note 4 FINANCE INCOME AND COSTS

(in thousands of EUR)	01.01.2012- 31.03.2012	01.01.2011- 31.03.2011
Income from derivatives	0	1,846
Interest income	72	11
Total finance income	72	1,857
Net foreign exchange loss	-500	-675
Interest expenses	-10,133	-9,993
Losses from derivatives	-839	-1,707
Total finance costs	-11,472	-12,375

Note 5 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. As the company does not have any potential ordinary shares, then the diluted earnings per share are equal to basic earnings per share.

	01.01.2012- 31.03.2012	01.01.2011- 31.03.2011
Weighted average number of ordinary shares (pcs)	669,882,040	669,882,040
Net profit/-loss attributable to ordinary shareholders	-18,951	-17,147
Earnings per share (in EUR per share)	-0.03	-0.03

Weighted average number of ordinary shares (pcs)	01.01.2012- 31.03.2012	01.01.2011- 31.03.2011
Issued ordinary shares at the beginning of period	673,817,040	673,817,040
Effect of own shares held	-3,935,000	-3,935,000
Weighted average number of ordinary shares at end of period	669,882,040	669,882,040

Note 6 DERIVATIVE INSTRUMENTS

The Group uses interest rate swaps to manage its exposure to movements in interest rates. Where the effectiveness of the hedge relationship in a cash flow hedge is demonstrated, changes in the fair value are included in the hedging reserve in shareholders' equity and released to match actual payments on the hedged item. Changes in fair value of derivatives which do not qualify for hedge accounting under IAS 39 are recognized directly in the income statement.

As of 31.03.2012 AS Tallink Grupp had three interest rate derivative contracts with total notional amount of 270,000 thousand EUR with the maturities in years 2012, 2014 and 2018. The fair value of the interest rate derivatives recognized in the current interim financial statements as of 31.03.2012 is -22,668 thousand EUR.

Note 7 PROPERTY, PLANT AND EQUIPMENT

(in thousands of EUR)

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 December 2011	4,174	1,570,057	8,724	47	1,583,002
Additions	0	0	327	14	341
Exchange rate differences	105	0	0	0	105
Depreciation for the period	-406	-15,545	-639	0	-16,590
Book value at 31 March 2012	3,873	1,554,512	8,412	61	1,566,858

At 31 March 2012

-Cost	9,625	1,651,505	25,321	61	1,686,512
-Accumulated depreciation	-5,752	-96,993	-16,909	0	-119,654

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 December 2010	5,598	1,632,704	5,789	142	1,644,233
Additions	109	0	709	-60	758
Exchange rate differences	15	0	7	0	22
Disposals	0	0	-28	0	-28
Depreciation for the period	-388	-15,729	-591	0	-16,708
Book value at 31 March 2011	5,334	1,616,975	5,886	82	1,628,277

At 31 March 2011

-Cost	9,625	1,653,103	20,983	82	1,683,793
-Accumulated depreciation	-4,291	-36,128	-15,097	0	-55,516

Note 8 INTANGIBLE ASSETS

(in thousands of EUR)

	Goodwill	Trademark	Others	Total
Book value at 31 December 2011	11,066	42,250	7,837	61,153
Additions	0	0	90	90
Amortisation for the period	0	-729	-447	-1,176
Book value at 31 March 2012	11,066	41,521	7,480	60,067

At 31 March 2012

-Cost	11,066	58,288	20,258	89,612
-Accumulated amortisation	0	-16,767	-12,778	-29,545

(in thousands of EUR)

	Goodwill	Trademark	Others	Total
Book value at 31 December 2010	11,066	45,166	9,023	65,255
Additions	0	0	8	8
Amortisation for the period	0	-729	-437	-1,166
Book value at 31 March 2011	11,066	44,437	8,594	64,097

At 31 March 2011

-Cost	11,066	58,288	19,777	89,131
-Accumulated amortisation	0	-13,851	-11,183	-25,034

Note 9 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of EUR)

	31 December 2011	Repayments	Other changes [1]	31 March 2012
Lease liabilities	60	-22	0	38
Long-term bank loans	959,506	-24,383	726	935,849
TOTAL	959,566	-24,405	726	935,887
incl. short-term portion	145,261			155,718
long-term portion	814,305			780,169

[1] Other changes are related to amortisation of transaction costs.

Bank overdrafts are secured with commercial pledge (in the total amount of 20,204 thousand EUR) and ship mortgages.

AS Tallink Grupp has given guarantees to HSH Nordbank AG, Nordea Bank Plc, Skandinaviska Enskilda Banken AB, KfW IPEX Bank, Danske Bank A/S and HSBC Bank Plc. for the loans granted to overseas subsidiaries amounting to 763,084 thousand EUR. The primary securities for these loans are the pledge of shares of the overseas subsidiaries and mortgages on the ships belonging to the above-mentioned subsidiaries. AS Tallink Grupp has given guarantee to HSH Nordbank AB for the loan granted to Tallink Silja Oy Ab amounting to 172,765 thousand EUR. The primary securities for these loans are the pledge of shares of Tallink Silja Oy Ab and mortgages on the Silja ships.

Note 10 SHARE CAPITAL

According to the Articles of Association of the Parent effective as of 31 March 2012 the maximum number of authorised common shares is 2,133,333,333.

At 31 March 2012 the Group held 3,935 thousand of the AS Tallink Grupp shares. Total cost of share buyback transactions of 3,935 thousand shares is 4,163 thousand EUR.

Note 11 SHARE OPTION PROGRAMME

In June 2011 the Group issued 7,317,500 share options of which 3,510,000 to the Management Board and Supervisory Board members and 3,807,500 to other Group employees. Each option gives right to purchase one share of AS Tallink Grupp. The share options were issued in accordance of the Share Option Programme which resolution was adopted at the

Shareholders General Meeting on 08.02.2011. The options issued represent around 49% of the total authorized limit and 1.1% of the total shares outstanding. The terms and conditions of exercise of the issued share options are following: non-transferable; exercisable not earlier than 36 months from issue or 31.05.2014 and not later than 30.11.2014; exercise price EUR 0.858 in case of new shares issued or average acquisition cost in case existing shares will be purchased from the market; options are to be settled by physical delivery of shares.

At 31 March 2012 7,317,500 share options were valid and outstanding. Average remaining time to maturity of the outstanding share options is 26-32 months.

The fair value of the services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes model as of grant date. The Group used independent external advisor for the valuation share options who in addition to the share options terms and conditions used the following inputs for measurement: spot price of share EUR 0.72 as of 31.05.2011; expected volatility 30% based on historic analyse; option average time to maturity 42 months; the 3.4% and 8.1% annual dividend yields in 2012 and 2013 result in an effective dividend yield of 11.3% (based on the equity analysts' consensus) and; risk-free interest rate 1.411%.

In June 2011 the fair value of the received services in amount of 527 thousand EUR was recorded as an expense in the consolidated statement of comprehensive income and the fair value of share options in the same amount is held as a share option reserve in the equity.

The outstanding share options have not diluting effect due to their exercise price being higher than the average price in the stock market during the period.

Note 12 RELATED PARTY DISCLOSURES

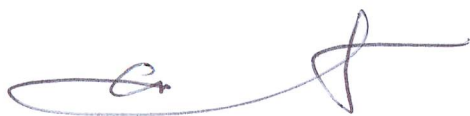
(in thousands of EUR)

3 months of 2012 or 31.03.2012	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	14	13	5	0
AS HT Valuuta	29	0	1	0
AS Vara HTG	0	479	0	0
OÜ Mersok	0	2	0	1
AS Vaba Maa	2	163	1	47
OÜ Sunbeam	0	822	0	0
AS Gastrolink	1	252	0	72
AS Tallink Takso	0	20	0	8
OÜ Topspa Kinnisvara	0	627	0	0
OÜ Hansa Hotell	0	199	0	0
OÜ Fastinvest	0	281	0	0
SIA Happy Trails	1	822	2	129
Eesti Laevaomanike Liit	0	6	0	0
SEB Tallink Tennis Team	0	50	0	0
3 months of 2011 or 31.03.2011	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	3	19	3	7
AS HT Valuuta	29	0	1	0
AS Vara HTG	0	480	0	0
OÜ Mersok	0	2	0	2
AS Vaba Maa	2	292	1	104
OÜ Sunbeam	0	794	0	0
AS Gastrolink	0	181	0	64
AS Tallink Takso	0	17	0	7
OÜ Topspa Kinnisvara	0	612	0	0
OÜ Hansa Hotell	0	192	0	0
OÜ Fastinvest	0	276	0	0
SIA Happy Trails	0	1,060	0	914
Eesti Laevaomanike Liit	0	6	0	0

MANAGEMENT BOARD'S APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Hereby we declare our responsibility for the Interim Consolidated Financial Statements and confirm that the AS Tallink Grupp's Unaudited Interim Consolidated Financial Statements for the first 3 months of the financial year 2012 ended 31 March 2012 prepared in accordance with IFRS as adopted by EU and in accordance with IAS 34 give a true and fair view of the financial position of the Group and of the result of its operations and cash flows.

AS Tallink Grupp and its subsidiaries are able to continue as a going concern for a period of at least one year of the date of approving these financial statements.



Chairman of the Management Board
Enn Pant



Vice Chairman of the Management Board
Andres Hunt



Member of the Management Board
Janek Stalmeister



Member of the Management Board
Lembit Kitter

Tallinn 16.05.2012