

AS TALLINK GRUPP

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

1 January 2012 - 30 June 2012

Beginning of the financial year	1. January 2012
End of the financial year	31. December 2012
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Internet homepage	www.tallink.com
Primary activity	maritime transportation (passenger and cargo transportation)
Auditor	KPMG Baltics OÜ



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MANAGEMENT REPORT

Steady growth despite the adverse weather, unstable economic environment and volatile fuel prices can be used to describe the second quarter (1 April – 30 June) operations of AS Tallink Grupp and its subsidiaries (the Group). The Group carried total of 2.4 million passengers in the second quarter of 2012 which is nearly 2% more than in the same period of the last year. Market share improved overall. The Group's unaudited consolidated revenue for the second quarter of the 2012 financial year increased by EUR 6.8 million or 3% year on year to EUR 244.8 million.

In result of the increase in revenues and changes in the operations, including the earlier closure of the Finland Germany route, the Group's earnings improved. Also the earnings from the continuing operations increased. Total unaudited Gross profit for the second quarter amounted to EUR 57.3 million, up by 13.6% and EBITDA amounted to EUR 46.2 million up by 9.6% when compared to the same period in last year. In the second quarter of 2012 the Group's unaudited net profit was EUR 20 million compared to EUR 13.6 million last year. The total cumulative net profit for the six months of the 2012 financial year amounts to EUR 1 million compared to net loss of EUR 3.5 million a year ago.

Considering the overall economic situation and competition the Group's second quarter results were generally pleasing, but did not fully meet the management expectations as the dynamics in the passenger metrics were different. While the revenue per passenger from shops and restaurant sales is showing a healthy 3.6% or 2 EUR growth per passenger at the same time revenue from ticket sales declined by 1.2 EUR or 4.4% when compared to the second quarter of the previous year. The unusually bad weather in spring and early summer affected the passengers' booking behaviour hence resulting in increased promotional activities to attract people to travel.

The fuel prices in the second quarter were volatile. When measured in euros and compared to the same quarter of the last year the average quarterly price for ship fuel was approximately 13% higher. In result the Group's fuel cost in the continuing operations increased by EUR 3.9 million. Due to the closure of Finland-Germany operations the total fuel cost for the Group in the second quarter was EUR 3.4 million smaller.

Cash flow from operations amounted to EUR 51.1 million in the second quarter of 2012. EUR 34.3 million was used to repay the bank debt resulting the 3.6% decrease in interest bearing liabilities during the second quarter. The net debt in the end of the second quarter was EUR 850.5 million and the net debt ratio to last 12-months EBITDA was 5.1. At the end of June the Group had EUR 51.8 million in cash and equivalents and the total of unused credit lines stood at EUR 66 million. The total liquidity, cash and unused credit facilities at the end of the second quarter was EUR 117.8 million providing strong position for the sustainable operations.

Q2 KEY FIGURES

		2012 April-June	2011 April-June	change
Continuing operations				
Revenue from continuing operations	EUR million	244.8	229.0	6.9%
Gross profit from continuing operations	EUR million	57.3	54.3	5.5%
Net profit from continuing operations	EUR million	20.0	18.1	10.4%
Group total including the discontinued operations				
Revenue	EUR million	244.8	238.0	2.9%
Gross profit	EUR million	57.3	50.4	13.6%
Gross margin (%)		23.4%	21.2%	
EBITDA	EUR million	46.2	42.2	9.6%
EBITDA margin (%)		18.9%	17.7%	
Net profit for the period	EUR million	20.0	13.6	46.8%
Net profit margin (%)		8.2%	5.7%	
Depreciation and amortization	EUR million	17.7	17.8	-0.7%
Investments	EUR million	3.7	4.5	-18.7%
Weighted average number of ordinary shares outstanding		669 882 040	669 882 040	
Earnings per share	EUR	0.03	0.02	46.8%
Number of passengers		2 376 516	2 336 462	1.7%
Number of cargo units		72 014	75 972	-5.2%
Average number of employees		6 938	7 022	-1.2%
		30.06.2012	31.03.2012	
Total assets	EUR million	1 760.7	1 764.9	-0.2%
Interest-bearing liabilities	EUR million	902.3	935.9	-3.6%
Net debt	EUR million	850.5	886.6	-4.1%
Total equity	EUR million	706.1	686.2	2.9%
Equity ratio (%)		40.1%	38.9%	
Net debt to EBITDA		5.1	5.5	
Number of ordinary shares outstanding ¹		669 882 040	669 882 040	0%
Shareholders' equity per share	EUR	1.05	1.02	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.

SALES & SEGMENT RESULTS

The following table provides an overview of the quarterly sales development by operational segments:

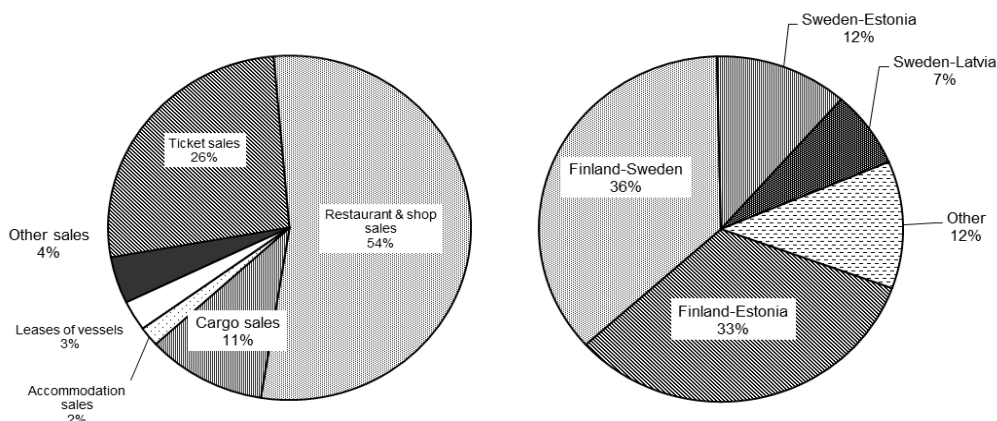
in EUR millions	Q2	Q3	Q4	Q1	Q2	Q2 change
	2011	2011	2011	2012	2012	y-o-y
Ticket sales	66.4	90.4	50.7	41.5	64.6	-2.8%
Restaurant & shop sales	125.2	135.8	121.2	109.2	132.5	5.8%
Cargo sales	29.2	25.8	25.4	26.7	26.2	-10.5%
Accommodation sales	4.2	5.7	3.5	2.6	4.5	7.7%
Leases of vessels	4.1	5.6	6.0	7.4	6.9	67.3%
Other sales	8.9	8.9	7.5	6.4	10.2	15.1%
						0.0%
Total revenue	238.0	272.2	214.3	193.8	244.8	2.9%

The following table provides an overview of the quarterly sales and result development by geographical segments:

			Q2	Q3	Q4	Q1	Q2	Q2 change
			2011	2011	2011	2012	2012	y-o-y
Finland- Estonia	Passengers	th.	1 092	1 257	1 042	909	1 171	7.2%
	Cargo units	th.	30	31	31	34	36	18.6%
	Revenue	mil.EUR	72.6	81.0	73.2	62.6	81.0	11.6%
	Segment result	mil.EUR	24.1	28.8	22.1	12.3	25.0	3.9%
Finland- Sweden	Passengers	th.	786	925	715	709	764	-2.8%
	Cargo units	th.	25	22	24	25	23	-8.2%
	Revenue	mil.EUR	92.1	108.1	84.5	79.8	89.7	-2.6%
	Segment result	mil.EUR	6.1	23.8	2.3	-3.4	4.8	-21.8%
Sweden- Estonia	Passengers	th.	237	278	207	222	239	1.0%
	Cargo units	th.	11	10	10	9	9	-15.1%
	Revenue	mil.EUR	27.9	34.1	24.9	23.5	29.3	4.7%
	Segment result	mil.EUR	4.0	8.3	0.6	-1.2	3.5	-11.4%
Sweden- Latvia	Passengers	th.	197	234	147	145	202	2.3%
	Cargo units	th.	5	4	5	4	5	-5.8%
	Revenue	mil.EUR	17.0	21.6	13.5	11.8	17.7	4.3%
	Segment result	mil.EUR	0.2	4.1	-2.4	-4.2	0.0	-93.5%
Finland- Germany	Passengers	th.	23	24	0	0	0	0.0%
	Cargo units	th.	6	3	0	0	0	0.0%
	Revenue	mil.EUR	9.0	7.4	0.0	0.0	0.0	-100.0%
	Segment result	mil.EUR	-4.5	-0.5	0.0	0.0	0.0	-100.0%
Other	Revenue	mil.EUR	21.6	23.4	20.4	17.4	29.4	36.0%
	Segment result	mil.EUR	4.8	5.5	2.7	-0.4	7.1	47.4%
	Inter segment sales	milj.EUR	-2.3	-3.4	-2.2	-1.3	-2.3	3.6%
	Total revenue	milj.EUR	238.0	272.2	214.2	193.8	244.8	2.9%
EBITDA	milj.EUR	42.2	78.0	31.2	10.2	46.2	9.6%	
Total segment result	milj.EUR	34.6	70.0	25.3	3.0	40.4	16.7%	
Net profit/-loss	milj.EUR	14.1	40.7	0.4	-19.0	20.0	46.8%	

Segment result - result before administrative expenses,
financial expenses and taxes

The following graphs provide an overview of the sales distribution in the second 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 half-year and second quarter of 2012 and 2011 financial years.

	Q2 2012	Q2 2011	Q2 Change	I half-year 2012	I half-year 2011	I half-year Change
Passengers	2 376 516	2 336 462	1.7%	4 361 251	4 316 531	1.0%
Finland-Sweden	763 794	786 084	-2.8%	1 473 064	1 524 729	-3.4%
Estonia-Finland	1 171 270	1 092 477	7.2%	2 080 282	1 971 359	5.5%
Estonia-Sweden	239 389	236 994	1.0%	461 200	458 405	0.6%
Latvia-Sweden	202 063	197 446	2.3%	346 705	338 577	2.4%
Finland-Germany*	0	23 461	-100.0%	0	23 461	-100.0%
Cargo Units	72 014	75 972	-5.2%	144 685	142 607	1.5%
Finland-Sweden	22 527	24 548	-8.2%	47 740	49 442	-3.4%
Estonia-Finland	36 027	30 365	18.6%	69 732	56 273	23.9%
Estonia-Sweden	8 918	10 505	-15.1%	18 178	21 612	-15.9%
Latvia-Sweden	4 542	4 821	-5.8%	9 035	9 547	-5.4%
Finland-Germany*	0	5 733	-100.0%	0	5 733	-100.0%
Passenger Vehicles	293 267	281 029	4.4%	503 408	483 885	4.0%
Finland-Sweden	45 386	45 338	0.1%	68 368	70 103	-2.5%
Estonia-Finland	204 870	184 928	10.8%	360 361	332 238	8.5%
Estonia-Sweden	18 639	19 525	-4.5%	31 879	32 831	-2.9%
Latvia-Sweden	24 372	23 526	3.6%	42 800	41 001	4.4%
Finland-Germany*	0	7 712	-100.0%	0	7 712	-100.0%

* 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 on the June 30, 2012 were as follows:

- The Group carried approximately 59% of the passengers and 50% 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 34% of ro-ro cargo on the routes between Finland and Sweden;

PERSONNEL

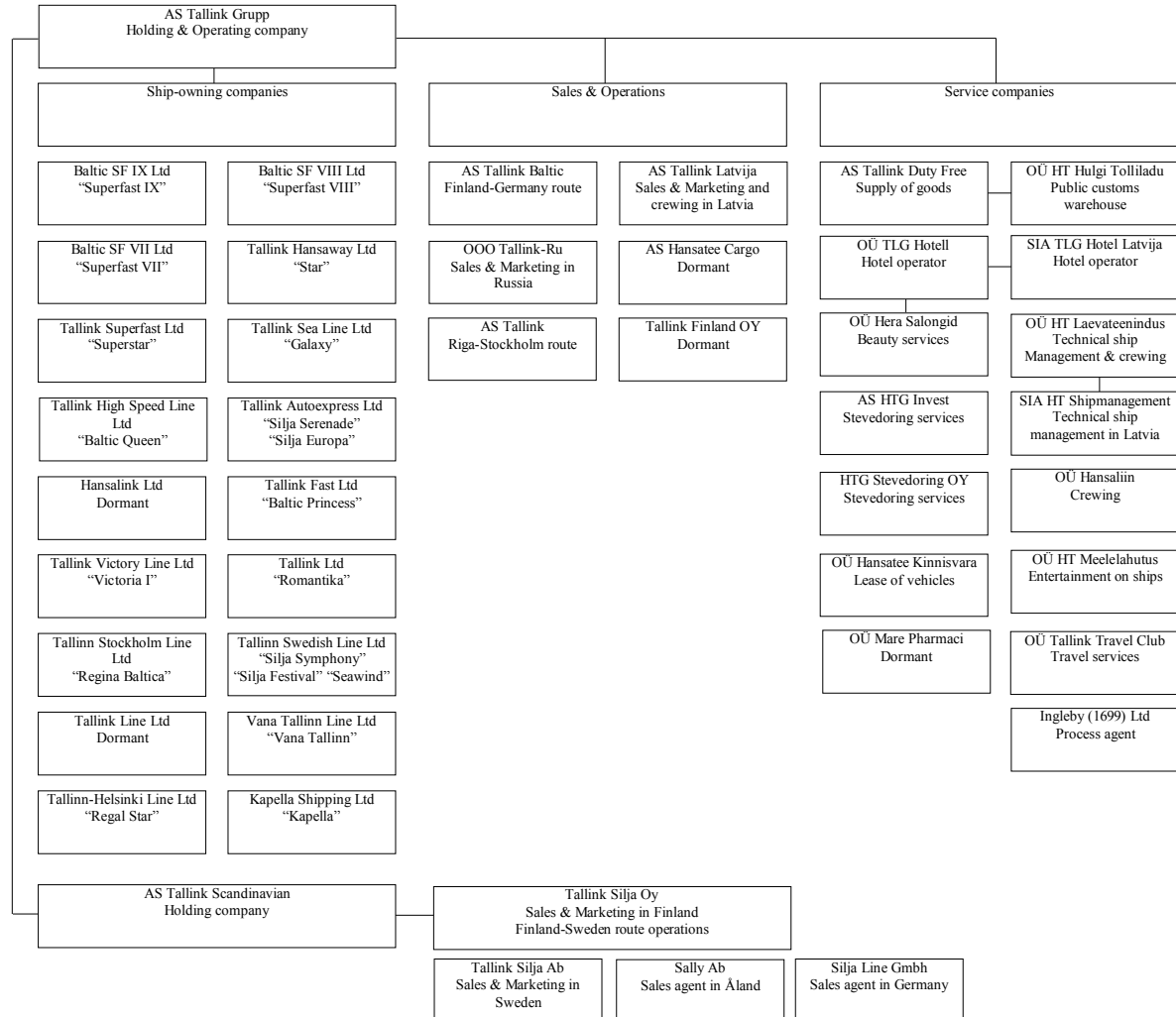
On June 30, 2012 the Group employed 7 377 employees (7 516 on June 30, 2011). The following table provides a more detailed overview of the Group's personnel.

	Average of 2nd quarter			Average of 1st half-year			End of 2nd quarter		
	2012	2011	change %	2012	2011	change %	30.06.12	30.06.11	change %
Onshore total	1 612	1 621	-0.6%	1 593	1 593	0.0%	1 667	1 689	-1.3%
<i>Estonia</i>	802	797	0.6%	792	793	-0.1%	819	813	0.7%
<i>Finland</i>	514	544	-5.5%	516	531	-2.8%	539	587	-8.2%
<i>Sweden</i>	215	206	4.4%	206	197	4.6%	229	215	6.5%
<i>Latvia</i>	64	60	6.7%	63	58	8.6%	64	60	6.7%
<i>Germany</i>	6	7	-14.3%	6	7	-14.3%	6	7	-14.3%
<i>Russia</i>	11	7	57.1%	10	7	42.9%	10	7	42.9%
At sea	4 743	4 837	-1.9%	4 651	4 714	-1.3%	5 120	5 248	-2.4%
Hotel*	583	564	3.4%	578	558	3.6%	590	579	1.9%
Total	6 938	7 022	-1.2%	6 822	6 865	-0.6%	7 377	7 516	-1.8%

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

CORPORATE STRUCTURE

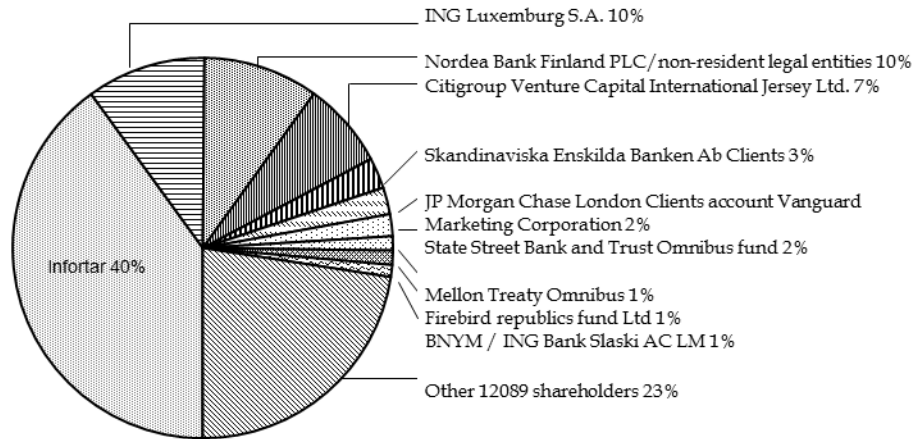
On the report date, the Group consisted of 46 companies. All of the subsidiaries are wholly-owned companies of AS Tallink Grupp. The following chart describes the structure of the Group as on the date of reporting:



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 30 June 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 IN Q2

Shareholders General Meeting was held on 7 June 2012. The meeting approved the Annual Report, profits were distributed to legal reserves and retained earnings, KPMG Baltics OÜ was nominated to conduct 2012 audit, Mr. Ashwin Roy was re-elected to the Supervisory Board and the remuneration of the Supervisory board was decided.

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

An agreement with Reklon Holding Ltd was concluded in August 2012 to sell the motor vessel Kapella. For the sake of ease the sale is concluded by selling the shares of Kapella Shipping Ltd. of Bahamas, a subsidiary of AS Tallink Grupp that owns M/S Kapella. Kapella Shipping Limited's only activity has been the holding of MS Kapella. It is an insignificant subsidiary in the Group and the profit from the sale will not have any material effect on AS Tallink Grupp's consolidated financial results.

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 allows concentrating on the core operations.

The management continues to target overall improvement in the Group results in the 2012 financial year. The turbulence in the euro zone and continuously high fuel prices add uncertainties to the operations. Throughout the 2012 a positive impact shall be expected from the closure of the Finland-Germany route which previous result will change to more 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 second 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.

A handwritten signature in black ink, consisting of a large loop followed by a horizontal line and a small flourish.

Enn Pant

Chairman of the Management Board

A handwritten signature in blue ink, featuring a large, stylized 'A' followed by a horizontal line and a small flourish.

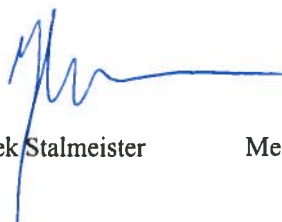
Andres Hunt

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

15.08.2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited, in thousands of EUR)	01.04.2012- 30.06.2012	01.04.2011- 30.06.2011	01.01.2012- 30.06.2012	01.01.2011- 30.06.2011
Continuing operations				
Revenue (Note 3)	244,817	229,006	438,611	412,153
Cost of sales	-187,563	-174,726	-362,543	-337,001
Gross profit	57,254	54,280	76,068	75,152
Marketing expenses	-16,861	-15,183	-32,633	-30,054
Administrative expenses	-12,165	-10,385	-22,894	-20,247
Other income	350	194	506	538
Other expenses	-12	-5	-32	-15
Results from operating activities	28,566	28,901	21,015	25,374
Finance income (Note 4)	1,080	790	1,152	2,647
Finance costs (Note 4)	-9,656	-11,579	-21,128	-23,954
Profit/-loss before income tax	19,990	18,112	1,039	4,067
Income tax	0	0	0	0
Net profit/-loss from continuing operations	19,990	18,112	1,039	4,067
Profit/-loss from discontinued operation (Note 3)	0	-4,492	0	-7,594
Net profit/-loss for the period	19,990	13,620	1,039	-3,527
Other comprehensive income/-expense				
Exchange differences on translating foreign operations	-62	157	-5	123
Other comprehensive income/-expense for the period	-62	157	-5	123
Total comprehensive income/-expense for the period	19,928	13,777	1,034	-3,404
Profit/-loss attributable to:				
Equity holders of the parent (Note 5)	19,990	13,620	1,039	-3,527
Total comprehensive income/-expense attributable to:				
Equity holders of the parent	19,928	13,777	1,034	-3,404
Earnings per share (in EUR per share)				
- basic (Note 5)	0.03	0.02	0.00	-0.01
- diluted (Note 5)	0.03	0.02	0.00	-0.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited, in thousands of EUR)

ASSETS	30.06.2012	31.12.2011
Current assets		
Cash and cash equivalents	51,828	75,421
Trade and other receivables	42,114	35,152
Prepayments	13,920	7,087
Inventories	28,059	25,198
Total current assets	135,921	142,858
Non-current assets		
Investments in associates	226	226
Other financial assets	2,024	2,551
Deferred income tax assets	9,452	9,452
Investment property	300	300
Property, plant and equipment (Note 7)	1,553,829	1,583,002
Intangible assets (Note 8)	58,936	61,153
Total non-current assets	1,624,767	1,656,684
TOTAL ASSETS	1,760,688	1,799,542
LIABILITIES AND EQUITY		
Current liabilities		
Interest bearing loans and borrowings (Note 9)	167,328	145,261
Trade and other payables	96,006	86,793
Deferred income	33,392	25,226
Derivatives (Note 6)	22,668	22,668
Total current liabilities	319,394	279,948
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	735,012	814,305
Other liabilities	157	198
Total non-current liabilities	735,169	814,503
TOTAL LIABILITIES	1,054,563	1,094,451
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	404,290	404,290
Share premium	639	639
Reserves	72,366	70,497
Retained earnings	228,830	229,665
Total equity attributable to equity holders of the parent	706,125	705,091
TOTAL EQUITY	706,125	705,091
TOTAL LIABILITIES AND EQUITY	1,760,688	1,799,542

CONSOLIDATED CASH FLOW STATEMENT

(unaudited, in thousands of EUR)

	01.01.2012 - 30.06.2012	01.01.2011- 30.06.2011
Cash flows from operating activities		
Net profit/-loss for the period	1,039	-3,527
Adjustments	56,034	57,407
Changes in assets related to operating activities	-16,122	-24,512
Changes in liabilities related to operating activities	18,659	23,801
Income tax paid	-10	-22
	59,600	53,147
Cash flow used for investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 7, 8)	-3,687	-4,533
Proceeds from disposals of property, plant and equipment	36	59
Payments from settlement of derivatives	-2,019	-2,542
Interest received	133	23
	-5,537	-6,993
Cash flow from (+)/ used for (-) financing activities		
Redemption of loans (Note 9)	-58,638	-12,850
Repayment of finance lease liabilities (Note 9)	-42	-41
Interest paid	-18,976	-18,822
	-77,656	-31,713
TOTAL NET CASH FLOW	-23,593	14,441
Cash and cash equivalents:		
- at the beginning of period	75,421	44,946
- increase (+) / decrease (-)	-23,593	14,441
Cash and cash equivalents at end of period	51,828	59,387

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	Shareholders' 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 half-year 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
Share-based payments transactions (Note 11)	0	0	0	0	0	0	527	0	527	527
Total comprehensive income and expense for the period										
Net loss of the I half-year of the year 2011 (Note 5)	0	0	0	0	0	0	0	-3,527	-3,527	-3,527
Total other comprehensive income and expense	0	0	123	0	0	0	0	0	123	123
Total comprehensive income and expense for the period	0	0	123	0	0	0	0	-3,527	-3,404	-3,404
At 30 June 2011	404,291	639	496	64,811	11,962	-4,163	527	185,309	663,872	663,872
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 half-year of 2012										
Transfer from profit for 2010/2011	0	0	0	0	1,874	0	0	-1,874	0	0
Total comprehensive income and expense for the period										
Net profit of the I half-year of the year 2012 (Note 5)	0	0	0	0	0	0	0	1,039	1,039	1,039
Total other comprehensive income and expense	0	0	-5	0	0	0	0	0	-5	-5
Total comprehensive income and expense for the period	0	0	-5	0	0	0	0	1,039	1,034	1,034
At 30 June 2012	404,290	639	456	61,710	13,836	-4,163	527	228,830	706,125	706,125

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 6 months of the financial year 2012 were authorised for issue in accordance with a resolution of the Management Board on 15 August 2012. AS Tallink Grupp is a limited company incorporated in Estonia and employed 7,377 people at 30 June 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)

01.01.2012-30.06.2012	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	143,634	52,813	29,463	0	169,493	43,208	0	438,611
Inter-segment sales	0	0	0	0	0	3,587	-3,587	0
	143,634	52,813	29,463	0	169,493	46,795	-3,587	438,611
Segment result								
	37,310	2,340	-4,234	0	1,320	6,699	0	43,435
Unallocated expenses								-22,420
Net financial items (Note 4)								-19,976
Profit before income tax								1,039

01.01.2011-30.06.2011	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	128,934	49,732	28,520	8,995	173,812	31,155	0	421,148
Inter-segment sales	0	0	0	0	0	3,844	-3,844	0
	128,934	49,732	28,520	8,995	173,812	34,999	-3,844	421,148
Segment result								
	33,846	3,338	-3,404	-7,594	7,463	3,855	0	37,504
Unallocated expenses								-19,724
Net financial items (Note 4)								-21,307
Loss before income tax								-3,527

Revenue by services

(in thousands of EUR)	01.01.2012- 30.06.2012	01.01.2011- 30.06.2011
Ticket sales	106,082	105,647
Sales of cargo transport	52,860	53,140
Accommodation sales	7,101	6,595
Restaurant and shops sales on-board and on mainland	241,674	231,069
Income from leases of vessels	14,289	8,931
Other	16,605	15,766
Total revenue of the Group	438,611	421,148

Discontinued operation

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

(in thousands of EUR)	01.01.2012- 30.06.2012	01.01.2011- 30.06.2011
Results of discontinued operation		
Revenue	0	8,995
Expenses	0	-16,589
Results from operating activities	0	-7,594
Results from operating activities, net of tax	0	-7,594
Profit/-loss for the period	0	-7,594
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- 30.06.2012	01.01.2011- 30.06.2011
Net foreign exchange gains	1,022	0
Income from derivatives	0	2,621
Interest income	130	26
Total finance income	1,152	2,647
Net foreign exchange loss	0	-187
Interest expenses	-19,109	-20,638
Losses from derivatives	-2,019	-3,129
Total finance costs	-21,128	-23,954

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.

	01.04.2012- 30.06.2012	01.04.2011- 30.06.2011	01.01.2012- 30.06.2012	01.01.2011- 30.06.2011
Weighted average number of ordinary shares (pcs)	669,882,040	669,882,040	669,882,040	669,882,040
Net profit/-loss attributable to ordinary shareholders	19,990	13,620	1,039	-3,527
Earnings per share (in EUR per share)	0.03	0.02	0.00	-0.01

Weighted average number of ordinary shares
(pcs)

	01.04.2012- 30.06.2012	01.04.2011- 30.06.2011	01.01.2012- 30.06.2012	01.01.2011- 30.06.2011
Issued ordinary shares at the beginning of period	673,817,040	673,817,040	673,817,040	673,817,040
Effect of own shares held	-3,935,000	-3,935,000	-3,935,000	-3,935,000
Weighted average number of ordinary shares at end of period	669,882,040	669,882,040	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 30.06.2012 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 30.06.2012 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	734	2,840	-15	3,559
Exchange rate differences	342	0	0	0	342
Depreciation for the period	-816	-31,032	-1,226	0	-33,074
Book value at 30 June 2012	3,700	1,539,759	10,338	32	1,553,829

At 30 June 2012

-Cost	9,625	1,650,718	27,727	32	1,688,102
-Accumulated depreciation	-5,925	-110,959	-17,389	0	-134,273

	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	580	2,155	1,502	4,346
Exchange rate differences	-32	0	7	0	-25
Disposals	0	0	-28	0	-28
Depreciation for the period	-761	-31,306	-1,259	0	-33,326
Book value at 30 June 2011	4,914	1,601,978	6,664	1,644	1,615,200

At 30 June 2011

-Cost	9,625	1,653,683	22,343	1,644	1,687,295
-Accumulated depreciation	-4,711	-51,705	-15,679	0	-72,095

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	128	128
Amortisation for the period	0	-1,458	-887	-2,345
Book value at 30 June 2012	11,066	40,792	7,078	58,936

At 30 June 2012

-Cost	11,066	58,288	20,296	89,650
-Accumulated amortisation	0	-17,496	-13,218	-30,714

	Goodwill	Trademark	Others	Total
Book value at 31 December 2010	11,066	45,166	9,023	65,255
Additions	0	0	187	187
Amortisation for the period	0	-1,458	-860	-2,318
Book value at 30 June 2011	11,066	43,708	8,350	63,124

At 30 June 2011

-Cost	11,066	58,288	19,947	89,301
-Accumulated amortisation	0	-14,580	-11,597	-26,177

Note 9 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of EUR)

	31 December 2011	Repayments	Other changes [1]	30 June 2012
Lease liabilities	60	-42	0	18
Long-term bank loans	959,506	-58,638	1,454	902,322
TOTAL	959,566	-58,680	1,454	902,340
incl. short-term portion	145,261			167,328
long-term portion	814,305			735,012

[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 739,309 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 163,013 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 30 June 2012 the maximum number of authorised common shares is 2,133,333,333.

At 30 June 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 February 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 May 2014 and not later than 30 November 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 30 June 2012 7,317,500 share options were valid and outstanding. Average remaining time to maturity of the outstanding share options is 23-29 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 May 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)

6 months of 2012 or 30.06.2012	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	28	25	0	0
AS HT Valuuta	58	0	0	0
AS Vara HTG	0	959	0	0
OÜ Mersok	0	5	0	1
AS Vaba Maa	4	399	1	99
OÜ Sunbeam	0	1,643	0	0
AS Gastrolink	1	516	0	61
AS Tallink Takso	0	43	0	8
OÜ Topspa Kinnisvara	0	1,253	0	0
OÜ Hansa Hotell	0	398	0	0
OÜ Fastinvest	0	566	0	0
SIA Happy Trails	1	1,620	0	25
Eesti Laevaomanike Liit	0	6	0	6
SEB Tallink Tennis Team	0	50	0	0
6 months of 2011 or 30.06.2011	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	15	37	11	7
AS HT Valuuta	58	0	0	0
AS Vara HTG	0	959	0	0
OÜ Mersok	0	5	0	1
AS Vaba Maa	4	528	1	46
OÜ Sunbeam	0	1,587	0	0
AS Gastrolink	0	463	0	52
AS Tallink Takso	0	40	0	14
OÜ Topspa Kinnisvara	0	1,223	0	0
OÜ Hansa Hotell	0	385	0	0
OÜ Fastinvest	0	547	0	0
SIA Happy Trails	0	1,997	0	23
Eesti Laevaomanike Liit	0	6	0	0

Note 13 EVENTS AFTER BALANCE SHEET DATE

Subsidiary Kapella Shipping Limited was sold on 15 August 2012.

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 6 months of the financial year 2012 ended 30 June 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 15.08.2012