



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 18 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

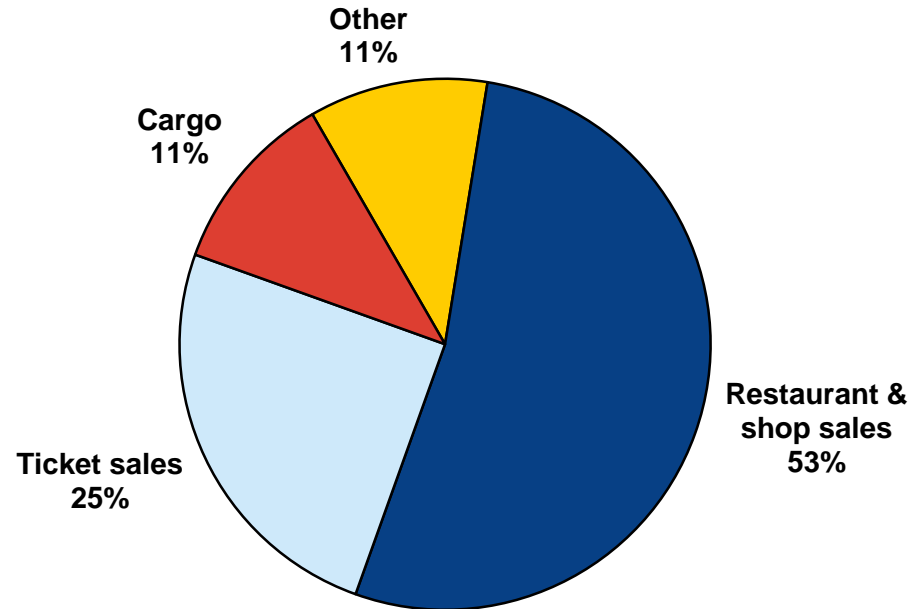


City break



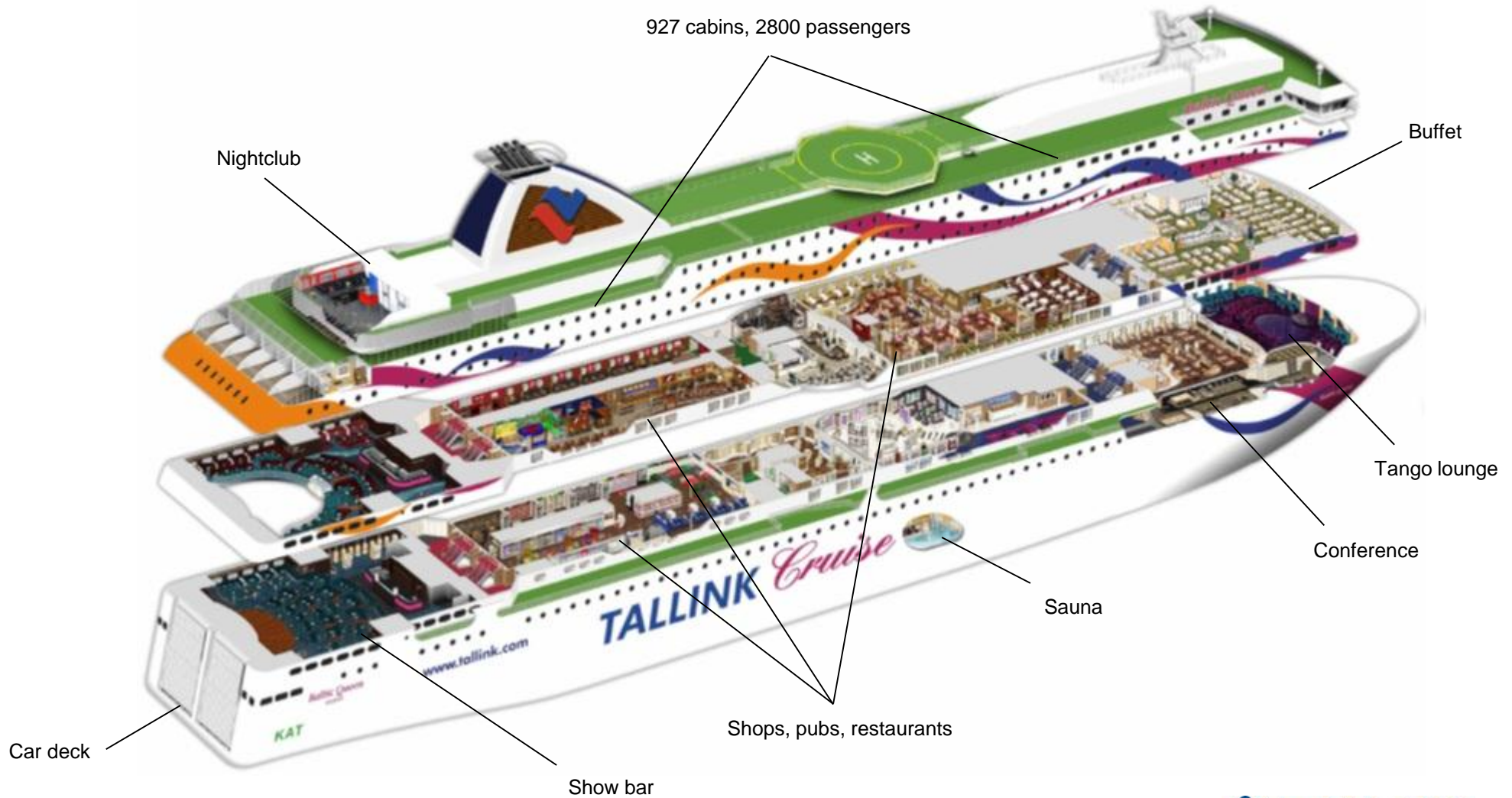
Revenue structure

2014





Cruise ferry





Tallink's position in the global ferry market

The World's top Duty free & Travel Retail Shops 2013

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

Rank	Location	Remarks
Sales> US\$ 1,000.0 million		
1	Dubai - Dubai International Airport, U.A.E.	AIRPORT SHOPS
2	Seoul - Incheon Int'l Airport, South Korea	AIRPORT SHOPS
3	Singapore - Changi Airport	AIRPORT SHOPS
4	London - Heathrow Airport, UK	AIRPORT SHOPS
5	Bangkok - Suvarnabhumi Airport, Thailand	AIRPORT SHOPS
6	Hong Kong - Hong Kong International Airport	AIRPORT SHOPS
Sales> US\$ 800.0 million		
7	Shanghai – Pudong Airport, China P.R	AIRPORT SHOPS
8	Beijing – Capital Airport, China P.R.	AIRPORT SHOPS
Sales> US\$ 600.0 million		
9	Paris - Charles de Gaulle Airport, France	AIRPORT SHOPS
10	Frankfurt – Frankfurt-Main Airport, Germany	AIRPORT SHOPS
11	Tallink/Silja Line	FERRIES
12	Taipei - Taoyuan International Airport, Taiwan	AIRPORT SHOPS
Sales> US\$ 300.0 million		
13	Sao Paulo - Guarulhos Int'l Airport, Brazil	AIRPORT SHOPS
14	Amsterdam - Schipol Airport, Netherlands	AIRPORT SHOPS
15	Oslo – Gardermoen Airport	AIRPORT SHOPS

Source: Generation Research 2014



Rank	Company	Gross tons
1	Stena Line	878 919
2	Grimaldi Lines	750 089
3	Tallink	537 232
4	P&O Ferries	409 659
5	Tirrenia	373 911

Rank	Company	Beds
1	Tallink	26 428
2	Viking Line	16 826
3	Stena Line	15 619
4	Tirrenia	10 442
5	Grand Navi Veloci	10 434

Rank	Company	mEUR Revenue
1	DFDS Group	1 625
2	Stena Line	1 090
3	Tallink	942
4	Finnlines	564
5	Scandlines	505

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

Source: ShipPax MARKET:14





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
- Manage the optimal debt level that will allow sustainable dividends

Current strategic cornerstones and competitive advantages:

Most modern
fleet

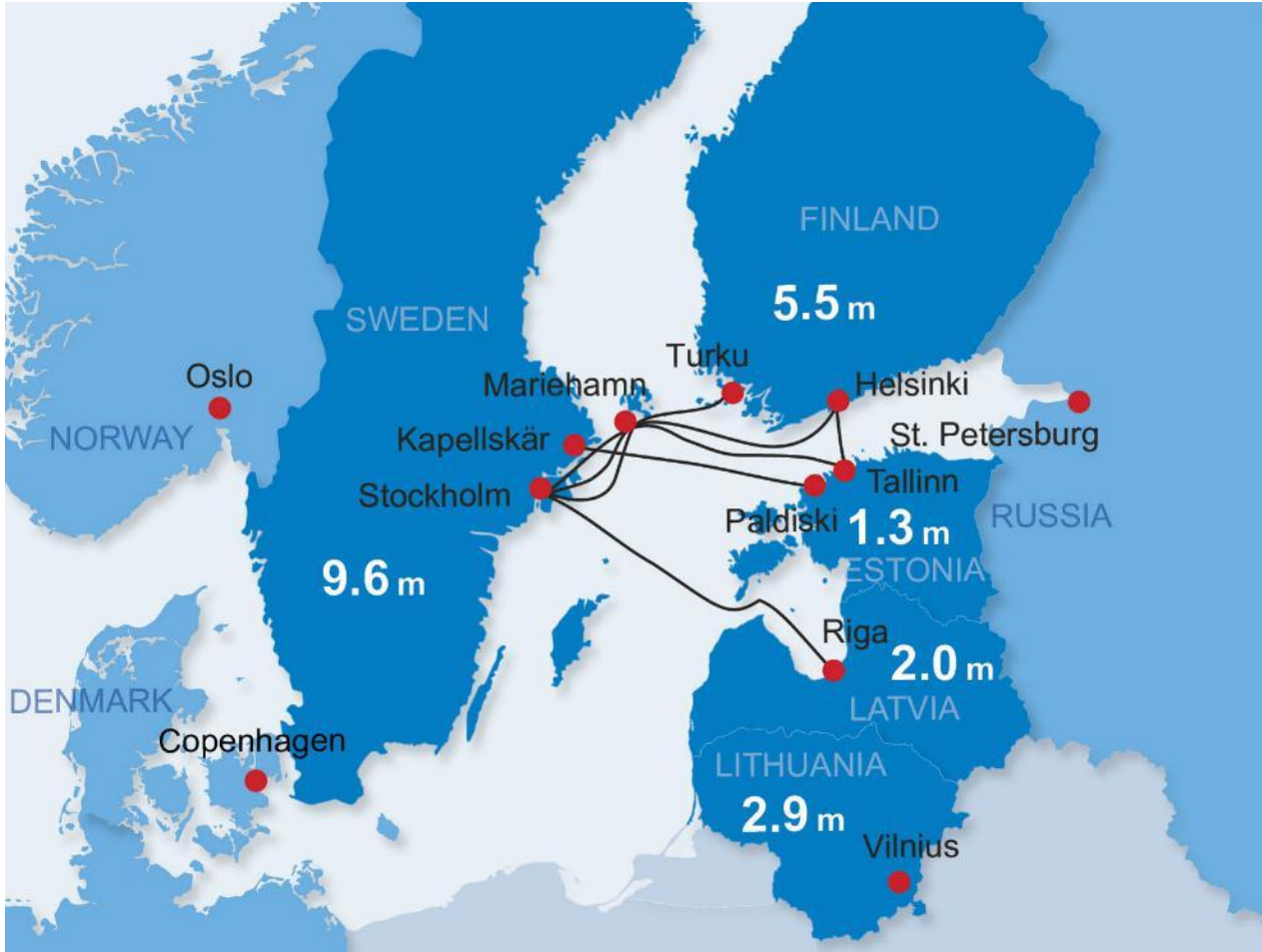
Wide route
network

Strong market share &
brand awareness

High safety level &
environmental standards

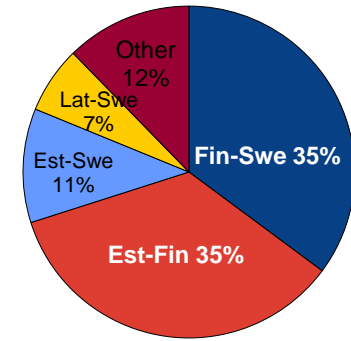


Tallink's passenger market share is 46% of the Northern Baltic Sea



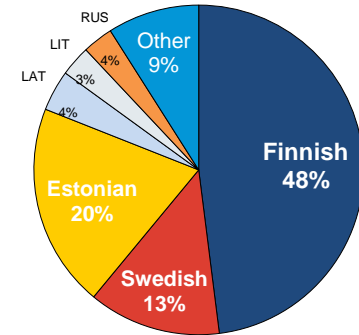
Northern Baltic passenger market ~ 19 million passengers

Revenue by routes 2014



(921 MEUR)

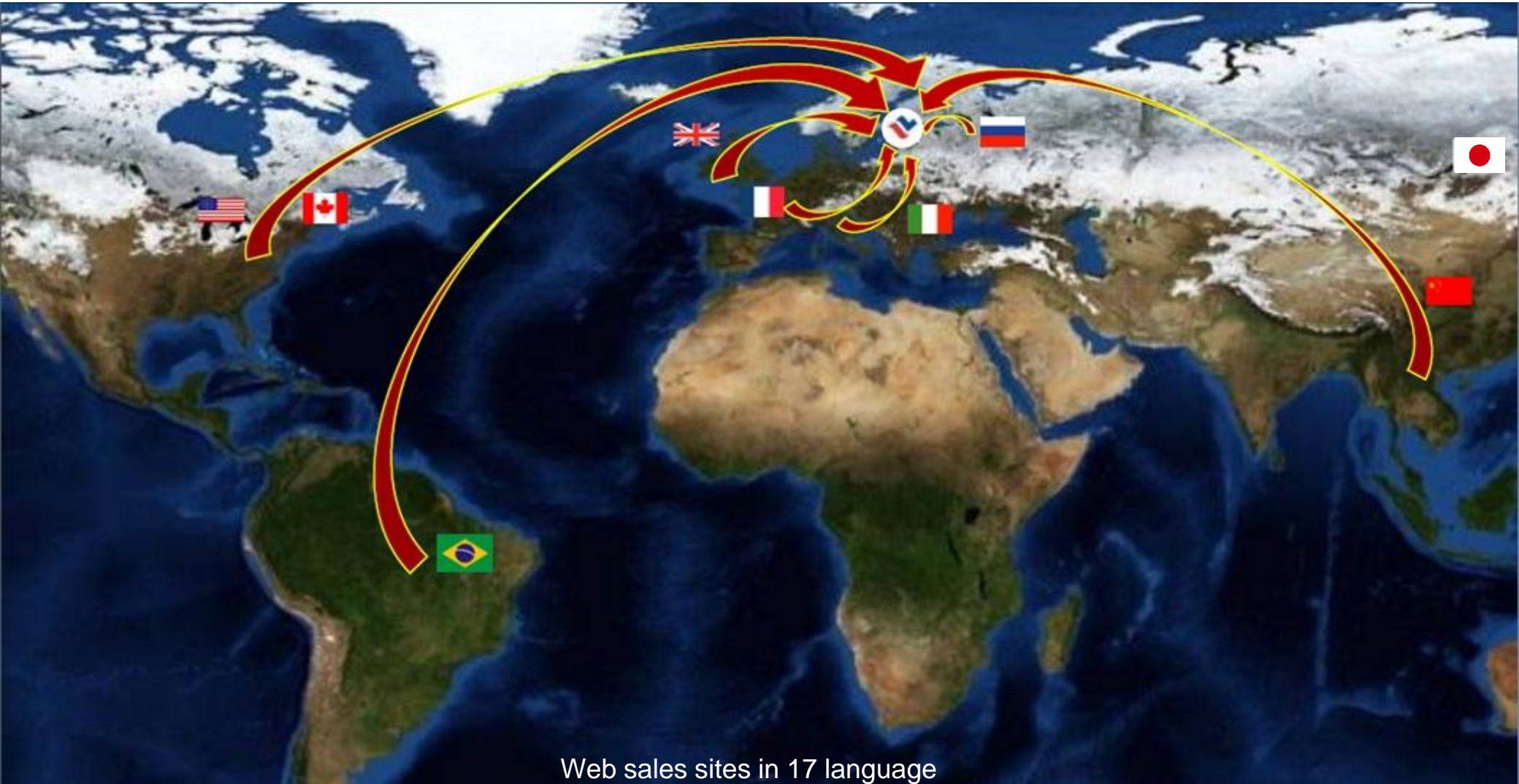
Passengers 2014



(8.9M)



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

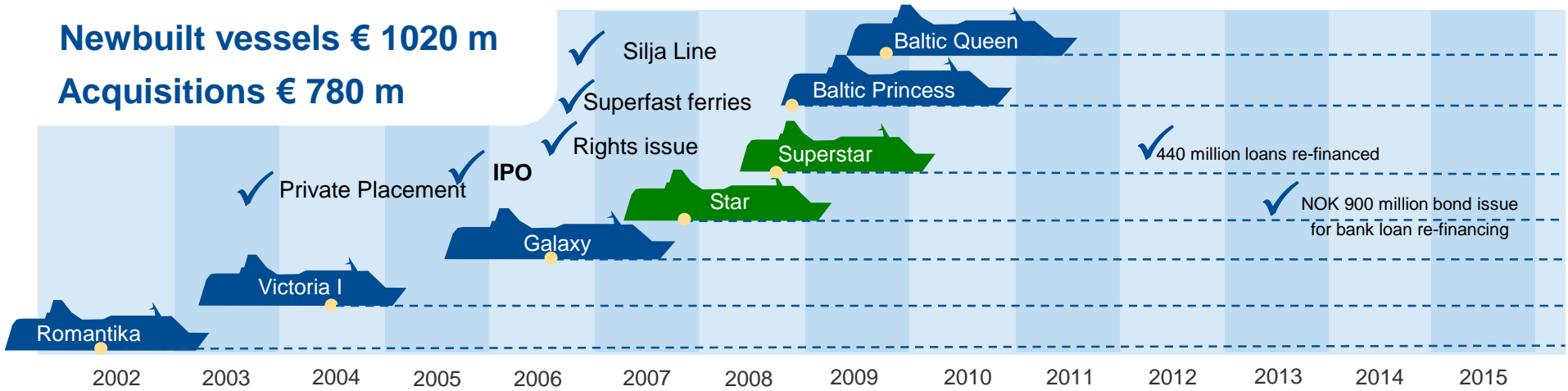
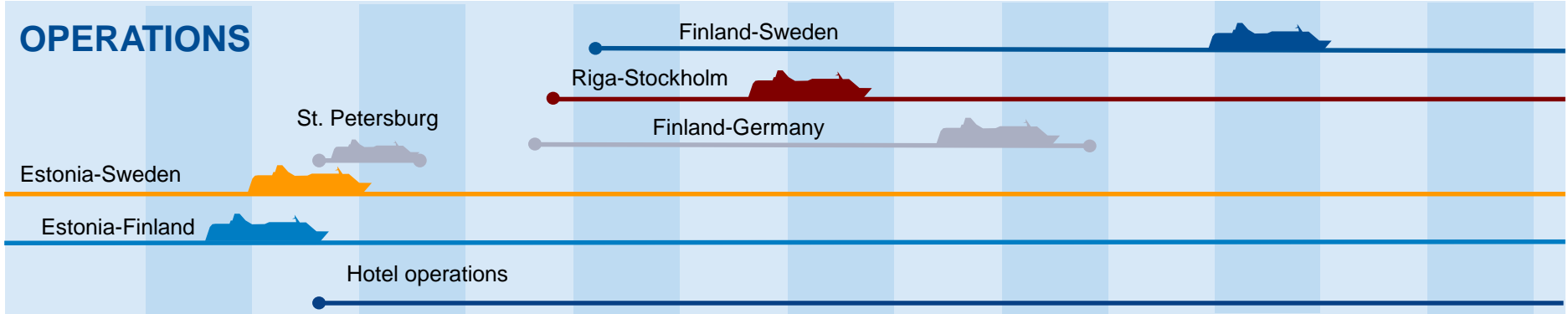


Web sales sites in 17 language

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

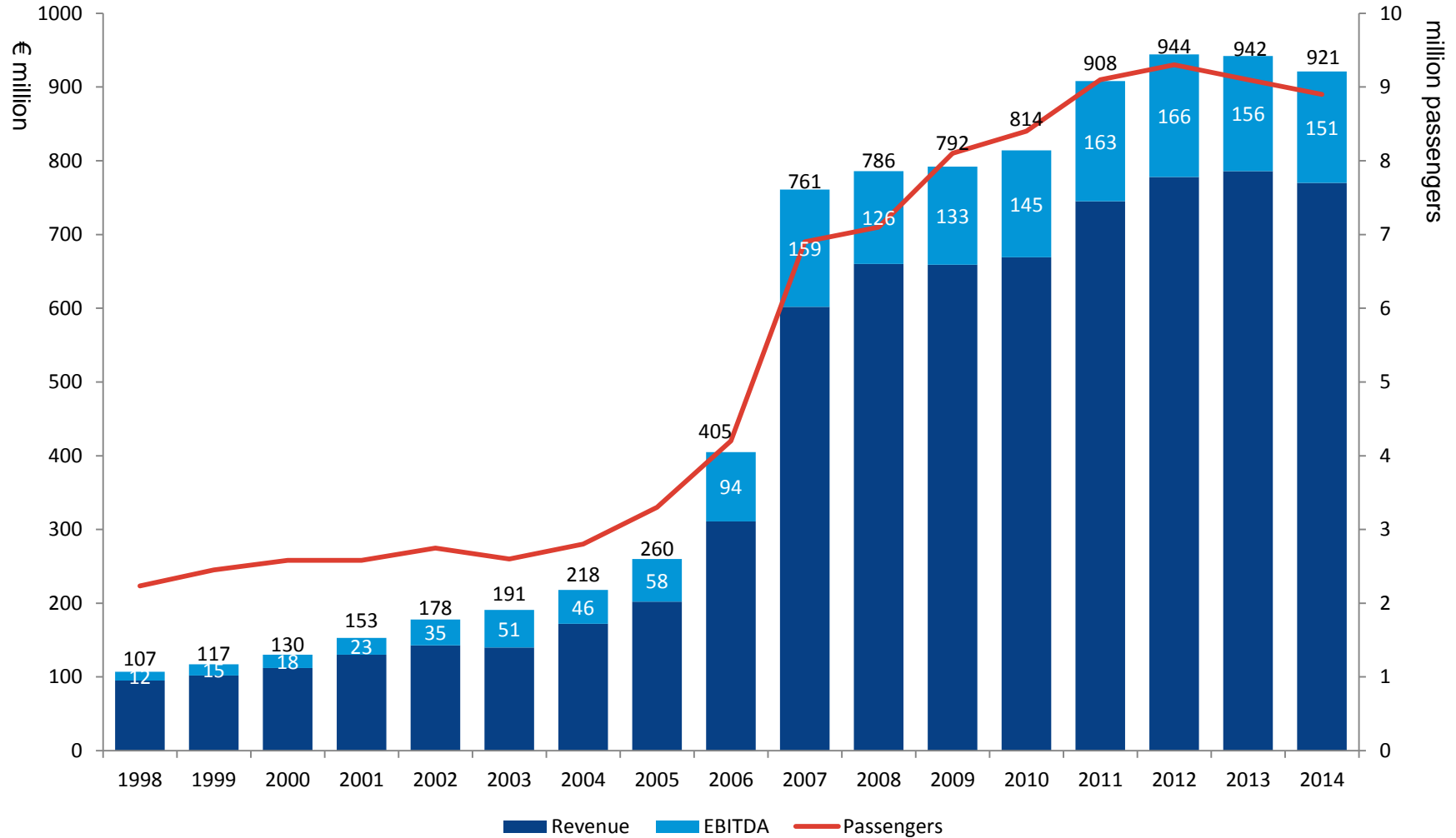


Highlights and milestones





Tallink's performance after the management buyout





2014 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
- Competitor increased capacity in summer months on Tallinn-Helsinki route
 - Resulted in decreased revenue per passenger
- Weak Nordic economies
- Geopolitical events in Europe
 - Noticeable drop of passengers from the Russian market
- Cargo shift from longer to shorter routes
 - Margins affected

} One off effects

■ Outlook

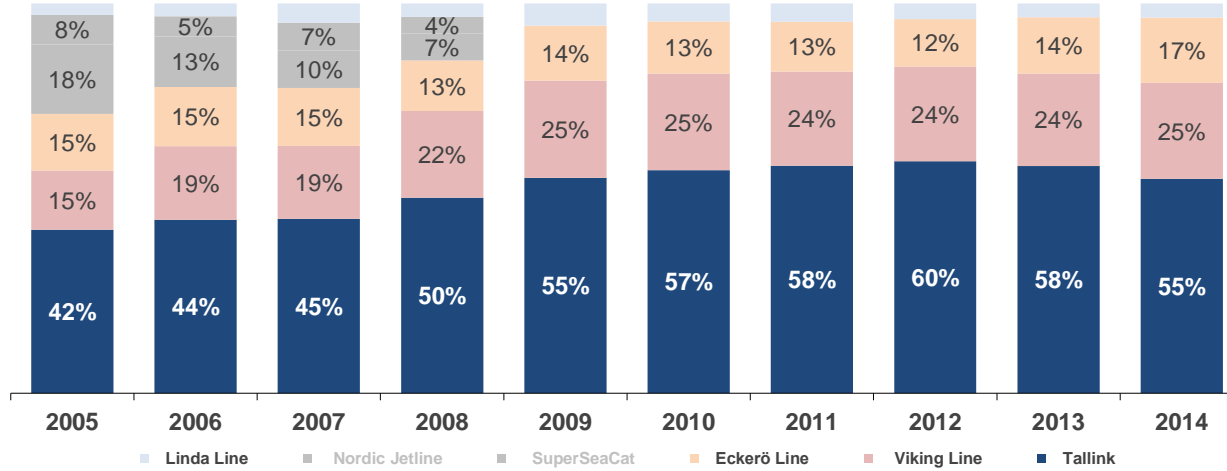
- Positive effect expected from charters and re-routings
- Positive feedback from upgraded vessels
- Global fuel price indication lower for 2015, compared to 2014
- Sale of Silja Festival and Regina Baltica



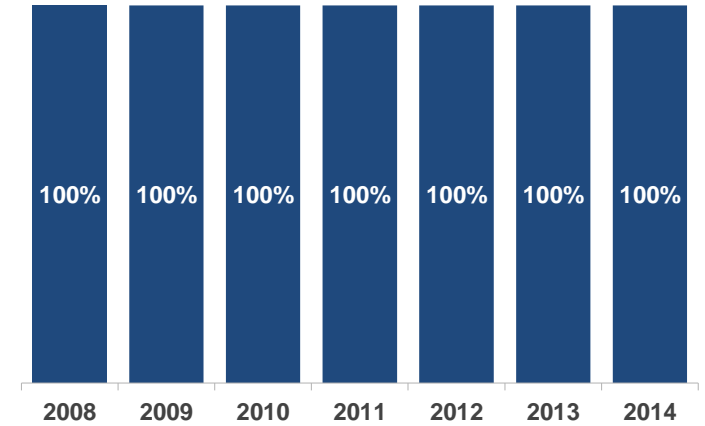
Market shares

Passenger operations

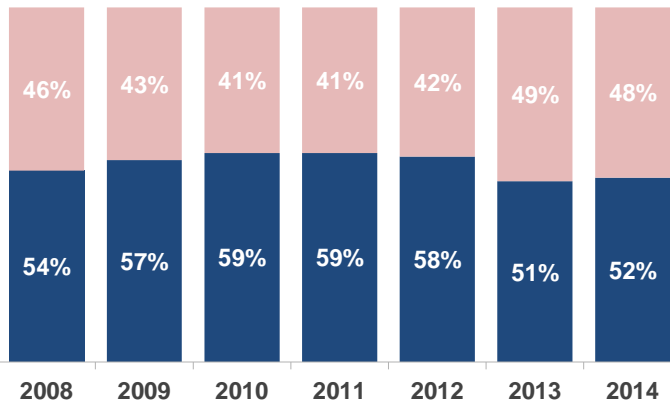
Tallinn - Helsinki



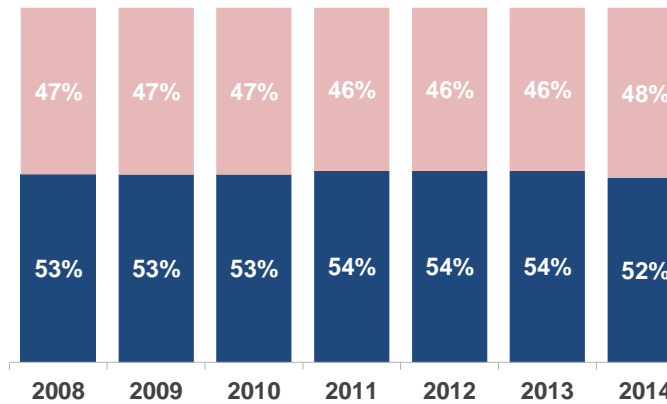
Tallinn - Stockholm



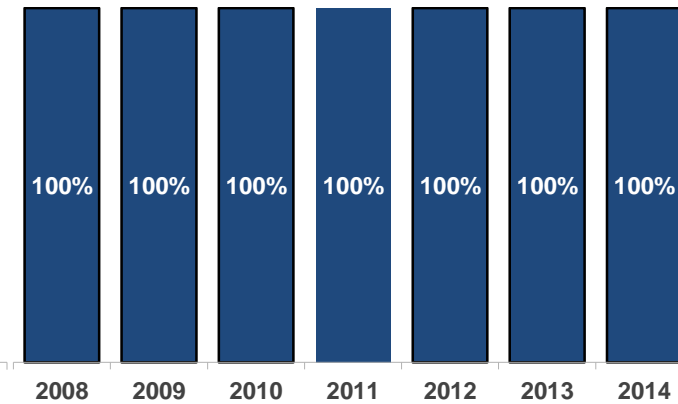
Turku - Stockholm



Helsinki - Stockholm



Riga - Stockholm





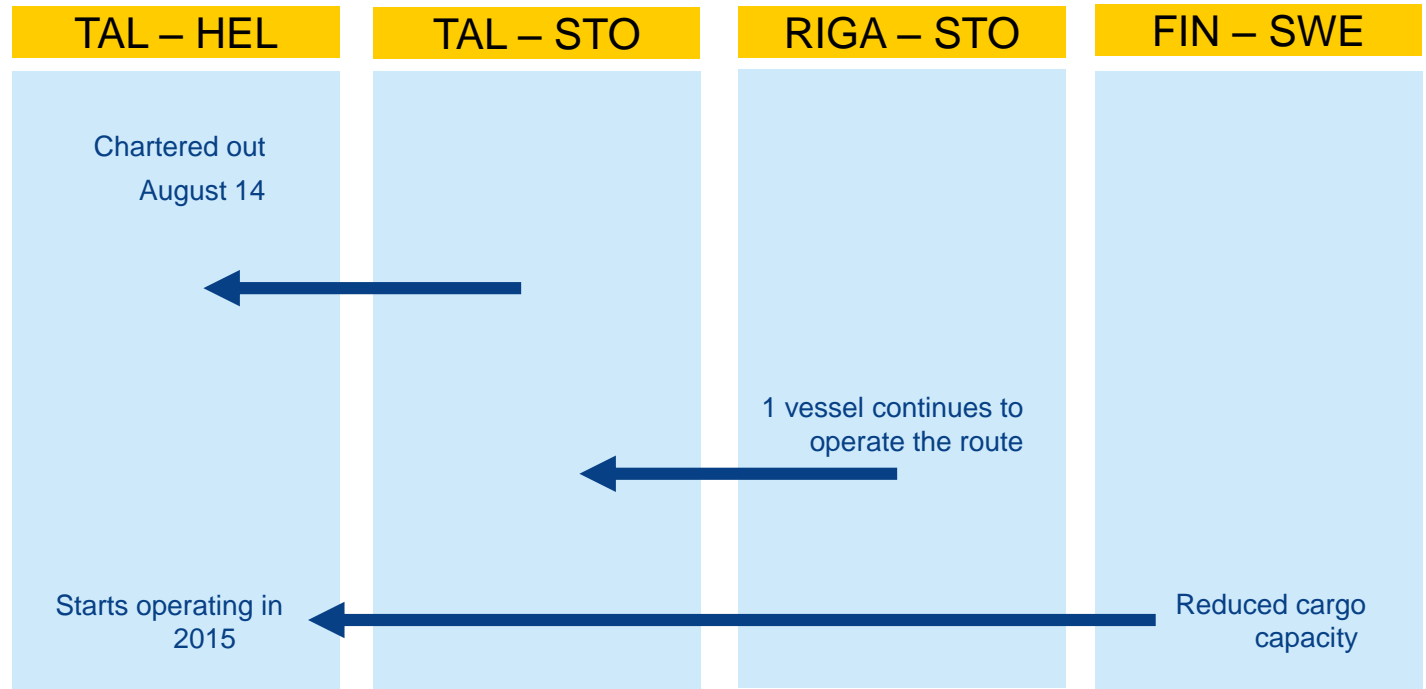
Recent re-routings

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 and Silja Symphony followed in autumn
- 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

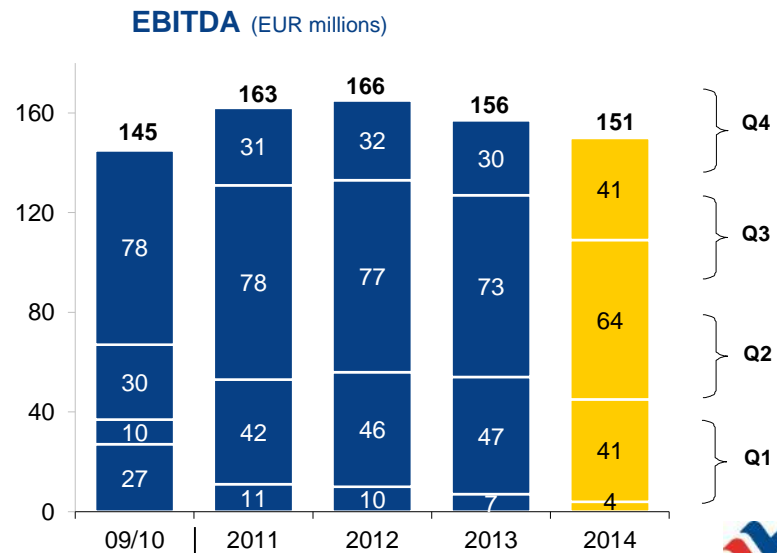
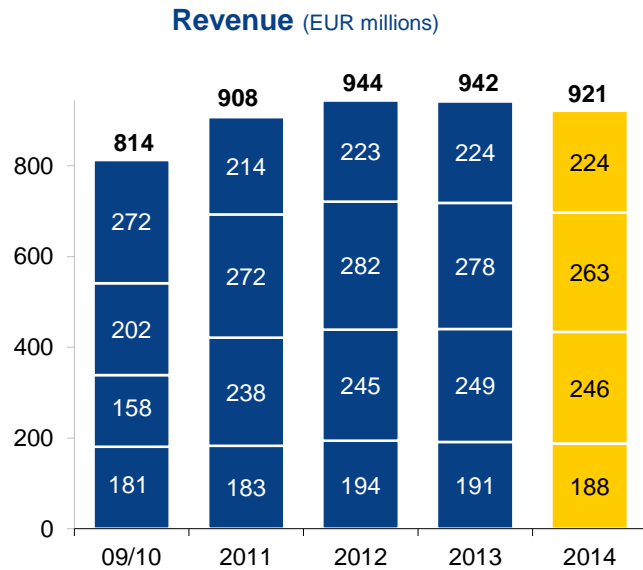
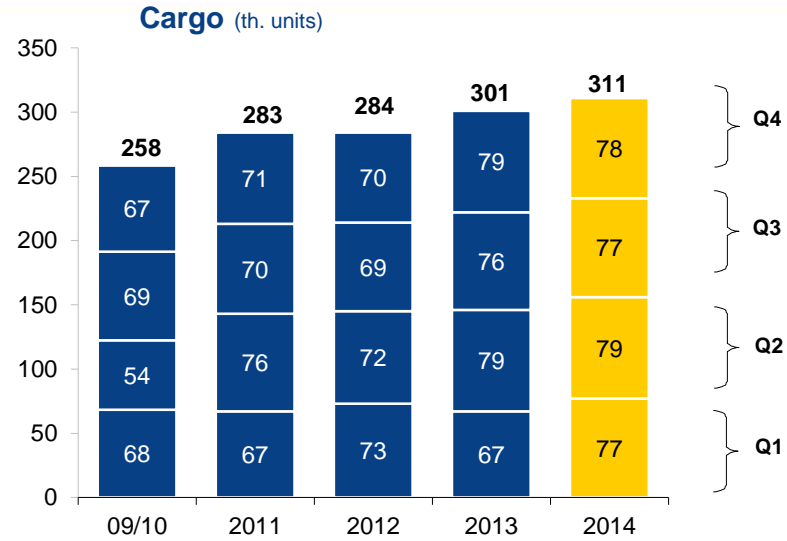
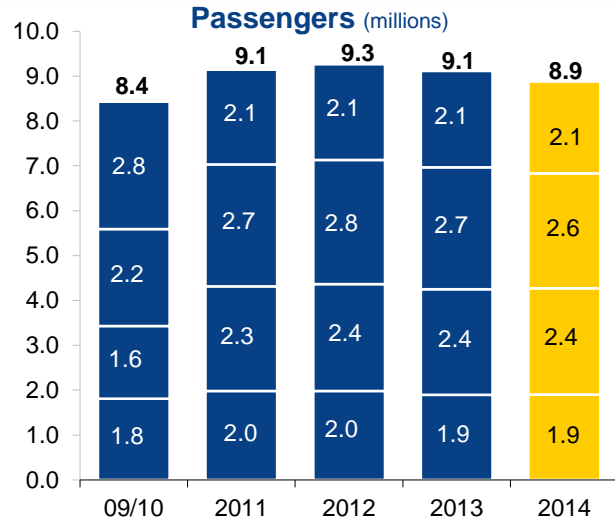
The vessel cost is approximately EUR 230 million
20% will be paid during the construction period
80% will be financed with long term bank debt on delivery of the vessel

Goal: to continue deleveraging and not exceed the current debt level



Results

quarterly seasonality breakdown

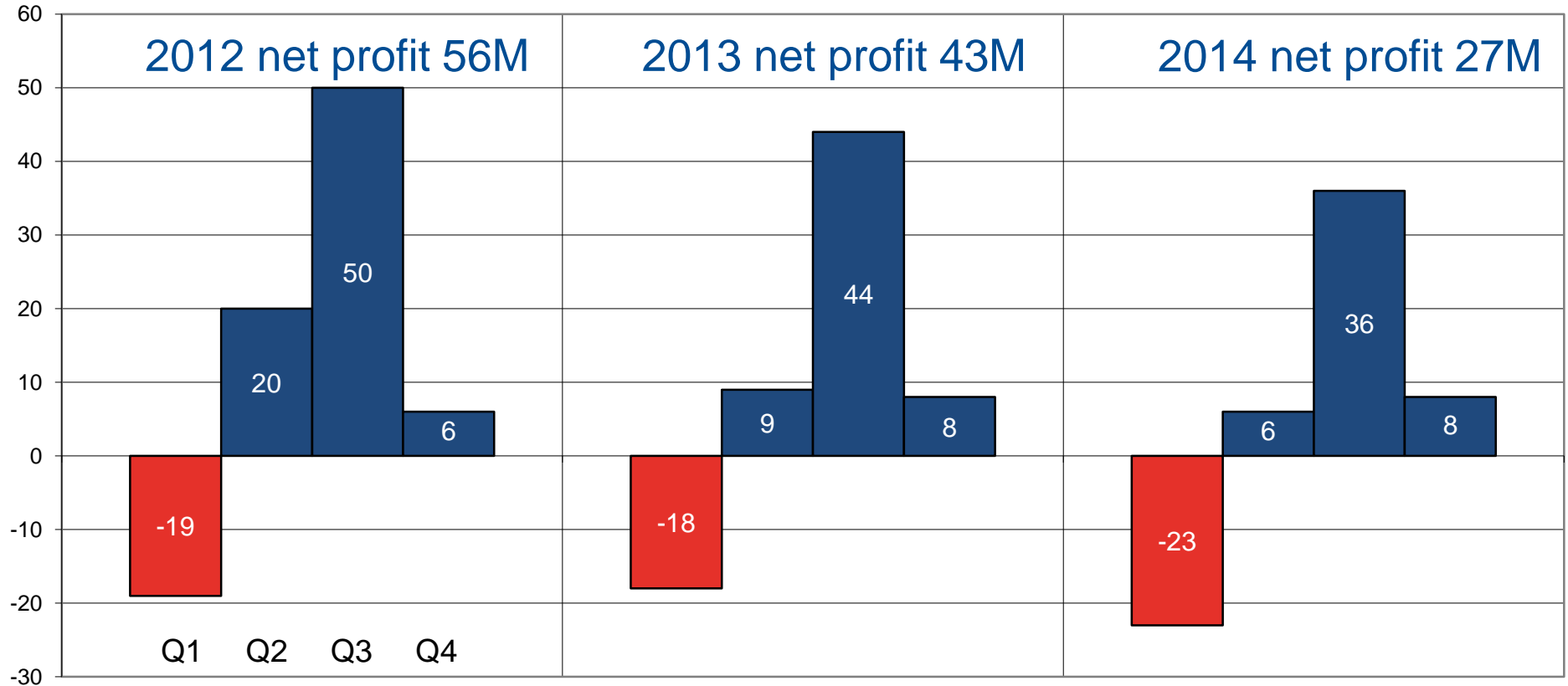


Change of the financial year period



The dynamics of high seasonality on the profit level

Net result by quarters



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
Sales	942	921
Cost of sales ⁽¹⁾	(751)	(740)
Marketing, general & admin ⁽¹⁾	(108)	(112)
EBITDA	156	151
<i>Margin (%)</i>	16.6%	16.3%
Net Profit	43	27
EPS	0.06	0.04

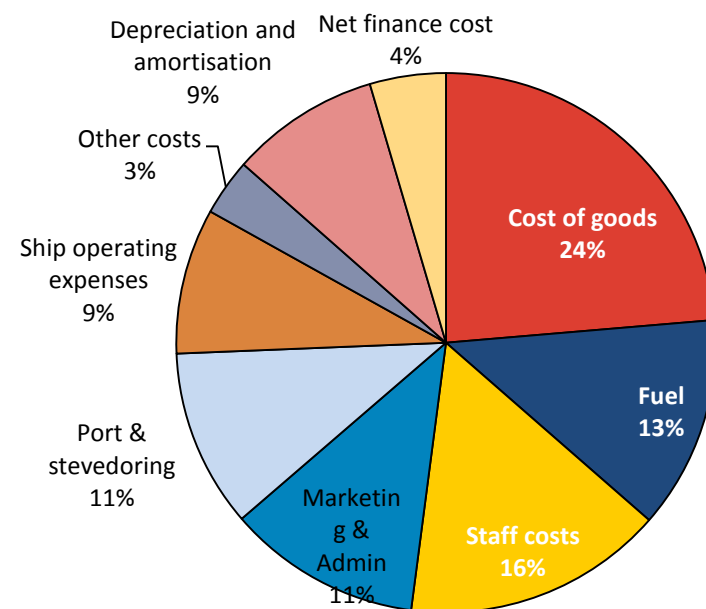
Notes:

(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%



1) Amortisation and depreciation excluded



Unaudited Consolidated Cash Flow Statement

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



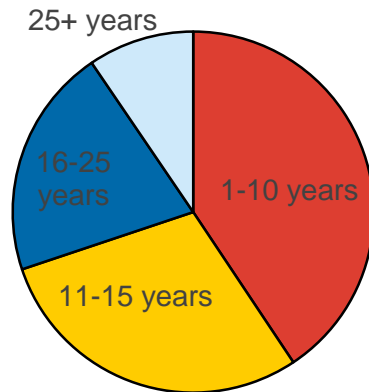
Unaudited Consolidated Statement of Financial Position

(in EUR million)	31.12.2011	31.12.2012	31.12.2013	31.12.2014
Total assets	1,800	1,742	1,722	1,686
Non-current assets	1,657	1,599	1,572	1,545
Current assets	143	143	150	140
- of which cash -	75	66	72	65
Total liabilities	1094	981	951	907
Interest bearing liabilities	960	840	794	743
Other liabilities	134	141	157	170
Shareholders' equity	705	761	771	778
Net debt/EBITDA	5.4x	4.7x	4.6x	4.5x
Net debt	884	775	722	678
Equity/assets ratio	39%	44%	45%	46%
BVPS ⁽¹⁾ (in EUR)	1.05	1.14	1.15	1.16



Age of fleet

Age of fleet by value (EUR m)



Tallink Grupp ships age (value-weighted average):

- Tallink + Silja core fleet – 12.7 years
- Superfast fleet – 13.7 years
- Ships out of core operations and cargo vessels – 26.0 years

Date: 27/01/2015

World-wide ships age*:

- Ferries – 24.4 years
- Cruise – 12.5 years

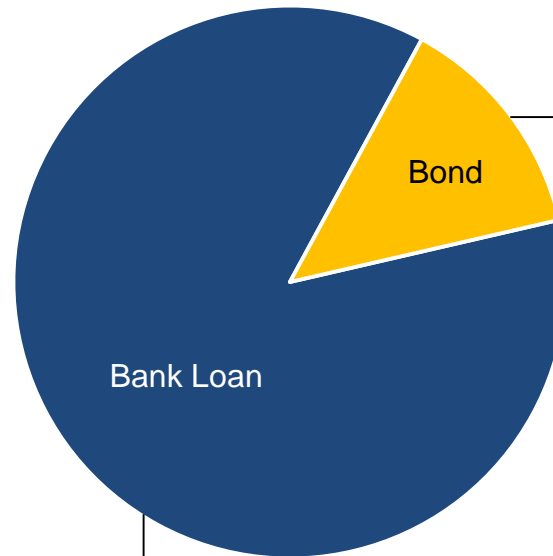
* - source: ShipPax Market: 12, 13

- 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 743 million interest bearing liabilities outstanding as of 31.12.2014



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

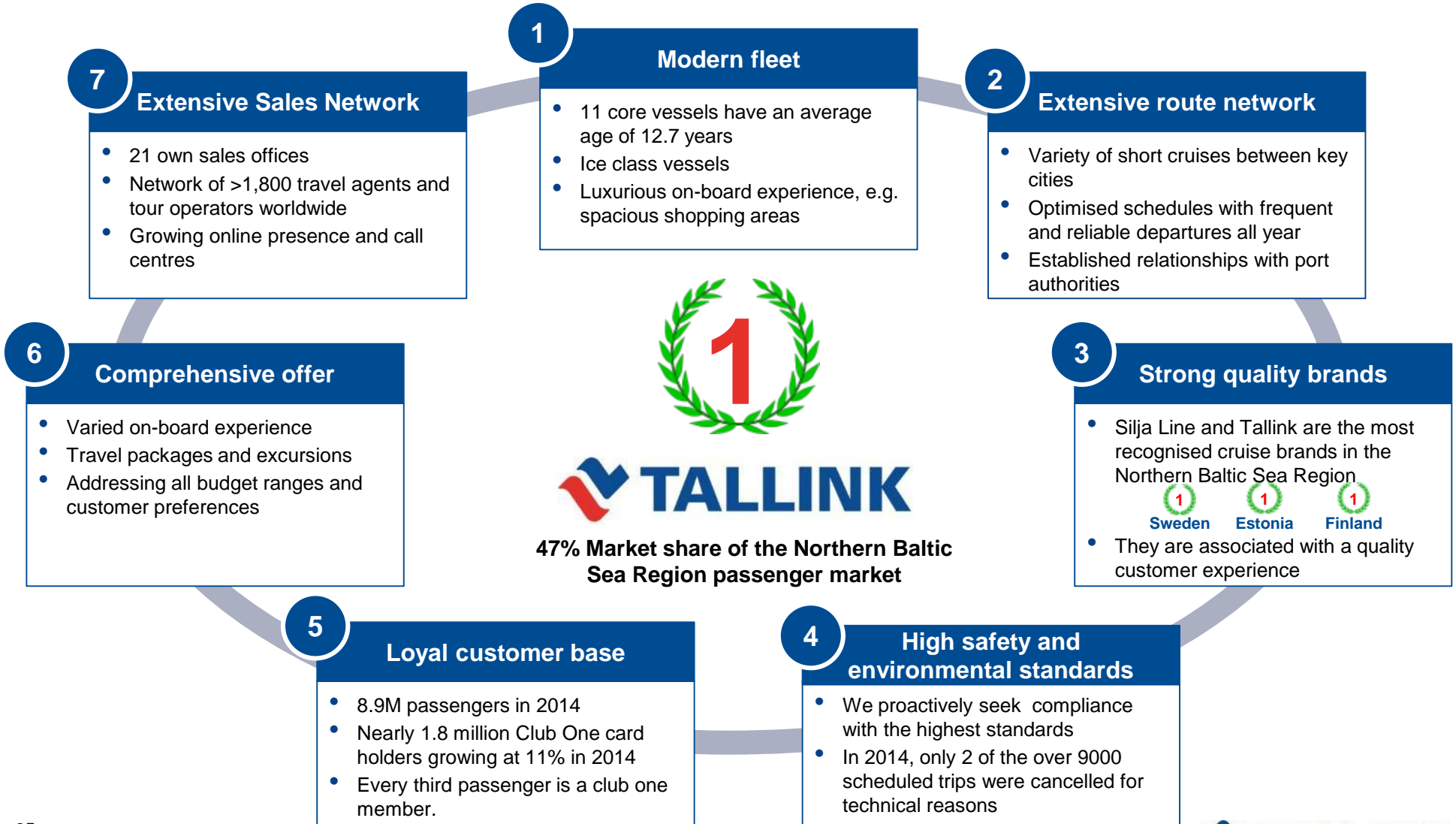
Maturities ~5-10 years

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

Tallinn-Helsinki



Victoria I

Built: 2004

Length: 193m

Passengers: 2500

Lane meters: 1030

Tallinn-Stockholm



Baltic Princess

Built: 2008

Length: 212m

Passengers: 2800

Lane meters: 1130

Turku-Stockholm



Galaxy

Built: 2006

Length: 212m

Passengers: 2800

Lane meters: 1130

Turku-Stockholm



Silja Europa

Built: 1993

Length: 202m

Passengers: 3123

Lane meters: 932

Chartered out



Silja Serenade Silja Symphony

Built: 1990/91

Length 203m

Passengers: 2852

Lane meters: 950

Helsinki-Stockholm

Tallink has invested 1.3 billion EUR to create a modern fleet



Tallink's Fleet



Superstar

Built: 2008

Length 177m

Passengers: 2080

Lane meters: 1930

Tallinn-Helsinki



Star

Built: 2007

Length 186m

Passengers: 1900

Lane meters: 2000

Tallinn-Helsinki



Romantika

Built: 2002

Length 193m

Passengers: 2500

Lane meters: 1030

Tallinn-Stockholm



Isabelle

Built: 1989

Length 171m

Passengers: 2480

Lane meters: 850

Riga-Stockholm



Superfast VII/VIII/IX

Built: 2001/2002

Length: 203m

Passengers: 717

Lane meters: 1924

Chartered out



Silja Festival

Built: 1986

Length 171m

Passengers: 2023

Lane meters: 885

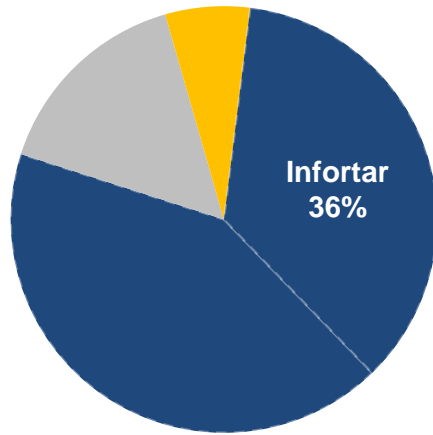
Chartered out

In addition the Group has 2 ro-pax cargo vessels in operation and 1 older ferry which has been chartered out



Ownership structure

Shareholders of AS Tallink Grupp



- Top 10 shareholders
- Institutional investors
- Retail investors

Ten largest shareholders in the end of Q4

Infortar	36%
Baltic Cruises Holding, L.P.	17%
Nordea Bank Finland PLC / non-resident legal entities	8%
ING Luxemburg S.A	7%
State Street Bank and Trust Omnibus fund	2%
Skandinaviska Enskilda Banken AB Clients (East Capital)	2%
JP Morgan Chase Bank / London Client's account	1%
Firebird Republics Fund Ltd	1%
Skandinaviska Enskilda Banken Finnish Clients	1%
Luksusjaht AS	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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