

AS TALLINK GRUPP

Unaudited Interim Consolidated Condensed Financial Statements

**for the I quarter of the financial year 2005/2006
ended November 30, 2005**

Beginning of the financial year	1. September 2005
End of the financial year	31. August 2006
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Primary activity	maritime transportation (passengers and cargo transportation)

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MANAGEMENT REPORT

KEY FIGURES

	2005 1 Sep-30 Nov		2004 1 Sep-30 Nov		Change %
	EEK	EUR	EEK	EUR	
Net sales (million)	992.1	63.4	999.0	63.8	-0.7
Net profit for the period (million)	62.6	4.0	43.0	2.8	45.5
Net profit margin (%)	6.3	6.3	4.3	4.3	
EBITDA (million)	169.4	10.8	150.6	9.6	12.5
EBITDA margin (%)	17.1	17.1	15.1	15.1	
Earnings per share	0.57	0.036	0.39	0.025	44.5

Number of passengers	738,664		840,340		-12.1
Cargo units	37,990		32,752		16.0

	30.11.2005		31.08.2005		Change %
	EEK	EUR	EEK	EUR	
Shareholder's equity (million)	2,717.7	173.7	2,655.5	169.7	2.3
Weighted average number of ordinary shares outstanding	110,000,000		110,000,000		0.0
Equity/assets ratio (%)	39.0		38.3		
Shareholder's equity per share	24.71	1.6	24.14	1.5	2.3
Interest-bearing liabilities (million)	3,801.2	242.9	3,836.3	245.2	-0.9
Total liabilities (million)	4,244.5	271.3	4,271.3	273.0	-0.6
Total assets (million)	6,962.9	445.1	6,927.2	403.5	0.5

Net profit margin – Net profit/Net sales;

EBITDA – Earnings before net financial items, share of profit of associates, taxes, depreciation and amortisation;

Earnings per share (EPS) – Net profit attributable to equity holders/weighted average number of ordinary shares outstanding;

Equity ratio – Total equity/Total assets;

Shareholder's equity per share – Shareholder's equity/Weighted average number of ordinary shares outstanding.

SALES AND EARNINGS

Net sales of AS Tallink Grupp and its subsidiaries (hereinafter also referred to as the "Group") amounted to 992.1 million EEK (63.4 million EUR) in the period September 1, 2005 – November 30, 2005 compared to 999.0 million EEK (63.8 million EUR) in the period September 1, 2004 – November 30, 2004. The decrease in sales was 6.9 million EEK (0.4 million EUR).

The following factors had a negative impact on sales:

- the suspension of Helsinki – Tallinn – St. Petersburg line in the beginning of year 2005 and thus no revenue was generated from that geographical segment;
- the grounding of Regina Baltica on 27th September the ship had to stay in repairs and was therefore out of service for 10 days;
- the scheduled docking of Meloodia, the vessel was out of service for 9 days.

The operating profit increased by 14.5 million EEK (0.9 million EUR) from 86.1 million EEK (5.5 million EUR) to 100.6 million EEK (6.4 million EUR). Profit before taxes amounted to 63.5 million EEK (4.1 million EUR) and the net profit increased by 19.6 million EEK (1.3 million EUR) from 43.0 million EEK (2.8 million EUR) to 62.6 million EEK (4.0 million EUR).

The net profit increase by 45.5 % compared to the corresponding period in financial year 2004/2005 can be explained mainly by following factors:

- the suspension of Helsinki – Tallinn – St. Petersburg line due to weak outcome decreased costs;
- increase in cost effectiveness per passenger;
- lower interest expenses.

Geographical segment based approach shows that 64.0 per cent of revenues was earned from the Estonia – Finland line (compared to 60.6 per cent in the corresponding period in financial year 2004/2005), 30.0 per cent from the Estonia – Sweden line (33.3 per cent in 2004/2005) and the remaining 6.0 per cent of revenues was earned from mainland business, charter income and other income (6.1 per cent in 2004/2005).

From operational viewpoint, the sales were divided as follows: ticket sales 24.5 per cent (22.7 per cent in 2004/2005), revenue from hotel packages 3.4 per cent (3.8 per cent in 2004/2005), sales of cargo transport 20.7 per cent (17.9 per cent in 2004/2005), restaurant and shop sales on-board and on mainland 45.0 per cent (51.3 per cent in 2004/2005), accommodation sales 2.2 per cent (1.9 per cent in 2004/2005), income from leases of vessels 1.8 per cent (0.0 per cent in 2004/2005) and other income 2.4 per cent (2.3 per cent in 2004/2005).

MARKET DEVELOPMENTS

The Group is operating on Finland - Estonia route between Helsinki and Tallinn and on the Estonia – Sweden routes (Tallinn-Mariehamn-Stockholm and Paldiski – Kapellskär). The number of passengers transported with Group vessels during the reporting period was 738,664, compared to 840,340 passengers in the same period in the previous financial year. On Estonia – Finland route 598,062 passengers (compared to 655,786 passengers in the same period in 2004/2005 financial year) were transported and on Estonia – Sweden routes 140,602 passengers (155,268 passengers in 2004/2005) were transported.

The decrease in passenger numbers was a result of the suspension of the Helsinki – Tallinn – St. Petersburg route and out of service days of Regina Baltica and Meloodia because of repairs and docking. In addition the passenger number in the first quarter of financial year 2004/2005 was above average as a marketing campaign “Tallink 15 years” was introduced bringing onboard one-time customers who bought very inexpensive tickets.

The market share of the Group on the Estonia - Finland line was approximately 43% of passenger transportation and the Group is the only scheduled passenger transportation service provider on the Estonia – Sweden lines.

A total of 38.0 thousand cargo units and 69.6 thousand passenger cars were carried. The increase in cargo units was 16.0 per cent and increase in passenger cars was 5.7 per cent.

The growth in cargo transportation is mainly a result from continuous market development and from the fact that previous investments in fleet renewal have been integrated into operation.

PERSONNEL

The average number of Group's employees was 2,668 (compared to 2,806 in 2004/2005 same period) during the reporting period, of which 1,909 (2,074 in 2004/2005) were employed as vessel personnel, 140 (120 in 2004/2005) were employed in Best Western Hotel Tallink and 619 (612 in 2004/2005) as other on-shore staff.

CORPORATE STRUCTURE

During the first quarter of financial year 2005/2006 AS Tallink Grupp established three new subsidiaries with 100% ownership: Mare Pharmaci OÜ, Tallink Latvija AS and Tallink Hansaway Ltd. Mare Pharmaci OÜ was established for the potential pharmacy related sales and services in the future, Tallink Latvija AS was established as sales and marketing company in Latvia, and Tallink Hansaway Ltd. was established for future ship owning purposes.

Consolidating group of AS Tallink Grupp contains 34 subsidiaries.

OUTLOOK

Group's earnings are not generated evenly throughout the year. High season for the Group is the summer period. In the opinion of the group's management and based on the experience of the previous financial years the majority of the earnings are generated during the second half of the financial year.

No dividends were distributed for the financial year ended August 31, 2005 or for the first quarter of financial year 2005/2006, but all retained earnings were invested in the growth of the business. We currently expect that this policy will also be applied in the foreseeable future.

In the course of the Initial Public Offering 26,500,000 of new shares and 7,590,909 of existing shares were offered on 21 November – 1 December, 2005 for institutions in Estonia and abroad, and for retail investors in Estonia and Finland. The issue price was EEK 82.5 per share. Approximately 17,000 investors participated in the retail offering.

The General Shareholders' Meeting of Tallink decided on 30 November 2005 to increase share capital by 265 million EEK to 1,365 million EEK by issuing 26.5 million new shares. The Tallinn Stock Exchange approved the listing of Tallink shares on 9. December 2005, subject to the AGM resolution referred to above. Gross proceeds received by the Company from the new shares issue totalled to EEK 2,186,250 thousand.

On the 1 December, 2005 the christening ceremony of Tallink's cruise vessel took place in Rauma. The vessel, which is going to service passengers on the route Tallinn-Helsinki from spring 2006, was given the name Galaxy. Galaxy with 927 cabins has a length of 212 metres, a beam of 29 metres and has capacity for 2,800 passengers and 1,130 lane meters for cars and trailers.

On the 16 December, 2005 the management of AS Tallink Grupp met the Freeport of Riga and Riga Passenger Terminal representatives along with the Latvian Minister of Transportation to continue the negotiations about the opening of Riga - Stockholm ferry line. The parties reached an agreement in principle about the terms of operating the Riga - Stockholm route by AS Tallink Grupp. Assuming the quick and final agreement will be concluded then operations will start on the above mentioned route in spring 2006 with M/S Fantaasia.

On the 17 December, 2005 AS Tallink Grupp decided to use the rights derived from the option agreement of the cruise ferry Galaxy currently in construction. In reference to the above the Finnish shipyard Aker Finnyards OY and AS Tallink Grupp signed a shipbuilding contract on 17th of December. According to the contract, the new cruise ferry, sister to the Galaxy, will be delivered by summer 2008. By most of the details the new cruise ferry ordered will be similar to the Galaxy which will be delivered in spring 2006 although with a speed of 24.5 knots the new cruise ferry will be faster than Galaxy which has speed of 22 knots. The price of the new ferry is approximately 165 million EUR of which 20% will be paid during the construction period and 80% will be paid on delivery. Similarly to the previous ferry orders of the Group the payments during the construction are planned to be financed from own equity and the majority, which is to be paid on delivery, will be financed by long term debt. Therefore the Group's current order book consists of four ships: cruise ferry Galaxy (delivered in 2006), new cruise vessel (sister vessel of Galaxy, delivered in 2008) and two ro-pax ferries that are delivered in 2007 and 2008.

A strong start to financial year 2005/2006 has been made with new investment projects in fleet and increase in operating effectiveness which has granted solid results and base for the rest of the financial year.

Unaudited Interim Consolidated Condensed Financial Statements
I quarter of the financial year 2005/2006
AS Tallink Grupp

CONSOLIDATED CONDENSED INCOME STATEMENT

(unaudited, in thousand EEK)	01.09.2005 - 30.11.2005	01.09.2004 - 30.11.2004 [1]
Net sales (Note 4)	992,054	999,002
Cost of sales	-749,587	-793,418
Gross profit	242,467	205,584
Marketing expenses	-103,493	-94,471
Administrative and general expenses	-38,213	-25,279
Other operating income	163	393
Other operating expenses	-277	-118
Operating profit (Note 4)	100,647	86,109
Net financial expense (-) / income (Note 5)	-37,140	-44,345
Income from associates	0	480
Profit from normal operation before income tax	63,507	42,244
Income tax	-887	788
Net profit for the period	62,620	43,032
Attributable to:		
Equity holders of the parent	62,199	43,032
Minority interests	421	0
Earnings per share (in EEK per share)		
- basic (Note 6)	0.57	0.39
- diluted (Note 6)	0.57	0.39

(unaudited, in thousand EUR)	01.09.2005 - 30.11.2005	01.09.2004 - 30.11.2004 [1]
Net sales (Note 4)	63,404	63,848
Cost of sales	-47,907	-50,709
Gross profit	15,497	13,139
Marketing expenses	-6,614	-6,038
Administrative and general expenses	-2,442	-1,616
Other operating income	10	25
Other operating expenses	-18	-7
Operating profit (Note 4)	6,433	5,503
Net financial expense (-) / income (Note 5)	-2,374	-2,834
Income from associates	0	31
Profit from normal operation before income tax	4,059	2,700
Income tax	-57	50
Net profit for the period	4,002	2,750
Attributable to:		
Equity holders of the parent	3,975	2,750
Minority interests	27	0
Earnings per share (in EUR per share)		
- basic (Note 6)	0.036	0.025
- diluted (Note 6)	0.036	0.025

[1] correction (Note 7)

CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousand EEK)

ASSETS	30.11.2005	31.08.2005
Current assets		
Cash and cash equivalents	179,903	326,786
Receivables and prepaid expenses	213,280	202,540
Inventories	88,080	84,900
Total current assets	481,263	614,226
Non-current assets		
Financial assets	72	72
Property, plant and equipment (Note 7)	6,305,648	6,136,720
Intangible assets (Note 8)	175,901	176,153
Total non-current assets	6,481,621	6,312,945
TOTAL ASSETS	6,962,884	6,927,171
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of interest-bearing liabilities (Note 9)	960,299	690,473
Payables and prepaid income	442,983	434,683
Total current liabilities	1,403,282	1,125,156
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	2,840,914	3,145,864
Deferred income tax	324	329
Total non-current liabilities	2,841,238	3,146,193
TOTAL LIABILITIES	4,244,520	4,271,349
EQUITY		
Minority interests	695	274
Equity attributable to equity holders of the parent		
Issued capital	1,100,000	1,100,000
Unrealised exchange differences	-78	0
Reserves	27,500	27,500
Retained earnings	1,590,247	1,528,048
Total equity attributable to equity holders of the parent	2,717,669	2,655,548
TOTAL EQUITY	2,718,364	2,655,822
TOTAL LIABILITIES AND EQUITY	6,962,884	6,927,171

CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousand EUR)

ASSETS	30.11.2005	31.08.2005
Current assets		
Cash and cash equivalents	11,498	20,885
Receivables and prepaid expenses	13,631	12,945
Inventories	5,629	5,426
Total current assets	30,758	39,256
Non-current assets		
Financial assets	5	5
Property, plant and equipment (Note 7)	403,004	392,208
Intangible assets (Note 8)	11,242	11,258
Total non-current assets	414,251	403,471
TOTAL ASSETS	445,009	442,727
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of interest-bearing liabilities (Note 9)	61,374	44,129
Payables and prepaid income	28,312	27,781
Total current liabilities	89,686	71,910
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	181,567	201,057
Deferred income tax	21	21
Total non-current liabilities	181,588	201,078
TOTAL LIABILITIES	271,274	272,988
EQUITY		
Minority interests	44	18
Equity attributable to equity holders of the parent		
Issued capital	70,303	70,303
Unrealised exchange differences	-5	0
Reserves	1,758	1,758
Retained earnings	101,635	97,660
Total equity attributable to equity holders of the parent	173,691	169,721
TOTAL EQUITY	173,735	169,739
TOTAL LIABILITIES AND EQUITY	445,009	442,727

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

(unaudited, in thousand EEK)	01.09.2005 - 30.11.2005	01.09.2004 - 30.11.2004 [1]
Cash flows from operating activities		
Profit before minority interests	62,620	43,032
Adjustments	105,823	108,064
Changes in assets related to operating activities	-14,026	36,134
Changes in liabilities related to operating activities	25,541	-11,484
Income tax paid	-127	-132
	179,831	175,614
Cash flow used for investing activities		
Purchase of property, plant, equipment and intangible assets (Notes 7, 8)	-237,788	-71,282
Proceeds from disposals of property, plant, equipment	17	213
Interest received	1,093	1,123
	-236,678	-69,946
Cash flow from (+)/ used for (-) financing activities		
Proceeds from loans and bonds (Note 9)	0	266,994
Redemption of loans and bonds (Note 9)	-220,019	-536,711
Change in overdraft	182,597	54,727
Repayment of finance lease liabilities (Note 9)	-243	-167
Interest paid	-52,371	-60,054
	-90,036	-275,211
TOTAL NET CASH FLOW	-146,883	-169,543
Cash and cash equivalents:		
- at the beginning of period	326,786	366,668
- increase (+) / decrease (-)	-146,883	-169,543
Cash and cash equivalents at end of period	179,903	197,125

(unaudited, in thousand EUR)	01.09.2005 - 30.11.2005	01.09.2004 - 30.11.2004 [1]
Cash flows from operating activities		
Profit before minority interests	4,002	2,750
Adjustments	6,763	6,907
Changes in assets related to operating activities	-896	2,309
Changes in liabilities related to operating activities	1,632	-734
Income tax paid	-8	-8
	11,493	11,224
Cash flow used for investing activities		
Purchase of property, plant, equipment and intangible assets (Notes 7, 8)	-15,197	-4,556
Proceeds from disposals of property, plant, equipment	1	14
Interest received	70	72
	-15,126	-4,470
Cash flow from (+)/ used for (-) financing activities		
Proceeds from loans and bonds (Note 9)	0	17,064
Redemption of loans and bonds (Note 9)	-14,062	-34,302
Change in overdraft	11,670	3,498
Repayment of finance lease liabilities (Note 9)	-15	-11
Interest paid	-3,347	-3,838
	-5,754	-17,589
TOTAL NET CASH FLOW	-9,387	-10,835
Cash and cash equivalents:		
- at the beginning of period	20,885	23,434
- increase (+) / decrease (-)	-9,387	-10,835
Cash and cash equivalents at end of period	11,498	12,599

[1] correction (Note 7)

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

(unaudited, in thousand EEK)	Issued capital	Share premium	Unrealised exchange differences	Reserves	Retained earnings	Total
At 31 August 2004	275,000	414,870	0	27,500	1,465,007	2,182,377
Net profit of the I quarter of the year 2004/2005 [1]	0	0	0	0	43,032	43,032
At 30 November 2004	275,000	414,870	0	27,500	1,508,039	2,225,409
At 31 August 2005	1,100,000	0	0	27,500	1,528,048	2,655,548
Net profit of the I quarter of the year 2005/2006	0	0	0	0	62,199	62,199
Exchange differences	0	0	-78	0	0	-78
At 30 November 2005	1,100,000	0	-78	27,500	1,590,247	2,717,669

(unaudited, in thousand EUR)	Issued capital	Share premium	Unrealised exchange differences	Reserves	Retained earnings	Total
At 31 August 2004	17,576	26,515	0	1,758	93,631	139,480
Net profit of the I quarter of the year 2004/2005 [1]	0	0	0	0	2,750	2,750
At 30 November 2004	17,576	26,515	0	1,758	96,381	142,230
At 31 August 2005	70,303	0	0	1,758	97,660	169,721
Net profit of the I quarter of the year 2005/2006	0	0	0	0	3,975	3,975
Exchange differences	0	0	-5	0	0	-5
At 30 November 2005	70,303	0	-5	1,758	101,635	173,691

[1] Correction (Note 7)

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Note 1 CORPORATE INFORMATION

The interim consolidated condensed financial statements of AS Tallink Grupp and its subsidiaries (hereinafter as “the group”) for the I quarter of the financial year 2005/2006 were authorised for issue in accordance with a resolution of the Management Board on January 11, 2006. AS Tallink Grupp is a limited company incorporated in Estonia and employed 2,657 people at November 30, 2005 (August 31, 2005: 2,694).

Note 2 BASIS OF PREPARATION

The interim consolidated condensed 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 condensed financial statements as in the annual consolidated financial statements of AS Tallink Grupp for the financial year ended on August 31, 2005.

In the latest annual consolidated financial statement exchange rate differences from reflecting the subsidiaries were stated in consolidated condensed income statement.

In the current financial statements these exchange rate differences are stated in the balance sheet under the equity as unrealised exchange differences. There is no need to retrospective correction as these differences have no significant effect to the financial statements.

The interim consolidated condensed financial statements have been prepared in thousand Estonian kroons (EEK). The respective EEK numbers have also been expressed in thousand Euros (EUR) using exchange rate 1 EUR=15.6466 EEK

Note 3 SUBSIDIARIES

In September 2005 AS Tallink Grupp established a new subsidiary Tallink Hansaway Limited with 100% of the ownership. The payment into the share capital in the amount of 27 thousand EEK (2 thousand EUR) was made in November 2005. The new subsidiary has been registered in Cyprus and was established for later ship owning purpose.

In October 2005 the group established a new subsidiary Mare Pharmaci OÜ with 100% of the ownership. The payment into the share capital in the amount of 40 thousand EEK (3 thousand EUR) was made in cash. The new subsidiary has been registered in Estonia and was established for later medical services purpose.

In November 2005 the group established a new subsidiary Tallink Latvija AS with 100% of the ownership. The payment into the share capital in the amount of 562 thousand EEK (36 thousand EUR) was made in cash. The new subsidiary has been registered in Latvia and was established for representing purpose in Latvia.

Note 4 SEGMENT INFORMATION

The primary segments of the group are geographical segments (by the routes and mainland) and the secondary segments are operational segments (tickets sales, revenue from packages, sales of cargo transport, accommodation sales, restaurant and shops sales on-board and on mainland, income from leases of vessels and others).

Geographical segments

(in thousand EEK)

Sept-Nov 2005	Estonia Finland routes	Estonia Sweden routes	Other routes	Estonia mainland business	Elimination of inter-segment sales	Total
Revenue						
Sales to external customers	634,644	297,630	17,545	42,235		992,054
Inter-segment sales	46,929	2,788	0	13,943	-63,660	0
	681,573	300,418	17,545	56,178	-63,660	992,054
Segment result	118,759	7,751	3,836	8,628		138,974
Unallocated expenses						-38,327
Operating profit						100,647

Notes to the unaudited interim financial statements
I quarter of the financial year 2005/2006
AS Tallink Grupp

Sept-Nov 2004	Estonia Finland routes	Estonia Sweden routes	Other routes	Estonia mainland business	Elimination of inter-segment sales	Total
Revenue						
Sales to external customers	605,681	332,693	28,895	31,733		999,002
Inter-segment sales	78,804	1,927	177	24,000	-104,908	0
	684,485	334,620	29,072	55,733	-104,908	999,002
Segment result	100,660	30,203	-26,887	7,137		111,113
Unallocated expenses						-25,004
Operating profit						86,109

(in thousand EUR)

Sept-Nov 2005	Estonia Finland routes	Estonia Sweden routes	Other routes	Estonia mainland business	Elimination of inter-segment sales	Total
Revenue						
Sales to external customers	40,561	19,022	1,122	2,699		63,404
Inter-segment sales	2,999	178	0	891	-4,068	0
	43,560	19,200	1,122	3,590	-4,068	63,404
Segment result	7,590	495	246	552		8,883
Unallocated expenses						-2,450
Operating profit						6,433

Sept-Nov 2004	Estonia Finland routes	Estonia Sweden routes	Other routes	Estonia mainland business	Elimination of inter-segment sales	Total
Revenue						
Sales to external customers	38,710	21,263	1,847	2,028		63,848
Inter-segment sales	5,037	123	11	1,534	-6,705	0
	43,747	21,386	1,858	3,562	-6,705	63,848
Segment result	6,433	1,930	-1,718	456		7,101
Unallocated expenses						-1,598
Operating profit						5,503

Operational segments

	(in thousand EEK)		(in thousand EUR)	
	Sept-Nov 2005	Sept-Nov 2004	Sept-Nov 2005	Sept-Nov 2004
Ticket sales	242,956	227,073	15,528	14,513
Revenue from packages	33,548	38,460	2,144	2,458
Sales of cargo transport	205,435	178,940	13,130	11,436
Accommodation sales	21,750	18,846	1,390	1,204
Restaurant and shops sales on-board and on mainland	446,823	512,275	28,557	32,741
Income from leases of vessels	17,545	0	1,121	0
Other	23,997	23,408	1,534	1,496
Total revenue of the Group	992,054	999,002	63,404	63,848

Note 5 FINANCIAL EXPENSE AND INCOME

	(in thousand EEK)		(in thousand EUR)	
	Sept-Nov 2005	Sept-Nov 2004	Sept-Nov 2005	Sept-Nov 2004
Interest expenses	-36,819	-45,596	-2,353	-2,914
Net foreign exchange gains	-1,148	409	-73	26
Other interest and financial income	869	874	56	55
Other financial expenses	-42	-32	-3	-3
Net financial expense (-) / income	-37,140	-44,345	2,374	2,834

Note 6 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.

	(in thousand EEK)		(in thousand EUR)	
	01.09.2005 - 30.11.2005	01.09.2004 - 30.11.2004	01.09.2005 - 30.11.2005	01.09.2004 - 30.11.2004
Weighted average number of ordinary shares (pcs) [1]	110,000,000	110,000,000	110,000,000	110,000,000
Net profit attributable to ordinary shareholders	62,199	43,032	3,975	2,750
Earnings per share (in EEK / EUR per share)	0.57	0.39	0.036	0.025

[1] As a result of the issuing new shares, the share capital increased from 27,500,000 shares to 110,000,000 shares on February 09, 2005. Since the increase of share capital was bonus issue, the average number of ordinary shares for comparative period has been adjusted and 110,000,000 has been used as an average number of ordinary shares in the calculation of earning per share for comparative period.

Note 7 PROPERTY, PLANT AND EQUIPMENT

(in thousand EEK)

	Land and building	Ships	Plant and equipment	Prepayments [2]	Total
Book value at Aug 31, 2005	11,587	5,818,082	31,299	275,752	6,136,720
Additions	9	31,525	2,001	204,184	237,719
Depreciation for the period	-407	-63,968	-4,416	0	-68,791
Book value at Nov 30, 2005	11,189	5,785,639	28,884	479,936	6,305,648

At November 30, 2005

-Cost	19,192	6,962,531	95,097	479,936	7,556,756
-Accumulated depreciation	-8,003	-1,176,892	-66,213	0	-1,251,108

	Land and building	Ships	Plant and equipment	Construction in progress	Pre-payments	Total
Book value at Aug 31, 2004	11,378	5,920,022	37,190	82,128	220	6,050,938
Additions	0	0	4,892	33,651	32,691	71,234
Depreciation for the period[1]	-344	-59,813	-4,349	0	0	-64,506
Book value at Nov 30, 2004	11,034	5,860,209	37,733	115,779	32,911	6,057,666

At November 30, 2004

-Cost	17,516	6,797,727	94,628	115,779	32,911	7,058,561
-Accumulated depreciation	-6,482	-937,518	-56,895	0	0	-1,000,895

(in thousand EUR)

	Land and building	Ships	Plant and equipment	Prepayments [2]	Total
Book value at Aug 31, 2005	741	371,843	2,000	17,624	392,208
Additions	1	2,015	128	13,049	15,193
Depreciation for the period	-27	-4,088	-282	0	-4,397
Book value at Nov 30, 2005	715	369,770	1,846	30,673	403,004

At November 30, 2005

-Cost	1,227	444,987	6,078	30,673	482,965
-Accumulated depreciation	-512	-75,217	-4,232	0	-79,961

	Land and building	Ships	Plant and equipment	Construction in progress	Pre-payments	Total
Book value at Aug 31, 2004	727	378,358	2,377	5,249	14	386,725
Additions	0	0	313	2,151	2,089	4,553
Depreciation for the period[1]	-22	-3,823	-278	0	0	-4,123

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Book value at Nov 30, 2004	705	374,535	2,412	7,400	2,103	387,155
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At November 30, 2004

-Cost	1,119	434,454	6,048	7,400	2,103	451,124
-Accumulated depreciation	-414	-59,919	-3,636	0	0	-63,969

[1] Correction. In the financial year of 2004/2005 the Group changed its estimations on the useful lives of components of two new cruise ships. In the interim report for the 3-months period ended on 30 November 2004, the previous estimations on useful lives were used for calculating and recording depreciation charge. The total effect of the change during the first quarter of 2004/2005 is decrease of depreciation charge by 6,210 thousand EEK (397 thousand EUR).

[2] including prepayments for 3 new ships.

Note 8 INTANGIBLE ASSETS

	(in thousand EEK)			(in thousand EUR)		
	Goodwill	Patents and licenses	Total	Goodwill	Patents and licenses	Total
Book value at Aug 31, 2005	173,148	3,005	176,153	11,066	192	11,258
Additions	0	61	61	0	4	4
Amortisation for the period	0	-313	-313	0	-20	-20
Book value at Nov 30, 2005	173,148	2,753	175,901	11,066	176	11,242

At November 30, 2005

Cost	173,148	6,451	179,599	11,066	412	11,478
Accumulated amortisation	0	-3,698	-3,698	0	-236	-236

	(in thousand EEK)			(in thousand EUR)		
	Goodwill	Patents and licenses	Total	Goodwill	Patents and licenses	Total
Book value at Aug 31, 2004	173,148	3,295	176,443	11,066	211	11,277
Additions	0	48	48	0	3	3
Amortisation for the period	0	-276	-276	0	-18	-18
Book value at Nov 30, 2004	173,148	3,067	176,215	11,066	196	11,262

At November 30, 2004

Cost	173,148	5,642	178,790	11,066	361	11,427
Accumulated amortisation	0	-2,575	-2,575	0	-165	-165

Note 9 INTEREST BEARING LOANS AND BORROWINGS

(in thousand EEK)

	Aug 31, 2005	New loans	Repayments	Other changes [1]	Nov 30, 2005
Lease liability	1,916	0	-243	-31	1,642
Bonds	193,306	0	0	1,653	194,959
Bank overdrafts	18,249	182,597	0	0	200,846
Long-term bank loans	3,524,336	0	-181,519	919	3,343,736
Other long-term loans	98,530	0	-38,500	0	60,030
TOTAL	3,836,337	182,597	-220,262	2,541	3,801,213
incl. short-term portion	690,473				960,299
long-term portion	3,145,864				2,840,914

(in thousand EUR)

	Aug 31, 2005	New loans	Repayments	Other changes [1]	Nov 30, 2005
Lease liability	122	0	-15	-2	105
Bonds	12,355	0	0	105	12,460
Bank overdrafts	1,166	11,670	0	0	12,836
Long-term bank loans	225,246	0	-11,601	59	213,704
Other long-term loans	6,297	0	-2,461	0	3,836
TOTAL	245,186	11,670	-14,077	162	242,941
incl. short-term portion	44,129				61,374
long-term portion	201,057				181,567

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[1] Other changes related to bonds are the amortisation of discount of bonds. Other changes related to lease liabilities are the foreign exchange losses. Other changes related to long-term bank loans are the amortisation of transaction costs.

Bank overdrafts are secured with commercial pledge (in the total amount of 183,250 thousand EEK (11,712 thousand EUR) and ship mortgages.

AS Tallink Grupp has given guarantees to HSH Nordbank AG and Skandinaviska Enskilda Banken AB for the loans granted to overseas subsidiaries amounting to 3,066,199 thousand EEK (195,966 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.

Based on group's internal risk policy AS Tallink Grupp has decided to hedge about 30% of its floating rates long-term financial liabilities. On October 31, 2005 Tallink Grupp has entered into swap contract with notional amount 76.5 mil EUR and maturity date September 2012. AS Tallink Grupp will receive 6m EURIBOR and pay fixed step-up coupons to the counterparty bank. Tallink assesses the potential change in fair value of abovementioned derivative from its intention as non-significant and as of 30.11.2005 unrealized change in fair value is not recognized in I quarter interim financial statements.

Note 10 RELATED PARTY DISCLOSURES

(in thousand EEK)

I quarter of 2005/2006 or 30.11.2005	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Infotrar AS	110	1,764	0	61,029
Infotrar AS, interest expense	0	1,696	0	527
HT Valuuta AS	516	0	329	0
Vaba Maa AS	0	780	0	323

I quarter of 2004/2005 or 30.11.2004	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Infotrar AS	0	1,851	0	99,524
Infotrar AS, interest expense	0	1,743	0	1,169
HT Valuuta AS	627	0	1,581	0
Vaba Maa AS	0	1,274	0	306

(in thousand EUR)

I quarter of 2005/2006 or 30.11.2005	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Infotrar AS	7	113	0	3,900
Infotrar AS, interest expense	0	108	0	34
HT Valuuta AS	33	0	21	0
Vaba Maa AS	0	50	0	21

I quarter of 2004/2005 or 30.11.2004	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Infotrar AS	0	118	0	6,361
Infotrar AS, interest expense	0	111	0	75
HT Valuuta AS	40	0	101	0
Vaba Maa AS	0	81	0	20

Note 11 COMMITMENTS

Capital investment commitments

On October 12, 2005 Fincantieri Cantieri Navali Italiani S.p.A. and AS Tallink Grupp signed a shipbuilding contract to construct a new ro-pax type ferry. The new ship should be delivered in 2008. The shipbuilding contract price of new ship is 113,000,000 EUR. 20 % will be paid during construction and 80 % will be paid on delivery of the ship.

Note 12 EVENTS AFTER BALANCE SHEET DATE

On December 17, 2005 Aker Finnyards OY and AS Tallink Grupp signed a shipbuilding contract to construct a new passenger cruise ship. The new ship should be delivered in summer of 2008. The shipbuilding contract price of new ship is approximately 165,000,000 EUR. 20 % will be paid during construction and 80 % will be paid on delivery of the ship.

On December 21, 2005 and on January 02, 2006 AS Tallink Grupp has made two prepayments to shipbuilders totalling EUR 9,000,000.

According to AS Tallink Grupp Shareholders' General Meeting on November 30, 2005, AS Tallink Grupp decided to increase the share capital from 1,100,000 thousand EEK (70,303 thousand EUR) to 1,365,000 thousand EEK (87,239 thousand EUR) by issuing 26,500 thousand new shares with the par value of 10 EEK each. The new shares were issued at a premium of 72.50 EEK (4.63 EUR) per share. These new shares were sold during IPO. The payment for new shares was made on December 08, 2005. The share premium has been reduced by the expenses related to the issuing of shares. At the balance sheet date the reduction of share premium is preliminary, as not all invoices regarding this transaction have been received. The issue of new shares resulted in the amounts of share capital, share premium and retained earnings as follows:

	(in thousand EEK)		(in thousand EUR)	
	Share capital	Share premium	Share capital	Share premium
Balance before issuing new shares	1,100,000	0	70,303	
Nominal amount of new shares (10 EEK each)	+ 265,000		+16,936	
Share premium (72,50 EEK each)		1,921,250		122,790
Expenses related to the issue – invoices have been received by the balance sheet date 30.11.2005		-37,951		-2,426
Estimated amount of expenses related to the issue-invoices have not been received by the balance sheet date 30.11.2005		-82,650		-5,282
Balance after issuing new shares	1,365,000	1,800,649	87,239	115,082

**MANAGEMENT BOARD'S APPROVAL OF THE INTERIM
CONSOLIDATED CONDENSED FINANCIAL STATEMENTS**

Hereby we declare our responsibility for the Interim Consolidated Condensed Financial Statements and confirm that the Tallink Grupp AS's Interim Consolidated Condensed Financial Statements for the first quarter of the financial year 2005/2006 ended November 30, 2005 prepared in accordance with IFRS as adopted by EU and in accordance with IAS 34 and set out pages 7-17 give a true and fair view of the financial position of the Group and of the result of its operations and cash flows.



Chairman of the Board
Enn Pant



Member of the Board
Andres Hunt



Member of the Board
Kalev Järvelill



Member of the Board
Keijo Mehtonen

Tallinn
January 11, 2006