

AS TALLINK GRUPP

Unaudited Interim Consolidated Condensed Financial Statements

**for the 12 months of the financial year 2005/2006
ended August 31, 2006**

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 FOR INTERIM FINANCIAL STATEMENTS for the twelve months of the financial year 2005/2006 ended August 31, 2006

The 2005/2006 financial year was a challenging, very successful and eventful period for AS Tallink Grupp and its subsidiaries (hereinafter also referred to as “the Group”). The Group has increased the net profit by 213.7% compared to the previous financial year which exceeded the management’s expectations. The successful business strategy that has been built up in previous years has delivered sound results and encouraged to make a number of new investments during the 2005/2006 financial year.

In fourth quarter of 2005/2006 financial year the investments amounted to approximately 8.7 billion EEK (558.0 million EUR) and shareholders injected a total of 1.5 billion EEK (94.3 million EUR) in new equity into the Group during the Rights Issue. The latest investments and developments together with the new equity have established a strong base for the future growth.

KEY EVENTS IN 4TH QUARTER

- The acquisition of Silja Oy Ab including six vessels operating on routes between Finland and Sweden (“Silja”) in July 2006;
- successful Rights Issue in August 2006;
- New Managing Director.

4TH QUARTER KEY FIGURES

	01.06.2006-31.08.2006		01.06.2005-31.08.2005		Change %
	EEK	EUR	EEK	EUR	
Net sales (million)	3,281.6	209.7	1,223.7	78.2	168.2
EBITDA (million)	978.6	62.5	392.0	25.1	149.6
EBITDA margin (%)	29.8		32.0		
Net profit for the period (million)	1,353.6	86.5	287.5	18.4	370.8
Net profit margin (%)	41.2		23.5		
Net profit adjusted for negative goodwill (million)	642.9	41.1	287.6	18.4	123.6
Net profit margin adjusted for negative goodwill (%)	19.6		23.5		
Depreciation (million)	187.9	12.0	68.7	4.4	173.4
Investments (million)	8,731.1	558.0	45.0	2.9	19,292.6%
Number of passengers	2,026,803		1,030,366		96.7
Cargo units	71,546		34,824		105.5
Average number of employees	5,499		2,747		100.2

	31.08.2006		31.08.2005		Change %
	EEK	EUR	EEK	EUR	
Total assets (million)	25,931.6	1,657.3	6,927.2	442.7	274.3
Total liabilities (million)	16,856.3	1,077.3	4,271.3	273.0	294.6
Interest-bearing liabilities (million)	14,955.6	955.8	3,836.3	245.2	289.8
Total equity (million)	9,075.3	580.0	2,655.8	169.7	241.7
Equity ratio (%)	35.0		38.3		

Weighted average number of ordinary shares outstanding during 4 th quarter	140,455,527		110,000,000		27.7
Number of ordinary shares outstanding	168,454,260		110,000,000		53.1
Earnings per share	9.64	0.62	2.61	0.17	268.7
Shareholders equity per share	53.87	3.44	24.14	1.54	123.1

Net profit margin – Net profit / Net sales;
 EBITDA – Earnings before net financial items, share of profit of associates, taxes, depreciation and amortization, income from negative goodwill;
 EBITDA margin – EBITDA / Net sales;
 Equity ratio – Total Equity / Total Assets;
 Earnings per share – Net Profit / Weighted average number of shares outstanding during 4th quarter;
 Shareholder's equity per share – Shareholder's equity / Number of shares outstanding.

SALES AND EARNINGS

Net sales of the Group amounted to 3,281.6 million EEK (209.7 million EUR) in the period June 1, 2006 – August 31, 2006 compared to 1,223.7 million EEK (78.2 million EUR) in the period June 1, 2005 – August 31, 2005. The 2,057.9 million EEK (131.5 million EUR) increase in sales resulted largely from the acquisition of new businesses during the 2005/2006 financial year but also from the growth in existing operations. Silja affected the sales from July 1, 2006.

The following factors also contributed positively to Group sales during the 4th quarter:

- the operations of M/S Galaxy on route between Tallinn and Helsinki;
- the operations of M/S Romantika on route between Tallinn and Stockholm;
- the operations of M/S Regina Baltica on route between Riga and Stockholm;
- increase in cargo volume on Tallinn - Helsinki route due to increased demand and increased capacity;
- higher ticket and cargo prices and onboard sales per passenger on Tallinn - Helsinki route;
- higher ticket prices on Estonia – Sweden routes.

The Group's earnings had a positive impact from the acquisitions in the previous quarter and from the acquisition of Silja, increased ticket and cargo sales. Although Silja contributed to the Group's results only for two months, the 4th quarter's profit before interest, taxes, depreciation, amortization and income from negative goodwill increased by 149.6% from 392.0 million EEK (25.1 million EUR) to 978.6 million EEK (62.5 million EUR) and the net profit increase was 370.8% from 287.5 million EEK (18.4 million EUR) to 1,353.6 million EEK (86.5 million EUR) compared to the same periods of the previous financial year.

For the acquisition of Silja's business, fair value is attributed to the net assets acquired. Negative goodwill aroused as the fair value of the consideration given for Silja's business was less than the net assets. Purchased negative goodwill in the amount of 710.5 million EEK (45.4 million EUR) is recognized in the net profit according to the IFRS.

The following tables provide an overview of the division of the sales during the 4th quarter on geographical and operational segment based approach.

Geographical segments	05/06	04/05
Estonia - Finland	24.6%	58.7%
Estonia - Sweden	15.0%	39.0%
Finland - Sweden	40.4%	
Finland - Germany	13.5%	
Latvia - Sweden	3.3%	
Mainland business and lease of vessels	3.2%	2.4%

Operational segments	05/06	04/05
Restaurant, shop and other sales on-board and on mainland	88.3%	68.5%
Ticket sales	61.3%	54.1%
Sales of cargo transportation	30.6%	26.6%
Revenue from hotel packages	3.6%	9.6%
Accommodation sales	2.2%	4.6%
Income from leases of vessels	2.2%	5.1%

MARKET DEVELOPMENTS

The total number of passengers carried by the Group during the fourth quarter of 2005/2006 financial year amounted to 2.0 million, which is 96.7 % higher than the in previous financial year. The number of cargo units carried by the Group's vessels was 71.5 thousand, which is a 105.5% increase from the previous financial year. The number of passenger cars increased by 108.2% and reached 214.7 thousand in the 4th quarter of 2005/2006 financial year.

Passengers, cargo units and passenger vehicles transported:

Passengers	4th quarter			12 months		
	2005/2006	2004/2005	Change %	2005/2006	2004/2005	
Estonia – Finland route	823,175	791,014	4.1	2,518,126	2,545,886	-1.1
Estonia – Sweden routes	257,278	239,352	7.5	687,433	687,433	-0.4
Latvia – Sweden route	67,545	0		96,730	0	
Finland – Germany route	73,491	0		98,004	0	
Helsinki – Tallinn – St. Petersburg route	0	0		0	40,858	
Finland – Sweden routes	805,314	0		805,314	0	
Total	2,026,803	1,071,224	89.2	4,203,163	3,274,177	28.4

Cargo units						
Estonia – Finland route	25,460	22,743	11.9	96,511	81,423	18.5
Estonia – Sweden routes	9,752	12,081	-19.3	45,233	49,811	-9.1
Latvia – Sweden route	1,015	0		1,564	0	
Finland – Germany route	17,765	0		27,468	0	
Helsinki – Tallinn – St. Petersburg route	0	0		0	115	
Finland – Sweden routes	17,554	0		17,554	0	
Total	71,546	34,939	104.8	188,330	131,349	43.4

Passenger vehicles						
Estonia – Finland route	79,639	72,365	10.1	213,701	197,115	8.4
Estonia – Sweden routes	27,899	29,192	-4.4	76,826	73,760	4.2
Latvia – Sweden route	9,733	0		12,780		
Finland – Germany route	22,337	0		28,594		
Helsinki – Tallinn – St. Petersburg route	0	0		0	1,538	
Finland – Sweden routes	75,087	0		75,087		
Total	214,695	103,095	108.2	406,988	272,413	49.4

The main increase was a result of bringing M/S Galaxy on to the route. Transferring M/S Romantika to the Stockholm-Tallinn route increased the passenger numbers on the Sweden-Estonia route. The changes in the first half of the year in the Swedish sales organisation and the one-time expenses in the spring of 2006 had a positive effect since the launch of the Riga-Stockholm route has not had a negative impact on passenger numbers on the route between Sweden and Estonia. The only slight negative impact on the Sweden-Estonia route is the decline of passenger car volumes, as earlier passenger cars that came from Latvia and Lithuania now use the Riga-Stockholm route.

Cargo truck and trailer numbers continued to increase between Finland and Estonia. With the increase in cargo units, the larger capacity M/S Regal Star was transferred from the Paldiski-Kapellskär route in March 2006 to the Tallinn-Helsinki route and the smaller capacity M/S Kapella operating on the Finnish route was transferred to the Paldiski-Kapellskär route since on that route the market was not increasing. With the vessel transfer the cargo unit capacity decreased between Sweden and Estonia which has had an effect in the decrease of cargo unit numbers.

PERSONNEL

On 31 August 2006 the Group employed 5,987 employees (2,694 on 31 August 2005) of whom 4,371 (1,937 in 2004/2005) were employed as vessel personnel, 137 (137 in 2004/2005) were employed in Best Western Hotel Tallink and 1,479 (620 in 2004/2005) as other on-shore staff.

The growth of sea personnel is resulted by the addition of six Silja vessels and by the developments in previous quarters: the addition of the three Superfast ferries, the delivery of the new building M/S Galaxy and the opening of the Riga - Stockholm route. The onshore personnel increased mainly because of the addition of Silja offices in Finland and Sweden, but also because of the

addition of Superfast's onshore personnel and the acquisition of the stevedoring company OÜ HTG Invest.

CORPORATE STRUCTURE

During the 2005/2006 financial year the Group either founded or acquired a total of over 30 new companies. On the report date the Group consisted of 61 companies. Most of the subsidiaries are wholly-owned companies of AS Tallink Grupp with the some exceptions. The Group further owns:

- 50% of Reisevarehuset AS;
- 50% of Baltic Tours AS;
- 33% of Searail EEIG;
- 50% of Suomen Jakelutiet Oy;
- Suomen Jakelutiet Oy further holds 50% of Suomen Hotellivaraukset Oy.

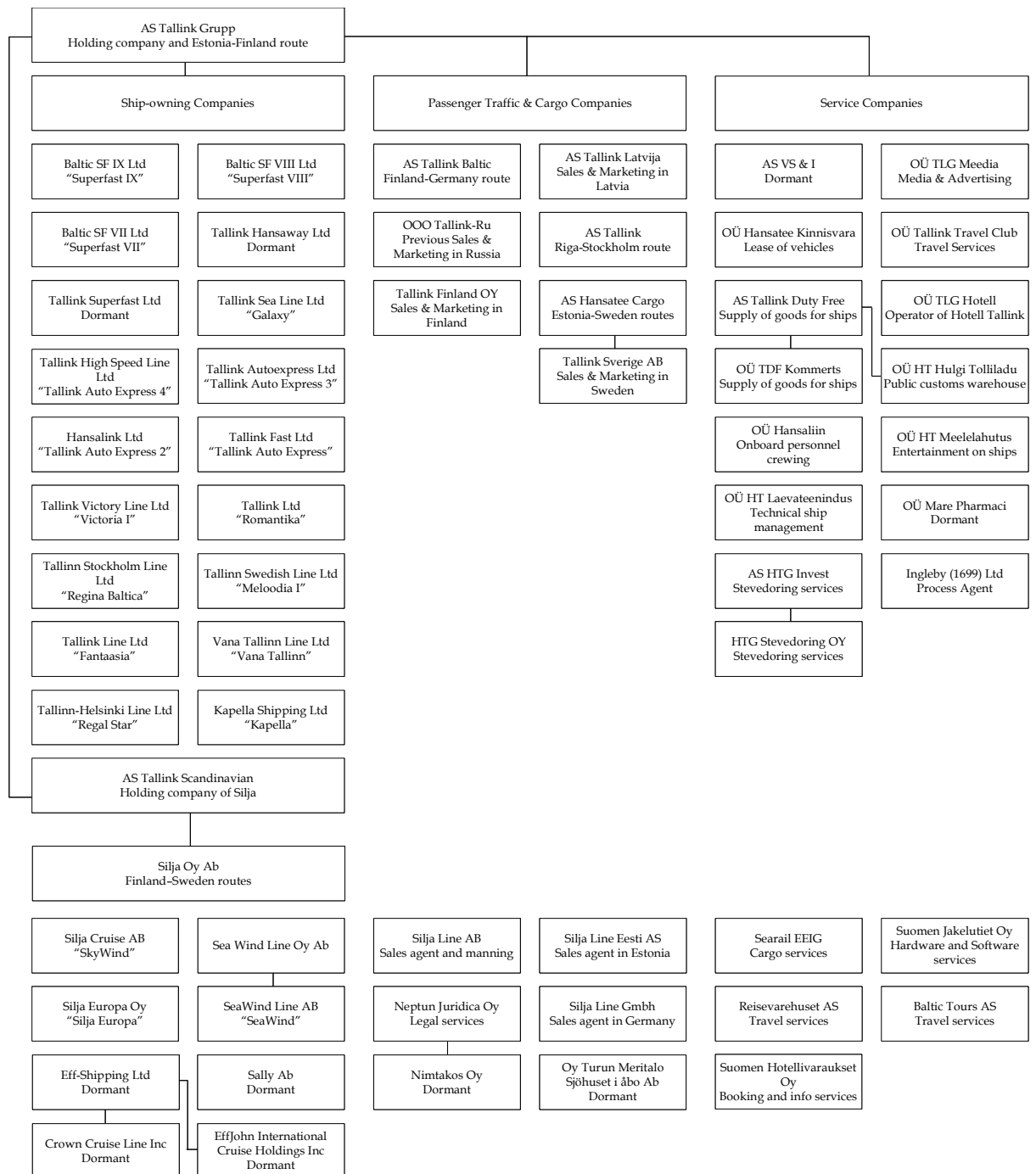
Note:

Fährschiff Europa Kb was liquidated in August 2006;

In September 2006 the Group purchased 30% minority shareholding in OÜ TLG Meedia from Mr. Peter Roose;

HTG Stevedoring Oy was founded in September 2006;

OÜ Mare Pharmaci is registered in Commercial Register as of October 25, 2006.



EVENTS DURING THE 4TH QUARTER OF 2005/2006

On 11th of June 2006 AS Tallink Grupp and Sea Containers Ltd signed the share purchase agreement for Silja Oy Ab shares. The transaction included six ships as part of the Silja "core business": M/S Silja Symphony and M/S Silja Serenade operating on the Helsinki - Stockholm route and M/S Silja Europa, M/S Silja Festival, M/S SeaWind and M/S SkyWind operating on the Turku - Stockholm/Kapellskär routes, and their staff, facilities and the Silja brand. The consideration for the Silja's shares was 7,041 million EEK (450 million EUR) cash and 5 million new ordinary shares of AS Tallink Grupp. The cash consideration was financed through an existing debt refinancing in Silja in the amount of 5,476.3 million EEK (350 million EUR), the Group's equity of 939 million EEK (60 million EUR) and additional bank financing of 625.9 million EEK (40 million EUR). Further two agreements in the total amount of up to 50.9 million EUR were signed.

On the 14th of June 2006 AS Tallink Grupp's subsidiary Tallink Hansaway Ltd. and Nordea Bank signed a loan agreement in amount of 88 million EUR (1,377 million EEK).

AS Tallink Grupp established Managing Director position and employed Mr Lembit Kitter, previous Vice President of SEB Eesti Ühispank started in the position on the 1st of August 2006.

The Extraordinary General Meeting of AS Tallink Grupp held on 22. June 2006, approved the 100% share purchase transaction of Silja Oy Ab, amended Articles of Association of AS Tallink Grupp, increased the Share Capital and removed Mr. Andres Lipstok from the Supervisory Board of AS Tallink Grupp.

In August 2006 the Group issued 26,954,260 new shares to the existing shareholders during the Rights Issue. The equity was increased by 1,475.7 million EEK (94.3 million EUR).

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

The Group extended the charter agreement of M/S Fantaasia with Compagnie Marocaine de Navigation until January 2007. By this agreement the Charterer received the optional right to further charter the vessel after the above mentioned deadline for up to two months.

On 07 September 2006 AS Tallink Grupp purchased from Mr. Peter Roose his 30% minority shareholding in OÜ TLG Meedia, a subsidiary of AS Tallink Grupp. After the transaction AS Tallink Grupp is a sole owner of OÜ TLG Meedia.

In September 2006 AS Tallink Grupp's subsidiary company AS HTG Invest established a new subsidiary company HTG Stevedoring OY to lower costs and to improve the quality of stevedoring in Finland.

In November 2006 the Group launched and christened the new generation high speed vessel in Helsinki. The vessel was named Star. M/S Star will start operating on the Tallinn-Helsinki route from the spring of 2007.

During the first months of 2006/2007 financial year the Group has been carrying out integration of on-shore organizations in Finland and Sweden. The integration process entailed negotiations between the employers and employees' representatives, reviewing all shore activities, joining of offices and changing business names. As a result it was agreed that 128 overlapping full time positions in Finland and 69 overlapping full time positions in Sweden will be reduced and the business names were changed to Tallink Silja OY and Tallink Silja AB respectively.

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

During the 2006/2007 financial year one of the Group's significant tasks will be the integration of Silja operations. There are several areas that have been identified where synergies can be achieved. The management currently estimates approximately 313 million EEK (20 million EUR) of cost-saving synergies during the first year.

In the spring of 2007 the new generation fast ro-pax type vessel will be delivered from the shipyard. This vessel brings new quality and standard to the high speed transportation between Tallinn and Helsinki. She will have cruise vessel's size, cargo vessel's car deck capacity and close to fast ferry's speed. It is possible that some of the existing fleet operating on the Tallinn - Helsinki route will be either sold or deployed elsewhere. Through the higher operational efficiency the new vessel will help to increase the Group's profitability on the Tallinn - Helsinki route.

In the beginning of 2007 the new hotel is scheduled to start operations in the Tallinn harbour area. The new hotel will further enhance the selection of the travel related products offered by the Group and will have a positive impact to the development of sales and earnings.

The investments and developments made in 2005/2006 financial year will continue to have an impact in 2006/2007 financial year. Full 12 month effects of M/S Galaxy, Riga - Stockholm line, Finland - Germany line and Silja's Finland - Sweden line will increase sales and earnings.

In the light of current operations and new developments, the management estimates the Group's sales for the 2006/2007 financial year to reach around 11.7 billion EEK (750 million EUR) and EBITDA is projected to reach approximately 2,816 million EEK (180 million EUR). The earnings per share (EPS) target for 2006/2007 financial year is 8.5 EEK (0.54 EUR).

Due to the seasonality in the Group's operations the higher results are made in the second half of the financial year.

CONSOLIDATED CONDENSED INCOME STATEMENT

(unaudited, in thousands of EEK)	01.06.2006 - 31.08.2006	01.06.2005- 31.08.2005	01.09.2005- 31.08.2006	01.09.2004 - 31.08.2005
Net sales (Note 4)	3,281,601	1,223,721	6,330,911	4,062,961
Cost of sales	-2,073,429	-777,929	-4,498,940	-2,979,506
Gross profit	1,208,172	445,792	1,831,971	1,083,455
Marketing expenses	-189,591	-91,799	-454,520	-336,203
Administrative and general expenses	-220,317	-33,459	-329,798	-119,944
Other operating items	-7,559	182	-1,128	1,466
Income from negative goodwill (Note 3)	710,496	0	710,496	0
Financial income (Note 5)	25,887	1,213	44,854	3,417
Financial expenses (Note 5)	-173,854	-37,618	-316,571	-162,123
Gain from investments into associates	0	2,575	0	3,643
Profit from normal operation before income tax	1,353,234	286,886	1,485,304	473,711
Income tax	342	631	-33	-356
Net profit for the period	1,353,576	287,517	1,485,271	473,355
Attributable to:				
Equity holders of the parent (Note 6)	1,353,416	287,566	1,484,206	473,171
Minority interests	160	-49	1,065	184
Earnings per share (in EEK per share)				
- basic (Note 6)	9.64	2.61	11.38	4.30
- diluted (Note 6)	9.64	2.61	11.38	4.30
(unaudited, in thousands of EUR)	01.06.2006- 31.08.2006	01.06.2005- 31.08.2005	01.09.2005- 31.08.2006	01.09.2004- 31.08.2005
Net sales (Note 4)	209,733	78,210	404,619	259,671
Cost of sales	-132,517	-49,718	-287,535	-190,425
Gross profit	77,216	28,492	117,084	69,246
Marketing expenses	-12,117	-5,867	-29,049	-21,487
Administrative and general expenses	-14,081	-2,138	-21,078	-7,666
Other operating items	-483	11	-72	93
Income from negative goodwill (Note 3)	45,409	0	45,409	0
Financial income (Note 5)	1,655	77	2,867	218
Financial expenses (Note 5)	-11,112	-2,404	-20,233	-10,361
Gain from investments into associates	0	165	0	233
Profit from normal operation before income tax	86,487	18,336	94,928	30,276
Income tax	22	40	-2	-23
Net profit for the period	86,509	18,376	94,926	30,253
Attributable to:				
Equity holders of the parent (Note 6)	86,499	18,379	94,858	30,241
Minority interests	10	-3	68	12
Earnings per share (in EUR per share)				
- basic (Note 6)	0.64	0.17	0.73	0.27
- diluted (Note 6)	0.64	0.17	0.73	0.27

CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousands of EEK)

ASSETS	31.08.2006	31.08.2005
Current assets		
Cash and cash equivalents	1,407,608	326,786
Receivables	843,456	148,861
Prepayments	235,890	49,167
Derivatives (Note 7)	11,633	0
Tax assets	17,644	4,512
Inventories	237,228	84,900
Total current assets	2,753,459	614,226
Non-current assets		
Investments in associates	9,044	0
Other financial assets and prepayments	8,240	72
Pension assets	45,234	0
Property, plant and equipment (Note 8)	21,857,153	6,136,720
Intangible assets (Note 9)	1,258,432	176,153
Total non-current assets	23,178,103	6,312,945
TOTAL ASSETS	25,931,562	6,927,171
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of interest-bearing liabilities (Note 10)	1,228,098	690,473
Payables	1,593,026	331,148
Deferred income	146,042	31,817
Derivatives (Note 7)	24,159	913
Tax liabilities	112,061	70,805
Total current liabilities	3,103,386	1,125,156
Non-current liabilities		
Interest bearing loans and borrowings (Note 10)	13,727,497	3,145,864
Deferred income tax liability	69	329
Pension liability	25,332	0
Total non-current liabilities	13,752,898	3,146,193
TOTAL LIABILITIES	16,856,284	4,271,349
EQUITY		
Minority interests	1,189	274
Equity attributable to equity holders of the parent		
Share capital (Note 11)	1,415,000	1,100,000
Share premium (Note 11)	2,012,394	0
Unregistered share capital with share premium	1,475,727	0
Reserves	1,158,714	27,500
Retained earnings	3,012,254	1,528,048
Total equity attributable to equity holders of the parent	9,074,089	2,655,548
TOTAL EQUITY	9,075,278	2,655,822
TOTAL LIABILITIES AND EQUITY	25,931,562	6,927,171

CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousands of EUR)

ASSETS	31.08.2006	31.08.2005
Current assets		
Cash and cash equivalents	89,963	20,885
Receivables	53,906	9,514
Prepayments	15,076	3,142
Derivatives (Note 7)	743	0
Tax assets	1,128	289
Inventories	15,162	5,426
Total current assets	175,978	39,256
Non-current assets		
Investments in associates	578	0
Other financial assets and prepayments	527	5
Pension assets	2,891	0
Property, plant and equipment (Note 8)	1,396,927	392,208
Intangible assets (Note 9)	80,428	11,258
Total non-current assets	1,481,351	403,471
TOTAL ASSETS	1,657,329	442,727
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of interest-bearing liabilities (Note 10)	78,490	44,129
Payables	101,813	21,165
Deferred income	9,334	2,033
Derivatives (Note 7)	1,544	58
Tax liabilities	7,162	4,525
Total current liabilities	198,343	71,910
Non-current liabilities		
Interest bearing loans and borrowings (Note 10)	877,347	201,057
Deferred income tax	4	21
Pension liability	1,619	0
Total non-current liabilities	878,970	201,078
TOTAL LIABILITIES	1,077,313	272,988
EQUITY		
Minority interests	76	18
Equity attributable to equity holders of the parent		
Share capital (Note 11)	90,435	70,303
Share premium (Note 11)	128,615	0
Unregistered share capital with share premium	94,316	0
Reserves	74,056	1,758
Retained earnings	192,518	97,660
Total equity attributable to equity holders of the parent	579,940	169,721
TOTAL EQUITY	580,016	169,739
TOTAL LIABILITIES AND EQUITY	1,657,329	442,727

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

(unaudited, in thousands of EEK)	01.09.2005 - 31.08.2006	01.09.2004 - 31.08.2005
Cash flows from operating activities		
Net profit for the period	1,485,271	473,355
Adjustments	-17,689	427,213
Changes in assets related to operating activities	-276,382	38,501
Changes in inventories	-46,495	-347
Changes in liabilities related to operating activities	91,081	-47,803
Income tax repaid	-791	-117
	1,234,995	890,802
Cash flow used for investing activities		
Purchase of property, plant, equipment and intangible assets (Notes 8,9)	-7,824,715	-357,238
Proceeds from disposals of property, plant, equipment	181,619	1,372
Proceeds from disposals of associates	5,000	0
Acquisition of subsidiaries (Note 3)	-969,511	90
Dividends received	0	1,200
Interest received	23,007	2,974
	-8,584,600	-351,602
Cash flow from (+)/ used for (-) financing activities		
Proceeds from issue of shares (Note 11)	3,668,735	0
Transaction costs of issue of shares	-132,891	0
Proceeds from loans and bonds (Note 10)	12,609,227	458,028
Redemption of loans and bonds (Note 10)	-7,473,544	-884,685
Change in overdraft (Note 10)	-18,249	18,249
Repayment of finance lease liabilities (Note 10)	-5,073	-967
Interest paid	-217,778	-169,707
	8,430,427	-579,082
TOTAL NET CASH FLOW	1,080,822	-39,882
Cash and cash equivalents:		
- at the beginning of period	326,786	366,668
- increase (+) / decrease (-)	1,080,822	-39,882
Cash and cash equivalents at end of period	1,407,608	326,786

(unaudited, in thousands of EUR)	01.09.2005 - 31.08.2006	01.09.2004 - 31.08.2005
Cash flows from operating activities		
Net profit for the period	94,926	30,253
Adjustments	-1,131	27,304
Changes in assets related to operating activities	-17,664	2,460
Changes in inventories	-2,971	-22
Changes in liabilities related to operating activities	5,821	-3,055
Income tax repaid	-50	-7
	78,931	56,933
Cash flow used for investing activities		
Purchase of property, plant, equipment and intangible assets (Notes 8, 9)	-500,090	-22,832
Proceeds from disposals of property, plant, equipment	11,607	88
Proceeds from disposals of associates	320	0
Acquisition of subsidiaries (Note 3)	-61,963	6
Dividends received	0	77
Interest received	1,470	190
	-548,656	-22,471
Cash flow from (+)/ used for (-) financing activities		
Proceeds from issue of shares (Note 11)	234,475	0
Transaction costs of issue of shares	-8,493	0
Proceeds from loans and bonds (Note 10)	805,876	29,273
Redemption of loans and bonds (Note 10)	-477,647	-56,542
Change in overdraft (Note 10)	-1,166	1,166
Repayment of finance lease liabilities (Note 10)	-324	-62
Interest paid	-13,918	-10,846
	538,803	-37,011

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

TOTAL NET CASH FLOW	69,078	-2,549
Cash and cash equivalents:		
- at the beginning of period	20,885	23,434
- increase (+) / decrease (-)	69,078	-2,549
Cash and cash equivalents at end of period	89,963	20,885

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY

(unaudited, in thousands of EEK)

	Share capital	Share premium	Unregistered share capital with share premium	Unrealised exchange differences	Ships revaluation reserve	Cash flow hedge reserve	Mandatory legal reserve	Retained earnings	Shareholders' equity	Minority interests	Total equity
At 31 August 2004	275,000	414,870	0	0	0	0	27,500	1,465,007	2,182,377	0	2,182,377
Changes in equity for 12 months of 2004/2005											
Share issue	825,000	-414,870	0	0	0	0	0	-410,130	0	0	0
Incorporation of new subsidiary	0	0	0	0	0	0	0	0	0	90	90
Net profit of the 12 months of the year 2004/2005 (Note 6)	0	0	0	0	0	0	0	473,171	473,171	184	473,335
Total income and expense for the period	825,000	-414,870	0	0	0	0	0	63,041	473,171	184	473,355
At 31 August 2005	1,100,000	0	0	0	0	0	27,500	1,528,048	2,655,548	274	2,655,822
Changes in equity for 12 months of 2005/2006											
Share issue (Note 11)	315,000	2,012,394	1,475,727	0	0	0	0	0	3,803,121	0	3,803,121
Dividends of subsidiaries	0	0	0	0	0	0	0	0	0	-150	-150
Net profit of the 12 months of the year 2005/2006 (Note 6)	0	0	0	0	0	0	0	1,484,206	1,484,206	1,065	1,485,271
Revaluation of ships (Note 8)	0	0	0	0	1,138,827	0	0	0	1,138,827	0	1,138,827
Net losses on cash flow hedges (Note 7)	0	0	0	0	0	-7,636	0	0	-7,636	0	-7,636
Foreign currency translation	0	0	0	23	0	0	0	0	23	0	23
Total income and expense for the period	0	0	0	23	1,138,827	-7,636	0	1,484,206	2,615,420	1,065	2,616,485
At 31 August 2006	1,415,000	2,012,394	1,475,727	23	1,138,827	-7,636	27,500	3,012,254	9,074,089	1,189	9,075,278

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

(unaudited, in thousands of EUR)

	Share capital	Share premium	Unregistered share capital with share premium	Unrealised exchange differences	Ships revaluation reserve	Cash flow hedge reserve	Mandatory legal reserve	Retained earnings	Shareholders' equity	Minority interests	Total equity
At 31 August 2004	17,576	26,515	0	0	0	0	1,758	93,631	139,479	0	139,480
Changes in equity for 12 months of 2004/2005											
Share issue	52,727	-26,515	0	0	0	0	0	-26,212	0	0	0
Incorporation of new subsidiary	0	0	0	0	0	0	0	0	0	6	6
Net profit of the 12 months of the year 2004/2005 (Note 6)	0	0	0	0	0	0	0	30,241	30,241	12	30,253
Total income and expense for the period	0	0	0	0	0	0	0	30,241	30,241	12	30,253
At 31 August 2005	70,303	0	0	0	0	0	1,758	97,660	169,721	18	169,739
Changes in equity for 12 months of 2005/2006											
Share issue (Note 11)	20,132	128,615	94,316	0	0	0	0	0	243,063	0	243,063
Dividends of subsidiaries	0	0	0	0	0	0	0	0	0	-10	-10
Net profit of the 12 months of the year 2005/2006 (Note 6)	0	0	0	0	0	0	0	94,858	94,858	68	94,926
Revaluation of ships (Note 8)	0	0	0	0	72,784	0	0	0	72,784	0	72,784
Net losses on cash flow hedges (Note 7)	0	0	0	0	0	-488	0	0	-488	0	-488
Foreign currency translation	0	0	0	2	0	0	0	0	2	0	2
Total income and expense for the period	0	0	0	2	72,784	-488	0	94,858	167,156	68	167,224
At 31 August 2006	90,435	128,615	94,316	2	72,784	-488	1,758	192,518	579,940	76	580,016

The notes on pages 17 to 28 form an integral part of these financial statements.

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 first nine months of the financial year 2005/2006 were authorised for issue in accordance with a resolution of the Management Board on 30 November 2006. AS Tallink Grupp is a limited company incorporated in Estonia and employed 5,987 people at 31 August 2006 (31 August 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 31 August 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 been expressed also 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 AS Tallink Grupp started to establish a new subsidiary OÜ Mare Pharmaci 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 is registered after 31 August 2006 in Estonia and will supply medical services.

In November 2005 AS Tallink Grupp established a new subsidiary AS Tallink Latvija 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 sales and marketing purpose in Latvia.

In March 2006 AS Tallink Grupp established a new subsidiary AS Tallink Baltic with 100% of the ownership. The payment into the share capital in the amount of 400 thousand EEK (*26 thousand EUR*) was made in cash. The new subsidiary has been registered in Estonia.

In March 2006 AS Tallink Grupp established three new subsidiaries: Baltic SF VII Limited, Baltic SF VIII Limited and Baltic SF IX Limited. The payment into share capital in the amount of 27 thousand EEK (*2 thousand EUR*) per company was made in March 2006. These new subsidiaries have been registered in Cyprus and were established for later ship owning purpose.

In April 2006 AS Tallink Grupp purchased 100% of the voting shares of AS HTG Invest from Transiidikeskuse AS. The purchase price was 17 500 thousand EEK (*1,118 thousand EUR*). AS HTG Invest is stevedoring company operating in Port of Tallinn. The fair values of the identifiable assets and liabilities of AS HTG Invest acquired are:

Notes to the unaudited interim financial statements
12 months of the financial year 2005/2006
AS Tallink Grupp

	in thousands of EEK		in thousands of EUR	
	Carrying value	Recognised on acquisition	Carrying value	Recognised on acquisition
Cash and bank accounts	7,419	7,419	474	474
Receivables and prepayments	3,329	3,329	213	213
Inventories	218	218	14	14
Property, plant & equipment	1,094	4,065	70	260
Other intangible assets	0	7,338	0	469
Total assets	12,060	22,369	771	1,430
Short term liabilities	4,869	4,869	312	312
Total liabilities	4,869	4,869	312	312
Fair value of net assets	7,191	17,500	459	1,118
Purchase price		17,500	0	1,118

Cash outflow on acquisition:

	in thousands of EEK	in thousands of EUR
Net cash acquired with the subsidiary	7,419	474
Cash paid	<u>-17,500</u>	<u>-1,118</u>
Net cash outflow	<u><u>-10,081</u></u>	<u><u>-644</u></u>

Assets and liabilities of AS HTG Invest as of 31 August 2006 and its income and expenses for the period of April 2006 to August 2006 do not influence the financial position of the Group at the reporting date and results of the Group for the reporting period significantly.

In May 2006 AS Tallink Grupp established a new subsidiary AS Tallink Scandinavian with 100% of the ownership. The payment into the share capital in the amount of 1,000 thousand EEK (64 thousand EUR) was made in cash. The new subsidiary has been registered in Estonia.

On 30 June 2006, AS Tallink Scandinavian (a subsidiary of the Group) purchased 100% of voting shares of Silja Oy Ab from Silja Holdings Ltd, an unlisted company specialising in the cargo and passenger transportation. Silja Holdings Ltd is owned by Sea Containers Ltd. The purchase price was 1,592,088 thousand EEK (101,753 thousand EUR). The share purchase agreement for Silja Oy Ab shares was signed on 11 June 2006 and the acquisition was concluded on 19 July 2006 after being approved at an extraordinary shareholders meeting and by the Competition Authorities of Estonia, Finland and Sweden. Financially the Silja's business came over to the Group and is consolidated from 01 July 2006. The purchase price allocation is based on the data of 30 June 2006. The fair values of the identifiable assets and liabilities of Silja Oy Ab as at the date of acquisition were as follows:

	in thousands of EEK		in thousands of EUR	
	Carrying value	Recognised on acquisition	Carrying value	Recognised on acquisition
Cash and bank accounts	303,435	303,435	19,393	19,393
Receivables and prepayments	616,803	616,803	39,421	39,421
Inventories	105,615	105,615	6,750	6,750
Non-current financial assets	64,683	64,683	4,134	4,134
Property, plant & equipment	6,783,005	7,344,828	433,513	469,420
Trade mark of Silja	0	912,009	0	58,288
Other intangible assets	166,010	166,010	10,610	10,610
Total assets	8,039,551	9,513,383	513,821	608,016
Short term liabilities	2,152,691	2,152,691	137,582	137,582
Long term liabilities	5,058,108	5,058,108	323,272	323,272
Total liabilities	7,210,799	7,210,799	460,854	460,854
Fair value of net assets	828,752	2,302,584	52,967	147,162
Purchase price		1,592,088		101,753
Negative goodwill		-710,496		-45,409

*Notes to the unaudited interim financial statements
12 months of the financial year 2005/2006
AS Tallink Grupp*

1,241,401 thousand EEK (79,340 thousand EUR) was paid in cash and AS Tallink Grupp issued 5,000,000 ordinary shares with a fair value of 54.76 EEK (3.5 EUR) each, being published closing price on the Tallinn Stock Exchange at 30 June 2006. The final purchase price adjustments, which need to be agreed between the seller of Silja shares and the Group according to the Share Purchase Agreement, are still to be finalised. The parties are currently in disagreement on some closing balances as of transaction completion date. The Management believes that resolving of the disagreement may lead to the decrease in the purchase price. Therefore the purchase price allocation is provisional.

Cost:

	In thousand EEK	In thousand EUR
Shares issued, at fair value	273,816	17,500
Cash paid	1,241,401	79,340
Costs associated with the acquisition	76,871	4,913
Total	<u>1,592,088</u>	<u>101,753</u>

Cash outflow on acquisition:

	In thousand EEK	In thousand EUR
Net cash acquired with the subsidiary	303 435	19,393
Cash paid	1,241,401	79,340
Transaction costs*	-21 464	-1,372
Net cash outflow	<u>-959,430</u>	<u>-61,319</u>

* as of 31 August 2006, the transaction costs of 55,407 thousand EEK (3,541 thousand EUR) was not paid

In July 2006 AS Tallink Grupp acquired 100% of Ingebly (1699) Ltd. The share capital is 1,000 pounds sterling (23 thousand EEK (1 thousand EUR)). The purpose of the company is to represent AS Tallink Grupp and its subsidiaries and to act as a process agent according to U.K. law.

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).

Notes to the unaudited interim financial statements
12 months of the financial year 2005/2006
AS Tallink Grupp

Geographical segments

(in thousands of EEK)

01.09.2005-31.08.2006	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
Revenue									
Sales to external customers	2,656,856	1,370,932	137,854	598,886	1,324,219	183,985	58,179	0	6,330,911
Inter-segment sales	0	38,866	0	0	0	60,319	0	-99,185	0
	2,656,856	1,409,798	137,854	598,886	1,324,219	244,304	58,179	-99,185	6,330,911
Segment result	582,112	163,353	-32,646	156,944	441,028	53,924	12,736	0	1,377,451
Unallocated expenses									-330,926
Negative goodwill (Note 3)									710,496
Net financial items (Note 5)									-271,717
Profit before income tax									1,485,304

01.09.2004-31.08.2005	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
Revenue									
Sales to external customers	2,442,325	1,391,979	0	0	0	87,808	140,849		4,062,961
Inter-segment sales	0	21,905	0	0	0	59,206	0	-81,111	0
	2,442,325	1,413,884	0	0	0	147,014	140,849	-81,111	4,062,961
Segment result	371,780	327,386	0	0	0	50,401	-2,315	0	747,252
Unallocated expenses									-118,478
Net financial items (Note 5)									-158,706
Gain from investments into associates									3,643
Profit before income tax									473,711

Notes to the unaudited interim financial statements
12 months of the financial year 2005/2006
AS Tallink Grupp

(in thousands of EUR)

01.09.2005-31.08.2006	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
Revenue									
Sales to external customers	169,804	87,619	8,810	38,276	84,633	11,759	3,718	0	404,619
Inter-segment sales	0	2,484	0	0	0	3,855	0	-6,339	0
	169,804	90,103	8,810	38,276	84,633	15,614	3,718	-6,339	404,619
Segment result	37,204	10,440	-2,087	10,031	28,187	3,446	814	0	88,035
Unallocated expenses									-21,150
Negative goodwill (Note 3)									45,409
Net financial items (Note 5)									-17,366
Profit before income tax									94,928

01.09.2004-31.08.2005	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
Revenue									
Sales to external customers	156,093	88,964	0	0	0	5,612	9,002		259,671
Inter-segment sales	0	1,400	0	0	0	3,784	0	-5,184	0
	156,093	90,364	0	0	0	9,396	9,002	-5,184	259,671
Segment result	23,761	20,924	0	0	0	3,221	-148	0	47,758
Unallocated expenses									-7,572
Net financial items (Note 5)									-10,143
Gain from investments into associates									233
Profit before income tax									30,276

Operational segments

	(in thousands of EEK)		(in thousands of EUR)	
	01.09.2005- 31.08.2006	01.09.2004- 31.08.2005	01.09.2005- 31.08.2006	01.09.2004- 31.08.2005
Ticket sales	1,803,179	1,018,683	115,244	65,106
Revenue from packages	157,622	163,175	10,074	10,429
Sales of cargo transport	1,229,382	721,690	78,572	46,125
Accommodation sales	95,043	86,876	6,074	5,552
Restaurant and shops sales on-board and on mainland	2,776,707	1,912,232	177,464	122,214
Income from leases of vessels	57,316	95,416	3,663	6,098
Other	211,662	64,889	13,528	4,147
Total revenue of the Group	6,330,911	4,062,961	404,619	259,671

Note 5 FINANCIAL INCOME AND EXPENSES

	(in thousands of EEK)		(in thousands of EUR)	
	01.09.2005 - 31.08.2006	01.09.2004 - 31.08.2005	01.09.2005 - 31.08.2006	01.09.2004 - 31.08.2005
Net foreign exchange gains	0	454	0	29
Income from interest rate swap	12,993	0	830	0
Other interest income	23,208	2,963	1,483	189
Other financial income	8,653	0	554	0
Total financial income	44,854	3,417	2,867	218
Net foreign exchange losses	-1,080	0	-69	0
Interest expenses	-298,028	-160,781	-19,048	-10,276
Expenses from interest rate swap	-17,463	-1,342	-1,116	-85
Total financial expenses	-316,571	-162,123	-20,233	-10,361

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 thousands of EEK)		(in thousands of EUR)	
	01.09.2005 - 31.08.2006	01.09.2004 - 31.08.2005	01.09.2005 - 31.08.2006	01.09.2004 - 31.08.2005
Weighted average number of ordinary shares (pcs)	130,381,941	110,000,000	130,381,941	110,000,000
Net profit attributable to ordinary shareholders	1,484,206	473,171	94,858	30,241
Earnings per share (in EEK/EUR per share)	11.38	4.30	0.73	0.27

The calculation of weighted average number of ordinary shares bases on the following:

- period from 01 September 2005 to 07 December 2005 (98 days) – 110,000,000 shares;
- period from 08 December 2005 to 30 June 2006 (205 days) – 136,500,000 shares;
- period from 01 July 2006 to 29 August 2006 (60 days) – 141,500,000 shares;
- period from 30 August 2006 to 31 August 2006 (2 days) – 168,454,260 shares.

For additional information on issues of shares see also Note 11.

Note 7 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.

Movements in the fair values of interest rate financial instruments were as follows:

(in thousands of EEK)	Maturity	31.08.2006		31.08.2005	
		Notional amount	Fair value	Notional amount	Fair value
Interest rate swap qualified as a cash flow hedge	2013	1,564,660	-7,636	0	0
Interest rate swap not qualified as a cash flow hedge	2007	53,088	430	106,177	-913
Interest rate swap not qualified as a cash flow hedge	2012	1,157,848	11,203	0	0
Interest rate swap not qualified as a cash flow hedge	2013	2,065,351	-16,523	0	0
Total derivatives with positive value			11,633		
Total derivatives with negative value			24,159		913

(in thousands of EUR)	Maturity	2006		2005	
		Notional amount	Fair value	Notional amount	Fair value
Interest rate swap qualified as a cash flow hedge	2013	100,000	-488	0	0
Interest rate swap not qualified as a cash flow hedge	2007	3,393	27	6,786	-58
Interest rate swap not qualified as a cash flow hedge	2012	74,000	716	0	0
Interest rate swap not qualified as a cash flow hedge	2013	132,000	-1,056	0	0
Total derivatives with positive value			743		0
Total derivatives with negative value			1,544		58

Note 8 PROPERTY, PLANT AND EQUIPMENT

(in thousands of 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	5,923	7,513,559	24,609	265,850	7,809,941
Acquisition of subsidiaries (Note 3)	134,348	7,127,027	87,518	0	7,348,893
Revaluation [1]	0	1,138,827	0	0	1,138,827
Exchange rate differences	0	0	23	0	23
Disposals	-673	-164,391	-10,375	0	-175,439
Depreciation for the period	-5,196	-379,506	-17,110	0	-401,812
Book value at Aug 31, 2006	145,989	21,053,598	115,964	541,602	21,857,153

At Aug 31, 2006

-Cost	158,781	21,053,598	186,355	541,602	21,940,336
-Accumulated depreciation	-12,792	0	-70,391	0	-83,183

	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	1,667	149,244	12,954	-82,128	275,532	357,269
Disposals	0	0	-975	0	0	-975
Depreciation for the period	-1,458	-251,184	-17,870	0	0	-270,512
Book value at Aug 31, 2005	11,587	5,818,082	31,299	0	275,752	6,136,720

At Aug 31, 2005

-Cost	19,183	6,933,884	95,764	0	275,752	7,324,583
-Accumulated depreciation	-7,596	-1,115,802	-64,465	0	0	-1,187,863

(in thousands of 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	378	480,204	1,573	16,991	499,146
Acquisition of subsidiaries (Note 3)	8,586	455,500	5,594	0	469,680
Revaluation [1]	0	72,784	0	0	72,784
Exchange rate differences	0	0	1	0	1
Disposals	-43	-10,506	-663	0	-11,212
Depreciation for the period	-332	-24,255	-1,093	0	-25,680
Book value at August 31, 2006	9,330	1,345,570	7,412	34,615	1,396,927

At Aug 31, 2006

-Cost	10,148	1,345,570	11,910	34,615	1,402,243
-Accumulated depreciation	-818	0	-4,498	0	-5,316

	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	107	9,538	828	-5,249	17,610	22,834
Disposals	0	0	-62	0	0	-62
Depreciation for the period	-93	-16,054	-1,142	0	0	-17,289
Book value at August 31, 2005	741	371,842	2,001	0	17,624	392,208

At Aug 31, 2005

-Cost	1,226	443,156	6,120	0	17,624	468,126
-Accumulated depreciation	-485	-71,314	-4,119	0	0	-75,918

[1] As of 31 August 2006, the Group carried out the revaluation of its ships for the first time. The Group used the valuations of two independent appraisers to determine the fair value of ships. The fair value was determined by reference to market-based evidence.

As a result of the revaluations, the carrying amount of the Group's ships increased by the 1,138,827 thousand EEK (72,784 thousand EUR), which was taken directly to the equity of the Group. There were no ships, where the initial carrying amount was higher than its fair value.

[2] 31 August 2006 prepayments for 3 new ships included.

Note 9 INTANGIBLE ASSETS

	(in thousands of EEK)				(in thousands of EUR)			
	Goodwill	Trademark	Others	Total	Goodwill	Trademark	Others	Total
Book value at Aug 31, 2005	173,148	0	3,005	176,153	11,066	0	192	11,258
Additions	0	0	14,774	14,774	0	0	945	945
Acquisition of new subsidiaries (Note 3)	0	912,009	173,348	1,085,357	0	58,288	11,079	69,367
Amortization for the period	0	-7,604	-10,248	-17,852	0	-486	-656	-1,142
Book value at Aug 31, 2006	173,148	904,405	180,879	1,258,432	11,066	57,802	11,560	80,428

At Aug 31, 2006

Cost	173,148	912,009	194,512	1,279,669	11,066	58,288	12,432	81,786
Accumulated amortization	0	-7,604	-13,633	-21,237	0	-486	-872	-1,358

Notes to the unaudited interim financial statements
12 months of the financial year 2005/2006
AS Tallink Grupp

	(in thousands of EEK)				(in thousands of EUR)			
	Goodwill	Trademark	Others	Total	Goodwill	Trademark	Others	Total
Book value at Aug 31, 2004	173,148	0	3,295	176,443	11,066	0	211	11,277
Additions	0	0	1,076	1,076	0	0	69	69
Amortization for the period	0	0	-1,366	-1,366	0	0	-88	-88
Book value at Aug 31, 2005	173,148	0	3,005	176,153	11,066	0	192	11,258
At Aug 31, 2005								
Cost	173,148	0	6,390	179,538	11,066	0	408	11,474
Accumulated amortization	0	0	-3,385	-3,385	0	0	-216	-216

Note 10 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of EEK)

	Aug 31, 2005	New loans	Acquisition of subsidiaries	Repayments	Other changes [1]	Aug 31, 2006
Lease liability	1,916	0	53,715	-5,073	0	50,558
Bonds	193,306	0	0	-60,000	5,970	139,276
Bank overdrafts	18,249	0	0	-18,249	0	0
Long-term bank loans	3,524,336	12,607,742	5,942,156	-7,315,014	6,541	14,765,761
Other long-term loans	98,530	0	0	-98,530	0	0
TOTAL	3,836,337	12,607,742	5,995,871	-7,496,866	12,511	14,955,595
incl. short-term portion	690,473					1,228,098
long-term portion	3,145,864					13,727,497

(in thousands of EUR)

	Aug 31, 2005	New loans	Acquisition of subsidiaries	Repayments	Other changes [1]	Aug 31, 2006
Lease liability	122	0	3,434	-324	0	3,232
Bonds	12,355	0	0	-3,835	381	8,901
Bank overdrafts	1,166	0	0	-1,166	0	0
Long-term bank loans	225,246	805,782	379,773	-467,515	418	943,704
Other long-term loans	6,297	0	0	-6,297	0	0
TOTAL	245,186	805,782	383,207	-479,137	799	955,837
incl. short-term portion	44,129					78,490
long-term portion	201,057					877,347

[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.

The amount of new loans in the amount of 12,719,121 thousand EEK (812,900 thousand EUR) is reduced by arrangement fees 111,379 thousand EEK (7,118 thousand EUR).

Bank overdrafts are secured with commercial pledge (in the total amount of 266,120 thousand EEK (17,008 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 9,134,354 thousand EEK (583,792 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 Silja Oy Ab amounting to 5,414,709 thousand EEK (346,063 thousand EUR). The primary securities for these loans are the pledge of shares of Silja Oy Ab and mortgages on the ships belonging to the above-mentioned subsidiary.

Note 11 SHARE CAPITAL

	(in thousands of EEK)		(in thousands of EUR)	
	2006	2005	2006	2005
Ordinary shares of 10 EEK each (in thousand)	168,454	110,000	168,454	110,000
Included the number of shares issued and fully paid (in thousand)	168,454	110,000	168,454	110,000
Included the number of shares issued but not registered (in thousand)	26,954	0	26,954	0
Share capital	1,684,543	1,100,000	107,662	70,303
Share premium per share in EEK/EUR	19.11	0	1.22	0
Total share premium	3,218,578	0	205,704	0
Included share premium not registered	1,206,184	0	77,089	0

According to the Articles of Association of the Parent effective as of 31 August 2006 the maximum number of authorised common shares is 546,000 thousand EEK (34,896 thousand EUR).

According to AS Tallink Grupp Shareholders' General Meeting on 30 November 2005, the Parent decided to increase the share capital from 1,100,000,000 EEK (70,303,000 EUR) to 1,365,000 thousand EEK (87,239 thousand EUR) by issuing 26,500 thousand new shares with par value of 10 EEK (0.64 EUR) 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 08 December 2005. The share premium has been reduced by the expenses of 132,457 thousand EEK (8,465 thousand EUR) related to the issuing of shares.

According to AS Tallink Grupp Shareholders Extraordinary General Meeting on 22 June 2006, The Parent decided to increase the share capital by 50,000 thousand EEK (3,196 thousand EUR) by issuing 5,000 thousand new shares with nominal value of 10 EEK (0.6 EUR). The new shares were issued at a premium of 44.76 EEK (2.86 EUR). These new shares were paid as a non-monetary contribution for the shares of the Silja Oy Ab. The share premium of the last issue has been reduced by the transaction costs of 199 thousand EEK (13 thousand EUR)

According to AS Tallink Grupp Shareholders Extraordinary General Meeting on 02 August 2006, the Parent decided to issue new 28,300 thousand shares with nominal value of 10 EEK (0.6 EUR). Shareholders were given the right to subscribe for new shares in proportion to the sum of the nominal values of the shareholders own shares. During the subscription 95.2 % of the shares were subscribed. The Management Board of AS Tallink Grupp annulled 1,345,740 shares not subscribed. 26,954,260 new shares with nominal value 10 EEK (0.64 EUR) were issued at a premium of 45 EEK (2.88 EUR). The payment for new shares was made on 30 August 2006. The last increase in share capital was registered after balance sheet date. The share premium of the last issue has been reduced by the transaction costs of 6,758 thousand EEK (432 thousand EUR).

Note 12 RELATED PARTY DISCLOSURES

(in thousands of EEK)

12 months of 2005/2006 or 31.08.2006	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	756	6,090	103	0
AS Infortar, interest expense	0	1,824	0	0
AS HT Valuuta	2,339	0	308	0
AS Vara HTG	0	30,025	0	0
OÜ Mersok	0	144	0	0
AS Vaba Maa	0	3,621	0	310
OÜ Infor Invest	0	50	0	0
OÜ Hera Salongid	221	0	37	0
AS Gastrolink	61	1,088	7	157
AS Baltic Travel	9,090	0	1,232	0
Searail EEIG	11,082	0	13,674	0
12 months of 2004/2005 or 31.08.2005	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	5,099	6,967	5,000	98,530
AS Infortar, interest expense	0	6,993	0	0
AS HT Valuuta	2,247	0	3	0
AS HTG Vara	0	30,000	0	0
OÜ Mersok	0	144	0	14
AS Vaba Maa	0	2,916	0	75

(in thousands of EUR)

12 months of 2005/2006 or 31.08.2006	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	48	389	7	0
AS Infortar, interest expense	0	117	0	0
AS HT Valuuta	149	0	20	0
AS Vara HTG	0	1,919	0	0
OÜ Mersok	0	9	0	0
AS Vaba Maa	0	231	0	20
OÜ Infor Invest	0	3	0	0
OÜ Hera Salongid	14	0	2	0
AS Gastrolink	4	70	0	10
AS Baltic Travel	581	0	79	0
Searail EEIG	708	0	874	0
12 months of 2004/2005 or 31.08.2005	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	326	445	320	6,297
AS Infortar, interest expense	0	447	0	0
AS HT Valuuta	144	0	0	0
AS HTG Vara	0	1,917	0	0
OÜ Mersok	0	9	0	1
AS Vaba Maa	0	186	0	5

Note 13 COMMITMENTS

Capital investment commitments

On 12 October 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 1,768,066 thousand EEK (113,000 thousand EUR). 20 % will be paid during construction and 80 % will be paid on delivery of the ship.

On 17 December 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 2,581,689 thousand EEK (165,000 thousand EUR). 20 % will be paid during construction and 80 % will be paid on delivery of the ship.

Note 14 EVENTS AFTER BALANCE SHEET DATE

On 07 September 2006 AS Tallink Grupp purchased from Mr. Peter Roose his 30% minority shareholding in OÜ TLG Meedia, a subsidiary of AS Tallink Grupp. After the transaction AS Tallink Grupp is a sole owner of OÜ TLG Meedia.

On 28 September 2006 the Group made a prepayment 172,113 thousand EEK (*11,000 thousand EUR*) to Aker Finnyards OY.

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

Hereby we declare our responsibility for the Interim Consolidated Condensed Financial Statements and confirm that the AS Tallink Grupp's Interim Consolidated Condensed Financial Statements for the 12 months of the financial year 2005/2006 ended 31 August 2006 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 operations as a concern for a period of at least one year of the date of approving these financial statements.

Chairman of the Board
Enn Pant

Member of the Board
Andres Hunt

Member of the Board
Kalev Järvelill

Member of the Board
Keijo Mehtonen

Member of the Board
Lembit Kitter

Tallinn