

AS TALLINK GRUPP

Unaudited Interim Consolidated Condensed Financial Statements

**for the I half-year of the financial year 2006/2007
ended February 28, 2007**

Beginning of the financial year 1. September 2006
End of the financial year 31. August 2007

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Primary activity maritime transportation
(passengers and cargo transportation)

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MANAGEMENT REPORT FOR THE INTERIM FINANCIAL STATEMENTS for the I half-year of the financial year 2006/2007 ended February 28, 2007

During the first half of the 2006/2007 financial year the revenues of AS Tallink Grupp and its subsidiaries (hereinafter also referred to as “the Group”) increased by 205% compared to the same period of previous financial year. The Group’s EBITDA increased nearly 209% and reached 789 million EEK (50 million EUR).

As usual to the nature of our business the second quarter is the weakest season of the financial year. Despite the additional restructuring costs and the fact that many of the operational changes and vessels’ dockings were done during the second quarter we have maintained the operational profitability for the first half-year. The EBITDA margin for the first-half year period is holding at 14.5%, a percentage point higher than last year. Excluding the integration related 77 million EEK (5 million EUR) non recurring costs the EBITDA margin would be 15.9% which shows the actual performance of the Group by date.

Similarly to the first quarter the primary focus has also in the second quarter been on the integration of Silja and Tallink, on the related changes in the organisation and launching of actions generating positive synergies. The improvements of the acquired Silja operations have been noticeable and the integration process has been successful. The Silja’s EBITDA level has improved approximately by 140 million EEK (9 million EUR) during the first half-year of 2006/2007 financial year compared to the 2005/2006 pro-forma results.

KEY EVENTS IN 1st HALF-YEAR

- Ongoing integration of Finland-Sweden operations. Reduction of 128 full time positions in Finland and 69 full time positions in Sweden;
- Meloodia chartered to Mediterranean;
- Superfast vessels and M/S Vana Tallinn operating on Tallinn-Helsinki route;
- Annual General Meeting;

1st HALF-YEAR KEY FIGURES

	01.09.2006-28.02.2007		01.09.2005-28.02.2006		change %
	EEK	EUR	EEK	EUR	
Net sales (million)	5,448.8	348.2	1,786.0	114.1	205.1
EBITDA (million)	789.1	50.4	255.7	16.3	208.6
EBITDA margin (%)	14.5		14.3	14.3	
Net profit for the period (million)	2.6	0.2	55.2	3.5	-95.3
Net profit margin (%)	0.0	0.0	3.1	3.1	
Depreciation (million)	509.1	32.5	138.5	8.9	267.6
Investments (million)	413.6	26.4	237.8	15.2	74.0

Weighted average number of ordinary shares outstanding during 1 st half-year*	673,817,040		488,607,736		37.9
Earnings per share	0.00	0.00	0.11	0.01	-96.5
Number of passengers	2,978,815		1,336,872		122.8
Cargo units	175,935		70,044		151.2
Average number of employees	5,970		2,632		126.8

	28.02.2007		31.08.2006		change %
	EEK	EUR	EEK	EUR	
Total assets (million)	25,230.0	1,612.5	25,931.6	1,657.3	-2.7
Total liabilities (million)	15,808.0	1,010.3	16,856.3	1,077.3	-6.2
Interest-bearing liabilities (million)	14,366.9	918.2	14,955.6	955.8	-3.9
Total equity (million)	9,082.9	580.5	9,075.3	580.0	0.1
Equity ratio (%)	36.0		35.0		

Number of ordinary shares outstanding*	673,817,040	546,000,000	23.4
Shareholders equity per share	13.48	0.86	16.62
		1.06	-18.9

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;

Shareholder's equity per share – Shareholder's equity / Number of shares outstanding;

* share numbers have been adjusted in connection with the share bonus issue in January 2007

SALES AND EARNINGS

Net sales of AS Tallink Grupp and its subsidiaries amounted to 5,448.8 million EEK (348.2 million EUR) in the first half of 2006/2007 financial year (September 01, 2006 – February 28, 2007) compared to 1,786.0 million EEK (114.1 million EUR) with the first half of 2005/2006 financial year (September 01, 2005 – February 28, 2006). The 3,662.8 million EEK (234.1 million EUR) or 205.1% increase in sales in the first half resulted largely from the investments made during the previous financial year, but also from the increased number of passengers on Estonia-Finland and Estonia-Sweden routes and increased revenues per passenger.

The following tables provide an overview of the sales distribution in the first half-year on geographical and operational segment based approach.

Geographical segments	06/07	05/06	Operational segments	06/07	05/06
Finland - Sweden	50.8%		Restaurant, shop and other sales on-board and on mainland	56.3%	49.2%
Estonia - Finland	23.2%	64.1%	Sales of cargo transportation	21.5%	21.4%
Estonia - Sweden	11.1%	30.7%	Ticket sales	19.4%	23.3%
Finland - Germany	9.8%		Income from leases of vessels	1.3%	1.0%
Latvia - Sweden	2.2%		Revenue from hotel packages	0.8%	3.1%
Mainland business and lease of vessels	2.9%	5.3%	Accommodation sales	0.7%	2.0%

During the first half of 2006/2007 financial year the Group's EBITDA increased by 208.6% to 789.1 million EEK (50.4 million EUR). The net profit decreased by 95.3% from 55.2 million EEK (3.5 million EUR) to 2.6 million EEK (0.2 million EUR). Basic earnings per share and diluted earnings per share were 0.00 EEK (0.00 EUR) in the first half of 2006/2007 financial year, a decrease of 97.7% compared to 0.11 EEK (0.01 EUR) in the corresponding period in 2005/2006 financial year. The second quarter performance was largely influenced from many of the operational factors such as vessels' dry-dockings and fleet changes on the routes.

During the first half the Group's earnings were negatively affected by several non-recurring integration costs in the total amount of 77 million EEK (5 million EUR) which are mainly related to the redundancies at our Finnish and Swedish shore organisation. It is estimated that these non-

recurring redundancy costs will lead to approximately 147 million EEK (9.4 million EUR) yearly savings on overhead costs. In addition to the identified integration costs approximately 15.6 million EEK (1 million EUR) of indirect non-recurring costs are related to the restructuring and integration of our Finnish and Swedish shore operations.

MARKET DEVELOPMENTS

Following table provides an overview of the passengers, cargo units and passenger vehicles transported in the first half of 2006/2007 and 2005/2006 financial years.

Passengers	2006/2007	2005/2006	Change %
Estonia - Finland route	1,112,879	1,073,377	3.7
Estonia - Sweden routes	296,289	263,495	12.4
Latvia - Sweden route	73,916		
Finland - Germany route	46,842		
Finland - Sweden routes	1,448,889		
Total	2,978,815	1,336,872	122.8

Cargo units			
Estonia - Finland route	49,783	45,781	8.7
Estonia - Sweden routes	21,931	24,263	-9.6
Latvia - Sweden route	3,448		
Finland - Germany route	35,276		
Finland - Sweden routes	65,497		
Total	175,935	70,044	151.2

Passenger vehicles			
Estonia - Finland route	97,633	88,790	10.0
Estonia - Sweden routes	25,602	31,424	-18.5
Latvia - Sweden route	13,321		
Finland - Germany route	15,042		
Finland - Sweden routes	68,356		
Total	219,954	120,214	83.0

The following operational factors influenced the traffic volumes development in the first half-year:

Estonia-Finland:

M/S Galaxy, larger in capacities, operates Tallinn-Helsinki route instead of M/S Romantika.

M/S Meloodia was in dock for six days in October 2006 during which the ferry was not in the operations.

Cargo vessel M/S Regal Star was in the dock in December 2006. The vessel did not operate for 20 days.

Due to the weather conditions there were fewer trips made by the Autoexpress high-speed vessels in the first half of 2006/2007 financial year compared to the corresponding period in 2005/2006 financial year.

M/S Meloodia was chartered out from the beginning of the January 2007 and was not operating on the Tallinn-Helsinki route. The lower capacity was partly off-set by the operations of M/S AutoExpress 2 during 1st to 9th January 2007 and by the operations of M/S Vana Tallinn starting from the 10th of January 2007. Since the middle of January 2007 Superfast vessels started operating on the Tallinn-Helsinki route with one round-trip per day.

In the beginning of January the cargo capacity was smaller on the Estonia-Finland route because M/S Meloodia was not in operations. The cargo capacity was increased later from the middle of January as the Superfast vessels started to operate one round-trip per day. Higher cargo capacity compared to the previous financial year resulting from the operations of larger vessel M/S Regal Star on the route instead of the M/S Kapella during September until December 2006, the higher capacity resulting from the Superfast vessels operations in January and February 2007 and increasing cargo demand led to higher number of transported cargo units.

Estonia-Sweden:

M/S Romantika, larger in capacities, operates Tallinn-Stockholm line instead of M/S Regina Baltica.

Resulting from the swap of M/S Regal Star and M/S Kapella the car deck capacity was on the other hand smaller on Estonia-Sweden routes during September until December 2006. The cargo and vehicle volumes on Estonia-Sweden routes is partly also affected from the fact that some Latvian and Lithuanian customers are using Latvia-Sweden route instead.

Due to the dock of M/S Vana Tallinn in October 2006 the ferry was not in the operations for 13 days.

The dock and repair works of M/S Regina Baltica in 2005 when the ferry was not in the operations for 10 days affected the business in the first quarter of 2005/2006 financial year.

M/S Vana Tallinn was not operating on the Paldiski-Kapellskär route in January and February 2007 and both the passengers and cargo capacity was thereby smaller than in January and February 2006.

M/S Victoria was in dock in February 2007 and did not operate for 12 days.

Finland-Germany:

Due to the repair works of M/S Superfast VII in October 2006 the ferry was not in the operations for eight days.

In January 2007 M/S Superfast VII was out of operations for six days during repair-works in the harbour.

Finland-Sweden:

M/S Silja Europa was in scheduled docking and the ferry did not operate for six days.

In January 2007 M/S Sea Wind did not operate for five days because of repairs.

The Group's market shares on routes operated during the first half of 2006/2007 financial year were as follows:

the Group carried approximately 46% of the passengers and 50% of ro-ro cargo on the route between Tallinn and Helsinki;

the Group is the only provider of daily passenger transportation between Estonia and Sweden and the only provider of regular passenger transportation between Riga and Stockholm;

the Group carried approximately 55% of the passengers and 35% of ro-ro cargo on the routes between Finland and Sweden;

the Group is the only provider of daily cargo transportation between Tallinn and Stockholm and the only provider of regular cargo transportation between Riga and Stockholm;

the Group's approximate market share of passenger transportation on the route between Finland and Germany was 60% and the approximate market share of cargo transportation on the route was 27%.

PERSONNEL

On February 28, 2007 the Group employed 6,000 employees (2,601 on February 28, 2006).

The following table provides a more detailed overview of the Group's personnel.

	Average of 1 st half-year			End of 1 st half-year		
	2006/2007	2005/2006	change %	28.02.2007	28.02.2006	change %
Onshore total	1,350	617	118.8	1,297	615	110.9
<i>Estonia</i>	550	376	46.3	565	377	49.9
<i>Finland</i>	538	153	251.6	510	149	242.3
<i>Sweden</i>	224	85	163.5	180	86	109.3
<i>Latvia</i>	27			28		
<i>Germany</i>	8			11		
<i>Russia</i>	3	3	0.0	3	3	0.0
At sea	4,464	1,875	138.1	4,484	1,847	142.8
Hotel*	158	140	12.9	219	139	57.6
Total	5,972	2,632	126.9	6,000	2,601	130.7

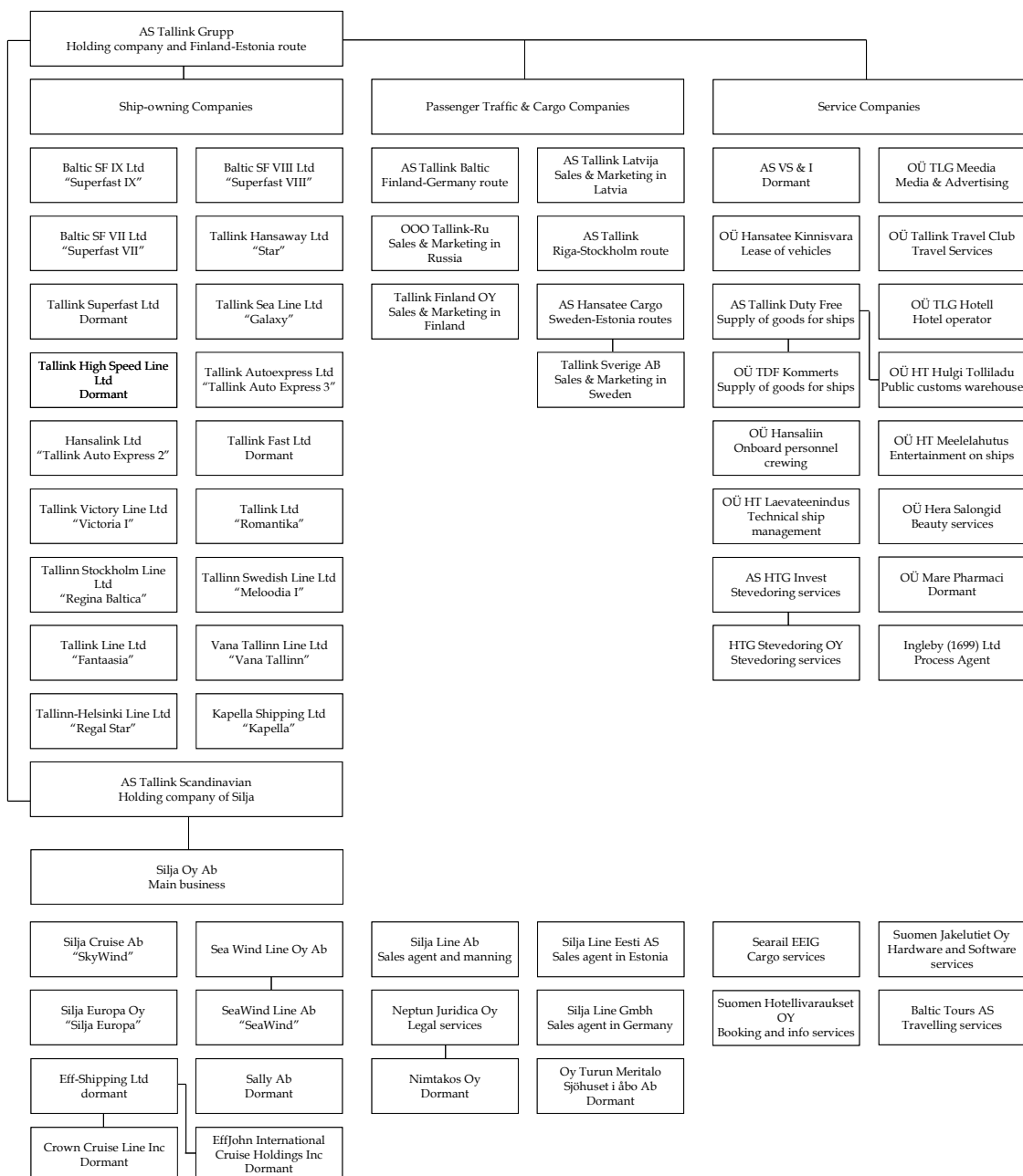
* The number of hotel personnel is not included in the total number of ashore personnel.

CORPORATE STRUCTURE

During the first half-year of 2006/2007 financial year the Group purchased 30% minority shareholding in OÜ TLG Meedia from Mr. Peter Roose, founded HTG Stevedoring OY and a subsidiary company of AS Tallink Grupp, OÜ TLG Hotell, acquired 100% share of OÜ Hera Salongid from AS Infortar. As of October 25, 2006, OÜ Mare Pharmaci is registered in Commercial Register. After the balance sheet date Tallink Silja OY sold its 50% shareholding in Reisevarehuset AS.

On the report date the Group consisted of 62 companies. Most of the subsidiaries are wholly-owned companies of AS Tallink Grupp with the some exceptions. The Group further owns:

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



EVENTS DURING THE 1st HALF-YEAR OF 2006/2007

The Group extended the charter agreement of M/S Fantaasia with Compagnie Marocaine de Navigation until April 2007. In February Tallink agreed with Algerian Company E.N.T.M.V. (Entreprise Nationale de Transport Maritime de Voyageurs) to charter out M/S Fantaasia from May 2007 until October 2007. By this agreement the Charterer has an option to further extend charter period.

On September 07, 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.

During the first half 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 to reduce 128 overlapping full time positions in Finland and 69 overlapping full time positions in Sweden. The business names of Finland and Sweden organizations have been changed to Tallink Silja OY and Tallink Silja AB respectively.

On December 27, 2006 AS Tallink Grupp signed on a charter contract for the vessel Meloodia with Spanish shipping company Eurolineas Maritimas S.A. operating the brand Balària. Starting from January 2007 Meloodia is chartered to the Mediterranean Sea for at least ten months.

As of January 15, 2007 Superfast vessels, operating on route Helsinki–Rostock, have an additional roundtrip per day between ports of Tallinn and Helsinki. The change increases the capacity of Tallinn-Helsinki route and offers more opportunities to the passengers.

The Annual General Meeting of AS Tallink Grupp was held on January 17, 2007. The Meeting approved the annual report of the 2005/2006 financial year and decided not to pay dividends. The Meeting also decided to amend the Articles of Association, to increase the share capital through bonus issue, to authorize the acquisition of own shares, to grant the Supervisory Board the right to carry out share options in order to motivate the key employees of the Group. Mr. Sunil Kumar Nair was elected for the next term of membership in the Supervisory Board and Mr. Kalev Järvelill as a new member of the Supervisory Board. The remuneration and award bonuses to the Supervisory Board were decided and KPMG Baltics AS was nominated as auditor for the 2006/2007 financial year.

On January 19, 2007 the keel of the new generation high speed vessel, built by Fincantieri shipyards in Italy, was laid. The 175 metres long vessel will have the ice class of 1 A, 29 knots speed and she will accommodate up to 2,000 passengers and 2,000 lane metres of vehicles. The vessel will be completed in 2008 and is planned to start operating on the Tallinn-Helsinki route.

In February a subsidiary company of AS Tallink Grupp, OÜ TLG Hotell acquired 100% share of OÜ Hera Salongid from AS Infortar. The main business area of OÜ Hera Salongid is providing beauty services.

In February AS Tallink Grupp's subsidiary company Tallink Autoexpress Ltd. and Arab Bridge Maritime Co. entered into the Memorandum of Agreement, whereby Tallink Autoexpress Ltd. will

sell HSC Tallink Autoexpress 3 at the price of 128 million EEK (8.2 million EUR). The vessel will be delivered to the buyer by the end of April 2007 and the sale will not have any significant material effect on AS Tallink Grupp's consolidated financial results.

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

On March 12, 2007 OÜ TLG Hotell, a subsidiary company of AS Tallink Grupp, started operating the new Tallink Spa & Conference Hotel.

In March 2007 AS Tallink Grupp's subsidiary company Tallink High Speed Line Ltd. and Jaywick Shipping Co Ltd entered into a Memorandum of Agreement, whereby Tallink High Speed Line Ltd. sold HSC Tallink Autoexpress 4 at the price of 125 million EEK (8 million EUR). The vessel was delivered to the buyer in April 2007. The sale of the vessel has no significant effect on increase of AS Tallink Grupp's profits.

In April a new vessel Star was delivered to the Group and started operating on route between Tallinn and Helsinki. With the delivery of M/S Star the Group also launched a new high speed passenger service named Tallink Shuttle between Tallinn and Helsinki. Though the trip on Tallink Shuttle will be quite short, the ship's four restaurants, two bars and over 1,500 square metres of shopping area provide a wide variety of opportunities to spend time onboard. Tallink Shuttle service will offer reliable scheduled service as the new vessel operates in all weather conditions year round.

In April 2007 AS Tallink Grupp and Aker Yards signed a shipbuilding contract for a new large cruise ferry. The approx. 2.8 billion EEK (180 million EUR) worth vessel will be a new development of the M/S Galaxy and her currently under construction sister vessel. The vessel, with a code name of Cruise 5, will be delivered in spring 2009.

In connection to the restructuring of the Group, AS Tallink Grupp's subsidiary Tallink Silja OY sold all of its 50% shareholding in the Norwegian subsidiary Reisevarehuset AS in the end of April. The sale of the shares resulted about 6.7 million EEK (0.4 million EUR) profit for the Group.

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.

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

The performance during the first half, ongoing integration process, which has already shown noteworthy increase of efficiency from optimized onshore activities, the addition of M/S Star and operations of Tallink Spa & Conference hotel to the Group's operations before the start of high season indicate that the Group is on track with the previously announced sales and earnings targets.

CONSOLIDATED CONDENSED INCOME STATEMENT

(unaudited, in thousands of EEK)	01.12.2006- 28.02.2007	01.12.2005- 28.02.2006	01.09.2006- 28.02.2007	01.09.2005 - 28.02.2006
Net sales (Note 4)	2,471,915	793,969	5,448,778	1,786,023
Cost of sales	-2,041,164	-690,905	-4,294,028	-1,440,492
Gross profit	430,751	103,064	1,154,750	345,531
Marketing expenses	-167,747	-56,940	-403,688	-160,433
Administrative and general expenses	-249,683	-30,123	-479,239	-68,336
Other operating items	823	555	8,250	441
Income from negative goodwill (Note 3)	0	0	689	0
Financial income (Note 5)	66,409	9,878	91,045	10,747
Financial expenses (Note 5)	-190,841	-34,136	-367,549	-72,145
Profit from normal operation before income tax	-110,288	-7,702	4,258	55,805
Income tax	-1,708	299	-1,653	-588
Net profit for the period	-111,996	-7,403	2,605	55,217
Attributable to:				
Equity holders of the parent (Note 6)	-111,996	-7,601	2,605	54,598
Minority interests	0	198	0	619
Earnings per share (in EEK per share)				
- basic (Note 6)			0.00	0.11
- diluted (Note 6)			0.00	0.11
(unaudited, in thousands of EUR)	01.12.2006- 28.02.2007	01.12.2005- 28.02.2006	01.09.2006- 28.02.2007	01.09.2005 - 28.02.2006
Net sales (Note 4)	157,984	50,744	348,240	114,148
Cost of sales	-130,454	-44,157	-274,438	-92,064
Gross profit	27,530	6,587	73,802	22,084
Marketing expenses	-10,721	-3,640	-25,800	-10,254
Administrative and general expenses	-15,958	-1,925	-30,629	-4,367
Other operating items	53	36	527	28
Income from negative goodwill (Note 3)	0	0	44	0
Financial income (Note 5)	4,244	632	5,819	687
Financial expenses (Note 5)	-12,197	-2,182	-23,491	-4,611
Profit from normal operation before income tax	-7,049	-492	272	3,567
Income tax	-109	19	-106	-38
Net profit for the period	-7,158	-473	166	3,529
Attributable to:				
Equity holders of the parent (Note 6)	-7,158	-485	166	3,490
Minority interests	0	12	0	39
Earnings per share (in EUR per share)				
- basic (Note 6)			0.00	0.01
- diluted (Note 6)			0.00	0.01

CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousands of EEK)

ASSETS	28.02.2007	31.08.2006
Current assets		
Cash and cash equivalents	579,919	1,407,608
Receivables	732,867	843,456
Prepayments	210,134	235,890
Derivatives (Note 7)	51,468	11,633
Tax assets	11,138	17,644
Inventories	226,198	237,228
Total current assets	1,811,724	2,753,459
Non-current assets		
Investments in associates	9,044	9,044
Other financial assets and prepayments	8,313	8,240
Pension assets	45,234	45,234
Property, plant and equipment (Note 8)	21,746,360	21,857,153
Intangible assets (Note 9)	1,270,261	1,258,432
Total non-current assets	23,079,212	23,178,103
TOTAL ASSETS	24,890,936	25,931,562
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of interest-bearing liabilities (Note 10)	1,865,026	1,228,098
Payables	1,183,921	1,593,026
Deferred income	110,672	146,042
Derivatives (Note 7)	12,954	24,159
Tax liabilities	104,209	112,061
Total current liabilities	3,276,782	3,103,386
Non-current liabilities		
Interest bearing loans and borrowings (Note 10)	12,501,878	13,727,497
Deferred income tax liability	1,595	69
Pension liability	27,773	25,332
Total non-current liabilities	12,531,246	13,752,898
TOTAL LIABILITIES	15,808,028	16,856,284
EQUITY		
Minority interests	0	1,189
Equity attributable to equity holders of the parent		
Share capital (Note 11)	6,738,170	1,415,000
Share premium (Note 11)	9,999	2,012,394
Unregistered share capital with share premium (Note 11)	0	1,475,727
Reserves	1,239,139	1,158,714
Retained earnings	1,095,600	3,012,254
Total equity attributable to equity holders of the parent	9,082,908	9,074,089
TOTAL EQUITY	9,082,908	9,075,278
TOTAL LIABILITIES AND EQUITY	24,890,936	25,931,562

CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousands of EUR)

ASSETS	28.02.2007	31.08.2006
Current assets		
Cash and cash equivalents	37,064	89,963
Receivables	46,839	53,906
Prepayments	13,430	15,076
Derivatives (Note 7)	3,289	743
Tax assets	712	1,128
Inventories	14,457	15,162
Total current assets	115,791	175,978
Non-current assets		
Investments in associates	578	578
Other financial assets and prepayments	531	527
Pension assets	2,891	2,891
Property, plant and equipment (Note 8)	1,389,846	1,396,927
Intangible assets (Note 9)	81,184	80,428
Total non-current assets	1,475,030	1,481,351
TOTAL ASSETS	1,590,821	1,657,329
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of interest-bearing liabilities (Note 10)	119,197	78,490
Payables	75,666	101,813
Deferred income	7,073	9,334
Derivatives (Note 7)	828	1,544
Tax liabilities	6,660	7,162
Total current liabilities	209,424	198,343
Non-current liabilities		
Interest bearing loans and borrowings (Note 10)	799,016	877,347
Deferred income tax	102	4
Pension liability	1,775	1,619
Total non-current liabilities	800,893	878,970
TOTAL LIABILITIES	1,010,317	1,077,313
EQUITY		
Minority interests	0	76
Equity attributable to equity holders of the parent		
Share capital (Note 11)	430,648	90,435
Share premium (Note 11)	639	128,615
Unregistered share capital with share premium (Note 11)	0	94,316
Reserves	79,195	74,056
Retained earnings	70,022	192,518
Total equity attributable to equity holders of the parent	580,504	579,940
TOTAL EQUITY	580,504	580,016
TOTAL LIABILITIES AND EQUITY	1,590,821	1,657,329

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

(unaudited, in thousands of EEK)	01.09.2006 - 28.02.2007	01.09.2005 - 28.02.2006
Cash flows from operating activities		
Net profit for the period	2,605	55,217
Adjustments	791,295	199,575
Changes in assets related to operating activities	144,588	20,577
Changes in inventories	11,190	674
Changes in liabilities related to operating activities	-451,185	-56,484
Income tax repaid	-652	141
	497,841	219,700
Cash flow used for investing activities		
Purchase of property, plant, equipment and intangible assets (Notes 8,9)	-413,633	-492,633
Proceeds from disposals of property, plant, equipment	6,803	775
Acquisition of minority interests and subsidiary (Note 3)	-1,157	0
Interest received	29,167	8,876
	-378,820	-482,982
Cash flow from (+)/ used for (-) financing activities		
Issue of shares	0	2,056,368
Transaction costs of issue of shares	-6,520	0
Redemption of loans and bonds (Note 10)	-602,014	-363,276
Change in overdraft	27,978	-18,249
Repayment of finance lease liabilities (Note 10)	-23,130	-488
Interest paid	-343,024	-68,375
Dividends paid to minority interests	0	-150
Income tax on dividends	0	-149
	-946,710	1,605,681
TOTAL NET CASH FLOW	-827,689	1,342,399
Cash and cash equivalents:		
- at the beginning of period	1,407,608	326,786
- increase (+) / decrease (-)	-827,689	1,342,399
Cash and cash equivalents at end of period	579,919	1,669,185

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(unaudited, in thousands of EUR)	01.09.2006 - 28.02.2007	01.09.2005 - 28.02.2006
Cash flows from operating activities		
Net profit for the period	166	3,529
Adjustments	50,573	12,755
Changes in assets related to operating activities	9,241	1,315
Changes in inventories	715	43
Changes in liabilities related to operating activities	-28,836	-3,610
Income tax repaid	-41	9
	31,818	14,041
Cash flow used for investing activities		
Purchase of property, plant, equipment and intangible assets (Notes 8, 9)	-26,436	-31,485
Proceeds from disposals of property, plant, equipment	435	50
Acquisition of minority interests and subsidiary (Note 3)	-74	0
Interest received	1,864	567
	-24,211	-30,868
Cash flow from (+)/ used for (-) financing activities		
Issue of shares	0	131,425
Transaction costs of issue of shares	-417	0
Redemption of loans and bonds (Note 10)	-38,476	-23,217
Change in overdraft	1,788	-1,166
Repayment of finance lease liabilities (Note 10)	-1,478	-31
Interest paid	-21,923	-4,369
Dividends paid to minority interests	0	-10
Income tax on dividends	0	-10
	-60,506	102,622
TOTAL NET CASH FLOW	-52,899	85,795
Cash and cash equivalents:		
- at the beginning of period	89,963	20,885
- increase (+) / decrease (-)	-52,899	85,795
Cash and cash equivalents at end of period	37,064	106,680

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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 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 the I half-year of 2005/2006											
Share issue	265,000	1,791,368	0	0	0	0	0	0	2,056,368	0	2,056,368
Dividends paid to minority interests	0	0	0	0	0	0	0	0	0	-150	-150
Net profit of the I half-year of the year 2005/2006 (Note 6)	0	0	0	0	0	0	0	54,598	54,598	619	55,217
Net gains on cash flow hedges (Note 7)	0	0	0	0	0	2,124	0	0	2,124	0	2,124
Foreign currency translation	0	0	0	-39	0	0	0	0	-39	0	0
Total income and expense for the period	0	0	0	-39	0	2,124	0	54,598	56,683	619	57,302
At 28 February 2006	1,365,000	1,791,368	0	-39	0	2,124	27,500	1,582,646	4,768,599	743	4,769,342
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
Changes in equity for the I half-year of 2006/2007											
Share issue (Note 11)	5,323,170	-2,002,395	-1,475,727	0	0	0	0	-1,845,049	-1	0	-1
Distribution of profit 2005/2006	0	0	0	0	0	0	74,210	-74,210	0	0	0
Acquisition of minority interests (Note 3)	0	0	0	0	0	0	0	0	0	-1,189	-1,189
Distribution of profit 2006/2007											
Net profit of the I half-year of the year 2006/2007 (Note 6)	0	0	0	0	0	0	0	2,605	2,605	0	2,605
Net gains on cash flow hedges (Note 7)	0	0	0	0	0	4,601	0	0	4,601	0	4,601
Foreign currency translation	0	0	0	1,614	0	0	0	0	1,614	0	1,614
Total income and expense for the period	0	0	0	1,614	0	4,601	0	2,605	8,820	0	8,820
At 28 February 2007	6,738,170	9,999	0	1,637	1,138,827	-3,035	101,710	1,095,600	9,082,908	0	9,082,908

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(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 2005	70,303	0	0	0	0	0	1,758	97,660	169,721	18	169,739
Changes in equity for the I half-year of 2005/2006											
Share issue	16,936	114,489	0	0	0	0	0	0	131,425	0	131,425
Dividends paid to minority interests	0	0	0	0	0	0	0	0	0	-10	-10
Net profit of the I half-year of the year 2005/2006 (Note 6)	0	0	0	0	0	0	0	3,490	3,490	39	3,529
Net gains on cash flow hedges (Note 7)	0	0	0	0	0	136	0	0	136	0	136
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	0	136	0	3,490	3,624	39	3,663
At 28 February 2006	87,239	114,489	0	-2	0	136	1,758	101,150	304,770	47	304,817
At 31 August 2006	90,435	128,615	94,316	2	72,784	-488	1,758	192,518	579,940	76	580,016
Changes in equity for the I half-year of 2006/2007											
Share issue (Note 11)	340,213	-127,976	-94,316	0	0	0	0	-117,920	1	0	1
Distribution of profit 2005/2006	0	0	0	0	0	0	4,742	-4,742	0	0	0
Acquisition of minority interests (Note 3)	0	0	0	0	0	0	0	0	0	-76	-76
Distribution of profit 2006/2007											
Net profit of the I half-year of the year 2006/2007 (Note 6)	0	0	0	0	0	0	0	166	166	0	166
Net gains on cash flow hedges (Note 7)	0	0	0	0	0	294	0	0	294	0	294
Foreign currency translation	0	0	0	103	0	0	0	0	103	0	103
Total income and expense for the period	0	0	0	103	0	294	0	166	563	0	563
At 28 February 2007	430,648	639	0	105	72,784	-194	6,500	70,022	580,504	0	580,504

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 6 months of the financial year 2006/2007 were authorised for issue in accordance with a resolution of the Management Board on 27 April 2007. AS Tallink Grupp is a limited company incorporated in Estonia and employed 6,000 people at 28 February 2007 (31 August 2006: 5,987).

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 2006.

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

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. The purchase price of the minority share was 500 thousand EEK (32 thousand EUR). The fair value of identifiable assets and liabilities of minority shareholding was 1,189 thousand EEK (76 thousand EUR). The negative goodwill resulted by the transaction was 689 thousand EEK (44 thousand EUR).

In September 2006 AS Tallink Grupp’s subsidiary AS HTG Invest established a new subsidiary HTG Stevedoring OY 100% of the ownership. The payment into the share capital in the amount of 125 thousand EEK (8 thousand EUR) was made in September 2006. The new subsidiary has been registered in Finland and was established for offering stevedoring services.

In January 2007 a subsidiary company of AS Tallink Grupp, OÜ TLG Hotell purchased 100% share of OÜ Hera Salongid from AS Infotar. The purchase price was 960 thousand EEK (61 thousand EUR). OÜ Hera Salongid is providing the beauty services. The fair value of identifiable assets and liabilities of OÜ Hera Salongid acquired are:

	in thousands of EEK		in thousands of EUR	
	Carrying value	Recognised on acquisition	Carrying value	Recognised on acquisition
Cash and bank accounts	303	303	19	19
Receivables and prepayments	128	128	8	8
Inventories	160	160	10	10
Property, plant & equipment	652	652	42	42
Total assets	1,243	1,243	79	79
Short-term liabilities	1,544	1,544	99	99
Total liabilities	1,544	1,544	99	99
Fair value of net assets	-301	-301	-20	-20
Purchase price		960		61
Goodwill		1,261		81

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Cash outflow on acquisition:	in thousands of EEK	in thousands of EUR
Net cash acquired with the subsidiary	303	19
Cash paid	-960	-61
Net cash outflow	-657	-42

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).

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Geographical segments

(in thousands of EEK)

01.09.2006-28.02.2007	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	1,263,479	606,185	119,308	533,104	2,770,502	87,132	69,068	0	5,448,778
Inter-segment sales	0	0	0	0	0	37,281	0	-37,281	0
	1,263,479	606,185	119,308	533,104	2,770,502	124,413	69,068	-37,281	5,448,778
Segment result	311,055	39,190	-13,603	39,274	355,902	4,758	14,486	0	751,062
Unallocated expenses									-470,989
Negative goodwill (Note 3)									689
Net financial items (Note 5)									-276,504
Profit before income tax									4,258

01.09.2005-28.02.2006	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	1,144,692	547,428	0	0	0	74,753	19,150	0	1,786,023
Inter-segment sales	0	0	0	0	0	25,762	0	-25,762	0
	1,144,692	547,428	0	0	0	100,515	19,150	-25,762	1,786,023
Segment result	178,497	-22,848	0	0	0	26,367	3,082	0	185,098
Unallocated expenses									-67,895
Net financial items (Note 5)									-61,398
Profit before income tax									55,805

The notes on pages 18 to 28 form an integral part of these financial statements.

Notes to the unaudited interim financial statements
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(in thousands of EUR)

01.09.2006-28.02.2007	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	80,751	38,742	7,625	34,072	177,067	5,569	4,414	0	348,240
Inter-segment sales	0	0	0	0	0	2,383	0	-2,383	0
	80,751	38,742	7,625	34,072	177,067	7,952	4,414	-2,383	348,240
Segment result	19,880	2,505	-869	2,510	22,746	304	926	0	48,002
Unallocated expenses									-30,102
Negative goodwill (Note 3)									44
Net financial items (Note 5)									-17,672
Profit before income tax									272

01.09.2005-28.02.2006	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	73,159	34,987	0	0	0	4,778	1,224		114,148
Inter-segment sales	0	0	0	0	0	1,646	0	-1,646	0
	73,159	34,987	0	0	0	6,424	1,224	-1,646	114,148
Segment result	11,408	-1,460	0	0	0	1,685	197	0	11,830
Unallocated expenses									-4,339
Net financial items (Note 5)									-3,924
Profit before income tax									3,567

The notes on pages 18 to 28 form an integral part of these financial statements.

Operational segments

	(in thousands of EEK)		(in thousands of EUR)	
	01.09.2006- 28.02.2007	01.09.2005- 28.02.2006	01.09.2006- 28.02.2007	01.09.2005- 28.02.2006
Ticket sales	1,058,286	416,067	67,637	26,592
Revenue from packages	44,309	54,664	2,832	3,494
Sales of cargo transport	1,172,695	382,289	74,949	24,433
Accommodation sales	37,292	35,522	2,383	2,270
Restaurant and shops sales on-board and on mainland	2,830,270	826,412	180,887	52,817
Income from leases of vessels	68,970	18,369	4,408	1,174
Other	236,956	52,700	15,144	3,368
Total revenue of the Group	5,448,778	1,786,023	348,240	114,148

Note 5 FINANCIAL INCOME AND EXPENSES

	(in thousands of EEK)		(in thousands of EUR)	
	01.09.2006- 28.02.2007	01.09.2005- 28.02.2006	01.09.2006- 28.02.2007	01.09.2005- 28.02.2006
Net foreign exchange gains	7,313	0	468	0
Income from interest rate swap	70,103	0	4,480	0
Other interest and financial income	13,629	10,747	871	687
Total financial income	91,045	10,747	5,819	687
Net foreign exchange losses	0	-1,383	0	-89
Interest expenses	-356,702	-70,682	-22,798	-4,517
Expenses from interest rate swap	-4,725	0	-302	0
Net expenses from foreign exchange derivatives	-3,299	0	-211	0
Other financial expenses	-2,823	-80	-180	-5
Total financial expenses	-367,549	-72,145	-23,491	-4,611

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)	
	01.09.2006 - 28.02.2007	01.09.2005 - 28.02.2006	01.09.2006 - 28.02.2007	01.09.2005 - 28.02.2006
Weighted average number of ordinary shares (pcs)	673,817,040	488,607,736	673,817,040	488,607,736
Net profit attributable to ordinary shareholders	2,605	54,598	166	3,490
Earnings per share (in EEK/EUR per share)	0.00	0.11	0.00	0.01

As a result of the issuing new shares, the share capital increased from 168,454,260 shares to 673,817,040 shares on 31 January 2007 (see also Note 11).

Since the increase of share capital was bonus issue, the average number of ordinary shares for comparative period have been adjusted and 673,817,040 have been used as an average number of ordinary shares in the calculation of earning per share for current period.

The calculation of weighted average number of ordinary shares for the comparative period is the following:

- period from 01 September 2005 to 07 December 2005 (98 days) - 4*110,000,000 shares;
- period from 08 December 2005 to 28 February 2006 (83 days) - 4*136,500,000 shares.

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	28.02.2007		31.08.2006	
		Notional amount	Fair value	Notional amount	Fair value
Interest rate swap qualified as a cash flow hedge	2013	1,564,660	-3,035	1,564,660	-7,636
Interest rate swap not qualified as a cash flow hedge	2007	26,544	351	53,088	430
Interest rate swap not qualified as a cash flow hedge [1]	2012	0	0	1,157,848	11,203
Interest rate swap not qualified as a cash flow hedge [2]	2013	2,002,765	50,069	2,065,351	-16,523
Interest rate swap not qualified as a cash flow hedge	2012	1,408,194	-4,725	0	0
Foreign exchange rate swap not qualified as a cash flow hedge	2007	712,045	1,048	0	0
Foreign exchange rate swap not qualified as a cash flow hedge	2007	516,338	-5,194	0	0
Total derivatives with positive value			51,468		11,633
Total derivatives with negative value			12,954		24,159

(in thousands of EUR)

	Maturity	28.02.2007		31.08.2006	
		Notional amount	Fair value	Notional amount	Fair value
Interest rate swap qualified as a cash flow hedge	2013	100,000	-194	100,000	-488
Interest rate swap not qualified as a cash flow hedge	2007	1,696	22	3,393	27
Interest rate swap not qualified as a cash flow hedge [1]	2012	0	0	74,000	716
Interest rate swap not qualified as a cash flow hedge [2]	2013	128,000	3,200	132,000	-1,056
Interest rate swap not qualified as a cash flow hedge	2012	90,000	-302	0	0
Foreign exchange rate swap not qualified as a cash flow hedge	2007	45,508	67	0	0
Foreign exchange rate swap not qualified as a cash flow hedge	2007	33,000	-332	0	0
Total derivatives with positive value			3,289		743
Total derivatives with negative value			828		1,544

[1] On 07 November 2006 the agreement was concluded before termination date.

[2] On 12 April 2007 the agreement was concluded before termination date.

Note 8 PROPERTY, PLANT AND EQUIPMENT

(in thousands of EEK)

	Land and building	Ships	Plant and equipment	Prepayments [1]	Total
Book value at 31 August 2006	145,989	21,053,598	115,964	541,602	21,857,153
Additions	0	44,341	20,536	293,192	358,069
Purchase of new subsidiary (Note 3)	0	0	500	152	652
Exchange rate differences	-78	0	-14	0	-92
Disposals	0	0	-5,348	0	-5,348
Depreciation for the period	-6,001	-425,053	-33,020	0	-464,074
Book value at 28 February 2007	139,910	20,672,886	98,618	834,946	21,746,360

At 28 February 2007

-Cost	158,703	21,092,137	191,551	834,946	22,277,337
-Accumulated depreciation	-18,793	-419,251	-92,933	0	-530,977

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 August 2005	11,587	5,818,082	31,299	275,752	6,136,720
Additions	9	50,544	5,393	436,608	492,554
Disposals	0	0	-553	0	-553
Exchange rate differences	0	0	-9	0	-9
Depreciation for the period	-812	-128,849	-8,882	0	-138,543
Book value at 28 February 2006	10,784	5,739,777	27,248	712,360	6,490,169

At 28 February 2006

-Cost	19,192	6,976,699	96,848	712,360	7,805,099
-Accumulated depreciation	-8,408	-1,236,922	-69,600	0	-1,314,930

(in thousands of EUR)

	Land and building	Ships	Plant and equipment	Prepayments [1]	Total
Book value at 31 August 2006	9,330	1,345,570	7,412	34,615	1,396,927
Additions	0	2,834	1,312	18,738	22,884
Purchase of new subsidiary (Note 3)	0	0	32	10	42
Exchange rate differences	-5	0	-1	0	-6
Disposals	0	0	-342	0	-342
Depreciation for the period	-383	-27,166	-2,110	0	-29,659
Book value at 28 February 2007	8,942	1,321,238	6,303	53,363	1,389,846

At 28 February 2007

-Cost	10,143	1,348,033	12,242	53,363	1,423,781
-Accumulated depreciation	-1,201	-26,795	-5,939	0	-33,935

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 August 2005	741	371,842	2,001	17,624	392,208
Additions	1	3,231	344	27,904	31,480
Disposals	0	0	-35	0	-35
Exchange rate differences	0	0	-1	0	-1
Depreciation for the period	-52	-8,235	-568	0	8,855
Book value at 28 February 2006	690	366,838	1,741	45,528	414,797

At 28 February 2006

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-Cost	1,227	445,892	6,190	45,528	498,837
-Accumulated depreciation	-537	-79,054	-4,449	0	-84,040

[1] 28 February 2007 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 31 August 2006	173,148	904,405	180,879	1,258,432	11,066	57,802	11,560	80,428
Additions	0	0	55,564	55,564	0	0	3,551	3,551
Purchase of new subsidiary (Note 3)	1,261	0	0	1,261	81	0	0	81
Amortization for the period	0	-22,812	-22,184	-44,996	0	-1,458	-1,418	-2,876
Book value at 28 February 2007	174,409	881,593	214,259	1,270,261	11,147	56,344	13,693	81,184

At 28 February 2007								
Cost	174,409	912,009	249,153	1,335,571	11,147	58,288	15,923	85,358
Accumulated amortization	0	-30,416	-34,894	-65,310	0	-1,944	-2,230	-4,174

	(in thousands of EEK)			(in thousands of EUR)		
	Goodwill	Others	Total	Goodwill	Others	Total
Book value at 31 August 2005	173,148	3,005	176,153	11,066	192	11,258
Additions	0	79	79	0	5	5
Amortization for the period	0	-626	-626	0	-40	-40
Book value at 28 February 2006	173,148	2,458	175,606	11,066	157	11,223

At 28 February 2006						
Cost	173,148	6,469	179,617	11,066	413	11,479
Accumulated amortization	0	-4,011	-4,011	0	-256	-256

Note 10 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of EEK)

	31 August 2006	New loans	Repayments	Other changes [1]	28 February 2007
Lease liability	50,558	0	-23,130	0	27,428
Bonds	139,276	0	-140,000	724	0
Bank overdrafts	0	27,978	0	0	27,978
Long-term bank loans	14,765,761	0	-462,014	7,751	14,311,498
TOTAL	14,955,595	27,978	-625,144	8,475	14,366,904
incl. short-term portion	1,228,098				1,865,026
long-term portion	13,727,497				12,501,878

(in thousands of EUR)

	31 August 2006	New loans	Repayments	Other changes [1]	28 February 2007
Lease liability	3,232	0	-1,478	0	1,754
Bonds	8,901	0	-8,948	47	0
Bank overdrafts	0	1,788	0	0	1,788
Long-term bank loans	943,704	0	-29,528	495	914,671
TOTAL	955,837	1,788	-39,954	542	918,213
incl. short-term portion	78,490				119,197
long-term portion	877,347				799,016

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[1] Other changes related to bonds are the amortisation of discount of bonds. 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 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 8,723,328 thousand EEK (557,522 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 5,427,868 thousand EEK (346,904 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)	
	28.02.2007	31.08.2006	28.02.2007	31.08.2006
Ordinary shares of 10 EEK each (in thousand)	673,817	168,454	673,817	168,454
Included the number of shares issued and fully paid (in thousand)	673,817	168,454	673,817	168,454
Included the number of shares issued but not registered (in thousand) [1]	0	26,954	0	26,954
Share capital [1], [2]	6,738,170	1,684,543	430,648	107,662
Share premium per share in EEK/EUR	0.00	19.11	0.00	1.22
Total share premium[1], [2]	9,999	3,218,578	639	205,704
Included share premium not registered	0	1,206,184	0	77,089

[1] The shares issued in August 2006 were registered at 05 September 2006. The registration of these shares resulted in the amounts of share capital and share premium as follows:

	(in thousands of EEK)	(in thousands of EUR)
Share capital	269,543	17,227
Share premium	1,206,184	77,089
Unregistered share capital with share premium	-1,475,727	-94,316

[2] According to AS Tallink Grupp Shareholders Annual General Meeting on 17 January 2007, AS Tallink Grupp decided to increase share capital using bonus issue. The share capital was increased from 1,684,543 thousand EEK (107,662 thousand EUR) to 6,738,170 thousand EEK (430,648 thousand EUR) by issuing 505,363 thousand new shares with par value of 10 EEK (0.64 EUR) each. The issue of these new shares resulted in the amounts of share capital, share premium and retained earnings as follows:

	(in thousands of EEK)	(in thousands of EUR)
Share capital	5,053,627	322,986
Share premium	-3,208,579	-205,065
Retained earnings	-1,845,049	-117,920

According to the Articles of Association of the Parent effective as of 28 February 2007 the maximum number of authorised common shares is 2,000,000 thousand.

As of 28.02.2007 no share options are issued.

Note 12 RELATED PARTY DISCLOSURES

(in thousands of EEK)

6 months of 2006/2007 or 28.02.2007	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	547	2,065	117	281
AS Infortar – purchase of OÜ Hera Salongid	0	960	0	0
AS HT Valuuta	1,330	0	761	0
AS Vara HTG	0	28,336	0	0
OÜ Mersok	0	72	0	28
AS Vaba Maa	0	2,207	0	129
OÜ Hera Salongid [1]	32	147	0	0
AS Gastrolink	49	1,303	0	205
Gastrolink Finland OY	11	0	0	0
AS Baltic Tours	2,641	0	10,961	0
Searail EEIG	18,573	0	12,815	6,572
6 months of 2005/2006 or 28.02.2006	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	270	3,149	69	595
AS Infortar, interest expense	0	1,824	0	0
AS HT Valuuta	958	0	58	0
AS HTG Vara	0	15,000	0	0
OÜ Mersok	0	72	0	0
AS Vaba Maa	0	1,386	0	158
AS Gastrolink	15	130	19	0
OÜ Infor Invest	0	50	0	50

(in thousands of EUR)

6 months of 2006/2007 or 28.02.2007	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	35	132	7	18
AS Infortar – purchase of OÜ Hera Salongid	0	61	0	0
AS HT Valuuta	85	0	49	0
AS Vara HTG	0	1,811	0	0
OÜ Mersok	0	5	0	2
AS Vaba Maa	0	141	0	8
OÜ Hera Salongid [1]	2	9	0	0
AS Gastrolink	3	83	0	13
Gastrolink Finland OY	1	0	0	0
AS Baltic Tours	169	0	701	0
Searail EEIG	1,187	0	819	420
6 months of 2005/2006 or 28.02.2006	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	17	201	4	38
AS Infortar, interest expense	0	117	0	0
AS HT Valuuta	61	0	4	0
AS HTG Vara	0	959	0	0
OÜ Mersok	0	5	0	0
AS Vaba Maa	0	89	0	10
AS Gastrolink	1	8	1	0
OÜ Infor Invest	0	3	0	3

[1] transactions until 31.12.2006. See also Note 3.

Note 13 COMMITMENTS

Capital investment commitments

On 01 August 2005 Aker Finnyards OY and AS Tallink Grupp signed a shipbuilding contract to construct a new fast passenger ship. The construction value of new ship is 1,721,126 thousand EEK (110,000 thousand EUR). 20 % will be paid during construction and 80 % will be paid on delivery of the ship.

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

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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**

In March 2007 AS Tallink Grupp made prepayment of 172,113 thousand EEK (*11,000 thousand EUR*) to Aker Finnyard OY.

In April 2007 AS Tallink Grupp made final payment of 1,392,547 thousand EEK (*89,000 thousand EUR*) to Aker Finnyards OY concerning new fast passenger ship Star which was delivered in April 2007.

In April 2007 Aker Finnyards OY and AS Tallink Grupp signed a shipbuilding contract to construct a new large cruise ferry. The new ship should be delivered in 2008. The shipbuilding contract price of new ship is approximately 2,816,388 thousand EEK (*180,000 thousand EUR*). 20 % will be paid during construction and 80 % will be paid on delivery of the ship. AS Tallink Grupp also made prepayment of 93,880 thousand EEK (*6,000 thousand EUR*).

In April 2007 Tallink Autoexpress 4 was sold.

In April 2007 associate company Reisevarehuset was sold.

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 AS Tallink Grupp's Interim Consolidated Condensed Financial Statements for the six months of the financial year 2006/2007 ended February 28, 2007 prepared in accordance with IFRS as adopted by EU and in accordance with IAS 34 give a true and fair view of the financial position of the Group and of the result of its operations and cash flows.

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

Chairman of the Board
Enn Pant

Member of the Board
Andres Hunt

Member of the Board
Keijo Mehtonen

Member of the Board
Lembit Kitter

Tallinn
27 April, 2007