



Company presentation





Tallink

- Tallink is the leading European provider of leisure and business travel and sea transportation services in the Baltic Sea region
- Fleet of 19 vessels
- Operating five hotels
- Revenue EUR 944 million
- EUR 1.7 billion asset base
- 6 799 employees
- Over 9 million passengers annually
- Over 280 thousand cargo units annually
- Listed on Nasdaq OMX Baltic – TAL1T



Over 50 years of operating and cruising experience



Tallink's business model

Product offering

1-2 overnight cruises & passenger transportation



Conferences



On-board Tax-Free Shopping



City break



Hotel & travel packages

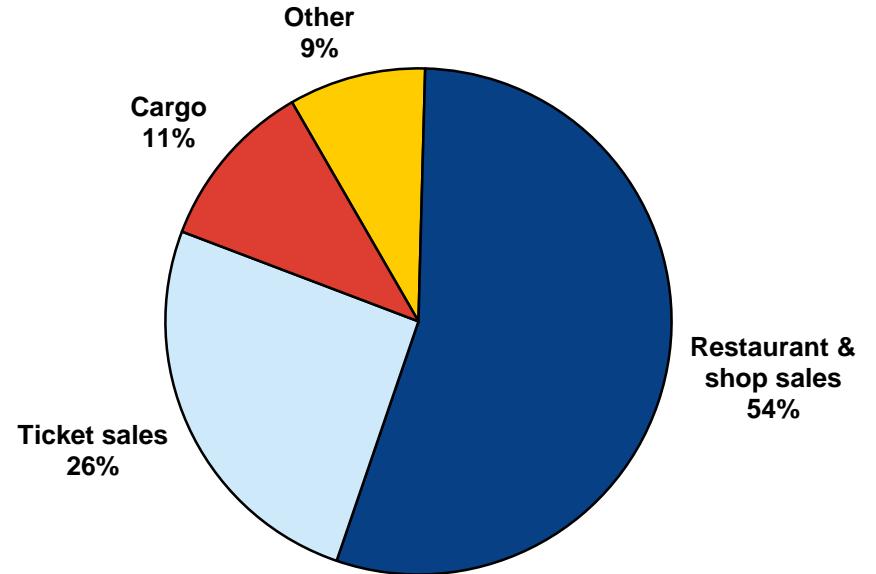


Cargo Transportation



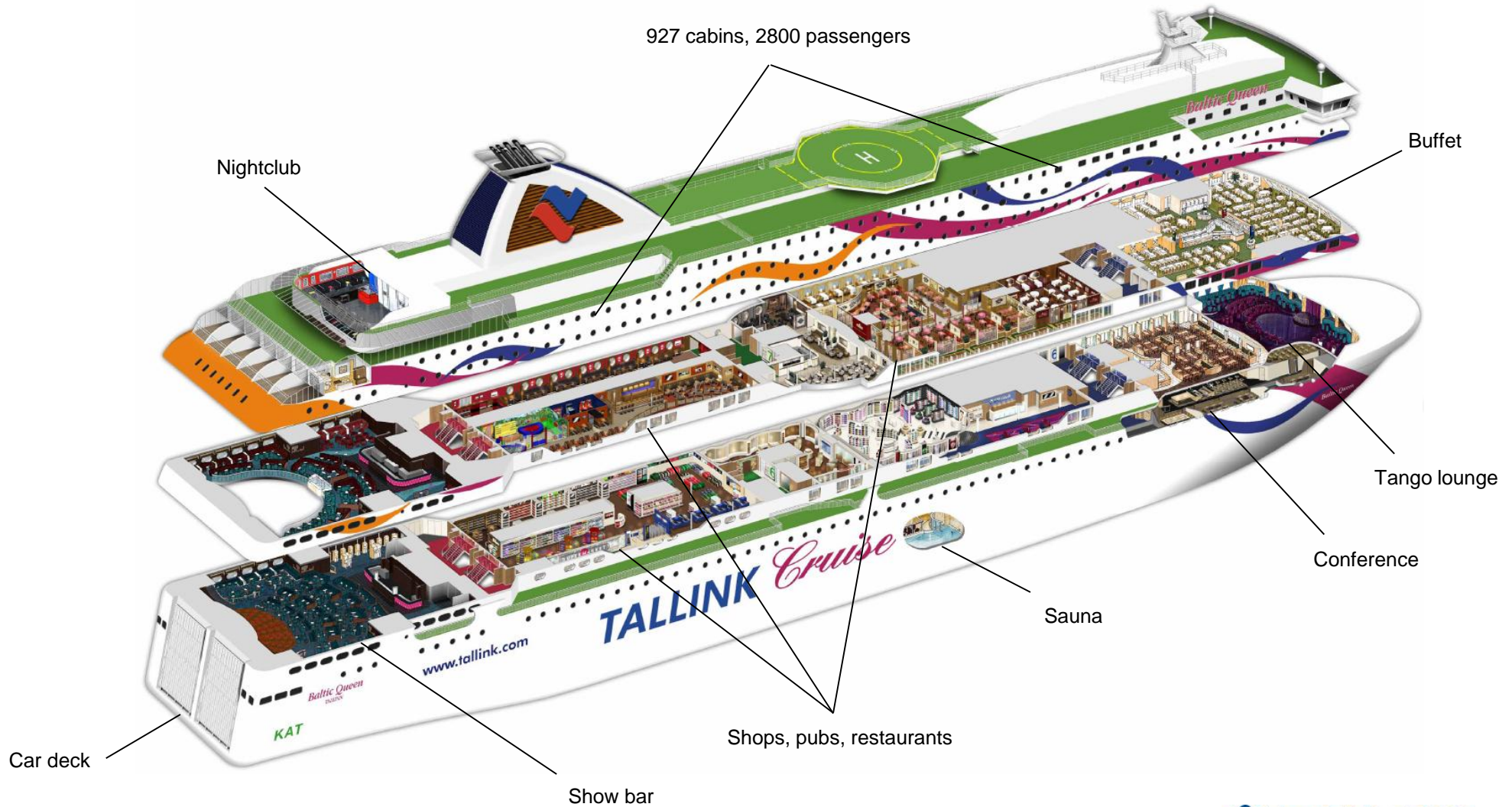
Revenue structure

2012





Cruise ferry





Tallink's position in the global ferry market

The World's top Duty free & Travel Retail Shops 2012

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

Rank	Location	Remarks
Sales> US\$ 1,000.0 million		
1	Seoul - Incheon Int'l Airport, South Korea	AIRPORT SHOPS
2	Dubai - Dubai International Airport, U.A.E.	AIRPORT SHOPS
3	London - Heathrow Airport, UK	AIRPORT SHOPS
4	Singapore - Changi Airport	AIRPORT SHOPS
Sales> US\$ 900.0 million		
5	Hong Kong - Hong Kong International Airport	AIRPORT SHOPS
6	Bangkok - Suvarnabhumi Airport, Thailand	AIRPORT SHOPS
Sales> US\$ 800.0 million		
7	Shanghai – Pudong Airport, China P.R	AIRPORT SHOPS
Sales> US\$ 700.0 million		
8	Beijing – Capital Airport, China P.R.	AIRPORT SHOPS
9	Paris - Charles de Gaulle Airport, France	AIRPORT SHOPS
10	Frankfurt – Frankfurt-Main Airport, Germany	AIRPORT SHOPS
Sales> US\$ 600.0 million		
11	Tallink	FERRY SHOPS
12	Taipei - Taoyuan International Airport, Taiwan	AIRPORT SHOPS
Sales> US\$ 500.0 million		
13	Amsterdam - Schipol Airport, Netherlands	AIRPORT SHOPS
14	Sao Paulo - Guarulhos Int'l Airport, Brazil	AIRPORT SHOPS
15	Tokyo – Narita Airport	AIRPORT SHOPS



Rank	Company	Gross tons
1	Stena Line	927 447
2	Grimaldi Lines	740 934
3	Tallink	512 078
4	P&O Ferries	436 092
5	Scandlines	363 341

Rank	Company	Beds
1	Tallink	24 262
2	Stena Line	16 562
3	Viking Line	16 192
4	Grimaldi	15 003
5	Tirrenia	11 392

Rank	Company	mEUR Revenue
1	DFDS Group	1 569
2	Stena Line	1 197
3	Tallink	944
4	Finnlines	609
5	Scandlines	608

Source: Generation Research 2013

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

Source: ShipPax MARKET:13



Strategic plan

Tallink's vision is to be the market pioneer in Europe by offering excellence in leisure and business travel and sea transportation services

Long term objectives toward increasing the company value and profitability:

- Strive for the highest level of customer satisfaction
- Increase volumes and strengthen the leading position on our home markets
- Develop a wide range of quality services directed at different customers and pursue new growth opportunities
- Manage the optimal debt level that will allow sustainable dividends

Current strategic cornerstones and competitive advantages:

Most modern
fleet

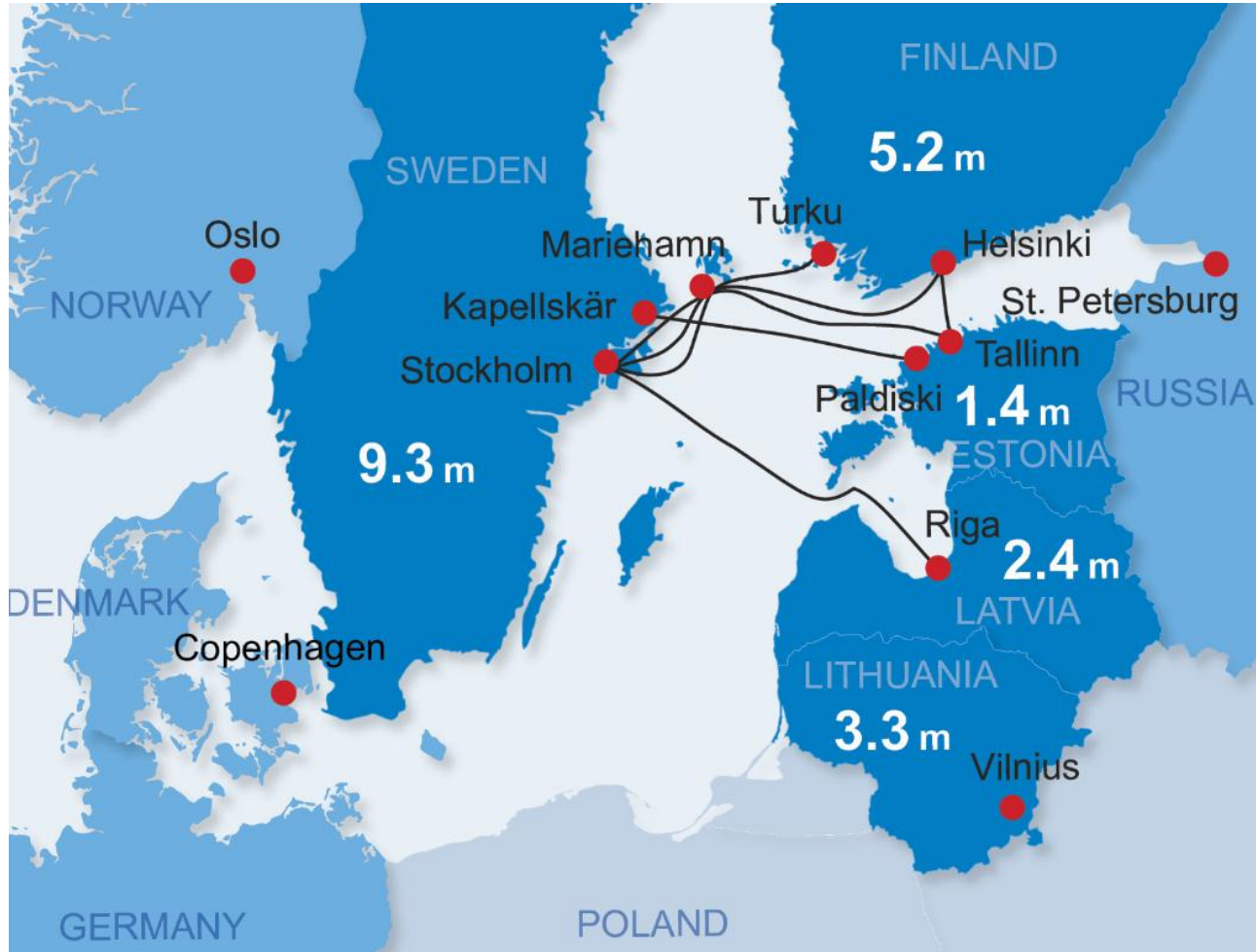
Wide route
network

Strong market share &
brand awareness

High safety level &
environmental standards

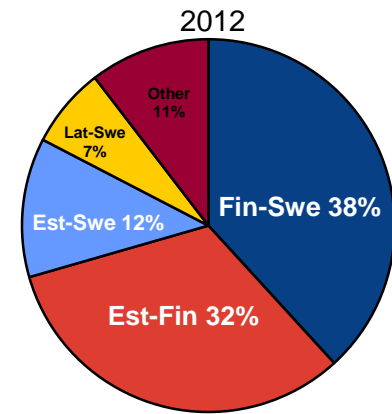


Tallink's passenger market share is 49% of the Northern Baltic Sea



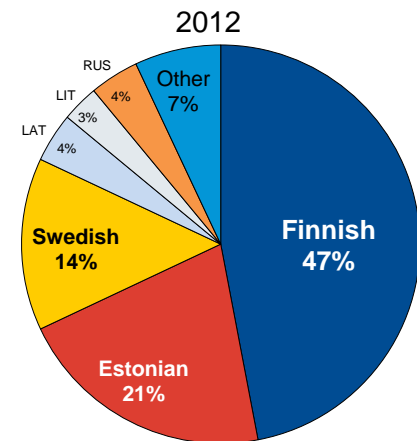
Northern Baltic passenger market – 19 million passengers

Revenue by routes



(944 MEUR)

Passengers



(9.3M)





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

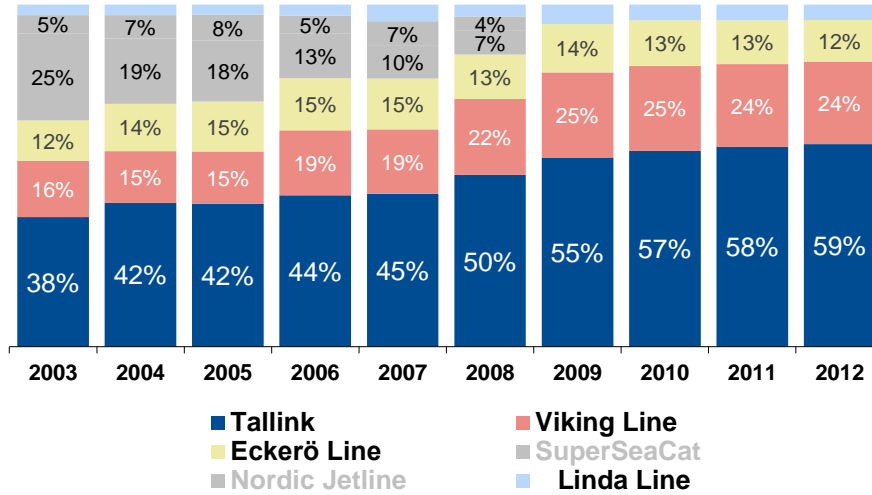




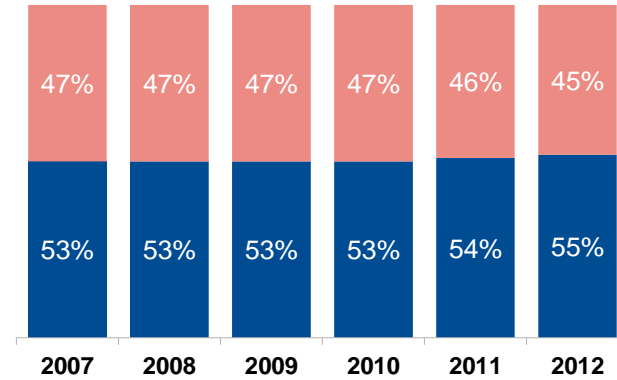
Market shares

Passenger operations

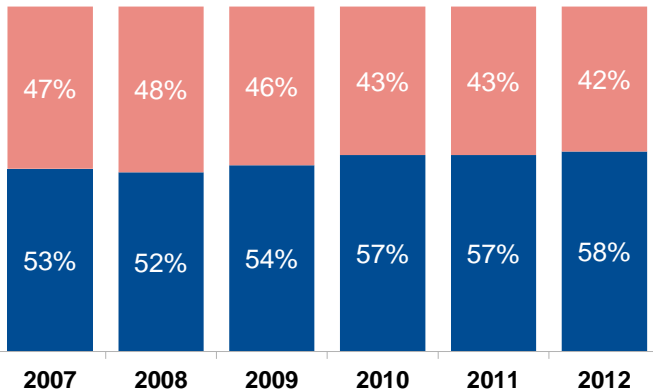
Tallinn - Helsinki



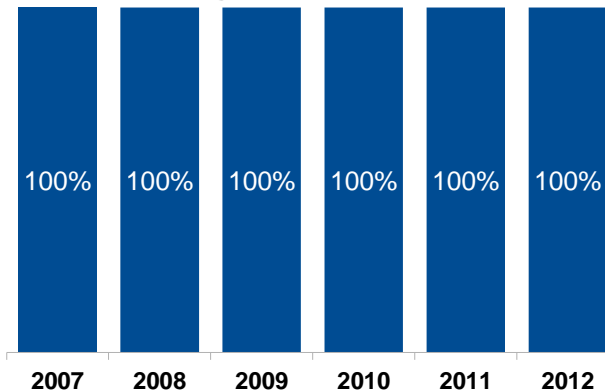
Helsinki - Stockholm



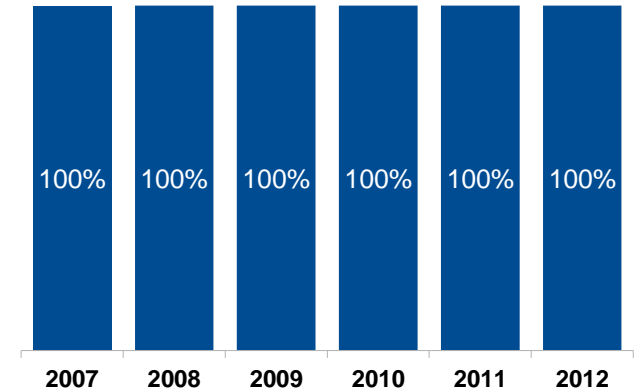
Turku - Stockholm



Riga - Stockholm

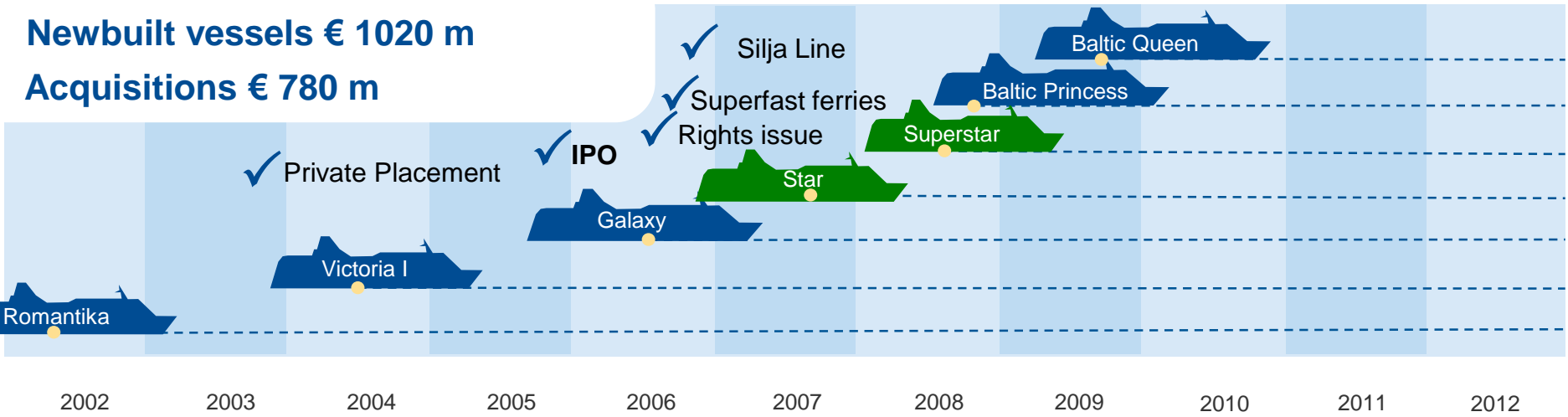
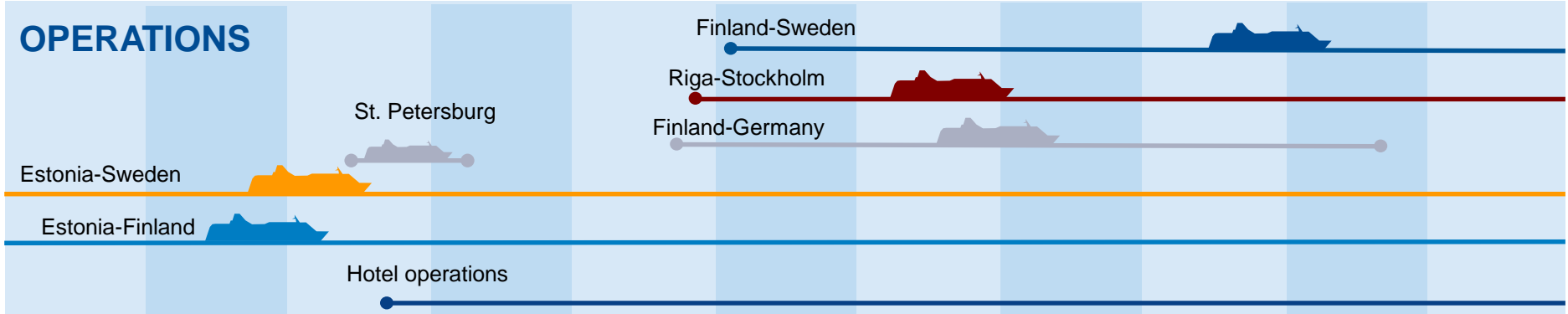


Tallinn - Stockholm



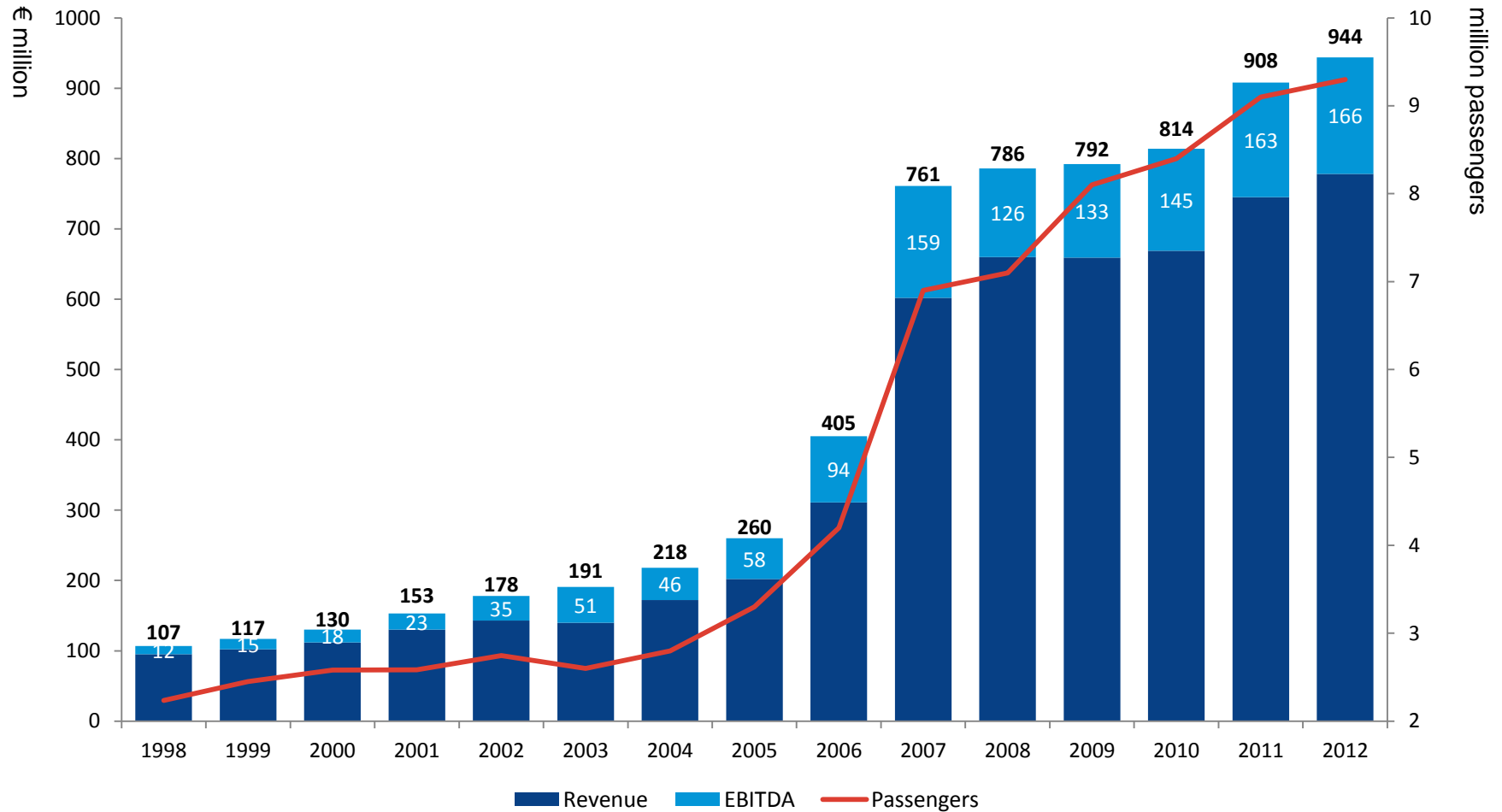


Highlights and milestones





Tallink's performance after the management buyout





2013 developments – Riga-Stockholm route

New vessel Isabelle

- Replaced M/S Silja Festival on the Riga-Stockholm route from May 2013
- EUR 30 million investment
- Built 1989
- Length: 171m
- Passengers: 2480
- Lanemeters: 850
- Cars: 450
- ~40% more car capacity
- ~13% more cabins



The route increased 58.4% in third quarter result
The 2013 nine months result was positive



Latest developments

New website

PARTYHELG PÅ GALAXY FR 75:-
Priset gäller under hela november

Läs mer och boka »

JUST NU

Galajul på Galaxy »

Julbord på Östersjön »

Sista minuten fr 45:- »

Sista minuten Lyx fr 665:- »

Resor för familjen »

Boka Klubb Galaxy »

BOKA HÄR

New booking engine

PLAN & BOOK
Leaving on: Helsinki 2012
Mo: 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31
Mo: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31
Adults: 1, Children: 0-5 yrs, 6-11 yrs, 12-17 yrs
Travelling with a vehicle, Show hotel packages

From: Helsinki To: Tallinn Tukholma 22h ristelly I have a gift card or voucher code

Reittimatkat Päivästeyennemat Hotellipaketit

Yhteisö	HELSINKI → TALLINNA				TALLINNA → HELSINKI				
	Lähtö	Kesto	Perilla	Perilla	Lähtö	Kesto	Perilla	Perilla	
Ke 15.2	7:30	2h	29€	32€	9:30	7:30	2h	29€	32€
	10:30	2h	29€	32€	12:30	10:30	2h	29€	32€
	14:00	2h	29€	44€	16:00	14:00	2h	33€	44€
	17:30	2h	33€	44€	19:30	17:30	2h	33€	44€
	18:30	1h	137€	32€	22:00	18:30	3.5h	25€	32€
21:30	2h	25€	38€	23:30	21:30	2h	25€	38€	
To 16.2	8:30	2h	29€	32€	9:30	7:30	2h	29€	32€
	10:30	2h	33€	44€	12:30	10:30	2h	29€	32€
	14:30	2h	33€	44€	16:00	14:00	2h	33€	44€
	17:30	2h	33€	44€	19:30	17:30	2h	33€	44€
	18:30	1h	137€	32€	22:00	18:30	3.5h	25€	32€
21:30	2h	25€	38€	23:30	21:30	2h	25€	38€	
Pe 17.2	8:30	2h	29€	32€	9:30	7:30	2h	29€	32€
	10:30	2h	33€	44€	12:30	10:30	2h	29€	32€
	14:30	2h	33€	44€	16:00	14:00	2h	33€	44€
17:30	2h	SOLD OUT	19:30	17:30	2h	33€	44€	19:30	

Paras hinta nyt **154€**
Maksanpöytä Voit käyttää 12000 pistettä maksottavaksi jäs 154€
VARAA MATKA

Booking entry points

GALAXYKRYSSNING FR 75:-

Unna dig 23 timmar på Östersjöns bästa nöjeskvarter, Galaxy, med populär underhållning och exklusiva framträdanden.

LÄS MER »

HELSINGFORS FR 113:-

Den finska huvudstaden, känd för sin stilrena design, är ett perfekt resmål för en minisemester.

LÄS MER »

TALLINN FR 113:-

Boka din resa till Tallinn, en huvudstad imponerar med utmärkta restauranger, historiska skatter och ett spännande nöjesliv.

LÄS MER »

RIGA FR 113:-

Fina erbjudanden till Riga. Den lettiska pärlan är vacker och välvärdad och har ett härligt pulserande nattliv.

LÄS MER »

ÅBO FR 135:-

Förläng resan till Åbo och ta en dag i Finlands äldsta stad, med sin kulturhistoriskt vackra miljö.

LÄS MER »

ÅLAND FR 20:-

Res iväg på en avkopplande kryssning över dagen till Mariehamn med skärgården som kuliss eller stanna kvar en natt på hotell och upplev mer av vackra Åland.

LÄS MER »

Mobile platform





New visions

- Expansion of shop areas and modernizing restaurant areas to improve the performance through retail space
- Modern retail environment visual
- Wider selection of the products
- Developing on-board areas with the goal: approachable, comfortable and customer friendly
- Responding to higher expectations of the passengers



Tax Free - Visuals

harrison:fraser
Retail & Hospitality



Helsinki – Stockholm retail space upgrade 2014

- Silja Serenade upgrade in spring, Silja Symphony will follow in autumn
- 50% expanded shopping areas including a new Superstore, upgraded Grand Buffet concept and a new Italian restaurant
- Overall investment in to the vessels public space upgrades on the Helsinki-Stockholm route in 2014 more than EUR 20 million



Buffet - Visuals

harrison:fraser
Visual & design partners



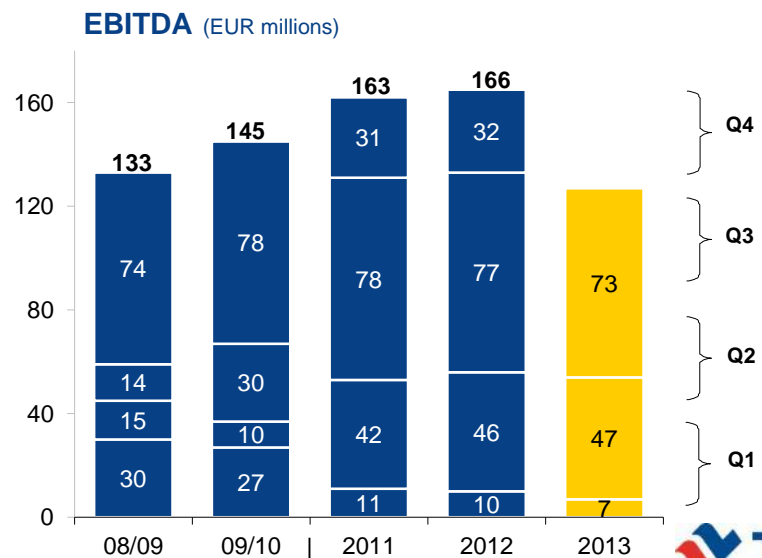
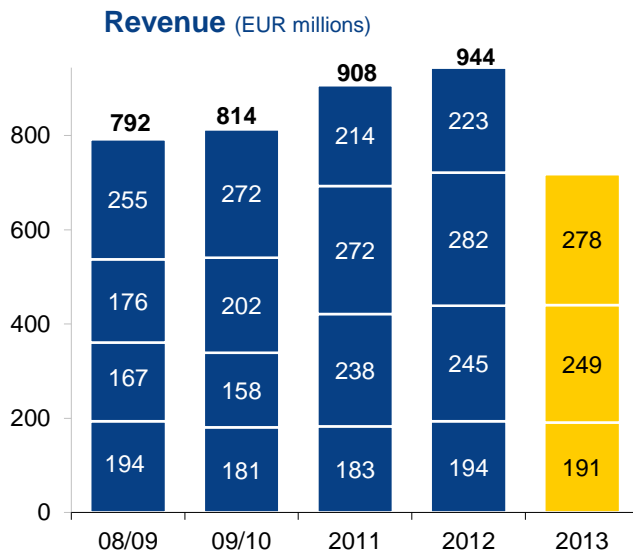
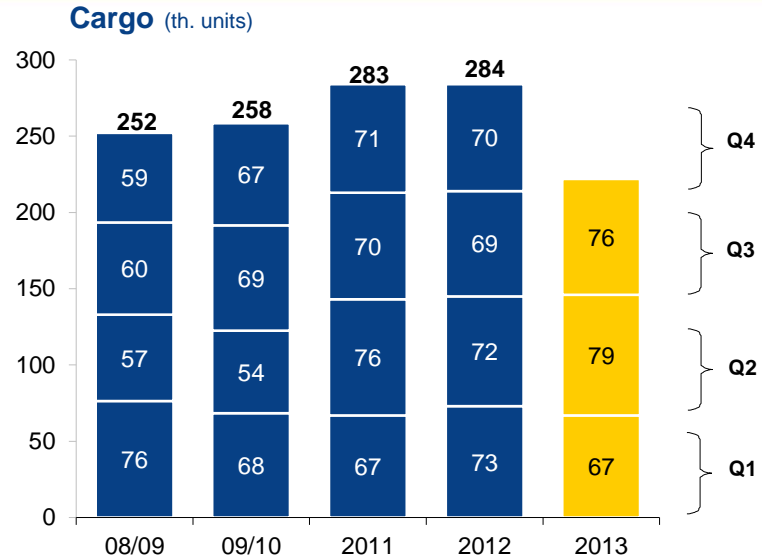
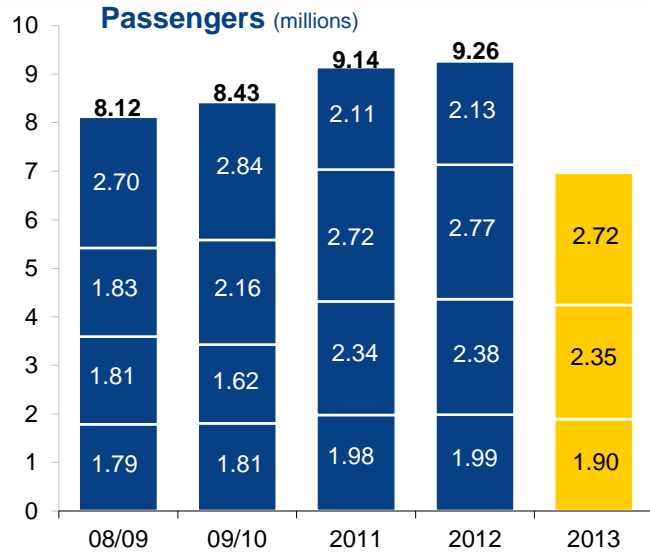
Tax Free - Visuals

harrison:fraser
Visual & design partners



Results

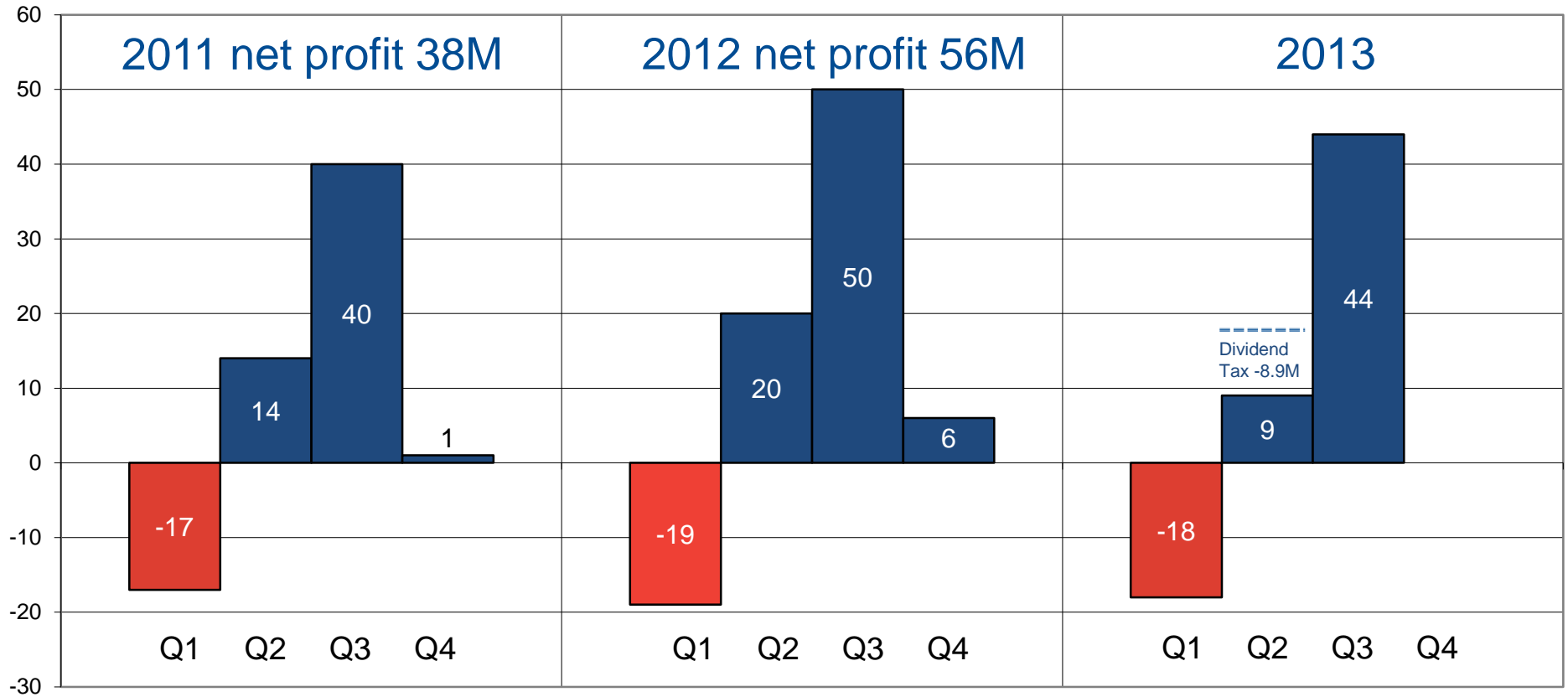
quarterly seasonality breakdown





The dynamics of high seasonality on the profit level

Net result by quarters



Typical to the Tallink business model is that most of the result is made in the summer, the high season.



Consolidated Income Statement

(in EUR million)

	2011 ⁽²⁾	2012	2012 Q3	2013 Q3
Sales	891	944	282	278
Cost of sales ⁽¹⁾	(691)	(743)	(197)	(199)
Marketing, general & admin ⁽¹⁾	(100)	(109)	(26)	(26)
EBITDA	163	166	77	73
<i>Margin (%)</i>	17.9%	17.5%	27.3%	26.1%
Net Profit	38	56	50	44
EPS	0.06	0.08	0.07	0.07

Notes:

- (1) Includes depreciation and amortization
- (2) Pro forma, due to the change of the financial year period.



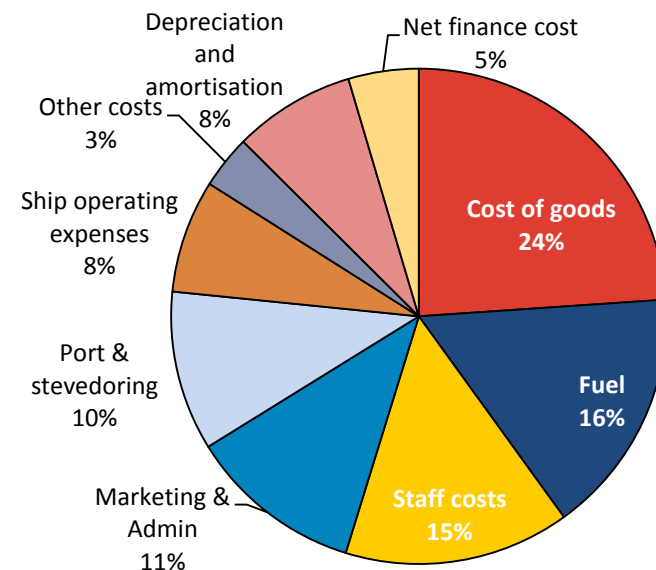
Costs breakdown

2012

Jan-Dec

share %

Cost of goods	24%	213 671
Fuel cost	16%	143 934
Staff costs	15%	131 583
Marketing & Administration ⁽¹⁾	11%	101 865
Port & stevedoring	10%	93 073
Ship operating expenses	8%	65 944
Other costs	3%	31 091
Total costs from operations	87%	781 160
<hr/>		
Depreciation and amortisation	8%	70 996
Net finance cost	5%	40 980
Total costs	100%	893 137



1) Amortisation and depreciation excluded



Consolidated Cash Flow Statement

(in EUR million)

	2011 ⁽¹⁾	2012	2012 Q3	2013 Q3
Operating cash flow	160	163	59	59
Capital expenditure	(9)	(9)	(5)	(3)
Asset disposal	0	0	0	0
Free cash flow	151	154	54	56
Debt financing	(76)	(119)	(41)	(24)
Interests & other financial items	(44)	(45)	(7)	(7)
Dividend paid	0	0	0	(33)
Dividend tax	0	0	0	(9)
Change in cash	31	(10)	(6)	(18)

Notes:

(1) Pro forma, due to the change of the financial year period.



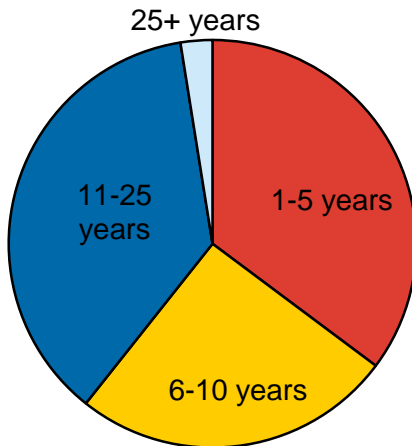
Consolidated Statement of Financial Position

(in EUR million)	31.08.2010	31.08.2011	31.12.2012	30.09.2013
Total assets	1,871	1,800	1,742	1,723
Non-current assets	1,741	1,657	1,599	1,582
Current assets	130	143	143	141
- of which cash -	57	75	66	50
Total liabilities	1,203	1,094	981	960
Interest bearing liabilities	1,068	960	840	808
Other liabilities	135	134	141	151
Shareholders' equity	668	705	761	761
Net debt/EBITDA	7x	5.4x	4.7x	4.8x
Net debt	1,010	884	775	767
Equity/assets ratio	36%	39%	44%	44%
BVPS ⁽¹⁾ (in EUR)	1.00	1.05	1.14	1.14



Age of fleet

Age of fleet by value (EUR m)



Tallink Grupp ships age (value-weighted average):

- Tallink + Silja core fleet – 9.5 years
- Superfast fleet – 11 years
- Ships out of core operations and cargo vessels – 21.7 years

World-wide ships age*:

- Ferries – 24.4 years
- Cruise – 12.5 years

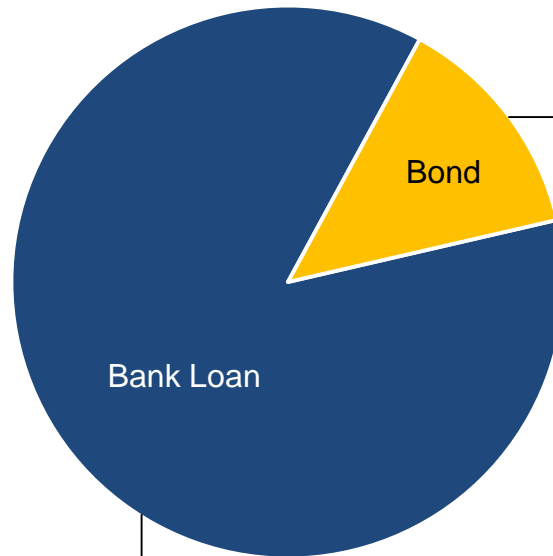
* - source: ShipPax Market: 12, 13

- Our ice-classed fleet is versatile to operate anywhere
- We have experience in selling and chartering vessels all over the world



Debt structure

- Total EUR 808 million interest bearing liabilities outstanding as of 30.09.2013



Amount:	NOK 900M (EUR 120M)
Cost:	3M NIBOR + 5.00% (3M EURIBOR +4.88%)
Type:	Senior unsecured
Issue date:	18.06.2013
Maturity date:	18.10.2018
Listing:	Oslo Børs
Currency risk eliminated by swapping to EUR	

100% EUR denominated bank loans

7 standalone loan agreements with bank syndicates

Maturities ~5-10 years

Amortizing project loans

6.64% of debt is fixed rate, rest in EURIBOR floating, 1/3 hedged

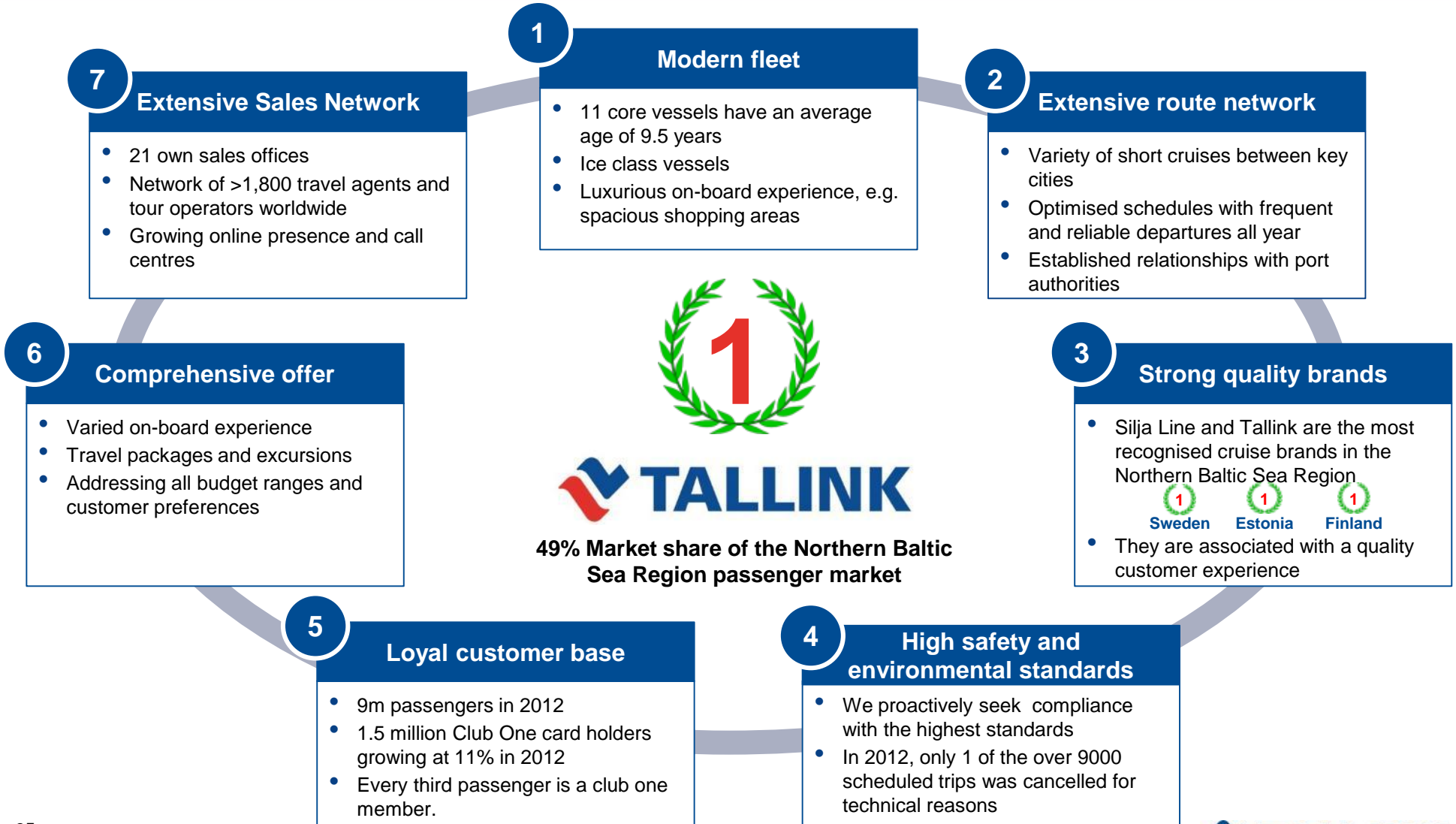


Sulfur emission regulation in 2015 poses a challenge to the shipping industry – there is no single solution

Use low sulphur fuel (gasoil)	Add exhaust gas scrubbers	Convert ships to LNG
Low investment cost	Current cost of a scrubber is estimated at EUR 2-15m per vessel depending on vessel type	High investment cost
Cost of fuel is higher	Scrubbers will allow cheaper heavy fuel oil	Similar cost of fuel
Has no schedule disruption	Scrubber fitting brings limited schedule disruption	Requires major conversion and a long schedule disruption
Requires no changes in bunkering infrastructure	Additional waste processing needed	Infrastructure currently limited



Unrivalled suite of competitive advantages





Tallink's Fleet



Baltic Queen
 Built: 2009
 Length: 212m
 Passengers: 2800
 Lane meters: 1130



Victoria I
 Built: 2004
 Length: 193m
 Passengers: 2500
 Lane meters: 1030



Baltic Princess
 Built: 2008
 Length: 212m
 Passengers: 2800
 Lane meters: 1130



Superfast VII/VIII/IX
 Built: 2001/2002
 Length: 203m
 Passengers: 717
 Lane meters: 1924



Silja Europa
 Built: 1993
 Length: 202m
 Passengers: 3123
 Lane meters: 932



Galaxy
 Built: 2006
 Length: 212m
 Passengers: 2800
 Lane meters: 1130

In the last 10 years Tallink has invested 1.3 billion EUR to create a modern fleet



Tallink's Fleet



Superstar

Built: 2008

Length 177m

Passengers: 2080

Lane meters: 1930

Tallinn-Helsinki



Star

Built: 2007

Length 186m

Passengers: 1900

Lane meters: 2000

Tallinn-Helsinki



Silja Serenade Silja Symphony

Built: 1990/91

Length 203m

Passengers: 2852

Lane meters: 950

Helsinki-Stockholm



Isabelle

Built: 1989

Length 171m

Passengers: 2480

Lane meters: 850

Riga-Stockholm



Romantika

Built: 2002

Length 193m

Passengers: 2500

Lane meters: 1030

Riga-Stockholm



Silja Festival

Built: 1986

Length 171m

Passengers: 2023

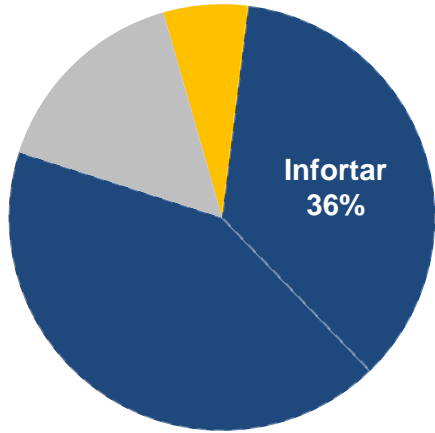
Lane meters: 885

In addition the Group has 2 ro-pax cargo vessels in operation and 2 older ferries which have been replaced and are outside of the core operations



Ownership structure

Shareholders of AS Tallink Grupp



- Top 10 shareholders
- Institutional investors
- Retail investors

Ten largest shareholders in the end of Q3

Infortar	36%
Baltic Cruises Holding, L.P.	17%
Nordea Bank Finland PLC / non-resident legal entities	9%
ING Luxemburg S.A	7%
State Street Bank and Trust Omnibus fund	2%
Skandinaviska Enskilda Banken AB Clients (East Capital)	2%
JP Morgan Chase Bank / London Client's account	1%
Mellon Treaty Omnibus	1%
Firebird Republics Fund Ltd	1%
Luksusjaht AS	1%





Safety, security and environmental protection are a high priority

- Safety and Security Policy
- Environmental Policy
- ISO 14001:2004 Environmental Certificate by Lloyds Register
- MARPOL Sewage Pollution Prevention Certificate
- MARPOL Air Pollution Prevention Certificate
- International Anti-Fouling System Certificate
- MARPOL Oil Pollution Prevention Certificate
- Document of Compliance for Anti-Fouling System
- MARPOL Garbage Pollution Prevention Attestation
- Passenger Ship Safety Certificate
- International Ship Security Certificate
- Safety Management Certificate
- Document for Dangerous Goods

