

# Tallink is the leading short cruise and ferry operator



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## Key points

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 to different customers and pursue new growth opportunities
- Ensure cost efficient operations
- Manage the optimal debt level that will allow sustainable dividends

Current focus is on core operations to realize past investments. Along with the optimal fleet deployment the emphasis is on the profitability improvement and deleveraging.

### Current strategic cornerstones and competitive advantages:

- Most modern fleet**
- Wide route network**
- Strong market share & brand awareness**
- High safety level & environmental standards**

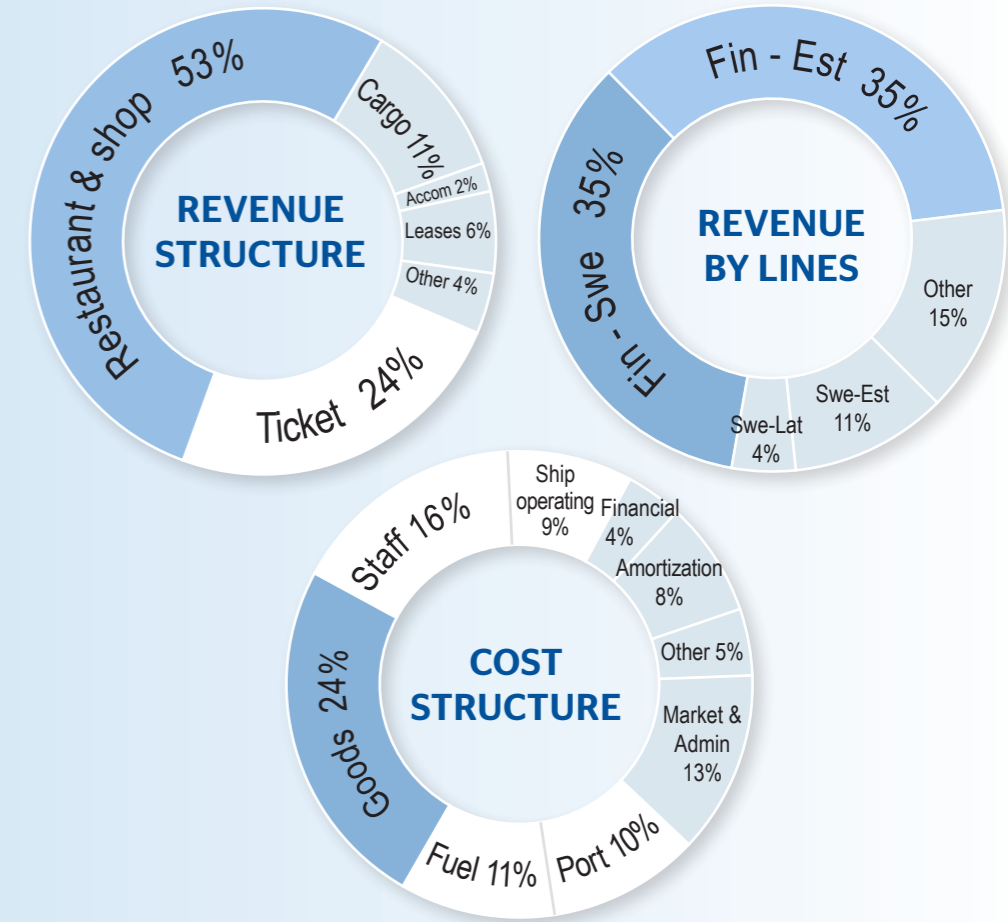
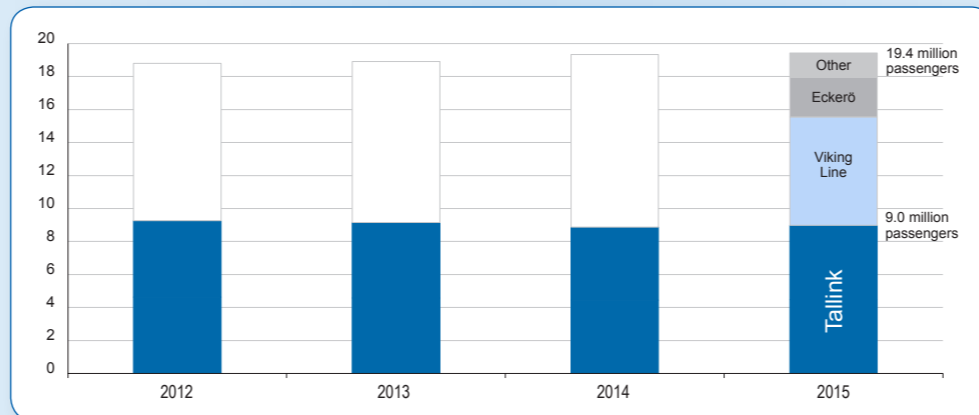
## Key information 2015

Passengers	8 976 226	P/E	10
Sales	945 mil EUR	ROA	6.3%
EBITDA	181 mil EUR	ROE	7.4%
Net Profit	59 mil EUR	Equity Ratio	54%
Average number of employees	6 835	EBITDA Margin	19%
EPS	0.09	Book value per share	1.23 EUR

## We operate 6 routes



## The passenger market share of Tallink is 46% in the northern Baltic Sea

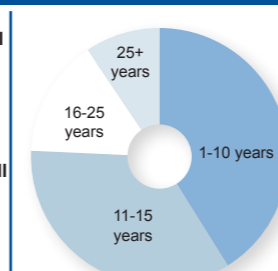


History	1883	1910	1928	1957	1965	1989	1990	1996	2001	2002	2003	2004	2005	2006	2009	2010	2011	2014	2015
	Finnish Steamship Co founded	Service between Turku & Stockholm	Service between Helsinki & Stockholm	Silja Line established	Tallinn-Helsinki route	Tallink founded	166 th passengers	Management buyout	Tallinn-Stockholm route	First newbuilt cruise ferry	Private placement	Hotel operation starts	IPO	Rights Issue	Over 1.3 billion euros invested during the fleet investment program	Tallink Hotel Riga		1.7M Club One members	
														Tallink and Silja Line merged	8M passengers reached		9M passengers 1.3M Club One members		new LNG vessel ordered

## Our fleet consists of 16 ice class ships and has a value of EUR 1.3 billion

<b>Star</b> Built: 2007 Length: 186 m Passengers: 2080 Lanemeters: 2000 Tallinn-Helsinki	<b>Baltic Queen</b> Built: 2009 Length: 212m Passengers: 2800 Lanemeters: 1130 Tallinn-Helsinki	<b>Galaxy</b> Built: 2006 Length: 212m Passengers: 2800 Lanemeters: 1130 Turku-Stockholm	<b>Silja Europa</b> Built: 1993 Length: 202m Passengers: 3123 Lanemeters: 932 Tallinn-Helsinki	<b>Isabelle</b> Built: 1989 Length: 171m Passengers: 2480 Lanemeters: 850 Riga-Stockholm	<b>Stena Superfast VII</b> Built: 2001/2002 Length: 203m Passengers: 717 Lanemeters: 1900 Chartered out
<b>Superstar</b> Built: 2008 Length: 177m Passengers: 2080 Lanemeters: 1930 Tallinn-Helsinki	<b>Victoria I</b> Built: 2004 Length: 193m Passengers: 2500 Lanemeters: 1030 Tallinn-Stockholm	<b>Silja Symphony</b> Built: 1991 Length: 203m Passengers: 2852 Lanemeters: 950 Helsinki-Stockholm	<b>Regal Star</b> Built: 1999 Length: 157m Passengers: 80 Lanemeters: 2087 Paldiski-Kapellskär	<b>Atlantic Vision</b> Built: 2002 Length: 203.3m Passengers: 728 Lanemeters: 1900 Chartered out	<b>Stena Superfast VIII</b> Built: 2001/2002 Length: 203m Passengers: 717 Lanemeters: 1900 Chartered out
<b>Baltic Princess</b> Built: 2008 Length: 212m Passengers: 2800 Lanemeters: 1130 Turku-Stockholm	<b>Romantika</b> Built: 2002 Length: 193m Passengers: 2500 Lanemeters: 1030 Tallinn-Stockholm	<b>Silja Serenade</b> Built: 1990 Length: 203m Passengers: 2852 Lanemeters: 950 Helsinki-Stockholm	<b>Sea Wind</b> Built: 1972 Length: 155.0m Passengers: 260 Lanemeters: 1100 Tallinn-Helsinki		

## Age of fleet by value



World-wide ships age  
Ferries 23 years  
Cruise ships 13 years

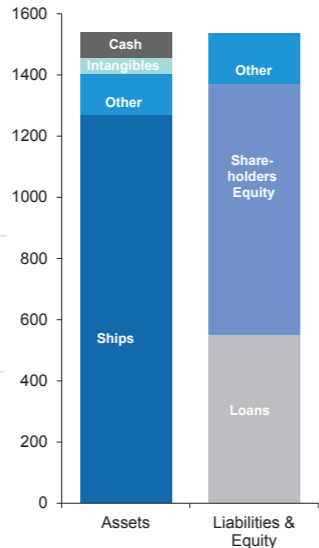
## We operate 5 Hotels (1300 rooms)

<b>Tallink City</b> Rooms: 332 Conference Nightclub Tallinn	<b>Pirita Top Spa</b> Rooms: 267 Wellness & MediSPA National Heritage Tallinn
<b>Tallink Spa &amp; Conference</b> Rooms: 275 Aqua Spa Tallinn	<b>Tallink Express</b> Rooms: 163 Resto & Bar Tempo Tallinn
<b>Tallink Hotel Riga</b> Rooms: 256 Conference GYM Riga	

60% of the hotel guests arrive with Tallink ships

## Financials

	2013	2014	2015
Revenue	942	921	945
Cost of sales	752	740	722
Marketing & GA expenses	108	112	111
EBITDA	156	151	181
EBITDA margin	17%	16%	19%
Net Profit	43	27	59
Cash flow from operations	168	151	192
Investments	43	49	44
Loan repayments	46	51	192
Cash position	72	65	82
Total assets	1 722	1 686	1 539
Ships	1 479	1 451	1 270
Interest bearing loans	794	743	549
Shareholders' equity	771	778	824



## Our position in the world

### Ferry operator by gross tons

Rank	Company	Gross tons
1	Stena Line	933 618
2	Grimaldi Lines	694 597
3	<b>Tallink</b>	<b>466 960</b>
4	P&O Ferries	409 659
5	Tirrenia	373 911

### Ferry operator by beds

Rank	Company	Beds
1	<b>Tallink</b>	<b>18 963</b>
2	Stena Line	17 069
3	Viking Line	14 026
4	Grand Navi Veloci	13 680
5	Tirrenia	10 442

### Ferry operator by revenues (EUR million)

Rank	Company	Revenue
1	DFDS Group	1 714
2	Stena Line	1 340
3	<b>Tallink</b>	<b>921</b>
4	Finnlines	533
5	Viking Line	527

Source: ShipPax MARKET: 15, Company reports

### The world's top duty free & travel retail shops 2014

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

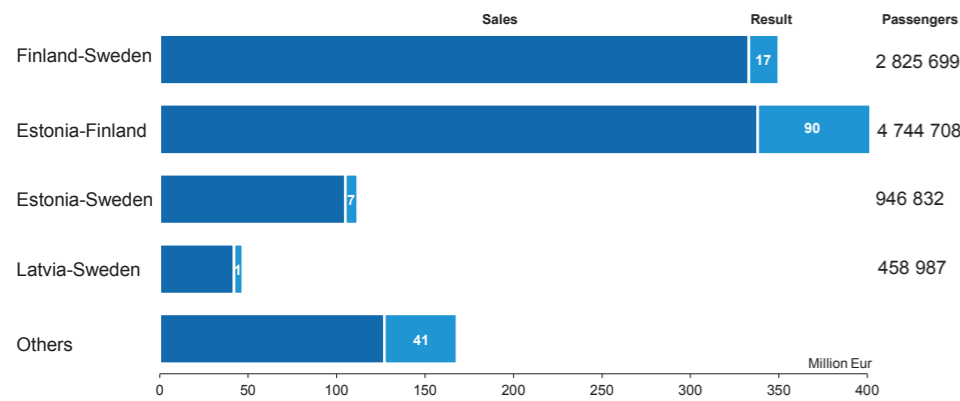
Source: Generation Research 2015

## Share price development



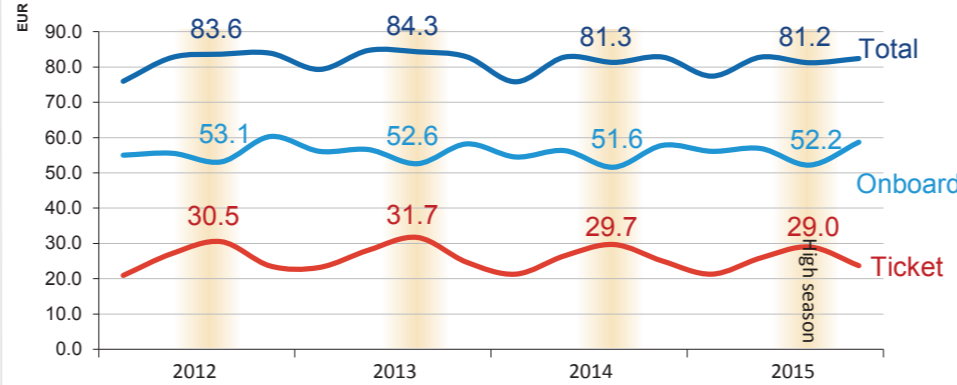
Tallink has been a leading stock on the Baltic market in liquidity, market capitalization and has a retail shareholder base around 11 000 shareholders

## Segment result by routes 2015



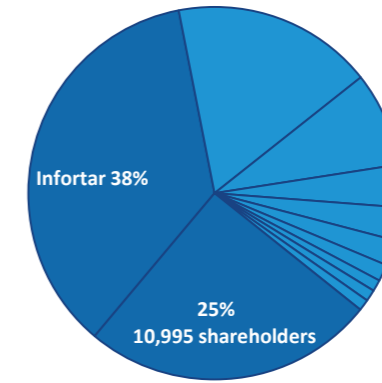
The segment result is the result before administrative expenses, financial expenses and taxes

## Passenger revenue



Quarterly passenger spending, highs and lows

## Ownership & Management

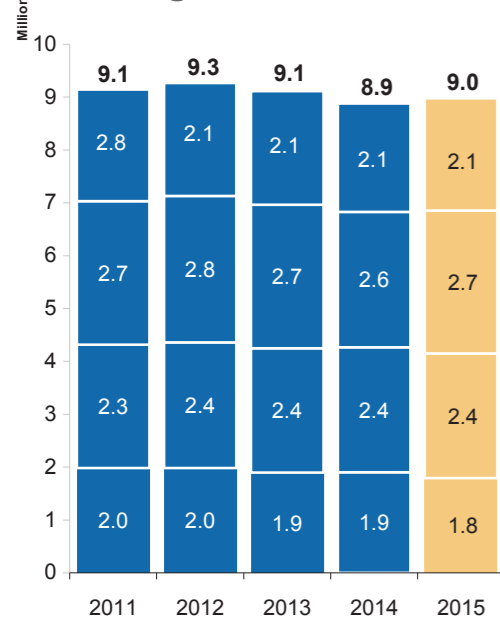


- Baltic Cruises Holding 17%
- Nordea Bank Finland clients account 6%
- ING Luxembourg S.A. AIF account 4%
- ING Luxembourg client account 3%
- State Street Bank and Trust Omnibus fund OM01 2%
- Clearstream Banking Luxembourg S.A. Clients 2%
- Skandinaviska Enskilda Banken client account 1%
- Mellon Treaty Omnibus 1%
- Firebird Republics fund 1%

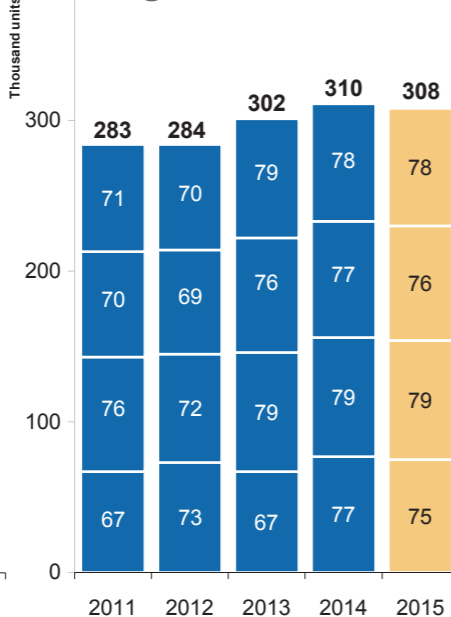
Janek Stalmeister  
Andres Hunt  
Lembit Kitter

Chairman of the Management Board, CEO  
Vice Chairman of the Management Board  
Member of the Management Board

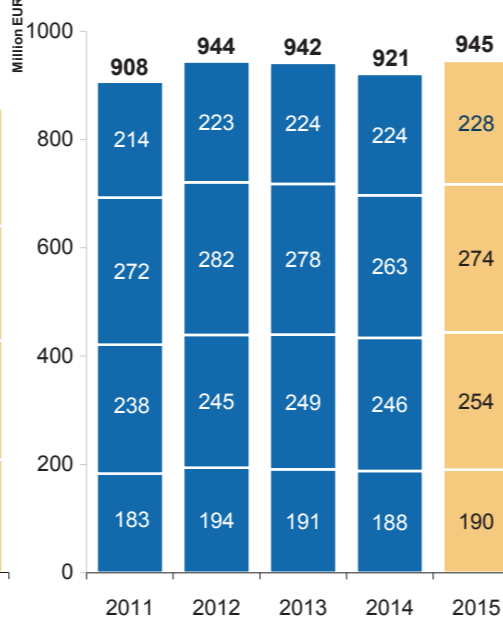
## Passengers



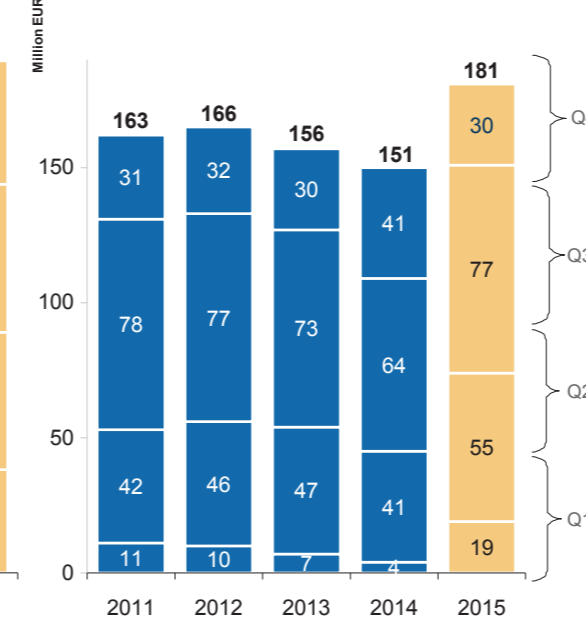
## Cargo units



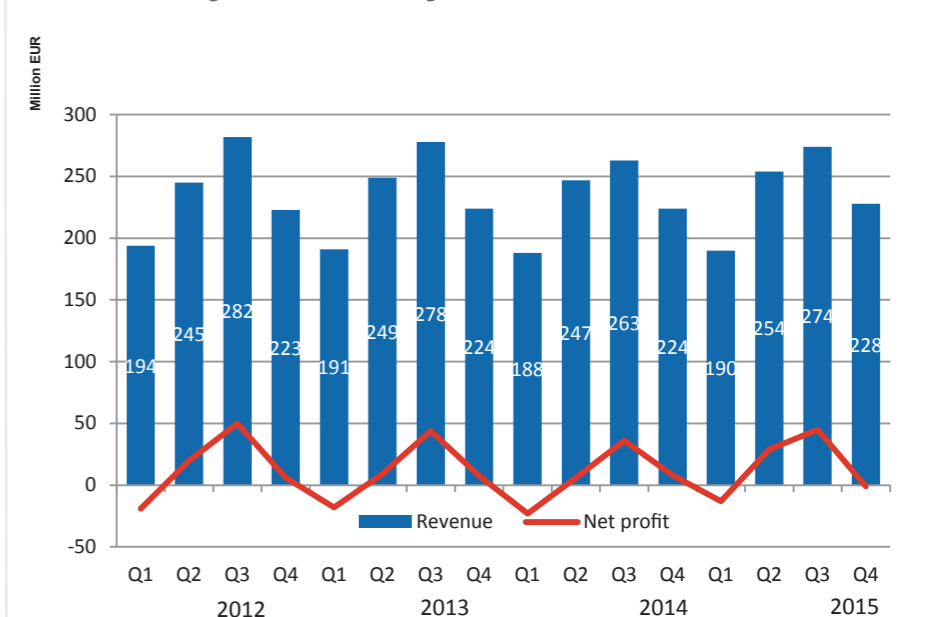
## Revenue



## EBITDA



## Quarterly seasonality



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