



AS TALLINK GRUPP

Unaudited Consolidated Interim Financial Statements for the twelve months of the 2015 financial year

1 January 2015 – 31 December 2015

Beginning of the financial year	1. January 2015
End of the financial year	31. December 2015
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Primary activity	maritime transportation (passenger and cargo transportation)
Auditor	KPMG Baltics OÜ

CONTENT

MANAGEMENT REPORT FOR THE INTERIM FINANCIAL STATEMENTS	3
<i>Unaudited Consolidated Interim Financial Statements Twelve months of the financial year 2015</i>	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	14
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	15
CONSOLIDATED CASH FLOW STATEMENT	16
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	17
<i>Notes to the unaudited consolidated interim financial statements Twelve months of the financial year 2015</i>	18-23
MANAGEMENT BOARD'S APPROVAL TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS	24

MANAGEMENT REPORT

AS Tallink Grupp and its subsidiaries (the Group) carried a total of 9.0 million passengers in the 2015 financial year which is 1.1% more compared to the year before. The Group's unaudited revenue increased by 2.6% to all-time high of EUR 945.2 million and EBITDA increased by 20.5% to a record EUR 181.4 million. Unaudited net profit more than doubled compared to last year and amounted to EUR 59.1 million or EUR 0.09 per share. The cash flow from operating activities increased by EUR 41.2 million and totaled to EUR 191.9 million.

The increase in the Group's results is mainly attributed to the growth in passenger number, higher on-board revenue per passenger, higher charter revenue and lower operating costs. The passenger number grew steadily in most routes and the Group regained market share from the direct competition.

The revenue growth is driven by higher restaurant & shop sales and charter revenues. The restaurant & shop sales increase 2.7% or EUR 13.1 million was supported by higher passenger number and also higher on-board sales per passenger. The charter revenues increased by 13.6% or EUR 6.4 million and the cargo revenues by 1.3% compared to 2014. Proactive marketing and sales activities led to an increase of passenger number and resulted in lower ticket revenue per passenger, the total ticket revenue declined by 1.1%.

Estonia-Finland route passenger number increased by 5.0% and cargo units by 17.9%, the segment revenue increased by 5.1%. The Finland-Sweden route passenger number grew by 4.1% mostly due to more departures compared to 2014, the cargo units transported decreased by 26.2% and segment revenue increased by 2.9%. The shift of cargo volumes between the routes is the result of one cargo vessel moved from Finland-Sweden route to Estonia-Finland route from 2015. The Latvia-Sweden route passenger and cargo volume decreased by 32.2% and by 46.5% respectively as only one vessel was operating on the route since mid-2014.

The lower energy prices globally enabled smooth adoption to the more environmental friendly low sulphur fuel and the previously highlighted risk of increasing fuel cost did not materialise. Following the market prices the Group's average fuel price in 2015 was 5% lower compared to 2014. The total annual fuel consumption reduced by 13%, the saving is attributed to optimisations in vessel operations and changes in the fleet. Lower total fuel consumption and price resulted in approximately EUR 20 million less fuel cost compared to 2014.

In the fourth quarter (1 October - 31 December) of the 2015 financial year the Group carried 2.1 million passengers which is 3.6% more compared to the fourth quarter last year and unaudited revenue increased 1.6% to the total of EUR 227.6 million.

The Group's fourth quarter profitability is affected by EUR 9.5 million one-off costs (book loss and transaction costs) related to sale of fast ferry Superstar. The fourth quarter EBITDA decreased by EUR 11.1 million to EUR 29.9 million compared to the same period last year, the adjusted EBITDA from normal operations, excluding the one off costs is EUR 39.4 million.

The Estonia-Finland route fourth quarter revenue increased 5.3% compared to same period last year. The increase is driven mainly by a 6.3% growth in the passenger number. The growth of 15.4% in cargo units transported is supported mainly by added capacity.

The Finland-Sweden routes fourth quarter revenue was on level with last year, although the passenger number grew by 2.2%. The number of cargo units transported decreased by 27.7% due to reduced capacity.

The Estonia-Sweden route revenue increase of 11.7% was driven by a 2.0% increase of passenger number and higher on board sales per passenger, cargo volume was on level with last year. The Latvia-Sweden route showed an 11.4% decline in the passenger number, cargo volume was on level with last year.

The Group's restaurants and shop sales increased by EUR 6.3 million or 5.3% in the fourth quarter compared to the same period last year. The sales growth is driven by the growth of the passenger number and higher average on-board revenue per passenger.

The revenue from the chartered out vessels has reduced in the fourth quarter compared to the same period last year due to fewer ships were chartered out. Two ships previously chartered out were sold in the second quarter of 2015.

AS Tallink Grupp signed a contract with Meyer Turku Oy in February 2015 for the construction of its new EUR 230 million LNG powered fast ferry. The start of production of the new LNG fast ferry started on the 4th of August 2015 at Meyer Turku shipyard and the delivery of the vessel is planned in the beginning of 2017.

In order to be ready for the delivery of the new generation LNG fast ferry to the Tallinn-Helsinki route Shuttle service early 2017, the Group decided to sell and charter back the fast ferry Superstar. The ownership of the vessel was transferred to the buyer on 1st of December 2015. The Group continues to operate the vessel under the charter agreement until the beginning of 2017, when the new LNG fast ferry will start to operate on Tallinn-Helsinki route Shuttle service.

In financial year 2015 the Group sold three vessels. The total cash proceeds from the sale EUR 115.4 million are mainly used to repay loans and for the down payment of the new LNG fast ferry under construction.

In the fourth quarter the Group's net debt decreased by EUR 116.3 million to a total of EUR 467.4 million and the net debt to EBITDA ratio improved further to a solid 2.6 at the end of fourth quarter.

The Group's fourth quarter total finance costs decreased by EUR 3.4 million due to lower cost from foreign exchange revaluations. The interest cost increased compared to last year, including one-off cost of premature termination of loan contract related to the sale of vessel.

The unaudited net loss for the fourth quarter of the 2015 financial year was EUR 1.3 million or EUR -0.002 per share compared to the net profit of EUR 8.4 million or EUR 0.013 per share in the same period last year. The Group's net profit for the 2015 financial year was EUR 59.1 million or EUR 0.09 per share compared to the EUR 27.3 million or EUR 0.04 per share in the same period last year.

Cash flow from operations increased by EUR 9.3 million in fourth quarter compared to the same period last year. The total liquidity, cash and unused credit facilities, at the end of the fourth quarter was EUR 153.6 million providing a strong financial position. The Group had EUR 82.0 million in cash and equivalents and the total of unused credit lines were at EUR 71.6 million.

Q4 KEY FIGURES

		2015 Oct-Dec	2014 Oct-Dec	Change
Revenue	EUR million	227.6	224.1	1.6%
Gross profit	EUR million	50.2	49.4	1.7%
Gross margin		22.0%	22.0%	
EBITDA	EUR million	29.9	41.0	-27.1%
EBITDA adjusted ¹	EUR million	39.4	41.0	-3.9%
EBITDA margin adjusted ¹		17.3%	18.3%	
Net profit for the period	EUR million	-1.3	8.4	-115.8%
Net profit for the period adjusted ¹	EUR million	13.7	8.4	63.1%
Net profit margin adjusted ¹		6.0%	3.7%	

Depreciation and amortization	EUR million	19.4	20.9	-7.1%
Investments	EUR million	13.8	18.1	-23.8%

Weighted average number of ordinary shares outstanding ²		669,882,040	669,882,040	0.0%
Earnings per share	EUR	0.00	0.01	-115.8%

Number of passengers		2,125,361	2,051,410	3.6%
Number of cargo units		78,136	77,816	0.4%
Average number of employees		6,769	6,715	0.8%

		31.12.2015	30.09.2015	
Total assets	EUR million	1,538.1	1,652.6	-6.9%
Interest-bearing liabilities	EUR million	549.3	662.7	-17.1%
Net debt	EUR million	467.4	583.6	-19.9%
Total equity	EUR million	824.5	825.3	-0.1%

Equity ratio		53.6%	49.9%	
Net debt to EBITDA		2.6	3.0	

Number of ordinary shares outstanding ²		669,882,040	669,882,040	0.0%
Shareholders' equity per share	EUR	1.23	1.23	-0.1%

EBITDA: Earnings before net financial items, taxes, depreciation and amortization;

Earnings per share: net profit / weighted average number of shares outstanding;

Equity ratio: total equity / total assets;

Shareholder's equity per share: shareholder's equity / number of shares outstanding;

Gross margin: gross profit / net sales;

EBITDA margin: EBITDA / net sales;

Net profit margin: net profit / net sales;

Net debt: Interest bearing liabilities less cash and cash equivalents;

Net debt to EBITDA: Net debt / 12-months trailing EBITDA.

¹ Vessel sale result in the fourth quarter of 2015 is eliminated.

² Share numbers exclude own shares.

SALES & SEGMENT RESULTS

The following table provides an overview of the quarterly sales development by operational segments:

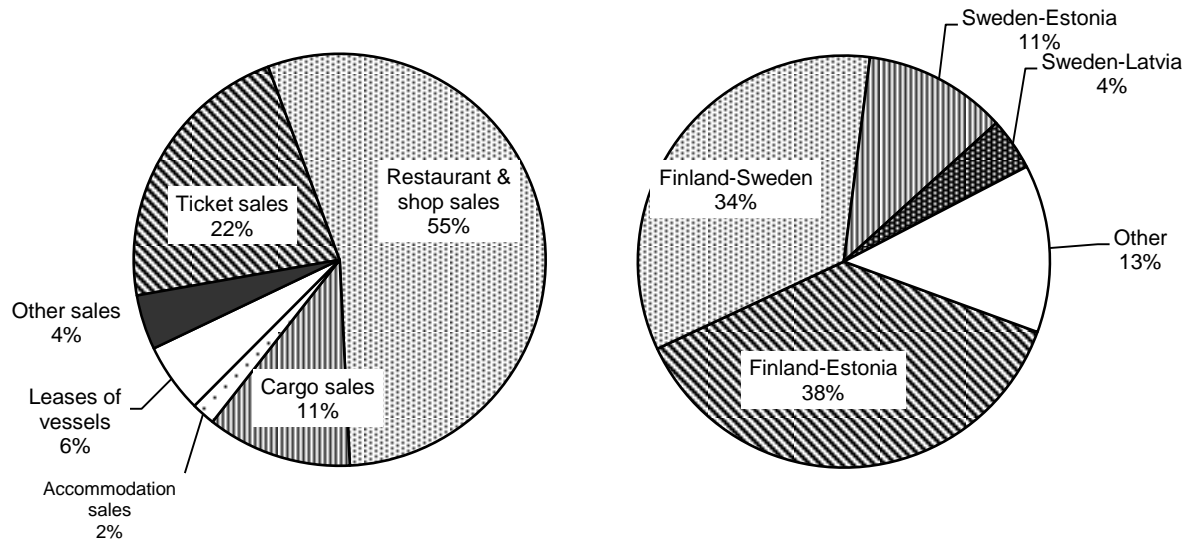
in EUR millions	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q4 change y-o-y
Ticket sales	51.2	38.1	61.1	78.3	50.4	-1.6%
Restaurant & shop sales	118.5	100.6	134.1	141.1	124.9	5.3%
Cargo sales	24.6	25.9	27.2	25.4	25.9	5.1%
Accommodation sales	4.0	3.0	5.2	6.3	4.3	7.8%
Leases of vessels	16.2	15.7	13.2	12.1	12.4	-23.2%
Other sales	9.7	6.9	13.0	10.3	9.8	1.4%
Total revenue	224.1	190.2	253.9	273.6	227.6	1.6%

The following table provides an overview of the quarterly sales and result development by geographical segments:

			Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q4 change y-o-y
Finland- Estonia	Passengers	th.	1,082	918	1,233	1,443	1,151	6.3%
	Cargo units	th.	43	47	51	51	49	15.4%
	Revenue	mil.EUR	81.0	66.8	89.7	96.3	85.3	5.3%
	Segment result	mil.EUR	23.7	12.6	24.5	30.0	23.1	-2.6%
Finland- Sweden	Passengers	th.	636	585	748	843	650	2.2%
	Cargo units	th.	23	17	17	14	16	-27.7%
	Revenue	mil.EUR	77.9	68.2	88.1	99.6	77.4	-0.6%
	Segment result	mil.EUR	0.2	-5.1	6.2	16.4	-0.3	-230.9%
Sweden- Estonia	Passengers	th.	217	196	253	277	222	2.0%
	Cargo units	th.	11	9	9	10	11	0.8%
	Revenue	mil.EUR	22.9	19.3	27.3	32.2	25.6	11.7%
	Segment result	mil.EUR	0.1	-2.9	1.9	6.7	0.7	804.2%
Sweden- Latvia	Passengers	th.	116	95	123	138	103	-11.4%
	Cargo units	th.	2	2	2	2	2	-1.0%
	Revenue	mil.EUR	10.1	8.1	11.0	13.5	9.4	-7.3%
	Segment result	mil.EUR	0.4	-0.4	1.3	3.8	0.6	62.3%
Other	Revenue	mil.EUR	34.7	29.6	40.4	35.2	32.4	-6.6%
	Segment result	mil.EUR	9.2	6.6	12.1	12.7	9.3	1.7%
	Inter segment sales	mil.EUR	-2.4	-1.8	-2.7	-3.3	-2.4	-2.0%
	Total revenue	mil.EUR	224.1	190.2	253.9	273.6	227.6	1.6%
	EBITDA	mil.EUR	41.1	19.5	55.2	76.8	29.9	-27.1%
	Total segment result	mil.EUR	33.6	10.9	45.9	69.7	33.4	-0.5%
	Net profit/-loss	mil.EUR	8.4	-13.3	28.5	45.2	-1.3	-115.8%

Segment result - result before administrative expenses, financial expenses and taxes

The following graphs provide an overview of the sales distribution in the fourth quarter on operational and geographical segment based approach.



MARKET DEVELOPMENTS

The following table provides an overview of the passengers, cargo units and passenger vehicles transported during the twelve months and fourth quarter of 2015 and 2014 financial years.

	Q4 2015	Q4 2014	Q4 change	12 months 2015	12 months 2014	12 months change
Passengers	2,125,361	2,051,410	3.6%	8,976,226	8,881,732	1.1%
Finland – Estonia	1,150,665	1,081,973	6.3%	4,744,708	4,518,013	5.0%
Finland – Sweden	650,193	636,056	2.2%	2,825,699	2,713,789	4.1%
Sweden – Estonia	221,529	217,093	2.0%	946,832	973,254	-2.7%
Sweden – Latvia	102,974	116,288	-11.4%	458,987	676,676	-32.2%
Cargo Units	78,136	77,816	0.4%	308,029	310,492	-0.8%
Finland – Estonia	49,058	42,507	15.4%	197,324	167,411	17.9%
Finland – Sweden	16,411	22,711	-27.7%	64,309	87,197	-26.2%
Sweden – Estonia	10,744	10,656	0.8%	39,155	42,347	-7.5%
Sweden – Latvia	1,923	1,942	-1.0%	7,241	13,537	-46.5%
Passenger Vehicles	251,756	244,018	3.2%	1,119,917	1,112,381	0.7%
Finland – Estonia	198,346	189,332	4.8%	830,044	798,082	4.0%
Finland – Sweden	25,935	26,031	-0.4%	161,772	161,197	0.4%
Sweden – Estonia	15,224	15,052	1.1%	71,793	73,889	-2.8%
Sweden – Latvia	12,251	13,603	-9.9%	56,308	79,213	-28.9%

The Group's market shares on the routes operated during a 12 month period ending 31 December 2015 were as follows:

- The Group carried approximately 56% of the passengers and 65% of ro-ro cargo on the route between Tallinn and Helsinki;
- The Group carried approximately 53% of passengers and 26% of ro-ro cargo on the routes between Finland and Sweden;
- The Group is the only provider of daily passenger transportation between Estonia and Sweden;
- The Group is the only provider of daily passenger and ro-ro cargo transportation between Riga and Stockholm.

PERSONNEL

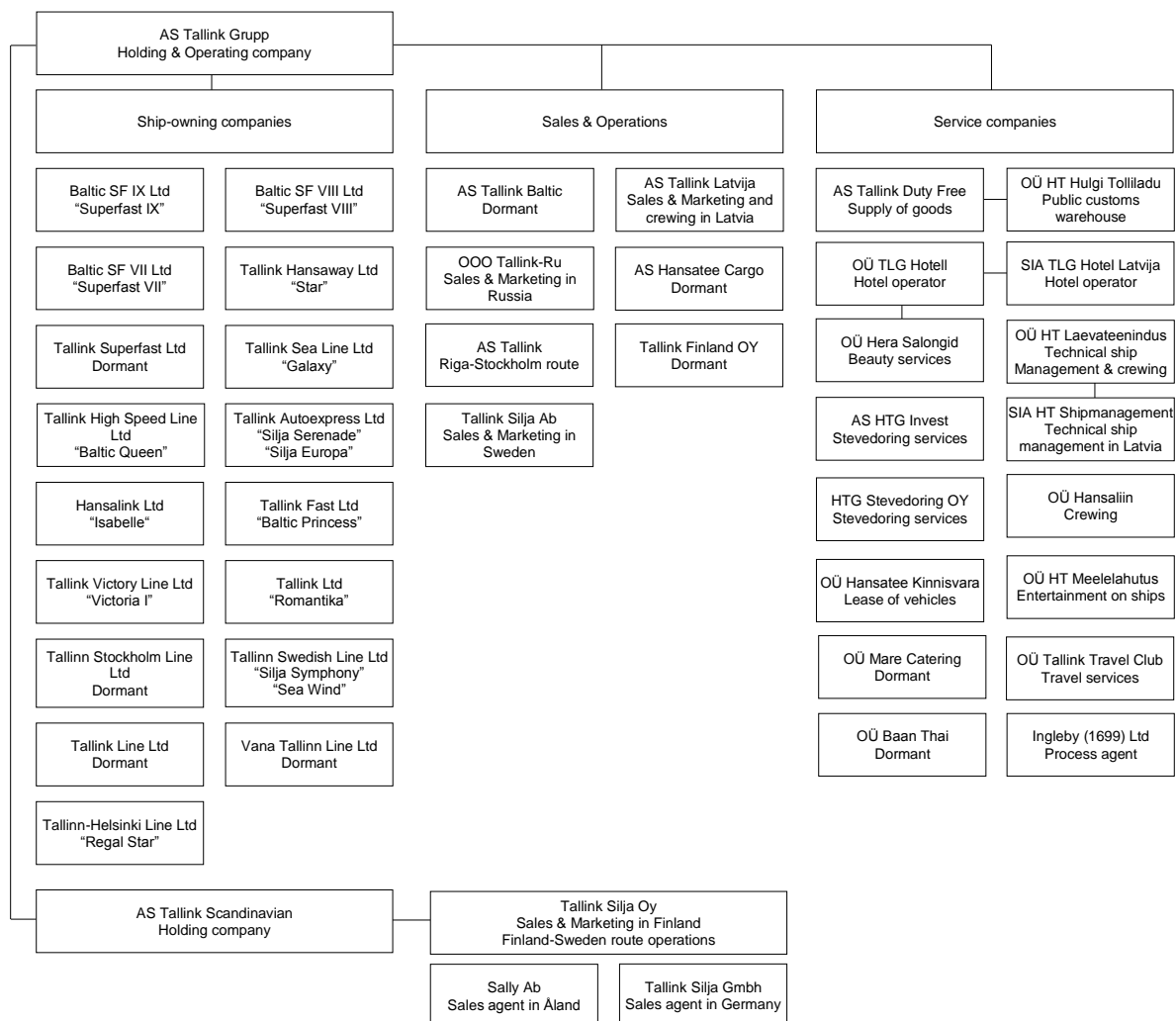
31 December 2015 the Group employed 6,966 employees (6,654, 31 December 2014). The following table provides a more detailed overview of the Group's personnel.

	Average of 4th quarter			Average of twelve months			End of 4th quarter		
	2015	2014	change	2015	2014	change	31.12.15	31.12.14	change
Onshore total	1,562	1,528	2.2%	1,554	1,561	-0.5%	1,565	1,521	2.9%
<i>Estonia</i>	823	779	5.6%	790	799	-1.1%	835	770	8.4%
<i>Finland</i>	478	472	1.3%	487	484	0.6%	471	471	2.7%
<i>Sweden</i>	180	196	-8.2%	197	194	1.5%	177	199	-11.1%
<i>Latvia</i>	65	67	-3.0%	65	70	-7.1%	66	67	-1.5%
<i>Germany</i>	6	4	50.0%	4	4	0.0%	6	4	50.0%
<i>Russia</i>	10	10	0.0%	10	10	0.0%	10	10	0.0%
At sea	4,599	4,584	0.3%	4,657	4,783	-2.6%	4,788	4,525	5.8%
Hotel	608	603	0.8%	624	608	2.6%	613	608	0.8%
Total	6,769	6,715	0.8%	6,835	6,952	-1.7%	6,966	6,654	4.7%

CORPORATE STRUCTURE

On the report date, the Group consisted of 44 companies. All of the subsidiaries are wholly-owned companies of AS Tallink Grupp.

The following chart describes the structure of the Group as on the date of reporting 31 December 2015:

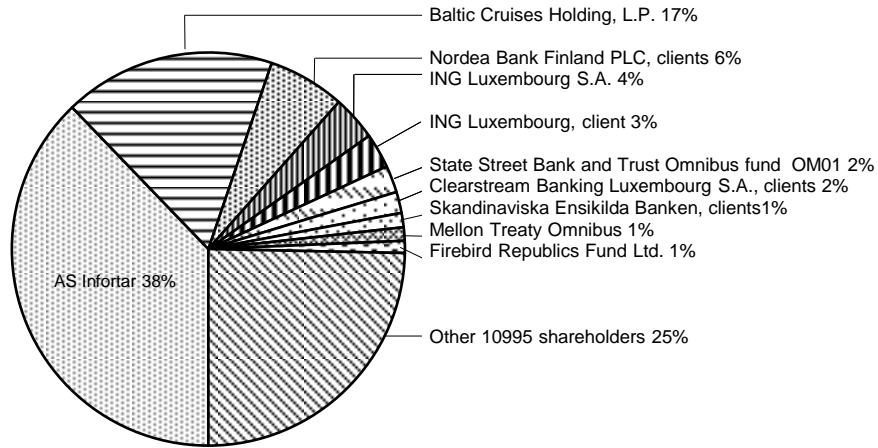


The Group also owns 34% of AS Tallink Takso.

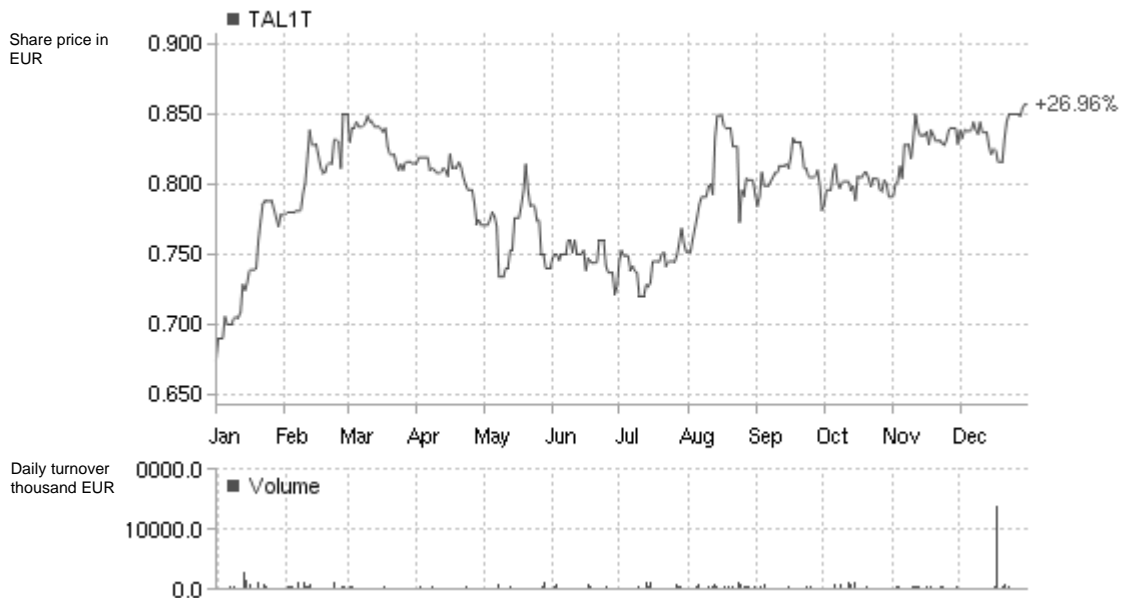
The Group established new 100% owned subsidiary OÜ Baan Thai on 11th of February 2016. The subsidiary's main activity will be catering services.

SHAREHOLDERS & SHARE PRICE DEVELOPMENT

The following chart displays the shareholder structure of AS Tallink Grupp as of 31 December 2015.



Since the 9th of December 2005 the shares of AS Tallink Grupp are listed on the Tallinn Stock Exchange, where the shares are traded under the symbol TAL1T. The following chart gives an overview of the share price development in the past twelve months.



Source: Nasdaq OMX Baltic

EVENTS IN Q4

Due to the term of office expiry of the Management Board member Mrs. Kadri Land, the Supervisory Board of the Group resolved to remove her from the management board as of 31st of December 2015. Mrs. Land will continue in the Group as Director of Global Operations and Logistics.

In the beginning of December 2015 the Group agreed with the main fuel supplier to fix the price of approximately one-third of the 2016 fuel purchasing volume.

In order to be ready for the delivery of the new generation LNG fast ferry to the Tallinn-Helsinki route Shuttle service early 2017 the Group decided to sell and charter back the fast ferry Superstar. AS Tallink Grupp subsidiary Tallink Superfast Ltd entered into agreement with Medinvest SPA (Corsica Ferries Group) and sold the fast ferry Superstar at price of EUR 91.5 million. Concurrently the parties entered into bareboat charter agreement and the Group continues to operate the fast ferry Superstar on its Tallinn-Helsinki route shuttle service until beginning of 2017, when the new LNG fast ferry will start to operate on the route. The ownership of the sold vessel was transferred to the buyer on 1st of December 2015.

The sale of the vessel resulted in one-off book loss of EUR 7.6 million. The cash proceeds from the sale are used to repay loans to continue the deleveraging strategy and for the down payment of the new LNG fast ferry under construction. The sale of vessel and repayment of loan reduced the Group's net debt and the net debt to EBITDA ratio improved further to solid 2.6 at the end of fourth quarter.

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

The charter of the ferry Silja Europa was concluded on 19th of February 2016 and the vessel was handed over to the Group. Silja Europa will start on Tallinn-Helsinki route on 13th of March with two daily departures next to cruise ferry Baltic Queen and fast ferries Star and Superstar.

Looking forward to the financial year 2016 the chartering revenues will decrease compared to 2015 as fewer ships are in charter.

The sale of the fast ferry Superstar prepares the Group for the delivery of the new generation LNG fast ferry to the Tallinn-Helsinki route early 2017 and supports Tallink's strategy to secure and strengthen its position in its route with largest passenger volumes.

The Group established new 100% owned subsidiary OÜ Baan Thai on 11th of February 2016. The subsidiary's main activity will be providing of catering services.

The Group's earnings are not generated evenly throughout the year. Summer period is the high season in the Group's operations. In the opinion of the management and based on the experience of the previous financial years the majority of the earnings are generated during summer (June-August).

AS Tallink Grupp does not have any substantial on-going research and development projects.

RISKS

The Group's business, financial condition and results from operations could be materially affected by various risks. These risks are not the only ones. Additional risks and uncertainties not presently known to us, or that we currently believe are immaterial or unlikely, could also impair our business. The order of presentation of the risk factors below is not intended to be an indication of the probability of their occurrence or of their potential effect on our business.

- Accidents, disasters
- Macroeconomic development
- Changes in laws and regulations
- Relations with trade unions
- Increase in the fuel prices and interest rates
- Market and customer behaviour

MANAGEMENT BOARD'S CONFIRMATION TO THE MANAGEMENT REPORT

The Management Board confirms that to the best of their knowledge the management report of AS Tallink Grupp for the fourth quarter of the 2015 financial year presents true and fair view of the development, results and the financial position of the Group and includes the overview of the main risks and uncertainties.

A handwritten signature in blue ink, appearing to be 'J. Stalmeister', written over a vertical line.

Janek Stalmeister
Chairman of the Management Board

A handwritten signature in blue ink, appearing to be 'A. Hunt', written in a cursive style.

Andres Hunt
Vice Chairman of the Management Board

A handwritten signature in blue ink, appearing to be 'L. Kitter', written in a cursive style.

Lembit Kitter
Member of the Management Board

Tallinn, 29.02.2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited, in thousands of euros)	01.10.2015- 31.12.2015	01.10.2014- 31.12.2014	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Revenue (Note 3)	227,631	224,141	945,203	921,466
Cost of sales	-177,439	-174,782	-721,780	-739,789
Gross profit	50,192	49,359	223,423	181,677
Marketing expenses	-16,777	-15,771	-63,578	-62,654
Administrative expenses	-13,001	-13,638	-47,311	-49,211
Other income	-377	709	983	1,696
Other expenses	-9,517	-496	-10,254	-854
Result from operating activities	10,520	20,163	103,263	70,654
Finance income (Note 4)	3,301	4,623	12,808	11,760
Finance costs (Note 4)	-14,317	-19,059	-46,964	-52,443
Share of profit of equity-accounted investees	64	24	64	24
Profit/-loss before income tax	-432	5,751	69,171	29,995
Income tax	-896	2,633	-10,101	-2,734
Net profit/-loss for the period	-1,328	8,384	59,070	27,261
Other comprehensive income/-expense				
Items that may be reclassified to profit or loss				
Exchange differences on translating foreign operations	416	242	160	286
Other comprehensive income/-expense for the period	416	242	160	286
Total comprehensive income/-expense for the period	-912	8,626	59,230	27,547
Earnings per share (in EUR per share)				
- basic (Note 5)	-0.00	0.01	0.09	0.04
- diluted (Note 5)	-0.00	0.01	0.09	0.04

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited, in thousands of euros)

ASSETS	31.12.2015	31.12.2014
Current assets		
Cash and cash equivalents	81,976	65,311
Trade and other receivables	36,583	38,210
Prepayments	6,498	5,448
Inventories	29,197	31,315
Total current assets	154,254	140,284
Non-current assets		
Investments in equity-accounted investees	350	286
Other financial assets	308	252
Deferred income tax assets	19,410	21,338
Investment property	300	300
Property, plant and equipment (Note 7)	1,311,418	1,467,964
Intangible assets (Note 8)	52,726	55,174
Total non-current assets	1,384,512	1,545,314
TOTAL ASSETS	1,538,766	1,685,598
LIABILITIES AND EQUITY		
Current liabilities		
Interest bearing loans and borrowings (Note 9)	81,889	149,850
Trade and other payables	88,480	91,236
Income tax liability	4,567	1,300
Deferred income	28,906	29,408
Derivatives (Note 6)	42,863	41,982
Total current liabilities	246,705	313,776
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	467,447	593,532
Other payables	192	0
Total non-current liabilities	467,639	593,532
TOTAL LIABILITIES	714,344	907,308
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	404,290	404,290
Share premium	639	639
Reserves	65,083	70,129
Retained earnings	354,410	303,232
Total equity attributable to equity holders of the parent	824,422	778,290
TOTAL EQUITY	824,422	778,290
TOTAL LIABILITIES AND EQUITY	1,538,766	1,685,598

CONSOLIDATED CASH FLOW STATEMENT

(unaudited, in thousands of euros)

	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Cash flows from operating activities		
Net profit/-loss for the period	59,070	27,261
Adjustments	132,851	125,629
Changes in receivables and prepayments related to operating activities	1,463	-2,291
Changes in inventories	2,118	2,142
Changes in liabilities related to operating activities	-4,139	-2,103
Income tax paid	553	71
	191,916	150,709
Cash flow used in investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 7, 8, 9)	-43,629	-49,148
Proceeds from disposals of property, plant and equipment	115,370	215
Proceeds from other financial assets	229	0
Interest received	74	140
	72,044	-48,793
Cash flow used in financing activities		
Repayment of loans (Note 9)	-133,263	-89,842
Change in overdraft (Note 9)	-59,052	43,993
Payment of finance lease liabilities (Note 9)	-80	-75
Interest paid	-33,210	-33,270
Payments for settlement of derivatives	-4,045	-3,985
Payment of transaction costs related to loans	-1,429	0
Dividends paid (Note 12)	-13,398	-20,096
Income tax on dividends paid	-2,818	-5,342
	-247,295	-108,617
TOTAL NET CASH FLOW	16,665	-6,701
Cash and cash equivalents:		
- at the beginning of period	65,311	72,012
- increase (+) / decrease (-)	16,665	-6,701
- at the end of period	81,976	65,311

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited, in thousands of euros)

	Share capital premium	Share premium	Translation reserve	Ships revaluation reserve	Mandatory legal reserve	Reserve for treasury shares	Share option programme reserve	Retained earnings	Equity attributable to equity holders of the Parent	Total equity
As at 31 December 2013	404,290	639	12	56,777	16,651	-4,163	834	296,023	771,063	771,063
Net profit/-loss for the period (Note 5)	0	0	0	0	0	0	0	27,261	27,261	27,261
Total other comprehensive income and expense	0	0	286	0	0	0	0	0	286	286
Total comprehensive income and expense for the period	0	0	286	0	0	0	0	27,261	27,547	27,547
Transaction with owners of the company										
Transfer from profit for 2013	0	0	0	0	2,171	0	0	-2,171	0	0
Transfer from revaluation reserve	0	0	0	-2,215	0	0	0	2,215	0	0
Dividends	0	0	0	0	0	0	0	-20,096	-20,096	-20,096
Share-based payment transactions (Note 11)	0	0	0	0	0	0	-224	0	-224	-224
Transactions with owners, recognised directly in equity	0	0	0	-2,215	2,171	0	-224	-20,052	-20,320	-20,320
As at 31 December 2014	404,290	639	298	54,562	18,822	-4,163	610	303,232	778,290	778,290
As at 31 December 2014	404,290	639	298	54,562	18,822	-4,163	610	303,232	778,290	778,290
Net profit/-loss for the period (Note 5)	0	0	0	0	0	0	0	59,070	59,070	59,070
Total other comprehensive income and expense	0	0	160	0	0	0	0	0	160	160
Total comprehensive income and expense for the period	0	0	160	0	0	0	0	59,070	59,230	59,230
Transaction with owners of the company										
Transfer from profit for 2014	0	0	0	0	1,363	0	0	-1,363	0	0
Transfer from revaluation reserve	0	0	0	-6,869	0	0	0	6,869	0	0
Dividends (Note 12)	0	0	0	0	0	0	0	-13,398	-13,398	-13,398
Share-based payment transactions (Note 11)	0	0	0	0	0	0	300	0	300	300
Transactions with owners, recognised directly in equity	0	0	0	-6,869	1,363	0	300	-7,892	-13,098	-13,098
As at 31 December 2015	404,290	639	458	47,693	20,185	-4,163	910	354,410	824,422	824,422

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 1 CORPORATE INFORMATION

The interim consolidated financial statements of AS Tallink Grupp and its subsidiaries (hereinafter as “the Group”) for the first 12 months of the financial year 2015 were authorised for issue in accordance with a resolution of the Management Board on 29 February 2016. AS Tallink Grupp is a limited company incorporated in Estonia and employed 6,966 people at 31 December 2015 (31 December 2014: 6,654).

Note 2 BASIS OF PREPARATION

The interim consolidated 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 financial statements as in the annual consolidated financial statements of AS Tallink Grupp for the financial year ended on 31 December 2014.

The interim consolidated financial statements have been prepared in thousand euros (EUR).

Note 3 SEGMENT INFORMATION

The Group’s operations are organised and managed separately according to the nature of the different markets. The routes represent different business segments. The following tables present the Group’s revenue and profit information regarding reportable segments for the reportable and comparable period.

Geographical segments

(in thousands of euros)

01.01.2015-31.12.2015	Estonia- Finland route	Estonia- Sweden route	Latvia- Sweden route	Finland- Sweden route	Other	Elimination of intersegment sales	Total
Revenue							
Sales to external customers	338,183	104,360	41,964	333,263	127,433	0	945,203
Inter-segment sales	0	0	0	0	10,180	-10,180	0
	338,183	104,360	41,964	333,263	137,613	-10,180	945,203
Segment result							
Unallocated expenses	90,255	6,371	5,319	17,207	40,693	0	159,845
Net financial items (Note 4)							-56,582
Share of profit of equity- accounted investees							-34,156
							64
Profit/loss before income tax							69,171
01.01.2014-31.12.2014							
	Estonia- Finland route	Estonia- Sweden route	Latvia- Sweden route	Finland- Sweden route	Other	Elimination of intersegment sales	Total
Revenue							
Sales to external customers	321,738	102,442	60,023	323,969	113,294	0	921,466
Inter-segment sales	0	0	0	0	10,553	-10,553	0
	321,738	102,442	60,023	323,969	123,847	-10,553	921,466
Segment result							
Unallocated expenses	82,937	4,648	1,297	2,964	27,177	0	119,023
Net financial items (Note 4)							-48,369
Share of profit of equity- accounted investees							-40,683
							24
Profit/loss before income tax							29,995

Revenue by service

(in thousands of euros)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Ticket sales	227,968	230,459
Sales of cargo transport	104,433	103,060
Sales of accommodation	18,783	18,967
Restaurant and shops sales on-board and on mainland	500,601	487,546
Income from charter of vessels	53,473	47,072
Other	39,945	34,362
Total revenue of the Group	945,203	921,466

Note 4 FINANCE INCOME AND FINANCE COSTS

(in thousands of euros)	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Net foreign exchange gains	6,683	10,411
Income from interest rate swaps	5,929	1,274
Income from other financial assets	186	0
Interest income arising from financial assets not measured at fair value through profit or loss	10	75
Total finance income	12,808	11,760
Interest expense arising from financial liabilities measured at amortised cost	-36,109	-35,411
Expenses from interest rate swaps	-4,045	-9,864
Expenses from foreign exchange derivatives	-6,810	-7,168
Total finance costs	-46,964	-52,443

Note 5 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. The outstanding share options have no diluting effect due to their exercise price being higher than the average price in the stock market during the reporting period.

	01.10.2015- 31.12.2015	01.10.2014- 31.12.2014	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Weighted average number of ordinary shares, basic (pcs)	669,882,040	669,882,040	669,882,040	669,882,040
Weighted average number of ordinary shares, diluted (pcs)	669,882,040	669,882,040	669,882,040	669,882,040
Net profit/-loss attributable to ordinary shareholders	-1,328	8,384	59,070	27,261
Earnings per share, basic (in EUR per share)	-0.00	0.01	0.09	0.04
Earnings per share, diluted (in EUR per share)	-0.00	0.01	0.09	0.04

Weighted average number of ordinary shares

(pcs)	01.10.2015- 31.12.2015	01.10.2014- 31.12.2014	01.01.2015- 31.12.2015	01.01.2014- 31.12.2014
Issued ordinary shares at the beginning of period	673,817,040	673,817,040	673,817,040	673,817,040
Effect of own shares held	-3,935,000	-3,935,000	-3,935,000	-3,935,000
Weighted average number of ordinary shares at the end of period	669,882,040	669,882,040	669,882,040	669,882,040

Note 6 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.

As of 31.12.2015 AS Tallink Grupp had two interest rate derivative contracts with total notional amount of EUR 170,000 thousand with the maturities in years 2018, 2019 and two cross-currency rate derivative contracts with total notional amount of EUR 120,000 thousand with the maturities in year 2018. The fair value of the interest rate derivatives recognized in the current interim financial statements as of 31.12.2015 is EUR -12,635 thousand. The fair value of the cross-currency rate derivatives recognized in the current interim financial statements as of 31.12.2015 is EUR -30,228 thousand.

Note 7 PROPERTY, PLANT AND EQUIPMENT

(in thousands of euros)

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value as at 31 December 2014	3,729	1,451,400	10,000	2,835	1,467,964
Additions	334	10,498	4,527	25,379	40,738
Reclassification	41	0	-41	0	0
Disposals	0	-124,090	-444	0	-124,534
Depreciation for the period	-1,162	-67,706	-3,882	0	-72,750
Book value as at 31 December 2015	2,942	1,270,102	10,160	28,214	1,311,418

As at 31 December 2015

-gross carrying amount	13,120	1,559,457	33,896	28,214	1,634,687
-accumulated depreciation	-10,178	-289,355	-23,736	0	-323,269

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value as at 31 December 2013	4,841	1,479,030	9,572	2,452	1,495,895
Additions	4	41,480	4,743	383	46,610
Exchange rate differences	0	0	3	0	3
Disposals	0	0	-189	0	-189
Depreciation for the period	-1,116	-69,110	-4,129	0	-74,355
Book value as at 31 December 2014	3,729	1,451,400	10,000	2,835	1,467,964

As at 31 December 2014

-gross carrying amount	12,786	1,714,237	30,838	2,835	1,760,696
-accumulated depreciation	-9,057	-262,837	-20,838	0	-292,732

Note 8 INTANGIBLE ASSETS

(in thousands of euros)

	Goodwill	Trademark	Others	Total
Book value as at 31 December 2014	11,066	33,502	10,606	55,174
Additions	0	0	2,920	2,920
Disposals	0	0	-16	-16
Amortisation for the period	0	-2,916	-2,436	-5,352
Book value as at 31 December 2015	11,066	30,586	11,074	52,726

As at 31 December 2015

-cost	11,066	58,288	29,707	99,061
-accumulated amortisation	0	-27,702	-18,633	-46,335

Book value as at 31 December 2013	11,066	36,418	10,441	57,925
Additions	0	0	2,802	2,802
Amortisation for the period	0	-2,916	-2,637	-5,553
Book value as at 31 December 2014	11,066	33,502	10,606	55,174

As at 31 December 2014

-cost	11,066	58,288	27,562	96,916
-accumulated amortisation	0	-24,786	-16,956	-41,742

Note 9 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of euros)

	31 December 2014	New loans	Repayments	Exchange rate differences	Other changes [1]	31 December 2015
Liabilities under finance						
lease	358	29	-80	7	-16	298
Unsecured bonds	98,636	0	0	-5,778	239	93,097
Overdraft	62,449	0	-59,052	0	0	3,397
Long-term bank loans	581,939	0	-133,263	0	3,868	452,544
TOTAL	743,382	29	-192,395	-5,771	4,091	549,336
incl. current portion	149,850					81,889
Non-current portion	593,532					467,447

[1] Other changes are related to capitalisation and amortisation of transaction costs of bonds and bank loans. Other changes of liabilities under finance lease are related to termination of lease agreements.

Bonds are nominated in NOK.

Bank overdrafts are secured with commercial pledge (in the total amount of EUR 20,204 thousand) and ship mortgages.

AS Tallink Grupp has given guarantees to HSH Nordbank AG, Nordea Bank Plc, Danske Bank A/S, Swedbank AS and HSBC Bank Plc for the loans granted to overseas subsidiaries amounting to EUR 158,894 thousand and overseas subsidiaries have given guarantees to Nordea Bank Finland Plc and Swedbank AS for the loans granted to AS Tallink Grupp amounting to EUR 293,650 thousand. 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.

Note 10 SHARE CAPITAL

According to the Articles of Association of the Parent effective as of 31 December 2015 the maximum number of authorised common shares is 2,133,333,333.

At 31 December 2015 the Group held 3,935 thousand of the AS Tallink Grupp shares. Total cost of share buyback transactions of 3,935 thousand shares is EUR 4,163 thousand.

Note 11 SHARE OPTION PROGRAMME

In December 2012 the Group issued 7,610 thousand share options of which 3,850 thousand to the Management Board and Supervisory Board members and 3,760 thousand to other Group employees. Each option gives right to purchase one share of AS Tallink Grupp. The share options were issued in accordance of the Share Option Programme which resolution was adopted at the Shareholders General Meeting on 08 February 2011. The terms and conditions of exercise of the issued share options are following: non-transferable; exercisable not earlier than 36 months from issue or 21 December 2015 and not later than 21 June 2016; exercise price EUR 0.858 in case of new shares issued or average acquisition cost in case existing shares will be purchased from the market; options are to be settled by physical delivery of shares.

The fair value of the services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes model as of grant date. The Group used independent external advisor for the valuation share options who in addition to the share options terms and conditions used the following inputs for measurement: spot price of share EUR 0.848 at grant date; expected volatility 30% based on historic analysis; option average time to maturity 42 months; the 3.5% annual dividend yield and; risk-free interest rate 0.336%.

The value of the options issued at the end of 2012 in the amount EUR 951 thousand will be recorded as an expense during the vesting period 36 months from the beginning of 2013.

At 31 December 2015 7,276,903 share options were valid and outstanding. Average remaining time to maturity of the outstanding share options is 6 months.

The outstanding share options have no diluting effect due to their exercise price being higher than the average price in the stock market during the period.

Note 12 DIVIDENDS

According to the resolution of the Annual General Meeting there were announced dividends to the shareholders EUR 0.02 per share, in the total amount of EUR 13,397,640.80. Announced dividends were paid out on 8 July 2015.

Note 13 RELATED PARTY DISCLOSURES

(in thousands of euros)

12 months of 2015 or 31.12.2015	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
AS Infortar	50	47	2	5
AS HT Valuuta	107	0	1	0
AS Vara HTG	0	2,751	0	834
OÜ Mersok	0	8	0	0
AS Vaba Maa	8	920	0	86
OÜ Sunbeam	0	3,745	0	206
AS Gastrolink	9	1,077	1	66
AS Tallink Takso	1	107	0	12
OÜ Topspa Kinnisvara	0	2,683	0	0
OÜ Hansa Hotell	0	1,051	0	175
OÜ Fastinvest	0	1,227	0	0
SIA Happy Trails	1	3,290	0	636
Eesti Laevaomanike Liit	1	14	0	0
MTÜ SEB Tallink Tennis Team	0	50	0	0
MTÜ Eesti Tennise Liit	21	159	0	0
OÜ Infor Invest	0	42	0	3
12 months of 2014 or 31.12.2014	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
AS Infortar	176	47	1	5
AS HT Valuuta	113	0	1	0
AS Vara HTG	0	2,775	0	857
OÜ Mersok	0	9	0	1
AS Vaba Maa	13	673	1	85
OÜ Sunbeam	0	3,709	0	257
AS Gastrolink	4	1,163	1	76
AS Tallink Takso	1	83	1	14
OÜ Topspa Kinnisvara	0	2,634	0	0
OÜ Hansa Hotell	0	1,033	0	178
OÜ Fastinvest	0	1,234	0	0
SIA Happy Trails	1	3,305	0	337
Eesti Laevaomanike Liit	0	14	0	0
MTÜ SEB Tallink Tennis Team	0	50	0	0
OÜ Inf Maja	3	0	0	0
MTÜ Eesti Tennise Liit	24	165	1	0

MANAGEMENT BOARD'S APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Hereby we declare our responsibility for the Interim Consolidated Financial Statements and confirm that the AS Tallink Grupp's Unaudited Interim Consolidated Financial Statements for the fourth quarter of the financial year 2015 ended 31 December 2015 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.

A handwritten signature in blue ink, appearing to be 'J. Stalmeister', written over a light blue horizontal line.

Janek Stalmeister
Chairman of the Management Board

A handwritten signature in blue ink, appearing to be 'A. Hunt', written over a light blue horizontal line.

Andres Hunt
Vice Chairman of the Management Board

A handwritten signature in blue ink, appearing to be 'L. Kitter', written over a light blue horizontal line.

Lembit Kitter
Member of the Management Board

Tallinn, 29.02.2016