



AS TALLINK GRUPP

Unaudited Interim Consolidated Financial Statements for the twelve months of the 2013 financial year

1 January 2013 - 31 December 2013

Beginning of the financial year	1. January 2013
End of the financial year	31. December 2013
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Primary activity	maritime transportation (passenger and cargo transportation)
Auditor	KPMG Baltics OÜ

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MANAGEMENT REPORT

AS Tallink Grupp and its subsidiaries (the Group) carried a total of 9.11 million passengers in the 2013 financial year which is 1.6% less than the year before. The Group's unaudited consolidated revenue remained on the previous year's level with EUR 942.0 million. Gross profit was EUR 190.2 million, EBITDA EUR 156.2 million. Unaudited net profit amounted to EUR 43.3 million or EUR 0.06 per share, which is a 23.1% decrease compared to the previous year.

In the fourth quarter (1 October - 31 December) of the 2013 financial year the Group carried 2.1 million passengers, 1% more compared to the same period last year. The Group's consolidated revenue amounted to EUR 224.0 million, EUR 1.2 million more compared to the same period last year. The Group's EBITDA amounted to EUR 29.8 million, 7.1% less compared to the same period last year. The unaudited net profit for the fourth quarter increased by 31.8% to EUR 7.5 million.

The 2013 financial year ticket and cargo sales showed a 3.4% and 2.7% increase respectively. Due to the decline in the passenger numbers on the Finland-Sweden routes caused by increased competition and structural changes the shop and restaurant sales experienced a 2.0% decline. Although there was a slight decrease in shop and restaurant sales, spending per passenger stayed on last year's level. As a result of upgrading the fleet growth continued on the Riga-Stockholm route in the 2013 financial year, showing an 8.4% increase in revenue and the result for the financial year was positive for the first time since the route was opened in 2006.

During the 2013 financial year the Group's operations were affected by an overall weak macroeconomic environment in the region. The Nordic countries which are the Group's main markets continue to experience noticeable slowdown in their economies and there is an impact to the Group's passengers' spending behaviour. Net profit was also affected by a tax expense of EUR 3.8 million.

The lower fuel price levels throughout the year had a positive effect on the 2013 results, the Group's overall fuel cost was circa 10% or EUR 14 million lower compared to the same period last year. Meanwhile there was a rise in the ships operating costs and port fees.

The Group was successful in generating a higher cash flow from operating activities both in the fourth quarter and for the twelve months 48.4 million and 168.4 million respectively compared to the same period last year. The total liquidity, cash and unused credit facilities at the end of the fourth quarter were EUR 104 million providing a strong position for sustainable operations. At the end of the fourth quarter 2013 the Group had EUR 72 million in cash and equivalents and the total of unused credit lines were at EUR 32 million.

The Group successfully continued the deleveraging strategy and the net debt decreased by EUR 52 million to a total of EUR 722 million in the 2013 financial year.

The 2013 financial year result did not meet the management's expectations. Due to adverse macroeconomic developments in the region and the increased competition on Finland-Sweden routes the results for this year did not reach the previous year's level. With an aim to increase revenue generation improvements in product development are being made, emphasis is on retail sales and upgrades to the public areas on selected vessels. Cost reductions in some areas are processed in order to adapt with the changed economic environment. The management expects an improvement in the results for the 2014 financial year.

In management's opinion, the Group's financial position allows the Group to pay dividends. Management will propose to the shareholders' general meeting a dividend distribution of EUR 0.03 per share, i.e. EUR 20,096,461 in aggregate.

Q4 KEY FIGURES

		2013 Oct-Dec	2012 Oct-Dec	Change
Revenue	EUR million	224.0	222.8	0.5%
Gross profit	EUR million	37.1	40.0	-7.1%
Gross margin (%)		16.6%	17.9%	
EBITDA	EUR million	29.8	32.1	-7.1%
EBITDA margin (%)		13.3%	14.4%	
Net profit for the period	EUR million	7.5	5.7	31.8%
Net profit margin (%)		3.36%	2.56%	
Depreciation and amortization	EUR million	18.6	17.9	4.0%
Investments	EUR million	5.0	0.6	800.0%
Weighted average number of ordinary shares outstanding		669 882 040	669 882 040	
Earnings per share	EUR	0.01	0.01	31.8%
Number of passengers		2 148 204	2 133 163	0.7%
Number of cargo units		78 771	70 457	6.2%
Average number of employees		6 898	6 799	1.5%

		31.12.2013	30.09.2013	
Total assets	EUR million	1 722.1	1 723.1	-0.1%
Interest-bearing liabilities	EUR million	794.3	808.1	-1.7%
Net debt	EUR million	722.3	758.1	-4.7%
Total equity	EUR million	771.1	763.4	1.0%
Equity ratio (%)		44.8%	44.3%	
Net debt to EBITDA		4.6	4.8	
Number of ordinary shares outstanding ¹		669 882 040	669 882 040	0%
Shareholders' equity per share	EUR	1.15	1.14	1.0%

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 Share numbers exclude own shares.

SALES & SEGMENT RESULTS

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

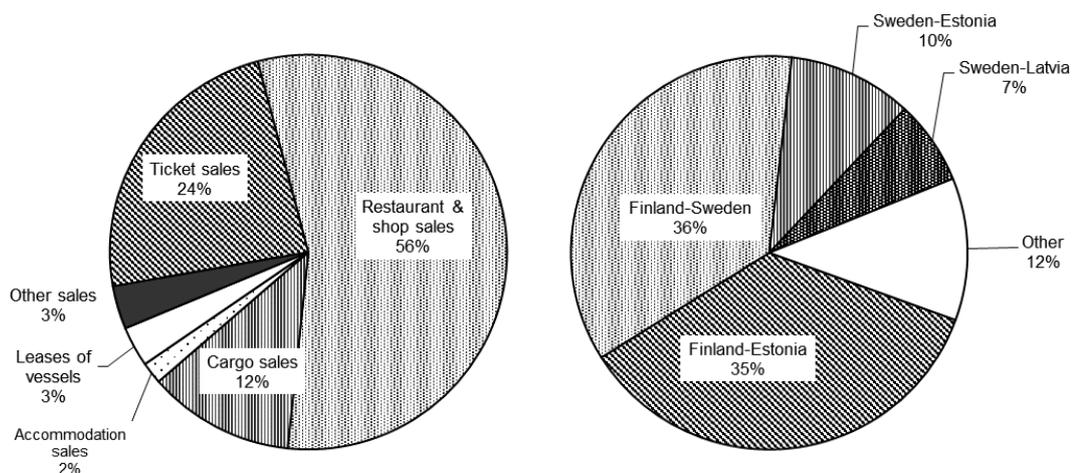
	Q4	Q1	Q2	Q3	Q4	change
in EUR millions	2012	2013	2013	2013	2013	y-o-y
Ticket sales	50.4	44.0	66.0	86.2	53.0	5.1%
Restaurant & shop sales	128.6	106.3	133.2	142.9	124.9	-2.9%
Cargo sales	25.3	24.5	28.4	25.9	26.7	5.6%
Accommodation sales	3.5	3.1	4.8	6.1	4.0	14.3%
Leases of vessels	7.5	7.3	7.3	8.8	7.4	-2.0%
Other sales	7.4	5.4	9.3	8.5	7.9	6.7%
Total revenue	222.8	190.6	249.0	278.4	224.0	0.5%

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

			Q4	Q1	Q2	Q3	Q4	change
			2012	2013	2013	2013	2013	y-o-y
Finland- Estonia	Passengers	th.	1 076	895	1 208	1 371	1 102	2.4%
	Cargo units	th.	32	29	40	39	39	21.8%
	Revenue	mil.EUR	75.5	61.8	84.3	90.9	80.4	6.4%
	Segment result	mil.EUR	20.4	9.3	23.5	28.4	21.8	6.9%
Finland- Sweden	Passengers	th.	693	631	700	823	656	-5.3%
	Cargo units	th.	24	24	24	22	25	5.2%
	Revenue	mil.EUR	84.2	75.0	86.4	100.9	80.9	-3.9%
	Segment result	mil.EUR	1.2	-5.2	5.3	14.9	0.3	-77.9%
Sweden- Estonia	Passengers	th.	211	213	240	283	218	3.4%
	Cargo units	th.	10	10	11	10	10	0.8%
	Revenue	mil.EUR	25.4	21.3	27.5	33.2	23.0	-9.5%
	Segment result	mil.EUR	0.6	-1.7	2.6	7.7	-1.0	-269.7%
Sweden- Latvia	Passengers	th.	153	156	204	242	172	12.2%
	Cargo units	th.	5	5	5	4	5	-0.7%
	Revenue	mil.EUR	14.5	13.8	18.7	23.8	15.6	7.6%
	Segment result	mil.EUR	-2.0	-2.5	0.1	4.7	-1.2	41.7%
Other	Revenue	mil.EUR	25.1	20.2	34.9	33.2	26.5	5.5%
	Segment result	mil.EUR	2.6	0.3	7.9	8.1	3.6	37.9%
	Inter segment sales	mil.EUR	-1.9	-1.5	-2.8	-3.6	-2.4	22.8%
	Total revenue	mil.EUR	222.8	190.6	249.0	278.4	224.0	0.5%
EBITDA	mil.EUR	32.1	7.0	46.8	72.5	29.8	-7.1%	
Total segment result	mil.EUR	22.8	0.1	39.4	63.9	23.5	3.0%	
Net profit/-loss	mil.EUR	5.7	-17.5	9.3	44.0	7.5	31.8%	

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 a 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 2013 and 2012 financial years.

	Q4	Q4	Change	12 months	12 months	Change
	2013	2012		2013	2012	
Passengers	2 148 204	2 133 163	0.7%	9 114 812	9 264 561	-1.6%
Finland-Sweden	656 344	693 402	-5.3%	2 810 290	3 076 378	-8.6%
Estonia-Finland	1 101 822	1 075 627	2.4%	4 575 993	4 496 429	1.8%
Estonia-Sweden	218 475	211 190	3.4%	954 974	959 586	-0.5%
Latvia-Sweden	171 563	152 944	12.2%	773 555	732 168	5.7%
Cargo Units	78 771	70 457	11.8%	301 660	283 973	6.2%
Finland-Sweden	24 942	23 713	5.2%	95 599	93 602	2.1%
Estonia-Finland	39 271	32 233	21.8%	147 169	136 142	8.1%
Estonia-Sweden	9 847	9 765	0.8%	40 479	36 442	11.1%
Latvia-Sweden	4 711	4 746	-0.7%	18 413	17 787	3.5%
Passenger Vehicles	248 131	247 922	0.1%	1 119 889	1 118 838	0.1%
Finland-Sweden	25 675	27 188	-5.6%	165 034	168 285	-1.9%
Estonia-Finland	186 613	185 179	0.8%	790 255	785 001	0.7%
Estonia-Sweden	14 282	14 978	-4.6%	71 398	72 655	-1.7%
Latvia-Sweden	21 561	20 577	4.8%	93 202	92 897	0.3%

The following operational factors influenced the development:

FINLAND-SWEDEN

In January 2013 the cruise ferry Baltic Princess replaced the cruise ferry Silja Europa on the Turku-Stockholm route.

ESTONIA-FINLAND

In January 2013 the cruise ferry Silja Europa replaced the cruise ferry Baltic Princess on the Tallinn-Helsinki route.

LATVIA-SWEDEN

In May 2013 the cruise ferry Isabelle replaced the cruise ferry Silja Festival on the Riga-Stockholm route.

The Group's market shares on the routes operated during a 12 month period ending 31 December 2013 were as follows:

- The Group carried approximately 58% of the passengers and 58% 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;
- The Group is the only provider of daily passenger and ro-ro cargo transportation between Riga and Stockholm;
- The Group carried approximately 51% of passengers and 36% of ro-ro cargo on the routes between Finland and Sweden.

PERSONNEL

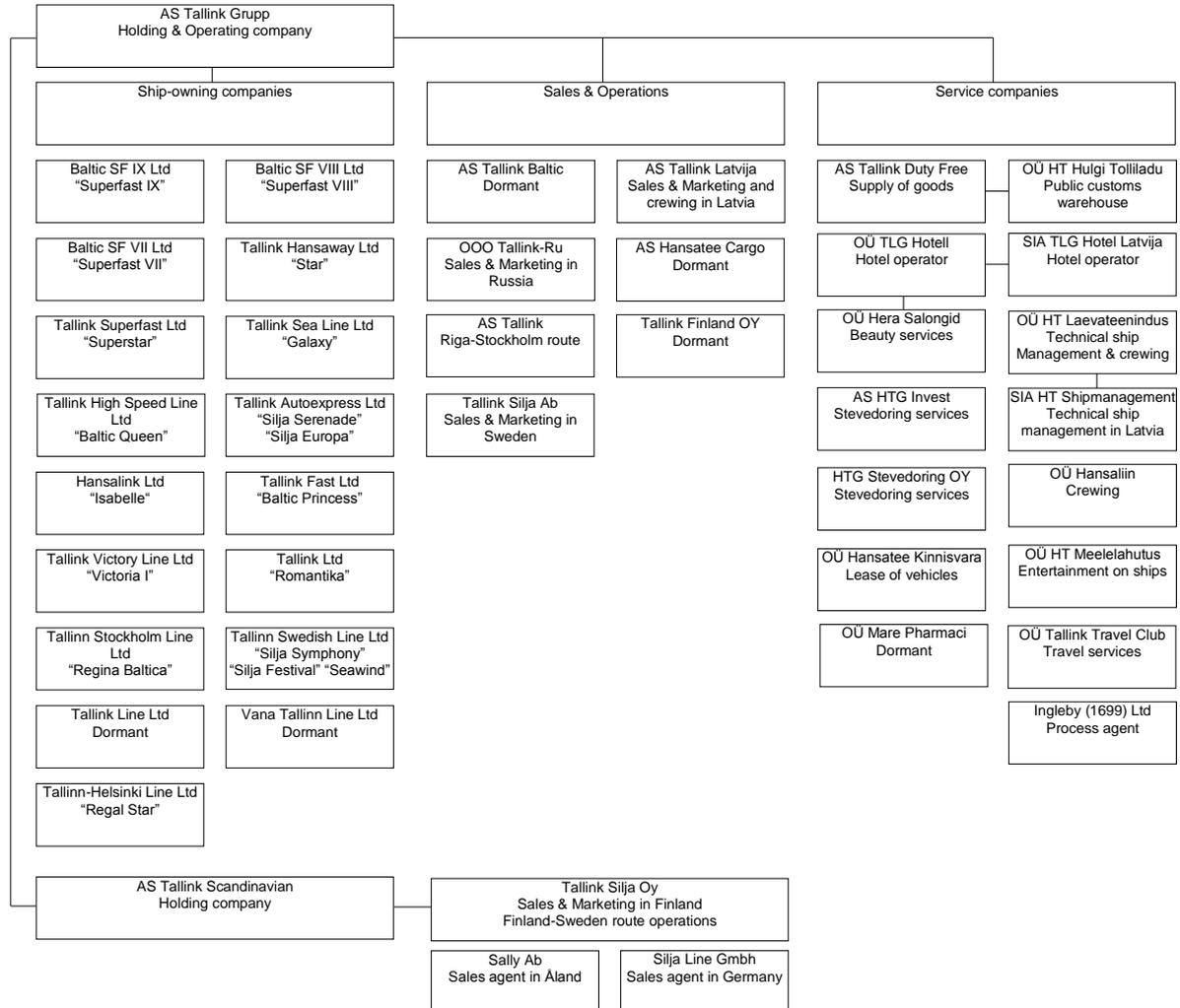
31 December 2013 the Group employed 6 907 employees (6 747, 31 December 2012). The following table provides a more detailed overview of the Group's personnel.

	Average of 4th quarter			Average of 12 months			End of fiscal year		
	2013	2012	change	2013	2012	change	31.12.13	31.12.12	change
Onshore total	1 561	1 590	-1.8%	1 581	1 599	-1.1%	1 548	1 555	-0.5%
<i>Estonia</i>	803	798	0.6%	806	796	1.3%	798	795	0.4%
<i>Finland</i>	481	499	-3.6%	495	511	-3.1%	475	493	-3.7%
<i>Sweden</i>	188	212	-11.3%	195	212	-8.0%	189	184	2.7%
<i>Latvia</i>	75	65	15.4%	71	64	10.9%	72	65	10.8%
<i>Germany</i>	4	6	-33.3%	4	6	-33.3%	4	6	-33.3%
<i>Russia</i>	10	10	0.0%	10	10	0.0%	10	12	-16.7%
At sea	4 754	4 633	2.6%	4 784	4 692	2.0%	4 771	4 614	3.4%
Hotel*	583	576	1.2%	583	577	1.0%	588	578	1.7%
Total	6 898	6 799	1.5%	6 948	6 868	1.2%	6 907	6 747	2.4%

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

CORPORATE STRUCTURE

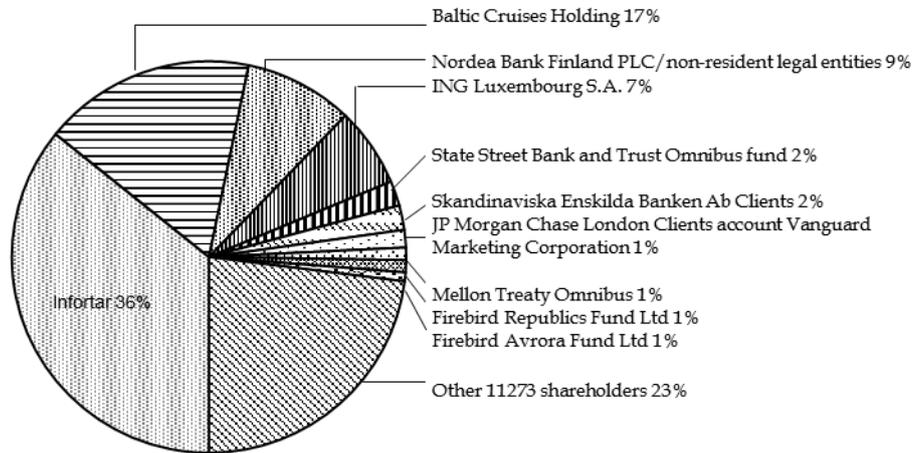
On the report date, the Group consisted of 45 companies. All of the subsidiaries are wholly-owned companies of AS Tallink Grupp. The following chart describes the structure of the Group as on the date of reporting:



The Group also owns:
 34% of AS Tallink Takso

SHAREHOLDERS & SHARE PRICE DEVELOPMENT

The following chart displays the shareholder structure of AS Tallink Grupp as of 31 December 2013.



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

The AS Tallink Grupp listing prospectus for a 900 million NOK bond was successfully approved by The Financial Supervisory Authority of Norway and the bond was listed on the Oslo Stock Exchange in October.

In November Vana Tallinn Line Ltd., a subsidiary of AS Tallink Grupp came to an agreement with Allferries SA to sell the motor vessel Adriatica Queen (ex. Vana Tallinn).

In December M/S Star experienced a tilttable ramp breakdown being out of service for a total of 10 trips. The vessel will operate with a slightly reduced cargo capacity until the final repairs are done in the beginning of April, some disruptions to the service is to be expected.

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

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).

In February the Group launched the refreshed vessel Silja Serenade on the Stockholm-Helsinki route. The vessel has a 50% expanded shopping area including a new Superstore, upgraded Grand Buffet concept and a new Italian restaurant. Several of the other public areas received a facelift including the refurbishment of Commodore Class cabins and a refreshed SPA & Sauna area. The sister ship Silja Symphony will follow with a similar approach in autumn 2014. In 2014 the Group plans to invest more than EUR 20 million in upgrading the vessels on the Helsinki-Stockholm route.

The passenger vessel Silja Festival is chartered to Bridgemans Services Inc as from the end of February 2014 for 12 months, serving as an accommodation vessel in Canada, British Columbia.

In February 2014, AS Tallink Grupp and Stena Line Ltd concluded to extend the charter agreements for M/S Stena Superfast VII and M/S Stena Superfast VIII until autumn 2019.

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

With an aim to increase revenue generation improvements in product development are being made, emphasis is on retail sales and upgrades to the public areas on selected vessels. Cost reductions in some areas are processed in order to adapt with the changed economic environment. The management expects an improvement in the results for the 2014 financial year.

In management's opinion, the Group's financial position allows the Group to pay dividends. Management will propose to the shareholders' general meeting a dividend distribution of EUR 0.03 per share, i.e. EUR 20,096,461 in aggregate.

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 2013 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 'Enn Pant'.

Enn Pant

Chairman of the Management Board

A handwritten signature in blue ink, appearing to be 'Andres Hunt'.

Andres Hunt

Vice Chairman of the Management Board

A handwritten signature in blue ink, appearing to be 'Lembit Kitter'.

Lembit Kitter

Member of the Management Board

A handwritten signature in blue ink, appearing to be 'Janek Stalmeister'.

Janek Stalmeister

Member of the Management Board

A handwritten signature in blue ink, appearing to be 'Peter Roose'.

Peter Roose

Member of the Management Board

A handwritten signature in blue ink, appearing to be 'Kadri Land'.

Kadri Land

Member of the Management Board

27.02.2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited, in thousands of EUR)	01.10.2013- 31.12.2013	01.10.2012- 31.12.2012	01.01.2013- 31.12.2013	01.01.2012- 31.12.2012
Revenue (Note 3)	223,982	222,816	941,983	943,868
Cost of sales	-186,859	-182,836	-751,827	-742,669
Gross profit	37,123	39,980	190,156	201,199
Marketing expenses	-13,650	-17,183	-63,292	-65,407
Administrative expenses	-12,679	-10,626	-45,148	-44,081
Other income	1,035	2,806	2,120	3,659
Other expenses	-664	-802	-805	-1,654
Results from operating activities	11,165	14,175	83,031	93,716
Finance income (Note 4)	5,757	2,735	21,547	5,269
Finance costs (Note 4)	-14,538	-13,991	-57,503	-46,249
Profit from the sale of a subsidiary	0	0	0	783
Share of profit/-loss from equity accounted investees	17	19	17	19
Profit/-loss before income tax	2,401	2,938	47,092	53,538
Income tax	5,117	2,764	-3,786	2,764
Net profit/-loss for the period	7,518	5,702	43,306	56,302
Other comprehensive income/-expense				
Exchange differences on translating foreign operations	34	-442	114	-563
Other comprehensive income/-expense for the period	34	-442	114	-563
Total comprehensive income/-expense for the period	7,552	5,260	43,420	55,739
Profit/-loss attributable to:				
Equity holders of the parent (Note 5)	7,518	5,702	43,306	56,302
Total comprehensive income/-expense attributable to:				
Equity holders of the parent	7,552	5,260	43,420	55,739
Earnings per share (in EUR per share)				
- basic (Note 5)	0.01	0.01	0.06	0.08
- diluted (Note 5)	0.01	0.01	0.06	0.08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited, in thousands of EUR)

ASSETS	31.12.2013	31.12.2012
Current assets		
Cash and cash equivalents	72,012	65,600
Trade and other receivables	40,608	42,555
Prepayments	3,121	5,151
Derivatives (Note 6)	679	0
Inventories	33,457	29,426
Total current assets	149,877	142,732
Non-current assets		
Investments in equity-accounted investees	262	245
Other financial assets	385	296
Deferred income tax assets	17,413	12,264
Investment property	300	300
Property, plant and equipment (Note 7)	1,495,895	1,526,995
Intangible assets (Note 8)	57,925	58,999
Total non-current assets	1,572,180	1,599,099
TOTAL ASSETS	1,722,057	1,741,831
LIABILITIES AND EQUITY		
Current liabilities		
Interest bearing loans and borrowings (Note 9)	106,014	103,685
Trade and other payables	97,387	92,988
Deferred income	28,315	25,458
Derivatives (Note 6)	30,888	22,102
Total current liabilities	262,604	244,233
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	688,327	736,699
Other liabilities	63	69
Total non-current liabilities	688,390	736,768
TOTAL LIABILITIES	950,994	981,001
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	404,290	404,290
Share premium	639	639
Reserves	70,262	69,091
Retained earnings	295,872	286,810
Total equity attributable to equity holders of the parent	771,063	760,830
TOTAL EQUITY	771,063	760,830
TOTAL LIABILITIES AND EQUITY	1,722,057	1,741,831

CONSOLIDATED CASH FLOW STATEMENT

(unaudited, in thousands of EUR)	01.01.2013 - 31.12.2013	01.01.2012- 31.12.2012
Cash flows from operating activities		
Net profit/-loss for the period	43,306	56,302
Adjustments	118,619	109,768
Changes in assets related to operating activities	198	-9,796
Changes in liabilities related to operating activities	6,649	6,782
Income tax paid	-378	-40
	168,394	163,016
Cash flow used for investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 7, 8)	-43,291	-9,449
Proceeds from disposals of property, plant and equipment	1,318	50
Proceeds from subsidiaries	0	1,992
Payments for settlement of derivatives	-4,451	-3,976
Acquisition of other investments	0	-34
Interest received	114	297
	-46,310	-11,120
Cash flow from (+)/ used for (-) financing activities		
Proceeds from loans (Note 9)	24,000	440,000
Redemption of loans (Note 9)	-198,126	-557,848
Change in overdraft (Note 9)	18,456	0
Proceeds from bonds (Note 9)	115,487	0
Repayment of finance lease liabilities (Note 9)	-96	-56
Interest paid	-32,439	-36,434
Payment of transaction costs related to loans	-557	-7,379
Dividends paid	-33,494	0
Income tax on dividends paid	-8,903	0
	-115,672	-161,717
TOTAL NET CASH FLOW	6,412	-9,821
Cash and cash equivalents:		
- at the beginning of period	65,600	75,421
- increase (+) / decrease (-)	6,412	-9,821
Cash and cash equivalents at the end of period	72,012	65,600

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited, in thousands of EUR)

	Share capital	Share premium	Translation reserve	Ships revaluation reserve	Mandatory legal reserve	Reserve for treasury shares	Share option programme reserve	Retained earnings	Shareholders' equity	Total equity
At 31 December 2011	404,290	639	461	61,710	11,962	-4,163	527	229,665	705,091	705,091
Changes in equity for the period										
Transfer from profit for 2010/2011	0	0	0	0	1,874	0	0	-1,874	0	0
Transfer from revaluation reserve	0	0	0	-2,717	0	0	0	2,717	0	0
Total comprehensive income and expense for the period										
Net profit/-loss for the period (Note 5)	0	0	0	0	0	0	0	56,302	56,302	56,302
Total other comprehensive income and expense	0	0	-563	0	0	0	0	0	-563	-563
Total comprehensive income and expense for the period	0	0	-563	0	0	0	0	56,302	55,739	55,739
At 31 December 2012	404,290	639	-102	58,993	13,836	-4,163	527	286,810	760,830	760,830
At 31 December 2012	404,290	639	-102	58,993	13,836	-4,163	527	286,810	760,830	760,830
Changes in equity for the period										
Transfer from profit for 2012	0	0	0	0	2,815	0	0	-2,815	0	0
Transfer from revaluation reserve	0	0	0	-2,065	0	0	0	2,065	0	0
Dividends to owners of the company (Note 12)	0	0	0	0	0	0	0	-33,494	-33,494	-33,494
Share-based payments transactions (Note 11)	0	0	0	0	0	0	307	0	307	307
Total comprehensive income and expense for the period										
Net profit/-loss for the period (Note 5)	0	0	0	0	0	0	0	43,306	43,306	43,306
Total other comprehensive income and expense	0	0	114	0	0	0	0	0	114	114
Total comprehensive income and expense for the period	0	0	114	0	0	0	0	43,306	43,420	43,420
At 31 December 2013	404,290	639	12	56,928	16,651	-4,163	834	295,872	771,063	771,063

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 12 months of the financial year 2013 were authorised for issue in accordance with a resolution of the Management Board on 27 February 2014. AS Tallink Grupp is a limited company incorporated in Estonia and employed 6,907 people at 31 December 2013 (31 December 2012: 6,747).

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 2012.

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

01.01.2013-31.12.2013	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue							
Sales to external customers	317,408	104,922	71,917	343,200	104,536	0	941,983
Inter-segment sales	0	0	0	0	10,295	-10,295	0
	317,408	104,922	71,917	343,200	114,831	-10,295	941,983
Segment result							
	82,948	7,584	1,116	15,325	19,891	0	126,864
Unallocated expenses							-43,833
Net financial items (Note 4)							-35,956
Share of profit/-loss from equity accounted investees							17
Profit/-loss before income tax							47,092
01.01.2012-31.12.2012							
	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue							
Sales to external customers	308,024	115,024	66,347	363,993	90,480	0	943,868
Inter-segment sales	0	0	0	0	8,788	-8,788	0
	308,024	115,024	66,347	363,993	99,268	-8,788	943,868
Segment result							
	86,529	12,841	-3,248	20,273	19,397	0	135,792
Unallocated expenses							-42,076
Net financial items (Note 4)							-40,980
Profit from the sale of a subsidiary							783
Share of profit/-loss from equity accounted investees							19
Profit/-loss before income tax							53,538

Revenue by service

(in thousands of EUR)	01.01.2013- 31.12.2013	01.01.2012- 31.12.2012
Ticket sales	249,210	241,022
Sales of cargo transport	105,568	102,789
Sales of accommodation	17,976	16,237
Restaurant and shops sales on-board and on mainland	507,307	517,450
Income from leases of vessels	30,755	28,959
Other	31,167	37,411
Total revenue of the Group	941,983	943,868

Note 4 FINANCE INCOME AND FINANCE COSTS

(in thousands of EUR)	01.01.2013- 31.12.2013	01.01.2012- 31.12.2012
Net foreign exchange gains	13,289	2,067
Income from derivatives	8,143	2,912
Interest income	115	290
Total finance income	21,547	5,269
Interest expenses	-36,802	-39,927
Losses from derivatives	-20,701	-6,322
Total finance costs	-57,503	-46,249

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 diluting effect due to their exercise price being lower than the average price in the stock market during the reporting period.

	01.10.2013- 31.12.2013	01.10.2012- 31.12.2012	01.01.2013- 31.12.2013	01.01.2012- 31.12.2012
Weighted average number of ordinary shares, basic (pcs)	669,882,040	669,882,040	669,882,040	669,882,040
Effect of share options on issue	-1,348,971	0	-1,348,971	0
Weighted average number of ordinary shares, diluted (pcs)	671,231,011	669,882,040	671,231,011	669,882,040
Net profit/-loss attributable to ordinary shareholders	7,518	5,702	43,306	56,302
Earnings per share, basic (in EUR per share)	0.01	0.01	0.06	0.08
Earnings per share, diluted (in EUR per share)	0.01	0.01	0.06	0.08

Weighted average number of ordinary shares (pcs)

	01.10.2013- 31.12.2013	01.10.2012- 31.12.2012	01.01.2013- 31.12.2013	01.01.2012- 31.12.2012
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 31.12.2013 AS Tallink Grupp had three interest rate derivative contracts with total notional amount of 270,000 thousand EUR with the maturities in years 2014, 2018,2019 and two cross-currency rate derivative contracts with total notional amount of 120,000 thousand EUR with the maturities in year 2018. The fair value of the interest rate derivatives recognized in the current interim financial statements as of 31.12.2013 is -13,959 thousand EUR. The fair value of the cross-currency rate derivatives recognized in the current interim financial statements as of 31.12.2013 is -16,250 thousand EUR.

Note 7 PROPERTY, PLANT AND EQUIPMENT

(in thousands of EUR)

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value as of 31 December 2012	5,653	1,509,889	11,007	446	1,526,995
Additions	723	31,786	5,082	2,006	39,597
Reclassification	0	2,135	-2,135	0	0
Disposals	-214	-1,538	-866	0	-2,618
Depreciation for the period	-1,321	-63,242	-3,516	0	-68,079
Book value as of 31 December 2013	4,841	1,479,030	9,572	2,452	1,495,895

As of 31 December 2013

-cost	12,782	1,678,733	27,692	2,452	1,721,659
-accumulated depreciation	-7,941	-199,703	-18,120	0	-225,764

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value as of 31 December 2011	4,174	1,570,057	8,724	47	1,583,002
Additions	2,901	2,404	5,583	399	11,287
Exchange rate differences	106	0	0	0	106
Disposals	0	-1,209	-5	0	-1,214
Depreciation for the period	-1,528	-61,363	-3,295	0	-66,186
Book value as of 31 December 2012	5,653	1,509,889	11,007	446	1,526,995

As of 31 December 2012

-cost	12,632	1,648,993	28,756	446	1,690,827
-accumulated depreciation	-6,979	-139,104	-17,749	0	-163,832

Note 8 INTANGIBLE ASSETS

(in thousands of EUR)

	Goodwill	Trademark	Others	Total
Book value as of 31 December 2012	11,066	39,334	8,599	58,999
Additions	0	0	4,023	4,023
Amortisation for the period	0	-2,916	-2,181	-5,097
Book value as of 31 December 2013	11,066	36,418	10,441	57,925

As of 31 December 2013

-cost	11,066	58,288	25,802	95,156
-accumulated amortisation	0	-21,870	-15,361	-37,231

	Goodwill	Trademark	Others	Total
Book value as of 31 December 2011	11,066	42,250	7,837	61,153
Additions	0	0	2,661	2,661
Amortisation for the period	0	-2,916	-1,899	-4,815
Book value as of 31 December 2012	11,066	39,334	8,599	58,999

As of 31 December 2012

-cost	11,066	58,288	22,743	92,097
-accumulated amortisation	0	-18,954	-14,144	-33,098

Note 9 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of EUR)

	31 December 2012	New loans	Repayments	Exchange rate differences	Other changes [1]	31 December 2013
Lease liabilities	4	329	-96	0	0	237
Bonds	0	116,982	0	-9,249	-1,344	106,389
Overdraft	0	18,456	0	0	0	18,456
Long-term bank loans	840,380	24,000	-198,126	0	3,005	669,259
TOTAL	840,384	159,767	-198,222	-9,249	1,661	794,341
incl. short-term portion	103,685					106,014
long-term portion	736,699					688,327

[1] Other changes are related to capitalisation and amortisation of transaction costs.

Bonds are nominated in NOK.

Bank overdrafts are secured with commercial pledge (in the total amount of 20,204 thousand EUR) 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 263,350 thousand EUR and for the loans granted to AS Tallink Grupp amounting to 405,909 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.

Note 10 SHARE CAPITAL

According to the Articles of Association of the Parent effective as of 31 December 2013 the maximum number of authorised common shares is 2,133,333,333.

At 31 December 2013 the Group held 3,935 thousand of the AS Tallink Grupp shares. Total cost of share buyback transactions of 3,935 thousand shares is 4,163 thousand EUR.

Note 11 SHARE OPTION PROGRAMME

In June 2011 the Group issued 7,317,500 share options of which 3,510,000 to the Management Board and Supervisory Board members and 3,807,500 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 08.02.2011. The options issued represent around 49% of the total authorized limit and 1.1% of the total shares outstanding. The terms and conditions of exercise of the issued share options are following: non-transferable; exercisable not earlier than 36 months from issue or 31.05.2014 and not later than 30.11.2014; 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 0.72 as of 31.05.2011; expected volatility 30% based on historic analyse; option average time to maturity 42 months; the 3.4% and 8.1% annual dividend yields in 2012 and 2013 result in an effective dividend yield of 11.3% (based on the equity analysts' consensus) and; risk-free interest rate 1.411%.

In June 2011 the fair value of the received services in amount of 527 thousand EUR is recorded as an expense in the consolidated statement of comprehensive income and the fair value of share options in the same amount is held as a share option reserve in the equity.

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 2015; 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 951 thousand EUR will be recorded as an expense during the vesting period 36 months from the beginning of 2013.

At 31 December 2013 14,692,768 share options were valid and outstanding. Average remaining time to maturity of the outstanding share options is 5-30 months.

The outstanding share options have diluting effect due to their exercise price being lower than the average price in the stock market during the reporting period.

Note 12 DIVIDENDS

According to the resolution of the Annual General Meeting there were announced dividends to the shareholders 0.05 euros per share, in the total amount of 33,494,102 EUR. Announced dividends were paid out on 02.07.2013.

Note 13 RELATED PARTY DISCLOSURES

(in thousands of EUR)

12 months of 2013 or 31.12.2013	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
AS Infortar	84	50	10	5
AS HT Valuuta	118	0	1	0
AS Vara HTG	0	2,693	0	775
OÜ Mersok	0	9	0	1
AS Vaba Maa	20	681	2	60
OÜ Sunbeam	0	3,648	0	280
AS Gastrolink	2	1,057	0	92
AS Tallink Takso	0	77	0	14
OÜ Topspa Kinnisvara	0	2,570	0	0
OÜ Hansa Hotell	0	914	0	98
OÜ Fastinvest	0	1,186	0	0
SIA Happy Trails	5	3,314	1	495
Eesti Laevaomanike Liit	0	13	0	0
SEB Tallink Tennis Team	6	50	0	0
12 months of 2012 or 31.12.2012	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
AS Infortar	71	47	10	0
AS HT Valuuta	117	0	0	0
AS Vara HTG	0	2,647	0	729
OÜ Mersok	0	9	0	0
AS Vaba Maa	12	720	2	45
OÜ Sunbeam	0	3,511	0	225
AS Gastrolink	2	1,002	0	70
AS Tallink Takso	0	83	0	7
OÜ Topspa Kinnisvara	0	2,507	0	0
OÜ Hansa Hotell	0	828	0	33
OÜ Fastinvest	0	1,121	0	0
SIA Happy Trails	0	3,267	1	147
Eesti Laevaomanike Liit	0	13	0	0
SEB Tallink Tennis Team	6	50	0	0

Note 14 SUBSEQUENT EVENTS

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 2013 ended 31 December 2013 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 Management Board
Enn Pant



Vice Chairman of the Management Board
Andres Hunt



Member of the Management Board
Janek Stalmeister



Member of the Management Board
Lembit Kitter



Member of the Management Board
Peter Roose



Member of the Management Board
Kadri Land

Tallinn 27.02.2014