AS TALLINK GRUPP

Unaudited Consolidated Interim Financial Statements for the first quarter of the 2015 financial year

1 January 2015 - 31 March 2015

Beginning of the financial year	1. January 2015
End of the financial year	31. December 2015
Commercial Registry No.	10238429
Address	Sadama 5/7 10111, Tallinn Estonia
Telephone	+372 6 409 800
Fax	+372 6 409 810
Internet homepage	www.tallink.com
Primary activity	maritime transportation (passenger and cargo transportation)
Auditor	KPMG Baltics OÜ

CONTENT

MANAGEMENT REPORT FOR THE INTERIM FINANCIAL STATEMENTS 3

Unaudited Interim Consolidated Financial Statements
First quarter of the financial year 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 14

CONSOLIDATED CASH FLOW STATEMENT 15

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT 16

Notes to the unaudited interim consolidated financial statements
First quarter of the financial year 2015 17-22

MANAGEMENT BOARD'S APPROVAL TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS 23

MANAGEMENT REPORT

In the first quarter (1 January- 31 March) of the 2015 financial year AS Tallink Grupp and its subsidiaries' (the Group) carried nearly 1.8 million passengers which is 5.9% less compared to the same period last year. The Group's unaudited revenue for the first quarter of 2015 increased by EUR 1.9 million or 1.0% year on year to the total of EUR 190.2 million, EBITDA increased by EUR 15.0 million or 335.0% to the total of EUR 19.5 million, compared to the same period last year. The Group made various changes to the operations during the past year and these affected the first quarter with decreased passenger volumes but increased revenue and profitability. The reduction of operating costs from the measures taken has the highest effect to the first quarter profitability, which is also the low season.

In the first quarter the Estonia-Finland route showed positive developments with revenue increasing by 2.7% driven by a 21.3% growth in cargo units. The increase to the cargo volume was partly from Sea Wind switching from the Finland-Sweden routes to the Estonia-Finland route. The Estonia-Sweden route, where capacity is lower than last year, experienced a 9.9% decrease in passengers and a 10.4% decrease in cargo volumes. The Latvia-Sweden route showed a decline with passenger's numbers decreasing by 41.2%, cargo units transported decreased by 59.6%, passenger vehicles transported decreased by 33.0% and the sales decreased by 39.4%. The decline in passenger and cargo volumes on the Latvia-Sweden route is due to Isabelle operating as the only vessel on the route since the beginning of August 2014. Throughout the first quarter price pressure from competitors remained visible on all routes. The passenger volumes have been affected by the drop of Russian passengers since the second quarter last year and has continued to this date.

In the first quarter altogether 6 vessels were chartered out. Due to the increased number of chartered vessels the revenue from charters increased by EUR 7.3 million or 85.9% to the total of EUR 15.7 million. Two of the vessels Silja Festival and Regina Baltic are to be sold in the second quarter of the 2015 financial year.

The upgrades of the public areas and improvements to restaurant and shop concept throughout the fleet combined with the operational changes have resulted in a 3.5% increase in on-board revenue per passenger. Due to the changes in operations the segment result improved on all segments and was EUR 14.9 million higher than in the same period last year.

In the first quarter of the 2015 financial year the Group's gross profit amounted to EUR 26.1 million and EBITDA to EUR 19.5 million being respectively EUR 14.3 million and EUR 15.0 million more compared to the same period last year. The increase in the Group's results is mainly attributed to the decreased costs related to operations.

The unaudited net loss for the first quarter of the 2015 financial year was EUR 13.3 million or EUR 0.02 per share compared to the net loss of EUR 23.4 million or EUR 0.03 per share in the same period last year.

Cash flow from operations increased by EUR 19.2 million when compared to the same period last year. The total liquidity, cash and unused credit facilities at the end of the first quarter were EUR 68.8 million providing a strong position for sustainable operations. At the end of the first quarter 2015 the Group had EUR 66.3 million in cash and equivalents and the total of unused credit lines were at EUR 2.5 million.

Q1 KEY FIGURES

		2015 Jan-Mar	2014 Jan-Mar	Change
Revenue	EUR million	190.2	188.2	1.0%
Gross profit	EUR million	26.1	11.8	121.5%
Gross margin (%)		13.7%	6.3%	
EBITDA	EUR million	19.5	4.5	335.0%
EBITDA margin (%)		10.2%	2.4%	
Net profit for the period	EUR million	-13.3	-23.4	42.9%
Net profit margin (%)		-7.0%	-12.4%	
Depreciation and amortization	EUR million	20.4	19.7	3.4%
Investments	EUR million	3.6	14.1	74.4%
Weighted average number of ordinary shares outstanding		669 882 040	669 882 040	
Earnings per share	EUR	-0.02	-0.03	42.9%
Number of passengers		1 793 414	1 905 555	-5.9%
Number of cargo units		75 172	76 791	-2.1%
Average number of employees		6 642	6 867	-3.3%

		31.03.2015	31.12.2014	
Total assets	EUR million	1 674.5	1 685.6	-0.7%
Interest-bearing liabilities	EUR million	742.9	743.4	-0.1%
Net debt	EUR million	676.6	678.1	-0.2%
Total equity	EUR million	764.9	778.3	-1.7%
Equity ratio (%)		45.7%	46.2%	
Net debt to EBITDA		4.1	4.5	
Number of ordinary shares outstanding[1]		669 882 040	669 882 040	0%
Shareholders' equity per share	EUR	1.14	1.16	-1.7%

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:

in EUR millions	Q1 2014	Q2 2014	Q3 2014	Q4 2014	**Q1 2015**	change y-o-y
Ticket sales	40.6	62.6	76.1	51.2	**38.1**	-6.2%
Restaurant & shop sales	103.9	133.0	132.1	118.5	**100.6**	-3.1%
Cargo sales	26.5	26.8	25.1	24.6	**25.9**	-2.5%
Accommodation sales	3.4	5.3	6.4	4.0	**3.0**	-11.3%
Leases of vessels	8.4	8.4	14.1	16.2	**15.7**	85.9%
Other sales	5.4	10.5	8.9	9.7	**6.9**	28.0%
Total revenue	188.2	246.5	262.7	224.1	**190.2**	1.0%

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

			Q1 2014	Q2 2014	Q3 2014	Q4 2014	**Q1 2015**	Q1 change y-o-y
Finland-Estonia	Passengers	th.	935	1 176	1 325	1 082	918	-1.8%
	Cargo units	th.	39	42	44	43	47	21.3%
	Revenue	mil.EUR	65.0	84.5	91.2	81.0	66.8	2.7%
	Segment result	mil.EUR	10.9	22.3	26.1	23.7	12.6	16.3%
Finland-Sweden	Passengers	th.	592	708	778	636	585	-1.3%
	Cargo units	th.	23	22	20	23	17	-26.0%
	Revenue	mil.EUR	68.4	84.2	93.5	77.9	68.2	-0.3%
	Segment result	mil.EUR	-7.9	0.4	10.2	0.2	-5.1	35.6%
Sweden-Estonia	Passengers	th.	217	266	273	217	196	-9.9%
	Cargo units	th.	10	11	11	11	9	-10.4%
	Revenue	mil.EUR	20.6	27.8	31.1	22.9	19.3	-6.3%
	Segment result	mil.EUR	-3.5	2.3	5.8	0.1	-2.9	17.1%
Sweden-Latvia	Passengers	th.	161	214	186	116	95	-41.2%
	Cargo units	th.	5	4	3	2	2	-59.6%
	Revenue	mil.EUR	13.3	18.6	17.9	10.1	8.1	-39.4%
	Segment result	mil.EUR	-3.2	0.0	4.1	0.4	-0.4	87.1%
Other	Revenue	mil.EUR	22.7	34.2	32.3	34.7	29.6	30.7%
	Segment result	mil.EUR	-0.3	9.9	8.4	9.2	6.6	2132.9%
	Inter segment sales	mil.EUR	-1.8	-2.9	-3.4	-2.4	-1.8	1.2%
	Total revenue	mil.EUR	**188.2**	**246.5**	**262.7**	**224.1**	**190.2**	**-1.0%**
	EBITDA	mil.EUR	**4.5**	**41.1**	**64.0**	**41.1**	**19.5**	**335.0%**
	Total segment result	mil.EUR	**-4.0**	**35.0**	**54.5**	**33.8**	**10.9**	**371.0%**
	Net profit/-loss	mil.EUR	**-23.4**	**6.1**	**36.2**	**8.4**	**-13.3**	**42.9%**

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

The following graphs provide an overview of the sales distribution in the first 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 first quarter of 2015 and 2014 financial years.

	Q1 2015	Q1 2014	Q1 Change
Passengers	**1 793 414**	**1 905 555**	**-5.9%**
Finland-Sweden	584 799	592 253	-1.3%
Estonia-Finland	918 296	935 248	-1.8%
Estonia-Sweden	195 569	216 985	-9.9%
Latvia-Sweden	94 750	161 069	-41.2%
Cargo Units	**75 172**	**76 791**	**-2.1%**
Finland-Sweden	17 032	23 022	-26.0%
Estonia-Finland	47 003	38 753	21.3%
Estonia-Sweden	9 232	10 305	-10.4%
Latvia-Sweden	1 905	4 711	-59.6%
Passenger Vehicles	**211 429**	**215 013**	**-1.7%**
Finland-Sweden	20 293	20 888	-2.8%
Estonia-Finland	164 916	162 711	1.4%
Estonia-Sweden	13 870	12 976	6.9%
Latvia-Sweden	12 350	18 438	-33.0%

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

- The Group carried approximately 55% of the passengers and 62% 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 32% of ro-ro cargo on the routes between Finland and Sweden;

PERSONNEL

31 March 2015 the Group employed 6 640 employees (6 913, 31 March 2014).The following table provides a more detailed overview of the Group's personnel.

	Average of 1st quarter			End of 1st quarter		
	2015	**2014**	**change %**	**31.03.15**	**31.03.14**	**change %**
Onshore total	**1 503**	**1 536**	**-2,1%**	**1 488**	**1 539**	**-3.3%**
Estonia	765	803	-4,7%	760	808	-5.9%
Finland	459	468	-1,9%	455	467	-2.6%
Sweden	200	180	11,1%	194	179	8.4%
Latvia	65	71	-8,5%	65	71	-8.5%
Germany	4	4	0,0%	4	4	0.0%
Russia	10	10	0,0%	10	10	0.0%
At sea	4 531	4 742	-4,4%	4 545	4 779	-4.9%
Hotel*	608	589	3,2%	607	595	2.0%
Total	**6 642**	**6 867**	**-3,3%**	**6 640**	**6 913**	**-3.9%**

* 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 31.03.2015:

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 March 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 Q1

The Supervisory Board of AS Tallink Grupp extended the term of office of the member of the Management Board Mr. Janek Stalmeister (chairman of the Management Board) for three years, until 29th January 2018.

A subsidiary of AS Tallink Grupp, Baltic SF IX Limited and Marine Atlantic Inc, a Canadian company with the state participation therein, agreed to continue the charter MV Atlantic Vision (ex. Superfast IX), until November 2017.

AS Tallink Grupp and Meyer Turku Oy signed a contract for the construction of the LNG powered fast ferry for Tallinn-Helsinki route shuttle operations. The dual fuel ship will be about 212 metres in length with a passenger capacity of 2800. The fast ferry will cost around 230 million euros and will be built at Meyer Turku shipyard for delivery in the beginning of 2017. 20 percent of the total cost of the new LNG powered fast ferry will be paid during the construction period and the rest after the delivery of the vessel. The Group plans to finance 80 percent of the new ship cost in 2017 by a long term financing. The financing terms will be concluded in the near future. According to the strategy Tallink will continue deleveraging during the current and next year. The management aims not to exceed the current debt level due to the new ship investment.

With its judgement from 27 February 2015 the Helsinki District Court compelled Finland to refund to the shipowners the fairway dues, charged in excessive extent in the years 2001-2004, with interests. In the process the claims of 52 Finnish shipowners and of the foreign shipowners were determined against the Finnish state on the above bases and altogether 91 million euros was ordered for their benefit of which AS Tallink Grupp will receive 13.2 million euros, AS Hansatee Cargo will receive 0.4 million euros and Tallink Silja Oy will receive 20.5 million euros. The judgement was appealed by the Finnish state.

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).

Tallinn Stockholm Line Ltd., a subsidiary of AS Tallink Grupp came to an agreement with Scandinavian interest (a non-related party) to sell the motor vessel Regina Baltica. The vessel was delivered in April to the company Regina Holding SIA.

The charter agreement between Tallinn Grupp and Bridgemans Services Ltd. regarding MS Silja Festival ended in the beginning of May. Tallinn Swedish Line Ltd. a subsidiary of AS Tallink Grupp came to an agreement with Medinvest SPA to sell MS Silja Festival, the vessel is expected to be delivered in June 2015.

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.

With an aim to increase revenue generation improvements in product development continue being made, emphasis is on retail sales and upgrades to the public areas on the vessels. Cost reductions in some areas are processed in order to adapt with the changed economic environment. The changes in operations done during the past year and cost reductions resulted in a higher profitability in the past quarters and the management expects the effect to continue and result in an improvement in the results for the 2015 financial year.

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

TALLINK

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 first 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.

Janek Stalmeister Chairman of the Management Board

Andres Hunt Vice Chairman of the Management Board

Lembit Kitter Member of the Management Board

Peter Roose Member of the Management Board

Kadri Land Member of the Management Board

14.05 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited, in thousands of euros)	**01.01.2015-31.03.2015**	**01.01.2014-31.03.2014**
Revenue (Note 3)	190,153	188,206
Cost of sales	-164,049	-176,419
Gross profit	**26,104**	**11,787**
Marketing expenses	-15,235	-15,798
Administrative expenses	-11,715	-11,389
Other income	123	213
Other expenses	-191	-48
Result from operating activities	**-914**	**-15,235**
Finance income (Note 4)	5,676	3,316
Finance costs (Note 4)	-16,608	-11,445
Profit/-loss before income tax	**-11,846**	**-23,364**
Income tax	-1,500	-10
Net profit/-loss for the period	**-13,346**	**-23,374**
Other comprehensive income/-expense		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	-82	59
Other comprehensive income/-expense for the period	**-82**	**59**
Total comprehensive income/-expense for the period	**-13,428**	**-23,315**
Earnings per share (in EUR per share)		
- basic (Note 5)	-0.020	-0.035
- diluted (Note 5)	-0.020	-0.035

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited, in thousands of euros)

ASSETS	31.03.2015	31.12.2014
Current assets		
Cash and cash equivalents	66,276	65,311
Trade and other receivables	38,333	38,210
Prepayments	12,497	5,448
Inventories	28,787	31,315
Total current assets	**145,893**	**140,284**
Non-current assets		
Investments in equity-accounted investees	286	286
Other financial assets	331	252
Deferred income tax assets	21,338	21,338
Investment property	300	300
Property, plant and equipment (Note 7)	1,452,130	1,467,964
Intangible assets (Note 8)	54,247	55,174
Total non-current assets	**1,528,632**	**1,545,314**
TOTAL ASSETS	**1,674,525**	**1,685,598**

LIABILITIES AND EQUITY		
Current liabilities		
Interest bearing loans and borrowings (Note 9)	159,899	149,850
Trade and other payables	89,187	91,236
Income tax liability	2,800	1,300
Deferred income	34,723	29,408
Derivatives (Note 6)	39,959	41,982
Total current liabilities	**326,568**	**313,776**
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	583,019	593,532
Total non-current liabilities	**583,019**	**593,532**
TOTAL LIABILITIES	**909,587**	**907,308**
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	404,290	404,290
Share premium	639	639
Reserves	70,123	70,129
Retained earnings	289,886	303,232
Total equity attributable to equity holders of the parent	**764,938**	**778,290**
TOTAL EQUITY	**764,938**	**778,290**
TOTAL LIABILITIES AND EQUITY	**1,674,525**	**1,685,598**

CONSOLIDATED CASH FLOW STATEMENT

(unaudited, in thousands of euros)	**01.01.2015 - 31.03.2015**	**01.01.2014- 31.03.2014**
Cash flows from operating activities		
Net profit/-loss for the period	-13,346	-23,374
Adjustments	33,028	28,461
Changes in receivables and prepayments related to operating activities	-4,811	-8,512
Changes in inventories	2,528	3,302
Changes in liabilities related to operating activities	336	-1,391
Income tax paid	-33	-15
	17,702	**-1,529**
Cash flow used in investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 7, 8)	-3,612	-14,121
Proceeds from disposals of property, plant and equipment	12	97
Interest received	22	4
	-3,578	**-14,020**
Cash flow used in financing activities		
Repayment of loans (Note 9)	-15,024	-15,024
Change in overdraft (Note 9)	10,049	30,003
Payment of finance lease liabilities (Note 9)	-20	-70
Interest paid	-6,745	-7,783
Payments for settlement of derivatives	-1,419	-1,021
	-13,159	**6,105**
TOTAL NET CASH FLOW	**965**	**-9,444**
Cash and cash equivalents:		
- at the beginning of period	65,311	72,012
- increase (+) / decrease (-)	965	-9,444
- at the end of period	**66,276**	**62,568**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited, in thousands of euros)	Share capital	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	-23,374	-23,374	-23,374
Total other comprehensive income and expense	0	0	59	0	0	0	0	0	59	59
Total comprehensive income and expense for the period	0	0	59	0	0	0	0	-23,374	-23,315	-23,315
Transaction with owners of the company										
Share-based payment transactions (Note 11)	0	0	0	0	0	0	77	0	77	77
Transactions with owners, recognised directly in equity	**0**	**0**	**0**	**0**	**0**	**0**	**77**	**0**	**77**	**77**
As at 31 March 2014	**404,290**	**639**	**71**	**56,777**	**16,651**	**-4,163**	**911**	**272,649**	**747,825**	**747,825**
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	-13,346	-13,346	-13,346
Total other comprehensive income and expense	0	0	-82	0	0	0	0	0	-82	-82
Total comprehensive income and expense for the period	0	0	-82	0	0	0	0	-13,346	-13,428	-13,428
Transaction with owners of the company										
Share-based payment transactions (Note 11)	0	0	0	0	0	0	76	0	76	76
Transactions with owners, recognised directly in equity	0	0	0	0	0	0	76	0	76	76
As at 31 March 2015	**404,290**	**639**	**216**	**54,562**	**18,822**	**-4,163**	**686**	**289,886**	**764,938**	**764,938**

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 3 months of the financial year 2015 were authorised for issue in accordance with a resolution of the Management Board on 14 May 2015. AS Tallink Grupp is a limited company incorporated in Estonia and employed 6,640 people at 31 March 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)

01.01.2015-31.03.2015	Estonia-Finland route	Estonia-Sweden route	Latvia-Sweden route	Finland-Sweden route	Other	Elimination of intersegment sales	Total
Revenue							
Sales to external customers	66,766	19,283	8,080	68,204	27,820	0	190,153
Inter-segment sales	0	0	0	0	1,808	-1,808	0
	66,766	**19,283**	**8,080**	**68,204**	**29,628**	**-1,808**	**190,153**
Segment result	**12,643**	**-2,902**	**-410**	**-5,069**	**6,607**	**0**	**10,869**
Unallocated expenses							-11,783
Net financial items (Note 4)							-10,932
Profit/-loss before income tax							**-11,846**

01.01.2014-31.03.2014	Estonia-Finland route	Estonia-Sweden route	Latvia-Sweden route	Finland-Sweden route	Other	Elimination of intersegment sales	Total
Revenue							
Sales to external customers	65,026	20,576	13,323	68,443	20,838	0	188,206
Inter-segment sales	0	0	0	0	1,830	-1,830	0
	65,026	**20,576**	**13,323**	**68,443**	**22,668**	**-1,830**	**188,206**
Segment result	**10,875**	**-3,500**	**-3,190**	**-7,871**	**-325**	**0**	**-4,011**
Unallocated expenses							-11,224
Net financial items (Note 4)							-8,129
Profit/-loss before income tax							**-23,364**

Revenue by service

(in thousands of euros)	**01.01.2015-31.03.2015**	**01.01.2014-31.03.2014**
Ticket sales	38,119	40,629
Sales of cargo transport	25,853	26,513
Sales of accommodation	3,006	3,388
Restaurant and shops sales on-board and on mainland	100,612	103,871
Income from charter of vessels	15,700	8,446
Other	6,863	5,359
Total revenue of the Group	**190,153**	**188,206**

Note 4 FINANCE INCOME AND FINANCE COSTS

(in thousands of euros)	**01.01.2015-31.03.2015**	**01.01.2014-31.03.2014**
Income from interest rate swaps	849	695
Income from foreign exchange derivatives	4,820	2,604
Interest income arising from financial assets not measured at fair value through profit or loss	7	17
Total finance income	**5,676**	**3,316**
Net foreign exchange losses	-3,598	-906
Interest expense arising from financial liabilities measured at amortised cost	-7,945	-9,011
Expenses from interest rate swaps	-5,065	-1,528
Total finance costs	**-16,608**	**-11,445**

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.

	01.01.2015-31.03.2015	**01.01.2014-31.03.2014**
Weighted average number of ordinary shares, basic (pcs)	669,882,040	669,882,040
Effect of share options on issue	0	119,828
Weighted average number of ordinary shares, diluted (pcs)	669,882,040	670,001,868
Net profit/-loss attributable to ordinary shareholders	-13,346	-23,374
Earnings per share, basic (in EUR per share)	-0.020	-0.035
Earnings per share, diluted (in EUR per share)	-0.020	-0.035

Weighted average number of ordinary shares (pcs)	**01.01.2015-31.03.2015**	**01.01.2014-31.03.2014**
Issued ordinary shares at the beginning of period	673,817,040	673,817,040
Effect of own shares held	-3,935,000	-3,935,000
Weighted average number of ordinary shares at the end of period	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 31.03.2015 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 31.03.2015 is EUR -21,361 thousand. The fair value of the cross-currency rate derivatives recognized in the current interim financial statements as of 31.03.2015 is EUR -18,598 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	1,386	749	685	3,154
Disposals	0	0	-2	0	-2
Depreciation for the period	-286	-17,731	-969	0	-18,986
Book value as at 31 March 2015	**3,777**	**1,435,055**	**9,778**	**3,520**	**1,452,130**
As at 31 March 2015					
-gross carrying amount	13,120	1,715,283	31,082	3,520	1,763,005
-accumulated depreciation	-9,343	-280,228	-21,304	0	-310,875

	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	14,724	1,175	-2,121	13,782
Exchange rate differences	0	0	4	0	4
Disposals	0	0	-95	0	-95
Depreciation for the period	-294	-16,826	-919	0	-18,039
Book value as at 31 March 2014	**4,551**	**1,476,928**	**9,737**	**331**	**1,491,547**
As at 31 March 2014					
-gross carrying amount	12,786	1,693,223	28,622	331	1,734,962
-accumulated depreciation	-8,235	-216,295	-18,885	0	-243,415

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	458	458
Amortisation for the period	0	-729	-656	-1,385
Book value as at 31 March 2015	**11,066**	**32,773**	**10,408**	**54,247**
As at 31 March 2015				
-cost	11,066	58,288	28,020	97,374
-accumulated amortisation	0	-25,515	-17,612	-43,127

	Goodwill	Trademark	Others	Total
Book value as at 31 December 2013	**11,066**	**36,418**	**10,441**	**57,925**
Additions	0	0	495	495
Amortisation for the period	0	-729	-940	-1,669
Book value as at 31 March 2014	**11,066**	**35,689**	**9,996**	**56,751**
As at 31 March 2014				
-cost	11,066	58,288	25,967	95,321
-accumulated amortisation	0	-22,599	-15,971	-38,570

Note 9 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of euros)

	31 December 2014	New loans	Repayments	Exchange rate differences	Other changes [1]	31 March 2015
Liabilities under finance lease	358	0	-20	3	0	341
Unsecured bonds	98,636	0	0	3,836	62	102,534
Overdraft	62,449	10,049	0	0	0	72,498
Long-term bank loans	581,939	0	-15,024	0	630	567,545
TOTAL	**743,382**	**10,049**	**-15,044**	**3,839**	**692**	**742,918**
incl. current portion	149,850					159,899
Non-current portion	593,532					583,019

[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 223,940 thousand and overseas subsidaris have given guarantees to Nordea Bank Finland Plc and Swedbank AS for the loans granted to AS Tallink Grupp amounting to EUR 343,605 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 March 2015 the maximum number of authorised common shares is 2,133,333,333.

At 31 March 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 March 2015 7,318,638 share options were valid and outstanding. Average remaining time to maturity of the outstanding share options is 9-15 months.

The outstanding share options have not diluting effect due to their exercise price being higher than the average price in the stock market during the period.

Note 12 RELATED PARTY DISCLOSURES

(in thousands of euros)

3 months of 2015 or 31.03.2015	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
AS Infortar	8	12	4	4
AS HT Valuuta	26	0	0	0
AS Vara HTG	0	479	0	1,029
OÜ Mersok	0	2	0	2
AS Vaba Maa	3	164	1	28
OÜ Sunbeam	0	885	0	454
AS Gastrolink	2	207	1	84
AS Tallink Takso	1	20	0	13
OÜ Topspa Kinnisvara	0	675	0	100
OÜ Hansa Hotell	0	200	0	90
OÜ Fastinvest	0	313	0	0
SIA Happy Trails	0	828	0	229
Eesti Laevaomanike Liit	0	7	0	0
MTÜ Eesti Tennise Liit	3	0	3	0
3 months of 2014 or 31.03.2014	**Sales to related parties**	**Purchases from related parties**	**Receivables from related parties**	**Payables to related parties**
AS Infortar	25	12	10	5
AS HT Valuuta	29	0	1	0
AS Vara HTG	0	479	0	0
OÜ Mersok	0	2	0	0
AS Vaba Maa	4	131	2	25
OÜ Sunbeam	0	863	0	0
AS Gastrolink	0	252	0	54
AS Tallink Takso	1	8	0	4
OÜ Topspa Kinnisvara	0	658	0	0
OÜ Hansa Hotell	0	209	0	0
OÜ Fastinvest	0	312	0	0
SIA Happy Trails	0	833	0	938
Eesti Laevaomanike Liit	0	7	0	0

Note 13 SUBSEQUENT EVENTS

Sale of MS Regina Baltica took place in April 2015.

TALLINK

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 first quarter of the financial year 2015 ended 31 March 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.

Chairman of the Management Board
Janek Stalmeister

Vice Chairman of the Management Board
Andres Hunt

Member of the Management Board
Peter Roose

Member of the Management Board
Lembit Kitter

Member of the Management Board
Kadri Land

Tallinn 14.05.2015