AS TALLINK GRUPP

Unaudited Interim Consolidated Condensed Financial Statements

for the nine months of the financial year 2005/2006 ended May 31, 2006

Beginning of the financial year	1. September 2005
End of the financial year	31. August 2006
Commercial Registry No.	10238429
Address	Tartu mnt. 13
	10145, Tallinn
	Estonia
Telephone	+372 6 409 800
Fax	+372 6 409 810
Internet homepage	www.tallink.com
Primary activity	maritime transportation (passengers and cargo transportation)

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MANAGEMENT REPORT FOR INTERIM FINANCIAL STATEMENTS
for the nine months of the financial year 2005/2006 ended May 31, 2006

During the 9 months of the current fiscal year Tallink has established a strong base for the company's growth. The investments during the period amounted to 7.5 billion EEK (EUR 480 million) which are expected to bring high returns for the company and the shareholders in the future.

9 MONTHS KEY FIGURES

	01.09.2005–31.05.2006		01.09.2004-31.05.2005		Change %
	EEK	EUR	EEK	EUR	
Net sales (million)	3,049.3	194.9	2,839.2	181.5	7.4
Net profit for the period (million)	131.7	8.4	185.8	11.9	-29.1
Net profit margin (%)	4.3	4.3	6.5	6.5	
EBITDA (million)	486.3	31.1	511.4	32.7	-4.9
EBITDA margin (%)	15.9	15.9	18.0	18.0	
Depreciation (million)	230.5	14.7	202.3	12.9	13.9
Capital Expenditure (million)	7,516.2	480.4	313.2	20.0	2,300.0

Number of passengers	2,176,360		2,243,811		-3.0
Cargo units	116,784		96,525		21.0
Average number of employees	2,775		2,709		2.5

	31.05.2006		31.08.2005		Change %
	EEK	EUR	EEK	EUR	
Total assets (million)	15,182.5	970.3	6,927.2	442.7	119.2
Total liabilities (million)	10,340.9	660.9	4,271.3	273.0	142.1
Interest-bearing liabilities (million)	9,625.3	615.2	3,836.3	245.2	150.9
Total equity (million)	4,841.6	309.4	2,655.8	169.7	82.3
Equity/assets ratio (%)	31.9	31.9	38.3	38.3	-16.7
Weighted average number of ordinary shares outstanding	126,987,179		110,000,000		15.4
Shareholder's equity per share	38.12	2.44	24.14	1.54	57.9

Net profit margin – Net profit/Net sales;

EBITDA – Earnings before net financial items, share of profit of associates, taxes, depreciation and amortisation;

Equity ratio – Total Equity /Total assets;

Shareholder's equity per share – Shareholder's equity / Weighted average number of ordinary shares outstanding.

KEY EVENTS IN 3RD QUARTER

- The delivery of M/S Galaxy;
- Starting operations between Riga and Stockholm;
- The acquisition of Superfast vessels and the launch of Finland – Germany service;
- The sale of M/S Autoexpress;
- M/S Fantaasia chartered to Mediterranean from June until October 2006.

SALES AND EARNINGS

Net sales of AS Tallink Grupp and its subsidiaries (hereinafter also referred to as the "Group") amounted to 1,263.3 million EEK (80.7 million EUR) in the period March 1, 2006 – May 31, 2006 compared to 1,033.8 million EEK (66.1 million EUR) in the period March 1, 2005 – May 31, 2005. The sales increased by 22.2% or 229.5 million EEK (14.7 million EUR).

The following factors contributed positively to group sales during the 3rd quarter:

- The delivery of M/S Galaxy;
- The launch of Riga – Stockholm traffic;
- The Superfast operations between Finland and Germany;
- Solid increase in cargo volume on Tallinn-Helsinki route;
- Higher ticket revenues.

During the 3rd quarter Group earnings were negatively affected by several large one off items, amounting to approximately 78 million EEK (5 million EUR) mainly due to the launch of the new lines and the introduction of M/S Galaxy. The additional non-recurring costs related to to Superfast and the opening of the Latvian operations were approximately 63 million EEK (4 million EUR) one off costs. The additional marketing and start up costs of M/S Galaxy and the increased marketing expenses related to the transfer of M/S Romantika to the Stockholm – Tallinn line resulted in approximately 15 million EEK (1 million EUR) one off costs. In the absence of these one time factors Group net earnings would have well exceeded last year's level.

In the third quarter group operating profit amounted to 138.6 million EEK (8.9 million EUR) compared to 177.6 million EEK (11.4 million EUR) in the same period of 2004/2005 financial year. Third quarter net profit after extraordinary items was 76.5 million EEK (4.9 million EUR). While the large one off items depressed the March – May earnings the Management is very enthusiastic about the future earnings potential provided by the new business lines launched during the 3rd quarter. Tallink views the costs as a sound investment for the future.

The impact of the new business developments is illustrated in the table below.

	01.03.2006-31.05.2006		**01.03.2005-31.2005**		**Change %**
	EEK million	**EUR million**	**EEK million**	**EUR million**	
Sales to external customers	**1,263**	**81**	**1,034**	**66**	**22%**
Core business*	1,077	69	1,034	66	4%
New business (Germany and Latvia routes)	186	12			
Segment result	**174**	**11**	**212**	**14**	**-18%**
Core business*	205	13	212	14	-4%
New business (Germany and Latvia routes)	-31	-2			

*All business segments excluding Riga-Stockholm and Hanko-Rostock routes

As an evidence of continued strength on the company traditional operations the sales of core business segment increased by 4% in third quarter compared to same quarter of previous year from 1,034 million EEK (66 million EUR) to 1,077 million EEK (69 million EUR). The main reasons of this growth are an increase in passenger and cargo volume on the Finnish route, increase in vehicles carried in Swedish and Finnish routes; rise in passenger and cargo ticket prices. The increase in volume and prices are partly attributable to the replacement of Romantika the by bigger new vessel Galaxy on the Finnish route and the replacement of Regina Baltica by Romantika on Tallinn-Stockholm route. In particular, the management is pleased with cargo sales on the Finland – Estonia service.

The segment result of core business segment was 205 million EEK (13 million EUR) in the 3rd quarter which is 4% lower compared to the previous year. The result was weighed down by higher than expected fuel cost due to higher market prices (in the III quarter fuel prices increased about 40% compared to the same period of last year) and the adoption of IMO Marpol convention which restricts usage of cheaper high sulfur fuel oil in Baltic Sea region. In addition, the additional higher marketing costs in Sweden related to the transfer of Romantika to Swedish line which is to introduce new products, attract more passengers, and improve performance on this route. Last year 3rd quarter Regina Baltica was chartered to Norway for approximately one month and M/S Fantaasia was chartered to Mediterranean during the whole quarter. This year Fantaasia was only incurring costs while the opening of Riga route was on hold and Regina Baltica was out of business for a couple of days when changing to Riga route in May

In 3rd quarter of 2005/06 AS Tallink Grupp launched the new route between Riga and Stockholm and acquired a business between Finland and Rostock. The new business segment contributed additional 186 million EEK (12 million EUR) in Group revenues but made 31 million EEK (2 million EUR) negative on segment result. This negative result can be explained by launching costs of new routes, which involve various operational start-up and marketing costs while the revenues and result impact is less than 2 months. The management is very pleased with the developments of the new services since the end of 3rd quarter and the outlook for the summer months is good.

Geographical segment based approach shows that during the first nine months of fiscal year 2005/2006 60.6% of revenues was earned from the Estonia – Finland line (compared to 60.7% in the corresponding period in financial year 2004/2005), 28.8% from the Estonia – Sweden line (32.2% in 2004/2005), 1.0% from the Latvia – Sweden line, 5.1% from the Finland – Germany line and the remaining 4.5% of revenues was earned from mainland business, charter income and other income (7.0% in 2004/2005). The sales results of the Latvian and German operations was naturally weighed down as these services were not operated for a full 9 month period.

From operational viewpoint the sales were divided as follows: ticket sales 24.1% (22.0% in 2004/2005), revenue from hotel packages 3.1% (3.3% in 2004/2005), sales of cargo transport 22.8% (18.6% in 2004/2005), restaurant and shop sales on-board and on mainland 44.7% (49.7% in 2004/2005), accommodation sales 1.9% (1.9% in 2004/2005), income from leases of vessels and other income 3.4% (4.5% in 2004/2005).). As seen from the table below, ticket sales per passenger showed a highly pleasing 21.0% growth year-on.year.

PER PASSENGER FIGURES	**01.09.2005-31.05.2006**		**01.09.2004-31.05.2005**		**Change %**
	EEK	**EUR**	**EEK**	**EUR**	
Ticket sales per passenger	337.4	21.6	278.9	17.8	21.0
Hotel package sales per passenger	43.6	2.8	41.5	2.7	5.0
On-board sales per passenger	626.1	40.0	628.7	40.2	-0.4

MARKET DEVELOPMENTS

In the third quarter of the financial year the Group operated on Finland - Estonia route between Helsinki and Tallinn, on the Estonia – Sweden routes (Tallinn – Mariehamn - Stockholm and Paldiski – Kapellskär), on the Latvia – Sweden route between Riga and Stockholm and between Finland, Estonia and Germany (Hanko-Paldiski-Rostock).

Passengers	**01.03.2006–31.05.2006**	**01.03.2005–31.05.2005**	**Change %**	**01.09.2005–31.05.2006**	**01.09.2004–31.05.2005**	**Change %**
Finnish route	621,574	604,380	2.8%	1,694,951	1,754,872	-3.4%
Swedish routes	164,216	171,554	-4.3%	427,711	448,081	-4.5%
Latvian route	29,185			29,185		
German route	24,513			24,513		

Total	839,488	775,934	8.2%	2,176,360	2 202,953	-1.2%
Cargo units						
Finnish route	25,270	22,000	14.9%	71,051	58,680	21.1%
Swedish routes	11,218	12,574	-10.8%	35,481	37,730	-6.0%
Latvian route	549			549		
German route	9,703			9,703		
Total	46,740	34,574	35.2%	116,784	96,410	21.1%
Vehicles						
Finnish route	45,272	41,301	9.6%	134,062	124,750	7.5%
Swedish routes	17,503	16,358	7.0%	48,927	44,568	9.8%
Latvian route	3,047			3,047		
German route	6,257			6,257		
Total	72,079	57,659	25.0%	192,293	169,318	13.6%

The transfer of M/S Romantika to the Swedish line should improve the passenger numbers since it has already shown signs of such positive effect during the short period of operations.

AS Tallink Grupp's approximate market share of passenger transportation on the Estonia - Finland line in the reporting period was 46.7% (42.7% in the corresponding period in 2004/2005). The estimated passenger traffic market share on Finland – Germany route is 80.0% and the estimated market share of cargo transportation on the Finland – Germany route is 30.0%. The Group is the only scheduled passenger transportation service provider on the Estonia – Sweden and Latvia – Sweden lines.

The main reason behind the growth in cargo transportation on the Tallinn – Helsinki route was the continuous market development. Due to increasing cargo volumes M/S Regal Star was transferred to Tallinn-Helsinki route and M/S Kapella was transferred to operate between Paldiski-Kapellskär from the March 2006. More cargo capacity of M/S Regal Star (more than 1,000 lane metres compared to M/S Kapella) has allowed us to better meet the higher demand on the Tallinn-Helsinki route. The managemet expects the fast growth of cargo services to continue and the company will meet the growing demand with the new fast ro-pax ferry to be delivered in March 2007.

PERSONNEL

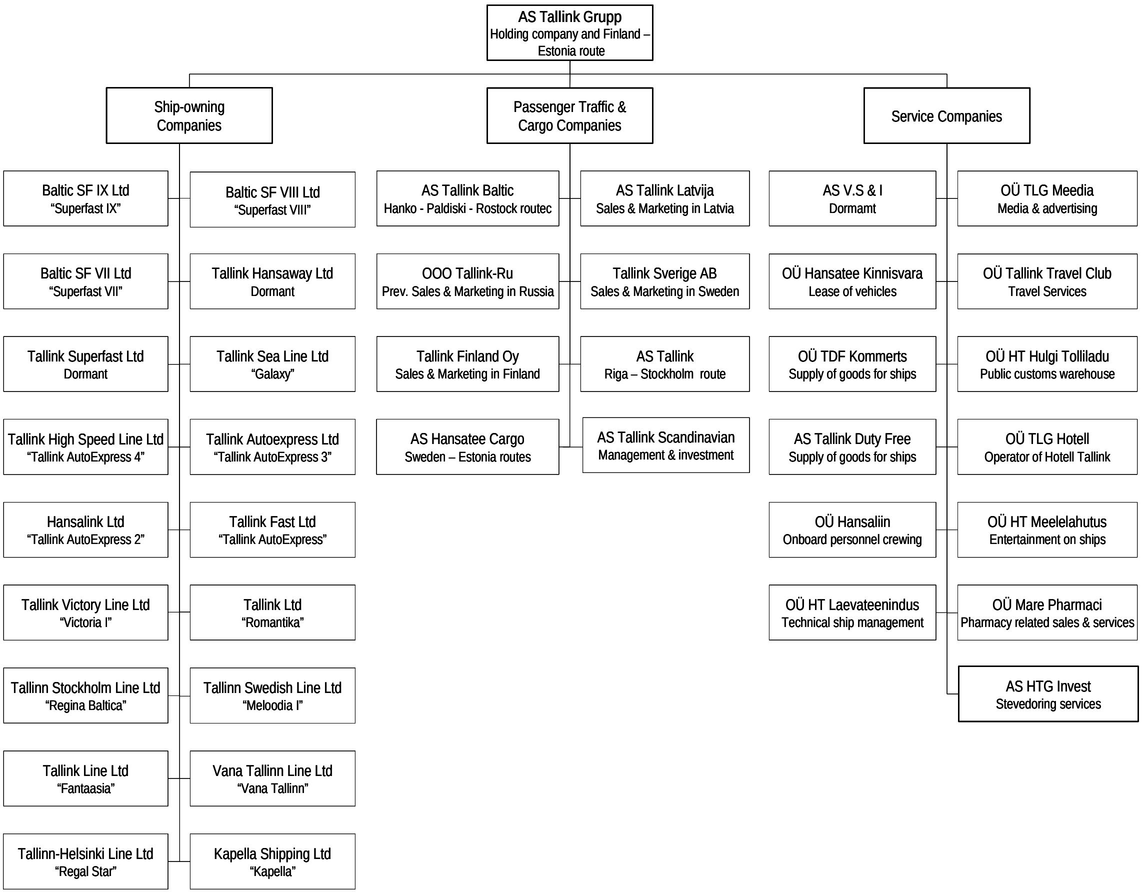
In the period of 1st March 2006 to 31st of May 2006 the Group employed an average of 3,089 employees (compared to 2,647 in 2004/2005 same period), of whom 2,211 (1,885 in 2004/2005) were employed as vessel personnel, 140 (134 in 2004/2005) were employed in Best Western Hotel Tallink and 738 (627 in 2004/2005) as other on-shore staff.

The sharp increase of personnel resulted mainly from the acquisition of AS HTG Invest, manning of new vessels and the addition of back-office personnel of the Latvia and Sweden and addition of sales and on-board personnel related to the operations of Superfast ferries.

CORPORATE STRUCTURE

During the third quarter of financial year 2005/2006 AS Tallink Grupp established five new subsidiaries with 100% ownership: Baltic SF VII Ltd., Baltic SF VIII Ltd., Baltic SF IX Ltd., AS Tallink Baltic and AS Tallink Scandinavian. During the reporting period AS Tallink Grupp acquired 100% of the shares of AS HTG Invest.

Consolidating group of AS Tallink Grupp consists of 39 subsidiaries at the time of the report date.



Note: Corporate structure on 31.05.06: All the companies are wholly-owned by AS Tallink Grupp, except for the following: (i) OÜ HT Hulgi Tolliladu and OÜ TDF Kommerts are both wholly-owned by AS Tallink Duty Free, (ii) OÜ TLG Media is jointly-owned by AS Tallink Grupp (70%) and Mr. Peter Roose (30%), and (iii) Tallink Sverige AB is wholly-owned by AS Hansatee Cargo.

EVENTS DURING THE 3rd QUARTER OF 2005/2006

On the 21st of March 2006 a contract was signed according to which Baltic SF VII Ltd., Baltic SF VIII Ltd., Baltic SF IX Ltd bought three Ro-Pax vessels Superfast VII, Superfast VIII, and Superfast IX for a total cash consideration of 310 million EUR from Attica Holdings S.A.. The purchase was financed by a loan from syndicate of banks arranged by HSH Nordbank and KfW in the amount of 280 million EUR and by equity in the amount of 30 million EUR. Vessels were delivered during April and they started operations on route Hanko – Paldiski and Paldiski – Rostock.

On the 6th of April 2006 M/S Fantaasia began regular ferry service on the Riga-Stockholm route. Tallink launched a marketing campaign in Latvia and Sweden to promote the line. The launch of this new line can be considered successful.

On the 6th of April 2006 AS Tallink Grupp sold “M/S Tallink Autoexpress” for 10.5 million EUR. The profit from the sale is not material to the consolidated financial results of AS Tallink Grupp.

On the 18th of April 2006 Tallink’s new cruise vessel Galaxy was delivered to Tallink. The ferry started operating on Tallinn – Helsinki line in the end of April. Delivery of Galaxy received a lot of coverage in both local and international media and the ferry itself has fulfilled our expectations.

AS Tallink Grupp acquired 100% of the shares of AS HTG Invest. The subsidiary’s main activities include providing port services, loading and unloading of goods, storage of goods, including storage in customs warehouse and customs terminal, stevedoring and cleaning of port territory. The acquisition of AS HTG Invest allows Tallink to lower costs and to improve the quality of stevedoring.

In order to satisfy the increased demand in passenger transportation on the Estonia – Finland route, the Swedish line vessels M/S Victoria and M/S Regina Baltica did extraordinary trips between Tallinn and Helsinki in April.

On 2nd of May 2006 AS Tallink Grupp’s subsidiary OÜ TLG Hotell signed a rental agreement with OÜ Sunbeam, a subsidiary of AS Infortar to operate the new Tallink Spa Hotel which is being built near the port of Tallinn. The 290 room hotel should be completed by the end of the year 2006. The rental agreement is valid for 10 years with an option to extend for another 10 years.

In May 2006 AS Tallink Grupp established a new 100% subsidiary AS Tallink Scandinavian. The company's share capital is 1,000,000 EEK. The primary areas of activity of the company are management consultations and management of enterprises and companies and investing in enterprises and companies.

As from 12th of May M/S Regina Baltica started regular operations between Riga and Stockholm. At the same time M/S Romantika started operating next to her sister vessel M/S Victoria on the route Tallinn – Mariehamn – Stockholm.

On 17th of May 2006 AS Tallink Grupp signed an agreement to charter out M/S Fantaasia from June to October 2006.

On 31st of May 2006 the Finnish Seamen's Union (FSU) together with port workers started boycott actions against AS Tallink Grupp's Superfast VIII vessel in the port of Hanko and refused to unload the trailers from the vessel. The boycott action disrupted service of trailers where Tallink is in very strong competition with Finnish shipping companies Finnlines and Transfennica. Later that day the court of Helsinki ruled the actions of FSU as illegal.

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

The Group’s earnings are not generated evenly throughout the year. The high season for the Group is the summer period. In the opinion of the Group’s management and based on the experience of the previous financial years the majority of the earnings are generated during the last quarter of the financial year.

To end the illegal boycott Tallink was forced to agree with the FSU demands on the principles to change the salaries for the crew on the Superfast ferries. Until the end of 2006 the crew on the Superfast ferries will receive 60% of the Finnish minimum salary level which will gradually rise to 100% by 2008. To offset the rise of salaries of the German route Tallink changed the timetable of Superfast vessels and the new route, lowering port fees and fuel costs, is Hanko-Rostock.

On 11th of June 2006 AS Tallink Grupp and Sea Containers Ltd entered into a definitive agreement whereby Sea Containers will sell its Baltic ferry subsidiary Silja Oy Ab ("Silja") to Tallink. The transaction includes six ships as part of the Silja "core business": Symphony and Serenade operated on Stockholm-Helsinki route and Europa, Festival, SeaWind and Skywind operated on Stockholm-Turku route, and their staff, facilities and the Silja brand. These vessels transported 3.4 million passengers during 2005, the revenues amounted to 5,945 million EEK (380 million EUR) and EBITDA was approximately 469 million EEK(30 million EUR). Since mid 2005 Silja has been undergoing an intensive restructuring programme, which is expected to lead to significant EBITDA improvements over the coming 12 to 18 months. Tallink management foresees Silja's EBITDA to reach EUR 60 million

The consideration for the sale of Silja's shares is EUR 450 million (EEK 7,041 million) cash and 5 million new ordinary shares in Tallink to be issued by Tallink. The Tallink's 5 million new ordinary shares will be issued in exchange for the contribution to Tallink of a portion of Silja's shares having corresponding value and the share exchange ratio shall be determined on the basis of the assessment of the market value of Silja's shares to be verified by Tallink's auditors in accordance with applicable law. The EUR 450 million (EEK 7,041 million) cash consideration will be financed through a combination of Silja's existing debt refinancing and external bank loans of up to approximately EUR 400 million (EEK 6,258 million) and equity of approximately EUR 60 million (EEK 939 million).

In connection with the purchasing of the shares of Silja Oy Ab AS Tallink Grupp signed two loan agreements with HSH Nordbank and DVB Bank in the total amount of up to 50.9 million EUR incorporating second priority mortgages of vessels Romantika, Fantaasia and Victoria.

On the 14th of June 2006 AS Tallink Grupp's subsidiary Tallink Hansaway Ltd. and Nordea Bank signed a loan agreement in amount of 88 million EUR (1,377 million EEK).

AS Tallink Grupp established Managing Director position and employed Mr Lembit Kitter, previous Vice President of SEB Eesti Ühispank, who will start in the position from the 1st of August 2006.

The Extraordinary General Meeting of AS Tallink Grupp held on 22.06.2006, approved the 100% share purchase transaction of Silja Oy Ab, amended Articles of Association of AS Tallink Grupp, increased the Share Capital and removed Mr. Andres Lipstok from the Supervisory Board of AS Tallink Grupp.

AS Tallink Grupp does not have any substantial ongoing research and development projects.

The decisions to acquire three Superfast ferries and the Silja Oy Ab are undoubtedly one of the most significant decisions in the last years in the entire market. The recent acquisitions of Tallink have expanded the Group's market coverage and will increase both the sales and earnings in upcoming periods.

After the completion of the acquisition of three Superfast ferries and six Silja ferries, the Group will have a fleet of 21 vessels, of which almost a half are younger than 10 years which grants flexibility combined with efficiency and strong profitability in the near future. In the context of the current situation and growing results, the Group is looking forward to the future for further investments and positive development.

In light of the developments made and Silja due to be completed soon the assets of the Group will show significant increase in the end of the current financial year compared to the previous one. The changes made and the new asset levels will be a strong base for the future whereby the revenue base is estimated to triple. There is ground to start working towards the implementation of Groups current profitability ratios to the new business developments and the noticeable increase in earnings already in the coming years can be expected.

CONSOLIDATED CONDENSED INCOME STATEMENT

(unaudited, in thousand EEK)	**01.03.2006 - 31.05.2006**	**01.03.2005- 31.05.2005 [1];[2]**	**01.09.2005- 31.05.2006**	**01.09.2004 - 31.05.2005 [1];[2]**
Net sales (Note 4)	1,263,287	1,033,827	3,049,310	2,839,240
Cost of sales	-985,019	-740,984	-2,425,511	-2,201,577
Gross profit	**278,268**	**292,843**	**623,799**	**637,663**
Marketing expenses	-104,496	-80,500	-264,929	-244,404
Administrative and general expenses	-41,145	-34,792	-109,481	-86,485
Other operating income	6,090	197	7,074	1,724
Other operating expenses	-100	-144	-643	-440
Operating profit (Note 4)	**138,617**	**177,604**	**255,820**	**308,058**
Net financial expense (-) / income (Note 5)	-62,352	-40,068	-123,750	-122,301
Income from associates	0	645	0	1,068
Profit from normal operation before income tax	**76,265**	**138,181**	**132,070**	**186,825**
Income tax	213	-1,485	-375	-987
Net profit for the period	**76,478**	**136,696**	**131,695**	**185,838**
Attributable to:				
Equity holders of the parent (Note 6)	76,192	136,411	130,790	185,605
Minority interests	286	285	905	233
Earnings per share (in EEK per share)				
- basic (Note 6)			1.03	1.69
- diluted (Note 6)			1.03	1.69

(unaudited, in thousand EUR)	**01.03.2006- 31.05.2006**	**01.03.2005- 31.05.2005 [1];[2]**	**01.09.2005- 31.05.2006**	**01.09.2004- 31.05.2005 [1];[2]**
Net sales (Note 4)	80,738	66,074	194,886	181,461
Cost of sales	-62,954	-47,358	-155,018	-140,707
Gross profit	**17,784**	**18,716**	**39,868**	**40,754**
Marketing expenses	-6,678	-5,145	-16,932	-15,620
Administrative and general expenses	-2,630	-2,224	-6,997	-5,528
Other operating income	389	12	452	110
Other operating expenses	-6	-9	-41	-28
Operating profit (Note 4)	**8,859**	**11,350**	**16,350**	**19,688**
Net financial expense (-) / income (Note 5)	-3,985	-2,560	-7,909	-7,816
Income from associates	0	41	0	68
Profit from normal operation before income tax	**4,874**	**8,831**	**8,441**	**11,940**
Income tax	14	-95	-24	-63
Net profit for the period	**4,888**	**8,736**	**8,417**	**11,877**
Attributable to:				
Equity holders of the parent (Note 6)	4,869	8,718	8,359	11,862
Minority interests	19	18	58	15
Earnings per share (in EUR per share)				
- basic (Note 6)			0.07	0.11
- diluted (Note 6)			0.07	0.11

[1] correction (Note 8)
[2] correction (Note 2)

CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousand EEK)

ASSETS	**31.05.2006**	**31.08.2005**
Current assets		
Cash and cash equivalents	1,224,039	326,786
Receivables and prepaid expenses (Note 7)	370,390	202,540
Inventories	137,883	84,900
Total current assets	**1,732,312**	**614,226**
Non-current assets		
Financial assets	72	72
Property, plant and equipment (Note 8)	13,267,623	6,136,720
Intangible assets (Note 9)	182,498	176,153
Total non-current assets	**13,450,193**	**6,312,945**
TOTAL ASSETS	**15,182,505**	**6,927,171**

LIABILITIES AND EQUITY		
Current liabilities		
Current portion of interest-bearing liabilities (Note 10)	1,087,491	690,473
Payables and prepaid income (Note 7)	715,302	434,683
Total current liabilities	**1,802,793**	**1,125,156**
Non-current liabilities		
Interest bearing loans and borrowings (Note 10)	8,537,766	3,145,864
Deferred income tax	332	329
Total non-current liabilities	**8,538,098**	**3,146,193**
TOTAL LIABILITIES	**10,340,891**	**4,271,349**
EQUITY		
Minority interests	**1,029**	**274**
Equity attributable to equity holders of the parent		
Issued capital (Note 11)	1,365,000	1,100,000
Share premium (Note 11)	1,788,793	0
Unrealised exchange differences	39	0
Revaluation reserve	415	0
Reserves	27,500	27,500
Retained earnings	1,658,838	1,528,048
Total equity attributable to equity holders of the parent	**4,840,585**	**2,655,548**
TOTAL EQUITY	**4,841,614**	**2,655,822**
TOTAL LIABILITIES AND EQUITY	**15,182,505**	**6,927,171**

CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousand EUR)

ASSETS	**31.05.2006**	**31.08.2005**
Current assets		
Cash and cash equivalents	78,230	20,885
Receivables and prepaid expenses (Note 7)	23,672	12,945
Inventories	8,812	5,426
Total current assets	**110,714**	**39,256**
Non-current assets		
Financial assets	5	5
Property, plant and equipment (Note 8)	847,956	392,208
Intangible assets (Note 9)	11,664	11,258
Total non-current assets	**859,625**	**403,471**
TOTAL ASSETS	**970,339**	**442,727**

LIABILITIES AND EQUITY		
Current liabilities		
Current portion of interest-bearing liabilities (Note 10)	69,503	44,129
Payables and prepaid income (Note 7)	45,716	27,781
Total current liabilities	**115,219**	**71,910**
Non-current liabilities		
Interest bearing loans and borrowings (Note 10)	545,663	201,057
Deferred income tax	21	21
Total non-current liabilities	**545,684**	**201,078**
TOTAL LIABILITIES	**660,903**	**272,988**
EQUITY		
Minority interests	**66**	**18**
Equity attributable to equity holders of the parent		
Issued capital (Note 11)	87,239	70,303
Share premium (Note 11)	114,325	0
Unrealised exchange differences	2	0
Revaluation reserve	27	0
Reserves	1,758	1,758
Retained earnings	106,019	97,660
Total equity attributable to equity holders of the parent	**309,370**	**169,721**
TOTAL EQUITY	**309,436**	**169,739**
TOTAL LIABILITIES AND EQUITY	**970,339**	**442,727**

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

(unaudited, in thousand EEK)	**01.09.2005 - 31.05.2006**	**01.09.2004 - 31.05.2005 [1]**
Cash flows from operating activities		
Profit before minority interests	131,695	185,838
Adjustments	348,492	322,601
Changes in assets related to operating activities	-216,867	-11,064
Changes in liabilities related to operating activities	264,103	26,563
Income tax repaid	-372	1,941
	527,051	**525,879**
Cash flow used for investing activities		
Purchase of property, plant, equipment and intangible assets (Notes 8,9)	-7,516,436	-312,253
Proceeds from disposals of property, plant, equipment	165,067	365
Acquisition of subsidiaries	-10,081	90
Dividends received	0	1,200
Interest received	20,712	2,444
	-7,340,738	**-308,154**
Cash flow from (+)/ used for (-) financing activities		
Proceeds from loans and bonds (Note 10)	6,404,805	458,028
Redemption of loans and bonds (Note 10)	-604,794	-801,458
Change in overdraft (Note 10)	-18,249	93,165
Repayment of finance lease liabilities (Note 10)	-730	-643
Interest paid	-123,586	-144,704
Issue of shares (Note 11)	2,053,793	0
Dividends paid to minority interests	-150	0
Income tax on dividends	-149	0
	7,710,940	**-395,612**
TOTAL NET CASH FLOW	**897,253**	**-177,887**
Cash and cash equivalents:		
- at the beginning of period	326,786	366,668
- increase (+) / decrease (-)	897,253	-177,887
Cash and cash equivalents at end of period	**1,224,039**	**188,781**

(unaudited, in thousand EUR)	**01.09.2005 - 31.05.2006**	**01.09.2004 - 31.05.2005 [1]**
Cash flows from operating activities		
Profit before minority interests	8,417	11,877
Adjustments	22,273	20,618
Changes in assets related to operating activities	-13,860	-707
Changes in liabilities related to operating activities	16,879	1,698
Income tax repaid	-24	124
	33,685	**33,610**
Cash flow used for investing activities		
Purchase of property, plant, equipment and intangible assets (Notes 8, 9)	-480,388	-19,957
Proceeds from disposals of property, plant, equipment	10,550	23
Acquisition of subsidiaries	-644	6
Dividends received	0	77
Interest received	1,324	156
	-469,158	**-19,695**
Cash flow from (+)/ used for (-) financing activities		
Proceeds from loans and bonds (Note 10)	409,342	29,273
Redemption of loans and bonds (Note 10)	-38,653	-51,222
Change in overdraft (Note 10)	-1,166	5,954
Repayment of finance lease liabilities (Note 10)	-47	-41
Interest paid	-7,899	-9,248
Issue of shares (Note 11)	131,261	0
Dividends paid to minority interests	-10	0
Income tax on dividends	-10	0
	492,818	**-25,284**
TOTAL NET CASH FLOW	**57,345**	**-11,369**

Cash and cash equivalents:		
- at the beginning of period	20,885	23,434
- increase (+) / decrease (-)	57,345	-11,369
Cash and cash equivalents at end of period	**78,230**	**12,065**

[1] correction (Note 8)

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

(unaudited, in thousand EEK)	**Issued capital**	**Share premium**	**Unrealised exchange differences**	**Revaluation reserve**	**Reserves**	**Retained earnings**	**Total**
At 31 August 2004	**275,000**	**414,870**	**0**	**0**	**27,500**	**1,465,007**	**2,182,377**
Changes in equity for first nine months of 2004/2005							
Share issue	825,000	-414,870	0	0	0	-410,130	0
Net profit of the first nine months of the year 2004/2005 (Note 6) [1]	0	0	0	0	0	185,605	185,605
Total changes for the period	**825,000**	**-414,870**	**0**	**0**	**0**	**-224,525**	**185,605**
At 31 May 2005	**1,100,000**	**0**	**0**	**0**	**27,500**	**1,240,482**	**2,367,982**
At 31 August 2005	**1,100,000**	**0**	**0**	**0**	**27,500**	**1,528,048**	**2,655,548**
Changes in equity for first nine months of 2005/2006							
Share issue (Note 11)	265,000	1,788,793	0	0	0	0	2,053,793
Net profit of the first nine months of the year 2005/2006 (Note 6)	0	0	0	0	0	130,790	130,790
Current year adjustment (Note 7)	0	0	39	415	0	0	454
Total changes for the period	**265,000**	**1,788,793**	**39**	**415**	**0**	**130,790**	**2,185,037**
At 31 May 2006	**1,365,000**	**1,788,793**	**39**	**415**	**27,500**	**1,658,838**	**4,840,585**

(unaudited, in thousand EUR)	**Issued capital**	**Share premium**	**Unrealised exchange differences**	**Revaluation reserve**	**Reserves**	**Retained earnings**	**Total**
At 31 August 2004	**17,576**	**26,515**	**0**	**0**	**1,758**	**93,631**	**139,480**
Changes in equity for first nine months of 2004/2005							
Share issue	52,727	-26,515	0	0	0	-26,212	0
Net profit of the first nine months of the year 2004/2005 (Note 6) [1]	0	0	0	0	0	11,862	11,862
Total changes for the period	**52,727**	**-26,515**	**0**	**0**	**0**	**-14,350**	**11,862**
At 31 May 2005	**70,303**	**0**	**0**	**0**	**1,758**	**79,281**	**151,342**
At 31 August 2005	**70,303**	**0**	**0**	**0**	**1,758**	**97,660**	**169,721**
Changes in equity for first nine months of 2005/2006							
Share issue (Note 11)	16,936	114,325	0	0	0	0	131,261
Net profit of the first nine months of the year 2005/2006 (Note 6)	0	0	0	0	0	8,359	8,359
Current year adjustment (Note 7)	0	0	2	27	0	0	29
Total changes for the period	**16,936**	**114,325**	**2**	**27**	**0**	**8,359**	**139,649**
At 31 May 2006	**87,239**	**114,325**	**2**	**27**	**1,758**	**106,019**	**309,370**

[1] Correction (Note 8)

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Note 1 CORPORATE INFORMATION

The interim consolidated condensed financial statements of AS Tallink Grupp and its subsidiaries (hereinafter as “the group”) for the first nine months of the financial year 2005/2006 were authorised for issue in accordance with a resolution of the Management Board on July 12, 2006. AS Tallink Grupp is a limited company incorporated in Estonia and employed 3,492 people at May 31, 2006 (August 31, 2005: 2,694).

Note 2 BASIS OF PREPARATION

The interim consolidated condensed 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 condensed financial statements as in the annual consolidated financial statements of AS Tallink Grupp for the financial year ended on August 31, 2005.

In the latest annual consolidated financial statement exchange rate differences from reflecting the subsidiaries were stated in consolidated condensed income statement.

In the current financial statements these exchange rate differences are stated in the balance sheet under the equity as unrealised exchange differences. There is no need to retrospective correction as these differences have no significant effect to the financial statements.

The interim consolidated condensed financial statements have been prepared in thousand Estonian kroons (EEK). The respective EEK numbers have been expressed also in thousand Euros (EUR) using exchange rate 1 EUR=15.6466 EEK.

In the consolidated condensed income statement for the first nine months of the financial year 2004/2005 cost of sales is increased by 17,160 thousand EEK (1,097 thousand EUR) and marketing expenses are reduced by the same sum. The correction concerning period of March-May 2005 is 6,364 thousand EEK (407 thousand EUR). Correction is due to changes in calculation principles in Swedish subsidiary.

Note 3 SUBSIDIARIES

In September 2005 AS Tallink Grupp established a new subsidiary Tallink Hansaway Limited with 100% of the ownership. The payment into the share capital in the amount of 27 thousand EEK (2 thousand EUR) was made in November 2005. The new subsidiary has been registered in Cyprus and was established for later ship owning purpose.

In October 2005 AS Tallink Grupp started to establish a new subsidiary OÜ Mare Pharmaci with 100% of the ownership. The payment into the share capital in the amount of 40 thousand EEK (3 thousand EUR) was made in cash. The new subsidiary will be registered in Estonia and will supply medical services. The company is not registered yet due to delay in license acceptance.

In November 2005 AS Tallink Grupp established a new subsidiary AS Tallink Latvija with 100% of the ownership. The payment into the share capital in the amount of 562 thousand EEK (36 thousand EUR) was made in cash. The new subsidiary has been registered in Latvia and was established for sales and marketing purpose in Latvia.

In March 2006 AS Tallink Grupp established a new subsidiary AS Tallink Baltic with 100% of the ownership. The payment into the share capital in the amount of 400 thousand EEK (26 thousand EUR) was made in cash. The new subsidiary has been registered in Estonia.

In March 2006 AS Tallink Grupp established three new subsidiaries: Baltic SF VII Limited, Baltic SF VIII Limited and Baltic SF IX Limited. The payment into share capital in the amount of 27 thousand EEK (2 thousand EUR) per company was made in March 2006. These new subsidiaries have been registered in Cyprus and were established for later ship owning purpose.

In April 2006 AS Tallink Grupp purchased 100% of the voting shares of AS HTG Invest from Transiidikeskuse AS. The purchase price was 17 500 thousand EEK (1,118 thousand EUR). AS HTG Invest is stevedoring company operating in Port of Tallinn. The fair values of the identifiable assets and liabilities of AS HTG Invest acquired are:

	in thousand EEK	in thousand EUR
Cash and bank accounts	7,419	474
Short-term receivables	3,547	227
Non-current assets	11,403	729
Total assets	**22,369**	**1,430**
Total liablilities	-4,869	-312
Fair value of net assets	**17,500**	**1,118**
Net cash acquired with subsidiary	7,419	474
Cash paid	-17,500	-1,118
Net cash outflow	-10,081	-644

Assets and liabilities of AS HTG Invest as of 31 May 2006 and its income and expenses for the period of April 2006 to May 2006 do not influence the financial position of the Group at the reporting date and results of the Group for the reporting period significantly.

In May 2006 AS Tallink Grupp established a new subsidiary AS Tallink Scandinavian with 100% of the ownership. The payment into the share capital in the amount of 1,000 thousand EEK (64 thousand EUR) was made in cash. The new subsidiary has been registered in Estonia.

Note 4 SEGMENT INFORMATION

The primary segments of the group are geographical segments (by the routes and mainland) and the secondary segments are operational segments (tickets sales, revenue from packages, sales of cargo transport, accommodation sales, restaurant and shops sales on-board and on mainland, income from leases of vessels and others).

Geographical segments

(in thousand EEK)

01.09.2005-31.05.2006	**Estonia Finland routes**	**Estonia Sweden routes**	**Latvia Sweden routes**	**Germany Finland routes**	**Other routes**	**Estonia mainland business**	**Elimination of inter-segment sales**	**Total**
Revenue								
Sales to external customers	1,848,204	878,010	30,295	156,072	19,150	117,579		3,049,310
Inter-segment sales	132,305	25,476	0	0	0	132,621	-290,402	0
	1,980,509	**903,486**	**30,295**	**156,072**	**19,150**	**250,200**	**-290,402**	**3,049,310**
Segment result	**334,545**	**19,917**	**-35,512**	**4,485**	**3,723**	**31,712**		**358,870**
Unallocated expenses								-103,050
Operating profit								**255,820**

01.09.2004-31.05.2005	**Estonia Finland routes**	**Estonia Sweden routes**	**Latvia Sweden routes**	**Germany Finland routes**	**Other routes**	**Estonia mainland business**	**Elimination of inter-segment sales**	**Total**
Revenue								
Sales to external customers	1,724,269	915,188	0	0	104,131	95,652		2,839,240
Inter-segment sales	147,406	21,905	0	0	28,742	67,456	-265,509	0
	1,871,675	**937,093**	**0**	**0**	**132,873**	**163,108**	**-265,509**	**2,839,240**
Segment result	**289,699**	**101,450**	**0**	**0**	**-18,321**	**16,949**		**389,777**
Unallocated expenses								-81,719
Operating profit								**308,058**

(in thousand EUR)

01.09.2005-31.05.2006	**Estonia Finland routes**	**Estonia Sweden routes**	**Latvia Sweden routes**	**Germany Finland routes**	**Other routes**	**Estonia mainland business**	**Elimination of inter-segment sales**	**Total**
Revenue								
Sales to external customers	118,122	56,115	1,936	9,975	1,224	7,514		194,886

Inter-segment sales	8,456	1,628	0	0	0	8,476	-18,560	0
	126,578	**57,743**	**1,936**	**9,975**	**1,224**	**15,990**	**-18,560**	**194,886**
Segment result	**21,381**	**1,273**	**-2,270**	**287**	**238**	**2,027**		**22,936**
Unallocated expenses								-6,586
Operating profit								**16,350**

01.09.2004-31.05.2005	**Estonia Finland routes**	**Estonia Sweden routes**	**Latvia Sweden routes**	**Germany Finland routes**	**Other routes**	**Estonia mainland business**	**Elimination of inter-segment sales**	**Total**
Revenue								
Sales to external customers	110,201	58,491	0	0	6,655	6,114		181,461
Inter-segment sales	9,421	1,400	0	0	1,837	4,311	-16,969	0
	119,622	**59,891**	**0**	**0**	**8,492**	**10,425**	**-16,969**	**181,461**
Segment result	**18,515**	**6,484**	**0**	**0**	**-1,171**	**1,083**		**24,911**
Unallocated expenses								-5,223
Operating profit								**19,688**

Operational segments

	(in thousand EEK)		(in thousand EUR)	
	01.09.2005-31.05.2006	**01.09.2004-31.05.2005**	**01.09.2005-31.05.2006**	**01.09.2004-31.05.2005**
Ticket sales	734,306	625,844	46,931	39,999
Revenue from packages	94,840	93,147	6,061	5,953
Sales of cargo transport	695,305	528,835	44,438	33,799
Accommodation sales	56,940	53,252	3,639	3,403
Restaurant and shops sales on-board and on mainland	1,362,686	1,410,653	87,092	90,157
Income from leases of vessels	18,369	58,700	1,174	3,752
Other	86,864	68,809	5,551	4,398
Total revenue of the Group	**3,049,310**	**2,839,240**	**194,886**	**181,461**

Note 5 FINANCIAL EXPENSE AND INCOME

	(in thousand EEK)		(in thousand EUR)	
	01.09.2005 - 31.05.2006	**01.09.2004 - 31.05.2005**	**01.09.2005 - 31.05.2006**	**01.09.2004 - 31.05.2005**
Interest expenses	-141,362	-124,076	-9,035	-7,930
Net foreign exchange gains/losses	-1,226	-317	-78	-20
Other interest and financial income	18,967	2,204	1,212	141
Other financial expenses	-129	-112	-8	-7
Net financial expense (-) / income	**-123,750**	**-122,301**	**-7,909**	**-7,816**

Note 6 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. As the company does not have any potential ordinary shares, then the diluted earnings per share are equal to basic earnings per share.

	(in thousand EEK)		(in thousand EUR)	
	01.09.2005 - 31.05.2006	**01.09.2004 - 31.05.2005**	**01.09.2005 - 31.05.2006**	**01.09.2004 - 31.05.2005**
Weighted average number of ordinary shares (pcs) [1]	126,987,179	110,000,000	126,987,179	110,000,000
Net profit attributable to ordinary shareholders	130,790	185,605	8,359	11,862
Earnings per share (in EEK/EUR per share)	1.03	1.69	0.07	0.11

[1] As a result of the issuing new shares, the share capital increased from 110,000,000 shares to 136,500,000 on December 08, 2005. The calculation of weighted average number of ordinary shares bases on the following:

- period from September 01, 2005 to December 07, 2005 (98 days) – 110,000,000 shares;
- period from December 08, 2005 to May 31, 2006 (175 days) – 136,500,000 shares.

Note 7 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 mach actual payments on the hedged item. Changes in fair value of derivative which do not qualify for hedge accounting under IAS 39 are recognized directly in the income statement.

Movements in the fair values of interest rate financial instruments were as follows:
(in thousand EEK)

Interest rate hedging	31.05.2006 Notional amount	31.05.2006 Fair value	31.08.2005 Notional amount	31.08.2005 Fair value
Interest rate swap qualified as a cash flow hedge	1,157,848	-1,375	0	0
Interest rate swap not qualified as a cash flow hedge	66,361	57	106,177	-913

(in thousand EUR)

Interest rate hedging	31.05.2006 Notional amount	31.05.2006 Fair value	31.08.2005 Notional amount	31.08.2005 Fair value
Interest rate swap qualified as a cash flow hedge	74,000	-88	0	0
Interest rate swap not qualified as a cash flow hedge	4,241	4	6,786	-58

Note 8 PROPERTY, PLANT AND EQUIPMENT

(in thousand EEK)

	Land and building	Ships	Plant and equipment	Prepayments [2]	Total
Book value at Aug 31, 2005	**11,587**	**5,818,082**	**31,299**	**275,752**	**6,136,720**
Additions	5,062	7,501,958	16,375	-7,228	7,516,167
Purchase of new subsidiary	22	0	4,043	0	4,065
Disposals	0	-158,461	-553	0	-159,014
Exchange rate differences	0	0	199	0	199
Depreciation for the period	-1,277	-215,718	-13,519	0	-230,514
Book value at May 31, 2006	**15,394**	**12,945,861**	**37,844**	**268,524**	**13,267,623**
At May 31, 2006					
-Cost	24,367	14,133,801	112,583	268,524	14,539,275
-Accumulated depreciation	-8,973	-1,187,940	-74,739	0	-1,271,652

	Land and building	Ships	Plant and equipment	Construction in progress	Pre-payments	Total
Book value at Aug 31, 2004	**11,378**	**5,920,022**	**37,190**	**82,128**	**220**	**6,050,938**
Additions	537	148,751	10,740	-82,128	235,280	313,180
Depreciation for the period[1]	-1,061	-187,871	-13,382	0	0	-202,314
Book value at May 31, 2005	**10,854**	**5,880,902**	**34,548**	**0**	**235,500**	**6,161,804**
At May 31, 2005						
-Cost	18,053	6,933,392	99,013	0	235,500	7,285,958
-Accumulated depreciation	-7,199	-1,052,490	-64,465	0	0	-1,124,154

(in thousand EUR)

	Land and building	Ships	Plant and equipment	Prepayments [2]	Total
Book value at Aug 31, 2005	**741**	**371,843**	**2,000**	**17,624**	**392,208**
Additions	324	479,463	1,046	-462	480,371
Purchase of new subsidiary	1	0	258	0	259
Disposals	0	-10,128	-35	0	-10,163
Exchange rate differences	0	0	13	0	13
Depreciation for the period	-82	-13,786	-864	0	-14,732
Book value at May 31, 2006	**984**	**827,392**	**2,418**	**17,162**	**847,956**

At May 31, 2006					
-Cost	1,557	903,315	7,195	17,162	929,229
-Accumulated depreciation	-573	-75,923	-4,777	0	-81,273

	Land and building	Ships	Plant and equipment	Construction in progress	Pre-payments	Total
Book value at Aug 31, 2004	**727**	**378,358**	**2,377**	**5,249**	**14**	**386,725**
Additions	34	9,507	686	-5,249	15,037	20,015
Depreciation for the period[1]	-67	-12,007	-855	0	0	-12,929
Book value at May 31, 2005	**694**	**375,858**	**2,208**	**0**	**15,051**	**393,811**
At May 31, 2005						
-Cost	1,154	443,125	6,328	0	15,051	465,658
-Accumulated depreciation	-460	-67,267	-4,120	0	0	-71,847

[1] Correction. In the financial year of 2004/2005 the Group changed its estimations on the useful lives of components of two new cruise ships. In the interim report for the nine months period ended on 31 May 2005, the previous estimations on useful lives were used for calculating and recording depreciation charge. The total effect of the change during the first nine months of 2004/2005 is decrease of depreciation charge by 18,632 thousand EEK (1,191 thousand EUR).

[2] including prepayments for 3 new ships.

Note 9 INTANGIBLE ASSETS

	(in thousand EEK)			(in thousand EUR)		
	Goodwill	**Patents and licenses**	**Total**	**Goodwill**	**Patents and licenses**	**Total**
Book value at Aug 31, 2005	**173,148**	**3,005**	**176,153**	**11,066**	**192**	**11,258**
Additions	0	269	269	0	17	17
Purchase of new subsidiary	0	7,338	7,338	0	470	470
Amortisation for the period	0	-1,262	-1,262	0	-81	-81
Book value at May 31, 2006	**173,148**	**9,350**	**182,498**	**11,066**	**598**	**11,664**
At May 31, 2006						
Cost	173,148	13,904	187,052	11,066	889	11,955
Accumulated amortisation	0	-4,554	-4,554	0	-291	-291

	(in thousand EEK)			(in thousand EUR)		
	Goodwill	**Patents and licenses**	**Total**	**Goodwill**	**Patents and licenses**	**Total**
Book value at Aug 31, 2004	**173,148**	**3,295**	**176,443**	**11,066**	**211**	**11,277**
Additions	0	142	142	0	9	9
Amortisation for the period	0	-829	-829	0	-53	-53
Book value at May 31, 2005	**173,148**	**2,608**	**175,756**	**11,066**	**167**	**11,233**
At May 31, 2005						
Cost	173,148	5,686	178,834	11,066	363	11,429
Accumulated amortisation	0	-3,078	-3,078	0	-196	-196

Note 10 INTEREST BEARING LOANS AND BORROWINGS

(in thousand EEK)

	Aug 31, 2005	**New loans**	**Repayments**	**Other changes** [1]	**May 31, 2006**
Lease liability	1,916		-730	7	1,193
Bonds	193,306		-60,000	4,781	138,087
Bank overdrafts	18,249		-18,249	0	0
Long-term bank loans	3,524,336	6,404,805	-446,264	3,100	9,485,977
Other long-term loans	98,530		-98,530	0	0
TOTAL	**3,836,337**	**6,404,805**	**-623,773**	**7,888**	**9,625,257**
incl. short-term portion	690,473				1,087,491
long-term portion	3,145,864				8,537,766

(in thousand EUR)

	Aug 31, 2005	**New loans**	**Repayments**	**Other changes** [1]	**May 31, 2006**
Lease liability	122	0	-47	0	75
Bonds	12,355	0	-3,835	306	8,826
Bank overdrafts	1,166	0	-1,166	0	0
Long-term bank loans	225,246	409,342	-28,521	198	606,265
Other long-term loans	6,297	0	-6,297	0	0
TOTAL	**245,186**	**409,342**	**-39,866**	**504**	**615,166**
incl. short-term portion	44,129				69,503
long-term portion	201,057				545,663

[1] Other changes related to bonds are the amortisation of discount of bonds. Other changes related to lease liabilities are the foreign exchange losses. Other changes related to long-term bank loans are the amortisation of transaction costs.

The amount of new loans in the amount of 6,446,399 thousand EEK (412,000 thousand EUR) is reduced by arrangement fees 41,594 thousand EEK (2,658 thousand EUR).

Bank overdrafts are secured with commercial pledge (in the total amount of 183,250 thousand EEK (11,712 thousand EUR) and ship mortgages.

AS Tallink Grupp has given guarantees to HSH Nordbank AG and Skandinaviska Enskilda Banken AB for the loans granted to overseas subsidiaries amounting to 9,269,851 thousand EEK (592,451 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 11 SHARE CAPITAL

According to AS Tallink Grupp Shareholders' General Meeting on November 30, 2005, AS Tallink Grupp decided to increase the share capital from 1,100,000 thousand EEK (70,303 thousand EUR) to 1,365,000 thousand EEK (87,239 thousand EUR) by issuing 26,500 thousand new shares with the par value of 10 EEK each. The new shares were issued at a premium of 72.50 EEK (4.63 EUR) per share. These new shares were sold during IPO. The payment for new shares was made on December 08, 2005. The share premium has been reduced by the expenses related to the issuing of shares. The issue of new shares resulted in the amounts of share capital, share premium and retained earnings as follows:

	(in thousand EEK)		(in thousand EUR)	
	Issued capital	**Share premium**	**Issued capital**	**Share premium**
Balance before issuing new shares	**1,100,000**	**0**	**70,303**	**0**
Nominal amount of new shares (10 EEK each)	+ 265,000	0	+16,936	0
Share premium (72.50 EEK each)	0	1,921,250	0	122,790
Expenses related to the issue	0	-132,457	0	-8,465
Balance after issuing new shares	**1,365,000**	**1,788,793**	**87,239**	**114,325**

Note 12 RELATED PARTY DISCLOSURES

(in thousand EEK)

First nine months of 2005/2006 or 31.05.2006	**Sales to related party**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
AS Infortar	466	4,527	81	1,187
AS Infortar, interest expense	0	1,824	0	0
AS HT Valuuta	1,446	0	248	0
AS Vaba Maa	0	2,140	0	338
AS Mersok	0	108	0	0
AS Gastrolink	42	850	32	720
OÜ Infor Invest	0	50	0	0
OÜ Hera Salongid	114	0	74	0
First nine months of 2004/2005 or 31.05.2005	**Sales to related party**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
AS Infortar	33	4,967	32	99,495
AS Infortar, interest expense	0	5,074	0	1,169
AS HT Valuuta	1,656	0	4,682	0
AS Vaba Maa	0	2,030	0	76
AS Mersok	0	108	0	14

(in thousand EUR)

First nine months of 2005/2006 or 31.05.2006	**Sales to related party**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
AS Infortar	30	289	5	76
AS Infortar, interest expense	0	117	0	0
AS HT Valuuta	92	0	16	0
AS Vaba Maa	0	137	0	22
AS Mersok	0	7	0	0
AS Gastrolink	3	54	2	46
OÜ Infor Invest	0	3	0	0
OÜ Hera Salongid	7	0	5	0
First nine months of 2004/2005 or 31.05.2005	**Sales to related party**	**Purchases from related parties**	**Amounts owed by related parties**	**Amounts owed to related parties**
AS Infortar	2	317	2	6,359
AS Infortar, interest expense	0	324	0	75
AS HT Valuuta	106	0	299	0
AS Vaba Maa	0	130	0	5
AS Mersok	0	7	0	1

Note 13 COMMITMENTS

Capital investment commitments

On October 12, 2005 Fincantieri Cantieri Navali Italiani S.p.A. and AS Tallink Grupp signed a shipbuilding contract to construct a new ro-pax type ferry. The new ship should be delivered in 2008. The shipbuilding contract price of new ship is 113,000,000 EUR. 20 % will be paid during construction and 80 % will be paid on delivery of the ship.

On December 17, 2005 Aker Finnyards OY and AS Tallink Grupp signed a shipbuilding contract to construct a new passenger cruise ship. The new ship should be delivered in summer of 2008. The shipbuilding contract price of new ship is approximately 165,000,000 EUR. 20 % will be paid during construction and 80 % will be paid on delivery of the ship.

Note 14 EVENTS AFTER BALANCE SHEET DATE

Extraordinary General Meeting of AS Tallink Grupp which was held on 22.06.2006, approved of Silja OY Ab 100% share purchase transaction.

MANAGEMENT BOARD'S APPROVAL OF THE INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Hereby we declare our responsibility for the Interim Consolidated Condensed Financial Statements and confirm that the AS Tallink Grupp's Interim Consolidated Condensed Financial Statements for the nine months of the financial year 2005/2006 ended May 31, 2006 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 Board
Enn Pant

Member of the Board
Andres Hunt

Member of the Board
Kalev Järvelill

Member of the Board
Keijo Mehtonen

Tallinn
July 12, 2006