

# AS TALLINK GRUPP

## Unaudited Interim Consolidated Condensed Financial Statements

**for the I quarter of the financial year 2007/2008  
ended 30 November 2007**

Beginning of the financial year 1. September 2007

End of the financial year 31. August 2008

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](http://www.tallink.com)

Primary activity maritime transportation  
(passengers and cargo transportation)



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## MANAGEMENT REPORT FOR THE INTERIM FINANCIAL STATEMENTS for the I quarter of the financial year 2007/2008 ended November 30, 2007

One of the important developments of the previous financial year, the new booking and check-in system was finally executed in October. The implementation of the new booking system and related activities best describe the focus of AS Tallink Grupp and its subsidiaries (hereinafter also referred to as “the Group”) in the first quarter of 2007/2008 financial year.

Our newest investment, the new generation fast ferry M/S Star, was in operation for her first autumn period to offer the new Shuttle service product. The speed, stable operating schedule and her improved onboard services are of great advantages over the old type fast crafts in the service between Tallinn and Helsinki. The positive effect of the Star is seen in the increased passenger numbers and segment result.

The Group’s performance during the first quarter of 2007/2008 financial year was impacted by the launch of the new Group-wide booking and check-in system. During the transition period of the systems the bookings and sales activities were not running at their highest capacities as the use of resources was disturbed by technical issues. At the same time the booking system is a new tool not only to our internal sales agents but also to our external partners and individual customers who need to adapt to the new system’s capabilities that are much more expansive than the previous different booking systems that the Group had in place. However, even though the influence to the passenger numbers is not over yet, we are seeing a return towards expected booking levels at the moment as all users begin to take full advantage of the new potential and features that the new booking system is able to offer.

In the given circumstances of high fuel prices and interest rates and also the new booking system start up factors during the first quarter the Group’s result can be considered rather positive as our main routes have improved the margins and several key ratios including revenues per passenger have increased. Based on the current development in our operations, expected new vessels and changes in the routes, also the sign from the world’s markets in fuel price and interest rates easing the management expects the positive development in the Group’s business during the next nine months reporting period to meet the targets.

### KEY EVENTS IN 1<sup>st</sup> QUARTER

- Tallink named the best company in Estonia;
- Implementation of a new booking and check-in system
- New Shuttle vessel was christened as M/S Superstar
- Sale of M/S Meloodia;
- Chartering M/S Fantaasia and HSC AutoExpress 2

### 1<sup>st</sup> QUARTER KEY FIGURES

	01.09.2007-30.11.2007		01.09.2006-30.11.2006		change %
	EEK	EUR	EEK	EUR	
Net sales (million)	2,920.1	186.6	2,976.9	190.3	-1.9
Gross profit (million)	649.5	41.5	724.0	46.3	-10.3
Gross margin (%)	22.2		24.3		
EBITDA (million)	453.1	29.0	519.2	33.2	-12.7
EBITDA margin (%)	15.5%		17.4		
Net profit for the period (million)	2.6	0.2	114.6	7.3	-97.7
Net profit margin (%)	0.1		4.6		
Depreciation (million)	233.6	14.9	253.2	16.2	-7.8
Investments (million)	445.5	28.5	247.6	15.8	80.0

Weighted average number of ordinary shares outstanding during 1 <sup>st</sup> quarter	673,817,040		673,817,040		0.0
Earnings per share	0.00	0.00	0.17	0.01	-97.7
Number of passengers	1,510,079		1,616,869		-6.6
Cargo units	91,897		92,914		-1.1
Average number of employees	6,408		6,020		6.4

	30.11.2007		31.08.2007		change %
	EEK	EUR	EEK	EUR	
Total assets (million)	26,131.8	1,670.1	26,570.9	1,698.2	-1.7
Total liabilities (million)	15,991.0	1,022.0	16,436.0	1,050.4	-2.7
Interest-bearing liabilities (million)	14,463.4	924.4	14,831.7	947.9	-2.5
Total equity (million)	10,140.8	648.1	10,134.9	647.7	0.1
Liquidity ratio	0.498		0.665		
Equity ratio (%)	38.8		38.1		

Number of ordinary shares outstanding	673,817,040		673,817,040		0.0
Shareholders equity per share	15.05	0.96	15.04	0.96	0.1

Net profit margin – net profit / net sales;

EBITDA – Earnings before net financial items, share of profit of associates, taxes, depreciation and amortization, income from negative goodwill;

EBITDA margin – EBITDA / net sales;

Gross margin – gross profit / net sales

Liquidity ratio – current assets / current liabilities

Equity ratio – total equity / total assets;

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

Shareholder's equity per share – shareholder's equity / number of shares outstanding.

\* Share numbers have been adjusted in connection with the bonus issue in January 2007

## SALES AND EARNINGS

Net sales of the Group amounted to 2,920.1 million EEK (186.6 million EUR) in the first quarter of 2007/2008 financial year (September 01, 2007 – November 30, 2007) compared to 2,976.9 million EEK (190.3 million EUR) in the first quarter of 2006/2007 financial year (September 01, 2006 – November 30, 2006). The decrease in sales in the first quarter resulted largely from the lower number of passengers which was an impact of the lower sales and marketing activity during the transition period to the new Group-wide booking and check-in system.

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

Geographical segments	07/08	06/07	Operational segments	07/08	06/07
Finland - Sweden	44.0%	49.1%	Restaurant, shop and other sales on-board and on mainland	51.1%	55.0%
Estonia - Finland	25.5%	25.3%	Ticket sales	22.7%	22.3%
Estonia - Sweden	11.1%	11.6%	Sales of cargo transportation	23.4%	21.0%
Finland - Germany	10.6%	9.2%	Accommodation sales	1.1%	0.8%
Latvia - Sweden	4.0%	2.1%	Income from leases of vessels	1.7%	1.0%
Mainland business and lease of vessels	4.7%	2.7%			

The Group's gross profit decreased 74.6 million EEK (4.8 million EUR) to 649.5 million EEK (41.5 million EUR), EBITDA decreased by 12.7% to 453.1 million EEK (29.0 million EUR) and the net profit decreased by 97.7% from 114.6 million EEK (7.3 million EUR) to

2.6 million EEK (0.2 million EUR). Basic earnings per share and diluted earnings per share were 0.00 EEK (0.00 EUR) in the first quarter of 2007/2008 financial year, a decrease of 98.1% compared to 0.17 EEK (0.01 EUR) in the corresponding period in 2006/2007 financial year.

In addition to the decreased sales, the Group's earnings were also negatively affected by the high fuel price and interest rates. Compared to the first quarter of previous financial year the Group's fuel costs increased by around 110 million EEK (7 million EUR) as a result of fuel price increase. In order to minimise the impact from the increased fuel price the fuel surcharges were introduced to the passenger tickets in January 2008.

## MARKET DEVELOPMENTS

Following table provides an overview of the passengers, cargo units and passenger vehicles transported in the first quarter of 2007/2008 and 2006/2007 financial years.

Passengers	2007/2008	2006/2007	Change %
Finland - Sweden routes	630,473	756,183	-16.6
Estonia - Finland route	634,301	627,382	1.1
Estonia - Sweden routes	147,162	164,370	-10.5
Latvia - Sweden route	72,635	41,871	73.5
Finland - Germany route	25,508	27,063	-5.7
Total	1,510,079	1,616,869	-6.6

Cargo units	2007/2008	2006/2007	Change %
Finland - Sweden routes	27,285	34,504	-20.9
Estonia - Finland route	30,831	27,141	13.6
Estonia - Sweden routes	11,872	11,457	3.6
Latvia - Sweden route	3,292	1,682	95.7
Finland - Germany route	18,617	18,130	2.7
Total	91,897	92,914	-1.1

Passenger vehicles	2007/2008	2006/2007	Change %
Finland - Sweden routes	34,314	40,434	15.1
Estonia - Finland route	70,252	53,823	30.5
Estonia - Sweden routes	10,184	14,512	-29.8
Latvia - Sweden route	10,687	6,870	55.6
Finland - Germany route	6,655	8,782	-24.2
Total	132,092	124,421	6.2

The following operational factors influenced the traffic volumes development in the first quarter:

### Finland-Sweden:

The sale of M/S SkyWind in August 2007 resulted in smaller capacities in the first quarter of 2007 compared to the same period of previous year.

### Estonia-Finland:

Tallink Shuttle service with new M/S Star was operated between Tallinn and Helsinki route compared to the Autoexpress service and the operations of M/S Melodia and M/S Regal Star in the same period of last year.

### Estonia-Sweden:

M/S Vana Tallinn does not operate any more between Paldiski-Kapellskär, but was there last year.

#### **Latvia-Sweden:**

The operations of two vessels and everyday departures to both destinations compared to one vessel operations in previous financial year have increased the volumes on Latvia-Sweden route.

#### **The Group's market shares on routes operated during the first quarter of 2007/2008 financial year were as follows:**

The Group carried approximately 47% of the passengers and 54% 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 and the approximate market share of ro-ro cargo transportation was 68%;

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;

The Group's approximate market share of passenger transportation on the route between Finland and Germany was 56% and the approximate market share of ro-ro cargo transportation was 21%.

#### **PERSONNEL**

On November 30, 2007 the Group employed 6,394 employees (5,983 on November 30, 2006).

The following table provides a more detailed overview of the Group's personnel.

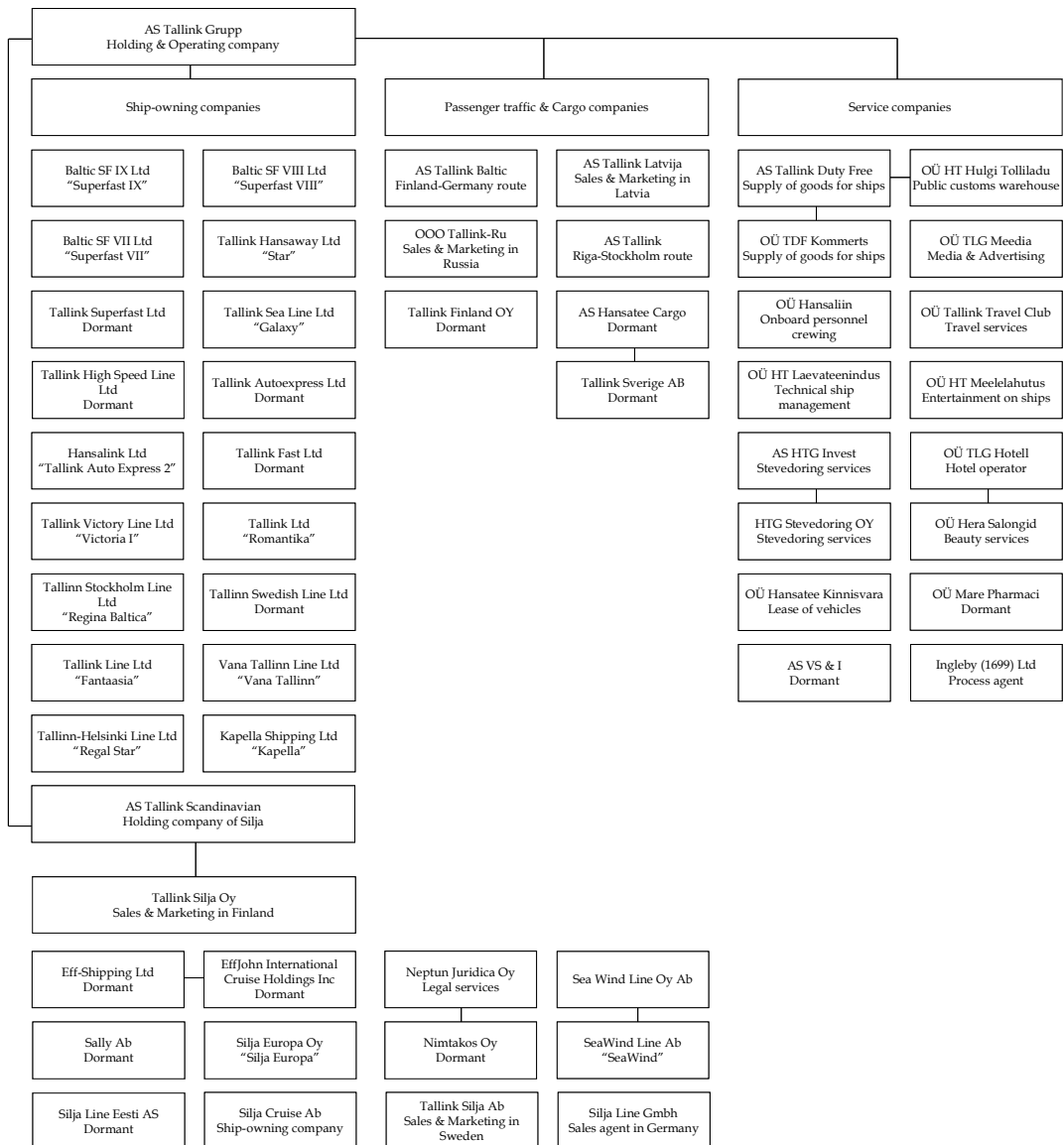
	Average of 1 <sup>st</sup> quarter			End of 1 <sup>st</sup> quarter		
	2007/2008	2006/2007	change %	30.11.2007	30.11.2006	change %
<b>Onshore total</b>	1,587	1,391	18.3	1,532	1,336	14.7
<i>Estonia</i>	701	544	31.5	726	553	31.3
<i>Finland</i>	620	551	14.2	548	499	9.8
<i>Sweden</i>	206	261	-12.0	196	250	-21.6
<i>Latvia</i>	38	26	58.3	39	25	56.0
<i>Germany</i>	16	6	220.0	17	6	183.3
<i>Russia</i>	6	3	100.0	6	3	100.0
<b>At sea</b>	4,534	4,485	17.2	4,564	4,501	1.4
<b>Hotel*</b>	287	144	93.9	298	146	104.1
<b>Total</b>	6,408	6,020	19.6	6,394	5,983	6.9

\* 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 60 companies. Most of the subsidiaries are wholly-owned companies of AS Tallink Grupp.

The following graph represents the Group structure on the report date:



The Group further owns:

- 33% of Searail EEIG;
- 34% of AS Tallink Takso
- 50% of Suomen Jakelutiet Oy;
- Suomen Jakelutiet Oy further holds 50% of Suomen Hotellivaraukset Oy.

## **EVENTS DURING THE 1<sup>st</sup> QUARTER OF 2007/2008**

AS Tallink Takso, a company which will start providing taxi services was registered in September 2007. Group's shareholding in the company is 34%. The new taxi company will give the Group another opportunity to diversify its products and services while having insignificant financial impact to the Group.

On 20th of September 2007 AS Tallink Grupp's subsidiary Tallink Fast Limited and HSH Nordbank AG, Nordea Bank Finland Plc and Skandinaviska Enskilda Banken AB signed a loan agreement in amount of 2,065 million EEK (132 million EUR) to finance the purchase of the new cruise ferry "Cruise 4" currently under construction in Aker Yards. The loan will be drawn on the delivery of the vessel, presumably in spring 2008. The loan will be secured with the new vessel and the corporate guarantee of AS Tallink Grupp. The EURIBOR based loan has the final maturity of ten years after the drawdown.

On 25th of September 2007 the "Entrepreneurship Award 2007" granted by Enterprise Estonia was given to AS Tallink Grupp. The jury also declared AS Tallink Grupp as the most competitive enterprise in the "Most Competitive Estonian Companies Ranking 2007." Altogether more than 400 enterprises qualified in the "Most Competitive Estonian Companies Ranking 2007" competition.

On 5th of October 2007 the Group christened and launched the new generation high speed vessel in Fincantieri shipyards in Italy. The Godmother of the vessel named "Superstar" is Estonia's best female tennis player Kaia Kanepi. M/S Superstar, with the speed of 27.5 knots enabling to cover the distance between Tallinn and Helsinki in two hours, will start operating on the Helsinki-Tallinn route in spring 2008. Together with M/S Star, delivered in spring 2007, the vessels will operate the Tallink Shuttle service.

On 5th of October AS Tallink Grupp chartered HSC Tallink Autoexpress 2 to Venezuelan company Consolidada de Ferrys .C.A. until September 2009. The vessel will be operated in Venezuelan coastal waters.

On 26th of October 2007 the Group chartered M/S Fantaasia to Kystlink Estonia OÜ for up to six months. The vessel will be operated in Danish Belts.

## **EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK**

In December 2007 the Group completed the sale of M/S Meloodia to the Singaporean company at the price of 199.5 million EEK (12.75 million EUR).

The Management Board of the Group decided to initiate the share buyback program which started on 10 December 2007 and ended on 17 January 2008. During the share buyback program AS Tallink Grupp bought back total of 3,935,000 own shares, which is 0.584% of the total share capital. The total contribution for the shares amounted to 65.1 million EEK (4.2 million EUR). The average share price paid was 16.54 EEK (1.057 EUR) per share.

On 11th of December 2007 AS Tallink Grupp's subsidiary Tallink High Speed Line Limited and Danske Bank A/S, Helsinki Branch signed the loan agreement in amount of 2,253 million EEK (144 million EUR). The loan will be used for financing the new cruise ferry "Cruise 5" currently under construction in Aker Yards. The loan which has a Finnish Export Credit Agency "Finnvera" guarantee will be secured by the collateral on the new vessel and the corporate guarantee of AS Tallink Grupp. This EURIBOR based loan will be drawn on the



delivery of the vessel, presumably in spring 2009 and has the final maturity of twelve years from the drawdown.

Group's earnings are not generated evenly throughout the year. 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 second half of the financial year.

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

Based on the current development in our operations, expected new vessels and changes in the routes, also the sign from the world's markets in fuel price and interest rates easing the management expects the positive development in the Group's business during the next nine months reporting period to meet the targets.

**CONSOLIDATED CONDENSED INCOME STATEMENT**

(unaudited, in thousands of EEK)	<b>01.09.2007- 30.11.2007</b>	<b>01.09.2006 - 30.11.2006</b>
Net sales (Note 4)	2,920,102	2,976,863
Cost of sales	-2,270,624	-2,252,864
<b>Gross profit</b>	<b>649,478</b>	<b>723,999</b>
Marketing expenses	-193,482	-235,941
Administrative and general expenses	-239,300	-229,556
Other operating items	2,817	7,427
Income from negative goodwill	0	689
Financial income (Note 5)	6,888	24,636
Financial expenses (Note 5)	-223,774	-176,708
<b>Profit from normal operation before income tax</b>	<b>2,627</b>	<b>114,546</b>
Income tax	-3	55
<b>Net profit for the period</b>	<b>2,624</b>	<b>114,601</b>
Attributable to:		
Equity holders of the parent (Note 6)	2,624	114,601
<b>Earnings per share</b> (in EEK per share)		
- basic (Note 6)	0.00	0.17
- diluted (Note 6)	0.00	0.17
(unaudited, in thousands of EUR)	<b>01.09.2007- 30.11.2007</b>	<b>01.09.2006- 30.11.2006</b>
Net sales (Note 4)	186,629	190,256
Cost of sales	-145,119	-143,984
<b>Gross profit</b>	<b>41,510</b>	<b>46,272</b>
Marketing expenses	-12,366	-15,079
Administrative and general expenses	-15,294	-14,671
Other operating items	180	474
Income from negative goodwill	0	44
Financial income (Note 5)	440	1,575
Financial expenses (Note 5)	-14,302	-11,294
<b>Profit from normal operation before income tax</b>	<b>168</b>	<b>7,321</b>
Income tax	0	3
<b>Net profit for the period</b>	<b>168</b>	<b>7,324</b>
Attributable to:		
Equity holders of the parent (Note 6)	168	7,324
<b>Earnings per share</b> (in EUR per share)		
- basic (Note 6)	0.00	0.01
- diluted (Note 6)	0.00	0.01

## CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousands of EEK)

<b>ASSETS</b>	<b>30.11.2007</b>	<b>31.08.2007</b>
<b>Current assets</b>		
Cash and cash equivalents	658,356	1,303,609
Receivables	851,556	815,093
Prepayments	71,370	124,134
Derivatives (Note 7)	1,994	1,799
Inventories	282,513	272,352
<b>Total current assets</b>	<b>1,865,789</b>	<b>2,516,987</b>
<b>Non-current assets</b>		
Investments in associates	3,242	3,242
Other financial assets and prepayments	9,279	9,279
Deferred income tax assets	153,278	153,102
Investment property	4,694	4,694
Property, plant and equipment (Note 8)	22,813,870	22,600,001
Intangible assets (Note 9)	1,281,662	1,283,592
<b>Total non-current assets</b>	<b>24,266,025</b>	<b>24,053,910</b>
<b>TOTAL ASSETS</b>	<b>26,131,814</b>	<b>26,570,897</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Current portion of interest-bearing liabilities (Note 10)	2,288,893	2,247,390
Payables	1,323,310	1,408,369
Deferred income	136,131	121,008
Derivatives (Note 7)	1,421	7,980
<b>Total current liabilities</b>	<b>3,749,755</b>	<b>3,784,747</b>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings (Note 10)	12,174,480	12,584,261
Deferred income tax liability	63,463	63,463
Pension liability	3,348	3,489
<b>Total non-current liabilities</b>	<b>12,241,291</b>	<b>12,651,213</b>
<b>TOTAL LIABILITIES</b>	<b>15,991,046</b>	<b>16,435,960</b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	6,738,170	6,738,170
Share premium	9,999	9,999
Reserves	1,206,198	1,202,991
Retained earnings	2,186,401	2,183,777
<b>Total equity attributable to equity holders of the parent</b>	<b>10,140,768</b>	<b>10,134,937</b>
<b>TOTAL EQUITY</b>	<b>10,140,768</b>	<b>10,134,937</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,131,814</b>	<b>26,570,897</b>

## CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousands of EUR)

<b>ASSETS</b>	<b>30.11.2007</b>	<b>31.08.2007</b>
<b>Current assets</b>		
Cash and cash equivalents	42,077	83,315
Receivables	54,424	52,094
Prepayments	4,561	7,934
Derivatives (Note 7)	127	115
Inventories	18,056	17,407
<b>Total current assets</b>	<b>119,245</b>	<b>160,865</b>
<b>Non-current assets</b>		
Investments in associates	207	207
Other financial assets and prepayments	594	594
Deferred income tax assets	9,796	9,785
Investment property	300	300
Property, plant and equipment (Note 8)	1,458,072	1,444,403
Intangible assets (Note 9)	81,913	82,036
<b>Total non-current assets</b>	<b>1,550,882</b>	<b>1,537,325</b>
<b>TOTAL ASSETS</b>	<b>1,670,127</b>	<b>1,698,190</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Current portion of interest-bearing liabilities (Note 10)	146,287	143,634
Payables	84,575	90,011
Deferred income	8,700	7,734
Derivatives (Note 7)	91	510
<b>Total current liabilities</b>	<b>239,653</b>	<b>241,889</b>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings (Note 10)	778,091	804,281
Deferred income tax	4,056	4,056
Pension liability	214	223
<b>Total non-current liabilities</b>	<b>782,361</b>	<b>808,560</b>
<b>TOTAL LIABILITIES</b>	<b>1,022,014</b>	<b>1,050,449</b>
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	430,648	430,648
Share premium	639	639
Reserves	77,089	76,885
Retained earnings	139,737	139,569
<b>Total equity attributable to equity holders of the parent</b>	<b>648,113</b>	<b>647,741</b>
<b>TOTAL EQUITY</b>	<b>648,113</b>	<b>647,741</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,670,127</b>	<b>1,698,190</b>

**CONSOLIDATED CONDENSED CASH FLOW STATEMENT**

(unaudited, in thousands of EEK)	<b>01.09.2007 - 30.11.2007</b>	<b>01.09.2006 - 30.11.2006</b>
<b>Cash flows from operating activities</b>		
Net profit for the period	2,624	114,601
Adjustments	458,235	404,612
Changes in assets related to operating activities	15,150	347,793
Changes in inventories	-10,161	-2,134
Changes in liabilities related to operating activities	-76,655	-360,048
Income tax repaid	640	-226
	<b>389,833</b>	<b>504,598</b>
<b>Cash flow used for investing activities</b>		
Purchase of property, plant, equipment and intangible assets (Notes 8,9)	-445,547	-247,589
Proceeds from disposals of property, plant, equipment	312	979
Proceeds from settlement of derivatives	-8,552	12,645
Acquisition of minority interests	0	-500
Interest received	2,552	6,173
	<b>-451,235</b>	<b>-228,292</b>
<b>Cash flow from (+)/ used for (-) financing activities</b>		
Transaction costs of issue of shares	0	-6,520
Redemption of loans and bonds (Note 10)	-424,012	-471,367
Change in overdraft	53,888	0
Repayment of finance lease liabilities (Note 10)	-4,991	-10,098
Interest paid	-208,736	-130,700
	<b>-583,851</b>	<b>-618,685</b>
<b>TOTAL NET CASH FLOW</b>	<b>-645,253</b>	<b>-342,379</b>
<b>Cash and cash equivalents:</b>		
- at the beginning of period	1,303,609	1,407,608
- increase (+) / decrease (-)	-645,253	-342,379
<b>Cash and cash equivalents at end of period</b>	<b>658,356</b>	<b>1,065,229</b>

(unaudited, in thousands of EUR)	<b>01.09.2007 - 30.11.2007</b>	<b>01.09.2006 - 30.11.2006</b>
<b>Cash flows from operating activities</b>		
Net profit for the period	168	7,324
Adjustments	29,287	25,859
Changes in assets related to operating activities	968	22,228
Changes in inventories	-649	-136
Changes in liabilities related to operating activities	-4,899	-23,011
Income tax repaid	41	-14
	<b>24,916</b>	<b>32,250</b>
<b>Cash flow used for investing activities</b>		
Purchase of property, plant, equipment and intangible assets (Notes 8, 9)	-28,476	-15,824
Proceeds from disposals of property, plant, equipment	20	62
Proceeds from settlement of derivatives	-546	808
Acquisition of minority interests	0	-32
Interest received	163	395
	<b>-28,839</b>	<b>-14,591</b>
<b>Cash flow from (+)/ used for (-) financing activities</b>		
Transaction costs of issue of shares	0	-417
Redemption of loans and bonds (Note 10)	-27,099	-30,126
Change in overdraft	3,444	0
Repayment of finance lease liabilities (Note 10)	-319	-645
Interest paid	-13,341	-8,353
	<b>-37,315</b>	<b>-39,541</b>
<b>TOTAL NET CASH FLOW</b>	<b>-41,238</b>	<b>-21,882</b>
<b>Cash and cash equivalents:</b>		
- at the beginning of period	83,315	89,963
- increase (+) / decrease (-)	-41,238	-21,882
<b>Cash and cash equivalents at end of period</b>	<b>42,077</b>	<b>68,081</b>

**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY**

(unaudited, in thousands of EEK)	Share capital	Share premium	Unregistered share capital with share premium	Unrealised exchange differences	Ships revaluation reserve	Cash flow hedge reserve	Mandatory legal reserve	Retained earnings	Shareholders' equity	Minority interests	Total equity
<b>At 31 August 2006</b>	<b>1,415,000</b>	<b>2,012,394</b>	<b>1,475,727</b>	<b>23</b>	<b>1,138,827</b>	<b>-7,636</b>	<b>27,500</b>	<b>3,012,254</b>	<b>9,074,089</b>	<b>1,189</b>	<b>9,075,278</b>
<b>Changes in equity for the I quarter of 2006/2007</b>											
Share issue	269,543	1,206,184	-1,475,727	0	0	0	0	0	0	0	0
Acquisition of minority interests	0	0	0	0	0	0	0	0	0	-1,189	-1,189
Net profit of the I quarter of the year 2006/2007 (Note 6)	0	0	0	0	0	0	0	114,601	114,601	0	114,601
Net losses on cash flow hedges	0	0	0	0	0	-12,079	0	0	-12,079	0	-12,079
Foreign currency translation	0	0	0	926	0	0	0	0	926	0	926
<b>Total income and expense for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>926</b>	<b>0</b>	<b>-12,079</b>	<b>0</b>	<b>114,601</b>	<b>103,448</b>	<b>0</b>	<b>103,448</b>
<b>At 30 November 2006</b>	<b>1,684,543</b>	<b>3,218,578</b>	<b>0</b>	<b>949</b>	<b>1,138,827</b>	<b>-19,715</b>	<b>27,500</b>	<b>3,126,855</b>	<b>9,177,537</b>	<b>0</b>	<b>9,177,537</b>
<b>At 31 August 2007</b>	<b>6,738,170</b>	<b>9,999</b>	<b>0</b>	<b>412</b>	<b>1,100,869</b>	<b>0</b>	<b>101,710</b>	<b>2,183,777</b>	<b>10,134,937</b>	<b>0</b>	<b>10,134,937</b>
<b>Changes in equity for the I quarter of 2007/2008</b>											
Net profit of the I quarter of the year 2007/2008 (Note 6)	0	0	0	0	0	0	0	2,624	2,624	0	2,624
Foreign currency translation	0	0	0	3,207	0	0	0	0	3,207	0	3,207
<b>Total income and expense for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,207</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,624</b>	<b>5,831</b>	<b>0</b>	<b>5,831</b>
<b>At 30 November 2007</b>	<b>6,738,170</b>	<b>9,999</b>	<b>0</b>	<b>3,619</b>	<b>1,100,869</b>	<b>0</b>	<b>101,710</b>	<b>2,186,401</b>	<b>10,140,768</b>	<b>0</b>	<b>10,140,768</b>

(unaudited, in thousands of EUR)	Share capital	Share premium	Unregistered share capital with share premium	Unrealised exchange differences	Ships revaluation reserve	Cash flow hedge reserve	Mandatory legal reserve	Retained earnings	Shareholders' equity	Minority interests	Total equity
<b>At 31 August 2006</b>	<b>90,435</b>	<b>128,615</b>	<b>94,316</b>	<b>2</b>	<b>72,784</b>	<b>-488</b>	<b>1,758</b>	<b>192,518</b>	<b>579,940</b>	<b>76</b>	<b>580,016</b>
<b>Changes in equity for the I quarter of 2006/2007</b>											
Share issue	17,227	77,089	-94,316	0	0	0	0	0	0	0	0
Acquisition of minority interests	0	0	0	0	0	0	0	0	0	-76	-76
Net profit of the I quarter of the year 2006/2007 (Note 6)	0	0	0	0	0	0	0	7,324	7,324	0	7,324
Net losses on cash flow hedges	0	0	0	0	0	-772	0	0	-772	0	-772
Foreign currency translation	0	0	0	59	0	0	0	0	59	0	59
<b>Total income and expense for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>59</b>	<b>0</b>	<b>-772</b>	<b>0</b>	<b>7,324</b>	<b>6,611</b>	<b>0</b>	<b>6,611</b>
<b>At 30 November 2006</b>	<b>107,662</b>	<b>205,704</b>	<b>0</b>	<b>61</b>	<b>72,784</b>	<b>-1,260</b>	<b>1,758</b>	<b>199,842</b>	<b>586,551</b>	<b>0</b>	<b>586,551</b>
<b>At 31 August 2007</b>	<b>430,648</b>	<b>639</b>	<b>0</b>	<b>27</b>	<b>70,358</b>	<b>0</b>	<b>6,500</b>	<b>139,569</b>	<b>647,741</b>	<b>0</b>	<b>647,741</b>
<b>Changes in equity for the I quarter of 2007/2008</b>											
Net profit of the I quarter of the year 2007/2008 (Note 6)	0	0	0	0	0	0	0	168	168	0	168
Foreign currency translation	0	0	0	204	0	0	0	0	204	0	204
<b>Total income and expense for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>204</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>168</b>	<b>372</b>	<b>0</b>	<b>372</b>
<b>At 30 November 2007</b>	<b>430,648</b>	<b>639</b>	<b>0</b>	<b>231</b>	<b>70,358</b>	<b>0</b>	<b>6,500</b>	<b>139,737</b>	<b>648,113</b>	<b>0</b>	<b>648,113</b>



## 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 three months of the financial year 2007/2008 were authorised for issue in accordance with a resolution of the Management Board on 25 January 2008. AS Tallink Grupp is a limited company incorporated in Estonia and employed 6,394 people at 30 November 2007 (31 August 2007: 6,481).

### **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 31 August 2007.

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.

### **Note 3**                    **SUBSIDIARIES AND ASSOCIATES**

In August 2007 AS Tallink Grupp co-established new associate company AS Tallink Takso. AS Tallink Grupp has 34% of the share capital. The prepayment into share capital in the amount of 1,020 thousand EEK (*65 thousand EUR*) was made in August 2007. The company was registered in September 2007.

### **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, 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 thousands of EEK)

01.09.2007-30.11.2007	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
<b>Revenue</b>									
Sales to external customers	745,256	325,406	116,562	310,600	1,284,355	82,885	55,038	0	2,920,102
Inter-segment sales	0	0	0	0	0	24,467	0	-24,467	0
	<b>745,256</b>	<b>325,406</b>	<b>116,562</b>	<b>310,600</b>	<b>1,284,355</b>	<b>107,352</b>	<b>55,038</b>	<b>-24,467</b>	<b>2,920,102</b>
<b>Segment result</b>									
	<b>248,402</b>	<b>15,803</b>	<b>-13,857</b>	<b>5,735</b>	<b>198,631</b>	<b>4,806</b>	<b>-3,524</b>	<b>0</b>	<b>455,996</b>
Unallocated expenses									-236,483
Net financial items (Note 5)									-216,886
<b>Profit before income tax</b>									<b>2,627</b>

01.09.2006-30.11.2006	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
<b>Revenue</b>									
Sales to external customers	753,596	345,683	62,391	274,501	1,460,516	51,543	28,633	0	2,976,863
Inter-segment sales	0	0	0	0	0	19,553	0	-19,553	0
	<b>753,596</b>	<b>345,683</b>	<b>62,391</b>	<b>274,501</b>	<b>1,460,516</b>	<b>71,096</b>	<b>28,633</b>	<b>-19,553</b>	<b>2,976,863</b>
<b>Segment result</b>									
	<b>199,401</b>	<b>17,948</b>	<b>-6,493</b>	<b>42,211</b>	<b>214,431</b>	<b>11,168</b>	<b>9,392</b>	<b>0</b>	<b>488,058</b>
Unallocated expenses									-222,129
Negative goodwill									689
Net financial items (Note 5)									-152,072
<b>Profit before income tax</b>									<b>114,546</b>

(in thousands of EUR)

01.09.2007-30.11.2007	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
<b>Revenue</b>									
Sales to external customers	47,631	20,797	7,450	19,851	82,085	5,297	3,518	0	186,629
Inter-segment sales	0	0	0	0	0	1,564	0	-1,564	0
	<b>47,631</b>	<b>20,797</b>	<b>7,450</b>	<b>19,851</b>	<b>82,085</b>	<b>6,861</b>	<b>3,518</b>	<b>-1,564</b>	<b>186,629</b>
<b>Segment result</b>	<b>15,876</b>	<b>1,010</b>	<b>-886</b>	<b>367</b>	<b>12,695</b>	<b>307</b>	<b>-225</b>	<b>0</b>	<b>29,144</b>
Unallocated expenses									-15,114
Net financial items (Note 5)									-13,862
<b>Profit before income tax</b>									<b>168</b>

01.09.2006-30.11.2006	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
<b>Revenue</b>									
Sales to external customers	48,164	22,093	3,987	17,544	93,344	3,294	1,830	0	190,256
Inter-segment sales	0	0	0	0	0	1,250	0	-1,250	0
	<b>48,164</b>	<b>22,093</b>	<b>3,987</b>	<b>17,544</b>	<b>93,344</b>	<b>4,544</b>	<b>1,830</b>	<b>-1,250</b>	<b>190,256</b>
<b>Segment result</b>	<b>12,744</b>	<b>1,147</b>	<b>-415</b>	<b>2,698</b>	<b>13,705</b>	<b>714</b>	<b>600</b>	<b>0</b>	<b>31,193</b>
Unallocated expenses									-14,197
Negative goodwill									44
Net financial items (Note 5)									-9,719
<b>Profit before income tax</b>									<b>7,321</b>

### Operational segments

	(in thousands of EEK)		(in thousands of EUR)	
	01.09.2007- 30.11.2007	01.09.2006- 30.11.2006	01.09.2007- 30.11.2007	01.09.2006- 30.11.2006
Ticket sales	662,170	663,875	42,321	42,430
Sales of cargo transport	682,706	624,395	43,633	39,906
Accommodation sales	32,784	23,205	2,095	1,483
Restaurant and shops sales on-board and on mainland	1,416,441	1,521,585	90,527	97,247
Income from leases of vessels	50,380	28,627	3,220	1,829
Other	75,621	115,176	4,833	7,361
<b>Total revenue of the Group</b>	<b>2,920,102</b>	<b>2,976,863</b>	<b>186,629</b>	<b>190,256</b>

### Note 5 FINANCIAL INCOME AND EXPENSES

	(in thousands of EEK)		(in thousands of EUR)	
	01.09.2007- 30.11.2007	01.09.2006- 30.11.2006	01.09.2007- 30.11.2007	01.09.2006- 30.11.2006
Net foreign exchange gains	4,844	2,372	309	152
Income from interest rate swap	0	15,268	0	976
Other interest and financial income	2,044	6,996	131	447
<b>Total financial income</b>	<b>6,888</b>	<b>24,636</b>	<b>440</b>	<b>1,575</b>
Interest expenses	-221,975	-176,650	-14,187	-11,290
Expenses from interest rate swap	-1,799	0	-115	
Other financial expenses	0	-58	0	-4
<b>Total financial expenses</b>	<b>-223,774</b>	<b>-176,708</b>	<b>-14,302</b>	<b>-11,294</b>

### 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 thousands of EEK)		(in thousands of EUR)	
	01.09.2007 - 30.11.2007	01.09.2006 - 30.11.2006	01.09.2007 - 30.11.2007	01.09.2006 - 30.11.2006
Weighted average number of ordinary shares (pcs)	673,817,040	673,817,040	673,817,040	673,817,040
Net profit attributable to ordinary shareholders	2,624	114,601	168	7,324
Earnings per share (in EEK/EUR per share)	0.00	0.17	0.00	0.01

As a result of the issuing new shares, the share capital increased from 168,454,260 shares to 673,817,040 shares on 31 January 2007.

Since the increase of share capital was bonus issue, the average number of ordinary shares for comparative period has been adjusted and 673,817,040 have been used as an average number of ordinary shares in the calculation of earning per share for comparative period.

### 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 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.

Movements in the fair values of interest rate financial instruments were as follows:

(in thousands of EEK)

	Maturity	30.11.2007		31.08.2007	
		Notional amount	Fair value	Notional amount	Fair value
Interest rate swap	2007	0	0	2,253,110	1,799
Interest rate swap	2007	0	0	1,564,660	-1,252
Foreign exchange rate swap	2007	69,301	1,994	277,211	-1,205
Foreign exchange rate swap	2007	46,940	-1,421	187,759	-5,523
Total derivatives with positive value			1,994		1,799
Total derivatives with negative value			1,421		7,980

(in thousands of EUR)

	Maturity	30.11.2007		31.08.2007	
		Notional amount	Fair value	Notional amount	Fair value
Interest rate swap	2007	0	0	144,000	115
Interest rate swap	2007	0	0	100,000	-80
Foreign exchange rate swap	2007	4,429	127	17,717	-77
Foreign exchange rate swap	2007	3,000	-91	12,000	-353
Total derivatives with positive value			127		115
Total derivatives with negative value			91		510

In the I quarter of 2007/2008 financial year AS Tallink Grupp has entered into two interest rate swap contracts with total notional amount of 3,219,320 thousand EEK (200,000 thousand EUR) with the maturity in years 2012 and 2014. AS Tallink Grupp will receive 3-months EURIBOR and pay fixed conditional coupons to the counterparty bank. The transactions are so far with the positive cash flow for the group. The potential change in the fair value of abovementioned derivatives is estimated as non-significant and is not recognized in the I quarter interim financial statements as of 30 November 2007.

#### Note 8 PROPERTY, PLANT AND EQUIPMENT

(in thousands of EEK)

	Land and building	Ships	Plant and equipment	Prepayments	Total
<b>Book value at 31 August 2007</b>	<b>133,664</b>	<b>21,575,217</b>	<b>112,418</b>	<b>778,702</b>	<b>22,600,001</b>
Additions	63	33,611	12,218	384,542	430,434
Transfer to intangible assets	0	0	0	-2,089	-2,089
Exchange rate differences	-32	0	17	0	-15
Disposals	0	0	-4	0	-4
Depreciation for the period	-3,317	-195,031	-16,109	0	-214,457
<b>Book value at 30 November 2007</b>	<b>130,378</b>	<b>21,413,797</b>	<b>108,540</b>	<b>1,161,155</b>	<b>22,813,870</b>

#### At 30 November 2007

-Cost	159,605	22,341,501	231,996	1,161,155	23,894,257
-Accumulated depreciation	-29,227	-927,704	-123,456	0	-1,080,387

	Land and building	Ships	Plant and equipment	Prepayments	Total
<b>Book value at 31 August 2006</b>	<b>145,989</b>	<b>21,053,598</b>	<b>115,964</b>	<b>541,602</b>	<b>21,857,153</b>
Additions	0	9,567	5,655	205,977	221,199
Exchange rate differences	1,690	547	29	0	2,266
Disposals	0	0	-40	0	-40
Depreciation for the period	-3,262	-210,661	-16,833	0	-230,756
<b>Book value at 30 November 2006</b>	<b>144,417</b>	<b>20,853,051</b>	<b>104,775</b>	<b>747,579</b>	<b>21,849,822</b>

#### At 30 November 2006

-Cost	160,471	21,062,426	190,177	747,579	22,160,653
-Accumulated depreciation	-16,054	-209,375	-85,402	0	-310,831

(in thousands of EUR)

	Land and building	Ships	Plant and equipment	Prepayments	Total
<b>Book value at 31 August 2007</b>	<b>8,543</b>	<b>1,378,908</b>	<b>7,184</b>	<b>49,768</b>	<b>1,444,403</b>
Additions	4	2,148	781	24,577	27,510
Transfer to intangible assets	0	0	0	-134	-134
Exchange rate differences	-2	0	1	0	-1
Disposals	0	0	0	0	0
Depreciation for the period	-212	-12,465	-1,029	0	-13,706
<b>Book value at 30 November 2007</b>	<b>8,333</b>	<b>1,368,591</b>	<b>6,937</b>	<b>74,211</b>	<b>1,458,072</b>

**At 30 November 2007**

-Cost	10,201	1,427,882	14,827	74,211	1,527,121
-Accumulated depreciation	-1,868	-59,291	-7,890	0	-69,049

	Land and building	Ships	Plant and equipment	Prepayments	Total
<b>Book value at 31 August 2006</b>	<b>9,330</b>	<b>1,345,570</b>	<b>7,412</b>	<b>34,615</b>	<b>1,396,927</b>
Additions	0	611	362	13,164	14,137
Exchange rate differences	108	35	2	0	145
Disposals	0	0	-3	0	-3
Depreciation for the period	-208	-13,464	-1,076	0	-14,748
<b>Book value at 30 November 2006</b>	<b>9,230</b>	<b>1,332,752</b>	<b>6,697</b>	<b>47,779</b>	<b>1,396,458</b>

**At 30 November 2006**

-Cost	10,256	1,346,134	12,155	47,779	1,416,324
-Accumulated depreciation	-1,026	-13,382	-5,458	0	-19,866

**Note 9 INTANGIBLE ASSETS**

	(in thousands of EEK)				(in thousands of EUR)			
	Goodwill	Trademark	Others	Total	Goodwill	Trademark	Others	Total
<b>Book value at 31 August 2007</b>	<b>174,409</b>	<b>858,781</b>	<b>250,402</b>	<b>1,283,592</b>	<b>11,147</b>	<b>54,886</b>	<b>16,003</b>	<b>82,036</b>
Additions	0	0	15,113	15,113	0	0	966	966
Transfer from property, plant and equipment	0	0	2,089	2,089	0	0	134	134
Amortization for the period	0	-11,406	-7,726	-19,132	0	-729	-494	-1,223
<b>Book value at 30 November 2007</b>	<b>174,409</b>	<b>847,375</b>	<b>259,878</b>	<b>1,281,662</b>	<b>11,147</b>	<b>54,157</b>	<b>16,609</b>	<b>81,913</b>

**At 30 November 2007**

Cost	174,409	912,009	308,392	1,394,810	11,147	58,288	19,710	89,145
Accumulated amortization	0	-64,634	-48,514	-113,148	0	-4,131	-3,101	-7,232

	(in thousands of EEK)				(in thousands of EUR)			
	Goodwill	Trademark	Others	Total	Goodwill	Trademark	Others	Total
<b>Book value at 31 August 2006</b>	<b>173,148</b>	<b>904,405</b>	<b>180,879</b>	<b>1,258,432</b>	<b>11,066</b>	<b>57,802</b>	<b>11,560</b>	<b>80,428</b>
Additions	0	0	26,390	26,390	0	0	1,687	1,687
Amortization for the period	0	-11,406	-11,071	-22,477	0	-729	-708	-1,437
<b>Book value at 30 November 2006</b>	<b>173,148</b>	<b>892,999</b>	<b>196,198</b>	<b>1,262,345</b>	<b>11,066</b>	<b>57,073</b>	<b>12,539</b>	<b>80,678</b>

At 30 November 2006

Cost	173,148	912,009	220,029	1,305,186	11,066	58,288	14,062	83,416
Accumulated amortization	0	-19,010	-23,831	-42,841	0	-1,215	-1,523	-2,738

#### Note 10 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of EEK)

	31 August 2007	New loans	Repayments	Other changes [1]	30 November 2007
Lease liability	23,548	0	-4,991	0	18,557
Bank overdrafts	74,143	53,888	0	0	128,031
Long-term bank loans	14,733,960	0	-424,012	6,837	14,316,785
<b>TOTAL</b>	<b>14,831,651</b>	<b>53,888</b>	<b>-429,003</b>	<b>6,837</b>	<b>14,463,373</b>
incl. short-term portion	2,247,390				2,288,893
long-term portion	12,584,261				12,174,480

(in thousands of EUR)

	31 August 2007	New loans	Repayments	Other changes [1]	30 November 2007
Lease liability	1,505	0	-319	0	1,186
Bank overdrafts	4,739	3,444	0	0	8,183
Long-term bank loans	941,671	0	-27,099	437	915,009
<b>TOTAL</b>	<b>947,915</b>	<b>3,444</b>	<b>-27,418</b>	<b>437</b>	<b>924,378</b>
incl. short-term portion	143,634				146,287
long-term portion	804,281				778,091

[1] Other changes related to long-term bank loans are the amortisation of transaction costs.

Bank overdrafts are secured with commercial pledge (in the total amount of 266,120 thousand EEK (17,008 thousand EUR) and ship mortgages.

AS Tallink Grupp has given guarantees to HSH Nordbank AG, Nordea Bank Plc. and Skandinaviska Enskilda Banken AB for the loans granted to overseas subsidiaries amounting to 9,328,983 thousand EEK (596,231 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. AS Tallink Grupp has given guarantee to HSH Nordbank AB for the loan granted to Silja Oy Ab amounting to 4,881,004 thousand EEK (311,953 thousand EUR). The primary securities for these loans are the pledge of shares of Tallink Silja Oy Ab and mortgages on the ships belonging to the above-mentioned subsidiary.

#### Note 11 SHARE CAPITAL

According to the Articles of Association of the Parent effective as of 30 November 2007 the maximum number of authorised common shares is 2,000,000 thousand.

**Note 12 RELATED PARTY DISCLOSURES**

(in thousands of EEK)

<b>3 months of 2007/2008 or 30.11.2007</b>	<b>Sales to related party</b>	<b>Purchases from related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
AS Infortar	317	894	115	0
AS HT Valuuta	557	0	71	0
AS Vara HTG	0	20,368	0	0
OÜ Mersok	0	36	0	14
AS Vaba Maa	0	2,080	0	113
OÜ Sunbeam	0	11,531	0	0
AS Gastrolink	6	1,490	0	165
Gastrolink Finland OY	5	0	1	0
Searail EEIG	19,245	0	11,751	6,462
<b>3 months of 2006/2007 or 30.11.2006</b>	<b>Sales to related party</b>	<b>Purchases from related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
AS Infortar	275	1,150	115	941
AS HT Valuuta	638	0	760	204
AS Vara HTG	0	20,836	0	0
OÜ Mersok	0	36	0	14
AS Vaba Maa	0	922	0	251
OÜ Hera Salongid	129	63	58	52
AS Gastrolink	5	519	5	202
Gastrolink Finland OY	11	0	11	0
AS Baltic Tours	827	0	1,832	0
Searail EEIG	0	0	14,160	6,525

(in thousands of EUR)

<b>3 months of 2007/2008 or 30.11.2007</b>	<b>Sales to related party</b>	<b>Purchases from related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
AS Infortar	20	57	7	0
AS HT Valuuta	36	0	5	0
AS Vara HTG	0	1,302	0	0
OÜ Mersok	0	2	0	1
AS Vaba Maa	0	133	0	7
OÜ Sunbeam	0	737	0	0
AS Gastrolink	0	95	0	11
Gastrolink Finland OY	0	0	0	0
Searail EEIG	1,230	0	751	413
<b>3 months of 2006/2007 or 30.11.2006</b>	<b>Sales to related party</b>	<b>Purchases from related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
AS Infortar	18	73	7	60
AS HT Valuuta	41	0	49	13
AS Vara HTG	0	1,332	0	0
OÜ Mersok	0	2	0	1
AS Vaba Maa	0	59	0	16
OÜ Hera Salongid	8	4	4	3
AS Gastrolink	0	33	0	13
Gastrolink Finland OY	1	0	1	0
AS Baltic Tours	53	0	117	0
Searail EEIG	0	0	905	417

**Note 13 COMMITMENTS**

**Capital investment commitments**

In October 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 1,768,066 thousand EEK (113,000 thousand EUR). 20 % will be paid during construction and 80 % will be paid on delivery of the ship.

In December 2005 Aker Finnyards OY and AS Tallink Grupp signed a shipbuilding contract to construct a new passenger cruise ship "Cruise 4". The new ship should be delivered in summer of 2008. The shipbuilding contract price of new ship is



approximately 2,581,689 thousand EEK (*165,000 thousand EUR*). 20 % will be paid during construction and 80 % will be paid on delivery of the ship.

In April 2007 Aker Finnyards OY and AS Tallink Grupp signed a shipbuilding contract to construct a new large cruise ferry "Cruise 5". The new ship should be delivered in 2009. The shipbuilding contract price of new ship is approximately 2,816,388 thousand EEK (*180,000 thousand EUR*). 20% will be paid during construction and 80 % will be paid on delivery of the ship.

## 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 first 3 months of the financial year 2007/2008 ended 30 November 2007 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.

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Chairman of the Board  
*Enn Pant*

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Member of the Board  
*Andres Hunt*

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Member of the Board  
*Keijo Mehtonen*

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Member of the Board  
*Lembit Kitter*

Tallinn

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