

AS TALLINK GRUPP

Unaudited Interim Consolidated Financial Statements for the first nine months of the 2012 financial year

1 January 2012 - 30 September 2012

Beginning of the financial year 1. January 2012

End of the financial year 31. December 2012

Commercial Registry No. 10238429

Address Sadama 5/7
10111, Tallinn
Estonia

Telephone +372 6 409 800

Fax +372 6 409 810

Internet homepage www.tallink.com

Primary activity maritime transportation
(passenger and cargo transportation)

Auditor KPMG Baltics OÜ



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MANAGEMENT REPORT

In the third quarter of the 2012 financial year AS Tallink Grupp and its subsidiaries (the Group) continued with the growth in sales. The Group carried a total of 2.77 million passengers in the third quarter, 2% more than in the same period last year. The Group's consolidated revenue in the third quarter increased by 3.8% to EUR 282.4 million. The start of the third quarter was affected by adverse weather in the beginning of the summer causing higher than usual promotional activities to July bookings. Hence the Group's total ticket revenue per passenger for the third quarter decreased and resulted in less revenue from ticket sales compared to same period in last year. However, the Group was able to improve the shop and restaurant sales resulting in overall higher total revenue.

Due to the structural changes in the revenue and the related higher direct cost from goods, the Group's gross profit for the third quarter stayed the same as last year. Total unaudited Gross profit for the third quarter amounted to EUR 85.2 million, up by 0.5% and EBITDA amounted to EUR 77.0 million down by 1.4% when compared to the same period in last year. In the third quarter of 2012 the Group's unaudited net profit was EUR 49.6 million compared to EUR 40.7 million last year. Improvement in the net profit is mainly the effect of the decreased financial costs. The total cumulative net profit for the nine months of the 2012 financial year amounts to EUR 50.6 million, EUR 13.5 million higher than year ago.

In the third quarter the fuel prices continued to be at a high level. When measured in euros and compared to the same quarter of the last year the average quarterly price for ship fuel was approximately 13% higher. The Group's fuel cost in the continuing operations increased by EUR 5.2 million. Impacted from the earlier closure of Finland-Germany operations the total fuel cost in the third quarter 2012 shows a EUR 1.2 million increase.

During the 2012 the Group has invested nearly EUR 1.5 million to upgrade and improve the visibility and appearance in the electronic channels. The new consumer marketing web pages just went live. The Group is soon to finish and launch a new version of online booking for the individual customers which has been developed emphasizing the easiness, usability, convenience and price transparency. In addition, Tallink's mobile booking application will be available in the beginning of 2013.

Cash flow from operations amounted to EUR 59 million in the third quarter of 2012. EUR 41 million was used to repay the bank debt resulting in a 4.5% decrease in interest bearing liabilities in the third quarter. During the past 12 months the Group has reduced its interest bearing liabilities by EUR 134 million. The net debt in the end of the third quarter was EUR 803 million and the net debt ratio to the last 12-months EBITDA was 4.9. At the end of September the Group had EUR 59 million in cash and equivalents and the total of unused credit lines stood at EUR 66 million. The total liquidity, cash and unused credit facilities at the end of the second quarter were EUR 125 million providing a strong position for sustainable operations.

During the past few years the Group had significantly reduced the leverage in accordance to our strategy. In anticipation of the dividend policy in the near future the management is focusing to optimize the current aggressive loan repayment schedule for the next years to strengthen the Group's free cash flow.

Q3 KEY FIGURES

		2012 July-September	2011 July-September	change
Continuing operations				
Revenue from continuing operations	EUR million	282.4	264.8	6.7%
Gross profit from continuing operations	EUR million	85.2	85.0	0.2%
Net profit from continuing operations	EUR million	49.6	41.1	20.6%
Group total including the discontinued operations				
Revenue	EUR million	282.4	272.2	3.8%
Gross profit	EUR million	85.2	84.8	0.5%
Gross margin (%)		30.1%	31.1%	
EBITDA	EUR million	77.0	78.0	-1.4%
EBITDA margin (%)		27.3%	28.7%	
Net profit for the period	EUR million	49.6	40.7	21.9%
Net profit margin (%)		17.6%	14.9%	
Depreciation and amortization	EUR million	17.7	17.7	-0.4%
Investments	EUR million	5.2	2.1	146%
Weighted average number of ordinary shares outstanding		669 882 040	669 882 040	
Earnings per share	EUR	0.07	0.06	21.9%
Number of passengers		2 770 147	2 716 702	2.0%
Number of cargo units		68 831	70 059	-1.8%
Average number of employees		7 132	7 175	-0.6%
		30.09.2012	30.06.2012	
Total assets	EUR million	1 754.3	1 760.7	-0.4%
Interest-bearing liabilities	EUR million	862.2	902.3	-4.5%
Net debt	EUR million	803.1	850.5	-5.6%
Total equity	EUR million	755.6	706.1	7.0%
Equity ratio (%)		43.1%	40.1%	
Net debt to EBITDA		4.9	5.1	
Number of ordinary shares outstanding ¹		669 882 040	669 882 040	0%
Shareholders' equity per share	EUR	1.13	1.05	7.0%

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

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

Equity ratio: total equity / total assets;

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

Gross margin: gross profit / net sales;

EBITDA margin: EBITDA / net sales;

Net profit margin: net profit / net sales;

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

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

¹ Share numbers exclude own shares.

SALES & SEGMENT RESULTS

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

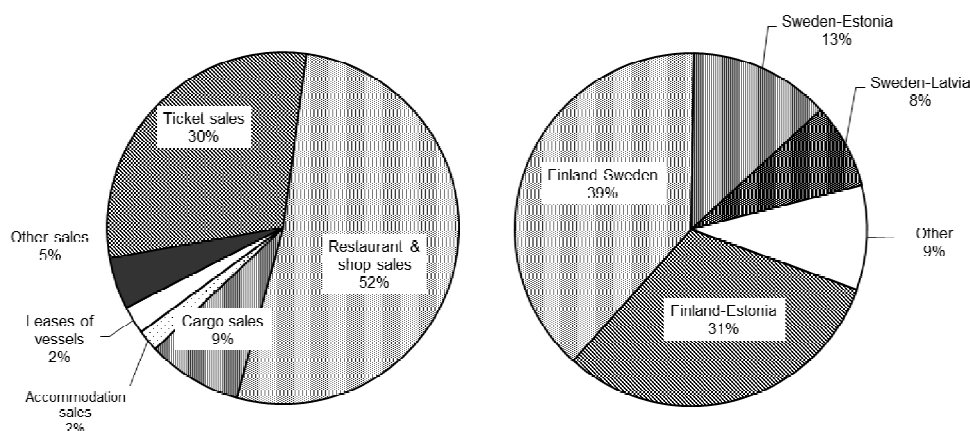
	Q3	Q4	Q1	Q2	Q3	Q3 change
in EUR millions	2011	2011	2012	2012	2012	y-o-y
Ticket sales	90.4	50.7	41.5	64.6	84.5	-6.5%
Restaurant & shop sales	135.8	121.2	109.2	132.0	147.1	8.4%
Cargo sales	25.8	25.4	26.7	26.1	24.6	-4.7%
Accommodation sales	5.7	3.5	2.6	4.5	5.6	-1.7%
Leases of vessels	5.6	6.0	7.4	6.9	7.2	28.5%
Other sales	8.9	7.5	6.4	10.7	13.4	50.6%
Total revenue	272.2	214.2	193.8	244.8	282.4	3.8%

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

			Q3	Q4	Q1	Q2	Q3	Q3 change
			2011	2011	2012	2012	2012	y-o-y
Finland-Estonia	Passengers	th.	1 257	1 042	909	1 171	1 341	6.7%
	Cargo units	th.	31	31	34	36	34	10.8%
	Revenue	mil.EUR	81.0	73.2	62.6	81.0	88.9	9.7%
	Segment result	mil.EUR	28.8	22.1	12.3	25.0	28.8	0.1%
Finland-Sweden	Passengers	th.	925	715	709	764	910	-1.6%
	Cargo units	th.	22	24	25	23	22	-1.5%
	Revenue	mil.EUR	108.1	84.5	79.8	89.7	110.3	2.0%
	Segment result	mil.EUR	23.8	2.3	-3.4	4.8	17.7	-25.6%
Sweden-Estonia	Passengers	th.	278	207	222	239	287	3.3%
	Cargo units	th.	10	10	9	9	8	-16.4%
	Revenue	mil.EUR	34.1	24.9	23.5	29.3	36.8	8.0%
	Segment result	mil.EUR	8.3	0.6	-1.2	3.5	9.9	19.2%
Sweden-Latvia	Passengers	th.	234	147	145	202	233	-0.5%
	Cargo units	th.	4	5	4	5	4	-0.7%
	Revenue	mil.EUR	21.6	13.5	11.8	17.7	22.4	3.8%
	Segment result	mil.EUR	4.1	-2.4	-4.2	0.0	3.0	-26.7%
Finland-Germany	Passengers	th.	24	0	0	0	0	0.0%
	Cargo units	th.	3	0	0	0	0	0.0%
	Revenue	mil.EUR	7.4	0.0	0.0	0.0	0.0	-100.0%
	Segment result	mil.EUR	-0.5	0.0	0.0	0.0	0.0	-100.0%
Other	Revenue	mil.EUR	23.4	20.4	17.4	29.4	27.4	16.8%
	Segment result	mil.EUR	5.5	2.9	-0.4	7.1	10.1	84.5%
	Inter segment sales	mil.EUR	-3.4	-2.2	-1.3	-2.3	-3.3	-2.6%
Total revenue		mil.EUR	272.2	214.2	193.8	244.8	282.4	3.8%
EBITDA		mil.EUR	78.0	31.2	10.2	46.2	77.0	-2.4%
Total segment result		mil.EUR	70.0	25.5	3.0	40.4	69.6	-0.7%
Net profit/-loss		mil.EUR	40.7	0.6	-19.0	20.0	49.6	21.9%

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

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



MARKET DEVELOPMENTS

The following table provides an overview of the passengers, cargo units and passenger vehicles transported during the nine months and the third quarter of 2012 and 2011 financial years.

	Q3 2012	Q3 2011	Q3 Change	9 months 2012	9 months 2011	9 months Change
Passengers	2 770 147	2 716 702	2.0%	7 131 398	7 033 233	1.4%
Finland-Sweden	909 912	924 815	-1.6%	2 382 976	2 449 544	-2.7%
Estonia-Finland	1 340 520	1 256 576	6.7%	3 420 802	3 227 935	6.0%
Estonia-Sweden	287 196	277 952	3.3%	748 396	736 357	1.6%
Latvia-Sweden	232 519	233 776	-0.5%	579 224	572 353	1.2%
Finland-Germany	0	23 583	-100.0%	0	47 044	-100.0%
Cargo Units	68 831	70 059	-1.8%	213 516	212 666	0.4%
Finland-Sweden	22 149	22 489	-1.5%	69 889	71 931	-2.8%
Estonia-Finland	34 177	30 834	10.8%	103 909	87 107	19.3%
Estonia-Sweden	8 499	10 167	-16.4%	26 677	31 779	-16.1%
Latvia-Sweden	4 006	4 036	-0.7%	13 041	13 583	-4.0%
Finland-Germany	0	2 533	-100.0%	0	8 266	-100.0%
Passenger Vehicles	367 508	346 817	6.0%	870 916	830 702	4.8%
Finland-Sweden	72 729	72 094	0.9%	141 097	142 197	-0.8%
Estonia-Finland	239 461	212 117	12.9%	599 822	544 355	10.2%
Estonia-Sweden	25 798	25 702	0.4%	57 677	58 533	-1.5%
Latvia-Sweden	29 520	29 516	0.0%	72 320	70 517	2.6%
Finland-Germany	0	7 388	-100.0%	0	15 100	-100.0%

* Finland-Germany operations were discontinued in August 2011. Vessels M/S Superfast VII and M/S Superfast VIII were chartered out for at least three years.

The Group's market shares on the routes operated during a 12 month period ending on the September 30, 2012 were as follows:

- The Group carried approximately 59% of the passengers and 51% of ro-ro cargo on the route between Tallinn and Helsinki;
- The Group is the only provider of daily passenger transportation between Estonia and Sweden;
- The Group is the only provider of daily passenger and ro-ro cargo transportation between Riga and Stockholm;
- The Group carried approximately 55% of passengers and 35% of ro-ro cargo on the routes between Finland and Sweden;

PERSONNEL

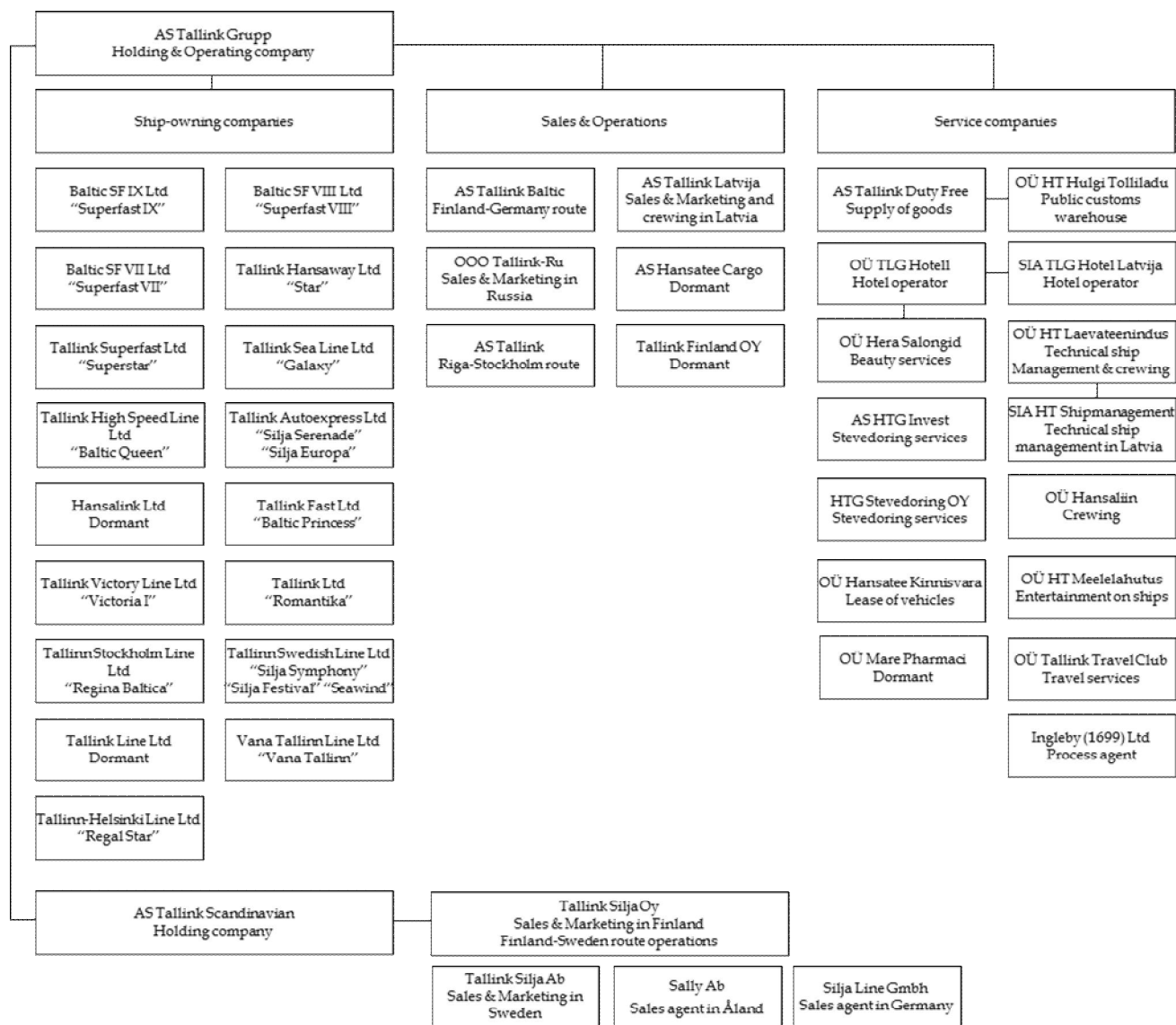
On September 30, 2012 the Group employed 6 822 employees (6 743 on September 30, 2011). The following table provides a more detailed overview of the Group's personnel.

	Average of 3rd quarter			Average of nine months			End of 3rd quarter		
	2012	2011	change %	2012	2011	change %	30.09.12	30.09.11	change %
Onshore total	1 641	1 669	-1.7%	1 605	1 615	-0.6%	1 617	1 606	0.7%
<i>Estonia</i>	808	800	1.0%	796	794	0.3%	800	774	3.4%
<i>Finland</i>	520	564	-7.8%	515	539	-4.5%	505	528	-4.4%
<i>Sweden</i>	232	229	1.3%	214	208	2.9%	231	229	0.9%
<i>Latvia</i>	65	62	4.8%	64	60	6.7%	65	61	6.6%
<i>Germany</i>	6	7	-14.3%	6	7	-14.3%	6	7	-14.3%
<i>Russia</i>	10	7	42.9%	10	7	42.9%	10	7	42.9%
At sea	4 914	4 931	-0.3%	4 709	4 747	-0.8%	4 632	4 563	1.5%
Hotel*	577	575	0.3%	577	563	2.5%	573	574	-0.2%
Total	7 132	7 175	-0.6%	6 891	6 925	-0.5%	6 822	6 743	1.2%

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

CORPORATE STRUCTURE

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

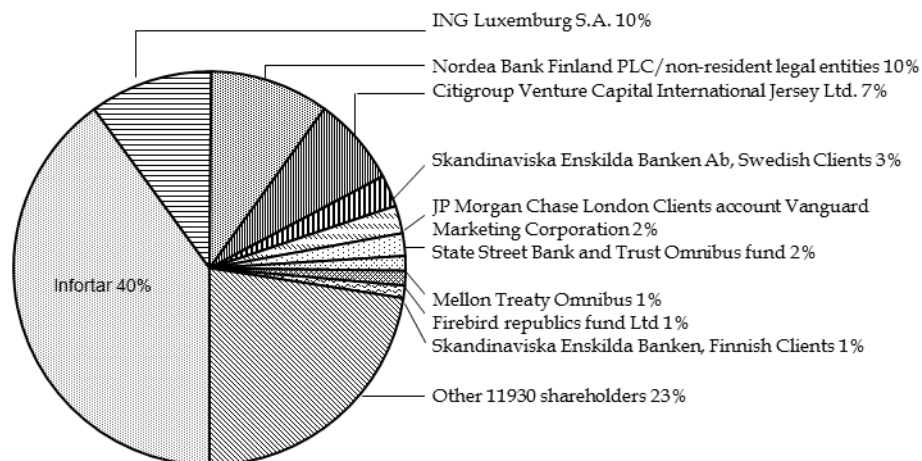


The Group also owns:

34% of AS Tallink Takso

SHAREHOLDERS & SHARE PRICE DEVELOPMENT

The following chart displays the shareholder structure of AS Tallink Grupp as of 30 September 2012.



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



Source: Nasdaq OMX Baltic

EVENTS IN Q3

An agreement with Reklon Holding Ltd was concluded in August 2012 to sell the motor vessel Kapella. For the sake of ease the sale was concluded by selling the shares of Kapella Shipping Ltd. of Bahamas, a subsidiary of AS Tallink Grupp that owned the ship.

The Supervisory Board of AS Tallink Grupp elected on 16.08.2012 the Group's Sales and Marketing Director Mr. Peter Roose (born 1969) as a new member of the Management Board of AS Tallink Grupp.

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

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

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

In November 2012 the management made a decision that the cruise ferry Baltic Princess will be rerouted to Turku-Stockholm route in the beginning of February 2013 and the cruise ferry Silja Europa to Tallinn-Helsinki route from the end of January 2013. It is expected that the change of vessels should bring along a positive economic development through cost efficiency. The change will also add new attractiveness to both routes.

The Group's fleet renewal program has been completed and thus the Group's investment requirement is relatively small going ahead. This allows to concentrate on the core operations. During the past few years the Group had significantly reduced the leverage in accordance to our strategy. In anticipation of the dividend policy in the near future the management is focusing to optimize the current aggressive loan repayment schedule for the next years to strengthen the Group's free cash flow.

The management continues to target overall improvement in the Group results in the 2012 financial year. Throughout the 2012 a positive impact shall be expected from the closure of the Finland-Germany route which previous result will change to more positive result from chartering of ships.

RISKS

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

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

MANAGEMENT BOARD'S CONFIRMATION TO THE MANAGEMENT REPORT

The Management Board confirms that to the best of their knowledge the management report of AS Tallink Grupp for the third quarter of 2012 financial year presents true and fair view of the development, results and the financial position of the Group and includes the overview of the main risks and uncertainties.

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Enn Pant

Chairman of the Management Board

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Andres Hunt

Vice Chairman of the Management Board

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Lembit Kitter

Member of the Management Board

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Janek Stalmeister

Member of the Management Board

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Peter Roose

Member of the Management Board

15.11.2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited, in thousands of EUR)	01.07.2012- 30.09.2012	01.07.2011- 30.09.2011	01.01.2012- 30.09.2012	01.01.2011- 30.09.2011
Continuing operations				
Revenue (Note 3)	282,441	264,827	721,052	676,980
Cost of sales	-197,290	-179,851	-559,833	-516,852
Gross profit	85,151	84,976	161,219	160,128
Marketing expenses	-15,591	-14,497	-48,224	-44,551
Administrative expenses	-10,561	-10,232	-33,455	-30,479
Other income	347	534	853	1,072
Other expenses	-820	-15	-852	-30
Results from operating activities	58,526	60,766	79,541	86,140
Finance income (Note 4)	1,382	-2,434	2,534	213
Finance costs (Note 4)	-11,130	-17,106	-32,258	-41,060
Profit from subsidiaries (Note 13)	783	0	783	0
Profit/-loss before income tax	49,561	41,226	50,600	45,293
Income tax	0	-115	0	-115
Net profit/-loss from continuing operations	49,561	41,111	50,600	45,178
Profit/-loss from discontinued operation (Note 3)	0	-453	0	-8,047
Net profit/-loss for the period	49,561	40,658	50,600	37,131
Other comprehensive income/-expense				
Exchange differences on translating foreign operations	-116	28	-121	151
Other comprehensive income/-expense for the period	-116	28	-121	151
Total comprehensive income/-expense for the period	49,445	40,686	50,479	37,282
Profit/-loss attributable to:				
Equity holders of the parent (Note 5)	49,561	40,658	50,600	37,131
Total comprehensive income/-expense attributable to:				
Equity holders of the parent	49,445	40,686	50,479	37,282
Earnings per share (in EUR per share)				
- basic (Note 5)	0.07	0.06	0.08	0.06
- diluted (Note 5)	0.07	0.06	0.08	0.06

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited, in thousands of EUR)

ASSETS	30.09.2012	31.12.2011
Current assets		
Cash and cash equivalents	59,077	75,421
Trade and other receivables	44,631	35,152
Prepayments	11,828	7,087
Inventories	27,749	25,198
Total current assets	143,285	142,858
Non-current assets		
Investments in associates	226	226
Other financial assets	1,761	2,551
Deferred income tax assets	9,452	9,452
Investment property	300	300
Property, plant and equipment (Note 7)	1,540,207	1,583,002
Intangible assets (Note 8)	59,040	61,153
Total non-current assets	1,610,986	1,656,684
TOTAL ASSETS	1,754,271	1,799,542
LIABILITIES AND EQUITY		
Current liabilities		
Interest bearing loans and borrowings (Note 9)	164,090	145,261
Trade and other payables	90,323	86,793
Deferred income	22,274	25,226
Derivatives (Note 6)	23,739	22,668
Total current liabilities	300,426	279,948
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	698,128	814,305
Other liabilities	147	198
Total non-current liabilities	698,275	814,503
TOTAL LIABILITIES	998,701	1,094,451
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	404,290	404,290
Share premium	639	639
Reserves	71,752	70,497
Retained earnings	278,889	229,665
Total equity attributable to equity holders of the parent	755,570	705,091
TOTAL EQUITY	755,570	705,091
TOTAL LIABILITIES AND EQUITY	1,754,271	1,799,542

CONSOLIDATED CASH FLOW STATEMENT

(unaudited, in thousands of EUR)

	01.01.2012 - 30.09.2012	01.01.2011- 30.09.2011
Cash flows from operating activities		
Net profit/-loss for the period	50,600	37,131
Adjustments	82,687	94,726
Changes in assets related to operating activities	-15,974	-17,530
Changes in liabilities related to operating activities	1,297	120
Income tax paid	-11	-114
	118,599	114,333
Cash flow used for investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 7, 8)	-8,898	-6,652
Proceeds from disposals of property, plant and equipment	47	59
Proceeds from subsidiaries	1,992	0
Payments from settlement of derivatives	-2,912	-3,575
Interest received	236	181
	-9,535	-9,987
Cash flow from (+)/ used for (-) financing activities		
Redemption of loans (Note 9)	-99,477	-39,284
Repayment of finance lease liabilities (Note 9)	-51	-64
Interest paid	-25,880	-28,068
	-125,408	-67,416
TOTAL NET CASH FLOW	-16,344	36,930
Cash and cash equivalents:		
- at the beginning of period	75,421	44,946
- increase (+) / decrease (-)	-16,344	36,930
Cash and cash equivalents at end of period	59,077	81,876

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited, in thousands of EUR)

	Share capital	Share premium	Translation reserve	Ships revaluation reserve	Mandatory legal reserve	Reserve for treasury shares	Share option programme reserve	Retained earnings	Share- holders' equity	Total equity
At 31 December 2010	430,648	639	373	64,811	10,869	-4,163	0	163,572	666,749	666,749
Changes in equity for the first 9 months of 2011										
Transfer from profit for 2009/2010	0	0	0	0	1,093	0	0	-1,093	0	0
Decrease of share capital	-26,358	0	0	0	0	0	0	26,358	0	0
Transfer from revaluation reserve	0	0	0	-2,324	0	0	0	2,324	0	0
Share-based payments transactions (Note 11)	0	0	0	0	0	0	527	0	527	527
Total comprehensive income and expense for the period										
Net profit of the first 9 months of the year 2011 (Note 5)	0	0	0	0	0	0	0	37,131	37,131	37,131
Total other comprehensive income and expense	0	0	151	0	0	0	0	0	151	151
Total comprehensive income and expense for the period	0	0	151	0	0	0	0	37,131	37,282	37,282
At 30 September 2011	404,290	639	524	62,487	11,962	-4,163	527	228,292	704,558	704,558
At 31 December 2011	404,290	639	461	61,710	11,962	-4,163	527	229,665	705,091	705,091
Changes in equity for the first 9 months of 2012										
Transfer from profit for 2010/2011	0	0	0	0	1,874	0	0	-1,874	0	0
Transfer from revaluation reserve	0	0	0	-498	0	0	0	498	0	0
Total comprehensive income and expense for the period										
Net profit of the first 9 months of the year 2012 (Note 5)	0	0	0	0	0	0	0	50,600	50,600	50,600
Total other comprehensive income and expense	0	0	-121	0	0	0	0	0	-121	-121
Total comprehensive income and expense for the period	0	0	-121	0	0	0	0	50,600	50,479	50,479
At 30 September 2012	404,290	639	340	61,212	13,836	-4,163	527	278,889	755,570	755,570

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Note 1 CORPORATE INFORMATION

The interim consolidated financial statements of AS Tallink Grupp and its subsidiaries (hereinafter as “the Group”) for the first 9 months of the financial year 2012 were authorised for issue in accordance with a resolution of the Management Board on 15 November 2012. AS Tallink Grupp is a limited company incorporated in Estonia and employed 6,822 people at 30 September 2012 (31 December 2011: 6,610).

Note 2 BASIS OF PREPARATION

The interim consolidated financial statements of AS Tallink Grupp have been prepared in a condensed form in accordance with IFRS as adopted by EU and in accordance with the requirements of International Accounting Standard (IAS) 34 “Interim Financial Reporting”.

The same accounting policies and methods of computation are followed in the interim consolidated financial statements as in the annual consolidated financial statements of AS Tallink Grupp for the financial year ended on 31 December 2011.

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

Note 3 SEGMENT INFORMATION

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

Geographical segments

(in thousands of EUR)

01.01.2012-30.09.2012	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Germany- Finland route (Discontinued)	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue								
Sales to external customers	232,485	89,655	51,849	0	279,747	67,316	0	721,052
Inter-segment sales	0	0	0	0	0	6,858	-6,858	0
	232,485	89,655	51,849	0	279,747	74,174	-6,858	721,052
Segment result	66,152	12,257	-1,236	0	19,027	16,795	0	112,995
Unallocated expenses								-33,454
Net financial items (Note 4)								-29,724
Profit from subsidiaries								783
Profit before income tax								50,600

01.01.2011-30.09.2011	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Germany- Finland route (Discontinued)	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue								
Sales to external customers	209,945	83,839	50,088	16,374	281,865	51,243	0	693,354
Inter-segment sales	0	0	0	0	0	7,202	-7,202	0
	209,945	83,839	50,088	16,374	281,865	58,445	-7,202	693,354
Segment result	62,644	11,660	684	-8,047	31,263	9,326	0	107,530
Unallocated expenses								-29,437
Net financial items (Note 4)								-40,847
Profit before income tax								37,246

Revenue by services

(in thousands of EUR)	01.01.2012- 30.09.2012	01.01.2011- 30.09.2011
Ticket sales	190,580	196,059
Sales of cargo transport	77,470	78,965
Accommodation sales	12,728	12,317
Restaurant and shops sales on-board and on mainland	388,834	366,855
Income from leases of vessels	21,443	14,500
Other	29,997	24,658
Total revenue of the Group	721,052	693,354

Discontinued operation

In August 2011 the Group ended traffic between Germany and Finland.

(in thousands of EUR)	01.01.2012- 30.09.2012	01.01.2011- 30.09.2011
Results of discontinued operation		
Revenue	0	16,374
Expenses	0	-24,421
Results from operating activities	0	-8,047
Results from operating activities, net of tax	0	-8,047
Profit/-loss for the period	0	-8,047
Basic earnings per share (EUR)	0.00	-0.01
Diluted earnings per share (EUR)	0.00	-0.01

Note 4 FINANCE INCOME AND COSTS

(in thousands of EUR)	01.01.2012- 30.09.2012	01.01.2011- 30.09.2011
Net foreign exchange gains	1,317	0
Income from derivatives	985	0
Interest income	232	213
Total finance income	2,534	213
Net foreign exchange loss	0	-337
Interest expenses	-27,290	-31,981
Losses from derivatives	-4,968	-8,742
Total finance costs	-32,258	-41,060

Note 5 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. As the company does not have any potential ordinary shares, then the diluted earnings per share are equal to basic earnings per share.

	01.07.2012- 30.09.2012	01.07.2011- 30.09.2011	01.01.2012- 30.09.2012	01.01.2011- 30.09.2011
Weighted average number of ordinary shares (pcs)	669,882,040	669,882,040	669,882,040	669,882,040
Net profit/-loss attributable to ordinary shareholders	49,561	40,658	50,600	37,131
Earnings per share (in EUR per share)	0.07	0.06	0.08	0.06

Weighted average number of ordinary shares (pcs)

	01.07.2012- 30.09.2012	01.07.2011- 30.09.2011	01.01.2012- 30.09.2012	01.01.2011- 30.09.2011
Issued ordinary shares at the beginning of period	673,817,040	673,817,040	673,817,040	673,817,040
Effect of own shares held	-3,935,000	-3,935,000	-3,935,000	-3,935,000
Weighted average number of ordinary shares at end of period	669,882,040	669,882,040	669,882,040	669,882,040

Note 6 DERIVATIVE INSTRUMENTS

The Group uses interest rate swaps to manage its exposure to movements in interest rates. Where the effectiveness of the hedge relationship in a cash flow hedge is demonstrated, changes in the fair value are included in the hedging reserve in shareholders' equity and released to match actual payments on the hedged item. Changes in fair value of derivatives which do not qualify for hedge accounting under IAS 39 are recognized directly in the income statement.

As of 30.09.2012 AS Tallink Grupp had three interest rate derivative contracts with total notional amount of 270,000 thousand EUR with the maturities in years 2012, 2014 and 2018. The fair value of the interest rate derivatives recognized in the current interim financial statements as of 30.09.2012 is -23,739 thousand EUR.

Note 7 PROPERTY, PLANT AND EQUIPMENT

(in thousands of EUR)

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 December 2011	4,174	1,570,057	8,724	47	1,583,002
Additions	2,367	235	4,858	-43	7,417
Exchange rate differences	482	0	0	0	482
Disposals	0	-1,209	-2	0	-1,211
Depreciation for the period	-1,103	-46,277	-2,103	0	-49,483
Book value at 30 September 2012	5,920	1,522,806	11,477	4	1,540,207

At 30 September 2012

-Cost	11,992	1,646,824	28,077	4	1,686,897
-Accumulated depreciation	-6,072	-124,018	-16,600	0	-146,690

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 December 2010	5,598	1,632,704	5,789	142	1,644,233
Additions	109	3,541	2,911	-113	6,448
Exchange rate differences	-89	0	7	0	-82
Disposals	0	-3,687	-27	0	-3,714
Depreciation for the period	-1,094	-46,925	-1,908	0	-49,927
Book value at 30 September 2011	4,524	1,585,633	6,772	29	1,596,958

At 30 September 2011

-Cost	9,625	1,652,145	23,087	29	1,684,886
-Accumulated depreciation	-5,101	-66,512	-16,315	0	-87,928

Note 8 INTANGIBLE ASSETS

(in thousands of EUR)

	Goodwill	Trademark	Others	Total
Book value at 31 December 2011	11,066	42,250	7,837	61,153
Additions	0	0	1,481	1,481
Amortisation for the period	0	-2,187	-1,407	-3,594
Book value at 30 September 2012	11,066	40,063	7,911	59,040

At 30 September 2012

-Cost	11,066	58,288	21,649	91,003
-Accumulated amortisation	0	-18,225	-13,738	-31,963

	Goodwill	Trademark	Others	Total
Book value at 31 December 2010	11,066	45,166	9,023	65,255
Additions	0	0	204	204
Amortisation for the period	0	-2,187	-1,259	-3,446
Book value at 30 September 2011	11,066	42,979	7,968	62,013

At 30 September 2011

-Cost	11,066	58,288	19,944	89,298
-Accumulated amortisation	0	-15,309	-11,976	-27,285

Note 9 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of EUR)

	31 December 2011	Repayments	Other changes [1]	30 September 2012
Lease liabilities	60	-51	0	9
Long-term bank loans	959,506	-99,477	2,180	862,209
TOTAL	959,566	-99,528	2,180	862,218
incl. short-term portion	145,261			164,090
long-term portion	814,305			698,128

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

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

AS Tallink Grupp has given guarantees to HSH Nordbank AG, Nordea Bank Plc, Skandinaviska Enskilda Banken AB, KfW IPEX Bank, Danske Bank A/S and HSBC Bank Plc. for the loans granted to overseas subsidiaries amounting to 715,615 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 Tallink Silja Oy Ab amounting to 146,594 thousand EUR. The primary securities for these loans are the pledge of shares of Tallink Silja Oy Ab and mortgages on the Silja ships.

Note 10 SHARE CAPITAL

According to the Articles of Association of the Parent effective as of 30 September 2012 the maximum number of authorised common shares is 2,133,333,333.

At 30 September 2012 the Group held 3,935 thousand of the AS Tallink Grupp shares. Total cost of share buyback transactions of 3,935 thousand shares is 4,163 thousand EUR.

Note 11 SHARE OPTION PROGRAMME

In June 2011 the Group issued 7,317,500 share options of which 3,510,000 to the Management Board and Supervisory Board members and 3,807,500 to other Group employees. Each option gives right to purchase one share of AS Tallink Grupp. The share options were issued in accordance of the Share Option Programme which resolution was adopted at the Shareholders General Meeting on 08 February 2011. The options issued represent around 49% of the total authorized limit and 1.1% of the total shares outstanding. The terms and conditions of exercise of the issued share options are following: non-transferable; exercisable not earlier than 36 months from issue or 31 May 2014 and not later than 30 November 2014; exercise price EUR 0.858 in case of new shares issued or average acquisition cost in case existing shares will be purchased from the market; options are to be settled by physical delivery of shares.

At 30 September 2012 7,317,500 share options were valid and outstanding. Average remaining time to maturity of the outstanding share options is 20-26 months.

The fair value of the services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes model as of grant date. The Group used independent external advisor for the valuation share options who in addition to the share options terms and conditions used the following inputs for measurement: spot price of share EUR 0.72 as of 31 May 2011; expected volatility 30% based on historic analyse; option average time to maturity 42 months; the 3.4% and 8.1% annual dividend yields in 2012 and 2013 result in an effective dividend yield of 11.3% (based on the equity analysts' consensus) and; risk-free interest rate 1.411%.

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

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

Note 12 RELATED PARTY DISCLOSURES

(in thousands of EUR)

9 months of 2012 or 30.09.2012	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	44	37	6	5
AS HT Valuuta	87	0	1	0
AS Vara HTG	0	1,438	0	0
OÜ Mersok	0	7	0	1
AS Vaba Maa	7	557	2	43
OÜ Sunbeam	0	2,465	0	0
AS Gastrolink	1	772	0	46
AS Tallink Takso	0	62	0	9
OÜ Topspa Kinnisvara	0	1,880	0	0
OÜ Hansa Hotell	0	597	0	0
OÜ Fastinvest	0	841	0	0
SIA Happy Trails	1	2,424	0	178
Eesti Laevaomanike Liit	0	6	0	0
SEB Tallink Tennis Team	6	50	0	0
9 months of 2011 or 30.09.2011	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	29	50	11	5
AS HT Valuuta	88	0	1	0
AS Vara HTG	0	1,438	0	0
OÜ Mersok	0	6	0	1
AS Vaba Maa	7	809	1	71
OÜ Sunbeam	0	2,381	0	0
AS Gastrolink	0	688	0	47
AS Tallink Takso	0	64	0	12
OÜ Topspa Kinnisvara	0	1,835	0	0
OÜ Hansa Hotell	0	578	0	0
OÜ Fastinvest	0	806	0	0
SIA Happy Trails	0	2,197	0	11
Eesti Laevaomanike Liit	0	13	0	0

Note 13 SUBSIDIARIES

Subsidiary Kapella Shipping Limited was sold on 15 August 2012.

MANAGEMENT BOARD'S APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Hereby we declare our responsibility for the Interim Consolidated Financial Statements and confirm that the AS Tallink Grupp's Unaudited Interim Consolidated Financial Statements for the first 9 months of the financial year 2012 ended 30 September 2012 prepared in accordance with IFRS as adopted by EU and in accordance with IAS 34 give a true and fair view of the financial position of the Group and of the result of its operations and cash flows.

AS Tallink Grupp and its subsidiaries are able to continue as a going concern for a period of at least one year of the date of approving these financial statements.

A handwritten signature in black ink, consisting of a long horizontal stroke followed by a loop and a vertical line.

Chairman of the Management Board
Enn Pant

A handwritten signature in blue ink, featuring a stylized 'A' followed by a horizontal line.

Vice Chairman of the Management Board
Andres Hunt

A handwritten signature in blue ink, starting with a large 'J' followed by a horizontal line.

Member of the Management Board
Janek Stalmeister

A handwritten signature in black ink, featuring a stylized 'L' followed by a horizontal line.

Member of the Management Board
Lembit Kitter

A handwritten signature in blue ink, featuring a stylized 'P' followed by a horizontal line.

Member of the Management Board
Peter Roose

Tallinn 15.12.2012