



AS TALLINK GRUPP

Unaudited Interim Consolidated Financial Statements for the first quarter of the 2013 financial year

1 January 2013 - 31 March 2013

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

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MANAGEMENT REPORT

In the first quarter (1 January- 31 March) of the 2013 financial year AS Tallink Grupp and its subsidiaries' (the Group) results were impacted by operational events. In the first quarter, which is low season, several of the Group's vessels went through scheduled maintenance works resulting in fewer voyages and hence lower passenger and cargo volumes compared to the previous years when there have been typically less vessels out of service. In addition, the cruise ferries Silja Europa and Baltic Princess changed their operating routes resulting temporarily in fewer sailings due to the change. Accordingly, based on earlier decision the cruise ferry Baltic Princess was rerouted to Turku-Stockholm route in the beginning of February 2013 and the larger cruise ferry Silja Europa to Tallinn-Helsinki route from the end of January 2013. The change of vessels will improve cost efficiency which will have positive effect to the Group's result.

The Group carried 1.9 million passengers in the first quarter which is 4.5% less compared to the same period last year. The Group's consolidated revenue in the first quarter was EUR 190.6 million, being 1.7% or EUR 3.2 million less than a year ago. Through more effective dynamic pricing the average ticket revenue per passenger increased 11% in same period resulting in a 6% increase in total ticket revenue, despite the lower passenger volumes.

In the first quarter of 2013 financial year the Group's gross profit amounted to EUR 16.2 million and EBITDA to EUR 7.0 million being respectively EUR 2.6 million and EUR 3.2 million less compared to the same period last year. The decline in the Group's results is mainly related to scheduled maintenance works and vessels' route changes which in addition to fewer sailings and decreased traffic volume brought higher maintenance costs. The Group's vessels sailed 3.5% trips less compared to the first quarter of 2012. Switching the cruise ferries Silja Europa and Baltic Princess on their routes required nearly EUR 1 million in one off costs.

The unaudited net loss for the first quarter was EUR 17.7 million or EUR 0.03 per share compared to the net loss of EUR 19.0 million or EUR 0.03 per share in the same period last year.

In the first quarter positive development continued on the Latvia-Sweden route where revenue increased nearly 18% driven by 8% growth in passenger volume and increase in revenue per passenger.

In the first quarter the Group started to phase in the new version of internet booking system. Currently live on the Group's Finnish and Estonian websites the new online booking offers easier, faster and more convenient booking process.

At the end of the first quarter 2013 the Group had EUR 83.4 million in cash and equivalents and the total of unused credit lines were at EUR 7.3 million. The total liquidity, cash and unused credit facilities at the end of the fourth quarter were EUR 90.7 million providing a strong position for sustainable operations.

Q1 KEY FIGURES

		2013 Jan-Mar	2012 Jan-Mar	Change
Revenue	EUR million	190.6	193.8	-1.7%
Gross profit	EUR million	16.2	18.8	-13.7%
Gross margin (%)		8.5%	9.7%	
EBITDA	EUR million	7.0	10.2	-31.2%
EBITDA margin (%)		3.7%	5.3%	
Net profit for the period	EUR million	-17.5	-19.0	7.5%
Net profit margin (%)		-9.20%	-9.78%	
Depreciation and amortization	EUR million	17.7	17.8	-0.4%
Investments	EUR million	3.4	0.4	680.5%
Weighted average number of ordinary shares outstanding		669 882 040	669 882 040	
Earnings per share	EUR	-0.03	-0.03	7.5%
Number of passengers		1 895 353	1 984 735	-4.5%
Number of cargo units		67 003	72 671	-7.8%
Average number of employees		6 756	6 702	0.8%

		31.03.2013	31.12.2012	
Total assets	EUR million	1 750.1	1 741.8	0.5%
Interest-bearing liabilities	EUR million	864.3	840.4	2.8%
Net debt	EUR million	780.9	774.8	0.8%
Total equity	EUR million	743.4	760.8	-2.3%
Equity ratio (%)		42.5%	43.7%	
Net debt to EBITDA		4.8	4.7	
Number of ordinary shares outstanding ¹		669 882 040	669 882 040	0%
Shareholders' equity per share	EUR	1.11	1.14	-2.3%

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

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

Equity ratio: total equity / total assets;

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

Gross margin: gross profit / net sales;

EBITDA margin: EBITDA / net sales;

Net profit margin: net profit / net sales;

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

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

¹ Share numbers exclude own shares.

SALES & SEGMENT RESULTS

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

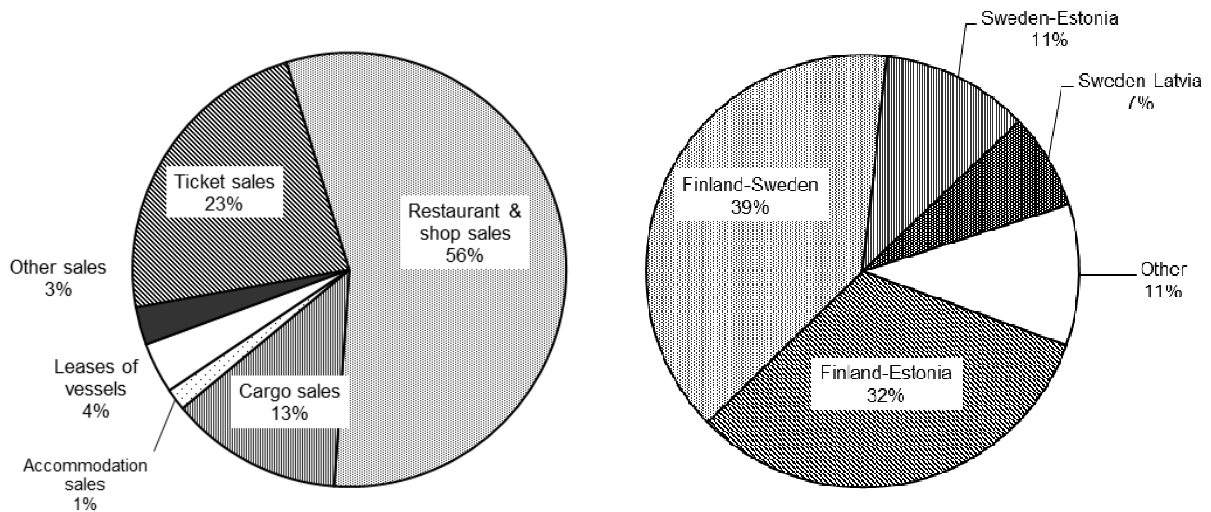
in EUR millions	Q1	Q2	Q3	Q4	Q1	Q1
	2012	2012	2012	2012	2013	change y-o-y
Ticket sales	41.5	64.6	84.5	50.4	44.0	6.0%
Restaurant & shop sales	109.2	132.0	147.1	128.6	106.3	-2.6%
Cargo sales	26.7	26.1	24.6	25.3	24.5	-8.1%
Accommodation sales	2.6	4.5	5.6	3.5	3.1	19.0%
Leases of vessels	7.4	6.9	7.2	7.5	7.2	-2.0%
Other sales	6.4	10.7	13.4	7.4	5.4	-15.8%
Total revenue	193.8	244.8	282.4	222.8	190.6	-1.7%

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

			Q1	Q2	Q3	Q4	Q1	Q1
			2012	2012	2012	2012	2013	change y-o-y
Finland- Estonia	Passengers	th.	909	1 171	1 341	1 076	895	-1.5%
	Cargo units	th.	34	36	34	32	29	-14.3%
	Revenue	mil.EUR	62.6	81.0	88.9	75.5	61.8	-1.3%
	Segment result	mil.EUR	12.3	25.0	28.8	20.4	9.3	-24.3%
Finland- Sweden	Passengers	th.	709	764	910	693	631	-11.0%
	Cargo units	th.	25	23	22	24	29	14.6%
	Revenue	mil.EUR	79.8	89.7	110.3	84.2	75.0	-5.9%
	Segment result	mil.EUR	-3.4	4.8	17.7	1.2	-5.2	51.0%
Sweden- Estonia	Passengers	th.	222	239	287	211	213	-3.8%
	Cargo units	th.	9	9	8	10	10	4.6%
	Revenue	mil.EUR	23.5	29.3	36.8	25.4	21.3	-9.6%
	Segment result	mil.EUR	-1.2	3.5	9.9	0.6	-1.7	48.4%
Sweden- Latvia	Passengers	th.	145	202	233	153	156	7.6%
	Cargo units	th.	4	5	4	5	5	1.1%
	Revenue	mil.EUR	11.8	17.7	22.4	14.5	13.8	17.5%
	Segment result	mil.EUR	-4.2	0.0	3.0	-2.0	-2.5	-40.7%
Other	Revenue	mil.EUR	17.4	29.4	27.4	25.1	20.2	16.5%
	Segment result	mil.EUR	-0.4	7.1	10.1	2.6	0.3	-171.7%
	Inter segment sales	mil.EUR	-1.3	-2.3	-3.3	-1.9	-1.5	22.9%
Total revenue		mil.EUR	193.8	244.8	282.4	222.8	190.6	-1.7%
EBITDA		mil.EUR	10.2	46.2	77.0	32.1	7.0	-31.2%
Total segment result		mil.EUR	3.0	40.4	69.6	22.8	0.1	-96.3%
Net profit/-loss		mil.EUR	-19.0	20.0	49.6	5.7	-17.5	-7.5%

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

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



MARKET DEVELOPMENTS

The following table provides an overview of the passengers, cargo units and passenger vehicles transported during the first quarter of 2013 and 2012 financial years.

	Q1 2013	Q1 2012	change
Passengers	1 895 343	1 984 735	-4.5%
Finland-Sweden	630 962	709 270	-11.0%
Estonia-Finland	895 299	909 012	-1.5%
Estonia-Sweden	213 408	221 811	-3.8%
Latvia-Sweden	155 674	144 642	7.6%
Cargo Units	67 003	72 671	-7.8%
Finland-Sweden	23 888	25 213	-5.3%
Estonia-Finland	28 887	33 705	-14.3%
Estonia-Sweden	9 687	9 260	4.6%
Latvia-Sweden	4 541	4 493	1.1%
Passenger Vehicles	206 747	210 141	-1.6%
Finland-Sweden	24 495	22 982	6.6%
Estonia-Finland	150 734	155 491	-3.1%
Estonia-Sweden	13 572	13 240	2.5%
Latvia-Sweden	17 946	18 428	-2.6%

The following operational factors influenced the development:

FINLAND-SWEDEN

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

ESTONIA-FINLAND

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

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

- The Group carried approximately 58% 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 54% of passengers and 35% of ro-ro cargo on the routes between Finland and Sweden;

PERSONNEL

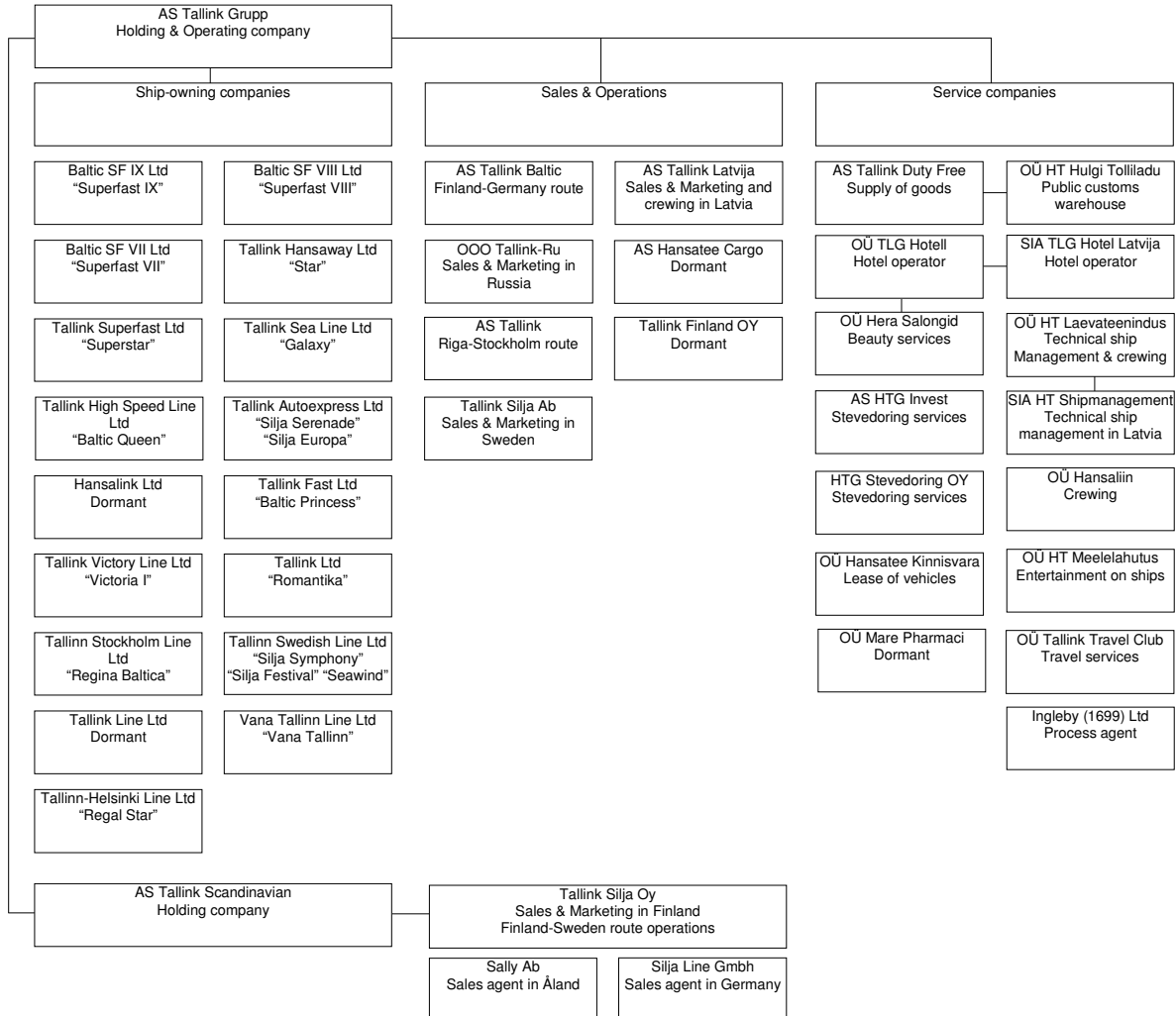
31 March 2013 the Group employed 6 837 employees (6 806, 31 March 2012). The following table provides a more detailed overview of the Group's personnel.

	Average of 1st quarter			End of 1st quarter		
	2013	2012	change %	31.03.2013	31.03.2012	change %
Onshore total	1 550	1 574	-1.5%	1 547	1 594	-2.9%
<i>Estonia</i>	797	783	1.8%	802	792	1.3%
<i>Finland</i>	491	515	-4.7%	491	508	-3.3%
<i>Sweden</i>	181	198	-8.6%	174	214	-18.7%
<i>Latvia</i>	65	62	4.8%	66	63	4.8%
<i>Germany</i>	5	6	-16.7%	4	6	-33.3%
<i>Russia</i>	11	10	10.0%	10	11	-9.1%
At sea	4 633	4 555	1.7%	4 721	4 640	1.7%
Hotel*	573	573	0.0%	569	572	-0.5%
Total	6 756	6 702	0.8%	6 837	6 806	0.5%

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

CORPORATE STRUCTURE

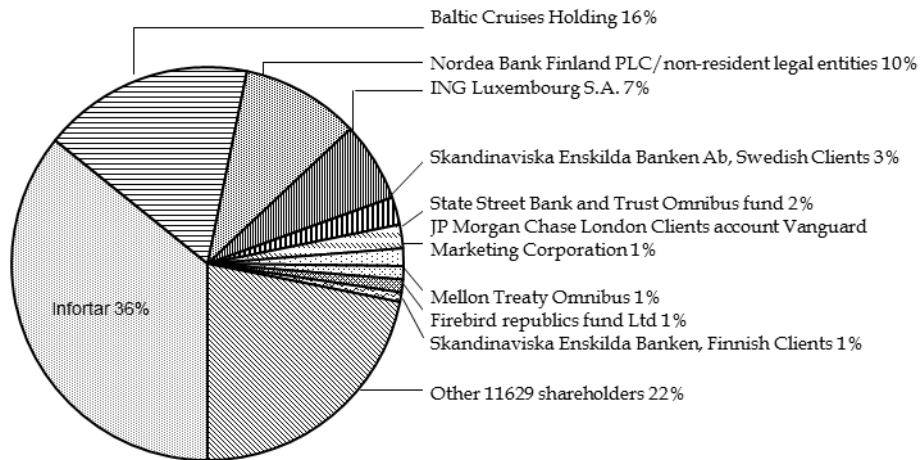
On the report date, the Group consisted of 45 companies. All of the subsidiaries are wholly-owned companies of AS Tallink Grupp. The following chart describes the structure of the Group as on the date of reporting:



The Group also owns:
34% of AS Tallink Takso

SHAREHOLDERS & SHARE PRICE DEVELOPMENT

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



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



Source: Nasdaq OMX Baltic

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

In April 2013 Hansalink Limited, a subsidiary of AS Tallink Grupp purchased the cruise ferry Isabelle (ex Isabella) from Viking Line ABP. The newer vessel with more passenger and car capacity replaced M/S Silja Festival on the Riga-Stockholm route in the beginning of May 2013, meeting the increased demand on that route. The total investment was approximately 30 million euros.

The Group's shareholders annual general meeting is scheduled for 14 May 2013. The meeting agenda includes approving the annual report, profit distribution with a proposal to pay dividend of EUR 0.05 per share, amending articles of association, nominating auditor, election of the Supervisory Board member and the remuneration of the Supervisory board.

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.

Continuous development of electronic sales channels, mobile platforms and the roll out of the new version of the online booking engine are expected to ease the booking process and further improve the customer experience. The new systems with better usability will help the Group to reach remote markets and also to strengthen its position in the home markets.

The competitive landscape on some of the Group's routes has changed. Between Finland-Sweden a new vessel was launched to replace an older ship. Changes in competition are continuing to add volatility to the traffic volumes.

The Group does not have any major investment commitments currently.

The management is expecting improvement in the Group's result in the 2013 financial year. However, with reference to the previous years' events, uncertainties in economies and hidden risks may have adverse impact to the operations.

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 first quarter of the 2013 financial year presents true and fair view of the development, results and the financial position of the Group and includes the overview of the main risks and uncertainties.



Enn Pant

Chairman of the Management Board



Andres Hunt

Vice Chairman of the Management Board



Lembit Kitter

Member of the Management Board



Janek Stalmeister

Member of the Management Board



Peter Roose

Member of the Management Board



Kadri Land

Member of the Management Board

14.05.2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited, in thousands of EUR)	01.01.2013- 31.03.2013	01.01.2012- 31.03.2012
Revenue (Note 3)	190,583	193,794
Cost of sales	-174,339	-174,980
Gross profit	16,244	18,814
Marketing expenses	-16,133	-15,772
Administrative expenses	-11,240	-10,729
Other income	326	156
Other expenses	-12	-20
Results from operating activities	-10,815	-7,551
Finance income (Note 4)	2,604	72
Finance costs (Note 4)	-9,306	-11,472
Profit/-loss before income tax	-17,517	-18,951
Income tax	-8	0
Net profit/-loss for the period	-17,525	-18,951
Other comprehensive income/-expense		
Exchange differences on translating foreign operations	9	57
Other comprehensive income/-expense for the period	9	57
Total comprehensive income/-expense for the period	-17,516	-18,894
Profit/-loss attributable to:		
Equity holders of the parent (Note 5)	-17,525	-18,951
Total comprehensive income/-expense attributable to:		
Equity holders of the parent	-17,516	-18,894
Earnings per share (in EUR per share)		
- basic (Note 5)	-0.03	-0.03
- diluted (Note 5)	-0.03	-0.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited, in thousands of EUR)

ASSETS	31.03.2013	31.12.2012
Current assets		
Cash and cash equivalents	83,407	65,600
Trade and other receivables	39,599	42,555
Prepayments	16,176	5,151
Inventories	27,078	29,426
Total current assets	166,260	142,732
Non-current assets		
Investments in equity-accounted investees	245	245
Other financial assets	291	296
Deferred income tax assets	12,264	12,264
Investment property	300	300
Property, plant and equipment (Note 7)	1,512,200	1,526,995
Intangible assets (Note 8)	58,536	58,999
Total non-current assets	1,583,836	1,599,099
TOTAL ASSETS	1,750,096	1,741,831
LIABILITIES AND EQUITY		
Current liabilities		
Interest bearing loans and borrowings (Note 9)	146,343	103,685
Trade and other payables	96,081	92,988
Deferred income	26,702	25,458
Derivatives (Note 6)	19,580	22,102
Total current liabilities	288,706	244,233
Non-current liabilities		
Interest bearing loans and borrowings (Note 9)	717,926	736,699
Other liabilities	71	69
Total non-current liabilities	717,997	736,768
TOTAL LIABILITIES	1,006,703	981,001
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	404,290	404,290
Share premium	639	639
Reserves	69,179	69,091
Retained earnings	269,285	286,810
Total equity attributable to equity holders of the parent	743,393	760,830
TOTAL EQUITY	743,393	760,830
TOTAL LIABILITIES AND EQUITY	1,750,096	1,741,831

CONSOLIDATED CASH FLOW STATEMENT

(unaudited, in thousands of EUR)	01.01.2013 - 31.03.2013	01.01.2012- 31.03.2012
Cash flows from operating activities		
Net profit/-loss for the period	-17,525	-18,951
Adjustments	25,439	28,618
Changes in assets related to operating activities	-5,686	-8,745
Changes in liabilities related to operating activities	3,749	7,573
Income tax paid	-22	-8
	5,955	8,487
Cash flow used for investing activities		
Purchase of property, plant and equipment and intangible assets (Notes 7, 8)	-3,364	-431
Proceeds from disposals of property, plant and equipment	31	0
Payments for settlement of derivatives	-1,123	-839
Interest received	13	74
	-4,443	-1,196
Cash flow from (+)/ used for (-) financing activities		
Payment of transaction costs related to loans	-383	0
Change in overdraft	42,736	0
Redemption of loans (Note 9)	-19,166	-24,383
Repayment of finance lease liabilities (Note 9)	-2	-22
Interest paid	-6,890	-9,011
	16,295	-33,416
TOTAL NET CASH FLOW	17,807	-26,125
Cash and cash equivalents:		
- at the beginning of period	65,600	75,421
- increase (+) / decrease (-)	17,807	-26,125
Cash and cash equivalents at end of period	83,407	49,296

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited, in thousands of EUR)

	Share capital	Share premium	Translation reserve	Ships revaluation reserve	Mandatory legal reserve	Reserve for treasury shares	Share option programme reserve	Retained earnings	Shareholders' equity	Total equity
At 31 December 2011	404,290	639	461	61,710	11,962	-4,163	527	229,665	705,091	705,091
Changes in equity for the first 3 months of 2012										
Total comprehensive income and expense for the period										
Net profit/-loss of the first 3 months of the year 2012 (Note 5)	0	0	0	0	0	0	0	-18,951	-18,951	-18,951
Total other comprehensive income and expense	0	0	57	0	0	0	0	0	57	57
Total comprehensive income and expense for the period	0	0	57	0	0	0	0	-18,951	-18,894	-18,894
At 31 March 2012	404,290	639	518	61,710	11,962	-4,163	527	210,714	686,197	686,197
At 31 December 2012	404,290	639	-102	58,993	13,836	-4,163	527	286,810	760,830	760,830
Changes in equity for the first 3 months of 2013										
Share-based payments transactions (Note 11)	0	0	0	0	0	0	79	0	79	79
Total comprehensive income and expense for the period										
Net profit/-loss of the first 3 months of the year 2013 (Note 5)	0	0	0	0	0	0	0	-17,525	-17,525	-17,525
Total other comprehensive income and expense	0	0	10	0	0	0	0	0	10	10
Total comprehensive income and expense for the period	0	0	10	0	0	0	0	-17,525	-17,515	-17,515
At 31 March 2013	404,290	639	-92	58,993	13,836	-4,163	606	269,285	743,394	743,394

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 3 months of the financial year 2013 were authorised for issue in accordance with a resolution of the Management Board on 14 May 2013. AS Tallink Grupp is a limited company incorporated in Estonia and employed 6,837 people at 31 March 2013 (31 December 2012: 6,747).

Note 2 BASIS OF PREPARATION

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

The same accounting policies and methods of computation are followed in the interim consolidated financial statements as in the annual consolidated financial statements of AS Tallink Grupp for the financial year ended on 31 December 2012.

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

Note 3 SEGMENT INFORMATION

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

Geographical segments

(in thousands of EUR)

01.01.2013-31.03.2013	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue							
Sales to external customers	61,786	21,278	13,811	75,026	18,682	0	190,583
Inter-segment sales	0	0	0	0	1,542	-1,542	0
	61,786	21,278	13,811	75,026	20,224	-1,542	190,583
Segment result							
	9,282	-1,730	-2,518	-5,191	268	0	111
Unallocated expenses							-10,926
Net financial items (Note 4)							-6,702
Profit/-loss before income tax							-17,517

01.01.2012-31.03.2012	Estonia- Finland route	Estonia- Sweden routes	Latvia- Sweden route	Finland- Sweden routes	Others	Elimination of intersegment sales	Total
Revenue							
Sales to external customers	62,628	23,543	11,755	79,761	16,107	0	193,794
Inter-segment sales	0	0	0	0	1,255	-1,255	0
	62,628	23,543	11,755	79,761	17,362	-1,255	193,794
Segment result							
	12,264	-1,166	-4,244	-3,438	-374	0	3,042
Unallocated expenses							-10,593
Net financial items (Note 4)							-11,400
Profit/-loss before income tax							-18,951

Revenue by service

(in thousands of EUR)	01.01.2013- 31.03.2013	01.01.2012- 31.03.2012
Ticket sales	44,024	41,542
Sales of cargo transport	24,523	26,687
Sales of accommodation	3,101	2,605
Restaurant and shops sales on-board and on mainland	106,307	109,178
Income from leases of vessels	7,242	7,388
Other	5,386	6,394
Total revenue of the Group	190,583	193,794

Note 4 FINANCE INCOME AND FINANCE COSTS

(in thousands of EUR)	01.01.2013- 31.03.2013	01.01.2012- 31.03.2012
Net foreign exchange gains	50	0
Income from derivatives	2,522	0
Interest income	32	72
Total finance income	2,604	72
Net foreign exchange loss	0	-500
Interest expenses	-8,183	-10,133
Losses from derivatives	-1,123	-839
Total finance costs	-9,306	-11,472

Note 5 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The outstanding share options have diluting effect due to their exercise price being lower than the average price in the stock market during the reporting period.

	01.01.2013 31.03.2013	01.01.2012- 31.03.2012
Weighted average number of ordinary shares, basic (pcs)	669,882,040	669,882,040
Effect of share options on issue	1,096,188	0
Weighted average number of ordinary shares, diluted (pcs)	670,978,228	669,882,040
Net profit/-loss attributable to ordinary shareholders	-17,525	-18,951
Earnings per share, basic (in EUR per share)	-0.03	-0.03
Earnings per share, diluted (in EUR per share)	-0.03	-0.03

Weighted average number of ordinary shares

(pcs)	01.01.2013- 31.03.2013	01.01.2012- 31.03.2012
Issued ordinary shares at the beginning of period	673,817,040	673,817,040
Effect of own shares held	-3,935,000	-3,935,000
Weighted average number of ordinary shares at end of period	669,882,040	669,882,040

Note 6 DERIVATIVE INSTRUMENTS

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

As of 31.03.2013 AS Tallink Grupp had three interest rate derivative contracts with total notional amount of 270,000 thousand EUR with the maturities in years 2014, 2018 and 2019. The fair value of the interest rate derivatives recognized in the current interim financial statements as of 31.03.2013 is -19,580 thousand EUR.

Note 7 PROPERTY, PLANT AND EQUIPMENT

(in thousands of EUR)

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value as of 31 December 2012	5,653	1,509,889	11,007	446	1,526,995
Additions	0	1,379	1,505	-257	2,627
Reclassification	0	2,135	-2,135	0	0
Disposals	0	0	-777	0	-777
Depreciation for the period	-109	-15,460	-1,076	0	-16,645
Book value as of 31 March 2013	5,544	1,497,943	8,524	189	1,512,200

As of 31 March 2013

-cost	12,632	1,652,575	27,087	189	1,692,483
-accumulated depreciation	-7,088	-154,632	-18,563	0	-180,283

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value as of 31 December 2011	4,174	1,570,057	8,724	47	1,583,002
Additions	0	0	327	14	341
Exchange rate differences	105	0	0	0	105
Depreciation for the period	-406	-15,545	-639	0	-16,590
Book value as of 31 March 2012	3,873	1,554,512	8,412	61	1,566,858

As of 31 March 2012

-cost	9,625	1,651,505	25,321	61	1,686,512
-accumulated depreciation	-5,752	-96,993	-16,909	0	-119,654

Note 8 INTANGIBLE ASSETS

(in thousands of EUR)

	Goodwill	Trademark	Others	Total
Book value as of 31 December 2012	11,066	39,334	8,599	58,999
Additions	0	0	737	737
Amortisation for the period	0	-729	-471	-1,200
Book value as of 31 March 2013	11,066	38,605	8,865	58,536

As of 31 March 2013

-cost	11,066	58,288	22,981	92,335
-accumulated amortisation	0	-19,683	-14,116	-33,799

	Goodwill	Trademark	Others	Total
Book value as of 31 December 2011	11,066	42,250	7,837	61,153
Additions	0	0	90	90
Amortisation for the period	0	-729	-447	-1,176
Book value as of 31 March 2012	11,066	41,521	7,480	60,067

As of 31 March 2012

-cost	11,066	58,288	20,258	89,612
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-accumulated amortisation 0 -16,767 -12,778 -29,545

Note 9 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of EUR)

	31 December 2012	New loans	Repayments	Other changes [1]	31 March 2013
Lease liabilities	4	0	-2	0	2
Overdraft	0	42,736	0	0	42,736
Long-term bank loans	840,380	0	-19,166	317	821,531
TOTAL	840,384	42,736	-19,168	317	864,269
incl. short-term portion	103,685				146,343
long-term portion	736,699				717,926

[1] Other changes are related to capitalisation and 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, Danske Bank A/S and HSBC Bank Plc for the loans granted to overseas subsidiaries amounting to 398,905 thousand EUR and for the loan granted to AS Tallink Grupp amounting to 422,626 thousand EUR. The primary securities for these loans are the pledge of shares of the overseas subsidiaries and mortgages on the ships belonging to the above-mentioned subsidiaries.

Note 10 SHARE CAPITAL

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

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

Note 11 SHARE OPTION PROGRAMME

In June 2011 the Group issued 7,317,500 share options of which 3,510,000 to the Management Board and Supervisory Board members and 3,807,500 to other Group employees. Each option gives right to purchase one share of AS Tallink Grupp. The share options were issued in accordance of the Share Option Programme which resolution was adopted at the Shareholders General Meeting on 08.02.2011. The options issued represent around 49% of the total authorized limit and 1.1% of the total shares outstanding. The terms and conditions of exercise of the issued share options are following: non-transferable; exercisable not earlier than 36 months from issue or 31.05.2014 and not later than 30.11.2014; exercise price EUR 0.858 in case of new shares issued or average acquisition cost in case existing shares will be purchased from the market; options are to be settled by physical delivery of shares.

The fair value of the services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes model as of grant date. The Group used independent external advisor for the valuation share options who in addition to the share options terms and conditions used the following inputs for measurement: spot price of share EUR 0.72 as of 31.05.2011; expected volatility 30% based on historic analyse; option average time to maturity 42 months; the 3.4% and 8.1% annual dividend yields in 2012 and 2013 result in an effective dividend yield of 11.3% (based on the equity analysts' consensus) and; risk-free interest rate 1.411%.

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

In December 2012 the Group issued 7,610 thousand share options of which 3,850 thousand to the Management Board and Supervisory Board members and 3,760 thousand to other Group employees. Each option gives right to purchase one share of AS Tallink Grupp. The share options were issued in accordance of the Share Option Programme which resolution was adopted at the Shareholders General Meeting on 08 February 2011. The terms and conditions of exercise of the issued share options are following: non-transferable; exercisable not earlier than 36 months from issue or 21 December 2015 and not later than 21

June 2015; exercise price EUR 0.858 in case of new shares issued or average acquisition cost in case existing shares will be purchased from the market; options are to be settled by physical delivery of shares.

The fair value of the services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes model as of grant date. The Group used independent external advisor for the valuation share options who in addition to the share options terms and conditions used the following inputs for measurement: spot price of share EUR 0.848 at grant date; expected volatility 30% based on historic analysis; option average time to maturity 42 months; the 3.5% annual dividend yield and; risk-free interest rate 0.336%.

The value of the options issued at the end of 2012 in the amount 951 thousand EUR will be recorded as an expense during the vesting period 36 months from the beginning of 2013.

At 31 March 2013 14,927,500 share options were valid and outstanding. Average remaining time to maturity of the outstanding share options is 14-39 months.

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

Note 12 RELATED PARTY DISCLOSURES

(in thousands of EUR)

3 months of 2013 or 31.03.2013	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
AS Infortar	16	12	7	5
AS HT Valuuta	29	0	1	0
AS Vara HTG	0	479	0	0
OÜ Mersok	0	1	0	0
AS Vaba Maa	5	140	3	10
OÜ Sunbeam	0	842	0	0
AS Gastrolink	1	208	0	54
AS Tallink Takso	0	17	0	8
OÜ Topspa Kinnisvara	0	642	0	0
OÜ Hansa Hotell	0	204	0	0
OÜ Fastinvest	0	298	0	0
SIA Happy Trails	0	844	0	641
Eesti Laevaomanike Liit	0	6	0	0
SEB Tallink Tennis Team	0	50	0	0
3 months of 2012 or 31.03.2012	Sales to related parties	Purchases from related parties	Receivables from related parties	Payables to related parties
AS Infortar	14	13	5	0
AS HT Valuuta	29	0	1	0
AS Vara HTG	0	479	0	0
OÜ Mersok	0	2	0	1
AS Vaba Maa	2	163	1	47
OÜ Sunbeam	0	822	0	0
AS Gastrolink	1	252	0	72
AS Tallink Takso	0	20	0	8
OÜ Topspa Kinnisvara	0	627	0	0
OÜ Hansa Hotell	0	199	0	0
OÜ Fastinvest	0	281	0	0
SIA Happy Trails	1	822	2	129
Eesti Laevaomanike Liit	0	6	0	0
SEB Tallink Tennis Team	0	50	0	0

Note 13 SUBSEQUENT EVENTS

On 22.04.2013 Hansalink Limited, a subsidiary of AS Tallink Grupp, completed the transaction of purchase the cruise ferry Isabella from Viking Line ABP. The ship started service departing Riga in the second week of May under the new name Isabelle. Isabelle replaced Silja Festival on the Riga-Stockholm route.

Annual General Meeting will be held on 14.05.2013.

MANAGEMENT BOARD'S APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Hereby we declare our responsibility for the Interim Consolidated Financial Statements and confirm that the AS Tallink Grupp's Unaudited Interim Consolidated Financial Statements for the first quarter of the financial year 2013 ended 31 March 2013 prepared in accordance with IFRS as adopted by EU and in accordance with IAS 34 give a true and fair view of the financial position of the Group and of the result of its operations and cash flows.

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



Chairman of the Management Board
Enn Pant



Vice Chairman of the Management Board
Andres Hunt



Member of the Management Board
Janek Stalmeister



Member of the Management Board
Lembit Kitter



Member of the Management Board

Peter Roose



Member of the Management Board

Kadri Land

Tallinn 14.05.2013