

AS TALLINK GRUPP

Unaudited Interim Consolidated Condensed Financial Statements

for the 12 months of the financial year 2007/2008
ended August 31, 2008

Beginning of the financial year	1. September 2007
End of the financial year	31. August 2008
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Primary activity	maritime transportation (passengers and cargo transportation)



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MANAGEMENT REPORT FOR THE INTERIM FINANCIAL STATEMENTS for the 12 months of the financial year 2007/2008 ended August 31, 2008

The 2007/2008 financial year for AS Tallink Grupp (hereinafter also referred to as the Group) was one of the most eventful. In one year we took delivery of two new vessels, made several changes in the routes operations and launched a new booking reservation and check-in system. The 2007/2008 financial year ended before effect of these the positive changes and developments became visible. However, the start of the new 2008/2009 financial year is very positive with traffic volumes indicating strong growth in autumn 2008 as a result of the developments implemented in the previous financial year.

The Group's revenues increased strongly on the newest Sweden-Latvia route and also on the Finland-Estonia route where the new Tallink Shuttle service is the main contributing factor . This was partly offset by worse than expected performance on the Finland – Sweden route and the Germany – Finland route. As a result, the group revenues for the financial year increased by 3.4% totalling EUR 786.8 million (EEK 12,310 million). The Group's sales in the fourth quarter amounted to EUR 237 million (EEK 3,710 million) EBITDA was EUR 49.7 million (EEK 777.6 million) and net profit for the quarter was EUR 29.5 million (EEK 460.9 million).

The 2007/2008 financial year was largely influenced by significantly increased fuel costs, higher interest costs and weak traffic volumes on some routes. During the year the total fuel cost increased nearly 700 million EEK (45 million EUR) million compared to the previous financial year as the market price for fuel was at record high levels.

In the fourth quarter the Group delivered the newest cruise ferry M/S Baltic Princess. The delivery of the new vessel was delayed which resulted in significant route changes during the high season. The timing of the new vessel and consequent route changes were unclear until very late and as a result of which the pre-marketing period was too short, resulting in an immediate weaker result compared to our previous deliveries. This further delayed other re-routings which altogether affected negatively the Group result in the fourth quarter as the associated start-up costs were not covered by the end of August 2008.

As a result of the above, high fuel cost, weaker than expected traffic numbers and with the negative development on the Germany route the EBITDA for the full year decreased to EUR 126.7 million (EEK 1,982 million), down by EUR 32.3 million (EEK 505 million). The net profit for the Group during the last financial year was EUR 20.3 million (EEK 318 million).

Management have taken a number of operational steps to address the issues seen in the last financial year and to try to deliver significantly improved financial performance in the current financial year. At the time of this report the signs for the Group result improvement are clearly noticeable providing an encouraging outlook for the current financial year. We can highlight the following:

- The new booking reservation and check-in system launch which disturbed our sales last year is now running at its full functionality.
- New cruise vessel delivery and related vessels' route changes have been successfully implemented.
- Passenger bookings for the coming months are increasing.
- Steps taken to address the situation on the Germany route: we now operate with only two vessels on a decreased cost base with the third vessel heading to a profitable

charter in the coming weeks. Other possibilities are being actively explored to further address the issues on this route.

- The fuel price which has been very high last summer has now decreased significantly and, in EUR, is back to the levels that were seen in the years 2006-2007. Given the high market volatility, management has decided to use the current situation in order to hedge a portion of the fuel cost for the year 2009.
- The competition on the Tallinn-Helsinki route has reduced as two of the fast craft operators have exited from the market. These operators are unlikely to restart operations and their total annual passenger volume has been close to one million. Given the recently launched Tallink Shuttle service and our available capacity we believe that a noticeable portion of this passenger volume will be served by Tallink.

So far, besides the interest rate decrease in last summer, we do not notice other significant direct impact of the global financial crisis on Tallink's operations. The Group's loans have on average 10 years maturity and are being repaid based on agreed repayment schedule served from the business cash flows. Currently we do not see the need for refinancing any of the loans as there will not be any large bullet repayments due before the year 2013. The loan agreement for the new Cruise 5 vessel (to be delivered in 2009) has also been concluded earlier stating the financing on time of the delivery of the vessel.

From the operational liquidity aspect the new 2008/2009 financial year will be in many areas better for the Group. The capital down payments needed for the new vessels is only EUR 6 million. In comparison during the 2007/2008 financial year ended the Group was paying 38 million EUR to the shipyards before the agreed 80% bank financing. Given the (a) reduction of capacity and thereby lower costs on the Germany route (b) visible positive development on the traffic volumes and (c) lower fuel costs and reduced exposure to rising fuel prices going forward, the operational cash flows and company's liquidity is expected to be healthy.

KEY EVENTS IN 4th QUARTER

- Delivery of M/S Baltic Princess;
- Sale of M/S Fantaasia.

12 MONTHS KEY FIGURES

	01.09.2007-31.08.2008		01.09.2006-31.08.2007		change %
	EEK	EUR	EEK	EUR	
Net sales (million)	12,310.0	786.8	11,903.3	760.8	3.4%
Gross profit (million)	2,580.9	165.0	3,136.6	200.5	-17.7%
Gross margin (%)	20.9%		26.4%		
EBITDA (million)	1,982.4	126.7	2,487.3	159.0	-20.3%
EBITDA margin (%)	16.1%		20.9%		
Net profit for the period (million)	318.0	20.3	1,049.3	67.1	-69.7%
Net profit margin (%)	2.6%		8.8%		
Depreciation (million)	964.3	61.6	925.5	59.1	4.2%
Investments (million)	4,240.3	271.0	2,203.5	140.8	92.4%
Weighted average number of ordinary shares outstanding during 12 months*	671,245,086		673,817,040		
Earnings per share	0.47	0.03	1.56	0.100	-69.8%
Number of passengers	7,070,264		6,873,339		2.9%
Cargo units	331,149		359,781		-8%
Average number of employees	6,564		6,227		5.4%

	31.08.2008	31.08.2007	change%

Total assets (million)	29,701.8	1,898.3	26,570.9	1,698.2	11.8%
Total liabilities (million)	19,308.2	1,234.0	16,436.0	1,050.4	17.5%
Interest-bearing liabilities (million)	17,524.6	1,120.0	14,831.7	947.9	18.1%
Total equity (million)	10,393.6	664.3	10,134.9	647.7	2.6%
Equity ratio (%)	35.2%		38.1%		

Number of ordinary shares outstanding*	669,882,040		673,817,040		-0.6%
Shareholders' equity per share	15.5	0.99	15.04	0.96	3.1%

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

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. Numbers exclude own shares.

SALES AND EARNINGS

Net sales of the Group amounted to 12,310 million EEK (786.8 million EUR) in the 12 months of 2007/2008 financial year (September 01, 2007 – August 31, 2008) compared to 11,903 million EEK (760.8 million EUR) in the 12 months of 2006/2007 financial year (September 01, 2006 – August 31, 2007). Sales increased mostly on the Finland-Estonia and Sweden-Latvia route respectively by 21.6% and 46.8%.

The following tables provide an overview of the sales distribution in the 12 months of the financial year on geographical and operational segment based approach.

Geographical segments	07/08	06/07	Operational segments	07/08	06/07
Finland - Sweden	43.3%	47.5%	Restaurant and shop sales on-board and on mainland	49.6%	49.9%
Estonia - Finland	26.1%	22.2%	Ticket sales	24.9%	24.1%
Estonia - Sweden	12.4%	11.9%	Sales of cargo transportation	21.8%	20.2%
Finland - Germany	9.0%	11.5%	Accommodation sales	1.2%	0.9%
Latvia - Sweden	4.5%	3.1%	Income from leases of vessels	1.3%	1.6%
Mainland business and lease of vessels	4.7%	3.8%	Other sales	2.7%	3.2%

The Group's gross profit decreased by 555.7 million EEK (35.5 million EUR) to 2,580 million EEK (165 million EUR), EBITDA decreased by 504.9 million EEK to 1,982 million EEK (126.7 million EUR) and the net profit decreased by 731.3 million EEK (40.7 million EUR) from 1,049 million EEK (67 million EUR) to 318 million EEK (20.3 million EUR). Basic earnings per share and diluted earnings per share were 0.47 EEK (0.03 EUR) in the 12 months of 2007/2008 financial year compared to 1.56 EEK (0.10 EUR) year before.

The largest impact to the decrease in Group's earnings was the high fuel price. Compared to the 12 months of the previous financial year the Group's fuel costs have increased by around 700 million EEK (45 million EUR). Around 35% of the increase came from the Finland-Germany route. Group's management has already taken action towards improving the route and has agreed to charter out one of the Superfast vessels, Superfast IX, on a five year contract starting from autumn 2008. The charter serves the objective of improving the return on the capital of the Superfast vessels and maintaining the overall Group's return ratios.

As the fuel price has significantly decreased since the summer and given the high market volatility the management has decided to use current situation in order to hedge portion of the fuel price risk for the 2009 year.

The interest rate increase has also affected earnings. The Group's interest expenses increased by 128.7 million EEK (8.2 million EUR) which is partly offset by the income from the interest rate swaps.

MARKET DEVELOPMENTS

Following table provides an overview of the passengers, cargo units and passenger vehicles transported in the 12 months of 2007/2008 and 2006/2007 financial years.

	2007/2008	2006/2007	change	Q4 2007/2008	Q4 2006/2007	change
Passengers	7 070 264	6 873 339	2,9%	2 362 718	2 332 179	1,3%
Finland-Sweden	2 860 278	3 234 321	-11,6%	969 803	1 078 119	-10,0%
Estonia-Finland	2 934 674	2 541 834	15,5%	919 185	839 508	9,5%
Estonia-Sweden	772 811	710 226	8,8%	262 509	239 786	9,5%
Latvia-Sweden	357 533	256 690	39,3%	145 552	116 067	25,4%
Finland-Germany	144 968	130 268	11,3%	65 669	58 699	11,9%
Cargo Units	331 149	359 781	-8,0%	75 117	88 869	-15,5%
Finland-Sweden	102 949	126 195	-18,4%	22 848	27 787	-17,8%
Estonia-Finland	118 526	109 572	8,2%	28 543	30 018	-4,9%
Estonia-Sweden	44 353	42 536	4,3%	11 558	9 920	16,5%
Latvia-Sweden	13 262	8 479	56,4%	3 411	2 632	29,6%
Finland-Germany	52 059	72 999	-28,7%	8 757	18 512	-52,7%
Passenger Vehicles	671 537	590 978	13,6%	263 847	246 741	6,9%
Finland-Sweden	164 059	201 198	-18,5%	74 547	95 642	-22,1%
Estonia-Finland	363 194	251 900	44,2%	128 077	96 707	32,4%
Estonia-Sweden	52 839	59 023	-10,5%	20 696	20 147	2,7%
Latvia-Sweden	51 652	38 832	33,0%	20 012	17 004	17,7%
Finland-Germany	39 793	40 025	-0,6%	20 515	17 241	19,0%

The following operational factors influenced the traffic volumes development in the 12 months:

Finland-Sweden:

The sale of M/S SkyWind in August 2007 resulted in smaller capacities in the 12 months of 2007/2008 financial year compared to the same period of the previous financial year.

In the beginning of the year 2008 the schedule of M/S Sea Wind was changed so that the vessel will not stop in the Åland Islands any more. As a result the vessel is now carrying only cargo units compared to passenger, car and cargo mix before.

Estonia-Finland:

Tallink Shuttle service with new M/S Star was operated between Tallinn and Helsinki route compared to the mix of various other and smaller vessels in the 12 months of the previous financial year. In the end of April 2008 the second Tallink Shuttle vessel Superstar started also the Shuttle service.

Estonia-Sweden:

M/S Vana Tallinn did not operate between Paldiski-Kapellskär, but was operating on the route in the period of September 2006 until December 2006.

Latvia-Sweden:

Two vessels operation and everyday departures to both destinations compared to partly one vessel operations in the previous financial year.

Finland-Germany:

The traffic results were affected by the increased competition in cargo transportation.

The Group's market shares on the routes operated during a 12 month period ending on the August 31, 2008 were as follows:

- The Group carried approximately 47% of the passengers and 56% 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 75%;
- The Group is the only provider of daily passenger and ro-ro cargo transportation between Riga and Stockholm;
- The Group carried approximately 52% 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 53% and the approximate market share of ro-ro cargo transportation was 15%.

PERSONNEL

On August 31, 2008 the Group employed 6,890 employees (6,481 on August 31, 2007).

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

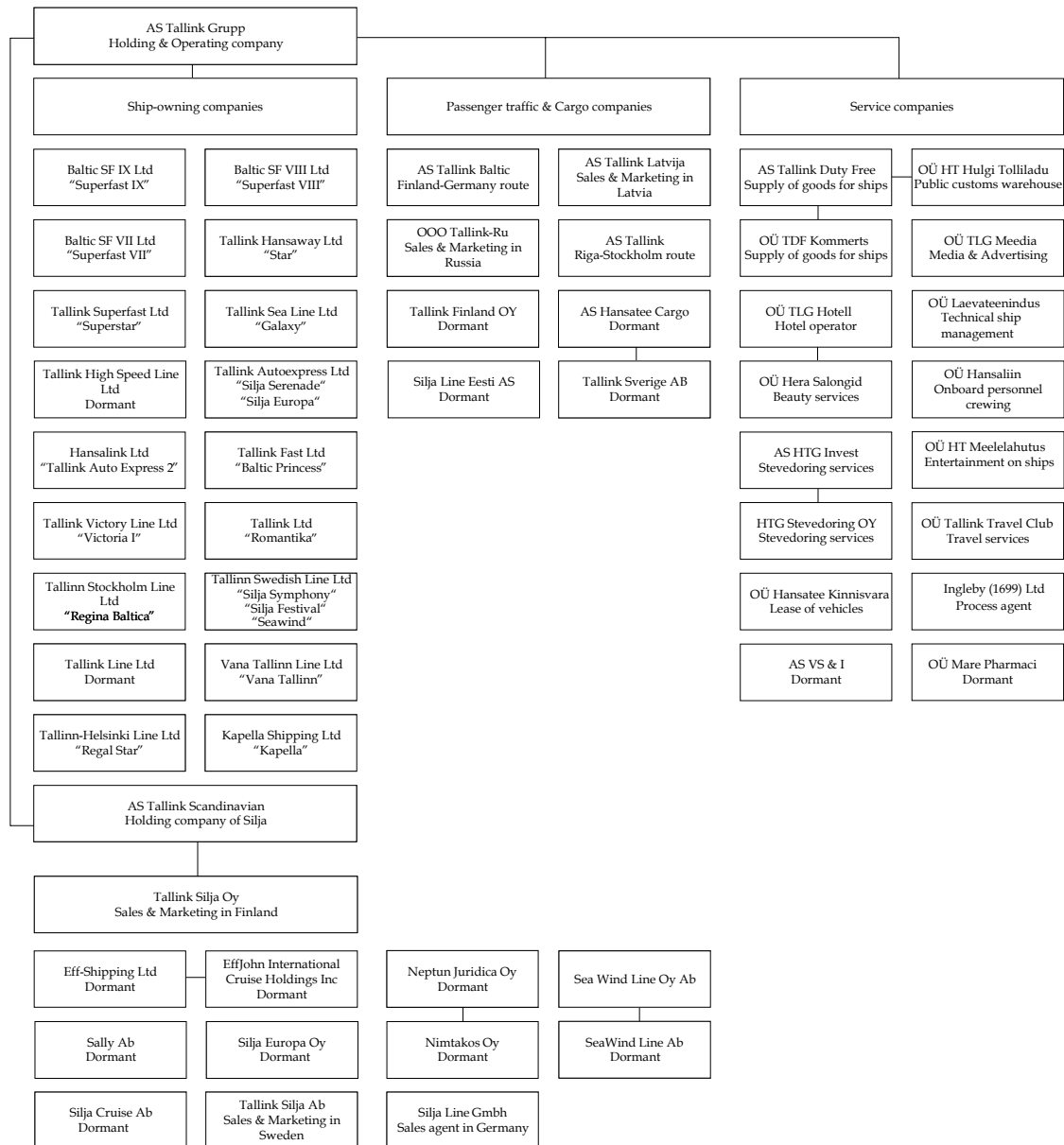
	Average of 12 months			End of 4 th quarter		
	2007/2008	2006/2007	change %	31.08.2008	31.08.2007	change %
Onshore total	1,611	1,503	7,2%	1,721	1,642	4,8%
<i>Estonia</i>	750	606	23,8%	778	683	13,9%
<i>Finland</i>	597	578	3,3%	654	662	-1,2%
<i>Sweden</i>	200	274	-27,0%	219	238	-8,0%
<i>Latvia</i>	40	30	33,3%	45	37	21,6%
<i>Germany</i>	18	11	63,6%	19	15	26,7%
<i>Russia</i>	6	4	50,0%	6	7	-14,3%
At sea	4,579	4,516	1,4%	4,665	4,567	2,1%
Hotel*	374	208	79,8%	504	272	85,3%
Total	6,564	6,227	5,4%	6,890	6,481	6,3%

* 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 59 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:

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

EVENTS DURING THE 4th QUARTER OF 2007/2008

In July 2008 Tallink Line Ltd., a subsidiary of AS Tallink Grupp and Boa RoRo AS of Trondheim, Norway completed the sale of M/S Fantaasia. The vessel was sold at the price of 270 million EEK (EUR 17.2 million).

On July 10, 2008 AS Tallink Grupp's subsidiary Tallink Fast Ltd. took delivery of the new cruise ferry Baltic Princess from Aker Yards OY shipyard in Helsinki, Finland. The 212 metres long M/S Baltic Princess has capacity for 2,800 passengers, 1130 lane metres car deck for the vehicles and speed of up to 24 knots. The project of around 2.58 billion EEK (165 million EUR) was financed with a loan of 2 billion EEK (132 million EUR) from the bank syndicate of HSH Nordbank, Nordea Bank, SEB and European Investment Bank. M/S Baltic Princess started operations on July 15, 2008 between Tallinn and Helsinki.

In July 2008 AS Tallink Grupp's subsidiary OÜ TLG Hotell merged with its 100% subsidiary OÜ Delegatsioon. This is an intra-group transaction to simplify the Group structure and has no impact to the Group's consolidated results.

EVENTS AFTER THE BALANCE SHEET DATE AND THE OUTLOOK

In September 2009 OÜ TLG Hotell, a subsidiary of AS Tallink Grupp has signed a rental agreement to rent the 163-room Express Hotel in Tallinn port area from January 2009. The agreement and start of operations will be subject to the approval from the Competition Authority. The Express Hotel is located just next to the Tallink Spa & Conference Hotel giving therefore good possibilities for synergies between the two hotels. Express Hotel will be the fourth hotel in the Tallink Hotels chain. The total amount of hotel rooms offered by Tallink will exceed one thousand.

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 last quarter of the financial year.

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

During the 2008/2009 financial year the new cruise ferry Baltic Princess and route changes of M/S Galaxy and M/S Silja Festival are expected to have positive impact to the Group sales and earnings. As well as the reduced competition and fully launched Shuttle service will further improve the operations on the Tallinn-Helsinki route. The change on the Finland-Germany route and chartering of one Superfast will also have its estimated positive impact to the next year result. In spring 2009 we will deliver the last new vessel under our fleet renewal programme. After that we will operate with high quality fleet on all our routes.

CONSOLIDATED CONDENSED INCOME STATEMENT

(unaudited, in thousands of EEK)	01.06.2008- 31.08.2008	01.06.2007- 31.08.2007	01.09.2007- 31.08.2008	01.09.2006 - 31.08.2007
Net sales (Note 4)	3,710,812	3,552,013	12,310,015	11,903,286
Cost of sales	-2,891,498	-2,254,045	-9,729,085	-8,766,651
Gross profit	819,314	1,297,968	2,580,930	3,136,635
Marketing expenses	-262,075	-147,165	-850,988	-792,381
Administrative and general expenses	-196,004	-243,196	-889,377	-997,361
Other operating items	144,441	179,794	181,115	207,265
Income from negative goodwill	0	0	0	689
Financial income (Note 5)	94,890	56,718	143,124	203,884
Financial expenses (Note 5)	-226,328	-222,942	-933,332	-801,219
Income/-expenses from associates	-3,060	1,205	-3,060	7,698
Profit from normal operation before income tax	371,178	922,382	228,412	965,210
Income tax	89,736	85,525	89,564	84,077
Net profit for the period	460,914	1,007,907	317,976	1,049,287
Attributable to:				
Equity holders of the parent (Note 6)	460,914	1,007,907	317,976	1,049,287
Earnings per share (in EEK per share)				
- basic (Note 6)	0.69	1.50	0.47	1.56
- diluted (Note 6)	0.69	1.50	0.47	1.56
(unaudited, in thousands of EUR)	01.06.2008- 31.08.2008	01.06.2007- 31.08.2007	01.09.2007- 31.08.2008	01.09.2006 - 31.08.2007
Net sales (Note 4)	237,164	227,015	786,753	760,759
Cost of sales	-184,801	-144,060	-621,802	-560,291
Gross profit	52,363	82,955	164,951	200,468
Marketing expenses	-16,750	-9,406	-54,388	-50,643
Administrative and general expenses	-12,526	-15,543	-56,841	-63,743
Other operating items	9,231	11,490	11,575	13,246
Income from negative goodwill	0	0	0	44
Financial income (Note 5)	6,064	3,625	9,147	13,031
Financial expenses (Note 5)	-14,464	-14,248	-59,650	-51,207
Income/-expenses from associates	-196	77	-196	492
Profit from normal operation before income tax	23,722	58,950	14,598	61,688
Income tax	5,735	5,467	5,724	5,374
Net profit for the period	29,457	64,417	20,322	67,062
Attributable to:				
Equity holders of the parent (Note 6)	29,457	64,417	20,322	67,062
Earnings per share (in EUR per share)				
- basic (Note 6)	0.04	0.10	0.03	0.10
- diluted (Note 6)	0.04	0.10	0.03	0.10

CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousands of EEK)

ASSETS	31.08.2008	31.08.2007
Current assets		
Cash and cash equivalents	1,043,785	1,303,609
Receivables	1,177,342	815,093
Prepayments	111,522	124,134
Derivatives (Note 7)	51,884	1,799
Inventories	358,480	272,352
Total current assets	2,743,013	2,516,987
Non-current assets		
Investments in associates	2,222	3,242
Other financial assets and prepayments	7,700	9,279
Deferred income tax assets	199,851	153,102
Investment property (Note 8)	4,694	4,694
Property, plant and equipment (Note 9)	25,531,770	22,600,001
Intangible assets (Note 10)	1,212,551	1,283,592
Total non-current assets	26,958,788	24,053,910
TOTAL ASSETS	29,701,801	26,570,897
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of interest-bearing liabilities (Note 11)	2,200,220	2,247,390
Payables	1,621,711	1,408,369
Deferred income	138,752	121,008
Derivatives (Note 7)	5,351	7,980
Total current liabilities	3,966,034	3,784,747
Non-current liabilities		
Interest bearing loans and borrowings (Note 11)	15,324,355	12,584,261
Deferred income tax liability	16,147	63,463
Other liability	1,643	3,489
Total non-current liabilities	15,342,145	12,651,213
TOTAL LIABILITIES	19,308,179	16,435,960
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	6,738,170	6,738,170
Share premium	9,999	9,999
Reserves	1,151,071	1,202,991
Retained earnings	2,494,382	2,183,777
Total equity attributable to equity holders of the parent	10,393,622	10,134,937
TOTAL EQUITY	10,393,622	10,134,937
TOTAL LIABILITIES AND EQUITY	29,701,801	26,570,897

CONSOLIDATED CONDENSED BALANCE SHEET

(unaudited, in thousands of EUR)

ASSETS	31.08.2008	31.08.2007
Current assets		
Cash and cash equivalents	66,710	83,315
Receivables	75,246	52,094
Prepayments	7,127	7,934
Derivatives (Note 7)	3,316	115
Inventories	22,911	17,407
Total current assets	175,310	160,865
Non-current assets		
Investments in associates	142	207
Other financial assets and prepayments	492	594
Deferred income tax assets	12,773	9,785
Investment property (Note 8)	300	300
Property, plant and equipment (Note 9)	1,631,778	1,444,403
Intangible assets (Note 10)	77,496	82,036
Total non-current assets	1,722,981	1,537,325
TOTAL ASSETS	1,898,291	1,698,190
LIABILITIES AND EQUITY		
Current liabilities		
Current portion of interest-bearing liabilities (Note 11)	140,620	143,634
Payables	103,646	90,011
Deferred income	8,868	7,734
Derivatives (Note 7)	342	510
Total current liabilities	253,476	241,889
Non-current liabilities		
Interest bearing loans and borrowings (Note 11)	979,405	804,281
Deferred income tax	1,032	4,056
Other liability	105	223
Total non-current liabilities	980,542	808,560
TOTAL LIABILITIES	1,234,018	1,050,449
EQUITY		
Equity attributable to equity holders of the parent		
Share capital	430,648	430,648
Share premium	639	639
Reserves	73,566	76,885
Retained earnings	159,420	139,569
Total equity attributable to equity holders of the parent	664,273	647,741
TOTAL EQUITY	664,273	647,741
TOTAL LIABILITIES AND EQUITY	1,898,291	1,698,190

CONSOLIDATED CONDENSED CASH FLOW STATEMENT

(unaudited, in thousands of EEK)	01.09.2007 - 31.08.2008	01.09.2006 - 31.08.2007
Cash flows from operating activities		
Net profit for the period	317,976	1,049,287
Adjustments	1,661,987	1,252,817
Changes in assets related to operating activities	-339,402	203,468
Changes in inventories	-85,110	-34,964
Changes in liabilities related to operating activities	158,379	-346,867
Income tax paid	-1,800	-4,083
	1,712,030	2,119,658
Cash flow used for investing activities		
Purchase of property, plant, equipment and intangible assets (Notes 9, 10)	-4,240,289	-2,201,608
Proceeds from disposals of property, plant, equipment	453,242	687,540
Proceeds from settlement of derivatives	64,025	164,481
Payments of settlement of derivatives	-18,146	0
Proceeds from disposals of associates	0	15,162
Acquisition of subsidiary (Note 3)	1,885	-1,157
Acquisition of associate (Note 3)	-2,040	-1,020
Interest received	11,511	21,636
	-3,729,812	-1,314,966
Cash flow from (+)/ used for (-) financing activities		
Payment of transaction costs	0	-6,520
Repurchase of own shares (Note 12)	-65,132	0
Proceeds from loans and bonds (Note 11)	3,756,212	1,357,847
Redemption of loans and bonds (Note 11)	-1,518,433	-1,555,385
Change in overdraft (Note 11)	443,199	74,143
Repayment of finance lease liabilities (Note 11)	-14,855	-27,010
Interest paid	-843,033	-751,766
	1,757,958	-908,691
TOTAL NET CASH FLOW		-103,999
Cash and cash equivalents:		
- at the beginning of period	1,303,609	1,407,608
- increase (+) / decrease (-)	-259,824	-103,999
Cash and cash equivalents at end of period	1,043,785	1,303,609

(unaudited, in thousands of EUR)	01.09.2007 - 31.08.2008	01.09.2006 - 31.08.2007
Cash flows from operating activities		
Net profit for the period	20,322	67,062
Adjustments	106,221	80,070
Changes in assets related to operating activities	-21,692	13,004
Changes in inventories	-5,439	-2,235
Changes in liabilities related to operating activities	10,122	-22,169
Income tax paid	-115	-261
	109,419	135,471
Cash flow used for investing activities		
Purchase of property, plant, equipment and intangible assets (Notes 9, 10)	-271,004	-140,708
Proceeds from disposals of property, plant, equipment	28,967	43,942
Proceeds from settlement of derivatives	4,092	10,512
Payments of settlement of derivatives	-1,159	0
Proceeds from disposals of associates	0	969
Acquisition of subsidiary (Note 3)	120	-74
Acquisition of associate (Note 3)	-130	-65
Interest received	736	1,382
	-238,378	-84,042
Cash flow from (+)/ used for (-) financing activities		
Payment of transaction costs	0	-417
Repurchase of own shares (Note 12)	-4,163	0
Proceeds from loans and bonds (Note 11)	240,066	86,782
Redemption of loans and bonds (Note 11)	-97,045	-99,407
Change in overdraft (Note 11)	28,325	-4,739
Repayment of finance lease liabilities (Note 11)	-949	-1,727
Interest paid	-53,880	-48,047
	112,354	-58,077
TOTAL NET CASH FLOW	-16,605	-6,648
Cash and cash equivalents:		
- at the beginning of period	83,315	89,963
- increase (+) / decrease (-)	-16,605	-6,648
Cash and cash equivalents at end of period	66,710	83,315

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	Reserve for own shares	Retained earnings	Shareholders' equity	Minority interests	Total equity
At 31 August 2006	1,415,000	2,012,394	1,475,727	23	1,138,827	-7,636	27,500	0	3,012,254	9,074,089	1,189	9,075,278
Changes in equity for the 12 months of 2006/2007												
Share issue	5,323,170	-2,002,395	-1,475,727	0	0	0	0	0	-1,845,049	-1	0	-1
Distribution of profit 2005/2006	0	0	0	0	0	0	74,210	0	-74,210	0	0	0
Acquisition of minority interests	0	0	0	0	0	0	0	0	0	0	-1,189	-1,189
Income and expense for the period												
Net profit of the 12 months of the year 2006/2007 (Note 6)	0	0	0	0	0	0	0	0	1,049,287	1,049,287	0	1,049,287
Recalculation of deferred tax	0	0	0	0	0	0	0	0	3,537	3,537	0	3,537
Revaluation of ships	0	0	0	0	-37,958	0	0	0	37,958	0	0	0
Net gains on cash flow hedges	0	0	0	0	0	7,636	0	0	0	7,636	0	7,636
Foreign currency translation	0	0	0	389	0	0	0	0	0	389	0	389
Total income and expense for the period	0	0	0	389	-37,958	7,636	0	0	1,090,782	1,060,849	0	1,060,849
At 31 August 2007	6,738,170	9,999	0	412	1,100,869	0	101,710	0	2,183,777	10,134,937	0	10,134,937
At 31 August 2007	6,738,170	9,999	0	412	1,100,869	0	101,710	0	2,183,777	10,134,937	0	10,134,937
Changes in equity for the 12 months of 2007/2008												
Own shares acquired (Note 12)	0	0	0	0	0	0	0	-65,132	0	-65,132	0	-65,132
Distribution of profit 2006/2007	0	0	0	0	0	0	52,465	0	-52,465	0	0	0
Income and expense for the period												
Net profit of the 12 months of the year 2007/2008 (Note 6)	0	0	0	0	0	0	0	0	317,976	317,976	0	317,976
Recalculation of deferred tax	0	0	0	0	0	0	0	0	7,135	7,135	0	7,135
Revaluation of ships	0	0	0	0	-37,959	0	0	0	37,959	0	0	0
Foreign currency translation	0	0	0	-1,294	0	0	0	0	0	-1,294	0	-1,294
Total income and expense for the period	0	0	0	-1,294	-37,959	0	0	0	363,070	323,817	0	323,817
At 31 August 2008	6,738,170	9,999	0	-882	1,062,910	0	154,175	-65,132	2,494,382	10,393,622	0	10,393,622

(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	Reserve for own shares	Retained earnings	Shareholders' equity	Minority interests	Total equity
At 31 August 2006	90,435	128,615	94,316	2	72,784	-488	1,758	0	192,518	579,940	76	580,016
Changes in equity for the 12 months of 2006/2007												
Share issue	340,213	-127,976	-94,316	0	0	0	0	0	-117,921	0	0	0
Distribution of profit 2005/2006	0	0	0	0	0	0	4,742	0	-4,742	0	0	0
Acquisition of minority interests	0	0	0	0	0	0	0	0	0	0	-76	-76
Income and expense for the period												
Net profit of the 12 months of the year 2006/2007 (Note 6)	0	0	0	0	0	0	0	0	67,062	67,062	0	67,062
Recalculation of deferred tax	0	0	0	0	0	0	0	0	226	226	0	226
Revaluation of ships	0	0	0	0	-2,426	0	0	0	2,426	0	0	0
Net lgains on cash flow hedges	0	0	0	0	0	488	0	0	0	488	0	488
Foreign currency translation	0	0	0	25	0	0	0	0	0	25	0	25
Total income and expense for the period	0	0	0	25	-2,426	488	0	0	69,714	67,801	0	67,801
At 31 August 2007	430,648	639	0	27	70,358	0	6,500	0	139,569	647,741	0	647,741
At 31 August 2007	430,648	639	0	27	70,358	0	6,500	0	139,569	647,741	0	647,741
Changes in equity for the 12 months of 2007/2008												
Own shares acquired (Note 12)	0	0	0	0	0	0	0	-4,163	0	-4,163	0	-4,163
Distribution of profit 2006/2007	0	0	0	0	0	0	3,353	0	-3,353	0	0	0
Income and expense for the period												
Net profit of the 12 months of the year 2007/2008 (Note 6)	0	0	0	0	0	0	0	0	20,322	20,322	0	20,322
Recalculation of deferred tax	0	0	0	0	0	0	0	0	456	456	0	456
Revaluation of ships	0	0	0	0	-2,426	0	0	0	2,426	0	0	0
Foreign currency translation	0	0	0	-83	0	0	0	0	0	-83	0	-83
Total income and expense for the period	0	0	0	-83	-2,426	0	0	0	23,204	20,695	0	20,695
At 31 August 2008	430,648	639	0	-56	67,932	0	9,853	-4,163	159,420	664,273	0	664,273

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 12 months of the financial year 2007/2008 were authorised for issue in accordance with a resolution of the Management Board on 31 October 2008. AS Tallink Grupp is a limited company incorporated in Estonia and employed 6,890 people at 31 August 2008 (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.

In March 2008 the share capital of AS Tallink Takso was increased. The change in share capital was registered in April 2008. After this transaction AS Tallink Grupp is having the same percentage in share capital as before. The payment of 2,040 thousand EEK (130 thousand EUR) was made in March 2008.

In May 2008 a subsidiary company of AS Tallink Grupp, OÜ TLG Hotell purchased 100% share of OÜ Delegatsioon from AS Heal and OÜ Haapsalu HMR. The purchase price was 1 EEK (0,06 EUR). The main activities of OÜ Delegatsioon include hotel management, travel arrangement and tourism related services. The transaction is considered as a related party transaction. The fair value of identifiable assets and liabilities of OÜ Delegatsioon acquired are:

	in thousands of EEK		in thousands of EUR	
	Carrying value	Recognised on acquisition	Carrying value	Recognised on acquisition
Cash and bank accounts	1,885	1,885	120	120
Receivables and prepayments	3,616	3,616	231	231
Inventories	1,018	1,018	65	65
Property, plant & equipment	10,258	10,258	656	656
Intangible assets	69	69	5	5
Total assets	16,846	16,846	1,077	1,077
Short-term liabilities	20,260	20,260	1,295	1,295
Long-term liabilities	5,972	5,972	382	382
Total liabilities	26,232	26,232	1,677	1,677
Fair value of net assets		-9,386		-600
Purchase price		0		0
Goodwill		9,386		600

Cash flow on acquisition:	in thousands of EEK	in thousands of EUR
Net cash acquired with the subsidiary	1,885	120
Cash paid	0	0
Net cash flow	1,885	120

In July 2008 OÜ Delegatsioon merged into OÜ TLG Hotell.

In May 2008 AS Tallink Grupp's subsidiary Tallink Silja Oy Ab has withdrawn from its 33% holding in the Finnish joint company Searail EEIG.

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)

01.09.2007-31.08.2008	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
Revenue									
Sales to external customers	3,213,166	1,522,254	547,888	1,114,061	5,335,014	405,898	171,734	0	12,310,015
Inter-segment sales	0	0	0	0	0	111,601	0	-111,601	0
	3,213,166	1,522,254	547,888	1,114,061	5,335,014	517,499	171,734	-111,601	12,310,015
Segment result									
	989,803	165,276	-45,834	-108,237	617,850	18,651	92,433	0	1,729,942
Unallocated expenses									-708,262
Net financial items (Note 5)									-790,208
Expenses from associates									-3,060
Profit before income tax									228,412

01.09.2006-31.08.2007	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
Revenue									
Sales to external customers	2,641,659	1,407,463	373,119	1,373,173	5,657,963	259,056	190,853	0	11,903,286
Inter-segment sales	0	0	0	0	0	88,098	0	-88,098	0
	2,641,659	1,407,463	373,119	1,373,173	5,657,963	347,154	190,853	-88,098	11,903,286
Segment result									
	817,409	212,696	4,201	203,890	1,016,408	42,279	47,371	0	2,344,254
Unallocated expenses									-790,096
Negative goodwill									689
Net financial items (Note 5)									-597,335
Income from associates									7,698
Profit before income tax									965,210

(in thousands of EUR)

01.09.2007-31.08.2008	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
Revenue									
Sales to external customers	205,359	97,290	35,016	71,201	340,970	25,941	10,976	0	786,753
Inter-segment sales	0	0	0	0	0	7,133	0	-7,133	0
	205,359	97,290	35,016	71,201	340,970	33,074	10,976	-7,133	786,753
Segment result									
	63,260	10,563	-2,929	-6,918	39,488	1,192	5,907	0	110,563
Unallocated expenses									-45,266
Net financial items (Note 5)									-50,503
Expenses from associates									-196
Profit before income tax									14,598

01.09.2006-31.08.2007	Estonia Finland route	Estonia Sweden routes	Latvia Sweden route	Germany Finland route	Finland Sweden route	Estonia mainland business	Others	Elimination of intersegment sales	Total
Revenue									
Sales to external customers	168,833	89,953	23,847	87,762	361,610	16,556	12,198	0	760,759
Inter-segment sales	0	0	0	0	0	5,631	0	-5,631	0
	168,833	89,953	23,847	87,762	361,610	22,187	12,198	-5,631	760,759
Segment result									
	52,242	13,594	268	13,031	64,960	2,702	3,028	0	149,825
Unallocated expenses									-50,497
Negative goodwill									44
Net financial items (Note 5)									-38,176
Income from associates									492
Profit before income tax									61,688

Operational segments

	(in thousands of EEK)		(in thousands of EUR)	
	01.09.2007- 31.08.2008	01.09.2006- 31.08.2007	01.09.2007- 31.08.2008	01.09.2006- 31.08.2007
Ticket sales	3,066,859	2,864,158	196,008	183,053
Sales of cargo transport	2,491,799	2,410,306	159,255	154,047
Accommodation sales	152,805	110,963	9,766	7,092
Restaurant and shops sales on-board and on mainland	6,104,140	5,945,192	390,126	379,967
Income from leases of vessels	161,794	188,728	10,340	12,062
Other	332,618	383,939	21,258	24,538
Total revenue of the Group	12,310,015	11,903,286	786,753	760,759

Note 5 FINANCIAL INCOME AND EXPENSES

	(in thousands of EEK)		(in thousands of EUR)	
	01.09.2007- 31.08.2008	01.09.2006- 31.08.2007	01.09.2007- 31.08.2008	01.09.2006- 31.08.2007
Net foreign exchange gains	12,218	11,934	781	763
Income from interest rate swap	119,062	170,265	7,609	10,882
Other interest and financial income	11,844	21,685	757	1,386
Total financial income	143,124	203,884	9,147	13,031
Interest expenses	-914,964	-786,270	-58,476	-50,252
Expenses from interest rate swap	-1,799	-1,517	-115	-97
Net expenses from foreign exchange derivatives	-10,166	-5,750	-650	-367
Other financial expenses	-6,403	-7,682	-409	-491
Total financial expenses	-933,332	-801,219	-59,650	-51,207

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.

	01.06.2008 - 31.08.2008	01.06.2007 - 31.08.2007	01.09.2007 - 31.08.2008	01.09.2006 - 31.08.2007
Weighted average number of ordinary shares (pcs)	669,882,040	673,817,040	671,245,086	673,817,040
Net profit/-loss attributable to ordinary shareholders (in thousands of EEK)	460,914	1,007,907	317,976	1,049,287
Earnings per share (in EEK per share)	0.69	1.50	0.47	1.56

	01.06.2008 - 31.08.2008	01.06.2007 - 31.08.2007	01.09.2007 - 31.08.2008	01.09.2006 - 31.08.2007
Weighted average number of ordinary shares (pcs)	669,882,040	673,817,040	671,245,086	673,817,040
Net profit/-loss attributable to ordinary shareholders (in thousands of EUR)	29,457	64,417	20,322	67,062
Earnings per share (in EUR per share)	0.04	0.10	0.03	0.10

Weighted average number of ordinary shares (pcs)	01.06.2008 - 31.08.2008	01.06.2007 - 31.08.2007	01.09.2007 - 31.08.2008	01.09.2006 - 31.08.2007
Issued ordinary shares at the beginning of period	669,882,040	673,817,040	673,187,040	168,454,260
Effect of own shares held	0	0	-1,941,954	0
Effect of bonus issue	0	0	0	505,362,780
Weighted average number of ordinary shares at end of period	669,882,040	673,817,040	671,245,086	673,817,040

Due to share buyback transactions during 12 months of 2007/2008 the weighted average number of ordinary shares for reporting period is 671,245,086 shares (Note 12).

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 derivatives 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.

In the reporting period AS Tallink Grupp has entered into three interest rate derivative contracts with total notional amount of 4,340,977 thousand EEK (277,439 thousand EUR) with the maturities in years 2012, 2014 and 2020. In the reporting period these derivative transactions have resulted positive cash flow for the Group. The fair value of the derivatives recognized in the current interim financial statements as of 31.08.2008 is 46,533 thousand EEK (2,974 thousand EUR).

Note 8 INVESTMENT PROPERTY

	(in thousands of EEK)	(in thousands of EUR)
Fair value at 31 August 2006	0	0
Transfer from property, plant and equipment (Note 9)	282	18
Change in fair value	4,412	282
Fair value at 31 August 2007	4,694	300
Fair value at 31 August 2008	4,694	300

Note 9 PROPERTY, PLANT AND EQUIPMENT

(in thousands of EEK)

	Land and building		Ships	Plant and equipment	Prepayments	Total
Book value at 31 August 2007	133,664	21,575,217		112,418	778,702	22,600,001
Additions	94	4,448,193		48,151	-288,945	4,207,493
Acquisition of subsidiary (Note 3)	571	0		9,687	0	10,258
Exchange rate differences	-1,096	2		-14	-2	-1,110
Disposals	-13	-420,229		-2,406	0	-422,648
Depreciation for the period	-3,849	-806,916		-51,459	0	-862,224
Book value at 31 August 2008	129,371	24,796,267		116,377	489,755	25,531,770

At 31 August 2008

-Cost	159,121	26,286,779		254,628	489,755	27,190,283
-Accumulated depreciation	-29,750	-1,490,512		-138,251	0	-1,658,513

	Land and building		Ships	Plant and equipment	Prepayments	Total
Book value at 31 August 2006	145,989	21,053,598		115,964	541,602	21,857,153
Additions	2,264	1,785,103		71,692	236,948	2,096,007

Purchase of new subsidiary	0	0	500	152	652
Exchange rate differences	-798	0	9	0	-789
Transfer to investment property (Note 8)	-282	0	0	0	-282
Disposals	-391	-493,680	-11,600	0	-505,671
Depreciation for the period	-13,118	-769,804	-64,147	0	-847,069
Book value at 31 August 2007	133,664	21,575,217	112,418	778,702	22,600,001

At 31 August 2007

-Cost	159,574	22,307,890	223,344	778,702	23,469,510
-Accumulated depreciation	-25,910	-732,673	-110,926	0	-869,509

(in thousands of EUR)

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 August 2007	8,543	1,378,908	7,184	49,768	1,444,403
Additions	6	284,291	3,078	-18,467	268,908
Acquisition of subsidiary (Note 3)	36	0	620	0	656
Exchange rate differences	-70	0	-1	0	-71
Disposals	0	-26,858	-154	0	-27,012
Depreciation for the period	-246	-51,571	-3,289	0	-55,106
Book value at 31 August 2008	8,269	1,584,770	7,438	31,301	1,631,778

At 31 August 2008

-Cost	10,170	1,680,031	16,274	31,301	1,737,776
-Accumulated depreciation	-1,901	-95,261	-8,836	0	-105,998

	Land and building	Ships	Plant and equipment	Prepayments	Total
Book value at 31 August 2006	9,330	1,345,570	7,412	34,615	1,396,927
Additions	145	114,089	4,582	15,143	133,959
Purchase of new subsidiary	0	0	32	10	42
Exchange rate differences	-51	0	0	0	-51
Transfer to investment property (Note 8)	-18	0	0	0	-18
Disposals	-25	-31,552	-741	0	-32,318
Depreciation for the period	-838	-49,199	-4,101	0	-54,138
Book value at 31 August 2007	8,543	1,378,908	7,184	49,768	1,444,403

At 31 August 2007

-Cost	10,199	1,425,734	14,274	49,768	1,499,975
-Accumulated depreciation	-1,656	-46,826	-7,090	0	-55,572

Note 10 INTANGIBLE ASSETS

	(in thousands of EEK)				(in thousands of EUR)			
	Goodwill	Trademark	Others	Total	Goodwill	Trademark	Others	Total
Book value at 31 August 2007	174,409	858,781	250,402	1,283,592	11,147	54,886	16,003	82,036
Additions	0	0	32,796	32,796	0	0	2,096	2,096
Acquisition of subsidiary (Note 3)	9,386	0	69	9,455	600	0	5	605
Disposals	0	0	-11,250	-11,250	0	0	-719	-719

Amortization for the period	0	-45,624	-56,418	-102,042	0	-2,916	-3,606	-6,522
Book value at 31 August 2008	183,795	813,157	215,599	1,212,551	11,747	51,970	13,779	77,496
At 31 August 2008								
Cost	183,795	912,009	312,305	1,408,109	11,747	58,288	19,960	89,995
Accumulated amortization	0	-98,852	-96,706	-195,558	0	-6,318	-6,181	-12,499

	(in thousands of EEK)				(in thousands of EUR)			
	Goodwill	Trademark	Others	Total	Goodwill	Trademark	Others	Total
Book value at 31 August 2006	173,148	904,405	180,879	1,258,432	11,066	57,802	11,560	80,428
Additions	0	0	105,601	105,601	0	0	6,749	6,749
Purchase of new subsidiary	1,261	0	0	1,261	81	0	0	81
Disposals	0	0	-3,286	-3,286	0	0	-210	-210
Amortization for the period	0	-45,624	-32,792	-78,416	0	-2,916	-2,096	-5,012
Book value at 31 August 2007	174,409	858,781	250,402	1,283,592	11,147	54,886	16,003	82,036
At 31 August 2007								
Cost	174,409	912,009	291,842	1,378,260	11,147	58,288	18,652	88,087
Accumulated amortization	0	-53,228	-41,440	-94,668	0	-3,402	-2,649	-6,051

Note 11 INTEREST BEARING LOANS AND BORROWINGS

(in thousands of EEK)

	31 August 2007	New loans	New subsidiary	Repayments	Other changes [1]	31 August 2008
Lease liability	23,548	0	6,681	-14,855	0	15,374
Bank overdrafts	74,143	443,199	0	0	0	517,342
Long-term bank loans	14,733,960	3,756,212	0	-1,518,433	20,120	16,991,859
TOTAL	14,831,651	4,199,411	6,681	-1,533,288	20,120	17,524,575
incl. short-term portion	2,247,390					2,200,220
long-term portion	12,584,261					15,324,355

(in thousands of EUR)

	31 August 2007	New loans	New subsidiary	Repayments	Other changes [1]	31 August 2008
Lease liability	1,505	0	427	-949	0	983
Bank overdrafts	4,739	28,325	0	0	0	33,064
Long-term bank loans	941,671	240,066	0	-97,045	1,286	1,085,978
TOTAL	947,915	268,391	427	-97,994	1,286	1,120,025
incl. short-term portion	143,634					140,620
long-term portion	804,281					979,405

[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 316,120 thousand EEK (20,203 thousand EUR) and ship mortgages.

AS Tallink Grupp has given guarantees to HSH Nordbank AG, Nordea Bank Plc, Skandinaviska Enskilda Banken AB and HSBC Bank Plc. for the loans granted to overseas subsidiaries amounting to 12,510,140 thousand EEK (799,544 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 4,414,970 thousand EEK (282,168 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 12 SHARE CAPITAL

At 31 August 2008 the Group held 3,935 thousand of the AS Tallink Grupp shares. Total cost of share buyback transactions of 3,935 thousand shares is 65,132 thousand EEK (4,163 thousand EUR), including fees of 65 thousand EEK (4 thousand EUR).

According to the Articles of Association of the Parent effective as of 31 August 2008 the maximum number of authorised common shares is 2,000,000 thousand. As of 31 August 2008 no share options are issued.

Note 13 RELATED PARTY DISCLOSURES

(in thousands of EEK)

12 months of 2007/2008 or 31.08.2008	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	1,441	2,452	114	1
AS HT Valuuta	2,516	0	10	0
AS Vara HTG	0	41,049	0	0
OÜ Mersok	0	144	0	0
AS Vaba Maa	0	10,864	0	847
OÜ Sunbeam	0	46,125	0	0
AS Gastrolink	12	8,193	0	685
Gastrolink Finland OY	5	0	0	0
AS Tallink Takso	229	88	27	35
OÜ Topspa Kinnisvara	0	18,000	0	0
Searail EEIG [1]	33,734	0	0	0
12 months of 2006/2007 or 31.08.2007	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	1,091	3,929	514	5
AS Infortar – purchase of OÜ				
Hera Salongid	0	960	0	0
AS HT Valuuta	2,469	0	54	0
AS Vara HTG	0	43,336	0	0
OÜ Sunbeam	0	20,795	0	201
OÜ Mersok	0	144	0	14
AS Vaba Maa	0	7,288	0	1,997
OÜ Hera Salongid [2]	179	147	0	0
AS Gastrolink	60	4,852	5	253
Gastrolink Finland OY	12	256	0	0
AS Baltic Tours [3]	2,718	1,784	0	0
Searail EEIG	87,809	0	12,439	0

(in thousands of EUR)

12 months of 2007/2008 or 31.08.2008	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	92	157	7	0
AS HT Valuuta	161	0	1	0
AS Vara HTG	0	2,623	0	0

OÜ Mersok	0	9	0	0
AS Vaba Maa	0	694	0	54
OÜ Sunbeam	0	2,948	0	0
AS Gastrolink	1	524	0	44
Gastrolink Finland OY	0	0	0	0
AS Tallink Takso	15	6	2	2
OÜ Topspa Kinnisvara	0	1,150	0	0
Searail EEIG [1]	2,156	0	0	0
12 months of 2006/2007 or 31.08.2007	Sales to related party	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
AS Infortar	70	251	33	0
AS Infortar – purchase of OÜ Hera Salongid	0	61	0	0
AS HT Valuuta	158	0	3	0
AS Vara HTG	0	2,770	0	0
OÜ Sunbeam	0	1,329	0	13
OÜ Mersok	0	9	0	1
AS Vaba Maa	0	466	0	128
OÜ Hera Salongid [2]	11	9	0	0
AS Gastrolink	4	310	0	16
Gastrolink Finland OY	1	16	0	0
AS Baltic Tours [3]	174	114	0	0
Searail EEIG	5,612	0	795	0

[1] Transactions until 22.05.2008.

[2] Transactions until 31.12.2006

[3] Transactions until 31.05.2007

Note 14 COMMITMENTS

Capital investment commitments

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.

Note 15 EVENTS AFTER BALANCE SHEET DATE

In September 2008 AS Tallink Grupp made prepayment of 93,880 thousand EEK (6,000 thousand EUR) to Aker Finnyards OY.

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 12 months of the financial year 2007/2008 ended 31 August 2008 prepared in accordance with IFRS as adopted by EU and in accordance with IAS 34 give a true and fair view of the financial position of the Group and of the result of its operations and cash flows.

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

Chairman of the Board
Enn Pant

Member of the Board
Andres Hunt

Member of the Board
Keijo Mehtonen

Member of the Board
Lembit Kitter

Tallinn
31.10.2008