

12 months unaudited results of the 2013 financial year

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AS Tallink Grupp and its subsidiaries (the Group) carried a total of 9.11 million passengers in the 2013 financial year which is 1.6% less than the year before. The Group's unaudited consolidated revenue remained on the previous year's level with EUR 942.0 million. Gross profit was EUR 190.2 million, EBITDA EUR 156.2 million. Unaudited net profit amounted to EUR 43.3 million or EUR 0.06 per share, which is a 23.1% decrease compared to the previous year.

In the fourth quarter (1 October - 31 December) of the 2013 financial year the Group carried 2.1 million passengers, 1% more compared to the same period last year. The Group's consolidated revenue amounted to EUR 224.0 million, EUR 1.2 million more compared to the same period last year. The Group's EBITDA amounted to EUR 29.8 million, 7.1% less compared to the same period last year. The unaudited net profit for the fourth quarter increased by 31.8% to EUR 7.5 million.

The 2013 financial year ticket and cargo sales showed a 3.4% and 2.7% increase respectively. Due to the decline in the passenger numbers on the Finland-Sweden routes caused by increased competition and structural changes the shop and restaurant sales experienced a 2.0% decline. Although there was a slight decrease in shop and restaurant sales, spending per passenger stayed on last year's level. As a result of upgrading the fleet growth continued on the Riga-Stockholm route in the 2013 financial year, showing an 8.4% increase in revenue and the result for the financial year was positive for the first time since the route was opened in 2006.

During the 2013 financial year the Group's operations were affected by an overall weak macroeconomic environment in the region. The Nordic countries which are the Group's main markets continue to experience noticeable slowdown in their economies and there is an impact to the Group's passengers' spending behaviour. Net profit was also affected by a tax expense of EUR 3.8 million.

The lower fuel price levels throughout the year had a positive effect on the 2013 results, the Group's overall fuel cost was circa 10% or EUR 14 million lower compared to the same period last year. Meanwhile there was raise in the ships operating costs and port fees.

The Group was successful in generating a higher cash flow from operating activities both in the fourth quarter and for the twelve months 48.4 million and 168.4 million respectively compared to the same period last year. The total liquidity, cash and unused credit facilities at the end of the fourth quarter were EUR 104 million providing a strong position for sustainable operations. At the end of the fourth quarter 2013 the Group had EUR 72 million in cash and equivalents and the total of unused credit lines were at EUR 32 million.

The Group successfully continued the deleveraging strategy and the net debt decreased by EUR 52 million to a total of EUR 722 million in the 2013 financial year.

The 2013 financial year result did not meet the management's expectations. Due to adverse macroeconomic developments in the region and the increased competition on Finland-Sweden routes the results for this year did not reach the previous year's level. With an aim to increase revenue generation improvements in product development are being made, emphasis is on retail sales and upgrades to the public areas on selected vessels. Cost reductions in some areas are processed in order to adapt with the changed economic environment. The management expects an improvement in the results for the 2014 financial year.

In management's opinion, the Group's financial position allows the Group to pay dividends. Management will propose to the shareholders' general meeting a dividend distribution of EUR 0.03 per share, i.e. EUR 20,096,461 in aggregate.

Q4 KEY FIGURES		2013 Oct-Dec	2012 Oct-Dec	Change
Revenue	EUR million	224.0	222.8	0.5%
Gross profit	EUR million	37.1	40.0	-7.1%
Gross margin (%)		16.6%	17.9%	
EBITDA	EUR million	29.8	32.1	-7.1%
EBITDA margin (%)		13.3%	14.4%	
Net profit for the period	EUR million	7.5	5.7	31.8%
Net profit margin (%)		3.36%	2.56%	
Depreciation and amortization	EUR million	18.6	17.9	4.0%
Investments	EUR million	5.0	0.6	800.0%
Weighted average number of ordinary shares outstanding		669 882 040	669 882 040	
Earnings per share	EUR	0.01	0.01	31.8%
Number of passengers		2 148 204	2 133 163	0.7%
Number of cargo units		78 771	70 457	6.2%
Average number of employees		6 898	6 799	1.5%
		31.12.2013	30.09.2013	
Total assets	EUR million	1 722.1	1 723.1	-0.1%
Interest-bearing liabilities	EUR million	794.3	808.1	-1.7%

Net debt	EUR million	722.3	758.1	-4.7%
Total equity	EUR million	771.1	763.4	1.0%
Equity ratio (%)		44.8%	44.3%	
Net debt to EBITDA		4.6	4.8	
Number of ordinary shares outstanding ¹		669 882 040	669 882 040	0%
Shareholders' equity per share	EUR	1.15	1.14	1.0%

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.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(unaudited, in thousands of EUR)	01.10.2013- 31.12.2013	01.10.2012- 31.12.2012	01.01.2013- 31.12.2013	01.01.2012- 31.12.2012
Revenue	223,982	222,816	941,983	943,868
Cost of sales	-186,859	-182,836	-751,827	-742,669
Gross profit	37,123	39,980	190,156	201,199
Marketing expenses	-13,650	-17,183	-63,292	-65,407
Administrative expenses	-12,679	-10,626	-45,148	-44,081

Other income	1,035	2,806	2,120	3,659
Other expenses	-664	-802	-805	-1,654
Results from operating activities	11,165	14,175	83,031	93,716
Finance income	5,757	2,735	21,547	5,269
Finance costs	-14,538	-13,991	-57,503	-46,249
Profit from the sale of a subsidiary	0	0	0	783
Share of profit/-loss from equity accounted investees	17	19	17	19
Profit/-loss before income tax	2,401	2,938	47,092	53,538
Income tax	5,117	2,764	-3,786	2,764
Net profit/-loss for the period	7,518	5,702	43,306	56,302
Other comprehensive income/-expense				
Exchange differences on translating foreign operations	34	-442	114	-563
Other comprehensive income/-expense for the period	34	-442	114	-563
Total comprehensive income/-expense for the period	7,552	5,260	43,420	55,739
Profit/-loss attributable to:				
Equity holders of the parent	7,518	5,702	43,306	56,302
Total comprehensive income/-expense attributable to:				

Equity holders of the parent	7,552	5,260	43,420	55,739
Earnings per share (in EUR per share)				
- basic	0.01	0.01	0.06	0.08
- diluted	0.01	0.01	0.06	0.08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(unaudited, in thousands of EUR)

ASSETS	31.12.2013	31.12.2012
Current assets		
Cash and cash equivalents	72,012	65,600
Trade and other receivables	40,608	42,555
Prepayments	3,121	5,151
Derivatives	679	0
Inventories	33,457	29,426
Total current assets	149,877	142,732
Non-current assets		
Investments in equity-accounted investees	262	245
Other financial assets	385	296
Deferred income tax assets	17,413	12,264
Investment property	300	300
Property, plant and equipment	1,495,895	1,526,995

Intangible assets	57,925	58,999
Total non-current assets	1,572,180	1,599,099
TOTAL ASSETS	1,722,057	1,741,831

LIABILITIES AND EQUITY

Current liabilities

Interest bearing loans and borrowings	106,014	103,685
Trade and other payables	97,387	92,988
Deferred income	28,315	25,458
Derivatives	30,888	22,102
Total current liabilities	262,604	244,233

Non-current liabilities

Interest bearing loans and borrowings	688,327	736,699
Other liabilities	63	69
Total non-current liabilities	688,390	736,768
TOTAL LIABILITIES	950,994	981,001

EQUITY

Equity attributable to equity holders of the parent

Share capital	404,290	404,290
Share premium	639	639
Reserves	70,262	69,091

Retained earnings	295,872	286,810
Total equity attributable to equity holders of the parent	771,063	760,830
TOTAL EQUITY	771,063	760,830
TOTAL LIABILITIES AND EQUITY	1,722,057	1,741,831

CONSOLIDATED CASH FLOW STATEMENT

(unaudited, in thousands of EUR)	01.01.2013 - 31.12.2013	01.01.2012 - 31.12.2012
Cash flows from operating activities		
Net profit/-loss for the period	43,306	56,302
Adjustments	118,619	109,768
Changes in assets related to operating activities	198	-9,796
Changes in liabilities related to operating activities	6,649	6,782
Income tax paid	-378	-40
	168,394	163,016
Cash flow used for investing activities		
Purchase of property, plant and equipment and intangible assets	-43,291	-9,449
Proceeds from disposals of property, plant and equipment	1,318	50
Proceeds from subsidiaries	0	1,992
Payments for settlement of derivatives	-4,451	-3,976
Acquisition of other investments	0	-34
Interest received	114	297
	-46,310	-11,120
Cash flow from (+)/ used for (-) financing activities		

Proceeds from loans	24,000	440,000
Redemption of loans	-198,126	-557,848
Change in overdraft	18,456	0
Proceeds from bonds	115,487	0
Repayment of finance lease liabilities	-96	-56
Interest paid	-32,439	-36,434
Payment of transaction costs related to loans	-557	-7,379
Dividends paid	-33,494	0
Income tax on dividends paid	-8,903	0
	-115,672	-161,717
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TOTAL NET CASH FLOW	6,412	-9,821

Cash and cash equivalents:

- at the beginning of period	65,600	75,421
- increase (+) / decrease (-)	6,412	-9,821
Cash and cash equivalents at the end of period	72,012	65,600

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