

RESULTS FOR THE FISCAL YEAR NOVEMBER 2006 – OCTOBER 2007

THE PERIOD IN BRIEF

Sharp earnings improvement at Viking Line

During the fiscal year 2006/2007, Viking Line's income before taxes increased by 19.5 million euro to EUR 33.8 M. Sales rose by more than EUR 30 M to EUR 436 M (+7.4 per cent). This improvement in earnings was mainly generated by stronger net sales revenue per passenger, higher volume and somewhat lower fuel costs.

Strengthened market share and improved revenue per passenger

Despite a smaller number of voyages, passenger volume rose by more than 117,000 people to nearly 5.7 million passengers, equivalent to a 3.9 per cent increase per voyage. The number of cargo units rose to 91,300, a 3.2 per cent increase per voyage.

Viking Line strengthened its market share: on the Turku (Finland) – Mariehamn (Åland Islands, Finland) – Stockholm (Sweden) route by 2.3 percentage points to 52.1 per cent, on the Helsinki (Finland) – Mariehamn – Stockholm route by 2.6 percentage points to 46.6 per cent and on the Helsinki – Tallinn (Estonia) route by 1.1 percentage point to 19.1 per cent.

At the same time as Viking Line increased its market share, ticket revenue per passenger strengthened by 7.2 per cent. Combined with improved shipboard sales and higher passenger volume, this resulted in a 7.7 per cent increase in passenger-related revenue to EUR 404.3 M. Cargo revenue rose by 3.4 per cent to more than EUR 27 M.

Outlook for 2008

In the future, Viking Line expects to remain a successful market player in maritime services on the northern Baltic Sea, with higher passenger volume and better net sales revenue per passenger. In order to further strengthen Viking Line's long-term competitiveness, during the fiscal year 2007/2008 significant sums will be invested in measures aimed at raising the standards and quality of the Viking Line fleet.

The above circumstances, combined with extremely high bunker prices and introductory costs due to the launch of the Viking XPRS in March 2008 will have a significant impact on Viking Line's earnings in the fiscal year 2007/2008. Earnings in fiscal 2007/2008 are thus expected to be lower than in fiscal 2006/2007.

Systematic quality development

"The positive earnings trend is largely a consequence of recent years' investments in systematic quality development work, which have led to a strengthening of customer confidence in the Company", says Nils-Erik Eklund, Managing Director and Chief Executive.

Any questions concerning this report will be answered by Nils-Erik Eklund, Managing Director and Chief Executive.

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Viking Line is a public limited company and the market leading brand in passenger traffic on the northern Baltic Sea, with a mission to provide large-scale, affordable, safe passenger and cargo carrier services including first-class recreation, good food and shopping. Its shares have been listed on the Helsinki Stock Exchange since 1995. Viking Line serves Finland, Sweden and the Baltic countries with seven vessels. During fiscal 2005/2006 sales were about EUR 406 M. The number of passengers totalled 5.6 million. The average number of employees was 2,900.

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SALES AND EARNINGS

Consolidated sales of the Viking Line Group during the period November 1, 2006 – October 31, 2007 rose to EUR 436.02 million (fiscal 2005/2006: EUR 405.95 M). Operating income rose by EUR 19.15 M to EUR 32.80 M (13.65). Net financial items were EUR 0.98 M (0.60). Consolidated income before taxes thus increased to EUR 33.78 M (14.25). Income after taxes was EUR 24.84 M (10.45).

Consolidated sales increased by 7.4 per cent as a consequence of an increased number of passengers and better net sales revenue per passenger, of which ticket revenue per passenger rose by 7.2 per cent. Overall passenger-related revenue increased by 7.7 per cent to EUR 404.28 M, and cargo revenue rose by 3.4 per cent to EUR 27.11 M.

Government restitution of taxes and social security contributions for shipboard employees increased, mainly due to a change in Finnish legislation that went into effect on January 1, 2007. The Group's employee expenses nevertheless rose by EUR 1.46 M. Repair and maintenance expenses rose by EUR 2.36 M to EUR 19.43 M. Fuel expenses were EUR 2.98 M below their year-earlier level, amounting to EUR 32.14 M. Total consolidated operating expenses rose by 2.8 per cent to EUR 403.72 M.

SERVICES AND MARKET TRENDS

The Viking Line Group provides passenger and cargo carrier services, using seven vessels on the northern Baltic Sea. The Group's vessels served the same main routes as during fiscal 2005/2006. During the period June-August the Viking Cinderella made a total of ten (2005/2006: nine) cruises between Stockholm (Sweden) and Riga (Latvia). On October 23, 2007, the Ålandsfärjan went aground and was removed from service until November 23 for repairs. The accident did not have any substantial impact on the Group's earnings.

The number of passengers on Viking Line vessels totalled 5,695,343 during fiscal 2006/2007, which was 2.1 per cent higher than in 2005/2006. Viking Line's cargo volume increased by 1.4 per cent to 91,333 cargo units.

Viking Line strengthened its market share: on the Turku (Finland) – Mariehamn (Åland Islands, Finland) – Stockholm route by 2.3 percentage points to 52.1 per cent, on the Helsinki (Finland) – Mariehamn – Stockholm route by 2.6 percentage points to 46.6 per cent and on the Helsinki – Tallinn (Estonia) route by 1.1 percentage point to 19.1 per cent.

INVESTMENTS AND FINANCING

The Group's investments totalled EUR 26.37 M (18.83). These investments included advance payments on the Viking XPRS, which is currently being built at Aker Yards in Helsinki. The vessel will be placed in service on the Helsinki – Tallinn route in mid-March 2008. In addition, the first instalment was paid for the new vessel ordered from the shipyard Astilleros de Sevilla, S.A. in Spain. This vessel will be delivered in the summer of 2009 for service on the Mariehamn – Kapellskär route. The vessel will initially be bareboat chartered from the Spanish company Navire Gabio A.I.E. Ownership of the vessel will be transferred to Viking Line two years after its delivery. Other investments included dry-dockings and quality-raising measures on vessels, as well as land-based investments.

To finance existing vessel newbuilding contracts, a committed credit facility is available. Committed loan facilities total EUR 190 M. The Group's long-term interest-bearing liabilities decreased during 2006/2007 to EUR 4.52 M (6.73). On October 31, 2007, the equity/assets ratio stood at 61.7 per cent, compared to 57.6 per cent a year earlier.

At the close of fiscal 2006/2007, the Group's cash and cash equivalents amounted to EUR 42.53 M (45.93). These funds were invested in short-term deposit accounts. Net cash flow from operating activities amounted to EUR 37.84 M (34.50).

RISKS IN BUSINESS OPERATIONS

The market for cruises and ferry services in the Baltic Sea is stable but subject to tough and increasing competition. Political decisions may change Viking Line's operating conditions, with potentially adverse consequences to its business operations. Åland's special tax status, which makes duty- and tax-free sales possible on services to and from Åland, is nevertheless permanent. The European Commission's guidelines for the promotion of seafaring, which makes the net salary system for shipboard employees possible, will be in force until 2011. There is currently no indication that the Commission may intend to change the guidelines.

The Group's business operations are dependent on functioning logistics and computer systems. Disruptions in traffic or data communications may have an adverse impact on the Group's earnings. Viking Line endeavours to minimize the risk of lengthy unplanned service interruptions by means of well-developed safety and security systems, adequate training and regular drills. Risks in information management are minimized by developing appropriate security systems and alternative working methods as well as efforts to ensure the reliability of computer systems.

The Group's seven vessels are recognized in the balance sheet at a carrying amount of EUR 126.45 M (139.35). The vessels have hull and machinery and increased value insurance totalling EUR 331.75 M (331.76). In addition, all vessels have strike insurance and protection and indemnity (P&I) insurance.

Fluctuations in bunker prices have a direct impact on the Group's earnings. The Group is also exposed to various financial risks, mainly fluctuations in currency exchange rates. Revenue is generated in euro and Swedish kronor. Most operational influx of cash and cash equivalents consists of euro. During certain periods of the year, however, the Group has a net influx of Swedish kronor. Prices of goods for sale and bunker oil are affected by foreign currencies, especially the US dollar. The Group endeavours to maintain good liquidity in order to be prepared to deal with adverse changes in operational cash flow.

ORGANISATION AND PERSONNEL

The average number of Viking Line employees was 2,907 (2,900), of whom 2,057 (2,064) worked for the parent company. Land-based personnel totalled 731 (718) and shipboard personnel totalled 2,176 (2,182).

OUTLOOK FOR 2008

In the future, Viking Line expects to remain a successful market player in maritime services on the northern Baltic Sea, with higher passenger volume and better net sales revenue per passenger. In order to further strengthen Viking Line's long-term competitiveness, during the fiscal year 2007/2008 significant sums will be invested in measures aimed at raising the standards and quality of the Viking Line fleet, with special emphasis on cabins and restaurant areas. These investments will be substantially larger than during 2006/2007 and the number of vessel service days will thus be fewer.

The above circumstances, combined with extremely high bunker prices and introductory costs due to the launch of the Viking XPRS in March 2008 will have a significant impact on Viking Line's earnings in the fiscal year 2007/2008. Earnings in fiscal 2007/2008 are thus expected to be lower than in fiscal 2006/2007.

THE BOARD'S PROPOSAL ON DISTRIBUTION OF EARNINGS

According to the balance sheet of Viking Line Abp on October 31, 2007, unrestricted equity totalled EUR 79,247,546.20.

The Board of Directors proposes to the annual shareholders' meeting that:

Of the income for the fiscal year, totalling	EUR 32,659,937.74
a dividend of 1.00 euro per share shall be paid, totalling	EUR 10,800,000.00
To be carried forward	EUR 21,859,937.74

SHAREHOLDERS' MEETING

The annual shareholders' meeting of Viking Line Abp will be held at 12 noon on Wednesday, February 6, 2008 at the Hotel Arkipelag, Strandgatan 31 in Mariehamn, Åland, Finland.

The Annual Report for fiscal 2006/2007 will be published during the week of January 21, 2008 in Swedish and shortly thereafter in Finnish and English.

FINANCIAL INFORMATION FOR 2007/2008

During fiscal 2007/2008, Viking Line Abp will issue interim reports for the periods November 1, 2007 to January 31, 2008; November 1, 2007 to April 30, 2008; and November 1, 2007 to July 31, 2008. These interim reports will be published on March 13, June 12, and September 11, 2008, respectively. The press release on the results for fiscal 2007/2008 will be published on December 18, 2008. The Annual Report will be published during the week of January 19, 2009.

Mariehamn, December 18, 2007

VIKING LINE ABP
The Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR M	Aug. 1, 2007– Oct. 31, 2007	Aug. 1, 2006– Oct. 31, 2006	Nov. 1, 2006– Oct. 31, 2007	Nov. 1, 2005– Oct. 31, 2006
SALES	113.71	106.04	436.02	405.95
Other operating revenue	0.18	0.15	0.49	0.44
Expenses				
Goods and services	31.57	29.83	120.30	113.26
Employee expenses	25.04	24.54	99.93	98.47
Depreciation and impairment losses	5.03	5.13	18.93	18.55
Other operating expenses	44.04	40.33	164.56	162.46
	105.67	99.83	403.72	392.74
OPERATING INCOME	8.22	6.36	32.80	13.65
Financial income	1.00	0.51	2.83	1.79
Financial expenses	-0.65	-0.30	-1.85	-1.19
INCOME BEFORE TAXES	8.58	6.56	33.78	14.25
Income taxes	-2.01	-1.51	-8.93	-3.80
INCOME FOR THE PERIOD	6.57	5.06	24.84	10.45
<i>Attributable to:</i>				
Parent company shareholders	6.57	5.05	24.84	10.45
Minority interest	0.00	0.00	0.00	0.00
Earnings per share, EUR	0.61	0.47	2.30	0.97

CONSOLIDATED BALANCE SHEET

EUR M	Oct. 31, 2007	Oct. 31, 2006
ASSETS		
Non-current assets		
Intangible assets	0.68	0.73
Land	1.10	1.10
Buildings and structures	5.71	6.09
Renovation costs for rented properties	0.30	0.39
Vessels	126.45	139.35
Machinery and equipment	4.45	4.62
Advance payments	34.54	13.46
Financial assets	0.07	0.07
Receivables	0.03	0.02
Total non-current assets	173.33	165.83
Current assets		
Inventories	9.61	8.30
Income tax assets	0.01	0.09
Trade and other receivables	31.86	22.47
Cash and cash equivalents	42.53	45.93
Total current assets	84.02	76.78
TOTAL ASSETS	257.35	242.61
EQUITY AND LIABILITIES		
Equity		
Share capital	1.82	1.82
Reserves	0.02	0.02
Translation differences	0.02	-0.02
Retained earnings	156.80	137.91
Equity attributable to parent company shareholders	158.65	139.73
Minority interest	0.04	0.03
Total equity	158.69	139.76
Non-current liabilities		
Deferred tax liabilities	27.65	30.41
Interest-bearing liabilities	4.52	6.73
Total non-current liabilities	32.17	37.14
Current liabilities		
Interest-bearing liabilities	2.23	8.95
Income tax liabilities	5.47	3.20
Trade and other payables	58.79	53.55
Total current liabilities	66.48	65.70
Total liabilities	98.66	102.84
TOTAL EQUITY AND LIABILITIES	257.35	242.61

CONSOLIDATED CASH FLOW STATEMENT

EUR M	Nov. 1, 2006– Oct. 31, 2007	Nov. 1, 2005– Oct. 31, 2006
OPERATING ACTIVITIES		
Income for the period	24.84	10.45
Adjustments		
Depreciation and impairment losses	18.93	18.55
Other items not included in cash flow	-0.05	-0.03
Interest expenses and other financial expenses	0.70	0.72
Interest income and other financial income	-1.44	-0.74
Dividend income	0.00	-0.01
Income taxes	8.93	3.80
Change in working capital		
Change in trade and other receivables	-9.36	1.01
Change in inventories	-1.31	0.08
Change in trade and other payables	5.26	3.39
Interest paid	-0.53	-0.66
Financial expenses paid	-0.19	-0.05
Interest received	1.27	0.61
Financial income received	0.14	0.12
Taxes paid	-9.35	-2.75
NET CASH FLOW FROM OPERATING ACTIVITIES	37.84	34.50
INVESTING ACTIVITIES		
Investments in vessels	-4.08	-3.43
Investments in other property, plant and equipment	-1.22	-1.94
Advance payments	-21.07	-13.46
Divestments of other property, plant and equipment	0.03	0.06
Divestments of financial assets	0.00	0.01
Dividends received	0.00	0.01
NET CASH FLOW FROM INVESTING ACTIVITIES	-26.34	-18.75
FINANCING ACTIVITIES		
Increase in non-current liabilities	-	0.21
Amortization of non-current liabilities	-8.94	-8.93
Change in non-current receivables	-0.01	0.01
Dividends paid	-5.94	-
NET CASH FLOW FROM FINANCING ACTIVITIES	-14.89	-8.71
CHANGE IN CASH AND CASH EQUIVALENTS	-3.39	7.04
Cash and cash equivalents at beginning of period	45.93	38.89
CASH AND CASH EQUIVALENTS AT END OF PERIOD	42.53	45.93

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR M	Equity attributable to parent company shareholders					Minority interest	Total equity
	Share capital	Reserves	Translation differences	Retained earnings	Total		
Equity, Oct. 31, 2005	1.82	0.02	0.07	127.38	129.29	0.03	129.32
Effect of IAS 39		0.04			0.04		0.04
Adjusted equity, Nov. 1, 2005	1.82	0.06	0.07	127.38	129.32	0.03	129.36
Translation differences		0.00	-0.09	0.09	0.00		0.00
Financial assets, change in fair value		-0.04			-0.04		-0.04
Income for the period				10.45	10.45	0.00	10.45
Equity, Oct. 31, 2006	1.82	0.02	-0.02	137.91	139.73	0.03	139.76
Translation differences		0.00	0.04	-0.01	0.02	0.00	0.02
Dividend to shareholders				-5.94	-5.94		-5.94
Income for the period				24.84	24.84	0.00	24.84
Equity, Oct. 31, 2007	1.82	0.02	0.02	156.80	158.65	0.04	158.69

QUARTERLY CONSOLIDATED INCOME STATEMENT

EUR M	2006/2007 Q4	2006/2007 Q3	2006/2007 Q2	2006/2007 Q1
SALES	113.71	128.60	98.59	95.12
Other operating revenue	0.18	0.12	0.10	0.09
Expenses				
Goods and services	31.57	35.40	26.99	26.34
Employee expenses	25.04	25.36	24.63	24.91
Depreciation and impairment losses	5.03	4.65	4.64	4.61
Other operating expenses	44.04	41.24	40.79	38.50
	105.67	106.65	97.05	94.34
OPERATING INCOME	8.22	22.07	1.64	0.87
Financial income	1.00	0.55	0.57	0.71
Financial expenses	-0.65	-0.32	-0.50	-0.39
INCOME BEFORE TAXES	8.58	22.30	1.71	1.19
Income taxes	-2.01	-5.50	-0.77	-0.66
INCOME FOR THE PERIOD	6.57	16.81	0.94	0.53
<i>Attributable to:</i>				
Parent company shareholders	6.57	16.81	0.94	0.53
Minority interest	0.00	0.00	0.00	0.00
Earnings per share, EUR	0.61	1.56	0.09	0.05

PLEGGED ASSETS AND CONTINGENT LIABILITIES

EUR M	Oct. 31, 2007	Oct. 31, 2006
Contingent liabilities	8.72	17.78
Assets pledged for own debt	11.20	29.25
Investment commitments not included in the accounts	156.28	113.84
– contractual amount	188.21	126.82

FINANCIAL RATIOS AND STATISTICS

	Nov. 1, 2006– Oct. 31, 2007	Nov. 1, 2005– Oct. 31, 2006
Equity per share, EUR	14.69	12.94
Dividend per share, EUR	1.00	0.55
Number of shares on balance sheet date	10,800,000	10,800,000
Return on equity (ROE)	16.6 %	7.8 %
Return on investment (ROI)	21.5 %	9.7 %
Equity/assets ratio	61.7 %	57.6 %
Investments, EUR M	26.37	18.83
– as % of sales	6.0 %	4.6 %
Passengers	5,695,343	5,577,966
Cargo units	91,333	90,092
Average number of employees, full time equivalent	2,907	2,900

Earnings per share = (Income before taxes – income taxes +/- minority interest) / Average number of shares

Equity per share = Equity attributable to parent company shareholders / Number of shares on balance sheet date

Return on equity (ROE), % = (Income before taxes - income taxes) / Equity including minority interest (average for the year)

Return on investment (ROI), % = (Income before taxes + interest and other financial expenses) / (Total assets - interest-free liabilities [average for the year])

Equity/assets ratio, % = (Equity including minority interest) / (Total assets – advances received)

When rounding off items to the nearest EUR 1,000,000, rounding-off differences of EUR +/- 0.01 M have occurred.

The above figures from the financial statements have been audited.