

# Press release

## INTERIM REPORT FOR THE PERIOD NOVEMBER 2008–JULY 2009

*"I'm very pleased that the Company's earnings during the third quarter were better than last year despite the weak Swedish krona and the recession", says Nils-Erik Eklund, Managing Director and Chief Executive.*

### CONTINUED INCREASE IN PASSENGER AND CARGO VOLUME

During the nine-month period November 2008 – July 2009, Viking Line's passenger volume rose by 124,014 to 4,744,686 passengers (+2.7 per cent). The increase came mainly from the sub-markets where Viking Line had strengthened its capacity, that is, the Helsinki (Finland)–Tallinn (Estonia) and Mariehamn (Åland Islands, Finland)–Kapellskär (Sweden) routes, but passenger volume also rose on the Helsinki–Mariehamn–Stockholm (Sweden) route. On these routes, Viking Line also strengthened its market share.

On the Helsinki–Tallinn route, passenger volume was up by 131,583 to 1,153,469 passengers (+12.9 per cent), and on the Mariehamn–Kapellskär route by 110,444 (+27.6 per cent), while volume on the Helsinki–Mariehamn–Stockholm route increased by 33,109 passengers to 880,277 (+3.9 per cent). In Stockholm–Mariehamn cruise services, passenger volume declined by 48,517 to 741,406 (-6.1 per cent) due to a lengthy dry-docking period in June. During the nine-month period, the passenger ferry industry was characterised by intensifying competition, especially with regard to the Swedish market area, where new and larger competing capacity was added on three routes, leading to falling prices in the industry. This had a particularly large impact on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm route, where Viking Line's volume declined by 102,605 to 1,458,386 passengers (-6.6 per cent).

### Higher cargo volume and stronger cargo market share

Despite the deep recession, during the nine-month period Viking Line's cargo volume increased by 6,304 to 76,420 cargo units (+9.0 per cent). This represented an increase in its cargo market share by 6.3 percentage points to 24.7 per cent.

### Weaker Swedish krona and increased competition affected earnings

During the nine-month period, sales decreased marginally to EUR 348.60 M (-1.2 per cent). The weaker Swedish krona and keener competition adversely affected revenue per passenger. Despite higher cargo revenue, this resulted in a decline in operating income of EUR 3.35 M to EUR 16.38 M.

Any questions concerning the Interim 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 attractive 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 2007/2008 sales were about EUR 475 M. The number of passengers totalled 6.2 million. The average number of employees was 2,994.

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## SALES AND EARNINGS

Consolidated sales of the Viking Line Group during the period November 1, 2008 – July 31, 2009 amounted to 348.60 million euros (same period of fiscal 2007/2008: EUR 352.75 M). Operating income was EUR 16.38 M (19.73). Net financial items were EUR -2.44 M (-1.73). Consolidated income before taxes amounted to EUR 13.94 M (18.00). Income after taxes was EUR 10.24 M (13.08).

Despite a larger number of passengers, consolidated sales decreased by 1.2 per cent. The weak Swedish krona led to lower revenue per passenger. Passenger-related revenue decreased by 1.3 per cent to EUR 323.88 M, and cargo revenue rose by 2.6 per cent to EUR 22.01 M.

Fuel expenses decreased by 30.4 per cent to EUR 25.18 M, due to substantially lower bunker prices. Due to the Viking XPRS and other investments in vessels, depreciation increased by EUR 4.63 M. Net financial items deteriorated by EUR 0.71 M, mainly because of the financing of the Group's newbuildings. Estimated future repayment of incorrectly levied fairway dues in Finland for 2005 of EUR 3.10 M reduced the Group's operating expenses. Total consolidated operating expenses decreased by 0.8 per cent to EUR 332.55 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 served the same routes as during fiscal 2007/2008.

During the first nine months of fiscal 2008/2009, the number of passengers on the Group's vessels rose by 2.7 per cent to 4,744,686. Most of the volume increase was achieved by the Viking XPRS in service on the Helsinki (Finland)–Tallinn (Estonia) route. This also enabled a strong volume increase on the Mariehamn (Åland Islands, Finland)–Kapellskär (Sweden) route after the Rosella was moved to this route. Viking Line also achieved a passenger increase on the Helsinki–Mariehamn–Stockholm (Sweden) route. In Stockholm–Mariehamn cruise services, passenger volume declined due to a lengthy dry-docking period in June. Passenger volume on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm route declined in intensifying competition on the route. Despite increasing competition Viking Line's cargo volume rose by 9.0 per cent to 76,420 cargo units, which enabled Viking Line to strengthen its cargo market share by 6.3 percentage points to 24.7 per cent.

During the first nine months of fiscal 2008/2009, Viking Line strengthened its market share on the Helsinki–Tallinn route by 2.7 percentage points to 24.9 per cent and on the Helsinki–Mariehamn–Stockholm route by 0.7 percentage points to 47.8 per cent. On the Turku–Mariehamn/Långnäs–Stockholm route, market share decreased by 6.3 percentage points to 51.0 per cent. In cruise services between Stockholm and Mariehamn, Viking Line's market share decreased by 2.1 percentage points to 49.5 per cent, while its market share for service on the short route over the Sea of Åland between Sweden and the Åland Islands strengthened by 5.7 percentage points to 43.6 per cent. The Group thus had a total market share in its service area of 39.6 per cent.

## INVESTMENTS AND FINANCING

The Group's investments totalled EUR 26.23 M (140.47), of which EUR 13.62 M consisted of advance payments for the vessel ordered from the shipyard Astilleros de Sevilla, S.A. in Spain. Delivery of this vessel was initially delayed due to late delivery of important components and will be further delayed due to the financial situation of the shipyard. At present, it is estimated that delivery can occur at the earliest during late autumn 2010, which means that it will occur later than the date when Viking Line Abp can cancel the contract due to delayed delivery. Viking Line Abp has sufficient bank guarantees as collateral for required repayment of advances, in case the contract should be cancelled. In that case, capitalized expenses for planning and oversight tasks etc. totalling an estimated EUR 4 M will

be charged to Group earnings in fiscal 2009/2010. The Board of Directors is monitoring the situation and evaluating the shipyard's ability to complete the vessel-building project.

On July 31, 2009 the Group's non-current interest-bearing liabilities amounted to EUR 116.68 M (115.47). The equity/assets ratio was 41.1 per cent, compared to 41.6 per cent a year earlier.

At the end of July 2009, the Group's cash and cash equivalents amounted to EUR 44.09 M (41.16). Net cash flow from operating activities amounted to EUR 42.79 M (31.99).

## FINANCIAL REPORTING

This Interim Report was prepared in compliance with International Financial Reporting Standards (IFRSs) and was drawn up as a summary of the financial statements for the period in compliance with IAS 34. Estimates and judgments as well as accounting principles and calculation methods are the same as in the latest annual financial statements. Recognized income taxes are based on an estimated average tax rate, which is expected to apply throughout the fiscal year. This Interim Report is unaudited.

## ORGANIZATION OCH PERSONNEL

The average number of Group employees was 3,080 (2,982), of whom 1,915 (2,030) worked for the parent company. Land-based personnel totalled 774 (760) and shipboard personnel totalled 2,306 (2,222).

## OUTLOOK FOR THE FULL 2008/2009 FISCAL YEAR

Since the financial statements for fiscal 2007/2008 were published, no essential changes have occurred that affect the Board's assessment of the risks in Viking Line's business operations, except with regard to the delivery of the vessel from Asterillos de Sevilla, S.A. in Spain.

Competition in Viking Line's service area increased during the fiscal year 2008/2009. Viking Line has strengthened its long-term competitiveness by investing sizeable sums in measures that boost the standards and quality of its vessels. The task of introducing new shipboard restaurant concepts and raising the standard of passenger cabins will be completed during 2008/2009. In addition, the newbuilding Viking XPRS is in service. This will enable Viking Line to remain a successful market player in ferry services on the northern Baltic Sea.

Since the Viking XPRS and the Rosella will now be in service throughout the fiscal year on the Helsinki-Tallinn and Mariehamn-Kapellskär routes, respectively, this will result in a certain increase in the Group's total passenger volume. Net sales revenue per passenger is not expected to increase, however, among other things due to the current recession and its adverse impact on purchasing power. In addition, the tough competitive situation will continue to squeeze ticket prices. The Group will have higher depreciation and interest expenses than in 2007/2008. The Swedish krona was weak during the report period. The level of bunker prices is rising. In light of the above factors as well as the prevailing general economic situation, in the assessment of the Board of Directors, fiscal 2008/2009 earnings will not be fully at the level of 2007/2008 earnings.

The press release on the results for fiscal 2008/2009 will be published on December 17, 2009.

Mariehamn, Åland, September 10, 2009

VIKING LINE ABP  
The Board of Directors

## CONSOLIDATED INCOME STATEMENT

EUR M	May 1, 2009– Jul 31, 2009	May 1, 2008– Jul 31, 2008	Nov 1, 2008– Jul 31, 2009	Nov 1, 2007– Jul 31, 2008	Nov 1, 2007– Oct 31, 2008
<b>SALES</b>	<b>142.15</b>	<b>145.41</b>	<b>348.60</b>	<b>352.75</b>	<b>475.39</b>
Other operating revenue	0.09	2.11	0.32	2.37	2.46
<b>Expenses</b>					
Goods and services	39.58	39.55	99.55	96.94	132.22
Employee expenses	28.49	27.56	83.06	79.43	106.16
Depreciation and impairment losses	7.24	6.69	21.56	16.93	24.63
Other operating expenses	45.76	53.38	128.37	142.09	191.58
	121.08	127.18	332.55	335.39	454.60
<b>OPERATING INCOME</b>	<b>21.17</b>	<b>20.33</b>	<b>16.38</b>	<b>19.73</b>	<b>23.26</b>
Financial income	1.13	0.33	3.54	1.12	1.76
Financial expenses	-1.23	-1.73	-5.99	-2.85	-5.22
<b>INCOME BEFORE TAXES</b>	<b>21.07</b>	<b>18.93</b>	<b>13.94</b>	<b>18.00</b>	<b>19.80</b>
Income taxes	-5.51	-4.64	-3.70	-4.93	-5.04
<b>INCOME FOR THE PERIOD</b>	<b>15.56</b>	<b>14.29</b>	<b>10.24</b>	<b>13.08</b>	<b>14.76</b>
<b>Attributable to:</b>					
Parent company shareholders	15.56	14.29	10.24	13.08	14.76
Minority interest	-	-	-	-	-
Earnings per share, EUR	1.44	1.32	0.95	1.21	1.37

## CONSOLIDATED BALANCE SHEET

EUR M	Jul 31, 2009	Jul 31, 2008	Oct 31, 2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	0.85	0.63	0.63
Land	1.10	1.10	1.10
Buildings and structures	5.16	5.47	5.38
Renovation costs for rented properties	0.65	0.54	0.54
Vessels	244.49	254.20	254.04
Machinery and equipment	5.97	5.81	5.63
Advance payments	42.22	28.23	28.60
Financial assets	0.07	0.07	0.07
Receivables	0.02	0.03	0.03
<b>Total non-current assets</b>	<b>300.54</b>	<b>296.09</b>	<b>296.02</b>
<b>Current assets</b>			
Inventories	11.05	10.96	10.79
Income tax assets	0.01	0.05	5.05
Trade and other receivables	39.00	38.62	37.86
Cash and cash equivalents	44.09	41.16	30.62
<b>Total current assets</b>	<b>94.15</b>	<b>90.79</b>	<b>84.31</b>
<b>TOTAL ASSETS</b>	<b>394.68</b>	<b>386.87</b>	<b>380.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1.82	1.82	1.82
Reserves	0.02	0.02	0.02
Translation differences	-0.11	-0.04	-0.10
Retained earnings	160.31	159.13	160.86
Equity attributable to parent company shareholders	162.04	160.92	162.60
Minority interest	-	-	-
<b>Total equity</b>	<b>162.04</b>	<b>160.92</b>	<b>162.60</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	32.51	27.65	32.50
Interest-bearing liabilities	116.68	115.47	108.98
<b>Total non-current liabilities</b>	<b>149.19</b>	<b>143.12</b>	<b>141.48</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	10.66	6.46	10.88
Income tax liabilities	0.03	0.26	0.01
Trade and other payables	72.77	76.11	65.37
<b>Total current liabilities</b>	<b>83.46</b>	<b>82.83</b>	<b>76.25</b>
<b>Total liabilities</b>	<b>232.65</b>	<b>225.95</b>	<b>217.73</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>394.68</b>	<b>386.87</b>	<b>380.33</b>

## CONSOLIDATED CASH FLOW STATEMENT

EUR M	Nov 1, 2008– Jul 31, 2009	Nov 1, 2007– Jul 31, 2008	Nov 1, 2007– Oct 31, 2008
<b>OPERATING ACTIVITIES</b>			
Income for the period	10.24	13.08	14.76
Adjustments			
Depreciation and impairment losses	21.56	16.93	24.63
Other items not included in cash flow	-0.03	-1.98	-1.98
Interest expenses and other financial expenses	3.00	2.31	4.02
Interest income and other financial income	-0.37	-0.83	-1.21
Dividend income	0.00	0.00	0.00
Income taxes	3.70	4.93	5.04
Change in working capital			
Change in trade and other receivables	-1.14	-6.80	-6.04
Change in inventories	-0.27	-1.35	-1.18
Change in trade and other payables	6.90	16.31	6.57
Interest paid	-2.51	-0.97	-3.64
Financial expenses paid	-0.03	-0.33	-0.35
Interest received	0.33	0.78	1.12
Financial income received	0.05	0.09	0.14
Taxes paid	1.37	-10.17	-10.69
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>42.79</b>	<b>31.99</b>	<b>31.17</b>
<b>INVESTING ACTIVITIES</b>			
Investments in vessels	-10.21	-115.30	-122.15
Investments in other property, plant and equipment	-2.40	-3.16	-3.58
Advance payments	-13.62	-21.94	-22.31
Acquisition of minority interest	-	-0.08	-0.08
Divestments of vessels	-	2.63	2.63
Divestments of other property, plant and equipment	0.17	0.09	0.09
Change in non-current receivables	0.01	0.00	0.00
Dividends received	0.00	0.00	0.00
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-26.05</b>	<b>-137.75</b>	<b>-145.39</b>
<b>FINANCING ACTIVITIES</b>			
Increase in non-current liabilities	12.00	115.28	115.34
Amortization of non-current liabilities	-4.47	-0.09	-2.23
Dividends paid	-10.80	-10.80	-10.80
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-3.27</b>	<b>104.38</b>	<b>102.30</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>13.47</b>	<b>-1.37</b>	<b>-11.92</b>
Cash and cash equivalents at beginning of period	30.62	42.53	42.53
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>44.09</b>	<b>41.16</b>	<b>30.62</b>

## 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		
<b>Equity, Nov 1, 2008</b>	<b>1.82</b>	<b>0.02</b>	<b>-0.10</b>	<b>160.86</b>	<b>162.60</b>	-	<b>162.60</b>
Translation differences		0.00	-0.01	0.01	0.00		0.00
Dividend to shareholders				-10.80	-10.80		-10.80
Income for the period				10.24	10.24		10.24
<b>Equity, Jul 31, 2009</b>	<b>1.82</b>	<b>0.02</b>	<b>-0.11</b>	<b>160.31</b>	<b>162.04</b>	-	<b>162.04</b>
<b>Equity, Nov 1, 2007</b>	<b>1.82</b>	<b>0.02</b>	<b>0.02</b>	<b>156.80</b>	<b>158.65</b>	<b>0.04</b>	<b>158.69</b>
Translation differences		0.00	-0.06	0.05	-0.01		-0.01
Dividend to shareholders				-10.80	-10.80		-10.80
Acquisition of minority interest					-	-0.04	-0.04
Income for the period				13.08	13.08		13.08
<b>Equity, Jul 31, 2008</b>	<b>1.82</b>	<b>0.02</b>	<b>-0.04</b>	<b>159.13</b>	<b>160.92</b>	-	<b>160.92</b>

# QUARTERLY CONSOLIDATED INCOME STATEMENT

EUR M	2008/2009 Q3	2008/2009 Q2	2008/2009 Q1	2007/2008 Q4
<b>SALES</b>	<b>142.15</b>	<b>102.96</b>	<b>103.49</b>	<b>122.63</b>
Other operating revenue	0.09	0.14	0.09	0.09
<b>Expenses</b>				
Goods and services	39.58	30.14	29.83	35.27
Employee expenses	28.49	27.94	26.64	26.74
Depreciation and impairment losses	7.24	7.21	7.11	7.70
Other operating expenses	45.76	42.23	40.38	49.49
	121.08	107.52	103.95	119.21
<b>OPERATING INCOME</b>	<b>21.17</b>	<b>-4.43</b>	<b>-0.37</b>	<b>3.52</b>
Financial income	1.13	1.35	1.06	0.65
Financial expenses	-1.23	-2.11	-2.64	-2.38
<b>INCOME BEFORE TAXES</b>	<b>21.07</b>	<b>-5.19</b>	<b>-1.95</b>	<b>1.79</b>
Income taxes	-5.51	1.33	0.49	-0.11
<b>INCOME FOR THE PERIOD</b>	<b>15.56</b>	<b>-3.86</b>	<b>-1.46</b>	<b>1.68</b>
<b>Attributable to:</b>				
Parent company shareholders	15.56	-3.86	-1.46	1.68
Minority interest	-	-	-	-
Earnings per share, EUR	1.44	-0.36	-0.14	0.16

## PLEGDED ASSETS AND CONTINGENT LIABILITIES

EUR M	Jul 31, 2009	Jul 31, 2008	Oct 31, 2008
Contingent liabilities	129.25	123.74	121.52
Assets pledged for own debt	168.72	141.52	141.49
Investment commitments not included in the accounts	21.36	33.37	33.34
– contractual amount	60.98	60.83	60.81

## FINANCIAL RATIOS AND STATISTICS

	Nov 1, 2008– Jul 31, 2009	Nov 1, 2007– Jul 31, 2008	Nov 1, 2007– Oct 31, 2008
Equity per share, EUR	15.00	14.90	15.06
Equity/assets ratio	41.1 %	41.6 %	42.8 %
Investments, EUR M	26.23	140.47	148.12
– as % of sales	7.5 %	39.8 %	31.2 %
Passengers	4,744,686	4,620,672	6,171,273
Cargo units	76,420	70,116	96,017
Average number of employees, full time equivalent	3,080	2,982	2,994

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

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.