

**INTERIM REPORT FOR THE PERIOD  
NOVEMBER 2009–JANUARY 2010****INCREASED SALES AND STRONGER MARKET SHARE FOR  
BOTH PASSENGER AND CARGO SERVICES**

The total market in Viking Line's service area weakened during the period November-January, with a decrease in passenger volume of more than 80,000 passengers (-2.4 per cent). In this shrinking market, Viking Lines was able to increase its passenger volume by more than 7,000 to 1,335,196 passengers, strengthening its market share by 4.4 percentage points to 54.4 per cent on the Turku (Finland)–Mariehamn (Åland Islands, Finland)–Stockholm (Sweden) route, by 2.2 percentage points to 51.5 per cent on the Helsinki (Finland)–Mariehamn–Stockholm route and by 1.3 percentage points to 24.8 per cent on the Helsinki–Tallinn (Estonia) route. In Stockholm–Mariehamn cruise services, Viking Line strengthened its market share by more than one percentage point to 52.3 per cent.

The cargo market continued to weaken slightly during the period November-January (-0.5 per cent), while Viking Line was able to increase its cargo volume by 5.7 per cent, thereby strengthening its market share by more than 1.5 percentage points to 26.0 per cent.

The Viking Line Group's consolidated sales for the report period rose by EUR 1.27 M to EUR 104.76 M due to increased passenger-related revenue and increased cargo revenue, but higher bunker (fuel) prices, higher fuel consumption due to the ice situation on the northern Baltic Sea and increased employee expenses undermined earnings growth. As a consequence, compared to the year-earlier period, income after taxes fell by EUR 3.13 M to EUR -4.59 M (-1.46).

For further information, please contact:

Mikael Backman, President and Chief Executive Officer, tel. +358 18 270 00.

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 NASDAQ OMX Nordic Exchange Helsinki since 1995. Viking Line serves Finland, Sweden and the Baltic countries with seven vessels. During fiscal 2008/2009 sales were about EUR 471 M. The number of passengers totalled 6.4 million. The average number of employees was 3,091.

**VIKING LINE ABP**

Norragatan 4/PB 166, AX-22101 Mariehamn, Åland, Finland.  
Tel +358 18 270 00. Fax + 358 18 169 44

[www.vikingline.fi](http://www.vikingline.fi) [www.vikingline.se](http://www.vikingline.se)

## SALES AND EARNINGS

Consolidated sales of the Viking Line Group during the period November 1, 2009–January 31, 2010 rose to 104.76 million euros (same period of fiscal 2008/2009: EUR 103.49 M). Operating income was EUR -5.96 M (-0.37). Net financial items were EUR -0.22 M (-1.58). Consolidated income before taxes amounted to EUR -6.18 M (-1.95). Income after taxes was EUR -4.59 M (-1.46).

Consolidated sales increased by 1.2 per cent as a consequence of a larger number of passengers. Passenger-related revenue increased by 1.2 per cent to EUR 96.42 M, and cargo revenue rose by 1.0 per cent to EUR 7.61 M. Net sales revenue increased by 2.5 per cent to EUR 75.57 M (73.75).

The Group's total operating expenses increased by 10.0 per cent to EUR 81.52 M (74.12). Of this, fuel expenses rose by 35.8 per cent to EUR 10.77 M, as a consequence of higher bunker prices as well as higher fuel consumption caused by the ice situation on the northern Baltic Sea. Employee expenses increased by 8.5 per cent to EUR 28.90 M (26.64). Operating income was thus EUR -5.96 M (-0.37).

Net financial items improved by EUR 1.36 M to EUR -0.22 M (-1.58) due to lower market interest rates.

## 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 2008/2009.

During the first three months of fiscal 2009/2010, the number of passengers on the Group's vessels rose by 0.5 per cent to 1,335,196. Most of the volume increase was achieved by the Viking XPRS on the Helsinki (Finland)–Tallinn (Estonia) route. The Group also achieved a passenger increase in its cruise services between Stockholm (Sweden) and Mariehamn (Åland Islands, Finland). Viking Line's cargo volume increased by 5.7 per cent to 26,388 cargo units.

During the first three months of fiscal 2009/2010, Viking Line strengthened its market share on the Helsinki–Tallinn route by 1.3 percentage points to 24.8 per cent and on the Helsinki–Mariehamn–Stockholm route by 2.2 percentage points to 51.5 per cent. On the Turku (Finland)–Mariehamn–Stockholm route, market share increased by 4.4 percentage points to 54.4 per cent. In cruise services between Stockholm and Mariehamn, Viking Line's market share increased by 1.4 percentage points to 52.3 per cent, while its market share for service on the short route over the Sea of Åland between Sweden and the Åland Islands decreased by 2.8 percentage points to 40.3 per cent. The Group thus had a total market share in its service area of 37.6 per cent.

## INVESTMENTS AND FINANCING

Viking Line cancelled its newbuilding contract with Astilleros de Sevilla on February 8, 2010 and has demanded the return of its advance payments, totalling EUR 39 M, plus interest. In addition to the prepayments that it has made in accordance with the newbuilding contract, Viking Line has capitalized project expenses of about EUR 4 M. The interest on the advance payments that have been made, however, totals almost as much as the project expenses, which means that the impact of these expenses on earnings will be relatively small. After the advance payments have been repaid, there may possibly be reason to negotiate a new contract for completion of the newbuilding. Viking Line has therefore chosen not to recognize the project expenses or interest income in its financial statements at this stage.

On January 31, 2010 the Group's non-current interest-bearing liabilities amounted to EUR 98.15 M (120.97). The equity/assets ratio was 41.8 per cent, compared to 41.9 per cent a year earlier.

At the end of January 2010, the Group's cash and cash equivalents amounted to EUR 38.57 M (28.44). Net cash flow from operating activities amounted to EUR -2.35 M (0.71).

## FINANCIAL REPORTING

Starting on November 1, 2009, Viking Line has begun to apply the revised IAS 1, "Presentation of financial statements", and IFRS 8, "Operating segments". Group Management has established operating segments based on the information that is dealt with by the Board of Directors. The Group's operations have been divided into two operating segments: Vessels and Unallocated. The Vessels operating segment comprises direct revenue and expenses including depreciation and amortization that is attributable to vessel operations. The Unallocated operating segment mainly comprises unallocated marketing and administrative expenses. Unallocated also includes the Park Alandia Hotell profit centre and Sundqvist Buss Ab, which are support units for vessel operations and account for less than 10 per cent of the Group's sales, operating income and assets.

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 AND PERSONNEL

The average number of Group employees was 2,998 (2,951), of whom 1,846 (1,824) worked for the parent company. Land-based personnel totalled 741 (727) and shipboard personnel totalled 2,257 (2,224).

## ANNUAL GENERAL MEETING

The Annual General Meeting of Viking Line Abp on February 11, 2010 adopted the parent company and consolidated financial statements. This included the proposal of the Board of Directors for a dividend of EUR 0.70 per share for the fiscal year November 1, 2008–October 31, 2009. The Annual General Meeting discharged the Board of Directors and the President and Chief Executive Officer from liability for fiscal 2008/2009. Nils-Erik Eklund stepped down from his position as President and CEO on February 11, and Mikael Backman took over as the new President and CEO.

All members of the Board of Directors were re-elected, except that Carita Blomsterlund declined re-election. Jesper Blomsterlund was elected as a new member of the Board. Carita Blomsterlund was elected as a deputy member. The Company's two other deputy members of the Board, Trygve Eriksson and Stefan Lundqvist, were re-elected. The Company's Board of Directors until the end of the next Annual General Meeting thus has the following composition: Ben Lundqvist (Chairman), Jesper Blomsterlund, Nils-Erik Eklund, Erik Grönberg, Agneta Karlsson, Dick Lundqvist and Lars G Nordström plus deputy members Carita Blomsterlund, Trygve Eriksson and Stefan Lundqvist. Elected as the Company's Auditors were Johan Kronberg, Authorized Public Accountant (CGR) and Martin Grandell, Authorized Public Accountant (CGR). Elected as Deputy Auditors were Sven-Harry Boman, Authorized Public Accountant (CGR) and Erika Sjölund, Authorized Public Accountant (GRM).

## **RISK FACTORS**

Since the financial statements for fiscal 2008/2009 were published, no changes have occurred that affect the Board's assessment of the risks in Viking Line's business operations. Special risks during the immediate future concern bunker prices, bunker consumption due to the ice situation, the exchange rate of the Swedish krona and potential labour market disputes.

## **OUTLOOK FOR THE FULL 2009/2010 FISCAL YEAR**

Competition in Viking Line's service area remains tough and implies continued pressure on ticket prices.

The Group's earnings are not generated evenly throughout the year. Volume and price developments during the remainder of the fiscal year are crucial to the Group's earnings. The loss of earnings due to vessel dry-dockings will be less during the remainder of the 2009/2010 fiscal year than in fiscal 2008/2009. The Swedish krona has appreciated in value but was still relatively weak during the first quarter of fiscal 2009/2010. Since then the krona has appreciated substantially, which is positive for the Group's earnings trend. However, high bunker prices and higher bunker consumption, due to the ice situation, are having an adverse impact on earnings. The current fiscal year has been extended to 14 months, which will nevertheless have a relatively small impact on the Group's earnings. In light of the above, the Board of Directors finds no reason to change its previously published earnings assessment, which states that fiscal 2009/2010 earnings will not be fully at the level of 2008/2009 earnings.

The next Interim Report (November 2009–April 2010) will be published on June 15, 2010.

Mariehamn, Åland, March 11, 2010

VIKING LINE ABP  
The Board of Directors

## CONSOLIDATED INCOME STATEMENT

EUR M	Nov 1, 2009– Jan 31, 2010	Nov 1, 2008– Jan 31, 2009	Nov 1, 2008– Oct 31, 2009
<b>SALES</b>	<b>104.76</b>	<b>103.49</b>	<b>470.74</b>
Other operating revenue	0.14	0.09	0.41
<b>Expenses</b>			
Goods and services	29.33	29.83	135.15
Employee expenses	28.90	26.64	111.26
Depreciation and impairment losses	7.13	7.11	29.33
Other operating expenses	45.49	40.38	178.07
	110.85	103.95	453.82
<b>OPERATING INCOME</b>	<b>-5.96</b>	<b>-0.37</b>	<b>17.34</b>
Financial income	0.52	1.06	3.96
Financial expenses	-0.74	-2.64	-6.87
<b>INCOME BEFORE TAXES</b>	<b>-6.18</b>	<b>-1.95</b>	<b>14.43</b>
Income taxes	1.59	0.49	-3.87
<b>INCOME FOR THE PERIOD</b>	<b>-4.59</b>	<b>-1.46</b>	<b>10.56</b>
Translation differences	0.04	-0.11	0.01
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-4.55</b>	<b>-1.57</b>	<b>10.57</b>
<i>Attributable to:</i>			
Parent company shareholders	-4.55	-1.57	10.57
Total earnings per share, EUR	-0.42	-0.15	0.98

## CONSOLIDATED BALANCE SHEET

EUR M	Jan 31, 2010	Jan 31, 2009	Oct 31, 2009
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	1.24	0.60	1.06
Land	1.10	1.10	1.10
Buildings and structures	5.31	5.29	5.08
Renovation costs for rented properties	0.61	0.51	0.66
Vessels	234.69	249.24	240.69
Machinery and equipment	5.70	5.68	5.73
Advance payments	43.00	41.12	42.71
Financial assets	0.02	0.07	0.07
Receivables	0.04	0.02	0.02
<b>Total non-current assets</b>	<b>291.72</b>	<b>303.64</b>	<b>297.12</b>
<b>Current assets</b>			
Inventories	9.78	10.09	11.23
Income tax assets	3.47	8.71	1.81
Trade and other receivables	33.96	33.84	33.17
Cash and cash equivalents	38.57	28.44	46.96
<b>Total current assets</b>	<b>85.78</b>	<b>81.08</b>	<b>93.18</b>
<b>TOTAL ASSETS</b>	<b>377.49</b>	<b>384.71</b>	<b>390.30</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	-0.14	-0.22	-0.10
Retained earnings	156.13	159.41	160.63
Equity attributable to parent company shareholders	157.82	161.03	162.37
<b>Total equity</b>	<b>157.82</b>	<b>161.03</b>	<b>162.37</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	34.80	32.50	34.80
Interest-bearing liabilities	98.15	120.97	114.41
<b>Total non-current liabilities</b>	<b>132.95</b>	<b>153.47</b>	<b>149.21</b>
<b>Current liabilities</b>			
Interest-bearing liabilities	22.69	10.72	10.74
Income tax liabilities	0.01	-	-
Trade and other payables	64.02	59.50	67.98
<b>Total current liabilities</b>	<b>86.72</b>	<b>70.22</b>	<b>78.72</b>
<b>Total liabilities</b>	<b>219.67</b>	<b>223.69</b>	<b>227.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>377.49</b>	<b>384.71</b>	<b>390.30</b>

## CONSOLIDATED CASH FLOW STATEMENT

EUR M	Nov 1, 2009– Jan 31, 2010	Nov 1, 2008– Jan 31, 2009	Nov 1, 2008– Oct 31, 2009
<b>OPERATING ACTIVITIES</b>			
Income for the period	-4.59	-1.46	10.56
Adjustments			
Depreciation and impairment losses	7.13	7.11	29.33
Other items not included in cash flow	0.04	-0.10	-0.02
Interest expenses and other financial expenses	0.47	1.52	3.55
Interest income and other financial income	-0.19	-0.26	-0.43
Dividend income	0.00	-	0.00
Income taxes	-1.59	-0.49	3.87
Change in working capital			
Change in trade and other receivables	-0.78	4.04	4.68
Change in inventories	1.45	0.70	-0.45
Change in trade and other payables	-3.89	-7.32	2.19
Interest paid	-0.52	-0.07	-3.14
Financial expenses paid	0.00	-0.01	-0.02
Interest received	0.07	0.22	0.35
Financial income received	0.11	0.02	0.08
Taxes paid	-0.06	-3.18	1.66
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-2.35</b>	<b>0.71</b>	<b>52.21</b>
<b>INVESTING ACTIVITIES</b>			
Investments in vessels	-0.64	-1.79	-13.52
Investments in other property, plant and equipment	-0.82	-0.45	-2.95
Advance payments	-0.30	-12.51	-14.10
Divestments of other property, plant and equipment	-	0.02	0.17
Divestments of financial assets	0.06	-	-
Change in non-current receivables	-0.02	0.00	0.01
Dividends received	0.00	-	0.00
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-1.72</b>	<b>-14.73</b>	<b>-30.40</b>
<b>FINANCING ACTIVITIES</b>			
Increase in non-current liabilities	-	12.00	12.00
Amortization of non-current liabilities	-4.33	-0.16	-6.67
Dividends paid	-	-	-10.80
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-4.33</b>	<b>11.84</b>	<b>-5.47</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-8.39</b>	<b>-2.18</b>	<b>16.34</b>
Cash and cash equivalents at beginning of period	46.96	30.62	30.62
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>38.57</b>	<b>28.44</b>	<b>46.96</b>

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR M	Equity attributable to parent company shareholders				Total equity
	Share capital	Reserves	Translation differences	Retained earnings	
<b>Equity, Nov 1, 2009</b>	<b>1.82</b>	<b>0.02</b>	<b>-0.10</b>	<b>160.63</b>	<b>162.37</b>
Total comprehensive income for the period		0.00	-0.04	-4.51	-4.55
<b>Equity, Jan 31, 2010</b>	<b>1.82</b>	<b>0.02</b>	<b>-0.14</b>	<b>156.13</b>	<b>157.82</b>
<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>
Total comprehensive income for the period		0.00	-0.12	-1.45	-1.57
<b>Equity, Jan 31, 2009</b>	<b>1.82</b>	<b>0.02</b>	<b>-0.22</b>	<b>159.41</b>	<b>161.03</b>

# QUARTERLY CONSOLIDATED INCOME STATEMENT

EUR M	2009/2010 Q1	2008/2009 Q4	2008/2009 Q3	2008/2009 Q2
<b>SALES</b>	<b>104.76</b>	<b>122.14</b>	<b>142.15</b>	<b>102.96</b>
Other operating revenue	0.14	0.09	0.09	0.14
<b>Expenses</b>				
Goods and services	29.33	35.60	39.58	30.14
Employee expenses	28.90	28.20	28.49	27.94
Depreciation and impairment losses	7.13	7.76	7.24	7.21
Other operating expenses	45.49	49.70	45.76	42.23
	110.85	121.27	121.08	107.52
<b>OPERATING INCOME</b>	<b>-5.96</b>	<b>0.96</b>	<b>21.17</b>	<b>-4.43</b>
Financial income	0.52	0.42	1.13	1.35
Financial expenses	-0.74	-0.88	-1.23	-2.11
<b>INCOME BEFORE TAXES</b>	<b>-6.18</b>	<b>0.49</b>	<b>21.07</b>	<b>-5.19</b>
Income taxes	1.59	-0.17	-5.51	1.33
<b>INCOME FOR THE PERIOD</b>	<b>-4.59</b>	<b>0.33</b>	<b>15.56</b>	<b>-3.86</b>
Translation differences	0.04	0.01	0.10	0.01
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-4.55</b>	<b>0.34</b>	<b>15.66</b>	<b>-3.86</b>
<b>Attributable to:</b>				
Parent company shareholders	-4.55	0.34	15.66	-3.86
Total earnings per share, EUR	-0.42	0.03	1.45	-0.36

## SEGMENT INFORMATION, VIKING LINE GROUP

OPERATING SEGMENTS, EUR M	Nov 1, 2009– Jan 31, 2010	Nov 1, 2008– Jan 31, 2009	Nov 1, 2008– Oct 31, 2009
<b>Sales</b>			
Vessels	103.67	102.50	465.36
Unallocated	1.12	1.04	5.57
<b>Total, operating segments</b>	<b>104.80</b>	<b>103.54</b>	<b>470.93</b>
Eliminations	-0.04	-0.04	-0.20
<b>Total sales of the Group</b>	<b>104.76</b>	<b>103.49</b>	<b>470.74</b>
<b>Operating income</b>			
Vessels	5.97	10.35	57.15
Unallocated	-11.93	-10.72	-39.81
<b>Total operating income of the Group</b>	<b>-5.96</b>	<b>-0.37</b>	<b>17.34</b>
<b>Assets</b>			
Vessels	267.08	281.68	268.64
Unallocated	110.42	103.03	121.66
<b>Total assets of the Group</b>	<b>377.49</b>	<b>384.71</b>	<b>390.30</b>
<b>Liabilities</b>			
Vessels	148.78	157.68	152.11
Unallocated	70.89	66.01	75.82
<b>Total liabilities of the Group</b>	<b>219.67</b>	<b>223.69</b>	<b>227.93</b>

## PLEGDED ASSETS AND CONTINGENT LIABILITIES

EUR M	Jan 31, 2010	Jan 31, 2009	Oct 31, 2009
Contingent liabilities	122.31	133.14	126.73
Assets pledged for own debt	140.61	168.42	168.43
Investment commitments not included in the accounts	-	21.36	21.36
– contractual amount	-	60.92	60.98

## FINANCIAL RATIOS AND STATISTICS

	Nov 1, 2009– Jan 31, 2010	Nov 1, 2008– Jan 31, 2009	Nov 1, 2008– Oct 31, 2009
Equity per share, EUR	14.61	14.91	15.03
Equity/assets ratio	41.8 %	41.9 %	41.6 %
Investments, EUR M	1.76	14.76	30.58
– as % of sales	1.7 %	14.3 %	6.5 %
Passengers	1,335,196	1,328,187	6,390,213
Cargo units	26,388	24,962	102,670
Average number of employees, full time equivalent	2,998	2,951	3,091

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.