

**SIX-MONTH REPORT FOR THE PERIOD
NOVEMBER 2009–APRIL 2010****VIKING LINE IMPROVED ITS SALES, BUT EARNINGS DETERIORATED**

Consolidated sales of the Viking Line Group during the six-month period November 2009 – April 2010 rose by +1.5 per cent to EUR 209.56 M (206.45), thanks to higher passenger and cargo revenue. Net sales revenue increased by EUR 3.62 M. Earnings deteriorated, mainly because of higher fuel expenses (EUR +7.75 M), higher employee expenses (EUR +3.30 M), lost revenue due to the dry-docking of the Isabella and the exceptional ice situation on the northern Baltic Sea. Income after taxes thus totalled EUR -13.28 M, compared to EUR -5.32 M during the year-earlier period.

Viking Line's passenger volume decreased by 89,942 (-3.2 per cent) to 2,704,282, partly as a consequence of the Isabella's dry-docking. On the Helsinki (Finland)–Tallinn (Estonia) route, however, Viking Line achieved a volume increase of 33,008 passengers to 688,521 (+5.0 per cent), while volume on the Mariehamn (Åland Islands, Finland)–Kapellskär (Sweden) route fell by 21,608 passengers to 212,785 (-9.2 per cent). In cruise services between Stockholm (Sweden) and Mariehamn, Viking Line's passenger volume decreased by 13,739 to 484,470 (-2.8 per cent). Volume on the Helsinki–Mariehamn–Stockholm route fell by 9,396 passengers to 546,436 (-1.7 per cent) and on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm route by 71,797 passengers to 770,442 (-8.5 per cent).

Cargo volume grew by 3,282 (+6.3 per cent) cargo units to 55,483. In services between Finland and Sweden, cargo volume rose by 1,725 units (+5.7 per cent) to 32,125. On the Helsinki–Tallinn route, cargo volume rose by 1,557 (+7.1 per cent) to 23,358. Viking Line thus achieved a cargo market share of 22.4 per cent.

Any questions concerning the Six-Month Report will be answered by Mikael Backman, President and Chief Executive Officer.

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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 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.

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SALES AND EARNINGS

Consolidated sales of the Viking Line Group during the period November 1, 2009 – April 30, 2010 rose to 209.56 million euros (same period of fiscal 2008/2009: EUR 206.45 M). Operating income was EUR -16.93 M (-4.79). Net financial items totalled EUR -0.92 M (-2.34). Consolidated income before taxes amounted to EUR -17.85 M (-7.14). Income after taxes was EUR -13.28 M (-5.32).

Consolidated sales increased by 1.5 per cent to EUR 209.56 M. Passenger-related revenue rose by 1.4 per cent to EUR 192.14 M, and cargo revenue rose by 3.7 per cent to EUR 15.87 M. Net sales revenue increased by 2.5 per cent to EUR 150.10 M (146.48).

Mainly due to sharply higher fuel expenses, the Group's operating expenses increased by 10.2 per cent to EUR 167.02 M (151.50). Fuel expenses rose by 50.8 per cent to EUR 23.02 M, due to higher bunker prices as well as higher fuel consumption caused by the exceptional ice situation on the northern Baltic Sea. Employee expenses increased by 6.1 per cent to EUR 57.87 M (54.57). In addition, the dry-docking of the Isabella adversely affected earnings.

Net financial items improved by EUR 1.43 M to EUR -0.92 M (-2.34) due to exchange gains and 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 six months of fiscal 2009/2010, the number of passengers on the Group's vessels decreased by 3.2 per cent to 2,704,282. The number of passengers increased on the Viking XPRS on the Helsinki (Finland)–Tallinn (Estonia) route. On other routes, volume fell somewhat. Viking Line's cargo volume rose by 6.3 per cent to 55,483 cargo units. Its cargo market share was 22.4 per cent.

During the first six months of fiscal 2009/2010, Viking Line strengthened its market share on the cruise services between Stockholm (Sweden) and Mariehamn (Åland Islands, Finland) by 1.0 percentage points to 51.8 per cent. On the Helsinki–Tallinn route, market share decreased by 0.2 percentage points to 25.2 per cent. On the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm route, market share decreased by 0.4 percentage points to 49.4 per cent and on the Helsinki–Mariehamn–Stockholm route by 1.0 percentage points to 48.6 per cent. In service on the short route over the Sea of Åland between Sweden and the Åland Islands, market share decreased by 2.8 percentage points to 41.3 per cent. The Group thus had a total market share in its service area of 35.9 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. At present, it is deemed unlikely that the newbuilding contract will be renegotiated. Viking Line has recognized its capitalized project expenses of EUR 3.78 M among "Other operating expenses". Accrued interest of EUR 3.54 M has been recognized as revenue among "Other operating revenue".

The Group's investments totalled EUR 5.57 M (19.84). On April 30, 2010 the Group's non-current interest-bearing liabilities amounted to EUR 98.16 M (120.94). The equity/assets ratio was 38.4 per cent, compared to 38.7 per cent a year earlier.

At the end of April 2010, the Group's cash and cash equivalents amounted to EUR 26.78 M (24.69). Net cash flow from operating activities amounted to EUR -2.74 M (12.80).

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 2,995 (2,974), of whom 1,854 (1,856) worked for the parent company. Land-based personnel totalled 745 (742) and shipboard personnel totalled 2,250 (2,232). On February 11, 2010, Mikael Backman took over as the Company's President and CEO. On March 15, 2010, Pavlos Ylinen took over as Executive Vice President in charge of the Company's marketing and sales.

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 and the exchange rate of the Swedish krona.

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 planned 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, which is positive for the Group's earnings trend. The current high bunker prices will adversely impact the earnings trend during the remainder of the fiscal year, but not as sharply as during the first six months of fiscal 2009/2010. 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 assessment of the Board of Directors is that fiscal 2009/2010 earnings will be lower than 2008/2009 earnings.

The next Interim Report (November 2009–July 2010) will be published on September 14, 2010.

Mariehamn, Åland, June 15, 2010

VIKING LINE ABP
The Board of Directors

CONSOLIDATED INCOME STATEMENT

EUR M	Feb 1, 2010– Apr 30, 2010	Feb 1, 2009– Apr 30, 2009	Nov 1, 2009– Apr 30, 2010	Nov 1, 2008– Apr 30, 2009	Nov 1, 2008– Oct 31, 2009
SALES	104.79	102.96	209.56	206.45	470.74
Other operating revenue	3.63	0.14	3.77	0.23	0.41
Expenses					
Goods and services	30.12	30.14	59.45	59.97	135.15
Employee expenses	28.97	27.94	57.87	54.57	111.26
Depreciation and impairment losses	7.21	7.21	14.34	14.32	29.33
Other operating expenses	53.10	42.23	98.59	82.61	178.07
	119.40	107.52	230.25	211.47	453.82
OPERATING INCOME	-10.97	-4.43	-16.93	-4.79	17.34
Financial income	0.33	1.35	0.85	2.41	3.96
Financial expenses	-1.03	-2.11	-1.77	-4.76	-6.87
INCOME BEFORE TAXES	-11.67	-5.19	-17.85	-7.14	14.43
Income taxes	2.98	1.33	4.57	1.81	-3.87
INCOME FOR THE PERIOD	-8.69	-3.86	-13.28	-5.32	10.56
Translation differences	0.21	0.01	0.25	-0.11	0.01
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-8.47	-3.86	-13.02	-5.43	10.57
Total comprehensive income attributable to:					
Parent company shareholders	-8.47	-3.86	-13.02	-5.43	10.57
Earnings per share, EUR	-0.80	-0.36	-1.23	-0.49	0.98

CONSOLIDATED BALANCE SHEET

EUR M	Apr 30, 2010	Apr 30, 2009	Oct 31, 2009
ASSETS			
Non-current assets			
Intangible assets	1.26	0.70	1.06
Land	1.10	1.09	1.10
Buildings and structures	5.39	5.23	5.08
Renovation costs for rented properties	0.56	0.69	0.66
Vessels	231.40	246.18	240.69
Machinery and equipment	5.56	5.94	5.73
Advance payments	-	41.56	42.71
Financial assets	0.02	0.07	0.07
Receivables	0.03	0.02	0.02
Total non-current assets	245.32	301.48	297.12
Current assets			
Inventories	11.45	10.02	11.23
Income tax assets	4.76	5.27	1.81
Refund claim on advance payments	39.23	-	-
Trade and other receivables	41.48	36.83	33.17
Cash and cash equivalents	26.78	24.69	46.96
Total current assets	123.70	76.81	93.18
TOTAL ASSETS	369.02	378.28	390.30
EQUITY AND LIABILITIES			
Equity			
Share capital	1.82	1.82	1.82
Reserves	0.02	0.02	0.02
Translation differences	0.01	-0.21	-0.10
Retained earnings	139.94	144.75	160.63
Equity attributable to parent company shareholders	141.79	146.37	162.37
Total equity	141.79	146.37	162.37
Non-current liabilities			
Deferred tax liabilities	34.79	32.51	34.80
Interest-bearing liabilities	98.16	120.94	114.41
Total non-current liabilities	132.95	153.45	149.21
Current liabilities			
Interest-bearing liabilities	22.66	10.68	10.74
Income tax liabilities	0.01	-	-
Trade and other payables	71.61	67.78	67.98
Total current liabilities	94.28	78.46	78.72
Total liabilities	227.23	231.91	227.93
TOTAL EQUITY AND LIABILITIES	369.02	378.28	390.30

CONSOLIDATED CASH FLOW STATEMENT

EUR M	Nov 1, 2009– Apr 30, 2010	Nov 1, 2008– Apr 30, 2009	Nov 1, 2008– Oct 31, 2009
OPERATING ACTIVITIES			
Income for the period	-13.28	-5.32	10.56
Adjustments			
Depreciation and impairment losses	14.34	14.32	29.33
Other items not included in cash flow	4.01	-0.15	-0.02
Interest expenses and other financial expenses	0.95	2.38	3.55
Interest income and other financial income	-0.20	-0.34	-0.43
Dividend income	0.00	-	0.00
Income taxes	-4.57	-1.81	3.87
Change in working capital			
Change in trade and other receivables	-8.31	1.02	4.68
Change in inventories	-0.21	0.77	-0.45
Change in trade and other payables	3.71	1.89	2.19
Interest paid	-0.99	-1.88	-3.14
Financial expenses paid	-0.01	-0.02	-0.02
Interest received	0.10	0.31	0.35
Financial income received	0.10	0.04	0.08
Taxes paid	1.63	1.59	1.66
NET CASH FLOW FROM OPERATING ACTIVITIES	-2.74	12.80	52.21
INVESTING ACTIVITIES			
Investments in vessels	-3.99	-5.31	-13.52
Investments in other property, plant and equipment	-1.29	-1.58	-2.95
Advance payments	-0.30	-12.95	-14.10
Divestments of other property, plant and equipment	0.01	0.11	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
NET CASH FLOW FROM INVESTING ACTIVITIES	-5.52	-19.73	-30.40
FINANCING ACTIVITIES			
Increase in non-current liabilities	-	12.00	12.00
Amortization of non-current liabilities	-4.35	-0.20	-6.67
Dividends paid	-7.56	-10.80	-10.80
NET CASH FLOW FROM FINANCING ACTIVITIES	-11.91	1.00	-5.47
CHANGE IN CASH AND CASH EQUIVALENTS	-20.18	-5.93	16.34
Cash and cash equivalents at beginning of period	46.96	30.62	30.62
CASH AND CASH EQUIVALENTS AT END OF PERIOD	26.78	24.69	46.96

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR M	Equity attributable to parent company shareholders				Total Equity
	Share capital	Reserves	Translation differences	Retained earnings	
Equity, Nov 1, 2009	1.82	0.02	-0.10	160.63	162.37
Dividend to shareholders				-7.56	-7.56
Total comprehensive income for the period		0.00	0.11	-13.14	-13.02
Equity, Apr 30, 2010	1.82	0.02	0.01	139.94	141.79
Equity, Nov 1, 2008	1.82	0.02	-0.10	160.86	162.60
Dividend to shareholders				-10.80	-10.80
Total comprehensive income for the period		0.00	-0.12	-5.31	-5.43
Equity, Apr 30, 2009	1.82	0.02	-0.21	144.75	146.37

QUARTERLY CONSOLIDATED INCOME STATEMENT

EUR M	2009/2010 Q2	2009/2010 Q1	2008/2009 Q4	2008/2009 Q3
SALES	104.79	104.76	122.14	142.15
Other operating revenue	3.63	0.14	0.09	0.09
Expenses				
Goods and services	30.12	29.33	35.60	39.58
Employee expenses	28.97	28.90	28.20	28.49
Depreciation and impairment losses	7.21	7.13	7.76	7.24
Other operating expenses	53.10	45.49	49.70	45.76
	119.40	110.85	121.27	121.08
OPERATING INCOME	-10.97	-5.96	0.96	21.17
Financial income	0.33	0.52	0.42	1.13
Financial expenses	-1.03	-0.74	-0.88	-1.23
INCOME BEFORE TAXES	-11.67	-6.18	0.49	21.07
Income taxes	2.98	1.59	-0.17	-5.51
INCOME FOR THE PERIOD	-8.69	-4.59	0.33	15.56
Translation differences	0.21	0.04	0.01	0.10
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-8.47	-4.55	0.34	15.66
<i>Total comprehensive income attributable to:</i>				
Parent company shareholders	-8.47	-4.55	0.34	15.66
Earnings per share, EUR	-0.80	-0.42	0.03	1.44

SEGMENT INFORMATION, VIKING LINE GROUP

OPERATING SEGMENTS, EUR M	Nov 1, 2009– Apr 30, 2010	Nov 1, 2008– Apr 30, 2009	Nov 1, 2008– Oct 31, 2009
Sales			
Vessels	207.28	204.23	465.36
Unallocated	2.35	2.29	5.57
Total, operating segments	209.62	206.52	470.93
Eliminations	-0.07	-0.07	-0.20
Total sales of the Group	209.56	206.45	470.74
Operating income			
Vessels	7.11	16.68	57.15
Unallocated	-24.04	-21.47	-39.81
Total operating income of the Group	-16.93	-4.79	17.34
Assets			
Vessels	266.00	278.83	268.64
Unallocated	103.01	99.45	121.66
Total assets of the Group	369.02	378.28	390.30
Liabilities			
Vessels	152.06	161.78	152.11
Unallocated	75.18	70.13	75.82
Total liabilities of the Group	227.23	231.91	227.93

PLEGDED ASSETS AND CONTINGENT LIABILITIES

EUR M	Apr 30, 2010	Apr 30, 2009	Oct 31, 2009
Contingent liabilities	122.36	133.23	126.73
Assets pledged for own debt	140.51	168.42	168.43
Investment commitments not included in the accounts	-	21.33	21.36
– contractual amount	-	60.92	60.98

FINANCIAL RATIOS AND STATISTICS

	Nov 1, 2009– Apr 30, 2010	Nov 1, 2008– Apr 30, 2009	Nov 1, 2008– Oct 31, 2009
Equity per share, EUR	13.13	13.55	15.03
Equity/assets ratio	38.4 %	38.7 %	41.6 %
Investments, EUR M	5.57	19.84	30.58
– as % of sales	2.7 %	9.6 %	6.5 %
Passengers	2,704,282	2,794,224	6,390,213
Cargo units	55,483	52,201	102,670
Average number of employees, full time equivalent	2,995	2,974	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.