

**INTERIM REPORT FOR THE PERIOD  
JANUARY – SEPTEMBER 2012****VIKING LINE'S SALES INCREASED SOMEWHAT BUT FUEL EXPENSES  
LOWERED ITS EARNINGS**

Consolidated sales of the Viking Line Group during the third quarter, July 1 – September 30, 2012, increased by 3.4 per cent to 156.4 million euros compared to the corresponding quarter of 2011 (EUR 151.2 M). Passenger-related revenue increased by 3.9 per cent to EUR 147.8 M (142.2) and cargo revenue by 1.0 per cent to EUR 7.7 M (7.6). Income after taxes during the third quarter of 2012 amounted to EUR 15.8 M (17.0). Fuel expenses rose by 9.5 per cent to EUR 17.2 M (15.7).

During the full report period January 1 – September 30, 2012, consolidated sales of the Viking Line Group increased by 1.8 per cent to EUR 389.5 M (EUR 382.7 M during January 1 – September 30, 2011). Passenger-related revenue increased by 1.6 per cent to EUR 361.1 M (355.4). Cargo revenue rose by 7.3 per cent to EUR 25.8 M (24.0). Income after taxes during the full report period amounted to EUR 1.7 M (6.3). The main reason for the decrease in earnings was higher fuel expenses, totalling EUR 50.9 M (46.4).

**PASSENGER VOLUME AND MARKET SHARE**

The number of passengers on Viking Line's vessels amounted to 4,854,325 (4,860,792). The Group thus had a total market share in its service area of 33.6 per cent (33.8 per cent). Viking Line's cargo volume amounted to 88,488 cargo units (84,468). Viking Line achieved a cargo market share of 20.0 per cent (19.5 per cent).

**HEAVY MARKET INTEREST IN THE VIKING GRACE**

The construction of the Viking Grace has proceeded as planned. Delivery from the STX Finland shipyard in Turku is planned for January 10, 2013. There has been very heavy interest in the vessel. So far, the Viking Grace has more than 200,000 pre-booked journeys. The vessel's unique maiden voyage sold out in a few hours. The Viking Grace is a concrete expression of Viking Line's belief in future passenger traffic featuring good on-board service, new on-board concepts as well as a unique environmentally friendly hull shape and drive concept. The vessel will be fuelled by natural gas (NG) and will replace the Isabella on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm (Sweden) route in January 2013.

Any questions concerning this 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 the financial year 2011 sales were about EUR 504 M. The number of passengers totalled 6.4 million. The average number of employees was 3,060.

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## SALES AND EARNINGS

Consolidated sales of the Viking Line Group during the third quarter, July 1 – September 30, 2012, increased by 3.4 per cent to 156.4 million euros compared to the corresponding quarter of 2011 (EUR 151.2 M). Operating income during the quarter amounted to EUR 21.0 M (23.5). Income after taxes during the third quarter of 2012 amounted to EUR 15.8 M (17.0).

During the third quarter, passenger-related revenue increased by 3.9 per cent to EUR 147.8 M (142.2) and cargo revenue rose by 1.0 per cent to EUR 7.7 M (7.6). Total operating expenses rose by 5.7 per cent to EUR 135.5 M (128.2). Of this amount, fuel expenses rose by 9.5 per cent to EUR 17.2 M (15.7).

During the full report period January 1 – September 30, 2012, consolidated sales of the Viking Line Group increased to EUR 389.5 M (382.7). Operating income amounted to EUR 3.2 M (10.1). Net financial items totalled EUR -0.7 M (-1.5). Consolidated income before taxes totalled EUR 2.5 M (8.6). Income after taxes amounted to EUR 1.7 M (6.3).

During the full report period, passenger-related revenue increased by 1.6 per cent to EUR 361.1 M (355.4). Cargo revenue rose by 7.3 per cent to EUR 25.8 M (24.0). Net sales revenue increased by 0.7 per cent to EUR 278.1 M (276.2). The Group's operating expenses increased by a total of 2.6 per cent to EUR 275.2 M (268.3). Of this amount, fuel expenses rose by 9.9 per cent to EUR 50.9 M (46.4), due to higher fuel prices, which were also the main reason for the decrease in earnings.

The strengthening of the Swedish krona, which is fundamentally favourable to Viking Line, has also contributed to a heightened cost situation in the Group.

The financial statements for the full financial year 2012 are expected to show negative earnings, as previously announced.

## 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 2011.

During the report period, the number of passengers amounted to 4,854,325 (4,860,792). Volume increases were achieved on the Helsinki (Finland)–Tallinn (Estonia) route and on the short route over the Sea of Åland. On the other routes, passenger volume decreased slightly. Viking Line's cargo volume amounted to 88,488 cargo units (84,468). Viking Line achieved a cargo market share of 20.0 per cent (19.5 per cent).

During the report period, Viking Line strengthened its market share on the short route over the Sea of Åland by 2.1 percentage points to 44.7 per cent due to a larger number of days in service. The market share increased also on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm (Sweden) route by 0.6 percentage points to 50.0 per cent. On the Helsinki–Tallinn route, market share was at the year-earlier level, 24.1 per cent. Market share decreased on the Helsinki–Mariehamn–Stockholm route by 0.2 percentage points to 45.1 per cent. In cruise services between Stockholm and Mariehamn, Viking Line's market share decreased by 1.6 percentage points to 50.3 per cent due to a smaller number of days in service. The Group thus had a total market share in its service area of 33.6 per cent (33.8 per cent).

## INVESTMENTS AND FINANCING

The construction of the Viking Grace at the STX Finland Oy shipyard in Turku has proceeded as planned. The vessel was launched on August 10, 2012 and delivery is planned on January 10, 2013. The environmental grant of EUR 28 M that was approved by the Finnish Ministry of Transport and Communications was approved by the European Commission on April 25, 2012. The net investment in the vessel after the environmental grant, about EUR 225 M, is being financed mainly through a long-term loan of EUR 185.0 M from Finnish Export Credit Ltd. The loan will be taken out upon delivery of the vessel.

The Group's investments totalled EUR 39.9 M (21.7), of which EUR 30.1 M was related to the Viking Grace.

On September 30, 2012 the Group's non-current interest-bearing liabilities amounted to EUR 77.4 M (85.6). The equity/assets ratio was 45.7 per cent, compared to 45.3 per cent a year earlier.

At the end of September 2012, the Group's cash and cash equivalents amounted to EUR 41.8 M (39.8). Net cash flow from operating activities amounted to EUR 15.4 M (14.8).

## 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 financial year. This Interim Report is unaudited.

## ORGANIZATION AND PERSONNEL

The average number of Group employees was 3,048 (3,099), of whom 1,860 (1,898) worked for the parent company. Land-based personnel totalled 725 (765) and shipboard personnel totalled 2,323 (2,334). On November 5, 2012, Janusz Grabowski assumed the position of Vice President and Head of Shipboard Commercial Operations. He is a member of Group Management.

## RISK FACTORS

Special risks during the immediate future mainly concern bunker (vessel fuel) prices, but the poorer economic situation in the Group's surroundings will also adversely affect its business.

## **OUTLOOK FOR THE FULL 2012 FINANCIAL YEAR**

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

Full-year passenger and cargo volume are projected to reach last year's level. Fuel prices have varied during the year. Overall fuel expenses are expected to be substantially higher than last year. Viking Line's net sales revenue has not increased enough in relation to the prevailing cost trend. In light of the above, the financial statements for the full financial year 2012 are expected to show negative earnings, as previously announced. Because of this, a number of measures have been undertaken to improve earnings, both in the short term and in the long term. The positive impact of these measures on earnings will occur mainly during 2013.

The Year-end Report for the financial year 2012 will be published on February 14, 2013.

Mariehamn, Åland, November 14, 2012

VIKING LINE ABP  
The Board of Directors

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR M	Jul 1, 2012– Sep 30, 2012	Jul 1, 2011– Sep 30, 2011	Jan 1, 2012– Sep 30, 2012	Jan 1, 2011– Sep 30, 2011	Jan 1, 2011– Dec 31, 2011
<b>SALES</b>	<b>156.4</b>	<b>151.2</b>	<b>389.5</b>	<b>382.7</b>	<b>504.3</b>
Other operating revenue	0.1	0.5	0.3	2.2	2.5
<b>Expenses</b>					
Goods and services	44.2	41.0	111.5	106.4	141.3
Salary and other employment benefit expenses	30.8	29.8	93.3	92.1	121.7
Depreciation and impairment losses	7.0	7.2	21.2	21.3	28.3
Other operating expenses	53.4	50.2	160.6	154.9	205.8
	135.5	128.2	386.6	374.7	497.1
<b>OPERATING INCOME</b>	<b>21.0</b>	<b>23.5</b>	<b>3.2</b>	<b>10.1</b>	<b>9.8</b>
Financial income	0.8	0.3	1.3	0.9	1.5
Financial expenses	-0.7	-0.8	-2.0	-2.4	-3.4
<b>INCOME BEFORE TAXES</b>	<b>21.1</b>	<b>23.0</b>	<b>2.5</b>	<b>8.6</b>	<b>7.9</b>
Income taxes	-5.2	-6.0	-0.8	-2.3	-0.3
<b>INCOME FOR THE PERIOD</b>	<b>15.8</b>	<b>17.0</b>	<b>1.7</b>	<b>6.3</b>	<b>7.6</b>
Translation differences	0.2	-0.1	0.2	0.0	0.0
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>16.0</b>	<b>17.0</b>	<b>1.9</b>	<b>6.3</b>	<b>7.6</b>
<i>Income attributable to:</i>					
Parent company shareholders	15.8	17.0	1.7	6.3	7.6
<i>Total comprehensive income attributable to:</i>					
Parent company shareholders	16.0	17.0	1.9	6.3	7.6
Earnings per share before and after dilution, EUR	1.47	1.58	0.16	0.58	0.70

## CONSOLIDATED BALANCE SHEET

EUR M	Sep 30, 2012	Sep 30, 2011	Dec 31, 2011
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	1.0	1.1	1.1
Land	1.1	1.1	1.1
Buildings and structures	10.4	6.0	6.6
Renovation costs for rented properties	0.5	0.5	0.5
Vessels	179.5	201.7	196.0
Machinery and equipment	6.8	5.0	5.4
Advance payments	56.5	13.6	26.4
Investments available for sale	0.0	0.0	0.0
Receivables	0.8	0.9	0.8
<b>Total non-current assets</b>	<b>256.6</b>	<b>229.8</b>	<b>237.9</b>
<b>Current assets</b>			
Inventories	15.4	13.1	13.7
Income tax assets	2.4	1.0	1.4
Refund claim on advance payments	-	39.2	-
Trade and other receivables	40.2	40.8	49.0
Cash and cash equivalents	41.8	39.8	55.7
<b>Total current assets</b>	<b>99.8</b>	<b>134.0</b>	<b>119.8</b>
<b>TOTAL ASSETS</b>	<b>356.4</b>	<b>363.8</b>	<b>357.7</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1.8	1.8	1.8
Reserves	0.0	0.0	0.0
Translation differences	0.2	0.0	0.1
Retained earnings	160.8	163.1	164.4
Equity attributable to parent company shareholders	162.8	165.0	166.3
<b>Total equity</b>	<b>162.8</b>	<b>165.0</b>	<b>166.3</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	31.2	33.9	31.2
Non-current interest-bearing liabilities	77.4	85.6	81.5
<b>Total non-current liabilities</b>	<b>108.6</b>	<b>119.5</b>	<b>112.7</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	8.7	8.6	8.6
Income tax liabilities	0.0	1.0	0.0
Trade and other payables	76.3	69.8	70.0
<b>Total current liabilities</b>	<b>85.0</b>	<b>79.4</b>	<b>78.6</b>
<b>Total liabilities</b>	<b>193.6</b>	<b>198.8</b>	<b>191.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>356.4</b>	<b>363.8</b>	<b>357.7</b>

## CONSOLIDATED CASH FLOW STATEMENT

EUR M	Jan 1, 2012– Sep 30, 2012	Jan 1, 2011– Sep 30, 2011	Jan 1, 2011– Dec 31, 2011
<b>OPERATING ACTIVITIES</b>			
Income for the period	1.7	6.3	7.6
Adjustments			
Depreciation and impairment losses	21.2	21.3	28.3
Other items not included in cash flow	0.2	-1.1	-1.1
Interest expenses and other financial expenses	1.3	1.7	2.4
Interest income and other financial income	-0.3	-0.2	-0.6
Dividend income	0.0	0.0	0.0
Income taxes	0.8	2.3	0.3
Change in working capital			
Change in trade and other receivables	-11.3	-8.2	3.7
Change in inventories	-1.8	-1.1	-1.6
Change in trade and other payables	6.4	2.1	2.4
Interest paid	-1.3	-1.6	-2.1
Financial expenses paid	-0.1	-0.1	-0.2
Interest received	0.4	0.2	0.3
Financial income received	0.0	0.1	0.1
Taxes paid	-1.8	-6.9	-8.9
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>15.4</b>	<b>14.8</b>	<b>30.6</b>
<b>INVESTING ACTIVITIES</b>			
Investments in vessels	-2.9	-6.5	-6.9
Investments in other property, plant and equipment	-6.9	-1.7	-3.6
Advance payments	-30.1	-13.6	-26.4
Refund claim on advance payments	-	-	39.2
Divestments of other property, plant and equipment	0.1	0.2	0.4
Change in non-current receivables	0.0	0.0	0.0
Dividends received	0.0	0.0	0.0
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-39.8</b>	<b>-21.5</b>	<b>2.8</b>
<b>FINANCING ACTIVITIES</b>			
Increase in non-current liabilities	0.3	-	0.2
Amortization of non-current liabilities	-4.4	-4.4	-8.7
Dividends paid	-5.4	-7.0	-7.0
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-9.5</b>	<b>-11.4</b>	<b>-15.5</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of period	55.7	57.9	57.9
Change in held-to-maturity investments	20.0	-	-20.0
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>41.8</b>	<b>39.8</b>	<b>55.7</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, Jan 1, 2012</b>	<b>1.8</b>	<b>0.0</b>	<b>0.1</b>	<b>164.4</b>	<b>166.3</b>
Dividend to shareholders				-5.4	-5.4
Total comprehensive income for the period		0.0	0.1	1.8	1.9
<b>Equity, Sep 30, 2012</b>	<b>1.8</b>	<b>0.0</b>	<b>0.2</b>	<b>160.8</b>	<b>162.8</b>
<b>Equity, Jan 1, 2011</b>	<b>1.8</b>	<b>0.0</b>	<b>0.1</b>	<b>163.7</b>	<b>165.7</b>
Dividend to shareholders				-7.0	-7.0
Total comprehensive income for the period		0.0	-0.1	6.4	6.3
<b>Equity, Sep 30, 2011</b>	<b>1.8</b>	<b>0.0</b>	<b>0.0</b>	<b>163.1</b>	<b>165.0</b>



# QUARTERLY CONSOLIDATED INCOME STATEMENT

EUR M	2012 Q3	2012 Q2	2012 Q1	2011 Q4
<b>SALES</b>	<b>156.4</b>	<b>131.9</b>	<b>101.2</b>	<b>121.7</b>
Other operating revenue	0.1	0.1	0.1	0.3
<b>Expenses</b>				
Goods and services	44.2	38.3	29.0	34.8
Salary and other employment benefit expenses	30.8	31.4	31.2	29.6
Depreciation and impairment losses	7.0	7.0	7.1	7.0
Other operating expenses	53.4	53.7	53.5	50.9
	135.5	130.3	120.8	122.3
<b>OPERATING INCOME</b>	<b>21.0</b>	<b>1.6</b>	<b>-19.5</b>	<b>-0.3</b>
Financial income	0.8	0.3	0.2	0.6
Financial expenses	-0.7	-0.6	-0.6	-0.9
<b>INCOME BEFORE TAXES</b>	<b>21.1</b>	<b>1.3</b>	<b>-19.9</b>	<b>-0.7</b>
Income taxes	-5.2	-0.4	4.8	2.0
<b>INCOME FOR THE PERIOD</b>	<b>15.8</b>	<b>0.9</b>	<b>-15.1</b>	<b>1.3</b>
Translation differences	0.2	0.0	0.1	0.1
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>16.0</b>	<b>0.9</b>	<b>-15.0</b>	<b>1.3</b>
<b><i>Income attributable to:</i></b>				
Parent company shareholders	15.8	0.9	-15.1	1.3
<b><i>Total comprehensive income attributable to:</i></b>				
Parent company shareholders	16.0	0.9	-15.0	1.3
Earnings per share before and after dilution, EUR	1.47	0.08	-1.39	0.12

## SEGMENT INFORMATION, VIKING LINE GROUP

OPERATING SEGMENTS, EUR M	Jan 1, 2012– Sep 30, 2012	Jan 1, 2011– Sep 30, 2011	Jan 1, 2011– Dec 31, 2011
<b>Sales</b>			
Vessels	385.7	378.6	499.2
Unallocated	4.0	4.2	5.3
<b>Total, operating segments</b>	<b>389.7</b>	<b>382.8</b>	<b>504.5</b>
Eliminations	-0.2	-0.2	-0.2
<b>Total sales of the Group</b>	<b>389.5</b>	<b>382.7</b>	<b>504.3</b>
<b>Operating income</b>			
Vessels	38.4	44.1	56.2
Unallocated	-35.3	-34.0	-46.4
<b>Total operating income of the Group</b>	<b>3.2</b>	<b>10.1</b>	<b>9.8</b>

## PLEGDED ASSETS AND CONTINGENT LIABILITIES

EUR M	Sep 30, 2012	Sep 30, 2011	Dec 31, 2011
Contingent liabilities	87.0	95.8	93.5
Assets pledged for own debt	134.9	133.1	135.3
Investment commitments not included in the accounts	198.9	228.8	224.9
– contractual amount	254.2	241.5	250.1

## FINANCIAL RATIOS AND STATISTICS

	Jan 1, 2012– Sep 30, 2012	Jan 1, 2011– Sep 30, 2011	Jan 1, 2011– Dec 31, 2011
Equity per share, EUR	15.07	15.28	15.40
Equity/assets ratio	45.7 %	45.3 %	46.5 %
Investments, EUR M	39.9	21.7	36.9
– as % of sales	10.2 %	5.7 %	7.3 %
Passengers	4,854,325	4,860,792	6,351,714
Cargo units	88,488	84,468	114,795
Average number of employees, full time equivalent	3,048	3,099	3,060

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 +/- 0.1 M may occur.