

YEAR-END REPORT JANUARY – DECEMBER 2012

VIKING LINE'S EARNINGS WEAK BUT POSITIVE

FULL CALENDER YEAR

During the full report period January 1 – December 31, 2012, consolidated sales of the Viking Line Group increased by 2.3 per cent to EUR 516.1 M (504.3). Passenger-related revenue increased by 2.3 per cent to EUR 478.4 M (467.8). Cargo revenue rose by 5.2 per cent to EUR 34.3 M (32.6). The Group's income after taxes for the full report period amounted to EUR 0.9 M (7.6).

FOURTH QUARTER

Consolidated sales of the Viking Line Group during the fourth quarter, October 1 – December 31, 2012, increased by 4.0 per cent to 126.6 million euros compared to the corresponding quarter of 2011 (EUR 121.7 M). During the fourth quarter, passenger-related revenue increased by 4.3 per cent to EUR 117.3 M (112.4), while cargo revenue was at the year-earlier level of EUR 8.5 M (8.5). Income after taxes during the fourth quarter of 2012 amounted to EUR -0.8 M (1.3).

PASSENGER VOLUME AND MARKET SHARE

The number of passengers on Viking Line's vessels amounted to 6,349,903 (6,351,714). The Group had a total market share in its service area of approximately 33.9 per cent (34.0 per cent). Viking Line's cargo volume amounted to 116,906 cargo units (114,795). Viking Line achieved a cargo market share of approximately 20.0 per cent (19.8 per cent).

HEAVY MARKET INTEREST IN THE VIKING GRACE

The Group's new flagship, the Viking Grace, was delivered to Viking Line Abp on January 10, 2013 from the STX Finland shipyard in Turku. In January 2013 the Viking Grace, which is fuelled by natural gas, replaced the Isabella on the Turku (Finland)–Mariehamn/Långnäs (Åland Island, Finland)–Stockholm (Sweden) route. The Isabella will service the Helsinki (Finland)–Tallinn (Estonia) route during the summer of 2013. 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.

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 2012 sales were about EUR 516 M. The number of passengers totalled 6.3 million. The average number of employees was 3,014.

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SALES AND EARNINGS

FULL CALENDER YEAR

During the full report period January 1 – December 31, 2012, consolidated sales of the Viking Line Group increased to EUR 516.1 M (504.3). Operating income amounted to EUR 2.4 M (9.8). Net financial items totalled EUR -0.8 M (-1.9). Consolidated income before taxes totalled EUR 1.6 M (7.9). Income after taxes amounted to EUR 0.9 M (7.6).

During the full report period, passenger-related revenue increased by 2.3 per cent to EUR 478.4 M (467.8). Cargo revenue rose by 5.2 per cent to EUR 34.3 M (32.6). The number of passengers on Viking Line's vessels amounted to 6,349,903 during 2012, compared to 6,351,714 during 2011. Net sales revenue increased by 0.9 per cent to EUR 366.5 M (363.1). The Group's operating expenses increased by a total of 2.4 per cent to EUR 364.4 M (355.8). Of this amount, fuel expenses rose by EUR 4.3 M to EUR 66.4 M (62.1), due to higher fuel prices.

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

FOURTH QUARTER

Consolidated sales of the Viking Line Group during the fourth quarter, October 1 – December 31, 2012, increased by 4.0 per cent to 126.6 million euros compared to the corresponding quarter of 2011 (EUR 121.7 M). Operating income during the quarter amounted to EUR -0.7 M (-0.3). Income after taxes during the fourth quarter of 2012 amounted to EUR -0.8 M (1.3).

During the fourth quarter, passenger-related revenue increased by 4.3 per cent to EUR 117.3 M (112.4), while cargo revenue was at the year-earlier level of EUR 8.5 M (8.5). Total operating expenses rose by 4.2 per cent to EUR 127.4 M (122.3).

SERVICES AND MARKET TRENDS

During 2012, the Viking Line Group provided passenger and cargo carrier services using seven vessels on the northern Baltic Sea. In January 2013 the Group's new flagship, the Viking Grace, replaced the Isabella on the Turku (Finland)–Mariehamn/Långnäs (Åland Island, Finland)–Stockholm (Sweden) route. The Isabella will serve the Helsinki (Finland)–Tallinn (Estonia) route during the summer of 2013.

The number of passengers on Viking Line vessels totalled 6,349,903 during the financial year (6,351,714). Viking Line's cargo volume was 116,906 cargo units (114,795). Viking Line's cargo market share amounted to 20.0 per cent (19.8 per cent).

During the report period, Viking Line strengthened its market share on the short route over the Sea of Åland by 1.9 percentage points to 45.0 per cent due to a larger number of days in service. The market share increased also on the Turku–Mariehamn/Långnäs–Stockholm route by 0.7 percentage points to 50.0 per cent. On the Helsinki–Tallinn route, market share increased by approximately 0.1 percentage points to 24.3 per cent. Market share decreased on the Helsinki–Mariehamn–Stockholm route by 0.3 percentage points to 45.7 per cent. In cruise services between Stockholm and Mariehamn, Viking Line's market share decreased by 1.1 percentage points to 50.5 per cent. The Group thus had a total market share in its service area of approximately 33.9 per cent (34.0 per cent).

INVESTMENTS AND FINANCING

The Group's investments totalled EUR 49.7 M (36.9), of which EUR 34.7 M was related to advance payments for Viking Grace.

On December 31, 2012 the Group's non-current interest-bearing liabilities amounted to EUR 73.1 M (81.5). The equity/assets ratio was 46.2 per cent, compared to 46.5 per cent a year earlier.

At the end of December 2012, the Group's cash and cash equivalents amounted to EUR 45.3 M (55.7). Net cash flow from operating activities amounted to EUR 32.8 M (30.6).

RISK FACTORS

Fluctuations in bunker (vessel fuel oil) prices have a direct impact on the Group's earnings. The Group is also exposed to various financial risks, among them fluctuations in currency exchange rates. Revenue is generated in euros and Swedish kronor. Most operational influx of cash and cash equivalents consists of euros. 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.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

After the balance sheet date, in conjunction with the delivery of the Group's new flagship, the Viking Grace, Viking Line Abp took out a loan of EUR 179.0 M. This means that the Group's interest-bearing liabilities and liquidity risk have increased. The loan has a maturity of 12 years, with straight-line repayments of the loan principal and a fixed interest rate. The loan agreement includes loan covenants according to market terms. The environmental grant of EUR 28 M that was approved by the Finnish Ministry of Transport and Communications was paid to Viking Line Abp on January 18, 2013.

ORGANIZATION AND PERSONNEL

The average number of Group employees was 3,014 (3,060), of whom 1,841 (1,873) worked for the parent company. Land-based personnel totalled 715 (755) and shipboard personnel totalled 2,299 (2,305).

OUTLOOK FOR 2013

In January 2013 the Group's new flagship, the Viking Grace, replaced the Isabella on the Turku–Mariehamn/Långnäs–Stockholm route. The Isabella will serve the Helsinki–Tallinn route during the summer of 2013. During 2012 the Group's other vessels will provide service on their regular routes. The Board of Directors believes that operating income will improve in 2013 compared to operating income in 2012.

THE BOARD'S PROPOSAL ON DISTRIBUTION OF EARNINGS

According to the balance sheet of Viking Line Abp on December 31, 2012 unrestricted equity totalled EUR 68,395,984.78.

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

No dividend will be paid for the financial year 2012 and remaining unrestricted equity is EUR 68,395,984.78.

SHAREHOLDERS' MEETING

The annual shareholders' meeting of Viking Line Abp will be held at 12 noon on Friday, April 19, 2013 at the Alandica Kultur och Kongress auditorium, Strandgatan 33, Mariehamn, Åland, Finland.

An electronic version of the Annual Report for the financial year 2012 will be published during the week of March 4, 2013 on the Company's website, www.vikingline.com. The printed Annual Report will be published during the week of March 18, 2013.

FINANCIAL INFORMATION FOR 2013

During the financial year 2013, Viking Line Abp's interim reports will be published for the periods January 1 to March 31, 2012; January 1 to June 30, 2012 and January 1 to September 30, 2012. These interim reports will be published on May 15, August 15 and November 14, 2013, respectively. The press release on the results for the fiscal year 2013 will be published on February 13, 2014. The Annual Report for the financial year 2013 will be published during the week of March 17, 2014.

Mariehamn, Åland, February 13, 2013

VIKING LINE ABP
The Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR M	Oct 1, 2012– Dec 31, 2012	Oct 1, 2011– Dec 31, 2011	Jan 1, 2012– Dec 31, 2012	Jan 1, 2011– Dec 31, 2011
SALES	126.6	121.7	516.1	504.3
Other operating revenue	0.1	0.3	0.4	2.5
Expenses				
Goods and services	38.2	34.8	149.6	141.3
Salary and other employment benefit expenses	31.9	29.6	125.2	121.7
Depreciation and impairment losses	7.3	7.0	28.5	28.3
Other operating expenses	50.0	50.9	210.7	205.8
	127.4	122.3	514.1	497.1
OPERATING INCOME	-0.7	-0.3	2.4	9.8
Financial income	0.3	0.6	1.6	1.5
Financial expenses	-0.5	-0.9	-2.5	-3.4
INCOME BEFORE TAXES	-0.9	-0.7	1.6	7.9
Income taxes	0.1	2.0	-0.7	-0.3
INCOME FOR THE PERIOD	-0.8	1.3	0.9	7.6
Translation differences	-0.1	0.1	0.1	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-0.8	1.3	1.0	7.6
<i>Income attributable to:</i>				
Parent company shareholders	-0.8	1.3	0.9	7.6
<i>Total comprehensive income attributable to:</i>				
Parent company shareholders	-0.8	1.3	1.0	7.6
Earnings per share before and after dilution, EUR	-0.07	0.12	0.09	0.70

When rounding off items to the nearest EUR 1,000,000, rounding-off differences of EUR +/- 0.1 M have occurred.

CONSOLIDATED BALANCE SHEET

EUR M	Dec 31, 2012	Dec 31, 2011
ASSETS		
Non-current assets		
Intangible assets	0.9	1.1
Land	1.1	1.1
Buildings and structures	12.3	6.6
Renovation costs for rented properties	0.5	0.5
Vessels	174.2	196.0
Machinery and equipment	8.1	5.4
Advance payments	61.1	26.4
Investments available for sale	0.0	0.0
Receivables	0.7	0.8
Total non-current assets	258.9	237.9
Current assets		
Inventories	15.2	13.7
Income tax assets	1.9	1.4
Trade and other receivables	29.1	49.0
Cash and cash equivalents	45.3	55.7
Total current assets	91.5	119.8
TOTAL ASSETS	350.4	357.7
EQUITY AND LIABILITIES		
Equity		
Share capital	1.8	1.8
Reserves	0.0	0.0
Translation differences	0.1	0.1
Retained earnings	160.0	164.4
Equity attributable to parent company shareholders	162.0	166.3
Total equity	162.0	166.3
Non-current liabilities		
Deferred tax liabilities	29.7	31.2
Non-current interest-bearing liabilities	73.1	81.5
Total non-current liabilities	102.8	112.7
Current liabilities		
Current interest-bearing liabilities	8.7	8.6
Income tax liabilities	-	0.0
Trade and other payables	76.9	70.0
Total current liabilities	85.6	78.6
Total liabilities	188.4	191.4
TOTAL EQUITY AND LIABILITIES	350.4	357.7

CONSOLIDATED CASH FLOW STATEMENT

EUR M	Jan 1, 2012– Dec 31, 2012	Jan 1, 2011– Dec 31, 2011
OPERATING ACTIVITIES		
Income for the period	0.9	7.6
Adjustments		
Depreciation and impairment losses	28.5	28.3
Other items not included in cash flow	0.1	-1.1
Interest expenses and other financial expenses	1.6	2.4
Interest income and other financial income	-0.4	-0.6
Dividend income	0.0	0.0
Income taxes	0.7	0.3
Change in working capital		
Change in trade and other receivables	-0.2	3.7
Change in inventories	-1.6	-1.6
Change in trade and other payables	7.1	2.4
Interest paid	-1.6	-2.1
Financial expenses paid	-0.1	-0.2
Interest received	0.5	0.3
Financial income received	0.1	0.1
Taxes paid	-2.7	-8.9
NET CASH FLOW FROM OPERATING ACTIVITIES	32.8	30.6
INVESTING ACTIVITIES		
Investments in vessels	-4.0	-6.9
Investments in other property, plant and equipment	-11.0	-3.6
Advance payments	-34.7	-26.4
Refund claim on advance payments	-	39.2
Divestments of other property, plant and equipment	0.1	0.4
Change in non-current receivables	0.2	0.0
Dividends received	0.0	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES	-49.5	2.8
FINANCING ACTIVITIES		
Increase in non-current liabilities	1.0	0.2
Amortization of non-current liabilities	-9.4	-8.7
Dividends paid	-5.4	-7.0
NET CASH FLOW FROM FINANCING ACTIVITIES	-13.7	-15.5
CHANGE IN CASH AND CASH EQUIVALENTS	-30.4	17.9
Cash and cash equivalents at beginning of period	55.7	57.9
Change in held-to-maturity investments	20.0	-20.0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	45.3	55.7

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR M	Equity attributable to parent company shareholders				Total Equity
	Share capital	Reserves	Translation differences	Retained earnings	
Equity, Jan 1, 2011	1.8	0.0	0.1	163.7	165.7
Dividend to shareholders				-7.0	-7.0
Total comprehensive income for the period		0.0	-0.1	7.7	7.6
Equity, Dec 31, 2011	1.8	0.0	0.1	164.4	166.3
Dividend to shareholders				-5.4	-5.4
Total comprehensive income for the period		0.0	0.0	1.0	1.0
Equity, Dec 31, 2012	1.8	0.0	0.1	160.0	162.0

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR M	2012 Q4	2012 Q3	2012 Q2	2012 Q1
SALES	126.6	156.4	131.9	101.2
Other operating revenue	0.1	0.1	0.1	0.1
Expenses				
Goods and services	38.2	44.2	38.3	29.0
Salary and other employment benefit expenses	31.9	30.8	31.4	31.2
Depreciation and impairment losses	7.3	7.0	7.0	7.1
Other operating expenses	50.0	53.4	53.7	53.5
	127.4	135.5	130.3	120.8
OPERATING INCOME	-0.7	21.0	1.6	-19.5
Financial income	0.3	0.8	0.3	0.2
Financial expenses	-0.5	-0.7	-0.6	-0.6
INCOME BEFORE TAXES	-0.9	21.1	1.3	-19.9
Income taxes	0.1	-5.2	-0.4	4.8
INCOME FOR THE PERIOD	-0.8	15.8	0.9	-15.1
Translation differences	-0.1	0.2	0.0	0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-0.8	16.0	0.9	-15.0
<i>Income attributable to:</i>				
Parent company shareholders	-0.8	15.8	0.9	-15.1
<i>Total comprehensive income attributable to:</i>				
Parent company shareholders	-0.8	16.0	0.9	-15.0
Earnings per share before and after dilution, EUR	-0.07	1.47	0.08	-1.39

SEGMENT INFORMATION, VIKING LINE GROUP

OPERATING SEGMENTS, EUR M	Jan 1, 2012– Dec 31, 2012	Jan 1, 2011– Dec 31, 2011
Sales		
Vessels	511.1	499.2
Unallocated	5.3	5.3
Total, operating segments	516.3	504.5
Eliminations	-0.2	-0.2
Total sales of the Group	516.1	504.3
Operating income		
Vessels	52.5	56.2
Unallocated	-50.0	-46.4
Total operating income of the Group	2.4	9.8

PLEGGED ASSETS AND CONTINGENT LIABILITIES

EUR M	Dec 31, 2012	Dec 31, 2011
Contingent liabilities	84.1	93.5
Assets pledged for own debt	112.2	135.3
Investment commitments not included in the accounts	191.9	224.9
– contractual amount	253.0	250.1

FINANCIAL RATIOS AND STATISTICS

	Jan 1, 2012– Dec 31, 2012	Jan 1, 2011– Dec 31, 2011
Equity per share, EUR	15.00	15.40
Dividend per share, EUR	0.00	0.50
Number of shares on balance sheet date	10,800,000	10,800,000
Return on equity (ROE)	0.6 %	4.6 %
Return on investment (ROI)	1.3 %	3.9 %
Equity/assets ratio	46.2 %	46.5 %
Investments, EUR M	49.7	36.9
– as % of sales	9.6 %	7.3 %
Passengers	6,349,903	6,351,714
Cargo units	116,906	114,795
Average number of employees, full time equivalent	3,014	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

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 +/- 0.1 M have occurred.

The above figures from the financial statements have been audited.