

**INTERIM REPORT FOR THE PERIOD
JANUARY – SEPTEMBER 2013****CONTINUED SALES INCREASE FOR VIKING LINE IN AN OVER-ESTABLISHED
MARKET**

Consolidated sales of the Viking Line Group during the report period, January 1 – September 30, 2013, increased by 7.7 per cent to EUR 419.7 M compared to the corresponding period of 2012 (EUR 389.5 M during January 1 – September 30, 2012). Income after taxes totalled EUR 20.7 M (1.7).

Passenger-related revenue increased by 7.9 per cent to EUR 389.7 M (361.1). The placement into service of the Viking Grace on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm (Sweden) route was the main reason for the improved passenger-related revenue. The market growth was weak, but the company's earnings trend was somewhat better than last year. Earnings were pulled down by the Viking Grace's start-up expenses as well as the Gabriella's unforeseen dry-docking and 23-day service interruption during the late spring of 2013. Consolidated income before taxes, excluding a capital gain from the sale of the Isabella, totalled EUR 4.8 M (EUR 2.5 M).

Consolidated sales during the third quarter, July 1 – September 30, 2013, increased by 5.1 per cent to EUR 164.4 M compared to the same quarter of 2012 (EUR 156.4 M during July 1 – September 30, 2012). Operating income in the third quarter amounted to EUR 26.6 M (21.0) and income after taxes totalled EUR 18.9 M (15.8).

NUMBER OF PASSENGERS AND MARKET SHARE

The number of passengers on Viking Line's vessels during the report period increased by 144,432 to 4,998,757 (4,854,325). After the Viking Grace began its service on January 15 this year, 995,291 passengers travelled on the vessel until September 30, 2013. The number of passengers on the Viking Grace on the Turku–Mariehamn/Långnäs–Stockholm route was 38.3 per cent higher than the corresponding figures for the Isabella, which served this route in 2012. During the report period January 1 – September 30, 2013 as a whole, the Group had a total market share in its service area of 34.4 per cent (33.7 per cent).

Viking Line's cargo volume was 88,819 cargo units (88,488). Viking Line achieved a cargo market share of 20.7 per cent (20.0).

Any questions concerning this interim 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

Consolidated sales of the Viking Line Group during the report period, January 1 – September 30, 2013, increased by 7.7 per cent to EUR 419.7 M compared to the corresponding period of 2012 (EUR 389.5 M during January 1 – September 30, 2012). Other operating revenue amounted to EUR 23.2 M (0.3). Operating income amounted to EUR 32.7 M (3.2). Net financial items totalled EUR -5.1 M (-0.7). Consolidated income before taxes amounted to EUR 27.6 M (2.5). Income after taxes totalled EUR 20.7 M (1.7).

Viking Line's market share increased to 34.4 per cent (33.7). Passenger-related revenue increased by 7.9 per cent to EUR 389.7 M (361.1), while cargo revenue increased by 5.3 per cent to EUR 27.1 M (25.8). Net sales revenue increased by 9.6 per cent to EUR 304.8 M (278.1). The placement into service of the Viking Grace on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm (Sweden) route was the main reason for the improved passenger-related revenue. Market growth was weak, but the company's earnings trend was somewhat better than last year. Earnings were pulled down by the Viking Grace's start-up expenses as well as the Gabriella's unforeseen dry-docking and 23-day service interruption during the late spring of 2013. The Group's operating expenses increased by 7.3 per cent to EUR 295.3 M (275.2). Consolidated income before taxes, excluding a capital gain from the sale of the Isabella, totalled EUR 4.8 M (2.5).

Consolidated sales during the third quarter, July 1 – September 30, 2013, increased by 5.1 per cent to EUR 164.4 M compared to the same quarter of 2012 (EUR 156.4 M during July 1 – September 30, 2012). Operating income in the third quarter amounted to EUR 26.6 M (21.0) and income after taxes totalled EUR 18.9 M (15.8).

SERVICES AND MARKET TRENDS

The Viking Line Group provides passenger and cargo carrier services using seven vessels on the northern Baltic Sea. In January 2013, the Isabella was replaced by the Viking Grace on the Turku–Mariehamn/Långnäs–Stockholm route. The Isabella was sold in April 2013.

The number of passengers on Viking Line's vessels during the report period increased by 144,432 to 4,998,757 (4,854,325). Viking Line's cargo volume was 88,819 cargo units (88,488). Viking Line achieved a cargo market share of 20.7 per cent (20.0).

During the report period, Viking Line strengthened its market share on the Turku–Mariehamn/Långnäs–Stockholm route by 8.3 percentage points to 58.3 per cent. Market share increased on the Helsinki (Finland)–Mariehamn–Stockholm route by 0.3 percentage points to 45.4 per cent. In cruise services between Stockholm and Mariehamn, market share decreased by 0.6 per cent to 51.9 per cent. On the Helsinki–Tallinn (Estonia) route, market share decreased by 1.1 percentage points to 23.0 per cent. On the short route over the Sea of Åland, market share decreased by 3.1 percentage points to 41.6 per cent, primarily due to a reduced number of departures. The Group thus had a total market share in its service area of 34.4 per cent (33.7).

INVESTMENTS AND FINANCING

Of the Group's investments during the report period, its investment in the Viking Grace totalled EUR 163.5 M, while its other investments amounted to EUR 6.0 M. The Group's total investments were thus EUR 169.5 M (39.9).

The Isabella was sold to Hansalink Limited on April 22, 2013. The sale of the Isabella was a planned step in the financing of Viking Line's new cruise vessel Viking Grace. The total sale price was about EUR 30 M and represented a capital gain of EUR 22.8 M.

On September 30, 2013 the Group's non-current interest-bearing liabilities amounted to EUR 225.5 M (77.4). The equity/assets ratio was 33.8 per cent, compared to 45.7 per cent a year earlier.

At the end of September 2013, the Group's cash and cash equivalents amounted to EUR 88.9 M (41.8). Net cash flow from operating activities amounted to EUR 19.9 M (15.4).

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 AND PERSONNEL

The average number of Group employees was 3,151 (3,048), of whom 1,986 (1,860) worked for the parent company. Land-based personnel totalled 708 (725) and shipboard personnel totalled 2,443 (2,323).

Andreas Remmer, LL.M, has been a new member of Group Management since September 2013 as Head of Finance and IT (Chief Financial Officer, CFO).

RISK FACTORS

Since the Year-End Report was published, no changes have occurred that affect the Group's short-term assessment of the risks in its business operations. Special risks during the immediate future are primarily related to bunker (vessel fuel) prices.

OUTLOOK FOR THE FULL FINANCIAL YEAR 2013

Competition in Viking Line's service area remains tough and implies continued pressure on prices. Market growth is very low, but service on the Viking Grace is expected to continue its positive performance. The Group has an ongoing action programme to improve the efficiency of its operations. The Board of Directors believes that operating income excluding capital gains will improve in 2013 compared to operating income in 2012. Income before taxes, excluding the capital gain related to the sale of the Isabella, is expected to be at about the same level as last year. In addition, the capital gain from the sale of the Isabella will improve income before taxes by EUR 22.8 M.

The Year-end Report for the financial year 2013 will be published on February 13, 2014.

Mariehamn, Åland, November 13, 2013

VIKING LINE ABP
The Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR M	Jul 1, 2013– Sep 30, 2013	Jul 1, 2012– Sep 30, 2012	Jan 1, 2013– Sep 30, 2013	Jan 1, 2012– Sep 30, 2012	Jan 1, 2012– Dec 31, 2012
SALES	164.4	156.4	419.7	389.5	516.1
Other operating revenue	0.2	0.1	23.2	0.3	0.4
Expenses					
Goods and services	43.4	44.2	114.9	111.5	149.6
Salary and other employment benefit expenses	31.9	30.8	98.5	93.3	125.2
Depreciation and impairment losses	8.8	7.0	27.4	21.2	28.5
Other operating expenses	53.8	53.4	169.4	160.6	210.7
	137.9	135.5	410.2	386.6	514.1
OPERATING INCOME	26.6	21.0	32.7	3.2	2.4
Financial income	0.3	0.8	0.9	1.3	1.6
Financial expenses	-2.0	-0.7	-6.0	-2.0	-2.5
INCOME BEFORE TAXES	25.0	21.1	27.6	2.5	1.6
Income taxes	-6.1	-5.2	-6.9	-0.8	-0.7
INCOME FOR THE PERIOD	18.9	15.8	20.7	1.7	0.9
Translation differences	-0.1	0.2	-0.3	0.2	0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	18.8	16.0	20.4	1.9	1.0
<i>Income attributable to:</i>					
Parent company shareholders	18.9	15.8	20.7	1.7	0.9
<i>Total comprehensive income attributable to:</i>					
Parent company shareholders	18.8	16.0	20.4	1.9	1.0
Earnings per share before and after dilution, EUR	1.75	1.47	1.92	0.16	0.09

CONSOLIDATED BALANCE SHEET

EUR M	Sep 30, 2013	Sep 30, 2012	Dec 31, 2012
ASSETS			
Non-current assets			
Intangible assets	0.9	1.0	0.9
Land	1.1	1.1	1.1
Buildings and structures	11.8	10.4	12.3
Renovation costs for rented properties	0.5	0.5	0.5
Vessels	370.5	179.5	174.2
Machinery and equipment	8.3	6.8	8.1
Advance payments	-	56.5	61.1
Investments available for sale	0.0	0.0	0.0
Receivables	0.7	0.8	0.7
Total non-current assets	393.6	256.6	258.9
Current assets			
Inventories	15.3	15.4	15.2
Income tax assets	0.5	2.4	1.9
Trade and other receivables	40.7	40.2	29.1
Cash and cash equivalents	88.9	41.8	45.3
Total current assets	145.4	99.8	91.5
TOTAL ASSETS	539.0	356.4	350.4
EQUITY AND LIABILITIES			
Equity			
Share capital	1.8	1.8	1.8
Reserves	0.0	0.0	0.0
Translation differences	-0.2	0.2	0.1
Retained earnings	180.8	160.8	160.0
Equity attributable to parent company shareholders	182.4	162.8	162.0
Total equity	182.4	162.8	162.0
Non-current liabilities			
Deferred tax liabilities	29.7	31.2	29.7
Non-current interest-bearing liabilities	225.5	77.4	73.1
Total non-current liabilities	255.2	108.6	102.8
Current liabilities			
Current interest-bearing liabilities	19.4	8.7	8.7
Income tax liabilities	7.0	0.0	-
Trade and other payables	75.1	76.3	76.9
Total current liabilities	101.5	85.0	85.6
Total liabilities	356.6	193.6	188.4
TOTAL EQUITY AND LIABILITIES	539.0	356.4	350.4

CONSOLIDATED CASH FLOW STATEMENT

EUR M	Jan 1, 2013– Sep 30, 2013	Jan 1, 2012– Sep 30, 2012	Jan 1, 2012– Dec 31, 2012
OPERATING ACTIVITIES			
Income for the period	20.7	1.7	0.9
Adjustments			
Depreciation and impairment losses	27.4	21.2	28.5
Other items not included in cash flow	-23.1	0.2	0.1
Interest expenses and other financial expenses	5.3	1.3	1.6
Interest income and other financial income	-0.1	-0.3	-0.4
Dividend income	0.0	0.0	0.0
Income taxes	6.9	0.8	0.7
Change in working capital			
Change in trade and other receivables	-11.6	-11.3	-0.2
Change in inventories	-0.1	-1.8	-1.6
Change in trade and other payables	-3.0	6.4	7.1
Interest paid	-3.5	-1.3	-1.6
Financial expenses paid	-0.6	-0.1	-0.1
Interest received	0.0	0.4	0.5
Financial income received	0.0	0.0	0.1
Taxes paid	1.5	-1.8	-2.7
NET CASH FLOW FROM OPERATING ACTIVITIES	19.9	15.4	32.8
INVESTING ACTIVITIES			
Investments in vessels	-166.7	-2.9	-4.0
Investments in other property, plant and equipment	-2.8	-6.9	-11.0
Advance payments	-	-30.1	-34.7
Divestments of vessels	29.9	-	-
Divestments of other property, plant and equipment	0.2	0.1	0.1
Change in non-current receivables	0.0	0.0	0.2
Dividends received	0.0	0.0	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES	-139.3	-39.8	-49.5
FINANCING ACTIVITIES			
Increase in non-current liabilities	179.1	0.3	1.0
Amortization of non-current liabilities	-16.0	-4.4	-9.4
Dividends paid	-	-5.4	-5.4
NET CASH FLOW FROM FINANCING ACTIVITIES	163.1	-9.5	-13.7
CHANGE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period	45.3	55.7	55.7
Change in held-to-maturity investments	-	20.0	20.0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	88.9	41.8	45.3

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, 2012	1.8	0.0	0.1	164.4	166.3
<i>Income for the period</i>				1.7	1.7
<i>Translation differences</i>		0.0	0.1	0.1	0.2
Total comprehensive income for the period	-	0.0	0.1	1.8	1.9
Dividend to shareholders				-5.4	-5.4
Equity, Sep 30, 2012	1.8	0.0	0.2	160.8	162.8
Equity, Jan 1, 2013	1.8	0.0	0.1	160.0	162.0
<i>Income for the period</i>				20.7	20.7
<i>Translation differences</i>		0.0	-0.3	0.0	-0.3
Total comprehensive income for the period	-	0.0	-0.3	20.7	20.4
Dividend to shareholders					-
Equity, Sep 30, 2013	1.8	0.0	-0.2	180.8	182.4

QUARTERLY CONSOLIDATED INCOME STATEMENT

EUR M	2013 Q3	2013 Q2	2013 Q1	2012 Q4
SALES	164.4	140.3	115.0	126.6
Other operating revenue	0.2	22.9	0.1	0.1
Expenses				
Goods and services	43.4	39.6	31.9	38.2
Salary and other employment benefit expenses	31.9	33.7	32.9	31.9
Depreciation and impairment losses	8.8	9.3	9.3	7.3
Other operating expenses	53.8	55.6	59.9	50.0
	137.9	138.3	133.9	127.4
OPERATING INCOME	26.6	25.0	-18.9	-0.7
Financial income	0.3	0.4	0.2	0.3
Financial expenses	-2.0	-2.0	-2.0	-0.5
INCOME BEFORE TAXES	25.0	23.3	-20.7	-0.9
Income taxes	-6.1	-5.8	5.0	0.1
INCOME FOR THE PERIOD	18.9	17.6	-15.7	-0.8
Translation differences	-0.1	-0.2	0.0	-0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	18.8	17.4	-15.8	-0.8
<i>Income attributable to:</i>				
Parent company shareholders	18.9	17.6	-15.7	-0.8
<i>Total comprehensive income attributable to:</i>				
Parent company shareholders	18.8	17.4	-15.8	-0.8
Earnings per share before and after dilution, EUR	1.75	1.63	-1.45	-0.07

SEGMENT INFORMATION, VIKING LINE GROUP

OPERATING SEGMENTS, EUR M	Jan 1, 2013– Sep 30, 2013	Jan 1, 2012– Sep 30, 2012	Jan 1, 2012– Dec 31, 2012
Sales			
Vessels	416.0	385.7	511.1
Unallocated	3.9	4.0	5.3
Total, operating segments	419.9	389.7	516.3
Eliminations	-0.2	-0.2	-0.2
Total sales of the Group	419.7	389.5	516.1
Operating income			
Vessels	66.3	38.4	52.5
Unallocated	-33.6	-35.3	-50.0
Total operating income of the Group	32.7	3.2	2.4

PLEGDED ASSETS AND CONTINGENT LIABILITIES

EUR M	Sep 30, 2013	Sep 30, 2012	Dec 31, 2012
Contingent liabilities	246.2	87.0	84.1
Assets pledged for own debt	316.2	134.9	112.2
Investment commitments not included in the accounts	-	198.9	191.9
– contractual amount	-	254.2	253.0

FINANCIAL RATIOS AND STATISTICS

	Jan 1, 2013– Sep 30, 2013	Jan 1, 2012– Sep 30, 2012	Jan 1, 2012– Dec 31, 2012
Equity per share, EUR	16.88	15.07	15.00
Equity/assets ratio	33.8 %	45.7 %	46.2 %
Investments, EUR M	169.5	39.9	49.7
– as % of sales	40.4 %	10.2 %	9.6 %
Passengers	4,998,757	4,854,325	6,349,903
Cargo units	88,819	88,488	116,906
Average number of employees, full time equivalent	3,151	3,048	3,014

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.