

**INTERIM REPORT FOR THE PERIOD
JANUARY – SEPTEMBER 2014****SALES AND EARNINGS DECREASED SOMEWHAT IN SPITE OF HIGHER
PASSENGER AND CARGO VOLUMES**

The number of passengers on Viking Line's vessels during the report period increased by 91,003 to 5,089,760 (4,998,757). The passenger count rose mainly on the Helsinki (Finland)–Tallinn (Estonia) route and on the short route across the Sea of Åland between Mariehamn (Åland Islands, Finland) and Kapellskär (Sweden). This gave the Viking Line Group a total market share in its service area of 35.0 per cent (34.5 per cent).

Viking Line's cargo volume increased by 7,735 cargo units to 96,554 cargo units (88,819). The Group achieved an increase in cargo volume on all scheduled routes except Helsinki–Tallinn. Viking Line's cargo market share amounted to 21.8 per cent (20.7).

SUCCESSFUL PROGRAMME TO EXPAND TALLINN SERVICE

The Gabriella and the Mariella served during the period June 12 – September 2 on the Helsinki–Tallinn route, in addition to these vessels' regular service on the Helsinki–Mariehamn–Stockholm (Sweden) route. This programme was well received by the market. During the summer months June–August, Viking Line managed to increase its number of passengers on the route by 176,093 passengers to 774,770.

SALES AND EARNINGS

Consolidated sales of the Viking Line Group during the period January 1 – September 30, 2014 decreased by 4.4 per cent to 401.1 million euros compared to the same period of 2013 (EUR 419.7 M). Operating income amounted to EUR 9.5 M (32.7 including and 9.9 excluding the capital gain from the sale of the Isabella). Income after taxes totalled EUR 2.5 M (20.7 including and 3.5 excluding the capital gain from the sale of the Isabella).

Consolidated sales during the third quarter, July 1 – September 30, 2014, decreased by 2.6 per cent to EUR 160.1 M compared to the same quarter of 2013 (164.4). Operating income in the third quarter amounted to EUR 22.0 M (26.6) and income after taxes totalled EUR 16.7 M (18.9).

Any questions concerning this interim report will be answered by Jan Hanses, 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 2013 sales were about EUR 549 M. The number of passengers totalled 6.5 million. The average number of employees was 3,104.

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SALES AND EARNINGS

Consolidated sales of the Viking Line Group during the period January 1 – September 30, 2014 decreased by 4.4 per cent to 401.1 million euros compared to the same period of 2013 (EUR 419.7 M). Operating income amounted to EUR 9.5 M (32.7 including and 9.9 excluding the capital gain from the sale of the Isabella). Net financial items totalled EUR -6.3 M (-5.1). Consolidated income before taxes amounted to EUR 3.2 M (27.6) Income after taxes totalled EUR 2.5 M (20.7 including and 3.5 excluding the capital gain from the sale of the Isabella).

Passenger-related revenue decreased by 5.4 per cent to EUR 368.5 M (389.5), while cargo revenue increased by 8.9 per cent to EUR 29.6 M (27.1). Net sales revenue decreased by 5.1 per cent to EUR 289.2 M (304.8). The Group's operating expenses decreased by 4.6 per cent to EUR 255.6 M (267.9).

Consolidated sales during the third quarter, July 1 – September 30, 2014, decreased by 2.6 per cent to EUR 160.1 M compared to the same quarter of 2013 (164.4). Operating income in the third quarter amounted to EUR 22.0 M (26.6) and income after taxes totalled EUR 16.7 M (18.9).

The decrease in consolidated sales is primarily explained by the prevailing pressure on prices in today's tough competitive situation, combined with falling volume early in 2014 and an economic downturn in Finland that affects the pattern of consumption. Overall, this has had a negative impact on net sales revenue per passenger.

The Group's bunker (vessel fuel) expenses decreased during the period by EUR 2.5 M, equivalent to 5.4 per cent. The decrease is explained by lower average bunker prices and the Group's continued efforts to optimize the bunker consumption of its vessels.

The Board of Directors also believes that the Group's action programme aimed at improving operational efficiency is continuing to have a positive impact on operating expenses. Combined with ongoing measures to boost sales, this is expected to improve earnings from day-to-day operations in the future.

SERVICES AND MARKET TRENDS

The Viking Line Group provides passenger and cargo carrier services using seven vessels on the northern Baltic Sea. The Group's vessels served the same routes as during 2013. During the period June 12 – September 2, 2014 the Gabriella and the Mariella served the Helsinki (Finland)–Tallinn (Estonia) route, while continuing to sail on their regular Helsinki–Mariehamn (Åland Islands, Finland)–Stockholm (Sweden) route.

The number of passengers on Viking Line's vessels during the report period increased by 91,003 to 5,089,760 (4,998,757). During the report period, Viking Line reduced its market share on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm route by 1.4 percentage points to 56.9 per cent. On the Helsinki–Mariehamn–Stockholm route, market share increased by 0.8 percentage points to 46.1 per cent. In cruise services between Stockholm and Mariehamn, market share decreased by 0.1 percentage points to 53.9 per cent. On the Helsinki–Tallinn route, market share increased by 2.0 percentage points to 25.0 per cent. On the short route across the Sea of Åland between Mariehamn and Kapellskär (Sweden), market share increased by 2.2 percentage points to 43.7 per cent. This gave the Group a total market share in its service area of 35.0 per cent (34.5).

Viking Line's cargo volume was 96,554 cargo units (88,819). Viking Line achieved a cargo market share of 21.8 per cent (20.7).

INVESTMENTS AND FINANCING

The Group's investments amounted to EUR 6.3 M (169.5).

On September 30, 2014 the Group's non-current interest-bearing liabilities amounted to EUR 201.8 M (225.5). The equity/assets ratio was 36.1 per cent, compared to 33.8 per cent a year earlier.

At the end of September 2014, the Group's cash and cash equivalents amounted to EUR 81.9 M (88.9). Net cash flow from operating activities amounted to EUR 12.3 M (19.9).

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

On January 16, 2014, the M/S Rosella was recorded in the Finnish ship register and on January 22, 2014 the M/S Viking XPRS was recorded in the Estonian ship register.

The average number of Group employees was 2,848 (3,151), of whom 2,114 (1,986) worked for the parent company. Land-based personnel totalled 664 (708) and shipboard personnel totalled 2,184 (2,443).

In addition to the Group's own employees, the Viking XPRS was staffed by an average of 237 people employed by a staffing company. The expenses for them are recognized among "Other operating expenses".

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 prices.

Viking Line is continuing its efforts to adapt to the European Union's sulphur directive, which goes into effect on January 1, 2015, and is in the final stage of negotiations with various bunker suppliers.

DE-MUTUALISATION AND MERGER WITHIN THE ALANDIA INSURANCE GROUP

Consent has been received from the Finnish Financial Supervisory Authority to re-organize Redarnas Ömsesidiga Försäkringsbolag (Finnish business identity code 0145065-2), "RÖF" – an Åland-based shipowners' mutual insurance company and parent company of the Alandia Insurance Group – into a limited liability insurance company and to merge RÖF with its wholly owned insurance subsidiary Försäkringsaktiebolaget Alandia (0205048-2), "Alandia", with RÖF as the acquiring company and Alandia as the acquired company. The process will be completed in such a way that both the change in the legal form of RÖF and the merger are registered in the Finnish Trade Register as of December 31, 2014. Distribution of shares will be carried out as of the same date.

According to preliminary calculations, Viking Line Abp's ownership share in the merged company will amount to slightly more than 20 per cent. According to our preliminary assessment, Viking Line Abp will not have significant influence on the company. When the change in the legal form of the company is registered, Viking Line Abp's shares in the merged company will be appraised at fair value.

Preliminary appraisals of the net asset value of the merged company that have been conducted by outside appraisers give a total value of EUR 140 M based on the financial statements as of December 31, 2013.

Nonrecurring income equivalent to Viking Line Abp's holding in the merged company will be recognized as a financial income item in the consolidated statement of comprehensive income, and the shares will be reported under "Investments available for sale" in the consolidated balance sheet. The final income item will depend on an appraisal as of December 31, 2014. During future accounting periods, changes in the fair value of these shares will be reported via the statement of total comprehensive income against the fair value reserve under equity.

For further information on Alandia Insurance, please see www.alandia.com.

OUTLOOK FOR THE FULL FINANCIAL YEAR 2014

Competition in Viking Line's service area implies continued pressure on both prices and volume. The economic downturn in Finland is another uncertainty factor. In recent months, however, lower bunker prices have had a positive effect on operations and the Board of Directors is still of the opinion that operating income will improve in 2014 compared to operating income in 2013, excluding the capital gain from the sale of the Isabella.

The Year-end Report for the financial year 2014 will be published on February 12, 2015.

Mariehamn, Åland, November 12, 2014

VIKING LINE ABP
The Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR M	Jul 1, 2014– Sep 30, 2014	Jul 1, 2013– Sep 30, 2013	Jan 1, 2014– Sep 30, 2014	Jan 1, 2013– Sep 30, 2013	Jan 1, 2013– Dec 31, 2013
SALES	160.1	164.4	401.1	419.7	549.4
Other operating revenue	0.1	0.2	0.5	23.2	23.5
Expenses					
Goods and services	44.3	43.4	111.8	114.9	150.6
Salary and other employment benefit expenses	30.1	31.9	91.9	98.5	130.1
Depreciation and impairment losses	8.0	8.8	24.6	27.4	35.7
Other operating expenses	55.8	53.8	163.7	169.4	221.9
	138.1	137.9	392.0	410.2	538.2
OPERATING INCOME	22.0	26.6	9.5	32.7	34.7
Financial income	0.7	0.3	0.9	0.9	1.2
Financial expenses	-2.0	-2.0	-7.2	-6.0	-8.3
INCOME BEFORE TAXES	20.7	25.0	3.2	27.6	27.7
Income taxes	-4.0	-6.1	-0.7	-6.9	-0.2
INCOME FOR THE PERIOD	16.7	18.9	2.5	20.7	27.5
Other comprehensive income					
<i>Items that may be transferred to the income statement</i>					
Translation differences	0.0	-0.1	-0.5	-0.3	-0.4
Investments available for sale	-	-	-	-	0.0
	0.0	-0.1	-0.5	-0.3	-0.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16.7	18.8	2.0	20.4	27.1
Income attributable to:					
Parent company shareholders	16.7	18.9	2.5	20.7	27.5
Total comprehensive income attributable to:					
Parent company shareholders	16.7	18.8	2.0	20.4	27.1
Earnings per share before and after dilution, EUR	1.55	1.75	0.23	1.92	2.54

CONSOLIDATED BALANCE SHEET

EUR M	Sep 30, 2014	Sep 30, 2013	Dec 31, 2013
ASSETS			
Non-current assets			
Intangible assets	0.7	0.9	0.8
Land	1.1	1.1	1.1
Buildings and structures	11.1	11.8	11.7
Renovation costs for rented properties	0.6	0.5	0.7
Vessels	346.9	370.5	365.2
Machinery and equipment	7.1	8.3	8.0
Investments available for sale	0.0	0.0	0.0
Receivables	0.5	0.7	0.5
Total non-current assets	368.0	393.6	388.1
Current assets			
Inventories	16.3	15.3	15.0
Income tax assets	1.3	0.5	0.2
Trade and other receivables	47.2	40.7	31.0
Cash and cash equivalents	81.9	88.9	96.1
Total current assets	146.7	145.4	142.2
TOTAL ASSETS	514.7	539.0	530.3
EQUITY AND LIABILITIES			
Equity			
Share capital	1.8	1.8	1.8
Reserves	0.0	0.0	0.0
Translation differences	-0.4	-0.2	-0.3
Retained earnings	184.2	180.8	187.5
Equity attributable to parent company shareholders	185.6	182.4	189.0
Total equity	185.6	182.4	189.0
Non-current liabilities			
Deferred tax liabilities	29.7	29.7	29.7
Non-current interest-bearing liabilities	201.8	225.5	221.2
Total non-current liabilities	231.5	255.2	250.8
Current liabilities			
Current interest-bearing liabilities	19.3	19.4	15.1
Income tax liabilities	1.7	7.0	-
Trade and other payables	76.6	75.1	75.4
Total current liabilities	97.6	101.5	90.4
Total liabilities	329.1	356.6	341.3
TOTAL EQUITY AND LIABILITIES	514.7	539.0	530.3

CONSOLIDATED CASH FLOW STATEMENT

EUR M	Jan 1, 2014– Sep 30, 2014	Jan 1, 2013– Sep 30, 2013	Jan 1, 2013– Dec 31, 2013
OPERATING ACTIVITIES			
Income for the period	2.5	20.7	27.5
Adjustments			
Depreciation and impairment losses	24.6	27.4	35.7
Capital gains from non-current assets	-0.2	-22.8	-22.8
Other items not included in cash flow	1.1	-0.3	-0.4
Interest expenses and other financial expenses	5.0	5.3	7.1
Interest income and other financial income	-0.1	-0.1	-0.1
Dividend income	0.0	0.0	0.0
Income taxes	0.7	6.9	0.2
Change in working capital			
Change in trade and other receivables	-16.2	-11.6	-1.9
Change in inventories	-1.3	-0.1	0.3
Change in trade and other payables	2.7	-3.0	-4.1
Interest paid	-5.9	-3.5	-3.7
Financial expenses paid	-0.6	-0.6	-0.8
Interest received	0.0	0.0	0.1
Financial income received	0.0	0.0	0.1
Taxes paid	-0.1	1.5	1.4
NET CASH FLOW FROM OPERATING ACTIVITIES	12.3	19.9	38.4
INVESTING ACTIVITIES			
Investments in vessels	-5.4	-166.7	-168.6
Investments in other intangible and tangible assets	-0.9	-2.8	-3.7
Divestments of vessels	-	29.9	29.9
Divestments of other intangible and tangible assets	0.3	0.2	0.2
Payments received for non-current receivables	-	0.0	0.2
Dividends received	0.0	0.0	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES	-6.0	-139.3	-142.0
FINANCING ACTIVITIES			
Increase in non-current liabilities	-	179.1	179.1
Amortization of non-current liabilities	-15.1	-16.0	-24.6
Dividends paid	-5.4	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	-20.5	163.1	154.4
CHANGE IN CASH AND CASH EQUIVALENTS	-14.2	43.6	50.8
Cash and cash equivalents at beginning of period	96.1	45.3	45.3
CASH AND CASH EQUIVALENTS AT END OF PERIOD	81.9	88.9	96.1

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, 2014	1.8	0.0	-0.3	187.5	189.0
<i>Income for the period</i>				2.5	2.5
<i>Translation differences</i>		0.0	-0.2	-0.3	-0.5
Total comprehensive income for the period	-	0.0	-0.2	2.2	2.0
Dividend to shareholders				-5.4	-5.4
Equity, Sep 30, 2014	1.8	0.0	-0.4	184.2	185.6
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
Equity, Sep 30, 2013	1.8	0.0	-0.2	180.8	182.4

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR M	2014 Q3	2014 Q2	2014 Q1	2013 Q4
SALES	160.1	137.5	103.4	129.7
Other operating revenue	0.1	0.3	0.1	0.3
Expenses				
Goods and services	44.3	39.1	28.4	35.7
Salary and other employment benefit expenses	30.1	30.3	31.6	31.5
Depreciation and impairment losses	8.0	8.0	8.5	8.3
Other operating expenses	55.8	55.8	52.1	52.5
	138.1	133.3	120.6	128.1
OPERATING INCOME	22.0	4.5	-17.1	2.0
Financial income	0.7	0.1	0.1	0.3
Financial expenses	-2.0	-3.1	-2.2	-2.2
INCOME BEFORE TAXES	20.7	1.6	-19.1	0.1
Income taxes	-4.0	-0.2	3.5	6.7
INCOME FOR THE PERIOD	16.7	1.4	-15.6	6.7
Other comprehensive income				
<i>Items that may be transferred to the income statement</i>				
Translation differences	0.0	-0.4	-0.1	0.0
Investments available for sale	-	-	-	0.0
	0.0	-0.4	-0.1	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16.7	1.0	-15.8	6.7
Income attributable to:				
Parent company shareholders	16.7	1.4	-15.6	6.7
Total comprehensive income attributable to:				
Parent company shareholders	16.7	1.0	-15.8	6.7
Earnings per share before and after dilution, EUR	1.55	0.13	-1.45	0.62

SEGMENT INFORMATION, VIKING LINE GROUP

OPERATING SEGMENTS, EUR M	Jan 1, 2014– Sep 30, 2014	Jan 1, 2013– Sep 30, 2013	Jan 1, 2013– Dec 31, 2013
Sales			
Vessels	397.4	416.0	544.7
Unallocated	3.8	3.9	4.9
Total, operating segments	401.2	419.9	549.6
Eliminations	-0.2	-0.2	-0.2
Total sales of the Group	401.1	419.7	549.4
Operating income			
Vessels	43.5	66.3	81.2
Unallocated	-34.0	-33.6	-46.4
Total operating income of the Group	9.5	32.7	34.7

PLEGDED ASSETS AND CONTINGENT LIABILITIES

EUR M	Sep 30, 2014	Sep 30, 2013	Dec 31, 2013
Contingent liabilities	221.4	246.2	236.9
Assets pledged for own debt	315.7	316.2	315.7

FINANCIAL RATIOS AND STATISTICS

	Jan 1, 2014– Sep 30, 2014	Jan 1, 2013– Sep 30, 2013	Jan 1, 2013– Dec 31, 2013
Equity per share, EUR	17.19	16.88	17.50
Equity/assets ratio	36.1 %	33.8 %	35.6 %
Investments, EUR M	6.3	169.5	172.3
– as % of sales	1.6 %	40.4 %	31.4 %
Passengers	5,089,760	4,998,757	6,533,650
Cargo units	96,554	88,819	119,704
Average number of employees, full time equivalent	2,848	3,151	3,104

Earnings per share = (Income before taxes – income taxes +/- non-controlling interests) / 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 non-controlling interests) / (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.