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Information to shareholders

Annual General Meeting

The Annual General Meeting of Viking Line Abp will be held at 12 noon on Wednesday, April 20, 2016 at the Alandica Kultur och Kongress auditorium, Strandgatan 33, Mariehamn, Åland, Finland.

Shareholders who wish to participate in the meeting must notify the Company's Head Office in Mariehamn to this effect no later than 12 noon on Monday, April 18, 2016. Notification may be provided

- by e-mail to bolagsstamma@vikingline.com
- by telephone to the Company's Secretariat at +358 18 270 00
- by fax to +358 18 169 77
- or by letter to Viking Line Abp, Pb 166,
 - AX-22101 Mariehamn, Åland, Finland.

Shareholders whose shares have not been transferred to the Finnish book-entry securities account system are also entitled to participate in the shareholders' meeting, provided that the shareholder was recorded in the Company's share register before March 12, 1999. In this case, the shareholder shall present at the shareholders' meeting his share certificates or another explanation as to why the ownership right to the shares has not been reported as a book-entry securities account.

Financial information for 2016

During the financial year 2016, Viking Line Abp's interim reports will be published for the periods January 1 to March 31, 2016; January 1 to June 30, 2016; and January 1 to September 30, 2016. These interim reports will be published on May 18, August 18 and November 16, 2016, respectively. The Year-end Report for the financial year 2016 will be published on February 16, 2017. The Annual Report for the financial year 2016 will be published during the week of March 27, 2017. The official versions of the Annual Report, the Year-end Report and interim reports are published in Swedish. These reports are translated into Finnish and English. The reports will be available on Viking Line's websites at approximately 9.00 a.m. on each date. The Annual Report will also be available at the Head Office of Viking Line Abp and can be ordered by telephone at +358 18 277 67 or by e-mail at inv.info@vikingline.com.

Statement of the President and CEO

Looking back over the past year, it is clear that economic growth was weak in most neighbouring regions. The Finnish economy is in a period of negative growth, and it is uncertain when this unfavourable trend will reverse. However, the situation has not affected the number of passengers who have travelled with us. The Swedish economy, in contrast, is relatively stable and is expected to be among the fastest growing in Europe going forward. The economic situation in Russia has had negative consequences for the travel industry, and we have observed a decline in Russian passengers as a percentage of the total number. Meanwhile we have noted greater interest in our services among Asian travellers. The market for cruises and ferry travel on the Baltic Sea is stable but subject to tough competition, and there is a trend of continued growth in the demand for shorter voyages.

Improved earnings

Earnings for the year were better than expected, and the Group's financial position is stable. Oil prices during the year were favourable, while salary and other employment benefit expenses also decreased. These were very important factors for our financial results. Other causes for rejoicing are our alltime record for service in July and increased volume in our cargo operations.

We can be pleased with last summer's passenger numbers. Cold weather in June meant the month got off to a weak start, but in July and August we had strong volume growth. More than 2.3 million passengers sailed on one of our red and white-painted vessels in June-August. In 2014, we launched expanded service on the Helsinki-Tallinn route during the summer, and we continued this in 2015 as well, with slightly fewer sailings. That turned out to be a good decision. An all-time high was set in July, when Viking Line's passenger volume on all routes reached a record number of 945,343 passengers or 20,519 more than the record set in 2014 for the same month. The peak summer season is critical to our financial results for the full year.

Vessel upgrades during the spring

More than one million passengers sail each year on the Helsinki-Mariehamn-Stockholm

route on our vessels the Mariella and the Gabriella. The Mariella was dry-docked during the spring and underwent a thorough renovation. This included the modernization of more than 100 cabins, the introduction of new restaurant concepts and an updating of the nightclub's interior. Passengers can now choose to book a cabin in the brand-new Comfort Class. The 72 Comfort Class cabins offer attractive decor, a double bed, TV and Wi-Fi. All of the vessel's luxury cabins were also modernized. The customer response has been very positive, which is gratifying.

The Viking XPRS, which sails the Helsinki–Tallinn route, was thoroughly modernized in late winter, and additions included a new à la carte restaurant and a new fashion accessories shop. The focus was also on the comfort of our youngest passengers, with an expansion of the vessel's play areas. Viking Line has listened carefully to customers' wishes, and the additional spaces have been well received.

Digital investments

In May, a new booking system was placed in service on our websites. The aim was to create a mobile-friendly and flexible system, since most of our customers book their trip on-line. Customers can now compare prices for different travel options more easily. The new system offers far more versatility in on-line booking than previously. Viking Line also launched a brand-new type of mobile application during the year. The app includes a feature that enables passengers to keep in touch with their travel companions or other passengers during the voyage. It also makes communication on board more efficient, with cruise programmes, shopping options, facts about the vessel and other relevant information available via smartphone.

The importance of maritime shipping

Business conditions in the European maritime shipping industry are shaped by a number of factors, some of which require the involvement of political stakeholders. In this respect, Viking Line's operations are no exception. The Åland Islands permanently enjoy a special position in Europe regarding the harmonization of indirect taxation. The European Commission's guidelines for promoting shipping operations remain in place, and the



present Commission has no intention of reexamining these. It is vital to the Finnish maritime shipping industry that Finland does not deviate from the country's current application of these guidelines through national political decisions. This issue was raised in the programme of the new Finnish government that took office in 2015. I have clarified the consequences of a change in shipping policy in this respect to government representatives, and in my view that message was well received.

In these troubled times, it is now more important than ever for our country to have its own maritime fleet, in view of the need for security of supply. Some 90 per cent of our exports and 70 per cent of imports are transported by ship. Some 25 per cent of Finland's general cargo or 10 million tonnes is carried on passenger vessels. Above all, passenger service is important for tourism. People sailing on passenger vessels consume more than 500 million euros worth of goods and services in Finland every year.

Thanks

I would like to extend special thanks to all our employees for the past year. There are many reasons to be proud of the work they have done. I would also like to thank our partners for continued good business relations and our customers for the confidence they show in us. Our aim is to exceed their expectations.

We have a positive view of 2016, which will be an exciting year with new opportunities. We have great respect for the economic situation and how it may affect consumption in many of our markets, but we are convinced that there will continue to be an interest in sea voyages.

Jan Hanses President and Chief Executive Officer

























Mission statement









Mission - our fundamental task

We link together the countries around the northern Baltic Sea by providing sustainable and regular ferry service for everyone. Our three basic services are cruises, passenger transport and cargo transport. Our unique expertise in combining these services generates customer and business benefits.

Vision – our ambition and what we want to achieve

We are the leading brand in our service area and the preferred choice of all those seeking sea transport services and experiences. We shall preserve and enhance our position as a profitable company.

Fundamental values

- Viking Line is for everyone. Our customers are our foremost priority and we aim to exceed their expectations, especially with regard to good service.
- We respect our co-workers and value initiative, innovation, teamwork, openness, honesty, loyalty and acceptance of responsibility.
- We stand for humility and cost-consciousness.
- We take advantage of all good business opportunities.
- Our vessels are safe and well-maintained. We conduct our operations in compliance with applicable environmental standards and legislation. We strive to continuously improve our environmental and sustainability work.

Strategies

- We offer the market's best value for money by providing good quality at affordable prices.
- Our selective quality factors are friendly service, fully functional and clean facilities, good food, enjoyable entertainment and attractive shopping.
- We aim at large travel volume and high capacity utilization.
- We shall have modern distribution and sales systems.
- Our sources of income are ticket, cargo and on-board sales we optimize their total outcome.
- We motivate and train our employees in order to achieve improved quality, service level and productivity.
- We continuously optimize our energy consumption in all our operations.

The Viking Line fleet

Viking Line provides scheduled passenger and cargo services using seven vessels on the northern Baltic Sea. The service area encompasses Finland–Sweden and Finland/Sweden–Baltic countries. All vessels are certified in compliance with ISO 14001 environmental management standards. Having safe, well-maintained vessels is a part of the Company's fundamental values.



ROUTE MAP

HELSINKI-TALLINN



- Built in 2008
- 35,918 gross registered tonnes
- Length 185.0 m
- Ice class I A Super
- 2,500 passengers
 220 cars
- 736 berths
- Estonian flag



TURKU-MARIEHAMN/LÅNGNÄS-STOCKHOLM



- Delivered in 2013
 - 2,800 passengers
- 57,565 gross registered tonnes 556 cars
- Length 218.0 m
- 2,980 berths
- Ice class I A Super
- Finnish flag



- Delivered in 1988
- 34,384 gross registered tonnes
- Length 169.4 m
- Ice class I A Super
- 2,480 passengers
- 450 cars
- 1,946 berths
- Finnish flag

HELSINKI-MARIEHAMN-STOCKHOLM



Built in 1992

• Length 171.2 m

• Ice class I A Super

- 2,400 passengers
- 35,492 gross registered tonnes 400 cars
 - 2,382 berths
 - Finnish flag



- Delivered in 1985
- 37,860 gross registered tonnes
- Length 177.0 m
- Ice class I A Super
- 2,500 passengers
- 430 cars
- 2,500 berths • Finnish flag

STOCKHOLM-MARIEHAMN



 Delivered in 1989 • 46,398 gross registered tonnes

• Ice class I A Super

• Length 191.0 m

- 2,560 passengers
- 306 cars
- 2,500 berths
- Swedish flag

MARIEHAMN-KAPELLSKÄR



 Delivered in 1980 Length I36.1 m

• Ice class I A

- I,530 passengers
- 16,879 gross registered tonnes 340 cars 422 berths
 - Finnish flag

Extensive passenger programme

6.57 million people sailed on Viking Line's seven vessels in 2015. The Viking Grace reached a milestone during the summer – 3 million passengers since its launch in 2013. During the year, a new on-line booking system was implemented, the Mariella was refurbished and the Viking Cinderella set new passenger records in both July and August.



During the spring, a major Nordic cuisine project was launched on all vessels. Viking Line worked in partnership with the Åland celebrity chef Michael Björklund, who is familiar to Swedish and Finnish television viewers and the winner of the Chef of the Year competition in both countries. Björklund composed menus that were served in the vessels' à la carte restaurants from March 2 to April 30. The dishes were prepared using mostly local and Nordic ingredients such as perch and elk fillet.

In May, "sparkling weeks" were held on board, featuring a special three-course menu, also composed by Michael Björklund. To accompany the courses, Essi Avellan, Finland's first Master of Wine, suggested a beverage package consisting of champagne or sparkling wine. Products from Smakbyn, Björklund's Åland restaurant, such as crispbread, apple schnapps and mustard, were also sold on board in the restaurants. An assortment of affordable sparkling beverages selected by Avellan was also sold in the duty- and tax-free shops.

During the autumn, Viking Line continued its



commitment to Nordic cuisine – with its Pure Nordic Tastes menu. Dishes that included beer-marinated reindeer fillet, northern Swedish oyster mushrooms and fermented milk ice cream were developed in an inhouse competition among Viking Line's sous chefs and pantry chefs.

A bountiful Christmas buffet composed by Leif Mannerström was set up in the buffet restaurants from mid-November to December 26. Mannerström is a renowned Swedish chef, restaurant owner and cookery book author who has run award-winning restaurants and had one star in the Guide Michelin for more than a decade.

Best cruise friend

Early in the year, a friendship test was launched which attracted considerable interest – finding the ultimate cruise friend among your Facebook friends. More than 90,000 people took the test over about a month, and the test was shared so many times that it spread to 2.5 million people. Those who took the test participated in a lottery to win a luxury cruise on the Viking Cinderella.

Debut for cruise app

Viking Line is the first shipping company on the Baltic Sea to launch an app for passengers on all routes except for Helsinki–Tallinn and Mariehamn–Kapellskär. The app enables passengers to keep in touch with one another – both in closed groups and with other passengers on board. People can also plan their cruise programme and keep informed about what is happening on board. The app is connected to the vessel's internal network – a guarantee that the connection will work smoothly throughout the journey.

More and more passengers use their smartphone to

look for information and contact others, and the app is Viking Line's response to this trend.

New on-line booking

During the spring, a new on-line booking system was launched and gradually placed in service. Up to 70 per cent of all individual journeys are now booked on-line, and the aim was to create a system that is flexible and works equally well on computers, tablets and smartphones. Customers can also get suggestions about attractively priced travel options and compare prices, for instance, for different travel days.

Turku-Åland-Stockholm

The Viking Grace and the Amorella sail the Turku-Åland-Stockholm route.

In January, it was two years since the Viking Grace was placed in service. The anniversary was celebrated in appropriate fashion with an expanded line-up of onboard artists and a special anniversary menu for one week.

Day cruises, which are possible on the route from both Turku and Stockholm with a change of vessel in Mariehamn, have continued to be popular and are an excellent alternative for people who want a break from their everyday lives. A cruise programme is provided, and this concept – with a given theme on a given weekday – is followed as a rule on both vessels.

In 2015, a number of special and theme cruises were also arranged, including literary cruises on the Amorella and Flame Jazz, Mother's Day and champagne cruises on the Viking Grace.

During the winter break, one of the peak seasons for family cruises, a number of different on-board activities were offered for children and youths. This year's theme was the circus. Circus artists performed, and children took part in Ville Viking's own circus school and learned various tricks. Dancing was arranged in the Circus Disco.

During the Easter break, activities were arranged under the theme of Magical Easter, with magicians performing on board. On the Amorella, they also circulated among the tables in the Viking Buffet restaurant and performed their tricks close to guests.

In November, the one-year anniversary of the opening of the Victoria's Secret Beauty & Accessories shop on board the Viking Grace was celebrated. The USbased retailer's shop on the Viking Grace was the first in Finland, and passengers have appreciated this initiative.

In 2015, the Viking Grace formed a partnership with the Logomo events venue in Turku and could thus, for example, offer attractive new day-time conference packages for groups at Logomo before passengers departed in the evening on the Viking Grace from Turku. The next day, the conference could then continue on board.

During the summer, the Viking Grace reached a new milestone – 3 million passengers. In 2015, 1,939,807 passengers sailed on Viking Line vessels on the Turku-Mariehamn/Långnäs–Stockholm route.

Helsinki-Tallinn

The public areas on the Viking XPRS, which sails the Helsinki–Tallinn route, underwent a major refurbishment during the year and now offer more opportunities for shopping, entertainment and high-quality food experiences – fully in line with passengers' wishes.



A former conference space was converted into a new Fashion Shop, with a wide product range including clothes, jewellery, watches and shoes for both men and women.

The new à la carte restaurant Wine & Dine opened, while the Red Rose restaurant was modernized. Among the changes there was construction of a new stage, with better space for artists. The assortment in the café was expanded, with additional sweet and salty treats.

To make the journey even more enjoyable for the youngest passengers, the playroom was refurbished and expanded. The number of seats on the outdoor deck was increased.

Essentially all construction work could be carried out while the vessel was in service. No dry-docking was necessary, and the work was completed before the summer service period began.

Special and theme cruises continued during the year and were popular. Lectures with various themes were arranged during the day, as were Ville Viking cruises for children. Saturday night mini-cruises from Helsinki with one night on board were also popular, featuring extra musical entertainment in different genres.

The Pre Order Service option, which enables passengers to order goods in advance, was developed during the year and also became available on-line.

The Viking XPRS makes two daily return trips between Helsinki and Tallinn. From June 13 to August 9, Viking Line's capacity on the route was expanded with an additional daily return trip. The Mariella and the Gabriella, which sail on successive days between Stockholm and Helsinki, normally dock in Helsinki during the day but each made an additional sailing to Tallinn and back during the busiest summer weeks.

During the year, 2,001,276 passengers sailed on Viking Line vessels serving Tallinn.



Helsinki-Mariehamn-Stockholm

The Mariella, one of two Viking Line cruise vessels sailing the Helsinki–Mariehamn–Stockholm route, was taken out of service April 8–22 and renovated at a shipyard in Landskrona, Sweden. A number of different steps were taken to improve the passenger experience.

More than one hundred cabins were refurbished, many of them upgraded to the new Comfort Class with a double bed, TV and Wi-Fi. Some 20 luxury cabins were furnished with new rugs and wallpaper, among other improvements.

The Tapas & Wine restaurant was converted into Plate–Social Dining, with rustic tables and industrial design details. Ella's restaurant was converted into Ocean Grill, which features an open kitchen. The food is prepared in front of guests, and the menu changes seasonally.

The Club Mar nightclub got an updated interior with additional seating and a new sound and light system. The Horizon conference room, which is located in the bow, was enlarged and furnished with new modern design furniture.

A cruise from either Stockholm or Helsinki to the other Nordic capital and back takes 40 hours – regardless of which city people depart from. Passengers have two evenings, stay overnight on board and have a full





day in each city to explore on their own.

On each sailing, there is a broad range of food and beverages, shopping, spa treatments and entertainment with different artists to choose from – the pace is a little calmer from Sunday to Wednesday, and more intense from Thursday to Saturday.

During certain periods, such as the winter and Easter breaks, additional resources are given over to circus and magic activities for families with children.

For a number of weeks during the summer, from June 13 to August 9, the Gabriella and the Mariella took turns making a daily sailing between Helsinki and Tallinn instead of docking in Helsinki for the day.

During the year, 1,021,145 passengers travelled on the Gabriella and the Mariella on the Helsinki– Mariehamn–Stockholm route.

Stockholm-Mariehamn

The Viking Cinderella is a dedicated cruise vessel making overnight sailings on the Stockholm–Marie-hamn route. Passengers are offered a large and varied range of entertainment options – dance bands and artists from a variety of musical genres perform every day of the year – as well as shopping plus food and beverages in a number of different restaurants and bars.

The Viking Cinderella has also developed its own events, which have become popular and are held each year. One of these is the Cinderella Whisky Fair, now ranked as the seventh largest in the world. This year's fair, the seventh thus far, was held on a weekend in January and attracted more than 4,600 passengers. Some 30 suppliers from many different countries exhibited more than 600 whisky varieties. Tastings, sales and lectures were arranged for people who wanted to learn more about the world of whisky. Suppliers also donated bottles to a charity auction for the Baltic Sea Fund, which raised just over 82,000 Swedish kronor.

The success of the whisky fair served as inspiration for a new fair – Beer Expo 2015. On two sailings in May, more than 150 varieties of beer from essentially the entire world were represented on board, from wellknown suppliers to small craft breweries. Seminars which featured tastings were arranged, including one about how the Stallhagen brewery re-created a beer found by divers in a shipwreck in the Åland archipelago in the summer of 2010, which was probably made during the first half of the 19th century. A three-course menu with a selection of beers was composed and served on these cruises.

During the summer months, the Viking Cinderella focused on its Go Summer Cruisin' concept, featuring additional outdoor entertainment to supplement other entertainment in the nightclub and bars. Once the vessel left Stockholm, Étage Terrazz on the sundeck opened, and DJs and troubadours performed there.

From June 15 to August 15, Ville Viking's play paradise was open to the youngest passengers and a special children's buffet was served. This venture produced results. Passenger volume in both July and August broke previous records for those months.

In time for summer, 38 new Comfort Class cabins on Deck 9 were inaugurated. The vessel now has 122 double-bedded cabins in three different price classes. All cabins are also equipped with TV and Wi-Fi.

Passengers from other countries 14.3% Passengers from Sweden 32.0%	Passengers from Finland 53.7%	PASSENGERVOLUME	2015	2014
		Turku–Åland Islands–Stockholm	1,939,807	1,935,958
		Stockholm–Mariehamn	919,087	860,243
		Helsinki–Mariehamn–Stockholm	1,021,145	1,063,027
		Finland/Sweden–Baltic countries	2,001,276	2,044,340
		Mariehamn–Kapellskär	687,369	706,578
		TOTAL	6,568,684	6,610,146



Sales of wine and champagne on Viking Line vessels continue to increase, and to meet this heavy interest the Viking Cinderella arranged the first champagne and wine fair on the Baltic Sea. On two sailings in September, representatives from some of the world's leading wine houses were on board. Passengers could sample a wide range of wines and champagnes as well as attend various lectures. An exclusive four-course menu with an accompanying beverage package was served.

In October a new mini fair was inaugurated – the Cinderella Beauty & Fashion Weekend. Representatives from many of the industry's foremost suppliers were on board and talked about future trends. Yvonne Ryding, a former Miss Universe, gave a lecture, and one-time European Song Contest winner Charlotte Perrelli provided entertainment.

On the last weekend of October, Halloween was celebrated on board, complete with a spooky atmosphere.

During the year, 919,087 passengers sailed on the Viking Cinderella.

Mariehamn-Kapellskär

The Rosella, which sails the Mariehamn–Kapellskär route, attracts passengers who want to get quickly and comfortably between Åland and Sweden as well as those taking a day cruise to shop, eat well and be entertained while on board.

During the year, the cruise week concept was launched on board, with a set item on the programme

each weekday, such as bingo and other games on Tuesdays, sing-along on Wednesdays, and an array of dance band favourites on Thursdays. Efforts were focused on Café Rosella. Ulf Elfving and Ragnar Dahlberg, both well-known Swedish radio and television personalities, took turns as café hosts on Mondays. They invited guests such as veteran singers Towa Carson and Lill-Babs, dance personality Tony Irving and actor Börje Ahlstedt, who were interviewed and performed.

In September, a harvest month was arranged. The La Rose restaurant served a specially composed menu, featuring dishes prepared using local ingredients from the Åland Islands and the Swedish coastal area of Roslagen. Regional handicrafts were sold, and extra tastings were held in the duty- and tax-free shop.

Viking Line's Pre Order Service was expanded to include box wines, with purchases delivered straight to passengers' cars, while employees in the duty- and taxfree shop started offering suggestions for different beverages for meals and parties.

The vessel was out of service for dry-docking January 7–29. During the year, 687,369 passengers sailed on the Rosella.





Increased market share in Finland-Sweden cargo services

Viking Line increased its market share in cargo services between Finland and Sweden in 2015 despite a decrease in total cargo volume. During the year Viking Line Cargo, the Group's cargo organization, put the finishing touches on the extensive organizational changes implemented in the unit in 2014.

Viking Line Cargo's staff, which consists of about 20 people who handle sales, marketing, cargo booking and to some extent customs clearance, are stationed in three locations – Helsinki, Turku and Tallinn.

Viking Line Cargo works in a market that is driven by large transport companies. They in turn want to provide reliable, high-quality logistics solutions to their customers, such as manufacturers and wholesalers. Sea transport of cargo and related stevedoring services, which Viking Line Cargo provides, are an important link in the overall transport chain. Freight forwarding services are also available if customers want this. Customers are mainly located in Finland, Sweden and Estonia but also in Poland, Denmark, Norway and Russia.

The need for cargo transport varies during the year. It is lowest during the summer holiday period. This is actually a plus for Viking Line, which then fills its car decks with passenger cars.

Tough competition

There is tough competition for cargo volume on all routes, especially on the Helsinki–Tallinn route, where capacity is currently greater than demand. Volume on this cargo route is steadily on the rise – aside from being a means to transport goods to the Baltic countries, these countries have also become a transit corridor for goods being transported to other European countries.

Active sales

The staff at Viking Line Cargo are in continuous contact with their customers. The space still available on the car deck once passengers have made their bookings must be filled as efficiently as possible – every day and on every departure. This requires active sales work. Cargo transport is rarely booked far in advance. Available space on car decks can in fact still be sold a few hours before departure.

Viking Line Cargo's strengths are its stability and

consistency. Its service operates on established routes year-round without any major changes in timetables or capacity. Alongside this, the key factor is smooth loading on board the vessel and unloading at every destination. Viking Line's deck staff, with the chief officer bearing ultimate responsibility, have the knowledge and experience required to manage this in the best possible way.

Changes incorporated

During 2014 Viking Line Cargo implemented a number of major organizational changes to increase efficiency. These include improving customer service, placing a new invoicing system in service, centralizing cargo booking and car deck optimization in the Turku office and reorganizing sales work. During 2015, the results of this restructuring were consolidated and the details were fine-tuned.

One challenge for the future is to keep up with the trend towards intermodal traffic including rail freight transport and being able to offer the necessary service – if the market is considered attractive – in order to participate and compete for this volume.

The market

During 2015, Viking Line transported a total of 133,163 cargo units (129,255), thereby achieving a total market share of 21.9 (21.9) per cent.

In services between Finland and Sweden, Viking Line's cargo volume increased by 6.6 per cent despite a 1.0 per cent decline in total volume. The Company's market share thus rose to 31.2 per cent (29.0 per cent). In service between Helsinki and Tallinn, Viking Line's cargo volume fell by 2.4 per cent, and its market share was 17.0 per cent (19.3 per cent).





Hotel operations and bus company



Hotel operations

Viking Line owns the Park Alandia Hotell in Mariehamn. The hotel is open year-round and had a good occupancy rate during 2015. In the autumn, winter and spring most of the guests are business travellers, while families and tourist groups dominate during the summer months.

The Park Alandia has a good location on a quiet street but still in the heart of Mariehamn – within walking distance of sights, shopping and entertainment. It has 79 double rooms and a sauna department with a swimming pool, as well as conference facilities for up to 100 people. The hotel also has a restaurant and a pub, which have been operated by an outside restaurateur.

An average of 12 full-time-equivalent employees worked at the hotel in 2015.



Bus company

Viking Line has a wholly owned bus subsidiary, Viking Line Buss Ab. The company owns 12 buses, the smallest with 29 seats and the largest with 59. Three of these buses are adapted for passengers in wheelchairs. All of the buses have Wi-Fi.

During 2015 Viking Line Buss Ab provided scheduled service in Åland on all routes in Mariehamn and on three rural routes. The company also provided chartered service in Åland and elsewhere. In addition it organized trips of its own to events such as trade shows and theatrical performances in nearby regions, as well as both short and long tourist trips – for example to St. Petersburg, Russia.

Viking Line Buss Ab had 24 full-time-equivalent employees in 2015.





Modernized from top to bottom

The Mariella was an ultramodern vessel, both inside and out, when she was delivered to Viking Line in Turku, Finland, on May 17, 1985. Over the years, she has undergone many improvements. The latest extensive upgrade was carried out in 2015. Thanks to this continuous development work, the vessel can proudly sail the Baltic Sea in the years ahead as well.

Viking Line embarked on a comprehensive upgrade of its fleet in the spring of 2014, when the Viking Cinderella was dry-docked. In early 2015 the Viking XPRS got a facelift, and in April it was the Mariella's turn. The ship's three decades of service have naturally included numerous modernizations, but the two weeks at Oresund Drydocks in Landskrona, Sweden, constituted her most comprehensive dry-docking to date.

"The Mariella reflected the ideals of that era, with crystal, gold and velvet. She was also totally innovative, with a large, bright arcade, a buffet in the bow and a large conference department. The aim has been to update her functionality and design but retain these essential qualities," says Viking Line's architect, **Johan Nordberg**, who has been responsible for planning most of the Mariella's refurbishments over the years.

The restaurants and cabins underwent the biggest changes in Landskrona. The Mariella, like the Viking Cinderella, now has a brand-new class of cabins. A total of 72 standard cabins were converted into Comfort Class cabins, and passengers are now offered a little luxury without having to book the more expensive suites. Comfort Class cabins are decorated in contemporary style and furnished with a double bed, TV and Wi-Fi. In addition to the new cabin class, all of the luxury cabins were spruced up with modern decor.

The vessel also got two new restaurants. **Ocean Grill**, which replaced Ella's, serves grilled food that the chefs prepare in front of passengers in an open plan kitchen. **Plate–Social Dining** in turn offers novel food experiences with an element of surprise. In the industrially inspired restaurant setting, customers choose the fish, meat or vegetarian option and the number of dishes they want, but what is eventually served to them is a surprise. Plate is a hit, so it is a good idea to reserve in advance to be sure to get a seat. "The creation of the restaurant arcade on Deck 7, which began in 2012, has now been realized in full, from the stairs at the bow to the stern," Nordberg adds.

The **Club Mar** nightclub was completely renovated – from its decor to its sound engineering – and now offers seating for 430 guests. A wall with LED lighting has also been erected behind the stage, allowing for all kinds of visual experiences. Conference facilities have also been expanded and now offer more options for holding meetings.

The vessel's 2015 dry-docking focused on the interior decor and service but also included certain technical work, such as renovation of one rudder and one bow thruster, servicing of the stabilizers and treatment of the vessel bottom. The change most clearly visible from the outside was the wave design painted on both sides of the Mariella's hull, a pattern that most other Viking Line vessels also have.

Improvements through the years

The Mariella had been well cared for prior to her major overhaul in Landskrona. Previous technical improvements were mainly related to environmental performance, but also to safety, for instance the installation in 1996 of an inner bow door to prevent water from getting into the car deck. A few years later, the vessel was equipped with transverse watertight doors, to help prevent listing.

One of the first major environmental measures implemented was the installation of humid air motor (HAM) technology in 1999–2001. The Mariella was the first passenger vessel in the world equipped with HAM technology on all of her main engines. This unique process reduced the production of nitrogen oxides by up to 85 per cent, by converting clean salt-













water into steam and mixing it with the air for the engines. No environmentally harmful by-products are discharged, and oil consumption is reduced.

"Annual bunker consumption has fallen by about 2,300 m³ for the period 2000–2012. That is not solely attributable to HAM technology but – combined with all the other measures – the results are good," says Viking Line technical manager **Joacim Westerlund**.

A large number of energy efficiency measures have been implemented, with a favourable impact on environmental performance. The automation of processes has yielded energy savings, for instance the installation of frequency controls for water pumps and ventilation as well as thermostat controls on car decks.

Electricity use on board has been reduced following the conversion of some fixtures to LED lighting and the installation of timer-controlled lights, including on car decks. High-energy refrigerators and televisions have been replaced in employee cabins with more energyefficient models. As a result of efficiency measures, overall energy consumption for running electrical generators was reduced by the equivalent of 767 m³ of fuel per year during the period 2000–2012. Furthermore, the Mariella uses on-shore electricity when she is in port in both Stockholm and Helsinki.

Among improvements made during the vessel's

The Mariella was the first passenger vessel in the world equipped with HAM technology on all of her main engines. This unique process reduced the production of nitrogen oxides by up to 85 per cent, by converting clean saltwater into steam and mixing it with the air for the engines. 2009 dry-docking were the installation of a new engine monitoring system, new regulators for all main engines and a new control system for stabilizers and forward propellers.

Interior renovation measures focused on restaurants and shopping areas. Duty- and tax-free shopping areas were changed several times. In 2006 all sales, including fragrances and clothing, were gathered under one roof.

In 1997, a number of changes were made on the restaurant front when Tiffany, with its à la carte menu, was replaced by the Food Garden and Bellman was converted into a theme-based restaurant. Meanwhile the Viking Buffet, with separate beverage stations, was introduced. The decor in the cafés, restaurants and pubs, such as the carpeting and wall materials, was updated in several stages, for instance in the Bar f 1998

2000 project of 1998.

The venue for the vessel's discothèque was converted into conference rooms in 2003, and the disco was moved to the casino. In the 2012 dry-docking, the disco and pub were combined into Bar Music Meister. The nightclub underwent its biggest upgrade in the spring of 2015 but had been renovated previously, including new materials and an expanded bar.

In 2008, an extensive refurbishment of all cabins was carried out, resulting in new wallpaper, new sofas and carpeting, pictures in the interior cabins and glass mosaic tiles in the lavatories.



Two days on the Mariella



Chief steward Raisa Maunula likes to coordinate things. The more work she has, the happier she is.



"Leather jackets have sold well," says shop manager Ken-Peter Holm.



"It can be hard to choose from all these sweets," say Simon Scheibner and Anni Vehviläinen.



Programme hosts Yvonne Selin and Sarah Gref put on a furry costume from time to time.

The Mariella's departure from Helsinki on Monday, August 24, is more or less fully booked, and this sailing is a little more international than usual. That is because the Mariella's passengers include a group of 400 people from universities in 60 countries. We join the Mariella on the Helsinki–Stockholm– Helsinki route and meet the crew and passengers on board.

Planning and coordination are needed in order for everyday life on a passenger vessel to go smoothly. Although a great deal takes place out of sight of the passengers, everyone in the crew has an important role in the overall experience. One crew member is chief steward **Raisa Maunula**, who is responsible for ensuring that the vessel is cleaned, that there are paper and soap in the lavatories, and that the sheets and towels are washed.

"There are large quantities of laundry that have to go out, with the same quantities coming back clean. For instance, during July we changed sheets on a total of 48,500 beds," says Raisa.

The vessel's own staff used to clean everything on board, but today outside cleaning personnel take care of the passenger cabins and public areas when the Mariella is in port. Raisa's team attends to cleaning non-public areas, such as the bridge and employee cabins, as well as the entire vessel during the voyage.

Fragrances and fashion

Shop manager **Ken-Peter Holm** will retire at the end of 2015, 30 years after he started as a stock-room assistant on the Mariella. Today the crew consists of Vikings both young and old, something that Ken-Peter considers to be a strength.

"Those of us who have worked on board for a long time need new perspectives from time to time. The young people bring these with them," he notes.

One important part of his job, which includes responsibility for

almost 40 employees, has been to maintain a good atmosphere and develop the staff's sales skills.

"In the beginning, just accepting money was enough. Today we want to have contact with customers, but it's an art judging that fine line between having the right amount of contact and being pushy," Ken-Peter adds.

Duty- and tax-free sales on the Helsinki–Stockholm route have changed over the years. In the past, beverages were the biggest seller, but today fragrances and fashion account for substantial sales volume.

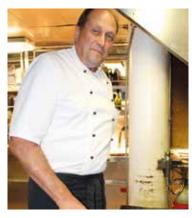
The summer of 2015 was the second season that the Mariella and the Gabriella made day trips to Tallinn instead of spending the day in Helsinki. So the shop added extra daytime employees.

Anni Vehviläinen and Simon Scheibner are looking closely at the shelves full of sweets – will it be a bag of Marianne chocolate-filled mints or salmiak (salty liquorice)?

"For us, the highlight is the journey, not the destination. We want to enjoy the actual cruise experience," say Anni and Simon, who are both studying medicine in Riga, Latvia.

Ville Viking times two

In the conference department, programme hostess **Yvonne Selin** cleans up after a large international group of people from different universities. Her actual job is to make sure passengers, both young and old, have a good time on board. She runs the bingo game and other entertainment events on board, and from time to time she is transformed into the favourite cat



Cook Erkki Hagström enjoys having a spatula in his hand.

of children sailing the Baltic Sea, company mascot Ville Viking. So is her colleague, **Sarah Gref**, who is also in charge of the playroom. They appreciate the spontaneous joy they encounter in their contacts with passengers.

"The Mariella also has a wonderful crew. We're like a family, where everyone somehow raises or lowers themselves to the same level," say Yvonne and Sarah.

Sausages and lavatories

Cook **Erkki Hagström** fries bacon for breakfast guests about an hour before arrival in Stockholm. Erkki has worked on the Mariella from the very beginning. Aside from preparing food for passengers, he is also in charge of the staff restaurant.

"Crew members certainly provide feedback right away if they have something to say about the food. I think they're generally satisfied. They mostly appreciate traditional home cooking, such as baked sausage and Bolognese sauce," says Erkki.

The information desk on Deck 6 has the most contact with passengers. **Heikki Keränen** exchanges currencies for passengers, makes cabin changes and answers every kind of question imaginable. In today's digital world, passengers want to know things like whether there is Wi-Fi on board, but two questions in particular are asked most frequently.

"Where is the nearest lavatory and when will the vessel arrive in port are probably the most common questions," says Heikki, who



Restaurant manager Peik Enberg takes a seat in the new restaurant Plate–Social Dining, where screw nuts are used as napkin rings.

has worked on the Mariella since 2006.

His colleague **Katri Johansson**, who is working on a temporary basis as purser, says that many people have also responded positively to the vessel's spring 2015 modernization.

"The Mariella got the facelift she needed, and passengers have also noticed this. Now we can offer a little more luxury," says Katri and mentions the new Comfort Class cabins with their modern decor, Wi-Fi and a double bed.

Development on many levels

Passenger service director **Tarja Jeskanen**, who has her office next to the information desk, considers development to be a key term in her job. In the spring of 2015, the Mariella served as a testing ground for a new service concept, with employees being asked to think about how on-board enjoyment and service can be enhanced, both for passengers and employees.

"The staff were really involved. Among other things, we've thought about our passengers with cars, who may feel a bit lost when they come up from the car deck. But if they receive a map of the vessel ahead of time, they can find their way around more easily," says Tarja.

The Company's modernization of the Mariella has greatly improved the on-board experience. Restaurant manager **Peik Enberg** is especially pleased with the new restaurant Plate. There are no fixed menus – instead guests choose the fish, meat or vegetarian option and



Mona-Lisa and Bengt Klöfver celebrate their 50th wedding anniversary on board the Mariella.

the number of dishes they want.

"That element of surprise gave our food experience a brand-new dimension," said one young couple who had just visited the restaurant.

A retired couple explained how they tried to reserve a table but Plate was fully booked all evening. Peik Enberg notes that Viking Line slightly misjudged the restaurant's main target group.

"We assumed that Plate would mainly attract young people, but it has been well received by all age groups, including pensioners," Peik says. Meanwhile he takes the opportunity to thank the entire restaurant staff, especially chef **Tom Laaksonen**.

Celebrating a golden wedding anniversary on deck

Mona-Lisa and **Björn Klöfver** from Upplands Väsby, Sweden, are sitting on the afterdeck enjoying sun and sparkling wine. They booked their trip just the day before, after getting the happy news that Mona-Lisa's cancer was in remission.

"There's also another reason to celebrate – we've been married for 50 years," the Klöfvers say. They had read about the Mariella getting an upgrade and wanted to try the new Comfort Class cabins, but they were sold out.

"On the other hand, we're not in the cabin that much. On the voyage, we'll eat well and certainly take a spin on the dance floor. In Helsinki, we'll at least visit the Rock Church," the golden anniversary couple add.

The Mariella – three decades as queen of the sea

The Baltic Sea got a new queen on Saturday, May 18, 1985, when the Mariella made her maiden voyage on the Helsinki–Stockholm route. Three decades later, the vessel still sails between the two Nordic capitals, making her Viking Line's most faithful servant through the years.

The Mariella was an impressive sight when she departed from Helsinki harbour en route to Stockholm. With a length of almost 180 metres and a capacity of no fewer than 2,500 passengers, she began a new era in Baltic Sea traffic.

The Mariella was ultramodern in every way, with trendy interior decor, well equipped cabins, gourmet restaurants and modern conference facilities.

"It was gratifying to introduce such a fine vessel, and I remember how enthusiastic everyone was at both the Helsinki and Stockholm offices. Passengers were impressed by all the marble and especially the giant chandelier in the entrance hall," recalls **Tore Sviberg**, passenger service director on the Mariella from 1985 to 1989.

Pioneer in entertainment on the Baltic

There was actually a generational shift when the Mariella was placed in service. Now the focus was not just on transporting passengers – experiences and entertainment during the cruise itself became increasingly important.

The Mariella can also be described as a pioneer in operations and activities that are still crucial to Viking Line today, for instance with its investment in high-quality on-board restaurants.

Inclusion of the à la carte restaurant Tiffany in the international gastronomic society Chaîne des Rôtisseurs is confirmation of this.

During the Mariella's first year, Viking Line also began to experiment more with different on-board events, for example based on various themes.

"Among other events, we arranged a British September, which was really popular. We had a London taxicab in the entrance hall and promoted the concept by marching down Helsinki's Esplanade with bagpipe players," says Tore Sviberg, who started his Viking career in 1964 and, prior to his years on the Mariella, worked on the old steamboats as well as the Marella and the Rosella.

Big but easy to handle

The Mariella took Baltic Sea traffic to a new level, not just in terms of appearances. She was also equipped with new technology and greater engine power, both in her main engines and bow thrusters.





Above: A page spread from Viking Line's timetable from June 1985.

Below: The Mariella was built at Wärtsilä's shipyard in Turku, Finland.



The Mariella's ship's bell on deck.

"Despite her size, the Mariella was easier to manoeuvre than our older vessels. But the size of the vessel perhaps made it a little more exciting entering Helsinki harbour past the fortress island of Suomenlinna, especially in high winds and fog," says **Bengt Skogberg**, master of the Mariella for 12 years.

Skogberg really enjoyed himself on board, thanks in part to the timetables. Prior to the Mariella, he had been accustomed to sailing essentially non-stop, with minimal port time.

"New timetables were introduced with the Mariella. She was moored during the daytime, and we appreciated the slower pace," Skogberg notes.

Cannon on deck

Bengt Skogberg has many memories of his time on the bridge, for instance when the Mariella had the honour of being the official starting vessel for the 1988 Tall Ships Race in Mariehamn.

"The starting signal was fired on the Mariella's deck using a genuine cannon from Kastellholmen island in Stockholm harbour," Skogberg recalls.

During his years on the Mariella, he met a great many famous passengers, from presidents and government ministers to sport stars such as Emil Zatopek. The Swedish government, especially the Social Democrats, often chose to sail on the Mariella to meetings in Finland.

"Perhaps they chose us because of the colour of our vessels," Skogberg laughs.



Bengt Skogberg (right) and Tore Sviberg welcome Sweden's then-prime minister, Ingvar Carlsson, on board the Mariella.



Active, long-term environmental work

Viking Line operates in a sensitive maritime region. The Group therefore works each day to ensure that the Baltic Sea and its precious archipelagos are conserved for future generations as well. For a long time, Viking Line has required more environmentally sustainable technology, implemented fuel-saving programmes and introduced new environmentally sustainable concepts on board. The Group intends its environmental work to be a natural part of its day-to-day work and to continuously evolve. Thanks to its long-term, active commitment to this task, the Group has developed environmental work that extends beyond what the regulations in force require. The Group's Head Office, the subsidiary Viking Line Buss Ab and all vessels are certified in compliance with ISO 14001 environmental management standards. In addition, the Viking Line organization and all vessels are certified according to the International Safety Management (ISM) Code, which stipulates organizational rules for safe vessel operation and for preventing pollution.

National legislation and international agreements are the basis for the Group's environmental work. The most extensive set of environmental protection regulations is the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78), which was devised by the International Maritime Organization (IMO), a United Nations agency.

No discharges into the sea

Viking Line vessels discharge no wastewater into the sea. All wastewater is pumped ashore to municipal wastewater treatment plants, thereby easing the burden on the Baltic Sea. A vessel generates three main types of wastewater: grey water from showers and other washing activity, black water from toilets and bilge water that is separated from water in engine rooms that contains oil.

According to the MARPOL convention, discharging black water and bilge water into the sea is still permitted if the water meets certain stated criteria. Discharges of grey water are not regulated by legislation at all. Over the past two decades, Viking Line has chosen to let land-based treatment plants handle all its wastewater because these treatment plants are significantly more efficient than the treatment systems available for use on vessels.

Minimizing atmospheric emissions

All of Viking Line's vessels, except for the Viking Grace, run on diesel oil with a sulphur content of less than 0.1 per cent by weight in order to meet the requirements of the European Union's new sulphur directive, which went into effect on January 1, 2015. Until then, the vessels in question operated on low-sulphur oil with



0.5 per cent content by weight in order to reduce sulphur oxide (SOx) emissions. The Viking Grace runs on liquefied natural gas (LNG), which is free of sulphur.

To decrease nitrogen oxide emissions, reduction technology is used on two of Viking Line's vessels – catalytic converters on the Viking Cinderella and humid air motor (HAM) technology on the Mariella. HAM is a globally unique method that reduces nitrogen oxide emissions by lowering the combustion temperature of vessel engines. This temperature reduction is achieved by adding vaporized sea water to the combustion process. The Viking Grace has about 85 per cent lower nitrogen oxide emissions than vessels that use marine diesel oil.

The Gabriella and the Mariella operate using a land-based electricity supply while they are docked during the daytime in Helsinki and in Stockholm. Using land-based electricity decreases emissions of air pollution and engine noise in ports and their vicinity.

Viking Line runs an internal energy efficiency programme to reduce exhaust gas emissions. In this programme, vessel operating staff and the Group's technical department are working to introduce fuelefficient operating methods, install new and more energy-efficient technology, reduce the hydrodynamic resistance of vessels and recover energy.

New energy recovery system

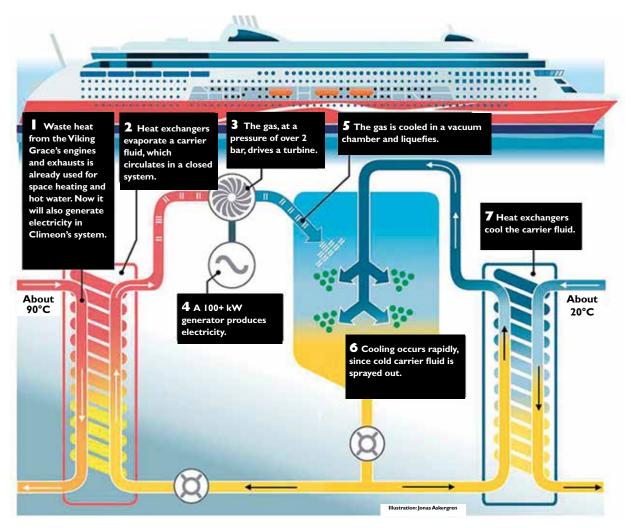
Viking Line has an agreement with the Swedish innovation company Climeon related to the new Ocean Marine energy recovery system, which the Viking Grace is the first vessel to use. Climeon's patented technology allows economically profitable recovery of heat, which is converted to electricity through a unique vacuum process. The system will convert waste heat from the vessel's engines into 700,000 kWh of clean, emission-free electricity per year. This electricity is used mostly in its hotel operations, among other things for lighting.

Divers clean the bottoms of vessels

Instead of using environmentally hazardous paints on



THE ENVIRONMENT, SAFETY AND SECURITY





The Viking Grace is the first vessel to use the new Ocean Marine energy recovery system.

the bottoms of vessels, their hulls are brushed by divers several times each year. The diving company that Viking Line works with uses a patented, environmentally sound brushing method that it developed inhouse. This method involves collecting all growths loosened from the bottoms of vessels during brushing into a separate container, which is then brought ashore for further treatment. The waste is used in part to make biogas.

Environmental audits

To ensure that Viking Line meets environmental certification standards, continuous internal audits of its operations are conducted. In addition, DNV GL – an independent certification body – performs yearly external audits of the environmental management

system in order to verify compliance with the established objectives. In addition, the Finnish, Swedish and Estonian regulatory authorities perform continuous ISM Code-related audits connected to both safety and environmental work.

Active environmental work

Viking Line participates actively in the task of saving the Baltic Sea by aiding and collaborating with different environmental organizations. During 2015, Viking Line supported the Baltic Sea Action Group's projects to ensure a cleaner Baltic Sea. The plastic carrier bags that are sold in the shops on board Viking Line vessels have an environmental message printed on one side of each bag. Part of the revenue from these carrier bags is being donated to Finland's Keep the Archipelago Tidy

KEY FIGURES	2015	2014		
Passengers	6,568,864	6,610,146		
Cars	649,327	634,433		
Cargo units	133,163	129,255		
Total distance (000 km)	1,138	1,141		
Resource consumption				
Fuel oil (m ³)	93,838	87,060		
Lubricating oil (m ³)	620	744		
Urea (m³)	284	211		
Fresh water (m ³)	331,736	335,185		
LNG (tonnes)	15,480	15,951		
Emissions (tonnes)				
Nitrogen oxides (NOx)	3,218	3,684		
Sulphur oxides (SOx)	76	433		
Carbon dioxide (CO ₂)	286,797	307,853		
Residual products (tonnes)				
Solid waste for combustion	3,138	3,025		
Waste sent to landfills	158	210		
Waste for recycling	1,565	1,321		
Biowaste	1,042	958		
Hazardous waste	67	70		
Wastewater pumped ashore (m³)				
Grey and black water	294,364	298,066		
Bilge water	8,423	7,468		
Waste oil (m³)	2,506	2,314		







The Viking Grace's LNG tanks.

Association and the Keep Sweden Tidy Foundation – two organizations that work towards a cleaner environment on their respective sides of the Baltic Sea.

The LNG-powered Viking Grace

The Viking Grace is the world's first passenger vessel of its type and size class that runs on liquefied natural gas (LNG). As a fuel, natural gas creates substantially less hazardous emissions than marine diesel oil. Nitrogen emissions and particulates are reduced by about 85 per cent and greenhouse gases by some 15 per cent. Sulphur emissions are virtually zero.

The vessel's hydrodynamically optimized hull design and highly efficient drive technology result in major energy savings. Efficient ventilation units, whose air flow varies in response to prevailing external and internal circumstances, lead to further savings. Other factors that result in high energy efficiency are the heat recovered from the engine exhaust gases and cooling water as well as the air conditioning system, the advanced galley energy management system, the high insulation category of the windows and the vessel's light structures. The lifts in the Viking Grace are 30 per cent powered by their own braking energy, and onboard lighting largely consists of LED technology. This technology is used in all entertainment venues and in 90 per cent of the vessel's public areas.

The engines have sound frequency-adapted mufflers, which lower the noise level of the vessel. The hull design minimizes swells and is the result of a lengthy development process.

Environmental awareness on board

Environmental thinking is also visible in Viking Line's shipboard customer services, including organically grown coffee and water in a personal glass bottle. Viking Line chooses organically grown coffee as one element of its efforts to practice environmentally conscious procurement. When purchasing the seafood that is served on board its vessels, Viking Line follows the Swedish Environmental Management Council's list of sustainable fish and shellfish stocks.

The Food Garden restaurants on Viking Line vessels no longer offer table water in plastic bottles. Instead they serve specially purified water poured directly from the tap into an environmentally themed reusable glass bottle. This has a number of environmental advantages – it reduces the need to transport bottles of water as well as the quantity of single-use bottles in shipboard solid waste.

Reduced water consumption

Shipboard cleaning staff members also employ various environmentally friendly practices. On board they use a special dosage device that mixes concentrated cleaning agents with water according to predetermined norms. Because of careful dosage, they achieve optimal water and cleaning agent use when cleaning the cabins and galleys on Viking Line vessels.

Cleaning equipment made of microfibres is used, which minimizes cleaning agent and water use on board.

To reduce water consumption, Viking Line has installed water-saving heads on faucets and showers, which reduce water flow without affecting passenger comfort. The vacuum toilets and waterless urinals aboard the vessels also help to reduce water use.

New cleaning agent

Purchasing and use of chemicals are governed by internal environmental standards. A list of products approved for use at Viking Line is being compiled at Group level. Environmentally friendly alternatives are used as far as possible.

Viking Line worked for a long time with the company KiiltoClean Oy to develop a new general cleaning agent for cabins. The company was required to ensure that the cleaning agent would comply with Viking Line's environmental policy and could be certified. Nor could it have too strong a scent and, keeping in mind the on-board water supply, it had to be easy to rinse away. The final product was named Kiilto Total Fresh and is used on board today.

All waste is taken care of

All solid wastes generated aboard Viking Line vessels are brought ashore for subsequent recycling, re-use, combustion, depositing in landfills, composting or other waste management by an approved recipient. On the Viking XPRS and Viking Grace, equipment has been installed to make efficient sorting and collection of biowaste possible. On the Mariella, all biowaste is collected in receptacles. The biowaste is then transported to a digestion plant for production of biogas.

During 2015...

...Viking Line brought ashore from the Viking XPRS, the Viking Grace and the Mariella a total of **1,042** tonnes of food waste for biogas production. This yielded **78,000** cubic metres of biogas, equivalent to **88,000** litres of petrol. Biogas production neither increases atmospheric carbon dioxide levels nor contributes to the greenhouse effect. Biogas is thus usually described as carbon dioxide-neutral. ...Viking Line served **6,230,776** cups of organically grown coffee on board its vessels. Organic cultivation means that the beans are grown amid rich biological diversity and without artificial fertilizers, chemical pesticides or genetic manipulation.

Through recycling Viking Line spared our environment from emissions comparable to driving a car more than **20,875,680** km on a motorway.





Safe and secure on board

Viking Line is responsible for the safety and security of both passengers and employees and does everything to create a safe, secure journey for each passenger. Through international regulations such as SOLAS, STCW, ISMC and ISPS and through its cooperation with various government authorities, the Company carries out systematic work to identify potential risk situations and thus prevent accidents. The staff's knowledge and efforts are crucial to safety and security work.

Viking Line's objective is to have all passengers and employees feel safe and secure on board its vessels and in its terminals. Safety work is based on operating vessels in compliance with the prevailing regulations and standards, both national and international, as well as internal monitoring and regulatory oversight.

Viking Line invests continuously in training staff to prevent and manage different types of risk situations. The combination of well-trained staff and modern technology – for instance, camera surveillance on board – creates the best conditions for a safe, secure environment.

Security guards are on duty around the clock on the vessels, and there are trained medical orderlies on board. The information desk is open throughout the voyage. On the short Mariehamn–Kapellskär route, qualified staff is available in case of an accident or illness.

The vessels' sick rooms are outfitted with special equipment to provide care in a medical emergency. If necessary, emergency ambulance transport will be arranged from the first port of arrival to the closest hospital. In the event of more severe cases, helicopter transport or an evacuation boat will be arranged.

The safety organization

The master of the vessel has the main responsibility for safety on board, and all crew members have been well trained in their safety organization duties. The crew is divided into groups with different areas of responsibility, such as evacuation, first aid, fire-fighting and information. It is mandatory for all employees to take part in safety exercises, which are arranged on a regular basis.

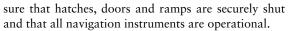
The land-based organization is also prepared for emergency situations and can assist the vessels in taking care of passengers and crew members. This organization performs its duties in accordance with an emergency response plan.

Thorough inspections

On-board safety equipment is checked daily. Maritime authorities inspect the vessels and check their safety procedures at least once a year. Before every departure, the ship's officers go through a checklist to verify that the vessel is seaworthy. Among other things, they make



Safety drill in Stockholm in September 2015.



During the voyage, safety and security monitoring is provided both by technical systems and by guards making their rounds.

The loading of motor vehicles on board the car deck is strictly controlled. The car deck is continuously monitored by the camera surveillance system on the bridge and in the engine control room, while guards make regular rounds during the voyage.

Safety exercise activities

A project related to on-board safety exercises was initiated in 2014. The aim was to ensure that such exercises are carried out effectively and meet the standards and requirements in effect. During 2015, this project was implemented, some features were added and an evaluation was carried out, after which certain adjustments were initiated.

During the year, bridge officers used a vessel simulator to train for different situations that may arise during the vessel's journey. Training included a Bridge Resource Management course.

Viking Line maintains continuous cooperation with maritime rescue authorities, fire brigades, police, customs and border control authorities, and national emergency response forces. This cooperation is very important in order to quickly and efficiently obtain adequate information during any emergency situations, but also to increase understanding between authorities and vessels.

In June 2015, Viking Line took part in the World Maritime Rescue Congress in Bremerhaven, Germany, which was organized by the IMRF.

Expanded cooperation between Viking Line's vessels and the Finnish Border Guard was initiated in 2014 in order to ensure that they can coordinate their efforts in the best possible way in the event of an emergency at sea. As part of this collaboration, vessels take part in regular training exercises together with border control authorities, using both vessels and helicopters. During the year, staff from the Finnish Border Guard took part in on-board exercises, in-



Security guard Anders Järvinen conducts regular checks.

cluding training in connections for emergency towing.

Viking Line also expanded its cooperation with the Maritime Incident Response Groups (MIRGs) of national rescue authorities, including operational drills and on-board lectures. MIRGs are specially trained rescue groups, whose most important task is to assist passengers and crew members in case of incidents or accidents at sea.

During the spring and autumn of 2015, full-scale exercises were carried out on the Viking Grace and the Amorella in Turku with the Finnish Border Guard's vessels and helicopters and the national rescue authority's MIRGs. The Red Cross provided a large number of simulated victims, greatly enhancing the value of the exercises. Other vessels also carried out full-scale exercises during the year as planned.

Promoting harmonization

The Finnish Border Guard manages the Baltic Sea MIRG project, which is aimed at creating coordination models and standard procedures for MIRGs in the Baltic Sea region and promoting harmonization of MIRG services throughout Europe. Viking Line willingly makes its vessels available for exercises.

In order to develop an analysis and risk assessment tool for vessels in distress, Viking Line is taking part in the Vessel Triage project with the Finnish Border Guard, the Finnish Transport Safety Agency (Trafi) and the Finnish Transport Agency. The aim is to obtain an accurate assessment of the risk level in an incident at sea in order to provide the necessary resources. The project will be tested by Viking Line's bridge officers during simulation exercises at the Aboa Mare training centre in Turku.

IMRF	International Maritime Rescue Federation
ISMC	International Safety Management Code
ISPS	International Ship and Port Facility Security Code
MIRG	Maritime Incident Response Group
SOLAS	Safety Of Life At Sea
STCW	Standards of Training, Certification and Watchkeeping for Seafarers

Project to change service culture launched

An employee survey based on a new model was conducted during 2015 and included all personnel in the Group, both on board and land-based. The One Service project, which will eventually involve all Viking Line personnel, was launched on board the Mariella during the spring. During the year, the land-based Human Resources Department was allocated additional resources in order to provide the organization with administrative, operational and strategic support on HR matters.

A total of 2,138 employees at Viking Line took part in the employee survey, which was conducted by Corporate Spirit Oy. The results were predominantly positive. Three quarters of the employees would happily or very happily recommend Viking Line as an employer. That percentage is higher than the average for the companies in Finland surveyed using this model. The clearest strengths are flexibility and efficiency in the different departments, employee autonomy and



employer image. The Company's goals are clear, and 88 per cent feel satisfied with their job.

Internal communication

According to the employee survey, areas such as communication and participation should be developed. The focus of continued efforts to further improve employee engagement should be on dedication, leadership and performance. It is important that employees have good opportunities to put forward their own suggestions for change and development. Measures that improve employee well-being are important, as is reducing bureaucracy and formalities. The survey results were presented in all units and departments.

In the long term

During the spring of 2015, Viking Line launched a wide-ranging and long-term project called One Service. It signifies the start of a Group-wide change in service culture. The Mariella was selected as the pilot vessel and Palmu Evolution Oy, a company in Helsinki, was hired as a partner. Virtually everyone on board was involved in the project.

The focus is on the customer's overall experience, that is, every individual encounter that the passenger has with Viking Line employees before, during and after their trip. Customer service should be personal and consistently at such a high level that customers leave the vessel with a smile. This should also help persuade customers to choose Viking Line on their next sailing as well.

Modern leadership

The initial focus of the One Service project will be on the work and attitudes of supervisors. They are expected to show the way and encourage their coworkers to exceed passengers' expectations every day. It is important for the future to invest more effort in recruiting and training leaders. Other focus areas are







modern leadership and the responsibilities and role of each employee.

The customer experience is measured on a continuous basis, and the Mariella has raised its score since the project was launched. In the long term, One Service will also be implemented on the other vessels and in other units in the Group. One Service is part of the overall concept One Viking, which also includes an upgrading of public areas on the vessels and greater consistency in the Company's marketing in different geographic areas.

Human Resources

During the year, the HR Department for the land organization was reinforced with HR business partners. This gives the department better opportunities to participate in and support the efforts of supervisors to achieve the established business and operational objectives, among other things by evaluating the need for skills development, providing feedback on leadership and serving as a back-up resource.

One particular challenge

Of the Viking Line's 2,735 full-time equivalent employees, 2,066 work on its vessels, and more than 40 professions are represented on board. Viking Line has a good reputation as an employer, and as a rule it is easy to recruit people to fill job openings. However, one particular challenge is to hire people in enginerelated operations and as chefs and waiters, due to a limited supply of skilled applicants.

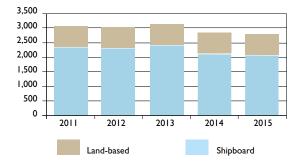
One trend on board regarding service employees is

increased flexibility. Nowadays hiring priority is given to people who can switch between different tasks in shops, restaurants, cafés and bars. This makes their jobs more varied, which reduces the risks of workrelated injuries. Human resources can also be allocated more efficiently based on current needs.

Number of employees

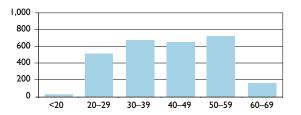
During 2015 the average number of employees in the Viking Line Group was 2,735 (2,797). Shipboard personnel totalled 2,066 (2,133) and land-based personnel 669 (664). Of the total number of employees, 2,167 (2,220) resided in Finland. The number residing in Sweden was 452 (471). There were 114 (104) employees residing in Estonia and 2 (2) in Germany.

In addition to the Group's own employees, the Viking XPRS was crewed by an average of 241 (235) people employed by a staffing company.

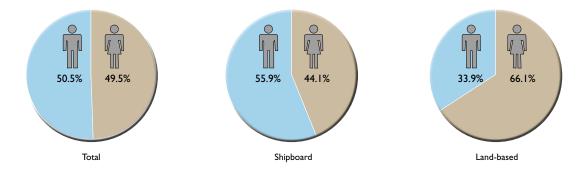


Viking Line Group employees

Age distribution



Gender breakdown





Corporate governance

The parent company Viking Line Abp has been listed on NASDAQ Helsinki since July 5, 1995. The wholly owned subsidiaries Viking Line Skandinavien AB and its subsidiary, Viking Rederi AB, OÜ Viking Line Eesti, Viking Line Finnlandverkehr GmbH and Viking Line Buss Ab belong to the Viking Line Group.

In 2015 Viking Line Abp applied the Finnish Corporate Governance Code issued by the Securities Market Association on June 15, 2010.

Corporate Governance Statement

On its website www.vikingline.com, Viking Line has published a Corporate Governance Statement, in compliance with Recommendation 54 of the Finnish Corporate Governance Code, pursuant to Chapter 7, Section 7 of the Finnish Securities Market Act.

Annual General Meeting

Viking Line Abp is a public limited company domiciled in Finland which is governed by the Finnish Companies Act and the Company's Articles of Association. In compliance with the Companies Act, the Annual General Meeting (AGM) is the highest decision-making body of the Company, where the owners exercise their influence.

All Viking Line Abp shares constitute one series, in which all shares are of equal value. Each share is represented by one vote when voting on motions and candidates at shareholders' meetings. However, no shareholder may vote on behalf of more than 1/4 of the shares represented at a shareholders' meeting. On December 31, 2015 Viking Line Abp had 3,420 registered shareholders.

The AGM decides on such matters as the adoption of the financial statements for the preceding financial year, the distribution of the Company's profit or loss and discharge of the Board of Directors as well as the President and Chief Executive Officer from liability for that year. The meeting also elects Board members and auditors, as well as deciding on their fees.



In accordance with the Articles of Association, the AGM is held in Mariehamn before the end of June. The latest such meeting took place on April 22, 2015. Information from this meeting is available on the Company's websites. The next AGM will be held on April 20, 2016.

The invitation to the AGM occurs through an announcement that appears in a newspaper published in the Company's place of domicile. This invitation is also published on the Company's websites. The invitation shall be issued no earlier than three months before the AGM record date and no later than three weeks before the AGM.

In addition to disclosing the items of business that will be discussed at the meeting, the invitation shall contain the names of candidates for service on the Board of Directors that have been communicated to the Board, provided that these candidates have been nominated by the Board or by shareholders representing at least 10 per cent of the shares and that they have agreed to serve on the Board. The invitation shall also state the name of any proposed auditor.

The President and CEO, the Chairman of the Board, a majority of Board members as well as any individuals who are first-time candidates for service as members of the Board shall be present at the AGM.

Further information about the AGM, as well as the

Company's Articles of Association, are available on the Company's websites.

The Board of Directors

The Company is headed by the Board of Directors and by the President and Chief Executive Officer. In his absence, the Deputy CEO substitutes for the President and CEO. The President and CEO works with a Group Management team appointed by the Board of Directors.

The Board of Directors consists of the Chairman and six members as well as three deputy members. The Chairman, members and deputy members are elected by the AGM for the period until the end of the next AGM. In case the Chairman or a member of the Board will be absent, he or she has the primary responsibility for nominating the deputy who will be summoned in his/her place. The Articles of Association have not established any special system for the appointment of Board members. The Board has not appointed any committees.

The Board has not appointed an audit committee. Instead, all information related to audits is dealt with directly by the Board.

The Board of Directors is in charge of the administration of the Company's affairs. It leads and oversees the Company's operative management, appoints and



dismisses the President and CEO and the other members of Group Management, approves the Company's strategic goals and risk management principles and ensures that the management system is functioning. The Board establishes the Company's vision and values, which shall be observed in its operations.

At its statutory meeting after the AGM, the Board of Directors adopts rules of procedure for the financial year. These rules of procedure shall contain information about and indicative dates for:

- discussion of vision and strategy
- discussion of financial statements and interim reports
- discussion of audit reports
- discussion of the Group's budget and plan of operations
- appointment of any Board committees
- evaluation of the work of the Board.
- In addition, as appropriate, the Board deals with:
 - other items of business which are incumbent on the Board according to the Companies Act, the Articles of Association and other rules and regulations
 - significant investments and divestments
 - other items of business submitted by the operational management or by individual Board members.
 - At each Board meeting, the President and CEO

provides information about the Company's operations. In addition, the Board continuously receives information in the form of regular reports and the minutes of Group Management meetings. The Company's Deputy CEO serves as secretary of the Board.

During the financial year 2015, the Board held 11 meetings. Board members' average attendance at meetings was 93.5 per cent.

President and CEO

The President and CEO is appointed and dismissed by the Board of Directors. The terms of his employment relationship are established in a written contract that is approved by the Board. The President and CEO may be elected to the Board, but not as its Chairman. Jan Hanses has been the President and CEO of the Company since March 20, 2014, when he succeeded Mikael Backman in this position.

Group Management

In addition to the President and CEO, the Board also appoints the Deputy CEO and the other members of Group Management. Under the leadership of the President and CEO, Group Management is responsible for directing the Company's operating activities as well as strategic and financial planning. Group Management meets regularly.

The Board of Directors



BEN LUNDQVIST Managing Director, Ångfartygs Ab Alfa, Rederi Ab Hildegaard and Lundqvist Rederierna Ab Born in 1943 Chairman of the Board since 1995 Board member since 1978



NILS-ERIK EKLUND President and CEO, Viking Line Abp 1990-2010 Born in 1946 Board member since 1997



TRYGVE ERIKSSON Managing Director, Eriksson Capital Ab Born in 1947 Board Member since 2012

Principles for compensation to the Board and Group Management

Fees adopted by the Annual General Meeting are paid as compensation for the work of the Board. Reasonable travel expenses are paid as invoiced. The following fees were paid in compliance with the decision of the Annual General Meeting:

EUR	2015	2014
Annual fee, Chairman of the Board	25,000	25,000
Annual fee, other regular Board members	20,000	20,000
Annual fee, deputy Board members	5,000	0
Fee per meeting attended, Board and deputy members	1,000	1,000

For the financial year 2015, a total of EUR 237,000 in Board fees (2014: 229,000) was disbursed.

As compensation for his work, the President and CEO is paid a monthly salary that is set by the Board yearly. During the financial year 2015, Jan Hanses, President and CEO, received a total of EUR 255,000 (2014: EUR 215,100 and Mikael Backman, President and CEO, received a total of EUR 242,700 in 2014) in salary and benefits in kind, in the form of telephone benefits and group life insurance coverage, including insurance for medical expenses.

The President and CEO is subject to the terms of the Finnish public pension system. The retirement age of the President and CEO is 63-68. The President and CEO has a termination notice period of 8 months. The Company's Board is entitled to terminate his contract, but the President and CEO will enjoy 8 months of salary after the termination date. As agreed, Mikael Backman received 8 months of salary totalling EUR 154,888 after the date of his termination in 2014.

Other Group Management members receive a monthly salary that is discussed by the Board yearly. In case of termination by the Company, the other members of Group Management receive 6 months of salary. As of 2014, the Company has no incentive scheme or bonus system.

Further information about compensation to the Group's key individuals in leading positions can be found in the consolidated financial statements, Note 25 and on the Company's websites.

Auditors

The Company has two Auditors and one Deputy Auditor. They are elected at the Annual General Meeting for a term expiring at the end of the next Annual General Meeting. The Auditors examine the Company's accounts, financial statements, Report of the Directors and administration. After completion of this examination, the Board receives a review report and an Auditors' Report is submitted to the Annual General Meeting.

The Company's Auditors are:

Johan Kronberg, Authorized Public Accountant (CGR) PricewaterhouseCoopers Oy The Company's Auditor since 2010



ERIK GRÖNBERG Chairman of the Board, Ge-Te Media AB Born in 1943 Board member since 2004



AGNETA KARLSSON Dr.Econ. Associate Professor Born in 1954 Board member since 2006



DICK LUNDQVIST Chairman of the Board, Lundqvist Rederierna Ab and Rederi Ab Hildegaard Born in 1946 Board member since 2000



LARS G NORDSTRÖM Chairman of the Board, Vattenfall AB Board member, Nordea Bank AB Born in 1943 Board member since 2006

The deputy members of the Board are Ulrica Danielsson, Stefan Lundqvist and Johnny Rosenholm.

Ylva Eriksson, Authorized Public Accountant (CGR) PricewaterhouseCoopers Oy The Company's Auditor since 2015

The firm of PricewaterhouseCoopers Oy, Authorized Public Accountants (CGR), serves as the Company's Deputy Auditor.

Auditors' fees are adopted by the Annual General Meeting. According to the decision in force, fees are paid according to regular invoices. The Group's auditing expenses amounted to EUR 113,400 during 2015 (2014: 125,400), of which EUR 80,500 (2014: 94,100) was related to the parent company. The expenses of other consulting services by the Group's Auditors as well as their auditing firms were EUR 94,000 during 2015 (2014: 43,600).

Internal oversight and risk management

The objective of the internal oversight for which the Board of Directors and the operative management are responsible is to ensure efficient, profitable operations, reliable information and compliance with regulations and business principles. Risk management is an integral element of the Group's controls and oversight of operations. Risks in operating activities are discussed in the Report of the Directors, and management of financial risks is dealt with in the consolidated financial statements, Note 26.

The Board of Directors continuously monitors the Group's trend of earnings and its financial position by means of the internal reporting system. The internal control system consists of detailed internal accounts, which are reconciled with the business accounts. The Group's financing and liquidity situation is assessed continuously.

The outside Auditors continuously evaluate the internal control system in their review reports to the Board.

Insiders

Viking Line applies the provisions of the Securities Market Act on insider information as well as the insider regulations of NASDAQ Helsinki. Responsibility for this rests with the Company's Legal Affairs Department. Among Viking Line insiders, according to Chapter 12, Section 3 of the Securities Market Act, are the Board of Directors, the President and CEO as well as his deputy, the Company's auditors, plus individuals in top management who regularly receive insider information and who are entitled to make decisions concerning the Company's future development and organization of operating activities. In addition to the public register of insiders who are obligated to declare their holdings, Viking Line also maintains an internal company insider register, which includes all individuals in the service of the Company who, due to their position or their tasks, regularly receive insider information. Viking Line's websites provide links to the Company's public insider register, which shows the individuals who are listed in the register as well as their current holdings in Viking Line shares and those of their related parties.

More information on the Company's corporate governance is available on the Company's websites.

Group Management

WILHELM HÅRD AF SEGERSTAD

Senior Vice President since 2014 Head of Shipboard Commercial Operations Born in 1964 Joined the Company in 1984

JAN HANSES President and CEO

since 2014 Born in 1961 Joined the Company in 1988

PETER HELLGREN

Executive Vice President since 2014 Head of Sales and Marketing Born in 1967 Joined the Company in 1994

ANDREAS REMMER

Deputy CEO since 2014 Executive Vice President since 2014 CFO since 2013 Head of Finance and IT Born in 1974 Joined the Company in 2013

Further information about the members of the Board and Group Management is available on the Company's websites.

ULF HAGSTRÖM

Senior Vice President since 2015 Marine Operations & Newbuildings Born in 1969 Joined the Company in 2015, previously employed 1996–2012





Report of the Directors

Sales and earnings

Consolidated sales of the Viking Line Group during the report period, January 1–December 31, 2015, rose to 530.5 million euros (EUR 527.4 M during January 1–December 31, 2014). Other operating revenue amounted to EUR 0.5 M (0.7). Operating income totalled EUR 26.4 M (13.7). Net financial items totalled EUR -3.2 M (2014: 18.6, of which -9.1 excluding shares in the Åland-based insurance company Försäkringsaktiebolaget Alandia received and divested). Consolidated income before taxes amounted to EUR 23.2 M (32.3, of which 4.6 excluding shares in Försäkringsaktiebolaget Alandia received and divested). Income after taxes totalled EUR 18.7 M (30.6).

During the report period, passenger-related revenue decreased by 0.8 per cent to EUR 480.0 M (483.8), while cargo revenue increased by 17.3 per cent to EUR 46.5 M (39.6). Net sales revenue decreased by 0.5 per cent to EUR 377.2 M (379.3).

Consolidated operating income improved mainly due to lower operating expenses. Operating expenses decreased by 3.2 per cent to EUR 323.7 M (334.4). The items that decreased the most were bunker (vessel fuel) expenses and salary and other employment benefit expenses. The decrease in bunker expenses is explained by lower average bunker prices combined with the Group's continued efforts to optimize the bunker consumption of its vessels. Salary and other employment benefit expenses decreased by EUR 2.7 M or 2.2 per cent.

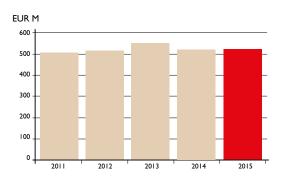
The Group's ongoing focus on expenses has resulted in reduced operating expenses.

The section "Five-year financial review" presents information about the Group's financial position and earnings over a five-year period.

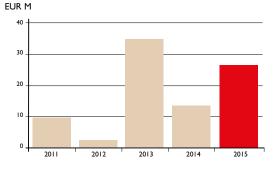
Services and market trends

During 2015, the Viking Line Group provided passenger and cargo carrier services using seven vessels on the northern Baltic Sea. The Group's vessels served the same routes as during 2014.

The number of passengers on Viking Line's vessels during the financial year was 6,568,684 (6,610,146). Viking Line's market share on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm (Sweden) route was at the level for the previous year, 56.3 per cent. Market share decreased on the Helsinki (Finland)–Mariehamn–



Operating income



Sales

Stockholm route by 3.1 percentage points to 43.6 per cent. In cruise services between Stockholm and Mariehamn, market share increased by 2.9 percentage points to 57.1 per cent. On the Helsinki–Tallinn (Estonia) route, market share decreased by 1.1 percentage points to 23.8 per cent. On the short route over the Sea of Åland between Mariehamn and Kapellskär (Sweden), market share decreased by 1.8 percentage points to 41.8 per cent. The Group had a total market share in its service area of 34.6 per cent (35.0).

Viking Line's cargo volume rose by 3,908 cargo units to 133,163 (129,255). Viking Line's cargo market share was at the level for the previous year, 21.9 per cent (21.9).

Investments and financing

The Group's investments amounted to EUR 10.0 M (7.2).

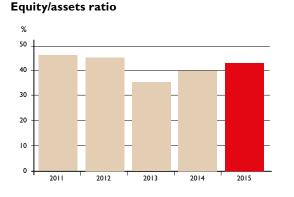
On December 31, 2015 the Group's non-current interest-bearing liabilities amounted to EUR 174.0 M (197.5). The equity/assets ratio was 42.8 per cent, compared to 40.0 per cent a year earlier.

At the end of December 2015, the Group's cash and cash equivalents amounted to EUR 110.7 M (101.1). Net cash flow from operating activities amounted to EUR 48.7 M (30.7).

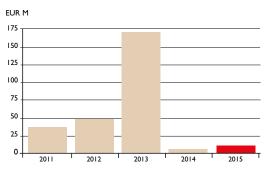
Risk factors

The market for cruises and ferry services in the Baltic Sea is stable but subject to tough competition. Political decisions may change Viking Line's operating conditions, with potentially adverse consequences to its business operations. Åland's special tax status, which makes duty- and tax-free sales possible on services to and from Åland, is nevertheless permanent. The European Commission's guidelines for the promotion of seafaring, which makes the net salary system for shipboard employees possible, are in effect until further notice. These guidelines currently appear likely to be extended without major changes.

The Group's business operations are dependent on functioning logistics and computer systems. Disruptions in traffic or data communications may have an adverse impact on the Group's earnings. Viking Line endeavours to minimize the risk of lengthy unplanned service interruptions by means of continuous vessel maintenance, a well-developed safety and security system, training and regular drills. Risks in information management are



Gross capital spending



minimized by developing appropriate security systems and alternative working methods as well as efforts to ensure the reliability of computer systems.

The Group's vessels are recognized in the balance sheet at a carrying amount of EUR 324.5 M (340.1). The vessels have hull and machinery and increased value insurance totalling EUR 598.0 M (598.0). In addition, all vessels have strike insurance, protection and indemnity (P&I) and Passenger Liability Regulation (PLR) insurance.

Fluctuations in bunker prices have a direct impact on the Group's earnings. In order to partly offset the risk of higher bunker prices, the Group has entered into fixed-price agreements related to a portion of its estimated bunker consumption during 2015 and 2016.

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 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.

The Group is exposed to price risk related to shares that are classified as "Investments available for sale". The value of the Group's shareholding in the insurance company Försäkringsaktiebolaget Alandia is established on the basis of the present value of future cash flows. The cash flow projection is based on a number of estimates and judgements that have a substantial impact on present value.

Further information about financial risk management can be found in Note 26 to the consolidated financial statements.

Ongoing legal actions

On February 27, 2015, the Helsinki District Court announced its judgement in a case between Viking Line and the Finnish State regarding fairway charges levied during the years 2001–2004. According to the judgement, the Finnish State will be required to pay approximately EUR 12.4 M in accordance with Viking Line's claim as well as legal expenses plus interest. If the judgement becomes final, it will affect Viking Line's financial statements positively with a corresponding amount. The Finnish State has appealed the case. The appeals will go before the Court of Appeals during the spring of 2016, but the assessment of Viking Line's Board of Directors is that a final legally binding decision is unlikely during 2016.

The environment, safety and security

Viking Line endeavours to provide safe and secure seagoing passenger services in an environmentally sound way. National legislation and international agreements are the basis for the Company's environmental work. Through a long-term, active commitment to the environment, the Company has developed environmental activities that extend

beyond what is stipulated by the rules in force for passenger services on the Baltic Sea. Viking Line's environmental work focuses on its vessel operations, where the largest positive environmental effect can be achieved.

The Group's Head Office, its subsidiary Viking Line Buss Ab and all its vessels are certified in compliance with ISO 14001 environmental management standards. In addition, the Viking Line organization and all vessels are certified according to the International Safety Management (ISM) Code, which stipulates organizational rules for safe vessel operation and for preventing pollution.

The Company is responsible for ensuring that its vessels, their crews and the land-based organization fulfil all the provisions of the rules that apply to passenger and cargo services. National maritime authorities oversee the safety and security equipment, fire protection systems, communications equipment, stability and safety organization of Viking Line's vessels. Emergency preparedness on board is maintained by a safety organization that carries out continuous training and drills related to its duties. Viking Line also has a special safety and crisis management plan, which is constantly being updated and redeveloped. The plan is continuously tested by means of realistic drills, both on board and on land.

Organization and personnel

During 2015 the average number of employees in the Viking Line Group was 2,735 (2,797), of whom 2,040 (2,068) worked for the parent company. Of the total number of employees, 2,167 (2,220) resided in Finland. The number residing in Sweden was 452 (471). There were 114 (104) employees residing in Estonia and 2 (2) in Germany.

Most of Viking Line's employees work on board its vessels. Shipboard personnel totalled 2,066 (2,133) and land-based personnel 669 (664).

In addition to the Group's own employees, the Viking XPRS was crewed by an average of 241 (235) people employed by a staffing company.

Board of Directors, management and auditors

The Board of Directors consists of Chairman Ben Lundqvist, Nils-Erik Eklund, Trygve Eriksson, Erik Grönberg, Agneta Karlsson, Dick Lundqvist and Lars G Nordström. The deputy members are Ulrica Danielsson, Stefan Lundqvist and Johnny Rosenholm.

On September 1, 2015 Ulf Hagström, B.Sc. (Mechanical and Energy Engineering), was appointed Viking Line's new Senior Vice President in charge of Marine Operations and Newbuildings. Hagström succeeded Tony Öhman, who retired later in 2015.

Johan Kronberg, Authorized Public Accountant (CGR), and Ylva Eriksson, Authorized Public Accountant (CGR), are regular Auditors. The firm of PricewaterhouseCoopers Oy, Authorized Public Accountants (CGR), serves as the Company's Deputy Auditor.

The Group has no loan arrangements, guarantees, contingent liabilities provided/received or other liabilities associated with related parties. Additional information about related party transactions can be found in Note 25 to the consolidated financial statements. Information about the Company's corporate governance is available on the Company's websites.

Shares

All of Viking Line Abp's 10,800,000 shares constitute one series, in which all shares are of equal value. Each share is equivalent to one vote on motions and candidates at share-holders' meetings. The Company has not issued any warrants or bonds. The Board of Directors has not requested authorization from a shareholders' meeting to change the share capital, to issue warrants or bonds or to acquire the Company's own shares. The Company and its subsidiaries do not own any of their own shares. More information about Viking Line shares can be found in the section "Share data".

Outlook for 2016

Competition in Viking Line's service area implies continued pressure on both prices and volumes. The economic downturn in Finland is an uncertainty factor, but recent bunker price developments are currently having a favourable effect on earnings. The Board of Directors' assessment is that operating income will be somewhat lower in 2016 than in 2015 as a consequence of a larger number of vessel dry-dockings.

The Board's proposal on distribution of earnings

According to the balance sheet of Viking Line Abp on December 31, 2015 unrestricted equity totalled EUR 87, 373, 356.45.

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

A dividend of EUR 0.95 per share shall be paid, totalling	EUR	10,260,000.00
Remaining unrestricted equity	EUR	77,113,356.45

No material changes in the Company's financial position have occurred after the end of the financial year. In the assessment of the Board of Directors, the dividend is justifiable in light of the demands with respect to the size of the equity capital which are imposed by the nature, scope, financing and risks associated with the business.

Consolidated income statement

EUR M	Note	Jan I, 2015– Dec 31, 2015	Jan I, 2014– Dec 31, 2014
SALES	2	530.5	527.4
Other operating revenue	3	0.5	0.7
Expenses			
Goods and services	4	153.2	148.1
Salary and other employment benefit expenses	5	8.	120.8
Depreciation and impairment losses	6	27.7	31.8
Other operating expenses	7	205.5	213.6
		504.6	514.3
OPERATING INCOME		26.4	13.7
Financial income	8	5.0	29.0
Financial expenses	8	-8.2	-10.4
INCOME BEFORE TAXES		23.2	32.3
Income taxes	9	-4.4	-1.8
INCOME FOR THE PERIOD		18.7	30.6
Income attributable to:			
Parent company shareholders		18.7	30.6
Earnings per share before and after dilution, EUR	10	1.73	2.83

Consolidated statement of comprehensive income

EUR M	Jan 1, 2015– Dec 31, 2015	Jan I, 2014– Dec 31, 2014
INCOME FOR THE PERIOD	18.7	30.6
Other comprehensive income		
Items that may be transferred to the income statement		
Translation differences	0.5	-0.9
Investments available for sale	0.7	0.0
	1.2	-0.9
COMPREHENSIVE INCOME FOR THE PERIOD	19.9	29.7
Comprehensive income attributable to:		
Parent company shareholders	19.9	29.7

Consolidated balance sheet

EUR M	Note	Dec 31, 2015	Dec 31, 2014
ASSETS			
Non-current assets			
Intangible assets	11	0.8	0.6
Land	12	1.1	1.1
Buildings and structures	12	10.0	10.8
Renovation costs for rented properties	12	1.2	0.6
Vessels	12	324.5	340. I
Machinery and equipment	12	5.5	6.7
Investments available for sale	13,22	26.8	26.1
Receivables	14, 22	0.2	0.3
Total non-current assets		370.0	386.3
Current assets			
Inventories	15	17.2	16.1
Income tax assets		0.5	0.3
Trade and other receivables	16, 22	29.4	29.3
Cash and cash equivalents	17, 22	110.7	101.1
Total current assets		157.8	146.8
TOTAL ASSETS		527.8	533.1
EQUITY AND LIABILITIES			
Equity	18		
Share capital		1.8	1.8
Reserves		0.7	0.0
Translation differences		-0.4	-0.8
Retained earnings		223.6	212.3
Equity attributable to parent company shareholders		225.7	213.3
Total equity		225.7	213.3
Non-current liabilities			
Deferred tax liabilities	19	34.5	31.4
Non-current interest-bearing liabilities	20, 22	174.0	197.5
Total non-current liabilities		208.4	228.9
Current liabilities			
Current interest-bearing liabilities	20, 22	23.5	23.5
Income tax liabilities		1.3	0.0
Trade and other payables	21,22	68.9	67.4
Total current liabilities		93.7	91.0
Total liabilities		302.1	319.8
TOTAL EQUITY AND LIABILITIES		527.8	533.1

Consolidated cash flow statement

Income for the period Adjustments Depreciation and impairment losses Capital gains from non-current assets 00 - 0.2 Other items not included in cash flow 0.5 0 - 2.1 Interest expenses and other financial expenses Financial income, Försäkringsäktiebolaget Alandia 27.9 Interest income and other financial income 0.1 Income taxes 0.1 Income taxes 0.1 Change in trade and other receivables 0.1 Change in trade and other receivables 0.1 Change in trade and other receivables 0.1 Change in trade and other provide 0.1 Change in trade and tradible assets 0.1 Change in trade and tangible assets 0.1 Change in trade and tangible assets 0.1 Change in trade and tradible for sale 0.1 Change in cash equivalents at beginning of period 0.1 Change	EUR M	Jan 1, 2015– Dec 31, 2015	Jan I, 2014– Dec 31, 2014
Adjustments of the procession of the set of	OPERATING ACTIVITIES		
Depreciation and impairment losses27.731.8Capital gains from non-current assets0.0-0.2Other items not included in cash flow-0.52.1Interest copenses and other financial expenses5.96.8Financial income, Försäkringsaktiebolaget Alandia27.9Interest income and other financial income-0.1-0.2Dividend income-1.60.0Income taxes-0.11.7Change in trade and other receivables-0.11.7Change in trade and other receivables-1.1-1.1Change in inventories-1.1-1.1Change in trade and other payables1.7-7.7Interest received0.00.10.1Financial income received0.00.10.1Interest rece	Income for the period	18.7	30.6
Capital gains from non-current assets0.00.22Other items not included in cash flow0.52.1Interest expenses and other financial expenses5.96.8Financial income, Försäkringsaktiebolaget Alandia27.9Interest income and other financial income0.10.2Dividend income-1.60.0Income taxes4.41.8Change in trade and other receivables-0.11.7Change in trade and other receivables-1.1-1.1Change in trade and other payables1.7-7.7Interest paid-5.4-6.1Financial expenses paid-0.7-0.8Interest received0.00.1Interest received0.00.1Interest received0.10.1Interest received0.10.1Interest received0.10.1Interest received0.10.1Interest received0.10.1Interest received0.10.1Interest received0.10.1Interest received0.20.2Interest received1.60.0Interest received1.60.0Interest received1.60.0Interest received1.60.0Interest received1.60.0Interest received1.60.0Interest received1.60.0Interest received1.60.0Interest received1.60.0Interest rece	Adjustments		
Other items not included in cash flow-0.52.1Interest expenses and other financial income5.96.8Financial income, Forsikringskitebolaget Alandia27.9Interest income and other financial income-0.1-0.2Dividend income-1.60.0Income taxes-0.11.7Change in working capital-1.1-1.1Change in inventories-1.1-1.1Change in trade and other receivables-1.7-7.7Interest paid-5.4-6.1-7.7Interest received0.00.10.1Financial income received0.00.10.1Financial income received0.00.10.1Financial income received0.00.10.1Financial income received0.00.10.1Taxes paid-0.3-0.20.2INVESTING ACTIVITES48.730.7INVESTING ACTIVITES-1.60.0Investments in vessels-7.6-6.2Investments of other intangible assets0.10.3Divestments of other intangible assets0.10.3Divestments of other intangible assets0.20.2Divestments of other intangible assets0.20.2Divestments of other intangible assets0.10.3Divestments of other intangible assets0.20.2Divestments of investments available for sale-1.60.0Interest received1.60.00.1Interes	Depreciation and impairment losses	27.7	31.8
Interest expenses and other financial expenses 59 6.8 Financial income, Forskringsaktebolaget Alandia - 2729 Interest income and other financial income - 0.1 -0.2 Income taxes 44 1.8 Change in trade and other receivables - 0.1 1.7 Change in trade and other receivables - 0.1 1.7 Change in trade and other payables - 1.1 - 1.1 Financial expenses paid - 5.4 - 6.1 Financial expenses paid - 0.7 - 0.8 Interest paid - 5.4 - 6.1 Financial income received - 0.1 0.1 0.1 Financial income received - 0.1 0.1 0.1 Financial income received - 0.1 0.1 0.1 Exes paid - 0.7 - 0.8 Interest received - 0.1 0.1 0.1 Exes paid - 0.3 - 0.2 INVESTING ACTIVITIES - 48.7 30.7 INVESTING ACTIVITIES - 7.6 - 6.2 Dividends received - 1.6 0.0 Divestments in vessels - 2.4 - 1.1 Divestments other intangible and tangible assets - 1.6 Divestments other intangible and tangible assets - 1.6 Divestments of other intangible and tangible assets - 2.4 - 1.1 Divestments of other intangible and tangible assets - 1.6 Divestments of other intangible and tangible assets - 1.6 Divestments of other intangible and tangible assets - 2.5 - 5.0 Divestments of other intangible and tangible assets - 5.1 FINANCING ACTIVITIES31.1 -20.6 CHANGE IN CASH FLOW FROM FINANCING ACTIVITIES31.1 -20.6 CHANGE IN CASH AND CASH EQUIVALENTS - 5.5 CHANGE IN CASH AND CASH EQUIVALENTS - 5.5 CHA	Capital gains from non-current assets	0.0	-0.2
Financial income, Försäkringsaktiebolaget Alandia27.9Interest income and other financial income-0.1-0.2Dividend income-1.60.0Income taxes-4.41.8Change in working capital1.1Change in inventories-0.11.7Change in trade and other receivables-0.11.7Change in trade and other payables-1.1-1.1Change in trade and other payables-1.7-7.7Interest paid-5.4-6.1Financial expenses paid-0.7-0.8Income received0.00.1Financial income received0.00.0Interest received0.00.0Interest received0.00.0Interest received0.10.3Interest received0.10.3Interest received0.10.3Interest received0.10.3Interest received0.10.3Interest received0.10.3Interest received0.10.3Investments in other intangible and tangible assets-2.4Investments in other intangible and tangible assets0.10.3Divestments of other intangible and tangible assets0.20.2Divestments of other intangible assets0.10.1Divestments of investments available for sale-1.6Payments received1.60.00.1Inter CASH FLOW FROM INVESTING ACTIVITIES5.1	Other items not included in cash flow	-0.5	2.1
Interest income and other financial income-0.1-0.2Dividend income-1.60.0Income taxes4.41.8Change in trade and other receivables-0.11.7Change in trade and other payables-1.1-1.1Change in trade and other payables1.7-7.7Interest paid-5.4-6.1Financial expenses paid-0.7-0.8Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.10.1Interest received0.10.1Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.10.3Divestments of other intangible and tangible assets0.10.3Divestments of other intangible assets0.10.3 </td <td>Interest expenses and other financial expenses</td> <td>5.9</td> <td>6.8</td>	Interest expenses and other financial expenses	5.9	6.8
Dividend income-1.60.0Income taxes4.41.8Change in trade and other receivables-0.11.7Change in trade and other receivables-0.11.7Change in trade and other payables1.7-7.7Interest paid-5.4-6.1Financial expenses paid-0.7-0.8Interest paid-0.7-0.8Financial expenses paid-0.3-0.2Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.00.1Interest received0.00.1Investments in vessels-7.6-6.2Investments in vessels-7.6-6.2Investments of other intangible and tangible assets0.10.1Divestments of other intangible and tangible assets0.20.2Divestments of on-current receivables0.20.2Divestments of on-current receivables0.20.2Divestments of on-current receivables0.20.2Divestments of on-current liabilities-23.5-15.2Dividends received-7.6-5.4ET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6Change and cash equivalents at beginning of period-7.6-5.4Change in CASH AND CASH EQUIVALENTS-31.1-20.6Change in Cash equivalents at beginning of period-7.6-5.4	Financial income, Försäkringsaktiebolaget Alandia	-	-27.9
Income taxes4.41.8Income taxes4.41.8Change in working capital-0.11.7Change in trade and other receivables-1.1-1.1Change in trade and other payables1.7-7.7Interest paid-5.4-6.1Financial expenses paid-0.7-0.8Interest received0.10.1Financial income received0.00.1Taxes paid-0.3-0.3Interest received0.00.1Taxes paid-0.3-0.3INVESTING ACTIVITIES48.730.7INVESTING ACTIVITIES-7.6-6.2Investments in other intangible and tangible assets0.10.3Divestments of other intangible and tangible assets0.10.3Divestments of investments available for sale-1.6Payments received1.60.00.0INET CASH FLOW FROM INVESTING ACTIVITIESINET CASH FLOW FROM INVESTING ACTIVITIESINTER SCIEVED1.6Payments received1.60.0INET CASH FLOW FROM FINANCING ACTIVITIESFINANCING ACTIVITIESInter CASH FLOW FROM FINANCING ACTIVITIESChange in CASH AND CASH EQUIVALENTSCash and cash equivalents at beginning of period-10.1-Change in Cash and provide to the	Interest income and other financial income	-0.1	-0.2
Change in working capital Change in trade and other receivables -0.1 1.7 Change in inventories -1.1 -1.1 Change in trade and other payables -1.7 Change in trade and other payables -5.4 -6.1 Financial expenses paid -0.7 -0.8 Interest received -0.1 0.1 0.1 Financial income received -0.1 0.1 0.1 Taxes paid -0.3 -0.3 -0.2 NET CASH FLOW FROM OPERATING ACTIVITIES -7.6 -6.2 Investments in vessels -7.6 -6.2 Investments of other intangible and tangible assets -7.6 -6.2 Investments of other intangible and tangible assets -1.1 Divestments of other intangible and tangible assets -1.6 Payments received -1.6 0.0 NET CASH FLOW FROM INVESTING ACTIVITIES -1.6 FINANCING ACTIVITIES -2.3 Change in cash equivalents at beginning of period -0.1 -0.1 -0.1 -0.1 -0.1 -0.1 -0.1 -0.1	Dividend income	-1.6	0.0
Change in trade and other receivables-0.11.7Change in inventories-1.1-1.1Change in inventories-1.1-1.1Change in trade and other payables1.7-7.7Interest paid-5.4-6.1Financial expenses paid-0.7-0.8Interest received0.10.1Financial income received0.00.1Taxes paid-0.3-0.2NET CASH FLOW FROM OPERATING ACTIVITIES48.730.7INVESTING ACTIVITES-7.6-6.2Investments in vessels-7.6-6.2Investments of investments available for sale-1.6Payments received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-1.6Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIESFINANCING ACTIVITIES1.6Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIESFINANCING ACTIVITIESInvidends paidChange in CASH AND CASH EQUIVALENTSCash and cash equivalents at beginning of period101.1Other in Cash equivalents at beginning of period101.1	Income taxes	4.4	1.8
Change in inventories-1.1-1.1Change in trade and other payables1.77.7Interest paid-5.4-6.1Financial expenses paid-0.7-0.8Interest received0.10.1Financial income received0.00.1Taxes paid-0.3-0.2NET CASH FLOW FROM OPERATING ACTIVITIES48.730.7Investments in vessels-7.6-6.2Investments in other intangible and tangible assets0.10.3Divestments of other intangible and tangible assets0.10.3Divestments of investments available for sale-1.6Payments received1.60.0INT CASH FLOW FROM INVESTING ACTIVITIES-1.6Payments received for non-current receivables0.20.2Dividends received1.60.0INT CASH FLOW FROM INVESTING ACTIVITIESRenortization of non-current liabilitiesDividends paidInter CASH FLOW FROM FINANCING ACTIVITIESINT CASH FLOW FROM FINANCING ACTIVITIESInter CASH FLOW FROM FINANCING ACTIVITIESChange in CASH AND CASH EQUIVALENTS9.55.0-Cash and cash equivalents at beginning of period101.1	Change in working capital		
Change in trade and other payables1.7-7.7Interest paid-5.4-6.1Financial expenses paid-0.7-0.8Interest received0.10.1Financial income received0.00.1Taxes paid-0.3-0.2NET CASH FLOW FROM OPERATING ACTIVITIES48.730.7INVESTING ACTIVITIESInvestments in vessels-7.6-6.2Investments in other intragible and tangible assets0.10.3Divestments of one-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Change in trade and other receivables	-0.1	1.7
Interest paid Interest paid Interest paid Interest paid Interest received Interest r	Change in inventories	-1.1	-1.1
Financial expenses paid-0.7-0.8Interest received0.10.1Financial income received0.00.1Taxes paid-0.3-0.2NET CASH FLOW FROM OPERATING ACTIVITIES48.730.7INVESTING ACTIVITIES48.730.7INVESTING ACTIVITIES48.730.7Investments in vessels-7.6-6.2Investments in other intangible and tangible assets-2.4-1.1Divestments of other intangible and tangible assets0.10.3Divestments of investments available for sale-1.6Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Change in trade and other payables	1.7	-7.7
Interest received0.10.1Financial income received0.00.1Taxes paid-0.3-0.2NET CASH FLOW FROM OPERATING ACTIVITIES48.730.7INVESTING ACTIVITIES-7.6-6.2Investments in vessels-7.6-6.2Investments of other intangible and tangible assets0.10.3Divestments of other intangible and tangible assets0.10.3Divestments of other intangible and tangible assets0.10.3Divestments of investments available for sale-1.6Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Interest paid	-5.4	-6. I
Financial income received0.00.1Taxes paid-0.3-0.2NET CASH FLOW FROM OPERATING ACTIVITIES48.730.7INVESTING ACTIVITIES48.730.7INVESTING ACTIVITIES-7.6-6.2Investments in other intangible and tangible assets-7.6-6.2Divestments of other intangible and tangible assets0.10.3Divestments of other intangible and tangible assets0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-8.1-5.1ENANCING ACTIVITIES-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Financial expenses paid	-0.7	-0.8
Taxes paid-0.3-0.2NET CASH FLOW FROM OPERATING ACTIVITIES48.730.7INVESTING ACTIVITIES	Interest received	0.1	0.1
NET CASH FLOW FROM OPERATING ACTIVITIES48.730.7INVESTING ACTIVITIES-7.6-6.2Investments in vessels-7.6-6.2Investments in other intangible and tangible assets0.10.3Divestments of other intangible and tangible assets0.10.3Divestments of investments available for sale-1.6Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Financial income received	0.0	0.1
INVESTING ACTIVITIESInvestments in vessels-7.6-6.2Investments in other intangible and tangible assets-2.4-1.1Divestments of other intangible and tangible assets0.10.3Divestments of investments available for sale-1.6Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-8.1-5.1Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Taxes paid	-0.3	-0.2
Investments in vessels-7.6-6.2Investments in other intangible and tangible assets-2.4-1.1Divestments of other intangible and tangible assets0.10.3Divestments of investments available for sale-1.6Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-8.1-5.1ENANCING ACTIVITIES-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	NET CASH FLOW FROM OPERATING ACTIVITIES	48.7	30.7
Investments in other intangible and tangible assets-2.4-1.1Divestments of other intangible and tangible assets0.10.3Divestments of investments available for sale-1.6Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-8.1-5.1Amortization of non-current liabilities-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	INVESTING ACTIVITIES		
Divestments of other intangible and tangible assets0.10.3Divestments of investments available for sale-1.6Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-8.1-5.1Amortization of non-current liabilities-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Investments in vessels	-7.6	-6.2
Divestments of investments available for sale-1.6Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Investments in other intangible and tangible assets	-2.4	-1.1
Payments received for non-current receivables0.20.2Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-8.1-5.1Amortization of non-current liabilities-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Divestments of other intangible and tangible assets	0.1	0.3
Dividends received1.60.0NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-8.1-5.1Amortization of non-current liabilities-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Divestments of investments available for sale	-	1.6
NET CASH FLOW FROM INVESTING ACTIVITIES-8.1-5.1FINANCING ACTIVITIES-23.5-15.2Amortization of non-current liabilities-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Payments received for non-current receivables	0.2	0.2
FINANCING ACTIVITIESAmortization of non-current liabilities-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Dividends received	1.6	0.0
Amortization of non-current liabilities-23.5-15.2Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	NET CASH FLOW FROM INVESTING ACTIVITIES	-8.1	-5.1
Dividends paid-7.6-5.4NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	FINANCING ACTIVITIES		
NET CASH FLOW FROM FINANCING ACTIVITIES-31.1-20.6CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Amortization of non-current liabilities	-23.5	-15.2
CHANGE IN CASH AND CASH EQUIVALENTS9.55.0Cash and cash equivalents at beginning of period101.196.1	Dividends paid	-7.6	-5.4
Cash and cash equivalents at beginning of period 101.1 96.1	NET CASH FLOW FROM FINANCING ACTIVITIES	-31.1	-20.6
	CHANGE IN CASH AND CASH EQUIVALENTS	9.5	5.0
CASH AND CASH EQUIVALENTS AT END OF PERIOD 110.7 101.1	Cash and cash equivalents at beginning of period	101.1	96.1
	CASH AND CASH EQUIVALENTS AT END OF PERIOD	110.7	101.1

Statement of changes in consolidated equity

	Equity attrib	outable to pare	ent company sha	reholders	
EUR M	Share capital	Reserves	Translation differences	Retained earnings	Total equity
Equity, Jan 1, 2014	1.8	0.0	-0.3	187.5	189.0
Income for the period				30.6	30.6
Translation differences		0.0	-0.5	-0.4	-0.9
Remeasurement of investments available for sale		0.0			0.0
Comprehensive income for the period	-	0.0	-0.5	30.2	29.7
Dividend to shareholders				-5.4	-5.4
Equity, Dec 31, 2014	1.8	0.0	-0.8	212.3	213.3
Income for the period				18.7	18.7
Translation differences		0.0	0.4	0.1	0.5
Remeasurement of investments available for sale		0.7			0.7
Comprehensive income for the period	-	0.7	0.4	18.8	19.9
Dividend to shareholders				-7.6	-7.6
Equity, Dec 31, 2015	1.8	0.7	-0.4	223.6	225.7

Notes to the consolidated financial statements

I. ACCOUNTING PRINCIPLES

Company information

The Viking Line Group provides passenger and cargo carrier operations in the northern Baltic Sea service area, with the Finnish mainland, Sweden, the Åland Islands (a Swedish-speaking province of Finland) and the three Baltic countries as its main markets. The Group's profit centres also include the Park Alandia Hotell and Viking Line Buss Ab. The parent company of the Group is Viking Line Abp, domiciled in Mariehamn,Åland. The shares of the parent company are listed on the NASDAQ Helsinki. The registered address of the Head Office is Norragatan 4,AX-22100 Mariehamn,Åland, Finland. The financial statements are available on www.vikingline.com and at the Group's Head Office.

These financial statements were approved for publication and signed by the Board of Directors on February 22, 2016 and will be submitted to the Annual General Meeting for adoption.

General principles

The consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRSs). In drafting them, the International Accounting Standards (IASs) and IFRSs as well as the interpretations of the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) that were in force on December 31, 2015 have been applied. In the Finnish Accounting Act and in the regulations issued on the basis of this Act, "IFRSs" refers to standards that have been adopted for application in the Community in compliance with the acts of the European Parliament and the European Council.

Changes in IAS and IFRS standards as well as IFRIC interpretations that went into effect during the financial year did not have any substantial impact on the Group's financial statements.

The consolidated financial statements have been prepared on the basis of original costs unless otherwise stated in the accounting principles or notes below.

Estimates and judgements

In preparing the consolidated financial statements in compliance with IFRSs, the Management of the Company must make judgements and estimates about the future that affect the reported amounts for assets and liabilities, revenue and expenses as well as other information. The judgements and estimates contained in the financial statements are based on the best assessment of Management on the date of the financial statements. The actual outcome may deviate from the estimates and judgements that have been made. Future events may change the basis for estimates and judgements.

The most important area involving judgements is the valuation of the Group's vessels. See Note 12. If the Group's estimates of the residual value or useful life of its vessels change, this affects the size of depreciation, which in turn affects earnings.

The value of the Group's shareholding in the insurance company Försäkringsaktiebolaget Alandia is established on the basis of the present value of future cash flows. The cash flow projection is based on a number of estimates and judgements that have a substantial impact on present value. The sharehold-ing is reported under "Investments available for sale". See Note 13.

Principles of consolidation

The consolidated financial statements encompass the parent company, Viking Line Abp, and those subsidiaries which the parent company controls. All subsidiaries are wholly owned. See Note 25. The financial statements of Group companies encompass the period January I–December 31, 2015.

Subsidiaries are reported according to the acquisition method. This means that all assets that have been acquired, liabilities that have been taken over and contingent liabilities are recognized at fair values on the date the business was acquired. All subsidiaries were acquired before the transition to IFRS reporting. These acquisitions have been reported as previously in compliance with Finnish generally accepted accounting principles (GAAP).

The Group's internal business transactions as well as receivables and liabilities have been eliminated.

Items in foreign currencies

The consolidated financial statements have been prepared in euros, which is the parent company's functional currency and financial reporting currency. Business transactions in foreign currencies are recognized in the functional currency of each company according to the exchange rate on the transaction date.

When rounding off items to the nearest EUR 1,000,000, rounding-off differences of EUR ± 0.1 M may occur.

Monetary items in foreign currencies have been translated into euros according to the exchange rates prevailing on the balance sheet date, while non-monetary items have been translated according to the exchange rate on the transaction date. Exchange rate differences that have arisen from translation are recognized in the income statement.

The income statements of foreign subsidiaries have been translated into euros according to monthly average rates, while their balance sheets have been translated at the exchange rates on the balance sheet date. Exchange rate differences that have arisen from translation are recognized in equity and in other comprehensive income. Translation differences that arose after the transition to IFRS are recognized as a separate balance sheet item under equity.

Goodwill and other intangible assets

The Group has no recognized goodwill as of the balance sheet date.

Other intangible assets mainly comprise computer software programmes. These are recognized at their original cost and are amortized on a straight-line basis during their estimated useful life of 5-10 years.

Research and development concerning vessel technology are mainly carried out by manufacturers. The Group has no actual research and development expenditures.

Property, plant and equipment

Property, plant and equipment are recognized at historical cost less accumulated depreciation and any impairment loss. Cost includes purchase price as well as expenses directly attributable to the asset. Cost of vessels also includes financial expenses during construction. The residual values and estimated useful life of the assets are examined yearly and are adjusted if they deviate substantially from previous values.

The Group's vessels comprise most of its property, plant and equipment. For vessels, an estimated residual value at the end of their useful life is taken into account in calculating depreciation. The vessels are divided into component parts. Depreciation occurs mainly on a straight-line basis over the expected useful life of the parts. For vessels acquired in 2008 or later the hull, engine and other long-term component parts are depreciated on a straight-line basis over 25 years, while short-term component parts are depreciated on a straight-line basis over 15 years. The above component parts related to vessels acquired prior to 2008 are depreciated on a straight-line basis over either 20 or 25 years.

Viking Line's vessels are dry-docked at 2-3 year intervals. Dry-docking expenses are capitalized for each vessel and depreciated until the next planned dry-docking.

Normal expenditures for repairs and maintenance are expensed on a current basis. Expenditures for large-scale renovation projects are capitalized in the balance sheet if it is likely that the future economic benefits associated with the project will flow to the Group. These renovation projects are depreciated together with the asset to which the work is attributable, over its remaining useful life. Renovation projects for vessels whose remaining useful life is less than five years are depreciated over five years.

Capitalized renovation costs for rented properties are depreciated on a straight-line basis. Other property, plant and equipment are depreciated on a declining balance basis. Land is not depreciated.

Depreciation for property, plant and equipment is calculated according to the following principles:

Vessels	20–25 years, straight-line
Vessels, short-term component parts	I 5 years, straight-line
Vessel dry-docking	2–3 years, straight-line
Vessels, machinery and equipment	25% of remaining expenditure
Buildings	4–7% of remaining expenditure
Structures	20–25% of remaining expenditure
Renovation costs for rented properties	5–10 years, straight-line
Machinery and equipment	25% of remaining expenditure

Gains or losses on the sale or transfer of property, plant and equipment are recognized in the income statement.

Impairment losses

The recognized values of asset items are tested regularly to discover any external or internal indications of impairment. If such indications are observed for any asset item, its recoverable amount is estimated.

The recoverable amount of assets refers to their fair value minus costs to sell or value in use, whichever is higher. When estimating value in use, future cash flows are discounted to their present value on the basis of the discount rates that describe the average pre-tax capital costs of the asset in question. Discount rates shall reflect the time value of money and the risks that the specific asset is subjected to and that have not been taken into account in future cash flows.

An impairment loss is recognized in the income statement if the carrying amount of the asset item exceeds its recoverable amount.

An impairment loss attributable to assets, except for goodwill, is reversed if a change has occurred in the values used in determining the recoverable amount of the asset item. The impairment loss is reversed to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that the asset would have had if no impairment loss had been recognized, taking into account the depreciation that would then have been carried out.

During the financial year 2015, no impairment losses were recognized.

Financial assets and liabilities

According to IAS 39, financial assets are classified in the following categories: 1) financial assets recognized at fair value via the income statement, 2) held-to-maturity investments, 3) loan receivables and trade receivables and 4) financial assets available for sale.

Bank deposits whose maturity is 3-12 months are classified as held-to-maturity investments and are accounted for among current receivables. The Group's other financial investments are classified as financial assets available for sale. Acquisitions and divestments of financial assets are recognized on the payment date.

According to IAS 39, financial liabilities are classified either as 1) financial liabilities recognized at fair value via the income statement, or as 2) other financial liabilities. The Group's financial liabilities are classified as other financial liabilities.

Non-current assets and liabilities have an expected maturity longer than one year, while current assets and liabilities have a maturity less than one year.

The Group applies the following hierarchy to determine the fair value of financial assets and liabilities according to various measurement methods:

Level I: Listed (unadjusted) prices in active markets for identical assets and liabilities.

Level 2: Other measurement methods in which all data that have a significant impact on fair value can be observed either directly or indirectly.

Level 3: Those measurement methods that require judgements by Group Management.

Investments available for sale

Investments available for sale consist of unlisted shares and participations.

Shares in Försäkringsaktiebolaget Alandia

The Åland-based shipowners' mutual insurance company Redarnas Ömsesidiga Försäkringsbolag was re-organized into a limited liability insurance company and merged with its wholly owned insurance subsidiary Försäkringsaktiebolaget Alandia to form Alandia Försäkring Ab as of December 31, 2014. The company changed its name to Försäkringsaktiebolaget Alandia as of January 1, 2015. The shares in the company were allocated in proportion to the premiums paid during the years 2011–2013 among those companies that, on the merger date, had an uninterrupted co-owner relationship with Redarnas Ömsesidiga Försäkringsbolag that had lasted at least one year.

Upon allocation, the Group received shares in Alandia Försäkring Ab and sold some of them as of December 31, 2014. After that, Viking Line's shareholding amounted to 19.9 per cent of the total. The first appraisal of the shareholding was recognized under "Financial income" in the consolidated income statement. Viking Line does not have significant influence on Försäkringsaktiebolaget Alandia. The value of the Group's shareholding is established on the basis of the present value of future cash flows and is reported under "Investments available for sale". Changes in the fair value of the shares will be recognized in "Other comprehensive income" and in the fair value reserve under equity. Changes in fair value will be transferred from equity to the income statement when the investment is sold or in case of any impairment loss.

Other investments available for sale

The fair value of "Other investments available for sale" is determined via disclosures about recently completed transactions, prices of similar instruments, outside appraisals or estimates of expected cash flows. When fair value cannot be reliably determined, the acquisition cost of the asset is used.

Changes in fair value are recognized in "Other comprehensive income" and in the fair value reserve under equity. Changes in fair value are transferred from equity to the income statement when the investment is sold or in case of any impairment loss.

Non-current receivables

Consolidated non-current receivables consist of a receivable related to settlement compensation.

Viking Line reached a settlement with the City of Mariehamn concerning disputed port fees from the 1990s. The settlement is being paid annually for seven years, beginning on December 31, 2011. The carrying amount of the settlement compensation has been calculated according to the effective interest method. A present value estimate is made by discounting future compensation amounts using an interest rate that is equivalent to government bonds with the same maturity as the receivable.

The maximum credit risk for non-current receivables is equivalent to their carrying amount. Any credit losses or other reductions in the value of receivables are recognized as a cost in the income statement.

Trade and other receivables

Bank deposits whose maturity is 3-12 months are classified as held-to-maturity investments and are recognized among other receivables.

The carrying amount of trade and other receivables is recognized as fair value.

Credit risk in the Group's trade and other receivables is regarded as low, since these are dispersed among a large number of customers. The Group had no substantial credit losses during the financial year. The balance sheet carrying amount of the Group's trade and other receivables is equivalent to its maximum credit exposure. Any credit losses or other reductions in the value of receivables are recognized as an expense in the income statement.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank accounts and highly liquid short-term investments whose maturity from the acquisition date is no more than three months. For cash and cash equivalents with a short maturity, the carrying amount is regarded as being equivalent to fair value.

Interest-bearing liabilities

The Group has both current and non-current interest-bearing liabilities.All liabilities are denominated in euros. Some of these liabilities have fixed interest rates and some have floating interest rates.The total floating interest rate consists of the market interest rate and a company-specific margin.

Interest-bearing liabilities are initially recognized at fair value based on the amount received. Transaction costs are included in the original carrying amount of financial liabilities. After the acquisition date, the liabilities are carried at accrued cost according to the effective interest method.

Trade and other payables

The carrying amount of trade and other payables is equivalent to fair value.

Inventories

Inventories have been recognized at a weighted average purchase price or at a probable lower net selling price.

Segment reporting

Group Management has established operating segments based on the information that is dealt with by the Management. Viking Line applies a matrix organization in which operational responsibility is divided into Passenger Services and Cargo Services. Operations, financial earnings forecasts and plans are followed up in these areas for all vessels and are assessed from a comprehensive perspective. The vessels also fulfil all aggregation criteria. The Group's operations have thus been divided into two operating segments: Vessels and Unallocated. The Vessels operating segment comprises direct revenue and expenses including depreciation and amortization that is attributable to vessel operations. The Unallocated operating segment mainly comprises unallocated marketing and administrative expenses. Unallocated also includes the Park Alandia Hotell profit centre and Viking Line Buss Ab, which are support units for vessel operations and account for less than 10 per cent of the Group's sales, operating income and assets. Information on revenue from external customers allocated by geographic area is not available. Assets and liabilities by operating segment are not reported to Group Management.

Revenue and sales recognition principles

Sales are calculated on the basis of sales revenue minus discounts and indirect taxes, adjusted for exchange rate differences. Sales are recognized after goods or services have been received by the customer and benefits associated with ownership of goods or performance of services have been transferred to the purchaser and the Group has thus performed what the customer has paid for. Advance payments are carried in the balance sheet under "Other current liabilities". Any credit losses or other decreases in the value of receivables are recognized as expenses in the income statement. The Group has no actual customer loyalty programme. Future free or discounted voyages of a bonus nature are recognized as corrective items under sales.

Employee compensation

Viking Line has different pension arrangements in the countries where the Group operates. Outside pension companies are responsible for the legally mandated pension liability in Group companies. All of the Group's pension plans are classified as defined-contribution. Pension premiums are recognized as expenses in the income statement for the accounting period to which they are attributable.

Compensation related to dismissals is recognized among "Salary and other employment benefit expenses" and outstanding compensation is accounted for among "Current liabilities" in the balance sheet. The President and CEO enjoys 8 months of salary and other members of the Group Management team 6 months of salary in case of termination by the Company. Otherwise the Group has no defined-benefit pension arrangements or other benefits after employment has ceased. During 2013, the Group applied an incentive and bonus system that included the Company's President and CEO as well as its Executive Vice Presidents. The size of the bonus was affected both by the results of the financial period and personal job performance. The maximum possible bonus was 35 per cent of annual salary. The expenses for the incentive and bonus system are included in the income statement under "Salary and other employment benefit expenses" for the financial period whose earnings entitle Management to bonuses. The Group has no share-based incentive systems. No specific pension agreement has been made for Group Management.

Government restitution

The Group receives government restitution from Finland and Sweden related to the taxes and social security contributions for shipboard employees, in keeping with European Union guidelines. The restitution received is recognized in the income statement among salary and other employment benefit expenses for the period when the basis for restitution has arisen. See Note 5 to the consolidated financial statements.

Rental agreements

The Group's leases and rental agreements are classified as operating leases, since the economic risks and benefits associated with ownership are not transferred to the Group. Rental income and expenses are recognized in the income statement on a straight-line basis over the period of the lease. See Note 23 to the consolidated financial statements.

Income taxes

Income taxes in the income statement consist of taxes based on the taxable income for the period, adjustment of taxes for previous periods and deferred taxes.

Taxes based on the taxable income for the period are calculated according to the applicable tax rate in each country. Income taxes are recognized in the income statement except when underlying transactions have been recognized directly in equity and in other comprehensive income, in which case the related tax effects are recognized in equity and in other comprehensive income.

Deferred taxes are calculated for all temporary differences between carrying amount and tax base. The largest temporary differences are attributable to accumulated depreciation differences. Deferred taxes are estimated according to the tax rates that were established before the balance sheet date. The Group has not recognized any deferred tax assets.

Application of renewed or amended IFRSs

The Group begins to apply each standard and interpretation from the date when it enters into force or from the beginning of the following accounting period, if the date when application begins is a date other than the first day of the accounting period.

Future changes in IASs, IFRSs and IFRIC interpretations that the EU has approved are not expected to have any substantial impact on the consolidated financial statements.

The new international accounting standards IFRS 9, "Financial instruments"; IFRS 15, "Revenue from contracts with customers"; and IFRS 16, "Leases" have not yet been approved by the EU. The Group is evaluating the effects of these standards on its financial statements.

EUI	R M	Jan I, 2015- Dec 31, 2015	Jan I, 2014- Dec 31, 2014
2.	OPERATING SEGMENTS		
2.	Sales		
	Vessels	525.1	521.7
	Unallocated	5.6	5.8
	Total, operating segments	530.7	527.6
	Eliminations	-0.2	-0.2
	Total sales of the Group	530.5	527.4
	Operating income		
	Vessels	71.2	58.3
	Unallocated	-44.7	-44.6
	Total operating income of the Group	26.4	13.7
	SALES		
	Passenger-related revenue	480.0	483.8
	Cargo revenue	46.5	39.6
	Miscellaneous sales revenue Total	4.0	3.9 527.4
3.	OTHER OPERATING REVENUE Rents received on properties Miscellaneous other operating revenue	0.3 0.2	0.4 0.3
	Total	0.5	0.7
4.	GOODS AND SERVICES		
	Goods	130.9	125.9
	Externally purchased services	22.4	22.2
	Total	153.2	148.1
5.	SALARY AND OTHER EMPLOYMENT BENEFIT EXPENSES		
	Salaries	122.7	125.6
	Expenses of defined-contribution pensions	14.5	14.6
	Other payroll overhead	16.5	16.8
		153.7	157.1
	Government restitution	-35.6	-36.3
	Total	118.1	120.8
	AVERAGE NUMBER OF EMPLOYEES		
	Shipboard employees	2,066	2,133
	Land-based employees	669	664
	Total	2,735	2,797

In addition to the Group's own employees, the Viking XPRS was crewed by an average of 241 (235) people employed by a staffing company. The expenses for them are recognized among "Other operating expenses".

Disclosures on compensation to the Group's key individuals in leading positions are found in Note 25.

EUR M	Jan 1, 2015- Dec 31, 2015	Jan I, 2014- Dec 31, 2014
6. DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation		
Intangible assets	0.2	0.3
Buildings and structures	0.9	0.9
Renovation costs for rented properties	0.1	0.1
Vessels	24.2	28.3
Machinery and equipment	2.2	2.2
Total	27.7	31.8
Total depreciation and impairment losses	27.7	31.8
7. OTHER OPERATING EXPENSES		
Sales and marketing expenses	28.7	28.5
Washing and cleaning expenses	20.0	19.9
Repairs and maintenance	14.4	13.0
Public port expenses and vessel charges	40.3	42.6
Fuel expenses	48.7	57.4
Miscellaneous expenses	53.4	52.2
Total	205.5	213.6
Auditors' fees		
Auditing	0.1	0.1
Miscellaneous consulting	0.1	0.0
Total	0.2	0.1
3. FINANCIAL INCOME AND EXPENSES		
Dividend income from investments available for sale	1.6	0.0
Interest income from cash, cash equivalents and non-current receivables	0.1	0.1
Investments received that are available for sale, Försäkringsaktiebolaget Alandia	-	27.9
Exchange gains	3.2	0.9
Other financial income	0.0	0.1
Total financial income	5.0	29.0
Interest expenses on financial liabilities recognized at accrued cost	5.1	5.9
Exchange losses	2.4	3.6
Other financial expenses	0.7	1.0
Total financial expenses	8.2	10.4

	Jan 1, 2015-	Jan 1,2014
INCOME TAXES	Dec 31, 2015	Dec 31, 2014
Tax for the financial year	1.3	0.0
Tax attributable to previous financial years	0.0	0.0
Deferred tax, change in temporary differences	3.1	1.7
Total	4.4	1.8
Reconciliation of tax expense in the income statement and taxes		
estimated according to tax rate in the Group's home country		
Income before taxes	23.2	32.3
Taxes estimated according to Finnish tax rate (20.0%)	4.6	6.5
Tax attributable to previous financial years	0.0	0.0
Tax effect of		
divergent tax rates in foreign subsidiaries	0.0	0.0
tax-exempt revenue and non-deductible expenses	-0.2	-5.0
deferred tax, other changes	0.0	0.3
previously established tax loss carry-forwards	-	0.0
other	0.0	0.0
Taxes in the income statement	4.4	8.1

10. EARNINGS PER SHARE

Earnings per share are calculated on the basis of 10,800,000 shares of equal value. Viking Line has no share option, convertible debenture or share-based incentive programmes, so no dilution can occur.

INTANGIBLE ASSETS	2015	2014
Cost, Jan I	3.6	3.5
Translation differences	0.0	0.0
Increases	0.4	0.1
Decreases	-0.2	-
Cost, Dec 31	3.8	3.6
Accumulated amortization, Jan I	-3.0	-2.7
Translation differences	0.0	0.0
Accumulated amortization on decreases	0.2	-
Amortization for the financial year	-0.2	-0.3
Accumulated amortization, Dec 31	-3.0	-3.0
Carrying amount, Jan 1	0.6	0.8
Carrying amount, Dec 31	0.8	0.6

Intangible assets consist mainly of computer software programmes.

PROPERTY, PLANT AND EQUIPMENT	Land	Buildings and structures	Renovation costs for rented properties	Vessels	Machinery and equipment	Total
Cost, Jan 1, 2015	1.1	26.2	10.4	777.0	39.0	853.7
Translation differences	-	0.0	-	1.4	0.0	1.4
Increases	-	0.0	0.8	7.6	1.2	9.6
Decreases	-	-0.9	-0.1	-6.5	-23.2	-30.7
Cost, Dec 31, 2015	1.1	25.3	11.0	779.6	17.1	834.0
Accumulated depreciation, Jan 1, 2015	-	-15.3	-9.8	-436.9	-32.3	-494.4
Translation differences	-	0.0	-	-0.4	0.0	-0.4
Accumulated depreciation on decreases	-	0.9	0.1	6.5	23.0	30.6
Depreciation for the financial year	-	-0.9	-0.1	-24.2	-2.2	-27.5
Accumulated depreciation, Dec 31, 2015	-	-15.3	-9.8	-455.I	-11.6	-491.7
Carrying amount, Jan 1, 2015	1.1	10.8	0.6	340.1	6.7	359.3
Carrying amount, Dec 31, 2015	1.1	10.0	1.2	324.5	5.5	342.3
Cost, Jan 1, 2014	1.1	26.2	10.3	776.3	38.7	852.6
Translation differences	0.0	0.0	-	-3.9	0.0	-3.9
Increases	-	0.0	0.0	6.2	0.9	7.1
Decreases	0.0	-0.1	-	-1.6	-0.5	-2.2
Cost, Dec 31, 2014	1.1	26.2	10.4	777.0	39.0	853.7
Accumulated depreciation, Jan 1, 2014	-	-14.5	-9.7	-411.1	-30.6	-465.9
Translation differences	-	0.0	-	0.9	0.0	1.0
Accumulated depreciation on decreases	-	0.0	-	1.6	0.4	2.1
Depreciation for the financial year	-	-0.9	-0.1	-28.3	-2.2	-31.5
Accumulated depreciation, Dec 31, 2014	-	-15.3	-9.8	-436.9	-32.3	-494.4
Carrying amount, Jan 1, 2014	1.1	11.7	0.7	365.2	8.0	386.7
Carrying amount, Dec 31, 2014	1.1	10.8	0.6	340.1	6.7	359.3

Viking Line has no financial leases related to property, plant and equipment.

13.	INVESTMENTS AVAILABLE FOR SALE	Dec 31, 2015	Dec 31, 2014
	Unlisted shares and participations	26.8	26.1
	Investments available for sale	26.8	26.1
		2015	2014
	Investments available for sale, Jan 1	26.1	0.0
	Increases	-	27.9
	Decreases	-	-1.8
	Change in fair value	0.7	0.0
	Investments available for sale, Dec 31	26.8	26.1

For a description of the appraisal of investments available for sale and the accompanying sensitivity analysis, see Note 26.

4. R	ECEIVABLES	Dec 31, 2015	Dec 31, 2014
N	on-current receivable, settlement compensation	0.2	0.3
To	otal	0.2	0.3
		2015	2014
Re	eceivables, Jan I	0.3	0.5
	ecreases	-0.2	-0.2
Re	eceivables, Dec 31	0.2	0.3
5. IN	NVENTORIES	D 21 2015	D 31-3014
		Dec 31, 2015 15.8	Dec 31, 2014
	ventories of goods for sale		
	upplies	0.3	0.3
	cocks of vessel fuel	.	1.0
IC	otal	17.2	16.1
6. T	RADE AND OTHER RECEIVABLES	Dec 31, 2015	Dec 31, 2014
Tr	rade receivables	10.0	10.6
A	ccrued income and prepaid expenses	17.9	17.9
0	ther receivables	1.5	0.9
To	otal	29.4	29.3
A	ccrued income and prepaid expenses		
En	nployee-related items	16.6	16.4
0	ther accrued income and prepaid expenses	1.3	1.4
Tc	otal	17.9	17.9
A	ge analysis, trade receivables		
N	ot overdue	7.5	5.0
0	overdue 1-30 days	2.1	5.5
0	overdue more than 30 days	0.4	0.1
To	otal	10.0	10.6
Т	rade and other receivables by currency		
	JR	23.8	24.6
	EK	5.0	4.4
	HF	0.1	0.1
	КК	0.0	0.0
G	BP	0.4	0.2
	SD	0.0	

17.	CASH AND CASH EQUIVALENTS	Dec 31, 2015	Dec 31, 2014
	Cash and bank accounts	107.7	93.1
	Short-term investments	3.0	8.0
	Total	110.7	101.1

The maturity of short-term investments is 36 days.

18. EQUITY

Share capital

The minimum share capital of Viking Line Abp is EUR 720,000.00 and the maximum share capital is EUR 2,880,000.00. Within these limits, share capital may be increased or decreased without amending the Articles of Association. The minimum number of shares is 3,600,000 and the maximum number is 14,400,000. Since April 12, 1995, the share capital of Viking Line Abp has been EUR 1,816,429.61 and the number of shares 10,800,000. All shares constitute one series, in which all shares are of equal value. Each share is equivalent to one vote on motions and candidates at shareholders' meetings. However, no shareholder may vote on behalf of more than 1/4 of the shares represented at a shareholders' meeting. The Company has not issued any warrants or bonds. The Board of Directors has not requested authorization from a shareholders' meeting to change the share capital or to issue warrants or bonds or to acquire the Company's own shares. The Company and its subsidiaries do not own any of their own shares.

Reserves	Dec 31, 2015	Dec 31, 2014
Legal reserve	0.0	0.0
Share premium reserve	0.0	0.0
Fair value reserve	0.7	0.0
Total	0.7	0.0

Translation differences

Translation differences consist of differences that have arisen when consolidating the financial statements of foreign subsidiaries. These differences are recognized in other comprehensive income.

Dividend

A dividend of EUR 0.70 per share, totalling EUR 7.6 M, was distributed for the financial year 2014 (a dividend of EUR 0.50 per share, totalling EUR 5.4 M, was distributed for the financial year 2013). After the balance sheet date, the Board of Directors proposed that a dividend of EUR 0.95 per share be paid for the financial year 2015. The dividend distribution is recognized as a liability in the balance sheet when the shareholders' meeting has approved it.

19.	DEFERRED TAX ASSETS AND LIABILITIES	Accumulated depreciation	Other temporary	
	Deferred tax liabilities	differences	differences	Total
	Jan 1, 2015	31.4	0.0	31.4
	Translation differences	0.0	-	0.0
	Recognized in income statement	3.1	0.0	3.1
	Recognized directly in equity	-	0.0	0.0
	Dec 31, 2015	34.4	0.0	34.5
	Jan 1,2014	29.7	0.0	29.7
	Translation differences	0.0	-	0.0
	Recognized in income statement	1.7	0.0	1.7
	Recognized directly in equity	-	0.0	0.0
	Dec 31, 2014	31.4	0.0	31.4

0.	INTEREST-BEARING LIABILITIES		Dec 31, 2015	Dec 31, 2014
	Non-current interest-bearing liabilities			
	Loans from credit institutions		174.0	197.5
	Current interest-bearing liabilities			
	Loans from credit institutions, principal payments		23.5	23.5
	Future cash flows related to interest-bearing financial liabilities 2016	Amortization 23.5	Financial expenses 5.4	Tota 29.0
	2017	23.5	4.8	29.0
	2017	23.5	4.8	28.3
	2019	23.5	3.6	27.1
	2020	23.5	3.0	26.5
	2021 -	80.0	6.1	86.1
	Total	197.5	27.2	224.7
			2015	2014
	Interest-bearing liabilities, Jan 1		221.0	236.2
	Decreases		-23.5	-15.2
	Change in fair value		0.0	0.0
	Interest-bearing liabilities, Dec 31		197.5	221.0
١.	TRADE AND OTHER PAYABLES		Dec 31, 2015	Dec 31, 2014
	Trade payables		23.5	23.9
	Accrued expenses and prepaid income		34.4	32.5
	Other payables		11.0	11.1
	Total		68.9	67.4
	Accrued expenses and prepaid income			
	Employee-related expenses		24.6	23.3
	Other accrued expenses and prepaid income		9.8	9.2
	Total		34.4	32.5
	Trade and other payables by currency			
	EUR		51.8	50.3
	SEK		16.1	14.3
	DKK		0.1	0.0
	GBP		0.0	
	NOK		-	0.0
	USD		0.8	2.8
			68.9	67.4

Most other payables consist of employee-related items.

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES		
Classification of fair value, investments available for sale	Dec 31, 2015	Dec 31, 2014
Level I	-	-
Level 2	-	-
Level 3	26.8	26.1
Financial assets and liabilities by category Financial assets Dec 31, 2015	Loan receivables and trade receivables	Financial assets available for sale
Investments available for sale	-	26.8
Receivables	0.2	-
Trade and other receivables	29.4	-
Cash and cash equivalents	110.7	-
Total	140.2	26.8

Financial liabilities Dec 31, 2015	Other financial liabilities
Non-current interest-bearing liabilities	174.0
Current interest-bearing liabilities	23.5
Trade and other payables	68.9
Total	266.4

Financial assets and liabilities by category Financial assets Dec 31, 2014	Loan receivables and trade receivables	Financial assets available for sale
Investments available for sale	-	26.1
Receivables	0.3	-
Trade and other receivables	29.3	-
Cash and cash equivalents	101.1	-
Total	130.8	26.1

Financial liabilities Dec 31, 2014	Other financial liabilities
Non-current interest-bearing liabilities	197.5
Current interest-bearing liabilities	23.5
Trade and other payables	67.4
Total	288.5

23. RENTAL AGREEMENTS

Rental income

The Group rents out premises in portions of its properties to various business owners. Most of these agreements are cancellable.

Future rental income related to non-cancellable rental agreements	Dec 31, 2015	Dec 31, 2014
Due within one year	0.1	0.2
Due in later than one year but within five years	0.2	0.0
Due in later than five years	0.0	-
Total	0.3	0.2

Minimum lease payments and rent expenses

The Group has no agreements that are classified as financial leases. The Group rents a number of premises for sales and administrative purposes. In addition, there are various operating leases related to machinery and equipment. The agreements vary in length between I and 7 years. The agreements normally include options for renewal after the expiration of the agreement. The agreements vary with regard to indexing, renewal and other terms and conditions.

In addition, the Group leases a harbour area whose remaining lease period totals 10 years. One condition for occupying the property is that it be used for passenger, cargo and car ferry services. In the lease, the Company has also undertaken to pay port fees for all its vessels that use the harbour in question. These port fees should total a certain minimum level. Minimum levels are also specified for volumes and net registered tonnage. Viking Line is entitled to transfer the agreement to a third party.

Future minimum lease payments operating leases	and rents related to non-cancellable	Dec 31, 2015	Dec 31, 2014
Due within one year		1.6	1.4
Due in later than one year but within f	ive years	2.9	3.4
Due in later than five years		0.1	0.2
Total		4.5	5.1
24. PLEDGED ASSETS AND CONTI	NGENT LIABILITIES	Dec 31, 2015	Dec 31, 2014
Contingent liabilities			
Loans and credit lines for which vessel	, vehicle and		
chattel mortgages were provided as co	ollateral	197.5	221.0
Other contingent liabilities not include	d in the balance sheet		
Covered by vessel mortgages		-	0.0
Covered by site leasehold and cha	ittel mortgages	0.0	0.0
Total		197.5	221.1
Assets pledged for own debt			
Vessel mortgages		312.6	314.7
Vehicle mortgages		0.1	0.1
Chattel mortgages		0.5	0.5
Site leasehold mortgages		0.4	0.4
Total		313.6	315.7

25.	RELATED PARTIES			Share of
	Group companies	Domicile	Holding	voting power
	Owned by the parent company, Viking Line Abp	Mariehamn, Finland		
	Viking Rederi AB	Norrtälje, Sweden	100%	100%
	OÜViking Line Eesti	Tallinn, Estonia	100%	100%
	Viking Line Buss Ab	Mariehamn, Finland	100%	100%
	Viking Line Skandinavien AB	Stockholm, Sweden	100%	100%
	Viking Line Finnlandverkehr GmbH	Lübeck, Germany	100%	100%
	Oy Viking Tours Ruotsinmatkat - Sverigecenter Ab	Mariehamn, Finland	100%	100%
	Oy Ruotsinsatama - Sverigehamnen Ab	Naantali, Finland	100%	100%
	Owned by subsidiaries			
	Finlandshamnen Stuveri AB	Stockholm, Sweden	100%	100%
	Transactions with companies that are under significant		Jan I, 2015-	Jan I, 2014-
	influence of the Group's key individuals in leading positions		Dec 31, 2015	Dec 31, 2014
	Sales of services		0.0	0.0
	Purchases of services		0.6	0.6
			Dec 31, 2015	Dec 31, 2014
	Receivables outstanding		0.0	0.0
	Liabilities outstanding		0.0	0.0

Transactions with related parties are carried out on market terms. The Group has no loan arrangements, guarantees, contingent liabilities provided/received or other liabilities associated with related parties.

Compensation to the Group's key individuals in l	leading positions, EUR		Jan I, 2015- Dec 31, 2015	Jan 1, 2014- Dec 31, 2014
Salaries and other short-term compensation			901,883	1,225,830
Total			901,883	1,225,830
Compensation and other benefits 2015 FUR	Base salary/ Board fee	Other	Pension	Total

Compensation and other benefits, 2015, EUR	Board fee	benefits	expenses	Total
Ben Lundqvist, Chairman of the Board	36,000		•	36,000
Nils-Erik Eklund, Board member	31,000			31,000
Trygve Eriksson, Board member	29,000			29,000
Erik Grönberg, Board member	31,000			31,000
Agneta Karlsson, Board member	31,000			31,000
Dick Lundqvist, Board member	30,000			30,000
Lars G Nordström, Board member	29,000			29,000
Ulrica Danielsson, deputy Board member	6,000			6,000
Stefan Lundqvist, deputy Board member	7,000			7,000
Johnny Rosenholm, deputy Board member	7,000			7,000
	237,000	-	-	237,000
President and CEO	254,290	663	43,903	298,855
Deputy CEO	195,250	557	33,718	229,525
Other key individuals in leading positions	440,872	10,252	84,374	535,498
	890,411	11,472	161,994	I,063,878
Total	1,127,411	11,472	161,994	1,300,878
lotal	1,127,111	11,772	101,774	1,500,

Compensation and other benefits, 2014, EUR	Base salary/ Board fee	Other benefits	Pension expenses	Total
Ben Lundqvist, Chairman of the Board	37,000			37,000
Nils-Erik Eklund, Board member	32,000			32,000
Trygve Eriksson, Board member	32,000			32,000
Erik Grönberg, Board member	31,000			31,000
Agneta Karlsson, Board member	31,000			31,000
Dick Lundqvist, Board member	32,000			32,000
Lars G Nordström, Board member	30,000			30,000
Ulrica Danielsson, deputy Board member	1,000			1,000
Stefan Lundqvist, deputy Board member	1,000			1,000
Johnny Rosenholm, deputy Board member	2,000			2,000
	229,000	-	-	229,000
President and CEO Jan Hanses from March 20, 2014	214,775	360	35,411	250,546
President and CEO Mikael Backman until March 20, 2014	87,512	155,219	39,953	282,684
Deputy CEO	186,730	10,432	32,453	229,614
Other key individuals in leading positions	556,911	13,892	103,277	674,081
	1,045,927	179,903	211,095	1,436,925
Total	1,274,927	179,903	211,095	1,665,925

Fees adopted by the Annual General Meeting are paid as compensation for the work of the Board. Reasonable travel expenses are paid as invoiced.

The President and CEO and other Group Management members are paid monthly salaries that are reviewed by the Board yearly. The President and CEO also receives the following benefits in kind: telephone benefits and group life insurance coverage, including insurance for medical expenses.

The Group applied an incentive and bonus system that included the Company's President and CEO as well as its Executive Vice Presidents during 2013. The size of the bonus was affected both by the results of the financial period and personal job performance. The maximum bonus was 35 per cent of annual salary. Effective from 2014 no incentive and bonus system is being applied. The Group has no share-based incentive systems.

Compensation to key individuals in leading positions for 2014 includes individual bonuses of EUR 9,951 related to the financial year 2013, since the Board of Directors made its decisions on this disbursement after the financial statements for 2013 had been adopted.

The Group has only defined-contribution pension plans. Pension expenses refer to the expenses that have affected the year's income. There is no specific agreement on Group Management pensions, so public pension terms apply. The retirement age of the President and CEO is 63-68.

The President and CEO has a termination notice period of 8 months. The Company's Board is entitled to terminate the President and CEO's contract, but the President and CEO will receive 8 months of salary after the termination date. Other Group Management members receive 6 months of salary in case of termination by the Company. Otherwise the Group has made no individual agreements on termination-related benefits.

Since March 20, 2014 Jan Hanses has served as President and CEO and Andreas Remmer as Deputy CEO. Mikael Backman served as President and CEO and Jan Hanses as Deputy CEO until March 20, 2014.

No benefits other than salaries and short-term compensation were paid to key individuals in leading positions. As agreed, Mikael Backman received 8 months of salary after the date of his termination. Compensation of EUR 154,888 was included in the item "Other benefits" for 2014.

26. MANAGEMENT OF FINANCIAL RISKS

In its normal business operations, the Group is exposed to various financial risks. The main financial risks are foreign exchange risk, interest rate risk, liquidity risk, credit and counterparty risk, and bunker price risk. The Board of Directors of the parent company has approved a policy document for the Group's financing and management of financial risks. The Group's financial position and risk exposure are reported regularly to the Board of Directors.

The Group had no derivative contracts during 2014 and 2015.

Foreign exchange risk

The Group's foreign exchange risk consists of sales and purchases as well as balance sheet items in foreign currencies and net investments in foreign subsidiaries. The impact of changes in currency exchange rates on net investments in foreign subsidiaries is reflected as translation differences in Group equity and in other comprehensive income.

The most important foreign currencies for the Group are Swedish kronor (SEK) and American dollars (USD). During 2015 SEK-denominated sales accounted for about 31 per cent of total consolidated sales. Salary and other employment benefit expenses and purchases denominated in SEK accounted for about 24 per cent of the Group's total salary and other employment benefit expenses and purchases. The USD exchange rate affects the Group's earnings mainly through bunker (vessel fuel) purchases.

The Group's trade and other receivables and its trade and other payables per currency are shown in Notes 16 and 21. In addition, the Group has cash and cash equivalents in various currencies. The Group's loans are entirely denominated in euros. The currency position is monitored continuously and the Group endeavours to achieve a matching of the currency flows. When an imbalance between the Group's inflows and outflows of SEK arises, this is managed primarily by a continuous sale of SEK. The Group has no form of currency hedging.

A 5 per cent change in the exchange rate of the euro against the Swedish krona on December 31, 2015 would have an estimated effect of EUR ± 0.0 M (EUR ± 0.7 M on December 31, 2014) on consolidated income after taxes and equity.

Interest rate risk

Fluctuations in interest rates affect the Group's interest expenses and interest income. Of the Group's interest-bearing liabilities, 72 per cent have fixed interest rates and 28 per cent have floating interest rates. The total floating interest rate consists of the market interest rate and a company-specific margin. There are no interest rate derivatives.

A one percentage point change in the market interest rates on the Group's interest-bearing liabilities with floating interest rates on December 31, 2015 would have an estimated effect of EUR ± 0.4 M (EUR ± 0.5 M on December 31, 2014) on consolidated income after taxes and equity.

Liquidity risk

Viking Line evaluates and continuously monitors the financing that is required in its business operations in order to always have sufficient funds for day-to-day activities, principal payments and investments. Liquidity risk is also managed through efficient cash management, by ensuring reasonably priced financing sources and by dispersing a sufficient portion of financial investments among liquid financial instruments. Vessel investments are financed with long-term credit agreements.

The loan agreement related to the financing of the M/S Viking Grace includes loan covenants according to market terms.

The Group's non-current interest-bearing liabilities amounted to EUR 174.0 M on December 31, 2015 (EUR 197.5 M on December 31, 2014). Information on the dates when interest-bearing liabilities fall due for payment is found in the consolidated financial statements, Note 20. The Group's cash and cash equivalents amounted to EUR 110.7 M on December 31, 2015 (EUR 101.1 M on December 31, 2014).

Credit and counterparty risk

Trade and other receivables are a credit risk for the Group. Credit risk in operational activities is continuously monitored. Credit risk in the Group's trade and other receivables is regarded as low, since these are dispersed among a large number of customers. The Group had no substantial credit losses during the financial year. The balance sheet carrying amount of the Group's trade and other receivables plus investments available for sale is equivalent to its maximum credit exposure. An age analysis of unimpaired trade receivables can be found in the consolidated financial statements, Note 16.

Cash is invested in financial instruments that are liquid and exposed to low risk. Investments in financial instruments are made only with counterparties deemed to have good solvency and creditworthiness.

Bunker price risk

Bunker (vessel fuel) costs are a substantial risk for the Group. Most of the price of the Group's bunker purchases is determined by world market prices for bunker oil and natural gas. The floating component in the bunker oil price comprises the average price of the oil quality in question during the week of purchase. Bunker oil purchases are made in USD. The liquefied natural gas (LNG) price is determined by unit costs for the natural gas element, condensation and bunker vessel logistics. In order to partly offset the risk of higher bunker prices, the Group has entered into fixed-price agreements related to a portion of its estimated bunker consumption during 2015 and 2016.

Vessel bunker costs amounted to EUR 48.5 M during the financial year 2015 (EUR 57.1 M during 2014), which is equivalent to 9.1 per cent (10.8) of Group sales. Bunker consumption totalled about 80,700 m³ oil and about 15,500 tonnes LNG during 2015 (about 87,500 m³ oil and 16,000 tonnes LNG during 2014).

A 10 per cent change in the bunker price on December 31, 2015 of LNG and the bunker oil quality that will be used, based on projected bunker consumption in 2016, would have an estimated effect of EUR ± 1.1 M on consolidated income after taxes and equity. The Group's existing fixed-price agreements have been taken into account in these calculations.

Price risk

The Group is exposed to price risk related to shares that are classified as "Investments available for sale". The value of the Group's shareholding in the insurance company Försäkringsaktiebolaget Alandia is established on the basis of the present value of forecasted future cash flows during the period 2016–2020. For subsequent periods, annual growth of 2.0 per cent has been forecasted. A required return of 10.0 per cent on equity has been used in the calculation.

Sensitivity analysis	Effect on present value, EUR M
Decrease by 5% of forecasted cash flows	- 1.3
Increase by 5% of forecasted cash flows	1.3
Required return on equity 9.0%	3.9
Required return on equity 11.0%	- 3.1

Asset management

The purpose of the Group's asset management is a capital structure that ensures normal operating conditions. The Company's Board of Directors assesses the capital structure of the Group regularly by monitoring the equity/assets ratio. On December 31, 2015, the equity/assets ratio amounted to 42.8 per cent, compared to 40.0 per cent on December 31, 2014.

27. LITIGATION AND DISPUTES

On February 27, 2015, the Helsinki District Court announced its judgement in a case between Viking Line and the Finnish State regarding fairway charges levied during the years 2001–2004. According to the judgement, the Finnish State will be required to pay approximately EUR 12.4 M in accordance with Viking Line's claim as well as legal expenses plus interest. If the judgement becomes final, it will affect Viking Line's financial statements positively with a corresponding amount. The Finnish State has appealed the case. The appeal will go before the Court of Appeals during the spring of 2016, but the assessment of Viking Line's Board of Directors is that a final legally binding decision is unlikely during 2016.

Viking Line is involved in a few other legal actions and cases whose outcome cannot be predicted, but taking into account the information that is available at present, their outcome is not expected to have any substantial impact on consolidated earnings.

28. EVENTS AFTER THE BALANCE SHEET DATE

The Management of the Company is not aware of any major events after the balance sheet date that might influence the financial statements.

Five-year financial review

The Group	2011	2012	2013	2014	2015
Sales, EUR M	504.3	516.1	549.4	527.4	530.5
Operating income, EUR M	9.8	2.4	34.7	13.7	26.4
- as % of sales	1.9%	0.5%	6.3%	2.6%	5.0%
Income before taxes, EUR M	7.9	1.6	27.7	32.3	23.2
– as % of sales	1.6%	0.3%	5.0%	6.1%	4.4%
Return on equity (ROE)	4.6%	0.6%	15.6%	15.2%	8.5%
Return on investment (ROI)	3.9%	1.3%	10.4%	9.1%	6.8%
Equity/assets ratio	46.5%	46.2%	35.6%	40.0%	42.8%
Debt/equity ratio (gearing)	20.7%	22.5%	74.1%	56.2%	38.5%
Gross capital spending, EUR M	36.9	49.7	172.3	7.2	10.0
- as % of sales	7.3%	9.6%	31.4%	1.4%	1.9%
Average number of employees	3,060	3,014	3,104	2,797	2,735
- of whom shipboard employees	2,305	2,299	2,407	2,133	2,066
- of whom land-based employees	755	715	697	664	669
Salaries etc, EUR M	124.9	128.2	135.5	125.6	122.7

Quarterly consolidated income statement

	2015	2015	2015	2015
EUR M	Q4	Q3	Q2	QI
SALES	127.4	164.1	134.1	105.0
Other operating revenue	0.2	0.1	0.1	0.1
Expenses				
Goods and services	37.0	46.0	39.5	30.6
Salary and other employment benefit expenses	29.6	29.6	30.2	28.8
Depreciation and impairment losses	7.3	6.7	7.0	6.6
Other operating expenses	49.7	51.7	55.2	48.9
	123.7	134.0	131.9	114.9
OPERATING INCOME	3.9	30.1	2.3	-9.8
Financial income	1.2	0.5	2.2	1.0
Financial expenses	-1.6	-3.2	-1.9	-1.6
INCOME BEFORE TAXES	3.5	27.4	2.6	-10.4
Income taxes	-1.0	-5.4	-0.1	2.1
INCOME FOR THE PERIOD	2.5	22.0	2.5	-8.2
Income attributable to:				
Parent company shareholders	2.5	22.0	2.5	-8.2
Earnings per share before and after dilution, EUR	0.23	2.03	0.23	-0.76

Quarterly consolidated statement of comprehensive income

	2015	2015	2015	2015
EUR M	Q4	Q3	Q2	QI
INCOME FOR THE PERIOD	2.5	22.0	2.5	-8.2
Other comprehensive income				
Items that may be transferred to the income statement				
Translation differences	0.5	-0.3	0.1	0.2
Investments available for sale	0.8	0.6	-2.1	1.2
	1.4	0.3	-1.9	1.4
COMPREHENSIVE INCOME FOR THE PERIOD	3.9	22.3	0.6	-6.8
Comprehensive income attributable to:				
Parent company shareholders	3.9	22.3	0.6	-6.8

Share data

Share capital and shares

The minimum share capital of Viking Line Abp is EUR 720,000.00 and the maximum share capital is EUR 2,880,000.00. Within these limits, share capital may be increased or decreased without amending the Articles of Association. The minimum number of shares is 3,600,000 and the maximum number is 14,400,000. Since April 12, 1995, the share capital of Viking Line Abp has been EUR 1,816,429.61. Since July 5, 1995, the shares of Viking Line Abp have been listed on the NASDAQ Helsinki.

Joining the Finnish book-entry securities account system

The changeover of Viking Line Abp shares took place during the period February 15 – March 12, 1999.

Warrants and bonds

The Company has not issued warrants or bonds.

Limitations on voting rights

All shares constitute one series, in which all shares are of equal value. Each share is equivalent to one vote when voting on motions and candidates at shareholders' meetings. However, no shareholder may vote on behalf of more than 1/4 of the shares represented at a shareholders' meeting.

Authority to make changes

The Articles of Association stipulate lower and upper limits for the Company's share capital. The Board of Directors has not requested authorization from a shareholders' meeting to change the share capital or to issue warrants or bonds or acquire the Company's own shares.

Shareholders

At the end of the 2015 financial year, the Company had 3,420 registered shareholders.

Larg	gest shareholders, December 31, 2015	Number of shares	Percentage of total
Ι.	Ångfartygs Ab Alfa	1,656,500	15.3%
2.	Ab Rafael	1,476,944	13.7%
3.	Rederi Ab Hildegaard	1,110,803	10.3%
4.	Lundqvist Ben	385,717	3.6%
5.	Eklund Nils-Erik	346,645	3.2%
6.	Sviberg Marie-Louise	315,245	2.9%
7.	Sundman Airi	158,740	1.5%
8.	Försäkringsaktiebolaget Alandia	150,540	1.4%
9.	Lundqvist Dick	125,000	1.2%
10.	Blomsterlund Carita	117,703	1.1%

Viking Line Abp's shareholders, by sector	Number of shareholders	Percentage of total	Number of shares	Percentage of total
Companies	137	4.0%	4,778,235	44.3%
Credit institutions and insurance companies	9	0.3%	220,929	2.1%
Public sector entities	3	0.1%	155,641	1.4%
Households	3,109	90.9%	5,126,974	47.5%
Non-profit entities	18	0.5%	66,854	0.6%
Foreign shareholders	136	4.0%	338,842	3.1%
Nominee-registered shares	8	0.2%	112,329	1.0%
Not transferred to book-entry securities account system			196	0.0%
Total	3,420	100.0%	10,800,000	100.0%

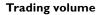
Distribution of share capital	Number of shareholders	Percentage of total	Number of shares	Percentage of total
I_99	1,517	44.4%	46,218	0.4%
100–999	1,139	33.3%	261,683	2.4%
1,000–9,999	644	18.8%	1,597,299	14.8%
10,000–99,999	107	3.1%	2,713,157	25.1%
100,000–999,999	10	0.3%	1,937,200	18.0%
1,000,000–	3	0.1%	4,244,247	39.3%

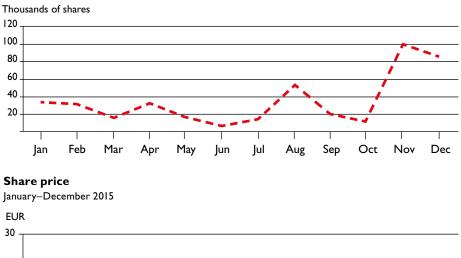
Board and top management shareholdings

The members and deputy members of the Board of Directors, the President and Chief Executive Officer, and the Deputy Chief Executive Officer own or control, in the manner described in Chapter 2, Section 4 of the Finnish Securities Market Act, 1,053,879 shares in the Company, equivalent to a voting power of 9.8 per cent. Viking Line applies the provisions of the Securities Market Act on insider information as well as the insider regulations of the NASDAQ Helsinki.

Trading volume and share price

During the financial year 2015, trading in Viking Line on the NASDAQ Helsinki totalled 416,594 shares. This meant that 3.9 per cent of all shares changed hands. The year's highest share price was EUR 20.70, the lowest EUR 15.82. On December 31, 2015, the quoted share price was EUR 20.70. The Company's market capitalization on that date was EUR 223.56 M.





January–December 2015

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SHARE-RELATED FINANCIAL RATIOS	2011	2012	2013	2014	2015
Earnings per share, EUR	0.70	0.09	2.54	2.83	1.73
Equity per share, EUR	15.40	15.00	17.50	19.75	20.89
Dividend per share, EUR*	0.50	0.00	0.50	0.70	0.95
Dividend/earnings	71.2%	0.0%	19.7%	24.7%	54.8%
Dividend/share price	2.3%	0.0%	2.8%	4.4%	4.6%
Price/earnings (P/E) ratio	31	200	7	6	12
Share price on December 31, EUR	22.10	17.10	17.82	15.82	20.70
Highest share price, EUR	32.15	22.50	22.04	18.88	20.70
Lowest share price, EUR	20.55	16.40	17.01	13.50	15.82
Average share price, EUR	27.40	18.31	18.39	16.15	17.78
Market capitalization, EUR M	238.68	184.68	192.46	170.86	223.56
Number of shares traded	218,515	143,492	209,006	240,667	416,594
Percentage of shares traded	2.0%	1.3%	1.9%	2.2%	3.9 %
Dividend paid for financial year, EUR M*	5.40	0.00	5.40	7.56	10.26
Average number of shares	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000
Number of shares on December 31	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000

* For the financial year 2015, proposed by the Board of Directors for approval by the Annual General Meeting

Definitions of financial ratios

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)
Debt/equity ratio (gearing), % =	(Interest-bearing liabilities – cash and cash equivalents) / Equity including minority interest
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 December 31
Dividend/earnings, % =	Dividend per share / Earnings per share
Dividend/share price, % =	Dividend per share / Share price on December 31
Price/earnings (P/E) ratio =	Share price on December 31 / Earnings per share

Parent company income statement

EUR M	Note	Jan I, 2015– Dec 31, 2015	Jan I, 2014– Dec 31, 2014
SALES		536.5	533.8
Other operating revenue	2	0.6	2.4
Operating expenses			
Goods and services	3	152.9	147.8
Employee expenses	4	88.8	90.2
Depreciation/amortization	5	24.7	28.7
Other operating expenses	6	247.0	257.0
		513.5	523.8
OPERATING INCOME		23.6	12.4
Financial income and expenses	7	-2.6	-6.0
INCOME BEFORE EXTRAORDINARY ITEMS		21.0	6.4
Extraordinary items	8	-	27.2
INCOME BEFORE ALLOCATIONS AND TAXES		21.0	33.6
Appropriations	9	-13.5	-8.2
Income taxes	10	-1.3	0.0
INCOME FOR THE FINANCIAL YEAR		6.2	25.4

Parent company balance sheet

EUR M	Note	Dec 31, 2015	Dec 31, 2014
ASSETS			
FIXED ASSETS			
Intangible assets	П	2.0	1.2
Tangible assets	12		
Land		1.9	1.9
Buildings and structures		9.7	10.5
Vessels		277.4	291.8
Machinery and equipment		4.3	5.4
		293.3	309.6
Shares and participations	13		
Shares in Group companies		1.1	1.1
Capital contribution to Group companies		17.6	17.6
Other shares and participations		26.1	26.1
		44.8	44.8
TOTAL FIXED ASSETS		340.1	355.5
CURRENT AND FINANCIAL ASSETS			
Inventories	14	17.1	16.0
Long-term receivables			
Group receivables		23.9	28.3
Receivable, settlement payment		0.2	0.3
		24.1	28.7
Current receivables			
Trade receivables		9.6	10.0
Group receivables		4.6	4.8
Other current receivables		0.9	0.4
Accrued income and prepaid expenses	15	15.2	15.3
		30.3	30.5
Cash and cash equivalents		109.7	100.1
TOTAL CURRENT AND FINANCIAL ASSETS		181.2	175.2
TOTAL ASSETS		521.3	530.8

EUR M	Note	Dec 31, 2015	Dec 31, 2014
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	16		
Share capital		1.8	1.8
Retained earnings		81.2	63.4
Income for the period		6.2	25.4
TOTAL SHAREHOLDERS' EQUITY		89.2	90.6
ACCUMULATED APPROPRIATIONS			
Accumulated depreciation differences		169.6	156.1
LIABILITIES			
Long-term liabilities	17		
Liabilities to credit institutions		173.6	197.1
Current liabilities			
Repayment portion of liabilities to credit institutions		23.4	23.4
Accounts payable		22.6	22.9
Group liabilities		3.6	3.6
Other current liabilities		9.4	9.5
Accrued expenses and prepaid income	18	29.8	27.5
		88.9	87.0
TOTAL LIABILITIES		262.5	284.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		521.3	530.8

Parent company cash flow statement

EUR M	Jan 1, 2015– Dec 31, 2015	Jan 1, 2014– Dec 31, 2014
OPERATING ACTIVITIES		
Income for the period	6.2	25.4
Adjustments		
Depreciation/amortization	24.7	28.7
Capital gains from tangible assets	-	-1.8
Other items not included in cash flow	13.5	8.2
Interest expenses and other financial expenses	5.9	6.7
Interest income and other financial income	-1.4	-1.5
Dividend income	-1.6	0.0
Extraordinary items	-	-27.2
Income taxes	1.3	0.0
Change in working capital		
Change in current receivables	0.1	-4.5
Change in inventories	-1.1	-1.1
Change in non-interest-bearing liabilities	0.8	-6.9
Interest paid	-5.4	-6. I
Financial expenses paid	-0.7	-0.8
Interest received	1.4	1.1
Financial income received	0.0	0.1
Taxes paid	0.0	0.0
NET CASH FLOW FROM OPERATING ACTIVITIES	43.7	20.4
INVESTING ACTIVITIES		
Investments in vessels	-7.2	-5.5
Investments in other intangible and tangible assets	-2.0	-1.0
Divestments of vessels	-	55.1
Divestments of other intangible and tangible assets	-	0.0
Capital contribution to Group companies	-	-17.0
Divestments of shares and participations	-	0.9
Change in non-current receivables	4.5	-28.0
Dividends received	1.6	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES	-3.1	4.5
FINANCING ACTIVITIES		
Amortization of long-term liabilities	-23.4	-14.9
Dividends paid	-7.6	-5.4
Group contribution received	-	0.1
NET CASH FLOW FROM FINANCING ACTIVITIES	-31.0	-20.2
CHANGE IN CASH AND CASH EQUIVALENTS	9.6	4.7
Cash and cash equivalents at beginning of period	100.1	95.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	109.7	100.1

Notes to the parent company's financial statements

I. ACCOUNTING PRINCIPLES

General principles

Viking Line Abp, domiciled in Mariehamn, Åland, is the parent company of the Viking Line Group. The Company's Business Identity Code is 0144983-8.

The financial statements of Viking Line Abp have been prepared in compliance with Finnish accounting legislation as well as other national rules and regulations concerning financial statements.

The financial statements of the Company encompass the period January 1-December 31, 2015.

Items in foreign currencies

Receivables and liabilities in foreign currencies are recognized at the exchange rate prevailing on the balance sheet date. Transactions in foreign currencies are translated according to the exchange rate on the transaction date.

Accrual of revenue

The Company's revenue is recognized minus discounts, indirect taxes and exchange rate differences.

Pension expenses

Outside pension companies are responsible for the legally mandated pension liability in the Company. Pension premiums are recognized as expenses in the income statement for the accounting period to which they are attributable.

Income taxes

Income taxes recognized in the income statement are attributable to income for the year as well as to earlier accounting periods.

Tangible and intangible assets and depreciation/amortization

Tangible and intangible assets are recognized at historical cost less accumulated scheduled depreciation, which has been calculated on the basis of the probable economic life of the assets. Cost includes the purchase price and expenses directly attributable to the asset. Cost of vessels includes financial expenses during their construction period as well. Carrying amounts in the balance sheet also include revaluations on parcels of land, based on appraisals made by outside appraisers.

Vessels, which comprise the largest asset item in the balance sheet, are depreciated on a straight-line basis. For vessels, an estimated residual value at the end of their economic life has been taken into account in calculating depreciation. For vessels acquired in 2008 or later the hull, engine and other long-term component parts will be depreciated on a straight-line basis over 25 years, while short-term component parts will be depreciated on a straight-line basis over 15 years. The above component parts related to vessels acquired prior to 2008 are depreciated on a straight-line basis over 15 years. Additional capital expenditures for vessels are depreciated over the remaining scheduled economic life of the vessels. Renovation projects for vessels whose remaining useful life is less than five years are depreciated over five years.

Viking Line's vessels are dry-docked at 2–3 year intervals. Dry-docking expenses are capitalized for each vessel and depreciated until the next planned dry-docking.

Normal expenditures for repairs and maintenance are expensed on a current basis. Other tangible assets are depreciated on a declining balance basis. Land is not depreciated.

Intangible assets mainly comprise computer software programmes and capitalized renovation expenses for leased properties and are amortized on a straight-line basis.

Depreciation for fixed assets is calculated according to the following principles:

Vessels	20–25 years, straight-line
Vessels, short-term component parts	15 years, straight-line
Vessel dry-docking	2–3 years, straight-line
Vessels, machinery and equipment	25% of remaining expenditure
Buildings	4–7% of remaining expenditure
Structures	20–25% of remaining expenditure
Machinery and equipment	25% of remaining expenditure
Intangible assets (amortization)	5–10 years, straight-line

Financial assets and liabilities

The Åland-based shipowners' mutual insurance company Redarnas Ömsesidiga Försäkringsbolag was reorganized into a limited liability insurance company and merged with its wholly owned insurance subsidiary Försäkringsaktiebolaget Alandia to form Alandia Försäkring Ab as of December 31, 2014. The company changed its name to Försäkringsaktiebolaget Alandia as of January 1, 2015. The shares in the company were allocated in proportion to the premiums paid during the years 2011–2013 among those companies that, on the merger date, had an uninterrupted co-owner relationship with Redarnas Ömsesidiga Försäkringsbolag that had lasted at least one year.

Upon allocation, Viking Line Abp received shares in Alandia Försäkring Ab and sold some of them as of December 31, 2014. After that, Viking Line Abp's shareholding amounted to 19.9 per cent of the total. The acquisition cost of the shares was established on the basis of the present value of future cash flows as of December 31, 2014 and was recognized among shares and participations in the Company's balance sheet and as an extraordinary item in the income statement. The shareholding is recognized among investments in the Company's balance sheet. If the value of the shares decreases substantially and in the long term, an impairment loss is recognized among financial expenses.

The proceeds on the shares that were divested were recognized in "Financial income and expenses" in the Company's income statement.

Other financial assets and liabilities are recognized at acquisition cost.

Inventories

Inventories have been recognized at a weighted average purchase price or at a probable lower net selling price.

EUR	<u>ам</u>	Jan 1, 2015– Dec 31, 2015	Jan I, 2014– Dec 31, 2014
2.	OTHER OPERATING REVENUE		
	Capital gain, vessels	-	1.8
	Rents received on properties	0.4	0.5
	Miscellaneous operating revenue	0.1	0.1
	Total	0.6	2.4
3.	GOODS AND SERVICES		
	Purchases during the financial year	131.8	126.9
	Change in inventories	-1.0	-1.5
	Externally purchased services	22.1	22.5
	Total	152.9	147.8
4.	EMPLOYEE EXPENSES		
	Salaries etc	94.9	96.4
	Pension expenses	12.4	12.5
	Other employee expenses	7.0	7.1
		114.3	115.9
	Government restitution	-25.5	-25.7
	Total	88.8	90.2
	AVERAGE NUMBER OF EMPLOYEES		
	Shipboard employees	1,621	1,649
	Land-based employees	419	419
	Total	2,040	2,068
5.	DEPRECIATION/AMORTIZATION		
	Intangible assets	0.3	0.4
	Buildings and structures	0.8	0.9
	Vessels	21.6	25.7
	Machinery and equipment	1.9	1.8
	Total	24.7	28.7
6.	AUDITORS' FEES		
	Auditing	0.1	0.1
	Miscellaneous consulting	0.1	0.0
	Total	0.1	0.1

EU	RM	Jan 1, 2015– Dec 31, 2015	Jan I, 2014– Dec 31, 2014
7.	FINANCIAL INCOME AND EXPENSES		
	Dividend income from others	1.6	0.0
	Interest income from Group companies	1.3	1.3
	Interest income from others	0.1	0.1
	Exchange gains	1.5	0.6
	Other financial income	0.0	0.1
	Total financial income	4.5	2.1
	Interest expenses to Group companies	-	0.0
	Interest expenses to others	5.1	5.8
	Exchange losses	1.2	1.4
	Other financial expenses	0.7	0.9
	Total financial expenses	7.1	8.1
	Total financial income and expenses	-2.6	-6.0
8.	EXTRAORDINARY ITEMS		
	Shares and participations received, Försäkringsaktiebolaget Alandia	-	27.1
	Group contribution received	-	0.1
	Total extraordinary items	-	27.2
9.	APPROPRIATIONS		
7.	Difference between scheduled depreciation and depreciation for tax purposes	-13.5	-8.2
	INCOMETAXES		
10.	Income tax on actual operations	1.3	0.0
11.	INTANGIBLE ASSETS	Other	

INTANGIBLE ASSETS		Other	
	Intangible rights	long-term assets	Total
Acquisition cost, Jan 1, 2015	3.5	10.4	13.9
Increases	0.4	0.8	1.2
Decreases	-0.2	-0.1	-0.3
Acquisition cost, Dec 31, 2015	3.7	11.0	14.7
Accumulated amortization, Jan 1, 2015	-2.9	-9.8	-12.7
Accumulated amortization on decreases	0.2	0.1	0.3
Amortization for the period	-0.2	-0.1	-0.3
Accumulated amortization, Dec 31, 2015	-2.9	-9.8	-12.7
Book value, Dec 31, 2015	0.8	1.2	2.0

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12. TANGIBLE ASSETS

TANGIBLE ASSETS		Buildings and		Machinery and	
	Land	structures	Vessels	equipment	Total
Acquisition cost, Jan 1, 2015	1.1	25.5	711.9	36.4	774.9
Increases	-	0.0	7.2	0.8	8.1
Decreases	-	-0.9	-6.5	-22.8	-30.2
Acquisition cost, Dec 31, 2015	1.1	24.6	712.7	14.4	752.8
Accumulated depreciation, Jan 1, 2015	-	-15.0	-420.2	-31.0	-466.2
Accumulated depreciation on decreases	-	0.9	6.5	22.8	30.2
Depreciation for the period	-	-0.8	-21.6	-1.9	-24.4
Accumulated depreciation, Dec 31, 2015	-	-14.9	-435.3	-10.1	-460.3
Revaluations	0.8	-	-	-	0.8
Book value, Dec 31, 2015	1.9	9.7	277.4	4.3	293.3

13. SHARES AND PARTICIPATIONS	Shares in Group companies	Capital contribution to Group companies	Other shares and participations	Total
Acquisition cost, Jan 1, 2015	1.1	17.6	26.1	44.8
Acquisition cost, Dec 31, 2015	1.1	17.6	26.1	44.8

14. INVENTORIES	Dec 31, 2015	Dec 31, 2014
Stocks of goods for sale	15.7	14.8
Supplies	0.3	0.3
Stocks of vessel fuel	1.1	1.0
Total	17.1	16.0

15. ACCRUED INCOME AND PREPAID EXPENSES	Dec 31, 2015	Dec 31, 2014
Employee-related items	14.2	14.1
Other accrued income and prepaid expenses	1.0	1.2
Total	15.2	15.3

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16.	SHAREHOLDERS' EQUITY	2015	2014
	Share capital, Jan I	1.8	1.8
	Share capital, Dec 31	1.8	1.8
	Retained earnings, Jan I	63.4	68.4
	Income for the previous financial year	25.4	0.4
	Dividend paid to shareholders	-7.6	-5.4
	Retained earnings, Dec 31	81.2	63.4
	Income for the period	6.2	25.4
	Total shareholders' equity	89.2	90.6
17.	LOANS THAT FALL DUE LATER THAN AFTER 5 YEARS	Dec 31, 2015	Dec 31, 2014
	Liabilities to credit institutions	79.9	103.3
18.	ACCRUED EXPENSES AND PREPAID INCOME	Dec 31, 2015	Dec 31, 2014
	Employee-related items	18.8	18.4
	Other accrued expenses and prepaid income	11.0	9.1
	Total	29.8	27.5
19.	PLEDGED ASSETS AND OTHER CONTINGENT LIABILITIES Contingent liabilities	Dec 31,2015	Dec 31, 2014
	Loans and credit lines for which vessel mortgages were provided as collateral	197.1	220.5
	Other contingent liabilities not included in the balance sheet		
	Covered by vessel mortages	-	0.0
	Total	197.1	220.6
	Assets pledged for own debt		
	Vessel mortgages	312.6	314.7
	Total	312.6	314.7
	Leasing liabilities		
	Amounts that fall due during the following accounting period	1.0	0.7
	Amounts that fall due later	2.3	2.1
	Total	3.3	2.7

Signatures of the Board of Directors and the President and CEO

Mariehamn, February 22, 2016

Ben Lundqvist, Chairman of the Board Nils-Erik Eklund Trygve Eriksson Erik Grönberg Agneta Karlsson Dick Lundqvist Lars G Nordström

Jan Hanses, President and CEO

Auditors' note

Our auditors' report was issued today.

Mariehamn, February 22, 2016

Johan Kronberg, Authorized Public Accountant

Ylva Eriksson, Authorized Public Accountant

Auditors' Report

To the Annual General Meeting of Viking Line Abp

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Viking Line Abp for the year ended December 31, 2015. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Directors and the President and CEO

The Board of Directors and the President and CEO are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the President and CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the President and CEO are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the Group in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Mariehamn, February 22, 2016

Johan Kronberg Authorized Public Accountant Ylva Eriksson Authorized Public Accountant

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