

**INTERIM REPORT FOR THE PERIOD
JANUARY 2011–MARCH 2011****VIKING LINE'S SALES INCREASED BUT FUEL EXPENSES LOWERED ITS EARNINGS**

Consolidated sales of the Viking Line Group during the first three months of the 2011 financial year, January 2011–March 2011, rose by 2.8 per cent to 100.6 million euros (EUR 97.9 M in the calendar year 2010) thanks to higher passenger revenue, among other things due to the strengthening of the Swedish krona. Net sales revenue increased by EUR 2.3 M to EUR 72.6 M (70.2) while the Group's operating expenses increased by EUR 4.6 M to EUR 88.7 M (84.1). Fuel expenses rose by 28.5 per cent to EUR 15.4 M (12.0), due to higher bunker (vessel fuel) prices. Income after taxes was EUR -12.0 M (-10.6).

Viking Line's passenger volume decreased by 44,415 (-3.4 per cent) to 1,250,835, partly as a consequence of fewer service days due to more dry-dockings and the accompanying effects on other routes. On the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm (Sweden) route, however, Viking Line achieved a volume increase of 2,523 passengers to 377,194 (+0.7 per cent). In service on the short route over the Sea of Åland between Mariehamn and Kapellskär (Sweden), passenger volume decreased by 6,935 to 64,058 (-9.8 per cent) due to a lengthy dry-docking and a temporary transfer of the Rosella to the Helsinki (Finland)–Tallinn (Estonia) route. On the Helsinki–Mariehamn–Stockholm route, passenger volume decreased by 11,390 passengers to 269,716 (-4.1 per cent) and on the Helsinki–Tallinn route by 13,253 passengers to 319,129 (-4.0 per cent). In cruise services between Stockholm and Mariehamn, passenger volume decreased by 15,360 to 220,738 (-6.5 per cent).

Cargo volume decreased by 1,170 (-4.0 per cent) cargo units to 28,096. On the Turku–Mariehamn/Långnäs–Stockholm route, however, cargo volume rose by 216 units (+2.1 per cent) to 10,730. Viking Line thus achieved a cargo market share of 20.4 per cent (22.8 per cent).

Any questions concerning this report will be answered by Mikael Backman, President and Chief Executive Officer.
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Viking Line is a public limited company and the market leading brand in passenger traffic on the northern Baltic Sea, with a mission to provide large-scale, affordable, safe passenger and cargo carrier services including first-class recreation, good food and attractive shopping. Its shares have been listed on the NASDAQ OMX Nordic Exchange Helsinki since 1995. Viking Line serves Finland, Sweden and the Baltic countries with seven vessels. During fiscal 2009/2010 (14 months) sales were about EUR 570 M. The number of passengers totalled 7.3 million. The average number of employees was 3,087.

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COMPARATIVE FIGURES

The Group has switched to a financial year equivalent to the calendar year starting on January 1, 2011 and extended its 2009/2010 fiscal year to 14 months. On March 11, 2011, the Group published quarterly financial figures for the calendar year 2010. These figures are being used as comparative figures in the interim reports during 2011.

SALES AND EARNINGS

Consolidated sales of the Viking Line Group during the period January 1 – March 31, 2011 increased to 100.6 million euros (same period of calendar year 2010: EUR 97.9 M). Operating income amounted to EUR -15.8 M (-13.7). Net financial items were EUR -0.4 M (-0.6). Consolidated income before taxes totalled EUR -16.2 M (-14.3). Income after taxes amounted to EUR -12.0 M (-10.6).

Passenger-related revenue increased by 3.2 per cent to EUR 91.5 M (88.7), among other things due to the stronger Swedish krona. Cargo revenue decreased by 1.4 per cent to EUR 8.4 M (8.5). Net sales revenue increased by 3.3 per cent to EUR 72.6 M (70.2).

The Group's operating expenses increased by 5.4 per cent to EUR 88.7 M (84.1). Fuel expenses rose by 28.5 per cent to EUR 15.4 M (12.0), due to higher bunker (vessel fuel) prices. Employee expenses increased by 4.4 per cent to EUR 30.9 M (29.6). The strengthening of the Swedish krona, which is fundamentally favourable to Viking Line, has also contributed to a heightened cost situation in the Group.

Income during the three-month period January 1 – March 31, 2011 totalled EUR -12.0 M, which was somewhat worse than during the corresponding period of 2010, when income was EUR -10.6 M. The main reasons were higher fuel expenses and higher repair and maintenance expenses due to more dry-dockings.

SERVICES AND MARKET TRENDS

The Viking Line Group provides passenger and cargo carrier services, using seven vessels on the northern Baltic Sea. The Group served the same routes as during 2010.

During the report period, the number of passengers on the Group's vessels decreased to 1,250,835, but the number of passengers increased somewhat on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm (Sweden) route. Viking Line's cargo volume decreased to 28,096 cargo units. Viking Line thus achieved a cargo market share of 20.4 per cent (22.8 per cent).

During the first three months of the financial year 2011, Viking Line strengthened its market share in cruise services between Stockholm and Mariehamn by 0.9 percentage points to 54.6 per cent. On the Helsinki (Finland)–Mariehamn–Stockholm route, market share decreased by 2.0 percentage points to 44.9 per cent and on the Helsinki–Tallinn (Estonia) route by 2.8 percentage points to 23.7 per cent. On the Turku–Mariehamn/Långnäs–Stockholm route, market share decreased by 0.7 percentage points to 48.1 per cent. On the short route over the Sea of Åland, market share decreased by 1.8 percentage points to 33.6 per cent. The Group thus had a total market share in its service area of 33.6 per cent (36.0 per cent).

INVESTMENTS AND FINANCING

The arbitration ruling concerning the advance payments for the cancelled newbuilding contract with the Spanish shipyard Astilleros de Sevilla became final on May 11, 2011. On the same date, Viking Line filed a final claim for refunds of the advance payments plus interest compensation in keeping with the bank guarantees provided as collateral for the advance payments. The repayment claim amounts to EUR 39.2 M plus interest compensation of about EUR 4.4 M which runs until the final repayment date. The repayment claim plus interest are included in the Company's accounts. The repayment will represent a major addition to the Company's liquidity.

After May 11, 2011, Astilleros de Sevilla applied for a waiver of the lapsed time limit and lodged a complaint against the arbitration ruling. Viking Line regards the application and complaint as groundless.

Pre-construction engineering work on the new vessel for the Turku-Mariehamn/Långnäs-Stockholm route is proceeding as planned. Construction is expected to start in September 2011, with delivery in late 2012 or early 2013.

On March 31, 2011 the Group's non-current interest-bearing liabilities amounted to EUR 89.9 M (98.2). The equity/assets ratio was 42.2 per cent, compared to 39.4 per cent a year earlier.

At the end of March 2011, the Group's cash and cash equivalents amounted to EUR 28.3 M (27.7). Net cash flow from operating activities amounted to EUR -12.9 M (-11.1).

FINANCIAL REPORTING

This Interim Report was prepared in compliance with International Financial Reporting Standards (IFRSs) and was drawn up as a summary of the financial statements for the period in compliance with IAS 34. Estimates and judgments as well as accounting principles and calculation methods are the same as in the latest annual financial statements. Recognized income taxes are based on an estimated average tax rate, which is expected to apply throughout the fiscal year. This Interim Report is unaudited.

ORGANIZATION AND PERSONNEL

The average number of Group employees was 2,927 (2,981), of whom 1,824 (1,855) worked for the parent company. Land-based personnel totalled 729 (740) and shipboard personnel totalled 2,198 (2,241).

ANNUAL GENERAL MEETING

The Annual General Meeting of Viking Line Abp on April 15, 2011 adopted the parent company and consolidated financial statements. This included the proposal of the Board of Directors for a dividend of EUR 0.65 per share for the fiscal year November 1, 2009-December 31, 2010. The Annual General Meeting discharged the Board of Directors and the President and Chief Executive Officer from liability for fiscal 2009/2010.

All members and deputy members of the Board of Directors were re-elected. The Company's Board of Directors until the end of the next Annual General Meeting thus has the following composition: Ben Lundqvist (Chairman), Jesper Blomsterlund, Nils-Erik Eklund, Erik Grönberg, Agneta Karlsson, Dick Lundqvist and Lars G Nordström plus deputy members Carita Blomsterlund, Trygve Eriksson and

Stefan Lundqvist. Re-elected as the Company's Auditors were Johan Kronberg, Authorized Public Accountant (CGR) and Martin Grandell, Authorized Public Accountant (CGR). Elected as Deputy Auditors were Sven-Harry Boman, Authorized Public Accountant (CGR) and Erika Sjölund, Authorized Public Accountant (GRM).

RISK FACTORS

Since the financial statements for fiscal 2009/2010 were published, no changes have occurred that affect the Board's assessment of the risks in Viking Line's business operations. Special risks during the immediate future mainly concern bunker prices.

OUTLOOK FOR THE FULL 2011 FISCAL YEAR

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

The Group's earnings are not generated evenly throughout the year. Volume and price developments during the remainder of the financial year will be crucial to the Group's earnings. Full-year passenger volume is projected to reach last year's level, despite more dry-dockings in 2011 than in 2010. Net sales revenue per passenger is expected to be better than last year, but if sharply higher fuel prices remain at the now-expected level for the rest of the year, the Group's earnings in 2011 are projected to be substantially lower than its earnings in calendar 2010.

The next Interim Report (January 2011–June 2011) will be published on August 24, 2011.

Mariehamn, Åland, May 18, 2011

VIKING LINE ABP
The Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR M	Jan 1, 2011– Mar 31, 2011	Jan 1, 2010– Mar 31, 2010	Jan 1, 2010– Dec 31, 2010
SALES	100.6	97.9	495.5
Other operating revenue	0.4	0.1	4.8
Expenses			
Goods and services	28.0	27.6	139.5
Salary and other employment benefit expenses	30.9	29.6	118.5
Depreciation and impairment losses	7.0	7.1	29.3
Other operating expenses	50.8	47.4	196.4
	116.7	111.7	483.8
OPERATING INCOME	-15.8	-13.7	16.5
Financial income	0.4	0.3	1.9
Financial expenses	-0.7	-0.9	-3.6
INCOME BEFORE TAXES	-16.2	-14.3	14.8
Income taxes	4.1	3.7	-4.0
INCOME FOR THE PERIOD	-12.0	-10.6	10.8
Translation differences	0.1	0.2	0.4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-11.9	-10.5	11.2
<i>Income attributable to:</i>			
Parent company shareholders	-12.0	-10.6	10.8
<i>Total comprehensive income attributable to:</i>			
Parent company shareholders	-11.9	-10.5	11.2
Earnings per share before and after dilution, EUR	-1.11	-0.99	1.00

CONSOLIDATED BALANCE SHEET

EUR M	Mar 31, 2011	Mar 31, 2010	Dec 31, 2010
ASSETS			
Non-current assets			
Intangible assets	1.1	1.3	1.2
Land	1.1	1.1	1.1
Buildings and structures	5.6	5.3	5.7
Renovation costs for rented properties	0.5	0.6	0.5
Vessels	212.1	231.4	214.7
Machinery and equipment	5.2	5.6	5.4
Advance payments	12.5	43.0	-
Investments available for sale	0.0	0.0	0.0
Receivables	0.0	0.0	0.0
Total non-current assets	238.2	288.4	228.6
Current assets			
Inventories	12.8	11.0	12.0
Income tax assets	4.5	3.9	0.0
Refund claim on advance payments	39.2	-	39.2
Trade and other receivables	41.2	34.9	32.6
Cash and cash equivalents	28.3	27.7	57.9
Total current assets	126.0	77.5	141.7
TOTAL ASSETS	364.3	365.9	370.3
EQUITY AND LIABILITIES			
Equity			
Share capital	1.8	1.8	1.8
Reserves	0.0	0.0	0.0
Translation differences	0.1	0.0	0.1
Retained earnings	151.9	142.2	163.8
Equity attributable to parent company shareholders	153.8	144.0	165.7
Total equity	153.8	144.0	165.7
Non-current liabilities			
Deferred tax liabilities	33.9	34.8	33.9
Non-current interest-bearing liabilities	89.9	98.2	89.9
Total non-current liabilities	123.8	133.0	123.8
Current liabilities			
Current interest-bearing liabilities	8.7	22.7	8.7
Income tax liabilities	4.5	0.0	4.5
Trade and other payables	73.5	66.2	67.6
Total current liabilities	86.7	88.9	80.8
Total liabilities	210.4	221.8	204.6
TOTAL EQUITY AND LIABILITIES	364.3	365.9	370.3

CONSOLIDATED CASH FLOW STATEMENT

EUR M	Jan 1, 2011– Mar 31, 2011	Jan 1, 2010– Mar 31, 2010	Jan 1, 2010– Dec 31, 2010
OPERATING ACTIVITIES			
Income for the period	-12.0	-10.6	10.8
Adjustments			
Depreciation and impairment losses	7.0	7.1	29.3
Other items not included in cash flow	0.1	0.2	4.1
Interest expenses and other financial expenses	0.5	0.5	2.0
Interest income and other financial income	-0.1	0.0	-0.3
Dividend income	-	-	0.0
Income taxes	-4.1	-3.7	4.0
Change in working capital			
Change in trade and other receivables	-8.7	-9.8	-7.5
Change in inventories	-0.8	-0.1	-1.1
Change in trade and other payables	5.9	3.9	5.3
Interest paid	-0.5	-0.5	-1.9
Financial expenses paid	0.0	0.0	0.0
Interest received	0.1	0.0	0.3
Financial income received	0.0	0.0	0.1
Taxes paid	-0.3	1.9	1.6
NET CASH FLOW FROM OPERATING ACTIVITIES	-12.9	-11.1	46.7
INVESTING ACTIVITIES			
Investments in vessels	-3.9	-1.4	-5.1
Investments in other property, plant and equipment	-0.3	-0.7	-2.5
Advance payments	-12.5	-	-
Divestments of other property, plant and equipment	0.0	0.0	0.1
Change in non-current receivables	0.0	0.0	0.0
Dividends received	-	-	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES	-16.7	-2.1	-7.5
FINANCING ACTIVITIES			
Increase in non-current liabilities	-	-	0.5
Amortization of non-current liabilities	0.0	-0.1	-22.8
Dividends paid	-	-7.6	-7.6
NET CASH FLOW FROM FINANCING ACTIVITIES	0.0	-7.6	-29.8
CHANGE IN CASH AND CASH EQUIVALENTS	-29.6	-20.8	9.4
Cash and cash equivalents at beginning of period	57.9	48.5	48.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	28.3	27.7	57.9

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR M	Equity attributable to parent company shareholders				Total equity
	Share capital	Reserves	Translation differences	Retained earnings	
Equity, Jan 1, 2011	1.8	0.0	0.1	163.8	165.7
Dividend to shareholders					-
Total comprehensive income for the period		0.0	0.0	-11.9	-11.9
Equity, Mar 31, 2011	1.8	0.0	0.1	151.9	153.8
Equity, Jan 1, 2010	1.8	0.0	-0.1	160.4	162.1
Dividend to shareholders				-7.6	-7.6
Total comprehensive income for the period		0.0	0.1	-10.6	-10.5
Equity, Mar 31, 2010	1.8	0.0	0.0	142.2	144.0

QUARTERLY CONSOLIDATED INCOME STATEMENT

EUR M	2011 Q1	2010 Q4	2010 Q3	2010 Q2
SALES	100.6	122.8	148.0	126.9
Other operating revenue	0.4	0.6	0.4	3.6
Expenses				
Goods and services	28.0	35.3	40.6	36.0
Employee expenses	30.9	30.1	28.6	30.3
Depreciation and impairment losses	7.0	7.8	7.2	7.2
Other operating expenses	50.8	47.6	46.6	54.8
	116.7	120.7	123.1	128.2
OPERATING INCOME	-15.8	2.7	25.3	2.3
Financial income	0.4	0.9	0.6	0.1
Financial expenses	-0.7	-1.1	-0.8	-0.8
INCOME BEFORE TAXES	-16.2	2.4	25.1	1.6
Income taxes	4.1	-0.7	-6.6	-0.4
INCOME FOR THE PERIOD	-12.0	1.7	18.6	1.1
Translation differences	0.1	0.0	0.1	0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-11.9	1.8	18.7	1.2
<i>Income attributable to:</i>				
Parent company shareholders	-12.0	1.7	18.6	1.1
<i>Total comprehensive income attributable to:</i>				
Parent company shareholders	-11.9	1.8	18.7	1.2
Earnings per share before and after dilution, EUR	-1.11	0.16	1.72	0.10

SEGMENT INFORMATION, VIKING LINE GROUP

OPERATING SEGMENTS, EUR M	Jan 1, 2011– Mar 31, 2011	Jan 1, 2010– Mar 31, 2010	Jan 1, 2010– Dec 31, 2010
Sales			
Vessels	99.6	96.8	490.4
Unallocated	1.1	1.1	5.3
Total, operating segments	100.6	97.9	495.7
Eliminations	0.0	0.0	-0.2
Total sales of the Group	100.6	97.9	495.5
Operating income			
Vessels	-3.4	-1.4	62.2
Unallocated	-12.4	-12.4	-45.7
Total operating income of the Group	-15.8	-13.7	16.5

PLEGDED ASSETS AND CONTINGENT LIABILITIES

EUR M	Mar 31, 2011	Mar 31, 2010	Dec 31, 2010
Contingent liabilities	100.0	122.3	100.0
Assets pledged for own debt	110.9	140.5	110.9
Investment commitments not included in the accounts	229.2	-	240.2
– contractual amount	241.5	-	240.2

FINANCIAL RATIOS AND STATISTICS

	Jan 1, 2011– Mar 31, 2011	Jan 1, 2010– Mar 31, 2010	Jan 1, 2010– Dec 31, 2010
Equity per share, EUR	14.24	13.34	15.35
Equity/assets ratio	42.2 %	39.4 %	44.8 %
Investments, EUR M	16.7	2.1	7.6
– as % of sales	16.6 %	2.1 %	1.5 %
Passengers	1,250,835	1,295,250	6,392,990
Cargo units	28,096	29,266	111,094
Average number of employees, full time equivalent	2,927	2,981	3,100

Earnings per share = (Income before taxes – income taxes +/- minority interest) / Average number of shares

Equity per share = Equity attributable to parent company shareholders / Number of shares on balance sheet date

Equity/assets ratio, % = (Equity including minority interest) / (Total assets – advances received)

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