

**YEAR-END REPORT
JANUARY – DECEMBER 2013****IMPROVED EARNINGS FOR VIKING LINE****FULL CALENDER YEAR**

Consolidated sales of the Viking Line Group during the report period, January 1 – December 31, 2013, increased by 6.4 per cent to 549.4 million euros (EUR 516.1 M during January 1 – December 31, 2012). Income after taxes amounted to EUR 27.5 M (0.9).

Passenger-related revenue increased by 6.5 per cent to EUR 508.8 M (477.8), while cargo revenue increased by 6.6 per cent to EUR 36.5 M (34.3). The placement into service of the Viking Grace on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm (Sweden) route was the main reason for the improved passenger- and cargo-related revenue. Earnings were pulled down by the Gabriella's unforeseen dry-docking and 23-day service interruption during the late spring of 2013. The Amorella's minor grounding in December also had an adverse effect on the Group's earnings. Consolidated income before taxes, excluding a capital gain from the sale of the Isabella, totalled EUR 4.9 M (1.6).

FOURTH QUARTER

Consolidated sales of the Viking Line Group during the fourth quarter, October 1 – December 31, 2013, increased by 2.4 per cent to EUR 129.7 M compared to the corresponding quarter of 2012 (EUR 126.6 M during October 1 – December, 2012). Operating income during the quarter amounted to EUR 2.0 M (-0.7). Income before taxes during the fourth quarter of 2013 totalled EUR 0.1 M (-0.9).

NUMBER OF PASSENGERS AND MARKET SHARE

The number of passengers on Viking Line's vessels during the full financial year increased by 183,747 to 6,533,650 (6,349,903). After the Viking Grace began its service on January 15, 2013, 1,278,166 passengers travelled on the vessel until December 31, 2013. The number of passengers on board the Viking Grace on the Turku–Mariehamn/Långnäs–Stockholm route was 33.8 per cent higher than the corresponding figures for the Isabella, which served this route in 2012. During the financial year January 1 – December 31, 2013 as a whole, the Group had a total market share in its service area of 34.6 per cent (33.9 per cent).

Viking Line's cargo volume was 119,704 cargo units (116,906). Viking Line achieved a cargo market share of 20.9 per cent (20.0).

Any questions concerning this year-end report will be answered by Mikael Backman, President and Chief Executive Officer.
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Viking Line is a public limited company and the market leading brand in passenger traffic on the northern Baltic Sea, with a mission to provide large-scale, affordable, safe passenger and cargo carrier services including first-class recreation, good food and attractive shopping. Its shares have been listed on the NASDAQ OMX Nordic Exchange Helsinki since 1995. Viking Line serves Finland, Sweden and the Baltic countries with seven vessels. During the financial year 2013 sales were about EUR 549 M. The number of passengers totalled 6.5 million. The average number of employees was 3,104.

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SALES AND EARNINGS

FULL CALENDER YEAR

Consolidated sales of the Viking Line Group during the report period, January 1 – December 31, 2013, increased by 6.4 per cent to 549.4 million euros (EUR 516.1 M during January 1 – December 31, 2012). Other operating revenue amounted to EUR 23.5 M (0.4). Operating income amounted to EUR 34.7 M (2.4). Net financial items totalled EUR -7.1 M (-0.8). Consolidated income before taxes totalled EUR 27.7 M (1.6). Income after taxes amounted to EUR 27.5 M (0.9).

During the full report period, passenger-related revenue increased by 6.5 per cent to EUR 508.8 M (477.8), while cargo revenue increased by 6.6 per cent to EUR 36.5 M (34.3). Net sales revenue increased by 8.8 per cent to EUR 398.8 M (366.5). The placement into service of the Viking Grace on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm (Sweden) route was the main reason for the improved passenger- and cargo-related revenue. Earnings were pulled down by the Gabriella's unforeseen dry-docking and 23-day service interruption during the late spring of 2013. The Amorella's minor grounding in December also had an adverse effect on the Group's earnings. The Group's operating expenses increased by 6.4 per cent to EUR 387.6 M (364.4). Consolidated income before taxes, excluding a capital gain from the sale of the Isabella, totalled EUR 4.9 M (1.6).

FOURTH QUARTER

Consolidated sales of the Viking Line Group during the fourth quarter, October 1 – December 31, 2013, increased by 2.4 per cent to EUR 129.7 M compared to the corresponding quarter of 2012 (EUR 126.6 M during October 1 – December, 2012). Operating income during the quarter amounted to EUR 2.0 M (-0.7). Income before taxes during the fourth quarter of 2013 totalled EUR 0.1 M (-0.9).

During the fourth quarter, cargo revenue increased by 10.5 per cent to EUR 9.4 M (8.5), while passenger-related revenue increased by 1.8 per cent to EUR 119.3 M (117.1). Total operating expenses rose by 0.5 per cent to EUR 128.1 M (127.4).

SERVICES AND MARKET TRENDS

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

The number of passengers on Viking Line's vessels during the financial year increased by 183,747 to 6,533,650 (6,349,903). Viking Line's cargo volume was 119,704 cargo units (116,906). Viking Line achieved a cargo market share of 20.9 per cent (20.0).

During the report period, Viking Line strengthened its market share on the Turku–Mariehamn/Långnäs–Stockholm route by 7.3 percentage points to 57.3 per cent. Market share increased on the Helsinki (Finland)–Mariehamn–Stockholm route by 0.4 percentage points to 46.1 per cent. In cruise services between Stockholm and Mariehamn, market share decreased by 0.5 per cent to 51.3 per cent. On the Helsinki–Tallinn (Estonia) route, market share decreased by 0.6 percentage points to 23.7 per cent. On the short route over the Sea of Åland, market share decreased by 3.1 percentage points to 42.0 per cent, primarily due to a reduced number of departures. The Group thus had a total market share in its service area of 34.6 per cent (33.9).

INVESTMENTS AND FINANCING

Of the Group's investments during the report period, its investment in the Viking Grace totalled EUR 164.0 M, while its other investments amounted to EUR 8.4 M. The Group's total investments were thus EUR 172.3 M (49.7). Viking Line Abp took out a loan of EUR 179.0 M in order to finance the Viking Grace.

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

On December 31, 2013 the Group's non-current interest-bearing liabilities amounted to EUR 221.2 M (73.1). The equity/assets ratio was 35.6 per cent, compared to 46.2 per cent a year earlier.

At the end of December 2013, the Group's cash and cash equivalents amounted to EUR 96.1 M (45.3). Net cash flow from operating activities amounted to EUR 38.4 M (32.8).

RISK FACTORS

Fluctuations in bunker (vessel fuel) prices have a direct impact on the Group's earnings. The Group is also exposed to various financial risks, among them fluctuations in currency exchange rates. Revenue is generated in euros and Swedish kronor. Most operational influx of cash and cash equivalents consists of euros. Prices of goods for sale and bunker are affected by foreign currencies, especially the US dollar. The Group endeavours to maintain good liquidity in order to be prepared to deal with adverse changes in operational cash flow.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

In January 2014 the Viking XPRS changed from a Swedish to an Estonian flag and the Rosella from a Swedish to a Finnish flag.

ORGANIZATION AND PERSONNEL

The average number of Group employees was 3,104 (3,014), of whom 1,947 (1,841) worked for the parent company. Land-based personnel totalled 697 (715) and shipboard personnel totalled 2,407 (2,299).

OUTLOOK FOR 2014

During the summer 2014 high season – in addition to serving their regular Helsinki–Stockholm routes – the Mariella and Gabriella will also temporarily serve the Helsinki–Tallinn route. To offset the extra expenses attributable to the European Union's new sulphur directive, which enters into force on January 1, 2015, the Group has an ongoing action programme to improve its operational efficiency. This action programme primarily affects the areas of bunker consumption, repairs and maintenance, as well as organizational structure. In January 2014 the Viking XPRS changed from a Swedish to an Estonian flag and the Rosella from a Swedish to a Finnish flag. The Board of Directors believes that operating income will improve in 2014 compared to operating income in 2013, excluding the capital gain from the sale of the Isabella (EUR 11.9 M).

THE BOARD'S PROPOSAL ON DISTRIBUTION OF EARNINGS

According to the balance sheet of Viking Line Abp on December 31, 2013 unrestricted equity totalled EUR 68,750,256.44.

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

A dividend of EUR 0.50 per share shall be paid, totalling	EUR 5,400,000.00
Remaining unrestricted equity	EUR 63,350,256.44

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.

SHAREHOLDERS' MEETING

The annual shareholders' meeting of Viking Line Abp will be held at 12 noon on Wednesday, April 16, 2014 at the Alandica Kultur och Kongress auditorium, Strandgatan 33, Mariehamn, Åland, Finland.

An electronic version of the Annual Report for the financial year 2013 will be published during the week of March 3, 2014 on the Company's website, www.vikingline.com. The printed Annual Report will be published in Swedish and Finnish during the week of March 17, 2014.

FINANCIAL INFORMATION FOR 2014

During the financial year 2014, Viking Line Abp's interim reports will be published for the periods January 1 to March 31, 2014; January 1 to June 30, 2014 and January 1 to September 30, 2014. These interim reports will be published on May 15, August 28 and November 13, 2014, respectively. The press release on the results for the fiscal year 2014 will be published on February 12, 2015. The Annual Report for the financial year 2014 will be published during the week of March 16, 2015.

Mariehamn, Åland, February 12, 2014

VIKING LINE ABP
The Board of Directors

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR M	Oct 1, 2013– Dec 31, 2013	Oct 1, 2012– Dec 31, 2012	Jan 1, 2013– Dec 31, 2013	Jan 1, 2012– Dec 31, 2012
SALES	129.7	126.6	549.4	516.1
Other operating revenue	0.3	0.1	23.5	0.4
Expenses				
Goods and services	35.7	38.2	150.6	149.6
Salary and other employment benefit expenses	31.5	31.9	130.1	125.2
Depreciation and impairment losses	8.3	7.3	35.7	28.5
Other operating expenses	52.5	50.0	221.9	210.7
	128.1	127.4	538.2	514.1
OPERATING INCOME	2.0	-0.7	34.7	2.4
Financial income	0.3	0.3	1.2	1.6
Financial expenses	-2.2	-0.5	-8.3	-2.5
INCOME BEFORE TAXES	0.1	-0.9	27.7	1.6
Income taxes	6.7	0.1	-0.2	-0.7
INCOME FOR THE PERIOD	6.7	-0.8	27.5	0.9
Other comprehensive income				
<i>Items that can be transferred to the income statement</i>				
Translation differences	0.0	-0.1	-0.4	0.1
Investments available for sale	0.0	-	0.0	-
	0.0	-0.1	-0.4	0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6.7	-0.8	27.1	1.0
Income attributable to:				
Parent company shareholders	6.7	-0.8	27.5	0.9
Total comprehensive income attributable to:				
Parent company shareholders	6.7	-0.8	27.1	1.0
Earnings per share before and after dilution, EUR	0.62	-0.07	2.54	0.09

CONSOLIDATED BALANCE SHEET

EUR M	Dec 31, 2013	Dec 31, 2012
ASSETS		
Non-current assets		
Intangible assets	0.8	0.9
Land	1.1	1.1
Buildings and structures	11.7	12.3
Renovation costs for rented properties	0.7	0.5
Vessels	365.2	174.2
Machinery and equipment	8.0	8.1
Advance payments	-	61.1
Investments available for sale	0.0	0.0
Receivables	0.5	0.7
Total non-current assets	388.1	258.9
Current assets		
Inventories	15.0	15.2
Income tax assets	0.2	1.9
Trade and other receivables	31.0	29.1
Cash and cash equivalents	96.1	45.3
Total current assets	142.2	91.5
TOTAL ASSETS	530.3	350.4
EQUITY AND LIABILITIES		
Equity		
Share capital	1.8	1.8
Reserves	0.0	0.0
Translation differences	-0.3	0.1
Retained earnings	187.5	160.0
Equity attributable to parent company shareholders	189.0	162.0
Total equity	189.0	162.0
Non-current liabilities		
Deferred tax liabilities	29.7	29.7
Non-current interest-bearing liabilities	221.2	73.1
Total non-current liabilities	250.8	102.8
Current liabilities		
Current interest-bearing liabilities	15.1	8.7
Trade and other payables	75.4	76.9
Total current liabilities	90.4	85.6
Total liabilities	341.3	188.4
TOTAL EQUITY AND LIABILITIES	530.3	350.4

CONSOLIDATED CASH FLOW STATEMENT

EUR M	Jan 1, 2013– Dec 31, 2013	Jan 1, 2012– Dec 31, 2012
OPERATING ACTIVITIES		
Income for the period	27.5	0.9
Adjustments		
Depreciation and impairment losses	35.7	28.5
Capital gains from non-current assets	-22.8	0.0
Other items not included in cash flow	-0.4	0.1
Interest expenses and other financial expenses	7.1	1.6
Interest income and other financial income	-0.1	-0.4
Dividend income	0.0	0.0
Income taxes	0.2	0.7
Change in working capital		
Change in trade and other receivables	-1.9	-0.2
Change in inventories	0.3	-1.6
Change in trade and other payables	-4.1	7.1
Interest paid	-3.7	-1.6
Financial expenses paid	-0.8	-0.1
Interest received	0.1	0.5
Financial income received	0.1	0.1
Taxes paid	1.4	-2.7
NET CASH FLOW FROM OPERATING ACTIVITIES	38.4	32.8
INVESTING ACTIVITIES		
Investments in vessels	-168.6	-4.0
Investments in other tangible and intangible assets	-3.7	-11.0
Advance payments	-	-34.7
Divestments of vessels	29.9	-
Divestments of other tangible and intangible assets	0.2	0.1
Payments received for non-current receivables	0.2	0.2
Dividends received	0.0	0.0
NET CASH FLOW FROM INVESTING ACTIVITIES	-142.0	-49.5
FINANCING ACTIVITIES		
Increase in non-current liabilities	179.1	1.0
Amortization of non-current liabilities	-24.6	-9.4
Dividends paid	-	-5.4
NET CASH FLOW FROM FINANCING ACTIVITIES	154.4	-13.7
CHANGE IN CASH AND CASH EQUIVALENTS		
CHANGE IN CASH AND CASH EQUIVALENTS	50.8	-30.4
Cash and cash equivalents at beginning of period	45.3	55.7
Change in held-to-maturity investments	-	20.0
CASH AND CASH EQUIVALENTS AT END OF PERIOD	96.1	45.3

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

EUR M	Equity attributable to parent company shareholders				Total Equity
	Share capital	Reserves	Translation differences	Retained earnings	
Equity, Jan 1, 2012	1.8	0.0	0.1	164.4	166.3
<i>Income for the period</i>				0.9	0.9
<i>Translation differences</i>		0.0	0.0	0.1	0.1
<i>Remeasurement of investments available for sale</i>					-
Total comprehensive income for the period	-	0.0	0.0	1.0	1.0
Dividend to shareholders				-5.4	-5.4
Equity, Dec 31, 2012	1.8	0.0	0.1	160.0	162.0
<i>Income for the period</i>				27.5	27.5
<i>Translation differences</i>		0.0	-0.4	0.0	-0.4
<i>Remeasurement of investments available for sale</i>		0.0			0.0
Total comprehensive income for the period	-	0.0	-0.4	27.5	27.1
Dividend to shareholders					-
Equity, Dec 31, 2013	1.8	0.0	-0.3	187.5	189.0

QUARTERLY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR M	2013 Q4	2013 Q3	2013 Q2	2013 Q1
SALES	129.7	164.4	140.3	115.0
Other operating revenue	0.3	0.2	22.9	0.1
Expenses				
Goods and services	35.7	43.4	39.6	31.9
Salary and other employment benefit expenses	31.5	31.9	33.7	32.9
Depreciation and impairment losses	8.3	8.8	9.3	9.3
Other operating expenses	52.5	53.8	55.6	59.9
	128.1	137.9	138.3	133.9
OPERATING INCOME	2.0	26.6	25.0	-18.9
Financial income	0.3	0.3	0.4	0.2
Financial expenses	-2.2	-2.0	-2.0	-2.0
INCOME BEFORE TAXES	0.1	25.0	23.3	-20.7
Income taxes	6.7	-6.1	-5.8	5.0
INCOME FOR THE PERIOD	6.7	18.9	17.6	-15.7
Other comprehensive income				
<i>Items that can be transferred to the income statement</i>				
Translation differences	0.0	-0.1	-0.2	0.0
Investments available for sale	0.0	-	-	-
	0.0	-0.1	-0.2	0.0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6.7	18.8	17.4	-15.8
Income attributable to:				
Parent company shareholders	6.7	18.9	17.6	-15.7
Total comprehensive income attributable to:				
Parent company shareholders	6.7	18.8	17.4	-15.8
Earnings per share before and after dilution, EUR	0.62	1.75	1.63	-1.45

SEGMENT INFORMATION, VIKING LINE GROUP

OPERATING SEGMENTS, EUR M	Jan 1, 2013– Dec 31, 2013	Jan 1, 2012– Dec 31, 2012
Sales		
Vessels	544.7	511.1
Unallocated	4.9	5.3
Total, operating segments	549.6	516.3
Eliminations	-0.2	-0.2
Total sales of the Group	549.4	516.1
Operating income		
Vessels	81.2	52.5
Unallocated	-46.4	-50.0
Total operating income of the Group	34.7	2.4

PLEGGED ASSETS AND CONTINGENT LIABILITIES

EUR M	Dec 31, 2013	Dec 31, 2012
Contingent liabilities	236.9	83.5
Assets pledged for own debt	315.7	112.2
Investment commitments not included in the accounts	-	191.9
– contractual amount	-	253.0

FINANCIAL RATIOS AND STATISTICS

	Jan 1, 2013– Dec 31, 2013	Jan 1, 2012– Dec 31, 2012
Equity per share, EUR	17.50	15.00
Dividend per share, EUR	0.50	0.00
Number of shares on balance sheet date	10,800,000	10,800,000
Return on equity (ROE)	15.6 %	0.6 %
Return on investment (ROI)	10.4 %	1.3 %
Equity/assets ratio	35.6 %	46.2 %
Investments, EUR M	172.3	49.7
– as % of sales	31.4 %	9.6 %
Passengers	6,533,650	6,349,903
Cargo units	119,704	116,906
Average number of employees, full time equivalent	3,104	3,014

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

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

Return on equity (ROE), % = (Income before taxes - income taxes) / Equity including minority interest (average for the year)

Return on investment (ROI), % = (Income before taxes + interest and other financial expenses) / (Total assets - interest-free liabilities [average for the year])

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

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

The above figures from the financial statements have been audited.