

INTERIM MANAGEMENT STATEMENT FOR THE PERIOD JANUARY–MARCH 2017

SALES AND EARNINGS

Consolidated sales of the Viking Line Group for the period January 1–March 31, 2017 were 102.1 million euros (EUR 106.9 M for January 1–March 31, 2016). Other operating revenue amounted to EUR 0.1 M (1.5). Operating income totalled EUR -17.7 M (-11.6). Net financial items totalled EUR -1.1 M (-1.5). Consolidated income before taxes amounted to EUR -18.8 M (-13.1). Income after taxes totalled EUR -15.1 M (-10.5).

Passenger-related revenue decreased by 5.4 per cent to EUR 89.8 M (94.9), while cargo revenue increased by 3.7 per cent to EUR 11.7 M (11.2). Net sales revenue decreased by 3.5 per cent to EUR 72.5 M (75.2).

Sales for the period fell as a result of lower passenger volume combined with somewhat lower net sales revenue per passenger. Consolidated operating expenses increased by 2.0 per cent to EUR 83.2 M (81.6). Bunker expenses increased by 17.6 per cent to EUR 11.2 M (9.5) as a result of higher bunker prices.

The first quarter of the financial year usually shows a weak earnings performance, and 2017 was no exception. Consolidated earnings for the first three months of 2017 was as expected.

SERVICES AND MARKET TRENDS

The Viking Line Group provides passenger and cargo carrier services using seven vessels on the northern Baltic Sea. The Group's vessels served the same routes as in 2016.

The number of passengers on Viking Line's vessels during the report period amounted to 1,252,406 (1,314,700). The Group had a total market share in its service area of approximately 33.0 per cent (34.0).

Viking Line's cargo volume was 32,237 cargo units (33,152). The Group had a cargo market share of approximately 19.9 per cent (22.2).

INVESTMENTS AND FINANCING

The Group's investments amounted to EUR 6.7 M (5.1), which represents 6.5% of sales (4.7%).

On March 31, 2017, the Group's non-current interest-bearing liabilities amounted to EUR 143.1 M (166.5). The equity/assets ratio was 42.6 per cent, compared to 42.8 per cent a year earlier.

At the end of March 2017, the Group's cash and cash equivalents amounted to EUR 62.0 M (74.9). Net cash flow from operating activities amounted to EUR -18.7 M (-17.2). Net cash flow from investing activities was EUR -6.7 M (-2.6) and net cash flow from financing activities amounted to EUR -7.5 M (-16.0).

FINANCIAL REPORTING

This Interim Management Statement was prepared in accordance with the same accounting principles, estimates and judgements as in the latest annual financial statements. The Interim Management Statement is unaudited.

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

ORGANIZATION AND PERSONNEL

The average number of Group employees was 2,614 (2,573), of whom 1,954 (1,919) worked for the parent company. Land-based personnel totalled 625 (635) and shipboard personnel totalled 1,989 (1,938).

In addition to the Group's own employees, the Viking XPRS was staffed by an average of 231 (240) people employed by a staffing company.

OUTLOOK FOR THE FULL FINANCIAL YEAR 2017

Competition in Viking Line's service area remains tough and implies continued pressure on prices and volumes. Volume and price developments during the remainder of the financial year will be crucial to the Group's earnings. Bunker prices are expected to be higher than in 2016, which should have an adverse effect on consolidated income. However, there will be fewer planned dry-docking and servicing days, which is expected to have a positive effect on earnings, as is a revision in Finland's restitution law for 2017. Operating income is expected to be higher overall in 2017 than in 2016.

The Group's Half-Year Financial Report for the period January 1–June 30, 2017 will be published on August 17, 2017.

Mariehamn, Åland, May 18, 2017

VIKING LINE ABP

Jan Hanses
President and Chief Executive Officer

CONSOLIDATED INCOME STATEMENT

EUR M	Jan 1, 2017– Mar 31, 2017	Jan 1, 2016– Mar 31, 2016	Jan 1, 2016– Dec 31, 2016
SALES	102.1	106.9	519.6
Other operating revenue	0.1	1.5	2.0
Expenses			
Goods and services	29.6	31.7	151.7
Salary and other employment benefit expenses	29.3	30.5	122.3
Depreciation and impairment losses	7.1	6.7	28.0
Other operating expenses	53.9	51.1	206.0
	119.9	120.0	507.9
OPERATING INCOME	-17.7	-11.6	13.7
Financial income	0.5	0.5	5.4
Financial expenses	-1.6	-2.0	-9.5
INCOME BEFORE TAXES	-18.8	-13.1	9.6
Income taxes	3.7	2.6	-1.5
INCOME FOR THE PERIOD	-15.1	-10.5	8.0
<i>Income attributable to:</i>			
Parent company shareholders	-15.1	-10.5	8.0
Earnings per share before and after dilution, EUR	-1.40	-0.97	0.74

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

EUR M	Jan 1, 2017– Mar 31, 2017	Jan 1, 2016– Mar 31, 2016	Jan 1, 2016– Dec 31, 2016
INCOME FOR THE PERIOD	-15.1	-10.5	8.0
Other comprehensive income			
<i>Items that may be transferred to the income statement</i>			
Translation differences	0.1	-0.1	-0.8
Investments available for sale	-	-	0.3
	0.1	-0.1	-0.5
COMPREHENSIVE INCOME FOR THE PERIOD	-15.1	-10.6	7.5
<i>Comprehensive income attributable to:</i>			
Parent company shareholders	-15.1	-10.6	7.5

CONSOLIDATED BALANCE SHEET

EUR M	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
ASSETS			
Non-current assets			
Intangible assets	2.0	0.8	1.9
Land	0.6	0.6	0.6
Buildings and structures	9.0	9.5	9.2
Renovation costs for rented properties	2.8	1.5	2.3
Vessels	308.0	322.5	308.5
Machinery and equipment	5.3	5.3	5.6
Investments available for sale	27.1	26.8	27.1
Receivables	-	0.2	-
Total non-current assets	354.8	367.1	355.2
Current assets			
Inventories	18.1	17.0	18.1
Income tax assets	4.7	3.3	1.7
Trade and other receivables	48.7	40.3	36.1
Cash and cash equivalents	62.0	74.9	94.9
Total current assets	133.5	135.5	150.8
TOTAL ASSETS	488.2	502.6	506.0
EQUITY AND LIABILITIES			
Equity			
Share capital	1.8	1.8	1.8
Reserves	1.0	0.7	1.0
Translation differences	-1.1	-0.6	-1.3
Retained earnings	206.1	213.2	221.4
Equity attributable to parent company shareholders	207.9	215.1	222.9
Total equity	207.9	215.1	222.9
Non-current liabilities			
Deferred tax liabilities	35.9	34.5	35.9
Non-current interest-bearing liabilities	143.1	166.5	150.6
Total non-current liabilities	179.0	201.0	186.5
Current liabilities			
Current interest-bearing liabilities	23.5	15.0	23.6
Income tax liabilities	0.0	1.3	0.0
Trade and other payables	77.8	70.3	73.0
Total current liabilities	101.4	86.6	96.6
Total liabilities	280.4	287.5	283.0
TOTAL EQUITY AND LIABILITIES	488.2	502.6	506.0
Equity per share, EUR	19.25	19.91	20.64