Annual Report 2013

VIKING LINE

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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 16, 2014 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 14, 2014. 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 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 Year-end Report for the financial 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. 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 respective 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.

A year of inspiration and tough challenges

When I look back at the financial year 2013, I see an eventful year with many tough challenges and decisions, but there were also hope-inspiring and positive events. In January, the new Viking Grace was launched and was received in a way that surpassed everyone's expectations. Meanwhile we were forced to make hard decisions in order to improve profitability and streamline our operations, considering the cost pressures we will face in 2015. Unforeseen incidents unfortunately had a negative impact on the year's earnings.

DRY-DOCKINGS AND THE SALE OF THE ISABELLA

Two winters with relatively severe ice resulted in extra maintenance needs for our vessels. In May it was necessary to dry-dock the Gabriella. The vessel was out of service for more than three weeks. To minimize revenue loss, the Viking Cinderella and the Amorella provided service on different routes than their usual ones. In addition, the Amorella touched slightly aground outside Långnäs (Åland) in December. The vessel was dry-docked in Rauma on the Finnish mainland and was out of service for more than a week. The year's earnings were adversely affected by these unforeseen dry-dockings.

In April the Isabella was sold. The sale was a planned step in the financing of the Viking Grace. The total sale price was EUR 30 M and resulted in a capital gain of about EUR 23 M.

EFFICIENCY-IMPROVEMENT PROGRAMME

The Viking Line Group is pursuing a continuing action programme to improve operational efficiency. The main areas affected are bunker (vessel fuel) consumption, repairs and maintenance plus organizational structure. More than 60 per cent of individual customer bookings occur today via the internet. During 2013, co-determination negotiations were held in Stockholm and in Turku concerning our travel reservation units for individual customers. Telephone reservation operations were restructured into one external company in Sweden, and Finnish calls are now routed to the travel service in Tallinn. The passenger office on Lönnrotinkatu in Helsinki was shut down.

REFLAGGINGS

In February, co-determination negotiations began for the purpose of registering the Viking XPRS in Estonia and the Rosella in Finland. These negotiations continued during the year and affected about 330 employees. Regular employees on the Viking XPRS could choose to continue working on the Swedish-flagged Viking Cinderella or move to the Company's Finnish-flagged vessels. A recruitment process began in the autumn to staff the Viking XPRS in compliance with Estonian conditions.

VIKING GRACE THE MARKET LEADER

By placing the Viking Grace in service on the Turku–Åland Islands–Stockholm route, Viking Line became the leading provider of service on this route with a market share of 57.3 per cent. The vessel generated heavy media attention and attracted many new passengers both from the Company's primary markets and from other regions. Passengers were especially pleased with the on-board service and entirely new concepts. In the media, the vessel's liquefied natural gas (LNG) fuelled operation and modern design drew the most attention.

Overall, the Group increased its market share in its service area to 34.6 per cent (33.9). There are many indications that the competitive situation in Viking Line's service area will remain difficult, with an over-established market where continued growth will be low.

THE 2015 SULPHUR DIRECTIVE

Fuel prices were at a high but stable level during the year. In preparation for 2015, when the European Union's new sulphur directive goes into effect, we are facing sizeable financial challenges. Six of the Group's vessels are affected by the directive, and no final decisions have been made as to how we will meet the requirements of the directive. Initially the vessels, except for the Viking Grace – which operates on liquefied natural gas (LNG) – will run on marine gas oil (MGO). We are very familiar with the available technical solutions and have an ongoing dialogue with various suppliers. The alternative of using sulphur scrubbers would involve substantial investments and in their current form they are not a convincing or long-term solution for us.

THANK YOU

I would like to thank all Vikings for your dedication and fine contributions in 2013, which was a tough year in many ways. Under the prevailing circumstances, you have shown strength in keeping up the fight and giving our customers superior service. I would also like to thank our business partners for their continued good relationship. The new financial year 2014 will be challenging, but I believe that Viking Line will continue to stand strong this year.

Mikael Backman
President and Chief Executive Officer

Mission statement

MISSION

We are a Nordic company that links together countries around the Baltic Sea by providing environmentally sustainable, regular and profitable passenger and cargo traffic services. We aim at delivering unbeatable experiences for all our guests by offering cruises, conference and scheduled services to our destinations in a pleasant setting. In addition, we want to be an attractive employer and be known for taking good care of our personnel.

VISION

The Baltic Sea is ours – we are the preferred choice in every market where we operate.

As hosts, we provide unbeatable experiences for our guests – we welcome all our guests by showing respect, thoughtfulness and friendliness. Our employees always give "that little extra something" when meeting guests.

We are pioneers in developing experiences for our guests – by continuously improving our products, concepts and services we keep up with market and customer developments.

BASIC STRATEGIES

The following principles are long-term, comprehensive and guiding principles for how we work and what we focus on. All employees must know these principles, and all decisions in the Company will be made in accordance with these principles.

1. Volume

We provide large-scale, attractive and inexpensive (maximum value for money) experiences to our guests, however in such a way that the guest feels that he/she is receiving personal service. We fill the ships with the right mix of guests at the best possible prices.

2. Productivity

We run the Company as cost-effectively as possible without damaging our product development or guest experiences. Costs must be decreased in order to compete in an increasingly tough market.

3. Service

We always offer the best possible service that exceeds guests' expectations in all situations. We must provide

excellent guest experiences within our selective quality categories: friendly customer service, cleanness, good food and entertainment, attractive shopping and safety and order on board. We must be known for quality in the smallest details.

4. Brand image

We make our brand more attractive while differentiating ourselves from competitors, thereby making a wider group of customers interested in our products. We promote all our products in a modern way to both new and existing customers in our market areas, as well as actively developing and promoting our products in strategic international markets. At the same time, we dare to price our products in accordance with the investments that we make.

5. Personnel

We motivate and train our employees in order to achieve the Company's goals and together generate the desired result. Our goal is motivated personnel and skilful management which ensures that the values of the Company have a clearly visible position in daily operations. Management must take responsibility and communicate, motivate and deliver results throughout the organisation.

VALUES – "CONTINUOUS DEVELOPMENT"

A. Profitability

We always focus on results, volume, revenue and costs. Good profitability benefits everyone!

B. Teamwork

We work together. We have a common vision. We exercise good leadership by motivating, communicating, defining responsibility, delegating, providing feedback and monitoring.

C. Exceeding customer expectations

We always exceed customer expectations through extra friendliness, service and thoughtfulness. This has a huge impact, but does not cost anything.

D. Initiatives and innovation

We take initiatives and are innovative, and we assume responsibility for improving our product, our profitability and our processes.

E. Openness, honesty and loyalty

We communicate openly and are prepared both to give and take criticism concerning our business. We are loyal to the Company in all situations. We comply with internal regulations and policies.

The Viking Line fleet

Viking Line provides scheduled passenger and cargo services using seven vessels on the northern Baltic Sea. Newest in the fleet is the Viking Grace, which was delivered from the STX Finland Oy shipyard on January 10, 2013.

ROSELLA

MARIEHAMN–KAPELLSKÄR

- Delivered in1980
- 16,879 gross registered tonnes
- Length 136.1 m
- Ice class I A
- 1,530 passengers
- 340 cars
- 1,184 berths
- Finnish flag

VIKING GRACE

TURKU–MARIEHAMN/LÅNGNÄS–STOCKHOLM

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

AMORELLA

TURKU–MARIEHAMN/LÅNGNÄS–STOCKHOLM

- 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

GABRIELLA

HELSINKI–MARIEHAMN–STOCKHOLM

- Built in 1992
- 35,492 gross registered tonnes
- Length 171.2 m
- Ice class I A Super
- 2,400 passengers
- 400 cars
- 2,382 berths
- Finnish flag

MARIELLA

HELSINKI–MARIEHAMN–STOCKHOLM

- 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

VIKING CINDERELLA

STOCKHOLM–MARIEHAMN

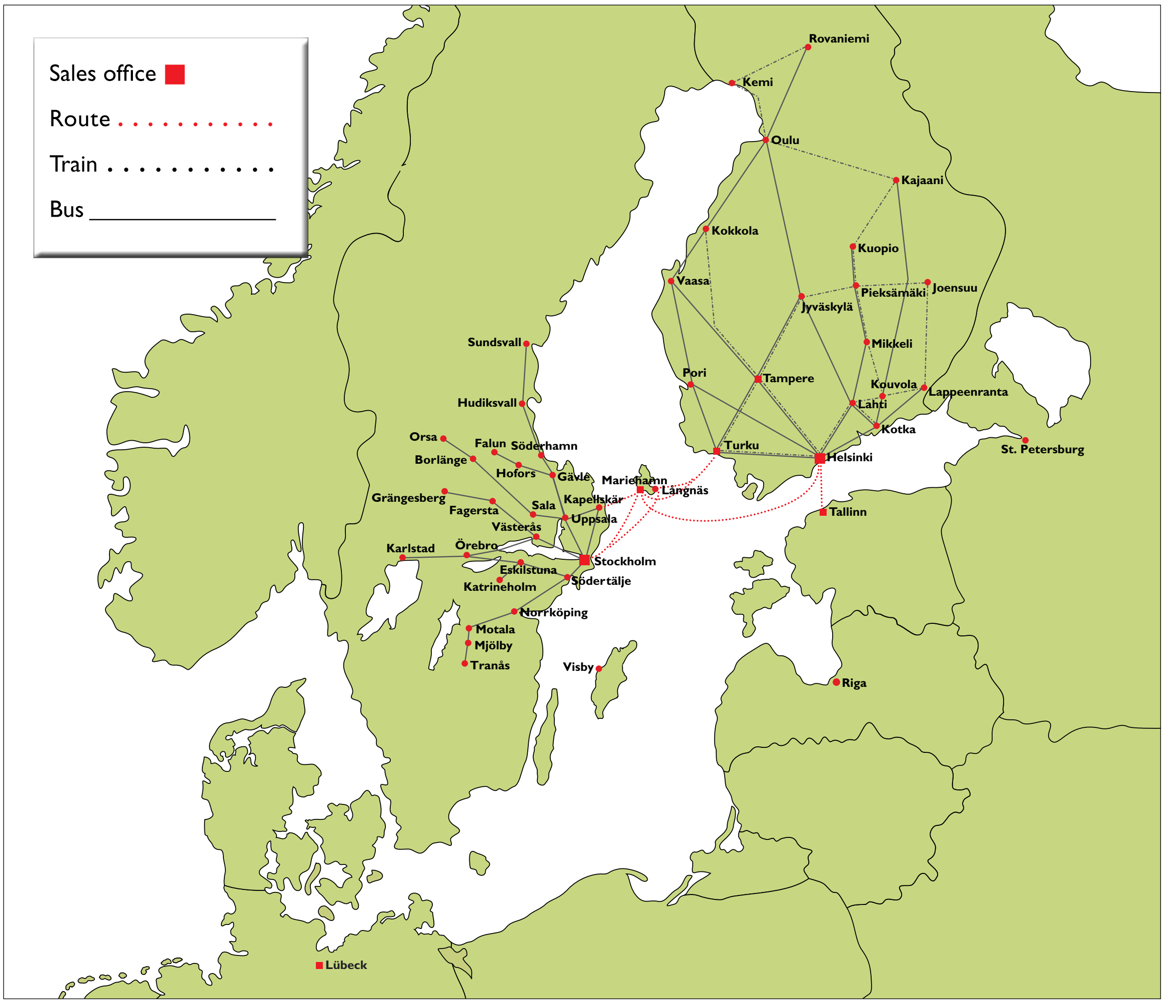
- Delivered in 1989
- 46,398 gross registered tonnes
- Length 191.0 m
- Ice class I A Super
- 2,560 passengers
- 306 cars
- 2,500 berths
- Swedish flag

VIKING XPRS

HELSINKI–TALLINN

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

Connecting services and sales offices



Passenger Services

During the 2013 financial year, Viking Line transported a total of 6,533,650 passengers in its service area, encompassing Finland–Sweden and Finland/Sweden–Baltic countries. Of these passengers, 55.4 per cent were residents of Finland and 31.8 per cent residents of Sweden, while residents of other countries accounted for 12.8 per cent.

TURKU–ÅLAND–STOCKHOLM

The sister vessels Amorella and Isabella provided service on the Turku–Mariehamn/Långnäs–Stockholm route until January 15, 2013, when the newbuilding Viking Grace was placed in service instead of the Isabella.

For the Turku route, as well as for Viking Line as a whole, the beginning of service by the Viking Grace was the absolute high point of the year. The vessel was very positively received both in the press and among the general public. Viking Line unveiled a vessel that offers new concepts of design, operation and on-board activities. Its many-facetted dining and entertainment options as well as its first-rate cabins have represented a boost for the entire travel and entertainment industry.

On the Turku route, it is possible to take either an overnight cruise or a shorter day trip with a change of vessel in Mariehamn. Both overnight and day cruises were popular on the Viking Grace, and the chance of experiencing two vessels on a one day cruise has made the product even more popular.

Aside from cruise travellers, a large proportion of passengers on the route are regular travellers, who often bring along a car. Many families with children travel from Sweden to Turku, attracted during the warmer half of the year by such destinations as Moomin World, the JukuPark water park and the Sokos Hotel Caribia adventure spa.

On January 16, 2013, the Amorella was dry-docked and returned to service on February 11. During the dry-docking period, the Isabella served as a replacement vessel. The Amorella's conference lobby and playroom were refurbished, and these changes were well received by passengers.

During 2013 the Amorella inaugurated its spa, which is located next to the vessel's sauna department. The Amorella also introduced the Baltic Sea's first-ever magic-themed restaurant, with magicians entertaining children and adults in a special area of the buffet restaurant during weekends. The vessel launched another new on-board initiative, Afternoon Tea. Passengers can enjoy a panoramic view of the archipelago accompanied by sparkling wine, freshly brewed tea, sandwiches, scones and other pastries.

On April 22, the Isabella was sold to Hansalink Limited. During the period May 30 – June 7, the Amorella provided service on the Helsinki–Mariehamn–Stockholm route as the Gabriella's replacement during that vessel's dry-docking, while the Viking Cinderella went into service on the Turku–Mariehamn/Långnäs–Stockholm route in place of the Amorella. On December 14 the Amorella touched slightly aground and was taken out of service for repairs until December 22.

STOCKHOLM–MARIEHAMN

The Viking Cinderella makes overnight cruises between Stockholm and Mariehamn, offering a highly entertainment-oriented product with a focus on the guest experience. The heart of the vessel is its lively three-storey nightclub. In addition to such facilities as a duty- and tax-free shop, a conference department and various restaurants, the vessel has a spa department where guests are offered a wide range of therapeutic treatments along with spa rituals, sauna baths and relaxation in nap rooms. The typical guest on board the Viking Cinderella is a resident of Sweden and takes a cruise to enjoy the food, beverages and entertainment, sometimes also in combination with a conference.

During 2013 the Viking Cinderella made a great effort to establish a weekly entertainment calendar, offering concepts for different days of the week to meet the needs of target groups even better. Mondays are big band evenings, and on Tuesdays and Wednesdays the best dance bands in Sweden play. On Thursdays, Swedish rock music veterans Mikael Rickfors and Mats Ronander served as nightclub hosts on a number of sailings that also featured well-known guest artists. A popular entertainment concept for Fridays and Saturdays was developed in collaboration with 2E Group, that among others operates the Wallmans and Golden Hits dinner show and nightclub restaurants in central Stockholm. Together with 2E Group, the Viking Cinderella launched a new concept called Golden Hits Goes Party, with show artists and a DJ making sure the nightclub delivers a top-flight entertainment experience and that the vessel's dance floor remains the hottest on the Baltic Sea.

During 2013 the Viking Cinderella also hosted the world's largest floating whisky fair, an extraordinary dance band week and 20 full-vessel charter voyages. During the summer, the Viking Cinderella made two cruises between Stockholm and Riga as well as two cruises between Stockholm, Riga and Visby. During the period May 30 – June 7 the vessel provided service on the Turku–Mariehamn/Långnäs–Stockholm route in place of the Amorella. Starting on December 14 the Viking Cinderella brought its unique presence to the Finnish market, offering cruises between Helsinki and Tallinn until January 7, 2014. This service was interrupted just before New Year when the vessel made Viking Line's first-ever cruise in the Russian market, in the form of a four-day chartered voyage originating in St. Petersburg.

During a dry-docking period early in 2014, the Viking Cinderella's nightclub will be transformed into

an entirely new arena that will make new entertainment concepts possible, featuring an even larger dance floor and a completely new stage. Two new restaurants will also be created, and a concept that is unique on the Baltic Sea will be introduced in the spa department.

HELSINKI–MARIEHAMN–STOCKHOLM

The Gabriella and the Mariella provide service on the Helsinki–Mariehamn–Stockholm route, which links two of the Nordic capitals. More than half of the passengers on this route are cruise travellers. A large proportion of passengers on the route come from Finland.

A cruise on this route includes two nights on board and a full day on land, with sightseeing and other attractions that can be booked at the same time as the voyage. During their stop-over most passengers want to go shopping and choose to experience the destination city on their own. Visiting various sights and museums is also popular, along with visits to the Gröna Lunds Tivoli amusement park in Stockholm or the Linnanmäki amusement park in Helsinki. In both capitals, Viking Line offers a variety of hospitality packages in collaboration with the most popular hotels.

During a voyage on the Gabriella or the Mariella, there is plenty of time both for shopping in the vessel's well-stocked shops and for enjoying a meal at one of the vessel's restaurants. Both vessels offer a Travel Spa with relaxing treatment such as massage, facials and manicures. The on-board entertainment in the nightclub is international in character, with several shows and orchestras each evening. In the pub or bar areas, the sounds of a troubadour or a pianist can usually be heard.

On May 15, 2013, the Gabriella was dry-docked and returned to service on June 7. During the period May 30 – June 7 the Amorella served the route as a replacement vessel. During the Gabriella's unplanned dry-docking the conference hall and other spaces received a facelift.

HELSINKI–TALLINN

The Viking XPRS provides service between Helsinki and Tallinn, with four departures per day. The vessel, which was built in 2008, offers a rapid crossing between the two capitals. The restaurants on board have many seats and cashiers, making it possible to accommodate a large number of guests and provide good service during the short sea voyage. Store operations offer passengers the Pre Order service concept as well as Drive-In service on the car deck.

PASSENGER VOLUME	2013	2012
Turku–Åland Islands–Stockholm	2,092,897	1,747,874
Stockholm–Mariehamn	840,089	909,000
Helsinki–Mariehamn–Stockholm	1,068,537	1,117,282
Finland/Sweden–Baltic countries	1,872,850	1,847,691
Mariehamn–Kapellskär	659,277	728,056
TOTAL	**6,533,650**	**6,349,903**

The dance restaurant provides live music both during the daytime and the evening.

Nearly half of the passengers on the Viking XPRS are individual customers who travel regularly, and nearly a third are individual cruise travellers. More than half of the vessel's passengers come from Finland.

For those travellers who disembark in Tallinn, Viking Line offers overnight stays via a wide range of cooperating hotels in various Estonian cities. Spa treatments, sightseeing and shopping are popular on-shore activities.

Viking Line's service between Helsinki and Tallinn expanded temporarily between December 14, 2013 and January 7, 2014 when the Viking Cinderella was placed in cruise service on the route.

During the dry-docking of the Viking XPRS in January 2014, the number of seats on the vessel will be expanded. At the same time the vessel will change from a Swedish to an Estonian flag.

MARIEHAMN–KAPELLSKÄR

The Rosella, which serves the Mariehamn–Kapellskär route, offers a fast, smooth and affordable voyage between Sweden and Åland. With a travel time of 2-2.5 hours, the Rosella is also an excellent day cruise alternative for both groups and individual travellers who take connecting buses from a number of Swedish cities to the Kapellskär harbour.

In addition to shopping on board the Rosella, entertainment of various kinds is available every day. Besides the vessel's own cruise hosts, passengers are entertained several days a month by popular musical hosts and dance bands, often with a local connection to Uppland province (where Kapellskär is located) or Åland.

About 60 per cent of the Rosella's passengers are customers who travel regularly, while the remaining 40 per cent consist of day cruisers, group travellers and conference guests. More than half of the passengers come from Sweden, and most of the remaining passengers come from Åland.

During 2013, Viking Line inaugurated Quality Outlet Rosella, an outlet shop where famous-brand fashion, shoes and bags are offered at prices well below those on land. The Rosella was out of service from January 7, 2013 and returned to the route on February 15.

A new long-term departure schedule for the Rosella has been established for 2014, focusing on continuity except for a brief winter break, and with continuous departures every day of the week. At the time of its winter break in January 2014 the vessel is changing from a Swedish to a Finnish flag.

Cargo Services

Viking Line offers its cargo customers sea transport, stevedoring and freight forwarding services on Finland–Åland–Sweden and Finland–Estonia routes. Frequent departures, modern vessels and knowledgeable staff, both land-based and on-board, help meet the needs of transport companies.

During 2013, Viking Line transported a total of 119,704 cargo units (116,906). Total cargo market volume between Helsinki and Tallinn decreased by 3.8 per cent, but Viking Line's market share on the route fell only marginally. Due to already very high capacity utilization, it is difficult to increase the Group's cargo volume on this route. In the cargo market between Finland and Sweden, total volume was essentially unchanged, but Viking Line was able to increase its market share because the Viking Grace, with its large modern car deck, was placed in service on the Turku–Åland–Stockholm route.

The traffic balance between loaded and empty units on all of Viking Line's main routes changed during the year. The number of empty units increased on services to Finland while decreasing in the opposite direction. The number of driverless units on board Viking Line vessels decreased for the second straight year.

Other fields of operations

In addition to its passenger and cargo operations, the Viking Line Group runs the Park Alandia Hotell in Mariehamn. The hotel is wholly owned by Viking Line and has an average of 15 full-time-equivalent employees. The hotel has 79 double rooms as well as conference facilities for up to 100 people. It also has a sauna and swimming pool facility as well as a pub and a restaurant seating 56 people, operated by an outside restaurateur.

The Group also includes the subsidiary Viking Line Buss Ab, which provides scheduled and chartered service on 13 buses and coaches. The company has an average of 21 full-time-equivalent employees.

A commitment to environmental work

Viking Line endeavours to provide seagoing passenger services in an environmentally sound way. Through a long-term, active commitment to the environment, the Company has developed environmental work that extends beyond what is stipulated by the rules in force for passenger services on the Baltic Sea.

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 sets safety and pollution prevention standards.

National legislation and international agreements are the basis for the Company'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.

MINIMIZING ATMOSPHERIC EMISSIONS

Viking Line's environmental work focuses on its vessel operations, where the largest gains can be made when it comes to safeguarding our environment.

Viking Line's vessels use low-sulphur fuel with a sulphur content of 0.5 per cent by weight, in order to reduce sulphur oxide (SOx) emissions, except that the Viking Grace operates on liquefied natural gas (LNG). LNG contains no sulphur, but diesel oil with less than 0.1 per cent sulphur content by weight is used as a pilot fuel to ignite the natural gas in the engine.

According to an annex to MARPOL 73/78, effective from July 1, 2010 the sulphur content of marine diesel oil and fuel oil used by vessels in service on the Baltic Sea may not exceed 1.0 per cent by weight. Viking Line vessels are thus well below the threshold level. The European Union's new sulphur directive, which goes into effect in 2015, lowers the threshold for Baltic Sea maritime services to 0.1 per cent sulphur by weight. Viking Line has begun preparatory work to meet the new standard.

All Viking Line vessels that are moored in port for longer than two hours use marine diesel oil with a sulphur content not exceeding 0.1 per cent by weight throughout their port stay.

To reduce nitrogen oxide emissions, reduction technology is used on two of the Company's vessels – catalytic converters on one vessel and Humid Air Motor (HAM) technology on the other. 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 seawater to the combustion process.

Two of the Company's vessels now operate using a landbased electricity supply while they are docked during the daytime in Helsinki and in Stockholm. Using landbased electricity decreases emissions of air pollution and engine noise in ports and their vicinity.

Viking Line has an internal programme to reduce exhaust gas emissions. In this programme, vessel operating staff and the Company's technical department are working to introduce fuel-efficient methods of manoeuvring vessels.

NO DISCHARGES INTO THE SEA

Two main types of wastewater are mainly formed on the vessels: grey water and black water. Black water is wastewater from toilets, and grey

The hulls of the vessels are brushed by divers several times each year. All growths loosened from the hulls during brushing are collected into a separate container, which is then brought ashore for further treatment.

water comes from showers and other washing activity. Bilge water, which contains oil, originates in the engine rooms of vessels.

Viking Line vessels discharge neither wastewater nor bilge water into the sea. In order not to burden the Baltic Sea, the Company's vessels pump all their wastewater ashore, including bilge water. MARPOL regulates management of black and bilge water. Discharge of black and bilge water into the sea is permitted when the water meets certain specified criteria. Discharges of grey water are not regulated by legislation.

Viking Line's choice to let land-based treatment plants handle all its wastewater and bilge water is thus an environmental friendly initiative that goes beyond what the existing rules require.

DIVERS CLEAN THE BOTTOMS OF VESSELS

Instead of using environmentally hazardous paints on the bottoms of vessels, their hulls are brushed by divers several times each year. In May 2013 this work was demonstrated to the media in Helsinki. Starting in the summer of 2013, Viking Line has used an upgraded brushing method that was developed and patented by the DG-Diving Group. The upgrade involves collecting all growths loosened from the bottoms of vessels during brushing into a separate container, which is then brought ashore for further treatment.

INTERNAL AND EXTERNAL AUDITS

To ensure that Viking Line meets environmental certification standards, continuous internal audits of its operations are conducted. In addition, Det Norske Veritas – 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 and Swedish transport authorities perform continuous ISM Code-related audits concerning both environmental and safety functions.

ACTIVE ENVIRONMENTAL WORK

Viking Line participates actively in the task of saving the Baltic Sea by supporting and collaborating with the Baltic Sea Action Group (BSAG). This collaboration will include practical projects in keeping with the overall objectives of the Helsinki Commission's new Baltic Sea Action Plan.

THE VIKING GRACE

The Viking Grace is the world's first passenger vessel in its size class that can run on liquefied natural gas (LNG). Natural gas creates substantially less hazardous emissions. Nitrogen emissions and hazardous particulates are reduced by 85 per cent and greenhouse gases by 15 per cent. Sulphur emissions are virtually eliminated.

The vessel's hydrodynamically optimized hull design and highly efficient drive technology results in major energy savings. Efficient ventilation units, whose air flow varies in response to the prevailing external and internal circumstances, lead to further savings. Other factors that result in high energy efficiency are the heat recovered from the air conditioning system and the engine cooling water, the advanced galley

The Viking Grace was awarded the first prize in the newly established Baltic Sea Clean Maritime Awards. The award was handed over by Kurt Bodewig, maritime ambassador of the European Union and Germany's former minister of transport.

energy management system, the high insulation resistance of the windows and the vessel's light structures. The lighting on board largely consists of LED technology. This technology is used in all entertainment and in 90 per cent of the vessel's public areas.

Mufflers were installed in the exhaust pipes, lowering the noise level of the vessel. The hull design minimizes swells and is the result of a lengthy development process.

The Viking Grace was awarded the first prize in the newly established Baltic Sea Clean Maritime Awards. The awards were given for the first time on November 11, 2013 at the 4th Annual Forum of the EUSBSR (EU Strategy for the Baltic Sea Region) in Vilnius, Lithuania. The Viking Grace received the first prize in the category Technology, Propulsion and Engines. The award was handed over by Kurt Bodewig, maritime ambassador of the European Union and Germany's former minister of transport.

The Viking Grace won several awards in the 2013 Shippax Awards competition: in the field of environmental qualities, for being the first long-distance vessel with a dual fuel engine (gas and diesel) and because the vessel is equipped with many energy-saving solutions. In the field of exterior design, the vessel was awarded for its LNG tanks and small funnel. It also received awards for innovative layout for handling stores and food preparation and innovative interior design.

As early as 2012, Viking Line was awarded the annual Ports of Stockholm Environmental Buoy for having built the world's first passenger vessel in its size class that can run on LNG and for meanwhile developing several unique and innovative environmental solutions for the Viking Grace.

KEY FIGURES	2013	2012
Passengers	6,533,650	6,349,903
Cars	603,696	613,078
Cargo units	119,704	116,906
Total distance (000 km)	1,126	1,146
Resource consumption		
Fuel (m^3)	92,886	111,124
Lubricating oil (m^3)	700	765
Urea (m^3)	509	338
Fresh water (m^3)	337,668	349,533
LNG (tonnes)	12,588	0
Emissions (tonnes)		
Nitrogen oxides (NOx)	3,559	4,919
Sulphur oxides (SOx)	439	566
Carbon dioxide (CO_2)	316,225	348,620
Residual products (tonnes)		
Solid waste for combustion	2,667	1,765
Waste sent to landfills	587	1,309
Waste for recycling	1,345	1,430
Biowaste	722	311
Hazardous waste	95	78
Wastewater pumped ashore (m^3)		
Grey and black water	300,488	311,814
Bilge water	8,631	10,211
Waste oil (m^3)	2,531	2,490

Measures to improve the environment

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 sell 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 washing fluid with water according to predetermined criteria. Because of careful dosage, they achieve optimal water and washing fluid consumption when cleaning the cabins and kitchens on Viking Line vessels.

Cleaning equipment made of micro-fibres is used, since it helps reduce detergent and water use on board.

To reduce water consumption, Viking Line has installed water-saving mouthpieces 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.

ENVIRONMENTALLY FRIENDLY CHEMICALS

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.

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 the Viking Grace, equipment has been installed to make efficient sorting and collection of biowastes possible. On the Mariella, all biowaste is collected in receptacles. The biowaste is then transported to a digestion plant for production of biogas.

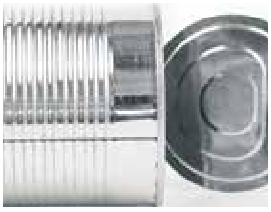
DID YOU KNOW THAT...

... during 2013 Viking Line brought the following ashore from its vessels for recycling:

19 tonnes of plastic, which is equivalent to a 33 tonne reduction in CO_2 emissions – comparable to driving a car 175,560 km on a motorway.

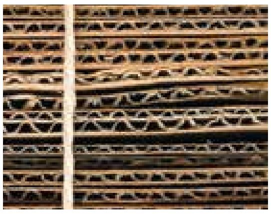
2,404 tonnes of used oils, which is equivalent to a 4,207 tonne reduction in CO_2 emissions – comparable to driving a car 22,381,240 km on a motorway.

87 tonnes of scrap metal. Recycling of steel, for example from food tins, consumes 75 per cent less energy than production from iron ore.



3 tonnes of aluminium, which is equivalent to a 30 tonne reduction in CO_2 emissions – comparable to driving a car 159,600 km on a motorway.

474 tonnes of glass packaging. When recycled glass is melted down to make new glass, the process consumes 20 per cent less energy than starting from sand, soda ash and limestone as raw materials. Glass packaging can be recycled any number of times without deteriorating in quality.



622 tonnes of paper and cardboard packaging. Because of recycling, we do not need to cut down as many new trees. A tonne of recycled paper is equivalent to about 14 trees. Paper can be recycled around seven times.

- Through recycling, Viking Line has spared the environment from CO_2 emissions equivalent to driving a car more than 22,716,400 km on a motorway.

- Recycling of materials is very helpful to the environment – greater recycling reduces our climate impact.
- It requires much less energy to recycle materials than to extract new ones from nature.
- Eco-cycles benefit the climate.

...during 2013...

...Viking Line brought ashore from the Viking XPRS, the Viking Grace and the Mariella a total of **722 tonnes of food waste**, yielding 57,000 cubic metres of biogas, which is equivalent to 64,000 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 **6,635,434 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.

A good safety and security culture

Effective, successful safety and security work is essential to running sustainable business operations.

Achieving this requires a good safety and security culture, which is a vital concept in the task of preventing the occurrence of accidents and managing them in case they nevertheless occur. We aim at ensuring that everyone in the Group will help maintain a good safety and security culture, so that our customers feel safe and secure when they travel on our vessels and buses and stay at our hotel. Our ambition is to continuously improve the Group's safety and security work.

Safety work is mainly regulated by international conventions, European Union legislation and national legislation. The main bodies that regulate shipping are the International Maritime Organization (IMO), a United Nations Agency, and the European Maritime Safety Agency (EMSA), which is part of the EU. The Finnish Transport Safety Agency and the Swedish Transport Agency have regulatory responsibility by means of regular inspections on board vessels and at shipping company offices. On-board and land-based safety and security work is governed mainly by the International Safety Management (ISM) Code and the International Ship & Port Facility Security (ISPS) Code. These systems include operational components such as organizational structure, accountability, processes, planning, oversight, divergence reporting, training and proficiency, safety and security drills and efficient vessel maintenance. They evolve continuously on the basis of information gathered from annual internal and external audits.

DEVELOPMENTS IN SAFETY AND SECURITY WORK DURING 2013

In 2013 Viking Line developed and implemented an updated, comprehensive land-based emergency management organization, with a central emergency organization stationed in Mariehamn and local emergency organizations on the Finnish mainland and in Sweden, respectively.

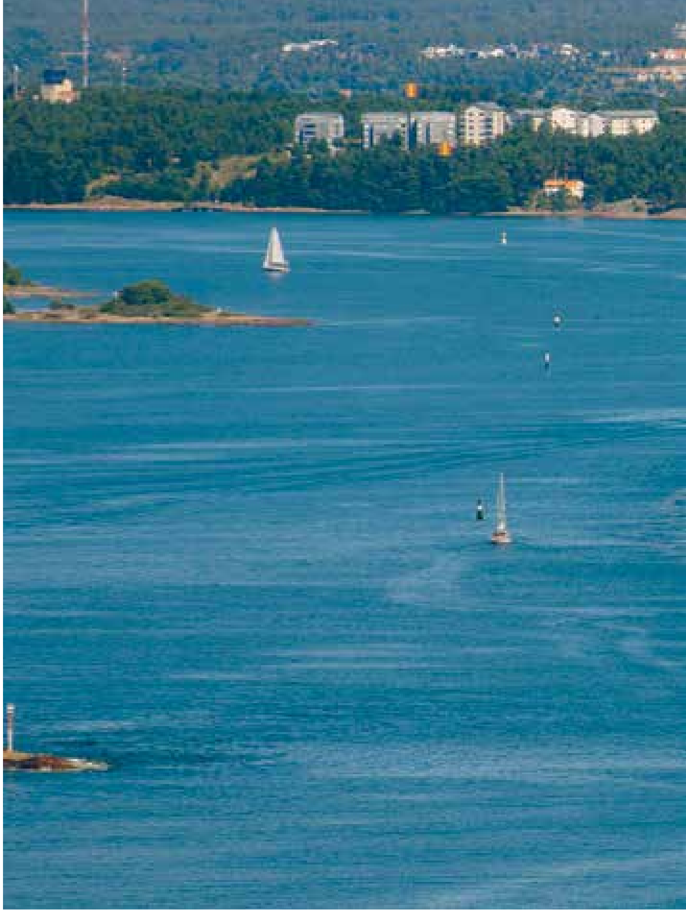
Through development work and collaboration with the maritime training school Aboa Mare, Viking Line now has access to a state-of-the-art simulator facility for advanced navigation safety training of bridge officers.

During the year, all crew members were certified as meeting the new security awareness standards of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW).

Viking Line's ISM-compliant safety management system, which has existed since 1993, was audited and reviewed during 2013 by the regulatory authorities in Finland, Sweden and Estonia, which granted their approval of the system for the next five years.

IMO	International Maritime Organization
EMSA	European Maritime Safety Agency
ISM	International Safety Management
ISPS	International Ship and Port Facility Security Code
STCW	International Convention on Standards of Training, Certification and Watchkeeping for Seafarers

Viking Line's personnel



During 2013 the average number of employees in the Viking Line Group was 3,104 (3,014). Of the total number of employees, 2,460 (2,364) resided in Finland. The number residing in Sweden was 534 (552). There were 2 (2) employees residing in Germany and 108 (96) in Estonia.

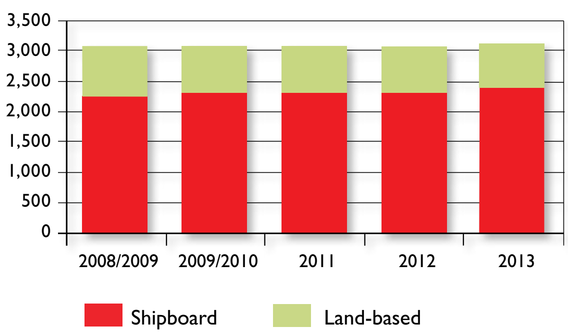
Most of Viking Line's employees work aboard its vessels. Shipboard personnel totalled 2,407 (2,299) and land-based personnel 697 (715). Of the Group's land-based personnel, 66.0 per cent were women and 34.0 per cent were men, while women accounted for 43.9 per cent and men 56.1 per cent of shipboard personnel.

VIKING LINE'S HUMAN RESOURCE VALUES

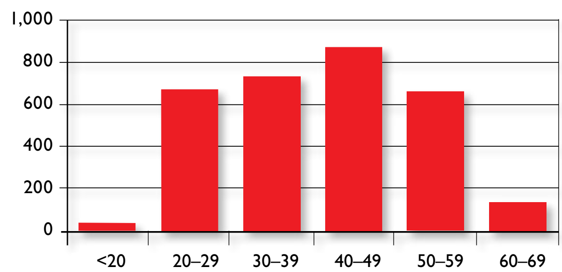
One fundamental ambition at Viking Line is always to provide the best possible service and at all times to exceed the expectations of our guests, especially by providing friendly service, fully functional and clean facilities, good food and entertainment, attractive shopping and safety and order on board. Extra friendliness and thoughtfulness should give each customer the perception of receiving personal service.

As an employer, Viking Line's aim is to motivate and train its personnel to work together so that they will achieve the Group's goals and generate the desired results. Our objective is to have highly motivated employees and proficient managers who carry out their day-to-day work on the basis of our corporate

Viking Line Group employees



Age distribution



values. Supervisors should exercise good leadership by motivating, communicating, defining responsibilities, delegating, providing feedback and monitoring performance. The Company values initiative and innovation, with all employees sharing responsibility for improving Viking Line's product, profitability and processes. Our aim is open communication, where our employees both provide and accept criticism related to their work. We expect employees to be loyal to the Company in all situations and to comply with Viking Line's policies and internal rules.

A GOOD WORKING ENVIRONMENT

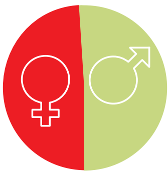
Viking Line takes a systematic approach to working environment issues. Employee health and safety are high priorities. All managers must care about the well-being of their fellow employees, and together we must strive for continuous improvements and to prevent any type of damage and injuries. We follow the rules of the countries where we operate with regard to working hours, terms of employment and collective agreements.

ETHICAL RULES

At Viking Line we respect the right of employees to join associations, organizations and trade unions. The Group bases all recruitment, human resource development, promotions and other employee relations on the equal worth of all human beings. All employees and job seekers shall be treated on the basis of objective, formal qualifications. There must be no discrimination against anyone who works for the Group on account of age, gender, ethnic background, religion, sexual orientation, disability, political opinions or marital status. Nor do we accept physical, psychological, verbal or sexual harassment.

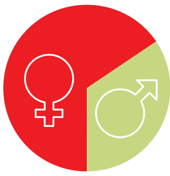
Gender breakdown, total

Women 48.9%
Men 51.1%



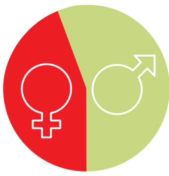
Gender breakdown, land-based

Women 66.0%
Men 34.0%



Gender breakdown, shipboard

Women 43.9%
Men 56.1%



A work day on board

On board Viking Line vessels, 42 different occupational categories are represented. As a working environment, a vessel is unique: it is like a small city with its own power generation plant, services and safety arrangements. In addition to ordinary job duties, each employee also has specific safety-related duties. Their work days are varied and look different depending on which route they work on.

MIKAEL SANDQVIST,
engine superintendent, Viking Grace:

LNG bunkering means vessel operation free of shaking or vibration

"My job requires full concentration from minute one. Since I work on a new LNG-powered vessel, my days are a little different from on a conventional vessel. I can even claim that I sleep better at night, since my bed is connected to a hull that doesn't shake and vibrate.

"The first thing I encounter in the control room in the morning is an alert duty engineer talking on a DECT phone – a type of modern preparation for STS bunkering. When the engineer moves to the LNG bunkering station, I take over watch duty, among other things to pump as many as four different kinds of liquids ashore and three on board.

"After departing from Stockholm we perform maintenance and modifications related to both engines and fittings. Because the Viking Grace has created such an enormous response worldwide, there are many curious people who want a presentation or study visit on board, especially related to LNG operation.

"During our port stay in Turku, we do maintenance on equipment that can't be serviced during the voyage. Any service technicians and new engine parts also come on board. After our departure, a shower and my lovely bed await."

DECT	Digital Enhanced Cordless Telecommunications
STS bunkering	Ship-to-ship bunkering

JOAKIM SUNDHOLM

deck repairman, Amorella:

A highly varied job at all hours of day and night

"I have a varied job, where no day is like another. I work from morning to evening and am on call every other night. I prefer to avoid disturbing passengers, so there's a lot to do during our brief port stays on the Turku route. The job requires being handy: I can manage anything from changing batteries in keyless door locks to unclogging toilets and other plumbing work. I spend the morning changing the water and cleaning the filters in the Jacuzzis and similar tasks. During the rest of the day, my tasks include repairs, sofa renovations, changing rugs in cabins and making various items we need. On this intensive route, time flies quickly."

CAMILLA MATTSSON

storekeeper, Rosella:

A key individual in ordering and supplying retail goods

"My work day begins at 6.30 a.m. on the days we get deliveries of goods, which is every other day during low season and Tuesday-Saturday during high season. On other days, I start work some time between 8 and 9 a.m.

"After goods are picked up and checked off, they have to be recorded. Then it's time for breakfast. After breakfast we check newly arrived e-mails and then we're busy submitting orders, handling internal orders and delivering and receiving more goods. We drive the forklift, correct code errors, make code changes and add new products to our systems. We also arrange new sales campaigns at the end of the month and make damaged goods lists and supply room work schedules and check draft beer and dispensers. In between, we try to have a little spare time to be in the shop and help our guests. Ordering spirits, sweets, beer, food and perfumes requires a rather large part of the day. The entire supply room is inventoried three times a year."

KRISTIINA "KRISSE" OKSANEN

chief steward, Gabriella:

Keeping things clean and in good repair throughout the vessel

"My job begins around 7 a.m., compiling lists for our cleaning contractor, ordering goods and other administrative work. After we arrive in port, the focus is on supervising the cleaning work. During our port stays in both Helsinki and Stockholm, lots of cleaners come on board.

"I spend many working hours sitting at a computer, planning and answering e-mails. My time is also spent going through job assignments with department staff, attending any meetings and dealing with customer feedback. I'm also responsible for making sure there are enough bed linens and towels on board and I handle tasks related to working clothes together with the person responsible. We're talking about sizeable quantities of bed linens and towels! I also work closely with our chief officers, repairmen and electricians, especially when it comes to repairs in the cabins on board.

"After our evening departure, we send preliminary lists to the cleaning contractor and I review the work situation for the following morning. My workday normally ends around 7 p.m., but since our department operates around the clock and we work throughout the vessel, sometimes I finish even later.

"In addition, during the day there are countless unexpected situations we must respond to. No day is like another!"

MIA NIEMINEN

second officer, Viking XPRS:

Hectic pace on the bridge in the lively Gulf of Finland

"The pace of a second officer's work day is based on the vessel's port stays and sea voyages. While in port, bridge officers prepare for the coming sea voyage. During departure, as second officer I handle external and internal radio communications.

"During the sea voyage, the second officer is the one who steers the vessel, which on the Helsinki–Tallinn route means navigating across the heavily trafficked Gulf of Finland and through the narrow passageway in Helsinki harbour past the old fortress island.

"When we arrive in port, I oversee the mooring of the vessel and am also responsible for the unloading of cargo from the car deck. The second officer also leads life boat drills, gives new employees a safety introduction and is responsible for ensuring that the bridge and safety equipment are in good shape.

"There are two second officers on board and we alternate tasks and work periods, so we stay alert all the time. I'm very pleased with my job on the bridge. On this route there is constant activity and movement, since vessel traffic is intensive and we have many port stays."

SAMI ILONEN

cruise director, Viking Cinderella:

The man in charge of entertainment on the Baltic Sea's hottest dance floor

"I've been a regular employee since 2001. As cruise director, I'm a member of the vessel's service management team and am also an important part of the on-board safety and security organization. I'm responsible for managing, developing and coordinating on-board entertainment and gaming activities. Here on the Viking Cinderella, the dance floor is full night after night, featuring music by major stars and party bands. On the entertainment end, our task is to make sure our customers enjoy themselves and hopefully come back. My job description includes personnel administration and optimization, as well as planning our programme offerings, including artists and musicians. Looking at future programme concepts, special cruises, gaming products and gaming activities are also part of my area of responsibility. It's a very exciting and varied job."

NADJA AFLECHT

headwaiter, Viking Buffet restaurant, Mariella:

Guests must feel welcome and employees must be well-informed

"As a headwaiter on the Mariella, I work two shifts a day, first at our sea breakfast in the morning and then at our buffet dinner in the evening. I start my day between 7 and 8 a.m. by checking that everything is in good shape in the dining room before we open. During breakfast, I greet our guests. When breakfast is over, I go to the office and enter the table numbers for our evening guests and fix any requests related to dinner. In this way, right at check-in our guests can receive their table numbers and a confirmation that everything is under control concerning their requests. They also don't have to wait to be seated. It's important that our guests feel welcome.

"During the day I'm off. I take the opportunity to go to the gym, visit the swimming pool, attend a yoga session or take a long walk. The most important thing is to do something. This makes me feel better during my shift. Being free during the day is a unique benefit on the Helsinki route, which I want to take 100 per cent advantage of.

"I begin my evening at 4 p.m. by checking that my staff members have their security duty numbers in shape; this is always the top priority. Then I record our working hours and put together schedules for the next day. If any staff members are beginning their work week that day, we always go through what has happened during their week off and things they should be informed about. Once the restaurant opens at 5.30 p.m., I spend the rest of the evening welcoming guests and helping them with any questions and requests. Before we close, I also go through my e-mails and take care of what is necessary."

Corporate governance

The parent company Viking Line Abp has been listed on the NASDAQ OMX Nordic Exchange 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. Viking Line Abp applies 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, 2013 Viking Line Abp had 3,070 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 19, 2013. Information from this meeting is available on the Company's websites. The next AGM will be held on April 16, 2014.

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 has 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 monitors the Company's operative management, appoints and removes 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 are 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 indicative dates for:

- discussion of vision and strategy
- discussion of accounts 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 chief legal counsel serves as secretary of the Board.

The Board meets generally once a month. A notice of each meeting and supporting documents for the decisions to be made are provided to the Board members well in advance, at least four days beforehand unless there are important reasons for doing otherwise. During the financial year 2013, the Board held 13 meetings. Board members' average attendance at meetings was 94.5 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. Mikael Backman is the President and CEO of the Company.

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 once a month.

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 members of the Board do not belong to the Company's incentive and bonus system. The following fees were paid in compliance with the decision of the Annual General Meeting:

EUR	2013	2012
Annual fee, Chairman of the Board	20,000	20,000
Annual fee, other regular Board members	17,000	17,000
Fee per meeting attended, Board and deputy members	1,000	1,000

For the financial year 2013, a total of EUR 214,000 in Board fees (2012: 237,000) 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 2013, the President and CEO received a total of EUR 246,239 (2012: EUR 240,363) in salary and benefits in kind, in the form of meal and 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 in compliance with the Employment Contracts Act, but the President and CEO will enjoy 8 months of salary after the termination date. No other individual agreements regarding compensation due to dismissal have been concluded, either for the Board of Directors, members of Group Management or other employees.

The Group applies an incentive and bonus system that includes the Company's President and CEO as well as its Executive Vice Presidents from 2013 onward. The size of the bonus is affected both by the results of the financial period and personal job performance. The bonus may not exceed 35 per cent of annual salary. The Company has no share-based incentive systems. No bonuses for the financial year 2013 have been disbursed. No bonuses were disbursed for the financial year 2012 either, but after the financial statements for the financial year 2011 were approved, the Board of Directors decided to disburse individual bonuses totalling EUR 42,805 to those who had been members of Group Management for the entire year. The President and CEO abstained from any bonus for the financial year 2011.

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

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

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 88,200 during 2013 (2012: 107,750), of which EUR 56,265 (EUR 73,200 during 2012) 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 55,041 during 2013 (2012:27,602).

INTERNAL MONITORING AND RISK MANAGEMENT

The objective of the internal monitoring 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 monitoring 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 the NASDAQ OMX Nordic Exchange 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.

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

ERIK GRÖNBERG
Managing Director,
Shopex Marketing AB
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.

Group Management

JANUSZ GRABOWSKI
Vice President since 2012
Head of Shipboard Commercial Operations
Born in 1957
Joined the Company in 2012

PETER HELLGREN
Vice President since 2011
Head of Sales and Marketing in Sweden
Born in 1967
Joined the Company in 1994

ANDREAS REMMER
CFO since 2013
Head of Finance and IT
Born in 1974
Joined the Company in 2013

TONY ÖHMAN
Vice President since 2007
Head of Marine Operations and Real Estate
Born in 1953
Joined the Company in 1989

ANNI KALLIONIEMI
Vice President since 2011
Head of Sales and Marketing in Finland, the Baltics and Russia
Born in 1957
Joined the Company in 2011

JAN HANSES
Deputy CEO
Executive Vice President since 2005
General Counsel and Head of Human Resources
Born in 1961
Joined the Company in 1988

MIKAEL BACKMAN
President and CEO since 2010
Born in 1966
Joined the Company in 2009

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

Viikinki ("Viking" in Finnish), a dog mutually owned by Viking Line and the Finnish Border Guard, began his patrol training during the summer of 2013.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Report of the Directors

SALES AND EARNINGS

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).

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 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

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. There is no indication that the guidelines will be changed.

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 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 365.2 M (174.2). The vessels have hull and machinery and increased value insurance totalling EUR 598.0 M (488.5). In addition, all vessels have strike insurance and protection and indemnity (P&I) insurance.

On January 10, 2013, in conjunction with the delivery of the Viking Grace, Viking Line Abp took out a loan of EUR 179.0 M. This means that the Group's interest-bearing liabilities and liquidity risk have increased. The loan has a maturity of 12 years, with straight-line repayments of the loan principal and a fixed interest rate. The loan agreement includes loan covenants according to market terms.

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.

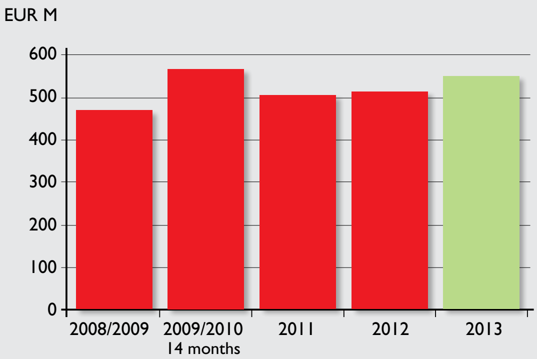
The European Union's new sulphur directive enters into force on January 1, 2015 and will lead to higher expenses for the Group. The directive affects all of the Group's vessels except the Viking Grace, which operates on liquefied natural gas (LNG). Viking Line has begun preparatory work to meet the new requirements. The Group is examining various technical solutions and initially the vessels will run on marine gas oil (MGO), which will lead to increased bunker expenses starting in 2015.

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

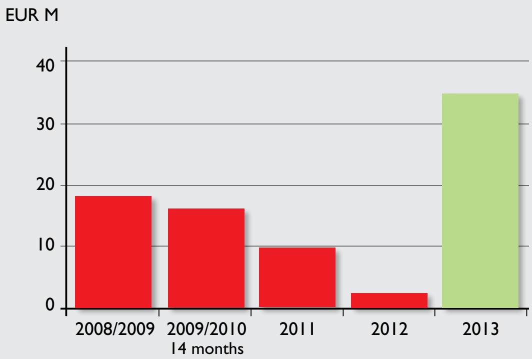
EVENTS AFTER THE END OF THE FINANCIAL YEAR

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

SALES



OPERATING INCOME



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. During 2013 Viking Line received several environmental awards for its new vessel, the Viking Grace, which runs on an environmentally cleaner fuel, LNG. Viking Line's environmental work focuses on its vessel operations, where the largest positive environmental effect can be achieved.

The Group's Head Office, all its vessels and Viking Line Buss Ab are certified in compliance with ISO 14001 environmental management standards.

Viking Line fulfils the requirements of the International Safety Management (ISM) Code and the International Ship and Port Facility Security (ISPS) Code. 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 2013 the average number of employees in the Viking Line Group was 3,104 (3,014). Of the total number of employees, 2,460 (2,364) resided in Finland. The number residing in Sweden was 534 (552). There were 2 (2) employees residing in Germany and 108 (96) in Estonia.

Most of Viking Line's employees work aboard its vessels. Shipboard personnel totalled 2,407 (2,299) and land-based personnel 697 (715).

Viking Line Abp has no foreign branches. Foreign subsidiaries are listed in Note 25 to the consolidated financial statements.

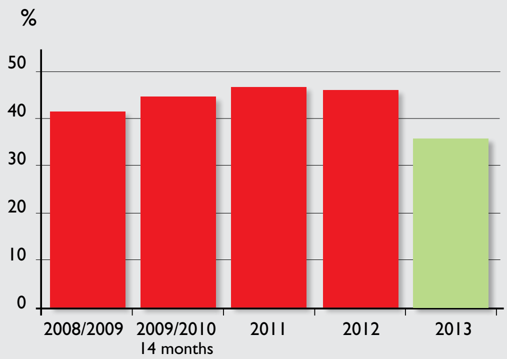
BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

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

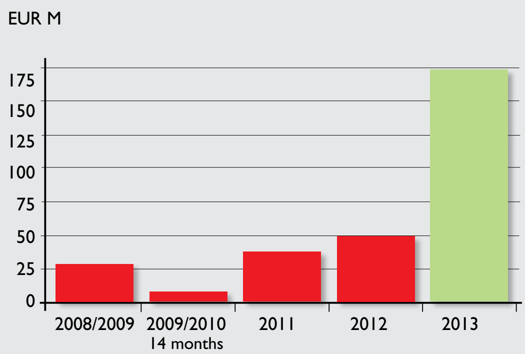
The President and CEO of the Company is Mikael Backman. Jan Hanses serves as Deputy CEO.

Johan Kronberg, Authorized Public Accountant (CGR) and Martin Grandell, Authorized Public Accountant (CGR), are regular Auditors. The firm of PricewaterhouseCoopers Oy,

EQUITY / ASSETS RATIO



GROSS CAPITAL SPENDING



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 web sites.

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 shareholders' 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 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.

Consolidated statement of comprehensive income

EUR M	Note	Jan 1, 2013- Dec 31, 2013	Jan 1, 2012- Dec 31, 2012
SALES	2	**549.4**	**516.1**
Other operating revenue	3	23.5	0.4
Expenses			
Goods and services	4	150.6	149.6
Salary and other employment benefit expenses	5	130.1	125.2
Depreciation and impairment losses	6	35.7	28.5
Other operating expenses	7	221.9	210.7
		538.2	514.1
OPERATING INCOME		**34.7**	**2.4**
Financial income	8	1.2	1.6
Financial expenses	8	-8.3	-2.5
INCOME BEFORE TAXES		**27.7**	**1.6**
Income taxes	9	-0.2	-0.7
INCOME FOR THE PERIOD		**27.5**	**0.9**
Other comprehensive income			
Items that may be transferred to the income statement			
Translation differences		-0.4	0.1
Investments available for sale		0.0	-
		-0.4	0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**27.1**	**1.0**
Income attributable to:			
Parent company shareholders		27.5	0.9
Total comprehensive income attributable to:			
Parent company shareholders		27.1	1.0
Earnings per share before and after dilution, EUR	10	2.54	0.09

Consolidated balance sheet

EUR M	Note	Dec 31, 2013	Dec 31, 2012
ASSETS			
Non-current assets			
Intangible assets	11	0.8	0.9
Land	12	1.1	1.1
Buildings and structures	12	11.7	12.3
Renovation costs for rented properties	12	0.7	0.5
Vessels	12	365.2	174.2
Machinery and equipment	12	8.0	8.1
Advance payments	12	-	61.1
Investments available for sale	13, 22	0.0	0.0
Receivables	14, 22	0.5	0.7
Total non-current assets		**388.1**	**258.9**
Current assets			
Inventories	15	15.0	15.2
Income tax assets		0.2	1.9
Trade and other receivables	16, 22	31.0	29.1
Cash and cash equivalents	17, 22	96.1	45.3
Total current assets		**142.2**	**91.5**
TOTAL ASSETS		**530.3**	**350.4**
EQUITY AND LIABILITIES			
Equity	18		
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	19	29.7	29.7
Non-current interest-bearing liabilities	20, 22	221.2	73.1
Total non-current liabilities		**250.8**	**102.8**
Current liabilities			
Current interest-bearing liabilities	20, 22	15.1	8.7
Trade and other payables	21, 22	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	**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

	Equity attributable to parent company shareholders				
EUR M	Share capital	Reserves	Translation differences	Retained earnings	Total equity
Equity, Jan 1, 2012	**1.8**	**0.0**	**0.1**	**164.4**	**166.3**
Income for the period				*0.9*	*0.9*
Translation differences		*0.0*	*0.0*	*0.1*	*0.1*
Remeasurement of investments available for sale					*-*
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**
Income for the period				*27.5*	*27.5*
Translation differences		*0.0*	*-0.4*	*0.0*	*-0.4*
Remeasurement of investments available for sale		*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**

Notes to the consolidated financial statements

1. ACCOUNTING PRINCIPLES

Company information

The Viking Line Group provides passenger and cargo carrier services in the northern Baltic Sea traffic area, with the Finnish mainland, Sweden, the Åland Islands (a Swedish-speaking province of Finland) and the 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 OMX Nordic Exchange 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 12, 2014 and will be submitted to the Annual General Meeting for adoption.

General principles

These 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, 2013 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.

The Group is applying IFRS 13, "Fair value measurement" starting on January 1, 2013. Application of this standard has resulted in expanded disclosures in the notes to the consolidated financial statements.

Other 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 IFRS, 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.

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 1 – December 31, 2013.

Subsidiaries are reported according to the purchase method of accounting. 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 the respective 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 to 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 to euros according to monthly middle 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 economic 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. 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 respective 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	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
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.

Advance payments are related to vessels under construction. These consist of advance payments in compliance with vessel construction (newbuilding) contracts, planning and monitoring expenses and capitalized borrowing expenses. Planning and monitoring expenses consist of architect fees plus salary and travel expenses for planning and technical monitoring of vessel construction. Interest expenses for loans related to advance payments attributable to vessels that have not yet been delivered are capitalized.

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 2013, 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 liabilities have an expected maturity longer than one year, while current 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 1: 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. Their fair value 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.

The Group's holdings of unlisted shares and participations are small. Consequently, changes in the fair value of these investments have no material effect on consolidated income.

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 a settlement compensation as well as loan receivables.

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 carrying amount of loan receivables is recognized as fair value.

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 accounted for among other receivables.

The carrying amount of trade and other receivables are 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 fiscal 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 a cost in the income statement.

Cash and cash equivalents

Cash and cash equivalents consist of pledged deposits, 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 liabilities

The carrying amount of trade and other liabilities is equivalent to fair falue.

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 programmes. 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 accounted for among “Salary and other employment benefit expenses” and outstanding compensation is accounted for among “Current liabilities” in the balance sheet. Otherwise the Group has no defined-benefit pension arrangements or other benefits after employment has ceased. However, the President and CEO enjoys 8 months of salary in case of termination by the Company. The Group applies an incentive and bonus system that includes the Company’s President and CEO as well as its Executive Vice Presidents from 2013 onward. The size of the bonus is affected both by the results of the financial period and personal job performance. The bonus may not exceed 35 per cent of annual salary. The expenses for the 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, which means that 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 respective 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. When estimating deferred taxes on December 31, 2013, the 2014 tax rate of 20.0 per cent has been used in the Group’s Finnish companies. The Group has not recognized any deferred tax assets.

Application of renewed or amended IFRSs

The Group begins to apply each respective 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.

EUR M		Jan 1, 2013-Dec 31, 2013	Jan 1, 2012-Dec 31, 2012
2.	**OPERATING SEGMENTS**		
	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
	SALES		
	Passenger-related revenue	508.8	477.8
	Cargo revenue	36.5	34.3
	Miscellaneous sales revenue	4.0	4.0
	Total	549.4	516.1
3.	**OTHER OPERATING REVENUE**		
	Capital gain, vessels	22.8	-
	Rents received on properties	0.4	0.3
	Miscellaneous other operating revenue	0.4	0.1
	Total	23.5	0.4
4.	**GOODS AND SERVICES**		
	Goods	128.8	126.8
	Externally purchased services	21.9	22.8
	Total	150.6	149.6
5.	**SALARY AND OTHER EMPLOYMENT BENEFIT EXPENSES**		
	Salaries	135.5	128.2
	Expenses of defined-contribution pensions	14.9	14.5
	Other payroll overhead	22.0	21.2
		172.4	164.0
	Government restitution	-42.4	-38.8
	Total	130.1	125.2
	AVERAGE NUMBER OF EMPLOYEES		
	Shipboard employees	2,407	2,299
	Land-based employees	697	715
	Total	3,104	3,014

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

EUR M	Jan 1, 2013- Dec 31, 2013	Jan 1, 2012- Dec 31, 2012
6. DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation		
Other intangible assets	0.3	0.4
Buildings and structures	1.0	0.6
Renovation expenses for rented properties	0.1	0.2
Vessels	31.7	25.7
Machinery and equipment	2.5	1.6
Total	35.7	28.5
Total depreciation and impairment losses	35.7	28.5
7. OTHER OPERATING EXPENSES		
Sales and marketing expenses	32.3	30.6
Washing and cleaning expenses	21.5	19.3
Repairs and maintenance	16.7	16.1
Public port expenses and vessel charges	41.7	38.7
Fuel expenses	62.4	66.4
Miscellaneous expenses	47.2	39.6
Total	221.9	210.7
Auditors' fees		
Auditing	0.1	0.1
Miscellaneous consulting	0.1	0.0
Total	0.1	0.1

EUR M		Jan 1, 2013-Dec 31, 2013	Jan 1, 2012-Dec 31, 2012
8.	**FINANCIAL INCOME AND EXPENSES**		
	Dividend income from investments available for sale	0.0	0.0
	Interest income from cash, cash equivalents and non-current receivables	0.1	0.4
	Exchange gains	1.1	1.2
	Other financial income	0.0	0.1
	Total financial income	1.2	1.6
	Interest expenses on financial liabilities recognized at accrued cost	6.3	1.5
	Exchange losses	1.1	0.9
	Other financial expenses	0.8	0.1
	Total financial expenses	8.3	2.5
9.	**INCOME TAXES**		
	Tax for the financial year	0.3	2.2
	Tax attributable to previous financial years	0.0	0.0
	Deferred tax, change in temporary differences	6.6	-1.5
	Deferred tax, change in tax rate	-6.7	-
	Total	0.2	0.7
	Reconciliation of tax expense in the income statement and taxes estimated according to tax rate in the Group's home country		
	Income before taxes	27.7	1.6
	Taxes estimated according to Finnish tax rate (24.5%)	6.8	0.4
	Tax attributable to previous financial years	0.0	0.0
	Tax effect of		
	divergent tax rates in foreign subsidiaries	0.1	0.2
	tax-exempt revenue and non-deductible expenses	0.1	0.1
	deferred tax, change in tax rate	-6.7	-
	deferred tax, other changes	0.0	0.0
	unrecognized tax asset related to loss in subsidiary	0.0	-
	other	-0.1	0.0
	Taxes in the income statement	0.2	0.7

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.

EUR M	
11. INTANGIBLE ASSETS	
Cost, Jan 1, 2013	3.4
Translation differences	0.0
Increases	0.3
Decreases	-0.1
Cost, Dec 31, 2013	3.5
Accumulated amortization, Jan 1, 2013	-2.5
Translation differences	0.0
Accumulated amortization on decreases	0.1
Amortization for the financial year	-0.3
Accumulated amortization, Dec 31, 2013	-2.7
Carrying amount, Jan 1, 2013	0.9
Carrying amount, Dec 31, 2013	0.8
Cost, Jan 1, 2012	4.4
Translation differences	0.0
Increases	0.1
Decreases	-1.2
Cost, Dec 31, 2012	3.4
Accumulated amortization, Jan 1, 2012	-3.3
Translation differences	0.0
Accumulated amortization on decreases	1.2
Amortization for the financial year	-0.4
Accumulated amortization, Dec 31, 2012	-2.5
Carrying amount, Jan 1, 2012	1.1
Carrying amount, Dec 31, 2012	0.9

Other intangible assets consist mainly of computer software programmes.

EUR M

12. PROPERTY, PLANT AND EQUIPMENT	Land	Buildings and structures	Renovation expenses for rented properties	Vessels	Machinery and equipment	Advance payments	Total
Cost, Jan 1, 2013	1.1	25.8	10.1	621.4	36.7	61.1	756.2
Translation differences	0.0	0.0			0.0		0.0
Transfer				61.1		-61.1	-
Increases		0.4	0.3	168.6	2.7		172.0
Decreases				-74.8	-0.7		-75.6
Cost, Dec 31, 2013	1.1	26.2	10.3	776.3	38.7	-	852.6
Accumulated depreciation, Jan 1, 2013	-	-13.5	-9.6	-447.2	-28.6	-	-498.8
Translation differences		0.0			0.0		0.0
Accumulated depreciation on decreases				67.8	0.5		68.3
Depreciation for the financial year		-1.0	-0.1	-31.7	-2.5		-35.3
Accumulated depreciation, Dec 31, 2013	-	-14.5	-9.7	-411.1	-30.6	-	-465.9
Carrying amount, Jan 1, 2013	1.1	12.3	0.5	174.2	8.1	61.1	257.3
Carrying amount, Dec 31, 2013	1.1	11.7	0.7	365.2	8.0	-	386.7
Cost, Jan 1, 2012	1.1	19.6	10.9	620.4	32.6	26.4	711.1
Translation differences	0.0	0.0			0.0		0.0
Increases		6.3	0.2	4.0	4.4	34.7	49.6
Decreases		-0.1	-1.0	-3.0	-0.4		-4.5
Cost, Dec 31, 2012	1.1	25.8	10.1	621.4	36.7	61.1	756.2
Accumulated depreciation, Jan 1, 2012	-	-13.0	-10.4	-424.5	-27.3	-	-475.1
Translation differences		0.0			0.0		0.0
Accumulated depreciation on decreases		0.1	1.0	3.0	0.3		4.4
Depreciation for the financial year		-0.6	-0.2	-25.7	-1.6		-28.1
Accumulated depreciation, Dec 31, 2012	-	-13.5	-9.6	-447.2	-28.6	-	-498.8
Carrying amount, Jan 1, 2012	1.1	6.6	0.5	196.0	5.4	26.4	236.0
Carrying amount, Dec 31, 2012	1.1	12.3	0.5	174.2	8.1	61.1	257.3

Advance payments are related to vessels under construction.

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

13. INVESTMENTS AVAILABLE FOR SALE	Dec 31, 2013	Dec 31, 2012
Unlisted shares and participations	0.0	0.0
Investments available for sale	0.0	0.0
Investments available for sale, Jan 1,2013		0.0
Translation differences		0.0
Increases		0.0
Decreases		0.0
Change in fair value		0.0
Investments available for sale, Dec 31,2013		0.0

EUR M

14. RECEIVABLES

	Dec 31, 2013	Dec 31, 2012
Receivable, settlement compensation	0.5	0.7
Loan receivables	-	0.0
Total	0.5	0.7

Receivables, Jan 1,2013	0.7
Decreases	-0.2
Change in fair value	0.0
Receivables, Dec 31,2013	0.5

15. INVENTORIES

	Dec 31, 2013	Dec 31, 2012
Inventories of goods for sale	13.3	13.6
Supplies	0.2	0.1
Stocks of vessel fuel	1.5	1.5
Total	15.0	15.2

16. TRADE AND OTHER RECEIVABLES

	Dec 31, 2013	Dec 31, 2012
Trade receivables	11.0	10.6
Accrued income and prepaid expenses	19.0	16.7
Other receivables	0.9	1.8
Total	31.0	29.1
Accrued income and prepaid expenses		
Employee-related items	16.9	15.2
Other accrued income and prepaid expenses	2.1	1.5
Total	19.0	16.7
Age analysis, trade receivables		
Not overdue	5.5	6.6
Overdue 1-30 days	5.3	3.9
Overdue more than 30 days	0.2	0.2
Total	11.0	10.6
Trade and other receivables by currency		
EUR	24.1	19.9
SEK	6.6	9.1
CHF	0.1	0.1
DKK	0.0	-0.1
GBP	0.1	0.1
USD	0.1	-
Total	31.0	29.1

EUR M

17.	CASH AND CASH EQUIVALENTS	Dec 31, 2013	Dec 31, 2012
	Pledged deposits	-	0.5
	Cash and bank accounts	73.2	29.8
	Short-term investments	22.9	15.0
	Total	96.1	45.3

The maturity of short-term investments is from 10 to 52 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, 2013	Dec 31, 2012
Legal reserve	0.0	0.0
Share premium reserve	0.0	0.0
Fair value reserve	0.0	-
Total	0.0	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

No dividend was distributed for the financial year 2012 (a dividend of EUR 0.50 per share, totalling EUR 5.4 M, was distributed for the financial year 2011). After the balance sheet date, the Board of Directors proposed that a dividend of EUR 0.50 per share will be paid for the financial year 2013. 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

Deferred tax liabilities	Accumulated depreciation differences	Other temporary differences	Total
Jan 1, 2013	29.7	0.0	29.7
Translation differences		0.0	0.0
Recognized in income statement	0.0	-0.1	-0.1
Recognized directly in equity		0.0	0.0
Dec 31, 2013	29.7	0.0	29.7
Jan 1, 2012	31.2	0.0	31.2
Translation differences		0.0	0.0
Recognized in income statement	-1.6	0.1	-1.5
Recognized directly in equity			-
Dec 31, 2012	29.7	0.0	29.7

On December 31, 2013, the Group had unutilized accumulated tax-loss carry-fowards in subsidiaries totalling EUR 0.0 M (Dec 31, 2012 EUR 0). The Group has not recognized any deferred tax assets related to losses in subsidiaries.

EUR M

20. INTEREST-BEARING LIABILITIES	Dec 31, 2013	Dec 31, 2012
Non-current liabilities, interest-bearing		
Loans from credit institutions	221.2	73.1
Current liabilities, interest-bearing		
Loans from credit institutions, principal payments	15.1	8.7
Interest-bearing financial liabilities fall due for payment as follows:		
< 1 year	15.1	8.7
1–2 years	23.6	8.7
2–3 years	23.6	8.7
3–4 years	23.5	8.6
4–5 years	23.5	8.6
> 5 years	127.0	38.6
Total	236.2	81.8
Interest-bearing liabilities, Jan 1,2013		81.8
Increases		179.1
Decreases		-24.6
Interest-bearing liabilities, Dec 31,2013		236.2

21. TRADE AND OTHER LIABILITIES	Dec 31, 2013	Dec 31, 2012
Trade liabilities	28.1	31.4
Accrued expenses and prepaid income	35.8	34.8
Other liabilities	11.5	10.7
Total	75.4	76.9
Accrued expenses and prepaid income		
Employee-related expenses	26.3	26.7
Other accrued expenses and prepaid income	9.5	8.1
Total	35.8	34.8
Trade and other liabilities by currency		
EUR	53.8	51.6
SEK	20.9	24.7
DKK	0.0	0.0
GBP	-	0.0
NOK	0.1	0.0
RUB	0.0	-
USD	0.6	0.5
Total	75.4	76.9

Most other liabilities consist of employee-related items.

EUR M

22. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Classification of fair value Dec 31, 2013	Level 1	Level 2	Level 3
Investments available for sale	-	-	0.0

Financial assets and liabilities by category

Financial assets Dec 31, 2013	Loan receivables and trade receivables	Financial assets available for sale
Investments available for sale	-	0.0
Receivables	0.5	-
Trade and other receivables	31.0	-
Cash and cash equivalents	96.1	-
Total	127.6	0.0

Financial liabilities Dec 31, 2013	Other financial liabilities
Non-current interest-bearing liabilities	221.2
Current interest-bearing liabilities	15.1
Trade and other payables	75.4
Total	311.6

Financial assets and liabilities by category

Financial assets Dec 31, 2012	Loan receivables and trade receivables	Financial assets available for sale
Investments available for sale	-	0.0
Receivables	0.7	-
Trade and other receivables	29.1	-
Cash and cash equivalents	45.3	-
Total	75.0	0.0

Financial liabilities Dec 31, 2012	Other financial liabilities
Non-current interest-bearing liabilities	73.1
Current interest-bearing liabilities	8.7
Trade and other payables	76.9
Total	158.7

EUR M

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. Of non-cancellable agreements, the most important is the granting of a lease for operation of the meal service business at the Park Alandia Hotell.

Future rental income related to non-cancellable rental agreements	Dec 31, 2013	Dec 31, 2012
Due within one year	0.2	0.2
Due in later than one year but within five years	0.2	0.1
Due in later than five years	-	-
Total	0.4	0.3

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 1 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 12 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 and rents related to non-cancellable operating leases	Dec 31, 2013	Dec 31, 2012
Due within one year	1.5	2.0
Due in later than one year but within five years	1.3	2.2
Due in later than five years	0.1	0.1
Total	2.9	4.3

24. PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Dec 31, 2013	Dec 31, 2012
Contingent liabilities		
Loans and credit lines for which vessel, vehicle and chattel mortgages were provided as collateral	236.2	81.8
Other contingent liabilities not included in the balance sheet		
Covered by vessel mortgages	0.6	1.2
Covered by site leasehold and chattel mortgages	0.0	-
Covered by deposits	-	0.5
Total	236.9	83.5
Assets pledged for own debt		
Vessel mortgages	314.7	110.7
Vehicle mortgages	0.1	0.1
Chattel mortgages	0.5	0.5
Site leasehold mortgages	0.4	0.4
Deposits	-	0.5
Total	315.7	112.2
Investment commitments not included in the accounts		
Commitments, vessel orders and renovation of harbour terminals	-	191.9
– Contractual amount	-	253.0

EUR M

25. RELATED PARTIES

Group companies	Domicile	Holding	Share of voting power
Owned by the parent company, Viking Line Abp	*Mariehamn, Finland*		
Viking Rederi AB	Norrtälje, Sweden	100%	100%
OÜ Viking 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%

Compensation to the Group's key individuals in leading positions	Jan 1, 2013-Dec 31, 2013	Jan 1, 2012-Dec 31, 2012
Salaries and other short-term compensation		
President and CEO	0.2	0.2
Deputy CEO	0.2	0.2
Other key individuals in leading positions	0.8	1.2
Total	1.2	1.6

Compensation to board members		
Ben Lundqvist, Chairman of the Board	0.0	0.0
Jesper Blomsterlund, Board member until April 18, 2012	-	0.0
Nils-Erik Eklund, Board member	0.0	0.0
Trygve Eriksson, Board member from April 18, 2012, Deputy member until April 18, 2012	0.0	0.0
Erik Grönberg, Board member	0.0	0.0
Agneta Karlsson, Board member	0.0	0.0
Dick Lundqvist, Board member	0.0	0.0
Lars G Nordström, Board member	0.0	0.0
Carita Blomsterlund, Deputy member of the Board until April 18, 2012	-	0.0
Åsa Ceder, Deputy member of the Board April 18, 2012-April 19, 2013	0.0	0.0
Ulrica Danielsson, Deputy member of the Board from April 19, 2013	0.0	-
Stefan Lundqvist, Deputy member of the Board	0.0	0.0
Johnny Rosenholm, Deputy member of the Board from April 18, 2012	0.0	0.0
Total	0.2	0.2

Salaries and other short-term compensation include benefits of EUR 0.0 M (EUR 0.0 M) for the President and CEO, EUR 0.0 M (EUR 0.0 M) for the Deputy CEO and EUR 0.0 M (EUR 0.0 M) for other key individuals in leading positions. Salaries and other short-term compensation to other key individuals in leading positions for 2012 included EUR 0.3 M in compensation after completion of working duties.

Compensation to other key individuals in leading positions for 2012 included individual bonuses of EUR 0.0 M related to the financial year 2011, since the Board of Directors made its decisions on this disbursement after the financial statements for 2011 had been adopted.

No compensation other than salaries and short-term compensation has been paid to key individuals in management positions. The Group has no share-based incentive systems. No specific pension agreement has been made for Group Management.

EUR M

Pension expenses	**Jan 1, 2013-Dec 31, 2013**	**Jan 1, 2012-Dec 31, 2012**
President and CEO	0.0	0.0
Deputy CEO	0.0	0.0
Other key individuals in leading positions	0.1	0.2
Total	0.2	0.3

Transactions with companies that are under significant influence of the Group's key individuals in leading positions	**Jan 1, 2013-Dec 31, 2013**	**Jan 1, 2012-Dec 31, 2012**
Sales of services	0.0	0.0
Purchases of services	0.7	0.9
	Dec 31, 2013	**Dec 31, 2012**
Receivables outstanding	-	0.0
Liabilities outstanding	0.0	0.1

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.

26. MANAGEMENT OF FINANCIAL RISKS

In its normal operating activities, the Group is exposed to several financial risks. The main financial risks are foreign exchange risk, interest rate risk, liquidity risk, credit and counterparty risk and bunker price risk. The Group's financing and management of financial risks have been concentrated in the Finance unit of the parent company. The Group's foreign exchange holdings and investments are reported regularly to the Board of Directors.

The Group had no derivative contracts during 2012 and 2013.

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 2013 SEK-denominated sales accounted for about 30 per cent of total consolidated sales. Salary and other employment benefit expenses and purchases denominated in SEK accounted for about 27 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 the currency component included in bunker (vessel fuel) prices.

The Group's trade and other receivables and its trade and other liabilities 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. Since 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, 2013 would have an estimated effect of EUR ±0.1 M (EUR ±0.4 M on December 31, 2012) 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, 73 per cent have fixed interest rates and 27 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, 2013 would have an estimated effect of EUR +0.1 M / EUR -0.5 M (EUR +0.1 M / EUR -0.6 M on December 31, 2012) on consolidated income after taxes and equity.

Liquidity risk

Viking Line evaluates and continuously monitors the financing that is required in its operating activities 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.

In conjunction with the delivery of the M/S Viking Grace on January 10, 2013, Viking Line Abp took out a loan of EUR 179.0 M. The loan agreement includes loan covenants according to market terms.

The Group's non-current interest-bearing liabilities amounted to EUR 221.2 M on December 31, 2013 (EUR 73.1 M on December 31, 2012). 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 96.1 M on December 31, 2013 (EUR 45.3 M on December 31, 2012).

Credit and counterparty risk

Trade and other receivables are a credit risk for the Group. Credit risk in operational activities is continuously followed up. 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. 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 a combination of the average price of the oil quality in question during the month of purchase and the month's average USD/SEK exchange rate. The liquefied natural gas (LNG) price is determined by unit costs for the natural gas element, condensation and bunker vessel logistics. The Group has not hedged against fluctuations in bunker prices.

Vessel bunker costs amounted to EUR 62.2 M during the financial year 2013 (EUR 66.2 M during 2012), which is equivalent to 11.3 per cent (12.8) of Group sales. Bunker consumption totalled about 91,900 m^3 (oil) and about 12,600 tonnes (LNG) during 2013 (about 111,000 m^3 oil during 2012).

A 10 per cent change in the bunker price on December 31, 2013 based on projected bunker consumption in 2014 would have an estimated effect of EUR ±4.0 M on consolidated income after taxes and equity.

The 2015 sulphur directive

The European Union's new sulphur directive goes into effect on January 1, 2015 and will lead to increased costs for the Group. Viking Line has begun preparatory work to meet the new standard.

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, 2013, the equity/assets ratio amounted to 35.6 per cent, compared to 46.2 per cent on December 31, 2012.

27. LITIGATION AND DISPUTES

The financial statements include no provisions related to litigation and disputes.

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.

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

Five-year financial review

THE GROUP	2008/2009	2009/2010 14 months	2011	2012	2013
Sales, EUR M	470.7	569.9	504.3	516.1	549.4
Operating income EUR M	17.3	16.1	9.8	2.4	34.7
– as % of sales	3.7%	2.8%	1.9%	0.5%	6.3%
Income before taxes, EUR M	14.4	14.4	7.9	1.6	27.7
– as % of sales	3.1%	2.5%	1.6%	0.3%	5.0%
Return on equity (ROE)	6.5%	6.4%	4.6%	0.6%	15.6%
Return on investments (ROI)	6.3%	6.0%	3.9%	1.3%	10.4%
Equity/assets ratio	41.6%	44.8%	46.5%	46.2%	35.6%
Debt/equity ratio (gearing)	48.2%	24.6%	20.7%	22.5%	74.1%
Gross capital spending, EUR M	30.6	8.7	36.9	49.7	172.3
– as % of sales	6.5%	1.5%	7.3%	9.6%	31.4%
Average number of employees	3,091	3,087	3,060	3,014	3,104
– of whom, shipboard employees	2,314	2,319	2,305	2,299	2,407
– of whom, landbased employees	777	768	755	715	697
Salaries etc, EUR M	115.1	141.6	124.9	128.2	135,5

Quaterly 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				
Items that may be transferred to the income statement				
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

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 OMX Nordic Exchange 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 2013 financial year, the Company had 3,070 registered shareholders.

Board and top management shareholdings

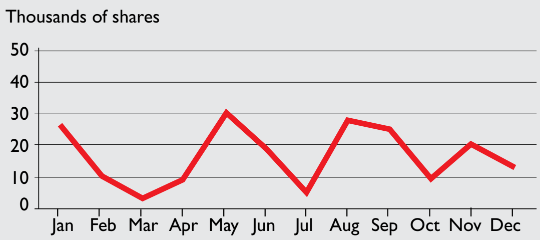
The members and deputy members of the Board of Directors, the President and Chief Executive Officer, and the Deputy Chief Executive Officer own or control, in the manner described in Chapter 2, Section 4 of the Finnish Securities Market Act, 978,186 shares in the Company, equivalent to a voting power of 9.1 per cent. Viking Line applies the provisions of the Securities Market Act on insider information as well as the insider regulations of the NASDAQ OMX Nordic Exchange Helsinki.

Trading volume and share price

During the 2013 financial year, trading in Viking Line on the NASDAQ OMX Nordic Exchange Helsinki totalled 209,006 shares. This meant that 1.9 per cent of all shares changed hands. The year's highest share price was EUR 22.04, the lowest EUR 17.01. On December 31, 2013, the quoted share price was EUR 17.82. The Company's market capitalization on that date was EUR 192.46 M.

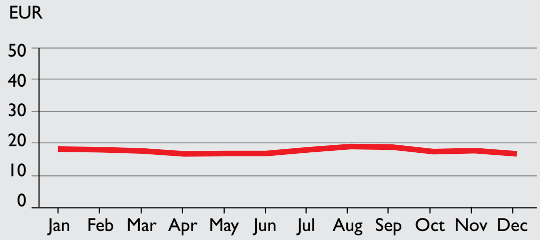
Trading volume

January–December 2013



Share price

January–December 2013



LARGEST SHAREHOLDERS, DECEMBER 31, 2013	Number of shares	Percentage of total
1. 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	372,224	3.4%
5. Eklund Nils-Erik	336,645	3.1%
6. Sviberg Marie-Louise	315,245	2.9%
7. Sundman Airi	158,740	1.5%
8. Eriksson Carola	124,103	1.1%
9. Lundqvist Dick	120,000	1.1%
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	4.5%	4,799,514	44.4%
Credit institutions and insurance companies	7	0.2%	218,725	2.0%
Public sector entities	4	0.1%	178,094	1.7%
Households	2,748	89.5%	5,017,625	46.5%
Non-profit entities	19	0.6%	67,754	0.6%
Foreign shareholders	146	4.8%	425,521	3.9%
Nominee-registered shares	9	0.3%	92,571	0.9%
Not transferred to book-entry securities account system			196	0.0%
Total	**3,070**	**100.0%**	**10,800,000**	**100.0%**

DISTRIBUTION OF SHARE CAPITAL	Number of shareholders	Percentage of total	Number of shares	Percentage of total
1–99	1,380	44.9%	40,984	0.4%
100–999	966	31.5%	218,764	2.0%
1,000–9,999	592	19.3%	1,462,872	13.5%
10,000–99,999	119	3.9%	2,959,510	27.4%
100,000–999,999	10	0.3%	1,873,427	17.4%
1,000,000–	3	0.1%	4,244,247	39.3%

SHARE-RELATED FINANCIAL RATIOS	2008/2009	2009/2010 14 months	2011	2012	2013
Earnings per share, EUR	0.98	0.97	0.70	0.09	2.54
Equity per share, EUR	15.03	15.35	15.40	15.00	17.50
Dividend per share, EUR*	0.70	0.65	0.50	0.00	0.50
Dividend/earnings	71.6%	67.1%	71.2%	0.0%	19.7%
Dividend/share price	2.1%	2.0%	2.3%	0.0%	2.8%
Price/earnings (P/E) ratio	34	33	31	200	7
Share price on October 31/ December 31, EUR	33.00	32.15	22.10	17.10	17.82
Highest share price, EUR	33.90	39.50	32.15	22.50	22.04
Lowest share price, EUR	29.00	29.81	20.55	16.40	17.01
Average share price, EUR	30.44	34.57	27.40	18.31	18.39
Market capitalization, EUR M	356.40	347.22	238.68	184.68	192.46
Number of shares traded	179,881	116,279	218,515	143,492	209,006
Percentage of shares traded	1.7%	1.1%	2.0%	1.3%	1.9%
Dividend paid for fiscal year, EUR M*	7.56	7.02	5.40	0.00	5.40
Average number of shares	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000
Number of shares on October 31 / December 31	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000

* For the financial year 2013, 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 October 31/December 31
Dividend/earnings, % =	Dividend per share / Earnings per share
Dividend/share price, % =	Dividend per share / Share price on October 31/December 31
Price/earnings (P/E) ratio =	Share price on October 31/December 31 / Earnings per share

Parent company income statement

EUR M	Note	Jan 1, 2013– Dec 31, 2013	Jan 1, 2012– Dec 31, 2012
SALES		**560.3**	**526.9**
Other operating revenue	2	23.6	0.4
Operating expenses			
Goods and services	3	150.0	148.6
Employee expenses	4	83.2	78.1
Depreciation/amortization	5	35.2	28.1
Other operating expenses	6	281.6	270.5
		550.0	525.3
OPERATING INCOME		**33.9**	**2.0**
Financial income and expenses	7	-6.6	0.0
INCOME BEFORE ALLOCATIONS AND TAXES		**27.3**	**2.0**
Appropriations	8	-26.9	6.4
Income taxes	9	-	-2.0
INCOME FOR THE FINANCIAL YEAR		**0.4**	**6.5**

Parent company balance sheet

EUR M	Note	Dec 31, 2013	Dec 31, 2012
ASSETS			
FIXED ASSETS			
Intangible assets	10	1.5	1.3
Tangible assets	11		
Land		1.9	1.9
Buildings and structures		11.3	11.9
Vessels		365.2	174.2
Machinery and equipment		6.4	6.5
Advance payments		-	61.1
		384.9	255.6
Shares and participations	12		
Shares in Group companies		1.7	1.3
Other shares and participations		0.0	0.0
		1.7	1.3
TOTAL FIXED ASSETS		**388.0**	**258.3**
CURRENT AND FINANCIAL ASSETS			
Inventories	13	14.9	14.5
Long-term receivables			
Group receivables		0.2	0.2
Loan receivables		-	0.0
Receivable, settlement payment		0.5	0.7
		0.7	0.9
Current receivables			
Trade receivables		10.5	10.0
Group receivables		0.1	0.8
Other current receivables		0.7	1.2
Accrued income and prepaid expenses	14	14.4	13.2
		25.7	25.2
Cash and cash equivalents		95.5	44.7
TOTAL CURRENT AND FINANCIAL ASSETS		**136.7**	**85.3**
TOTAL ASSETS		**524.7**	**343.6**

EUR M	Note	Dec 31, 2013	Dec 31, 2012
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	15		
Share capital		1.8	1.8
Retained earnings		68.4	61.9
Income for the period		0.4	6.5
TOTAL SHAREHOLDERS' EQUITY		**70.6**	**70.2**
ACCUMULATED APPROPRIATIONS			
Accumulated depreciation differences		**147.9**	**121.0**
LIABILITIES			
Long-term liabilities	16		
Liabilities to credit institutions		220.5	72.4
Current liabilities			
Repayment portion of liabilities to credit institutions		14.9	8.5
Accounts payable		27.5	29.5
Group liabilities		7.1	8.3
Other current liabilities		8.8	8.2
Accrued expenses and prepaid income	17	27.3	25.5
		85.7	80.0
TOTAL LIABILITIES		**306.2**	**152.4**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**524.7**	**343.6**

Parent company cash flow statement

EUR M	Jan 1, 2013–Dec 31, 2013	Jan 1, 2012–Dec 31, 2012
OPERATING ACTIVITIES		
Income for the period	0.4	6.5
Adjustments		
Depreciation/amortization	35.2	28.1
Capital gains from tangible assets	-22.8	0.0
Other items not included in cash flow	26.9	-6.4
Interest expenses and other financial expenses	7.2	1.6
Interest income and other financial income	-0.1	-0.4
Dividend income	-0.5	-0.9
Income taxes	-	2.0
Change in working capital		
Change in current receivables	-2.2	-1.1
Change in inventories	-0.3	-0.9
Change in non-interest-bearing liabilities	-3.3	7.3
Interest paid	-3.7	-1.6
Financial expenses paid	-0.9	-0.2
Interest received	0.1	0.5
Financial income received	0.0	0.1
Taxes paid	1.8	-2.3
NET CASH FLOW FROM OPERATING ACTIVITIES	**37.7**	**32.1**
INVESTING ACTIVITIES		
Investments in vessels	-168.6	-4.0
Investments in other intangible and tangible assets	-3.1	-10.3
Advance payments	-	-34.7
Divestments of vessels	29.9	-
Divestments of other intangible and tangible assets	0.0	0.1
Capital contribution	-0.3	-0.3
Change in non-current receivables	0.2	0.2
Dividends received	0.5	0.9
NET CASH FLOW FROM INVESTING ACTIVITIES	**-141.4**	**-48.1**
FINANCING ACTIVITIES		
Increase in long-term liabilities	179.0	-
Amortization of long-term liabilities	-24.5	-8.5
Dividends paid	-	-5.4
NET CASH FLOW FROM FINANCING ACTIVITIES	**154.5**	**-13.9**
CHANGE IN CASH AND CASH EQUIVALENTS	**50.8**	**-29.9**
Cash and cash equivalents at beginning of period	44.7	74.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**95.5**	**44.7**

Notes to the parent company's financial statements

1. 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, 2013.

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. 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. 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. 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 either 20 or 25 years.

Viking Line's vessels are dry-docked at 2-3 year intervals. Dry-docking expenses are capitalized for each respective 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

Advance payments are related to vessels under construction. These consist of advance payments in compliance with vessel construction (newbuilding) contracts, planning and monitoring expenses and capitalized borrowing expenses. Planning and monitoring expenses consist of architect fees plus salary and travel expenses for planning and technical monitoring of vessel construction. Interest expenses for loans related to advance payments attributable to vessels that have not yet been delivered are capitalized.

Financial assets and liabilities

Financial assets and liabilities are recognized at acquisition cost.

Taxes

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

EUR M		Jan 1, 2013 - Dec 31, 2013	Jan 1, 2012 - Dec 31, 2012
2.	**OTHER OPERATING REVENUE**		
	Capital gain, vessels	22.8	-
	Rents received on properties	0.5	0.4
	Miscellaneous operating revenue	0.3	0.0
	Total	23.6	0.4
3.	**GOODS AND SERVICES**		
	Purchases during the financial year	127.6	126.9
	Change in inventories	-0.3	-1.2
	Externally purchased services	22.7	22.9
	Total	150.0	148.6
4.	**EMPLOYEE EXPENSES**		
	Salaries etc	88.9	81.8
	Pension expenses	11.3	10.5
	Other employee expenses	6.4	6.0
		106.6	98.2
	Government restitution	-23.5	-20.2
	Total	83.2	78.1
	AVERAGE NUMBER OF EMPLOYEES		
	Shipboard employees	1,502	1,381
	Land-based employees	445	460
	Total	1,947	1,841
5.	**DEPRECIATION/AMORTIZATION**		
	Intangible assets	0.4	0.6
	Buildings and structures	1.0	0.5
	Vessels	31.7	25.7
	Machinery and equipment	2.1	1.2
	Total	35.2	28.1
6.	**AUDITORS' FEES**		
	Auditing	0.1	0.1
	Miscellaneous consulting	0.0	0.0
	Total	0.1	0.1

EUR M	Jan 1, 2013 - Dec 31, 2013	Jan 1, 2012 - Dec 31, 2012
7. FINANCIAL INCOME AND EXPENSES		
Dividend income from Group companies	0.5	0.9
Dividend income from others	0.0	0.0
Interest income from Group companies	0.0	0.0
Interest income from others	0.1	0.3
Exchange gains	1.0	1.2
Other financial income	0.0	0.1
Total financial income	1.7	2.5
Interest expenses to Group companies	0.1	0.1
Interest expenses to others	6.3	1.4
Exchange losses	1.1	0.9
Other financial expenses	0.8	0.1
Total financial expenses	8.3	2.5
Total financial income and expenses	-6.6	0.0
8. APPROPRIATIONS		
Difference between scheduled depreciation and depreciation for tax purposes	-26.9	6.4
9. INCOME TAXES		
Income tax on actual operations	-	2.0

10. INTANGIBLE ASSETS

	Intangible rights	Other long-term assets	Total
Acquisition cost, Jan 1, 2013	3.1	10.1	13.2
Increases	0.3	0.3	0.6
Decreases	0.0	-	0.0
Acquisition cost, Dec 31, 2013	3.4	10.3	13.7
Accumulated amortization, Jan 1, 2013	-2.3	-9.6	-11.9
Accumulated amortization on decreases	0.0	-	0.0
Amortization for the period	-0.3	-0.1	-0.4
Accumulated amortization, Dec 31, 2013	-2.6	-9.7	-12.3
Book value, Dec 31, 2013	0.8	0.7	1.5

EUR M

11. TANGIBLE ASSETS

	Land	Buildings and structures	Vessels	Machinery and equipment	Advance payments	Total
Acquisition cost, Jan 1, 2013	1.1	25.1	621.4	33.8	61.1	742.4
Transfer			61.1		-61.1	-
Increases		0.4	168.6	2.1		171.1
Decreases			-74.8	-0.1		-75.0
Acquisition cost, Dec 31, 2013	1.1	25.5	776.3	35.7	-	838.6
Accumulated depreciation, Jan 1, 2013	-	-13.2	-447.2	-27.3	-	-487.6
Accumulated depreciation on decreases			67.8	0.1		67.9
Depreciation for the period		-1.0	-31.7	-2.1		-34.7
Accumulated depreciation, Dec 31, 2013	-	-14.1	-411.1	-29.3	-	-454.5
Revaluations	0.8					0.8
Book value, Dec 31, 2013	1.9	11.3	365.2	6.4	-	384.9

12. SHARES AND PARTICIPATIONS

	Shares in Group companies	Other shares	Total
Acquisition cost, Jan 1, 2013	1.1	0.0	1.1
Decreases	-	0.0	0.0
Acquisition cost, Dec 31, 2013	1.1	0.0	1.1
Capital contributions according to Estonian legislation, Jan 1, 2013	0.3		0.3
Increases	0.3		0.3
Capital contributions according to Estonian legislation, Dec 31, 2013	0.6		0.6
Book value, Dec 31, 2013	1.7	0.0	1.7

13. INVENTORIES

	Dec 31, 2013	Dec 31, 2012
Stocks of goods for sale	13.2	12.9
Supplies	0.2	0.1
Stocks of vessel fuel	1.5	1.5
Total	14.9	14.5

14. ACCRUED INCOME AND PREPAID EXPENSES

	Dec 31, 2013	Dec 31, 2012
Employee-related items	12.6	10.4
Other accrued income and prepaid expenses	1.8	2.8
Total	14.4	13.2

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15. SHAREHOLDERS' EQUITY	2013	2012
Share capital, Jan 1	1.8	1.8
Share capital, Dec 31	1.8	1.8
Retained earnings, Jan 1	61.9	60.0
Income for the previous financial year	6.5	7.3
Dividend paid to shareholders	-	-5.4
Retained earnings, Dec 31	68.4	61.9
Income for the period	0.4	6.5
Total shareholders' equity	70.6	70.2

16. LOANS THAT FALL DUE LATER THAN AFTER 5 YEARS	Dec 31, 2013	Dec 31, 2012
Liabilities to credit institutions	126.8	38.3

17. ACCRUED EXPENSES AND PREPAID INCOME	Dec 31, 2013	Dec 31, 2012
Employee-related items	17.9	17.5
Other accrued expenses and prepaid income	9.4	8.0
Total	27.3	25.5

18. PLEDGED ASSETS AND OTHER CONTINGENT LIABILITIES	Dec 31, 2013	Dec 31, 2012
Contingent liabilities		
Loans and credit lines for which vessel mortgages were provided as collateral	235.4	80.9
Other contingent liabilities not included in the balance sheet		
Covered by vessel mortages	0.6	1.2
Covered by deposits	-	0.5
Loan guarantee on behalf of subsidiary	0.1	0.1
Total	236.1	82.7
Assets pledged for own debt		
Vessel mortgages	314.7	110.7
Deposits	-	0.5
Total	314.7	111.2
Leasing liabilities		
Amounts that fall due during the following period	0.7	0.8
Amounts that fall due later	0.3	1.1
Total	1.1	1.9
Investment commitments not included in the accounts		
Commitments, vessel orders and renovation of harbour terminals	-	191.9
– Contractual amount	-	253.0

Signatures of the Board of Directors and the President and CEO

Mariehamn, February 12, 2014

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

Mikael Backman, President and CEO

Auditors' note

Our auditors' report was issued today.

Mariehamn, February 12, 2014

Johan Kronberg, Authorized Public Accountant
Martin Grandell, 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 31 December, 2013. The financial statements comprise the consolidated statement of financial position, 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 (IFRS) 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 12, 2014

Johan Kronberg Authorized Public Accountant	Martin Grandell Authorized Public Accountant

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