

## INTERIM REPORT FOR THE PERIOD JANUARY – JUNE 2015

### IMPROVED FIRST HALF EARNINGS FOR VIKING LINE

Consolidated sales of the Viking Line Group during the period, January 1 – June 30, 2015 was 239.0 million euros (EUR 241.0 M during January 1 – June 30, 2014). Operating income totalled EUR -7.6 M (-12.5). Income after taxes totalled EUR -5.7 M (-14.2).

Consolidated operating income improved mainly due to lower operating expenses and fewer vessel dry-dockings than in the same period of 2014. Operating expenses decreased by 3.9 per cent to EUR 163.1 M (169.8). The items that decreased the most were bunker (vessel fuel) expenses and salary and other employment benefit expenses. The decrease in bunker expenses is explained by lower average bunker prices combined with the Group's continued efforts to optimize the bunker consumption of its vessels. Salary and other employment benefit expenses decreased by EUR 2.9 M or 4.8 per cent.

During the second quarter, April 1 – June 30, 2015, consolidated sales decreased by 2.5 per cent to EUR 134.1 M compared to the year-earlier quarter (EUR 137.5 M during April 1 – June 30, 2014). Second quarter operating income amounted to EUR 2.3 M (4.5).

### UPGRADING OF VESSEL

The Mariella, which serves the Helsinki (Finland) – Stockholm (Sweden) route, underwent an extensive renovation. This included upgrading of cabins, restaurants, conference space and the nightclub. This quality improvement and the new on-board concepts have been greatly appreciated by our passengers.

### MARKET SHARE INCREASED

The number of passengers on Viking Line's vessels during the report period was 2,939,696 (2,962,436). In a weaker total market in Viking Line's market area, the Group succeeded in boosting its market share. The Group had a total market share in its service area of 34.2 per cent (33.7).

Viking Line's cargo volume increased by 3,211 cargo units to 67,639 (64,428). Viking Line achieved a cargo market share of 22.5 per cent (21.8).

Any questions concerning this interim report will be answered by Jan Hanses, President and Chief Executive Officer. Tel: +358 18 270 00

Viking Line is a public limited company and the market leading brand in passenger traffic on the northern Baltic Sea, with a mission to provide large-scale, affordable, safe passenger and cargo carrier services including first-class recreation, good food and attractive shopping. Its shares have been listed on the NASDAQ Helsinki since 1995. Viking Line serves Finland, Sweden and the Baltic countries with seven vessels. During the financial year 2014 sales were about EUR 527 M. The number of passengers totalled 6.6 million. The average number of employees was 2,797.

### VIKING LINE ABP

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## SALES AND EARNINGS

Consolidated sales of the Viking Line Group during the period, January 1 – June 30, 2015 was 239.0 million euros (EUR 241.0 M during January 1 – June 30, 2014). Operating income totalled EUR -7.6 M (-12.5). Net financial items totalled EUR -0.2 M (-5.0). Consolidated income before taxes amounted to EUR -7.7 M (-17.6). Income after taxes totalled EUR -5.7 M (-14.2).

Passenger-related revenue decreased by 2.9 per cent to EUR 212.8 M (219.2), while cargo revenue increased by 22.0 per cent to EUR 24.3 M (19.9). Net sales revenue decreased by 2.6 per cent to EUR 168.9 M (173.4).

Consolidated operating income improved mainly due to lower operating expenses. Operating expenses decreased by 3.9 per cent to EUR 163.1 M (169.8). The items that decreased the most were bunker (vessel fuel) expenses and salary and other employment benefit expenses. The decrease in bunker expenses is explained by lower average bunker prices combined with the Group's continued efforts to optimize the bunker consumption of its vessels. Salary and other employment benefit expenses decreased by EUR 2.9 M or 4.8 per cent.

During the second quarter, April 1 – June 30, 2015, consolidated sales decreased by 2.5 per cent to EUR 134.1 M compared to the year-earlier quarter (EUR 137.5 M during April 1 – June 30, 2014). Second quarter operating income amounted to EUR 2.3 M (4.5).

The Board of Directors sees that the Group's action programme aimed at improving operational efficiency has a positive impact on operating expenses.

## SERVICES AND MARKET TRENDS

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

The number of passengers on Viking Line's vessels during the report period was 2,939,696 (2,962,436). During the report period, Viking Line decreased its market share on the Turku (Finland)–Mariehamn/Långnäs (Åland Islands, Finland)–Stockholm (Sweden) route by 0.1 percentage points to 56.5 per cent. On the Helsinki (Finland)–Mariehamn–Stockholm route, market share decreased by 2.8 percentage points to 42.9 per cent. In cruise services between Stockholm and Mariehamn, market share increased by 3.2 percentage points to 54.8 per cent. On the Helsinki–Tallinn (Estonia) route, market share decreased by 0.2 percentage points to 23.4 per cent. On the short route over the Sea of Åland, market share decreased by 0.9 percentage points to 41.5 per cent. In a weaker total market in Viking Line's market area, the Group succeeded in boosting its total market share. The Group had a total market share in its service area of 34.2 per cent (33.7).

Viking Line's cargo volume was 67,639 cargo units (64,428). Viking Line achieved a cargo market share of 22.5 per cent (21.8).

## INVESTMENTS AND FINANCING

The Group's investments amounted to EUR 7.5 M (5.7).

On June 30, 2015 the Group's non-current interest-bearing liabilities amounted to EUR 185.7 M (209.3). The equity/assets ratio was 38.0 per cent, compared to 32.7 per cent a year earlier.

At the end of June 2015, the Group's cash and cash equivalents amounted to EUR 75.9 M (80.6). Net cash flow from operating activities amounted to EUR 4.2 M (2.9).

## FINANCIAL REPORTING

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

## ORGANIZATION AND PERSONNEL

The average number of Group employees was 2,653 (2,761), of whom 1,977 (2,029) worked for the parent company. Land-based personnel totalled 639 (646) and shipboard personnel totalled 2,014 (2,115).

In addition to the Group's own employees, the Viking XPRS was staffed by an average of 237 (215) people employed by a staffing company.

## RISK FACTORS

Since the Year-end Report was published, no changes have occurred that affect the Group's short-term assessment of the risks in its business operations.

Special risks during the immediate future are primarily related to bunker prices. Fluctuations in bunker (vessel fuel) prices have a direct impact on the Group's earnings. In order to partly offset the risk of higher bunker prices, the Group has entered into fixed-price agreements related to a portion of its estimated bunker consumption during the period April 1 until December 31, 2015.

## ONGOING LEGAL ACTIONS

On February 27, 2015, the Helsinki District Court announced its judgment in a case between Viking Line and the Finnish State regarding fairway charges levied during the years 2001–2004. According to the judgment, the Finnish State will be required to pay approximately EUR 12.4 M in accordance with Viking Line's claim as well as legal expenses plus interest. If the judgment becomes final, it will affect Viking Line's financial statements positively with a corresponding amount. The Finnish State has appealed the case and the assessment of Viking Line's Board of Directors is that the judgment will not become legally binding during the current year.

## OUTLOOK FOR THE FULL FINANCIAL YEAR 2015

Competition in Viking Line's service area remains tough and implies continued pressure on prices. The economic downturn in Finland is an uncertainty factor, but recent bunker price developments are currently having a favourable effect on earnings. The overall assessment of the Board of Directors is that in 2015, operating income will improve compared to operating income in 2014.

The next Interim Report (January – September 2015) will be published on November 12, 2015.

Mariehamn, Åland, August 19, 2015

VIKING LINE ABP  
The Board of Directors

**CONSOLIDATED INCOME STATEMENT**

EUR M	Apr 1, 2015– Jun 30, 2015	Apr 1, 2014– Jun 30, 2014	Jan 1, 2015– Jun 30, 2015	Jan 1, 2014– Jun 30, 2014	Jan 1, 2014– Dec 31, 2014
<b>SALES</b>	<b>134.1</b>	<b>137.5</b>	<b>239.0</b>	<b>241.0</b>	<b>527.4</b>
Other operating revenue	0.1	0.3	0.2	0.4	0.7
<b>Expenses</b>					
Goods and services	39.5	39.1	70.2	67.6	148.1
Salary and other employment benefit expenses	30.2	30.3	58.9	61.9	120.8
Depreciation and impairment losses	7.0	8.0	13.6	16.6	31.8
Other operating expenses	55.2	55.8	104.1	107.9	213.6
	131.9	133.3	246.8	253.9	514.3
<b>OPERATING INCOME</b>	<b>2.3</b>	<b>4.5</b>	<b>-7.6</b>	<b>-12.5</b>	<b>13.7</b>
Financial income	2.2	0.1	3.2	0.2	29.0
Financial expenses	-1.9	-3.1	-3.4	-5.2	-10.4
<b>INCOME BEFORE TAXES</b>	<b>2.6</b>	<b>1.6</b>	<b>-7.7</b>	<b>-17.6</b>	<b>32.3</b>
Income taxes	-0.1	-0.2	2.0	3.3	-1.8
<b>INCOME FOR THE PERIOD</b>	<b>2.5</b>	<b>1.4</b>	<b>-5.7</b>	<b>-14.2</b>	<b>30.6</b>
<i>Income attributable to:</i>					
Parent company shareholders	2.5	1.4	-5.7	-14.2	30.6
Earnings per share before and after dilution, EUR	0.23	0.13	-0.53	-1.32	2.83

**CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

EUR M	Apr 1, 2015– Jun 30, 2015	Apr 1, 2014– Jun 30, 2014	Jan 1, 2015– Jun 30, 2015	Jan 1, 2014– Jun 30, 2014	Jan 1, 2014– Dec 31, 2014
<b>INCOME FOR THE PERIOD</b>	<b>2.5</b>	<b>1.4</b>	<b>-5.7</b>	<b>-14.2</b>	<b>30.6</b>
<b>Other comprehensive income</b>					
<i>Items that may be transferred to the income statement:</i>					
Translation differences	0.1	-0.4	0.3	-0.5	-0.9
Investments available for sale	-2.1	0.0	-0.8	-	0.0
	-1.9	-0.4	-0.5	-0.5	-0.9
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>0.6</b>	<b>1.0</b>	<b>-6.3</b>	<b>-14.7</b>	<b>29.7</b>
<i>Comprehensive income attributable to:</i>					
Parent company shareholders	0.6	1.0	-6.3	-14.7	29.7

**CONSOLIDATED BALANCE SHEET**

EUR M	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	0.7	0.7	0.6
Land	1.1	1.1	1.1
Buildings and structures	10.5	11.3	10.8
Renovation costs for rented properties	0.7	0.6	0.6
Vessels	335.4	353.6	340.1
Machinery and equipment	6.3	7.4	6.7
Investments available for sale	25.3	0.0	26.1
Receivables	0.3	0.5	0.3
<b>Total non-current assets</b>	<b>380.3</b>	<b>375.3</b>	<b>386.3</b>
<b>Current assets</b>			
Inventories	18.3	16.2	16.1
Income tax assets	2.9	4.5	0.3
Trade and other receivables	47.0	40.6	29.3
Cash and cash equivalents	75.9	80.6	101.1
<b>Total current assets</b>	<b>144.1</b>	<b>141.8</b>	<b>146.8</b>
<b>TOTAL ASSETS</b>	<b>524.3</b>	<b>517.1</b>	<b>533.1</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1.8	1.8	1.8
Reserves	-0.8	0.0	0.0
Translation differences	-0.6	-0.5	-0.8
Retained earnings	199.1	167.5	212.3
Equity attributable to parent company shareholders	199.5	168.9	213.3
<b>Total equity</b>	<b>199.5</b>	<b>168.9</b>	<b>213.3</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	31.4	29.7	31.4
Non-current interest-bearing liabilities	185.7	209.3	197.5
<b>Total non-current liabilities</b>	<b>217.1</b>	<b>239.0</b>	<b>228.9</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	19.3	19.3	23.5
Income tax liabilities	0.0	0.0	0.0
Trade and other payables	88.5	89.9	67.4
<b>Total current liabilities</b>	<b>107.7</b>	<b>109.2</b>	<b>91.0</b>
<b>Total liabilities</b>	<b>324.8</b>	<b>348.2</b>	<b>319.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>524.3</b>	<b>517.1</b>	<b>533.1</b>

**CONSOLIDATED CASH FLOW STATEMENT**

EUR M	Jan 1, 2015– Jun 30, 2015	Jan 1, 2014– Jun 30, 2014	Jan 1, 2014– Dec 31, 2014
<b>OPERATING ACTIVITIES</b>			
Income for the period	-5.7	-14.2	30.6
Adjustments			
Depreciation and impairment losses	13.6	16.6	31.8
Capital gains from non-current assets	0.0	-0.2	-0.2
Other items not included in cash flow	-0.6	1.3	2.1
Interest expenses and other financial expenses	3.0	3.4	6.8
Financial income, Alandia Försäkring Ab	-	-	-27.9
Interest income and other financial income	0.0	0.0	-0.2
Dividend income	-1.6	0.0	0.0
Income taxes	-2.0	-3.3	1.8
Change in working capital			
Change in trade and other receivables	-17.7	-9.6	1.7
Change in inventories	-2.2	-1.2	-1.1
Change in trade and other payables	21.2	14.7	-7.7
Interest paid	-2.7	-3.1	-6.1
Financial expenses paid	-0.5	-0.4	-0.8
Interest received	0.0	0.0	0.1
Financial income received	0.0	0.0	0.1
Taxes paid	-0.5	-0.9	-0.2
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>4.2</b>	<b>2.9</b>	<b>30.7</b>
<b>INVESTING ACTIVITIES</b>			
Investments in vessels	-6.5	-5.1	-6.2
Investments in other intangible and tangible assets	-1.0	-0.6	-1.1
Divestments of other intangible and tangible assets	0.1	0.3	0.3
Divestments of investments available for sale	-	-	1.6
Payments received for non-current receivables	-	-	0.2
Dividends received	1.6	0.0	0.0
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-5.8</b>	<b>-5.4</b>	<b>-5.1</b>
<b>FINANCING ACTIVITIES</b>			
Amortization of non-current liabilities	-16.0	-7.6	-15.2
Dividends paid	-7.6	-5.4	-5.4
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-23.6</b>	<b>-13.0</b>	<b>-20.6</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-25.2</b>	<b>-15.5</b>	<b>5.0</b>
Cash and cash equivalents at beginning of period	101.1	96.1	96.1
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>75.9</b>	<b>80.6</b>	<b>101.1</b>

**STATEMENT OF CHANGES IN CONSOLIDATED EQUITY**

EUR M	Equity attributable to parent company shareholders				Total equity
	Share capital	Reserves	Translation differences	Retained earnings	
<b>Equity, Jan 1, 2015</b>	<b>1.8</b>	<b>0.0</b>	<b>-0.8</b>	<b>212.3</b>	<b>213.3</b>
<i>Income for the period</i>				-5.7	-5.7
<i>Translation differences</i>		0.0	0.2	0.1	0.3
<i>Remeasurement of investments available for sale</i>		-0.8			-0.8
Comprehensive income for the period	-	-0.8	0.2	-5.6	-6.3
Dividend to shareholders				-7.6	-7.6
<b>Equity, Jun 30, 2015</b>	<b>1.8</b>	<b>-0.8</b>	<b>-0.6</b>	<b>199.1</b>	<b>199.5</b>
<b>Equity, Jan 1, 2014</b>	<b>1.8</b>	<b>0.0</b>	<b>-0.3</b>	<b>187.5</b>	<b>189.0</b>
<i>Income for the period</i>				-14.2	-14.2
<i>Translation differences</i>		0.0	-0.2	-0.3	-0.5
Comprehensive income for the period	-	0.0	-0.2	-14.6	-14.7
Dividend to shareholders				-5.4	-5.4
<b>Equity, Jun 30, 2014</b>	<b>1.8</b>	<b>0.0</b>	<b>-0.5</b>	<b>167.5</b>	<b>168.9</b>

**QUARTERLY CONSOLIDATED INCOME STATEMENT**

EUR M	2015 Q2	2015 Q1	2014 Q4	2014 Q3
<b>SALES</b>	<b>134.1</b>	<b>105.0</b>	<b>126.3</b>	<b>160.1</b>
Other operating revenue	0.1	0.1	0.2	0.1
<b>Expenses</b>				
Goods and services	39.5	30.6	36.2	44.3
Salary and other employment benefit expenses	30.2	28.8	28.9	30.1
Depreciation and impairment losses	7.0	6.6	7.2	8.0
Other operating expenses	55.2	48.9	50.0	55.8
	131.9	114.9	122.3	138.1
<b>OPERATING INCOME</b>	<b>2.3</b>	<b>-9.8</b>	<b>4.2</b>	<b>22.0</b>
Financial income	2.2	1.0	28.1	0.7
Financial expenses	-1.9	-1.6	-3.2	-2.0
<b>INCOME BEFORE TAXES</b>	<b>2.6</b>	<b>-10.4</b>	<b>29.1</b>	<b>20.7</b>
Income taxes	-0.1	2.1	-1.1	-4.0
<b>INCOME FOR THE PERIOD</b>	<b>2.5</b>	<b>-8.2</b>	<b>28.1</b>	<b>16.7</b>
<i>Income attributable to:</i>				
Parent company shareholders	2.5	-8.2	28.1	16.7
Earnings per share before and after dilution, EUR	0.23	-0.76	2.60	1.55

**QUARTERLY CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**

EUR M	2015 Q2	2015 Q1	2014 Q4	2014 Q3
<b>INCOME FOR THE PERIOD</b>	<b>2.5</b>	<b>-8.2</b>	<b>28.1</b>	<b>16.7</b>
<b>Other comprehensive income</b>				
<i>Items that may be transferred to the income statement</i>				
Translation differences	0.1	0.2	-0.4	0.0
Investments available for sale	-2.1	1.2	0.0	-
	-1.9	1.4	-0.4	0.0
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>0.6</b>	<b>-6.8</b>	<b>27.7</b>	<b>16.7</b>
<i>Comprehensive income attributable to:</i>				
Parent company shareholders	0.6	-6.8	27.7	16.7



**SEGMENT INFORMATION, VIKING LINE GROUP**

OPERATING SEGMENTS, EUR M	Jan 1, 2015– Jun 30, 2015	Jan 1, 2014– Jun 30, 2014	Jan 1, 2014– Dec 31, 2014
<b>Sales</b>			
Vessels	236.7	238.7	521.7
Unallocated	2.5	2.4	5.8
<b>Total, operating segments</b>	<b>239.1</b>	<b>241.1</b>	<b>527.6</b>
Eliminations	-0.1	-0.1	-0.2
<b>Total sales of the Group</b>	<b>239.0</b>	<b>241.0</b>	<b>527.4</b>
<b>Operating income</b>			
Vessels	16.8	10.9	58.3
Unallocated	-24.3	-23.4	-44.6
<b>Total operating income of the Group</b>	<b>-7.6</b>	<b>-12.5</b>	<b>13.7</b>

## PLEGGED ASSETS AND CONTINGENT LIABILITIES

EUR M	Jun 30, 2015	Jun 30, 2014	Dec 31, 2014
Contingent liabilities	205.0	229.1	221.1
Assets pledged for own debt	313.6	315.7	315.7

## FINANCIAL RATIOS AND STATISTICS

	Jan 1, 2015– Jun 30, 2015	Jan 1, 2014– Jun 30, 2014	Jan 1, 2014– Dec 31, 2014
Equity per share, EUR	18.47	15.64	19.75
Equity/assets ratio	38.0 %	32.7 %	40.0 %
Investments, EUR M	7.5	5.7	7.2
– as % of sales	3.2 %	2.4 %	1.4 %
Passengers	2,939,696	2,962,436	6,610,146
Cargo units	67,639	64,428	129,255
Average number of employees, full-time equivalent	2,653	2,761	2,797

Earnings per share = (Income before taxes – income taxes +/- non-controlling interests) / Average number of shares

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

Equity/assets ratio, % = (Equity including non-controlling interests) / (Total assets – advances received)

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