

Annual Report

NOVEMBER 1, 2002 – OCTOBER 31, 2003



VIKING LINE

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Note to the international edition: This Annual Report is, in all essential respects, a translation of the Swedish-language official version. M means million and K means thousand. Numbers in brackets following fiscal 2002/2003 figures are comparable figures for fiscal 2001/2002, which ended on October 31, 2002. Currency code used: EUR = euros. "The Group" refers to the Viking Line Group, which consists of the parent company Viking Line Abp ("the Company") and its subsidiaries.

Translation: Victor Kayfetz, Scan Edit, Oakland, CA, USA (vk@scanedit.com).

Information to shareholders

ANNUAL MEETING

The annual shareholders' meeting of Viking Line Abp will be held at 12 noon on Wednesday, February 4, 2004 at the Hotel Arkipelag, Strandgatan 31, 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.

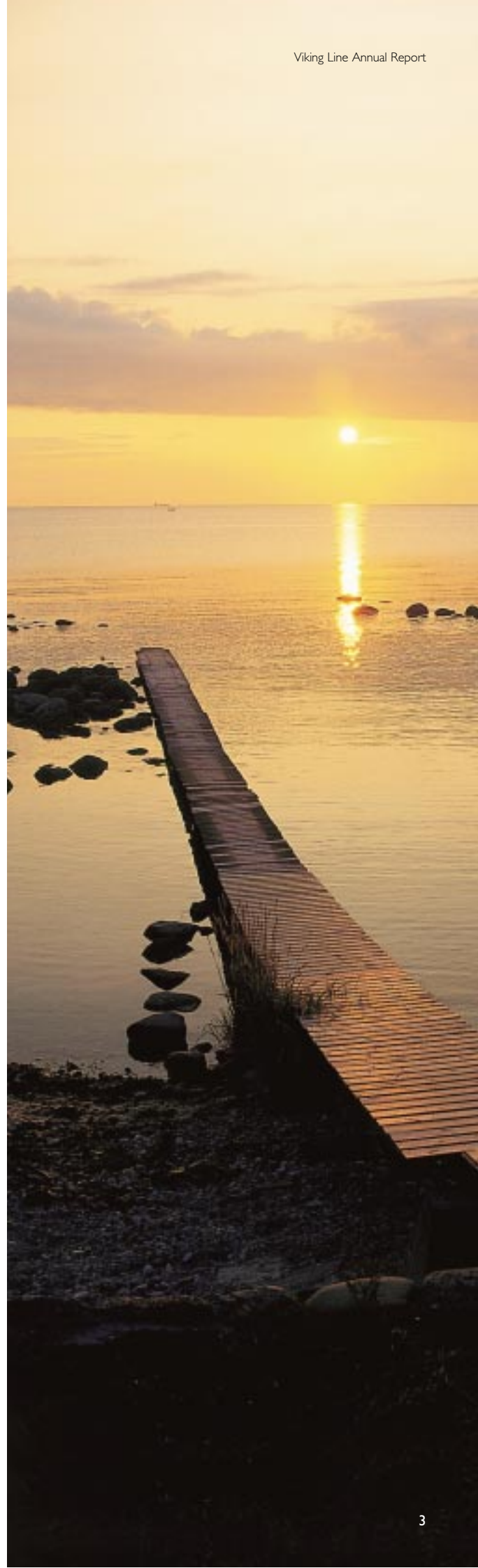
Shareholders who wish to participate in the meeting must notify the Company's office in Mariehamn to this effect not later than 2 p.m., February 2, 2004, either in writing to Viking Line Abp, Norragatan 4, AX-22100 Mariehamn, Åland, Finland, or by telephone to the Company's Secretariat at +358 18 270 00.

DIVIDEND

The Board of Directors has decided to recommend that the annual shareholders' meeting approve a dividend of EUR 2 per share for fiscal 2002/2003.

FINANCIAL INFORMATION DURING 2003/2004

During fiscal 2003/2004, Viking Line Abp will issue interim reports for the periods November 1, 2003 to January 31, 2004; November 1, 2003 to April 30, 2004; and November 1, 2003 to July 31, 2004. These interim reports will be published in March, June and September, respectively. The official versions of the Annual Report and interim reports are published in Swedish. These reports are translated to Finnish and English. The reports will be available on the Internet at www.vikingline.fi, www.vikingline.se and www.vikingline.ee. 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.se.



Managing Director's review

Happily, the 2002/2003 fiscal year proceeded without major disruptions for Viking Line. Operations worked outstandingly during our very intensive high season, which is so important to the Group. In spite of this, we did not achieve our budgeted passenger volume for the full fiscal year. This is explained by the increasingly stiff competition that Viking Line, especially during the colder half of the year, faces from shipping lines with vessels that sail under more financially favourable flags than the Finnish one.

CINDERELLA ON NEW ROUTE AND UNDER SWEDISH FLAG

Competing vessels that provide ferry services from Stockholm sail mainly under the Swedish flag. To create an equal competitive situation for the Cinderella in preparation for her new cruise service on the Stockholm-Mariehamn route, and to achieve a new base for development of the Company, Viking Line was forced to take the step of registering the Cinderella in Sweden. For this reason, in January 2003 the Company initiated co-determination negotiations with employee representatives. The change of flag affected about 340 people, who were at risk of being dismissed. During the spring, the Company's personnel department worked intensively to minimize the adverse consequences of the change of flag on the crew. On September 1, 2003, when the Viking Cinderella was registered in the Swedish shipping register, only a few remaining individuals could not be offered a job or had not ended their employment through natural attrition or by their own decision.

In preparation for the commencement of service on its new route, the Cinderella was dry-docked for extensive refurbishment work. At the same time, the vessel was equipped with catalytic cleansing systems on all engines. According to the Swedish Maritime Administration, this meant that in environmental terms, Viking Line had achieved the best results in the world for large vessels. On September 4, 2003 the Cinderella began her cruise service on the Stockholm-Mariehamn route. The vessel was very well received, with the new spa department in particular attracting well-deserved attention.

We appreciate the positive and constructive response we experienced during the Cinderella's change of registration process in our contacts with Swedish public authorities and trade unions.

NEW OPERATING CONDITIONS FOR BALTIC SEA SERVICES

In May 2004 the three Baltic countries – Estonia, Latvia and Lithuania – will join the European Union, signifying the end of duty- and tax-free sales on board vessels that sail, for example, between the Finnish mainland or Sweden and these countries. This will substantially change operating conditions for maritime services to and from the Baltics, and scheduled travel will assume growing importance in this service area.

As one step in adapting to the new conditions governing services to and from the Baltics, the Viking Line Board of Directors decided in October 2002 to reconfigure the Company's services in autumn 2003. As a consequence of this decision Viking Line's flagship, the cruise vessel Cinderella, was moved to the Stockholm-Mariehamn route. Services between Helsinki and Tallinn were taken over by the Rosella, while Viking Line introduced a new timetable featuring four departures per day.

Thanks to this new sailing schedule, Viking Line has managed to double the cargo capacity of its Helsinki-Tallinn service and thereby share in the rapidly growing cargo market on this route. The timetable offers Viking Line customers new travel alternatives, which our customers had previously requested. So far, passenger and cargo volume on this service has gradually improved and the response from the market has been favourable, even though the vessel as such was not purpose-built for this route.

COMPETITIVENESS OF THE FINNISH FLAG

Late in November, the Finnish government approved an expansion of the maritime restitution system to include ferry services. Withholding taxes and social security payments on the income of shipboard personnel will thus be refunded to ferry shipping companies in keeping with the "Community Guidelines on State Aid to the Maritime Industry", which were approved by the EU in 1997. The expanded restitution system, which does not take effect until January 1, 2005, provides an opportunity to reduce manning costs and thereby improve the competitiveness of Finnish shipboard personnel in existing services between Finland and Sweden.

In services between Finland and Estonia, however, our main competitors sailing under the Estonian flag or manning their vessels with Estonian personnel will still have substantially lower manning costs, even after the expanded Finnish shipboard pay subsidy system has gone into effect. As a result Viking Line's Finnish-flagged vessel, the Rosella, will have a difficult time competing on equal terms on the Helsinki-Tallinn route. In light of this, during October 2003 Viking Line convened co-determination negotiations concerning the Rosella and its personnel. The aim of the negotiations was to identify steps that could strengthen the competitiveness of the vessel, which might also include transferring it to another European ship register. However, the emphasis was on exploring the potential for continued service with a Finnish crew.

On November 18, 2003 the Finnish Seamen's Union gave notice of a planned strike on board the Rosella, for the purpose of preventing the Rosella's planned registration in another European shipping registry. The strike was formally justified by demands related to the manning agreement for the vessel. However, the manning agreement for the vessel was valid, and the strike threat was thus an illegal industrial action. Labour disputes that target operations always result in great harm to the employer. The alternative of pushing through a change of registration of the vessel during an ongoing labour dispute would have subjected the Company to damage not reasonably proportionate to the benefits it could have achieved through a change of registration. For this reason, Viking Line agreed to a mediation proposal from the Finnish national conciliator on December 2, 2003. This conciliation agreement means that operations will continue under largely unchanged working conditions. The illegal activities of the Finnish Seamen's Union, against which the Finnish legal system does not offer any effective protection, now constitute the final obstacle to the development of the Finnish merchant fleet.

However, it is my firm belief that only through good collaboration between employers and employees can we protect jobs in the shipping sector. In Sweden, through our subsidiary Viking Rederi AB, we have had good experience of such collaboration, characterised by mutual respect.

THE FUTURE

The financial outcome of the 2002/2003 fiscal year is an indication of increasingly stiff competition in Viking Line's service area. In this context, it is important to emphasise once again that Viking Line is not building its future on the

forthcoming restitution of taxes and social security fees on the income of shipboard personnel. However, like all companies exposed to international competition, we must ensure that we can operate on the same terms as our competitors. Within the framework of the enlarged European Union, we can create new and better conditions for our business.

The transfer of the Cinderella and Rosella to new routes was a preparation for future fiscal years when a number of other challenges await, among them changes in personal importation rules for taxed alcoholic beverages and related cuts in the excise taxes on these products.

As a consequence of the changes occurring around us, ferry services will also be restructured and this will require new vessel concepts. The success of Viking Line over a 40-year period has rested on developing new vessel types and services, based on customer needs. In these times, there are thus good reasons to focus on this important task.

WARMEST GRATITUDE

Finally, I would like to express my warmest gratitude to the employees of the entire Group, and especially the employees on Viking Line's Finnish vessels, who have done an outstanding job despite their concerns while awaiting the government's decision regarding an expansion of the restitution system. My sincere gratitude to all of Viking Line's customers and business partners as well.



Nils-Erik Eklund
Managing Director

Mission statement

The mission of Viking Line is to provide large-scale, affordable, safe passenger and cargo carrier services including first-class recreation, good food and shopping.

Viking Line provides services on the Baltic Sea, with the Finnish mainland, Sweden, the Åland Islands (a Swedish-speaking province of Finland) and the Baltic countries as its main markets.

PASSENGER SERVICES

The Passenger Services business area is divided into Travel Services and Shipboard Services.

The Travel Services area markets one-way passenger tickets, pleasure cruises and conference cruises, as well as travel and hotel packages.

The Shipboard Services area provides shopping, good food and professional entertainment in a pleasant setting.

CARGO SERVICES

The Cargo Services business area supplies speedy, regularly scheduled shipping and freight forwarding services at affordable prices.



The Viking Line fleet

The Viking Line fleet consists of seven vessels that are well adapted for combined passenger and cargo services in the Company's service area.

VIKING CINDERELLA

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



GABRIELLA

Built in 1992
 35,492 gross registered tonnes
 Length 171.2 m
 Ice class I A Super
 2,420 passengers
 420 cars
 2,402 berths
 Helsinki-Mariehamn-Stockholm
 Finnish flag



MARIELLA

Delivered in 1985
 37,860 gross registered tonnes
 Length 177.0 m
 Ice class I A Super
 2,500 passengers
 400 cars
 2,500 berths
 Helsinki-Mariehamn-Stockholm
 Finnish flag



AMORELLA

Delivered in 1988
 34,384 gross registered tonnes
 Length 169.4 m
 Ice class I A Super
 2,450 passengers
 450 cars
 1,946 berths
 Turku-Mariehamn/Långnäs-Stockholm
 Finnish flag



ISABELLA

Delivered in 1989
 35,154 gross registered tonnes
 Length 170.9 m
 Ice class I A Super
 2,450 passengers
 364 cars
 2,166 berths
 Turku-Mariehamn/Långnäs-Stockholm
 Finnish flag



ROSELLA

Delivered in 1980
 16,850 gross registered tonnes
 Length 136.1 m
 Ice class I A
 1,700 passengers
 320 cars
 1,184 berths
 Helsinki-Tallinn
 Finnish flag



ÅLANDSFÄRJAN

Built in 1972
 6,336 gross registered tonnes
 Length 105.2 m
 Ice class I B
 963 passengers
 180 cars
 Mariehamn-Kapellskär
 Swedish flag



Passenger Services

Passenger Services includes the marketing of one-way passenger tickets, pleasure cruises and conference cruises, as well as travel and hotel packages. On board Viking Line vessels, the business area offers shopping, good food and entertainment in a pleasant setting.



The total number of passengers in Viking Line's service area, Finland-Sweden and Finland-Baltic countries, was 15,383,455 during the 2002/2003 fiscal year. Viking Line's share totalled 5,038,680 passengers or 32.8 per cent, compared to 33.4 per cent in fiscal 2001/2002. Of our passengers, 62.1 per cent were residents of Finland and 33.7 per cent residents of Sweden, while residents of other countries accounted for 4.2 per cent.

The sister vessels Amorella and Isabella normally provide service on the Turku-Mariehamn/Långnäs-Stockholm route. During Christmas 2002 the Amorella provided a cruise between Turku and

Visby (on the Swedish island of Gotland), while the Isabella offered a Christmas cruise on the Stockholm-Mariehamn route. Between May 5 and June 16, the Isabella exchanged places with the Gabriella to allow maintenance work while providing continued service. The Amorella had a total of six and the Isabella a total of four idle days during the 2002/2003 fiscal year.

From the beginning of the fiscal year until June 23, 2003 the Rosella provided cruise service on the Stockholm-Mariehamn route under the name "The Dancing Queen". In addition, the vessel undertook a total of seven cruises between Stockholm and Riga (Latvia) during May and June. On June 23 the Rosella switched to its traditional summer service on the Turku-Mariehamn-Kapellskär route and completed this on August 11. Then the vessel was out of service until August 17, when she was placed in scheduled service on the Helsinki-Tallinn route. The Rosella had a total of twenty-three dry-docking and idle days during the 2002/2003 fiscal year.

As previously, the Ålandsfärjan ("Åland Ferry") provided service between Mariehamn and Kapellskär during 2002/2003. The vessel was removed from service beginning on January 7, 2003 and returned to service on February 7.

On the Turku-Mariehamn/Långnäs-Stockholm/Kapellskär route segment, the total number of passengers was 2,902,349, compared to 2,840,902 in fiscal 2001/2002. On the Turku-Stockholm/Kapellskär route segment, Viking Line's market share was 43.6 per cent (43.9), while its market share for services to Åland was 41.8 per cent (40.6).

The vessels Gabriella and Mariella ordinarily provide service on the Helsinki-Mariehamn-Stockholm route segment. This past fiscal year, however, the Gabriella was placed in service on the Turku route segment between May 5 and June 16, when the Isabella was temporarily switched to the Helsinki route. The Gabriella also provided a Christmas cruise between Stockholm and Turku. The Mariella was dry-docked for 10 days in September 2003. During the dry-docking, the existing disco space was converted into conference facilities. Instead, a new space was fitted out next to the night club, in keeping with a clubbing concept. The number of Viking Line passengers on the Helsinki route segment was 1,088,427 (1,092,663). Viking Line's market share on the long Helsinki-Stockholm route was 42.6 per cent (42.5).

During fiscal 2002/2003, the Cinderella provided 20-hour cruises on the Helsinki-Tallinn route until August 17, 2003. The vessel's Christmas cruise sailed between Helsinki and Riga. During the summer, she also provided weekend cruises on the same route.

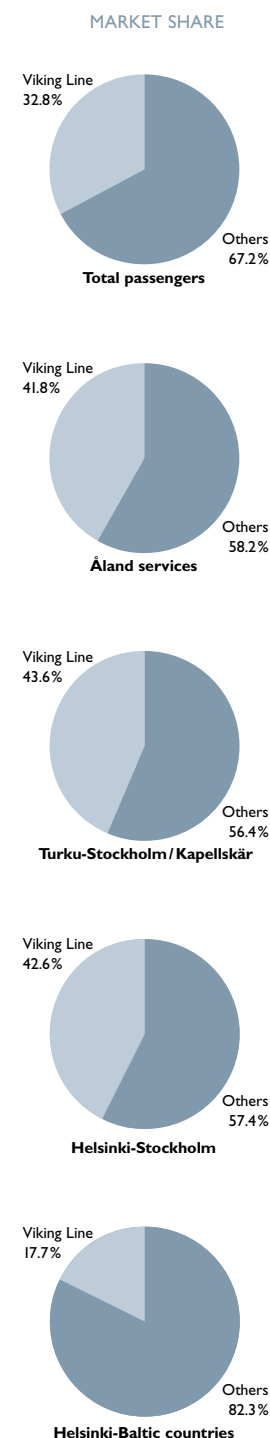
After completing service on the Helsinki-Tallinn route, the Cinderella was dry-docked to receive a thorough face-lift before commencing service on September

4 on the vessel's new Stockholm-Mariehamn cruise route. There was a complete overhaul of the vessel's restaurants and public spaces, and the cabins were renovated. In addition to Viking Line's traditional range, the Cinderella's restaurant department added a number of new concepts. A new wine, champagne and piano bar was fitted out, and the vessel also added a separate shellfish restaurant. A coffee bar was installed and the disco was changed in keeping with the new Club Seven concept. The three-story tall night club, which is the largest on the Baltic Sea, was given new interior fittings and equipped with a new, advanced sound and light system. Also installed was a big-screen system that enables guests to see what is happening on stage from virtually every seat in the night club. The sauna department was renovated into a spa facility that offers swimming, steam saunas and a health bar. Aside from a special European bathing ritual, spa visitors are offered a variety of 10-minute "mini-treatments" but also longer, classic treatments such as body care, massage and facial treatments.

The number of Viking Line passengers on services between Helsinki and the Baltic countries was 1,047,904 (1,252,820). Viking Line's market share was 17.7 per cent (20.4).¹

Passenger volumes by route segment	2002/2003	2001/2002	Change
Turku-Mariehamn/Långnäs-Stockholm/Kapellskär	2,902,349	2,840,902	+2.2%
Helsinki-Mariehamn-Stockholm	1,088,427	1,092,663	-0.4%
- of which Åland services	1,386,778	1,322,674	+4.8%
Helsinki-Baltic countries	1,047,904	1,252,820	-16.4%
TOTAL	5,038,680	5,186,385	-2.8%

¹ Helsinki-Visby cruise services have been taken into account in comparisons with competing companies.



Cargo Services

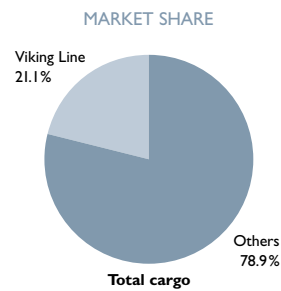
The Cargo Services business area supplies speedy, regularly scheduled shipping and freight forwarding services at affordable prices.



The cargo volume in Viking Line's service area totalled 371,473 cargo units, compared to 352,051 units in 2001/2002. Viking Line transported 78,524 cargo units (78,045), equivalent to a market share of 21.1 per cent (22.2). Viking Line's share of the Finnish mainland-Åland-Sweden route totalled 21.9 per cent (21.7). In services between Finland and Estonia, its market share was 19.6 per cent (23.2).

The strong growth in cargo volume on the Finland-Estonia route continued during fiscal 2002/2003. The total cargo market on this route rose by 6.7 per cent. However, competition for cargo volume has become stiffer, due to greater cargo capacity. Combined with the already high capacity utilisation of the Cinderella and the vessel's expanded Riga cruise program during the summer, the result was that Viking Line's cargo volume on the route temporarily stopped growing.

The Rosella's new scheduled service between Helsinki and Tallinn, beginning in August 2003, will allow a further expansion of cargo service to Estonia, and during the autumn again led to a growth in Viking Line's cargo volume. Increased capacity, frequent departures and departure times that are attractive for cargo services have opened up new opportunities in this vigorously growing market.



Connecting services and sales offices



The environment

Viking Line endeavours to provide seagoing passenger services in an environmentally sound way. By preventing pollution, training our employees on environmental matters and informing others of our environmental work, our aim is to achieve continuous improvements and to reduce the environmental impact of our operations.

During fiscal 2002/2003, Viking Line continued its work with the ISO 14001 international environmental management system. Viking Line's main operations are now ISO 14001 certified. The Company has followed up its environmental targets from prior years and established new targets.

One of Viking Line's environmental targets is to make its waste management more efficient and to measure and document the quantity of waste from all vessels. Refuse sorting systems were made more efficient during the fiscal year. Looking ahead, the target is to reduce the quantity of mixed refuse between 1998 and 2010 by 50 per cent. Viking Line will continue its evaluation of suppliers, including the establishment of standards for their environmental policies. Viking Line is boosting the environmental awareness of employees and will provide training programmes in conjunction with new environmental management procedures. The Company will improve and expand external communication

about its environmental work. The quantity of chemical products on board Viking Line vessels will be reduced.

The Viking Cinderella began service on the Stockholm-Mariehamn route with all its engines equipped with catalytic exhaust purification systems, which resulted in a reduction of no less than 97 per cent in nitrogen oxide emissions. This exceeded the established target of 80-90 per cent. According to the Swedish Maritime Administration, the positive environmental effect of this installation is the best ever achieved on any large vessel in the world, reducing average nitrogen oxide emissions by more than 2,300 tonnes per year. This makes the Cinderella one of the very cleanest vessels on the Baltic Sea. During dry-docking, the vessel's auxiliary engines were also equipped with extra sound suppressors for noise reduction, and the vessel's coolants were replaced by more environmentally sound alternatives.



In conjunction with the Rosella's change of route, her engines were optimized, which means better fuel consumption and fewer soot particulates in the vessel's exhaust gases. Viking Line also began collaboration with the waste management company Ragn-Sells AS in Tallinn for disposal of the vessel's residual waste.

Viking Line further streamlined the refuse sorting system on vessels serving Helsinki by introducing plastic and energy waste collection. This will reduce the quantities of waste ending up in landfills and cut waste management costs. Viking Line's target is to influence the flow of waste originating from landbased sources, in order to avoid unnecessary packaging. The Company improved collection

capacity by purchasing new refuse compactors, training personnel in new procedures and improving the planning of on-board waste logistics. It has been planning more efficient sorting procedures on the Turku route by introducing collection of energy waste.

In September 2003, Viking Line made a donation of funds to the Archipelago Foundation in Stockholm. This money is being used for a Foundation project entitled "Better Water Quality in the Archipelago". The project is based on the national and international rules in force, which stipulate that small vessel harbours must be capable of handling boat owners' waste products.

Safety

Passengers can feel safe on board Viking Line vessels, which feature state-of-the-art technology and equipment. Employees have the necessary knowledge and training to deal with any emergencies.

On July 1, 2004, the new International Ship and Port Security (ISPS) regulations go into effect. These regulations are a step towards further improving passenger safety, both in ports and aboard vessels. Thanks to preparations carried out during fiscal 2002/2003, Viking Line is well prepared for these new requirements.

During the fiscal year, Voyage Data Recorders (VDR's) was installed on the Mariella, Rosella and Ålandsfärjan. This means that all Viking Line vessels are now equipped with VDR's. The expansion of the vessels' sprinkler systems also continued in 2002/2003, along with expansion of the vessels' surveillance systems.



Personnel and administration

Running a successful company in the service business requires service-minded personnel with expertise and professional skills. This is why Viking Line provides continuous training to its employees in their respective fields of responsibility.

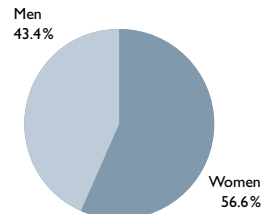
During 2002/2003 the average number of employees in the Viking Line Group was 2,822. This represented an increase compared to the previous year (2,792). Of the total number of employees, 2,532 (2,527) resided in Finland, including 624 (626) in Åland. The number residing in Sweden was 250 (235). There were 5 (4) employees residing in Germany and 35 (26) in Estonia.

Most of Viking Line's employees work aboard its vessels. Shipboard personnel totalled 2,129 (2,086) and land-based personnel 693 (706).

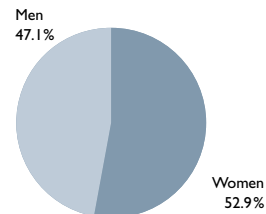
In recent years, the Internet has become an increasingly important sales channel for Viking Line. Today about 20 per cent of individual customers choose to make their bookings directly via the Net. During the 2002/2003 fiscal year, it also became possible to handle payment for trips via the Internet, and further refinements of this service are still under way. Viking Line previously had web sites in Swedish, Finnish, Danish and German. In conjunction with the start-up of the Rosella's scheduled services on the Helsinki-Tallinn route, an Estonian web site was added in August 2003.



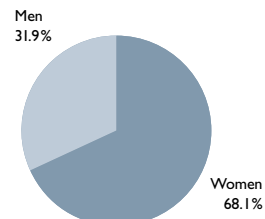
GENDER BREAKDOWN, TOTAL



GENDER BREAKDOWN, SHIPBOARD



GENDER BREAKDOWN, LAND-BASED

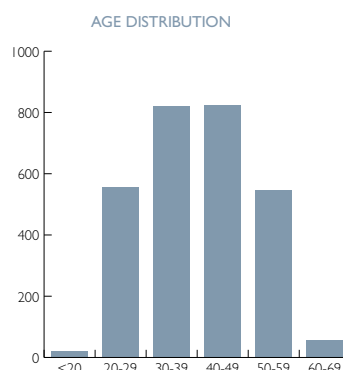
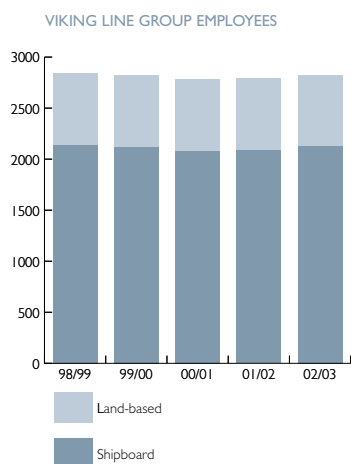


Due to the increased use of Viking Line's Internet services, along with the transfer of the Rosella and Cinderella to new routes during the autumn, reservations staff in the Finnish market area was reduced by about 30 full-time-equivalent positions. Since the Cinderella began its cruise services between Stockholm and Mariehamn, booking resources had to expand in the Swedish market area. Viking Line was able to limit this expansion to eight man-years, since a rising volume of its bookings and payments occur over the Internet.



The transfer of the Viking Cinderella from the Finnish to the Swedish shipping register was an extensive process, including a number of co-determination negotiations with all affected trade unions, recruitment of new employees and transfers of the previous regular employees who did not want to follow the vessel to its new service area.

In Sweden, there has been a continuously growing interest in working on the Cinderella, and job applications arrive daily via the Net. Collaboration with Swedish trade unions has been very constructive and businesslike.



Share data

SHARE CAPITAL AND SHARES

The minimum share capital of Viking Line Abp is EUR 605,476.54 and the maximum share capital is EUR 2,421,906.14. Within these limits, share capital may be increased or decreased without amending the Articles of Association. Since April 12, 1995, the share capital of Viking Line Abp has been EUR 1,816,429.61. The nominal value of each share is EUR 0.17. This nominal value is not an exact value. Since July 5, 1995, the shares of Viking Line Abp have been listed on the Helsinki Stock Exchange.

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 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.

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.

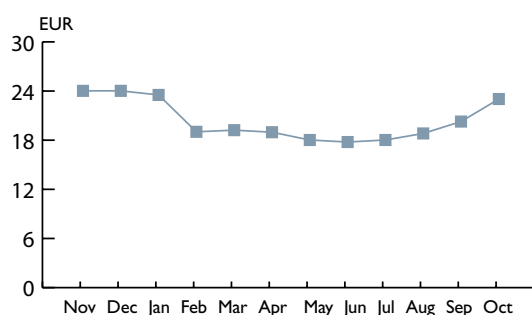
SHAREHOLDERS

At the end of the 2002/2003 fiscal year, the Company had 2,195 registered shareholders. The ten largest shareholders are presented in the table below:

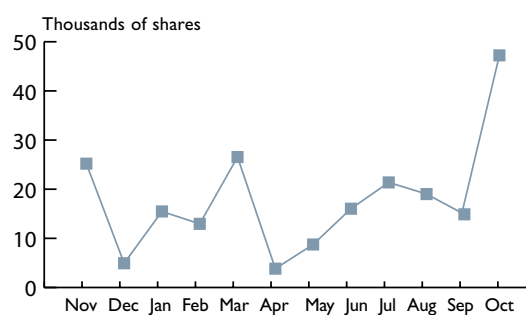
LARGEST SHAREHOLDERS, OCTOBER 31, 2003

	Number of shares	Percentage of total
1. Ångfartygs Ab Alfa	1,657,500	15.3
2. Ab Rafael	1,460,700	13.5
3. Rederi Ab Hildegaard	817,900	7.6
4. Chips Finans Ab	285,800	2.6
5. Sundman Per-Sune	276,550	2.6
6. Lundqvist Ben	245,000	2.3
7. Lundqvist Margareta	222,800	2.1
8. Eklund Nils-Erik	220,500	2.0
9. Sviberg Marie-Louise	202,500	1.9
10. Relander Gustaf	170,750	1.6

SHARE PRICE
November 2002 – October 2003



TRADING VOLUME
November 2002 – October 2003



VIKING LINE ABP'S SHAREHOLDERS, BY SECTOR

	Number of shareholders	Percentage of total	Number of shares	Percentage of total
Private individuals	1,912	87.2	5,113,438	47.3
Companies	122	5.6	4,672,932	43.3
Credit institutions and insurance companies	6	0.3	171,320	1.6
Other legal persons	27	1.2	259,995	2.4
Foreign shareholders	125	5.7	480,416	4.4
Nominee-registered shares	3	0.1	101,633	0.9
Not transferred to book-entry securities account system			266	0.0
Total	2,195	100.0	10,800,000	100.0

DISTRIBUTION OF SHARE CAPITAL

Shareholdings by size	Number of shareholders	Percentage of total	Number of shares	Percentage of total
1-99	769	35.0	22,886	0.2
100-999	820	37.4	184,558	1.7
1,000-9,999	473	21.5	1,523,700	14.1
10,000-99,999	120	5.5	3,166,837	29.3
100,000-999,999	11	0.5	2,783,553	25.8
1,000,000-	2	0.1	3,118,200	28.9

BOARD AND TOP MANAGEMENT SHAREHOLDINGS

The members and deputy members of the Board of Directors, the Managing Director and the Deputy Managing Director own 870,600 shares in the Company, equivalent to a voting power of 8.1 per cent. Viking Line applies the provisions of the Finnish Securities Market Act on insider information as well as the insider regulations of the Helsinki Stock Exchange.

TRADING VOLUME AND SHARE PRICE

During fiscal 2002/2003, trading in Viking Line on the Helsinki Stock Exchange totalled 217,777 shares. This meant that 2.0 per cent of all shares changed hands. The year's highest share price was EUR 24.00, the lowest EUR 17.50. On October 31, 2003, the quoted share price was EUR 23.00. The Company's market capitalization on that date was EUR 248.40 M.

SHARE-RELATED FINANCIAL RATIOS AND STATISTICS

	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003
Earnings per share, EUR	2.08	1.30	2.26	1.88	1.47
Shareholders' equity per share, EUR	12.07	11.66	13.07	13.45	13.57
Dividend per share, EUR*	1.68	0.84	1.50	1.35	2.00
Dividend/earnings	81.0%	64.9%	66.4%	71.9%	136.5%
Dividend/share price	4.1%	3.6%	6.8%	6.1%	8.7%
Price/earnings (P/E) ratio	20	18	10	12	16
Share price on October 31, EUR	41.00	23.50	21.90	22.00	23.00
Highest share price, EUR	48.77	41.50	25.50	25.99	24.00
Lowest share price, EUR	37.00	23.00	18.50	20.00	17.50
Average share price, EUR	41.25	31.64	21.88	22.02	20.38
Market capitalization, EUR M	442.80	253.80	236.52	237.60	248.40
Number of shares traded	482,447	293,620	178,420	201,895	217,777
Percentage of shares traded	4.5%	2.7%	1.7%	1.9%	2.0%
Dividend paid for fiscal year, EUR M*	18.16	9.08	16.20	14.58	21.60
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	10,800,000	10,800,000	10,800,000	10,800,000	10,800,000

* For fiscal 2002/2003, proposed by the Board of Directors for approval by the annual shareholders' meeting
For definitions of financial ratios, see the chapter entitled "Definitions of financial ratios".

Report of the Directors

MARKET DEVELOPMENTS

The market for passenger ferry services between Sweden and Finland plus services between Finland and the Baltic states decreased by 0.9 per cent to 15,383,455 passengers. The number of passengers on Viking Line's vessels decreased by 2.8 per cent to 5,038,680.

The total number of cargo units in the service area rose by 5.4 per cent to 371,473. On Viking Line's vessels, the quantity of cargo rose by 0.6 per cent to 78,524 units.

Viking Line's share of passengers in the entire service area amounted to 32.8 per cent (33.4). In terms of route segments, its market share was distributed as follows: Helsinki (Finland)-Stockholm (Sweden), 42.6 per cent (42.5); Turku (Finland)-Stockholm/Kapellskär (Sweden), 43.6 per cent (43.9); services to the Åland Islands (Finland), 41.8 per cent (40.6); and Helsinki-Baltic states, 17.7 per cent (20.4).

VESSELS AND ROUTES

The Group's vessels served the same main routes as during fiscal 2001/2002. In addition, as in prior years Viking Line provided special cruises to various destinations in the Baltic Sea. During May and June, the Rosella provided seven cruises between Stockholm and Riga (Latvia). The Cinderella provided weekend cruises on the Helsinki-Riga route in June, July and August. The number of service days during the fiscal year 2002/2003 was larger than during 2001/2002, when among other things the Isabella was out of service for 61 days.

Starting on August 17, the Rosella was placed in scheduled service between Helsinki and Tallinn (Estonia), with four departures per day. Meanwhile the Cinderella was dry-docked for an extensive refurbishing. On September 1, the vessel was registered in the Swedish ship register under the name Viking Cinderella and was bare-boat-chartered starting on the same date by the subsidiary Viking Rederi AB. The vessel was time-chartered by the parent

company and placed in cruise service between Stockholm and Mariehamn (Åland Islands) on September 4.

The Group's seven vessels have a book value of 179.3 million euros, while their insurance value amounts to EUR 492.4 M. In addition, all vessels have protection and indemnity (P&I) insurance.

SALES AND EARNINGS

Consolidated sales of the Viking Line Group during fiscal 2002/2003 amounted to EUR 397.8 M (fiscal 2001/2002: EUR 402.4 M). Operating profit was EUR 22.9 M (28.7). Net financial items were EUR -0.3 M (0.6). Consolidated profit before taxes amounted to EUR 22.6 M (29.3). Net profit for the fiscal year was EUR 15.8 M (20.3).

Due to lower passenger volume, Group sales were somewhat lower than in the previous fiscal year. Net sales revenues per passenger were somewhat better. Vessel fuel (bunkering) costs were higher due to the difficult ice situation during the winter and a larger number of voyages. The transfer of the Rosella and Cinderella to new routes, combined with the Cinderella's dry-docking, led to extra expenses and lost revenues. During the spring, Viking Line initiated an earnings improvement programme, which had a certain impact during the latter part of the fiscal year.

INVESTMENTS AND FINANCING

The Group's investments totalled EUR 9.9 M (9.8).

On October 31, 2003, the equity/assets ratio stood at 53.5 per cent, compared to 51.0 per cent a year earlier. The Group's long-term liabilities decreased during fiscal 2002/2003 to EUR 32.8 M (41.6).

At the close of fiscal 2002/2003, the Group's liquid assets amounted to EUR 47.3 M (43.8). Net cash flow from business operations amounted to EUR 36.7 M (24.8).

PERSONNEL

The average number of Viking Line employees was 2,822 (2,792), of whom 2,069 (2,089) worked for the parent company. Land-based personnel totalled 693 (706) and shipboard personnel totalled 2,129 (2,086).

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

The Board of Directors consists of Ben Lundqvist, Chairman; Carita Blomsterlund, Sture Carlson, Nils-Erik Eklund and Dick Lundqvist. The personal deputies to the members of the Board are Stefan Lundqvist, Airi Sundman, Erik Grönberg, Marie-Louise Sviberg and Gunilla Lundqvist. Kurt Hollfast, Authorized Public Accountant (CGR) and Leif Hermans, Authorized Public Accountant (CGR), are regular Auditors. Mikael Holmström, Authorized Public Accountant (CGR), and Erika Sjölund, Authorized Public Accountant (GRM), service as Deputy Auditors.

The Managing Director of the Company is Nils-Erik Eklund. The Deputy Managing Director is Kent Nyström.

OPERATING CONDITIONS

The Finnish government has decided to enact an enlarged system of state restitution, in which taxes and social security fees on the income of shipboard employees will be refunded to the shipping company in accordance with European Union (EU) guidelines.

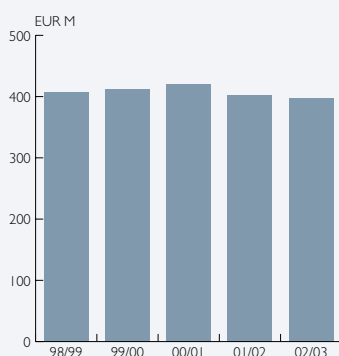
This enlargement will go into effect only on January 1, 2005 and will lead to a reduction in personnel expenses for vessels that sail under the Finnish flag to a level comparable to that of Swedish-flagged vessels.

Starting on January 1, 2004, the current limitations on personal imports of taxed alcoholic beverages will be abolished on intra-EU passenger services, but not on services to and from the Åland Islands, which lie outside the EU tax union. Duty- and tax-free sales will continue on services to Åland, with the same personal import limitations as previously. Due to Estonia's EU accession on May 1, 2004, it will become possible to personally import very large quantities of taxed alcoholic beverages from Estonia to Finland. For this reason, Finnish excise taxes on alcoholic beverages will be lowered sharply starting on March 1, 2004. Taken together, these changes will affect purchasing behaviour, pricing and the flow of passengers in Viking Line's service area.

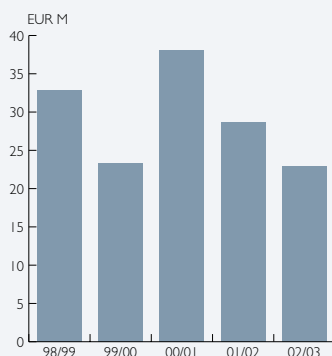
OUTLOOK FOR 2004

The above circumstances concerning duty- and tax-free sales, together with increasingly tough competition from vessels with lower manning expenses, will affect the company's profitability. However, it is especially difficult to quantify their consequences for the Group's earnings during the new fiscal year. For the time being, the Group estimates that its earnings during the 2003/2004 fiscal year will be somewhat lower than its 2002/2003 earnings.

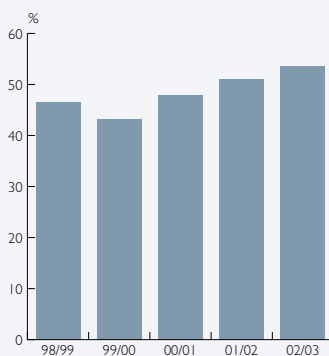
SALES



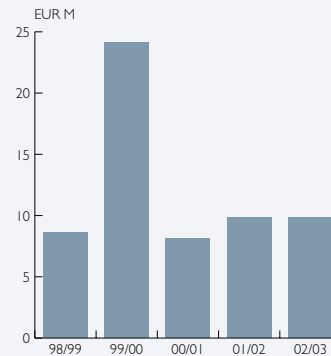
OPERATING PROFIT



EQUITY/ASSETS RATIO



GROSS CAPITAL SPENDING



Five-year financial review

INCOME STATEMENT

THE GROUP, EUR M	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003
Sales	407.83	413.67	420.78	402.45	397.79
Other operating revenues	0.41	0.62	0.49	0.50	0.76
Materials and services	-110.55	-113.27	-111.49	-108.05	-107.09
Employee expenses	-118.13	-117.95	-113.11	-99.99	-100.17
Depreciation	-16.72	-17.79	-18.79	-19.37	-19.82
Other operating expenses	-129.95	-141.97	-139.81	-146.84	-148.53
Operating profit	32.89	23.31	38.06	28.71	22.94
Financial items	-1.36	-1.32	-3.24	0.56	-0.30
Profit before extraordinary items	31.52	21.99	34.82	29.27	22.63
Extraordinary items	0.00	-0.30	0.00	0.00	0.00
Profit before taxes	31.52	21.69	34.82	29.27	22.63
Direct taxes	-9.09	-7.99	-10.43	-8.99	-6.81
Net profit for the fiscal year	22.44	13.70	24.40	20.27	15.82

BALANCE SHEET

THE GROUP, EUR M	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003
Intangible assets	2.09	1.48	0.86	0.38	0.34
Tangible assets	215.62	222.48	212.42	203.34	193.38
Shares and participations	0.70	0.07	0.07	0.07	0.04
Current assets	8.35	8.85	7.90	8.86	8.95
Receivables	17.74	16.96	17.66	28.74	24.02
Cash and bank balances	35.84	41.50	55.96	43.76	47.28
Total assets	280.34	291.34	294.85	285.15	274.01
Shareholders' equity	130.38	125.91	141.21	145.30	146.56
Deferred tax liability	39.54	42.45	42.69	42.08	40.74
Long-term liabilities	51.04	61.47	50.46	41.63	32.80
Current liabilities	59.38	61.51	60.50	56.14	53.91
Total shareholders' equity and liabilities	280.34	291.34	294.85	285.15	274.01

FINANCIAL RATIOS

THE GROUP	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003
Operating profit as % of sales	8.1 %	5.6 %	9.0 %	7.1 %	5.8 %
Profit before extraordinary items as % of sales	7.7 %	5.3 %	8.3 %	7.3 %	5.7 %
Profit before taxes as % of sales	7.7 %	5.2 %	8.3 %	7.3 %	5.7 %
Return on equity (ROE)	17.0 %	10.9 %	18.3 %	14.2 %	10.8 %
Return on investment (ROI)	17.2 %	12.7 %	19.8 %	15.8 %	12.7 %
Equity/assets ratio	46.5 %	43.2 %	47.9 %	51.0 %	53.5 %
Debt/equity ratio (gearing)	17.5 %	23.5 %	3.9 %	4.6 %	-3.9 %
Gross capital spending, EUR M	8.64	24.09	8.16	9.81	9.86
Gross capital spending as % of sales	2.1 %	5.8 %	1.9 %	2.4 %	2.5 %
Average number of employees	2,840	2,823	2,780	2,792	2,822
- of whom, shipboard employees	2,139	2,122	2,080	2,086	2,129
- of whom, land-based employees	701	701	700	706	693

Income statement

EUR M	Note	THE GROUP		PARENT COMPANY	
		Nov.1, 2002- Oct.31,2003	Nov.1, 2001- Oct.31, 2002	Nov.1, 2002- Oct.31,2003	Nov.1, 2001- Oct.31, 2002
SALES		397.79	402.45	383.98	387.75
Other operating revenues	1	0.76	0.50	0.73	0.47
Operating expenses					
Materials and services	2	107.09	108.05	102.09	103.08
Employee expenses	3	100.17	99.99	72.57	74.55
Depreciation	4	19.82	19.37	18.05	17.03
Other operating expenses		148.53	146.84	118.46	113.59
		375.61	374.24	311.17	308.25
OPERATING PROFIT		22.94	28.71	73.54	79.98
Financial items	5	-0.30	0.56	-0.41	0.51
PROFIT BEFORE EXTRAORDINARY ITEMS		22.63	29.27	73.13	80.48
Extraordinary items					
Group contributions		-	-	-50.65	-50.58
PROFIT BEFORE ALLOCATIONS AND TAXES		22.63	29.27	22.48	29.91
Allocations	6	-	-	4.58	2.13
Direct taxes	7	-6.81	-8.99	-7.87	-9.32
NET PROFIT FOR THE FISCAL YEAR		15.82	20.27	19.19	22.72

Balance sheet

EUR M	Note	THE GROUP		PARENT COMPANY	
		Oct. 31, 2003	Oct. 31, 2002	Oct. 31, 2003	Oct. 31, 2002
ASSETS					
FIXED ASSETS					
Intangible assets	8				
Other long-term assets		0.34	0.38	0.01	0.01
Tangible assets	8				
Parcels of land		1.07	1.07	1.04	1.04
Buildings and structures		8.10	8.45	4.78	4.90
Vessels		179.28	189.60	178.11	188.28
Machinery and equipment		4.54	3.77	1.61	0.80
Other tangible assets		0.39	0.43	0.19	0.15
		193.38	203.34	185.74	195.17
Shares and participations	9				
Shares in Group companies		-	-	13.01	13.01
Other shares and participations		0.04	0.07	0.02	0.04
		0.04	0.07	13.03	13.05
TOTAL FIXED ASSETS		193.76	203.79	198.77	208.23
CURRENT AND FINANCIAL ASSETS					
Current assets	10	8.95	8.86	8.61	8.56
Long-term receivables					
Loans receivable		0.02	0.06	-	-
Current receivables					
Accounts receivable		12.24	12.39	3.18	4.00
Group receivables		-	-	8.50	8.61
Other current receivables		1.46	1.49	0.02	0.02
Accrued income and prepaid expenses	11	10.30	14.80	7.06	12.13
		24.00	28.68	18.76	24.76
Cash and bank balances		47.28	43.76	45.44	42.09
TOTAL CURRENT AND FINANCIAL ASSETS		80.25	81.36	72.81	75.41
TOTAL ASSETS		274.01	285.15	271.58	283.64

EUR M	Note	THE GROUP		PARENT COMPANY	
		Oct. 31, 2003	Oct. 31, 2002	Oct. 31, 2003	Oct. 31, 2002
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
	12				
Share capital		1.82	1.82	1.82	1.82
Legal reserve		0.02	0.02	-	-
Share of accumulated appropriations		103.03	104.53	-	-
Profit equalization reserve		28.21	20.60	34.86	26.72
Retained earnings		-2.35	-1.93	-	-
Translation difference		0.01	-0.01	-	-
Net profit for the fiscal year		15.82	20.27	19.19	22.72
TOTAL SHAREHOLDERS' EQUITY		146.56	145.30	55.86	51.25
ACCUMULATED APPROPRIATIONS					
	13				
Accumulated extra depreciation		-	-	140.25	144.83
LIABILITIES					
Deferred tax liability					
		40.74	42.08	-	-
Long-term liabilities					
	14				
Liabilities to credit institutions		32.80	41.63	32.80	41.63
Current liabilities					
Repayment portion of liabilities to credit institutions					
		8.83	8.83	8.83	8.83
Accounts payable		18.63	18.32	14.31	14.12
Group liabilities		-	-	0.94	0.49
Other current liabilities		9.06	9.83	7.32	8.73
Accrued expenses and prepaid income	15	17.40	19.16	11.27	13.76
		53.91	56.14	42.68	45.93
TOTAL LIABILITIES		127.45	139.84	75.47	87.55
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES					
		274.01	285.15	271.58	283.64

Statement of changes in financial position

EUR M	THE GROUP		PARENT COMPANY	
	Nov.1, 2002- Oct.31,2003	Nov.1, 2001- Oct.31, 2002	Nov.1, 2002- Oct.31,2003	Nov.1, 2001- Oct.31, 2002
BUSINESS OPERATIONS				
Operating profit	22.94	28.71	73.54	79.98
Depreciation	19.82	19.37	18.05	17.03
Group contribution	-	-	-50.65	-50.58
Interest received	0.99	1.30	0.96	1.26
Interest paid	-1.68	-2.26	-1.68	-2.26
Dividends received	0.04	0.04	0.03	0.03
Other financial items	0.35	1.49	0.27	1.47
Taxes paid	-8.14	-9.61	-7.87	-9.32
	34.31	39.02	32.65	37.62
Change in working capital				
Current assets, increase (-), decrease (+)	-0.09	-0.96	-0.04	-0.96
Current receivables, increase (-), decrease (+)	4.67	-11.10	5.99	-10.08
Non-interest-bearing liabilities, increase (+), decrease (-)	-2.23	-2.17	-3.25	-3.00
	2.35	-14.24	2.70	-14.03
NET CASH FLOW FROM BUSINESS OPERATIONS	36.67	24.79	35.35	23.59
CAPITAL SPENDING				
Investments in vessels	-7.24	-8.23	-7.02	-7.62
Investments in other fixed assets	-2.62	-1.58	-1.59	-0.59
Investments in other shares and participations	0.00	-	0.00	-
Divestments of other fixed assets	0.05	0.05	0.00	0.01
Divestments of other shares and participations	0.03	-	0.03	-
Shareholders' contribution paid	-	-	-	-0.44
TOTAL CASH FLOW FROM CAPITAL SPENDING	-9.79	-9.75	-8.59	-8.64
CASH FLOW BEFORE FINANCIAL ITEMS	26.88	15.03	26.76	14.94
FINANCIAL ITEMS				
Decrease in long-term liabilities	-8.83	-11.02	-8.83	-11.02
Change in long-term receivables	0.04	0.02	-	-
Dividend to shareholders	-14.58	-16.20	-14.58	-16.20
Translation difference	0.01	-0.04	-	-
TOTAL FINANCIAL ITEMS	-23.36	-27.23	-23.41	-27.22
CHANGE IN LIQUID ASSETS	3.52	-12.20	3.35	-12.27
Liquid assets, Nov.1	43.76	55.96	42.09	54.36
Liquid assets, Oct.31	47.28	43.76	45.44	42.09

Accounting principles

GENERAL PRINCIPLES

All sales revenues related to the Group's passenger tickets and cargo comprise the parent company's revenues. The parent company pays agency commissions for the Group's passenger and cargo agent transactions in Sweden. The parent company disbursed EUR 50.7 M to its own marketing subsidiary in the form of a Group contribution, compared to EUR 50.6 M in 2001/2002.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of the Viking Line Group encompass the parent company, Viking Line Abp, and all its subsidiaries. The financial statements of Group companies encompass the period November 1, 2002 – October 31, 2003.

Internal shareholdings

Internal shareholdings have been eliminated according to the purchase method of accounting. The difference between the acquisition cost and the shareholders' equity of the subsidiary Viking Line Marketing Ab Oy on the acquisition date was reported in its entirety as goodwill and was depreciated on a straight-line basis during the years 1993-2002.

Internal transactions

The Group's internal business transactions as well as receivables and liabilities have been eliminated.

Foreign subsidiaries

The income statements of foreign subsidiaries have been translated into euros on a monthly basis, using middle exchange rates, while their balance sheets have been translated at the fiscal year-end exchange rate.

Taxes

The change in deferred tax liability was attributable to the change in appropriations and was reported in the consolidated financial statements among direct taxes.

FIXED ASSETS AND DEPRECIATION

Fixed assets have been reported in the balance sheet at their original acquisition cost less straight-line scheduled depreciation, which has been calculated on the basis of the probable economic life of the assets. Uniform depreciation principles are applied in the Group.

The depreciation periods are:

Goodwill	10 years
Other long-term assets	5 years
Vessels purchased as newbuildings	25 years
Vessels purchased second-hand	12.5 – 20 years
Harbour facilities	5–10 years
Computer equipment	5 years

Additional investments in vessels are depreciated during the scheduled remaining economic life of each vessel. Scheduled depreciation on buildings, machinery, office equipment and light structures in land-based operations coincides with the maximum depreciation permitted by taxlaw. Revaluations, which are based on statements of outside appraisers, have been made on buildings. These revaluations have no significant impact on income taxation.

CURRENT ASSETS

Current assets have been reported according to a weighted average acquisition price, or at a probable lower sale price.

ACCRUAL OF PENSION COSTS

Pension costs have been reported according to the national legislation of the various countries. Outside pension companies are responsible for the legally mandated pension liability of Group companies.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCIES

Receivables and liabilities in foreign currencies have been translated to euros according to the fiscal year-end exchange rate.

Notes

EUR M	THE GROUP		PARENT COMPANY	
	2002/2003	2001/2002	2002/2003	2001/2002
1. OTHER OPERATING REVENUES				
Rents received on properties	0.35	0.33	0.33	0.31
Miscellaneous operating revenues	0.41	0.18	0.40	0.16
Total	0.76	0.50	0.73	0.47
2. MATERIALS AND SERVICES				
Purchases during the fiscal year	91.75	94.42	86.71	89.49
Change in stocks	0.02	-0.93	0.06	-0.94
Externally purchased services	15.32	14.56	15.32	14.52
Total	107.09	108.05	102.09	103.08
3.1. EMPLOYEE EXPENSES				
Salaries etc to Board of Directors, Managing Directors and Deputy MD's	0.66	0.62	0.30	0.29
Salaries etc to others	92.52	90.33	69.73	69.87
Expenses on pensions	10.22	9.69	7.74	7.48
Other employee expenses	11.75	11.37	6.91	7.14
Total	115.15	112.02	84.69	84.78
In the consolidated income statement, government restitution reduced employee expenses by EUR 14.98 M (12.03) and in the parent company income statement by EUR 12.11 M (10.23).				
3.2. NUMBER OF EMPLOYEES				
Shipboard employees	2,129	2,086	1,950	1,971
Land-based employees	693	706	119	118
Total	2,822	2,792	2,069	2,089
4. DEPRECIATION				
Goodwill		0.53		
Other long-term assets	0.07	0.12	0.00	0.00
Buildings	0.49	0.50	0.26	0.26
Vessels	17.56	16.78	17.18	16.48
Machinery and equipment	1.51	1.26	0.54	0.26
Other assets	0.18	0.18	0.06	0.03
Total	19.82	19.37	18.05	17.03
5. FINANCIAL REVENUES AND EXPENSES				
Dividend revenues				
From others	0.04	0.04	0.03	0.03
Interest revenues and other financial revenues				
From Group companies			0.02	0.04
From others	1.35	2.80	1.23	2.71
Total	1.35	2.80	1.24	2.74
Interest expenses and other financial expenses				
To Group companies			-0.01	0.00
To others	-1.69	-2.28	-1.69	-2.27
Total	-1.69	-2.28	-1.69	-2.27
Total financial revenues and expenses	-0.30	0.56	-0.41	0.51
Interest and other financial revenues/expenses include net exchange gains/losses	0.21	1.37	0.21	1.40
6. APPROPRIATIONS				
Difference between scheduled depreciation and depreciation for tax purposes			4.58	2.13
7. DIRECT TAXES				
Income tax on actual operations	8.14	9.61	7.87	9.32
Change in deferred tax liability	-1.33	-0.62		
Total	6.81	8.99	7.87	9.32

EUR M

8.1. FIXED ASSETS, GROUP

	Goodwill	Other long-term assets	Total			
Intangible assets						
Acquisition cost, Nov.1, 2002	6.65	13.27	19.92			
Increases		0.02	0.02			
Acquisition cost, Oct.31, 2003	6.65	13.30	19.94			
Accumulated depreciation, Nov.1, 2002	-6.65	-12.89	-19.54			
Depreciation for the fiscal year		-0.07	-0.07			
Accumulated depreciation, Oct.31, 2003	-6.65	-12.96	-19.61			
Book value, Oct.31, 2003	0.00	0.34	0.34			
	Parcels of land	Buildings and structures	Vessels	Machinery and equipment	Other assets	Total
Tangible assets						
Acquisition cost, Nov.1, 2002	1.07	15.99	453.51	21.59	2.03	494.19
Translation difference	0.00	0.00	0.03	0.00		0.03
Increases		0.14	7.24	2.32	0.13	9.83
Decreases				-0.59		-0.59
Acquisition cost, Oct.31, 2003	1.07	16.13	460.77	23.32	2.17	503.47
Accumulated depreciation, Nov.1, 2002		-8.38	-263.90	-17.81	-1.60	-291.70
Translation difference		0.00	-0.03	0.00	0.00	-0.03
Accumulated depreciation on decreases				0.54		0.54
Depreciation for the fiscal year		-0.49	-17.56	-1.51	-0.18	-19.75
Accumulated depreciation, Oct.31, 2003		-8.87	-281.49	-18.79	-1.78	-310.93
Revaluations		0.84				0.84
Book value, Oct.31, 2003	1.07	8.10	179.28	4.54	0.39	193.38

8.2. FIXED ASSETS, PARENT COMPANY

		Other long-term assets				
Intangible assets						
Acquisition cost, Nov.1, 2002		0.02				
Acquisition cost, Oct.31, 2003		0.02				
Accumulated depreciation, Nov.1, 2002		-0.01				
Depreciation for the fiscal year		0.00				
Accumulated depreciation, Oct.31, 2003		-0.01				
Book value, Oct.31, 2003		0.01				
	Parcels of land	Buildings and structures	Vessels	Machinery and equipment	Other assets	Total
Tangible assets						
Acquisition cost, Nov.1, 2002	1.04	7.25	447.75	4.50	0.47	461.01
Increases		0.14	7.02	1.35	0.10	8.61
Decreases				-0.03		-0.03
Acquisition cost, Oct.31, 2003	1.04	7.39	454.77	5.82	0.57	469.59
Accumulated depreciation, Nov.1, 2002		-3.20	-259.47	-3.70	-0.31	-266.68
Accumulated depreciation on decreases				0.03		0.03
Depreciation for the fiscal year		-0.26	-17.18	-0.54	-0.06	-18.04
Accumulated depreciation, Oct.31, 2003		-3.46	-276.65	-4.21	-0.37	-284.69
Revaluations		0.84				0.84
Book value, Oct.31, 2003	1.04	4.78	178.11	1.61	0.19	185.74

EUR M

9.1. SHARES AND PARTICIPATIONS, GROUP

	Other shares
Acquisition cost, Nov.1, 2002	0.07
Translation difference	0.00
Increases	0.00
Decreases	-0.03
Acquisition cost, Oct.31, 2003	0.04
Book value, Oct.31, 2003	0.04

9.2. SHARES AND PARTICIPATIONS, PARENT COMPANY

	Shares in Group companies	Other shares	Total
Acquisition cost, Nov.1, 2002	12.57	0.04	12.61
Increases		0.00	0.00
Decreases		-0.03	-0.03
Acquisition cost, Oct.31, 2003	12.57	0.02	12.59
Conditional shareholders' contribution	0.44		0.44
Book value, Oct.31, 2003	13.01	0.02	13.03

9.3. GROUP COMPANIES

	The Group's holding	Parent Company's holding
Viking Line Marketing Ab Oy, Mariehamn, Finland	100%	100%
Viking Rederi AB, Norrtälje, Sweden	100%	100%
OÜ Viking Line Eesti, Tallinn, Estonia	100%	100%
VL Skandinavien AB, Stockholm, Sweden	100%	0%
Finlandshamnen Stuveri AB, Stockholm, Sweden	100%	0%
VL Finnlandsverkehr GmbH, Lübeck, Germany	100%	0%
Sverigecenter Ab, Mariehamn, Finland	100%	0%
Sverigehamnen Ab, Naantali, Finland	100%	0%

	THE GROUP		PARENT COMPANY	
	2002/2003	2001/2002	2002/2003	2001/2002
10. CURRENT ASSETS				
Stocks of goods for sale	8.04	8.06	7.72	7.78
Supplies	0.48	0.42	0.48	0.42
Stocks of vessel fuel	0.42	0.38	0.40	0.37
Total	8.95	8.86	8.61	8.56
11. ACCRUED INCOME AND PREPAID EXPENSES				
Employee-related items	6.92	12.81	5.00	11.56
Other accrued income and prepaid expenses	3.38	1.98	2.06	0.56
Total	10.30	14.80	7.06	12.13
12.1. SHAREHOLDERS' EQUITY				
Share capital, Nov.1	1.82	1.82	1.82	1.82
Share capital, Oct.31	1.82	1.82	1.82	1.82
Legal reserve, Nov.1	0.02	0.02		
Translation difference	0.00	0.00		
Legal reserve, Oct.31	0.02	0.02		
Share of appropriations, Nov.1	104.53	103.93		
Translation difference	0.00	0.01		
Share of retained earnings	-1.51	0.60		
Share of appropriations, Oct.31	103.03	104.53		
Profit equalization reserve, Nov.1	20.60	12.54	26.72	18.13
Transfer, other shareholders' equity	7.61	8.06	8.14	8.59
Profit equalization reserve, Oct.31	28.21	20.60	34.86	26.72

EUR M	THE GROUP		PARENT COMPANY	
	2002/2003	2001/2002	2002/2003	2001/2002
Other shareholders' equity, Nov.1	18.34	22.91	22.72	24.79
Translation difference	0.01	0.01		
Transfer, profit equalization reserve	-7.61	-8.06	-8.14	-8.59
Transfer, share of appropriations	1.51	-0.60		
Dividend paid to shareholders	-14.58	-16.20	-14.58	-16.20
Net profit for the fiscal year	15.82	20.27	19.19	22.72
Other shareholders' equity, Oct.31	13.49	18.34	19.19	22.72
Total shareholders' equity	146.56	145.30	55.86	51.25
12.2. UNRESTRICTED EQUITY				
Profit equalization reserve	28.21	20.60	34.86	26.72
Retained earnings	-2.35	-1.93		
Translation difference	0.01	-0.01		
Net profit for the fiscal year	15.82	20.27	19.19	22.72
Change in equity portion of appropriations	3.27	1.51		
Total	44.96	40.44	54.05	49.44
13. ACCUMULATED APPROPRIATIONS				
Accumulated appropriations (Group before allocation)	140.51	145.10	140.25	144.83
Deferred tax liability	40.74	42.08	40.67	42.00
Equity portion of accumulated appropriations of which	99.76	103.03	99.58	102.83
share of appropriations	103.03	104.53		
share of net profit for the fiscal year	-3.27	-1.51		
14. LOANS THAT FALL DUE LATER THAN AFTER 5 YEARS				
Loans from credit institutions	4.20	6.31	4.20	6.31
15. ACCRUED EXPENSES AND PREPAID INCOME				
Employee-related expenses	13.50	13.97	9.08	10.08
Other accrued expenses and prepaid income	3.89	5.18	2.20	3.67
Total	17.40	19.16	11.27	13.76
16. PLEDGED ASSETS AND OTHER CONTINGENT LIABILITIES				
Contingent liabilities				
Loans for which vessel mortgages were provided as collateral	41.63	50.46	41.63	50.46
Other contingent liabilities not included in the balance sheet				
Covered by vessel mortgages		0.24		0.24
Covered by deposits	1.60	1.45	1.12	1.12
Total	43.22	52.15	42.75	51.82
Assets pledged for own debt				
Vessel mortgages	42.22	56.39	42.22	56.39
Deposits	1.60	1.45	1.12	1.12
Total	43.82	57.85	43.34	57.52
Leasing liabilities				
Amounts that fall due during the following fiscal year	0.29	0.34	0.11	0.11
Amounts that fall due later	0.39	0.55	0.20	0.30
Total	0.68	0.89	0.30	0.41

Definitions of financial ratios

$$\text{Return of equity (ROE), \%} = \frac{\text{Profit before extraordinary items - direct taxes}}{\text{Shareholders' equity (average for the year)}}$$

$$\text{Return on investment (ROI), \%} = \frac{\text{Profit before extraordinary items + interest and other financial expenses}}{\text{Total assets - interest-free liabilities (average for the year)}}$$

$$\text{Equity/assets ratio, \%} = \frac{\text{Shareholders' equity}}{\text{Total assets - advances received}}$$

$$\text{Debt/equity ratio (gearing), \%} = \frac{\text{Interest-bearing liabilities - cash and bank balances - financial securities}}{\text{Shareholders' equity}}$$

$$\text{Earnings per share} = \frac{\text{Profit before extraordinary items - direct taxes}}{\text{Average number of shares}}$$

$$\text{Shareholders' equity per share} = \frac{\text{Shareholders' equity}}{\text{Number of shares on October 31}}$$

$$\text{Dividend/earnings, \%} = \frac{\text{Dividend per share}}{\text{Earnings per share}}$$

$$\text{Dividend/share price} = \frac{\text{Dividend per share}}{\text{Share price on October 31}}$$

$$\text{Price/earnings (P/E) ratio} = \frac{\text{Share price on October 31}}{\text{Earnings per share}}$$

The Board's proposal on distribution of earnings

According to the balance sheet of the Viking Line Group on October 31, 2003, the unrestricted equity of the Group totalled EUR 44,962,770.83. The unrestricted equity of the parent company totalled EUR 54,045,395.78. The tax surplus from prior years amounted to EUR 8,669,045.11.

The Board of Directors proposes to the annual shareholders' meeting that the unrestricted equity be allocated as follows:

A dividend of EUR 2 per share shall be paid, totalling	EUR 21,600,000.00
Remaining unrestricted equity	EUR 32,445,395.78

Mariehamn, December 18, 2003

Ben Lundqvist, *Chairman of the Board*

Carita Blomsterlund

Sture Carlson

Dick Lundqvist

Nils-Erik Eklund, *Managing Director*

Auditors' Report

TO THE SHAREHOLDERS OF VIKING LINE ABP

We have audited the accounting, the financial statements and the corporate governance of Viking Line Abp for the period November 1, 2002 – October 31, 2003. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards of Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements, showing a profit of EUR 19,187,731.32, have been prepared in accordance with the Finnish Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of their financial position. The financial statements including the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Finnish Companies Act.

We have reviewed the interim reports published during the financial year. In our opinion, the interim reports have been prepared in accordance with applicable regulations.

Mariehamn, December 18, 2003

Kurt Hollfast, Authorized Public Accountant

Leif Hermans, Authorized Public Accountant

Board of Directors



Dick Lundqvist
Director
Lundqvist Rederierna Ab
Born in 1946
Board member since 2000

Sture Carlson
Chairman and CEO
Chips Abp
Born in 1947
Board member since 1989

Carita Blomsterlund
Deputy Managing Director
Ab Rafael
Born in 1946
Board member since 1997

Ben Lundqvist
Managing Director
Lundqvist Rederierna Ab
Born in 1943
Chairman of the Board since 1996
Board member since 1978

Nils-Erik Eklund
Managing Director
Viking Line Abp
Born in 1946
Board member since 1997

Auditors

Kurt Hollfast
Authorized Public Accountant
Ernst & Young Oy
The Company's Auditor since 1979

Leif Hermans
Authorized Public Accountant
Hermans & Revisorernas Ab
The Company's Auditor since 1993

Group Management



Nils-Erik Eklund
 Managing Director
 Born in 1946
 Joined the Company in 1974



Kent Nyström
 Deputy Managing Director
 Finance and Administration
 Born in 1948
 Joined the Company in 1986



Boris Ekman
 Managing Director, VL Marketing
 Marketing
 Born in 1947
 Joined the Company in 1988



Kaj Jansson
 Manager
 Vessels and Facilities
 Born in 1942
 Joined the Company in 1973



Harri Winter
 Manager
 Shipboard Commercial Operations
 Born in 1952
 Joined the Company in 1995



Jan Hanses
 Manager
 Legal Affairs
 Born in 1961
 Joined the Company in 1988





Addresses

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