

Annual Report

NOVEMBER 1, 2003 – OCTOBER 31, 2004



VIKING LINE



Information to shareholders

ANNUAL MEETING

The annual shareholders' meeting of Viking Line Abp will be held at 12 noon on Tuesday, December 21, 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 12 noon on Monday, December, 20, 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.

FINANCIAL INFORMATION DURING 2004/2005

During fiscal 2004/2005, Viking Line Abp will issue interim reports for the periods November 1, 2004 to January 31, 2005; November 1, 2004 to April 30, 2005; and November 1, 2004 to July 31, 2005. 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.

Contents

Information to shareholders	3
Managing Director's review	4
Mission statement	5
The Viking Line fleet	6
Connecting services and sales offices	7
Passenger Services	8
Cargo Services	9
The environment	10
Safety and security	11
Personnel	12
Corporate governance	13

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 2003/2004 figures are comparable figures for fiscal 2002/2003, which ended on October 31, 2003. 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).

Managing Director's review

The 2003/2004 fiscal year brought changes in operating conditions and stiffening competition. In spite of this, Viking Line remains a market-leading travel provider in the northern Baltic Sea.



This past fiscal year was the year of change that we had prepared ourselves for in our planning. Our largest vessel, the Viking Cinderella, was transferred from serving the Helsinki-Tallinn route and on September 4, 2003 it began providing cruise service between Stockholm and Mariehamn. In terms of volume, service on the Rosella on the Helsinki-Tallinn route – which began on August 17, 2003 – has turned out according to expectations, while the financial results of these operations are still unsatisfactory.

The structure of travel and of shipping companies, especially on the route between Helsinki and Tallinn, was affected by the following factors, among others:

- limits on personal importation of alcoholic beverages in intra-EU traffic were abolished in January
- a Finnish excise tax cut on alcoholic beverages was implemented in March
- Estonia became a member of the European Union in May and, as a consequence of this, duty- and tax-free sales were abolished on services to and from Estonia.

In this context, it is important to call attention to Viking Line's mission, which is not based primarily on trading in alcoholic beverages, but on providing travel, experiences and transport services to customers at affordable prices. It can be pointed out that a traveller is allowed to take along several hundred litres of alcoholic beverages purchased in another EU country, whereas the ration that may be purchased on board is limited to a fraction of this.

Beginning on January 1, 2005, Finland will also implement the EU's Community Guidelines on State Aid to the Maritime Industry, which means that withholding taxes and social security payments on the income of shipboard personnel will be refunded to the employers. Despite this cost reduction, the payroll costs on Finnish car ferries are still more than twice as high as on the equivalent Estonian vessels. In light of this, the two sides in the Finnish labour market should feel a national interest in working in harmony to strengthen the competitiveness of their own flag.

In January, a case will be heard at the High Court of Justice in London for the purpose of determining the right of Finnish shipping companies to sign collective

agreements with trade unions in other EU countries. Our hope is that this case will lead to more constructive co-operation with the trade unions that organize shipboard personnel on Finnish vessels.

Overall passenger and cargo volume has been stable on those routes not affected by transfers of vessels. Through the hard work of both the marketing and shipboard organisations, despite intensive competition the load factor on the Rosella and the Viking Cinderella has gradually improved, which is very encouraging.

To strengthen Viking Line's competitiveness and increase the market and customer orientation of the Company's organization, the Board of Directors decided that the wholly-owned subsidiary Viking Line Marketing Ab Oy will merge with the parent company. This step will also result in improved collaboration and simplified procedures within the Company.

In September, the Board adopted the main features of Viking Line's strategy, which will be important tools in planning all operations within the Company.

After having had especially good collaboration with the Åland-based bus company Sundqvist Buss since the 1960s, in May 2004 Viking Line was offered the opportunity to acquire a majority of the shares in this company. Through this purchase, we are ensuring that competition will be preserved in local bus traffic. The Sundqvist family is remaining both as minority shareholders and in the management of the company's operations, and our good collaboration related to charter and long-distance buses to other countries of Europe is continuing.

Many people contribute to the success of Viking Line: customers, business partners, shareholders as well as our shipboard and land-based personnel in Finland, Sweden, Estonia and Germany. I would like to express my warm gratitude to you all.

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

Passenger Services markets one-way passenger tickets, pleasure cruises and conference cruises, as well as travel and hotel packages for individual consumers and organizations. On board Viking Line's vessels, it provides shopping, good food and professional entertainment in a pleasant setting.

CARGO SERVICES

Cargo Services satisfies the needs of industry and the distributive trades for safe, speedy, frequent, regularly scheduled shipping and freight forwarding services at affordable prices.

AMBITIONS AND VALUES

Viking Line shall be the fleet of all the people. Satisfied customers are our foremost priority and our ambition is to continuously exceed expectations. We respect our employees and we value initiative, acceptance of responsibility and openness. Within the Company, we aim for humility, simplicity and thrift, while remaining open to good business opportunities. Steady improvement and continuous development are self-evident

tools for our success. Viking Line's vessels shall be safe, secure, well-run and environmentally friendly.

VISION AND FUNDAMENTAL STRATEGY

Our vision is that markets for recreation, travel and freight forwarding services remain stable and that on this basis Viking Line shall maintain and improve its position as a profitable, market-leading service provider on the northern Baltic Sea.

Our fundamental strategy is to offer a consummate travel experience at an affordable price – the greatest value for money. This is achieved through high cost-effectiveness combined with selective quality leadership, meaning that Viking Line shall be a quality leader in specific areas that provide the greatest customer satisfaction: friendly service, fully functional and clean facilities, good food in an attractive setting and customer-tailored, many-faceted entertainment.

Cost-effectiveness is achieved through high capacity utilization, efficient management processes, low capital costs on tonnage, broad products targeted to a broad customer base and large-scale operations with low purchasing costs. One fundamental prerequisite for good profitability and high cost-effectiveness is personnel costs that, in the same sub-market, do not exceed those of competing shipping companies.



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 1 A Super
2,560 passengers
306 cars
2,500 berths
Stockholm-Mariehamn
Swedish flag



GABRIELLA

Built in 1992
35,492 gross registered tonnes
Length 171.2 m
Ice class 1 A Super
2,420 passengers
400 cars
2,402 berths
Helsinki-Mariehamn-Stockholm
Finnish flag



MARIELLA

Delivered in 1985
37,860 gross registered tonnes
Length 177.0 m
Ice class 1 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 1 A Super
2,480 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 1 A Super
2,480 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 1 A
1,700 passengers
340 cars
1,146 berths
Helsinki-Tallinn
Finnish flag

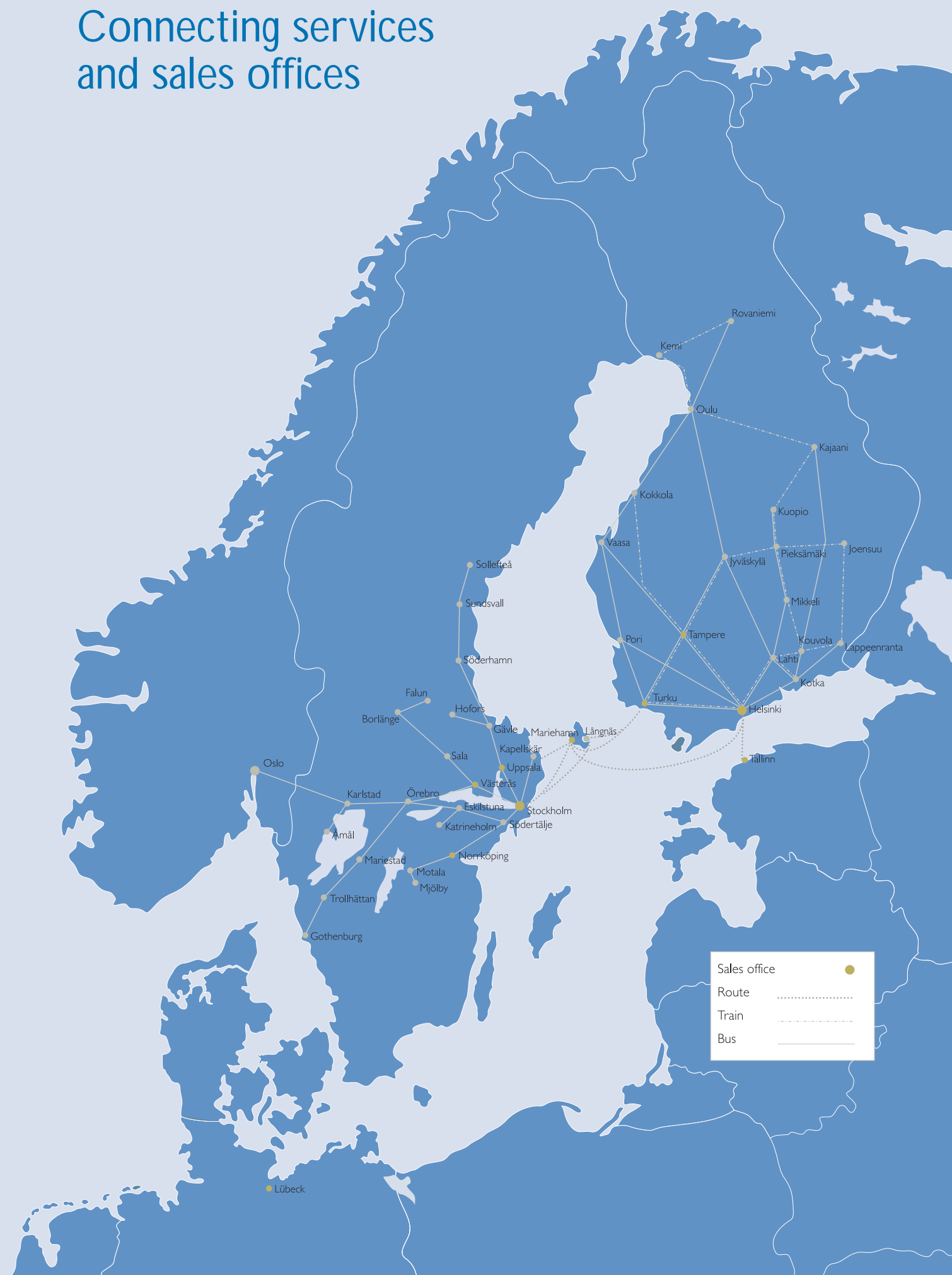


ÅLANDSFÄRIAN

Built in 1972
6,336 gross registered tonnes
Length 105.2 m
Ice class 1 B
963 passengers
180 cars
Mariehamn-Kapellskär
Swedish flag



Connecting services and sales offices



Passenger Services

Passenger Services markets one-way passenger tickets, pleasure cruises and conference cruises, as well as travel and hotel packages for individual consumers and organizations. On board Viking Line's vessels, it provides shopping, good food and professional entertainment in a pleasant setting.

The total number of passengers in Viking Line's service area, Finland-Sweden and Finland/Sweden-Baltic countries, was about 16.4 million during the 2003/2004 fiscal year. Viking Line's share totalled 5,150,996 passengers or 31.3 per cent, compared to 31.7 per cent in fiscal 2002/2003. Of our passengers, 53.8 per cent were residents of Finland and 40.0 per cent residents of Sweden, while residents of other countries accounted for 6.2 per cent.

The sister vessels Amorella and Isabella normally provide service on the Turku-Mariehamn/Långnäs-Stockholm route. During Christmas 2003, the Isabella provided a Christmas cruise on the Stockholm-Mariehamn route. On September 12, 2004, the Isabella was dry-docked and returned to service on September 22. During its dry-docking period, the Gabriella was placed in service as a substitute vessel on the route. The Amorella had a total of eight and the Isabella a total of three idle days during the 2003/2004 fiscal year.

During 2003/2004, the Viking Cinderella provided cruise service on the Stockholm-Mariehamn route. The vessel's Christmas cruise sailed between Stockholm and Tallinn. During the summer, it also made eight cruises between Stockholm and Riga.

As previously, the Ålandsfärjan ("Åland Ferry") provided service between Mariehamn and Kapellskär during 2003/2004. The vessel was removed from service beginning on January 7, 2004 and returned to service on February 6.

On the above routes, the total number of passengers was 3,231,378, compared to 2,892,773 in fiscal 2002/2003. On the Turku-Stockholm/Kapellskär route segment, Viking Line's market share was 42.4 per cent (43.6), while its market share for services to Åland was 49.4 per cent (41.9).



The vessels Gabriella and Mariella ordinarily provide service on the Helsinki-Mariehamn-Stockholm route segment. However, during the Isabella's dry-docking between September 12-22, 2004, the Gabriella was placed in service as a substitute vessel on the Turku route. The Gabriella also provided a Christmas cruise between Helsinki and Tallinn, while the Mariella's Christmas cruise sailed between Stockholm and Turku. The number of Viking Line passengers on the Helsinki route segment was 1,089,275 (1,088,427). Viking Line's market share on the long Helsinki-Stockholm route was 42.1 per cent (42.6).

Throughout fiscal 2003/2004, the Rosella provided scheduled services between Helsinki and Tallinn. The vessel had a total of nine idle days. The number of Viking Line passengers on services between Finland/Sweden and the Baltic countries was 830,343 (1,057,480). Viking Line's market share of services between Helsinki and the Baltic countries was 13.2 per cent (17.7).¹

Passenger volumes by route segment	2003/2004	2002/2003	Change
Turku-Mariehamn/Långnäs-Stockholm/Kapellskär	3,231,378	2,892,773	+11.7 %
Helsinki-Mariehamn-Stockholm	1,089,275	1,088,427	+0.1 %
- of which Åland services	1,820,137	1,377,202	+32.2 %
Finland/Sweden-Baltic countries	830,343	1,057,480	-21.5 %
TOTAL	5,150,996	5,038,680	+2.2 %

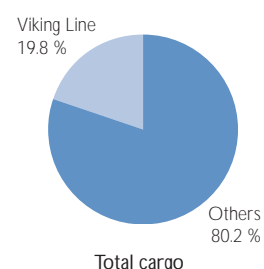
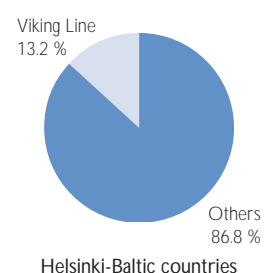
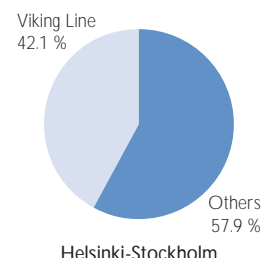
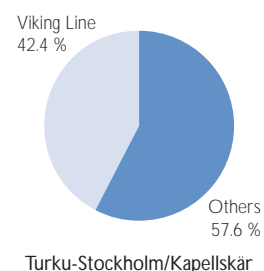
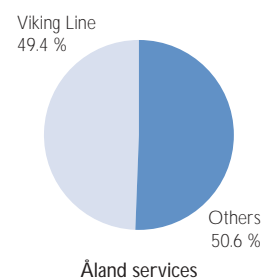
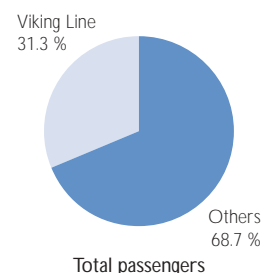
¹ Helsinki-Visby and Helsinki-St. Petersburg cruise services have been taken into account in comparisons with competing companies.

Cargo Services

Cargo Services satisfies the needs of industry and the distributive trades for safe, speedy, frequent, regularly scheduled shipping and freight forwarding services at affordable prices.

The cargo volume in Viking Line's service area totalled about 422,000 cargo units, compared to 371,000 units in 2002/2003. Viking Line transported 83,669 cargo units (78,524), equivalent to a market share of 19.8 per cent (21.1). Viking Line's share of the Finnish mainland-Åland-Sweden route totalled 21.1 per cent (21.9). In services between Finland and Estonia, its market share was 17.8 per cent (19.6).

MARKET SHARE



The environment

The core of Viking Line's environmental work is to prevent pollution, train its employees on environmental issues and also engage customers in this work.

In environmental terms, fiscal 2003/2004 began with the issuance of an updated Company environmental policy and with new environmental targets. In March 2004, Det Norske Veritas examined the environmental work of Viking Line's Head Office and vessels, compared to the standards of the ISO 14001 environmental management system, and then renewed the Company's environmental certificate.

During the fiscal year, the Company worked towards a number of improvement and research targets. On the Helsinki-Stockholm route, fresh water consumption was reduced by means of water-saving measures. In both Helsinki and Turku, noise levels of vessels were monitored and compared to the regulations in force. The Company further streamlined its refuse management at the Head Office in Mariehamn and on board its vessels. Viking Line was the first passenger ferry company serving Finland-Sweden and Finland-Estonia routes to introduce at-source waste sorting options in its on-board conference departments. The quantity of residual products has already been reduced by more than

30 per cent since 1998 thanks to sorting and recycling of refuse. The target is that by 2008, Viking Line will have reduced the quantity of residual waste by a total of 50 per cent, compared to the 1998 level.

Environmental training programmes continued during the fiscal year, among others for personnel on the Viking Cinderella and the Isabella. Work has begun on a public environmental report. Aside from a printed version, this environmental report will also be available on the Company's web site.

Viking Line has developed a new method for bilge water management, which means that vessel discharges into the sea will be further minimized. Viking Line is the first shipping company on the Baltic Sea to place this newly developed method in service. Nowadays all bilge water from all its vessels is pumped ashore to approved recipients. This supports the Company's goal of being one of the most environmentally friendly travel alternatives on the Baltic Sea.



Safety and security

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 went into effect. Under these regulations, shipping companies, vessels and ports establish a security system that will protect their operations against external threats in the form of terrorism. ISPS was enacted in response to demands channelled via the International Maritime Organization (IMO) after the 2001 terrorist attack against the World Trade Center in New York.

One result of ISPS is tighter security monitoring of access to vessels. This monitoring encompasses people as well as cargo, supplies and equipment. On board vessels, areas of importance from a security standpoint are protected and entirely closed to unauthorized persons. In addition, security surveillance on board has been further tightened as a consequence of ISPS. The regulations have also resulted in security-related reconfiguration of ports, terminal buildings and on board vessels.

ISPS-related training has been introduced as a new element of Viking Line's on-board safety and security. In addition, individuals with specific responsibility in these areas have received special training. All newly hired shipboard personnel receive a basic introduction to ISPS. The Company's land-based and shipboard organizations have specially appointed persons, approved by the authorities, who are responsible for this part of the Company's safety and security work.

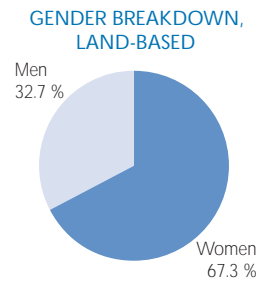
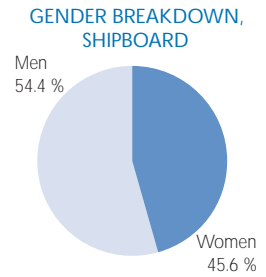
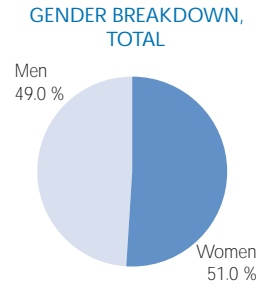
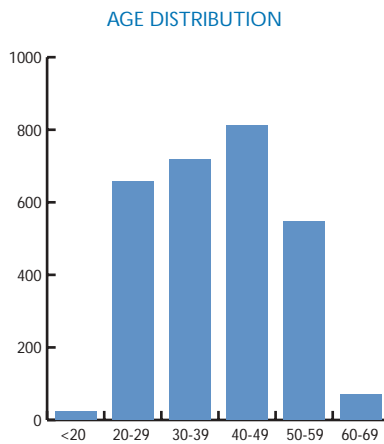
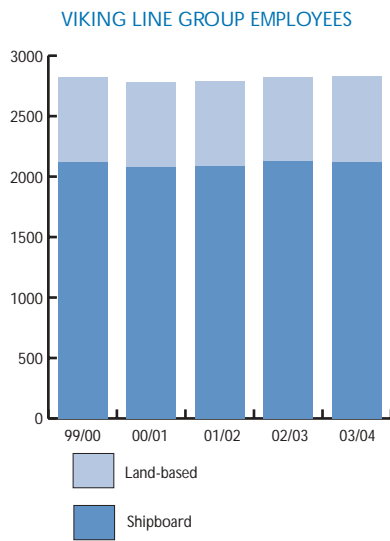
During fiscal 2003/2004, safety on the Isabella and the Mariella was improved by the completion of planned sprinkler installations.



Personnel

During 2003/2004 the average number of employees in the Viking Line Group was 2,828. This represented a small increase compared to the previous year (2,822). Of the total number of employees, 2,421 (2,532) resided in Finland, including 641 (624) in Åland. The number residing in Sweden was 359 (250). There were 6 (5) employees residing in Germany and 42 (35) in Estonia.

Most of Viking Line's employees work aboard its vessels. Shipboard personnel totalled 2,124 (2,129) and land-based personnel 704 (693).



Corporate governance

The parent company, Viking Line Abp, has been listed on the Helsinki Stock Exchange since July 5, 1995. The wholly-owned subsidiaries Viking Line Marketing Ab Oy and its subsidiaries, Viking Rederi AB and OÜ Viking Line Eesti, as well as the 93 per cent owned subsidiary Sundqvist Buss Ab, belong to the Viking Line Group.

Viking Line Abp applies the Helsinki Stock Exchange's recommendation for corporate governance.

The Company is headed by the Board of Directors and the Managing Director. In his absence, the Managing Director has a substitute who is Deputy Managing Director. The Board of Directors has appointed a Group Management team.

THE BOARD OF DIRECTORS

The Board of Directors consists of the Chairman and four members. The Board is elected for a one-year term by the annual shareholders' meeting. Since the number of Board members is not larger than five, no committees have been appointed.

The Board of Directors consists of:

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

CARITA BLOMSTERLUND

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

NILS-ERIK EKLUND

Managing Director, Viking Line Abp
Born in 1946
Board member since 1997

ERIK GRÖNBERG

Managing Director, Shopex Marketing AB
Senior Advisor, SDR Gruppen
Born in 1943
Board member since 2004

DICK LUNDQVIST

Director, Ångfartygs Ab Alfa, Rederi Ab Hildegaard and Lundqvist Rederierna Ab
Born in 1946
Board member since 2000

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 Managing Director and the 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 values, which are observed in its operations.

GROUP MANAGEMENT

NILS-ERIK EKLUND

Managing Director since 1990
Born in 1946
Joined the Company in 1974

KENT NYSTRÖM

Deputy Managing Director since 1990
Finance and Administration
Born in 1948
Joined the Company in 1986

BORIS EKMAN

Managing Director, Viking Line Marketing
Marketing and Sales
Born in 1947
Joined the Company in 1988

JAN HANSES

Manager
Legal Affairs
Born in 1961
Joined the Company in 1988

BENGT LINDBERG

Deputy Managing Director, Viking Line Marketing
Business Control
Born in 1948
Joined the Company in 1973

RISTO PELTOLA

Marketing Director, Viking Line Marketing
Marketing, Finland and Outside Scandinavia
Born in 1948
Joined the Company in 1973

HARRI WINTER

Director of Operations
Shipboard Commercial Operations
Born in 1952
Joined the Company in 1995

AUDITORS

The Company has two Auditors and two Deputy Auditors. They are elected at the annual shareholders' meeting for a term expiring at the end of the next annual shareholders' meeting.

KURT HOLLFAST

Authorized Public Accountant (CGR)
Ernst & Young Oy
The Company's Auditor since 1979

LEIF HERMANS

Authorized Public Accountant (CGR)
Hermans & Revisorernas Ab
The Company's Auditor since 1993

Mikael Holmström, Authorized Public Accountant (CGR), and Erika Sjölund, Authorized Public Accountant (GRM), serve as Deputy Auditors.

More information on the Company's corporate governance is available in Swedish and Finnish on the Company's web site.



Addresses

HEAD OFFICE

Viking Line Abp
Street address: Norragatan 4
Postal address: PB 166
AX-22101 Mariehamn
Åland, Finland
Tel +358 18 270 00
Fax +358 18 169 44

Viking Line Marketing Ab Oy

Street address: Storagatan 2
Postal address: PB 35
AX-22101 Mariehamn
Åland, Finland
Tel +358 18 260 11
Fax +358 18 158 11

Viking Rederi AB

VL Stadsgården
SE-116 30 Stockholm, Sweden
Tel +46 8 452 42 90
Fax +46 8 452 42 85

OÜ Viking Line Eesti

c/o Viking Line Abp
Street address: Norragatan 4
Postal address: PB 166
AX-22101 Mariehamn
Åland, Finland
Tel +358 18 270 00
Fax +358 18 169 44

Sundqvist Buss Ab

Bussplan
AX-22100 Mariehamn
Åland, Finland
Tel +358 18 225 70
Fax +358 18 165 77

ÅLAND REGION

Street address: Storagatan 2
Postal address: PB 35
AX-22101 Mariehamn
Åland, Finland
Tel +358 18 262 11
Fax +358 18 261 16

Park Alandia Hotell
Norra Esplanadgatan 3
AX-22100 Mariehamn
Åland, Finland
Tel +358 18 141 30
Fax +358 18 171 30

FINLAND UNIT

Street address: Mastokatu 1
Postal address: PB 119
FIN-00161 Helsinki, Finland
Tel +358 9 123 51
Fax +358 9 175 551

Street address: Linnansatama

Postal address: PB 265
FIN-20101 Turku, Finland
Tel +358 2 333 11
Fax +358 2 333 1317

PASSENGER OFFICES

HELSINKI

Mannerheimintie 14
FIN-00100 Helsinki, Finland
Tel +358 9 123 51
Fax +358 9 647 075

TURKU

Hansa-Thalia
Aurakatu 10
FIN-20100 Turku, Finland
Tel +358 2 333 11
Fax +358 2 333 1319

TAMPERE

Hämeenkatu 2
FIN-33100 Tampere, Finland
Tel +358 3 249 0111
Fax +358 3 249 0150

LÜBECK

Passenger and Cargo Office
Beckergrube 87
D-23552 Lübeck, Germany
Tel +49 451 38 46 30
Fax +49 451 38 46 399

TALLINN

Travel Booking
World Trade Center
Ahtri 12
EE-10151 Tallinn, Estonia
Tel +372 611 6640
Fax +372 611 6639

SCANDINAVIA UNIT

Danvik Center
Hästholmsvägen 28
SE-131 30 Nacka, Sweden
Tel +46 8 452 41 00
Fax +46 8 452 41 10

PASSENGER OFFICES

STOCKHOLM

City Terminal
Klarabergsviadukten 72
SE-111 64 Stockholm, Sweden
Tel +46 8 452 40 00
Fax +46 8 452 40 75

VÄSTERÅS

Smedjegatan 15
SE-722 13 Västerås, Sweden
Tel +46 21 15 83 00
Fax +46 21 15 83 05

UPPSALA

Street address: Hotel Svava,
Bangårdsgatan 24
Postal address: Box 1904
SE-751 49 Uppsala, Sweden
Tel +46 18 18 84 00
Fax +46 18 18 84 11

NORRKÖPING

Street address: Drottninggatan 53
Postal address: Box 2263
SE-600 02 Norrköping, Sweden
Tel +46 11 24 86 00
Fax +46 11 24 86 16

CARGO UNIT

Street address: Mastokatu 1
Postal address: PB 119
FIN-00161 Helsinki, Finland
Tel +358 9 123 51
Fax +358 9 631 895

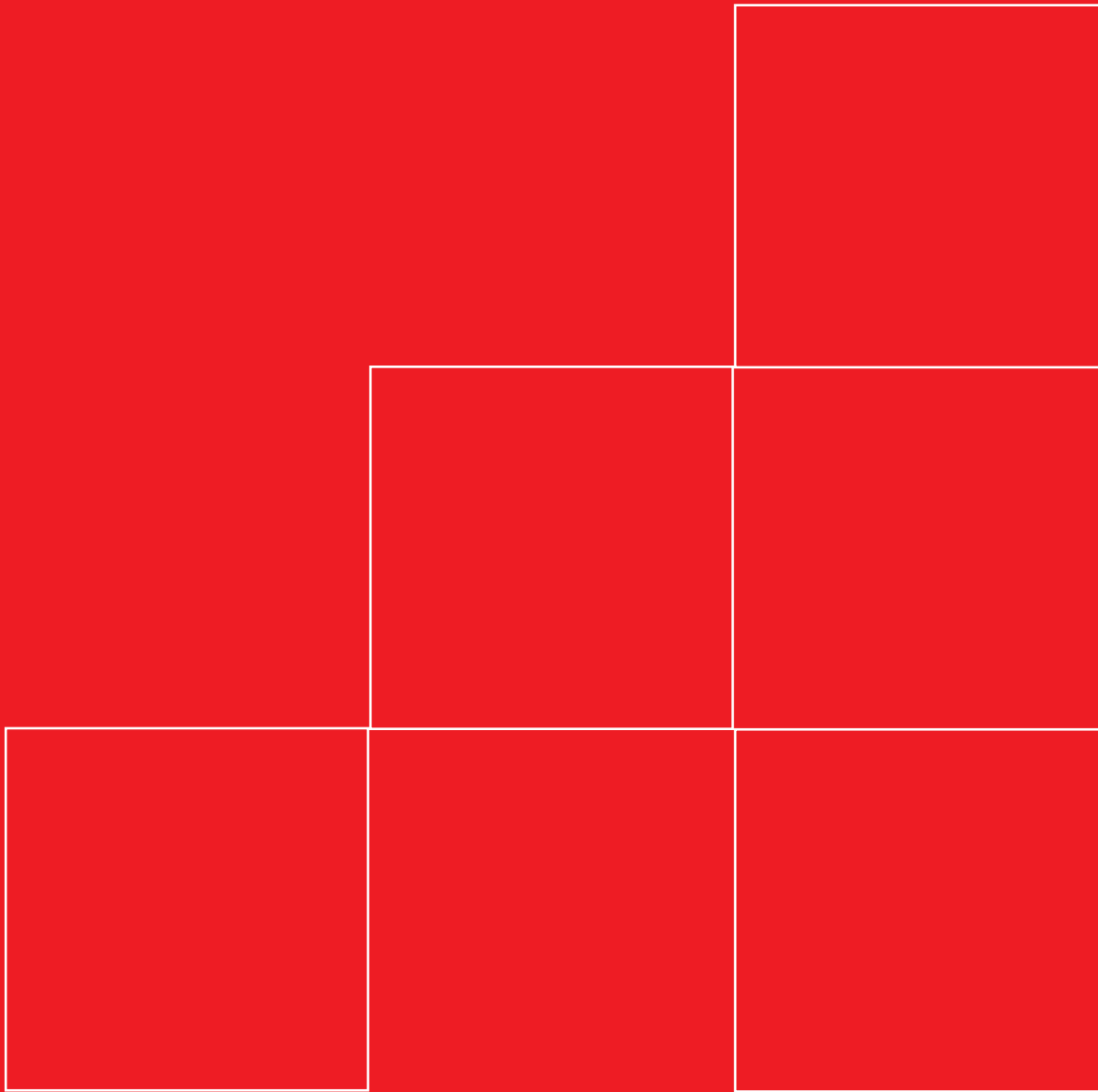
CARGO OFFICES

TURKU

Postal address: PB 265
FIN-20101 Turku, Finland
Tel +358 2 333 1446
Fax +358 2 333 1452

STOCKHOLM

VL Stadsgården
SE-116 30 Stockholm, Sweden
Tel +46 8 452 42 52
Fax +46 8 452 42 60



VIKING LINE

VIKING LINE ABP, NORRAGATAN 4/PB 166, AX-22101 MARIEHAMN, ÅLAND, FINLAND
TEL +358 18 270 00. FAX +358 18 169 44. www.vikingline.fi www.vikingline.se

Financial statements

NOVEMBER 1, 2003 – OCTOBER 31, 2004

VIKING LINE

Contents

Report of the Directors	4
Five-year financial review	6
Income statement	7
Balance sheet	8
Statement of changes in financial position	10
Accounting principles	11
Notes	12
Share data	16
The Board's proposal on distribution of earnings	18
Auditors' Report	18
Definitions of financial ratios	19

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 2003/2004 figures are comparable figures for fiscal 2002/2003, which ended on October 31, 2003. 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).

Report of the Directors

Market developments

The market for passenger ferry services between Sweden, Finland and the Baltic states increased by 3.6 per cent to 16.4 million passengers. The number of passengers on Viking Line's vessels increased by 2.2 per cent to 5,150,996.

The total number of cargo units in the service area rose by 13.7 per cent to 422,000. On Viking Line's vessels, the quantity of cargo rose by 6.6 per cent to 83,669 units.

During the period, Viking Line increased its passenger volume and market share in Sweden-Åland Islands (Finland)-Finnish mainland services. Placing the Viking Cinderella in cruise service from Stockholm led to a sharp rise in the number of passengers from Sweden. On the Helsinki (Finland)-Tallinn (Estonia) route, however, passenger volume declined while cargo volume rose.

Viking Line's share of passengers in the entire service area amounted to 31.3 per cent (31.7). In terms of route segments, its market share was distributed as follows: Helsinki-Stockholm (Sweden), 42.1 per cent (42.6); Turku (Finland)-Stockholm, 42.4 per cent (43.6); services to the Åland Islands, 49.4 per cent (41.9); and Helsinki-Baltic states, 13.2 per cent (17.7).

Vessels and services

The Group's vessels served the same main routes as during 2002/2003. Starting in September 2003, the Viking Cinderella was placed in cruise service on the Stockholm-Mariehamn (Åland Islands) route. The vessel previously provided cruises between Helsinki and Tallinn. During the peak summer season, the Viking Cinderella made eight cruises between Stockholm and Riga (Latvia). In the summer of 2003, the vessel made nine cruises between Helsinki and Riga. Since mid-August 2003, the Rosella has operated in scheduled service between Helsinki and Tallinn. The vessel previously provided cruise service between Stockholm and Mariehamn.

The Group's seven vessels have a book value of 163.2 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 2003/2004 amounted to EUR 385.2 M (fiscal 2002/2003: EUR 397.8 M). Operating profit was EUR 13.2 M (22.9). Net financial items were EUR -0.2 M (-0.3). Consolidated profit before taxes amounted to EUR 13.0 M (22.6). Net profit for the fiscal year was EUR 13.0 M (15.8).

Due to lower net sales revenues per passenger, the Group's sales fell and operating profit was lower than in the same period of fiscal 2002/2003. Net sales revenues per passenger declined due to the adjustment of shipboard prices for those goods on which the price level was affected by the lowering of the tax level in Finland and by Estonia's accession to the European Union (EU).

Cargo revenues rose due to the increased number of sailings between Helsinki and Tallinn.

The Finnish Parliament's decision to lower the corporate income tax level from 29 per cent to 26 per cent beginning on January 1, 2005 has been taken into account when calculating deferred tax liability. The total change in deferred tax liability increases the Group's earnings by an amount that exceeds the tax for the report period.

When making comparisons with fiscal 2002/2003, it should be taken into account that the principles for expensing vessel repair and maintenance costs have been revised in such a way that a smaller proportion of these expenditures has been capitalized. This has a certain negative impact on earnings.

Investments and financing

The Group's investments totalled EUR 4.5 M (9.9).

On October 31, 2004, the equity/assets ratio stood at 53.7 per cent, compared to 53.5 per cent a year earlier. The Group's long-term liabilities decreased during fiscal 2003/2004 to EUR 24.3 M (32.8).

At the close of fiscal 2003/2004, the Group's liquid assets amounted to EUR 46.1 M (47.3). Net cash flow from business operations amounted to EUR 33.6 M (36.7).

On May 18, 2004, Viking Line acquired a majority of the shares in Sundqvist Buss Ab, which provides scheduled service and organises bus trips using twelve buses based in Åland. The company has been included in the consolidated financial statements beginning with May 2004.

Organisation and personnel

On May 17, 2004, the Board of Directors decided to draft a plan for a merger of the wholly-owned subsidiary Viking Line Marketing Ab Oy with the parent company, Viking Line Abp. The merger is expected to enter into force on November 1, 2005.

The average number of Viking Line employees was 2,828 (2,822), of whom 1,733 (2,069) worked for the parent company. Land-based personnel totalled 704 (693) and shipboard personnel totalled 2,124 (2,129).

Board of Directors, Management and Auditors

The Board of Directors consists of Ben Lundqvist, Chairman; Carita Blomsterlund, Nils-Erik Eklund, Erik Grönberg and Dick Lundqvist. The personal deputies to the members of the Board are Stefan Lundqvist, Airi Sundman, Marie-Louise Sviberg, Trygve Eriksson 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.

Outlook for 2005

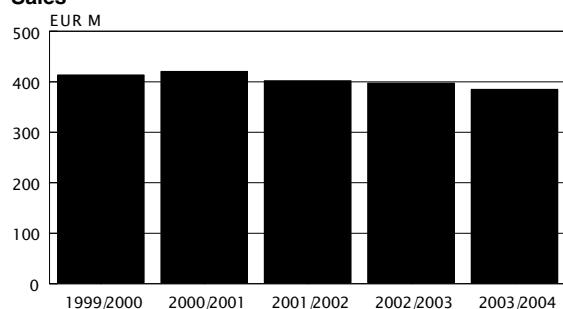
The Finnish government has decided to implement an expansion of its maritime restitution system. In addition to withholding taxes on the income of shipboard personnel, social security payments will also be refunded to ferry shipping companies in keeping with European Union guidelines. This expansion takes effect beginning on January 1, 2005 and will lead to a reduction in manning costs for vessels sailing under the Finnish flag, to a level comparable with Swedish costs.

The travel and cargo shipping market is expected to remain stable, while competition in Viking Line's service area will become increasingly stiff. This applies especially to services between Helsinki and Tallinn, where most vessels under non-Finnish flags are manned by personnel from the Baltic states. In March 2004, Viking Line adjusted the shipboard prices of goods whose price level was affected by the tax cut in Finland. This led to lower net sales revenues per passenger during eight months, which had a negative impact on fiscal 2003/2004 earnings. During the 2004/2005 fiscal year, the price adjustment will affect net revenues per passenger during all twelve months. In addition, lower margins because the sale of goods on the Helsinki-Tallinn service became subject to taxation will also apply throughout the fiscal year.

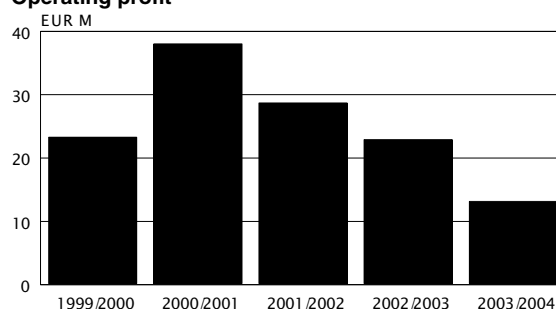
During fiscal 2004/2005, a number of major dry-dockings and discontinuations in service have been planned, and the number of service days will consequently be less than in fiscal 2003/2004.

On the basis of the above, Viking Line estimates that its earnings during the 2004/2005 fiscal year will be lower than its 2003/2004 earnings.

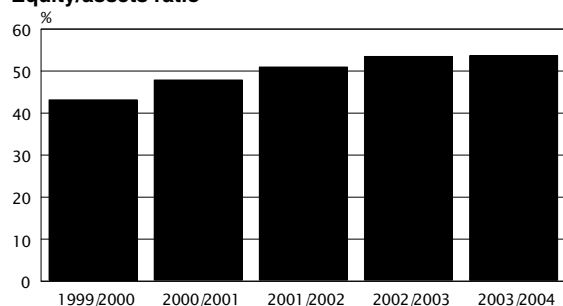
Sales



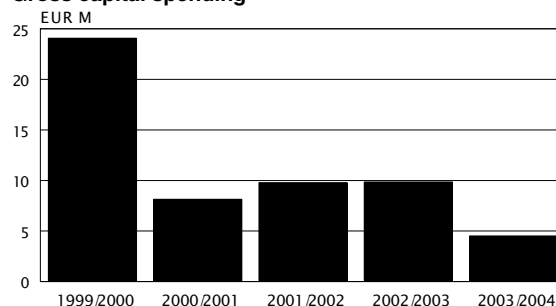
Operating profit



Equity/assets ratio



Gross capital spending



FIVE-YEAR FINANCIAL REVIEW

INCOME STATEMENT

THE GROUP, EUR M	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Sales	413.67	420.78	402.45	397.79	385.20
Other operating revenues	0.62	0.49	0.50	0.76	0.39
Materials and services	-113.27	-111.49	-108.05	-107.09	-105.95
Employee expenses	-117.95	-113.11	-99.99	-100.17	-100.98
Depreciation/amortization	-17.79	-18.79	-19.37	-19.82	-20.33
Other operating expenses	-141.97	-139.81	-146.84	-148.53	-145.16
Operating profit	23.31	38.06	28.71	22.94	13.18
Financial items	-1.32	-3.24	0.56	-0.30	-0.23
Profit before extraordinary items	21.99	34.82	29.27	22.63	12.95
Extraordinary items	-0.30	0.00	0.00	0.00	0.00
Profit before taxes	21.69	34.82	29.27	22.63	12.95
Direct taxes	-7.99	-10.43	-8.99	-6.81	0.06
Minority share	0.00	0.00	0.00	0.00	0.00
Net profit for the fiscal year	13.70	24.40	20.27	15.82	13.01

BALANCE SHEET

THE GROUP, EUR M	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Intangible assets	0.78	0.62	0.82	0.72	0.66
Group goodwill	1.06	0.53	0.00	0.00	0.47
Tangible assets	222.12	212.13	202.90	192.99	177.11
Shares and participations	0.07	0.07	0.07	0.04	0.10
Current assets	8.85	7.90	8.86	8.95	8.22
Receivables	16.96	17.66	28.74	24.02	24.02
Cash and bank balances	41.50	55.96	43.76	47.28	46.15
Total assets	291.34	294.85	285.15	274.01	256.73
Shareholders' equity	125.91	141.21	145.30	146.56	137.76
Minority share	0.00	0.00	0.00	0.00	0.03
Deferred tax liability	42.45	42.69	42.08	40.74	34.82
Long-term liabilities	61.47	50.46	41.63	32.80	24.31
Current liabilities	61.51	60.50	56.14	53.91	59.80
Total shareholders' equity and liabilities	291.34	294.85	285.15	274.01	256.73

FINANCIAL RATIOS

THE GROUP	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Operating profit as % of sales	5.6 %	9.0 %	7.1 %	5.8 %	3.4 %
Profit before extraordinary items as % of sales	5.3 %	8.3 %	7.3 %	5.7 %	3.4 %
Profit before taxes as % of sales	5.2 %	8.3 %	7.3 %	5.7 %	3.4 %
Return on equity (ROE)	10.9 %	18.3 %	14.2 %	10.8 %	9.2 %
Return on investment (ROI)	12.7 %	19.8 %	15.8 %	12.7 %	7.8 %
Equity/assets ratio	43.2 %	47.9 %	51.0 %	53.5 %	53.7 %
Debt/equity ratio (gearing)	23.5 %	3.9 %	4.6 %	-3.9 %	-9.4 %
Gross capital spending, EUR M	24.09	8.16	9.81	9.86	4.54
Gross capital spending as % of sales	5.8 %	1.9 %	2.4 %	2.5 %	1.2 %
Average number of employees	2,823	2,780	2,792	2,822	2,828
- of whom, shipboard employees	2,122	2,080	2,086	2,129	2,124
- of whom, land-based employees	701	700	706	693	704

INCOME STATEMENT

EUR M	Note	THE GROUP		PARENT COMPANY	
		Nov.1, 2003- Oct.31, 2004	Nov.1, 2002- Oct.31, 2003	Nov.1, 2003- Oct.31, 2004	Nov.1, 2002- Oct.31, 2003
SALES		385.20	397.79	373.15	383.98
Other operating revenues	1	0.39	0.76	0.35	0.73
Operating expenses					
Materials and services	2	105.95	107.09	99.70	102.09
Employee expenses	3	100.98	100.17	62.76	72.57
Depreciation/amortization	4	20.33	19.82	18.44	18.05
Other operating expenses		145.16	148.53	127.71	118.46
		372.41	375.61	308.61	311.17
OPERATING PROFIT		13.18	22.94	64.89	73.54
Financial items	5	-0.23	-0.30	-0.27	-0.41
PROFIT BEFORE EXTRAORDINARY ITEMS		12.95	22.63	64.62	73.13
Extraordinary items					
Group contributions		-	-	-51.64	-50.65
PROFIT BEFORE ALLOCATIONS AND TAXES		12.95	22.63	12.99	22.48
Allocations	6	-	-	7.73	4.58
Direct taxes	7	0.06	-6.81	-6.03	-7.87
Minority share		0.00	-	-	-
NET PROFIT FOR THE FISCAL YEAR		13.01	15.82	14.69	19.19

BALANCE SHEET

EUR M	Note	THE GROUP		PARENT COMPANY	
		Oct. 31, 2004	Oct. 31, 2003	Oct. 31, 2004	Oct. 31, 2003
ASSETS					
FIXED ASSETS					
Intangible assets	8	0.66	0.72	0.21	0.20
Group goodwill	8	0.47	-	-	-
Tangible assets	8				
Parcels of land		1.95	1.07	1.88	1.04
Buildings and structures		6.88	8.10	3.77	4.78
Vessels		163.19	179.28	162.37	178.11
Machinery and equipment		5.09	4.54	1.33	1.61
		177.11	192.99	169.35	185.54
Shares and participations	9				
Shares in Group companies		-	-	13.97	13.01
Other shares and participations		0.10	0.04	0.02	0.02
		0.10	0.04	13.99	13.03
TOTAL FIXED ASSETS		178.34	193.76	183.55	198.77
CURRENT AND FINANCIAL ASSETS					
Current assets	10	8.22	8.95	7.90	8.61
Long-term receivables					
Loans receivable		0.06	0.02	-	-
Current receivables					
Accounts receivable		14.18	12.24	4.62	3.18
Group receivables		-	-	7.76	8.50
Other current receivables		1.39	1.46	0.01	0.02
Accrued income and prepaid expenses	11	8.39	10.30	4.70	7.06
		23.96	24.00	17.09	18.76
Cash and bank balances		46.15	47.28	44.34	45.44
TOTAL CURRENT AND FINANCIAL ASSETS		78.38	80.25	69.33	72.81
TOTAL ASSETS		256.73	274.01	252.88	271.58

EUR M	Note	THE GROUP		PARENT COMPANY	
		Oct. 31, 2004	Oct. 31, 2003	Oct. 31, 2004	Oct. 31, 2003
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		99.76	103.03	-	-
Profit equalization reserve		25.58	28.21	32.45	34.86
Retained earnings		-2.44	-2.35	-	-
Translation difference		0.02	0.01	-	-
Net profit for the fiscal year		13.01	15.82	14.69	19.19
TOTAL SHAREHOLDERS' EQUITY		137.76	146.56	48.96	55.86
MINORITY SHARE		0.03	-	-	-
ACCUMULATED APPROPRIATIONS					
Accumulated extra depreciation	13	-	-	132.51	140.25
LIABILITIES					
Deferred tax liability	14	34.82	40.74	-	-
Long-term liabilities					
Liabilities to credit institutions	15	24.31	32.80	23.97	32.80
Current liabilities					
Repayment portion of liabilities to credit institutions		8.89	8.83	8.83	8.83
Accounts payable		20.83	18.63	16.30	14.31
Group liabilities		-	-	2.61	0.94
Other current liabilities		9.86	9.06	7.70	7.32
Accrued expenses and prepaid income	16	20.21	17.40	12.01	11.27
		59.80	53.91	47.45	42.68
TOTAL LIABILITIES		118.93	127.45	71.41	75.47
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		256.73	274.01	252.88	271.58

STATEMENT OF CHANGES IN FINANCIAL POSITION

EUR M	THE GROUP		PARENT COMPANY	
	Nov.1, 2003- Oct.31, 2004	Nov.1, 2002- Oct.31, 2003	Nov.1, 2003- Oct.31, 2004	Nov.1, 2002- Oct.31, 2003
BUSINESS OPERATIONS				
Operating profit	13.18	22.94	64.89	73.54
Depreciation/amortization	20.33	19.82	18.44	18.05
Group contribution	-	-	-51.64	-50.65
Interest received	0.63	0.99	0.62	0.96
Interest paid	-1.03	-1.68	-1.02	-1.68
Dividends received	0.01	0.04	0.00	0.03
Other financial items	0.17	0.35	0.13	0.27
Taxes paid	-6.16	-8.14	-6.03	-7.87
	27.12	34.31	25.40	32.65
Change in working capital				
Current assets, increase (-), decrease (+)	0.73	-0.09	0.70	-0.04
Current receivables, increase (-), decrease (+)	0.33	4.67	1.68	5.99
Non-interest-bearing liabilities, increase (+), decrease (-)	5.45	-2.23	4.77	-3.25
	6.52	2.35	7.15	2.70
NET CASH FLOW FROM BUSINESS OPERATIONS	33.64	36.67	32.55	35.35
CAPITAL SPENDING				
Investments in vessels	-1.95	-7.24	-1.92	-7.02
Investments in other fixed assets	-1.68	-2.62	-0.35	-1.59
Investments in shares and participations	-0.91	0.00	-0.96	0.00
Divestments of other fixed assets	0.08	0.05	0.01	0.00
Divestments of other shares and participations	-	0.03	-	0.03
TOTAL CASH FLOW FROM CAPITAL SPENDING	-4.45	-9.79	-3.22	-8.59
CASH FLOW BEFORE FINANCIAL ITEMS	29.18	26.88	29.33	26.76
FINANCIAL ITEMS				
Increase in long-term liabilities	0.14	-	-	-
Decrease in long-term liabilities	-8.83	-8.83	-8.83	-8.83
Change in long-term receivables	-0.04	0.04	-	-
Dividend to shareholders	-21.60	-14.58	-21.60	-14.58
Translation difference	0.01	0.01	-	-
TOTAL FINANCIAL ITEMS	-30.32	-23.36	-30.43	-23.41
CHANGE IN LIQUID ASSETS	-1.14	3.52	-1.10	3.35
Liquid assets, Nov.1	47.28	43.76	45.44	42.09
Liquid assets, Oct.31	46.15	47.28	44.34	45.44

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 51.6 M to its own marketing subsidiary in the form of a Group contribution, compared to EUR 50.7 M in 2002/2003.

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, 2003 – October 31, 2004. Sundqvist Buss Ab has been included in the consolidated financial statements beginning with May 2004.

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 amortized on a straight-line basis during the years 1993-2002. For the subsidiary Sundqvist Buss Ab, which was acquired in 2004, a goodwill value was reported in the consolidated balance sheet, with an amortization period of 5 years.

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 Finnish Parliament's decision to lower the corporate income tax level from 29 per cent to 26 per cent beginning on January 1, 2005 has been taken into account when calculating deferred tax liability. The change in deferred tax liability was also attributable to the change in appropriations and was reported in the consolidated financial statements among direct taxes.

Minority shares

Minority shares have been divided from consolidated shareholders' equity and profit, and are reported as a separate item.

Fixed assets and depreciation/amortization

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/amortization principles are applied in the Group. The periods are:

Goodwill (amortization)	5-10 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 tax law.

When making comparisons with fiscal 2002/2003, it should be taken into account that the principles for expensing vessel repair and maintenance costs have been revised in such a way that a smaller proportion of these expenditures has been capitalized. This reduces net profit in the parent company by EUR 1.1 M.

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.

IFRS

The Viking Line Group will switch to reporting in compliance with International Financial Reporting Standards (IFRS) starting with the 2005/2006 fiscal year. The opening balance on November 1, 2004 as well as comparative figures for the 2004/2005 fiscal year will be recalculated in compliance with IFRS.

NOTES

EUR M	THE GROUP		PARENT COMPANY	
	2003/2004	2002/2003	2003/2004	2002/2003
1. OTHER OPERATING REVENUES				
Rents received on properties	0.35	0.35	0.33	0.33
Miscellaneous operating revenues	0.03	0.41	0.02	0.40
Total	0.39	0.76	0.35	0.73
2. MATERIALS AND SERVICES				
Purchases during the fiscal year	87.19	91.75	81.88	86.71
Change in stocks	0.68	0.02	0.64	0.06
Externally purchased services	18.08	15.32	17.17	15.32
Total	105.95	107.09	99.70	102.09
3.1. EMPLOYEE EXPENSES				
Salaries etc to Board of Directors, Managing Directors and Deputy MD's	0.68	0.66	0.30	0.30
Salaries etc to others	93.51	92.52	59.49	69.73
Expenses on pensions	10.28	10.22	6.71	7.74
Other employee expenses	15.10	11.75	6.02	6.91
Total	119.57	115.15	72.52	84.69
In the consolidated income statement, government restitution reduced employee expenses by EUR 18.59 M (14.98) and in the parent company income statement by EUR 9.76 M (12.11).				
3.2. NUMBER OF EMPLOYEES				
Shipboard employees	2,124	2,129	1,614	1,950
Land-based employees	704	693	119	119
Total	2,828	2,822	1,733	2,069
4. DEPRECIATION/AMORTIZATION				
Group goodwill (amortization)	0.05			
Intangible rights (amortization)	0.18	0.18	0.08	0.06
Other long-term assets	0.08	0.07	0.00	0.00
Buildings	0.47	0.49	0.25	0.26
Vessels	18.04	17.56	17.67	17.18
Machinery and equipment	1.51	1.51	0.44	0.54
Total	20.33	19.82	18.44	18.05
5. FINANCIAL REVENUES AND EXPENSES				
Dividend revenues				
From others	0.01	0.04	0.00	0.03
Interest revenues and other financial revenues				
From Group companies			0.00	0.02
From others	0.81	1.35	0.77	1.23
Total	0.81	1.35	0.77	1.24
Interest expenses and other financial expenses				
To Group companies			-0.02	-0.01
To others	-1.04	-1.69	-1.03	-1.69
Total	-1.04	-1.69	-1.05	-1.69
Total financial revenues and expenses	-0.23	-0.30	-0.27	-0.41
Interest and other financial revenues/expenses include net exchange gains/losses	0.10	0.21	0.11	0.21
6. APPROPRIATIONS				
Difference between scheduled depreciation/amortization and depreciation/amortization for tax purposes			7.73	4.58
7. DIRECT TAXES				
Income tax on actual operations	6.16	8.14	6.03	7.87
Change in deferred tax liability	-6.22	-1.33		
Total	-0.06	6.81	6.03	7.87

8.1. FIXED ASSETS, GROUP

	Intangible rights	Other long-term assets	Total	Group goodwill	
Intangible assets and Group goodwill					
Acquisition cost, Nov.1, 2003	2.17	13.27	15.43	6.65	
Translation difference	0.00		0.00		
Increases	0.14	0.08	0.23	0.53	
Decreases	-0.09	0.00	-0.09		
Acquisition cost, Oct.31, 2004	2.22	13.35	15.57	7.18	
Accumulated amortization, Nov.1, 2003	-1.78	-12.96	-14.74	-6.65	
Translation difference	0.00		0.00		
Accumulated amortization on decreases	0.09	0.00	0.09		
Amortization for the fiscal year	-0.18	-0.08	-0.26	-0.05	
Accumulated amortization, Oct.31, 2004	-1.88	-13.03	-14.91	-6.70	
Book value, Oct.31, 2004	0.35	0.31	0.66	0.48	
	Parcels of land	Buildings and structures	Vessels	Machinery and equipment	Total
Tangible assets					
Acquisition cost, Nov.1, 2003	1.10	16.13	460.77	23.32	501.33
Translation difference	0.00	0.00	0.00	0.00	0.00
Increases/purchases of subsidiaries		0.00		1.78	1.78
Increases		0.09	1.95	1.37	3.41
Decreases				-0.90	-0.90
Acquisition cost, Oct.31, 2004	1.10	16.22	462.72	25.57	505.62
Accumulated depreciation, Nov.1, 2003		-8.87	-281.49	-18.79	-309.15
Translation difference		0.00	0.00	0.00	0.00
Accumulated depreciation/purchases of subsidiaries		0.00		-1.00	-1.00
Accumulated depreciation on decreases				0.81	0.81
Depreciation for the fiscal year		-0.47	-18.04	-1.51	-20.01
Accumulated depreciation, Oct.31, 2004		-9.34	-299.53	-20.48	-329.35
Revaluations	0.84				0.84
Book value, Oct.31, 2004	1.95	6.88	163.19	5.09	177.11

Revaluations from prior years have been transferred from buildings to parcels of land.

Computer programmes are reported in 2003/2004 as intangible rights, in prior years as tangible assets. Comparative figures have been changed accordingly.

8.2. FIXED ASSETS, PARENT COMPANY

	Intangible rights	Other long-term assets	Total		
Intangible assets					
Acquisition cost, Nov.1, 2003	0.57	0.02	0.58		
Increases	0.09		0.09		
Acquisition cost, Oct.31, 2004	0.65	0.02	0.67		
Accumulated amortization, Nov.1, 2003	-0.37	-0.01	-0.38		
Amortization for the fiscal year	-0.08	0.00	-0.08		
Accumulated amortizations, Oct.31, 2004	-0.45	-0.01	-0.46		
Book value, Oct.31, 2004	0.20	0.00	0.21		
	Parcels of land	Buildings and structures	Vessels	Machinery and equipment	Total
Tangible assets					
Acquisition cost, Nov.1, 2003	1.04	7.39	454.77	5.82	469.02
Increases		0.09	1.92	0.18	2.18
Decreases				-0.07	-0.07
Acquisition cost, Oct.31, 2004	1.04	7.48	456.69	5.92	471.13
Accumulated depreciation, Nov.1, 2003		-3.46	-276.65	-4.21	-284.32
Accumulated depreciation on decreases				0.06	0.06
Depreciation for the fiscal year		-0.25	-17.67	-0.44	-18.36
Accumulated depreciation, Oct.31, 2004		-3.71	-294.32	-4.59	-302.62
Revaluations	0.84				0.84
Book value, Oct.31, 2004	1.88	3.77	162.37	1.33	169.35

Revaluations from prior years have been transferred from buildings to parcels of land.

Computer programmes are reported in 2003/2004 as intangible rights, in prior years as tangible assets. Comparative figures have been changed accordingly.

9.1. SHARES AND PARTICIPATIONS, GROUP

	Other shares
Accumulated depreciation, Nov.1, 2003	0.04
Translation difference	0.00
Increases/acquisitions of subsidiaries	0.06
Decreases	0.00
Acquisition cost, Oct.31, 2004	0.10
Book value, Oct.31, 2004	0.10

9.2. SHARES AND PARTICIPATIONS, PARENT COMPANY

	Shares in Group companies	Other shares	Total
Acquisition cost, Nov.1, 2003	12.57	0.02	12.59
Increases	0.96		0.96
Decreases		0.00	0.00
Acquisition cost, Oct.31, 2004	13.53	0.02	13.55
Conditional shareholders' contribution	0.44		0.44
Book value, Oct.31, 2004	13.97	0.02	13.99

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%
Sundqvist Buss Ab, Saltvik, Finland	93%	93%
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	
2003/2004	2002/2003	2003/2004	2002/2003

10. CURRENT ASSETS

Stocks of goods for sale	7.36	8.04	7.08	7.72
Supplies	0.38	0.48	0.38	0.48
Stocks of vessel fuel	0.48	0.42	0.44	0.40
Total	8.22	8.95	7.90	8.61

11. ACCRUED INCOME AND PREPAID EXPENSES

Employee-related items	6.68	6.92	4.24	5.00
Other accrued income and prepaid expenses	1.71	3.38	0.46	2.06
Total	8.39	10.30	4.70	7.06

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	103.03	104.53		
Translation difference	0.00	0.00		
Share of retained earnings	-3.27	-1.51		
Share of appropriations, Oct.31	99.76	103.03		
Profit equalization reserve, Nov.1	28.21	20.60	34.86	26.72
Transfer, other shareholders' equity	-2.41	7.61	-2.41	8.14
Deferred tax on revaluation	-0.22			
Profit equalization reserve, Oct.31	25.58	28.21	32.45	34.86
Other shareholders' equity, Nov.1	13.49	18.34	19.19	22.72
Translation difference	0.01	0.01		
Transfer, profit equalization reserve	2.41	-7.61	2.41	-8.14
Transfer, share of appropriations	3.27	1.51		
Dividend paid to shareholders	-21.60	-14.58	-21.60	-14.58
Net profit for the fiscal year	13.01	15.82	14.69	19.19
Other shareholders' equity, Oct.31	10.59	13.49	14.69	19.19
Total shareholders' equity	137.76	146.56	48.96	55.86

	THE GROUP		PARENT COMPANY	
	2003/2004	2002/2003	2003/2004	2002/2003
12.2. UNRESTRICTED EQUITY				
Profit equalization reserve	25.58	28.21	32.45	34.86
Retained earnings	-2.44	-2.35		
Translation difference	0.02	0.01		
Net profit for the fiscal year	13.01	15.82	14.69	19.19
Change in equity portion of appropriations	1.53	3.27		
Total	37.69	44.96	47.14	54.05
13. ACCUMULATED APPROPRIATIONS				
Accumulated extra depreciation			132.51	140.25
14. DEFERRED TAX LIABILITY				
Accumulated appropriations	34.60	40.74		
Revaluation	0.22			
Total	34.82	40.74		
15. LOANS THAT FALL DUE LATER THAN AFTER 5 YEARS				
Loans from credit institutions	2.10	4.20	2.10	4.20
16. ACCRUED EXPENSES AND PREPAID INCOME				
Employee-related expenses	15.84	13.50	9.07	9.08
Other accrued expenses and prepaid income	4.37	3.89	2.94	2.20
Total	20.21	17.40	12.01	11.27
17. PLEDGED ASSETS AND OTHER CONTINGENT LIABILITIES				
Contingent liabilities				
Loans and credit lines for which vessel and vehicle mortgages were provided as collateral	33.20	41.63	32.80	41.63
Other contingent liabilities not included in the balance sheet				
Covered by vehicle mortgages	0.12			
Covered by deposits	1.56	1.60	1.12	1.12
Total	34.88	43.22	33.92	42.75
Assets pledged for own debt				
Vessel mortgages	42.22	42.22	42.22	42.22
Vehicle mortgages	0.98			
Deposits	1.56	1.60	1.12	1.12
Shares pledged	0.06			
Total	44.82	43.82	43.34	43.34
Leasing liabilities				
Amounts that fall due during the following fiscal year	0.28	0.29	0.11	0.11
Amounts that fall due later	0.53	0.39	0.31	0.20
Total	0.81	0.68	0.42	0.30

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 2003/2004 fiscal year, the Company had 2,218 registered shareholders.

Largest shareholders, October 31, 2004	Number of shares	Percentage of total
1. Ångfartygs Ab Alfa	1,705,500	15.8
2. Ab Rafael	1,460,700	13.5
3. Rederi Ab Hildegaard	896,050	8.3
4. Lundqvist Ben	290,750	2.7
5. Sundman Per-Sune	286,550	2.7
6. Eklund Nils-Erik	231,500	2.1
7. Lundqvist Margareta	222,800	2.1
8. Relander Gustaf	214,350	2.0
9. Sviberg Marie-Louise	210,800	2.0
10. Mattsson Rafael	171,820	1.6

Viking Line Abp's shareholders, by sector	Number of shareholders	Percentage of total	Number of shares	Percentage of total
Private individuals	1,945	87.7	5,201,753	48.2
Companies	122	5.5	4,531,922	42.0
Credit institutions and insurance companies	6	0.3	267,350	2.5
Other legal persons	26	1.2	215,595	2.0
Foreign shareholders	115	5.2	446,492	4.1
Nominee-registered shares	4	0.2	136,643	1.3
Not transferred to book-entry securities account system			245	0.0
Total	2,218	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	788	35.5	23,962	0.2
100-999	826	37.2	183,226	1.7
1,000-9,999	482	21.7	1,490,642	13.8
10,000-99,999	109	4.9	3,043,802	28.2
100,000-999,999	11	0.5	2,891,923	26.8
1,000,000-	2	0.1	3,166,200	29.3

Board and top management shareholdings

The members and deputy members of the Board of Directors, the Managing Director and the Deputy Managing Director own 947,493 shares in the Company, equivalent to a voting power of 8.8 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.

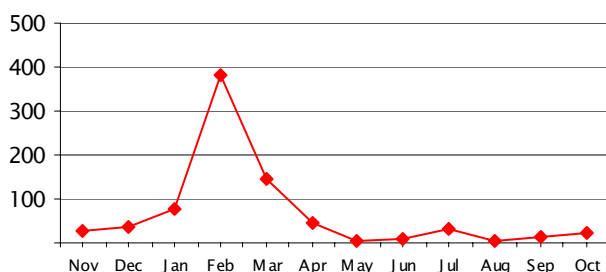
Trading volume and share price

During fiscal 2003/2004, trading in Viking Line on the Helsinki Stock Exchange totalled 794,077 shares. This meant that 7.4 per cent of all shares changed hands. The year's highest share price was EUR 23.80, the lowest EUR 18.24. On October 31, 2004, the quoted share price was EUR 21.90. The Company's market capitalization on that date was EUR 236.52 M.

Trading volume

November 2003 – October 2004

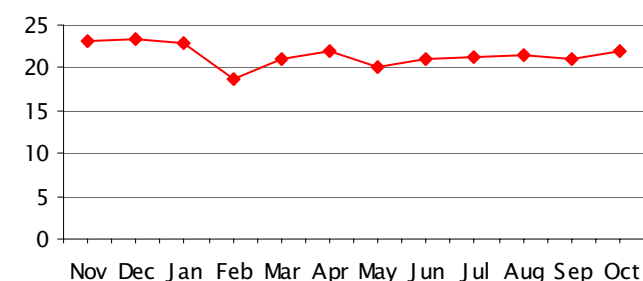
Thousands of shares



Share price

November 2003 – October 2004

EUR



Share-related financial ratios and statistics	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Earnings per share, EUR	1.30	2.26	1.88	1.47	1.20
Shareholders' equity per share, EUR	11.66	13.07	13.45	13.57	12.76
Dividend per share, EUR*	0.84	1.50	1.35	2.00	1.00
Dividend/earnings	64.9%	66.4%	71.9%	136.5%	83.0%
Dividend/share price	3.6%	6.8%	6.1%	8.7%	4.6%
Price/earnings (P/E) ratio	18	10	12	16	18
Share price on October 31, EUR	23.50	21.90	22.00	23.00	21.90
Highest share price, EUR	41.50	25.50	25.99	24.00	23.80
Lowest share price, EUR	23.00	18.50	20.00	17.50	18.24
Average share price, EUR	31.64	21.88	22.02	20.38	22.09
Market capitalization, EUR M	253.80	236.52	237.60	248.40	236.52
Number of shares traded	293,620	178,420	201,895	217,777	794,077
Percentage of shares traded	2.7%	1.7%	1.9%	2.0%	7.4%
Dividend paid for fiscal year, EUR M*	9.08	16.20	14.58	21.60	10.80
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 2003/2004, 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".

The Board's proposal on distribution of earnings

According to the balance sheet of the Viking Line Group on October 31, 2004 the unrestricted equity of the Group totalled EUR 37,694,205.29. The unrestricted equity of the parent company totalled EUR 47,139,524.22.

The Board of Directors proposes the following:

Of the net profit for the fiscal year, totalling	EUR 14,692,625.34
a dividend of 1 euro per share shall be paid, totalling	EUR 10,800,000.00
To be carried forward	EUR 3,892,625.34

Mariehamn, December 11, 2004

Ben Lundqvist, Chairman of the Board
Carita Blomsterlund
Erik Grönberg
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, 2003 – October 31, 2004. 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 14,692,625,34, 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.

Mariehamn, December 13, 2004

Kurt Hollfast, Authorized Public Accountant (CGR)
Leif Hermans, Authorized Public Accountant (CGR)

DEFINITIONS OF FINANCIAL RATIOS

Return on equity (ROE), % =	$\frac{\text{Profit before extraordinary items - direct taxes}}{\text{Shareholders' equity + minority share (average for the year)}}$
Return on investment (ROI), % =	$\frac{\text{Profit before extraordinary items + interest and other financial expenses}}{\text{Total assets - interest-free liabilities (average for the year)}}$
Equity/assets ratio, % =	$\frac{\text{Shareholders' equity + minority share}}{\text{Total assets - advances received}}$
Debt/equity ratio (gearing), % =	$\frac{\text{Interest-bearing liabilities - cash and bank balances - financial securities}}{\text{Shareholders' equity + minority share}}$
Earnings per share =	$\frac{\text{Profit before extraordinary items - direct taxes +/- minority share}}{\text{Average number of shares}}$
Shareholders' equity per share =	$\frac{\text{Shareholders' equity}}{\text{Number of shares on October 31}}$
Dividend/earnings, % =	$\frac{\text{Dividend per share}}{\text{Earnings per share}}$
Dividend/share price =	$\frac{\text{Dividend per share}}{\text{Share price on October 31}}$
Price/earnings (P/E) ratio =	$\frac{\text{Share price on October 31}}{\text{Earnings per share}}$

VIKING LINE

VIKING LINE ABP, NORRAGATAN 4/PB 166, AX-22101 MARIEHAMN, ÅLAND, FINLAND
TEL +358 18 270 00. FAX +358 18 169 44. www.vikingline.fi www.vikingline.se