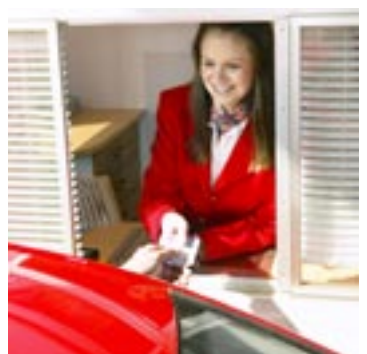


Annual Report

November 1, 2004 - October 31, 2005



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 2004/2005 figures are comparable figures for fiscal 2003/2004, which ended on October 31, 2004. 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 8, 2006 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, February 6, 2006, 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 2005/2006

During fiscal 2005/2006, Viking Line Abp will issue interim reports for the periods November 1, 2005 to January 31, 2006; November 1, 2005 to April 30, 2006; and November 1, 2005 to July 31, 2006. 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.



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 Group, 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.

Managing Director's review

DEVELOPMENTS IN VIKING LINE'S SERVICE AREA

During the 2004/2005 fiscal year, Viking Line's vessels served the same main routes as previously. Operating conditions in our service area became even more severe, due to sharply higher fuel prices, lower margins and stiffening competition. In spite of this, Viking Line has been able to maintain its position as a market-leading player on the Baltic Sea.

For a number of years, we have seen an increased need for scheduled voyages on ferry services to and from the Baltic countries, a trend that has accelerated greatly since these countries joined the European Union. In order to better meet this need, Viking Line has designed a new vessel concept called *XPRS*, based on both analyses of the future and previous experience. On November 29, 2005, several years of development work resulted in a contract with the Finnish shipyard Aker Finnyards for the construction of a high-speed passenger ferry for the Helsinki-Tallinn route.

The *XPRS* concept brings together the best qualities of conventional car ferries and catamarans, since passengers will be offered a short crossing time combined with a high standard of comfort and a modern range of shopping and dining choices. Meanwhile it will meet the increased need for transport capacity. In order to guarantee scheduled year-round service that adheres to its timetable, the vessel will be constructed to meet the highest Finnish ice class and with a powerful engine output. Viking Line also attaches great importance to the manoeuvring qualities of the vessel. In order to minimize its adverse environmental impact, the vessel will be equipped with catalytic cleansing systems on all engines. Like Viking Line's other vessels, the newbuilding will be certified in compliance with ISO 14001 international standards for environmental management.

COMPETITIVENESS OF THE FINNISH FLAG

On June 16, 2005, the High Court of Justice of the UK Commercial Court issued a ruling in favour of Viking Line in its legal dispute with the Finnish Seamen's Union and the International Transport Workers' Federation (ITF). The ruling gave Viking Line the right to man the *Rosella*, which serves the Helsinki-Tallinn route, with non-Finnish employees.

However, Viking Line's adversaries in the case appealed the ruling, and on November 3, 2005 the Court of Appeal decided to request a preliminary ruling from the European Court of Justice (ECJ) concerning a series of European Community law issues raised in connection with the case. This means that the appeal process has been stayed, pending the preliminary ruling of the ECJ, and that during this period the injunction imposed by the High Court of Justice has been lifted.

Rulings of the ECJ that interpret EC law have legal force in the European Union. The ECJ's ruling in this case will thus be of great theoretical and practical importance to the European – and especially the Finnish – shipping industry, as well as to related labour law.

In court, Viking Line presented the facts concerning the preconditions for profitability of service between Helsinki and Tallinn on Finnish-flagged vessels. As a result of the court proceedings, we believe that our adversaries in the case have gained a better knowledge and understanding of the major differences between the prevailing costs of manning Finnish and Estonian-flagged vessels. This laid the groundwork for more concrete and constructive discussions between the two sides, which eventually resulted in a new agreement between the Åland Shipowners' Association and the Finnish Seamen's Union in November 2005 concerning the manning of the *Rosella* on the Helsinki-Tallinn route. The agreement represents a departure from the

provisions of the existing agreement for passenger vessels and will probably make it possible to achieve improved competitiveness against shipping companies with vessels under non-Finnish flags. We hope that the two sides in the labour market can work together to strengthen the competitiveness of Finnish-flagged vessels.

VIKING LINE'S STRATEGY AND ORGANIZATION

In September 2004, the Board of Directors adopted the main features of Viking Line's strategy. During fiscal 2004/2005, we worked to implement this strategy in the Group's organization. During January and February 2005, about 350 supervisors received detailed information on the strategy and were then assigned to disseminate this message in the organization. This process will enable us to achieve a set of common values at Viking Line that will result in uniform high quality of service at all levels of the Group.

During fiscal 2004/2005, corporate functions in Mariehamn were reorganized due to the merger between the wholly owned subsidiary Viking Line Marketing Ab Oy and the parent company Viking Line Abp, which entered into force on November 1, 2005. Through this new structure, we foresee good potential to achieve greater market and customer orientation as well as improved collaboration and simplified procedures.

GRATITUDE

In closing, I would like to express my warmest gratitude to our employees, customers and business partners, who have contributed in a very positive way to the operations of Viking Line.



A handwritten signature in black ink, appearing to read 'Nils-Erik Eklund'. The signature is fluid and cursive.

Nils-Erik Eklund
Managing Director and Chief Executive

Viking XPRS – a new concept

TECHNICAL DATA

2,500 passengers

Two separate vehicle decks,
including one for cars only

Length 185 m

Width 27.7 m

Draught 6.55 m

34,000 gross registered tonnes

Engine output 40,000 kW

Cruising speed 25 knots

Ice class I A Super

On November 29, 2005, Viking Line ordered a high-speed passenger ferry from the Finnish shipyard Aker Finnyards. According to plans, this vessel – which represents an entirely new concept in Baltic Sea ferry service – will be placed in service on the route between Helsinki and Tallinn. The vessel will be delivered in January 2008.

The XPRS concept, which was developed over a three-year period, brings together the best qualities of conventional car ferries and catamarans. It combines comfort, on-board service and reliability with short crossing time regardless of weather conditions.

The newbuilding will be tailor-made for the customer needs that have characterized the Helsinki-Tallinn route since Estonia joined the European Union in May 2004. The emphasis will be on providing large year-round capacity for fast, comfortable trips featuring a modern range of shopping and din-



on the Helsinki-Tallinn route

ing choices and meeting the increased need for transport capacity.

To guarantee scheduled year-round service, the newbuilding will be constructed to meet the highest Finnish ice class and with a powerful engine output. Viking Line attaches great importance to the manoeuvring qualities of the vessel, enabling it to adhere to its timetable even under difficult weather conditions.

In order to minimize its adverse environmental impact, the vessel will be equipped with catalytic cleansing systems on all engines and with a solid waste sorting facility to allow both recycling and land-based destruction. All liquid wastes such as grey, black and bilge water will be pumped ashore for treatment in land-based wastewater plants. Like Viking Line's other vessels, the newbuilding will be certified in compliance with ISO 14001 international standards for environmental management.





Gabriella

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



Mariella

- Delivered in 1985 • 37,860 GRT
- Length 177.0 m • Ice class 1 A Super
- 2,500 passengers • 400 cars • 2,500 berths
- Finnish flag • Helsinki - Mariehamn - Stockholm



Isabella

- Delivered in 1989 • 35,154 GRT
- Length 170.9 m • Ice class 1 A Super
- 2,480 passengers • 364 cars • 2,166 berths
- Finnish flag • Turku - Mariehamn/ Långnäs - Stockholm



Viking Cinderella

- Delivered in 1989 • 46,398 GRT
- Length 191.0 m • Ice class 1 A Super
- 2,560 passengers • 306 cars • 2,500 berths
- Swedish flag • Stockholm - Mariehamn

The Viking Line fleet

Amorella

- Delivered in 1988 • 34,384 GRT • Length 169.4 m
- Ice class 1 A Super • 2,480 passengers
- 450 cars • 1,946 berths • Finnish flag • Turku - Mariehamn/ Långnäs - Stockholm

Rosella

- Delivered in 1980 • 16,850 GRT
- Length 136.1 m • Ice class 1 A
- 1,700 passengers • 340 cars • 1,184 berths
- Finnish flag • Helsinki - Tallinn

Ålandsfärjan

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



*GRT - Gross Registered Tonnes

Connecting services and sales offices



Viking Line's services

PASSENGER AND CARGO SERVICES

During the 2004/2005 fiscal year, Viking Line transported a total of 5,372,645 passengers in its service area, encompassing Finland-Sweden and Finland/Sweden-Baltic countries. Of these passengers, 52.7 per cent were residents of Finland and 40.3 per cent residents of Sweden, while residents of other countries accounted for 7.0 per cent.

The sister vessels Amorella and Isabella normally provide service on the Turku-Mariehamn/Långnäs-Stockholm route. On September 5, 2005, the Amorella was dry-docked and returned to service on September 15. During part of this dry-docking period, the Gabriella was placed in service as a substitute vessel on the route. Aside from dry-docking, the Amorella had eight and the Isabella eleven idle days during the 2004/2005 fiscal year.

During 2004/2005, the Viking Cinderella provided cruise service on the Stockholm-Mariehamn route. During the summer, it also made nine cruises between Stockholm and Riga, Latvia. On January 9, the vessel was taken out of service for maintenance and on January 20 it returned to service.

As previously, the Ålandsfärjan ("Åland Ferry") provided service between Mariehamn and Kapellskär dur-

ing 2004/2005. The vessel was removed from service beginning on January 10, 2005 and returned to service on February 10.

On the above routes, the total number of passengers was 3,291,537, compared to 3,231,378 in fiscal 2003/2004.

The vessels Gabriella and Mariella normally provide service on the Helsinki-Mariehamn-Stockholm route. However, during the Amorella's dry-docking in September 2005, the Gabriella was placed in service for six days as a substitute vessel on the Turku route. The Gabriella also provided a Christmas cruise between Helsinki and Visby on the Swedish island of Gotland, while the Mariella's Christmas cruise sailed between Stockholm and Turku. On April 18, 2005, the Gabriella was dry-docked and returned to service on April 29. The number of passengers on the route was 1,119,397 (1,089,275).

Throughout fiscal 2004/2005, the Rosella provided scheduled services between Helsinki and Tallinn. On May 9, 2005, the vessel was dry-docked and returned to service on May 18. The number of Viking Line passengers on services between Finland/Sweden and the Baltic countries was 961,711 (830,343).

During fiscal 2004/2005, Viking Line transported 87,293 cargo units (83,669).



Passenger volumes by route segment	2004/2005	2003/2004	Change
Turku-Mariehamn/Långnäs-Stockholm/Kapellskär	3,291,537	3,231,378	+1.9%
Helsinki-Mariehamn-Stockholm	1,119,397	1,089,275	+2.8%
- of which Åland services	1,927,720	1,820,137	+5.9%
Finland/Sweden-Baltic countries	961,711	830,343	+15.8%
TOTAL	5,372,645	5,150,996	+4.3%



OTHER SERVICE FIELDS

In addition to its passenger and cargo services, the Viking Line Group runs the Park Alandia Hotell in Mariehamn. The hotel is wholly owned by Viking Line and has an average of 13 full-time-equivalent employees. The hotel has 79 double rooms as well as conference facilities for up to 100 people. It also has a restau-

rant seating 56 people as well as a sauna department, a swimming pool and a pub.

The Group also includes Sundqvist Buss Ab, which provides scheduled service and organises bus trips based in Åland. The company has an average of 21 full-time-equivalent employees and owns 12 buses, including seven tourist coaches.

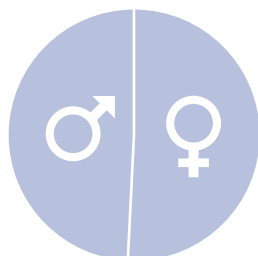
Personnel

During 2004/2005 the average number of employees in the Viking Line Group was 2,886. This represented an increase compared to the previous year (2,828). Of the total number of employees, 2,447 (2,421) resided in Finland, including 631 (641) in Åland. The number

residing in Sweden was 388 (359). There were 6 (6) employees residing in Germany and 45 (42) in Estonia.

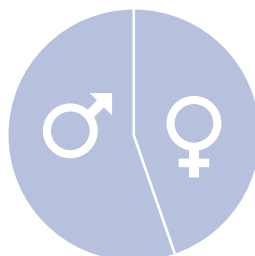
Most of Viking Line's employees work aboard its vessels. Shipboard personnel totalled 2,156 (2,124) and land-based personnel 730 (704).

GENDER BREAKDOWN, TOTAL



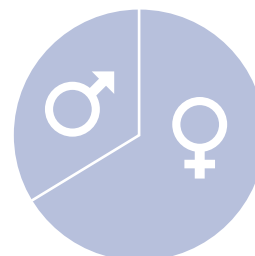
Women 50.7%
Men 49.3%

GENDER BREAKDOWN, SHIPBOARD



Women 45.2%
Men 54.8%

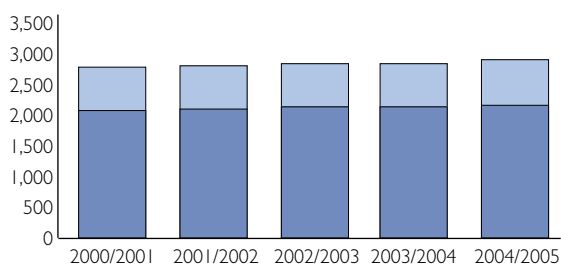
GENDER BREAKDOWN, LAND-BASED



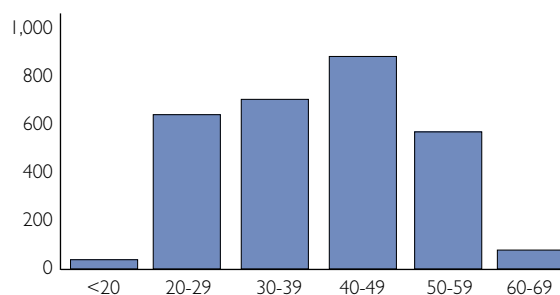
Women 66.9%
Men 33.1%

VIKING LINE GROUP EMPLOYEES

Land-based Shipboard



AGE DISTRIBUTION



The environment

During fiscal 2004/2005, Viking Line continued to work with its environmental management system. The ISO 14001 international standard was updated late in 2004, and this led to certain changes in the Group's environmental management system, for example improved environmental communication with suppliers and contractors.

New international air pollution prevention regulations entered into force on May 19, 2005 (Annex VI to the MARPOL 73/78 convention, Prevention of Air Pollution from Ships). Annex VI contains provisions on emissions of halons and chlorofluorocarbons (CFCs), nitrogen oxides (NOx) and sulphur dioxides (SOx). Viking Line has been well prepared for these new regulations, since its vessels have used low-sulphur fuel for many years and also employ nitrogen-optimizing engines.

Viking Line is continuing its efforts to replace environmentally harmful coolants with approved, environmentally sounder alternatives. In fire extinguishing systems, use of halon gas has been replaced by more environmentally friendly techniques, such as foam extinguishing.

As a result of Viking Line's long-term environmental work, the number of chemical products used on board its vessels was substantially reduced during fiscal

2004/2005. This was achieved through active, long-term collaboration with chemical suppliers and employee training. As part of the Group's endeavours to optimise its environmental activities, it continuously monitors the environmental work of its suppliers.

Viking Line's subsidiary Sundqvist Buss Ab is participating in the Åland Chamber of Commerce's project "The Structure of Environmental Work at Companies". The main purpose of this project is to get participating companies to analyze their environmental impact and to develop an environmental action plan. This work provides a good foundation for environmental management certification according to the ISO 14001 standard, which Sundqvist Buss is aiming to achieve during 2006.

In October 2005, Viking Line donated funds to Finland's Keep the Archipelago Tidy Association for its "Baltic Sea Breeze" project, whose main goal is to improve the condition of the Baltic Sea. The association wants to achieve this by disseminating information on how to behave in a marine environment in keeping with the principles of sustainable development. Target groups for the project are ports, boat clubs and boaters, as well as professional fishermen and shipping companies.



Safety and security

To maintain and improve the safety and security of passengers and shipboard employees, Viking Line continuously invests in training as well as technology and equipment that boost safety and security.

The International Maritime Organization, a United Nations agency, continuously drafts new rules to improve passenger safety, based on new safety findings. Most of the rules devised since the early 1990s have applied not only to new vessels but also existing ones. These rules have mainly concerned upgrading of vessel stability, life-saving equipment and fire protection systems.

The upgrading of stability and life-saving equipment on Viking Line vessels had already been implemented during prior fiscal years. Improvement of fire safety standards by installing water sprinklers in all cabins, public areas and engine rooms of Viking Line vessels was completed during fiscal 2004/2005. This safety upgrading task has been the Group's most extensive, both in terms of cost and installation work. Overall, about 103 km of piping and some 17,200 sprinkler heads have been installed on Viking Line vessels.

In the summer of 2004, the new International Ship and Port Facility Security (ISPS) regulations went into effect. This set of regulations has now been fully



implemented on Viking Line's vessels and in the ports where it operates. During fiscal 2004/2005, several large security drills were conducted in cooperation with the appropriate land-based public authorities, based on the requirements stipulated in ISPS. In addition, the crews of Viking Line vessels were trained and tested in compliance with the high standards required of each vessel's own safety and security organization. The bridge officers of the Group's vessels were trained in the navigation simulator at the Åland Polytechnic in techniques for responding to unforeseen navigation-related incidents.



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 Skandinavien AB and its subsidiary, Viking Rederi AB, OÜ Viking Line Eesti and Viking Line Finnlandverkehr GmbH, as well as the 93 per cent owned subsidiary Sundqvist Buss Ab, belong to the Viking Line Group. The subsidiary Viking Line Marketing Ab Oy merged with Viking Line Abp on November 1, 2005.

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

The Company is headed by the Board of Directors and by the Managing Director and Chief Executive. In his absence, the Deputy Chief Executive substitutes for the 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 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.

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



Ben Lundqvist

Carita Blomsterlund

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



Carita Blomsterlund

Nils-Erik Eklund

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



Nils-Erik Eklund

Erik Grönberg

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



Erik Grönberg

Dick Lundqvist

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



Dick Lundqvist

GROUP MANAGEMENT

Nils-Erik Eklund

Managing Director and Chief Executive since 1990
Born in 1946
Joined the Company in 1974



Nils-Erik Eklund

Kent Nyström

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



Kent Nyström



Boris Ekman

Boris Ekman

Deputy Managing Director since 2005
Chief Marketing Director
Born in 1947
Joined the Company in 1988

Jan Hanses

Deputy Managing Director since 2005
Human Resources and Legal Affairs Director
Born in 1961
Joined the Company in 1988



Jan Hanses



Harri Winter

Harri Winter

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

Bengt Lindberg

Business Control Director
Born in 1948
Joined the Company in 1973



Bengt Lindberg



Risto Peltola

Risto Peltola

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

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.

Leif Hermans

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

Markus Smeds

Authorized Public Accountant (CGR)
Ernst & Young Oy
The Company's Auditor since 2004

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.



Report of the Directors

SALES AND EARNINGS

Consolidated sales of the Viking Line Group during fiscal 2004/2005 amounted to EUR 382.7 M (fiscal 2003/2004: EUR 385.2 M). Operating profit was EUR 2.3 M (13.2). Net financial items were EUR -0.8 M (-0.2). Consolidated profit before taxes amounted to EUR 1.5 M (13.0). Net profit for the fiscal year was EUR 0.8 M (13.0).

The number of passengers rose by 4.3 per cent, but the Group's sales were 0.7 per cent lower than in the same period of fiscal 2003/2004. 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). Furthermore, stiff competition led to lower ticket revenue per passenger.

Operating expenses rose due to the higher passenger volume. In addition, bunker (vessel fuel) costs were substantially higher than in fiscal 2003/2004. The expansion of the government's system for restitution of the social security fees for Finnish shipboard personnel led to lower manning costs.

VESSELS AND SERVICES

The Group's vessels served the same main routes as during 2003/2004. During the period June-August 2005 the Viking Cinderella made a total of nine (year-earlier period: eight) cruises between Stockholm (Sweden) and Riga (Latvia).

The number of passengers on Viking Line vessels totalled 5,372,645 during fiscal 2004/2005, which was 4.3 per cent higher than in fiscal 2003/2004. Viking Line's cargo volume rose by 4.3 percent to 87,293 cargo units.

The Group's seven vessels have a book value of EUR 149.3 M. The vessels have hull and machinery and increased value insurance totalling EUR 484.8 M. In addition, all vessels have protection and indemnity (P&I) insurance.

INVESTMENTS AND FINANCING

The Group's investments totalled EUR 5.9 M (4.5).

On October 31, 2005, the equity/assets ratio stood at 54.5 per cent, compared to 53.7 per cent a year earlier. The Group's long-term liabilities decreased during fiscal 2004/2005 to EUR 15.5 M (24.3).

At the close of fiscal 2004/2005, the Group's liquid assets amounted to EUR 38.9 M (46.1). Net cash flow from business operations amounted to EUR 18.0 M (33.6).

On November 29, Viking Line ordered a new high-speed passenger ferry from Aker Finnyards for delivery in January 2008. The investment will total between EUR 120 M and 130 M. The contract contains an option for two additional vessels. Viking Line plans to place the vessel in service between Helsinki (Finland) and Tallinn (Estonia).

IFRS

The Viking Line Group will switch to reporting in compliance with International Financial Reporting Standards (IFRS) starting with the financial statements for fiscal 2005/2006.

ORGANISATION AND PERSONNEL

The merger of the wholly-owned subsidiary Viking Line Marketing Ab Oy with the parent company, Viking Line Abp, entered into force on November 1, 2005.

The average number of Viking Line employees was 2,886 (2,828), of whom 1,728 (1,733) worked for the parent company. Land-based personnel totalled 730 (704) and shipboard personnel totalled 2,156 (2,124).

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.

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

Leif Hermans, Authorized Public Accountant (CGR) and Markus Smeds, Authorized Public Accountant (CGR), are regular Auditors. Mikael Holmström, Authorized Public Accountant (CGR), and Erika Sjölund, Authorized Public Accountant (GRM), serve as Deputy Auditors.

OUTLOOK FOR 2006

Developments in Viking Line's service area during the 2005/2006 fiscal year are difficult to assess at the moment, but Viking Line anticipates continued stiff competition. Provided that no major changes occur in the market area, the Group's earnings in fiscal 2005/2006 are expected to be at about the same level as its earnings in fiscal 2004/2005.

Five-year financial review

INCOME STATEMENT

THE GROUP, EUR M	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Sales	420.78	402.45	397.79	385.20	382.69
Other operating revenues	0.49	0.50	0.76	0.39	0.43
Materials and services	-111.49	-108.05	-107.09	-105.95	-107.94
Employee expenses	-113.11	-99.99	-100.17	-100.98	-97.75
Depreciation/amortization	-18.79	-19.37	-19.82	-20.33	-20.42
Other operating expenses	-139.81	-146.84	-148.53	-145.16	-154.75
Operating profit	38.06	28.71	22.94	13.18	2.26
Financial items	-3.24	0.56	-0.30	-0.23	-0.80
Profit before taxes	34.82	29.27	22.63	12.95	1.45
Direct taxes	-10.43	-8.99	-6.81	0.06	-0.63
Minority share	-	-	-	0.00	0.00
Net profit for the fiscal year	24.40	20.27	15.82	13.01	0.82

BALANCE SHEET

THE GROUP, EUR M	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Intangible assets	0.62	0.82	0.72	0.66	0.51
Group goodwill	0.53	-	-	0.47	0.37
Tangible assets	212.13	202.90	192.99	177.11	162.69
Shares and participations	0.07	0.07	0.04	0.10	0.10
Current assets	7.90	8.86	8.95	8.22	8.38
Receivables	17.66	28.74	24.02	24.02	23.85
Cash and bank balances	55.96	43.76	47.28	46.15	38.89
Total assets	294.85	285.15	274.01	256.73	234.79
Shareholders' equity	141.21	145.30	146.56	137.76	127.84
Minority share	-	-	-	0.03	0.03
Deferred tax liability	42.69	42.08	40.74	34.82	32.35
Long-term liabilities	50.46	41.63	32.80	24.31	15.50
Current liabilities	60.50	56.14	53.91	59.80	59.07
Total shareholders' equity and liabilities	294.85	285.15	274.01	256.73	234.79

FINANCIAL RATIOS

THE GROUP	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Operating profit as % of sales	9.0 %	7.1 %	5.8 %	3.4 %	0.6 %
Profit before extraordinary items as % of sales	8.3 %	7.3 %	5.7 %	3.4 %	0.4 %
Profit before taxes as % of sales	8.3 %	7.3 %	5.7 %	3.4 %	0.4 %
Return on equity (ROE)	18.3 %	14.2 %	10.8 %	9.2 %	0.6 %
Return on investment (ROI)	19.8 %	15.8 %	12.7 %	7.8 %	1.7 %
Equity/assets ratio	47.9 %	51.0 %	53.5 %	53.7 %	54.5 %
Debt/equity ratio (gearing)	3.9 %	4.6 %	-3.9 %	-9.4 %	-11.3 %
Gross capital spending, EUR M	8.16	9.81	9.86	4.54	5.93
Gross capital spending as % of sales	1.9 %	2.4 %	2.5 %	1.2 %	1.6 %
Average number of employees	2,780	2,792	2,822	2,828	2,886
- of whom, shipboard employees	2,080	2,086	2,129	2,124	2,156
- of whom, land-based employees	700	706	693	704	730

Income statement

EUR M	Note	THE GROUP		PARENT COMPANY	
		Nov. 1, 2004- Oct. 31, 2005	Nov. 1, 2003- Oct. 31, 2004	Nov. 1, 2004- Oct. 31, 2005	Nov. 1, 2003- Oct. 31, 2004
SALES		382.69	385.20	372.16	373.15
Other operating revenues	1	0.43	0.39	0.35	0.35
Operating expenses					
Materials and services	2	107.94	105.95	101.36	99.70
Employee expenses	3	97.75	100.98	56.92	62.76
Depreciation/amortization	4	20.42	20.33	18.50	18.44
Other operating expenses		154.75	145.16	137.54	127.71
		380.86	372.41	314.33	308.61
OPERATING PROFIT		2.26	13.18	58.17	64.89
Financial items	5	-0.80	-0.23	-0.80	-0.27
PROFIT BEFORE EXTRAORDINARY ITEMS		1.45	12.95	57.37	64.62
Extraordinary items					
Group contributions		-	-	-55.22	-51.64
PROFIT BEFORE ALLOCATIONS AND TAXES		1.45	12.95	2.15	12.99
Allocations	6	-	-	9.31	7.73
Direct taxes	7	-0.63	0.06	-3.00	-6.03
Minority share		0.00	0.00	-	-
NET PROFIT FOR THE FISCAL YEAR		0.82	13.01	8.46	14.69

Balance sheet

EUR M	Note	THE GROUP		PARENT COMPANY	
		Oct. 31, 2005	Oct. 31, 2004	Oct. 31, 2005	Oct. 31, 2004
ASSETS					
FIXED ASSETS					
Intangible assets	8	0.51	0.66	0.16	0.21
Group goodwill	8	0.37	0.47	-	-
Tangible assets	8				
Parcels of land		1.94	1.95	1.88	1.88
Buildings and structures		6.48	6.88	3.57	3.77
Vessels		149.26	163.19	148.61	162.37
Machinery and equipment		5.00	5.09	1.30	1.33
		162.69	177.11	155.36	169.35
Shares and participations	9				
Shares in Group companies		-	-	13.97	13.97
Other shares and participations		0.10	0.10	0.02	0.02
		0.10	0.10	13.99	13.99
TOTAL FIXED ASSETS		163.66	178.34	169.51	183.55
CURRENT AND FINANCIAL ASSETS					
Current assets	10	8.38	8.22	8.07	7.90
Long-term receivables					
Loans receivable		0.03	0.06	-	-
Current receivables					
Accounts receivable		13.45	14.18	4.37	4.62
Group receivables		-	-	7.68	7.76
Other current receivables		1.52	1.39	0.00	0.01
Accrued income and prepaid expenses	11	8.85	8.39	4.89	4.70
		23.83	23.96	16.94	17.09
Cash and bank balances		38.89	46.15	36.83	44.34
TOTAL CURRENT AND FINANCIAL ASSETS		71.12	78.38	61.85	69.33
TOTAL ASSETS		234.79	256.73	231.36	252.88

EUR M	Note	THE GROUP		PARENT COMPANY	
		Oct. 31, 2005	Oct. 31, 2004	Oct. 31, 2005	Oct. 31, 2004
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
	12				
Share capital		1.82	1.82	1.82	1.82
Legal and share premium reserve		0.02	0.02	-	-
Share of accumulated appropriations		91.20	98.23	-	-
Retained earnings		33.98	24.68	36.34	32.45
Net profit for the fiscal year		0.82	13.01	8.46	14.69
TOTAL SHAREHOLDERS' EQUITY		127.84	137.76	46.62	48.96
MINORITY SHARE		0.03	0.03	-	-
ACCUMULATED APPROPRIATIONS					
	13				
Accumulated extra depreciation		-	-	123.20	132.51
LIABILITIES					
Deferred tax liability	14	32.35	34.82	-	-
Long-term liabilities					
	15				
Liabilities to credit institutions		15.50	24.31	15.14	23.97
Current liabilities					
Repayment portion of liabilities to credit institutions		8.91	8.89	8.83	8.83
Accounts payable		19.77	20.83	15.59	16.30
Group liabilities		-	-	1.80	2.61
Other current liabilities		8.72	9.86	6.40	7.70
Accrued expenses and prepaid income	16	21.67	20.21	13.78	12.01
		59.07	59.80	46.40	47.45
TOTAL LIABILITIES		106.92	118.93	61.54	71.41
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES					
		234.79	256.73	231.36	252.88

Statement of changes in financial position

EUR M	THE GROUP		PARENT COMPANY	
	Nov. 1, 2004- Oct. 31, 2005	Nov. 1, 2003- Oct. 31, 2004	Nov. 1, 2004- Oct. 31, 2005	Nov. 1, 2003- Oct. 31, 2004
BUSINESS OPERATIONS				
Operating profit	2.26	13.18	58.17	64.89
Depreciation /amortization	20.42	20.33	18.50	18.44
Group contribution	-	-	-55.22	-51.64
Interest received	0.46	0.63	0.45	0.62
Interest paid	-0.77	-1.03	-0.76	-1.02
Dividends received	0.01	0.01	0.00	0.00
Other financial items	-0.50	0.17	-0.50	0.13
Direct taxes	-3.11	-6.16	-3.00	-6.03
	18.77	27.12	17.66	25.40
Change in working capital				
Current assets, increase (-), decrease (+)	-0.16	0.73	-0.17	0.70
Current receivables, increase (-), decrease (+)	0.14	0.33	0.14	1.68
Non-interest-bearing liabilities, increase (+), decrease (-)	-0.75	5.45	-1.05	4.77
	-0.77	6.52	-1.07	7.15
NET CASH FLOW				
FROM BUSINESS OPERATIONS	17.99	33.64	16.59	32.55
CAPITAL SPENDING				
Investments in vessels	-4.25	-1.95	-4.00	-1.92
Investments in other fixed assets	-1.69	-1.68	-0.48	-0.35
Investments in shares and participations	-	-0.91	-	-0.96
Divestments of other fixed assets	0.16	0.08	0.01	0.01
TOTAL CASH FLOW	-5.77	-4.45	-4.47	-3.22
FROM CAPITAL SPENDING	-5.77	-4.45	-4.47	-3.22
CASH FLOW BEFORE FINANCIAL ITEMS	12.22	29.18	12.12	29.33
FINANCIAL ITEMS				
Increase in long-term liabilities	0.19	0.14	-	-
Decrease in long-term liabilities	-8.98	-8.83	-8.83	-8.83
Change in long-term receivables	0.03	-0.04	-	-
Dividend to shareholders	-10.80	-21.60	-10.80	-21.60
Translation difference	0.09	0.01	-	-
TOTAL FINANCIAL ITEMS	-19.48	-30.32	-19.63	-30.43
CHANGE IN LIQUID ASSETS	-7.26	-1.14	-7.51	-1.10
Liquid assets, Nov.1	46.15	47.28	44.34	45.44
Liquid assets, Oct.31	38.89	46.15	36.83	44.34

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 54.2 M to its own marketing subsidiary in the form of a Group contribution, compared to EUR 51.6 M in 2003/2004.

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, 2004 – October 31, 2005. 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 for fiscal 2003/2004. 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
Vessel dry-docking expenses	2-3 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.

During fiscal 2004/2005 the principles for recognition of dry-docking expenses were revised in such a way that these expenditures are capitalized as vessel components and depreciated over the period until the next dry-docking date, which means a depreciation period of 2-3 years. This complies with IFRS rules.

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 financial statements for 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	
	2004/2005	2003/2004	2004/2005	2003/2004
1. OTHER OPERATING REVENUES				
Rents received on properties	0.39	0.35	0.33	0.33
Miscellaneous operating revenues	0.04	0.03	0.02	0.02
Total	0.43	0.39	0.35	0.35
2. MATERIALS AND SERVICES				
Purchases during the fiscal year	89.70	87.19	84.51	81.88
Change in stocks	0.01	0.68	0.01	0.64
Externally purchased services	18.23	18.08	16.84	17.17
Total	107.94	105.95	101.36	99.70
3.1. EMPLOYEE EXPENSES				
Salaries etc to Board of Directors, Managing Directors and Deputy MD's	0.72	0.66	0.34	0.30
Salaries etc to others	96.80	93.53	60.59	59.49
Expenses on pensions	11.10	10.28	7.11	6.71
Other employee expenses	16.07	15.10	6.44	6.02
	<u>124.69</u>	<u>119.57</u>	<u>74.48</u>	<u>72.52</u>
Government restitution	-26.94	-18.59	-17.55	-9.76
Total	97.75	100.98	56.92	62.76
3.2. NUMBER OF EMPLOYEES				
Shipboard employees	2,156	2,124	1,609	1,614
Land-based employees	730	704	119	119
Total	2,886	2,828	1,728	1,733
4. DEPRECIATION/AMORTIZATION				
Group goodwill (amortization)	0.11	0.05		
Intangible rights (amortization)	0.14	0.18	0.07	0.08
Other long-term assets	0.07	0.08	0.00	0.00
Buildings	0.44	0.47	0.24	0.25
Vessels	18.14	18.04	17.75	17.67
Machinery and equipment	1.52	1.51	0.43	0.44
Total	20.42	20.33	18.50	18.44
5. FINANCIAL REVENUES AND EXPENSES				
Dividend revenues				
From others	0.01	0.01	0.00	0.00
Interest revenues and other financial revenues				
From Group companies			0.00	0.00
From others	0.56	0.81	0.49	0.77
Total	0.56	0.81	0.49	0.77
Interest expenses and other financial expenses				
To Group companies			-0.01	-0.02
To others	-1.37	-1.04	-1.28	-1.03
Total	-1.37	-1.04	-1.29	-1.05
Total financial revenues and expenses	-0.80	-0.23	-0.80	-0.27
Interest and other financial revenues/expenses include net exchange gains/losses	-0.55	0.10	-0.51	0.11
6. APPROPRIATIONS				
Difference between scheduled depreciation and depreciation for tax purposes			9.31	7.73
7. DIRECT TAXES				
Income tax on actual operations	3.11	6.16	3.00	6.03
Change in deferred tax liability	-2.47	-6.22		
Total	0.63	-0.06	3.00	6.03

EUR M

8.1. FIXED ASSETS, GROUP

	Intangible rights	Other long-term assets	Total	Group goodwill	
Intangible assets and Group goodwill					
Acquisition cost, Nov.1, 2004	2.22	13.35	15.57	7.18	
Translation difference	0.00		0.00		
Increases	0.07		0.07		
Decreases	-0.21	-3.72	-3.92		
Acquisition cost, Oct.31, 2005	2.08	9.63	11.71	7.18	
Accumulated amortization, Nov.1, 2004	-1.88	-13.03	-14.91	-6.70	
Translation difference	0.00		0.00		
Accumulated amortization on decreases	0.21	3.72	3.92		
Amortization for the fiscal year	-0.14	-0.07	-0.22	-0.11	
Accumulated amortization, Oct.31, 2005	-1.81	-9.39	-11.21	-6.81	
Book value, Oct.31, 2005	0.27	0.24	0.51	0.37	
	Parcels of land	Buildings and structures	Vessels	Machinery and equipment	Total
Tangible assets					
Acquisition cost, Nov.1, 2004	1.10	16.22	462.72	25.57	505.62
Translation difference	0.00	-0.01	-0.31	-0.01	-0.33
Increases		0.04	4.25	1.57	5.87
Decreases	0.00			-0.81	-0.81
Acquisition cost, Oct.31, 2005	1.10	16.26	466.66	26.33	510.35
Accumulated depreciation, Nov.1, 2004		-9.34	-299.53	-20.48	-329.35
Translation difference		0.01	0.28	0.01	0.29
Accumulated depreciation on decreases				0.66	0.66
Depreciation for the fiscal year		-0.44	-18.14	-1.52	-20.10
Accumulated depreciation, Oct.31, 2005		-9.77	-317.40	-21.33	-348.50
Revaluations	0.84				0.84
Book value, Oct.31, 2005	1.94	6.48	149.26	5.00	162.69

8.2. FIXED ASSETS, PARENT COMPANY

	Intangible rights	Other long-term assets	Total		
Intangible assets					
Acquisition cost, Nov.1, 2004	0.65	0.02	0.67		
Increases	0.03		0.03		
Acquisition cost, Oct.31, 2005	0.68	0.02	0.69		
Accumulated amortization, Nov.1, 2004	-0.45	-0.01	-0.46		
Amortization for the fiscal year	-0.07	0.00	-0.08		
Accumulated amortization, Oct.31, 2005	-0.52	-0.01	-0.54		
Book value, Oct.31, 2005	0.16	0.00	0.16		
	Parcels of land	Buildings and structures	Vessels	Machinery and equipment	Total
Tangible assets					
Acquisition cost, Nov.1, 2004	1.04	7.48	456.69	5.92	471.13
Increases		0.04	4.00	0.41	4.45
Decreases				-0.04	-0.04
Acquisition cost, Oct.31, 2005	1.04	7.53	460.68	6.29	475.54
Accumulated depreciation, Nov.1, 2004		-3.71	-294.32	-4.59	-302.62
Accumulated depreciation on decreases				0.03	0.03
Depreciation for the fiscal year		-0.24	-17.75	-0.43	-18.43
Accumulated depreciation, Oct.31, 2005		-3.95	-312.07	-4.99	-321.02
Revaluations	0.84				0.84
Book value, Oct.31, 2005	1.88	3.57	148.61	1.30	155.36

EUR M

9.1. SHARES AND PARTICIPATIONS, GROUP		Other shares		
Accumulated depreciation, Nov.1, 2004		0.10		
Translation difference		0.00		
Decreases		-0.01		
Acquisition cost, Oct.31, 2005		0.10		
Book value, Oct.31, 2005		0.10		
9.2. SHARES AND PARTICIPATIONS, PARENT COMPANY		Shares in Group companies	Other shares	Total
Acquisition cost, Nov.1, 2004		13.53	0.02	13.55
Acquisition cost, Oct.31, 2005		13.53	0.02	13.55
Conditional shareholders' contribution		0.44		0.44
Book value, Oct.31, 2005		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 Finnlandverkehr GmbH, Lübeck, Germany		100 %	0 %	
Sverigecenter Ab, Mariehamn, Finland		100 %	0 %	
Sverigehamnen Ab, Naantali, Finland		100 %	0 %	

The subsidiary Viking Line Marketing Ab Oy merged with the parent company Viking Line Abp on November 1, 2005.

10. CURRENT ASSETS	THE GROUP		PARENT COMPANY	
	2004/2005	2003/2004	2004/2005	2003/2004
Stocks of goods for sale	7.34	7.36	7.07	7.08
Supplies	0.37	0.38	0.37	0.38
Stocks of vessel fuel	0.68	0.48	0.64	0.44
Total	8.38	8.22	8.07	7.90
11. ACCRUED INCOME AND PREPAID EXPENSES				
Employee-related items	7.03	6.68	4.45	4.24
Other accrued income and prepaid expenses	1.82	1.71	0.45	0.46
Total	8.85	8.39	4.89	4.70
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		
Share premium reserve	0.00			
Legal and share premium reserve, Oct.31	0.02	0.02		
Share of appropriations, Nov.1	98.23	99.76		
Translation difference	-0.01	0.00		
Change in shareholders' equity interest	-7.03	-1.53		
Share of appropriations, Oct.31	91.20	98.23		
Retained earnings, Nov.1	24.68	29.14	32.45	34.86
Net profit for the previous fiscal year	13.01	15.82	14.69	19.19
Translation difference	0.06	0.01		
Deferred tax on revaluation		-0.22		
Transfer, share premium reserve	0.00			
Transfer, share of appropriations	7.03	1.53		
Dividend paid to shareholders	-10.80	-21.60	-10.80	-21.60
Retained earnings, Oct.31	33.98	24.68	36.34	32.45
Net profit for the fiscal year	0.82	13.01	8.46	14.69
Total shareholders' equity	127.84	137.76	46.62	48.96

28 *The profit equalization reserve, which was previously reported separately, is now included in retained earnings. Comparative figures have been changed.*

EUR M	THE GROUP		PARENT COMPANY	
	2004/2005	2003/2004	2004/2005	2003/2004
12.2. UNRESTRICTED EQUITY				
Retained earnings	33.98	24.68	36.34	32.45
Net profit for the fiscal year	0.82	13.01	8.46	14.69
Total	34.80	37.69	44.80	47.14
13. ACCUMULATED APPROPRIATIONS				
Accumulated extra depreciation			123.20	132.51
14. DEFERRED TAX LIABILITY				
Accumulated appropriations	32.13	34.60		
Revaluation	0.22	0.22		
Total	32.35	34.82		
15. LOANS THAT FALL DUE LATER THAN AFTER 5 YEARS				
Loans from credit institutions	0.06	2.10		2.10
16. ACCRUED EXPENSES AND PREPAID INCOME				
Employee-related expenses	16.33	15.84	9.61	9.07
Other accrued expenses and prepaid income	5.34	4.37	4.17	2.94
Total	21.67	20.21	13.78	12.01
17. PLEDGED ASSETS AND OTHER CONTINGENT LIABILITIES				
Contingent liabilities				
Loans and credit lines for which vessel and vehicle mortgages were provided as collateral	24.54	33.20	23.97	32.80
Other contingent liabilities not included in the balance sheet				
Covered by vehicle mortgages	0.16	0.12		
Covered by deposits	1.54	1.56	1.12	1.12
Total	26.24	34.88	25.09	33.92
Assets pledged for own debt				
Vessel mortgages	26.81	42.22	26.81	42.22
Vehicle mortgages	1.09	0.98		
Deposits	1.54	1.56	1.12	1.12
Shares pledged	0.06	0.06		
Total	29.50	44.82	27.94	43.34
Leasing liabilities				
Amounts that fall due during the following fiscal year	0.30	0.28	0.11	0.11
Amounts that fall due later	0.45	0.53	0.20	0.31
Total	0.76	0.81	0.31	0.42

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.

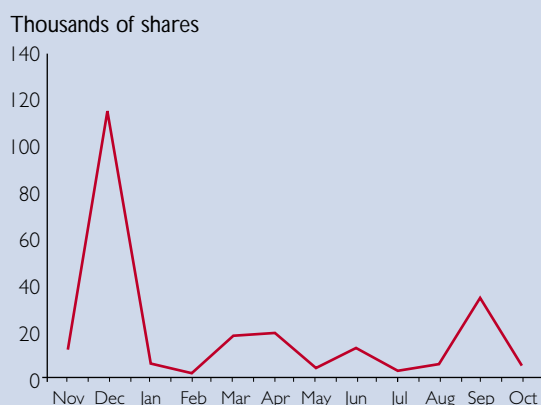
SHAREHOLDERS

At the end of the 2004/2005 fiscal year, the Company had 2,151 registered shareholders.

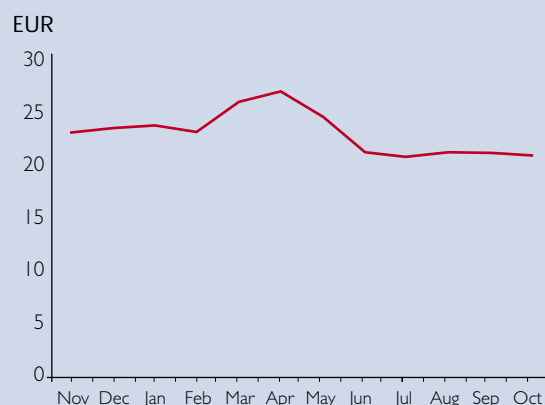
LARGEST SHAREHOLDERS, OCTOBER 31, 2005

	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	986,825	9.1
4. Lundqvist Ben	288,350	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	218,950	2.0
9. Sviberg Marie-Louise	210,800	2.0
10. Mattsson Rafael	171,820	1.6

TRADING VOLUME
November 2004 – October 2005



SHARE PRICE
November 2004 – October 2005



VIKING LINE ABP'S SHAREHOLDERS, BY SECTOR

	Number of shareholders	Percentage of total	Number of shares	Percentage of total
Private individuals	1,883	87.5	5,142,915	47.6
Companies	105	4.9	4,589,597	42.5
Credit institutions and insurance companies	8	0.4	267,625	2.5
Other legal persons	26	1.2	240,845	2.2
Foreign shareholders	120	5.6	432,158	4.0
Nominee-registered shares	9	0.4	126,615	1.2
Not transferred to book-entry securities account system			245	0.0
Total	2,151	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	774	36.0	23,332	0.2
100-999	777	36.1	169,736	1.6
1,000-9,999	477	22.2	1,477,525	13.7
10,000-99,999	111	5.2	3,122,107	28.9
100,000-999,999	10	0.5	2,840,855	26.3
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 Chief Executive, and the Deputy Chief Executive own 932,093 shares in the Company, equivalent to a voting power of 8.6 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 2004/2005, trading in Viking Line on the Helsinki Stock Exchange totalled 243,106 shares. This meant that 2.3 per cent of all shares changed hands. The year's highest share price was EUR 28.00, the lowest EUR 20.50. On October 31, 2005, the quoted share price was EUR 20.90. The Company's market capitalization on that date was EUR 225.72 M.

SHARE-RELATED FINANCIAL RATIOS AND STATISTICS

	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005
Earnings per share, EUR	2.26	1.88	1.47	1.20	0.08
Shareholders' equity per share, EUR	13.07	13.45	13.57	12.76	11.84
Dividend per share, EUR*	1.50	1.35	2.00	1.00	-
Dividend/earnings	66.4%	71.9%	136.5%	83.0%	-
Dividend/share price	6.8%	6.1%	8.7%	4.6%	-
Price/earnings (P/E) ratio	10	12	16	18	276
Share price on October 31, EUR	21.90	22.00	23.00	21.90	20.90
Highest share price, EUR	25.50	25.99	24.00	23.80	28.00
Lowest share price, EUR	18.50	20.00	17.50	18.24	20.50
Average share price, EUR	21.88	22.02	20.38	22.09	23.50
Market capitalization, EUR M	236.52	237.60	248.40	236.52	225.72
Number of shares traded	178,420	201,895	217,777	794,077	243,106
Percentage of shares traded	1.7%	1.9%	2.0%	7.4%	2.3%
Dividend paid for fiscal year, EUR M*	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 2004/2005, 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, 2005 the unrestricted equity of the Group totalled EUR 34,797,513,37. The unrestricted equity of the parent company totalled EUR 44,803,019,78.

After a vote, the Board of Directors proposes that no dividend be paid for the fiscal year 2004/2005 and that the parent company's net profit of EUR 8,463,495.56 be carried forward.

Mariehamn, December 19, 2005

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, 2004 – October 31, 2005. The financial statements, which include the report of the Board of Directors, consolidated and parent company balance sheets, income statements, statements of changes in financial position 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 of the parent company.

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 of the parent company have

legally complied with the rules of the Companies' Act.

In our opinion the financial statements, showing a profit of EUR 8,463,495,56, 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 with 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 20, 2005

Leif Hermans, Authorized Public Accountant (CGR)	Markus Smeds, Authorized Public Accountant (CGR)
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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 =	$\frac{\text{Share price on October 31}}{\text{Earnings per share}}$



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