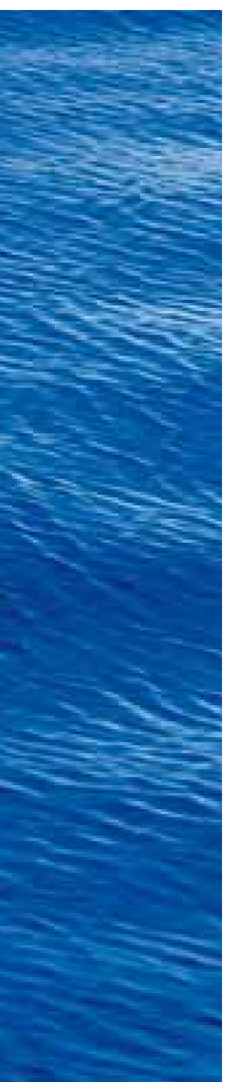
ANNUAL REPORT 2007/2008

November 1, 2007–October 31, 2008

VIKING LINE

Contents



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Information to shareholders

ANNUAL MEETING

The annual shareholders' meeting of Viking Line Abp will be held at 12 noon on Wednesday, February 11, 2009 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 9, 2009, either in writing to Viking Line Abp, Norragatan 4, AX-22100 Mariehamn, Åland, Finland, by e-mail to bolagsstamma@vikingline.fi, or by telephone to the Company's Secretariat at +358 18 270 00.

FINANCIAL INFORMATION FOR 2008/2009

During fiscal 2008/2009, Viking Line Abp will issue interim reports for the periods November 1, 2008 to January 31, 2009; November 1, 2008 to April 30, 2009; and November 1, 2008 to July 31, 2009. These interim reports will be published on March 12, June 11 and September 10, 2009, respectively. The press release on the results for fiscal 2008/2009 will be published on December 17, 2009. The Annual Report for fiscal 2008/2009 will be published during the week of January 25, 2010. The official versions of the Annual Report and interim reports are published in Swedish. These reports are translated into Finnish and English. The reports will be available on Viking Line's web sites. 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.

Note to the international edition: This Annual Report is, in all essential respects, a translation of the Swedish-language official version. Numbers in brackets following fiscal 2007/2008 figures are comparable figures for fiscal 2006/2007, which ended on October 31, 2007. Currency codes used: EUR = euro, EEK = Estonian kroon, SEK = Swedish krona, CHF = Swiss franc, DKK = Danish krone, GBP = British pound, NOK = Norwegian krone and USD = US dollar. "The Group" refers to the Viking Line Group, which consists of the parent company Viking Line Abp ("the Company") and its subsidiaries.

Managing Director's Review

TREND OF EARNINGS

During fiscal 2007/2008 the Company's sales increased due to growth in passenger and cargo volume, combined with stronger net sales revenue per passenger. Volume increases were achieved due to expansion of vessel capacity on the Helsinki–Tallinn and Mariehamn–Kapellskär routes and due to higher capacity utilization on the routes between the Finnish mainland and Sweden.

Viking Line had a very successful fiscal year, but primarily due to record-high fuel price levels its financial results were nevertheless lower than in fiscal 2006/2007.

NEW VESSELS, STRENGTHENED CAPACITY AND RENEWAL OF CONCEPTS

The Viking XPRS began service in late April, less than three months after its contractual delivery date. This represented a significant strengthening of Viking Line's service offering on the Helsinki–Tallinn route, both in terms of capacity and quality. The vessel was well received by both passengers and cargo customers during its first six months of service.

In May 2008, the keel of the Viking ADCC (its working name refers to All Season Day Cruising and Commuting) was laid at the Astilleros de Sevilla shipyard in Spain. The vessel, which is Viking Line's first newbuilding designed for short-route service between Sweden and Åland, will elevate the Company's service offering on the Mariehamn–Kapellskär route to a completely new level. Viking Line's long-time mainstay on this route – the M/S Ålandsfärjan, built in 1972 – was sold and handed over in perfect working condition to its new owner in June to be retrofitted for continued service in the form of cruises in Arctic waters.

Viking Line achieved a sizeable increase in passenger and vehicle volume on the Mariehamn–Kapellskär route by placing the Rosella, with its larger capacity and broader service offering, in service during the late spring.

In addition to investing in new vessels, during 2007/2008 Viking Line invested in far-reaching conceptual renewals of the restaurant and retail sales operations on the Gabriella and Amorella as well as upgrading passenger cabin standards on all vessels. The cabin upgrading programme is being completed during the winter and spring of the 2008/2009 fiscal year.

QUALITY AND ENVIRONMENTAL WORK

Besides the quality improvements achieved by investing in new vessels as well as upgrades and conceptual development in the existing fleet, Viking Line is refining its quality management systems in all departments and at all levels of the Company. Among other things, this work is being supported by a decision to establish a special training unit, the Viking Academy, during fiscal 2008/2009. Its purpose will be to pursue continued systematic training of Viking Line foremen, thus enabling them to respond even better to the challenges of tomorrow.

In the environmental field, it is worth mentioning that in the restaurants on its vessels, Viking Line has ended the use of environmentally damaging plastic bottles and replaced them with a new drinking water concept. On the basis of direct customer requests, the Company has decided to introduce customer-engaged waste sorting on the Viking XPRS, which means that passengers themselves can contribute to the sorting of residual and waste products.

COMPETITIVE AND BUSINESS CONDITIONS

During fiscal 2007/2008 three large newbuildings were added to the passenger vessels serving the northern Baltic Sea, leading to a sharp increase in capacity compared to the moderate growth in demand. Combined with record-high fuel prices, this reduced the supply of high-speed vessels on the Helsinki–Tallinn route as early as the past fiscal year.

During the spring of 2009, an additional large cruise ferry will be delivered for service on the northern Baltic Sea, which will mean a greatly increased risk of overcapacity in the service area. The demand for capacity may also decrease due to the financial worries and rapid weakening economic conditions that materialized during the autumn.

REGULATORY CHANGES AND TRADE UNION ISSUES

In October the International Maritime Organization (IMO) decided to lower the limit values for the sulphur content of bunker oil used by vessels on the Baltic and North Seas. This decision will mean that starting in 2010, the permitted sulphur level will be lowered to 0.5 per cent sulphur by weight, from today's 1.5 per cent. This does not affect Viking Line, which changed to low-sulphur fuel as long ago as the early 1990s. The IMO also decided that the limit value will be lowered to 0.1 per cent sulphur content starting in 2015. The effects of this decision must still be evaluated by the European Union because – in contravention of the EU's intentions to date – it may lead to adverse environmental consequences due to a shift from seaborne transport services to long-distance highway haulage.

In practice, the tonnage taxation model worked out this past autumn leaves Finland's passenger ferry services without the opportunity to obtain tax relief. Directly contrary to the needs of passenger ferry companies, it instead represents a dramatic tightening of taxation.

The legal dispute between Viking Line, on the one hand, and the Finnish Seamen's Union (FS-U) and the International Transport Workers' Federation (ITF), on the other, was decided by the European Court of Justice in December 2007. The Court's ruling supported Viking Line in all significant respects. As a consequence of this, Viking Line and ITF/FS-U reached a negotiated settlement in March 2008.

THANK YOU

Finally, I would like to express my sincere gratitude to all our employees for their outstanding contributions during this past fiscal year, which required extraordinary efforts in various respects, among other things when placing the Viking XPRS and the Rosella in service on their respective routes. I would also like to thank our customers and business partners for the continued confidence they showed us during the year.

Nils-Erik Eklund
Managing Director and Chief Executive

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 attractive 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 attractive 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, continuous development and motivated employees 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, with growth potential in certain sub-markets, and that by means of growth, Viking Line shall maintain and improve its position as a profitable market player on the northern Baltic Sea with a market-leading brand.

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, attractive shopping, good food in an attractive setting and customer-tailored, many-faceted entertainment.

Cost-effectiveness is achieved through high capacity utilization, efficient management processes, reasonable capital costs on tonnage, broad products targeted to a broad customer base as well as economies of scale and 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.

Connecting services and sales offices

The Viking Line fleet

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

VIKING XPRS
Built in 2008, 35,778 gross registered tonnes
Length 185.0 m, Ice class 1 A Super
2,500 passengers, 230 cars, 728 berths
Helsinki–Tallinn
Swedish 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 171.2 m, Ice class 1 A Super
2,480 passengers, 364 cars, 2,166 berths
Turku–Mariehamn/Långnäs–Stockholm
Finnish flag

GABRIELLA
Built in 1992, 35,492 gross registered tonnes
Length 171.2 m, Ice class I 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 176.9 m, Ice class I A Super
2,500 passengers, 430 cars, 2,500 berths
Helsinki–Mariehamn–Stockholm
Finnish flag

ROSELLA
Delivered in 1980, 16,850 gross registered tonnes
Length 136.1 m, Ice class I A
1,700 passengers, 340 cars, 1,184 berths
Mariehamn–Kapellskär
Swedish flag

VIKING ADCC
To be delivered around the end of 2009
15,966 gross registered tonnes
Length 138.8 m, Ice class I A
1,500 passengers, 320 cars
Mariehamn–Kapellskär

Viking Line's services

CONSTRUCTION WORK BEGAN ON THE VIKING ADCC

On December 18, 2007, construction work began on the new high-speed passenger ferry, which will be delivered by the Spanish shipyard Astilleros de Sevilla by around the end of 2009. The vessel, which is Viking Line's first newbuilding for service on the short route across the Sea of Åland, has been given the working name of the Viking ADCC. The keel laying ceremony took place on May 6, 2008 at the shipyard in Sevilla, when the first section was lifted on to the keel block and the traditional "lucky coin" ceremony was carried out. Since March 2008 Viking Line has had its own staff on site to monitor the project.

During the summer of 2008 Viking Line organized a competition on its web sites to select a permanent name for the Viking ADCC. The competition resulted in nearly 10,000 name suggestions. Among these, a jury has selected a number of suggestions that the Company's Board of Directors will consider.

THE VIKING XPRS SUCCESSFULLY PLACED IN SERVICE

On April 21, 2008 the Viking XPRS was handed over by the Aker Yards shipyard in Helsinki. One week later, on April 28, the vessel began service on the Helsinki–Tallinn route. The launch of the newbuilding Viking XPRS strengthened Viking Line's service offering on the route both in terms of quality and capacity. There has been great interest in the new vessel and its service concept. The vessel's passenger numbers during its first several months in service far exceeded the Company's expectations.

EXTENSIVE QUALITY-RAISING PROGRAMME

Viking Line has invested nearly EUR 20 M in an extensive quality-raising programme related to upgrading public spaces, shops, restaurants and cabins on its vessels. Viking Line's aim is to carry out concrete improvement measures that will raise the quality level and ensure that future passengers will view the cabins and public spaces on its vessels as better and more pleasant. Larger duty- and tax-free shops, exciting new restaurant concepts and refurbished cabins are the result of this work. The Viking Cinderella, Mariella and Isabella had already been upgraded earlier during lengthy dry-dockings. In 2007/2008 it was the Gabriella's and Amorella's turn for upgrades. The task of cabin upgrading will continue during fiscal 2008/2009 as well.

SERVICES AND VOLUME

During the 2007/2008 fiscal year, Viking Line transported a total of 6,171,273 passengers in its service area, encompassing Finland–Sweden and Finland/Sweden–Baltic countries. Of these passengers, 51.6 per cent were residents of Finland and 38.1 per cent residents of Sweden, while residents of other countries accounted for 10.3 per cent.

The sister vessels Amorella and Isabella provide service on the Turku–Mariehamn/Långnäs–Stockholm route. The Amorella was dry-docked on September 6, 2008 and returned to service on September 26. Aside from dry-docking, the Amorella had five and the Isabella had nine idle days.

The Viking Cinderella provides cruise service on the Stockholm–Mariehamn route. During fiscal 2007/2008

it also made seven cruises between Stockholm and Riga, Latvia and eight cruises between Stockholm and Tallinn. The vessel had six dry-docking and idle days.

The Ålandsfärjan ("Åland Ferry") provided service between Mariehamn and Kapellskär until May 29, 2008. The Rosella replaced the Ålandsfärjan on the route, starting service on May 30. On October 23, 2007 the Ålandsfärjan ran aground and was out of service for repairs until November 23. The vessel took an eleven-day break from service in January.

On the above routes, the total number of passengers was 3,628,102, compared to 3,372,751 in fiscal 2006/2007.

The vessels Gabriella and Mariella provide service on the Helsinki–Mariehamn–Stockholm route. The Gabriella was dry-docked on May 5, 2008 and returned to service on May 27. The number of passengers on the route was 1,129,954 (1,180,548).

The Rosella provided scheduled services between Helsinki and Tallinn until April 28, 2008, when the vessel was replaced on the route by the newbuilding Viking XPRS. After dry-docking and maintenance, the Rosella moved to the Mariehamn–Kapellskär route. The number of Viking Line passengers on services between Finland/Sweden and the Baltic countries was 1,413,217 (1,142,044).

During fiscal 2007/2008, Viking Line transported 96,017 cargo units (91,333).

OTHER SERVICE FIELDS

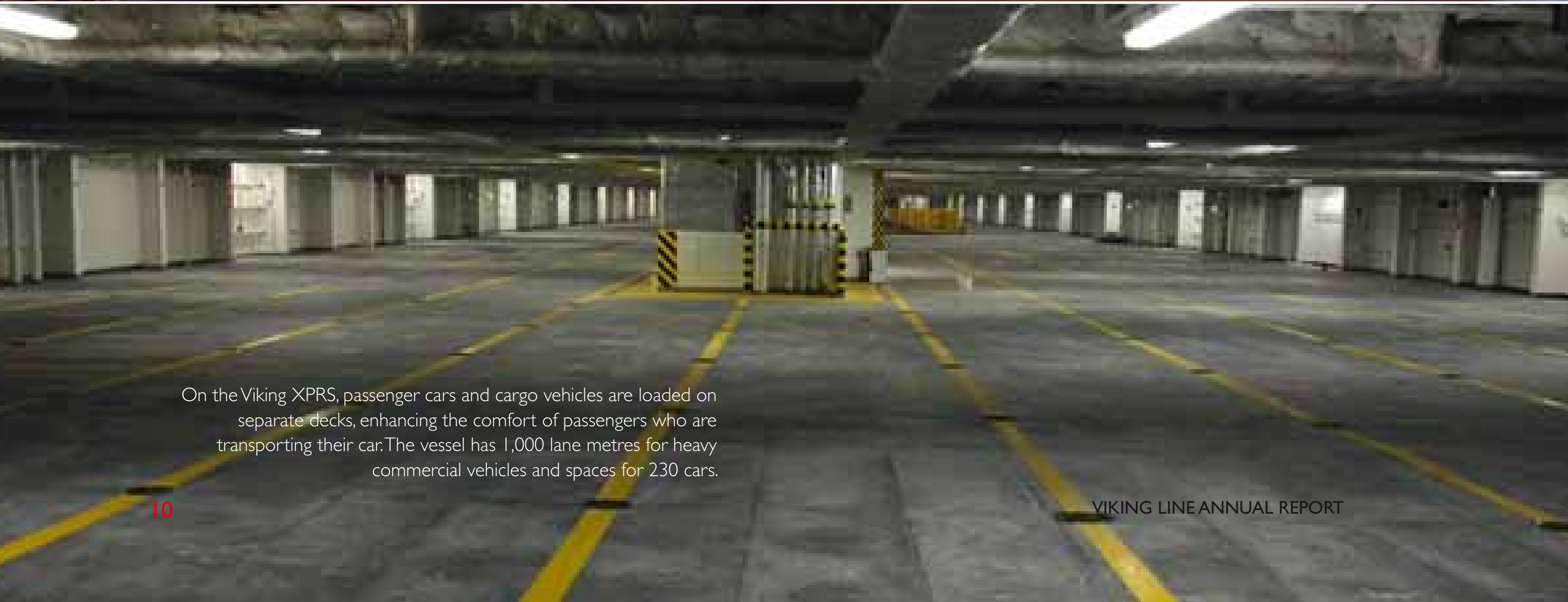
In addition to its passenger and cargo services, the Viking Line Group runs the Park Alandia Hotell in Mariehamn. The hotel is wholly owned by Viking Line and has an average of 17 full-time-equivalent employees. The hotel has 79 double rooms as well as conference facilities for up to 100 people. It also has a sauna and swimming pool facility as well as a pub and a restaurant seating 56 people, operated by an outside restaurateur.

The Group also includes Sundqvist Buss Ab, which provides scheduled service and organizes bus trips based in Åland. The company has an average of 22 full-time-equivalent employees and owns 11 buses, including six tourist coaches.

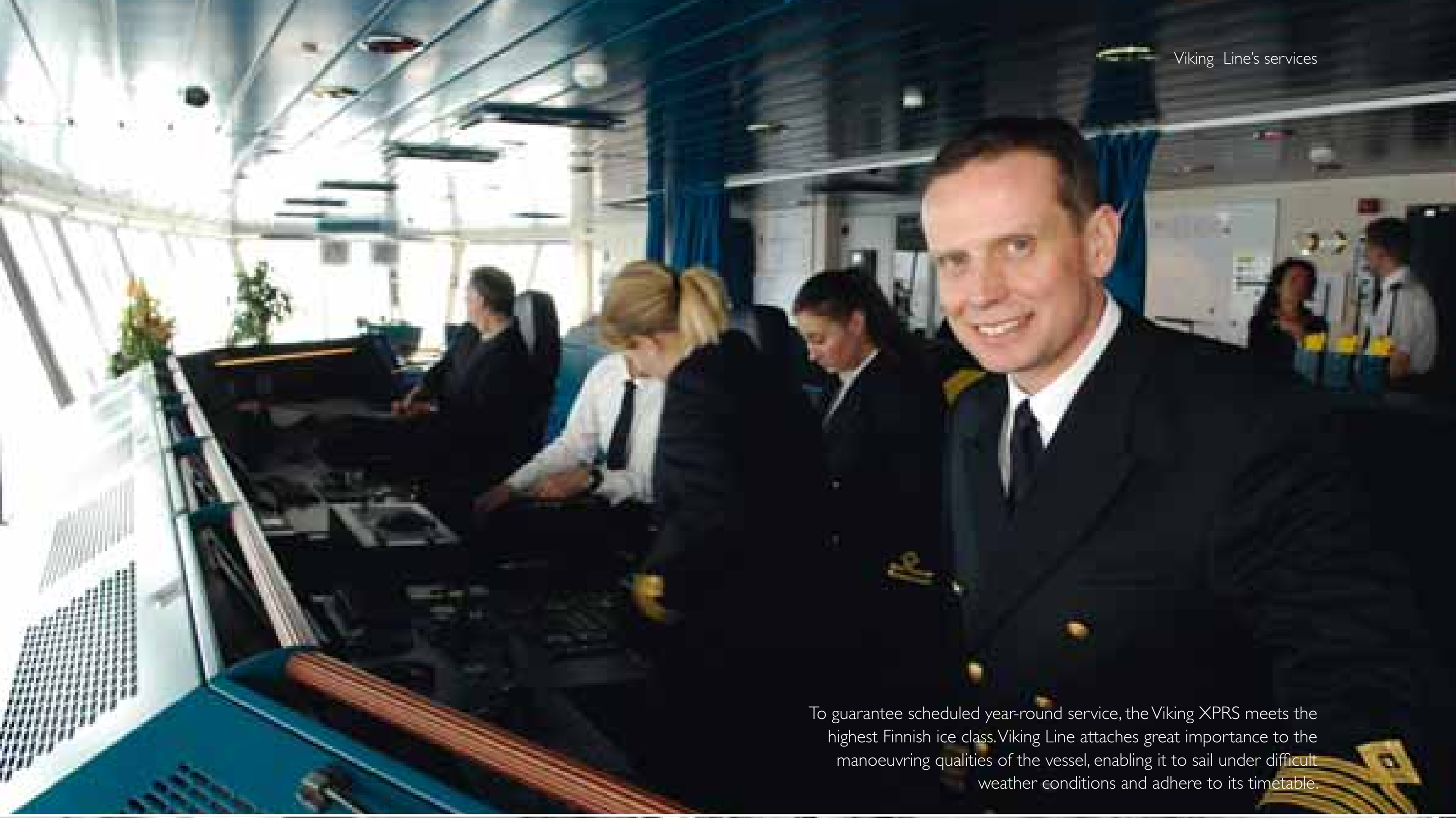
Passenger volume by route segment	2007/2008	2006/2007	Change
Turku–Mariehamn/Långnäs–Stockholm/Kapellskär	3,628,102	3,372,751	+7.6 %
Helsinki–Mariehamn–Stockholm	1,129,954	1,180,548	-4.3 %
– of which Åland services	*2,207,740*	*2,004,651*	*+10.1 %*
Finland/Sweden–Baltic countries	1,413,217	1,142,044	+23.7 %
TOTAL	**6,171,273**	**5,695,343**	**+8.4 %**

When the weather is nice, there is plenty of room on the sundeck of the Viking XPRS. The Baltic Sea's largest afterdeck features both a barbecue and a beach bar.

Café Expresso. On board the Viking XPRS is a modern and many-faceted selection of restaurants appealing to widely varying tastes.



On the Viking XPRS, passenger cars and cargo vehicles are loaded on separate decks, enhancing the comfort of passengers who are transporting their car. The vessel has 1,000 lane metres for heavy commercial vehicles and spaces for 230 cars.



To guarantee scheduled year-round service, the Viking XPRS meets the highest Finnish ice class. Viking Line attaches great importance to the manoeuvring qualities of the vessel, enabling it to sail under difficult weather conditions and adhere to its timetable.

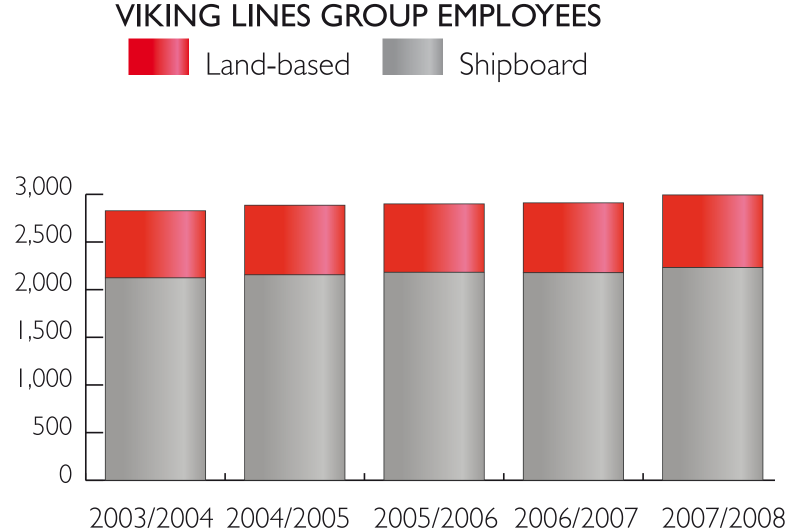
The Viking XPRS is an environmentally friendly vessel. All engines are equipped with catalytic cleansers, the technology that offers today's highest degree of purification.

Personnel

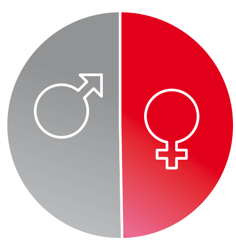
During 2007/2008 the average number of employees in the Viking Line Group was 2,994. This represented an increase compared to the previous year (2,911). Of the total number of employees, 2,473 (2,449) resided in Finland, including 661 (645) in Åland. The number residing in Sweden was 440 (396). There were 7 (7) employees residing in Germany and 74 (59) in Estonia.

Most of Viking Line's employees work aboard its vessels. Shipboard personnel totalled 2,232 (2,178) and land-based personnel 762 (733).

VIKING LINES GROUP EMPLOYEES

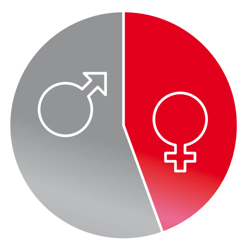


GENDER BREAKDOWN, TOTAL



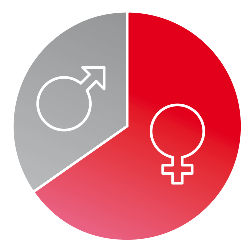
Women 49.6 %
Men 50.4 %

GENDER BREAKDOWN, SHIPBOARD



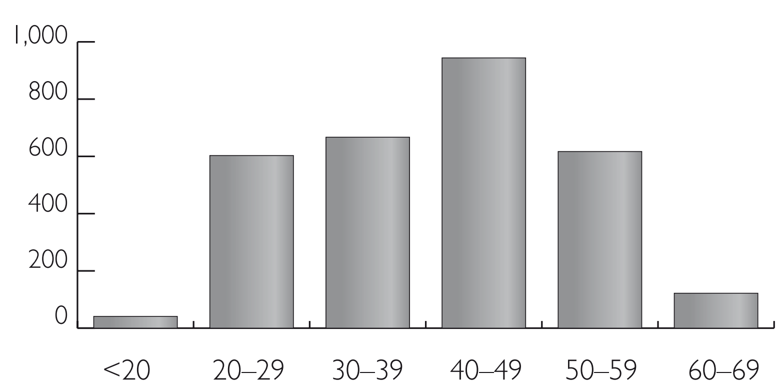
Women 44.3 %
Men 55.7 %

GENDER BREAKDOWN, LAND-BASED



Women 65.2 %
Men 34.8 %

AGE DISTRIBUTION




Technical Director Tony Öhman next to the stern ramp of the Viking XPRS.

Safety and security

Viking Line endeavours to provide safe, secure seagoing passenger services. The fundamental purpose of Viking Line's safety and security activities is to fulfil the requirements of such central international conventions as the International Safety Management (ISM) Code, the International Ship and Port Facility Security Code (ISPS), Safety of Life at Sea (SOLAS) and the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW 95). Safety and security training occurs regularly on the Company's vessels. Employees practise handling the lifesaving equipment and are drilled in fire extinguishing, evacuation and first aid in emergency situations. Viking Line also has a special safety and crisis management plan, which is constantly being updated and redeveloped. The plan is continuously tested by means of realistic drills, both on board and on land.

During fiscal 2007/2008, Viking Line continued and expanded its crisis management training. Key shipboard employees received in-depth training in management of passengers in critical situations. The launch of the Viking XPRS and the Rosella's change of route resulted in extensive crewing changing, which required well-planned safety and security training. This training was carried out with very good results. There was a special focus on training in marine evacuation systems. Late in the summer, the Company conducted a major exercise in which the employees on the Viking Cinderella were able to practice evacuation of passengers. The exercise was carried out in partnership with the Swedish Civil Defence organization, which had about 1,000 members on board at the time. Viking Line also conducted a number of joint exercises in collaboration with police authorities in Finland and in Sweden. During the autumn, the Company began its internal simulator training course. The course deals with bridge resource management, collaboration and search and rescue (SAR).

The environment

Viking Line endeavours to provide seagoing passenger services in an environmentally sound way. National legislation and international agreements are the basis for the Company's environmental work. Through a long-term, active commitment to the environment, the Company has developed environmental activities that extend beyond what is stipulated by the rules in force for passenger services on the Baltic Sea. Viking Line's environmental work focuses on its vessel operations, where the largest gains can be made when it comes to safeguarding our environment.

The Group's Head Office and all its vessels are certified in compliance with ISO 14001 environmental management standards. In addition, the Viking Line organization and all vessels are certified according to the International Safety Management (ISM) Code, which sets safety and pollution prevention standards.

LEGISLATION

Most regulations aimed at protecting the environment are international. The most extensive set of environmental protection regulations is the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78), which was devised by the International Maritime Organization (IMO), a United Nations agency.

ENERGY CONSUMPTION AND ATMOSPHERIC EMISSIONS

Viking Line's vessels use only low-sulphur fuel with a maximum sulphur content of 0.5 per cent by weight, in order to reduce sulphur dioxide (SOx) emissions. According to an annex to MARPOL 73/78, effective from May 19, 2006 the sulphur content of marine diesel oil and fuel oil may not exceed 1.5 per cent in the Baltic Sea.

Viking Line has implemented various programmes to

reduce nitrogen oxide emissions from its vessels. Catalytic cleansers have been installed on three of the Company's vessels and Humid Air Motor (HAM) technology on one vessel. Catalytic cleansers are being installed in the Company's newbuilding Viking ADCC.

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

DISCHARGES TO WATER

Viking Line vessels discharge neither waste nor bilge water into the sea. In order not to burden the Baltic Sea with nitrogen, phosphorus and oil, the Company's vessels pump all their wastewater ashore, including bilge water. Two main types of wastewater are formed on the vessels: grey water and black water. Black water is wastewater from toilets, and grey water comes from showers and other washing activity. Bilge water, which contains oil, originates in the engine rooms of vessels. MARPOL regulates management of black and bilge water. Discharge of black and bilge water into the sea is permitted when the water meets certain specified criteria. Discharges of grey water are not regulated by legislation.

SOLID WASTE MANAGEMENT

All solid wastes generated aboard Viking Line vessels are brought ashore for subsequent recycling, re-use, combustion, depositing in landfills, composting or other

	2007/2008	2006/2007
Passengers	6,171,273	5,695,343
Cars	521,393	460,938
Cargo units	96,017	91,333
Total distance (000 km)	1,125	1,140
Resource consumption (m^3)		
Fuel	119,301	114,145
Lubricating oil	817	815
Urea	1,423	680
Fresh water	379,705	359,178

Emissions (tonnes)	2007/2008	2006/2007
Nitrogen oxides (NO_x)	4,467	4,627
Sulphur oxides (SO_x)	1,105	962
Carbon dioxide (CO_2)	362,328	349,965
Residual products (tonnes)		
Solid waste for combustion	1,881	1,312
Waste sent to landfills	1,662	2,307
Waste for recycling	1,459	1,460
Biowaste	68	0
Hazardous waste	39	43
Wastewater pumped ashore (m^3)		
Grey and black water	346,855	336,614
Bilge water	10,353	10,318
Waste oil (m^3)	2,521	2,489

Stalkless barnacles (Balanidae) are a family of widely occurring crustaceans of the barnacle class that live attached permanently to rocks and other hard substrates in marine and brackish water environments. Stalkless barnacles that attach themselves to vessel hulls are a major problem for the owners of both commercial vessels and leisure boats, since these barnacles cause greater water resistance and thus higher fuel consumption.

waste management by an approved recipient. On the Viking XPRS, equipment has been installed to make efficient sorting and collection of biowastes possible. Similar equipment will be installed in the Company's newbuilding Viking ADCC.

OTHER ENVIRONMENTAL ASPECTS

Instead of using environmentally hazardous tin-based paints on the bottoms of vessels, their hulls are brushed by divers three times each year. Purchasing and use of chemicals are governed by internal environmental standards. A list of products approved for use at Viking Line is being compiled at Group level. Environmentally friendly alternatives are used as far as possible.

AUDITS

To ensure that Viking Line meets environmental certification standards, continuous internal audits of its operations are conducted. In addition, Det Norske Veritas – an independent certification body – performs yearly external audits of the environmental management system in order to verify compliance with the established objectives. In addition, the maritime administrations of Sweden and Finland perform continuous ISM Code-related audits concerning both environmental and safety functions.

The Gabriella's hull being brushed in December 2008.

Instead of using environmentally hazardous tin-based paints on the bottoms of vessels, their hulls are brushed by divers three times each year.

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; Viking Line Finnlandverkehr GmbH and Sundqvist Buss Ab belong to the Viking Line Group. Viking Line Abp applies the Helsinki Stock Exchange's recommendation for corporate governance.

ANNUAL SHAREHOLDERS' MEETING

Viking Line Abp is a public limited company domiciled in Finland, which is governed by the Finnish Companies Act and the Company's Articles of Association. In compliance with the Companies Act, the annual shareholders' meeting is the highest decision-making body of the Company, where the owners exercise their influence.

All Viking Line Abp shares constitute one series, in which all shares are of equal value. Each share is represented by one vote when voting on motions and candidates at shareholders' meetings. However, no shareholder may vote on behalf of more than 1/4 of the shares represented at a shareholders' meeting. On October 31, 2008, Viking Line Abp had 2,325 registered shareholders.

The annual shareholders' meeting decides on such matters as the adoption of the financial statements for the preceding fiscal year, the distribution of the Company's profit or loss and discharge of the Board of Directors as well as the Managing Director and Chief Executive from liability for that year. The meeting also elects Board members and auditors, as well as deciding on their fees.

In accordance with the Articles of Association, the annual shareholders' meeting is held in Mariehamn before the end of April. The latest such meeting took place on February 6, 2008. Information from this meeting is available on the Company's web sites in Swedish and Finnish. The next annual shareholders' meeting will be held on February 11, 2009.

The invitation to the annual shareholders' meeting occurs through an announcement that appears in a newspaper published in the Company's place of domicile. This invitation is also published on the Company's web sites. The invitation shall be issued no earlier than two months and no later than one week before the final date when shareholders may notify the Company of their intention to participate in the meeting.

In addition to disclosing the items of business that will be discussed at the meeting, the invitation shall contain the names of candidates for service on the Board of Directors that have been communicated to the Board, provided that these candidates have been nominated by the Board or by shareholders representing at least 10 per cent of the shares and that they have agreed to serve on the Board. The invitation shall also state the name of any proposed auditor.

The Managing Director and Chief Executive, the Chairman of the Board, a majority of Board members as well as any individuals who are first-time candidates for service as members of the Board shall be present at the annual shareholders' meeting.

Further information about the annual shareholders' meeting, as well as the Company's Articles of Association, are available on the Company's web sites in Swedish and Finnish.

THE BOARD OF DIRECTORS

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 consists of the Chairman and six members as well as three deputy members. The Chairman, members and deputy members are elected by the annual shareholders' meeting for the period until the end of the next annual shareholders' meeting. In case the Chairman or a member of the Board will be absent, he or she has the primary responsibility for nominating the deputy who will be summoned in his/her place. The Board has not appointed any committees.

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 Chief Executive and the other members of Group Management, approves the Company's strategic goals and risk management principles and ensures that the management system is functioning. The Board establishes the Company's values, which are observed in its operations.

At its statutory meeting after the annual shareholders' meeting, the Board of Directors adopts rules of procedure for the fiscal year. These rules of procedure shall contain information about indicative dates for:

- discussion of vision and strategy,
- discussion of accounts and interim reports,
- discussion of audit reports,
- discussion of the Group's budget and plan of operations,
- discussion of the generation change in the Group's management,
- appointment of any Board committees and
- evaluation of the work of the Board.

In addition, as appropriate, the Board deals with:

- other items of business which are incumbent on the Board according to the Companies Act and the Articles of Association,
- significant investments and divestments as well as
- other items of business submitted by the operational management or by individual Board members.

At each Board meeting, the Managing Director and Chief Executive provides information about the Company's operations. In addition, the Board continuously receives information in the form of regular reports and the minutes of Group Management meetings. The Company's chief legal counsel serves as secretary of the Board.

The Board meets regularly once a month. A notice of each meeting and supporting documents for the decisions to be made are provided to the Board members well in advance, at least three days beforehand unless there are important reasons for doing otherwise. During the fiscal year 2007/2008, the Board held 11 meetings. Average participation at these meetings was 100 per cent.

MANAGING DIRECTOR AND CHIEF EXECUTIVE

The Managing Director and Chief Executive is appointed and dismissed by the Board of Directors. The terms of his employment relationship are established in a written con-

tract that is approved by the Board. The Managing Director and Chief Executive may be elected to the Board, but not as its Chairman. The Company's Managing Director and Chief Executive since 1990 has been Nils-Erik Eklund.

GROUP MANAGEMENT

In addition to the Managing Director and Chief Executive, the Board also appoints the Deputy Chief Executive and the other members of Group Management. Under the leadership of the Managing Director and Chief Executive, Group Management is responsible for directing the Company's operating activities as well as strategic and financial planning. Group Management meets regularly once a month.

PRINCIPLES FOR COMPENSATION TO THE BOARD AND GROUP MANAGEMENT

Fees adopted by the annual shareholders' meeting are paid as compensation for the work of the Board. The following fees were paid in compliance with the decision of the annual shareholders' meeting:

EUR	2007/2008	2006/2007
Annual fee, Chairman of the Board	20,000	16,000
Annual fee, other regular Board members	17,000	14,000
Fee per meeting attended, Board and deputy members	350	350

For the fiscal year 2007/2008, a total of EUR 149,000 in Board fees (2006/2007: 134,000) was disbursed.

As compensation for his work, the Managing Director and Chief Executive is paid a monthly salary that is reviewed by the Board yearly. During the 2007/2008 fiscal year, the Managing Director and Chief Executive received a total of EUR 202,000 (2006/2007: 170,000) in salary plus meal and telephone benefits.

The Managing Director and Chief Executive is subject to the terms of the Finnish public pension system. The Board of Viking Line Abp and Nils-Erik Eklund have agreed that Mr Eklund will step down from his position as Managing Director and Chief Executive at the annual shareholders' meeting early in 2010. No individual agreements regarding compensation due to dismissal have been concluded, either for the Board of Directors, members of Group Management or other employees. The Company has no share-based incentive systems.

Further information about compensation to the Group's key individuals in leading positions can be found in the consolidated financial statements, Note 24.

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. The Auditors examine the Group's accounts, financial statements, Report of the Directors and administration. After completion of this examination, the Board receives a review report and an Auditors' Report is submitted to the annual shareholders' meeting.

The Company's Auditors are:

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

Erika Sjölund, Authorized Public Accountant (GRM)
Hermans & Revisorernas Ab
The Company's Auditor since 2008

Sven-Harry Boman, Authorized Public Accountant (CGR), and Sixten Söderström, Authorized Public Accountant (GRM), serve as Deputy Auditors.

Auditors' fees are adopted by the annual shareholders' meeting. According to the decision in force, fees are paid according to regular invoices. The Group's auditing expenses amounted to EUR 109,000 during 2007/2008 (2006/2007: 122,000), of which EUR 75,000 (EUR 84,000 during 2006/2007) was related to the parent company. The expenses of other consulting services by the Auditors as well as their auditing firms were EUR 7,000 during 2007/2008 (2006/2007: 9,000).

INTERNAL MONITORING AND RISK MANAGEMENT

The objective of the internal monitoring for which the Board of Directors and the operative management are responsible is to ensure efficient, profitable operations, reliable information and compliance with regulations and business principles. Risk management is an integral element of the Group's controls and monitoring of operations. Risks in operating activities are discussed in the Report of the Directors, and management of financial risks is dealt with in the consolidated financial statements, Note 25.

The Board of Directors continuously monitors the Group's trend of earnings and its financial position by means of the internal reporting system. The internal control system consists of detailed internal accounts, which are reconciled with the business accounts. The Group's financing and liquidity situation are assessed continuously.

The outside Auditors continuously evaluate the internal control system in their review reports to the Board.

INSIDERS

Viking Line applies the provisions of the Securities Market Act on insider information as well as the insider regulations of the Helsinki Stock Exchange. Responsibility for this rests with the Company's legal affairs department. Among Viking Line insiders, according to Chapter 5, Section 3 of the Securities Market Act, are the Board of Directors, the Managing Director and Chief Executive as well as his deputy, plus individuals in top management who regularly receive insider information and who are entitled to make decisions concerning the Company's future development and organization of operating activities. In addition to the public register of insiders who are obligated to declare their holdings, Viking Line also maintains an internal company insider register, which includes all individuals in the service of the Company who, due to their position or their tasks, regularly receive insider information. Viking Line's web sites provides links to the Company's public insider register, which shows in Swedish and Finnish the individuals who are listed in the register as well as their current holdings in Viking Line shares and those of their relatives.

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

THE BOARD OF DIRECTORS

Ben Lundqvist
Managing Director, Ångfartygs Ab Alfa,
Rederi Ab Hildegaard and Lundqvist
Rederierna Ab
Born in 1943
Chairman of the Board since 1995
Board member since 1978

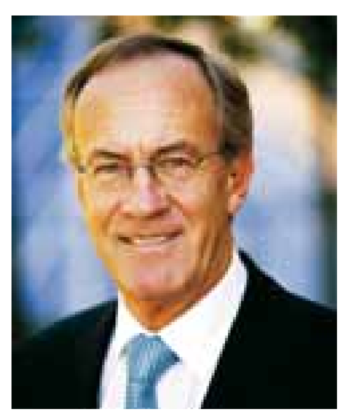
Carita Blomsterlund
Deputy Managing Director, Ab Rafael
Born in 1946
Board member since 1997

Nils-Erik Eklund
Managing Director and Chief Executive,
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

Agneta Karlsson
Doctor of Economics
Associate Professor
Born in 1954
Board member since 2006

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



Lars G Nordström
President and CEO, Posten AB (publ)
Born in 1943
Board member since 2006

The deputy members of the Board are Trygve Eriksson, Stefan Lundqvist and Airi Sundman.
Further information about the members of the Board is available in Swedish and Finnish on the Company's web sites.

GROUP MANAGEMENT

Nils-Erik Eklund
Managing Director and Chief Executive since 1990
Born in 1946
Joined the Company in 1974

Jan Hanses
Deputy Chief Executive from November 1, 2008
Deputy Managing Director since 2005
Human Resources and Legal Affairs Director
Born in 1961
Joined the Company in 1988

Kent Nyström
Deputy Chief Executive until October 31, 2008
Deputy Managing Director since 1990
Finance Director
Born in 1948
Joined the Company in 1986

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

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

Risto Peltola
Member of Group Management until October 31, 2008
Marketing Director, Finland and outside Scandinavia
Born in 1948
Joined the Company in 1973

Further information about Group Management is available in Swedish and Finnish on the Company's web sites.

This oval panorama window is a distinguishing feature of the Viking XPRS.

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Report of the Directors

SALES AND EARNINGS

Consolidated sales of the Viking Line Group during the period November 1, 2007 – October 31, 2008 rose to 475.39 million euros (fiscal 2006/2007: EUR 436.02 M). Operating income decreased by EUR 9.54 M to EUR 23.26 M (32.80). Net financial items were EUR -3.46 M (0.98). Consolidated income before taxes amounted to EUR 19.80 M (33.78). Income after taxes was EUR 14.76 M (24.84).

Consolidated sales increased by 9.0 per cent as a consequence of a larger number of passengers and better revenue per passenger. Passenger-related revenue increased by 9.3 per cent to EUR 441.73 M, and cargo revenue rose by 7.6 per cent to EUR 29.16 M.

Fuel expenses increased by 52.0 per cent to EUR 48.86 M, primarily due to substantially higher bunker prices. Employee expenses rose by EUR 6.23 M, mainly as a consequence of salary adjustments according to collective agreements. Depreciation increased by EUR 5.70 M. Introductory and equipment expenses due to the placement in service of the Viking XPRS were charged in their entirety to Group earnings, even though the vessel operated for only six months during the fiscal year because of delayed delivery. Total consolidated operating expenses rose by 12.6 per cent to EUR 454.60 M.

The chapter "Five-year financial review" presents information about the Group's financial position and earnings over a five-year period.

SERVICES AND MARKET TRENDS

The Viking Line Group provides passenger and cargo carrier services, using seven vessels on the northern Baltic Sea. The Group's vessels served the same routes as during fiscal 2006/2007. On April 28, 2008 the newbuilding Viking XPRS began service on the Helsinki (Finland)–Tallinn (Estonia) route. The Viking XPRS replaced the Rosella, which underwent dry-docking and refurbishing, then moved to the Mariehamn (Åland Islands, Finland)–Kapellskär (Sweden) route. The Rosella began service on May 30, 2008, replacing the Ålandsfärjan on the route. The Rosella will serve the Mariehamn–Kapellskär route until around the end of 2009, when Viking Line's newbuilding is delivered from Spain.

On April 21, the Viking XPRS was handed over to Viking Line Abp by the Aker Yards shipyard in Helsinki. On April 24, the vessel was registered in the Swedish ship registry and bareboat-chartered from the same date by the subsidiary Viking Rederi AB.

On May 20, the Rosella was registered in the Swedish ship registry and bareboat-chartered from the same date by the subsidiary Viking Rederi AB.

The number of passengers on Viking Line vessels totalled 6,171,273 during fiscal 2007/2008, which was 8.4 per cent higher than in 2006/2007. Most of the volume increase was achieved during the last six months of fiscal 2007/2008 because the newly built Viking XPRS had been placed in service on the Helsinki–Tallinn route. This also enabled a strong volume increase on the Mariehamn–Kapellskär route after the Rosella was moved to this route. Viking Line's cargo volume increased by 5.1 per cent to 96,017 cargo units.

During fiscal 2007/2008, Viking Line strengthened its market share on the Turku (Finland)–Mariehamn–Stockholm (Sweden) route by 2.9 percentage points to 55.0 per cent and on the Helsinki–Mariehamn–Stockholm route by 0.8 percentage points to 47.4 per cent. On the Helsinki–Tallinn route, market share increased by 2.7 percentage points to 21.8 per cent. In cruise services between Stockholm and Mariehamn, Viking Line's market share increased by 1.6 percentage points to 51.4 per cent, while its market share for service on the short route over the Sea of Åland between Sweden and the Åland Islands strengthened by 8.9 percentage points to 39.6 per cent. The Group thus had a total market share in its service area of 38.9 per cent.

INVESTMENTS AND FINANCING

In May the wholly owned subsidiary Viking Rederi AB signed an agreement with G.A.P Shipping Co Ltd, Barbados, on the sale of the company's vessel M/S Ålandsfärjan, built in 1972. The vessel was handed over to the buyer on June 27, 2008. The sales price was EUR 2.6 M.

On June 6, 2008 the minority owner's shares in Sundqvist Buss Ab were acquired. Viking Line Abp thus owns 100 per cent of the company. The acquisition has no substantial impact on the Group's earnings or financial position.

The Group's investments totalled EUR 148.12 M (26.37), of which EUR 124.36 M consisted of final payments for Viking XPRS and advance payments for the vessel ordered from the shipyard Astilleros de Sevilla, S.A. in Spain. This vessel will be delivered around the end of 2009 for service on the Mariehamn–Kapellskär route. The vessel will initially be bareboat chartered from the Spanish company Navire Gabio A.I.E. Ownership of the vessel will be transferred to Viking Line two years after its delivery.

On October 31, 2008 the Group's non-current interest-bearing liabilities amounted to EUR 108.98 M (4.52). The equity/assets ratio was 42.8 per cent, compared to 61.7 per cent a year earlier.

At the close of fiscal 2007/2008, the Group's cash and cash equivalents amounted to EUR 30.62 M (42.53). These funds were invested in short-term deposit accounts. Net cash flow from operating activities amounted to EUR 31.17 M (37.84).

RISKS IN BUSINESS OPERATIONS

The market for cruises and ferry services in the Baltic Sea is stable but subject to tough and increasing competition. Political decisions may change Viking Line's operating conditions, with potentially adverse consequences to its business operations. Åland's special tax status, which makes duty- and tax-free sales possible on services to and from Åland, is nevertheless permanent. The European Commission's guidelines for the promotion of seafaring, which makes the net salary system for shipboard employees possible, will be in force until 2011. There is currently no indication that the Commission may intend to change the guidelines.

The Group's business operations are dependent on functioning logistics and computer systems. Disruptions in traffic or data communications may have an adverse impact on the Group's earnings. Viking Line endeavours to minimize the risk of lengthy unplanned service interruptions by means of well-developed safety and security systems, adequate training and regular drills. Risks in information management are minimized by developing appropriate security systems and alternative working methods as well as efforts to ensure the reliability of computer systems.

The Group's vessels are recognized in the balance sheet at a carrying amount of EUR 254.04 M (126.45). The vessels have hull and machinery and increased value insurance totalling EUR 488.50 M (331.75). In addition, all vessels have strike insurance and protection and indemnity (P&I) insurance.

Fluctuations in bunker prices have a direct impact on the Group's earnings. The Group is also exposed to various financial risks, among them fluctuations in currency exchange rates. Revenue is generated in euros and Swedish kronor. Most operational influx of cash and cash equivalents consists of euros. Prices of goods for sale and bunker oil are affected by foreign currencies, especially the US dollar. The Group endeavours to maintain good liquidity in order to be prepared to deal with adverse changes in operational cash flow.

As part of the financing of the Company's two newbuildings, Viking Line increased its interest-bearing liabilities during fiscal 2007/2008. This changed the capital structure of the Group. Interest rate and liquidity risks increased. The new non-current loan is in euros, has an adjustable interest rate and runs for 14 years. For the financing of the new vessel that was ordered from Astilleros de Sevilla, S.A. in Spain, there are committed credit agreements. Unutilized credit limits amount to EUR 60 M. Some of the loans are tied to loan conditions that include equity-asset ratio requirements. If these conditions are not fulfilled, the lenders may require early repayment.

Further information about financial risk management can be found in Note 25 to the consolidated financial statements.

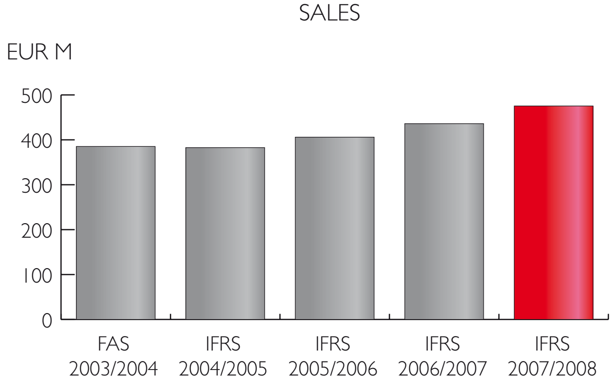
THE ENVIRONMENT, SAFETY AND SECURITY

Viking Line endeavours to provide safe and secure seagoing passenger services in an environmentally sound way. National legislation and international agreements are the basis for the Company's environmental work. Through a long-term, active commitment to the environment, the Company has developed environmental activities that extend beyond what is stipulated by the rules in force for passenger services on the Baltic Sea. Viking Line's environmental work focuses on its vessel operations, where the largest gains can be made when it comes to safeguarding our environment.

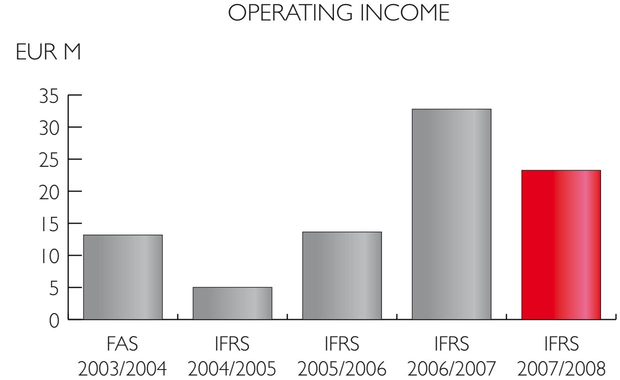
The Group's Head Office and all its vessels are certified in compliance with ISO 14001 environmental management standards. In addition, the Viking Line organization and all vessels are certified according to the International Safety Management (ISM) Code, which sets safety and pollution prevention standards.

The fundamental purpose of Viking Line's safety and security activities is to fulfil the requirements of such central international conventions as the International Safety Management (ISM) Code, the International Ship and Port Facility Security Code (ISPS), Safety of Life at Sea (SOLAS) and the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW 95). Safety and security training occurs regularly on the Company's vessels. Employees practise handling the lifesaving equipment and are drilled in fire extinguishing, evacuation and first aid in emergency situations. Viking Line also has a special safety and crisis management plan, which is constantly being updated and redeveloped. The plan is continuously tested by means of realistic drills, both on board and on land.

SALES



OPERATING INCOME



FINANCIAL REPORTING

When the Viking XPRS was placed in service, the depreciation principles for new vessels were adjusted. The hull, engine and other long-term component parts will be depreciated on a straight-line basis over 25 years, while short-term component parts will be depreciated on a straight-line basis over 15 years.

Since the system of government restitution of shipboard employees' taxes and social security contributions was not permanent in Finland, the Company previously chose not to take into account any future restitution related to holiday and compensation liability for shipboard employees on the Group's Finnish-registered vessels. This accounting practice has been changed now that the restitution system in Finland has no expiration date. The restitution of taxes and social security contributions that were included in holiday pay liability on January 31, 2008 and that will be received in the future has been estimated at EUR 3.17 M. To minimize the effect on comparability of this change in accounting practices, one fourth (EUR 0.79 M) was recognized as a reduction in employee expenses each quarter during fiscal 2007/2008.

ORGANIZATION AND PERSONNEL

During 2007/2008 the average number of employees in the Viking Line Group was 2,994. This represented an increase compared to the previous year (2,911). Of the total number of employees, 2,473 (2,449) resided in Finland, including 661 (645) in Åland. The number residing in Sweden was 440 (396). There were 7 (7) employees residing in Germany and 74 (59) in Estonia.

Most of Viking Line's employees work aboard its vessels. Shipboard personnel totalled 2,232 (2,178) and land-based personnel 762 (733).

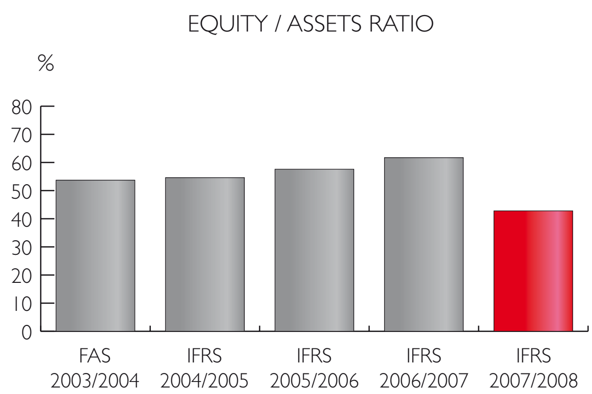
Viking Line Abp has no foreign branches. Foreign subsidiaries are listed in Note 24 to the consolidated financial statements.

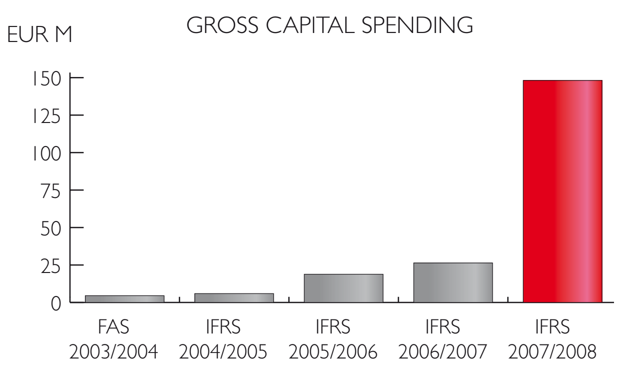
BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

The Board of Directors consists of Ben Lundqvist, Chairman; Carita Blomsterlund, Nils-Erik Eklund, Erik Grönberg, Agneta Karlsson, Dick Lundqvist and Lars G Nordström. The deputies to the members of the Board are Trygve Eriksson, Stefan Lundqvist and Airi Sundman.

The Managing Director and Chief Executive of the Company is Nils-Erik Eklund. Kent Nyström served as Deputy Chief Executive until October 31, 2008. On November 1, 2008, Jan Hanses assumed the position of Deputy Chief Executive.

The Board of Viking Line Abp and Nils-Erik Eklund have agreed that Mr Eklund will step down from his position as Managing Director and Chief Executive at the annual





shareholders' meeting early in 2010. Mr Eklund will then be 63 years old and will have served as Managing Director and Chief Executive for a period of 20 years. The Board of Directors has begun the recruitment process for his successor in this position.

Leif Hermans, Authorized Public Accountant (CGR) and Erika Sjölund, Authorized Public Accountant (GRM), are regular Auditors. Sven-Harry Boman, Authorized Public Accountant (CGR) and Sixten Söderström, Authorized Public Accountant (GRM), serve as Deputy Auditors.

The Group has no loan arrangements, guarantees, contingent liabilities provided/received or other liabilities associated with related parties. No individual agreements regarding compensation due to dismissal have been concluded, either for the Board of Directors, members of Group Management or other employees. Additional information about related party transactions can be found in Note 24 to the consolidated financial statements. Information on the Company's corporate governance is available in Swedish and Finnish on the Company's web sites.

SHARES

All of Viking Line Abp's 10,800,000 shares constitute one series, in which all shares are of equal value. Each share is equivalent to one vote on motions and candidates at shareholders' meetings. The Company has not issued any warrants or bonds. The Board of Directors has not requested authorization from a shareholders' meeting to change the share capital, to issue warrants or bonds or to acquire the Company's own shares. The Company and its subsidiaries do not own any of their own shares. More information about Viking Line shares can be found in the chapter "Share data".

OUTLOOK FOR 2009

Competition in Viking Line's service area will increase further during the fiscal year 2008/2009. Viking Line has strengthened its long-term competitiveness by investing sizeable sums in measures that boost the standards and quality of its fleet. The task of introducing new shipboard restaurant concepts and raising the standards of passenger cabins will be completed during 2008/2009, and the newbuilding Viking XPRS will be in service throughout the fiscal year. This will enable Viking Line to remain a successful market player in ferry services on the northern Baltic Sea.

Since the Viking XPRS and the Rosella will now be in service throughout the fiscal year on the Helsinki–Tallinn and Mariehamn–Kapellskär routes, respectively, this will result in volume growth. Net sales revenue per passenger are not expected to increase significantly, however, among other things due to the prevailing global financial turmoil and its adverse impact on purchasing power. Having placed the Viking XPRS in service and increased its debt, the Group will have higher depreciation and interest expenses than in 2007/2008.

In addition to the above-mentioned circumstances, bunker prices have a crucial and direct impact on the Group's earnings. To the extent that the now-prevailing bunker price level persists during the fiscal year, fiscal 2008/2009 earnings are expected to be at the level of 2007/2008 earnings.

THE BOARD'S PROPOSAL ON DISTRIBUTION OF EARNINGS

According to the balance sheet of Viking Line Abp on October 31, 2008, unrestricted equity totalled EUR 68,449,515.52.

The Board of Directors proposes to the annual shareholders' meeting that:

A dividend of EUR 1.00 per share shall be paid, totalling	EUR 10,800,000.00
Remaining unrestricted equity	EUR 57,649,515.52

Consolidated income statement

EUR M	NOTE	NOV. 1, 2007– OCT. 31, 2008	NOV. 1, 2006– OCT. 31, 2007
SALES	2	**475.39**	**436.02**
Other operating revenue	3	2.46	0.49
Expenses			
Goods and services	4	131.55	120.30
Employee expenses	5	106.16	99.93
Depreciation and impairment losses	6	24.63	18.93
Other operating expenses	7	192.25	164.56
		454.60	403.72
OPERATING INCOME		**23.26**	**32.80**
Financial income	8	1.76	2.83
Financial expenses	8	-5.22	-1.85
INCOME BEFORE TAXES		**19.80**	**33.78**
Income taxes	9	-5.04	-8.93
INCOME FOR THE PERIOD		**14.76**	**24.84**
Attributable to:			
Parent company shareholders		14.76	24.84
Minority interest		-	0.00
Earnings per share, EUR	10	1.37	2.30

Consolidated balance sheet

EUR M	NOTE	OCT. 31, 2008	OCT. 31, 2007
ASSETS			
Non-current assets			
Intangible assets	11	0.63	0.68
Land	12	1.10	1.10
Buildings and structures	12	5.38	5.71
Renovation costs for rented properties	12	0.54	0.30
Vessels	12	254.04	126.45
Machinery and equipment	12	5.63	4.45
Advance payments	12	28.60	34.54
Financial assets	13	0.07	0.07
Receivables	14	0.03	0.03
Total non-current assets		**296.02**	**173.33**
Current assets			
Inventories	15	10.79	9.61
Income tax assets		5.05	0.01
Trade and other receivables	16	37.86	31.86
Cash and cash equivalents	17	30.62	42.53
Total current assets		**84.31**	**84.02**
TOTAL ASSETS		**380.33**	**257.35**
EQUITY AND LIABILITIES			
Equity	18		
Share capital		1.82	1.82
Reserves		0.02	0.02
Translation differences		-0.10	0.02
Retained earnings		160.86	156.80
Equity attributable to parent company shareholders		162.60	158.65
Minority interest		-	0.04
Total equity		**162.60**	**158.69**
Non-current liabilities			
Deferred tax liabilities	19	32.50	27.65
Interest-bearing liabilities	20	108.98	4.52
Total non-current liabilities		**141.48**	**32.17**
Current liabilities			
Interest-bearing liabilities	20	10.88	2.23
Income tax liabilities		0.01	5.47
Trade and other payables	21	65.37	58.79
Total current liabilities		**76.25**	**66.48**
Total liabilities		**217.73**	**98.66**
TOTAL EQUITY AND LIABILITIES		**380.33**	**257.35**

Consolidated cash flow statement

EUR M	NOV. 1, 2007–OCT. 31, 2008	NOV. 1, 2006–OCT. 31, 2007
OPERATING ACTIVITIES		
Income for the period	14.76	24.84
Adjustments		
Depreciation and impairment losses	24.63	18.93
Other items not included in cash flow	-1.98	-0.05
Interest expenses and other financial expenses	4.02	0.70
Interest income and other financial income	-1.21	-1.44
Dividend income	0.00	0.00
Income taxes	5.04	8.93
Change in working capital		
Change in trade and other receivables	-6.04	-9.36
Change in inventories	-1.18	-1.31
Change in trade and other payables	6.57	5.26
Interest paid	-3.64	-0.53
Financial expenses paid	-0.35	-0.19
Interest received	1.12	1.27
Financial income received	0.14	0.14
Taxes paid	-10.69	-9.35
NET CASH FLOW FROM OPERATING ACTIVITIES	**31.17**	**37.84**
INVESTING ACTIVITIES		
Investments in vessels	-122.15	-4.08
Investments in other property, plant and equipment	-3.58	-1.22
Advance payments	-22.31	-21.07
Acquisition of minority interest	-0.08	-
Divestments of vessels	2.63	-
Divestments of other property, plant and equipment	0.09	0.03
Divestments of financial assets	-	0.00
Dividends received	0.00	0.00
NET CASH FLOW FROM INVESTING ACTIVITIES	**-145.39**	**-26.34**
FINANCING ACTIVITIES		
Increase in non-current liabilities	115.34	-
Amortization of non-current liabilities	-2.23	-8.94
Change in non-current receivables	0.00	-0.01
Dividends paid	-10.80	-5.94
NET CASH FLOW FROM FINANCING ACTIVITIES	**102.31**	**-14.89**
CHANGE IN CASH AND CASH EQUIVALENTS	**-11.92**	**-3.39**
Cash and cash equivalents at beginning of period	42.53	45.93
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**30.62**	**42.53**

Statement of changes in consolidated equity

EUR M	Share capital	Reserves	Translation differences	Retained earnings	Total	Minority interest	Total equity
	Equity attributable to parent company shareholders						
Equity, Nov. 1, 2006	**1.82**	**0.02**	**-0.02**	**137.91**	**139.73**	**0.03**	**139.76**
Translation differences		0.00	0.04	-0.01	0.02	0.00	0.02
Dividend to shareholders				-5.94	-5.94		-5.94
Income for the period				24.84	24.84	0.00	24.84
Equity, Oct. 31, 2007	**1.82**	**0.02**	**0.02**	**156.80**	**158.65**	**0.04**	**158.69**
Translation differences		0.00	-0.12	0.10	-0.01		-0.01
Dividend to shareholders				-10.80	-10.80		-10.80
Acquisition of minority interest					-	-0.04	-0.04
Income for the period				14.76	14.76		14.76
Equity, Oct. 31, 2008	**1.82**	**0.02**	**0.02**	**160.86**	**162.60**	**-**	**162.60**

Notes to the consolidated financial statements

1. ACCOUNTING PRINCIPLES

Company information

The Viking Line Group provides passenger and cargo carrier services in the northern Baltic Sea traffic area, with the Finnish mainland, Sweden, the Åland Islands (a Swedish-speaking province of Finland) and the Baltic countries as its main markets. The Group also includes the Park Alandia Hotell and Sundqvist Buss Ab. The parent company of the Group is Viking Line Abp, domiciled in Mariehamn, Åland. The shares of the parent company are listed on the Helsinki Stock Exchange. The registered address of the Head Office is Norragatan 4, AX-22100 Mariehamn, Åland, Finland. The financial statements are available on www.vikingline.fi and at the Group's Head Office.

These financial statements were approved for publication and signed by the Board of Directors on December 17, 2008 and will be submitted to the annual shareholders' meeting for adoption.

General principles

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRSs). In drafting it, the International Accounting Standards (IASs) and IFRSs as well as the interpretations of the Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) that were in force on October 31, 2008 have been applied. In the Finnish Accounting Act and in the regulations issued on the basis of this Act, "IFRSs" refers to standards that have been adopted for application in the Community in compliance with the acts of the European Parliament and the European Council.

During 2007/2008, the Group began to apply the revised IAS 1, "Presentation of financial statements", and IFRS 7, "Financial instruments: Disclosures". The application of these standards has increased the note information in the consolidated financial statements. Other changes in IASs, IFRSs and IFRIC interpretations that entered into force during the fiscal year have no substantial impact on the consolidated financial statements.

The consolidated financial statements have been prepared on the basis of original costs unless otherwise stated in the accounting principles or notes below.

Estimates and judgments

In preparing the consolidated financial statements in compliance with IFRS, the Management of the Company must make judgments and estimates about the future that affect the reported amounts for assets and liabilities, revenue and expenses as well as other information. The actual outcome may deviate from the estimates and judgments that have been made. Future events may change the basis for estimates and judgments.

The most important area involving judgments is the valuation of the Group's vessels. If the Group's estimates of the residual value or useful life of its vessels change, this affects the size of depreciation, which in turn affects earnings.

Principles of consolidation

The consolidated financial statements encompass the parent company, Viking Line Abp, and all its subsidiaries. The financial statements of Group companies encompass the period November 1, 2007 – October 31, 2008.

Subsidiaries are reported according to the purchase method of accounting. This means that all assets that have been acquired, liabilities that have been taken over and contingent liabilities are recognized at fair values on the date the business was acquired. The difference between the cost of shares in subsidiaries and the fair value of assets acquired, liabilities taken over and contingent liabilities comprises Group goodwill. In accordance with the exemption permitted by IFRS 1, IFRS 3 has not been applied to acquisitions of companies that occurred before the transition to IFRS. These have been reported as previously in compliance with Finnish generally accepted accounting principles (GAAP).

During 2007/2008 Viking Line Abp acquired the minority owner's shares (7 per cent) in Sundqvist Buss Ab, making it the 100 per cent owner of this company. Minority interest on October 31, 2007 is reported as a separate item in the Group's equity and the profit for the period is allocated to the parent company's shareholders and minority owners of subsidiaries.

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

Items in foreign currencies

The consolidated financial statements have been prepared in euros, which is the parent company's functional currency and financial reporting currency. When rounding off items to the nearest EUR 1,000,000, rounding-off differences of EUR +/– 0.01 M have occurred.

Monetary items in foreign currencies have been translated to euros according to the exchange rates prevailing on the balance sheet date, while non-monetary items have been translated according to the exchange rate on the transaction date. Exchange rate differences that have arisen from translation are recognized in the income statement.

The income statements of foreign subsidiaries have been translated to euros according to monthly middle rates, while their balance sheets have been translated at the exchange rates on the balance sheet date. Exchange rate differences that have arisen from translation are recognized in equity. Translation differences that arose after the transition to IFRS are recognized as a separate balance sheet item under equity.

Goodwill and other intangible assets

Intangible assets are recognized in the balance sheet when (1) an identifiable non-monetary asset without physical substance exists, (2) it is probable that the future economic benefits attributable to the asset will flow to the company and (3) the cost of the asset can be reliably measured.

Goodwill represents the portion of cost that exceeds the Group's share of the fair value of the net assets on the acquisition date of a subsidiary acquired after November 1, 2004. Goodwill for acquisitions that occurred before November 1, 2004 is equivalent to the carrying amount in compliance with Finnish GAAP and has been used as the presumed cost. Goodwill is tested every year to determine any need to recognize impairment losses.

During 2007/2008 Viking Line Abp acquired the minority owner's shares (7 per cent) in Sundqvist Buss Ab, making it the 100 per cent owner of this company. On the basis of the impairment test carried out for 2007/2008, the goodwill value of the newly acquired shares in Sundqvist Buss Ab has been recognized in its entirety as an impairment loss.

Other intangible assets mainly comprise software licences. These are recognized at their original cost and are amortized on a straight-line basis during their estimated useful economic life of 5 years.

Research and development concerning vessel technology are mainly carried out by manufacturers. The Group has no actual research and development expenditures.

Property, plant and equipment

Property, plant and equipment are recognized at historical cost less accumulated depreciation and any impairment loss. The residual values and estimated useful life of the assets are examined yearly and are adjusted if they deviate substantially from previous values.

The Group's vessels comprise most of its property, plant and equipment. For vessels, an estimated residual value at the end of their useful life is taken into account in calculating depreciation. The vessels are divided into component parts. Depreciation occurs mainly on a straight-line basis over the expected useful life of the parts. When the Viking XPRS was placed in service, the depreciation principles for new vessels were adjusted. The hull, engine and other long-term component parts are depreciated on a straight-line basis over 25 years, while short-term component parts are depreciated on a straight-line basis over 15 years. Normal expenditures for repairs and maintenance are expensed on a current basis. Expenditures for large-scale renovation projects are capitalized in the balance sheet if it is likely that the future economic benefits associated with the project will flow to the Group. These renovation projects are depreciated together with the asset to which the work is attributable, over its remaining useful life. Borrowing costs related to advance payments attributable to vessels not yet delivered are capitalized.

Capitalized renovation costs for rented properties are depreciated on a straight-line basis. Other property, plant and equipment are depreciated on a declining balance basis. Land is not depreciated.

Depreciation for property, plant and equipment is calculated according to the following principles:

Vessels	20–25 years, straight-line
Vessels, short-term component parts	15 years, straight-line
Vessel dry-docking expenses	2–3 years, straight-line
Vessels, machinery and equipment	25% of remaining expenditure
Buildings	4–7% of remaining expenditure
Structures	20–25% of remaining expenditure
Renovation costs for rented properties	5–10 years, straight-line
Machinery and equipment	25% of remaining expenditure

Gains or losses on the sale or transfer of property, plant and equipment are recognized in the income statement.

Impairment losses

The recognized values of asset items are tested regularly to discover any external or internal indications of impairment. If such indications are observed for any asset item, its recoverable amount is estimated. Regardless of whether there is any indication of diminished value, the recoverable amount is determined annually on goodwill and intangible assets with indefinite useful lives.

The recoverable amount of intangible and tangible assets refers to their fair value minus costs to sell or value in use, whichever is higher. When estimating value in use, future cash flows are discounted to their present value on the basis of the discount rates that describe the average pre-tax capital costs of the asset in question.

An impairment loss is recognized in the income statement if the carrying amount of the asset item exceeds its recoverable amount.

An impairment loss attributable to tangible and intangible non-current assets, except for goodwill, is reversed if a change has occurred in the values used in determining the recoverable amount of the asset item. The impairment loss is reversed to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that the asset would have had if no impairment loss had been recognized, taking into account the depreciation that would then have been carried out.

On the basis of the impairment test carried out for 2007/2008, the goodwill value of the newly acquired shares in Sundqvist Buss Ab has been recognized in its entirety as an impairment loss. Otherwise during the fiscal year 2007/2008 there were no indications of impairment.

Financial assets and liabilities

According to IAS 39, financial assets are classified in the following categories: 1) financial assets recognized at fair value via the income statement, 2) held-to-maturity investments, 3) loan receivables and trade receivables and 4) financial assets available for sale.

All of the Group's financial investments are classified as financial assets available for sale. Unlisted shares and participations whose fair value cannot be reliably determined are recognized at cost. Acquisitions and divestments of financial assets are recognized on the payment date.

Financial liabilities are initially recognized at fair value based on the amount received. Transaction costs are included in the original carrying amount of financial liabilities. After the acquisition date, the liabilities are carried at accrued cost according to the effective interest method. Non-current liabilities have an expected maturity longer than one year, while current liabilities have a maturity less than one year. The Group's interest-bearing liabilities have floating interest rates.

Inventories

Inventories have been recognized at a weighted average purchase price or at a probable lower net selling price.

Cash and cash equivalents

Cash and cash equivalents consist of cash, short-term bank deposits and other highly liquid short-term investments whose maturity from the acquisition date is no more than three months. For cash and cash equivalents with a short maturity, the carrying amount is regarded as being equivalent to fair value.

Segment reporting

The mission of Viking Line is to provide passenger carrier services including recreation, food and shopping as well as cargo carrier services in the northern Baltic Sea geographic area. These products and services are offered on each of Viking Line's vessels. Passenger and cargo carrier services complement each other and they cannot be separated in terms of risks and opportunities. All vessels sail within a single geographic area. Revenue and expenses as well as assets and liabilities cannot be attributed to specific customer categories or markets. Viking Line has a large number of customers, and no single customer accounts for a substantial proportion of its revenue.

The Park Alandia Hotell and Sundqvist Buss Ab also belong to the Group. These businesses constitute support functions to the Group's passenger operations and generate less than 10 per cent of its revenue, profit and assets.

For the above-mentioned reasons, a division into lines of business is not appropriate.

Revenue recognition principles

Sales are calculated on the basis of sales revenue minus discounts and indirect taxes, adjusted for exchange rate differences. Sales are recognized after goods or services have been received by the customer and benefits associated with ownership of goods or performance of services have been transferred to the purchaser and the Group has thus performed what the customer has paid for. Advance payments are carried in the balance sheet under "Other current liabilities". Any credit losses or other decreases in the value of receivables are recognized as expenses in the income statement.

Employee compensation

Viking Line has different pension arrangements in the countries where the Group operates. Outside pension companies are responsible for the legally mandated pension liability in Group companies. At present, all of the Group's pension plans are classified as defined-contribution. Pension premiums are recognized as expenses in the income statement for the accounting period to which they are attributable.

The Group has no defined-benefit pension arrangements or other benefits after employment has ceased. The Group has no share-based incentive systems. No specific pension agreement has been made for Group Management.

Government restitution

The Group receives government restitution from Finland and Sweden related to the taxes and social security contributions for shipboard employees, in keeping with European Union guidelines. The restitution received is recognized in the income statement among employee expenses. See Note 5 to the consolidated financial statements.

Since the system of government restitution of shipboard employees' taxes and social security contributions was not permanent in Finland, the Company previously chose not to take into account any future restitution related to holiday and compensation liability for shipboard employees on the Group's Finnish-registered vessels. This accounting practice has been changed now that the restitution system in Finland has no expiration date. The restitution of taxes and social security contributions that were included in holiday pay liability on January 31, 2008 and that will be received in the future has been estimated at EUR 3.17 M. To minimize the effect on comparability of this change in accounting practices, one fourth (EUR 0.79 M) is being recognized as a reduction in employee expenses each quarter during fiscal 2007/2008.

Rental agreements

The Group's leases and rental agreements are classified as operating leases, which means that rental income and expenses are recognized in the income statement on a straight-line basis over the period of the lease.

Income taxes

Income taxes in the income statement consist of taxes based on the taxable income for the period, adjustment of taxes for previous periods and deferred taxes. Taxes based on the taxable income for the period are calculated according to the applicable tax rate in each respective country. Income taxes are recognized in the income statement except when underlying transactions have been recognized directly in equity, in which case the related tax effects are recognized in equity.

Deferred taxes are calculated for all temporary differences between carrying amount and tax base. The largest temporary differences are attributable to accumulated depreciation differences. Deferred taxes are estimated according to the tax rates that were established before the balance sheet date. No deferred tax liabilities have been recognized for the undistributed retained earnings of subsidiaries, since these earnings will not be distributed in the foreseeable future. Deferred tax assets are recognized to the extent it is deemed likely that taxable revenue will be generated before the right to utilize established carry-forwards is lost. The Group has not recognized any deferred tax assets related to losses in subsidiaries.

Application of renewed or amended IFRSs

The Group begins to apply each respective standard and interpretation from the date when it enters into force or from the beginning of the following accounting period, if the date when application begins is a date other than the first day of the accounting period.

Future changes in IASs, IFRSs and IFRIC interpretations that the EU has approved are not expected to have any substantial impact on the consolidated financial statements.

EUR M	2007/2008	2006/2007
2. SALES		
Passenger-related revenue	441.73	404.28
Cargo revenue	29.16	27.11
Miscellaneous sales revenue	4.50	4.63
Total	475.39	436.02
3. OTHER OPERATING REVENUE		
Capital gain, vessel	1.96	-
Rents received on properties	0.39	0.38
Miscellaneous other operating revenue	0.11	0.12
Total	2.46	0.49
4. GOODS AND SERVICES		
Goods	108.67	99.35
Externally purchased services	22.88	20.95
Total	131.55	120.30
5. EMPLOYEE EXPENSES		
Salaries	112.68	102.98
Expenses of defined-contribution pensions	12.80	11.93
Other payroll overhead	19.54	17.46
	145.01	132.36
Government restitution	-38.85	-32.43
Total	106.16	99.93
AVERAGE NUMBER OF EMPLOYEES		
Shipboard employees	2,232	2,178
Land-based employees	762	733
Total	2,994	2,911

Disclosures on compensation to the Group's key individuals in leading positions are found in Note 24.

6. DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation		
Other intangible assets	0.20	0.13
Buildings and structures	0.35	0.37
Renovation expenses for rented properties	0.17	0.09
Vessels	22.13	16.99
Machinery and equipment	1.73	1.34
Total	24.59	18.93
Impairment losses		
Shares	0.00	-
Goodwill	0.05	-
Total	0.05	-
Total depreciation and impairment losses	24.63	18.93
7. OTHER OPERATING EXPENSES		
Sales and marketing expenses	32.50	29.17
Public port expenses and vessel charges	33.20	30.86
Fuel expenses	48.86	32.14
Rental expenses	2.17	2.18
Miscellaneous expenses	75.52	70.21
Total	192.25	164.56
8. FINANCIAL INCOME AND EXPENSES		
Dividend income from investments available for sale	0.00	0.00
Interest income from cash. cash equivalents and non-current receivables	1.07	1.30
Exchange gains	0.55	1.39
Other financial income	0.14	0.14
Total financial income	1.76	2.83
Interest expenses on financial liabilities recognized at accrued cost	3.66	0.51
Exchange losses	1.21	1.14
Other financial expenses	0.35	0.19
Total financial expenses	5.22	1.85

Operating profit included exchange rate differences of EUR 0.35 M (-0.03).

EUR M

9. INCOME TAXES	2007/2008	2006/2007
Tax for the fiscal year	0.19	11.69
Tax attributable to previous fiscal years	0.00	-
Deferred tax	4.84	-2.76
Total	5.04	8.93
Reconciliation of tax expense in the income statement and taxes estimated according to tax rate in the Group's home country		
Income before taxes	19.80	33.78
Taxes estimated according to Finnish tax rate (26 %)	5.15	8.78
Tax attributable to previous fiscal years	0.00	-
Tax effect of		
divergent tax rates in foreign subsidiaries	0.02	-0.01
tax-exempt revenue and non-deductible expenses	0.18	0.16
previously established tax loss carry-forwards	-0.31	-0.01
temporary differences	0.00	-
other	0.00	0.01
Taxes in the income statement	5.04	8.93

10. EARNINGS PER SHARE

Earnings per share are calculated on the basis of 10,800,000 shares of equal value. Viking Line has no share option, convertible debenture or share-based incentive programmes, so no dilution can occur.

11. INTANGIBLE ASSETS	Goodwill	Other intangible assets	Total
Cost, Nov. 1, 2007		2.80	2.80
Translation difference		-0.01	-0.01
Increases	0.05 *	0.15	0.20
Cost, Oct. 31, 2008	0.05 *	2.95	2.99
Accumulated amortization, Nov. 1, 2007		-2.11	-2.11
Translation difference		0.00	0.00
Amortization for the fiscal year		-0.20	-0.20
Accumulated amortization, Oct. 31, 2008		-2.32	-2.3
Impairment losses for the fiscal year	-0.05 *		-0.05
Carrying amount, Nov. 1, 2007	-	0.68	0.68
Carrying amount, Oct. 31, 2008	-	0.63	0.63
Cost, Nov. 1, 2006		2.71	2.71
Translation difference		0.00	0.00
Increases		0.09	0.09
Cost, Oct. 31, 2007		2.80	2.80
Accumulated amortization, Nov. 1, 2006		-1.98	-1.98
Translation difference		0.00	0.00
Amortization for the fiscal year		-0.13	-0.13
Accumulated amortization, Oct. 31, 2007		-2.11	-2.11
Carrying amount, Nov. 1, 2006		0.73	0.73
Carrying amount, Oct. 31, 2007		0.68	0.68

* Carrying amount

Other intangible assets consist mainly of software licences.

The increase in goodwill value is attributable to the newly acquired minority shareholding in the cash-generating unit Sundqvist Buss Ab. On the basis of the estimates made for 2007/2008, an impairment loss equivalent to the entire goodwill value has been recognized. Testing of impairment losses is based on an estimate of the item's value in use. Value in use has been estimated on the basis of forecasts of cash flows for the next five years. These forecasts are based on an assumption of continued operations. The present value of the forecasted cash flows has been estimated using a discount rate of 5.0 per cent.

EUR M

12. PROPERTY, PLANT AND EQUIPMENT	Land	Buildings and structures	Renovation expenses for rented properties	Vessels	Machinery and equipment	Advance payments	Total
Cost, Nov. 1, 2007	1.10	17.20	9.92	473.49	26.97	34.54	563.23
Translation difference	0.00	-0.01		-0.43	-0.01		-0.46
Transfer				28.25		-28.25	-
Increases		0.02	0.41	122.15	2.99	22.31	147.89
Decreases				-14.99	-0.29		-15.28
Cost, Oct. 31, 2008	1.10	17.21	10.33	608.47	29.66	28.60	695.38
Accumulated depreciation. Nov. 1, 2007		-11.49	-9.62	-347.05	-22.53		-390.69
Translation difference		0.01		0.38	0.01		0.41
Accumulated depreciation on decreases				14.36	0.22		14.58
Depreciation for the fiscal year		-0.35	-0.17	-22.13	-1.73		-24.38
Accumulated depreciation, Oct. 31, 2008		-11.83	-9.79	-354.43	-24.03		-400.08
Carrying amount, Nov. 1, 2007	1.10	5.71	0.30	126.45	4.45	34.54	172.54
Carrying amount, Oct. 31, 2008	1.10	5.38	0.54	254.04	5.63	28.60	295.29
Cost, Nov. 1, 2006	1.10	17.20	9.92	470.30	26.28	13.46	538.26
Translation difference	0.00	0.00		0.00	0.00		-0.01
Increases			0.01	4.08	1.12	21.07	26.28
Decreases/adjustments				-0.88	-0.43		-1.31
Cost, Oct. 31, 2007	1.10	17.20	9.92	473.49	26.97	34.54	563.23
Accumulated depreciation, Nov. 1, 2006		-11.12	-9.53	-330.95	-21.66		-373.25
Translation difference		0.00		0.00	0.00		0.00
Accumulated depreciation on decreases/adjustments				0.88	0.48		1.36
Depreciation for the fiscal year		-0.37	-0.09	-16.99	-1.34		-18.80
Accumulated depreciation, Oct. 31, 2007		-11.49	-9.62	-347.05	-22.53		-390.69
Carrying amount, Nov. 1, 2006	1.10	6.09	0.39	139.35	4.62	13.46	165.01
Carrying amount, Oct. 31, 2007	1.10	5.71	0.30	126.45	4.45	34.54	172.54

Advance payments are related to vessels under construction. Advance payments include capitalized borrowing expenses of EUR 0.02 M (0.35).

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

13. FINANCIAL ASSETS	Oct.31, 2008	Oct.31, 2007
Unlisted shares and participations	0.07	0.07
Investments available for sale	0.07	0.07

Unlisted shares and participations was recognized at cost, since their fair value cannot be reliably established.

14. RECEIVABLES	Oct.31, 2008	Oct.31, 2007
Loans receivable	0.03	0.03

The carrying amount of loans receivable is not regarded as deviating substantially from fair value.

15. INVENTORIES	Oct.31, 2008	Oct.31, 2007
Inventories of goods for sale	9.58	8.65
Supplies	0.21	0.16
Stocks of vessel fuel	1.00	0.80
Total	10.79	9.61

EUR M	Oct. 31, 2008	Oct. 31, 2007
16. TRADE AND OTHER RECEIVABLES		
Trade receivables	15.32	14.46
Accrued income and prepaid expenses	21.55	16.61
Other receivables	0.99	0.79
Total	37.86	31.86
Accrued income and prepaid expenses		
Employee-related items	18.35	15.52
Other accrued income and prepaid expenses	3.20	1.09
Total	21.55	16.61
Age analysis, trade receivables		
Not overdue	13.61	12.64
Overdue 1-30 days	1.42	1.60
Overdue more than 30 days	0.29	0.22
Total	15.32	14.46
Trade and other receivables by currency		
EUR, EEK	30.52	25.35
SEK	7.03	5.94
CHF	0.06	0.07
DKK	0.04	0.04
GBP	0.21	0.46
NOK	0.01	-
USD	-	0.00
Total	37.86	31.86

The carrying amount of trade and other receivables was equivalent to fair value. The maximum credit risk for trade and other receivables is equivalent to their carrying amount.

Since the exchange rate between EUR and EEK is fixed, items in these currencies are presented together.

EUR M	Oct. 31, 2008	Oct. 31, 2007
17. CASH AND CASH EQUIVALENTS		
Cash and bank balances	5.68	5.62
Financial securities	24.94	36.91
Total	30.62	42.53

Cash and cash equivalents mature within a maximum of three months.

18. EQUITY

Share capital

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. All 10,800,000 shares constitute one series, in which all shares are of equal value. Each share is equivalent to one vote on motions and candidates at shareholders' meetings. However, no shareholder may vote on behalf of more than 1/4 of the shares represented at a shareholders' meeting. The Company has not issued any warrants or bonds. The Board of Directors has not requested authorization from a shareholders' meeting to change the share capital or to issue warrants or bonds or to acquire the Company's own shares. The Company and its subsidiaries do not own any of their own shares.

EUR M	Oct. 31, 2008	Oct. 31, 2007
Reserves		
Legal reserve	0.02	0.02
Share premium reserve	0.01	0.00
Total	0.02	0.02

Translation differences

Translation differences consist of differences that have arisen when consolidating the financial statements of foreign subsidiaries.

Dividend

After the balance sheet date, the Board of Directors proposed that EUR 1.00 per share be distributed as a dividend.
The dividend distribution is recognized as a liability in the balance sheet when the shareholders' meeting has approved it.

EUR M

19. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax liabilities	Nov.1, 2007	Recognized in income statement	Oct.31, 2008
Accumulated depreciation differences	27.65	4.85	32.50
Other temporary differences	-	0.00	0.00
Total	27.65	4.84	32.50

Deferred tax liabilities	Nov.1, 2006	Recognized in income statement	Oct.31, 2007
Accumulated depreciation differences	30.41	-2.76	27.65

On October 31, 2008, the Group had unutilized accumulated tax loss carry-forwards in subsidiaries totalling EUR 0.04 M (Oct. 31, 2007: 0.38). Deferred tax assets are recognized to the extent it is deemed likely that taxable revenue will be generated before the right to utilize established carry-forwards is lost. The Group has not recognized any deferred tax assets related to losses in subsidiaries.

No deferred tax liabilities have been recognized for the undistributed retained earnings of subsidiaries, since these earnings will not be distributed in the foreseeable future.

20. INTEREST-BEARING LIABILITIES

	Oct.31, 2008	Oct.31, 2007
Non-current liabilities		
Loans from credit institutions	108.98	4.52
Current liabilities		
Loans from credit institutions, principal payments	10.88	2.23
Non-current liabilities fall due for payment as follows:		
Within one year	10.88	2.23
Later than one year but within five years	36.50	4.51
Later than five years	72.48	0.00
Total	119.86	6.75

The Group's interest-bearing liabilities are in euros with floating interest rates. The total interest rate consists of market interest and a company-specific margin.

21. TRADE AND OTHER LIABILITIES

	Oct.31, 2008	Oct.31, 2007
Trade liabilities	27.82	24.36
Accrued expenses and prepaid income	27.42	25.78
Other liabilities	10.13	8.65
Total	65.37	58.79
Accrued expenses and prepaid income		
Employee-related expenses	20.29	18.23
Other accrued expenses and prepaid income	7.13	7.56
Total	27.42	25.78
Trade and other liabilities by currency		
EUR, EEK	44.66	42.46
SEK	20.21	15.86
DKK	0.03	0.05
GBP	0.03	0.02
NOK	0.10	0.04
USD	0.34	0.37
Total	65.37	58.79

The carrying amount of trade and other liabilities was equivalent to fair value.

Since the exchange rate between EUR and EEK is fixed, items in these currencies are presented together.

EUR M	Oct. 31, 2008	Oct. 31, 2007

22. RENTAL AGREEMENTS

The Group has no agreements that are classified as financial leases. The Group rents a number of premises for sales and administrative purposes. In addition, there are various small operating leases related to machinery and equipment. The agreements vary in length between 1 and 21 years. The agreements normally include options for renewal after the expiration of the agreement. The agreements vary with regard to indexing, renewal and other terms and conditions.

EUR M	Oct. 31, 2008	Oct. 31, 2007
Future minimum lease payments and rents related to non-cancellable operating leases		
Due within one year	1.33	1.45
Due in later than one year but within five years	1.74	2.16
Due in later than five years	0.19	0.21
Total	3.26	3.81

23. PLEDGED ASSETS AND CONTINGENT LIABILITIES

EUR M	Oct. 31, 2008	Oct. 31, 2007
Contingent liabilities		
Loans and credit lines for which vessel and vehicle mortgages were provided as collateral	119.86	6.87
Other contingent liabilities not included in the balance sheet		
Covered by vehicle mortgages	0.22	0.23
Covered by deposits	1.44	1.62
Total	121.52	8.72
Assets pledged for own debt		
Vessel mortgages	139.08	8.46
Vehicle mortgages	0.91	1.06
Deposits	1.44	1.62
Shares pledged	0.06	0.06
Total	141.49	11.20
Investment commitments not included in the accounts		
Commitments, vessel orders	33.34	156.28
– Contractual amount	60.81	188.21

To finance the new vessel that was ordered from Astilleros de Sevilla, S.A. In Spain, committed credit agreements have been secured. Unutilized credit limits amount to EUR 60 M.

EUR M

24. RELATED PARTIES

Group companies	Domicile	Holding	Share of voting power
Owned by the parent company, Viking Line Abp	*Mariehamn, Finland*		
Viking Rederi AB	Norrtälje, Sweden	100 %	100 %
OÜ Viking Line Eesti	Tallinn, Estonia	100 %	100 %
Sundqvist Buss Ab	Saltvik, Finland	100 %	100 %
Viking Line Skandinavien AB	Stockholm, Sweden	100 %	100 %
Viking Line Finnlandverkehr GmbH	Lübeck, Germany	100 %	100 %
Oy Viking Tours Ruotsinmatkat - Sverigecenter Ab	Mariehamn, Finland	100 %	100 %
Oy Ruotsinsatama - Sverigehamnen Ab	Naantali, Finland	100 %	100 %
Owned by subsidiaries			
Finlandshamnen Stuveri AB	Stockholm, Sweden	100 %	100 %

During 2007/2008 Viking Line Abp acquired the minority owner's shares (7 per cent) in Sundqvist Buss Ab, making it the 100 per cent owner of this company.

Compensation to the Group's key individuals in leading positions

Salaries and fees	2007/2008	2006/2007
Nils-Erik Eklund, Managing Director, Chief Executive and Board member	0.22	0.19
Kent Nyström, Deputy Chief Executive	0.14	0.13
Other members of Group Management	0.78	0.61
Ben Lundqvist, Chairman of the Board	0.02	0.02
Carita Blomsterlund, Board member	0.02	0.02
Erik Grönberg, Board member	0.02	0.02
Agneta Karlsson, Board member	0.02	0.02
Dick Lundqvist, Board member	0.02	0.02
Lars G Nordström, Board member	0.02	0.02
Total	1.27	1.04

The Board has no share-based incentive systems. No specific pension agreement has been made for Group Management.

Transactions with companies that are under significant influence of the Group's key individuals in leading positions

	2007/2008	2006/2007
Sales of services	0.06	0.05
Purchases of services	1.78	0.58

	Oct.31, 2008	Oct.31, 2007
Receivables outstanding	0.00	0.00
Liabilities outstanding	0.08	0.02

The Group has no loan arrangements, guarantees, contingent liabilities provided/received or other liabilities associated with related parties.

25. MANAGEMENT OF FINANCIAL RISKS

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

As one element of the financing of the Company's two newbuildings, Viking Line increased its interest-bearing liabilities from EUR 6.75 M on October 31, 2007 to EUR 119.86 M on October 31, 2008. This changed the capital structure of the Group. Interest rate and liquidity risks increased.

The Group currently has no derivative contracts.

Foreign exchange risk

The Group's foreign exchange risk consists of sales and purchases as well as balance sheet items in foreign currencies and net investments in foreign subsidiaries. The impact of changes in currency exchange rates on net investments in foreign subsidiaries is reflected as translation differences in Group equity.

The most important foreign currencies for the Group are Swedish kronor (SEK) and American dollars (USD). During 2007/2008 SEK-denominated sales accounted for about 34 per cent of total consolidated sales. Employee expenses and purchases denominated in SEK accounted for about 36 per cent of the Group's total employee expenses and purchases. The USD exchange rate affects the Group's earnings mainly through the currency component included in bunker (vessel fuel) prices.

The Group's foreign exchange positions in the balance sheet are shown in Notes 16 and 21. The Group's loans are entirely denominated in euros. The currency position is monitored continuously and the Group endeavours to achieve a matching of the currency flows. Since an imbalance between the Group's inflows and outflows of SEK arises, this is managed primarily by a continuous sale of SEK. The Group has no form of currency hedging.

A 5 per cent change in the exchange rate of the euro against all other currencies in the balance sheet on October 31, 2008 would have an estimated effect of EUR ±0.03 M (EUR ±0.13 M on October 31, 2007) on consolidated earnings. Since the exchange rate between EUR and EEK is fixed, no change in this exchange rate has been calculated.

Interest rate risk

Fluctuations in interest rates affect the Group's interest expenses and interest income. Financing the Group's two newbuildings increased its interest rate risk due to higher interest-bearing liabilities. The Group's interest-bearing liabilities have floating interest rates. The total interest rate consists of the market interest rate and a company-specific margin. There are no interest rate derivatives.

A one percentage point change in the market interest rates on the Group's interest-bearing liabilities on October 31, 2008 would have an estimated effect of EUR ±1.18 M (EUR ±0.06 M on October 31, 2007) on consolidated earnings.

Liquidity risk

Viking Line evaluates and continuously monitors the financing that is required in its operating activities in order to always have sufficient funds for day-to-day activities, principal payments and investments. Liquidity risk is also managed through efficient cash management, by ensuring reasonably priced financing sources and by dispersing a sufficient portion of financial investments among liquid financial instruments. Vessel investments are financed with long-term credit agreements. For the financing of the new vessel that was ordered from Astilleros de Sevilla, S.A. in Spain, there are committed credit agreements. Unutilized credit limits amount to EUR 60 M. Some of the loans are tied to loan conditions that include equity-asset ratio requirements. If these conditions are not fulfilled, the lenders may require early repayment. The Group's non-current interest-bearing liabilities amounted to EUR 108.98 M on October 31, 2008 (EUR 4.52 M on October 31, 2007). Information on the dates when interest-bearing liabilities fall due for payments is found in the consolidated financial statements, Note 20. The Group's cash and cash equivalents amounted to EUR 30.62 M on October 31, 2008 (EUR 42.53 M on October 31, 2007).

Credit and counterparty risk

Trade and other receivables are a credit risk for the Group. Credit risk in operational activities is continuously followed up. Credit risk in the Group's trade and other receivables is regarded as low, since these are dispersed among a large number of customers. The Group had no substantial credit losses during the fiscal year. The balance sheet carrying amount of the Group's trade and other receivables is equivalent to its maximum credit exposure. An age analysis of unimpaired trade receivables can be found in the consolidated financial statements, Note 16.

Significant advance payments submitted by Viking Line, for example when ordering vessels, are always safeguarded by adequate counterparty guarantees. Cash is invested in financial instruments that are liquid and exposed to low risk. Investments in financial instruments are made only with counterparties deemed to have good solvency and creditworthiness.

Oil price risk

Bunker (vessel fuel oil) costs are a substantial risk for the Group. Most of the price of the Group's bunker purchases is determined by world market prices. The floating component in the bunker price comprises a combination of the average price of the oil quality in question during the month of purchase and the month's average USD/SEK exchange rate. The Group has not hedged against fluctuations in bunker prices.

The Group's bunker costs amounted to EUR 48.86 M during 2007/2008 (EUR 32.14 M during 2006/2007), which is equivalent to 10 per cent (7) of Group sales. Bunker consumption totalled about 119,000 m^3 during 2007/2008 (about 114,000 m^3 during 2006/2007).

A 10 per cent change in the bunker price on October 31, 2008 based on projected bunker consumption in 2008/2009 would have an estimated effect of EUR ±3.52 M on Group income after taxes.

Asset management

The purpose of the Group's asset management is a capital structure that ensures normal operating conditions. The Company's Board of Directors assesses the capital structure of the Group regularly by monitoring the equity/assets ratio. The Group's newbuildings, which have been financed mainly with outside capital, lowered the equity/assets ratio during the fiscal year. On October 31, 2008, the equity/assets ratio amounted to 42.8 per cent, compared to 61.7 per cent on the same date in 2007.

26. LITIGATION AND DISPUTES

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

27. EVENTS AFTER THE BALANCE SHEET DATE

The Management of the Company is not aware of any major events after the balance sheet date that might influence the financial statements.

Five-year financial review

THE GROUP	FAS 2003/2004	IFRS 2004/2005	IFRS 2005/2006	IFRS 2006/2007	IFRS 2007/2008
Sales, EUR M	385.20	382.69	405.95	436.02	475.39
Operating income, EUR M	13.18	5.02	13.65	32.80	23.26
– as % of sales	3.4 %	1.3 %	3.4 %	7.5 %	4.9 %
Income before taxes, EUR M	12.95	4.22	14.25	33.78	19.80
– as % of sales	3.4 %	1.1 %	3.5 %	7.7 %	4.2 %
Return on equity (ROE)	9.2 %	2.2 %	7.8 %	16.6 %	9.2 %
Return on investment (ROI)	7.8 %	3.1 %	9.7 %	21.5 %	10.6 %
Equity/assets ratio	53.7 %	54.6 %	57.6 %	61.7 %	42.8 %
Debt/equity ratio (gearing)	-9.4 %	-11.2 %	-21.6 %	-22.6 %	54.9 %
Gross capital spending. EUR M	4.54	5.93	18.83	26.37	148.12
– as % of sales	1.2 %	1.6 %	4.6 %	6.0 %	31.2 %
Average number of employees	2,828	2,886	2,900	2,911	2,994
– of whom, shipboard employees	2,124	2,156	2,182	2,178	2,232
– of whom, land-based employees	704	730	718	733	762
Salaries etc, EUR M	94.19	97.52	99.43	102.98	112.68

Quarterly consolidated income statement

EUR M	2007/2008 Q4	2007/2008 Q3	2007/2008 Q2	2007/2008 Q1
SALES	**122.63**	**145.41**	**106.01**	**101.34**
Other operating revenue	0.09	2.11	0.16	0.10
Expenses				
Goods and services	34.88	39.44	29.91	27.31
Employee expenses	26.74	27.56	26.73	25.14
Depreciation and impairment losses	7.70	6.69	5.20	5.05
Other operating expenses	49.89	53.49	44.96	43.91
	119.21	127.18	106.80	101.41
OPERATING INCOME	**3.52**	**20.33**	**-0.63**	**0.03**
Financial income	0.65	0.33	0.34	0.45
Financial expenses	-2.38	-1.73	-0.71	-0.40
INCOME BEFORE TAXES	**1.79**	**18.93**	**-1.01**	**0.08**
Income taxes	-0.11	-4.64	0.00	-0.29
INCOME FOR THE PERIOD	**1.68**	**14.29**	**-1.01**	**-0.21**
Attributable to:				
Parent company shareholders	1.68	14.29	-1.01	-0.21
Minority interest	-	-	0.00	0.00
Earnings per share, EUR	0.16	1.32	-0.09	-0.02

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 equivalent to one vote when voting on motions and candidates at shareholders' meetings. However, no shareholder may vote on behalf of more than 1/4 of the shares represented at a shareholders' meeting.

AUTHORITY TO MAKE CHANGES

The Articles of Association stipulate lower and upper limits for the Company's share capital. The Board of Directors has not requested authorization from a shareholders' meeting to change the share capital or to issue warrants or bonds or acquire the Company's own shares.

SHAREHOLDERS

At the end of the 2007/2008 fiscal year, the Company had 2,325 registered shareholders.

LARGEST SHAREHOLDERS, OCTOBER 31, 2008

		Number of shares	Percentage of total
1.	Ångfartygs Ab Alfa	1,625,500	15.1 %
2.	Ab Rafael	1,460,700	13.5 %
3.	Rederi Ab Hildegaard	1,084,844	10.0 %
4.	Sundman Per-Sune	287,880	2.7 %
5.	Lundqvist Ben	277,498	2.6 %
6.	Eklund Nils-Erik	231,500	2.1 %
7.	Relander Gustaf	227,400	2.1 %
8.	Sviberg Marie-Louise	213,300	2.0 %
9.	Mattsson Rafael	171,820	1.6 %
10.	Ålands Ömsesidiga Försäkringsbolag	118,525	1.1 %

VIKING LINE ABP'S SHAREHOLDERS, BY SECTOR

	Number of shareholders	Percentage of total	Number of shares	Percentage of total
Companies	104	4.5 %	4,605,976	42.6 %
Credit institutions and insurance companies	7	0.3 %	291,846	2.7 %
Public sector entities	4	0.2 %	177,291	1.6 %
Households	2,042	87.8 %	5,082,048	47.1 %
Non-profit entities	20	0.9 %	64,704	0.6 %
Foreign shareholders	139	6.0 %	438,459	4.1 %
Nominee-registered shares	9	0.4 %	139,480	1.3 %
Not transferred to book-entry securities account system			196	0.0 %
Total	**2,325**	**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	893	38.4 %	26,134	0.2 %
100–999	803	34.5 %	179,468	1.7 %
1,000–9,999	505	21.7 %	1,464,442	13.6 %
10,000–99,999	110	4.7 %	2,998,595	27.8 %
100,000–999,999	11	0.5 %	1,960,121	18.1 %
1,000,000–	3	0.1 %	4,171,044	38.6 %

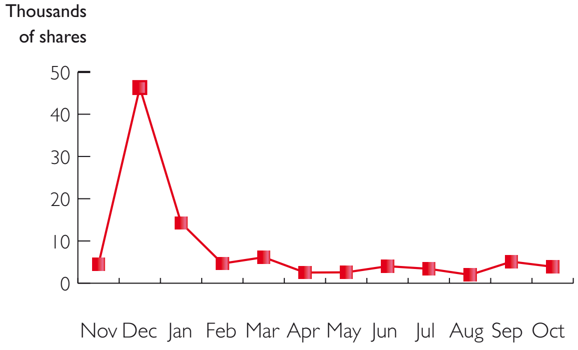
BOARD AND TOP MANAGEMENT SHAREHOLDINGS

The members and deputy members of the Board of Directors, the Managing Director and Chief Executive, and the Deputy Chief Executive own or control, in the manner described in Chapter 1, Section 5 of the Finnish Securities Market Act, 857,677 shares in the Company, equivalent to a voting power of 7.9 per cent. Viking Line applies the provisions of the Securities Market Act on insider information as well as the insider regulations of the Helsinki Stock Exchange.

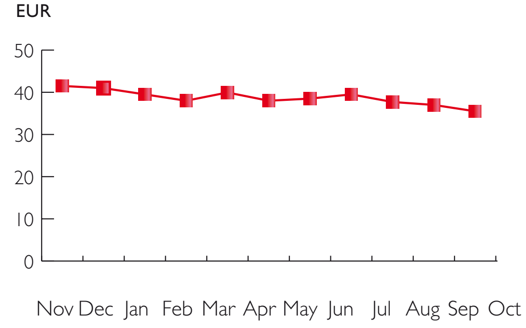
TRADING VOLUME AND SHARE PRICE

During fiscal 2007/2008, trading in Viking Line on the Helsinki Stock Exchange totalled 99,438 shares. This meant that 0.9 per cent of all shares changed hands. The year's highest share price was EUR 42.50, the lowest EUR 30.99. On October 31, 2008, the quoted share price was EUR 31.10. The Company's market capitalization on that date was EUR 335.88 M.

TRADING VOLUME
November 2007–October 2008



SHARE PRICE
November 2007–October 2008



SHARE-RELATED FINANCIAL RATIOS

	FAS 2003/2004	IFRS 2004/2005	IFRS 2005/2006	IFRS 2006/2007	IFRS 2007/2008
Earnings per share, EUR	1.20	0.27	0.97	2.30	1.37
Equity per share, EUR	12.76	11.97	12.94	14.69	15.06
Dividend per share, EUR*	1.00	-	0.55	1.00	1.00
Dividend/earnings	83.0 %	-	56.9 %	43.5 %	73.2 %
Dividend/share price	4.6 %	-	2.5 %	2.4 %	3.2 %
Price/earnings (P/E) ratio	18	78	22	18	23
Share price on October 31, EUR	21.90	20.90	21.70	42.00	31.10
Highest share price, EUR	23.80	28.00	23.50	42.00	42.50
Lowest share price, EUR	18.24	20.50	19.83	21.18	30.99
Average share price, EUR	22.09	23.50	21.86	29.02	39.28
Market capitalization, EUR M	236.52	225.72	234.36	453.60	335.88
Number of shares traded	794,077	243,106	223,426	151,861	99,438
Percentage of shares traded	7.4 %	2.3 %	2.1 %	1.4 %	0.9 %
Dividend paid for fiscal year, EUR M*	10.80	-	5.94	10.80	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 2007/2008, proposed by the Board of Directors for approval by the annual shareholders' meeting.

Definitions of financial ratios

Return on equity (ROE), % =
(Income before taxes – income taxes) / Equity including minority interest (average for the year)

Return on investment (ROI), % =
(Income before taxes + interest and other financial expenses) / (Total assets – interest-free liabilities [average for the year])

Equity/assets ratio, % =
Equity including minority interest / (Total assets – advances received)

Debt/equity ratio (gearing), % =
(Interest-bearing liabilities – cash and cash equivalents) / Equity including minority interest

Earnings per share =
(Income before taxes – income taxes +/– minority interest) / Average number of shares

Equity per share =
Equity attributable to parent company shareholders / Number of shares on October 31

Dividend/earnings, % =
Dividend per share / Earnings per share

Dividend/share price, % =
Dividend per share / Share price on October 31

Price/earnings (P/E) ratio =
Share price on October 31 / Earnings per share

Parent company income statement

EUR M	NOTE	NOV. 1, 2007– OCT. 31, 2008	NOV. 1, 2006– OCT. 31, 2007
SALES		**475.31**	**422.88**
Other operating revenue	2	0.51	0.56
Operating expenses			
Goods and services	3	127.90	113.09
Employee expenses	4	71.02	72.25
Depreciation/amortization	5	24.35	18.72
Other operating expenses		230.18	186.63
		453.45	390.70
OPERATING INCOME		**22.37**	**32.74**
Financial items	6	-3.57	0.97
INCOME BEFORE ALLOCATIONS AND TAXES		**18.80**	**33.71**
Allocations	7	-18.64	10.61
Income taxes	8	-0.16	-11.67
INCOME FOR THE FISCAL YEAR		**0.00**	**32.66**

Parent company balance sheet

EUR M	NOTE	OCT. 31, 2008	OCT. 31, 2007
ASSETS			
FIXED ASSETS			
Intangible assets	9	1.08	0.92
Tangible assets	9		
Land		1.91	1.91
Buildings and structures		5.34	5.67
Vessels		254.04	125.75
Machinery and equipment		4.60	3.49
Advance payments		28.60	34.54
		294.49	171.35
Shares and participations	10		
Shares in Group companies		1.52	1.44
Other shares and participations		0.01	0.01
		1.53	1.45
TOTAL FIXED ASSETS		**297.11**	**173.72**
CURRENT AND FINANCIAL ASSETS			
Inventories	11	10.79	9.29
Long-term receivables			
Loans receivable		0.03	0.03
Current receivables			
Trade receivables		14.65	13.99
Other current receivables		0.18	0.19
Accrued income and prepaid expenses	12	23.10	13.79
		37.93	27.97
Cash and cash equivalents		29.43	41.17
TOTAL CURRENT AND FINANCIAL ASSETS		**78.17**	**78.45**
TOTAL ASSETS		**375.27**	**252.18**

EUR M	NOTE	OCT. 31, 2008	OCT. 31, 2007
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	13		
Share capital		1.82	1.82
Retained earnings		68.45	46.59
Income for the fiscal year		0.00	32.66
TOTAL SHAREHOLDERS' EQUITY		**70.27**	**81.06**
ACCUMULATED APPROPRIATIONS			
Accumulated depreciation differences		**125.07**	**106.44**
LIABILITIES			
Long-term liabilities	14		
Liabilities to credit institutions		108.58	4.20
Current liabilities			
Repayment portion of liabilities to credit institutions		10.62	2.10
Accounts payable		26.06	22.56
Group liabilities		5.93	2.75
Other current liabilities		7.91	7.00
Accrued expenses and prepaid income	15	20.84	26.06
		71.35	60.47
TOTAL LIABILITIES		**179.93**	**64.68**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**375.27**	**252.18**

Parent company cash flow statement

EUR M	NOV. 1, 2007– OCT. 31, 2008	NOV. 1, 2006– OCT. 31, 2007
OPERATING ACTIVITIES		
Income for the fiscal year	0.00	32.66
Adjustments		
Depreciation/amortization	24.35	18.72
Other items not included in cash flow	18.61	-10.69
Interest expenses and other financial expenses	4.10	0.69
Interest income and other financial income	-1.18	-1.41
Dividend income	0.00	0.00
Income taxes	0.16	11.67
Change in working capital		
Change in current receivables	-4.96	-9.62
Change in inventories	-1.50	-1.34
Change in non-interest-bearing liabilities	7.82	5.47
Interest paid	-3.61	-0.50
Financial expenses paid	-0.48	-0.20
Interest received	1.09	1.24
Financial income received	0.14	0.13
Taxes paid	-10.67	-9.40
NET CASH FLOW FROM OPERATING ACTIVITIES	**33.87**	**37.42**
INVESTING ACTIVITIES		
Investments in vessels	-122.16	-4.04
Investments in other fixed assets	-3.25	-1.11
Advance payments	-22.31	-21.07
Investments in shares and participations	-0.08	-
Divestments of other fixed assets	0.09	0.03
Divestments of other shares and participations	-	0.00
Dividends received	0.00	0.00
NET CASH FLOW FROM INVESTING ACTIVITIES	**-147.71**	**-26.20**
FINANCING ACTIVITIES		
Increase in long-term liabilities	115.00	-
Amortization of long-term liabilities	-2.10	-8.83
Change in long-term receivables	0.00	-0.01
Dividends paid	-10.80	-5.94
NET CASH FLOW FROM FINANCING ACTIVITIES	**102.10**	**-14.78**
CHANGE IN CASH AND CASH EQUIVALENTS	**-11.74**	**-3.57**
Cash and cash equivalents at beginning of fiscal year	41.17	44.73
CASH AND CASH EQUIVALENTS AT END OF FISCAL YEAR	**29.43**	**41.17**

Notes to the parent company's financial statements

1. ACCOUNTING PRINCIPLES

General principles

Viking Line Abp, domiciled in Mariehamn, Åland, is the parent company of the Viking Line Group. The Company's Business Identity Code is 0144983-8.

The financial statements of Viking Line Abp have been prepared in compliance with Finnish accounting legislation as well as other national rules and regulations concerning financial statements.

Tangible and intangible assets and depreciation/amortization

Tangible and intangible assets are recognized at historical cost less accumulated scheduled depreciation, which has been calculated on the basis of the probable economic life of the assets. Carrying amounts in the balance sheet also include revaluations on parcels of land, based on appraisals made by outside appraisers. Borrowing expenses related to advance payments attributable to vessels not yet delivered are capitalized.

Vessels, which comprise the largest asset item in the balance sheet, are depreciated on a straight-line basis. For vessels, an estimated residual value at the end of their economic life has been taken into account in calculating depreciation. Additional capital expenditures for vessels are depreciated over the remaining scheduled economic life of the vessels. When the Viking XPRS was placed in service, the depreciation principles for new vessels were adjusted. The hull, engine and other long-term component parts will be depreciated on a straight-line basis over 25 years, while short-term component parts will be depreciated on a straight-line basis over 15 years. Other tangible assets are depreciated on a declining balance basis.

Intangible assets mainly comprise software licences and capitalized renovation expenses for leased properties and are amortized on a straight-line basis.

Depreciation for fixed assets is calculated according to the following principles:

Vessels	20–25 years, straight-line
Vessels, short-term component parts	15 years, straight-line
Vessel dry-docking expenses	2–3 years, straight-line
Vessels, machinery and equipment	25% of remaining expenditure
Buildings	4–7% of remaining expenditure
Structures	20–25% of remaining expenditure
Machinery and equipment	25% of remaining expenditure
Intangible assets (amortization)	5–10 years, straight-line

Taxes

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

EUR M		2007/2008	2006/2007
2.	OTHER OPERATING REVENUE		
	Rents received on properties	0.46	0.45
	Miscellaneous operating revenues	0.05	0.11
	Total	0.51	0.56
3.	GOODS AND SERVICES		
	Purchases during the fiscal year	107.15	94.62
	Change in inventories	-1.22	-1.20
	Externally purchased services	21.97	19.66
	Total	127.90	113.09
4.	EMPLOYEE EXPENSES		
	Salaries etc	78.66	76.62
	Pension expenses	10.14	9.73
	Other employee expenses	8.06	8.24
		96.86	94.58
	Government restitution	-25.84	-22.33
	Total	71.02	72.25
	AVERAGE NUMBER OF EMPLOYEES		
	Shipboard employees	1,514	1,610
	Land-based employees	475	451
	Total	1,989	2,061
5.	DEPRECIATION/AMORTIZATION		
	Intangible assets	0.35	0.22
	Buildings and structures	0.35	0.37
	Vessels	22.12	16.97
	Machinery and equipment	1.53	1.16
	Total	24.35	18.72
6.	FINANCIAL INCOME AND EXPENSES		
	Dividend income	0.00	0.00
	Interest income from Group companies	-	0.00
	Interest income from others	1.04	1.28
	Exchange gains	0.55	1.38
	Other financial income	0.14	0.13
	Total financial income	1.73	2.79
	Interest expenses to Group companies	0.13	0.05
	Interest expenses to others	3.62	0.49
	Exchange losses	1.20	1.14
	Other financial expenses	0.35	0.15
	Total financial expenses	5.30	1.82
	Total financial income and expenses	-3.57	0.97
7.	APPROPRIATIONS		
	Difference between scheduled depreciation and depreciation for tax purposes	-18.64	10.61
8.	INCOME TAXES		
	Income tax on actual operations	0.16	11.67

EUR M

9. FIXED ASSETS

Intangible assets	Intangible rights	Other long-term assets	Total
Acquisition cost, Nov. 1, 2007	2.69	9.92	12.61
Increases	0.11	0.40	0.51
Acquisition cost, Oct. 31, 2008	2.81	10.32	13.12
Accumulated amortization, Nov. 1, 2007	-2.07	-9.62	-11.69
Amortization for the fiscal year	-0.18	-0.17	-0.35
Accumulated amortization, Oct. 31, 2008	-2.25	-9.79	-12.04
Book value, Oct. 31, 2008	0.55	0.53	1.08

Tangible assets	Land	Buildings and structures	Vessels	Machinery and equipment	Advance payments	Total
Acquisition cost, Nov. 1, 2007	1.07	17.00	467.26	24.55	34.54	544.41
Transfer			28.25		-28.25	-
Increases		0.02	122.16	2.71	22.31	147.21
Decreases			-9.19	-0.22		-9.41
Acquisition cost, Oct. 31, 2008	1.07	17.02	608.47	27.04	28.60	682.21
Accumulated depreciation, Nov. 1, 2007		-11.34	-341.51	-21.06		-373.90
Accumulated depreciation on decreases			9.19	0.15		9.34
Depreciation for the fiscal year		-0.35	-22.12	-1.53		-24.00
Accumulated depreciation, Oct. 31, 2008		-11.68	-354.43	-22.44		-388.56
Revaluations	0.84					0.84
Book value, Oct. 31, 2008	1.91	5.34	254.04	4.60	28.60	294.49

10. SHARES AND PARTICIPATIONS

	Shares in Group companies	Other shares	Total
Acquisition cost, Nov. 1, 2007	1.00	0.01	1.01
Increases	0.08		0.08
Acquisition cost, Oct. 31, 2008	1.08	0.01	1.09
Conditional shareholders' contribution	0.44		0.44
Book value, Oct. 31, 2008	1.52	0.01	1.53

11. INVENTORIES

	Oct. 31, 2008	Oct. 31, 2007
Stocks of goods for sale	9.58	8.36
Supplies	0.21	0.16
Stocks of vessel fuel	1.00	0.77
Total	10.79	9.29

12. ACCRUED INCOME AND PREPAID EXPENSES

	Oct. 31, 2008	Oct. 31, 2007
Employee-related items	15.18	12.96
Other accrued income and prepaid expenses	7.92	0.83
Total	23.10	13.79

EUR M

		2007/2008	2006/2007
13.	SHAREHOLDERS' EQUITY	2007/2008	2006/2007
	Share capital, Nov. 1	1.82	1.82
	Share capital, Oct. 31	1.82	1.82
	Retained earnings, Nov. 1	46.59	44.80
	Income for the previous fiscal year	32.66	17.34
	Transfer of merger loss	-	-9.61
	Dividend paid to shareholders	-10.80	-5.94
	Retained earnings, Oct. 31	68.45	46.59
	Income for the fiscal year	0.00	32.66
	Total shareholders' equity	70.27	81.06
14.	LOANS THAT FALL DUE LATER THAN AFTER 5 YEARS	Oct. 31, 2008	Oct. 31, 2007
	Liabilities to credit institutions	72.41	-
15.	ACCRUED EXPENSES AND PREPAID INCOME	Oct. 31, 2008	Oct. 31, 2007
	Employee-related items	13.77	13.16
	Other accrued expenses and prepaid income	7.07	12.90
	Total	20.84	26.06
16.	PLEDGED ASSETS AND OTHER CONTINGENT LIABILITIES	Oct. 31, 2008	Oct. 31, 2007
	Contingent liabilities		
	Loans and credit lines for which vessel mortgages were provided as collateral	119.20	6.31
	Other contingent liabilities not included in the balance sheet		
	Covered by deposits	0.84	0.84
	Capital adequacy guarantee	-	1.84
	Loan guarantee on behalf of subsidiary	0.21	-
	Total	120.25	8.99
	Assets pledged for own debt		
	Vessel mortgages	139.08	8.46
	Deposits	0.84	0.84
	Total	139.92	9.30
	Leasing liabilities		
	Amounts that fall due during the following fiscal year	0.08	0.15
	Amounts that fall due later	0.12	0.15
	Total	0.20	0.30
	Investment commitments not included in the accounts		
	Commitments, vessel orders	33.34	156.28
	– Contractual amount	60.81	188.21

For the financing of the new vessel that was ordered from Astilleros de Sevilla, S.A. in Spain, there are committed credit agreements. Unutilized credit limits amount to EUR 60 M.

The Board's proposal on distribution of earnings

According to the balance sheet of Viking Line Abp on October 31, 2008, unrestricted equity totalled EUR 68,449,515.52.

The Board of Directors proposes to the annual shareholders' meeting that:

A dividend of EUR 1.00 per share shall be paid, totalling	EUR 10,800,000.00
Remaining unrestricted equity	EUR 57,649,515.52

Mariehamn, December 17, 2008

Ben Lundqvist, Chairman of the Board
Carita Blomsterlund
Erik Grönberg
Agneta Karlsson
Dick Lundqvist
Lars G Nordström
Nils-Erik Eklund, Managing Director and Chief Executive

Auditors' Report

To the Annual General Meeting

We have audited the accounting records, the financial statements, the Report of the Directors, and the administration of Viking Line Abp for the year ended on October 31, 2008. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement, statement of changes in equity and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

THE RESPONSIBILITY OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the Report of the Directors and for the true and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, as well as for the true and fair presentation of the parent company's financial statements and the Report of the Directors in accordance with laws and regulations governing the preparation of the financial statements and the Report of the Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the oversight of the Company's accounts and finances, and the Managing Director shall see to it that the accounts of the Company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

AUDITOR'S RESPONSIBILITY

The auditor's responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the Report of the Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the Report of the Directors are free from material misstatement and whether the members of the Board of Directors and the Managing Director have complied with the Finnish Companies Act.

An audit involves performing procedures to obtain audit evidence that the amounts and disclosures in the financial statements and the Report of the Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the Report of the Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

OPINION ON THE COMPANY'S FINANCIAL STATEMENTS AND THE REPORT OF THE BOARD OF DIRECTORS

In our opinion, the financial statements and the Report of the Directors give a true and fair view of the financial performance and financial position of the Group and the parent company in accordance with the laws and regulations governing the preparation of the financial statements and the Report of the Directors in Finland. The information in the Report of the Directors is consistent with the information in the financial statements.

Mariehamn, December 18, 2008

Leif Hermans
Authorized Public Accountant
(CGR)

Erika Sjölund
Authorized Public Accountant
(GRM)

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