

Press release

More guests and improved operation - impairment charges affect results

Hurtigruten increased its cruise nights by 60 per cent during a challenging fourth quarter of 2008, but a pre-tax loss reflected substantial provisions and impairment charges.

The number of round-trip passenger cruise nights carried by the Hurtigruten service along the Norwegian coast rose by 60 per cent in the fourth quarter compared with the same period of 2007. This increase from 39 554 cruise nights to 63 462 reflected a purposeful commitment to marketing the winter season as a unique tourism product, with the focus on the fascinating Arctic light, and the use of pricing as an instrument. Since the Hurtigruten service is the group's core business, the development in cruise nights represents a very positive signal.

- We're well under way with an extensive restructuring to create profitability. More guests are a sign that we're succeeding in the areas we have prioritised. The financial platform which has now been established gives us a good foundation for efforts to build a focused and profitable tourism company, says Olav Fjell, CEO of Hurtigruten ASA

The group made a fourth-quarter operating loss of NOK 40 million before depreciation and impairment charges (EBITDA), compared with a loss of NOK 180 million in 2007. This improvement primarily reflects increased payments from the government after a renegotiation of the public procurement contract for the Hurtigruten service as well as more cruise nights.

Operating profit before depreciation and impairment charges for the year as a whole was NOK 237 million, compared with NOK 258 million in 2007. Substantial impairment charges and provisions influenced Hurtigruten's consolidated loss for the fourth quarter, which came to NOK 558 million as against NOK 331 million in the same period of 2007.

NOK 384 million in impairment charges and provisions for the quarter included:

- A loss of NOK 103 million on the sale of the ferries- and fast ferry business.
- Impairment charges of NOK 281 million on ships and goodwill

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- Our results were poor, both for the fourth quarter and for the full year that partly reflected impairment charges and provisions totalling NOK 384 million. The positive aspect is that underlying operations showed an improvement. We will undoubtedly find 2009 a challenging year, affected by the restructuring process now under way. Winning the government tender to provide the Bergen-Kirkenes service on terms which provide scope for profitability will be very important, says Mr Fjell.

Hurtigruten group, fourth quarter of 2008 and preliminary annual accounts for 2008.

Key figures

(Figures in NOK mill)	Q4 2008	Q4 2007	Year 2008	Year 2007
Operating revenues	494	355	2 551	2 430
Operating expenses	535	541	2 332	2 195
Operating result before depreciation (EBITDA)	-40	-180	237	258
Depreciation and impairment charges	301	72	528	328
Operating result (EBIT)	-342	-252	-291	-71
Profit/(loss) before tax for continued business ¹⁾	-403	-310	-550	-254
Profit/(loss) before tax for discontinued business	-156	-25	-136	25
Profit/(loss) before tax	-560	-336	-686	-228

The group had an equity of NOK 1 163 million at 31 December 2008, and an equity ratio of 18.9 per cent (16.8 per cent excluded the convertible bond loan). Cash in hand for the group at 31 December was NOK 528 million.

¹ Planned and implemented disposals of operations in the group mean that the whole public transport business area, Bergenske Reisebyrå AS, KS Offshore Tjeld and Nor Lines AS were classified as "discontinued businesses" pursuant to IFRS 5 at 31 December 2008. Comparable income statement figures for corresponding periods in 2007 have been restated in accordance with the same principle.

For further information, see the Hurtigruten ASA website at www.hurtigruten.com or the stock exchange announcement issued on 20 February 2009 under ticker code HRG.