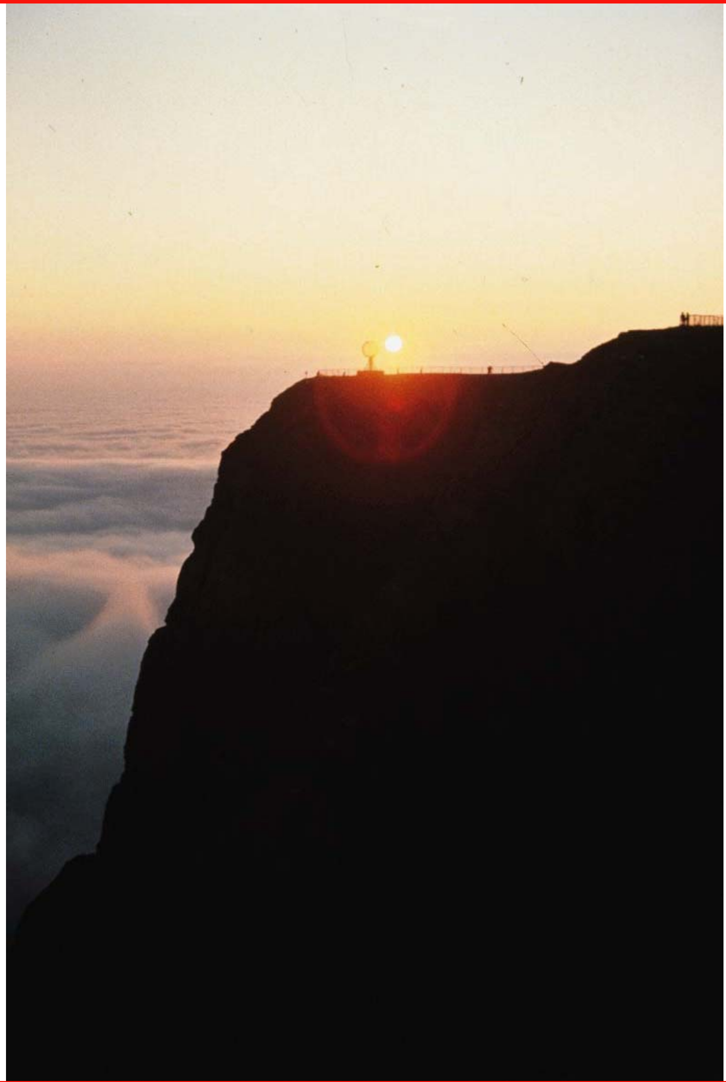
HURTIGRUTEN ASA
Interim report, second quarter of 2009

HURTIGRUTEN

20 August 2009

01



Highlights

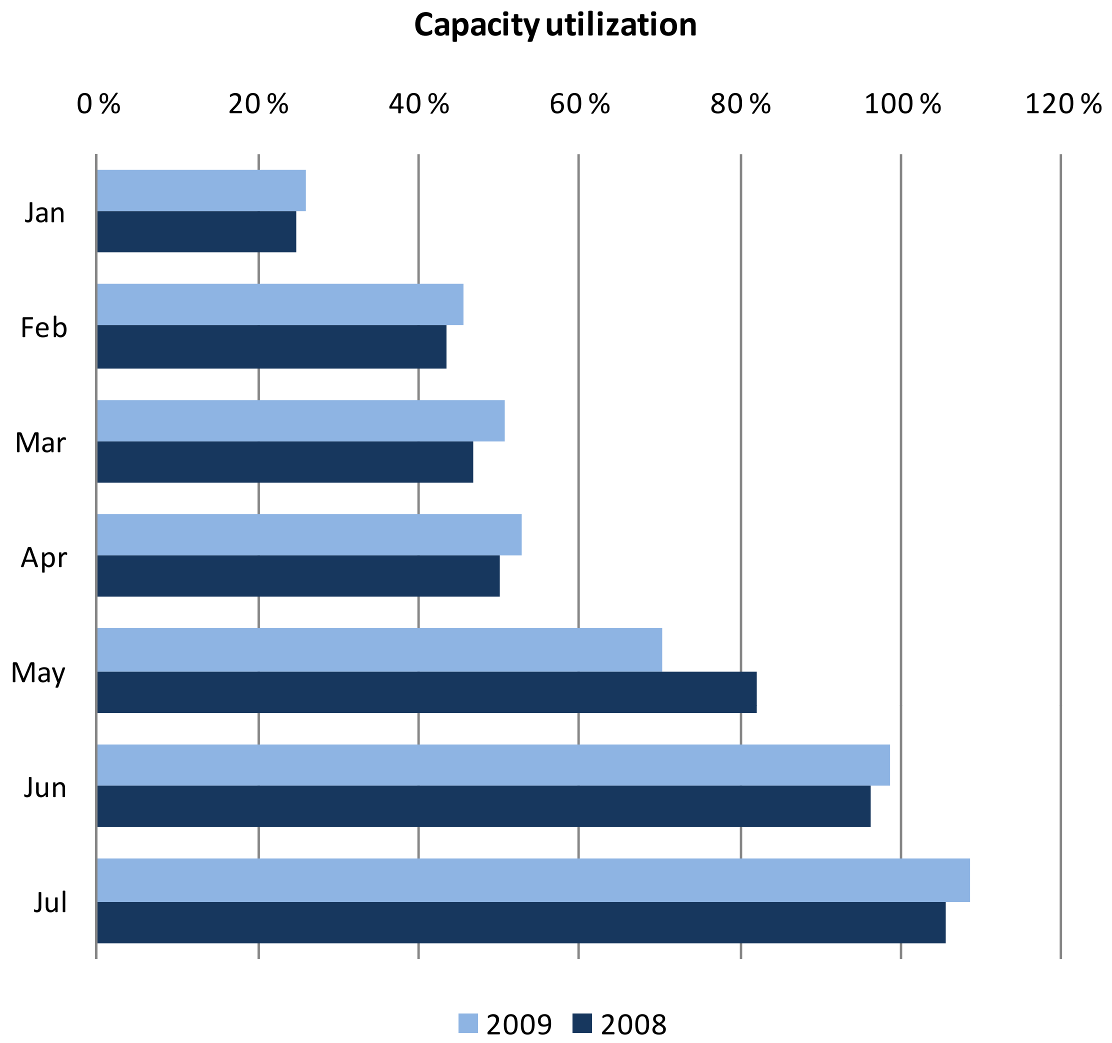
Hurtigruten doing better

- Profit of NOK 157 mill i Q2, up by NOK 131 mill from last year
  - profit of NOK 24 mill in 1st half of 2009, loss NOK 186 mill last year
- Expenses down NOK 45 mill from Q2 last year
- Fewer passengers partly offset by better average prices and higher onboard spending
- Charter m/v Nordnorge contributed NOK 57 mill in Q2

Expenses down by NOK 45 mill

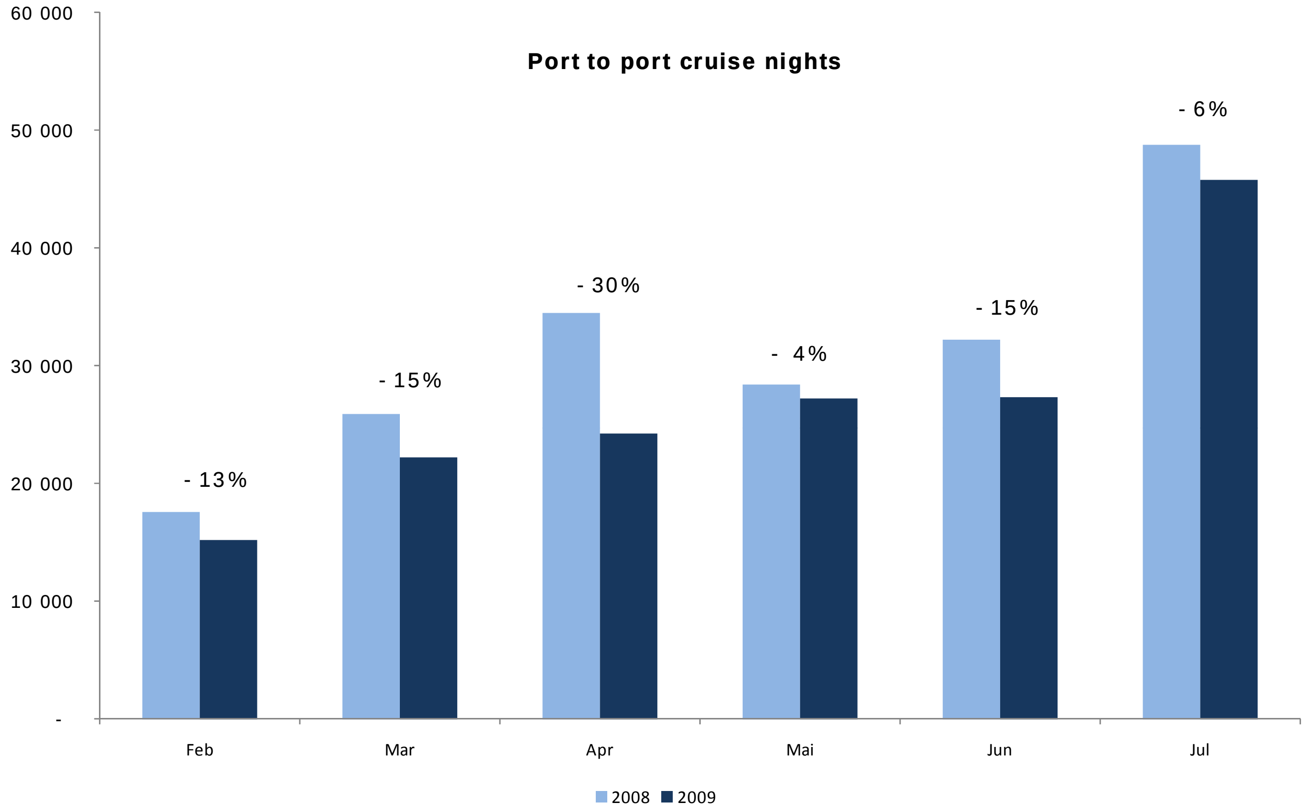
- Sales and administrative costs NOK 32 mill lower
  - reduced project costs
  - Nordic downsizing having an effect
- Bunkers costs down 31% along Norwegian coast
  - 25% price cut and 8% reduced consumption
- Crew costs cut by using m/v Nordstjernen instead of m/v Nordnorge

Better capacity utilization



Successful prioritisation of port to port

- Better Q2 than Q1
- Marketing campaigns have yielded results and positive web trend
- New on-line booking in second half

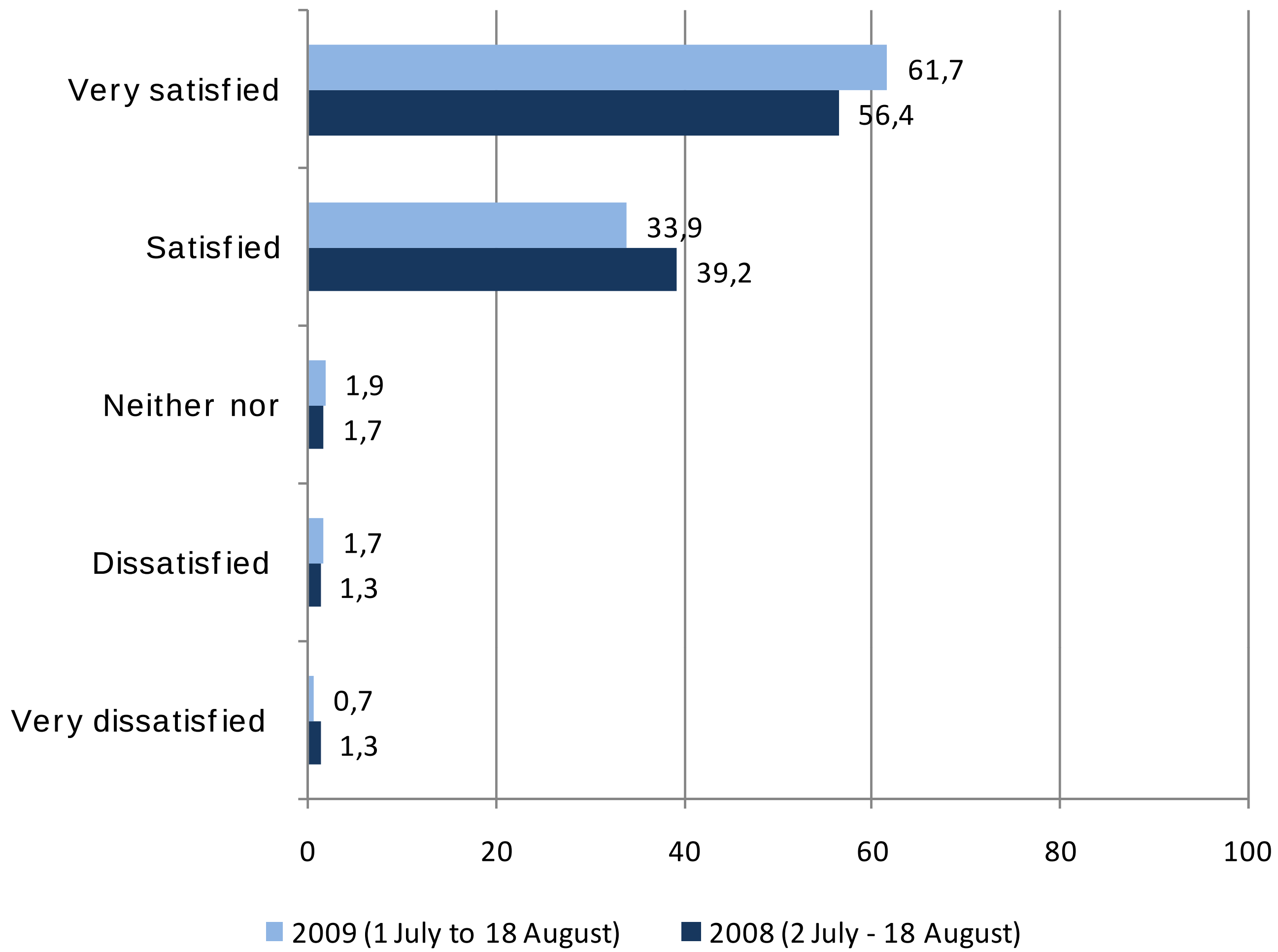


Higher prices and increased onboard spending

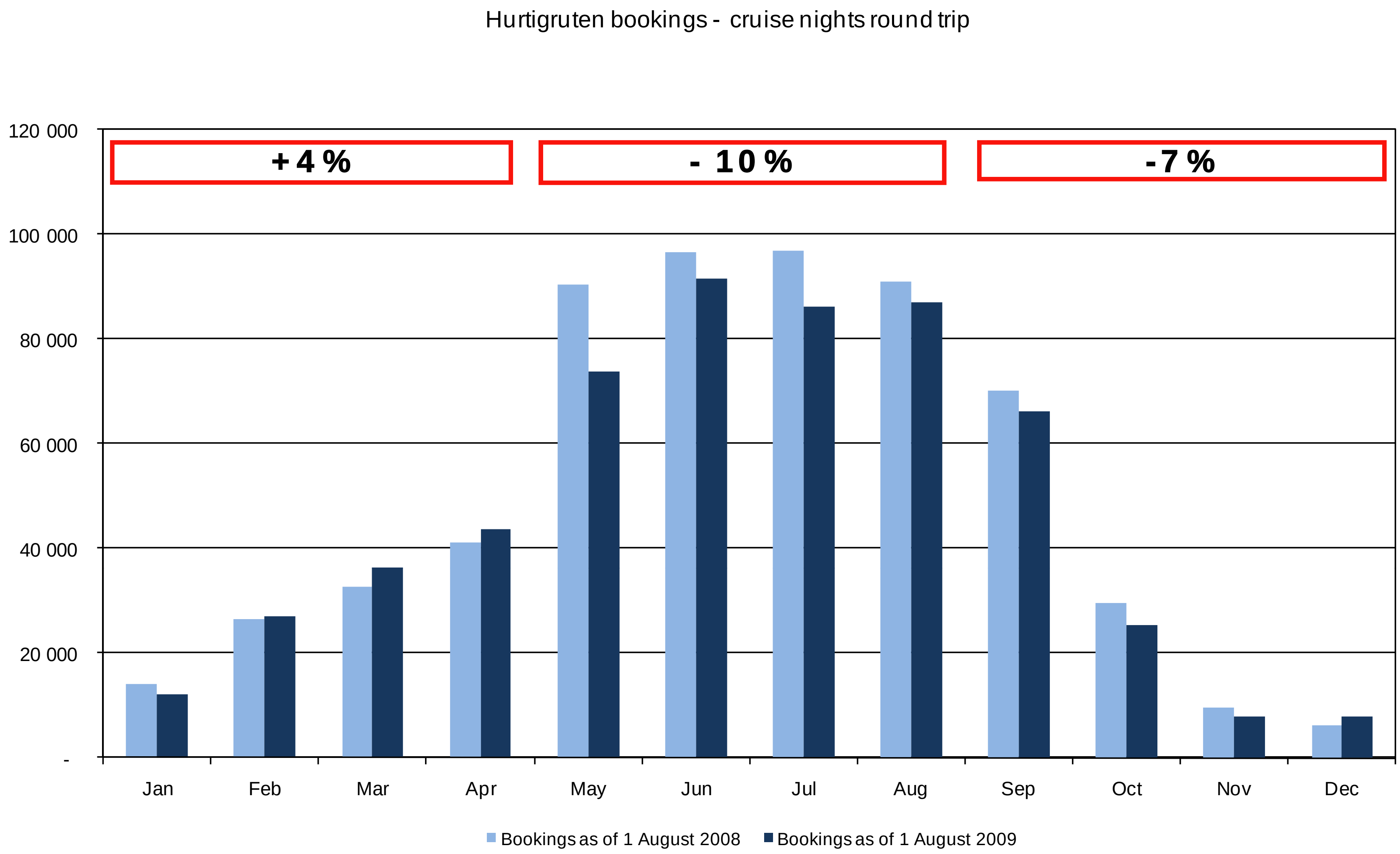
	CHANGE 2009 vs 2008	
	Q2	Q1
Gross ticket revenues per cruise night	**5.0%**	-1.9%
Net ticket revenues per cruise night	**4.1%**	-10.4%
Total onboard & shorex per cruise night	**11.4%**	3.1%

- Weaker NOK means higher average prices
- Revenue management improved
- Better control of campaigns
- Strong sales focus on board the ships

Passengers are very satisfied



Bookings at 1 August 6.7 % weaker than last year



Significant contribution from m/v Nordnorge charter

- Hotel ship in the Adriatic for the offshore market
- Originally until 5 April, but extended to 13 August
- Good reference for offshore

Key figures

Hurtigruten group *(NOK 1 000)*	**Q2 2009**	Q2 2008	Year to date 2009	Year to date 2008
Operating revenues	**957 640**	909 681	1 509 817	1 468 577
Operating expenses	**713 590**	758 599	1 304 205	1 400 876
Other losses/(gains) - net	**257**	-16 773	230	-16 716
EBITDA	**243 793**	167 856	205 381	84 417
Depreciation & impairment losses	**79 212**	76 075	157 165	155 562
EBIT	**164 581**	91 780	48 216	-71 145
Net financial items	**-53 563**	-65 380	-109 633	-117 181
Profit (loss) before tax for continued business	**111 018**	26 400	-61 416	-188 326
Profit (loss) before tax for discontinued business	**45 638**	-437	85 532	2 248
Net profit (loss) before tax	**156 657**	25 964	24 115	-186 078

02

Accounts
2nd quarter 2009

Profit improved by NOK 131 mill

- Main reasons:
  - Net contribution m/v Nordnorge charter NOK 57 mill
  - Reduced expenses and improved prices offset lower volume for Hurtigruten NOK 26 mill
  - Other improvements NOK 35 mill
  - Provision for fast ferry contract Q2/08 NOK 30 mill
  - Sales gain on Bergen hotels Q2/08 (NOK 17 mill)

Hurtigruten group – income statement

Hurtigruten group *(NOK 1 000)*	**Q2** **2009**	Q2 2008	Year to date 2009	Year to date 2008
Passenger ticket revenues	**632 953**	651 043	878 839	966 551
Onboard revenues	**108 396**	108 231	150 755	162 377
Goods, cars and other revenues	**159 136**	109 015	259 868	177 271
Contractual revenues	**57 155**	41 392	220 355	162 378
Total revenues	**957 640**	909 681	1 509 817	1 468 577
Commissions, transportation and other	**147 188**	144 741	227 879	245 783
Onboard	**81 099**	79 543	119 520	113 175
Ship manning costs	**142 354**	149 433	261 359	261 545
Fuel	**71 776**	83 562	150 545	177 229
Other cruise operating costs	**129 943**	133 559	239 013	257 460
Total cruise operating costs	**572 360**	590 838	998 316	1 055 192
S, G & A	**141 229**	167 761	305 889	345 684
Total operating costs	**713 590**	758 599	1 304 205	1 400 876
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Product information
Operating result before depreciation (EBITDA)

Hurtigruten group *(NOK 1 000)*	**Q2 2009**	Q2 2008	Year to date 2009	Year to date 2008
Hurtigruten coastal	**175 443**	149 288	105 183	76 242
M/V Fram	**-6 701**	-18 212	773	-48 269
Spitsbergen Travel group	**17 967**	28 479	17 182	31 874
Other	**57 084**	8 301	82 244	24 570
EBITDA	**243 792**	167 855	205 382	84 417
Depreciation & impairment losses	**79 212**	76 075	157 165	155 562
EBIT	**164 581**	91 780	48 217	-71 145
Net financial items	**-53 563**	-65 380	-109 633	-117 181
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Net profit (loss) before tax	**156 656**	25 963	24 116	-186 078

Hurtigruten group
Balance sheet (IFRS)

(NOK 1 000)	**30.06.2009**	01.01.2009
Assets		
Tangible fixed assets	**4 166 915**	3 942 462
Intangible fixed assets	**262 823**	297 944
Financial fixed assets	**58 240**	63 251
Current assets	**1 545 133**	1 036 666
Assets held-for-sale	**636 132**	1 592 353
Total assets	**6 669 243**	6 932 676
Equity and liabilities		
Paid-in capital and retained earnings	**1 418 550**	946 808
Minority interests	**251 178**	216 245
Total equity	**1 669 728**	1 163 053
Long-term liabilities	**3 709 652**	106 801
Provisions	**97 593**	172 003
Current liabilities	**907 768**	4 023 237
Liabilities on assets held-for-sale	**284 501**	1 467 582
Total liabilities	**4 999 515**	5 769 623
Total equity and liabilities	**6 669 243**	6 932 676

- Liquid assets NOK 1 198 mill (incl NOK 300 mill in short-term placements and unused part of credit facility)
- Net interest-bearing debt NOK 2 936 mill
- Capital adequacy 25.6% (25% excluding convertible bond loan)

Hurtigruten coastal product area
Positive price picture and cost reductions

Hurtigruten coastal *(NOK 1 000)*	**Q2 2009**	Q2 2008	Year to date 2009	Year to date 2008
Passenger ticket revenues	**568 473**	598 075	747 669	792 677
Onboard revenues	**104 375**	102 360	144 020	149 426
Goods, cars and other revenues	**18 255**	29 676	33 892	53 390
Contractual revenues	**57 155**	41 392	220 355	162 378
Total revenues	**748 259**	771 502	1 145 936	1 157 871
Commissions, transportation and other	**131 814**	134 115	198 642	203 787
Onboard	**69 590**	71 335	98 707	97 935
Ship manning costs	**127 293**	138 247	230 448	236 256
Fuel	**58 562**	73 001	126 575	147 832
Other cruise operating costs	**68 147**	71 168	139 082	144 367
Total cruise operating costs	**455 406**	487 867	793 455	830 178
S, G & A	**117 410**	134 348	247 299	251 451
Total operating costs	**572 816**	622 215	1 040 754	1 081 629
EBITDA	**175 443**	149 288	105 183	76 242

- Volume reduction partly offset by higher prices
- Continued growth in onboard spending
- Costs reduced with m/v Nordstjernen in place of m/v Nordnorge
- Reduction in bunkers costs from lower prices and consumption

Hurtigruten coastal product area
Key figures

(NOK 1 000, except passenger CN)	**Q2 2009**	Q2 2008	Variance	YTD 2009	YTD 2008	Variance
Passenger cruise nights	**309 223**	337 941	-8,5 %	446 195	489 287	-8,8 %
Round trip cruise nights	**208 867**	228 390	-8,5 %	284 189	301 824	-5,8 %
Port to port cruise nights	**100 356**	109 551	-8,4 %	162 006	187 463	-13,6 %
Available passenger cruise nights (APCN)	**417 172**	443 060	-5,8 %	749 948	835 144	-10,2 %
Occupancy rate	**74,1 %**	76,3 %	-2,2 %	59,5 %	58,6 %	0,9 %
Gross ticket revenues per cruise night (NOK)	**2 176**	2 073	5,0 %	1 998	1 925	3,8 %
Net ticket revenues per cruise night (NOK)	**1 525**	1 465	4,1 %	1 332	1 309	1,8 %
Gross cruise costs per APCN (NOK)	**1 373**	1 404	2,2 %	1 388	1 295	-7,2 %
Net cruise costs per APCN (NOK)	**890**	941	5,4 %	991	934	-6,1 %
Net cruise costs exclusive fuel per APCN (NOK)	**750**	776	3,3 %	822	757	-8,7 %
Net cruise costs per cruise night (NOK)	**1 201**	1 233	2,6 %	1 666	1 594	-4,5 %
Fuel consumption (thousand litre)	**18 498**	20 141	8,2 %	32 828	37 372	12,2 %
Fuel cost per litre (NOK)	**2,99**	3,98	25,0 %	3,64	3,79	4,0 %

- Decline in both round trip and port to port passengers
- Capacity reduced by using m/v Nordstjernen in place of m/v Nordnorge
- Positive price picture – favourable exchange rate developments
- Positive development in cost picture
- Improvement in bunkers consumption, positive price effect

M/v Fram product area
Europe cruise a success

MV Fram *(NOK 1 000)*	**Q2 2009**	Q2 2008	Year to date 2009	Year to date 2008
Passenger ticket revenues	**57 324**	52 445	124 033	104 568
Onboard revenues	**3 742**	3 385	6 212	6 473
Goods, cars and other revenues	**0**	-292	208	-1 223
Total revenues	**61 066**	55 538	130 453	109 818
Commissions, transportation and other	**15 374**	9 881	29 237	30 813
Onboard	**5 968**	7 167	9 981	10 888
Ship manning costs	**6 733**	7 284	13 304	15 167
Fuel	**4 410**	7 419	11 098	16 167
Other cruise operating costs	**12 678**	13 520	19 533	25 775
Total cruise operating costs	**45 163**	45 272	83 154	98 810
S, G & A	**22 604**	28 478	46 527	59 278
Total operating costs	**67 767**	73 750	129 680	158 088
EBITDA	**-6 701**	-18 212	773	-48 269

- Better results on Europe cruise than last year's Pole to Pole product
- Cost savings initiated are having an effect:
  - 13% reduction in bunkers consumption
  - Lower proportion of Norwegian crew
- Weaker booking outlook for the Greenland season

Spitsbergen Travel group product area
Market downturn

Spitsbergen Travel group *(NOK 1 000)*	**Q2 2009**	Q2 2008	Year to date 2009	Year to date 2008
Other revenues	**64 349**	81 446	92 691	121 113
Total revenues	**64 349**	81 446	92 691	121 113
Other cruise operating costs	**40 188**	46 206	62 831	76 495
Total cruise operating costs	**40 188**	46 206	62 831	76 495
Personnel costs	**2 563**	2 968	6 016	6 415
Other operating costs	**3 631**	3 793	6 662	6 329
S, G & A	**6 194**	6 761	12 678	12 744
Total operating costs	**46 382**	52 967	75 509	89 239
EBITDA	**17 967**	28 479	17 182	31 874

- Decline in the Norwegian conference and group market
- 20% reduction in revenues from hotel nights
- Not possible to compensate the cost side in the short term
- Cancellation of m/v Nordstjernen and rebooking to m/v Expedition added to costs
- M/v Fram to serve as second ship for Svalbard starting from 2010

Other business
Positive contribution from chartering m/v Nordnorge

Other *(NOK 1 000)*	**Q2** **2009**	Q2 2008	Year to date 2009	Year to date 2008
Passenger ticket revenues	**0**	525	0	69 307
Onboard revenues	**278**	2 486	523	6 478
Goods, cars and other revenues	**88 666**	13 124	146 189	19 257
Total revenues	**88 944**	16 135	146 712	95 042
Commissions, transportation and other	**0**	745	0	11 183
Onboard	**5 541**	1 040	10 831	4 352
Ship manning costs	**8 329**	3 901	17 607	10 121
Fuel	**8 804**	3 142	12 872	13 230
Other cruise operating costs	**8 929**	2 665	17 567	10 823
Total cruise operating costs	**31 603**	11 493	58 877	49 709
S, G & A	**0**	13 114	5 360	37 479
Total operating costs	**31 603**	24 607	64 237	87 188
Other losses/(gains) - net	**257**	-16 773	230	-16 716
EBITDA	**57 084**	8 301	82 244	24 570

Discontinued business

Discontinued business *(NOK 1 000)*	**Q2 2009**	Q2 2008	Year to date 2009	Year to date 2008
Ferries/fast ferries, sold business	14 281	6 340	14 968	5 002
Fast ferries - Troms county	6 655	-34 688	15 954	-35 028
Buses	22 293	16 847	23 722	19 484
Nor Lines AS	2 409	4 558	4 212	3 450
Bergenske Reisebyrå AS	0	6 506	26 676	9 340
Profit (loss) before tax	**45 638**	-437	85 532	2 248

- Fast ferries Troms – lower bunkers cost and reversal of sales provision
- Buses – lower diesel oil costs offsets the decline in passengers
- Nor Lines AS – declining freight volumes
- Bergenske Reisebyrå AS – sale implemented in Q1 with a gain of NOK 27 mill

03

Measures and prospects

Principal measures

1. Increase revenues
2. Reduce debt – divest businesses
3. Cut costs
4. Hurtigruten public procurement contract
5. Financial restructuring

1 Successful efforts on port to port (distance travel) during the summer

1 Increased use of web solutions

- Hurtigruten's website an important information channel
  - 890 000 hits since 1 May
- Successful distance travel campaign based on web booking
  - 13 000 customers since 1 May
  - "www.velgogseil.no",
- New on-line booking solution in the second half

2 Sales processes put on hold

- Sale of the bus business difficult after the charges preferred by Troms county council
- No active process for sale of Hurtigruten vessels because:
  - awaiting the criteria for a new Hurtigruten tender
  - market for sales is difficult, while opportunities exist for chartering

3 Single booking system and organisation

- Sales offices in the Nordic region, USA and UK on the same system
- Continental Europe will follow this autumn
- Central booking function in Tallinn in normal operation

3 Half the downsizing has been completed

- Redundancies implemented:
  - Nordic region
  - USA
  - UK
  - Chile (C&O)
- Remaining:
  - Germany
  - France
- Premises vacated in Bergen and Bodø.
  Oslo in Q3

4 Hurtigruten public procurement contract

- Big majority in the Stortinget (parliament) for maintaining a strong Hurtigruten product (June 2009)
- Disappointing that the criterias for a new tender were not ready at 1 July
- The restructuring programme will strengthen the ability for Hurtigruten to compete for a new tender

Great external uncertainty – strong internal restructuring

- Difficult market because of financial crisis and H1N1 virus
- Restructuring programme is being pursued with a focus on downsizing at foreign sales offices
- Focus on current operations

APPENDIX

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