

**Interim report for the fourth quarter of 2009
and preliminary annual accounts for 2009**



Hurtigruten ASA

Interim report for the fourth quarter of 2009

Highlights of 2009 – a turning point for Hurtigruten

- Results improved by NOK 658 million
- Major restructuring and downsizing
- Lower costs
- New shareholder structure
- Solid starting point for 2010

Highlights of the fourth quarter

- Loss of NOK 180 million marks an improvement of NOK 380 million from the same period of 2008, which was characterised by impairment charges and loss on business divestments
- EBITDA for m/v Fram in Antarctic waters up by NOK 45 million
- Increased average prices and lower costs yielded improved operations along the Norwegian coast

Fourth quarter – a further step in the right direction

Earnings rose during the fourth quarter by no less than NOK 380 million. This primarily reflected substantial impairment of assets, provisions for restructuring costs and loss on the sale of the ferry and fast ferry business in the corresponding period of 2008, and improvements in underlying operations during 2009. The pre-tax loss for the fourth quarter was NOK 180 million, compared with a pre-tax loss of NOK 560 million in the same period of 2008.

The pre-tax loss for the full year was NOK 28 million, compared with a pre-tax loss of NOK 686 million the year before. Even when NOK 384 million in special items such as impairment charges and loss on business divestments during 2008 are taken into account, results improved by no less than NOK 302 million in 2009.

The following factors explain why results for the fourth quarter of 2009 were stronger than in the corresponding period of the year before:

- Loss on the sale of the ferry and fast ferry business in 2008, NOK 103 million
- Impairment charges on ships and goodwill in 2008, NOK 281 million
- Reduced operating expenses, NOK 74 million
- Increased passenger and onboard spending revenues, NOK 32 million

Renegotiation of the public procurement contract with the government, completed in October 2008, yielded NOK 132 million in additional revenue for that year. This amount was recognised in its entirety in the fourth quarter of 2008.

EBITDA was NOK 17 million weaker in the fourth quarter of 2009 than in the same period of the year before. This reflects the recognition of the whole outcome of the renegotiated public procurement contract as income in the fourth quarter of 2008.

Major structural changes were implemented during 2009. The status of the main elements in the restructuring plan is presented below.

Restructuring work

An extensive plan to enhance the efficiency of the business has been pursued by Hurtigruten ASA since the annual general meeting of 15 May 2008.

1) Increase revenues – Black Belt improvement programme

Attention in the fourth quarter focused particularly on introducing new and more appropriate solutions for booking voyages over the internet.

2) Reduce debt – divest businesses outside the core area

No businesses were divested during the fourth quarter, and sales processes for remaining activities outside the core business have been halted.

This applies to Hurtigruten's share of AS TIRB, which operates bus services through its Cominor AS subsidiary. The sales process for the bus business was halted after criminal charges were laid by Troms county council against Cominor AS in June 2009.

Two of the five remaining fast ferries operating in Troms County were sold in January 2010 without any significant accounting gains or losses. In addition a letter of intent has been signed for one fast ferry, with a planned delivery date during February 2010. The two remaining vessels have been chartered to Veolia Transport Nord AS until respectively ultimo February and ultimo April 2010, and will thereafter be sold.

3) Cost-cutting programme on schedule

A detailed plan was drawn up in the fourth quarter of 2008 for reducing Hurtigruten ASA's administrative and sales costs. Staffing is to be halved and costs cut by NOK 150 million per annum, with the full effect from the second half of 2010. This process was completed in the Nordic region and the UK/USA during 2009.

The reorganisation in Germany and France started somewhat later than originally planned. The effects will be achieved during the second quarter of 2010.

4) Hurtigruten public procurement contract

The Ministry of Transport and Communications and the company reached agreement on 27 October 2008 concerning a new and higher compensation for the government's purchase of maritime transport services on the Bergen-Kirkenes coastal route. The ministry is currently working on the criteria for a new competitive tendering process for this service. The minister confirmed in August 2009 that the main principle for a new invitation to tender will be similar to the present position, with 34 ports of call and 11 ships. Detailed tendering criteria were expected around the end of 2009. It is not clear when they will be presented.

5) Financial restructuring

The banks accepted the company's financial restructuring plan on 3 February 2009. An extraordinary general meeting of Hurtigruten ASA approved the plan on 20 February 2009. That has given Hurtigruten solid and predictable financing.

The Hurtigruten group comprises the Hurtigruten coastal, m/v Fram and Spitsbergen product areas. In addition comes other business. The interim report contains segment information for all the product areas.

This interim report has been prepared in accordance with IAS 34.

Interim accounts

Income statement

The Hurtigruten group had total operating revenues in the fourth quarter of NOK 561 million (2008: NOK 650 million). This reduction primarily reflects NOK 132 million in compensation from the government under the renegotiated public procurement contract for Hurtigruten, which was recognised for 2008 as a whole in the fourth quarter. Operating revenues for the Hurtigruten product area declined for the same reason. Passenger revenues were rather higher in the fourth quarter of 2009 than in the same period of the year before. Volumes were down, but the level of prices was up. Overall revenues for 2009 as a whole came to NOK 3 390 million (2008: NOK 3 469 million).

Consolidated operating expenses before depreciation and amortisation were NOK 591 million in the fourth quarter (2008: NOK 664 million). This reduction primarily reflected lower fuel costs and a general reduction in the company's sales and administrative expenses. Start-up costs were also incurred in connection with chartering out m/v Finnmarken. Revenue from this charter began to flow in January 2010. The reduction in payroll expenses continued from earlier quarters of 2009. Consolidated operating expenses before depreciation and amortisation were NOK 2 932 million for the full year (2008: NOK 3 178 million). The reduction during 2009 was largely attributable to the same factors as for the fourth quarter, with the main emphasis on lower fuel, sales and administrative expenses.

Other losses and gains yielded a net expense of NOK 1 million in the fourth quarter compared with a gain of NOK 1 million in the same quarter of 2008. For 2009 as a whole other losses and gains came to a loss of NOK 2 million compared to a gain of NOK 18 million in 2008, mainly due to gain on divestment of the hotel business in Bergen.

The consolidated loss before depreciation and amortisation (EBITDA) was NOK 31 million (2008: loss of NOK 14 million) for the fourth quarter. Lower operating costs compensated for almost the whole reduction in revenues of roughly NOK 100 million in the quarter arising from the recognition of the whole NOK 132 million paid under the renegotiated public procurement contract in the fourth quarter of 2008. The consolidated profit before depreciation and amortisation was NOK 455 million (2008: NOK 309 million) for the fourth quarter, an improvement of NOK 147 million.

Depreciation and impairment totalled NOK 99 million (2008: NOK 312 million) for the quarter. This reduction reflected impairment of ships and goodwill in the fourth quarter of 2008. Depreciation and impairment totalled NOK 360 million (2008: NOK 565 million) for the full year.

The consolidated operating loss before interest and tax (EBIT) was NOK 130 million (2008: loss of NOK 326 million) for the fourth quarter. EBIT was positive at NOK 96 million (2008: negative at NOK 257 million) for the full year.

Net financial expenses were NOK 60 million (2008: NOK 61 million) for the fourth quarter and NOK 213 million (2008: NOK 273 million) for the year as a whole. The improvement of NOK 59 million reflected favourable exchange rate trends for currency loans, a decline in the general level of interest rates and use of the sales amount from the divestment of businesses to repay debt.

Share of profit from associates came to a profit of NOK 7 million (2008: loss of NOK 7 million) for the fourth quarter and a profit of NOK 22 million (2008: NOK 16 million) for the year as a whole. The improvement for the fourth quarter is primarily related to increased profit from the share in Nor Lines group.

The consolidated pre-tax loss for the continued business was NOK 182 million (2008: loss of NOK 394 million) for the fourth quarter and NOK 95 million (2008: loss of NOK 514 million) for the full year.

Consolidated pre-tax profit for the discontinued business was NOK 3 million (2008: loss of NOK 166 million) in the fourth quarter. These activities include the ferry and fast ferry business and Bergenske Reisebyrå AS. The figure for the fourth quarter of 2008 included a provision of NOK 103 million for loss on the sale of the ferry and fast ferry business and an impairment charge of NOK 50 million on fast ferries. Consolidated pre-tax profit for the discontinued business was NOK 67 million (2008: loss of NOK 172 million) for the full year.

The consolidated pre-tax loss came to NOK 180 million (2008: loss of NOK 560 million) in the fourth quarter and NOK 28 million (2008: loss of NOK 686 million) for 2009 as a whole.

Cash flow

Net cash flow from operational activities declined by NOK 164 million during the fourth quarter from the same period of 2008. This primarily reflected the extra payment of NOK 125 million from the government according to the renegotiated public procurement contract for Hurtigruten, which was recognised as revenue and paid in December 2008, as well as the fact that significant financial items in the income statement for the fourth quarter of 2008 had no liquidity effect for the group. Net cash flow from operational activities for 2009 as a whole was NOK 123 million lower than in 2008. The reduction is primarily caused by the same items as for the quarter.

Net cash flow from investing activities improved by NOK 10 million from the the fourth quarter of 2008. For the year as whole net cash flow from investing activities improved by NOK 459 million compared to 2008. Settlement from divestment of the groups ferry and fast ferry business mainly explains the change.

Net cash flow from financial activities declined by NOK 2 million from the same quarter of 2008. The negative figure for the fourth quarter of 2009 primarily reflected an overdraft repayment of NOK 150 million in October, while the negative figure for the same period in 2008 came from ordinary instalments and minority interests share of dividend. Net cash flow from financial activities for the year as whole shows an improvement of NOK 323 million compared to 2008. The improvement is primarily due to the private placement and subsequent repair issues raised in the first half of 2009 with a net cash effect of above NOK 320 million, reduced for down payment of debt connected to the divestment of the ferry and fast ferry business.

Balance sheet and liquidity

As a consequence of the planned and implemented divestment of businesses by the group, the ferry and fast ferry business and Bergenske Reisebyrå AS were classified at 31 December 2009 as discontinued business pursuant to IFRS 5. The group's bus business, m/v Nordnorge and the share in Nor Lines were also classified as discontinued business at 31 December 2008. During 2009, the group reclassified the bus business, m/v Nordnorge and the share in Nor Lines from "assets classified as held for sale" and "liabilities related to assets classified as held for sale" respectively. This reclassification reflected the fact that the group had no active sales processes when the annual accounts were presented, and no divestments are planned over the next 12 months.

Pursuant to IFRS 5, assets and liabilities related to discontinued business are presented as "assets classified as held for sale" and "liabilities related to assets classified as held for sale" at 31 December 2009. Both current and non-current assets and liabilities related to these businesses are included in the respective items.

Consolidated fixed assets totalled NOK 4 858 million at 31 December (31 December 2008: NOK 4 304 million). This change relates to the reclassification of the group's bus business, m/v Nordnorge and the share in Nor Lines from assets classified as held for sale to the continued business, and to acquisitions for the year reduced by ordinary depreciation of the group's fixed assets.

Current assets at 31 December totalled NOK 1 257 million (2008: NOK 1 037 million). This increase related primarily to an increase in liquid assets. Working capital improved by NOK 3 648 million from 31 December 2008 to reach NOK 661 million at 31 December 2009. The group's working capital also includes current interest-bearing debt. Its increase primarily reflects a reclassification of mortgage debt from current to non-current liabilities following the approval and implementation of the financial restructuring plan.

Liquid assets were NOK 1 028 million at 31 December, including undrawn drawing rights (NOK 558 million excluding undrawn drawing rights and restricted assets), compared with NOK 528 million (NOK 363 million excluding restricted assets) at 31 December 2008. The change primarily reflects the net cash effect of NOK 320 million raised in the first half of 2009 by the private placement and subsequent repair issues, improved group earnings and the fact that Hurtigruten ASA's mortgage debt is free of instalments as part of the financial restructuring.

At 31 December, the group had assets classified as held for sale of NOK 90 million (2008: NOK 1 592 million). This reduction reflects the sale of the ferry and fast ferry business and Bergenske Reisebyrå AS, and the reclassification of the group's bus business, m/v Nordnorge and the share in Nor Lines from assets classified as held for sale to continued business.

The group's total non-current liabilities at 31 December amounted to NOK 3 730 million (2008: NOK 107 million). This change primarily reflects the reclassification of mortgage debt from current to non-current liabilities following the approval and implementation of the financial restructuring plan. In addition, non-current liabilities related to the group's bus business and m/v Nordnorge were reclassified from "liabilities related to assets classified as held for sale" to continued business under non-current liabilities.

Current liabilities came to NOK 596 million (2008: NOK 4 023 million). This change primarily reflects the reclassification of mortgage debt from current to non-current liabilities following the approval and implementation of the financial restructuring plan.

At 31 December, the group had liabilities of NOK 60 million related to assets classified as held for sale (2008: NOK 1 468 million). This reduction reflects the sale of the ferry and fast ferry business and Bergenske Reisebyrå AS, and the reclassification of liabilities related to the group's bus business and m/v Nordnorge from liabilities related to assets classified as held for sale to continued business.

Consolidated equity at 31 December was NOK 1 657 million (31 December 2008: NOK 1 163 million). The equity ratio was 26.7 per cent (2008: 16.8 per cent). Following redemptions related to the private placement and the subsequent repair issues implemented during the first half of 2009, the group has a convertible bond loan totalling NOK 48.4 million which is regarded as equity in relation to its loan covenants. Including this, the equity ratio at 31 December was 27.4 per cent.

Product areas

Hurtigruten coastal

The Hurtigruten coastal product area is the largest activity in Hurtigruten ASA and accounted for about 68 per cent of the groups operating revenues in the fourth quarter and for the year as whole. M/v Finnmarken was removed from service in early November to prepare it for the charter assignment in Australia. It was replaced by m/v Nordlys, which originally was due to be laid up in connection with the reduction in service provision during the November-March period, according to the renegotiated Hurtigruten agreement.

Operating regularity during the fourth quarter was unsatisfactory. December was the only month to achieve an operating regularity above 97 per cent. This reflected an extraordinary docking of m/v Nordstjernen in October and November. The rest of the fleet achieved its regularity targets.

Operating revenues in the fourth quarter came to NOK 382 million (2008: NOK 468 million). The reduction reflected the recognition in the fourth quarter of 2008 of the whole NOK 132 million in additional compensation from the government under the renegotiated public procurement contract for Hurtigruten. These payments were recognised in the fourth quarter of 2009 at an on-going basis of NOK 31 million. Round trip passengers (defined as those who visit both terminus ports of Bergen and Kirkenes during a voyage) represent the most important customer category for Hurtigruten in financial terms, while port to port passengers (who travel parts of the route) are the largest category in terms of numbers on an annual basis.

The round trip segment recorded 66 296 cruise nights (2008: 67 487) for the fourth quarter, a decline of 1.8 per cent. However, the level of prices rose by 23 per cent per cruise night during 2009, primarily because price had been used as an instrument in 2008. This demonstrates that the conscious commitment to the Hunting the Light product allows prices to be maintained at a higher level than with earlier price-driven campaigns in the winter season. The overall effect of a stable volume and higher prices was an increase of NOK 17 million in passenger revenues. The port to port passenger segment recorded 65 775 cruise nights (2008: 73 565) in the fourth quarter, a reduction of 10.6 per cent. This decline related primarily to public transport passengers and to course/conference trips, and was on a par with the decline of 10.3 per cent for the full year.

Operating expenses came to NOK 412 million for the fourth quarter (2008: NOK 480 million). This change derived mainly from lower bunkers consumption and oil prices. Payroll costs were also reduced by better tailoring to the number of cruise nights. Restructuring the sales organisation on land cut sales and administrative expenses.

The operating loss before depreciation and impairment (EBITDA) was NOK 30 million for the fourth quarter, down NOK 18 million from the same period of last year. EBITDA for the full year was positive at NOK 253 million (2008: NOK 228 million).

M/v Fram

Activity related to m/v Fram is no longer defined as a separate (explorer cruise) business area from 2009, but as a separate product area. This vessel was used for cruising in the Antarctic during the fourth quarter. The Pole to Pole cruise provided the year before attracted limited interest in the market and was not repeated in 2009. This change resulted in a 7.7 per cent increase from 2008 in the number of cruise nights for m/v Fram during the quarter. The level of prices in the Antarctic was also significantly higher than achieved for the Pole to Pole cruise. Prices rose by 48 per cent per cruise night in the quarter.

Operating revenues totalled NOK 57 million (2008: NOK 36 million) in the fourth quarter, while operating expenses came to NOK 55 million (2008: NOK 78 million). Changes to the product combined with higher prices and better capacity utilisation, as well as the combined

effects of a number of efficiency improvements and cost savings, yielded an improvement of NOK 45 million in the operating profit before depreciation and impairment (EBITDA) from the same period of 2008. EBITDA came to NOK 2 million (2008: loss of NOK 43 million) for the quarter. EBITDA for the year as a whole was positive at NOK 5 million, an improvement of no less than NOK 101 million during 2009.

Spitsbergen

In connection with the further development of the group's reporting, changes were made in the third quarter with respect to the activities allocated to the Spitsbergen product area. The latter does not correspond with the legal accounts of Hurtigruten's subsidiary Spitsbergen Travel group. Historical figures have been restated for comparative purposes.

The contribution to EBITDA from the Spitsbergen product area in the fourth quarter was up by NOK 1 million from the same period of 2008. This primarily reflected an increase in revenues to NOK 16 million for the fourth quarter.

Operating profit before depreciation and impairment (EBITDA) came to NOK 24 million (2008: NOK 44 million) for 2009 as a whole. Three factors affected operations in Svalbard during 2009. The market for meetings and experiences contracted, mainly due to the financial crisis. That affected both hotel and excursion sales. In addition hotel sales to individuals were reduced. The last factor was that m/v Expedition proved more expensive for Spitsbergen than m/v Nordstjernen, without growing revenues. The option to extend the charter for m/v Expedition for 2010 was not exercised.

Other business

Operations related to the chartering of m/v Nordnorge from December 2008 to August 2009 and to the ship's activity in and en route from the Antarctic as well as Europe cruises during the first half of 2008 are classified as other business. M/v Finnmarken was taken out of the Hurtigruten service early November 2009 to prepare for a charter in Australia, and left Norway on 23 January 2010. This vessel has been classified under other business from December. In addition, other business embraces a limited portfolio of property and other activities which do not fall naturally within the other product areas.

The group's bus business run through the TIRB group plus share of profit and loss in Nor Lines were classified as ordinary operations from the fourth quarter of 2009. These activities had been classified as discontinued business from the fourth quarter of 2008, but have been reclassified in accounting terms as ordinary business pursuant to IFRS. Comparative figures have been restated.

Conditions facing the bus business through the TIRB group are challenging, with strong competition over new tenders. Activity was rather lower than in the 2008, which meant lower revenues but also reduced costs. Pre-tax profit for the bus business was down by NOK 23 million from the fourth quarter of 2008. That largely reflects the positive effect of changes in pension plans for 2008, and impairment of goodwill and operating equipment in 2009. Criminal charges were brought against the Cominor AS subsidiary by Troms county council in June 2008.

The share of profit in Nor Lines group for the fourth quarter improved by NOK 11 million from the same period of 2008.

Operating profit before depreciation and impairment (EBITDA) for other business was NOK 2 million (2008: NOK 46 million) in the fourth quarter and NOK 174 million (NOK 134 million) for the full year. This improvement was almost entirely attributable to the charter for m/s Nordnorge.

Discontinued business

On the basis of the planned and implemented divestment of businesses in the company, the whole of the public transport business, Bergenske Reisebyrå AS and Hurtigruten's share of Nor Lines were classified as discontinued business at 31 December 2008. Bergenske Reisebyrå AS was sold on 23 February 2009, with the ferry and fast ferry business in Nordland and the ferry operation in Troms sold on 5 January 2009. Discontinued business is presented as a separate item in the income statement under profit/(loss) for discontinued business.

Only fast ferries in Troms had operations during the fourth quarter. Pre-tax profit for this business came to NOK 3 million (2008: loss of NOK 24 million for the fast ferries in Troms and NOK 167 million for the business as a whole, including divested operations) in the fourth quarter.

The fast ferry business in Troms showed an increase of NOK 26 million in pre-tax profit from the fourth quarter of 2008. That primarily reflected impairment of ships in the latter period.

Prospects

Players in the travel trade faced a challenging year in 2009. Hurtigruten is nevertheless satisfied with the passenger numbers and prices achieved in the round trip segment during this period. However, the decline in port to port passengers was too large. Extensive structural measures have accordingly been implemented to recover lost market share in the non-holiday travel, course/conference and short break markets.

Marketing measures were pursued in the fourth quarter to encourage earlier bookings for 2010. These efforts have yielded good results, particularly for the first quarter where the number of cruise nights is set to rise by more than 45 per cent. Important product development over the past three years has aimed to create an attractive winter product in the Hurtigruten service. This work took a further step forward during the autumn when the Hunting the Light concept was also launched for the southbound leg on all the vessels. The charter agreement for m/v Finnmarken as a hotel ship in Australia was another important step in the fourth quarter. M/v Finnmarken left Norway late January and is currently en route between Cape Town and Freemantle Australia. The ship will arrive in Australia primo March.

The outlook for the rest of 2010 is satisfactory. Attention is being concentrated on measures to achieve volume targets for the summer. At present, sales for the coming summer season are marginally better than a year ago.

A new booking system was introduced for the Nordic region in the first quarter of 2009, with an outsourced booking unit established in Tallinn for the Nordic region, the UK and the USA. A number of challenges remain to be overcome in streamlining this operation. Work began in the fourth quarter on restructuring the largest sales unit, covering continental Europe. The effects of these changes will be felt during the second quarter of 2010.

The main activities in 2010 will be as follows.

- Win the competition for the Bergen-Kirkenes coastal service when this is put out to new tender, providing the terms provide scope for acceptable profitability.
- Recover lost market share in the port to port travel segment through a new pricing model, new product concepts and effective sales campaigns. Hurtigruten wishes to be the community player which Norway's coastal society deserves.
- Complete the restructuring programme.
- Ensure the profitability of the core product – Hurtigruten Norwegian coast. The platform provided by the financial restructuring in February 2009, and which has now been further strengthened by the long-term charter for m/v Finnmarken, provides a good basis for implementing the rest of the restructuring programme.

Results for 2009 are better than planned in the restructuring work and in the expectations presented to shareholders and banks in connection with the refinancing in the winter of 2009. The board is satisfied with the progress of results so far, and will continue to work to ensure that Hurtigruten meets its target of solid profitability in 2010.

Narvik, 17 February 2010
The board of directors of Hurtigruten

HURTIGRUTEN GROUP

Consolidated income statement (NOK 1 000)	Note	4th quarter 2009	4th quarter 2008	Year to date 2009	Year to date 2008
Operating revenues		350 479	343 005	2 803 782	2 846 100
Contractual revenues	7	210 540	306 908	586 069	622 575
Total revenues		561 019	649 913	3 389 851	3 468 675
Payroll expenses		222 269	219 298	975 039	1 002 285
Depreciation and impairment losses		98 810	312 167	359 714	565 413
Other operating costs	7	368 526	445 122	1 957 323	2 176 079
Other losses/(gains) - net		1 230	(946)	1 993	(18 359)
Operating profit/ (loss)		(129 815)	(325 728)	95 782	(256 743)
Operating profit/ (loss) before depreciation		(31 005)	(13 561)	455 496	308 670
		-	-		
Finance income		13 350	106 990	103 294	145 367
Finance costs		(72 942)	(168 179)	(316 696)	(418 032)
Finance costs - net		(59 592)	(61 189)	(213 402)	(272 665)
Share of profit/ (loss) of associates		7 383	(7 239)	22 475	15 701
Profit/ (loss) before income tax on continued business		(182 024)	(394 156)	(95 145)	(513 707)
Income tax expense on continued business		(12 717)	(148 481)	15 034	(178 052)
Profit/ (loss) on continued business		(169 307)	(245 675)	(110 179)	(335 655)
Profit/ (loss) before income tax on discontinued business	2, 6	2 509	(165 715)	66 666	(172 486)
Income tax expense on discontinued business	2, 7	627	(46 400)	10 013	(51 238)
Profit/ (loss)		(167 425)	(364 990)	(53 526)	(456 903)
Attributable to minority interest		24 266	1 029	89 865	27 656
Earnings per share for profit attributable to the equity holder of the company;					
- basic		(0,46)	(13,33)	(0,34)	(17,65)
- diluted		(0,46)	(13,33)	(0,34)	(17,65)

Balance sheet

(NOK 1 000)

		31.12.2009	01.01.2009	01.01.2008
Assets				
Tangible fixed assets		4 347 691	3 942 462	5 646 381
Intangible fixed assets		311 127	297 944	339 681
Financial fixed assets		198 790	63 251	160 133
Current assets		1 257 423	1 036 666	1 567 934
Assets held-for-sale	2	89 857	1 592 353	-
Total assets		6 204 888	6 932 676	7 714 129
Equity and liabilities				
Paid-in equity and retained earnings	5	1 371 166	946 808	1 548 944
Minority interest in equity		285 709	216 245	226 479
Total equity		1 656 875	1 163 053	1 775 423
Long-term liabilities	5	3 729 831	106 801	4 231 581
Provisions		161 947	172 003	434 427
Current liabilities	5	596 248	4 023 237	1 272 699
Liabilities on assets held-for-sale	2, 6	59 988	1 467 582	-
Total liabilities		4 548 013	5 769 623	5 938 707
Total equity and liabilities		6 204 888	6 932 676	7 714 129

Equity (NOK 1 000)		4th quarter 2009	4th quarter 2008	Year to date 2009	Year to date 2008
Equity at the beginning of the period	5	1 808 151	1 705 771	1 163 053	1 775 423
Profit/ (loss) for the period		(167 425)	(364 990)	(53 526)	(456 903)
Private placement		-	-	392 516	-
Costs of private placement		5 003	-	(15 504)	-
Equity adjustments in associates		-	(37 398)	-	(37 398)
Derivative financial instruments at fair value		3 472	(156 935)	132 338	(164 145)
Other equity adjustments		7 674	16 612	37 997	46 075
Equity at the end of the period		1 656 875	1 163 060	1 656 875	1 163 053

Consolidated cash flow statement (NOK 1 000)		4th quarter 2009	4th quarter 2008	Year to date 2009	Year to date 2008
Net cashflow from operating activities		(117 920)	45 993	(28 803)	93 966
Net cashflow from investment activities		(62 704)	(72 604)	302 606	(156 451)
Net cashflow from financing activities		(156 798)	(154 407)	(78 657)	(401 996)
Net increase/ (decrease) in cash and cash equivalents		(337 422)	(181 018)	195 146	(464 481)
Cash and cash equivalents overdrafts at the beginning of the period		895 126	543 576	362 558	827 039
Cash and cash equivalents overdrafts at the end of the period		557 704	362 558	557 704	362 558

PRODUCT INFORMATION

HURTIGRUTEN COASTAL

MV FRAM

(NOK 1 000)	4th quarter 2009	4th quarter 2008	Year to date 2009	Year to date 2008	4th quarter [▼] 2009	4th quarter 2008	Year to date 2009	Year to date 2008
Operating revenues	223 675	212 602	1 919 170	2 079 328	56 975	35 614	267 980	215 896
Contractual revenues	158 761	255 677	382 401	418 056	-	-	-	-
Total revenues	382 436	468 279	2 301 571	2 497 384	56 975	35 614	267 980	215 896
Payroll expenses	135 970	143 812	608 779	645 759	15 228	18 903	64 490	77 041
Depreciation and impairment	68 991	164 122	273 771	357 879	5 722	104 972	19 021	121 674
Other operating costs	276 116	335 822	1 439 978	1 623 898	39 858	59 439	198 770	235 619
Other losses/(gains) - net	-	-	-	-	-	-	-	-
Operating profit/ (loss)	(98 641)	(175 477)	(20 957)	(130 152)	(3 833)	(147 700)	(14 301)	(218 438)
Finance costs - net	(60 068)	(75 475)	(191 420)	(256 683)	(5 029)	(8 083)	(24 078)	(32 028)
Share of profit/ (loss) of associates	-	-	-	-	-	-	-	-
Profit/ (loss) before income tax on continued business	(158 709)	(250 952)	(212 377)	(386 835)	(8 862)	(155 783)	(38 379)	(250 466)
Profit/ (loss) before income tax on discontinued business	-	-	-	-	-	-	-	-
Profit/ (loss) before income tax	(158 709)	(250 952)	(212 377)	(386 835)	(8 862)	(155 783)	(38 379)	(250 466)
Operating profit/ (loss) before depreciation	(29 650)	(11 355)	252 814	227 727	1 889	(42 728)	4 720	(96 764)

PRODUCT INFORMATION

(NOK 1 000)	SPITSBERGEN				OTHER			
	4th quarter 2009	4th quarter 2008	Year to date 2009	Year to date 2008	4th quarter 2009	4th quarter 2008	Year to date 2009	Year to date 2008
Operating revenues	15 982	14 327	191 297	210 489	56 152	81 099	431 060	363 804
Contractual revenues	-	-	-	-	51 779	51 230	203 668	204 520
Total revenues	15 982	14 327	191 297	210 489	107 931	132 329	634 728	568 324
Payroll expenses	7 447	9 237	43 223	46 113	63 624	47 346	258 547	233 372
Depreciation and impairment	2 081	1 938	10 635	9 779	22 016	41 135	56 287	76 080
Other operating costs	13 362	11 070	124 553	120 707	41 495	39 428	199 745	219 271
Other losses/(gains) - net	-	-	-	-	1 230	(946)	1 993	(18 359)
Operating profit/ (loss)	(6 908)	(7 918)	12 886	33 890	(20 434)	5 366	118 156	57 960
Finance costs - net	533	776	836	2 661	4 973	21 592	1 260	13 385
Share of profit/ (loss) of associates	-	-	-	-	7 383	(7 239)	22 475	15 701
Profit/ (loss) before income tax on continued business	(6 375)	(7 142)	13 722	36 551	(8 078)	19 719	141 891	87 046
Profit/ (loss) before income tax on discontinued business	-	-	-	-	2 509	(165 715)	66 666	(172 486)
Profit/ (loss) before income tax	(6 375)	(7 142)	13 722	36 551	(5 569)	(145 996)	208 557	(85 440)
Operating profit/ (loss) before depreciation	(4 827)	(5 980)	23 521	-	1 582	46 501	174 443	134 040

PRODUCT INFORMATION
ELIMINATIONS
HURTIGRUTEN GROUP

(NOK 1 000)	4th quarter 2009	4th quarter 2008	Year to date 2009	Year to date 2008	4th quarter 2009	4th quarter 2008	Year to date 2009	Year to date 2008
Operating revenues	(2 305)	(637)	(5 725)	(23 417)	350 479	343 005	2 803 782	2 846 100
Contractual revenues	-	-	-	-	210 540	306 908	586 069	622 575
Total revenues	(2 305)	(637)	(5 725)	(23 417)	561 019	649 913	3 389 851	3 468 675
Payroll expenses	-	-	-	-	222 269	219 298	975 039	1 002 285
Depreciation and impairment	-	-	-	-	98 810	312 167	359 714	565 413
Other operating costs	(2 305)	(637)	(5 725)	(23 417)	368 526	445 122	1 957 323	2 176 079
Other losses/(gains) - net	-	-	-	-	1 230	(946)	1 993	(18 359)
Operating profit/ (loss)	-	-	-	-	(129 815)	(325 728)	95 782	(256 743)
Finance costs - net	-	-	-	-	(59 592)	(61 189)	(213 402)	(272 665)
Share of profit/ (loss) of associates	-	-	-	-	7 383	(7 239)	22 475	15 701
Profit/ (loss) before income tax on continued business	-	-	-	-	(182 024)	(394 156)	(95 145)	(513 707)
Profit/ (loss) before income tax on discontinued business	-	-	-	-	2 509	(165 715)	66 666	(172 486)
Profit/ (loss) before income tax	-	-	-	-	(179 515)	(559 871)	(28 479)	(686 193)
Operating profit/ (loss) before depreciation	-	-	-	-	(31 005)	(13 561)	455 496	308 670

Non-GAAP financial information

(NOK 1 000, except passenger CN)	Q4 2009	Q4 2008	YTD 2009	YTD 2008
Passenger cruise nights	132 071	141 052	962 026	1 038 390
Round trip cruise nights	66 296	67 487	593 216	627 402
Port to port cruise nights	65 775	73 565	368 810	410 988
Available passenger cruise nights (APCN)	388 984	389 336	1 565 280	1 684 040
Occupancy rate	34,0 %	36,2 %	61,5 %	61,7 %
Passenger ticket revenues	160 310	151 289	1 522 945	1 667 677
Onboard revenues	43 810	42 514	314 776	315 427
Total revenues	204 120	193 803	1 837 721	1 983 104
Less:				
Commissions, transportation and other	37 208	44 160	374 665	418 042
Onboard	29 330	26 116	213 610	216 309
Net revenues	137 582	123 527	1 249 446	1 348 753
Gross ticket revenues per cruise night (NOK)	1 546	1 374	1 910	1 910
Net ticket revenues per cruise night (NOK)	1 042	876	1 299	1 299
Total cruise operating expenses	298 286	329 928	1 570 973	1 747 432
Selling, general and administrative expenses	113 800	149 707	477 784	522 226
Gross cruise costs	412 086	479 635	2 048 757	2 269 658
Less:				
Commissions, transportation and other	37 208	44 160	374 665	418 042
Onboard	29 330	26 116	213 610	216 309
Net cruise costs	345 548	409 359	1 460 482	1 635 307
Gross cruise costs per APCN (NOK)	1 059	1 232	1 309	1 348
Net cruise costs per APCN (NOK)	888	1 051	933	971
Net cruise costs exclusive fuel per APCN (NOK)	725	822	767	762
Net cruise costs per cruise night (NOK)	2 616	2 902	1 518	1 575
Fuel consumption (thousand litre)	17 187	17 584	69 575	76 128
Fuel cost per litre (NOK)	3,52	4,87	3,54	4,44

Notes to the accounts

Note 1 Accounting policies

The interim financial report for the group includes Hurtigruten ASA with subsidiaries and associated companies. The interim financial report is prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial report does not include all information which will appear in the annual financial report which is prepared in accordance with all effective IFRS -standards, and should therefore be read in connection with the annual report for 2008.

The annual report 2008 for the group can be obtained through a request to the company's main office or on the website www.hurtigruten.com. A description of the accounting policies applied in the interim financial reporting are described in the note of accounting policies in the annual report for 2008.

In the preparation of the interim financial report, estimates and assumptions have been applied, which has affected assets, liabilities, net income and costs. Actual figures can deviate from estimates applied.

Note 2 Classification of "discontinued business"

"Discontinued business" is a part of the business which is either sold or classified as held for sale. In accordance with IFRS 5 "Non current assets held for sale and discontinued operations", such items must be classified apart from other results through a separate line in the income statement. Corresponding assets and liabilities are presented (gross) apart from other assets and liabilities in the balance sheet.

Based on planned and completed sales of businesses in the group, Bergenske Reisebyrå AS and the ferry and fast ferry business are presented as "discontinued business". The bus operation and the group's share of profit from Nor Lines group were previous presented as "discontinued business". According to IFRS 5 these operations have been reallocated to "continued business" as they no longer comply with the requirements defined in IFRS 5 (no. 7 and 8). Comparative figures in the income statement for equivalent periods in 2008 have been restated in accordance with this principle. Income statement for discontinued business appears as follows:

(NOK 1 000)	4th quarter 2009	4th quarter 2008	YTD 2009	YTD 2008
Operating revenues	32 016	196 219	138 223	924 085
Payroll costs	7 596	94 822	36 208	400 662
Depreciation and impairment	11 492	108 040	15 633	173 585
Other operating costs	9 886	81 862	45 487	422 728
Other losses/(gains) - net	0	-70 561	29 725	-68 607
Operating profit/(loss)	3 042	-159 066	70 620	-141 497
Finance income	314	2 908	1 551	9 344
Finance costs	847	9 556	5 505	40 333
Finance costs - net	-533	-6 648	-3 954	-30 989
Share of profit/(loss) of associates	0	0	0	0
Profit/(loss) before income tax	2 509	-165 714	66 666	-172 486
Income tax expense	627	-46 400	10 013	-51 238
Profit/(loss)	1 882	-119 314	56 653	-121 248

Assets held-for-sale, and liabilities on assets held-for-sale appears as follows:

(NOK 1 000)	31.12.2009	01.01.2009
Assets		
Tangible fixed assets	98 344	1 266 732
Intangible fixed assets	0	41 567
Financial fixed assets	1 549	88 566
Current assets	-10 036	195 488
Assets held-for-sale	89 857	1 592 353
Liabilities		
Long-term liabilities	0	99 213
Provisions	-3 700	53 568
Current liabilities	63 688	1 314 801
Liabilities on assets held-for-sale	59 988	1 467 582

Note 3 Financial risk management

There are potential risks and uncertainties that can affect the operation of the companies in the group. This may lead to actual results deviating from expected and historical results. Information concerning the most important risks and uncertainties is disclosed in the latest annual report published on the website www.hurtigruten.com.

No essential changes in the financial risk management have been done since the annual report for 2008 was published.

Note 4 Information about segments

As a consequence of changes in the group's internal reporting structure, the segment reporting is altered as of 1 January 2009. Comparative figures for 2008 are adapted.

With effect from 1 January, the Hurtigruten coastal and explorer cruise products have been the company's core activity and only business area. For reporting purposes, the company has resolved to specify operating profit before depreciation and impairment (EBITDA) for the three product areas of Hurtigruten coastal, m/v Fram and Spitsbergen, in addition to other business. The company has also converted its financial reporting to industry standards for the cruise sector with adjustments. This is intended to provide better information about the key drivers in the company. The group structure has been discontinued, and administrative functions previously reported under other business are now allocated to the various product areas in accordance with their scope. In connection with further development of the financial reporting, changes were made in the third quarter with respect to the activities allocated to the Spitsbergen product area. The financial reporting of Spitsbergen product area is not equal to the financial statement of the Spitsbergen Travel group. Historical figures have been restated for comparative purposes.

Note 5 Proceeds from and payments of borrowings

The company has clauses on financial covenants related to parts of its loan portfolio regarding liquidity, solidity and cash flow. These covenants must be met at the end of each quarter and the second covenant must be met on a running basis. At the date when the annual accounts for 2008 were presented, the company did not have all the terms of the financial restructuring in place. The company was accordingly unable to document at 31 December 2008 that it would not be in breach of the covenants during the next 12 months, and loans related to these covenants was therefore reclassified from non-current to current liabilities at 31 December 2008. The financial restructuring plan for the company was entered into in

February 2009, which includes a new instalment profile and new conditions. The company can in this manner document not to breach the financial covenants the next 12 months. The loan portfolios related to these financial covenants are accordingly reclassified from current borrowings to non-current borrowings.

According to financial covenants, the following conditions must be met:

- The group's working capital and unused credit facilities must be positive.
- The group must maintain a free liquidity of at least NOK 200 million over the term of the loan.
- EBITDA must be greater than the group's annual debt obligation and dividend payments, or the group's free liquidity (with credit facilities included) must be a minimum of NOK 350 million.
- An equity ratio of 22.5 per cent up to and including 30 June 2009, where the convertible bond issued by Hurtigruten ASA is treated as equity under the loan agreement. From 30 September 2009 up to and including 30 June 2010 the equity ratio must be 25 per cent, and from 30 September 2010 onwards the equity ratio must be 27.5 per cent.

Note 6 Changes to estimates

Loss on contracts relates to the contract with Troms county council for the operation of fast ferries and county road ferries. This contract yields a substantial deficit because the sharp rise in bunker costs and the actual development in passenger numbers do not give a right to regulate contractual revenues. The contract expired on 31 December 2007, but Troms county council had a unilateral right to extend the contract for three one-year periods. Two of these options have been exercised. According to IAS 37, a provision of NOK 59.4 million related to the contract was accordingly made at 31 December 2007. Due to further rise in bunker prices in the first half of 2008, an additional provision of NOK 30 million was made at 30 June 2008. Troms county council has in writing confirmed not to exercise the final one-year extension, and the contract will therefore terminate at 31 December 2009. The provision of NOK 19.8 million related to the last option period was accordingly reversed in the third quarter of 2008. By the end of the fourth quarter of 2009 the provision related to loss on the contract with Troms county council is reversed, as the contract is discharged.

Note 7 Contingent outcomes

In connection to the sale of the shares in Nor-Cargo Holding AS in 2004, the company's opinion is that the capital gain should be recognised under the Norwegian tax exemption model, which involves a tax exemption for such gains. The Ofoten tax assessment office resolved in 2006 that the capital gain would not be recognised under this model, so that the gain became liable to tax. Hurtigruten included a provision of NOK 79 million for the possible tax liability in its 2006 accounts. The tax case was taken to court, where the view taken by the Ofoten tax assessment office was upheld. This judgement was appealed to the appeal court in November 2008. The court found in favour of the Hurtigruten ASA case that the capital gain should fall within the tax exemption model. The provision made for capital gains tax in the 2006 accounts was therefore reversed in the annual accounts for 2008. The entry is recognised as a tax charge on discontinued business. The government appealed the decision to the Supreme Court's appeals committee, and 9 October 2009 the Supreme Court gave judgement in favour of Hurtigruten ASA. Hurtigruten ASA was awarded the legal costs. The decision from Supreme Court does not have any consequences for the company's accounts.

NOK 13 million in nitrogen oxide tax was charged to the company in 2009. Members of nitrogen oxide fund have collectively undertaken to reduce emissions of these gases by 30 000 tonnes in total, broken down into 2 000 tonnes in 2008, 4 000 tonnes in 2009 and 24 000 tonnes in 2010. The Norwegian Pollution Control Authority will monitor that the fund reaches its collective goals. If these are not met, the members can be required to pay the full amount of the tax on their respective share of the emissions. This requirement will be

calculated on the basis of the percentage share of the collective goals which fail to be achieved. The fund has achieved the settled goal for 2008.

Stortinget (The Norwegian Parliament) resolved in December 2008 to appropriate an additional NOK 125 million for the public procurement contract in 2008. This extra appropriation includes a calculated NOK 52 million in compensation for nitrogen oxide tax paid in 2007, a calculated NOK 7 million as 90 per cent of payments to the nitrogen oxide fund for the first half of 2008, and a calculated NOK 66 million as general compensation for 2008. The Ministry of Transport and Communications is due to submit a new proposal to the parliament on compensation for payments to the nitrogen oxide fund for the second half of 2008 and for 2009, in addition to continuing the general compensation. Per publication date such new proposal has not been put forward. A total of NOK 7 million was recognised as income in the fourth quarter of 2008 related to nitrogen oxide tax compensations for the second half 2008 and a total of NOK 78 million in 2009 related to the nitrogen oxide tax compensations as well as increased general compensation.

The general compensation is due to be maintained throughout the term of the existing contract unless the company's earnings from the contract substantially improve. The Ministry of Transport and Communications has assumed that the additional appropriation accords with the regulations on state aid. However, should the Efta Surveillance Authority (ESA) consider that the payment conflicts with the European Union's rules on government subsidies, all or part of the compensation could be demanded reimbursed.

Note 8 Business influenced by seasonal factors

The Hurtigruten coastal operation is influenced by seasonal factors with the main season from May through September (more than 50 per cent occupancy). The itinerary and fleet of the company is, according to the Hurtigruten public procurement, the same the whole year, except from the November-March period. The exception is a consequence of the renegotiation of the public procurement contract with the government, where Hurtigruten has been given the opportunity to reduce the production by one ship on the Bergen-Kirkenes coastal service in this period.

Explorer cruises with m/v Fram is cyclic because the cruises are concentrated around three geographic areas (different parts of the year); Antarctica, Greenland and cruise between Antarctica and the Arctic. The Svalbard operation has a main season reaching from March through August. The activity is operated by the subsidiary Spitsbergen Travel group.