



# **HURTIGRUTEN**

**INTERIM REPORT FOR Q4 2010 AND  
PRELIMINARY ACCOUNTS FOR 2010**

# HIGHLIGHTS



## Profit for Hurtigruten in 2010

- Pre-tax profit of NOK 22 million (loss of NOK 28 million in 2009)
- EBITDA improvement NOK + 129 million in 2010
- Strong development in number of cruise nights + 11%
  - Cruise nights roundtrips + 14 %
  - Cruise nights port to port + 7 %
  - 69,1% capacity utilisation, increase from 61,5% in 2009
- Strong NOK currency and late start-up for charter contract dampen profit
- Finalization of state contract is crucial



# Hurtigruten group – income statement

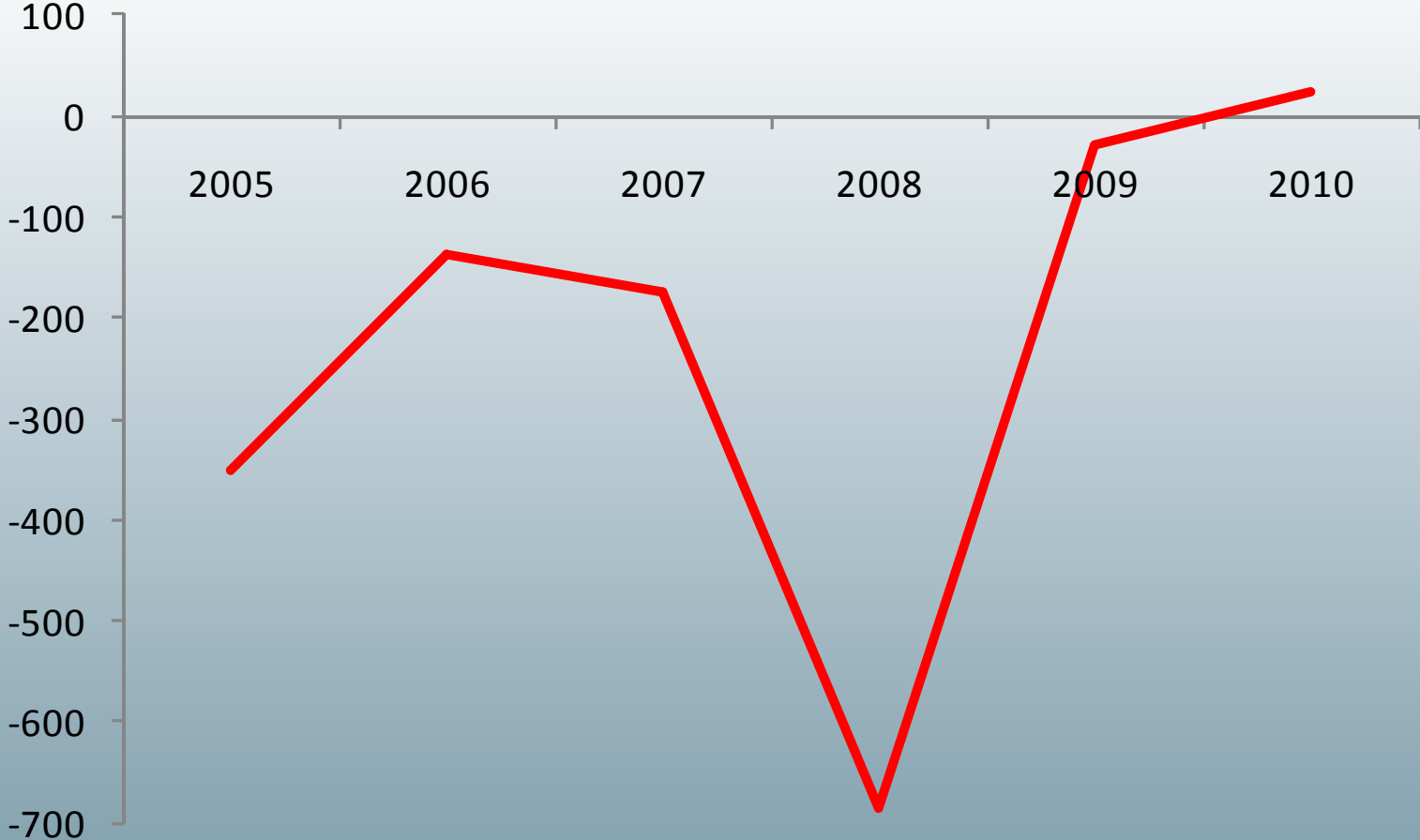
Hurtigruten group (NOK 1 000)	Q4 2010	Q4 2009	Year to date 2010	Year to date 2009
Operating revenues	709 381	560 926	3 787 859	3 395 556
Operating expenses	671 166	592 144	3 211 194	2 938 067
Other losses/(gains) - net	-3 539	1 230	-7 889	1 993
<b>EBITDA</b>	<b>41 754</b>	<b>-32 448</b>	<b>584 555</b>	<b>455 496</b>
Depreciation & impairment losses	91 064	98 810	360 105	359 714
<b>EBIT</b>	<b>-49 311</b>	<b>-131 257</b>	<b>224 450</b>	<b>95 783</b>
Net financial items	-52 239	-59 592	-208 465	-213 402
Share of profit/loss of associates	-3 877	3 275	-757	10 752
<b>Profit (loss) before tax for continued business</b>	<b>-105 427</b>	<b>-187 574</b>	<b>15 227</b>	<b>-106 868</b>
Profit (loss) before tax for discontinued business	499	6 617	6 341	78 390
<b>Net profit (loss) before tax</b>	<b>-104 928</b>	<b>-180 957</b>	<b>21 568</b>	<b>-28 478</b>



# Profit for Hurtigruten in 2010

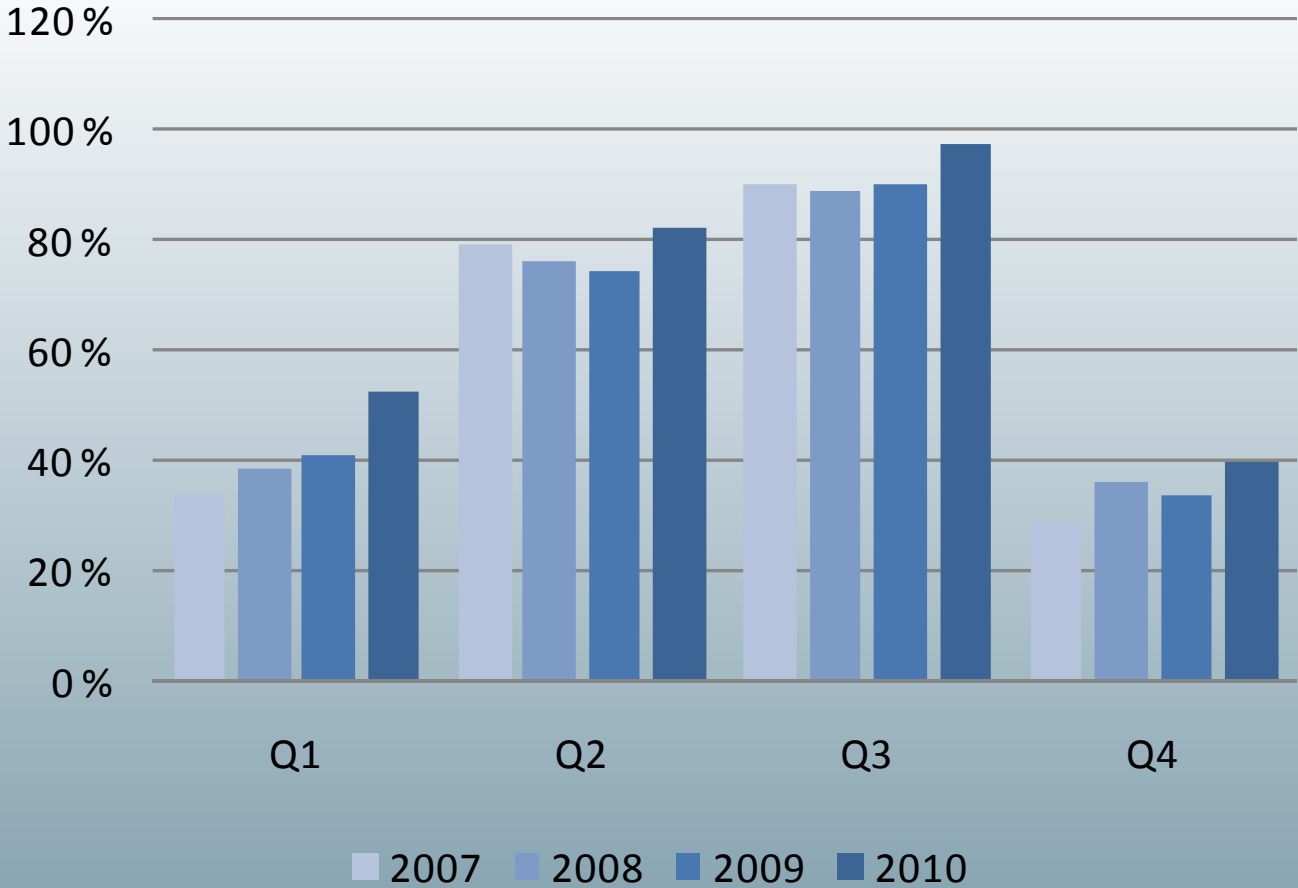
- first profitable year after merger

Profit/loss before tax in MNOK



# Improved capacity utilization\*, 69,1% for whole year

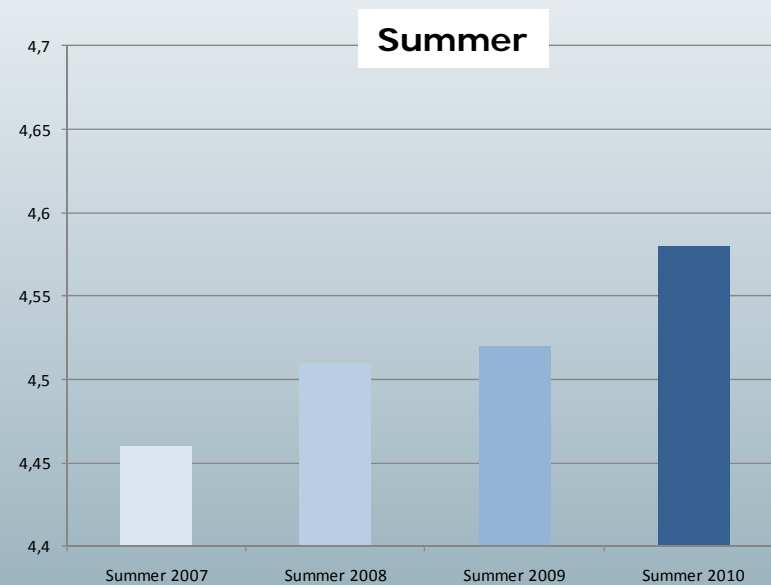
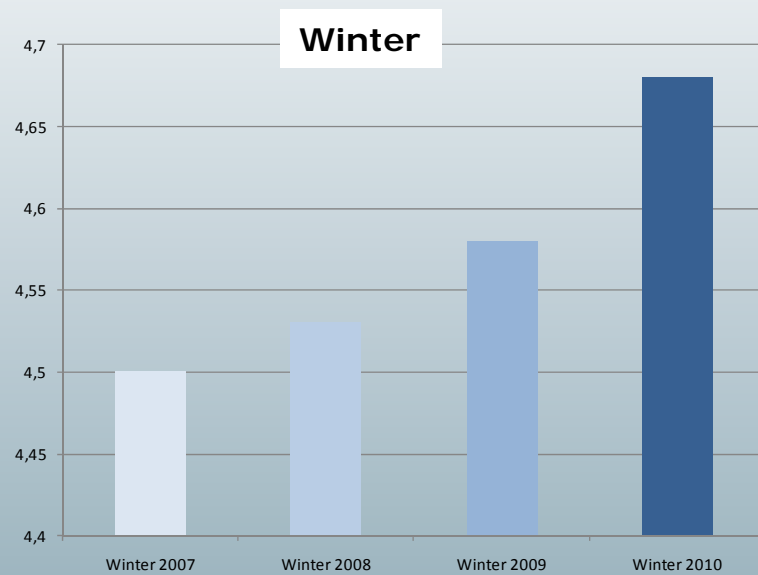
- Winter challenge in process of being resolved
- Reversing negative trend in Q2 and Q3



\* 100% defined as two guests in each cabin; booking status as of 31 December 2010

# Satisfied customers

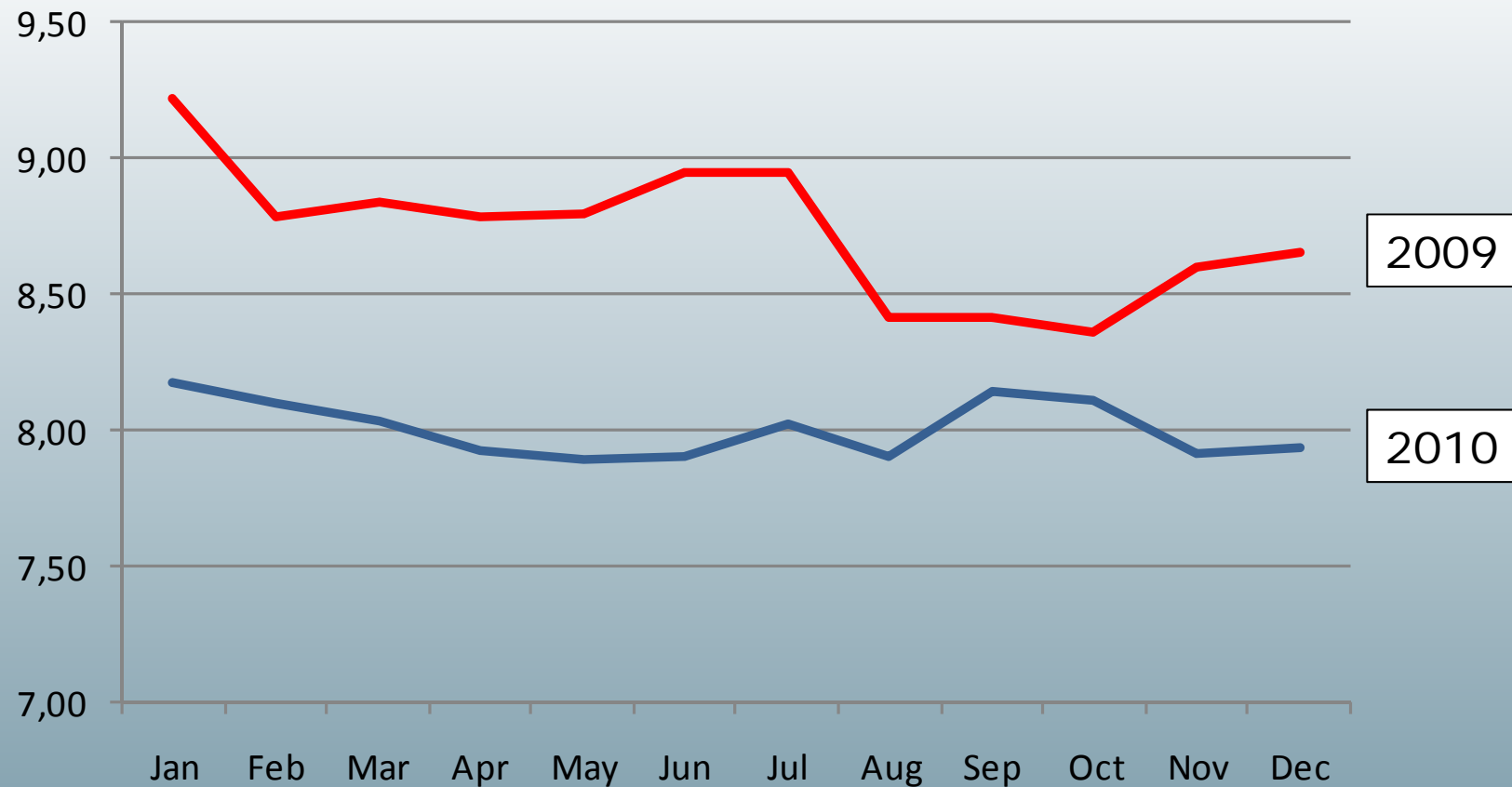
- winter scores higher than summer



Customer satisfaction index, 1 =Low, 5 =very high

# Stronger NOK currency reduced profit before tax by NOK 140 million

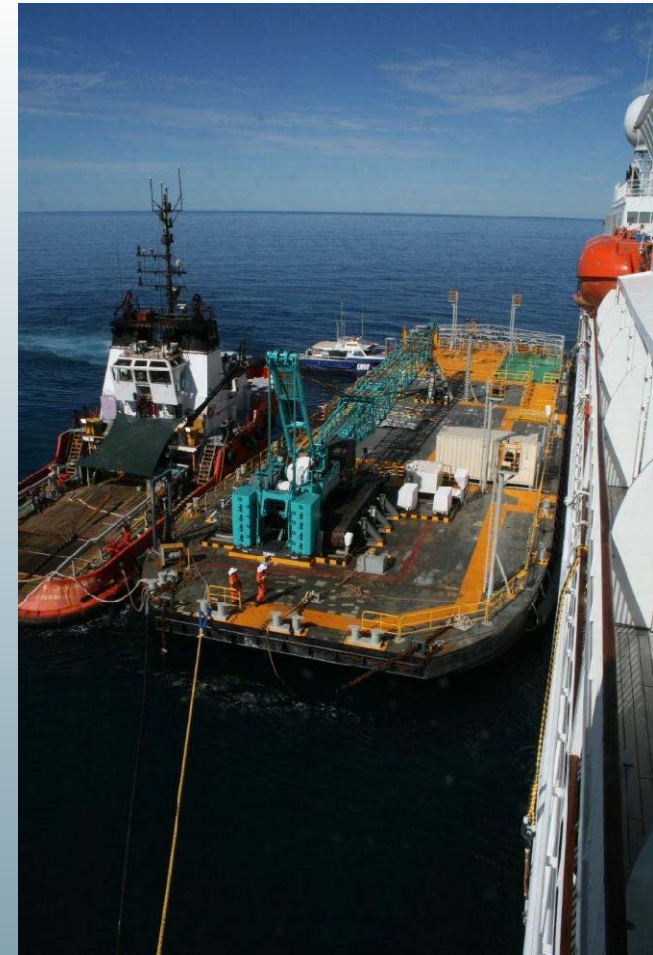
EUR/NOK



## Delayed start up Charter MV Finnmarken

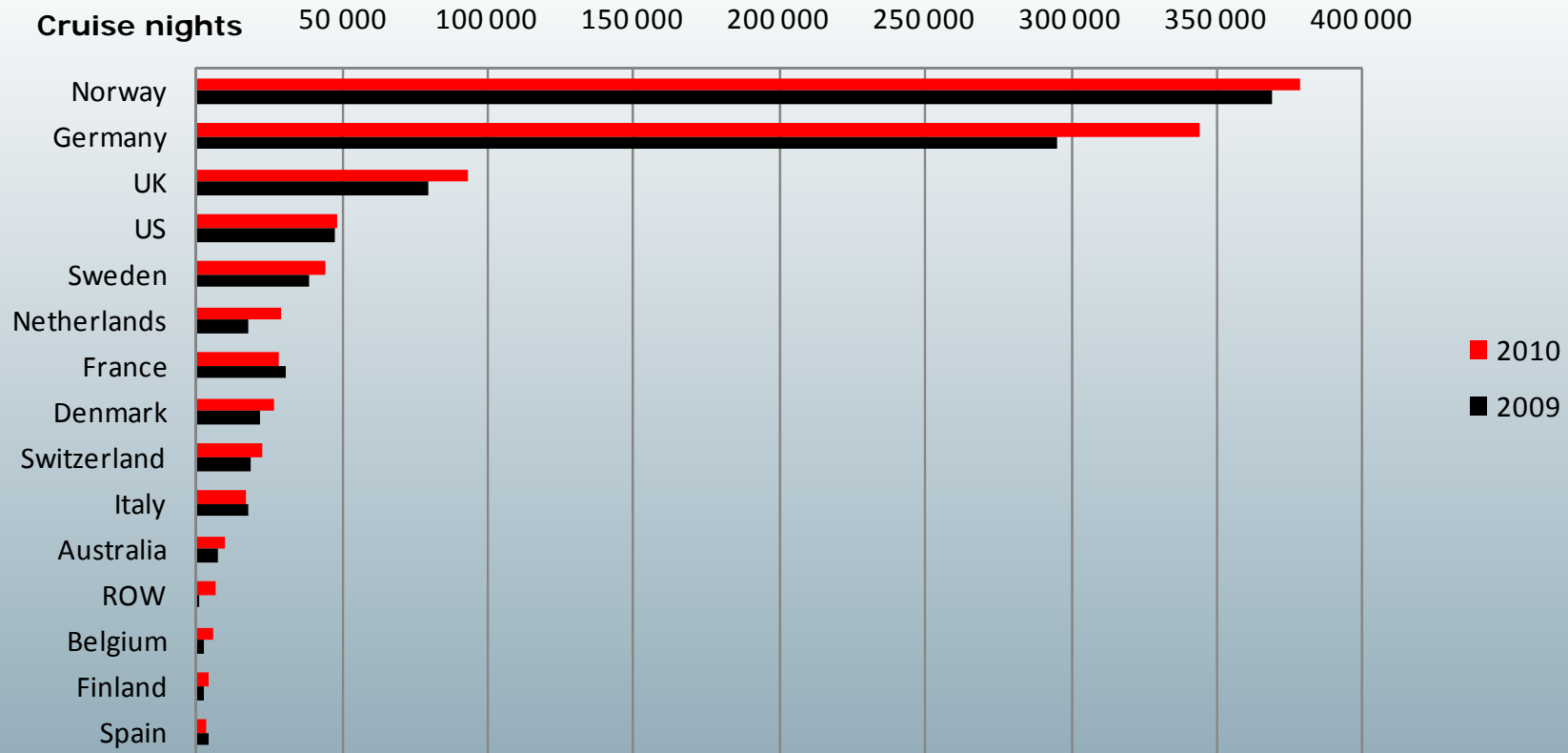
- EBITDA of NOK 80 million postponed from 2010 to 2011

- Four months delayed start up dampened effect in 2010
- Charter operation crucial for 2010 profitability

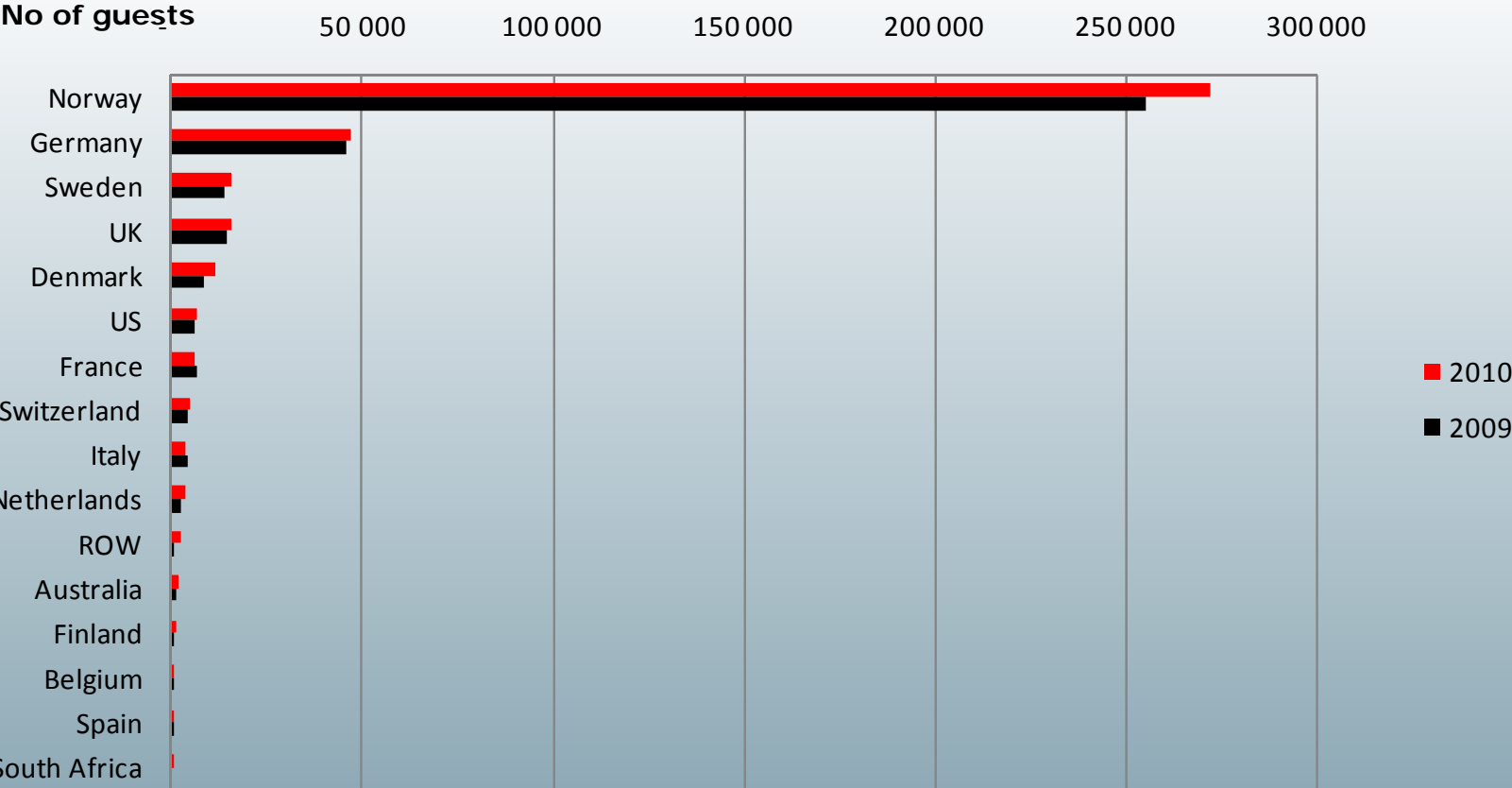


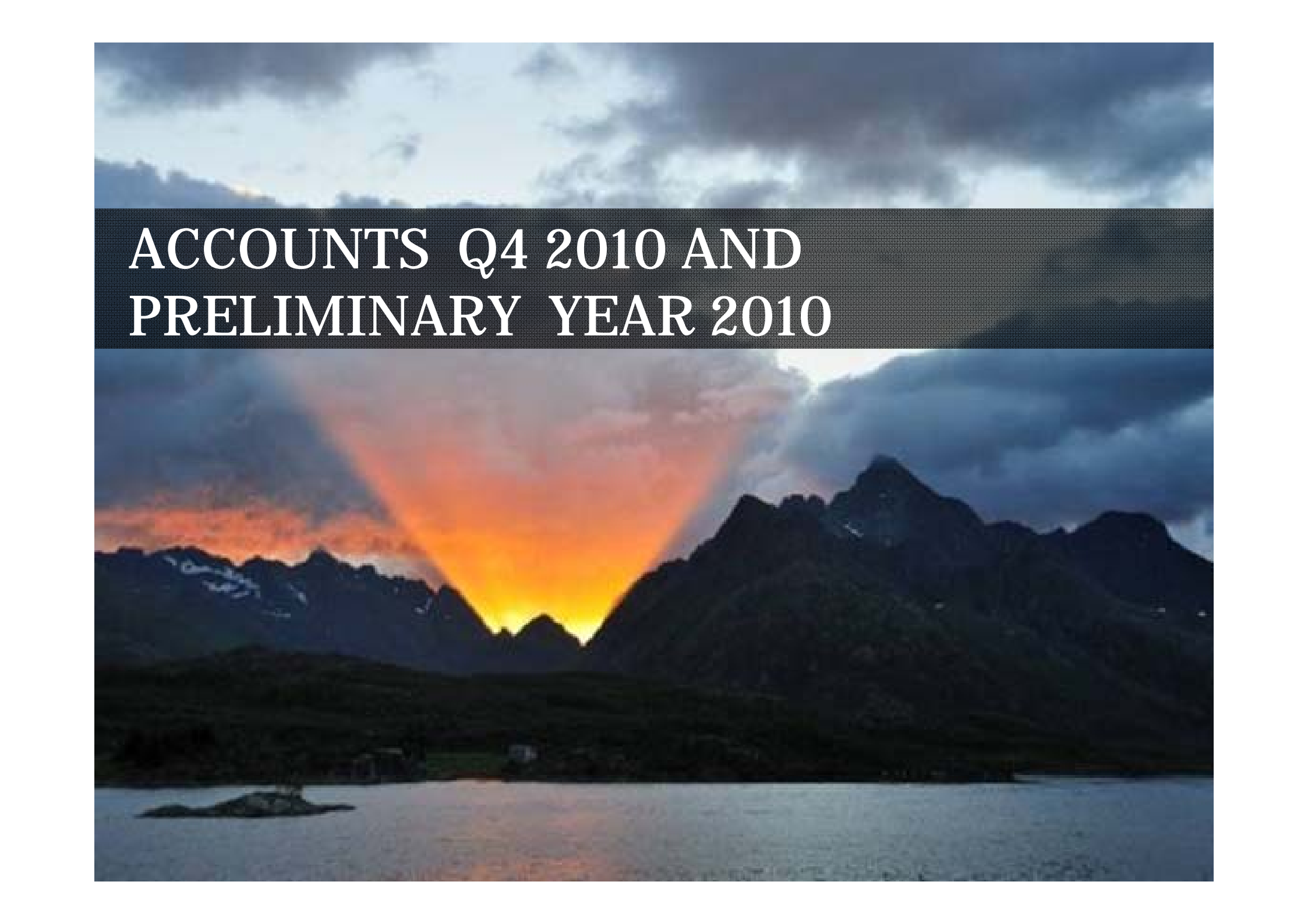
# Germany and Norway most important markets

- Solid development in all areas



# In no of guests - Norway by far the biggest market





# ACCOUNTS Q4 2010 AND PRELIMINARY YEAR 2010

# Hurtigruten group – income statement

Hurtigruten group (NOK 1 000)	Q4 2010	Q4 2009	Year to date 2010	Year to date 2009
Passenger ticket revenues	202 624	212 931	1 864 172	1 836 695
Onboard revenues	60 612	47 341	387 653	334 201
Goods, cars and other revenues	239 548	90 114	963 632	638 592
Contractual revenues	206 597	210 540	572 403	586 069
<b>Total revenues</b>	<b>709 381</b>	<b>560 926</b>	<b>3 787 859</b>	<b>3 395 556</b>
Commissions, transportation and other	41 314	48 171	428 405	438 193
Onboard	44 978	33 712	267 449	250 304
Ship manning costs	211 765	167 149	879 222	760 568
Fuel	74 187	70 347	313 661	303 059
Other cruise operating costs	180 853	131 694	791 213	592 039
<b>Total cruise operating costs</b>	<b>553 096</b>	<b>451 072</b>	<b>2 679 951</b>	<b>2 344 163</b>
<b>S, G &amp; A</b>	<b>118 069</b>	<b>141 072</b>	<b>531 243</b>	<b>593 904</b>
<b>Total operating costs</b>	<b>671 166</b>	<b>592 144</b>	<b>3 211 194</b>	<b>2 938 067</b>
Other (losses)/gains - net	3 539	-1 230	7 889	-1 993
<b>EBITDA</b>	<b>41 754</b>	<b>-32 448</b>	<b>584 555</b>	<b>455 496</b>
Depreciation and impairment losses	91 064	98 810	360 105	359 714
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Profit (loss) before tax for discontinued business	499	6 617	6 341	78 390
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# Hurtigruten group

## Balance sheet (IFRS)

<i>(NOK 1 000)</i>	<b>31.12.2010</b>	01.01.2010
<b>Assets</b>		
Tangible non-current assets	4 163 328	4 347 691
Intangible non-current assets	259 526	247 817
Financial non-current assets	158 382	252 652
Current assets	1 692 006	1 223 012
Assets held-for-sale	68 076	110 748
<b>Total assets</b>	<b>6 341 320</b>	<b>6 181 920</b>
<b>Equity and liabilities</b>		
Paid-in capital and retained earnings	1 359 836	1 351 244
Minority interests	288 126	282 663
<b>Total equity</b>	<b>1 647 962</b>	<b>1 633 907</b>
Non-current liabilities	3 688 418	3 687 543
Provisions	182 599	164 387
Current liabilities	739 007	586 404
Liabilities on assets held-for-sale	83 333	109 679
<b>Total liabilities</b>	<b>4 693 358</b>	<b>4 548 013</b>
<b>Total equity and liabilities</b>	<b>6 341 320</b>	<b>6 181 920</b>



# Product information

## Operating profit before depreciation (EBITDA)

Hurtigruten group (NOK 1 000)	Q4 2010	Q4 2009	Year to date 2010	Year to date 2009
Hurtigruten Norwegian coast *	-36 519	-38 278	258 637	247 563
Explorer products *	11 403	8 574	54 294	4 236
Spitsbergen	-10 096	-8 931	37 168	21 841
Charter	73 324	-5 300	175 892	118 345
Other business	3 642	11 487	58 565	63 511
<b>EBITDA</b>	<b>41 754</b>	<b>-32 448</b>	<b>584 555</b>	<b>455 496</b>
Depreciation & impairment losses	91 064	90 862	360 105	351 757
<b>EBIT</b>	<b>-49 310</b>	<b>-131 257</b>	<b>224 451</b>	<b>95 783</b>
Net financial items	-52 239	-59 592	-208 465	-213 402
Share of profit/loss of associates	-3 877	3 275	-757	10 752
<b>Profit (loss) before tax for continued business</b>	<b>-105 427</b>	<b>-187 574</b>	<b>15 228</b>	<b>-106 868</b>
Profit (loss) before tax for discontinued business	499	6 617	6 341	78 390
<b>Net profit (loss) before tax</b>	<b>-104 927</b>	<b>-180 957</b>	<b>21 569</b>	<b>-28 478</b>

\* Revised SG&A allocation between Norwegian coast and Explorer; changed from 80/20 in 2009 to ~90/10 in 2010



# Hurtigruten Norwegian coast

## Higher volume

Hurtigruten Norwegian coast (NOK 1 000)	Q4 2010	Q4 2009	Year to date 2010	Year to date 2009
Passenger ticket revenues	147 118	160 816	1 577 401	1 525 905
Onboard revenues	46 551	43 539	348 781	318 480
Goods, cars and other revenues	17 870	18 353	65 563	67 664
Contractual revenues	161 377	158 761	376 948	382 401
<b>Total revenues</b>	<b>372 916</b>	<b>381 469</b>	<b>2 368 693</b>	<b>2 294 449</b>
Commissions, transportation and other	31 047	37 374	377 565	374 268
Onboard	34 272	28 972	233 002	213 225
Ship manning costs	108 448	97 373	489 812	452 840
Fuel	73 791	64 032	282 750	261 498
Other cruise operating costs *	62 141	75 023	284 177	276 402
<b>Total cruise operating costs</b>	<b>309 698</b>	<b>302 774</b>	<b>1 667 306</b>	<b>1 578 231</b>
<b>S, G &amp; A **</b>	<b>99 737</b>	<b>116 974</b>	<b>442 751</b>	<b>468 655</b>
<b>Total operating costs</b>	<b>409 435</b>	<b>419 747</b>	<b>2 110 056</b>	<b>2 046 886</b>
<b>EBITDA</b>	<b>-36 519</b>	<b>-38 278</b>	<b>258 637</b>	<b>247 563</b>

\* Includes harbour costs, repair & maintenance, insurance and other operating costs

\*\* Revised SG&A allocation between Norwegian coast and Explorer; changed from 80/20 in 2009 to ~90/10 in 2010



**HURTIGRUTEN**

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## Explorer products/Spitsbergen \*

### Improved results for MV Fram

Consolidated Explorer products & Spitsbergen (NOK 1 000)	Q4 2010	Q4 2009	Year to date 2010	Year to date 2009
Passenger ticket revenues	46 481	52 484	275 404	310 715
Onboard revenues	2 818	3 125	14 821	14 337
Goods, cars and other revenues	13 446	15 806	138 118	144 511
<b>Total revenues</b>	<b>62 744</b>	<b>71 415</b>	<b>428 344</b>	<b>469 562</b>
Commissions, transportation and other	10 267	10 797	50 839	63 925
Onboard	4 465	4 261	20 582	24 966
Ship manning costs	12 082	9 460	53 062	53 192
Fuel	6 989	6 530	24 529	23 972
Other cruise operating costs	11 323	18 267	114 998	148 968
<b>Total cruise operating costs</b>	<b>45 127</b>	<b>49 315</b>	<b>264 010</b>	<b>315 023</b>
<b>S, G &amp; A **</b>	<b>16 310</b>	<b>22 457</b>	<b>72 872</b>	<b>128 157</b>
<b>Total operating costs</b>	<b>61 437</b>	<b>71 772</b>	<b>336 882</b>	<b>443 181</b>
Other (losses)/gains - net	0	0	0	-304
<b>EBITDA</b>	<b>1 307</b>	<b>-357</b>	<b>91 461</b>	<b>26 077</b>

\* Separate profit & loss per product area in appendix

\*\* Revised SG&A allocation between Norwegian coast and Explorer; changed from 80/20 in 2009 to ~90/10 in 2010



# Charter

## MV Finnmarken in normal operations

Charter (NOK 1 000)	Q4 2010	Q4 2009	Year to date 2010	Year to date 2009
Onboard revenues	11 243	0	24 050	0
Charter revenues	101 344	-17	320 518	199 992
Other operating revenues	69 263	616	246 184	1 759
<b>Total revenues</b>	<b>181 850</b>	<b>599</b>	<b>590 753</b>	<b>201 751</b>
Onboard	6 355	479	13 979	12 113
Ship manning costs	38 285	3 020	133 586	27 126
Other cruise operating costs	62 350	2 400	251 344	44 167
<b>Total cruise operating costs</b>	<b>106 991</b>	<b>5 899</b>	<b>398 911</b>	<b>83 406</b>
<b>S, G &amp; A</b>	<b>1 536</b>	<b>0</b>	<b>15 950</b>	<b>0</b>
<b>Total operating costs</b>	<b>108 527</b>	<b>5 899</b>	<b>414 861</b>	<b>83 406</b>
<b>EBITDA</b>	<b>73 324</b>	<b>-5 300</b>	<b>175 892</b>	<b>118 345</b>



## Other business

<b>Other business</b> <i>(NOK 1 000)</i>	<b>Q4</b> <b>2010</b>	Q4 2009	<b>Year to date</b> <b>2010</b>	Year to date 2009
Goods, cars and other revenues	<b>48 597</b>	54 413	<b>220 594</b>	230 126
Contractual revenues	<b>45 220</b>	51 779	<b>195 455</b>	203 668
<b>Total revenues</b>	<b>93 817</b>	106 192	<b>416 049</b>	433 794
Ship manning costs	<b>52 949</b>	57 278	<b>202 763</b>	227 388
Other cruise operating costs	<b>39 558</b>	35 810	<b>160 673</b>	140 118
<b>Total cruise operating costs</b>	<b>92 507</b>	93 088	<b>363 436</b>	367 506
<b>S, G &amp; A</b>	<b>298</b>	387	<b>1 028</b>	1 088
<b>Total operating costs</b>	<b>92 805</b>	93 475	<b>364 464</b>	368 594
Other (losses)/gains - net	<b>3 539</b>	-1 230	<b>7 889</b>	-1 689
<b>EBITDA</b>	<b>4 551</b>	11 487	<b>59 474</b>	63 511



## Discontinued business

<b>Discontinued business</b> <i>(NOK 1 000)</i>	<b>Q4</b> <b>2010</b>	Q4 2009	<b>Year to date</b> <b>2010</b>	Year to date 2009
Fast ferries	-5 187	2 509	7 432	40 053
Bergenske Reisebyrå AS	0	0	0	26 613
Nor Lines group	5 686	4 108	-1 091	11 723
<b>Profit/loss before tax</b>	<b>499</b>	6 617	<b>6 341</b>	78 390



# MEASURES AND PROSPECTS



## Charter – status MV Finnmarken

- In normal operations
- Some days out of service due to heavy weather conditions
- Number of passengers has increased steadily since startup and reached 300 in November
- Charterer has the option to prolong contract on existing terms for 18 months



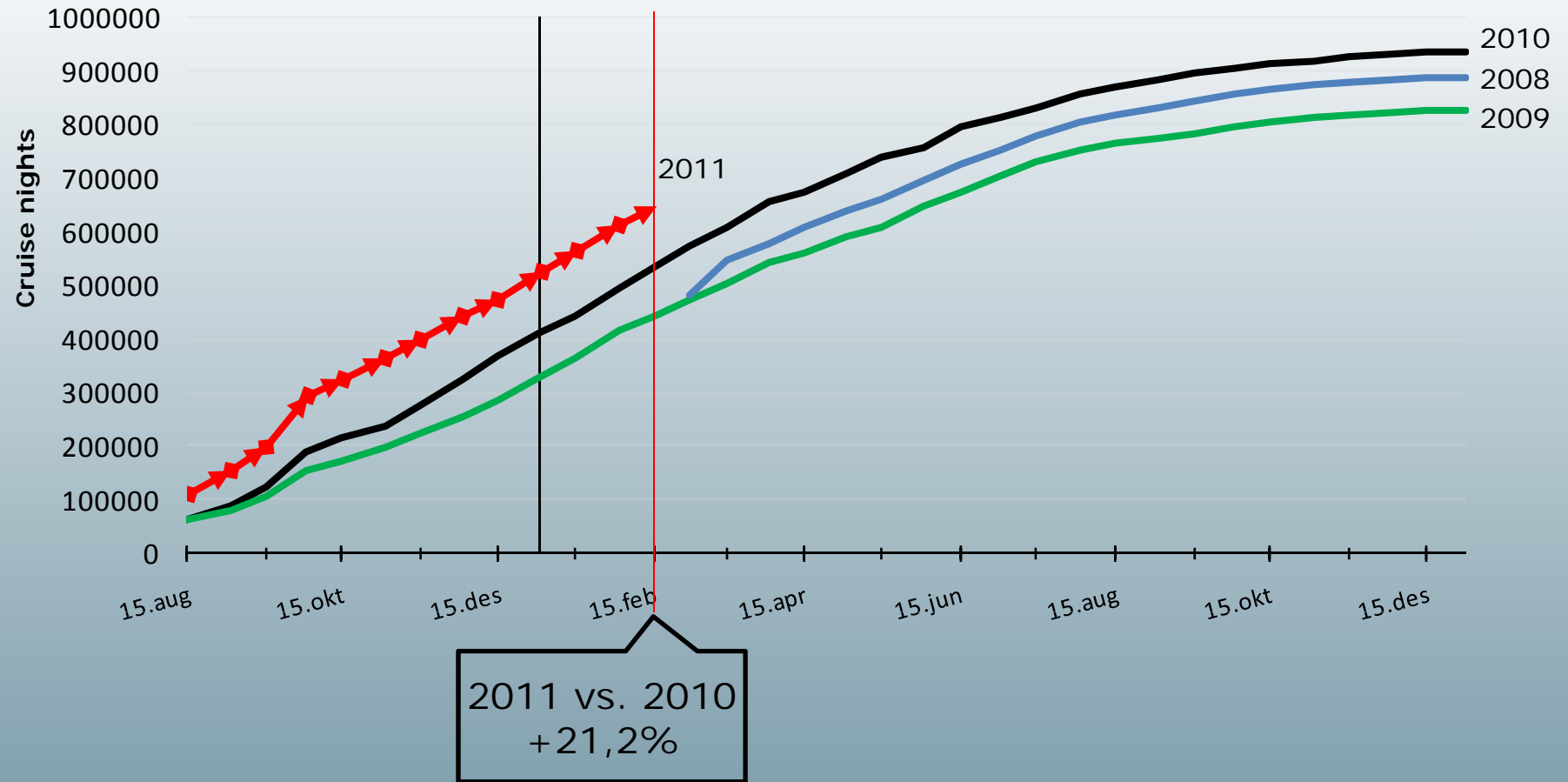
# Hurtigruten sole bidder for state contract

- Current contract; NOK 380 million per year (2010)
- Bid submitted (per year in 2011-values)
  - Alternative 1 (daily sailings); NOK 750 million
  - Alternative 2 (daily sailings during summer and five sailings per week during winter); NOK 730 million
  - Alternative 3 (five sailings every week all year round); NOK 580 million
- Bid valid until 8 March 2011
- Meetings with Ministry in December and January
- Political level to decide which alternative to pursue
- With this contract Hurtigruten will be profitable without chartering of vessel



# Strong start for booking 2011

The development graph for pre booked CN (RT+PP)

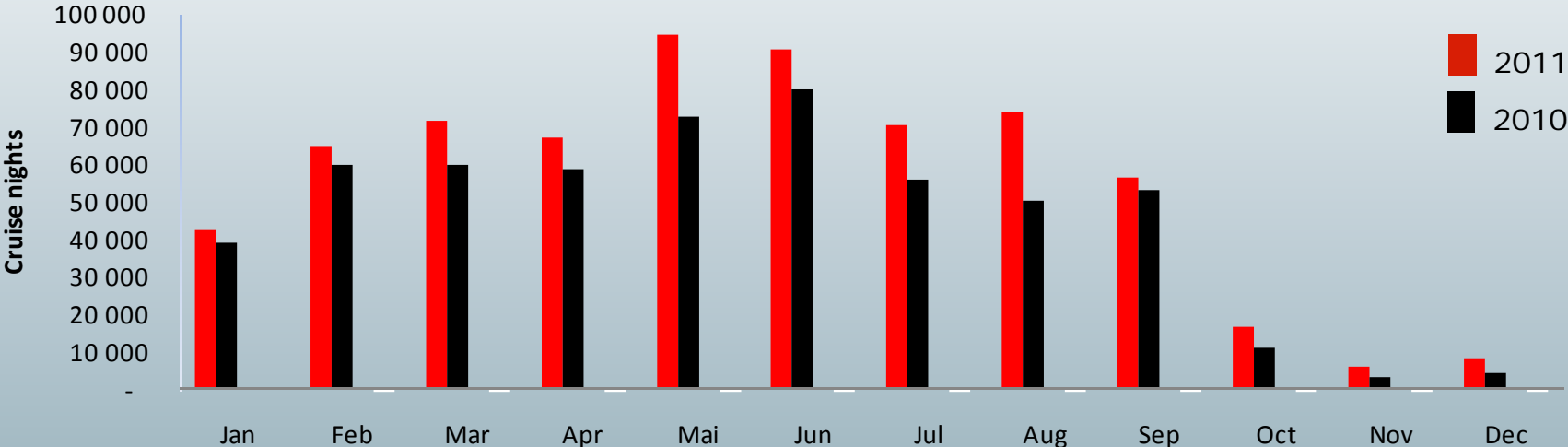


\* Booking status as of 15 February 2011, RT = round trips, PP= port to port



# ...and all months are improving

Cruise night (RT+PP) sales 2011 per month compared to 2010 and budget



\* Booking status as of 15 February 2011, RT = round trips, PP= port to port

# Copying winter success to spring

- "The Arctic Awakening"

- Season based products, ref. "Hunting the light"
- Product development
  - On board
  - Excursions
  - Theme voyages
- Pilot ships spring 2011, All ships 2012
- Pilot summer concept in 2012



## Operating costs being addressed

- Black Belt initiatives from 2008 completed in 2011
- Cost savings focus into new phase – Optimum
  - Ambition NOK 100 million per year through
    - Simplify product offerings
    - Efficient organization
    - Lean operations on board
    - Cost efficient channel mix
    - Purchasing



## Profit for Hurtigruten in 2010

- Strong development in number of cruise nights
- Profit for whole year
- Basis for sustainable profitability





# Explorer products

<b>Explorer products</b> (NOK 1 000)	<b>Q4</b> <b>2010</b>	Q4 2009	<b>Year to date</b> <b>2010</b>	Year to date 2009
Passenger ticket revenues	51 165	51 298	212 454	246 096
Onboard revenues	2 818	3 125	13 820	14 337
Goods, cars and other revenues	525	158	15 665	8 766
<b>Total revenues</b>	<b>54 507</b>	54 581	<b>241 939</b>	269 198
Commissions, transportation and other	10 020	10 797	42 598	63 925
Onboard	4 465	4 261	19 983	24 966
Ship manning costs	5 109	5 184	21 545	24 947
Fuel	6 989	6 530	24 529	23 972
Other cruise operating costs	7 274	8 056	37 370	46 797
<b>Total cruise operating costs</b>	<b>33 858</b>	34 828	<b>146 024</b>	184 607
<b>S, G &amp; A *</b>	<b>9 246</b>	11 179	<b>41 621</b>	80 050
<b>Total operating costs</b>	<b>43 104</b>	46 007	<b>187 646</b>	264 658
Other (losses)/gains - net	0	0	0	-304
<b>EBITDA</b>	<b>11 403</b>	8 574	<b>54 294</b>	4 236

\* Revised SG&A allocation between Norwegian coast and Explorer; changed from 80/20 in 2009 to ~90/10 in 2010



# Spitsbergen

<b>Spitsbergen</b> (NOK 1 000)	<b>Q4</b> <b>2010</b>	Q4 2009	<b>Year to date</b> <b>2010</b>	Year to date 2009
Passenger ticket revenues	-5 110	698	62 950	64 619
Onboard revenues	0	0	1 001	0
Other revenues	13 347	16 136	136 904	135 745
<b>Total revenues</b>	<b>8 237</b>	16 834	<b>200 854</b>	200 364
Commissions, transportation and other	247	0	8 241	0
Onboard	0	0	599	0
Ship manning costs	6 973	4 276	31 517	28 245
Other cruise operating costs	4 049	10 211	92 079	102 171
<b>Total cruise operating costs</b>	<b>11 268</b>	14 487	<b>132 436</b>	130 416
<b>S, G &amp; A</b>	<b>7 065</b>	11 278	<b>31 251</b>	48 107
<b>Total operating costs</b>	<b>18 333</b>	25 765	<b>163 687</b>	178 523
<b>EBITDA</b>	<b>-10 096</b>	-8 931	<b>37 168</b>	21 841

