



HURTIGRUTEN

INTERIM REPORT FOR Q3 2011
10 NOVEMBER 2011

HIGHLIGHTS



Profit of NOK 104 million in Q3 for Hurtigruten

- Pre-tax profit NOK 104 million (NOK 118 million)
- Underlying operations as last year
- One off effects in Q3 2011
 - Mv Nordlys accident
 - Cancelled season for mv Polar Star
- Increased fuel prices
- Capacity utilisation over 101% in Q3 (98%)
- Positive bookings for 2012 and new state contract starting 1 January 2012

Hurtigruten group – income statement

Hurtigruten group (NOK 1 000)	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Operating revenues	1 231 034	1 189 126	3 165 780	3 089 706
Operating expenses	985 376	929 984	2 672 094	2 551 256
Other losses/(gains) - net	-98	-735	1 700	-4 350
EBITDA	245 757	259 878	491 986	542 801
Depreciation & impairment losses	92 020	89 022	317 128	269 040
EBIT	153 737	170 856	174 858	273 761
Net financial items	-47 440	-56 348	-141 835	-156 226
Share of profit/loss of associates	1 009	-333	4 714	3 120
Profit (loss) before tax for continued business	107 306	114 174	37 738	120 654
Profit (loss) before tax for discontinued business	-2 998	3 745	2 170	5 842
Net profit (loss) before tax	104 309	117 920	39 908	126 496

Mv Nordlys accident (1)

- Fire in engine room
- 2 crew dead, 2 crew severely injured
- Ship rescued



Photo: Marianne Tønset Adressa.no

Mv Nordlys accident (2)

- Negative EBITDA effect of NOK 11 million in Q3
- 2 000 guests affected in 2011
- Insurance
 - Ship damage (H&M) and protection and indemnity insurance (P&I) fully covered with NOK 1.5 million paid by Hurtigruten
 - No insurance for loss of hire
- Repair yards in bidding process
- Back in operation 20 March 2012

MV Polar Star cancelled whole season

– EBITDA impact of NOK 10.5 million in Q3

- Mv Polar Star chartered for Spitsbergen cruises June – August, owner bankrupt in May
- Not possible to charter mv Polar Star or find replacement ship
- 800 guests and 6 000 cruise nights affected
- Negative EBITDA impact for Hurtigruten NOK 15 million in 2011: NOK 4.5 million in Q2 and NOK 10.5 million in Q3

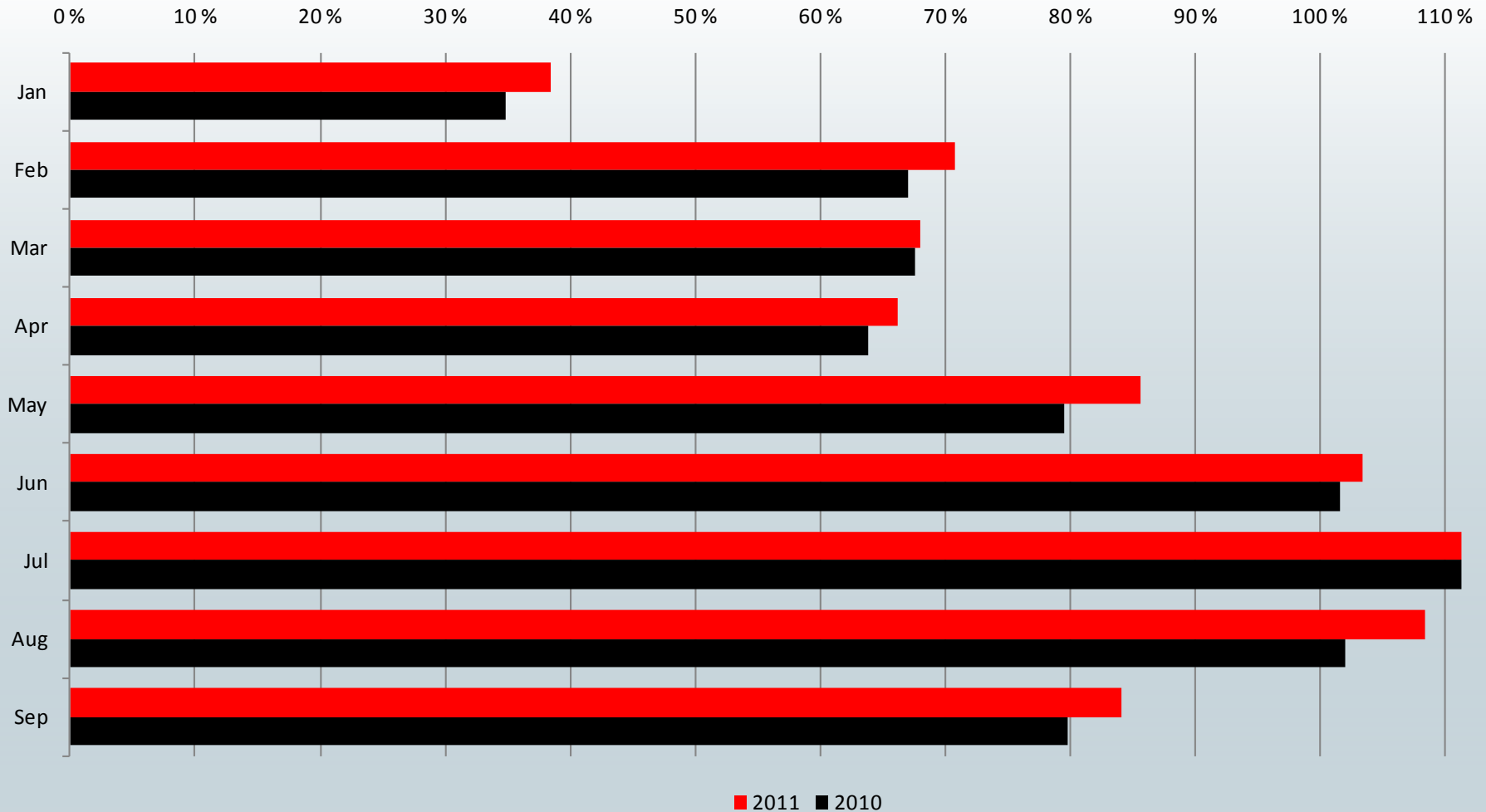


Mv Polar Star

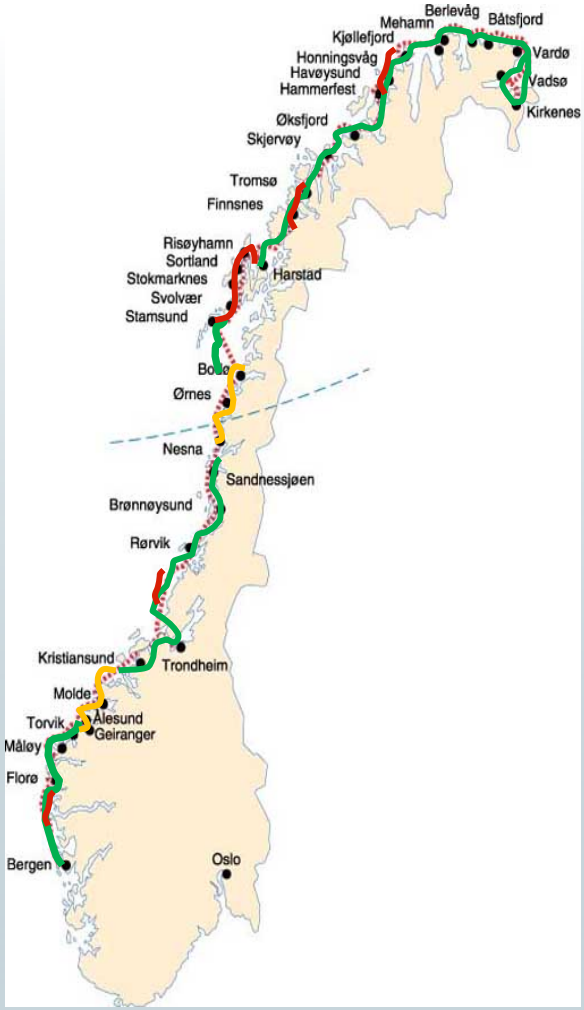
Ships more full than ever,

- 101% utilisation in Q3, compared to 97.5% utilisation last year

- The number of incidents is a challenge

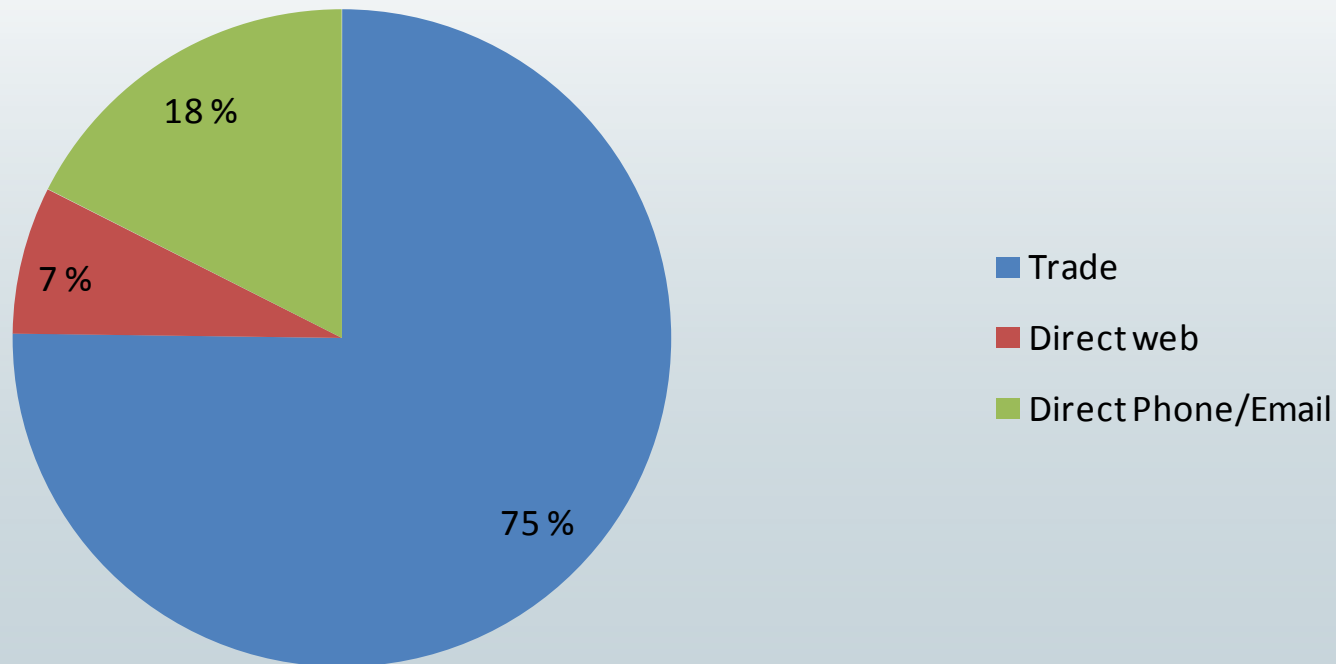


Pri 1, 2 and 3: Safe sailing

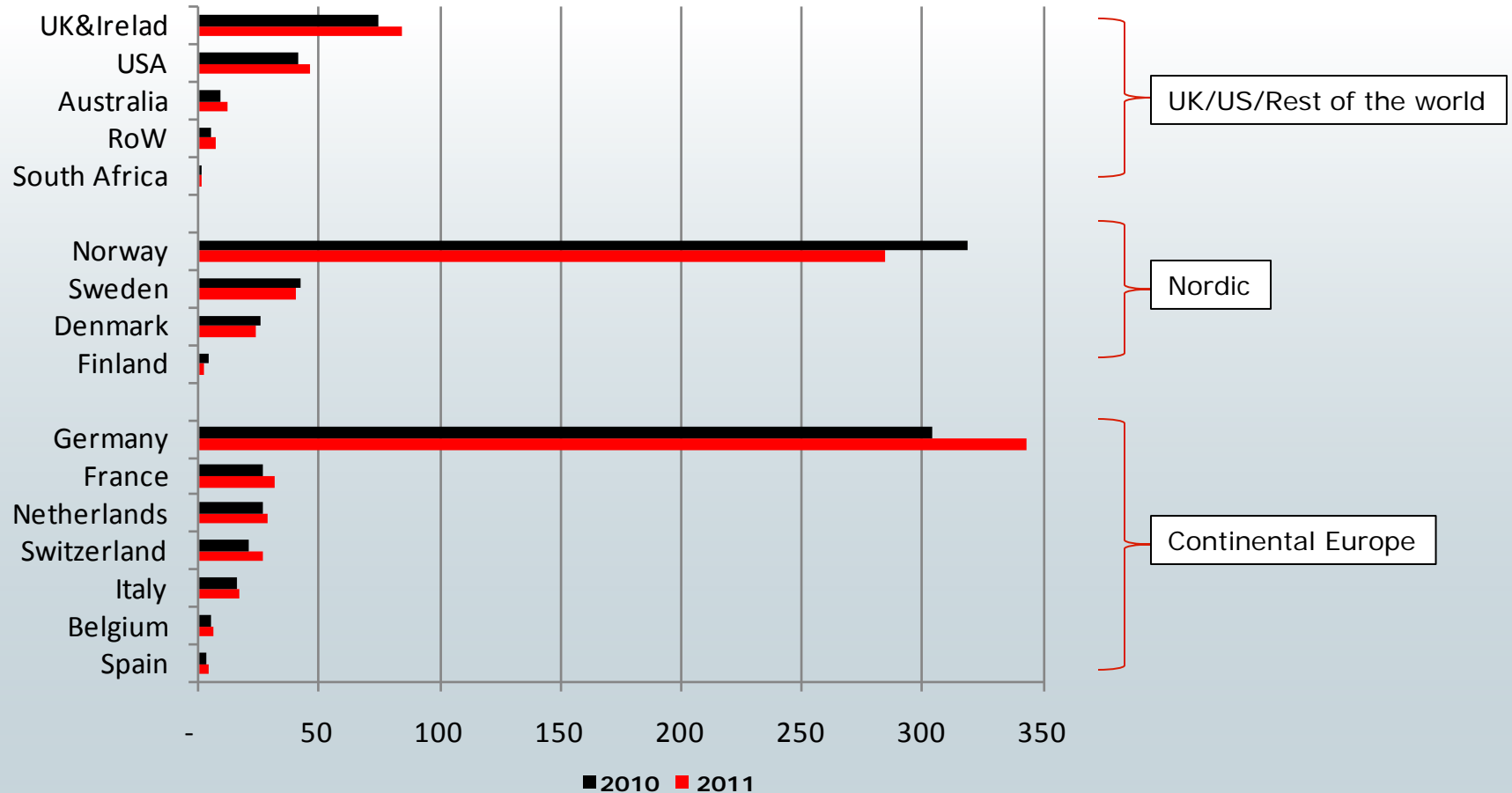


Trade is the most important sales channel

- High commission costs being addressed

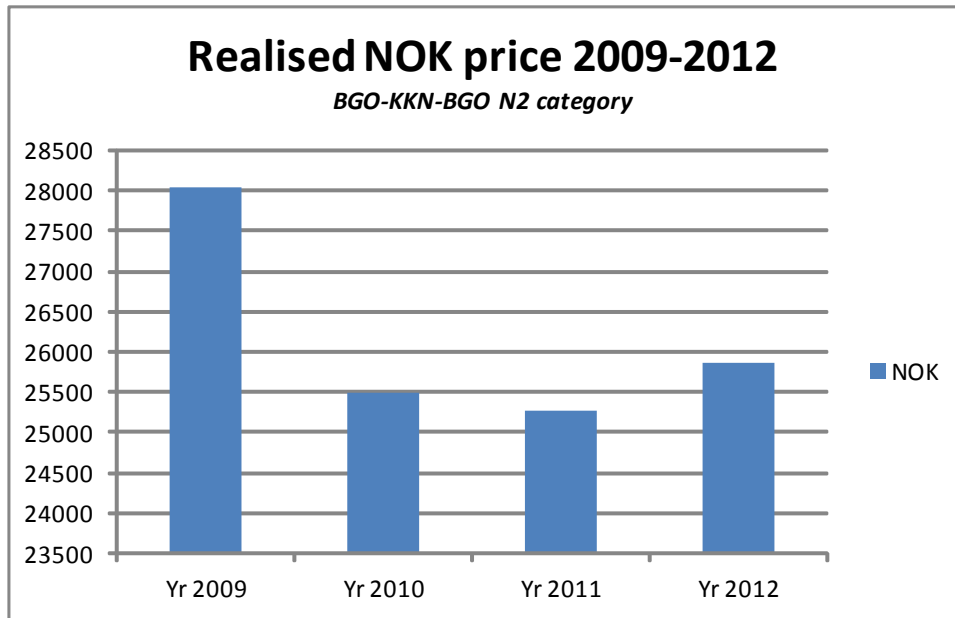


Solid volume increase from Continental Europe and UK/US – Norway weaker



Cruise nights by market compared to last year. Status year to date at 30 September

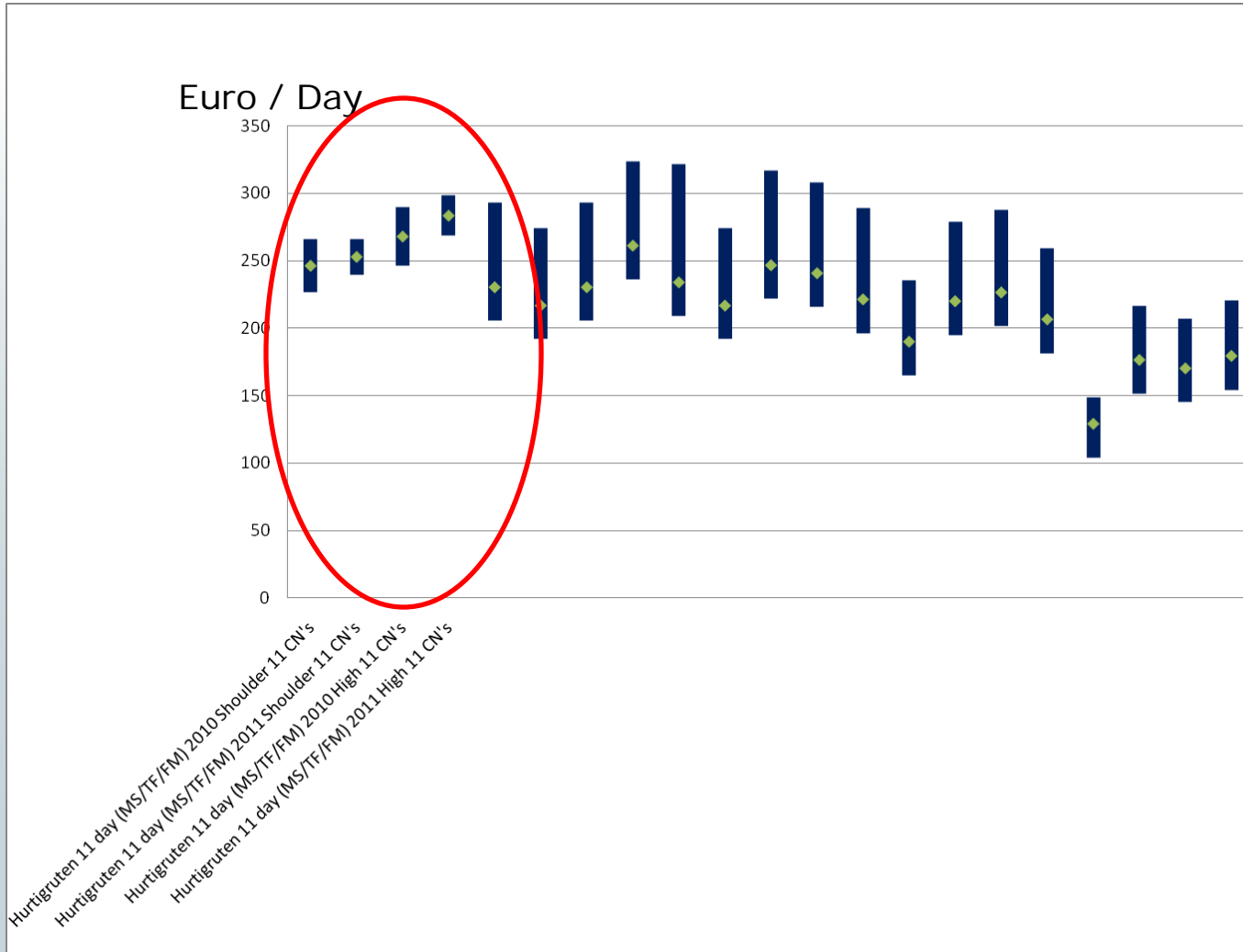
Strong NOK a challenge



- Very low average NOK price development due to strong NOK
- Local currency prices increases are being neutralized by strong NOK

HRG vs key competitors pricing on longer cruises

- Higher NOK going forward



ACCOUNTS Q3 2011



Hurtigruten group – income statement

Hurtigruten group (NOK 1 000)	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Passenger ticket revenues	723 733	751 136	1 567 076	1 661 548
Onboard revenues	157 302	146 652	371 305	338 268
Goods, cars and other revenues	293 802	243 995	856 383	724 084
Contractual revenues *	56 198	47 343	371 016	365 806
Total revenues	1 231 034	1 189 126	3 165 780	3 089 706
Commissions, transportation and other	168 835	152 802	402 793	387 091
Onboard	104 678	109 358	250 534	233 699
Crew costs	269 736	261 320	758 379	667 458
Fuel	101 433	87 438	274 704	239 475
Other cruise operating costs	201 914	174 867	620 035	610 359
Total cruise operating costs	846 596	785 786	2 306 445	2 138 082
S, G & A	138 780	144 198	365 650	413 173
Total operating costs	985 376	929 984	2 672 094	2 551 256
Other (losses)/gains - net	98	735	-1 700	4 350
EBITDA	245 757	259 878	491 986	542 801
Depreciation	92 020	89 022	277 219	269 040
Impairment losses	0	0	39 908	0
EBIT	153 737	170 856	174 858	273 761
Net financial items	-47 440	-56 348	-141 835	-156 226
Share of profit/loss of associates	1 009	-333	4 714	3 120
Profit (loss) before tax for continued business	107 306	114 174	37 738	120 654
Profit (loss) before tax for discontinued business	-2 998	3 745	2 170	5 842
Net profit (loss) before tax	104 309	117 920	39 908	126 496

* 4/7 of annual contractual revenues from Public Procurement Contract booked year to date

Hurtigruten group

Balance sheet

<i>(NOK 1 000)</i>	30.09.2011	01.01.2011
Assets		
Tangible non-current assets	3 909 975	4 163 328
Intangible non-current assets	256 734	259 526
Financial non-current assets	130 235	149 987
Current assets	1 608 032	1 710 930
Assets held-for-sale	163 881	68 076
Total assets	6 068 858	6 351 848
Equity and liabilities		
Paid-in capital and retained earnings	1 395 725	1 370 364
Minority interests	280 155	288 126
Total equity	1 675 880	1 658 490
Non-current liabilities	3 461 131	3 682 801
Provisions	96 428	163 747
Current liabilities	717 688	763 477
Liabilities on assets held-for-sale	117 731	83 333
Total liabilities	4 392 978	4 693 358
Total equity and liabilities	6 068 858	6 351 848

Product information

Operating profit before depreciation (EBITDA)

Hurtigruten group <i>(NOK 1 000)</i>	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Hurtigruten Norwegian coast	151 328	157 752	244 355	295 156
Explorer products/Spitsbergen	24 134	44 292	55 998	90 154
Charter	52 608	48 737	144 993	102 568
Other business	17 686	9 096	46 640	54 923
EBITDA	245 757	259 878	491 986	542 801
Depreciation & impairment losses	92 020	89 022	317 128	269 040
EBIT	153 737	170 856	174 858	273 761
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Hurtigruten Norwegian coast

- Operational result as last year

Hurtigruten Norwegian coast (NOK 1 000)	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Passenger ticket revenues	646 767	647 493	1 396 984	1 430 283
Onboard revenues	136 736	133 044	318 381	313 458
Goods, cars and other revenues	36 615	13 351	96 111	47 692
Contractual revenues	3 382	3 177	211 900	215 571
Total revenues	823 501	797 065	2 023 375	2 007 004
Commissions, transportation and other	142 464	134 472	342 718	346 518
Onboard	92 630	93 333	214 182	209 958
Crew costs	145 188	142 244	404 596	381 364
Fuel	94 239	81 022	253 941	208 959
Other cruise operating costs *	79 909	70 106	253 275	222 037
Total cruise operating costs	554 430	521 177	1 468 710	1 368 835
S, G & A	117 783	118 135	310 350	343 013
Total operating costs	672 213	639 312	1 779 060	1 711 849
Other (losses)/gains - net	40	0	40	0
EBITDA	151 328	157 752	244 355	295 156

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

Explorer products and Spitsbergen*

- Volume increase for MV Fram, offset by MV Polar Star cancellation

Consolidated Explorer products & Spitsbergen <i>(NOK 1 000)</i>	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Passenger ticket revenues	83 754	104 660	198 737	228 923
Onboard revenues	4 939	4 705	12 323	12 003
Other operating revenues	38 382	39 146	125 090	124 673
Total revenues	127 075	148 511	336 149	365 599
Commissions, transportation and other	26 601	18 330	60 342	40 572
Onboard	6 937	8 287	18 268	16 117
Crew costs	15 211	14 458	44 252	40 979
Fuel	6 977	5 744	21 221	17 541
Other cruise operating costs	28 587	37 836	88 659	103 675
Total cruise operating costs	84 313	84 655	232 742	218 884
S, G & A	18 627	19 564	47 409	56 561
Total operating costs	102 940	104 219	280 151	275 445
EBITDA	24 134	44 292	55 998	90 154

* Separate results per product area in appendix

Charter

- Normal operation

Charter <i>(NOK 1 000)</i>	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Onboard revenues	19 449	8 902	46 956	12 807
Charter revenues	110 157	87 694	311 582	219 174
Other operating revenues	47 842	50 408	140 798	176 921
Total revenues	177 447	147 004	499 336	408 902
Onboard	8 933	7 738	24 438	7 625
Crew costs	53 663	48 919	162 350	95 301
Other cruise operating costs	59 762	37 548	159 699	188 994
Total cruise operating costs	122 359	94 205	346 487	291 920
S, G & A	2 480	4 062	7 856	14 414
Total operating costs	124 839	98 267	354 343	306 334
EBITDA	52 608	48 737	144 993	102 568

Other business

Other business <i>(NOK 1 000)</i>	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Operating revenues	54 797	56 451	156 048	171 997
Contractual revenues	52 816	44 166	159 116	150 235
Total revenues	107 613	100 617	315 164	322 232
Crew costs	55 674	55 700	147 182	149 814
Other cruise operating costs	33 639	36 148	117 675	121 115
Total cruise operating costs	89 313	91 848	264 856	270 929
S, G & A	672	408	1 928	730
Total operating costs	89 985	92 256	266 784	271 659
Other (losses)/gains - net	58	735	-1 740	4 350
EBITDA	17 686	9 096	46 640	54 923

Discontinued business

Discontinued business <i>(NOK 1 000)</i>	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Fast ferries	-2 998	2 839	2 170	12 619
Nor Lines group	0	906	0	-6 777
Profit/loss before tax	-2 998	3 745	2 170	5 842

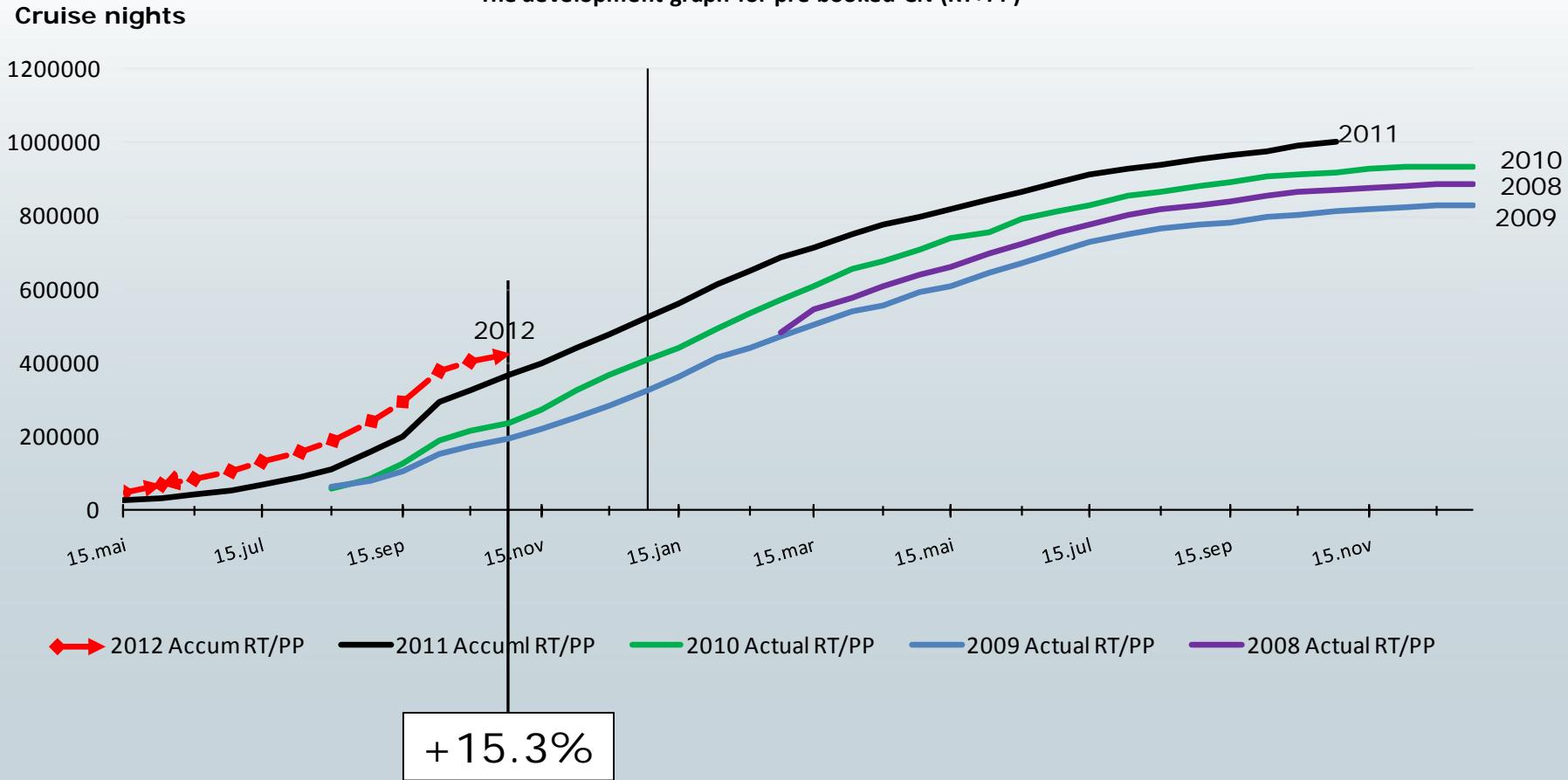
MEASURES AND PROSPECTS



Booking 2012

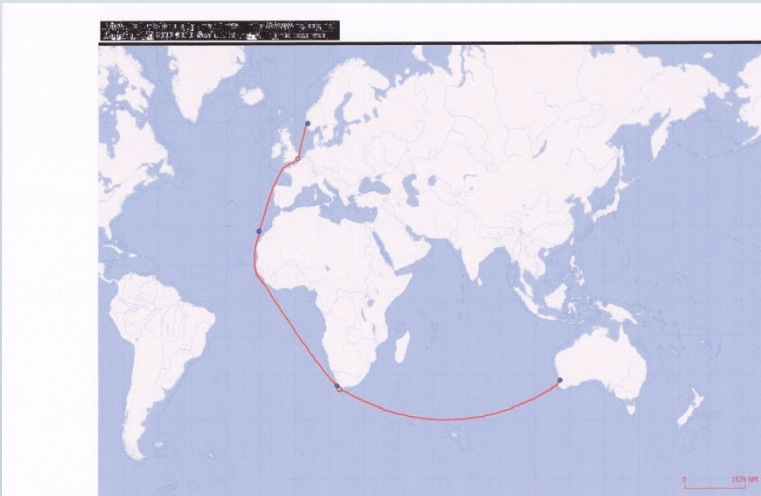
- Good start

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

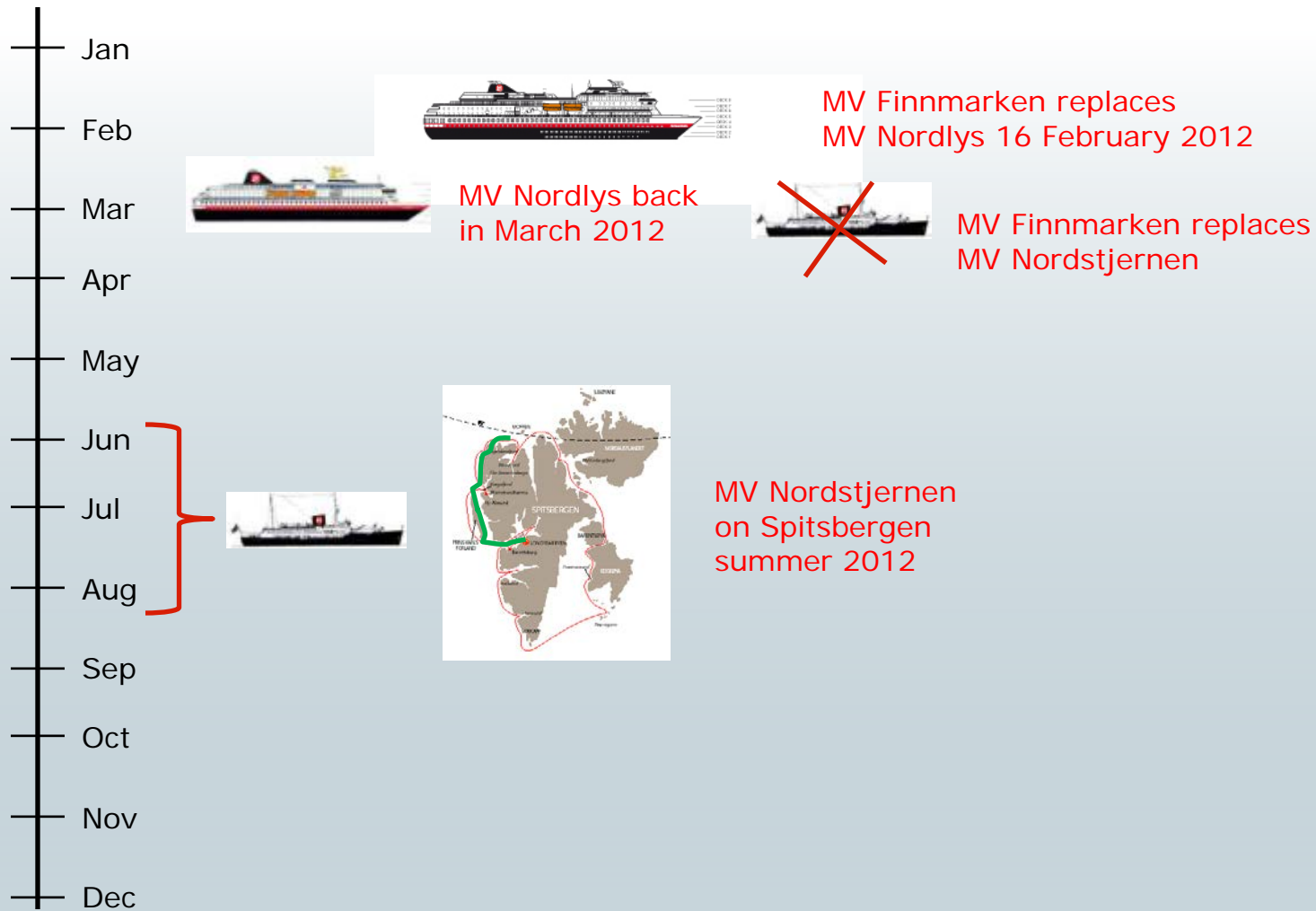


Charter-contract ending

- Contract ended 30 October 2011 after 18 months of operation
- Upgrade of ship in Singapore
- Mv Finnmarken back in service on the Norwegian coast from Bergen 16 February 2012
- Demobilisation fee



Changes in Hurtigruten fleet 2012



Stronger booking function

- Sales focused booking group established in Tallinn
- Central booking centre gradually being in-sourced



ESA issue



- ESA ruled on 29 June that amendment of October 2008 to current contract between Norwegian state and Hurtigruten represents illegal state aid and requested The Ministry of Transportation to define the illegal amount
- Total exposure NOK 405 million as of year end 2011
 - Total amount of NOK 405 million recognised as revenue
 - NOK 170 million received
- The Norwegian state appealed
- Hurtigruten appealed
- ESA to respond by 5 December
- Most likely concluded by EFTA court within 12 months

2011 - Challenging year

- Extraordinary high number of incidents during the year
 - mv Midnatsol, mv Kong Harald and mv Polarlys during first half
 - mv Nordlys in Q3
- Bus tender in Tromsø lost, consequently write down of goodwill and assets
- Prices in local currency as in 2010, but stronger NOK has implied lower NOK revenue
- Spitsbergen margins under pressure, no chartered vessel
- Fuel prices increased with 19%
- Salary increases for key seagoing personnel
- Charter contract with mv Finnmarken not prolonged

- Increase in number of cruise nights
- Significantly improved state contract from 1 January 2012

APPENDIX



Explorer products

- 10% more cruise nights

Explorer products <i>(NOK 1 000)</i>	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Passenger ticket revenues	84 835	68 773	200 541	160 863
Onboard revenues	4 939	4 686	12 323	11 003
Other operating revenues	989	5 272	5 049	15 566
Total revenues	90 763	78 731	217 912	187 432
Commissions, transportation and other	24 960	15 075	56 496	32 577
Onboard	6 937	8 287	18 268	15 518
Crew costs	5 805	5 769	16 229	16 435
Fuel	6 977	5 744	21 221	17 541
Other cruise operating costs	12 142	9 165	29 824	30 095
Total cruise operating costs	56 821	44 040	142 037	112 166
S, G & A	11 864	11 148	31 370	32 376
Total operating costs	68 685	55 188	173 407	144 542
EBITDA	22 078	23 543	44 506	42 890

Spitsbergen

- Weak quarter

Spitsbergen <i>(NOK 1 000)</i>	Q3 2011	Q3 2010	Year to date 2011	Year to date 2010
Passenger ticket revenues	-1 081	35 887	-1 804	68 060
Onboard revenues	0	19	0	1 001
Other operating revenues	37 393	38 550	120 041	123 556
Total revenues	36 312	74 456	118 237	192 617
Commissions, transportation and other	1 642	3 255	3 847	7 995
Onboard	0	0	0	599
Crew costs	9 406	8 689	28 023	24 544
Other cruise operating costs	16 444	33 346	58 835	88 030
Total cruise operating costs	27 492	45 290	90 705	121 168
S, G & A	6 764	8 417	16 039	24 186
Total operating costs	34 256	53 706	106 744	145 354
EBITDA	2 056	20 750	11 492	47 264