

HURTIGRUTEN ASA

Interim report for Q1 2008



World's most beautiful voyage

© Hurtigruten

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Highlights



Winter commitment yielding results – continued challenges

- More passengers and increased revenue
- Improvement programme under way
- Negotiations continuing on the Hurtigruten agreement
- Difficult macro picture
 - Lower growth in cruise industry
 - Negative foreign exchange developments
 - Substantial increase in bunkers costs

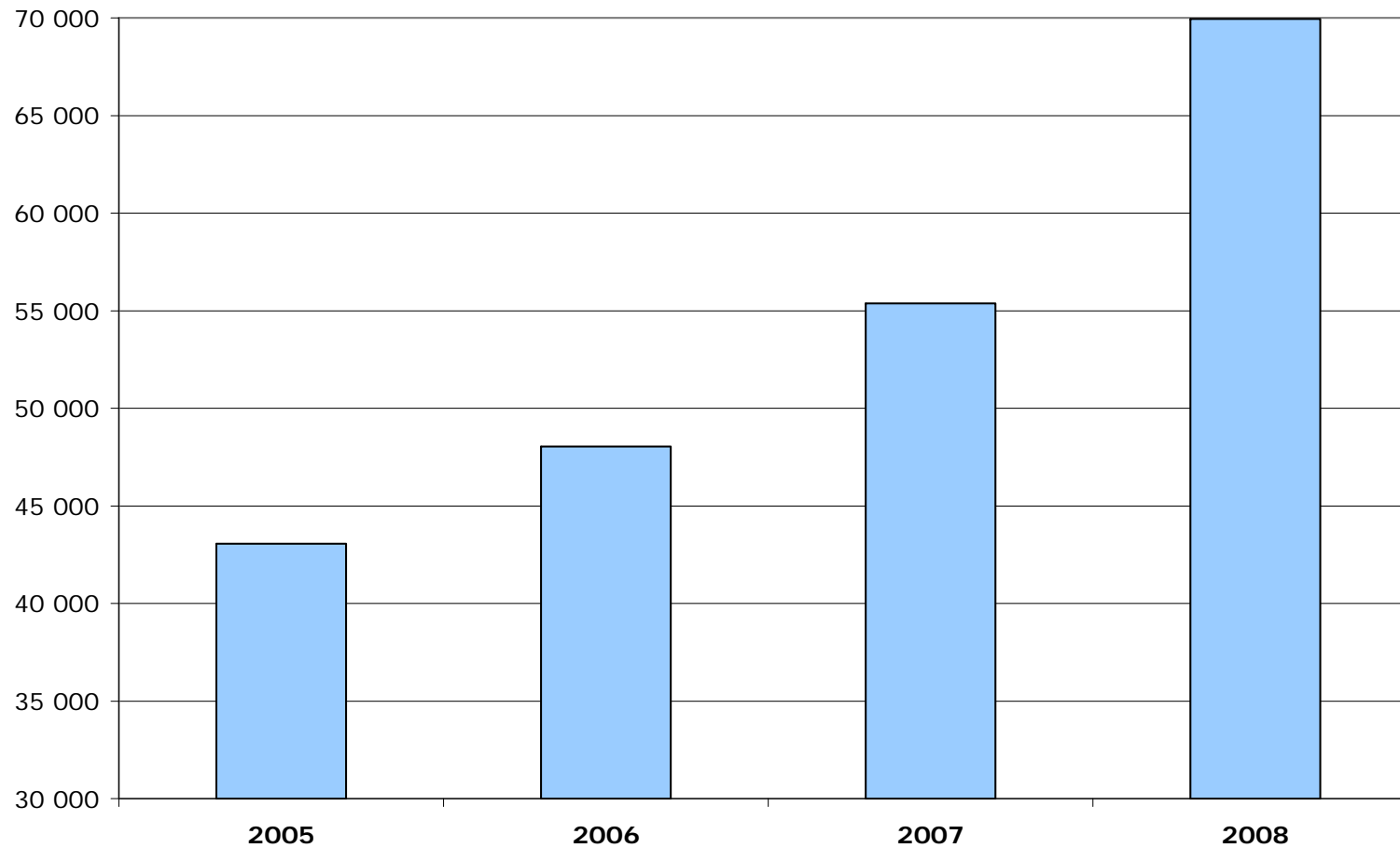


Core business improved

- Round-trip revenue growth 32%
 - Increase of NOK 13 mill
 - More passengers – 15 000 extra cruise nights
- Onboard spending up by 34%
 - Increase of NOK 12 mill
 - 16% increase per cruise night



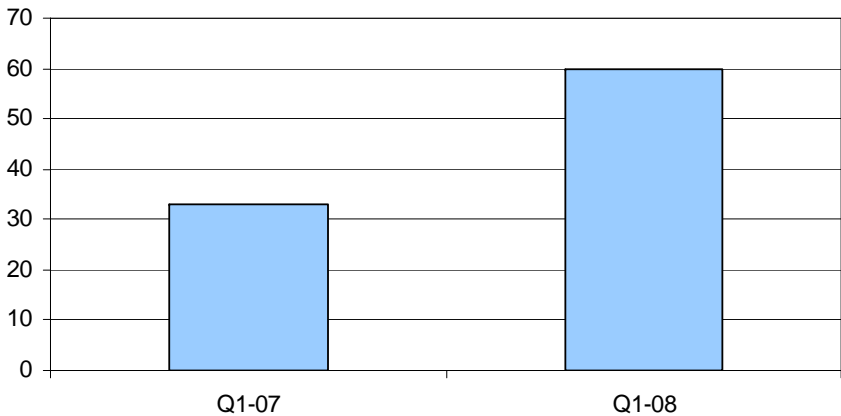
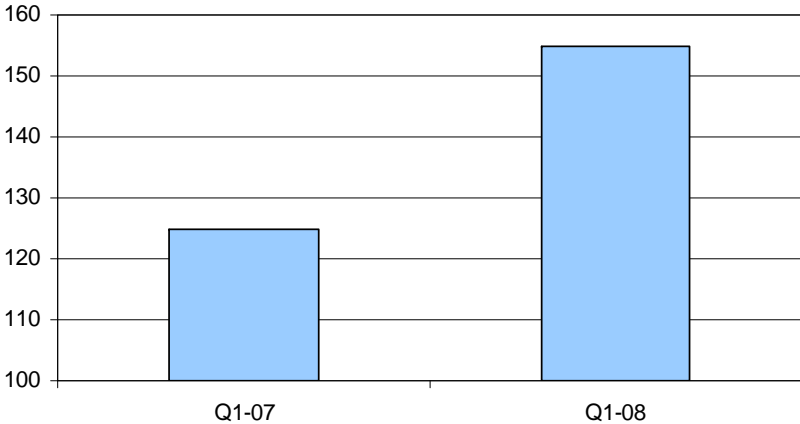
Winter commitment yielding results



Development in round-trip cruise nights for Hurtigruten in Q1



Increase in bunker cost and financial items



Development in bunker cost (MNOK) from Q1 2007 to Q1 2008 Development in net financial items from Q1 2007 to Q1 2008



Key figures

Hurtigruten group (MNOK)	Q1 2008	Q1 2007	Full year 2007
Operating revenues	806	758	3 752
Operating expenses	855	768	3 321
Other loss/(gains)	-5	-21	32
EBITDA	-44	11	400
Depreciation & impairment losses	111	117	453
EBIT	-155	-106	-53
Net financial items	-60	-33	-190
Profit (loss) before tax for continued business	-215	-138	-243
Profit (loss) before tax for discontinued business	3	2	20
Net profit (loss) before tax	-212	-136	-224



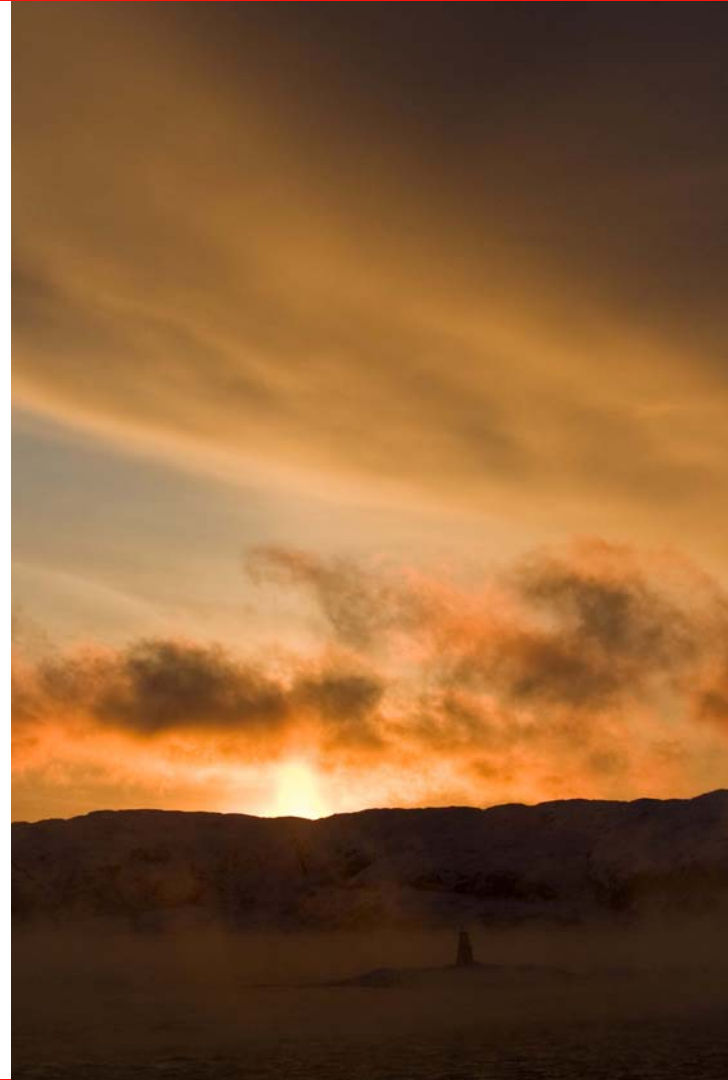
Results down from Q1 2007

- Main reasons:
 - Financial expenses up NOK 27 mill
 - Bunker cost up NOK 31 mill
 - Sales gains in Q1 2007 NOK 21 mill
 - Improvement programme costs NOK 12 mill



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Accounts Q1 2008



Segment information

Operating result before depreciation (EBITDA)

Hurtigruten group (NOK 1 000)	Q1 2008	Q1 2007	Full year 2007
Hurtigruten	-53 780	-48 991	296 256
Explorer cruise	9 465	33 334	59 438
Public transport	39 066	50 316	142 029
Other business	-39 124	-23 703	-97 887
Total group EBITDA	-44 373	10 955	399 835
Depreciation and impairment losses	110 568	116 587	453 237
EBIT	-154 941	-105 632	-53 402
Net financial items	-59 935	-32 684	-189 780
Profit (loss) before tax for continued business	-214 876	-138 316	-243 182
Profit (loss) before tax for discontinued business	2 834	2 357	19 625
Net profit (loss) for the period	-212 042	-135 959	-223 557



Hurtigruten group

Income statement IFRS

Hurtigruten group (NOK 1 000)	Q1 2008	Q1 2007	Full year 2007
Sales revenues	485 984	462 655	2 773 446
Contract revenues	319 748	295 058	979 037
Total operating revenues	805 732	757 713	3 752 483
Payroll expenses	329 497	324 488	1 411 526
Bunkers costs	155 399	124 840	579 256
Other operating costs	370 593	318 445	1 329 792
Other losses/(gains)/(revenues) - net	-5 384	-21 015	32 073
Total operating expenses	850 105	746 758	3 352 648
EBITDA	-44 373	10 955	399 835
Depreciation and impairment losses	110 568	116 587	453 237
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Hurtigruten group Balance sheet (IFRS)

<i>(NOK 1 000)</i>	31 March 2008	31 March 2007	1 January 2008
Assets			
Intangible fixed assets	327 462	312 279	339 681
Tangible fixed assets	5 594 453	5 387 977	5 646 381
Financial fixed assets	184 637	234 337	160 133
Current assets	1 386 809	1 372 726	1 567 934
Assets held for sale	132 647	-	-
Total assets	7 626 009	7 307 319	7 714 129
Equity and liabilities			
Paid-in capital and retained earnings	1 388 957	1 362 368	1 561 585
Minority interests	242 355	207 144	226 479
Total equity	1 631 312	1 569 512	1 788 064
Provisions	357 638	473 089	436 600
Long-term liabilities	4 144 279	4 078 518	4 231 581
Current liabilities	1 386 308	1 186 200	1 257 883
Liabilities on assets held for sale	106 472	-	-
Total liabilities	5 994 697	5 737 807	5 926 065
Total equity and liabilities	7 626 009	7 307 319	7 714 129

- Liquid assets NOK 677 mill (incl short-term placements)
- Net interest-bearing debt of NOK 3 817 mill
- Capital adequacy 23.3% (21.4% excluding convertible bond loan)



BA Hurtigruten

Revenue growth round trips and onboard spending

Hurtigruten (NOK 1 000)	Q1 2008	Q1 2007	Full year 2007
Sales revenues	198 033	187 023	1 667 976
Contract revenues	120 987	113 323	265 486
Total operating revenues	319 020	300 346	1 933 462
Payroll expenses	136 300	145 082	652 829
Bunkers costs	74 831	57 936	289 285
Other operating costs	161 611	163 627	717 821
Other losses/(gains)/(revenues) - net	58	-17 308	-22 729
Total operating expenses	372 800	349 337	1 637 206
EBITDA	-53 780	-48 991	296 256

- Round-trip revenues up NOK 13 mill (+32%)
- Onboard spending up – volume growth and 16% increase per cruise night
- Loss of charter revenues for ships – NOK 9 mill net
- Payroll costs down because of net pay, offset by higher activity and pay rises
- Steadily increasing bunkers expenses because of high prices
- Sales gain m/v Narvik in Q1 2007 – NOK 17 mill



BA Hurtigruten

Winter commitment yielding results

ROUND-TRIPS	Q1 2008	Q1 2007	Change	In %
Number of cruisenights	69 952	55 373	14 579	26,3 %
Average price per cruisenight ¹⁾	798	767	31	4,0 %
DISTANCE (port-to-port)	Q1 2008	Q1 2007	Change	In %
Number of cruisenights	77 912	77 320	592	0,8 %
Average price cruisenight ²⁾	545	537	8	1,5 %

- Good growth in cruise nights and average round-trip prices
 - Product development and marketing of winter product now yielding results
 - Biggest effect of winter commitment in German market
- Distance traffic on a par with last year – slight price increase
 - Commitment to direct flights Tromsø-London has yielded results in first year
 - UK commitment contributes to a total increase of 86% in cruise nights to 9 000
 - Also good growth in Germany
 - Decline in traditional distance traffic

¹⁾ Passenger revenues including onboard sales/cruise nights

²⁾ Passenger revenues (travel and cabin)/cruise nights

³⁾ Reporting changed from earlier periods



BA Explorer cruise Weaker results Antarctica

Explorer cruise (NOK 1 000)	Q1 2008	Q1 2007	Full year 2007
Sales revenues	135 311	139 837	492 052
Contract revenues	0	0	0
Total operating revenues	135 311	139 837	492 052
Payroll expenses	31 451	29 619	122 154
Bunkers costs	18 835	13 710	45 230
Other operating costs	75 560	63 174	265 232
Other losses/(gains)/(revenues) - net	0	0	-2
Total operating expenses	125 846	106 503	432 614
EBITDA	9 465	33 334	59 438



BA Explorer cruise

No revenue base for two ships in Antarctica

	EBITDA		
	Q1 2008	Q1 2007	Change
Antarctica	21 522	36 764	-15 242
Greenland	-1 989	0	-1 989
Svalbard	3 395	5 450	-2 055
Other travel	-13 463	-8 880	-4 583
Total explorer cruise	9 465	33 334	-23 869

- Antarctica:
 - M/v Fram incident burdened Q1 by NOK 7 mill
- Greenland:
 - Marketing costs
- Svalbard:
 - "Easter month" influenced results, compensated in Q2
- Other travel – "Pole to Pole":
 - Cruise nights and average prices lower than expected



BA Public transport

Weak start for Ferries/fast ferries

Public transport (NOK 1 000)	Q1 2008	Q1 2007	Full year 2007
Sales revenues	122 486	126 161	609 102
Contract revenues	198 761	181 736	713 551
Total operating revenues	321 247	307 897	1 322 653
Payroll expenses	144 806	133 837	571 024
Bunkers costs	61 732	53 310	244 294
Other operating costs	81 085	74 388	310 245
Other losses/(gains)/(revenues) - net	-5 442	-3 954	55 061
Total operating expenses	282 181	257 581	1 180 624
EBITDA	39 066	50 316	142 029



BA Public transport Bus on par with 2007

	EBITDA		
	Q1 2008	Q1 2007	Change
Ferries/fast ferries	28 500	37 514	-9 014
Buses	10 566	12 801	-2 235
Total public transport	39 066	50 316	-11 249

- Ferries/fast ferries:
 - Higher payroll costs related to increased activity and more sickness absence
 - High repair and maintenance costs – individual incidents
 - High bunkers prices offset to a great extent by contract revenues
- Bus:
 - Sales gain of NOK 3 million in Q1 2007
 - Positive progress for own revenues during the quarter
 - High diesel costs – increased activity and higher prices



Other business Improvement programme costs

Other business <i>(NOK 1 000)</i>	Q1 2008	Q1 2007	Full year 2007
Sales revenues	11 475	15 766	63 433
Contract revenues	0	0	0
Total operating revenues	11 475	15 766	63 433
Payroll expenses	16 940	15 951	65 520
Other operating costs	33 658	23 271	96 058
Other losses/(gains)/(revenues) - net	0	247	-457
Total operating expenses	50 598	39 469	161 121
EBITDA	-39 124	-23 703	-97 688

- Improvement programme costs charged to other business – NOK 12 mill
- Decline in revenues due to disposal of MS Jupiter

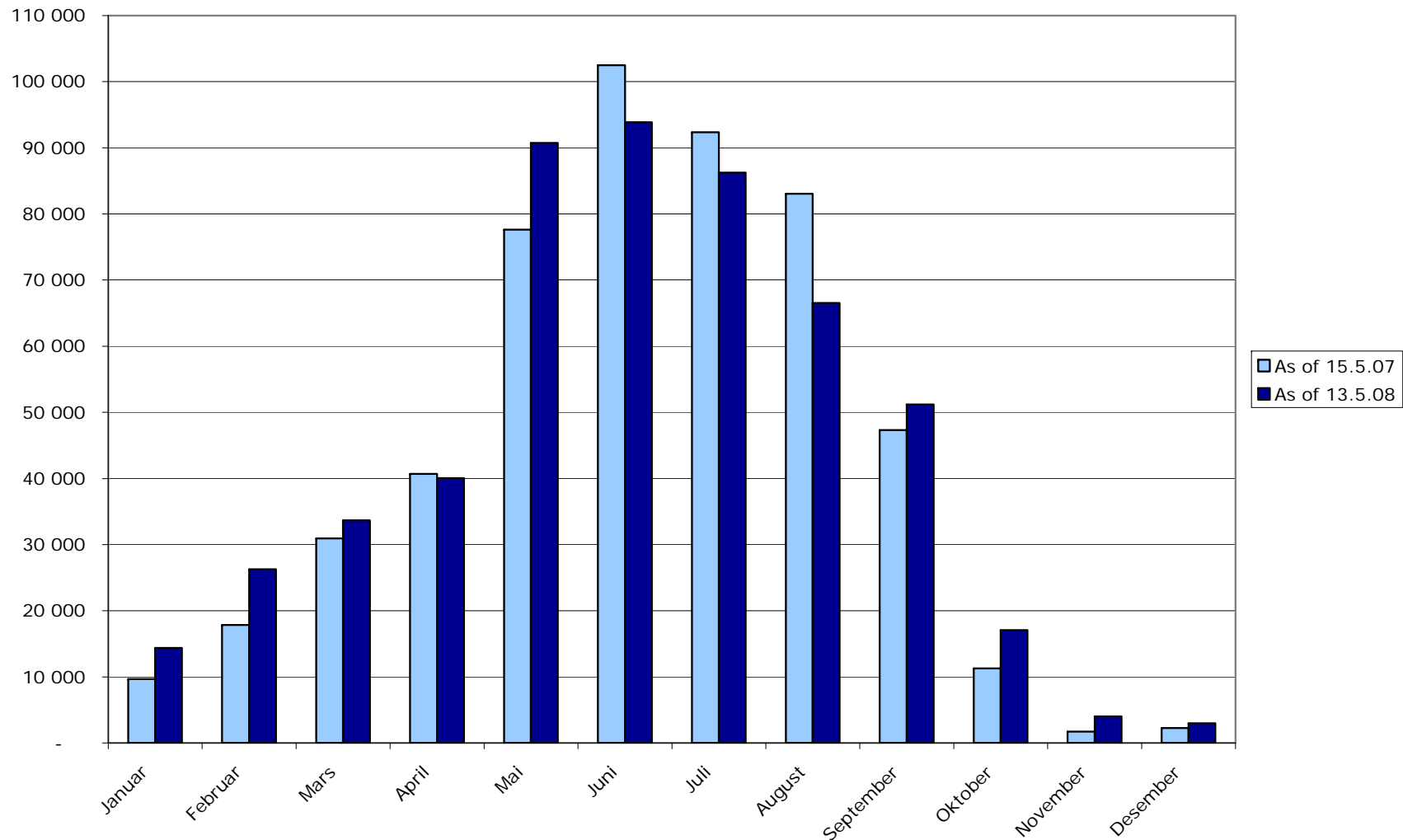


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Measures and prospects



Spare capacity in high season



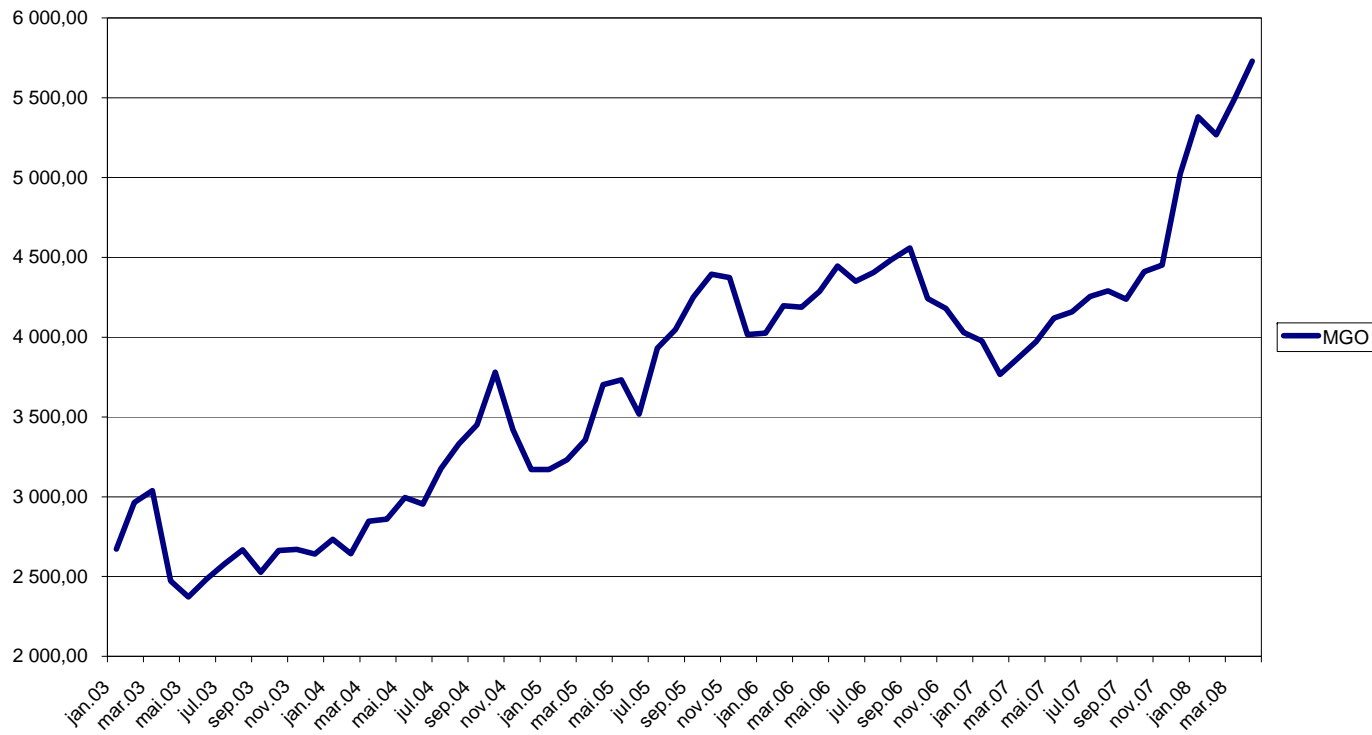
Number of cruise nights – round-trip – bookings as of 13.5.08 vs 15.5.07



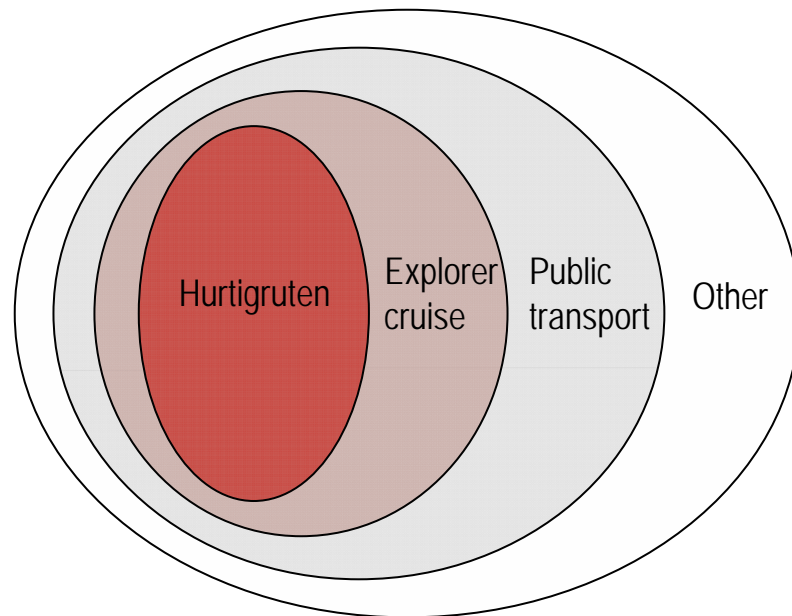
Fuel surcharge

- Applicable from May 2008
- NOK 40 – 70 per person per cruise night

Marine gas oil



Focus on core business



- Hurtigruten is core business and principal challenge
- Also exploring opportunities to sell everything outside the core business, incl dimensioning of capacity in the core
 - Good owners
 - Acceptable price
- Two main reasons
 - Ease the financial structure
 - Improve the strategic focus



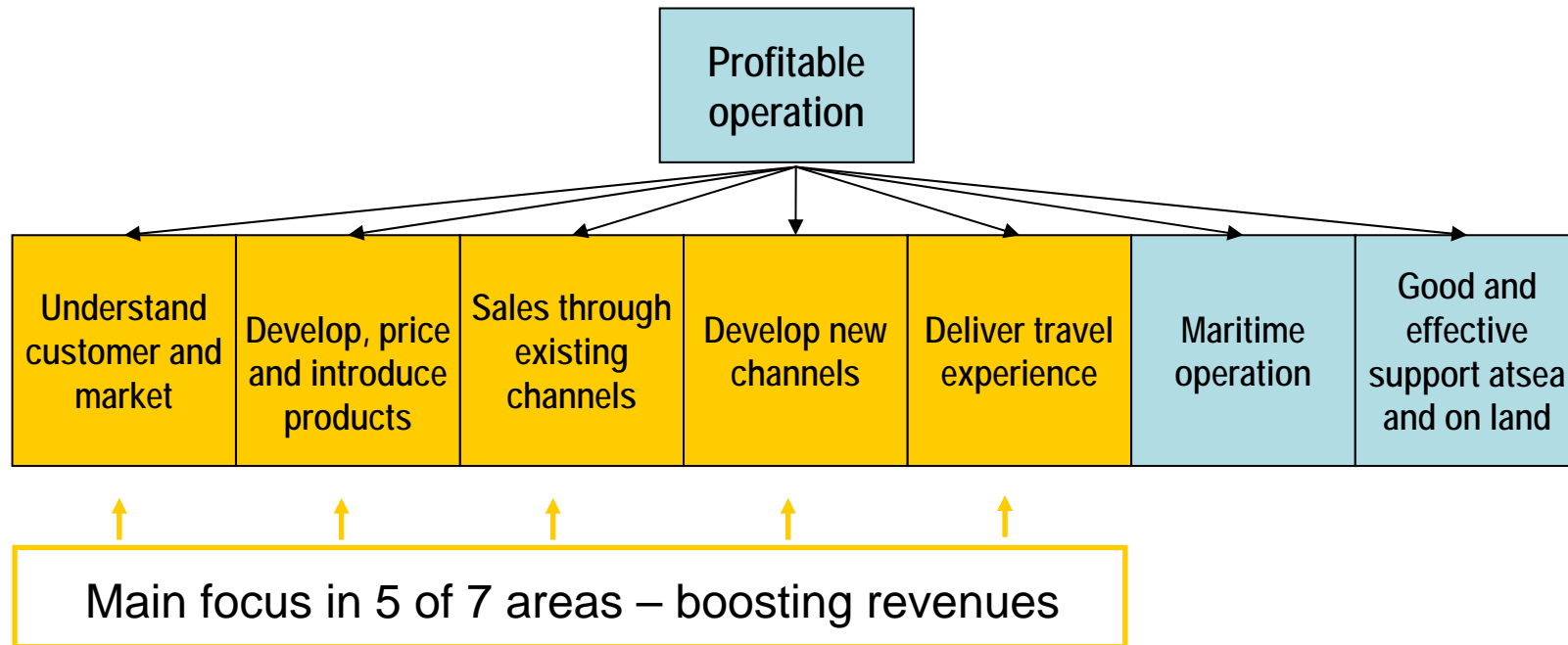
Can make it easier to attain Hurtigruten's vision



Real experiences in unique waters



Black Belt improvement programme



Example of improvement

- Sales support is separated from the sales centre as separate unit
 - Secures focus within the sales unit
 - Improves level of service in case of “problems”
- Airport strike 16.05. – 21.05.
 - Proved that the decision was correct
 - Managed 4 000 passengers to and from Bergen
 - No cancellations
 - Good feedback from customers
 - Helped to reduce cost



Summary

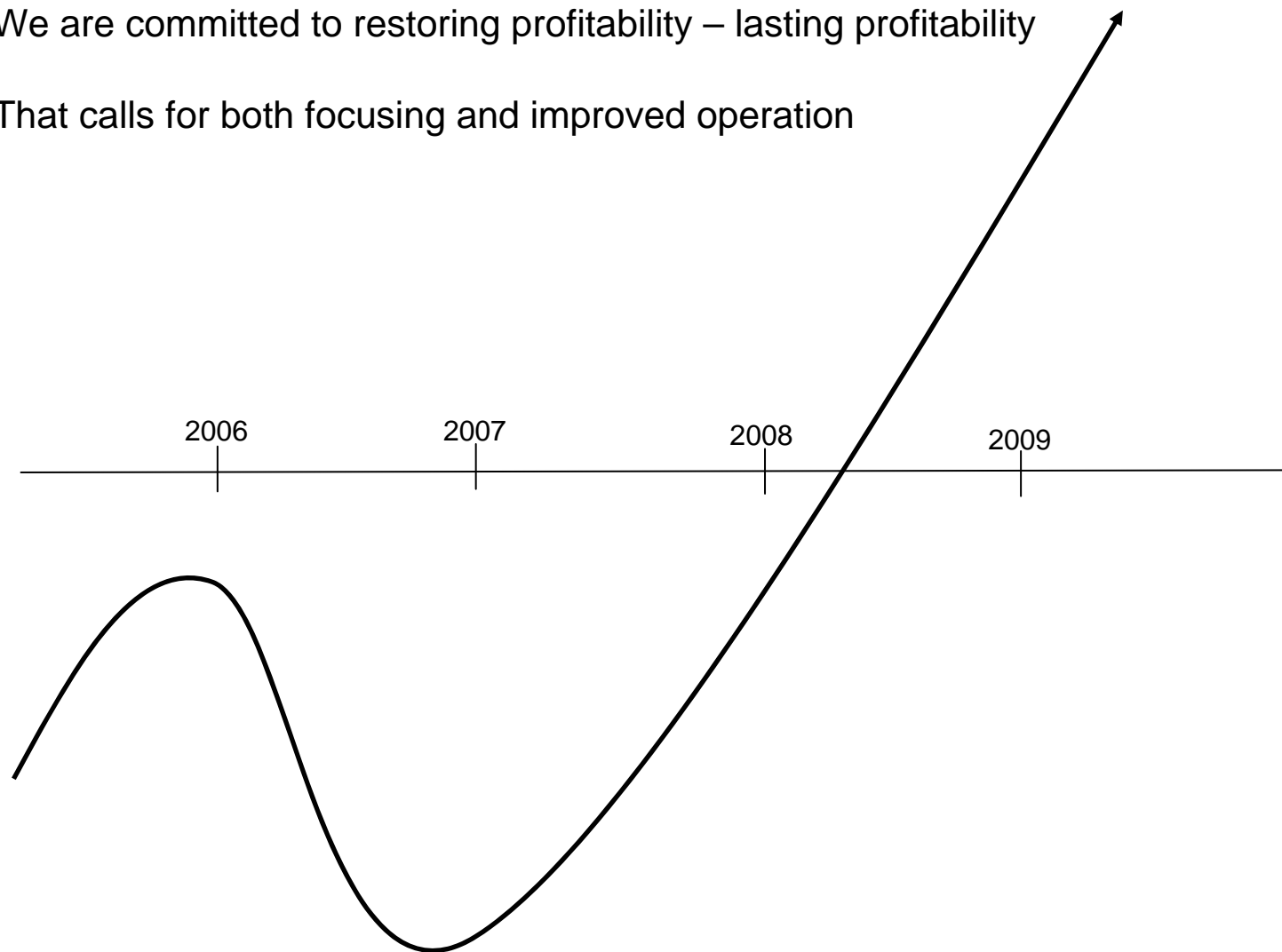
- Significant rise in winter tourism during Q1
 - More passengers
 - Increased revenue from round trips (32%)
 - Increased onboard sales (34%)
- Good growth in the USA and in new markets like Switzerland and the Netherlands
- The improvement programme has entered the operational phase
- Structural measures taken



Lasting profitability

We are committed to restoring profitability – lasting profitability

That calls for both focusing and improved operation

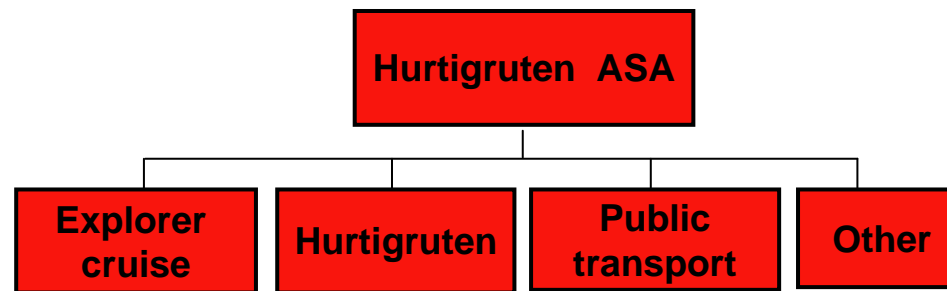




HURTIGRUTEN



Hurtigruten ASA



- Hurtigruten – one of Norway's strongest brands
- Leader for experience cruises in Polar waters
- Leading player for public transport in northern Norway
- Listed – 6 100 shareholders
- Market value 15 May NOK 974 mill
- Revenues (2007) NOK 3 826 mill
- Pre-tax loss (2007) NOK 224 mill
- 2 400 permanent employees

- 13 Hurtigruten/cruise liners
 - 450 000 passengers
 - 11 in NOR, 2 in NIS
 - 6 000 berths
 - 720 permanent maritime work-years (NOR), 314 seasonal employees, 107 apprentices
- 34 conventional, 19 fast ferries
 - 2 000 000 passengers
 - 511 permanent maritime work-years, 126 seasonal employees, 15 apprentices
- 293 buses



Market breakdown round trips at 13 May 2008 (compared with 15 May 2007)

Market	Round-trips booked as of 13 May 2008 ^{*)}	% change	Markets' share of sales
Germany	22 315	1.1%	46 %
Norway	5 542	-13.5%	11 %
United Kingdom	5 136	1.6%	11 %
USA	4 943	9.9%	10 %
France	2 335	1.6%	5 %
Sweden	1 939	33.7%	4 %
BeNeLux	1 755	21.0%	4 %
Switzerland	1 515	21.8%	3 %
Denmark	1 276	-11.8%	3 %
Other	1 837	4.0%	4 %
Total	48 593	1.9%	100 %

* Number of round-trip passengers is defined as number of whole round trips (two round-trip passengers who take half a round trip count as one)



Development in cruise nights

Hurtigruten

	CRUISE NIGHTS ROUND-TRIPS				
	Q1	Q2	Q3	Q4	TOTAL
As of 13.5.08	74 273	224 680	203 971	24 078	527 002
As of 15.5.07	58 449	220 817	222 720	15 263	517 249
% - change	27,1 %	1,7 %	-8,4 %	57,8 %	1,9 %

Explorer cruise

	CRUISE NIGHTS - ANTARCTICA				
	Q1	Q2	Q3	Q4	TOTAL
As of 5.5.08	10 032			13 654	23 686
As of 5.5.07	13 280			13 368	26 648
% - change	-24,5 %			2,1 %	-11,1 %

	CRUISE NIGHTS - GREENLAND				
	Q1	Q2	Q3	Q4	TOTAL
As of 5.5.08		8 248	14 358		22 606
As of 5.5.07		7 281	15 853		23 134
% - change		13,3 %	-9,4 %		-2,3 %

