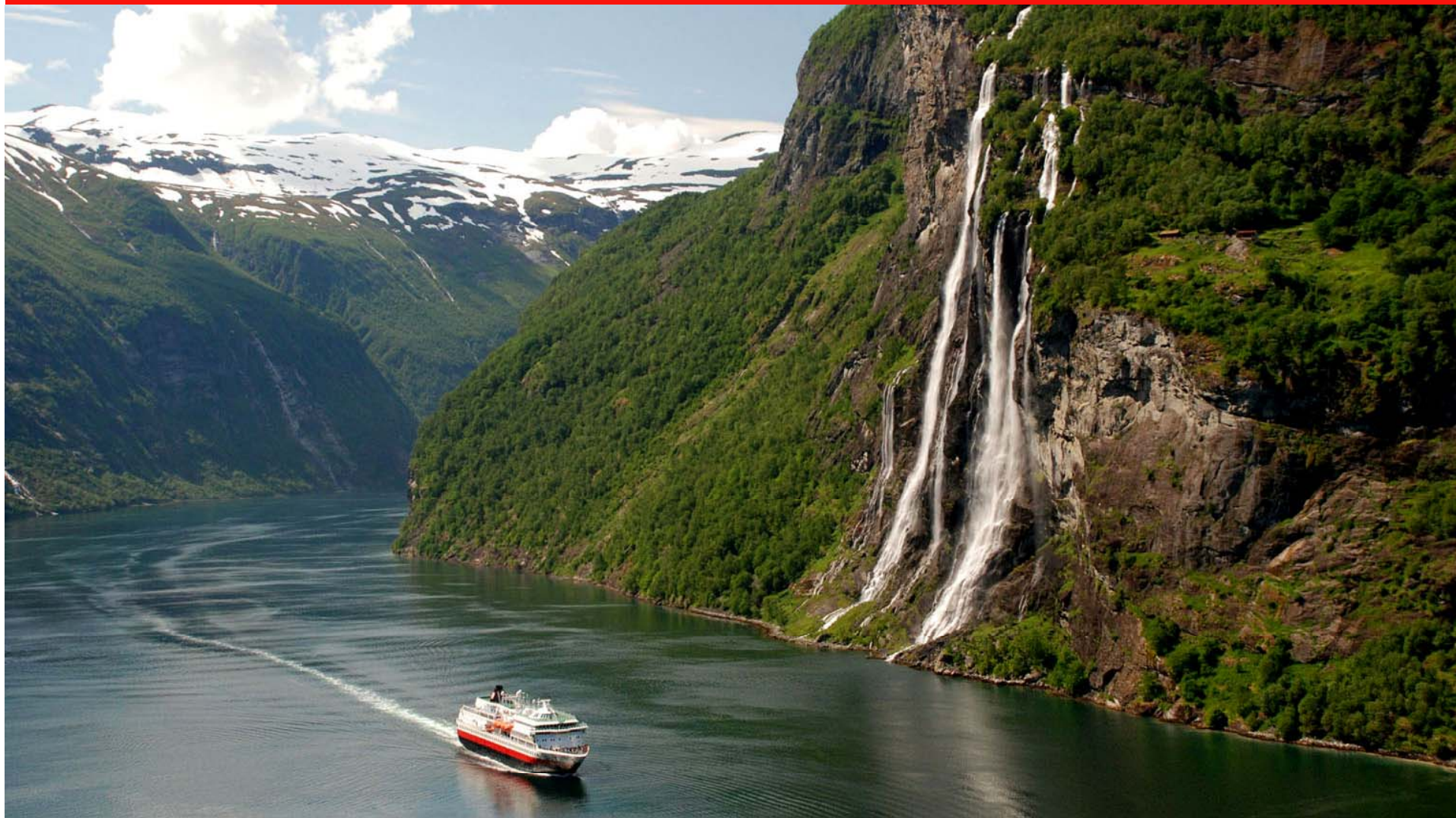


HURTIGRUTEN ASA

Interim report 2nd quarter 2008



World's most beautiful voyage

© Hurtigruten

01

Highlights

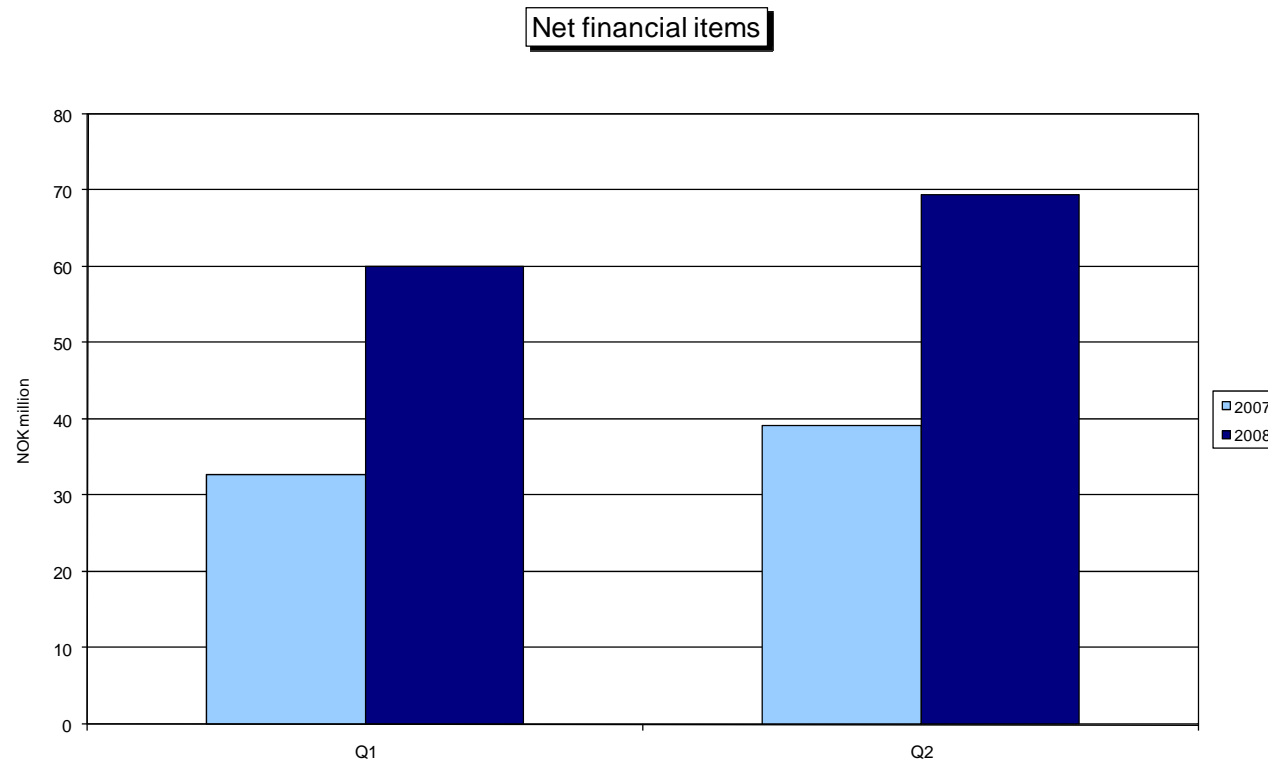


Hurtigruten in a demanding position

- Sale of businesses takes time in a difficult market
- Substantial increase in costs – financial and bunker
 - Financial items almost doubled
 - Bunker prices up by 38%
 - NOK 30 mill increase in provision for contract with Troms county council because of rise in bunker costs
- Revenue growth in core business – Hurtigruten
 - More passengers on board
 - Increase in ticket prices and onboard spending



Financial items almost doubled



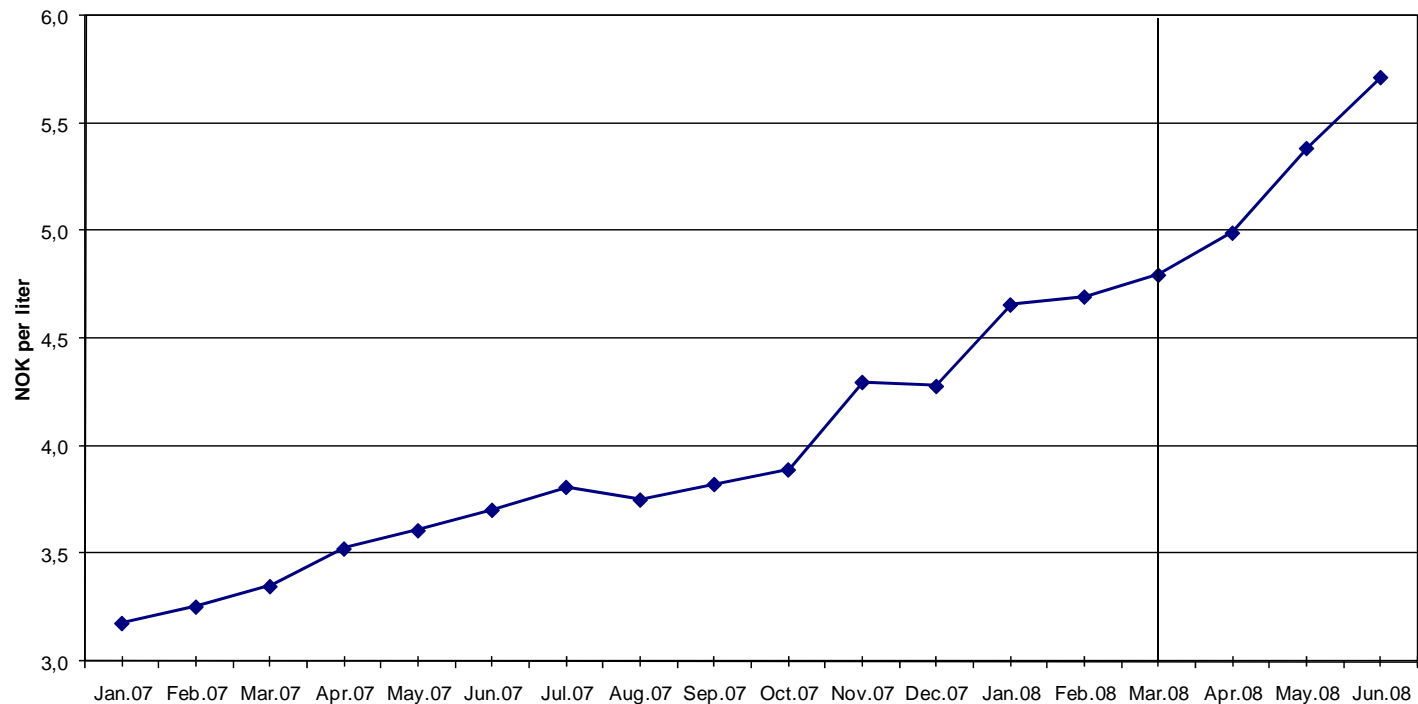
Measures taken to reduce debt:

- Hotels in Bergen sold with a gain of NOK 17 mill
- Sale of travel agencies, ships and businesses continuing



Sharp rise in bunker prices

Bunker price trend - IF 40



Measures taken:

- Fuel surcharge up from NOK 40 to NOK 75 per person per day
- Joined the NO_x fund – tax reduced to 25%
- Negotiations over public procurement contract for Hurtigruten



Revenue growth in core business - Hurtigruten

- Bookings up from 1.9% to 5.3% ahead of last year
- 16% growth in round trips in May, but summer season weaker
- Increased revenues per passenger
 - Higher average prices
 - Increased onboard spending



Key financial figures

Hurtigruten group (MNOK)	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Full year 2007
Operating revenues	1 111	1 069	1 891	1 826	3 752
Operating expenses	907	820	1 737	1 588	3 321
Other loss/(gains)	8	0	2	-21	32
EBITDA	196	249	152	260	400
Depreciation & impairment losses	107	115	218	232	453
EBIT	89	134	-66	28	-53
Net financial items	-69	-39	-129	-72	-190
Profit (loss) before tax for continued business	19	95	-195	-43	-243
Profit (loss) before tax for discontinued business	7	7	9	10	20
Net profit (loss) before tax	26	102	-186	-34	-224



Profit of NOK 26 mill – weaker than Q2 07

- Main reasons:
 - Increased bunker costs + NOK 25 mill
 - Further provision on Troms county contract because of bunker trend + NOK 30 mill
 - Increased financial items + NOK 30 mill
 - Reduced NO_x tax (NO_x fund) - NOK 22 mill



02

Accounts 2nd quarter 2008



Segment information

Operating result before depreciation (EBITDA)

Hurtigruten group (NOK 1 000)	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Full year 2007
Hurtigruten	176 599	195 660	122 819	146 669	296 256
Explorer cruise	17 440	22 666	26 905	56 001	59 438
Public transport	28 108	49 075	67 174	99 391	142 029
Other business	-26 183	-18 215	-65 307	-41 918	-97 887
Total group EBITDA	195 964	249 186	151 590	260 143	399 835
Depreciation and impairment losses	107 161	115 216	217 729	231 805	453 237
EBIT	88 803	133 970	-66 139	28 338	-53 402
Net financial items	-69 346	-39 110	-129 281	-71 794	-189 780
Profit (loss) before tax for continued business	19 457	94 860	-195 420	-43 456	-243 182
Profit (loss) before tax for discontinued business	6 506	7 393	9 340	9 750	19 625
Net profit (loss) for the period	25 963	102 253	-186 080	-33 706	-223 557



Hurtigruten group

Income statement IFRS

Hurtigruten group (NOK 1 000)	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Full year 2007
Sales revenues	883 829	862 632	1 344 813	1 325 287	2 773 446
Contract revenues	226 773	206 095	546 521	501 153	979 037
Total operating revenues	1 110 602	1 068 727	1 891 334	1 826 440	3 752 483
Payroll expenses	355 712	335 916	685 209	660 404	1 411 526
Bunkers costs	146 404	143 270	301 803	268 110	579 256
Other operating costs	404 645	340 820	750 238	659 265	1 329 792
Other losses/(gains)/(revenues) - net	7 877	-467	2 493	-21 482	32 073
Total operating expenses	914 638	819 539	1 739 743	1 566 297	3 352 648
EBITDA	195 964	249 188	151 591	260 143	399 835
Depreciation and impairment losses	107 161	115 218	217 729	231 805	453 237
EBIT	88 803	133 970	-66 138	28 338	-53 402
Net financial items	-69 346	-39 111	-129 281	-71 794	-189 780
Profit (loss) before tax for continued business	19 457	94 859	-195 419	-43 456	-243 182
Profit (loss) before tax for discontinued business	6 506	7 393	9 340	9 750	19 625
Net profit (loss) for the period	25 963	102 252	-186 079	-33 706	-223 557



Hurtigruten group Balance sheet (IFRS)

<i>(NOK 1 000)</i>	30 June 2008	30 June 2007	1 January 2008
Assets			
Intangible fixed assets	333 260	326 948	339 681
Tangible fixed assets	5 219 537	5 783 677	5 646 381
Financial fixed assets	245 900	195 855	160 133
Current assets	1 679 825	1 644 897	1 567 934
Fixed assets held-for-sale	417 014	-	-
Total assets	7 895 536	7 951 377	7 714 129
Equity and liabilities			
Paid-in capital and retained earnings	1 447 128	1 438 363	1 561 585
Minority interests	241 824	214 117	226 479
Total equity	1 688 952	1 652 480	1 788 064
Provisions	350 740	474 500	436 600
Long-term liabilities	3 755 337	4 430 033	4 231 581
Current liabilities	1 717 341	1 394 364	1 257 883
Liabilities on assets held-for-sale	383 166	-	-
Total liabilities	6 206 584	6 298 897	5 926 065
Total equity and liabilities	7 895 536	7 951 377	7 714 129

- Liquid assets NOK 1 024 mill (incl short-term placements)
- Net interest-bearing debt – NOK 3 658 mill
- Capital adequacy 23.2% (21.4% excluding convertible bond loan)



BA Hurtigruten

Revenue growth round trips and onboard spending

Hurtigruten (NOK 1 000)	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Full year 2007
Sales revenues	609 849	588 880	807 882	775 903	1 667 976
Contract revenues	41 392	38 142	162 379	151 465	265 486
Total operating revenues	651 241	627 022	970 261	927 368	1 933 462
Payroll expenses	172 137	168 157	308 437	313 239	652 829
Bunkers costs	73 001	75 385	147 832	133 321	289 285
Other operating costs	229 506	187 946	391 117	351 573	717 821
Other losses/(gains)/(revenues) - net	-2	-126	56	-17 434	-22 729
Total operating expenses	474 642	431 362	847 442	780 699	1 637 206
EBITDA	176 599	195 660	122 819	146 669	296 256

- Passenger revenues up by NOK 20 mill (5%)
- 5% growth in onboard spending – up 7.4% per cruise night
- Bunkers costs on par with 2007:
 - Price rise of NOK 25 mill (38%)
 - Joined the NO_x fund – NOK 22 mill reduction in tax for half-year
- Increased sales and marketing costs



BA Hurtigruten Passenger revenues up

ROUND TRIPS	Q2 2008	Q2 2007	Change	In %	YTD 2008	YTD 2007	Change	In %
Number of cruise nights	224 569	219 758	4 811	6.4%	294 521	275 136	19 385	6.0%
Average price per cruise night ¹⁾	1 393	1 374	19	-0.6%	1 252	1 252	-	-1.3%
DISTANCE (port-to-port)	Q2 2008	Q2 2007	Change	In %	YTD 2008	YTD 2007	Change	In %
Number of cruise nights ³⁾	109 551	116 096	-6 545	4.8%	187 463	193 415	-5 952	-0.7%
Average price per cruise night ²⁾	797	694	103	-4.8%	692	631	61	12.4%

- Growth in number of cruise nights and average round trip price
 - 16% volume growth in May
 - Decline for summer season – June down 7%
 - Positive price picture – prices up 5% in June
- Decline in distance traffic – very good price trend
 - Fall again largest in June
 - Positive price trend – from transport to minicruise

¹ Passenger revenues including board/cruise nights

² Passenger revenues (travel and cabin)/cruise nights

³ Reporting changed from earlier periods



BA Explorer cruise Continued progress on Svalbard

Explorer cruise (NOK 1 000)	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Full year 2007
Sales revenues	123 951	121 614	259 262	261 451	492 052
Contract revenues	0	0	0	0	0
Total operating revenues	123 951	121 614	259 262	261 451	492 052
Payroll expenses	27 875	28 054	56 326	57 673	122 154
Bunkers costs	10 561	8 117	29 397	21 827	45 230
Other operating costs	68 075	62 779	146 634	125 952	265 232
Other losses/(gains)/(revenues) - net	0	-2	0	-2	-2
Total operating expenses	106 511	98 948	232 357	205 450	432 614
EBITDA	17 440	22 666	26 905	56 001	59 438



BA Explorer cruise

No revenue base for two ships in Antarctica

	EBITDA					
	Q2 2008	Q2 2007	Change	YTD 2008	YTD 2007	Change
Antarctica	-1 734	-479	-1 255	20 400	36 285	-15 885
Greenland	4 611	4 610	1	2 622	2 853	-231
Svalbard	28 479	24 663	3 816	31 874	30 113	1 761
Other travel	-13 916	-6 128	-7 788	-27 991	-13 250	-14 741
Total explorer cruise	17 440	22 666	-5 226	26 905	56 001	-29 096

- Svalbard:
 - Continued growth in profits – m/v *Polar Star* back in operation
- Greenland:
 - 20% volume growth, but higher bunker costs
- Other travel – Pole to Pole:
 - Too expensive to transfer two ships between north and south – sale appropriate
- Antarctica:
 - Season ended in Q1



BA Public transport Contract impairment – improvement for operations

Public transport (NOK 1 000)	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Full year 2007
Sales revenues	155 156	157 750	277 642	283 911	609 102
Contract revenues	185 381	167 952	384 142	349 688	713 551
Total operating revenues	340 537	325 702	661 784	633 599	1 322 653
Payroll expenses	141 789	128 092	286 595	261 929	571 024
Bunkers costs	62 842	59 207	124 574	112 516	244 294
Other operating costs	83 148	89 605	164 233	163 994	310 245
Other losses/(gains)/(revenues) - net	24 650	-277	19 208	-4 231	55 061
Total operating expenses	312 429	276 627	594 610	534 208	1 180 624
EBITDA	28 108	49 075	67 174	99 391	142 029



BA Public transport Further profitability improvements initiated

	EBITDA					
	Q2 2008	Q2 2007	Change	YTD 2008	YTD 2007	Change
Ferries/fast ferries	3 242	28 952	-25 710	31 742	66 468	-34 726
Buses	24 866	20 122	4 744	35 432	32 923	2 509
Total public transport	28 108	49 075	-20 966	67 174	99 391	-32 217

- Ferries and fast ferries:
 - NOK 30 mill increase in provision for contract with Troms county council because of substantial increase in bunker prices
 - Difficult staffing position during summer holidays
 - High bunker prices worsen existing contracts
- Bus:
 - Increased level of activity for charter tours
 - High diesel costs – increased activity and high prices
 - Level of activity tailored to staffing position, overtime reduced



Other business

Costs of improvement programme

Other business (NOK 1 000)	Q2 2008	Q2 2007	YTD 2008	YTD 2007	Full year 2007
Sales revenues	18 491	16 148	29 966	31 915	63 433
Contract revenues	0	0	0	0	0
Total operating revenues	18 491	16 148	29 966	31 915	63 433
Payroll expenses	13 911	11 613	30 851	27 564	65 520
Other operating costs	47 534	22 811	81 193	46 084	96 058
Other losses/(gains)/(revenues) - net	-16 771	-61	-16 771	185	-457
Total operating expenses	44 674	34 363	95 273	73 833	161 121
EBITDA	-26 183	-18 215	-65 307	-41 918	-97 688

- Sales gain of NOK 17 mill from Hurtigruten Hotels AS
- NOK 16 mill in improvement programme costs charged to Other business
- Costs related to sales programme recognised as expenses
- Weak result for Nor Lines AS



03

Measures and prospects

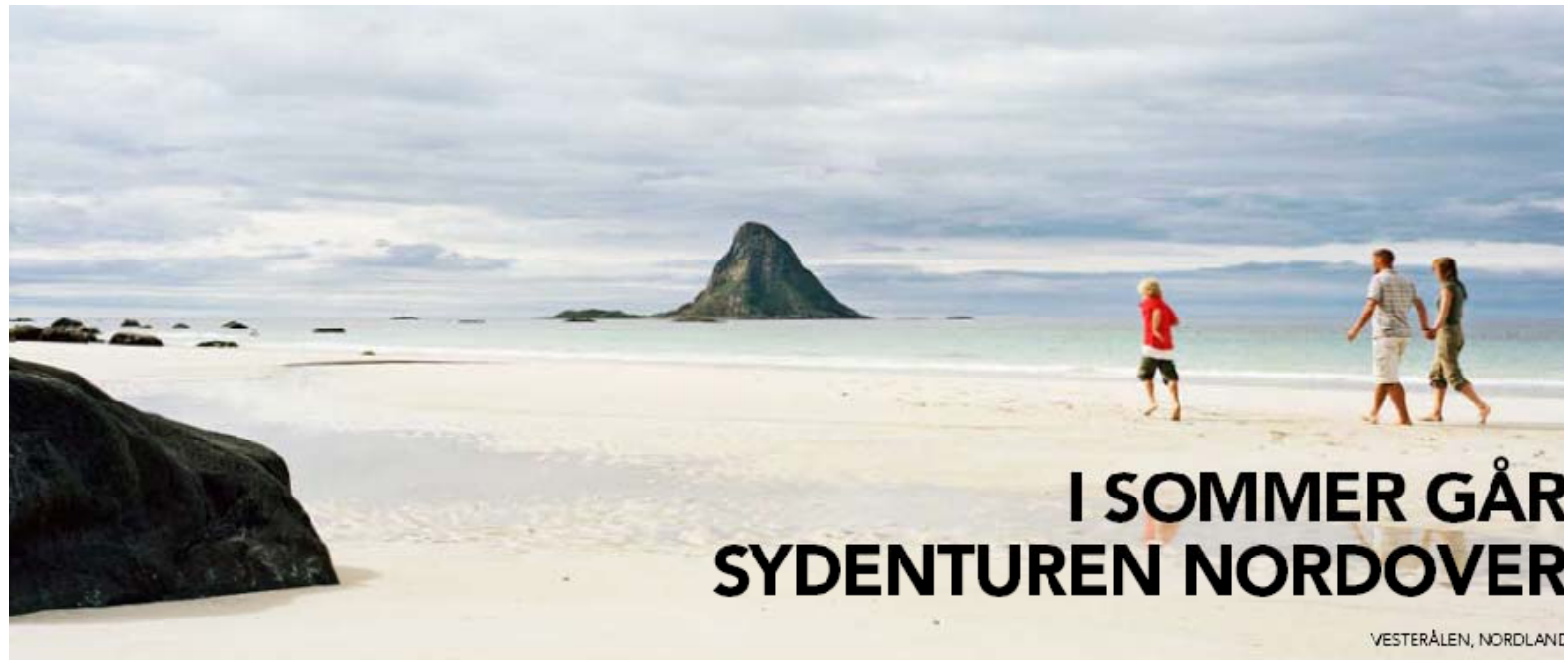


Principal measures

1. Increase revenues
 - Black Belt improvement programme continuing
2. Reduce debt
 - Sale of businesses
3. Reduce costs
 - New cost-cutting programme will be launched
4. Public procurement contract for Hurtigruten



5.3% growth – sales/marketing efforts have had effect



FORTSATT **LEDIGE** Plasser på HURTIGRUTEN!

Klar for en helt spesiell ferieopplevelse, til hyggelige sommerpriser? Om sommeren er norskekysten på sitt aller vakreste. En reise med Hurtigruten i sommer kan være mer eksotisk og befriende enn hvilken som helst sydentur. I Nord-Norge kan du nyte midnattsolen og lyse netter. Mellom Bergen og Kirkenes møter du fantastisk natur, og finner attraksjoner som Geiranger, Helgelandskysten, Lofoten og Nordkapp.

Priser fra **6.559,-** inkl. full pensjon pr. pers*

Hel rundtur Bergen-Kirkenes-Bergen, 11 dager. Priser fra:

MS Nordlys	9. juni	12.675,-
MS Nordlys	12. juli	12.675,-
MS Richard With	13. juli	12.675,-
MS Nordnorge	14. juli	12.675,-
MS Vesterålen	19. juli	12.675,-
MS Nordkapp	20. juli	12.675,-
MS Polarlys	22. juli	12.675,-
MS Richard With	24. juli	12.675,-
MS Nordnorge	25. juli	12.675,-

MS Nordkapp	31. juli	12.675,-
MS Richard With	4. aug.	11.925,-
MS Nordlys	14. aug.	11.925,-
MS Finnmarken	23. aug.	11.925,-

Halv rundtur Bergen-Kirkenes 6 dager. Priser fra:

MS Nordlys	9. juni	8.492,-
MS Nordnorge	14. juli	8.492,-
MS Nordkapp	20. juli	8.492,-
MS Nordkapp	31. juli	8.492,-
MS Nordkapp	11. aug.	7.990,-

Halv rundtur Kirkenes-Bergen 5 dager. Priser fra:

MS Nordnorge	17. jun	6.971,-
MS Polarlys	6. juli	6.971,-
MS Kong Harald	22. juli	6.971,-
MS Richard With	30. juli	6.971,-
MS Polarlys	30. aug.	6.559,-

Vi tar med bilen **gratis** fra Kirkenes til Trondheim eller Bergen!

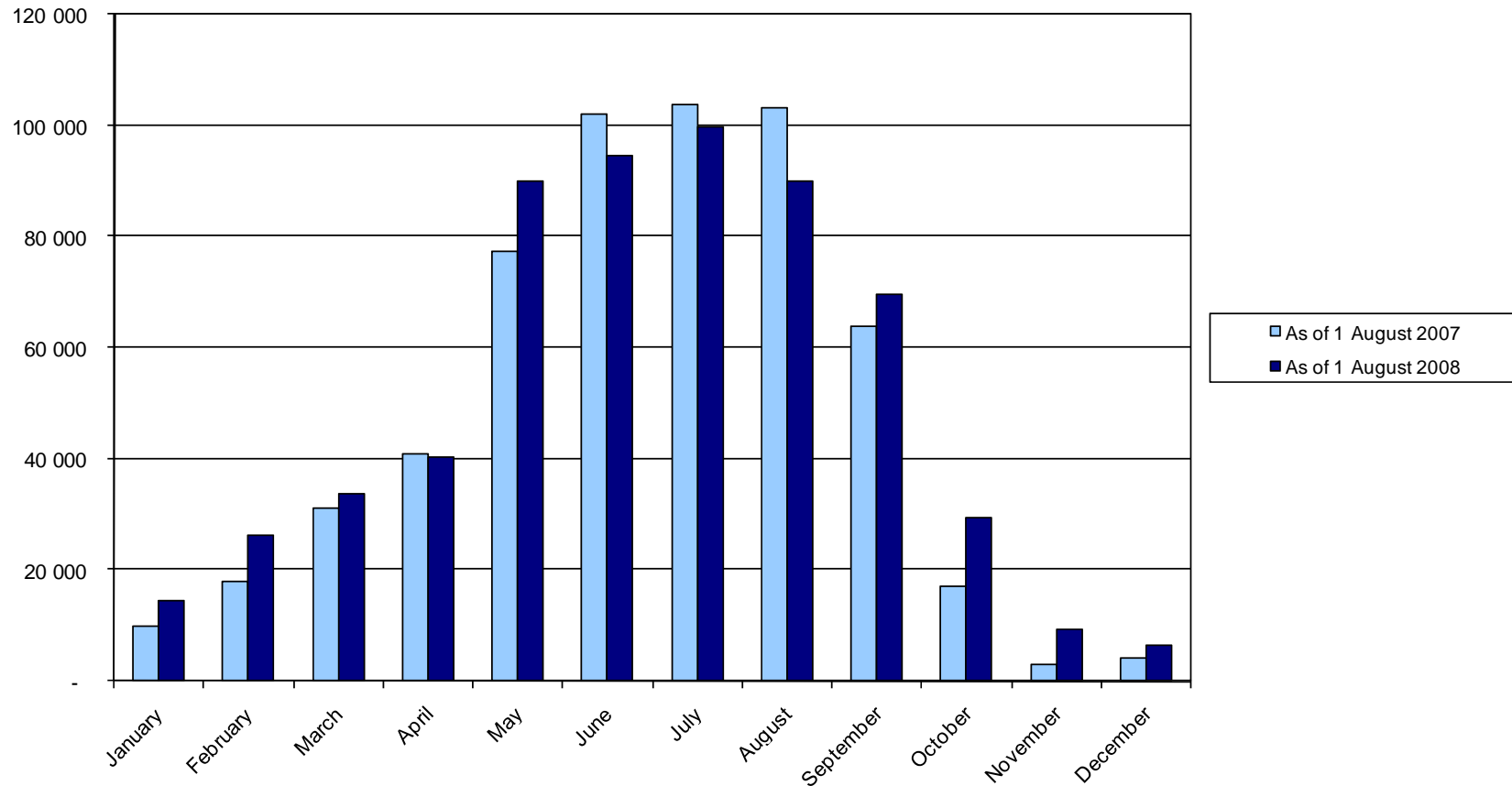
* Prisene er per person i dobbel innvendig luge, inkl. full pensjon, 3 måltider pr. dag. Basiselementer om tilbudspris på alternative lugekategorier eller strekning eller spiser etter våre pakkeløsninger inkl. flyreise. Forbehold om plass i bestillingsøyeblikket. Drivstoff tillegg på kr. 40,- pr. pers. pr. degn et ikke inkludert.

For tilbud ring **810 30 000** eller kontakt ditt lokale reisebyrå

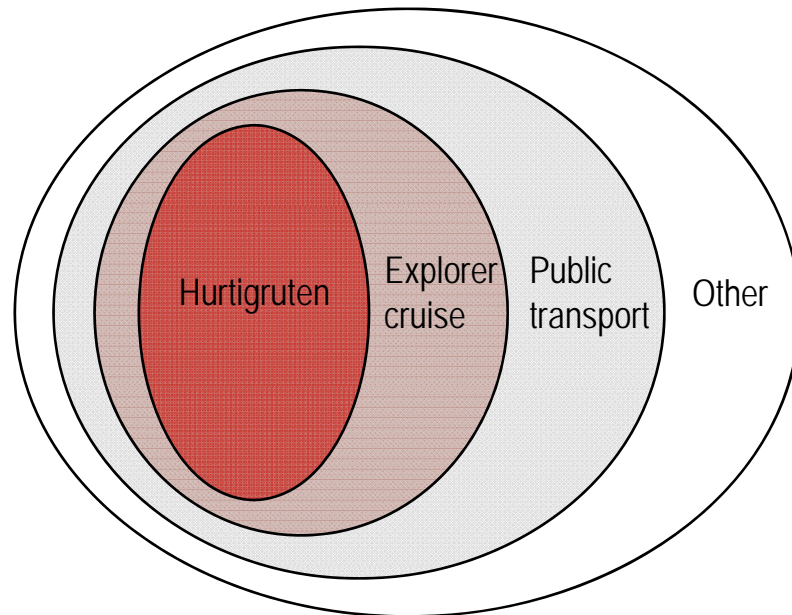


Growth in low season – weak summer season

Bookings Hurtigruten
cruise nights - round trip



Reduce debt by selling businesses



- Hurtigruten is the core business
- Investigating opportunities to sell everything outside the core, including dimensioning of capacity in the core
 - Good owners
 - Acceptable price
- Two principal reasons
 - Ease the financial structure
 - Improve the strategic focus



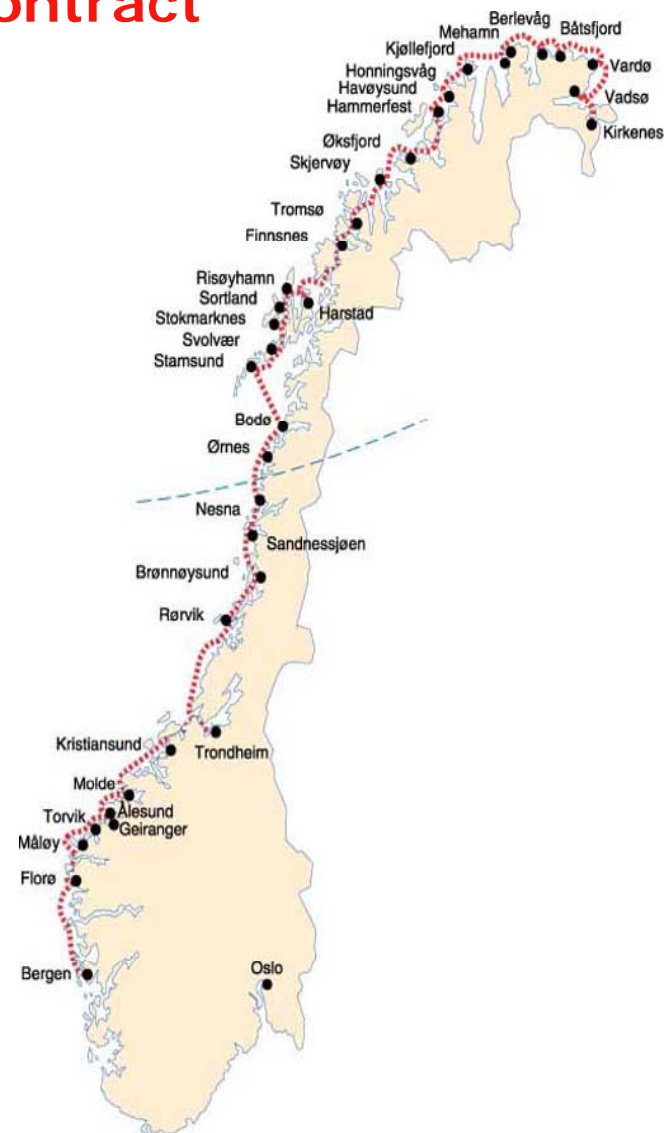
Reduce costs

- The groups cost level is high
 - Administration costs in Norway
 - Administration costs in sales organisation



Hurtigruten public procurement contract

- Progress in negotiations last period
 - Regular payment of net pay
- Existing contract can not continue



Summary

- Demanding situation in a difficult market
 - Increased financial items
 - Increased bunker costs
- Revenue growth in core business
- Extensive changes required
 - Sales process continues
 - Costs reducing programme initiated
 - Changes in Hurtigruten public procurement contract needed

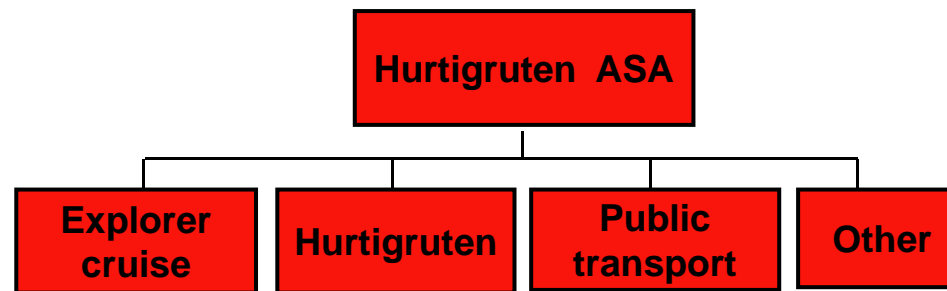




HURTIGRUTEN



Hurtigruten ASA



- Hurtigruten – one of Norway's strongest brands
- Leading position as explorer cruise operator in Polar waters
- Leading position in public transport operations for northern Norway
- Listed – 6 100 shareholders
- Market value 13 August NOK 763 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 ferries, 19 fast ferries
 - 2 000 000 passengers
 - 511 permanent maritime work-years, 126 seasonal employees, 15 apprentices
- 300 buses



Market breakdown round trips at 1 August 2008 (compared with 1 August 2007)

Market	Round trips booked as of 1 Aug 2008 ^{*)}	% change	Markets' share of sales
Germany	24 317	2.4%	44 %
Norway	6 852	-3.3%	12 %
United Kingdom	6 301	17.1%	11 %
USA	5 420	7.4%	10 %
France	2 629	2.3%	5 %
Sweden	2 435	36.2%	4 %
BeNeLux	2 095	27.5%	4 %
Switzerland	1 593	22.5%	3 %
Denmark	1 473	-12.2%	3 %
Other	2 533	-3.2%	5 %
Total	55 648	5.3%	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 1 Aug 08	74 273	224 569	259 071	44 838	602 751
As of 1 Aug 07	58 449	219 861	270 140	23 868	572 318
Change in %	27.1%	2.1%	-4.1%	87.9%	5.3%

Explorer cruise

	CRUISE NIGHTS - ANTARCTICA *)				
	Q1	Q2	Q3	Q4	TOTAL
As of 12 Aug 08	10 023			6 697	16 720
As of 12 Aug 07	7 488			6 992	14 480
Change in %	33,9 %			-4,2 %	15,5 %

	CRUISE NIGHTS - GREENLAND				
	Q1	Q2	Q3	Q4	TOTAL
As of 12 Aug 08		8 236	16 678		24 914
As of 12 Aug 07		8 088	16 954		25 042
Change in %		1,8 %	-1,6 %		-0,5 %

*) From the Antarctica season 08/09 the BA Explorer has reduced the number of ships from two to one. To make the Antarctica-figures comparable the cruises with *MS Nordnorge* for the season 07/08 has been deducted.

