

HURTIGRUTEN ASA

Interim report for 3rd quarter 2008

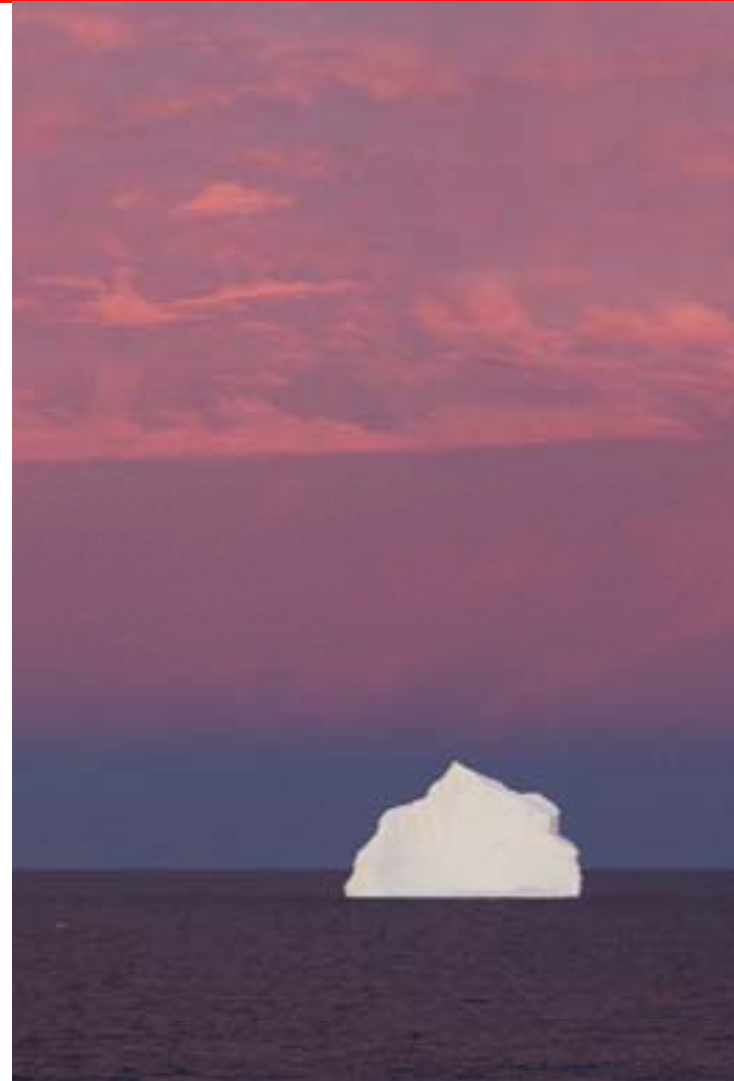


The world's most beautiful voyage

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Highlights

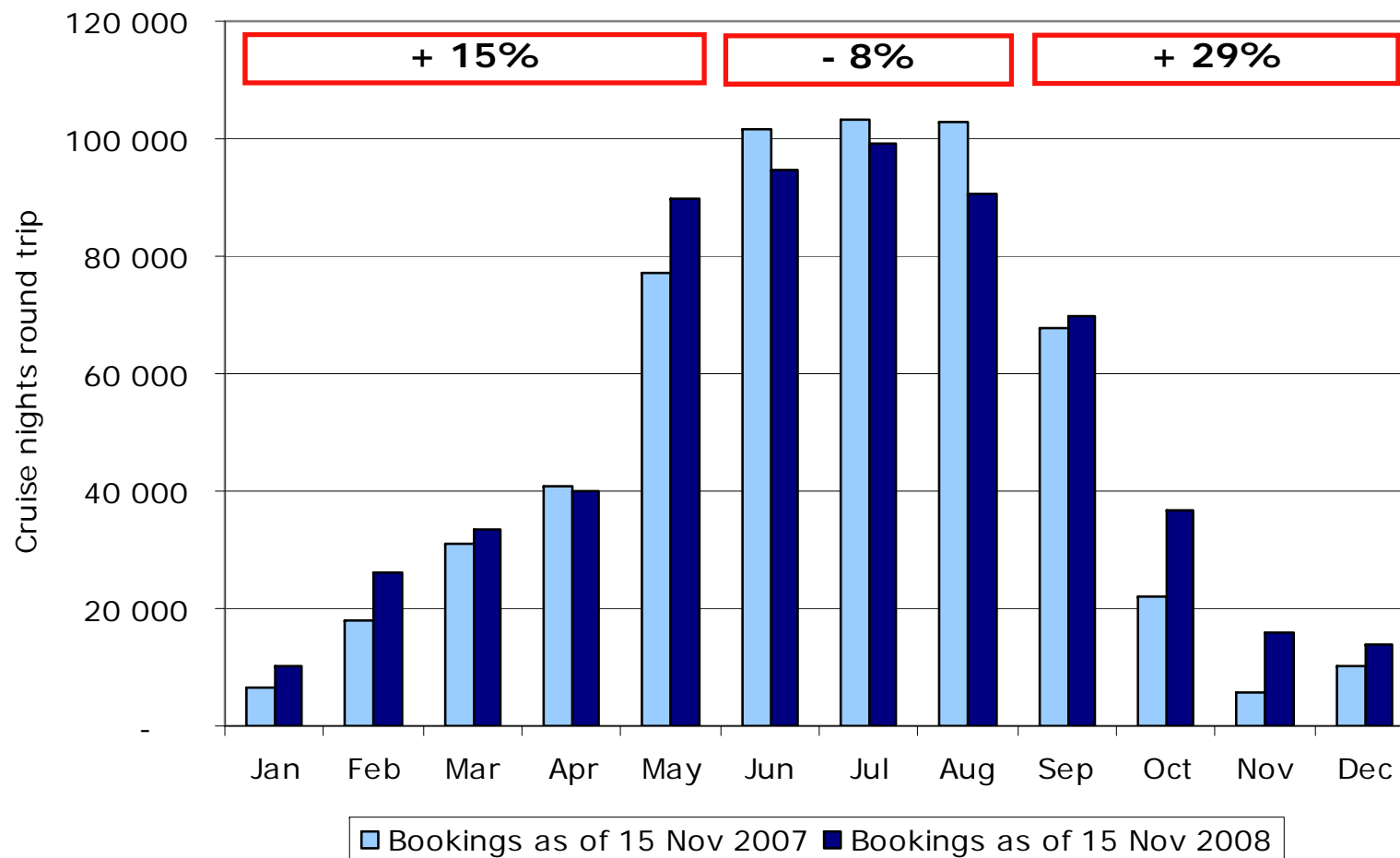


3rd quarter as expected

- Weak result
 - Drop in passenger numbers in summer season
 - Increased bunker costs and financial items
- Results from change program
 - Ferries and fast ferries business sold for NOK 488 mill
 - Increased compensation public procurement contract
 - NOK 125 mill to be paid this year
 - NOK 88 mill in 2009
 - NOK 81 mill per year rest of contract period



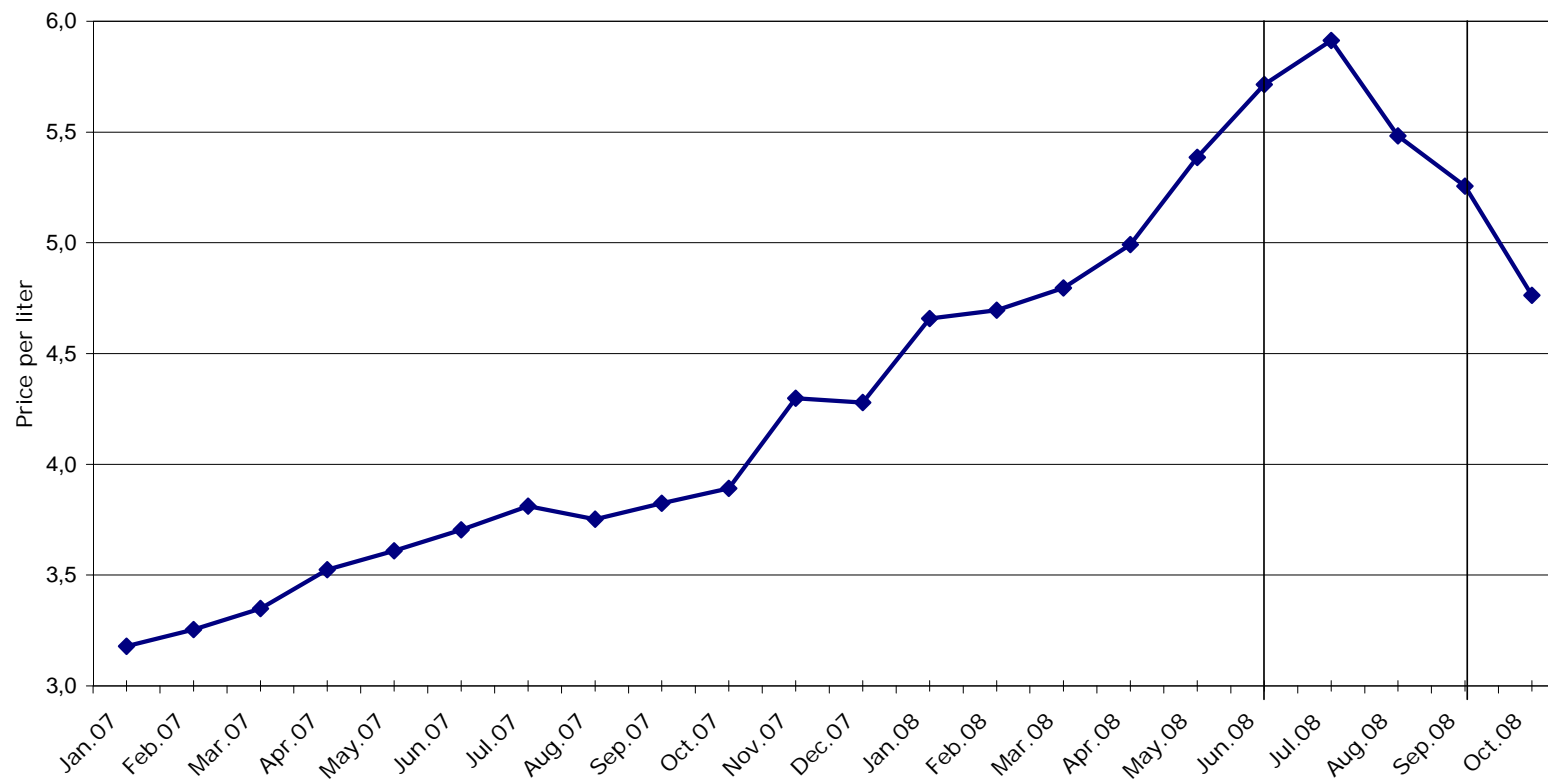
Drop in passenger numbers in summer season Hurtigruten revenues down with NOK 32 mill



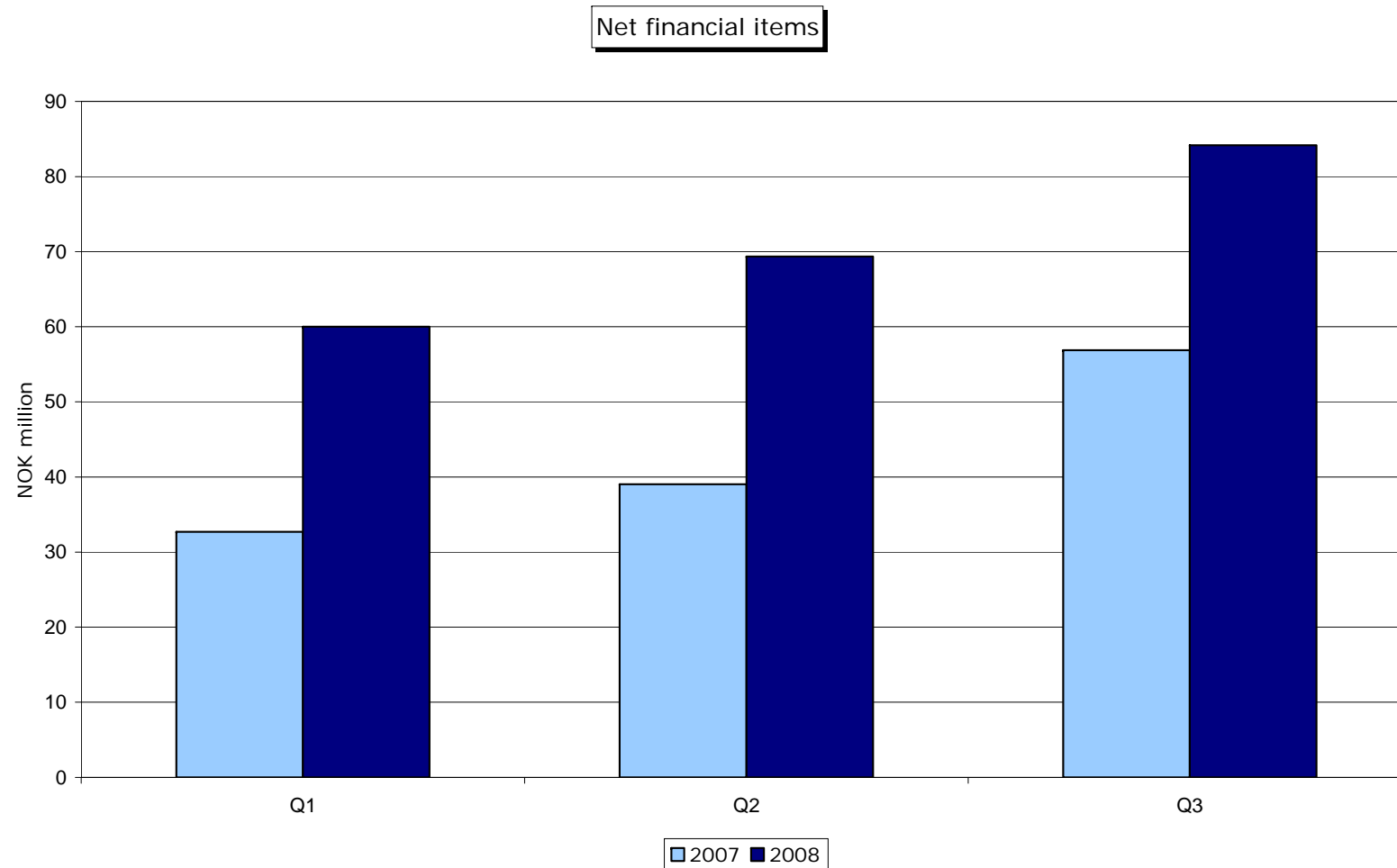
High bunker prices in quarter

Bunker costs up with NOK 48 mill

Bunker price trend - IF 40



Financial items up with NOK 27 mill



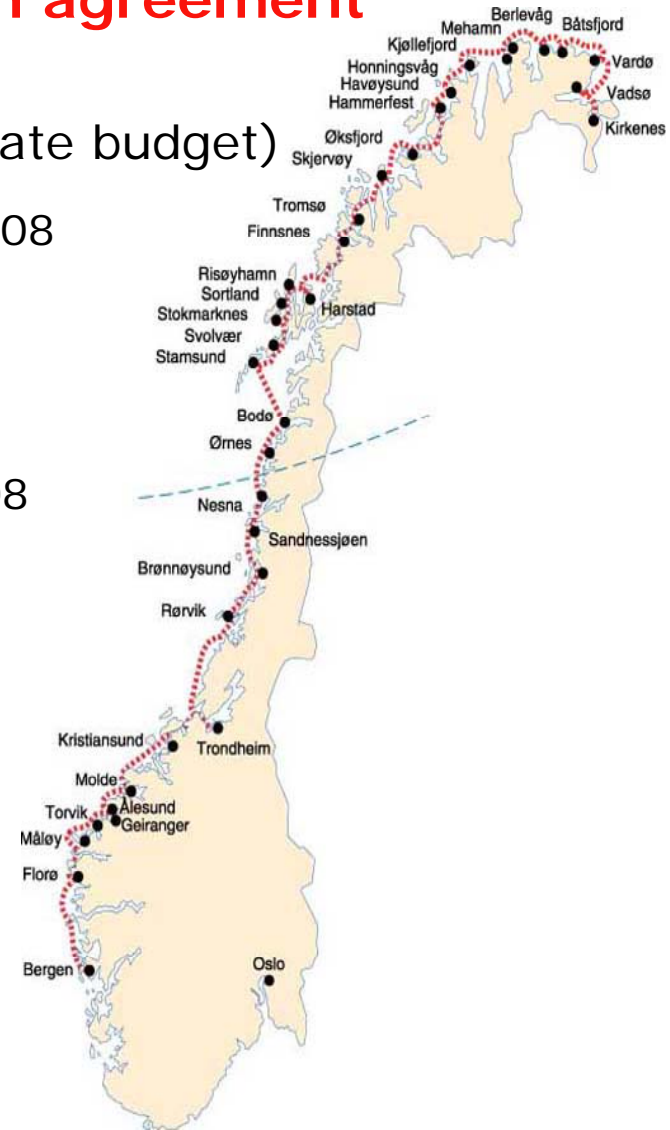
Divestment

- Ferries and fast ferries business sold
 - Contract value NOK 488 mill
 - NOK 133 mill in cash
 - NOK 355 mill in assumption of debt
 - Accounting loss NOK 103 mill
 - 45 vessels (33 ferries and 12 fast ferries)
 - 606 employees (33 on shore, 573 at sea)
- Buyer Torghatten Nord AS
- Transaction date, 5 January 2009



Consensus reached on Hurtigruten agreement

- Increase NOK 125 mill in 2008 (rev. state budget)
 - 90% of NOx tax in 2007 + NOx fund 1H08
 - General compensation for 2008
- Increase NOK 88 mill in 2009
 - 90% of NOx fund 2009 + NOx fund 2H08
 - General compensation for 2009
- General compensation and 90% of NOx costs to be continued rest of contract period
- Permits withdrawal one ship in winter season
- State will issue new tender in first half of 2009



Key financial figures

Hurtigruten group (MNOK)	Q3 2008	Q3 2007	YTD 2008	YTD 2007	Full year 2007
Operating revenues	934	978	2 390	2 377	2 848
Operating expenses	732	698	2 085	1 924	2 561
Other loss/(gains)	0	0	-17	-22	-27
EBITDA	202	280	322	474	314
Depreciation & impairment losses	80	95	253	280	361
EBIT	122	186	69	194	-46
Net financial items	-76	-49	-189	-106	-160
Profit (loss) before tax for continued business	46	137	-120	88	-206
Profit (loss) before tax for discontinued business	14	4	-7	20	-18
Net profit (loss) before tax	60	141	-126	107	-224



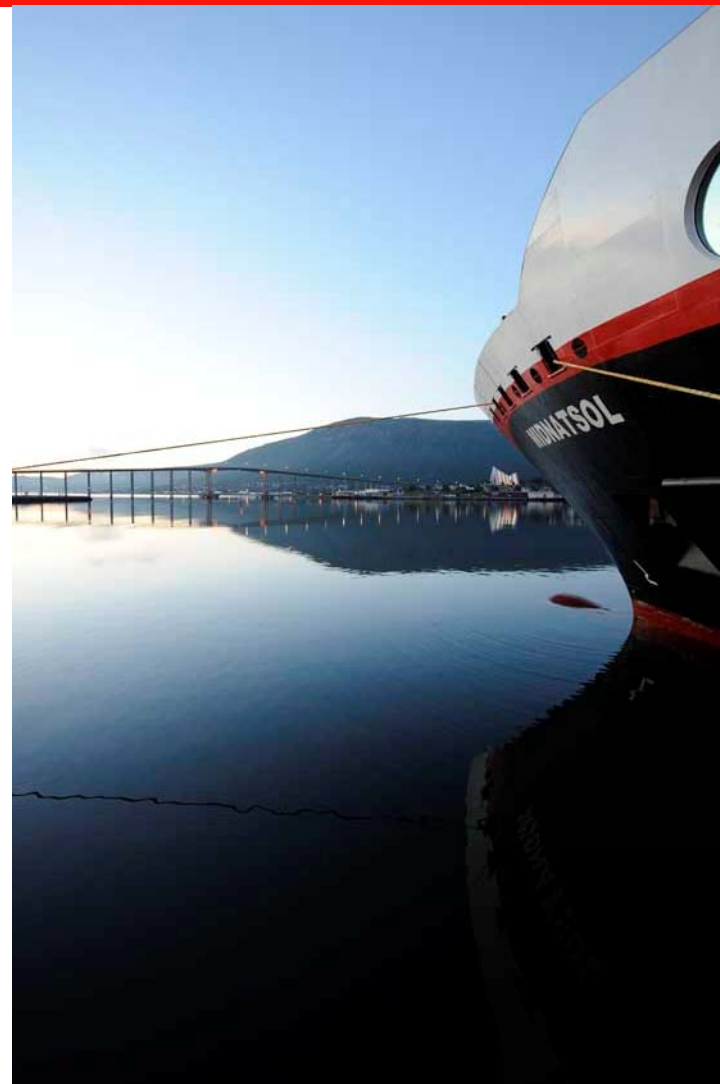
Profit of NOK 60 mill

- Key variances compared to last year:
 - Weaker summer season for Hurtigruten NOK -32 mill
 - Increased bunker costs NOK -48 mill
 - Increased financial items NOK -27 mill
 - Reduced provision on Troms county council contract for 2010 NOK +20 mill



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Accounts 3rd quarter 2008



Segment information

Operating result before depreciation (EBITDA)

Hurtigruten group (NOK 1 000)	Q3 2008	Q3 2007	YTD 2008	YTD 2007	Full year 2007
Hurtigruten	203 973	275 887	326 792	422 556	296 256
Explorer cruise	21 938	24 562	48 843	80 562	59 438
Public transport	9 455	3 164	44 885	36 086	56 670
Other business	-32 973	-23 214	-98 280	-65 132	-97 887
Total group EBITDA	202 393	280 399	322 239	474 072	314 476
Depreciation and impairment losses	80 463	94 530	253 246	280 052	360 510
EBIT	121 930	185 869	68 993	194 020	-46 034
Net financial items	-76 077	-49 061	-188 536	-106 431	-159 939
Profit (loss) before tax for continued business	45 853	136 808	-119 543	87 589	-205 973
Profit (loss) before tax for discontinued business	13 914	4 083	(6 770)	19 593	-17 584
Net profit (loss) for the period	59 767	140 891	-126 313	107 182	-223 557



Hurtigruten group Income statement IFRS

Hurtigruten group (NOK 1 000)	Q3 2008	Q3 2007	YTD 2008	YTD 2007	Full year 2007
Sales revenues	887 116	944 818	2 074 461	2 122 691	2 432 609
Contract revenues	47 111	33 431	315 668	254 176	415 819
Total operating revenues	934 227	978 249	2 390 129	2 376 867	2 848 428
Payroll expenses	278 196	285 900	782 987	783 177	1 052 284
Bunkers costs	136 398	106 145	342 636	286 371	382 253
Other operating costs	317 050	305 862	959 681	854 785	1 126 741
Other losses/(gains)/(revenues) - net	192	-58	-17 413	-21 540	-27 327
Total operating expenses	731 836	697 849	2 067 891	1 902 793	2 533 952
EBITDA	202 391	280 400	322 238	474 074	314 476
Depreciation and impairment losses	80 463	94 530	253 246	280 052	360 510
EBIT	121 928	185 870	68 992	194 022	-46 034
Net financial items	-76 077	-49 062	-188 536	-106 430	-159 939
Profit (loss) before tax for continued business	45 851	136 808	-119 544	87 592	-205 973
Profit (loss) before tax for discontinued business	13 914	4 083	(6 770)	19 593	-17 584
Net profit (loss) for the period	59 765	140 891	-126 314	107 185	-223 557



Hurtigruten group Balance Sheet (IFRS)

(NOK 1 000)	30 Sept 2008	30 Sept 2007	1 Jan 2008
Assets			
Intangible fixed assets	341 408	327 266	339 681
Tangible fixed assets	4 402 702	5 695 103	5 646 381
Financial fixed assets	162 706	193 439	160 133
Current assets	1 169 596	1 702 784	1 567 934
Fixed assets held-for-sale	1 314 079	-	-
Total assets	7 390 490	7 918 592	7 714 129
Equity and liabilities			
Paid-in capital and retained earnings	1 462 927	1 518 238	1 561 585
Minority interests	242 853	217 102	226 479
Total equity	1 705 780	1 735 340	1 788 064
Provisions	326 940	488 503	436 600
Long-term liabilities	3 103 459	4 357 174	4 231 581
Current liabilities	1 112 864	1 337 575	1 257 883
Liabilities on assets held-for-sale	1 141 447	-	-
Total liabilities	5 684 710	6 183 252	5 926 065
Total equity and liabilities	7 390 490	7 918 592	7 714 129

- Liquid assets NOK 685 mill (incl. short-term placements)
- Net interest-bearing debt NOK 3 641 mill
- Capital adequacy 25.0% (23.1% excluding convertible bond loan)



BA Hurtigruten

Weak summer season, but positive onboard spending

Hurtigruten (NOK 1 000)	Q3 2008	Q3 2007	YTD 2008	YTD 2007	Full year 2007
Sales revenues	723 874	755 422	1 531 756	1 531 325	1 667 976
Contract revenues	0	-526	162 379	150 939	265 486
Total operating revenues	723 874	754 896	1 694 135	1 682 264	1 933 462
Payroll expenses	181 257	176 686	489 694	489 925	652 829
Bunkers costs	115 325	89 249	263 158	222 570	289 285
Other operating costs	223 301	213 073	614 417	564 646	717 821
Other losses/(gains)/(revenues) - net	18	1	74	-17 433	-22 729
Total operating expenses	519 901	479 009	1 367 343	1 259 708	1 637 206
EBITDA	203 973	275 887	326 792	422 556	296 256

- Passenger revenues down by NOK 23 mill (-4%)
- Continued growth in onboard spending (5%) and 7.4% increase per cruise night
- Bunker costs up with NOK 26 mill:
 - Price increase NOK 40 mill (58%)
 - Membership of NOx fund – NOK 14 mill lower costs in quarter
- Some increase in other operating costs



BA Hurtigruten Drop in passenger revenues

ROUND TRIPS	Q3 2008	Q3 2007	Change	In %	YTD 2008	YTD 2007	Change	In %
Number of cruise nights	259 638	274 008	-14 370	-5.2%	554 159	549 144	5 015	0.9%
Average price per cruise night ¹⁾	1 424	1 432	-8	-0.6%	1 332	1 342	-10	-0.7%

DISTANCE (port-to-port)	Q3 2008	Q3 2007	Change	In %	YTD 2008	YTD 2007	Change	In %
Number of cruise nights ³⁾	149 960	147 022	2 938	2.0%	337 423	340 437	-3 014	-0.9%
Average price per cruise night ²⁾	727	757	-30	-4.0%	708	686	22	3.2%

- Weak summer season for round trips – volume and price
 - Volume drop of 4% in July and 12% in August
 - Growth in September of 3%
 - Price level stable
- Continued growth in distance traffic – reduction in price
 - Compensates some of round trip loss
 - Weak price development in this quarter isolated

1) Passenger revenues including meals/number of cruise nights
 2) Passenger revenues (travel and cabins)/number of cruise nights
 3) Reporting changed from 2nd quarter 2008



BA Explorer On par with previous year

Explorer cruise (NOK 1 000)	Q3 2008	Q3 2007	YTD 2008	YTD 2007	Full year 2007
Sales revenues	130 109	132 188	389 371	393 639	492 052
Contract revenues	0	0	0	0	0
Total operating revenues	130 109	132 188	389 371	393 639	492 052
Payroll expenses	24 223	30 396	83 549	88 069	122 154
Bunkers costs	9 325	6 634	38 722	28 461	45 230
Other operating costs	74 623	70 596	218 257	196 549	265 232
Other losses/(gains)/(revenues) - net	0	0	0	-2	-2
Total operating expenses	108 171	107 626	340 528	313 077	432 614
EBITDA	21 938	24 562	48 843	80 562	59 438



BA Explorer Increased bunker costs Greenland

	EBITDA					
	Q3 2008	Q3 2007	Change	YTD 2008	YTD 2007	Change
Antarctica	-3 585	-5 908	2 323	16 815	30 376	-13 561
Greenland	18 807	23 614	-4 807	21 429	26 467	-5 038
Svalbard	17 423	14 491	2 932	49 297	44 604	4 693
Other travel	-10 707	-7 635	-3 072	-38 698	-20 885	-17 813
Total explorer cruise	21 938	24 562	-2 624	48 843	80 562	-31 719

- Svalbard:
 - Continued growth in profit – MV Polar Star back in operation
- Greenland:
 - Higher bunker costs, lower volume and prices
- Other travel – “Pole to Pole”:
 - Challenging transfer leg
- Antarctica:
 - Lower off season costs



BA Public Transport (Bus only) *)

Good progress in this quarter

Public transport (NOK 1 000)	Q3 2008	Q3 2007	YTD 2008	YTD 2007	Full year 2007
Sales revenues	58 933	62 063	179 312	198 560	268 265
Contract revenues	47 111	33 957	153 289	103 237	150 333
Total operating revenues	106 044	96 020	332 601	301 797	418 598
Payroll expenses	61 448	58 236	167 625	157 038	211 782
Bunkers costs	11 747	10 261	40 757	34 893	47 291
Other operating costs	22 776	24 418	79 606	78 070	107 194
Other losses/(gains)/(revenues) - net	618	-59	-272	-4 290	-4 339
Total operating expenses	96 589	92 856	287 716	265 711	361 928
EBITDA	9 455	3 164	44 885	36 086	56 670

- Effects from improvement measures
- Good charter activity – some reduction in school transport

*) Ferries and fast ferries business classified as discontinued business due to sale. Historic figures revised accordingly.



Other business

Costs related to improvement programme

Other business <i>(NOK 1 000)</i>	Q3 2008	Q3 2007	YTD 2008	YTD 2007	Full year 2007
Sales revenues	861	19 416	30 827	51 331	63 433
Contract revenues	0	0	0	0	0
Total operating revenues	861	19 416	30 827	51 331	63 433
Payroll expenses	11 267	20 583	42 118	48 147	65 520
Other operating costs	23 012	22 047	104 204	68 131	96 058
Other losses/(gains)/(revenues) - net	-445	0	-17 216	185	-457
Total operating expenses	33 834	42 630	129 106	116 463	161 121
EBITDA	-32 973	-23 214	-98 279	-65 132	-97 688

- Drop in revenues and costs due to sale of hotels in Bergen in 2nd quarter 2008
- Improvement programme Black Belt accounts for NOK 9 mill during the quarter
 - Total Black Belt costs projected to NOK 55 mill
 - Project running internally from 1 October



Discontinued business

	Profit (loss) before tax for discontinued business					
	Q3 2008	Q3 2007	Change	YTD 2008	YTD 2007	Change
Ferries/fast ferries	11 915	577	11 338	-18 110	6 337	-24 447
KS Offshore Tjeld	0	69	-69	0	2 539	-2 539
Bergenske Reisebyrå	2 000	3 436	-1 436	11 340	10 717	623
Discontinued business	13 915	4 083	9 833	-6 770	19 593	-26 363

- Ferries and fast ferries:
 - Reduced provision of NOK 20 mill for contract with Troms county council
 - High bunker costs - increased activities and high prices
 - Increase in personnel costs – high level of sick leave



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Measures and prospects

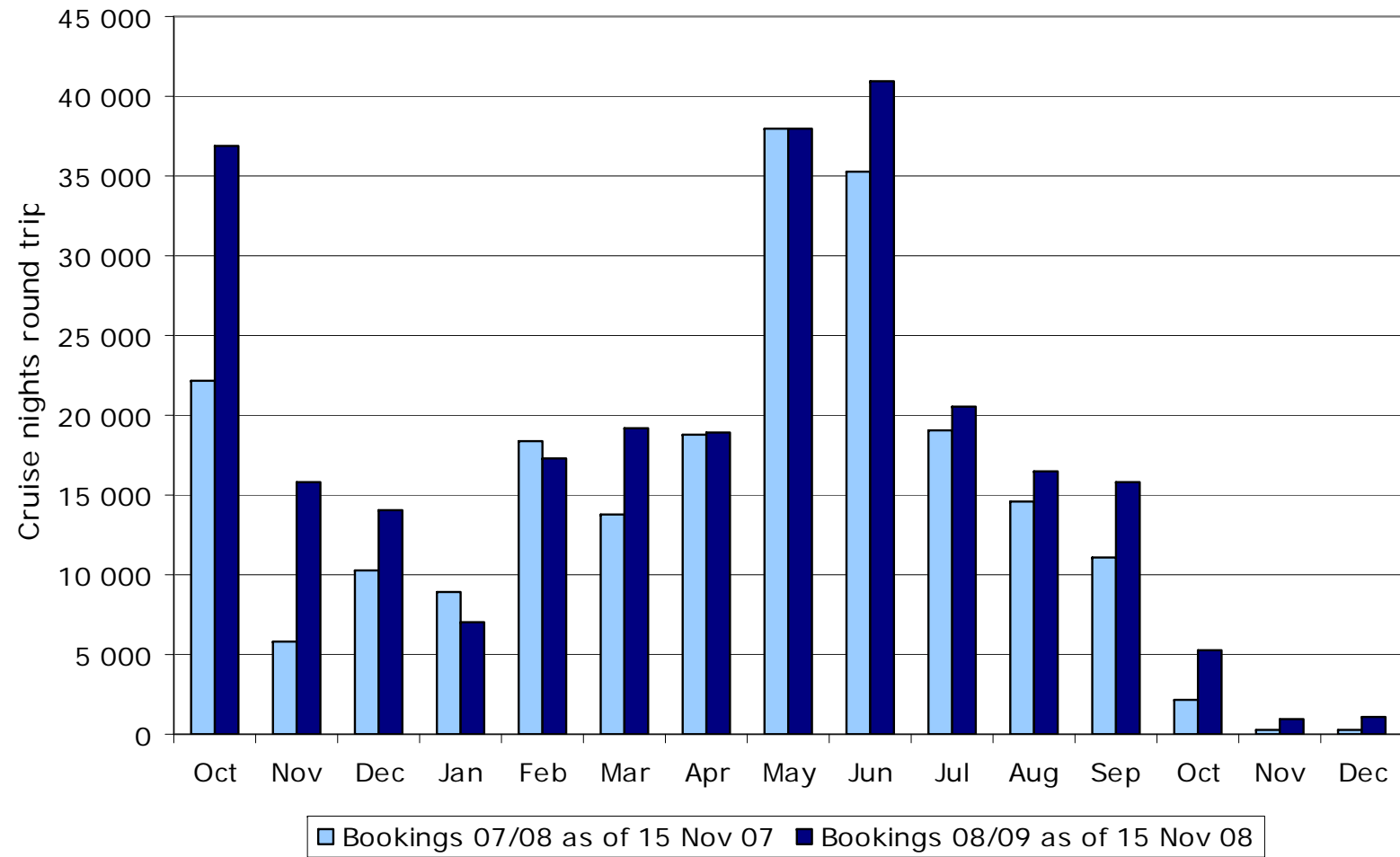


Principal measures

- 1 Increase revenues – Black Belt continues
- 2 Reduce debt – divestment of businesses
- 3 Reduce costs – new programme launched
- 4 The Hurtigruten agreement
- 5 Financial restructuring plan



1 Good sales in autumn and winter



1 Black Belt improvement programme continues

- Consultants finished 30 September
- Sales-oriented web 3 November, www.hurtigruten.com
- www.velgogseil.no launched 5 November
- Global booking platform tested in Nordic region



2 Divestments continues

- Bus operation
 - 71.3% shareholding in AS TIRB
- Travel agencies
 - Bergenske Reisebyrå AS
- Nor Lines AS
 - 50% shareholding
- Ships
 - Lay up of MS Nordnorge



3 Reduce costs

- Annual costs down by NOK 150 mill
 - Sales and administration
 - Equivalent to approximately 35% reduction
- Individual areas to be exposed to competition
 - ICT outsourced to Funn IT as from 10 November 2008
- Number of employees on shore reduced by 200 within one year, equivalent to 50%
 - 80 employees in Norway
 - 120 employees in sales organisation abroad
- Made possible by common work platform (Black Belt) and IT platform



4 The Hurtigruten agreement

- Satisfying changes in existing agreement
- New tender spring 2009, contents unknown
- Recommendations given by The Executive Committee for Northern Norway (Landsdelsutvalget)
- Hurtigruten brand owned by Hurtigruten ASA



5 Good dialogue with banks

- In compliance with loan covenants as per 3rd quarter
- Solid business case developed
- Tight cash position in winter season



5 Financial restructuring plan

- Bridge loan for divestment period
- Softer instalment profile
- New equity



Summary

- Situation continues to be demanding
 - Difficult market and global financial turbulence
 - Financial items
 - Bunker costs
- Stimulating booking figures for Q4 2008 and 2009
- Change programme continues

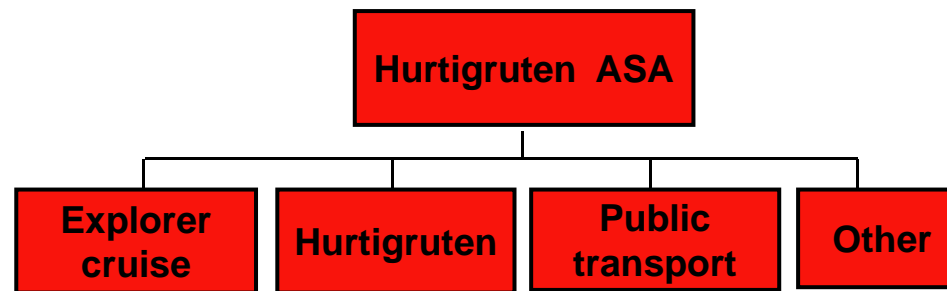




HURTIGRUTEN



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
- 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 15 November 2008

Market	Bookings as of 15 Nov 2008 ^{*)}	Change in percent	Market share
Germany	24 996	1.9%	43 %
Norway	7 401	-1.9%	13 %
United Kingdom	6 888	23.5%	12 %
USA	5 464	7.0%	9 %
France	2 747	3.7%	5 %
Sweden	2 501	34.2%	4 %
BeNeLux	2 302	36.7%	4 %
Switzerland	1 635	20.8%	3 %
Denmark	1 563	-8.9%	3 %
Other	2 647	-2.1%	5 %
Total	58 144	6.2%	100 %

*) Market breakdown compared with 15 November 2007.

Number of round trip passengers is defined as the number of 1/1 round trips (2 round trip passengers travelling ½ a round trip count as 1)



Development in cruise nights 2008

Hurtigruten

	CRUISE NIGHTS ROUND TRIPS				
	Q1	Q2	Q3	Q4	TOTAL
As of 15 Nov 2008	69 952	224 569	259 638	66 691	620 850
As of 15 Nov 2007	55 373	219 758	274 008	38 179	587 318
Change in %	26.3%	2.2%	-5.2%	74.7%	5.7%

Explorer cruise

	CRUISE NIGHTS - ANTARCTICA *)				
	Q1	Q2	Q3	Q4	TOTAL
As of 25 Nov 2008	33 072			7 222	40 294
As of 25 Nov 2007	28 505			8 368	36 873
Change in %	16.0%			-13.7%	9.3%

	CRUISE NIGHTS - GREENLAND				
	Q1	Q2	Q3	Q4	TOTAL
As of 25 Nov 2008		8 236	16 657		24 893
As of 25 Nov 2007		7 163	17 201		24 364
Change in %		15.0%	-3.2%		2.2%

*) As from 08/09 season (4th quarter 2008), BA Explorer reduced the number of ships in the Antarctic from two to one. Sailings by one ship (MS Nordnorge) have therefore been taken out of the comparison figures for 4th quarter 2007.

