

# BONHEUR ASA

## REPORT FOR THE THIRD QUARTER 2016

### Financial and operating highlights 3Q 2016 (3Q 2015 in brackets):

- Operating revenues were NOK 3 345 million (NOK 3 402 million)
- EBITDA (operating result before depreciation, impairment and finance) was NOK 1 342 million (NOK 1 305 million)
- Impairment within the offshore drilling segment was NOK 503 million (NOK 257 million)
- EBIT (operating result) was NOK 38 million (NOK 153 million)
- Net result after tax was NOK - 251 million (NOK 70 million)

#### **Offshore drilling**

- Settlement with HHI with net proceeds of USD 176 million
- Still weak market

#### **Renewable energy**

- Like-for-like generation up 1%
- Including Fäboliden, up 17%
- Constructions in UK progressing

#### **Shipping / Offshore wind**

- Successful installation of the Block Island project (US)
- Both installation vessels now upgraded for deeper waters and heavier turbines
- Contract backlog visibility into 2019

#### **Cruise**

- Strong bookings
- Net ticket income per diems up 10%
- 14% weakening of GBP/NOK



# BONHEUR ASA

## Financial information

The unaudited group accounts for 3 quarter 2016 comprise Bonheur ASA (“the Company”) and its subsidiaries (“the Group”) and the Group’s ownership of associates.

As previously announced, on 16 March 2016 an Extraordinary General Meeting of the Company approved the merger between Bonheur ASA and Ganger Rolf ASA. See note 1

The main business segments of the Group are Offshore drilling, Renewable energy, Shipping / Offshore wind, Cruise and Other investments.

Financial key figures (figures in million NOK except for earnings per share)	3Q 16	3Q 15	Per 3Q 16	Per 3Q 15	2015
Operating revenue	3 345	3 402	9 785	11 027	14 640
EBITDA	1 342	1 305	4 007	4 824	6 243
EBIT	38	153	-386	-1 439	-2 361
Profit / loss for the period	-251	70	-1 052	-1 706	-2 804
Hereof attributable to shareholders of the parent company 1)	-114	33	-510	-689	-1 262
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Total number of shares outstanding as per			42 531 893	32 345 668	32 345 668
Average number of shares outstanding in the period	42 531 893	32 345 668	41 698 759	32 345 668	32 345 668
Basic/diluted earnings per share NOK	-2.7	1.0	-12.2	-21.3	-39.0
Net interest bearing liabilities			8 121	12 716	12 672
Cash and cash equivalents			8 098	8 637	8 340
Capital expenditure	256	1 169	591	3 564	4 127

1) The non-controlling interests mainly consist of 47.74% of Fred. Olsen Energy ASA (FOE), 44.06% of NHST Media Group AS and indirectly 49.00% of Fred. Olsen Wind Limited (UK).

The Group’s operating revenues amounted to NOK 3 345 million (NOK 3 402 million). Offshore drilling had operating revenues of NOK 1 778 million (NOK 1 985 million), Renewable energy NOK 202 million (NOK 199 million), Shipping / Offshore wind NOK 428 million (NOK 254 million) and Cruise NOK 662 million (NOK 647 million). Within Other investments NHST Media Group had operating revenues of NOK 316 million (NOK 296 million).

EBITDA (operating result before depreciation, impairment, result from associates, financial items and tax) was NOK 1 342 million (NOK 1 305 million). Offshore drilling achieved EBITDA of NOK 993 million (NOK 1 066 million), Renewable energy NOK 120 million (NOK 106 million), Shipping/Offshore wind NOK 112 million (NOK -17 million), while Cruise achieved EBITDA of NOK 170 million (NOK 186 million). Within Other investments EBITDA were NOK -52 million (NOK -36 million). Depreciation in the quarter was NOK 802 million (NOK 895 million) and impairment of offshore drilling units amounted to NOK 503 million (NOK 257 million).

EBIT (operating result after depreciation and impairment before result from associates, financial items and tax) was NOK 38 million (NOK 153 million).

Net financial items in the quarter were NOK - 230 million (NOK - 49 million). Net interest expenses were NOK 171 million (NOK 189 million) and net currency loss amounted to NOK 88 million (gain NOK 248 million). Net unrealized gains related to fair value adjustment of financial instruments were NOK 52 million (NOK - 76 million). Other financial items amounted to NOK - 26 million (NOK - 33 million).



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Net result in the quarter was NOK - 251 million (NOK 70 million), of which NOK - 114 million are attributable to the shareholders of the parent company (NOK 33 million). The non-controlling interests' share of net result in the quarter was thus NOK -136 million (NOK 37 million).

Revenues YTD (year to date) per 30 September 2016 were NOK 9 785 million (NOK 11 027 million), EBITDA was NOK 4 007 million (NOK 4 824 million) and EBIT was NOK - 386 million (NOK - 1 439 million). Net financial items were NOK - 396 million (NOK - 234 million). Net result after estimated tax was NOK - 1 052 million (NOK - 1 706 million), of which NOK - 510 million (NOK - 689 million) are attributable to the shareholders of the parent company.

### Business segments

The Group's results for the individual business segments are presented in Note 4. In the following, it is referred to the Group's consolidated business segments presented on 100% basis.

### Offshore drilling

The segment consists of 51.9% ownership of Fred. Olsen Energy ASA with subsidiaries (FOE). Figures in the first table below are presented in NOK as consolidated into the Company. All figures below are on 100% basis.

(Figures in NOK million)	3Q 16	3Q 15	Per 3Q 16	Per 3Q 15
Operating revenues	1 778	1 985	5 622	6 715
EBITDA	993	1 066	3 376	3 904
EBITDA %	56 %	54 %	60 %	58 %
EBIT	-98	129	-348	-1 740
EBT	-241	179	-799	-1 766
Net result	-277	172	-942	-1 850
Capex (ex Bollsta)	9	714	62	2 977
Equity			6 872	9 085
Net Interest bearing debt			5 531	10 220
Capital employed			12 403	19 305
Cash and cash equivalents			3 148	1 781



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Below is an extract from FOE's report for 3 quarter 2016 on a 100% basis (figures in USD unless otherwise stated).

(Figures in USD million)	3Q 16	2Q 16	3Q 15	Per 3Q 16	Per 3Q 15
Operating revenues	214	219	241	668	851
EBITDA	119	143	130	401	496
EBIT	-12	-96	16	-44	-222
EBT	-30	-107	22	-98	-226
Net result	-34	-114	21	-115	-236

Note that FOE shows 2 quarter 2016 in brackets when comparing the quarterly results, while Bonheur ASA compares the quarterly results with the corresponding quarter last year.

For full report please refer to [www.fredolsen-energy.no](http://www.fredolsen-energy.no)

### **“FINANCIAL INFORMATION (2<sup>nd</sup> quarter 2016 in brackets)**

Operating revenues in the quarter were 213.6 million (219.3 million), a decrease of 5.7 million compared with the previous quarter. Revenues from the offshore drilling division were 212.6 million (218.3 million), a decrease of 5.7 million. The decrease in revenues within the offshore drilling division is mainly due to reduced income for Belford Dolphin, Blackford Dolphin and Bideford Dolphin, partly offset by an increased income for Borgland Dolphin due to early payment of the last well, which the client decided not to drill.

Operating costs were 94.5 million (76.5 million), an increase of 18.0 million compared with previous quarter. Operating costs within the offshore drilling division increased by 19.3 million, mainly due to cost related to the final settlement agreement with Hyundai Heavy Industries, to 91.9 million (72.6 million). Operating costs within the engineering and fabrication division decreased with 0.9 million, of which 0.6 million (0.2 million) were related to intra-group activities.

Operating profit before depreciation (EBITDA) was 119.1 million (142.8 million). EBITDA within the offshore drilling division decreased by 25.0 million to 120.7 million (145.7 million), and EBITDA within engineering and fabrication division was - 1.6 million (- 2.9 million).

Depreciation and impairment amounted to 131.5 million (238.6 million), including a non-cash impairment charge of 61.3 million. The impairment charge is due to changes in contracts, expected lower utilization and day rates.

Operating profit after depreciation and impairment (EBIT) was - 12.4 million (- 95.8 million).

Net financial items were - 17.3 million (- 11.1 million).

Profit before tax was - 29.7 million (- 106.9 million).

Net profit, including an estimated tax charge of 4.2 million (7.1 million), was - 33.9 million (- 114.0 million).

Earnings per share were - 0.51 (-1.72). “



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### Renewable energy

Renewable energy consists of 100% ownership of Fred. Olsen Renewables AS (FORAS), which through subsidiaries (together as a group: FOR) owns eight wind farms in operation. Six wind farms are located in Scotland (Crystal Rig, Crystal Rig II, Rothes, Rothes II, Paul's Hill and Mid Hill), one in Norway (Lista) and one in Sweden (Fäbodliden). The six wind farms in Scotland are owned by Fred. Olsen Wind Limited (FOWL), a company which is 51% indirectly owned by FORAS. The remaining 49% of FOWL is owned by the UK listed infrastructure fund The Renewables Infrastructure Group Limited (TRIG).

As per 3 quarter 2016 FOR had an installed capacity of 582 MW in production, of which 212 MW relate to minority interests. Construction work for the UK wind farms Crystal Rig III (14 MW) and Windy Standard II (61.5 MW) is ongoing and completion is scheduled in 4 quarter 2016 and 4 quarter 2017, respectively. These construction projects are 100% indirectly owned by FORAS.

In addition, FOR has a portfolio of development projects onshore in the UK, France, Norway and Sweden as well as offshore Ireland.

All figures below are on 100% basis.

(Figures in NOK million)	3Q 16	3Q 15	Per 3Q 16	Per 3Q 15
Operating revenues	203	199	673	824
EBITDA	120	106	406	550
EBITDA %	59 %	53 %	60 %	67 %
EBIT	14	-1	63	244
EBT	-32	-84	55	109
Net result	-48	-98	-7	65
Capex	192	436	339	543
Equity			3 427	3 765
Net Interest bearing debt			1 302	1 321
Capital employed			4 729	5 086
Cash and cash equivalents			3 141	4 632

Installed capacity (MW) and achieved generation (MWh) for the quarter and the same period last year are presented in the tables below.

Capacity (MW)	3Q 2016	3Q 2015
UK	432.8	432.8
Scandinavia	149.3	71.3
Total	582.1	504.1

Generation (MWh)	3Q 2016	3Q 2015	YTD 3Q 2016	YTD 3Q 2015
UK	218 218	205 083	682 497	863 255
Scandinavia	85 302	54 502	289 448	180 326
Total	303 520	259 585	971 945	1 043 581



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Operating revenues in 3 quarter 2016 were NOK 203 million (NOK 199 million). EBITDA was NOK 120 million (NOK 106 million). Revenue and EBITDA was negatively affected by the GBP/NOK exchange rate, which was 14% lower in the quarter. Installed capacity was 582.1 MW (504.1 MW), an increase by 78 MW as Fäboliden commenced production in 4 quarter 2015. Generation was 304 GWh (260 GWh). The quarter is characterized by average (seasonally low) wind conditions. Like-for-like generation increased 1%, while total generation increased 17%, due to the inclusion of Fäboliden.

Year to date, FOR had operating revenues of NOK 673 million (NOK 824 million). EBITDA was NOK 406 million (NOK 550 million). Generation was 972 GWh (1 044 GWh). The generation decreased 72 GWh despite the addition of Fäboliden. Like-for-like generation decreased 8.1%, while total generation decreased 6.9%, due to low generation in the first half of the year.

### Shipping / Offshore wind

Shipping/Offshore wind consists of 100% ownership of Fred. Olsen Ocean Ltd with subsidiaries (FOO).

The segment includes Fred. Olsen Windcarrier AS, a company providing transport and installation services for the offshore wind industry and Universal Foundation Norway AS. Both companies are owned 100% by Fred. Olsen Ocean Ltd. Fred. Olsen Windcarrier AS owns 75.5 % of Global Wind Service A/S, an international supplier of qualified and skilled personnel to the global wind turbine industry. Fred. Olsen Windcarrier AS and Global Wind Service A/S each own 50% of Fred. Olsen Windcarrier A/S Denmark, which operates a fleet of crew transfer vessels. Universal Foundation Norway AS owns 82% of Universal Foundation A/S, a company offering offshore wind turbine foundations.

(Figures in NOK million)	3Q 16	3Q 15	Per 3Q 16	Per 3Q 15
Operating revenues	428	254	811	831
EBITDA	112	-17	20	116
EBITDA %	26 %	-7 %	2 %	14 %
EBIT	74	-51	-92	16
EBT	49	-50	-155	-54
Net result	45	-55	-216	-64
Capex	42	11	168	18
Equity			1 245	1 617
Net Interest bearing debt			1 238	1 017
Capital employed			2 483	2 634
Cash and cash equivalents			306	336

Operating revenue in the quarter was NOK 428 million compared with NOK 254 million in the same period in 2015. Revenues from the jack-up installation vessels "Brave Tern" and "Bold Tern" were higher during the quarter compared to the same quarter last year due to higher utilization and higher T/C rate, although Bold Tern's yard stay comprised part of 3 quarter. The two vessels have been upgraded in 2016, the legs and the cranes have been extended and the last vessel was finished in July. The upgrades positions the vessels better for working on a wider range of projects in deeper waters and with larger turbines. During 3 quarter, Brave Tern has been on contract for Deep Water Wind Llc. outside Block Island, in the waters off Rhode Island, USA. This was a historic first offshore wind farm project in the US



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and was a success. Bold Tern has been on two short projects during the quarter, one operations and maintenance (O&M) work in the UK and one accommodation contract in Germany.

EBITDA for the third quarter increased from NOK -17 million in 2015 to NOK 112 million in 2016. The improvement in EBITDA compared to 2015 is due to the higher utilization and rates.

Fred. Olsen Windcarrier A/S operates a fleet of 8 vessels built for safe and efficient transport of goods and personnel (CTVs) to and from offshore wind farms. During 3 quarter 5 of the 8 CTV's have been employed.

Global Wind Service A/S (GWS) provides a wide range of installation and maintenance services of wind turbines both onshore and offshore. The company is currently employing about 580 persons world-wide. GWS works for all the major turbine manufactures and continues to see good demand for their services although as expected somewhat lower activity in the offshore wind market YTD.

Universal Foundation A/S continues the work for clients considering the technology for their future wind farm developments in European and US waters.

The activities of FOO for the three first quarters of 2016 has been, as expected, lower offshore wind activities in general, and both the Tern vessels has been at shipyard for upgrades for almost three months each during 2016. In addition, the Net Result is significantly and unexpectedly impacted by two exceptional events including the decision in an arbitration case in UK in the first quarter related to a metmast contract entered into in 2011 (NOK 58 million net impact, distributed partly as revenue (decreased), operating expenses (increased) and tax (decreased) and by a decision by the Norwegian tax authorities (Skatt Øst) in the 2 quarter related to a restructuring of the FPSO business in 2007 (NOK 71 million increased tax).

### Cruise

Cruise consists of 100% indirect ownership of Fred. Olsen Cruise Lines Ltd, with subsidiaries (FOCL), located in the UK.

(Figures in NOK million)	3Q 16	3Q 15	Per 3Q 16	Per 3Q 15
Operating revenues	622	647	1 669	1 660
EBITDA	170	186	302	302
EBITDA %	27 %	29 %	18 %	18 %
EBIT	116	126	132	129
EBT	127	123	190	141
Net result	127	123	190	141
Capex	10	7	14	9
Equity			1 162	1 314
Net Interest bearing debt			-592	-318
Capital employed			570	996
Cash and cash equivalents			592	318

FOCL owns and operates four cruise ships, MV Black Watch, MV Braemar, MV Boudicca, and MV Balmoral.



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Operating revenues in the quarter were NOK 622 million (NOK 647 million). Operating result before depreciation and finance (EBITDA) was NOK 170 million (NOK 186 million). The NOK figures are impacted by a 14% decline in GBP/NOK rates.

During the quarter, **Black Watch** completed a 26 night Arctic cruise as well as 4 Norway/ Iceland cruises, a Scandinavian cruise and a German waterways cruise. **Boudicca** repositioned twice during the quarter, and completed 3 Norway cruises of 8-9 nights, a 15 night Greenland cruise, a 16 night Canada cruise, a Canaries cruise and a cruise to Scotland. **Braemar** sailed from Southampton throughout the quarter, completing 3 river cruises, 3 Northern cruises, 2 UK cruises and 2 cruises to warmer climates. **Balmoral** was based in Newcastle for the summer with a reposition to Dover in September; cruises include 4 Norway cruises, 4 cruises to warmer climates, and a 15 night Scandinavia cruise.

The number of passenger days totaled 306 961 (312 384) for the quarter. The decrease of 5 423 passenger days compared to the same quarter last year is mainly due to the impact of a smaller fire in the engine room on Black Watch in the second quarter. This resulted in a cruise cancellation of 16 days. Net ticket income per diem (GBP) was 10% higher, compared to the corresponding quarter last year.

The average spot price of fuel oil in the quarter was 9% lower than in 3 quarter 2015.

For the first nine months of the year, Cruise had operating revenues of NOK 1 669 million (NOK 1 660 million). EBITDA were NOK 302 million (NOK 302 million). Total number of passenger days was 850 685 an increase of 2 864 from the corresponding period last year. Net ticket income per diem (GBP) was 4% higher in the same period. Fuel costs were 26% lower in 3 quarter 2016 compared to 3 quarter 2015.

### Other investments

Other investments mainly consists of an ownership of 54.0% of NHST Media Group AS, 12.6% of Koksa Eiendom AS as well as 100% of AS Fred. Olsen Fly- og Luftmateriell and the service companies Fred. Olsen Insurance Services AS and Fred. Olsen Travel AS. In the quarter, the segment was charged NOK 35 million in connection with refurbishment projects in the Fred. Olsen head offices in Oslo.

### NHST Media Group AS

NHST Media Group AS have four main business segments, Norwegian publications (Dagens Næringsliv and Morgenbladet), MyNewsdesk (Intermedium), Global Publications (Tradewinds, Upstream, Intrafish Media, Recharge and Europower), and Nautical Charts. Morgenbladet is consolidated on a 100% basis in NHST Media Group AS as from 2Q 2016.

NHST Media Group AS achieved a turnover of NOK 316 million in the quarter (NOK 296 million). This represents an increase of 7%, but adjusted for sales proceeds and the effect of consolidation of turnover from Morgenbladet, the net increase was about 3%. Revenues from advertising was down by NOK 1.5 mill. (about 2%) compared to third quarter 2015. The market share and number of copies sold for most of the publications has been stable or increased. Upstream is suffering from the development in the oil and gas sector. Total subscription revenue increased with NOK 23 million compared to the same quarter the previous year. New subscriptions are mainly "digital" subscriptions.

Total operating cost was up by 1% compared to 3Q 2015. A productivity/restructuring program with planned savings of NOK 60 mill. per year (later increased to NOK 75 mill. per year) was announced during the first quarter 2016.

The result before depreciation (EBITDA) for the quarter was NOK 21 million (NOK 3 million).





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Result before depreciation (EBITDA) for the first three quarters of 2016 was NOK 48 million (NOK 49 million).

### Koksa Eiendom AS

The Company holds 12.6% of the shares in Koksa Eiendom AS (KE), a company which holds commercial properties and development properties in the Fornebu area near Oslo, Norway.

KE owns 50% of the shares in the company Fornebu Hotell AS. Furthermore, KE also holds development properties and commercial buildings in the Koksa area at Fornebu.

### Other information

#### Capital and financing

During the first nine months of 2016 investments were NOK 591 million, mainly related to NOK 61 million within Offshore drilling, NOK 339 million within Renewable energy NOK 164 million within Shipping / Offshore wind and Cruise NOK 13 million.

Gross interest bearing debt of the Group of companies as per end of 3 quarter 2016 was NOK 16 220 million, a decrease of NOK 4 792 million since year end 2015. Cash and cash equivalents amounted to NOK 8 099 million, a decrease of NOK 241 million since year end 2015. Net interest bearing debt (Gross interest bearing debt less Cash and cash equivalents (NIBD)) of the Group per 3 quarter 2016 was NOK 8 121 million, a decrease of NOK 4 551 million since year end 2015. As per 30 September 2016, the equity to asset ratio was 38% compared with 37% at year-end 2015.

The debt attributable to Renewable energy fully relates to project financing within the corporate structure of its 51% owned subsidiary FOWL.

For a detailed split per segment, see the table below:

(NOK million)	Offshore	Renewable	Shipping /		Other/Elim.	30.09.2016	31.12.2015
	Drilling	Energy	Offshore wind	Cruise		Total	Total
Gross interest bearing liabilities	8 679	4 443	1 544	0	1 554	16 220	21 012
Cash and cash equivalents	3 148	3 141	306	592	912	8 099	8 340
Net interest bearing liabilities *)	5 531	1 302	1 238	-592	642	8 121	12 672
Equity	6 872	3 427	1 245	1 162	-73	12 632	15 445
Capital employed	12 403	4 729	2 483	570	569	20 753	28 117

\*) Intercompany loans included



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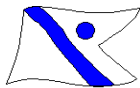
## Condensed consolidated financial statements in accordance with IFRS

### Income statement - Group

(NOK million) - unaudited

	Note	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Revenues	4	3 345.5	3 401.7	9 785.2	11 027.1	14 640.4
Operating costs		-2 003.0	-2 096.6	-5 778.1	-6 202.9	-8 397.1
<b>Operating result before depreciation / impairment losses (EBITDA)</b>	4	<b>1 342.5</b>	<b>1 305.1</b>	<b>4 007.1</b>	<b>4 824.1</b>	<b>6 243.3</b>
Depreciation / Impairment losses	2	-1 304.7	-1 152.4	-4 393.4	-6 263.2	-8 604.6
<b>Operating result (EBIT)</b>	4	<b>37.8</b>	<b>152.7</b>	<b>-386.3</b>	<b>-1 439.1</b>	<b>-2 361.3</b>
Share of result from associates		-2.5	-1.9	-4.9	-1.9	-2.1
Result before finance		35.2	150.8	-391.2	-1 441.0	-2 363.3
Financial income		132.7	167.4	965.8	782.6	1 071.7
Financial expenses		-362.8	-216.6	-1 361.9	-1 016.5	-1 607.1
Net financial income / expense (-)		-230.1	-49.2	-396.0	-233.8	-535.5
<b>Result before tax (EBT)</b>		<b>-194.9</b>	<b>101.6</b>	<b>-787.2</b>	<b>-1 674.8</b>	<b>-2 898.8</b>
Estimated tax cost	6	-55.9	-31.7	-265.1	-31.2	94.9
<b>Net result</b>		<b>-250.8</b>	<b>69.9</b>	<b>-1 052.3</b>	<b>-1 706.0</b>	<b>-2 803.9</b>
Hereof attributable to non-controlling interests 1)		-136.4	37.0	-542.6	-1 017.2	-1 542.4
Hereof attributable to shareholders of the parent company		-114.4	32.9	-509.7	-688.8	-1 261.5
Basic earnings / Diluted earnings per share (NOK)		-2.7	1.0	-12.2	-21.3	-39.0

1) The non-controlling interests mainly consist of 47.74% of Fred. Olsen Energy ASA, 44.06% of NHST Media Group AS and indirectly 49.00% of Fred. Olsen Wind Limited (UK).



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## Statement of comprehensive income - Group

(NOK million) - unaudited

	Jul-Sep 2016	Jul-Sep 2015	Jan-Sep 2016	Jan-Sep 2015
<b>Net result for the period</b>	-250.8	69.9	-1 052.3	-1 706.0
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Actuarial gains/(losses) on pension plans	0.0	0.0	-15.6	0.0
Other comprehensive result for the period	-0.2	4.9	5.9	-0.7
<b>Total items that will not be reclassified to profit or loss</b>	-0.2	4.9	-9.7	-0.7
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign exchange translation effects:				
- Foreign currency translation differences for foreign operations	-501.7	999.0	-1 579.5	1 674.6
Hedging effects:				
- Effective portion of changes in fair value of interest hedges	0.0	-0.1	0.6	0.5
- Effective portion of changes in fair value of interest hedges transferred to profit or loss	0.0	0.0	-0.6	0.0
Fair value effects related to financial instruments:				
- Net change in fair value of available-for-sale financial assets	-13.7	-33.5	-69.1	-32.6
- Net change in fair value of available-for-sale financial assets transferred to profit or loss	0.0	0.0	-16.7	0.0
Other comprehensive income from associates	0.0	0.0	0.0	0.0
Income tax on other comprehensive income	-0.1	0.6	-0.5	1.0
<b>Total items that may be reclassified subsequently to profit or loss</b>	-515.5	966.0	-1 665.7	1 643.6
<b>Other comprehensive result for the period, net of income tax</b>	<b>-515.8</b>	<b>971.0</b>	<b>-1 675.4</b>	<b>1 642.8</b>
<b>Total comprehensive loss for the period</b>	<b>-766.5</b>	<b>1 040.9</b>	<b>-2 727.7</b>	<b>-63.2</b>
<b>Attributable to:</b>				
Equity holders of the parent	-505.7	621.8	-1 867.6	-169.6
Non-controlling interests 1)	-260.8	419.1	-860.2	106.4
<b>Total comprehensive income for the period</b>	<b>-766.5</b>	<b>1 040.9</b>	<b>-2 727.7</b>	<b>-63.2</b>

1) The non-controlling interests mainly consist of 47.74% of Fred. Olsen Energy ASA, 44.06% of NHST Media Group AS and indirectly 49.00% of Fred. Olsen Wind Limited (UK).



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## Statement of financial position - Group

<i>(NOK million) - unaudited</i>	Note	<b>30.09.2016</b>	<b>30.09.2015</b>	<b>31.12.2015</b>
Intangible fixed assets	3	924.2	1 190.6	1 100.3
Deferred tax asset	2	351.4	332.9	378.5
Property, plant and equipment		19 685.7	32 169.2	26 084.8
Investments in associates		52.5	6.2	6.2
Other financial fixed assets		603.7	679.7	650.4
<b>Non-current assets</b>		<b>21 617.5</b>	<b>34 378.6</b>	<b>28 220.1</b>
Inventories and consumable spare parts		1 027.3	1 171.8	1 180.0
Trade and other receivables		2 149.6	2 469.8	4 065.8
Cash and cash equivalents		8 098.4	8 636.8	8 340.3
<b>Current assets</b>		<b>11 275.2</b>	<b>12 278.3</b>	<b>13 586.0</b>
<b>Total assets</b>		<b>32 892.8</b>	<b>46 656.9</b>	<b>41 806.2</b>
Share capital		53.2	51.0	51.0
Share premium reserve		143.3	25.9	25.9
Retained earnings		9 003.1	9 285.5	9 023.9
Equity owned by the shareholders in the parent company		9 199.5	9 362.4	9 100.8
Non-controlling interests 1)		3 432.6	6 677.0	6 344.2
<b>Equity</b>		<b>12 632.1</b>	<b>16 039.3</b>	<b>15 444.9</b>
Non-current interest bearing liabilities	5	13 924.5	17 820.1	17 581.2
Other non-current liabilities	6	1 735.4	1 959.2	1 795.9
<b>Non-current liabilities</b>		<b>15 659.9</b>	<b>19 779.3</b>	<b>19 377.1</b>
Current interest bearing liabilities	5	2 294.8	3 532.8	3 431.2
Other current liabilities	6	2 306.0	7 305.5	3 553.0
<b>Current liabilities</b>		<b>4 600.8</b>	<b>10 838.3</b>	<b>6 984.2</b>
<b>Total equity and liabilities</b>		<b>32 892.8</b>	<b>46 656.9</b>	<b>41 806.2</b>

Oslo, 27 October 2016

*Bonheur ASA - the Board of Directors*

Fred. Olsen  
Chairman

Carol Bell  
Director

Nick Emery  
Director

Helen Mahy  
Director

Andreas Mellbye  
Director

Anette S. Olsen  
Managing Director

1) The non-controlling interests mainly consist of 47.74% of Fred. Olsen Energy ASA, 44.06% of NHST Media Group AS and indirectly 49.00% of Fred. Olsen Wind Limited (UK).



# BONHEUR ASA

## Statement of changes in equity - Group

(NOK million) - unaudited

	Share Capital	Share premium	Translation reserve	Hedging reserve	Fair value reserve	Own shares 1)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2015	51.0	25.9	774.3	-1.0	161.8	-113.3	7 031.5	7 930.2	6 603.6	14 533.7
Total comprehensive income for the period	0.0	0.0	1 095.8	0.5	-31.5	0.0	-1 234.3	-169.6	106.4	-63.2
Effect from transactions with non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	1 682.7	1 682.7	73.2	1 755.9
Dividends to shareholders in parent company	0.0	0.0	0.0	0.0	0.0	0.0	-80.9	-80.9	0.0	-80.9
Dividends to minority interests in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-106.3	-106.3
<b>Balance at 30 September 2015</b>	<b>51.0</b>	<b>25.9</b>	<b>1 870.1</b>	<b>-0.6</b>	<b>130.2</b>	<b>-113.3</b>	<b>7 398.9</b>	<b>9 362.4</b>	<b>6 677.0</b>	<b>16 039.3</b>
Balance at 1 January 2016	51.0	25.9	2 110.0	-0.6	151.6	-113.3	6 876.2	9 100.8	6 344.2	15 444.9
Total comprehensive loss for the period	0.0	0.0	-1 257.7	0.6	-86.3	0.0	-524.3	-1 867.6	-860.2	-2 727.7
Dividends to shareholders in parent company	0.0	0.0	0.0	0.0	0.0	0.0	-85.1	-85.1	0.0	-85.1
Effects from merger with Ganger Rolf ASA	2.2	117.4	0.0	0.0	0.0	113.3	1 818.6	2 051.4	-2 051.4	0.0
<b>Balance at 30 September 2016</b>	<b>53.2</b>	<b>143.3</b>	<b>852.3</b>	<b>0.0</b>	<b>65.3</b>	<b>0.0</b>	<b>8 085.4</b>	<b>9 199.5</b>	<b>3 432.6</b>	<b>12 632.1</b>

### Share capital and share premium

Par value per share NOK 1.25  
 Number of shares issued 42 531 893

### Translation reserve

The reserve represents exchange differences resulting from the consolidation of subsidiaries and associated companies having other functional currencies than NOK.

### Hedging reserve

The reserve comprises the effective portion of cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

### Fair value reserve

The reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised.

### Non-controlling interests

As at 30 September 2016 the non-controlling interests mainly consist of 47.74% of Fred. Olsen Energy ASA, 44.06% of NHST Media Group AS and indirectly 49,00% of Fred. Olsen Wind Limited (UK).

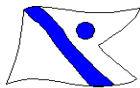
1) Own shares are the Bonheur shares that were owned by Ganger Rolf ASA. These shares were used as consideration to the Ganger Rolf shareholders in the merger.



## BONHEUR ASA

### Consolidated statement of cash flow – Group

<i>(NOK million) - unaudited</i>	<b>Jan-Sep 2016</b>	<b>Jan-Sep 2015</b>
<b>Cash flow from operating activities</b>		
Net result	-1 052.3	-1 706.0
<i>Adjustments for:</i>		
Depreciation, impairment losses	4 393.4	6 263.2
Net of investment income, interest expenses and net unrealized foreign exchange gains	591.8	131.0
Share of result from associates	4.9	1.9
Net gain (-) / loss on sale of property, plant and equipment and other investments	-95.8	-1.7
Tax expense	265.1	31.2
Cash generated before changes in working capital and provisions	4 107.1	4 719.6
Increase (-) / decrease in trade and other receivables	1 666.8	274.0
Increase / decrease (-) in current liabilities	-486.9	-110.9
Cash generated from operations	5 287.0	4 882.6
Interest paid	-577.6	-596.9
Tax paid	-155.7	-309.7
<b>Net cash from operating activities</b>	<b>4 553.7</b>	<b>3 976.1</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment and other investments	266.0	58.1
Interest and dividends received	81.3	62.6
Acquisitions of property, plant and equipment and changes in other investments	-951.6	-3 878.8
<b>Net cash from investing activities</b>	<b>-604.3</b>	<b>-3 758.0</b>
<b>Cash flow from financing activities</b>		
Net proceed from issue of shares in subsidiaries	0.0	1 834.1
Increase in borrowings	1 643.9	2 251.4
Repayment of borrowings	-4 548.7	-1 574.4
Dividends paid	-85.1	-118.8
<b>Net cash from financing activities</b>	<b>-2 989.9</b>	<b>2 392.3</b>
Net increase in cash and cash equivalents	959.5	2 610.4
Cash and cash equivalents at 1 January	8 340.3	5 673.2
Effect of exchange rate fluctuations on cash held	-1 201.4	353.2
<b>Cash and cash equivalents at 30 September</b>	<b>8 098.4</b>	<b>8 636.8</b>



# BONHEUR ASA

## Notes

### Note 1 – Basis of presentation

#### Introduction

The Group accounts for the third quarter 2016 comprise Bonheur ASA and its subsidiaries (“The Group”) and the shares in associates. The quarterly accounts of 2016 and the Group accounts for 2015 may be obtained by contacting Fred. Olsen & Co., Oslo, or at [www.bonheur.no](http://www.bonheur.no).

As previously announced, on 16 March 2016 an Extraordinary General Meeting of the Company approved the merger between Bonheur ASA and Ganger Rolf ASA. After the expiry of the 6 weeks creditors’ notification period, the merger was notified to the Register of Business Enterprises (“Foretaksregisteret”) after end of opening hours at Oslo Stock Exchange on 4 May 2016. The merger then became effective, with first trading date on Oslo Stock Exchange for Bonheur ASA alone as from Friday 6 May 2016.

For accounting purposes, for the Group and the Parent company, the merger will be carried out as if the two entities always had been one merged entity and are presented accordingly from 1 January 2015. For Bonheur ASA, the merger will be carried out with effect from 1 January 2016. The merger has no effect on the Consolidated Financial Statements of Bonheur ASA, except for changes in equity composition.

#### Financial framework and accounting principles

The interim accounts have been prepared in accordance with IAS 34 as adopted by EU and the Securities and Trading Act. The accounts do not include all information required for annual accounts and should be read in conjunction with the Group’s annual accounts for 2015 and the previous interim reports issued in 2015 and 2016. The interim financial report for the third quarter 2016 was approved by the company’s board on 27 October 2016.

The accounting principles applied by the Group of companies in these condensed interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2015.

The IASB has issued three new standards that are expected to impact the financial reporting of the group in the future.

#### *IFRS 9 Financial Instruments*

Replaces the existing guidance in IAS 39 and is effective for annual reporting on or after 1 January 2018. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

#### *IFRS 15 Revenue from contract with customers*

Replaces existing revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction contracts and IFRIC 13 Customer Loyalty Programs and is effective for annual reporting on or after 1 January 2017. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

#### *IFRS 16 Leases*

IFRS 16 eliminates the current dual accounting model for leases and will establish a single, on-balance sheet accounting model for lessees that is similar to the current finance lease accounting under IAS 17. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16.



## BONHEUR ASA

### Estimates

The preparation of interim accounts involves the use of appraisals, estimates and assumptions influencing the amounts stated for assets and obligations, revenues and costs. Actual results may differ from these estimates.

The most important appraisals when applying the Group accounting principles and the primary sources of estimate uncertainties are the same for the preparation of interim accounts as for the 2015 Group accounts.

### Note 2 – Property, plant and equipment – investments and disposals

In 2015, indirect owned subsidiaries of Fred. Olsen Renewables AS, commenced construction of two wind farms in Scotland, Windy Standard II and Crystal Rig III, with expected completion in 4 quarter 2017 and 4 quarter 2016 respectively. Per 30 September 2016 total capitalized construction cost for Windy Standard II and Crystal Rig III are GBP 45 million and GBP 8 million respectively.

(NOK million)	Rigs and drillships	Vessels	Windfarms	Other	Total
<b>Cost</b>					
Balance at 1 January 2016	36 369.9	8 198.9	7 796.8	1 532.0	53 897.6
Acquisitions	52.0	163.7	339.4	35.5	590.5
Disposals	-26.6			-40.0	-66.6
Movements and foreign currency	-3 126.7	-1 302.5	-1 460.7	-182.5	-6 072.4
<b>Balance at 30 September 2016</b>	<b>33 268.6</b>	<b>7 060.1</b>	<b>6 675.5</b>	<b>1 345.0</b>	<b>48 349.1</b>
<b>Depreciation</b>					
Balance at 1 January 2016	20 239.8	4 094.7	2 455.5	1 022.8	27 812.8
Depreciation, impairment	3 723.9	266.6	341.8	60.3	4 392.6
Disposals	-26.6			-32.9	-59.5
Movements and foreign currency	-2 011.6	-821.7	-506.1	-143.2	-3 482.6
<b>Balance at 30 September 2016</b>	<b>21 925.6</b>	<b>3 539.5</b>	<b>2 291.2</b>	<b>907.1</b>	<b>28 663.4</b>
<b>Carrying amounts</b>					
At 1 January 2016	16 130.1	4 104.3	5 341.2	509.2	26 084.8
<b>At 30 September 2016</b>	<b>11 343.0</b>	<b>3 520.6</b>	<b>4 384.2</b>	<b>437.9</b>	<b>19 685.7</b>

### Note 3 – Intangible assets – investments

As per 30 September 2016 the Bonheur Group of companies had intangible assets of NOK 924 million. NOK 581 million is the net book value of the intangible assets from NHST. In addition FOR has intangible assets of NOK 322 million, which is development costs related to wind farms. FOO has intangible assets of NOK 21 million of which 19 million is goodwill.





# BONHEUR ASA

## Note 4 – Segment information

3.quarter	Offshore drilling		Renewable energy		Shipping/Offsh. Wind		Cruise		Other investments		Total fully consolidated companies	
	3Q.16	3Q.15	3Q.16	3Q.15	3Q.16	3Q.15	3Q.16	3Q.15	3Q.16	3Q.15	3Q.16	3Q.15
Fully consolidated companies												
Revenues	1 778	1 985	203	199	428	254	622	647	314	318	3 346	3 402
Operating costs	-785	-919	-83	-93	-316	-270	-453	-460	-366	-354	-2 003	-2 097
Oper. result before depr. (EBITDA)	993	1 066	120	106	112	-17	170	186	-52	-36	1 343	1 305
Depreciation / Write down	-1 091	-937	-105	-107	-38	-35	-53	-61	-17	-13	-1 305	-1 152
Operating result (EBIT)	-98	129	14	-1	74	-51	116	126	-69	-50	38	153
Net result (EAT)	-277	172	-48	-98	45	-55	127	123	-99	-72	-251	70

Per 3. quarter	Offshore drilling		Renewable energy		Shipping/Offsh. Wind		Cruise		Other investments		Total fully consolidated companies	
	Jan-Sep16	Jan-Sep15	Jan-Sep16	Jan-Sep15	Jan-Sep16	Jan-Sep15	Jan-Sep16	Jan-Sep15	Jan-Sep16	Jan-Sep15	Jan-Sep16	Jan-Sep15
Fully consolidated companies												
Revenues	5 622	6 715	673	824	811	831	1 669	1 660	1 010	997	9 785	11 027
Operating costs	-2 247	-2 810	-268	-274	-791	-715	-1 367	-1 358	-1 106	-1 045	-5 778	-6 203
Oper. result before depr. (EBITDA)	3 376	3 904	406	550	20	116	302	302	-96	-48	4 007	4 824
Depreciation / Write down	-3 724	-5 644	-342	-306	-112	-101	-170	-173	-45	-40	-4 393	-6 263
Operating result (EBIT)	-348	-1 740	63	244	-92	16	132	129	-142	-88	-386	-1 439
Net result (EAT)	-942	-1 850	-7	65	-216	-64	190	141	-77	3	-1 052	-1 706
Total assets	17 010	27 529	8 467	10 618	3 100	3 213	1 939	2 122	2 377	3 176	32 893	46 657
Total liabilities	10 137	18 444	5 041	6 852	1 855	1 596	777	808	2 451	2 918	20 261	30 618

### **Companies fully consolidated in the accounts**

#### **Offshore Drilling**

Fred. Olsen Energy ASA.

#### **Renewable energy**

Fred. Olsen Renewables AS.

#### **Cruise**

Fred Olsen Cruise Lines Ltd and First Olsen Holding AS.

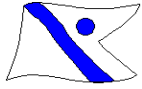
#### **Shipping / Offshore wind**

*Shipping activities: Fred. Olsen Ocean Ltd. and Oceanlink Ltd.*

*Offshore wind: Fred. Olsen Windcarrier AS, Universal Foundation Norway AS and Fred. Olsen Ocean Ltd.*

#### **Other investments**

NHST Media Group AS, Fred. Olsen Travel AS, Fred. Olsen Insurance Services AS, Fred. Olsen Fly- og Luftmateriell AS, Stavnes Byggeselskap AS, Fred. Olsen Cruise Lines Pte. Ltd., FO Capital Ltd, Bonheur og Ganger Rolf ANS, Bonheur ASA, Ganger Rolf ASA (2015), Laksa AS, Laksa II AS and Fred. Olsen Spedisjon AS (2016).



## BONHEUR ASA

### Note 5 – Interest bearing loans

As per September 2016, FOE has repaid USD 326 million and drawn USD 165 million of the fleet facility during the period. Undrawn lines under the long-term fleet facility were USD 210 million as per 30 September 2016. FOE has repaid NOK 1 187 million in its bond loan FOE04 in 2016, whereof NOK 1 003 million was settled in second quarter. FOE04 had final maturity in May 2016.

FOR has secured bank loans of GBP 295 million, two shareholder loans of a total of GBP 82 million to The Renewables Infrastructure Group Limited, finance lease liabilities of GBP 23 million and other interest bearing loans of GBP 5 million as per 30 September 2016.

FOO has bank loans of equivalent to EUR 103 million outstanding as per 30 September 2016.

NHST has bank loans of NOK 50 million outstanding as per 30 September 2016.

In February 2012, Bonheur ASA issued NOK 700 million of 5 years unsecured bonds with maturity in 2017 and NOK 300 million of 7 years bonds with maturity in 2019.

In July 2014, Bonheur ASA issued NOK 900 million senior unsecured bonds with maturity in 2019 and NOK 600 million senior unsecured bonds with maturity in 2021.

### Note 6 – Taxes

There are ongoing tax disputes between subsidiaries within the Group and the Norwegian tax authorities. For further information, please refer to Note 28 in the Annual Report for 2015.

In 2013 a subsidiary, Mopu AS, was notified by the tax authorities of a possible change in the taxable income for 2005-2006. In February 2015 the company received a draft decision, whereby the possible payable tax was estimated to NOK 102 million. The amount was reflected in the recognized income tax expenses for 2014. The tax claim was challenged by the subsidiary, but in June 2015 the company received a final decision from the tax authorities leading to a payable tax, including interest, of NOK 126 million. The company challenged the decision to the tax appeal institute (skatteklagenemda), but in April 2016 the appeal institute rejected the challenge. The company decided not to challenge the decision further.

In 3 quarter 2015, Mopu AS received a draft decision regarding penalty tax on the same case as mentioned above. The penalty tax was not reflected in the draft, but will be between 30% and 60% of the original paid tax if realized. The company has challenged the draft decision.

On 4 November 2013 a subsidiary, Fred. Olsen Ocean Ltd., was notified by the tax authorities of a possible change in the taxable income for 2005 – 2009. The company received a draft decision in December 2015 claiming additional tax for the period. The subsidiary challenged the claim. The



## BONHEUR ASA

company received a final decision in June 2016 leading to payable tax of NOK 67 million, including penalty tax and interests. The amount was accounted for in 2 quarter and paid in the 3<sup>rd</sup> quarter. The company has decided to challenge the decision.

### Note 7 – Bonheur ASA (Parent company – NGAAP)

See note 1

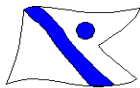
*(NOK million) - unaudited*

#### CONDENSED INCOME STATEMENT (NGAAP)

	Jan-Sep 2016	Jan-Sep 2015	Jan-Dec 2015
Revenues	0.1	0.4	0.6
Operating costs	-100.5	-98.3	-130.8
<b>Operating result before depreciation (EBITDA)</b>	<b>-100.3</b>	<b>-97.8</b>	<b>-130.2</b>
Depreciation	-2.4	-2.5	-3.3
<b>Operating result (EBIT)</b>	<b>-102.7</b>	<b>-100.3</b>	<b>-133.5</b>
Financial revenues	171.9	91.0	112.2
Financial costs	-120.8	-107.6	-1 847.8
Net financial items	51.2	-16.6	-1 735.5
<b>Result before tax (EBT)</b>	<b>-51.5</b>	<b>-116.9</b>	<b>-1 869.0</b>
Estimated tax cost	0.0	117.4	117.4
<b>Net result after estimated tax</b>	<b>-51.5</b>	<b>0.5</b>	<b>-1 751.6</b>

#### CONDENSED BALANCE SHEET (NGAAP)

	30.09.2016	30.09.2015	31.12.2015
Property, plant and equipment	57.1	60.3	59.4
Investments in subsidiaries	8 221.8	9 869.4	8 212.3
Other financial fixed assets	1 303.0	891.9	837.6
<b>Non-current assets</b>	<b>9 581.9</b>	<b>10 821.5</b>	<b>9 109.3</b>
Trade and other receivables	14.6	147.2	230.1
Cash and cash equivalents	673.4	1 267.5	1 213.3
<b>Current assets</b>	<b>688.0</b>	<b>1 414.7</b>	<b>1 443.5</b>
<b>Total assets</b>	<b>10 270.0</b>	<b>12 236.3</b>	<b>10 552.8</b>
Share capital	53.2	51.0	51.0
Share premium	143.3	25.9	25.9
Retained earnings	4 605.0	6 595.4	4 776.1
<b>Equity</b>	<b>4 801.5</b>	<b>6 672.3</b>	<b>4 853.0</b>
Non-current interest bearing liabilities	1 990.8	2 487.6	2 488.7
Other non-current liabilities	328.7	330.7	319.1
<b>Non-current liabilities</b>	<b>2 319.5</b>	<b>2 818.3</b>	<b>2 807.8</b>
Current interest bearing liabilities	349.3	0.0	0.0
Other current liabilities	2 799.7	2 745.6	2 892.0
<b>Current liabilities</b>	<b>3 149.0</b>	<b>2 745.6</b>	<b>2 892.0</b>
<b>Total equity and liabilities</b>	<b>10 270.0</b>	<b>12 236.3</b>	<b>10 552.8</b>



## BONHEUR ASA

<i>(NOK million) - unaudited</i>	<b>Jan-Sep 2016</b>	<b>Jan-Sep 2015</b>
<b>Cash flow from operating activities</b>		
Net result after tax	-51.5	0.5
<i>Adjustments for:</i>		
Depreciation	2.4	2.5
Net of investment income, interest expenses and net unrealized foreign exchange gains	51.3	47.0
Net gain on sale of property, plant and equipment and other investments	-78.0	0.0
Tax expense	0.0	-117.4
Cash generated before changes in working capital and provisions	-75.9	-67.5
Increase (-) / decrease in trade and other receivables	-11.5	-0.2
Increase / decrease (-) in current liabilities	-7.9	-30.6
Cash generated from operations	-95.3	-98.3
Interest paid	-93.4	-100.8
Tax paid	0.0	11.4
<b>Net cash from operating activities</b>	<b>-188.7</b>	<b>-187.7</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment and other investments	233.8	52.4
Interest and dividends received	63.0	62.6
Acquisitions of property, plant and equipment and other investments	-414.3	-660.3
<b>Net cash from investing activities</b>	<b>-117.5</b>	<b>-545.3</b>
<b>Cash flow from financing activities</b>		
Increase in borrowings	3.0	3.1
Repayment of borrowings	-151.7	0.0
Dividends paid	-85.1	-118.8
<b>Net cash from financing activities</b>	<b>-233.7</b>	<b>-115.7</b>
Net increase in cash and cash equivalents	-539.9	-848.7
Cash and cash equivalents at 1 January	1 213.3	2 116.2
<b>Cash and cash equivalents at 30 September</b>	<b>673.4</b>	<b>1 267.5</b>