

BONHEUR ASA

REPORT FOR THE FIRST QUARTER 2017

Financial and operating highlights 1Q 2017 (1Q 2016 in brackets):

- Operating revenues were NOK 2 353 million (NOK 3 289 million)
- EBITDA (operating result before depreciation, impairment, result from associates, finance and tax) was NOK 689 million (NOK 1 286 million)
- EBIT (operating result) was NOK 7 million (NOK 400 million)
- Net finance was NOK -122 million (NOK -157 million).
- Net result after tax was NOK -148 million (NOK 211 million)

Offshore drilling

- EBITDA NOK 345 mill. (NOK 1 205 mill.)
- New 50 days drilling contract for Bideford Dolphin
- Borgholm Dolphin to be decommissioned

Renewable energy

- EBITDA NOK 248 mill. (NOK 202 mill.)
- Like-for-like generation up 13%
- 16% weakening of NOK/GBP

Shipping / Offshore wind

- EBITDA NOK 96 mill. (NOK -97 mill.)
- Utilization for installation vessels 100% (40%).
- Contract pipeline to year end 2019 covered 41% by firm contracts

Cruise

- EBITDA NOK 19 mill. (NOK 30 mill.)
- 16% weakening of NOK/GBP
- 13% weakening of GBP/USD
- Net ticket income per diems up 7.5%



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Financial information

The unaudited Group accounts for 1 quarter 2017 comprise Bonheur ASA ("the Company") and its subsidiaries ("the Group") and the Group's ownership of associates.

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

Financial key figures (million NOK)	1Q 17	1Q 16	2016
Operating revenue	2 353	3 289	12 415
EBITDA	689	1 286	5 072
EBIT	7	400	-294
Net result after tax	-148	211	-1 004
Hereof attributable to shareholders of the parent company	-105	98	-490
Total number of shares outstanding as per	42 531 893	40 789 308	42 531 893
Average number of shares outstanding in the period	42 531 893	40 789 308	41 927 226
Basic/diluted earnings per share	-2.5	2.4	-11.7
Net interest bearing liabilities	7 358	11 112	7 869
Cash and cash equivalents	6 997	7 647	7 228
Capital expenditure	83	136	1 004

The Group's operating revenues amounted to NOK 2 353 million (NOK 3 289 million). Offshore drilling had operating revenues of NOK 831 million (NOK 2 035 million), Renewable energy NOK 342 million (NOK 300 million), Shipping / Offshore wind NOK 364 million (NOK 142 million) and Cruise NOK 480 million (NOK 497 million). Within Other investments NHST Media Group had operating revenues of NOK 322 million (NOK 308 million).

EBITDA was NOK 689 million (NOK 1 286 million). Offshore drilling achieved EBITDA of NOK 345 million (NOK 1 205 million), Renewable energy NOK 248 million (NOK 202 million), Shipping/Offshore wind NOK 96 million (NOK -97 million), while Cruise achieved EBITDA of NOK 19 million (NOK 30 million). Within Other investments EBITDA were NOK -18 million (NOK -55 million).

Depreciation in the quarter was NOK 682 million (NOK 886 million).

EBIT was NOK 7 million (NOK 400 million).

Net financial items in the quarter were NOK - 122 million (NOK - 157 million). Net interest expenses were NOK 109 million (NOK 187 million) and net currency gain amounted to NOK 11 million (NOK 26 million)



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Net unrealized gains related to fair value adjustment of financial instruments were NOK 11 million (NOK 26 million). Other financial items amounted to NOK - 35 million (NOK - 23 million).

Net result in the quarter was NOK -148 million (NOK 211 million), of which NOK -105 million are attributable to the shareholders of the parent company (NOK 98 million). The non-controlling interests' share of net result in the quarter was thus NOK -43 million (NOK 113 million).

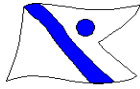
Business segments

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 is presented in NOK as consolidated into the Group accounts.

(Figures in NOK million)	1Q 17	4Q 16	1Q 16
Operating revenues	831	1 310	2 034
EBITDA	345	810	1 205
EBITDA margin	42 %	62 %	59 %
EBIT	-119	173	551
EBT	-174	148	333
Net result after tax	-222	72	284
Capex	10	30	32
Equity	7 091	7 355	8 272
Gross interest bearing debt	7 481	7 582	10 158
- Cash and cash equivalents	2 858	2 503	1 630
= Net interest bearing debt (NIBD)	4 623	5 079	8 528
Capital employed (Equity + NIBD)	11 714	12 434	16 800
Net Cash from operating activities	470	815	960
Net Cash from investing activities	-35	-28	-106
Net Cash from financing activities	-77	-1 602	-1 007
Net change in cash and cash equivalents	358	-814	-153



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Below is an extract from FOE's report for 1 quarter 2017 (figures in USD unless otherwise stated).

(Figures in USD million)	1Q 17	4Q 16	1Q 16
Operating revenues	98	157	235
EBITDA	41	97	139
EBIT	-14	21	64
EBT	-21	18	39
Net result	-26	10	33

Note that FOE shows 4 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

“FINANCIAL INFORMATION (4th quarter 2016 in brackets)

Operating revenues in the quarter were 98.4 million (156.8 million), a decrease of 58.4 million compared with the previous quarter. Revenues from the offshore drilling division were 93.1 million (154.2 million), a decrease of 61.1 million. The decrease in revenues within the offshore drilling division is mainly due to Borgsten Dolphin and Byford Dolphin coming off contract in October 2016 and reduced dayrate on contract extensions for Bideford Dolphin and Blackford Dolphin in the first quarter. Revenues within the engineering and fabrication division were 5.5 million (2.8 million).

Operating expenses were 57.6 million (59.6 million), a decrease of 2.0 million compared with previous quarter. Operating costs within the offshore drilling division decreased by 4.5 million to 51.5 million (56.0 million). Operating costs within the engineering and fabrication division increased by 2.5 million to 6.3 million (3.8 million).

Operating profit before depreciation (EBITDA) was 40.8 million (97.2 million). EBITDA within the offshore drilling division decreased by 56.6 million to 41.6 million (98.2 million), and EBITDA within the engineering and fabrication division was - 0.8 million (- 1.0 million).

Depreciation, amortisation and impairment amounted to 55.0 million (75.7 million).

Operating profit after depreciation (EBIT) was - 14.2 million (21.5 million including a non-cash impairment charge of 10.5 million).

Net financial items were - 6.6 million (- 2.9 million).

Profit before tax was - 20.8 million (18.6 million).

Net profit, including an estimated tax charge of 5.6 million (8.9 million), was - 26.4 million (9.7 million).

Earnings per share were - 0.40 (0.15).”



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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 nine wind farms in operation. Seven wind farms are located in Scotland, of which six windfarms (Crystal Rig, Crystal Rig II, Rothes, Rothes II, Paul's Hill and Mid Hill) are owned by Fred. Olsen Wind Limited (FOWL), a company which is 51% owned by FORAS. The remaining 49% of FOWL is owned by the UK listed infrastructure fund The Renewables Infrastructure Group Limited (TRIG). The remaining three Wind farms are owned 100%, one in Scotland (Crystal Rig III), one in Norway (Lista) and one in Sweden (Fäbodliden). After the completion of Crystal Rig III (13.8 MW), FOR had at year end 2016 an installed capacity of 595.9 MW in production, of which 433 is owned by FOWL. Construction work for Windy Standard II (61.5 MW) is ongoing and completion is scheduled in 4 quarter 2017. Windy Standard II will be indirectly owned 100% by FORAS.

In addition, FOR has a portfolio of development projects onshore in the UK, France, Norway and Sweden as well as offshore Ireland and the United States (Lake Erie).

(Figures in NOK million)	1Q 17	1Q 16
Operating revenues	342	300
EBITDA	248	202
EBITDA margin	72 %	68 %
EBIT	141	81
EBT	118	150
Net result after tax	122	148
Capex	57	49
Equity	3 705	3 828
Gross interest bearing debt	4 153	5 348
- Cash and cash equivalents	2 679	4 006
= Net interest bearing debt (NIBD)	1 474	1 342
Capital employed (Equity + NIBD)	5 179	5 170
Net Cash from operating activities	105	218
Net Cash from investing activities	-105	-56
Net Cash from financing activities	-145	-120
Net change in cash and cash equivalents	-145	42

Notes on 1Q 17:

Companies 100% owned contributed NOK 52 million to consolidated revenues, NOK 28 million to EBITDA and NOK 13 million to EBT.

Companies 100% owned had NOK 3 645 million in equity, NOK 0 million in gross interest bearing debt, NOK 2 094 in cash and cash equivalents, NOK – 2 094 million in net interest bearing debt (i.e. a positive net cash balance), and NOK 1 551 million in capital employed.

Companies with less than 100% ownership includes Fred. Olsen Wind Limited (51%), Global Wind Power France APS (51%), Gismarvik Vindkraft AS (60%), FORSCA AB (60%) and Codling Holding Limited (50%).



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

Generation (MWh)	1Q17	1Q 16	Capacity (MW)	As per 1Q	
				2017	2016
UK (FOWL)	335 646	295 660	UK (FOWL)	432.8	432.8
UK (Other)	13 121	0	UK (Other)	13.8	0
Scandinavia	140 971	124 419	Scandinavia	149.3	149.3
Total	489 738	420 079	Total	595.9	582.1

Operating revenues in 1 quarter 2017 were NOK 342 million (NOK 299 million). EBITDA was NOK 248 million (NOK 202 million). Revenue and EBITDA was negatively affected by the NOK/GBP exchange rate, which was 16% lower in the quarter affecting the result with lower revenues of NOK 58 million and lower EBITDA of 44 million. Installed capacity was 595.9 MW (582.1 MW), an increase by 13.8 MW as Crystal Rig III commenced production in 4 quarter 2016. Generation was 490 GWh (420GWh). Compared to the same quarter last year, 1Q17 had average wind conditions and higher prices in local currency. Total generation increased 17%, while like for like generation increased 13%.



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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 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 Universal Foundation A/S 100%, a danish company offering offshore wind turbine foundations. Universal Foundation A/S was acquired 100% from 1 April 2017.

(Figures in NOK million)	1Q 17	1Q 16
Operating revenues	364	142
EBITDA	96	-97
EBITDA margin	26 %	-68 %
EBIT	59	-133
EBT	40	-141
Net result after tax	53	-126
Capex	7	51
Equity	1 221	1 400
Gross interest bearing debt *)	1 547	1 432
- Cash and cash equivalents	250	326
= Net interest bearing debt (NIBD)	1 297	1 106
Capital employed (Equity + NIBD)	2 517	2 506
Net Cash from operating activities	26	-7
Net Cash from investing activities	-3	-51
Net Cash from financing activities	-16	77
Net change in cash and cash equivalents	7	20
*) Hereof internal debt to Bonheur ASA	678	400

Operating revenue in 1Q17 was NOK 364 million compared with NOK 142 million in 1Q16. Revenue from the jack-up installation vessels "Brave Tern" and "Bold Tern" was higher than the same quarter last year due to improved utilization as both vessels had yard stays in part of 1Q 16 to extend the legs and upgrade the cranes. During 1Q17, Brave Tern was employed on the transport and installation contract for



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the Wikinger project for Adwen GmbH, while Bold Tern has been employed for Siemens on the transport and installation contract for the Veja Mate project, both in waters outside Germany. The utilization rate was 100% in the quarter (1Q 16: 40%)

EBITDA for the first quarter increased from NOK -97 million in 1Q16 to NOK 96 million in 1Q17. The improvement in EBITDA compared to 1Q16 is mainly due to the higher utilization for the jack-up vessels, higher activity and earnings in GWS and Universal Foundation Norway AS losing an arbitration in 1Q16.

Cruise

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

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

(Figures in NOK million)	1Q 17	1Q 16
Operating revenues	480	497
EBITDA	19	30
EBITDA margin	4 %	6 %
EBIT	-39	-30
EBT	-55	-4
Net result after tax	-55	-4
Capex	8	2
Equity	1 110	1 141
Gross interest bearing debt	0	0
- Cash and cash equivalents	575	373
= Net interest bearing debt (NIBD)	-575	-373
Capital employed (Equity + NIBD)	535	767
Net Cash from operating activities	38	86
Net Cash from investing activities	-9	-2
Net Cash from financing activities	0	0
Net change in cash and cash equivalents	29	84



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Operating revenues in the quarter were NOK 480 million (NOK 497 million). Operating result before depreciation and finance (EBITDA) was NOK 19 million (NOK 30 million). The NOK figures are impacted by a 16% decline in the NOK/GBP rates compared to the same quarter last year. Revenues in GBP increased by 6 million while the revenues in NOK decreased by NOK 17 million, caused by a negative FX-effect of NOK 89 million. In addition, the EBITDA in GBP is negatively impacted by a 13 % decline in the GBP/USD rate, which amounts to an effect of GBP 2.2 million, as significant cost elements are procured in USD.

During the quarter, **Black Watch** undertook its 107-night Around the World cruise; the ship returned to the UK on 21 April. **Boudicca** completed her 77-night South Africa cruise, and 2 shorter European cruises. **Braemar** was home-ported in Barbados for most of the quarter, completing 4 Caribbean cruises, an Amazon cruise, and **returning** to the UK for a Norway cruise. **Balmoral** sailed from Southampton during the quarter, completing a Norway cruise, a 46-night Mardi Gras/ Central America cruise and then beginning a series of European cruises.

The number of passenger days totaled 271 634 (259 146) for the quarter. An increase of 12 488 passenger days compared to the same quarter last year, a growth of 5%. Net ticket income per diem (GBP) was 8% higher, compared to the corresponding quarter last year. In GBP the cruise business grew 14% in Q1 2017 versus Q1 2016.

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.

NHST Media Group AS

NHST Media Group AS have four main business segments, Norwegian publications (Dagens Næringsliv and Morgenbladet), MyNewsdesk, including 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 322 million in the quarter (NOK 308 million) The increase of 5% is mainly due to increased revenues within the Swedish subsidiary MyNewsdesk AB offsetting decline in advertising revenues.

The result before depreciation (EBITDA) for the quarter was positive with NOK 12 million compared to NOK -9 million in 2016 mainly due to revenue growth in MyNewsdesk AB and reduced costs from a company wide productivity programme.

Koksa Eiendom AS

The Company holds 12.6% of the shares in Koksa Eiendom AS (Koksa).The last properties owned by Koksa was sold with final close 16 January 2017, the cash received by Koksa was NOK 1 441 million.

Ordinary dividends for 2016 and an extraordinary dividend in connection with this sale, was approved by the Annual General Meeting of Koksa on 3 May 2017. Bonheur ASA received dividend payments of NOK 178 million on 5 May 2017 and further NOK 5.5 million is expected to be received in June.



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Other information

Capital and financing

In 1Q 2017 capex were NOK 83 million, mainly related to NOK 10 million within Offshore drilling and NOK 57 million within Renewable energy.

Gross interest bearing debt of the Group of companies as per end of 1Q 2017 was NOK 14 355 million, a decrease of NOK 1 043 million since year end 2016. Cash and cash equivalents amounted to NOK 6 997 million, a decrease of NOK 231 million since year end 2016. Net interest bearing debt (Gross interest bearing debt less Cash and cash equivalents (NIBD)) of the Group per 1 quarter 2017 was NOK 7 358 million, a decrease of NOK 512 million since year end 2016. As per 31 December 2016, the equity to asset ratio was 41% compared with 40% at year-end 2016.

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 Drilling	Renewable Energy	Shipping / Offshore wind	Cruise	Other/Elim	31.03.2017 Total	31.12.2016 Total
Gross interest bearing liabilities	7 481	4 153	1 547	0	1 174	14 355	15 097
Cash and cash equivalents	2 858	2 679	250	575	634	6 997	7 228
Net interest bearing liabilities *)	4 623	1 474	1 297	-575	539	7 358	7 869
Equity	7 091	3 705	1 221	1 110	-169	12 958	13 115
Capital employed	11 714	5 179	2 517	535	370	20 316	20 984

*) Intercompany loans included

Annual General meeting / Dividend

The Board will at the Annual General Meeting Wednesday 24 May 2017, propose a dividend of NOK 2.00 per share. This corresponds to a total payment for the Company of NOK 85.1 million.



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Condensed consolidated financial statements in accordance with IFRS

Income statement - Group

(NOK million) - unaudited

	Note	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Revenues	4	2 352.9	3 288.7	12 414.5
Operating costs		-1 663.5	-2 002.8	-7 342.6
Operating result before depreciation / impairment losses (EBITDA)	4	689.4	1 285.9	5 071.9
Depreciation / Impairment losses		-681.9	-886.1	-5 366.3
Operating result (EBIT)	4	7.5	399.9	-294.4
Share of result from associates		-3.0	0.1	17.1
Result before finance		4.5	400.0	-277.4
Financial income		112.1	390.2	1 128.3
Financial expenses		-234.1	-547.2	-1 538.2
Net financial income / expense (-)		-122.0	-157.0	-409.8
Result before tax (EBT)		-117.6	243.0	-687.2
Income tax expense	6	-30.5	-32.3	-316.9
		-148.1	210.7	-1 004.1
Hereof attributable to non-controlling interests 1)		-42.8	112.5	-514.5
Hereof attributable to shareholders of the parent company		-105.2	98.2	-489.6
Basic earnings / Diluted earnings per share (NOK)		-2.5	2.4	-11.7

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



BONHEUR ASA

Statement of comprehensive income - Group

(NOK million) - unaudited

	Jan-Mar 2017	Jan-Mar 2016
Net Result after tax for the period	-148.1	210.7
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Other comprehensive income for the period	-4.4	8.6
Total items that will not be reclassified to profit or loss	-4.4	8.6
Items that may be reclassified subsequently to profit or loss		
Foreign exchange translation effects:		
- Foreign currency translation differences for foreign operations	-8.3	-935.2
- Foreign currency translation differences for foreign operations transferred to profit and loss	0.0	0.0
Hedging effects:		
- Effective portion of changes in fair value of interest hedges	0.0	0.6
- Effective portion of changes in fair value of interest hedges transferred to profit or loss	0.0	-0.6
Fair value effects related to financial instruments:		
- Net change in fair value of available-for-sale financial assets	4.2	19.3
- Net change in fair value of available-for-sale financial assets transferred to profit or loss	0.0	0.0
Other comprehensive income from associates	0.0	0.0
Income tax on other comprehensive income	-0.1	-0.3
Total items that may be reclassified subsequently to profit or loss	-4.2	-916.2
Other comprehensive income for the period, net of income tax	-8.7	-907.6
Total comprehensive income for the period	-156.7	-696.9
Attributable to:		
Equity holders of the parent	-106.6	-563.8
Non-controlling interests 1)	-50.1	-133.1
Total comprehensive income for the period	-156.7	-696.9

1) As at 31 March 2017 the non-controlling interests consist of 47.74% of Fred. Olsen Energy ASA, 44.06% of NHST Media Group AS and 49.00% of Fred. Olsen Wind Limited (UK).



BONHEUR ASA

Statement of financial position - Group

(NOK million) - unaudited

	Notes	31.03.2017	31.03.2016	31.12.2016
Intangible fixed assets	3	928.2	1 078.2	922.8
Deferred tax asset		352.9	367.6	362.0
Property, plant and equipment	2	19 683.5	23 789.5	20 264.2
Investments in associates		73.4	11.5	76.1
Other financial fixed assets		527.7	687.9	534.8
Non-current assets		21 565.7	25 934.7	22 160.0
Inventories and consumable spare parts		1 119.3	1 070.5	1 090.7
Trade and other receivables		1 782.7	3 611.4	2 041.9
Cash and cash equivalents		6 997.0	7 646.7	7 228.0
Current assets		9 898.9	12 328.6	10 360.7
Total assets		31 464.6	38 263.3	32 520.6
Share capital		53.2	51.0	53.2
Share premium reserve		143.3	25.9	143.3
Retained earnings		9 158.4	10 511.4	9 265.1
Equity owned by the shareholders in the parent company		9 354.9	10 588.3	9 461.5
Non-controlling interests 1)		3 603.2	4 159.6	3 653.3
Equity		12 958.1	14 748.0	13 114.8
Non-current interest bearing liabilities	5	12 862.8	15 040.3	13 955.5
Other non-current liabilities		1 854.8	1 756.9	1 896.6
Non-current liabilities		14 717.6	16 797.2	15 852.1
Current interest bearing liabilities	5	1 492.1	3 718.4	1 441.8
Other current liabilities		2 296.9	2 999.6	2 111.9
Current liabilities		3 789.0	6 718.0	3 553.7
Total equity and liabilities		31 464.6	38 263.3	32 520.6

Oslo, 11 May 2017

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 49.00% of Fred. Olsen Wind Limited (UK).



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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 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 income for the period	0.0	0.0	-688.4	0.6	19.0	0.0	104.9	-563.8	-133.1	-696.9
Effects from merger with Ganger Rolf ASA	0.0	0.0	0.0	0.0	0.0	113.3	1 938.1	2 051.4	-2 051.4	0.0
Balance at 31 March 2016	51.0	25.9	1 421.6	0.0	170.6	0.0	8 919.2	10 588.4	4 159.6	14 748.0
Balance at 1 January 2017	53.2	143.3	1 167.6	0.0	43.0	0.0	8 054.4	9 461.5	3 653.3	13 114.8
Total comprehensive income for the period	0.0	0.0	11.0	0.0	4.1	0.0	-121.7	-106.6	-50.1	-156.7
Balance at 31 March 2017	53.2	143.3	1 178.6	0.0	47.1	0.0	7 932.7	9 354.9	3 603.2	12 958.1

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 31 March 2017 the non-controlling interests consist of 47.74% of Fred. Olsen Energy ASA, 44.06% of NHST Media Group AS and 49.00% of Fred. Olsen Wind Limited (UK).

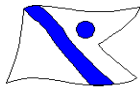
1) Own shares were the Bonheur shares that were owned by Ganger Rolf as at 1 January 2016.



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Consolidated statement of cash flow – Group

<i>(NOK million) - unaudited</i>	Jan-Mar 2017	Jan-Mar 2016
Cash flow from operating activities		
Net result	-148.1	210.7
<i>Adjustments for:</i>		
Depreciation, impairment losses	681.9	886.1
Net of investment income, interest expenses and net unrealized foreign exchange gain	72.5	318.7
Share of result from associates	3.0	-0.1
Net gain (-) / loss on sale of property, plant and equipment and other investments	-0.2	-0.7
Tax expense	30.5	32.3
Cash generated before changes in working capital and provisions	639.6	1 446.9
Increase (-) / decrease in trade and other receivables	229.0	283.2
Increase / decrease (-) in current liabilities	9.7	-388.1
Cash generated from operations	878.3	1 342.0
Interest paid	-189.5	-228.6
Tax paid	-68.6	53.5
Net cash from operating activities	620.2	1 166.9
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment and other investments	18.6	57.5
Interest and dividends received	45.0	19.1
Acquisitions of property, plant and equipment and changes in other investments	-167.3	-290.6
Net cash from investing activities	-103.7	-214.0
Cash flow from financing activities		
Net proceed from issue of shares in subsidiary	7.4	0.0
Increase in borrowings	3.4	346.8
Repayment of borrowings	-773.9	-1 471.6
Net cash from financing activities	-763.1	-1 124.9
Net increase in cash and cash equivalents	-246.5	-171.9
Cash and cash equivalents at 1 January	7 228.0	8 340.3
Effect of exchange rate fluctuations on cash held	15.5	-521.8
Cash and cash equivalents at 31 March	6 997.0	7 646.7



BONHEUR ASA

Notes

Note 1 – Basis of presentation

Introduction

The Group accounts for the first quarter 2017 comprise Bonheur ASA and its subsidiaries (“The Group”) and the shares in associates. The quarterly accounts of 2016 and the Group accounts for 2016 may be obtained by contacting Fred. Olsen & Co., Oslo, or at www.bonheur.no.

Financial framework and accounting principles

The interim accounts have been prepared in accordance with IAS 34 as adopted by EU and the additional requirements in the Norwegian 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 2016 and the previous interim reports issued in 2016. The interim financial report for the first quarter 2017 was approved by the Company’s board on 11 May 2017.

The accounting principles applied by the Group 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 2016.

The IASB has issued three new standards that are expected to impact the financial reporting of the group in the future. Bonheur ASA has a group project to analyze the effects of the new IFRS standards that have been issued, primarily:

- *IFRS 9 Financial Instruments*
- *IFRS 15 Revenue from contract with customers*
- *IFRS 16 Leases*

The Group’s preliminary assessment is that the implementation of IFRS 9, IFRS 15 and IFRS 16 will have no significant effect for the Group although leased assets will be recognized as a right of use asset. Recognition of revenues from certain contracts may be subject to change in presentation. The new standards are expected to increase the scope of the disclosures.

Based on the assessments made to date, Bonheur ASA plans to adopt IFRS 16 simultaneously with IFRS 9 and IFRS 15 on 1 January 2018. Comparative figures will not be changed.

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.

As to the offshore drilling segment, there are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts. Estimating the fair value of the assets in the Offshore drilling segment is a complex process involving a number of key judgements and estimates regarding various inputs. Due to the nature of the assets, the valuation technique includes a discounted cash flow model that uses a number of inputs from internal sources due to lack of relevant and reliable observable independent and external inputs. As a result of the current market situation and because there are more than normal uncertainty concerning when new contracts will be agreed and the related future dayrate levels, the calculation of fair value of the assets in the offshore drilling segment is exposed to high estimation uncertainty.



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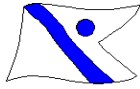
Note 2 – Property, plant and equipment – investments and disposals

In 2015, indirect owned subsidiaries of Fred. Olsen Renewables AS, commenced construction of the wind farm Windy Standard II in Scotland. Windy Standard II is expected to be completed in 4 quarter 2017. Per 31 March 2017 total capitalized construction cost for Windy Standard II is GBP 61 million.

(NOK million)	Rigs and drillships	Vessels	Windfarms	Other	Total
Cost					
Balance at 1 January 2017	33 244.5	7 293.7	7 223.8	1 322.1	49 084.0
Acquisitions	9.9	11.2	57.4	4.9	83.4
Disposals	0.0	-8.2		-2.0	-10.3
Movements and foreign currency	-170.8	64.1	66.5	6.1	-34.0
Balance at 31 March 2017	33 083.6	7 360.8	7 347.7	1 331.1	49 123.2
Depreciation					
Balance at 1 January 2017	21 721.1	3 794.1	2 427.9	876.6	28 819.8
Depreciation	449.3	93.4	106.6	20.0	669.4
Disposals	0.0	-6.0		-0.9	-6.9
Movements and foreign currency	-101.1	30.1	25.0	3.5	-42.6
Balance at 31 March 2017	22 069.2	3 911.7	2 559.5	899.2	29 439.6
Carrying amounts					
At 1 January 2017	11 523.4	3 499.5	4 795.9	445.5	20 264.2
At 31 March 2017	11 014.3	3 449.1	4 788.2	431.9	19 683.5

Note 3 – Intangible assets – investments

As per 31 March 2017, the Bonheur Group of companies had intangible assets of NOK 928 million. NOK 581 million is the net book value of the intangible assets from NHST. In addition FOR has intangible assets of NOK 321 million, which is development costs related to wind farms. Such projects are evaluated regularly. Some development projects may not come to fruition, in which case, previously capitalized costs will be impaired. FOO has intangible assets of NOK 25 million of which 24 million is goodwill.



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Note 4 – Segment information

I. quarter	Offshore drilling		Renewable energy		Shipping/Offsh. wind		Cruise		Other investments		Total fully consolidated companies	
	1Q.17	1Q.16	1Q.17	1Q.16	1Q.17	1Q.16	1Q.17	1Q.16	1Q.17	1Q.16	1Q.17	1Q.16
Fully consolidated companies												
Revenues	831	2 034	342	300	364	142	480	497	336	316	2 353	3 289
Operating costs	-486	-829	-94	-97	-268	-238	-461	-467	-355	-371	-1 663	-2 003
Oper. result before depr. (EBITDA)	345	1 205	248	202	96	-97	19	30	-18	-55	689	1 286
Depreciation	-464	-655	-107	-122	-36	-36	-58	-60	-16	-14	-682	-886
Operating result (EBIT)	-119	551	141	81	59	-133	-39	-30	-35	-69	7	400
Net result after tax	-222	284	122	148	53	-126	-55	-4	-46	-90	-148	211
Total assets	15 843	20 478	8 596	9 751	3 052	3 157	2 003	1 961	1 971	2 915	31 465	38 263
Total liabilities	8 752	12 206	4 891	5 923	1 831	1 758	893	820	2 140	2 808	18 507	23 515

Companies fully consolidated in the accounts

Offshore Drilling

Fred. Olsen Energy ASA.

Renewable energy

Fred. Olsen Renewables AS, Global Windpower France Aps and Codling Holding

Cruise

Fred Olsen Cruise Lines Ltd and First Olsen Holding AS.

Shipping / Offshore wind

Fred. Olsen Ocean Ltd., Fred. Olsen Windcarrier AS and Universal Foundation Norway AS.

Other investments

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

Note 5 – Interest bearing loans

As per March 2017, FOE has repaid NOK 75 million of its bond loan FOE05 in 1 quarter 2017.

A waiver request from FOE for temporarily waiving debt related covenants was approved by the syndicate banks in December 2016. As a consequence, two installments of USD 95.5 million for 2017 were prepaid in December 2016 and USD 105 million of the undrawn facility was cancelled. The remaining USD 105 million was temporarily suspended during the waiver period. Bondholders in FOE05 subsequently approved the waiver in January 2017.

FOR has secured bank loans of GBP 286 million, two shareholder loans of a total of GBP 77 million to The Renewables Infrastructure Group Limited, finance lease liabilities of GBP 20 million and other interest bearing loans of GBP 5 million as per 31 March 2017.

FOO has bank loans of equivalent to EUR 96 million outstanding as per 31 March 2017.

NHST has bank loans of NOK 50 million outstanding as per 31 December 2016.



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In February 2012, Bonheur ASA issued 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.

On 10 February 2017, Bonheur ASA repaid the remaining balance of NOK 480.5 million in its 5 years unsecured bond loan BON04 (original issue NOK 700 million) with final maturity in February 2017.

On 22 February 2017, Bonheur ASA summoned a bondholders' meetings in the Company's bond issues "BON03", "BON05" and "BON06" with a proposal to amend the change of control provision in the corresponding bond agreements. On 9 March 2017, the bondholders' meeting was held. The proposed resolutions were approved by a qualified majority in each of these bondholder meetings and thus duly approved.

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 26 in the Annual Report for 2016.

The underlying effective tax rate in the quarter was -26%. This resulted in a tax expense in the first quarter despite a negative EBT for the group. This was mainly due to import- and gross taxation in Colombia from the offshore drilling segment and losses in jurisdictions where tax assets can not be recognized.

Note 7 – Bonheur ASA (Parent company – NGAAP)

(NOK million) - unaudited

CONDENSED INCOME STATEMENT (NGAAP)

	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Revenues	0.0	0.0	0.2
Operating costs	-28.1	-35.3	-137.6
Operating result before depreciation (EBITDA)	-28.0	-35.2	-137.5
Depreciation	-0.7	-0.8	-3.0
Operating result (EBIT)	-28.7	-36.0	-140.4
Financial revenues	20.6	12.0	233.4
Financial costs	-32.3	-35.0	-215.6
Net financial items	-11.7	-23.0	17.8
Result before tax (EBT)	-40.4	-59.0	-122.6
Tax expense	0.0	0.0	0.0
Net result after estimated tax	-40.4	-59.0	-122.6



BONHEUR ASA

CONDENSED BALANCE SHEET (NGAAP)

	31.03.2017	31.03.2016	31.12.2016
Property, plant and equipment	55.7	58.6	56.4
Investments in subsidiaries	7 995.1	8 212.9	7 995.1
Other financial fixed assets	1 045.8	1 194.8	1 067.2
Non-current assets	9 096.7	9 466.4	9 118.7
Trade and other receivables	56.2	3.7	4.1
Cash and cash equivalents	353.9	1 044.4	861.5
Current assets	410.1	1 048.1	865.6
Total assets	9 506.8	10 514.5	9 984.4
Share capital	53.2	51.0	53.2
Share premium	143.3	25.9	143.3
Retained earnings	4 378.6	4 717.0	4 419.0
Equity	4 575.0	4 793.9	4 615.4
Non-current interest bearing liabilities	1 793.6	1 791.2	1 793.0
Other non-current liabilities	360.0	320.9	357.0
Non-current liabilities	2 153.6	2 112.1	2 150.0
Current interest bearing liabilities	46.4	698.5	480.5
Other current liabilities	2 731.7	2 910.0	2 738.4
Current liabilities	2 778.2	3 608.5	3 218.9
Total equity and liabilities	9 506.8	10 514.5	9 984.4

Definitions

List of Alternative Performance Measures (APM):

Bonheur ASA discloses alternative performance measures as a supplement to the financial statements prepared in accordance with IFRS.

In the quarterly report the following alternative performance measures are most frequently used. Below is a list followed by a definition of each APM

General financial Alternative Performance Measures:

EBITDA: Earnings before Depreciation, Impairment, Result from associates, Net financial expense and Tax.

EBIT: Operating result after depreciation (EBITDA less depreciation and impairments)

EBT: Earnings before tax

EBITDA margin: The ratio of EBITDA divided by operating revenues

NIBD: **Net Interest Bearing Debt** is the sum of non current interest bearing debt and current interest bearing debt, less the sum of cash and cash equivalents

Capital employed: NIBD + Total equity

Equity ratio: The ratio of total equity divided by total capital

The Company: Bonheur ASA