

# BONHEUR ASA

## Report for the first quarter 2018

### Financial and operating highlights 1Q 2018 (1Q 2017 in brackets):

- Operating revenues were NOK 1 968 million (NOK 2 353 million)
- EBITDA (operating result before depreciation, impairment, result from associates, finance and tax) was NOK 439 million (NOK 689 million)
- EBIT (operating result) was NOK - 249 million (NOK 7 million)
- Net finance was NOK - 234 million (NOK - 122 million).
- Net result after tax was NOK - 503 million (NOK - 148 million)

### Post quarter event:

- Fred. Olsen Renewables – divestment of 49% of two wind farms

### Renewable energy

- EBITDA NOK 283 mill. (NOK 248 mill.)
- Total generation up 3%
- Like-for-like generation down 9%
- Brockloch Rig I (21.6MW) in full production from 1Q18
- Increasing electricity prices in all markets

### Shipping / Offshore wind

- EBITDA NOK -77 mill. (NOK 96 mill.)
- Utilization for installation vessels 7% (100%).
- Contract pipeline to end 1Q 2020 covered 41% by firm contracts
- Agreement with Falcon Global
  - Installation of turbines in USA
  - Charter of O&M vessel to Europe
- Both vessels dry-docked in 4Q17 and 1Q18

### Offshore drilling

- EBITDA NOK 247 mill. (NOK 345 mill.)
- The remaining part of termination fee for Bolette Dolphin was booked in the quarter

### Cruise

- EBITDA NOK 35 mill. (NOK 19 mill.)
- Net ticket income per diems up 6.5%
- Passenger days down 6%
- 12% strengthening of GBP/USD
- All cruise vessels are now upgraded



# BONHEUR ASA

## Financial information

The unaudited Group accounts for 1 quarter 2018 comprise Bonheur ASA ("the Company") and its subsidiaries ("the Group of companies") and the Group of companies' ownership of associates.

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

Financial key figures (million NOK)	1Q 18	1Q 17	2017
Operating revenue	1 968	2 353	8 633
EBITDA	439	689	2 441
EBIT	-249	7	-945
Net result after tax	-503	-148	-1 777
Hereof attributable to shareholders of the parent company	-407	-105	-864
<b>Total number of shares outstanding</b>	<b>42 531 893</b>	<b>42 531 893</b>	<b>42 531 893</b>
<b>Average number of shares outstanding in the period</b>	<b>42 531 893</b>	<b>42 531 893</b>	<b>42 531 893</b>
Basic/diluted earnings per share	-9.6	-2.5	-20.3
Gross interest bearing liabilities	12 715	14 355	14 494
Net interest bearing liabilities	5 999	7 358	5 902
Cash and cash equivalents	6 716	6 997	8 593
Capital expenditure	203	83	654

The Group of companies' operating revenues in the quarter amounted to NOK 1 968 million (NOK 2 353 million). Renewable energy had operating revenues of NOK 425 million (NOK 342 million), Shipping / Offshore wind NOK 145 million (NOK 364 million), Offshore drilling NOK 557 million (NOK 831 million) and Cruise NOK 533 million (NOK 480 million). Within Other investments NHST Media Group had operating revenues of NOK 301 million (NOK 322 million).

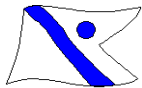
EBITDA in the quarter was NOK 439 million (NOK 689 million). Renewable energy achieved EBITDA of NOK 283 million (NOK 248 million), Shipping/Offshore wind NOK -77 million (NOK 96 million), Offshore drilling NOK 247 million (NOK 345 million), while Cruise achieved EBITDA of NOK 35 million (NOK 19 million). Within Other investments EBITDA were NOK -49 million (NOK - 18 million).

Depreciation in the quarter was NOK 688 million (NOK 682 million).

EBIT was NOK - 249 million (NOK 7 million).

Net financial items in the quarter were NOK -234 million (NOK - 122 million). Net interest expenses were NOK 129 million (NOK 109 million) and net currency loss amounted to NOK 121 million (gain NOK 11 million). Net unrealized gain related to fair value adjustment of financial instruments were NOK 36 million (NOK 11 million). Other financial expenses amounted to NOK 20 million (NOK 35 million).

Net result in the quarter was NOK - 503 million (NOK -148 million), of which NOK - 407 million are attributable to the shareholders of the parent company (NOK -105 million). The non-controlling interests' share of net result in the quarter was thus NOK - 96 million (NOK -43 million).



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## 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.

## Renewable energy

Renewable energy consists of 100% ownership of Fred. Olsen Renewables AS (FORAS), which through subsidiaries (together as a group: FOR) owns eleven wind farms in operation. Nine wind farms are located in Scotland, of which six wind farms (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). Five wind farms are owned 100%, three in Scotland (Crystal Rig III, Brokloch Rig Windfarm and Brockloch Rig I), one in Norway (Lista) and one in Sweden (Fäbodliden). FOR has per 31 March 2018 an installed capacity of 679 MW in production, of which 433 is owned by FOWL. 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).

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

Generation (MWh)	1Q18	1Q17	As per 1Q		
			Capacity (MW)	2018	2017
UK (FOWL)	319 118	335 646	UK (FOWL)	432.8	432.8
UK (Other)	74 933	13 121	UK (Other)	96.9	13.8
Scandinavia	111 724	140 971	Scandinavia	149.3	149.3
<b>Total</b>	<b>505 775</b>	<b>489 738</b>	<b>Total</b>	<b>679.0</b>	<b>595.9</b>



## BONHEUR ASA

(Figures in NOK million)	1Q 18	1Q 17
Operating revenues	425	342
EBITDA	283	248
EBITDA margin	66 %	72 %
EBIT	151	141
EBT	135	118
Net result after tax	109	122
Capex	5	57
Equity *)	2 301	3 705
Gross interest bearing debt	3 708	4 153
- Cash and cash equivalents *)	1 140	2 679
= Net interest bearing debt (NIBD)	2 568	1 474
Capital employed (Equity + NIBD) *)	4 868	5 179
Net Cash from operating activities	209	105
Net Cash from investing activities	-13	-105
Net Cash from financing activities	-211	-145
Net change in cash and cash equivalents	-14	-145

\*) Dividend of NOK 1 630 million distributed to Bonheur ASA in 2Q17

### Notes on 1Q 18:

Companies 100% owned contributed NOK 119 million to consolidated revenues, NOK 51 million to EBITDA and negative NOK 43 million to EBT.

Companies 100% owned had NOK 2 019 million in equity, NOK 0 million in gross interest bearing debt, NOK 524 million in cash and cash equivalents.

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

Operating revenues in the quarter were NOK 425 million (NOK 342 million). EBITDA was NOK 283 million (NOK 248 million). Due to higher electricity prices and higher capacity in the quarter, revenue and EBITDA increased compared to last year, partly offset by lower generation due to less wind at most of the windfarms. NOK/GBP were 4% higher in the quarter compared to same quarter last year. Generation in the quarter was 506 GWh (490 GWh). Total generation in the quarter increased 3%, while like for like generation decreased with 9%.



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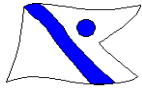
## Shipping / Offshore wind

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 & Installation, as well as Operation & Maintenance services for the offshore wind industry and Universal Foundation Norway AS, offering offshore wind turbine foundations. Both companies are 100% owned by Fred. Olsen Ocean Ltd. Fred. Olsen Windcarrier AS owns Fred. Olsen Windcarrier A/S Denmark, which owns a fleet of crew transfer vessels (CTVs) and 75.5 % of Global Wind Service A/S (GWS), an international supplier of personnel to the global wind turbine industry. Universal Foundation Norway AS owns Universal Foundation A/S 100%, a Danish company offering offshore wind turbine foundations.

(Figures in NOK million)	1Q 18	1Q 17
Operating revenues	145	364
EBITDA	-77	96
EBITDA margin	-53 %	26 %
EBIT	-118	59
EBT	-143	40
Net result after tax	-140	53
Capex	15	7
Equity	1 201	1 221
Gross interest bearing debt *)	1 478	1 547
- Cash and cash equivalents	131	250
= Net interest bearing debt (NIBD)	1 348	1 297
Capital employed (Equity + NIBD)	2 549	2 517
Net Cash from operating activities	-73	26
Net Cash from investing activities	-13	-3
Net Cash from financing activities	-20	-16
Net change in cash and cash equivalents	-107	7
*) Hereof internal debt to Bonheur ASA	693	670

Operating revenue in 1Q18 was NOK 145 million compared with NOK 364 million in 1Q17. Revenue from the jack-up installation vessels "Brave Tern" and "Bold Tern" was lower than the same quarter last year due to significantly lower utilization. One vessel was idle through the quarter while the other vessel was in



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drydock for scheduled periodic maintenance following which it performed Operation & Maintenance work during the quarter. The aggregate utilization rate was 7 % (100 %).

Income and EBITDA in GWS and for the crew transfer vessels is typically seasonally low in the 1<sup>st</sup> quarter and results are also lower in 1Q18 compared to 1Q17. With effect from March, FOWIC entered into a partnership agreement, where the crew transfer vessels will be part of a larger fleet operated by Northern Offshore Services in Denmark. In April, Universal Foundation achieved Certified Design for two Monobuckets to be installed during 2019 which is an important milestone for Universal Foundation and the Monobucket concept.

On 30 March 2018 an agreement with Falcon Global was entered into for exclusive use of two of their lift-boats as feeder jack-ups for installation of turbines in US waters. As part of the agreement one lift-boat will be taken on charter from April 2019 for 2.5 years + options to extend up to 2.5 years, to serve as an O&M vessel in the European market.

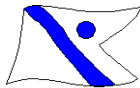
EBITDA for the quarter decreased from NOK 96 million in 1Q17 to NOK -77 million in 1Q18.

## 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 Group accounts.

Note that FOE shows 4 quarter 2017 in brackets when comparing the quarterly results, while Bonheur ASA compares the quarterly results with the corresponding quarter last year.

(Figures in NOK million)	1Q 18	4Q 17	1Q 17
Operating revenues	557	404	831
EBITDA	247	84	345
EBITDA margin	44 %	21 %	42 %
EBIT	-195	-368	-119
EBT	-338	-459	-174
Net result after tax	-336	-509	-222
Capex	70	42	10
Equity	4 296	4 868	7 091
Gross interest bearing debt	5 738	7 197	7 481
- Cash and cash equivalents	1 972	3 569	2 858
= Net interest bearing debt (NIBD)	3 766	3 628	4 623
Capital employed (Equity + NIBD)	8 062	8 496	11 714
Net Cash from operating activities	-256	-117	470
Net Cash from investing activities	-35	-11	-35
Net Cash from financing activities	-1 156	0	-77
Net change in cash and cash equivalents	-1 447	-127	358



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Below is an extract from FOE's report for 1 quarter 2018 (figures in USD unless otherwise stated).

(Figures in USD million)	1Q 18	4Q 17	1Q 17
Operating revenues	71	49	98
EBITDA	32	10	41
EBIT	-25	-45	-14
EBT	-43	-56	-21
Net result	-43	-62	-26

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

### **“FINANCIAL INFORMATION (4th quarter 2017 in brackets)**

Operating revenues in the quarter were 71.4 million (49.5 million), an increase of 21.9 million compared with the previous quarter. Revenues from the offshore drilling division were 63.7 million (45.0 million), an increase of 18.7 million. The increase in revenues within the offshore drilling division is mainly due to booking of the remaining part of the termination fee for Bolette Dolphin of 37 million, a total of 61.7 million in first quarter. This was partly offset by Bideford Dolphin which was in lay-up in first quarter. Revenues within the engineering and fabrication division were 7.7 million (4.5 million).

Operating expenses were 39.6 million (39.2 million). Operating costs within the offshore drilling division decreased by 3.8 million to 30.0 million (33.8 million). Operating costs within the engineering and fabrication division increased by 4.2 million to 9.6 million (5.4 million).

Operating profit before depreciation (EBITDA) was 31.8 million (10.3 million). EBITDA within the offshore drilling division increased by 22.5 million to 33.7 million (11.2 million), and EBITDA within the engineering and fabrication division was - 1.9 million (- 0.9 million).

Depreciation, amortisation and impairment amounted to 56.4 million (55.4 million).

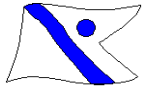
Operating profit after depreciation (EBIT) was - 24.6 million (- 45.1 million).

Net financial items were - 18.2 million (- 11.1 million).

Profit before tax was - 42.8 million (- 56.2 million).

Net profit, including an estimated tax reversal of 0.2 million (- 5.9 million), was - 42.6 million (- 62.1 million).

Earnings per share were - 0.64 (- 0.94). “



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## 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 18	1Q 17
Operating revenues	533	480
EBITDA	35	19
EBITDA margin	7 %	4 %
EBIT	-22	-39
EBT	-41	-55
Net result after tax	-41	-55
Capex	108	8
Equity	1 065	1 110
Gross interest bearing debt	0	0
Cash and cash equivalents	528	575
Capital employed (Equity + NIBD)	537	535
Net Cash from operating activities	-38	38
Net Cash from investing activities	-1	-9
Net Cash from financing activities	0	0
Net change in cash and cash equivalents	-39	29

Operating revenue in the quarter were NOK 533 million (NOK 480 million). Operating result before depreciation and finance (EBITDA) was NOK 35 million (NOK 19 million).

Throughout the quarter, *Black Watch* was sailing on its 108 night "Wonders of the World" cruise. *Boudicca* completed African cruises followed by European cruises, before spending 14 nights in dry dock at the end of the quarter. *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 Spanish cruise. *Balmoral* sailed from Southampton during the quarter, completing a Norway cruise, a 46-night South America/ Rio Carnival cruise and a number of European cruises of between 3 and 17 nights' duration.

The number of passenger days totaled 254 710 for the quarter (271 634), a decline of 6 %. Net ticket income per diem (GBP) was 6.5% higher, compared to the corresponding quarter last year.





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## 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 (Software-as-a-Service), Global Publications (Tradewinds, Upstream, Intrafish, Fiskeribladet, Recharge and Europower), and Nautical Charts.

NHST Media Group AS achieved a turnover of NOK 301 million in the quarter (NOK 322 million). Subscription revenues are still increasing, but at a lower pace. The market share and number of copies sold for most of the publications have been positive with NOK 3 million more in subscription revenues than same quarter the previous year. Advertising revenues has continued to decline during the quarter (NOK 6 million lower than the comparable quarter in 2017).

Total operating cost was up by 2% compared to 1Q 2017.

The result before depreciation (EBITDA) for the quarter was NOK -16 million (NOK 12 mill. in 1Q 17).

## Other information

### Capital and financing

In 1Q 2018 capex were NOK 203 million, of which NOK 70 million relates to Offshore drilling. NOK 15 million within Shipping/Offshore wind related to interim class cost for Bold Tern and NOK 108 million within Cruise related to dry docking of Boudicca. Only minor capex within the other segments this quarter.

Gross interest bearing debt of the Group of companies as per end of 1Q 2018 was NOK 12 715 million, a decrease of NOK 1 779 million since year end 2017. Cash and cash equivalents amounted to NOK 6 716 million, a decrease of NOK 1 876 million since year end 2017. Net interest bearing debt (Gross interest bearing debt less Cash and cash equivalents (NIBD)) of the Group of companies as at 31 March 2018 was NOK 5 999 million, an increase of NOK 97 million since year end 2017. As per 31 March 2018, the equity to asset ratio was 38% compared with 37% at year-end 2017.

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)	Renewable Energy	Shipping / Offshore wind	Offshore Drilling	Cruise	Other/Elim	31.03.2018 Total	31.12.2017 Total
Gross interest bearing liabilities	3 708	1 478	5 738	0	1 791	12 715	14 494
Cash and cash equivalents	1 140	131	1 972	528	2 946	6 716	8 593
Net interest bearing liabilities *)	2 568	1 348	3 766	-528	-1 154	5 999	5 902
Equity	2 301	1 201	4 296	1 065	1 434	10 297	11 151
Capital employed	4 868	2 549	8 062	537	280	16 296	17 053

\*) Intercompany loans included



# BONHEUR ASA

## Annual General meeting / Dividend

The Board will at the Annual General Meeting Wednesday 30 May 2018, propose a dividend of NOK 2.00 per share. This corresponds to a total payment for the Company of NOK 85.1 million.

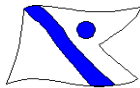
## Condensed consolidated financial statements in accordance with IFRS

### Income statement - Group of companies

(NOK million) - unaudited

	Note	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2017
Revenues	4	1 968.5	2 352.9	8 633.3
Operating costs		-1 529.6	-1 663.5	-6 192.7
<b>Operating result before depreciation / impairment losses (EBITDA)</b>	4	<b>438.8</b>	<b>689.4</b>	<b>2 440.6</b>
Depreciation / Impairment losses		-687.9	-681.9	-3 385.3
<b>Operating result (EBIT)</b>	4	<b>-249.1</b>	<b>7.5</b>	<b>-944.8</b>
Share of result from associates		-2.9	-3.0	-17.2
Result before finance		-252.0	4.5	-962.0
Financial income		104.8	112.1	492.6
Financial expenses		-339.0	-234.1	-989.8
Net financial income / expense (-)		-234.2	-122.0	-497.2
<b>Result before tax (EBT)</b>		<b>-486.2</b>	<b>-117.6</b>	<b>-1 459.2</b>
Income tax expense	6	-16.8	-30.5	-317.7
		<b>-503.0</b>	<b>-148.1</b>	<b>-1 776.9</b>
Hereof attributable to non-controlling interests 1)		-95.8	-42.8	-912.7
Hereof attributable to shareholders of the parent company		-407.2	-105.2	-864.2
Basic earnings / Diluted earnings per share (NOK)		-9.6	-2.5	-20.3

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 of companies

(NOK million) - unaudited

	Jan-Mar 2018	Jan-Mar 2017
<b>Net Result after tax for the period</b>	-503.0	-148.1
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Other comprehensive income for the period	-2.5	-4.4
<b>Total items that will not be reclassified to profit or loss</b>	-2.5	-4.4
<b>Items that may be reclassified subsequently to profit or loss</b>		
Foreign exchange translation effects:		
- Foreign currency translation differences for foreign operations	-339.7	-8.3
Fair value effects related to financial instruments:		
- Net change in fair value of available-for-sale financial assets	-9.1	4.2
Income tax on other comprehensive income	0.0	-0.1
<b>Total items that may be reclassified subsequently to profit or loss</b>	-348.8	-4.2
<b>Other comprehensive income for the period, net of income tax</b>	<b>-351.3</b>	<b>-8.7</b>
<b>Total comprehensive income for the period</b>	<b>-854.3</b>	<b>-156.7</b>
<b>Attributable to:</b>		
Equity holders of the parent	-625.5	-106.6
Non-controlling interests 1)	-228.8	-50.1
<b>Total comprehensive income for the period</b>	<b>-854.3</b>	<b>-156.7</b>

1) As at 31 March 2018 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 of companies

(NOK million) - unaudited

	Notes	31.03.2018	31.03.2017	31.12.2017
Intangible fixed assets	3	907.7	928.2	919.0
Deferred tax asset		146.7	352.9	212.7
Property, plant and equipment	2	16 411.8	19 683.5	17 580.6
Investments in associates		57.9	73.4	63.8
Other financial fixed assets		452.6	527.7	467.0
<b>Non-current assets</b>		<b>17 976.7</b>	<b>21 565.7</b>	<b>19 243.2</b>
Inventories and consumable spare parts		966.0	1 119.3	1 027.9
Trade and other receivables		1 485.9	1 782.7	1 595.5
Cash and cash equivalents		6 716.1	6 997.0	8 592.6
<b>Current assets</b>		<b>9 168.0</b>	<b>9 898.9</b>	<b>11 216.0</b>
<b>Total assets</b>		<b>27 144.7</b>	<b>31 464.6</b>	<b>30 459.2</b>
Share capital		53.2	53.2	53.2
Share premium reserve		143.3	143.3	143.3
Retained earnings		7 692.2	9 158.4	8 317.6
Equity owned by the shareholders in the parent company		7 888.6	9 354.9	8 514.1
Non-controlling interests 1)		2 408.2	3 603.2	2 637.0
<b>Equity</b>		<b>10 296.8</b>	<b>12 958.1</b>	<b>11 151.1</b>
Non-current interest bearing liabilities	5	10 264.5	12 862.8	12 201.0
Other non-current liabilities		1 706.2	1 854.8	1 804.3
<b>Non-current liabilities</b>		<b>11 970.8</b>	<b>14 717.6</b>	<b>14 005.4</b>
Current interest bearing liabilities	5	2 450.8	1 492.1	2 293.3
Other current liabilities		2 426.3	2 296.9	3 009.4
<b>Current liabilities</b>		<b>4 877.1</b>	<b>3 789.0</b>	<b>5 302.8</b>
<b>Total equity and liabilities</b>		<b>27 144.7</b>	<b>31 464.6</b>	<b>30 459.2</b>

Oslo, 03 May 2018

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).



# BONHEUR ASA

## Statement of changes in equity – Group of companies

(NOK million) - unaudited

	Share Capital	Share premium	Translation reserve	Fair value reserve	Retained earnings	Total	Non- controlling interests	Total equity
Balance at 1 January 2017	53.2	143.3	1 167.6	43.0	8 054.4	9 461.5	3 653.3	13 114.8
Total comprehensive income for the period	0.0	0.0	11.0	4.1	-121.7	-106.6	-50.1	-156.7
<b>Balance at 31 March 2017</b>	<b>53.2</b>	<b>143.3</b>	<b>1 178.6</b>	<b>47.1</b>	<b>7 932.7</b>	<b>9 354.9</b>	<b>3 603.2</b>	<b>12 958.1</b>
Balance at 1 January 2018	53.2	143.3	1 202.0	30.0	7 085.6	8 514.1	2 637.0	11 151.1
Total comprehensive income for the period	0.0	0.0	-226.2	-9.2	-390.1	-625.5	-228.8	-854.3
<b>Balance at 31 March 2018</b>	<b>53.2</b>	<b>143.3</b>	<b>975.8</b>	<b>20.9</b>	<b>6 695.5</b>	<b>7 888.6</b>	<b>2 408.2</b>	<b>10 296.8</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.

### 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

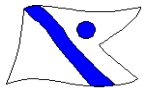
As at 31 March 2018 the non-controlling interests consist of 47.74% of Fred. Olsen Energy ASA, 44.06% of NHST Media Group AS and 49,00% of Fred. Olsen Wind Limited (UK).



# BONHEUR ASA

## Consolidated statement of cash flow – Group of companies

<i>(NOK million) - unaudited</i>	<i>Note</i>	<b>Jan-Mar 2018</b>	<b>Jan-Mar 2017</b>
<b>Cash flow from operating activities</b>			
Net result		-503.0	-148.1
<i>Adjustments for:</i>			
Depreciation, impairment losses	2	687.9	681.9
Net of investment income, interest expenses and net unrealized foreign exchange gains		192.7	72.5
Share of result from associates		2.9	3.0
Net gain (-) / loss on sale of property, plant and equipment and other investments		-0.5	-0.2
Tax expense	6	16.8	30.5
Cash generated before changes in working capital and provisions		396.8	639.6
Increase (-) / decrease in trade and other receivables		31.6	229.0
Increase / decrease (-) in current liabilities		-506.6	9.7
Cash generated from operations		-78.2	878.3
Interest paid		-172.7	-189.5
Tax paid		-22.3	-68.6
<b>Net cash from operating activities</b>		<b>-273.1</b>	<b>620.2</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment and other investments		14.0	18.6
Interest and dividends received		14.5	45.0
Acquisitions of property, plant and equipment and changes in other investments		-93.9	-167.3
<b>Net cash from investing activities</b>		<b>-65.5</b>	<b>-103.7</b>
<b>Cash flow from financing activities</b>			
Net proceed from issue of shares in subsidiary		0.0	7.4
Increase in borrowings		1.0	3.4
Repayment of borrowings		-1 366.2	-773.9
<b>Net cash from financing activities</b>		<b>-1 365.2</b>	<b>-763.1</b>
Net increase in cash and cash equivalents		-1 703.8	-246.5
Cash and cash equivalents at 1 January		8 592.6	7 228.0
Effect of exchange rate fluctuations on cash held		-172.7	15.5
<b>Cash and cash equivalents at 31 March</b>		<b>6 716.1</b>	<b>6 997.0</b>



# BONHEUR ASA

## Notes

### Note 1 – Basis of presentation

#### Introduction

The Group of companies' accounts for the first quarter 2018 comprise Bonheur ASA and its subsidiaries (together referred to as the "Group of companies" and individually as "Group entities") and the shares in associates. The quarterly accounts of 2017 and the Group accounts for 2017 may be obtained by contacting Fred. Olsen & Co., Oslo, or at [www.bonheur.no](http://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 of companies' annual accounts for 2017 and the previous interim reports issued in 2017. The interim financial report for the first quarter 2018 was approved by the Company's board on 3 May 2018.

The Group of companies has adopted IFRS 9 Financial instruments and IFRS 15 Revenue from Contracts with Customers in the quarter. The standards will not have significant impact on the Group of companies' financial statements per 1 January 2018. The new accounting policies and standards are described in note 28 – Standards issued but not yet effective, in the consolidated financial statements in the Group of companies' Annual Report for 2017. The other main accounting policies applied by the Group of companies in these consolidated financial statements are the same as those applied by the Group of companies in its consolidated financial statements for the year ended 31 December 2017.

#### *IFRS 16 – Leases*

The Group of companies plans to apply the standard initially from 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

IFRS 16 introduces a balance sheet lease accounting where a lessee will recognize a right of use asset and a corresponding lease liability. The Group of companies has evaluated the existing leasing contracts, and estimated the effect of the new standard in the range of NOK 340 million to NOK 430 million. This will be recorded as an increased right of use assets and a correspondingly increased leasing liability.

#### 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 is more than normal uncertainty concerning when new contracts will materialize and equally in relation to future dayrate levels, the calculation of fair value of the assets in the offshore drilling segment is exposed to high estimation uncertainty.



# BONHEUR ASA

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

(NOK million)	Windfarms	Vessels	Rigs and drillships	Other	Total
<b>Cost</b>					
Balance at 1 January 2018	7 857.6	7 985.9	29 340.6	1 391.3	46 575.4
Acquisitions	3.5	4.8	68.6	19.7	96.7
Disposals			-22.9	-1.5	-24.4
Currency translation	-104.6	-102.1	-1 529.4	-14.6	-1 750.8
<b>Balance at 31 March 2018</b>	<b>7 756.5</b>	<b>7 888.5</b>	<b>27 857.0</b>	<b>1 394.9</b>	<b>44 896.9</b>
<b>Depreciation</b>					
Balance at 1 January 2018	2 948.6	4 370.4	20 702.5	973.3	28 994.8
Depreciation	129.6	92.3	432.2	20.4	674.4 *)
Disposals			-22.9	-1.1	-23.9
Currency translation	-22.7	-44.5	-1 083.4	-9.6	-1 160.2
<b>Balance at 31 March 2018</b>	<b>3 055.5</b>	<b>4 418.2</b>	<b>20 028.4</b>	<b>983.0</b>	<b>28 485.1</b>
<b>Carrying amounts</b>					
At 1 January 2018	4 909.014	3 615.441	8 638.137	418.002	17 580.594
<b>At 31 March 2018</b>	<b>4 701.025</b>	<b>3 470.337</b>	<b>7 828.542</b>	<b>411.914</b>	<b>16 411.818</b>

\*) In addition, depreciation from intangible assets amount to NOK 14 millions.

## Note 3 – Intangible assets – investments

As per 31 March 2018 the Group of companies had intangible assets of NOK 908 million. NOK 534 million is the net book value of the intangible assets from NHST. In addition FOR has intangible assets of NOK 345 million, which is development costs related to wind farms. Such projects are evaluated regularly. Some development projects may not come through to fruition, in which case, previously capitalized costs will be impaired. FOO has intangible assets of NOK 26 million of which 25 million is goodwill.





# BONHEUR ASA

## Note 4 – Segment information

1. quarter	Renewable energy		Shipping/Offsh. wind		Offshore drilling		Cruise		Other investments		Total fully consolidated entities	
	1Q.18	1Q.17	1Q.18	1Q.17	1Q.18	1Q.17	1Q.18	1Q.17	1Q.18	1Q.17	1Q.18	1Q.17
Fully consolidated companies												
Revenues	425	342	145	364	557	831	533	480	309	336	1 968	2 353
Operating costs	-143	-94	-221	-268	-310	-486	-498	-461	-358	-355	-1 530	-1 663
Oper. result before depr. (EBITDA)	283	248	-77	96	247	345	35	19	-49	-18	439	689
Depreciation	-131	-107	-42	-36	-442	-464	-57	-58	-17	-16	-688	-682
Operating result (EBIT)	151	141	-118	59	-195	-119	-22	-39	-66	-35	-249	7
Net result after tax	109	122	-140	53	-336	-222	-41	-55	-95	-46	-503	-148
Total assets	7 026	8 596	2 958	3 052	10 916	15 843	2 033	2 003	4 212	1 971	27 145	31 465
Total liabilities	4 725	4 891	1 757	1 831	6 619	8 752	968	893	2 778	2 140	16 848	18 507

### Companies fully consolidated in the Group of companies accounts

#### Renewable energy

The companies within the segment are engaged in development, construction and operation of wind farms in Scotland, Norway, Sweden, Ireland, France and USA.

#### Shipping / Offshore wind

The companies within the segment are engaged in logistics and services within the offshore wind industry.

#### Offshore Drilling

Offshore drilling provides services to the offshore oil and gas industry.

#### Cruise

Cruise owns and operates four cruise ships and provides a diverse range of cruises to attract its passenger.

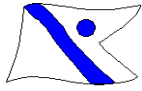
#### Other investments

The segment has investments within media, properties and various service companies.

### Revenue split

(NOK million)	1Q 18	1Q 17
Sales of electricity and other goods	248	218
Green Certificate revenue	209	161
Lease revenue	4	478
Service revenue	725	1 179
Engineering and fabrication	60	25
Other operating revenue	723	292
Total revenues	1 968	2 353

Other operating revenue in 1 quarter 2018 includes amortization of termination fee of USD 25 million and the remaining balance of termination fee of USD 36.7 million related to Bolette Dolphin in the Offshore drilling segment.



# BONHEUR ASA

## Note 5 – Interest bearing loans

FOR has secured bank loans of GBP 258 million, two shareholder loans of a total of GBP 61 million to The Renewables Infrastructure Group Limited, finance lease liabilities of GBP 13 million and other interest bearing loans of GBP 4 million as per 31 March 2018.

FOO has bank loans of equivalent to EUR 81 million outstanding as per 31 March 2018.

During the quarter, FOE has paid a scheduled repayment of approximately USD 95.5 million under the bank facility. In addition an instalment of USD 52 million was paid in connection with the termination of the Bolette Dolphin contract in 2017.

FOE has continued the dialogue with its financial creditors in the quarter. FOE has appointed a financial advisor, to support the company in the process of establishing a sustainable solution.

A waiver request from FOE for temporarily waiving certain financial covenants on debt until 30 June 2018 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.

NHST has bank loans of NOK 50 million outstanding as per 31 March 2018.

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 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.

On 12 May 2017, Bonheur ASA successfully completed a new senior unsecured bond issue of NOK 500 million with maturity in May 2022, terms of interest: 3 months Nibor plus margin of 4.00%.

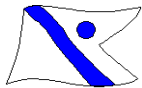
On 27 October 2017, Bonheur ASA successfully completed a new senior unsecured bond issue of NOK 500 million with maturity in November 2020, with terms of interest of 3 months Nibor plus margin 3.15%. In conjunction with the bond issue, Bonheur ASA has bought back approximately NOK 62 million of its BON03 bonds maturing 11 February 2019 and approximately NOK 293.5 million of its BON05 bonds maturing 09 July 2019.

## Note 6 – Taxes

Tax cost in the quarter was NOK 16.8 million, whereof NOK 24.9 million as current tax.

The current tax cost of NOK 24.9 million was mainly caused by taxable results within the Renewable energy segment in the UK, and reversal of temporary differences within Fred. Olsen Ocean Ltd.

Deferred tax income of NOK 8.1 million was mainly caused by the reversal of temporary differences in Fred. Olsen Ocean Ltd., partly offset by deferred tax expenses within the Renewable energy segment following valuation of financial instruments and assets.



## BONHEUR ASA

In total the Group of companies paid NOK 22 million in taxes in the quarter, mainly local taxes abroad.

At the end of 1 quarter 2018 there was one ongoing tax dispute between a subsidiary within the Group of companies (Fred. Olsen Ocean Ltd.) and Norwegian tax authorities as described in Note 9 in the Annual Report 2017.

### **Note 7 – Subsequent event**

#### **Fred. Olsen Renewables - divestment of 49% of two wind farms**

On 30 April 2018, Fred. Olsen Renewables Limited (“FORL”), a wholly owned subsidiary of Fred. Olsen Renewables AS (“FORAS”) which is wholly owned by Bonheur ASA (“BON”), entered into an agreement with funds managed by Aviva Investors Global Services Limited (“Aviva Investors”) whereupon Aviva Investors acquired a significant indirect minority shareholding in the wind farm companies Crystal Rig III Limited (“CRIII”) and Brockloch Rig Windfarm Limited (“BRW”).

Aviva Investors acquired a 49% shareholding in Fred. Olsen CBH Limited (“FOCBH”), a holding company owning CRIII and BRW as its only assets, for a total cash consideration of £ 117.3 million (the “Transaction”). Settlement date was 30 April 2018. The remaining 51% shareholding is owned by Fred. Olsen CB Limited (“FOCB”), which is ultimately wholly owned by FORL. The total consideration for the Transaction implied an enterprise value for FOCBH of £ 239.4 million.

The two wind farms have a total power generation capacity of 75.3 MW.

The Transaction included an agreement that FORL will acquire Aviva Investors’ 49% shareholding in FOCBH for a nominal amount in 2042 and thereby assume sole ownership of all of the shares.

BON’s investment in onshore wind energy is made up of its ownership in FORAS, which constitutes the Renewable energy segment in the consolidated financial statements. Going forward, FORAS will be consolidated in the same way as was the case prior to the Transaction. The Transaction will have no direct impact on the consolidated income statement for BON, but will affect the value of total assets. The Transaction will be recognized in BON’s 2Q 2018 financial statements.



# BONHEUR ASA

## Note 8 – Bonheur ASA (Parent company – NGAAP)

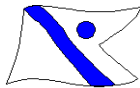
(NOK million) - unaudited

### CONDENSED INCOME STATEMENT (NGAAP)

	Jan-Mar 2018	Jan-Mar 2017	Jan-Dec 2018
Revenues	0.0	0.0	0.1
Operating costs	-30.4	-28.1	-118.6
<b>Operating result before depreciation (EBITDA)</b>	<b>-30.4</b>	<b>-28.0</b>	<b>-118.5</b>
Depreciation	-0.7	-0.7	-3.3
<b>Operating result (EBIT)</b>	<b>-31.1</b>	<b>-28.7</b>	<b>-121.8</b>
Financial revenues	19.7	20.6	2 171.9
Financial costs	-401.8	-32.3	-580.2
Net financial items	-382.1	-11.7	1 591.7
<b>Result before tax (EBT)</b>	<b>-413.2</b>	<b>-40.4</b>	<b>1 469.9</b>
Tax expense	0.0	0.0	0.0
<b>Net result after estimated tax</b>	<b>-413.2</b>	<b>-40.4</b>	<b>1 469.9</b>

### CONDENSED BALANCE SHEET (NGAAP)

	31.03.2018	31.03.2017	31.12.2017
Property, plant and equipment	52.6	55.7	53.3
Investments in subsidiaries	4 778.4	7 995.1	5 124.7
Other financial fixed assets	1 020.2	1 045.8	975.2
<b>Non-current assets</b>	<b>5 851.2</b>	<b>9 096.7</b>	<b>6 153.2</b>
Trade and other receivables	12.6	56.2	9.7
Cash and cash equivalents	2 677.7	353.9	2 789.8
<b>Current assets</b>	<b>2 690.3</b>	<b>410.1</b>	<b>2 799.5</b>
<b>Total assets</b>	<b>8 541.5</b>	<b>9 506.8</b>	<b>8 952.6</b>
Share capital	53.2	53.2	53.2
Share premium	143.3	143.3	143.3
Retained earnings	5 402.7	4 378.6	5 815.9
<b>Equity</b>	<b>5 599.1</b>	<b>4 575.0</b>	<b>6 012.3</b>
Non-current interest bearing liabilities	2 188.6	1 793.6	2 433.2
Other non-current liabilities	376.0	360.0	372.5
<b>Non-current liabilities</b>	<b>2 564.7</b>	<b>2 153.6</b>	<b>2 805.7</b>
Current interest bearing liabilities	245.6	46.4	0.0
Other current liabilities	132.1	2 731.7	134.6
<b>Current liabilities</b>	<b>377.7</b>	<b>2 778.2</b>	<b>134.6</b>
<b>Total equity and liabilities</b>	<b>8 541.5</b>	<b>9 506.8</b>	<b>8 952.6</b>



# BONHEUR ASA

## CONDENSED STATEMENT OF CASHFLOW (NGAAP)

<i>(NOK million) - unaudited</i>	Jan-Mar 2018	Jan-Mar 2017
<b>Cash flow from operating activities</b>		
Net result after tax	-413.2	-40.4
<i>Adjustments for:</i>		
Depreciation	0.7	0.7
Net of investment income, interest expenses and net unrealized foreign exchange	373.3	16.0
Net gain on sale of property, plant and equipment and other investments	0.0	0.0
Tax expense	0.0	0.0
Cash generated before changes in working capital and provisions	-39.2	-23.7
Increase (-) / decrease in trade and other receivables	0.4	-5.2
Increase / decrease (-) in current liabilities	-4.1	-5.0
Cash generated from operations	-42.9	-34.0
Interest paid	-27.4	-28.1
Tax paid	0.0	0.0
<b>Net cash from operating activities</b>	<b>-70.4</b>	<b>-62.1</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment and other investments	13.0	15.0
Interest and dividends received	4.9	24.9
Acquisitions of property, plant and equipment and other investments	-60.7	-50.7
<b>Net cash from investing activities</b>	<b>-42.8</b>	<b>-10.9</b>
<b>Cash flow from financing activities</b>		
Increase in borrowings	1.0	45.9
Repayment of borrowings	0.0	-480.5
Dividends paid	0.0	0.0
<b>Net cash from financing activities</b>	<b>1.0</b>	<b>-434.6</b>
Net increase in cash and cash equivalents	-112.1	-507.6
Cash and cash equivalents at 1 January	2 789.8	861.5
<b>Cash and cash equivalents at 31 March</b>	<b>2 677.7</b>	<b>353.9</b>

## Basis of presentation of the Parent Company financial information

### Introduction

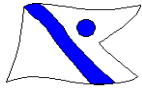
Bonheur ASA is the Parent Company.

### Financial framework and accounting principles

The accounts have been prepared in accordance with the Norwegian accounting act and generally accepted accounting principles in Norway (NGAAP). The accounts do not include all information required for annual accounts and should be read in conjunction with the Parent Company's annual accounts for 2017. Norsk Regnskapsstiftelse has not approved new amendments to its standards with effect for 2018. All figures presented are in NOK unless otherwise stated.

### Shares and other securities

Long term investments in subsidiaries, associated companies and other shares and bonds, which are held to maturity date, are classified as financial fixed assets in the balance sheet and measured at the lower of cost and market value. As a consequence of the market value of the shares in Fred. Olsen Energy ASA at 31 March 2018 is lower than book value the Investment has been adjusted down with NOK 346 million to reflect the requirements in NGAAP.



# BONHEUR ASA

## 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:	<b>Net Interest Bearing Debt</b> 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