

Annual Report 2015



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Key Figures (consolidated accounts)

(Amounts in NOK million)	2015	2014	2013	
Income statement				
Operating income	14 640.4	12 347.3	10 257.4	
Operating profit before depreciation and impairment losses (EBITDA)	6 243.3	4 322.3	4 012.2	
Operating profit (EBIT)	-2 361.3	1 303.5	1 556.6	
Share of profit in associates	-2.1	107.9	0.7	
Net finance income / expense (-)	-535.5	-469.4	18.6	
Profit before tax	-2 898.8	942.0	1 576.0	
Tax income / expense (-)	94.9	-445.0	-101.8	
Net profit from continuing operations	-2 803.9	497.0	1 474.2	
Net result from discontinued operations	0.0	0.0	-205.0	
Profit for the year	-2 803.9	497.0	1 269.2	
Non-controlling interests	-1 542.4	377.9	860.9	
Profit for the year (shareholders of the parent)	-1 261.5	119.2	408.3	
Statement of financial position				
Non-current assets	28 220.1	32 165.3	24 058.9	
Current assets	13 586.0	9 250.3	8 238.5	
Equity ex non-controlling interests	9 100.8	7 930.2	7 094.2	
Non-controlling interests	6 344.2	6 603.6	5 859.3	
Non-current liabilities	19 377.1	19 472.5	11 541.0	
Current liabilities	6 984.1	7 409.3	7 802.8	
Total assets / total equity and liabilities	41 806.1	41 415.5	32 297.3	
Liquidity				
Cash and cash equivalents per 31 December	1)	8 340.3	5 673.2	5 379.1
Net change in cash and cash equivalents	1)	2 038.0	-143.8	1 119.9
Net cash from operating activities	1)	5 240.3	3 108.7	3 408.4
Current ratio	2)	195 %	125 %	106 %
Capital				
Equity-to-assets ratio	3)	37 %	35 %	40 %
Share capital		51.0	51.0	51.0
Total number of shares outstanding		32 345 668	32 345 668	32 345 668
Key figures per share				
(Amounts in NOK)				
Market price 31 December		53.00	73.25	128.50
Dividend per share		2.00	2.50	7.00

1) In accordance with cash flow statement

2) Current assets as per cent of current liabilities

3) Equity as per cent of total assets

The non-controlling interests in the Bonheur Group of companies are presented in the income statement and statement of financial position.

The non-controlling interests consist of 47.74% of Fred. Olsen Energy ASA, 37.01% of Ganger Rolf ASA, 44.06% of NHST Media Group AS and indirectly 49.00% of Fred. Olsen Wind Limited (UK).

Bonheur ASA – Overview

Bonheur ASA (the “Company”) is domiciled in Norway and listed on Oslo Stock Exchange. The consolidated financial statements of the Company as at and for the year ended 31 December 2015 comprise the Company, its subsidiaries and associates (for accounting purposes only in the following referred to as the “Group of companies”). The Company has investments in several business activities, based upon its long term commitment to shipping, offshore drilling, renewable energy and cruise. The Company is increasingly focusing on renewable energy. Investments are normally made in cooperation with the listed subsidiary Ganger Rolf ASA. An Extraordinary General Meeting on 16 March 2016 resolved to merge the Company with Ganger Rolf, with the Company as the surviving entity. The merger is expected to be completed in end of May 2016.

At year-end 2015 the main investments are within the following business segments:

Offshore drilling



Offshore drilling consists of the Bonheur Group of companies' ownership of 51.9 % in the offshore drilling contractor Fred. Olsen Energy ASA (together with subsidiaries “FOE”), which is listed on Oslo Stock Exchange. FOE owns and operates three deepwater units and five mid-water semi-submersible drilling rigs in addition to one tender support vessel and one accommodation unit. In addition FOE owns the ship yard Harland & Wolff in Belfast.

FOE was established in 1997 through the merger of the offshore activities of Ganger Rolf ASA and Bonheur ASA and was listed on Oslo Stock Exchange in October the same year.

Dolphin Drilling Ltd., based in Aberdeen, Scotland, Dolphin Drilling AS in Stavanger and Dolphin Drilling Pte. Ltd in Singapore form the

main part of FOE's drilling division. It is recognized as a medium-sized international drilling operator and has had a leading position within offshore drilling services for more than 40 years.

The principal activities of Harland and Wolff Group Plc. (H&W) include offshore wind foundations, ship repair, engineering and design as well as projects for the offshore oil and gas industry.

In 2015, FOE generated operating revenues of NOK 8 976 million and operating result before depreciation (EBITDA) was NOK 5 131 million.

Renewable energy



The investments within renewable energy are organized through Fred. Olsen Renewables AS with subsidiaries (“FOR”). FOR is primarily engaged in development, construction and operation of wind farms. By the end of the year the installed capacity in operation was 582 MW.

The wind farm portfolio also includes 75.5 MW under construction in Scotland, consents for

additional 914 MW onshore in the UK, Sweden and Norway and 50% of the consented offshore wind project Codling, of approximately 500 MW.

FOR's operating revenues in 2015 amounted to NOK 1 196 million, based on an annual production of 1 393 GWh. Operating result before depreciation (EBITDA) was NOK 811 million.

Shipping / Offshore wind



The shipping / offshore wind activities are organised through Fred. Olsen Ocean Ltd. with subsidiaries (FOO). FOO is 100 % owner of Fred. Olsen Windcarrier AS with subsidiaries ("FOW") and Universal Foundation Norway AS ("UFN").

FOW operates two modern self-propelled jack-up vessels specially designed for transportation and installation of offshore wind turbines. Global Wind Service A/S, a Danish limited company owned 75.5% by FOW, is an international supplier of qualified and skilled personnel to the global wind turbine industry. Fred. Olsen Windcarrier A/S (Denmark) owned

50/50 by Fred. Olsen Windcarrier AS and Global Wind Service A/S, operates a modern fleet of crew transfer vessels used in conjunction with the construction and maintenance of offshore wind farms. UFN together with the subsidiary Universal Foundation A/S (Denmark, 82 % owned) develops and delivers integrated turnkey solutions with its unique MonoBucket® foundation.

Operating revenues in 2015 amounted to NOK 1 050 million and operating result before depreciation (EBITDA) was NOK 81 million.

Cruise



The cruise business is managed through First Olsen (Holdings) Ltd. and its subsidiary Fred. Olsen Cruise Lines Ltd. in Ipswich, UK ("FOCL"). FOCL operates 4 cruise ships with an overall berth capacity of approximately 3 700 passengers. Offering cruise holidays from 2 to 108 nights FOCL provides a diverse range of cruises. The ships' itineraries include long voyages (e.g. round the world), fly/cruises to the Caribbean and ex UK cruises to Scandinavia, Mediterranean and Canary Islands.

In 2015 the company carried about 91 800 passengers.

Operating revenues in 2015 amounted to NOK 2 092 million and operating result before depreciation (EBITDA) was NOK 292 million.

Other investments



Other investments includes the ownership of 54.0 % of NHST Media Group AS, which comprises five main business segments, DN (the business newspaper Dagens Næringsliv and TDN Finans), Global (TradeWinds, Upstream, Intrafish and Recharge), Direct relations, Nautical Charts and Other (Smartcom and Europower). Operating revenues in 2015 amounted to NOK 1 271 million and operating result before depreciation (EBITDA) was NOK 56 million.

Other investments also include an ownership of 12.6 % in the property development company Koksa Eiendom AS.

Directors' Report 2015

Bonheur ASA (the "Company") is a company domiciled in Norway. The consolidated financial statements of the Company as at and for the year that ended 31 December 2015 comprise the Company, its subsidiaries and associates (for accounting purposes only in the following referred to as the "Group of companies").

The Company's head office is in Oslo. The activities of the Group of companies take place in several countries and the main offices are in Norway, Sweden, Denmark, UK, Malta, Singapore and Bermuda.

2015 proved to be an eventful year for the business segments in which the Group of companies is involved. The year was the second in a row that experienced a significant decline in the oil prices. Growing expectations of a continued conservative investment approach within the oil and gas industry were fulfilled, although perhaps to a larger extent than most would foresee. The possibility of a prolonged downturn has gradually started to be taken into account by the affected industries. While on the whole, lower energy prices should benefit the world economy, it will certainly not feel that way for some of the countries and industries that have become used to rely on historically high prices.

In the electricity market, average annual electricity prices in Scandinavia and the UK in 2015 were down 29% and 4%, respectively, from the previous year. For the former, prices were the lowest in 15 years. Consequently, the viability of some electricity producers' business fundamentals will be tested. Owners who have become accustomed to regular dividend income streams may need to reconsider their expenditure priorities going forward. For the latter, i.e. the UK, amendments to the renewable energy subsidy scheme are being implemented which may challenge the attractiveness of constructing new renewable energy capacity.

In the cruise market, passenger yields have continued to increase and coupled with the downturn in oil prices and corresponding reduced bunker expenses the prospects look better than previous years.

Within the offshore wind segment activity has been lower than previous years; however, contract backlog is expected to increase the coming years following scheduled commencement of several offshore wind farm constructions.

In 2015 the Group of companies experienced increased revenues denominated in Norwegian kroner within all business segments, except for Offshore wind, compared to the previous year, partly due to the weakening of Norwegian kroner versus other currencies during the year.

There are ongoing tax disputes between subsidiaries within the Group of companies and the Norwegian tax authorities. For more detailed information, see note 28 – Contingencies and provisions.

The Group of companies' results

(2014 in brackets)

Operating revenues amounted to NOK 14 640 million (NOK 12 347 million). Operating expenses amounted to NOK 8 397 million (NOK 8 025 million).

Operating result before depreciation (EBITDA) was NOK 6 243 million (NOK 4 322 million). Depreciation costs amounted to NOK 3 701 million (NOK 2 749 million). Impairment losses related to property, plant and equipment and intangible assets were NOK 4 904 million (NOK 270 million). Operating result (EBIT) was NOK -2 361 million (NOK 1 304 million).

Net financial items were NOK -535 million (NOK -470 million).

Net result for the year was NOK -2 804 million (NOK 497 million).

After non-controlling interests of NOK -1 542 million (NOK 378 million), controlling interests' share of result after estimated tax amounted to NOK -1 262 million (NOK 119 million). At year-end, the non-controlling interests of the Group of companies consisted of an ownership of 48.08% of Fred. Olsen Energy ASA, 37.34% of Ganger Rolf ASA, 46.01% of NHST Media Group AS and indirectly 49% in Fred. Olsen Wind Limited (UK)

Results from the main activities

The financial results below are presented on 100% basis and net of intra-group eliminations.

Offshore drilling

Offshore drilling comprises Fred. Olsen Energy ASA with subsidiaries ("FOE"), which is owned 51.9 % within the Group of companies.

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The offshore fleet of FOE consists of three deep-water units and five mid-water semi-submersible drilling rigs in addition to one tender support vessel and one accommodation unit. The activities also include shipbuilding, ship repair, construction of offshore wind foundations and engineering at the Harland & Wolff shipyard in Belfast, Northern Ireland.

The negative market development has continued through 2015, with the number of new drilling contracts reaching another low point in 2015. The main contributing factors to the current market conditions are oversupply of oil resulting in low oil prices, activity reduction and a strong focus on cost among the Exploration and Production (E&P) companies. In addition, there is an oversupply of floating drilling units combined with significant numbers of new builds entering the market. On top of this, too many deep-sea floating units have been built beyond what the market needed even before the crisis.

Operating revenues amounted to NOK 8 976 million (NOK 7 475 million). Operating result before depreciation (EBITDA) was NOK 5 131 million (NOK 3 284 million) and operating result (EBIT) was NOK -2 627 million (NOK 933 million), including impairment losses of NOK 4 904 million (NOK 270 million).

Net result after tax was NOK -2 820 million (NOK 796 million).

Renewable energy

Renewable energy consists of Fred. Olsen Renewables AS with subsidiaries ("FOR"), which is 100 % owned within the Group of companies, except the subsidiary Fred. Olsen Wind Limited ("FOWL"), which is 51 % owned. At the end of the second quarter 2015 the UK listed infrastructure fund The Renewables Infrastructure Group Limited ("TRIG") acquired ownership of 49% of FOWL, which is the owner of six wind farms in operation in Scotland.

FOR continued to develop its wind farm activities in the UK, Sweden and Norway. In 2015 the construction of Fäbodliden wind farm (78 MW) was completed and the construction of the wind farms Crystal Rig III (14 MW) and Windy Standard II (61.5 MW) commenced with expected completion in 4 quarter 2016 and 1 quarter 2017, respectively.

In June 2015, 49% of the shares in Fred. Olsen Wind Limited ("FOWL"), which owns and operates six wind farms with installed

capacity of 432.8 MW wind farms in Scotland, were sold to The Renewables Infrastructure Group Limited.

Operating revenues were NOK 1 196 million (NOK 812 million) and the annual production was 1 524 GWh (1 213 GWh).

Operating result before depreciation (EBITDA) was NOK 811 million (NOK 548 million).

Operating result (EBIT) amounted to NOK 389 million (NOK 237 million), while net result was NOK 173 million (NOK -72 million).

Shipping/Offshore wind

At the end of the year Shipping/Offshore wind comprised the holding company Fred. Olsen Ocean Ltd. with subsidiaries ("FOO").

Indirectly through its subsidiary Fred. Olsen Windcarrier AS, FOO provides services in European waters for transportation, installation and service of wind turbines utilizing the modern purpose built jack-up vessels Brave Tern and Bold Tern.

Fred. Olsen Windcarrier A/S (Denmark) is indirectly owned 87.75% by FOO and operates a fleet of high-speed crew transfer vessels built for safe and efficient transport of goods and personnel to and from offshore wind farms. During 2015, the vessels have been contracted to utilities and developers of European offshore wind farm projects. Three vessels are on long-term contracts and five vessels have operated in the spot market in 2015.

Global Wind Service A/S, owned 75.5% by FOO, is an international supplier of around 600 highly qualified and skilled technicians to the global wind turbine industry. The company provides a wide range of installation and maintenance services both onshore and offshore. In 2015, the main activity was onshore in Europe, but the company has also provided services to several offshore wind projects in Europe.

Universal Foundation A/S, indirectly owned 82 %, develops an integrated turnkey solution with its unique suction MonoBucket® offshore wind foundation. Universal Foundation undertook studies and has ongoing discussions with major developers about the use of the Mono Bucket foundation for planned offshore wind farms.

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Total revenues in 2015 amounted to NOK 1 050 million (NOK 1 527 million). Operating result before depreciation (EBITDA) was NOK 81 million (NOK 459 million). Operating result (EBIT) was NOK -56 million (NOK 326 million) and net result was NOK -150 million (NOK -10 million).

Cruise

Cruise consists of First Olsen (Holdings)Ltd., which is 100% owned within the Group of companies. The company indirectly owns four cruise vessels; MS Black Watch, MS Boudicca, MS Braemar, and MS Balmoral. The vessels were operated by the subsidiary Fred. Olsen Cruise Lines Ltd. throughout 2015, and carried 91 772 passengers (2014: 89 435) The company remains focused on the development of innovative cruises that offer its customers a product tailored to complement the ships' size. In 2015, the company has continued to roll out its regional departure program allowing passengers ports that are more convenient in terms of distance from home and efficient itineraries for reaching the planned destinations.

Operating revenues were NOK 2 092 million (NOK 1 655 million). Operating result before depreciation (EBITDA) was NOK 292 million (NOK 146 million). Operating result (EBIT) was NOK 58 million (NOK -39 million) and net result was NOK 71 million (NOK -120 million).

Other investments

Other investments includes the activities of the parent company and other holding companies within the Group of companies in addition to the ownership of 54.0 % in NHST Media Group AS and 12.6 % in Koksa Eiendom AS. NHST Media Group AS is fully consolidated in the accounts from May 2014 following the increase in the combined ownership of Bonheur ASA and Ganger Rolf ASA from 35.6% to 54.0%.

NHST Media Group AS

NHST Media Group AS comprises five main business segments, DN (Dagens Næringsliv – a newspaper for business and TDN Finans), Direct relations (MyNewsdesk and Intermedium AS), Global (TradeWinds, Upstream, Intrafish Media, Europower AS and Recharge), Nautical Charts and Other (Smartcom:tv).

The shift towards digital products continues and represented 31% of total revenues in 2015. The market share and number of copies sold for most of the publications has been relatively sta-

ble compared with the previous year with a small net decrease in total circulation revenues. The advertising revenues decreased by 8% for the full year.

Operating revenues for the full year were NOK 1 272 million (NOK 1 235 million). Operating result before depreciation (EBITDA) was NOK 54 million (NOK 34 million). Operating result was NOK 13 million (NOK -10 million), and net result before tax was NOK 8 million (NOK -15 million).

Koksa Eiendom AS

Bonheur ASA and Ganger Rolf ASA each holds 6.3% of the shares in Koksa Eiendom AS. The company holds commercial properties in the Fornebu Area near Oslo, Norway. A Norwegian government owned entity now control 37% of the shares in the company. Over the last three years, Koksa Eiendom AS has sold properties which have made it possible to distribute dividends to the owners. As per year-end 2015, Bonheur and Ganger Rolf have received dividends of NOK 170 million in aggregate from Koksa Eiendom AS (formerly IT Fornebu Properties AS), of which NOK 2.5 million were received in 2015

Capital and financing

Investments during the year are mainly within FOE and FOR.

Within FOE, capital expenditures amounted to NOK 3 824 million relating to class renewal surveys and general upgrades.

FOR had capital expenditures of NOK 987 million in the year, mainly related to the construction of the Fäbodliden wind farm in Sweden, Crystal Rig III and Windy Standard II in Scotland and pre-construction costs on other wind farm projects.

In total investments in property, plant and equipment during the year amounted to NOK 4 998 million. The Group of companies' net investments amounted to NOK 4 823 million, mainly financed from operating activities with NOK 5 240 million and from financing activities of NOK 1 620 million. Dividend payments to shareholders of the Group of companies amounted to NOK 119 million (NOK 968 million). See cash flow statement.

Gross interest bearing debt of the Group of companies as per 31 December 2015 was NOK 21 012 million, an increase of NOK 2 262 million since year end 2014. Cash and cash equivalents amounted to NOK 8 340 million, an increase of NOK 2 667 million

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since year-end 2014. Net interest bearing debt of the Group of companies at year-end was NOK 12 672 million, a decrease of NOK 405 million since year-end 2014. Equity to asset ratio was 37 % at year-end 2015.

Investments were financed by cash from operations, bank credit facilities and bonds.

The Group of companies' interest bearing debt other than intra-group loans consists of several loans. Some of the main business segments have arranged separate loans to finance their investments. Drawn amounts at year-end under the various bank credit facilities include USD 1 085 million related to FOE, GBP 347 million to FOR and EUR 112 million to FOO. All bank loans within the cruise segment were repaid in full during 2014.

As per 31.12.2015 the Company has issued NOK 2 500 million in unsecured bonds, maturing between 2017 and 2021. In addition FOE has unsecured bonds issued in the Norwegian market of NOK 2 500 million, maturing in 2016 and 2019.

Most of the bank credit facilities are secured by mortgage on the assets within the relevant business segment. The loan agreements contain operational and financial covenants typical for credit arrangements of this nature. As per 31 December 2015 and as per 13 April 2016, the Group of companies is in compliance with all covenants in the loan agreements. See Note 5.

In the opinion of the Board of Directors, the financial situation and cash position are satisfactory and sufficient to meet the Group of company's current commitments.

Corporate Governance

Corporate governance principles of the Company are aligned with the principles founded by the Norwegian Code of Practice for Corporate Governance. The board aims to maintain a framework of good control and corporate governance. The board is of the opinion that the Company complies with the above principles. A description of the Company's compliance with the above is presented on pages 90 to 92.

Corporate Social Responsibility

The Company has a controlling ownership in companies within several business segments and is not directly engaged in significant business activities on its own, except through direct

and indirect shareholding in a variety of companies with different risks related to Corporate Social Responsibilities. The Company is represented on the boards of each main subsidiary and monitors the subsidiaries' Corporate Social Responsibilities and compliance with the overriding guidelines of the Group of companies through the work of the boards. The Company has no employees and the day to day administrative services are performed by Fred. Olsen & Co. Each main subsidiary has established its own Corporate Social Responsibility guidelines which are available on the entities web site. The overriding guidelines of the Group of companies are expanded and further regulated by each of these subsidiaries to reflect the nature of their business.

It is the Group of company's policy to conduct business in accordance with the letter and spirit of the law and with the overriding ethical standards of good business conduct including non-discrimination behaviour, human rights, workers' rights, social aspects, environmental issues and anti-corruption. This is described in the respective company's Code of Conduct, which is available on the relevant company's web site and to all employees.

The Group of companies has not had any major incident related to human rights, working rights, environmental issues or corruption during 2015 and will continue to work towards minimizing the likelihood of incidents in these areas which are in breach of the Group of companies' Corporate Social Responsibility policies in the future.

See: bonheur.no/CSR,
ganger-rolf.com/CSR2,
fredolsen-energy.com/CSR1,
fredolsen-ocean.com/CSR3,
fredolsenrenewables.com/corporate-reports,
fredolsencruises.com/about-us/corporate-social-responsibility/csr-policy

Financial market risk

See also Note 5. The Group of companies is exposed to certain financial risks related to its activities. These are mainly currency risks, interest rate risks, risks related to oil price and electricity prices. The financial risks are continuously monitored and from time to time financial instruments are used to economically hedge such exposures.

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There is also a credit risk related to customers within the individual companies and risks associated with the general development of international financial markets.

Currency risk

The Group of companies' financial statements are presented in NOK. Revenues consist primarily of USD, GBP, EUR and NOK with USD as the dominant currency. The majority of the USD revenues are within FOE. The expenses are primarily in USD, GBP, EUR and NOK. As such, earnings are exposed to fluctuations in the currency market. However, in the longer term parts of the currency exposure are neutralized due to the majority of the debt and a large part of expenses being denominated in the same currencies as the main revenues. Forward exchange contracts are from time to time entered into to further reduce currency exposures.

Interest rate risk

The Group of companies is exposed to interest rate fluctuations, as loans are frequently based on floating interest rates. By the turn of the year, parts of the outstanding loans had been hedged against interest fluctuations through interest rate swap agreements.

Oil price

The Group of companies is exposed to fluctuations in bunker prices, which are fluctuating according to the oil price. This exposure is primarily within the cruise operations, but is also influencing the Offshore drilling segment. By the end of the year, there were some short-term financial contracts outstanding relating to securing part of the bunker costs for the year 2016.

Electricity price

Until 2010 FOR was not exposed to short-term fluctuations of spot electricity prices due to the contract structures related to FOR's wind farms in operation, whereby the contract prices are based on fixed electricity prices. However, the contract structures related to the Group of companies' wind farms, which commenced operation after 2010, are based on fluctuating electricity prices. Consequently, the Group of companies' results are increasingly impacted by fluctuations in spot electricity prices; mainly in the UK, but also in Scandinavia. At present, no financial contracts have been entered into to reduce overall exposure to these fluctuations.

Credit risk

The Group of companies continuously evaluates the credit risk associated with customers and, when considered necessary, requires certain guarantees. As such, the credit risk is considered to be moderate. The customer base within the oil and offshore wind service activities is mostly international oil and energy companies. The customers within renewable energy are large utility companies. Credit risk within FOCL is regarded as low, due to cruise tickets being paid in advance.

Research and development activities

Within the various main business segments there are on-going developments of technologies and methods in cooperation with various supplier communities and engineering companies. Within the offshore industry this relates to offshore drilling. As for renewable energy, the relevant companies are working closely with leading suppliers of turbine technology on programmes to increase efficiency and regularity. There is a close relationship with suppliers with programs to optimize operations and minimize environmental consequences.

The Group of companies has investments in Universal Foundation A/S, Denmark, which has developed a type of foundation for offshore wind installations, and in ScotRenewables Ltd., a company developing a device for tidal renewable energy in the Orkney Islands.

The organization, work environment and equal opportunities

The Company is a holding company and does not have any employees whilst the role as managing director is held by Anette S. Olsen; the proprietor of Fred. Olsen & Co. Administrative services are supplied by Fred. Olsen & Co. in accordance with an agreement on administrative services (see below, as well as Note 9). The Group of companies employed on average 4 841 people during 2015 and had 4 747 employees at the end of the year.

Working environment

The Board of Directors considers the working conditions and the working environment to be satisfactory. Health, Safety and Environmental (HSE) – activities are being managed within the individual business segments and in accordance with relevant industry norms. All business segments work systematically and preventively with HSE measures. The work takes place on a continuous basis and has functioned satisfactorily throughout the year.

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Absence due to sickness in the Group of companies in 2015 was 3.83 % of total working time. The Group of companies is actively working to keep absence due to sickness at a low level. For further information of working environment within the Group of companies, please refer to each of the main subsidiaries' description of its Corporate Social Responsibility on the web site.

Equal opportunities

At the end of 2015 22 % of the employees were female. Two out of five (40 %) Directors of the Company are female.

The Group of companies aims to be a workplace with equal opportunities, offering challenging and motivating jobs to all personnel regardless of nationality, culture, religion and gender. The principle of equal pay for equal work is applied, considering qualifications relating to knowledge, experience and performance. The Group of companies emphasizes the importance of a balanced work environment with a reasonable gender composition for the various position levels.

The composition of genders within the offshore industry reflects the available recruitment base, which traditionally has a higher proportion of men.

External environment

Through its main interests, the Group of companies is engaged in activities which may involve a possible risk for the environment.

Safety and environment are given high priority by the various operations and efforts are made on a continuous basis to prevent situations which might involve damage to health and environment. Important elements of this work are safe and rational operations, an active maintenance programme and an adequate handling of waste. Efforts are continuously made in order to improve and further develop the safety and environment culture on all levels.

All vessels are operated by experienced operators of good standing in accordance with the Group of companies' safety and quality requirements.

Activities within the offshore oil and gas industry involve operations in areas which are environmentally vulnerable. Some of the Group of companies' operations, in particular those related to

the use of fossil fuel, effluents and emissions during operations and the risk of oil spills, may influence the external environment negatively. Safe and rational operations and active maintenance programs are aimed at contributing to avoid accidents which may lead to damage to the external environment. All such operations are sought kept in accordance with company standards and within the rules and regulations in force in those areas and countries where the operations are taking place and in cooperation with operators within the various domains. Waste from processing and operations may directly, and indirectly through chemical reactions, influence the environment balance negatively. There is a continuous focus on reducing the use of dangerous chemicals, replacing these by more environmentally friendly alternatives.

At the same time, the Group of companies operates within renewable energy, primarily through the construction and operation of wind farms. The wind farms are subject to strict concession rules by the authorities in the countries in question. Wind power replaces more polluting energy sources and contributes to improve the environment, both locally and globally.

No incidents have occurred during the year causing serious damage to the external environment.

Subsequent events

On the 8 February 2016, the boards of directors of Bonheur ASA and Ganger Rolf ASA, respectively constituted by their competent board members, announced that they had resolved to propose a merger of the two companies.

Bonheur ASA, currently controlling 62.66 % of the shares in Ganger Rolf ASA, will be the surviving entity in the merger and maintain its listing on the Oslo Stock Exchange. Ganger Rolf ASA's shareholders will receive 0.8174 Bonheur ASA shares for every one share in Ganger Rolf ASA representing 23.95 % ownership of the merged company on a fully diluted basis.

The boards announced that the merger will assist in providing a more transparent and accessible corporate structure which may yield capital and operational efficiencies. The corporate structure of Bonheur and Ganger Rolf has historically taken the form of a cross ownership between the two companies with currently Bonheur ASA owning 62.66% of Ganger Rolf ASA and Ganger Rolf ASA owning 20.70% of Bonheur ASA and where these com-

Directors' Report 2015

panies generally have invested in underlying companies on a 50/50 basis.

The merger is subject to both customary and mandatory closing conditions. The extraordinary general meetings of Bonheur ASA and Ganger Rolf ASA, respectively, approved the merger on 16 March 2016. The merger is expected to be completed by the end of May 2016.

On 24 March 2016 Universal Foundation Norway AS (UFN), a wholly owned subsidiary of Fred. Olsen Ocean Ltd., received an award consequent on arbitral proceedings with Seagreen Wind Energy Ltd. (Seagreen) as claimant and UFN as respondent relative to the failed installation of a meteorological met mast in the Firth of Forth river in Scotland.

The award showed that UFN had lost the case as the Tribunal had found that in the circumstances UFN placed itself in breach of contract when it failed and/or refused to install the met mast in issue.

The Tribunal awarded Seagreen GBP 3,575,021.88 in damages and to this comes interest at 2.5 % and costs.

The damages in question in essence correspond with the installments paid by Seagreen to UFN during the course of the contract in issue. The Tribunal reserved jurisdiction as to the dates from and the amounts on which interests shall run and equally as to the final amount of interest to be awarded and the costs. These issues are now subject to specific procedures between the parties and failing reaching agreement on them the Tribunal will have to make a ruling.

As at 31 December 2015, the claim is not provided for. The company is now assessing how this event will impact the financial accounts.

Outlook

The shallow/mid water semi market faces largely the same issues as the deepwater market with limited new demand resulting in erosion of activity. Cold stacking and scrapping has continued to a limited extent during the last quarters but the units selected for removal from the market have typically been older low specification semis and drillships that were not able

to effectively compete under current conditions. The reduction in effective fleet size has potential to help redress the market balance but support from improved oil prices is still the overriding requirement.

The effects of reduced investment activity within the offshore segments, as well as tight oil plays on land, will be reduction in production volumes from these areas. This is expected to be the main driver in restoring oil supply and demand balance, hence lead to a recovery within the E&P segment in the medium to longer term. In the short term, it is expected that the E&P players will direct their spending to less capital intensive and short-cycle higher-return activity. This would typically be within the most prolific onshore basins and mature offshore areas utilizing existing infrastructure. As a consequence of such a strategy, it is expected that mature shallow/mid water areas will experience a quicker recovery than the more capital intensive deep-water segment.

FOR holds an onshore wind farm portfolio onshore under development in the range of 1 400 – 1 700 MW, of which 914 MW is consented. The remaining are projects with secured land and on-going project development. In addition, FOR holds a 50 % stake in a consented project of approximately 500 MW offshore Ireland (Codling). FOR continues its efforts to develop more acreage suited for wind power in selected regions.

According to the European Wind Energy Association, around 3 470 offshore wind turbines are now installed and connected to the electricity grid at 85 wind farms in 11 countries across Europe. Total installed capacity at the end of 2015 reached 11.5 GW offshore in Europe. The market outlook for 2016 remains stable in Europe in terms of capacity to be grid connected offshore. China has at the end of 2015 installed close to 0.9 GW of offshore wind capacity. In addition, the first wind farm in US waters will be commissioned in 2016.

At the end of 2015 the jack-up vessel Brave Tern, went to a Dutch yard for a leg extension of 14 meters and an upgrade of the main crane boom by 20 meters. This in order to be able to handle the new 8+ MW wind turbines and to operate in water depths down to 60 meter. The work was completed in February 2016. In March 2016, the Bold Tern went to Lloyds Werft in Bremerhaven for a similar upgrade.

Directors' Report 2015

Despite the increased capacity in the cruise industry in 2015 with the addition of 7 new vessels (over 18,000 passengers), FOCL has been able to develop its niche as an experienced small ship operator. This has enabled the company to maintain yields in an increasingly competitive environment. The falling price of fuel over the last 18 months has had a positive impact on the industry as a whole.

The board emphasizes that there are normally significant uncertainties in predicting future development, including effects of political events.

Parent company information

The Company's annual result before tax was NOK -863 million, a decrease of NOK 1 550 million as compared to 2014.

The Company received dividend of NOK 64 million from Ganger Rolf ASA in 2015. During the year, the Company wrote down the book value on shares in Fred. Olsen Energy ASA by NOK 829 million and the investment in Scotrenewables Tidal Power Limited by NOK 24 million.

Net result was NOK -800 million, which is proposed to be allocated as follows:

For dividends	NOK	85 million
To other equity	NOK	-885 million
Total allocated	NOK	-800 million

In accordance with §3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is considered to be appropriate. The accounts are defined by International Financial Reporting Standards (IFRS) for the Group of companies and NGAAP for the parent company. The Company's total capital as per 31 December 2015 was 6 454 million. The Company's cash, cash equivalents and current receivables amounted to NOK 1 280 million.

Dividend/Annual General Meeting

With regard to the Annual General Meeting in 2016, the Board of Directors is proposing a dividend payment of NOK 2.00 per share. The Annual General Meeting is scheduled for Thursday 26 May 2016.

Oslo, 13 April 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

Bonheur ASA - Group of companies

Consolidated Income Statement

For the period 1 January - 31 December

(Amounts in NOK 1 000)	Note	2015	2014
Revenues	7	14 629 122	12 321 677
Gain on sale of property, plant and equipment		11 327	25 650
Total operating income		14 640 449	12 347 327
Cost of sales		- 795 357	- 626 063
Salaries and other personnel expenses	9, 22	-3 211 571	-2 777 475
Other operating expenses	8, 22	-4 389 773	-4 619 671
Loss on sale of property, plant and equipment		- 416	- 1 776
Total operating expenses		-8 397 117	-8 024 986
Operating profit / loss (-) before depreciation and impairment losses		6 243 332	4 322 341
Depreciation and amortisation	12, 13, 15	-3 700 953	-2 749 097
Impairment of property, plant and equipment and intangible assets	12, 13	-4 903 670	- 269 721
Total depreciation and impairment losses		-8 604 623	-3 018 818
Operating profit / loss (-)		-2 361 291	1 303 523
Share of profit / loss (-) in associates	14	- 2 058	107 909
Interest income		79 520	91 559
Other finance income		992 139	1 187 174
Finance income	10	1 071 659	1 278 733
Interest expenses		- 780 657	- 694 178
Other finance expenses		- 826 487	-1 053 999
Finance expenses	10	-1 607 144	-1 748 177
Net finance income / expense (-)		- 535 485	- 469 444
Profit / loss (-) before tax		-2 898 833	941 988
Tax income / expense (-)	11	94 946	- 444 955
Profit / loss (-) for the year		-2 803 887	497 033
Attributable to:			
Share holders of the parent		-1 261 534	119 173
Non-controlling interests		-1 542 353	377 860
Profit / loss (-) for the year		-2 803 887	497 033
Basic earnings per share (NOK)	20	-39.00	3.68

The non-controlling interests in the Bonheur Group of companies are included in the Consolidated Income Statement.

The non-controlling interests consist of 47.74% of Fred. Olsen Energy ASA, 37.01% of Ganger Rolf ASA, 44.06% of NHST Media Group AS and indirectly 49.00% of Fred. Olsen Wind Limited (UK).

Bonheur ASA - Group of companies

Consolidated Statement of Comprehensive Income

For the period 1 January - 31 December

(Amounts in NOK 1 000)	Note	2015	2014
Profit for the period		-2 803 887	497 033
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) on pension plans	22	165 557	- 146 346
Other comprehensive income for the period		-20 665	-5 937
Income tax on other comprehensive income		-54 859	21 450
Total items that will not be reclassified to profit or loss		90 044	- 130 833
Items that may be reclassified subsequently to profit or loss			
Foreign exchange translation effects:			
- Foreign currency translation differences for foreign operations		2 066 057	2 053 893
Hedging effects:			
- Effective portion of changes in fair value of interest hedges		391	255
Fair value effects related to financial instruments:			
- Net change in fair value of available-for-sale financial assets		-11 429	14 296
Other comprehensive income from associates		0	-4 246
Income tax on other comprehensive income	11	1 217	895
Total items that may be reclassified subsequently to profit or loss		2 056 236	2 065 094
Other comprehensive income for the period, net of income tax		2 146 281	1 934 261
Total comprehensive income for the period		-657 607	2 431 295
Attributable to:			
Equity holders of the parent		- 431 234	1 013 982
Non-controlling interests		- 226 373	1 417 313
Total comprehensive income for the period		- 657 607	2 431 295

The non-controlling interests in the Bonheur Group of companies are included in the Consolidated statement of Comprehensive Income.

The non-controlling interests consist of 47.74% of Fred. Olsen Energy ASA, 37.01% of Ganger Rolf ASA, 44.06% of NHST Media Group AS and indirectly 49.00% of Fred. Olsen Wind Limited (UK).

Bonheur ASA - Group of companies

Consolidated Statement of Financial Position

(Amounts in NOK 1 000)	Note	31.12.2015	31.12.2014
ASSETS			
Non-current assets			
Development costs		402 632	363 905
Publishing rights		162 000	162 000
Customer relationship, technology, patents, other		119 360	124 505
Goodwill		416 340	409 558
Intangible assets	13	1 100 332	1 059 968
Deferred tax asset	16	378 527	275 142
Rigs and other offshore units		16 130 073	21 293 662
Ships		4 104 290	3 992 303
Windfarms		5 341 238	4 298 822
Other fixed assets		509 173	502 804
Property, plant and equipment	12	26 084 774	30 087 591
Investments in associates	14	6 161	6 148
Investments in other shares	15	333 216	379 133
Bonds and other receivables	15	272 577	324 769
Pension funds	22	44 558	32 523
Financial fixed assets		656 512	742 573
Total non-current assets		28 220 145	32 165 274
Current assets			
Inventories	17	1 179 950	995 453
Trade receivables	18	1 671 923	1 877 406
Other receivables	18	2 393 836	704 210
Cash and cash equivalents	19	8 340 316	5 673 190
Total current assets		13 586 026	9 250 259
Total assets		41 806 171	41 415 533

The non-controlling interests in the Bonheur Group of companies are included in the Consolidated Statement of Financial Position..

The non-controlling interests consist of 47.74% of Fred. Olsen Energy ASA, 37.01% of Ganger Rolf ASA, 44.06% of NHST Media Group AS and indirectly 49.00% of Fred. Olsen Wind Limited (UK).

Consolidated Statement of Financial Position

(Amounts in NOK 1 000)	Note	31.12.2015	31.12.2014
EQUITY AND LIABILITIES			
Equity			
Share capital		50 987	50 987
Additional paid in capital		25 920	25 920
Total paid in capital		76 907	76 907
Retained earnings		9 023 877	7 853 272
Share of equity attributable to shareholders of the parent		9 100 784	7 930 179
Non-controlling interests		6 344 158	6 603 557
Total equity		15 444 942	14 533 736
Liabilities			
Employee benefits	22	1 281 394	1 391 391
Deferred tax liabilities	16	185 819	114 128
Interest bearing loans and borrowings	21	17 581 242	17 602 378
Other non-current liabilities	23	328 640	364 578
Total non-current liabilities		19 377 094	19 472 475
Current tax	11, 16	126 687	423 084
Interest bearing loans and borrowings	21	3 431 155	1 147 818
Other accruals and deferred income	23	2 548 046	4 939 506
Trade and other payables	24	878 247	898 914
Total current liabilities		6 984 135	7 409 322
Total liabilities		26 361 229	26 881 797
Total equity and liabilities		41 806 171	41 415 533

The non-controlling interests in the Bonheur Group of companies are included in the Consolidated Statement of Financial Position.

The non-controlling interests consist of 47.74% of Fred. Olsen Energy ASA, 37.01% of Ganger Rolf ASA, 44.06% of NHST Media Group AS and indirectly 49.00% of Fred. Olsen Wind Limited (UK).

Oslo, 13 April 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

Bonheur ASA - Group of companies

Statement of Changes in Equity

(Amounts in NOK 1 000)	Share Capital	Share premium	Transl. reserve	Hedging reserve	Fair value reserve	Own shares 1)	Retained earnings		Non-controlling Total interests	Total equity
Balance at 1 January 2014	50 987	25 920	-500 305	-1 270	146 570	-113 270	7 485 548	7 094 180	5 859 308	12 953 488
Total comprehensive income for the period			1 274 649	255	15 192	0	-276 114	1 013 982	1 417 313	2 431 295
Acquisition of subsidiary							88 437	88 437	69 666	158 102
Acquisition of non-controlling interests, without a change in control							-40 000	-40 000		-40 000
Dividends to shareholders in parent company							-226 420	-226 420		-226 420
Dividends to non-controlling interests in subsidiaries								0	-742 729	-742 729
Balance at 31 December 2014	50 987	25 920	774 344	-1 016	161 762	-113 270	7 031 451	7 930 179	6 603 557	14 533 736
Balance at 1 January 2015	50 987	25 920	774 344	-1 016	161 762	-113 270	7 031 451	7 930 179	6 603 557	14 533 736
Total comprehensive income for the period			1 335 671	391	-10 212		-1 757 084	-431 234	-226 373	-657 607
Effect from transactions with non-controlling interests 3)							1 682 703	1 682 703	73 242	1 755 945
Dividends to shareholders in parent company							-80 864	-80 864		-80 864
Dividends to non-controlling interests in subsidiaries								0	-106 268	-106 268
Balance at 31 December 2015	50 987	25 920	2 110 015	-624	151 550	-113 270	6 876 206	9 100 784	6 344 158	15 444 942

Share capital

Par value per share	NOK 1.25
Number of shares issued	40 789 308

Shares outstanding and dividends

	2015	2014
Number of shares outstanding at 1 January	32 345 668	32 345 668
Purchase of own shares	0	0
Number of shares outstanding at 31 December	32 345 668	32 345 668
Number of own shares at 31 December 1) 2)	8 443 640	8 443 640
Total dividends per share	2.00	2.50

The board will propose to the Annual General Meeting on 26 May 2016 to approve a dividend of NOK 2.00 per share.

Translation reserve

The reserve represents exchange differences resulting from the consolidation of associates and subsidiaries having functional currencies other 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 December 2015 the non-controlling interests consist of 47.74% of Fred. Olsen Energy ASA, 37.01% of Ganger Rolf 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 are owned by Ganger Rolf ASA, subsidiary of Bonheur ASA, amounting to 8 443 640 shares. The shares were owned by Ganger Rolf ASA before the company became a subsidiary of Bonheur ASA.
- 2) Excluding dividend to Ganger Rolf ASA.
- 3) See note 33.

Consolidated Cash Flow Statement

(Amounts in NOK 1 000)	Note	2015	2014
Cash flow from operating activities			
Net result after tax		-2 803 887	497 033
<i>Adjustments for:</i>			
Depreciation / amortisation / impairment	12, 13	8 604 623	3 018 818
Impairment of investments / net change in fair value of financial assets	12	43 931	237 396
Net unrealized foreign exchange gain (-) / loss		-391 867	-582 968
Investment income	10	-102 752	-137 694
Interest expenses	10	780 657	694 178
Share of result in associates	14	2 058	-107 909
Net gain (-) / loss on sale of property, plant and equipment		-10 907	-23 874
Net gain (-) / loss on sale of investments	10	-122	-380
Tax income (-) / expense	11	-94 946	444 955
Cash generated before changes in working capital and provisions		6 026 788	4 039 555
Increase (-) / decrease in trade and other receivables		-24 159	-403 257
Increase / decrease (-) in current liabilities		355 474	352 619
Cash generated from operations		6 358 103	3 988 917
Interest paid		-812 735	-676 246
Tax paid		-305 079	-203 925
Net cash from operating activities		5 240 289	3 108 746
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		8 352	330 832
Proceeds from sale of investments		88 009	76 773
Interest received		78 534	95 757
Dividends received		24 311	46 134
Cash effect from new subsidiary		0	187 352
Acquisitions of property, plant and equipment		-4 997 837	-7 040 604
Acquisitions of other investments		-24 067	-179 328
Net cash from investing activities		-4 822 698	-6 483 084
Cash flow from financing activities			
Net proceed from issue of shares in subsidiary	33	1 786 372	0
Increase in borrowings		2 484 931	14 222 101
Repayment of borrowings		-2 532 120	-10 023 956
Dividends paid		-118 789	-967 638
Net cash from financing activities		1 620 394	3 230 507
Net increase in cash and cash equivalents		2 037 985	-143 831
Cash and cash equivalents at 1 January		5 673 190	5 379 111
Effect of exchange rate fluctuations on cash held		629 141	437 910
Cash and cash equivalents at 31 December	19	8 340 316	5 673 190

Notes to the Consolidated Financial Statements

Note 1 – Reporting entity

Bonheur ASA (the “Company”) is a company domiciled in Norway. The address of the Company’s registered office is Fred Olsens gate 2, Oslo. The consolidated financial statements of

the Company as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the “Group of companies” and individually as “Group of

company entities”) and the Group of companies’ interest in associates. The Group of companies is primarily involved in Energy services, Renewable energy and Shipping / Offshore wind.

Note 2 – Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations, as adopted by the European Union and the disclosure requirements following from the Norwegian Accounting Act, that are mandatory to apply at 31.12.2015.

The financial statements were approved by the Board of Directors on 13 April 2016. The financial statements will be published on 30 April 2016. Final approval of the financial statements is performed by the General Meeting scheduled at 26 May 2016.

A number of new standards, amendments to standards and interpretations are expected to be endorsed by the EU. The following new standards are expected to have an impact on the Group of companies financial statements:

- IFRS 9 Financial instruments becomes mandatory for the Group of companies’ 2018 consolidated financial statements. The standard deals with classification, measurement, hedge accounting and impairment of financial instruments, and will replace IAS 39 on these topics. The extent of the impact has not been determined.
- IFRS 15 Revenue from Contracts with Customers becomes mandatory for the Group of companies’ 2017 consolidated financial statements. The standard presents a single, principles-based five-step model for determination and recognition of revenue to be applied to all contracts with customers. The standard replaces existing IFRS requirements in IAS 11 Construction Contracts and IAS 18 Revenue, as well as supplemental IFRIC guidance. The extent of the impact has not been determined.

- IFRS 16 Lease contracts becomes mandatory for the Group of companies’ 2019 consolidated financial statements. The new standard will change the definition of lease contracts and may change which contracts that will fall within the standard and how these should be accounted for. The extent of the impact has not been determined.

The Group of companies have during 2015 adopted amended IFRS 1, 3 and 13, amended IAS 40 and IFRIC 21. None of these standards have materially impacted the financial statements of the Group of companies.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- available-for-sale financial assets are measured at fair value
- non-derivative bond loan (amortised cost)
- Employee benefits measured at fair value

The methods used to measure fair values are discussed further in note 4.

(c) Functional currency and presentation currency

These consolidated financial statements are presented in Norwegian Kroner (NOK), the functional currency of Bonheur ASA. All financial information presented in NOK has been rounded to the nearest thousand.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Reassessment of accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the following notes:

- Note 7 Revenue
- Note 11 Income tax expenses
- Note 12 Property, plant and equipment
- Note 13 Intangible assets
- Note 15 Other investments
- Note 16 Deferred tax assets and liabilities
- Note 22 Employee benefits
- Note 26 Operating leases
- Note 28 Contingencies and provisions

Note 3 – Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group of company entities.

(a) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements include the Company and its subsidiaries (the Group of companies). Subsidiaries are entities controlled by the Group of companies. The Group of companies controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Ganger Rolf is a subsidiary of Bonheur ASA and is fully consolidated in the Bonheur Group of companies without the investment in Bonheur (crossowner effect).

(ii) Associates (investments accounted for using the equity method)

Associates are those entities in which the Group of companies has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method and are initially recognised at cost. The Group of companies' investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group of companies' share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group of companies, from the date that significant influence commences until the date that significant influence ceases. When the Group of companies' share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent

that the Group of companies has an obligation or has made payments on behalf of the associate.

(iii) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group of companies. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net asset acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any realised and unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group of companies' interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Unrealised foreign currency differences from intra-group transactions which are recognised in profit or loss are eliminated, but only to the extent that the currency difference is due to permanent financing.

(v) Non-controlling interests

Non-controlling interests in within the consolidated subsidiaries are identified as a separate item within the Group of companies' equity. Non-controlling interests consist of interests at the date of the original transaction and the non-controlling interests' share of changes in equity since that date. Losses applicable to the non-controlling interests in excess of the non-controlling interests' in the subsidiary's equity are allocated to the majority interests of the Group of companies as there is no obligation for the non-controlling interests to make an additional investment to cover the losses. Acquisitions and sales of non-controlling interests are accounted for entirely as an equity transaction as long as the subsidiary is still under the control of the Bonheur Group of companies.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group of company entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

(ii) Foreign operations

The assets and liabilities of subsidiaries with other functional currency than NOK, are translated into NOK at the exchange rate at the statement of financial position date. Revenues and expenses are translated using average monthly foreign exchange rates, which approximates exchange rates on the dates of the transactions. Foreign exchange differences arising on translation are recognised directly as a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant amount of the component in equity is transferred to profit or loss.

(c) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

...the note continues on the next page

Notes

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits.

Available-for-sale financial assets

The Group of companies' investments in equity securities and certain debt securities are classified as available-for-sale financial assets. The purchase or sale is recognised on the trade date. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Other

Other non-derivative financial instruments, including financial liabilities, are recognised initially at fair value and any directly attributable transaction costs. Subsequent to initial recognition, assets and liabilities are measured at amortised cost using the effective interest method, less any impairment losses.

(ii) Derivative financial instruments

The Group of companies holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The

cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Economic hedges

When derivative financial instruments is not a part of a qualifying hedge relationship, changes in the fair value are recognised immediately in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the relevant plant and equipment and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Costs for special periodic surveys/renewal surveys (SPS/RS) on ships and offshore units required by classification societies, are capitalised and depreciated over the anticipated period between surveys, generally five years. Extensive upgrading and repairs after termination of contracts, are depreciated either over the assumed period to next survey or over the same profile as the unit if the unit's remaining useful life is shorter. Other maintenance and repair costs are expensed as incurred.

Borrowing costs are capitalised as part of cost of certain qualifying assets in accordance with IAS 23, "Borrowing cost". A qualifying asset is

one which necessarily takes a substantial period of time to be made ready for its intended use, generally items that are subject to major development or construction projects.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

(ii) Residual values

Residual values are assessed at the beginning of each accounting year and constitute the basis of the depreciation for the year. Residual values for ships and drilling vessels are estimated based on recoverable material reduced by other demobilisation costs related to the unit. Recoverable material for ships and drilling vessels is calculated as market steel price multiplied by the recoverable lightweight of the unit. Any changes in residual values are accounted for prospectively as a change in accounting estimate.

(iii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group of companies and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iv) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Financially leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group of companies will obtain ownership by the end of the lease term. Land is not depreciated.

Notes

The estimated useful lives for the current and comparative periods are as follows:

Rigs	20 to 25 years
Deepwater Drillship	25 years
Vessels	10 to 20 years
Wind installation vessels	20 years
Service vessels	15 years
Major rig Components	5 to 15 years
Plant and Buildings	5 to 50 years
Machinery and Equipment	3 to 10 years
Windfarms	15 years
Assets under construction	Nil
Cars	7 years
IT Equipment	5 years
Furniture and fixtures	5-10 years

The estimated useful lives, residual values and decommissioning costs are reviewed on a yearly basis. Any changes are accounted for prospectively as a change in accounting estimate.

(e) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures.

In respect of acquisitions goodwill is recognised initially at cost. Goodwill represents the excess of the cost of the acquisition over the Group of companies' interest in the net fair value of the net identifiable assets of the acquiree. When the excess is negative (negative goodwill), it is recognised immediately in profit or loss.

Subsequent measurement

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associates.

(ii) Research and development

Expenses for research activities undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in profit and loss when incurred.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and

commercially feasible, future economic benefits are probable, and the Group of companies intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Borrowing costs related to the development of qualifying assets are capitalised. Other development expenditure is recognised in profit or loss as incurred. When a project is ready for intended use, it is reclassified from intangible assets to the respective groups of property, plant and equipment.

Capitalised development expenditure is measured at cost less accumulated impairment losses.

(iii) Technology, customer relationships and publishing rights

Items of technology and customer relationships are measured at cost less accumulated depreciation and impairment losses.

Technology relates to computer software, patented or unpatented technology or databases. Component recognised are online platform, payment solution and digital map service (nautical charts).

Customer relationships represent the value of the existing customers and are recognised as a separate component.

The estimated useful lives for the current and comparative periods are as follows:

Technology	5 years
Customer relationships	9 years

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item. The estimated useful lives are reviewed on a yearly basis. Any changes are accounted for prospectively as a change in accounting estimate.

Publishing rights/brand names comprise trade name, mastheads, domain name and content rights which contribute significantly to future economic benefit. Publishing rights and brand names are assumed to have indefinite remaining lives.

(f) Inventories and consumables

Inventories and bunkers are recorded at the lower of cost and net realisable value. The Group of companies categorizes spare parts into two groups, spare parts and spare assets. Spare parts are consumables that are not depreciated, but expensed when used against repair and maintenance cost. Consumables are measured at cost less a reserve for overstocked items. Spare assets are a larger spare items that is recorded as a rig component and depreciated.

(g) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Impairment losses in respect of available-for-sale financial assets are recognised in other comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in other comprehensive income is transferred to profit or loss. An impairment loss is recognised in profit or loss if the decline in fair value below cost is significant or prolonged. A decline of at least 20 percent or for a period of at least nine months is considered significant and prolonged, respectively.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial

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assets that are equity securities, the reversal is recognised in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of the Group of companies' non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

When considering impairment indicators, the Group of companies considers both internal (e.g. adverse changes in performance) and external sources (e.g. adverse changes in the business environment). For rigs, vessels and drillship these are analysed by reviewing day rates and broker valuations. If an indicator of impairment is noted, further management estimate is required to determine the amount, if any, of impairment. In order to measure for potential impairment, the carrying amount is compared to the recoverable amount, which is the higher of its fair value less costs to sell and value in use. The value in use is calculated as the present value of the expected future cash flows for the individual units, requiring significant management estimates of the proper discount rates as well as the length and amounts of cash flows.

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to

determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee benefits

(i) Defined benefit plans

Actuarial gains and losses are recognised in other comprehensive income correspondingly affecting the net benefit liability or asset in the statement of financial position.

The Group of companies has pension plans that entitles its members to defined future benefits, called defined benefit plans. The calculation of the liability is made on a linear basis, taking into account assumptions regarding the number of years of employment, discount rate, future return on plan assets, future changes in salaries and pensions, the size of defined benefit contributions from the government and actuarial assumptions regarding mortality, voluntary retirement etc. Plan assets are stated at fair values. Net pension liability comprises the gross pension liability less the fair value of plan assets. Net pension liabilities from under-funded pension schemes are included in the balance sheet as long-term interest free debt, while over-funded schemes are included as long-term interest free receivables, if it is likely that the over-funding can be utilized. The effect of retroactive plan amendments without future benefits, are recognized in the income statement with immediate effect. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) are recognised immediately in other comprehensive income.

Net pension cost, which consists of gross pension cost, less estimated return on plan assets adjusted for the impact of changes in estimates and pension plans, are classified as an operating cost, and is presented in the line item "operating expenses".

Pension schemes base the discount rate on the yield at the statement of financial position date, adjusted to reflect the terms of the obligations. The calculation is performed by a qualified actuary using the projected unit

credit method.

When the calculation results in a benefit to the Group of companies, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When benefits of a plan are improved, the portion of the increased benefit relating to past service is recognised as an expense in the income statement on a straight-line basis until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised in the income statement.

It was decided to implement a transition from the current Defined Benefit Scheme to a Defined Contribution Scheme. All persons employed after 1 June 2012 was offered a Defined Contribution Scheme (at present maximum contribution). For all those who were employed before June 2012 there was an option to choose between the two alternatives. Obligations for contributions to defined contribution plans are expensed as the related services is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Employees of certain subsidiaries are covered by multi-employer pension plans administered by trade unions and by plans administered by related companies. Costs related to these plans are expensed as incurred.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group of companies has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(i) Provisions

A provision is recognised if, as a result of a past event, the Group of companies has a present legal or constructive obligation that can be estimated reliably, and it is probable

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that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(j) Revenue

Electric power

Revenue from sale of electric power is recognised in the period the power is generated and supplied to the customers, at rates in the relevant contracts.

Cruise

Revenue represents gross ticket income after discount and onboard income earned and is recognised in the period the services are rendered. Prepayments from sale of cruises are classified as deferred income until the cruise commences.

Charter-hire contracts and other service contracts

Revenue derived from charter-hire contracts or other service contracts are recognised in the period that services are rendered at rates established in the relevant contracts. Certain contracts include mobilisation fees payable at the start of the contract. In cases where the fee covers a general upgrade of a rig, vessel, or equipment which increases the value of the rig, vessel or equipment beyond the contract period, the fee is recognised as revenue over the contract period. In cases where the fee covers specific upgrades or equipment specific to the contract, the mobilisation fees are recognised as revenue over the estimated contract period for that specific upgrade or equipment. In cases where the fee covers specific operating expenses at the start up of the contract the fees are recognised in the same period as the expenses.

Long-term engineering and fabrication contracts

Revenue on long-term contracts is recognised using the percentage of completion method throughout the performance period of the contract when the outcome can be measured reliably. The percentage of completion is typically calculated based on the ratio of contract costs incurred to date to total estimated contract costs after providing for all known or an-

anticipated costs. On certain contracts the Group of companies may use the ratio of incurred to total estimated direct labour hours to determine the percentage of completion. Costs include material, direct labour and engineering. Selling, general and administrative expenses are charged to operations as incurred. The effect of changes in estimates of contract costs is recorded currently. An expected loss on a contract is recognised immediately in the income statement.

Costs and estimated earnings in excess of billings on uncompleted contracts represent revenues earned under the percentage of completion method but not yet billable under the terms of the contract. Amounts billed in advance of satisfying revenue recognition criteria on long term contracts are classified as billings in excess of costs and estimated earnings on uncompleted contracts.

Generally, contract revenues become billable upon the Group of companies attaining certain contract milestones. The Group of companies typically does not require collateral from customers except in situations where warranted due to assessments of risk factors.

Lease agreements

Leases in terms of which the Group of companies transfers substantially all the risks and rewards of the ownership to the lessee are classified as finance leases. All other leases are classified as operating leases. Classification is based on the substance of the contracts. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

The Group of companies can enter into an agreement that in legal context is not a leasing agreement, but that from the terms in the agreement transfer the right to use the unit to the lessee. Whether the contract is or is considered to include a lease is based on whether the terms in the agreement indicates a specific unit and transfer the right to use the unit.

If the agreement is or contains a lease, it is considered whether the lease is a financial- or an operating lease. The Group of companies has, as a lessor, not entered into any contracts that are considered to be finance leases. Payment received under an operational lease agreement is recognised as revenue over the

contract period.

Commissions

When the Group of companies acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission earned by the Group of companies.

Media and newspaper

Revenue represents subscription income and sale of advertisements. Prepayments from sale of subscriptions are classified as deferred income and are recognised over the subscription period. Revenue from advertisement represents gross income after commissions, discount and claims and is recognised in the period they are published.

(k) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(l) Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, currency gains and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group of companies' right to receive payment is established, which in the case of

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quoted securities is the ex-dividend date. Dividends from non-listed securities are recognised in profit or loss at the date the Group of companies receives the dividends.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, losses on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, currency losses and losses on hedging instruments that are recognised in profit or loss.

(m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income. The Group of companies is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group of companies recognises liabilities for anticipated tax issues based on best estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, or for taxable temporary differences arising on the initial recognition of

goodwill. Deferred tax is measured using the tax rates that are based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, and they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Subsidiaries in the Group of companies operates within the tonnage tax regime. Under the tonnage tax regime, operating profits is fully exempt from taxation on a permanent basis, while net financial items are taxed at a rate of 25% (27% in 2014) nominally.

(n) Consolidated cash flow statement

The cash flow statement reports cash flows during the period classified by operating, investing and financing activities and the Group of companies use the indirect method to present the cash flow statement.

(o) Earnings per share

The Group of companies present basic earnings per share (EPS) data for its shares. Basic EPS is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Shares outstanding is total shares issued net of treasury shares.

(p) Operating segments

A segment is a distinguishable component of the Group of companies that is engaged in providing related products or services (business segment), which is subject to risks and

returns that are different from those of other segments. Segment information is presented in respect of the Group of companies' business segments. The business segments are determined based on the Group of companies' management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(q) Subsequent events

Information about the Group of companies' financial position occurring after the balance sheet date, is taken into account in the financial statements. Significant events after the balance sheet date that do not influence the Group of companies' financial position at the balance sheet date, but may have impact on the Group of companies' future financial position, is disclosed. See note 31 in the financial statements for further details.

Note 4 – Determination of fair values

A number of the Group of companies' accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment (PPE)

The market value of PPE is the estimated amount for which a property could be exchanged on the date of valuation. The market value of items of vessels, rigs and drill ships is based on broker valuations, for other items it is based on quoted market prices for similar items. Fair value may also be based on value in use for the purpose of impairment testing. Value in use is the present value of the future cash flows from continuing use and ultimate disposal of the asset.

(ii) Intangible assets

The fair value of other intangible assets, including goodwill, is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

If such a quoted bid price does not exist at the statement of financial position date, the following items are considered when estimating the fair value:

- the latest known trading price
- average price from transactions
- transactions with high volume

(iv) Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, is estimated as the present value of expected future cash flows.

(v) Derivatives

The fair value of forward exchange contracts is based on available market information. The fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is the estimated amount that the Group of companies would receive or pay to terminate the swap at the statement of financial position date, taking into account current interest rates and the counterparty's credit rating.

(vi) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Note 5 – Financial risk management

The Group of companies is exposed to certain financial risks related to its activities. The financial risks are continuously monitored and from time to time financial derivatives are used to economically hedge such exposures. The monitoring within the various business segments is carried out by the respective companies, in accordance with their policies and procedures, through internal reporting and online based information of movements and market values of relevant financial instruments. Reports on the companies' financial risk exposure are regularly submitted to the respective entities' Board of directors.

For more detailed information – see notes 19 and 25.

Financial market risk

Currency risk

The Group of companies' financial statements are presented in NOK. The Group of companies' revenues consist primarily of USD, GBP, EUR and NOK with USD as the most dominant currency. The USD revenues in 2015 are within the Offshore drilling segment, of which 86% of their revenues were USD. Almost all of the revenues within the Cruise segment and most of the revenues within the Renewable energy segment in 2015 were in GBP. The revenues within the Shipping / Offshore wind segment in 2015 were in EUR. Consequently, out of the group of companies' gross revenues of NOK 14 640 million in 2015, approximately 53% were in USD, approximately 23% were in GBP

and approximately 7% were in EUR. The remaining 17% were mainly in NOK. The Group of companies' expenses are primarily in USD, GBP, EUR and NOK. As such, the Group of companies' earnings are exposed to fluctuations in the currency market. However, in the longer term parts of the currency exposure are neutralized due to the majority of the Group of companies' debt being denominated in the same currencies as the main revenues. Forward exchange contracts are from time to time entered into to further reduce currency exposure.

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Interest rate risk

The Group of companies is exposed to interest rate fluctuations, as loans are frequently based on floating interest rates. By the turn of the year, most of the loans within the group of companies were based on floating interest rates. Parts of the outstanding loans are hedged against interest fluctuations through interest rate swap agreements. At year-end 16% (2014: 16%) of total loans were swapped into fixed rate obligations by use of interest rate swap agreements.

Oil price

The Group of companies is exposed to fluctuations in bunker prices, which are fluctuating with the oil price. This exposure is primarily within the Cruise segment. In 2015 approximately 3% of total operating expenses within the Group of companies were bunker expenses within the Cruise segment. By the end of the year, there were some short-term derivative contracts outstanding relating to securing part of the bunker costs for the year 2016.

Electricity price

Within the Renewable energy segment, the current contract structures for the three wind farms Rothes, Paul's Hill, Crystal Rig I are primarily based on fixed electricity prices. Crystal Rig II, Mid Hill, Rothes II, Lista and Fäboliden are, however, in the spot market and exposed to fluctuations in the electricity prices. Fäboliden is also exposed to fluctuations in the price for electricity certificates.

Credit risk

The Group of companies continuously evaluates the credit risk associated with customers and, when considered necessary, seeks to obtain certain guarantees. The credit risk within the Group of companies is in general considered to be moderate without significant changes from the previous year. The customer base within Offshore drilling, which in 2015 provided approximately 61% of the Group of companies' total revenues, is mostly international oil companies. Customers within Renewable energy are large electricity distributors, while customers within Shipping/

Offshore wind are from the offshore wind industry. Credit risk within cruise is regarded to be remote, due to cruise tickets being paid in advance.

Liquidity risk

Gross interest bearing debt of the Group of companies at year end was NOK 21 012 million (2014: NOK 18 750 million). Cash and cash equivalents amounted to NOK 8 340 million (2014: NOK 5 673 million). Net interest bearing debt of the Group of companies was 12 672 million (2014: 13 077 million). Equity to assets ratio was 37% (2014: 35%).

The Group of companies' interest bearing debt consists of several loans. Some of the main business segments has arranged separate loans to cover their investments.

In 2015 investments were financed by cash from operations, bank credit facilities and bonds.

Planned investments going forward are mainly related to the construction of wind farms.

Dividend payments from Bonheur ASA in 2015 amounted to NOK 102 million (2014: 286 million). In 2015 the Group of companies paid NOK 119 million as dividend to minority shareholders (2014: NOK 968 million).

The Group of companies' short-term cash investments are mainly limited to cash deposits in the Group of companies' relationship banks. Derivative financial instruments are normally entered into with the Group of companies' main relationship banks.

Taking into account estimated revenues, proposed dividend payments and planned capital investments, the Group of companies views the liquidity risk to be moderate.

Capital Management

The objective of the Group of companies is to have a healthy financial position in order to maintain market confidence and sustain future development of the business. The Group

of companies monitor the capital structure and return on capital on a continuous basis, with the aim to maintain a strong capital base while maximizing the return on capital.

The majority of the Group of companies' free available cash and cash equivalents have traditionally been held as bank deposits, however, investments in short- and long-term securities are also made. Capital management within the various business segments is carried out by these respective companies, based on their respective policies and procedures.

The Group of companies is in compliance with all external loan covenants as per 31 December 2015 and 13 April 2016.

Note 6 – Operating segments

The Group of companies has five reportable segments, as described below, which are the Group of companies' strategic business areas. The strategic business areas offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business areas, the Group of companies' CEO reviews internal management reports on at least a quarterly basis. The accounting policies of the reportable segments are the same as described in notes 2 and 3. Information regarding the results of each reportable segments is included below. Performance is measured based on segment operating profit and profit after tax, as included in the internal management reports that are reviewed by the Group of companies' CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group of Companies comprise the following business segments:

1) Offshore drilling

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

Fred. Olsen Energy ASA (52.26%).

2) Renewable energy

Renewable energy is engaged in development, construction and operation of wind farms in Scotland, Norway and Sweden.

Fred. Olsen Renewables AS (100%), Codling Holding Ltd (50%) and Aurora Vindkraft AS (50%).

3) Shipping / Offshore wind

Shipping / Offshore wind consists of ownership in a company owning and operating two transport and installation vessels for offshore wind turbines and ownership in a company offering integrated turnkey solutions to the offshore wind industry.

Shipping activities (inclusive tankers): Fred. Olsen Ocean Ltd. - 100% and Oceanlink Ltd. - 100%.

Offshore wind: Fred. Olsen Windcarrier AS (100%), Universal Foundation Norway AS (100%) and Fred. Olsen Ocean Ltd. - 100%.

4) Cruise

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

Fred. Olsen Cruise Lines Ltd (100%) and First Olsen Holding AS (100%).

5) Other investments

Fred. Olsen Travel AS (100%), Fred. Olsen Insurance Services AS (100%), Fred. Olsen Fly- og Luftmateriell AS (100%), Stavnes Byggeselskap AS (100%), NHST Media Group AS (01.01-30.04.2014: 36.87%, 01.05.2014 - 31.12.2015: 55.94%), Fred. Olsen Cruise Lines Pte. Ltd. (100%), Bonheur og Ganger Rolf ANS (100%), FO Capital Ltd. (100%), Laksa AS (100%), Laksa II AS (100%), Ganger Rolf ASA (100%), Bonheur ASA (100%).

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Fully consolidated companies (Amounts in NOK 1 000)	Offshore drilling 1)		Renewable energy 2)		Shipping/Offshore wind 3)	
	2015	2014	2015	2014	2015	2014
Operating income - external	8 976 217	7 473 651	1 196 394	811 372	1 031 971	1 506 979
Operating income - internal	243	944	0	930	18 089	19 575
Operating costs	-3 845 196	-4 190 228	-385 612	-263 957	-969 242	-1 067 811
Depreciation	-2 855 361	-2 080 677	-421 747	-310 666	-136 877	-134 389
Impairment	-4 903 077	-270 827	0	-838	0	1 974
Operating profit/loss	-2 627 174	932 864	389 035	236 841	-56 058	326 329
Interest income	11 440	16 400	16 414	6 077	1 093	15 653
Interest expenses	-327 796	-273 134	-278 586	-179 455	-45 509	-61 452
Tax income / expense (-)	-11 690	-189 140	-19 340	1 955	675	-232 200
Profit for the year	-2 819 573	796 176	172 507	-72 353	-149 775	-10 376
Total assets	22 669 338	25 782 962	10 682 831	6 380 623	3 261 239	3 315 908
Total liabilities	14 164 002	16 060 860	6 736 803	5 070 271	1 706 792	1 763 351
Total equity	8 505 336	9 722 102	3 946 028	1 310 352	1 554 447	1 552 556
Capital expenditures	3 549 666	5 951 845	877 620	878 170	68 220	38 112

Fully consolidated companies (Amounts in NOK 1 000)	Cruise 4)		Other investments 5)		Eliminations		Group of companies total	
	2015	2014	2015	2014	2015	2014	2015	2014
Operating income - external	2 092 322	1 655 455	1 351 211	908 520	-7 666	-8 650	14 640 449	12 347 327
Operating income - internal	0	0	9 463	9 287	-27 795	-30 736	0	0
Operating costs	-1 800 204	-1 508 959	-1 432 324	-1 033 418	35 461	39 387	-8 397 117	-8 024 986
Depreciation	-233 777	-185 730	-53 191	-37 636	0	0	-3 700 953	-2 749 097
Impairment	0	-30	-593	0	0	0	-4 903 670	-269 721
Operating profit/loss	58 341	-39 265	-125 434	-153 247	0	0	-2 361 291	1 303 523
Interest income	552	733	78 606	109 844	-28 585	-57 147	79 520	91 559
Interest expenses	-5 031	-49 670	-153 966	-201 805	30 231	71 338	-780 657	-694 178
Tax income / expense (-)	-552	-507	125 746	-25 130	107	69	94 946	-444 955
Profit for the year	71 098	-119 647	-78 528	-145 018	384	48 251	-2 803 887	497 033
Total assets	2 126 847	1 827 012	14 863 371	16 778 853	-11 797 455	-12 669 824	41 806 170	41 415 533
Total liabilities	863 844	1 418 946	5 889 270	6 134 195	-2 999 483	-3 565 826	26 361 228	26 881 797
Total equity	1 263 003	408 066	8 974 101	10 644 658	-8 797 972	-9 103 998	15 444 942	14 533 736
Capital expenditures	72 595	133 682	20 786	35 301	0	0	4 588 888	7 037 111

Associates *) (Amounts in NOK 1 000)	Offshore drilling 1)		Renewable energy 2)		Shipping/Offshore wind 3)	
	2015	2014	2015	2014	2015	2014
Operating income	0	0	0	0	0	0
Operating costs	0	0	0	-15	0	0
Depreciation / Impairment	0	0	-2 221	0	0	0
Operating result	0	0	-2 221	-15	0	0
Share of profit in associates	0	0	-2 221	-15	0	0
Share of equity	0	0	0	1 051	0	0

Associates *) (Amounts in NOK 1 000)	Cruise 4)		Other investments 5)		Group of companies total	
	2015	2014	2015	2014	2015	2014
Operating income	0	0	24 818	162 390	24 818	162 390
Operating costs	0	0	-24 168	-163 950	-24 168	-163 966
Depreciation / Impairment	0	0	-2 825	-5 879	-5 046	-5 879
Operating result	0	0	-2 175	-7 439	-4 396	-7 454
Share of profit in associates	0	0	-2 058	107 924	-4 279	107 909
Share of equity	0	0	6 161	5 098	6 161	6 148

*) For further information, please refer to note 14.

Notes

Geographical segments

Fully consolidated companies (Amounts in NOK 1 000)	Europe		Asia		Americas	
	2015	2014	2015	2014	2015	2014
Operating income	11 941 952	9 807 622	102 717	132 378	1 472 553	309 592
Capital expenditure	3 060 178	1 158 616	1 511 236	5 878 495	17 473	0

Fully consolidated companies (Amounts in NOK 1 000)	Africa		Other regions		Consolidated	
	2015	2014	2015	2014	2015	2014
Operating income	1 119 769	2 087 103	3 458	10 633	14 640 449	12 347 327
Capital expenditure	0	0	0	0	4 588 888	7 037 111

The segment operating income is based on the geographical location of the customers. The group's operating income is primarily originating in the Europe from offshore services, cruise activities, offshore wind activities and from ownership and operation of windfarms. The capital expenditures are based on the location of the company that is actually doing the investment.

Major customer

Of the total revenue in 2015, Norway and UK contributed 33% and 40% respectively (2014: 29% and 37%). Revenues from two customers of the Group of companies' offshore drilling segment, Statoil ASA and Anadarko constituted 9% (2014: 8%) and 17% (2014: 17%) respectively of the total revenue.

Note 7 – Revenue

(Amounts in NOK 1 000)	2015	2014
Sales of electricity and other goods	1 456 451	990 814
Sales of Services	13 062 706	11 158 081
Fabrication contract revenue	101 419	164 027
Other operating revenue	8 546	8 756
Total revenue	14 629 122	12 321 677

Note 8 – Operating expenses

(Amounts in NOK 1 000)	2015	2014
Administrative expenses	272 507	222 819
Other operating expenses *)	4 117 266	4 396 852
Total	4 389 773	4 619 671

*) Other operating expenses are mainly related to rig operation (Fred. Olsen Energy ASA), operation of the cruise vessels (Fred. Olsen Cruise Lines Ltd.) and offshore wind (Fred. Olsen Windcarrier AS and Universal Foundation Norway AS). In 2015, rig operation amounts to NOK 1 589.7 million (2014: NOK 2 108.2 million), cruise vessels operation amounts to NOK 1 575.2 million (2014: NOK 1 291.9 million) which are mainly onboard expenses, vessel operations expenses and Selling & Marketing expenses. Operation of offshore wind amounts to NOK 803.4 million (2014: NOK 883.8 million). Research and development expenditures of NOK 1.9 million are recognised in profit or loss in 2015 (2014: NOK 1.2 million).

Professional fees to the auditors

Below is a specification of professional fees to the auditors, included in "Administrative expenses" above. The fees encompass group auditor, KPMG, including affiliates of KPMG, and non-KPMG auditors of the Group of companies subsidiaries.

Professional fees to the auditors	2015	2014
Statutory audit	14 337	13 891
Other attestation services	590	761
Tax advice	1 075	1 865
Other services outside the audit scope	1 761	734
Total (VAT exclusive)	17 763	17 250

Notes

Note 9 – Personnel expenses

Bonheur ASA (the Company) has no employees although the position as managing director is held by Anette S. Olsen as part of the day to day managerial services performed for Fred. Olsen & Co. , comprising also financial, accounting and legal services. Bonheur ASA was in 2015 charged for it's share of such costs, including the service fee for 2015.

In addition to the above, Fred. Olsen & Co. for the same period also charged subsidiaries of Bonheur ASA and other related companies for the provision of same or similar kind of services.

(Amounts in NOK 1 000)	Note	2015	2014
Salaries		2 499 211	2 036 508
Social security costs		293 094	300 308
Employee benefits (pension costs)	22	274 870	277 643
Other		54 913	57 794
Administration cost Fred. Olsen & Co.	29	89 483	105 223
Total		3 211 571	2 777 475
Loan to employees		10 604	9 278

At year end 2015 the Group of companies had 4 747 employees (2014: 4 935 employees by year end). The full time employment (FTE) was in 2015 4 641 employees and the average number of employees was 4 841 persons.

Note 10 – Finance income and expenses

(Amounts in NOK 1 000)	2015	2014
Interest income on available-for-sale financial assets	9 790	12 025
Interest income on receivables	2 192	911
Interest income on bank deposits	67 538	78 623
Interest income	79 520	91 559
Dividend income on available-for-sale financial assets	23 232	46 134
Net gain on disposal of available-for-sale financial assets recognised directly in profit or loss	670	380
Foreign exchange gain	876 670	1 131 783
Net change in fair value of financial assets at fair value through profit or loss - classified as held for trading	75 547	73
Other finance income	16 020	8 804
Other finance income	992 139	1 187 174
Interest expense on financial liabilities measured at amortised cost	-780 657	-694 178
Interest expense	-780 657	-694 178
Foreign exchange loss	-500 977	-579 322
Net loss on disposal of available-for-sale financial assets recognised directly in profit or loss	-548	0
Loss on sale of subsidiary	0	0
Net change in fair value of financial assets at fair value through profit or loss - classified as held for trading	-75 294	-190 596
Impairment of available-for-sale financial assets	-53 045	-53 462
Impairment of receivables	0	0
Other finance expense	-196 623	-230 619
Other finance expense	-826 487	-1 053 999
Net finance expense recognised in profit or loss	-535 485	-469 444

Notes

Note 11 – Income tax expense

(Amounts in NOK 1 000)	2015	2014
Current tax expense		
Current period	183	-432 273
Deferred tax expense		
Origination and reversal of temporary differences	94 763	-12 682
Total income tax income / (-)expense in income statement	94 946	-444 955
Total tax	94 946	-444 955
Income tax income / (-) expense from discontinuing operations	0	0
Income tax income / (-) expense from continuing operations	94 946	-444 955

Income tax recognised in other comprehensive income

(Amounts in NOK 1 000)	2015			2014		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that may be reclassified subsequently to profit or loss						
Hedging effects:	391		391	255		255
Foreign exchange translation effects:	2 066 057		2 066 057	2 053 893		2 053 893
Fair value effects related to financial instruments:	-11 429	1 217	-10 212	14 296	895	15 191
Other comprehensive income for the period	0		0	-4 246	0	-4 246
Total items that may be reclassified subsequently to profit or loss	2 055 019	1 217	2 056 236	2 064 199	895	2 065 094
Items that will not be reclassified to profit or loss						
Actuarial gains/ (losses) on pension plans	173 186	-56 549	116 637	-146 346	21 450	-124 896
Other comprehensive income for the period	-26 593		-26 593	-5 937		-5 937
Total items that will not be reclassified to profit or loss	146 593	-56 549	90 044	-152 283	21 450	-130 833
Other Comprehensive income for the period	2 201 613	-55 332	2 146 281	1 911 916	22 345	1 934 261

Reconciliation on effective tax rate

(Amounts in NOK 1 000)	2015	2014
Profit for the period from continuing operations	-2 803 888	497 033
Total income tax income / expense (-)	-94 946	444 955
Profit before income tax from continuing operations	-2 898 833	941 988

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Notes

	2015		2014	
Income tax using the Company's domestic tax rate	27.0 %	782 685	27.0 %	-254 337
Effect of tax rates in foreign jurisdictions	14.5 %	421 475	-17.7 %	166 279
Effect of impairment of property, plant and equipment in foreign jurisdictions	-45.7 %	-1 323 991	7.7 %	-78 825
Effect of tonnage tax regime	0.5 %	15 822	5.0 %	-46 901
Adjustments for prior year	3.9 %	113 600	15.9 %	-149 638
Change in limitation of deferred tax assets related to tax loss carryforward	-10.7 %	-309 291	63.5 %	-597 761
Tax free gain on shares	0.0 %	112	-0.1 %	1 030
Permanent differences due to currency effects and other	12.2 %	353 343	-48.9 %	463 063
Tax free dividend	1.4 %	41 192	-4.9 %	46 134
Total	-3.3 %	94 946	46.9 %	-444 956
From continued operations		94 946		-444 956

The figures for 2015 are based on provisional estimates of tax free income, non-tax deductible costs and differences in periodic calculations between financial statements and tax accounts. The actual tax costs will be determined when the tax return is finally approved. Actual tax costs may deviate from the provisional estimated tax.

Payable tax is shown in the statement of financial position as follows:

(Amounts in NOK 1 000)	2015	2014
Short term payable tax	126 687	423 084

Income tax recognised directly in other comprehensive income:

(Amounts in NOK 1 000)	2015	2014
Convertible loans and bonds	1 217	895
Other comprehensive income from associates	0	0
Total income tax recognised directly in other comprehensive income	1 217	895

Notes

Note 12 – Property, plant and equipment

(Amounts in NOK 1 000)	Rigs and offshore units	Vessels	Windfarms	Machinery and equipment	Real estate	Other fixed assets	Total
Cost							
Balance at 1 January 2014	22 048 534	6 774 250	4 587 222	758 338	278 015	31 218	34 477 577
Acquisitions 3)	5 877 840	131 171	877 987	66 550	58 133	76	7 011 757
Acquisition due to purchase or subsidiary				25 353			25 353
Reclassifications 2)			41 692	-472	86		41 306
Disposals	-204 524	-572 112	-29 086	-23 566		-10 030	-839 318
Effect of exchange rate fluctuations	5 114 004	947 050	617 658	90 766	19 146	896	6 789 520
Balance at 31 December 2014	32 835 854	7 280 359	6 095 473	916 969	355 380	22 160	47 506 194
Balance at 1 January 2015	32 835 854	7 280 359	6 095 473	916 969	355 380	22 160	47 506 194
Adjustment opening balance				75 710			75 710
Adjusted balance at 1 January 2015	32 835 854	7 280 359	6 095 473	992 679	355 380	22 160	47 581 904
Acquisitions 3)	3 511 382	122 781	915 457	71 870	6 365	313	4 628 168
Reclassifications 2)	-4 207 390		67 543	11 931	-11 931		-4 139 847
Disposals	-2 033 687			-30 366			-2 064 053
Effect of exchange rate fluctuations	6 263 740	795 809	718 278	90 011	23 570	6	7 891 414
Balance at 31 December 2015	36 369 899	8 198 949	7 796 751	1 136 125	373 384	22 478	53 897 586
Depreciation and impairment losses							
Balance at 1 January 2014	7 213 669	2 758 079	1 269 587	529 702	119 727	9 160	11 899 925
Depreciation charge for the year	2 032 965	304 151	309 789	68 030	7 317		2 722 252
Impairment losses 5)	270 827	30					270 857
Reclassifications	0			-1 358	35		-1 323
Disposals	-204 539	-245 723		-13 814		-9 824	-473 900
Effect of exchange rate fluctuations	2 229 270	471 519	217 274	72 860	9 205	664	3 000 792
Balance at 31 December 2014	11 542 192	3 288 056	1 796 650	655 420	136 284	0	17 418 603
Balance at 1 January 2015	11 542 192	3 288 056	1 796 650	655 420	136 284	0	17 418 603
Adjustment opening balance				75 710			75 710
Adjusted balance at 1 January 2015	11 542 192	3 288 056	1 796 650	731 130	136 284	0	17 494 313
Depreciation charge for the year	2 797 439	355 884	414 632	78 447	17 292		3 663 694
Impairment losses 5)	4 903 077			593			4 903 670
Reclassifications			968	14 094	-14 094		968
Disposals	-2 033 792			-20 006			-2 053 798
Effect of exchange rate fluctuations	3 030 910	450 719	243 262	69 279	9 796		3 803 965
Balance at 31 December 2015	20 239 826	4 094 659	2 455 512	873 537	149 278	0	27 812 812
Carrying amounts							
At 1 January 2014	14 834 865	4 016 171	3 317 634	228 636	158 288	22 058	22 577 652
At 31 December 2014 4)	21 293 662	3 992 303	4 298 822	261 549	219 096	22 160	30 087 591
At 1 January 2015	21 293 662	3 992 303	4 298 822	261 549	219 096	22 160	30 087 591
At 31 December 2015 4)	16 130 073	4 104 290	5 341 238	262 588	224 106	22 478	26 084 774
Expected economic life	20 - 25 years	10 - 20 years	15 years	1)	5-50 years		
Depreciation schedule is linear for all categories							

1) Fixtures and office equipment: 5-10 years, cars: 7 years, IT equipment: 5 years

2) In 2015 NOK 67.5 million has been reclassified from development costs to windfarms.

In 2014 NOK 41.7 million was reclassified from windfarms to development costs.

3) Total acquisitions in 2015 include no capitalized borrowing costs (2014: NOK 93 million).

4) Two of the windfarms in Fred. Olsen Renewables are financed through financial leases, and the total carrying amount per year end 2015 for these two windfarms is NOK 461 million (2014: NOK 495 million).

5) See separate description under "Impairment losses" on the next page.

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Notes

Impairment

The Group of companies continuously evaluates its assets on an individual basis at each reporting date to determine whether there is an objective evidence of impairment within the various business segments. One Group segment had indications on need for impairment and tested the recoverable amounts.

Within the Group of companies, impairment of NOK 4 904 million (2014: NOK 371 million) was recognized on property, plant and equipment, split between the segments as follows:

(Amounts in NOK million)	2015	2014
Offshore drilling	4 904	271
Renewable energy	0	0
Cruise	0	0
Shipping / Offshore wind	0	0
Total Impairment	4 904	271

OFFSHORE DRILLING

An impairment loss of USD 607.9 million (NOK 4 904 million) was recorded in 2015. (2014 USD 42.7 million = NOK 271 million). Impairment tests have been undertaken for all the units in the fleet. The determination of the recoverable amount for each Cash Generating Unit (CGU) is based on value in use calculation by estimating future cash flows to be derived from continuing use of each CGU. The Group applied pre-tax discount rates in the range from 9.04% to 9.82% (2014: 8.12% to 9.86%) for the various units. The post tax discount rates varies from 8.52% up to 9.04% due to differences in effective tax rates for the units from 0% up to 14%. For 2014 the post tax rates was 8.12% for all the units. The following impairments have been recorded:

	Year 2015	Discount rates	
	(USD million)	Post-tax	Pre-tax
Blackford Dolphin	172.0	8.54 %	9.82 %
Bredford Dolphin	110.0	8.90 %	9.40 %
Byford Dolphin	98.0	9.04 %	9.04 %
Belford Dolphin	80.0	8.52 %	9.53 %
Borgholm Dolphin	41.0	9.04 %	9.04 %
Borgny Dolphin	15.5	N/A	N/A
Bollsta Dolphin	91.4	N/A	N/A
Total impairment	607.9		

The global market for floating oil and gas drilling units have been weak during 2015 compared to the expectations as per 31 December 2014. There is a dramatic reduction in investments from the oil companies globally in combination with oversupply of new build ultra-deep-water and have created a negativity in the market for offshore drilling units with low (or no) tender activity for new drilling contracts. The market is expected to be weak in 2016 and 2017 but strengthen in 2018. This is reflected in the estimates of future cash flows for the units.

The net book value of the units represent the estimated recoverable amount of the assets that have been impaired.

Blackford Dolphin is working a contract with Chevron, estimated to be completed early 2017. The estimated future day-rates and utilization have been reduced since previous year.

Bredford Dolphin is in lay-up from January 2016. The units' expected utilization and day-rates has been reduced since previous year.

Byford Dolphin is working under a three year contract with BP estimated to be completed at the end of 3rd quarter 2016. During first half of 2015 the unit completed its Class Renewal Survey. The units' expected utilization and day-rates has been reduced since previous year.

Bollsta Dolphin; the Group has cancelled the newbuild contract. The cancellation resulted in impairment related to cost not included in the turn-key

Notes

contract with the yard. This includes attributable cost related to project team, other project cost, capitalized borrowing cost and owner furnished equipment. The remaining value still reported under Rigs and Drillship of USD 6 million represent the estimated value of equipment that will be used by other units.

Belford Dolphin worked under a three year contract with Anadarko estimated to be completed at the end of first quarter 2016. But the client decided to cancel the contract for convenience with effect from 30th September 2015. The unit has undertaken its Class Renewal Survey in third quarter 2015 and is currently in lay-up. The units' expected utilization and day-rates has been reduced since previous year.

Borgholm Dolphin is currently in lay-up. The units' expected utilization and day-rates has been reduced.

Borgny Dolphin is cold stacked in lay-up. The Group assess the likelihood for sale as low and has written the value of the unit down to zero.

Sensitivity

An increase of 1% on the post tax discount rate would have increased the impairment by USD 11 million.

The estimated day rates and utilizations are significant assumptions in the model and if the assumption that the market not will strengthen in 2018 it will have a material impact.

Note 13 – Intangible assets

(Amounts in NOK 1 000)	Development costs 1)	Publishing rights	Goodwill 3)	Customer relationship, technology, patents 2)	Total
Cost					
Balance at 1 January 2014	305 603	0	111 229	2 861	419 693
Acquisitions	62 525			18 605	81 130
Acquisitions due to purchase of subsidiary 4)		162 000	297 342	130 000	589 342
Reclassifications (see note 12)	-41 692				-41 692
Disposals	-838		0		-838
Effect of exchange rate fluctuations	39 077		987	229	40 293
Balance at 31 December 2014	364 675	162 000	409 558	151 695	1 087 928
Balance at 1 January 2015	364 675	162 000	409 558	151 695	1 087 928
Adjustment opening balance				54 271	54 271
Adjusted balance at 1 January 2015	364 675	162 000	409 558	205 966	1 142 199
Acquisitions	63 309		5 902	29 246	98 457
Acquisitions due to purchase of subsidiary 4)					0
Reclassifications (see note 12)	-67 543				-67 543
Disposals					0
Effect of exchange rate fluctuations	43 066		880	1 892	45 838
Balance at 31 December 2015	403 507	162 000	416 340	237 104	1 218 951

Footnotes: See next page

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Notes

(Amounts in NOK 1 000)	Development costs 1)	Publishing rights	Goodwill 3) 4)	Customer relationship, technology, patents 2)	Total
Depreciation and impairment losses					
Balance at 1 January 2014	572	0	0	2 346	2 918
Depreciation charge for the year	199			26 646	26 845
Impairment losses	838			-1 974	-1 136
Reclassifications (see note 12)					0
Disposals	-838				-838
Effect of exchange rate fluctuations	-1			172	171
Balance at 31 December 2014	770	0	0	27 190	27 960
Balance at 1 January 2015	770	0	0	27 190	27 960
Adjustment opening balance				54 271	54 271
Adjusted balance at 1 January 2015	770	0	0	81 461	82 231
Depreciation charge for the year	1 073			36 186	37 259
Impairment losses					0
Reclassifications (see note 12)	-968				-968
Disposals					0
Effect of exchange rate fluctuations				97	97
Balance at 31 December 2015	875	0	0	117 744	118 619
Carrying amounts					
At 1 January 2014	305 031	0	111 229	515	416 775
At 31 December 2014	363 905	162 000	409 558	124 505	1 059 968
At 1 January 2015	363 905	162 000	409 558	124 505	1 059 968
At 31 December 2015	402 632	162 000	416 340	119 360	1 100 332
Expected economic life	3 years			5 - 10 years	

1) Regarding the capitalized development costs, NOK 402 million are related to the subsidiary Fred. Olsen Renewables (FORAS). At each reporting date the company decides if there is any indication of impairment of the company's assets. The assets shall be written down to recoverable amount if impairment is not expected to be temporary. The recoverable amount is defined as the higher of net realizable value and value in use.

The valuation of capitalized development projects reflects the NOK per megawatt valuation approach used by investment banks. The values used reflects information from these. The value is set equal to market value for a consented project multiplied by a %-complete factor. The valuation is limited to calculate excess values on projects that has been capitalised, not those being expensed.

It is FORAS view that the real value of the development projects exceed its book value and therefore no write-down is required. (2014: NOK 0.8 million).

2) Includes capitalized costs from patents related to a subsidiary of Universal Foundation Norway AS. Impairment testing during 2015 resulted in no loss (2014: reversal of previous loss of NOK 2.0 million).

3) Regarding the goodwill NOK 99 million is related to Dolphin Drilling AS, a subsidiary of Fred. Olsen Energy ASA. The Group of companies performs an impairment test of the goodwill in December of each year. A value in use calculation is used for the impairment test, which is the present value of the future cash flows from continuing use and ultimate disposal expected to be derived from the cash generating unit, which is Dolphin Drilling AS. Fair value is not readily determinable.

The value in use calculation was based on the following key assumptions:

Projected cash flows for the rigs being operated by Dolphin Drilling AS are based on budgets and forecasts for 2015, including firm contract day rates and expected future day rates less operating expenses and an annual growth rate of 2.0 percent for subsequent periods over the remaining useful lives of the rigs in Norway.

A discount rate of 8.1 percent was applied in determining the recoverable amount of the unit.

The recoverable amount of Dolphin Drilling AS was estimated to be higher than its carrying amount, and no impairment was required.

Sensitivity

Projected cash flows could vary significantly due to changes in assumptions for Dolphin Drilling AS, however an impairment would still not be expected to be incurred due to the estimated recoverable amount exceeding the CGU's carrying amount by 34%. The remaining amount is mainly due to the acquisition of NHST Media Group, see 4).

4) NHST Media Group has from May 2014 been fully consolidated in Bonheur ASA, following the increase in ownership from 35.6% to 54.0%, resulting in additional intangible assets in the statement of financial position totalling NOK 589 million. For further information see note 34.

A purchase price analysis (PPA) was carried out, see note 34 for details. Goodwill and publishing rights has been impairment tested according to IFRS. Based on a value in use calculation from projected cash flows, there was not identified any need for impairment as per year end of 2015. The calculation was based on a long term annual growth rate in revenues of 2.0 % and a discount rate of 13.6%, equal to the company's estimated WACC.

Notes

Note 14 – Investments in associates

(Amounts in NOK 1 000)	Morgen- bladet AS 1)	Other associates 2)	Total
Consolidated			
Date of acquisition	24.01.2014		
Business office	Oslo		
Bonheur Group's ownership per 31 December 2014	33.33%		
Bonheur Group's percentage of votes per 31 December 2014	33.33%		
Bonheur Group's ownership per 31 December 2015	33.33%		
Bonheur Group's percentage of votes per 31 December 2015	33.33%		
Share of equity per 31.12.2014	4 558	1 591	6 148
Profit from the company accounts	1 053	-3 111	-2 058
Net profit included in Bonheur Group of companies	1 053	-3 111	-2 058
Share issue	0	350	350
Acquisition	0	550	550
Eliminations / Adjustments 3)	0	1 170	1 170
Share of equity per 31.12.2015	5 611	550	6 161
Fair value of the investment			

The presentation shows the accounts for the most significant associates as at 31 December 2015.

- 1) Morgenbladet AS is an associate of NHST Media Group (NHST). The figures for 2014 were included in the column "Other associates" in the annual report for 2014.
- 2) Including Codling Holding Ltd, Aurora Vindkraft AS, Smartcom TV AS and Norcon Computing Systems AS.
- 3) The investment in Aurora Vindkraft AS is fully written off in 2015 in the owner company, Fred. Olsen Renewables AS.

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group of companies.

(Amounts in NOK 1 000)	NHST Media Group AS group	
	2015	2014 *)
Operating income	0	402 604
Operating profit / loss	0	-19 323
Profit for the year	0	-17 495
Hereof non-controlling interests	0	102
Hereof majority interests	0	-17 597
Total assets	0	644 233
Total liabilities	0	533 709

- *) On 9 May 2014, Bonheur ASA and Ganger Rolf ASA together acquired 18.4 % of the shares and voting interests in NHST Media Group (NHST). As a result, the Bonheur Group of companies' equity interest in NHST increased to 54%, and NHST was fully consolidated from 1 May 2014 in the Bonheur Group of companies. For the first four months of the year, NHST was consolidated as an associate.

Notes

Note 15 – Other investments

Shares classified as available for sale (Amounts in NOK 1 000)	Company share capital	Ownership %	Number of shares	Cost price	Fair value as per 31.12.15	Fair value as per 31.12.14
Public listed companies 1)						
Opera Software ASA	2 391	1.02%	1 216 666	5 075	61 502	115 583
Callon Petroleum Company 2)	USD 287	4.93%	1 416 386	177 997	104 058	57 379
Various shares				3 001	904	753
Total public listed companies				186 073	166 464	173 715
Shares with no publicly quoted market price 3)						
Koksa Eiendom AS 4)	514 812	12.62%	16 239 264	137 214	121 800	121 800
Scotrenewables Tidal Power Ltd. 5)	GBP 10	12.70%	133 238	66 534	18 000	57 610
Open Hydro Ltd.	EUR 403	0.56%	228 820	6 376	6 376	6 376
Oslo Børs VPS Holding ASA	86 008	0.06%	23 685	327	2 013	1 776
Fred. Olsen Spedisjon A/S 6)	700	100.00%	700	8 584	8 584	8 584
Innholdsutvikling AS					0	1 359
Feeder Container Vessel DIS	-	2.00%	-	680	907	639
Orchard Offshore DIS	-	3.00%	-	2 193	1 599	0
Various shares				1 113	1 114	1 112
Verdane Capital VI K/S, contribution				197	197	0
Novus Energy Partners LP, contribution		5.80%		10 792	6 161	6 161
Total non-listed companies				234 011	166 751	205 417
Total				420 083	333 216	379 133

- 1) The fair value is determined by using the listed prices of the companies at year end.
- 2) Market value as per 31.12.15 is determined using stock price USD 8.34 (2014: USD 5.45) and rate of exchange USD/NOK 8.8090 (2014: 7.4332).
- 3) Book value of non-listed companies is based on cost, if no reliable measure of fair value exists. Investments are written down based on the Group of companies' policies for impairment. All shares are measured at cost except for Oslo Børs VPS Holding ASA. This share is seldom traded and the fair value is determined by using average price from transactions during the year or from the list of non-listed shares from Norges Fondsmeglerforbund issued as per year end. No share transactions of the shares in Koksa Eiendom AS took place during 2015 and the fair value of the shares cannot be measured reliably. An external evaluation of the real estate has been made, that justifies using cost as the lower of cost or fair value.
- 4) The Bonheur Group of companies' investment in Koksa Eiendom AS was written down with NOK 15 413 674 in 2014.
- 5) Bonheur Group of companies' investment in Scotrenewables Tidal Power Ltd. was written down with NOK 48 534 025 in 2015.
- 6) The company is considered as a financial investment until the activity has reached a level whereby future economic benefits are identifiable.

Other receivables (non-current assets)

(Amounts in NOK 1 000)	2015	2014
Bonds and securities (specification next page)	241 470	298 019
Other interest-bearing loans	14 310	13 842
Other non interest-bearing receivables	16 796	12 907
Total other receivables (non-current assets)	272 577	324 769

Notes

Bonds classified as available for sale 1)

(Amounts in NOK 1 000)	Cost price	Currency	Nominal interest rate 2015	Average interest rate 2015	Redemption date	Fair value as per 31.12.15	Fair value as per 31.12.14
Non-current assets:							
Hafslund ASA	5 000	NOK	1.6 %	1.9 %	2019	4 852	4 994
Hafslund ASA	0	NOK	2.6 %	2.6 %	2015	0	9 979
Hafslund ASA	4 992	NOK	1.8 %	1.3 %	2016	4 986	0
Hafslund ASA	1 992	NOK	1.3 %	1.3 %	2019	1 994	0
Bergenshalvøens Kommunale Kraftselskap	5 011	NOK	2.5 %	2.7 %	2017	4 906	4 995
Bergenshalvøens Kommunale Kraftselskap	0	NOK	2.2 %	2.4 %	2015	0	4 995
Bergenshalvøens Kommunale Kraftselskap	10 081	NOK	2.1 %	2.4 %	2016	9 967	10 067
Lyse Energi AS	0	NOK	2.4 %	2.6 %	2015	0	4 998
Lyse Energi AS	0	NOK	2.4 %	2.6 %	2015	0	4 998
Agder Energi AS	4 993	NOK	2.1 %	2.6 %	2016	4 953	5 006
Agder Energi AS	5 104	NOK	2.1 %	2.4 %	2018	4 997	5 098
Vardar AS	15 000	NOK	2.8 %	3.0 %	2016	14 938	15 000
Tafjord Kraft AS	5 000	NOK	2.3 %	2.5 %	2016	4 945	4 992
Sogn og Fjordane Energi	4 875	NOK	2.3 %	2.6 %	2018	4 743	4 863
Statkraft AS	4 922	NOK	1.4 %	1.7 %	2016	4 891	4 917
Statnett	5 000	NOK	1.7 %	2.0 %	2019	4 897	4 996
Ringeriks kraft	5 000	NOK	2.2 %	2.5 %	2016	4 930	4 994
Energy Services companies	76 970			2.5 %		75 998	94 892
Entra Eiendom AS	10 110	NOK	2.4 %	2.6 %	2017	9 955	10 107
Oslo bolig og sparelag	0	NOK	2.7 %	2.5 %	2015	0	4 996
Oslo bolig og sparelag	5 123	NOK	2.9 %	3.1 %	2016	5 039	5 114
Olav Thon Eiendomsselskap ASA	4 995	NOK	2.3 %	2.6 %	2018	4 873	4 990
Olav Thon Eiendomsselskap ASA	9 942	NOK	1.9 %	2.0 %	2019	9 791	5 007
Norwegian Property ASA	2 000	NOK	2.1 %	2.4 %	2019	1 969	2 000
Real Estate companies	32 170			2.6 %		31 627	32 213
Yara International ASA	8 762	NOK	8.8 %	8.9 %	2016	8 123	8 710
Orkla ASA	13 373	NOK	1.6 %	1.9 %	2017	13 250	13 389
A.P. Møller-Maersk	10 228	NOK	3.3 %	3.5 %	2017	10 002	10 211
Fjellinjen AS	0	NOK	2.0 %	2.2 %	2015	0	5 000
Schibsted ASA	0	NOK	3.2 %	3.4 %	2015	0	7 128
Color Group AS	3 050	NOK	6.5 %	5.3 %	2016	3 037	0
NorgesGruppen AS	10 121	NOK	2.7 %	2.7 %	2017	10 080	0
Posten Norge AS	5 000	NOK	2.0 %	2.3 %	2016	4 963	5 000
Posten Norge AS	5 000	NOK	1.8 %	1.8 %	2018	4 935	0
Posten Norge AS	5 000	NOK	2.0 %	2.0 %	2020	4 891	0
Kongsberg Gruppen ASA	5 485	NOK	4.8 %	4.8 %	2019	5 374	5 558
Wilh. Wilhelmsen ASA	2 940	NOK	2.0 %	2.2 %	2016	2 952	2 925
Veidekke ASA	5 045	NOK	2.9 %	3.1 %	2018	4 930	5 053
Nortura SA	5 240	NOK	3.8 %	4.1 %	2017	5 092	5 239
Tine SA	5 169	NOK	2.6 %	2.9 %	2017	5 054	5 159
Industry companies	84 412			3.6 %		82 685	73 374
Sandnes Sparebank	0	NOK	2.6 %	2.6 %	2015	0	2 489
Sparebank 1 Gruppen	0	NOK	2.4 %	2.4 %	2015	0	12 325
BN Bank ASA	0	NOK	2.4 %	2.5 %	2015	0	5 016
BN Bank ASA	0	NOK	2.4 %	2.6 %	2015	0	9 999
BN Bank ASA	5 005	NOK	1.9 %	2.7 %	2016	4 973	5 001
BN Kreditt AS	4 917	NOK	1.9 %	2.2 %	2016	4 873	4 915
Storebrand ASA	10 000	NOK	2.9 %	3.2 %	2016	9 832	9 850
Storebrand ASA	5 000	NOK	3.6 %	3.9 %	2017	4 841	4 887
Storebrand ASA	2 000	NOK	1.9 %	2.2 %	2019	1 915	2 000
Sparebanken Møre 2)	0	NOK	2.5 %	2.6 %	2)	0	905
Sparebanken 1 SR-Bank	0	NOK	2.6 %	2.5 %	2015	0	4 993
Sparebank 1 Ringerike Hadeland	0	NOK	2.4 %	2.6 %	2015	0	4 977
Sparebank 1 SMN	4 982	NOK	2.1 %	2.4 %	2016	4 932	4 982
Kredittforeningen for Sparebanker	10 142	NOK	2.4 %	2.9 %	2016	10 005	10 127
Kredittforeningen for Sparebanker	10 042	NOK	2.1 %	2.2 %	2018	9 790	10 029
Sparebank 1 Nord-Norge	0	NOK	2.3 %	2.4 %	2015	0	5 047
Finance companies	52 087			2.7 %		51 161	97 540
Total	245 638			2.8 %		241 470	298 019

1) Fair value is based on quoted market prices. 2) Perpetual.

Notes

Note 16 – Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(Amounts in NOK 1 000)	Assets		Liabilities		Net	
	2015	2014	2015	2014	2015	2014
Property, plant and equipment	39 454	33 829	-187 984	-31 779	-148 529	2 051
Gain and loss accounts	2 783	3 756	-29 797	-34 151	-27 015	-30 395
Loans and borrowings	4 120	1 764	-43 674	-22 693	-39 554	-20 929
Shares and bonds	119 384	22 301	-13 417	0	105 967	22 301
Other items	331 903	215 321	-125 616	-28 834	206 288	186 487
Miscellaneous differences	0	0	-2 829	-4 175	-2 829	-4 175
Tax loss carry-forwards	176 684	7 348	-78 306	-1 675	98 379	5 673
Tax assets - liabilities	674 328	284 499	-481 621	-123 307	192 707	161 013
Set off of tax	-295 802	-9 178	295 802	9 178	0	0
Net tax assets - liabilities	378 527	275 142	-185 819	-114 128	192 708	161 013

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relates to income tax levied to the same taxable entity.

Unrecognised deferred tax liabilities

Deferred tax assets have not been recognised in respect of the following items:

(Amounts in NOK 1 000)	2015	2014
Deductible temporary differences	743 969	178 616
Tax losses	1 996 256	1 597 916
Total	2 740 225	1 776 532

As at 31 December 2015, approximately NOK 1.6 billion of the tax losses carried forward are available to offset the taxable income for subsidiaries in UK and NOK 5.7 billion for subsidiaries in Norway, in total 7.3 billion in tax losses carried forward. These losses are not recorded as a deferred tax asset due to uncertainty of the level of the future suitable taxable profits in taxable jurisdictions. The tax losses carried forward have no expiry date.

Tax disputes

There are ongoing tax disputes with Norwegian tax authorities, see Note 28 - Contingencies.

Notes

Note 17 – Inventories

(Amounts in NOK 1 000)	2015	2014
Inventories and consumable spare parts	1 179 950	995 453
Total	1 179 950	995 453

Per year end the Group of companies had inventories and consumable spare parts related to rigs, windfarms, cruise vessels and installation vessels for offshore wind turbines and from NHST Media Group. In addition, there were bunkers and articles of consumption onboard. The spare parts on rigs is booked as repair maintenance expenses in the income statement when used and is not depreciated. The book value of inventories is cost price. In 2015 inventories and consumable spare parts recognised as cost of sales amounted to NOK 795 million (2014: NOK 626 million).

In 2015 there have been no write downs of inventories or reversals of write downs.

Note 18 – Trade and other receivables

Trade and other receivables (current assets)

(Amounts in NOK 1 000)	2015	2014
Other trade receivables	1 671 923	1 877 406
Total trade receivables	1 671 923	1 877 406
Other receivables and prepayments	2 393 688	701 737
Fair value derivatives	0	2 325
Bonds and securities	148	148
Total other receivables	2 393 836	704 210
Total trade and other receivables	4 065 760	2 581 616

At 31 December 2015 Harland & Wolff, a subsidiary of Fred. Olsen Energy Group of companies, had uncompleted activities on various ship repair, ship building, manufacturing and engineering activities.

Profit recognised of estimated earnings and net outstanding receivables on uncompleted contracts (with unconsolidated entities) are as follows:

(Amounts in NOK 1 000)	2015	2014
Contract Revenue during the period, external	101 419	164 025
Contract Revenue during the period, internal	716 229	441 744
Contract cost incurred plus recognised profit on uncompleted contracts	5 628	8 181
Less progress billings to date	-5 395	-6 035
Effect of exchange rate fluctuations	22	381
Accrued and (deferred) revenue, net	255	2 527

Work in progress is included in the accompanying statement of financial position under the following captions:

(Amounts in NOK 1 000)	2015	2014
Accounts receivables	255	2 527
Other accrued expenses and deferred revenue	0	0
Accrued and (deferred) revenue, net	255	2 527

Notes

Note 19 – Cash and cash equivalents

(Amounts in NOK 1 000)	2015	2014
Cash related to payroll tax withholdings	57 784	63 917
Other restricted cash *)	608 320	638 968
Total restricted cash	666 104	702 885
Unrestricted cash	7 674 200	4 970 305
Short-term interest bearing investments	0	0
Total cash & cash equivalents	8 340 304	5 673 190

Unused credit facilities	8 000	8 000
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*) Other restricted cash mainly reflects deposits required when financing the windfarms in Fred. Olsen Renewables. The restricted cash relates to the financial leases of the windfarms Paul's Hill and Rothes.

Note 20 – Earnings per share

Profit attributable to ordinary shareholders

(Amounts in NOK 1 000)	2015	2014
Profit for the year (Majority share)	-1 261 534	119 173
Average number of outstanding shares during the year 1)	32 345 668	32 345 668
Basic earnings per share	-39.00	3.68

Within the Group of Companies there are no financial instruments with possible dilutive effects.

Weighted average number of ordinary shares

	2015	2014
Issued ordinary shares at 1 January	40 789 308	40 789 308
Effect of own shares held 1)	8 443 640	8 443 640
Weighted average number of ordinary shares at 31 December	32 345 668	32 345 668

1) Average number of outstanding shares during 2014 and 2015 is based on number of outstanding shares per 31.12.2014 and 31.12.2015, less the number of shares that Ganger Rolf ASA has in Bonheur ASA.

Notes

Note 21 – Interest bearing loans and borrowings

(Amounts in NOK 1 000)	2015	2014
Non-current interest-bearing liabilities		
Secured bank loans	12 484 906	12 165 844
Unsecured loans	3 648 589	4 971 898
Finance lease liabilities	374 553	408 022
Other loans	1 073 195	56 614
Total	17 581 242	17 602 378
Current interest-bearing liabilities		
Current portion of secured bank loans	2 006 961	1 075 490
Current portion of unsecured loans	1 187 254	0
Current portion of finance lease liabilities	86 398	72 328
Current portion of other loans	0	0
Bank overdraft/other	150 541	0
Total	3 431 155	1 147 818

Per 31 December 2015 Fred. Olsen Energy ASA had USD 270 million undrawn and available under the credit facility for general corporate purposes. The fleet loan is based on USD Libor (3 months) plus a margin.

Fred. Olsen Ocean group, through its subsidiary Fred. Olsen Windcarrier, had per 31 December 2015 a loan balance of EUR 108.75 million relating to the financing facility of its jack-up vessels Brave Tern and Bold Tern. The loan has semi-annual repayments of EUR 7.25 million with a final repayment of EUR 50.75 million. The loan matures in July 2020 and has an interest rate of EURIBOR plus a margin of 2.85%.

Fred. Olsen Renewables Ltd had per 31 December 2015, through its 51% owned subsidiary Fred. Olsen Wind Ltd., drawn a total of GBP 347.2 million under various bank loan facilities. The interest rate of the bank loan facilities is GBP Libor plus a margin of ca. 1.40 % - 3.00 %. The various tranches of the bank loan facilities mature in the period 2021 - 2027. In addition, GBP 93.7 million was drawn by Fred. Olsen Wind Ltd. on two loans from The Renewables Infrastructure Group (UK) Investments Ltd., who holds 49% of the shares in Fred. Olsen Wind Ltd. The interest rate on the loans is 7 %. Of the GBP 93.7 million, a loan of GBP 15.6 million matures in its full amount in 2030. The remaining loan is repaid through variable sized installments in the period up until final maturity in 2021.

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Notes

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

(Amounts in NOK 1 000)	Nominal interest rate	Year of maturity	31 Dec. 2015	31 Dec. 2014
			Carrying amount	Carrying amount
Secured bank loan	EURIBOR + 2.85%	2020	1 068 339	1 179 263
Secured bank loan	LIBOR + 1,40%	2024	379 217	355 059
Secured bank loan	LIBOR + 1,40%	2020	185 526	197 934
Secured bank loan	LIBOR + 1,40%	2021	299 385	302 590
Secured bank loan	LIBOR + 1,50%	2027	1 468 933	1 356 155
Secured bank loan	LIBOR + 1,40%	2027	89 868	79 549
Secured bank loan	LIBOR + 2.0%	2026	539 025	508 795
Secured bank loan	LIBOR + 2.0%	2026	796 934	747 271
Secured bank loan	LIBOR + 2.0%	2026	256 294	231 000
Secured bank loan	1)	2020	9 421 049	8 334 438
Financial lease	5,40%	2026		100
Financial lease	LIBOR + 1,40%	2020	171 738	185 299
Financial lease	LIBOR + 1,40%	2021	289 212	294 951
Unsecured loan	7%	2021/'30	1 224 830	-
Unsecured bond loan 2)	NIBOR + 4.5%/5.0%/3.1%/3.5%	2017/'19/'19/'21	2 488 685	2 484 538
Unsecured bond loan 3)	NIBOR + 4.25%/3.0%	2016/'19	2 275 065	2 483 781
Other			58 295	9 470
Total interest-bearing debt			21 012 397	18 750 195

1) The fleet loan is based on USD Libor (3 months) plus a margin.

2) The market value of the four outstanding Bonheur bond loans maturing in 2017, 2019, 2019 and 2021 were per year end 98.00, 96.38, 87.80 and 83.00, respectively.

3) The market value of Fred. Olsen Energy ASA bond loans maturing in 2016 and 2019 were 97.50 and 47.00, respectively.

Finance lease liabilities

Finance lease liabilities are payable as follows:

(Amounts in NOK 1 000)	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	2015	2014	2014	2014
Less than one year	89 426	92 629	17 621	74 909
Between one and five years	386 067	438 545	41 049	397 497
More than five years	-	26 246	2 849	23 397
Total	475 493	557 421	61 518	495 803

Notes

Book value of collateral

(Amounts in NOK 1 000)	Book value	
	31.12.2015	31.12.2014
Rigs and offshore units	15 986 283	17 066 189
Windfarms	3 980 045	3 654 150
Vessels	2 270 194	2 191 387
Other fixed assets		
Total book value of collateral	22 236 522	22 911 726

Guarantees

Guarantees granted to associates		
Guarantees granted to Group companies entities (reflected in the group accounts by recorded debt)	1 340 176	1 433 974
Total	1 340 176	1 433 974

Guarantees are granted in connection with the following investments

Cruiseships	234 210	201 253
Windfarms	59 900	53 457
Wind vessels	1 046 066	1 179 263
Total	1 340 176	1 433 974

Note 22 – Employee Benefits

Employees of the Group of companies have the right to future pension benefits (defined benefit plan) based upon the number of contribution years and the salary level at retirement. The scheme of each Group of company entity is administered by individual pension funds or by separate insurance companies. Some subsidiaries have defined contribution schemes for some of their employees. Total costs incurred were 67 million (2014: NOK 69 million). The pension plans in the Norwegian companies meet the Norwegian requirements for a Mandatory Company Pension (OTP).

Within the Group of companies it has been decided to implement a transition from the current Defined Benefit Scheme to a Defined Contribution Scheme. All persons employed after 1 June 2012 will be offered a Defined Contribution Scheme. For all those who were employed before June 2012 there was an option to choose between the two alternatives.

In total, the number of members in the defined benefit plans by the end of 2015 were 2 970, of which 1 875 were pensioners (2014: 3 221 of which 2 201 pensioners). The majority of the pensioners were in Harland & Wolff.

The Company has no employees, although the position of managing director is held by Anette S. Olsen as part of the overall managerial services under an agreement with Fred. Olsen & Co., comprising also financial, accounting and legal services. The Company is charged for the execution of these services and for its relative share of pension costs related to the employees of Fred. Olsen & Co

Employees of Fred. Olsen & Co. are members of Fred. Olsen & Co.'s Pension Fund. Employees of Fred. Olsen & Co. have the right to future pension benefits (defined benefit plan for employees employed before 1 June 2012 - see above) based on the number of contribution years and the salary level at the pensionable age.

The Group of companies has unfunded (unsecured) pension obligations towards some executives and other key personnel with salaries in excess of 12 G. The mentioned executives (including executives employed by Fred. Olsen & Co.) have the right to retirement upon reaching 65 years of age. Depending on the company, the pension obligations will represent 66% or 70% of the salary at the time of retirement, varying within the Group of companies.

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Notes

(Amounts in NOK 1 000)	2015	2014
Present value of unfunded obligations	-508 924	-500 199
Present value of funded obligations	-3 549 319	-3 562 154
Total present value of obligations	-4 058 243	-4 062 353
Fair value of plan assets	2 821 407	2 703 485
Net liability for defined benefit obligations	-1 236 836	-1 358 868
Hereof unfunded pension plans (net liability)	-508 924	-500 199
Hereof funded pension plans	-727 912	-858 669
Recognised net overfunding / obligation (-) for defined benefit obligations	-1 236 836	-1 358 868
Financial fixed assets / pension funds	44 558	32 523
Liabilities / Employee benefits	-1 281 394	-1 391 391
Net liability at 31 December	-1 236 836	-1 358 868

Movement in net defined benefit liabilities

Funded defined benefit obligations

(Amounts in NOK 1 000)	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2015	2014	2015	2014	2015	2014
Balance at 1 January	-3 562 154	-2 691 798	2 703 485	2 053 442	-858 669	-638 356
Acquisition of subsidiary		-278 484		229 866	0	-48 618
	-3 562 154	-2 970 282	2 703 485	2 283 308	-858 669	-686 974
Pension contribution			192 119	105 481	192 119	105 481
Transfer of pension obligation	46 565		-33 016		13 549	0
Benefits paid by the plan	148 306	125 867	-136 385	-117 967	11 921	7 900
	194 871	125 867	22 718	-12 486	217 589	113 381
Included in profit and loss:						
Interest on obligation / Interest on plan assets	-123 730	-137 702	92 732	103 755	-30 998	-33 947
Current Service cost	-161 554	-156 209			-161 554	-156 209
Currency effects	26 095	35 062		-12 411	26 095	22 651
Net pension cost	-259 189	-258 849	92 732	91 344	-166 457	-167 505
Included in other comprehensive income:						
Remeasurement (loss) / gain						
Actuarial gain/(loss) arising from:						
Demographic assumptions					0	0
Financial assumptions	240 773	-269 667	-190 018	145 960	50 755	-123 707
Experience adjustments	93 227	44 935			93 227	44 935
Return on plan assets					0	0
	334 000	-224 732	-190 018	145 960	143 982	-78 772
Foreign currency translation	-256 844	-234 158	192 490	195 359	-64 354	-38 799
Balance at 31 December	-3 549 320	-3 562 154	2 821 407	2 703 485	-727 912	-858 669

Notes

Plan assets

At the balance sheet date plan assets are valued using market prices. This value is updated yearly in accordance with statements from the Pension Fund. There are no investments in the Company or in property occupied by the Group of companies.

Major categories of plan assets	2015	2014
Equity instruments	36 %	33 %
Corporate bonds	44 %	43 %
Government bonds	7 %	11 %
Annuities	6 %	7 %
Real estate	3 %	3 %
Other assets	4 %	3 %
Total Plan Assets	100 %	100 %

Unfunded defined benefit obligations

(Amounts in NOK 1 000)	2015	2014
Balance at 1 January	-500 199	-386 171
Acquisition of subsidiary	0	-16 491
Benefits paid by the plan	10 825	9 570
	-489 374	-393 092
Included in profit or loss:		
Current service costs	-29 900	-25 934
Interest on pension liability	-12 462	-15 923
Currency effects	996	1 139
Net pension cost	-41 366	-40 718
Included in other comprehensive income:		
Remeasurement (loss) / gain		
<i>Actuarial gain /(loss) arising from:</i>		
Demographic assumptions	0	-28 335
Financial assumptions	6 689	-31 941
Experience adjustments	14 886	-6 676
	21 575	-66 952
Currency effects	241	563
Balance at 31 December	-508 924	-500 199

Total expense recognised in the income statement

(Amounts in NOK 1 000)	2015	2014
Current service cost	-191 454	-182 143
Interest on obligations	-136 192	-153 625
Expected return on plan assets	92 732	103 755
Currency effects	27 091	23 790
Net pension cost for defined benefit plans	-207 823	-208 224

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Notes

Principal actuarial assumptions at the balance sheet date expressed as weighted averages:

(Amounts in NOK 1 000)	2015	2014
Discount rate at 31 December	2.50 %	2.50 %
Expected return on plan assets at 31 December	2.50 %	2.50 %
Future salary increase	2.25 %	2.50 %
Yearly regulation in official pension index (G)	2.25 %	2.50 %
Future pension increases	1.00 %	1.10 %
Social security costs	14.10 %	14.10 %
Mortality table	K2013	K2013
Disability table	KU	KU

Discount rate in Defined Benefit Plans

The discount rate is determined by reference to high quality corporate bonds, where a deep enough market for such bonds exists. Covered bonds are in this context considered to be corporate bonds. In Norway the discount rate is determined with reference to covered bonds.

Sensitivity

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts below:

(Amounts in NOK 1 000)	Increase in PBO
Future salary increase with 0.25%	-39 682
Future pension increase with 0,25%	-51 363
Discount rate decrease by 0.25%	-183 360
Future mortality increase by 1 year	-124 496

Expected contributions to funded defined benefit plans in 2016 are NOK 132 million.

Expected payment of benefits from the unfunded plans are in 2016 estimated to be NOK 11 million.

Total present value of obligations

(Amounts in NOK 1 000)	2015	2014
Employees	1 723 632	1 835 460
Deferred	799 540	762 124
Pensioners	1 535 073	1 464 769
Total present value of obligation	4 058 243	4 062 353

Risks

The major risks for the defined benefit plans are interest rate risk, investment risk, inflation risk and longevity risk.

Notes

Note 23 – Deferred Income and other accruals

Current items

(Amounts in NOK 1 000)	2015	2014
Accrued interest other	193 804	168 810
Other accruals	1 345 954	3 999 487
Deferred income	1 008 288	771 209
Other accruals and deferred income	2 548 046	4 939 506

The Group of companies has short term deferred income of NOK 1.008 million per 31 December 2015 (2014: 771 million). A major part, NOK 592 million, is due to prepayments from sale of cruises (2014: 505 million), while NOK 416 million is prepayment received from offshore operators (2014: 266 million).

Non-current items:

Decommissioning costs related to windfarms of NOK 17.8 million (2014: 18.1 million) is included under "Other non-current liabilities".

Note 24 – Trade and other payables

(Amounts in NOK 1 000)	2015	2014
Other trade payables	670 223	789 118
Total trade payables	670 223	789 118
Fair value of derivatives *)	208 024	109 796
Total other payables	208 024	109 796
Total trade and other payables	878 247	898 914

*) For further information about derivatives see note 25.

Notes

Note 25 – Financial Instruments

The Group of companies is exposed to various financial risk factors through its operating activities. The factors include market risks (currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The management seeks to minimise the risks and monitors the financial markets closely.

Fair values versus carrying amounts

Unless otherwise stated, the net book values are presumed to reflect the fair value of financial assets and liabilities.

Credit risk

The Group of companies seeks to minimise the credit risk by amongst other factors, insurance cover of credit risk. The revenues and receivables normally arise from a limited number of customers, which are closely monitored. The Group of companies continually evaluates the credit risks associated with customers and counterparties and, when necessary, requires guarantees or collaterals. The Group of companies' short-term investments are mostly limited to cash deposits with its relationship banks. The Group of companies considers its exposures to credit risk to be generally moderate.

The carrying amounts of financial assets represent the maximum credit exposures. The maximum exposure to credit risk at the reporting date was:

(Amounts in NOK 1 000)	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Available-for-sale financial assets, bonds	241 470	241 470	298 019	298 019
Trade receivables *)	4 065 760	4 065 760	2 581 616	2 581 616
Cash and cash equivalents	8 340 316	8 340 316	5 673 190	5 673 190
Derivatives	0	0	0	0
Total	12 647 546	12 647 546	8 552 825	8 552 825

*) Trade receivables are to be collected from the following business segments:

(Amounts in NOK 1 000)	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Offshore drilling	3 019 804	3 019 804	0	0
Renewable Energy	521 379	521 379	479 947	479 947
Cruise	102 380	102 380	0	0
Shipping / Offshore wind	240 193	240 193	0	0
Other Investment	182 003	182 003	2 101 669	2 101 669
Total	4 065 760	4 065 760	2 581 616	2 581 616

Fair value determination

The Group is required to disclose the hierarchy of how fair value is determined for financial instruments recorded at fair value in the consolidated financial statements. The hierarchy gives highest priority to quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Level 2 includes assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly. All values in Level 2 are based on an average quoted price of transactions during the year and year end quoted prices. All values in Level 3 are measured at cost.

(Amounts in NOK 1 000)	Level 1	Level 2	Level 3	Total
31 December 2015				
Available-for-sale financial assets, bonds	241 470	0	0	241 470
Available-for-sale financial assets, shares	166 464	2 013	164 738	333 215
31 December 2014				
Available-for-sale financial assets, bonds	298 019	0	0	298 019
Available-for-sale financial assets, shares	173 715	1 776	203 641	379 132

Notes

Impairment losses

The aging of trade receivables at the reporting date was:

(Amounts in NOK 1 000)	Gross	Impairment	Balance	Gross	Impairment	Balance
	2015	2015	2015	2014	2014	2014
Not past due	2 269 718	-	2 269 718	2 189 620	-	2 189 620
Past due 0-30 days	87 474	-	87 474	233 366	-	233 366
Past due 31-180 days	1 677 004	- 3 107	1 673 897	43 560	- 7 160	36 400
Past due 181-360 days	18 892	- 11 002	7 890	3 480	-	3 480
More than one year	59 621	- 32 840	26 781	146 885	- 28 135	118 751
Total	4 112 709	- 46 949	4 065 760	2 616 911	- 35 295	2 581 616

Based on historic default rates, the Group of companies believes that limited impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.

Of receivables past due 31-180 days, USD 186 million relate to a disputed cancellation of a first instalment from Bollsta Dolphin Pte Ltd. ("Bollsta"), a wholly owned subsidiary of Fred. Olsen Energy ASA ("FOE"), to Hyundai Heavy Industries Co. Ltd. under a contract for the design and construction of a semi-submersible drilling rig, which is subject to arbitral proceedings. Bollsta, together with FOE, are firm that the cancellation was rightful and that Bollsta is entitled to a full repayment of the first instalment.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

(Amounts in NOK 1 000)	Carrying amount	
	2015	2014
UK	668 239	131 771
EURO-zone incl. Norway	1 379 522	2 438 770
America	162 386	3 452
Africa	1 255	0
Asia	1 663 098	7 623
Canada	0	0
Other	191 261	0
Total	4 065 760	2 581 616

Liquidity risk

The Group of companies is exposed to liquidity risk when payments of financial liabilities do not correspond to the cash flow from net profit. In order to effectively mitigate liquidity risk, the Group of companies' risk management strategy focuses on maintaining sufficient cash, marketable securities and committed credit facilities. Moreover, the liquidity risk management strategy focuses on maximising the return on surplus cash as well as minimising the cost of short term borrowing and other transaction costs. In order to uncover future liquidity risk, the Group of companies forecasts both short-term and long-term cash flows. Cash flow forecasts include cash flows stemming from operations, investments and financing activities.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

(Amounts in NOK 1 000)	Carrying amount	Contractual cash flows	Due in				
			2016	2017	2018	2019	2020 and thereafter
31 December 2015							
Non-derivative financial liabilities	21 306 038	22 775 889	4 075 418	3 462 878	2 752 585	5 027 181	7 457 828
Derivative financial liabilities	310 100	560 103	153 936	97 002	88 350	78 051	142 763

(Amounts in NOK 1 000)	Carrying amount	Contractual cash flows	Due in			
			2015	2016	2017	2018
31 December 2014						
Non-derivative financial liabilities	18 920 324	21 050 735	1 779 550	3 713 398	2 932 455	2 215 989
Derivative financial liabilities	298 931	558 767	105 786	93 453	85 864	78 206

...the note continues on the next page

Notes

Currency Risk

The Group of companies' financial statements are presented in Norwegian kroner (NOK). Most of the subsidiaries use US dollar (USD), Euro (EUR) or British Pound (GBP) as their functional currencies. The revenues mainly consist of USD, GBP, EUR and NOK. The operating expenses mainly consist of USD, GBP, EUR and NOK.

The Group of companies is exposed to foreign currency risks related to its operations and debt instruments. As such, the earnings are exposed to fluctuations in the currency markets. The future foreign currency exposure depends on the currency denomination of future operating revenues and expenses. In the longer term, parts of the currency exposures are neutralised due to the majority of the Group of companies' debt is denominated in the same currencies as the revenues.

The management monitors the currency markets closely. In order to reduce the impact of currency rate fluctuations on the net income and the statement of financial position, currency contracts are entered into when considered appropriate.

The Group of companies' exposure to foreign currency risk was as follows based on notional amounts:

The figures are not directly comparable to the figures in the statement of financial position, as the statement of financial position shows the figures in NOK; net of intra group eliminations.

(Amounts in 1 000)	31 December 2015			31 December 2014		
	USD	GBP	EUR	USD	GBP	EUR
Trade receivables	345 912	40 963	25 286	205 340	17 218	74
Secured bank loans	-1 069 480	-311 914	-111 647	-1 171 245	-346 478	-130 567
Cash and bank	223 868	175 526	137 780	217 280	89 751	33 552
Trade payables	-52 313	-8 290	-15 753	-62 343	-4 560	-1 051
Gross statement of financial position exposure	-552 013	-103 715	35 666	-810 968	-244 070	-97 993
Forward exchange contract	-161 000	26 990	4 200	-109 300	13 686	1 800
Net exposure	-713 013	-76 725	39 866	-920 268	-230 383	-96 193

Currency sensitivity analysis

A 10 percent strengthening of the NOK against the following currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

Effect in NOK 1000	Equity	Profit or loss
31 December 2015		
USD	486 268	141 825
GBP	135 576	-35 281
EUR	-34 307	-4 040
31 December 2014		
USD	602 809	81 245
GBP	282 413	-15 836
EUR	88 551	-1 627

Notes

The following significant exchange rates applied during the year:

	Reporting date spot rate	
	2015	2014
1 USD	8.8090	7.4332
1 GBP	13.0720	11.571
1 EUR	9.6190	9.0365

Interest rate risk

When the Group of companies borrows funds externally, the interest rate payable is in most cases based on a floating interest rate. In order to reduce the fluctuations of interests payable, interest rate swap agreements are entered into. The Group of companies is exposed to fluctuations in interest rates for USD, GBP, EUR and NOK.

All the interest rate swaps that are entered into are used for economical hedging. Since the profiles, maturities and other terms of the swaps do not match the underlying liabilities perfectly, the interest rate swaps are not accounted for using hedge accounting. Therefore, the changes in the valuation of the interest rate swaps are taken over the profit and loss statement. The quarterly update of the valuations of the interest rate swaps may result in substantial financial gains and losses, depending on the changes in the interest rate levels.

The management monitors the interest rate markets closely and enters into interest rate swap agreements when this is considered appropriate. At the reporting date approximately 16% of the financial liabilities were interest hedged.

At the reporting date the interest rate profile of the Group of companies interest-bearing financial instruments was:

(Amounts in NOK 1 000)	2015	2014
Fixed rate instruments		
Financial assets	8 123	8 710
Financial liabilities (interest-hedged portion of interest-bearing debt)	-3 368 744	-3 140 600
Total	-3 360 621	-3 131 890
Variable rate instruments		
Financial assets (cash and cash equivalents)	8 340 316	5 673 190
Financial liabilities (non-interest-hedged portion of interest-bearing debt)	-17 644 747	-15 609 596
Total	-9 304 431	-9 936 406

Interest rate sensitivity

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts indicated below. This analysis is on a pre-tax basis and assumes that all other variables, in particular foreign currency rates, remain constant. Changes in the market value of interest rate swap agreements are not included. The analysis is performed on the same basis for 2014.

	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2015				
Net interest costs	-93 044	93 044	-93 044	93 044
31 December 2014				
Net interest costs	-99 364	99 364	-99 364	99 364

Notes

Note 26 – Operating leases

The Group has certain long-term operating leases expiring on various dates, some which contain renewal options.

Nominal accumulated non-cancellable operating lease rentals are payable as follows:

(Amounts in NOK 1 000)	2015	2014
Less than one year	8 927	7 127
Between one and five years	18 732	18 072
More than five years	333 249	276 971
Total	360 907	302 169

A subsidiary, within FOE, Compact Properties (NI) Ltd. in Belfast, has a property lease contract that expires in 2114 and is the major part of the above.

Note 27 – Capital commitments

(Amounts in NOK 1 000)	Per year end 2015			Per year end 2014		
	Committed	Capitalised	Remaining	Committed	Capitalised	Remaining
Fred. Olsen Energy						
Bollsta Dolphin (new semi submersible drilling rig)	-	-	0	3 686 867	2 177 927	1 508 940
Misc.	79 281		79 281	1 003 482	-	1 003 482
Total			79 281			2 512 422
Fred. Olsen Renewables						
Fäbodliden	-	-	0	861 419	200 017	661 402
Windy Standard II	699 994	93 056	606 938	24 299	13 885	10 414
Crystal Rig III	122 283	12 228	110 055			0
Total			716 993			671 816
Fred. Olsen Cruise Lines						
Misc.	38 462	24 512	13 950	33 258	21 698	11 560
Remaining capital commitments			810 224			3 195 798

Note 28 – Contingencies and provisions

Outstanding receivables from customers

As per 31 December 2015 a subsidiary within the Group of companies was involved in legal disputes with one specific customer for claims amounting to USD 18.3 million (NOK 161 million). The subsidiary won the legal dispute, but there are still an outstanding dispute regarding interest calculation on the original disputed amount. The subsidiary made provisions of USD 3 million (NOK 26.4 million), which are still not reversed due to outstanding payments of approximately USD 2.9 million (NOK 25.6 million) at 31 December 2015.

Outstanding issues from suppliers

As per 31 December 2015 a subsidiary was involved in an arbitration process with the Korean yard Hyundai Heavy Industries Co. Ltd. for Bollsta Dolphin, under which the yards's primary claims amounted to USD 329 million (NOK 2 898 million) and their alternative claims to USD 90 million (NOK 793 million). In this arbitration, the yard is claiming that the subsidiary's cancellation of the newbuilding contract in issue was wrongful. On this basis the yard has also claimed entitlement to withhold a first instalment paid by the subsidiary in 2012 amounting to USD 186 million (NOK 1 638 million). The subsidiary has demanded a refund of this instalment together with interest at a rate of five per cent per annum from the date of receipt of this instalment by the yard. The arbitration hearing is set to commence in August 2016. The subsidiary has not made provisions for the outcome of the arbitration process.

Furthermore, a subsidiary was involved in a second arbitration process with a Norwegian yard amounting to NOK 199 million. The disagreement is related to a number of claims regarding variation orders under the contract with the yard. The subsidiary is of the opinion that it is unlikely that the yard will succeed with the arbitration and the subsidiary has not made provisions for the arbitration process.

A subsidiary is involved in a customs issue in one of the countries of operation. This is not expected to have a material effect on the accounts.

Tax disputes

There are ongoing tax disputes in subsidiaries within the Group of companies and the Norwegian tax authorities.

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 expense 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 has challenged the decision to the tax appeal institute ("skatteklagenemda"). In 3rd quarter 2015, Mopu AS received a draft decision regarding penalty tax on the same case. The penalty tax rate was not reflected in the draft, but will be between 30% and 60% of the original paid tax. The company has challenged the draft decision.

In 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 subsidiary received a draft decision in December 2015 claiming additional tax for the period. The subsidiary will challenge the claim. The possible additional tax is estimated to NOK 67 million including penalty tax of 30%. The subsidiary has so far not received a final claim and has not accrued for any payable tax related to this issue in the accounts for 2015.

Notes

Note 29 – Related party information

In the ordinary course of business, the Group of companies recognizes transactions with related companies which may have a significant impact on the financial statements. All services between related parties are based on an arm's length principle with pricing based on costs incurred and allowing for a profit margin or the equivalent hereof. In addition to the transactions described in notes 9, 18, and 22, the following transactions between related parties took place in 2015:

Transactions within the Group of companies

Internal short and long term Group of companies' loans and commitments carry market interest rates according to agreement as at the date of issue. Depending on the terms of the loan agreement, the interest rates set are based on an arm's length basis and follow the market interest rates taking into account the relevant risks involved. The risk involved includes type of business, geographical affiliation, security, duration etc.

Transactions with other related parties

The UK-company Natural Power Consultants Ltd. (NPC), a subsidiary of Fred. Olsen Ltd. (UK), carried out consultancy services for Fred. Olsen Renewables (FOR), a subsidiary of Bonheur ASA. Fred. Olsen Ltd. is indirectly 50 % owned by each of the private Fred. Olsen related companies AS Quatro and Invento AS. NPC carries out consultancy services related to planning and development of windfarms, mainly in the UK. NPC's subsidiary Natural Power Services (NPS) performs operation-related services for windfarms owned by subsidiaries of FOR. In 2015, the said two companies invoiced a total of NOK 53.3 million for services performed (2014: NOK 48.7 million). FOR also hired offices and other administrative services from Fred. Olsen Ltd, for NOK 4.5 million (2014: NOK 4.5 million).

SeaRoc Ltd., which is a wholly owned subsidiary of Fred. Olsen Ltd. has performed services on a subcontractor basis to Universal Foundation Norway AS, a subsidiary indirectly owned 100% by Bonheur ASA. In 2015 SeaRoc Ltd. charged Universal Foundation Norway AS for services rendered of EUR 0.7 million/NOK 6.0 million (2014: USD 0.6 million/NOK 4.9 million).

Fred. Olsen Cruise Lines Ltd. (FOCL) is party to a lease agreement with Fred. Olsen Ltd. (FOL), for office premises in Ipswich. The office rent is market based and amounted to GBP 0.2 million in 2015 / NOK 2.5 million) (2014: GBP 0.2 million/NOK 2.1 million) with further costs charged for the provision of infrastructure and establishment services amounting to GBP 0.9 million (NOK 11.1 million) (2014: GBP 0.8 million / NOK 8.7 million). In addition Fred. Olsen Ltd. invoiced FOCL for office management and personnel services, including the hire of personnel. In 2015, GBP 0.9 million (NOK 11.6 million) was invoiced for these services (2014: GBP 1.0 million / NOK 10.0 million). Fred. Olsen Travel Ltd (FOT), a subsidiary of Fred. Olsen Ltd., invoiced FOCL during 2015 for crew flights etc. amounting to GBP 3.2 million /NOK 40.0 million (2014: GBP 3.5 million /NOK 36.4 million). FOT also earned commission on cruise bookings of GBP 0.5 million /NOK 6.5 million (2014: GBP 0.5 million / NOK 5.5 million).

Fred. Olsen jr. is the chairman of the board of Fred. Olsen Cruise Lines Ltd. (FOCL). During 2015 he received an aggregate compensation of GBP 0.120 million /NOK 1.5 million (2014: GBP 0.140 million / NOK 1.5 million) for work carried out to FOCL and subsidiaries. He also owns a minority interest in Bahia Shipping Services Inc. (Bahia) based in the Philippines, performing certain crew and other personnel related services to FOCL. Bahia invoiced in 2015 FOCL with GBP 10.0 million / NOK 123.0 million (2014: GBP 9.2 million / NOK 95.2 million).

Transactions with Fred. Olsen & Co and relations to key corporate positions

Fred. Olsen & Co. is on a contractual basis in charge of the day-to-day management of the Company and as part of these services Anette S. Olsen holds the position of managing director with the Company. Anette S. Olsen is the proprietor of Fred. Olsen & Co., which per year-end 2015 had 38 employees. In 2015 Fred. Olsen & Co. charged the Company NOK 42.8 million (2014: 39.2 million) for its managerial services allowing also for a profit element. Pension costs are dealt with in note 22. In addition, Fred. Olsen & Co. charged subsidiaries and other Company related parties for comparable services under separate agreements (see note 9).

(Amounts in NOK 1 000)	2015	2014
Management costs invoiced to the Company	42 791	39 179
Management costs invoiced subsidiaries	78 967	97 451
Amount outstanding between Fred. Olsen & Co. and the Company *)	-8 602	-7 601
Amount outstanding between Fred. Olsen & Co. and subsidiaries of the Company *)	-10 293	-8 070

*) Short term outstanding in connection with current operations.

Notes

The compensation paid to Fred. Olsen & Co. and thus available to its proprietor for the aforesaid management of the Company, was in 2015 NOK 7.6 million (2014: NOK 6.4 million). For the Group of Companies this compensation was NOK 15.2 million. (2014: NOK 12.7 million). The increase in compensation is i.a. based on benchmark analyses and corresponding recommendation to the Board by the Shareholders' Committee.

The Company is responsible for covering the pension obligations of Fred. Olsen & Co. relative to those who work in Fred. Olsen & Co. (hereunder the proprietor). The relevant pension costs as to the proprietor for 2015 equals NOK 1.1 million (2014: NOK 0.9 million). For the Group of companies the corresponding figure is NOK 2.2 million (2014: NOK 1.8 million).

Despite the fact that Fred. Olsen & Co. is a distinct service provider to the Company, it can be noted that the group of managers in Fred. Olsen & Co. during 2015(excluding Anette S. Olsen) consisted of four persons. The relative share of the compensation for these persons attributable to the Company is as follows:

(Amounts in NOK 1 000)	The Company		The Group of companies	
	2015	2014	2015	2014
Salary	3 944	3 932	7 888	7 864
Bonus	1 183	1 164	2 367	2 328
Other compensations	32	181	64	362
Total ordinary compensations	5 160	5 277	10 319	10 554
Pension benefits	2 124	2 186	4 247	4 372
Total compensations	7 283	7 463	14 566	14 926

The Group of Companies has established a bonus system for senior management.

Annual payments under the schemes are maximized to one year's salary for one subsidiary, for the other subsidiaries the maximum payment are 60 % of the yearly salary.

One third of the annual bonus award will be paid upon approval of the final accounts, while the remaining balance will be paid evenly over the subsequent two years. In 2015, bonus paid for the Group of companies amounted to NOK 28 million (2014: NOK 37 million).

Remuneration to the Board of Directors and the Shareholders Committee

In 2015, the members of the board and the Managing Director received the following directors' fees:

(Amounts in NOK 1 000)	The Company		The Group of companies	
	2015	2014	2015	2014
Fred. Olsen, chairman of the Board	715	700	1 430	1 400
Andreas Mellbye	210	180	420	360
Helen Mahy	260	223	520	445
Carol Bell (from July 2014)	240	150	480	300
Nick Emery (from July 2014)	260	179	520	358
Anna-Synnøve Bye (till July 2014)	0	43	0	87
Anette S. Olsen, managing Director	0	0	440	456
Total compensations	1 685	1 475	3 810	3 406

In 2015, the Chairman received NOK 1.3 million (2014: 1.3 million) in pension payment from the Company. From the Group of companies NOK 2.7 million (2014: NOK 2.7 million).

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Notes

Effective from 1 January 2013, mr. Fred. Olsen became party to a consultancy agreement with Fred. Olsen & Co. In 2015 NOK 4.0 million was paid under his consultancy agreement with Fred. Olsen & Co. (2014: NOK 8.0 million of which NOK 4 million was attributable to 2013).

(Amounts in NOK 1 000)	2015	2014
Board of Directors' fees		
Fees from the company	1 685	1 475
Fees in subsidiaries	5 051	4 807
Total	6 736	6 282

(Amounts in NOK 1 000)	The Company		The Group of companies	
	2015	2014	2015	2014
Shareholders' committee's fees				
Christian Fr. Michelet	90	90	180	180
Jørgen G. Heje	75	75	150	150
Bård Mikkelsen	75	75	150	150
Aase Gudding Gresvig	75	75	150	150
Einar Harboe	75	75	150	150
Total compensations	390	390	780	780

As per 31 December 2015 the members of the board, members of the shareholders' committee and the Managing Director owned and/or controlled directly and/or indirectly, the following number of shares in the Company:

Board of Directors	Shareholders' committee	Managing Director			
Fred. Olsen	6 224	Einar Harboe	60	Anette S. Olsen	0
Helen Mahy	0	Jørgen G. Heje	1200		
Carol Bell	0	Bård Mikkelsen	0		
Andreas Mellbye	0	Aase Gudding Gresvig	0		
Nick Emery	0	Christian F. Michelet	0		

Private Fred. Olsen related interests directly and/or indirectly owned or controlled 21 375 494 shares in the Company.

Notes

Note 30 – Group of companies

Bonheur ASA is parent in a Group of companies with the following subsidiaries:

	Note	Country of incorporation	Ownership interest	
			2015	2014
Ganger Rolf ASA 1)	3a	Oslo, Norway	62.99 %	62.99 %
Fred. Olsen Energy ASA 2)		Oslo, Norway	52.26 %	52.26 %
Fred. Olsen Renewables AS	33	Oslo, Norway	100.00 %	100.00 %
Fred. Olsen Ocean Ltd. 3)		Hamilton, Bermuda	100.00 %	100.00 %
First Olsen Holding AS		Oslo, Norway	100.00 %	100.00 %
Laksa II AS		Oslo, Norway	100.00 %	100.00 %
NHST Media Group AS 4)	34	Oslo, Norway	55.94 %	55.94 %
Bonheur og Ganger Rolf ANS		Oslo, Norway	100.00 %	100.00 %
FO Capital Ltd.		Valletta, Malta	100.00 %	100.00 %
Fred. Olsen Cruise Lines Pte Ltd		Singapore	100.00 %	100.00 %
Fred. Olsen Travel AS		Oslo, Norway	100.00 %	100.00 %
Fred. Olsen Insurance Services AS		Oslo, Norway	100.00 %	100.00 %
Fred. Olsen Fly og Luftmateriell AS		Oslo, Norway	100.00 %	100.00 %
Stavnes Byggeselskap AS		Oslo, Norway	100.00 %	100.00 %
Fred. Olsen Spedisjon AS 5) 6)		Oslo, Norway	100.00 %	100.00 %
Fred. Olsen Canary Lines S.L. 6)		Spain	100.00 %	100.00 %
Felixstowe Ship Management Ltd. 6)		UK	99.85 %	99.85 %

- 1) In 2014 Bonheur ASA increased its ownership in Ganger Rolf ASA (GRO) through purchase of 180,000 shares bringing the ownership in GRO to 62.66% and the consolidation percentage to 62.99%.
- 2) Fred. Olsen Energy ASA changed reporting currency from Norwegian Kroner (NOK) to US Dollar (USD), with effect from 1 January 2014.
- 3) Fred. Olsen Ocean Ltd. changed reporting currency from US Dollar (USD) to Euro (EUR), with effect from 1 January 2014.
- 4) On 9 May 2014, Bonheur ASA and Ganger Rolf ASA together acquired 18.4 % of the shares and voting interests in NHST Media Group (NHST). As a result, the Bonheur Group of companies' equity interest in NHST increased from 35.6% (consolidation percentage: 36.87%) to 54% (consolidation percentage: 55.94%), and NHST was fully consolidated from 1 May 2014 in the Bonheur Group of companies.
- 5) In 2014 Bonheur Group of companies increased its ownership in Fred. Olsen Spedisjon AS (FOS) through purchase of the remaining shares bringing the ownership in FOS to 100%.
- 6) Based on Bonheur's ownership interest the companies are classified as subsidiaries, but due to no or insignificant activity the companies are not consolidated in the Bonheur Group of companies.

Notes

Note 31 – Subsequent events

On the 8 February 2016, the boards of directors of Bonheur ASA and Ganger Rolf ASA, respectively constituted by their competent board members, announced that they had resolved to propose a merger of the two companies.

Bonheur ASA, currently controlling 62.66 % of the shares in Ganger Rolf ASA, will be the surviving entity in the merger and maintain its listing on the Oslo Stock Exchange. Ganger Rolf ASA shareholders to receive 0.8174 Bonheur ASA shares for every one share in Ganger Rolf ASA representing 23.95 % ownership of the combined company on a fully diluted basis.

The boards announced that the merger will assist in providing a more transparent and accessible corporate structure which may yield capital and operational efficiencies. The corporate structure of Bonheur and Ganger Rolf has historically taken the form of a cross ownership between the two companies with currently Bonheur ASA owning 62.66% of Ganger Rolf ASA and Ganger Rolf ASA owning 20.70% of Bonheur ASA and where these companies generally have invested in underlying companies on a 50/50 basis.

A merger plan and merger report were made available for shareholders on the companies' websites and through Oslo Stock Exchange on 12 February 2016.

On the 16 March 2016, an Extraordinary General Meeting ("EGM") was held in Bonheur ASA and Ganger Rolf ASA, regarding the proposal for a merger between Bonheur ASA and Ganger Rolf ASA.

All items on the agendas, which were sent to Oslo Stock Exchange on 23 February 2016, were unanimously resolved in accordance with the corresponding proposals as identified in the summons and placed before the EGMs.

The EGMs consequentially approved the duly distributed merger plan with appendices dated 11 February 2016 regarding the merger of Bonheur ASA and Ganger Rolf ASA with Bonheur ASA as the surviving company, and the merger will now be carried out subject to and in accordance with the conditions set out in the merger plan. Bonheur ASA controls Ganger Rolf ASA and the current Consolidated Financial Statements of Bonheur ASA incorporates Ganger Rolf ASA. The proposed merger will have no effect on the Consolidated Financial Statements of Bonheur ASA, except for adjustment of the minority interests.

Following the EGMs' approval of the merger plan and subsequent mandatory announcement in the Norwegian Register of Business Enterprises, a six week creditor notice period commenced. The merger is expected to be completed by the end of May 2016.

On 24 March 2016 Universal Foundation Norway AS (UFN), a wholly owned subsidiary of Fred. Olsen Ocean Ltd., received an award consequent on arbitral proceedings with Seagreen Wind Energy Ltd. (Seagreen) as claimant and UFN as respondent relative to the failed installation of a meteorological met mast in the Firth of Forth river in Scotland.

The award showed that UFN had lost the case as the Tribunal had found that in the circumstances UFN placed itself in breach of contract when it failed and/or refused to install the met mast in issue.

The Tribunal awarded Seagreen GBP 3,575,021.88 in damages and to this comes interest at 2.5 % and costs.

The damages in question in essence correspond with the installments paid by Seagreen to UFN during the course of the contract in issue. The Tribunal reserved jurisdiction as to the dates from and the amounts on which interests shall run and equally as to the final amount of interest to be awarded and the costs. These issues are now subject to specific procedures between the parties and failing reaching agreement on them the Tribunal will have to make a ruling.

As at 31 December 2015, the claim is not provided for. The company is now assessing how this event will impact the financial accounts.

Note 32 – Business combinations**Business combinations***Increased ownership in NHST Media Group AS (NHST) in 2014*

On 9 May 2014, Bonheur ASA and Ganger Rolf ASA together acquired 18.4 % of the shares and voting interests in NHST. As a result, the Group of companies' equity interest in NHST increased from 35.6% (36.87% consolidation percentage) to 54% (55.94% consolidation percentage). For further details please see note 34 "Acquisition of subsidiary".

Notes

[Note 33 – Sale of ownership in UK wind farm portfolio](#)

At the end of second quarter 2015 the UK listed infrastructure fund The Renewables Infrastructure Group Limited ("TRIG") acquired ownership of 49 % of Fred. Olsen Renewables Ltd.'s (FORL) 433 MW installed capacity UK onshore wind farm portfolio. TRIG subscribed for GBP 142 101 230 in new shares in the subsidiary Fred. Olsen Wind Limited (FOWL), giving TRIG 49% ownership of the new total issued share capital of FOWL, and at the same time provided FOWL with two loans totalling GBP 103 898 770. The cash proceeds to FOWL resulting from TRIG's share subscription and loan issuances were used to repay existing shareholder loans provided by FORL and to pay special dividend to FORL.

FORL is owned 100% of the subsidiary Fred. Olsen Renewables AS.

The transactions in FOWL has affected the Bonheur Group of companies' consolidated financial position as follows:

Increased cash and cash equivalents	NOK 3 040 million
Increased non-current interest bearing liabilities	NOK 1 284 million
Increased total equity	NOK 1 756 million

[Note 34 – Acquisition of subsidiary](#)

On 9 May 2014, Bonheur ASA and Ganger Rolf ASA together acquired 18.4 % of the shares and voting interests in NHST Media Group (NHST). As a result, the Group of companies' equity interest in NHST increased from 35.6 to 54%.

Following this acquisition the Group of companies will continue its participation in the development of NHST in today's challenging media environment.

NHST is a Norwegian media conglomerate that publishes a number of newspapers and online tools. Among its newspapers is Dagens Næringsliv, a Norwegian business daily ranking among Norway's largest printed newspapers. The newspaper dates back to 1889.

For accounting purposes NHST is fully consolidated from 1 May 2014. In the eight months to 31 December 2014, NHST contributed revenue of NOK 833 million and net result after tax of NOK 6 million to the Group of companies' results. If the acquisition had occurred on 1 January 2014, it is estimated that consolidated revenue would have been NOK 1.235 million, and consolidated net result after tax for the period would have been negative NOK 4 million.

The reported amounts are in accordance with IFRS.

[Book value of assets acquired and liabilities assumed](#)

The following table summarizes the recognized amounts of assets acquired and liabilities assumed according to IFRS at the date of acquisition.

(Amounts in NOK 1 000)	30.04.2014
Intangible assets	71 554
Property, plant and equipment	25 353
Financial fixed assets	70 690
Inventories	19 272
Trade receivables and other receivables other	263 890
Cash and bank	187 352
Long term debt	19 051
Current liabilities	589 949
Book value	29 111

...the note continues on the next page

Notes

Cost price - New and previous shares

The following table summarises the total cost price of the acquired shares in NHST (NOK 1000):

(Amounts in NOK 1 000)	30.04.2014
Number of new shares acquired	236 988
Price per share	382
Cost price - New shares	90 529
Number of previous shares acquired	458 398
Price per share	382
Adjusted cost price - Previous shares	175 108
Total cost price of shares controlled by Bonheur Group of companies	265 637

Goodwill arising from the acquisition has been recognised as follows in the table below:

Total cost price of shares controlled by Bonheur Group of companies	265 637
Fair value of non-controlling interests	209 255
Fair value of identifiable assets and liabilities	-29 111
Excess of purchase price over net book value	445 781

Based on the purchase price analysis the distribution of the goodwill is as follows:

(Amounts in NOK 1 000)	
Publishing rights and brand names	162 000
Technology	55 000
Customer relationships	75 000
Other intangible assets	-45 000
Goodwill from NHST	-15 000
Deferred tax	-64 443
Goodwill (Residual)	278 224
Excess of purchase price over net book value	445 781

Technology and customer relationships are assumed to have remaining useful lives of 5 years and 9 years respectively, and are classified as depreciable assets. Publishing rights and brand names are assumed to have indefinite remaining lives and are classified as not depreciable assets.

Derecognition of NHST according to the equity method

Gain from derecognition of NHST according to the equity method has been recognised as follows:

(Amounts in NOK 1 000)	
Adjusted cost price - Previous shares	175 108
Share of equity from NHST per 30.04.2014	-40 754
Goodwill from previous acquisitions	-26 221
Gain from derecognition	108 133

Bonheur ASA

Income Statement (NGAAP)

(Amounts in NOK 1 000)	Note	2015	2014
Other income		126	293
Gain on sale of property, plant and equipment	3	163	24
Total income		289	317
Operating expenses	1	-66 305	-63 519
Depreciation	3	-1 564	-1 724
Total operating expenses		-67 869	-65 243
OPERATING RESULT		-67 580	-64 926
Interest income		40 442	36 698
Dividends	15	75 519	818 526
Foreign exchange gains		2 057	8 075
Gain on sale of securities	5	1	284
Other financial income		10 179	15 283
Total financial income		128 198	878 866
Other interest expenses	9	-65 326	-86 990
Foreign exchange losses		-296	-795
Loss on sale of bonds and securities	5, 6	-164	0
Other financial expenses	16	-858 100	-39 627
Total financial expenses		-923 886	-127 412
Net financial items		-795 688	751 454
RESULT BEFORE TAX		-863 268	686 528
Current tax	11	63 310	-12 479
Deferred taxes	11	0	-751
RESULT FOR THE YEAR		-799 958	673 298
Proposed allocations:			
Dividends	8	85 064	101 973
Other equity	8	-885 022	571 325
Total allocations		-799 958	673 298

Bonheur ASA

Balance Sheet (NGAAP)

(Amounts in NOK 1 000)	Note	2015	2014
Assets			
Non-current assets			
Real estate	3	18 257	19 716
Other property, plant and equipment	3	10 901	11 178
Total property, plant and equipment		29 158	30 894
Investments in subsidiaries	4	4 711 030	4 969 016
Investments in associated companies	5	48	48
Investments in other shares	5	99 450	119 156
Bonds	6	156 171	176 792
Other receivables	7	164 609	588 446
Pension funds	2	13 898	9 876
Financial fixed assets		5 145 206	5 863 334
Total non-current assets		5 174 364	5 894 228
Current assets			
Total current receivables	7	115 053	321 366
Cash, bank deposits 1)	14	1 164 766	1 172 517
Total current assets		1 279 819	1 493 883
TOTAL ASSETS		6 454 183	7 388 111
1) Hereof restricted cash		920	891
Equity and liabilities			
Equity			
Share capital	8	50 987	50 987
Additional paid in capital		25 920	25 920
Total paid in capital		76 907	76 907
Other equity		3 485 287	4 361 439
Total equity	8	3 562 194	4 438 346
Liabilities			
Pension liabilities	2	159 561	160 160
Total provisions		159 561	160 160
Bond loans	9	1 244 343	1 242 269
Total non-current liabilities	9	1 244 343	1 242 269
Total current liabilities	9	1 488 085	1 547 336
Total liabilities		2 891 989	2 949 765
TOTAL EQUITY AND LIABILITIES		6 454 183	7 388 111
Mortgages	10	0	0
Guarantees	10	1 193 100	1 306 700

Oslo, 13 April 2016

Bonheur ASA - The Board of Directors

Fred. Olsen
ChairmanCarol Bell
DirectorNick Emery
DirectorHelen Mahy
DirectorAndreas Mellbye
DirectorAnette S. Olsen
Managing Director

Bonheur ASA

Cash Flow Statement (NGAAP)

(Amounts in NOK 1 000)	2015	2014
Cash flow from operating activities:		
Result before taxes	-863 268	686 528
Taxes paid	10 310	-
Gain on sale of tangible fixed assets	-163	-24
Gains (-) / losses on sale of shares, bonds and loans	163	-455
Depreciation of tangible fixed assets	1 564	1 724
Write down of financial fixed assets	855 560	32 868
Unrealized currency gains (-) / losses	-587	-26
Total cash flow from operations	3 579	720 615
Change in debtors and creditors 1)	-19 916	7 193
Net cash flow from operating activities	A	727 808
Cash flow from investing activities:		
Investments in property, plant and equipment	-169	-37
Proceeds from sale of property, plant and equipment and shares	39 005	1 538
Net change in investments in shares and bonds	-595 909	-667 070
Net changes in long term receivables	631 217	-583 216
Net cash flow from investing activities	B	-1 248 785
Cash flow from financing activities:		
Increase in debt	36 415	2 111 755
Repayment of debt	0	-805 931
Dividends paid	-101 973	-285 525
Net cash flow from financing activities	C	1 020 299
Net change in cash and bank deposits	A + B + C	499 322
Cash and bank deposits 1 January	1 172 517	673 195
Cash and bank deposits 31 December	1 164 766	1 172 517
1) Change in debtors and creditors		
Increase (-) / decrease receivables	2 474	-610
Increase / decrease (-) short term liabilities	-22 390	7 803
Total	-19 916	7 193

Bonheur ASA

Accounting Policies

The accounts have been prepared in accordance with the Norwegian accounting act and generally accepted accounting principles in Norway. The annual accounts give a true and fair view of assets and liabilities, financial status and result.

Norsk Regnskapsstiftelse has not approved new amendments to its standards with effect for 2015.

(a) Generally

Bonheur ASA is the parent company of Ganger Rolf ASA. Bonheur ASA's principal business is carried out in co operation with Ganger Rolf ASA. The two companies have 50/50 equity and charter interests in all of their major activities.

All figures presented are in NOK unless otherwise stated.

(b) Basic policies

The annual accounts are based on basic policies related to historical cost, comparability, going concern, congruence and prudence. Specific transactions are appraised equal to their compensation value. Revenues are recognised in the income statement once delivery has taken place and most of the risk and return has been transferred.

(c) Classification of items in the financial statements

Assets related to receivables payable within one year etc. are classified as current assets. Other assets are classified as non current assets. An equivalent principle is applied to liabilities. Installments related to long term debt payable within one year are classified as short term liabilities.

(d) Foreign currency items and derivatives

Short and long term assets and liabilities are valued at currency rates prevailing at year end. Unrealized losses are expensed and unrealized gains are accounted for as income.

Forward currency contracts are valued at fair value, i.e. unrealized gains and losses are accounted for in the income statement and balance sheet.

Currency- and interest rate swaps are valued according to the lower of cost and market value principle, i.e. unrealized losses are ac-

counted for in the income statement and balance sheet.

(e) Valuation of receivables

Receivables are valued at face value with a deduction for doubtful accounts, refer note 7.

(f) Write down, and reversal of write down of property, plant and equipment

If there is an indication of impairment not considered temporary regarding non current assets, it is considered whether the recoverable amount is lower than book value. The recoverable amount is the highest of net sales value or value in use. Value in use is discounted cash flows. If the recoverable amount is lower than book value, the asset is written down to recoverable amount. In case of indication of a reversal of write down, a recoverable amount should be estimated. Previous write down should be reversed if recoverable amount is higher than book value. Book value after reversal should not exceed the value of the asset prior to the write down.

(g) 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 entered at the lower of cost and fair value. Average cost is used when gains/losses on sale of shares and bonds are calculated. Gains/losses on sale of securities are entered in the income statement as financial income/losses.

(h) Property, plant and equipment and depreciation

Property, plant and equipment are entered in the balance sheet at historical cost less accumulated ordinary depreciation and write downs. Historical cost is purchase price with addition of purchase costs. Ordinary depreciations are calculated linearly over the estimated useful economic life, with basis in the historical cost, reduced by estimated scrap value.

(i) Bond loan

Bond loan is recognized initially at fair value and directly attributable transaction costs. Subsequent to initial recognition, bond loan is measured at amortised cost using the effective interest method.

(j) Extraordinary items

To be classified as "extraordinary", an item

must occur randomly, be of significant value, and regarded as unusual.

(k) Management expenses

The Company's relative share of Fred. Olsen & Co.'s management expenses are charged to «operating expenses» in the income statement.

(l) Tax

Deferred tax shows the company's tax liability assuming its assets and debt are realized at book value by year end. Positive temporary differences state that book value is higher than taxable value, and vice versa for negative differences. Deferred tax/tax benefit is reflected as long term debt/non current assets in the balance sheet. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Pension cost / -commitments

Actuarial gains and losses are recognised in the equity correspondingly affecting the net benefit liability or asset in the statement of financial position. The company has pension plans that entitles its members to defined future benefits, called defined benefit plans. The calculation of the liability is made on a linear basis, taking into account assumptions regarding the number of years of employment, discount rate, future return on plan assets, future changes in salaries and pensions, the size of defined benefit contributions from the government and actuarial assumptions regarding mortality, voluntary retirement etc. Plan assets are stated at fair market values. Net pension liability comprises the gross pension liability less the fair value of plan assets. Net pension liabilities from under-funded pension schemes are included in the balance sheet as long-term interest free debt, while over-funded schemes are included as long-term interest free receivables, if it is likely that the over-funding can be utilized.

The effect of retroactive plan amendments without future benefits, are recognized in the income statement with immediate effect. Remeasurements of the net defined benefit liability, which comprise actuarial gains and

Bonheur ASA

Accounting Policies and Notes

losses, the return on plan assets (excluding interest) are recognised immediately in the equity.

The Company is parent in a Group presenting their official accounts according to IFRS. In this connection the Company has chosen to follow IAS 19 also for the parent company's presentation of the pensions costs, as optionally granted in NRS 6A.

Net pension cost, which consists of gross pension cost, less estimated return on plan assets adjusted for the impact of changes in estimates and pension plans, are classified as an operating cost, and is presented in the line item "operating expenses".

It was decided to implement a transition from the current Defined Benefit Scheme to a Defined Contribution Scheme. All persons employed after 1 June 2012 was offered a Defined Contribution Scheme (at present maximum contribution). For all those who were employed before June 2012 there was an option to choose between the two alternatives. Obligations for contributions to defined

contribution plans are expensed as the related services is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(n) Cash flow statement

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short term, liquid assets with maturity date within three months from the date of acquisition.

(o) Dividends received

Dividend income is recognised in profit or loss on the date that the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Dividends from non-listed securities are recognised in profit or loss at the date the company receives the dividends.

(p) Transactions with related parties

Purchase and sale transactions with related parties in Norway, in line with the Norwegian Companies Act § 3-9, are carried out to the

general business terms and principles. The same applies to the purchase and sale of foreign related parties. Recognition, classification etc follow the Act's general principles. There are written agreements for significant transactions. Transactions with related parties are specified in note 12. Bonheur ASA's share of revenues, expenses, gains and losses not attributable to a particular company in the same group is based on a distribution in accordance with good business practice.

(q) Merger between parent and subsidiary

Mergers are accounted for using Group book values in which net book values of subsidiaries continue in the merged company. Group book value is used when the subsidiary is a wholly owned subsidiary of the acquiring company.

Note 1 – Personnel expenses, professional fees to the auditors

Bonheur ASA (the Company) has no employees although the position as managing director is held by Anette S. Olsen as part of the day to day managerial services performed by Fred. Olsen & Co., comprising also financial, accounting and legal services. Bonheur ASA was in 2015 charged for it's share of such cost, including the service fee for 2015.

In addition to the above, Fred. Olsen & Co. for the same period also charged subsidiaries of Bonheur ASA and other Fred. Olsen related companies for the provision of same or similar kind of services, under separate agreements.

(Amounts in NOK 1 000)	2015	2014
Remuneration etc.		
Social Security and other personnel costs *)	293	3 391
Employee benefits (pension costs)	12 874	12 213
Administration expenses Fred. Olsen & Co.	42 791	39 179
Total	55 958	54 783
*) Related to benefits to the Chairman of the Board.		
Professional fees to the auditors		
Statutory audit	1 964	2 178
Other attestation services	76	299
Tax advice	40	521
Other services outside the audit scope	201	35
Total (VAT included)	2 281	3 033

Note 2 – Pension costs

The Company has no employees, although the position of managing director is held by Anette S. Olsen as part of the overall managerial services under an agreement with Fred. Olsen & Co., comprising also financial, accounting and legal services. The Company is charged for the execution of these services and for its relative share of pension costs related to the employees of Fred. Olsen & Co.

Employees of Fred. Olsen & Co., who were employed before 1 June 2012, are members of Fred. Olsen & Co.'s Pension Fund. Members of the pension fund have the right to future pension benefits (defined benefit plan) based upon the number of contribution years and salary level at retirement. The pension scheme is administered by Fred. Olsen & Co.'s Pension Fund, which is a separate legal entity, mainly investing its funds in interest bearing securities and shares in Norwegian listed companies.

It has been decided to implement a transition from the current Defined Benefit Scheme to a Defined Contribution Scheme. All persons employed after 1 June 2012 will be offered a Defined Contribution Scheme. For all those who were employed before June 2012 there was an option to choose between the two alternatives.

The pension schemes are accounted for in accordance with IAS19. The pension plans meet the Norwegian requirements for a Mandatory Service Pension (OTP).

Fred. Olsen & Co. has unfunded (unsecured) pension obligations towards its directors and senior managers with a salary exceeding 12 G (of whom nine pensioners). The directors have the right to a pension upon reaching 65 years of age, while other managers have a retirement age of 67 years. The pension obligations represent 66% of the relevant salary at the time of retirement.

(Amounts in NOK 1 000)	2015	2014
Present value of unfunded obligations	-159 561	-160 160
Present value of funded obligations	-114 706	-119 647
Total present value of obligations	-274 267	-279 808
Fair value of plan assets	128 604	129 524
Net liability for defined benefit obligations	-145 663	-150 284
Hereof unfunded pension plans (net liability)	-159 561	-160 160
Hereof funded pension plans	13 898	9 876
Recognised net overfunding / obligation (-) for defined benefit obligations	-145 663	-150 284
Financial fixed assets / pension funds	13 898	9 876
Liabilities / Employee benefits	-159 561	-160 160
Net liability at 31 December	-145 663	-150 284

Movement in net defined benefit liabilities

Funded defined benefit obligations:

(Amounts in NOK 1 000)	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2015	2014	2015	2014	2015	2014
Balance 1 January	-119 647	-112 342	129 524	123 222	9 876	10 880
Pension contribution			5 157	4 675	5 157	4 675
Benefits paid by the plan	6 546	6 649	-6 546	-6 649	0	0
	6 546	6 649	-1 389	-1 974	5 157	4 675
Included in profit and loss:						
Interest	-2 825	-4 236	3 195	4 671	370	435
Current Service cost	-3 309	-3 476			-3 309	-3 476
Net pension cost	-6 134	-7 712	3 195	4 671	-2 939	-3 041
Included in equity:						
Actuarial gain/(loss) arising from:						
Demographic assumptions	0	0			0	0
Financial assumptions	2 437	-6 727	-2 727		-290	-6 727
Experience adjustments	2 093	485			2 093	485
Return on plan assets				3 605	0	3 605
	4 530	-6 243	-2 727	3 605	1 803	-2 638
Balance 31 December	-114 706	-119 647	128 604	129 524	13 898	9 876

At the balance sheet date plan assets are valued using market prices. This value is updated yearly in accordance with statements from the Pension Trust. there are no investments in the Company or in property occupied by the Group of companies.

Major categories of plan assets	2015	2014
Equity instruments	52 %	42 %
Corporate bonds	45 %	37 %
Government bonds	0 %	17 %
Annuities	1 %	2 %
Real estate	0 %	0 %
Other assets	2 %	2 %
Total Plan Assets	100 %	100 %

...the note continues on the next page

(Amounts in NOK 1 000)	2015	2014
Unfunded defined benefit obligations:		
Gross liability for unfunded defined benefit obligations at 1 January	-160 160	-135 219
Benefits paid by the plan	3 468	3 234
Included in profit or loss:		
Current service costs	-6 012	-3 895
Interest on pension liability	-3 923	-5 278
Net pension cost	-9 935	-9 173
Included in other comprehensive income:		
Actuarial gain/(loss) arising from:		
Demographic assumptions		0
Financial assumptions	4 421	-10 456
Experience adjustments	2 645	-8 547
	7 066	-19 003
Balance at 31 December	-159 561	-160 160

Total expense recognised in the income statement:

	2015	2014
Current service cost	-9 321	-7 371
Interest on obligations	-6 748	-9 514
Expected return on plan assets	3 195	4 671
Net pension cost for defined benefit plans	-12 874	-12 214

Principal actuarial assumptions at the balance sheet date expressed as weighted averages:	2015	2014
Discount rate at 31 December	2.5%	2.5%
Expected return on plan assets at 31 December	2.5%	2.5%
Future salary increase	2.25%	2.5%
Yearly regulation in official pension index (G)	2.25%	2.5%
Future pension increases	1.0%	1.1%
Social security costs	14.1%	14.1%
Mortality table	K2013	K2013
Disability table	KU	KU

Discount rate in Defined Benefit Plans

The discount rate is determined by reference to high quality corporate bonds, where a deep enough market for such bonds exists. Covered bonds are in this context considered to be corporate bonds. In Norway the discount rate is determined with reference to covered bonds.

Sensitivity

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts below:

(Amounts in NOK 1 000)	Increase in PBO
Future salary increase with 0.25%-points	-3 253
Future pension increase with 0.25%-points	-7 243
Discount rate decrease by 0.25%-points	-11 617
Future mortality, increase by 1 year longevity	-12 019

Expected contributions to funded defined benefit plans in 2016 are NOK 5.4 million.

Expected payment of benefits from the unfunded plans are in 2016 estimated to be NOK 3.2 million.

Total present value of obligations

(Amounts in NOK 1 000)	2015	2014
Employees	173 797	174 910
Deferred	0	0
Pensioners	100 470	104 898
Total present value of obligation	274 267	279 808

Risks

The major risks for the defined benefit plans are interest rate risk, investment risk, inflation risk and longevity risk.

Note 3 – Property, plant and equipment

(Amounts in NOK 1 000)	Real estate	Other assets	Total 2015	Total 2014
Cost price as per 01.01	46 148	17 059	63 207	63 467
Purchases	0	169	169	39
Disposals	0	-1 143	-1 143	-298
Cost price as per 31.12	46 148	16 085	62 233	63 207
Accumulated depreciation as per 01.01	-26 432	-5 881	-32 313	-30 757
Depreciation current year	-1 459	-105	-1 564	-1 724
Accumulated depreciation assets sold	0	802	802	168
Accumulated depreciation as per 31.12	-27 891	-5 184	-33 075	-32 313
Book value as per 31.12	18 257	10 901	29 158	30 894
Expected economic life	25 years	1)		

Depreciation schedule is linear for all categories.

1) Cars: 7 years.

Note 4 – Subsidiaries

(Amounts in NOK 1 000)	Business Office	Ownership	Votes, percentage	Number of shares	Book value shares	Equity
Laksa II AS	Oslo	100 %	100 %	13 500	4 018	1 969 2)
Ganger Rolf ASA	Oslo	62.66 %	62.66 %	21 212 197	606 943	6 347 968 1) 3)
Fred. Olsen Energy ASA	Oslo	25.96 %	25.96 %	17 314 382	595 615	USD 965 528 1) 4)
Fred. Olsen Insurance Services AS	Oslo	50 %	50 %	750	1 050	4 690
Fred. Olsen Travel AS	Oslo	50 %	50 %	2 241	5 586	10 695 5)
Fred. Olsen Fly og Luftmateriell AS	Oslo	50 %	50 %	1 025	1 100	8 684
Fred. Olsen Renewables AS	Oslo	50 %	50 %	5 000 000	889 706	3 946 028 1) 6)
Stavnes Byggeselskap AS	Oslo	50 %	50 %	5 500	21 769	24 170 7)
First Olsen Holding AS	Oslo	50 %	50 %	500 050	547 624	1 324 472 1) 8)
Bonheur og Ganger Rolf ANS	Oslo	50 %	50 %	-	35 400	71 222 9)
Fred. Olsen Ocean Ltd.	Oslo	50 %	50 %	19 996 898	579 926	EUR 161 602 1) 10)
Fred. Olsen Cruise Lines PTE Ltd.	Singapore	50 %	50 %	500 000	3 115	GBP 1 433
FO Capital Ltd.	Malta	50 %	50 %	130 002 500	1 300 025	2 595 324 1)
NHST Media Group AS	Oslo	27 %	27 %	347 693	119 154	-10 728 1) 11)
					4 711 030	

As a consequence of Bonheur ASA holding more than 50% of the shares of Ganger Rolf ASA, Ganger Rolf ASA is fully consolidated for accounting purposes as a subsidiary of Bonheur ASA. As Bonheur ASA and Ganger Rolf ASA have a joint ownership of their major investments, the ownership structure entails full consolidation for accounting purposes of companies in the table above.

- 1) Group Company Equity.
- 2) In 2014 there was an increase of the paid in capital of NOK 1 268 000.
- 3) In 2014 Bonheur ASA increased its ownership in Ganger Rolf ASA (GRO) through purchase of 180 000 shares bringing the ownership in GRO to 62.66%.
- 4) In 2015 the investment in Fred. Olsen Energy ASA (FOE) was written down with NOK 829,282,749. FOE changed reporting currency from Norwegian Krone (NOK) to US Dollar (USD), with effect from 1 January 2014.
- 5) In 2014 there was an increase of the paid in capital of NOK 5 575 608, of which half of the capital increase was invested by Bonheur ASA.
- 6) In 2014 there was an increase of the paid in capital of NOK 725 700 000, of which half of the capital increase was invested by Bonheur ASA. In 2015 there was an additional increase of the paid in capital of NOK 503 712 000, of which half of the capital increase was invested by Bonheur ASA.
- 7) In 2014 there was an increase of the paid in capital of NOK 25 300 000, of which half of the capital increase was invested by Bonheur ASA. In 2015 there was an additional increase of the paid in capital of NOK 2 500 000, of which half of the capital increase was invested by Bonheur ASA.
- 8) In 2014 there was an increase of the company's equity of NOK 80 million, of which half of the capital increase was invested by Bonheur ASA. In 2015 there was an additional increase of the company's equity of NOK 636 351 156 of which half of the capital increase was invested by Bonheur ASA.
- 9) In 2014 there was an increase of the company's equity of NOK 10 million, of which half of the capital increase was invested by Bonheur ASA. Subsequent to this capital increase Bonheur ASA's investment was written down with NOK 24.6 million.
- 10) Fred. Olsen Ocean Ltd. changed reporting currency from US Dollar (USD) to Euro (EUR), with effect from 1 January 2014.
- 11) On 9 May 2014, Bonheur ASA and Ganger Rolf ASA together acquired 18.4 % of the shares and voting interests in NHST Media Group (NHST). As a result, the Bonheur Group of companies' equity interest in NHST increased from 35.6 to 54%, and NHST was fully consolidated from 1 May 2014 in the Bonheur Group of companies. Bonheur ASA's ownership is 27%.

Note 5 – Shares in associated companies and other investments

(Amounts in NOK 1 000)			Ownership			Book value	Book value
Associated companies	Business office	Company Share capital	Voting share %	Number of Shares	Cost price	as per 31.12.15	as per 31.12.14
Fred. Olsen Canary Lines S.L. 1)	Las Palmas	EUR 6	50.00%	50	48	48	48
Total					48	48	48

(Amounts in NOK 1 000)			Ownership		Book value	Market	Book value	Market
	Equity	Company share capital	Voting-share %	Number of shares	Cost price	value as per 31.12.15	value as per 31.12.14	value as per 31.12.14
Sundry								
Opera Software ASA		2 391	0.51%	608 333	2 538	2 538	30 751	2 538
Callon Petroleum Company		USD 287	2.88%	826 693	103 891	15 038	60 735	15 038
Various shares					1 472	33	159	33
Total stock listed investments					107 900	17 608	91 645	17 608
Fred. Olsen Spedisjon A/S 1)		700	72.86%	510	4 415	4 415		4 415
Koksa Eiendom AS 2)		514 812	6.31%	8 119 632	68 607	60 900		60 900
Scotrenewables Tidal Power Ltd. 3)		GBP 10	6.35%	66 619	33 267	9 000		28 805
Various shares					4 348	4 348		4 348
Verdane Capital VI K/S, contribution					99	99		0
Novus Energy Partners LP, contribution	USD 12 232		2.90%		5 396	3 081		3 081
Total					224 031	99 450		119 156

- 1) The company is considered as a financial investment until the activity has reached a significant level.
- 2) Bonheur ASA's investment in Koksa Eiendom AS was written down with NOK 7 706 837 in 2014.
- 3) Bonheur ASA's investment in Scotrenewables Tidal Power Ltd. was written down with NOK 24 267 030 in 2015.

Note 6 – Bonds

(Amounts in NOK 1 000)			Book value	Market	Average	Book value	Market
	Cost price	Currency	as per 31.12.15	value as per 31.12.15	interest rate 2015	as per 31.12.14	value as per 31.12.14
Fixed assets:							
Energy Services companies	45 398	NOK	44 854	44 854	2.5 %	55 414	55 427
Real Estate companies	17 184	NOK	16 888	16 888	2.4 %	22 221	22 228
Industry companies	63 701	NOK	62 519	62 519	4.0 %	53 329	53 346
Finance companies	32 439	NOK	31 909	31 909	2.7 %	45 828	45 829
Total	158 722	NOK	156 171	156 171	3.1 %	176 792	176 830

Note 7 – Receivables

(Amounts in NOK 1 000)	2015	2014
Current assets - non interest bearing		
Subsidiaries	114 173	318 299
Accounts receivable 1)	6	1 840
Others 2)	875	1 226
Total short-term receivables	115 053	321 366
Financial fixed assets - interest bearing		
Subsidiaries	160 715	583 912
Other	3 895	4 179
Financial fixed assets - non interest bearing		
Others	0	354
Total long-term receivables	164 609	588 446
Interest income group companies	16 142	22 745
Loss on receivables	0	0
Allocation to bad debt	0	0
1) Hereof subsidiaries and other related parties	6	1 840
2) Hereof subsidiaries and other related parties	0	246

Note 8 – Share capital and shareholders

Major shareholders as of 31.12.2015:

	Number	%
Invento A/S (private Fred. Olsen related company)	12 021 273	29.47 %
Ganger Rolf ASA (subsidiary)	8 443 640	20.70 %
A/S Quatro (private Fred. Olsen related company)	8 429 277	20.67 %
Skagen Vekst	1 492 594	3.66 %
Pareto Aksje Norge	1 046 733	2.57 %
Trassey Shipping Limited (private Fred. Olsen related company)	793 740	1.95 %
State Street Bank and Trust Co.	656 207	1.61 %
Avanza Bank AB	568 865	1.39 %
Deutsche Bank International Ltd.	497 782	1.22 %
Nordea Nordic Small Cap Fund	472 822	1.16 %
MP Pensjon PK	265 300	0.65 %
Euroclear Bank S.A./N.V.	262 222	0.64 %
Other shareholders	5 838 853	14.31 %
Total	40 789 308	100.00 %

As of 31 December 2015 the share capital of Bonheur ASA amounted to NOK 50 986 635 divided into 40 789 308 shares at nominal value of NOK 1.25 each. As of 31 December 2015 total number of shareholders were 1 313. The Company has only one class of shares and each share equals one vote.

As per 31 December 2015 the members of the board, members of the shareholders' committee and the managing director owned and/or controlled directly or indirectly, the following number of shares in the Company:

Board of Directors	Shareholders' committee	Managing Director
Fred. Olsen	6 224	Einar Harboe
Helen Mahy	0	Jørgen G. Heje
Carol Bell	0	Bård Mikkelsen
Andreas Mellbye	0	Aase Gudding Gresvig
Nick Emery	0	Christian F. Michelet
		Anette S. Olsen
		0

Private Fred. Olsen related interests directly and/or indirectly owned or controlled 21 375 494 shares in the Company.

Equity

(Amounts in NOK 1 000)	Paid in share capital	Additional paid in capital	Other equity	Total
Equity				
Equity 01.01.2014	50 987	25 920	3 811 260	3 888 167
Merger of subsidiary (see note 17)			497	497
Adjusted equity 01.01.2014	50 987	25 920	3 811 757	3 888 664
Actuarial gain / loss (-) (see note 2)			-21 643	-21 643
Result for the year			673 298	673 298
Proposed dividends			-101 973	-101 973
Equity 31.12.2014	50 987	25 920	4 361 439	4 438 346
Equity 01.01.2015	50 987	25 920	4 361 439	4 438 346
Actuarial gain / loss (-) (see note 2)			8 869	8 869
Result for the year			-799 958	-799 958
Proposed dividends			-85 063	-85 063
Equity 31.12.2015	50 987	25 920	3 485 287	3 562 194

Note 9 – Liabilities

(Amounts in NOK 1 000)	2015	2014
Current liabilities:		
Dividends	85 064	101 973
Accounts payable 1)	2 908	3 578
Other short term liabilities 2)	1 400 113	1 441 785
Total current liabilities	1 488 085	1 547 336
Non-current interest bearing liabilities		
Bond-loan 3)	1 244 343	1 242 269
Other non-current interest bearing liabilities:		
Loan from subsidiaries	0	0
Total other non-current interest bearing liabilities	0	0
Total non-current interest bearing liabilities	1 244 343	1 242 269
Interest paid to subsidiaries	0	6 941
1) Hereof subsidiaries and other related companies	2 893	3 469
2) Hereof subsidiaries, associates and other related companies	1 379 422	1 355 000

3) On 27th January 2012 Bonheur ASA completed a NOK 700 million 5 years unsecured bond issue with Ganger Rolf ASA as guarantor. Arrangement fee (NOK 8.750 million) is deducted and will be amortized over the term of the loan. Settlement date was 10th February 2012 and maturity date is 10th February 2017. The loan will be repaid in full at maturity date. The Interest-rate will be 3 months NIBOR + 4.5%.

On 27th January 2012 Bonheur ASA completed a NOK 300 million 7 years unsecured bond issue with Ganger Rolf ASA as guarantor. Arrangement fee (NOK 3.750 million) is deducted and will be amortized over the term of the loan. Settlement date was 10th February 2012 and maturity date is 10th February 2019. The loan will be repaid in full at maturity date. The Interest-rate will be 3 months NIBOR + 5%.

On 26th June 2014 Bonheur ASA completed a NOK 900 million 5 years unsecured bond issue with Ganger Rolf ASA as guarantor. Arrangement fee (NOK 6.300 million) is deducted and will be amortized over the term of the loan. Settlement date was 9th July 2014 and maturity date is 9th July 2019. The loan will be repaid in full at maturity date. The Interest-rate will be 3 months NIBOR + 3.1%.

On 26th June 2014 Bonheur ASA completed a NOK 600 million 7 years unsecured bond issue with Ganger Rolf ASA as guarantor. Arrangement fee (NOK 4.200 million) is deducted and will be amortized over the term of the loan. Settlement date was 9th July 2014 and maturity date is 9th July 2021. The loan will be repaid in full at maturity date. The Interest-rate will be 3 months NIBOR + 3.5%.

Note 10 – Mortgages and guarantees

Mortgage securities

Book value of collateral: (Amounts in NOK 1 000)	2015	2014
Shares	0	0
Total	0	0

Guarantees

Guarantee in favour of subsidiaries	2015	2014
Cruise vessels	117 100	100 700
Offshore wind turbine installation vessels	1 046 100	1 179 300
Offshore wind service vessels	0	0
Windfarms	29 900	26 700
Total guarantee commitments 31.12 1)	1 193 100	1 306 700

1) Bonheur ASA and Ganger Rolf ASA are jointly and severally liable for guarantees of approximately NOK 1 046 million. Further they are liable for pro rata guarantees amounting to NOK 294 million (i.e. NOK 147 million each).

Note 11 – Tax

(Amounts in NOK 1 000)	2015	2014
Result before tax	-863 267	686 528
+/- permanent differences, tax exempt dividends	784 468	-786 907
+ Adjustment of taxable income due to limitation of interest deductibility	24 883	50 292
+/- Changes in temporary differences	-4 200	22 183
+/- Income / expenses recognised directly in equity	8 869	0
Basis tax payable	-49 247	-27 903
Tax payable 27%	0	0
Payable tax from tax claim	0	-67 963
Total payable tax - Balance sheet	0	-67 963
Tax cost estimated as follows		
Tax payable, 27%	0	0
Dismissal of tax claim 1)	53 000	0
Change of taxable income 2)	10 310	-12 479
Correction deferred tax previous year due to mergers 3)	0	-752
Tax income / (-) cost	63 310	-13 231
Reconciliation of tax income / (-) cost		
Result before tax	-863 267	686 528
Income tax using the domestic corporation tax rate	233 082	-185 363
Permanent differences	-211 127	210 368
Income / expenses recognised directly in equity	-2 395	0
Dismissal of tax claim 1)	53 000	0
Change of taxable income 2)	10 310	-12 479
Tax positions merged 3)	0	-752
Change in limitation of deferred tax assets related to tax loss carryforward	-19 561	-25 005
Tax income / (-) cost	63 310	-13 231

- 1) Tax dispute concerning the former subsidiary Barient NV related to the taxable income for 1999.
- 2) 2015: Tax dispute concerning convertible bonds related to the taxable income for 2006 and Knock Holding II AS related to the taxable income for 2007.
2014: Tax dispute concerning Knock Holding II AS related to the taxable income for 2007.
- 3) 2014: Mergers of Borgå II AS and Fred. Olsen Shipping II AS.

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Deferred tax in the balance sheet	2015	2014	Change
Fixed assets	-9 491	-9 057	-433
Deferred taxable gain/loss account	-5 565	-6 956	1 391
Receivables / financial instruments	-5 873	-6 569	696
Pension premium funds	-145 664	-150 284	4 620
Miscellaneous differences	5 657	7 731	-2 074
Net temporary differences	-160 935	-165 135	4 200
Shares/bonds	26 846	27 152	-306
Loss carried forward / deferred allowance	-296 458	-244 999	-51 459
Interest deductible carried forward	-75 175	-50 292	-24 883
Allowances for deferred tax assets	505 722	433 274	72 448
Deferred tax basis	0	0	0
Deferred tax benefit (-) / deferred tax liabilities	0	0	0

Bonheur ASA evaluates the criteria for recognizing deferred tax assets at the end of each reporting period. The company recognizes deferred tax assets when they are "more likely than not" of being realized based on available evidence at the end of the reporting period, hereunder forecasted taxable profit and consolidated budgets. As of 31.12.15 there is no other evidence that future taxable profit may be available against which the unused tax losses or unused tax credits can be utilized by the company.

Note 12 – Related party information

In the ordinary course of business, the Group of companies recognizes transactions with related companies which may have a significant impact on the financial statements. All services between related parties are based on an arm's length principle with pricing based on costs incurred and allowing for a profit margin or the equivalent hereof. The following transactions between related parties took place in 2015:

Transactions within the Group of companies and with related parties

Internal short and long term Group of companies' loans and commitments carry market interest rates according to agreement as at the date of issue. Depending on the terms of the loan agreement, the interest rates set are based on an arm's length basis and follow the market interest rates taking into account the relevant risks involved. The risk involved includes type of business, geographical affiliation, security, duration etc.

(Amounts in NOK 1 000)	2015	2014
Revenues		
Subsidiaries	123	290
Other related parties	0	3
Total	123	293
Operating expenses		
Subsidiaries	33	77
Other related parties	43 567	40 071
Total	43 600	40 148
Financial income		
Interest income from subsidiaries	16 142	22 808
Guarantee income from subsidiaries	10 179	14 609
Total	26 321	37 417
Interest expenses		
Subsidiaries	0	6 941
Total	0	6 941
Accounts receivable		
Subsidiaries	57	1 964
Other related parties (Fred. Olsen & Co)	0	258
Total	57	2 222
Accounts payable		
Subsidiaries		
Other related parties (Fred. Olsen & Co)	2 893	7 725
Total	2 893	7 725
Interest bearing long term receivables		
Subsidiaries	160 715	583 913
Total	160 715	583 913
Interest bearing short term receivables		
Subsidiaries	133 776	318 176
Total	133 776	318 176
Interest bearing long term liabilities		
Subsidiaries	0	0
Total	0	0
Non-Interest-bearing short term liabilities		
Subsidiaries	1 379 418	1 355 000
Total	1 379 418	1 355 000

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Transactions with Fred. Olsen & Co and relations to key corporate positions

Fred. Olsen & Co. is on a contractual basis in charge of the day-to-day management of the Company and as part of these services Anette S. Olsen holds the position of managing director with the Company. Anette S. Olsen is the proprietor of Fred. Olsen & Co., which per year-end 2015 had 38 employees. In 2015 Fred. Olsen & Co. charged the Company NOK 42.8 million (2014: 39.2 million) for its managerial services allowing also for a profit element. Pension costs are dealt with in note 2. In addition, Fred. Olsen & Co. charged subsidiaries and other Company related parties for comparable services under separate agreements.

The Company and subsidiaries have been invoiced the following costs from Fred. Olsen & Co:

(Amounts in NOK 1 000)	2015	2014
Management costs invoiced to the Company	42 791	39 179
Amount outstanding between Fred. Olsen & Co. and the Company *)	-8 602	-7 601

*) Short term outstanding in connection with current operations.

The compensation paid to Fred. Olsen & Co. and thus available to its proprietor for the aforesaid management of the Company, was in 2015 NOK 7.6 million (2014: NOK 6.4 million. The increase in compensation is i.a. based on benchmark analyses and corresponding recommendation to the Board by the Shareholders' Committee.

The Company is responsible for covering the pension obligations of Fred. Olsen & Co. relative to those who work in Fred. Olsen & Co. (hereunder the proprietor). The relevant pension costs as to the proprietor for 2015 equals NOK 1.1 million (2014: NOK 0.9 million).

Despite the fact that Fred. Olsen & Co. is a distinct service provider to the Company, it can be noted that the group of managers in Fred. Olsen & Co. during 2015 (excluding Anette S. Olsen) consisted of four persons. The relative share of the compensation for these persons attributable to the Company is as follows:

(Amounts in NOK 1 000)	2015	2014
Salary	3 944	3 932
Bonus	1 183	1 164
Other compensations	32	181
Total ordinary compensations	5 160	5 277
Pension benefits	2 124	2 186
Total compensations	7 283	7 463

A bonus system has been established for the senior management in Fred. Olsen & Co.

Annual awards under the schemes, maximized to 60% of one year's salary, are subject to achieving certain criteria within the Group of companies.

One third of the annual bonus award will be paid upon approval of the final accounts, while the remaining balance will be paid evenly over the subsequent two years. In 2015, bonus paid amounted to NOK 7.4 million (2014: NOK 6.7 million). 50% of these costs are attributable to the Company.

Remuneration to the Board of Directors and the Shareholders Committee

In 2015, the members of the board and the Managing Director received the following directors' fees:

(Amounts in NOK 1 000)	2015	2014
Fred. Olsen, chairman of the Board	715	700
Andreas Mellbye	210	180
Helen Mahy	260	223
Carol Bell (from July 2014)	240	150
Nick Emery (from July 2014)	260	179
Anna-Synnøve Bye (till July 2014)	0	43
Anette S. Olsen, managing Director	0	0
Total compensations	1 685	1 475

In 2015, the Chairman received NOK 1.3 million (2014: 1.3 million) in pension payment from the Company.

Effective from 1 January 2013, mr. Fred. Olsen became party to a consultancy agreement with Fred. Olsen & Co. In 2015, NOK 4.0 million was paid under his consultancy agreement with Fred. Olsen & Co. (2014: NOK 8.0 million of which NOK 4 million was attributable to 2013). 50% of these costs are attributable to the Company.

(Amounts in NOK 1 000)	2015	2014
Shareholders' committee's fees		
Christian Fr. Michelet	90	90
Jørgen G. Heje	75	75
Bård Mikkelsen	75	75
Aase Gudding Gresvig	75	75
Einar Harboe	75	75
Total compensations	390	390

Note 13 – Financial instruments

The Company's ordinary operations involve exposure to credit-, interest-, currency- and liquidity risks. Financial derivatives are used as a safeguard against fluctuations in interest rates and exchange rates. Entering into a derivative contract entails less variation in Company cash flow than would otherwise be the case. However, variations in the profit and loss account may increase, due to the fact that changes in the fair value of derivative contracts are recognized quarterly in the income statement as long as the contracts do not meet the requirements for hedge accounting.

Credit risk

Transactions with financial derivatives are carried out with counterparties with good credit ratings. The counterparty risk is therefore considered to be low. The maximum exposure of the credit risk is reflected in the balance sheet value of each financial asset, including financial derivatives.

Interest rate risk

Bonheur ASA is exposed to fluctuations in interest rates, as the debt is partly based on floating interest rates, primarily in NOK. From time to time, the Company enters into interest rate swap agreements in order to reduce the interest rate risk.

Normally there is a close match between the interest rate swap agreements Bonheur ASA enters into and the specific loans and financial lease commitments of the Company. The underlying amounts of the interest rate swap agreements, payment profiles and other terms are aligned with the underlying obligations in order to achieve the highest possible degree of hedging. Please refer to note 9 for an overview of Company loan commitments. However, Bonheur ASA may also enter into interest rate swap agreements which are not directly related to specific loans or financial lease commitments.

Bonheur ASA has an interest rate swap agreement of NOK 4 million outstanding. The fixed interest rate is 8.8% and the agreement expires 30.03.2016. The unrealized loss by the end of the year was NOK 0.31 million (2014: unrealised loss NOK 0.51 million). The interest rate swap is related to a specific bond investment.

On 25 January 2012 Bonheur ASA completed a NOK 700 million 5 years unsecured bond issue and a NOK 300 million 7 years unsecured bond issue with Ganger Rolf ASA as guarantor. Settlement date was 10 February 2012 and maturity dates are 10 February 2017 and 10 February 2019, respectively. The interest rates are 3 month NIBOR + 4.5% and 3 month NIBOR + 5.0%, respectively. On 26 June 2014 Bonheur ASA completed a NOK 900 million 5 years unsecured bond tap issue and a NOK 600 million 7 years unsecured bond tap issue with Ganger Rolf ASA as guarantor. Settlement date was 9 July 2014 and maturity dates are 9 July 2019 and 9 July 2021, respectively. The interest rates are 3 month NIBOR + 3.1% and 3 month NIBOR + 3.5%, respectively.

Currency risk

Bonheur ASA is exposed to currency risk by purchases, sales, assets and liabilities in other currencies than NOK, primarily the currencies GBP, USD and EUR.

The Company accounts are presented in NOK. The Company is closely monitoring the currency markets, and may enter into forward exchange contracts if this seems appropriate. Most forward exchange contracts entered into are hedging contracts. For forward exchange contracts utilized as financial hedging of monetary assets and liabilities in foreign currency, but not qualifying for hedge accounting, the variations in fair values are charged against the income statement. Both variations in the fair values of forward exchange contracts and currency gains and losses on monetary assets and liabilities are included in the Company's net financial items. No currency contracts were entered into during 2015 except spot currency exchange contracts.

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From the beginning to the end of 2015 the USD strengthened against NOK by 18.5% from 7.4332 to 8.8090, the EUR strengthened against NOK by 6.4% from 9.0365 to 9.6190 and the GBP strengthened against NOK by 13.0% from 11.5710 to 13.0720.

Liquidity risk

A conservative handling of liquidity risk involves having sufficient cash, securities and available financing, as well as the possibility of closing market positions. Bonheur ASA is exposed to the risk of not being able to sell unlisted shares at prices close to fair value. The management is of the opinion that this risk is low, as the investments in unlisted shares are long term investments.

Solidity

Bonheur ASA had an equity ratio of 55% per 31 December 2015.

Assessment of fair value

The most important methods and assumptions applied when evaluating the fair value of financial instruments are summarized below.

Shares and bonds

Fair value is based on listed market prices on the balance sheet date without deduction for transaction costs. Where no listed market price is available, the fair value is estimated based on information received from the companies.

Financial derivatives

The valuation of forward exchange contracts is either based on bank quotations or calculated on the basis of spot rates of exchange by the turn of the year adjusted for interest differences until the due date of the contracts. The valuation of currency option contracts is based on bank quotations.

Variations in the fair value of financial derivatives are charged against the income statement under the Company's net financial items.

Accounts receivable and accounts payable

The carrying amount is considered to reflect the fair value of accounts receivable/payable with duration of less than one year. Other accounts receivable/payable are discounted in order to assess the fair value.

Fair value of financial instruments

Fair values and carrying amounts:

(Amounts in NOK 1 000)	Carrying amount 2015	Fair value 2015	Carrying amount 2014	Fair value 2014
Cash and cash equivalents	1 164 766	1 164 766	1 172 517	1 172 517
Trade debtors and other short term receivables	880	880	321 366	321 366
Shares and bonds	4 966 698	5 422 698	5 265 014	6 003 786
Interest rate swap agreements:				
Assets	0	0	0	0
Liabilities	-312	-312	-508	-508
Unsecured bond-loans	-1 244 343	-1 250 000	-1 242 269	-1 250 000
Loans from group companies	0	0	0	0
Trade creditors and other short term liabilities	-1 402 709	-1 402 709	-1 547 336	-1 547 336
	3 484 981	3 935 323	3 968 784	4 699 825
Unrealized gains / (losses)		450 342		731 041

Note 14 – Cash and cash equivalents

(Amounts in NOK 1 000)	2015	2014
Cash related to payroll tax withholdings	920	891
Unrestricted cash	1 163 846	1 171 626
Short-term interest-bearing investment	0	0
Total cash & cash equivalents	1 164 766	1 172 517
Unused credit facilities	0	0

Note 15 – Dividends

(Amounts in NOK 1 000)	2015	2014
Fred. Olsen Energy ASA	0	346 288
Ganger Rolf ASA	63 637	178 182
FO Capital Ltd.	0	52 218
Fred. Olsen Ocean Ltd.	0	213 339
Koksa Eiendom AS	1 262	21 720
NHST Media Group AS	0	2 434
Fred. Olsen Insurance Services AS	0	3 000
From other investments	10 620	1 345
Total	75 519	818 526

Note 16 – Other financial expenses

(Amounts in NOK 1 000)	2015	2014
Impairment of investments 1)	853 550	32 307
Various financial expenses	4 550	7 320
Total	858 100	39 627
1) Bonheur og Ganger Rolf ANS	0	24 600
Koksa Eiendom AS	0	7 707
Fred. Olsen Energy ASA	829 283	0
Scotrenewables Tidal Power Limited	24 267	0
Total *)	853 550	32 307

*) See note 4 for further details.

Note 17 – Merger between Bonheur ASA and Borgå II AS

Borgå II AS, including its subsidiary Fred. Olsen Shipping II AS, was merged into the parent Bonheur ASA in 2014. Borgå II AS and Fred. Olsen Shipping II AS had no operations. A merger with Bonheur ASA enables increased coordination and economies of scale. From a business point of view, this was considered to be beneficial to the Group. In accordance with NRS 9, the merger was accounted for using book value accounting in which net book values of the subsidiaries continued in the merged company. Book value accounting is used when the subsidiary is a wholly owned subsidiary of the acquiring company.

Equity effects due to the merger are shown in note 8.

The merger was carried out with accounting and tax effect as from 1 January 2014.

Statements

Directors' responsibility statement

The Board of Directors of Bonheur ASA (the Company) and Fred. Olsen & Co. together with the Managing Director of the Company have in a board meeting 13 April 2016 reviewed and approved the Board of Directors' Report and the consolidated and separate annual financial statements for the Company, for the year ending 31 December 2015 (Annual Report 2015) subject to corresponding recommendation from the Shareholders' Committee.

To the best of our knowledge:

- The consolidated and separate annual financial statements for 2015 have been prepared in accordance with applicable accounting standards.
- The consolidated and separate annual financial statements give a true and fair view of the assets, liabilities and financial position and profit as a whole as of 31 December 2015 for the Group of companies (i.e. including subsidiaries and associated companies) and the Company.
- The Board of Directors' report for the Group of companies and the Company includes a true and fair review of
 - the development and performance of the business and the position of the Group of companies and the Company.
 - the principal risks and uncertainties which the Group of companies and the Company face.

Oslo, 13 April 2016

Bonheur ASA - The Board of Directors

Fred. Olsen <i>Chairman</i>	Carol Bell <i>Director</i>	Nick Emery <i>Director</i>	Helen Mahy <i>Director</i>	Andreas Mellbye <i>Director</i>
				Anette S. Olsen <i>Managing Director</i>

Statement by the Shareholders' Committee

The annual report and accounts for 2015 were addressed by the Shareholders' Committee in their meeting on 20 April 2015. The Shareholders' Committee resolved to recommend to the Annual General Meeting that the Board's proposal for the annual ac-

counts for 2015 is approved. The Shareholders' Committee hereunder resolved to recommend to the Annual General Meeting that the Board's proposal on an ordinary dividend equal to NOK 2.00 per share, in total NOK 85.0 million, is approved.

Oslo, 20 April 2016

Christian Fredrik Michelet, Chairman of the Shareholders' Committee

Auditor's Report



KPMG AS
P.O. Box 7000 Majorstuen
Sørkedalsveien 6
N-0306 Oslo

Telephone +47 04063
Fax +47 22 60 96 01
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the Annual Shareholders' Meeting of Bonheur ASA

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Bonheur ASA, which comprise the financial statements of the parent company Bonheur ASA and the consolidated financial statements of Bonheur ASA and its subsidiaries. The parent company's financial statements comprise the balance sheet as at 31 December 2015, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The consolidated financial statements comprise the statement of financial position as at 31 December 2015, and the income statement and the statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the parent company financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and for the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting

Offices in:

Oslo	Grimstad	Molde	Trendheim
Alta	Hamar	Navik	Tynset
Arendal	Haugesund	Sandnessjøen	Tønsberg
Bergen	Knarvik	Stavanger	Ålesund
Bodø	Kristiansand	Stord	
Elverum	Larvik	Strømme	
Finnsnes	Mo i Rana	Tromsø	

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Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Auditor's Report



Independent auditor's report 2015

Bonheur ASA

policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the separate financial statements

In our opinion, the parent company's financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Bonheur ASA as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Bonheur ASA and its subsidiaries as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the statements on Corporate Governance and Corporate Social Responsibility

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

Opinion on Accounting Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 27 April 2016

KPMG AS

Arve Gevoll

State Authorized Public Accountant



Corporate Governance

Bonheur ASA (the Company) remains focused on continuously developing its established principles on good corporate governance. The presentation of the Company's corporate governance practice follows from the recommendations of the Norwegian Code of Practice for Corporate Governance ("NUES"), published in a revised version in October 2014. The following presentation is in the same order of topics as the fifteen items in the recommendations.

1. Presentation of corporate governance

The Company's principles on good corporate governance are based on the Norwegian Code of Practice for Corporate Governance ("NUES") as adapted to the organisational structure that the Company is part of. The Company is focusing on a continuing development of these principles as a contributor towards the Company's long term added value as well as towards the Company's general responsibilities towards society.

Significant parameters in this process are transparency, integrity and responsibility. These basic principles also reflect the Company's value base while they also identify the ethical guidelines governing the Company's responsibility towards society and the Company's behaviour in general.

Transparency points to confidence towards procedures and decision making and the way in which the various activities of the Company are executed. In this connection the Company's policy on information is essential. Integrity is the resulting effect of the norms that characterize the Company and which contribute in securing a proper conduct of the Company's affairs. Responsibility relates to clarity on consequences of acts or omissions.

The Shareholders' Committee

The supervisory function of the Shareholders' Committee constitutes an integral part of the Company's conduct as to good Corporate Governance. It follows from the Company's Articles of Association that the Shareholders' Committee is responsible for exercising a supervisory function relative to the Company's managerial functions. The way in which the Shareholders' Committee execute these duties is belayed in the aforementioned Norwegian Code of Practice for Corporate Governance and equally follows established guidelines as adapted towards how the Company is organized. These guidelines i.a. address potential questions on conflict of interest. The Shareholders' Committee is attending to the Company's annual accounts and expresses its view to the General Assembly on the Board's proposals on the annual accounts and hereunder proposals on dividends. The Shareholders' Committee elects members to the Board, propose appointment of Auditor and also addresses the issue of compensation to Fred. Olsen & Co. for its managerial services towards the Company.

The Shareholders' Committee consists of the following persons: Christian Fredrik Michelet (Chairman), Einar Harboe (Deputy Chairman), Aase Gudding Gresvig, Bård Mikkelsen and Jørgen Heje. All members of the Shareholders' Committee are independent of the Board, the managerial functions for the Company as carried out by Fred. Olsen & Co. and the Company's main shareholders.

2. Business

The object clause of the Company as reflected in the Articles of Association reads as follows: "Bonheur ASA is a limited liability company with its registered office in Oslo. The company's business is to engage in maritime and energy related activities, transportation, technology and property development, investments within finance and commerce, as well as participation in other enterprises".

In line with the wording of the referenced object clause, the Company is engaged in a diversified business. The various business areas and their results are reflected in the Annual Reports. The Company and its subsidiaries and associated companies form the "Group of companies".

3. Equity and dividends

Equity

The equity of the Company is addressed in parent company note 8. The Board considers that the current equity level is satisfactory taking into account the Company's financial position relative to strategy and risk profile.

The Company has no current authority to increase its share capital, except as specially catered for under extraordinary general meeting in Bonheur ASA in connection with the ongoing merger process between the Company and Ganger Rolf ASA with Bonheur ASA as the surviving company. To the extent proposals will be made to the Annual General Meeting on authority to increase the share capital, caution will be exercised relative to the principle of preference for existing Shareholders on subscription for new shares. In the event the Board of the Company should request the Annual General Meeting for authority to increase the share capital or acquire treasury shares, such authority will in any event only be requested for a period of time limited to the next ordinary Annual General Meeting.

Dividend

When considering dividend payments the Company takes into account the development of the Company's results and otherwise its investment plans and financial position. Specific situations may arise where it would be in the interest of the Shareholders that dividends are not recommended or that extraordinary

Corporate Governance

dividend payments are recommended. Dividend payments are considered by the Board which makes proposals for allocations to the General Assembly, subsequent to the Shareholders Committee having addressed these issues.

4. Equal treatment of shareholders and transactions with close associates

The Company only has one class of shares and each share equals one vote. The Company emphasizes the principle of equal treatment of all its Shareholders. The Company has not been engaged in other transactions with its Shareholders, Board members, Fred. Olsen & Co. in its managerial capacity or anyone related to these other than what follows from parent company Note 12 to the respective Annual Accounts or which may otherwise have been reported in separate announcements to Oslo Stock Exchange.

5. Freely negotiable shares

The Company's shares are freely negotiable.

6. Annual general meetings

The Company's Annual General Meeting is normally held in May each year under the conduct of the Chairman of the Shareholders' Committee. The Company endeavours that the General Meetings are conducted in line with the aforesaid Norwegian Code of Practice for Corporate Governance.

The summons, together with the appurtenant papers, is distributed in good time in advance of the Meeting. Shareholders who are prevented from participating may vote by way of proxy. The Shareholders' Committee, the Board and the Company's auditor are all represented at the Annual General Meetings. The Annual General Meeting i.a. elects members to the Shareholders' Committee.

7. Nomination committee

The Company has no separate nomination committee. However, it follows by the Articles of Association that the Shareholders' Committee elects members to the Board.

8. Corporate assembly and board of directors – composition and independence

The Company does not have a corporate assembly. The supervisory function similar to a corporate assembly is executed by the Shareholders' Committee.

9. The work of the board of directors

The ultimate administration of the Company's business which implies securing that the Company's business conduct is in line with the basic values of the Company rests with the Board. The

Board at present consists of five Directors, who are all elected for a two-year period. In addition to exercising the authorities on decision-making and control functions, the Board focuses on development of the Company's strategy. Emphasis is placed on providing the Board with good information as a basis for the Directors to adequately perform their duties. All matters considered of material importance to the Company are addressed by the Board. This i.a. comprises considering and approving quarterly and annual accounts, significant investment issues (hereunder acquisitions and divestments) and overall strategies. The composition of the Board reflects a broad level of competence.

The Board members Carol Bell, Helen Mahy and Andreas Mellbye are independent of the managerial functions for the Company as carried out by Fred. Olsen & Co. and of the Company's main shareholders.

Emphasis is further placed on a clear distinction in responsibilities between Fred. Olsen & Co.'s managerial functions towards the Company and the Board. In Note 12 to the parent company accounts information on compensation to the Board is provided. The compensation to the Board is not depending on results and neither have the Directors been granted any options.

Audit Committee

In its capacity as a preparatory and advisory working committee for the Company's Board the Audit Committee, consisting of Helen Mahy and Nick Emery, will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations. In performing its duties, the Audit Committee will maintain effective working relationships with the Company's Board, Fred. Olsen & Co. in its managerial functions towards the Company and the Company's Auditor.

10. Risk management and internal control

The Group of companies' risk management is developed to ensure that risk evaluation is a fundamental aspect of all business activities. Continuous evaluation of exposure to risk is essential to identifying and assessing risk at all levels.

The Group of companies' risk management policies work to identify, evaluate and manage risk factors that affect the performance of all business activities. As such, continuous and systematic processes are employed to mitigate potential damages and losses and to capitalize on business opportunities. These policies contribute to the success of both long and short-term strategies.

Corporate Governance

Risk management is based on the principle that risk evaluation extends to all business activities. The Group of companies has procedures for identifying, assessing, managing and monitoring primary risk exposures. As part of the cash management policy, the Group of companies may employ the use of derivative instruments such as interest rate swaps and currency contracts to reduce exposure to risk.

The Group of companies' risk management and internal control procedures are reviewed by the Audit Committee in accordance with its charter. The operational risk management and internal control are carried out within each business segment in accordance with the nature of the operations and the government legislation in the relevant jurisdiction. Financial risk management related to foreign exchange, interest rate management and short-term investments is handled in accordance with established policies and procedures.

The Company does not have a distinct formal internal audit function as part of its internal control system. Instead, the Company works closely with the external auditor to ensure that risks and controls are monitored. Through regular board meetings in the underlying companies, the Company monitors the development of the operational companies, focusing on operations, market conditions, competitive situation and strategic issues. These board meetings generate valuable information and create a solid foundation for the Company's assessment of its overall financial and operational risk. Board meetings are held at least once every quarter and otherwise when important business matters are to be dealt with.

Selected companies are subjected to an internal, risk based evaluation of internal controls to ensure procedures are in place to mitigate risks and to ensure that these controls function as intended. Follow-up reports are prepared as a result of these evaluations to ensure continuous improvement of controls implemented.

11. Board remuneration

Board remuneration reflects the board's responsibility, expertise, time spent, and the complexity of the business. Remuneration does not depend on the Company's financial performance. There are no option programs for any director. The annual general meeting determines board remuneration after considering recommendations by the Shareholders' Committee. Additional information on remuneration paid to directors for 2015 is presented in note 29 to the consolidated accounts.

12. Remuneration of executive management

Anette S. Olsen has assumed the task as Managing Director of the Company as part of Fred. Olsen & Co's overall managerial

functions towards the Company. Anette S. Olsen is the sole proprietor of Fred. Olsen & Co. which is providing services within the areas of finance, legal, accounting and general administration to the Company. The compensation to Fred. Olsen & Co. for these services, follow under parent company note 12. The Company has no employees. There are no stock option programs in the Company or in Fred. Olsen & Co.

13. Information and communications

Emphasis is placed on conducting a policy on information which aims at providing the market with relevant and timely information in a way that supports the principle of equal treatment of all of the Company's shareholders. The Company provides presentations to shareholders and analysts in connection with announcement of the quarterly results. Annual and quarterly reports, together with the aforementioned presentations, are made available on the Company's web site, www.bonheur.net. The Company has preparedness on information for situations of an extraordinary character.

14. Takeovers

Privately held Fred. Olsen related holding companies controls a total of 52.08 percent of Bonheur ASA stock. Based on the aforementioned, the Company considers that the Code's takeover guidelines recommendation is not currently relevant. Following the proposed merger with Ganger Rolf ASA, approved in the extraordinary general meeting held on 16 March 2016, these Fred. Olsen related shareholders will own about 51.4 % of Bonheur ASA (the surviving company).

15. Auditor

The Company's Auditor is annually providing an activity plan for the audit of the Company. As part of the established routines within the Company on Corporate Governance the Auditor is conducting presentations to the Audit Committee and the Shareholders' Committee on the auditing carried out and the auditor is hereunder addressing the Company's risks, internal control and quality on reporting. The Auditor is conducting a similar presentation to the Board in connection with the Board considering the Annual Accounts.

In connection with the Auditor's report the Auditor also provides an affirmation on his independency and objectivity. The Auditor participates at the Ordinary Annual General Meeting. In connection with the issue on compensation to the Auditor it will always be identified how this compensation is split between statutory auditing on the one side and other tasks on the other.

Fleet List as per 31 December 2015

BONHEUR GROUP OF COMPANIES

Company/segment/vessel	Built year	Type	Tonnage/length/ water depth	Ownership
Fred. Olsen Energy ASA:			Water depth	
Bredford Dolphin	1976/-81/-97/-01/-07	Aker H3	1 500 ft	51.9 %
Borgny Dolphin	1977/-85/-91/-92/-97/-02/-10	Aker H3	2 300 ft	51.9 %
Borgsten Dolphin	1975/-85/-95/-00/-13	Aker H3	1 500 ft	51.9 %
Byford Dolphin	1973/-85/-90/-96/-98/-10	Aker H3	1 500 ft	51.9 %
Bideford Dolphin	1975/-99	Aker H-3 Enhanced	1 500 ft	51.9 %
Borgland Dolphin	1976/-99/-15	Aker H-3 Enhanced	1 500 ft	51.9 %
Borgholm Dolphin	1975/-02	Aker H-3 Accommodation		51.9 %
Belford Dolphin	2000	DP Drillship 1)	10 000 ft	51.9 %
Blackford Dolphin	1974/-08	Aker H-3 Enhanced	7 000 ft	51.9 %
Bolette Dolphin	2014	Gusto P 10000 1)	12 000 ft	51.9 %

1) DP = Dynamic Positioning

Shipping / Offshore wind:			Length	
Brave Tern	2012	Offshore wind turbine installation vessel	132 meters	100.0 %
Bold Tern	2013	Offshore wind turbine installation vessel	132 meters	100.0 %
Bayard 1	2011	Offshore wind service vessel	20 meters	100.0 %
Bayard 2	2011	Offshore wind service vessel	20 meters	100.0 %
Bayard 3	2012	Offshore wind service vessel	20 meters	100.0 %
Bayard 4	2012	Offshore wind service vessel	20 meters	100.0 %
Bayard 5	2012	Offshore wind service vessel	20 meters	100.0 %
Bayard 6	2013	Offshore wind service vessel	20 meters	100.0 %
Bayard 7	2013	Offshore wind service vessel	20 meters	100.0 %
Wind Crew 1	1989/2010	Offshore wind service vessel	19 meters	100.0 %

Cruise:			Tonnage	
Black Watch	1972/-82/-05	Cruise	28 613 grt	100.0 %
Braemar	1993/-01/-08	Cruise	19 089 grt	100.0 %
Boudicca	1973/-06	Cruise	28 372 grt	100.0 %
Balmoral	1998/-08	Cruise	43 537 grt	100.0 %

Addresses

Bonheur ASA

Enterprise no: 830 357 432
Fred. Olsens gate 2
0152 Oslo, Norway
Telephone: +47 22 34 10 00
www.bonheur.net

Ganger Rolf ASA

Enterprise no: 930 357 618
Fred. Olsens gate 2
0152 Oslo, Norway
Telephone: +47 22 34 10 00
www.ganger-rolf.com

Bonheur og Ganger Rolf ANS

Enterprise no: 996 593 657
Fred. Olsens gate 2
P.O. Box 1159 Sentrum
0107 Oslo, Norway
Telephone: +47 22 34 10 00

Fred. Olsen & Co.

Enterprise no: 970 942 319
Fred. Olsens gate 2
0152 Oslo, Norway
Telephone: +47 22 34 10 00
Telefax: +47 22 41 24 15
www.fredolsen.com

Offshore drilling

Fred. Olsen Energy ASA

Enterprise no: 977 388 287
Fred. Olsens gate 2
0152 Oslo, Norway
Telephone: +47 22 34 10 00
www.fredolsen-energy.com

Renewable energy

Fred. Olsen Renewables AS

Enterprise no: 983 462 014
Fred. Olsens gate 2
0152 Oslo, Norway
Telephone: +47 22 34 10 00
www.fredolsen-renewables.com

Fred. Olsen Renewables Ltd.

Enterprise no: 2672436
64-65 Vincent Square
London, SW1P 2NU, England
Telephone: +44 207 931 0975
www.fredolsen-renewables.com

Shipping / Offshore Wind

Fred. Olsen Ocean Ltd.

c/o [Fred. Olsen Ocean AS](#)
Enterprise no: 970 897 356
Fred. Olsens gt. 2
P.O. Box 581 Sentrum
0106 Oslo, Norway
Telephone: +47 22 34 10 00
www.fredolsen-ocean.com

Fred. Olsen Windcarrier AS

Enterprise no: 988 598 976
Fred. Olsens gt. 2
P.O. Box 581 Sentrum
0106 Oslo, Norway
Telephone: +47 22 34 10 00
www.windcarrier.com

Universal Foundation Norway AS

Enterprise no: 996 732 592
Fred. Olsens gate 2
P.O. Box 581 Sentrum
0106 Oslo, Norway
Telephone: +47 22 34 10 00
www.universal-foundation.com

Fred. Olsen Marine Services AS

Enterprise no: 962 189 938
Prinsens gate 2B
P.O. Box 347 Sentrum
0106 Oslo, Norway
Telephone: +47 22 34 11 00
www.fredolsen-marine.com

Cruise

First Olsen (Holdings) Ltd.

Enterprise no: 6443267
Fred. Olsen House
White House Road
Ipswich Suffolk IP1 5LL, England
Telephone: +44 1 473 292 200
www.fredolencruises.com

Other investments

NHST Media Group AS

Enterprise no: 914 744 121
Christian Kroghs gate 16
PO Box 1182 Sentrum
0107 Oslo, Norway
Telephone: +47 22 00 10 00
www.nhst.no

Fred. Olsen Fly og Luftmateriell AS

Enterprise no: 814 000 702
Prinsensgate 2B,
0152 Oslo, Norway
Telephone: +47 22 34 13 88

Fred. Olsen Travel AS

Enterprise no: 925 619 655
Prinsensgate 2B
0152 Oslo, Norway
Telephone: +47 22 34 11 11
www.fredolentravel.com

Annual General Meeting

The annual general meeting will be held at the company's office,
Fred. Olsens gt. 2 (entrance Tollbugt. 1b) 26 May 2016, at 2 pm.



Fred. Olsens gate 2, P.O. Box 1159 Sentrum, N-0107 Oslo
Telephone: +47 22 34 10 00, Internet: www.bonheur.net