



# BONHEUR ASA

## REPORT FOR 1 QUARTER 2014

### Comments to the accounts for Bonheur ASA

The unaudited Group accounts for 1 quarter 2014 comprise Bonheur ASA and its subsidiaries ("The Group of companies") and the Group of companies' ownership of associates.

Comparable figures for the corresponding periods in 2013 in brackets.

### Highlights 1Q 2014:

- Operating revenues were NOK 2 700 million (NOK 2 263 million)
- Operating result before depreciation (EBITDA) was NOK 875 million (NOK 840 million)
- Operating result (EBIT) was NOK 346 million (NOK 369 million)
- Net result after tax from continuing operations was NOK 132 million (NOK 299 million)
- Earnings per share were NOK 1.5 (NOK 2.4)
- Proposed dividend payment for 2013 is NOK 7.00 per share

#### Post quarter events:

- Sale of suezmax tanker Knock Clune
- Bonheur ASA and Ganger Rolf ASA increased their shareholding in NHST Media Group. Combined shareholding after the purchase is 54.0%.
- Bonheur ASA and Ganger Rolf ASA each purchased 180 000 shares in Ganger Rolf ASA



# BONHEUR ASA

## Financial information

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 (50% / 50%) of their major investments, the ownership structure entails full consolidation for accounting purposes of a number of companies. The main business segments comprise Offshore drilling, Renewable energy, Shipping / Offshore wind, Cruise and Other investments.

Following the Yinson Production Ltd.'s acquisition of Fred. Olsen Production ASA on 20 December 2013, the business segment Floating Production is presented as discontinued operations in the comparable 2013 figures in the income statement.

Financial key figures (figures in million NOK except for earnings per share)	1Q 14	1Q 13 <sup>(*)</sup>	2013
Operating revenue	2 700	2 263	10 257
EBITDA	875	840	4 012
EBIT	346	369	1 557
Net result after tax from continuing operations	132	299	1 474
Net result from discontinued operations	0	20	-205
Net result	132	320	1 269
Majority's share of net result 1)	49	79	408
Average number of shares outstanding	32 345 668	32 345 668	32 345 668
Basic/diluted earnings per share NOK	1,5	2,4	12,6
Interest bearing liabilities	15 820	11 881	12 542

1) The non-controlling interests mainly consist of 47,74% of Fred. Olsen Energy ASA (FOE) and 37.87% of Ganger Rolf ASA.

(\*) Restated. Certain amounts do not correspond to the interim condensed consolidated financial statements for 2013, see note 6 for details.

The Group of companies' operating revenues amounted to NOK 2 700 million (NOK 2 263 million) in the quarter. All segments reported increase in NOK revenues compared with the corresponding quarter last year. Offshore Drilling had operating revenues of NOK 1 692 million (NOK 1 591 million), Renewable Energy NOK 281 million (NOK 159 million), Shipping / Offshore wind NOK 300 million (NOK 122 million) and Cruise NOK 419 million (NOK 386 million). Revenues have been positively impacted by higher USD, GBP and EUR against NOK compared with the corresponding quarter last year. USD was in average approximately 8% higher in 1 quarter 2014 compared to 1 quarter 2013, while GBP and EUR were 15% and 12% higher, respectively.

Operating result before depreciation (EBITDA) in the quarter was NOK 875 million (NOK 840 million). The increase from corresponding period last year of NOK 36 million is mainly due to higher EBITDA within Renewable Energy, which achieved EBITDA of NOK 220 million (NOK 113 million) in the quarter. Shipping / Offshore wind had EBITDA of NOK 57 million (NOK - 33 million). EBITDA within Offshore drilling were NOK 622 million (NOK 791 million) and EBITDA within the Cruise segment were NOK 14 million (NOK 1 million). Depreciation in the quarter was NOK 529 million (NOK 471 million).

Operating result (EBIT) in the quarter was NOK 346 million (NOK 368 million).

Net financial items in the quarter were NOK - 173 million (NOK - 41 million). Net interest expenses in the quarter were NOK 117 million (NOK 105 million) and net currency loss was NOK -34 million (gain NOK 80 million). Net unrealized gain related to fair value adjustment of financial instruments was NOK 0 million (NOK 24 million).



## BONHEUR ASA

Net result in the quarter was NOK 132 million (NOK 320 million), of which NOK 49 million relate to the majority interests (NOK 79 million). The non-controlling interests' share of net result in the quarter was NOK 83 million (NOK 241 million).

### Business segments

The Group of companies' results for the individual business segments are included in Note 3.

In the following, it is referred to the Group of companies' consolidated business segments presented on 100% basis. Bonheur ASA and Ganger Rolf ASA have an ownership of 50% each in these segments unless otherwise stated.

### Offshore Drilling

The segment consists of 51.9% ownership of Fred. Olsen Energy ASA with subsidiaries (FOE). Figures below are presented in NOK as consolidated into Bonheur ASA and Ganger Rolf ASA.

(Figures in NOK million)	1Q 14	1Q 13
Operating revenues	1 692	1 591
EBITDA	622	791
EBIT	241	447
Net result	144	445

*Extract from FOE's report for 1 quarter 2014 (figures in USD unless otherwise stated).*

Note that FOE from 1 quarter 2014 has changed the Groups reporting currency to USD. In addition FOE shows 4 quarter 2013 in brackets, while Bonheur ASA and Ganger Rolf ASA compares with 1 quarter 2013.

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

(Figures in USD million)	1Q 14	4Q 13	1Q 13
Operating revenues	278	298	283
EBITDA	102	117	141
EBIT	39	57	79
Net result	24	46	74

### “FINANCIAL INFORMATION (4th quarter 2013 in brackets)

Operating revenues in the quarter were 277.8 million (298.0 million), a decrease of 20.2 million compared with the previous quarter. Revenues from the offshore drilling division were 267.1 million (281.3 million), a decrease of 14.2 million. The decrease in revenues within the offshore drilling division is mainly due to yardstay for Borgholm Dolphin and downtime for Bredford Dolphin, partly offset by mobilisation fee for



## BONHEUR ASA

Bolette Dolphin and increased charter rate for Bideford Dolphin. Revenues within the engineering and fabrication division were 48.4 million (25.1 million), of which 37.7 million (8.4 million) were related to intra-group activities.

Operating costs were 175.8 million (181.3 million), a decrease of 5.5 million compared with previous quarter. Operating costs within the offshore drilling division increased by 5.0 million. Operating costs within the engineering and fabrication division increased with 12.9 million, including eliminations of 23.4 million.

Operating profit before depreciation (EBITDA) was 102.0 million (116.7 million). EBITDA within the offshore drilling division decreased by 19.2 million to 103.8 million (123.0 million), and EBITDA within engineering and fabrication division was negative 1.8 million (6.3 million) including elimination of internal profit.

Depreciation and amortisation amounted to 62.6 million (60.1 million).

Operating profit after depreciation (EBIT) was 39.4 million (56.6 million).

Net financial expenses were 14.9 million (4.5 million). Capitalized interest expenses related to the newbuilds in the quarter amounted to 3.2 million (4.8 million).

Profit before tax was 24.5 million (52.1 million).

Net profit, including an estimated tax charge of 1.0 million (6.4 million), was 23.5 million (45.7 million).

Earnings per share were 0.35 (0.70).

The Board has proposed to the Annual General Meeting on 27<sup>th</sup> May 2014 an ordinary dividend payment of NOK 10 per share and an extraordinary dividend of NOK 10 per share. Subject to approval, the shares will be quoted ex. dividend from 28<sup>th</sup> May 2014. Estimated date of payment of dividend is 20<sup>th</sup> June 2014."

### Renewable Energy

Renewable Energy consists of 100% ownership of Fred. Olsen Renewables AS with subsidiaries (FOR).

(Figures in NOK million)	1Q 14	1Q 13
Operating revenues	281	159
EBITDA	220	113
EBIT	150	59
Net result	80	20

FOR owns and operates six wind farms, of which five wind farms in Scotland (Crystal Rig, Crystal Rig II, Rothes, Rothes II and Paul's Hill) and one in Norway (Lista). At year-end FOR had installed capacity of 428 MW in production. In addition FOR has a portfolio of development projects onshore in the UK, Norway and Sweden as well as offshore Ireland.

Operating revenues in the quarter were NOK 281 million (NOK 159 million). The increase from the corresponding quarter last year is due to higher installed capacity (Rothes II and Mid Hill) and higher wind speeds. Also the 15% higher GBP / NOK average exchange rate in 1Q14 compared to 1Q13 resulted in higher revenues for the UK-based wind farms. Generation increased from 256 GWh to 424 GWh, and



## BONHEUR ASA

EBITDA were NOK 220 million (NOK 113 million). On a comparable basis, excluding Rothes II and Mid Hill, the generation in 1 quarter 2014 was 41% higher than same quarter last year.

### Shipping / Offshore wind

As per end of the quarter the segment consists of Fred. Olsen Windcarrier AS, a company providing transport and installation services for the offshore wind industry and Universal Foundation Norway AS, a company offering innovative offshore wind turbine foundations. Both companies are indirectly owned 100% through Fred. Olsen Ocean Limited (formerly named First Olsen Limited). Fred. Olsen Windcarrier AS owns 51% of Global Wind Service A/S, an international supplier of qualified and skilled personnel to the global wind turbine industry. Fred. Olsen Windcarrier AS and Global Wind Service A/S each own 50% of Fred. Olsen Windcarrier Denmark A/S. At the end of the quarter the segment also comprised the ownership of the tanker vessel "Knock Clune" (2010 built, dwt 163 000)

(Figures in NOK million)	1Q 14	1Q 13
Operating revenues	300	122
EBITDA	57	-33
EBIT	24	-52
Net result	6	-62

Operating revenues in the quarter were NOK 300 million against NOK 122 million for the same period in 2013. In the first quarter of 2013 Windcarrier had one offshore wind installation vessel in operation while in 2014 two vessels were in operation.

EBITDA for the quarter was NOK 57 million against NOK - 33 million for the corresponding quarter in 2013.

The jack-up installation vessels "Brave Tern" and "Bold Tern" have been engaged on projects in German waters for transportation and installation of wind turbines.

Fred. Olsen Windcarrier Denmark A/S, a Danish subsidiary of Fred. Olsen Windcarrier AS, operates a modern fleet of 8 high-speed vessels built for safe and efficient transport of goods and personnel to and from offshore wind farms. All vessels are at the end of the quarter engaged on projects with an average duration of 5 months with charterer's options to extend the charter.

Global Wind Service A/S, a Danish limited company owned 51% by Fred. Olsen Windcarrier AS, is an international supplier of qualified and skilled personnel to the global wind turbine industry. The company provides a wide range of installation and maintenance services. Global Wind Service has during the quarter secured several contracts for the supply of installation personnel to onshore and offshore wind projects in Europe.

Universal Foundation Norway AS, a Fred. Olsen Ocean Ltd. subsidiary, delivers integrated projects to the offshore wind industry based on the innovative suction bucket foundation for wind turbines and meteorological masts.

The suezmax tanker Knock Clune, has during the quarter been operated in the spot market. In April Knock Clune was sold and delivered to new owners. The sale will produce a book gain at approximately USD 2.5 million to be recognized in 2 quarter 2014.



## BONHEUR ASA

### Cruise

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

(Figures in NOK million)	1Q 14	1Q 13
Operating revenues	419	386
EBITDA	14	1
EBIT	-30	-49
Net result	-46	-46

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

Operating revenues in the quarter were NOK 419 million (NOK 386 million). Operating result before depreciation (EBITDA) was NOK 14 million (NOK 1 million).

The UK cruise market's weak economic conditions and overcapacity continued to result in lower sale. The number of passenger days totaled 300 343 (296 800) for the quarter. Net ticket income per diem was 5 % lower compared to the corresponding quarter last year. The average spot price of fuel oil in the quarter was 4% lower than in 1 quarter 2013.

### Other investments

Other Investments mainly consist of an ownership of 35.6% of NHST Media Group AS, 12.6% of Koksa Eiendom AS (previously IT Fornebu Properties AS) as well as 100% of the service companies, Fred. Olsen Insurance Services AS, Fred. Olsen Travel AS, AS Fred. Olsen Fly- og Luftmateriell and FO Capital Ltd.

### NHST Media Group AS

NHST Media Group AS have four main business segments, Dagens Næringsliv (business newspaper), Digital & Nordic (TDN, Europower, Smartcom, MyNewsdesk, ddp direct), Global (Tradewinds, Upstream, Intrafish, Events and Recharge) and Nautical Charts.

NHST Media Group AS achieved a turnover of NOK 299 million in the quarter (NOK 292 million). This corresponds to an increase of 2% mainly due to the service revenues. The market share and number of copies sold for most of the publications has in total been positive with stable circulation revenues. The advertising revenue was weaker than the previous year (down by 3%). The growth in demand for the digital products continues with an increased turnover of 11% compared to 1Q 2013. Several new digital products were launched during the quarter.

The result before depreciation (EBITDA) for the quarter was NOK - 7 million compared to NOK 2 million in the corresponding quarter last year.

### Koksa Eiendom AS (previously IT Fornebu Properties AS)

Bonheur ASA and Ganger Rolf ASA each holds 6.3% of the shares in Koksa Eiendom AS (KE).

In October 2013 KE signed an agreement to sell 100% of the Portal building, the Terminal building, underground parking space related to those buildings and the new Profile building for 1.8 billion NOK to Technopolis AS. Technopolis AS is owned 70% by Technopolis Plc (a Finnish listed property company) and 30% by KE. The transaction was finalized 11. December 2013.



## BONHEUR ASA

KE still holds 30% of the shares of Martin Linges vei 33 AS which consists of the building built for Statoil's regional office in Oslo and the connected underground parking facility.

The Nordic hotel group Scandic rents and operates the hotel which was finished in September 2012 and is situated next to the new office building of Statoil. KE holds 50% of the shares in the company owning the hotel and related parking facilities.

### Other information

#### Capital and financing

During the quarter investments were mainly related to Offshore Drilling (FOE) and Renewable Energy (FOR).

Within FOE, capital expenditures amounted to NOK 2 964 million, related to delivery of new build, class renewal surveys and general upgrades.

FOR had capital expenditures of NOK 231 million, mainly related to the construction of Mid Hill wind farm, and pre-construction activities on windfarms in Norway, Sweden and Scotland.

In total the Group of companies' investments, amounted to NOK 3 217 million in the first quarter of 2014.

Gross interest bearing debt of the Group of companies as per end of first quarter was NOK 15 820 million, an increase of NOK 3 278 million since year end 2013. Cash and cash equivalents amounted to NOK 6 137 million, an increase of NOK 758 million since year-end 2013. Net interest bearing debt of the Group of companies at the end of March 2014 was NOK 9 683 million an increase of NOK 2 520 million since year end 2013. The equity to asset ratio was 38%, down from 40% at year-end 2013.

#### Subsequent events

On 2 April 2014, Fred Olsen Ocean Ltd, which is owned 50/50 by Bonheur ASA and Ganger Rolf ASA, entered into an agreement for sale of the suezmax tanker "Knock Clune". The vessel was delivered to the buyer 2 May 2014. The sale will produce a book gain estimated at approximately USD 2.5 million, which will be recognized in the second quarter.

On 8 May, Bonheur ASA and Ganger Rolf ASA each purchased 180 000 shares in Ganger Rolf ASA at a price of NOK 111 per share. Following the purchase, Bonheur ASA own 21 212 197 shares in Ganger Rolf ASA, representing 62.7% of the issued shares in the company.

On 9 May, Bonheur ASA and Ganger Rolf ASA acquired 116 430 and 120 558 shares, respectively, in NHST Media Group AS (NHST) from Citypassagen AS at a price of NOK 382 per share. Their new shareholdings are now 347 693 shares each, taking their total combined shareholding to 695 386 shares, representing 53.99% of the total shares in NHST.

#### Dividend / Annual General Meeting in Bonheur ASA

With regard to the Annual General Meeting in 2014, the board has proposed the payment of a dividend of NOK 7.00 per share.

The Annual General Meeting is scheduled for Wednesday 28 May 2014.



# BONHEUR ASA

## Condensed financial statements in accordance with IFRS

### Income statement Group of Companies

	(*)		
<i>(NOK million) - unaudited</i>	<b>Jan-Mar 2014</b>	<b>Jan-Mar 2013</b>	<b>Jan-Dec 2013</b>
Revenues	2 699,6	2 263,2	10 257,4
Operating costs	-1 824,5	-1 423,7	-6 245,1
<b>Operating result before depreciation / impairment losses (EBITDA)</b>	<b>875,1</b>	<b>839,5</b>	<b>4 012,2</b>
Depreciation / Impairment losses	-529,3	-471,1	-2 455,6
<b>Operating result (EBIT)</b>	<b>345,8</b>	<b>368,5</b>	<b>1 556,6</b>
Share of result from associates	-5,9	-2,2	0,7
Result before finance	339,9	366,2	1 557,3
Financial revenues	98,1	172,2	975,3
Financial costs	-270,7	-213,3	-956,6
Net financial items	-172,5	-41,1	18,6
<b>Result before tax (EBT)</b>	<b>167,4</b>	<b>325,2</b>	<b>1 576,0</b>
Estimated tax cost	-35,2	-25,9	-101,8
<b>Net result after estimated tax from continuing operations</b>	<b>132,2</b>	<b>299,2</b>	<b>1 474,2</b>
Net result from discontinued operations	-	20,4	-205,0
<b>Net result</b>	<b>132,2</b>	<b>319,7</b>	<b>1 269,2</b>
Hereof non-controlling interests 1)	83,3	240,8	860,9
Hereof majority interests	48,9	78,9	408,3
Basic earnings / Diluted earnings per share (NOK)	1,5	2,4	12,6
Basic earnings /Diluted earnings per share from continuing operations (NOK )	1,5	1,8	19,0
Basic earnings /Diluted earnings per share from discontinued operations (NOK )	0,0	0,6	-6,3

1) The non-controlling interests mainly consist of 47.74% of Fred. Olsen Energy ASA and 37.87% of Ganger Rolf ASA.

(\*) Restated. Certain amounts do not correspond to the interim condensed consolidated financial statements for 2013, see note 6 for details.





## BONHEUR ASA

### Statement of comprehensive income

(NOK million) - unaudited

	Jan-Mar 2014	Jan-Mar 2013
<b>Profit for the period</b>	132,2	319,7
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Other comprehensive income for the period	19,5	-1,7
<b>Total items that will not be reclassified to profit or loss</b>	19,5	-1,7
<b>Items that may be reclassified subsequently to profit or loss</b>		
Foreign exchange translation effects:		
- Foreign currency translation differences for foreign operations	-173,7	370,2
Hedging effects:		
- Effective portion of changes in fair value of interest hedges	0,6	-0,1
Fair value effects related to financial instruments:		
- Net change in fair value of available-for-sale financial assets	9,2	1,2
Other comprehensive income from associates	-2,7	-6,2
Income tax on other comprehensive income	0,0	-0,4
<b>Total items that may be reclassified subsequently to profit or loss</b>	-166,6	364,6
<b>Other comprehensive income for the period, net of income tax</b>	<b>-147,1</b>	<b>362,9</b>
<b>Total comprehensive income for the period</b>	<b>-14,9</b>	<b>682,6</b>
<b>Attributable to:</b>		
Equity holders of the parent	-8,6	239,9
Non-controlling interests 1)	-6,3	442,7
<b>Total comprehensive income for the period</b>	<b>-14,9</b>	<b>682,6</b>

1) The non-controlling interests mainly consist of 47.74% of Fred. Olsen Energy ASA and 37.87% of Ganger Rolf ASA.



# BONHEUR ASA

## Statement of financial position

(NOK million) - unaudited

	31.03.2014	31.03.2013	31.12.2013
Intangible fixed assets	402,6	162,4	416,8
Deferred tax asset	228,4	262,2	228,1
Property, plant and equipment	23 094,6	22 164,7	22 577,7
Investments in associates	69,8	83,9	85,1
Other financial fixed assets	759,3	628,1	751,2
<b>Non-current assets</b>	<b>24 554,7</b>	<b>23 301,3</b>	<b>24 058,9</b>
Inventories and consumable spare parts	819,9	586,6	714,1
Trade and other receivables	2 166,8	2 359,3	2 145,3
Cash and cash equivalents	6 137,0	3 930,1	5 379,1
<b>Current assets</b>	<b>9 123,7</b>	<b>6 876,0</b>	<b>8 238,5</b>
<b>Total assets</b>	<b>33 678,4</b>	<b>30 177,3</b>	<b>32 297,3</b>
Share capital	51,0	51,0	51,0
Share premium reserve	25,9	25,9	25,9
Retained earnings	7 008,6	6 543,2	7 017,3
Equity owned by the shareholders in the parent company	7 085,5	6 620,1	7 094,2
Non-controlling interests 1)	5 853,0	6 047,5	5 859,3
<b>Equity</b>	<b>12 938,6</b>	<b>12 667,5</b>	<b>12 953,5</b>
Non-current interest bearing liabilities	13 311,4	10 218,4	10 251,0
Other non-current liabilities	1 348,2	1 291,8	1 290,0
<b>Non-current liabilities</b>	<b>14 659,6</b>	<b>11 510,2</b>	<b>11 541,0</b>
Current interest bearing liabilities	2 508,8	1 662,8	2 290,5
Other current liabilities	3 571,4	4 336,7	5 512,3
<b>Current liabilities</b>	<b>6 080,2</b>	<b>5 999,5</b>	<b>7 802,8</b>
<b>Total equity and liabilities</b>	<b>33 678,4</b>	<b>30 177,3</b>	<b>32 297,3</b>

Oslo, 14 May 2014

Bonheur ASA - the Board of Directors

Fred. Olsen  
Chairman

Anna-Synnøve Bye  
Director

Helen Mahy  
Director

Andreas Mellbye  
Director

Anette S. Olsen  
Managing Director

1) The non-controlling interests mainly consist of 47.74% of Fred. Olsen Energy ASA and 37.87% of Ganger Rolf ASA.



# BONHEUR ASA

## Statement of changes in equity

(NOK million) - unaudited

	Share Capital	Share premium	Translation reserve	Hedging reserve	Fair value reserve	Own shares 1)	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2013	51,0	25,9	-1 594,6	-1,5	57,9	-113,3	7 954,8	6 380,2	5 604,8	11 984,9
Total comprehensive income for the period	0,0	0,0	370,2	-0,1	0,8	0,0	-131,0	239,9	442,7	682,6
<b>Balance at 31 March 2013</b>	<b>51,0</b>	<b>25,9</b>	<b>-1 224,4</b>	<b>-1,6</b>	<b>58,7</b>	<b>-113,3</b>	<b>7 823,8</b>	<b>6 620,1</b>	<b>6 047,5</b>	<b>12 667,5</b>
Balance at 1 January 2014	51,0	25,9	-500,3	-1,3	146,6	-113,3	7 485,5	7 094,2	5 859,3	12 953,5
Total comprehensive income for the period	0,0	0,0	-106,4	0,6	9,3	0,0	87,9	-8,6	-6,3	-14,9
<b>Balance at 31 March 2014</b>	<b>51,0</b>	<b>25,9</b>	<b>-606,7</b>	<b>-0,7</b>	<b>155,8</b>	<b>-113,3</b>	<b>7 573,4</b>	<b>7 085,5</b>	<b>5 853,0</b>	<b>12 938,6</b>

### Share capital and share premium

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

### Translation reserve

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

### Hedging reserve

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

### Fair value reserve

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

### Non-controlling interests

As at 31 March 2014 the non-controlling interests mainly consist of 47.74% of Fred. Olsen Energy ASA and 37.87% of Ganger Rolf ASA.

1) Own shares are the Bonheur shares that are owned by Ganger Rolf.



## BONHEUR ASA

### Consolidated statement of cash flow

	Jan-Mar 2014	Jan-Mar 2013
(*)		
<i>(NOK million) - unaudited</i>		
<b>Cash flow from operating activities</b>		
Net result	132,2	319,7
<i>Adjustments for:</i>		
Depreciation, impairment losses	529,3	471,1
Net of investment income, interest expenses and net unrealized foreign exchange gains	178,4	9,7
Share of result from associates	5,9	2,2
Net gain (-) / loss on sale of property, plant and equipment and other investments	-0,7	-10,3
Tax expense	35,2	25,9
Cash generated before changes in working capital and provisions	880,2	818,3
Increase (-) / decrease in trade and other receivables	-58,8	-71,8
Increase / decrease (-) in current liabilities	-6,8	19,0
Cash generated from operations	814,5	765,4
Interest paid	-165,9	-182,8
Tax paid	-21,2	0,1
Net result from discontinued operations	0,0	-20,4
<b>Net cash from operating activities</b>	<b>627,4</b>	<b>562,3</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment and other investments	8,4	105,6
Interest and dividends received	16,8	18,2
Acquisitions of property, plant and equipment and changes in other investments	-3 221,9	-626,4
<b>Net cash from investing activities</b>	<b>-3 196,6</b>	<b>-502,6</b>
<b>Cash flow from financing activities</b>		
Increase in borrowings	3 913,6	189,0
Repayment of borrowings	-531,1	-379,9
<b>Net cash from financing activities</b>	<b>3 382,5</b>	<b>-190,9</b>
Net increase in cash and cash equivalents	813,2	-131,2
Cash and cash equivalents at 1 January	5 379,1	4 027,2
Effect of exchange rate fluctuations on cash held	-55,3	34,1
<b>Cash and cash equivalents at 31 March</b>	<b>6 137,0</b>	<b>3 930,1</b>

(\*) Restated. Certain amounts do not correspond to the interim condensed consolidated financial statements for 2013, see note 6 for details.



# BONHEUR ASA

## Notes

### Note 1 – Basis of presentation

#### Introduction

The Group accounts for the first quarter 2014 comprise Bonheur ASA and its subsidiaries (“The Group of companies”) and the shares of associates. The quarterly accounts of 2013 and the Group of companies’ accounts for 2013 may be obtained by contacting Fred. Olsen & Co., Oslo, or at [www.bonheur.net](http://www.bonheur.net)

#### Financial framework and accounting principles

The interim accounts have been prepared in accordance with IAS 34 as adopted by EU and the Securities and Trading Act. The accounts do not include all information required for annual accounts and should be read in conjunction with the Group of company’s annual accounts for 2013 and the previous interim reports issued in 2013. The interim financial report for the first quarter 2014 was approved by the company’s board on 14 May 2014.

The accounting principles applied by the Group of companies in these condensed interim financial statements are the same as those applied by the Group of companies in its consolidated financial statements as at and for the year ended 31 December 2013 with the exception of adoption of IFRS10, IFRS 11, IFRS 12, IAS 27 (amended) and IAS 28 (amended). The adopted standards do not have a significant impact on the condensed interim consolidated financial statements of the Company.

#### Estimates

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

The most important appraisals when applying the Group accounting principles and the primary sources of estimate uncertainties are the same for the preparation of interim accounts as for the 2013 Group accounts.

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

In April 2011 a subsidiary of Fred. Olsen Energy ASA ordered a new ultra deepwater drillship at Hyundai Heavy Industries Co., Ltd. shipyard in Korea. The vessel was scheduled to be delivered at a total cost of USD 615 million (including spare parts, owner furnished equipment and project team). The delivery date was 21 February 2014 and the total capitalized construction cost is USD 655 million.

In May 2012 a subsidiary of Fred. Olsen Energy ASA entered into a turnkey contract with Hyundai Heavy Industries Co., Ltd. for the building of a harsh environment ultra-deep water semi-submersible drilling rig with scheduled delivery in March 2015. Total project cost is estimated to USD 700 million (including spare parts, owner furnished equipment and yard project team). Per 31 March 2014 the total capitalized construction cost is USD 384 million.

On 2 April 2014, Fred Olsen Ocean Ltd., which is owned 50/50 by Bonheur ASA and Ganger Rolf ASA, entered into an agreement for sale of the suezmax tanker “Knock Clune”. Delivery of the vessel to the buyer is expected to be end April/early May 2014. The sale will produce a book gain estimated at approximately USD 2.5 million.



## BONHEUR ASA

### Note 3 – Segment information

1.quarter	Offshore drilling		Renewable energy		Shipping/Offsh. wind		Cruise		Other investments		Total fully consolidated companies	
	1Q.14	1Q.13	1Q.14	1Q.13	1Q.14	1Q.13	1Q.14	1Q.13	1Q.14	1Q.13	1Q.14	1Q.13
Revenues	1 692	1 591	281	159	300	122	419	386	8	5	2 700	2 263
Operating costs	-1 070	-800	-61	-46	-243	-155	-404	-385	-46	-38	-1 825	-1 424
Oper. result before depr. (EBITDA)	622	791	220	113	57	-33	14	1	-38	-32	875	840
Depreciation	-381	-345	-70	-54	-33	-19	-44	-50	-2	-4	-529	-471
Operating result (EBIT)	241	447	150	59	24	-52	-30	-49	-40	-36	346	368

1.quarter	Offshore drilling		Renewable energy		Shipping/Offsh. wind		Cruise		Other investments		Total associates	
	1Q.14	1Q.13	1Q.14	1Q.13	1Q.14	1Q.13	1Q.14	1Q.13	1Q.14	1Q.13	1Q.14	1Q.13
Revenues	0	0	0	0	0	0	0	0	110	108	110	108
Operating costs	0	0	0	0	0	0	0	0	-113	-107	-113	-107
Oper. result before depr. (EBITDA)	0	0	0	0	0	0	0	0	-3	1	-3	0
Depreciation	0	0	0	0	0	0	0	0	-4	-3	-4	-3
Operating result (EBIT)	0	0	0	0	0	0	0	0	-7	-3	-7	-3

#### Companies fully consolidated in the accounts

##### **Offshore Drilling**

Fred. Olsen Energy ASA.

##### **Floating production**

Fred. Olsen Production ASA (Discontinued operation in 2013).

##### **Renewable energy**

Fred. Olsen Renewables AS

##### **Cruise**

Fred Olsen Cruise Lines Ltd and First Olsen Holding AS

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

*Tankers:* Fred. Olsen Ocean Ltd. (formerly named First Olsen Ltd.) – Tankers.

*Shipping activities:* Fred. Olsen Ocean Ltd. (formerly named First Olsen Ltd.) – Shipping activities, Oceanlink Ltd (2013).

*Offshore wind:* Fred. Olsen Windcarrier AS, Universal Foundation Norway AS and Fred. Olsen Ocean Ltd (formerly named First Olsen Ltd.) – Other investments (from 3<sup>rd</sup> quarter 2013, previously reported under the segment “Other investments”).

##### **Other investments**

Fred. Olsen Travel AS, Fred. Olsen Insurance Services AS (merged with Fred. Olsen Brokers AS effective from 1 October 2013), Fred. Olsen Fly- og Luftmateriell AS, Stavnes Byggeselskap AS, Oslo Shipholding AS, GenoMar AS (01.01.-31.10. - 2013), Fred. Olsen Cruise Lines Pte. Ltd., FO Capital Ltd, Bonheur og Ganger Rolf ANS, Borgå Group, Borgå II Group, Bonheur ASA, Ganger Rolf ASA, Laksa AS, Laksa II AS, Knock Holding Group (merged with Bonheur ASA/Ganger Rolf ASA effective from 1 July 2013), Knock Holding II Group (merged with Bonheur ASA/Ganger Rolf ASA effective from 1 July 2013) and Fred. Olsen Ocean Ltd. (formerly named First Olsen Ltd.) –



## BONHEUR ASA

Other investments (Up to and including 2<sup>nd</sup> quarter 2013, thereafter included under the segment "Shipping/Offshore Wind").

### **Associates**

#### **Renewable energy**

Codling Holding Ltd. (50% consolidation percentage) and Aurora AS (50% consolidation percentage).

#### **Other investments**

NHST Media Group AS (36.87% consolidation percentage).

### **Note 4 – Interest bearing loans**

FOE has repaid USD 62.8 million of the credit facility as per 31 March 2014. FOE has borrowed USD 631.8 million in Q1 2014, including a new bond loan of NOK 1 100 million. The bond was raised in the Norwegian bond market at a coupon of 3 months LIBOR + 3.0%, with maturity in February 2019. Per 31 March 2014 USD 300 million is undrawn and available under the credit facility for general corporate.

FOR has secured bank loans of GBP 311 million, finance lease liabilities of GBP 39 million and other interest bearing loans of GBP 5 million as per 31 March 2014.

FOCL has secured bank loans of GBP 73 million as per 31 March 2014.

FOL has bank loans of EUR 173 million outstanding as per 31 March 2014, of which EUR 143 million relate to Fred. Olsen Windcarrier AS and Universal Foundation AS.

In December 2009 Bonheur ASA completed a NOK 1,000 million 5 years unsecured bond issue with Ganger Rolf ASA as guarantor. Maturity date is 15<sup>th</sup> December 2014. Ganger Rolf ASA has borrowed NOK 500 million of the proceeds from the bond issue from Bonheur ASA at identical terms.

In January 2012 Bonheur ASA completed a NOK 700 million 5 years unsecured bond issue with maturity in 2017 and a NOK 300 million 7 years bond issue with maturity in 2019. Ganger Rolf ASA has borrowed NOK 350 million and NOK 150 million, respectively, of the proceeds from the bond issues from Bonheur ASA at identical terms.

### **Note 5 – Taxes**

There are several ongoing tax disputes between subsidiaries within the Group of companies and the Norwegian tax authorities. For further information please refer to Note 28 in the Annual Report for 2013.

In 2009 the subsidiary Bariert NV received a subsequent tax ruling for the year 1999 of NOK 59 million as ordinary tax with an additional penalty tax of NOK 17 million. The company paid in total tax of NOK 112 million including interest. This tax claim was challenged before a higher appeal entity "Skatteklagenemda". Skatteklagenemda reduced the ordinary tax to NOK 51 million and removed the penalty tax. By removing the penalty tax, the tax authorities also disregarded interest expenses applied before 2009. Subsequently, total tax and penalty tax paid back from the tax authorities including interest amounted to NOK 72 million. The company disagreed with the ruling and appealed the decision to the court. However, the tax authorities gained support for their view by the court (Tingretten) in April 2013. The company has appealed the decision to the court of Appeal (Lagmannsretten).



## BONHEUR ASA

Bonheur ASA and Ganger Rolf ASA have both received a draft decision of change regarding the taxable income for 1999 based on the same case that mentioned above from the tax authorities. The tax authorities claim that Bonheur ASA and Ganger Rolf ASA should have been taxed on gain on shares when reorganizing the ownership of Barient NV back in 1999. No penalty tax has been notified. The first draft decision received lead to a possible payable tax of totally NOK 136 million. In the second draft decision received in February 2014, the payable tax was reduced to totally NOK 105 million. The amount of NOK 136 million was reflected in the estimated tax cost per 1st quarter 2012.

Bonheur ASA and Ganger Rolf ASA have both received a decision of change regarding the taxable income for 2006. The tax authorities claim that the split of the convertible bonds into ordinary bonds together with an option to purchase shares at the conversion price equates to realization and is therefore taxable. The issue is before the courts as the position of the companies is that gain on shares is free of tax ("Fritaksmodellene"). The position taken by the tax authorities led to a payable tax in March 2011 of NOK 121 and NOK 112 million for Ganger Rolf ASA and Bonheur ASA respectively. The tax authorities gained support for their view booth by the court (Tingretten, January 2012), and the Court of Appeal (Lagmannsretten in December 2013). The decision at the Court of Appeal has been appealed to the Supreme Court in February 2014 and will be considered by the Court in September 2014. The amounts claimed from the fiscal authorities have been expensed in 4 quarter 2011 albeit the verdict has been appealed.

In July 2013 a subsidiary; MOPU AS, was notified by the tax authorities of a possible change in the taxable income for 2005 – 2006. The tax authorities indicated a potential ordinary tax claim of totally NOK 158 million related to the reorganization of the company in 2005. The notification has been challenged.

In November 2013 a subsidiary, Fred. Olsen Ocean Limited (formerly named First Olsen Ltd), was notified by the tax authorities of a possible change in the taxable income for 2007. The main issue was whether an internal sale of a vessel followed the arm's length principle or not. The tax authorities indicated a potential added taxable gain of NOK 200 million. The notification has been challenged.

### **Note 6 – Discontinued operations**

In June 2013, Yinson Holdings Berhad, announced a cash offer to acquire 100% of the shares in Fred. Olsen Production ASA (FOP). Fred. Olsen Ocean Ltd. (formerly named First Olsen Ltd), owned 50/50 by Bonheur ASA and Ganger Rolf ASA, and the majority shareholder of FOP, granted the Offeror an irrevocable pre-acceptance for its 65 191 200 shares, representing 61.54% of the total issued shares and votes of FOP.

As a consequence of the above mentioned cash offer, the business segment Floating Production were classified as held for sale in the consolidated financial position with effect from 30. June 2013, and accordingly presented as discontinued operations in the consolidated income statement. On 20th December, FOP announced that settlement of the voluntary offer by Yinson to acquire all outstanding shares in FOP had been completed.

Figures for first quarter 2013 have been restated for the income statement.





## BONHEUR ASA

<b>(NOK 1000)</b>	<b>Jan-Mar 2013</b>
<b>Result of discontinued operation</b>	
Revenue	165 072
Operating costs	-96 541
<b>Operating result before depreciation / impairment losses (EBITDA)</b>	<b>68 531</b>
Depreciation	-30 743
<b>Operating result (EBIT)</b>	<b>37 787</b>
Financial revenues	5 034
Financial costs	-10 619
Net financial items	-5 585
<b>Result before tax (EBT)</b>	<b>32 202</b>
Estimated tax cost	-11 765
<b>Net result after estimated tax</b>	<b>20 438</b>
Hereof minority interests	7 467
Hereof majority interests	12 971
Basic / diluted earnings (loss) per share	0,4

<b>Cash flows from discontinued operation (NOK 1000)</b>	<b>Jan-Mar 2013</b>
Net cash used in operating activities	29 769
Net cash from investing activities	0
Net cash from financing activities	-2 660
<b>Net cash flows for the period</b>	<b>27 109</b>

<b>Effect of disposal on the financial position of the Group (NOK 1000)</b>	<b>31.03.2013</b>
Property, plant and equipment	-1 602 987
Financial fixed assets	-6 687
Inventories	-6 342
Trade receivables and other receivables other	-147 359
Bonds and securities, short term	-16 856
Cash and bank	-425 431
Pension liabilities	32 295
Interest-bearing other long term debt, other	815 584
Not interest-bearing other long term debt, other	13 259
Current liabilities	109 525
<b>Net assets and liabilities</b>	<b>-1 234 998</b>



## BONHEUR ASA

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

(NOK million) - unaudited

#### CONDENSED INCOME STATEMENT (NGAAP)

	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
Revenues	0,1	0,1	0,5
Operating costs	-16,7	-10,0	-45,8
<b>Operating result before depreciation (EBITDA)</b>	<b>-16,6</b>	<b>-9,9</b>	<b>-45,4</b>
Depreciation	-0,4	-0,5	-1,8
<b>Operating result (EBIT)</b>	<b>-17,1</b>	<b>-10,4</b>	<b>-47,1</b>
Financial revenues	226,3	19,0	750,5
Financial costs	-21,2	-39,2	-615,6
Net financial items	205,1	-20,2	134,9
<b>Result before tax (EBT)</b>	<b>188,0</b>	<b>-30,6</b>	<b>87,8</b>
Estimated tax cost	0,0	0,0	-8,0
<b>Net result after estimated tax</b>	<b>188,0</b>	<b>-30,6</b>	<b>79,7</b>

#### CONDENSED BALANCE SHEET (NGAAP)

	31.03.2014	31.03.2013	31.12.2013
Deferred tax asset	0,0	28,9	0,0
Property, plant and equipment	32,3	34,1	32,7
Investments in subsidiaries	4 547,8	4 800,6	4 439,1
Investments in associates	74,7	74,7	74,7
Other financial fixed assets	353,8	1 470,6	355,0
<b>Non-current assets</b>	<b>5 008,6</b>	<b>6 408,9</b>	<b>4 901,5</b>
Trade and other receivables	137,4	36,1	225,4
Cash and cash equivalents	640,2	188,0	673,2
<b>Current assets</b>	<b>777,5</b>	<b>224,1</b>	<b>898,6</b>
<b>Total assets</b>	<b>5 786,1</b>	<b>6 632,9</b>	<b>5 800,1</b>
Share capital	51,0	51,0	51,0
Share premium reserve	25,9	25,9	25,9
Retained earnings	3 999,3	3 608,0	3 811,3
<b>Equity</b>	<b>4 076,2</b>	<b>3 684,9</b>	<b>3 888,2</b>
Non-current interest bearing liabilities	496,2	1 951,4	495,9
Other non-current liabilities	139,8	108,4	135,2
<b>Non-current liabilities</b>	<b>636,0</b>	<b>2 059,7</b>	<b>631,1</b>
Current interest bearing liabilities	693,5	509,8	903,0
Other current liabilities	380,5	378,5	377,9
<b>Current liabilities</b>	<b>1 073,9</b>	<b>888,3</b>	<b>1 280,8</b>
<b>Total equity and liabilities</b>	<b>5 786,1</b>	<b>6 632,9</b>	<b>5 800,1</b>



## BONHEUR ASA

### CONDENSED STATEMENT OF CASHFLOW (NGAAP)

<i>(NOK million) - unaudited</i>	<b>Jan-Mar 2014</b>	<b>Jan-Mar 2013</b>
<b>Cash flow from operating activities</b>		
Net result after tax	188,0	-30,6
<i>Adjustments for:</i>		
Depreciation	0,4	0,5
Net of investment income, interest expenses and net unrealized foreign exchange gains	-195,5	22,2
Net gain on sale of property, plant and equipment and other investments	-0,3	-0,2
Tax expense	0,0	0,0
Cash generated before changes in working capital and provisions	-7,3	-8,1
Increase (-) / decrease in trade and other receivables	-10,8	0,7
Increase / decrease (-) in current liabilities	1,6	0,9
Cash generated from operations	-16,6	-6,6
Interest paid	-18,6	-20,6
<b>Net cash from operating activities</b>	<b>-35,2</b>	<b>-27,2</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment and other investments	1,2	2,9
Interest and dividends received	216,5	9,8
Acquisitions of property, plant and equipment and other investments	-5,3	-23,4
<b>Net cash from investing activities</b>	<b>212,4</b>	<b>-10,7</b>
<b>Cash flow from financing activities</b>		
Increase in borrowings	0,6	0,8
Repayment of borrowings	-210,9	-0,8
<b>Net cash from financing activities</b>	<b>-210,3</b>	<b>0,0</b>
Net increase in cash and cash equivalents	-33,0	-37,8
Cash and cash equivalents at 1 January	673,2	225,7
<b>Cash and cash equivalents at 31 March</b>	<b>640,2</b>	<b>188,0</b>