

15. ANNEXE 12 : EXTRAITS DES RAPPORTS ANNUELS DE BONHEUR ASA

Annual Report 2016



Key Figures (consolidated accounts)

| (Amounts in NOK million) | | 2016 | 2015 | 201 |
|---|----|------|------------|------------|
| Income statement | | | | |
| Operating income | | | 14 640.4 | 12 347.3 |
| Operating profit before depreciation and impairment losses (EBITDA) | | | 6 243.3 | 4 322.3 |
| EBITDA-margin | | | 43 % | 35 % |
| Operating profit/loss (-) (EBIT) | | | -2 361.3 | 1 303.5 |
| Share of result in associates | | | -2.1 | 107.9 |
| Net finance income / expense (-) | | | -535.5 | -469.4 |
| Profit / loss (-) before tax | | | -2 898.8 | 942.0 |
| Tax income / expense (-) | | | 94.9 | -445.0 |
| Profit for the year | | | -2 803.9 | 497.0 |
| Non-controlling interests | | | -1 542.4 | 377.9 |
| Profit / loss (-) for the year (shareholders of the parent) | | | -1 261.5 | 119.2 |
| Statement of financial position | | | | |
| Non-current assets | | | 28 220.1 | 32 165.3 |
| Current assets | | | 13 586.0 | 9 250.3 |
| Equity ex non-controlling interests | | | 9 100.8 | 7 930.2 |
| Non-controlling interests | | | 6 344.2 | 6 603.6 |
| Non-current interest bearing liabilities | | | 17 581.2 | 17 602.4 |
| Other non-current liabilities | | | 1 795.9 | 1 870.1 |
| Current interest bearing liabilities | | | 3 431.2 | 1 147.8 |
| Other current liabilities | | | 3 553.0 | 6 261.1 |
| Total assets / total equity and liabilities | | | 41 806.1 | 41 415.5 |
| Liquidity | | | | |
| Cash and cash equivalents as at 31 December | 1) | | 8 340.3 | 5 673.2 |
| Net change in cash and cash equivalents | 1) | | 2 038.0 | -143.8 |
| Net cash from operating activities | 1) | | 5 240.3 | 3 108.7 |
| Current ratio | 2) | | 195 % | 125 % |
| Capital | | | | |
| Equity-to-assets ratio | 3) | | 37 % | 35 % |
| Share capital | | | 51.0 | 51.0 |
| Total number of shares outstanding as at 31 December | | | 32 345 668 | 32 345 668 |
| Key performance indicators | | | | |
| Net interest bearing debt (NIBD) | 4) | | 12 672 | 13 077 |
| Capital employed (CE) | 5) | | 28 117 | 27 611 |
| Key figures per share (Amounts in NOK) | | | | |
| Market price 31 December | | | 53.00 | 73.25 |
| Dividend per share | | | 2.00 | 2.50 |

1) In accordance with cash flow statement. 2) Current assets as per cent of current equity as per cent of total assets.

4) NIBD = Total interest bearing debt less cash and cash equivalents. 5) CE = Net Capital Employed.

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 (2014 and 2015), 44.06% of NHST Media Group AS and indirectly 49.00% of Fred. Olsen Wind Limited (UK).

Directors' Report 2016

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 2016 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.

In 2016, the energy and currency markets showed significant volatility, following macroeconomic and political events. These market developments have significant impact on the Company's results.

After having reached a 12 year low in spot oil prices of USD 26 per barrel in early 2016, the spot oil price recovered during the year, and ended 2016 at USD 55 per barrel. Measured on an annual average basis, the price in 2016 was down 15% from 2015. Activities in the Offshore drilling segment have been negatively impacted by the decline in the oil prices over the last years. Reduced investment programmes by the oil companies have had a consequential impact on the business opportunities for offshore oil drilling companies. The Offshore drilling segment ended the year with three units in operation out of a total of nine, down from six at the end of 2015.

Electricity prices in the UK increased during the year, but were relatively stable compared to 2015 measured on an average basis. The steep decline in the GBP exchange rate following the UK vote to leave the European Union in June 2016, negatively impacted the value of the UK operations expressed in NOK. In Scandinavia, the electricity system price increased by 28% from 2015, but still remains at historically low levels. One new wind farm project within Fred Olsen Renewable came into operation in 2016. The installed generating capacity for the year increased to 596 MW, up from 582 MW at the end of 2015.

The offshore wind industry is increasingly becoming competitive with other energy suppliers. The two wind turbine installation vessels in the Shipping/Offshore wind segment underwent upgrades to the legs and cranes in 2016. The upgrades positioned the vessels better for working on a wider range of projects in deeper waters and with larger turbines in the future. The order book for these vessels increased during 2016.

In the Cruise segment, the four cruise vessels continued to provide destination driven cruises with a high service level to their customers. Black Watch underwent upgrades during the year, and similar work will be carried out on three other vessels. The steep decline in the GBP exchange rate in the middle of the year impacted the cruise business negatively.

May 4 2016, was a milestone in the history of Bonheur, with the completion of the merger between Bonheur ASA and Ganger Rolf ASA. The merger has resulted in a more transparent and accessible corporate structure and operational and financial efficiencies. The two companies had since inception in the late 19th century invested in cooperation with each other. Apart from different ownership in only some minor subsidiaries and investments, Bonheur and Ganger Rolf shared equal ownerships of underlying subsidiaries and investments. The merger, in which shareholders of Ganger Rolf received 0.8174 Bonheur shares for every share held in Ganger Rolf, resulted in an issuance of 1 742 585 new shares in Bonheur, taking the total issued number of shares up to 42 531 893.

The Group of companies' results

(2015 in brackets)

Operating revenues amounted to NOK 12 414 million (NOK 14 640 million). Operating expenses amounted to NOK 7 343 million (NOK 8 397 million).

Operating result before depreciation, amortization and impairment charges (EBITDA) was NOK 5 072 million (NOK 6 243 million). Depreciation amounted to NOK 3 330 million (NOK 3 701 million). Impairment losses related to property, plant and equipment and intangible assets were NOK 2 037 million (NOK 4 904 million). Operating result (EBIT) was NOK -294 million (NOK -2 361 million).

Net financial items were NOK -410 million (NOK -535 million).

Net result for the year was NOK -1 004 million (NOK -2 804 million).

After non-controlling interests of NOK -515 million (NOK -1 542 million), controlling interests' share of result after estimated tax amounted to NOK -490 million (NOK -1 262 million). At year-end, the non-controlling interests of the Group of companies consisted of 48.08% of Fred. Olsen Energy ASA, 46.01% of NHST Media Group AS and 49% in Fred. Olsen Wind Limited (UK).

Directors' Report 2016

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 51.9% owned.

The offshore fleet of FOE consists of two drill ships, five semi-submersible drilling rigs, 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.

Negative market developments continued through 2016 in offshore drilling, with the number of active rig contracts reaching another low point in 2016. The expectation for 2017 is that the market is bottoming out, but there will be continued pressure on rig-rates and utilization due to overcapacity. There have been positive development on several leading indicators for the drilling industry. On the back of increasing oil demand the oil price has been on an increasing trend since early 2016. Following two consecutive years of reduced E&P (Exploration and Production) spending, the investments in 2017 are expected to be at the same level as 2016. The E&P companies are now directing more of their spending to less capital intensive and short cycle higher-return projects. This has led to an increased spending in the onshore segment, both towards conventional and shale activities, offshore brownfield projects, and projects close to existing infrastructure. Further, several new development projects are being progressed for sanctioning and development over the coming years, particularly in the midwater areas. In addition, we have seen increased activity in the asset trading between oil companies which indicate that they are re-focusing their portfolios.

Operating revenues amounted to NOK 6 932 million (NOK 8 976 million). Operating result before depreciation (EBITDA) was NOK 4 186 million (NOK 5 131 million), and operating result (EBIT) was NOK -175 million (NOK -2 627 million), including impairment losses of NOK 1 914 million (NOK 4 904 million).

Net result after tax was NOK -870 million (NOK -2 820 million).

Renewable energy

Renewable energy consists of Fred. Olsen Renewables AS with

subsidiaries ("FOR"). In total FOR owns and operates wind farms with a total capacity of 596 MW.

Fred Olsen Wind Ltd (FOWL) is a subsidiary of FOR, of which FOR holds 51%. FOWL owns 432,8 MW of the 596 MW total installed capacity. The UK listed infrastructure fund The Renewable Infrastructure Group (TRIG) owns the remaining 49% of FOWL.

The balance of 163,2 MW installed capacity and the future development projects are owned by FOR outside FOWL.

FOR continued to develop its wind farm activities in the UK, Sweden and Norway. In 2016 the construction of the wind farm Crystal Rig III (14 MW) was completed and Windy Standard II (61.5 MW) is expected to be completed in the second half of 2017.

In the main markets, UK, Sweden and Norway, we have witnessed a combination of technological progress and regulatory changes. At year end it became apparent that the common Swedish and Norwegian renewable target of 28,4 TWh by 2020 will be fulfilled and most likely also exceeded. Hence, the certificate price dropped to new record low levels but with some price recovery in early 2017. Sweden announced that they will increase the renewable target with 18 TWh from 2020 – 2030.

Whilst there will be a new subsidy round for less established technologies in 2017 in the UK, such as offshore wind, no announcements have yet been made in the UK regarding a new subsidy system for more established technologies such as for onshore wind and solar. In all our markets, the power prices have increased during the year. Due to outages on the France-UK electricity interconnector and unplanned outages in the French nuclear fleet, the power price increased further in UK during autumn/winter 2016. In Scandinavia the Nordpool spot price increased over the year.

Operating revenues were NOK 979 million (NOK 1 196 million), and the annual production was 1 400 GWh (1 524 GWh). EBITDA was NOK 618 million (NOK 811 million). Operating result (EBIT) amounted to NOK 150 million (NOK 389 million), while net result was NOK 115 million (NOK 173 million).

Shipping/Offshore wind

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

Directors' Report 2016

Indirectly through its subsidiary Fred. Olsen Windcarrier AS, FOO provides services for transportation, installation and service of wind turbines utilizing the 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 seven crew transfer vessels built for transport of goods and personnel to and from offshore wind farms.

Global Wind Service A/S is indirectly owned 75.5% by FOO, is an international supplier of technicians to the global wind turbine industry. GWS provides a range of installation and maintenance services both onshore and offshore.

Universal Foundation A/S, was indirectly owned 82 % by FOO in 2016, and now owned indirectly 100% (after acquiring the remaining 18% from April 2017), develops a suction MonoBucket® offshore wind foundation. In 2016, Universal Foundation undertook studies and had ongoing discussions with major developers about the use of the Mono Bucket® foundation for planned offshore wind farms.

The offshore wind market is still predominantly a European market although increasing interest and activity in Far East and USA is evident. There were approximately 3 600 offshore wind turbines in operation by the end of 2016, with several large projects in the pipeline for the next 3-4 years and expectations of further growth. In tandem with reduced electricity prices, increased requirements for cost effective operations is the expectation, both for transport and installations as well as service and maintenance of the offshore wind parks.

Total revenues in 2016 amounted to NOK 1 075 million (NOK 1 050 million). Operating result before depreciation (EBITDA) was NOK 55 million (NOK 81 million). Operating result (EBIT) was NOK -198 million (NOK -56 million) and net result was NOK -340 million (NOK -150 million).

Cruise

The Cruise segment consists of First Olsen (Holdings) Ltd., which is 100% owned within the Group of companies, together with its subsidiary undertakings which own and operate the cruise vessels MS Black Watch, MS Boudicca, MS Braemar and MS Balmoral. Fred. Olsen Cruise Lines Ltd carried 90 838 passengers during

2016 (2015: 91 772). The company draws on the smaller vessel sizes as a strong selling point to create a more intimate cruise experience; unique and interesting destinations, along with memorable experiences, are built into the itineraries planned.

Operating revenues were NOK 2 070 million (NOK 2 092 million). Operating result before depreciation (EBITDA) was NOK 320 million (NOK 292 million). Operating result (EBIT) was NOK 98 million (NOK 58 million) and net result was NOK 162 million (NOK 71 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

NHST Media Group AS comprises four main business segments; i) Norwegian publications with the titles Dagens Næringsliv and Morgenbladet, ii) MyNewsdesk, iii) Global publications with the titles TradeWinds, Upstream, Intrafish Media, Europower AS and Recharge and iv) Nautical Charts.

The shift towards digital products continues, and represented 56% of total revenues in 2016. The market share and number of copies sold for most of the publications has been relatively stable compared with the previous year with a small net decrease in total circulation revenues. The advertising revenues decreased by 12% for the full year, compensated by increased service revenues.

Operating revenues for the full year were NOK 1 325 million (NOK 1 272 million). Operating result before depreciation (EBITDA) was NOK 71 million (NOK 56 million). Operating result was NOK 15 million (NOK 10 million), and net result was NOK 8 million (NOK 13 million).

Koksa Eiendom AS

Bonheur ASA holds 12.6% of the shares in Koksa Eiendom AS. The company own commercial properties in the Fornebu Area near Oslo, Norway. Over the last four 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) had received dividends of NOK 170 million in aggregate from Koksa

Annual Report 2015



Key Figures (consolidated accounts)

| (Amounts in NOK million) | | 2015 | 2014 | 201 |
|---|----|------|------------|------------|
| Income statement | | | | |
| Operating income | | | 12 347.3 | 10 257.4 |
| Operating profit before depreciation and impairment losses (EBITDA) | | | 4 322.3 | 4 012.2 |
| Operating profit (EBIT) | | | 1 303.5 | 1 556.6 |
| Share of profit in associates | | | 107.9 | 0.7 |
| Net finance income / expense (-) | | | -469.4 | 18.6 |
| Profit before tax | | | 942.0 | 1 576.0 |
| Tax income / expense (-) | | | -445.0 | -101.8 |
| Net profit from continuing operations | | | 497.0 | 1 474.2 |
| Net result from discontinued operations | | | 0.0 | -205.0 |
| Profit for the year | | | 497.0 | 1 269.2 |
| Non-controlling interests | | | 377.9 | 860.9 |
| Profit for the year (shareholders of the parent) | | | 119.2 | 408.3 |
| Statement of financial position | | | | |
| Non-current assets | | | 32 165.3 | 24 058.9 |
| Current assets | | | 9 250.3 | 8 238.5 |
| Equity ex non-controlling interests | | | 7 930.2 | 7 094.2 |
| Non-controlling interests | | | 6 603.6 | 5 859.3 |
| Non-current liabilities | | | 19 472.5 | 11 541.0 |
| Current liabilities | | | 7 409.3 | 7 802.8 |
| Total assets / total equity and liabilities | | | 41 415.5 | 32 297.3 |
| Liquidity | | | | |
| Cash and cash equivalents per 31 December | 1) | | 5 673.2 | 5 379.1 |
| Net change in cash and cash equivalents | 1) | | -143.8 | 1 119.9 |
| Net cash from operating activities | 1) | | 3 108.7 | 3 408.4 |
| Current ratio | 2) | | 125 % | 106 % |
| Capital | | | | |
| Equity-to-assets ratio | 3) | | 35 % | 40 % |
| Share capital | | | 51.0 | 51.0 |
| Total number of shares outstanding | | | 32 345 668 | 32 345 668 |
| Key figures per share | | | | |
| (Amounts in NOK) | | | | |
| Market price 31 December | | | 73.25 | 128.50 |
| Dividend per share | | | 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).

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 51.5% within the Group of companies.

Directors' Report 2015

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.

Directors' Report 2015

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

Annual Report 2014



Key Figures (consolidated accounts)

| (Amounts in NOK million) | 2014 | 2013 | 2012 | |
|---|----------|------------|------------|------------|
| Income statement | | | | |
| Operating income | 12 347.3 | 10 257.4 | 9 605.0 | |
| Operating profit before depreciation and impairment losses (EBITDA) | 4 322.3 | 4 012.2 | 3 879.8 | |
| Operating profit (EBIT) | 1 303.5 | 1 556.6 | 2 025.1 | |
| Share of profit in associates | 107.9 | 0.7 | 5.8 | |
| Net finance income / expense (-) | -469.4 | 18.6 | -562.3 | |
| Profit before tax | 942.0 | 1 576.0 | 1 468.6 | |
| Tax income / expense (-) | -445.0 | -101.8 | -100.4 | |
| Net profit from continuing operations | 497.0 | 1 474.2 | 1 368.2 | |
| Net result from discontinued operations | 0.0 | -205.0 | 13.9 | |
| Profit for the year | 497.0 | 1 269.2 | 1 382.1 | |
| Non-controlling interests | 377.8 | 860.9 | 977.9 | |
| Profit for the year (shareholders of the parent) | 119.2 | 408.3 | 404.1 | |
| Statement of financial position | | | | |
| Non-current assets | 32 165.3 | 24 058.9 | 22 332.9 | |
| Current assets | 9 250.2 | 8 238.5 | 7 298.9 | |
| Equity ex non-controlling interests | 7 930.2 | 7 094.2 | 6 382.4 | |
| Non-controlling interests | 6 603.5 | 5 859.3 | 5 605.3 | |
| Non-current liabilities | 19 472.5 | 11 541.0 | 11 962.8 | |
| Current liabilities | 7 409.3 | 7 802.8 | 5 681.3 | |
| Total assets / total equity and liabilities | 41 415.5 | 32 297.3 | 29 631.8 | |
| Liquidity | | | | |
| Cash and cash equivalents per 31 December | 1) | 5 673.2 | 5 379.1 | 4 027.2 |
| Net change in cash and cash equivalents | 1) | -143.8 | 1 119.9 | -406.2 |
| Net cash from operating activities | 1) | 3 108.7 | 3 408.4 | 3 812.7 |
| Current ratio | 2) | 125 % | 106 % | 128 % |
| Capital | | | | |
| Equity-to-assets ratio | 3) | 35 % | 40 % | 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 | | 73.25 | 128.50 | 136.00 |
| Dividend per share | | 2.50 | 7.00 | 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 and 44.06% of NHST Media Group AS.

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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 2014 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.

The world economic output remained at the previous year's growth level, while the growth in world trade volumes slowed down. Many economists predicted that interest rates in the large industrialized countries were to increase in line with expected economic growth rates. In fact, the vast majority of the industrialized world economies are now subject to key policy rates near or below 0%. This reminds us that experts' forecasts are after all personal and that the world is highly unpredictable.

A proof of the unpredictability of events was the large decline in oil prices during the second half of the year. In US Dollar terms the Brent oil price dropped close to 50%, influenced by increased oil production in the US, lower than expected oil demand in some countries, erratic financial markets and geopolitical events. Interestingly, a similar decline in price has applied to copper.

The more conservative approach within the oil and gas industry which commenced in 2013 manifested itself in 2014 and is expected to continue given the current market outlook. Average annual electricity prices in Scandinavia and the UK in 2014 were down 22% and 1%, respectively, from the previous year. In general, producers continue to find it difficult to obtain required rates of return in the Scandinavian market. In the UK, a new renewable support scheme with the aim of benefiting all stakeholders is in the process of being implemented and it remains to be seen to which extent this will influence returns for producers.

The Russian-Ukrainian conflict has reminded us of the importance of reliable energy supplies. Authorities in European countries will need to continue their efforts to support investments in renewable energy to achieve their renewable targets, with a

continuous drive to bring down the cost of renewable energy. Renewable energy is becoming a significant supplier to the electricity market in Europe.

In 2014 the Group of companies experienced increased revenues denominated in Norwegian kroner within all business segments compared to the previous year, partly due to the weakening of Norwegian kroner versus other currencies during the year.

From May NHST Media Group AS was fully consolidated in the accounts due to the increase in the Group of companies' ownership from 35.6% to 54.0%, which resulted in increased revenues of NOK 833 million compared to the previous year.

The offshore fleet of Fred. Olsen Energy ASA with subsidiaries (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. A new deep-water semi-submersible drilling rig for harsh environment, contracted by a major oil company, is scheduled to be delivered in third quarter 2015. The activities also include shipbuilding, ship repair, construction of offshore wind foundations and engineering at the Harland & Wolff shipyard in Belfast, Northern Ireland.

The low contracting activity experienced during second half of 2013 continued into 2014, driven mainly by the oil and gas companies curtailing their spending levels. The low contracting activity combined with a continuous flow of new builds into the market led to an oversupply developing in the mobile rig market through 2014, especially in the deep water sector, due to over-contracting of new drilling units. This paralleled with an imbalance in the demand and supply of oil in the third quarter resulting in a sharp drop in oil price

Fred. Olsen Renewables AS with subsidiaries (FOR) continued to develop its wind farm activities in the UK, Sweden and Norway. In 2014 the construction of Mid Hill wind farm (75.9 MW) was completed and the construction of the 78 MW wind farm Fäbodliden commenced with expected completion in 2016. During the year the Norwegian project Kalvatnan (225 MW) was consented. Preparation for construction of the wind farm Windy Standard II in the UK has commenced. FOR continues its efforts to develop more acreage suited for wind power in selected regions.

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Fred. Olsen Cruise Lines Ltd. with subsidiaries (FOCL) owned and operated four cruise vessels during 2014; MV Black Watch, MV Braemar, MV Boudicca and MV Balmoral. The fleet's total capacity is 3 700 berths.

FOCL remains focused on the development of innovative cruises that offer its customers a product tailored to complement the ships' size. A diversity of ports in the UK, a benefit of sailing in to the heart of destinations due to lower draft and a well-designed shore side program are seen as key drivers to improvement in revenues.

Fred. Olsen Ocean Ltd. (FOO) has, through its subsidiary Fred. Olsen Windcarrier AS, been engaged on projects in European waters for transportation and installation of wind turbines utilising the modern purpose built jack-up vessels Brave Tern and Bold Tern.

Fred. Olsen Windcarrier A/S (Denmark), a subsidiary of Fred. Olsen Windcarrier AS, 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 2014 the vessels have been contracted to utilities and developers of European offshore wind farm projects.

Global Wind Service A/S, a Danish limited company owned 51% by Fred. Olsen Windcarrier AS, is an international supplier of 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.

Universal Foundation Norway AS, a wholly owned company by Fred. Olsen Ocean Ltd, together with the subsidiary Universal Foundation A/S (Denmark, 82% owned) develops an integrated turnkey solution with its unique suction MonoBucket® offshore wind foundation. In 2014 Universal Foundation conducted a successful offshore campaign with Statoil as lead partner in the Carbon Trust's Offshore Wind Accelerator program, demonstrating the feasibility of the use of the Mono Bucket foundation in different soil conditions across the North Sea. Universal Foundation has discussions with several major developers about the use of the Mono Bucket foundation for planned offshore wind farms.

In 1999 the structure and ownership of shares in a subsidiary of Bonheur ASA and Ganger Rolf ASA was reorganized. According to the tax authorities the gain on shares on this intragroup transaction was taxable and the subsidiary company has subsequently paid NOK 51 million in tax. The company appealed the decision to the court (tingretten). The tax authorities gained support for their view by the court in April 2013 but the company appealed the decision to the Court of Appeal (lagmannsretten). Unfortunately the tax authorities gained support for their view there as well. Finally the company appealed the decision further to the Supreme Court (Høyesterett) but in March 2015 the appeal was rejected. The amount was paid and reflected in recognized income tax expense for 2011.

There are several ongoing tax disputes between the parent company and 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

(2013 in brackets)

Operating revenues amounted to NOK 12 347 million (NOK 10 257 million). Operating costs amounted to NOK 8 025 million (NOK 6 245 million).

Operating result before depreciation (EBITDA) was NOK 4 322 million (NOK 4 012 million). Depreciation and impairment losses of NOK 3 019 million (NOK 2 456 million) resulted in operating profit (EBIT) of NOK 1 304 million (NOK 1 557 million).

Net financial items were NOK - 470 million (NOK 19 million).

The Group of companies' net profit from continuing operations was NOK 497 million (NOK 1 474 million).

In 2013 the Group of companies had a net loss from discontinued operations of NOK 205 million due to the sale of the shares in Fred. Olsen Production ASA the same year.

Profit for the year was NOK 497 million (NOK 1 269 million).

After non-controlling interests of NOK 378 million (NOK 861 million), majority interests' share of result after estimated tax amounted to NOK 119 million (NOK 408 million). During the year

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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 and 46.01% of NHST Media Group AS.

Results from the main activities

The financial results below are 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.

Operating revenues amounted to NOK 7 475 million (NOK 7 022 million). Operating result before depreciation (EBITDA) was NOK 3 284 million (NOK 3 358 million) and operating result (EBIT) was NOK 933 million (NOK 1 935 million).

Net result after tax was NOK 796 million (NOK 1 735 million).

Renewable energy

Renewable energy consists of Fred. Olsen Renewables AS with subsidiaries ("FOR"), which is 100 % owned within the Group of companies.

Operating revenues were NOK 812 million (NOK 726 million) and the annual production was 1 213 GWh (1 113 GWh).

Operating result before depreciation (EBITDA) was NOK 548 million (NOK 522 million).

Operating result (EBIT) amounted to NOK 237 million (NOK 280 million), while net result was NOK -72 million (NOK 367 million).

Shipping/Offshore wind

At the end of the year Shipping/Offshore wind comprised the holding company Fred. Olsen Ocean Ltd. with subsidiaries, including Fred. Olsen Windcarrier AS and Universal Foundation Norway AS.

Total revenues in 2014 amounted to NOK 1 527 million (NOK 1 017 million). Operating result before depreciation (EBITDA) was NOK 459 million (NOK 193 million). Operating result (EBIT) was NOK 326 million (NOK 37 million) and net result was NOK -10 million (NOK 137 million).

Cruise

Cruise consists of First Olsen (Holdings) Ltd., which is 100 % owned within the Group of companies, and its subsidiary Fred. Olsen Cruise Lines Ltd. in Ipswich, UK ("FOCL"). During 2014 FOCL operated four cruise ships and carried 89 400 passengers (2013: 93 500).

Operating revenues were NOK 1 655 million (NOK 1 470 million). Operating result before depreciation (EBITDA) was NOK 146 million (NOK 65 million). Operating result (EBIT) was NOK -39 million (NOK -613 million) and net result was NOK -120 million (NOK -637 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 Kokså Eiendom AS (previously IT Fornebu Properties 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%. Kokså Eiendom AS is accounted for at cost.

NHST Media Group AS

NHST Media Group AS comprises five main business segments, DN (the business newspaper Dagens Næringsliv and TDN Finans), Direct relations (MyNewsdesk and ddp direct), Global (TradeWinds, Upstream, Intrafish and Recharge), Nautical Charts and Other. The market share and number of copies sold for most of the publications have been relatively stable with a net increase in total circulation revenues. The sale of new digital products continues to grow and now represent 25% of total turnover.

Operating revenues for the full year were NOK 1 235 million (NOK 1 236 million). Operating result before depreciation (EBITDA) was NOK 34 million (NOK 53 million). Operating result was NOK -10 million (NOK 9 million), and net result before tax was NOK -5 million (NOK 6 million).

Kokså Eiendom AS (previously IT Fornebu Properties AS)

Bonheur ASA and Ganger Rolf ASA each holds 6.3% of the shares in Kokså Eiendom AS.

2013

 **Bonheur ASA**

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Key Figures (consolidated accounts)

| (Amounts in NOK million) | 2013 | 2012 *) | 2011 | |
|---|----------|------------|------------|------------|
| Income statement | | | | |
| Operating income | 10 257.4 | 9 605.0 | 9 884.3 | |
| Operating profit before depreciation and impairment losses (EBITDA) | 4 012.2 | 3 879.8 | 4 317.0 | |
| Operating profit (EBIT) | 1 556.6 | 2 025.1 | 2 215.1 | |
| Share of profit in associates | 0.7 | 5.8 | 9.4 | |
| Net finance income / expense (-) | 18.6 | -562.3 | -564.5 | |
| Profit before tax | 1 576.0 | 1 468.6 | 1 660.0 | |
| Tax income / expense (-) | -101.8 | -100.4 | -296.2 | |
| Net profit from continuing operations | 1 474.2 | 1 368.2 | 1 363.8 | |
| Net result from discontinued operations | -205.0 | 13.9 | 0.0 | |
| Profit for the year | 1 269.2 | 1 382.1 | 1 363.8 | |
| Non-controlling interests | 860.9 | 977.9 | 969.1 | |
| Profit for the year (shareholders of the parent company) | 408.3 | 404.1 | 394.8 | |
| Statement of financial position | | | | |
| Non-current assets | 24 058.9 | 22 332.9 | 20 083.3 | |
| Current assets | 8 238.5 | 7 298.9 | 7 953.5 | |
| Equity ex non-controlling interests | 7 094.2 | 6 382.4 | 6 661.2 | |
| Non-controlling interests | 5 859.3 | 5 605.3 | 5 798.6 | |
| Non-current liabilities | 11 541.0 | 11 962.8 | 11 852.7 | |
| Current liabilities | 7 802.8 | 5 681.3 | 3 724.3 | |
| Total assets / total equity and liabilities | 32 297.3 | 29 631.8 | 28 036.8 | |
| Liquidity | | | | |
| Cash and cash equivalents per 31 December | 1) | 5 379.1 | 4 027.2 | 4 660.8 |
| Net change in cash and cash equivalents | 1) | 1 119.9 | -406.2 | -852.3 |
| Net cash from operating activities | 1) | 3 408.4 | 3 812.7 | 2 643.8 |
| Current ratio | 2) | 106% | 128% | 214% |
| Capital | | | | |
| Equity-to-assets ratio | 3) | 40% | 40% | 44% |
| 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 | | 128.50 | 136.00 | 116.50 |
| Dividend per share | | 7.00 | 7.00 | 5.00 |

- 1) In accordance with cash flow statement
- 2) Current assets as per cent of current liabilities
- 3) Equity as per cent of total assets

*) Restated, see note 2e, employee benefits and note 33, discontinued operations, for details.

Non-controlling interests in the Bonheur Group of companies is presented in the income statement and statement of financial position. The non-controlling interests consists of 47.74% of Fred. Olsen Energy ASA, 37.87% of Ganger Rolf ASA, 37.75% of Fred. Olsen Production ASA and 13.52% of GenoMar AS.

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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 2013 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, Bermuda and Brazil.

The year 2013 saw strong positive developments in many financial markets, but looking under the surface, challenges continue to hamper economic growth in many parts of the world. Economic growth in the Euro Area was uneven, but on average remained negative. Economic growth for the world as a whole slowed down from the previous year. Growth rates in world trade volumes remained positive and more or less unchanged. The continuation of very accommodative central bank policies have so far failed to ignite a full-fledged economic recovery, and falling unemployment rates have in some cases been a result of statistical adjustments rather than job creation.

Average annual electricity prices in Scandinavia and the UK were up 22% and 12%, respectively, from the previous year. The average Brent crude price was down 3% from the previous year and has thus hovered around an average price of USD 110 per barrel for the last three years. Lack of sufficient profit margins at the current oil price levels has contributed to some companies in the oil industry taking a somewhat more conservative approach to new explorations and developments.

Natural gas and electricity price differentials are expected to be in favor of the United States for the next decades, which will be a boon to their production of energy intensive goods. The European Union and Japan will under current expectations see the opposite unfold. A transition to a low-carbon economy will require further investments in renewable energy. Together with the countries' respective support schemes, the electricity prices need to provide renewable energy producers, such as ourselves, with sufficient returns if the countries' targeted amount of new projects are to be constructed. To reach the goals for renewable energy production, the stakeholders will need to aim for increased technology efficiency. The need will be to use the most productive power producing technology at the most optimal sites. This will require cooperation and mutual understanding between the authorities and producers. Renewable energy producers will need to continue to reduce the costs of power production. Some countries have seen concerns about the fiscal consequences and affordability of their renewable energy

targets. Finding cost-efficient support schemes will become increasingly important as time goes by. Capital is scarce and will, not surprisingly, flow to the countries which can offer the most predictable and high returns.

In 2013 the Group of companies experienced increased revenues compared to the previous year and the overall financial position continued to be satisfactory. Revenues from Offshore Drilling were at similar levels as the previous year, while Cruise experienced a decline. High revenue growth rates were achieved for the segments Renewable Energy and Shipping/Offshore wind. The transport and installation vessels within Shipping/Offshore wind performed satisfactorily during the year. A challenging market and impairments within Cruise, as well as higher cost levels within Offshore Drilling, however, resulted in lower operating results compared with 2012.

Following the voluntary offer in June 2013 from Yinson Production Ltd. to acquire all shares of Fred. Olsen Production ASA (FOP), the business segment Floating Production was reclassified as per second quarter 2013, until completion of the sale in December 2013, as an investment held for sale in Bonheur ASA's consolidated financial position. The segment is accordingly presented as discontinued operations in the income statement. The settlement of the voluntary offer was completed on 20 December 2013. First Olsen Ltd., the holder of 61.54% of the total issued shares in FOP, received in total NOK 612.8 million for their shares.

In October 2013 an agreement was entered into with Glastad Invest AS by which Bonheur ASA and Ganger Rolf ASA subsequently transferred their shareholding interests (66.9 million shares) in GenoMar AS, a company engaged in tilapia fish farming in Malaysia, China and the Philippines, to Glastad Invest AS.

The offshore fleet of Fred. Olsen Energy ASA with subsidiaries (FOE) consists of three deepwater units and five mid-water semi-submersible drilling rigs in addition to one tender support vessel and one accommodation unit. A new semi-submersible drilling rig for harsh environment is scheduled to be delivered in third quarter 2015. The company's activities also include shipbuilding, ship repair, construction of offshore wind foundations and engineering at the Harland & Wolff shipyard in Belfast, Northern Ireland.

The offshore drilling market began 2013 in robust shape with strong demand experienced in our domestic UK and Norwegian markets as well as internationally in deepwater. However, during the second half of 2013 oil companies were starting to experience difficulties in their efforts to continue to grow spending plans. The effects have been seen in recent drilling contracts in-

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dicating some softening of rates and an acceptance of shorter term contracts.

Fred. Olsen Renewables AS with subsidiaries (FOR) continued to develop its wind farm activities in the UK, Sweden, Norway and offshore Ireland. In 2013 the construction of Rothes II wind farm (41.4 MW) was completed and the construction of the 76 MW wind farm Mid Hill commenced with expected completion in 2014. During the year the Norwegian projects Gilja, Fálesrásša and Gismarkvik were consented. In the UK FOR acquired an additional 50% of Brockloch Rig Wind Limited increasing its ownership to 100%. This company has the rights to the Windy Standard II wind farm project. During the year FOR divested all of its activities in Canada. FOR continues its efforts to acquire more acreage suited for wind power in selected regions.

Fred. Olsen Cruise Lines Ltd. with subsidiaries (FOCL) owned and operated four cruise vessels during 2013; MV Black Watch, MV Braemar, MV Boudicca and MV Balmoral. The fleet's total capacity is 3 700 berths.

FOCL continues to focus on innovative cruise itineraries and new destinations and through its tailored shore excursion program; the customer is given the opportunity to enjoy a range of visual, active or cultural experiences.

The year was adversely affected by unprecedented ticket discounting during the summer and poor performance from cruises to the Eastern Mediterranean and Egypt during the winter. This resulted in a 7 % reduction in net revenues. Operating costs remained flat year on year.

During 2013 First Olsen Ltd. had in operation the suezmax tanker "Knock Clune" (2010 built, dwt 163 000). The tanker has been employed in the spot market throughout the year.

In February 2013 a subsidiary of Fred. Olsen Windcarrier AS took delivery of the second modern offshore wind turbine installation vessel, named "Bold Tern," built by the Lamprell shipyard in Dubai. Together with the sister vessel "Brave Tern", which was delivered from the same yard in October 2012, the jack-up vessels have been engaged on projects in European waters for transportation and installation of wind turbines. The vessels have been well received by the market and demonstrated strong capabilities for efficient offshore wind transport and installation work. The performance of the vessels on the completed installation projects in 2013 has contributed to a more efficient development of offshore wind in Germany.

Fred. Olsen Windcarrier A/S (Denmark), a subsidiary of Fred. Olsen Windcarrier AS, operates a modern fleet of high-speed crew transfer vessels built for safe and efficient transport of goods and personnel to and from offshore wind farms. During 2013 the vessels have been contracted to utilities and developers of European offshore wind farm projects.

Global Wind Service A/S, a Danish limited company owned 51% by Fred. Olsen Windcarrier AS, is an international supplier of 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. Global Wind Service A/S launched in October 2013 its eighth operational business unit, located in South Africa, to complement its other operations in Denmark, the United Kingdom, the Netherlands, Germany, Poland, Romania and Turkey.

Universal Foundation Norway AS, a wholly owned company by First Olsen Ltd, together with the subsidiary Universal Foundation A/S (Denmark, 82% owned) develops an integrated turnkey solution around its unique Universal Foundation suction bucket offshore wind foundation. In 2013 the company delivered two projects consisting of three foundations with complete meteorological masts in UK waters based on the Universal Foundation technology, of which one is awaiting further instructions from the client as to its final installation. The meteorological masts are an integral part of the company's comprehensive qualification process in readiness for commercial projects for foundations for offshore wind turbines from 2015 onwards.

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 of the convertible bond and is therefore taxable. The position of the companies is that gain on the option to purchase shares is free of tax ("Fritaksmodellen"). The position taken by the tax authorities led to a payable tax in 2011 of NOK 12 and NOK 112 million for Ganger Rolf ASA and Bonheur ASA respectively and was expensed in 2011. The tax authorities gained support for their view both by the court (Tingretten) in January 2012 and in the Court of Appeal (Lagmannsretten) in December 2013. The decision at the Court of Appeal has been appealed to the Supreme Court (Høyesterett) in February 2014.

In 1999 there was a reorganization of the structure and ownership of shares in a subsidiary of Bonheur ASA and Ganger Rolf ASA. According to the tax authorities gain on shares on this intragroup transaction was taxable. Based on this the subsidiary

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company has paid NOK 51 million in tax. The company appealed the decision to the court (Tingretten). The tax authorities gained support for their view by the court in April 2013 but the company has appealed the decision to the Court of Appeal (Lagmannsretten).

Bonheur ASA and Ganger Rolf ASA have both received a draft decision of change from the tax authorities regarding the taxable income for 1999 based on the same case mentioned above. The tax authorities claim that the companies 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 draft decision received in February 2014, 14 years after the reorganization took place, lead to a possible payable tax of totally NOK 105 million. The amount was reflected in recognized income tax expense for 2012.

In July 2013 a subsidiary was notified by the tax authorities of a possible change in the taxable income for 2006-2007 that might lead to a possible payable tax of NOK 158 million.

In November 2013 another subsidiary was notified by the tax authorities of a possible change in taxable income for 2007 that might lead to a possible payable tax of NOK 56 million. Both tax claims have been challenged.

For more detailed information, see note 28 – Contingencies and provisions.

The Group of companies' results

(2012 in brackets)

Operating revenues amounted to NOK 10 257 million (NOK 9 605 million) Operating costs amounted to NOK 6 245 million (NOK 5 725 million).

Operating result before depreciation (EBITDA) was NOK 4 012 million (NOK 3 880 million) Depreciation and impairment losses of NOK 2 456 million (NOK 1 855 million) resulted in operating profit (EBIT) of NOK 1 557 million (NOK 2 025 million).

Net financial items were NOK 19 million (NOK -562 million).

The Group of companies' net profit from continuing operations was NOK 1 474 million (NOK 1 368 million).

Net loss from discontinued operations was NOK 205 million, of which NOK 365 million is impairment related to the remaining book values of the vessels in Fred. Olsen Production ASA. The impairment was a consequence of the cash offer of NOK 9.40 per share in FOP to First Olsen Ltd.

Profit for the year was NOK 1 269 million (NOK 1 382 million).

After minority interests of NOK 861 million (NOK 978 million), majority interests' share of result after estimated tax amounted to NOK 408 million (NOK 404 million). During the year the minority interests of the Group of companies consisted of an ownership of 48.08 % of Fred. Olsen Energy ASA, 37.87 % of Ganger Rolf ASA, 38.50 % of Fred. Olsen Production ASA and 13.52 % of GenoMar AS.

Results from the main activities

The financial results below are 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.

Operating revenues amounted to NOK 7 022 million (NOK 6 877 million). Operating result before depreciation (EBITDA) was NOK 3 358 million (NOK 3 533 million).

Net result after tax was NOK 1 735 million (NOK 1 824 million).

Renewable energy

Renewable energy consists of Fred. Olsen Renewables AS with subsidiaries ("FOR"), which is 100 % owned within the Group of companies. FOR owns five wind farms in operation in Scotland (Crystal Rig, Crystal Rig II, Rothes, Rothes II and Paul's Hill) and one wind farm (Lista) in operation in Norway. In addition, FOR has a number of consented wind farms in Scotland, Norway and Sweden.

Operating revenues were NOK 726 million (NOK 513 million) and the annual production was 1 112 GWh (840 GWh).

Operating result before depreciation (EBITDA) was NOK 522 million (NOK 335 million).

Operating result (EBIT) amounted to NOK 280 million (NOK 127 million), while net result was NOK 367 million (NOK -28 million).

Shipping/Offshore wind

At the end of the year Shipping/Offshore wind comprised the holding company First Olsen Ltd. with subsidiaries, including Fred. Olsen Windcarrier AS and Universal Foundation Norway AS.

Total revenues in 2013 amounted to NOK 1 017 million (NOK 522 million). Operating result before depreciation (EBITDA) was NOK 193 million (NOK -29 million). Operating result (EBIT) was