



## FINAL RESULTS SBM OFFSHORE 2008 IN LINE WITH PRELIMINARY ANNOUNCEMENT

### Highlights

- Turnover up to US\$ 3.06 billion (2007: US\$ 2.87 billion);
- Net profit US\$ 228 million (2007: US\$ 267 million);
- Results affected by budget & schedule overruns in first half year;
- Year-end order portfolio up to US\$ 9.25 billion (2007: US\$ 7.95 billion) and new orders totalled US\$ 4,365 million (US\$ 3,822 million in 2007);
- Excellent performance of the FPSO fleet generated substantial bonus revenues, three new FPSOs joined the lease and operate fleet;
- All banking covenants comfortably met; Net Debt: EBITDA 2.76 (covenant 3.75);
- Dividend maintained at US\$ 0.93 per share; payable 50% in cash, 50% in shares (US\$ 0.93 in 2007).

### Outlook

- EBIT margin Turnkey expected to return to 5-10% range;
- EBIT contribution Lease & Operate close to 2008 level.

### Key figures

US\$ million	2008	2007	Δ %
Turnover	3,060	2,871	+ 6.6
EBITDA	530.1	548.3	- 3.3
EBIT	275.1	302.0	- 8.9
Net profit	227.9	266.8	- 14.6
EBIT margin	9.0%	10.5%	- 1.5%
Investment in fixed assets	1,000	551	+ 81.5

Tony Mace, CEO of SBM Offshore: "Looking back, 2008 has been a year with both positives and negatives. We have seen record turnover and our order backlog reached a new high. However, our net result was disappointing as two of our major FPSO projects faced significant cost overruns during their finalisation phase. Much focus has been placed on implementing enhanced procedures and controls to ensure that project execution performance returns to the level that the Company has traditionally achieved. The lease fleet and our services business continued to provide excellent results. The increase in our business over the last years, with the associated build-up of our execution capability, has established SBM Offshore as one of the major contractors in the offshore oil and gas sector. Our strong order book puts us in a relatively secure position going forward, with several important project deliveries planned in 2009. The recent oil price collapse and the subsequent expected slow down in the award of new contracts, makes it however difficult at this time to provide a full year profit expectation for 2009."



## 2. Development Order Portfolio

### 2.1. Lease and Operate Portfolio

The portfolio developed over the year as follows:

#### *New orders and extensions:*

- A one-year extension, until 23 November 2009, of the lease and operate contract for the FPSO Falcon from Esso Deepwater Limited, a subsidiary of Exxon Mobil;
- A lease and operate contract with Petrobras for the Company's existing FPSO Capixaba for a period of 12 years at the Cachalote field offshore Brazil. Disconnection from the Golfinho field is planned for June 2009, followed by an upgrade of the unit in Singapore with first oil at the Cachalote field in February 2010.

#### *Start of operations:*

- In January, start of operation of the FPSO Mondo in the Kizomba 'C' field offshore Angola under the fifteen year lease contract with Exxon Mobil;
- In July, start of operation of the FPSO Saxi-Batuque in the Kizomba 'C' field offshore Angola under the fifteen year lease contract with Exxon Mobil;
- At the end of December, hook up of the FPSO Espirito Santo in the BC-10 field offshore Brazil under the fifteen year lease contract with Shell. The lease commenced on 1 January 2009.

#### *End of lease contracts:*

- In May, the FPSO Mystras, previously owned by FPSO Mystras Producao de Petroleo LTDA (FMPP), a 50% owned subsidiary of the Company, has been purchased by Agip Energy and Natural Resources (Nigeria) Ltd (AENR);
- In July, the FPSO Tantawan Explorer in Thailand has been purchased by Chevron Offshore Thailand Ltd at the end of the lease and operate contract;
- At the end of October, FPSO Rang Dong I in Vietnam has been redelivered to the Company by Japan Vietnam Petroleum Company Ltd (JVPC) at the end of the confirmed lease period including a short extension. The unit has been disconnected and decommissioned and is currently laid up;
- The FSO Okha has been redelivered to the Company by Sakhalin Energy Investment Company Ltd (SEIC) in December 2009, at the end of the lease period. The FSO will be converted into a FPSO as replacement of the Cossack Pioneer FPSO for Woodside Energy Limited.

The lease fleet is contracted with major and national oil companies on long-term charters independent of oil price fluctuations, production volumes (except for Murphy Thunder Hawk) or financial turmoil. The solid and robust nature of our clients and contracts give a high level of confidence for profit generation in the years to come and continued repayment of debt on schedule.

### 2.2 Turnkey Supply and Services Portfolio

The major completions and milestones during the year included the following projects:

- Supply of an external turret for an FSO for Tanker Pacific Offshore Terminal Pte Ltd (TPOT) for operation in the Su Tu Vang field offshore Vietnam;
- Supply of a turret for the LPG FSO for the Belanak field for ConocoPhillips;
- Supply of a deep water CALM buoy for Total for the Akpo field development offshore Nigeria;
- Mechanical completion of the Frade FPSO at Dubai Drydocks.



The most significant awards during the year included:

- A contract with Petrobras for the turnkey supply and three years of operation of the P-57 FPSO to be installed on Jubarte field offshore Brazil. The delivery of the unit in Brazil, ready for installation, is planned for the end of 2010;
- A contract with Woodside Energy Limited and the Cossack Wanaea Lambert Hermes (CWLH) Joint Venture for the turnkey supply of the disconnectable FPSO Okha, to be installed offshore Australia as replacement of the existing FPSO Cossack Pioneer. Delivery of the unit is scheduled for the fourth quarter of 2010;
- A call off frame contract with BP Angola for the supply of FPSOs offshore Angola. The initial contract call off has been signed for early engineering and fabrication works. Subject to project sanction decisions, the full scope supply of one or more FPSOs is expected. In view of this contract and other FPSO prospects in Angola, in joint-venture with Sonangol the Company commenced construction of a new fabrication yard at Porto Amboim, which will be able to perform significant FPSO construction and integration activities;
- In consortium with APL, a contract with Total E&P Angola for the supply and installation of the Oil Loading System on the Pazflor project. The Company's scope of work consists of supply of the (2) Oil Offloading Lines, to be based on the Trelline™, and the offshore installation of the complete Oil Loading System;
- A contract with Resolution Shipping Ltd (Cyprus), a subsidiary of Vroon Group, for the supply of two 1,000 ton cranes and two jacking systems, with a total jacking capacity of 22,500 tons each, for two wind turbine installation jack-up vessels (SBM Offshore group design).

The execution of the current turnkey portfolio backlog is progressing on schedule. Input costs remain tight, even though there are some signs of easing in the construction activities.

### 2.3 Developments since the beginning of 2009

In the first quarter of the year the following activities have taken place:

- The FPSO Frade is currently en route to Brazil for offshore installation;
- SBM Offshore, in a consortium with Aker Solutions and Technip, has been awarded an engineering contract by Shtokman Development AG which will lead to the tender for the floating production unit for the first phase of the integrated development of the Shtokman gas-condensate field in the Barents Sea offshore Russia;
- The Thunder Hawk FPU is currently being towed to the field in the Gulf of Mexico.

### 3. Dividend proposal

To reflect the Company's confidence in its strong order book the dividend proposal will be to maintain the same dividend level as for 2007, at US\$ 0.93 per share, representing an exceptional pay-out ratio of 60%, differing from the Company's 50% pay-out policy. Nevertheless, to conserve capital and secure cash-flow predictability the dividend will, exceptionally, be payable 50% in cash and 50% in shares.

As in previous years, the annual dividend will be calculated in US Dollars, but will be payable in Euros. The conversion into Euros will be effected on the basis of the exchange rate on 14 May 2009. The conversion ratio for stock dividend will be determined on 22 May 2009, after the close of the Euronext Amsterdam stock exchange and will be based on the volume weighted average price of all traded ordinary shares for the period of 18 - 22 May 2009.



#### **4. Market Developments**

The Company secured several major contracts in 2008 which resulted in a record order backlog by the end of the year. A majority (67%) of the new orders were for turnkey sales rather than lease contracts. It should be noted that the Company is generally not able to influence the client's lease or buy decision and in the case of the Woodside contract initial discussions focused on a lease although ultimately a turnkey sale contract was concluded.

The medium and long term fundamentals of the business remain sound and the demand for the Company's products and services is still strong. This is supported by the current high level of bidding activities similar to previous years. This includes both lease and turnkey supply of large FPSOs for deepwater application in West Africa and Brazil, but also other areas, such as the Barents Sea. However, due to the current turmoil in the financial markets and lower oil price, it is anticipated that there will be a slow-down in the award of new contracts in the short term as some oil companies may decide to postpone project developments, either because the projects become uneconomic at current low oil price levels or that they will wait before awarding contracts in the expectation that the costs will decrease.

It is also anticipated that some of the smaller operators may run into difficulty to raise financing for their project developments, resulting in the projects being cancelled or at least delayed. It should be noted however, that the Company generally targets the major oil companies who are less likely to be affected by financing concerns.

With respect to the LNG FPSO the Company expects to start front-end engineering and design work for a client in 2009, although a final investment decision is not expected before the end of 2009. No material capex requirements are expected in 2009 for the LNG FPSO.

The Company will continue to develop technology for the increasing challenge of deepwater, complex oil fields and natural gas exploitation, which are considered to be the long-term growth areas.

#### **5. Expectations for 2009**

In the current economic climate, awards of a number of oil and gas projects targeted by the Company in 2009 are likely to be delayed. As a result the Company is not in a position at this time to provide net profit expectations for the full-year 2009, but anticipates the following:

- Average EBIT margins in 2009 in the Turnkey Systems and Services segment are expected to return to the 5% - 10% range.
- Depending upon the variable, production related revenues from the Thunder Hawk semi-submersible unit, the EBIT contribution from the lease and operate segment is expected to be close to the level achieved in 2008, excluding non-recurring items.
- Net interest charge in 2009 will double compared to 2008 due to start of operations on major lease contracts and low expected interest income on liquidities.
- Capital expenditure, excluding any new operating lease contracts to be obtained in 2009, is expected to amount to US\$ 0.5 billion.
- Net gearing at year-end 2009 is expected to be at or below the current level, with debt ratios well within all banking covenants. A temporary increase in net gearing in mid 2009 is expected due to the timing of turnkey project milestone payments, but ratios still well within bank covenants.

Quarterly trading updates will be provided in 2009.



## 6. Financial Review

### Highlights

Turnover for 2008 increased to US\$ 3,060 million, a 6.6% increase in comparison with US\$ 2,871 million in 2007, mainly as a result of expanded lease and operate activities.

Operating profit (EBIT) decreased to US\$ 275.1 million compared with US\$ 302.0 million in 2007. EBIT margin decreased to 9.0% compared to 10.5% in 2007 while the net profit margin decreased to 7.4% (9.3% in 2007). Both decreases result mainly from the higher materials, equipment and subcontractors costs than budgeted on certain major projects, which severely impacted the profitability of the Turnkey Systems and Services segment in the first half of 2008.

EBITDA amounted to US\$ 530.1 million, compared to US\$ 548.3 million in 2007.

In 2008 net profit of US\$ 227.9 million was achieved, representing a 14.6% decrease in comparison with the 2007 net profit of US\$ 266.8 million. After adjusting for non recurring sales of assets or activities (net gain US\$ 31 million in 2008 versus US\$ 5 million in 2007) operational profits show a decrease of approximately 24.8%.

Earnings per share amounted to US\$ 1.54, compared to US\$ 1.85 in 2007.

New orders in the year totalled US\$ 4,365 million (split 67% / 33% between the Turnkey Systems and Services and the Lease and Operate segments respectively), compared to US\$ 3,822 million in 2007.

Total order portfolio at the end of the year was US\$ 9,247 million compared to US\$ 7,955 million at the end of 2007, an increase of 16.2%. Of this, 67.9% or US\$ 6,278 million relates to the non-discounted value of the revenues from the Company's long-term lease contracts in portfolio.

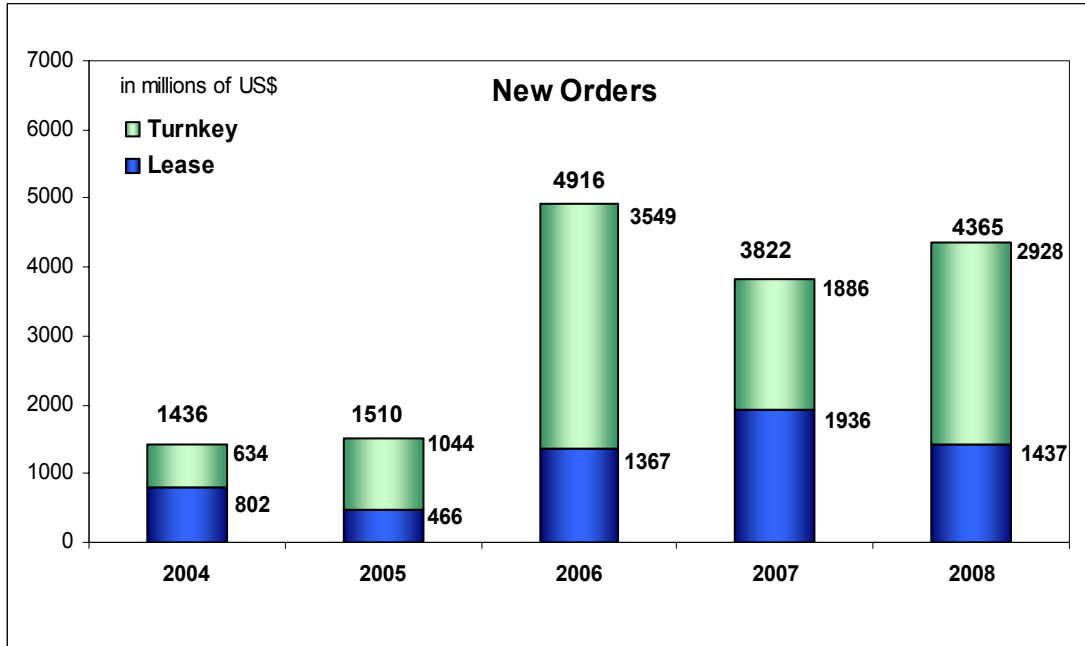
The year was marked by the following highlights:

- a healthy inflow of new orders, from turnkey contracts (including two orders for FPSOs on a sales basis) and a major upgrade and contract extension for the FPSO Capixaba;
- the sale of the FPSO Mystras (50% owned by the Company) to Agip Energy Natural Resources (Nigeria Ltd) (AENR) in May 2008 and the FPSO Tantawan Explorer to Chevron Thailand in August 2008 under the client's contractual purchase options;
- the sale of the Alblasserdam South land remaining from the Company's previous Dutch shipbuilding activities;
- the delivery of one major lease project, the FPSO Espirito Santo for Shell in Brazil;
- the total investment in fixed assets in 2008 amounted to US\$ 1.00 billion, which is much higher than in 2007 (US\$ 551 million) and which excludes the costs of completing the investment in the FPSO Saxi Batuque contract which is accounted for as a finance (capital) lease.

Segmental information in respect of the two core businesses of the Company during 2008 is provided in the detailed financial analysis which follows:



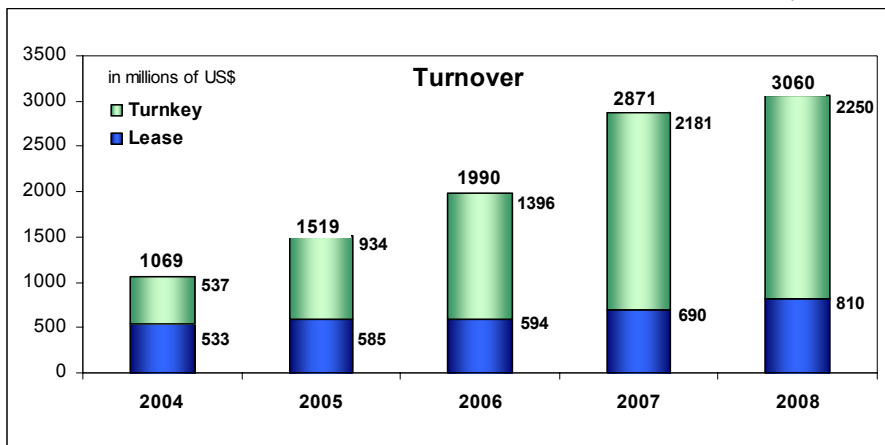
## Order portfolio

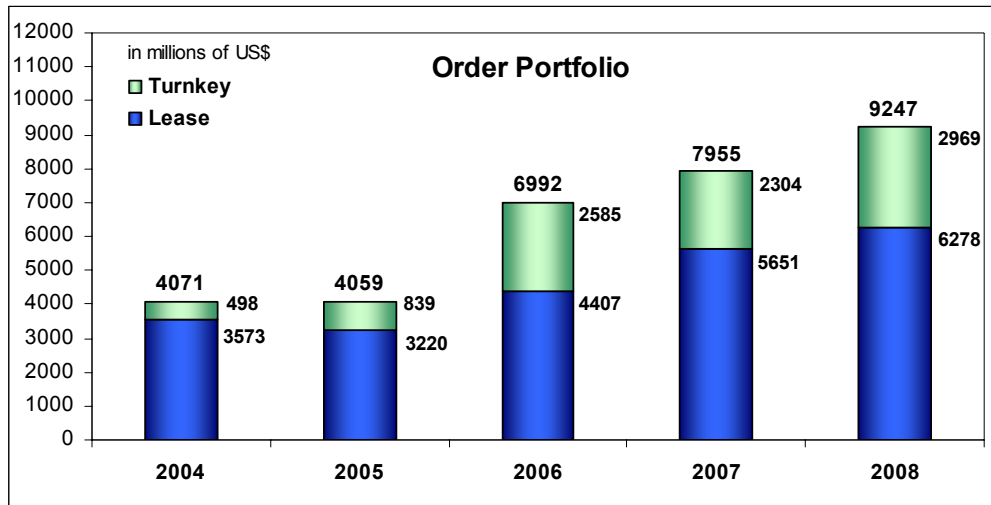


Total new booked orders for 2008 amounted to US\$ 4,365 million. This amount includes a major contract amendment for the relocation of the FPSO Capixaba to Petrobras' Cachalote field in Brazil, other lease extensions (FPSO Falcon, FPSO Rang Dong I and FPSO Sakhalin Okha) as well as substantial turnkey contracts (Petrobras P-57 FPSO, Woodside Cossack FPSO).

Total turnover increased when compared with 2007, with turnkey business representing 74% of total turnover in 2008 (76% in 2007). Lease and Operate turnover increased by 17% compared with 2007 as the first revenues from FPSO Saxi Batuque and full year revenues from the FPSO Kikeh and FPSO Mondo more than compensated for the reduction in revenues resulting from the sale of FPSO Mystras (May 2008), the sale of FPSO Tantawan Explorer (August 2008) and the termination of Rang Dong I charter (October 2008).

The contracts for the FPSO Mondo and FPSO Saxi Batuque for ExxonMobil consist of significant lump sum elements, plus fifteen year front loaded leases, which are accounted for as finance leases. This means that the entire capital values are recognised as turnkey turnover during construction, but with only the return on investment recognised as lease income during the lease period, thus negatively impacting turnkey margins and improving lease margins. Under an operating lease treatment only the partner's 50% share of the Capex investment would have been accounted for as a turnkey sale and the Company's 50% share of the full revenues recognised as lease turnover during the charter. In 2008, total turnover recognised in respect of construction of assets accounted for as finance leases amounted to US\$ 61 million (2007: US\$ 315 million).



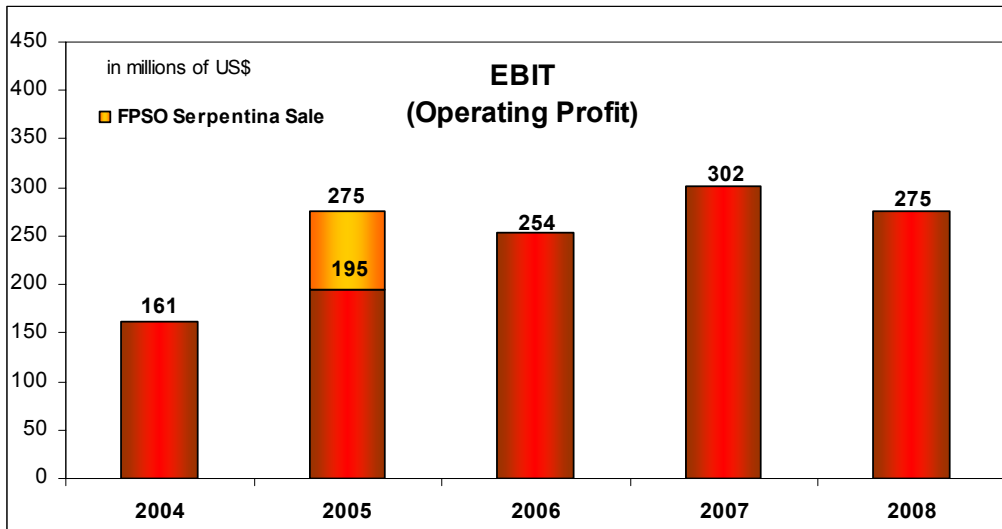


The year-end order portfolio at US\$ 9.25 billion is up 16.2% from last year's level of US\$ 7.96 billion and represents a year-end record. The current order portfolio includes US\$ 6.28 billion (2007: US\$ 5.65 billion) for the non-discounted value of future revenues from the long-term charters of the lease fleet, of which US\$ 4.25 billion (2007: US\$ 3.86 billion) represents the bareboat element of the operating leases. The turnkey order backlog increased by 29% and represents more than one year of turnkey turnover.

### Profitability

The primary business segments of the Company are the Lease and Operate activities versus Turnkey Systems and Services sales. However, given that both activities are closely related, and each demand the same core technological know-how, all costs are not specifically related to either one segment or the other. For example, when sales costs are incurred (including significant sums for preparing the bid), it is often uncertain whether the project will be leased or contracted on a turnkey lump sum basis. Furthermore, with IFRS limiting the capitalisation of General & Administrative overheads into the asset value of the lease fleet, segmental results are further skewed in favour of the lease activities. Indeed much of the Company's engineering and project management resources contribute to construction of the lease fleet 'at cost' without a Selling, General and Administration costs (S, G & A) mark-up, while the FPSO/FSO fleet results 'benefit' from lower capex and lower annual depreciation. For these reasons, the Company does not present detailed analysis of segment net profits. In approximate terms however, two-thirds of S, G & A and other operating costs and revenues can be attributed to the Turnkey Systems and Services segment, meaning that in 2008 23.6% of EBIT is contributed by Turnkey sales and 76.4% by Lease and Operate activities.

The Company will implement the requirements of IFRS 8 'Operating Segments' as from 1 January 2009, which will provide a more precise analysis of segmental profitability.



Gross margin in 2008 of US\$ 413.6 million (US\$ 435.6 million in 2007) consisted of US\$ 256.3 million (US\$ 223.9 million in 2007) from Lease and Operate activities and US\$ 157.3 million (US\$ 211.7 million in 2007) from Turnkey Systems and Services.

EBIT decreased compared to 2007 due to:

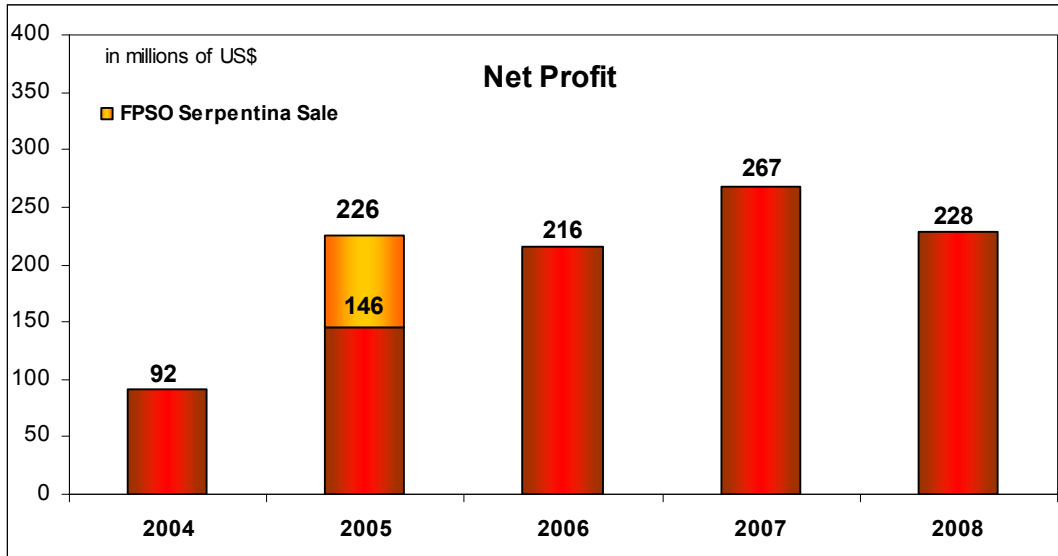
- much lower contribution from major turnkey projects, particularly due to cost overruns on the FPSO Frade, FPSO Saxi Batuque and (to a lesser extent) drilling rig series;
- continuing growth from the lease fleet as mentioned earlier. It should be repeated however that the net profit contribution of newly operational leased units is limited by the relatively high interest burden during the first years of operation. Full dedication of lease revenues to debt servicing leads to fast amortisation of the loan balances and hence reduced interest charges going forward;
- sale of FPSOs Mystras and Tantawan Explorer and sale of the Company's Alblasserdam South land, resulting in a combined net gain of US\$ 31.4 million (including release of FPSO demobilisation provisions);
- slightly lower R&D charge.

As a percentage of the higher turnover, operating profit therefore decreased to 9.0% (2007: 10.5%).

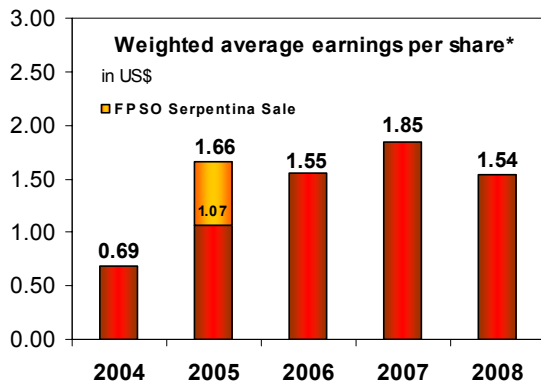
Net financing costs were higher as a result of the beginning of the charters in 2007 and 2008 of the FPSO Kikeh, FPSO Mondo and FPSO Saxi Batuque. Once production units are brought into service the financing costs are expensed to P&L (whereas during construction interest is capitalised). Although net debt increased significantly during 2008, the major part of this increase concerned production units still under construction. Interest income fell sharply in the second half of 2008 with the reduction in short-term US interest rates.

The 2008 tax burden was US\$ 9.4 million (4.0% of profit before tax), reflecting in particular the profitability of the Dutch operations of the Company, combined with the relatively low tax burden elsewhere. This compares to a net tax burden of US\$ 14.9 million (5.3% of pre-tax profit) in 2007. The corporate tax burden (excluding withholding taxes and other project taxes) for the Company is expected to average between 5% and 10% of pre-tax profits for the foreseeable future.

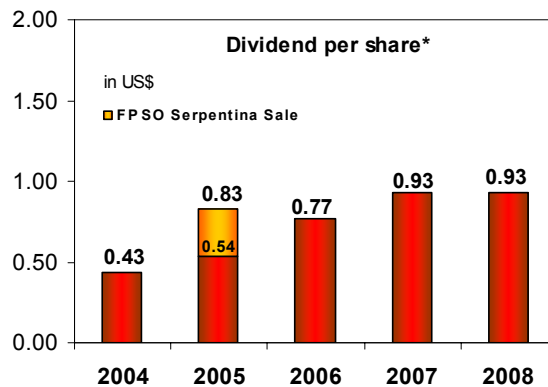




For the reasons stated before, no detailed allocation of net profit between business segments is provided.



\* restated for the four to one share split in 2006

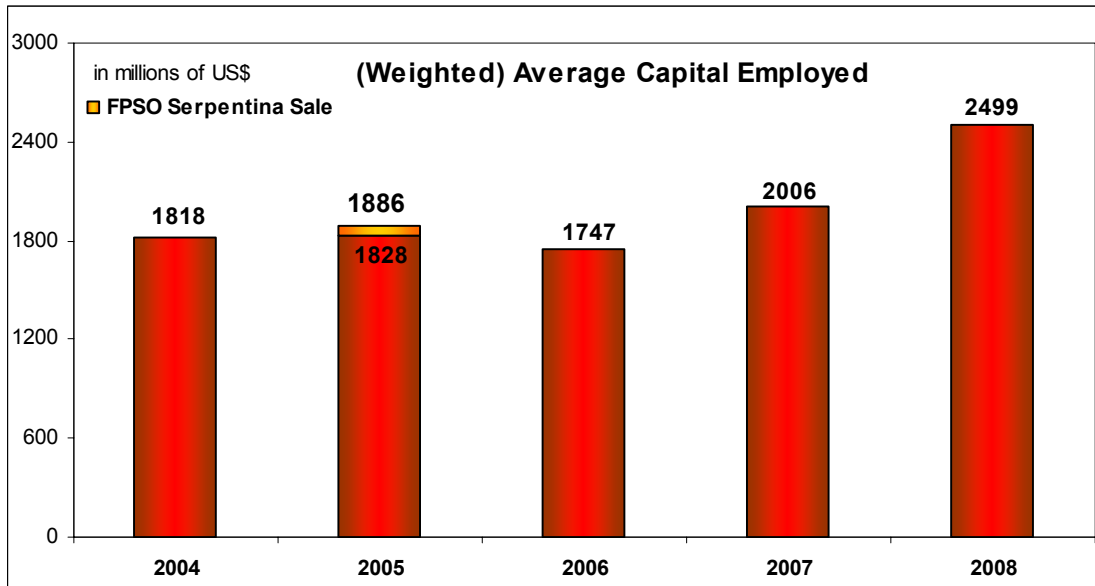


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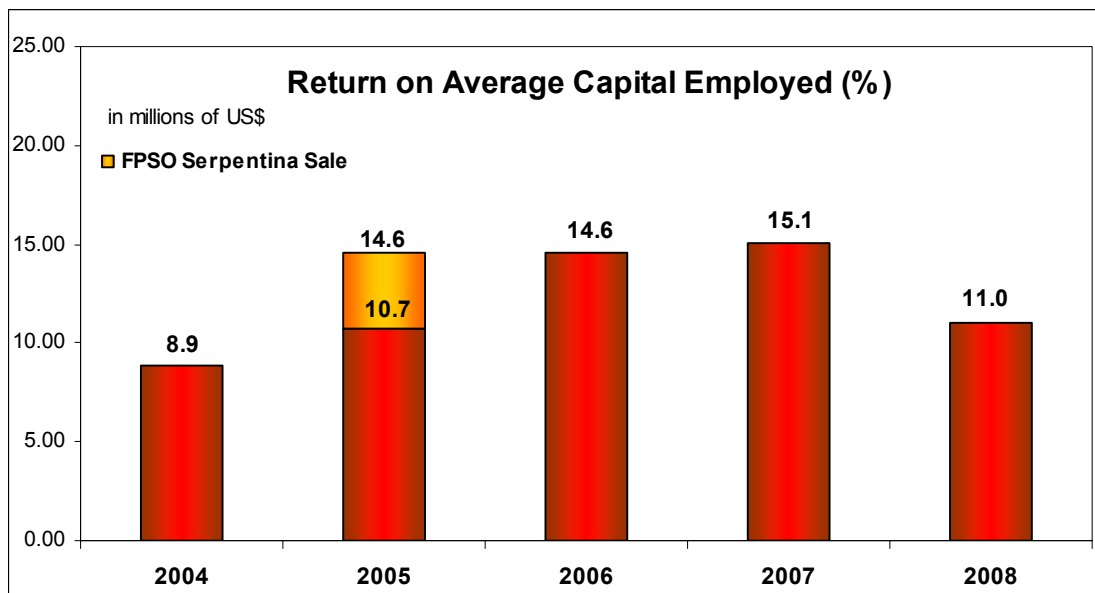
The dividend proposal of US\$ 0.93 per share is explained earlier in Section 3.



### Return On average Capital Employed and Equity

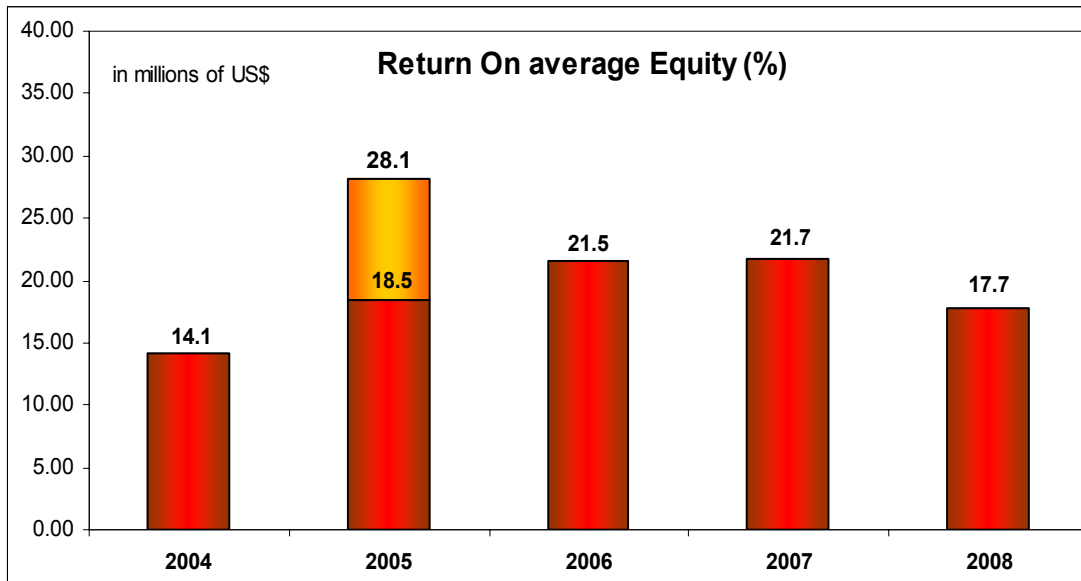


Capital Employed (Equity + Provisions + Deferred tax liability + Net Debt) at year-end 2008 is US\$ 483 million above last year's level due to the increasing investments in leased production facilities (and consequently net debt), plus retained profits less adjustments to equity in respect of financial instruments. With the strengthening of the US Dollar and the dramatic reduction in US interest rates in the second half of the year, equity has been negatively impacted by US\$ 269 million in 2008 on marking to market the Company's portfolio of forward exchange contracts and interest rate swaps.



ROACE (Return On Average Capital Employed) decreased in 2008 to 11.0%. This is the combined result of two main factors, namely:

- low profitability of Turnkey Systems and Services segment;
- high profitability from the Lease and Operate segment but with growing average capital employed.



Return On average Equity (ROE) at 17.7% was well below the level achieved in recent years due to the impact of the turnkey project cost overruns in the first half of 2008 and despite the attractive returns achieved on the lease fleet.

#### Cash flow / liquidities

US\$ million	2004	2005	2006	2007	2008
Net profit	91.7	225.8	216.3	266.8	227.9
Depreciation and amortisation	209.6	206.8	223.3	246.3	255.0
Cash flow	301.3	432.6	439.6	513.1	482.9
EBITDA	370.8	482.2	477.5	548.3	530.1
Net liquidities/securities	145.1	144.8	339.7	274.1	230.1
Cash flow from operations*	93.1	831.0	592.4	331.1	577.0
EV: EBITDA ratio at 31/12	8.8	7.4	11.3	9.9	6.4
EBITDA: interest cover ratio	6.1	9.4	15.2	24.5	13.1

\* As per the consolidated statement of cash flows

Cash flow and EBITDA were each lower than prior years with the reduced contribution from Turnkey activities outweighing the impact of the growing lease fleet.

Net liquidities decreased to US\$ 230 million, of which US\$ 62.2 million can be considered as being dedicated to specific project debt servicing or otherwise restricted in its utilisation.



## Balance sheet

US\$ million	2004	2005	2006	2007	2008
Capital employed	1,846.1	1,740.9	1,754.0	2,257.4	2,740.9
Shareholders' equity	662.4	895.0	1,118.7	1,333.4	1,234.7
Net Debt	1,139.6	804.7	585.8	874.7	1,464.0
Net gearing (%)	172	90	52	65	119
Net Debt: EBITDA ratio	3.21	1.67	1.23	1.60	2.76
Investment in fixed assets	237.3	398.5	309.0	551.0	999.8
Current ratio	0.96	0.78	1.14	1.15	0.79

Shareholders' equity decreased by 7.4% to US\$ 1,235 million as a result of the negative change in value in the Company's portfolio of interest rate and foreign exchange hedges. These unrealised losses are charged directly against equity in accordance with hedge accounting rules and result from the Company's policy of full hedging of identified interest rate and forex exposures and the significant movements in US interest rates and foreign exchange rates in the latter part of 2008. Capital employed increased by 21.4% when taking into account the expansion of net debt. The Company remains clearly focused on the Company's gearing and other balance sheet ratios. The relevant banking covenants (of which the principal covenant is Net Debt: EBITDA  $\leq$  3.75) were all more than comfortably met.

The investments in the operating units have been fully financed to the extent necessary, with the exception of the EnCana Deep Panuke project, for which the Company is currently engaged in financing discussions.

Before deduction of accrued interest, at 31 December 2008 the Company has undrawn committed bank facilities totalling US\$ 404 million (Revolving Credit Facility, Thunder Hawk and BC-10 project loans) available for financing capital investment in 2009.

There continues to be no off-balance sheet financing.

### Capital Expenditure

Total capital expenditure for 2008 (comprising of additions to property, plant & equipment plus capitalised R&D expenditure) amounted to US\$ 999.8 million (2007: US\$ 551 million). The majority of this total is related to new investment in the lease fleet for which the major elements are:

- completion of the FPSO Espirito Santo for Shell, Brazil (51%);
- ongoing expenditure on the conversion and equipment procurement for the semi-submersible for Murphy Thunder Hawk (US Gulf of Mexico), the MOPUstor™ jack-up facility for Talisman's Yme field in Norway, and for the MOPU gas platform for EnCana's Deep Panuke field in Canada.

Capital expenditure in 2008 on the FPSO Saxi Batuque for ExxonMobil, Angola, is excluded from the total amount above. Due to the classification of the contract as a finance lease, investment in the unit was recorded through construction contracts with the investment in finance lease ultimately recorded in financial fixed assets.



## 7. Financial Agenda

Final Results 2008 - Analysts Presentation (Amsterdam)	11 March	2009
Annual Report 2008	End April	2009
Trading Update Q1 2009 - Press Release	13 May	2009
Annual General Meeting of Shareholders 2008	14 May	2009
Ex-dividend Date	18 May	2009
Half-year Results 2009 - Press Release	19 August	2009
Half-year Results 2009 - Analysts Presentation (Amsterdam)	19 August	2009
Trading Update Q3 2009 - Press Release	10 November	2009

The Analysts Presentation will be webcast via the SBM Offshore website ([www.sbmoffshore.com](http://www.sbmoffshore.com)) at 14h00 CET on Wednesday 11 March 2009.

## 8. Corporate Profile

The Dutch public company SBM Offshore N.V. is the holding company of a group of international, marine technology orientated companies. Its business is to serve on a global basis the offshore oil and gas industry by supplying engineered products, vessels and systems, and offshore oil and gas production services.

The product line comprises:

- Offshore import/export terminals for crude oil, refined products, LPG and LNG, mostly based on the single point mooring principle, Floating Production and/or Storage and Offloading systems (FSOs and FPSOs) and other floating production facilities based on ship hulls, semi-submersibles and Tension Leg Platforms (TLPs);
- Offshore oil and gas production services through the leasing of integrated production and storage facilities owned and operated by the Company;
- Design, construction and supply of semi-submersible drilling platforms;
- Special designs and engineering services and delivery of specific hardware components for dynamically positioned drillships, semi-submersible drilling platforms, jack-up drilling platforms, jack-up platforms for civil construction, large capacity offshore cranes, elevating and lifting systems, crane vessels and other specialised work vessels;
- Offshore construction and installation contracting services.

The Board of Management

Schiedam, 10 March 2009



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**Disclaimer**

Some of the statements contained in this release that are not historical facts are statements of future expectations and other forward-looking statements based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those in such statements. Such forward-looking statements are subject to various risks and uncertainties, which may cause actual results and performance of the Company's business to differ materially and adversely from the forward-looking statements. Certain such forward-looking statements can be identified by the use of forward-looking terminology such as "believes", "may", "will", "should", "would be", "expects" or "anticipates" or similar expressions, or the negative thereof, or other variations thereof, or comparable terminology, or by discussions of strategy, plans, or intentions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release as anticipated, believed, or expected. SBM Offshore NV does not intend, and does not assume any obligation, to update any industry information or forward-looking statements set forth in this release to reflect subsequent events or circumstances



## Consolidated income statement

For the years ended 31 December in thousands of US Dollars

	2008	2007
Revenue	3,060,276	2,871,214
Cost of Sales	(2,646,660)	(2,435,624)
<b>Gross margin</b>	<b>413,616</b>	<b>435,590</b>
Other operating income	10,345	1,313
Selling and marketing expenses	(37,510)	(36,234)
General and administrative expenses	(90,022)	(76,496)
Other operating expenses	(21,365)	(22,158)
	(138,552)	(133,575)
<b>Operating profit (EBIT)</b>	<b>275,064</b>	<b>302,015</b>
Financial income	24,932	20,870
Financial expenses	(65,276)	(43,222)
<b>Net financing costs</b>	<b>(40,344)</b>	<b>(22,352)</b>
Share of profit of associates	2,535	1,964
<b>Profit before tax</b>	<b>237,255</b>	<b>281,627</b>
Income tax	(9,380)	(14,861)
<b>Profit</b>	<b>227,875</b>	<b>266,766</b>
	<b>2008</b>	<b>2007</b>
Attributable to shareholders	223,172	262,885
Attributable to minority interests	4,703	3,881
<b>Profit</b>	<b>227,875</b>	<b>266,766</b>
	<b>2008</b>	<b>2007</b>
Weighted average number of shares outstanding	<b>144,659,503</b>	<b>142,274,874</b>
Basic earnings per share	<b>US\$ 1.54</b>	<b>US\$ 1.85</b>
Fully diluted earnings per share	<b>US\$ 1.53</b>	<b>US\$ 1.82</b>



## Consolidated balance sheet

at 31 December in thousands of US Dollars (before appropriation of profit)

	2008	2007
<b>ASSETS</b>		
Property, plant and equipment	2,565,388	1,962,395
Intangible assets	46,782	35,571
Investment in associates	69	71
Other financial assets	420,372	92,550
Deferred tax asset	12,922	8,596
<b>Total non-current assets</b>	<b>3,045,533</b>	<b>2,099,183</b>
Inventories	23,305	15,448
Trade and other receivables	672,795	569,344
Income tax receivable	829	224
Construction contracts	292,542	513,644
Derivative financial instruments	79,661	156,095
Cash and cash equivalents	230,329	280,684
<b>Total current assets</b>	<b>1,299,461</b>	<b>1,535,439</b>
<b>TOTAL ASSETS</b>	<b>4,344,994</b>	<b>3,634,622</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders</b>		
Issued share capital	50,885	52,750
Share premium reserve	383,274	363,057
Retained earnings	1,053,780	890,697
Other reserves	(253,211)	26,933
Minority interests	1,234,728	1,333,437
<b>Total equity</b>	<b>1,240,935</b>	<b>1,337,734</b>
Long-term loans and other liabilities	1,430,319	921,505
Provisions	35,275	44,110
Deferred tax liability	709	812
<b>Total non-current liabilities</b>	<b>1,466,303</b>	<b>966,427</b>
Trade and other payables	1,039,467	909,081
Current income tax liabilities	21,144	16,414
Borrowings and bank overdrafts	263,970	233,868
Derivative financial instruments	313,175	171,098
<b>Total current liabilities</b>	<b>1,637,756</b>	<b>1,330,461</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,344,994</b>	<b>3,634,622</b>





**Consolidated statement of changes in equity**  
in thousands of US Dollars

	Outstanding number of shares	Issued share capital	Attributable to shareholders			Total	Minority interests	Total equity
			Share premium reserve	Retained earnings	Other reserves			
<b>At 1 January 2007</b>	<b>140,715,535</b>	<b>46,359</b>	<b>344,326</b>	<b>677,636</b>	<b>50,379</b>	<b>1,118,700</b>	<b>323</b>	<b>1,119,023</b>
Foreign currency translation		5,524	-	(5,617)	8,821	8,728	93	8,821
Cash flow hedges/net investment hedges		-	-	-	(32,267)	(32,267)	-	(32,267)
Share based payments		-	-	14,099	-	14,099	-	14,099
Net income directly recognised in equity		5,524	-	8,482	(23,446)	(9,440)	93	(9,347)
Profit for the year		-	-	262,885	-	262,885	3,881	266,766
Total income and expense for the year		5,524	-	271,367	(23,446)	253,445	3,974	257,419
Stock dividend	1,432,296	476	(476)	-	-	0	-	0
Share options/ bonus shares	1,175,850	391	19,207	-	-	19,598	-	19,598
Cash dividend		-	-	(58,306)	-	(58,306)	-	(58,306)
<b>At 31 December 2007</b>	<b>143,323,681</b>	<b>52,750</b>	<b>363,057</b>	<b>890,697</b>	<b>26,933</b>	<b>1,333,437</b>	<b>4,297</b>	<b>1,337,734</b>
Foreign currency translation		(2,740)	-	2,933	(10,669)	(10,476)	(189)	(10,665)
Cash flow hedges/net investment hedges		-	-	-	(269,475)	(269,475)	-	(269,475)
Share based payments		-	-	16,842	-	16,842	-	16,842
Net income directly recognised in equity		(2,740)	-	19,775	(280,144)	(263,109)	(189)	(263,298)
Profit for the year		-	-	223,172	-	223,172	4,703	227,875
Total income and expense for the year		(2,740)	-	242,947	(280,144)	(39,937)	4,514	(35,423)
Stock dividend	1,300,774	498	(498)	-	-	0	-	0
Share options/ bonus shares	989,533	377	20,715	-	-	21,092	-	21,092
Cash dividend		-	-	(79,864)	-	(79,864)	(2,604)	(82,468)
<b>At 31 December 2008</b>	<b>145,613,988</b>	<b>50,885</b>	<b>383,274</b>	<b>1,053,780</b>	<b>(253,211)</b>	<b>1,234,728</b>	<b>6,207</b>	<b>1,240,935</b>

Within retained earnings an amount of US\$ 102.0 million (2007: US\$ 100.3 million) relates to equity of joint ventures and other non-distributable items and should therefore be treated as legal reserve. Furthermore a legal reserve of US\$ 15.4 (2007: US\$ 3.4 million) should be maintained in respect of capitalised development expenditures.



**Consolidated cash flow statement**

For the years ended 31 December in thousands of US Dollars

	2008	2007
<b>Cash flow from operating activities</b>		
Receipts from customers	2,958,493	2,537,426
Payments to suppliers and employees	(2,376,261)	(2,203,177)
Income tax received / (paid)	(5,254)	(3,187)
<b>Net cash from operating activities</b>	<b>576,978</b>	<b>331,062</b>
<b>Cash flow from investing activities</b>		
Interest received	22,861	19,156
Interest paid	(64,017)	(35,620)
Investment in property, plant and equipment	(987,570)	(555,757)
Investment in intangible fixed assets	(12,217)	(3,365)
Investment in associated and group companies	-	-
Disposals of property, plant and equipment	9,833	3,659
Disposal of intangible fixed assets	-	-
Dividends received from associated companies	2,535	1,964
<b>Net cash from investing activities</b>	<b>(1,028,575)</b>	<b>(569,963)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of shares	12,141	16,898
Additions to borrowings and loans	682,350	383,472
Repayments of borrowings and loans	(204,967)	(170,919)
Investments in other financial fixed assets	(1,488)	(2,080)
Dividends paid to shareholders	(79,864)	(58,284)
<b>Net cash from financing activities</b>	<b>408,172</b>	<b>169,087</b>
<b>Net increase in cash and cash equivalents</b>	<b>(43,425)</b>	<b>(69,814)</b>
Cash and cash equivalents at 1 January	274,088	339,687
Net cash divestments	-	(286)
Currency differences	(526)	4,501
<b>Cash and cash equivalents at 31 December</b>	<b>230,137</b>	<b>274,088</b>

The reconciliation of the cash and cash equivalents as at 31 December with the corresponding amounts in the balance sheet is as follows:

	2008	2007
Cash and cash equivalents	230,329	280,684
Bank overdrafts	(192)	(6,596)
<b>Cash and cash equivalents at 31 December</b>	<b>230,137</b>	<b>274,088</b>