



SBM Offshore N.V.
Press Release
Half-year Results 2011



Table of contents

SBM OFFSHORE N.V. HALF-YEAR RESULTS 2011 SOLID UNDERLYING RESULTS DESPITE IMPAIRMENT CHARGES	1
Financial Highlights	1
Operational Highlights	1
Outlook 2011	1
Key figures	1
1. Financial Review	2
2. Development Order Portfolio	3
3. Operations	4
4. Market Developments	5
5. Outlook 2011	5
6. Risk Management	6
7. Statement of Compliance	6
8. Analyst Presentation	6
9. Financial Agenda	7
10. Corporate Profile	7
For further information	8
Disclaimer	8
SBM Offshore N.V. - Condensed consolidated interim financial statements (Unaudited)	9
SBM Offshore N.V. - Notes to the condensed consolidated interim financial statements	14
1. General information	14
2. Statement of compliance	14
3. Seasonality and cyclicity	14
4. Significant accounting policies	14
5. Estimates	14
6. Financial Risk Management	15
7. Operating segments	15
8. Net financing costs	17
9. Earnings/(Loss) per share	17
10. Property, Plant and Equipment	18
11. Equity attributable to shareholders	19
12. Interest-bearing loans and other liabilities	19
13. Commitments	20
14. Related party transactions	20
15. Subsequent events	20
Report on review of condensed consolidated interim financial statements	21
Review report	21
Introduction	21
Scope of review	21
Conclusion	21

SBM OFFSHORE N.V. HALF-YEAR RESULTS 2011 SOLID UNDERLYING RESULTS DESPITE IMPAIRMENT CHARGES

Financial Highlights

- Turnover of US\$ 1,461 million (US\$ 1,378 million in H1 2010);
- EBITDA of US\$ 359.7 million (EBITDA of US\$ 293.5 million in H1 2010);
- US\$ 450 million impairment charge booked in H1 2011, as already announced on 28 July 2011;
- Net loss of US\$ (250.8) million with underlying profit of US\$ 199.2 million (Net profit of US\$ 92.5 million in H1 2010);
- Record order portfolio US\$ 12,405 million (US\$ 10,908 million in H1 2010);
- Net debt US\$ 2,195 million, net gearing 117% (US\$ 1,711 million, net gearing 81% at year-end 2010), well within all debt covenants.

Operational Highlights

- FPSO Okha completed and handed over to Woodside;
- Contract for supply of an FPSO for OSX in Brazil;
- Contracts for supply of two large Turret Mooring Systems;
- Contracts signed and US\$ 1 billion financing facility secured for FPSO Cidade de Paraty in Brazil on Lula NE field;
- Letters of Intent for lease contracts for FPSO Xikomba for ENI and FPSO Guara Norte for Petrobras.

Outlook 2011

- Turnover around 5% above 2010, fully secured from current order portfolio;
- EBIT margin from Turnkey Systems solidly in the 10% – 15% range;
- Turnkey Services EBIT margin within the 15% – 20% range;
- Underlying Lease and Operate EBIT above underlying 2010 level;
- Overall the Company expects a 2011 net result around breakeven before deduction of minority interests;
- No decision has been taken by the Company in respect of dividend over 2011.

Tony Mace, CEO of SBM Offshore: "The impairment charge is very disappointing in light of the excellent performance on the more recent projects which is reflected in the positive momentum on key indicators with an increase in turnover, a 23% higher EBITDA and a record order portfolio. New prospects for the Company look promising further to the recently awarded LOI for a lease of a FPSO for the Guara Norte development in Brazil, which is the largest order ever received by SBM Offshore."

Key figures

<i>US\$ million</i>	H1 2011	H1 2010	Change
Turnover	1,460.6	1,378.4	6%
EBITDA	359.7	293.5	23%
EBIT	(214.10)	146.0	N/M
Profit/(Loss)	(250.80)	92.5	N/M
Underlying Profit	199.20	92.5	X 2.15
Investments in fixed assets	430.70	282.5	52%

SBM OFFSHORE N.V. HALF-YEAR RESULTS 2011 SOLID UNDERLYING RESULTS DESPITE IMPAIRMENT CHARGES

1. Financial Review

Turnover for the first half of 2011 was US\$ 1,460.6 million compared with US\$ 1,378.4 million for the first half of 2010, an increase of 6% mainly driven by the fleet operations. Turnkey Systems represents 62% of total revenues, Turnkey Services represents 7% and Lease and Operate represents 31%, comparable with 2010.

EBITDA increased by 23% compared to mid-year 2010. For the first six months of 2011, EBITDA was US\$ 359.7 million (US\$ 2.12 per share) compared with US\$ 293.5 million (US\$ 1.77 per share) for the first six months of 2010.

As already announced on 28 July 2011, the half-year 2011 results have been dominated by an impairment charge of US\$ 450 million which was booked under the Lease and Operate reporting segment. The charge relates to cost increases on the Yme and Deep Panuke projects which are addressed further in section 3 of this press release.

In the income statement the impairment impacts the reported gross margin, EBIT and net result of the Company. EBITDA is not affected and bank covenants, which are primarily based upon EBITDA, have been comfortably met.

EBIT for the first six months of 2011 was a loss of US\$ (214.1) million (US\$ 1.26 loss per share) compared with a gain of US\$ 146.0 million (US\$ 0.88 profit per share) for the first six months of 2010. Underlying EBIT of US\$ 236 million prior to the impairment charge was far above the first half of 2010 mainly driven by the solid performance of the Turnkey Systems segment. EBIT margins at mid-year 2011 before impairment were from Lease and Operate 27.4% compared to 22% at mid-year 2010; from Turnkey Systems at 12.7% compared to 5.7% at mid-year 2010 and from Turnkey Services at 14.9% (of total segment turnover including intercompany) compared to 20.8% at mid-year 2010. Margin decrease in Turnkey Services is a result of low occupancy rates of the two installation vessels in the first half year. The Company expects occupancy will increase during the second half of the year in line with recent good order intake.

After the impairment charge, the loss for SBM Offshore N.V. was US\$ (250.8) million (US\$ 1.57 loss per share) compared with a profit of US\$ 92.5 million (US\$ 0.47 profit per share) at mid-year 2010. Excluding the impairment charge the underlying net profit was US\$ 199.2 million which is more than double the net result for the first six months of 2010 (US\$ 92.5 million).

Order intake for the first half 2011 amounted to US\$ 2.35 billion, an increase of 3% compared to first half 2010. All of the major hardware orders are related to the Company's core FPSO product line. Order portfolio at 30 June 2011 totals US\$ 12.4 billion of which approximately US\$ 1.6 billion is expected to be executed in the remainder of 2011 and approximately US\$ 2.2 billion in 2012. The order portfolio excludes the LOIs for Xikomba FPSO and the recently announced Guara Norte FPSO projects, but includes the Turret order for BP's Quad 204 FPSO announced on 14 July 2011.

Net debt at 30 June 2011 amounted to US\$ 2,195 million (31 March 2011 amounted to US\$ 1,931 million), with cash and cash equivalent balances of US\$ 99.1 million and committed, undrawn, long-term bank facilities of US\$ 317 million. Net debt to total equity increased from 81% at 31 December 2010 to 117% at 30 June 2011 due to the reported loss but remains within acceptable limits allowing growth of the FPSO Lease fleet to continue. Since mid-year a loan facility of US\$ 1 billion for the Cidade de Paraty FPSO project has been successfully completed and the first drawdown made.

Net debt to unadjusted EBITDA on a rolling 12 month basis at 30 June 2011 amounted to 2.91 compared with 2.49 at 31 December 2010.

Cash from operating activities remained positive at US\$ 27 million despite the ongoing investments in finance lease projects under construction.

Capital expenditure in the first six months of 2011 amounted to US\$ 431 million (US\$ 283 million for the first six months of 2010), which was higher than expected due to the above mentioned cost increases on the two platforms.

More financial information is provided in the condensed consolidated interim financial statements included in this release.

SBM OFFSHORE N.V. HALF-YEAR RESULTS 2011 SOLID UNDERLYING RESULTS DESPITE IMPAIRMENT CHARGES

2. Development Order Portfolio

2.1 Lease and Operate

The portfolio developed over the first six months of 2011 as follows:

- Contracts for the twenty year charter and operation of FPSO Cidade de Paraty for the Lula Nordeste development in the pre-salt area, offshore Brazil, have been executed with BM-S-11 Consortium (65% Petrobras SA – Operator, 25% BG Group (BG E&P Brasil Ltda) and 10% GALP Energia (Petrogal Brasil Ltda). The Company together with QGOG had been awarded a Letter of Intent on 28 May 2010 for this work and the corresponding revenues were booked to order portfolio in 2010. The unit will be owned and operated by a Joint Venture (JV) of companies comprising of SBM Offshore (50.5%), QGOG (20%), Nippon Yusen Kabushiki Kaisha (NYK) (17.5%) and ITOCHU Corporation (ITOCHU) (12%);
- The contract for the FPSO Xikomba was extended by Esso Exploration Angola Limited (EEAL) until 10 August 2011. The FPSO has now been demobilized from the site.
- Confirmation has been received from Total E&P Congo that the contract for the LPG FSO Nkossa II is extended for a total of seven years, until November 2018, with options for a further three years.
- A Letter of Intent (LOI) was received on behalf of SBM Offshore's Joint Venture (JV) companies with Sonangol for a twelve year lease and operate contract from ENI Angola SpA for an oil field development on block 15/06 offshore Angola. The project involves relocation of the JV's existing FPSO Xikomba, which has been operating under contract to ExxonMobil in Angola since 2003. The unit will undergo a major upgrade in order to meet the new project specific requirements. Part of that work will be performed in the PAENAL yard in Angola. Negotiation of the contract is ongoing with contract award expected during the second half of 2011. This order is not included in first half 2011 portfolio value.

Since 30 June 2011 the following orders have been obtained:

- Together with Queiroz Galvão Óleo e Gás S.A (QGOG), a Letter of Intent (LOI) for a twenty year charter and operation of an FPSO for the Guar Norte development in the pre-salt area, offshore Brazil from GUARA BV and from BM-S-9 Consortium, established by the companies PETROLEO BRASILEIRO S.A. – PETROBRAS (Operator, 45%), BG E&P BRASIL LTDA (30%), and REPSOL SINOPEC BRASIL S.A. (25%). It is the intention that the unit will be owned and operated by a consortium in which SBM Offshore's shareholding will not be less than 49.5% and not exceed 62.25%. The project schedule foresees delivery of the FPSO in 35 months from LOI;
- An extension until the end of September 2011 for the lease and operate contract of the FPSO Kuito from Chevron in Angola.

2.2 Turnkey Systems and Turnkey Services

The most significant awards in the first six months included:

- A contract with OSX for the conversion, supply and installation of a FPSO ("FPSO OSX-2") for Brazil. One of the Company's VLCC tankers from inventory will be used for conversion into this FPSO. First oil is targeted for Q3 2013;
- Design license fees from Hyundai Heavy Industries (HHI) for contracts to construct and deliver six drill ships of the GustoMSC P10,000 class with international drilling contractors;
- Design license fees from the Singaporean yards Keppel Fels and Jurong Shipyard for contracts to construct and deliver in total three cantilever drilling jack-ups of the GustoMSC CJ70 class with international drilling contractors. In addition the Company has received orders for the supply of associated equipment for these jack-ups;
- A contract with Total E&P Angola relating to a Deep Water Oil Loading System required as part of the CLOV FPSO development on Block 17 offshore Angola in West Africa. The Company will supply the Oil Offloading Lines (Trelline™) and will also perform the offshore installation of the complete Oil Loading System (including the Deep Water Buoy) in the second half of 2013, using the Company's installation vessel 'Normand Installer';
- A contract with Technip (part of the "TSC" Consortium with Samsung Heavy Industries) for supply of a major Turret Mooring System. This Turret Mooring System will be a key component of the world's first floating liquefied natural gas (FLNG) facility, to be deployed by

SBM OFFSHORE N.V. HALF-YEAR RESULTS 2011 SOLID UNDERLYING RESULTS DESPITE IMPAIRMENT CHARGES

Shell Development (Australia) Pty Ltd (Shell) at its Prelude gas field off the northwest coast of Australia;

- A letter from BP Exploration Operating Company Ltd confirming full project sanction for the supply of a major Internal Turret Mooring System for the Quad 204 FPSO project;
- Several variation orders on existing contracts and Offshore Contracting services contracts.

3. Operations

3.1 Lease and Operate

Impairment charges on Yme and Deep Panuke projects

Both the Yme and Deep Panuke platforms have now been installed on their respective offshore locations in Norway and Canada.

Commissioning activities, as well as remaining construction works are currently ongoing to complete and prepare the facilities for start of production. Both projects have incurred additional cost due to re-measurement of on-site works, part of which has been completed inshore, with the remainder to be completed offshore.

In both projects the Company has been unable to reach a settlement with its clients for additional compensation.

For the Yme platform the disputes relate to sums due upon sail away of the MOPU from Abu Dhabi, costs incurred in relation to changes in the installation method, and reimbursable costs incurred in Norway. Due to recent clarifications of the client's contractual position and cost growth, the Company has recognized an additional cost exposure.

For the Deep Panuke platform the dispute relates to change orders and disruption claims.

Legal action in the case of the Deep Panuke platform and arbitration proceedings for the Yme platform have been initiated against the respective clients. The Company will actively continue both actions to maximise recovery of costs. The outcomes of proceedings will only be known when the litigation and arbitration processes have run their course.

Due to the uncertainty as to the Company's ability to secure satisfactory compensation for its claims and based on management's best estimates, the Company has booked an impairment charge of US\$ 450 million under the Lease and Operate segment in the first half year 2011 results, which was reported on 28 July 2011.

No significant tax benefits are expected as a result of these charges and no tax credit has been booked in the results for the first half year.

Respective charters of both platforms are currently scheduled to commence within the first half of 2012.

Other projects

The FPSO Aseng project is proceeding in accordance with the Company's plans with pre-commissioning and integration works at the Keppel shipyard reaching completion. Departure from Singapore is planned in the third quarter of 2011 with arrival in Equatorial Guinea for offshore installation this year, in line with the schedule.

The FPSO Espadarte relocation project to the Baleia Azul field is progressing according to plan. The FPSO has been disconnected from the Espadarte field and has arrived at Keppel shipyard in Singapore for conversion and refurbishment works including integration of new additional modules. Relocation on Baleia Azul field and production start-up is expected in the second half of 2012.

The Petrobras FPSO Cidade de Paraty project is progressing in line with expectations. The tanker is in Keppel shipyard in Singapore undergoing conversion and refurbishment works. Fabrication of modules in both Singaporean and Brazilian yards is progressing well.

SBM OFFSHORE N.V. HALF-YEAR RESULTS 2011 SOLID UNDERLYING RESULTS DESPITE IMPAIRMENT CHARGES

3.2 Turnkey Systems and Turnkey Services

Delivery of the Delba III drilling rig has been delayed by problems with a thruster which the supplier is in the process of repairing under warranty. No material cost impact is expected. Delivery is anticipated during the third quarter.

FPSO Okha has been handed over to our client Woodside in the first half of the year. Completion of this major milestone allows our client to complete preparation of the unit for first oil production.

The supply phase of both the Internal Turret Mooring systems for Shell's Prelude FLNG and BP's Quad 204 have started and procurement activities and yard selection is on-going following full project sanction.

The Company's two installation vessels have shown improved occupancy rates in the second quarter of 2011 and this is expected to continue for the remainder of the year. Order intake is good for all Services activities.

The Company has placed an order with Keppel Singmarine for a new DSCV (Diving Support & Construction Vessel) which will be delivered in 2013 increasing the Company's deepwater offshore installation and construction capabilities for which the market is expected to grow in the coming years. The project is progressing in accordance with plans.

The Company continues to focus on HSSE performance across its operations. Safety related indicators for the first half of 2011 are in line with the relevant industry norm.

4. Market Developments

The demand for the Company's products and services remains high with continued high level of bidding activity. The Company has already signed two major FPSO contracts and received orders for two large Turret Mooring Systems in the first part of the year and is working on two further contracts for FPSOs for which LOIs have been signed. The Company is currently bidding on several new prospects, with the timing of contract awards being uncertain depending on clients' overall field development plans.

The Company's main areas of focus remain the deepwater developments in Brazil, West Africa, Asia, the Gulf of Mexico as well as the North Sea and frontier regions in the Arctic, with several FPSO and large turret mooring systems prospects.

The offshore LNG sector continues to show signs of development with significant activity on several projects in which the Company has an interest. The agreement with PTT and Linde to develop an FLNG project in Australia and the recent issue of a firm priced tender to Petrobras, among others, are the result of these activities.

5. Outlook 2011

The Company updates its previously announced 2011 outlook as follows:

- Turnover is expected to increase to around 5% above 2010, fully secured from current order portfolio;
- Average EBIT margin in the Turnkey Systems segment is expected to be solidly in the 10% – 15% range, taking into account a robust underlying operating margin and the impact of finance lease accounting;
- Turnkey Services average EBIT margin expected to be within the 15% – 20% range;
- Underlying Lease and Operate EBIT expected to be above the underlying level achieved in 2010;
- Net financing costs are expected to decrease by 30 – 35% compared to 2010, when non-recurring hedging losses were incurred and taking into account the later than expected commencement date of the Yme and Deep Panuke charters;
- Capital expenditure is expected to amount to around US\$ 0.9 billion; including the impact of additional costs on Yme and Deep Panuke projects;
- Net gearing at year-end 2011 is expected between 110% - 120%, with all financial ratios well within banking covenants;

SBM OFFSHORE N.V. HALF-YEAR RESULTS 2011 SOLID UNDERLYING RESULTS DESPITE IMPAIRMENT CHARGES

- Overall the Company expects a 2011 net result around breakeven before deduction of minority interests which are projected to amount to approximately US\$ 30 million in 2011;
- No decision has been taken by the Company in respect of dividend over 2011.

6. Risk Management

In the 2010 Annual Report, in the section Report of the Board of Management, under Risk Management, SBM Offshore's risk management policies have been described and main risk factors have been categorised under strategic, operational, financial reporting and legal compliance risks.

In the Company's view, other than as set out in this press release and the 2010 Annual Report, the nature and potential impact of these risk categories on the business are not expected to be materially different for the second half of 2011.

7. Statement of Compliance

Mr. A. Mace, CEO of SBM Offshore N.V. and Mr. M. Miles, CFO of SBM Offshore N.V., hereby declare that, to the best of their knowledge, the condensed consolidated interim financial statements, which have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of SBM Offshore N.V. and the undertakings included in the consolidation as a whole, and the semi-annual management report includes a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

8. Analyst Presentation

The Analyst Presentation will be webcast via the SBM Offshore website (www.sbmoffshore.com) at 12h00 CET on Thursday 18 August 2011.

There is also a Call-In facility for participants who want to listen to the presentation via teleconference and also have the option to ask questions during Q&A session. The dial-in number is: +31 10 2944 224 and the replay number, available for 48 hours, is +31 10 2944 210, replay code: 1193443#.

Playback facilities of the presentation and Q&A session will be accessible via the Company website www.sbmoffshore.com

SBM OFFSHORE N.V. HALF-YEAR RESULTS 2011 SOLID UNDERLYING RESULTS DESPITE IMPAIRMENT CHARGES

9. Financial Agenda

Half-year Results 2011 - Press Release 07.30 CET	Thursday, August 18, 2011
Half-year Results 2011 - Analysts Presentation Amsterdam	Thursday, August 18, 2011
Trading Update Q3 2011 - Press Release 07.30 CET	Thursday, November 17, 2011
Full-year Results 2011 - Press Release 07.30 CET	Friday, March 02, 2012
Full-year Results 2011 - Analysts Presentation Amsterdam	Friday, March 02, 2012
Publication Annual Report and Agenda Annual General Meeting of Shareholders	Wednesday, March 28, 2012
Trading Update Q1 2012 - Press Release 07.30 CET	Wednesday, May 16, 2012
Annual General Meeting of Shareholders Rotterdam	Wednesday, May 16, 2012
Half-year Results 2012 - Press Release 07.30 CET	Thursday, August 16, 2012
Half-year Results 2012 - Analysts Presentation Amsterdam	Thursday, August 16, 2012
Trading Update Q3 2012 - Press Release 07.30 CET	Thursday, November 15, 2012

10. 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, 17 August 2011

SBM OFFSHORE N.V. HALF-YEAR RESULTS 2011 SOLID UNDERLYING RESULTS DESPITE IMPAIRMENT CHARGES

For further information

SBM Offshore N.V.

Karel Doormanweg 66
3115 JD Schiedam

Post address:

P.O. Box31
3100 AA Schiedam
The Netherlands

Contact person:

Sebastiaan de Ronde Bresser
Telephone: (+377) 92 05 85 15
Mobile: (+33) 643 919 312
Fax: (+377) 92 05 89 40
E-mail: sebastiaan.derondebresser@sbmoffshore.com
Website: www.sbmoffshore.com

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 materialise, 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.

SBM Offshore N.V. - Condensed consolidated interim financial statements (Unaudited)

SBM Offshore N.V. - Consolidated income statement

For the six months ended 30 June, in thousands of US\$		Notes	2011	2010
Revenue	7		1,460,619	1,378,407
Cost of Sales			(1,588,714)	(1,157,790)
Gross margin	7		(128,095)	220,617
Other operating income			219	546
Selling and marketing expenses	7		(31,514)	(22,466)
General and administrative expenses	7		(43,077)	(43,571)
Research and development expenses	7		(11,669)	(9,107)
Operating profit/(loss) (EBIT)			(214,136)	146,019
Financial income	8		3,158	3,401
Financial expenses	8		(30,547)	(54,986)
Net financing costs	8		(27,389)	(51,585)
Share of profit of associates			-	-
Profit/(Loss) before tax			(241,525)	94,434
Income tax			(9,288)	(1,953)
Profit/(Loss)			(250,813)	92,481

Profit/(Loss) attributable to:

		2011	2010
Shareholders of the parent company		(265,332)	77,593
Non-controlling interests		14,519	14,888
Profit/(Loss)		(250,813)	92,481

Earnings/(Loss) per share:

	Notes	2011	2010
Weighted average number of shares outstanding	9	169,240,450	165,543,729
Basic earnings/(loss) per share	9	US\$ (1.57)	US\$ 0.47
Fully diluted earnings/(loss) per share	9	US\$ (1.55)	US\$ 0.47

SBM Offshore N.V. - Condensed consolidated interim financial statements (Unaudited)

SBM Offshore N.V. - Consolidated statement of comprehensive income

For the six months ended 30 June, in thousands of US\$

	2011	2010
Profit/(Loss) for the period	(250,813)	92,481
Cash flow hedges, net of tax	37,598	(130,032)
Currency translation differences, net of tax	9,847	(23,375)
Other comprehensive income for the period, net of tax	47,445	(153,407)
Total comprehensive income for the period	(203,368)	(60,926)

Total comprehensive income attributable to:

	2011	2010
Shareholders of the parent company	(218,015)	(75,767)
Non-controlling interests	14,647	14,841
Total comprehensive income for the period	(203,368)	(60,926)

SBM Offshore N.V. - Condensed consolidated interim financial statements (Unaudited)

SBM Offshore N.V. - Consolidated statement of financial position

in thousands of US\$

	Notes	30 June 2011	31 December 2010 (*)
ASSETS			
Property, plant and equipment	10	2,787,323	2,941,810
Intangible assets		70,902	67,924
Investment in associates		46	42
Other financial assets		203,492	238,697
Deferred tax assets		15,031	15,717
Total non-current assets		3,076,794	3,264,190
Inventories		31,682	29,280
Trade and other receivables		834,052	723,560
Income tax receivable		476	2,932
Construction work-in-progress		1,137,540	833,808
Derivative financial instruments		137,930	126,569
Cash and cash equivalents		101,785	110,648
Total current assets		2,243,465	1,826,797
TOTAL ASSETS		5,320,259	5,090,987
EQUITY AND LIABILITIES			
Issued share capital		62,084	56,420
Share premium reserve		667,869	658,532
Retained earnings		1,085,012	1,406,301
Other reserves		(5,555)	(48,083)
Equity attributable to shareholders of the parent company		1,809,410	2,073,170
Non-controlling interests		64,882	50,235
Total Equity	11	1,874,292	2,123,405
Interest-bearing loans and other liabilities	12	1,866,990	1,536,714
Provisions - Non-current portion		46,863	43,188
Deferred tax liabilities		1,061	978
Total non-current liabilities		1,914,914	1,580,880
Trade and other payables		883,539	863,704
Provisions - Current portion		28,852	29,850
Income tax payable		9,309	11,617
Interest-bearing loans and other liabilities	12	430,017	285,056
Derivative financial instruments		179,336	196,475
Total current liabilities		1,531,053	1,386,702
TOTAL EQUITY AND LIABILITIES		5,320,259	5,090,987

(*) restated for comparison purposes

SBM Offshore N.V. - Condensed consolidated interim financial statements (Unaudited)

SBM Offshore N.V. - Consolidated statement of changes in equity

<i>in thousands of US\$</i>	Outstanding number of shares	Issued share capital	Share premium reserve	Retained earnings	Other reserves	Attributable to shareholders	Non-controlling interests	Total Equity
At 1 January 2010	164,459,980	58,963	632,963	1,216,343	(105,652)	1,802,617	14,215	1,816,832
Profit for the period		-	-	77,593	-	77,593	14,888	92,481
Foreign currency translation		(8,595)	-	-	(14,733)	(23,328)	(47)	(23,375)
Cash flow hedges/net investment hedges		-	-	-	(130,032)	(130,032)	-	(130,032)
Comprehensive income for the period		(8,595)	-	77,593	(144,765)	(75,767)	14,841	(60,926)
Share based payments		-	-	7,719	-	7,719	-	7,719
Stock dividend	2,628,848	871	(871)	-	-	-	-	-
Share options/bonus shares	1,474,480	489	24,537	(753)	-	24,273	-	24,273
Cash dividend		-	-	(58,445)	-	(58,445)	(19)	(58,464)
At 30 June 2010	168,563,308	51,728	656,629	1,242,457	(250,417)	1,700,397	29,037	1,729,434
At 1 January 2011	168,667,512	56,420	658,532	1,406,301	(48,083)	2,073,170	50,235	2,123,405
Loss for the period		-	-	(265,332)	-	(265,332)	14,519	(250,813)
Foreign currency translation		4,789	-	-	4,930	9,719	128	9,847
Cash flow hedges/net investment hedges		-	-	-	37,598	37,598	-	37,598
Comprehensive income for the period		4,789	-	(265,332)	42,528	(218,015)	14,647	(203,368)
Share based payments		-	-	6,024	-	6,024	-	6,024
Stock dividend	2,104,877	739	(739)	-	-	-	-	-
Share options/bonus shares	387,793	136	10,076	(1,218)	-	8,994	-	8,994
Cash dividend		-	-	(60,763)	-	(60,763)	-	(60,763)
At 30 June 2011	171,160,182	62,084	667,869	1,085,012	(5,555)	1,809,410	64,882	1,874,292

SBM Offshore N.V. - Condensed consolidated interim financial statements (Unaudited)

SBM Offshore N.V. - Condensed consolidated cash flow statement

For the six months ended 30 June, in thousands of US\$

	2011	2010
Cash flow from operating activities	27,308	69,345
Cash flow from investing activities	(427,718)	(278,021)
Cash flow from financing activities	395,103	247,084
Net increase/decrease in cash and cash equivalents	(5,307)	38,408
Cash and cash equivalents at 1 January	103,421	146,712
Currency differences	966	(8,453)
Cash and cash equivalents end of period	99,080	176,667

The reconciliation of the cash and cash equivalents as at 30 June with the corresponding amounts in the balance sheet is as follows:

For the six months ended 30 June, in thousands of US\$

	2011	2010
Cash and cash equivalents	101,785	176,667
Bank overdrafts	(2,705)	-
Cash and cash equivalents	99,080	176,667

SBM Offshore N.V. - Notes to the condensed consolidated interim financial statements

1. General information

SBM Offshore N.V. is a company domiciled in Rotterdam, The Netherlands. The condensed consolidated interim financial statements as of and for the six months ended 30 June 2011 comprise the interim financial statements of SBM Offshore N.V. and its subsidiaries (together referred to as the 'Company') and the Company's interest in associates and jointly controlled entities.

The Company serves the worldwide offshore oil and gas industry by supplying engineered products, vessels and systems, as well as offshore oil and gas production services. The Company has its primary listing on the Euronext Amsterdam stock exchange.

2. Statement of compliance

The condensed consolidated interim financial statements as of and for the six months ended 30 June 2011 have been prepared in accordance with IAS 34, "Interim financial reporting," as adopted by the European Union. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards (IFRS) along with the interpretations adopted by the EU.

The condensed consolidated interim financial statements are presented in US Dollars, rounded to the nearest thousand.

This condensed consolidated interim financial information was approved for issue by the Board of Directors on 17 August 2011, and has been reviewed, but not audited.

3. Seasonality and cyclicity

The condensed consolidated interim financial statements are not materially impacted by either seasonality or cyclicity of operations.

4. Significant accounting policies

The accounting policies adopted in preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Company annual financial statements for the year ended 31 December 2010. The consolidated financial statements of the Company as at and for the year ended 31 December 2010 are available upon request or can be downloaded on the Company's website.

During the first half of the year 2011, there has been no change in the IFRS accounting principles applicable to the Company.

5. Estimates

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended 31 December 2010.

SBM Offshore N.V. - Notes to the condensed consolidated interim financial statements

6. Financial Risk Management

All aspects of the Company's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as of and for the year ended 31 December 2010.

7. Operating segments

The Company's reportable segments are identified as follows:

- Lease and operate,
- Turnkey systems,
- Turnkey services,
- Other (This category consists of corporate overhead functions and other units).

Consolidated income statement by segments

For the six months ended 30 June 2011, in thousands of US\$

	Lease and Operate	Turnkey Systems	Turnkey Services	Other	Eliminations and adjustments	Consolidated
Revenues						
Third party	456,413	896,483	107,722	-	-	1,460,618
Inter-segment	-	943	6,574	-	(7,517)	-
Total revenues	456,413	897,426	114,296	-	(7,517)	1,460,618
Gross margin	(317,356)	165,346	23,916	(1)	-	(128,095)
Other operating income	-	174	-	45	-	219
Selling and marketing	(3,197)	(24,113)	(4,204)	-	-	(31,514)
General and administrative	(2,858)	(18,371)	(1,429)	(20,419)	-	(43,077)
Research and development	(1,590)	(9,258)	(821)	-	-	(11,669)
EBIT	(325,001)	113,778	17,462	(20,375)	-	(214,136)
Net financing costs						(27,389)
Share of profit of associates						-
Income tax expense						(9,288)
Profit/(Loss)						(250,813)
EBIT	(325,001)	113,778	17,462	(20,375)	-	(214,136)
Depreciation, amortization and impairment	560,130	8,458	4,706	535	-	573,829
EBITDA	235,129	122,236	22,168	(19,840)	-	359,693
Other segment information						
Impairment	450,000	-	-	-	-	450,000
Capital expenditure	393,332	11,347	19,575	6,427	-	430,681
Non-current assets	2,692,395	156,814	83,210	144,375	-	3,076,794

SBM Offshore N.V. - Notes to the condensed consolidated interim financial statements

Consolidated income statement by segments

For the six months ended 30 June 2010, in thousands of US\$

	Lease and Operate	Turnkey Systems	Turnkey Services	Other	Eliminations and adjustments	Consolidated
Revenues						
Third party	391,668	862,151	124,588	-	-	1,378,407
Inter-segment	-	208	9,707	-	(9,915)	-
Total revenues	391,668	862,359	134,295	-	(9,915)	1,378,407
Gross margin						
	97,162	89,668	33,362	-	425	220,617
Other operating income	14	913	-	44	(425)	546
Selling and marketing	(5,007)	(15,073)	(2,386)	-	-	(22,466)
General and administrative	(4,568)	(19,477)	(2,284)	(17,242)	-	(43,571)
Research and development	(1,375)	(7,024)	(708)	-	-	(9,107)
EBIT	86,226	49,007	27,984	(17,198)	-	146,019
Net financing costs						(51,585)
Share of profit of associates						-
Income tax expense						(1,953)
Profit/(Loss)						92,481
EBIT						
	86,226	49,007	27,984	(17,198)	-	146,019
Depreciation, amortization and impairment	134,536	8,491	3,911	505	-	147,443
EBITDA	220,762	57,498	31,895	(16,693)	-	293,462
Other segment information						
Impairment	-	-	-	-	-	-
Capital expenditure	259,841	4,974	13,354	4,340	-	282,509
Non-current assets (31 December 2010)	2,909,742	150,891	67,611	135,946	-	3,264,190

SBM Offshore N.V. - Notes to the condensed consolidated interim financial statements

8. Net financing costs

<i>For the six months ended 30 June, in thousands of US\$</i>	2011	2010
Interest income	3,158	3,401
Financial Income	3,158	3,401
Interest expenses	(31,555)	(32,405)
Net forex exchange gain/loss	(3,311)	(740)
Net ineffective portion in fair value of cash flow hedge	4,322	(21,827)
Other financial expenses	(3)	(14)
Financial Expenses	(30,547)	(54,986)
Net financing costs	(27,389)	(51,585)

The 'Net ineffective portion in fair value of cash flow hedge' for the 6 months ended 30 June 2010 was essentially related to the fair value of the interest rate swap for the Deep Panuke project.

9. Earnings/(Loss) per share

The basic loss per share for the period is US\$ 1.57 (2010: US\$ 0.47 profit). The fully diluted loss per share amounts to US\$ 1.55 (2010: US\$ 0.47 profit).

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings per share amounts are calculated by dividing the net profit/(loss) attributable to shareholders of the Company by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into ordinary shares.

The following reflects the share data used in the basic and diluted earnings/(loss) per share computations:

<i>For the six months ended 30 June</i>	2011	2010
Number of shares outstanding at 1 January	168,667,512	164,459,980
Stock dividend	337,245	682,629
New shares issued	235,693	401,120
Weighted average number of shares	169,240,450	165,543,729
Potential dilutive shares from stock option scheme and other share-based payments	1,589,655	1,087,653
Weighted average number of shares (diluted)	170,830,105	166,631,382

10. Property, Plant and Equipment

The total movement in property, plant and equipment is as follows:

in thousands of US\$

	30 June 2011	31 December 2010
Book value at beginning of period	2,941,810	2,830,302
Additions	426,783	509,570
Disposals	(52)	(566)
Depreciation	(122,170)	(272,616)
Impairment	(450,000)	(50,746)
Exchange rate differences	8,282	(6,335)
Other movements	(17,330)	(67,799)
Total movements	(154,487)	111,508
Book value at end of period	2,787,323	2,941,810

During the first half of 2011, the Company recorded an impairment charge of US\$ 450 million, related to the Talisman Yme and Encana Deep Panuke units currently under construction. This was due to recent remeasurement and evaluation of the works and costs required to complete the two platforms and the uncertainty of the outcome of ongoing claims with the respective clients. For both projects, the Company has not been able to reach settlement for additional compensation but has ongoing legal action and arbitration proceedings with the clients, which will be vigorously pursued. For the Yme platform, the disputes relate to sums due upon sail away of the MOPU from Abu Dhabi, costs incurred in relation to changes in the installation method, and reimbursable costs incurred in Norway. Due to recent clarifications of the client's contractual position and cost growth, the Company has recognized an additional cost exposure. The expected start-up date of both platforms is currently scheduled within the first half of 2012.

The recoverable amounts are calculated with a discount rate of 8% and are based on the value in use of both assets.

The impairment losses have been included in the gross margin in the income statement, under the Lease and Operate segment.

For 2010, the impairment charges were related to the Talisman Yme unit and to the partial impairment of two inventory tankers.

The line 'Other movements' principally includes the allocation of vessels to construction contracts. In 2010, it also included the impact of deconsolidation of 20% of the shares in the Paenal Yard joint venture.

11. Equity attributable to shareholders

Share capital

The authorised share capital of the Company is two hundred million euro (EUR 200,000,000). This share capital is divided into four hundred million (400,000,000) Ordinary Shares with a nominal value of twenty-five eurocent (EUR 0.25) each and four hundred million (400,000,000) Protective Preference Shares, with a nominal value of twenty-five eurocent (EUR 0.25) each. During the period up to and including 30 June 2011: 326,500 (30 June 2010: 1,328,153) new ordinary shares were issued in respect of employee share options, 2,104,877 (30 June 2010: 2,628,848) new ordinary shares in respect of stock dividend, and 61,293 (30 June 2010: 146,327) new ordinary shares in respect of the share-based part of the bonus. The total number of ordinary shares outstanding at 30 June 2011 was 171,160,182 (30 June 2010: 168,563,308).

Dividends paid

The dividend relating to the year ending 31 December 2010 amounted to US\$ 0.71 per share, and at the option of the shareholders was payable in cash or in shares. This resulted in a cash dividend of €0.48 per ordinary share or a stock dividend of 2 new ordinary shares for 75 existing ordinary shares. The payment of dividends took place the first of June 2011 and resulted in a cash outflow of US\$ 60.8 million.

12. Interest-bearing loans and other liabilities

Loans and other liabilities comprise interest-bearing bank loans, deferred income and bank overdrafts. The breakdown is as follows:

Non-current portion

in thousands of US\$

	30 June 2011	31 December 2010
Bank interest-bearing loans and borrowings	1,805,515	1,487,454
Deferred income	61,475	49,260
Non-current portion: Interest-bearing loans and other liabilities	1,866,990	1,536,714

Current portion

in thousands of US\$

	30 June 2011	31 December 2010
Bank interest-bearing loans and borrowings	427,312	277,828
Bank overdrafts	2,705	7,227
Current portion: Interest-bearing loans and other liabilities	430,017	285,056

SBM Offshore N.V. - Notes to the condensed consolidated interim financial statements

The movement of the interest-bearing bank loans and borrowings is as follows:

in thousands of US\$

	30 June 2011	31 December 2010
Non-current portion	1,487,454	1,217,393
Add: Current portion	277,828	322,996
Remaining principal at beginning of period	1,765,282	1,540,389
Additions	621,456	612,539
Redemptions	(153,911)	(387,646)
Movements during the period	467,545	224,893
Remaining principal	2,232,827	1,765,282
Less: Current portion	(427,312)	(277,828)
Non-current portion at end of period	1,805,515	1,487,454

13. Commitments

Certain investment commitments have been entered into principally in respect of the FPSO Espadarte relocation, the FPSO Cidade de Paraty and the new Diving Support and Construction Vessel (DSCV). At the 30 June 2011, the remaining contractual commitments for acquisition of property, plant and equipment and investment in leases amounted to US\$ 756.1 million (31 December 2010: US\$ 644.5 million).

14. Related party transactions

During the six months period ended 30 June 2011, no major related-party transactions took place that should be disclosed in these consolidated interim financial statements.

With respect to the remuneration of key management personnel and Supervisory Board of the Company, the Supervisory Board has approved a new remuneration policy as disclosed on the Company's website. This included an adjustment on the CEO's salary, benchmarked to the peer group.

The expenses recognized with respect to share-based payments are US\$ 6.0 million (30 June 2010: US\$ 7.7 million).

15. Subsequent events

No major subsequent event took place that should be disclosed in these condensed consolidated interim financial statements.

Report on review of condensed consolidated interim financial statements

To: The Supervisory Board and Board of Management of SBM Offshore N.V.

Review report

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements ('the consolidated interim financial statements') of SBM Offshore N.V., Rotterdam, which comprises the consolidated statement of financial position as at 30 June 2011, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period ended 30 June 2011, and the notes.

Management is responsible for the preparation and presentation of the consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union. Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with Dutch law including standard 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements as at 30 June 2011 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Rotterdam, 17 August 2011

KPMG ACCOUNTANTS N.V.

P.W.J. Smorenburg RA