

# **SBM Offshore NV**

## **New Dividend Policy**

2015 Annual General Meeting



# BACKGROUND

**SBM Offshore's current dividend policy:**

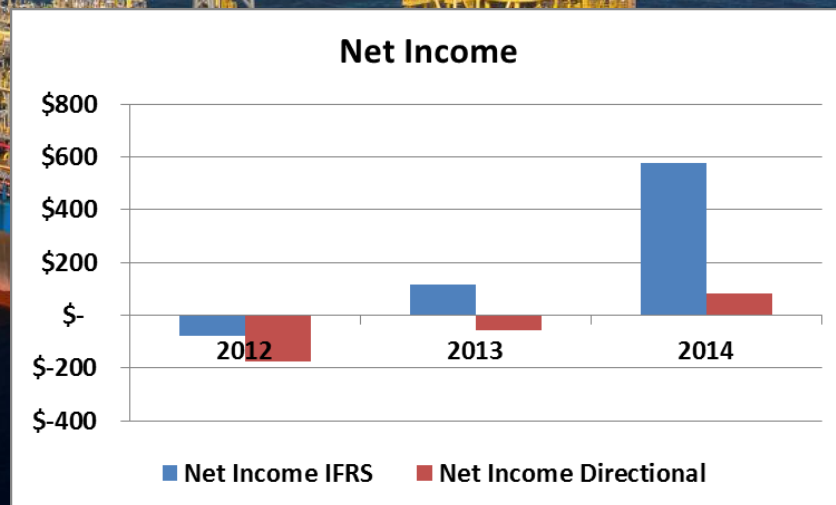
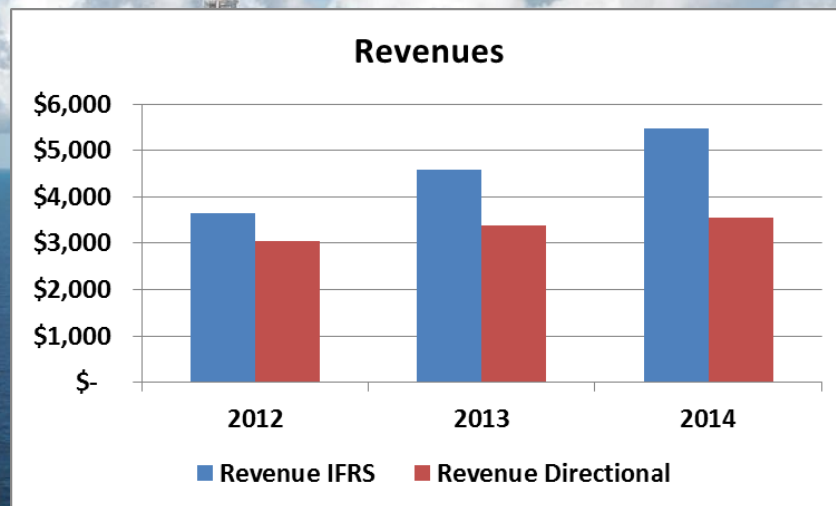
- Based on IFRS net income
- 50% pay-out ratio
- Payable in cash or shares

**IFRS accelerates significant revenue and profit into the construction phase**

**Current policy would distribute cash that would not be earned for many years**

**Company's financial strength has improved, but doesn't support increased borrowing to pay dividends.**

**Hence the decision to forgo dividend over 2014.**





# NEW POLICY

## Key principles:

- **Payment subject to availability of sufficient free cash flow in the payment year**
- **Derived from Directional Net Income**
- **Pay-out ratio target of 25% - 35%**
- **Payable in cash or shares**

# PAY-OUT RATIO LOGIC

- Given the capital intensive nature of its business, SBM Offshore needs to retain earnings for future investments.
- The pay-out ratio is set to pay a reasonable dividend while preserving equity for growth.



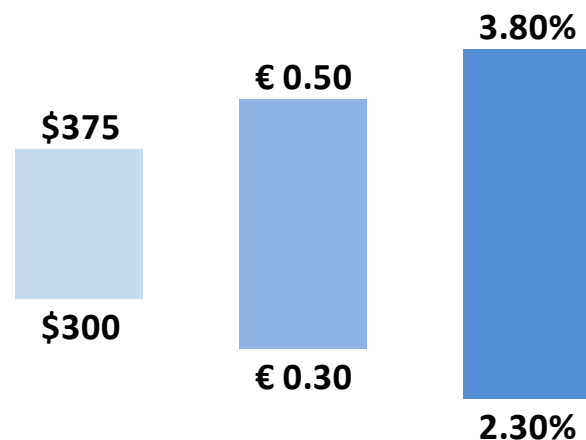
# PAY-OUT RATIO LOGIC

- Underlying Directional Net Income (for illustrational purposes only) amounted to approximately:

2012: US\$300 million  
2013: US\$375 million  
2014: US\$350 million

- The pay-out over this period would have been between €0.30 and €0.50 per share (pro-forma)
- Based on the share price at the date of the relevant AGM, the pay-out range would have translated into a dividend yield range of 2.3% to 3.8%.

## NEW POLICY APPLIED TO 2012 - 2014 NORMALISED DIRECTIONAL PROFITS



underlying directional net income	dividend per share	dividend yield
\$ million	euros	percentage
\$300	€0.30	2.30%
\$375	€0.50	3.80%
\$350	€0.50	3.80%





**ENI**  
**OFFSHORE**