

HALF YEAR RESULTS 2004
ANALYSTS PRESENTATIONS AMSTERDAM / LONDON
AUGUST 31, 2004



Didier Keller : President and CEO
Sjef van Dooremalen : Managing Director Shipbuilding Division
Mark Miles: CFO
Hans Peereboom : Investor Relations Manager

CURRENT COMPANY STRUCTURE

IHCCALAND

Shipbuilding



IHC Holland



Merwede Shipyard

Other Activity



NKI Group

Offshore



SBM Group



SBM-IMODCO



Atlantia Offshore



IHC Gusto Engineering



Marine Structure Consultants (MSC)



GustoMSC Ocean Design (GMOD)

SALE OF THE SHIPBUILDING ACTIVITIES (IHC HOLLAND / MERWEDE SHIPYARD)

COMPLETED TO DATE

- Solicitation of interest
- Issue of information memorandum to interested parties
- Receipt of non-binding proposals
- Establishment of a shortlist
- Decision to proceed with the sale process

CURRENTLY ONGOING

- Due diligence by shortlisted parties

OUTSTANDING

- Receipt of binding proposals
- Evaluation
- Negotiation

TARGET FOR FINALISATION : FOURTH QUARTER 2004

COMPANY STRUCTURE END 2004



SBM Group



SBM-IMODCO



IHC Gusto Engineering



Atlantia Offshore



Marine Structure Consultants (MSC)



GustoMSC Ocean Design (GMOD)



NKI Group

(Divestment intended)

FUTURE MANAGEMENT STRUCTURE

BOARD OF MANAGEMENT



Didier Keller
CEO



Mark Miles
CFO



Dick van der Zee
Director
COO



Francis Blanchelande
Director
FPSO Operations

INVESTOR RELATIONS



Hans Peereboom
Investor Relations Manager

SHIPBUILDING

HIGHLIGHTS FIRST HALF 2004

- Delivery of world largest cutter suction dredger J.F.J. de Nul
- Delivery of 16000m³ hopper dredger Prins der Nederlanden for Boskalis
- Order for two Ro-Pax ferries from Bornholmstrafikken
- Completion of the closure of van der Giessen de Noord within existing provision

DEVELOPMENTS SINCE MID YEAR 2004

- Order for a multi-role vessel for New Zealand Navy from Tenix - Australia
- Order for an offshore supply vessel from Solstad - Norway
- Delivery of 16000 m³ hopper dredger Oranje for Boskalis

OFFSHORE HIGHLIGHTS FIRST HALF 2004 FIRST OIL ON TWO NEW LEASED FPSO'S

Okono FPSO for Agip Nigeria



January 14, 2004

Marlim Sul FPSO for Petrobras



June 7, 2004

OFFSHORE

HIGHLIGHTS FIRST HALF 2004

- Order for SBM for a Disconnectable Riser Turret Mooring from Woodside for the Enfield FPSO – Australia
- Orders for SBM for CALM systems from Maoming / China, BP Amoco / Sharjah and Shell / Nigeria
- Sale by SBM of the FPSO Jamestown

DEVELOPMENTS SINCE MID YEAR 2004

- LOI for Atlantia from GulfTerra for a Semi-Submersible Hull for the Atwater Valley development in the Gulf of Mexico
- LOI for SBM from Agip KCO for the supply of three Flash Gas Compression Barges for Kashagan, Caspian Sea - Kazakhstan (in J.V. with Siemens)
- Orders for CALM systems from Trafigura / Ghana and EIL / India

OFFSHORE DEVELOPMENTS SINCE MID YEAR 2004

Placed order for a New Generation Deepwater Installation Vessel in Joint Venture with Solstad



Main Particulars

- . Length Overall 124 m
- . Beam 28 m

Dynamic Positioning

- . Class DP III

- | <i>Winch</i> | <i>Crane</i> | <i>A Frame</i> |
|--------------|--------------|----------------|
| . 500 T | . 250 T | . 250 T |

**SBM owned
Dynamic Installer
(at same scale)**



OFFSHORE DELIVERIES SECOND HALF 2004 / 2005

SANHA LPG FPSO



Sail Away Far East - November 2004

Installation Offshore Angola - January 2005

Ready for First Gas - February 2005

OFFSHORE DELIVERIES SECOND HALF 2004 / 2005 THREE DEEPWATER EXPORT SYSTEMS



Bonga, SNEPCO, Nigeria



Kizomba B, ExxonMobil, Angola



Erha, ExxonMobil, Nigeria

OFFSHORE

DELIVERIES SECOND HALF 2004 / 2005



Disconnectable Internal Turret, White Rose, Husky Oil, Canada

KEY FINANCIAL POINTS FIRST HALF 2004

- **Net profit US\$ 53.8 million versus US\$ 34.2 million in 2003**
 - **Shipbuilding losses in 2003 - return to profitability in 2004**
 - **Increasing number of lease FPSOs in service**
 - **Sale of FPSO Jamestown**
- **EBITDA up to US\$ 180 million mainly due to growing lease fleet**
- **Return on equity up to 14.7% ; return on capital employed still around 8.5% following 3 year period of high investment in FPSO's**
- **Slowing FPSO investment in 2004 - Forecast reduction in long term debt in the second half of the year**
- **Low new orders and backlog due to slow offshore and dredger building markets**

FINANCIAL OVERVIEW MID 2004

TOTAL GROUP

	30/6/2004	30/6/2003	Movement	Comment
Value of Production	794	1,109	(315)	Slow order intake 2003/2004 and lower capex
Turnover	658	671	(13)	Stable total but greater share of lease fleet
EBITDA	180.0	126.3	53.7	Growing lease fleet
EBIT	86.5	54.2	32.3	Growing lease fleet
% x Turnover	13.1%	8.1%	5.0%	Growing lease fleet
Net Profit	53.8	34.2	19.6	Growing lease fleet (less related interest costs)
% x Turnover	8.2%	5.1%	3.1%	Growing lease fleet (less related interest costs)
New Orders	415	921	(506)	Slow markets in offshore and dredgers
Order Portfolio	4,491	5,399	(908)	Slow markets in offshore and dredgers

In millions of US Dollars

FINANCIAL OVERVIEW MID 2004 SHIPBUILDING

	30/6/2004	30/6/2003	Movement	Comment
Value of Production	238	301	(63)	Slow market for dredgers and closure of van der Giessen
Turnover	279	260	19	Delivery of hopper dredger versus large ferry in 2003
EBITDA	15.3	(2.9)	18.2	Return to profitability
EBIT	9.8	(8.0)	17.8	Return to profitability
% x Turnover	3.5%	(3.1%)	6.6%	Return to profitability
Net Profit	5.1	(5.3)	10.4	Return to profitability
% x Turnover	1.8%	(2.0%)	3.8%	Return to profitability
New Orders	200	129	71	Specialised shipbuilding
Order Portfolio	624	694	(70)	Slow market for dredgers

In millions of US Dollars

FINANCIAL OVERVIEW MID 2004 OFFSHORE

	30/6/2004	30/6/2003	Movement	Comment
Value of Production	561	808	(247)	Lower capex
Turnover	384	411	(27)	Lower turnkey deliveries but growing lease revenues
EBITDA	166.7	132.1	34.6	Growing lease fleet
EBIT	78.7	65.1	13.6	Growing lease fleet
% x Turnover	20.5%	15.8%	4.7%	Growing lease fleet
Net Profit	47.2	38.9	8.3	Growing lease fleet (less related interest costs)
% x Turnover	12.3%	9.5%	2.8%	Growing lease fleet (less related interest costs)
New Orders	218	792	(574)	No major new FPSO contracts in 2004 versus Marlim Sul in 2003
Order Portfolio	3,868	4,705	(837)	Slow order intake

In millions of US Dollars

FINANCIAL OVERVIEW MID 2004

TOTAL GROUP

	30/6/2004	30/6/2003	Movement	Comment
Investment Fixed Assets	112	269	(157)	Slowing FPSO investments
Long-Term Debt	1,360	1,125	235	At the top
Net Liquidities	183	75	108	Healthy level
Net Debt	1,177	1,050	127	
Share Price €	38.23	44.46	(6.23)	2003 Profit warning and slow markets
Share Price US\$	46.47	51.06	(4.59)	Euro appreciation 6%
Market Capitalisation US\$	1,559	1,650	(91)	Lower share price
Enterprise Value	2,736	2,700	36	
Net Debt: Equity	1.53	1.51	0.02	Stable and expected to decrease
Return on Capital Employed	8.47%	8.44%	0.03%	Stable
Return on Equity	14.7%	10.5%	4.2%	Higher net profit

In millions of US Dollars

FORECAST FULL YEAR 2004

- **Net profit around US\$ 100 million (US\$ 91.6 million in 2003 excluding exceptional provision for van der Giessen)**
 - **Offshore division “flat” net profit**
 - **Shipbuilding returns to profitability**
- **Expected loss on sale of shipbuilding activities not included**
- **Assumes shipbuilding results consolidated for full year (sale in 4th quarter)**
- **EBITDA around US\$ 365 million (US\$ 219 million in 2003)**
- **Capex around US\$ 250 million (US\$ 530 million in 2003)**

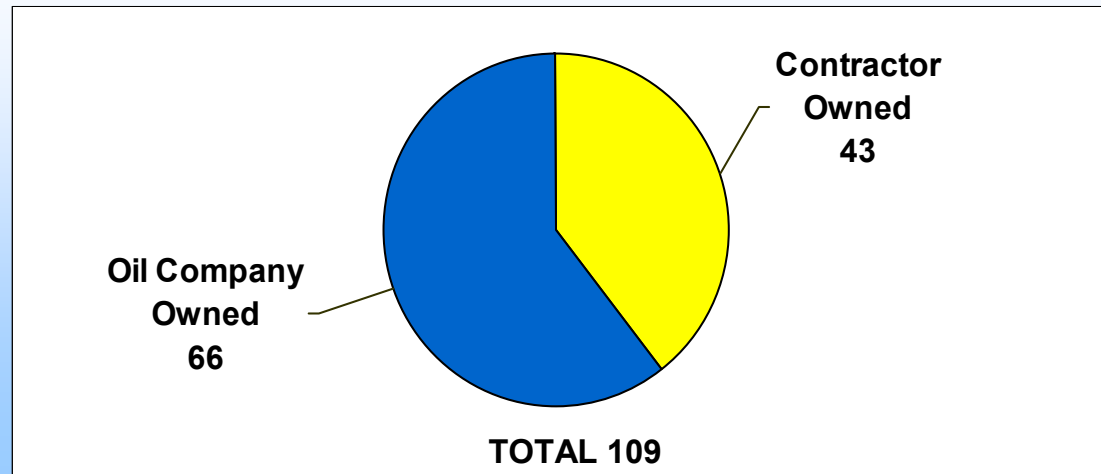
NEW IFRS ACCOUNTING STANDARDS

- **Implementation Ongoing, Main Issues are:**
 - **Depreciation - Straight Line Method to be adopted**
 - **2005 charge will be higher than under current policy**
 - **Contract Work in Progress - Percentage of Completion Method to be adopted**
 - **Progressive profit recognition**
 - **Derivatives - IFRS 32/39 to be adopted prospectively from January 2005**
 - **Relates to interest rate swaps and forex forwards**
- **First IFRS Disclosures in interim results report for 2005**

OFFSHORE ACTIVITIES

- Design, build, own and operate Floating Production and/or Storage and Offloading Systems (FPSO's / FSO's) under long-term lease contracts
- Supply and install FPSO's / FSO's under turnkey contracts
- Supply and install mono column Tension Leg Platforms (TLP's) and Semi-submersible Platforms for oil / gas production under turnkey contracts
- Supply mooring systems for FPSO's / FSO's
- Supply CALM systems for loading / offloading terminals
- Provide design and engineering services for drillships, jack-up rigs, semi-submersible rigs, specialised vessels and topsides for oil and gas production facilities
- Offshore Contracting and After-Sales Services

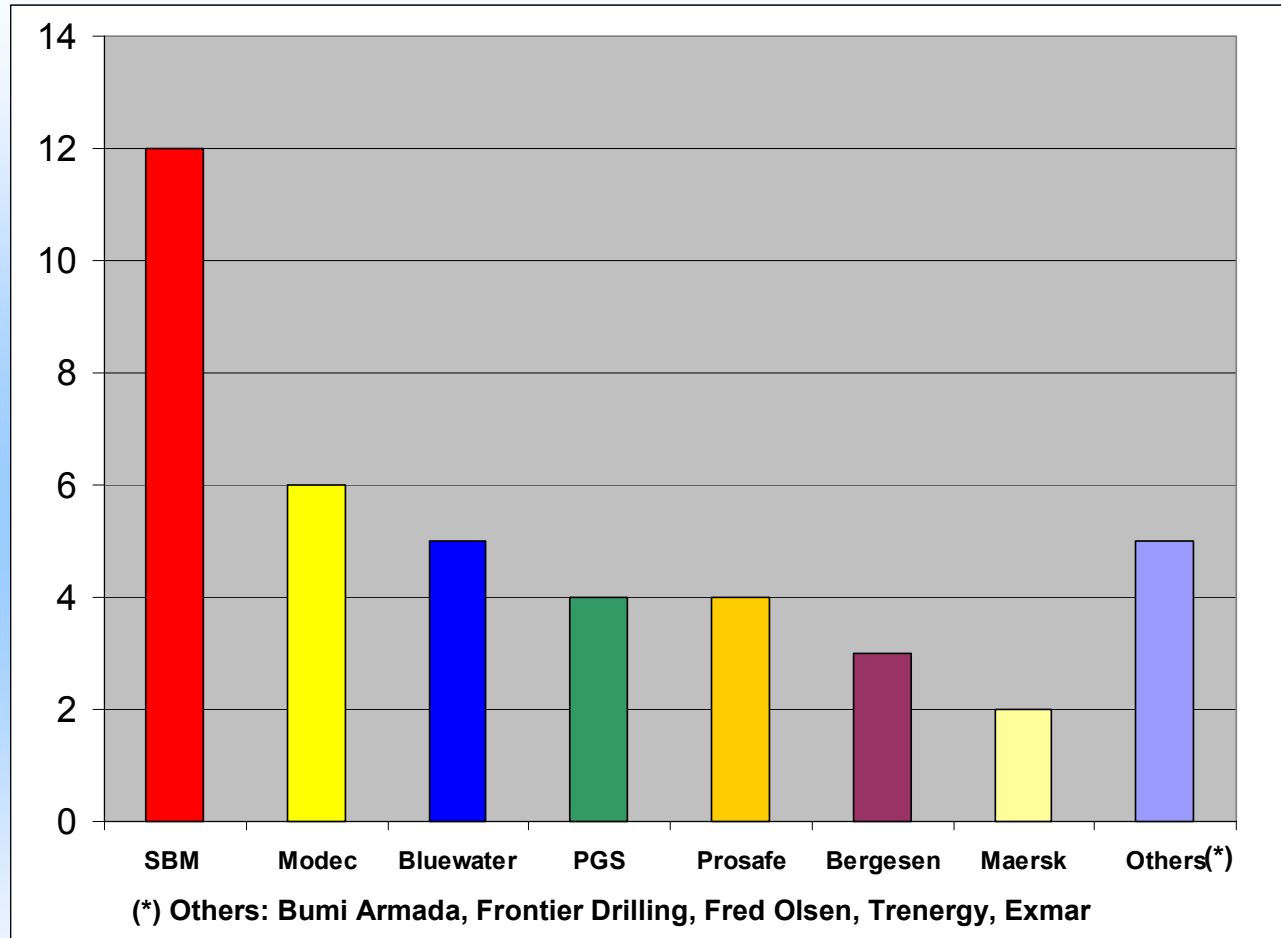
FPSO's IN OPERATION / UNDER CONSTRUCTION



COVERS A LARGE VARIETY OF UNITS

- **Converted tankers / purpose built barges**
- **Spread moored / weathervaning**
- **Oil production rates from 15,000 to 250,000 barrels / day**
- **Oil storage from 100,000 to 2,000,000 barrels**
- **From oil production only to comprehensive production with gas and water injection**

FPSO LEASE CONTRACTORS



Leased FPSO's in operation or under construction : Total 43

FSO LEASE CONTRACTORS

- **Distribution of Contractor owned and oil Company Owned FSO's similar to the FPSO picture**
- **Limited number of FPSO lease contractors also lease and operate FSO's:**
 - **SBM (3 units)**
 - **Prosafe (2 units)**
 - **Modec (1 unit)**
 - **Bergesen (1 unit)**
 - **Fred Olsen (1 unit)**
- **Increasing number of traditional tanker operators place their vessels as FSO's on short and medium-term lease:**
 - **Tanker Pacific**
 - **Teekay Shipping**
 - **Etc.**



CURRENT SBM LEASE FLEET

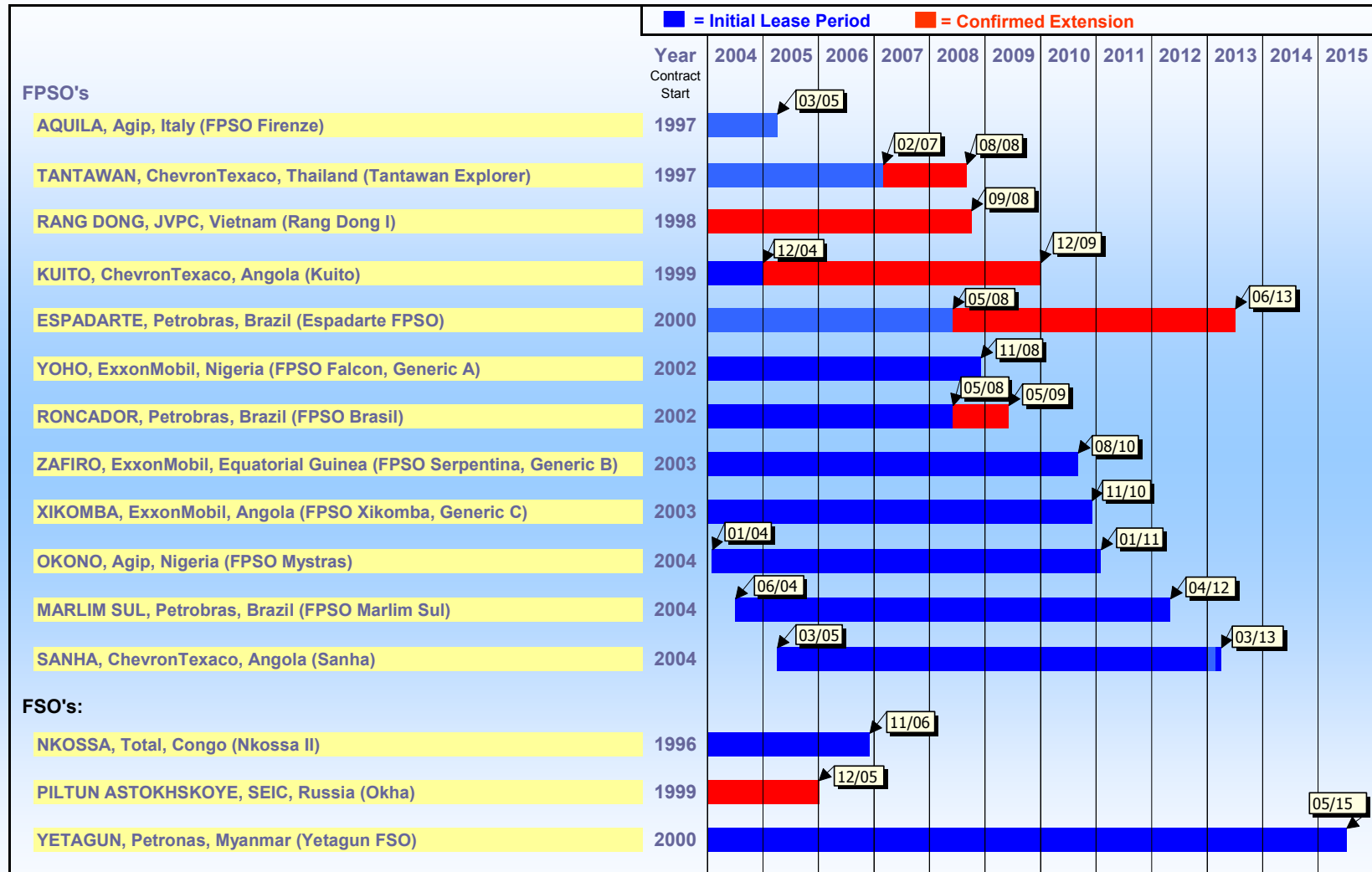


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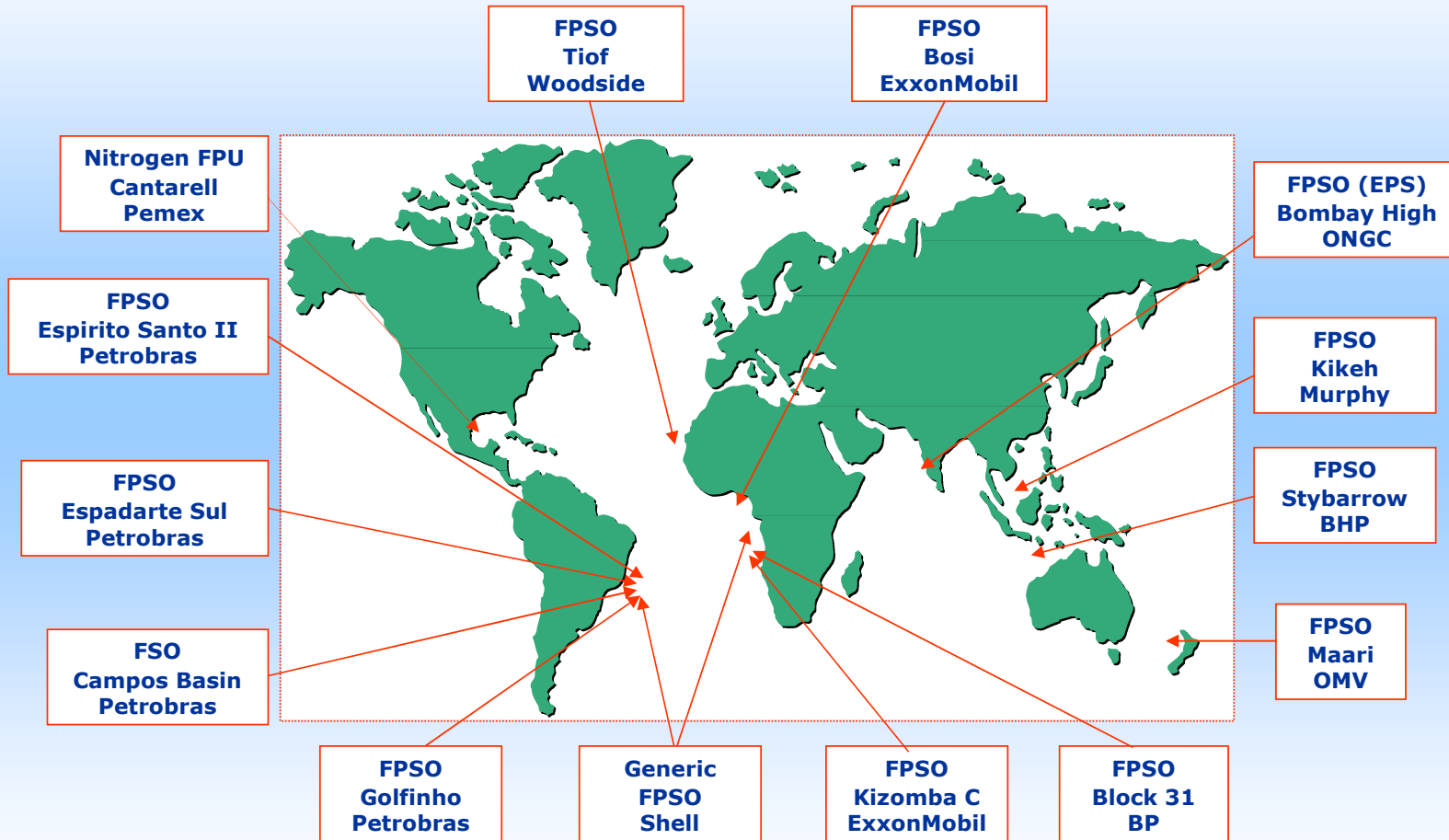
TOTAL DAILY REVENUES : >US\$ 1.5 MILLION



REMAINING DURATION OF LEASE CONTRACTS



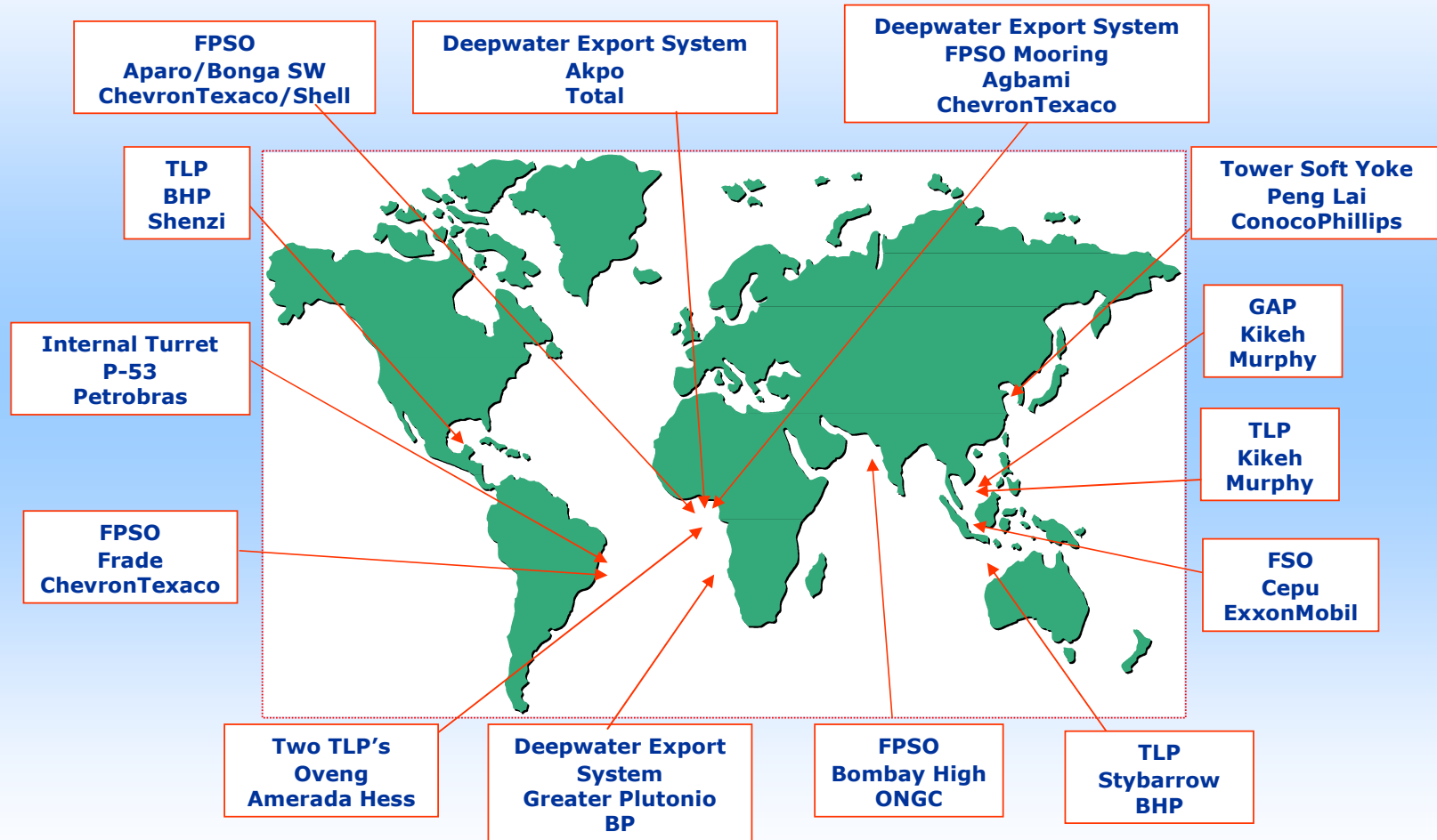
OUTLOOK REMAINDER 2004 / FULL YEAR 2005 LEASE PROSPECTS



LEASE BUSINESS PRINCIPLES

- Invest only on the basis of contracts in hand, except for the acquisition of existing tankers suitable for conversion into an FPSO
- Obtain firm commitments for lease periods (ideally) in excess of five years
- Put interest rate swap in place upon contract award
- Finance design and construction phase from Revolving Credit Facility (RCF)
- Substitute RCF financing by Project Financing for at least 80% of FPSO capex around first oil date
- Project debt fully serviced by guaranteed lease income
- Apply conservative policy with respect to depreciation
- Manage fleet operations in-house
- Engage all senior staff for the fleet under direct employment

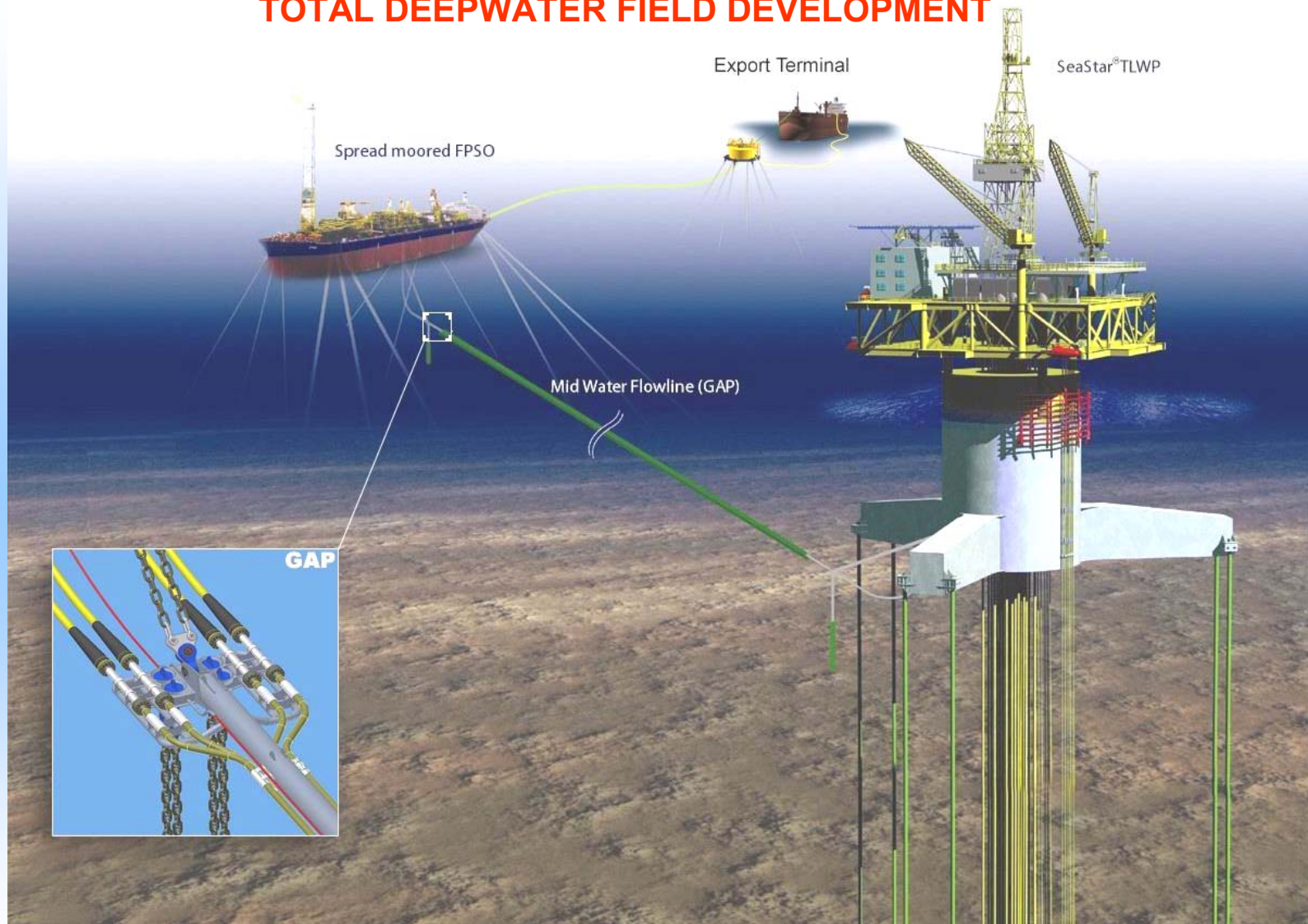
OUTLOOK REMAINDER 2004 / FULL YEAR 2005 ENGINEERING / SUPPLY PROSPECTS



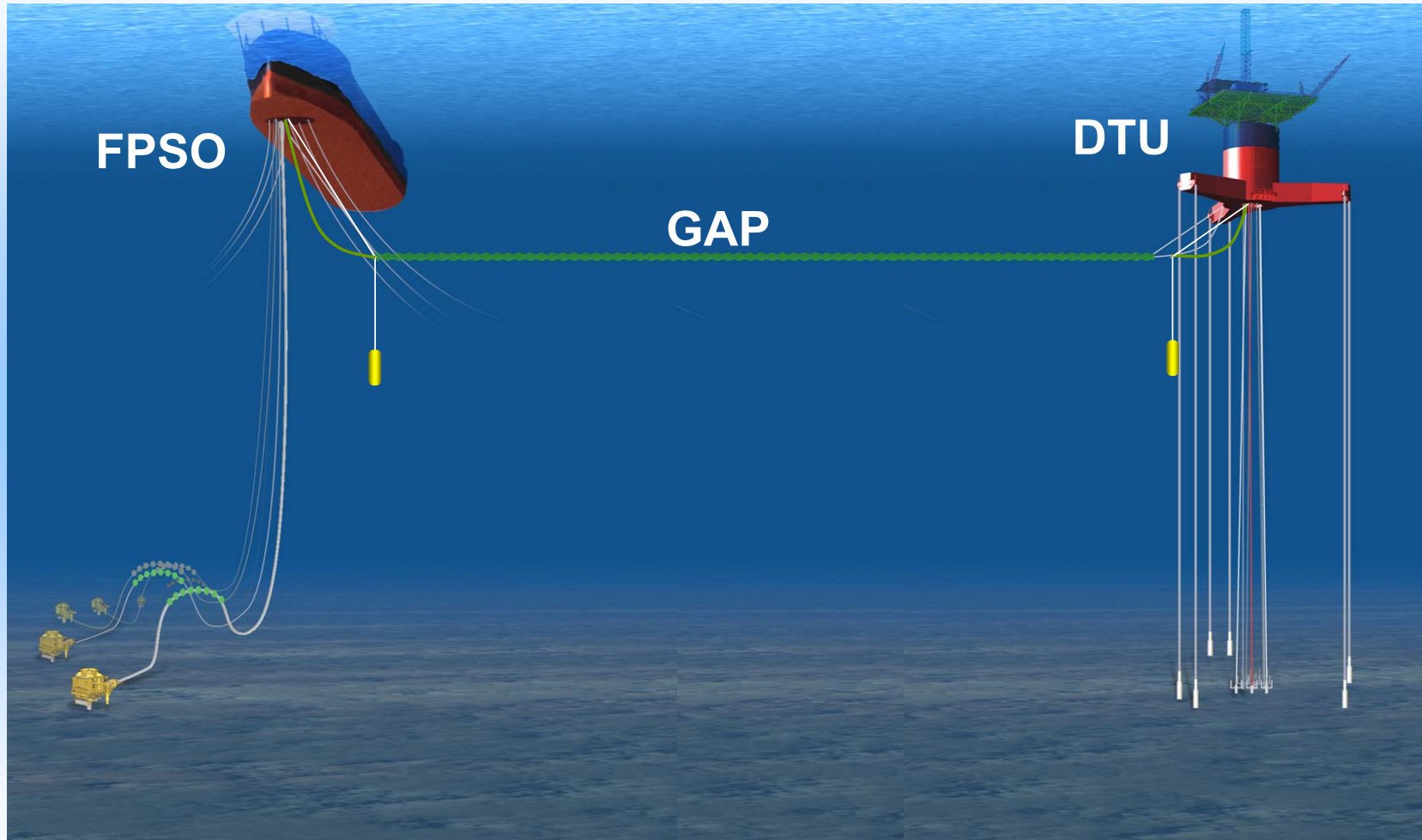
SBM's COMPETITIVE EDGE

- **Flexibility in execution – 3 engineering centres – all construction outsourced**
- **Unique in-house competence to design, supply, install and operate complete, complex FPSO's**
- **Own deep and ultra deepwater installation vessels for turnkey projects**
- **Vast experience on converted FPSO's provides high accuracy in cost estimation, short schedule in execution and minimum risk**
- **Track record - on time and in budget**
- **Strategic partnerships e.g. Sonangol, Saipem, Mitsubishi Corp., Petronas etc.**
- **Full toolbox for deepwater field developments, mainly with patented technology**

TOTAL DEEPWATER FIELD DEVELOPMENT



GRAVITY ACTUATED PIPE



THE LNG CHAIN / **ROLE FOR SBM**

LNG PRODUCTION

- Onshore
 - export via port or jetties
 - export via offshore terminal**
- Offshore, **Floating LNG Production, Storage and Offloading Unit**

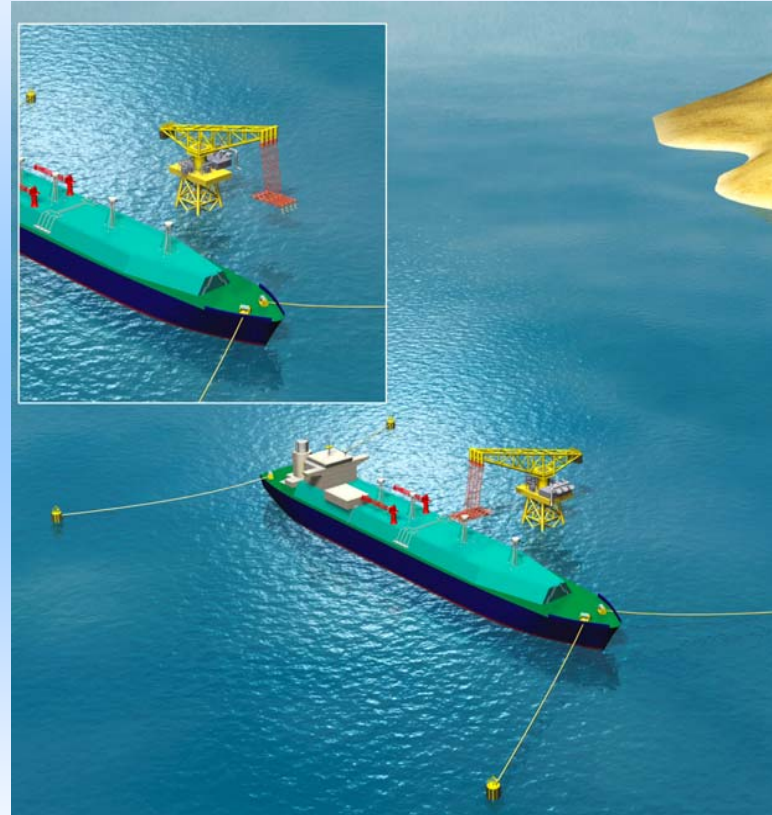
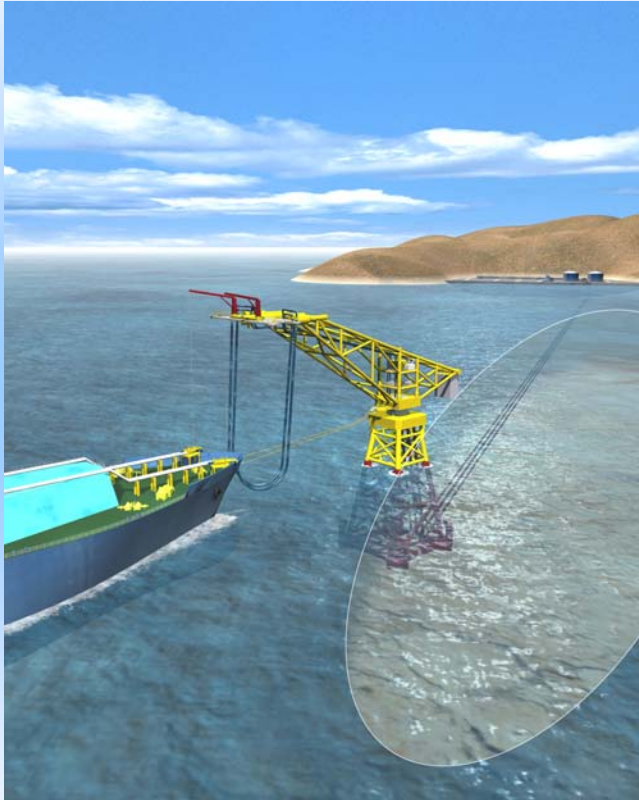
LNG TRANSPORTATION

- Long-term charters for dedicated routes
- Very limited spot market

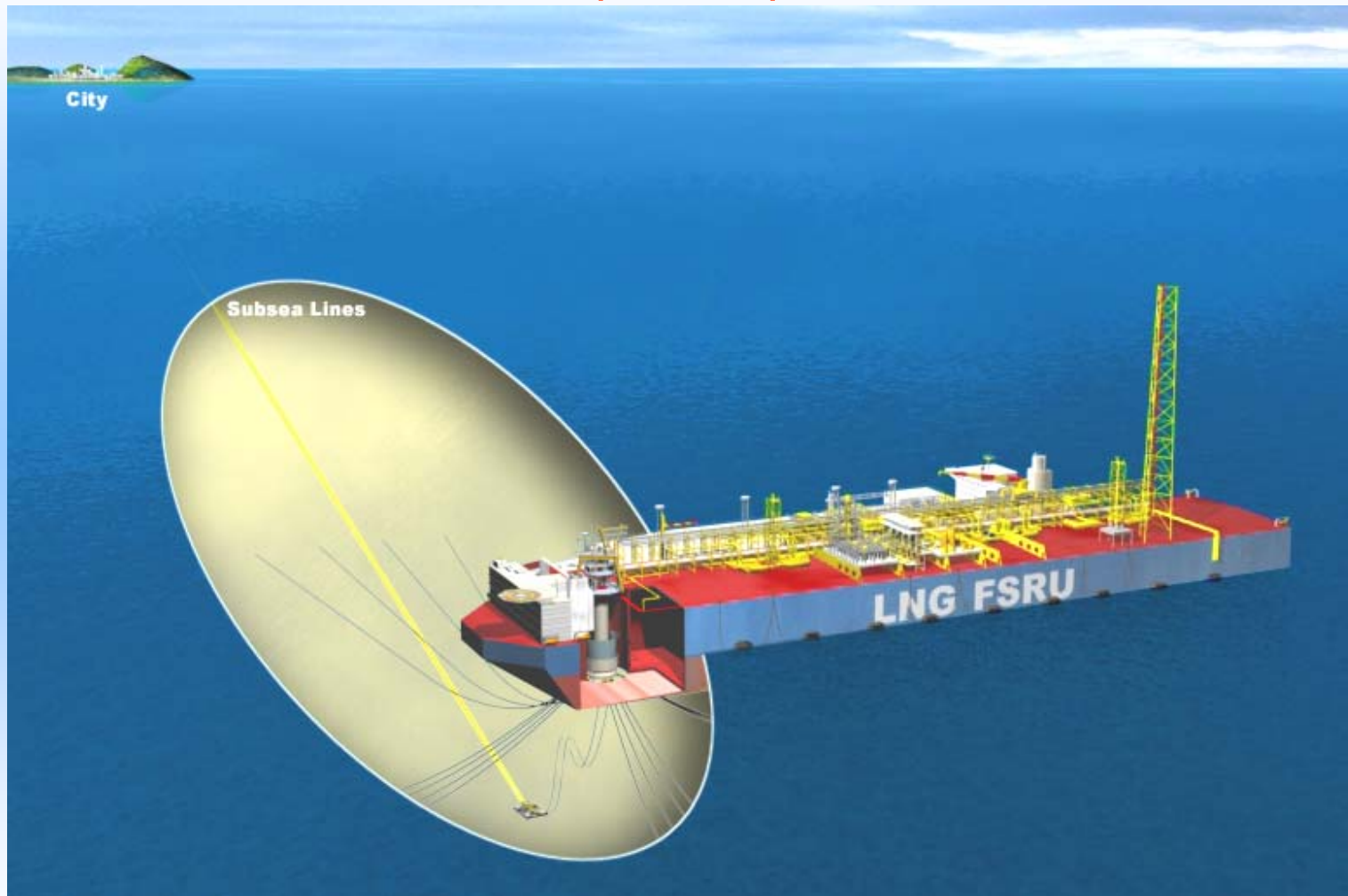
LNG REGASIFICATION

- Onshore
 - import via port or jetties
 - import via offshore terminal**
- Offshore, **Floating Storage and Regasification Unit**

OFFSHORE LNG IMPORT / EXPORT TERMINALS



FLOATING STORAGE AND REGASIFICATION UNIT (F S R U)



OUTLOOK

SHORT TERM

- Increased bidding activity in the first half of 2004 should result in further order intake in the remainder of the year

MEDIUM TERM

- Number of identified projects, both for lease and engineering / supply prospects, should lead to a satisfactory activity level in 2005 / 2006
- Growing worldwide LNG demand will lead to the development of offshore LNG terminals and offshore LNG regasification units

LONG TERM

- Increasing Exploration & Production budgets, largely dedicated to deep and ultra deepwater, will lead to a continued growth in the demand for FPSO's, TLP's, Semi-Submersibles and associated equipment for deepwater developments
- Further expansion of the LNG market will lead to the development of Offshore LNG production units