



# ANALYSTS PRESENTATION

## March 11, 2009



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# DISCLAIMER

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**Highlights 2008**

**Overview of the Company**

**Operational developments 2008**

**Financial highlights 2008**

**Outlook**

# Highlights 2008

- Turnover up to US\$ 3.06 billion (2007: US\$ 2.87 billion)
- Net profit US\$ 228 million (2007: US\$ 267 million)
- Results affected by project budget & schedule overruns
- Year-end order portfolio up to US\$ 9.25 billion (2007: US\$ 7.95 billion)
  
- Dividend proposal US\$ 0.93 per share (same as 2007) half cash/half stock
  
- Three new FPSOs joined the lease and operate fleet
- Three new major contract awards

# Company overview

**Design, construction, turnkey supply, leasing & operation of:**

- **Floating (Production) Storage and Offloading (FPSO)**
- **Semi-Submersible Production Units**
- **Tension Leg Platforms (TLP)**
- **Mobile Production Units and Storage (MOPUstor)**
- **Turret Mooring Systems & Terminals**
- **LNG Floating Production, Liquefaction, Storage and Offloading**
- **Other facilities such as drilling units, mobile units etc.**

**Offshore Contracting, Overhauls / Spare Parts**

**Technology development – arctic, ultra deep, renewable**

**Technology Creating Value**

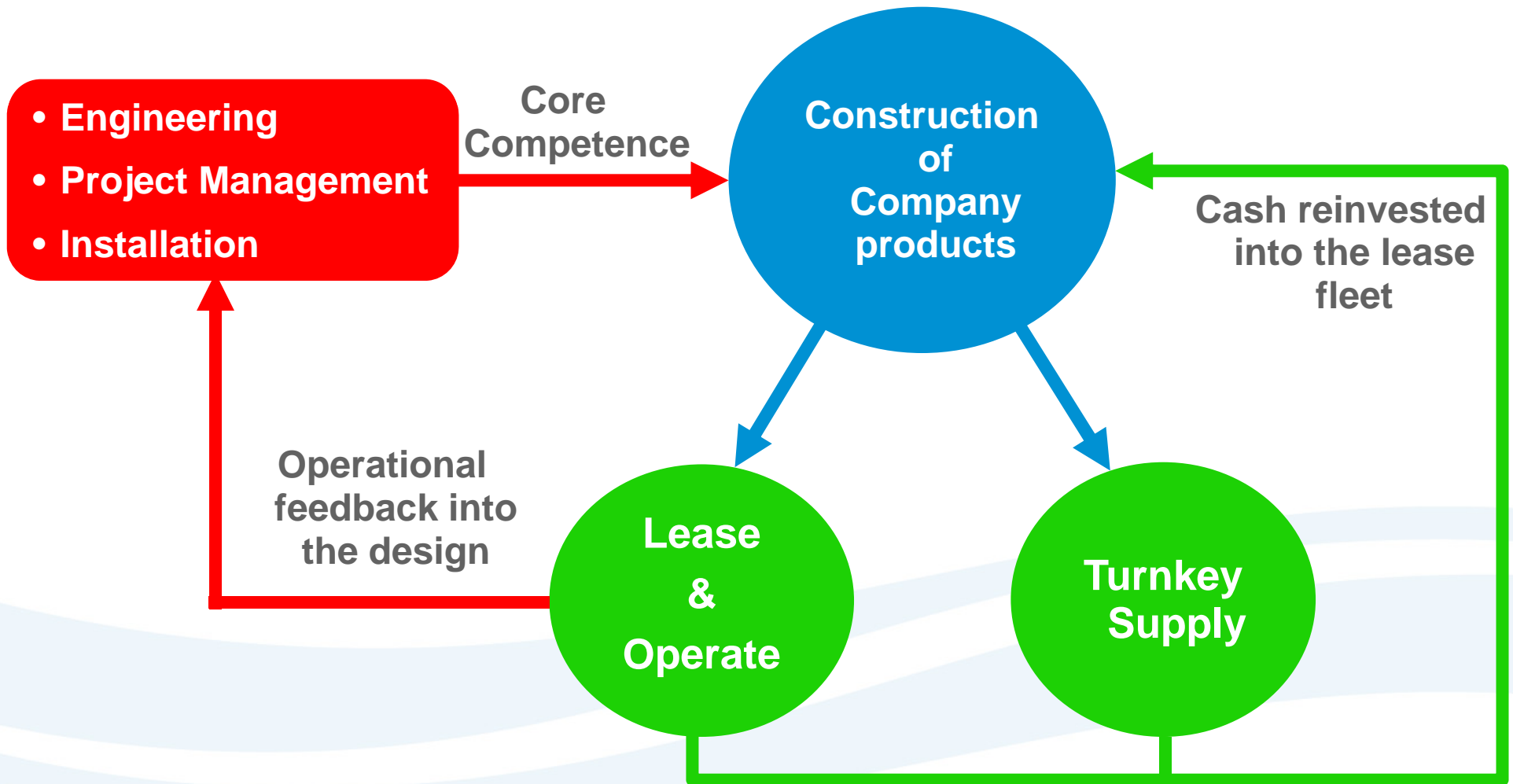


- **Steady organic growth - with average yearly double digit EPS increase**
- **Focus on deep water production technology; maintain market leader position as service provider in the offshore oil and gas industry**
- **Work closely with our clients to optimally and reliably execute and deliver to their needs**
- **Maintain a selective and prudent approach towards new projects, while keeping the flexibility to pursue growth opportunities in the market**
- **Innovative technology will drive future long term growth**

**The long term strategy is focused on innovative technology**



# BUSINESS MODEL



**Integrated model creates cash flow and knowledge synergies**

- Invest only on the basis of contracts in hand
- Contract for firm lease periods ideally in excess of five years
- Revenues not exposed to oil price variations or reservoir risk
- Interest and currency exchange rate risks hedged upon contract award
- Project debt fully serviced by guaranteed lease income
- Apply conservative policy with respect to depreciation
- Manage fleet operations in-house

**Prudent approach creates sustainable long term business**

# Operational developments 2008

# MAJOR ACHIEVEMENTS 2008

## LEASE PORTFOLIO



**FPSO Mondo started operation offshore Angola**



**FPSO Saxi Batuque started operation offshore Angola**



**FPSO Espirito Santo installed offshore Brazil**

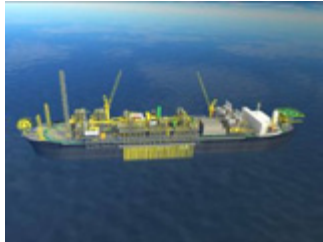
# MAJOR ACHIEVEMENTS 2008

## CONTRACT AWARDS

- 12 year lease of the existing FPSO Capixaba for Cachalote field in Brazil with Petrobras
- One-year extension from ExxonMobil for the FPSO Falcon
- Supply of FPSO P-57 for Brazil with Petrobras
- Contract for the supply of FPSO Okha (replacement of FPSO Cossack Pioneer) for Australia with Woodside Energy Ltd
- Call off frame contract for the supply of FPSOs for Angola with BP Angola

# MAJOR PROJECTS IN EXECUTION

- Singapore



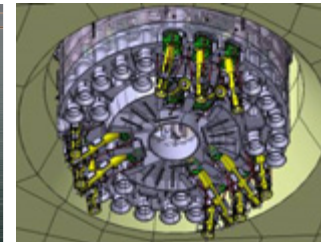
Petrobras - P-57



Woodside - FPSO Okha



Petrobras - Cachalote

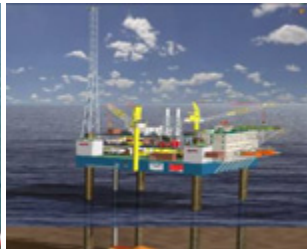


BP - Skarv Turret

- U.A.E



Talisman - Yme



EnCana - Deep Panuke



QGP - Drilling Rig



Odebrecht -  
Drilling Rig



Delba - Drilling Rig

- In transit



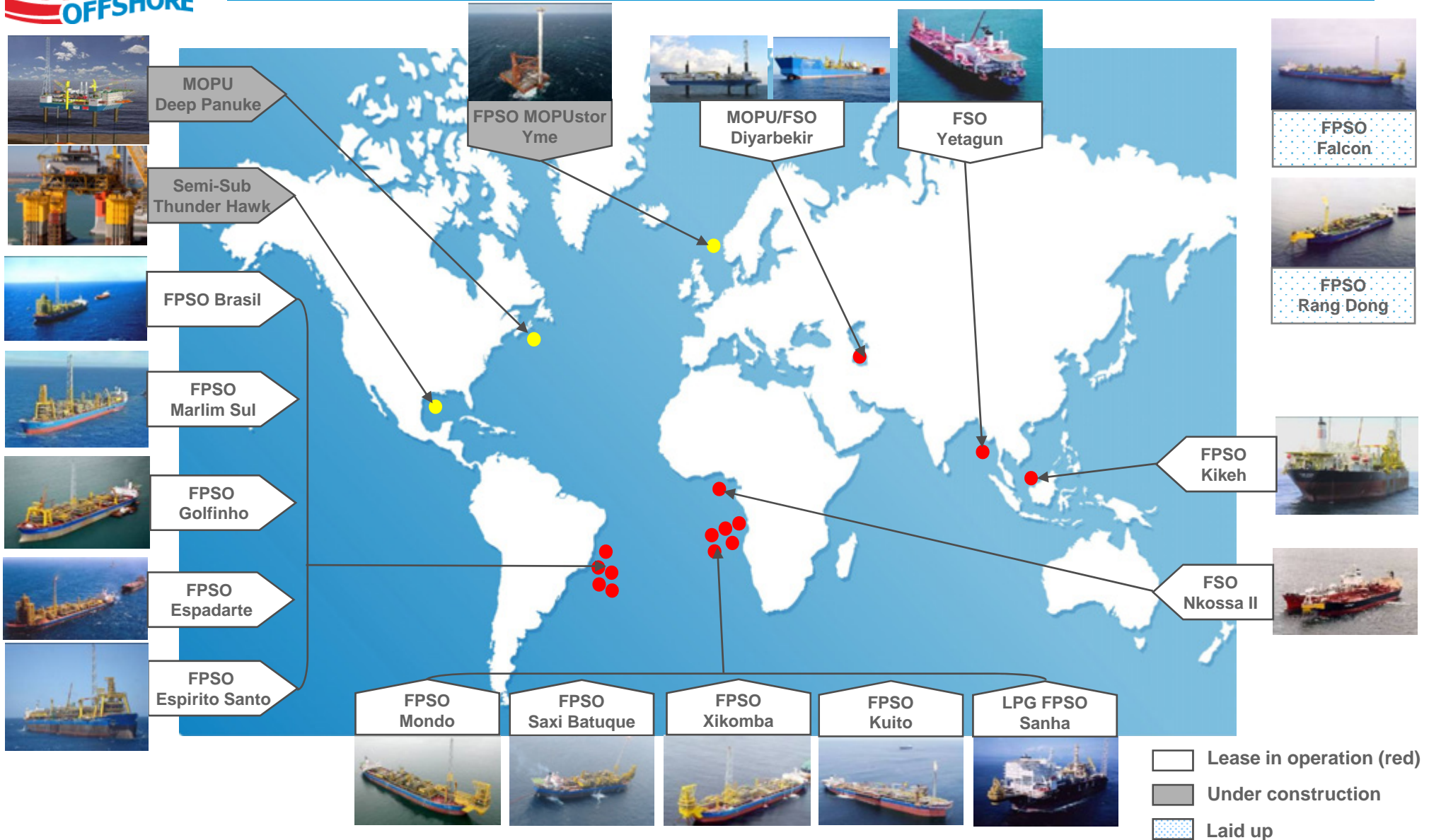
Chevron - Frade



Murphy - Thunder Hawk

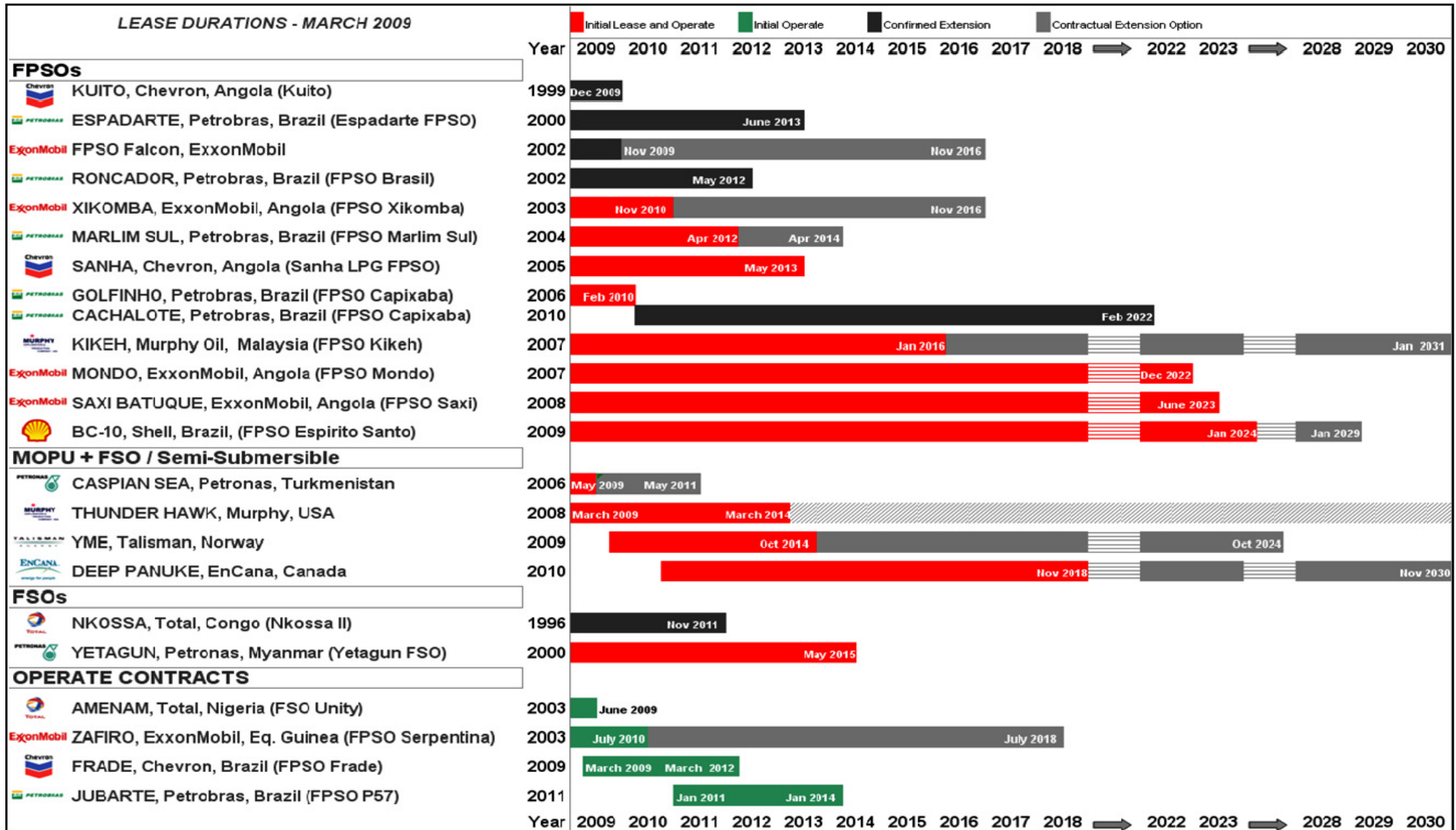
Focus on enhanced cost and schedule control

# SBM's LEASE FLEET



End of leases for FPSO Mystras, FPSO Tantawan Explorer, FPSO Rang Dong and FSO Okha

# REMAINING DURATION OF LEASE CONTRACTS





# Financial highlights 2008

# FINANCIAL OVERVIEW 2008

## P&L Total Group

In millions of US Dollars	31/12/08	31/12/07	Change	Comment
Turnover	<b>3,060</b>	2,871	<b>7%</b>	74% from Turnkey activities
Gross Margin (%)	<b>414</b> <b>(13.5%)</b>	436 (15.2%)	<b>(5%)</b>	Average margin down – Turnkey cost overruns
EBITDA (% Margin)	<b>530</b> <b>(17.3%)</b>	548 (19.1%)	<b>(3%)</b>	Average margin down – Turnkey cost overruns; Trading fleet
EBIT (% Margin)	<b>275</b> <b>(9.0%)</b>	302 (10.5%)	<b>(9%)</b>	76% from Lease & Operate; includes land sale gain (US\$ 10 mln pre tax)
Net Profit (% Margin)	<b>228</b> <b>(7.4%)</b>	267 (9.3%)	<b>(15%)</b>	Interest burden increases with new units on lease
New Orders	<b>4,365</b>	3,822	<b>14%</b>	67% from Turnkey sales
Order Portfolio	<b>9,247</b>	7,955	<b>16%</b>	A new year-end record

**A new year-end record order portfolio**

# FINANCIAL OVERVIEW 2008

## Turnkey Systems & Services

In millions of US Dollars	31/12/08	31/12/07	Change	Comment
Turnover	<b>2,250</b>	2,181	<b>3%</b>	P-57, Frade, Drilling Semis, BC-10, Mystras sale (US\$ 60 mln), Services > 10%
Gross Margin (%)	<b>157</b> <b>(7.0%)</b>	212 (9.7%)	<b>(26%)</b>	Frade/Saxi FPSOs cost overruns in H1, Mystras sale in H1 – US\$ 16 mln
EBITDA (% Margin)	<b>83</b> <b>(3.7%)</b>	136 (6.2%)	<b>(39%)</b>	As above
EBIT (% Margin)	<b>65</b> <b>(2.9%)</b>	122 (5.6%)	<b>(47%)</b>	Margin back above 5% in H2
New Orders	<b>2,928</b>	1,886	<b>55%</b>	Mainly P-57, Cossack, Cranes, VOs & Services
Order Portfolio	<b>2,969</b>	2,304	<b>29%</b>	Over 1 year of activity in backlog

Approximately two-thirds of total S, G & A and other income and operating expenses are considered as “Turnkey” costs

# FINANCIAL OVERVIEW 2008

## Lease and Operate

In millions of US Dollars	31/12/08	31/12/07	Change	Comment
Turnover	810	690	17%	Full year Kikeh FPSO; Finance Leases; Trading fleet (US\$ 55 mln)
Gross Margin (%)	256 (31.6%)	224 (32.5%)	14%	As above; Release demobilisation provisions
EBITDA (% Margin)	447 (55.2%)	413 (59.9%)	8%	Depreciation up 2% - Finance leases; No margin on Trading fleet
EBIT (% Margin)	210 (25.9%)	180 (26.0%)	17%	Margin level maintained; Non recurring items (US\$ 10 mln) vs Trading fleet
New Orders	1,437	1,936	(26%)	Mainly Cachalote 12 year charter & several extensions
Order Portfolio	6,278	5,657	11%	Strong contracts and clients

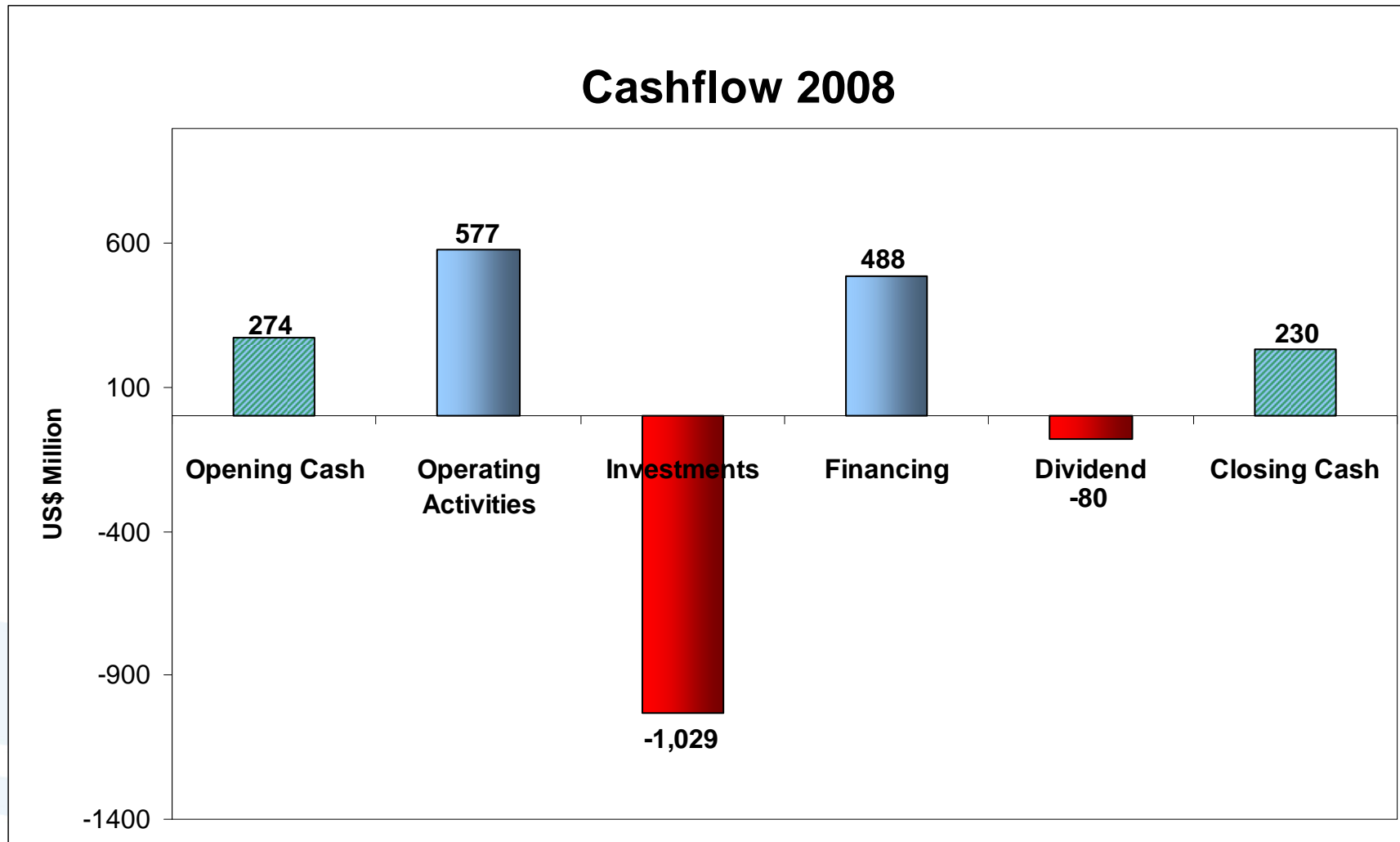
Approximately one-third of total S, G & A and other income and operating expenses are considered as “Lease & Operate” costs

# FINANCIAL OVERVIEW 2008

## Ratios Total Group

In millions of US Dollars	31/12/08	31/12/07	Change	Comment
Capital Expenditure	1,000	551	81%	Yme MOPUstor, Thunder Hawk semi, BC-10 FPSO, Cachalote FPSO, Paenal yard
Long-Term Debt	1,694	1,149	47%	High level of investment
Net Liquidities	230	274	(16%)	Still comfortable level
Net Debt	1,464	875	67%	Well within bank covenant (Net debt / EBITDA ≤ 3.75)
Total Equity	1,241	1,338	(7%)	Fair value of hedge portfolio reduced equity by US\$ 269 mln
Capital Employed	2,741	2,257	21%	Investments increase
Net Debt : Equity	119%	65%	83%	Equity reduced by unrealised hedge losses. Still able to finance future capex
ROACE	11.0%	15.1%	(27%)	EBIT down but more capital employed
Return on Equity	17.7%	21.7%	(18%)	Lower net profit and higher average equity

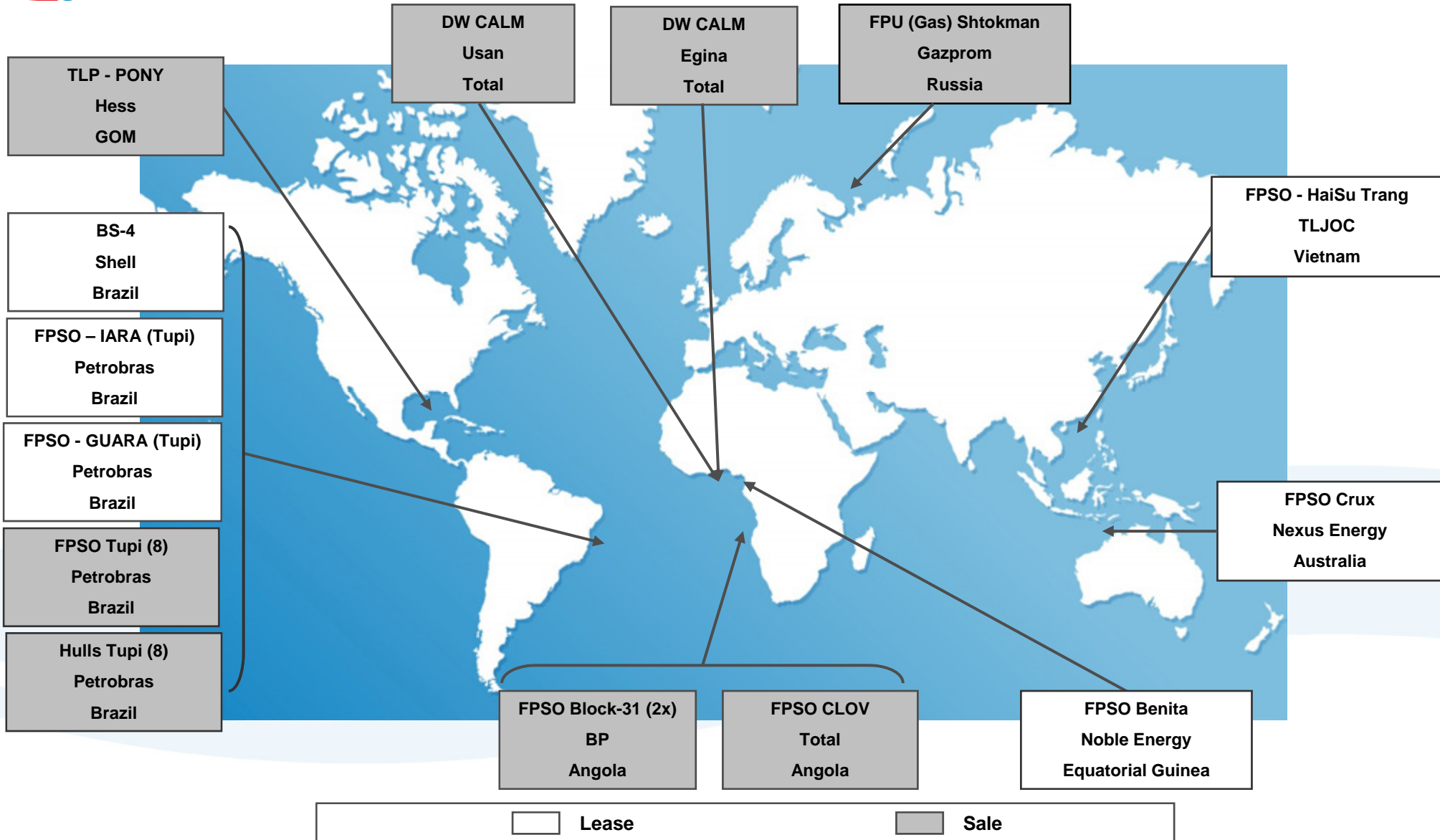
# CASH FLOW 2008



**Strong operational cash flow and available liquidity**

# Outlook

# SHORT TERM PROSPECTS





Mid and long term fundamentals remain sound and demand is still strong, however a slow down in short term is anticipated

- EBIT margin Turnkey expected to return to 5-10% range
- EBIT contribution Lease & Operate close to 2008 levels
- CAPEX expected to be around US\$ 500 million
- Net interest charge double compared to 2008

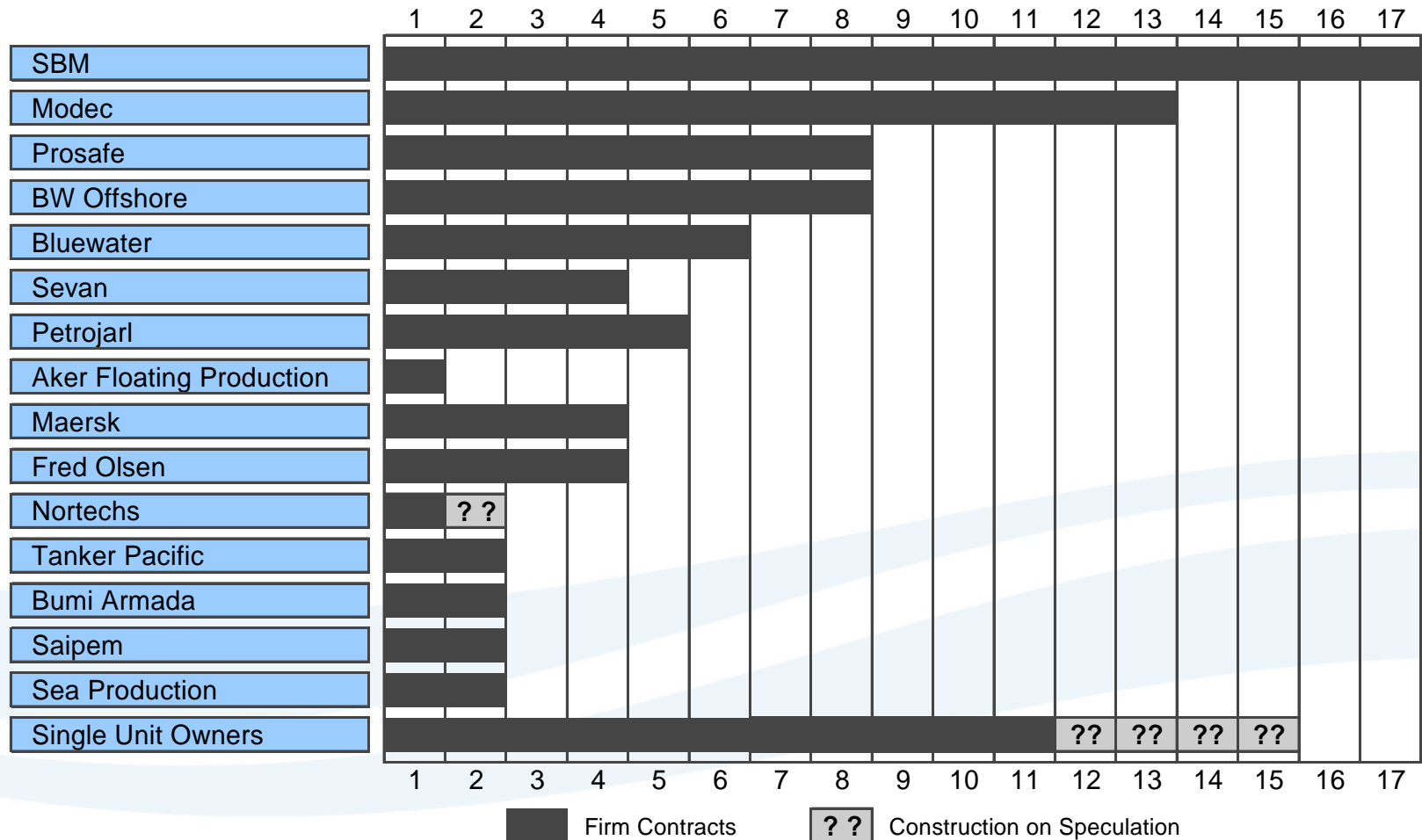
# SBM OFFSHORE N.V. APPENDIX





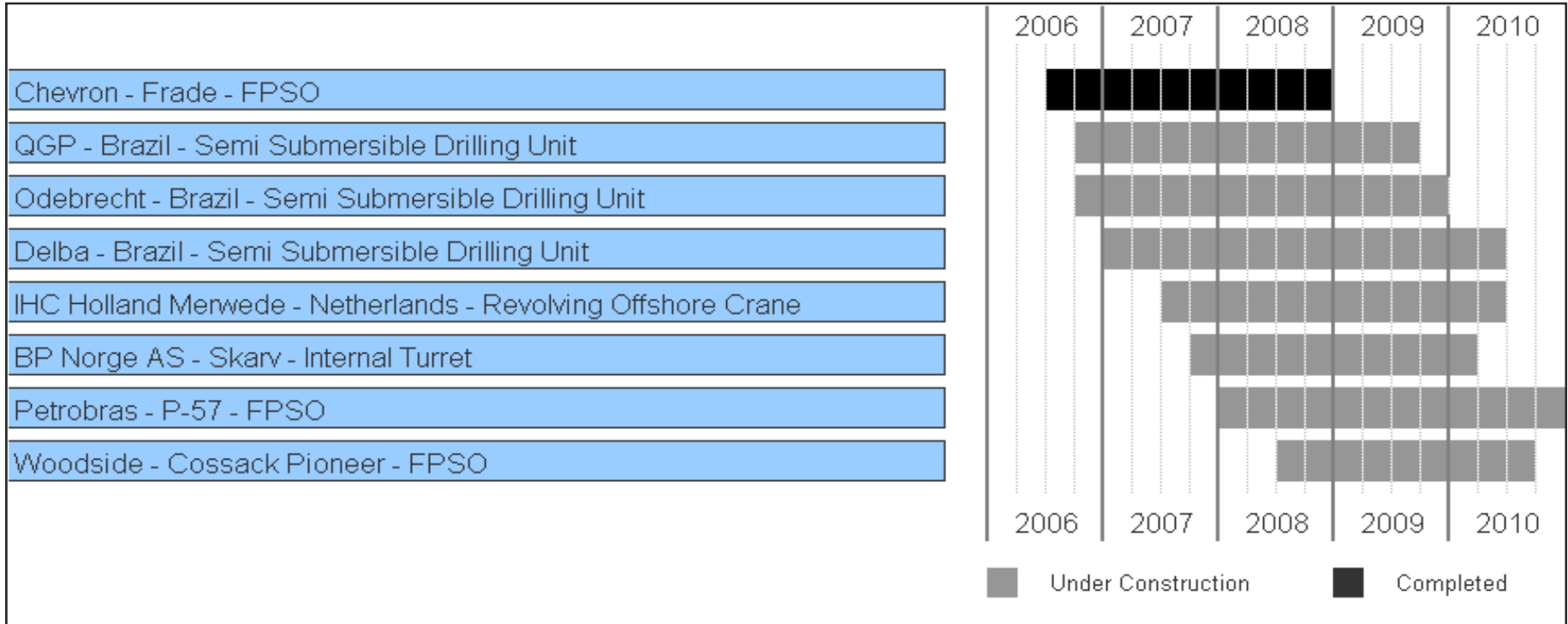
# LEASE CONTRACTORS

## Production Units in Operation or Under Construction



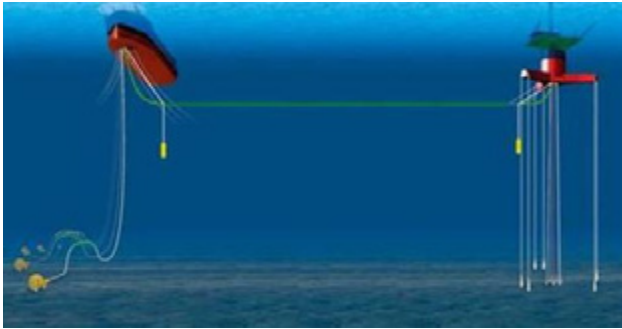
# TURNKEY SUPPLY

## Backlog and Completed Major Orders

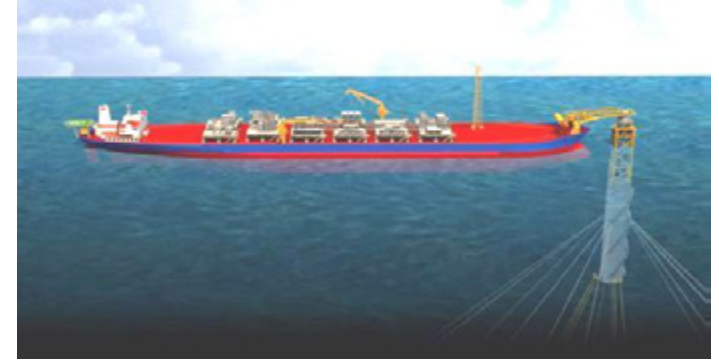


# NEW TECHNOLOGY

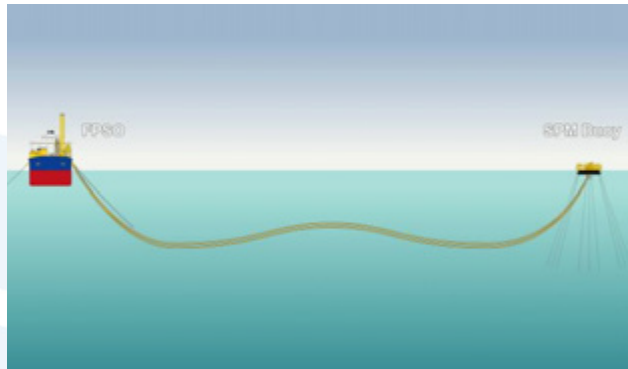
## Deep Water



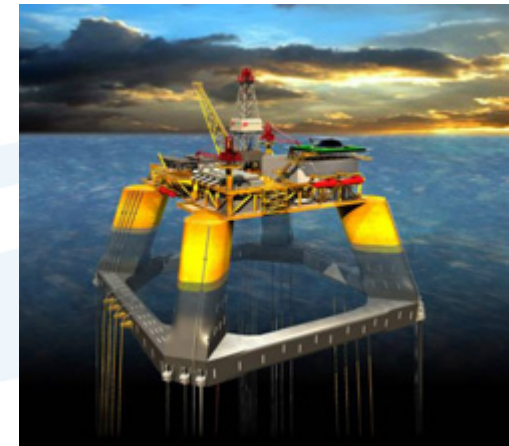
**GAP™**  
(Operational on Kikeh field Malaysia)



**Moorspar™ Riser Buoy**



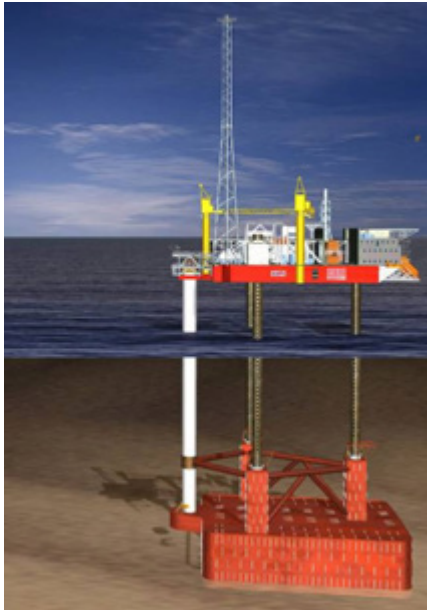
**Mid Water Pipe – Trelline™**  
(Operational on Bonga FPSO export system, Nigeria)



**FourStar™ TLP**

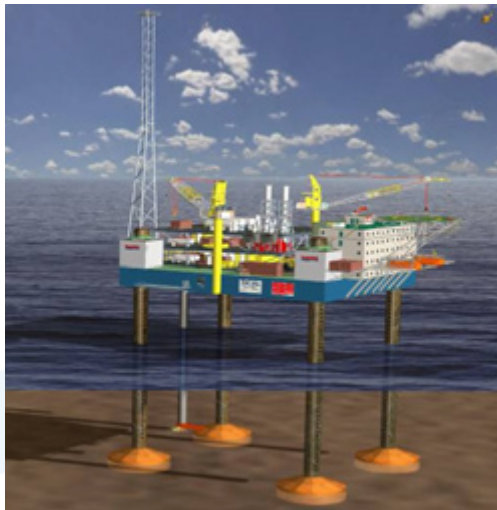
# NEW TECHNOLOGY

## Shallow Water



**MOPUStor**

(Under construction for Yme field in Norway)



**MOPU (for gas)**

(Under construction for Deep Panuke field in Canada)



**MOPU + FSO**

(Operational in Caspian Sea)

# FPSO Mondo



# FPSO Saxi Batuque

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# Normand Installer



# FPSO Espirito Santo



# FPSO Frade



# Yme MOPUstor



# Deep Panuke MOPU

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# Thunder Hawk

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# FPSO P57



# FPSO Okha





# Drilling Rigs

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# NEW TECHNOLOGY

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## LNG



LNG Hose



Cryogenic Swivel

## SBM Offshore Deepwater Field Development Systems

