SBM OFFSHORE

H1 2013 Results Presentation

August 7, 2013

Disclaimer

Some of the statements contained in this presentation 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.

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 presentation 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 presentation to reflect subsequent events or circumstances.

H1 2013 in Context

99% Uptime in Fleet

4 tenders outstanding as of the end of June 2013

0.14 YTD LTIFR

8,507 employees as of the end of June 2013

N'Goma US$600 mln project financing

Post closing, award for US$2.1 bn FPSO Stones

Deep Panuke Production Readiness Notice

FPSO³

US$274 mln equity

Cidade de Paraty first oil

YME settlement

IFRS Revenue Up 35%

US$7.5 bn new orders in 6 months

US$22.4 bn Directional[1] Backlog

Directional[1] Revenue Up 24%

---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Agenda

H1 2013 Review

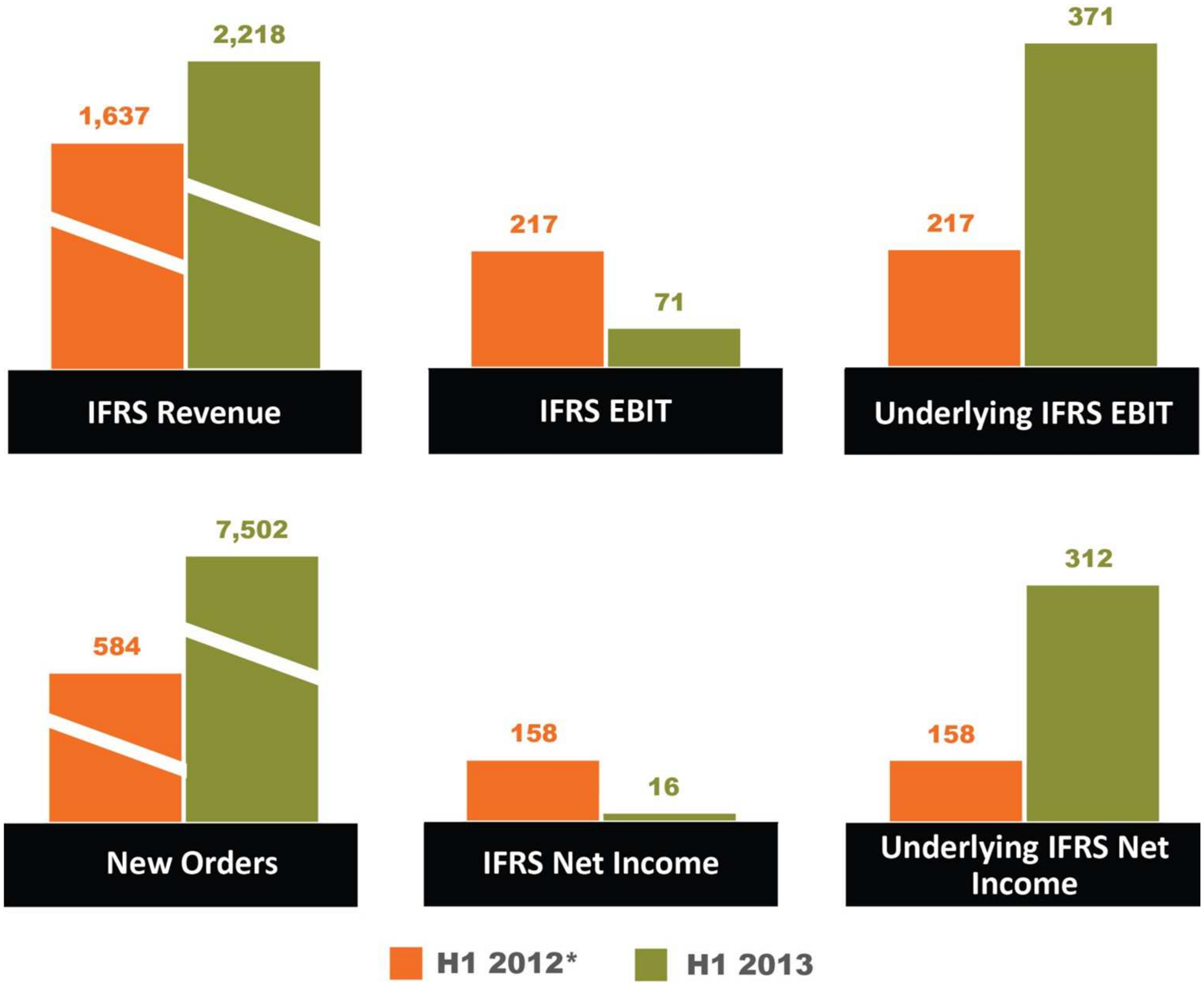
Project Direction

H1 2013 Financials

Outlook

Key Figures

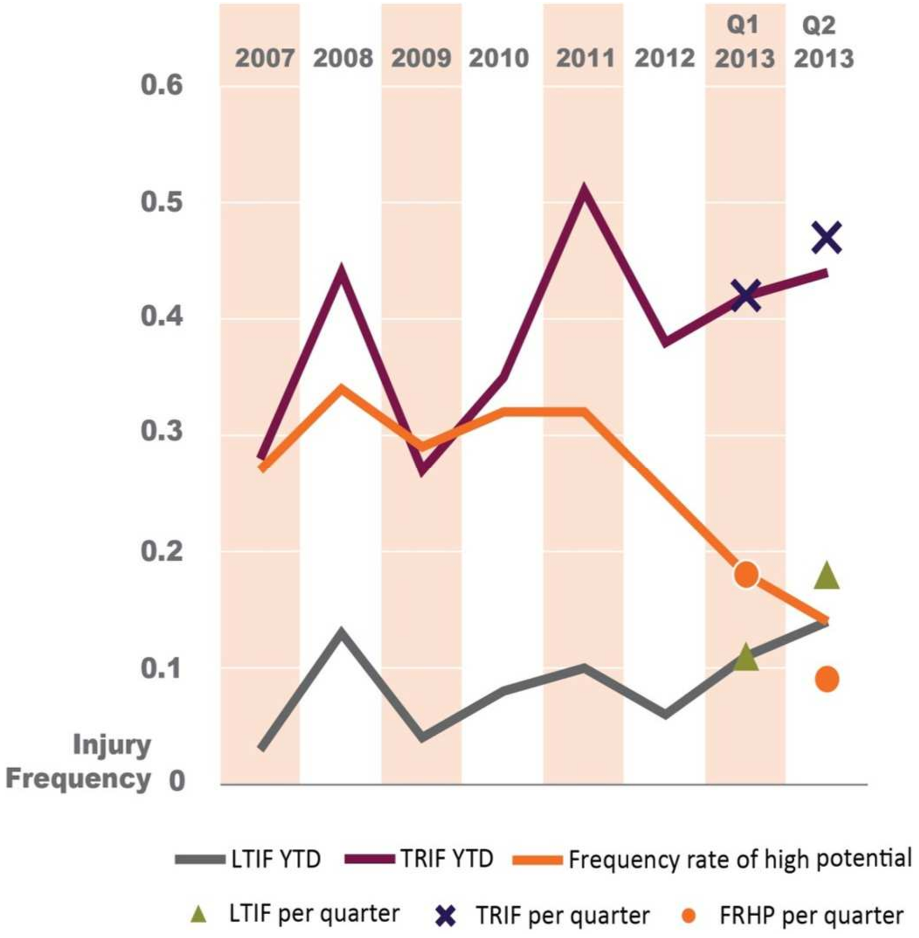
(in millions of US$)



*Restated for comparison purposes

H1 2013 HSSE Results

- Frequency of recordable injuries higher than 2012, lost time injury frequency mainly impacted by an isolated altercation in the yard in China
- Frequency of potentially severe incidents reduced by 40% compared to 2012
- Offshore gaseous emissions 15% higher than industry benchmark average due to start-up related flaring
- Offshore energy consumption and aqueous discharge 40% better than industry benchmark average



Total Recordable Injury Frequency = number of lost time injuries, restricted work and medical treatment cases per 200,000 exposure hours

FPSOs *Cidade de Maricá & Cidade de Saquarema*

- **Generation 3 FPSOs**
- **Topside: 22,000 T**
- **Accelerated award process**
- **Delivery end 2015 and early 2016**

H1 2013 Award

FPSO *OSX 2*

- Turnkey sale
- On time, on budget
- 97% paid at July 31, 2013

Delivery H2 2013

FPSO *Cidade de Paraty*

- 20 year lease contract
- On time, on budget
- More than 65% local content
- FPSO built in 34 months

In production H1 2013

FPSO *Stones*

- 10 year lease contract
- Optional extensions up to 10 years
- World's deepest disconnectable FPSO; 2,896 meters in GOM
- Delivery date H1 2016

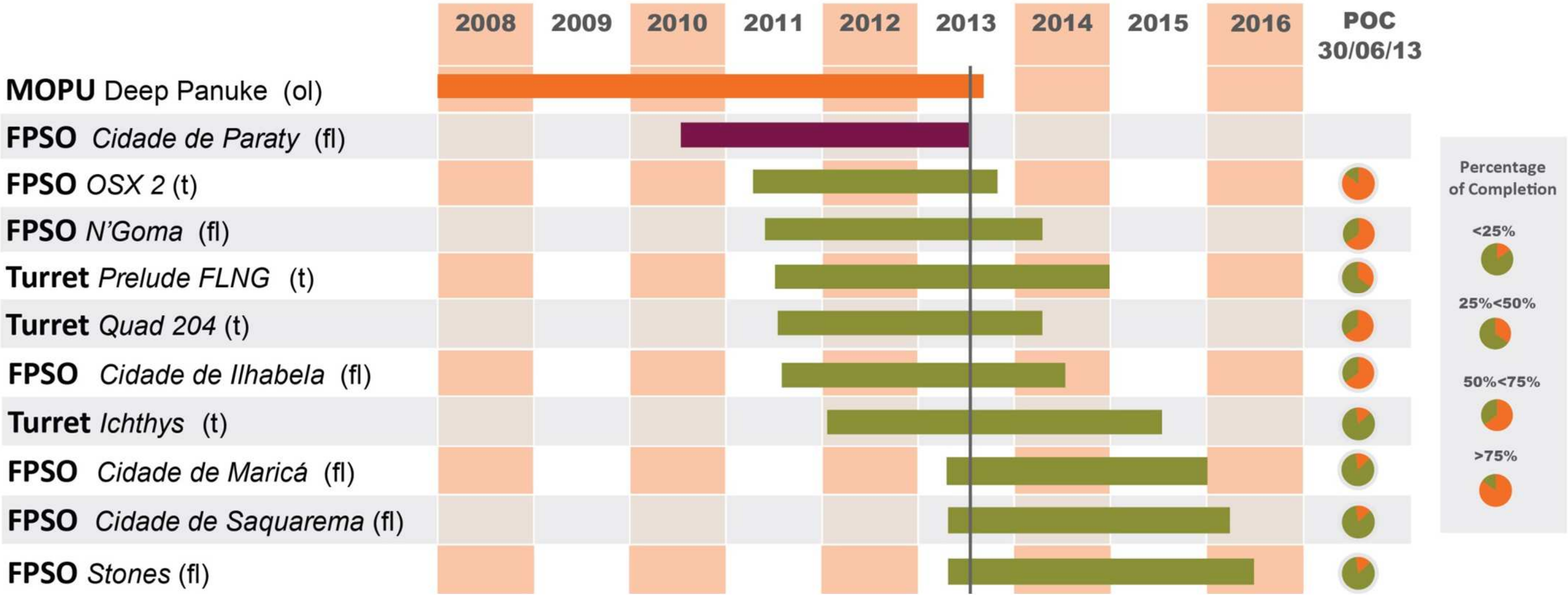
H2 2013 Award

MOPU Deep Panuke

- First well gas on platform
- Operations Authorization (Production) issued by CNSOPB
- Final stages commissioning and start-up

In production H2 2013

Core Projects on Track



(ol) operating lease (fl) finance lease (t) turnkey

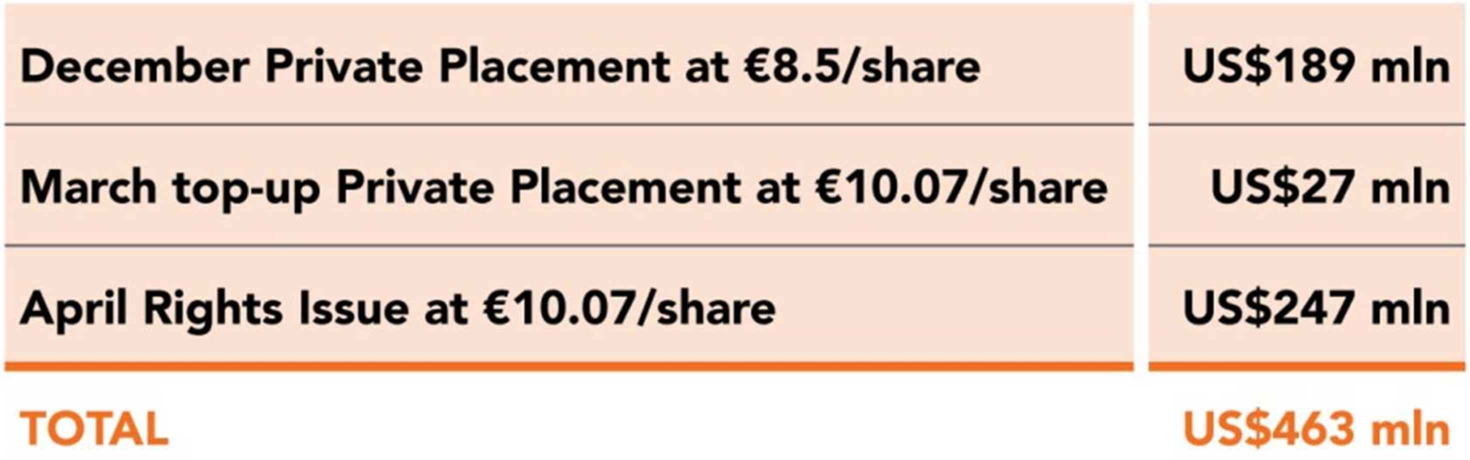
🟧 Legacy Project 🟩 In Progress/On Schedule 🟪 Completed/On Hire

Yme Resolution

- Termination of existing agreements and arbitration procedures
- Platform to be decommissioned by Talisman by 2016; transported and scrapped by SBM Offshore
- All relevant costs have been provided for in 2012
- US$470 mln settlement contribution: Paid in full, March 2013
- Impact on P&L: US$200 mln charge in H2 2012 and US$270 mln charge in H1 2013

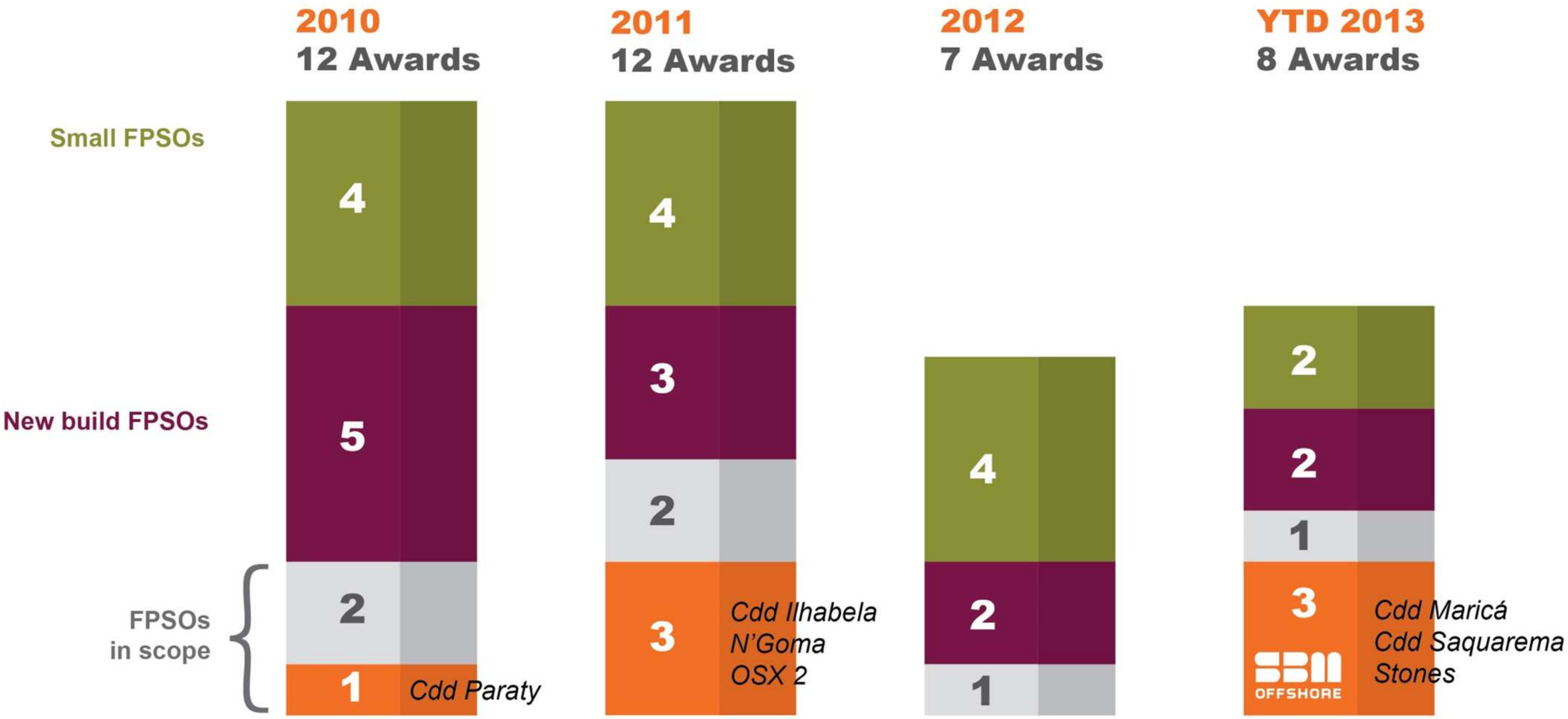
Recapitalisation

- 10% Rights Issue at €10.07 per share in April 2013
- 97.7% take-up by existing shareholders
- HAL at 13.5% shareholding following the Rights Issue and December 2012 Private Placement



December Private Placement at €8.5/share	US$189 mln
March top-up Private Placement at €10.07/share	US$27 mln
April Rights Issue at €10.07/share	US$247 mln
TOTAL	US$463 mln

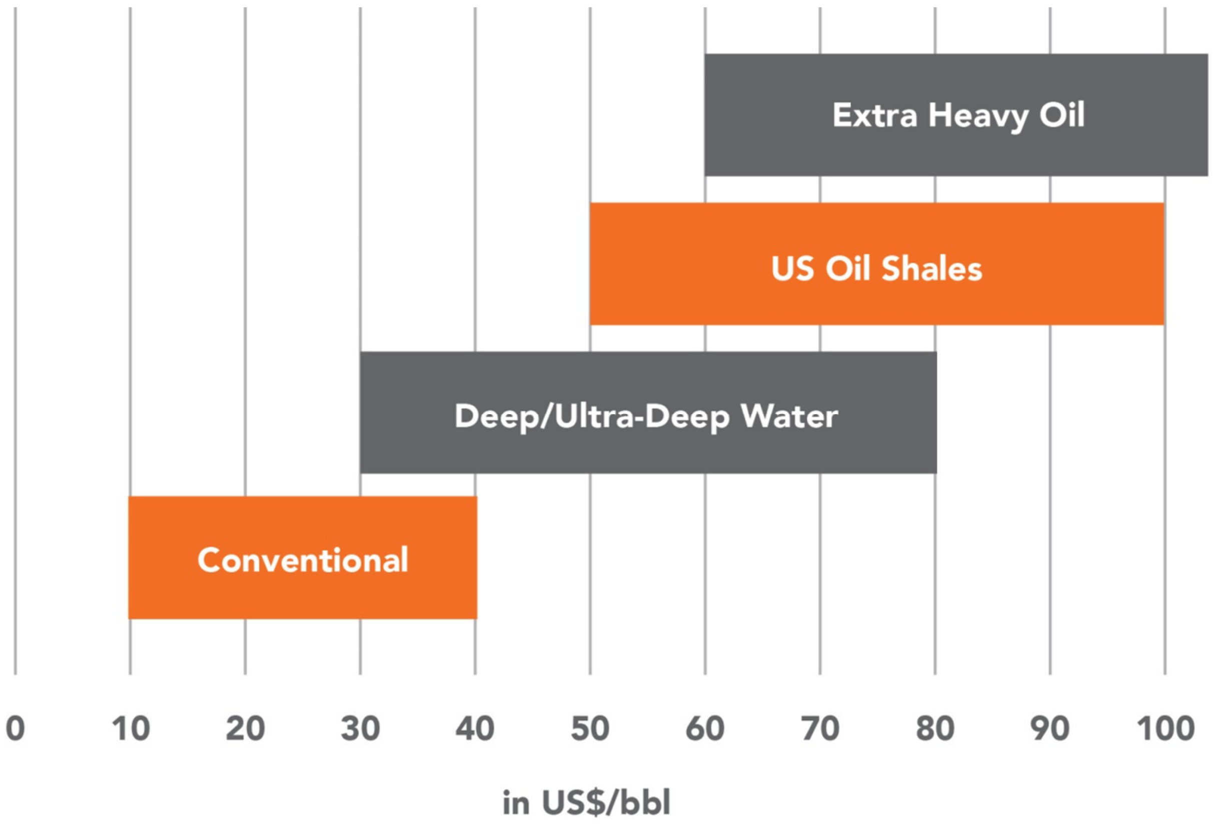
FPSO Awards in Review



Oil Production Dynamics

- Deep and ultra-deep water breakeven costs are competitive
- Average SBM Generation 3 FPSO production costs are below US$5/bbl

Breakeven costs (IRR>10%)



Sources: IEA, CERA, Total, Goldman Sachs, Internal analysis

Agenda

H1 2013 Review

Project Direction

H1 2013 Financials

Outlook

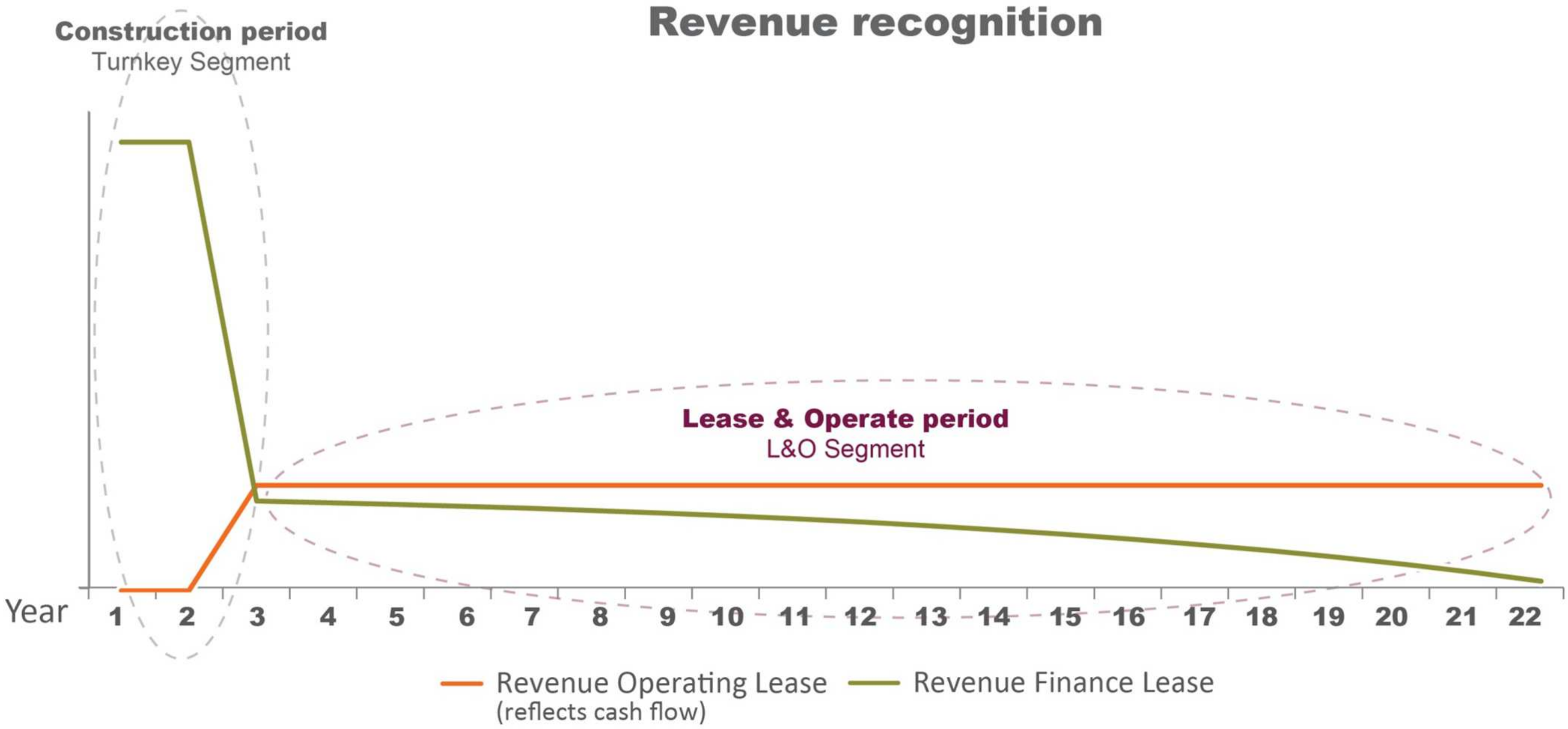
Project Direction - Context

- SBM Offshore seeking to provide analysts and investors with clarity on business performance above and beyond statutory IFRS disclosure
- SBM Offshore's business model combines turnkey sales, construction and lease and operate projects, making it a challenge to model
- IFRS finance lease accounting adds complexity by separating revenue recognition from cash flows
- IFRS accelerates recognition of revenues, profit and equity well before any rents are paid by client
- Increasing number of contracts classified as finance leases, with IASB intention to make all leases finance leases
- In this context, SBM Offshore is extending its reporting to a non-GAAP operating lease presentation in line with operating cash flows…
- …leading to increased transparency and understanding of SBM Offshore's performance…
- …through disclosure of Directional[1] Backlog and a Directional[1] Income Statement as part of the Financial Review

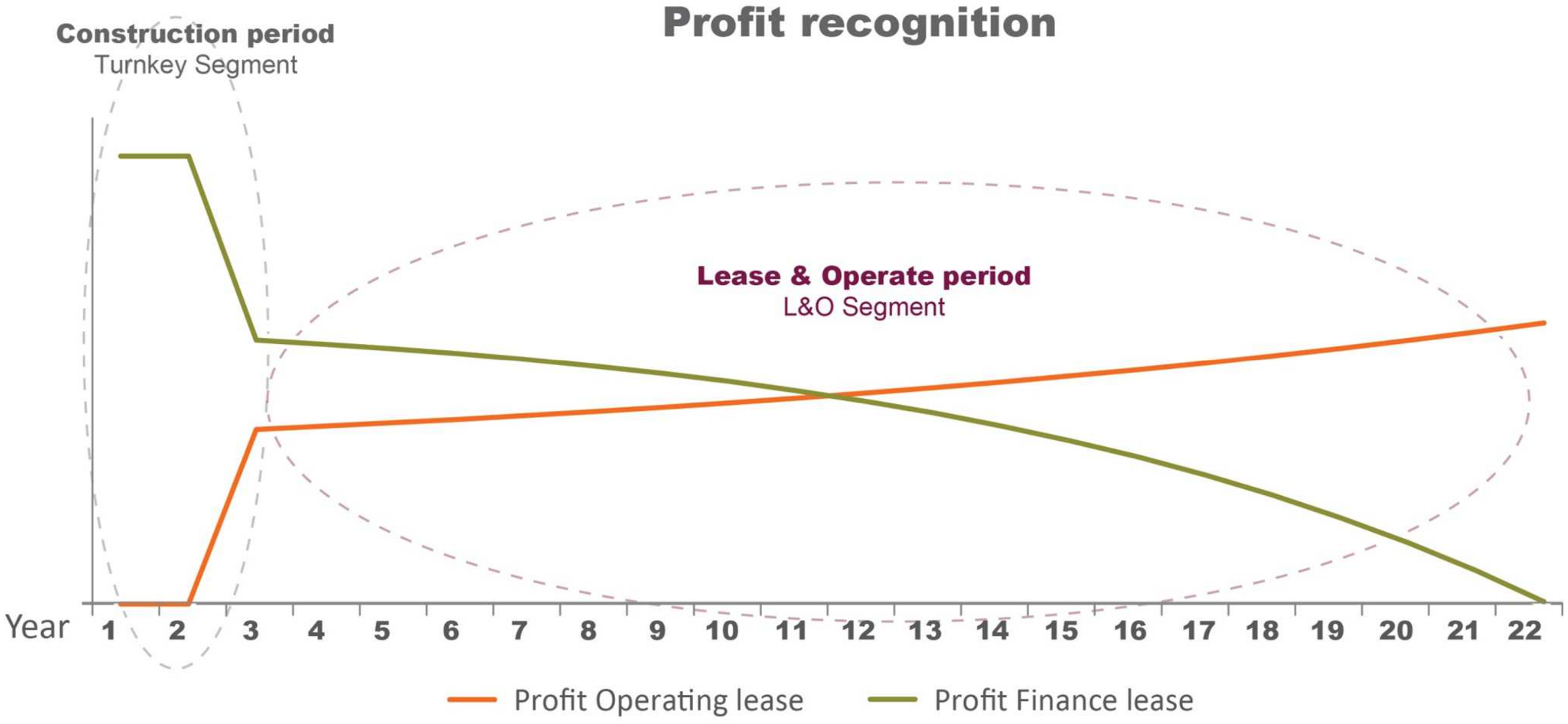
---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Operating Lease vs Finance Lease



Operating Lease vs Finance Lease



Directional Philosophy

Directional[1] Reporting

+

IFRS Adjustment

=

IFRS

---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Directional - The Way Forward

- Turnkey segment becomes a pure construction business. Revenue and Gross Margin consist of:
  - Direct sales contracts (FPSO *OSX 2*, Turrets for Prelude, Quad 204 and Ichthys)
  - Sales to JV partners (FPSO *Cdd de Ilhabela*, FPSO *N'Goma*, FPSO *Cdd de Maricá* and *Saquarema*)
- Lease and Operate segment becomes a pure long term cash business. Revenue and Gross Margin consist of SBM's share of Lease and Operate contracts (Bareboat + OPEX)
- 2013 transition period to promote Directional[1] Reporting as the main indicator for company performance and variance analysis
- 2014 guidance to be based on Directional[1] results

---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Agenda

H1 2013 Review

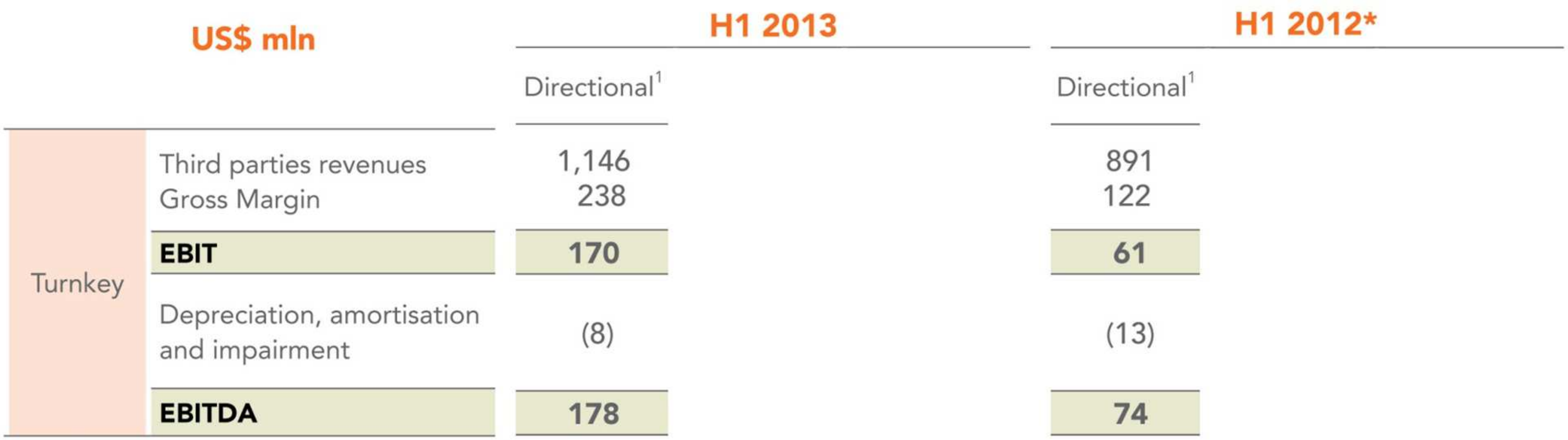
Project Direction

H1 2013 Financials

Outlook

Turnkey P&L

(in millions of US$)



US$ mln		H1 2013	H1 2012*
		Directional[1]	Directional[1]
Turnkey	Third parties revenues	1,146	891
	Gross Margin	238	122
	EBIT	**170**	**61**
	Depreciation, amortisation and impairment	(8)	(13)
	EBITDA	**178**	**74**

*Restated for comparison purposes

Directional[1]

- Revenue up 29% reflecting high activity levels
- EBIT margin 15% vs 7% in H1 2012 (includes introduction POC method)

---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Turnkey P&L

(in millions of US$)

US$ mln		H1 2013		H1 2012*	
		Directional[1]	IFRS Adjustment	Directional[1]	IFRS Adjustment
Turnkey	Third parties revenues	1,146	577	891	310
	Gross Margin	238	70	122	34
	EBIT	**170**	**70**	**61**	**34**
	Depreciation, amortisation and impairment	(8)	-	(13)	-
	EBITDA	**178**	**70**	**74**	**34**

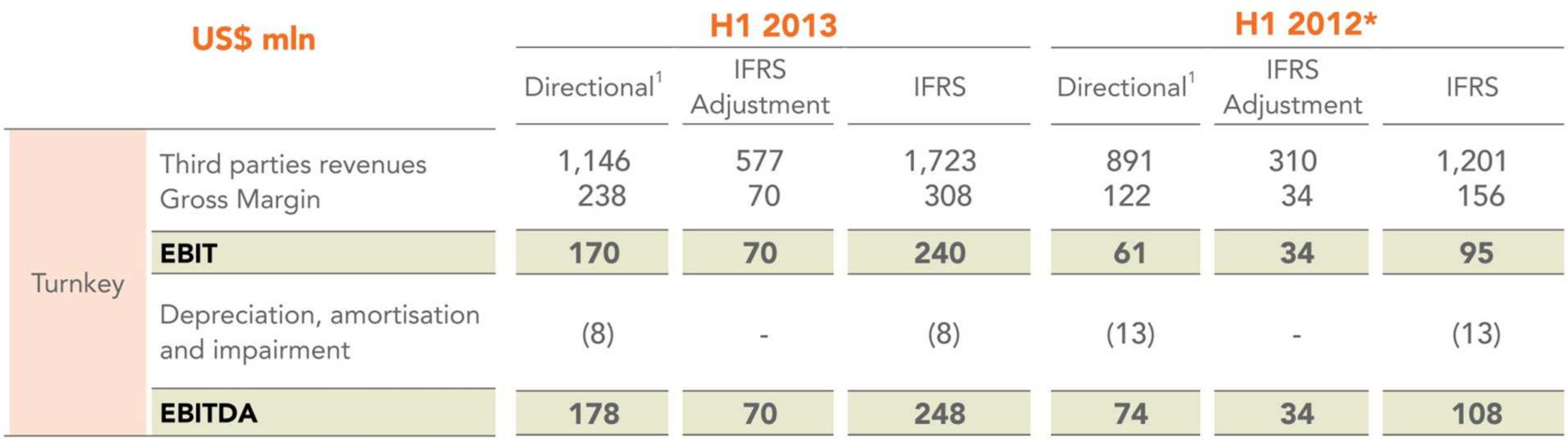
*Restated for comparison purposes

- Add back of non-cash deemed revenue and margin of SBM share in FPSO under finance lease

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Turnkey P&L

(in millions of US$)



US$ mln		H1 2013			H1 2012*		
		Directional[1]	IFRS Adjustment	IFRS	Directional[1]	IFRS Adjustment	IFRS
Turnkey	Third parties revenues	1,146	577	1,723	891	310	1,201
	Gross Margin	238	70	308	122	34	156
	EBIT	**170**	**70**	**240**	**61**	**34**	**95**
	Depreciation, amortisation and impairment	(8)	-	(8)	(13)	-	(13)
	EBITDA	**178**	**70**	**248**	**74**	**34**	**108**

*Restated for comparison purposes

Directional[1]

- Revenue up 29% reflecting high activity levels
- EBIT margin 15% vs 7% in H1 2012 (includes introduction POC method)

IFRS

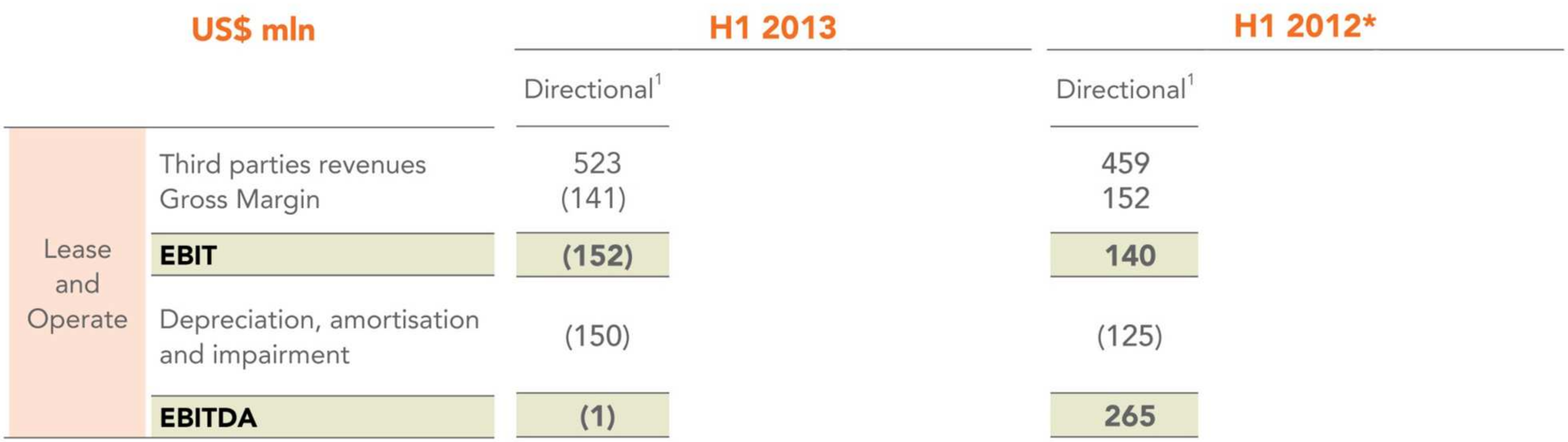
- Revenue up 43% reflecting high activity levels on FL contracts
- EBIT margin 14% vs 8% in H1 2012 (includes introduction POC method)

---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Lease & Operate P&L

(in millions of US$)



US$ mln		H1 2013	H1 2012*
		Directional[1]	Directional[1]
Lease and Operate	Third parties revenues Gross Margin	523 (141)	459 152
	EBIT	**(152)**	**140**
	Depreciation, amortisation and impairment	(150)	(125)
	EBITDA	**(1)**	**265**

*Restated for comparison purposes

Directional[1]

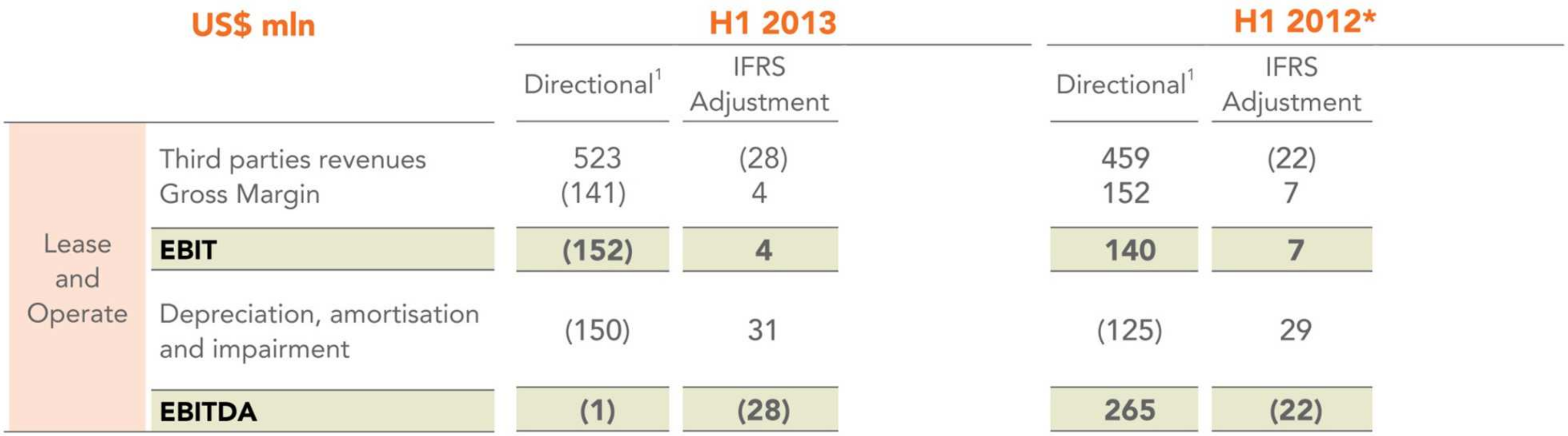
- Revenue up 14%, mainly *Anchieta*
- EBIT affected by US$300 mln charges (Yme, Deep Panuke)
- Underlying EBIT margin 28% (H1 2012 31%)

---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Lease & Operate P&L

(in millions of US$)



US$ mln		H1 2013		H1 2012*	
		Directional[1]	IFRS Adjustment	Directional[1]	IFRS Adjustment
Lease and Operate	Third parties revenues	523	(28)	459	(22)
	Gross Margin	(141)	4	152	7
	EBIT	**(152)**	**4**	**140**	**7**
	Depreciation, amortisation and impairment	(150)	31	(125)	29
	EBITDA	**(1)**	**(28)**	**265**	**(22)**

*Restated for comparison purposes

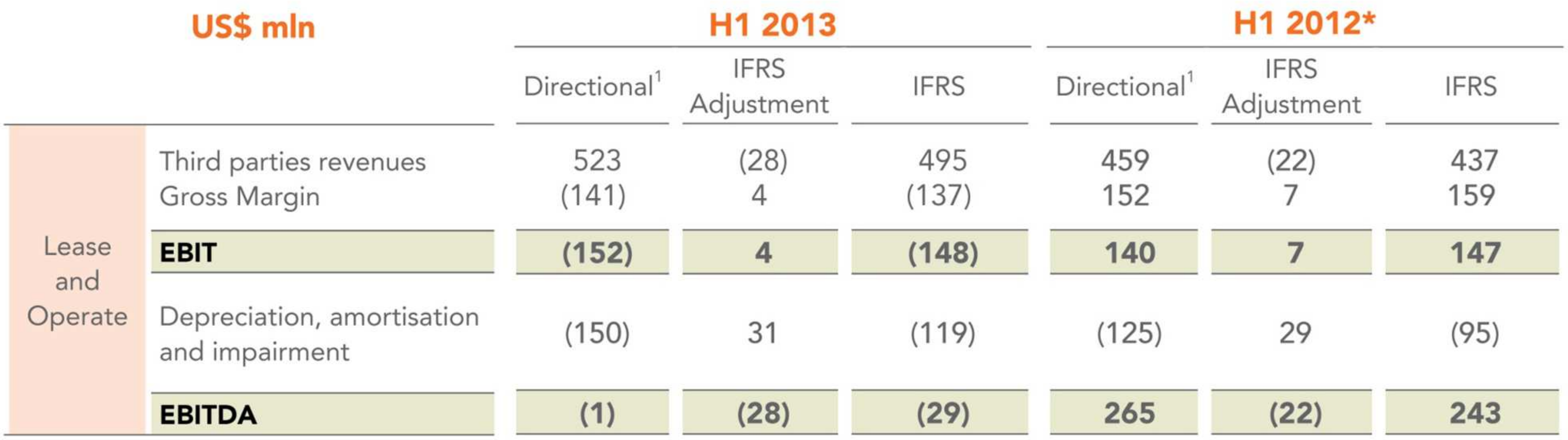
- Non-cash adjustments mainly related to *Aseng* FL contract
- Downward revenue adjustment, compensating accelerated EPC revenue under IFRS

---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Lease & Operate P&L

(in millions of US$)



US$ mln		H1 2013			H1 2012*		
		Directional[1]	IFRS Adjustment	IFRS	Directional[1]	IFRS Adjustment	IFRS
Lease and Operate	Third parties revenues	523	(28)	495	459	(22)	437
	Gross Margin	(141)	4	(137)	152	7	159
	EBIT	**(152)**	**4**	**(148)**	**140**	**7**	**147**
	Depreciation, amortisation and impairment	(150)	31	(119)	(125)	29	(95)
	EBITDA	**(1)**	**(28)**	**(29)**	**265**	**(22)**	**243**

*Restated for comparison purposes

Directional[1]

- Revenue up 14%, mainly *Anchieta*
- EBIT affected by US$300 mln charges (Yme, Deep Panuke)
- Underlying EBIT margin 28% (H1 2012 31%)

IFRS

- Revenue up 13%, mainly *Anchieta*
- EBIT affected by US$300 mln charges (Yme, Deep Panuke)
- Underlying EBIT margin 31% (H1 2012 34%)

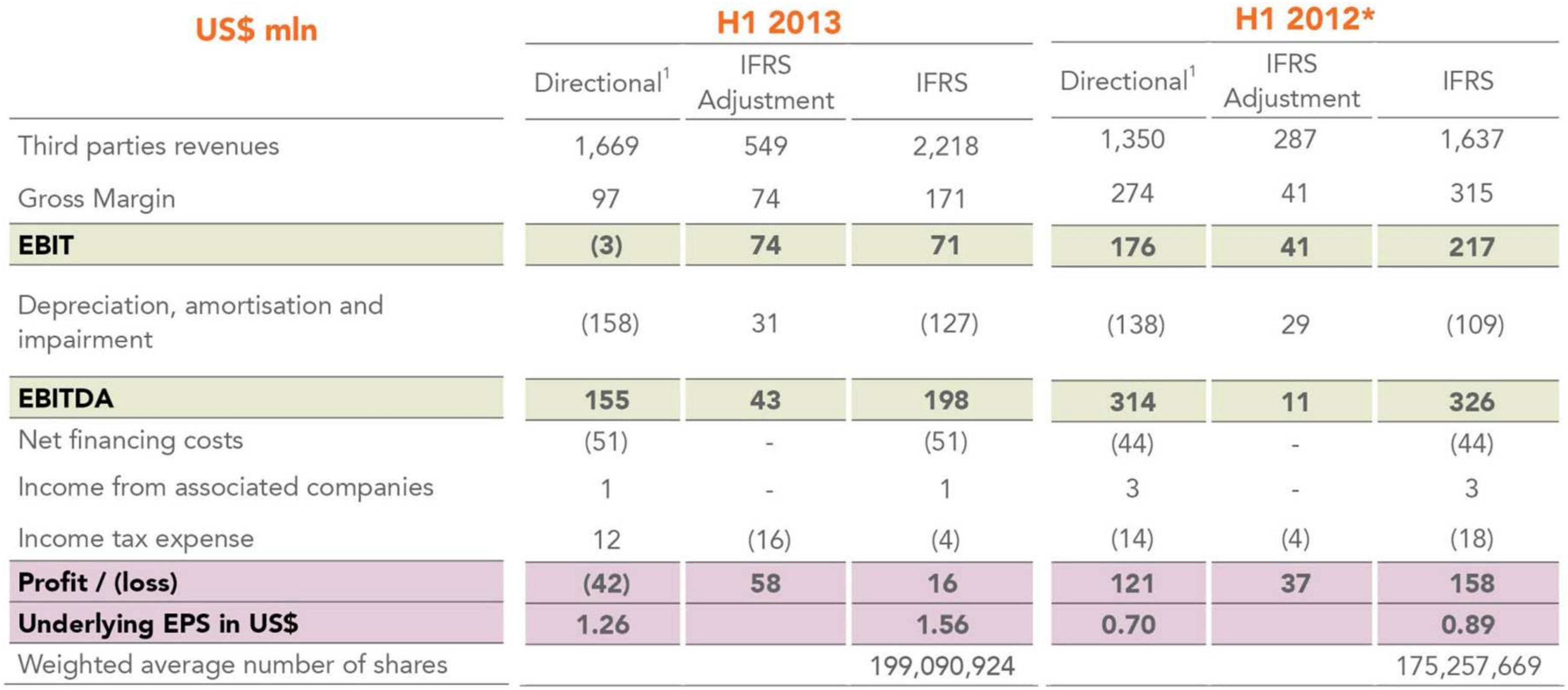
---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Financial Overview June 30, 2013

Group P&L

(in millions of US$)



US$ mln	H1 2013			H1 2012*		
	Directional[1]	IFRS Adjustment	IFRS	Directional[1]	IFRS Adjustment	IFRS
Third parties revenues	1,669	549	2,218	1,350	287	1,637
Gross Margin	97	74	171	274	41	315
EBIT	**(3)**	**74**	**71**	**176**	**41**	**217**
Depreciation, amortisation and impairment	(158)	31	(127)	(138)	29	(109)
EBITDA	**155**	**43**	**198**	**314**	**11**	**326**
Net financing costs	(51)	-	(51)	(44)	-	(44)
Income from associated companies	1	-	1	3	-	3
Income tax expense	12	(16)	(4)	(14)	(4)	(18)
Profit / (loss)	**(42)**	**58**	**16**	**121**	**37**	**158**
Underlying EPS in US$	**1.26**		**1.56**	**0.70**		**0.89**
Weighted average number of shares			199,090,924			175,257,669

*Restated for comparison purposes

- Directional[1] revenue up 24%
- US$270 mln charge for Yme settlement and US$30 mln Deep Panuke charge
- Directional[1] EBIT(excluding Yme and Deep Panuke charges) up 69%

---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Underlying Directional Performance

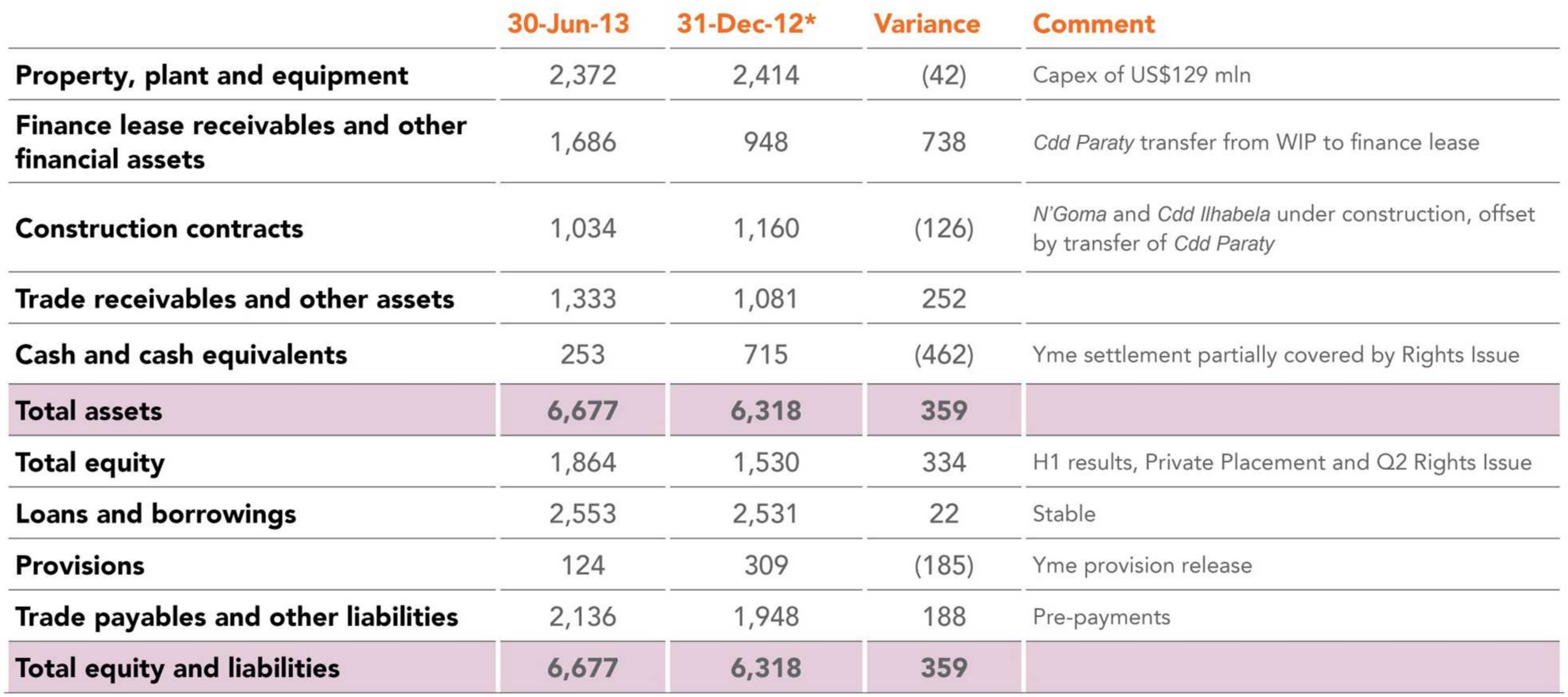
in millions of US$

*Restated for comparison purposes

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Group Balance Sheet

(in millions of US$)



	30-Jun-13	31-Dec-12*	Variance	Comment
Property, plant and equipment	2,372	2,414	(42)	Capex of US$129 mln
Finance lease receivables and other financial assets	1,686	948	738	*Cdd Paraty* transfer from WIP to finance lease
Construction contracts	1,034	1,160	(126)	*N'Goma* and *Cdd Ilhabela* under construction, offset by transfer of *Cdd Paraty*
Trade receivables and other assets	1,333	1,081	252	
Cash and cash equivalents	253	715	(462)	Yme settlement partially covered by Rights Issue
Total assets	**6,677**	**6,318**	**359**	
Total equity	1,864	1,530	334	H1 results, Private Placement and Q2 Rights Issue
Loans and borrowings	2,553	2,531	22	Stable
Provisions	124	309	(185)	Yme provision release
Trade payables and other liabilities	2,136	1,948	188	Pre-payments
Total equity and liabilities	**6,677**	**6,318**	**359**	

*Restated for comparison purposes

Group Ratios

(in millions of US$)

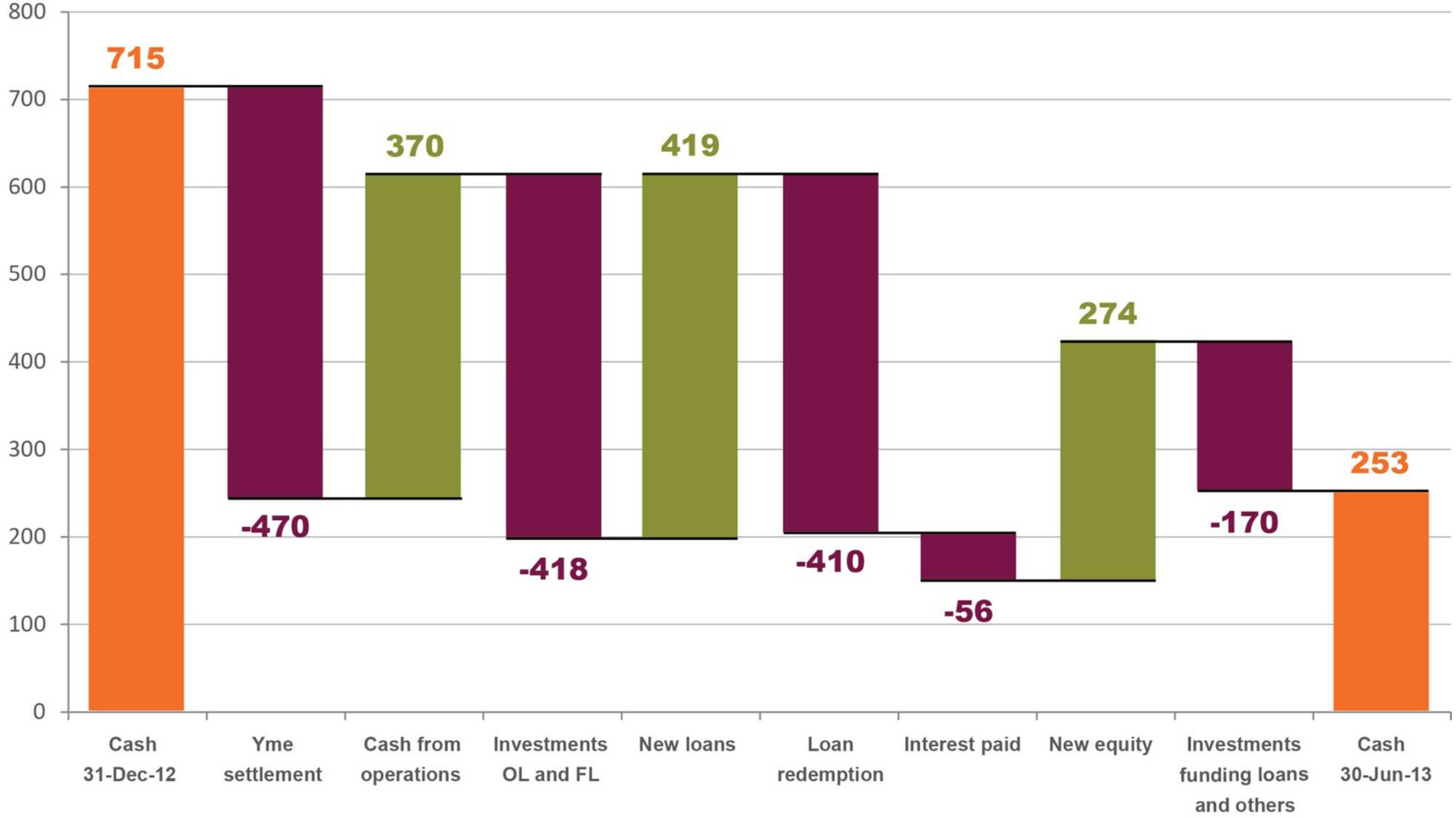
	30-Jun-13	31-Dec-12*	Change	Comment
Debt	2,553	2,531	1%	Stable
Net Liquidities	253	715	-65%	Cash position affected by Yme payment
Net Debt	2,300	1,816	27%	Cash position affected by Yme payment
Total Equity	1,864	1,530	22%	H1 result, Private placement and H1 Rights Issue
Net Debt : Equity	123%	119%	400bps	Stable
Solvency Ratio	30%	27%	300bps	H1 result, Rights Issue

*Restated for comparison purposes

Development of Group Cash Position

Group Cash Flow

(in millions of US$)



FPSO *N’Goma* Project Financing

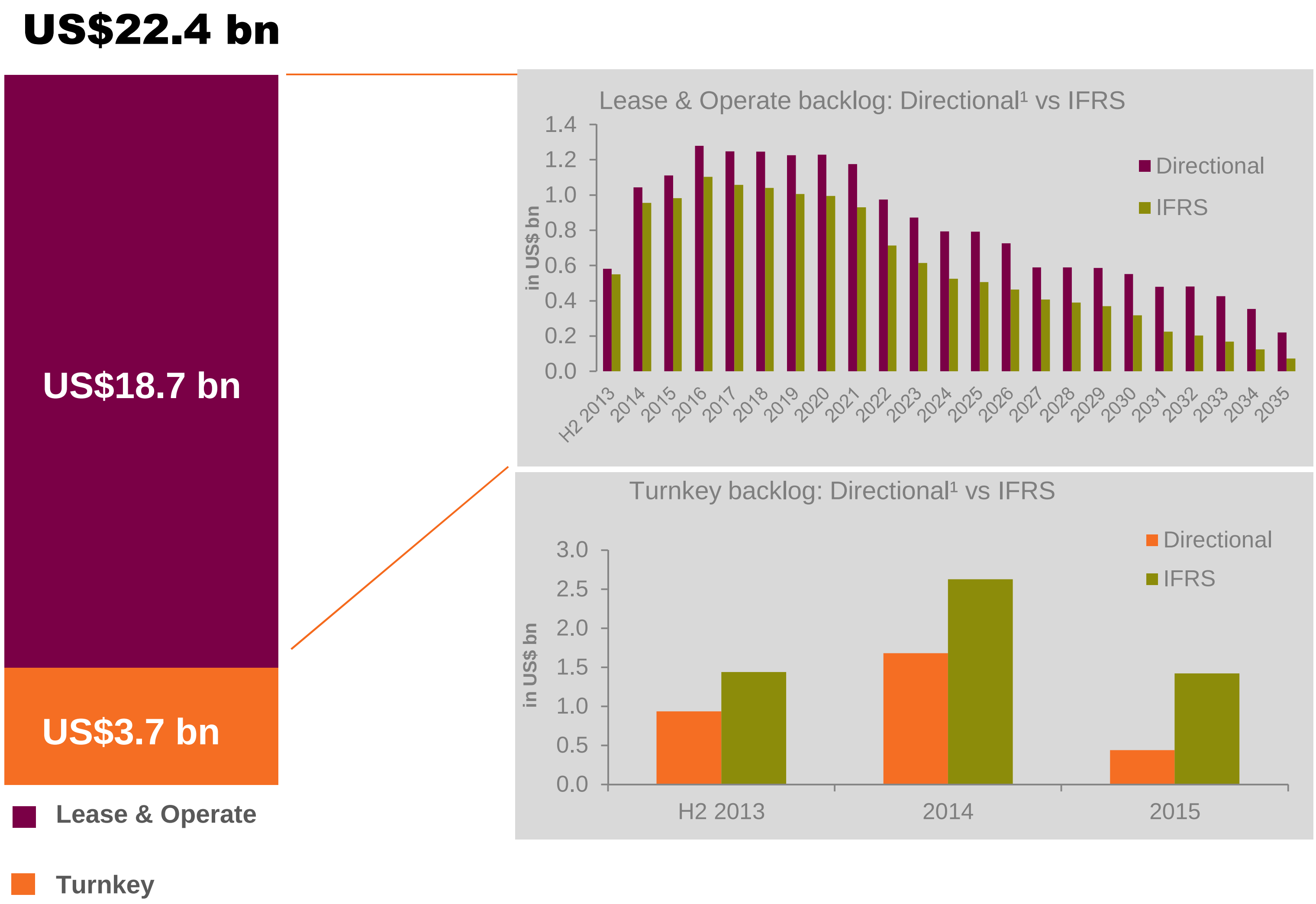
- **US$600 mln project loan secured**
- **Maturity: 1 year pre completion / 7 years post completion fully amortised term loan**
- **Weighted Average Cost of Debt: 4.7%**

H2 2013 Financing Obtained

Divestment Update

- **Sale and lease back of Monaco real estate**
- **COOL™ hose technology sold**
- ***SBM Installer* being evaluated for sale**

Directional Backlog



---

[1] Directional view is a non-IFRS disclosure, which corrects the non-cash effects on revenue and earnings introduced by IFRS finance lease accounting

Agenda

H1 2013 Review

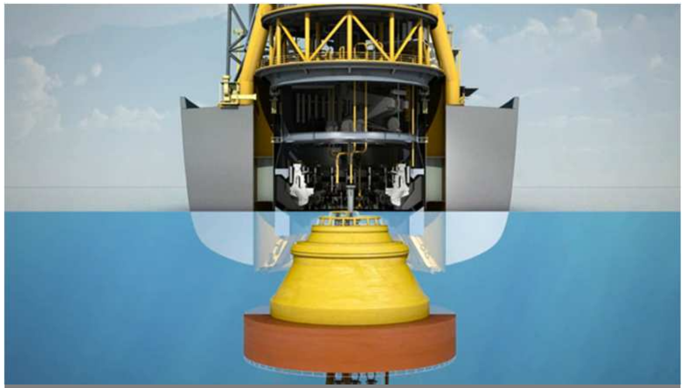
Project Direction

H1 2013 Financials

Outlook

Technology - Focus Areas

FPSO Complexity (Generation 3)



Advanced Mooring Technology

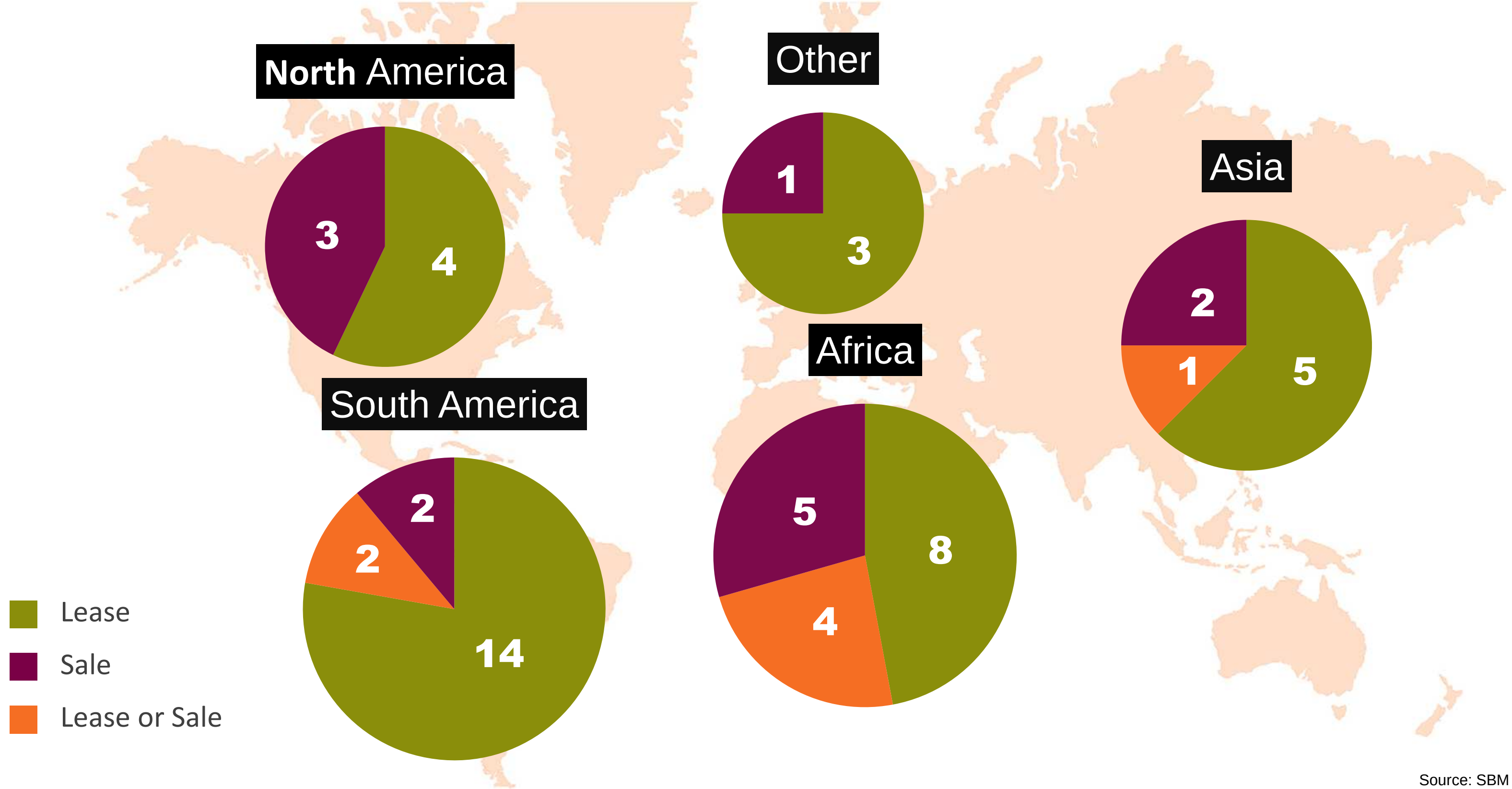
Process Intensification

FLNG Turret

FPSO Market Outlook

Field developments requiring FPSOs over the next 3 years

More than 50 FPSO projects currently expected to be awarded
SBM will focus on ~20 projects to obtain its targeted share



Source: SBM Offshore - August 2013

H2 2013 Outlook

- Continue strengthening Balance Sheet post Rights Issue
    - No dividend over 2013
    - Sale of non-core assets ongoing
- Contracts executed for FPSO *Cidade de Maricá*, FPSO *Cidade de Saquarema* and FPSO *Stones*
- Delivery of Deep Panuke and FPSO *OSX 2*
- Updating 2013 IFRS revenue guidance to approximately US$4.3 billion
    - US$3.3 billion in Turnkey
    - US$1.0 billion in Lease & Operate

Q&A Session