



**HALF-YEAR RESULTS 2005**  
**ANALYSTS PRESENTATIONS AMSTERDAM & LONDON**  
**AUGUST 30, 2005**



**Technology  
Creating  
Value**

**Didier Keller : Managing Director & CEO**  
**Mark Miles : CFO**  
**Hans Peereboom: V.P. Investor Relations**





## HIGHLIGHTS 2005

- Shipyard sale concluded, name change to SBM Offshore implemented
- Exclusive focus on Oil and Gas activities has largely improved transparency and predictability
- Half year results ahead of expectations, full year outlook 40% in excess of the operational profit 2004 (after IFRS adjustment)
- Well filled order book, including Atlantia
- New entrants in the FPSO lease market but number of prospects still increasing



# COMPANY STRUCTURE



## MONACO

Single Buoy Moorings 

## HOUSTON

 SBM-Imodco

## SCHIEDAM

Gusto BV 

 Atlantia Offshore

Marine Structure Consultants(MSC) 

 GustoMSC Inc.

 NKI Group  
(Divestment Intended)



# MANAGEMENT STRUCTURE

## BOARD OF MANAGEMENT



**Didier Keller**  
**Managing Director  
& CEO**



**Mark Miles**  
**Director  
CFO**



**Dick van der Zee**  
**Director  
COO**



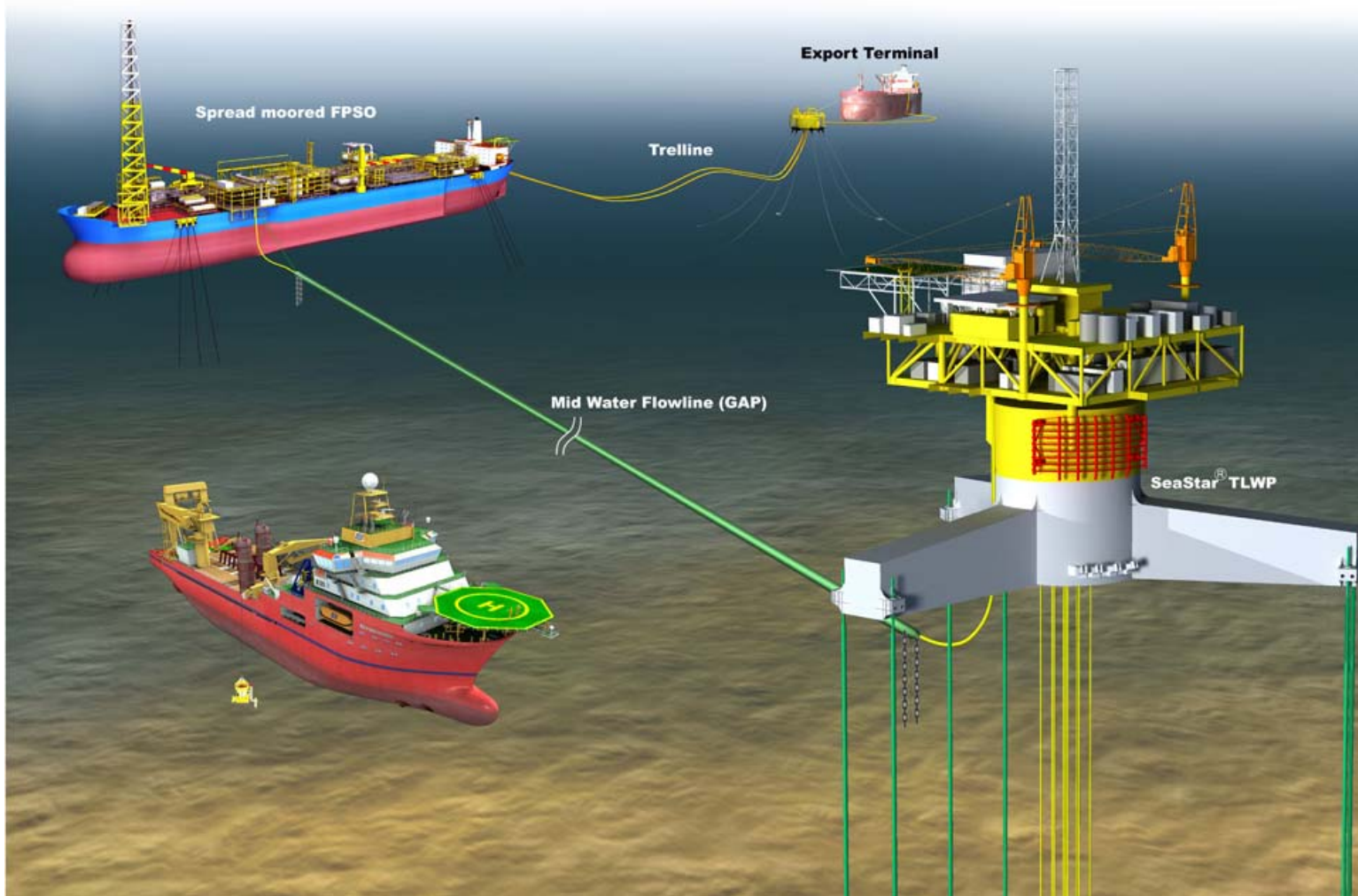
**Francis Blanchelande**  
**Director  
FPSO Operations**

## INVESTOR RELATIONS



**Hans Peereboom**  
**V.P. Investor Relations**

# TOTAL DEEPWATER FIELD DEVELOPMENT CAPABILITY





## **SUMMARY OF ACTIVITIES**

- **Design, build and install either on “sale” or on “own and operate” basis Floating Production and / or Storage and Offloading Systems (FPSOs / FSOs), Tension Leg Platforms (TLPs) and Semi-Submersible platforms for oil and gas production**
- **Supply mooring systems for FPSOs / FSOs**
- **Supply deepwater export systems and conventional 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**
- **Design and supply offshore berthing terminals for LNG export and import**
- **Design, build, own and operate Floating Regasification import facilities for the LNG industry**
- **Offshore Contracting and After-Sales Services**





## **SBM's COMPETITIVE EDGE**

- **Flexibility in execution with three engineering centres and all construction outsourced**
- **Unique in-house competence to design, supply, install and operate complete, complex FPSOs and other deepwater floating facilities**
- **Own deep and ultra deepwater installation vessels for turnkey projects**
- **Vast experience on converted FPSOs provides high accuracy in cost estimation, short schedule in execution and minimum risk**
- **Track record - on time and in budget**
- **Strategic partnerships such as with Sonangol, Mitsubishi, Petronas**
- **Full toolbox for deepwater field developments, mainly with patented technology**





## **NEW ORDERS FIRST HALF 2005**

- **Confirmation by Enterprise Products of the full scope design and supply of the deep draft Semi-Submersible platform for the Independence Hub, Gulf of Mexico.**
- **Contract from Murphy for the eight year lease of an FPSO for the Kikeh Field, Malaysia, in Joint Venture with MISC**
- **Contract for a Deepwater Export System for BP's Greater Plutonio field, Angola through Stolt Offshore**
- **Contract for the supply and installation of the spread mooring system for the Agbami FPSO of Chevron, Nigeria through Daewoo**
- **Engineering and special component supply contracts for four jack-up and two semi-submersible drilling rigs for Maersk Contractors**
- **Order for the design and supply of the internal Turret Mooring system for the P-53 Floating Production Unit of Petrobras**
- **Contract for the design, supply and installation of a Gravity Actuated Pipe (GAP) fluid transfer system for the Kikeh Field, Malaysia**
- **Orders for CALM systems from Waha Oil / Libya , BP / Trinidad, Agip (Soilmare) / Libya, and Addax (Fred Olsen) / Nigeria**



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## **NEW ORDERS SINCE MID-YEAR 2005**

- **Contract from BHP Billiton for the turnkey supply of a SeaStar® TLP for the Neptune Field, Gulf of Mexico, USA**
- **Contract for the supply and installation of a Deepwater Export System from Chevron for the Agbami Field, Nigeria**

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# HIGHLIGHTS FIRST HALF 2005

## START-UP OF SANHA LPG FPSO

### Chevron, Angola

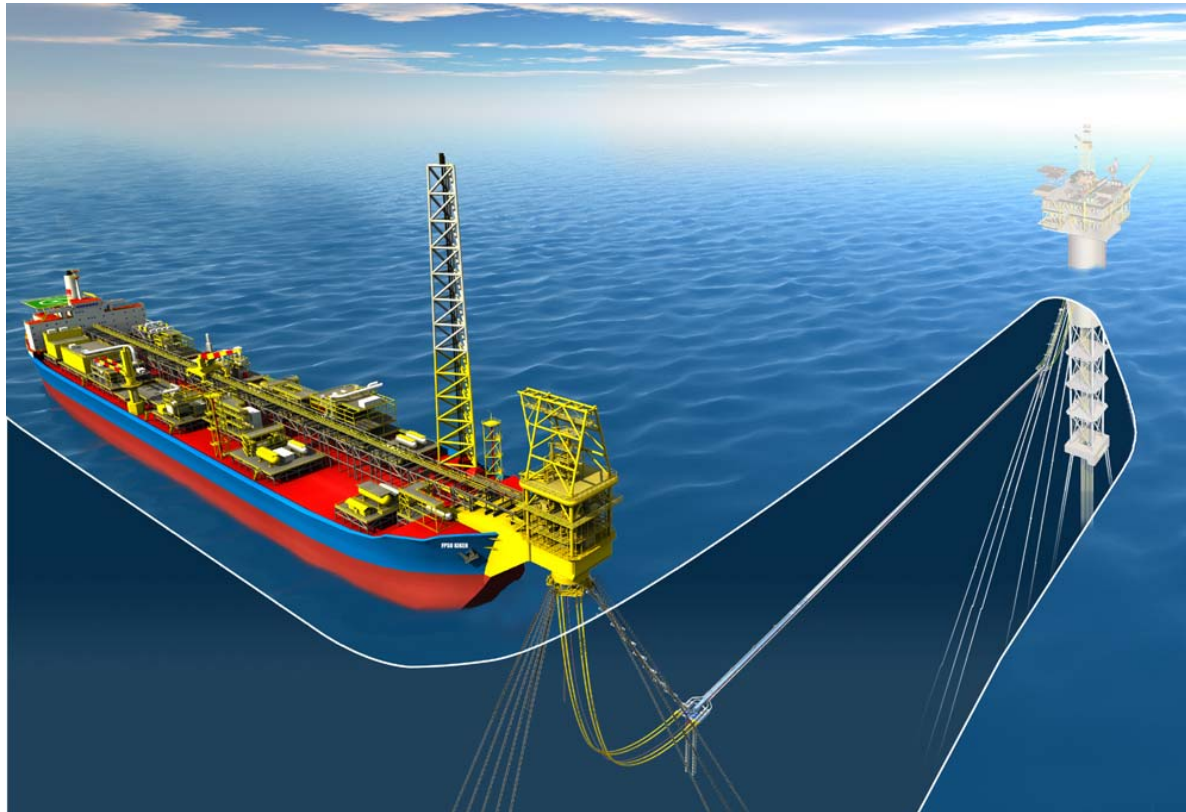


**On lease since May 8, 2005**



## HIGHLIGHTS FIRST HALF 2005

### Kikeh Field Development for Murphy, Malaysia



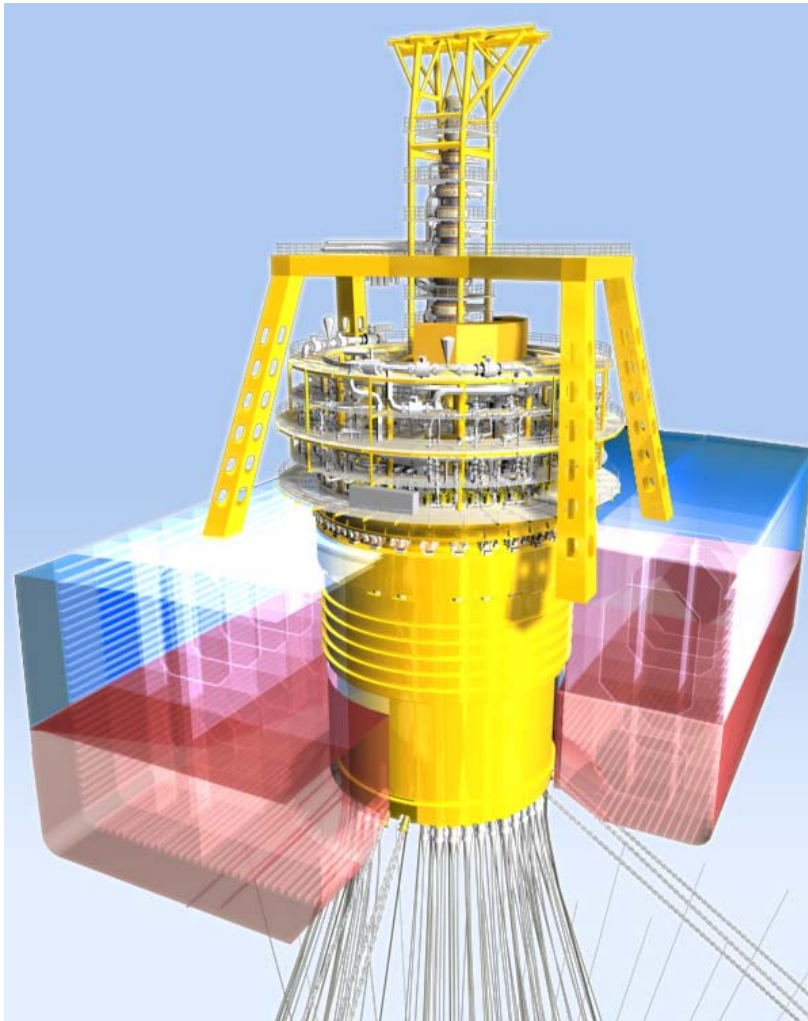
- Eight year lease of an FPSO, in Joint Venture with MISC
- Supply and installation of the GAP fluid transfer system





## HIGHLIGHTS FIRST HALF 2005

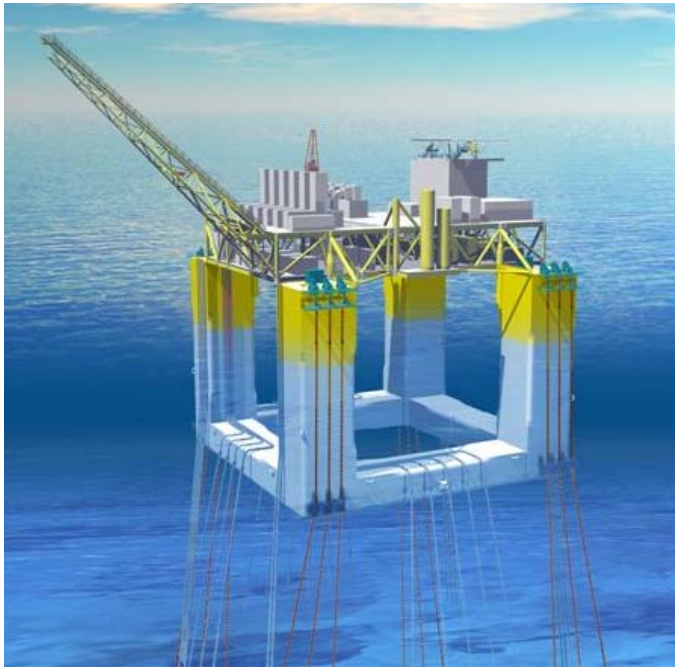
### Internal Turret for the Petrobras P-53 Floating Production Unit



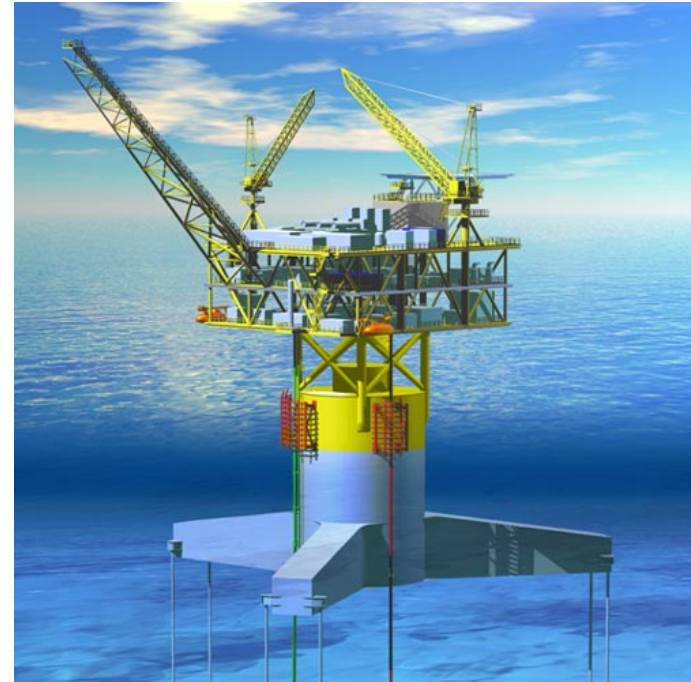
- The largest and most complex turret ever designed and built
- Accommodates 75 flexible risers and the related piping, manifolding and swivel arrangements

# HIGHLIGHTS FIRST HALF 2005

Two major orders for Atlantia



**Semi-Submersible Hull  
Independence Hub  
Enterprise**



**SeaStar® TLP  
Neptune Field  
BHP Billiton**



## KEY FINANCIAL POINTS FIRST HALF 2005

- IFRS applied in 2005; all 2004 comparatives restated from Dutch GAAP
- Net profit US\$ 73.5 million versus US\$ 50.3 million in 2004
  - Increasing number of lease FPSOs in service (Marlim Sul, Sanha)
  - Lower interest burden on existing FPSOs with no more interest equalisation depreciation
  - Good volumes and margins in Services activity
  - Increased volume on turnkey projects
- EBITDA up to US\$ 205 million
- Return on equity up to 20.4 % ; return on capital employed increases to 10.9%
- Capital expenditure picking up from low 2004
- Reduction in long term debt





## FINANCIAL OVERVIEW MID 2005 TOTAL GROUP

In millions of US Dollars	30/6/2005	30/6/2004	Movement	Comment
<b>Turnover</b>	<b>607.1</b>	<b>655.4</b>	<b>(48.3)</b>	Shipbuilding division now sold /
<b>EBITDA</b>	<b>205.2</b>	<b>181.2</b>	<b>24.0</b>	Growing lease fleet / Stronger
<b>EBIT</b>	<b>102.4</b>	<b>82.0</b>	<b>20.4</b>	Growing lease fleet / Stronger
<b>% x Turnover</b>	<b>16.9%</b>	<b>12.5%</b>	<b>4.4%</b>	EBIT up / Turnover down
<b>Net Profit</b>	<b>73.5</b>	<b>50.3</b>	<b>23.2</b>	Higher EBIT / Lower tax
<b>% x Turnover</b>	<b>12.1%</b>	<b>7.7%</b>	<b>4.4%</b>	Net profit up / Turnover down
<b>New Orders</b>	<b>902</b>	<b>415</b>	<b>487</b>	Kikeh FPSO / Strong turnkey
<b>Order Portfolio</b>	<b>4,364</b>	<b>3,821</b>	<b>553</b>	Strong order intake



## FINANCIAL OVERVIEW MID 2005

### FPSO LEASE AND OPERATE

In millions of US Dollars	30/6/2005	30/6/2004	Movement	Comment
<b>Turnover</b>	<b>282.5</b>	<b>252.5</b>	<b>30.0</b>	Marlim Sul – Full 6 months,
<b>EBITDA</b>	<b>182.2</b>	<b>157.8</b>	<b>24.4</b>	Marlim Sul – Full 6 months,
<b>EBIT</b>	<b>83.7</b>	<b>68.1</b>	<b>15.6</b>	Marlim Sul – Full 6 months,
<b>% x Turnover</b>	<b>29.6%</b>	<b>27.0%</b>	<b>2.6%</b>	Operating costs reduced
<b>New Orders</b>	<b>426</b>	<b>33</b>	<b>393</b>	Mainly Kikeh FPSO
<b>Order Portfolio</b>	<b>3,717</b>	<b>3,049</b>	<b>668</b>	Kikeh & Golfinho FPSOs

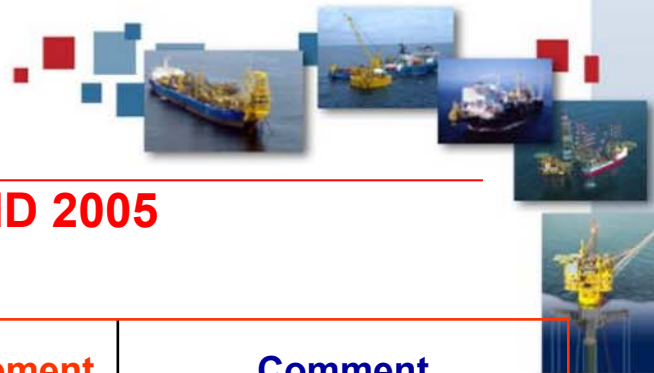


## FINANCIAL OVERVIEW MID 2005

### TURNKEY SYSTEMS & SERVICES (EXCLUDING SHIPBUILDING)

In millions of US Dollars	30/6/2005	30/6/2004	Movement	Comment
<b>Turnover</b>	<b>324.6</b>	<b>205.9</b>	<b>118.7</b>	Higher activity on both supply
<b>EBITDA</b>	<b>23.0</b>	<b>9.1</b>	<b>13.9</b>	Increased volume, margins and
<b>EBIT</b>	<b>18.7</b>	<b>4.5</b>	<b>14.2</b>	Increased volume, margins and
<b>% x Turnover</b>	<b>5.8%</b>	<b>2.2%</b>	<b>3.6%</b>	Better margins and positive Atlantia contribution
<b>New Orders</b>	<b>476</b>	<b>187</b>	<b>289</b>	P-53, Independence Hub,
<b>Order Portfolio</b>	<b>648</b>	<b>419</b>	<b>229</b>	Healthy order book

**Majority of S, G & A expenses are considered as « Turnkey » costs**



## FINANCIAL OVERVIEW MID 2005 TOTAL GROUP

In millions of US Dollars	30/6/2005	30/6/2004	Movement	Comment
<b>Investment Fixed Assets</b>	<b>187</b>	<b>108</b>	<b>79</b>	<b>FPSO investments up</b>
<b>Long-Term Debt (including short-term portion)</b>	<b>1,184</b>	<b>1,360</b>	<b>(176)</b>	<b>Accelerating debt servicing</b>
<b>Net Liquidities</b>	<b>110</b>	<b>183</b>	<b>(73)</b>	<b>Still comfortable level</b>
<b>Net Debt</b>	<b>1,074</b>	<b>1,177</b>	<b>(103)</b>	
<b>Share Price €</b>	<b>56.70</b>	<b>38.23</b>	<b>18.47 48%</b>	<b>Order intake picked-up / high oil price</b>
<b>Share Price US\$</b>	<b>68.46</b>	<b>46.47</b>	<b>21.99 47%</b>	<b>Euro at same level</b>
<b>Market Capitalisation US\$</b>	<b>2,344</b>	<b>1,559</b>	<b>785</b>	<b>Higher share price</b>
<b>Enterprise Value</b>	<b>3,418</b>	<b>2,736</b>	<b>682</b>	
<b>Net Debt: Equity</b>	<b>1.52</b>	<b>1.70</b>	<b>(0.18)</b>	<b>Coming down after IFRS equity impact</b>
<b>Return on Capital Employed</b>	<b>10.9%</b>	<b>8.5%</b>	<b>2.4%</b>	<b>Higher net profit / lower capital employed</b>
<b>Return on Equity</b>	<b>20.4%</b>	<b>15.3%</b>	<b>5.1%</b>	<b>Higher net profit / IFRS</b>



## **EXPECTATIONS FULL YEAR 2005**

- **Net profit around US\$ 140 million (75% lease; 25% turnkey)**
  - Expanding lease fleet
  - FPSO operating bonuses and reduced operating costs
  - Higher turnkey activity than in 2004
- **Excludes potential sale of FPSOs from the lease fleet**
- **EBITDA around US\$ 420 million (US\$ 386 million in 2004 before shipbuilding impairment)**
- **Cash Flow around US\$ 350 million (US\$ 309 million in 2004 before shipbuilding impairment)**
- **Capex around US\$ 450 million (US\$ 235 million in 2004)**



## IFRS CONVERSION SUMMARY (1)

In millions of US Dollars	EQUITY 1/1/04	P & L 2004	OTHER MOVEMENTS	EQUITY 31/12/04
<b>DUTCH GAAP</b>	<b>713</b>	<b>47</b>	<b>(9)</b>	<b>751</b>
<b>IFRS ADJUSTMENTS:</b>				
• Straight Line Depreciation	(54)	(21)		(75)
• Eliminate Overheads PP&E	(51)	5		(46)
• % Completion WIP	5	(2)		3
• Provisions & Liabilities	6	2		8
• Demobilisation Provision	12	-		12
• Pre Sales Costs	5	(3)		2
• Reverse Goodwill Amortisation	-	2		2
• Share Based Payments	-	(1)	1	-
• Other	-	-	8	8
<b>SUB-TOTAL</b>	<b>(77)</b>	<b>(18)</b>	<b>9</b>	<b>(86)</b>
<b>IFRS TOTAL</b>	<b>636</b>	<b>29</b>	<b>-</b>	<b>665</b>

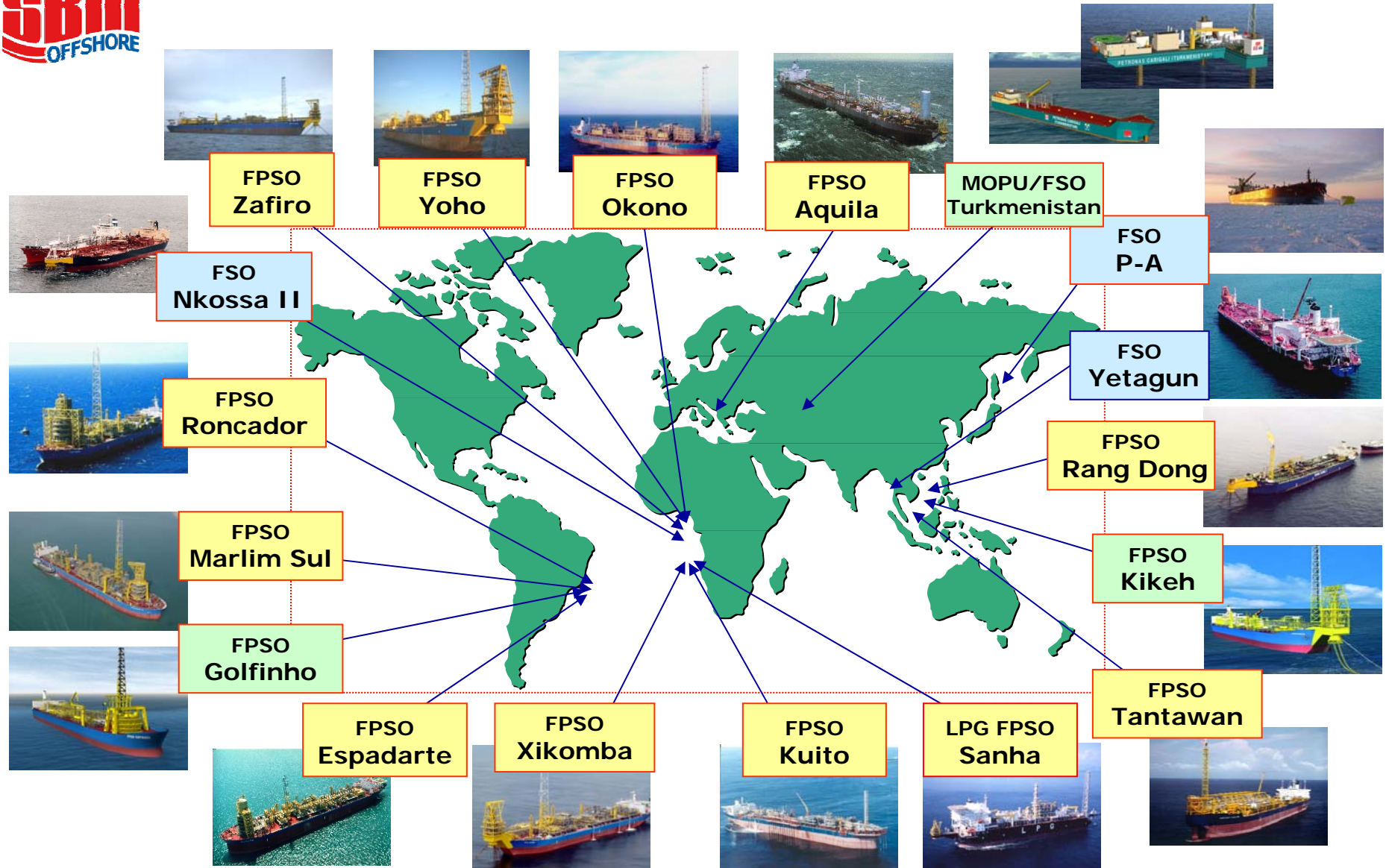


## **IFRS CONVERSION SUMMARY (2)**

- **Equity credit of US\$ 49 million on 1 January 2005 from financial instruments market value (IAS 32, 39)**
- **Ongoing discussion on lease contract classification (financial lease vs operating lease)**
  - **No significant impact likely for equity nor P & L**
- **Subject to future amendments and/or interpretation of IFRS standards**



# SBM LEASE FLEET



# EXTENDED WELL TEST SYSTEM PRODUCTION START SECOND HALF 2005

Petronas - Turkmenistan



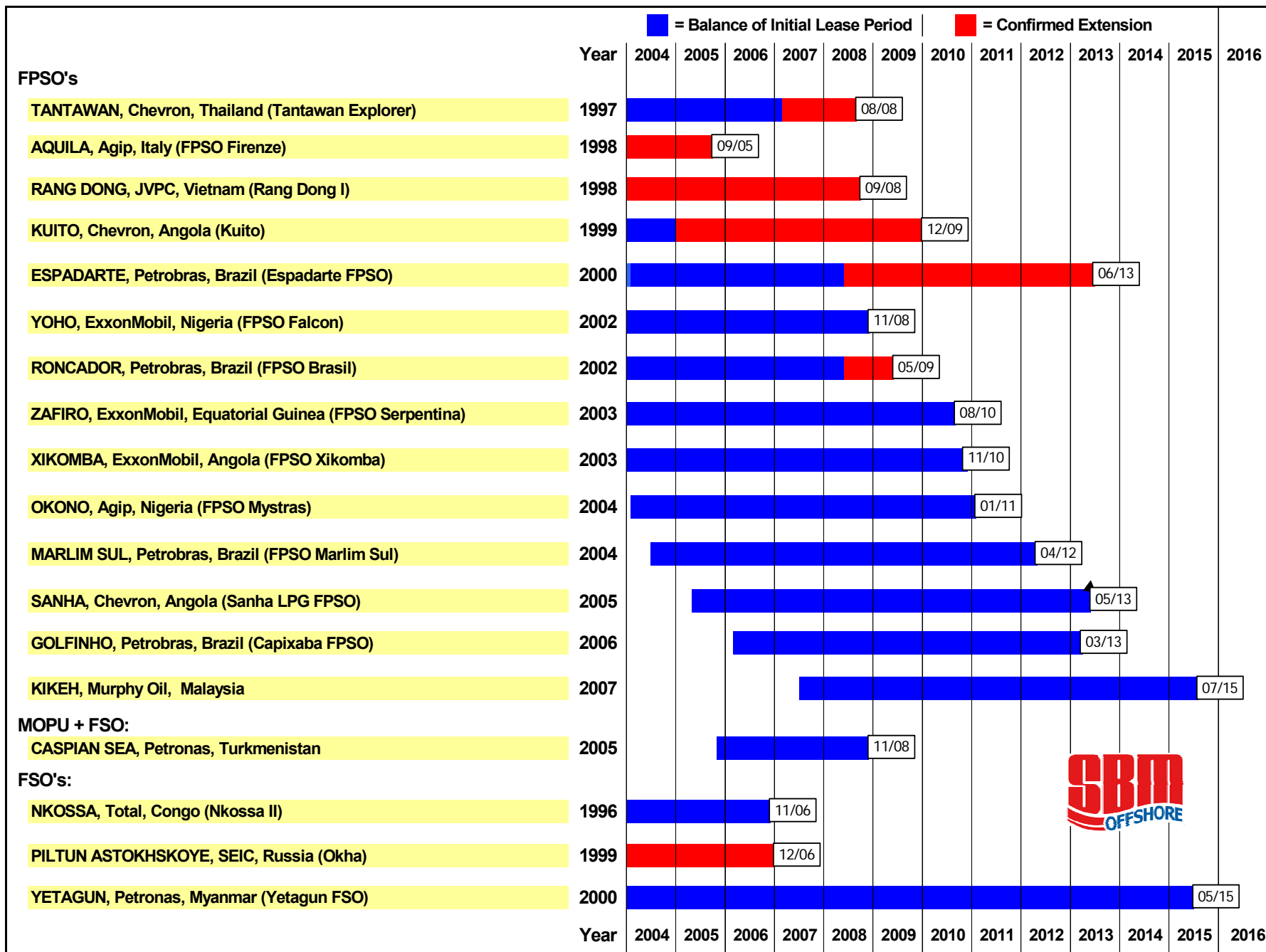
MOPU



FSO



# REMAINING DURATION OF LEASE CONTRACTS



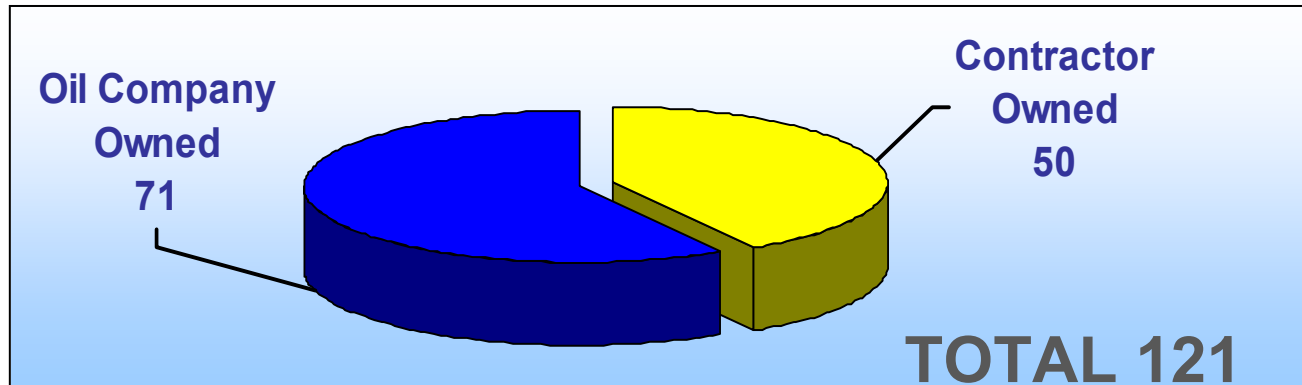


## **SBM's LEASE BUSINESS APPROACH**

- Invest only on the basis of contracts in hand, except for the acquisition of existing tankers suitable for conversion into an FPSO
- Obtain commitments for firm lease periods, ideally in excess of five years
- Bareboat revenues not exposed to oil price variations or reservoir risks
- Interest rate risks hedged upon contract award
- Finance design and construction phase from Revolving Credit Facility (RCF)
- Mitigate country and client risk with Project Financing, typically for at least 80% of FPSO capex
- 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
- Contract comprehensive insurance cover to mitigate all operational risks

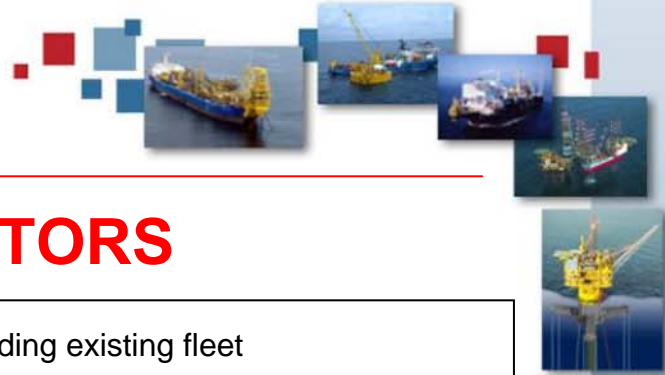


## FPSO's IN OPERATION / UNDER CONSTRUCTION

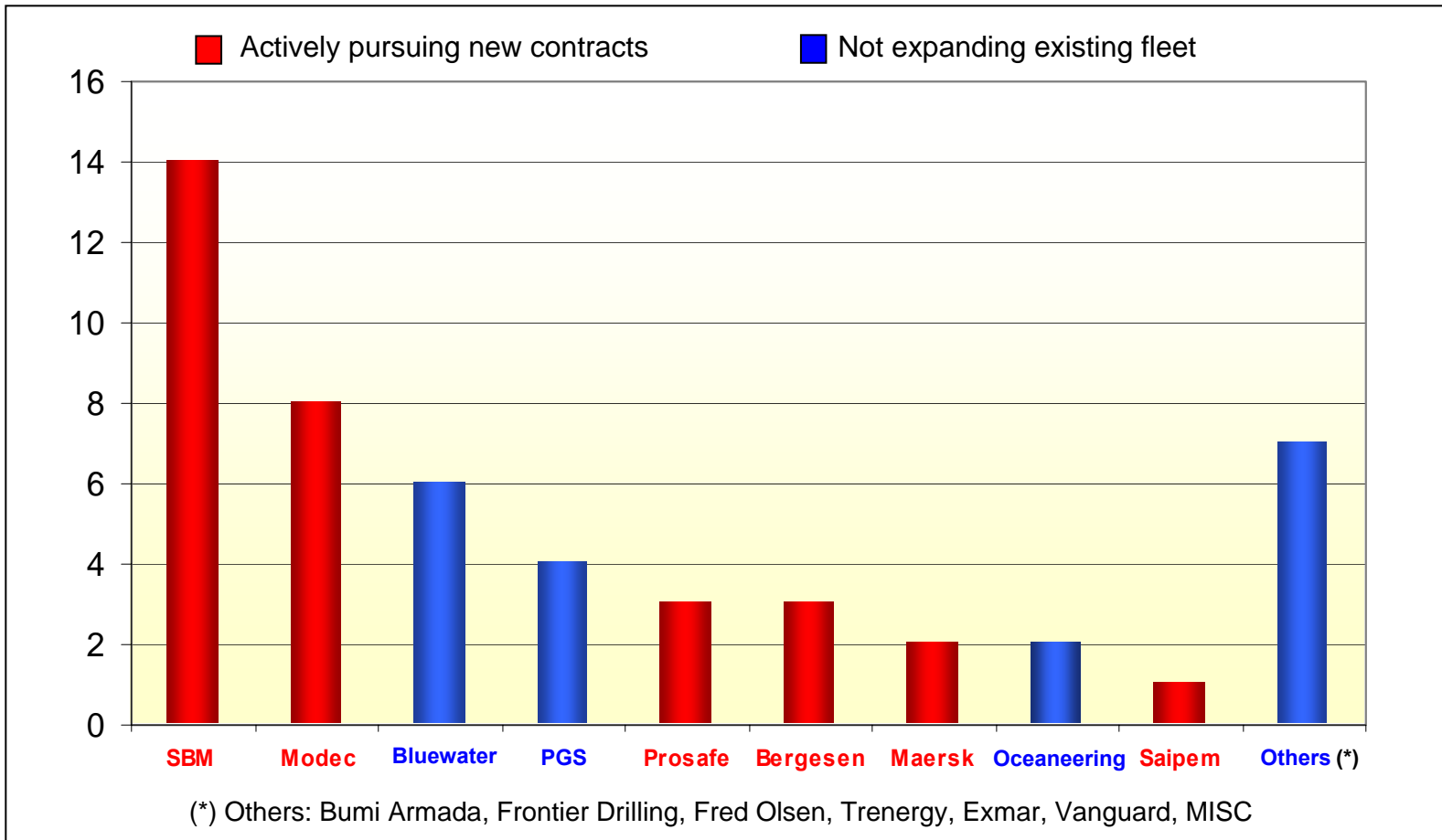


### COVERS A LARGE VARIETY OF UNITS

- **Converted tankers / purpose built barges**
- **Spread moored / weathervaning**
- **Oil production rates from 15,000 to 250,000 barrels / day**
- **Oil storage from 50,000 to 2,000,000 barrels**
- **From oil production only to comprehensive production with gas and water injection**



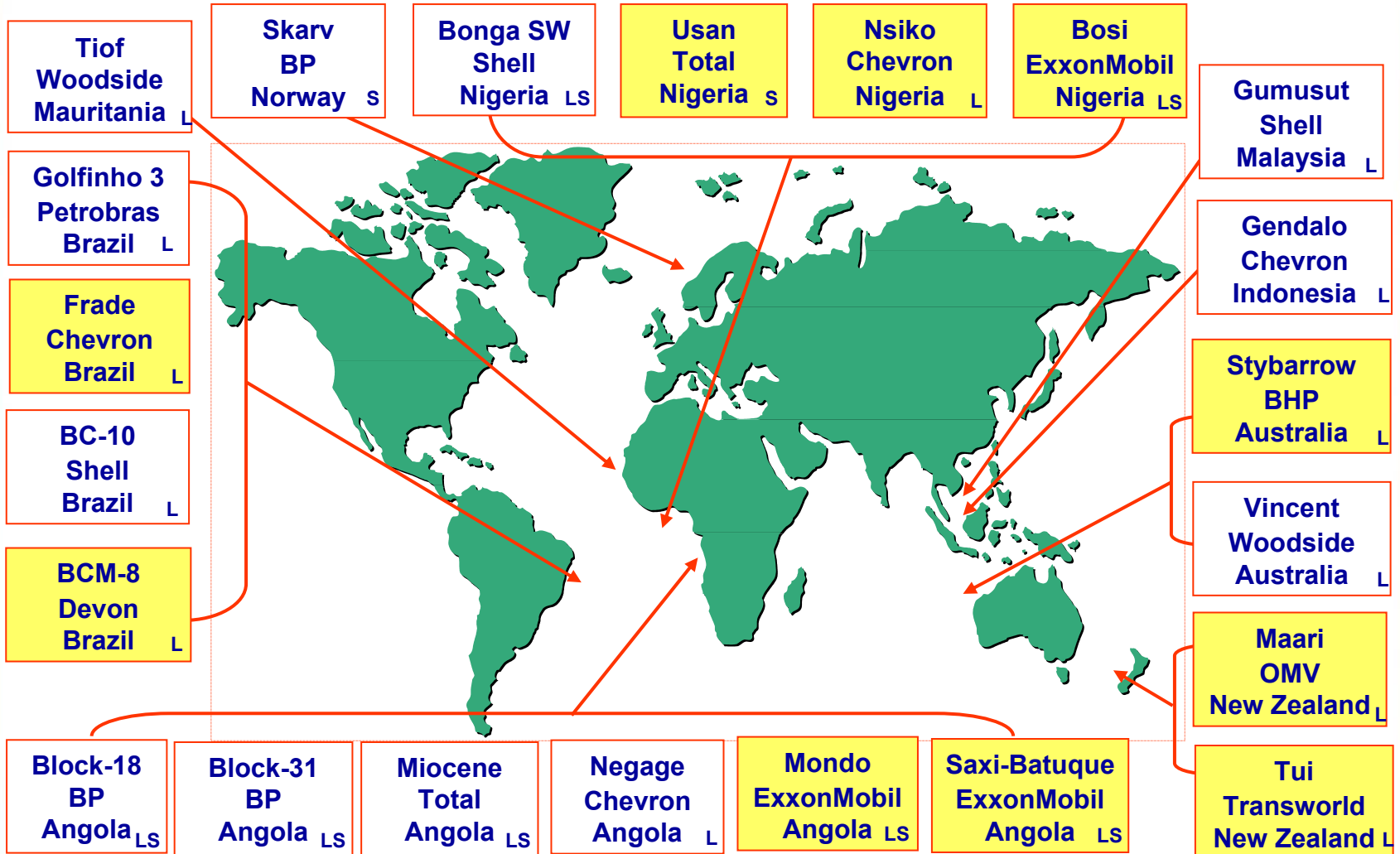
# FPSO LEASE CONTRACTORS



**Leased FPSOs in operation or under construction : Total 50**



# FPSO PROSPECTS



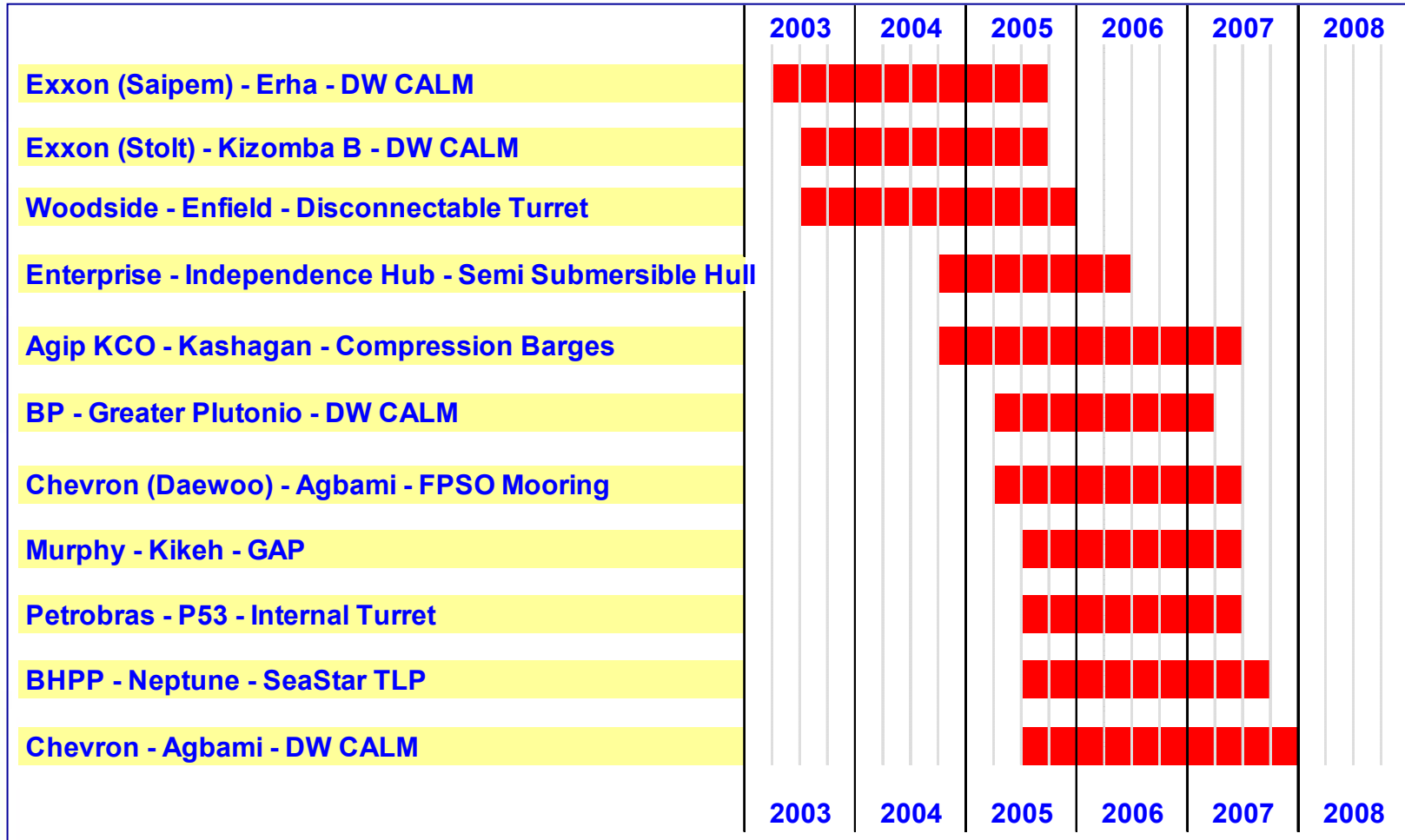
L = Lease S = Sale LS = Lease or Sale

Yellow box = Near term prospects





# BACKLOG MAJOR TURNKEY SUPPLY ORDERS



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## **DELIVERIES SECOND HALF 2005**

### **Deepwater CALMs**



**Erha, Nigeria**



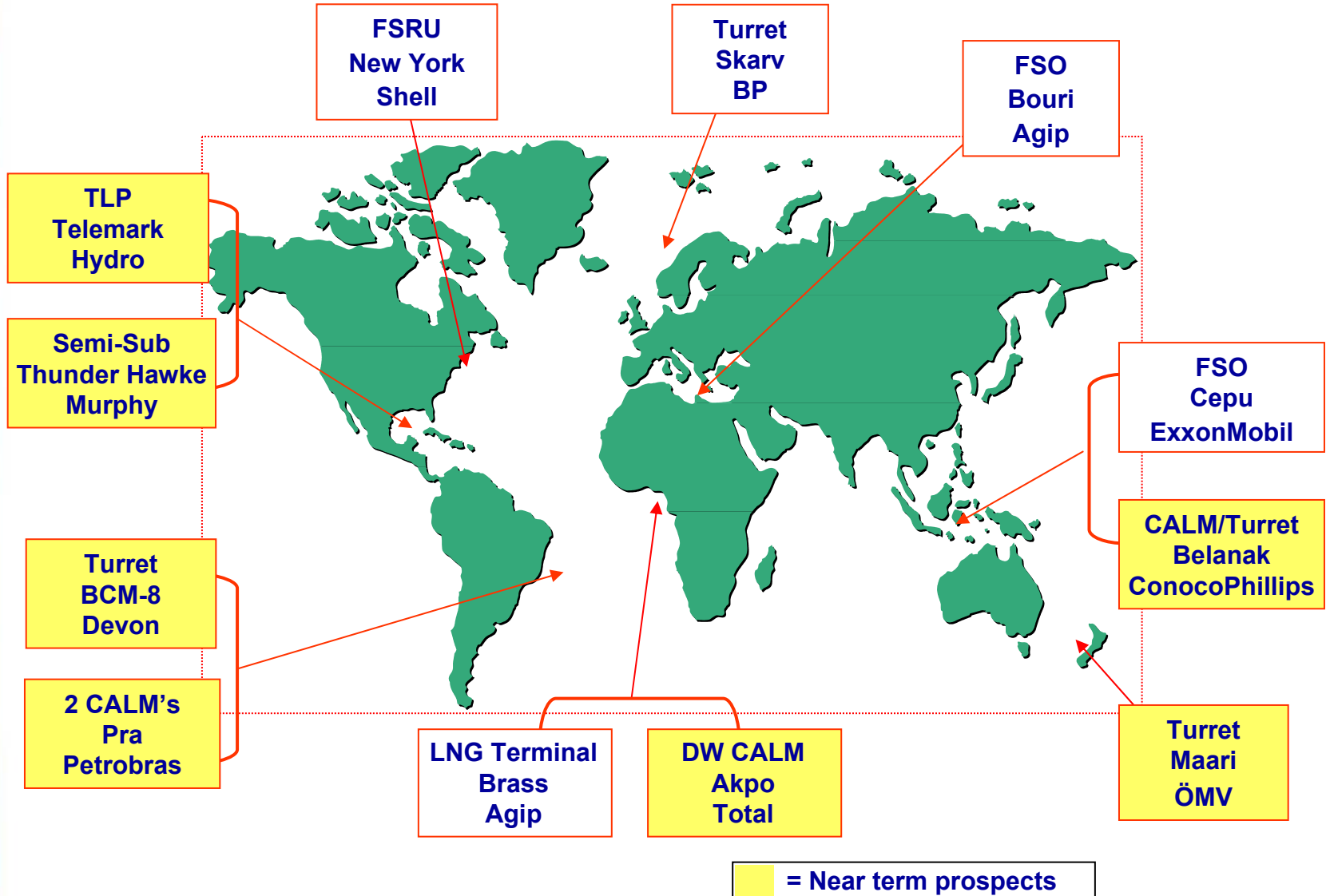
**Kizomba B, Angola**

# DELIVERIES SECOND HALF 2005

## Woodside – Enfield – Disconnectable Turret



# MAJOR TURNKEY SUPPLY PROSPECTS





## COMPETITION

	F(P)SO Lease	F(P)SO Supply	TLP Supply	Terminals Turret Supply	Floating Gas Facilities
<b>SBM Offshore</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>Modec</b>	<b>X</b>	<b>X</b>	<b>X</b>	-	-
<b>Saipem</b>	<b>X</b>	<b>X</b>	-	-	<b>X</b>
<b>Technip</b>	-	<b>X</b>	-	-	-
<b>Bergesen</b>	<b>X</b>	-	-	-	<b>X</b>
<b>Tanker Pacific</b>	<b>X</b>	-	-	-	-
<b>Korean Yards</b>	-	<b>X</b>	-	-	-
<b>Chinese Yards</b>	-	<b>X</b>	-	-	-
<b>Bluewater</b>	<b>X</b>	-	-	<b>X</b>	-
<b>Sofec</b>	-	-	-	<b>X</b>	-
<b>APL</b>	-	-	-	<b>X</b>	-



## PROGRESS WITH THE NEW GENERATION DEEPWATER INSTALLATION VESSEL OPERATIONAL FIRST QUARTER 2006



### “NORMAND INSTALLER”

LOA	123,65 m
Breadth	28 m
Min Draught	5,70 m
Speed	16,8 knots
Cargo Capacity	3400 t
Total Generated Power	23 MW





## 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**

### LNG TRANSPORTATION

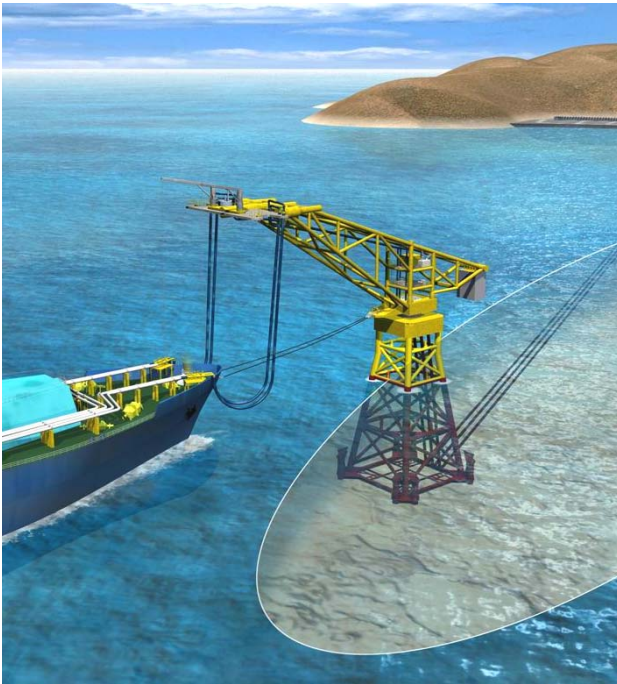
- Long-term charters for dedicated routes
- Very limited spot market

### LNG REGASIFICATION

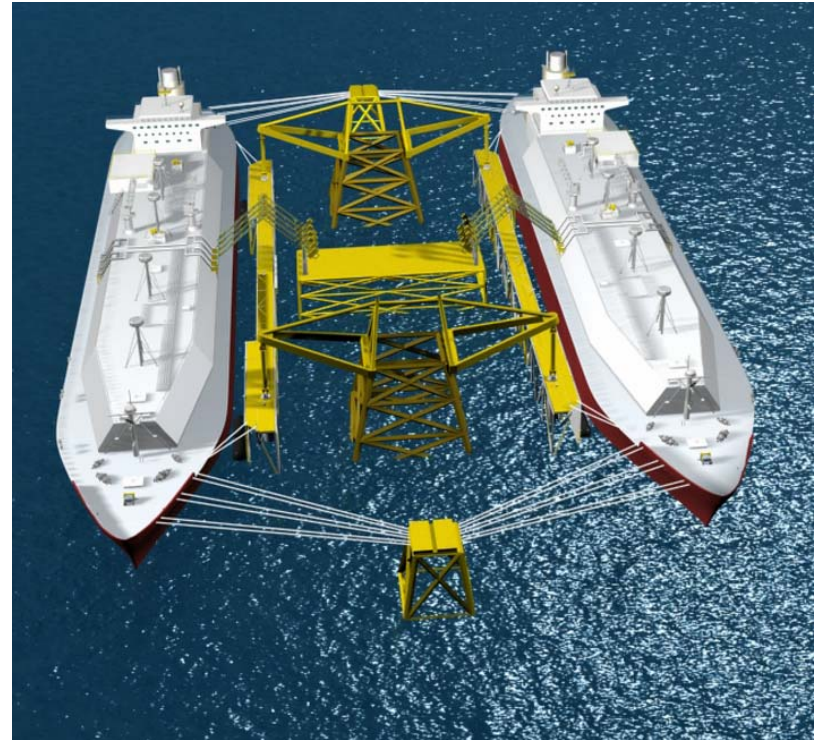
- Onshore: **▶ import via port or jetties**  
**▶ import via offshore terminal**
- Offshore: **Floating Storage and Regasification Unit**



## OFFSHORE LNG IMPORT / EXPORT TERMINALS



**“SINGLE POINT  
MOORING TOWER”**



**“SOFT QUAY MOORING”**

## FLOATING STORAGE AND REGASIFICATION UNIT (FSRU)

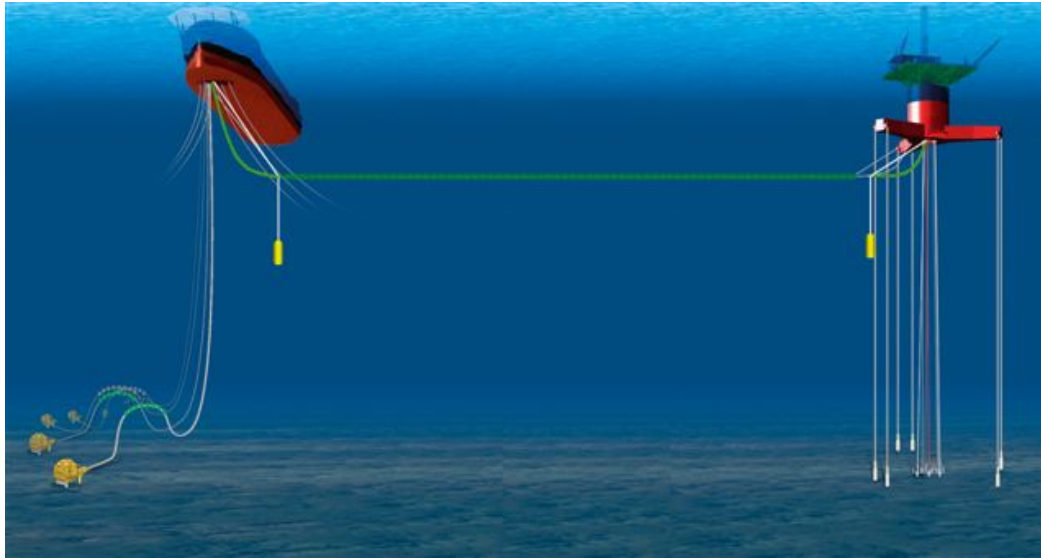


**“Small” capacity FSRU based on the conversion of an LNG carrier**

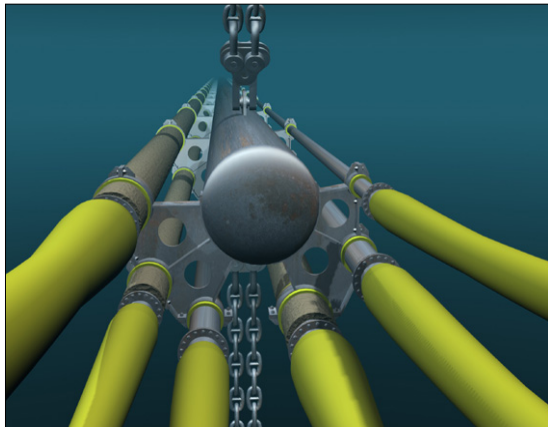
**“Large” capacity FSRU based on a new built barge**



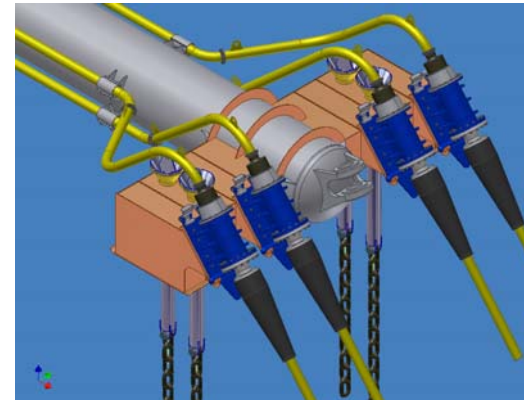
# GAP DEVELOPMENT



**Gravity Actuated Pipe, a flowline bundle between a Dry Completion Unit and an FPSO**



**Carrier pipe with flowlines grouped around it**



**Interface between the horizontal bundle and the flexible jumpers at the two extremities**





## STRATEGY

- **Grow the Group organically at average double digit rate per year**
- **Develop innovative technical solutions, in particular for deepwater technology and in the gas sector**
- **Continue to grow the FPSO lease fleet while improving returns on capital employed**
- **Maintain a position of leader in the Group's current markets, develop the same position in the gas sector**
- **Maintain a high level of attention on engineering, offshore contracting and after-sales services and grow this stable predictable business**



## OUTLOOK

### SHORT TERM

- High bidding activity should result in further order intake in the remainder of 2005

### MEDIUM TERM

- Number of identified projects, both for lease and turnkey supply prospects, should generate a satisfactory activity level in 2006 and 2007
- Growing worldwide LNG demand, combined with restrictions on onshore receiving terminals, will stimulate the development of offshore LNG storage and regasification units

### LONG TERM

- Increasing Exploration & Production budgets, largely dedicated to deep and ultra deepwater, will lead to continued growth in the demand for FPSOs, TLPs, Semi-Submersibles and associated equipment for deepwater developments
- Further expansion of the gas market will see the development of remote offshore gas fields with floating LNG production units for LNG, GTL, Methanol, etc.