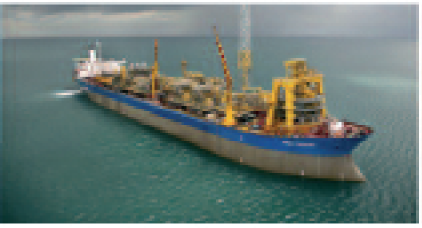
SBM Offshore

Half-Year Results 2007

Technology
Creating
Value



Half-year results 2007 and updated full-year forecast

Highlights

- Half-year profit of US$ 139.2 million represents an increase of 42% over 2006 (US$ 97.8 million). Return on equity of 23.7% (20.8% in 2006);

- Return on capital employed rises to 15.9% (from 13.4% in 2006) for the six month period;

- New orders amount to US$ 1,807 million for the first six months of 2007. Backlog at 30 June 2007 amounts to US$ 7,408 million;

- Updated 2007 year-end forecast profit increases from US$ 260 million to US$ 265 million.

1. Half-year results 2007

The profit after tax for SBM Offshore N.V. (the Company) for the first six months of 2007 was US$ 139.2 million (US$ 0.96 per share) compared with US$ 97.8 million (US$ 0.70 per share) at mid-year 2006.

Profit includes US$ 6 million from non-recurring items, being the gain on sale of 20% of the Company's interest in FPSO Capixaba to Queiroz Galvao affiliate STAR, offset by a small loss on the disposal of the Company's airport interiors and passenger boarding bridges activities.

Turnover for the six months was US$ 1,388.4 million compared with US$ 823.0 million for mid year 2006.

EBITDA for the half-year was US$ 268.7 million (US$ 1.90 per share) compared with US$ 218.6 million (US$ 1.58 per share) at mid-year 2006.

EBIT for the six month period was US$ 151.2 million (US$ 1.07 per share) compared with US$ 115.9 million (US$ 0.84 per share) at mid-year 2006.

Approximately 53% of EBIT was contributed by the lease and operate activities with 47% contributed by the turnkey sales and services. The corresponding segmental split in the first half of 2006 was 66% lease and operate: 34% turnkey sales.

Net debt to equity at 30 June 2007 stands at 0.64 compared with 0.52 at 31 December 2006.

2. Expectations for the full year 2007

Based upon the result of the first six months and potential developments over the remainder of the year, the Company expects that 2007 will generate:

- Profit of US$ 265 million (US$ 1.82 per share) including the impact of the non-recurring items mentioned above, compared with US$ 216 million (US$ 1.55 per share) in 2006;

- EBITDA of US$ 555 million (US$ 3.88 per share), compared with US$ 477 million (US$ 3.42 per share) in 2006;

- EBIT of US$ 305 million (US$ 2.13 per share), compared with US$ 254 million (US$ 1.82 per share) in 2006;

- Capital expenditure of US$ 750 million compared with US$ 309 million in 2006.

3. New booked orders

New booked orders for the first half-year of 2007 totalled US$ 1,807 million, compared with US$ 2,318 million for the first half of 2006, and US$ 4,916 million for the whole year 2006. Order portfolio at 30 June stood at US$ 7,408 million (year-end 2006 - US$ 6,992 million).

The major new orders include:

- A contract with Talisman Energy Norge AS, operator of the PL316 license offshore Norway, for the five year lease of a MOPUstor, a production jack-up installed on a subsea storage tank, for the re-development of the Yme field;

- A contract with Tanker Pacific Offshore Terminals Pte Ltd (TPOT) for the design and supply of an external turret mooring system for an FSO in the Su Tu Vang field offshore Vietnam;

- A contract with Delba Perforadora Internacional S.A. from Brazil for the supply of a Dynamically Positioned Semi-Submersible Drilling Unit, filling the yard slot for a third rig secured by the Company in July 2006. The rig will be delivered first quarter 2010;

- A three year extension from Petrobras of the lease contract of the 'FPSO Brasil', owned and operated in joint venture between SBM and MISC Berhad, thus extending the service of this FPSO in the Roncador field offshore Brazil through May 2012;

- A four year extension from Total Congo of the lease contract of the 'Nkossa II' LPG FSO, owned and operated in joint venture between SBM and Maersk, extending the service of this FSO until November 2011 (not previously announced);
- A contract with Statoil ASA for the supply of a very large swivel stack;
- A total of nine contracts for the supply of new, and for the refurbishment of existing, CALM type offshore tanker terminals, and the related offshore change out operations;
- A contract with IHC Holland Merwede for the design and supply of a 5,000 tons revolving offshore crane;
- Several contracts for supply of specialised components for jack up systems for drilling rigs and other offshore structures.

4. Market Developments

During the first half of 2007, the Company was fully occupied with the execution of the large order intake of 2006.

During the second quarter, several major projects reached completion and were delivered:

- The mono-column TLP to BHP, now installed on the Neptune field in the Gulf of Mexico, fabricated in Texas and Louisiana;
- The flash gas compression barges to AGIP KCO for the Kashagan field in Kazakhstan, fabricated in Dubai;
- The FPSO Kikeh for leasing to Murphy Oil, now installed on Kikeh field in the South China Sea, fabricated in Malaysia;
- The turret (the largest in the world) for the P-53 FPSO to Petrobras, fabricated in Keppel Singapore.

Each of the above turnkey projects was profitable. The Kikeh FPSO, contracted on a lease and operate basis, was completed within the capex budget.

The next critical delivery is the Mondo FPSO in September, presently on schedule for a sail-away on time from Singapore.

The execution of projects continues to suffer from a difficult market situation, and in general, delivery times tend to lengthen and budgets are under pressure as equipment and services suppliers remain overloaded and quite inflexible. The situation is nevertheless under control and the profit forecast advised in January is reconfirmed.

Two milestones were achieved in respect of new technology, with the GAP (Gravity Actuated Pipe) successfully installed on the Kikeh field and also the Trelline (bonded crude oil export flow line) installed and in use by Shell on the Bonga FPSO in Nigeria.

The market continues to maintain a high demand for SBM-type of facilities. The strategy is to be selective, pursue projects with high added value and tender for reasonable terms and conditions and fair margins. As a result, the order intake has been low since February this year. However management is confident some of the major prospects will materialise during the second half of the year and there is no concern in respect of continuous full utilisation of the Company's capacity.

5. Corporate Management

The Board of Management has recommended, and the Supervisory Board has approved the appointment of Anthony Mace as a Director of the Company.

Mr. Mace (55) has been with SBM Offshore since 1977. He graduated from London University with an MSC degree in Mechanical Engineering. His career in SBM took him through a number of positions with increasing responsibility and as of 2001 he was in charge of developing the Houston affiliates and then merging SBM-Imodco with Atlantia. More recently, he transferred back to Monaco to take the lead of the LNG FPSO project development.

6. Financial Agenda

Preliminary Results 2007 - Press Release & Conference Call	29 January 2008
Final Results 2007 - Press Release	11 March 2008
Final Results 2007 - Analysts Presentation (Amsterdam)	12 March 2008
Annual Report 2007	End April 2008
Annual General Meeting of Shareholders 2007	15 May 2008
Ex-dividend Date	19 May 2008
Half-year Results 2008 - Press Release	19 August 2008
Half-year Results 2008 - Analysts Presentation (Amsterdam)	19 August 2008

7. Corporate Profile

The Dutch public company SBM Offshore N.V. is the holding company of a group of international, marine technology orientated companies. Its business is to serve on a global basis the offshore oil and gas industry by supplying engineered products, vessels and systems, and offshore oil and gas production services.

The product line comprises:

- Offshore import/export terminals for crude oil, refined products, LPG and LNG, mostly based on the single point mooring principle, Floating Production and/or Storage and Offloading systems (FSOs and FPSOs) and other floating production facilities based on ship hulls, semi-submersibles and Tension Leg Platforms (TLPs);
- Offshore oil and gas production services through the leasing of integrated production and storage facilities owned and operated by the Company;
- Design, construction and supply of semi-submersible drilling platforms;
- Special designs and engineering services and delivery of specific hardware components for dynamically positioned drillships, semi-submersible drilling platforms, jack-up drilling platforms, jack-up platforms for civil construction, large capacity offshore cranes, elevating and lifting systems, crane vessels and other specialised work vessels;
- Offshore construction and installation contracting services.

The Board of Management

Schiedam, 28 August 2007

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Consolidated interim income statement

In thousands of US Dollars

	Notes	6 months ended 30 June 2007	6 months ended 30 June 2006
Revenue	1	1,388,395	822,979
Cost of Sales		(1,168,775)	(650,041)
Gross margin		**219,620**	**172,938**
Other operating income		205	1,007
Selling and marketing expenses		(20,121)	(17,316)
General and administrative expenses		(40,203)	(25,359)
Other operating expenses		8,309	(15,377)
Operating profit (EBIT)		**(151,192)**	**(115,893)**
Net financial cost		(5,914)	(13,525)
Share of profit of associates		0	0
Profit before tax		**145,278**	**102,368**
Income tax expenses		(6,028)	(4,616)
Profit		**139,250**	**97,752**
Attributable to:			
Shareholders		136,083	97,671
Minority interests		3,167	81
		139,250	**97,752**
Weighted average number of shares outstanding	2	141,310,031	138,662,834
Basic earnings per share	2	US$ 0.96	US$ 0.70
Fully diluted earnings per share	2	US$ 0.95	US$ 0.70

Share information

	30 June 2007	31 December 2006
Number of shares outstanding	143,037,198	140,715,535
Share price (€)	28.30	26.05
Market capitalisation (€ mln)	4,048.0	3,665.6
Market capitalisation (US$ mln)	5,443.7	4,830.6

The interim financial statements have not been audited.

Consolidated interim balance sheet

In thousands of US Dollars

	Notes	30 June 2007		31 December 2006	
ASSETS					
Property, plant and equipment	3	1,753,466		1,662,222	
Intangible assets		33,973		33,048	
Investment in associates		71		45	
Other financial assets		78,138		72,145	
Deferred tax asset		9,537		11,574	
Total non-current assets			**1,875,185**		1,779,034
Inventories		31,631		15,314	
Trade and other receivables		350,681		324,117	
Income tax receivable		1,926		1,176	
Construction contracts		678,518		324,319	
Financial instruments		137,641		150,015	
Cash and cash equivalents		234,865		346,361	
Total current assets			**1,435,262**		**1,161,302**
TOTAL ASSETS			**3,310,447**		**2,940,336**
EQUITY AND LIABILITIES					
Equity attributable to shareholders					
Issued capital		48,074		46,359	
Share premium		357,994		344,326	
Retained earnings		762,020		677,636	
Other reserves		55,502		50,379	
		1,223,590		1,118,700	
Minority interests		3,526		323	
Total equity			**1,227,116**		**1,119,023**
Long-term loans and other liabilities	4	815,426		754,649	
Provisions		42,940		49,242	
Deferred tax liability		0		0	
Total non-current liabilities			**858,366**		**803,891**
Trade and other payables		920,313		720,139	
Current income tax liabilities		11,790		5,691	
Borrowings and bank overdrafts		200,014		177,484	
Financial instruments		92,848		114,108	
Total current liabilities			**1,224,965**		**1,017,422**
TOTAL EQUITY AND LIABILITIES			**3,310,447**		**2,940,336**

Condensed statement of changes in total equity

In thousands of US Dollars

	2007	2006
Total equity at 1 January	1,119,023	895,336
Translation differences	1,056	896
Movement financial instruments	4,294	45,824
Other movements	6,094	1,515
Net income directly recognised in equity	*11,444*	*48,235*
Profit for the year	136,083	97,671
Change in minority interests	3,203	44
Total income and expense for the year	*139,286*	*97,715*
Dividend	(56,592)	(70,546)
Share options exercised / bonus shares	13,955	15,999
Total equity at 30 June	**1,227,116**	**986,739**

The General Meeting of Shareholders held on 15 May 2007 approved a dividend per ordinary share of US$ 0.770 (2006: US$ 0.825).

Condensed consolidated interim statement of cash flows

In thousands of US Dollars

	6 months ended 30 June 2007	6 months ended 30 June 2006
Cash flow from operating activities	64,698	401,996
Cash flow from investing activities	(216,244)	(240,726)
Cash flow from financing activities	38,532	(82,514)
Net increase/(decrease) in cash and bank balances	**(113,014)**	**78,756**
Cash and bank balances at beginning of period	339,686	144,850
Net cash divestments	(581)	-
Exchange gains/(losses) on cash and bank balances	2,025	2,963
Cash and cash equivalents end of period	**228,116**	**226,569**

The reconciliation of the cash and cash equivalents as at 30 June 2007 with the corresponding amounts in the balance sheet is as follows:

Cash and cash equivalents	234,865
Bank overdrafts	(6,749)
Cash and cash equivalents	**228,116**

The interim financial statements have not been audited.

Notes to the condensed consolidated interim financial statements

SBM Offshore N.V. is a company domiciled in Rotterdam, the Netherlands. The condensed consolidated interim financial statements for the six months ended 30 June 2007 comprise the interim financial statements of SBM Offshore N.V. and its subsidiaries (together referred to as the 'Company') and the Company's interest in associates and jointly controlled entities.

Statement of compliance

The condensed consolidated interim financial statements for the half year ended 30 June 2007 have been prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial statements (IAS 34). The information in the interim financial statements has been prepared based on the IFRS standards and interpretations, adopted by the EU.

Basis of preparation

The condensed consolidated interim financial statements are presented in US Dollars, rounded to the nearest thousand. The accounting policies and methods of computation followed in the preparation of the 2007 interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2006. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

Seasonality and cyclicality

The interim financial result of SBM Offshore is not materially impacted by either seasonality or cyclicality of the operations.

Use of estimates

In the preparation of the interim financial statements, it is necessary for the Management of the Company to make estimates and certain presumptions that can affect the valuation of the assets and liabilities and the outcome of the interim financial statements. The actual outcomes may differ from these estimates and presumptions. Estimates and judgements are continually evaluated and are based on historical experience and factors, including expectations of future events that are believed to be reasonable.

In particular, significant areas of estimation, uncertainty and critical judgements in applying the accounting policies having the most significant effect on amounts recognised in the interim financial statements are:

- estimation of the anticipated useful life of the leased facilities;
- lease classification;
- revenue recognition on construction contracts based on the stage of completion method;
- estimated impairment of intangible fixed assets.

1. Segment information

6 months ended 30 June 2007 *In thousands of US Dollars*	**Lease**	**%**	**Turnkey**	**%**	**Consolidated**
Segment revenue	333,704	24.0	1,054,691	76.0	1,388,395
Gross margin	99,949	45.5	119,671	54.5	219,620
Other income	41		66		107
Unallocated income and expenses	–		–		(68,535)
Operating profit (EBIT)					151,192
Net financing costs					(5,914)
Share of profit of associates					0
Income tax expense					(6,028)
Profit					**139,250**

6 months ended 30 June 2007 *In thousands of US Dollars*	**Lease**	**%**	**Turnkey**	**%**	**Consolidated**
Segment revenue	281,615	34.2	541,364	65.8	822,979
Gross margin	91,035	52.6	81,903	47.4	172,938
Other income	585		335		920
Unallocated income and expenses	–		–		(57,965)
Operating profit (EBIT)					115,893
Net financing costs					(13,525)
Share of profit of associates					0
Income tax expense					(4,616)
Profit					**97,752**

Notes

Non-Recurring Items

In 2007 20% of the shares in the owning and operating companies of the FPSO Capixaba were sold to Star International Drilling (“STAR”). STAR shares in the result for the FPSO with effect from 1 April 2006.

During the course of the first six months of 2007 the airport interiors and passenger boarding bridges activities of NKI Group B.V. and NKI Aviobridge were sold to 3rd parties.

The combined impact of the above events upon the 2007 mid-year results amounts to a non-recurring net gain of around US$ 6 million.

The 2006 Turnkey segment figures include the sale of 49 percent of the shares in the group companies owning and operating the FPSO Brasil to MISC Berhad. The transaction generated turnover of US$ 103.7 million and net profit in excess of US$ 10 million. The related cash flow is included in cash flow from operating activities.

Allocation of Selling, General and administrative expenses

Unallocated income and expenses include Selling, General and Administrative expenses for US$ 60.3 million in 2007 (2006: US$ 42.7 million). For analytical review purposes approximately one third of these costs can be considered as attributable to the lease segment. Unallocated costs also include Other operating expenses, which correspond mainly to Research and Development activities and relate principally to the Turnkey segment.

2. Earnings per share

The basic earnings per share for the period amounts to US$ 0.96 (2006: US$ 0.70); the fully diluted earnings per share amounts to US$ 0.95 (2006: US$ 0.70).

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings per share amounts are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into ordinary shares.

The following reflects the share data used in the basic and diluted earnings per share computations:

	2007	**2006**
Number of shares outstanding at 1 January	140,715,535	137,774,324
Stock dividend	221,571	257,400
New share issue (re exercised options)	372,925	631,110
Weighted average number of shares	141,310,031	138,662,834
Weighted average number of shares to be granted without payment under the stock option scheme	2,016,238	1,789,046
Weighted average number of shares (diluted)	**143,326,269**	**140,451,880**

3. Property, plant and equipment

Total movement in property, plant and equipment is as follows:

In thousands of US Dollars

	2007	**2006 Full year**
Book value 1 January	1,662,222	1,704,463
Additions	218,940	299,060
New in consolidation	-	9,933
Disposals	(1,846)	(72)
Depreciation	(117,100)	(222,409)
Exchange rate differences	2,251	9,440
Deconsolidation and other movements	(11,001)	(138,193)
Movements during the year	91,244	*(42,241)*
Book value 30 June (full year: 31 December)	**1,753,466**	**1,662,222**

4. Long term loans and other liabilities

Included in long term loans and other liabilities are interest bearing loans and borrowings. The movement in the interest bearing loans and borrowings is as follows:

In thousands of US Dollars	**2007**	**2006 Full year**
Long term portion	754,649	741,440
Add: short term portion	170,810	208,031
Remaining principal 1 January	**925,459**	**949,471**
Additions	166,740	710,470
Redemptions	(83,508)	(734,482)
Movements during the year	*83,232*	*(24,012)*
Remaining principal	1,008,691	925,459
Less: short term portion	(193,265)	(170,810)
Long term portion 30 June (full year: 31 December)	**815,426**	**754,649**

5. Subsequent events

No reportable events have occurred after the balance sheet date.

To the Supervisory Board and Board of Management of SBM Offshore N.V.

Report on review of condensed consolidated interim financial statements

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements consisting of the consolidated balance sheet of SBM Offshore N.V., Rotterdam ("the Company") as at 30 June 2007, the related consolidated income statement, condensed statement of changes in total equity and cash flows for the six-month period then ended and condensed explanatory notes (hereafter referred to as 'interim financial statements'). Management of the Company is responsible for the preparation and fair presentation of the interim financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union (IAS 34). Our responsibility is to express a conclusion on the interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Rotterdam, 28 August 2007

KPMG ACCOUNTANTS N.V.
J.C.M. van Rooijen RA