

A worker in a white protective suit and hard hat stands in front of an industrial offshore structure. The worker's suit has an SBM Offshore logo on the chest. The background shows a complex network of yellow and blue metal structures.

# SBM OFFSHORE

Full Year 2012 results presentation, 14 February 2013

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# SBM 2012 in context

**99%**  
**Uptime in  
Fleet**

44% Change in Top  
Management

**FPSO<sup>B</sup>**

REVENUE UP 17%

**17 Units in  
production**

**7 493 people**

**3 CHALLENGES**

0.06 LTIFR

9.95% additional  
equity

**7 tenders  
outstanding**

**US\$ 1.7 bln  
new financing**



# Agenda

- 2012 Review
- 2012 Financials
- Outlook



# 2012 Review



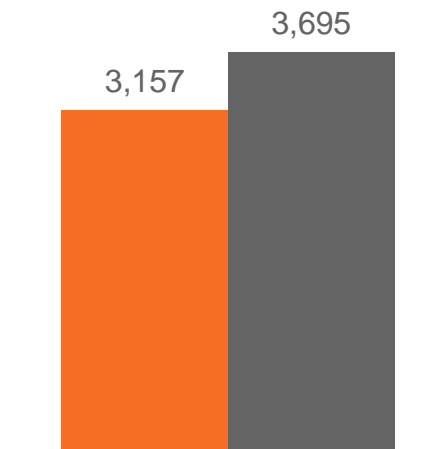
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# Key Figures FY 2012

(In millions of US\$)

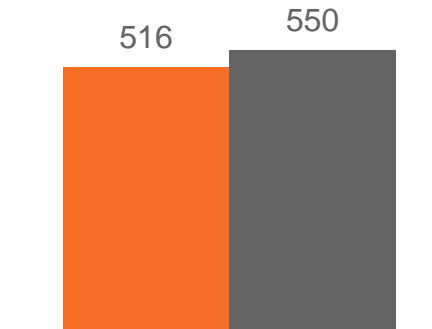
YE 2011    YE 2012

## Turnover

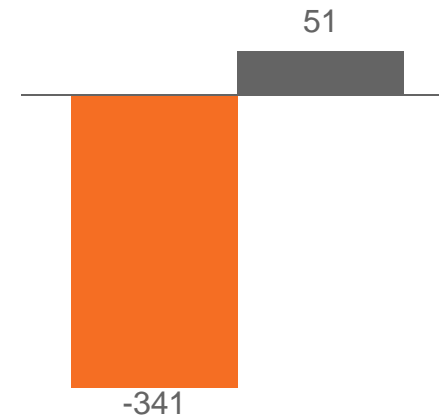


## EBIT

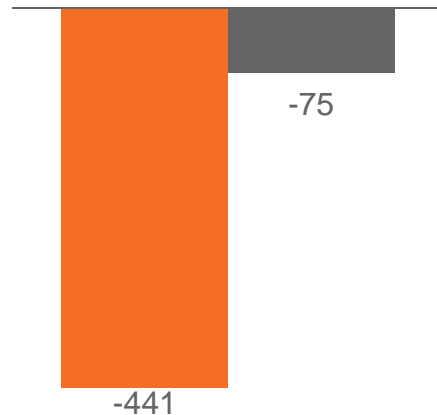
before impairments,  
provisions and  
divestments



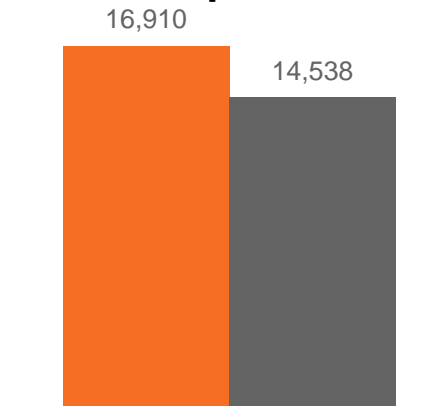
## EBIT



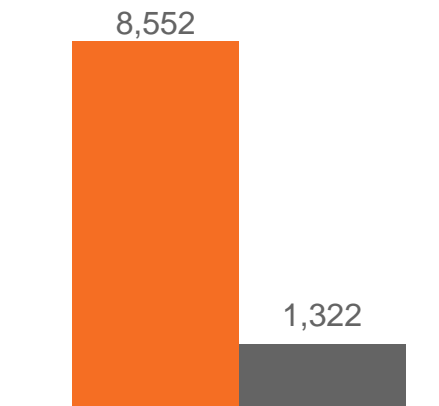
## Net Income



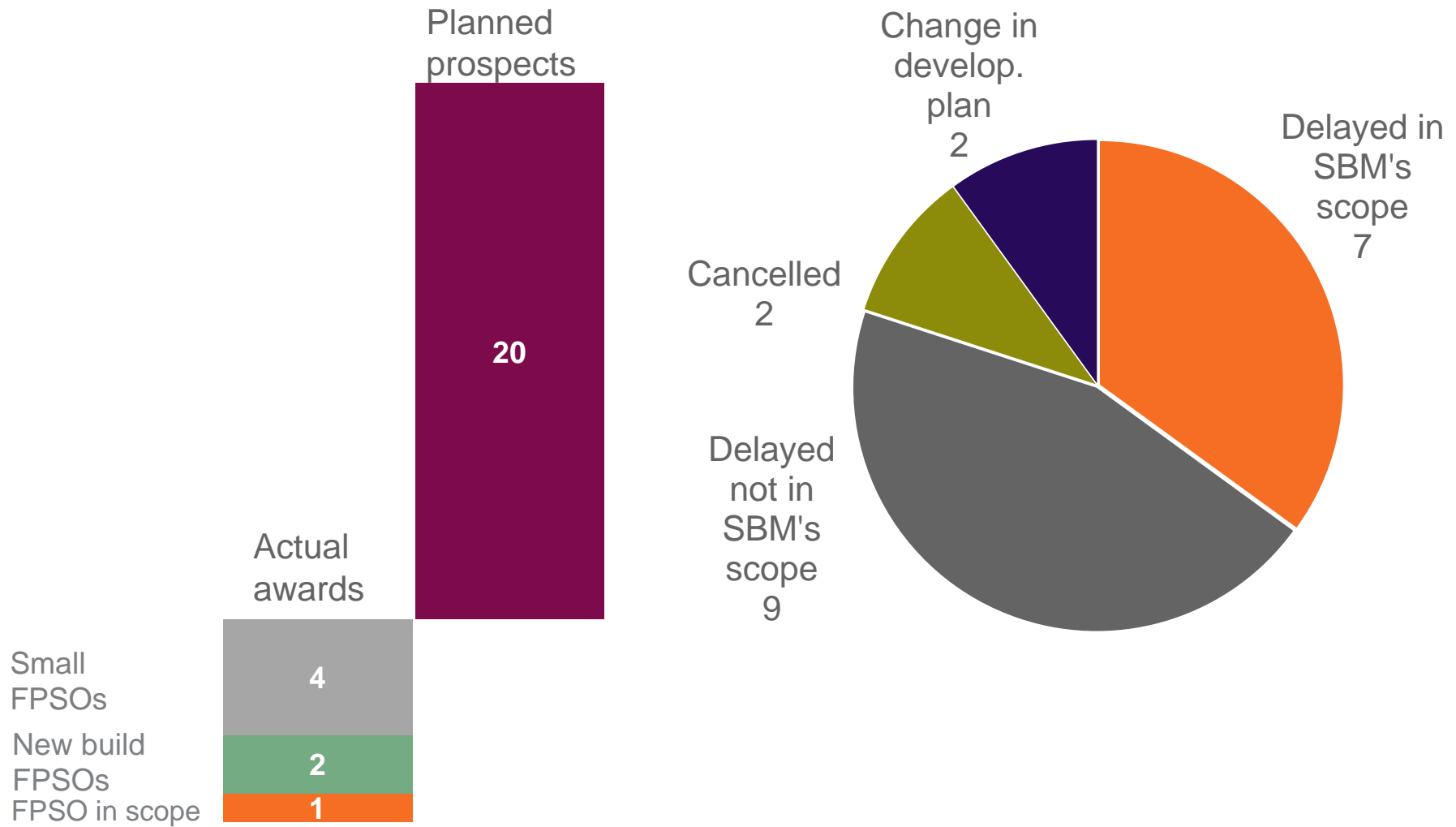
## Order portfolio



## Total orders

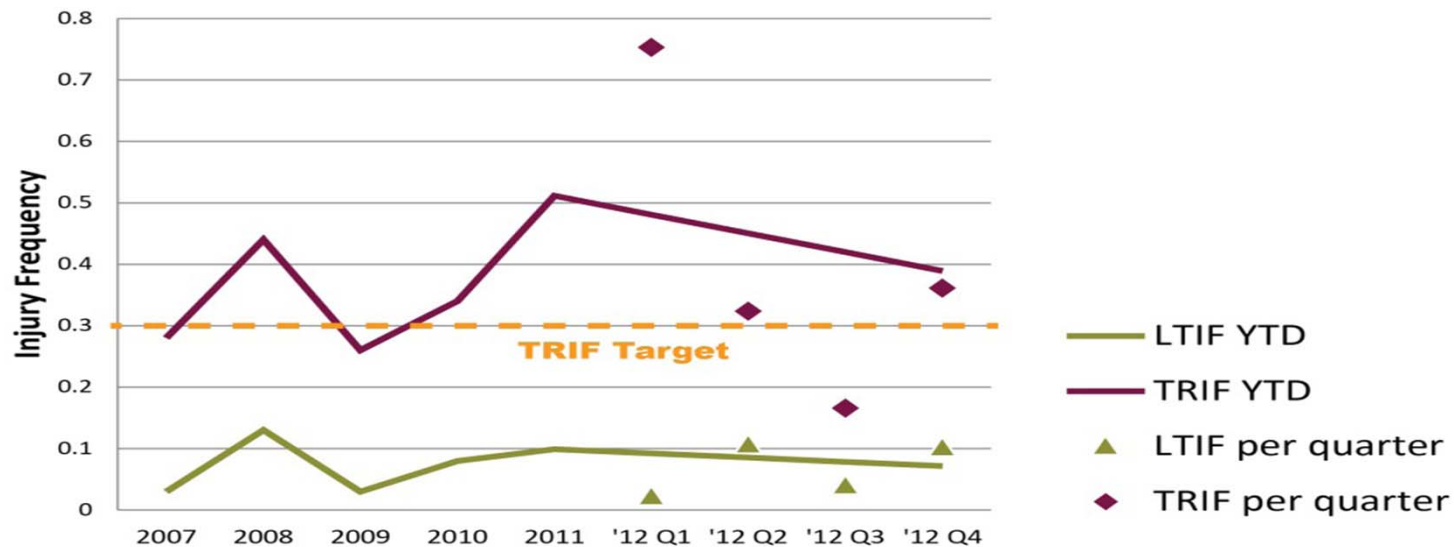


# FPSO market: 2012 SBM review



# 2012 HSSE results improving

- Frequency of recordable injuries\* improved by 25%
- Environmental Performance: ISO 14001 Certification maintained for fleet and extended to include OHSAS certification for Health & Safety
- More than 40% of the fleet was injury free for over one year



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

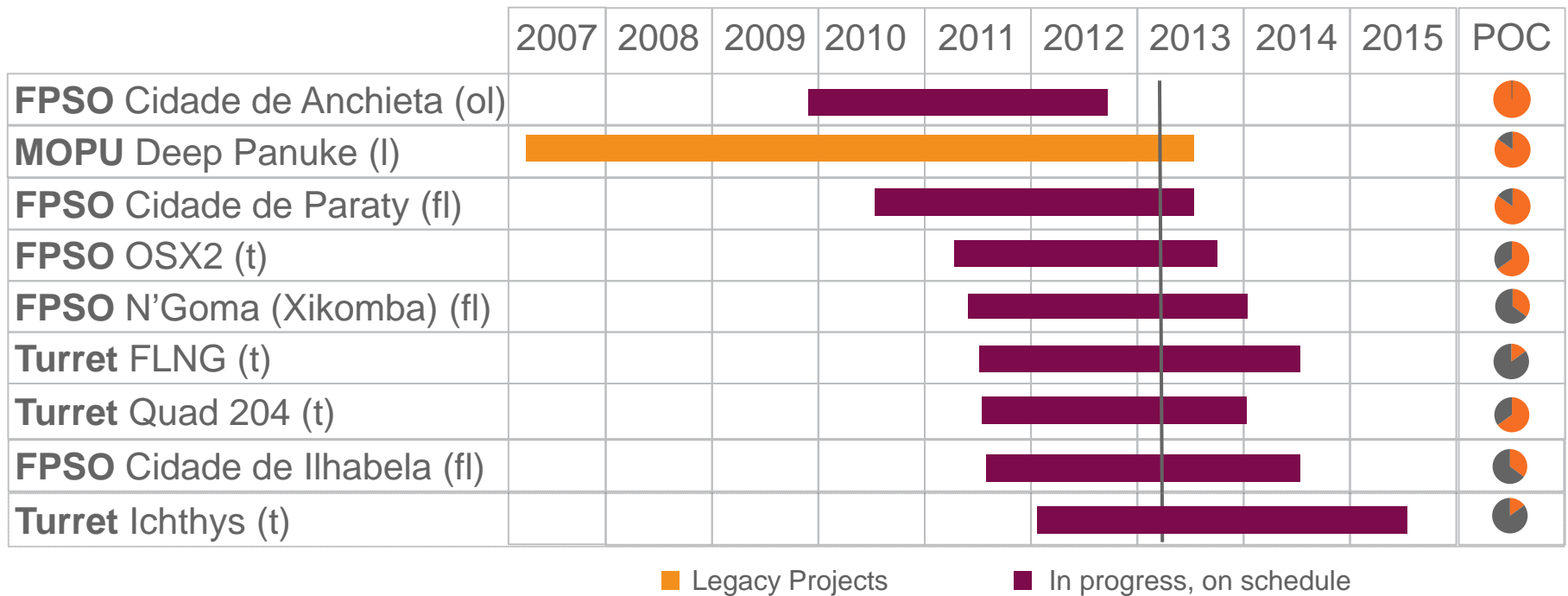


# FPSO Cidade de Ilhabela- Project in China

4 million exposure hours without Lost Time Injury



# Core project activity on track



Legend, Percentage of completion

<25%



25%<50%



50%<75%



>75%



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

# Cidade de Paraty - Brazil



# Large turrets - niche player



# Strong fleet performance



- Uptime: 99%
- Offloads: 440

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# Yme update

- Balance of our expectation: platform to be decommissioned
- Write-down of full book value, December 2012, for US\$ 398mln
- US\$ 200mln provision for settlement costs
- Agreement still under discussion with Talisman
- In the absence of a final agreement, arbitration will continue

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# Financing

- US\$ 1.7 billion project financing secured at attractive levels despite difficult lending market
- US\$ 200 million already achieved in the non core assets disposal programme, US\$ 128 million additional equity
- Balance sheet restored through 9.95% private placement year end 2012: US\$ 193 million additional equity secured
- Strong liquidity position at year end: US\$ 748 million in cash+ US\$ 750 credit facility undrawn

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# Potential Rights issue

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- 10% Rights issue triggered if Yme agreement by March 11, 2013
- Rights issue price and volume fully underwritten by HAL
- The underwriting price depends on the outcome of Yme agreement
- Accelerated schedule for AGM (2 April 2013) to approve Rights issue



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# Compliance

- In April 2012, the Company announced it had initiated an internal investigation into potentially improper sales practices.
- This investigation is being carried out by outside counsel and forensic accountants.
- The Company has disclosed this internal investigation to appropriate authorities and has taken remedial action to enhance its compliance programme.
- The investigation is still in progress; typically these types of investigation take 12 to 18 months to conclude.
- Consequently, at this point it is not possible to provide further information or an estimate of the financial effect, if any.



# 2012 Financials



# Financial Overview 2012

## P&L Total Group (in millions of US\$)

	FY 12	FY 11	Variance	Comment
Turnover	3,695	3,157	17%	Increase driven by Systems following last years orders
Gross Margin (% Margin)	124 (+3.3%)	(161) (-5.1%)	NM	Underlying improvements driven by additional revenues offset by Talisman & Encana impairments in 2011/2012
EBIT (% Margin)	51 (+1.4%)	(341) (-10.8%)	NM	Underlying improvements offset by Talisman & Encana impacts in 2011 (-857m\$) & 2012 (-627m\$)
EBIT before impairments, provisions and divestments (% Margin)	550 (+14.9%)	516 (+16.4%)	6%	Strong L&O contribution partially offset by lower profitability of Turnkey Systems in 2012
Net Profit (% Margin)	(75) (-2%)	(440) (-14.0%)	+83%	Net profit evolution impacted by Talisman & Encana in 2011/2012 and capital gains in 2012
Total Orders	1,322	8,552	-85%	Low orders level compared to last year record level. Includes Yme & GustoMSC derecognition
Order Portfolio	14,538	16,910	-14%	Driven by high revenues, low orders and Yme derecognition and GustoMSC deconsolidation
Order Portfolio OL view	16,524	18,292		

# Financial Overview Full Year 2012

## Lease and Operate (in millions of US\$)

	FY 12	FY 11	Variance	Comment
Turnover	932	867	8%	Driven by Aseng (1st oil November 2011) offset by lower revenue of vessels in conversion (Xikomba & Espadarte)
Gross Margin (% Margin)	(299) (-32.1%)	(590) (-68.0%)	NM	GM heavily impacted by Talisman & Encana in 2011 (-857m\$) and 2012 (-627m\$)
EBIT (% Margin)	(327) (-35.1%)	(618) (-71.2%)	NM	As above
Total Orders	188	3,161	-94%	Low orders compared to last year record level Includes Yme contract derecognition
Order Portfolio	10,556	11,310	-7%	Driven by revenues, low orders and Yme derecognition. It represents more than 11 year's equivalent turnover.

# Financial Overview Full Year 2012

## Turnkey Systems (in millions of US\$)

	FY 12	FY 11	Variance	Comment
Turnover	2,482	1,989	25%	Increase driven by Cidade de Ilhabela, N'Goma and OSX contributions
Gross Margin (% Margin)	348 (+14.0%)	339 (+17.0%)	3%	Lower GM% mainly explained by very high GM % achieved in 2011 on projects delivered and higher impact of the new POC policy (-74m\$ vs -57m\$)
EBIT (% Margin)	357 (+14.4%)	241 (+12.1%)	48%	EBIT boosted by GustoMSC capital gain
Total Orders	943	5,015	-81%	Low orders compared to last year record level
Order Portfolio	3,791	5,330	-29%	2012 level represents 1.5 year's equivalent revenues

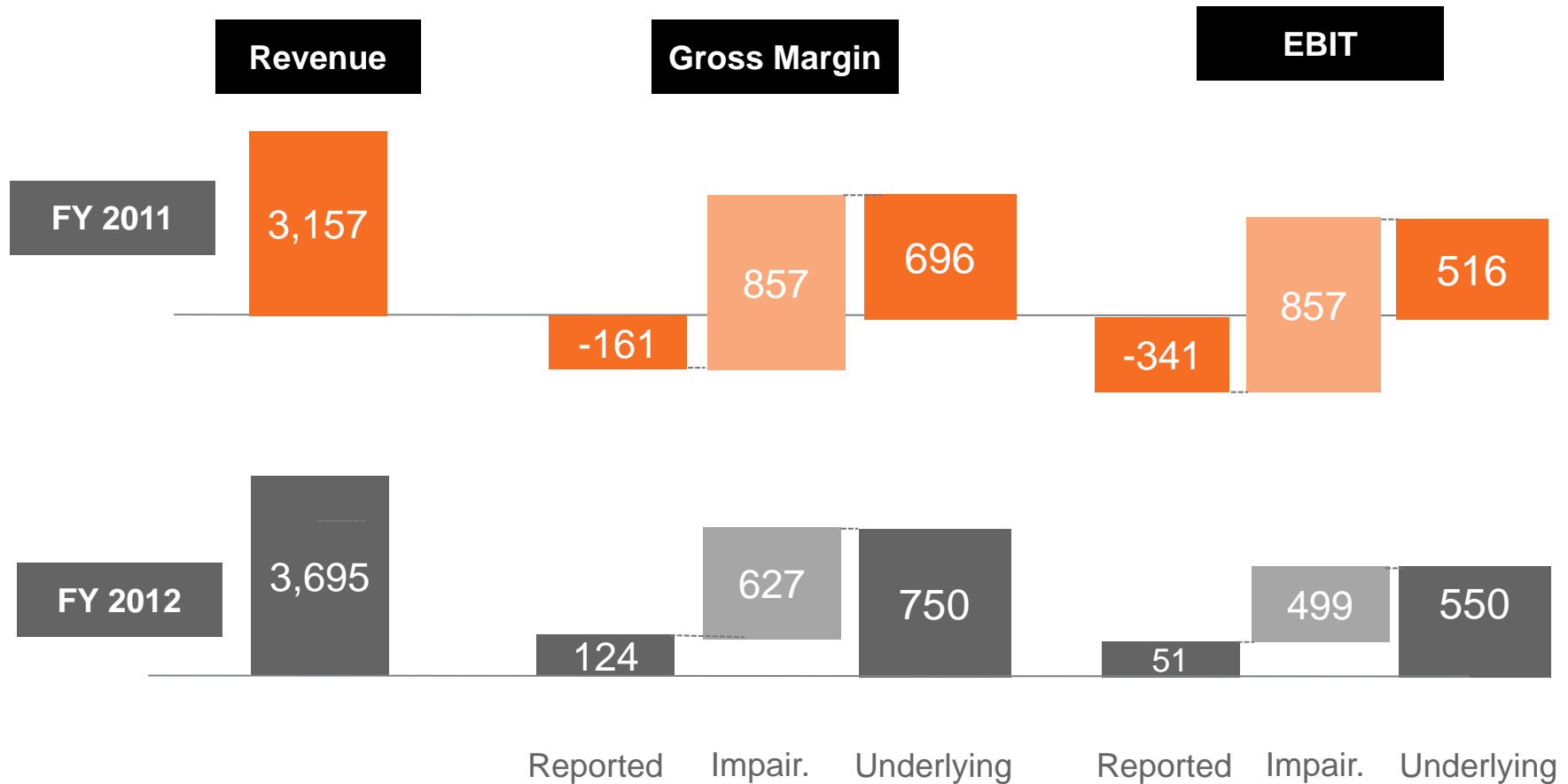
# Financial Overview Full Year 2012

## Turnkey Services (in millions of US\$)

	FY 12	FY 11	Variance	Comment
Turnover	281	302	-7%	Lower third-party revenues due to low 2012 order intake and DI disposal
Gross Margin (% Margin)	74 (+26.4%)	90 (+29.8%)	-17%	
EBIT (% Margin)	69 (+24.5%)	73 (+24.1%)	-5%	
Total Orders	192	376	-49%	Low order intake especially for Calm buoys and offshore contracting
Order Portfolio	181	270	-33%	Low backlog especially Calm buoys and offshore contracting

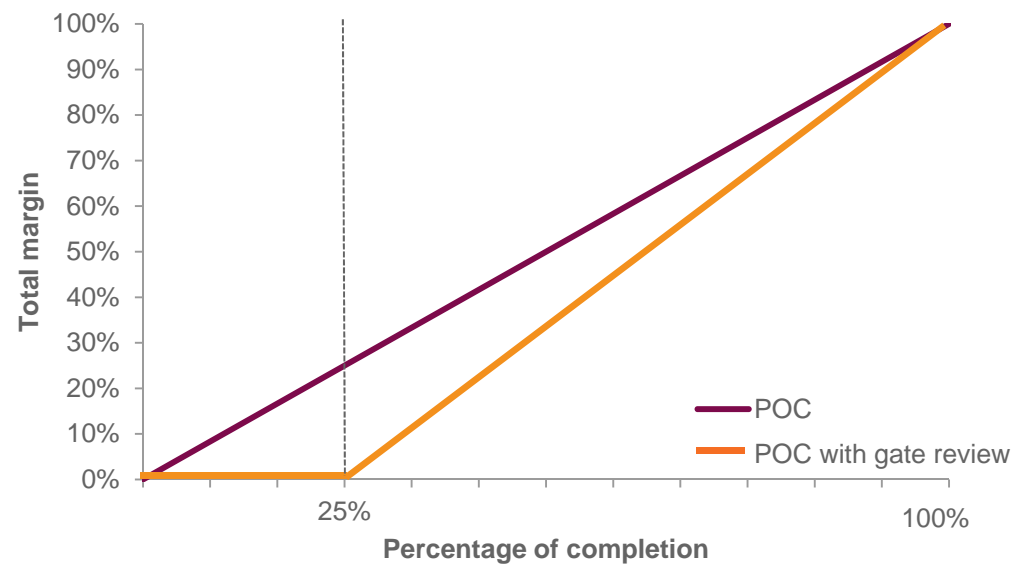
**Turnkey services to be integrated in Turnkey systems in 2013**

# Group results - Pro forma comparisons



# De-risking the business: measures already in place

- Project complexity, scale and duration require additional safeguards
- Gate reviews before margins recognised at a level of at least 25%
- More conservative stance towards contingency levels
- POC effect in 2012: US\$ - 74 mln margin, (US\$ - 57 mln in 2011)





# Financial Overview Full Year 2012

## Balance Sheet Total Group (in millions of US\$)

	FY 12	FY 11	Variance	Comment
Capital Expenditure & Finance lease invest.	1,235	1,414	-13%	FPSOs under construction
Debt	2,531	2,123	19%	
Net Liquidities	748	165	354%	Proceeds from private placement and disposals
Net Debt	1,783	1,958	-9%	Decrease driven by disposals and private placement
Total Equity	1,540	1,349	14%	Loss of the period offset by private placement effect
Net Debt : Equity	116%	145%	-20%	Decrease driven by disposals and private placement
Solvency Ratio	27%	30%	-10%	Decrease driven by growing tangible assets and mitigated by HAL private placement

# New disclosure

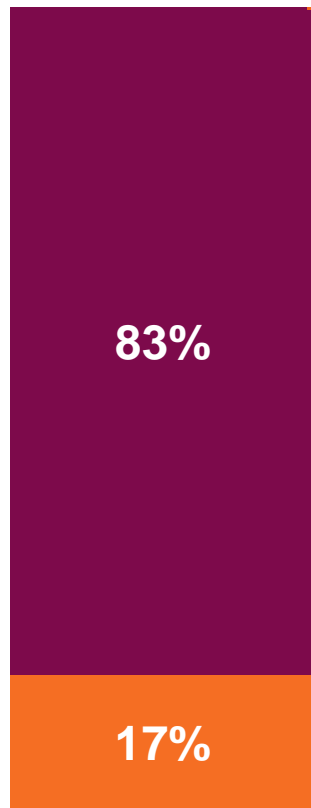
Under IFRS, Lease & Operate backlog understated by US\$ 3bln

- Enhanced reporting: additional information to improve transparency
- Mix of Finance Leases and Operating Leases (OL) in SBM's portfolio
- Finance Leases accelerate revenue recognition through the P&L
  - Thereby understating future cash flows in Lease & Operate backlog
- Taking an "OL view", all Finance Leases have been taken into account as Operating Leases

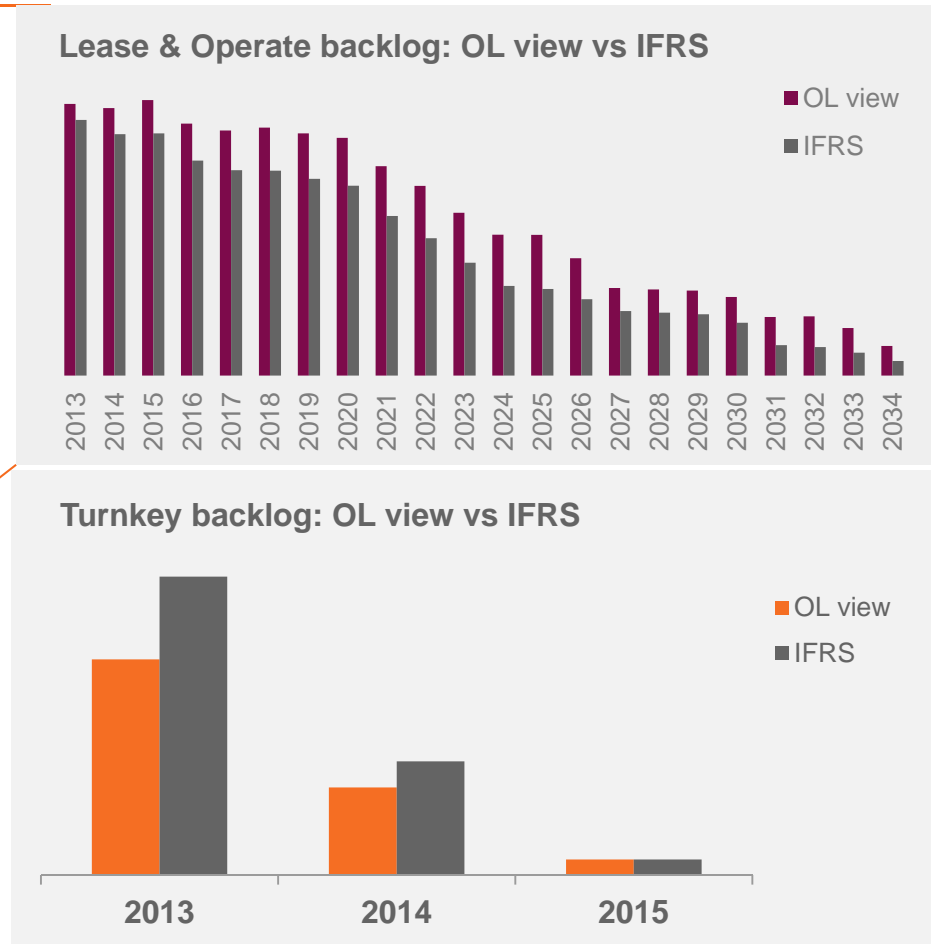
In US\$ bln	OL view	FL impact	IFRS
Lease and Operate	13.6	-3.0	10.6
Turnkey	3.0	1.0	4.0
Total	16.5	-2.0	14.5

# OL view of total backlog

US\$ 16.5 bln



■ Lease & Operate  
■ Turnkey



# Outlook

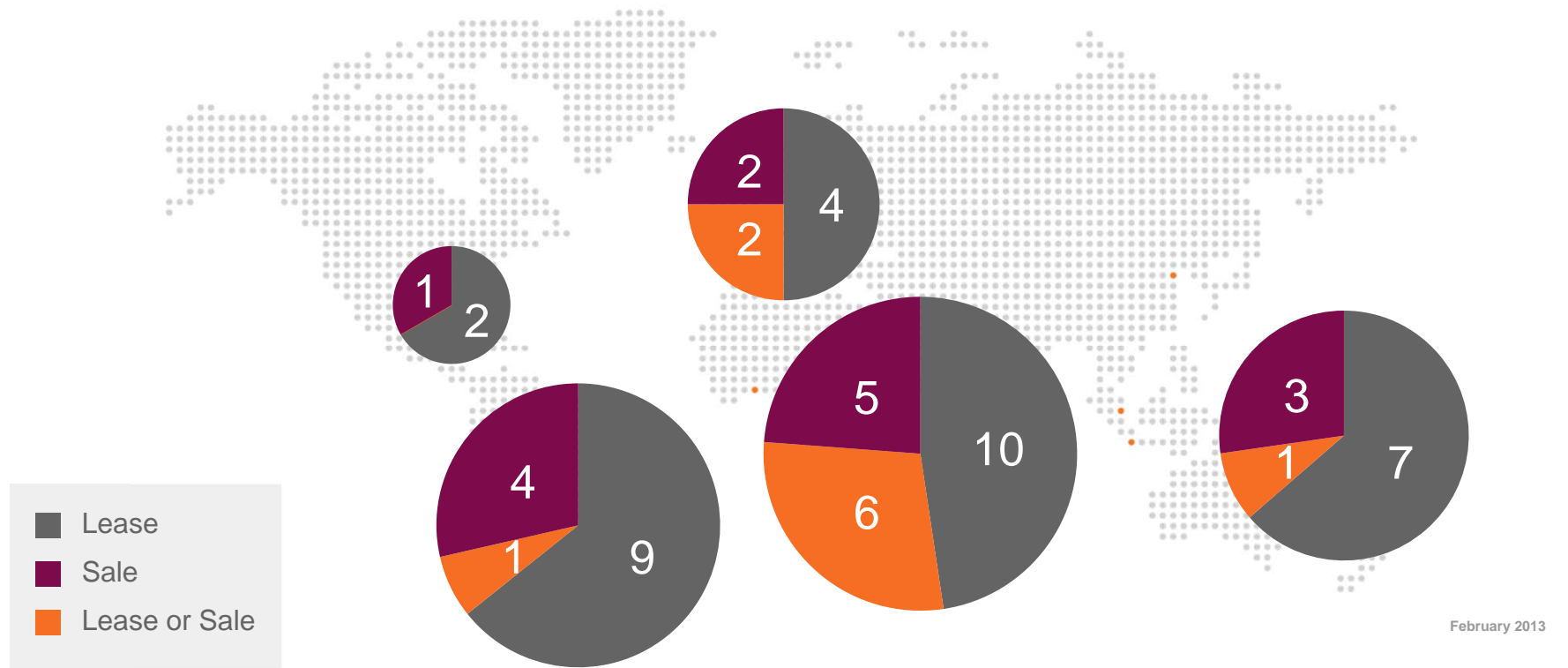


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# FPSO market outlook

Field developments with FPSOs over the next 3 years

57 FPSO projects to be awarded,  
SBM will bid around 20 to obtain its targeted share



February 2013

(source: internal analysis)

# R&D

Maintain our technological edge



- Focus on 3 areas:
  - ✓ FPSOs
  - ✓ Topsides
  - ✓ Moorings

# 2013: areas of focus

Closure of legacy projects

Selective bidding policy

Investment in  
technological edge

Restoring pride



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# Outlook 2013

- Delivery of Deep Panuke, Cidade de Paraty and OSX2
- No dividend
- Turnover of approximately of US\$ 4 bln, of which respectively
  - ✓ US\$ 1bln in Lease & Operate
  - ✓ US\$ 3bln in Turnkey
  - ✓ 8% increase over 2012





# Q&A Session



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# Notes

A photograph of an offshore oil rig at sunset. The rig's complex structure of pipes, ladders, and platforms is illuminated by warm lights, contrasting with the cool blue and orange tones of the twilight sky. The ocean is visible in the background.

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