subsea 7

Barclays New York conference

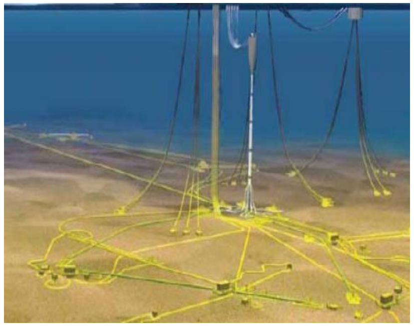
September 2012

Forward-looking statements

Certain statements made in this announcement may include “forward-looking statements”. These statements may be identified by the use of words like “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “plan,” “forecast”, “project,” “will,” “should,” “seek,” and similar expressions. These statements include, but are not limited to, statements about expectations as to the Group’s performance in 2012, including expected revenue and Adjusted EBITDA for 2012 and relevant expectations, statements as to the outlook for the Group’s industry, statements contained in the "Outlook" section. The forward-looking statements reflect our current views and assumptions and are subject to risks and uncertainties. The principal risks and uncertainties which could impact the Company and the factors affecting the business results are on outlined in the “Risk management” section in the Company’s Annual Report and Financial Statements. These factors, and others which are discussed in our public filings, are among those that may cause actual and future results and trends to differ materially from our forward-looking statements: actions by regulatory authorities or other third parties; unanticipated costs and difficulties related to the integration of Subsea 7 S.A. and Subsea 7 Inc. and our ability to achieve benefits therefrom; our ability to recover costs on significant projects; the general economic conditions and competition in the markets and businesses in which we operate; our relationship with significant clients; the outcome of legal and administrative proceedings or governmental enquiries; uncertainties inherent in operating internationally; the timely delivery of ships on order and the timely completion of ship conversion programmes; the impact of laws and regulations; and operating hazards, including spills and environmental damage. Many of these factors are beyond our ability to control or predict. Given these factors, you should not place undue reliance on the forward-looking statements.

A pure play on subsea construction and services

SURF



- Global footprint
- Growing market
- Experts in design, engineering, fabrication, installation and commissioning
- Proven execution track record
- World-class assets and technology

Conventional

- West Africa focus
- Strong market
- Local expertise
- Proven execution track record

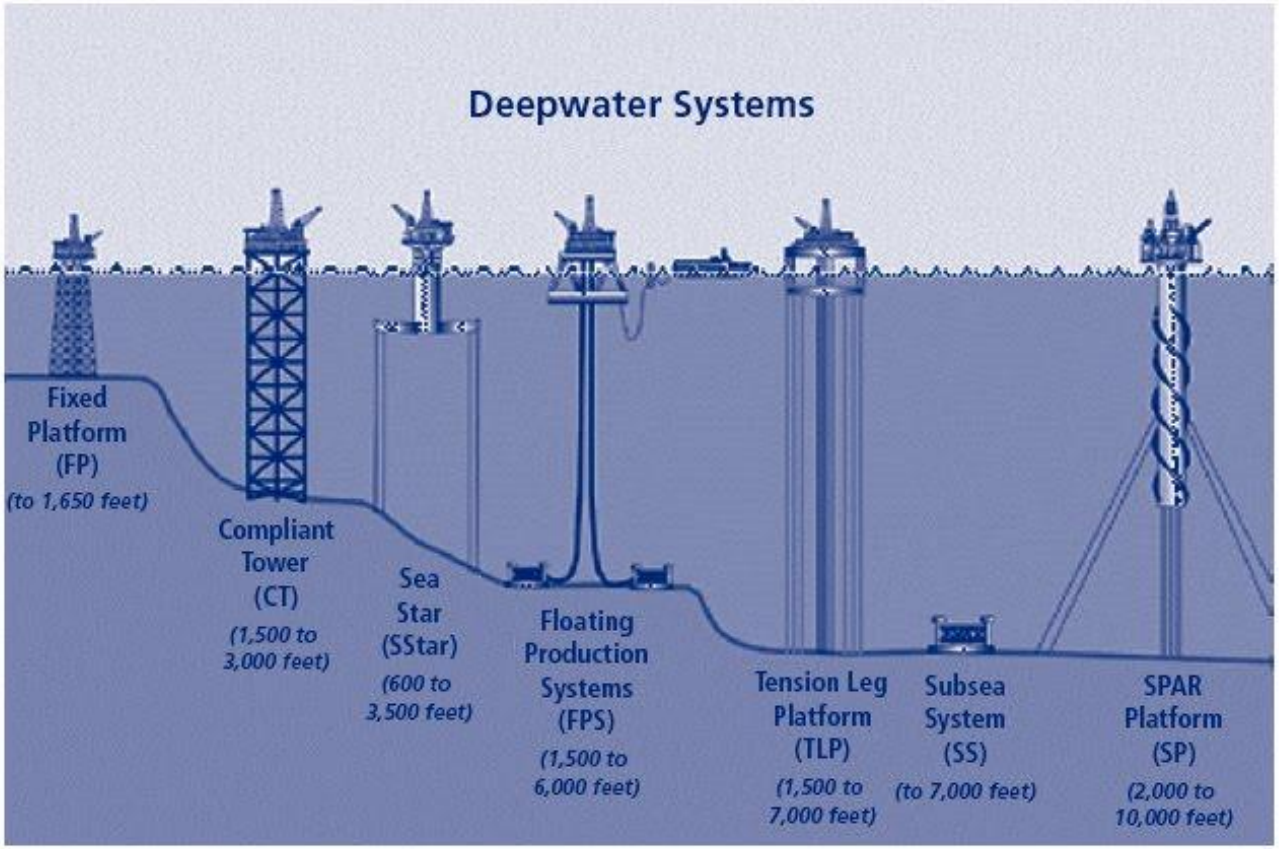
Renewables

- Northern Europe focus
- Emerging market
- Leveraging our subsea expertise and know-how
- Working with partners to develop new economics and solutions

Life-of-Field

- Regionally focused
- Growing market
- Experts in Life-of-Field solutions
- Specialised assets and innovative technology
- Proven track record

Industry trends – offshore, deeper, more complex



Deeper waters and more challenging environments

Growing size and complexity of EPIC contracts

Shortage of resources in growing global market

Local content requirements

Risk management and reliability paramount

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Subsea 7's key assets

Market positioning

Global leaders in EPIC

Subsea 7	Technip	Saipem

EMAS-AMC	McDermott	Heerema	Allseas

Regional/ niche players

Ocean Installer	Fugro	Trico	Sapura Crest	COOEC	Mer maid	Ocean eering	Helix	DOF	Swiber

Local Players

Competitive advantage in SURF is multi-faceted

BARRIER	SCALE
Access to capital	Medium
Vessels and onshore facilities	Medium
Technology	Medium
Engineering and project management processes	High
Market positioning	High
Knowhow, people, track record	High
Local content (Africa)	High

barriers to entry in SURF steadily rising

Delivered good Q2 2012 results

In $ millions, unless indicated	Three months Ended 30.Jun.12 unaudited	30.Jun.11 unaudited
Revenue	**1,484**	1,335
Net operating income	**246**	210
Gain on sale of NKT Flexibles	**220**	-
Net income before taxes	**504**	190
Taxation	**(93)**	(64)
Net income	**411**	126
Adjusted EBITDA [1]	**326**	307
Adjusted EBITDA margin	**22.0%**	23.0%
Per share data (diluted)		
Diluted earnings per share	**$1.11**	$0.32
Adjusted diluted earnings per share [2]	**$0.52**	$0.32
Weighted average number of common shares	**374.4m**	386.2m

[1] Adjusted EBITDA is defined in the Appendix

[2] Adjusted earnings per share excludes the gain on sale of NKT Flexibles

Good results reflect:

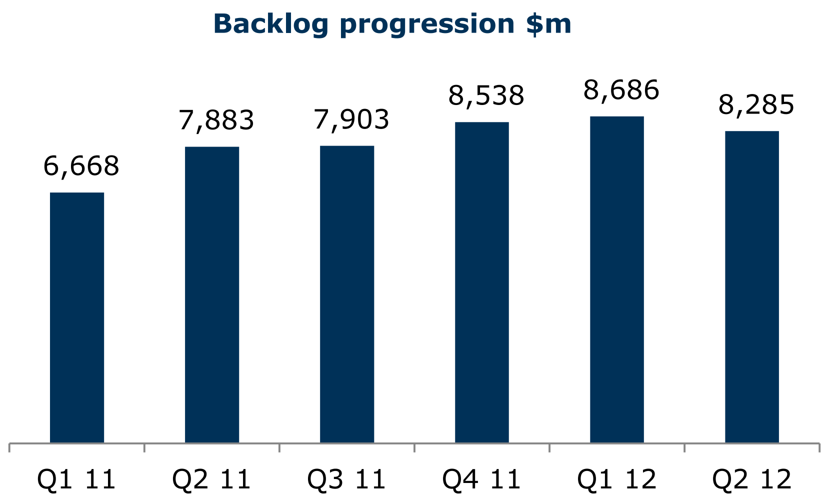
- High activity levels in North and Norwegian Seas; albeit mitigated by
  - poor weather early in quarter
  - execution of lower margin contracts awarded in previous years
- High activity levels in West Africa
- Brazil impacted by scheduled dry-dockings
  - Guara Lula on track as per revised plan
- Good contribution from JV's
  - driven mainly by SHL and SapuraAcergy

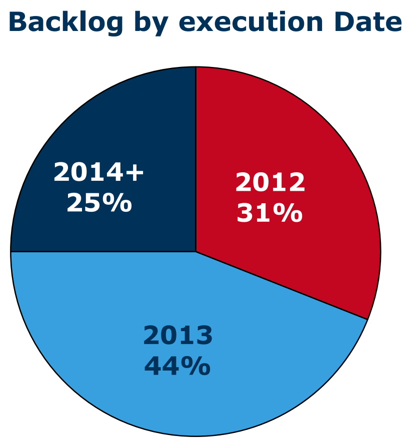
Returns to shareholders

- $200m share buyback programme completed on 6 July
  - 8.6m shares acquired in aggregate (2.4% of total shares outstanding)
- $200m cash dividend paid 5 July
  - equivalent to $0.60 per share
- Veripos Inc. listed on Oslo Børs 26 July
  - distributed as dividend-in-kind on 1 for 10 basis

Backlog

- Backlog remains close to record level





- High level of tendering creates opportunity for further growth

Market overview

- Growth opportunities in all major markets, albeit at differing paces:
  - **NSMC**
    - North and Norwegian Seas: strong levels of tendering and activity
  - **AFGOM**
    - West Africa: a number of major contracts expected to be awarded to market in coming months with offshore operations post-2013
    - Gulf of Mexico: increased number of prospects in the medium term
  - **APME**
    - Pricing conditions remain more challenging than other territories
    - Expect projects to come to market award later this year
  - **Brazil**
    - Petrobras's revised plans remain ambitious:
      - pre-salt developments
      - PLSV contract awards (renewals and new-builds)

Fleet investment programme on track

- Seven Borealis expected to commence operations on CLOV in Q4
- Seven Inagha joined fleet, acquired 50% stake in Normand Oceanic
- Over 40 vessels - continue to enhance our fleet to drive profitable growth

SURF

Conventional

JVs

Life-of-Field

Divest / Release

**Oleg Strashnov* delivered to the SHL JV

Seven Borealis

Outlook

- We expect to deliver 2012 Adjusted EBITDA in-line with consensus expectations

- Looking further out:
  - NSMC: In the North and Norwegian Seas, we expect low margin contracts awarded in previous years to complete in 2012
  - AFGOM: delay in market award of some large projects in Nigeria and Angola will result in offshore operations in 2014 and 2015
  - APME: SapuraAcergy joint venture expected to start main offshore operations on the Gumusut project in late 2013
  - Brazil: potential renewal of four PLSV contracts in H2 2013. New pre-salt contracts expected to be awarded to market in late 2012 with operations in 2014 and 2015

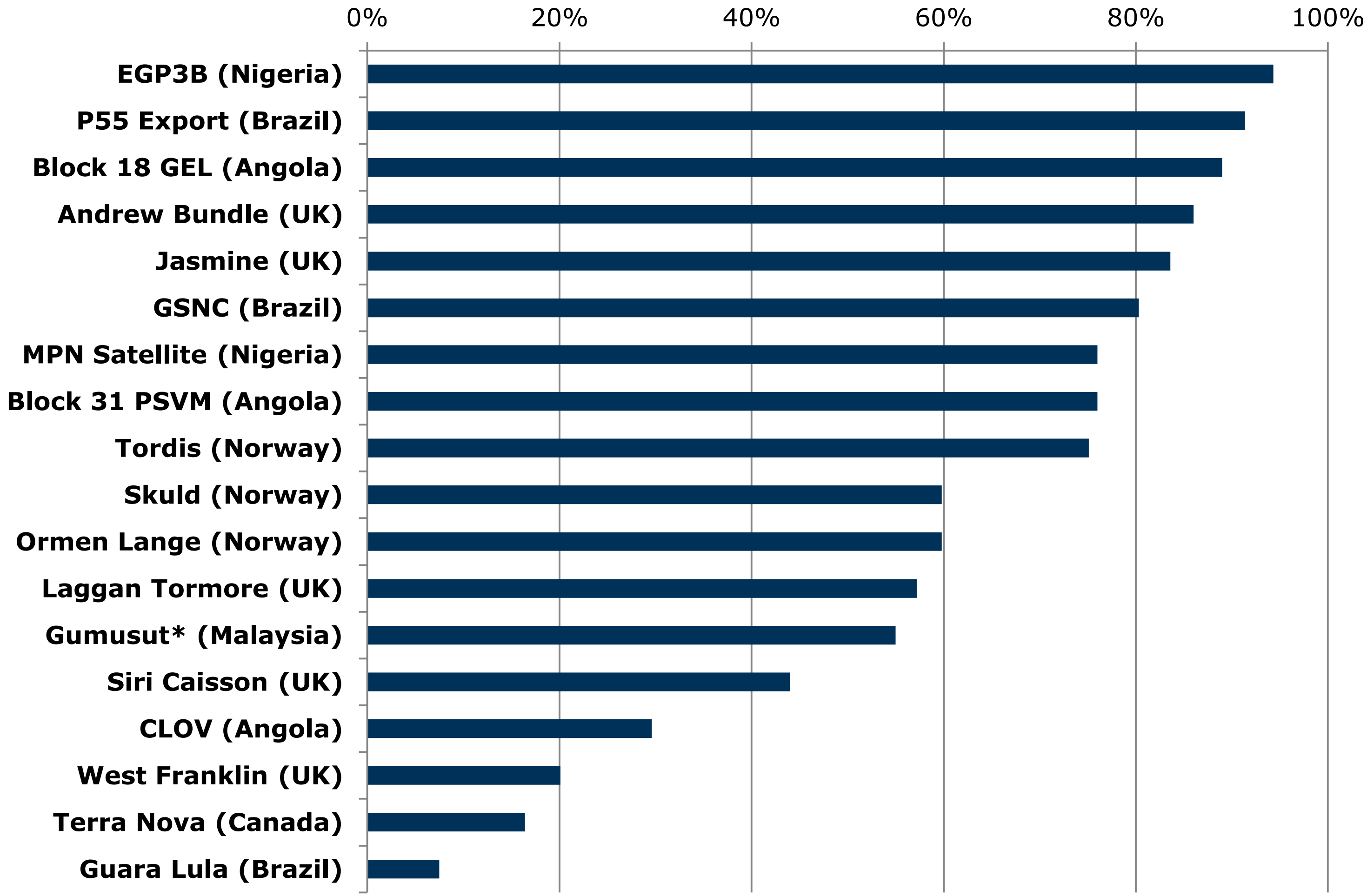
Appendix

Financial guidance

- We expect to deliver 2012 Adjusted EBITDA in-line with consensus expectations
  - JV contribution – flat year-on-year (excluding NKT Flexibles)
- Capex for 2012: $750m-$800m
  - $450m on new vessel programme: Seven Inagha, Seven Borealis, Seven Viking, PLSV
  - $150m on dry-dockings
  - $150m-$200m other assets
- Other financial guidance for 2012
  - administrative expenses: $80m-$85m per quarter (excluding integration costs)
  - integration costs: circa $30m, of which $14m recorded in H1
  - financing costs (net): $25m-$30m
  - depreciation and amortisation expense: $340m-$350m
  - underlying effective tax rate: 32%-35%

Major project progression

Continuing projects >$100m between 5% and 95% complete as at 30 June 2012
excl. long-term ship charters and Life-of-Field day-rate contracts.



* joint venture activity

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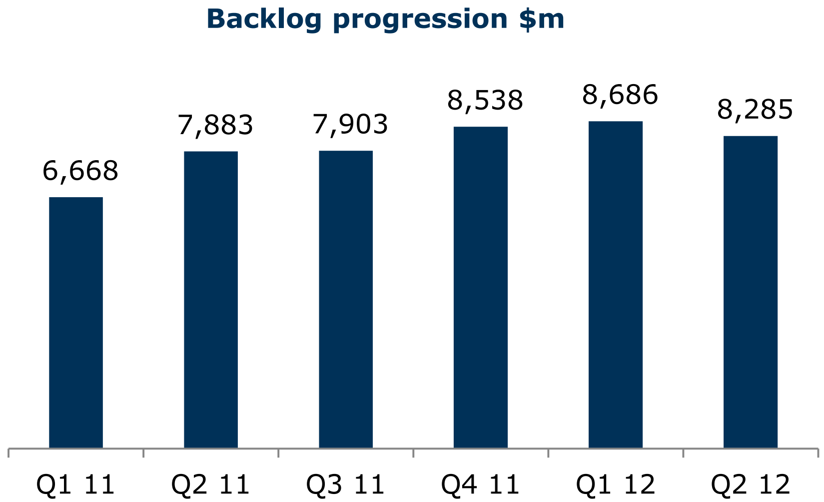
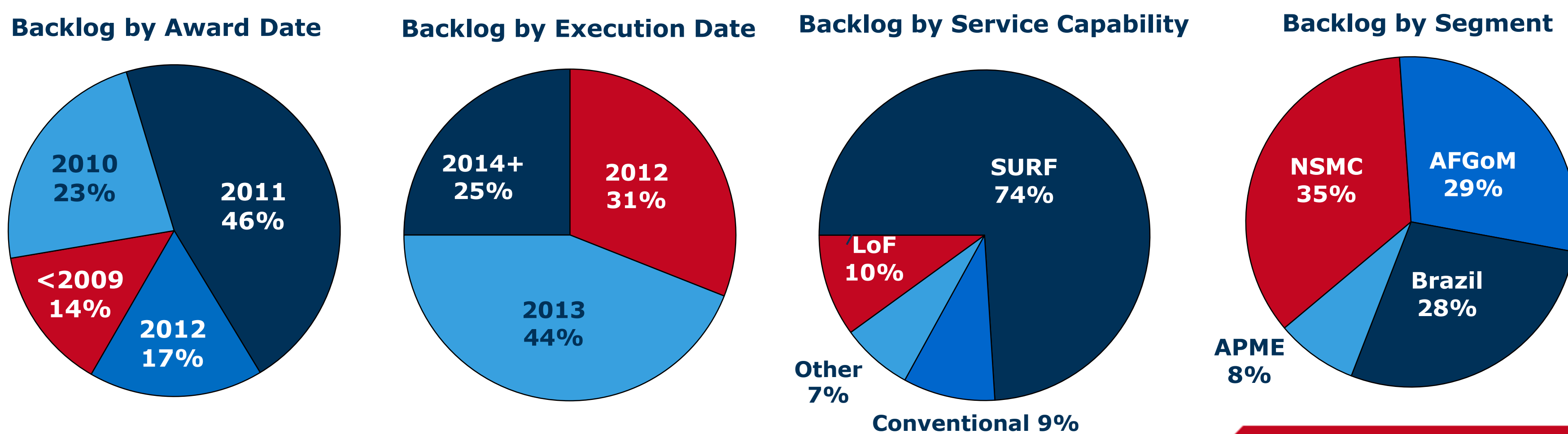
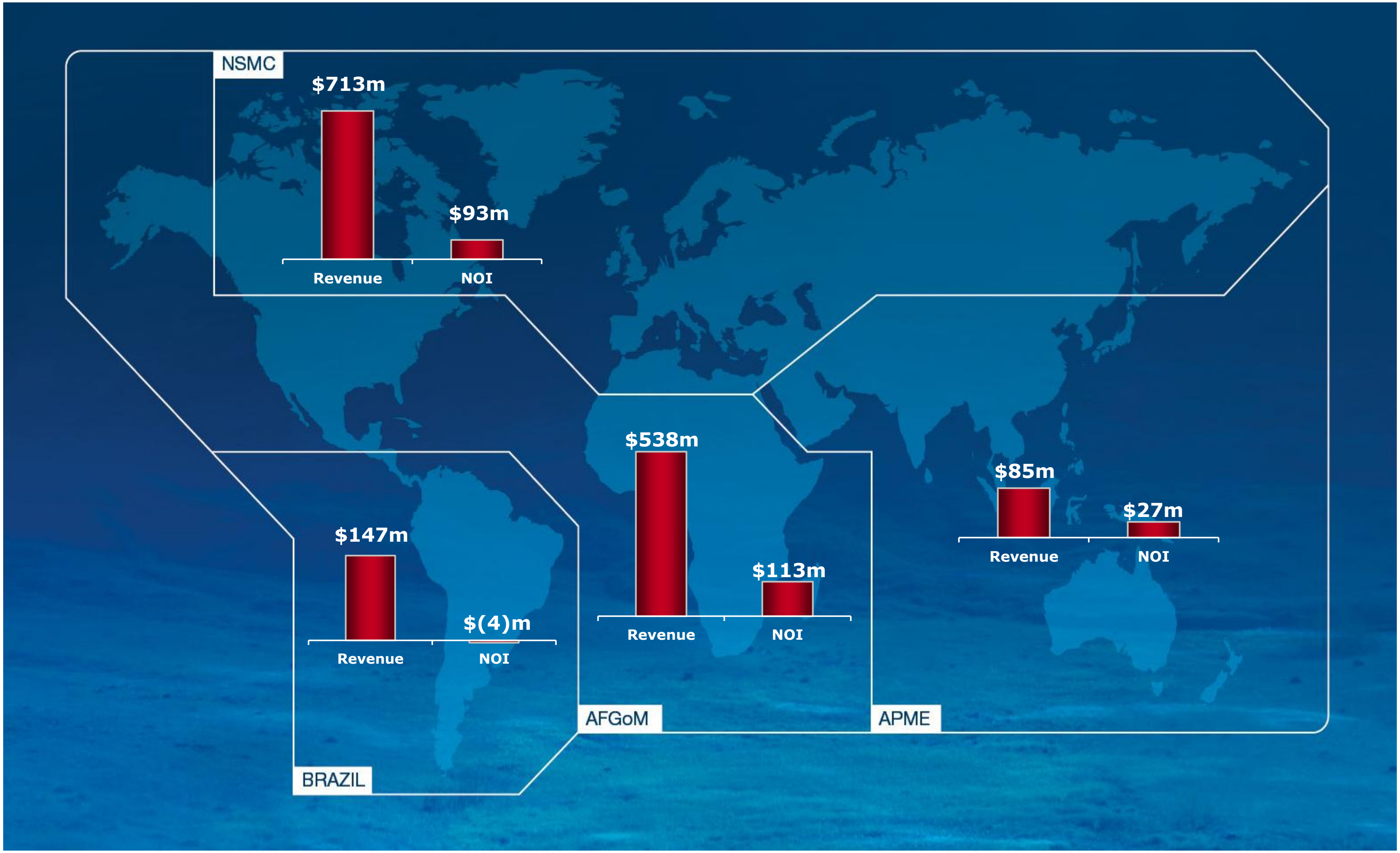
Backlog





Operational performance – Q2 2012



Cash flow and balance sheet overview – 1H 2012

- Cash generated from operating activities: $124m
  - Net increase in operating assets: $309m
- Net cashflow from investing activities: $15m
  - capital expenditure of $338m: Seven Borealis, Seven Inagha, new-build PLSV
  - disposal of NKT Flexibles for net proceeds: $343m
- Net cashflow used in financing activities: $207m
  - share buyback: $191m
- Closing cash balance of $752m
  - $200m cash dividend paid on 5 July

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Income statement – other details

In $ millions	Three months ended 30.Jun.12 Unaudited	Three months ended 30.Jun.11 Unaudited
Administrative expenses	**(77)**	(97)
Share of results of associates and joint ventures	**33**	34
Net operating income	**246**	210
Finance costs net of investment income	**(6)**	(6)
Other gains/(losses)	**263**	(14)
Net income before taxes	**504**	190
Taxation	**(93)**	(64)
Non-controlling interests	**2**	(8)
Net income after non-controlling interests	**413**	118

Note: 'Other gains' in Q2 2012 includes $220m gain on sale of NKT Flexibles

Segmental analysis

***Three months ended 30.Jun.12 Unaudited* In $ millions**	**NSMC**	**AFGoM**	**APME**	**Brazil**	**CORP**	**Total operations**
Revenue	**713**	**538**	**85**	**147**	**1**	**1,484**
Net operating income/(loss)	**93**	**113**	**27**	**(4)**	**17**	**246**
Net interest expense						**(6)**
Other gains/(losses)						**263**
Net income before taxation						**504**

Three months ended 30.Jun.11 Unaudited In $ millions	NSMC	AFGoM	APME	Brazil	CORP	Total operations
Revenue	523	614	41	155	3	1,335
Net operating income/(loss)	45	151	11	17	(14)	210
Net interest expense						(6)
Other gains/(losses)						(14)
Net income before taxation						190

Adjusted EBITDA

- The Group calculates adjusted earnings before interest, income taxation, depreciation and amortisation (‘Adjusted EBITDA’) as net income plus finance costs, other gains and losses, taxation, depreciation and amortisation and adjusted to exclude investment income and impairment charges. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue.
- Adjusted EBITDA is a non-IFRS measure that represents EBITDA before additional specific items that are considered to hinder comparison of the Group’s performance either year-on-year or with other businesses. The additional specific items excluded from Adjusted EBITDA are other gains and losses and impairment of property, plant and equipment and intangibles. These items are excluded from Adjusted EBITDA because they are individually or collectively material items that are not considered representative of the performance of the business during the periods presented. Other gains and losses principally relate to disposals of investments, property, plant and equipment and net foreign exchange gains or losses. Impairments of property, plant and equipment represent the excess of the assets’ carrying amount over the amount that is expected to be recovered from their use in the future.
- The Adjusted EBITDA measures and Adjusted EBITDA margins have not been prepared in accordance with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board as adopted for use in the European Union. These measures exclude items that can have a significant effect on the Group’s profit or loss and therefore should not be considered as an alternative to, or more meaningful than, net income (as determined in accordance with IFRS) as a measure of the Group’s operating results or cash flows from operations (as determined in accordance with IFRS) as a measure of the Group’s liquidity.
- Management believes that Adjusted EBITDA and Adjusted EBITDA margin are important indicators of the operational strength and the performance of the business. These non-IFRS measures provide management with a meaningful comparison amongst its various territories, as they eliminate the effects of financing and depreciation. Management believes that the presentation of Adjusted EBITDA is also useful as it is similar to measures used by companies within Subsea 7’s peer group and therefore believes it to be a helpful calculation for those evaluating companies within Subsea 7’s industry. Adjusted EBITDA margin may also be a useful ratio to compare performance to its competitors and is widely used by shareholders and analysts following the Group’s performance. Notwithstanding the foregoing, Adjusted EBITDA and Adjusted EBITDA margin as presented by the Group may not be comparable to similarly titled measures reported by other companies.

Reconciliation of net operating income to Adjusted EBITDA

In $ millions (except percentages)	**Three Months Ended 30.Jun.12**	Three Months Ended 30.Jun.11
Net operating income	**246**	210
Depreciation and amortisation	**85**	85
Impairment/(reversal) charge	**(5)**	12
Adjusted EBITDA	**326**	307
Revenue	**1,484**	1,335
Adjusted EBITDA %	**22.0%**	23.0%

Reconciliation of net income to Adjusted EBITDA

In $ millions (except percentages)	**Three Months Ended 30.Jun.12**	Three Months Ended 30.Jun.11
Net income	**411**	126
Depreciation and amortisation	**85**	85
Impairment/(reversal) charge	**(5)**	12
Investment income	**(4)**	(4)
Other losses	**(263)**	14
Finance costs	**10**	10
Taxation	**93**	64
Adjusted EBITDA	**326**	307
Revenue	**1,484**	1,335
Adjusted EBITDA %	**22.0%**	23.0%

seabed-to-surface

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