subsea 7

Earnings Presentation

Third Quarter

November 18, 2013

12:00 noon UK time

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. 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 outlined in the 'Risk factors' section in the Company's Annual Report and Consolidated Financial Statements for the year ended 31 December 2012. 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; 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.

Solid Q3 2013 results

HIGHLIGHTS

- Strong project execution drove performance in NSC, AFGOM and APME
- Strong contribution from SapuraAcergy and SHL JVs
- The full-life project loss previously announced on the Guará-Lula NE project remains appropriate

FINANCIAL

- 23% Adjusted EBITDA margin
- NSC revenue impacted by redeployment of *Seven Oceans* to Brazil
- Brazil revenue impacted by slow progress on Guará-Lula (as expected)

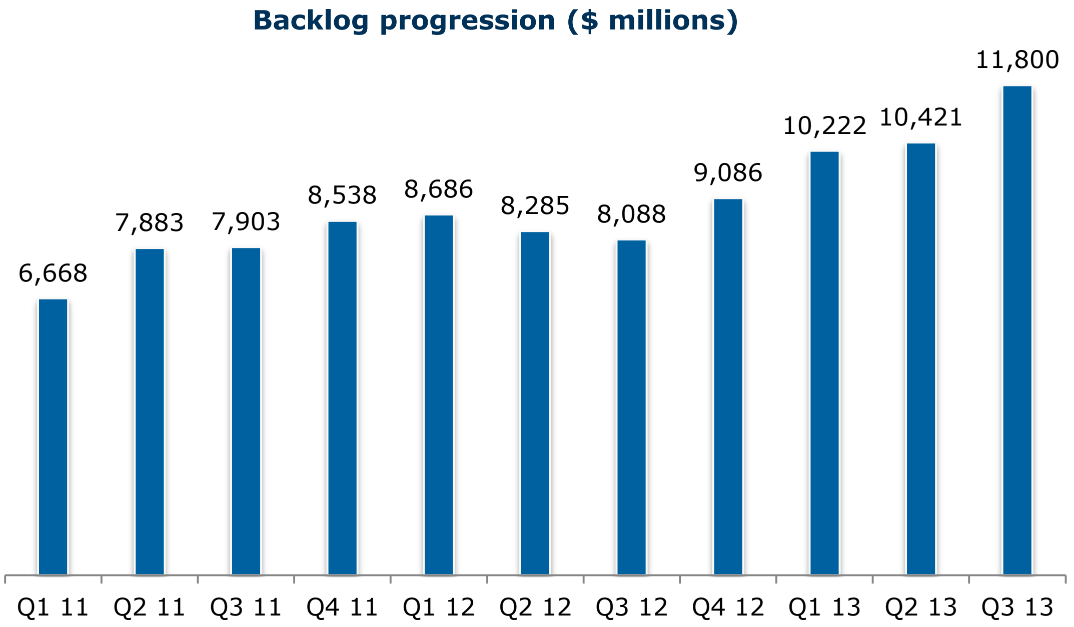
OPERATIONAL

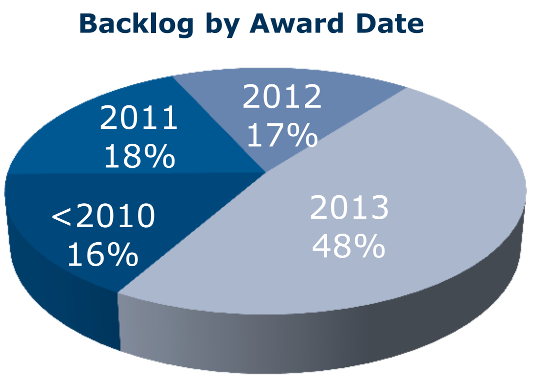
- Global vessel utilisation of 86%
- *Seven Borealis* transferred from West Africa to Mexico during the quarter
- New vessel construction projects progressing in line with time and cost estimates

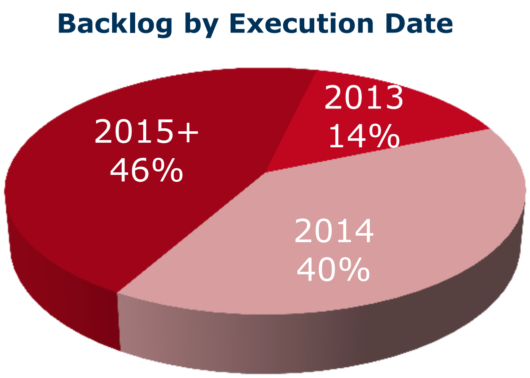
ORDER IN-TAKE

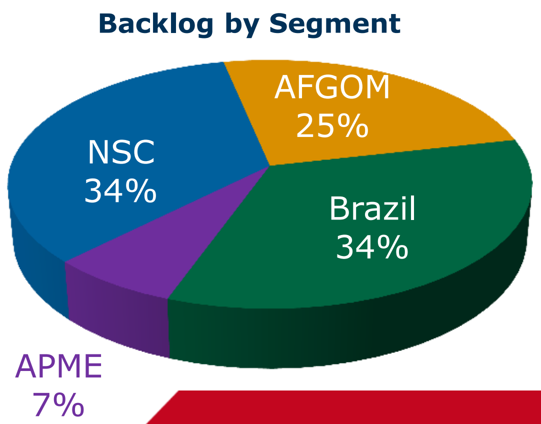
- Record $11.8bn backlog
- Awards announced in Q3: *Normand Seven* renewal, contracts for three new-build PLSVs, Aasgard Riser, Cardona Flowline
- $1.2bn of awards announced so far in Q4: *Seven Mar* renewal, *Seven Condor* renewal, i-Tech Far Saga, T.E.N.

Focused on building quality backlog









Market overview

- Continuing postponement of some project awards around the world for various reasons
- Growth opportunities in all major markets, albeit at differing paces
- We remain positive about medium and long-term market prospects

NSC

- Good levels of tendering
- EPIC model gaining traction
- Technology and cost effectiveness remain paramount

AFGOM

- West Africa: uncertainty on timing of market awards, potential short-term slowdown in shallow water conventional
- Gulf of Mexico: US picking up from low base, growing activity in Mexico

BRAZIL

- Demand for PLSVs remains strong with existing PLSV contracts renewed and several new-build PLSV contracts awarded
- Tendering activity continues in pre-salt

APME

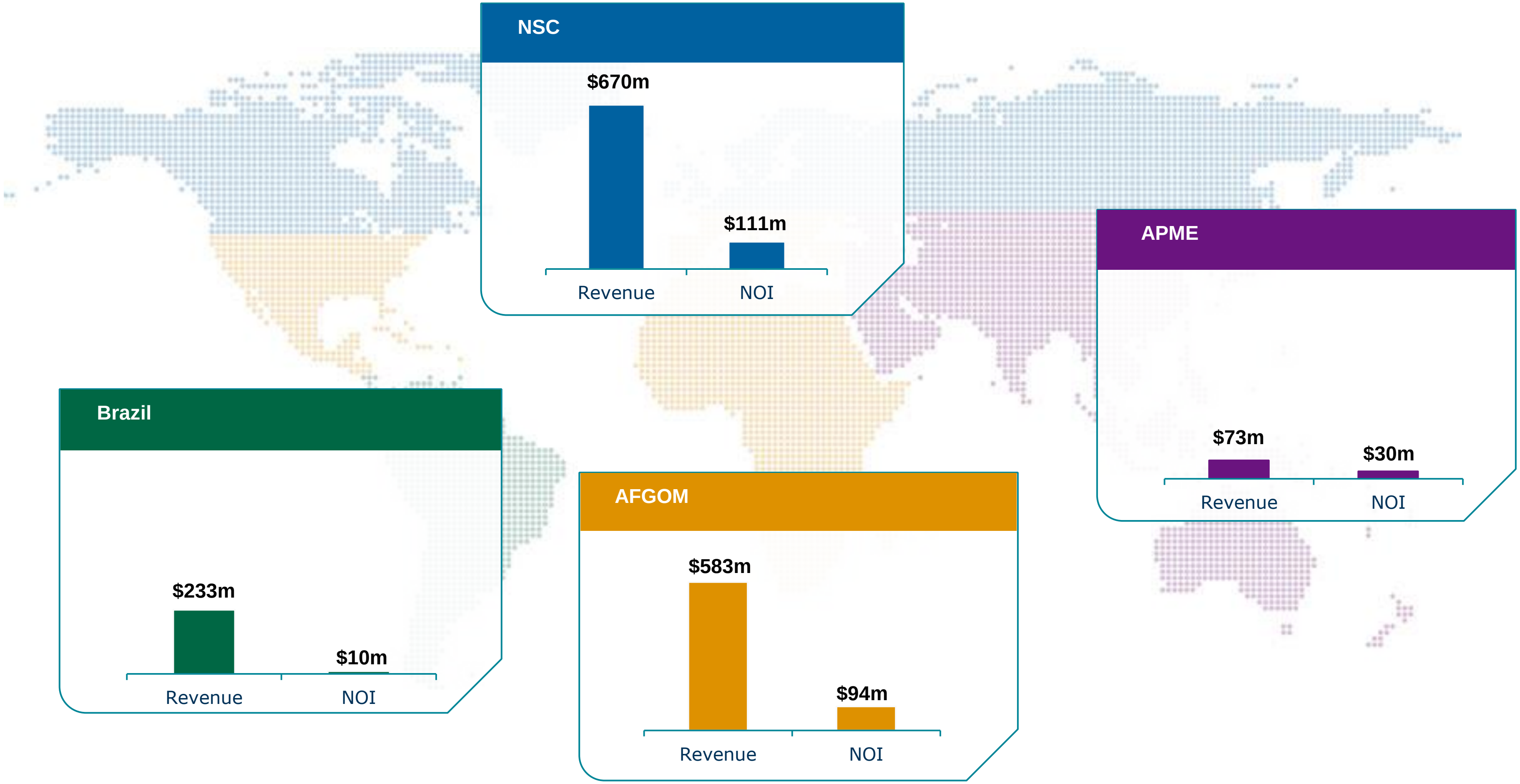
- Increased activity but timing of market awards uncertain
- Australian market impacted by cost challenges

Income statement – key highlights

In $ millions, unless otherwise indicated	Three months ended		Nine months ended	
	30 Sept 13	30 Sept 12	30 Sept 13	30 Sept 12
Revenue	1,564	1,744	4,711	4,686
Net operating income	269	228	464	628
Gain on sale of NKT Flexibles	-	23	-	244
Income before taxes	219	248	397	898
Taxation	(60)	(53)	(119)	(200)
Net income	160	194	278	698
Adjusted EBITDA[1]	359	318	739	869
Adjusted EBITDA margin	23.0%	18.2%	15.7%	18.5%
Diluted earning per share[2]	$0.42	$0.44	$0.77	$1.21
Weighted average number of common shares[3]	398.0m	372.3m	373.7m	375.3m

[1] Adjusted EBITDA defined in Appendix [2] EPS for 2012 adjusted to exclude gain on disposal of Group's share of NKT Flexibles
[3] All convertible notes were dilutive in Q3 2013 . YTD the 2013 convertible loan notes were anti dilutive

Territory performance – Q3 2013



Note: excludes contribution from Corporate segment subsea 7

Income statement – supplementary details

In $ millions, unless otherwise indicated	Three months ended		Nine months ended	
	30 Sept 13	30 Sept 12	30 Sept 13	30 Sept 12
Administrative expenses	(74)	(98)	(215)	(267)
Share of net income of associates and joint ventures	49	12	127	43
Net operating income	269	228	464	628
Finance costs net of finance income	(12)	(7)	(40)	(17)
Other gains and losses[1]	(38)	26	(28)	287
Income before taxes	219	248	397	898
Taxation	(60)	(53)	(119)	(200)
Non-controlling interests	(8)	(10)	(10)	(9)
Net income after non-controlling interests	152	184	268	690

[1] Other gains and losses in Q3 2012 includes $23m gain related to the sale of NKT Flexibles, YTD 2012 (nine months) includes $244m gain

Overview of nine months 2013 cash flow

	$ millions	
Cash and cash equivalents at 31 Dec 2012	1,288	
Net cash generated from operating activities	677	*Includes decrease in net operating assets of $284m*
Net cashflow used in investing activities	(511)	*Includes capital expenditure of $539m mainly on fleet enhancement programme*
Net cashflow used in financing activities	(491)	*Includes $158m repayment of Seven Havila loan, $115m loan to JV to fund construction of Seven Viking, $199m dividend paid to Subsea 7 S.A. shareholders*
Other movements	(10)	
Cash and cash equivalents at 30 Sept 2013	953	

2013 financial guidance

- We are on track to deliver full year Adjusted EBITDA in line with consensus expectations
- Other net income related guidance
  - administrative expenses: $310-320 million (previously $330-350 million)
  - share of net income of associates and JVs: $110-120 million (previously $85-95 million)
  - net financing costs: $45-50 million
  - depreciation and amortisation expense: $370-390 million (previously $380-400 million)
  - Full year effective tax rate 35-37% net of discrete tax items; underlying effective tax rate: 47%-49% (previously 51%-54%)
- Capex: $750-800 million (previously $750-850 million), comprising
  - $425-450 million operating capex (includes sustaining capex, dry-docks, ROVs, shore based facilities)
  - $325-350 million related to the construction or acquisition of vessels

Initial thoughts on 2014

- Tendering level remains good in the North Sea but has moderated elsewhere, and delays in project awards remain a feature of the industry

  NSC
  - *Seven Oceans* and *Skandi Acergy* expected to be deployed outside North Sea
  - More competitors, but key differentiators continue to position Subsea 7 well

  AFGOM
  - Timing of future market awards is uncertain
  - Potential short-term softening in West Africa for conventional services

  APME
  - Tendering activity expected to increase from low base
  - Timing of major awards is uncertain

  Brazil
  - Guará-Lula NE project expected to be completed by end of Q3
  - Excluding large pre-salt EPIC projects, continued tendering to IOCs and Petrobras
  - Benefits of PLSV renewals to be fully reflected from H2 2014

New-build vessels

Pipelay Support Vessels - *Seven Waves*, PLSV 2, 3 and 4

- Delivery 2014-16
- 550t top tension VLS
- 4000t underdeck storage for flexibles

Dive Support Vessel - *Seven Kestrel*

- Delivery 2015
- 18-man twin bell saturation diving system
- Heave compensated 120t crane
- DP Class 3

Heavy Construction Vessel

- Delivery 2016
- 600t heave compensated crane
- 325t top tension VLS
- 7000t underdeck storage for Flexibles

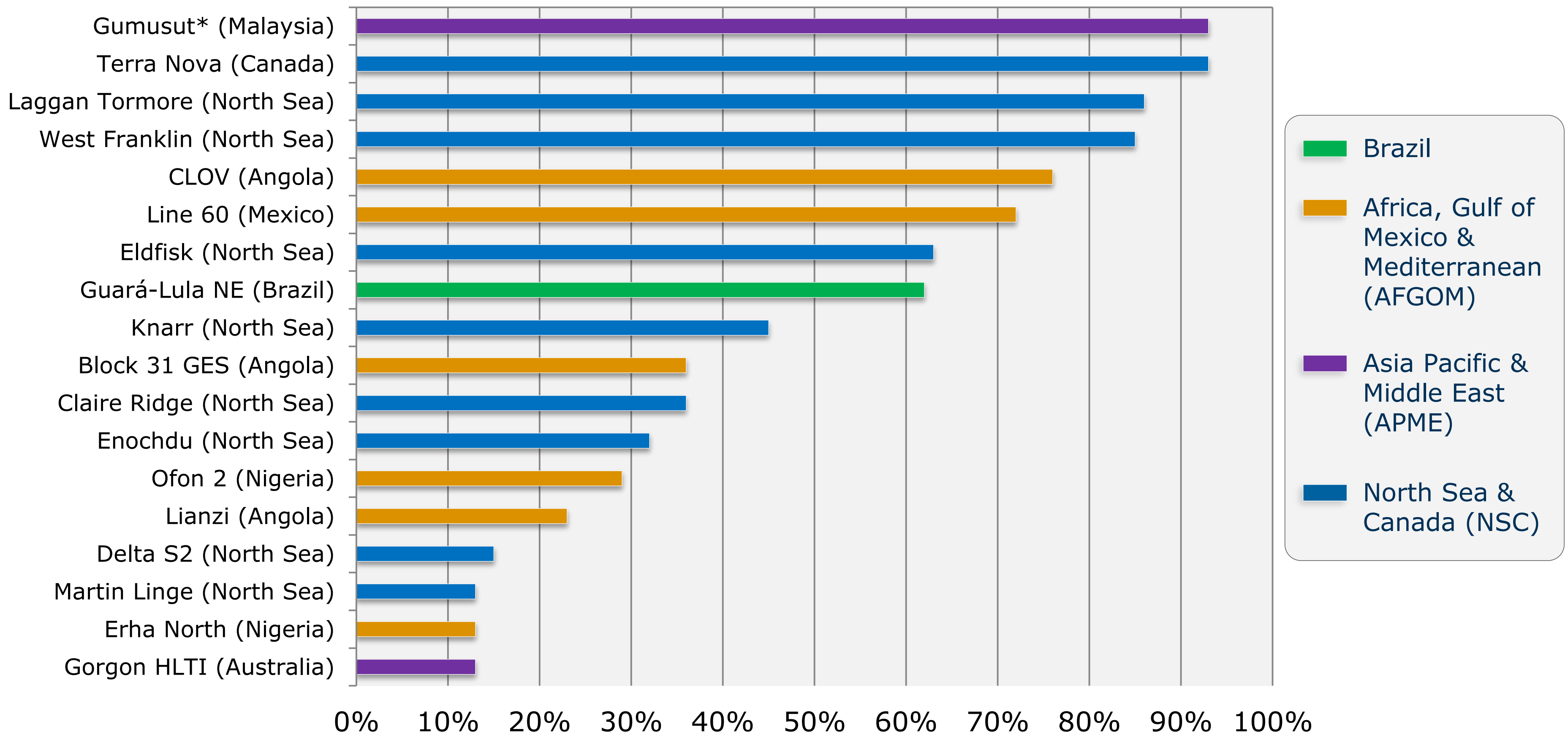
Summary

- Results in NSC, AFGOM and APME driven by strong project execution
- Guará-Lula NE full-life project loss previously announced remains appropriate
- On track to deliver full year Adjusted EBITDA in line with consensus expectations
- Record backlog approaching $12bn
- Fundamentals of our business have not changed, we remain positive about the medium and long-term market prospects
- Well positioned for the future:
  - engineering and project management skills
  - continued investment in high specification vessels
  - deployment of technology
  - operational track record
  - strong balance sheet

Appendix

Major project progression

Continuing projects >$100m between 5% and 95% complete as at 30 Sept 2013 excl. long-term ship charters and Life-of-Field day-rate contracts.



* joint venture activity

Segmental analysis

For the three months ended 30 Sept 2013

In $ millions, Unaudited	AFGOM	APME	BRAZIL	NSC	CORP	TOTAL
Revenue	582.6	73.2	232.5	669.8	5.7	1,563.8
Net operating income/(loss) from ops	93.5	30.2	10.4	111.1	24.0	269.2
Finance income						4.7
Other gains and losses						(38.0)
Finance costs						(16.8)
Income before taxes						**219.1**

For the three months ended 30 Sept 2012

In $ millions, Unaudited	AFGOM	APME	BRAZIL	NSC	CORP	TOTAL
Revenue	505.7	51.9	337.7	847.4	0.9	1,743.6
Net operating income/(loss) from ops	125.1	(1.8)	1.3	105.0	(1.4)	228.2
Finance income						2.4
Other gains and losses						25.8
Finance costs						(8.9)
Income before taxes						**247.5**

Adjusted EBITDA

- Adjusted earnings before interest, taxation, depreciation and amortisation (‘Adjusted EBITDA’) is a non-IFRS measure that represents net income before additional specific items that are considered to impact the comparison of the Group’s performance either year-on-year or with other businesses. The Group calculates Adjusted EBITDA as net income plus finance costs, taxation, depreciation, amortisation and mobilisation and adjusted to exclude finance income, other gains and losses and impairment charges or reversals. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue.
- The items excluded from Adjusted EBITDA represent items which are individually or collectively material but which 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 assets represent the excess of the assets’ carrying amount over the amount that is expected to be recovered from their use in the future or their sale.
- Adjusted EBITDA and Adjusted EBITDA margin have not been prepared in accordance with IFRS as issued by the IASB as adopted for use in the EU. These measures exclude items that can have a significant effect on the Group’s income 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 comparative for its various Territories, as they eliminate the effects of financing, depreciation and taxation. 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 Adjusted EBITDA

Net operating income to Adjusted EBITDA For the period (in $millions)	Three Months Ended 30 Sept 2013 Unaudited	Three Months Ended 30 Sept 2012 Unaudited
Net operating income	269.2	228.2
Depreciation, amortisation and mobilisation	87.5	84.0
Impairment/(impairment reversal)	2.5	5.8
Adjusted EBITDA	359.2	318.0
Revenue	1,563.8	1,743.6
Adjusted EBITDA %	**23.0%**	**18.2%**

Net income to Adjusted EBITDA For the period (in $millions)	Three Months Ended 30 Sept 2013 Unaudited	Three Months Ended 30 Sept 2012 Unaudited
Net income	159.6	194.2
Depreciation, amortisation and mobilisation	87.5	84.0
Impairment/(impairment reversal)	2.5	5.8
Finance income	(4.7)	(2.4)
Other gains and losses	38.0	(25.8)
Finance costs	16.8	8.9
Taxation	59.5	53.3
Adjusted EBITDA	359.2	318.0
Revenue	1,563.8	1,743.6
Adjusted EBITDA %	**23.0%**	**18.2%**

Where we operate

Global Operations

Vessels
40+

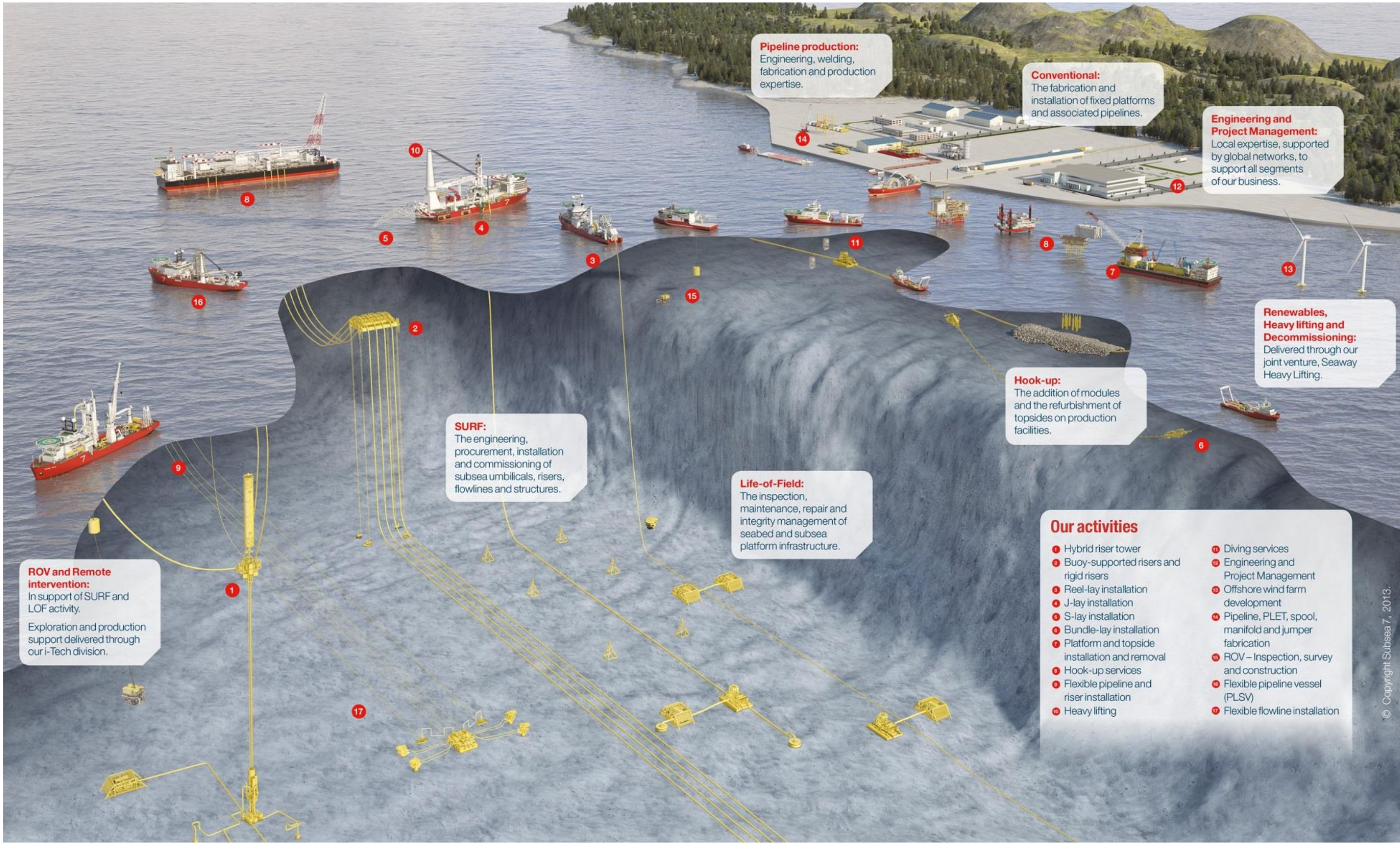
ROVs
175+

People*
14,000+

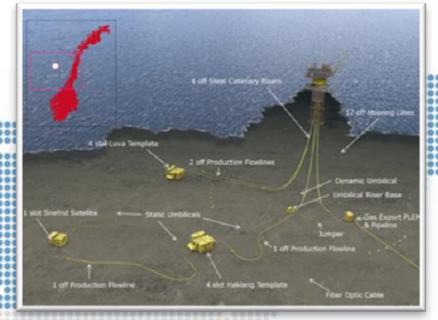
Engineers
2,000+

Brazil	Africa, Gulf of Mexico & Mediterranean (AFGOM)	Asia Pacific & Middle East (APME)	North Sea & Canada (NSC)

A full range of subsea services



Aasta Hansteen Gas Field - Norway



- Technology-rich SURF project
- 1200m water depth, deepest in North Sea
- 300 km off northern Norway, harsh environment
- 1st SCRs (x4) in the Norwegian Sea, manufactured at Vigra spoolbase
- 1st installation of BUTTING Bubi® mechanically lined pipe by reeling in the North Sea – using the Seven Oceans
- New permanent office to be set up in Tromsø, Northern Norway

Gorgon Heavy lift and Umbilicals - Australia

- Located 130km off the northwest coast of Western Australia
- The Gorgon project is one of the world's largest natural gas projects
- Heaviest and deepest subsea lifts in Subsea 7's history
  - 20 subsea structures and foundations (up to circa 1000T), 15 heavy spools (up to circa 200T), in water depths up to 1,300m
- Installation of the Gorgon (59km) and Jansz (136km) umbilicals

CLOV Block 17 - Angola

- Technology-rich SURF project
- High local content with Sonamet fabrication facility
- Successful deployment of *Seven Borealis* to install
  - 40km of pipe-in-pipe production, 60km of water injection, 32km of gas export, and 37 spools and 15 jumpers
- Two Hybrid Riser Towers and a Single Hybrid Riser at the end of the gas export line using proprietary bundle/riser technology

Technology focus

Technology Category	Specific Technology Types			
Deep water and harsh environment solutions	Hybrid Riser Towers	Submerged buoys	Steel Catenary Risers	Composite Materials
Vessels	Rigid Pipe Technology	Flexible Pipe Technology	Subsea Heavy Lift	
Flowlines	Bundles	Electrically Heated Pipelines	Pipe-in-pipe	Composite Materials
Coatings & Field Joints	Improved Coatings and Field Joints			
Welding & Materials	Welding Technology & Efficiency	High Strength Materials	Corrosion Resistant Materials	
Life of Field	Sensor Technology	Remote Subsea Intervention		

Subsea 7 technology and know-how covers the entire range of activities

Technology focus - towed bundles

Brief Description	Application	Partners
Towed integrated assembly of flowlines and service lines/control cables etc. contained within an outer carrier pipe. Dedicated end terminations c/w manifolds, valves etc. as required by the project	Mainly North Sea subsea production systems tie backs. Towed from our fabrication facility in Wick Scotland	Numerous technology companies partnering us with this solution

1978 First Bundle installed in North Sea

1995 First use of BuBi® mechanical lined pipe – BP Cyrus project

2012 71 bundles installed to date with over 150km BuBi® pipe utilised

Technology focus - Hybrid riser tower (HRT)

Brief Description

Tower assembly of multiple risers; manufactured onshore and installed by towing as a single structure

Application

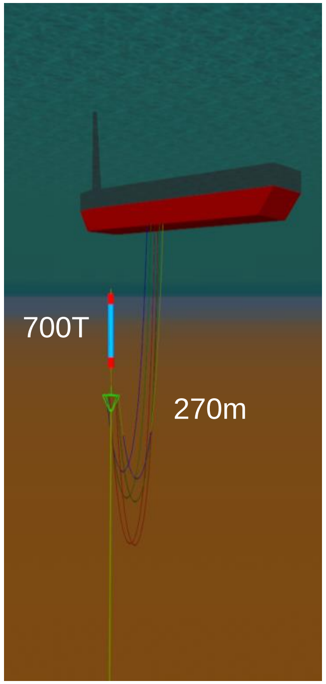
The HRT is applicable to most future deepwater developments

Latest development targeted for greater depth and enhanced architecture

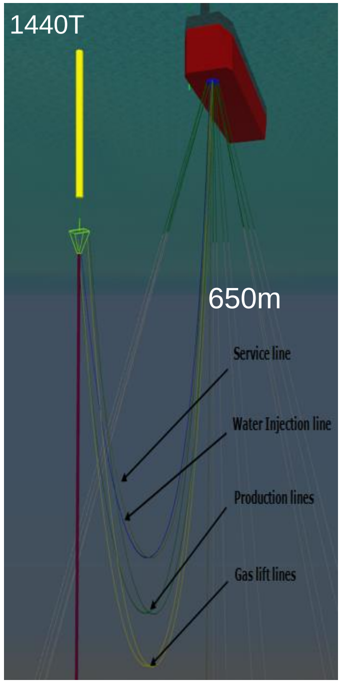
Partners

Numerous key technology companies support us with this solution

Total CLOV
(1200msw)



Prospect
(2000msw)



1998 First Riser Tower installed on Girassol project

2012 Study initiated to apply technology to deeper water depths and to reduce costs

Technology focus - Buoy supported riser (BSR)

Brief Description

A submerged buoy anchored to the seabed

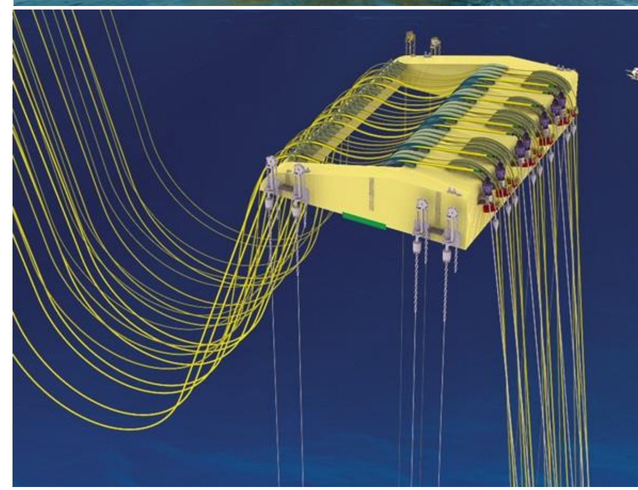
Steel Catenary Risers laid between seabed and buoy and flexible jumpers laid between buoy and FPSO

Application

The BSR is being installed on Guará-Lula NE project in Brazil

Partners

Numerous technology companies partnering us with this solution



2009 Guará-Lula NE design competition

2009 - 2012 Concept design, engineering and fabrication

2013 Installation of buoy

Technology focus - High-performance pipe-in-pipe

Brief Description

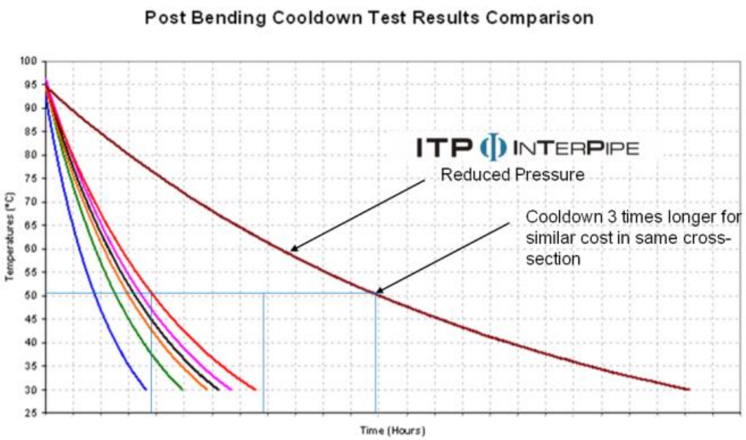
A pipe-in-pipe system providing high thermal insulation for subsea oil and gas transportation. Utilisation of partial vacuum in combination with Isoflex insulation material

Application

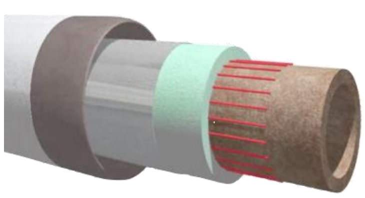
Subsea pipelines which require high thermal insulation such as long distance tie–backs

Partners

ITP - exclusive agreement




PIP Sample


Electrically Heated PIP

2005 - 2008 Development and qualification of high performance pipe-in-pipe

2009 - 2011 Development of electrically heated pipe-in-pipe

2012 DNV Qualification "Fit for Service

Technology focus - Reel-lay of mechanically lined pipe (BuBi)

subsea 7

Brief Description

Use of BuBi® Mechanically Lined Pipe offers significant savings compared with Corrosion Resistant Alloy (CRA)

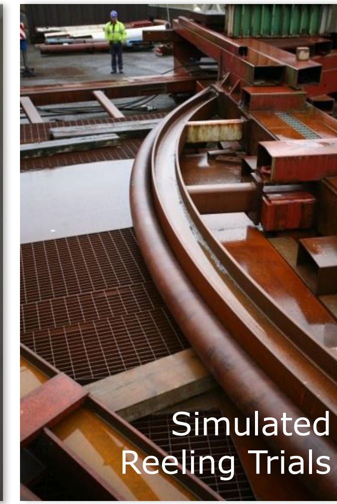
Application

World's first award on a Petrobras Pre-Salt project (Guará-Lula), ongoing discussion with other clients

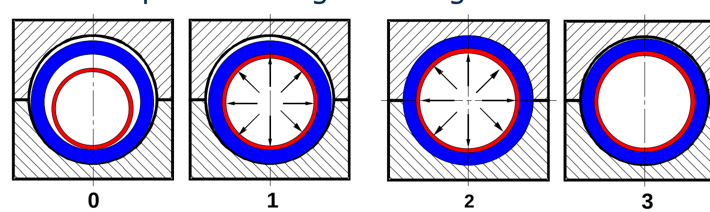
Partners

BUTTING - exclusive agreement

BUTTING



Liner Expansion stages during construction



2008 Finite element analysis and reeling trials commenced

Q4 2011 Full scale fatigue testing performed

Q1 2012 DNV qualification "Fit for Service"

DNV

Technology focus - Autonomous inspection vehicle (AIV)

Brief Description

A game changing inspection system comprising an autonomous vehicle without a tether (which enhances manoeuvrability), has an array of navigation tools and sensors and is powered by its onboard battery source

Application

Can be deployed from FPSO (avoiding the need for a separate support vessel), or multiple deployment from support vessel.

Partners

Seebyte technology

seebyte
Awareness Made Easy

Autotracker

2007 - 2010 Early technology and feasibility evaluations

2010 - 2011 AIV development program started

2012 - 2013 Complete offshore trials and Mk1 ready for use

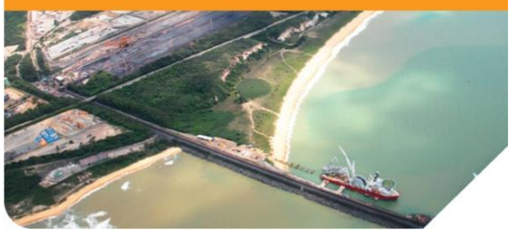
Operational facilities

Spoolbases

Luanda Spoolbase, Angola

Port Isabel Spoolbase, USA

Ubu Spoolbase, Brazil



Vigra Spoolbase, Norway

Wick Fabrication Site, UK

Fabrication Yards

Sonamet Lobito, Angola

Warri, Nigeria

NigerStar 7, Nigerdock, Nigeria

Rigid pipelay/Heavy lift assets

Seven Borealis

Seven Oceans

Seven Navica

Seven Polaris

Acergy Antares

*Stanislav Yudin**

*Sapura 3000***

*Oleg Strashnov**

*Heavy Construction Vessel****

* Operated by Seaway Heavy Lifting under JV
** Operated by SapuraAcergy under JV
*** Under construction

Construction/Vertical flexlay assets

Seven Seas

Seven Pacific

Seven Eagle

Seven Mar

Seven Phoenix

Skandi Acergy

Skandi Neptune

Skandi Seven

Normand Oceanic

Seven Waves ***

PLSV 2 ***

PLSV 3 ***

PLSV 4 ***

*** Under construction

Construction/Horizontal flexlay assets

Subsea Viking

Acergy Condor

Normand Seven

Kommandor 3000

Light construction/Life of field assets

Seven Viking

Havila Subsea

Acergy Petrel

Acergy Viking

Seisranger

Grant Candies

Normand Subsea

Chloe Candies

Ross Candies

Simar Esperança

Note: *Seven Sisters* renamed *Simar Esperança*

Diving assets

Seven Falcon

Seven Atlantic

Seven Pelican

Acergy Discovery

Seven Osprey

Seven Kestrel ***

Rockwater 1

Rockwater 2

*** Under construction

Note: *Acergy Osprey* renamed *Seven Osprey, Seven Havila* renamed *Seven Falcon*

Other assets

Conventional

Trenching

Over 175 ROVs

seabed-to-surface

www.subsea7.com