



subsea 7

Earnings Presentation
Fourth Quarter & Full Year 2011

March 16, 2012
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. 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 factors" 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.

2011: a year of many successes

- Delivered strong results in line with expectations
- Prepared for the future – well positioned for profitable growth
- Combination successfully completed:
 - Integration ahead of plan
 - On track to achieve at least the targeted synergies
- Broadened and deepened engineering and project management expertise worldwide
- Record backlog of \$8.5 billion provides good visibility
- Strengthened further our local presence
- Significant progress with fleet enhancement programme

Fleet enhancement programme: Significant progress

SURF

Seven Borealis



Normand Oceanic



Brazilian PLSV



JVs

Oleg Strashnov*



*Oleg Strashnov delivered to the SHL JV

Conventional

Seven Inagha



Life-of-Field

Seven Havila



Seven Viking



Havila Subsea



Chloe Candies



Grant Candies



Divest / Release

Toisa Polaris



Acergy Hawk



Kommandor Subsea



Acergy Falcon



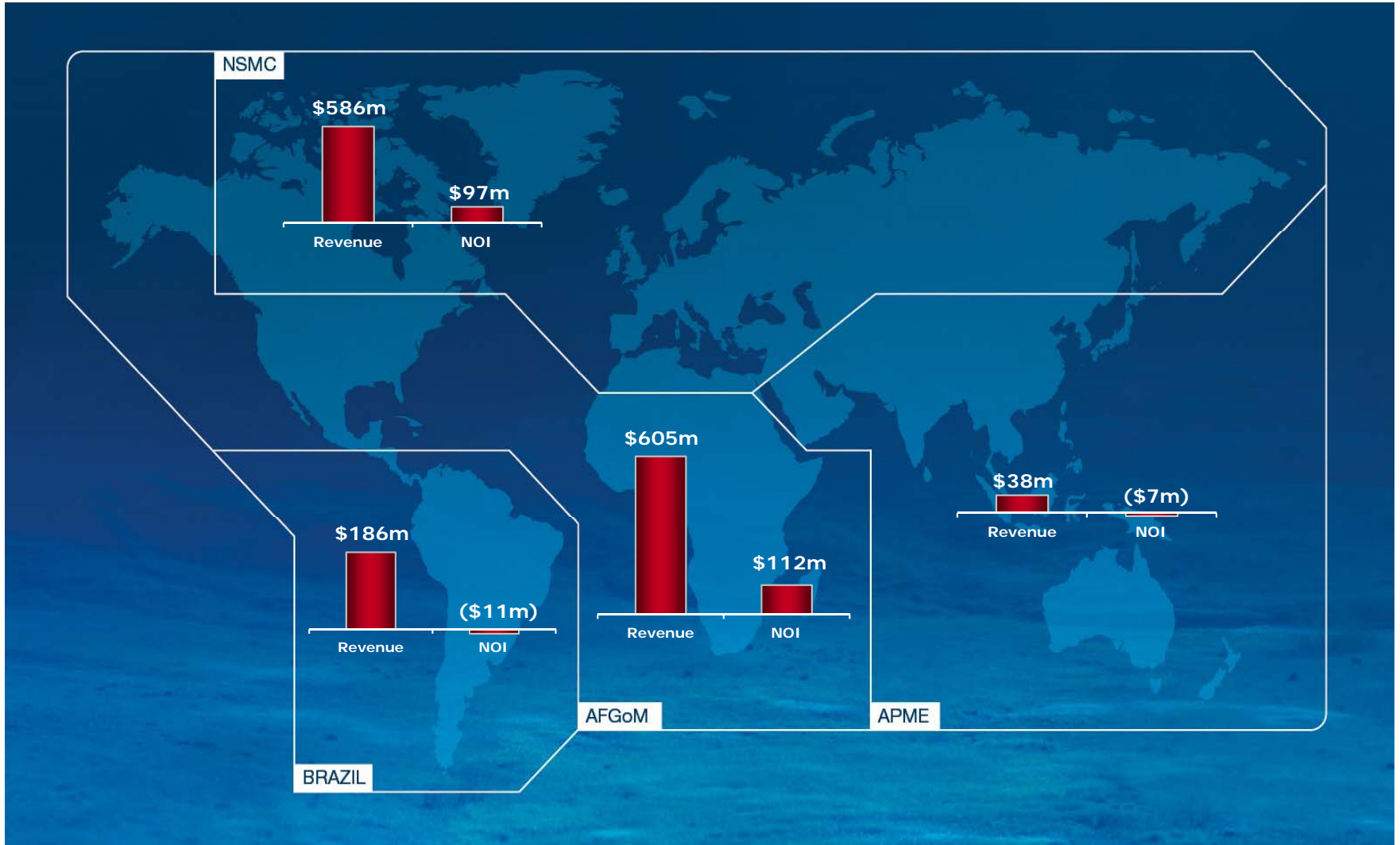
Brazil: Guara Lula NE Project

- Q4 2011 recognised loss of c.\$50 million; which represents total loss over the lifetime of project, including additional contingencies
- Acceptance of design and engineering testing progressing to plan with full client approval
- Project results affected by:
 - Final environmental permit for Parana spool and logistics base not issued
 - Operations to take place at Ubu spoolbase at higher cost and expected lower efficiency; and impact of project schedule due to location
 - Significant pressures on local supply chain has impact on schedule and overall cost of project; increased contingencies allowed in Q4 result
- Technical solution developed for Guara Lula NE Project and experience gained in early stages of this project prepares us well for future pre-salt developments

Income statement highlights

	Three Months Ended	Thirteen Months Ended
In \$ millions, except Adjusted EBITDA margin, share and per share data	Dec.31.11 Unaudited	Dec.31.11 Audited
Revenue from continuing operations	1,417	5,477
Net operating income from continuing operations	137	641
Income before taxes from continuing operations	126	627
Taxation	(19)	(176)
Net income from continuing operations	107	451
Net income – total operations	107	451
Adjusted EBITDA – continuing operations	227	1,003
Adjusted EBITDA margin – continuing operations	16.0%	18.3%
<i>Per share data (diluted)</i>		
Earnings per share - continuing operations	\$0.27	\$1.21
Earnings per share – total operations	\$0.27	\$1.21
Weighted average number of Common Shares and Common Share equivalents outstanding	379.1m	366.3m

Operational performance – Q4 2011



Income statement highlights cont'd

In \$ millions	Three Months Ended	Thirteen Months Ended
	Dec.31.11 Unaudited	Dec.31.11 Audited
Administrative expenses	(103)	(404)
Share of net income of associates and joint ventures	1	104
Net operating income from continuing operations	137	641
Finance income	6	20
Other (losses)/gains	(9)	7
Finance costs	(8)	(40)
Income before taxes from continuing operations	126	627
Taxation	(19)	(176)
Net income from continuing operations	107	451
Net income – total operations	107	451

Cash flow and balance sheet overview – FY 2011

- Cash generation from operating activities of \$579 million
- Net cashflows used in investing activities of \$125 million reflects:
 - Capex of \$672 million in line with expectations: *Seven Borealis*; *Antares*, *Seven Havila* and dry-docks
 - \$459 million cash received as a result of the Combination
- Net cashflows used in financing activities of \$94 million reflects:
 - Financing inflow relating to *Seven Havila* of \$190 million
 - Repayment of 2011 Convertible loan notes of \$181 million
 - Share buyback c.2.5 million shares for a total consideration of \$60 million
- Closing cash and cash equivalents of \$803 million
- Purchase price allocation (PPA) work finalised
- Goodwill of \$2.6 billion arising from the Combination

Financial assumptions - 2012

- Expect to deliver revenue and Adjusted EBITDA for twelve months of 2012 ahead of thirteen month period ended December 31, 2011
- Joint Venture contribution – 2012 lower than 2011
- Administrative expenses: c.\$85 million per quarter
- Final integration costs: c.\$30 million mostly in H1 2012
- Capital Expenditure for 2012: \$750 - \$850 million
 - \$450 million committed vessel programme including *Seven Borealis*, *Seven Inagha*, *Seven Viking* and new-build *Brazilian PLSV*
 - \$150 million dry-dock and maintenance capex
 - Further organic growth opportunities of \$150 million - \$250 million
- D&A - \$380 million; quarterly split will reflect timing of additions to the fleet
- Expected tax rate of 32% - 35%

Market overview

- Continue to see growth opportunities in all major markets, albeit at differing paces:
 - North Sea: high levels of tendering driving strong order flow; higher activity with improved pricing for projects expected to be offshore in 2012+
 - West Africa: a transition year, with large projects in early stages and lower level of offshore activity. Number of major contracts expected to come to market award in 2012; with offshore operations H2 2013 and 2014. Pricing improving relative to past 18 months
 - Gulf of Mexico: increased activity for subsea projects expected with contract awards in late 2012 and execution late 2013 and 2014; however market remains competitive
 - Asia Pacific: market remains very competitive; further major SURF contracts in Australia and Malaysia expected to come to market award in 2012; offshore activity expected 2013+
 - Brazil: more opportunities ahead both traditional deepwater and further pre-salt developments. Client keen to progress, although seeing some delays due to tightness of supply chain and administrative challenges

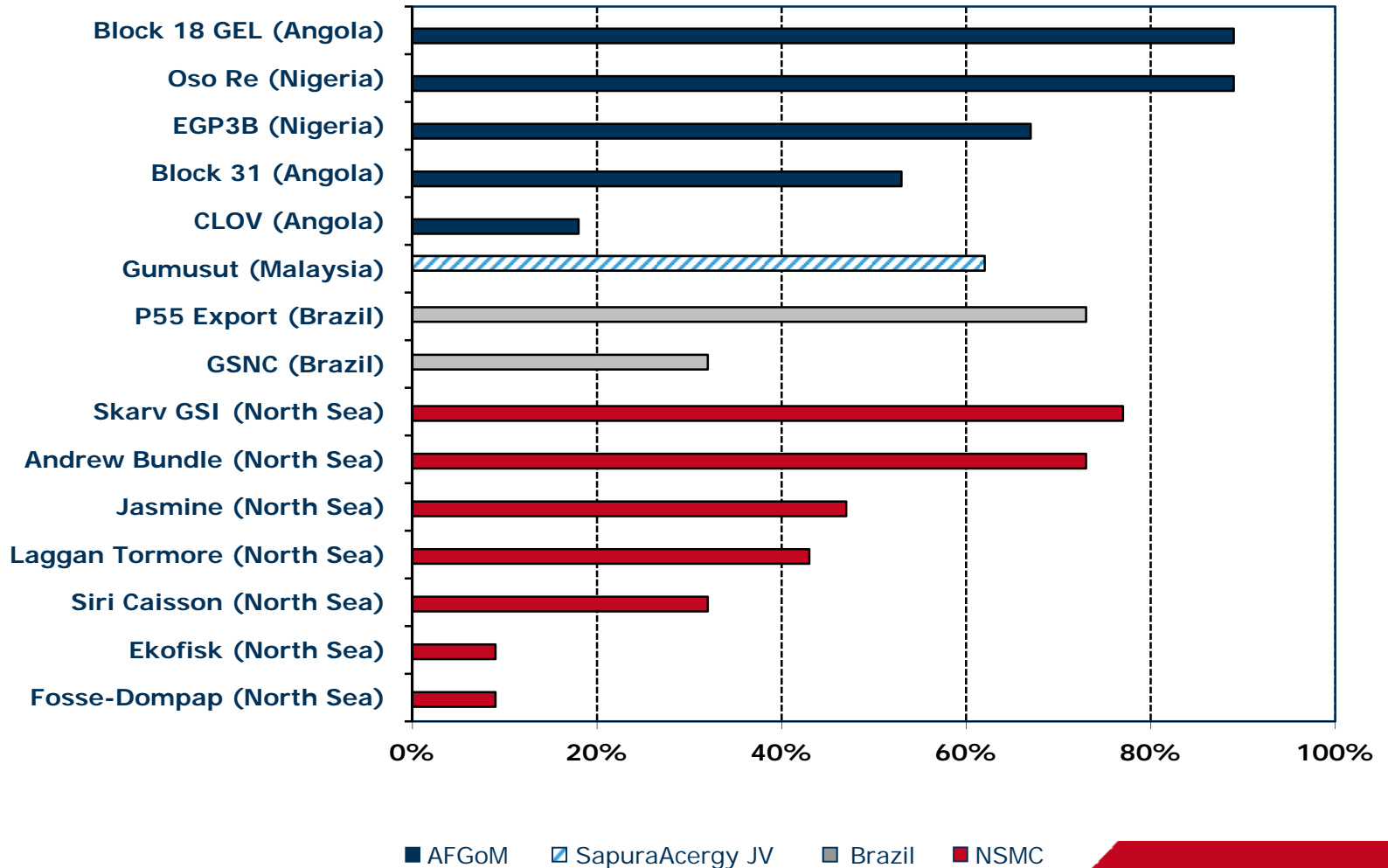
Summary

- 2011: a year of many successes
- Delivered strong results in line with expectations and good order flow resulting in backlog of \$8.5 billion
- Robust oil price and strong tendering activity underpins good order book momentum
- Continue to see opportunities in all markets; albeit at differing paces
- Outlook for our industry remain very positive; with interesting prospects in frontier areas to come
- Remain focused on building quality backlog
- Prepared for the future – well positioned for profitable growth

Appendix

Major project progression

Continuing projects >\$100m between 5% and 95% complete as at December 31, 2011
excl. long-term ship charters and Life-of-Field day-rate contracts.

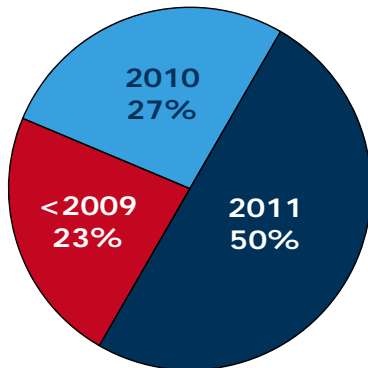


Backlog

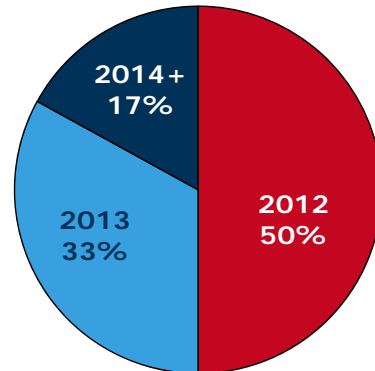
<i>In \$ millions as at:</i>	<i>Dec.31.11</i>	<i>Sep.30.11</i>	<i>Dec.31.10</i>	<i>Nov.30.10</i>
Subsea 7 S.A. ⁽¹⁾	8,538	7,903	-	-
Acergy S.A.	-	-	-	3,552
Subsea 7 Inc.	-	-	2,800	-

⁽¹⁾ Backlog refers to expected future revenue under signed contracts, which are determined as likely to be performed, but excludes amounts related to discontinued operations as of Dec.31.11 \$nil, Sep.30.11 \$nil, Nov.30.10 \$nil

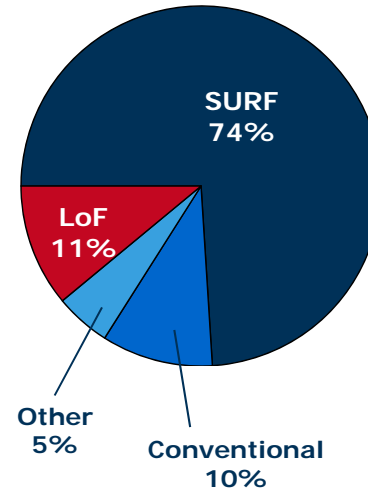
Backlog by Award Date



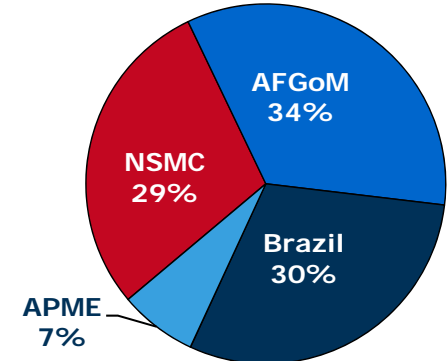
Backlog by Execution Date



Backlog by Service Capability



Backlog by Segment



Segmental analysis:

<i>Three months ended Dec.31.11 Unaudited In \$ millions</i>	NSMC	AFGoM	APME	Brazil	CORP	Total – Continuing operations
Revenue	586.1	605.1	38.0	186.2	2.0	1,417.4
Net operating income/(loss)	97.4	112.0	(7.0)	(11.3)	(54.4)	136.7
Investment income						6.0
Other losses						(8.7)
Finance costs						(8.4)
Net income before taxation from continuing operations						125.6

<i>Three Months ended Nov.30.10 Unaudited In \$ millions</i>	NSMC	AFGoM	APME	Brazil	CORP	Total - Continuing operations
Revenue	190.5	464.4	6.4	53.3	2.6	717.2
Net operating (loss)/income	63.5	99.4	1.6	3.8	(15.4)	152.9
Investment income						2.6
Other losses						(5.6)
Finance costs						(10.7)
Net income before taxation from continuing operations						139.2

Segmental analysis:

<i>Thirteen months ended Dec. 31. 11 Unaudited In \$ millions</i>	NSMC	AFGoM	APME	Brazil	CORP	Total – Continuing operations
Revenue	2,054.4	2,542.9	180.7	686.3	12.2	5,476.5
Net operating income/(loss)	179.0	490.3	18.2	22.5	(69.5)	640.5
Investment income						20.0
Other gains						6.9
Finance costs						(40.4)
Net income before taxation from continuing operations						627.0

<i>Twelve Months ended Nov. 30. 10 Unaudited In \$ millions</i>	NSMC	AFGoM	APME	Brazil	CORP	Total - Continuing operations
Revenue	568.1	1,396.0	179.8	214.3	10.8	2,369.0
Net operating income/(loss)	83.6	307.3	83.5	8.4	(46.7)	436.1
Investment income						9.8
Other losses						(18.0)
Finance costs						(28.7)
Net income before taxation from continuing operations						399.2

Adjusted EBITDA

- The Group calculates adjusted earnings before interest, income taxation, depreciation and amortisation ('Adjusted EBITDA') from continuing operations as net income from continuing operations plus finance costs, other gains and losses, taxation, depreciation and amortisation and adjusted to exclude investment income and impairment charges. Adjusted EBITDA margin from continuing operations is defined as Adjusted EBITDA divided by revenue from continuing operations. Adjusted EBITDA for discontinued operations is calculated as per the methodology outlined above. Adjusted EBITDA for total operations is the total of continuing operations and discontinued operations.
- 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 businesses during the periods presented. Other gains and losses principally relate to disposals of 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 from continuing operations 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 from continuing operations 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 from continuing operations 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 from continuing operations 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 Dec.31.11			Three Months Ended Nov.30.10		
	Continuing	Discontinued	Total operations	Continuing	Discontinued	Total operations
Net operating income	136.7	-	136.7	152.9	38.9	191.8
Depreciation and amortisation	86.3	-	86.3	33.3	-	33.3
Impairments	4.4	-	4.4	(7.0)	-	(7.0)
Adjusted EBITDA	227.4	-	227.4	179.2	38.9	218.1
Revenue	1,417.4	-	1,417.4	717.2	37.9	755.1
Adjusted EBITDA %	16.0%	-	16.0%	25.0%	102.6%	28.9%

In \$ millions (except percentages)	Thirteen Months Ended Dec.31.11			Twelve Months Ended Nov.30.10		
	Continuing	Discontinued	Total operations	Continuing	Discontinued	Total operations
Net operating income	640.5	-	640.5	436.1	59.7	495.8
Depreciation and amortisation	337.4	-	337.4	119.4	-	119.4
Impairments	25.4	-	25.4	3.8	-	3.8
Adjusted EBITDA	1,003.3	-	1,003.3	559.3	59.7	619.0
Revenue	5,476.5	-	5,476.5	2,369.0	83.4	2,452.4
Adjusted EBITDA %	18.3%	-	18.3%	23.6%	71.6%	25.2%

Reconciliation of net income to Adjusted EBITDA

In \$ millions (except percentages)	Three Months Ended Dec.31.11			Three Months Ended Nov.30.10		
	Continuing	Discontinued	Total operations	Continuing	Discontinued	Total operations
Net income	106.7	-	106.7	94.1	29.6	123.7
Depreciation and amortisation	86.3	-	86.3	33.3	-	33.3
Impairments	4.4	-	4.4	(7.0)	-	(7.0)
Investment income	(6.0)	-	(6.0)	(2.6)	-	(2.6)
Other gains and losses	8.7	-	8.7	5.6	-	5.6
Finance costs	8.4	-	8.4	10.7	-	10.7
Taxation	18.9	-	18.9	45.1	9.3	54.4
Adjusted EBITDA	227.4	-	227.4	179.0	38.9	218.1
Revenue	1,417.4	-	1,417.4	717.2	37.9	755.1
Adjusted EBITDA %	16.0%	-	16.0%	25.0%	102.6%	28.9%

In \$ millions (except percentages)	Thirteen Months Ended Dec.31.11			Twelve Months Ended Nov.30.10		
	Continuing	Discontinued	Total operations	Continuing	Discontinued	Total operations
Net income	450.7	-	450.7	268.4	44.6	313.0
Depreciation and amortisation	337.4	-	337.4	119.4	-	119.4
Impairments	25.4	-	25.4	3.8	-	3.8
Investment income	(20.0)	-	(20.0)	(9.8)	-	(9.8)
Other gains and losses	(6.9)	-	(6.9)	18.0	0.2	18.2
Finance costs	40.4	-	40.4	28.7	-	28.7
Taxation	176.3	-	176.3	130.8	14.9	145.7
Adjusted EBITDA	1,003.3	-	1,003.3	559.3	59.7	619.0
Revenue	5,476.5	-	5,476.5	2,369.0	83.4	2,452.4
Adjusted EBITDA %	18.3%	-	18.3%	23.6%	71.6%	25.2%



seabed-to-surface

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