subsea 7

Earnings Presentation
Third Quarter 2012

November 19, 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 and 2013, 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.

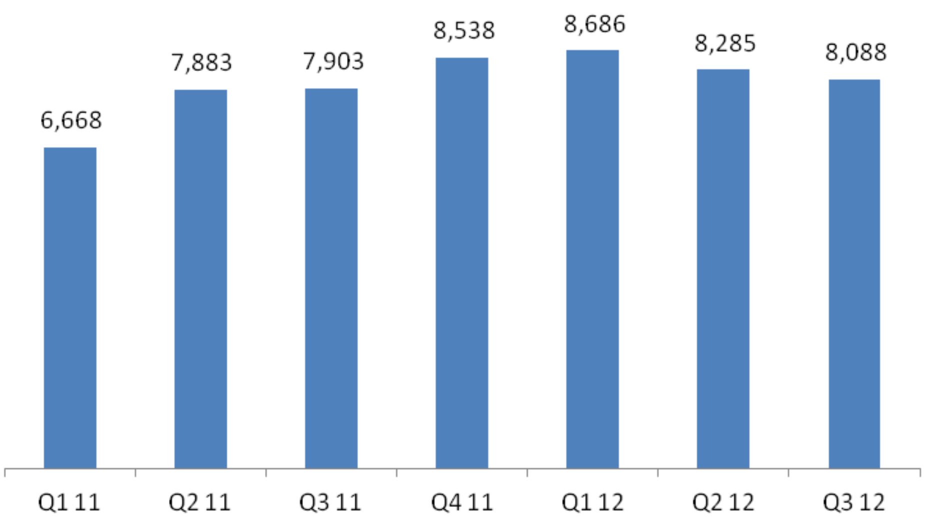
Delivered good Q3 2012 results

- Good results reflect:
  - Record vessel utilisation at 88%
  - High activity levels in North and Norwegian Seas; albeit mitigated by
    - execution of lower margin contracts awarded in previous years
  - High level of offshore activity in West Africa
    - good progress on all projects, several projects approaching close-out phase
  - Brazil margin impacted by Guara Lula
    - Guara Lula schedule on track as per revised plan
  - Asia result impacted by unplanned vessel downtime
    - *Rockwater 2* now repaired and operational

Backlog

- Backlog of $8.1billion:
  - high level of tendering creates opportunity for further growth
  - we remain focused on building 'quality' backlog
  - nearly $1.3bn of announced new contracts so far in Q4

Backlog progression $m



Market overview

- No apparent impact from macro-economic uncertainty on client activity
- Strong momentum among clients to bring new reserves into production
  - project delays are a feature, but we expect high level of bidding activity to translate to market awards later this year and in 2013
- Medium term growth prospects remain good
- Supply chain bottlenecks emerging as cycle improves
- Growth opportunities in all major markets, albeit at differing paces:
  - **NSC**
    - North and Norwegian Seas: strong levels of tendering, EPIC model gaining traction
  - **AFGOM**
    - West Africa: 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

Market overview

- Growth opportunities in all major markets, albeit at differing paces:
  - **APME**
    - pricing conditions remain more challenging than in other territories
    - expect projects to come to market award in early 2013
  - **Brazil**
    - Petrobras' revised plans remain ambitious
    - opportunities include:
      - pre-salt developments
      - PLSV contract awards (renewals and new-builds)

Income statement – key highlights

In $ millions, unless indicated	Three months Ended 30.Sep.12 unaudited	Three months Ended 30.Sep.11 unaudited	Nine months ended 30.Sep.12 unaudited	Ten months ended 30.Sep.11 Unaudited
Revenue	**1,744**	1,432	**4,686**	4,059
Net operating income	**228**	200	**628**	504
Gain on sale of NKT Flexibles	**23**	-	**244**	-
Net income before taxes	**248**	242	**898**	502
Taxation	**(53)**	(69)	**(200)**	(157)
Net income	**194**	173	**698**	344
Adjusted EBITDA [1]	**318**	279	**869**	776
Adjusted EBITDA margin	**18.2%**	19.5%	**18.5%**	19.1%
Per share data (diluted)				
Diluted earnings per share	**$0.50**	$0.45	**$1.86**	$0.94
Adjusted diluted earnings per share [2]	**$0.44**	$0.45	**$1.21**	$0.94
Weighted average number of common shares	**372.3m**	379.0m	**375.3m**	362.3m

[1] Adjusted EBITDA is defined in the Appendix

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

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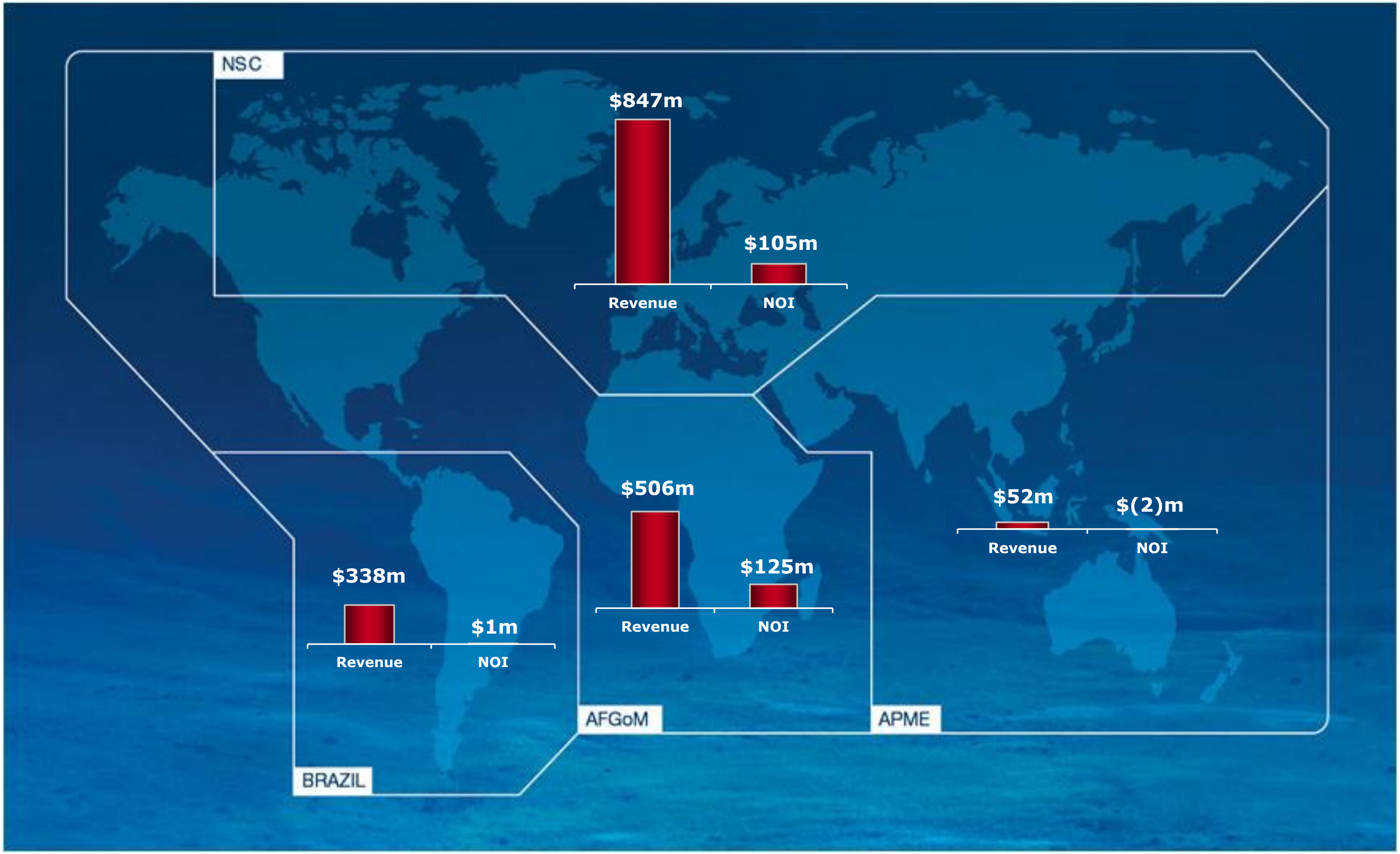
Operational performance – Q3 2012



Income statement – other details

In $ millions	Three months ended 30.Sep.12 Unaudited	Three months ended 30.Sep.11 Unaudited
Administrative expenses	**(98)**	(95)
Share of results of associates and joint ventures	**12**	52
Net operating income	**228**	200
Finance costs net of investment income	**(7)**	(4)
Other gains and losses	**26**	46
Net income before taxes	**248**	242
Taxation	**(53)**	(69)
Non-controlling interests	**(10)**	(8)
Net income after non-controlling interests	**184**	165

Cash flow and balance sheet overview – YTD 2012

- Cash generated from operating activities: $320m
  - increase in net operating assets: $381m
- Net cashflow used in investing activities: $145m
  - capital expenditure of $460m: *Seven Borealis, Seven Inagha, Seven Waves*
  - net proceeds on disposal of NKT Flexibles: $344m
- Net cashflow used in financing activities: $419m
  - share buyback: $200m
  - dividends paid: $199m
- Closing cash balance of $587m
  - $700m convertible bond issue launched on 27 September, proceeds received 5 October

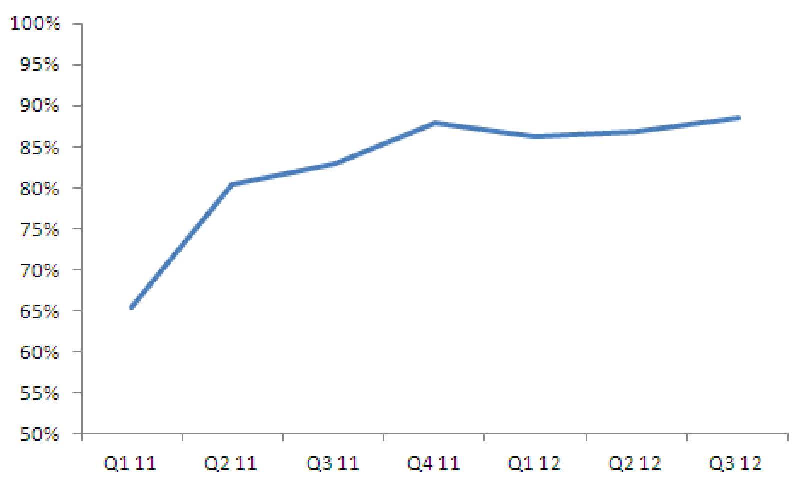
2012 financial guidance

- We expect to deliver 2012 Adjusted EBITDA in-line with consensus expectations
- Other financial guidance
  - administrative expenses: circa $360m (excluding integration costs)
  - integration costs: circa $30m
  - financing costs (net): circa $30m
  - depreciation and amortisation expense: circa $340m
  - underlying effective tax rate: 32%-34%
- Capex : $750m-$800m
  - $450m on new vessel programme: *Seven Inagha, Seven Borealis, Seven Waves*
  - $150m on dry-dockings
  - $150m-$200m other assets

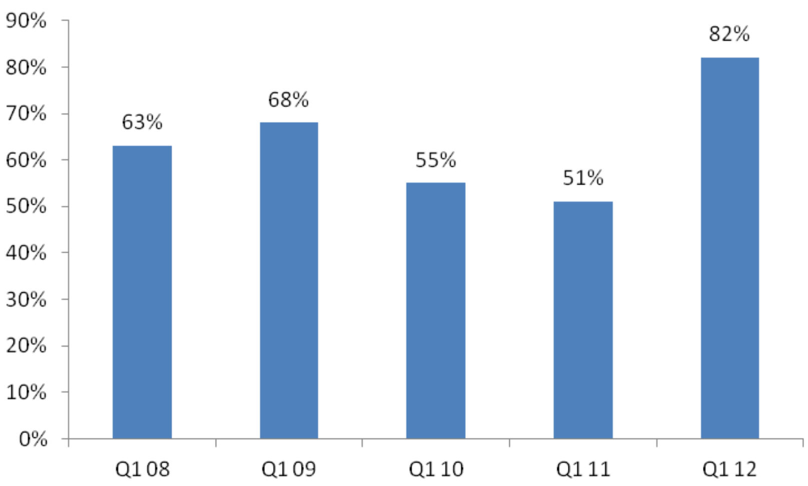
Initial thoughts on 2013

- We remain positive about medium and long term market prospects but we expect that the outlook in 2013 will be tempered by:
  - delays in project awards in 2012, which has deferred execution of some projects post 2013
  - some of the supply chain bottlenecks affecting the industry
  - a potential return to more normal seasonal vessel utilisation in the North and Norwegian Seas in Q1

Group vessel utilisation



NSC Vessel Utilisation



Initial thoughts on 2013 – by territory

- NSC: levels of tendering remain high with improved pricing, however:
  - some backlog acquired late in 2012, such that associated offshore activity will largely be in 2014 and beyond
  - Q1 2012 benefited from unusually high vessel utilisation
  - a number of clients have identified supply chain bottlenecks, which has led to the deferral of the operational phase of some projects into 2014
  - one of the two pipe-laying vessels active in the Territory in 2012 will transfer to Brazil in 2013
- AFGOM: delay in market award of some large projects will result in their offshore operations being executed in 2014 and 2015
- APME: tendering levels are slowly improving
- Brazil: potential renewal of PLSV contracts in late 2013

Fleet upgrade programme since Jan 2011

- *Seven Borealis* will be operational on CLOV before year end
- Introducing our new Brazilian PLSV – *Seven Waves*

SURF

Conventional

Renewables

Life-of-Field

Divest / Release

* Owned by SHL JV

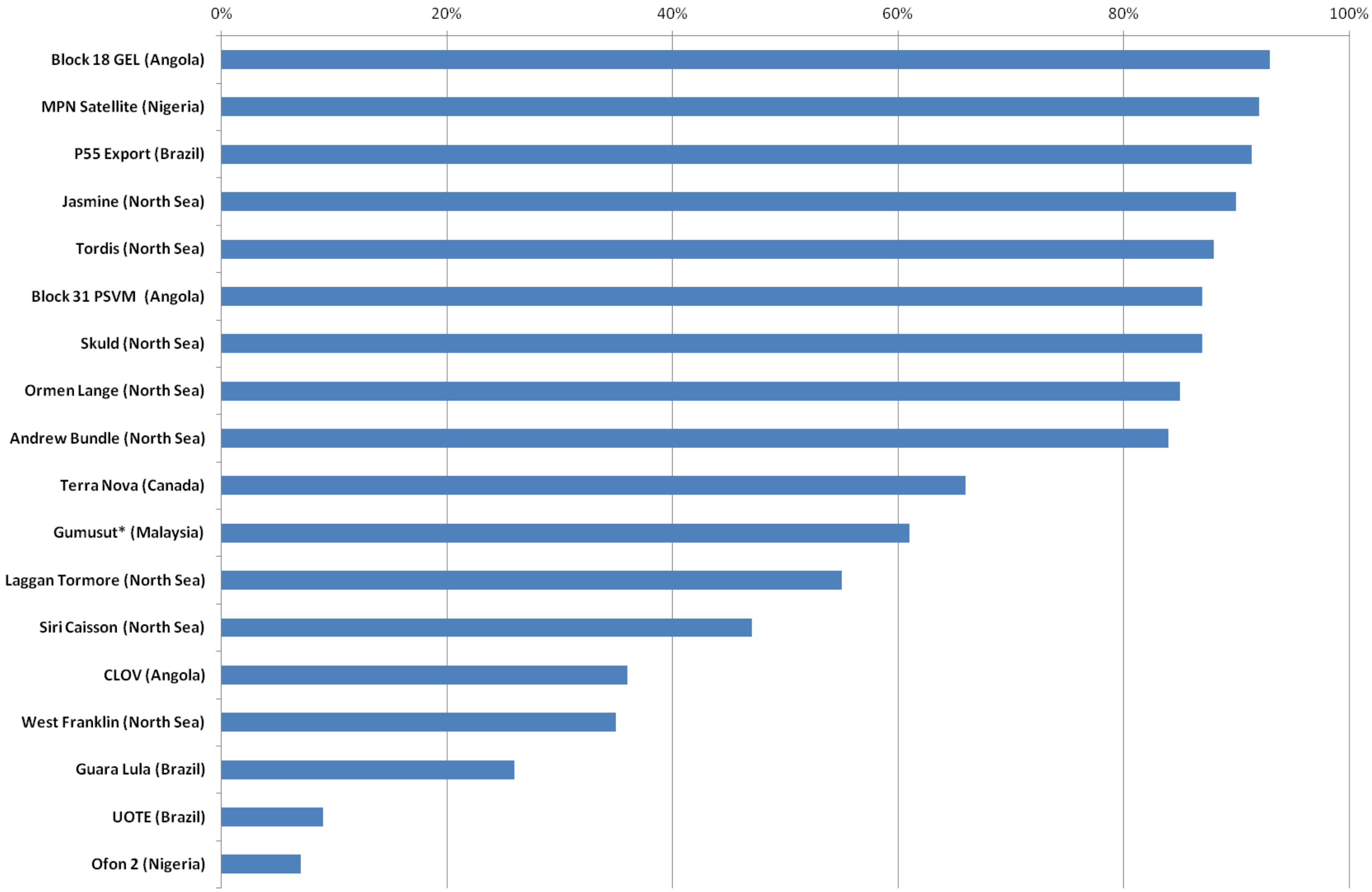
Summary

- Good quarterly results
- 2012 Adjusted EBITDA expected to be in-line with consensus
- Contract award momentum building in Q4, expectation of major contracts awarded to market in coming months
- Growth opportunities visible in all markets, albeit at differing paces
- Company well positioned for profitable growth:
  - financial strength
  - large fleet of high specification vessels
  - investment in engineering and project management
- We remain positive about medium and long term market prospects but we expect that the outlook in 2013 will be tempered by various factors

Appendix

Major project progression

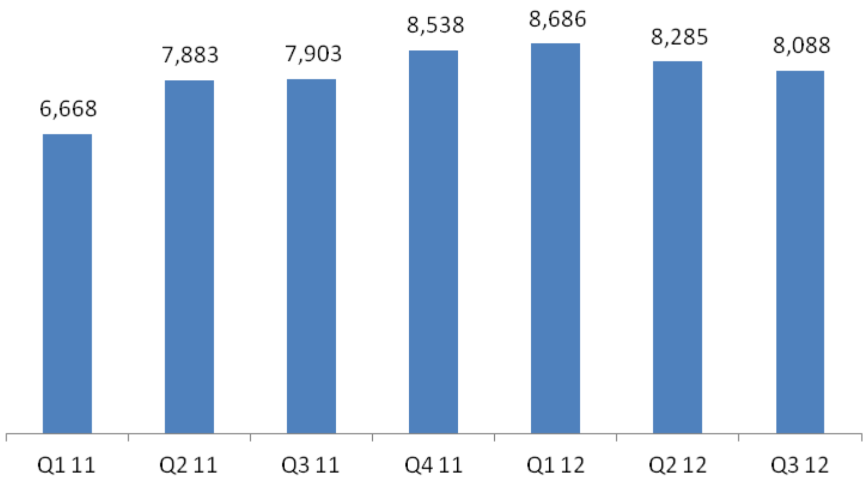
Continuing projects >$100m between 5% and 95% complete as at 30 Sept 2012 excl. long-term ship charters and Life-of-Field day-rate contracts.



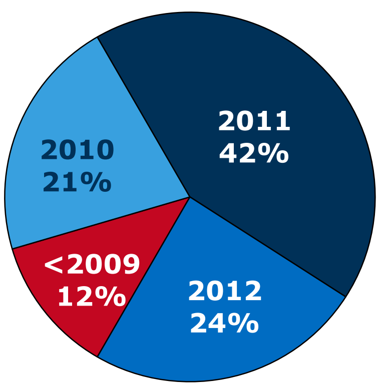
* joint venture activity

Backlog

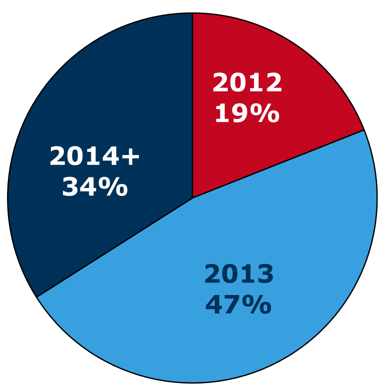
Backlog progression $m



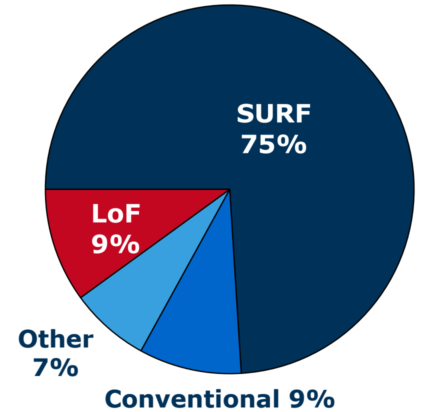
Backlog by Award Date



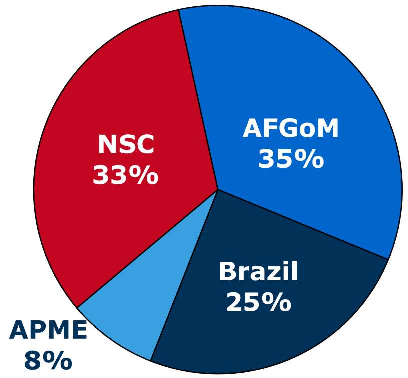
Backlog by Execution Date



Backlog by Service Capability



Backlog by Segment



Segmental analysis

For the three months ended 30 September 2012

(in $ millions)	AFGoM	APME	BRAZIL	NSC	CORP	Total continuing operations
Revenue	**505.7**	**51.9**	**337.7**	**847.4**	**0.9**	**1,743.6**
Net operating income/(loss) from operations	**125.1**	**(1.8)**	**1.3**	**105.0**	**(1.4)**	**228.2**
Investment income from bank deposits						**2.4**
Other gains and losses						**25.8**
Finance costs						**(8.9)**
Income before taxes						**247.5**

For the three months ended 30 September 2011

(in $ millions)	AFGoM	APME	BRAZIL	NSC	CORP	Total continuing operations
Revenue	599.1	37.9	154.5	637.1	3.3	1,431.9
Net operating income from operations	109.4	12.9	12.7	44.0	20.6	199.6
Investment income from bank deposits						5.0
Other gains and losses						45.9
Finance costs						(8.7)
Income before taxes						241.8

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 impact the 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

For the period (in $ millions)	**Three Months Ended 2012 30 Sep Unaudited**	Three Months Ended 2011 30 Sep Unaudited	**Nine Months Ended 2012 30 Sep Unaudited**	Ten Months Ended 2011 30 Sep Unaudited
Net operating income	**228.2**	199.6	**627.8**	503.8
Depreciation and amortisation	**84.0**	75.1	**246.6**	251.2
Impairments	**5.8**	4.7	**(5.5)**	21.0
Adjusted EBITDA	**318.0**	279.4	**868.9**	776.0
Revenue	**1,743.6**	1,431.9	**4,685.9**	4,059.0
Adjusted EBITDA %	**18.2%**	19.5%	**18.5%**	19.1%

Reconciliation of net income to Adjusted EBITDA

For the period (in $ millions)	**Three Months Ended 2012 30 Sep Unaudited**	Three Months Ended 2011 30 Sep Unaudited	**Nine Months Ended 2012 30 Sep Unaudited**	Ten Months Ended 2011 30 Sep Unaudited
Net income	**194.2**	172.8	**698.4**	344.1
Depreciation and amortisation	**84.0**	75.1	**246.6**	251.2
Impairments	**5.8**	4.7	**(5.5)**	21.0
Investment income	**(2.4)**	(5.0)	**(9.7)**	(14.0)
Other losses/(gains)	**(25.8)**	(45.9)	**(286.9)**	(14.8)
Finance costs	**8.9**	8.7	**26.2**	31.1
Taxation	**53.3**	69.0	**199.8**	157.4
Adjusted EBITDA	**318.0**	279.4	**868.9**	776.0
Revenue	**1,743.6**	1,431.9	**4,685.9**	4,059.0
Adjusted EBITDA %	**18.2%**	19.5%	**18.5%**	19.1%

seabed-to-surface

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