subsea 7

Earnings Presentation
First Quarter 2012

May 11, 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 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 Q1 2012 results - in line with expectations

- Good results reflect:
  - High activity levels in North and Norwegian Seas; higher than typical for first quarter reflecting improving market environment and work delayed from H2 2011 due to adverse weather conditions
  - Good activity levels in West Africa and Brazil
- Backlog of $8.7 billion reflects:
  - Continued awards of small/medium size projects and variation orders
  - During 2012, expect to work through low margin work awarded in North Sea in 2010
  - c.$950 million backlog associated with the Guara Lula project in Brazil expected to be recognised over 2012 and 2013 at zero margin
- Improving pricing environment in North and Norwegian Seas and West Africa
- Strong backlog provides strong foundation for growth

Market overview

- Strong momentum among clients to bring new reserves into production
- Continue to see growth opportunities in all major markets, albeit at differing paces:
  - **North and Norwegian Seas:** Strong activity levels – higher than typical for first quarter; high levels of tendering driving strong order flow; higher activity, including an increasing number of EPIC projects, with improved pricing for projects expected to be offshore in 2012+
  - **West Africa:** a transition year. Expect higher activity levels in H1 2012 as projects complete, with large projects in early stages and lower overall level of offshore activity. Market remains strong. Number of major contracts expected to come to market award in 2012; with offshore operations late 2013 and 2014. Pricing improving relative to past 18 months

Market overview cont'd

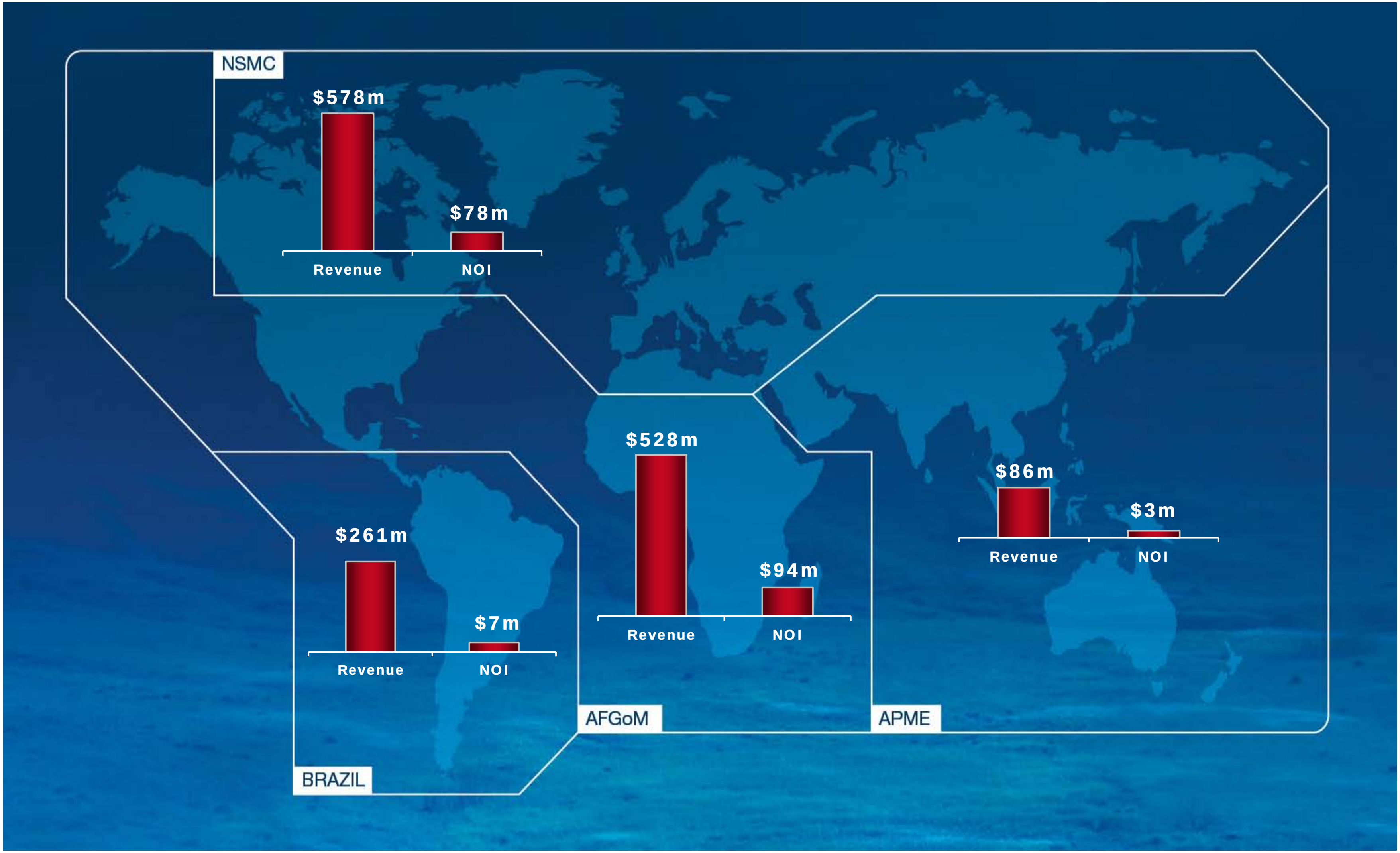
- **Gulf of Mexico:** increased activity for subsea projects expected with contract awards to the market in late 2012 and execution late 2013 and 2014
- **Asia Pacific:** market remains very competitive; further gas-driven SURF contracts offshore Australia, expected to come to market award in 2012; albeit with pricing conditions which remain challenging; offshore activity expected late 2013+
- **Brazil:** more opportunities ahead expect further PLSVs contract awards (renewals and new-builds) and further pre-salt developments

Income statement highlights

In $ millions, except Adjusted EBITDA margin, share and per share data	Three Months Ended 31.Mar.12 Unaudited	Period[1] Ended 31.Mar.11 Unaudited
Revenue	**1,458**	1,292
Net operating income	**153**	94
Income before taxes	**147**	70
Taxation	**(54)**	(25)
Net income	**93**	45
Adjusted EBITDA	**225**	190
Adjusted EBITDA margin	**15.4%**	14.7%
Per share data (diluted)		
Earnings per share	**$0.25**	$0.14
Weighted average number of Common Shares and Common Share equivalents outstanding	**379.1m**	300.9m

[1] The comparative period is the four-month period from 1 December 2010 to 31 March 2011 for Subsea 7 S.A. and the results of Subsea 7 Inc. following the date of combination.

Operational performance – Q1 2012



Income statement highlights cont'd

In $ millions	Three Months Ended 31.Mar.12 Unaudited	Period[1] Ended 31.Mar.11 Unaudited
Administrative expenses	**(91)**	(110)
Share of net income of associates and joint ventures	**(3)**	17
Net operating income	**153**	94
Finance income	**3**	6
Other losses	**(2)**	(17)
Finance costs	**(8)**	(13)
Income before taxes	**147**	70
Taxation	**(54)**	(25)
Net income	**93**	45

[1] The comparative period is the four-month period from 1 December 2010 to 31 March 2011 for Subsea 7 S.A. and the results of Subsea 7 Inc. following the date of combination.

Cash flow overview – Q1 2012

- Cash generation from operating activities of $173 million
- Net cashflows used in investing activities of $127 million reflects capital expenditure of $137 million in line with expectations: *Seven Borealis* and the new-build PLSV
- Net cashflows used in financing activities of $12 million
- Closing cash and cash equivalents of $819 million

Financial assumptions - 2012

- Expect to deliver increased revenue and Adjusted EBITDA in 2012
- Joint Venture contribution – 2012 lower than 2011
- Administrative expenses: c.$80 - 85 million per quarter (excluding integration)
- Final integration costs: Q1: $12 million; c.$20 million remaining
- Net financing costs in line with 2011
- D&A - $380 million; quarterly split will reflect timing of additions to the fleet
- Capital Expenditure for 2012: $750 - $850 million
  - $450 million committed vessel programme including *Seven Borealis, Seven Inagha, Seven Viking, new-build Brazilian PLSV, Normand Oceanic* and ROVs
  - $150 million dry-dock and maintenance capex
  - Further organic growth opportunities of $150 - $250 million
- Expected tax rate of 32% - 35%

2012 expectations

- Expect to deliver revenue and Adjusted EBITDA for twelve months of 2012 ahead of thirteen month period ended 31 December 2011
- Expect increased activity and profitability in NSMC to offset lower activity and profitability in AFGoM
- Joint Venture contribution in 2012 expected to be lower than 2011 due to sale of NKT Flexibles and rescheduling of offshore activity on SapuraAcergy’s Gumusut Project to 2013

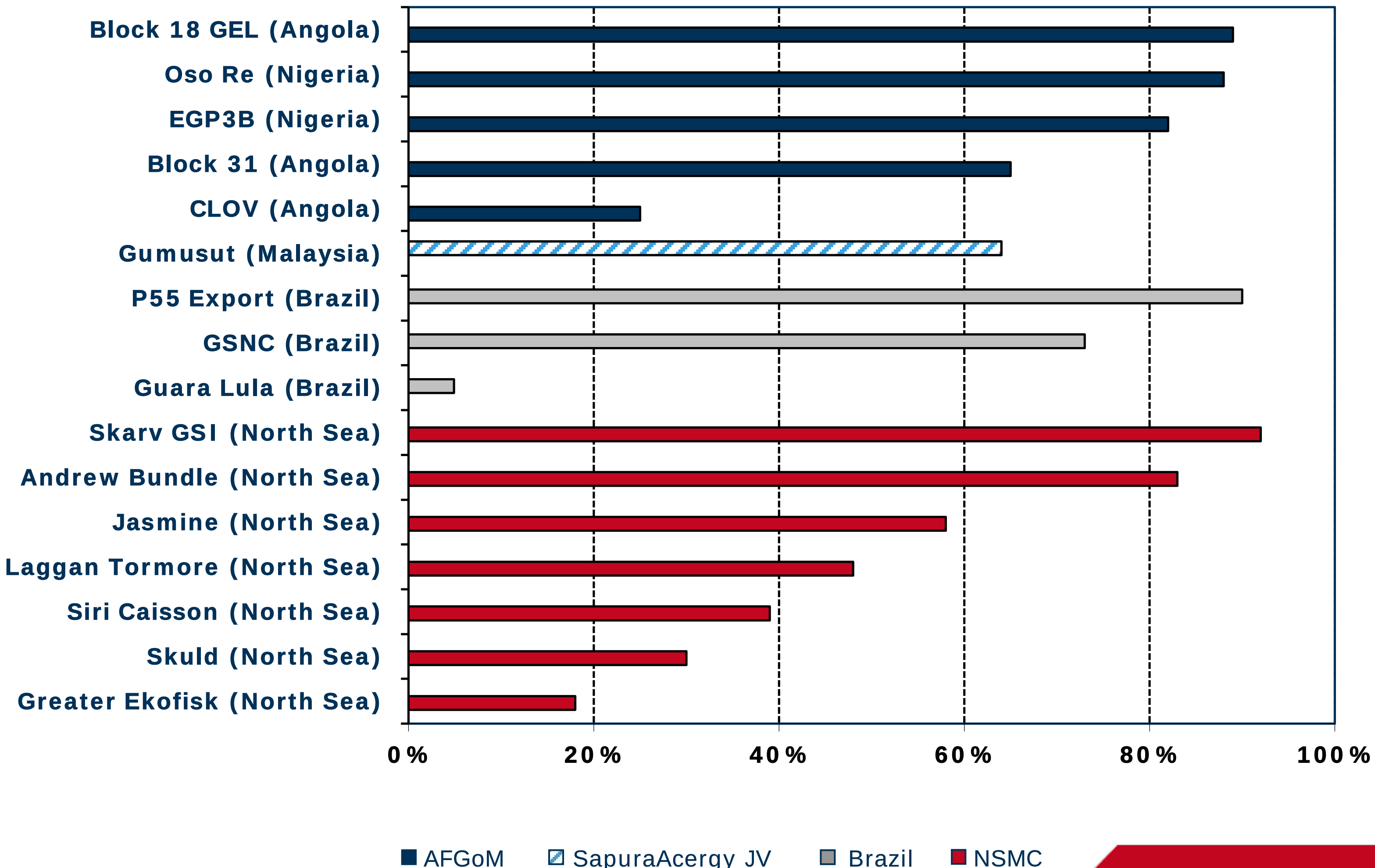
Summary

- Robust oil price and strong tendering activity underpins good order book momentum
- Our clients have ambitious investment plans and remain committed to bringing new reserves into production
- Continue to see opportunities in all markets; albeit at differing paces
- Remain focused on building quality backlog – ensuring disciplined approach to risk and pricing
- Well placed to address the challenges of the availability of people and a tightening supply chain
- Prepared for the future – well positioned for profitable growth

Appendix

Major project progression

Continuing projects >$100m between 5% and 95% complete as at 31 March 2012 excl. long-term ship charters and Life-of-Field day-rate contracts.

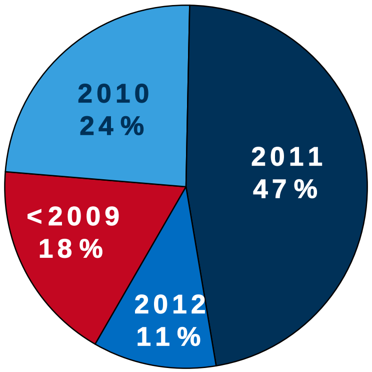


Backlog

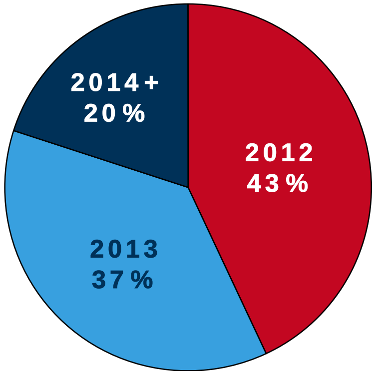
In $ millions as at:	*31.Mar.12*	*31.Dec.11*	*31.Mar.11*
Subsea 7 S.A.[1]	8,686	8,538	6,668

[1] Backlog refers to expected future revenue under signed contracts, which are determined as likely to be performed

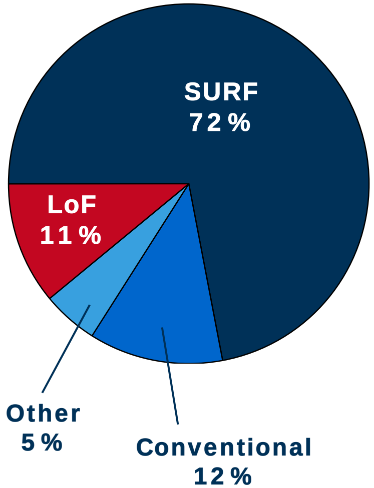
Backlog by Award Date



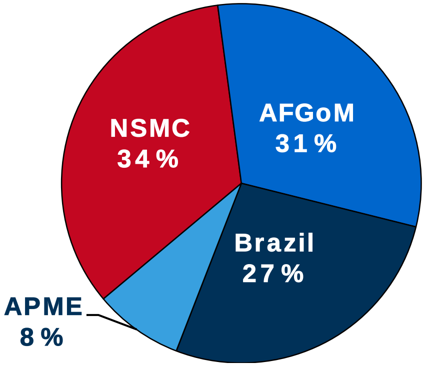
Backlog by Execution Date



Backlog by Service Capability



Backlog by Segment



Segmental analysis:

Three months ended 31.Mar.12 Unaudited **In $ millions**	**NSMC**	**AFGoM**	**APME**	**Brazil**	**CORP**	**Total operations**
Revenue	**578.2**	**528.1**	**85.6**	**261.2**	**4.9**	**1,458.0**
Net operating income / (loss)	**77.6**	**93.8**	**2.8**	**6.6**	**(27.6)**	**153.2**
Investment income						**3.3**
Other losses						**(2.2)**
Finance costs						**(7.5)**
Net income before taxation						**146.8**

Period ended 31.Mar.11 Unaudited In $ millions	NSMC	AFGoM	APME	Brazil	CORP	Total operations
Revenue	307.8	725.1	63.9	190.6	4.3	1,291.7
Net operating (loss)/income	(7.5)	118.0	1.8	3.8	(21.8)	94.3
Investment income						5.5
Other losses						(17.3)
Finance costs						(12.5)
Net income before taxation						70.0

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 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 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 31.Mar.12	Period Ended 31.Mar.11
Net operating income	**153.2**	94.3
Depreciation and amortisation	**77.6**	91.2
Impairment/(reversal) charge	**(5.9)**	4.0
Adjusted EBITDA	**224.9**	189.5
Revenue	**1,458.0**	1,291.7
Adjusted EBITDA %	**15.4%**	14.7%

Reconciliation of net income to Adjusted EBITDA

In $ millions (except percentages)	Three Months Ended 31.Mar.12	Period Ended 31.Mar.11
Net income	**93.3**	45.2
Depreciation and amortisation	**77.6**	91.2
Impairment/(reversal) charge	**(5.9)**	4.0
Investment income	**(3.3)**	(5.5)
Other losses	**2.2**	17.3
Finance costs	**7.5**	12.5
Taxation	**53.5**	24.8
Adjusted EBITDA	**224.9**	189.5
Revenue	**1,458.0**	1,291.7
Adjusted EBITDA %	**15.4%**	14.7%

seabed-to-surface

www.subsea7.com