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Earnings Presentation

Third Quarter 2015

11 November 2015

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’, ‘could’, ‘estimate’, ‘expect’, ‘forecast’, ‘intend’, ‘may’, ‘might’, ‘plan’, ‘predict’, ‘project’, ‘scheduled’, ‘seek’, ‘should’, ‘will’, and similar expressions. The forward-looking statements reflect our current views and are subject to risks, uncertainties and assumptions. The principal risks and uncertainties which could impact the Group and the factors which could affect the actual results are described but not limited to those in the ‘Risk Management’ section in the Group’s Annual Report and Consolidated Financial Statements for the year ended 31 December 2014. These factors, and others which are discussed in our public announcements, 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 vessels on order; 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. Other unknown or unpredictable factors could also have material adverse effects on our future results. Given these factors, you should not place undue reliance on the forward-looking statements.

Jean Cahuzac,
CEO

Q3 2015 highlights

FINANCIAL

- Revenue $1.2 billion
- Adjusted EBITDA $351 million
- Adjusted EBITDA Margin 29%
- Diluted EPS of $0.46 per share
- Net cash of $104 million

OPERATIONAL

- Strong project execution
- Significant progress on projects in both hemispheres
- 74% Global vessel utilisation
- Cost reduction and resizing programme on track
- Active fleet reduced to 33 vessels

ORDER IN-TAKE

- Order backlog $6.7 billion
  - *$0.4 billion adverse foreign exchange movement*
- $1.1 billion order intake including:
  - *West Nile Delta, Egypt*
  - *Culzean, UK*
  - *EPRS, Australia*

OUTLOOK

- Challenging business outlook persists
- Timing of market awards remains uncertain
- Positioned well to strengthen through the cycle
- Collaboration with clients to reduce their project costs

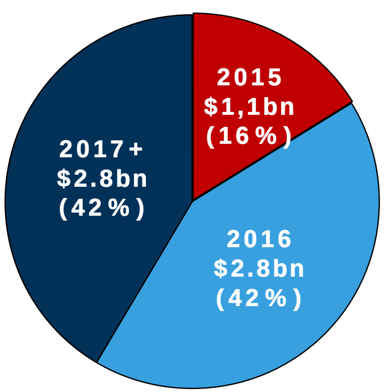
Business Unit performance overview

Northern Hemisphere and Life of Field	Southern Hemisphere and Global Projects
• Significant progress on Catcher, Mariner and Montrose projects offshore UK • Aasta Hansteen project offshore Norway progressed well • Heidelberg project completed in the Gulf of Mexico • Life of Field activity levels remained low	• Significant progress on the T.E.N. project offshore Ghana and Lianzi SURF and Topside projects offshore Angola • Erha North project substantially completed • High levels of activity for the PLSVs offshore Brazil

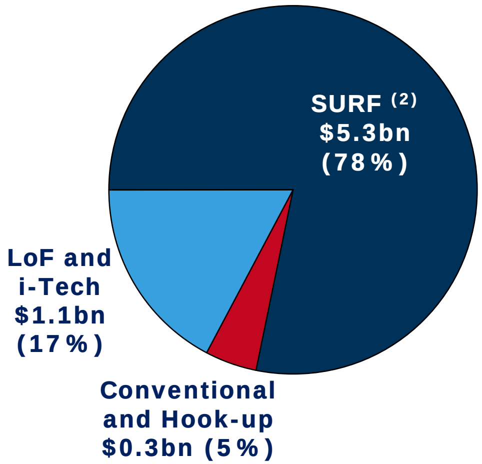
Q3 Backlog and order intake

- Backlog of $6.7 billion as at 30 September 2015
  - *$0.4 billion adverse foreign exchange movement in the third quarter*
- $1.1 billion order intake(1), including announced awards:
  - *West Nile Delta, offshore Egypt;*
  - *Culzean, offshore UK;*
  - *EPRS, offshore Australia*

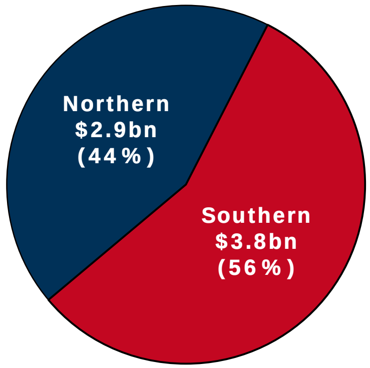
Backlog by Execution Date



Backlog by Service Capability



Backlog by Hemisphere



(1) Excluded the impact of foreign exchange movements in the quarter
(2) Included $2.3billion related to the long-term PLSV contracts in Brazil

Ricardo Rosa, CFO

Income statement – key highlights

In $ millions, unless otherwise indicated.

	Three months ended	
	30 Sept 15 Unaudited	30 Sept 14[1] Unaudited
Revenue	1,200	1,902
Net operating income (NOI)	214	317
Income before taxes	241	281
Taxation	(96)	(83)
Net income	145	199
Adjusted EBITDA	351	426
Adjusted EBITDA margin	29.2%	22.4%
Diluted earning per share	0.46	0.57
Weighted average number of shares (millions)	347	373

(1) Re-presented due to the declassification of assets held for sale

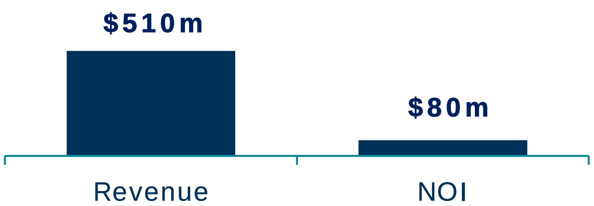
Income statement – supplementary details

In $ millions	Three months ended	
	30 Sept 15 Unaudited	30 Sept 14 (1) Unaudited
Administrative expenses	(89)	(86)
Share of net income of associates and joint ventures	33	24
Depreciation and amortisation	(100)	(109)
Impairment of property, plant and equipment	(37)	-
Net operating income	**214**	**317**
Net finance income/(costs)	2	(2)
Other gains and losses	25	(34)
Income before taxes	**241**	**281**
Taxation	(96)	(83)
Net Income	**145**	**199**
Net Income Attributable to:		
Shareholders of the parent company	158	207
Non-controlling interests	(13)	(8)

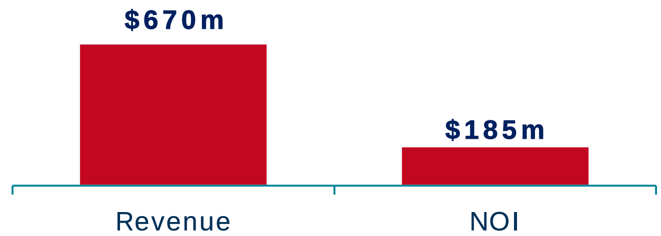
(1) Re-presented due to the declassification of assets held for sale

Business Unit performance

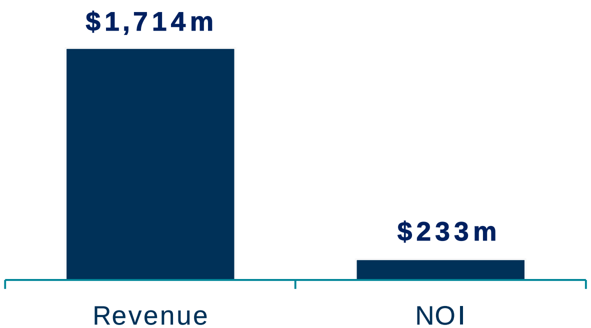
Northern Hemisphere and Life of Field Q3 2015



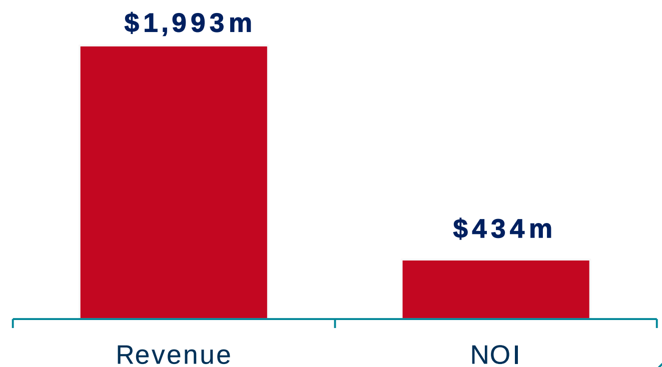
Southern Hemisphere and Global Projects Q3 2015



Northern Hemisphere and Life of Field 9 months to 30 Sep 2015



Southern Hemisphere and Global Projects 9 months to 30 Sep 2015



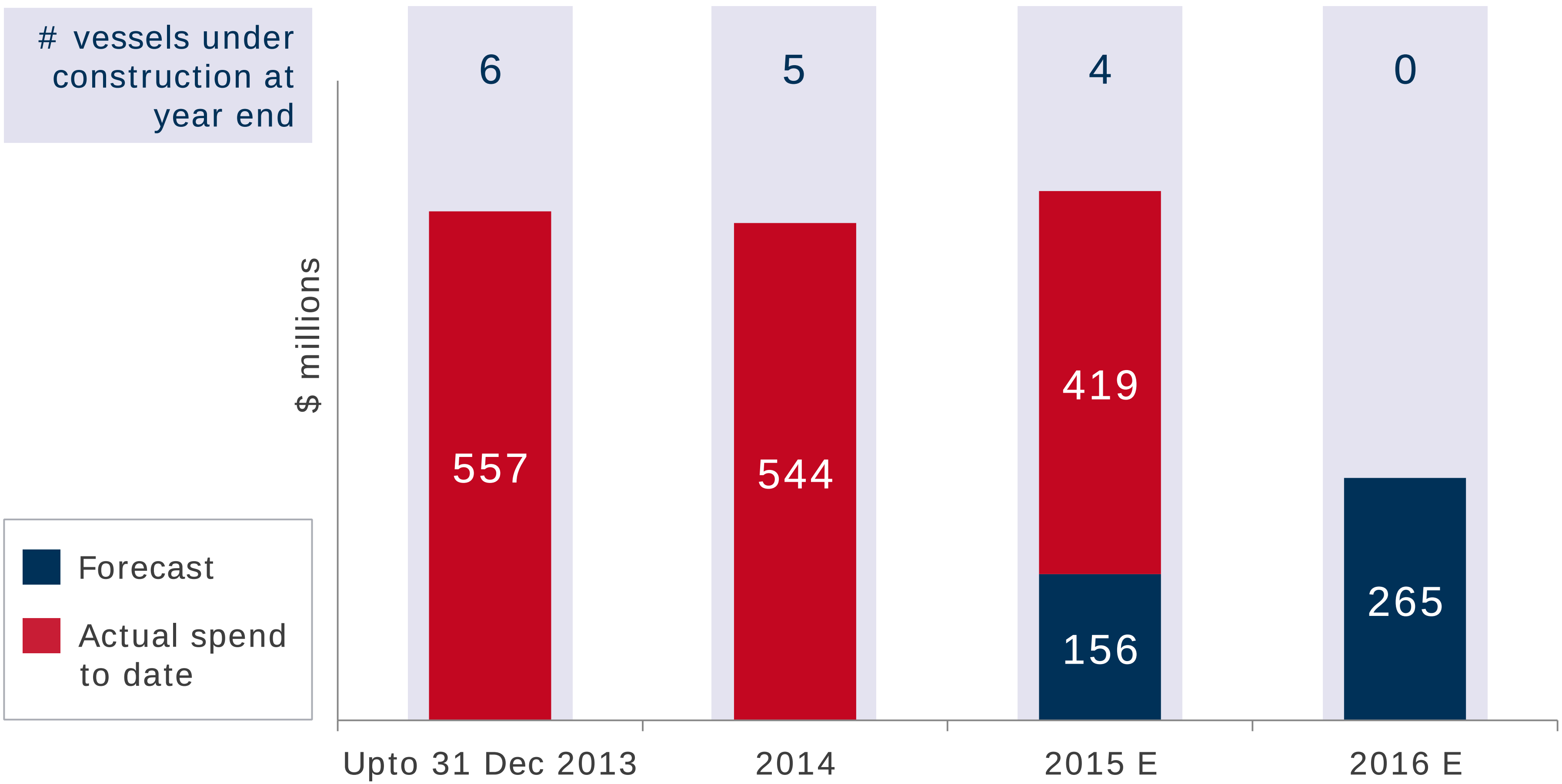
Note: excludes Corporate segment, which reported revenue of $20 million and a net operating loss of $51 million in Q3 2015 and revenue of $26 million and net operating loss of $108 million for the 9 months ended 30 September 2015

Summary of YTD 2015 cash flow

	$ millions	
Cash and cash equivalents at **31 Dec 2014**	573	
Net cash generated from operating activities	628	*Decrease of $99 million in net operating liabilities*
Net cash flow used in investing activities	(487)	*Included capital expenditure of $548m mainly on new-build vessel programme*
Net cash flow used in financing activities	(33)	*Included repurchase of convertible bonds*
Other movements	(24)	
Cash and cash equivalents at **30 Sept 2015**	657	

- Net cash of $104m as at 30 September 2015 compared to net debt of $6m as at 31 December 2014
- Third quarter net cash generated from operating activities was $409 million, which included a $96 million increase in net operating liabilities

Capital expenditure for vessel new-build programme[1]



[1] Comprises four PLSVs being constructed for long-term contracts with Petrobras (including *Seven Waves* which was operational from May 2014 and *Seven Rio* which was operational from Sep 2015), and construction of *Seven Arctic* and *Seven Kestrel*. Amounts include an estimate for interest to be capitalised during construction.

E = estimated

New-build vessels joining our fleet

Pipelay support vessels (PLSVs)
contracted on 5 year term to Petrobras

Vessel name	Delivery
Seven Waves	May 2014
Seven Rio	September 2015
Seven Sun	Q2 2016
Seven Cruzeiro	Q4 2016

Diving Support Vessel (DSV)

Vessel name	Delivery
Seven Kestrel	1H 2016

Heavy Construction Vessel (HCV)

Vessel name	Delivery
Seven Arctic	1H 2016

- *Seven Rio* joined the fleet in September 2015
  - Currently working on a project in the Gulf of Mexico
  - Will subsequently transit to Brazil to commence its long-term contract with Petrobras

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Financial guidance

2015	Guidance
Revenue	Significantly lower than 2014 (unchanged)
Adjusted EBITDA percentage margin	Higher than 2014
Admin expense	\$310-330 million - including \$40 million resizing charge
Net finance income	\$5-10 million
Depreciation and Amortisation	\$410-430 million - excluding impairment charges
Full year effective tax rate	33% - 35%
Total capital expenditure	\$750-775 million
- new build programme	\$575 million
- Sustaining capex	\$175-200 million

2016 Group revenue and Adjusted EBITDA percentage margin expected to decrease significantly compared to 2015

Jean Cahuzac,

CEO

Strengthening our market position

Adjust organisation size according to market conditions while **strengthening our capabilities** for the longer term

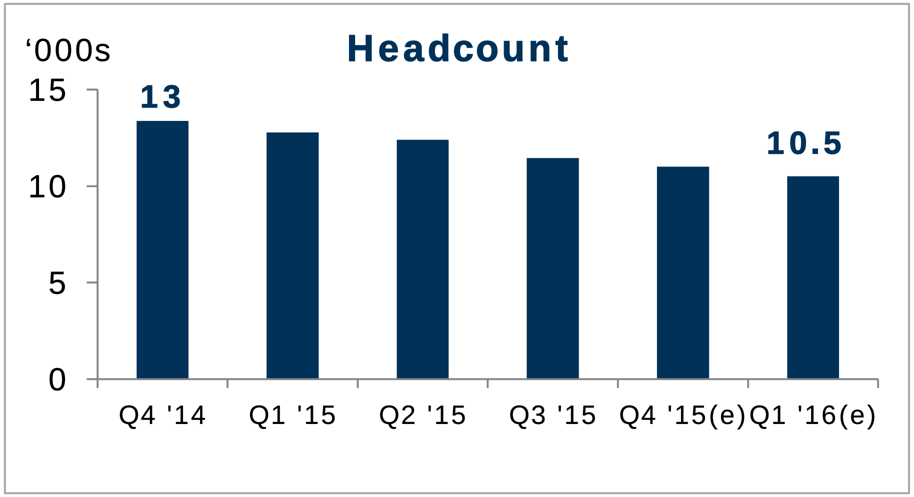
Reduce cost of organisation and resize capacity	Engage early with our clients and suppliers
New organisation / Simplify processes and Fit-for-purpose approach	Focus on technology

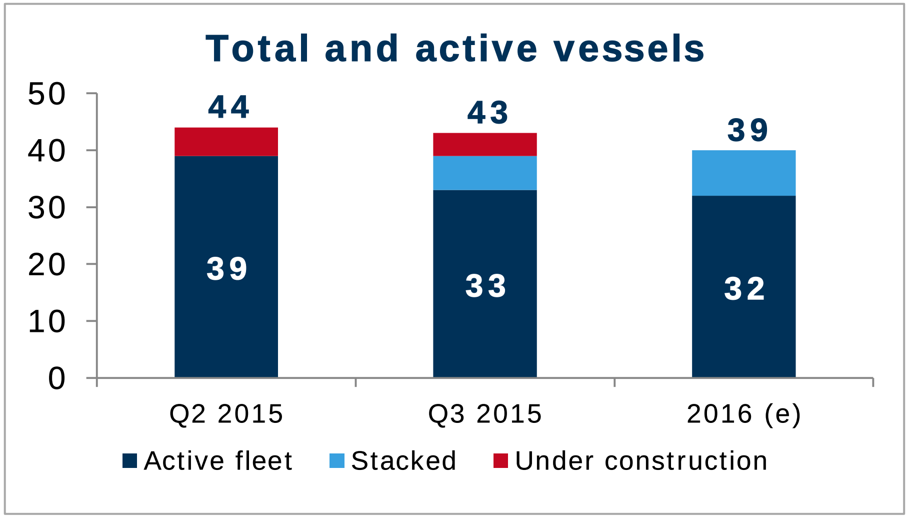
Enable projects to progress in a lower oil price environment

Reducing our costs by early 2016

Cost reduction and resizing programme

- By early 2016:
  - $550 million of annual savings
  - 2,500 headcount reduction
  - 12 vessels identified for release
    - 8 owned vessels to be stacked or sold
    - 4 charter vessels to be returned
- **Progress as at Q3 2015:**
  - **Headcount reduction on track**
  - **Active fleet reduced to 33 vessels**
  - **6 vessels stacked**
    - ***Seven Polaris* (to be scrapped)**
    - ***Seven Navica***
    - ***Seven Inagha***
    - ***Rockwater 1***
    - ***Seven Discovery***
    - ***Seven Petrel***
  - **1 chartered vessel returned**





Strengthening our client relationships

- Agreed to partner with clients longer term to deliver mutual benefits

- Work on a preferred supplier / exclusive basis
- Engage early to develop the right solutions
- Deliver cost effective results
- Enhanced collaboration based on trust and transparency

Business Unit outlook

Northern Hemisphere and Life of Field

- Very limited new opportunities in offshore UK and Norway
- Some activity in the Gulf of Mexico
  - Including project tenders for Mad Dog 2 and Hopkins
- Life of Field activity remains low, particularly in the North Sea

Southern Hemisphere and Global Projects

- Timing of new awards to market remains uncertain
- Domestic gas projects less impacted by market conditions
- Continuing project tenders include:
  - Bonga South West
  - Coral FLNG
  - Golfinho
  - Rotan
  - Vashishta
  - West Nile Delta phase 2

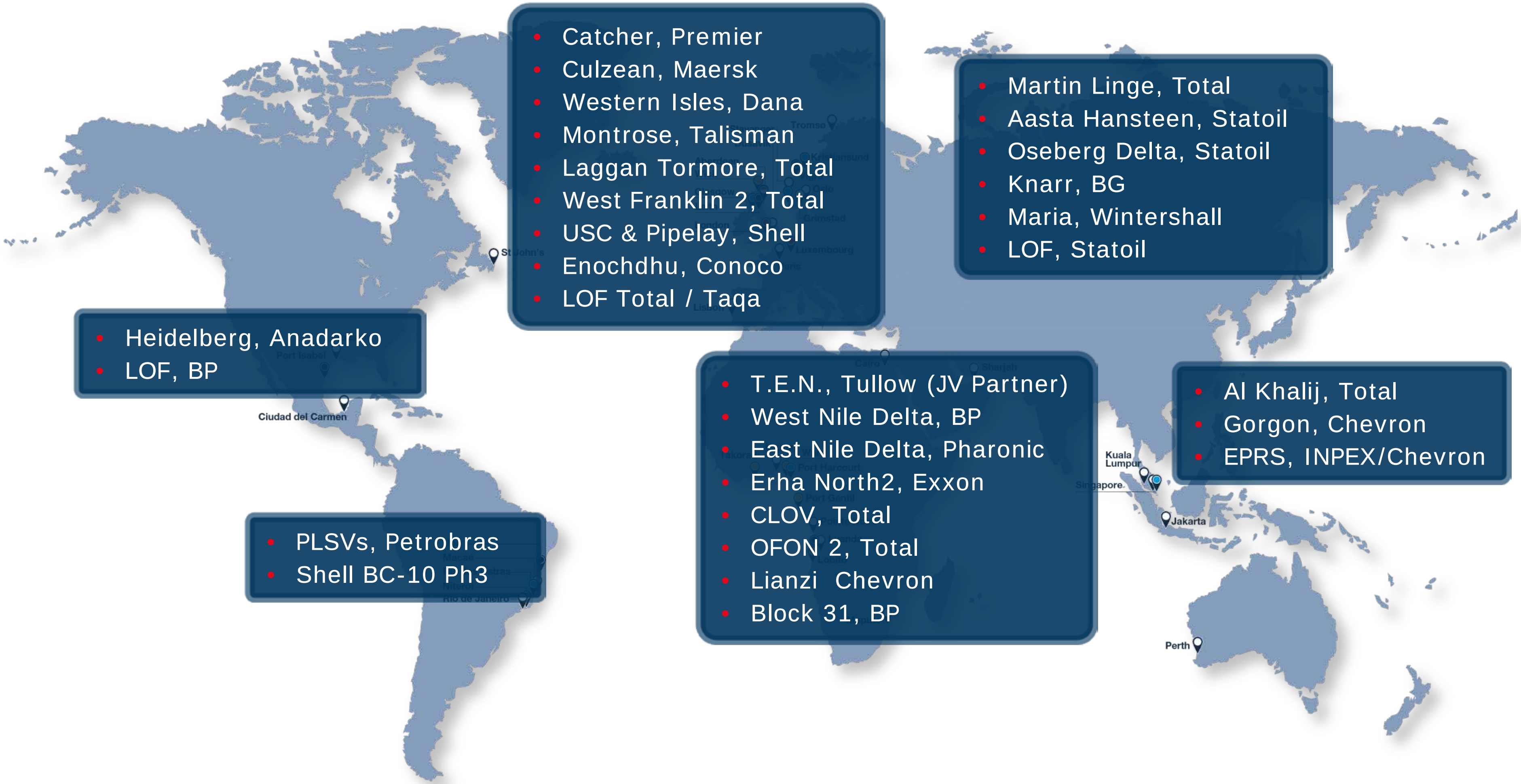
Subsea 7 Alliances with KBR/Granherne and OneSubsea

- Positive client interest in early engagement opportunities

Q & A

Appendix

Our global presence



- Catcher, Premier
- Culzean, Maersk
- Western Isles, Dana
- Montrose, Talisman
- Laggan Tormore, Total
- West Franklin 2, Total
- USC & Pipelay, Shell
- Enochdhu, Conoco
- LOF Total / Taqa

- Martin Linge, Total
- Aasta Hansteen, Statoil
- Oseberg Delta, Statoil
- Knarr, BG
- Maria, Wintershall
- LOF, Statoil

- Heidelberg, Anadarko
- LOF, BP

- T.E.N., Tullow (JV Partner)
- West Nile Delta, BP
- East Nile Delta, Pharonic
- Erha North2, Exxon
- CLOV, Total
- OFON 2, Total
- Lianzi Chevron
- Block 31, BP

- Al Khalij, Total
- Gorgon, Chevron
- EPRS, INPEX/Chevron

- PLSVs, Petrobras
- Shell BC-10 Ph3

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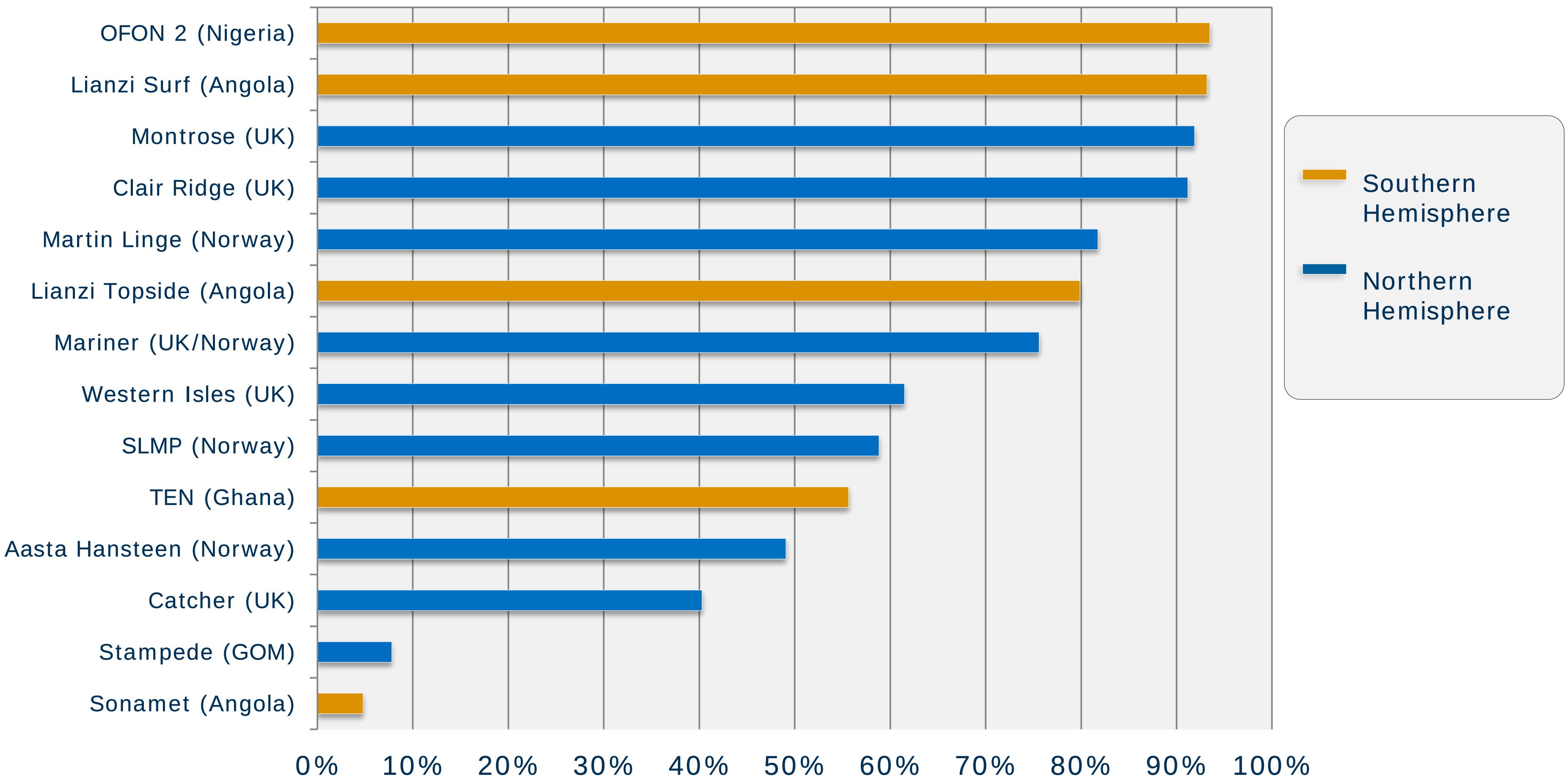
Major project progression

Continuing projects >$100m between 5% and 95% complete as at 30 September 2015 excluding PLSV and Life of Field day-rate contracts



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 period-on-period or with other businesses. The Group defines Adjusted EBITDA as net income adjusted to exclude depreciation, amortisation and mobilisation costs, impairment charges or impairment reversals, finance income, other gains and losses (including gain on disposal of subsidiary and gain on distribution), finance costs and taxation. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue, expressed as a percentage.
- 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 adopted by 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 Business Units, 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 2015	Three Months Ended 30 Sept 2014[1]
Net operating income	**214**	317
Depreciation, amortisation and mobilisation	**100**	109
Impairment of Property, Plant and Equipment	**37**	-
Adjusted EBITDA	**351**	426
Revenue	**1,200**	1,902
Adjusted EBITDA %	**29.2%**	22.4%

Net income to Adjusted EBITDA For the period (in $millions)	Three Months Ended 30 Sept 2015	Three Months Ended 30 Sept 2014[1]
Net income	**145**	199
Depreciation, amortisation and mobilisation	**100**	109
Impairment of Property, Plant and Equipment	**37**	-
Finance income	**(3)**	(4)
Other gains and losses	**(25)**	34
Finance costs	**1**	6
Taxation	**96**	83
Adjusted EBITDA	**351**	426
Revenue	**1,200**	1,902
Adjusted EBITDA %	**29.2%**	22.4%

(1) Re-presented due to the declassification of assets held for sale

Segmental analysis

For the three months ended 30 September 2015

In $ millions (unaudited)	Northern Hemisphere and LOF	Southern Hemisphere and GP	Corporate	TOTAL
Revenue	510	670	20	1,200
Net operating income/(loss)	80	185	(51)	214
Finance income				3
Other gains and losses				25
Finance costs				(1)
Income before taxes				241

For the three months ended 30 September 2014 (1)

In $ millions (unaudited)	Northern Hemisphere and LOF	Southern Hemisphere and GP	Corporate	TOTAL (1)
Revenue	943	960	(1)	1,902
Net operating income	98	211	8	317
Finance income				4
Other gains and losses				(34)
Finance costs				(6)
Income before taxes				281

(1) Re-presented due to the declassification of assets held for sale

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Summary balance sheet

In $ millions	30 Sept 2015 Unaudited	31 Dec 2014 Audited
Assets		
Non-current assets		
Goodwill	1,301	1,322
Property, plant and equipment	4,700	4,565
Other non-current assets	556	575
Total non-current assets	**6,557**	**6,462**
Current assets		
Trade and other receivables	707	840
Construction contracts - assets	330	378
Other accrued income and prepaid expenses	192	283
Cash and cash equivalents	657	573
Other current assets	75	88
Total current assets	**1,961**	**2,162**
Total assets	**8,518**	**8,624**

In $ millions	30 Sept 2015 Unaudited	31 Dec 2014 Audited
Equity & Liabilities		
Total equity	**5,796**	**5,562**
Non-current liabilities		
Non-current portion of borrowings	553	576
Other non-current liabilities	318	283
Total non-current liabilities	**871**	**859**
Current liabilities		
Trade and other liabilities	1,332	1,674
Current portion of borrowings	-	2
Construction contracts – liabilities	315	426
Deferred revenue	5	2
Other current liabilities	199	99
Total current liabilities	**1,851**	**2,203**
Total liabilities	**2,722**	**3,062**
Total equity & liabilities	**8,518**	**8,624**

Active fleet management plan

- 33 vessels in the active fleet as at Q3 2015
- 6 owned vessels stacked, 1 vessel returned, 4 under construction

	2014	2015	2016
Additions	Seven Waves[1] (delivered May 2014)	Seven Rio[1] (delivered Sept 2015)	Seven Sun[1] Seven Cruzeiro[1] Seven Arctic Seven Kestrel
Removals			
Owned to be Stacked /Sold or Scrapped		Seven Osprey Seven Discovery Rockwater 1 Seven Polaris Seven Navica Seven Inagha Seven Antares Seven Petrel	
Chartered to be returned		Skandi Seven Havila Subsea	Skandi Neptune Normand Subsea **or** Acergy Viking
Year end active fleet	39	30	32

[1] PLSV constructed for long-term contract with Petrobras

seabed-to-surface

www.subsea7.com