subsea 7

Earnings Presentation

Fourth Quarter and Full Year 2014

4 March 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 2013. The Executive Management Team has considered the nature of these principal risks and uncertainties and concluded that these have not changed significantly in 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 and the timely completion of vessel 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. 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.

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Kristian Siem, Chairman

Jean Cahuzac, CEO

2014 highlights - a year of good operational performance

- Revenue up 9% to \$6.9bn, EBITDA up to a record \$1.4bn
- High level of project activity across all Territories with good overall execution performance
- Steady activity in North Sea Life of Field, driven by the flexibility of our fleet, our broad range of services and our reputation
- Vessel full year utilisation of 82% inline with 2013
  - 68% in the fourth quarter
- Strategic investment in fleet renewal on schedule and within cost targets
  - Seven Waves new-build PLSV operational Q2 2014

Solid financial results

Fourth quarter financial highlights

- Fourth quarter revenue $1.4bn
- Adjusted EBITDA margin 21.3%
- Adjusted diluted earnings per share of $0.61*, up from $0.23 in Q4 2013
- Backlog at the quarter end of $8.2bn
- Impairment of goodwill relating to the 2011 Combination, resulting in a $1.2bn non-cash charge

Full year financial highlights

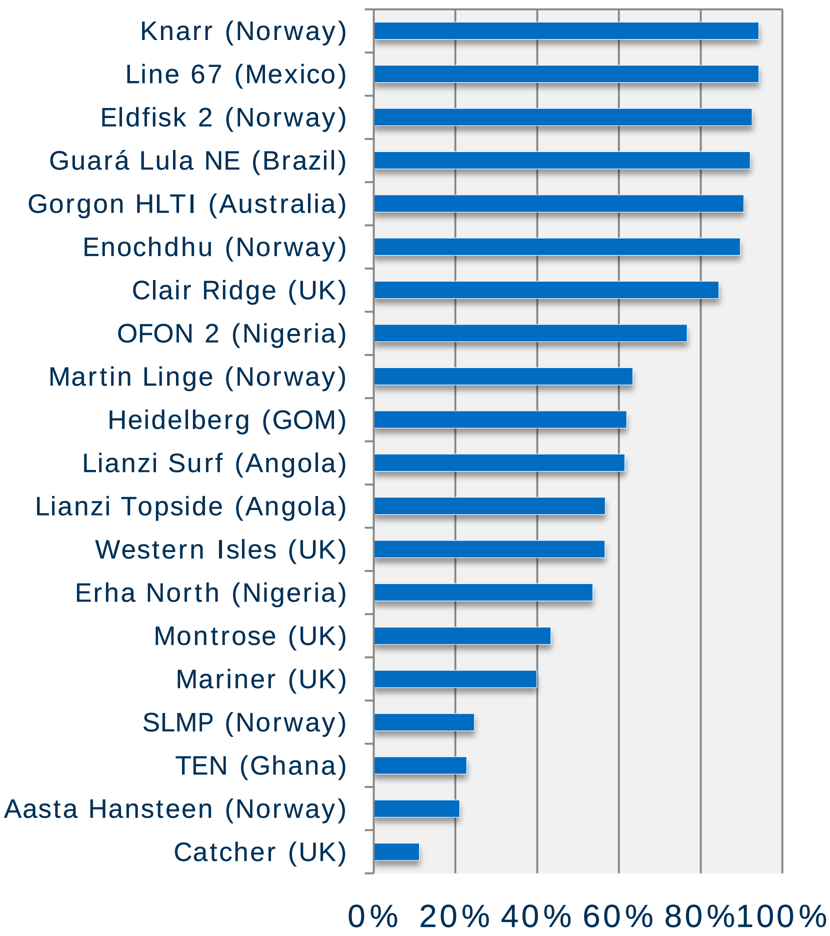
- Record Revenue and Adjusted EBITDA
- Adjusted diluted earnings per share of $2.32*, up from $1.00 in 2013
- Net debt of $6m and $500m revolving credit facility undrawn
- Preserve financial flexibility
  - No dividend recommended in respect of 2014

*Adjusted diluted earnings per share (EPS) is based on net income, excluding the goodwill impairment

Good operational performance

- High project activity across all Territories in 2014
- Significant SURF projects in the fourth quarter included:
  - Guará-Lula NE
  - Gorgon Heavy Lift and Tie-in
  - Knarr
  - Erha North phase 2
- Life of Field activities continued in the North Sea with Shell, BP and Statoil
- Contributions from Joint Ventures down from high levels of 2013

Major project progression(1)

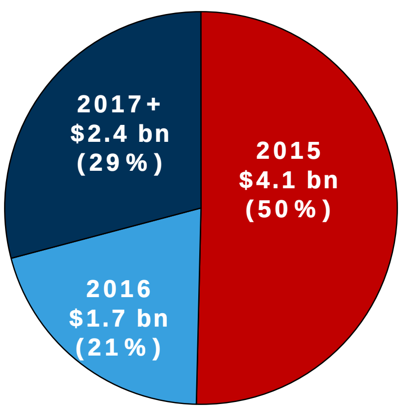


(1) Continuing projects >$100m between 5% and 95% complete as at 31 December 2014 excl. PLSVs and Life of Field day-rate contracts

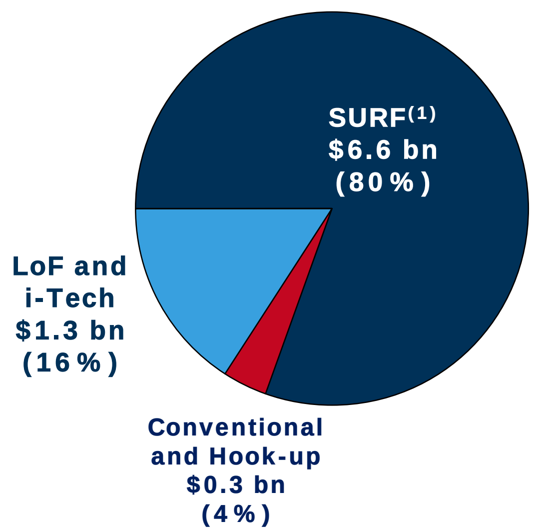
Q4 Backlog and order in-take

- Backlog of $8.2 billion as at 31 December 2014
- $0.6 billion of new awards and project escalations
  - $0.2bn order intake after adjusting for $0.4bn adverse foreign exchange impact
- Solid base of high quality business to be executed in 2015
- 2016 onwards underpinned by long-term day-rate contracts
- Timing of new contract awards remains uncertain

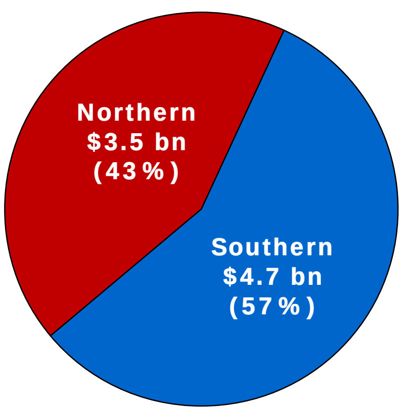
Backlog by Execution Date



Backlog by Service Capability



Backlog by Hemisphere



(1) Includes $2.8 billion related to the long term PLSV contracts in Brazil

Ricardo Rosa, CFO

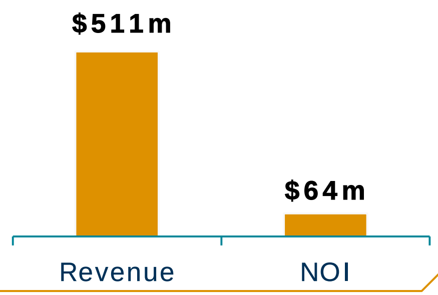
Income statement – key highlights

In $ millions, unless otherwise indicated	Three months ended 31 Dec 14 Unaudited	Three months ended 31 Dec 13[3] Unaudited	Twelve months ended 31 Dec 14 Audited	Twelve months ended 31 Dec 13[3] Audited
Revenue	1,395	1,586	6,870	6,297
Impairment of Goodwill	(1,183)	-	(1,183)	-
Net operating (loss)/income (NOI)	(1,082)	112	(254)	568
(Loss)/income before taxes	(1,042)	116	(230)	505
Taxation	65	(42)	(152)	(161)
Net (loss)/income	(977)	74	(381)	344
Adjusted EBITDA[1]	297	242	1,439	981
Adjusted EBITDA margin	21.3%	15.3%	20.9%	15.6%
Adjusted Diluted earning per share[2]	0.61	0.23	2.32	1.00
Weighted average number of common shares	354	378	369	375

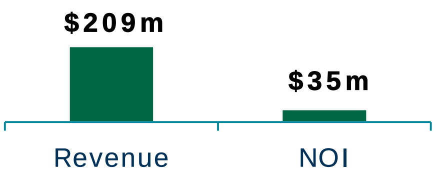
(1) Adjusted EBITDA defined in Appendix
(2) Adjusted diluted earnings per share (EPS) is based on net income, excluding goodwill impairment. In Q4'14, the 2014 and 2017 convertible bonds were dilutive
(3) Re-presented due to the reclassification of assets held for sale. The impact of the re-presentation was to reduce full year 2013 net income by $5.7m

Territory performance
Q4 2014 - excluding goodwill impairment

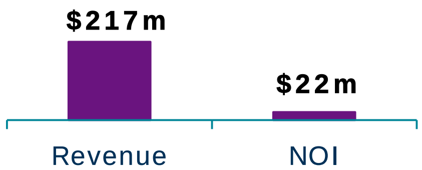
AFGOM



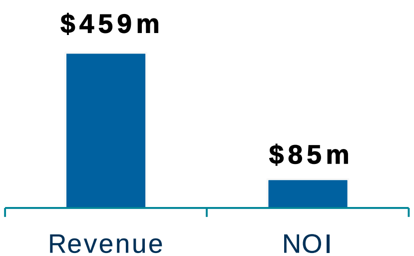
Brazil



APME



NSC

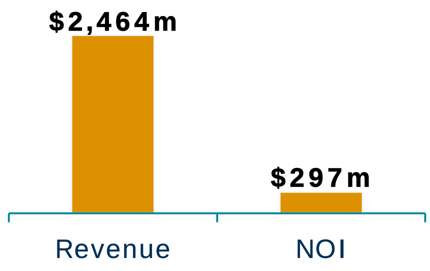


NOI stated excluding charge for goodwill impairment

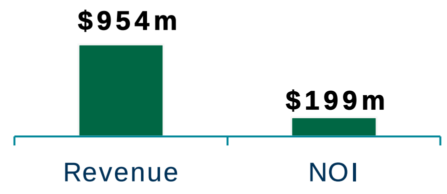
Note: excludes contribution from Corporate segment

Territory performance
Full year 2014 - excluding goodwill impairment

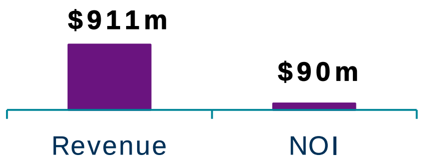
AFGOM



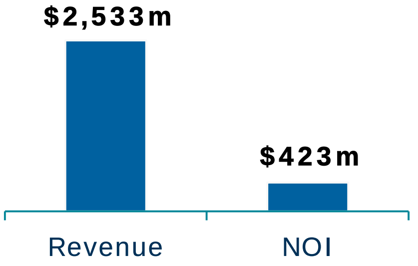
Brazil



APME



NSC



NOI stated excluding charge for goodwill impairment

Note: excludes contribution from Corporate segment

2014 Operating expense overview

- **People:** $2.0 billion
  - Expertise and experience are important differentiators
  - Approximately a third of our workforce are on non-permanent contracts
  - Maintaining core expertise through the cycle is a competitive advantage
- **Vessels:** Flexibility achieved through a mix of chartered and owned tonnage
  - 39(1) active vessels in the fleet at the year end
  - 13(2) chartered vessels with renewal dates starting from end 2015
- **Depreciation and amortisation:** $0.4(3) billion
  - Non-cash fixed cost
- **Procurement of materials and other direct project costs:**
  - $2.8 billion in 2014
  - Variable cost linked to volume of work and subject to project profile
- **Other costs:** including facilities, IT infrastructure and other fixed overheads

(1) Includes three vessels owned by Joint Ventures
(2) Includes two vessels chartered from vessel owning Joint Ventures
(3) Excludes non-recurring vessel impairment charges

Summary balance sheet

In $ millions	31 Dec 2014	31 Dec 2013[1]
Assets		
Non-current assets		
Goodwill	1,322	2,585
Property, plant and equipment	4,565	4,307
Other non-current assets	575	540
Total non-current assets	**6,462**	**7,432**
Current assets		
Trade and other receivables	840	1,099
Construction contracts - assets	378	575
Other accrued income and prepaid expenses	283	411
Cash and cash equivalents	573	692
Other current assets	88	107
Total current assets	**2,162**	**2,884**
Total assets	**8,624**	**10,316**

In $ millions	31 Dec 2014	31 Dec 2013[1]
Equity & Liabilities		
Total equity	**5,562**	**6,571**
Non-current liabilities		
Non-current portion of borrowings	576	641
Other non-current liabilities	284	327
Total non-current liabilities	**860**	**968**
Current liabilities		
Trade and other liabilities	1,674	1,741
Current portion of borrowings	2	275
Construction contracts – liabilities	426	617
Deferred revenue	2	4
Other current liabilities	98	140
Total current liabilities	**2,202**	**2,777**
Total liabilities	**3,062**	**3,745**
Total equity & liabilities	**8,624**	**10,316**

(1) Re-presented due to the declassification of assets held for sale, The impact of the re-presentation was to reduce total equity by $41.1m at 31 December 2013

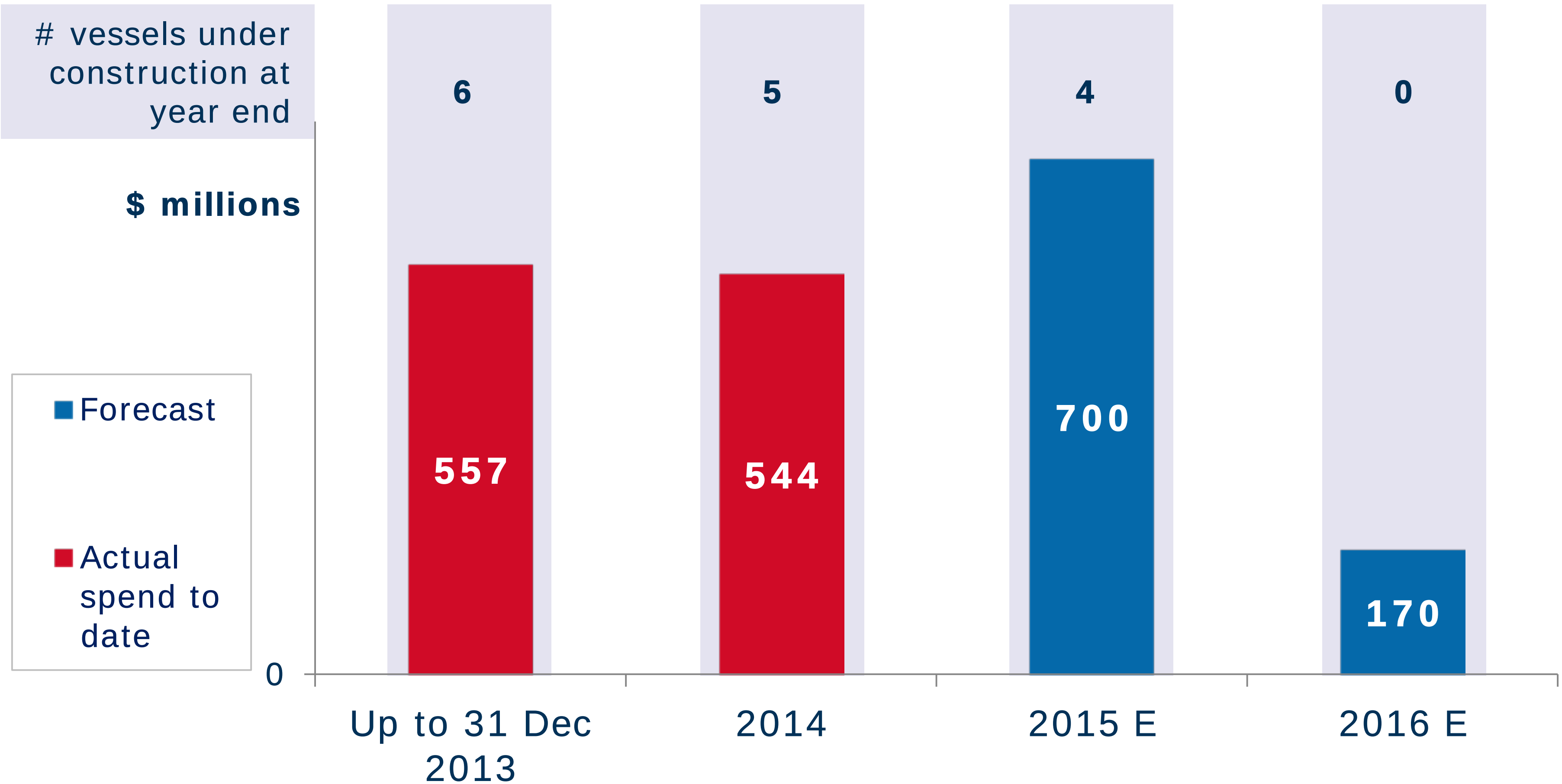
Overview of 2014 cash flow

	$ millions	
Cash and cash equivalents at **31 Dec 2013**	692	
Net cash generated from operating activities	1,450[(1)]	*Includes decrease in net operating assets of $268m*
Net cash flow used in investing activities	(828)	*Includes capital expenditure of $861m mainly on new vessel construction programme*
Net cash flow used in financing activities	(720)	*Includes payment of dividends ($195m), repurchase of shares ($166m) and repurchase and redemption of convertible bonds ($337m)*
Other movements	(21)	
Cash and cash equivalents at **31 Dec 2014**	573	

Net debt of $6m as at 31 December 2014, (2013: net debt $225m)

(1) Of the $1,450m, $361m was generated in the fourth quarter

Capital expenditure for on-going 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 construction of *Seven Arctic* and *Seven Kestrel*. Amounts include an estimate for interest to be capitalised during construction.

E = estimated

Financial guidance for full year 2015

- Group Revenue expected to decrease significantly from record level in 2014
- Adjusted EBITDA margin expected to decrease compared to 2014
- Other net income related guidance:
  - Administrative expenses: $280-300 million
  - Net finance costs: $5-10 million
  - Depreciation and amortisation expense: $420-440 million
  - Full year effective tax rate 28-31%
- Capex: $900-950 million
  - $700 million for the new-build vessel construction programme
  - $200-250 million for ongoing sustaining capex

Jean Cahuzac, CEO

Subsea 7– a global industry leader

Vision

Global leader and partner

Values

Safety – Integrity – Collaboration – Performance - Innovation

Differentiators

People – Technology - Assets

Delivering on our strategy

New organisational and reporting structure

As of 1 January 2015 the Group organisational structure comprises two Business Units and a Corporate segment

Northern Hemisphere and Life of Field

Southern Hemisphere and Global Projects

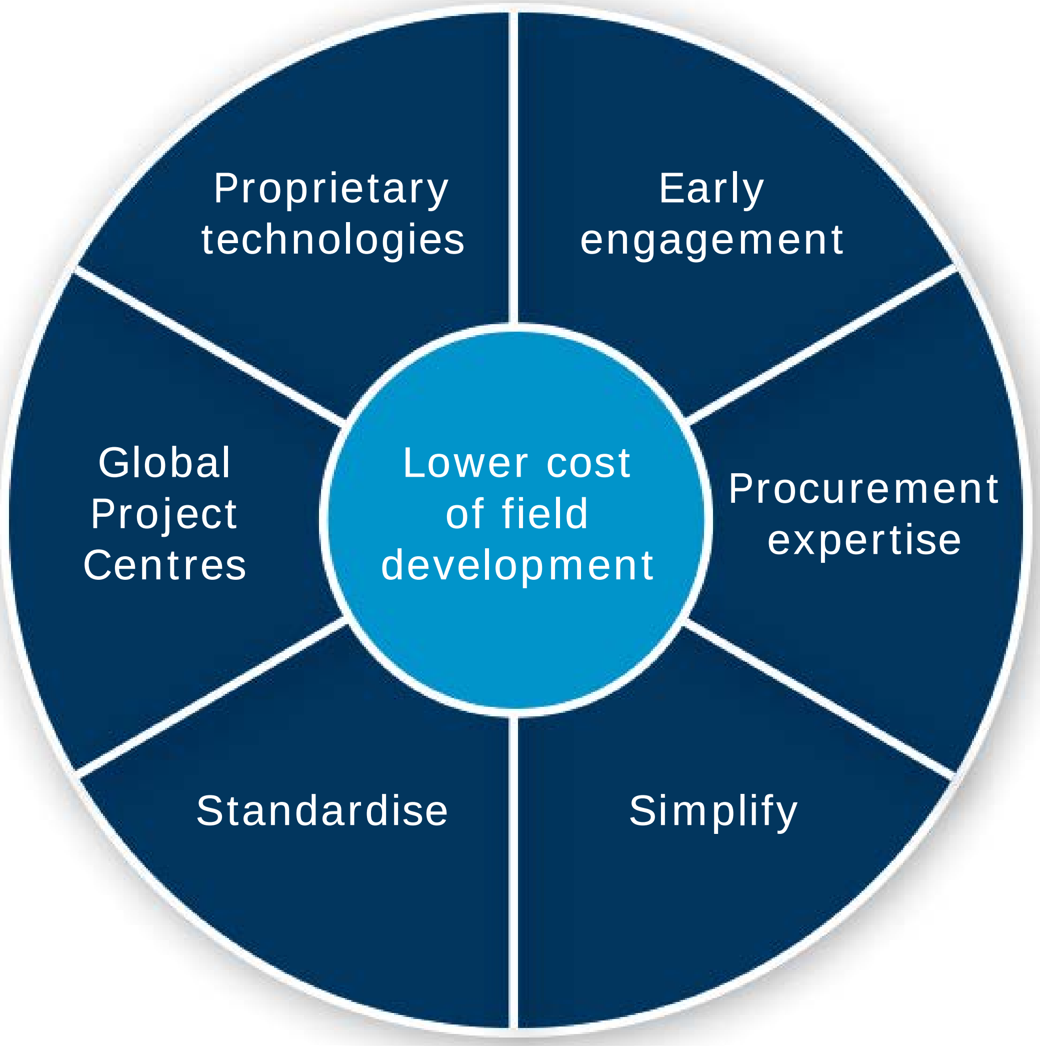
Rationale:

- Bring enhanced focus on technology and strategy
- Drive increased flexibility and consistent delivery on project management and execution
- Expand Life of Field service offering and geographic presence
- Optimise cost management

Challenging market conditions

- Lower levels of market awards
  - Downward pressure on capital expenditure by major oil and gas companies highlighted as a concern in 2013
  - Oil price declines in second half on 2014 compounded concerns and further delayed project final investment decisions
- Project pricing is key to securing new business
  - Project management and engineering expertise and experience enables effective pricing
  - No change to risk appetite
  - Stronger companies will outperform
- Challenging conditions expected to persist short to medium term
- Longer term fundamentals for deepwater oil remain intact

Collaboration, innovation, standardisation and simplification



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Reducing our costs (2014 – 2016)

- Continue adjusting organisation size to market trend
  - Adjustments initiated late 2013 when we identified business slowdown
  - Headcount reduced to 13,000 from over 14,000
  - Further adaption to suit lower oil price environment
- Potential fleet reduction by 10 vessels identified, over a two year period, through release of charter vessels and disposal of owned vessels
- Continue to drive efficiency through internal processes, simplification, standardisation and a “fit for purpose” approach
- Sharing resources between our locations, supported by the new segmental organisation

All the above, while maintaining core expertise to drive performance through the cycle and capture opportunities when the market improves

Market outlook

- **SURF:**
  - Tendering activity ongoing, but timing of new awards is uncertain
  - Our project management and technical expertise positions us well
  - No change to acceptable risk profile
- **Life of Field:** Steady North Sea demand, opportunity to extend into new geographies
- **Conventional and Hook-up:** Uncertain timing for Conventional projects in West Africa and Hook-up awards
- **Joint Ventures:** Contribution from joint ventures not expected to strengthen

Summary

- In 2014, operational excellence supported good underlying 2014 Full Year financial results
  - Fourth quarter:21% Adjusted EBITDA margin; $0.61 Adjusted diluted EPS
  - Year end net debt of $6 million
- Backlog $8.2 billion as at 31 December 2014
  - Good quality diversified backlog with $4.1 billion for execution in 2015
  - Multi-year day-rate contracts in Brazil and the North Sea
  - Low order intake as project awards continue to be delayed
- 2015: we will continue to adapt our organisation to the changing market conditions
  - Focus on reducing operating costs without jeopardising our competitiveness
  - Ready to seize opportunities when the market picks up

Q & A

Appendix

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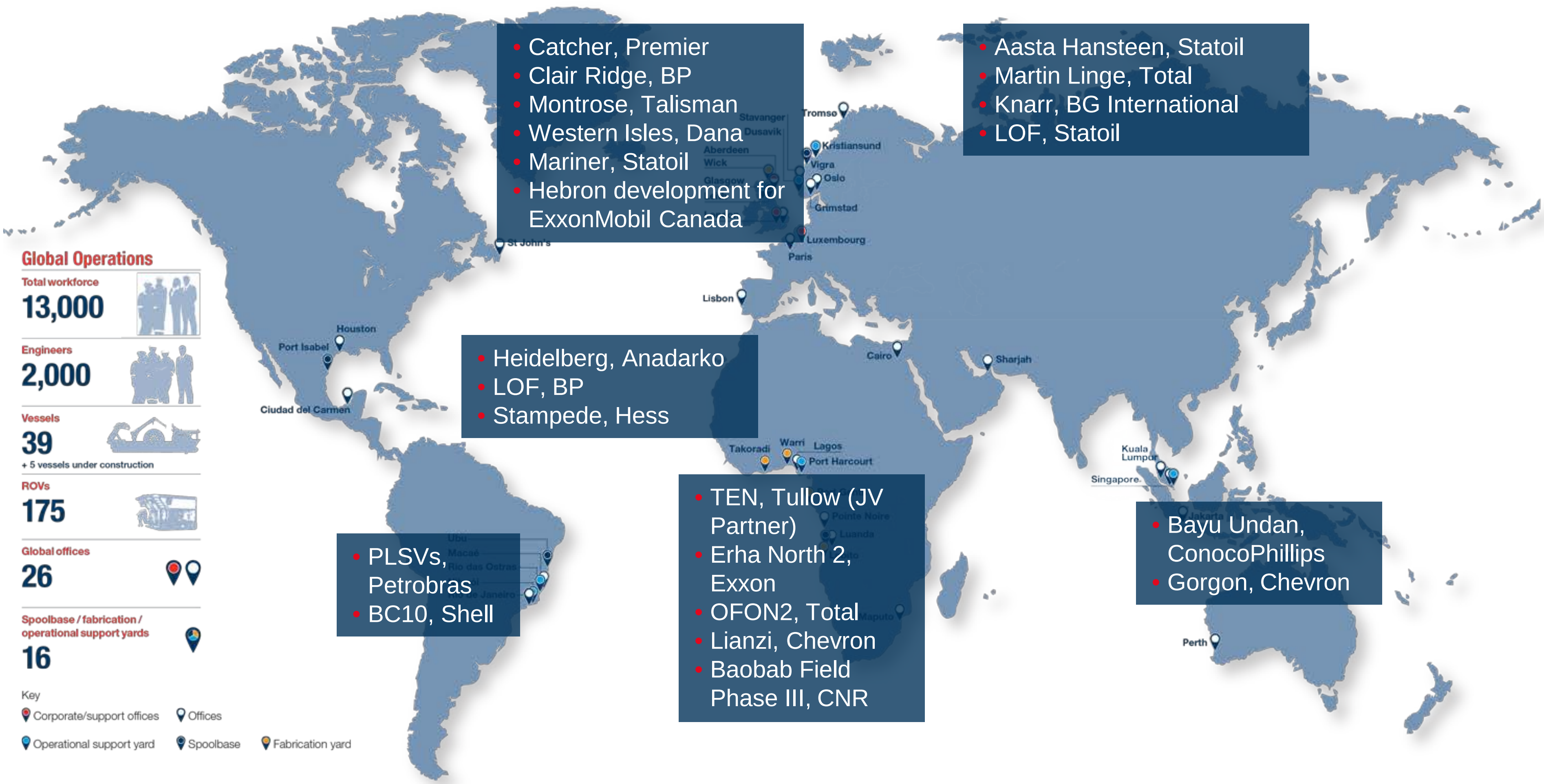
Main projects in portfolio 2015-2016



- Catcher, Premier
- Clair Ridge, BP
- Montrose, Talisman
- Western Isles, Dana
- Mariner, Statoil
- Hebron development for ExxonMobil Canada

- Aasta Hansteen, Statoil
- Martin Linge, Total
- Knarr, BG International
- LOF, Statoil

- Heidelberg, Anadarko
- LOF, BP
- Stampede, Hess

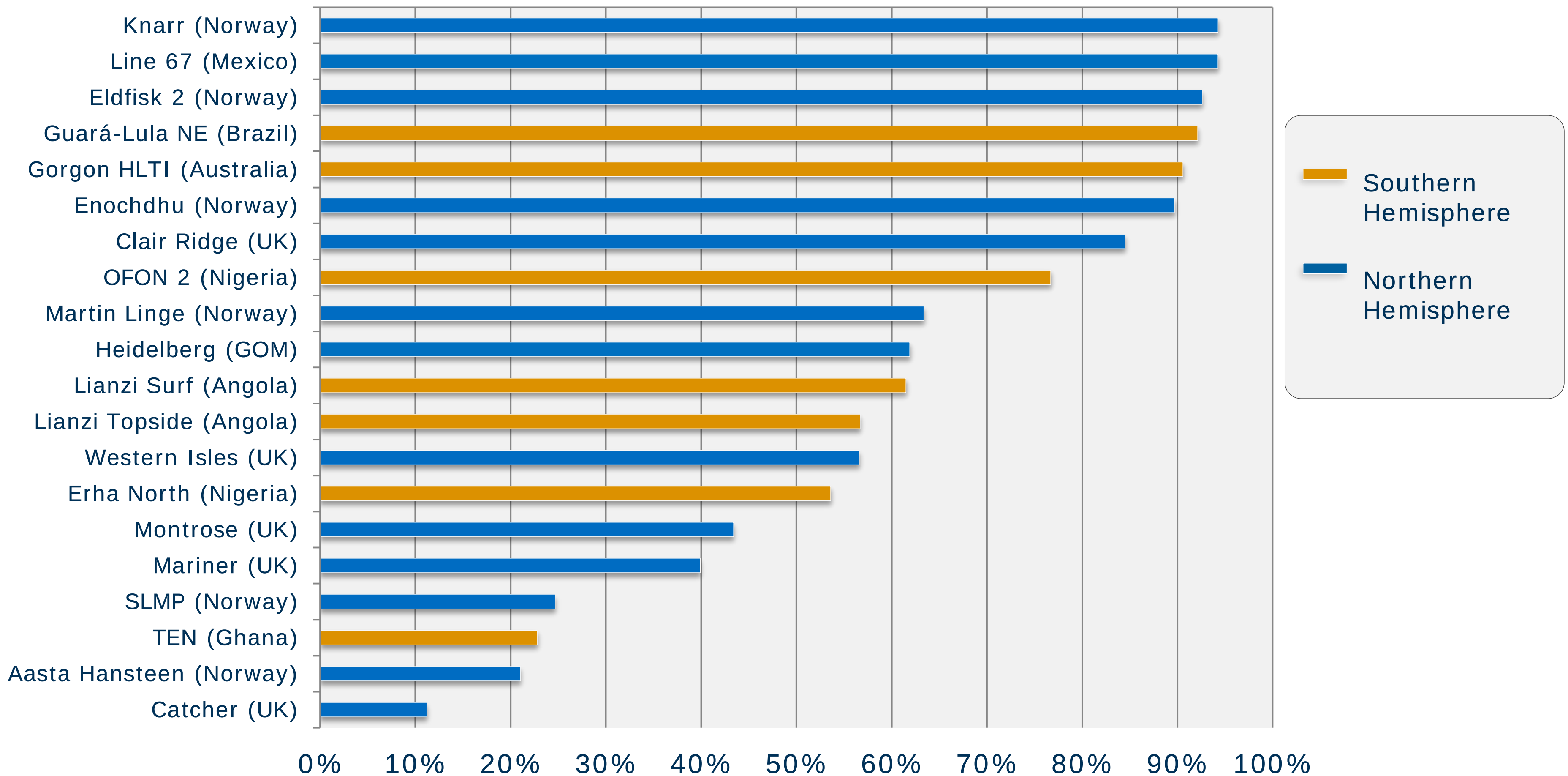
- PLSVs, Petrobras
- BC10, Shell

- TEN, Tullow (JV Partner)
- Erha North 2, Exxon
- OFON2, Total
- Lianzi, Chevron
- Baobab Field Phase III, CNR

- Bayu Undan, ConocoPhillips
- Gorgon, Chevron

Major project progression

Continuing projects >$100m between 5% and 95% complete as at 31 December 2014 excluding PLSV and Life of Field day-rate contracts



Income statement – supplementary details

In $ millions	Three months ended 31 Dec 14 Unaudited	Three months ended 31 Dec 13[1] Unaudited	Twelve months ended 31 Dec 14 Audited	Twelve months ended 31 Dec 13[1] Audited
Administrative expenses	(81)	(81)	(315)	(296)
Impairment of goodwill	(1,183)	-	(1,183)	-
Share of net income of associates and joint ventures	2	1	69	127
Net operating (loss)/income	(1,082)	112	(254)	568
Net finance income/(costs)	2	(9)	1	(49)
Other gains and losses	39	14	24	(14)
(loss)/income before taxes	(1,042)	116	(230)	505
Taxation	65	(42)	(152)	(161)
Net (loss) / income	(977)	74	(381)	344
Net (loss) / income attributable to:				
Shareholders of the parent company	(968)	84	(338)	350
Non-controlling interests	(9)	(9)	(43)	(6)

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

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Segmental analysis: Territory structure

For the three months ended 31 December 2014

In $ millions (unaudited)	AFGOM	APME	BRAZIL	NSC	CORP	TOTAL
Revenue	511	217	209	459	-	1,395
Net operating income excluding goodwill impairment charge	64	22	35	85	(105)	101
Impairment of goodwill	(364)	-	(283)	(536)	-	(1,183)
Net operating (loss)/income	(301)	22	(248)	(451)	(105)	(1,082)
Finance income						3
Other gains and losses						39
Finance costs						(1)
Loss before taxes						(1,042)

For the three months ended 31 December 2013

In $ millions (unaudited)	AFGOM	APME	BRAZIL	NSC	CORP	TOTAL
Revenue	673	160	206	544	4	1,586
Net operating income/(loss)	92	9	(13)	63	(39)	112
Finance income						3
Other gains and losses						14
Finance costs						(13)
Income before taxes						116

Segmental analysis: pro-forma Q4 and Full Year 2014 based on Hemisphere structure

For the three months ended 31 December 2014

In $ millions (unaudited)	Northern Hemisphere and Life of Field	Southern Hemisphere and Global Projects	CORP	TOTAL
Revenue	614	781	-	1,395
Net operating income/(loss) excluding goodwill impairment charge	91	116	(106)	101
Impairment of goodwill	(535)	(648)	-	(1,183)
Net operating loss	(445)	(531)	(106)	(1,082)

For the 12 months ended 31 December 2014

In $ millions (unaudited)	Northern Hemisphere and Life of Field	Southern Hemisphere and Global Projects	CORP	TOTAL
Revenue	3,087	3,775	8	6,870
Net operating income/(loss) excluding goodwill impairment charge	341	675	(86)	930
Impairment of goodwill	(535)	(648)	-	(1,183)
Net operating (loss)/income	(194)	27	(86)	(254)

Segmental analysis: pro-forma Q1 – Q3 2014 based on Hemisphere structure

For the three months ended 30 September 2014

In $ millions (unaudited)	Northern Hemisphere and Life of Field	Southern Hemisphere and Global Projects	CORP	TOTAL(1)
Revenue	943	960	(1)	1,902
Net operating income	97	212	8	317

For the three months ended 30 June 2014

In $ millions (unaudited)	Northern Hemisphere and Life of Field	Southern Hemisphere and Global Projects	CORP	TOTAL(1)
Revenue	863	1,038	4	1,905
Net operating income	129	194	28	351

For the three months ended 31 March 2014

In $ millions (unaudited)	Northern Hemisphere and Life of Field	Southern Hemisphere and Global Projects	CORP	TOTAL(1)
Revenue	666	997	5	1,668
Net operating income	24	152	(16)	160

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

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, 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 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 (loss)/income to Adjusted EBITDA For the period (in $millions)	Three Months Ended 31 Dec 2014	Three Months Ended 31 Dec 2013 (1)
Net operating (loss)/income	(1,082)	112
Depreciation, amortisation and mobilisation	107	101
Impairment of goodwill	1,183	-
Impairment of property plant and equipment	89	29
Adjusted EBITDA	297	242
Revenue	1,395	1,586
Adjusted EBITDA %	**21.3%**	**15.3%**

Net (loss)/income to Adjusted EBITDA For the period (in $millions)	Three Months Ended 31 Dec 2014	Three Months Ended 31 Dec 2013 [1]
Net (loss)/ income	(977)	74
Depreciation, amortisation and mobilisation	107	101
Impairment of property plant and equipment	89	29
Impairment of Goodwill	1,183	-
Finance income	(3)	(4)
Other gains and losses	(39)	(14)
Finance costs	1	13
Taxation	(65)	42
Adjusted EBITDA	297	242
Revenue	1,395	1,586
Adjusted EBITDA %	**21.3%**	**15.3%**

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

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Earnings per share and Adjusted earnings per share

Earnings used in calculation of EPS

For the period (in $millions)	Three Months Ended 31 Dec 2014	Three Months Ended 31 Dec 2013[2]
Earnings used in the calculation of:		
Basic earnings per share	(968)	84
Diluted earnings per share	(968)	88
Adjusted diluted earnings per share[1]	216	88

Weighted average number of shares used in calculation of EPS

For the period (number of shares in millions)	Three Months Ended 31 Dec 2014	Three Months Ended 31 Dec 2013
Weighted average number of shares used in the calculation of:		
Basic earnings per share	328	336
Diluted earnings per share	328	378
Adjusted diluted earnings per share[1]	354	378

Earnings per share

For the period (in $ per share)	Three Months Ended 31 Dec 2014	Three Months Ended 31 Dec 2013[2]
Basic earnings per share	(2.95)	0.25
Diluted earnings per share	(2.95)	0.23
Adjusted diluted earnings per share[1]	0.61	0.23

(1) Adjusted diluted earnings per share excludes the impact of the goodwill impairment charge of $1,183m recognised in the quarter

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

Assets

One of the world's most versatile fleets

Onshore infrastructure of pipeline spoolbases, fabrication and operations support yards

Rigid pipelay/heavy lift assets

Seven Borealis

Seven Oceans

Seven Navica

Seven Polaris

Seven Antares

Sapura 3000 (1)

Oleg Strashnov (1)

Stanislav Yudin (1)

(1) Owned and operated by a joint venture

Diving Support Vessels

Seven Falcon [1]

Seven Atlantic

Seven Pelican

Seven Discovery

Seven Osprey

Rockwater 1

Rockwater 2

(1) Formerly *Seven Havila*

Construction/vertical flex-lay assets

Seven Seas

Seven Pacific

Seven Eagle

Seven Mar

Seven Phoenix

Skandi Neptune (1)

Skandi Seven (1)

Normand Oceanic (2)

Skandi Acergy (1)

Seven Waves

(1) Long-term charter
(2) Long-term charter from a vessel-owning joint venture

Construction/horizontal flex-lay assets

Seven Condor

Simar Esperança [1]

Normand Seven [2]

Kommandor 3000

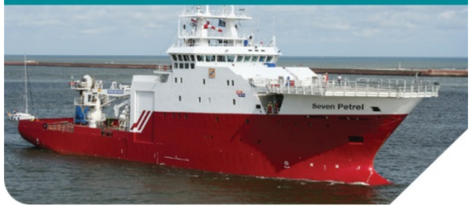
Subsea Viking [2]

(1) Formerly *Seven Sisters*
(2) Long-term charter

Life of Field/Light Construction Vessels

Seven Viking (1)

Seven Petrel



Acergy Viking (2)

Havila Subsea (2)

Normand Subsea (2)

Grant Candies (3)

Siem Stingray (2)

(1) Long-term charter from a vessel-owning joint venture
(2) Long-term charter
(3) Call-out contract

Other assets

Jack-up vessel

Seven Inagha

Trenching vessel

Skandi Skansen (1)

... and over 175 ROVs

Work class ROVs

Observation class ROVs

Drilling rig ROVs

(1) Long-term charter

Under construction

Construction/vertical Flex-lay Vessels

Diving Support Vessel

Our operational facilities

Luanda Spoolbase, Angola

Port Isabel Spoolbase, USA

Sonamet Lobito, Angola

Ubu Spoolbase, Brazil

Vigra Spoolbase, Norway

Warri, Nigeria

Leith Spoolbase, UK

Wick Fabrication Site, UK

seabed-to-surface

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