Earnings Presentation First Quarter 2017

27 April 2017

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 2016. 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

Q1 2017 highlights

subsea 7

FINANCIAL

- Revenue $897 million
- Adjusted EBITDA $268 million, margin 30%
- Diluted EPS $0.41
- Acquisition of Seaway Heavy Lifting

OPERATIONAL

- Good execution and successful project outcomes
- Vessel Utilisation

  Active: 65% Total: 55%
- Fleet enhanced and modernised

ORDER INTAKE

- Industry conditions remained challenging
- Order backlog $5.7 billion
- Integrated SURF and SPS solutions gaining momentum

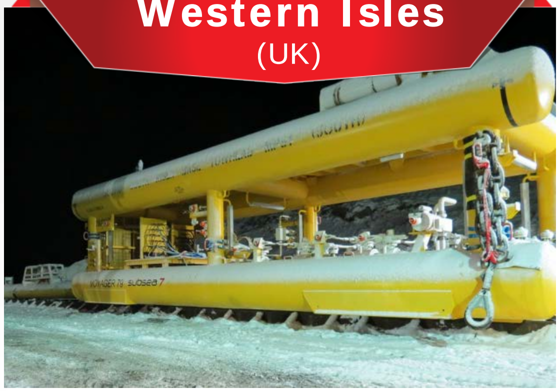
OUTLOOK

- Cause to believe in an improvement in SURF project award activity within 12 months
- Early engagement activity increasing

Project highlights

- Good execution sustained across the project portfolio
- Successful ways of working and early engagement


WND phase 1
(Egypt)


Western Isles
(UK)


Callater
(UK)

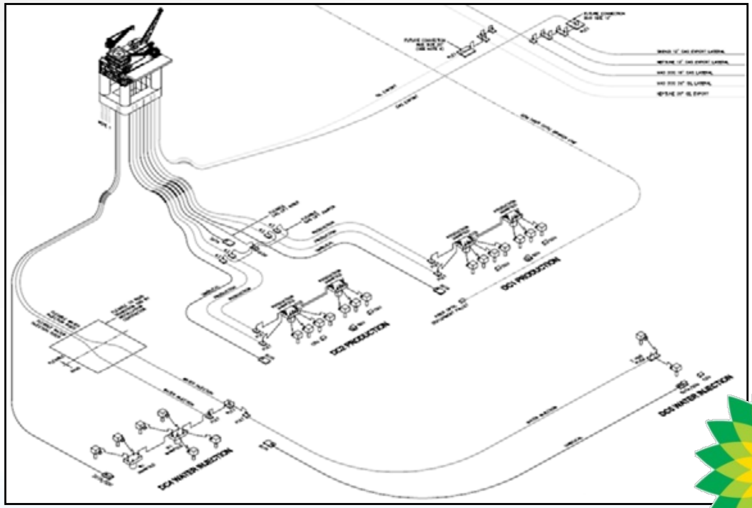

Persephone 3
(Australia)

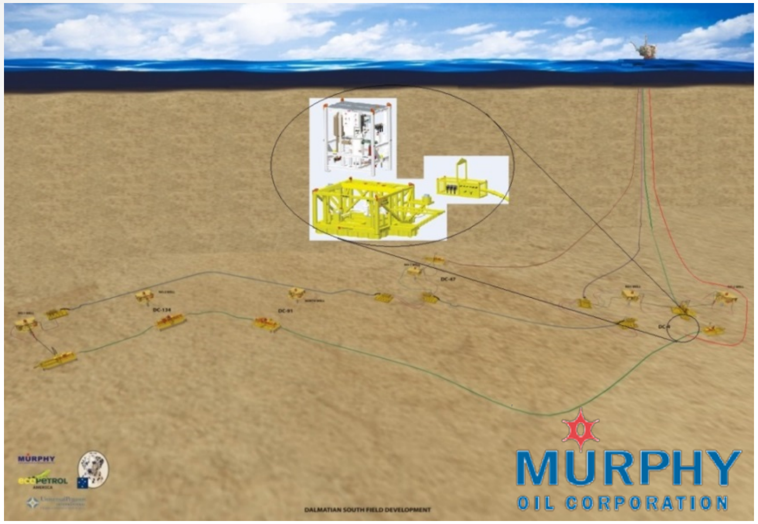

Stampede
(US GoM)


Beatrice
(UK)

Subsea Integration Alliance – with OneSubsea

- Mad Dog 2 project, US GoM
- Integrated ways of working
  - Cost and schedule assurance
  - Risk mitigation
- Swagelining technology



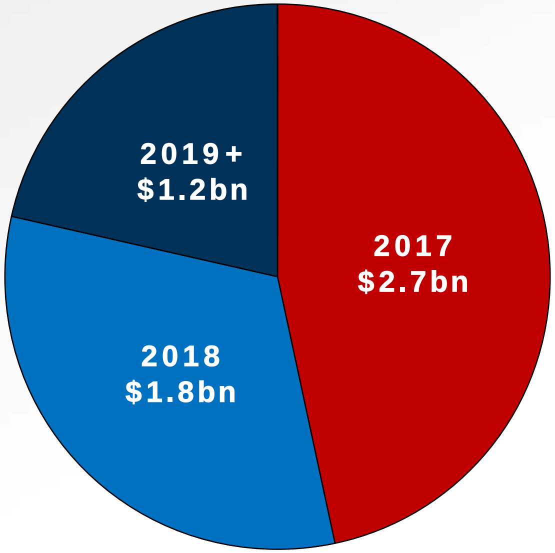


- Dalmatian project, US GoM
- Fully integrated award
- Fit for purpose technology
- Enhanced recovery
- Reduced interface and design risks

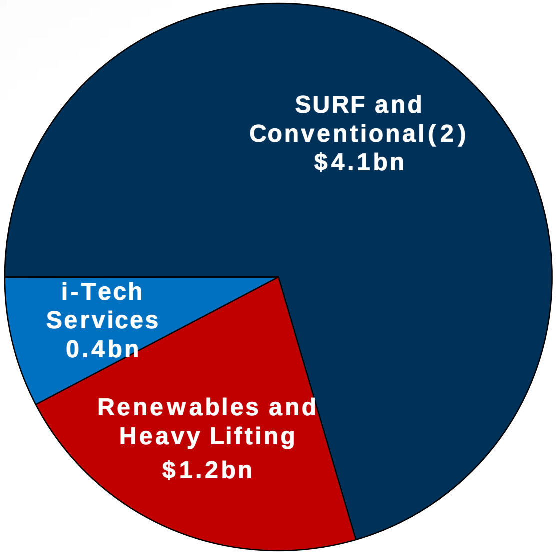
Q1 Backlog and order intake

- Backlog of $5.7 billion[1], as at 31 March 2017
- $0.6 billion new awards including:
  - Mad Dog 2, US Gulf of Mexico
  - Sole, offshore Australia

Backlog by Execution Date



Backlog by segment



(1) Includes addition of $0.3bn backlog recognised on acquisition and consolidation of Seaway Heavy L and removal of $0.1bn relating to the early termination of the PLSV contract for *Seven Mar*
(2) Includes $1.6 bn relating to 7 long-term contracts for PLSVs in Brazil, approximately 85% of which relates to the four 550t PLSVs (*Seven Waves, Seven Rio, Seven Sun* and *Seven Cruzeiro*)

SURF and Conventional

- Remaining competitive, but with the right project risk profile
- Active SURF project tenders include:
  - Zinia (Angola)
  - Liza (Guyana)
  - Skarfjell (Norway)
  - Pil and Bue (Norway)
  - Peregrino (Brazil)
  - Golfinho (Mozambique)
  - KG-DWN, block 98/2 (India)
  - KG-D6, R-Cluster (India)
  - Zabazaba (Nigeria)

i-Tech Services

- Frame agreement tenders focused on North Sea, Brazil and US GoM

Renewables and Heavy Lifting

- EPIC project opportunities for offshore wind farm installation subsea 7

Ricardo Rosa
CFO

Income statement – key highlights

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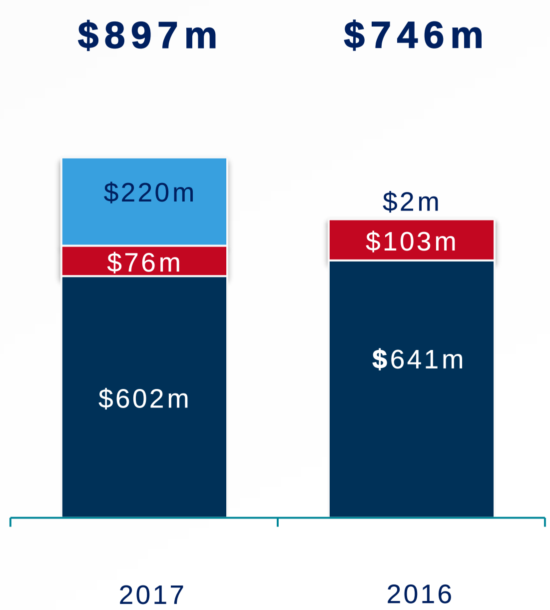
In $ millions, unless otherwise indicated	Three months ended 31 March 2017 Unaudited	Three months ended 31 March 2016 Unaudited
Revenue	897	746
Net operating income (NOI)	169	194
Income before taxes	206	211
Taxation	(60)	(64)
Net income	146	147
Adjusted EBITDA[(1)]	268	284
Adjusted EBITDA margin	30%	38%
Diluted earnings per share $	0.41	0.42
Weighted average number of shares (millions)	342	343

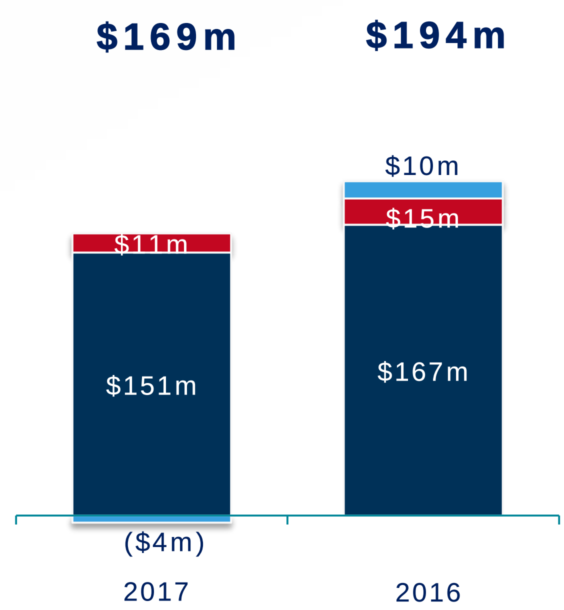
[(1)] Adjusted EBITDA defined in Appendix

Business Unit performance

Revenue Q1 2017



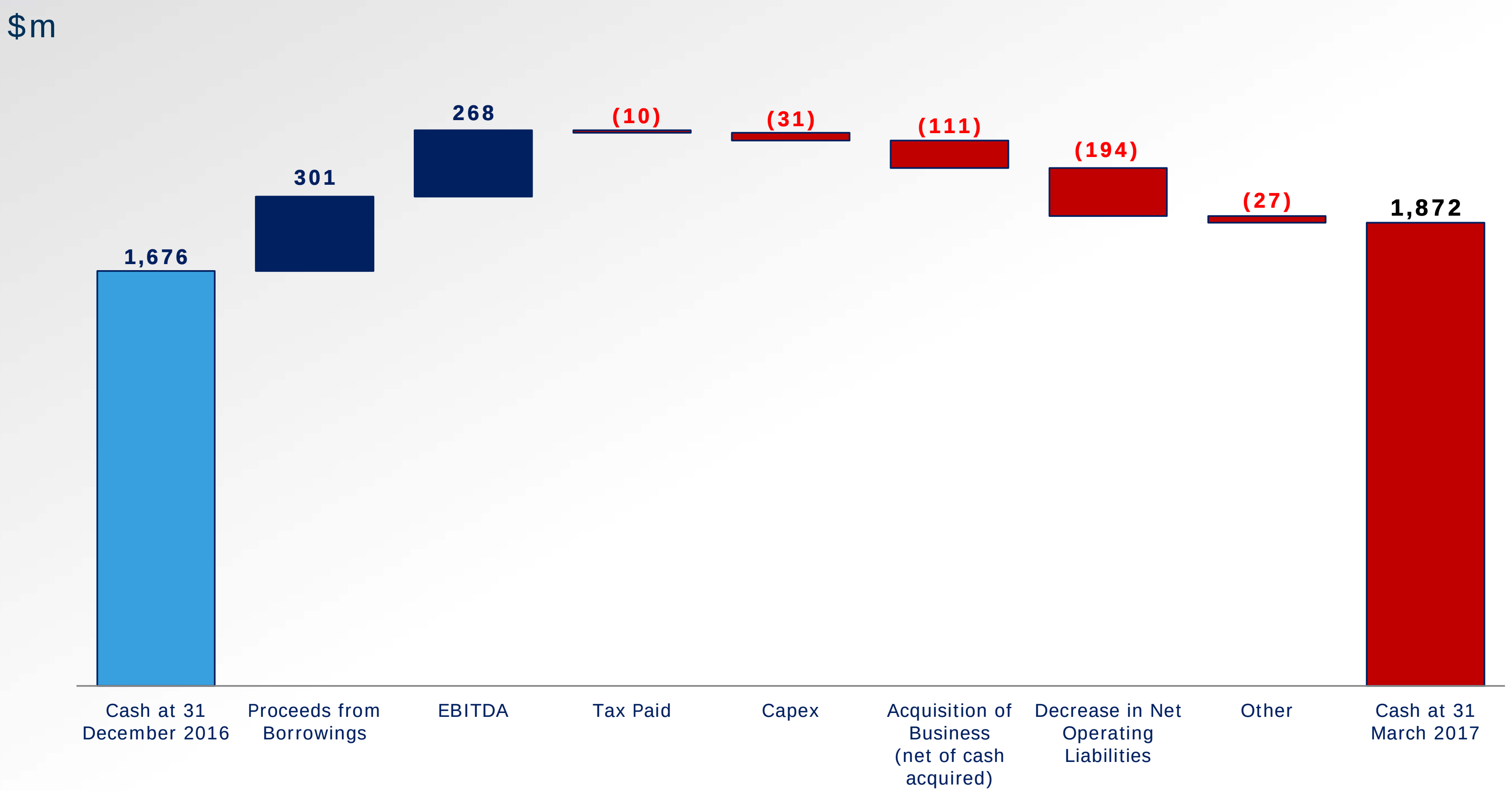
NOI Q1 2017



SURF & Conventional **i-Tech Services** **Renewables & Heavy Lifting)**

Corporate segment: Net operating income Q1 2017 $11m (Q1 2016: $2m)

Summary of first quarter 2017 cash flow



- Net cash of $1.0 billion as at 31 March 2017 compared to $1.2 billion at 31 December 2016
- Borrowings of $858 million comprised $431 million convertible bond, $301 million ECA facility, $126 million term loan (Seaway Heavy Lifting)
- $750 million of undrawn committed credit facilities

Financial guidance

2017	Guidance
Revenue	Broadly in line with 2016
Adjusted EBITDA percentage margin	Lower than 2016
Administrative expense	$210 million - $230 million
Net finance cost	$10 million - $15 million
Depreciation and Amortisation	$410 million - $430 million
Full year effective tax rate	28% - 33%
Capital expenditure	$160 million - $180 million

- Guidance includes the acquisition and consolidation of Seaway Heavy Lifting in March 2017.

Jean Cahuzac
CEO

Strengthening our market-leading capabilities

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- Subsea 7 results driven by early response to lower oil price
- Prioritised capability, experience and expertise
- Invested strategically to strengthen and differentiate our market-leading position

Early Engagement Alliances

OneSubsea
A Schlumberger Company

KG7

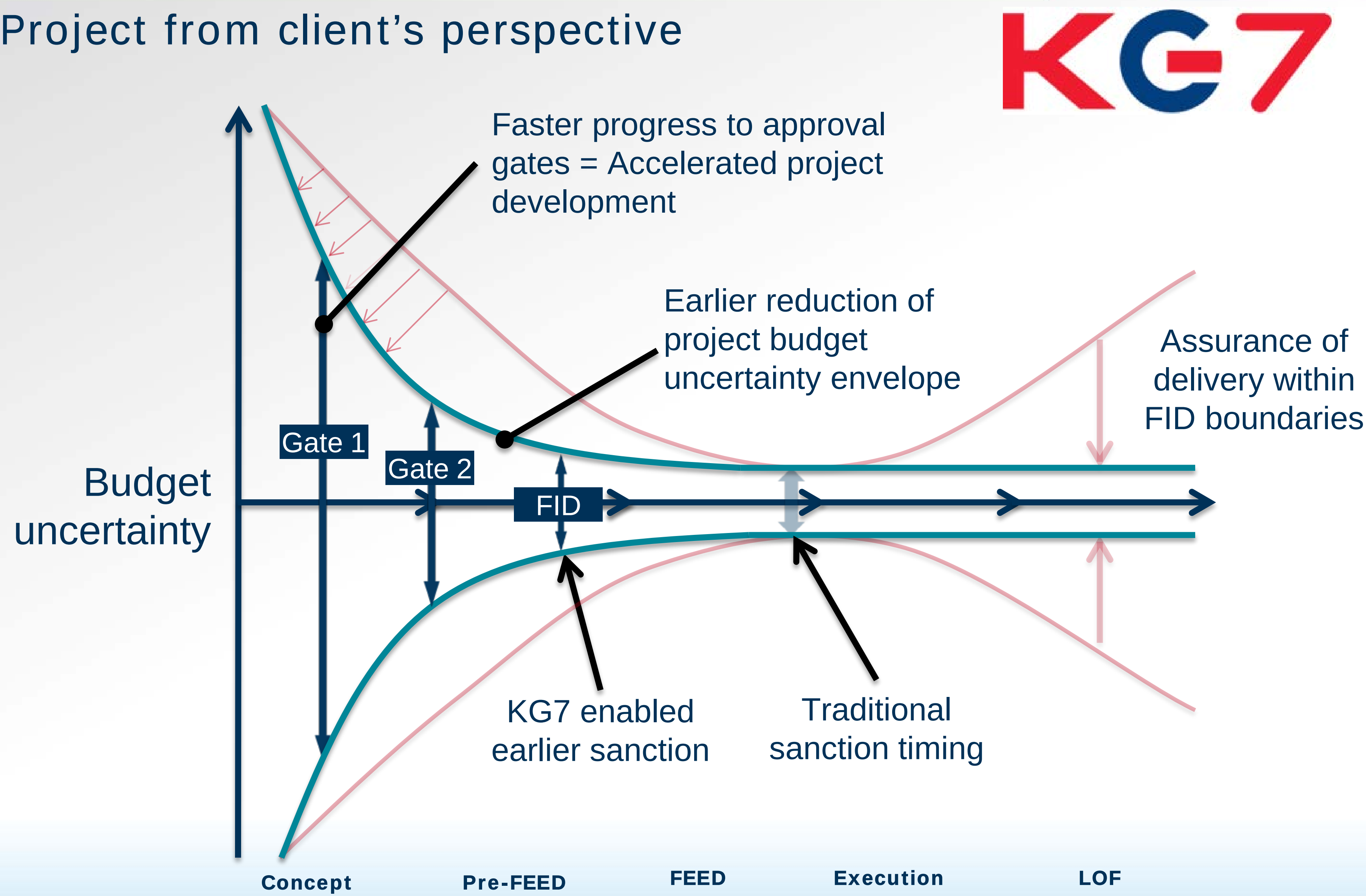
Renewables Heavy Lifting

Seaway Heavy Lifting

Modern, Versatile fleet

Engaging with clients early to deliver value

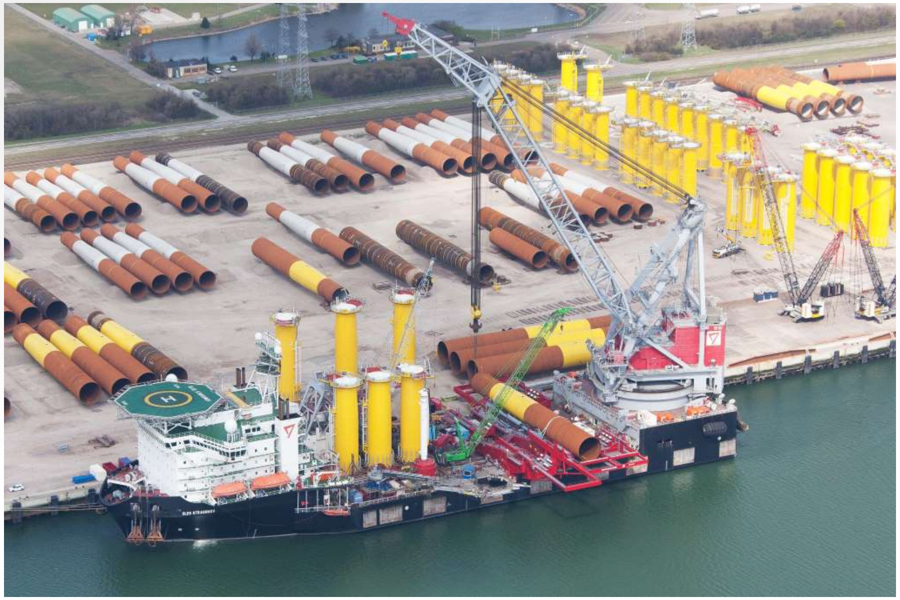
Project from client's perspective



Renewables and Heavy Lifting

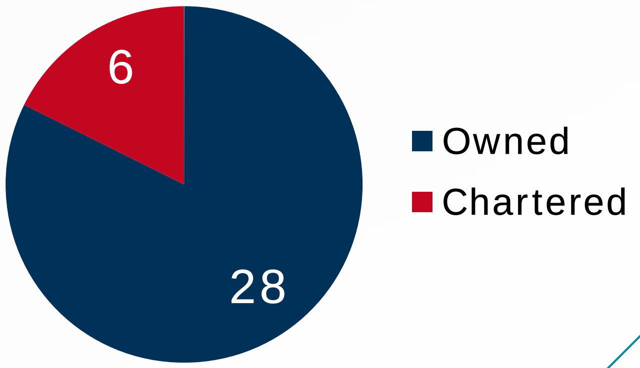
Renewables market drivers

- Competitiveness of offshore wind continues to improve
- First non-subsidised wind farms announced
- Need for alternate power sources to replace aging generation capacity
- Economies of scale and heavier lift requirements from increasing size of turbines
- Improving professionalism of the value chain and emergence of EPIC contracts

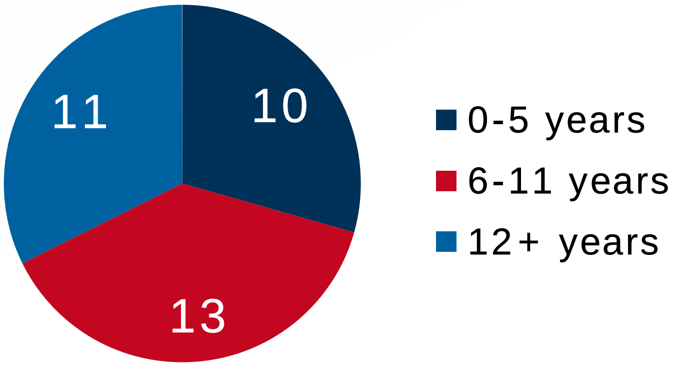


A modern and versatile fleet of 34 vessels

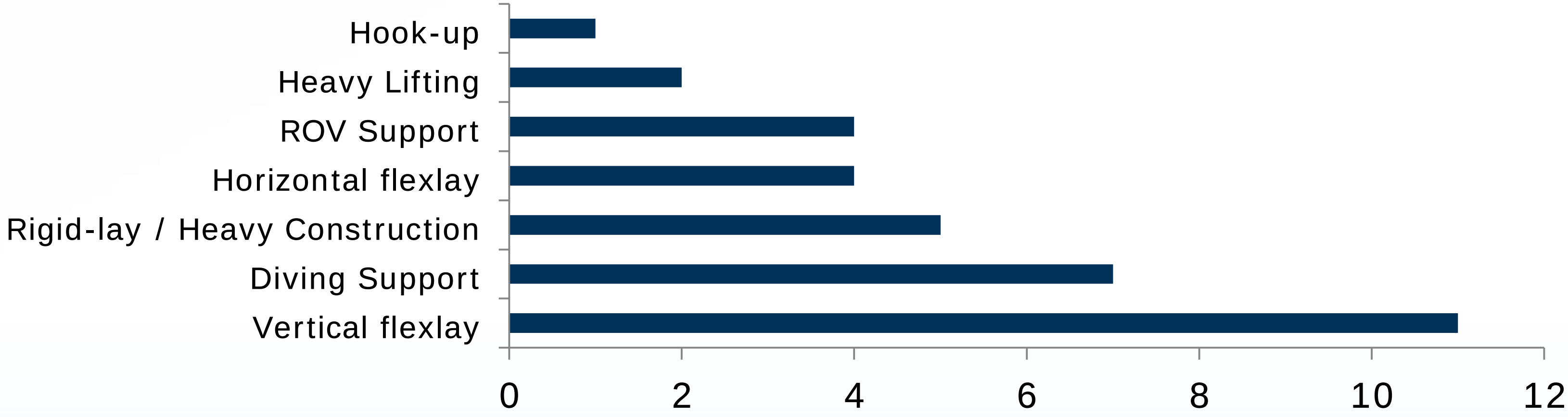
Vessels by Ownership type



Vessels by Age



Vessels by Operational category



Positioned well for long-term performance

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- Industry conditions remain challenging in the near term; a gradual market recovery is anticipated
- We are engaging earlier and executing well
- We are investing and partnering strategically to extend and differentiate our services
- Our differentiated service offering is competitive, versatile and collaborative
- The long-term outlook for offshore energy developments remains intact

Q&A

Appendix

- Our global presence
- Major project progression
- Adjusted EBITDA
- Supplementary Income Statement
- Segmental analysis
- Re-presentation of 2016
- Balance Sheet summary
- Cash flow summary
- Our fleet

Our global presence

- Beatrice wind farm, BOWL

- Catcher, Premier
- Culzean, Maersk
- Callater, Apache
- Western Isles, Dana
- USC & Pipelay, Shell
- SCIRM, BP
- DSVi, Various

- Aasta Hansteen, Statoil
- Maria, Wintershall
- Mariner, Statoil

- Mad Dog 2, BP
- Stampede, Hess
- Coulomb Ph2, Shell
- Holstein Deep, Freeport McMoran

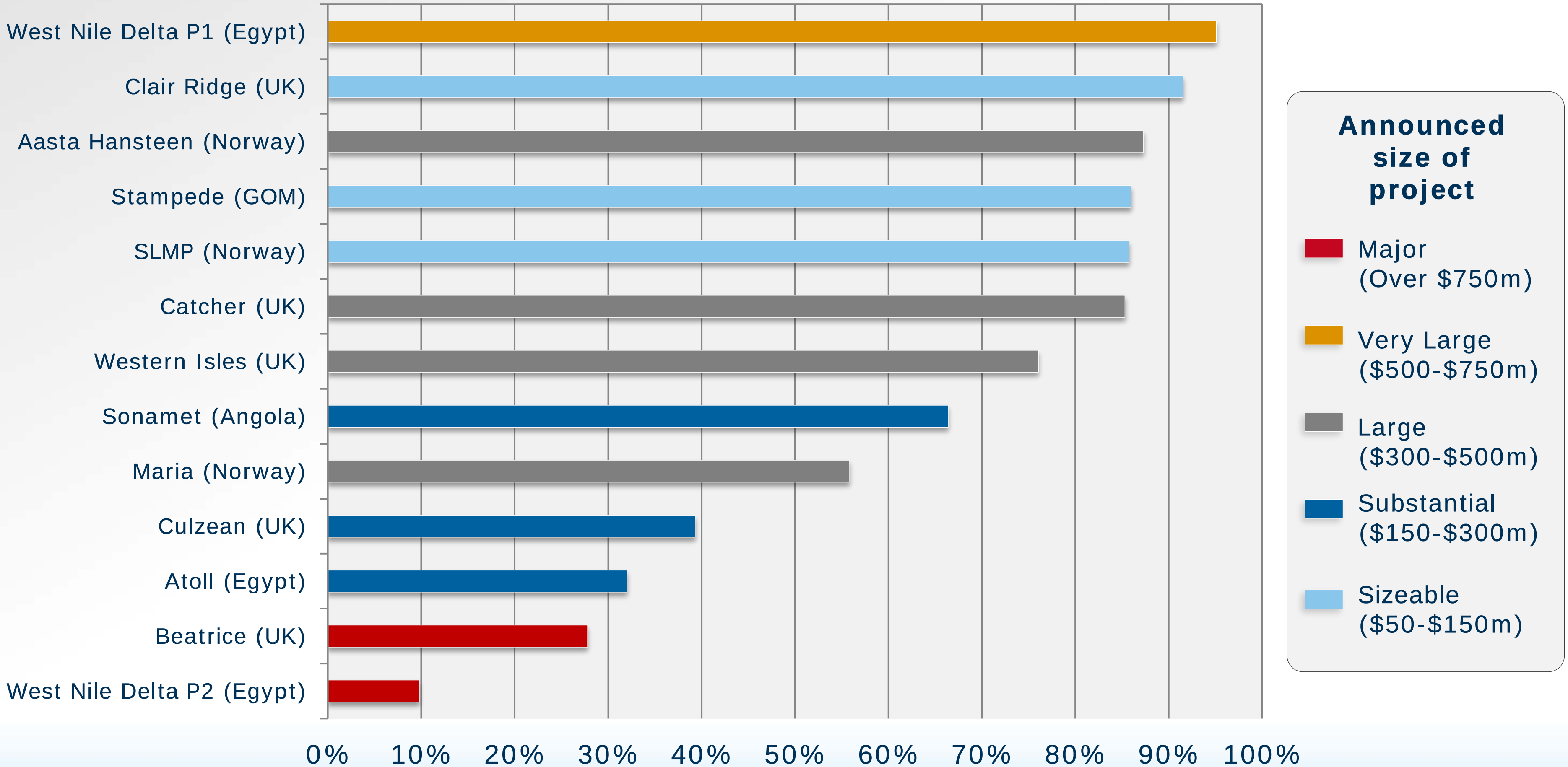
- West Nile Delta Phase 1, BP
- West Nile Delta Phase 2, BP
- West Nile Delta, Burullus
- Atoll, Pharaonic

- Sole, Cooper
- EPRS, INPEX/Chevron
- Persephone, Woodside

- PLSVs, Petrobras

Major project progression

Continuing projects >$100m between 5% and 95% complete as at 31 March 2017 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 subsidiaries, gains on distribution and remeasurement gain on business combinations), 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 31 March 2017 Unaudited	Three Months Ended 31 March 2016 Unaudited
Net operating income	**169**	194
Depreciation, amortisation and mobilisation	**99**	90
Adjusted EBITDA	**268**	284
Revenue	**897**	746
Adjusted EBITDA %	**30%**	38%

Net income to Adjusted EBITDA

For the period (in $millions)	Three Months Ended 31 March 2017 Unaudited	Three Months Ended 31 March 2016 Unaudited
Net income	**146**	147
Depreciation, amortisation and mobilisation	**99**	90
Remeasurement gain on business combination	**(42)**	-
Finance income	**(5)**	(4)
Other gains and losses	**8**	(14)
Finance costs	**2**	2
Taxation	**60**	64
Adjusted EBITDA	**268**	284
Revenue	**897**	746
Adjusted EBITDA %	**30%**	38%

Income statement – supplementary details

In $ millions	Three months ended	
	31 March 17 Unaudited	**31 March 16 Unaudited**
Administrative expenses	(48)	(53)
Share of net income of associates and joint ventures	(7)	16
Depreciation and amortisation	(99)	(90)
Net operating income	**169**	**194**
Net finance income	3	3
Remeasurement gain on business combination	42	-
Other gains and losses	(8)	14
Income before taxes	**206**	**211**
Taxation	(60)	(64)
Net income	**146**	**147**
Net income attributable to:		
Shareholders of the parent company	141	146
Non-controlling interests	5	1

Segmental analysis

For the three months ended 31 March 2017

In $ millions (unaudited)	SURF & Conventional	i-Tech Services	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	602	76	220	-	897
Net operating income	151	11	(4)	11	169
Finance income					5
Remeasurement gain on business combination					42
Other gains and losses					(8)
Finance costs					(2)
Income before taxes					206

For the three months ended 31 March 2016

In $ millions (unaudited)	SURF & Conventional	i-Tech Services	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	641	103	2	-	746
Net operating income	167	15	10	2	194
Finance income					4
Other gains and losses					14
Finance costs					(2)
Income before taxes					211

Re-presented segmental results 2016

2016 re-presented segmental results by quarter (unaudited)

In $ millions

Revenue	2016				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**
SURF & Conventional	641	866	801	705	**3,013**
i-Tech Services	103	93	97	85	**377**
Renewables & Heavy Lifting	2	2	30	142	**176**
Corporate	-	-	-	-	**-**
Total	**746**	**961**	**928**	**932**	**3,567**

In $ millions

Net Operating Income *excluding goodwill impairment charge*	2016				
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**
SURF & Conventional	167	189	214	55	**625**
i-Tech Services	15	13	19	(9)	**38**
Renewables & Heavy Lifting	10	20	8	(10)	**28**
Corporate	2	(45)	(45)	9	**(79)**
Total	**194**	**177**	**195**	**46**	**611**

- Revenue represents only external revenues for each segment.
- Corporate includes restructuring charges related to the Group’s resizing and cost reduction measures

2016 Re-presented Summary Financial Information

For the year ended 31 December 2016 (unaudited)

In $ millions	SURF & Conventional	i-Tech Services	Renewables & Heavy Lifting	Corporate	TOTAL
Revenue	3,013.3	377.4	176.0	-	**3,566.7**
Operating and administrative expenses (excluding depreciation, amortisation and impairments)	(1,936.9)	(290.3)	(172.5)	(71.7)	**(2,471.4)**
Impairment of goodwill	(90.4)	-	-	-	**(90.4)**
Share of net income of associates and joint ventures	20.6	1.5	24.3	-	**46.4**
Depreciation, mobilisation and amortisation expenses	(322.4)	(41.7)	-	(7.7)	**(371.8)**
Impairment of property, plant and equipment	(149.6)	(8.9)	-	-	**(158.5)**
Net operating income/(loss) including goodwill impairment charge	534.6	38.0	27.8	(79.4)	**521.0**
Net operating income/(loss) excluding goodwill impairment charge	**625.0**	**38.0**	**27.8**	**(79.4)**	**611.4**

- Revenue represents only external revenues for each segment.
- Costs relating to stacked vessels are included in the results of the operating segment to which the vessel is allocated.
- Corporate costs are fully allocated to the other operating segments, as a percentage of their external revenue, except for certain discrete items, such as restructuring charges totalling $97m in 2016, which remain within the Corporate segment.

Summary balance sheet

In $ millions	31 Mar 2017 Unaudited	31 Dec 2016 Audited
Assets		
Non-current assets		
Goodwill	673	628
Property, plant and equipment	4,720	4,124
Other non-current assets	295	486
Total non-current assets	**5,688**	**5,238**
Current assets		
Trade and other receivables	495	500
Construction contracts - assets	87	80
Other accrued income and prepaid expenses	143	217
Cash and cash equivalents	1,872	1,676
Other current assets	120	92
Total current assets	**2,717**	**2,565**
Total assets	**8,405**	**7,803**

In $ millions	31 Mar 2017 Unaudited	31 Dec 2016 Audited
Equity & Liabilities		
Total equity	**5,716**	**5,537**
Non-current liabilities		
Non-current portion of borrowings	370	-
Other non-current liabilities	236	204
Total non-current liabilities	**606**	**204**
Current liabilities		
Trade and other liabilities	960	824
Current portion of borrowings	488	427
Construction contracts – liabilities	358	536
Deferred revenue	6	6
Other current liabilities	271	269
Total current liabilities	**2,083**	**2,062**
Total liabilities	**2,689**	**2,266**
Total equity & liabilities	**8,405**	**7,803**

Summary of first quarter 2017 cash flow

	$ millions	
Cash and cash equivalents at **31 Dec 2016**	1,676	
Net cash generated from operating activities	65	*Decrease of $194 million in net operating liabilities*
Net cash flow used in investing activities	(151)	*Included $111m cash outflow on acquisition of Seaway Heavy Lifting (net of cash acquired) and capital expenditure of $31 million*
Net cash flow used in financing activities	300	*Included $301 million funds drawn from ECA facility*
Other movements	(18)	
Cash and cash equivalents at **31 Mar 2017**	1,872	

- Net cash of $1,014 million as at 31 March 2017 compared to $1,249 million at 31 December 2016

Our fleet as at 31 March 2017

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- ## 30 vessels in the active fleet

6 Chartered:
Skandi Acergy
Grant Candies
Normand Subsea
Siem Stingray
Subsea Viking
Seven Viking (2)

24 Owned:
Seven Borealis
Seven Oceans
Seven Condor
Seven Rio
Seven Seas
Sapura 3000 (1)
Oleg Strashnov
Stanislav Yudin
Rockwater 2
Seven Atlantic
Seven Falcon
Seven Osprey
Seven Pelican
Kommandor 3000
Seven Eagle
Simar Esperança
Seven Antares
Seven Waves
Seven Pacific
Seven Phoenix
Seven Sun
Seven Arctic
Seven Kestrel
Seven Cruzeiro

- ## 4 vessels stacked

Seven Navica
Seven Mar
Rockwater 1
Seven Inagha

- ## Changes during the first quarter

Seven Arctic	-	Joined active fleet January 2017
Seven Kestrel	-	Joined active fleet January 2017
Seven Cruzeiro	-	Joined active fleet January 2017
Seven Mar	-	Removed from active fleet, stacked until further notice
Seven Discovery	-	Removed from fleet, sold for recycling
Normand Oceanic	-	Removed from fleet, returned to owner(3)

(1) Owned and operated by a joint venture
(2) Long-term charter from a vessel-owning joint venture
(3) Owned by a vessel-owning joint venture

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