Earnings Presentation

Third Quarter 2014

12 November 2014

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 2013. 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.

A strong quarter both operationally and financially

FINANCIAL

- Revenue increased 22% from prior year third quarter
- 22% Adjusted EBITDA margin
- Diluted earnings per share of $0.57, up 36% from prior year third quarter
- Continued strong operational cash flow generated in the quarter
- Brazil's financial recovery firmly in place
- Share repurchases continued, with $29m purchased in the third quarter

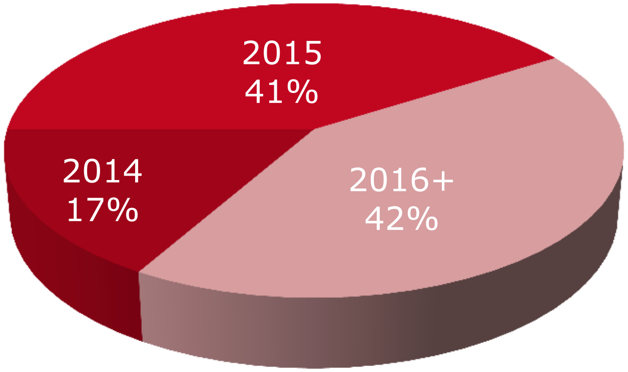
OPERATIONAL

- Good overall project execution
- 91% Group vessel utilisation, up from 86% during Q3 2013
- Further operational progress and de-risking of the Guará-Lula NE project; full-life project loss reduced by approximately $40m
- Life-of-Field activity in the UK continued at a high level

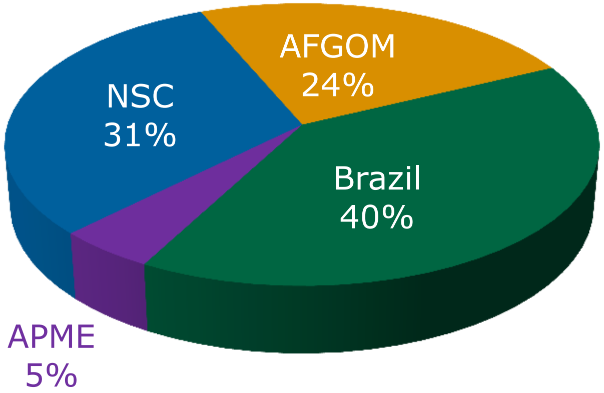
Backlog and order in-take

- Backlog ended Q3 2014 at $9.4 billion, net of $300 million negative foreign exchange impact
- Order intake in Q3: $0.4 billion, which included contracts below $50 million value, escalations on existing contracts and is before foreign exchange impact
- New award announced in Q3: Baobab Phase 3 in the Ivory Coast

Backlog by Execution Date



Backlog by Territory



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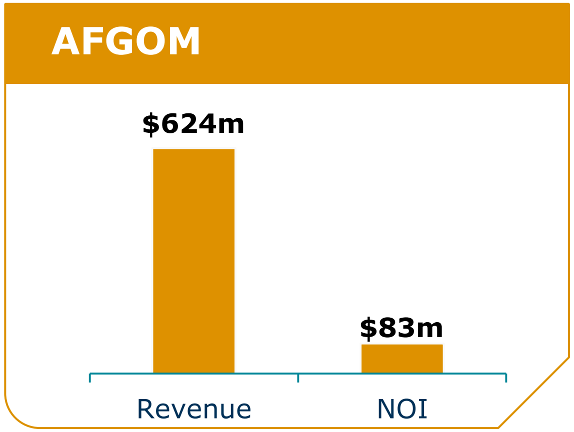
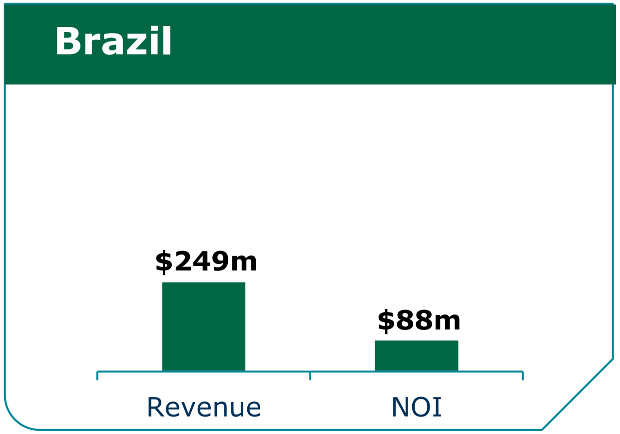
Income statement – key highlights

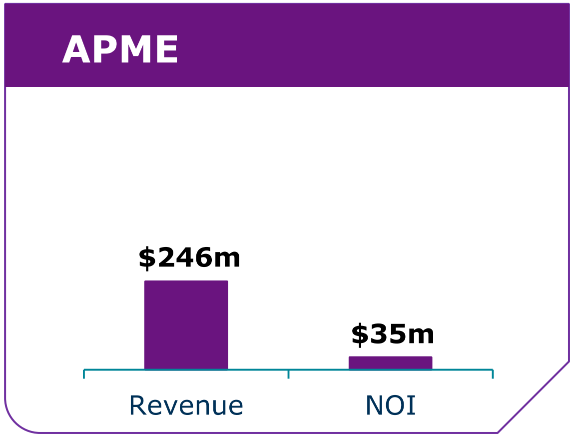
In $ millions, unless otherwise indicated	Three months ended 30 Sept 14	Three months ended 30 Sept 13
Revenue	1,902	1,564
Net operating income (NOI)	324	269
Income before taxes	288	219
Taxation	(83)	(60)
Net income	206	160
Adjusted EBITDA[1]	426	359
Adjusted EBITDA margin	22.4%	23.0%
Diluted earning per share	$0.57	$0.42
Weighted average number of common shares[2]	372.9m	398.0m

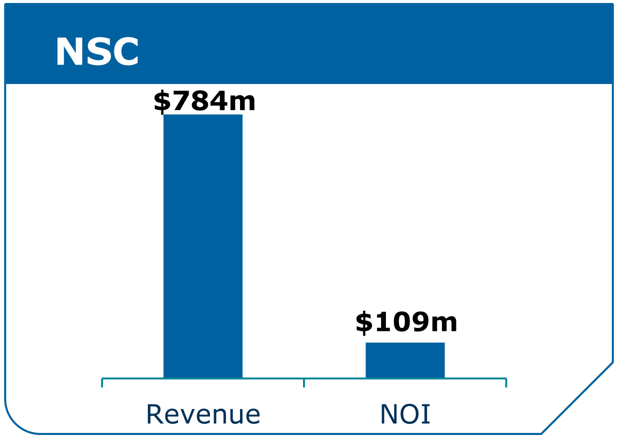
[1] Adjusted EBITDA defined in Appendix
[2] In Q3 2014, the 2014 and 2017 convertible bonds were dilutive

Territory performance – Q3 2014









Note: excludes contribution from Corporate segment

Income statement – supplementary details

In $ millions	Three months ended 30 Sep 14	Three months ended 30 Sept 13
Administrative expenses	(86)	(74)
Share of net income of associates and joint ventures	24	49
Net operating income	324	269
Net finance costs	(2)	(12)
Other gains and losses	(34)	(38)
Income before taxes	288	219
Taxation	(83)	(60)
Net income	**206**	**160**
Net income attributable to:		
Shareholders of the parent company	210	152
Non-controlling interests	(4)	8

Overview of YTD 2014 cash flow

	$ millions	
Cash and cash equivalents at **31 Dec 2013**	650	
Net cash generated from operating activities	1,070 *	*Includes decrease in net operating assets of $170m*
Net cash flow used in investing activities	(600)	*Includes capital expenditure of $635m mainly on new vessel construction programme*
Net cash flow used in financing activities	(410)	*Includes dividends paid of $195m, shares repurchased of $122m and a convertible bond repurchase of $79m*
Other movements	(48)	
Cash and cash equivalents at **30 Sep 2014**	662	

*Of the $1,070m, $354m was generated in the third quarter

Summary balance sheet

In $ millions	30 Sept 2014	31 Dec 2013
Assets		
Non-current assets		
Goodwill	2,578	2,585
Property, plant and equipment	4,419	4,098
Other non-current assets	585	538
Total non-current assets	**7,582**	**7,221**
Current assets		
Trade and other receivables	1,014	1,008
Assets classified as held for sale	411	395
Construction contracts - assets	524	575
Other accrued income and prepaid expenses	348	404
Cash and cash equivalents	662	650
Other current assets	94	104
Total current assets	**3,053**	**3,136**
Total assets	**10,635**	**10,357**

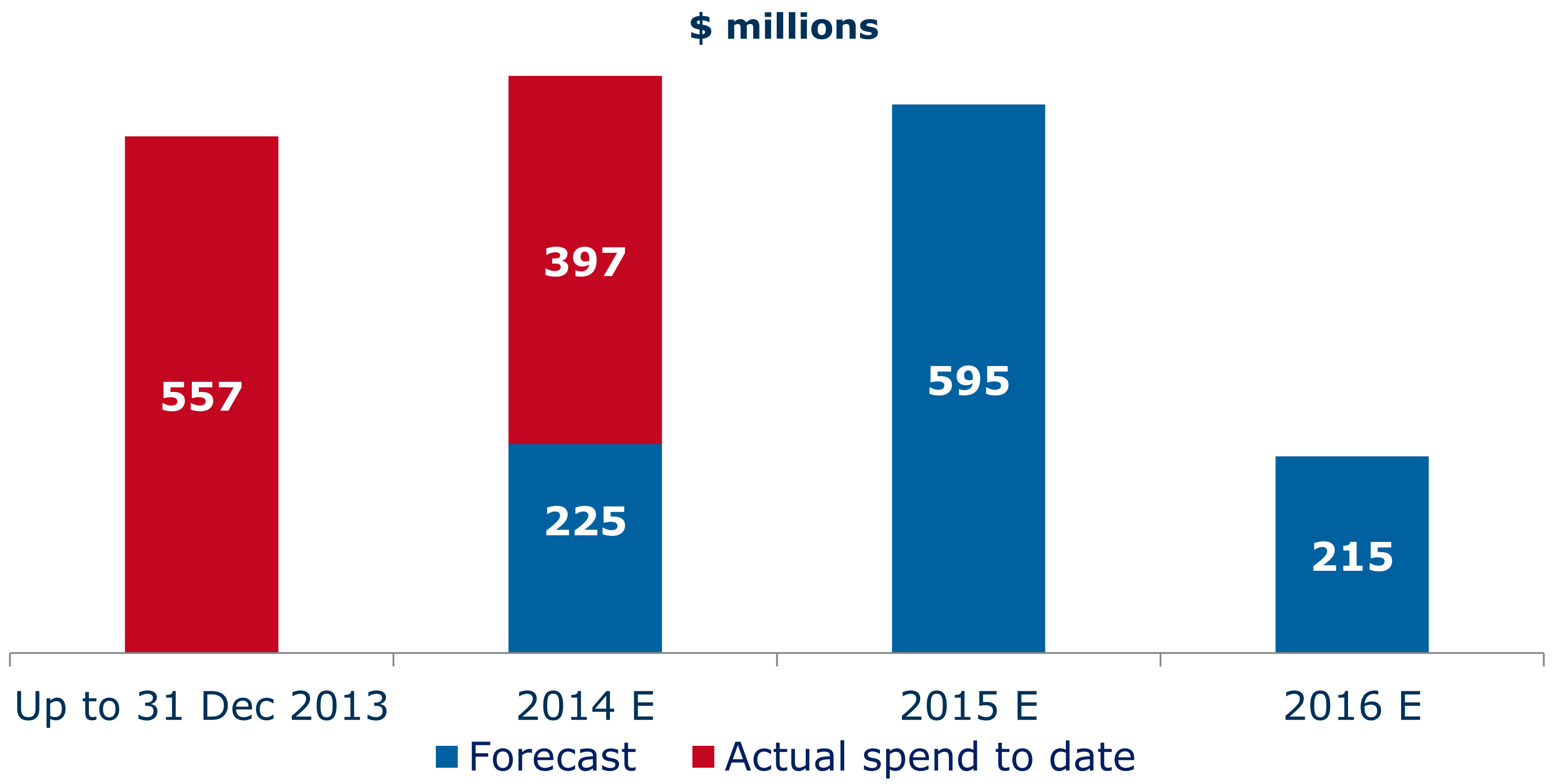
In $ millions	30 Sept 2014	31 Dec 2013
Equity & Liabilities		
Total equity	**6,842**	**6,612**
Non-current liabilities		
Non-current portion of borrowings	648	636
Other non-current liabilities	238	259
Total non-current liabilities	**886**	**895**
Current liabilities		
Trade and other liabilities	1,852	1,637
Current portion of borrowings	196	275
Liabilities associated with assets held for sale	211	195
Construction contracts - liabilities	405	601
Deferred revenue	3	3
Other current liabilities	240	139
Total current liabilities	**2,907**	**2,850**
Total liabilities	**3,793**	**3,745**
Total equity & liabilities	**10,635**	**10,357**

Financial guidance

Full year 2014 guidance reaffirmed and refined:

- Group revenue expected to increase from 2013 level
- Adjusted EBITDA expected to increase moderately from that achieved in 2013 after adding back the $355 million full life loss recognised on the Guará-Lula NE project
- Capex: $950 million - $1.0 billion, of which:
  - $610-630 million for the six new-build vessel construction programme
  - $220-240 million for operating capex (existing fleet)
  - $120-130 million for vessel enhancements, i-Tech ROVs, offshore equipment and onshore facilities
- Other net income related guidance:
  - Administrative expenses: $310-320 million
  - Net finance costs: less than $5 million
  - Depreciation and amortisation expense: $400-420 million
  - Full year effective tax rate: 26-28%

Capital expenditure for on-going vessel new-build programme[1]



Note:
1 Includes four PLSVs being constructed for long-term contracts with Petrobras (including the *Seven Waves*, which was operational from May 2014), and construction of the *Seven Arctic* and the *Seven Kestrel*. Amounts include an estimate for interest to be capitalised during construction.
E = estimated

Fleet investments to meet growth objectives: vessel new-build programme

Ship	Vessel Type	Rationale	Operational
	***Seven Waves*** **Pipelay Support Vessel (PLSV)**	Under 5-year contract with Petrobras	2nd Quarter 2014 *(commenced operations mid May)*
	***Seven Rio*** ***Seven Sun*** ***Seven Cruzeiro*** **(PLSVs 2, 3 & 4)**	Under 5-year contracts with Petrobras	4th Quarter 2015 2nd Quarter 2016 4th Quarter 2016
	***Seven Kestrel*** **Diving Support Vessel (DSV)**	Fleet replacement investment for growing market	4th Quarter 2015
	***Seven Arctic*** **Heavy Construction Vessel (HCV)** **900T crane**	Strategic investment; enabling for seabed compression/separation/ production module installation	1st Quarter 2016

Market overview

SURF:

- Uncertainty around timing of awards continues; a number of large potential SURF market awards have been postponed from 2014 to 2015, for various reasons
- Recent oil price weakness creates additional uncertainty around project timing

Life-of-Field:

- Demand for Life-of-Field remained strong, particularly in the UK sector of the North Sea, and is expected to continue in 2015

Conventional and Hook-up:

- Increased tendering activity ongoing for Conventional projects in Nigeria
- Hook-up opportunities limited in near term

Market outlook

Africa

SURF:

- Tendering in West and East Africa remains high but timing of market awards remains uncertain
- *Potential* market awards over the next twelve months include:
  - West Nile Delta - Zinia Phase 2
  - Bonga SouthWest - Chissonga

Conventional and Hook-up:

- One significant tender ongoing in Nigeria, which may be awarded to market in H1 2015 (Satellite Field Phase 2)

Gulf of Mexico

- Increased number of small- and medium-size SURF projects in the US Gulf likely to be awarded to market over next few months

Market outlook

APME

SURF:

- *Potential* market awards for large projects in Indonesia and India over the next twelve months:
  - KG-D6 and Vashista in India
  - Gehem-Gendalo in Indonesia
- Market award of large SURF projects unlikely near-term in Australia as local development costs remain a major challenge for our clients

Life-of–Field:

- Further opportunities identified in Australia

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Market outlook

Brazil

Territory financial turn-around in line with expectations

- Good operational progress on the Guará-Lula NE project since the beginning of the year
  - 22 of 27 risers successfully installed by end of Q3 2014
  - completion of risers installation expected by year end 2014, according to plan
- PLSV fleet
  - all contract renewals completed
  - fleet operating at high levels of utilisation
  - the *Seven Waves* performing well from her start in mid May 2014
- Ongoing discussions with Petrobras to reach an agreement on an acceptable risk profile for large pre-salt EPIC projects

Market outlook

North Sea and Canada

SURF:

- A number of tendered projects have been postponed to 2015
- Statoil postponing capex projects in Norway until 2015 and 2016
- Our technology remains a key differentiator
  - Strong interest from operators for our Bundle solution

Life-of-Field:

- Demand has been strong for our Life-of-Field solutions, particularly in the UK, supported by our extensive fleet and engineering resources; expected to remain strong in 2015

Joint Ventures

- Near term contribution from SHL and SapuraAcergy joint ventures expected to diminish compared to record high 2013 levels

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Examples of Subsea 7 technology application

- Bubi® pipe
  - First successful reeled installation on the Guará-Lula project in Brazil
  - New application with the Aasta Hansteen project in Norway in 2015
  - Several other opportunities
- High performance Pipe-in-Pipe solutions
  - Electric heat-traced flow line technology gaining traction
  - Significant cost reduction opportunities for several deep water projects
- Bundles
  - Three Bundles installed in the North Sea YTD 2014; seven additional to be launched between now and mid 2016
  - Strong client interest for transitioning this technology to other parts of the world
- Transferring oil and gas technology to the renewable energy sector: our SHL JV installed the largest float-over wind-farm topside substation in 2014

Adapting to changing market conditions

- With our clients and suppliers:
  - Early engagement *to help lower the overall cost of field developments*
    - F.E.E.D., engineering and procurement expertise
    - Integrated project teams and new business model
    - Proprietary technologies
    - Standardisation

- Internal cost reduction measures:
  - Moving quickly to reduce organisation size in line with business trends – plan tailored to each specific country
  - Long-term vessel charters being reviewed; potential terminations
  - Continue divesting plan of selected aging and lower specification vessels, particularly when new-build vessels become operational

Summary

- A strong quarter both operationally and financially
  - 22% Adjusted EBITDA margin; $0.57 diluted EPS
  - Good overall project execution and significant progress on the Guará-Lula NE project in Brazil
  - High Group vessel utilisation at 91%
- Order backlog fell to $9.4 billion, net of $300 million foreign exchange impact, as a number of large project awards were delayed
- Demand for Life-of-Field continued to be strong in the UK
- Full year 2014 guidance unchanged
- Our order backlog and execution plans provide a sound basis for 2015 despite the deferral of awards to the market

Appendix

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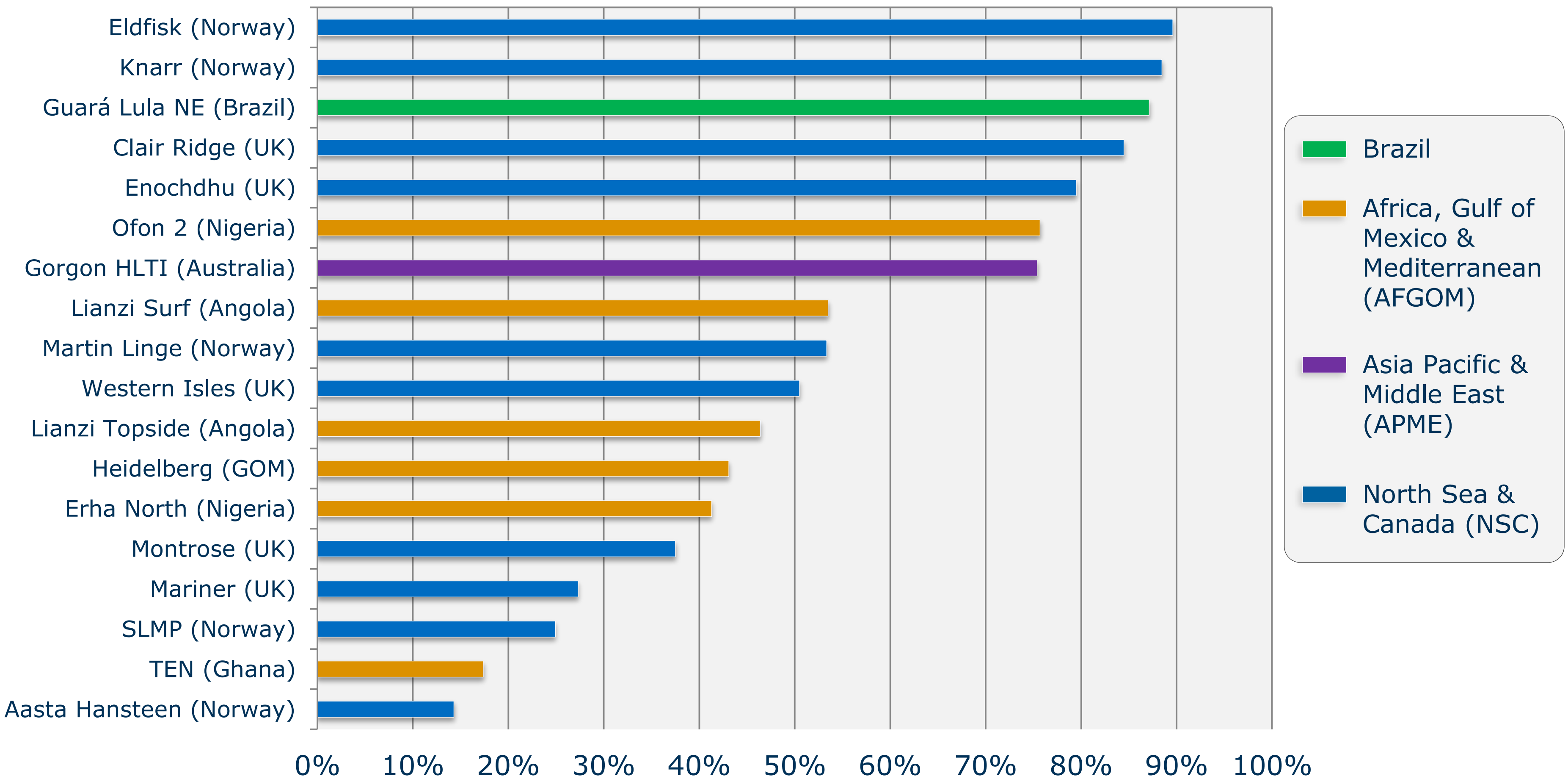
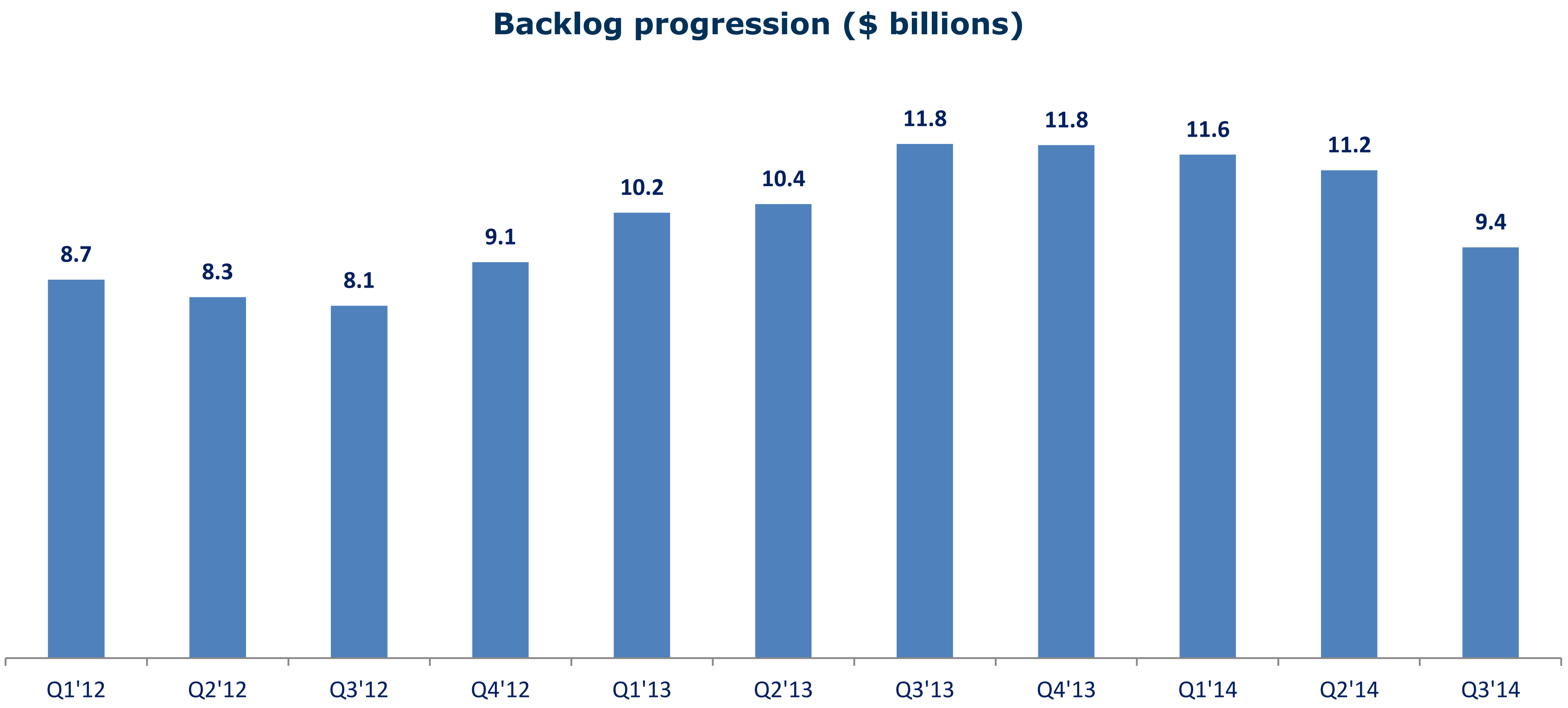
Major project progression

Continuing projects >$100m between 5% and 95% complete as at 30 September 2014 excl. PLSVs and Life-of-Field day-rate contracts



Backlog progression



Segmental analysis

For the three months ended 30 September 2014

In $ millions	AFGOM	APME	BRAZIL	NSC	CORP	TOTAL
Revenue	624	246	249	784	(1)	1,902
Net operating income from ops	83	35	88	109	10	324
Finance income						4
Other gains and losses						(34)
Finance costs						(6)
Income before taxes						288

For the three months ended 30 September 2013

In $ millions	AFGOM	APME	BRAZIL	NSC	CORP	TOTAL
Revenue	583	73	233	670	6	1,564
Net operating income from ops	94	30	10	111	24	269
Finance income						5
Other gains and losses						(38)
Finance costs						(17)
Income before taxes						219

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 income to Adjusted EBITDA For the period (in $millions)	Three Months Ended 30 Sep 2014	Three Months Ended 30 Sep 2013
Net operating income	324	269
Depreciation, amortisation and mobilisation	99	88
Impairment	3	2
Adjusted EBITDA	426	359
Revenue	1,902	1,564
Adjusted EBITDA %	**22.4%**	**23.0%**

Net income to Adjusted EBITDA For the period (in $millions)	Three Months Ended 30 Sep 2014	Three Months Ended 30 Sep 2013
Net income	206	160
Depreciation, amortisation and mobilisation	99	88
Impairment	3	2
Finance income	(4)	(5)
Other gains and losses	34	38
Finance costs	6	17
Taxation	83	59
Adjusted EBITDA	426	359
Revenue	1,902	1,564
Adjusted EBITDA %	**22.4%**	**23.0%**

Our operational facilities

Spoolbases

Luanda Spoolbase, Angola

Port Isabel Spoolbase, USA

Ubu Spoolbase, Brazil

Vigra Spoolbase, Norway

Leith Spoolbase, UK

Fabrication Yards

Sonamet Lobito, Angola

Warri, Nigeria

Wick Fabrication Site, UK

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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*

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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 the *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

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Vessel Divestments from 2011 to the end of Q3 2014

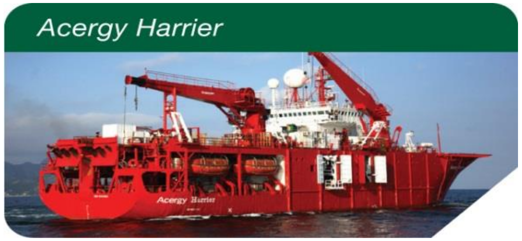
Rigid Pipelay / Construction:

Jun 2011

Sep 2011

Jan 2013

DSV:



Jan 2013

Construction / Horizontal Flex-lay:

Aug 2013

LOF / Light Construction:

Aug 2011

Feb 2013

Terminated Long-Term Vessel Charters from 2011 to the end of Q3 2014

DSV:

May 2011

LOF / Light Construction:

Dec 2012

Jan 2014

Jan 2014

Mar 2014

seabed-to-surface

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