

# Subsea 7 Inc.

Earnings Presentation  
Quarter Ended

30 September 2009

## Highlights

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Strong project execution in all regions, delivering EBITDA of USD 140.1 million, equivalent to an EBITDA margin of 21.2%

Awarded four new significant projects since 30 June 2009, valued at a combined total of USD 680 million (including an award post-quarter)

Launched private placement of USD 275 million of convertible notes. The notes were issued and proceeds received post-quarter

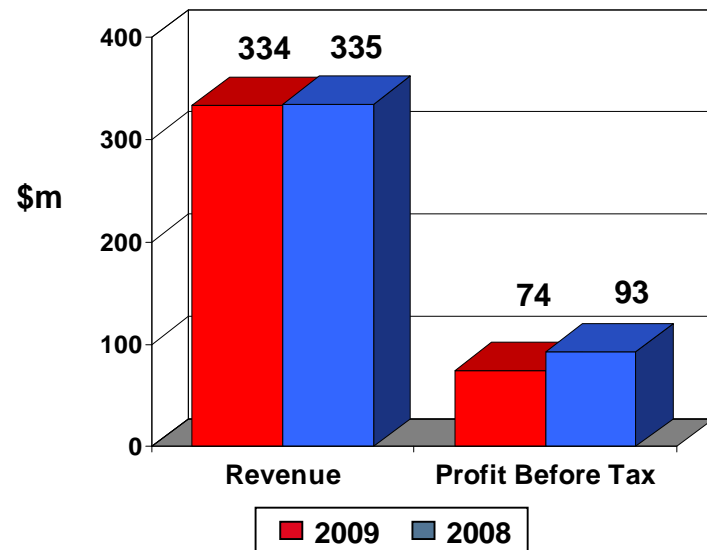
Efficiencies being realised from cost-cutting initiatives



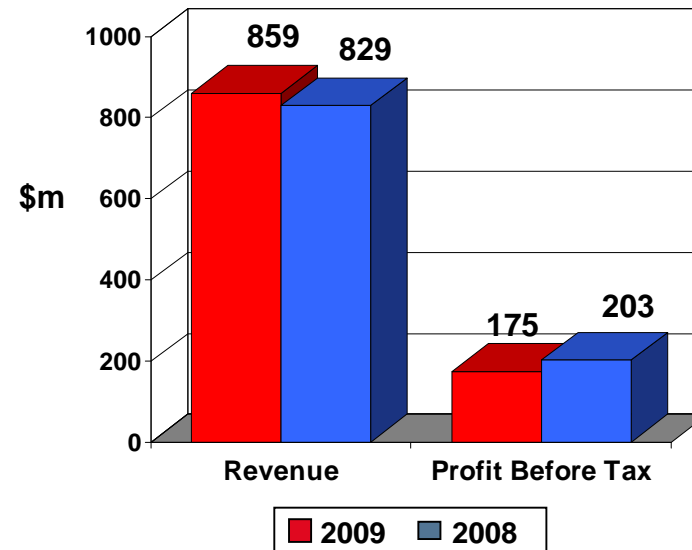
## Operational Performance by Region

### North Sea

Three Months Ended 30 Sept



Nine Months Ended 30 Sept

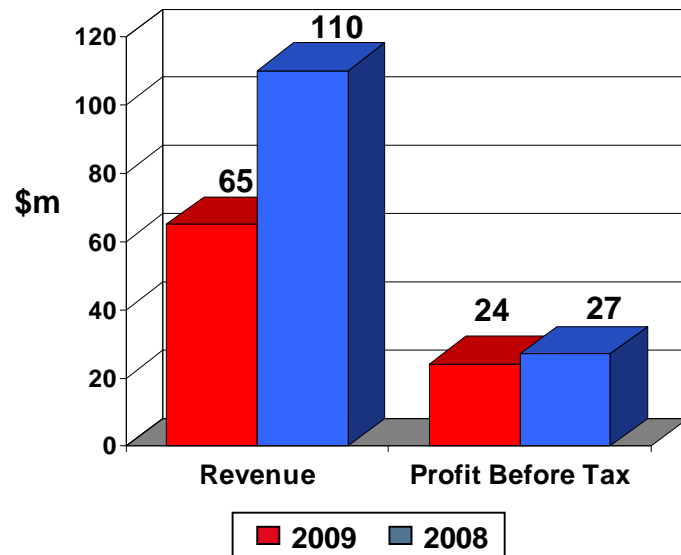


- Centrica's Grove and Venture's Channon/Barbarossa projects substantially completed
- *Seven Navica* completed StatoilHydro's Vega, and Troll O2 pipelines, and the pipelay scope on the Venture F3-FA project before commencing a scheduled drydock
- In Norway, four construction vessels worked on BP's Valhall Re-Development and a number of StatoilHydro's developments

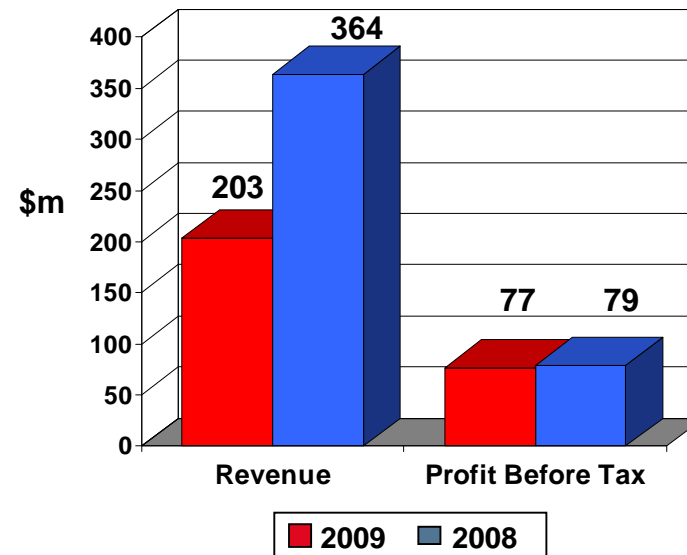
## Operational Performance by Region

### Africa

Three Months Ended 30 Sept



Nine Months Ended 30 Sept

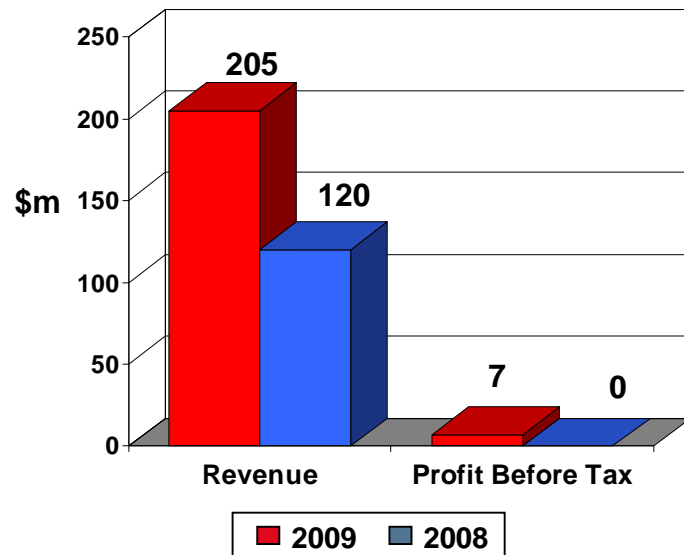


- BP's Block 18 Life of Field and Block 31 projects ongoing
- Completion of Mobil Equatorial Guinea Inc's Serpentina project in Equatorial Guinea
- Settlement of variation orders and release of contingency on Addax's Okwori and Chevron's Tombua Landana projects

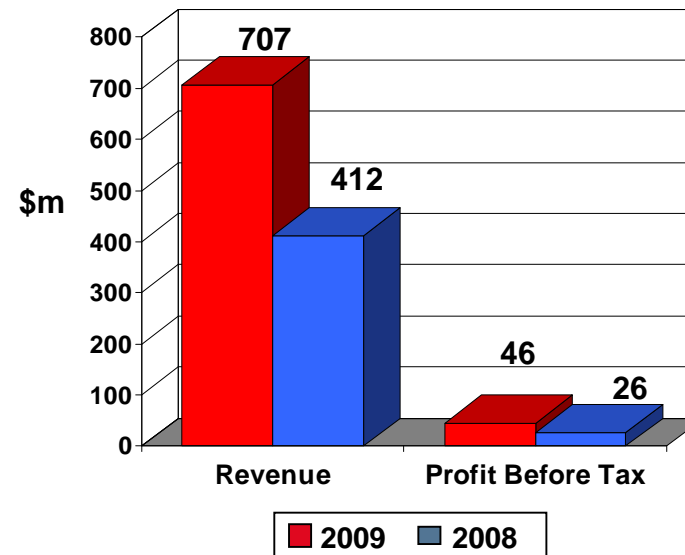
## Operational Performance by Region

### Brazil

Three Months Ended 30 Sept



Nine Months Ended 30 Sept

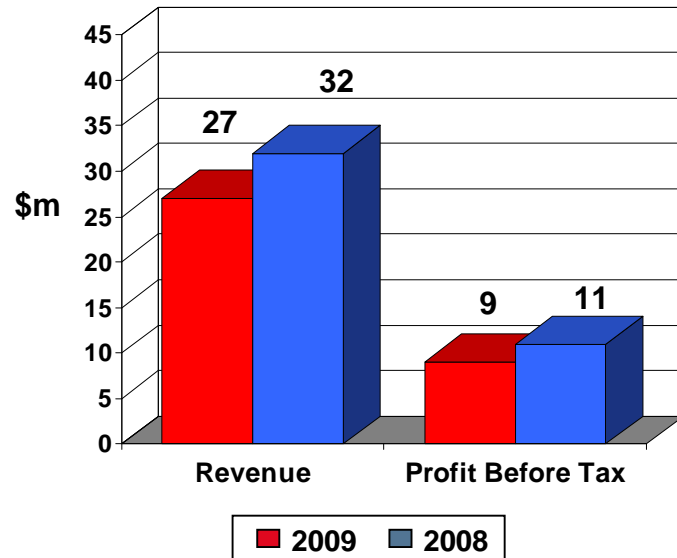


- Offshore installation completed on Shell’s BC-10 and Petrobras’ Roncador projects
- StatoilHydro’s Peregrino project progressed well during the quarter
- Petrobras’ Sul Capixaba and Hybrid Steel pipeline installations were completed by the *Seven Oceans*
- Provision booked for expected losses on *Lochnagar* and *K3000* contracts

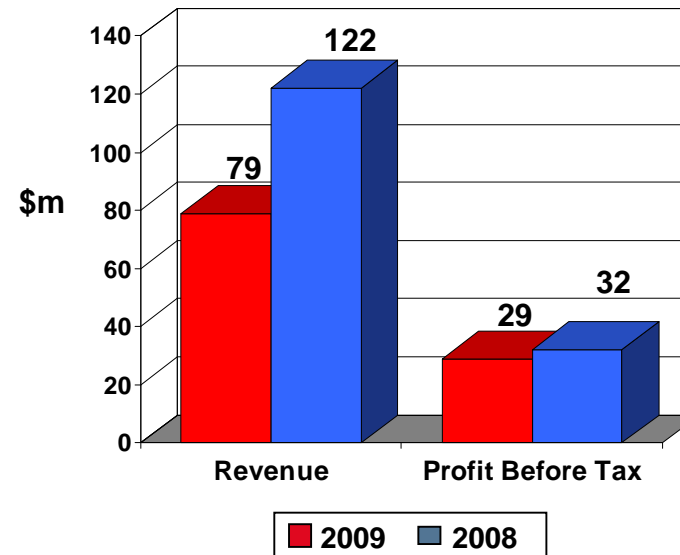
## Operational Performance by Region

### North America

Three Months Ended 30 Sept



Nine Months Ended 30 Sept

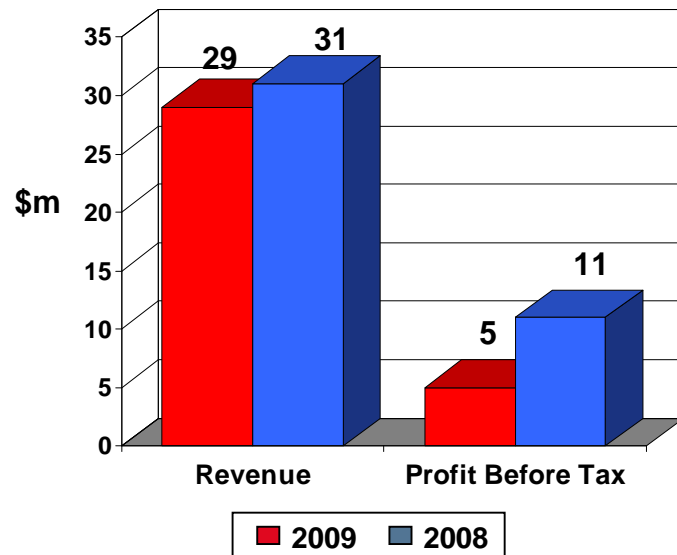


- Engineering and project management continued on Petrobras' Cascade project
- The Port Isabel spoolbase continued with pipeline operations on Marathon's Droshky project, with offshore installation scheduled for Q4 2009

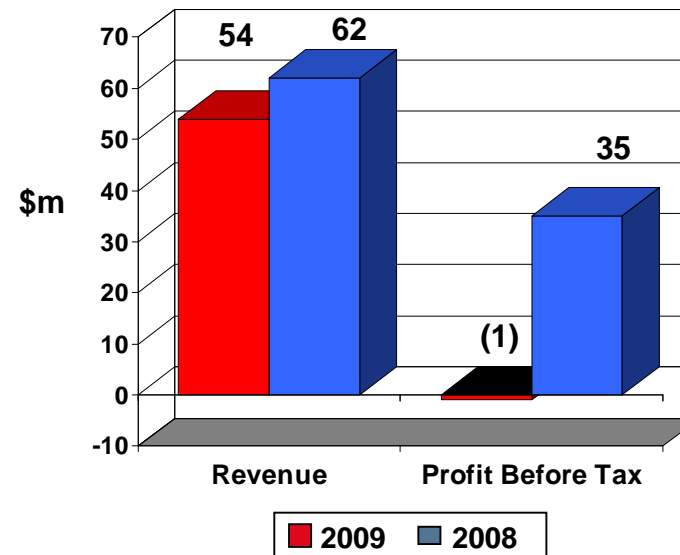
## Operational Performance by Region

# Asia Pacific

Three Months Ended 30 Sept

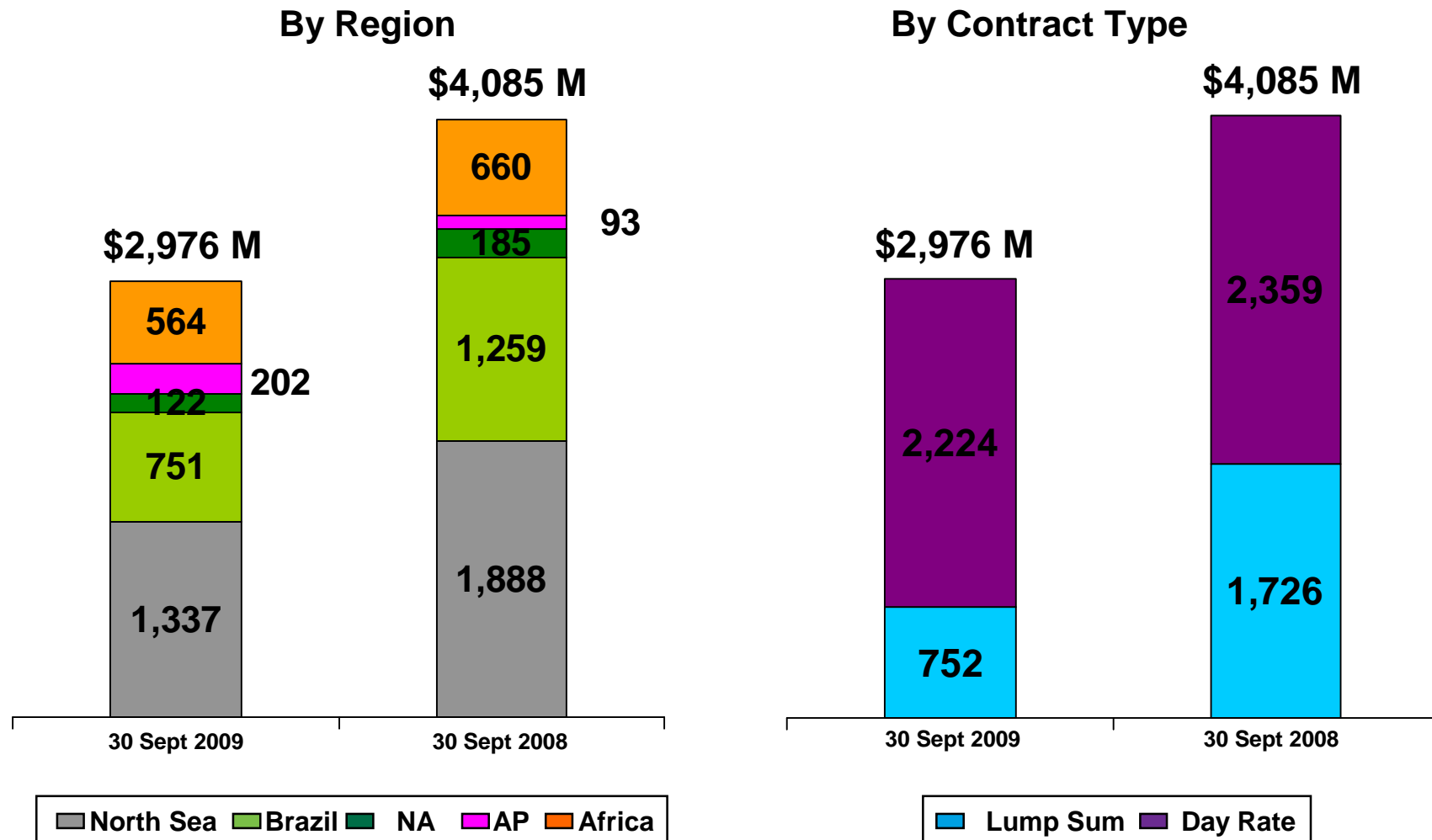


Nine Months Ended 30 Sept

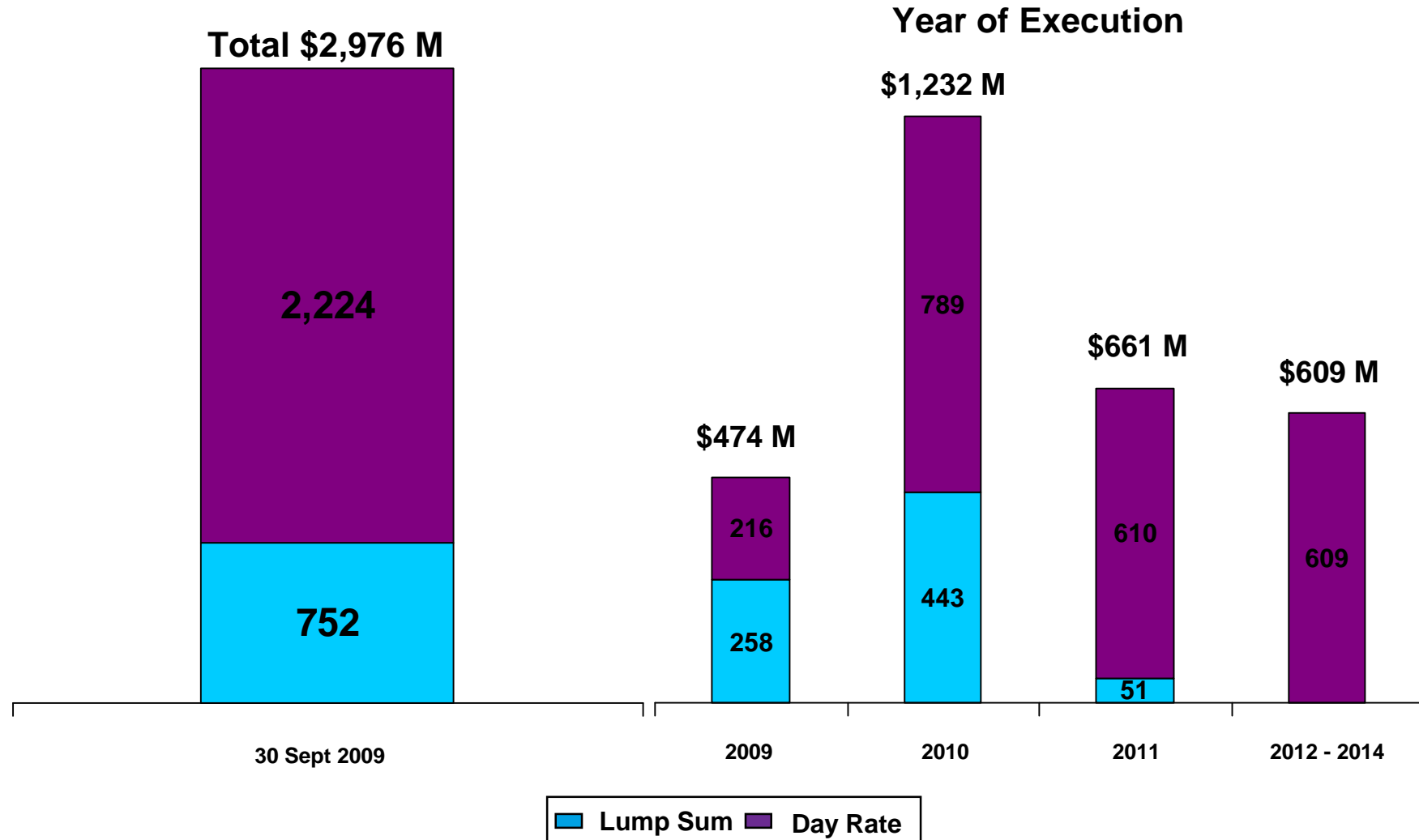


- *Rockwater 2* supported Woodside's Enfield development in Australia
- ConocoPhillips' Xijiang project completed in the South China Sea
- Engineering and project management commenced on the newly awarded Santos Henry project

## Backlog at 30 September 2009 & 30 September 2008



## Backlog at 30 September 2009 by Year of Execution



## Financial Highlights

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	Three Months Ended		Nine Months Ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
(Amounts in USD millions)	Unaudited	Unaudited	Unaudited	Unaudited
<b>Revenue</b>	<b>661.0</b>	628.6	<b>1,901.1</b>	1,789.7
<b>Adjusted EBITDA</b>	<b>140.1</b>	164.8	<b>395.9</b>	419.0
<b>Net operating profit</b>	<b>107.8</b>	136.0	<b>307.6</b>	351.9
<b>Profit before tax</b>	<b>121.3</b>	98.8	<b>320.2</b>	303.5
<b>Net profit attributable to equity shareholders</b>	<b>86.6</b>	65.7	<b>223.9</b>	207.1
<b><u>Earnings per share, in USD per share</u></b>				
<b>Earnings per share, basic</b>	<b>0.59</b>	0.45	<b>1.52</b>	1.41
<b>Earnings per share, diluted</b>	<b>0.58</b>	0.43	<b>1.52</b>	1.36

## Cash Flows

	Nine Months Ended	
	30/09/2009	30/09/2008
(Amounts in USD 1,000)	Unaudited	Unaudited
Net Profit	223,883	207,083
Non-cash income statement items	186,222	188,155
Changes in working capital	(16,994)	(36,963)
<b>Cash generated from operations</b>	<b>393,111</b>	<b>358,275</b>
Purchase of property, plant and equipment	(181,208)	(385,990)
Proceeds from sale of property, plant and equipment	815	25,458
Dividends received	7,136	-
(Repayment)/drawdown of loans	(50,000)	150,000
Repurchase of convertible notes	(11,025)	-
Purchase of available-for-sale financial assets	-	(179,381)
Purchase of own shares	-	(15,716)
Other cash flows	(77,729)	(78,919)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>81,100</b>	<b>(126,273)</b>
Cash and cash equivalents at start of period	114,066	167,657
<b>Cash and cash equivalents at end of period</b>	<b>195,166</b>	<b>41,384</b>

## Balance Sheet

	30/09/2009	30/09/2008	31/12/2008
(Amounts in USD 1,000)	Unaudited	Unaudited	Audited
<b>Assets</b>			
<b>Non-current assets</b>	<b>1,301,200</b>	1,234,799	1,120,367
Cash and cash equivalents	195,166	41,384	114,066
Other current assets	991,857	885,394	768,561
<b>Current assets</b>	<b>1,187,023</b>	926,778	882,627
<b>Total assets</b>	<b>2,488,223</b>	2,161,577	2,002,994
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>1,039,866</b>	875,205	689,666
Borrowings	342,369	556,103	559,737
Other non-current liabilities	105,577	83,737	104,849
<b>Non-current liabilities</b>	<b>447,946</b>	639,840	664,586
Borrowings	170,524	-	-
Other current liabilities	829,887	646,532	648,742
<b>Current liabilities</b>	<b>1,000,411</b>	646,532	648,742
<b>Total liabilities</b>	<b>1,448,357</b>	1,286,372	1,313,328
<b>Total shareholders' equity and liabilities</b>	<b>2,488,223</b>	2,161,577	2,002,994

## Shareholders' equity

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	Nine Months Ended	
	30/09/2009	30/09/2008
(Amounts in USD 1,000)	Unaudited	Unaudited
<b>Shareholders' equity at start of period</b>	<b>689,666</b>	819,757
Share issues	231	438
Purchase of own shares	-	(15,716)
Repurchase of convertible notes	(1,146)	-
Net result for the period	<b>223,883</b>	207,083
Share based payments	<b>3,308</b>	3,350
Available-for-sale financial assets – fair value adjustment	<b>44,151</b>	(57,104)
Currency translation differences	<b>79,773</b>	(82,603)
<b>Shareholders' equity at end of period</b>	<b>1,039,866</b>	875,205

## Adjusted EBITDA

Reconciliation of net profit attributable to equity shareholders to adjusted EBITDA

	Three Months Ended		Nine Months Ended	
	30/09/2009	30/09/2008	30/09/2009	30/09/2008
(Amounts in USD 1,000)	Unaudited	Unaudited	Unaudited	Unaudited
<b>Net profit attributable to equity shareholders</b>	<b>86,599</b>	65,680	<b>223,883</b>	207,083
Adjustments:				
Taxation expense	<b>34,687</b>	33,157	<b>96,350</b>	96,406
Net financial items	<b>(11,391)</b>	38,148	<b>(7,022)</b>	54,756
Depreciation, amortisation and impairments	<b>30,244</b>	27,846	<b>83,288</b>	71,852
Profit on disposal of property, plant and equipment	-	(22)	<b>(613)</b>	(11,058)
<b>Adjusted EBITDA</b>	<b>140,139</b>	164,809	<b>395,886</b>	419,039
<b>Revenue</b>	<b>661,043</b>	628,611	<b>1,901,100</b>	1,789,658
<b>Adjusted EBITDA %</b>	<b>21.2%</b>	26.2%	<b>20.8%</b>	23.4%

The Company calculates “Adjusted EBITDA” (adjusted earnings before interest, taxation, depreciation and amortisation) as the net profit attributable to equity shareholders adjusted for taxation, net financial items, depreciation, amortisation, impairments and profits or losses on disposals of property, plant and equipment.