BOURBON

2010 ANNUAL REPORT

B | UNIQUE

Building together a sea of trust

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2010 ANNUAL REPORT

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BOURBON IN 2010

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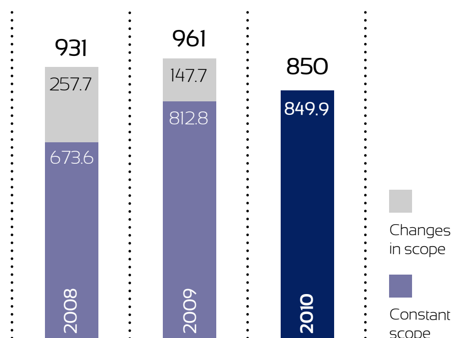
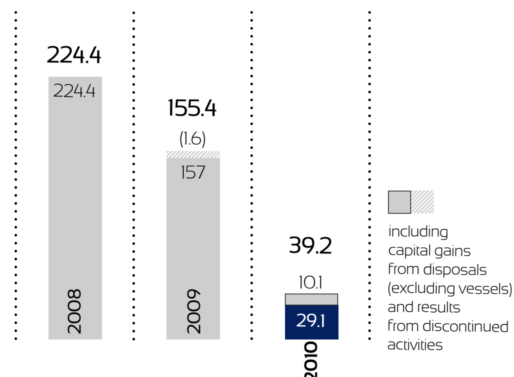
1/ Key figures

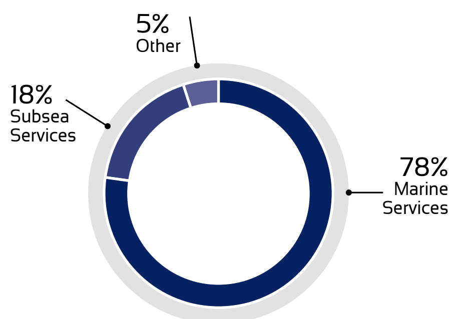
REVENUES
(IN € MILLIONS)



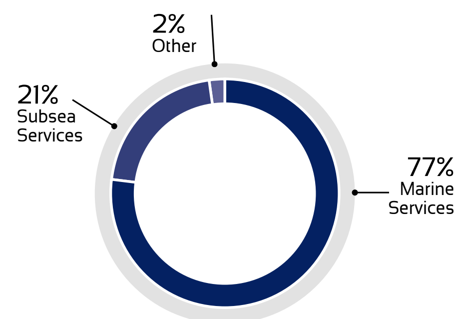
NET INCOME GROUP SHARE
(IN € MILLIONS)



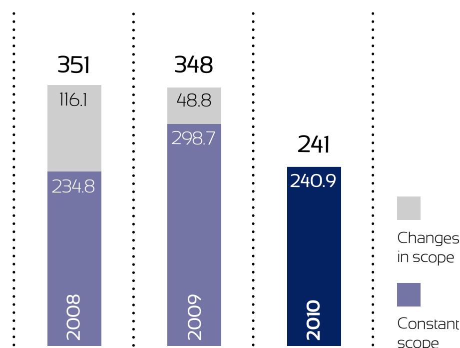
BREAKDOWN OF REVENUES IN 2010 BY ACTIVITY



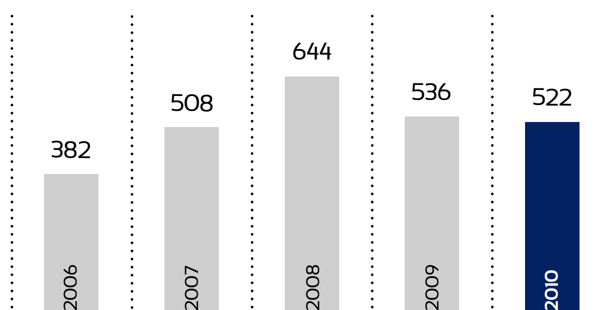
CAPITAL EMPLOYED BY ACTIVITY AS OF DECEMBER 31, 2010



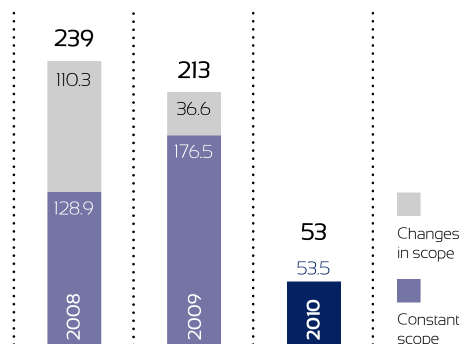
EBITDA (IN € MILLIONS)



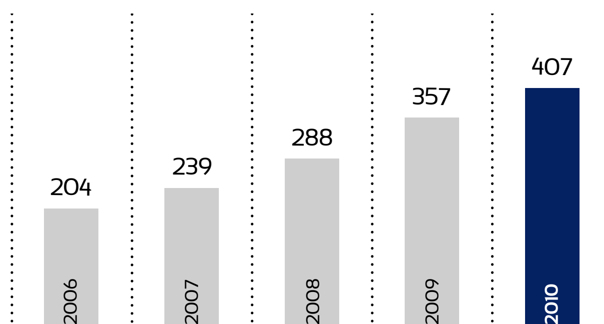
OFFSHORE ACTIVITY GROSS CAPITAL EXPENDITURE
(IN € MILLIONS)



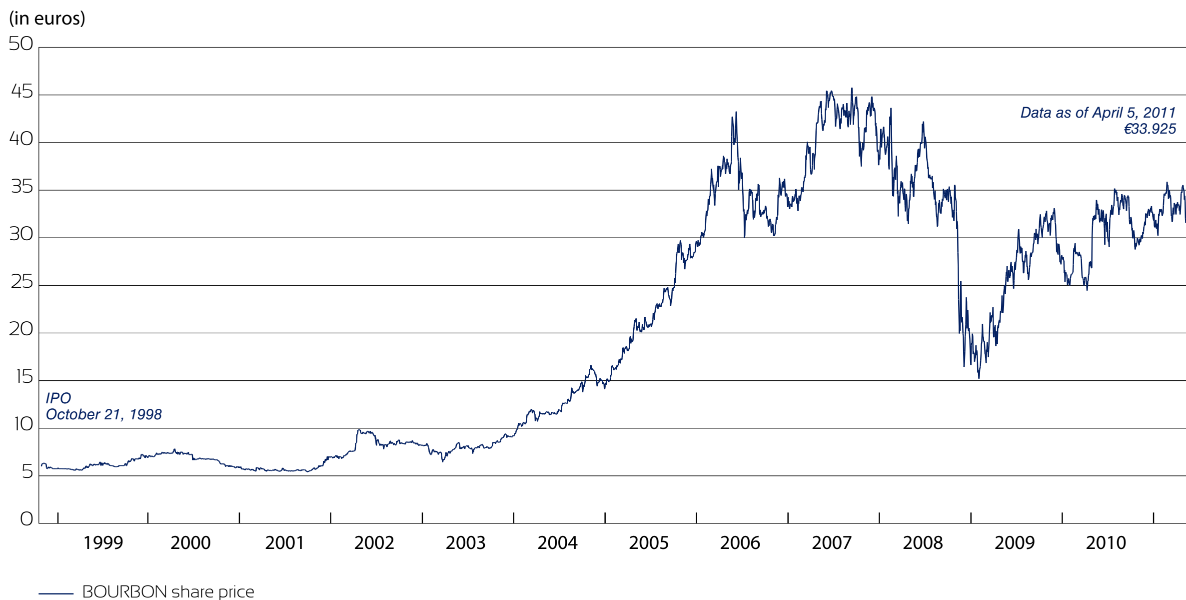
EBIT (IN € MILLIONS)



BOURBON VESSELS IN THE OFFSHORE FLEET AS OF DECEMBER 31



2/ Stock Market data



HISTORIC DATA

	2010	2009	2008
Number of shares as of December 31	61,532,545	61,187,226	55,461,302
Closing share price *(in euros)*			
■ high	35.24	33.15	48.15
■ low	24.44	18.45	16.62
■ As of December 31	34.71	26.35	18.04
Stock market capitalization as of *December 31 (in € millions)*	2,136	1,612	1,001
Net earnings per share *(in euros)*	0.67	2.65	4.13
Dividend per share *(in euros)*	0.90	0.90	0.90
Total dividend *(in € millions)*	55.4	52.9	47.9

ADJUSTED DATA*

	2010	2009	2008
Closing share price *(in euros)*			
■ high	35.24	33.15	43.77
■ low	24.44	16.77	15.11
■ As of December 31	34.71	26.35	16.40
Net earnings per share *(in euros)*	0.67	2.65	3.76
Dividend per share *(in euros)*	0.90	0.90	0.82

** For comparison purposes, the figures have been adjusted following the bonus share award of 1 new share for 10 old shares on June 3, 2009.*

Shareholders' calendar

May 11, 2011
Publication of 1st quarter 2011 financial information

June 1, 2011
Annual General Meeting of Shareholders

August 10, 2011
Publication of 2nd quarter and 1st half 2011 financial information

August 31, 2011
Publication of 1st half 2011 results
Presentation of 1st half 2011 results

November 10, 2011
Publication of 3rd quarter 2011 revenues

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3/ Management bodies

EXECUTIVE COMMITTEE AS OF DECEMBER 31, 2010

Jacques d'Armand de Chateauvieux
Chairman & Chief Executive Officer

Christian Lefèvre
Executive Vice President

Laurent Renard
Executive Vice President

At its meeting on December 6, 2010, the Board of Directors, on the recommendation of the Nominating, Compensation and Governance Committee, decided to separate the functions of Chairman and Chief Executive Officer of the Group. It appointed Christian Lefèvre, hitherto Executive Vice President, to the post of Chief Executive Officer, with effect from January 1, 2011, with Jacques d'Armand de Chateauvieux continuing as Chairman of the Board of Directors. At the same meeting, on the proposal of the new Chief Executive Officer, the Board of Directors appointed Gaël Bodénès and Laurent Renard as Executive Vice Presidents, respectively Chief Operating Officer and Chief Financial Officer.

BOARD OF DIRECTORS AS OF DECEMBER 31, 2010

Jacques d'Armand de Chateauvieux
Chairman of the Board of Directors

Christian d'Armand de Chateauvieux

Henri d'Armand de Chateauvieux

Guy Dupont *

Marc Francken *

Baudouin Monnoyeur

Christian Munier

Agnès Pannier-Runacher *

Philippe Sautter *

Vo Thi Huyen Lan

The Board of Directors is also assisted by Ms Dominique Senequier as a non-voting member of the Board.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors is assisted in preparing its work by two special committees. These committees have a research and preparation role for various Board deliberations and they submit their opinion, proposals or recommendations to the Board of Directors.

NOMINATING, COMPENSATION AND GOVERNANCE COMMITTEE

The purpose of this committee is to study and submit to the Board proposals concerning the selection of Directors, the succession plan for members of the management team and the compensation of the Chairman and other Company Directors, including, where applicable, allocations of stock options for new or existing shares.

The Nominating, Compensation and Governance Committee is currently composed of four members:

- **Marc Francken,** Independent Director, Chairman of the Committee;
- **Henri d'Armand de Chateauvieux ;**
- **Guy Dupont,** Independent Director;
- **Philippe Sautter,** Independent Director.

AUDIT COMMITTEE

The mission of the Audit Committee is to assist the Board of Directors so that it can monitor the accuracy and consistency of BOURBON's company and consolidated accounts, the quality of internal control and the information available to shareholders and the markets.

The committee is currently composed of three members:

- **Marc Francken,** Independent Director, Chairman of the Committee;
- **Christian Munier ;**
- **Agnès Pannier-Runacher,** Independent Director.

* Independent Directors.

OVERVIEW OF THE GROUP

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BOURBON offers a broad range of offshore oil and gas marine services. Under the new "BOURBON 2015 Leadership Strategy" plan, the company will invest USD 2 billion to offer the most rigorous and exacting oil and gas clients a large fleet of 600 innovative and high performance vessels in order to guarantee the highest standard of quality service worldwide, under completely safe conditions. BOURBON also protects the French coastline for the French Navy.

Classified by ICB (Industry Classification Benchmark) in the "Oil Services" sector, BOURBON is listed for trading on Euronext Paris, Compartment A, participates in the Deferred Settlement Service ("SRD") and is included in the SBF 120, CAC Mid 60 and Dow Jones Stoxx 600 indices.

1/ BOURBON timeline

Established in 1948, BOURBON (then known as Sucreries de Bourbon) was a sugar company based in Reunion Island when Jacques d'Armand de Chateauvieux was appointed Chairman in 1979.

1980 to 1989:

Industrial restructuring of the sugar activity. Diversification of activities into food-processing, then distribution and marine services.

1992:

Acquisition of the Companie Chambon and its subsidiary Surf, dedicated to offshore oil and gas marine services.

1996:

The takeover of Les Abeilles in port towage and Setaf-Saget in solid bulk marine transport paved the way for the BOURBON Group to focus on marine services.

1998:

Initial Public Offering on the Paris second market.

2001:

The BOURBON Group steadily disengaged from its historic activities in Foods, Distribution and Sugar and began to concentrate on marine services.

2003:

Establishment of the 2003-2007 strategic plan which repositioned the BOURBON Group on the sole business of marine services.

2004:

BOURBON classified by Euronext in the "Oil Services" sector.

2005:

Affirmation of its marine identity: "BOURBON Group" became "BOURBON" and the registered office was transferred from La Réunion to Paris.

2006:

BOURBON's initial public offering on the SBF 120.

BOURBON completed the 2003-2007 plan a year ahead of schedule and launched a new strategic plan: Horizon 2010.

2007:

BOURBON sold the port towage business but retained the assistance and salvage tugs, chartered by the French Navy, for the protection of the French coastline.

2008:

BOURBON extended its strategic plan and outlook within the new strategic plan: Horizon 2012.

BOURBON established its position on the IMR (Inspection, Maintenance and Repair) market for offshore oil and gas fields and enhanced its services offer by launching a new Subsea Services Activity.

2010:

BOURBON announced a new strategic plan: "BOURBON 2015 Leadership Strategy" which builds on the previous plan: a further investment program of USD 2 billion to support expansion in deepwater offshore and continue to renew the shallow water offshore fleet.

BOURBON sold 16 bulk carriers (15 delivered in 2010, 1 delivered at the beginning of 2011) and its bulk transport operator activity, as well as the sugar activity in Vietnam. BOURBON thus completed its focus on offshore oil and gas marine services.

2/ BOURBON simplified organizational chart

MARINE SERVICES	SUBSEA SERVICES
■ Deepwater offshore support vessels ■ Shallow water offshore support vessels ■ Crewboats	

3/ Activities

BOURBON offers its oil and gas clients a comprehensive and modular range of marine services for offshore oil and gas. In the **Marine Services** activity, BOURBON's vessels are employed in exploration, development and production of fields in continental and deepwater offshore. In the **Subsea Services** activity, the vessels are involved in installation, inspection, maintenance and repair operations for deepwater offshore facilities. For over thirty years, the Group has also managed the protection of the French coastline for the French navy.

3.1 GEOGRAPHIC PRESENCE

BOURBON operates in the principal marine oil regions, apart from the American part of the Gulf of Mexico (United States ban on non-US companies operating in its territorial waters). BOURBON is therefore present in:

- Africa, in particular the Gulf of Guinea;
- the North Sea;
- the Mediterranean;
- Mexico, Brazil and Trinidad;
- India and the Middle-East;
- the Far-East: Singapore, Vietnam, the Philippines, China, Indonesia, Malaysia.

3.2 MARINE SERVICES

The Marine Services activity covers all offshore oil and coastal protection support services. Exploiting a dynamic policy of medium- and long-term contracts, the Marine Services activity provides a latest-generation fleet ideally suited to the specific requirements of the most rigorous and exacting oil clients.

Through its strong investment capacity, its technical and technological expertise, and its employees qualification, BOURBON is perfectly positioned to respond to the real revolution that offshore oil & gas businesses are undergoing. Its increasingly innovative vessels are ideal for responding to market needs in traditional offshore (depth of less than 200 m) and the requirements of deepwater offshore (depth up to 3,000 m).

3.2.1 The fleet – Offshore support

ANCHOR HANDLING TUG SUPPLY VESSELS (AHTS)

AHTS vessels are used for positioning and maintaining oil and gas platforms. They have powerful engines and winches, can tow drilling rigs, lay and lift anchors, and deploy numerous items of equipment connected with oil production.

PLATFORM SUPPLY VESSELS (PSV)

These vessels supply offshore facilities with equipment and special products. In addition to their huge deck area that enables all types of equipment to be transported, including extra-large packages, they have sizable storage capacity.

TERMINAL TUGS

The BOURBON fleet tugs are dedicated to support and intervention operations on offshore oil and gas terminals, and are specialised in storage vessel assistance (FPSO).

CREWBOATS

Fast Supply Intervention Vessels provide urgent supplies and transport of response teams. The Surfers are fast crewboats that can transport personnel rapidly to offshore oil sites and serve the platforms within a field.

3.2.2 The fleet – Coastal protection

ASSISTANCE & SALVAGE TUGS

These are dedicated to the protection of the French coast (preventing wrecks, assistance and salvage of vessels in distress and fighting pollution risks).

3.3 SUBSEA SERVICES

BOURBON offers a global or modular range of subsea services to provide maximum flexibility and expertise to its oil operator clients: a range of vessels dedicated to IMR (Inspection, Maintenance, Repair), IMR engineering services and supervision of offshore operations, together with a fleet of subsea robots (ROV) capable of operating at great depths.

3.3.1 The Subsea fleet

IMR VESSELS

These are multi-purpose vessels mainly devoted to Inspection, Maintenance and Repair (IMR) operations at great depth and occasionally in wind farms. BOURBON offers a comprehensive range of vessels with cranes from 10 to 250 tons at depths of up to 3,000 m. They have dynamic positioning technology and cranes with built-in swell compensation systems. BOURBON's IMR vessels have a large cargo capacity and sizeable deck space and they can accommodate over 100 people. This range of vessels has been specially developed to meet the needs of oil operators throughout the lifetime of offshore fields.

SUBSEA ROBOTS OR REMOTE OPERATED VEHICLES (ROV)

The ROVs in the Bourbon Subsea Services fleet are multi-purpose and highly flexible robots falling into three main categories:

- ROVs for light observation;
- compact ROVs used for instrumental surveys and light construction work at depths of between 600 and 2,000 meters; and
- latest-generation ROVs of the UHD (Ultra Heavy Duty) and HD (Heavy Duty) “Work Class” type, which enable crews to work on all types of sites at depths of up to 4,000 meters with great stability and precision.

3.3.2 Engineering and management services

BOURBON also offers recognized IMR project engineering expertise for oil fields in operation (replacement of undersea connections, well heads, cables, etc.). This activity is complementary to the provision of vessels and robots, enabling BOURBON to establish itself as a single provider for preparing and performing operations required on offshore fields. This service includes both the planning of procedures and the provision of specialized personnel to manage the operations in question.

4/ Innovation

Innovation is at the heart of BOURBON’s model and strategy. This approach is reflected in technological concepts, new techniques and operational innovations.

BOURBON keeps a constant watch on technological developments, supports research and development at its main subcontractors, and is involved in innovative developments such as French marine clusters.

BOURBON enables its clients to benefit from the reliable performance of a new generation of vessels, the Bourbon Liberty 100 and 200 series.

These vessels all share many innovative features: reduced fuel consumption, a 30% greater cargo capacity than vessels of comparable size, shorter time taken for operations and excellent manoeuvrability. Finally, a high level of availability can be guaranteed because the maintenance of these modern vessels is facilitated by standardization. All these assets generate significant productivity gains on operations conducted for clients, efficiently and over the long term.

BOURBON chooses innovative equipment for its vessels, such as dynamic positioning, which is essential to the safety of anchoring and supply operations. BOURBON has also chosen to equip the majority of its vessels with the more environmentally-friendly option of diesel-electric propulsion.

Under the BOURBON 2015 strategy, four new series of vessels will see the light of day:

- the AHTS Bourbon Liberty 300 which is an advance on the Bourbon Liberty 200 with its “Clean Design” version (no polluting product is in direct contact with the hull, thus minimizing the risk of pollution in case of loss of integrity of the floater);
- the PSV Bourbon Liberty 100L, an advance on the Bourbon Liberty 100 with even greater cargo capacity;
- the new smaller “maxi utility” Bourbon Liberty 010 vessels, able to offer a wide variety of services;
- a series of 3,600 ton-deadweight vessels, adapted as PSVs and IMR vessels, also meeting “Clean Design” standards.

5/ Competitive environment

5.1 MARINE SERVICES

There are two types of competitors:

- global operators present in the principal world markets, which represent around 40% of the total fleet. The leading companies are Tidewater (USA), Seacor (USA), Farstad (Norway), Solstad (Norway), Maersk Supply (Denmark), Gulfmark (USA), Edison Chouest (USA), Swire Pacific (Hong Kong).
- around 300-400 local operators, each with a limited fleet of vessels.

5.2 SUBSEA SERVICES

Bourbon Subsea Services has a unique position on this market in the sense that it offers a modular, flexible and integrated range of vessels, robots, engineering and management personnel. Consequently, competition tends to be based more on the type of services required by the end client.

Internationally, the competition primarily includes shipowners such as Maersk Supply (Denmark), Tidewater (USA), Solstad (Norway) or Toisa (USA) for straight chartering, and integrated service operators such as DOF Subsea (Norway), Sonsub (Italy), DeepOcean – Tricomarine group (Norway), Hallin – Superior Energy Services (Singapore), Canyon – Helix ESG (USA).

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1/ Activities and Highlights

1.1 HIGHLIGHTS

- In 2010, BOURBON continued vigorously implementing the "Horizon 2012" strategic plan that had been announced in February 2008. 61 new vessels were added to the offshore fleet, including 26 in the Bourbon Liberty series. This took BOURBON's total to 407 offshore vessels as of December 31, 2010 (including 58 Bourbon Liberty), giving it the youngest fleet of all the leading companies in the sector, according to the publications of its main competitors and brokers. In line with the expansion of its fleet, BOURBON has increased its workforce by over 1,550 employees (+22.8%).
- On June 25, 2010, BOURBON announced its new strategic plan "BOURBON 2015" which is aimed at leadership in offshore oil and gas marine services. Following average growth of 28% for the BOURBON Offshore Division between 2002 and 2009, the new plan has an objective of 17% average annual growth between 2011 and 2015 (based on an exchange rate of USD 1.30 to EUR 1). This will require an additional investment of USD 2 billion to build 80 supply vessels and 64 crewboats. By 2015, BOURBON thus expects to operate a fleet of 600 vessels dedicated to continental and deepwater offshore logistics services. This investment program will be partly financed by the sale of assets totaling €500 million.
- In 2010, BOURBON concluded its strategic refocus solely on offshore oil and gas marine services, through various disposals including the following:
  - the sale of 15 Supramax bulk carriers for USD 504 million, with the 16th and final bulk carrier due to be sold in March 2011;
  - the sale of the bulk transport operator activity for USD 15 million;
  - the sale of the sugar activity in Vietnam for €34 million.

In total, these disposals resulted in a cash inflow for BOURBON of €455 million in 2010, and a further €50 million is expected in early 2011.

1.2 SIGNIFICANT EVENTS OCCURRING SINCE THE YEAR END

At the date of preparing this report, no event has occurred since the year-end closing date that would be likely to alter the substance of the financial statements as drafted.

2/ Results

BOURBON SCOPE

Following the disposals made in 2010 and in accordance with IFRS, the financial items concerning the Bulk Division and the sugar activity in Vietnam have been reclassified as "income from discontinued operations/operations held for sale".

To reflect this refocus on offshore oil and gas marine services, the Group's results will henceforth be segmented and analyzed in "Marine Services", "Subsea Services" and "Other", with the latter including offshore vessels chartered externally and the cement carrier Endeavor. "Marine Services" is segmented into "deepwater offshore vessels", "shallow water offshore vessels" and "crewboats".

The figures for 2009 have consequently been restated.

2.1 CONSOLIDATED RESULTS

(in € millions)	2010	2009	Change
Revenues	**849.9**	**812.8**	**+4.6%**
Gross operating income excluding capital gains	240.1	297.5	-19.3%
Capital gains	0.9	1.2	
Gross operating income (EBITDA)	**240.9**	**298.7**	**-19.3%**
Operating income (EBIT)	**53.5**	**176.5**	**-69.7%**
Net financial income/(loss)	(32.4)	(34.3)	
Income tax	(15)	(8.7)	+73.5%
Net income from discontinued operations/operations held for sale	31.6	38	
Minority interests	(1.4)	16.2	
Net income, Group share	**39.2**	**155.4**	**-74.8%**

Revenues in 2010 came to €849.9 million, up 4.6% compared with 2009. During the year, the Marine Services and Subsea Services activities expanded, while external chartering (now presented under "Other") was virtually eliminated.

(in € millions)	2010	2009	Change
Revenues	**849.9**	**812.9**	**+4.6%**
Africa	550.1	533.6	+3%
Europe & Mediterranean/Middle-East	129.7	137.2	-5%
American continent	99.0	57.1	+73%
Asia	71.1	85.0	-16%

Africa remains BOURBON's main geographic region. At 12%, the contribution from the American continent to the Group's revenues was markedly higher than in the previous year due to increased activity in Mexico and Brazil where, at the end of 2009, the Group took over the remaining 50% of Delba Maritima Navegaçao.

EBITDA (gross operating income) in 2010 came to €240.9 million, down 19.3% compared with the previous year. The overall increase in revenues led by Subsea Services only partially offset the impact of market conditions on the performance of the Marine Services activity.

At €53.5 million, operating income in 2010 was 69.7% lower than in the previous year. Depreciation was €51 million higher in 2010, mainly due to the greater number of vessels in the fleet. Non-recurrent provisions of €11 million in Nigeria and Brazil had a significant impact.

Financial expense in 2010 was comparable to that of the previous year at -€32.4 million. This reflects two contrasting trends:

- a €21.8 million increase in the cost of debt, largely due to the increase in average debt;
- an €18.9 million improvement in unrealized income from financial instruments.

Activities sold during 2010 generated positive income of €31.6 million.

Net income Group share in 2010 was positive at €39.2 million, down 74.8% compared with the previous year.

2.2 RESULTS BY ACTIVITY

2.2.1 Marine Services

	2010	2009	Change
Number of vessels (at year-end)	390	343	+13.7%
Utilization rate	79.5%	83.0%	-3.5 pts

(in € millions)	2010	2009	Change
Revenues	**660.3**	**604.9**	**+9.2%**
Gross operating income excluding capital gains	**182.1**	**240.4**	**-24.3%**
Capital gains	0.9	1.7	
Gross operating income (EBITDA)	**182.9**	**242.1**	**-24.4%**
% of revenues	*27.7%*	*40.0%*	-

Revenues in 2010 totaled €660.3 million, up 9.2% compared with 2009. The impact of the fleet's significant expansion was offset by poorer market conditions. The utilization rate [1] of vessels remained high, at 79.5% compared with 83% in 2009.

Compared with the previous year, EBITDA in 2010 was 24.4% lower, at €182.9 million, due to market conditions and the increase in costs (particularly as a result of repositioning a greater number of vessels coming out of contract than previously).

INCOME BY SEGMENT

	2010	2009	Change
Number of vessels (at year-end)	**390**	**343**	**+13.7%**
Deepwater offshore vessels	69	67	+3.0%
Shallow water offshore vessels	78	53	+47.2%
Crewboats	243	223	+9.0%

	2010	2009	Change
Utilization rate	**79.5%**	**83.0%**	**-3.5 pts**
Deepwater offshore vessels	90.3%	93.1%	-2.8 pts
Shallow water offshore vessels	73.2%	84.2%	-11.0 pts
Crewboats	78.2%	79.7%	-1.5 pt

	2010			
(in € millions)	Deepwater	Continental	*Crewboats*	Total
Revenues	**308.7**	**151.7**	**199.9**	**660.3**
Direct costs	(166.5)	(107.7)	(132.3)	(406.6)
General and administrative costs	(33.5)	(16.5)	(21.7)	(71.7)
EBITDA (gross operating income) excluding capital gains	**108.6**	**27.5**	**45.9**	**182.1**
% of revenues	*35.2%*	*18.1%*	*23.0%*	*27.6%*

Deepwater offshore vessels

In 2010, revenues from deepwater offshore vessels came to €308.7 million and represented 46.7% of total Marine Services activity.

In accordance with the strategy and taking account of the risk of overcapacity on this segment, only 2 vessels were added to the fleet in 2010.

The utilization rate remained high at 90.3% compared with 93.1% in 2009, mainly due to the high rate of long-term contractualization.

EBITDA excluding capital gains came to €108.6 million, which is 59.6% of EBITDA excluding capital gains for the Marine Services activity, in line with the heavy capital investment required for this segment.

Shallow water offshore vessels

In 2010, revenues from shallow water offshore vessels came to €151.7 million and represented 23% of total Marine Services activity. During the year, BOURBON also vigorously followed its replacement strategy, with 26 new Bourbon Liberty vessels coming onto the market, taking the number of Bourbon Liberty vessels in the fleet at the end of the year to 58. The time required to mobilize these new vessels and administrative difficulties encountered in Brazil (which have since been settled) had a negative effect on the utilization rate, although it held up at 73% compared with 84% in 2009.

(1) Utilization rate: over a period, number of days generating income divided by the number of calendar days.

EBITDA excluding capital gains came to €27.5 million and represented 15.1% of EBITDA excluding capital gains for the Marine Services activity.

Crewboats

In 2010, revenues from crewboats came to €199.9 million and represented 30.3% of total Marine Services activity. During the year, 30 new crewboats were commissioned. The utilization rate came to 78.2% compared with 79.1% in 2009.

EBITDA excluding capital gains came to €45.9 million and represented 25.2% of EBITDA excluding capital gains for the Marine Services activity.

2.2.2 Subsea services

	2010	2009	Change
Number of vessels (at year-end)	17	14	+21.4%
Utilization rate	88.5%	88.1%	+0.4 pt

(in € millions)	2010	2009	Change
Revenues	**149.6**	**127.3**	**+17.5%**
Gross operating income excluding capital gains	**52.8**	**48.8**	**+8.2%**
Capital gains	-	(0.1)	
Gross operating income (EBITDA)	**52.8**	**48.7**	**+8.3%**
% of revenues	*35.3%*	*38.2%*	-

Revenues in 2010 for the Subsea Services activity came to €149.6 million, up 17.5% compared with 2009. This reflected the growth of the fleet (addition of 3 new IMR vessels and 3 ROVs), maintenance of a high utilization rate (88.5% compared with 88.1% the previous year) and improved performance due to contract renewals with higher rates and a greater range of services.

EBITDA in 2010 was up 8.3% at €52.8 million due to the fleet's expansion and performance improvements.

2.3 "OTHER"

(in € millions)	2010	2009	Change
Revenues	**40.0**	**80.6**	**-50.4%**
Gross operating income excluding capital gains	**5.2**	**8.3**	**-37.1%**
Capital gains	-	(0.4)	
Gross operating income (EBITDA)	**5.2**	**7.9**	**-33.6%**
% of revenues	*13.1%*	*9.8%*	-

"Other" mainly includes the activity of the cement carrier, Endeavor, and externally chartered offshore vessels as well as items not included in the other activities.

In 2010, the addition of many new vessels to the offshore fleet, in a difficult market context, led to a considerable decrease in the use of externally chartered vessels. This is reflected in a 50.4% decline in "Other" revenues at €40 million, a 33.6% reduction in EBITDA at €5.2 million.

2.4 STRATEGIC PLAN

Growth in revenues in 2008-2010

During the last three years, offshore revenues increased by 20% per annum on average; excluding external vessels, average annual growth came to 22%. The annual average growth target of the "Horizon 2012" strategic plan was 21% for the 2008-2012 period.

Progress of the investment program

At the end of 2010, all the investments for offshore oil and gas marine services planned under the Horizon 2012 plan were committed and BOURBON had taken delivery of 219 vessels. BOURBON was still awaiting 47 vessels, including 18 Liberty vessels and 10 IMR vessels. The bulk of these are due to be delivered in 2011, with a few residual deliveries expected in 2012.

On June 25, 2010, BOURBON signed a framework agreement with the Sinopacific shipyards for future orders for a total of USD 1 billion; under this agreement, during 2010, firm orders for 30 vessels were signed with Sinopacific for a total of €425 million; BOURBON also ordered a further 22 vessels from other shipyards for a total of €42 million. In total, the program planned under the BOURBON 2015 plan was 36% engaged as of December 31, 2010.

Financing of the investment program

Under the BOURBON 2015 plan, the assumption is that cash flow generated from operations will amount to €2,700 million between 2011 and 2015; this will enable net debt to be reduced by €360 million by the end of the plan.

As of December 31, 2010, the amount of long-term loans available for drawdown was €138 million; in addition, a loan of USD 400 million has already been secured from China Exim-Bank; in 2011-2015, complementary financing will probably be necessary to meet maturity repayments on existing loans.

If market conditions do not enable operating cash flow to be generated to the levels of these assumptions, the debt reduction will be proportionately less, or will not materialize.

Financial ratios in 2015

The “BOURBON 2015” strategic plan targets the ratio of return on capital employed (EBITDA to average capital employed excluding installments for vessels under construction”) for 2015, of 20% (assuming an exchange rate of EUR 1 to USD 1.30). For 2010, at the bottom of the cycle, this ratio was 10.5% (average exchange rate for 2010 of EUR 1 = USD 1.33).

The plan also targets a ratio of “EBITDA to revenues” for 2015 of 45% for the Offshore activity. This ratio came to 29.1% in 2010, in difficult market conditions.

The fleet’s availability rate [(1)] was 92.8% in 2010, with an objective of 95% in 2015.

2.5 BOURBON SA RESULTS (PARENT COMPANY)

2010 saw a continuation of the process of disposing of the portfolio of non-strategic assets with the sale of the BOURBON SA subsidiary, Sucrerie Bourbon Tay Ninh in Vietnam.

The company posted revenues of €0.3 million, consisting primarily of billings to subsidiaries for services rendered. Revenue was stable compared with the previous year. The operating loss of €2.7 million was slightly less than in 2009 (€0.6 million lower), mainly due to a reduction in professional fees.

Financial income was positive at €157.6 million, significantly higher than the previous fiscal year. This €94.4 million increase was largely due to an increase in dividends received from its subsidiary Bourbon Maritime, and the writeback of the provision on the securities of Sucrerie Bourbon Tay Ninh which was sold in 2010 for €32.0 million.

Exceptional income was €40.4 million lower than in the previous year, largely due to the capital loss on the sale of the securities of Bourbon Tay Ninh, for €43.2 million, offset by the writeback of the provision on these securities representing a gain of €32.0 million recognized in financial income.

As a result, the net income of €127.3 million posted for the year was €54.8 million higher than in 2009.

No expense referred to in Articles 39.4 and 223 quarter of the French General Tax Code was identified.

Information on Bourbon SA payment deadlines

In accordance with the provisions of Article L. 441-6-1 of the French Commercial Code, and pursuant to the law on modernization of the economy (LME), we inform you that as of December 31, 2010, the balance of debts to suppliers amounted to €44,869.09 and was entirely constituted of invoices payable at 30 days from the date of issue of the invoice.

At that date, the balance did not include any significant overdue debt.

(1) Vessel availability rate: over a period, number of days the vessel is not in complete technical stoppage (e.g.: periodic drydock, breakdown preventing provision of service) divided by the number of calendar days.

2.6 CHANGES IN ACCOUNTING METHODS

There is no change in accounting methods to report.

2.7 OUTLOOK FOR THE FUTURE: PRINCIPAL TRENDS

The market expects oil prices to continue to remain high, creating a favorable environment for investment in the sector. The oil companies' announcement of an increase in their investments is confirmation of this trend for 2011.

BOURBON has noted ever stricter demands from clients with regard to offshore services vessels, in terms of the safety and efficiency of operations; this benefits the most modern fleets to the detriment of older vessels, especially in shallow water offshore.

In this context, the demand for vessels is expected to grow, and old vessels will be replaced more rapidly, gradually absorbing the overcapacity.

As a result, the average utilization rate for the BOURBON fleet is expected to continue to steadily improve, as observed in January and February 2011, and this will lead to a rise in daily rates.

***

With confidence in the medium and long-term outlook, the Board will propose to the Combined General Meeting on June 1, 2011, payment of a dividend of €0.90 per share.

In addition, as was the case in 2009, the award of one bonus share for every ten shares held will be proposed.

3/ Corporate Governance

At its meeting on December 8, 2008, BOURBON's Board of Directors took account of the AFEP-MEDEF recommendations of October 6, 2008 on the remuneration of executive directors of listed companies.

It considered that these recommendations should be an integral part of the Company's corporate governance. Consequently, pursuant to the law of July 3, 2008, transposing European Council Directive 2006/46/EC of June 14, 2006, the amended AFEP-MEDEF code is the Company's reference for drafting the report required by Article L. 225-37 of the French Commercial Code.

3.1 CHAIRMAN AND CHIEF EXECUTIVE

Since the meeting of May 31, 2002 in which the Board of Directors decided in favor of combining the functions of Chairman and Chief Executive Officer, Jacques d'Armand de Chateauvieux has fulfilled the functions of Chairman & Chief Executive Officer.

He has been assisted in these functions by two Executive Vice Presidents appointed in December 2005, Christian Lefèvre and Laurent Renard, each having the same general management powers as him.

At its meeting on June 9, 2010, the Board of Directors renewed the terms of office of the Chairman and Chief Executive Officer of Jacques d'Armand de Chateauvieux and of the Executive Vice Presidents Christian Lefèvre and Laurent Renard.

At its meeting of December 6, 2010, the Board of Directors decided to separate, with effect from January 1, 2011, the functions of Chairman of the Board of Directors and Chief Executive Officer; the function of Chairman of the Board of Directors was then devolved to Jacques d'Armand de Chateauvieux and that of Chief Executive Officer to Christian Lefèvre.

Christian Lefèvre is assisted in his functions by two Executive Vice Presidents, Gaël Bodénès and Laurent Renard, appointed on that same date, for a period of three years, all three having the same general management powers.

3.2 TERMS OF OFFICE AND FUNCTIONS OF CORPORATE OFFICERS

3.2.1 Directors in post as of December 31, 2010

	Positions held outside the group
Jacques d'Armand de Chateauvieux Date of birth February 13, 1951 **Director** **Chairman and Chief Executive Officer to December 31, 2010 then Chairman of the Board of Directors from January 1, 2011** Business address: BOURBON 33, rue du Louvre – 75002 Paris First appointment: October 14, 1977 Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2012 *A graduate of the Institut Supérieur de Gestion de Paris and holder of an MBA from the University of Columbia, New York. Chairman of BOURBON since 1979, Jacques d'Armand de Chateauvieux has been the leading force in the transformation of the Company from a conglomerate involved in a variety of activities to an international group devoted to marine services, particularly for offshore oil and gas.*	***Positions currently held*** ■ Chairman of Cana Tera SAS ■ Chairman of Jaccar Holdings SA ■ Chairman of the Board of Directors of Sapmer SA ■ Director, AXA ■ Director, Sinopacific Shipbuilding Group (China) ■ Director, Sinopacific Offshore and Engineering (China) ■ Director, Piriou SAS ■ Director, Eitzen Ethylene Carriers (Norway) ■ Advisor to CBo Territoria SA ***Positions that expired in the past five years*** ■ Chairman of the Supervisory Board of AXA ■ Chairman of the Board of Directors of CBo Territoria SA ■ Director, Vindémia SAS ■ Director, Antenne Réunion Télévision ■ Advisor to ICV SA ■ Director, Innodis Ltd (Mauritius)
Christian d'Armand de Chateauvieux Date of birth November 9, 1947 **Director** Cousin of the Chairman of the Board of Directors First appointment: June 29, 1990 Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2010 *A graduate of the IUT in Angers, France, Christian d'Armand de Chateauvieux worked initially in the banking sector. He then moved into the wines business and since 1992 has been head of a French wine distribution group established internationally, with a particularly strong base in Asia.*	***Positions currently held*** ■ Chairman-CEO of Ch. de Chateauvieux & Associés SAS ■ Chairman of the Board of Directors of Legrand Filles & Fils SA ■ Chairman-CEO of Vins Rares SAS ■ Manager, Les Armands SC ■ Manager, Everget Capital ***Positions that expired in the past five years*** ■ Manager, Le Petit Vasouyard SARL
Henri d'Armand de Chateauvieux Date of birth August 17, 1947 **Director** Brother of the Chairman of the Board of Directors First appointment: May 25, 1987 Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2010 Member of the Nominating, Compensation and Governance Committee *Airline pilot at Air France for over 30 years. As of December 31, 2010, through the companies Mach-Invest and Mach-Invest International, Henri d'Armand de Chateauvieux held respectively 5.05% and 2.68% of the capital of BOURBON.*	***Positions currently held*** ■ Chairman of Mach-Invest SAS ■ Director, Sapmer SA ■ Managing Director of Mach-Invest International ***Positions that expired in the past five years*** ■ Director, Vindémia SAS

Positions held outside the group

Guy Dupont

Date of birth August 25, 1944

Independent Director

First appointment: June 18, 1999

Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2010

Member of the Nominating, Compensation and Governance Committee

A doctor of law, Guy Dupont began his career as CEO of local authorities. He became Chief Executive Officer of BOURBON then Chairman of the food companies following BOURBON's focus on marine activities. He is currently Chairman of FEDOM, the federation of overseas companies.

Positions currently held

- Chairman of GVS SAS
- Chairman of ASR
- Chairman of Ink–Oi
- Director, CBo Territoria SA
- Director, A.R.T
- Director, Sapmer SA
- Manager, SCI Orion

Positions that expired in the past five years

- Chairman of the Bois Rouge Gestion Economic Interest Grouping (EIG)
- Chairman of the Cerf EIG
- Chairman of Distillerie de Savanna SAS
- Chairman of Eurocanne SAS
- Chairman of Sucrerie de Bois Rouge SAS
- Director, EIG Gema
- Director, Loiret et Haentjens SA
- Director, EIG Rhums Reunion
- Director, Sucre Austral
- Director, ICV Mascareignes
- Union of Sugar Manufacturers
- Union of Rum Manufacturers

Marc Francken

Date of birth January 8, 1946

Independent Director

First appointment: May 25, 2000

Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2011

Chairman of the Nominating, Compensation and Governance Committee

Chairman of the Audit Committee

An electromechanical engineer and holder of a postgraduate diploma in business management from the University of Ghent in Belgium and an MBA from Indiana University (USA), Marc Francken has also been a reserve Corvette Captain for the Belgian Navy. After an international career at Citibank and the World Bank (IFC), he followed a career in port and marine administration (Compagnie Maritime Belge). In 1989 he joined the portfolio management Company Gevaert NV as Managing Director and became its Executive Chairman between 2002 and 2006.

Positions currently held

- Honorary Chairman of Gevaert NV (Belgium)
- Chairman of Union Remorquage et Sauvetage (Belgium)
- Chairman of Technum, Tractebel (Belgium)
- Director, Nederlands Loodswezen bv (Netherlands)
- Director, Vlaams Economisch Verbond (Belgium)
- Director, University Hospital of Antwerp (Belgium)
- Member of Koninklijke Vlaamse – Ingenieurs Vereniging – Fuggersocieteit – De Warande – Orde Van den Prince

Positions that expired in the past five years

- Director, Nautinvest (Belgium)
- Director, VETC (Belgium)
- Director, Vum Media (Belgium)
- Director, Asbl de Warande (Belgium)

	Positions held outside the group
Baudouin Monnoyeur Date of birth April 24, 1949 **Director** Business address: Monnoyeur SCA 117, rue Charles-Michels – 93200 Saint-Denis First appointment: May 30, 2008 Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2010 *A graduate of the Paris Institut d'Études Politiques and holder of an MBA from INSEAD. Baudouin Monnoyeur is Chairman of the Monnoyeur Group, a French family company created in 1906, specializing in building and engineering distribution and services, which is now established in several countries as distributor of brands such as Caterpillar, Mercedes Benz and John Deere. As of December 31, 2010, Baudouin Monnoyeur held 5.35% of the capital of BOURBON through Monnoyeur SAS.*	***Positions currently held*** ■ Chairman of the Monnoyeur Group ■ France Council Member of INSEAD ***Positions that expired in the past five years*** ■ Executive Vice-President of Fédération des Entreprises Industrielles et Commerciales Internationales de la Mécanique et de l'Électronique (FICIME) ■ Chairman of the Board of Commerce de France and Member of the Executive Board of MEDEF
Christian Munier Date of birth December 10, 1950 **Director** First appointment: June 18, 1999 Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2010 Member of the Audit Committee *After studying finance at Aix-en-Provence (DECS-DESS), Christian Munier began his career as an auditor at the Groupe Maritime des Chargeurs Réunis. Administrative and Finance Director of the Compagnie CHAMBON since 1986, then Member of the Management Board, then Managing Director of the marine division on the merger of CHAMBON and BOURBON, before being appointed Executive Vice President of BOURBON. Christian Munier has been actively involved in refocusing the company on its marine business and restructuring BOURBON's portfolio of activities.*	***Positions currently held*** ■ Chairman of CDM2 SAS ■ Chairman of SAS Régusse ■ Chairman of the Supervisory Board of Financière du Pladen SAS ■ Director, SAS Marbour ■ Director, SAS Siacom ■ Director, Finadvance ***Positions that expired in the past five years*** ■ Executive Vice President of the BOURBON Group ■ Member of the Supervisory Board of Les Moteurs Baudouin SA ■ Director, Bonnasse Lyonnaise de Banque SA

	Positions held outside the group
Agnès Pannier-Runacher Date of birth: June 19, 1974 **Independent Director** Business address: FSI 56, rue de Lille – 75007 PARIS First appointment: August 24, 2009 Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2011 Member of the Audit Committee *Agnès Pannier-Runacher is a graduate of the HEC and ENA and holder of a CEMS [Community of European Management Schools] Masters. Inspector of Finance at the Ministry of the Economy, Finance and Industry, then Cabinet Director and Member of the Management Committee at Assistance Publique-Hôpitaux de Paris; in 2006, she joined the Caisse des Dépôts as Deputy Director for Finance and Strategy Manager of the Equity Investments and development department.* *Director and Member of the Executive Committee of the Strategic Investment Fund since the beginning of 2009, she was appointed Director of Finance and Strategy of the Fund's portfolio in September 2009.*	***Positions currently held*** ■ Director and Member of the Liaison Committee for Soprol SAS ■ Director, FSI-PME Entreprises Portefeuille SAS ***Positions that expired in the past five years*** ■ Director and Chair of the Audit Committee of Transdev SA ■ CDC Permanent Representative on Financiere Transdev ■ Director and Chair of Audit Committee of SNI SA ■ Director, Icade ■ Non-voting Member of the Board of Egis SA ■ Director, Member of the Investment Committee and Member of the Audit Committee of Santoline SAS ■ Director, CDC Capital Investissements ■ Director, CDC Entreprises Capital Investissement ■ Director, CDC Entreprises portefeuille SAS ■ Non-voting Member of the Board of CDC International ■ Director, CDC Infrastructures ■ Member of the Investment Committee of Exterimmo ■ IT Management Controller CDC (GIE) ■ Director, Société Forestière de la CDC ■ Director, European Carbon Fund ■ Director, La Fondation des Hôpitaux de Paris Hôpitaux de France ■ Director, Samu Social de Paris (GIP)
Philippe Sautter Date of birth: June 30, 1949 **Independent Director** First appointment: June 3, 2009 Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2011 Member of the Nominating, Compensation and Governance Committee *Having entered the French Naval School in 1968, Philippe Sautter served on numerous French Navy vessels, including the patrol boat La Paimpolaise, the nuclear submarine missile launcher Le Foudroyant, the frigate Aconit, and the aircraft carrier Foch, of which he was captain.* *He became Marine Advisor to the Military Cabinet at the Ministry of Defence at the end of the 1990s, serving Charles Millon then Alain Richard.* *In 1999, he rejoined the French Navy and took on a number of responsibilities. Initially he was involved in the creation of the Fleet Support Department, in charge of vessel maintenance, before becoming the first local Director in Toulon. In 2002, he was appointed Personnel Director before taking command of Navy Surface vessels in 2005.* *Admiral Philippe Sautter left the Navy in September 2008 and is now a Consultant.*	***Positions currently held*** ■ None ***Positions that expired in the past five years*** ■ None

	Positions held outside the group
Vo Thi Huyen Lan Date of birth: October 16, 1971 **Director** Business address: Jaccar 16th floor Fideco Tower – 81-85 Jan Nghi St – HoChiMinhVille – Vietnam First appointment: December 10, 2007 Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2012 *Vo Thi Huyen Lan is Vietnamese and she holds a DEA diploma in Finance and is a graduate of the HEC business school. Having been Chief Financial Officer then Assistant Deputy CEO of BOURBON's Retail activities in Vietnam, she joined Jaccar in 2006 as CEO.*	***Positions currently held*** ■ Director, Jaccar Holdings ■ Director, Long Hau (Vietnam) ■ Director, Viet Au (Vietnam) ■ Director, Hiep Phuoc (Vietnam) ■ Director, Bourbon An Hoa (Vietnam) ■ Director, Hoang Anh Gial Lai (Vietnam) ■ Director, Agrex Saigon (Vietnam) ■ Director, Seas (Vietnam) ■ Director, Dien Quang (Vietnam) ■ Director, Mylan (Vietnam) ■ Director, Sinopacific Shipbuilding Group (China) ***Positions that expired in the past five years*** ■ Director, Indira Gandhi (Vietnam) ■ Director, Bourbon An Lac (Vietnam) ■ Director, Tuong An Vegetable Oil JSC (Vietnam) ■ Director, Dai Viet Securities Companies (Vietnam) ■ Director, Ever Fortune (Vietnam) ■ Director, Viet Fortune (Vietnam)

Since August 24, 2009, the Board of Directors has benefited from the advice of a non-voting member, as permitted in the bylaws:

	Positions held outside the group
Dominique Senequier Date of birth: August 21, 1953 **Non-voting Member of the Board since August 24, 2009** Resigned as Director on August 24, 2009 First term of office as Director: September 8, 2003 Business address: AXA Private Equity 20, place Vendôme – 75001 Paris *A graduate of the École Polytechnique and holder of a DEA diploma in Banking and Monetary Economics from the University of the Sorbonne in Paris, Dominique Senequier occupied several management posts at the GAN Group, then joined AXA IM and became CEO of the subsidiary AXA Private Equity. She is also a member of the Institute of French Actuaries.*	***Positions currently held*** ■ Chair of the Management Board of AXA IM Private Equity SA ■ Chair of the Management Board of AXA IM Private Equity Europe SA ■ Chair of the Supervisory Committee of AXA Private Equity US LLC ■ Chair of the Supervisory Board of AXA Private Equity Germany GmbH ■ Director, AXA Private Equity Asia PTE Ltd ■ Chair of the Board of Directors of AXA Private Equity Italy S.r.l. ■ Chair of the Board of Directors of AXA Private Equity UK Ltd ■ Chair of the Board of Directors of AXA Private Equity Switzerland AG ■ Chair of the Supervisory Board of AXA Private Equity Eastern Europe GmbH ■ Chair, Member of the Board of Directors and the Investment Committee of Matignon Développement 1 SAS ■ Chair, Member of the Board of Directors and the Investment Committee of Matignon Développement 2 SAS ■ Chair, Member of the Board of Directors and the Investment Committee of Matignon Développement 3 SAS ■ Chair, Member of the Board of Directors and the Investment Committee of Matignon Développement 4 SAS ■ Chair, Member of the Board of Directors and the Co-ordination Committee of AXA Infrastructure Investissement SAS ■ Director, Théâtre des Champs-Élysées SA ■ Non-voting member of the Board of Directors of Nakama SA ■ Non-voting member of the Supervisory Board of Schneider Electric SA ■ Chair of Pikanter 9 SAS ***Positions that expired in the past five years*** ■ Vice-Chair of the Supervisory Board of Linedata Services SA ■ Chair of Pikanter 4 SAS ■ Chair of AXA Chile Private Equity I SAS. ■ Director, AXA Private Equity Secondaries Ltd ■ Director, AXA IM Secondaries Associates Management Ltd ■ Director, AXA Private Equity Funds of Funds Manager II Ltd ■ Director, AXA Private Equity Primary Ltd ■ Director, AXA Private Equity SL Management Ltd ■ Director, AXA PE Asia Manager Ltd ■ Director, AXA IM LBO Management Ltd ■ Director, AXA IM LBO Management III Ltd ■ Director, AXA IM LBO Management IV Ltd ■ Member of the Board of AXA Alternative Participations SICAV ■ Member of the Board of AXA Alternative Participations SICAV II

3.2.2 Executive Vice Presidents (not Directors) in office as of December 31, 2010

	Positions held outside the group
Christian Lefèvre Date of birth: August 27, 1957 **Executive Vice President – Chief Operating officer to December 31, 2010 then Chief Executive Officer from January 1, 2011** Business address: BOURBON 33, rue du Louvre – 75002 Paris Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2012 *Christian Lefèvre gained a postgraduate degree from the National Merchant Navy School in 1984. He began his career at BOURBON as an officer then Chief Engineer and Captain of offshore vessels before becoming Head of Agencies in Gabon then Cameroon. He was then successively appointed Chief Operating Officer at Bourbon Offshore Surf (a subsidiary of BOURBON) from 1990 to 1995, then Deputy CEO of Bourbon Offshore Surf from 1996 to 2001. In 2001, he was appointed Deputy CEO of the Offshore Division, and since December 2005 he has been Executive Vice President of BOURBON, and Chief Operating Officer. Since January 1, 2011, he has been Chief Executive Officer of BOURBON.*	***Positions currently held*** ■ Chairman of SAS Marine ■ Director, Sapmer SA ***Positions that expired in the past five years*** ■ None
Laurent Renard Date of birth: July 25, 1953 **Executive Vice President – Chief Financial Officer since December 5, 2005** Business address: BOURBON 33, rue du Louvre – 75002 Paris Date term expires: AGM convened to rule on the financial statements for the financial year ended December 31, 2012 *Laurent Renard gained a postgraduate degree from the École Supérieure de Commerce in Paris in 1975. He began his career with Royal Dutch Shell where he held various positions during a 24-year career with the Royal Dutch Shell Group. Having assumed a variety of responsibilities in Niger, France, Oman, the UK and the Netherlands, Laurent Renard was appointed Chief Financial Officer of Exploration-Production of Shell International at The Hague from 1997 to 1999. He then joined Technip in 2000 before joining BOURBON in mid-2003 in the post of Administrative Director of the marine branch. Since December 2005, he has been BOURBON Executive Vice President, Chief Financial Officer.*	***Positions currently held*** ■ Director, Noreva Pharma ***Positions that expired in the past five years*** ■ None

3.2.3 Supplementary information on corporate officers

To the Company's knowledge, in the past five years, no corporate officer:

- has been found guilty of fraud;
- has been involved in a bankruptcy, receivership or liquidation;
- has been found guilty of any offense or been subject to any official public sanction issued by any statutory or regulatory authority;
- has ever been prevented by a court of law from acting as a member of any administrative, management or supervisory body of any issuer, or from participating in the management or conduct of the business of any issuer.

3.2.4 Shares held by corporate officers

Pursuant to the provisions of Article 13 of the Bylaws in force at the date of this Annual Report, each Director is required to own at least 300 shares of the company. These must be held in registered form.

As of December 31, 2010, as far as the Company is aware, each member of the Board of Directors held the following number of shares in registered form:

	Number of shares held in registered form:
Directors	
Jacques d'Armand de Chateauvieux	11,013
Christian d'Armand de Chateauvieux	4,447
Henri d'Armand de Chateauvieux	166,189
Guy Dupont	106,537
Marc Francken	841
Baudouin Monnoyeur	330
Christian Munier	49,082
Agnès Pannier-Runacher	300
Vo Thi Huyen Lan	330
Philippe Sautter	330
Executive Vice Presidents (1)	
Christian Lefèvre	196,823
Laurent Renard	67,760
Total	**603,982**

(1) As of December 31, 2010.

3.3 COMPENSATION OF THE CORPORATE OFFICERS

3.3.1 Compensation of the Chairman of the Board of Directors and the Executive Vice Presidents

Compensation of the corporate officers is set by the Board of Directors on the advice of the Nominating, Compensation and Governance Committee.

Jacques d'Armand de Chateauvieux, the Chairman and Chief Executive Officer at December 31, 2010, does not receive any direct compensation from BOURBON apart from director's fees. Jacques d'Armand de Chateauvieux is employed by the company Jaccar Holdings, a managing holding company that has a significant investment in BOURBON; in this capacity, he receives management fees for the functions provided to the Group.

Compensation for the Executive Vice Presidents in 2010 was determined by the Board, on the recommendation of the Nominating, Compensation and Governance Committee, at its meeting of March 15, 2010, and includes a fixed portion and a variable portion. Variable compensation is payable in the following year, after the financial statements have been approved by the General Meeting. It is determined in relation to fixed remuneration and is capped at 70% of annual base compensation. It is linked in the following proportions: 20% on safety performance criteria, 60% on economic criteria and 20% on individual qualitative targets. Payment received for Group mandates (excluding BOURBON SA) are deducted from the amount of the variable portion.

At its meeting of March 14, 2011, the Board carried out a performance appraisal of the two Executive Vice Presidents.

3.3.1.1 TABLE SUMMARIZING THE COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE DIRECTOR *(IN EUROS)*

Jacques d'Armand de Chateauvieux, Chairman and Chief Executive Officer	2009	2010
Compensation payable for the year [1] *(detailed in table 3.3.1.2)*	15,000	13,000
Value of stock options awarded during the year *(detailed in 3.3.3.2)*	-	-
Value of performance shares awarded during the year *(detailed in 3.3.4.1)*	-	-
Total	**15,000**	**13,000**

(1) See table 3.3.1.2 for explanations.

Christian Lefèvre, Executive Vice President	2009	2010
Compensation payable for the year *(detailed in table 3.3.1.2)*	220,309	317,709
Value of stock options awarded during the year *(detailed in 3.3.3.2)*	335,709 [2]	-
Value of performance shares awarded during the year *(detailed in 3.3.4.1)*	-	-
Total	**556,018**	**317,709**

Laurent Renard, Executive Vice President	2009	2010
Compensation payable for the year *(detailed in table 3.3.1.2)*	358,561	419,978
Value of stock options awarded during the year *(detailed in 3.3.3.2)*	335,709 [2]	-
Value of performance shares awarded during the year *(detailed in 3.3.4.1)*	-	-
Total	**694,270**	**419,978**

(2) The value of options awarded was calculated on the day of the award using the Black & Scholes method based on the assumptions used for drawing up the consolidated financial statements before allocation of expenses. When awarded on September 24, 2009, the subscription price was set at €31.60. At that date, the fair value per option was €7.46.

3.3.1.2 TABLE SUMMARIZING THE COMPENSATION OF EACH EXECUTIVE DIRECTOR *(IN EUROS)*

	2009		2010	
Jacques d'Armand de Chateauvieux, Chairman & Chief Executive Officer	Payable for the year	Paid during the year	Payable for the year	Paid during the year
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Special compensation	-	-	-	-
Director's fees	15,000	13,000	13,000	15,000
Benefits in kind	-	-	-	-
Total	**15,000**	**13,000**	**13,000**	**15,000**

Jacques d'Armand de Chateauvieux, does not receive any direct compensation from BOURBON apart from director's fees. Jaccar Holdings, of which Jacques d'Armand de Chateauvieux is Chairman, is the managing holding company of BOURBON. It invoices BOURBON annually for management services, the amount of which is composed of a fixed portion of €360,000 and a variable portion representing 1% of the net income for the year in question, capped at €500,000 (excluding taxes) for 2010 (€750,000 for 2009). In 2010, services invoiced by Jaccar Holdings came to €752,000 (€1,110,000 in 2009). Jacques d'Armand de Chateauvieux receives compensation from Jaccar Holdings as an employee. In this capacity he received €195,225 in 2010 (€195,135 in 2009).

Christian Lefèvre, Executive Vice President	2009 Payable for the year	2009 Paid during the year	2010 Payable for the year	2010 Paid during the year
Fixed compensation	160,765	160,765	200,005	200,005
Variable compensation (1)	-	-	43,985 (2)	-
Special compensation	-	-	-	-
Director's fees for executive functions in the Group	55,799	55,799	70,015	70,015
Benefits in kind (3)	3,745	3,745	3,704	3,704
Total	**220,309**	**220,309**	**317,709**	**273,724**

Christian Lefèvre is also Chairman of Marine SAS. This company invoiced BOURBON for management services totaling €150,000. In 2009, this company also invoiced BOURBON for services in the amount of €77,700 being a variable payment calculated on the basis of 0.5‰ of the Group's share of consolidated net income.

(1) Variable compensation is payable in the following year, after the financial statements have been approved by the General Meeting.

(2) The calculation of total variable compensation came to €114,000. After allowing for the portion already paid as director's fees under the Group appointments (excluding BOURBON SA), residual variable remuneration amounted to €43,985.

(3) Company car.

Laurent Renard, Executive Vice President	2009 Payable for the year	2009 Paid during the year	2010 Payable for the year	2010 Paid during the year
Fixed compensation	221,000	221,000	319,995	319,995
Variable compensation (1)	77,700	112,219	25,985 (2)	77,000
Special compensation	-	-	-	-
Director's fees for executive functions in the Group	55,799	55,799	70,015	70,015
Benefits in kind (3)	4,062	4,062	3,983	3,983
Total	**358,561**	**393,080**	**419,978**	**470,993**

(1) Variable compensation is payable in the following year, after the financial statements have been approved by the General Meeting.

(2) The calculation of total variable compensation came to €96,000. After allowing for the portion already paid as director's fees under the Group appointments (excluding BOURBON SA), residual variable remuneration amounted to €25,985.

(3) Company car.

No supplementary pension scheme has been granted by BOURBON or any benefit in kind other than those mentioned in the table above for each of the Executive Vice Presidents.

3.3.1.3 COMMITMENTS OF ANY KIND MADE BY THE COMPANY TO ITS CORPORATE OFFICERS

Executive Directors coming under the AFEP-MEDEF recommendation	Employment contract		Supplementary pension scheme		Indemnity or benefits payable or potentially payable due to termination or change of function		Indemnities relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jacques d'Armand de Chateauvieux, Chairman & Chief Executive Officer Start date of term of office: May 29, 2007 End date of term of office: AGM convened to rule on the financial statements for the financial year ended Dec. 31, 2012		x		x		x		x
Christian Lefèvre, Executive Vice President Start date of term of office: May 29, 2007 End date of term of office: AGM convened to rule on the financial statements for the financial year ended Dec. 31, 2012	Non applicable			x		x		x
Laurent Renard, Executive Vice President Start date of term of office: May 29, 2007 End date of term of office: AGM convened to rule on the financial statements for the financial year ended Dec. 31, 2012	Non applicable			x		x [1]		x

(1) Laurent Renard is not entitled to any termination benefit under his term of office as corporate officer; however, his employment contract, dated before his appointment as Executive Vice President, contains a clause providing for benefits in the event of dismissal following a change of control of BOURBON.

3.3.2 Directors' Fees

The members of the Board of Directors are paid as sole compensation Directors' fees totaling €240,000 in accordance with the decision by the Combined General Meeting of June 2010 for the year 2010 and subsequent years, to be distributed according to the following terms:

- fixed compensation of €5,000;
- variable compensation reflecting the attendance rate, in the amount of €2,000 for each meeting attended; this applies to meetings of the Board as well as meetings of the specialized committees.

Under these terms, the amount paid to the members of the Board of Directors in 2010 totaled €164,000.

(in euros)	Directors' fees paid in 2009	Directors' fees paid in 2010
Current members of the Board		
Jacques d'Armand de Chateauvieux	13,000	15,000
Christian d'Armand de Chateauvieux	13,000	15,000
Henri d'Armand de Chateauvieux	15,000	19,000
Guy Dupont	13,000	15,000
Marc Francken	15,000	23,000
Baudouin Monnoyeur	13,000	15,000
Christian Munier	21,000	19,000
Agnès Pannier-Runacher	-	15,000
Philippe Sautter	-	17,000
Vo Thi Huyen Lan	9,000	11,000
Former members of the Board		
Roger Wright	15,000	-
Total	**127,000**	**164,000**

The Members of the Board of Directors were not granted any other compensation or other benefit during the year. The Directors did not receive any stock option or bonus share awards.

3.3.3 Stock options awarded and/or exercised during 2010

3.3.3.1 POLICY OF ALLOCATION OF STOCK OPTIONS

The stock option plans for new or existing shares relate exclusively to shares of BOURBON SA.

Each plan is decided by the Board of Directors, as delegated by the AGM, on the recommendation of the Nominating, Compensation and Governance Committee which is specifically responsible for recommending the number of options to be awarded to members of the management as well as defining any performance criteria.

Stock options can only be exercised after the expiration of a period of four years. Their exercise price corresponds to the average price of the share for the twenty stock market trading sessions prior to the date of award of the options, with no discount applied.

3.3.3.2 STOCK OPTIONS AWARDED DURING THE YEAR TO EACH EXECUTIVE DIRECTOR

No stock options were awarded to corporate officers during 2010.

Options awarded to each Executive Director by the issuer or any Group Company	Number and date of plan	Type of option (to purchase existing shares or subscribe to new issue)	Value of options based on method used for the consolidated financial statements	Number of options awarded during the year	Exercise price	Exercise period
Jacques d'Armand de Chateauvieux	-	-	-	-	-	-
Christian Lefèvre	-	-	-	-	-	-
Laurent Renard	-	-	-	-	-	-

Pursuant to the AFEP-MEDEF code, the corporate officers are required to respect a duty of prudence and vigilance, and an obligation of particular precaution on any personal transaction concerning the securities of the company. In particular, they must not carry out any speculative and short-term transactions on Company shares, or carry out any trades on Company shares, in the following cases:

- when they are in possession of information that could, when published, affect the price of these shares;
- during periods explicitly indicated to them by the Company, especially during the month preceding the preliminary announcement of the annual and half-yearly results of the company, and two weeks prior to the publication of the Company's quarterly revenues;
- during these period, only the simple exercise of options is permitted.

The corporate officers must not use any hedging instrument (especially call options) on the BOURBON share.

3.3.3.3 REQUIREMENT TO KEEP SHARES

In March 2008, the Board of Directors instituted an obligation on corporate officers to keep 20% of the shares resulting from the exercise of stock options for the duration of their term of office. This obligation will be applicable for the first time to the exercise of rights relating to the December 2007 stock option plan number 6.

3.3.3.4 STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE DIRECTOR

Options exercised by Executive Directors	Number and date of plan	Number of options exercised during the year	Exercise price
Jacques d'Armand de Chateauvieux	-	-	-
Christian Lefèvre	Plan No. 4 December 5, 2005	72,600	€27.07
Laurent Renard	Plan No. 3 March 9, 2005	67,760	€17.43

3.3.3.5 STOCK OPTIONS EXERCISED DURING THE YEAR BY FORMER EXECUTIVE DIRECTORS

Options exercised by former Executive Directors	Number and date of plan	Number of options exercised during the year	Exercise price
Christian Munier	Plan No. 3 March 9, 2005	48,400	€17.43

3.3.4 Performance shares awarded and/or that became available in 2010

3.3.4.1 PERFORMANCE SHARES AWARDED TO EACH EXECUTIVE DIRECTOR

Performance shares awarded by the General Meeting during the year to each Executive Director by the issuer or by any Group Company	Number and date of plan	Number of shares awarded during the year	Value of options based on method used for the consolidated financial statements	Acquisition date	Date available	Performance conditions
Jacques d'Armand de Chateauvieux	-	-	-	-	-	-
Christian Lefèvre	-	-	-	-	-	-
Laurent Renard	-	-	-	-	-	-

3.3.4.2 PERFORMANCE SHARES THAT BECAME AVAILABLE FOR EACH EXECUTIVE DIRECTOR

Performance shares that became available for each Executive Director	Number and date of plan	Number of shares that have become available during the year	Acquisition conditions
Jacques d'Armand de Chateauvieux	-	-	-
Christian Lefèvre	-	-	-
Laurent Renard	-	-	-

3.4 FEES PAID TO THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORKS

	EurAAudit CRC				Deloitte			
	Amount		Percentage		Amount		Percentage	
(in € thousands)	2010	2009	2010	2009	2010	2009	2010	2009
Audit								
Auditing network and certification of consolidated and statutory accounts								
Parent Company	67	66	40%	48%	91	90	13%	15%
Consolidated subsidiaries	100	73	60%	52%	553	503	79%	81%
Other ancillary assignments and other auditing engagements								
Parent Company	-	-	-	-	-	-	-	-
Consolidated subsidiaries	-	-	-	-	46	21	7%	3%
Sub-total	**167**	**139**	**100%**	**100%**	**691**	**615**	**99%**	**99%**
Other services								
Legal, tax, corporate	-	-	-	-	6	1	1%	0%
Other	-	-	-	-	-	3	-	0%
Sub-total	**-**	**-**	**-**	**-**	**6**	**4**	**1%**	**1%**
Total	**167**	**139**	**100%**	**100%**	**697**	**619**	**100%**	**100%**

4/ Risk factors

2010 saw the major economic and financial crisis of the previous years continuing worldwide. This crisis will affect the world economy for an unpredictable period.

To the best of the Company's knowledge, there are no exceptional events or disputes in existence likely to have a significant impact on the business, results, financial situation or capital assets of BOURBON or its subsidiaries.

BOURBON's objective is to ensure that the entire internal control system can, as far as possible, prevent any risks to which it is exposed. With this in mind, a "risk-mapping" process was developed in 2005.

A dedicated project team was formed within the Group. An inventory of risks was prepared as thoroughly as possible, along with associated controls, then categorized by type. On a case-by-case basis, probabilities of occurrence and of potential impact were evaluated. The inventoried risks were ranked based on their possible frequency (from frequent to improbable) and their impact (negligible to catastrophic), which would require an action plan to be implemented immediately by a crisis unit.

The risk-map is regularly updated. It was updated in 2010 to take account of the results of action plans implemented during the year and changes made to the evaluation of certain risks.

The type and ranking of these risks are considered strategic and confidential. Nevertheless, the principal risk factors are outlined below.

4.1 RISKS RELATED TO THE MARKET OF OFFSHORE OIL AND GAS MARINE SERVICES

The offshore marine services activity cycle depends on the demand from oil operators and the supply of vessels on the market. Among other factors, the exploration/development cycle of oil companies depends on assumptions regularly made by them of the average price per barrel over 10 years. The amount that oil companies devote to exploration costs may also be influenced by the short-term price per barrel. By contrast, the activity of production on existing fields is much less sensitive.

Regarding supply, deliveries of our new vessels peaked in 2010 and the slow growth of the market was not able to absorb these vessels, leading to a temporary surplus capacity.

However, this context is favorable for replacing vessels over 25 years old by new and highly productive vessels. Growth in demand is expected to continue to gather pace over the coming years and absorb the surplus capacity of vessels in the medium term. In order to limit these cyclical effects, BOURBON charters many of its vessels for long-term service in operating fields for the production activity.

4.1.1 Risks related to changes in demand

A reduction in investments in the oil sector could result in a decline in demand for offshore oil and gas services and therefore limit BOURBON's capacity to increase or maintain its profits.

The demand for offshore oil and gas services is dependent on the oil companies' capacity to invest. The price of oil on the world markets has a significant influence on decisions to engage in new investments in this sector since new investment projects are based on future projections, internal to each company, of the price per barrel that will be needed to cover the cost of extraction. The price of oil in the short term has a lesser influence once oil projects have been launched and in the production phase. The potential impact remains limited to exploration phases which may be delayed or even cancelled. Generally, oil investment cycles are long, between 10 and 20 years on average between the construction phase and the exploitation/production phase.

The price per barrel depends on demand, which is related to global growth and the production capacity of the producing countries. The risk of a long-term downward price trend is very low. With forecasts for an increase in demand for oil and the accelerating decline in production at existing fields, the oil services activity is expected to grow in the medium and long term.

BOURBON's strategy is to develop close ties with the national and international oil majors that have sustained investment plans and to place particular importance on a policy of long-term contractualization of BOURBON vessels. At December 31, 2010, 70% of offshore supply vessels were under long-term contracts, with the average residual duration of contracts for these vessels of 14 months. At the same time, the implementation of an active management approach to monitoring vessels working in production or exploration makes it possible to react quickly depending on market movements.

The accident on the "Deepwater Horizon" platform in 2010 in the US territorial waters of the Gulf of Mexico (a region in which BOURBON does not operate) will have a lasting impact on activity in this region and more widely on the oil industry in terms of safety. BOURBON may not be able to respond the changing demands that result.

BOURBON was not directly affected by the accident on the "Deepwater Horizon" platform as none of its vessels operate in the territorial waters of the Gulf of Mexico. Since the

accident in April 2010, only forty or so vessels have been relocated from the area, mainly to South America and about a quarter to West Africa. Most vessels operating in the United States are subject to US regulations rather than international SOLAS (safety of life at sea) standards; the risk of these vessels being relocated to BOURBON's operating regions is therefore limited.

Regarding the impact on demand in terms of safety, it is likely that the demand from oil and oil-services companies will evolve towards suppliers of critical size with recognized experience that can guarantee a high level of safety.

Due to its experience, size and modern fleet, BOURBON is well prepared for such developments.

4.1.1 Risks related to changes in supply

On the deepwater offshore vessels market, due to the high number of deliveries in 2010 exceeding growth in demand, there is a temporary over-capacity of this type of vessel in certain geographical regions, resulting for BOURBON in a cut in its 2011 daily rates and a reduction in the utilization rates of its deepwater offshore vessels.

The deepwater offshore market is currently experiencing overcapacity due to the large number of vessels delivered in 2010 (78 PSV & 70 AHTS) which was not absorbed by the sector's growth of activity (4.5% in 2010) [1].

Exposure to this risk is limited as only 4 PSV and 2 120-ton AHTS will be delivered to BOURBON in 2011. Growth in this market should hold up in future years with anticipated growth of 7 to 9% [1] and the over-capacity should start to diminish.

In terms of geographic positioning, BOURBON is well placed to resist this over-capacity as it has low exposure to the most competitive market of the North Sea, no presence in the US territorial waters of the Gulf of Mexico, and a dominant position in West Africa. It should also be noted that Brazil is currently helping to regulate the situation due to its constant and extremely sustained demand, which is absorbing some of the overcapacity of the new deepwater offshore fleet of vessels.

In addition, BOURBON's commercial strategy focuses on "long-term" contracts, which minimizes the risks of exposure to short-term market fluctuations.

Concerning strategic choices, it is possible that certain BOURBON competitors in the offshore oil and gas marine services activity may decide to develop their market share in specific geographical regions or with targeted clients through an aggressive commercial policy. The immediate consequences for BOURBON would be the loss of new contracts or renewals in a particular region or for a particular client.

This type of commercial approach would need substantial investment, both by the competitor providing availability of a dedicated fleet of vessels corresponding to the needs of clients or of the targeted geographical region, and by the establishment of a pricing policy considerably below the market price. Generally, a targeted attack from a competitor is a localized event and difficult to sustain over time as it is limited by operating costs and investments in vessels.

Only competitors of a certain size would be able to conduct this type of policy. Furthermore, the current fall in market prices limits the margins for manœuvre in such price offers, both in terms of the reduction and duration.

The first measure of risk management is the detailed monitoring of the positioning of our principal competitors' fleets and keeping a close watch on their pricing policy. The second is diversification both in the geographical positioning of our fleet and in client diversification, thus limiting the impact of an unexpected targeted attack. Thirdly, BOURBON's size and policy of investing in the building of vessels in series at shipyards with optimal costs enable BOURBON to respond aggressively if necessary to such attacks while retaining its margins for manœuvre.

BOURBON selects a limited number of shipyards for its new vessels, hence there is a certain dependence on them. The failure of any of the selected shipyards could reduce BOURBON's capacity to respond to clients' requirements.

One of BOURBON's keys to success resides in providing clients with innovative vessels at competitive prices. BOURBON is developing new-generation vessel designs (diesel-electric propulsion, class 2 dynamic positioning, etc.). In order to benefit from economies of scale, the vessels are built in series at competitive shipyards – mostly in China but also in India, Vietnam, Nigeria and France.

A large majority of the commitments have been made with a Chinese shipyard that has demonstrated its capacity to deliver innovative, high-quality vessels (over 100 vessels delivered to BOURBON between 2003 and 2010) and whose financial soundness has not been called into question to date.

BOURBON's rapid growth and the structural shortage of merchant navy officers could lead to it not being able to recruit sufficiently qualified officers for offshore oil and gas marine services.

(1) Source: BOURBON/ODS Petrodata.

Between now and 2015, BOURBON needs to recruit 4,000 employees, in accordance with the objectives of the BOURBON 2015 strategic plan.

To do this, BOURBON will rely on an international network of shipmanagers and manning agencies, deployed in recruitment pools for qualified officers all over the world. In West Africa, a fast-growing region, BOURBON is developing a sustained recruitment and training policy for local seamen.

Between 2007 and 2010, BOURBON recruited over 4,500 employees, in line with its fleet expansion plan.

The Group is continuing its policy of internationalization, backed by local management of recruitments and a devolved administrative structure for its international shipmanagement service.

The anticipated expansion of the workforce for the execution of the BOURBON 2015 strategic plan could result in a lower standard of Company personnel (less control over BOURBON standards and equipment).

The objective of strong growth, professionalization and internationalization of the workforce led BOURBON to institute, from 2007, a skills management policy for seagoing personnel and to invest heavily in a training program tailored to the Group's strategic issues.

Rigorous operating standards, designed to deliver a totally safe and high quality service to offshore oil and gas clients, represent a benchmark for skills validation and training programs deployed on board the vessels and in the BOURBON Training Centers. These programs have been established in the different operating regions and are equipped with simulators (simulators for AHTS anchor handling operations at oil platforms, loading-unloading by PSV-type supply vessels, dynamic positioning simulators, subsea robot operations, and simulators for piloting crewboats).

A particular focus is placed on the integration of the many new recruits to ensure that they have the skills required for offshore and help them gain command of BOURBON standards and the equipment available to them.

The active personnel development policy, driven by the organization's rapid growth, has led to the promotion of many employees who are given support as they take up their new posts. For their part, confirmed officers are supported in the management of complex situations and coordination of international crews with appropriate training.

There is also a strong focus on strengthening the culture of high-quality customer service. A dedicated training program has been established for staff primarily involved in the "customer satisfaction chain" (captains, contract managers, operations managers, logistics managers).

BOURBON makes every effort to develop the commitment of all its employees by listening carefully and providing appropriate mentoring, offering a personal training and development policy, and recognizing individual contributions.

4.2 RISKS ASSOCIATED WITH BOURBON'S ACTIVITY

Non-compliance by BOURBON of regulations applicable to its businesses could potentially affect the Group in the conduct of its activities with certain clients or in certain geographical regions.

BOURBON's activities mainly involve the marine and shipping sectors, which are especially highly regulated.

The regulatory framework applicable to marine activities are set by the laws and decrees of the vessel's operating flag country and of the neighboring coast country.

The national rules are generally related to a set of conventions, drafted under the auspices of the International Maritime Organization (IMO), which has been given a mandate by the UN to deal with subjects specific to maritime activity.

The main international standards are listed below:

- the International Convention for the Safety of Life at Sea (SOLAS) mainly contains the technical provisions to be observed for the design, construction and fitting-out of vessels;
- the Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) lists the requirements for qualifying crews;
- the International Convention for the Prevention of Pollution from Ships (MARPOL) lists all the factors concerning pollution prevention, both from the vessel and from its cargo;
- the Convention on the International Regulations for Preventing Collisions at Sea (COLREG), which defines the rules of navigation.

These conventions refer to codes and directives drawn up by the IMO, supplemented by resolutions issued by specialized committees.

- The ISM (International Safety Management) code is central and it defines the fundamentals for safety management for marine shipowners and operators, on board the vessels and at offices on shore.
- The ISPS (International Ship and Port Facility Security) code prescribes responsibilities to shipping companies and the coast States regarding security on board and on shore.
- Rules for the transport of dangerous goods are primarily covered in the IMDG (International Maritime Dangerous Goods) code which contains information on precautions to be taken for packing, onboard stowing, handling, loading and unloading.

The domain of marine employment is also covered by conventions drawn up by the International Labor Organization.

The great majority of nations adhere to these conventions but they sometimes incorporate their own specific regulations, particularly for small vessels. Individual States have the responsibility of applying them and stopping infractions.

Controlling the implementation of the regulations and adherence to them by shipping companies is generally delegated by governments to independent organizations and classification societies. Their sphere of influence covers the audit of organizations, monitoring construction and periodic visits to vessels in operation. The main classification societies are members of the International Association of Classification Societies (IACS), which monitors the harmonization of their rules and actions. Delegations of power to classification societies are covered by formal agreements with individual States.

BOURBON makes every effort to scrupulously adhere to the prevailing regulations and it tries wherever possible to take initiatives to improve its organization and methods in order to anticipate the increasingly rigorous standards laid down by the authorities. BOURBON constantly monitors the situation and keeps up-to-date regulatory information at head office and on board the vessels.

It is clear that the requirements will become increasingly strict and that this trend will continue. However, these changes are generally predictable, as the authorities have allowed for an adaptation phase that is compatible with the realities of the marine industry.

The changes may consist of:

- new technical rules applicable to new vessels, especially in the area of emissions into the atmosphere;
- restrictions on navigation in certain regions, principally Europe and North America;
- a hardening of controls and sanctions, especially in the above regions;
- the establishment of an environmental tax system, as already applied in Norway.

BOURBON has a recent fleet with an average age of 6 years, which is an advantage in meeting these changes.

BOURBON's activities may cause damage to people, property or the environment. This could also lead to it having to bear significant costs where such events are not covered either by the contract or by insurance.

The risks of an environmental or human disaster largely relate to the presence of the vessel in an operational situation and the potential consequences of accidents associated with the cargo or the voyage. Although the accident rate has been cut by around half in the last twenty years, marine shipping is not risk-free. BOURBON applies the regulations detailed above and has adopted a set of procedures, charters and codes of conduct which frame practices on-board the vessels.

As BOURBON is a service company, it is not directly responsible for any manufacturing processes except for the operation of its marine resources. Nevertheless, BOURBON applies the rules demanded by its principals whenever its vessels come near their infrastructures, e.g. port facilities, oil platforms or military zones. In particular, BOURBON has hitherto followed the standards of the IMCA (International Marine Contractors Association), an association of which BOURBON is a member and which is an umbrella body for companies active in offshore and marine and submarine engineering. In 2010, BOURBON made changes to its safety management system to ensure it would meet the requirements of the OCIMF (Oil Companies International Marine Forum), an organization including over 80 oil companies worldwide. BOURBON thus places the concerns of its clients at the heart of its strategy.

BOURBON firmly believes that accidents can be avoided by prevention and that it is possible to limit pollution. Training and exercises are designed to give personnel the best possible preparation for emergencies.

Due respect by all BOURBON employees to best work practices and procedures derived from the above principles is regularly verified via internal audits.

BOURBON's performance regarding the safety of individuals is constantly monitored and has improved for the third consecutive year: between 2009 and 2010, the number of declared accidents (TRIR) decreased from 1.29 to 1.24 per million hours worked. According to a survey by the International Support Vessel Owner's Association (ISOA), which includes all the leading players in offshore oil and gas marine services, BOURBON's safety performances are among the best in the market. BOURBON's strategy in this area is described in section 5.1.4 of the management report.

Although it is not possible to completely nullify the impact of transport activities on the environment, BOURBON makes every effort to improve its record through technical solutions and by acting to improve the attitudes of all those involved. The decision to opt for the diesel-electric propulsion system on its most recent vessels is thus aimed at significantly reducing the consumption of fossil fuels, and consequently, the level of polluting emissions into the atmosphere. BOURBON's strategy concerning the environment is described in section 5.2 of the management report.

The activities of offshore services are governed by contracts placing a general obligation of due care on BOURBON and shared responsibility with the client.

This so-called “knock-for-knock” system is based on an agreement between a supplier of resources such as BOURBON and its client, under the terms of which each agrees to bear the cost of damages that may be caused to its property and/or personnel during the execution of the contract of supply.

It is accompanied by a waiver of reciprocal recourse between the parties, extended to their respective insurance companies.

This mechanism is essential in the offshore activity, in particular by enabling each of the operators to keep its risks in proportion to the value of the assets it uses and/or owns as well as to its own financial scope and consequently to limit the costs of the corresponding insurance.

Marine risks

To protect against maritime piracy which threatens all seagoing operators, BOURBON has for several years had a number of measures and collaborative arrangements in place; they are updated according to the latest situation and come under the control of the Group’s Safety Manager.

For vessels in operation, BOURBON applies a set of safety procedures adapted to each oilfield, coordinating with the oil companies and relevant authorities. In the Niger delta area, particularly Nigeria and Cameroon, a dedicated reinforced strengthened safety mechanism has been set up in order to ensure the best safety conditions for employees and vessels.

As regards vessel transits in high-risk regions, BOURBON totally adheres to the recommendations of the International Maritime Organization and systematically adopts dedicated security measures such as “Piracy – Best Management Practices”.

Thus, in the rare cases of its vessels transiting the Gulf of Aden region, BOURBON has the support of international protection forces (EU NAVFOR-Atalanta – the European Union’s naval initiative).

BOURBON’s development is partly conducted in emerging countries where the risks associated with the operation of activities may include political, economic, social or financial instability. BOURBON may encounter difficulties in the exercise of its activities in such countries, which could have an impact on its results.

Some of BOURBON’s international growth is taking place in emerging countries (the west coast of Africa, Asia, South America, etc.). It operates primarily via joint ventures with local partners, with a view to sharing expertise and assets, while having a general concern to maximize the local contribution. In particular, it is via actions in the sphere of human resources that BOURBON is in a position to recruit, train and promote personal career development programs for all its employees and associates recruited locally.

Through an approach that is specific for each country, and with help from local partners, BOURBON is thus able to claim to be a local entity, minimizing the risks associated with the operation of its activities and enabling a better appreciation of the local context and risks.

4.3 LEGAL RISKS

Apart from disputes for which provisions have already been made in the accounts and/or those whose disclosure would be contrary to its legitimate interests, there is no other governmental, judicial or arbitration procedure (including any procedure to the Company’s knowledge that is pending or with which it is threatened) likely to have or to have had in the last 12 months any material effect on the Group’s financial situation or profitability.

For each significant dispute, a provision has been established to meet the estimated risk if the probability of occurrence of that risk is considered to be high. Otherwise, no provision has been established.

4.4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The main risks to which the Group is exposed are credit/counterparty risks, liquidity risks and market risks. The Board of Directors has reviewed and approved the management policies of each of these risks. The policies are summarized below.

4.4.1 Credit/counterparty risk

The Group’s policy is to verify the financial health of all customers seeking credit payment terms. Furthermore, the Group continually monitors client balances. The financial soundness of its clients enables BOURBON to avoid the use of COFACE-type credit insurance. Supermajor, major, national and independent oil companies account for over 84% of revenues. The Group has not therefore taken out this type of credit insurance agreement.

The volume of business conducted with the top five clients represented €402 million (47.3% of revenues) while the top ten clients accounted for nearly 65% (€552 million).

A statement of anteriority of credits and other debtors is presented in Note 3.20.5 of the Notes to the Consolidated Financial Statements.

In 2010, BOURBON did not conduct any contracts with national oil companies in countries with a high political risk such as Venezuela, Iran, Iraq or Burma.

Concerning the credit risk on the Group's other financial assets, i.e. cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, the Group works only with top-ranking banks, particularly with the major French banks, and pays particular attention to the choice of banking institutions.

4.4.2 Liquidity risks

Financing comes under a Group policy implemented by the Finance and Administration Department. This policy consists of financing the Group's needs through a combination of cash flows from operations and disposals of non-strategic assets and bank borrowings. Recurring cash flows are generated by the regular growth in the vessel fleet and by the long-term contract strategy with clients.

As of December 31, 2010, BOURBON's gross debts amounted to €1,976 million, including €1,504 million at more than one year. The repayment schedule for the medium and long-term debt is presented in Note 3.15 of the notes to the consolidated financial statements. The average residual life of this debt is 6.8 years.

The following table shows the composition of long and medium-term debt as of December 31, 2010:

Type of loan	Portion of medium/long-term debt over one year *(in € millions)*	Medium/long-term debt *(in € millions)*	Total *(in € millions)*
Club Deal loan – €320 million	32	176	208
Club Deal loan – €450 million	45	371	416
Club Deal loan – €318 million	13	251	264
EIG / SNC outsourced	17	219	236
Financing - Norway fleet	7	77	84
43 other bilateral loans	80	410	490
Total	**194**	**1,504**	**1,698**

As of December 31, 2010, short-term lines, in the form of overdraft, spot credit or revolving credit, were used in the amount of €271 million. Accrued interest came to €7 million.

The Group had cash assets of €210 million as of December 31, 2010.

MEDIUM AND LONG-TERM BORROWINGS

Medium and long-term borrowing is primarily constituted by borrowings of the "club deal" (1) and bilateral type.

All these borrowings are backed by assets (vessels) taken as guarantees (1st ranking mortgage or "negative pledge"). The vessels are clearly identified when the loan contract is signed. During the life of the loan, for technical reasons, BOURBON may have to adjust the list of vessels initially assigned to the loan. Two options then arise – either partial redemption of the loan or substitution with another vessel. Whichever is the case, an amendment to the loan contract is signed to reflect the new guarantees.

There are no long and medium-term loans in existence that are not assigned to financing assets.

In 2005, BOURBON took out a "club deal" loan of €320 million for which the redemption phase began in April 2007 and will end in 2017. At December 31, 2010, the outstanding loan was €208 million.

In the summer of 2007, a €450 million loan (a "club deal") was subscribed. The redemption phase began in January 2010 and will be completed in 2020. At December 31, 2010, the outstanding loan was €416 million.

In July 2009, a new €318 million "club deal" loan was taken out (line drawn in the amount of €264 million at December 31, 2010). The redemption phase will begin in 2011 and end in 2016.

In parallel, bilateral borrowings (in dollars and euros) are regularly signed:

- some were signed and drawn for a euro-equivalent amount of around €118 million;
- others have merely been signed and will be drawn down in future years. These undrawn bilateral loans amount to around €57 million.

(1) In bank financing operations, "club deal" are small groups of banks historically close to the company that share the senior debt among themselves. When our loans are set up, BOURBON brings together all the prospective banks to arrange the loan so that none of the banks has a preponderant position. For reasons of convenience, one bank becomes the "bookrunner", but the other institutions are appointed as arrangers.

As of December 31, 2010, the amount remaining to be drawn from existing loans totaled €138 million.

The confidence of the banks and in particular the French banks was confirmed by the signing in July 2009 of the loan for €318 million for seven years with 10 banking establishments at the height of the global crisis.

As of December 31, 2010, BOURBON respected the covenants associated with its loans, the main characteristics of which are described below.

In addition to the traditional covenants associated with corporate loans, some covenants specific to the €320 million and €450 million loans require BOURBON to make part of the fleet that is financed but not mortgaged available to the lender. If BOURBON were to exceed certain financial ratios contained in these contracts, BOURBON would also have to, at the lender's option, grant mortgages on those vessels (unmortgaged portion) on a priority basis and/or on other vessels in the BOURBON fleet in addition, until the ratios were re-established to the lender's satisfaction. As a result, no early repayment can be demanded if the ratios are exceeded.

In a few cases for bilateral loans, failure to comply with the financial covenants or an insufficient market value could constitute a case of default unless it is remedied within the specified time.

Lastly, the new 2009 "club deal" loan for €318 million contains a clause relative to compliance with certain "financial ratio" type covenants:

- net debt to equity of less than 1.90;
- net operating debts (NOD = net debts excluding prepayments on orders of vessels under construction) to EBITDA below 4.50 for fiscal years 2009 to 2011, and then below 4.00 for fiscal years 2012 and following years.

This clause contains an option that the loan be repaid immediately contingent on a two-thirds majority of the participating banks if these commitments are not respected. No repayment demand on this loan had been made as of December 31, 2010.

Most of the loans cited above also include an optional early redemption clause in the event of a change in control of the contracting borrower company.

SHORT-TERM LINES OF CREDIT

The Group's short-term debt was affected by various factors in 2010:

- Following the sale of 15 of the Bulk Division's 16 Supramax bulk carriers, the mortgage financing was declared due which required repayments (especially the USD 208 million "club deal" loan) in the amount of €228 million.
- The balance of the €134 million prefinancing line, amounting to €76 million, has been repaid in full.

In addition, the Group has unused short-term credit lines totaling around €110 million as of December 31, 2010.

Cash management is coordinated at the Group's operating headquarters. Financière BOURBON, a partnership organized as a cash clearing house, offers its services to most of the Group's operating subsidiaries. These entities, under a cash agreement with Financière Bourbon, receive active support in the management of their cash flow, their foreign currency and interest rate risks, their operating risks and their short and medium-term debt, in accordance with the various laws in force locally.

The Horizon 2012 plan has been financed since 2008 by a combination of cash flow generated by the activity, sales of non-strategic assets and the use of bank financing.

Under the BOURBON 2015 plan, the assumption is that cash flow generated from operations will amount to €2,700 million between 2011 and 2015; this will enable net debt to be reduced by €360 million by the end of the plan.

As of December 31, 2010, the amount of long-term loans available for drawdown came to €138 million; in addition, a loan of USD 400 million has already been secured from China Exim-Bank; in 2011-2015, complementary financing will probably be necessary to meet maturity repayments on existing loans.

If market conditions do not enable operating cash flow to be generated to the levels of these assumptions, the debt reduction will be proportionately less, or will not materialize.

BOURBON does not have a financial rating from a specialist agency.

4.4.3 Market risks

Market risks include the Group's exposure to interest rate risks, foreign exchange risks, risks on equities and risks on supplies.

INTEREST RATE RISKS

The Group's exposure to the risk of interest rate fluctuations is related to the Group's medium and long-term variable rate financial debt. BOURBON regularly monitors its exposure to interest rate risk. This is coordinated and controlled centrally. It comes under the responsibility of the Vice President-Finance who reports to the Executive Vice President Chief Financial Officer.

The Group's policy consists of managing its interest rate expense by using a combination of fixed-rate and variable-rate borrowing. In order to optimize the overall financing cost, the Group sets up interest rate swaps under which it exchanges, at pre-determined intervals, the difference between the amount of fixed-rate interest and the amount of variable-rate interest calculated on a pre-defined nominal amount of borrowing.

These swaps are assigned to hedge the borrowings. As of December 31, 2010, after taking account of interest rate swaps, approximately 74% of the Group's medium or long-term debt was contracted at a fixed interest rate.

The following table shows the Group's net exposure to variable rates before and after risk management, based on the hedges in place and the sensitivity of the Group's income before taxes (related to changes in the fair value of monetary assets and liabilities) to a reasonable variation in interest rates, with all other variables remaining constant:

	As of December 31, 2010													
	Less than 1 year		1-2 years		2 to 3 years		3 to 4 years		4 to 5 years		Over 5 years		Total	
(in € millions)	Fixed rate	Medium or long term variable rate	Fixed rate	Medium or long term variable rate	Fixed rate	Medium or long term variable rate	Fixed rate	Medium or long term variable rate	Fixed rate	Medium or long term variable rate	Fixed rate	Medium or long term variable rate	Fixed rate	Medium or long term variable rate
Cash or cash equivalents	-	209.8	-	-	-	-	-	-	-	-	-	-	-	209.8
Short-Term deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and securities	-	5.6	-	-	-	-	-	-	-	-	-	-	-	5.6
Financial assets	**-**	**215.4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**215.4**
Bank and overdrafts	-	(270.7)	-	-	-	-	-	-	-	-	-	-	-	(270.7)
Deposits and securities received	-	(0.0)	-	(0.2)	-	-	-	-	-	-	-	-	-	(0.2)
Finance lease liabilities	(3.5)	(1.2)	(65.7)	(1.2)	-	(1.2)	-	(1.3)	-	(1.3)	-	(2.4)	(69.2)	(8.6)
Bank borrowings	(19.6)	(169.7)	(16.5)	(211.9)	(15.9)	(195.0)	(16.4)	(252.0)	(17.1)	(188.2)	(106.2)	(411.3)	(191.8)	(1,428.1)
Financial liabilities	**(23.1)**	**(441.5)**	**(82.3)**	**(213.3)**	**(15.9)**	**(196.3)**	**(16.4)**	**(253.3)**	**(17.1)**	**(189.5)**	**(106.2)**	**(413.7)**	**(261.0)**	**(1,707.6)**
Hedging	(126.7)	126.7	(162.9)	162.9	(159.3)	159.3	(162.3)	162.3	(112.4)	112.4	(275.0)	275.0	(998.7)	**998.7**
Net variable-rate position after hedging	**(149.8)**	**(99.4)**	**(245.2)**	**(50.4)**	**(175.2)**	**(37.0)**	**(178.7)**	**(91.0)**	**(129.5)**	**(77.1)**	**(381.3)**	**(138.7)**	**(1,259.7)**	**(493.5)**
Sensitivity to an increase in interest rates of 100 BP (1%) after hedging		(1.0)		(0.5)		(0.4)		(0.9)		(0.8)		(1.4)		(4.9)
Sensitivity to a drop in interest rates of 100 BP (1%) after hedging		1.0		0.5		0.4		0.9		0.8		1.4		4.9

BP = basis point.

Assuming the position reached at December 31, 2010 is constant over one year, a 100 basis point (1%) change in the interest rate would therefore increase or decrease the cost of the Group's financial debt by €4.9 million over one year.

FOREIGN EXCHANGE RISK

Objectives

The Group's policy is to reduce as far as possible the economic risk related to foreign currency fluctuations over the medium term. The Group also tries to minimize the impact of the US dollar's volatility on annual operating income.

Cash flows from operating activities

The main foreign exchange risks on operations are related to invoicing clients. BOURBON invoices a large portion (about 73%) of its services in US dollars. The Group has a natural foreign exchange hedge thanks to the payment of expenses in dollars (representing about 28% of revenues). The policy is to maximize this natural hedge.

The residual risk is partially hedged in the short term by using forward US dollar sales and/or currency puts. On the unhedged portion, and over time, offshore oil and gas marine services are directly exposed to foreign currency risks, particularly on the US dollar.

Long-term cash flows

Policy

For vessel acquisitions in foreign currencies, the policy is to partly hedge the foreign exchange risk during the construction period by setting up currency futures call options.

The policy is to finance these acquisitions in the currency in which the corresponding charters will be paid by the customers. However, in order to avoid accounting exchange differences in countries outside the euro zone and the US dollar zone (particularly, in Norway), the entities finance their investments in their functional currency.

Current practice

As an exception, at the beginning of 2004 it was decided to temporarily abandon this practice and convert the majority of borrowings that were in dollars at the time to euros. This was done to recognize the unrealized foreign exchange gains booked during previous fiscal years.

Since then, most of the new borrowings (outside Norway) have been contracted in euros or US dollars. Where the euro/dollar exchange rate allows, borrowings in euros to finance assets generating revenue in dollars will be converted to dollars and future acquisitions will again be financed in dollars.

TRANSACTION RISK AND CURRENCY TRANSLATION RISK

The following tables show the Group's net exposure to changes in foreign exchange rates:

- on income: transaction risk;
- on equity: currency translation risk.

The following table shows, as of December 31, 2010, the position of the Group's monetary assets and liabilities (denominated in a different currency from the entity's functional currency) before and after management:

(in € millions)	USD	NOK	EUR	Other
Monetary assets	635.2	95.4	35.1	12.5
Monetary liabilities	(433.3)	(6.3)	(24.5)	(9.9)
Net position before management	**201.8**	**89.0**	**10.6**	**2.6**
Hedges	(118.5)	(71.9)	-	-
Net position after management	**83.4**	**17.1**	**10.6**	**2.6**

As of December 31, 2010, a 1% change in the euro exchange rate against all the currencies would represent a total impact at Group level of €0.3 million, after hedges are taken into account.

It should be noted that futures currency hedges related to future transactions are not shown in this table since the hedged item does not yet appear on the balance sheet.

The following table shows the breakdown by currency of consolidated shareholders' equity for the years 2010 and 2009.

(in € millions)	12.31.2010	12.31.2009
Euro (EUR)	1,297.8	1,219.9
Brazilian Real (BRL)	(13.6)	(6.9)
Mexican Peso (MXN)	11.9	5.8
Norwegian Kroner (NOK)	51.0	39.2
US Dollar (USD)	139.0	232.3
Vietnamese Dong (VND)	(1.8)	(8.4)
Swiss Franc (CHF)	2.8	3.3
Nigerian Naira (NGN)	(17.8)	0.8
Other	(1.6)	0.6
Total	**1,467.8**	**1,486.5**

As of December 31, 2010, a 1% change in the exchange rates would represent an impact on consolidated shareholders' equity of €4 million (€5.5 million as of December 31, 2009).

EQUITY RISKS

As of December 31, 2010, the Group had no cash investments.

The Group's equity portfolio is made up mainly of shares listed on the US market. These shares are classified as "Assets valued at fair value through profit and loss". At year-end, these assets are valued at fair value, based on the following parameters: share price and exchange rate. In accordance with IFRS, any changes in the fair value of these assets are recognized as financial income.

As of December 31, 2010, the amount of the shares classified as "Assets valued at fair value through profit and loss" amounted to €13.3 million (see note 3.20 of the notes to the consolidated financial statements). A 10% change in the price of these shares, all other things being equal, would have an effect of around €1.3 million on the market value of these shares.

As indicated in note 3.13 of the notes to the consolidated financial statements, BOURBON held 2,456,430 treasury shares as of December 31, 2010. Treasury shares are presented as a deduction from consolidated shareholders' equity.

A 10% change either up or down in the BOURBON share price would result in a change in the market value of the treasury shares of €8.5 million.

SUPPLY PRICE RISK

The Group's exposure to price risk is minimal.

The change in the price of raw materials does not constitute a risk of significant increase in operating costs. Clients generally take direct charge of the cost of fuel.

4.5 INSURANCE – HEDGING RISKS

Nature and extent of cover

For its marine activities, BOURBON has a comprehensive insurance program for ordinary risks and war risks covering damage that could be incurred by its fleet ("hull, machinery and equipment" insurance) as well as its liabilities as a ship management Company ("protection and indemnity" or "P&I" insurance).

BOURBON supplements this insurance program with civil liability insurance covering risks not directly related to its marine activity, through a "top-up" policy that comes into play for surpluses and condition differences.

BOURBON has also taken out a civil liability policy for management.

BOURBON has a "pecuniary loss" insurance policy that comes into play for condition differences and limits on its ordinary risks and war risks, civil liability and P&I policies.

The levels of cover of these insurance policies have all been taken at levels of guarantees and franchises appropriate to the risks of the organization. BOURBON does not wish to disclose them for reasons of confidentiality.

No captive insurance company has been established within the Group.

Insurance management

Subject to constraints in local legislation or due to the Group's organizational structure, insurance management is centralized, which helps optimize coverage, both in terms of quality and value, and provides greater clarity of insurance costs.

BOURBON uses leading international insurance companies, all of which have a minimum "A rating" from Standard & Poor's or other financial rating agencies, such as Groupama Transports, Allianz Global Corporate and Specialty, and Amlin, which insure its "hull, machinery and equipment" risk; BOURBON is also a member of shipowners' mutual insurers such as Shipowners' Club, the Gard and the Standard, which are all members of the International Group of P&I Clubs, covering its civil liability as a shipowner.

The civil liability policy covering the non-marine activity is with Axa Corporate Solutions, Groupama Transports and Swiss Ré.

Civil liability insurance for the directors of BOURBON is with Chartis.

It should be noted that some BOURBON policies contain an escape clause allowing it to terminate the policy if Standard & Poor's cuts the insurer's financial rating below a certain level.

5/ Social and environmental information

5.1 SOCIAL INFORMATION

5.1.1 Employees

As of December 31, 2010, the Group had a total of 8,350 employees. To meet its fleet expansion objectives, the number of Group employees on a constant-scope basis increased by 22.8% in 2010, in a market that continues to be strained for officer recruitment.

The international recruitment policy, deployed by the ten shipmanagement subsidiaries and the integrated network of manning companies, provided crews for the new vessels and the necessary resources to deliver a high quality service to clients offshore and onshore. 70 nationalities are represented within the Group.

Employees can be regarded as seagoing (81%) or shore-based (19%).

The ratio of managers remained stable (35% of employees). The breakdown of staff originating from Africa, Asia, Europe and South America also remained constant. The weight of the subsidiaries remained equivalent.

Recruitment continues to be a major challenge for future years: the BOURBON 2015 plan requires an additional 4,000 employees to be recruited.

FRANCE

In 2010, the French subsidiaries recruited 230 staff, of which 179 were on open-ended contracts and 9 on vocational training. 42 student officers also did their period at sea at the subsidiary Bourbon Offshore Surf.

As of December 31, 2010, the number of employees at the French subsidiaries totaled 1,528 of which fixed-term contracts represented 12.53 full-time equivalents.

The turnover rate of French seamen was 5.3% in 2010, compared with 5.4% in 2009 and 7.4% in 2008.

5.1.2 A policy to serve growth

The Human Resources policy, decided by the Executive Committee, is managed by the Human Resources Department in close collaboration with the Crewing Department. The Human Resources function has approximately 120 employees, including professional and operational staff, at head office and in the subsidiaries. The central functions are organized around three main units: management of seagoing personnel, management of shore-based personnel, and career management and development.

HR INFORMATION SYSTEM

The Group has decided to set up a Human Resources Information System, shared by all the entities.

Following the deployment of an e-recruitment tool supported by the Taleo hosting solution, BOURBON has added OCS (Onsoft Computer Systems AS) to manage the Crewing activity: planning, staffing, travel, and training. The objective is to facilitate the crewing process for vessels by shipmanagers and manning agencies as well as HR management and development processes for seagoing and shore-based personnel. The system also enables certifications to be registered in accordance with the flag's legislation and standards, as well as skills appraisals related to BOURBON's own operating standards. Training will also be managed in conjunction with navigation periods.

The system is currently operational at a number of subsidiaries: Bourbon Offshore Norway, Bourbon Offshore Ukraine, Bourbon Offshore Asia, Bourbon Maritime Services Manila and Bourbon Offshore MMI. Its deployment will be continued in 2011 at the French, Nigerian, Brazilian and Angolan subsidiaries.

These tools are all part of streamlining and rationalizing processes and the management of activities, driven by the quality system and management control.

A CONSISTENT SKILLS DEVELOPMENT POLICY

BOURBON is continuing its employees' skills appraisal and development policy in line with rigorous operating standards and client satisfaction worldwide.

To meet the challenges of integrating over 1,000 seamen per annum and the training needs of experienced seamen, BOURBON has set up three training programs:

- a "new recruits" program – to ensure that they have the necessary skills for offshore and help them adopt BOURBON standards and use the equipment available to them effectively;
- a "new promotions" program, to support newly promoted employees in taking up their new post, integrating management of the activity with management of international crews;
- an "experienced" personnel program, to strengthen aptitudes for the management of complex situations.

These training programs combine on-board assessment and training, technical modules, management modules and simulator courses.

The Group has developed an international training network, linking the BOURBON Training Centers (BTC) with partner organizations in order to cover the key operations for offshore oil and gas marine services:

- anchor handling operations for oil and gas platforms (Marseille and Singapore BTC; partnership with the Offshore Simulator Center of Ålesund in Norway);
- dynamic positioning center (Manila);
- training centers for piloting crewboats as near as possible to their operating regions (Nigeria, Angola, Indonesia, Gabon, Congo, Cameroon and France);
- a training center for diesel-electric technologies and equipment in China;
- a dedicated training center for ROV operators in Italy.

In 2010, the catalog of training programs for seagoing personnel was boosted by a technical program on the stability of offshore support vessels.

In 2011, a "management of critical situations" module will supplement the management module currently deployed by the shipmanagers. A standardized "rating on board" program will also be delivered for crews.

The Group has also developed a training seminar on customer satisfaction called "team business" for all operational managers (contract managers, operations managers and logistics managers). The objective of this program is to clarify processes, roles and responsibilities within the client satisfaction chain and to develop the necessary managerial and personal skills. 70% of the relevant managers have already attended one of the three seminars organized in 2010, and the remaining 30% are scheduled for 2011. This project will be rolled out for captains in 2011.

FOCUS ON TRAINING IN WEST AFRICA

The development strategy in Africa fosters an approach that is both ambitious and pragmatic: ambitious in terms of the targeted investments and qualifications, pragmatic in terms of factoring in the local constraints at the same time as optimizing the local opportunities. BOURBON is making sustained efforts in the recruitment and training of seamen in order to staff vessels with local officers. This requires a partnership with local schools and authorities.

Developing training for West African crews is producing tangible results:

- In Nigeria, 24,745 hours of training have been delivered to 608 people. 73% of crewboats are operated by Nigerian crews who have attended the BTC at the Amadi base. 327 Nigerians went through the BTC in 2010.
- In the Congo, out of 97 people trained, 71 passed, following skills validation on board crewboats. 19 pilots from the Congo and Cameroon were assigned to 14000 and 18000 Surfers at Pointe-Noire and Douala.
- A partnership program has enabled 13 out of 22 trainees from Cameroon, the Congo and Gabon who took the preparatory class organized jointly by the Cameroon training center, Gepmare, and Bourbon Offshore Surf, to gain admission to the national school for marine officers (*École nationale supérieure maritime*) in France for the C1NM multi-disciplinary officer training course.

COMMITMENT TO SERVICE EXCELLENCE

Because the strong commitment of employees is essential for performance, BOURBON has initiated a benchmarking process for the commitment of its employees in 2010. The result of the survey confirmed the reasons for satisfaction and the expectations of employees. Important initiatives have also been launched in various areas of personal development and individual recognition to reward, in 2011, concrete and visible actions and encourage greater commitment by BOURBON employees.

ORGANIZATION OF WORK

The length and frequency of rotations for seagoing personnel is a key factor in good management of working conditions, as shown by results obtained on this point in the commitment survey.

5.1.3 Compensation

Harmonization of compensation packages and the creation of a variable compensation policy based on collective and individual targets was implemented for senior Group executives.

PROFIT-SHARING AND INCENTIVE BONUSES FOR EMPLOYEES; EMPLOYEE SAVINGS AND SHAREHOLDING PROGRAMS (WITHIN FRANCE)

Profit sharing

The French subsidiaries of the Group with more than 50 employees generating a taxable profit pay their employees a profit-share in accordance with agreements negotiated and signed in each company. In 2010, sums allocated to the special profit-sharing reserve for the Group's French subsidiaries amounted to €0.28 million.

Incentive bonuses

All the French subsidiaries have implemented incentive bonuses. The calculation methods reflect the activities of the subsidiaries.

The total amount of incentive bonuses for 2010 came to €4.5 million.

COLLECTIVE PENSION SAVINGS PLAN ("PERCO")

Several of the French subsidiaries have set up collective company and inter-company pension savings plans.

COMPANY MUTUAL INVESTMENT FUND ("FCPE")

A company mutual investment fund "Bourbon Expansion FCPE" (an individualized fund for the Group, invested in the company's shares) receives investments from various salary savings schemes to which the employees of certain of the Group's French subsidiaries have access.

5.1.4 Focus on safety

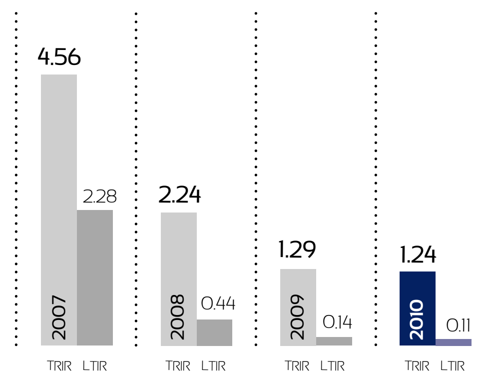
Safety, which includes health and safety at work and the protection of assets and the environment is central to BOURBON's strategy.

Because safety is the "backbone" of the Company, constantly strengthening the safety culture is an absolute priority for BOURBON. Its efforts in this area are based on a determined commitment from management, continuous enhancement of procedures, individual responsibility, an ambitious development program, raising awareness and crew training.

With the aim of providing a better response to clients' increasingly rigorous requirements, in 2010 BOURBON developed a new version of its safety management system, based on the standards of the OCIMF (Oil Companies International Marine Forum), an umbrella organization for 80 oil companies. This system will be deployed at all the subsidiaries during 2011.

At the same time, an annual HSE (health, safety and environment) plan approved by General Management and disseminated throughout the Group sets the objectives for the year. Performance in the area of the safety of individuals is constantly monitored and has improved for the third consecutive year as shown by the LTI and TRI indicators:

- *Lost Time Injury Rate* (LTIR): frequency of accidents entailing work stoppage expressed per million hours worked [(1)].
- *Total Recordable Incidents Rate* (TRIR): frequency of declared accidents which includes accidents involving stoppage of work, injuries requiring rest or a physical adjustment (employee assigned to another function, reduced hours etc.) and injuries requiring appropriate medical care and follow-up but not involving rest or stoppage of work. This frequency is also expressed per million hours worked [(1)].



According to a survey by the International Support Vessel Owner's Association (ISOA), which incorporates the leading players in offshore oil and gas marine services, BOURBON's safety performances are among the best in the market.

In order to further motivate all the subsidiaries around the issue of safety at sea and onshore, BOURBON has continued its program of "Safety Awards" which rewards best HSE performance at sea and onshore as well as initiatives aimed at improving the safety of personnel and the protection of assets and the environment in conjunction with client satisfaction.

(1) Until 2010, risk exposure was measured on the basis of a 12-man-hour day. From 2011, it will be measured on the basis of a 24-man-hour day, in accordance with OCIMF standards.

5.2 ENVIRONMENTAL INFORMATION

In its concern for preservation of the environment, BOURBON plans ahead of regulations and takes an innovative approach. BOURBON is committed to a program of reducing greenhouse gases, which has already started to bear fruit, through its systematic choice of diesel-electric technology which has significantly lower fuel consumption.

Many vessels in the fleet are already equipped with this mode of propulsion, developed in conjunction with BOURBON's selected shipbuilding firms. The new series of vessels delivered under the BOURBON 2015 plan will also be equipped with this technology.

Meanwhile, the first vessels meeting the "Clean Design" standard will be delivered in 2011. These vessels have been designed and built to meet very high standards for fuel tank protection, treatment of waste water and general waste.

In 2008, the Group drew up an exhaustive inventory of its fleet's CO_2 consumption and emissions, extending its spectrum of analysis to other polluting emissions such as nitrogen oxide NO_x and sulfur oxide SO_x. The recommendations made by international bodies in this respect, particularly the International Maritime Organization, have been taken into account.

In 2010, BOURBON tested several instant measurement systems for fuel consumption on its pilot vessels. This study has now been completed and the first applications are due to be more widely deployed in 2011. They will enable detailed management of data and provide crews and clients with decisive tools for more economic operation.

The acquisition of the "Enablon" software, which has proved its effectiveness in a number of large organizations, should enable the Group to guarantee the comparability and continuity of its CO_2 emissions figures over future years.

Gross emissions for 2010 are presented in the following table:

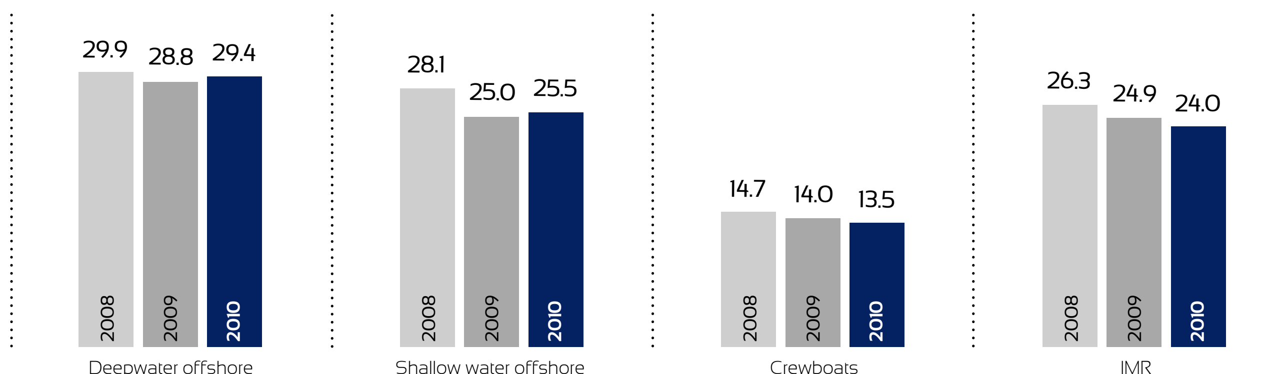
(in tonnes)	2010	2009 pro forma	2008 pro forma
CO_2 emissions	1,110,568	927,937	788,235
SO_x emissions	3,271	2,668	2,219
NO_x emissions	21,570	18,485	15,241

It should be noted that, in order to allow comparability with future financial years, these figures have been restated (exclusion of data concerning the bulk carriers which were sold during 2010).

In 2010, BOURBON returned to calculating CO_2 emissions per day at sea [(1)], as illustrated in the following graph. In a difficult market context, BOURBON has had to reposition a number of its deepwater and shallow water offshore vessels to other geographic regions, entailing exceptional consumption. For these two types of vessels, the CO_2 emissions per day at sea recorded in 2010 show a slight increase over the previous year. On the other hand, the other two types of vessels posted lower rates for the second consecutive year, showing the efforts undertaken by BOURBON in terms of emission reduction.

CO_2 EMISSIONS PER DAY AT SEA

(IN TONNES OF CO_2 EQUIVALENT PER DAY AT SEA)



(1) The number of days at sea represents the number of hours of thruster operation divided by 24 hours.

6/ BOURBON SA and its shareholders

6.1 CAPITAL STOCK AND SHAREHOLDER BASE

At January 1, 2010, the first day of the financial year, BOURBON's capital stock amounted to €38,866,348 divided into 61,187,226 fully paid-up shares.

At its meeting on December 6, 2010, the Board of Directors recognized the increase of capital stock to €38,981,572 divided into 61,368,625 fully paid-up shares. The Company's bylaws have been updated as a result.

At December 31, 2010, due to the exercise of stock options by the creation of new shares that took place in December 2010, the capital stock at the end of the year came to €39,085,695 divided into 61,532,545 shares of the same class and representing 59,076,115 voting rights.

The table below shows a breakdown of the BOURBON shareholder base as of December 31, 2010:

Shareholders	Number of shares	% of capital	% of voting rights
Jaccar Holdings *	15,183,668	24.68%	25.70%
Monnoyeur	3,294,354	5.35%	5.58%
Mach-Invest **	3,105,530	5.05%	5.26%
Treasury shares	2,456,430	3.99%	-
Employees	514,423	0.84%	0.87%
Public	36,978,140	60.10%	62.59%
Total	**61,532,545**	**100.00%**	**100.00%**

* *Jaccar Holdings: Family of Jacques d'Armand de Chateauvieux.*

** *Mach-Invest: Family of Henri d'Armand de Chateauvieux.*

6.2 DIVIDENDS PAID FOR THE LAST THREE YEARS

We remind you that the dividends distributed for the last three years were as follows:

	Number of shares at the year-end	Net dividend per share* *(in euros)*	Total amount distributed *(in € thousands)* **
2007	55,461,302	1.00	54,200
2008	55,461,302	0.90	47,904
2009	61,187,226	0.90	52,866

* *Dividend eligible for an allowance of 40% for individuals with their tax residence in France, pursuant to Article 158-3-2° of the French General Tax Code.*

** *Treasury shares are not entitled to dividends.*

6.3 COMPANY TRANSACTIONS ON ITS OWN STOCK

First, it should be noted that at January 1, 2010, BOURBON held 2,448,550 of its own shares to cover the latest three stock option plans awarded to its employees (exercisable respectively from December 2011, December 2012 and September 2013). In a press release dated November 9, 2010, the Board of Directors announced that it had decided to amend these stock option plans from plans to purchase existing shares to plans to subscribe to new shares. As a result, the 2,448,550 BOURBON shares no longer need to be held and will be sold or cancelled. This amendment to the plans also means that the Company will issue, for these plans, a maximum of 3,120,680 shares between 2011 and 2015.

6.3.1 Stock buyback program

PORTION OF THE CAPITAL HELD BY THE COMPANY AND BREAKDOWN BY OBJECTIVE FOR HOLDING THE COMPANY'S TREASURY SHARES

As of December 31, 2010, the Company held 2,456,430 of its own shares, representing 3.99% of the capital.

Objective for holding treasury shares	Number of shares held at the year-end	Value at purchase price *(in € thousands)*	Par value *(in € thousands)*
Stimulation of the market by an investment service provider	7,880	273	5
Shares to be sold or canceled	2,448,550	75,772	1,555
Total	**2,456,430**	**76,045**	**1,560**

TRANSACTIONS MADE BY THE COMPANY ON TREASURY SHARES DURING THE YEAR, BY ACQUISITION, DISPOSAL OR TRANSFER

All the acquisitions and disposals in 2010 were made via CM CIC Securities, an investment service provider responsible for market stimulation under the AMAFI charter, in the context of its management of the liquidity contract.

During the year, 2,645,707 shares were thus acquired at an average purchase price of €30.78 while 2,658,004 shares were sold at an average sale price of €30.74. These transactions did not incur any dealing costs. It is also noted that no derivative products were used to conduct these transactions and that no put or call position was open as of December 31, 2010.

DESCRIPTION OF THE SHARE BUYBACK PROGRAM PROPOSED TO THE COMBINED GENERAL MEETING ON JUNE 1, 2011

At the Combined General Meeting on June 1, 2011, BOURBON will propose the renewal of the stock buyback program in order to:

- stimulate the market through an investment service provider, operating wholly independently within the scope of a liquidity contract under rules of professional conduct approved by the French Financial Services Authority,
- hold shares so that they can be assigned at a later date for payment or exchange for external growth operations;
- granting shares to employees and corporate officers by allotment of stock options as provided for under Articles L. 225-179 *et seq.* of the French Commercial Code or by allotment of bonus shares as provided for under Articles L. 225-197-1 *et seq.* of the said Code, or as part of their share in the benefits of the Company's expansion or within the scope of a shareholding plan or an employee savings plan;
- delivering stock upon exercise of rights attached to securities which, by way of conversion, exercise, repayment or exchange, entitle the exerciser to the allotment of Company shares within the bounds of stock market regulations,
- cancel shares as part of a capital reduction as prescribed by law.

Subject to the approval of the Ordinary General Meeting on June 1, 2011, this program will be authorized for a period ending at the next General Meeting called to approve the financial statements for the year ending December 31, 2011, but not exceeding a period of 18 months, i.e. December 1, 2012.

The maximum purchase price per share cannot exceed €50, excluding charges.

The maximum percentage of the capital of BOURBON that may be acquired is 10% of the equity capital as of December 31, 2010 composed of 61,532,545 shares, i.e. 6,153,254 shares.

The Company is bound to retain a float of at least 10% of its capital and, in accordance with the law, not hold more than 10% of its capital, directly or indirectly.

It should be noted that, by law, the maximum buyback percentage of shares acquired by the Company in order to hold them for subsequent delivery in payment or exchange for a merger, split-off or contribution is limited to 10%.

If all the shares were acquired at the maximum price authorized by the Meeting, i.e. €50, the maximum amount of the buyback BOURBON could make would total €307,662,700.

At December 31, 2010, the Company had free reserves of €573,257,000.

By law, the amount of the program cannot be higher than this figure until the closure of the parent company accounts for the current year.

At February 28, 2011, the breakdown by objective of the treasury shares held was as follows:

Objective for holding treasury shares	Number of shares held
Stimulation of the market by an investment service provider	2,823
Shares to be sold or canceled	2,448,550
Total	**2,451,373**

6.3.2 Summary statement of transactions in accordance with Article L. 621-18-2 of the French Monetary and Financial Code

Transactions conducted on Company shares during 2010 by the individuals cited in Article L. 621-18-2 of the French Monetary and Financial Code of which the Company is aware are detailed below:

	Type of transaction				
Name of corporate officer	Acquisition of shares *(quantity)*	Exercise of stock options *(quantity)*	Sale of shares *(quantity)*	Sale of shares by donation *(quantity)*	Loan of shares *(quantity)*
Jacques d'Armand de Chateauvieux or individual associated with him					38,500
Henri d'Armand de Chateauvieux or individual associated with him	1,651,445				
Christian Lefèvre or individual associated with him		72,600			
Christian Munier or individual associated with him		48,400	10,108		
Laurent Renard or individual associated with him		67,760		63,525	

6.3.3 Stock options granted to employees

No stock option was awarded to staff during 2010.

Stock options granted to the ten employees awarded the highest number of options who are not corporate officers, and options exercised by them	Total number of options awarded / new or existing stock purchased	Weighted average price
Options granted during the year by the issuer or any Group company authorized to award options, to the ten employees of the issuer or any Group company who were granted the highest number of options (overall information)	-	-
Options held on the issuer and the companies described above exercised during the year by the ten employees of the issuer or any Group company who were granted the highest number of options (overall information)	116,384 (1)	€22.25 (1)

(1) The numbers of options and exercise prices are the adjusted values, in accordance with the applicable regulations, following BOURBON corporate actions.

6.3.4 Employee shareholding

As of December 31, 2010, through the employees' mutual fund "Bourbon Expansion FCPE", 954 employee shareholders held a total of 514,423 shares, representing 0.84% of the capital.

6.4 FACTORS THAT COULD HAVE AN IMPACT IN THE EVENT OF A TAKEOVER

Capital structure of the Company

The capital structure of the Company is described in section 6.1.

Statutory restrictions on the exercise of voting rights and stock transfers or contractual clauses of which the Company is aware pursuant to Article L. 233-11 of the French Commercial Code

The Company's bylaws do not stipulate any restriction on the exercise of voting rights and stock transfers. The Company is not aware of any contractual clause pursuant to Article L. 233-11 of the French Commercial Code in the year ended December 31, 2010.

Direct or indirect interests in its capital that the Company is aware of pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code

This information is detailed in section 6.1.

List of holders of any security conferring special control rights and a description thereof

The Company has not issued any security conferring special control rights during the year. No security conferring special control rights is in circulation.

Control mechanisms laid down under an employee shareholding system, when the control rights are not held by the employees

BOURBON has an employee shareholding system via a mutual investment fund "Bourbon Expansion FCPE" which exercises the control rights.

Agreements between shareholders of which the Company is aware that could lead to restrictions on the transfer of stock and the exercise of voting rights

The Company has no knowledge of any agreement of this type between shareholders other than that mentioned in section 2.8 of the chapter "Other legal and financial information" of the Annual Report.

Rules applicable to the appointment and replacement of members of the Board of Directors and amendments to the bylaws

The rules applicable to the appointment and replacement of members of the Board of Directors comply with prevailing regulations and the consolidated AFEP-MEDEF code. Article 13 of the bylaws mentioned in the section entitled "Information about the Company" in the reference document sets out the rules for the appointment of Directors.

The rules applicable to amendments to the bylaws comply with prevailing regulations. Amendments to the bylaws, except in cases expressly stipulated by law, come under the exclusive competence of the Extraordinary General Meeting. The Company has not identified any significant impact concerning these rules in the event of a takeover.

Powers of the Board of Directors, in particular the issue or repurchase of stock

A table summarizing the delegations of authority and the powers granted by the General Meeting to the Board of Directors for capital increases is annexed to this management report.

Agreements made by the Company that will be amended or terminated in the event of a change of control of the Company, the disclosure of which (apart from mandatory disclosure cases) does not seriously affect its interests

The majority of the bank loans concluded by BOURBON contain clauses allowing the bank to demand early repayment of the loan in the event of a change of control of BOURBON.

All the shareholders' pacts signed by BOURBON with external partners on the establishment of joint ventures include exit clauses in the event of change of control of either of the parties, enabling each of them, either to sell its stake to the other or, in the event of failure to agree between them on the buyout of their respective stake, to liquidate the company.

The construction contracts do not contain any clause that could come into play in the event of a change of control of BOURBON. There is no provision in these contracts that could call the financial conditions into question, such as, forexample, the departure of Jacques d'Armand de Chateauvieux.

Agreements providing for indemnities to members of the Board of Directors or employees if they resign or are dismissed for no real or serious cause or if their employment is terminated due to a takeover

The original employment contract for Laurent Renard includes a clause providing benefits in the event of redundancy due to a change in control of BOURBON. This clause is not related to the corporate office subsequently conferred on Laurent Renard.

7/ Proposals of the Board of Directors

7.1 APPROPRIATION OF EARNINGS – DIRECTORS' FEES

The following proposals will be made to the Meeting:

- to appropriate the earnings for the year as follows:

Profit for the year:	€127,278,201.03
(Minus allocation to the legal reserve)	(€21,934.67)
Plus retained earnings, i.e:	€21,379,277.14
For total distributable earnings of:	**€148,635,543.50**
Distribution of a unitary dividend of €0.90 to 61,532,545 shares:	€55,379,290.50
Other reserves, for the balance:	€93,256,253.00

  The dividend thus set will be distributed on or soon after June 8, 2011.

  As regards the Company's purchase of its own stock, it may be noted that the shares acquired do not yield a dividend. The sum corresponding to this unpaid dividend will thus be carried forward as 'retained earnings'.

  This dividend will qualify the holder to an allowance of 40% applicable to individuals who are tax residents of France, i.e. 0.36 euro per share; legal entities do not qualify for any allowance.

  There is no income distributed by this meeting, other than the dividend mentioned above, whether or not eligible for the 40% allowance mentioned in point 2° of section 3 of Article 158 of the French General Tax Code.

  It should be noted that:
  - individual shareholders domiciled in France may, in accordance with Article 117 quarter of the French General Tax Code, opt for the "final tax deduction option" of 19% instead and in place of progressive income tax. This option can only be exercised by a shareholder via the financial institution holding his shares (or by default the Company), at the latest by the date on which the dividend is received,
  - social security deductions (CSG, CRDS, social deduction of 2.2% and additional contribution) representing 12.3% of the amount of the dividend since January 1, 2010, will be deducted at source on payment of the dividend. If the "final tax deduction option" is selected, the total deductions including social contributions thus come to 31.30%;
- to set from January 1, 2011 the total maximum amount of the Directors' fees allocated to the Board of Directors at €240,000 for 2010 and subsequent years.

7.2 TERMS OF OFFICE OF THE DIRECTORS AND STATUTORY AUDITORS

Directors

The terms of office as Directors of Christian d'Armand de Chateauvieux, Henri d'Armand de Chateauvieux, Guy Dupont, Baudouin Monnoyeur and Christian Munier expire with this General Meeting; for those wishing to renew their term, a proposal will be made to the meeting to renew their positions for another three-year period, i.e. until the Ordinary General Meeting called in 2014 to approve the statements for the year ended December 31, 2013.

Statutory Auditors

After reviewing the position of the terms of office of the Statutory and Alternate Auditors, it is noted that the terms of office of the company EurAAudit CRC, Statutory Auditor, and of Jean-Jacques Martin, Alternate Statutory Auditor,expire at the close of this meeting.

The General Meeting is asked to renew the term of office of the company EurAAudit CRC as Statutory Auditor and to reappoint Jean-Marie Cadren as Alternate Statutory Auditor.

7.3 TREASURY STOCK BUYBACK PROGRAM

The General Meeting will be asked to:

- terminate the current stock buyback program approved by the Combined General Meeting of June 9, 2010;
- authorize a new treasury stock buyback program for the Company.

The objectives are identical to those of the previous buyback program.

7.4 AUTHORIZATION TO THE BOARD OF DIRECTORS TO REDUCE THE CAPITAL STOCK BY CANCELING TREASURY STOCK

The General Meeting is asked to authorize the Board of Directors, with the option to delegate to any legally authorized person, to cancel, in one or more tranches and for a maximum of 10% of the capital per 24-month period, some or all of the treasury stock that the Company holds or may come to hold following the use of the various authorizations given by the General Meeting to the Board of Directors (particularly under the buyback program), and to carry out a corresponding reduction of the capital.

This authorization may be granted for a period of 18 months from the date of the General Meeting.

7.5 DELEGATION OF POWERS TO THE BOARD OF DIRECTORS TO GRANT STOCK OPTIONS TO EMPLOYEES (AND/OR CERTAIN CORPORATE OFFICERS) AND/OR AWARD BONUS SHARES TO MEMBERS OF STAFF (AND/OR CERTAIN CORPORATE OFFICERS)

The General Meeting is asked to grant authority to the Board of Directors, in accordance with the terms of Articles L. 225-177 to L. 225-185 of the French Commercial Code, to issue, on one or more occasions, to the employees of the Company or to certain categories of employees, and/or to the managers referred to in Article L. 225-185 of the French Commercial Code, as well as to the employees and managers of the companies or of any economic interest grouping affiliated to the Company as defined in Article L. 225-180 of the French Commercial Code, stock options for new or existing shares.

The General Meeting is asked to grant authority to the Board of Directors, in accordance with the terms of Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, to issue, on one or more occasions, to the employees of the Company or to certain categories of employees, and/or to the managers referred to in Article L. 225-197-II of the French Commercial Code, as well as to the employees and managers of the companies or of any economic interest grouping affiliated to the Company as defined in Article L. 225-197-2 of the French Commercial Code, stock options for new or existing shares.

7.6 DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL STOCK BY UP TO €5 MILLION, WITH ELIMINATION OF THE EXISTING SHAREHOLDERS' PRE-EMPTIVE SUBSCRIPTION RIGHT IN FAVOR OF EMPLOYEES OF THE COMPANY AND AFFILIATED COMPANIES

The presentation of this delegation is obligatory by law if shareholders are asked to approve one or more delegations of authority to increase the capital stock by contributions in cash.

This delegation would enable employees of the Company and affiliated companies to subscribe to Company shares under a Group savings plan.

This resolution is only presented to you because it is a legal obligation. Your Board of Directors considers, however, that it is inappropriate and has consequently issued a recommendation against its adoption.

7.7 DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS TO INCREASE THE CAPITAL STOCK BY THE ISSUE OF TRANSFERABLE SECURITIES GIVING IMMEDIATE OR FUTURE ACCESS TO EQUITY, WITH ELIMINATION OF THE EXISTING SHAREHOLDERS' PRE-EMPTIVE SUBSCRIPTION RIGHT

The General Meeting is asked to grant to the Board of Directors, for a period of 26 months, a delegation of authority to increase the capital, in accordance with the provisions of Articles L. 255-129-2, L. 225-135, L. 225-136 and L. 228-92 of the French Commercial Code, by the issue of ordinary shares with or without warrants or other transferable securities giving ultimate entitlement to the award of shares by subscription, conversion, exchange or in any other way, with elimination of the pre-emptive subscription for shareholders and public offering.

This delegation is proposed to you to enable your Company to benefit from opportunities on financial markets and rapidly carry out a capital increase should it be necessary.

It is therefore proposed to you to agree to eliminate the pre-emptive subscription right of shareholders to the shares and transferable securities that may be issued by virtue of this delegation, with the provison that the Board of Directors may always institute for the benefit of shareholders a pre-emptive subscription option for some or all of the issue.

The following proposals will be made to the Meeting:

- to set at eight million euros (€8m) the maximum nominal amount of the capital that may be increased under this delegation, with the possibility of increasing this ceiling in the event of a capital increase by incorporation of reserves in the same proportions, and authorize your Board of Directors, in the event of excess applications, to increase the maximum ceiling for the capital increase(s) by up to 15% of the initial issue, under the conditions prescribed by Articles L. 225-135-1 and R.225-118 of the French Commercial Code;
- to set at three hundred and fifty million euros (€350m) the maximum amount of transferable securities giving access to the Company's capital securities which could, if applicable, be issued by virtue of this delegation; these could consist of debt securities or be linked to the issue of such securities.

7.8 DELEGATION OF AUTHORITY TO THE BOARD OF DIRECTORS IN ORDER TO INCREASE THE CAPITAL BY INCORPORATION OF RESERVES, PROFITS AND PREMIUMS

The General Meeting is asked to grant the Board of Directors, for a period of 26 months, a delegation of authority to increase the capital, in accordance with the provisions of Articles L. 225-129-2 and L. 225-130 of the French Commercial Code, by incorporation into the capital of reserves, profits, premiums or other sums allowed to be capitalized, by the issue and free allotment of shares or by raising the par value of the existing ordinary shares, or a combination of these two methods.

The amount of the capital increase resulting from issues conducted under this delegation may not exceed the par value of the share. This amount would not include the total par value of any additional ordinary shares that may have to be issued to preserve (in accordance with the law) the rights of holders of transferable securities giving entitlement to shares.

7.9 HARMONIZATION OF ARTICLES 13 AND 17 OF THE BYLAWS

The General Meeting is asked to harmonize Articles 13 and 17 of the bylaws with the legal provisions in force, as follows:

- in Article 13, paragraph V of the bylaws, by raising from 3 to 6 months the time given to directors to comply with the regulation by purchasing a certain number of shares of the Company;
- in Article 17 paragraph I of the bylaws concerning regulated agreements concluded between the Company and any of its shareholders, by raising from 5% to 10% the percentage of capital that must be held by the shareholder in question.

The Board of Directors

Financial results of the parent company over the last five years

Description	2010	2009	2008	2007	2006
Capital stock at year-end					
Capital *(in € thousands)*	39,086	38,866	35,229	35,229	31,884
Number of ordinary shares outstanding	61,532,545 (1)	61,187,226	55,461,302	55,461,302	50,195,528
Number of shares with a priority dividend (with no voting right) outstanding	-	-	-	-	-
Maximum number of future shares to be issued					
■ by conversion of bonds	-	-	-	-	-
■ by the exercise of stock options and award of bonus shares	3,677,780	920,899	1,015,370	2,192,600	1,067,578
Operation and profit/loss for the year *(in € thousands)*					
Revenues excluding taxes	310	337	706	4,271	1,204
Net income before income tax, employee profit-sharing, depreciation and provisions	83,477	37,455	267,701	88,631	10,546
Income tax	(13,499)	(13,348)	(11,883)	(6,640)	(4,411)
Employee profit-sharing for the year	-	-	-	-	-
Net income after income tax, employee profit-sharing, depreciation and provisions	127,278	72,462	256,470	135,370	14,656
Distributed net income	55,379 (2)	52,866 (3)	47,904 (4)	54,200 (5)	30,110 (6)
Dividend per share *(in euros)*					
Net income after income tax, employee profit-sharing but before depreciation and provisions	1.58	0.83	5.04	1.72	0.30
Net income after income tax, employee profit-sharing, depreciation and provisions	2.07	1.18	4.62	2.44	0.29
Dividend per share	0.90 (2)	0.90 (3)	0.90 (4)	1.00 (5)	0.60 (6)
Personnel					
Average number of employees during the year	-	-	-	-	-
Amount paid in the year for welfare contributions (social security, employee organizations, etc.)	-	-	-	-	-

(1) 61,368,625 shares +163,920 stock options exercised between December 6, 2010 and December 31, 2010.

(2) €0.90 per share as recommended by the Board of Directors on March 14, 2011.

(3) €0.90 per share as recommended by the Board of Directors on March 15, 2010, after deduction for dividends attached to treasury shares.

(4) €0.90 per share as recommended by the Board of Directors on March 23, 2009, after deduction for dividends attached to treasury shares.

(5) €1 per share as recommended by the Board of Directors on March 10, 2008, after deduction for dividends attached to treasury shares.

(6) €0.60 per share as recommended by the Board of Directors on March 19, 2007.

Table summarizing the delegations of authority and the powers granted by the General Meeting to the Board of Directors for capital increases*

Date of the General Meeting	Type of delegation	Duration of the delegation	Use during 2010
Combined General Meeting of May 30, 2008	Authority given to the Board of Directors to grant, on one or more occasions, stock options for new or existing shares of the Company derived from purchases made by it.	Thirty-eight months, i.e. until July 29, 2011	None
Combined General Meeting of June 9, 2010	Authorization granted to the Board of Directors to carry out, on one or more occasions, capital increases in cash maintaining shareholders' pre-emptive subscription right.	Twenty-sixth months, i.e. until August 8, 2008	None

** The above table shows the delegations that are currently valid and their use in 2010.*

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(exercice clos le 31 décembre 2010)

The 2009 comparative data presented in this document were restated for consistency with the IFRS standard of reference applicable as of December 31, 2010 and to reflect discontinued operations/disposals pursuant to IFRS 5 (see Note 2.1.2).

FINANCIAL POSITION STATEMENT

(In € millions)	Notes	2010	2009
Goodwill	3.1	33.5	33.5
Intangible assets	3.2	9.9	10.2
Property, plant and equipment	3.3 – 3.4	3,077.4	3,096.3
Investments in associates	3.5	0.4	0.3
Non-current financial assets	3.6	14.3	18.3
Deferred tax assets	3.17	22.3	15.2
Total non-current assets		**3,157.8**	**3,173.8**
Inventories and work in progress	3.7	12.7	19.0
Trade and other receivables	3.8	358.2	352.7
Tax receivables		-	-
Current financial assets	3.8	32.5	43.9
Other current assets	3.8	19.5	19.7
Cash and cash equivalents	3.9	209.8	152.8
Total current assets		**632.7**	**588.2**
Non-current assets classified as held for sale		**14.9**	**-**
Total Assets		**3,805.5**	**3,761.9**
Capital		39.1	38.9
Share premiums		55.5	48.2
Consolidated reserves, Group share (including profit for the year)		1,308.0	1,298.8
Total shareholders' equity, Group share		**1,402.6**	**1,385.9**
Minority interests		**65.3**	**100.6**
Total shareholders' equity		**1,467.8**	**1,486.5**
Borrowings and financial liabilities	3.15	1,503.9	1,449.4
Employee benefit obligations	3.14	7.6	7.1
Other provisions	3.14	16.2	20.4
Deferred tax liabilities	3.17	16.6	9.6
Other non-current liabilities		55.2	26.7
Total non-current liabilities		**1,599.6**	**1,513.1**
Borrowings and bank loans (< one year)	3.15	471.6	453.0
Provisions (< one year)	3.14	0.8	0.3
Trade and other payables		261.6	282.7
Tax liabilities		2.0	5.2
Other current liabilities		1.7	21.1
Total current liabilities		**737.7**	**762.3**
Liabilities directly associated with non-current assets classified as held for sale		**0.4**	**-**
Total liabilities		**2,337.6**	**2,275.4**
Total Liabilities and shareholders' equity		**3,805.5**	**3,761.9**

COMPREHENSIVE INCOME STATEMENT

(In € millions)	Notes	2010	2009
Revenues	4	849.9	812.8
Direct costs	4	(519.6)	(443.0)
General and administrative costs	4	(89.4)	(71.2)
Increases and reversals of amortization, depreciation and provisions	-	(187.4)	(122.2)
Other operating income [1]		0.0	0.0
Operating income		**53.5**	**176.5**
Cost of net debt	3.16	(54.5)	(32.7)
Other financial expenses and income	3.16	22.1	(1.5)
Income from current operations before income tax		**21.1**	**142.3**
Income tax	3.18	(15.0)	(8.7)
Share in income (loss) of associates	3.5	0.1	0.0
Net income before income net of discontinued operations		**6.2**	**133.6**
Net income from discontinued operations/operations held for sale		31.6	38.0
Net income		**37.8**	**171.6**
Group share		39.2	155.4
Minority interests		(1.4)	16.2
Net earnings per share	5.2.1	0.67	2.65
Diluted net earnings per share	5.2.2	0.66	2.64
Net earnings per share – excluding income from discontinued operations/operations held for sale	5.2.1	0.17	2.05
Diluted net earnings per share – excluding income from discontinued operations/operations held for sale	5.2.2	0.17	2.04
Net earnings per share – income from discontinued operations/operations held for sale	5.2.1	0.50	0.61
Diluted net earnings per share – income from discontinued operations/operations held for sale	5.2.2	0.49	0.60
Net dividend per share		nc [2]	0.90

(1) Capital gains from equity interests sold.

(2) Recommendation of the Board of Directors at its meeting of March 14, 2011.

COMPREHENSIVE INCOME STATEMENT

(In € millions)	Notes	2010	2009
Income for the period		**37.8**	**171.6**
Other comprehensive income		**19.4**	**(14.1)**
Change in the fixed assets revaluation reserve		-	-
Tax effect		-	-
Actuarial differences		-	-
Tax effect		-	-
Profits and losses from the currency translation of the statements of foreign subsidiaries		*29.5*	*16.9*
Losses related to the revaluation of available-for-sale financial assets		-	-
Tax effect		-	-
Effective portion of gains and losses on cash flow hedge instruments	3.20.2	*(14.8)*	*(34.4)*
Tax effect		*4.8*	*3.4*
Share of other comprehensive income of associates		**-**	**-**
Total profits / losses		**57.2**	**157.6**

CONSOLIDATED CASH FLOWS STATEMENT

(In € millions)	2010	2009
Consolidated net income	**37.8**	**171.6**
Share in income/loss of associates	(0.1)	(0.0)
Tax expenses/income	16.8	9.4
Net amortization, depreciation and provisions	245.7	134.5
Gains and losses from changes in fair value	(15.4)	3.2
Calculated income and expenses related to stock options and similar benefits	6.8	8.2
Gains and losses on disposals	(35.0)	(2.1)
Income tax paid	(16.4)	(15.0)
Other	(3.5)	1.4
Cash flows	**236.6**	**311.2**
Effects of changes in working capital	(45.0)	15.6
Dividends received	(0.5)	(2.8)
Cost of net debt	56.5	32.7
Cash flows from operating activities (A) (**)	**247.6**	**356.7**
Acquisition of consolidated companies, net of cash acquired	(13.6)	(0.8)
Sale of consolidated companies, including cash transferred	47.8	11.2
Effect of other changes in the consolidation scope	(12.5)	(0.6)
Payments for property, plant and equipment and intangible assets	(635.9)	(734.0)
Proceeds from disposals of property, plant and equipment and intangible assets	473.3	42.7
Payments for acquisitions of long-term financial assets	(0.1)	(0.5)
Proceeds from disposal of long-term financial assets	15.1	-
Dividends received	0.5	2.8
Change in loans and advances granted	(6.2)	(1.9)
Cash flows from investing activities (B) (**)	**(131.5)**	**(681.1)**
Capital increase	16.5	1.8
Capital repayment	-	-
Net sales (acquisition) of treasury shares	0.3	0.4
Proceeds from borrowings	471.7	549.9
Repayments of borrowings	(474.2)	(225.4)
Dividends paid to parent Company shareholders	(52.9)	(47.9)
Dividends paid to minority interests	(12.7)	(13.7)
Net interest paid	(56.5)	(32.7)
Cash flows from financing activities (C) (**)	**(107.8)**	**232.4**
Effect of changes in exchange rates (**)	(0.5)	(1.5)
Effect of changes in accounting principles (**)	-	-
Change in net cash (A) + (B) + (C)	**7.8**	**(93.5)**
Cash at beginning of period	(68.9)	24.7
Cash at end of period (*)	(61.1)	(68.9)
Change in cash	**7.8**	**(93.5)**
(*) Including:		
■ Marketable and other securities	0.0	0.0
■ Cash and cash equivalents	209.8	152.8
■ Bank overdrafts	(270.9)	(221.7)
(**) Including discontinued operations		
Cash flows from operating activities	67.0	55.8
Cash flows from investing activities	370.6	(164.7)
Cash flows from financing activities	(193.4)	80.6
Effect of changes in exchange rates	(5.1)	(3.7)
Effect of changes in accounting principles	-	-

CHANGES IN EQUITY STATEMENT

For 2010:

(In € millions)	Notes	Capital and related reserves: Share Capital	Capital and related reserves: Share premium and reserves related to share capital	Capital and related reserves: Reclassification of treasury shares	Unrealized or deferred gains / losses: Currency translation adjustments	Unrealized or deferred gains / losses: Change in fair value of available-for-sale investments	Unrealized or deferred gains / losses: Change in fair value of hedging derivatives	Other reserves and income	Total shareholders' equity, Group share	Minority interests	Consolidated shareholders' equity
Shareholders' equity as of January 1, 2010		**38.9**	**45.9**	**(78.2)**	**(72.8)**	**-**	**3.2**	**1,448.9**	**1,385.9**	**100.6**	**1,486.5**
Net income for the period		**-**	**-**	**-**	**-**	**-**	**-**	**39.2**	**39.2**	**(1.4)**	**37.8**
Other component of comprehensive income (net of taxes):		**-**	**-**	**-**	**27.7**	**-**	**(9.8)**	**-**	**18.0**	**1.5**	**19.4**
Cash flow hedge (IAS 39)	*3.20.2*	*-*	*-*	*-*	*-*	*-*	*(9.8)*		*(9.8)*	*(0.3)*	*(10.0)*
Profits and losses from the currency translation of the statements of foreign subsidiaries		*-*	*-*	*-*	*27.7*	*-*	*-*	*-*	*27.7*	*1.7*	*29.5*
Comprehensive income for the period		**-**	**-**	**-**	**27.7**	**-**	**(9.8)**	**39.2**	**57.2**	**0.0**	**57.2**
Capital increase	3.10	0.2	7.3	-	-	-	-	-	7.5		7.5
Dividends paid by the parent company in 2010		-	-	-	-	-	-	(52.9)	(52.9)	(12.7)	(65.6)
Capital repayment		-	-	-	-	-	-	-	-	-	-
Recognition of share-based payments	3.11 & 3.12	-	-	-	-	-	-	6.8	6.8	-	6.8
Reclassification of treasury shares	3.13	-	-	0.3	-	-	-	-	0.3	-	0.3
Other changes		-	-	-	-	-	-	(2.2)	(2.2)	(22.7)	(24.9)
Total transactions with shareholders		**0.2**	**7.3**	**0.3**	**-**	**-**	**-**	**(48.3)**	**(40.5)**	**(35.4)**	**(75.9)**
Shareholders' equity as of December 31, 2010		**39.1**	**53.2**	**(77.9)**	**(45.1)**	**-**	**(6.6)**	**1,439.8**	**1,402.6**	**65.3**	**1,467.8**

The other changes correspond mainly to changes in scope during the period (disposal of consolidated companies).

For 2009:

(In € millions)	Notes	Share Capital	Share premium and reserves related to share capital	Reclassification of treasury shares	Currency translation adjustments	Change in fair value of available-for-sale investments	Change in fair value of hedging derivatives	Other reserves and income	Total shareholders' equity, Group share	Minority interests	Consolidated shareholders' equity
		Capital and related reserves			Unrealized or deferred gains / losses						
Shareholders' equity as of January 1, 2009		**35.2**	**47.8**	**(78.4)**	**(91.4)**	**-**	**30.4**	**1,336.4**	**1,279.9**	**85.2**	**1,365.1**
Net income for the period		**-**	**-**	**-**	**-**	**-**	**-**	**155.4**	**155.4**	**16.2**	**171.6**
Other component of comprehensive income (net of taxes):		**-**	**-**	**-**	**18.6**	**-**	**(27.2)**	**-**	**(8.6)**	**(5.5)**	**(14.1)**
Cash flow hedge (IAS 39)	*3.20.2*	*-*	*-*	*-*	*-*	*-*	*(27.2)*		*(27.2)*	*(3.8)*	*(31.0)*
Profits and losses from the currency translation of the statements of foreign subsidiaries		*-*	*-*	*-*	*18.6*	*-*	*-*	*-*	*18.6*	*(1.7)*	*16.9*
Comprehensive income for the period		**-**	**-**	**-**	**18.6**	**-**	**(27.2)**	**155.4**	**146.8**	**10.7**	**157.6**
Capital increase	3.10	3.6	(1.8)	-	-	-	-	-	1.8		1.8
Dividends paid by the parent company in 2009		-	-	-	-	-	-	(47.9)	(47.9)	(13.7)	(61.6)
Capital repayment		-	-	-	-	-	-	-	-	-	-
Recognition of share-based payments	3.11 & 3.12	-	-	-	-	-	-	8.2	8.2	-	8.2
Reclassification of treasury shares	3.13	-	-	0.2	-	-	-	-	0.2	-	0.2
Other changes		-	-	-	-	-	-	(3.2)	(3.2)	18.4	15.1
Total transactions with shareholders		**3.6**	**(1.8)**	**0.2**	**-**	**-**	**-**	**(42.9)**	**(40.9)**	**4.7**	**(36.2)**
Shareholders' equity as of December 31, 2009		**38.9**	**45.9**	**(78.2)**	**(72.8)**	**-**	**3.2**	**1,448.9**	**1,385.9**	**100.6**	**1,486.5**

The other changes correspond primarily to the effect of the purchase of the Brazilian companies.

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1.1 GENERAL INFORMATION

The consolidated financial statements for fiscal year 2010 were approved by the BOURBON Board of Directors on March 14, 2011. BOURBON is an incorporated company registered in France, the shares of which are listed for trading on Compartment A of Euronext Paris.

The effects of the 2008 and 2009 global economic and financial crisis continued in 2010. In this context, BOURBON demonstrated its ability to withstand the market downturn and to kick off its new BOURBON 2015 strategic plan.

Following the sales of the bulk carriers, the Bulk transport operator activity and its sugar activity in Vietnam, in 2010 BOURBON completed its shift in focus to offshore oil and gas services. Reflecting the fact that this shift in focus is complete, earnings will now be analyzed under "Marine Services", "Subsea Services," and "Other". This final category includes, among other things, the chartered vessel activity and the operations of the cement carrier.

Pursuant to IFRS 8 Operating Segments, regarding a change in the Group's internal organizational structure, the operating segments as presented under segment information are now the following: "Marine Services" and "Subsea Services". The "Marine Services" segment is further broken down into "Deep", "Shallow" and "Crew".

The Cash Generating Units (CGU) within the Group are "Subsea Services", "Deep", "Shallow," and "Crew". Pursuant to IAS 36, goodwill was reallocated to these four CGU (see note 3.1). Impairment tests were done based on this new allocation.

1.2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the financial statements of Bourbon SA, its subsidiaries and companies controlled by the Group as of December 31 of each year. The financial statements of the subsidiaries and companies controlled by the Group are prepared over the same reference period as those of the parent company, on the basis of homogeneous accounting policies.

Statement of compliance

BOURBON's consolidated financial statements for the year ended December 31, 2010 have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union.

The IFRS include the IFRS, the International Accounting Standards (IAS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

The standards and interpretations used to prepare the consolidated financial statements as of December 31, 2010 are those published in the Official Journal of the European Union, the application of which was mandatory as of December 31, 2010.

Pursuant to Article 28 of European Regulation 809/2004 of April 29, 2004, the following information is included by reference:

- the consolidated financial statements for the year ended December 31, 2009 and the Statutory Auditors' report on those statements, provided in the annual report filed on May 18, with the *Autorité des Marchés Financiers* (on pages 51-108 and 109 respectively);
- the consolidated financial statements for the year ended December 31, 2008 and the Statutory Auditors' report on those statements, provided in the annual report filed on May 18, 2009 with the *Autorité des Marchés Financiers* (pages 37-92 and 93 respectively).

Consolidated financial statements - Bases of preparation

The Group's consolidated financial statements have been prepared on the historical cost basis, with the exception of derivative instruments and available-for-sale financial assets, which are measured at fair value. The consolidated financial statements are presented in millions of euros.

The subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group obtains control, until the date on which this control ceases to be exercised.

Minority interests represent the share of profit or loss and net assets which are not held by the Group. They are presented in the income statement and in shareholders' equity on the consolidated balance sheet separately from the Group's share of income/loss and shareholders' equity.

All intercompany balances and transactions as well as the income, expenses and gains or losses included in the book value of assets which come from internal transactions, are fully eliminated.

As required by IAS 1, the assets are presented as current assets on the consolidated balance sheet when they meet one of the following criteria:

- the expected liquidation date is less than twelve months or less than the Group's normal business cycle;
- they are essentially held for transaction purposes.

All other assets are classified as non-current assets.

Liabilities are presented as current liabilities on the consolidated balance sheet when they meet one of the following criteria:

- the expected settlement date is less than twelve months or less than the Group's normal business cycle;
- they are essentially held for transaction purposes;
- the Group does not hold an unconditional right to defer payment at least for the period of twelve months after closing.

All other liabilities are classified as non-current liabilities.

1.3 ADOPTION OF THE NEW AND REVISED STANDARDS

The accounting policies applied as of December 31, 2010 are consistent with those of the previous year.

However, during the year, the Group adopted the new IFRS standards and amendments as well as the IFRIC interpretations presented below:

- IFRS 3 revised – Business combinations and Amendments to IAS 27 revised – Consolidated and separate financial statements. Under these standards, the effect of the purchases of minority interests with no change in the consolidation method made during fiscal year 2010 was recognized under consolidated reserves, being considered as transactions involving shareholders' equity (see note 2.1.3).

The other standards and interpretations that are mandatory on or after January 1, 2010 did not result in any significant change in the valuation methods or the presentation of the statements. However, they did result in additional notes to the financial statements, as listed below:

- amendments to IAS 39 – Financial instruments: recognition and measurement – "Eligible Hedged Items";
- amendment to IFRS 2 – Group cash-settled share-based payments;
- annual improvement in IFRS standards;
- IFRIC 12 – Service concession arrangements;
- IFRIC 15 – Agreements for the construction of real estate;
- IFRIC 16 – Hedges of a net investment in a foreign operation;
- IFRIC 17 – Distributions of non-cash assets to owners;
- IFRIC 18 – Transfers of assets from customers.

Furthermore, the Group elected not to apply early the following standards and interpretations:

- amendments to IFRS 1 – Exemptions from disclosures under IFRS 7;
- IAS 24 – Related party disclosures (revised);
- amendments to IAS 32 – Classification of subscription rights;
- amendments to IFRIC 14 – Prepayments of a minimum funding requirement;
- IFRIC 19 – Extinguishing financial liabilities with equity instruments.

It should be noted that the following standards and interpretations were not adopted by the European Union as of December 31, 2010:

- amendment to IFRS 1 – Severe hyperinflation and removal of fixed dates for first-time adoption of IFRS;
- amendments to IFRS 7 – Disclosures: transfers of financial assets;
- IFRS 9 – Financial instruments.

1.4 USE OF ESTIMATES AND ASSUMPTIONS

Preparation of the financial statements in accordance with the conceptual framework of the IFRS involves the use of estimates, assumptions and assessments that affect the amounts presented in those financial statements. These estimates are based on past experience and on other factors considered to be reasonable given the circumstances. As the assumptions and assessments used and the circumstances existing on the date the statements are established may prove to be different in reality, the future results achieved may differ from the estimates used.

The principal assumptions concerning future events, and other sources of uncertainty related to the use of estimates on the closing date, changes in which during a year could generate a risk of a change in the net book value of assets and liabilities, are presented below.

Retirement benefits

The cost of defined benefit plans and other post-employment medical coverage benefits is determined on the basis of actuarial valuations. Those valuations are based on assumptions about discount rates, salary increase rates, mortality rates, and the probability of employment in the Group at the time of retirement. The method for calculating discount rates has remained unchanged from previous years. The rates are calculated based on global indices such as Reuters and Bloomberg.

Because of the long-term nature of such plans, the uncertainty of those estimates is significant. The net liabilities (long-term share) funded for these benefits granted to employees as of December 31, 2010 was €6.8 million (€6.4 million in 2009). More details are provided in note 3.14.

Financial instruments measured at fair value

For most of the instruments traded over the counter, the valuation is made using models that use observable market data. For example, the fair value of interest rate swaps is generally determined using rate curves based on the market interest rates observed on the closing date. The fair value of forward currency purchases is calculated by reference to current forward exchange rates for contracts with similar expiration profiles. The discounting future cash flows method is used to value other financial instruments.

Impairment test on goodwill

At least once a year, the Group assesses whether it is necessary to depreciate goodwill by using impairment tests (see note 1.5.2). Those tests require an estimate of the recoverable value of the Cash Generating Units to which the goodwill is allocated. Recoverable value is defined as the higher of the useful value and the fair value (net of disposal costs). In order to determine the useful value, the Group has to estimate the future cash flows expected from each cash generating unit and an appropriate discount rate in order to calculate the present value of these cash flows.

The expected future cash flows used to calculate the useful value of each CGU are calculated based on the Group's five-year business plans.

The flows are discounted at a rate measured on the basis of the average weighted cost of the capital determined for the Group. Analyses are then done to determine the sensitivity of the values obtained to a variation in one or more of the assumptions in the business plan.

Since by its nature the discounted cash flow method used to measure the useful value of the CGUs to which the goodwill is allocated is uncertain, the actual future cash flows can vary from the future cash flow projections used to determine the useful value.

The tests done in 2010 (estimate of the recoverable value of the CGU – in this case their fair value) did not show any impairment requiring a depreciation of goodwill.

Impairment tests on assets

Intangible assets with definite useful life and property, plant and equipment are tested for possible impairment as soon as there is any indication that the assets may be impaired (see notes 1.5.5 and 1.5.6), i.e. when events or specific circumstances indicate a risk of impairment loss. In order to conduct these tests, non-current assets are grouped into Cash Generating Units and their net book value is compared to the recoverable value of said units. Recoverable value is defined as the higher of the useful value and the fair value (net of disposal costs). In order to determine the useful value, the Group must estimate the future cash flows expected from each Cash Generating Unit and an appropriate discount rate to calculate the present value of such cash flows.

1.5 SUMMARY OF THE MAIN ACCOUNTING POLICIES

1.5.1 Foreign currency translation

The consolidated financial statements are disclosed in euros, which is the functional and presentation currency of the parent Company.

The functional currency of the foreign subsidiaries is generally the local currency. If the majority of the transactions and costs are executed in a different currency, that currency is used. Based on this principle, the functional currency of the Bulk subsidiaries of the Group is the US Dollar instead of the local currency, which is the euro.

The accounts of subsidiaries with a functional currency different from euro are translated by applying the closing rate method:

- balance sheet items, with the exception of shareholders' equity, which is maintained at the historical rate, are converted at the year-end exchange rate;
- items on the income statement are translated at the average rate for the period;
- the currency translation adjustment is included in consolidated shareholders' equity and does not affect income/loss.

Foreign currency transactions are initially booked in the functional currency at the exchange rate prevailing on the date of the transaction. On the closing date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing on the closing date. All exchange differences are recognized in the income statement, with the exception of those related to borrowings in foreign currencies which constitute a hedge of the net investment in a foreign entity. These differences are charged directly to shareholders' equity until the disposal of the investment; on that date, they are recognized as income/loss.

Pursuant to IAS 21, goodwill is expressed in the functional currency of the companies acquired and then translated at the closing rate (IAS 21.47).

1.5.2 Business combinations and goodwill

Business combinations (revised IFRS 3) are recognized using the purchase method. This method implies the recognition at fair value of the identifiable assets (including intangible assets not previously recognized) and identifiable liabilities (including contingent liabilities, with the exception of future restructurings) of the companies acquired.

The goodwill arising on a business combination is initially recognized at cost, which represents the excess of the acquisition cost over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. After the initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment tests, the goodwill acquired in a business combination is, as of the acquisition date, allocated to each of the Cash Generating Units likely to benefit from the synergies of the business combination.

Impairment tests are performed once there are indices of a loss of value and at least once a year.

When subsidiaries are sold, the difference between the sale price and the net asset sold plus accumulated currency translation adjustments and the net value of the goodwill is recognized in the income statement.

1.5.3 Negative goodwill

Negative goodwill represents the surplus between the Group's interest in the fair value of the assets, liabilities and contingent liabilities acquired over the acquisition cost, on the acquisition date.

It is booked directly as income/loss during the acquisition period.

1.5.4 Equity interests in joint ventures

The Group holds equity interests in joint ventures. A joint venture results from a contractual agreement under which two or more parties agree to conduct an economic activity under joint control. An entity under joint control is a joint venture, involving the creation of a separate entity in which each co-entrepreneur holds an equity interest. The Group recognizes its interest in a jointly controlled entity using proportionate consolidation method. The Group consolidates line by line its share in all assets, liabilities, income and expenses of the jointly controlled entity. The financial statements of the jointly controlled entity are established for the same reference period as those of the parent Company, using homogeneous accounting methods. Adjustments are made to harmonize any differences in accounting policies.

When the Group contributes or transfers an asset to a jointly controlled entity, the share of the gain or loss resulting from this transaction is recognized according to the substance of the transaction. When the Group acquires assets of the jointly controlled entity, the Group recognizes its share of the profit realized on the transaction by the jointly controlled entity only on the date on which said assets are sold to an independent third party.

The joint venture is consolidated proportionately until the date on which the Group ceases to have joint control of the entity.

1.5.5 Intangible assets

Intangible assets acquired separately are initially reported at cost. The cost of an intangible asset acquired within a business combination is its fair value on the acquisition date. After the initial accounting, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The Group assesses whether the useful life of an intangible asset is finite or indefinite. Intangible assets with a finite useful life are amortized over their economic useful life and are subject to an impairment test when there is an indication that the intangible asset is impaired.

The amortization period and method for amortizing an intangible asset with a finite useful life are reviewed at least at the closing of each year. Any change in the expected useful life or the expected rate of consumption of the future economic benefits representing the asset is accounted for by modifying the amortization period or method, as applicable, and such changes are treated as changes in estimates. The amortization expense for intangible assets with a finite useful life is booked on the income statement in the appropriate expense category depending on the function of the intangible asset.

The amortization periods of the main intangible assets are:

- software: 3 years;
- leasehold rights, over the period of the concessions: 38 to 50 years.

1.5.6 Property, plant and equipment

Property, plant and equipment are booked at cost after deducting accumulated depreciation and any accumulated impairment losses.

The residual values, useful lives and depreciation methods are reviewed at each year-end and changed if necessary.

VESSELS

A. Gross value

Property, plant and equipment consist primarily of vessels valued on the date they are included in the Group's assets at cost, i.e. the cost incurred to commission the asset for the projected use.

The cost of a tangible asset consists of the purchase price paid to a third party (including customs duties and non recoverable taxes, but net of discounts and commercial rebates obtained from the supplier), plus the following acquisition costs:

- directly attributable costs incurred to bring the asset into working condition for the planned use;
- installation costs;
- mobilization costs to the operating location;
- sea trial costs;
- legal documentation costs;
- professional fees (architects, engineers);
- commissions;
- costs for interim loans directly intended to finance the acquisition of the asset.

A tangible asset may include several components with separate life cycles or rates of depreciation. In this case, the main elements of the asset are identified and recognized separately using the component-based approach.

At BOURBON, each vessel consists of two components:

- a “vessel” component;
- an “overhaul” component.

An overhaul consists of maintenance operations performed at regular intervals, based on a long-term plan designed to meet classification requirements, international conventions or regulations.

At the acquisition date, the value of the “vessel” component is the total cost price of the asset minus the “overhaul” component; this component is equal to the cost of the first overhaul of the vessel.

B. Depreciation

Depreciation is calculated on the basis of the gross value of the component less its residual value.

Residual value is the expected selling price (less selling costs) which the Group would obtain today from the sale of this asset at the end of its use by the Group.

The depreciable amount of the “vessel” component is equal to its gross value in the consolidated accounts less its residual value. As the “overhaul” component has a zero residual value, its depreciable amount corresponds only to its gross value in the consolidated accounts.

Each component is then depreciated using the straight-line method over its useful life.

Useful life is defined according to the expected utility of the asset for BOURBON based on the use planned by the Group.

The main useful lives of the “vessel” component used at BOURBON are between 8 and 30 years.

The useful life of the “overhaul” component of a vessel depends on the multi-year maintenance schedule for the vessel.

Moreover, if there are indications of impairment, an impairment test is then performed on the group of assets (Cash Generating Unit) by comparing its net book value with its recoverable value. The recoverable value is generally determined with reference to a market valuation. Such valuations are obtained from independent experts and reviewed by the Group’s management. When the recoverable value turns out to be less than the net book value of the asset group, an impairment is recognized.

OTHER PROPERTY, PLANT AND EQUIPMENT (EXCLUDING VESSELS)

Property, plant and equipment, other than the vessels and investment property, are carried at cost as defined by IAS 16 § 16. These assets consist of a single component.

The depreciable amount of other tangible assets is equal to their purchase price, their residual value being zero, with the exception of certain buildings for which there is a residual value.

Other assets are depreciated using the straight-line method over their useful life.

The main useful lives for property, plant and equipment, excluding vessels, are as follows:

- construction and buildings: between 8 and 40 years;
- technical facilities: between 10 and 15 years;
- other property, plant and equipment: between 2 and 10 years.

INVESTMENT PROPERTIES

The investment properties held by the Group are recognized in the consolidated accounts at historical cost and depreciated using the straight-line method over 40 years.

1.5.7 Investments in associates

The Group’s equity interests in its associates are recognized using the equity method. An associate company is an entity over which the Group has significant influence. Investments in associates are recognized as assets on the balance sheet for the part of shareholders’ equity they represent. The goodwill on an associated company is included in the book value of the equity interest.

1.5.8 Investments and other financial assets

Financial assets included in the scope of application of IAS 39 are classified as “financial assets at fair value through profit or loss”, as “loans and receivables”, as “held-to-maturity investments”, or as “available-for-sale financial assets”. When initially recognized, financial assets are measured at fair value, plus transaction costs in the case of investments which

are not recognized at fair value through profit or loss. Initially, the Group analyzes the possible existence of embedded derivatives in the contracts. Embedded derivatives are separated from the host contract if the contract is not recognized in its entirety at fair value through the income statement, and if analysis shows that the economic features and the risks of the embedded derivatives are not closely related to those of the host contract.

The Group determines the classification of its financial assets at the time of initial recognition and reviews this classification at each yearly closing when this is authorized and appropriate.

All "normalized" purchases and sales of financial assets are recognized on the transaction date, i.e. the date on which the Group agrees to purchase the asset. "Normalized" purchases or sales are purchases or sales of financial assets under a contract, the terms of which require the delivery of the asset within the period generally defined by the regulations or by a convention on the market in question.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The category of "financial assets at fair value through profit or loss" includes financial assets held for trading purposes and financial assets designated at the initial accounting as financial assets at fair value through profit or loss. Further details are given in note 3.20.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets, with fixed or determinable payments, which are not listed on an active market. After initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, less, if applicable, an impairment loss. The amortized cost is calculated by taking into account any initial additional cost or discount, and includes commissions which are an integral part of the effective interest rate, as well as transaction costs.

Gains and losses are recognized as income/loss when the loans and receivables are derecognized or depreciated and through the mechanism of amortized cost.

HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments are non-derivative financial assets, with fixed and determinable payments and a fixed maturity, which the Group has the positive intent and the ability to hold to maturity. After initial recognition, held-to-maturity investments are measured at amortized cost.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial assets which are designated as being available for sale and which are not classified in any of the following three categories: "financial assets at fair value through profit or loss", "held-to-maturity investments", or "loans and receivables".

After initial recognition, available-for-sale financial assets are measured at fair value, and the gains and losses on such assets are booked directly as shareholders' equity in a separate line ("Unrealized net gains") until the investment is derecognized or until the investment is identified as being subject to impairment, in which case the cumulative gain or loss previously booked as shareholders' equity is then included in profit or loss.

Determining the fair value of financial instruments

The fair value of the financial instruments that are actively traded on organized financial markets is determined by reference to the market prices published on the closing date. For investments for which there is no active market, fair value is determined using valuation techniques. Such valuation techniques include: using recent arm's length market transactions between knowledgeable and willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If applicable, fair value is assessed on the basis of the proportion of shareholders' equity held. The assessment may also take into consideration the following parameters, to the extent that they can be reliably measured:

- potential unrealized gains, particularly property gains;
- prospects for profitability.

IMPAIRMENT OF FINANCIAL ASSETS

On each closing date, the Group assesses whether a financial asset or a group of financial assets is impaired.

Assets carried at amortized costs

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced through the use of an allowance account. The amount of loss shall be recognized in profit or loss.

The Group first assesses whether objective evidence of impairment individually exists for individually significant financial assets, as well as, on individually or collectively bases, for financial assets which are not individually significant. If it determines that there is no objective evidence of depreciation for a financial asset considered individually, in a significant or non-significant amount, this asset is included in a group of financial assets presenting similar credit risk characteristics, and this group of financial assets is subject to a collective impairment test.

Assets subject to an individual impairment test, for which impairment is recognized or continues to be recognized, are not included in a collective impairment test. If the amount of the impairment decreases during a subsequent year, and if this decrease can be objectively tied to an event that occurred after recognition of the impairment, the impairment previously recognized is reversed. A reversal of impairment is booked as income/loss provided the book value of the asset does not become greater than the amortized cost on the date the impairment is reversed.

For trade receivables, impairment is recognized when there is an objective indication (such as a probability of bankruptcy or significant financial difficulties for the debtor) that the Group will be unable to recover the amounts owed under the contractual terms of the invoice. The book value of the trade receivable is reduced using a valuation allowance account. Impaired outstanding amounts are recognized as a loss when they are deemed unrecoverable.

Available-for-sale financial assets

If an available-for-sale asset is impaired, an amount calculated as the difference between its acquisition cost (net of any repayment of principal and any depreciation) and its current fair value, less any impairment previously booked as income/loss, is transferred from shareholders' equity to income. Impairment on equity instruments may not result in a reversal booked as income. Impairment on debt instruments is reversed as income if the increase in the fair value of the instrument may be objectively related to an event that occurred after recognizing the impairment in the income statement.

1.5.9 Inventories and work in progress

Inventories are measured at the weighted-average cost method for raw materials and at the production cost for work in progress and finished goods.

When the production cost of finished goods is greater than the selling price at the inventory date, impairment is recognized in order to reduce the value of the inventories to their net realizable value.

1.5.10 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and in banks, short-term deposits and marketable securities. Cash and cash equivalents are recorded at fair value.

1.5.11 Non-current assets held for sale and discontinued operations

NON-CURRENT ASSETS HELD FOR SALE

Pursuant to IFRS 5, non-current assets (or disposal groups) and the related liabilities are classified as "held for sale" if their carrying amount will be recovered primarily through a sale transaction rather than continuing use. This classification implies that the assets (or disposal groups) intended for sale are available for immediate sale, in their present condition, and that the sale is highly probable.

The high probability of the sale is assessed on the basis of the following criteria: management has initiated an asset (or disposal groups) disposal plan and a program to find a buyer and finalize the plan has been launched. In addition, the assets must be actively marketed for sale at a reasonable price in relation to their fair value. The sale of the assets (or disposal groups) is assumed to take place within one year from the date of being classified as assets held for sale.

Non-current assets (or disposal groups) intended to be sold and classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. They are no longer depreciated as of the date they are classified as assets held for sale.

DISCONTINUED OPERATIONS

A discontinued operation is an activity or a significant geographic region for the Group which is either being sold or classified as an asset held for sale. The items of the income statement and the cash flow statement for these discontinued operations or operations being sold are presented on specific lines of the financial statements for all periods presented. As a result, certain elements of the income statement and the cash flow statement for the previous year are restated in order to present comparative information for these discontinued operations.

1.5.12 Treasury shares

When the Group purchases its own equity instruments (treasury shares), they are deducted from shareholders' equity. No profit or loss is booked in the income statement at the time of the purchase, sale, issue or cancellation of the Group's equity instruments.

1.5.13 Provisions

Provisions are recognized when the Group has a present obligation resulting from a past event, when it is probable that an outflow of resources embodying economic benefits will be necessary to settle the obligation, and when the amount of the obligation can be reliably estimated.

If the effect of the time value of the money is significant, the provisions are discounted on the basis of a pre-tax rate which reflects the risks specific to the liability, if any. When the provision is discounted, the increase in the provision related to the passage of time is recognized as a finance expense.

1.5.14 Employee benefits

Employee benefits include retirement indemnities, seniority awards, incentives and profit-sharing.

RETIREMENT BENEFITS

Group employees receive retirement indemnity in addition to the legal retirement benefits in effect in the countries in which they are employed.

Pursuant to IAS 19 “Employee benefits”, retirement benefit obligations are measured using the projected unit credit method. Under this method, the valuation of the commitment takes into consideration the pension rights that the employee will have acquired on the date of his retirement. However, the commitment is allocated proportionately between the employee’s seniority on the calculation date, taking into account the ratio between the employee’s current seniority and his seniority projected at retirement date.

These calculations include the following assumptions:

- retirement age: legal age prevailing in each country;
- average life expectancy: based on the mortality table applicable to each country;
- discount rate;
- inflation rate;
- turn-over: established for each company, using the average turn-over observed over the last five years;
- assumptions on salary increases;
- calculation of the rights based on collective agreements or specific agreements in force in each entity/country.

In accordance with the option offered by IAS 19, the Group has elected to account for its actuarial differences directly in shareholders’ equity.

INCENTIVES

Incentives are based on the Company’s performance, measured primarily by the increase in revenues and operating margins.

There are two application methods: the first consists of applying the coefficient of increase for each individual to the salary he received during the last six months, with the bonus paid every six months.

The second method, calculated annually, incorporates a progressive bonus by salary category. The amount of the bonus is, therefore, calculated by applying the corresponding percentage to the annual payroll. One part is then distributed uniformly among the employees and the other one is distributed in proportion to the gross salaries for the reference year.

Where the bonus is deposited to the Company Savings Plan (Plan d’Epargne Entreprise-PEE), an employer’s contribution of 20% is granted.

PROFIT-SHARING

The amounts owed under profit sharing are either paid directly to the employee if he so requests, or locked in for five years with a rights custodian (barring early release).

STOCK OPTION PLANS

The cost of equity-settled share-based payment transactions with employees, granted after November 7, 2002, is measured at the fair value of the equity instruments granted at the grant date using the “Black & Scholes” method.

This cost is recognized as personnel expenses as a contra entry to an equivalent increase in shareholders’ equity, using the straight-line method over the vesting period. This period ends on the date on which the employees obtain an unconditional right to the instruments (“the rights acquisition date”).

The cumulative expense recorded for these transactions at the end of each year until the rights acquisition date takes into account the Group’s best estimate, on that date, of the number of equity instruments that will be acquired.

When stock subscription options are exercised by their beneficiaries, the shares issued on that occasion will be remitted to them. The exercise price of the shares will be recognized as cash by the counterparty of the shareholders’ equity. In the case of stock purchase options, income from the sale at the time the options are exercised will be recognized as shareholders’ equity.

BONUS SHARES

The cost of equity-settled share-based payment transactions with employees, granted after November 7, 2002, is measured at the fair value of the equity instruments granted at the grant date.

This cost is recognized as personnel expenses as a contra entry to an equivalent increase in shareholders’ equity, using the straight-line method over the vesting period. This period ends on the date on which the employees obtain an unconditional right to the instruments (“the rights acquisition date”).

1.5.15 Financial liabilities

Financial liabilities include borrowings and financial debts, trade payables, derivative instruments and other current and non-current liabilities.

All borrowings are initially recorded at fair value less directly chargeable transaction costs.

After the initial accounting, interest-bearing loans are measured at amortized cost, using the effective interest rate method.

Profits and losses are recorded on the income statement when the debts are derecognized, and through the amortized cost mechanism.

Derivative instruments are carried at their fair value at the closing date. The accounting methods for derivative instruments are described in note 1.5.19.

1.5.16 Finance leases

Assets held under finance leases are recognized as assets of the Group, i.e. when in substance, the contract grants to the Group most of the risks and benefits related to the asset. These assets are measured at the fair value or, if lower, at the present value of the minimum lease payments. The asset is depreciated using the Group's depreciation methods as defined in note 1.5.6.

1.5.17 Revenue recognition

Revenue is recognized when it is probable that the future economic benefits will flow to the Group and when the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, other taxes on sales and customs duties.

Income from ordinary activities includes in particular chartering revenues and related services as well as assistance services.

1.5.18 Current income tax and deferred tax

The income tax expense for the year includes:

- the current income tax expense less tax credits and tax losses actually used;
- deferred tax, booked in the consolidated financial statements based on the tax situation of each company.

  Deferred taxes result from:
  - temporary differences between taxable profit and accounting profit,
  - consolidation restatements and eliminations,
  - and tax deficits that can be carried forward, which are likely to be recovered in the future.

These taxes are calculated and adjusted using the balance sheet liability method in its broadest sense. Deferred tax assets and liabilities are not discounted.

Deferred tax and current income tax relating to items booked directly as shareholders' equity are recognized as shareholders' equity and not in the income statement.

1.5.19 Derivative instruments and hedge accounting

The Group uses derivative instruments such as forward exchange contracts, interest rate swaps, cross currency swaps and exchange options to manage its exposure to movements in interest rates and foreign exchange rates. These derivative instruments are initially recognized at fair value on the date on which the contracts take effect and are subsequently measured at fair value. Derivative instruments are booked as assets when the fair value is positive and as liabilities when the fair value is negative.

All gains and losses from changes in the fair value of the derivative instruments which are not classified as hedging instruments are recognized directly in the income statement for the year.

The fair value of buying forward exchange contracts is calculated by reference to the current forward exchange rates for contracts with similar maturities. The fair value of interest rate swaps is generally determined using rate curves based on the market interest rates observed on the closing date.

For the purposes of hedge accounting, hedges are classified as:

- fair value hedges when they hedge the exposure to changes in the fair value of a recognized asset or liability, or a firm commitment (except for the exchange risk);
- cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a specific risk associated with a recognized asset or liability, or to a highly probable forecasted transaction or to the exchange risk on a firm commitment;
- hedges of a net investment in a foreign operation.

The hedge on the foreign currency risk of a firm commitment is recognized as a cash flow hedge.

At inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wants to apply the hedge accounting and the objective desired for risk management hedge strategy. The documentation includes the identification of the hedging instrument, the item or transaction hedged, the nature of the risk being hedged and how the Group will assess the effectiveness of the hedging instrument in offsetting the exposure to the changes in fair value of the item hedged or cash flows attributable to the hedged risk. The Group expects that the hedge will be highly effective in offsetting changes in fair value or in cash flows. The hedge is assessed on an ongoing basis in order to demonstrate that it has actually been highly effective during all the years covered by the financial statements for which it has been designated.

The hedging instruments that meet the strict criteria for hedge accounting are recognized as follows:

FAIR VALUE HEDGES

Fair value hedges are hedges on the Group's exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, or an identified portion of such financial assets or liabilities, which is attributable to a specific risk and which can affect the result for fair value hedges. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the item hedged, the hedging instrument is remeasured at fair value, and the resulting gains and losses are recognized for the two items on the income statement.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is accounted for as an asset or a liability, and the corresponding profit or loss is recognized on the income statement. The changes in the fair value of the hedging instrument are also accounted for as income/loss. The Group ceases to use hedge accounting if the hedge instrument reaches maturity or is sold, terminated or exercised, if the hedge no longer meets the criteria for hedge accounting, or when the Group cancels the designation.

CASH FLOW HEDGE

A cash flow hedge is a hedge on the exposure to changes in cash flow attributable to a specific risk associated with a recognized asset or liability or with a highly probably planned transaction, which can affect the results. The profit or loss corresponding to the effective part of the hedging instrument is recognized directly as shareholders' equity whereas the ineffective part is recognized as income/loss.

The amounts recognized directly in shareholders' equity shall be recognized in profit or loss in the same period or periods during which the hedged item affects profit or loss (for example, for assets that are hedged, at the rate of the amortization made).

If the hedging instrument reaching maturity is sold, terminated or exercised without being replaced or renewed, or if its designation as a hedging instrument is revoked, the amounts previously recognized as shareholders' equity are maintained as such until the execution of the planned transaction. If the transaction is no longer planned, this amount is recognized as income/loss.

1.6 TRANSLATION OF THE FINANCIAL STATEMENTS OF THE FOREIGN SUBSIDIARIES

The exchange rates used are as follows:

Currencies		Average rate for the year 2010	Closing rate as of Dec. 31, 2010	Closing rate as of Dec 31, 2009
BRL	Brazilian Real	2.3317	2.2177	2.5113
CHF	Swiss Franc	1.3805	1.2504	1.4836
CNY	Yuan	8.9721	8.8220	9.8350
INR	Indian Rupee	60.5902	59.7580	67.0400
MXN	Mexican Peso	16.7368	16.5475	18.9223
NGN	Nigerian Naira	201.9993	203.2240	218.3710
NOK	Norwegian Kroner	8.0040	7.8000	8.3000
QAR	Qatari Riyal	4.8374	4.8282	5.2229
SGD	Singapore Dollar	1.8058	1.7136	2.0194
UAH	Ukrainian Hryvnia	10.6755	10.6933	11.6374
USD	American Dollar	1.3258	1.3362	1.4406
VND	Vietnamese Dong	25,650.1100	25,970.6000	26,760.8000

2/ Significant information for the year ended December 31, 2010

2.1 CHANGES IN CONSOLIDATION SCOPE

2.1.1 Newly consolidated companies

The companies that were newly consolidated in 2010 are:

Bourbon Marine Services Austral	Set-up – fully consolidated
Bourbon Services Luxembourg	Set-up – fully consolidated
Bourbon Ships AS	Set-up – fully consolidated
Bourbon Training Center & Simulator Pte Ltd	Set-up – fully consolidated
Buana Jasa Bahari Pte	Set-up – fully consolidated
Caroline 23	Set-up – fully consolidated
Liberty 233 SNC	Set-up – fully consolidated
Liberty 234 SNC	Set-up – fully consolidated
PT Surf Marine Indonesia	Acquisition – fully consolidated
SGSP International	Set-up – fully consolidated
SNC Bourbon Artabaze	Set-up – fully consolidated
SNC Bourbon Liberty 119	Set-up – fully consolidated
SNC Bourbon Liberty 120	Set-up – fully consolidated
SNC Bourbon Liberty 121	Set-up – fully consolidated
SNC Bourbon Liberty 225	Set-up – fully consolidated
SNC Bourbon Liberty 226	Set-up – fully consolidated
SNC Bourbon Liberty 227	Set-up – fully consolidated
SNC Bourbon Liberty 228	Set-up – fully consolidated
SNC Bourbon Liberty 229	Set-up – fully consolidated
SNC Bourbon Liberty 230	Set-up – fully consolidated
SNC Bourbon Liberty 232	Set-up – fully consolidated
SNC Bourbon Liberty 233	Set-up – fully consolidated
SNC Bourbon Liberty 235	Set-up – fully consolidated
SNC Bourbon Liberty 236	Set-up – fully consolidated
SNC Bourbon Liberty 237	Set-up – fully consolidated
SNC Bourbon Liberty 238	Set-up – fully consolidated
SNC Bourbon Liberty 239	Set-up – fully consolidated
SNC Bourbon Supporter	Set-up – fully consolidated
SNC Liberty CE 121	Set-up – fully consolidated
SNC Liberty CE 122	Set-up – fully consolidated

The list of the consolidated companies is provided in note 5.7.

2.1.2 Deconsolidated companies

During 2010, the Group completed the job of shifting its focus to offshore oil and gas marine services by selling bulk carriers, the Bulk transport operator activity and its sugar activity in Vietnam.

The table below shows the impact of these disposals on the consolidated financial statements as of December 31, 2010:

(In € millions)	Discontinued operations/ operations held for sale
Sale price net of any selling costs	426.3
Net book value of assets/discontinued operations	(416.8)
Including impairment	*(43.8)*
Capital gain from disposal of assets/discontinued operations	**9.5**

DISCONTINUED OPERATIONS/OPERATIONS HELD FOR SALE

Sugar activity Vietnam

As early as August 9, 2010, BOURBON announced that its plan to sell the shares still owned in the Sucrerie de Bourbon Tay Ninh company was expected to go through in the near future.

Therefore, and pursuant to IFRS 5, the sugar activities in Vietnam were considered as of June 30, 2010 to be "Activities held for sale".

BOURBON followed through on this announcement on November 18, 2010 by selling its entire holding in Sucrerie de Bourbon Tay Ninh.

Therefore, and pursuant to IFRS 5, an impairment test was done by comparing the net book value of the asset net of those activities and their fair value. The fair value was calculated with reference to an estimated selling price net of selling costs. At that time, an impairment was calculated in the amount of €(9.5) million.

This impairment was deducted from the net book value of the activities sold.

Bulk transport operator activity

The disposal of the Bulk transport operator activity, announced by the Group on October 19, 2010, was finalized at year-end 2010. The gain resulting from this disposal is nearly €10 million.

In connection with this disposal, BOURBON retained the ownership and operation of a single cement carrier, the *Endeavor*.

Sale of 16 bulk carriers

As announced by BOURBON on June 25, 2010, an agreement to sell 16 bulk carriers was signed with US Company Genco Shipping and Trading Ltd. This agreement went into effect in July.

Pursuant to IFRS 5 and with regard to only one operation, the vessels concerned were considered as of June 30, 2010 to be a group of assets held for sale. Therefore, they were recognized on the consolidated balance sheet as "Non-current assets held for sale" at their net book value on the closing date, or €409.3 million. This amount included an impairment recorded in accordance with IFRS 5 in the amount of USD (45.5) million, or €(34.3) million at the average rate of 2010. This impairment was calculated based on the difference between the expected selling price net of selling costs and the expected net book value of the group of assets sold.

Following the sale of the bulk transport operator activity announced on October 19, 2010, all the results associated with this activity were reclassified as "Discontinued operations/operations held for sale," including impairment on the sales of the 16 bulk carriers.

In the second half of 2010, 15 bulk carriers were actually sold.

As of December 31, 2010, the remaining bulk carrier to be sold is recognized on the consolidated balance sheet under "Non-current assets held for sale" at its net book value on the closing date, or €14.9 million.

Pursuant to IFRS 5, BOURBON's consolidated financial statements as of December 31, 2010 reflect the following provisions:

- income (net of tax) is presented in aggregated form on a separate line from the income statement for the current period as well as for prior periods;
- all the assets and liabilities for the activities concerned are totaled on specific lines of the balance sheet for the current period but not for prior periods.

The other information presented in the consolidated financial statements is restated for consistency with the treatment described above.

The effects on consolidated income/loss as of December 31, 2010 and December 31, 2009 are shown below:

(In € millions)	2010	2009
Revenues	151.8	147.7
Operating costs	(80.3)	(98.9)
Allocations to and reversals from amortization and provisions	(14.4)	(13.9)
Cost of net debt	(2.0)	0.0
Other financial income and expenses	12.6	3.8
Net income from discontinued operations/operations held for sale before taxes	**67.8**	**38.8**
Income tax	(1.8)	(0.8)
Net income from discontinued operations/operations held for sale after taxes	**65.9**	**38.0**
Impairment	(43.8)	-
Gains on equity interests sold	9.5	-
Net income from discontinued operations/operations held for sale	**31.6**	**38.0**

The groups of assets and liabilities of the companies held for sale are presented below.

(In € millions)	12.31. 2010
Goodwill	-
Intangible assets	-
Property, plant and equipment	14.9
Investments in associates	-
Non-current financial assets	-
Deferred tax assets	-
Total non-current assets	**14.9**
Inventories and work in progress	-
Trade and other receivables	-
Current financial assets	-
Other current assets	-
Cash and cash equivalents	-
Total current assets	**-**
Non-current assets classified as held for sale	**(14.9)**
Total assets	**-**
Total shareholders' equity, Group share	-
Minority interests	-
Total shareholders' equity	**-**
Borrowings and financial liabilities	-
Employee benefit obligations	-
Other provisions	0.4
Deferred tax liabilities	-
Other non-current liabilities	-
Total non-current liabilities	**0.4**
Borrowings and bank loans (< one year)	-
Provisions (< one year)	-
Trade and other payables	-
Tax liabilities	-
Other current liabilities	-
Total current liabilities	**-**
Liabilities directly associated with non-current assets classified as held for sale	**(0.4)**
Total liabilities	**-**
Total liabilities and shareholders' equity	**-**

The statement of consolidated cash flow includes the flows related to “activities held for sale”. They are also presented on lines separate from the statement of consolidated cash flow and are repeated below:

CASH FLOWS ASSOCIATED WITH DISCONTINUED OPERATIONS/OPERATIONS HELD FOR SALE

(In € millions)	2010	2009
Cash flows from operating activities	67.0	55.8
Cash flows from investing activities	370.6	(164.7)
Cash flows from financing activities	(193.4)	80.6
Effect of changes in exchange rates	(5.1)	(3.7)
Effect of changes in accounting principles	-	-

The change in cash flows from the investing and financing activities for the two years presented is due primarily to the sale of 15 of the 16 Supramax bulk carriers and to the repayment of the related financing (see note 3.15).

2.1.3 Purchase of non-controlling interests

BOURBON purchased some minority interests during 2010. Pursuant to revised IFRS 3 and amended IAS 27, which have been mandatory since January 1, 2010, the effect of purchasing minority interests was recognized under consolidated reserves, as these purchases have no effect on the control exerted by BOURBON over those companies, and hence they did not entail any changes in the consolidation method of those companies

The effect on shareholders’ equity as of December 31, 2010 was €(4.5) million, as shown below:

(In € millions)	
Acquisition price of the shares	6.8
Restated portion acquired	2.3
Impact on shareholders’ equity	**(4.5)**

2.2 INTERESTS IN JOINT VENTURES

2.2.1 Information on companies proportionately consolidated

The list of the proportionately consolidated entities is provided in note 5.7.2.

The main aggregates for these companies are presented in the table below:

(In € millions)	12.31. 2010	12.31.2009
Non-current assets	91.5	70.8
Current assets	48.1	50.6
Total	**139.6**	**121.4**
Shareholders’ equity	18.7	9.5
Non-current liabilities	75.1	71.1
Current liabilities	45.7	40.8
Total	**139.6**	**121.4**
Revenues	53.0	38.1 (*)
Net income	13.2	12.2 (*)

(*) Not including the Brazilian companies purchased on December 31, 2009

3/ Notes to the consolidated financial statements

3.1 GOODWILL

As of December 31, 2010 the net balance of goodwill totaled €33.5 million broken down as follows:

(In € millions)	Gross	Impairment	Net
12.31.2008	**32.1**	**-**	**32.1**
Acquisitions	1.4	-	1.4
Disposals	-	-	-
Impairment	-	-	-
Currency translation adjustment	-	-	-
Change in consolidation scope	-	-	-
Reclassification and other changes	-	-	-
12.31.2009	**33.5**	**-**	**33.5**
Acquisitions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Currency translation adjustment	-	-	-
Change in consolidation scope	-	-	-
Reclassification and other changes	-	-	-
12.31.2010	**33.5**	**-**	**33.5**

The accounting method is detailed in note 1.5.2.

Following the reorganization of the BOURBON reporting structure, which changed the composition of one or more Cash Generating Units to which the goodwill was allocated, existing goodwill was reallocated to the new CGU defined (see note 1.1) – Subsea Services, Deep, Shallow and Crew.

The goodwill was reallocated as follows based on the activity of the company acquired and the classification of its directly owned fleet.

(In € millions)	
Marine Services – Deep	8.2
Marine Services – Shallow	6.1
Marine Services – Crew	-
Subsea Services	19.2
Total	**33.5**

No impairment requiring a depreciation of goodwill was identified as of December 31, 2010 (see note 1.4).

3.2 INTANGIBLE ASSETS

Intangible assets can be analyzed as follows:

(In € millions)	Gross value	Amortization and impairment	Net
12.31.2008	**14.0**	**(4.9)**	**9.1**
Acquisitions	5.3	(1.5)	3.8
Disposals	(0.2)	0.0	(0.2)
Change in consolidation scope	(0.6)	(0.0)	(0.7)
Currency translation adjustment	(0.2)	0.1	(0.1)
Reclassification and other changes	(1.8)	0.0	(1.8)
12.31.2009	**16.4**	**(6.2)**	**10.2**
Acquisitions	2.3	(2.4)	(0.1)
Disposals	(0.0)	0.0	(0.0)
Change in consolidation scope	(0.4)	0.3	(0.1)
Currency translation adjustment	0.4	(0.1)	0.3
Reclassification and other changes	(0.0)	(0.2)	(0.3)
IFRS 5 reclassification (*)	(0.2)	0.2	-
12.31.2010	**18.4**	**(8.5)**	**9.9**

(*) Reclassification of discontinued operations/operations held for sale.

The change in the gross value of the intangible assets is as follows:

(In € millions)	R&D costs	Concessions and patents	Business goodwill	Other intangible assets	Intangible assets in progress	Advances and installments	Total
12.31.2008	**-**	**4.0**	**1.1**	**4.6**	**3.6**	**0.7**	**14.0**
Acquisitions	0.1	0.1	-	2.7	0.9	1.5	5.3
Disposals	-	(0.1)	-	(0.1)	-	-	(0.2)
Change in consolidation scope	-	-	-	(0.6)	-	-	(0.6)
Currency translation adjustment	-	(0.0)	-	(0.2)	-	-	(0.2)
Reclassification and other changes	-	2.6	-	0.0	(3.4)	(1.0)	(1.8)
12.31.2009	**0.1**	**6.6**	**1.1**	**6.3**	**1.1**	**1.3**	**16.4**
Acquisitions	-	0.2	-	0.2	1.0	0.9	2.3
Disposals	-	(0.0)	-	(0.0)	-	-	(0.0)
Change in consolidation scope	-	(0.3)	-	(0.1)	-	-	(0.4)
Currency translation adjustment	-	0.0	-	0.3	-	-	0.4
Reclassification and other changes	-	2.0	(0.8)	1.2	(0.7)	(1.6)	(0.0)
IFRS 5 reclassification (*)	-	-	(0.2)	-	-	-	(0.2)
12.31.2010	**0.1**	**8.4**	**-**	**8.0**	**1.4**	**0.6**	**18.4**

(*) Reclassification of discontinued operations/operations held for sale.

Amortization and impairment of intangible assets is as follows:

(In € millions)	R&D costs	Concessions and patents	Business goodwill	Other intangible assets	Intangible assets in progress	Advances and installments	Total
12.31.2008	**-**	**(2.3)**	**-**	**(2.6)**	**-**	**-**	**(4.9)**
Acquisitions	(0.0)	(1.2)	-	(0.3)	-	-	(1.5)
Disposals	-	-	-	0.0	-	-	0.0
Change in consolidation scope	-	(0.0)	-	(0.0)	-	-	(0.0)
Currency translation adjustment	-	0.0	-	0.1	-	-	0.1
Reclassification and other changes	-	0.0	-	0.0	-	-	0.0
12.31.2009	**(0.0)**	**(3.4)**	**-**	**(2.8)**	**-**	**-**	**(6.2)**
Acquisitions	(0.0)	(1.9)	(0.2)	(0.3)	-	-	(2.4)
Disposals	-	-	-	0.0	-	-	0.0
Change in consolidation scope	-	0.2	-	0.0	-	-	0.3
Currency translation adjustment	-	(0.0)	-	(0.1)	-	-	(0.1)
Reclassification and other changes	-	(0.0)	-	(0.2)	-	-	(0.2)
IFRS 5 reclassification (*)	-	-	0.2	-	-	-	0.2
12.31.2010	**(0.0)**	**(5.1)**	**-**	**(3.3)**	**-**	**-**	**(8.5)**

(*) Reclassification of discontinued operations/operations held for sale.

3.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment represent €3,077.4 million as of December 31, 2010, including €0.7 million for investment properties detailed in note 3.4 and €3,076.6 million in other tangible assets which break down as follows:

(In € millions)	Gross	Amortization and impairment	Net
12.31.2008	**2,855.4**	**(407.3)**	**2,448.1**
Acquisitions	732.0	(134.4)	597.7
Disposals	(56.4)	18.1	(38.3)
Impairment	-	-	-
Change in consolidation scope	59.1	(16.8)	42.4
Currency translation adjustment	65.5	(17.0)	48.4
Reclassification and other changes	(7.6)	4.8	(2.8)
12.31.2009	**3,648.1**	**(552.6)**	**3,095.5**
Acquisitions	655.6	(182.4)	473.2
Disposals	(552.8)	88.8	(464.0)
Impairment	-	(43.8)	(43.8)
Change in consolidation scope	(96.9)	43.4	(53.5)
Currency translation adjustment	112.6	(20.7)	92.0
Reclassification and other changes	(7.2)	(0.5)	(7.8)
IFRS 5 reclassification (*)	(16.8)	1.9	(14.9)
12.31.2010	**3,742.5**	**(665.9)**	**3,076.6**

(*) Reclassification of discontinued operations/operations held for sale.

Over fiscal year 2010, interim borrowing costs capitalized in the cost of the vessels amounted to €11.2 million.

Details of gross property, plant and equipment:

(In € millions)	Land	Buildings	Technical facilities	Vessels and overhauls	Other tangible assets	Property plant and equipment in progress	Advances and installments	Total
12.31.2008	**1.4**	**35.0**	**51.0**	**1,855.6**	**8.0**	**904.4**	**(0.0)**	**2,855.4**
Acquisitions	-	6.4	1.8	36.6	2.9	684.3	-	732.0
Disposals	(0.1)	(0.2)	(0.1)	(55.7)	(0.3)	(0.0)	-	(56.4)
Change in consolidation scope	(0.8)	(4.5)	(0.0)	62.7	0.4	1.4	-	59.1
Currency translation adjustment	(0.0)	(1.7)	(3.8)	66.9	(0.2)	4.2	-	65.5
Reclassification and other changes	0.9	0.9	1.8	673.9	2.8	(688.0)	-	(7.6)
12.31.2009	**1.4**	**35.9**	**50.8**	**2,640.0**	**13.7**	**906.3**	**(0.0)**	**3,648.1**
Acquisitions	-	1.9	2.1	88.9	3.4	559.3	-	655.6
Disposals	-	-	(0.2)	(500.2)	(0.2)	(52.3)	-	(552.8)
Change in consolidation scope	-	(12.5)	(44.6)	(0.0)	(2.4)	(37.5)	-	(96.9)
Currency translation adjustment	0.0	1.0	0.2	95.0	1.0	15.4	-	112.6
Reclassification and other changes	-	0.2	4.4	661.6	0.1	(673.5)	-	(7.2)
IFRS 5 reclassification (*)	-	-	-	-	-	(16.8)	-	(16.8)
12.31.2010	**1.4**	**26.5**	**12.8**	**2,985.3**	**15.5**	**701.0 (**)**	**(0.0)**	**3,742.5**

(*) Reclassification of discontinued operations/operations held for sale.

(**) Incl. vessels under construction as of December 31, 2010: €700.8 million.

Details of depreciation and impairment on property and equipement:

(In € millions)	Land	Buildings	Technical facilities	Vessels and overhauls	Other tangible assets	Property plant and equipment in progress	Advances and installments	Total
12.31.2008	**-**	**(9.6)**	**(26.3)**	**(367.0)**	**(4.3)**	**(0.2)**	**-**	**(407.3)**
Acquisitions	-	(1.2)	(3.2)	(128.2)	(1.7)	-	-	(134.4)
Disposals	-	0.1	0.1	17.6	0.2	-	-	18.1
Impairment	-	-	-	-	-	-	-	-
Change in consolidation scope	-	0.5	-	(17.0)	(0.3)	-	-	(16.8)
Currency translation adjustment	-	0.6	2.1	(19.8)	0.0	0.0	-	(17.0)
Reclassification and other changes	-	0.2	(0.6)	5.2	0.0	-	-	4.8
12.31.2009	**-**	**(9.4)**	**(28.0)**	**(509.1)**	**(6.0)**	**(0.2)**	**-**	**(552.6)**
Acquisitions	-	(1.2)	(2.3)	(176.1)	(2.8)	-	-	(182.4)
Disposals	-	-	0.2	88.5	0.1	-	-	88.8
Impairment	-	-	(9.5)	(34.3)	-	-	-	(43.8)
Change in consolidation scope	-	6.1	35.9	(0.0)	1.3	0.2	-	43.4
Currency translation adjustment	-	(0.0)	(0.0)	(20.2)	(0.3)	(0.0)	-	(20.7)
Reclassification and other changes	-	(0.0)	0.0	1.3	0.1	(1.9)	-	(0.5)
IFRS 5 reclassification (*)	-	-	-	-	-	1.9	-	1.9
12.31.2010	**-**	**(4.5)**	**(3.8)**	**(649.9)**	**(7.7)**	**0.0**	**-**	**(665.9)**

(*) Reclassification of discontinued operations/operations held for sale.

The impairment of €(43.8) million includes impairment for the disposal of the sugar activities in Vietnam €(9.5) million as well as impairment for the sale of the 16 bulk carriers €(34.3) million (see note 2.1.2).

The changes in scope for 2010 come mainly from the disposal of the sugar activities in Vietnam.

The amount reclassified under IFRS 5 as of December 31, 2010 corresponds to the bulk net book value (after impairment) not yet sold.

Property, plant and equipment presented above include assets held under finance leases which break down as follows:

Details of the gross property, plant and equipment held under finance leases:

(In € millions)	Land	Buildings	Technical facilities	Vessels and overhauls	Other tangible assets	Total
12.31.2008	**-**	**-**	**-**	**102.2**	**-**	**102.2**
Acquisitions	-	-	-	4.8	-	4.8
Disposals	-	-	-	(2.2)	-	(2.2)
Change in consolidation scope	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-
Reclassification and other changes	-	-	-	8.7	-	8.7
12.31.2009	**-**	**-**	**-**	**113.5**	**-**	**113.5**
Acquisitions				0.8	-	0.8
Disposals				(0.4)	-	(0.4)
Change in consolidation scope	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-
Reclassification and other changes	-	-	-	3.7	-	3.7
12.31.2010	**-**	**-**	**-**	**117.6**	**-**	**117.6**

Financial liabilities related to fixed assets under finance lease arrangements correspond to the discounted value of the minimum payments for the lease. The amounts of the financial liabilities as well as their due dates are presented in note 3.15.

Details of depreciation and provisions on property, plant and equipment under finance leases:

(In € millions)	Land	Buildings	Technical facilities	Vessels and overhauls	Other tangible assets	Total
12.31.2008	**-**	**-**	**-**	**(13.6)**	**-**	**(13.6)**
Acquisitions	-	-	-	(5.4)	-	(5.4)
Disposals	-	-	-	2.2	-	2.2
Impairment	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-
Reclassification and other changes	-	-	-	-	-	-
12.31.2009	**-**	**-**	**-**	**(16.9)**	**-**	**(16.9)**
Acquisitions	-	-	-	(7.4)	-	(7.4)
Disposals	-	-	-	0.4	-	0.4
Impairment	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-
Reclassification and other changes	-	-	-	(3.7)	-	(3.7)
12.31.2010	**-**	**-**	**-**	**(27.6)**	**-**	**(27.6)**

3.4 INVESTMENT PROPERTIES

Breakdown of investment properties:

(In € millions)	Gross	Amortization and impairment	Net
12.31.2008	**1.7**	**-**	**1.7**
Acquisitions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Currency translation adjustment	-	-	-
Change in consolidation scope	-	-	-
Reclassification and other changes	(0.9)	-	(0.9)
12.31.2009	**0.7**	**-**	**0.7**
Acquisitions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Currency translation adjustment	-	-	-
Change in consolidation scope	-	-	-
Reclassification and other changes		-	-
12.31.2010	**0.7**	**-**	**0.7**

3.5 INVESTMENTS IN ASSOCIATES

As of December 31, 2010, investments in associates totaled €0.4 million. The change in the equity value was as follows:

(In € millions)	Investments in associates
12.31.2008	**0.3**
Share of net income/loss	0.0
Change in consolidation scope and other changes	-
Currency translation adjustment	0.0
12.31.2009	**0.3**
Share of net income/loss	0.1
Change in consolidation scope and other changes	(0.0)
Currency translation adjustment	0.0
12.31.2010	**0.4**

The main financial items of the companies consolidated by the equity method are presented below (calculated data indicated at 100%):

(In € millions)	12.31.2010	12.31.2009
Non-current assets	3.2	3.2
Current assets	3.8	1.3
Total assets	**7.1**	**4.4**
Non-current liabilities	3.7	3.5
Current liabilities	3.3	0.9
Total liabilities	**7.1**	**4.4**
Revenues	1.8	3.4
Net income	0.4	0.1

3.6 NON-CURRENT FINANCIAL ASSETS

The non-current portion of the financial assets is detailed below:

(In € millions)	12.31.2010	12.31.2009
Available-for-sale assets	0.3	0.8
Receivables from non-consolidated companies	-	-
Loans and securities	4.7	5.9
Financial assets at fair value	0.1	4.3
Other non-current financial assets	7.5	3.9
Derivative instruments	1.6	3.4
Total	**14.3**	**18.3**

The following tables show the change in the gross values and impairment on the available-for-sale assets, loans and guarantees as well as the financial assets at fair value.

Change in gross values:

(In € millions)	Available-for-sale assets	Loans and securities	Financial assets at fair value	Total
12.31.2008	**3.0**	**8.9**	**2.7**	**14.5**
Acquisitions	0.1	8.4	1.9	10.4
Disposals	-	(6.7)	-	(6.7)
Change in consolidation scope	-	(4.3)	-	(4.3)
Currency translation adjustment	(0.1)	0.0	(0.3)	(0.4)
Reclassification and other changes	-	0.0	-	0.0
12.31.2009	**2.9**	**6.4**	**4.3**	**13.6**
Acquisitions	0.0	8.4	-	8.4
Disposals	(0.4)	(3.0)	(2.2)	(5.6)
Change in consolidation scope	-	(3.4)	(2.1)	(5.5)
Currency translation adjustment	-	0.1	0.1	0.2
Reclassification and other changes	0.0	(3.7)	-	(3.7)
12.31.2010	**2.5**	**4.7**	**0.1**	**7.3**

Change in valuation allowance:

(In € millions)	Available-for-sale assets	Loans and securities	Financial assets at fair value	Total
12.31.2008	**(2.2)**	**(0.1)**	**-**	**(2.3)**
Acquisitions	-	(0.3)	-	(0.3)
Disposals	-	-	-	-
Change in consolidation scope	-	-	-	-
Currency translation adjustment	-	0.0	-	0.0
Reclassification and other changes	-	-	-	-
12.31.2009	**(2.2)**	**(0.4)**	**-**	**(2.6)**
Acquisitions	(0.1)	-	-	(0.1)
Disposals	-	-	-	-
Change in consolidation scope	-	0.4	-	0.4
Currency translation adjustment	-	(0.0)	-	(0.0)
Reclassification and other changes	-	-	-	-
12.31.2010	**(2.2)**	**(0.0)**	**-**	**(2.2)**

The main available-for-sale assets correspond to a stake in the company Bourbon Duhaco, a stake that was fully provisioned as of December 31, 2010.

The derivative instruments are detailed in note 3.20.

3.7 INVENTORIES AND WORK IN PROGRESS

Inventories and work in progress present a net value of €12.7 million as of December 31, 2010 and €19 million as of December 31, 2009, broken down as follows:

Gross values:

(In € millions)	12.31.2010	12.31.2009
Gross		
Raw materials and supplies	12.7	9.0
Work in progress	-	0.7
Finished and semi-finished goods	-	9.3
Merchandise	-	0.2
Total	**12.7**	**19.2**

Impairment:

(In € millions)	12.31.2010	12.31.2009
Impairment		
Raw materials and supplies	-	(0.2)
Work in progress	-	-
Finished and semi-finished goods	-	-
Merchandise	-	-
Total	**-**	**(0.2)**

The decrease in inventory between 2009 and 2010 is due mainly to the sale of the sugar activities in Vietnam.

3.8 TRADE AND OTHERS DEBTORS, CURRENT FINANCIAL ASSETS AND OTHER CURRENT ASSETS

Receivables due in less than one year are classified as current assets.

The current part of financial assets is detailed below:

	12.31.2010			12.31.2009		
(In € millions)	Gross value	Valuation allowance	Net value	Gross value	Valuation allowance	Net value
Trade and other debtors	369.8	(11.5)	358.2	354.0	(1.3)	352.7
Current financial assets	32.5	-	32.5	43.9	-	43.9
Other current assets	19.5	-	19.5	19.7	-	19.7
Total	**421.7**	**(11.5)**	**410.2**	**417.6**	**(1.3)**	**416.4**

Details of current financial assets and other current assets:

(In € millions)	12.31.2010	12.31.2009
Loans and securities	0.9	4.2
Accrued interests accrued on receivables and loans	0.0	0.0
Financial assets at fair value through profit & loss	13.2	22.7
Derivative instruments	18.4	17.1
Total current financial assets	**32.5**	**43.9**
State, income tax	0.3	1.0
Prepaid expenses	19.2	18.7
Total current assets	**19.5**	**19.7**

Financial assets at fair value through profit & loss correspond to the Gulfmark shares. Those shares were valued at fair value on December 31, 2010, based on the following parameters: share price and EUR/USD exchange rate as of December 31, 2010.

A 10% change in the price of these shares, all other things being equal, would have an effect of around €1.3 million on the market value of the shares.

In accordance with IFRS, any change in the fair value of these assets is recognized as financial income (see note 3.16). The impact for 2010 is a gain of €3.8 million.

The derivative instruments are presented in note 3.20.

3.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

(In € millions)	12.31.2010	12.31.2009
Marketable securities	0.0	0.0
Other investments	-	-
Accrued interests	0.0	0.0
Cash on hand and in banks	209.7	152.8
Total	**209.8**	**152.8**

3.10 SHAREHOLDERS' EQUITY

Capital stock

As of December 31, 2010, the capital stock amounted to €39,085,695. It consists of 61,532,545 shares fully paid up, representing a value of €0.64.

The raising of options exercised in 2010 resulted in the issuance of 345,319 shares and a capital increase of €219,347. The excess subscription price over the par value was recognized as a share premium in the amount of €7,255,299.

3.11 STOCK OPTION PLANS

BOURBON issued eight stock option plans, six of which are in force as of December 31, 2010, representing as of that date 3,631,448 stock options. The valuation and accounting methods for these stock option plans are shown in detail in note 1.5.14, and their main characteristics are shown in the table below:

	March 2005	December 2005	December 2006	December 2007	December 2008	September 2009
Date of authorization by the Combined General Meeting	May 25, 2000	June 7, 2005	June 7, 2005	June 7, 2005	May 30, 2008	May 30, 2008
Date of Board authorization	March 8, 2005	December 5, 2005	December 4, 2006	December 10, 2007	December 8, 2008	August 24, 2009
Number of stock options	363,000	726,000	52,272	1,419,660	39,160	1,933,500
Total number of allotted stock options adjusted as of 12.31.2010	14,225	455,887	40,656	1,219,900	36,080	1,864,700
Number of remaining beneficiaries	4	223	44	557	47	874
Start date	March 2009	December 2009	December 2010	December 2011	December 2012	September 2013
Expiration date	March 2011	December 2011	December 2012	December 2013	December 2014	September 2015
Subscription price in euros adjusted as of 12.31.2010	€17.43	€27.07	€33.10	€39.98	€19.09	€31.60
Subscription price in euros *(before adjustment)*	€42.17	€65.50	€40.05	€43.98	€21.00	€31.60
Price per share:						
Price per share on the grant date *(before adjustment)*	€44.50	€71.80	€40.36	€45.11	€18.60	€31.62
Fair value of options:						
Original fair value of options *(before adjustment)*	€9.55	€16.42	€11.55	€11.10	€7.58	€7.46
Risk free interest rate (10-year OAT)	3.73%	3.41%	3.67%	4.18%	3.69%	3.57%
Dividend yield	1.7%	1.6%	1.3%	1.1%	1.5%	2.2%
Volatility	21.43%	21.43%	33.51%	24.53%	61.80%	30.00%
Contractual acquisition period	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs	4 yrs

N.B.: The only cause for early exercise is the death of the employee.

The expense recognized during the fiscal year for the stock option plans was €(6.3) million (€(5.9) million in 2009).

3.12 ALLOTMENT OF BONUS SHARES

The Combined General Meeting of May 29, 2007 granted authority to the Board of Directors in its twentieth special resolution, in accordance with the terms set forth by Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to issue, one or more times, to the employees of the Company or of some categories of employees, and/or to the managers referred to in Article L. 225-197-1 II of the French Commercial Code, as well as to the employees and managers of the companies or of any economic interest grouping affiliated with as defined in Article L. 225-197-2 of the French Commercial Code, bonus share, either outstanding or to be issued.

Under this authority, in its August 27, 2007 meeting, the Board of Directors decided to grant, free of charge, 182,776 shares to the employees of the Company or of any company in the Group on November 1, 2007.

The main characteristics and assumptions adopted are listed below:

- number of shares adjusted as of December 31, 2010: 46,332;
- fair value on the grant/valuation date: €47.79 ;
- share price on the grant date: €47.79;
- acquisition period: between 2 and 4 years;
- the only cause for early exercise is the death of the employee.

The expense recognized for the year for the bonus share allotment plan was €(0.4) million ((2.3) million in 2009).

3.13 TREASURY SHARES

The treasury shares held by the Group on the closing date were deducted from consolidated shareholders' equity. The total impact at the end of 2010 was €(77.9) million. The number of treasury shares held by BOURBON as of December 31, 2010 was 2,456,430. The total effect at the close of fiscal year 2009 was €(78.2) million, as the number of treasury shares held by BOURBON was then 2,468,727.

3.14 EMPLOYEE BENEFIT OBLIGATIONS AND OTHER PROVISIONS

Provisions can be analyzed as follows:

(In € millions)	Employee benefits obligations	Tax assessments	Disputes	Guarantee of liabilities	Other provisions for risks	Provisions for other obligations	Total
12.31.2008	**6.0**	**0.5**	**0.2**	**0.8**	**17.8**	**0.3**	**25.6**
Additional provisions	1.3	0.2	0.9	-	3.5	-	5.8
Used during the year	(0.2)	(0.2)	-	-	(1.8)	(0.3)	(2.6)
Unused amount reversed	-	(0.1)	-	(0.0)	(4.8)	-	(4.9)
Change in consolidation scope	-	-	0.2	-	2.7	-	2.9
Currency translation adjustment	(0.0)	-	0.0	-	0.7	-	0.7
Reclassification and other changes	-	-	0.9	-	(0.9)	-	-
12.31.2009	**7.1**	**0.3**	**2.2**	**0.8**	**17.1**	**0.0**	**27.5**
Additional provisions	1.9	1.3	-	-	5.5	-	8.7
Used during the year	(0.4)	-	-	-	(4.2)	-	(4.6)
Unused amount reversed	-	(0.1)	(0.4)	-	(3.1)	-	(3.6)
Change in consolidation scope	(0.6)	-	-	-	(2.6)	-	(3.2)
Currency translation adjustment	0.1	(0.0)	0.1	-	(1.2)		(1.0)
Reclassification and other changes	(0.6)	-	(0.9)	-	1.5	(0.0)	(0.0)
12.31.2010	**7.6**	**1.5**	**0.9**	**0.8**	**13.0**	**0.0**	**23.8**

This item reflects the provisions with maturity greater than one year. The short-term portion of the provisions is stated on the line "Provisions - portion < one year".

The impact of additional provisions and reversal of provisions is booked as operating income, with the exception of the reversal of a provision set up after a risk occurred following the sale of an activity, which is classified as "Income from discontinued operations/operations held for sale".

Employee benefit obligations

Employee benefit obligations include the long-term portion of the provision for retirement benefit obligations and the provision for seniority awards.

RETIREMENT BENEFIT OBLIGATIONS

The table below shows the main assumptions used in valuing retirement benefit commitments:

	2010	2009	2008	2007
Discount rate:	4.50%	5.25%	5.75%	4.00%
Inflation rate:	2% in most cases, except for certain countries where a different rate was used to take into account local economic conditions.			
Salary increase:	inclusion of an average salary increase rate based on the salary policy within the various companies concerned.			
Turnover:	turnover rate determined for each entity.			

The change in the provision for pensions is as follows:

(In € millions)	12.31.2010	12.31.2009
Present value of the obligation at the beginning of the year	**6.4**	**5.3**
Current service cost	1.0	0.9
Interest cost	0.2	0.3
Retirement indemnities paid	(0.4)	(0.2)
Actuarial (Gains)/losses	0.2	0.2
Past service cost	-	-
Currency translation adjustment	-	(0.0)
Reclassifications	-	-
Effects of changes in consolidation scope and changes in consolidation method	(0.6)	-
Present value of the obligation at closing	**6.8**	**6.4**
o/w less than one year	*0.8*	*0.2*

The current service cost is the present value of benefit attributed to the current year (cost of one additional year of work).

Interest cost is the increase in the present value of the obligation resulting from the fact that it is one year closer to the date of payment of the benefits. It represents the cost of one year of non-discounting.

Actuarial losses refer mainly to the revision of the discount rate between 2009 and 2010. They are booked as shareholders' equity. In addition, there was no plan change in fiscal year 2010.

The items recognized in the income statement over 2010 for retirement benefit obligations were:

(In € millions)	2010	2009
Current service cost	(1.0)	(0.9)
Interest cost	(0.2)	(0.3)
Total expenses related to retirement obligations	**(1.2)**	**(1.2)**

3.15 FINANCIAL LIABILITIES

Financial liabilities (€1,975.6 million as of December 31, 2010) appear on the balance sheet in the items "Borrowings and financial liabilities" and "Borrowings and bank loans (portion less than one year)".

A. Analysis by maturity

The maturities on the financial liabilities are as follows:

(In € millions)	12.31.2010	12.31.2009
< 1 year	471.6	453.0
From 1 year and 5 years	984.0	822.9
> 5 years	519.9	626.4
Total	**1,975.6**	**1,902.4**
o/w:		
Short-term lines (overdrafts, spot credit drawdowns, credit facilities (revolving))	*270.9*	*297.7*
Finance lease liabilities	*77.8*	*82.3*
< 1 year	*4.7*	*4.5*
From 1 year and 5 years	*70.8*	*73.8*
> 5 years	*2.4*	*4.1*

B. Analysis by interest rates

Financial liabilities break down as follows:

(In € millions)	12.31.2010	12.31.2009
Fixed rate or swapped-to-fixed rate	1,259.7	1,074.5
Bank overdrafts (fixed or swapped-to-fixed rate)	-	-
Medium or long term variable rate	438.3	597.0
Bank overdrafts (variable rate)	270.7	221.7
Total borrowings and bank loans	**1,968.6**	**1,893.2**
Accrued interests	6.9	9.2
Total financial liabilities	**1,975.6**	**1,902.4**

C. Analysis by currency

The list below shows a breakdown of debt as of December 31, 2010:

(In € millions)	12.31.2010	12.31.2009
EUR – Euro	1,571.2	1,410.1
USD – American Dollar	162.7	272.0
NOK – Norwegian Kroner	225.6	204.1
VND – Vietnamese Dong	0.0	4.3
BRL – Brazilian Real	9.1	2.7
SGD – Singapore Dollar	0.0	-
Total (ex. accrued interests)	**1,968.6**	**1,893.2**

The Group's debt consists mainly of three kinds of financing:

- "Club deal" bank type financing:
  - initial loan signed in 2005 for €320 million, in redemption phase since 2009 (10-year redemption),
  - a second loan signed in 2007 for €450 million, in redemption phase since 2020 (10-year redemption),
  - lastly, a third loan signed in 2009 for €318 million. As of December 31, €264 million of this loan had been drawn down. It will be totally drawn down during 2011 and will then enter its five-year redemption phase;
- a series of asset-based bilaterial financing;
- short-term lines of credit, of which €110 million was unused as of December 31, 2010.

Following the sale of 15 of the 16 Supramax bulk carriers by the Bulk Division during 2010, funding was declared due, in particular for a "club deal" of USD 208 million and four bilateral loans. The sums repaid represented a total of €228 million.

A prefinancing line of €134 million signed in 2007 with a balance of €76 million at year-end 2009 was repaid in full during 2010.

D. Debt secured by collateral

As of December 31, 2010, the bank borrowings collaterized secured by mortgages, pledges of equipment or marketable securities and other securities represented a total of €848.4 million, compared with €760.2 million in 2009. The assets pledged are primarily vessels.

These mortgages were recorded with the "Bureau des Hypothèques" (Mortgage Registry) between 1999 and 2010 for a total value of €1,288.9 million.

3.16 FINANCE COSTS

Finance costs are as follows:

(In € millions)	12.31.2010	12.31.2009
Cost of net debt	**(54.5)**	**(32.7)**
■ Cost of gross debt	(55.5)	(33.9)
■ Income from cash and cash equivalents	1.0	1.2
Other finance gains and expenses	**22.1**	**(1.5)**
■ Net foreign exchange income/(loss)	9.2	3.4
■ Other finance expenses	(7.8)	(21.8)
■ Other finance gains	20.7	16.8

Cost of net debt equals all interest expense and income produced by the elements composing the financial debt during the year.

Other finance income gains and expenses mainly include foreign exchange gains and losses realized and unrealized as well as the fair value of derivative instruments and securities at fair value through profit and loss.

The other finance income gains and expenses as of December 31, 2010 are broken down below:

(In € millions)	12.31.2010
Other finance gains and expenses	**22.1**
Foreign exchange income/(loss) (1)	9.2
Other finance expenses	(7.8)
Including the fair value of derivative instruments	*(2.7)*
Other finance gains	20.7
Including the fair value of the securities at fair value through profit and loss	*3.8*
Including the fair value of derivative instruments	*14.2*

(1) Including the effect of the fair value of derivative instruments hedging balance sheet items.

The fair value of the securities at fair value through profit and loss corresponds in particular to the change in the value of the Gulfmark shares in the amount of €3.8 million.

3.17 DEFERRED TAX

As of December 31, the balances for deferred tax assets and liabilities were as follows:

(In € millions)	12.31.2010	12.31.2009
Deferred tax assets	22.3	15.2
Deferred tax liabilities	(16.6)	(9.6)
Net deferred tax	**5.7**	**5.6**

Analysis of deferred taxes

(In € millions)	12.31.2010	12.31.2009
Deferred tax assets	**22.3**	**15.2**
Retirement benefit obligations	0.6	0.6
Other temporary differences	0.9	1.8
Consolidation restatements	20.8	12.7
Other	0.0	0.0
Deferred tax liabilities	**(16.6)**	**(9.6)**
Restatements of amortization and depreciation	(7.3)	(4.7)
Other restatements and temporary differences	(9.4)	(4.9)

As of December 31, 2010, based on the principle of prudence and based on the tax position of the companies concerned, no deferred tax asset was recognized on the tax losses, which were €34.9 million.

3.18 INCOME TAXES

(In € millions)	12.31.2010	12.31.2009
Current income tax	(14.5)	(14.6)
Deferred income tax	(0.5)	5.9
Tax (expenses)/income	**(15.0)**	**(8.7)**

As of December 31, 2010, the theoretical corporate income tax of €8.8 million is calculated by applying the prevailing tax rate in France to the income before tax, the share in income/loss of associates, gains on equity interests sold and the net income from discontinued operations:

(In € millions)	12.31.2010	12.31.2009
Consolidated income before taxes, share in income/loss of associates, gains on equity interest sold and net income from discontinued operations	21.1	182.7
French domestic income tax prevailing as of 12.31.2010:		
33.33%	(7.0)	(60.9)
3.30%	(1.8)	(1.9)
Theoretical income tax	(8.8)	(62.8)
Income tax expense	(15.0)	(8.7)
Difference	**(6.2)**	**54.1**

The difference between the tax recognized and the theoretical tax is as follows:

(In € millions)	12.31.2010	12.31.2009
Tax savings (Tax EIGs, Pons Law)	(0.6)	(0.3)
Tonnage tax	19.1	20.9
Companies in deficit excluded from tax consolidation	(1.1)	(0.1)
Non-taxable foreign companies	13.6	19.0
Other differences	(37.2)	14.5
Total	**(6.2)**	**54.1**

The other differences are due mainly to the fact that deferred taxes on the treasury shares restatement were not recognized, nor were tax losses capitalized in the tax consolidation scope.

3.19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The main risks to which the Group is exposed are credit/counterparty risks, liquidity risks and market risks. The Board of Directors has reviewed and approved the management policies of each of these risks. The policies are summarized below.

3.19.1 Credit/counterparty risk

The Group's policy is to verify the financial health of all customers seeking credit payment terms. Furthermore, the Group continually monitors client balances. The financial soundness of its clients enables BOURBON to avoid the use of COFACE-type credit insurance. Supermajor, major, national and independent oil companies account for over 84% of revenues. The Group has not therefore taken out this type of credit insurance agreement.

The volume of business conducted with the top five clients represented €402 million (47.3% of revenues) while the top ten clients accounted for nearly 65% (€552 million).

A statement of anteriority of credits and other debtors is presented in Note 3.20.5.

In 2010, BOURBON did not conduct any contracts with national oil companies in countries with a high political risk such as Venezuela, Iran, Iraq or Burma.

Concerning the credit risk on the Group's other financial assets, i.e. cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, the Group works only with top-ranking banks, particularly with the major French banks, and pays particular attention to the choice of banking institutions.

3.19.2 Liquidity risks

Financing comes under a Group policy implemented by the Finance and Administration Department. This policy consists of financing the Group's needs through a combination of cash flows from operations and disposals of non-strategic assets and bank borrowings. Recurring cash flows are generated by the regular growth in the vessel fleet and by the long-term contract strategy with clients.

As of December 31, 2010, BOURBON's gross debts amounted to €1,976 million, including €1,504 million at more than one year. The repayment schedule for the medium and long-term debt is presented in Note 3.15 of the Notes to the Consolidated Financial Statements. The average residual life of this debt is 6.8 years.

The following table shows the composition of long and medium-term debt as of December 31, 2010:

Type of loan	Portion of medium/ long-term debt over one year *(in € millions)*	Medium/long-term debt *(in € millions)*	Total *(in € millions)*
Club Deal loan – €320 million	32	176	208
Club Deal loan – €450 million	45	371	416
Club Deal loan – €318 million	13	251	264
EIG / SNC outsourced	17	219	236
Financing - Norway fleet	7	77	84
43 other bilateral loans	80	410	490
Total	**194**	**1,504**	**1,698**

As of December 31, 2010, short-term lines, in the form of overdraft, spot credit or revolving credit, were used in the amount of €271 million. Accrued interests came to €7 million.

The Group had cash assets of €210 million as of December 31, 2010.

MEDIUM AND LONG-TERM BORROWINGS

Medium and long-term borrowing is primarily constituted by borrowings of the "club deal" loan [(1)] and bilateral type.

All these borrowings are backed by assets (vessels) taken as guarantees (1st ranking mortgage or "negative pledge"). The vessels are clearly identified when the loan contract is signed. During the life of the loan, for technical reasons, BOURBON may have to adjust the list of vessels initially assigned to the loan. Two options then arise – either partial redemption of the loan or substitution with another vessel. Whichever is the case, an amendment to the loan contract is signed to reflect the new guarantees.

There are no long and medium-term loans in existence that are not assigned to financing assets.

In 2005, BOURBON took out a "club deal" loan of €320 million for which the redemption phase began in April 2007 and will end in 2017. At December 31, 2010, the outstanding loan was €208 million.

In the summer of 2007, a €450 million loan (a "club deal") was subscribed. The redemption phase began in January 2010 and will be completed in 2020. At December 31, 2010, the outstanding loan was €416 million.

In July 2009, a new €318 million "club deal" loan was taken out (line drawn in the amount of €264 million at December 31, 2010). The redemption phase will begin in 2011 and end in 2016.

In parallel, bilateral borrowings (in dollars and euros) are regularly signed:

- some were signed and drawn in 2010 for a euro-equivalent amount of around €118 million;
- others have merely been signed and will be drawn down in future years. These undrawn bilateral loans amount to around €57 million.

As of December 31, 2010, the amount remaining to be drawn from existing loans totaled €138 million.

The confidence of the banks and in particular the French banks was confirmed by the signing in July 2009 of the loan for €318 million for seven years with 10 banking establishments at the height of the global crisis.

(1) In bank financing operations, "club deal" are small groups of banks historically close to the company that share the senior debt among themselves. When our loans are set up, BOURBON brings together all the prospective banks to arrange the loan so that none of the banks has a preponderant position. For reasons of convenience, one bank becomes the ìbookrunner,î but the other institutions are appointed as arrangers.

As of December 31, 2010, BOURBON respected the covenants associated with its loans, the main characteristics of which are described below.

In addition to the traditional covenants associated with corporate loans, some covenants specific to the €320 million and €450 million loans require BOURBON to make part of the fleet that is financed but not mortgaged available to the lender. If BOURBON were to exceed certain financial ratios contained in these contracts, BOURBON would also have to, at the lender's option, grant mortgages on those vessels (unmortgaged portion) on a priority basis and/or on other vessels in the BOURBON fleet in addition, until the ratios were re-established to the lender's satisfaction. As a result, no early repayment can be demanded if the ratios are exceeded.

In a few cases for bilateral loans, failure to comply with the financial covenants or an insufficient market value could constitute a case of default unless it is remedied within the specified time.

Lastly, the new 2009 "club deal" loan for €318 million contains a clause relative to compliance with certain "financial ratio" type covenants:

- net debt to equity of less than 1.90;
- net operating debts (NOD = net debts excluding prepayments on orders of vessels under construction) to EBITDA below 4.50 for fiscal years 2009 to 2011, and then below 4.00 for fiscal years 2012 and following years.

This clause contains an option that the loan be repaid immediately contingent on a two-thirds majority of the participating banks if these commitments are not respected. No repayment demand on this loan had been made as of December 31, 2010.

Most of the loans cited above also include an optional early redemption clause in the event of a change in control of the contracting borrower company.

SHORT-TERM LINES OF CREDIT

The Group's short-term debt was affected by various factors in 2010:

- Following the sale of 15 of the Bulk Division's 16 Supramax bulk carriers, the mortgage financing was declared due which required repayments (especially the USD 208 million "club deal" loan) in the amount of €228 million.
- The balance of the €134 million prefinancing line, amounting to €76 million, has been repaid in full.

In addition, the Group has unused short-term credit lines totaling around €110 million as of December 31, 2010.

Cash management is coordinated at the Group's operating headquarters. Financière Bourbon, a partnership organized as a cash clearing house, offers its services to most of the Group's operating subsidiaries. These entities, under a cash agreement with Financière Bourbon, receive active support in the management of their cash flow, their foreign currency and interest rate risks, their operating risks and their short and medium-term debt, in accordance with the various laws in force locally.

The Horizon 2012 plan has been financed since 2008 by a combination of cash flow generated by the activity, sales of non-strategic assets and the use of bank financing.

Under the BOURBON 2015 plan, the assumption is that cash flow generated from operations will amount to €2,700 million between 2011 and 2015; this will enable net debt to be reduced by €360 million by the end of the plan.

As of December 31, 2010, the amount of long-term loans available for drawdown came to €138 million; in addition, a loan of USD 400 million has already been secured from China Exim-Bank; in 2011-2015, complementary financing will probably be necessary to meet maturity repayments on existing loans.

If market conditions do not enable operating cash flow to be generated to the levels of these assumptions, the debt reduction will be proportionately less, or will not materialize.

BOURBON does not have a financial rating from a specialist agency.

3.19.3 Market risks

Market risks include the Group's exposure to interest rate risks, foreign exchange risks, risks on equities and risks on supplies.

INTEREST RATE RISK

The Group's exposure to the risk of interest rate fluctuations is related to the Group's medium and long-term variable rate financial debt. BOURBON regularly monitors its exposure to interest rate risk. This is coordinated and controlled centrally. It comes under the responsibility of the Vice President-Finance who reports to the Executive Vice President Chief Fnancial Officer.

The Group's policy consists of managing its interest rate expense by using a combination of fixed-rate and variable-rate borrowing. In order to optimize the overall financing cost, the Group sets up interest rate swaps under which it exchanges, at pre-determined intervals, the difference between the amount of fixed-rate interest and the amount of variable-rate interest calculated on a pre-defined nominal amount of borrowing.

These swaps are assigned to hedge the borrowings. As of December 31, 2010, after taking account of interest rate swaps, approximately 74% of the Group's medium or long-term debt was contracted at a fixed interest rate.

As of December 31, 2010, the rate swap contracts were on the Group's borrowings, transforming variable rates into fixed rates. These contracts were entered into in euros (EUR), Norwegian kroner (NOK) and US dollars (USD); they are broken down by maturity date as follows:

	Amounts outstanding		
As of 12.31.2010	Nominal *In (currency) millions*	Outstanding *(in millions of euros)*	Maturity
Currency - Fixed rate borrowing swaps			
EUR	4	4	04.14.2011
EUR	141	141	04.28.2011
EUR	75	75	01.26.2012
EUR	5	5	03.30.2013
EUR	40	40	04.15.2013
EUR	30	30	10.28.2013
EUR	120	120	01.26.2014
EUR	208	208	04.07.2014
EUR	40	40	10.15.2014
EUR	40	40	10.15.2015
EUR	50	50	07.26.2016
EUR	24	24	06.30.2017
NOK	500	64	02.15.2011
NOK	200	26	04.18.2011
NOK	200	26	04.16.2012
NOK	249	32	11.19.2012
NOK	500	64	02.15.2013
USD	2	2	01.24.2011
USD	3	2	01.26.2011
USD	4	3	10.31.2016
USD	5	4	01.17.2017
Total		**999**	

The following table shows the Group's net exposure to variable rates before and after risk management, based on the hedges in place and the sensitivity of the Group's income before taxes (related to changes in the fair value of monetary assets and liabilities) to a reasonable variation in interest rates, with all other variables remaining constant:

	As of December 31, 2010													
	Less than 1 year		1-2 years		2 to 3 years		3 to 4 years		4 to 5 years		Over 5 years		Total	
(In € millions)	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Cash or cash equivalents	-	209.8	-	-	-	-	-	-	-	-	-	-	-	209.8
Short-Term deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and securities	-	5.6	-	-	-	-	-	-	-	-	-	-	-	5.6
Financial assets	**-**	**215.4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**215.4**
Bank and overdrafts	-	(270.7)	-	-	-	-	-	-	-	-	-	-	-	(270.7)
Deposits and securities received	-	(0.0)	-	(0.2)	-	-	-	-	-	-	-	-	-	(0.2)
Finance lease liabilities	(3.5)	(1.2)	(65.7)	(1.2)	-	(1.2)	-	(1.3)	-	(1.3)	-	(2.4)	(69.2)	(8.6)
Bank borrowings	(19.6)	(169.7)	(16.5)	(211.9)	(15.9)	(195.0)	(16.4)	(252.0)	(17.1)	(188.2)	(106.2)	(411.3)	(191.8)	(1,428.1)
Financial liabilities	**(23.1)**	**(441.5)**	**(82.3)**	**(213.3)**	**(15.9)**	**(196.3)**	**(16.4)**	**(253.3)**	**(17.1)**	**(189.5)**	**(106.2)**	**(413.7)**	**(261.0)**	**(1,707.6)**
Hedging	**(126.7)**	**126.7**	**(162.9)**	**162.9**	**(159.3)**	**159.3**	**(162.3)**	**162.3**	**(112.4)**	**112.4**	**(275.0)**	**275.0**	**(998.7)**	**998.7**
Net variable-rate position after hedging	**(149.8)**	**(99.4)**	**(245.2)**	**(50.4)**	**(175.2)**	**(37.0)**	**(178.7)**	**(91.0)**	**(129.5)**	**(77.1)**	**(381.3)**	**(138.7)**	**(1,259.7)**	**(493.5)**
Sensitivity to an increase in interest rates of 100 BP (1%) after hedging		(1.0)		(0.5)		(0.4)		(0.9)		(0.8)		(1.4)		(4.9)
Sensitivity to a drop in interest rates of 100 BP (1%) after hedging		1.0		0.5		0.4		0.9		0.8		1.4		4.9

BP = basis point.

Assuming the position reached at December 31, 2010 is constant over one year, a 100 basis point (1%) change in the interest rate would therefore increase or decrease the cost of the Group's financial debt by €4.9 million over one year.

As of December 31, 2009, the Group's exposure to the rate risk was as follows:

	As of December 31, 2009													
	Less than 1 year		1-2 years		2 to 3 years		3 to 4 years		4 to 5 years		Over 5 years		Total	
(In € millions)	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate	Fixed rate	Variable rate
Cash or cash equivalents	-	152.8	-	-	-	-	-	-	-	-	-	-	-	152.8
Short-Term deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and securities	-	10.6	-	-	-	-	-	-	-	-	-	-	-	10.6
Financial assets	**-**	**163.3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**163.3**
Bank and overdrafts	-	(221.7)	-	-	-	-	-	-	-	-	-	-	-	(221.7)
Deposits and securities received	-	(0.0)	-	-	-	-	-	-	-	-	-	-	-	(0.0)
Finance lease liabilities	(3.3)	(1.1)	(3.5)	(1.1)	(65.7)	(1.1)	-	(1.1)	-	(1.1)	-	(4.1)	(72.6)	(9.8)
Bank borrowings	(13.4)	(204.2)	(8.7)	(157.7)	(5.5)	(183.8)	(5.0)	(169.1)	(4.9)	(214.7)	(42.3)	(580.1)	(79.7)	(1,509.4)
Financial liabilities	**(16.8)**	**(427.0)**	**(12.2)**	**(158.8)**	**(71.2)**	**(184.9)**	**(5.0)**	**(170.2)**	**(4.9)**	**(215.8)**	**(42.3)**	**(584.2)**	**(152.3)**	**(1,740.9)**
Hedging	**(100.3)**	**100.3**	**(124.6)**	**124.6**	**(116.7)**	**116.7**	**(113.2)**	**113.2**	**(168.4)**	**168.4**	**(299.0)**	**299.0**	**(922.2)**	**922.2**
Net variable-rate position after hedging	**(117.1)**	**(163.4)**	**(136.8)**	**(34.2)**	**(187.9)**	**(68.2)**	**(118.2)**	**(57.0)**	**(173.3)**	**(47.4)**	**(341.3)**	**(285.1)**	**(1,074.5)**	**(655.3)**
Sensitivity to an increase in interest rates of 100 BP (1%) after hedging		(1.6)		(0.3)		(0.7)		(0.6)		(0.5)		(2.9)		(6.6)
Sensitivity to a drop in interest rates of 100 BP (1%) after hedging		1.6		0.3		0.7		0.6		0.5		2.9		6.6

BP = basis point.

Assuming the position reached on December 31, 2009 to be constant, a change in interest rates of 100 basis points (1%) would therefore result in increasing or decreasing the cost of the Group's financial debt by €6.6 million over one year.

FOREIGN EXCHANGE RISK

Objectives

The Group's policy is to reduce as far as possible the economic risk related to foreign currency fluctuations over the medium term. The Group also tries to minimize the impact of the US dollar's volatility on annual operating income.

Cash flows from operating activities

The main foreign exchange risks on operations are related to invoicing clients. BOURBON invoices a large portion (about 73%) of its services in US dollars. The Group has a natural foreign exchange hedge thanks to the payment of expenses in dollars (representing about 28% of revenues). The policy is to maximize this natural hedge.

The residual risk is partially hedged in the short term by using forward US dollar sales and/or currency puts. On the unhedged portion, and over time, offshore oil and gas marine services are directly exposed to foreign currency risks, particularly on the US dollar.

Long-term cash flows

Policy

For vessel acquisitions in foreign currencies, the policy is to partly hedge the foreign exchange risk during the construction period by setting up currency futures call options.

The policy is to finance these acquisitions in the currency in which the corresponding charters will be paid by the customers. However, in order to avoid accounting exchange differences in countries outside the euro zone and the US dollar zone (particularly, in Norway), the entities finance their investments in their functional currency.

Current practice

As an exception, at the beginning of 2004 it was decided to temporarily abandon this practice and convert the majority of borrowings that were in dollars at the time to euros. This was done to recognize the unrealized foreign exchange gains booked during previous fiscal years.

Since then, most of the new borrowings (outside Norway) have been contracted in euros or US dollars. Where the euro/dollar exchange rate allows, borrowings in euros to finance assets generating revenue in dollars will be converted to dollars and future acquisitions will again be financed in dollars.

The following tables show the Group's net exposure to changes in foreign exchange rates:

- on income: transaction risk;
- on equity: currency translation risk.

a. Transaction risk

As of December 31, 2010, foreign exchange derivatives mainly involved flows in US dollars (USD) and Norwegian kroner (NOK), broken down as follows :

As of 12.31.2010	Amounts outstanding *in (currency) millions*	Maturity	Average exchange rate
Futures contracts covering expected future sales			
EUR/USD	200	Between 01.31.2011 and 10.31.2011	1.2868
Futures contracts covering expected future purchases			
USD/EUR	378	Between 01.01.2011 and 12.31.2011	1.3974
USD/EUR	27	Between 01.01.2012 and 12.31.2012	1.4455
USD/NOK	32	Between 01.01.2011 and 12.31.2011	5.8279
Cross-currency swap			
USD/EUR	158.3	09.29.2017 and 12.31.2019	1.4679
NOK/EUR	561.2	Year 2012, October 2016 and February 2017	8.2061

The following table shows, as of December 31, 2010, the position of the Group's monetary assets and liabilities (denominated in different a currency from the entity's functional currency) before and after management:

(In € millions)	USD	NOK	EUR	Other
Monetary assets	635.2	95.4	35.1	12.5
Monetary liabilities	(433.3)	(6.3)	(24.5)	(9.9)
Net position before management	**201.8**	**89.0**	**10.6**	**2.6**
Hedges	(118.5)	(71.9)	-	-
Net position after management	**83.4**	**17.1**	**10.6**	**2.6**

As of December 31, 2010, a 1% change in the euro exchange rate against all the currencies would represent a total impact at Group level of €0.3 million, after hedges are taken into account.

It should be noted that futures currency hedges related to future transactions are not shown in this table since the hedged item does not yet appear on the balance sheet.

As of December 31, 2009, the position was as follows:

(In € millions)	USD	NOK	EUR	Other
Monetary assets	462.1	107.0	63.8	4.4
Monetary liabilities	(286.3)	(4.2)	(68.1)	(2.2)
Net position before management	**175.8**	**102.8**	**(4.3)**	**2.2**
Hedges	(160.2)	(74.6)	-	-
Net position after management	**15.6**	**28.3**	**(4.3)**	**2.2**

As of December 31, 2009, a 1% change in the euro exchange rate against all the currencies would represent a total impact at Group level of €0.2 million, after hedges are taken into account.

It should be noted that currency futures hedges related to future transactions are not shown in this table since the hedged item does not yet appear on the balance sheet.

b. Currency translation risk

The table below shows a breakdown by currency of consolidated shareholders' equity for the years 2010 and 2009:

(In € millions)	12.31.2010	12.31.2009
Euro (EUR)	1,297.8	1,219.9
Brazilian Real (BRL)	(13.6)	(6.9)
Mexican Peso (MXN)	11.9	5.8
Norwegian Kroner (NOK)	51.0	39.2
US Dollar (USD)	139.0	232.3
Vietnamese Dong (VND)	(1.8)	(8.4)
Swiss Franc (CHF)	2.8	3.3
Nigerian Naira (NGN)	(17.8)	0.8
Other	(1.6)	0.6
Total	**1,467.8**	**1,486.5**

As of December 31, 2010, a 1% change in the exchange rates would represent an impact on consolidated shareholders' equity of €4 million (€5.5 million as of December 31, 2009).

EQUITY RISKS

As of December 31, 2010, the Group had no cash investments.

The Group's equity portfolio is made up mainly of shares listed on the US market. These shares are classified as "Assets valued at fair value through profit and loss". At year-end, these assets are valued at fair value, based on the following parameters: share price and exchange rate. In accordance with IFRS, any changes in the fair value of these assets are recognized as financial income.

As of December 31, 2010, the amount of the shares classified as "Assets valued at fair value through profit and loss" amounted to €13.3 million (see note 3.20 of the Notes to the Consolidated Financial Statements). A 10% change in the price of these shares, all other things being equal, would have an effect of around €1.3 million on the market value of these shares.

As indicated in Note 3.13 of the Notes to the Consolidated Financial Statements, BOURBON held 2,456,430 treasury shares as of December 31, 2010. Treasury shares are presented as a deduction from consolidated shareholders' equity.

A 10% change either up or down in the BOURBON share price would result in a change in the market value of the treasury shares of €8.5 million.

SUPPLY PRICE RISK

The group's exposure to price risk is minimal.

The change in the price of raw materials does not constitute a risk of significant increase in operating costs. Clients generally take direct charge of the cost of fuel.

3.20 FINANCIAL INSTRUMENTS

3.20.1 Financial assets

As of December 31, 2010 and December 31, 2009, financial assets were as follows:

	12.31.2010					
(In € millions)	Available-for-sale assets	Financial assets at fair value through profit and loss	Loans and receivables	Derivative financial instruments at fair value	Cash equivalents	Balance sheet total
Non-current financial assets	0.3	0.1	12.2	1.6	-	14.3
Trade and other receivables	-	-	358.2	-	-	358.2
Current financial assets	-	13.2	0.9	18.4	-	32.5
Other current assets	-	-	19.5	-	-	19.5
Cash and cash equivalents	-	-	-	-	209.8	209.8
Total	**0.3**	**13.3**	**390.9**	**20.0**	**209.8**	**634.3**

	12.31.2009					
(In € millions)	Available-for-sale assets	Financial assets at fair value through profit and loss	Loans and receivables	Derivative financial instruments at fair value	Cash equivalents	Balance sheet total
Non-current financial assets	0.8	4.3	9.9	3.4	-	18.3
Trade and other receivables	-	-	352.7	-	-	352.7
Current financial assets	-	22.7	4.2	17.1	-	43.9
Other current assets	-	-	19.7	-	-	19.7
Cash and cash equivalents	-	-	-	-	152.8	152.8
Total	**0.8**	**27.0**	**386.5**	**20.5**	**152.8**	**587.5**

A. AVAILABLE-FOR-SALE ASSETS

Available-for-sale assets held by the Group amounted to €0.3 million as of December 31, 2010. Profits and losses recorded as equity and income/loss on available-for-sale assets were as follows:

	12.31.2010					
	Dividends	Subsequent valuation			Income from sale	Redemption
(In € millions)		Change in fair value	Currency trans-adjustment	Valuation allowance		
Share equity	-	-	(0.0)	-	-	-
Income/loss	0.1	-	-	(0.1)	2.4	-
Total	**0.1**	**-**	**(0.0)**	**(0.1)**	**2.4**	**-**

	12.31.2009					
	Dividends	Subsequent valuation			Income from sale	Redemption
(In € millions)		Change in fair value	Currency trans-adjustment	Valuation allowance		
Share equity	-	-	(0.1)	-	-	-
Income/loss	0.1	-	-	-	2.4	-
Total	**0.1**	**-**	**(0.1)**	**-**	**2.4**	**-**

B. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial assets at fair value through profit and loss held by the Group amounted to €13.3 million as of December 31, 2010. These consist mainly of Gulfmark shares for €13.2 million (see note 3.8).

Profits and losses posted from financial assets at fair value through profit and loss are shown below:

	12.31.2010					
	Dividends	Subsequent valuation			Income from sale	Redemption
(In € millions)		Change in fair value	Currency trans-adjustment	Valuation allowance		
Share equity	-	-	0.1	-	-	-
Income/loss	-	3.8	-	-	-	-
Total	**-**	**3.8**	**0.1**	**-**	**-**	**-**

	12.31.2009					
	Dividends	Subsequent valuation			Income from sale	Redemption
(In € millions)		Change in fair value	Currency trans-adjustment	Valuation allowance		
Share equity	-	-	(0.3)	-	-	-
Income/loss	-	2.9	-	-	-	-
Total	**-**	**2.9**	**(0.3)**	**-**	**-**	**-**

The change in fair value concerns mainly the Gulfmark shares (see note 3.16).

C. LOANS AND RECEIVABLES AT AMORTIZED COST

Loans and receivables at amortized costs can be analyzed as follows:

	12.31.2010			12.31.2009		
(In € millions)	Gross	Valuation allowance	Net	Gross	Valuation allowance	Net
Loans & receivables at amortized cost	32.7	-	32.7	34.2	(0.4)	33.8
Trade and other receivables	369.8	(11.5)	358.2	354.0	(1.3)	352.7
Total	**402.4**	**(11.5)**	**390.9**	**388.2**	**(1.7)**	**386.5**

Profits and losses recorded as equity and as income/loss on loans and receivables at amortized cost were as follows:

	12.31.2010			
	Interest	Subsequent valuation		Income from sale
(In € millions)		Currency allowance	Valuation trans-adjustment	
Share equity	-	0.9	-	-
Income	0.0	-	-	-
Total	**0.0**	**0.9**	**-**	**-**

	12.31.2009			
	Interest	Subsequent valuation		Income from sale
(In € millions)		Currency allowance	Valuation trans-adjustment	
Share equity	-	(0.3)	-	-
Income	-	-	(0.3)	-
Total	**-**	**(0.3)**	**(0.3)**	**-**

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled €209.8 million as of December 31, 2010 compared with €152.8 million as of December 31, 2009. This item does not include liquid assets subject to restrictions.

The policy for managing financial risks is presented in note 3.19. The cash and cash equivalents item is presented in note 3.9.

3.20.2 Derivative financial instruments

The fair value of the derivative financial instruments as of December 31, 2010 and December 31, 2009 can be analyzed as follows:

FINANCIAL ASSETS

	12.31.2010			12.31.2009
(In € millions)	Current	Non-current	Total	Total
Derivative instruments to hedge debt	-	-	-	-
Derivative instruments to hedge revenues in foreign currencies and other	18.4	1.6	20.0	20.5
Total	**18.4**	**1.6**	**20.0**	**20.5**

FINANCIAL LIABILITIES

	12.31.2010			12.31.2009
(In € millions)	Current	Non-current	Total	Total
Derivative instruments to hedge debt	0.3	40.1	40.4	24.7
Derivative instruments to hedge foreign exchange rate and other	-	13.9	13.9	11.6
Total	**0.3**	**54.0**	**54.3**	**36.3**

Hedging the interest rate risk

As of December 31, 20010 and as of December 31, 2009, the Group held various swap contracts intended to cover changes in the rates on its variable rate borrowings. The swap contracts are used to hedge the rate risk for firm commitments.

The terms of the rate swaps have been negotiated to coincide with the terms of the firm commitments.

Cash flow hedges related to loans were deemed highly effective on December 31, 2010. The change in the fair value of these hedging instruments represents unrealized loss of €(15.8) million, which was booked under shareholders' equity.

Hedging the foreign exchange risk

As of December 31, 2010 and as of December 31, 2009, the Group held various forward contracts intended to cover future sales or future purchases for which the Group has firm commitments.

The terms of the forward currency contracts have been negotiated to coincide with the terms of the firm commitments.

The hedges on future cash flows related to future purchases or sales were considered to be highly effective. Therefore, the changes in fair value of the effective portion of the hedging instrument are recognized as shareholders' equity. For the year 2010, an unrealized gain of €0.6 million was booked under shareholders' equity.

Since 2007, the Group has contracted forward exchange rate hedges to cover certain intragroup transactions. Pursuant to IAS 39 § 80, these hedges have been classified as "trading" hedges, and the fair value booked directly as income/loss. The impact on the 2010 results was a loss of €(0.1) million.

The change in fair value of the derivative instruments booked directly under consolidated reserves (Group and minority interests) represents for the year 2010 a net unrealized tax-deferred loss of €(10.0) million, broken down as follows:

(In € millions)	2010	2009
Change in fair value of hedge derivatives	(14.8)	(34.4)
o/w:		
■ *Futures sales and purchases on hulls/revenues*	*0.6*	*(27.5)*
■ *Interest rate swaps*	*(15.8)*	*(9.7)*
■ *Other*	*0.3*	*2.8*
Effect of deferred taxation	4.8	3.4
Net Impact	**(10.0)**	**(31.0)**

The derivative instruments are put in place in accordance with the Group's risk management policy and are analyzed in note 3.20.

3.20.3 Financial liabilities

As of December 31, 2010 and December 31, 2009, financial liabilities were as follows:

	12.31.2010			12.31.2009
(In € millions)	Current	Non- current	Total	Total
Financial debt	471.6	1,503.9	1,975.6	1,902.4
Derivative instruments	0.3	54.0	54.3	36.3
Trade and other payables	261.6	-	261.6	282.7
Other liabilities	3.4	1.2	4.6	16.6
Total	**736.9**	**1,559.2**	**2,296.1**	**2,238.0**

A. FINANCIAL DEBT

The financial debt is analyzed in note 3.15. It breaks down as follows as of December 31, 2010 and December 31, 2009:

	12.31.2010			12.31.2009
(In € millions)	Current	Non-current	Total	Total
Bonds	-	-	-	-
Commercial paper	-	-	-	-
Draws on credit facilities	-	-	-	76.0
Borrowings on finance leases	4.7	73.2	77.8	82.3
Other bank loans	189.3	1,430.8	1,620.1	1,513.2
Accrued interests	6.8	-	6.8	9.1
Total borrowings	**200.8**	**1,503.9**	**1,704.7**	**1,680.6**
Bank overdrafts and cash current accounts	270.7	-	270.7	221.7
Accrued interests	0.2	-	0.2	0.1
Total financial debt	**471.6**	**1,503.9**	**1,975.6**	**1,902.4**

B. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments recognized as liabilities on the balance sheet are presented in note 3.20.2.

C. TRADE AND OTHER PAYABLES

(In € millions)	12.31.2010	12.31.2009
Suppliers	83.3	100.8
Debt on non-current assets	40.3	33.9
Social security liabilities	38.7	34.2
Tax liabilities	49.2	23.6
Other liabilities	50.1	90.3
Deferred income	1.3	9.6
Total	**262.9**	**292.4**

The balance sheet value of all these debts represents a good approximation of their fair value.

3.20.4 Fair value of the financial assets and liabilities

The method for valuing financial assets and liabilities is detailed in notes 1.5.8 to 1.5.19.

3.20.5 Management of the risks related to financial instruments

The Group's risk management policy is presented in note 3.19.

A. CREDIT RISK

The policy for managing financial risks is presented in note 3.19.

Receivables outstanding and non-impaired were as follows as of December 31, 2010 and December 31, 2009:

	12.31.2010							
	Assets outstanding at closing					Assets impaired	Assets not impaired or outstanding	Total
(In € millions)	< 30 days	31-60 days	61-90 days	> 91 days	Total			
Loans & receivables at amortized cost	-	-	-	-	-	-	32.7	32.7
Trade and other receivables	20.4	10.0	4.0	24.9	59.3	11.5	298.9	369.8
Total	**20.4**	**10.0**	**4.0**	**24.9**	**59.3**	**11.5**	**331.5**	**402.4**

	12.31.2009							
	Assets outstanding at closing							
(In € millions)	< 30 days	31-60 days	61-90 days	> 91 days	Total	Assets impaired	Assets not impaired or outstanding	Total
Loans & receivables at amortized cost	-	-	-	-	-	0.4	33.8	34.2
Trade and other receivables	26.6	13.0	11.0	24.0	74.5	1.3	278.2	354.0
Total	**26.6**	**13.0**	**11.0**	**24.0**	**74.5**	**1.7**	**312.0**	**388.2**

B. LIQUIDITY RISK

The contractual undiscounted flows on outstanding financial liabilities by maturity date were as follows:

AS OF DECEMBER 31, 2010

(In € millions)	2011	2012	2013	2014	2015	> 5 years	Total	Balance sheet total
Bonds	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-
Draws on credit facilities	-	-		-	-	-	-	-
Borrowings on finance leases	4.7	67.0	1.2	1.3	1.3	2.4	77.8	77.8
Other bank loans	189.3	228.6	210.9	268.4	205.3	517.6	1,620.1	1,620.1
Accrued interests	6.8	-	-	-	-	-	6.8	6.8
Total borrowings	**200.8**	**295.6**	**212.1**	**269.7**	**206.6**	**519.9**	**1,704.7**	**1,704.7**
Bank overdrafts and cash current accounts	270.7	-	-	-	-	-	270.7	270.7
Accrued interests	0.2	-	-	-	-	-	0.2	0.2
Total financial debt	**471.6**	**295.6**	**212.1**	**269.7**	**206.6**	**519.9**	**1,975.6**	**1,975.6**

AS OF DECEMBER 31, 2009

(In € millions)	2010	2011	2012	2013	2014	> 5 years	Total	Balance sheet total
Bonds	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-
Draws on credit facilities	76.0	-	-	-	-	-	76.0	76.0
Borrowings on finance leases	4.5	4.6	66.9	1.1	1.1	4.1	82.3	82.3
Other bank loans	141.7	166.3	189.2	174.0	219.6	622.4	1,513.2	1,513.2
Accrued interests	9.2	-	-	-	-	-	9.2	9.2
Total borrowings	**231.4**	**171.0**	**256.1**	**175.2**	**220.7**	**626.4**	**1,680.8**	**1,680.8**
Bank overdrafts and cash current accounts	221.5	-	-	-	-	-	221.5	221.5
Accrued interests	0.1	-	-	-	-	-	0.1	0.1
Total financial debt	**453.0**	**171.0**	**256.1**	**175.2**	**220.7**	**626.4**	**1,902.4**	**1,902.4**

As of December 31, 2010 and December 31, 2009, the contractual undiscounted flows on outstanding loans with a maturity of less than one year are listed below:

(In € millions)	2011	2010
January	24.8	17.6
February	8.2	8.2
March	9.5	56.9
April	32.2	22.5
May	4.8	5.0
June	15.9	10.9
July	25.7	24.5
August	8.2	8.2
September	9.5	13.6
October	41.3	24.1
November	4.8	5.0
December	15.8	34.8
Maturing in less than one year	**200.8**	**231.4**

C. MARKET RISK

The Group's exposure to market risk is analyzed in note 3.19.

4/ Operating segments

In 2010, following the sales of the bulk carriers, the bulk transport operator activity and the sugar activity in Vietnam, BOURBON shifted its focus to offshore oil and gas services. To reflect the fact that this change in focus is now complete, the Group's results will be analyzed as "Marine Services", "Subsea Services" and "Other". The last category includes, among other things, the activity of external vessels and of the cement carrier.

Pursuant to IFRS 8 "Operating Segments" regarding a change in the Group's internal organizational structure, the operating segments as presented under segment information are now the following: "Marine Services" and "Subsea Services". In turn, the "Marine Services" segment is broken down into "Deep", "Shallow" and "Crew".

It should be noted that the assumptions for valuing the results of the different segments are no different from the assumptions used to prepare the financial statements.

Income and expenses that cannot be charged to the operating segments are classified as "Other".

The capital employed as presented in the segment information includes the following items:

- goodwill;
- the consolidated net book value of the vessels;
- installments on vessels under construction;
- Other intangible assets and property, plant and equipment;
- non-current financial instruments (asset and liability components);
- long-term financial assets (mainly loans);
- working capital, which includes current assets (with the exception of cash and cash equivalents) as well as current liabilities (with the exception of borrowings and bank loans and provisions).

Commercial transactions between Divisions are established on a market basis, with terms and conditions identical to those in effect for supplying goods and services to customers outside the Group.

The segment information for 2010 is as follows:

(In € millions)	Total Marine Services	Of which Deep	Of which Shallow	Of which Crew	Total Subsea Services	Other	Total
Revenues (non Group sales)	660.3	308.7	151.7	199.9	149.6	40.0	849.9
Direct costs	(405.7)	(166.8)	(106.8)	(132.1)	(80.6)	(33.3)	(519.6)
General and administrative costs	(71.7)	(33.5)	(16.5)	(21.7)	(16.2)	(1.4)	(89.4)
EBITDA	**182.9**	**108.3**	**28.5**	**46.1**	**52.8**	**5.2**	**240.9**
Goodwill	14.3	8.2	6.1	-	19.2	-	33.5
Vessels	1,931.1	nd	nd	nd	376.6	27.7	2,335.3
Installments on vessels under construction	433.3	nd	nd	nd	261.6	5.9	700.8
Other non-current assets and liabilities	(18.9)	nd	nd	nd	11.7	12.5	5.3
Working capital	128.0	nd	nd	nd	29.0	6.0	163.0
Capital employed	**2,487.7**	**nd**	**nd**	**nd**	**698.1**	**52.1**	**3,237.9**
Capital employed not including installments on vessels under construction	**2,054.5**	**nd**	**nd**	**nd**	**436.4**	**46.2**	**2,537.1**
Capital employed related to non-current assets held for sale and liabilities directly associated with non-current assets held for sale	-	nd	nd	nd	-	14.5	14.5

The segment information for 2009 is as follows:

(In € millions)	Total Marine Services	Of which Deep	Of which Shallow	Of which Crew	Total Subsea Services	Other	Total
Revenues (non Group sales)	604.9	315.9	112.3	176.7	127.3	80.6	812.8
Direct costs	(304.8)	nd	nd	nd	(66.4)	(71.8)	(443.0)
General and administrative costs	(58.0)	nd	nd	nd	(12.2)	(1.0)	(71.2)
EBITDA	**242.1**	**nd**	**nd**	**nd**	**48.7**	**7.9**	**298.7**
Goodwill	14.3	8.2	6.1	-	19.2	-	33.5
Vessels	1,574.1	nd	nd	nd	286.3	29.0	1,889.3
Installments on vessels under construction	547.5	nd	nd	nd	208.0	26.8	782.2
Other non-current assets and liabilities	8.2	nd	nd	nd	7.8	10.9	26.9
Working capital	89.1	nd	nd	nd	18.7	12.1	119.9
Capital employed	**2,233.1**	**nd**	**nd**	**nd**	**539.9**	**78.8**	**2,851.9**
Capital employed not including installments on vessels under construction	**1,685.7**	**nd**	**nd**	**nd**	**332.0**	**52.0**	**2,069.6**
Capital employed related to non-current assets held for sale and liabilities directly associated with non-current assets held for sale	-	nd	nd	nd	-	-	-

The breakdown of revenues of BOURBON by geographical region for 2010 and 2009 was as follows:

(In € millions)	2010	2009
Africa	550.1	533.6
Europe & Med./Middle East	129.7	137.2
American Continent	99.0	57.1
Asia	71.1	85.0

5/ Other Information

5.1 CONTRACTUAL OBLIGATIONS AND OTHER OFF-BALANCE SHEET COMMITMENTS

5.1.1 Off-balance sheet commitments related to the Group scope of consolidation

(In € millions)	12.31.2010	12.31.2009
Commitments given	**0**	**0**
Total commitments given	**0**	**0**
Commitments received		
Sales of investments	1.1	2.3
Total commitments received	**1.1**	**2.3**

As part of the sale of the Innodis stock on April 4, 2008, the Group paid the transferee, the Altima company, for the stock in several installments, with the capital remaining due amounting to €0.6 million as of December 31, 2010. The remainder of the price of the stock will be paid in full during 2011.

The Group also sold its shares held in the DTI Océan Indien company on April 25, 2008 by paying the transferee, the Leader Import Export company, for the stock in several installments, with the capital remaining due amounting to €0.5 million as of December 31, 2010. The price of the stock will be paid in full during 2011.

5.1.2 Off-balance sheet commitments related to financing

A. LINES OF CREDIT

Unused lines of credit are listed below by period:

(In € millions)	12.31.2010	12.31.2009
Club deal – €318 million	54	183.0
Club deal – €450 million	-	50.0
Club deal – €320 million	-	30.0
Norway – NOK 870 million	25.6	46.4
Norway – €48 million	-	3.3
Financing Bulk Division – Bilateral loan - USD 84 million	-	16.7
Bilateral loan – €40 million	-	20.0
Bilateral loan – €73.3 million	57.3	59.3
Bilateral loan – €15.3 million	1.0	-
Total commitments received (borrowings)	**137.9**	**408.7**

(In € millions)	12.31.2010	12.31.2009
Short-term lines of credit	16	97
Total commitments received (short-term lines)	**16**	**97**

On the €318 million “club deal” loan taken out in July 2009, as of December 31, 2010, €264 million had been drawn. A total of €54 million remains to be drawn before the redemption phase starting in 2001 and ending in 2016.

Concerning the “club deal” loans of €320 million taken out in 2005 and €450 taken out in 2007, the lines were fully drawn in 2010. The redemption phases started in April 2007 and January 2010 respectively and will end in 2017 and 2020.

At the same time, bilateral loans (in dollars and in euros) were signed and fully drawn in 2010 for an amount equal to around €118 million. Others were only signed and will be drawn only in the years to come. As of December 31, 2010, the total amount remaining to be drawn on existing loans was nearly €138 million.

B. GUARANTEES

(In € millions)	12.31.2010	12.31.2009
Commitments given		
Mortgages and pledges on loans	848.4	760.2
Guarantees given by the parent company to companies in the Group (excluding one mortgage)	13.2	-
Total commitments given	**861.6**	**760.2**
Commitments received	**0**	**0**
Total commitments received	**0**	**0**

In terms of financing, bilateral loans and "club deals," the different companies that own the Group's vessels took out mortgages on some of their vessels with the lending institutions concerned to cover the repayment of the said loans.

As of December 31, 2010, although the total amount of the mortgages recorded with the agencies concerned is €1,288.9 million, the total amount that can be called is limited to the capital still actually owed by the Group (limited to €848.4 million under the loans guaranteed by these mortgages). The mortgage is released when the loan guaranteeing it is repaid in full.

In addition, two of the Group's parent companies granted to their respective subsidiaries redemption guarantees totaling €13.2 million, for which no mortgage was granted.

5.1.3 Off-balance sheet commitments related to the Group's operating activities

A. OPERATING ACTIVITIES

(In € millions)	12.31.2010	12.31.2009
Commitments given		
Commitments given related to the performance of client contracts	21.4	17.8
Commitments given related to obligations towards the government	11.3	-
Commitments given related to the performance of supplier contracts	7.9	15.8
Total commitments given	**40.6**	**33.6**
Commitments received		
Installment return guarantees	586.4	653.6
Purchase requirement on property, plant and equipment	26.4	-
Other guarantees received	0.3	0.2
Total commitments received	**613.1**	**653.8**

i. Commitments given

In the competitive bidding process in which the Group participates, some clients ask the bidders to submit a bid guarantee with their bid to protect them if the call for bids is withdrawn. The validity period of this kind of guarantee usually varies between six and twelve months.

If the contract is signed, the client may ask the bidder selected to protect it by setting up a performance guarantee valid for the duration of the contract. As of December 31, 2010, all such guarantees given by the Group totaled €21.4 million.

The Group issues commitments to the customs authorities of some countries in order to guarantee payment of the fees applicable to the vessels operating in those countries. As of December 31, 2010, all such guarantees given by the Group totaled €11.3 million.

In 2006, when five 120 ton anchor handling tug supply vessels (AHTS) were ordered from the Bharati ship building company in India, the Group issued a guarantee covering payment of the installments owed to that company by one of its subsidiaries. As of December 31, 2010, three installments remained to be paid, totaling €7.9 million.

ii. Commitments received

In connection with the orders placed since 2005 with different shipyards, the Group receives installment return guarantees guaranteeing it the reimbursement of all installments made during the construction period in the event the project is interrupted.

These guarantees are issued either by the banks or by parent companies and totaled €586.4 million as of December 31, 2010.

With regard to the sale of the 16 Supramax bulk carriers by the Group to the Genco company, one was still under construction on December 31, 2010. Therefore, the Group received a purchase and payment commitment from the buyer in the amount of €26.4 million once construction of the carrier was complete.

Another commitment was received by the Group under a contract entered into in 1999 with the company Trøndelag & Møre Tolldistrikt for an amount totaling around €0.3 million as of December 31, 2010.

B. CONTRACTUAL OBLIGATIONS

Contractual obligations are as follows:

		Payments due by period		
(In € millions)	Total	< 1 year	1 -5 years	> 5 years
Finance leases	77.8	4.7	70.8	2.4
Operating leases	11.0	6.0	4.9	0.0
Balance payable on orders for vessels under construction	630.5	297.3	333.2	-
Total	**719.4**	**308.0**	**408.9**	**2.4**

In connection with its financing, the Group conducted finance lease operations under which the parent company of the entity entering into the finance lease agreement guarantees repayment of the rents. The debt related to those operations amounted to €77.8 million as of December 31, 2010.

For the different orders placed since 2005, the total amount of the installments remaining due while the vessels are being built amounted to €630.5 million as of December 31, 2010.

5.2 NET EARNINGS PER SHARE

5.2.1 Basis earning per share

The determination of the weighted-average number of shares of common stock outstanding during each period is presented below:

	12.31.2010	12.31.2009
Weighted-average number of shares over the period	61,271,814	61,063,030
Weighted-average number of treasury shares held over the period	(2,472,339)	(2,477,857)
Weighted-average number of shares outstanding during the period	**58,799,475**	**58,585,173**

The weighted-average number of shares outstanding in 2010 and 2009 takes into account the weighted average number of stock options exercised during each period, as the case may be.

For each period presented, the basis earnings per share were determined as follows:

	12.31.2010	12.31.2009
Weighted-average number of shares used in the calculation of basis earnings per share	58,799,475	58,585,173
Net income *(in € million)*		
Consolidated, Group share	39.2	155.4
Consolidated, Group share – excluding income from discontinued operations/operations held for sale	10.1	119.9
Net income from discontinued operations/operations held for sale-Group share	29.1	35.5
Basis earnings per share *(in euros)*		
Consolidated, Group share	0.67	2.65
Consolidated, Group share – excluding income from discontinued operations/operations held for sale	0.17	2.05
Net income from discontinued operations/operations held for sale-Group share	0.50	0.61

5.2.2 Diluted earnings per share

Pursuant to IAS 33, the number of shares used to calculate diluted earnings per share takes into account the diluting effect of the exercise of stock options (stock subscription and stock purchase options), determined on the basis of the “share buyback” method. It also includes the shares the issue of which is conditional. The weighted average number of shares used to calculate basis earnings per share is, therefore, increased by dilutive potential ordinary shares. Diluted earnings per share are established as follows:

Number of potential shares:

	12.31.2010	12.31.2009
Weighted-average number of shares outstanding during the period	58,799,475	58,585,173
Weighted-average number of shares, the issue of which is conditional during the period	49,605	122,496
Weighted-average number of dilutive stock purchase and stock subscription options during the period	158,010	107,912
Weighted-average number of potential shares	**59,007,090**	**58,815,581**

Pursuant to IAS 33, the determination of diluted net earnings per share for 2010 and 2009 does not take into account the stock option plans authorized by the Board of Directors on December 10, 2007, December 4, 2006 and August 24, 2009 because these plans have an anti-dilutive effect.

Diluted earnings per share:

	12.31.2010	12.31.2009
Weighted-average number of shares used in the calculation of basis earnings per share	59,007,090	58,815,581
Net income *(in € million)*		
Consolidated, Group share	39.2	155.4
Consolidated, Group share - excluding income from discontinued operations/operations held for sale	10.1	119.9
Net income from discontinued operations/operations held for sale-Group share	29.1	35.5
Basis earnings per share *(in euros)*		
Consolidated, Group share	0.66	2.64
Consolidated, Group share - excluding income from discontinued operations/operations held for sale	0.17	2.04
Net income from discontinued operations/operations held for sale-Group share	0.49	0.60

5.3 WORKFORCE AND PAYROLL

The Group's workforce was as follows:

Workforce	2010	2009
Managers	349	272
Employees, workers and other	846	769
Seamen	3,032	2,871
■ *Officers*	*1,201*	*1,160*
■ *Crews and other*	*1,831*	*1,711*
Total	**4,227**	**3,912**

(In € millions)	12.31.2010	12.31.2009
Personnel expenses	196.1	171.1

5.4 EVENTS AFTER THE BALANCE SHEET DATE

None.

5.5 RELATED PARTY TRANSACTIONS

Relations with Sinopacific and its subsidiaries

The Chairman and Chief Executive Officer of BOURBON is a partner in the naval construction company Sinopacific, through Jaccar Holdings, a wholly-owned subsidiary of Cana Tera SAS (previously Jaccar SAS). Jacques d'Armand de Chateauvieux is also a director of Sinopacific. Ms. Lan Vo, a director of BOURBON, is also a director of Sinopacific.

Through its subsidiaries, BOURBON acquired 31 vessels from the Sinopacific group for a total of €380.2 million in 2010. The order of 2 bulk carriers was cancelled. As of December 31, 2010, there were current orders for 33 vessels. Orders amounted to €660 million with prepayments generated of €480.1 million.

In addition, Cana Tera SAS (formerly Jaccar SAS) has guaranteed certain BOURBON subsidiaries in respect of repayments of advances paid by those subsidiaries to the shipyards of the Sinopacific group, for a total outstanding amount of €263.7 million as of December 31, 2010. This guarantee is given jointly and severally with the Evergreen company.

BOURBON, through its subsidiaries, entered into a framework agreement with the companies Crownship Ltd. and Zhejiang Shipbuilding Co. Ltd for an order of 62 vessels to be delivered between 2012 and 2014 for a total amount of around USD one billion (including four "SPA 80" offshore vessels from the Crown Heather Company Ltd. for USD 71.2 million).

As of December 31, 2010, the total amount of installments paid was USD 89.7 million plus €5.3 million paid for "SPA 80" offshore vessels. Sinopacific gave a guarantee to some BOURBON subsidiaries for the return of any installments made by them to the shipyards, which applies to the first two installments made.

Relations with Piriou, West Atlantic Shipyard and SEAS

The Chairman & Chief Executive Officer of BOURBON is indirectly associated with the Piriou naval construction company and its subsidiaries West Atlantic Shipyard and SEAS, through Jaccar Holdings, a wholly owned subsidiary of Cana Tera SAS (previously Jaccar SAS).

Jacques d'Armand de Chateauvieux is also a Director of the Piriou company. Christian Munier, a BOURBON director is also Chairman of the Supervisory Board of the Piriou company.

Through its subsidiaries, BOURBON acquired 17 vessels from those three companies for a total of €37.7 million in 2010. As of December 31, 2010, the amount of current orders was for 23 vessels for €42.6 million, which generated advances on orders in the amount of €14.6million.

Moreover, in 2010, an order for 42 lifeboats (with a possible option of 40 additional units) was placed with the Piriou company shipyards for an estimated price of €8 million. As of December 31, 2010, a firm order for 30 lifeboats was placed for a total of €3.4 million. As of year-end 2010, no prepayment had been made.

Relations with Jaccar Holdings SA

The Chairman & Chief Executive Officer of BOURBON is also Chairman of Jaccar Holding SA. Jaccar Holding SA invoices BOURBON SA for services.

For 2010, the amount (excluding taxes) of services to be billed includes a fixed portion of €0.4 million and a variable portion calculated on the basis of 1% of consolidated net income of the BOURBON Group share, capped at €0.5 million.

Relations with Marine SAS

Christian Lefevre, BOURBON Executive Vice President & Chief Operating Office, is also Chairman of Marine SAS. Marine SAS invoices Bourbon Management, a BOURBON subsidiary, for services.

For 2010, the amount (excluding taxes) of services to be billed is €150,000.

Relations with Crownship, affiliated with Jaccar Holdings S.A.

Jacques d'Armand de Chateauvieux, Chairman & Chief Executive Officer of our Company, is also Chairman of Jaccar Holding SA.

Through its subsidiaries, BOURBON acquired five bulk carriers held for resale from the company Crownship. During 2010, three vessels were delivered; the first vessel was resold in early 2010. The two other vessels as well as the Molitor delivered in 2009 were sold as part of the overall sale of the fleet of bulk carriers to the Genco company during the second half of 2010. The total purchase/sale operation of the five bulk carriers had an impact of USD (3.7) million on BOURBON's results.

5.6 EXECUTIVE COMPENSATION

The compensation of corporate officers is approved by the Board of Directors on the recommendation of the Nominations, Compensation and Governance Committee.

Jacques d'Armand de Chateauvieux, Chairman & Chief Executive Officer as of December 31, 2010, does not receive any direct compensation from BOURBON aside from directors' fees. Jacques d'Armand de Chateauvieux is an employee of the Jaccar Holdings company, an affiliated holding company, with a substantial stake in BOURBON, which as such receives management fees for duties performed within the Group.

Compensation of the two Executive Vice Presidents for 2010 was set on the recommendation of the Nominations, Compensation and Governance Committee at its March 15, 2010 meeting and includes a fixed part and a variable part. The variable part is payable the year following approval of the financial statements by the General Meeting. It is based on the set compensation and is capped at 70% of the annual

base compensation. 20% of it is pegged to safety performance criteria, 60% to financial and performance criteria and 20% to personal qualitative objectives. The compensation paid for terms of office served in the Group (excluding BOURBON SA) are deducted from the variable part.

5.6.1 Table summarizing the compensation, stock options and shares awarded to each executive director *(in €)*

Jacques d'Armand de Chateauvieux, Chairman & Chief Executive Officer	Year 2009	Year 2010
Compensation owed for the year *(detailed in table 5.6.2)*	15,000	13,000
Value of options granted during the year	-	-
Value of the performance stock granted during the year	-	-
Total	**15,000**	**13,000**

Christian Lefèvre, Executive Vice President	Year 2009	Year 2010
Compensation owed for the year *(detailed in table 5.6.2)*	220,309	317,709
Value of options granted during the year	335,709 (1)	-
Value of performance stock granted during the year	-	-
Total	**556,018**	**317,709**

Laurent Renard, Executive Vice President	Year 2009	Year 2010
Compensation owed for the year *(detailed in table 5.6.2)*	358,561	419,978
Value of the options granted during the year	335,709 (1)	-
Value of the performance stock granted during the year	-	-
Total	**694,270**	**419,978**

(1) The value of options awarded was calculated on the day of the award using the Black & Scholes method based on the assumptions used for drawing up the consolidated financial statements before deferment of expenses. In the September 24, 2009 grant, the subscription price was set at €31.60. On that date, the fair value of one option was €7.46.

5.6.2 Table summarizing the compensation of each executive director *(in €)*

	Year 2009		Year 2010	
Jacques d'Armand de Chateauvieux, Chairman & Chief Executive Officer	Due for the year	Paid during the year	Due for the year	Paid during the year
Fixed compensation	-	-	-	-
Variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Directors' fees	15,000	13,000	13,000	15,000
In-kind benefits	-	-	-	-
Total	**15,000**	**13,000**	**13,000**	**15,000**

Jacques d'Armand de Chateauvieux, does not receive any direct compensation from BOURBON apart from director's fees. Jaccar Holdings, of which Jacques d'Armand de Chateauvieux is Chairman, is the managing holding company of BOURBON. It invoices BOURBON annually for management services, the amount of which is composed of a fixed portion of €360,000 and a variable portion representing 1% of the net income for the year in question, capped at €500,000 euros (excluding taxes) for 2010 (€750,000 for 2009). In 2010, the services invoiced by Jaccar Holdings came to €752,000 (€1,110,000 in 2009).Jacques d'Armand de Chateauvieux receives compensation from Jaccar Holdings as an employee. In that capacity, he was paid €195,225 in 2010 (€195,135 in 2009).

Christian Lefèvre, Executive Vice President	Year 2009		Year 2010	
	Due for the year	Paid during the year	Due for the year	Paid during the year
Fixed compensation	160,765	160,765	200,005	200,005
Variable compensation [1]	-	-	43,985 [2]	-
Exceptional compensation	-	-	-	-
Directors' fees for terms of office served in the Group	55,799	55,799	70,015	70,015
In-kind benefits [3]	3,745	3,745	3,704	3,704
Total	**220,309**	**220,309**	**317,709**	**273,724**

Christian Lefèvre is also Chairman of the Marine SAS company. That company bills BOURBON for management services in the amount of €150,000. For 2009, that company also billed BOURBON for €77,700 in services for a variable calculated based on 0.5% of consolidated net income-Group share.

(1) Variable compensation is payable the following year after approval of the financial statements by the General Meeting.

(2) The total variable compensation calculated amounts to €114,000. Given the part already paid out in directors' fees owed for terms of office served in the Group (not including BOURBON SA), the remaining variable compensation amounts to €43,985.

(3) Company car.

Laurent Renard, Executive Vice President	Year 2009		Year 2010	
	Due for the year	Paid during the year	Due for the year	Paid during the year
Fixed compensation	221,000	221,000	319,995	319,995
Variable compensation [1]	77,700	112,219	25,985 [2]	77,000
Exceptional compensation	-	-	-	-
Directors' fees for terms of office served in the Group	55,799	55,799	70,015	70,015
In-kind benefits [3]	4,062	4,062	3,983	3,983
Total	**358,561**	**393,080**	**419,978**	**470,993**

(1) Variable compensation is payable the following year, after approval of the financial statements by the General' Meeting.

(2) Total variable compensation calculated amounts to €96,000. Given the part already paid out in directors' fees owed for the terms of office served in the Group (not including BOURBON SA), the remaining variable compensation totals €25,985.

(3) Company car.

No supplementary pension scheme has been granted by BOURBON or any benefit in kind other than those mentioned in the table above for each of the Executive Vice Presidents.

5.6.3 Commitments of any kind made by the company to its corporate officers

Executive Directors coming under the AFEP-MEDEF recommendation	Employment contract		Supplementary pension scheme		Indemnity or benefits payable or potentially payable due to termination or change of function		Indemnities relating to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jacques d'Armand de Chateauvieux, Chairman and Chief Executive Officer Start date of term of office: 05.29.2007 End date of term of office: AGM ruling on the financial statements for the year ended 12.31.2012		x		x		x		x
Christian Lefèvre, Executive Vice President Start date of term of office: 05.29.2007 End date of term of office: AGM ruling on the financial statements for the year ended 12.31.2012	Not applicable			x		x		x
Laurent Renard, Executive Vice President Start date of term of office: 05.29.2007 End date of term of office: AGM ruling on the financial statements for the year ended 12.31.2012	Not applicable			x		x (1)		x

(1) Laurent Renard is not entitled to any termination benefit under his mandate as executive director; however, his employment contract, dated before his appointment as Executive Vice President, contains a clause providing for benefits in the event of dismissal following a change of control of BOURBON.

5.6.4 Stock options exercised during the year by each executive director

Options exercised by executive Directors	No. and date of plan	Number of options exercised during the year	Exercise price
Jacques d'Armand de Chateauvieux	-	-	-
Christian Lefèvre	Plan no.4 December 5, 2005	72,600	27.07 €
Laurent Renard	Plan no. 3 March 9, 2005	67,760	17.43 €

5.7 SCOPE OF CONSOLIDATION

5.7.1 List of fully consolidated companies

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		
	2010	2009	2010	2009	Country
BOURBON	Parent Company		Parent Company		France (Paris)
Aequo Animo Shipping Navegação Lda	100.00	100.00	100.00	100.00	Portugal (Madeira)
Angor	100.00	100.00	100.00	100.00	France
Antheor	100.00	100.00	100.00	100.00	France
Aries Marine Pte.Ltd (ex-Marine Network Asia Pte.Ltd)	51.00	51.00	51.00	51.00	Singapore
Avracs	100.00	100.00	100.00	100.00	France
BON Crewing AS	100.00	100.00	100.00	100.00	Norway
BON Management AS	100.00	100.00	100.00	100.00	Norway
Bourbon AD1	100.00	100.00	100.00	100.00	France
Bourbon AD2	100.00	100.00	100.00	100.00	France
Bourbon An Hoa	0.00	49.00	0.00	33.52	Vietnam
Bourbon Asia Asset Pte Ltd	90.00	51.00	90.00	51.00	Singapore
Bourbon Assistance	100.00	100.00	100.00	100.00	France (Reunion)
Bourbon Ben Luc Shareholding Company	100.00	100.00	99.81	99.81	Vietnam
Bourbon Brazil Participações	100.00	100.00	100.00	100.00	Brazil
Bourbon Capital	100.00	100.00	100.00	100.00	Luxembourg
Bourbon Capital Holdings USA	100.00	100.00	100.00	100.00	United States
Bourbon China Group Ltd	100.00	100.00	100.00	100.00	China
Bourbon Far East Pte Ltd	100.00	100.00	100.00	100.00	Singapore
Bourbon Gaia Supply	100.00	100.00	100.00	100.00	France
Bourbon Interoil Nigeria Ltd	40.00	40.00	40.00	40.00	Nigeria
Bourbon Logistic Nigeria Limited	100.00	100.00	100.00	100.00	Nigeria
Bourbon Logistics Indonesia	100.00	100.00	95.00	95.00	Indonesia
Bourbon Management (ex-CFG)	100.00	100.00	100.00	100.00	France
Bourbon Marine Services Austral	100.00	0.00	100.00	0.00	France
Bourbon Marine Services Ukraine	80.00	51.00	80.00	51.00	Ukraine
Bourbon Maritime	100.00	100.00	100.00	100.00	France
Bourbon Offshore (ex-Holding)	100.00	100.00	100.00	100.00	France
Bourbon Offshore (Trinidad) Limited	100.00	100.00	49.00	49.00	Trinidad
Bourbon Offshore Asia Pte Ltd	90.00	51.00	90.00	51.00	Singapore
Bourbon Offshore Associates	100.00	100.00	100.00	100.00	United States
Bourbon Offshore Craft	100.00	100.00	100.00	100.00	France
Bourbon Offshore DNT	100.00	100.00	100.00	100.00	Italy
Bourbon Offshore Gaia	100.00	100.00	100.00	100.00	France
Bourbon Offshore Greenmar	100.00	100.00	100.00	100.00	Switzerland
Bourbon Offshore Gulf	60.00	60.00	60.00	60.00	Bahreïn (Manama)
Bourbon Offshore III AS	100.00	80.00	100.00	80.00	Norway
Bourbon Offshore III KS	100.00	82.00	100.00	80.00	Norway
Bourbon Offshore India Private Ltd	100.00	100.00	100.00	100.00	India
Bourbon Offshore Interoil Shipping-Navegação Lda	55.00	55.00	55.00	55.00	Portugal (Madeira)
Bourbon Offshore IV AS	79.00	79.00	79.00	79.00	Norway
Bourbon Offshore IV KS	81.10	81.10	79.00	79.00	Norway
Bourbon Offshore Labuan Ltd	90.00	85.00	90.00	85.00	Malaysia
Bourbon Offshore Maritima (ex-Delba Maritima Navegação)	100.00	100.00	100.00	100.00	Brazil
Bourbon Offshore Mitra SDN.BHD	100.00	85.00	90.00	85.00	Indonesia

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		
	2010	2009	2010	2009	Country
Bourbon Offshore MMI	100.00	100.00	100.00	100.00	United Arab Emirates
Bourbon Offshore Norway AS	100.00	100.00	100.00	100.00	Norway
Bourbon Offshore Surf	100.00	100.00	100.00	100.00	France
Bourbon Offshore Triangle	70.00	70.00	70.00	70.00	Egypt
Bourbon PS	100.00	100.00	100.00	100.00	France
Bourbon Salvage investments	100.00	100.00	100.00	100.00	France
Bourbon Services Luxembourg	100.00	0.00	100.00	0.00	Luxembourg
Bourbon Ships AS	100.00	0.00	100.00	0.00	Norway
Bourbon Sourcing and Training (ex-Bourbon Training Center Asia Pte Ltd)	100.00	100.00	100.00	100.00	Singapore
Bourbon Subsea Services	100.00	100.00	100.00	100.00	France
Bourbon Subsea Services Investments	100.00	100.00	100.00	100.00	France
Bourbon Supply Asia Pte Ltd	90.00	100.00	90.00	85.00	Singapore
Bourbon Supply Investissements	100.00	100.00	100.00	100.00	France
Bourbon Training Center & Simulator Pte Ltd	100.00	0.00	100.00	0.00	Singapore
Brindor	100.00	100.00	100.00	100.00	France
Buana Jasa Bahari Pte Ltd	100.00	0.00	100.00	0.00	Singapore
Caroline 8 SAS	100.00	100.00	0.00	0.00	France
Caroline 20	100.00	100.00	0.00	0.00	France
Caroline 21	100.00	100.00	0.00	0.00	France
Caroline 22	100.00	100.00	0.00	0.00	France
Caroline 23	100.00	0.00	0.00	0.00	France
Cemtaf (ex-Tribor)	100.00	100.00	100.00	100.00	France
Centre de Formation Offshore Pétrolier Bourbon-Hydro Marseille	100.00	100.00	100.00	100.00	France
Chambon Offshore International	100.00	100.00	100.00	100.00	France
Delba Operadora de Apoio Maritimo	100.00	100.00	100.00	100.00	Brazil
Elbuque-Shipping LDA	100.00	100.00	51.00	51.00	Portugal (Madeira)
Endeavor	100.00	100.00	100.00	100.00	France
Ex Commodo- SGPS, Sociedade Unipessoal LDA	100.00	100.00	100.00	100.00	Portugal (Madeira)
FBO (ex-Cador)	100.00	100.00	100.00	100.00	France
Financière Bourbon	100.00	100.00	100.00	100.00	France
Fipargest	100.00	100.00	100.00	100.00	France (Reunion)
Flash Light – Exploraçao de Barcos LDA	100.00	100.00	51.00	51.00	Portugal (Madeira)
Fructidor	100.00	100.00	100.00	100.00	France
Gestion SB GIE	92.86	92.86	92.86	92.86	France (Reunion)
GIE Abeille Bourbon	100.00	100.00	100.00	100.00	France
GIE Abeille Liberté	100.00	100.00	100.00	100.00	France
GIE Abeilles Le Havre 2003	100.00	100.00	100.00	100.00	France
GIE Abeilles Nantes Saint-Nazaire 2004	100.00	100.00	100.00	100.00	France
GIE AHTS 256 *(Luzolo)*	100.00	100.00	100.00	100.00	France
GIE AHTS 279 *(Bourbon Aladin)*	100.00	100.00	100.00	100.00	France
GIE AHTS 280 *(Bourbon Apsara)*	100.00	100.00	100.00	100.00	France
GIE AHTS 281 *(Bourbon Alexandre)*	100.00	100.00	100.00	100.00	France
GIE AHTS 610 *Bourbon Sagitta*	100.00	100.00	100.00	100.00	France
GIE AHTS *Argonaute 2004*	100.00	100.00	100.00	100.00	France
GIE FSIV 252 *Kemba*	100.00	100.00	100.00	100.00	France
GIE FSIV 253 *Surf Express*	100.00	100.00	100.00	100.00	France
GIE FSIV 254 *Bourbon Express*	100.00	100.00	100.00	100.00	France

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		
	2010	2009	2010	2009	Country
GIE FSIV 255 *Bourbon Oceane*	100.00	100.00	100.00	100.00	France
GIE N'Duva	100.00	100.00	100.00	100.00	France
GIE PSV 114 *(Bourbon Helios)*	100.00	100.00	100.00	100.00	France
GIE PSV 115 *(Bourbon Hermes)*	100.00	100.00	100.00	100.00	France
GIE PSV 116 *(Bourbon Hera)*	100.00	100.00	100.00	100.00	France
GIE PSV *Antenor 2004*	100.00	100.00	100.00	100.00	France
GIE PSV *Asterie 2004*	100.00	100.00	100.00	100.00	France
GIE Remorqueurs Offshore 2003 (Nemed)	100.00	100.00	100.00	100.00	France
GIE Surfer 2003	100.00	100.00	100.00	100.00	France
GIE Surfer 2004	100.00	100.00	100.00	100.00	France
GIE Surfer 2005	100.00	100.00	100.00	100.00	France
GIE Surfer 2005 Bis	100.00	100.00	100.00	100.00	France
GIE Surfer 2006	100.00	100.00	100.00	100.00	France
GIE Surfer 2006 Bis	100.00	100.00	100.00	100.00	France
GIE VS 4501 *(Athena)*	100.00	100.00	100.00	100.00	France
Grena-Navegaçao LDA	100.00	100.00	100.00	100.00	Portugal (Madeira)
H.S.O.	100.00	100.00	100.00	100.00	France
Handy Bulk AG	0.00	100.00	0.00	100.00	Switzerland
Handy Shipping AG	99.95	99.95	99.95	99.95	Switzerland
Jade-Navegacao LDA	100.00	100.00	100.00	100.00	Portugal (Madeira)
Lastro-Companhia Internacional de Navegaçao LDA	100.00	100.00	100.00	100.00	Portugal (Madeira)
Latin quarter-Serviços Maritimos Internacionais LDA	100.00	100.00	51.00	51.00	Portugal (Madeira)
Les Abeilles	100.00	100.00	100.00	100.00	France
Liberty 233 SNC	100.00	0.00	0.00	0.00	France
Liberty 234 SNC	100.00	0.00	0.00	0.00	France
Mastshipping-Shipping LDA	100.00	100.00	51.00	51.00	Portugal (Madeira)
Matador	100.00	100.00	100.00	100.00	France
Molitor (ex-Pentcor)	100.00	100.00	100.00	100.00	France
Navegaceano- Shipping LDA	100.00	100.00	51.00	51.00	Portugal (Madeira)
O.D.B.	100.00	100.00	100.00	100.00	France
Onix Participaçoes e Investimentos, Sociedade Unipessoal Lda	100.00	100.00	100.00	100.00	Portugal (Madeira)
Paris Shipping & Chartering	0.00	100.00	0.00	100.00	France
Pearlor	100.00	100.00	100.00	100.00	France
Placements Provence Languedoc	100.00	100.00	100.00	100.00	France
PPV SASU	100.00	100.00	100.00	100.00	France
PT Surf Marine Indonesia	100.00	0.00	100.00	0.00	Indonesia
Sefor	100.00	100.00	100.00	100.00	France
Sesac	0.00	100.00	0.00	100.00	France
Setaf	100.00	100.00	100.00	100.00	France
Setaf Saget	0.00	100.00	0.00	100.00	France
Setapar	100.00	100.00	100.00	100.00	France
SGSP International	100.00	0.00	51.00	0.00	France
Shangor	100.00	100.00	100.00	100.00	France
Sinvrac	100.00	100.00	100.00	100.00	France
SNC AHTS 1	100.00	100.00	0.00	0.00	France
SNC Bourbon Altair	100.00	100.00	0.00	0.00	France
SNC Bourbon Amilcar	100.00	100.00	100.00	100.00	France
SNC Bourbon Arcadie (ex-B.L. 201)	100.00	100.00	100.00	100.00	France

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		
	2010	2009	2010	2009	Country
SNC Bourbon Artabaze	100.00	0.00	100.00	0.00	France
SNC Bourbon Auroch	100.00	100.00	100.00	100.00	France
SNC Bourbon Bison	100.00	100.00	100.00	100.00	France
SNC Bourbon Diamond	100.00	100.00	100.00	100.00	France
SNC Bourbon Enterprise	100.00	100.00	100.00	100.00	France
SNC Bourbon Hamelin	100.00	100.00	100.00	100.00	France
SNC Bourbon Herald	100.00	100.00	100.00	100.00	France
SNC Bourbon Himalya	100.00	100.00	100.00	100.00	France
SNC Bourbon Liberty 105	100.00	100.00	100.00	100.00	France
SNC Bourbon Liberty 110	100.00	100.00	100.00	100.00	France
SNC Bourbon Liberty 111	100.00	100.00	100.00	100.00	France
SNC Bourbon Liberty 115	100.00	100.00	100.00	100.00	France
SNC Bourbon Liberty 119 (ex-B.L. 117)	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 120 (ex-B.L. 118)	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 121	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 205	100.00	100.00	100.00	100.00	France
SNC Bourbon Liberty 207	100.00	100.00	100.00	100.00	France
SNC Bourbon Liberty 216	100.00	100.00	100.00	100.00	France
SNC Bourbon Liberty 218	100.00	100.00	100.00	100.00	France
SNC Bourbon Liberty 221 (ex-B.L. 222)	100.00	100.00	100.00	100.00	France
SNC Bourbon Liberty 225	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 226	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 227	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 228	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 229	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 230	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 232	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 233	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 235 (ex-122)	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 236	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 237 (ex-234)	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 238	100.00	0.00	100.00	0.00	France
SNC Bourbon Liberty 239	100.00	0.00	100.00	0.00	France
SNC Bourbon Pearl	100.00	100.00	100.00	100.00	France
SNC Bourbon Ruby	100.00	100.00	100.00	100.00	France
SNC Bourbon Sapphire	100.00	100.00	100.00	100.00	France
SNC Bourbon Supporter	100.00	0.00	100.00	0.00	France
SNC Bourbon Themis	100.00	100.00	100.00	100.00	France
SNC Bourbon Yack	100.00	100.00	100.00	100.00	France
SNC Liberty 201	100.00	100.00	0.00	0.00	France
SNC Liberty 204	100.00	100.00	0.00	0.00	France
SNC Liberty 212	100.00	100.00	0.00	0.00	France
SNC Liberty CE 121	100.00	0.00	0.00	0.00	France
SNC Liberty CE 122	100.00	0.00	0.00	0.00	France
SNC Liberty CE 217	100.00	100.00	0.00	0.00	France
SNC Liberty CE 223	100.00	100.00	0.00	0.00	France
SNC Surfer 2007	100.00	100.00	100.00	100.00	France
SNC Surfer 2007 bis	100.00	100.00	100.00	100.00	France

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		
	2010	2009	2010	2009	Country
SNC Surfer 2008	100.00	100.00	100.00	100.00	France
SNC Surfer 2008 TT	100.00	100.00	100.00	100.00	France
SNC Surfer 2009	100.00	100.00	100.00	100.00	France
SNC Surfer 2009 TT	100.00	100.00	100.00	100.00	France
SNC Surfer 2010	100.00	100.00	100.00	100.00	France
SNC Surfer 2011 (ex-Surfer 2010 TT)	100.00	100.00	100.00	100.00	France
SNC Surfer 325	100.00	100.00	100.00	100.00	France
Sonasurf Internacional-Shipping LDA	51.00	51.00	51.00	51.00	Portugal (Madeira)
Sonasurf Jersey Limited	100.00	100.00	51.00	51.00	Jersey
Sopade (Sté Participation Développement SAS)	100.00	100.00	100.00	100.00	France (Reunion)
Sucrerie de Bourbon Tay Ninh	0.00	68.41	0.00	68.41	Vietnam
Sunor	100.00	100.00	100.00	100.00	France
Tenor	100.00	100.00	100.00	100.00	France
Thermidor (ex-Babor)	100.00	100.00	100.00	100.00	France
Toesa	100.00	100.00	100.00	100.00	Uruguay

5.7.2 List of proportionately consolidated companies

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		
	2010	2009	2010	2009	Country
Bourbon Gulf	49.00	49.00	49.00	49.00	Qatar
EPD (Yangzhou) Electronic Power Design, Co, Ltd	50.00	50.00	50.00	50.00	China
EPD Asia Group Ltd	50.00	50.00	50.00	50.00	United States
Navegacion Costa Fuera	49.00	49.00	49.00	49.00	Mexico
Naviera Bourbon Tamaulipas	49.00	49.00	49.00	49.00	Mexico
Oceanteam Bourbon 101 AS	50.00	50.00	50.00	50.00	Norway
Oceanteam Bourbon 1 AS	(1)	50.00	(1)	50.00	Norway
Oceanteam Bourbon 1 KS	(1)	50.00	(1)	50.00	Norway
Oceanteam Bourbon 4 AS	50.00	50.00	50.00	50.00	Norway
Servicios y Apoyos Maritimos	49.00	49.00	49.00	49.00	Mexico
Sonasurf (Angola) – Companhia de serviços Maritimos, LDA	50.00	50.00	50.00	50.00	Angola
Southern Transformers & Magnetics	50.00	50.00	50.00	50.00	United States

(1) Merged in Bourbon Oceanteam 101 AS.

5.7.3 List of companies consolidated using the equity method

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		
	2010	2009	2010	2009	Country
Bourbon Marine Services Manila Inc.	24.98	24.98	24.98	24.98	Philippines
Jackson Offshore LLC	24.50	24.50	24.50	24.50	United States

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Year ended December 31, 2010)

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report also includes information relating to the specific verification of information given in the management report.

This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meetings, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying consolidated financial statements of BOURBON Company;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

The accounting estimates used in the preparation of the consolidated financial statements as at December 31, 2010 were made in a context of an extreme volatility of the financial markets and of a lack of visibility concerning economic prospects. These conditions are described in Note 1.1 of the consolidated financial statements.

Such is the context in which we made our own assessments that we bring to your attention in accordance with the requirements of article L. 823-9 of the French Commercial Code ("Code de commerce"):

At each year-end, the Company systematically tests its goodwill, under the methods described in note 1.4 "Use of estimates – Impairment test of goodwill" of the notes of the consolidated financial statements, goodwill which have been allocated to the cash generating unit at the lowest level at which this goodwill are monitored for internal management purposes. In this way, the vessels, whose net book value in the Balance Sheet is about 2,335.4 million Euros as at December 31, 2010 and which were part of cash generating units tested, have been tested thus for impairment under the methods described in note 1.5.6 "Property, plant and equipment" of the notes of the consolidated financial statements.

We have examined the methods implemented in this impairment test, based on independent experts' valuations reviewed by Group management and we have verified that note 1.5.6 "Property, plant and equipment" of the notes of the consolidated financial statements discloses appropriate information. Furthermore, on the basis of the information made available to us to date, we have implemented sample testing techniques to check the application of this approach.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Lyon and Marseille, March 31, 2011

The Statutory Auditors

EurAAudit C.R.C ***Cabinet Rousseau Consultants***	**Deloitte & Associés**
Alexandre BRISSIER	**Vincent GROS**

CHAIRMAN'S REPORT

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REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON THE *MODUS OPERANDI* OF THE BOARD OF DIRECTORS AND ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

To our Shareholders,

Pursuant to the provisions of Article L. 225-37, paragraph 6, of the French Commercial Code as amended by law No. 2005-842 of July 26, 2005 and law No. 2008-649 of July 3, 2008, the object of this report is to inform shareholders of:

- the conditions for the preparation and organization of the work of your Board of Directors for the year ended December 31, 2010;
- the internal control and risk management procedures established by the Company;
- the scope of the powers of the Chief Executive Officer.

The Company refers to and respects the corporate governance code of listed companies published by AFEP-MEDEF in December 2008 and updated in April 2010. This Code can be found on MEDEF's website (www.code-afep-medef.com).

The Company reiterates that it complies with the transposition of the 8th European Directive on the obligation to have an audit committee.

As part of the process of improving internal control, this report is also based on the implementation guide for the reference framework on internal control published by the Autorité des Marchés Financiers in January 2007, updated in July 2010.

This report was approved by the Board of Directors on March 14, 2011.

1/ Conditions for the preparation and organization of the work of the Board of Directors

1.1 COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors is currently composed of 10 directors, who bring to it different backgrounds and complementary experiences:

- **Jacques d'Armand de Chateauvieux:** Chairman of the Board and Chief Executive Officer until December 31, 2010, and then Chairman of the Board of Directors from January 1, 2011;
- **Christian d'Armand de Chateauvieux:** Director;
- **Henri d'Armand de Chateauvieux**: Director, Member of the Nominating, Compensation and Governance Committee;
- **Guy Dupont:** independent Director, Member of the Nominating, Compensation and Governance Committee;
- **Marc Francken:** independent Director, Chairman of the Nominating, Compensation and Governance Committee; Chairman of the Audit Committee;
- **Baudouin Monnoyeur:** Director;
- **Christian Munier:** Director, Member of the Audit Committee;
- **Agnès Pannier-Runacher:** independent Director, Member of the Audit Committee;
- **Philippe Sautter:** independent Director, Member of the Nominating, Compensation and Governance Committee;
- **Vo Thi Huyen Lan:** Director.

Since August 24, 2009, the Board of Directors has received the assistance of a non-voting member, as permitted under the bylaws, in the person of Dominique Senequier, previously a director.

The duration of the term of office of the directors appointed by the Shareholders' General Meeting is three years. Those terms end in a staggered manner as follows: five terms of office end at the time of the General Meeting convened to rule on the financial statements for the year ended December 31, 2010; three terms of office end with the General Meeting convened to rule on the financial statements for the year ended December 31, 2011; and two terms of office end with the General Meeting convened to rule on the financial statements for the year ended December 31, 2012.

There are two foreign directors. Women now make of 20% of the Board of Directors (eight men and two women). BOURBON will attempt to comply gradually with Law No. 2011-103

of January 27, 2011 regarding the balanced representation of women and men on boards of directors and supervisory boards and to ensure professional equality so that the Board of Directors will reach and maintain a proportion of women of at least 20% within three years and at least 40% within six years after the first General Meeting after January 1 of the year the law is published.

During 2010, the composition of the Board of Directors was affected by the following events:

- Renewal of the terms of office of Vo Thi Huyen Lan and Jacques d'Armand de Chateauvieux ;
- ratification of the co-opting of Ms. Agnès Pannier-Runacher to replace Ms. Dominique Senequier for the remainder of her term of office.

Each Director holds at least 300 shares of BOURBON stock, as required under the bylaws.

Details of Directorships exercised outside the Group by members of the Board of Directors are listed in section 3.2 of the management report.

Evaluating the independence of the Directors

In accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors, in its March 14, 2011 meeting, on the recommendation of its Nominating, Compensation and Governance Committee, reviewed the qualifications of each of its members in terms of independence. The Board chose to follow the recommendations of the AFEP-MEDEF Code in assessing the independence of its directors, i.e, that no director:

- is an employee or a corporate officer of the Company, or an employee or director of its parent company or any Company consolidated by it within the past five years;
- is a corporate officer of any Company in which the Company holds, either directly or indirectly, a term of office as director or in which any employee designated as such or any corporate officer in the Company (currently or within less than the previous five years) holds a term as director;
- is a significant client, supplier, investment banker, or finance banker:
  - of the Company or its Group,
  - or for which the Company or its Group represents a significant part of its activity;
- has close family ties with any corporate officer in the Company;
- has been an auditor of the Company in the past five years;
- has been a director in the Company for more than twelve years.

Regarding the foregoing criteria, the Board of Directors has ascertained the independence of four directors: Agnès Pannier-Runacher, Guy Dupont, Marc Francken and Philippe Sautter, thus complying with the one third proportion of independent directors recommended by the AFEP-MEDEF Code in controlled companies.

Additional information on the corporate officers

To the Company's knowledge, in the past five years, no corporate officer:

- has been found guilty of fraud;
- has been involved in a bankruptcy, receivership or liquidation;
- has been found guilty of any offense or been subject to any official public sanction issued by any statutory or regulatory authority;
- has ever been prevented by a court of law from acting as a member of any administrative, management or supervisory body of any issuer, or from participating in the management or conduct of the business of any issuer.

As of December 31, 2010, Jacques d'Armand de Chateauvieux held over 20% of the capital of the Company, through the Company Jaccar Holdings.

Baudouin Monnoyeur and Henri d'Armand de Chateauvieux held an interest in the capital or voting rights of over 5%, through the companies Monnoyeur and Mach-Invest.

In addition, apart from under regulated agreements, concerning potential conflicts of interest, no corporate officer has been involved in any arrangement or agreement with the major shareholders, clients, suppliers or others, by virtue of which he has been selected as a Director or as a member of Management. These agreements are not a source of conflict of interest as they are negotiated and dealt with under normal conditions.

To date, there is no service contract in existence binding a Director or member of Management to the Company or to any of its subsidiaries and providing for the granting of benefits under the terms of the contract.

1.2 *MODUS OPERANDI* OF THE BOARD OF DIRECTORS

The Board of Directors has its own internal regulations defining its methods of organization and operation supplementing the prevailing legal and statutory provisions. Every member of the Board of Directors is individually required to comply with these internal regulations.

The internal regulations also include a Director's charter spelling out the rights and obligations of the Directors, and also the rules concerning any restrictions on and/or prohibitions against trading by the directors in the Company's shares when they have information not yet made public. In that regard, the directors are informed of the restrictive periods.

1.2.1 Missions

On the recommendation of the Chief Executive Officer, the Board of Directors determines the Group's strategy and reviews it regularly, appoints the corporate officers in charge of managing the Company in accordance with that strategy, oversees the management of the Company and ensures the quality of the information provided to the shareholders and the markets.

Every year, the Board of Directors examines and approves the annual budget and the medium term strategic plan.

The Board of Directors deliberates prior to any operation outside the strategy announced by the Group or any operation that is liable to have a significant effect on or that is liable to modify substantially the Group's financial structure or results.

The Board of Directors examines and approves beforehand all acquisition or divestment operations in any amount above €100 million.

The Board of Directors receives regular briefings and can obtain information at all times on any changes in the activity or results of the Group, its financial position, indebtedness, cash position and more generally on any of the Group's commitments, particularly any problem calling into question the implementation of any of the guidelines in the strategic plan.

The Board of Directors reviews and approves the information published in the Annual Report by the Company on its corporate governance practices and structures.

It approves the composition of the Group's Executive Committee.

The Board of Directors reviews its composition whenever necessary. It examines its *modus operandi* annually.

1.2.2 Organization of the work of the Board of Directors

The Chairman organizes and directs the work of the Board of Directors. He provides the General Meeting with a report and executes its decisions. He supervises the proper functioning of the Company's administrative bodies and ensures that the Directors are in a position to perform their mission.

As at December 31, 2010, the Chairman of the Board of Directors and Chief Executive Officer was assisted by two Executive Vice Presidents, Christian Lefèvre and Laurent Renard, who are not members of the Board.

In its December 6, 2010 meeting, the Board of Directors, on the recommendation of the Nominating, Compensation and Governance Committee, decided to separate the duties of Chairman and Chief Executive Officer. It appointed Christian Lefèvre, until now Executive Vice Président, to the position of Chief Executive Officer, effective January 1, 2011. Jacques d'Armand de Chateauvieux will retain the Chairmanship of the Board of Directors. At the same session, on the recommendation of the new Chief Executive Officer, the Board of Directors appointed Gaël Bodénès and Laurent Renard as Executive Vice President and Chief Operating Officer and Executive Vice President and Chief Financial Officer respectively.

The Group's executive committee, composed of the Chief Executive Officer and the Executive Vice Presidents of BOURBON, meets twice a month, and in particular, before each meeting of the Board of Directors. This committee prepares for decisions by the Board of Directors, particularly concerning strategic lines, investments and the annual operating budget.

1.3 MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors meets as often as required by the interests of the Company. All directors receive the information necessary to perform their duties, particularly to prepare for every board meeting. The directors also receive all information on significant events in the Company.

The minutes of the meetings of the Board of Directors are drafted at the end of each meeting and sent promptly to all the Directors. The minutes are generally subject to their express approval at the following Board meeting.

The statutory auditors are invited to the meetings in which the Board of Directors closes the accounts.

In 2010, the Board of Directors met four times (on March 15, June 9, August 30 and December 6). The meetings lasted an average of four hours. The attendance rate was 88% against 95% in 2009. Furthermore, the directors met for a strategy design seminar on January 26 and 27, 2010 in preparation for the implementation of the "BOURBON 2015 Leadership Strategy" plan.

The following issues were discussed in the meetings of the Board of Directors:

- current management follow-up: examination of financial statements, reports from the committees, reports on current major accounts, recognition of a capital increase from the exercise of stock subscription options and the awarding of bonus shares, preparations for the Annual General Meeting;
- major guidelines follow-up: the Group's development strategy, financial management in times of crisis, rules of corporate governance, employee shareholding;
- functioning of the administrative bodies: evaluation, change in governance.
- Decision in terms of regulated agreements, in particular, review and authorization of any orders placed with shipyards under regulated agreements. This review is done outside the presence of the directors concerned. Decisions on regulated agreements are made after a review of the issues prepared by the Chief Operating Officer. These decisions take into account factors reflecting the objectives of the strategic plan, the ability of the shipyards to deliver quality products within the deadlines and within the budget, as well as the competitiveness of the products in light of the market conditions of the moment.

1.4 EVALUATION BY THE BOARD OF DIRECTORS

The Board of Directors did not make a formal evaluation in 2010. However, in its December 6, 2010 meeting, the Board discussed its *modus operandi* in accordance with the recommendations of the AFEP-MEDEF Code and noted the improvements made after the last formal evaluation in 2009.

1.5 THE SPECIALIZED COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors is assisted in its task by two specialized committees: the Audit Committee and the Nominating, Compensation and Governance Committee.

1.5.1 The Audit Committee

The mission of the Audit Committee is to assist the Board of Directors so that it can monitor the accuracy and consistency of BOURBON's Company and consolidated accounts, the quality of internal control and the information available to shareholders and the markets.

The Audit Committee performs the duties of a specialized committee, following up on any questions related to the preparation and auditing of accounting and financial information pursuant to Articles L. 823-19 and L. 823-20-4° of the French Commercial Code introduced by ruling No. 2008-1278 of December 8, 2008.

In this context:

- it manages the procedure for selecting statutory auditors before submitting results to the Board; it examines their independence and objectivity;
- it oversees the process of preparing financial data;
- it reviews in advance and gives its opinion on the draft annual and mid-year financial statements;
- it examines the relevance and permanence of the accounting rules and the principles used in preparing the financial statements and prevents any violations of such rules;
- it ensures that any changes in the scope of the consolidated companies are presented, and provides any necessary explanations;
- It evaluates the effectiveness and quality of the Group's internal control systems and procedures, and in particular, sees to it that the internal control committee is established and operating properly;
- it reviews the Group's financial and cash position and any significant risks faced by it;
- it examines the procedures adopted to evaluate and manage risk;
- it reviews the Chairman's report on the *modus operandi* of the Board of Directors and internal control procedures;
- Three times a year, it examines the financial commitments with shipyards under regulated agreements.

The Audit Committee follows the recommendations issued on July 22, 2010 by the AMF working group on audit committees.

COMPOSITION AND *MODUS OPERANDI* OF THE AUDIT COMMITTEE

The Audit Committee consists of at least three members appointed by the Board of Directors. The duration of the members' term of office coincides with their term as Directors.

The committee appoints its Chairman from among its members. For the deliberations of the committee to be valid, at least half of its members must be present. Directors who take part in the meeting by videoconference or telecommunication methods are deemed to be present provided that these methods enable them to be identified and ensure their effective participation. The nature and application conditions of these methods are set by a decree of the French *Conseil d'État*.

The Audit Committee adopted internal regulations in its March 10, 2010 meeting.

The committee is currently composed of three people from which two independent Directors, complying with the proportion of at least two thirds recommended by AFEP-MEDEF in controlled companies:

- Marc Francken, independent Director, Chairman of the committee;
- Agnès Pannier-Runacher, independent Director;
- Christian Munier.

Its members all have recognized skills in finance and accounting.

It should be noted that the Committee is assisted by an external consultancy firm, which, in addition to the advice given during the committee meetings, conducted an auditing mission in 2010 on the Group's insurance processes and recruiting.

The Audit Committee meets with and questions the statutory auditors, the General Management, the finance department, the internal auditing department or any other person in the management whenever it deems necessary.

Regarding the review of the financial statements by the Audit Committee, it has been decided to respect a minimum period of time before the meeting of the Board of Directors which is held to approve these financial statements.

The Chairman of the Audit Committee reports to the Board on the work of the Committee at the start of each session of the Board of Directors' meeting following the Audit Committee.

WORK OF THE AUDIT COMMITTEE

The Audit Committee met three times in 2010. The attendance rate of the members at the committee meetings was 100%. The Statutory Auditors attended the committee meetings held to close the audited accounts, at which they described the context in which they performed their mission and presented their conclusions.

During those meetings, the Committee:

- examined the accounts for fiscal year 2009 and the 2010 semi-annual accounts;
- reviewed the risk mapping;

- examined the level of security of the financial flows within the Group;
- reviewed related party agreements;
- assessed the management of the foreign exchange risk;
- analyzed the progress of the "Horizon 2012" plan and implementation of the "BOURBON 2015 Leadership Strategy" plan;
- followed up on the progress of the assignments being carried out by the internal auditing department.

One of the members of the Audit Committee, duly assigned by his peers, visited the Group's operating headquarters and interviewed some of the members of the central functions and one operating unit to learn about risk management within BOURBON. He reported on this visit in the August 23, 2010 meeting.

Furthermore, in its March 10, 2010 meeting, the Audit Committee heard a presentation by the Group's Director of Internal Auditing, who described the responsibilities of his department and the 2010 audit plan. In its August 23, 2010 meeting, the Committee heard a presentation by the Senior Vice President in charge of the BOURBON fleet on the theme of asset integrity management.

1.5.2 Nominating, Compensation and Governance Committee

The mission of the Nominating, Compensation and Governance Committee is to:

- examine all proposals for nomination to a position as a member of the Board of Directors or to any position as a corporate officer and to formulate an opinion on those proposals and/or a recommendation to the Board of Directors;
- make recommendations to the Board of Directors concerning the compensation, pension and benefits system, in-kind benefits and other pecuniary rights, including any stock options awarded to the corporate officers and/or executive Directors of the Group;
- ensure there is a succession plan for the members of the management team.

In 2010, the Chairman of the Committee was also charged with ensuring proper governance as part of his dual functions as Chairman of the Board of Directors and Chief Executive Officer.

COMPOSITION AND *MODUS OPERANDI* OF THE NOMINATING, COMPENSATION AND GOVERNANCE COMMITTEE

The committee consists of at least three members appointed by the Board of Directors. The committee appoints its Chairman from among its members.

The committee meets at least once a year.

The Nominating, Compensation and Governance Committee is currently composed of four members three of whom are independent Directors:

- Marc Francken, independent Director, Chairman of the committee;
- Henri d'Armand de Chateauvieux ;
- Guy Dupont, independent Director;
- Philippe Sautter, independent Director.

The Nominating, Compensation and Governance Committee adopted internal regulations in its March 15, 2010 meeting.

WORK OF THE NOMINATING, COMPENSATION AND GOVERNANCE COMMITTEE

The committee met twice in 2010 with a 100% attendance rate.

The committee dealt with various issues, particularly:

- an in-depth discussion of the composition of the Board;
- a review of the independent directors;
- compensation of the corporate officers and definition of the criteria for the variable part in accordance with a benchmark from the sector and in line with the compensation paid to the other executives in the Company;
- revaluation of the amount of directors' fees;
- change in governance and separation of the duties of Chairman and Chief Executive Officer.

1.6 PRINCIPLES AND RULES FOR DETERMINING THE COMPENSATION OF CORPORATE OFFICERS

The elements of compensation of corporate officers are detailed in the management report (section 3.3).

1.7 PARTICIPATION OF SHAREHOLDERS IN THE GENERAL MEETING

The methods for shareholder participation in General Meetings are described in Article 19 of the Company's bylaws.

1.8 FACTORS THAT COULD HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

The information referred to in Article L. 225-100-3 of the French Commercial Code has been conveyed in the management report (section 6.4.).

2/ Internal control and risk management procedures

The internal control system described in this report refers to the Company and all its consolidated entities (referred to hereunder as "BOURBON").

2.1 OBJECTIVES IN TERMS OF INTERNAL CONTROL

The internal control arrangements at BOURBON are designed to ensure:

- compliance with laws and regulations;
- application of the instructions and guidelines set by Management;
- the proper operation of internal processes, particularly those helping to protect its assets;
- the reliability of financial data.

They generally contribute to overseeing its activities, the effectiveness of its operations and the efficient use of its resources.

2.2 THE NOTION OF INTERNAL CONTROL

Internal control affects everyone from governance bodies through to all BOURBON employees. Being observant and seeing to it that the system operates properly is a constant concern shared by all the operational and functional managers collectively as they work to achieve the objectives assigned to them. By contributing to preventing and controlling the risk of not achieving the objectives that BOURBON has set itself, the internal control function plays a key role in the conduct and management of its various activities.

In this way, the internal control system adopted by BOURBON is backed by:

- a structure that includes a clear definition of responsibilities, with adequate resources and skills, backed by information system procedures and appropriate tools and practices;
- the internal distribution of relevant and reliable information, knowledge of which enables everyone to exercise their proper responsibility;
- a system designed to identify and analyze the key risks relating to the Company's objectives and to establish procedures for the management of these risks;
- control activities in keeping with the challenges inherent in each process, designed to ensure that actions are taken to limit and to the extent possible, reduce and gain control over any risks likely to affect the Group's ability to meet its goals.
- oversight of the internal control system.

However, no matter how well designed and applied it is, internal control, like any control system, cannot provide an absolute guarantee that the risks targeted by it will be totally eliminated.

2.3 CONTROL ENVIRONMENT

Organizing and implementing the internal control system means raising the awareness of all BOURBON's employees and getting them involved.

The control environment thus includes the behaviors of the people responsible for the internal control of accounting and finance.

2.3.1 General organisation of internal control

Under the authority issued by the Board of Directors, the Group is managed by the Chief Executive Officer assisted by two Committees:

- the Executive Committee;
- the Management Committee.

The BOURBON **Executive Committee** is the decision-making collegial body responsible for implementing the strategy and achieving the objectives of the Group. It examines the best options for achieving the strategy, particularly in the areas of safety, innovation, human resources and cost control. It decides on priorities and allocates the resources and the means necessary for the growth of the Company.

Under the authority of the Executive Committee, the **Management Committee** oversees the implementation of the strategy's objectives and deals with questions of general interest to the Group in its monthly meetings. In addition to the members of the Executive Committee, this Committee is composed of eleven members representing the Group's central functions as well as the heads of the main subsidiaries.

The **central functions** involve experts in the business lines specific to the Group or else they involve conventional support functions. They propose the Group strategies and policies in their respective areas and provide assistance to the operating units, ensuring among other things that best practices are disseminated. It is up to every operating unit to appropriate and adapt to the local context the policies defined in the areas concerned in order to support the objectives and the definition of internal control.

The activity of the Group is organized around two **activities**:

- Marine Services activity;
- Subsea Services activity.

Each activity contains dedicated **operating units**. The operating units carry out the strategy in compliance with the budgets assigned to them by their respective boards of directors. They have broad authority to ensure the best possible customer satisfaction. They are directly involved and have the proper authority to perform internal control.

In addition, the operating units report quarterly to the Executive Committee on their performance, in operational as well as financial terms.

2.3.2 Presentation of the overall organization of the Group's internal control systems

The different internal control activities serve to make certain that the procedures and standards defined by the Group are in line with the guidelines defined by the Management.

OPERATING STANDARDS AND PROCEDURES

The Group's policy in terms of conducting operations and controlling risks is clearly defined by a management system contingent on:

- empowering the "Management" to implement and monitor this policy; and;
- issuing organizational and management procedures aimed at compliance with regulations, controlling operating risks, managing health and safety and the environment, training and certification of employees, maintenance, purchases, analysis and the treatment of incidents and accidents.

INTERNAL CONTROL PROCEDURES RELATED TO THE PREPARATION AND TREATMENT OF FINANCIAL AND ACCOUNTING INFORMATION

The processes covered fall into two categories: those that enable information to be entered into the accounting data base and financial and accounting information to be generated, and the procedures for year-end closure and financial communication.

The reliability of the financial and accounting information that is published is underpinned by a set of mechanisms, rules, procedures and controls. Gradually documenting and formalizing procedures will help to reinforce this reliability.

This mainly involves the following:

- Group's planning process. It results in the drafting of the annual budget, which makes it possible to break the Group's strategic guidelines down into operational action plans. In this spirit, the management control department supervises and coordinates the budget control system using a manual of procedures that sets the management rules and methods for preparing the budget and the management report applicable to both the operational level and the Group level;
- procedures for consolidating the financial statements in accordance with rules set and approved by Management. The Company draws up its consolidated financial statements according to IFRS. An integrated software program is used to consolidate the Group's financial statements. The semi-annual and annual consolidated financial statements are presented to the Audit Committee prior to their approval by the Board of Directors;
- procedures for drafting the Registration Document to ensure accuracy, consistency, compliance with applicable laws and regulations, and the quality of the financial information.

2.4 MANAGING INTERNAL CONTROL

The internal control systems are themselves the subject of controls, on an ongoing basis by Management as well as through periodic evaluations by bodies that do not have direct authority over operations nor responsibility for them.

2.4.1 The Audit Committee

The attributes of the Audit Committee and the work conducted by it are described in section 1.5.1. of this report.

2.4.2 The Internal Control Committee

The purpose of this committee is to ensure the quality of internal control within BOURBON and supervise its internal audit activities:

- approval of the annual audit plan, review of the reports issued and follow-up on the progress of the action plans implemented following the recommendations by internal audit;
- review and evaluation of procedures for internal control, the risk management system and internal audit functioning.

The Internal Control Committee is made up of the members of the Executive Committee and the Senior Vice President in charge of the fleet.

2.4.3 Internal audit department

BOURBON's internal audit department was established in 2002. It is currently staffed by four auditors.

The general mission of the internal audit department is, to apply a systematic and methodical approach in order to give a reasonable assurance of the relevance and effectiveness of the internal control system within BOURBON and to enhance these qualities through its recommendations.

The scope of the department's authority extends to all BOURBON subsidiaries and activities. The internal audit department carries out its duties totally independently from the other audited units, and complies with the IIA (Institute of Internal Auditors) code of ethics.

An internal audit charter has been established to define and generally communicate within BOURBON what an internal audit involves: mission, organization and reporting hierarchy, powers and responsibilities, rules of conduct and competence, methodology.

The internal audit missions are conducted according to an annual plan approved by the Internal Control Committee. The audit plan is drafted on the basis of a preliminary analysis aimed at identifying and evaluating the risks, activities, processes and critical functions. This audit plan takes account of BOURBON's expansion, in particular internationally.

The internal audit department regularly checks the compliance of the general policies and procedures listed above.

2.4.4 The operational audit

The Group's HSE (Health, Safety and Environment) managers, the referring officers and the Quality Department ensure through regular audits in the operating units the control and effectiveness of the system and the proper application of the BOURBON standards. Furthermore, every operating unit is subject to periodic or one-off external audits aimed at making certain that its internal organization and its vessels meet the recommendations under standards or codes that are either mandatory or adopted intentionally.

2.4.5 Quality

The Quality Department is responsible for seeing to it that an integrated quality management system is set up and maintained. It is responsible for the efficiency and effectiveness of the processes of the management systems, for the interface among them and for evaluating them to make certain they are in line with the Group's strategy.

2.4.6 The Statutory Auditors

As of December 31 each year, the Statutory Auditors perform a complete audit of the accounts of BOURBON and all its subsidiaries. An interim audit that takes the form of a limited review is also conducted by the Statutory Auditors on June 30 each year.

Their work provides the Group with reasonable assurance regarding the reliability and accuracy of the accounting and financial information produced. In the course of their audit, the Statutory Auditors review the internal control system in order to identify and evaluate the risk of any significant misstatement in the accounts so that they can design and implement their audit procedures.

2.5 RISK MAPPING AND MANAGEMENT

BOURBON's objective is to ensure that the entire internal control system can, as far as possible, prevent any risks to which it is exposed. In this spirit, in 2005, under the auspices of the Internal Audit Committee, steps were taken to draw up a "risk map".

A dedicated team was assembled within the Group. It prepared as thorough as possible an inventory of risks together with the associated checks.

These risks are broken down into categories by type, evaluated and arranged in order of possible frequency (from frequent to improbable) and potential impact (negligible to catastrophic) requiring the immediate implementation of an action plan by a crisis unit.

The risk map is regularly updated and discussed in the Executive Committee, and presented annually to the Audit Committee and the Board of Directors. The risk map was updated once in 2010 in order to respond to the results of action plans implemented in 2010 and changes that have occurred in the evaluation of certain risks.

The type and order of priority of these risks are considered strategic and confidential. Nevertheless, the principal risks and ways in which they are managed are formally reported in the "Risk Management" section of the management report.

2.6 CONCLUSION

This range of actions should help establish an increasingly high level of internal control at BOURBON entities.

The control environment and the control system described above are not static and BOURBON's Management keeps abreast of changes in this area and regularly looks for ways of improving its internal control system.

3/ Powers of the Chief Executive Officer

I hereby inform you that no limitation has been placed on the powers of the Chief Executive Officer. The Executive Vice Presidents have the same powers as the Chief Executive Officer, in accordance with the bylaws.

Chairman of the Board of Directors.

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF FRENCH COMPANY LAW (*CODE DE COMMERCE*) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY BOURBON

(Year ended December 31, 2010)

This is a free translation into English of the statutory auditors' report issued in French prepared in accordance with Article L. 225-235 of French company law on the report prepared by the Chairman of the Board of Directors on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction and construed in accordance with French law and the relevant professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of BOURBON and in accordance with Article L. 225-235 of French company law (*Code de Commerce*), we hereby report on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of French company law (*Code de Commerce*) for the year ended December 31, 2010.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 of French company law (*Code de Commerce*), particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 225-37 of French company law (*Code de Commerce*), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L. 225-37 of French company law (*Code de Commerce*).

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of French company law (*Code de Commerce*).

Lyon and Marseille, March 31, 2011

The Statutory Auditors

EurAAudit C.R.C *Cabinet Rousseau Consultants*	Deloitte & Associés
Alexandre BRISSIER	Vincent GROS

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GENERAL INFORMATION ON BOURBON SA AND ITS CAPITAL

1/ Information about the Company

Corporate name: BOURBON.

Corporate office: 33, rue du Louvre – 75002 Paris.

Date of incorporation of the Company: December 2, 1948.

Legal form and governing law: Incorporated Company ("Société anonyme") with a Board of Directors, governed by the French Commercial Code, BOURBON is a French Company.

Term: the Company was incorporated for 99 years and expires on December 2, 2066 except if dissolved early or extended (harmonization of the bylaws pursuant to the law of July 24, 1966, Extraordinary General Meeting of January 19, 1966).

Trade Register: Paris 310 879 499.

Location where the corporate documents and records may be consulted: the bylaws, financial statements and reports and minutes of General Meetings may be consulted at the corporate office at the address indicated above.

1.1 CORPORATE PURPOSE (excerpt from Article 2 of the bylaws)

The purpose of the Company is:

- the creation, ownership, acquisition, sale, lease, development, operation, management, rental, control, organization and financing of all industrial, commercial, agricultural, real estate or other types of property, companies or businesses;
- the acquisition of equity interests and the management of interests related to any and all marine business activities, either directly or indirectly;
- the manufacture, packaging, import, export, commission, representation, transit, deposit and shipping of any and all products, merchandise, items and commodities of any kind of any origin;
- the acquisition, purchase, operation, sale or licensing of all patents and manufacturing trademarks;
- the acquisition of an interest through contribution, merger, participation, subscription of shares, units or bonds or in any other manner, in all businesses or companies related directly to the aim of the Company and in general in all businesses, companies or work that may attract clients to its corporate activity or stimulate operations in which they would have an interest.

1.2 CORPORATE FINANCIAL YEAR (Article 22 of the bylaws)

It starts on January 1 and ends on December 31 of each year.

1.3 APPOINTMENT OF DIRECTORS (excerpt from Article 13 of the bylaws)

I - During the life of the Company, Directors are appointed by the Ordinary General Meeting. However, in the event of a merger or a demerger, they may be appointed by the Extraordinary General Meeting. Their term of office lasts for three years. It ends after the Ordinary General Meeting ruling on the financial statements for the year ended, which is held in the year in which the term of the said Director expires;
The retirement age of a Director is set at 70 (seventy).
Any exiting Director is eligible for reappointment provided he or she can meet the conditions of this article. Directors may be dismissed and replaced at any time by the Ordinary General Meeting. Any appointment made in violation of the foregoing provisions shall be null and void, except for appointments made on a temporary basis.

II - Directors may be individuals or legal entities.
In the latter case, when appointed, the legal entity is required to appoint a permanent representative who is subject to the same conditions and requirements and who assumes the same civil and criminal responsibilities as if he were a Director in his own name, without prejudice to the joint and several liability of the legal entity represented by him. The permanent representative of a legal entity appointed as Director shall be subject to the same age requirement applied to individual Directors.
The term of the permanent representative appointed by the legal entity serving as Director shall be given for the duration of the term of the legal entity.

III - An employee of the Company may be appointed as Director only if his employment contract corresponds to an actual job. He shall not lose the benefit of such employment contract. The number of employee Directors may not exceed one third of the Directors in office.

IV - In the event of a vacancy owing to death or to the resignation of one or more Directors, the Board of Directors may, between two General Meetings, make appointments on a temporary basis. If the number of Directors falls below the legal minimum, the remaining Directors must immediately convene the Ordinary General Meeting in order to fill the vacancies on the Board.

Temporary appointments made by the Board shall be subject to ratification by the next Ordinary General Meeting. Failing ratification, the deliberations and acts carried out previously by the Board shall remain valid nonetheless.

If the Board neglects making the required appointments or convening the Meeting, then any interested party may ask the Chief Judge of the Commercial Court, ruling on request, to appoint a representative in charge of convening the General Meeting so that such appointments may be made or ratified as the case may be.

V - Every Director must own 300 shares in the Company.

1.4 GENERAL MEETINGS (excerpt from Article 19 of the bylaws)

General meetings shall be called and shall deliberate under the conditions set by law and regulations. They shall be held in any location specified in the meeting notice.

Any shareholder, however many shares he or she owns, may participate in the meetings in person or by proxy, provided they give proof of identity and proof of ownership of registered shares, either in nominative form or else in registered form, and held in a bearer securities trading account held by a certified intermediary no later than the third business day preceding the meeting at midnight Paris time.

Registration as an accounting entry in a bearer securities account held by the certified intermediary shall be indicated by a stock certificate issued by the intermediary, attached to the mail-in voting form or proxy or when requesting the admission card.

Shareholders who have already voted by mail, sent in a proxy or requested their admission card or stock certificate, may no longer choose any other method of participating in the meeting.

1.5 OWNERSHIP THRESHOLDS

The bylaws do not stipulate specific requirements for ownership thresholds or declarations of intent to cross shareholding thresholds. Pursuant to Article L. 233-7 of the French Commercial Code (amended by ruling No. 2009-105 of January 30, 2009), Article R. 233-1-1 of the new French Commercial Code (amended by the decree of May 19, 2009) and Article 223-14 of the Regulations of the *Autorité des marchés financiers* (amended by the order of July 27, 2009),

- when the shares of a Company with its corporate office in the French Republic are admitted for trading on a registered market of any state that is party to the agreement on the European Economic Space or on a financial instruments market admitting for trading shares that can be registered in an account with an authorized intermediary mentioned in article L. 211-4 of the French Monetary and Financial Code ("Code monétaire et financier"), any individual or legal entity, acting alone or with others, who owns a number of shares representing more than one twentieth, one tenth, three twentieths, one fifth, one fourth, one third, half, two thirds, eighteen twentieths or nineteen twentieths of the capital and/or voting rights in the Company shall inform the Company at the latest before the close of trading of the fourth trading day following the date the ownership threshold is crossed;
- the information cited above shall also be given before the same deadlines whenever the percentage of capital or voting rights owned falls below the aforementioned thresholds;
- the person required to provide the information shall specify the number of shares owned that give access in the future to the capital and voting rights attached thereto;
- the person required to provide the information shall also inform the *Autorité des marchés financiers* by filing his or her declaring with the AMF before the close of trading, no later than the fourth trading day after the ownership threshold is crossed.

Failure to comply with this requirement shall be punishable under Article L. 233-14 of the Commercial Code.

The person required to provide the information is bound to declare, when the threshold is crossed by one tenth, three twentieths, one fifth or one fourth of the capital and/or voting rights, the objectives he/she intends to pursue in the next six months.

This declaration shall be addressed to the Company whose shares were acquired and it must reach the *Autorité des marchés financiers* at the latest before the close of trading of the fifth trading day following the day the ownership threshold is crossed, resulting in the application of this article.

1.6 APPROPRIATION AND DISTRIBUTION OF EARNINGS (excerpt from Articles 24 and 25 of the bylaws)

The income statement summarizing income and expenses for the year shows the profit or loss for the year after deduction of depreciation, amortization and provisions.

At least 5% of the earnings for the year minus any prior losses shall be used to fund the legal reserve. This withdrawal shall cease to be mandatory when the legal reserve fund equals one tenth of the capital stock; it shall resume when the legal reserve falls below one tenth of the capital for any reason.

Distributable earnings consist of the profit for the year less prior losses and sums placed in reserve as required by law and the bylaws, plus any retained earnings.

The General Meeting may withdraw from these earnings any sums it deems appropriate to be carried forward to the following year or to be placed in one or more general or special reserves, the use of or allocation to which to be determined by it. The balance, if any, is divided among all shares. Dividends are first taken from the distributable earnings for the year.

The General Meeting may also decide to distribute sums taken from the reserves at its disposal, and must expressly note the reserve items from which these sums are taken.

Excluding the case of a capital reduction, no distribution may be made to shareholders when the shareholders' equity is or would become, after any distribution, less than the amount of the capital plus reserves which may not be distributed under the law or bylaws. The revaluation reserve may not be distributed. It may be capitalized in whole or in part.

The loss, if any, is carried forward after approval of the financial statements by the shareholders and is charged against the profits from subsequent years until it is extinguished.

The General Meeting has the option of granting to each shareholder for all or part of the dividend paid out an option between payment of the dividend in shares, subject to the legal conditions, or in cash.

The procedures for payment of the dividends in cash shall be set by the General Meeting or by the Board of Directors.

Cash dividends must be paid within a maximum period of nine months after the close of the financial year unless this deadline is extended by court order.

However, when a balance sheet prepared during or at the end of the year and certified by a Statutory Auditor shows that the Company has earned a profit since the end of the previous year and after the required depreciation, amortization and provisions, and after deduction of any prior losses and sums to be placed in reserve as required by the law or bylaws, interim dividends may be paid before approval of the financial statements for the year. The amount of such dividends may not exceed the amount of the profit as shown.

A request for payment of the dividend in shares must be made within a time period set by the meeting, which may not exceed three months from the date of the meeting.

1.7 PURCHASE BY THE COMPANY OF ITS OWN SHARES

(Cf. Management report - Section 6.3.1 – Stock buyback program, page 46)

1.8 PARENT COMPANY - SUBSIDIARY RELATIONS

BOURBON SA is a holding company; the financial flows with its subsidiaries correspond mainly to the dividends paid by them.

As of December 31, 2010, the figures for the parent Company, BOURBON SA, and its main subsidiaries are listed below:

Consolidated values (except dividends) *(in € million)*	Bourbon Offshore Surf	Sonasurf Internacional Ship.	Bourbon Offshore Interoil Shipping Navegação	Bourbon Ships AS	Bourbon Supply Invest.	Bourbon Supply Asia	Bourbon Maritime	BOURBON SA (listed company)
Revenues	125.6	200.2	143.3	39.1	1.6	16.1	0.0	-
Net property, plant and equipment	171.2	0.1	0.1	300.7	567.8	90.5	7.4	-
Financial debt (excl. Group)	70.2	-	-	140.7	17.3	-	954.8	-
Cash and cash equivalents	0.4	4.7	1.9	15.9	0.1	5.6	0.6	1.5
Dividends paid during the year returning to the listed Company	-	-	-	-	-	-	100.0	-

Aside from the parent company (BOURBON SA), the companies presented are the most representative of their respective activities:

- for operating companies: Bourbon Offshore Surf, Sonasurf Internacional Shipping, Bourbon Offshore Interoil Shipping Navegação, Bourbon Ships AS, Bourbon Supply Asia and Bourbon Supply Investissements which alone account for nearly 62% of the Group's revenues. The Group's remaining revenues are earned by 36 operating companies;
- for shipowning companies: Bourbon Offshore Surf, Bourbon Ships AS, Bourbon Supply Investissements and Bourbon Supply Asia, these four companies representing 37% of the Group's net property, plant and equipment. The other property, plant and equipment are owned by 120 companies, for 76 of which shipowning is the sole activity;
- for companies with a financing activity: Bourbon Offshore Surf, Bourbon Ships AS, Bourbon Supply Investissements, Bourbon Supply Asia and Bourbon Maritime, which account for nearly 60% of the Group's debt. The remaining financial debt is carried by 38 companies, for 20 of which shipowning is the sole activity.

2/ Information about the capital stock

The Company was listed for trading on the *Second marché* of the Paris Stock Exchange on October 20, 1998.

Since February 2004, BOURBON has been classified by Euronext in the "Oil Services" sector.

The BOURBON share was admitted to the SBF 120 index in September 2005. It was admitted for trading on Euronext Paris, as from January 2006, in capitalization compartment A of Euronext Paris.

As from March 28, 2006, the BOURBON share was included in the Deferred Settlement Service (SRD), and since March 2011 it has been listed on the CAC Mid 60 index.

2.1 CAPITAL STOCK

In its March 14, 2011 meeting, the Board of Directors noted that the amount of BOURBON's capital stock totaled €39,101,094 and that was represented by 61,556,789 shares fully paid up.

As of December 31, 2010, the number of shares totaled 61,532,545, all of the same class, representing 59,076,115 voting rights. The amount of the capital stock on that date totaled €39,085,695.

During 2010, more than 48.7 million shares of BOURBON stock were traded on the NYSE Euronext Market.

As of December 31, 2010, The Company's market capitalization amounted to €2,136 million for a latest price listed of €34.71 compared with €1,612 millions as of December 31, 2009.

According to the criteria "number of shares traded", "capital rotation rate" and "market capitalization", depending on the month, BOURBON ranked between number 50 and number 90 among the companies listed on Euronext Paris.

As of December 31, 2010, there were 954 employee shareholders holding stock through the FCPE "Bourbon Expansion" for 514,423 shares, or 0.84% of the capital.

In the Combined General Meeting of August 23, 2004, double voting rights were eliminated. Moreover, with the exception of treasury shares (2,456,430 shares as of December 31, 2010), no shares have limited voting rights.

2.2. POSITION WITH REGARD TO STOCK OPTION PLANS FOR NEW AND/OR EXISTING SHARES

The table below shows all the information related to stock option plans for new and/or existing shares granted by the Company, in force as of December 31, 2010.

	May 25, 2000		June 7, 2005		May 30, 2008		
Meeting date	Plan No. 3 (1)	Plan No. 4 (1)	Plan No. 5 (1)	Plan No. 6 (1)	Plan No. 7 (1)	Plan No. 8	Total
Date of Board Meeting	March 8, 2005	December 5, 2005	December 4, 2006	December 10, 2007	December 8, 2008	August 24, 2009	
Start date for exercising options	March 8, 2009	December 5, 2009	December 4, 2010	December 10, 2011	December 8, 2012	September 24, 2013	
Expiration date	March 7, 2011	December 4, 2011	December 3, 2012	December 9, 2013	December 7, 2014	September 23, 2015	
Original number of beneficiaries	17	299	60	681	50	895	
Total number of stock subscription or purchase options:	363,000	726,000	52,272	1,419,660	39,160	1,933,500	
a) Corporate officers in this capacity at the time granted	96,800	145,200		88,000 (2)		90,000	
■ Incl. Jacques d'Armand de Chateauvieux							
■ Incl. Christian Lefèvre		72,600		44,000		45,000	
■ Incl. Laurent Renard		72,600		44,000		45,000	
b) Top ten employee beneficiaries	196,020	150,040	23,958	192,500	19,360	214,000	
Subscription or purchase price	€17.43	€27.07	€33.10	€39.98	€19.09	€31.60	
Discounts granted	3%	5%	5%	no	no	no	
Options exercised as of 12.31.2010	293,115	154,195	484 (3)	-	-	-	
Options cancelled or voided as of 12.31.2010 (3)	55,660	115,918	11,132	199,760	3,080	68,800	
Options remaining to be exercised as of 12.31.2010	14,225	455,887	40,656	1,219,900	36,080	1,864,700	3,631,448

(1) The numbers of options and exercise prices are the adjusted values, in accordance with the applicable regulations, following operations on the BOURBON share.

(2) Exercise terms for corporate officers from the December 2007 allocations, by decision of the March 10, 2008 Board of Directors meeting ; mandatory retention of 20% of the options exercised for the duration of their position.

(3) In accordance with the terms of the plan.

2.3 POSITION WITH REGARD TO GRANTING OF BONUS SHARES

The table below show all the information related to bonus shares granted by the Company, in force as of December 31, 2010.

Meeting date	May 29, 2007
Allocation date	November 2, 2007
Number of shares originally granted (1)	182,776
Incl. to the corporate officers	-
Shares issued	76,824
Shares cancelled or voided as of 12.31.2010 (2)	59,620
Potential number of shares to be issued on 12.31.2010	46,332

(1) Numbers of options and exercise prices are adjusted values, as required under applicable regulations, following operations on the BOURBON share.

(2) In accordance with the terms of the plan.

2.4 POTENTIAL CAPITAL DILUTION AS OF DECEMBER 31, 2010

The table below shows an assessment of the Company's potential capital dilution resulting from the exercise of shares giving access to any outstanding capital in the Company as of December 31, 2010 (stock subscription options, bonus shares).

	Allotment date	Maturity		Number of potential shares	Potential dilution	Capital stock *(in shares)*
		Start	End			
Number of shares as of December 31, 2010						**61,532,545**
Stock subscription options	03.08.2005	03.08.2009	03.07.2011	14,225	0.02%	
Stock subscription options	12.05.2005	12.05.2009	12.04.2011	455,887	0.74%	
Stock subscription options	12.04.2006	12.04.2010	12.03.2012	40,656	0.07%	
Stock subscription options	12.10.2007	12.10.2011	12.09.2013	1,219,900	1.98%	
Stock subscription options	12.08.2008	12.08.2012	12.07.2014	36,080	0.06%	
Stock subscription options	09.24.2009	09.24.2013	09.23.2015	1,864,700	3.03%	
Total stock subscription options				**3,631,448**	**5.90%**	
Bonus shares	11.02.2007		11.02.2011	46,332	0.08%	
Total				**3,677,780**	**5.98%**	
Potential capital as of December 31, 2010						**65,210,325**

Concerning the last three stock option plans issued by BOURBON (exercisable respectively from December 2011, December 2012 and September 2013), the BOURBON Board of Directors decided in October 2010 to amend the regulations to convert these stock option plans from plans to purchase existing shares to plans to subscribe to new shares.

The Company did not issue or grant any other rights or securities giving direct or indirect access to its capital, immediately or eventually.

2.5 CHANGES IN THE CAPITAL OVER THE PAST THREE YEARS

Date	Operation	Share issues			Total amount of capital *(in euros)*	Total number of shares
		Amount of capital increase *(in euros)*	Number of shares	Issue and merger premium *(in euros)*		
03.10.2008	Exercise of stock options between June 5, 2007 and December 31, 2007	151,541	238,570	1,760,882	35,229,221	55,461,302
06.03.2009	Allotment of 1 new share for 10 old shares	3,522,922	5,546,130	(3,522,922)	38,752,143	61,007,432
06.03.2009	Exercise of stock options between January 1, 2009 and June 3, 2009	21,520	33,880	568,854	38,773,663	61,041,312
12.07.2009	Bonus shares granted to employees and stock options exercised between June 3, 2009 and December 7, 2009	84,998	133,814	908,109	38,858,661	61,175,126
12.31.2009	Stock options exercised between December 7, 2009 and December 31, 2009	7,687	12,100	203,169	38,866,348	61,187,226
03.15.2010	Bonus shares granted to employees and stock options exercised between January 1, 2010 and March 15, 2010	2,081	3,278	29,546	38,868,429	61,190,504
12.06.2010	Stock options exercised between March 15, 2010 and December 6, 2010	113,143	178,121	4,211,924	38,981,572	61,368,625
12.31.2010	Stock options exercised between December 6, 2010 and December 31, 2010 (1)	104,123	163,920	3,012,900	39,085,695	61,532,545
03.14.2011	Stock options exercised between January 1, 2011 and March 14, 2011	15,399	24,244	505,244	39,101,094	61,556,789

(1) The March 14, 2011 meeting of the Board of Directors took official note of this capital increase.

The number of shares comprising the capital stock and the number of voting rights are adjusted monthly as necessary in accordance with the “Transparency Directive”. This information is available on the Company's website, www.bourbon-online.com under the heading “Finance” – “Regulated information”.

2.6 SIGNIFICANT TRANSACTIONS AFFECTING THE DISTRIBUTION OF CAPITAL OVER THE PAST THREE YEARS

On May 13, 2008, the Mach-Invest Company reported that it had risen above the 5% thresholds for the capital stock and voting rights, holding 2,819,750 shares or 5.08% on that date.

On November 30, 2010, Mach-Invest International, a company controlled by the Henri d'Armand de Chateauvieux family, reported it had acquired 1,650,000 shares.

The incorporated Company Pleyel Investissements reported that individually, it had fallen below the 5% threshold for capital stock and voting rights on December 16, 2008, and no longer owned any BOURBON shares. Falling below the threshold was due to the off-market disposal by Pleyel Investissements of its entire stake in BOURBON to its parent Company Monnoyeur SAS, which now owns directly 2,994,868 shares of BOURBON stock, or 5.40% of the capital.

Jaccar reported that between October 2 and 7, 2008, it had acquired 380,000 additional shares, thus raising its stake to 24.89%.

The incorporated company Jaccar Holdings reported that on March 24, 2009, it had risen above the 5%, 10%, 15% and 20% thresholds for the capital stock and voting rights following the acquisition of all the shares owned by the Jaccar Company, its 100% shareholder, and that it held 13,803,336 shares or 24.89% of the capital.

The Jaccar Holdings company stated the following:

- that it is resuming the role of shareholder played by the Jaccar Company while continuing to meet all the commitments made by it i.e. acting as a shareholder while assisting with the development of the strategy adopted by the BOURBON Board of Directors;
- that the Company will continue to manage its interests actively and that it is planning to increase them as opportunities arise;
- that the Jaccar Holdings Company has no plans to take over the BOURBON Company.

Additionally, Cana Tera (formerly Jaccar), the parent company of Jaccar Holdings, reported on September 3, 2010 it had borrowed 38,500 shares.

Following these transactions, and until the 2010 Annual Report, as far as the Company is aware, the companies Mach-Invest and Monnoyeur held more than 5% and the Jaccar Holdings Company held more than 20%.

2.7 CHANGES IN THE SHAREHOLDER BASE

	Position as of 12.31.2010			Position as of 12.31.2009			Position as of 12.31.2008		
Shareholder	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights
Jaccar Holdings [1]	15,183,668	24.68%	25.70%	15,183,668	24.82%	25.86%	13,803,336	24.89%	25.95%
Monnoyeur	3,294,354	5.35%	5.58%	3,294,354	5.38%	5.61%	2,994,868	5.40%	5.63%
Mach-Invest [2]	3,105,530	5.05%	5.26%	3,104,430	5.07%	5.29%	2,821,195	5.09%	5.30%
Treasury shares	2,456,430	3.99%	-	2,468,727	4.03%	-	2,260,006	4.07%	-
Employees	514,423	0.84%	0.87%	534,132	0.87%	0.91%	449,414	0.81%	0.84%
Public	36,978,140	60.10%	62.59%	36,601,915	59.82%	62.33%	33,132,483	59.74%	62.28%
Total	**61,532,545**	**100.00%**	**100.00%**	**61,187,226**	**100.00%**	**100.00%**	**55,461,302**	**100.00%**	**100.00%**

(1) Jaccar Holdings: family of Jacques d'Armand de Chateauvieux.

(2) Mach-Invest: family of Henri d'Armand de Chateauvieux.

2.8 DISTRIBUTION OF CAPITAL AND VOTING RIGHTS

Total number of shares (December 31, 2010):	61,532,545
Total number of voting rights (December 31, 2010):	59,076,115
Approximate number of shareholders (TPI shareholder identification procedure in January 2011):	40,000

Shareholders owning 5% or more of the capital or voting rights (December 31, 2010):

- more than 20% : Jaccar Holdings;
- more than 10% : None;
- more than 5% : Mach-Invest and Monnoyeur.

To the Company's knowledge, there are no other shareholders owning, either directly or indirectly, or together 5% or more of the capital and voting rights.

Percentage of capital and voting rights held by all the members of the Board of Directors:

- capital: 41%;
- voting right: 43%.

As of December 31, 2010, the Company owned 2,456,430 shares (including 7,880 under the supervision and liquidity contract with the CIC), or 3.99% of the capital.

In addition, as of that same date, 954 employees owned 0.84% of the capital with 514,423 shares.

Since December 31, 2004, there has been a shareholders' agreement stipulating a collective pledge to retain shares of BOURBON stock ("Loi Dutreil", Article 885-I of the French General Tax Code "Code Général des Impôts") involving 26.30% of the capital. This agreement, which is tax-related in nature, does not under any circumstances represent a "collective action" to implement a voting policy or a BOURBON management policy. It does not contain any preferred terms for sales. The agreement, which expired on December 31, 2010, was renewed by tacit agreement in accordance with its bylaws.

2.9 PRICE TREND IN EUROS OVER 18 MONTHS

Date	High (1)	Low (2)	Volume of shares traded	Capital traded *(in € millions)*
2009				
September	33.20	29.45	2,779,051	87.55
October	33.33	27.90	3,482,578	108.14
November	29.95	25.15	3,183,907	88.34
December	26.70	24.62	2,912,184	74.75
2010				
January	29.60	26.31	3,629,334	103.30
February	28.35	24.27	3,010,408	78.33
March	32.65	24.82	5,800,684	173.05
April	34.47	31.30	4,113,624	134.30
May	33.40	28.60	4,497,658	140.00
June	35.60	31.70	5,666,255	190.30
July	35.11	32.25	3,281,352	110.50
August	35.00	29.54	2,820,832	90.66
September	30.50	28.20	5,617,453	165.11
October	33.90	30.00	3,588,506	115.20
November	33.50	30.15	3,243,741	103.91
December	34.94	30.05	3,457,473	114.40
2011				
January	36.10	31.40	4,238,388	141.65
February	35.13	32.11	3,794,293	126.16

(1) High reached in intraday over the period.
(2) Low reached in intraday over the period.

TRADEMARKS, LICENSES, PATENTS, REAL PROPERTIES, PLANT AND EQUIPEMENT

1/ Trademarks, licenses, patents

The BOURBON Company has filed its logo, including the graphic features. It has also protected its trademarks, i.e. BOURBON, Bourbon Offshore, Les Abeilles, Setaf Saget and Setaf for the products and services concerned.

After the disposal of the Bulk activity in December 2010, BOURBON will stop using the Setaf and Setaf-Saget brands.

More recently, BOURBON also registered the brand "*Under the flag of excellence*" with the INPI (National Industrial Property Institute).

2/ Real properties, plant and equipment

The fleet of vessels constitutes the major portion of the Group's property, plant and equipment. The vessels (including those under construction) account for nearly 99% of the net property, plant and equipment as of December 31, 2010.

As of December 31, 2010, the fleet breaks down as follows:

Position as of 12.31.2010	Operating vessels	Average age	Utilization rate *(%)* [(1)]
Marine Services			
Deepwater offshore vessels	69	6.6	90.3%
Shallow water offshore vessels	78	4.1	73.2%
Crewboats	243	5.6	78.2%
Total Marine Services	**390**	**5.5**	**79.5%**
Subsea Services			
IMR vessels	17	4.0	88.5%
Total Vessels	**407**	**5.4**	

(1) Utilization rate: over a period, number of days generating income divided by the number of calendar days.

BOURBON also has 13 ROV with an average age of 3.5 years and a cement carrier delivered by the shipyard in 2009.

As indicated in the notes to the consolidated financial statements, maintenance operations are performed on all our vessels at regular intervals according to a multi-year plan for compliance with the classification requirements of international agreements or regulations.

Thus every vessel involves two components:

- a vessel component;
- an "overhaul" component, representing the cost of an overhaul.

Treatment of the "overhaul" component is also explained in note 1.5.6 of the notes to the consolidated financial statements.

A summary of BOURBON's property, plant and equipment and the main expenses related thereto (amortization and losses in value) is included in note 3.3 of the notes to the consolidated financial statements.

In addition, in section 4.2, the management report describes the environmental risks and BOURBON's approach to them.

Concerning the end-of-life management of the vessels, BOURBON's strategy consists of maintaining a young fleet and selling vessels sufficiently early to shipowners who continue to operate them.

As of December 31, 2010, the Group had access, either through a lease or through direct ownership, to the following real property:

Country	Location	Purpose	Legal status
France	**Paris**	**Head office**	**Lease**
Brazil	Rio de Janeiro	Offices, warehouse	Ownership/Lease
China	Shanghai, Xuhui district	Offices	Lease
United Arab Emirates	Dubaï	Offices, other	Lease
Egypt	Cairo – Agouza	Offices	Lease
France	Le Havre, Marseille, Paris, Sainte-Marie (Reunion)	Offices, other	Ownership/Lease
Indonesia	Balikpapan, Jakarta, Tamapole	Offices, logistics base	Ownership/Lease
Italy	Ravenna	Offices	Lease
Nigeria	Lagos, Port Harcourt	Offices, logistics base, other	Ownership/Lease
Norway	Fosnavaag	Offices	Lease
Portugal	Funchal	Offices	Lease
Qatar	Doha	Offices	Lease
Singapore	Singapore	Offices	Lease
Switzerland	Nyon	Offices	Lease
Vietnam	Hô-Chi-Minh-Ville	Offices	Lease

N.B.: Real property owned/leased by fully consolidated companies.

Leased property consists mainly of premises used for administrative purposes. The Group is the owner of buildings located in Marseille, which house the main corporate departments as well as the head offices of several subsidiaries.

Simple leasing expenses for real property are included in the information given in point 5.1 of the notes to the consolidated financial statements showing contractual obligations. Simple leasing expenses related to administrative premises represent most of the Group's contractual obligations in this area.

NOTICE OF GENERAL MEETING

1/ Agenda of the Ordinary General Meeting

- Directors' report and group management report for the period closed on 31st December 2010;
- Chairman's report as required by article L. 225-37 of the French Commercial Code;
- Special directors' report on stock options, as required by article L. 225-184 of the said Commercial Code;
- External auditors' report on the annual financial statements and consolidated accounts;
- Special audit report on those agreements defined in articles L. 225-38 et seq. of the said Commercial Code [transactions with connected persons];
- Audit report on the in-house supervisory procedures for compilation and processing of accounting and financial data;
- Discharge of liability for directors;
- Approval of financial statements and consolidated accounts for the financial year 2010;
- Net income appropriation – decision concerning distribution of dividend;
- Setting of directors' fees;
- Renewal of tenure for five directors;
- Renewal of tenure for one of the primary auditors and appointment of a secondary auditor;
- Renewed authorization for a corporate buyback programme;
- Powers for filing and formalities

2/ Agenda of the Extraordinary General Meeting

- Directors' report;
- External auditors' report;
- Authorisation for the board of directors to reduce the authorised capital by cancellation of acquired shares;
- Authorisation for the board of directors to allot stock subscription and/or purchase options to members of salaried staff (and/or to certain authorised agents of the company);
- Authorisation for the board of directors to allot bonus shares to members of salaried staff (and/or to certain authorised agents of the company);
- Delegation of authority to the board of directors to proceed with one or more increases of share capital by cash payment, with cancellation of preferential application rights in favour of employees of the company or connected companies;
- Delegation of authority to the board of directors to increase the share capital by issuance of any securities giving immediate or long-term access to equity, with cancellation of preferential application rights;
- Delegation of authority to the board of directors to increase the share capital by capitalization of reserves, profits and/or premiums;
- Amendments to articles of association;
- Powers for filing and formalities.

PROPOSED RESOLUTIONS TO BE PUT TO THE COMBINED GENERAL MEETING

1/ Those for the Ordinary General Meeting

FIRST RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings and having heard the directors' report, the chairman's report and the external auditors' report, approves these reports in full, together with the balance sheet, profit and loss account (income statement) and notes thereto for the financial year closed on December 31, 2010, as presented, and all the transactions expressed in these accounts and summarized in the said reports.

SECOND RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings, thus approves the transactions and measures expressed in these accounts or summarized in these reports and grants the directors full discharge of liability for the performance of their duties throughout this period.

THIRD RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings, adopts the board's proposal and decides to appropriate the net income for the period as follows:

Net income for the period:	€127 278 201.03
Legal reserve credited with:	€21 934.67
Balance increased by retained earnings of:	€21 379 277.14
Giving distributable earnings of:	€148 635 543.50
Distribution of a dividend of €0.90 on each of 61 532 545 shares	€55 379 290.50
Balance, to other reserves	€93 256 253.00

The dividend thus set will be distributed as of 8th June 2011.

As regards the company's purchase of its own stock, it may be noted that acquired shares do not yield dividend. The sum corresponding to this unpaid dividend will thus be carried forward as 'retained earnings'.

As provided for in article 117 (iv) of the French General Tax Code, this dividend will entitle natural persons who are tax residents in France to a tax abatement of 40%, i.e. €0.36 per share, except in those cases where they have chosen the 19% levy at source option [prélèvement libératoire] rather than graduated income tax. Shareholders must indicate this choice to the financial institution holding their shares (or, failing this, to the Company) by the date of payment of the dividend at the latest.

Whatever the option decided on, shareholders are reminded that social contributions (CSG, CRDS, 2.2% social levy and supplementary contribution), currently representing 12.3% of the dividend (since 1st January 2010), will be deducted at source upon payment of the dividend.

Legal persons are not entitled to this tax abatement.

No income is distributed under this meeting apart from the above-mentioned dividend, eligible or otherwise for the 40% rebate mentioned in article 158, section 3, paragraph 2, of the French Tax Code.

Dividends distributed for the three preceding years were as follows:

	Number of shares at year's end	Net dividend per share (1)	Total distributed *(in thousand of euros)* (2)
2007	55,461,302	€1.00	€54,200
2008	55,461,302	€0.90	€47,904
2009	61,187,226	€0.90	€52,866

(1) Dividend entitling natural persons considered tax residents in France to 40% tax abatement under article 158-3-2° of the French Tax Code.

(2) Acquired shares do not yield dividend.

FOURTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings and having heard the directors' report on management of the group and the external auditors' report on the consolidated accounts closed on December 31, 2010, approves these accounts as presented together with all the transactions expressed in these accounts and summarized in the said reports.

FIFTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings and having heard the external auditors' special report, approves the report in full together with each of the new agreements mentioned therein.

SIXTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings and having heard the directors' report, decides to allow the directors an overall sum of 240,000 euros as fees for the financial year 2010 and subsequent periods.

SEVENTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings, notes that Mr Christian d'Armand de Chateauvieux's term of office as director is coming to its end and decides to renew this tenure for a period of three years, i.e. until the close of the meeting held in 2014 to decide on the accounts for the financial year closed on December 31, 2013.

EIGHTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings, notes that Mr Henri d'Armand de Chateauvieux's term of office as director is coming to its end and decides to renew this tenure for a period of three years, i.e. until the close of the meeting held in 2014 to decide on the accounts for the financial year closed on December 31, 2013.

NINTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings, notes that Mr Guy Dupont's term of office as director is coming to its end and decides to renew this tenure for a period of three years, i.e. until the close of the meeting held in 2014 to decide on the accounts for the financial year closed on December 31, 2013.

TENTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings, notes that Mr Baudouin Monnoyeur's term of office as director is coming to its end and decides to renew this tenure for a period of three years, i.e. until the close of the meeting held in 2014 to decide on the accounts for the financial year closed on December 31, 2013.

ELEVENTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings, notes that Mr Christian Munier's term of office as director is coming to its end and decides to renew this tenure for a period of three years, i.e. until the close of the meeting held in 2014 to decide on the accounts for the financial year closed on December 31, 2013.

TWELFTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings, notes that the term of appointment as primary auditors of the firm EurAAudit CRC is coming to its end and decides to renew this tenure for a period of six financial years, i.e. until the close of the meeting held in 2017 to decide on the accounts for the financial year closed on December 31, 2016.

The firm EurAAudit CRC, which has audited neither contributions nor merger transactions within the company or the companies it controls, as this term is defined in article L. 233-16 of the French Commercial Code, within the past two financial years, has stated that it will accept this appointment.

THIRTEENTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings, notes that the term of appointment, as secondary auditor, of Mr Jean-Jacques Martin is coming to its end and decides to appoint Mr Jean-Marie Cadren, residing at n° 363 chemin de Leysotte, 33140 Villenave d'Ornon, France, as secondary auditor for a period of six financial years, i.e. until the close of the meeting held in 2017 to decide on the accounts for the financial year closed on December 31, 2016.

Mr Jean-Marie Cadren, who has audited neither contributions nor merger transactions within the company or the companies it controls, as this term is defined in article L. 233-16 of the French Commercial Code, within the past two financial years, has stated that he will accept this appointment.

FOURTEENTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for ordinary general meetings and after having heard the board's report and examined the detailed draft of the company's programme for purchase of its own stock, decides:

- to put an end to the current buyback programme decided by the combined general meeting on 9th June 2010;
- to adopt the following programme and, for such purposes:

1) authorizes the board of directors, with powers of sub-delegation, in accordance with the stipulations of articles L. 225-209 et seq. of the French Commercial Code, to purchase company shares within the limit of 10% of the share capital, adjusted as the case may be to allow for possible increases or reductions of capital in the course of the programme but never exceeding this ceiling of 10%, on condition that the maximum percentage of shares acquired by the company as treasury stock and for later use as payment or exchange within the scope of a merger, corporate break-up or capital contribution plan be limited to 5% in compliance with applicable French legislation;

2) decides that shares may be purchased with a view to:
   - market-making through an investment service provider, operating wholly independently within the scope of a liquidity contract under rules of professional conduct approved by the French Financial Services Authority;
   - holding them for later use as payment or exchange within the scope of external expansion operations initiated by the company;
   - allotting shares to employees and authorized agents of the company or its group by allotment of stock options within the terms of articles L. 225-179 et seq. of the French Commercial Code or by allotment of bonus shares as provided for under articles L. 225-197-1 et seq. of the said Code or as part of their beneficial participation in the expansion of the company or within the scope of a shareholding plan or an employee savings plan;
   - handing over stock upon exercise of rights attached to securities which, by way of conversion, exercise, repayment or exchange, entitle the exerciser to allotment of company shares within the bounds of stock market regulations;
   - cancelling them, by way of equity reduction, as prescribed by law, subject to adoption of the sixteenth resolution below;

3) decides that the maximum purchase price per share cannot exceed fifty euros (€50), excluding costs;

4) decides that the board of directors may nevertheless adjust the above-mentioned purchase price in the event of any change in the par value of the shares, any increase of capital by capitalization of reserves and stock dividend, stock-split or consolidation of shares, any redemption of shares, reduction of capital, distribution of reserves or other assets or any other transactions affecting the shareholders' equity, in order to allow for the incidence of these operations on the share value;

5) decides that the maximum sum of funds set aside for this share purchase programme cannot exceed three hundred and seven million, six hundred and sixty-two thousand, seven hundred euros (€307,662,700);

6) decides that the shares can be purchased by any means—and notably wholly or partially through transactions on the market or though purchase of blocks of stock and, as the case may be, through OTC transactions, public purchase offers or exchange offers, or by use of options or derivatives other than sale of put options—and at any times considered appropriate by the board, including during public offers, within the bounds authorized by stock market regulations, and in the sole aim of respecting a commitment to deliver shares or of compensating an acquisition of assets by exchange and transfer of shares within the scope of an external growth operation already in progress upon launching of the public offer;

7) Shares acquired under this authorization may be kept or transferred by any means, including block stock transfers, and at any time, including during public offers;

8) grants the board of directors full powers, with right of delegation, to, notably:
   - implement the programme, proceed with the transactions and set the terms and conditions thereof;
   - place all orders on the stock exchange or between-dealer market;
   - adjust the purchase price of shares to allow for the incidence of the above-mentioned operations on the share value;
   - enter into any agreements, notably with a view to keeping registers of share purchases and sales;
   - make any reports or declarations to the French Financial Market Authority and any other organizations, including notably the publication of details of the buyback programme on the French Financial Market Authority website;
   - proceed with all formalities.

9) decides that the present authorization shall be granted for a period expiring at the close of the ordinary annual general meeting called to vote on the accounts for the period ending on December 31, 2011 and, at all events, not exceeding eighteen months as of the date of present meeting.

FIFTEENTH RESOLUTION

The general meeting vests the bearer of an original or a copy of, or an extract from, the minutes of the present meeting with full powers to proceed with all legal or administrative formalities, to file all documents and to make all public announcements required by current legislation.

2/ Those for the Extraordinary General Meeting

SIXTEENTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for extraordinary general meetings, having heard the directors' report and the external auditors' special report, and acting within the scope of the authorisation for the Company to acquire its own stock, moved in the fourteenth resolution above:

1) authorizes the board of directors, as provided for under article L. 225-209 of the French Commercial Code, to cancel, in one or more occasions and in such proportions and at such times as it sees fit, all or some of the shares acquired by the Company under the various buyback authorizations granted by the general meeting to the present or future board of directors, within the limit of 10% of the Company's share capital per period of 24 months, and thereby to reduce the Company's capital accordingly;
2) authorizes the board of directors to charge the difference between the repurchase price of the shares cancelled and their face value to all available accounts for premiums and reserves;
3) vests the board of directors with full powers, including that of sub-delegation, to proceed with this or these reduction(s) of capital, and notably to set the final amount of the reduction of capital, fix the terms and conditions thereof, note the final implementation of these reductions, order the corresponding accounting entries, proceed with the correlative amendment of the memorandum and articles of association, accomplish all formalities, take any steps and file any declarations with respect to any institutions and, more generally, do whatever is necessary for these purposes;
4) sets the validity of the present authorization at eighteen months as of the date of the present meeting.

SEVENTEENTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for extraordinary general meetings, after having heard the directors' report and the external auditors' special report, and acting in pursuance of articles L. 225-177 to L. 225-185 of the French Commercial Code, authorises the board of directors to grant, in favour of the staff members or certain members of staff or certain categories of staff, as provided for in article L. 225-180 of the said Code, or the authorised agents or representatives of the company and affiliated companies, as indicated in article L. 225-185 of the said Code, options giving entitlement to subscribe to new company shares or to purchase existing company shares bought by the company itself under the conditions prescribed by article L. 225-209 of the said Code.

The board of directors may use this authorisation on one or more occasions throughout a period of thirty-eight months as of the date of the present meeting.

The overall number of options granted under this authorisation cannot entitle subscription to, or purchase of, a number of shares exceeding 5% of the company's nominal capital at the close of the present meeting, it being understood that all bonus shares allotted by the board under the authorisation granted in the eighteenth resolution, as the case may be, will be set off against this ceiling.

These options cannot be taken up by the beneficiaries within the first four years of their allotment by the board and the time-limit for exercise thereof cannot exceed six years, counted as of their date of allotment.

This present decision implies, in favour of the beneficiaries of these subscription options, explicit waiver by the shareholders of their preferential right of subscription to the share issued as and when the options are exercised.

The subscription price or purchase price of shares under options will be set by the board, at the date of allotment of the options in question, in accordance with legislation, but with the exception of any possible discount, the subscription price or purchase price of shares will be determined with reference to the average quoted price on the stock market in the course of the twenty trading sessions preceding the date of allotment of the shares under option. Furthermore, as these are purchase options, the price cannot be below 80% of the average purchase price of shares held by the company in application of the provisions of article L. 225-209 of the French Commercial Code.

This price cannot be modified unless the company were to undertake a financial transaction during the period of exercise of the options. In such a case, the company would adjust the price, or the number of shares, as required by law.

The board of directors may temporarily suspend taking up of options, for a period of up to three months, in the case where it undertakes financial transactions involving exercise of some right attached to shares.

No options may be granted:

- within the ten stock market trading sessions preceding and following the date of publication of the consolidate accounts;
- within the interim period between the date upon which the officers of the company have knowledge of any information which, if it were made public, might have a significant effect on the stock exchange value of the company shares, and the date ten trading days after publication of this information;
- less than twenty stock exchange trading days after a stock goes ex dividend or ex rights capital increase.

Full powers are vested in the board of directors, acting in the circumstances defined above, to grant the above-mentioned subscription options or share purchase options, to set the terms and conditions thereof in accordance with law and the articles of association, to name the beneficiaries, to record the increase(s) of capital resulting from the implementation of this present authorisation, to withhold the costs of these transactions from the premiums arising from the capital increases, to proceed with all necessary formalities in relation to the above and to correspondingly amend the clause, in the memorandum and articles of association, which fixes the amount of the authorised capital.

EIGHTEENTH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for extraordinary general meetings, after having heard the directors' report and the external auditors' special report:

- authorises the board of directors, as provided for under sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, to proceed, in one or more occasions, with the allotment of bonus company shares, either existing or to be issued, in favour of the salaried staff of the company or certain categories of this staff and/or in favour of the corporate officers and directors referred to in section L. 225-197-1-II of the said Code, and of the members of the salaried staff and the corporate officers and directors of affiliated companies or intercompany partnerships (groupements d'intérêt économique), as provided for in section L. 225-197-2 of the said Code;
- decides that the overall number of the shares which may be allotted cannot exceed five percent (5%) of the capital at the date of the decision on their allotment, this percentage being calculated with the inclusion of the said shares allotted and/or issued. It is understood that all the shares to which the options granted by the board under the authorisation granted in the seventeenth resolution give entitlement will be set off against this ceiling.

The general meeting authorises the board of directors to proceed, alternatively or cumulatively, within the limit set in the preceding paragraph:

- with the allotment of shares originating from buybacks by the company as provided for in articles L. 225-208 and L. 225-209 of the French Commercial Code, and/or;
- with the allotment of shares to be issued in a capital increase; in this case, the general meeting authorises the board of directors to increase the capital by the maximum par-value amount corresponding to the number of shares allotted by capitalisation of reserves, premiums or profits, noting that, as prescribed by law, the allotment of shares to the beneficiaries named by the board implies, in favour of these beneficiaries, explicit waiver by the shareholders of their preferential subscription rights to the shares to be issued.

The general meeting decides:

a) as regards allotment of bonus shares to beneficiaries who are French residents:
   - to set two years, counted as of the date upon which the allotment rights are granted by the board of directors, as the minimum period of acquisition following which these rights shall be definitively acquired by their beneficiaries, noting that these rights shall be non-transferable until the completion of this period, as provided for in section L. 225-197-3 of the Commercial Code;
   - to set two years, as of the date of their definitive acquisition, as the minimum period of possession of these share by their beneficiaries, noting however that the shares will be freely transferable in the event of the decease of the beneficiary or in the event of the latter's disablement, classified within the second or third of the categories defined by article L. 341-4 of the French Social Security Code.

b) as regards allotment of bonus shares to beneficiaries who are not French residents:
   - to set four years, counted as of the date upon which the allotment rights are granted by the board of directors, as the minimum period of acquisition following which these rights shall be definitively acquired by their beneficiaries, noting that these rights shall be non-transferable until the completion of this period, as provided for in section L. 225-197-3 of the Commercial Code;
   - to do away with any minimum period of possession by these beneficiaries, noting that the shares will be freely transferable as of their date of definitive acquisition, as provided for in the 7th paragraph of article L. 225-197-1 of the Commercial Code.

As regards the allotments referred to in both sections a) and b) above, however, it should be noted that in the event of the beneficiary's decease, his heirs may request allotment of the shares within six months of the date of decease. Shares will also be allotted before the specified term in the event of the beneficiary's disablement, classified within the second or third of the categories defined by article L. 341-4 of the French Social Security Code.

The general meeting vests the board of directors with full powers, within the above-mentioned limits:

- to determine the names of the beneficiaries and the category or categories of beneficiaries of these allotments of shares, bearing in mind that shares cannot be allotted to staff-members or company representatives individually holding more than 10% of the share capital, and that no allotment of bonus shares may result in any such individual exceeding this 10% threshold;
- to proceed with these allotments, in one or more instalments, at such dates as it deems appropriate;
- to set the conditions and determine the criteria for these allotments of shares, including, for example, but not limited to conditions of seniority, of continuance of contract of employment or term of office through the period of acquisition and any other financial terms or conditions of individual or collective achievement;
- to determine the definitive lengths of the periods of acquisition and of possession of shares within the bounds fixed above by the general meeting;

- to register the bonus shares allotted in an account opened in the name of the shareholder, mentioning the unavailability of these shares and the duration of this unavailability;
- to credit an unavailable reserve, assigned to the rights of the allottees, with a sum equal to the overall par value of the shares likely to be issued through an increase of capital, withdrawing the necessary funds from any reserve freely available to the company;
- to draw as necessary on this unavailable reserve to release the par value of the shares to be issued in favour of their beneficiaries and thereby increase the authorised capital by the cumulative par value of the bonus shares allotted;
- in the event of a capital increase, to amend the articles of association accordingly and proceed with all the necessary formalities;
- in the case where financial transactions within the terms of article L. 228-99, para. 1, of the French Commercial Code are undertaken during the period of acquisition, to implement, as it sees fit, any specific measures to safeguard and adjust the rights of share allottees in accordance with the terms and conditions specified in the said article;
- to take any necessary measures to ensure that beneficiaries respect the required period of possession.

As required by the provisions of sections L. 225-197-4 and L. 225-197-5 of the Commercial Code, a special report will inform the ordinary general meeting every year of action taken in pursuance of this present authorisation.

The general meeting sets the term for implementation of this present authorisation by the board of directors at thirty-eight (38) months.

NINETEENTH RESOLUTION

The general meeting, , resolving under the conditions of majority and quorum required for extraordinary general meetings, after having heard the directors' report and the external auditors' special report, and acting in accordance with legislation and notably articles L. 225-129 to L. 225-129-6 and L. 225-138-1 of the Commercial Code and L. 3332-18 et seq. of the French Labour Code,

- delegates powers to the board of directors, with faculty of sub-delegation to any person accredited by law, to decide to increase the share capital, on its sole initiative, on one or more occasions and where appropriate in distinct increments or separate steps, by a maximum nominal sum of five million euros through issuance of shares, or securities giving access to company equity, reserved for employees belonging to a company or group savings scheme;
- decides that this present delegation implies cancellation of shareholders' preferential subscription rights, in favour of the said members of a company or group savings scheme, to shares and securities to be issued within the scope of this resolution and waiver of their preferential right of subscription to those shares to which the securities issued under this delegation may give entitlement;
- decides, in pursuance of article L. 3332-19 of the said Labour Code, to set the discount at 20% of the average quoted price of the company share on the Euronext Paris stock market over the twenty trading sessions preceding the date of the decision setting the opening date for subscriptions, adding that this discount may be increased to 30% for members of a savings plan instituted in application of article L. 3332-25 of the Labour Code on condition that the unavailability period written into this plan is at least equal to ten years. The general meeting authorises the board of directors, however, within the bounds of legislation or regulations, to replace all or part of this discount with the allotment of free shares or securities giving access to company equity, to reduce this discount or to grant no discount at all;
- decides that the board of directors may proceed, within the limits traced by article L. 3332-21 of the Labour Code, with the allotment of free shares or securities giving access to company equity as a company contribution to a savings plan;
- vests the board of directors with full powers, including faculty of delegation, to, notably:
  - set the terms and conditions of the transaction(s) to be undertaken, and in particular:
    - fix a perimeter for those companies concerned by this offer which is more restrictive than the perimeter of eligible companies under the company or group savings scheme;
    - set the terms and conditions of issuances undertaken under this present authorisation, and notably decide on amounts offered for application, determine the issue prices, the dates, time-limits, terms and conditions of subscription, of payment in full, of issuance and of entitlement to dividends of these shares or securities allowing access to company equity;
  - on the basis of these sole decisions, after each increase of capital, charge the costs of the capital increases to the amount of the corresponding premiums and withdraw, from this amount, the sums necessary to bring the legal reserve up to one tenth of the stated capital;
  - take all action and proceed with all formalities to implement and record the capital increase(s) made in pursuance of this authorisation, including, notably, correlative amendment of the articles of association, and, more generally, do whatever is required for these purposes.

This delegation, which replaces and cancels any previous delegation, is granted for a term of twenty-six (26) months.

TWENTIETH RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for extraordinary general meetings, after having heard the directors' report and the external auditors' special report, decides to delegate its authority to the board of directors to proceed with the issuance and public offering of any financial securities, in one or more

operations and in such proportions and at such times as the board considers appropriate, as provided for under articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228.92 of the French Commercial Code, whether in France or elsewhere, for a period of twenty-six (26) months as of the date of the present meeting, with cancellation of shareholders' preferential subscription rights, and notably of:

- ordinary shares, with or without company share subscription warrants;
- any other securities ultimately giving entitlement, whether by subscription, conversion, exchange, repayment, presentation of a warrant, a combination of these methods or in any other way, to the allotment, at any time or at some fixed date, of shares which, for this purpose, have been or will be issued to represent a portion of the Company's capital.

The general meeting decides that these issuances may also be made:

- in consideration for securities that may be contributed to the company within the scope of a takeover bid involving exchange of company stock and including any securities issued by the company, as provided for under section L. 225-148 of the French Commercial Code;
- following issuance, by the company possessing, directly or indirectly, more than half the capital stock of the company, or by one of the companies in which the company directly or indirectly possesses a majority shareholding, of securities giving access to the equity of the company, as provided for under article L. 228-93 of the said Commercial Code.

For the case of issuance of securities entitling holders to apply for securities representing a portion of the Company's capital, within the scope of this present delegation, the general meeting explicitly delegates authority, to the board of directors, to increase the share capital in accordance with the exercise of these rights.

The general meeting decides to cancel shareholders' preferential rights of subscription to the equity securities and/or other securities which may be issued in pursuance of this present delegation, adding that the board of directors will be allowed to grant shareholders an option to subscribe, preferentially, to all or part of an issue of shares or transferable securities.

The general meeting resolves that the nominal amount of the increase(s) of capital that may be decided by the board of directors, or by its general manager, and implemented, immediately or subsequently, in pursuance of this present delegation, cannot exceed the sum of eight million euros (€8,000,000). In the case of an increase of capital by capitalisation of reserves, this sum will be automatically increased in the same proportions.

The general meeting authorises the board of directors, in the event of excess demand, to increase the maximum ceiling of the capital increase(s) within a limit of 15% of the initial issue, as provided for under articles L. 225-135-1 and R. 225-118 of the French Commercial Code.

Any transferable securities giving access to Company stock issued under this delegation of authority, as the case may be, may comprise debt securities or may be linked with the issuance of such securities or may allow their issuance as intermediary securities. They may be issued either in euros or in other currencies or in any monetary units created with reference to several currencies. The maximum nominal value of securities thus issued cannot exceed three hundred and fifty million euros (€350,000,000), or the equivalent of this sum in the case of issue in other currency or units set with reference to several currencies, at the date of the issuance decision (this sum understood to be a global amount for all the debt securities issued by the board under the delegation granted by the present general meeting).

The general meeting takes due note of these provisions and decides, in case of need, that the present delegation automatically implies, as of right and in favour of the holders of the securities which may be issued giving immediate or subsequent access to company shares, waiver by the shareholders of the preferential right of subscription to those shares to which the said securities may give entitlement.

The issue price for ordinary shares shall be at least equal to the weighted average quoted price on the Euronext Paris market in the course of the three trading sessions preceding the issue, reduced if necessary by a maximum discount of 5%.

The issue price for other transferable securities giving access to equity will be such that the sum received immediately by the company, increased as the case may be by the sum it subsequently receives, shall be, for each share issued as a result of issuance of these other securities, at least equal to the issue price defined in the preceding paragraph.

The general meeting decides, in accordance with law, that the board of directors will have full powers, with right of subdelegation in favour of its general manager, under the terms and conditions set by law, to implement the present delegation of authority, to record the completion of the issues and to proceed with the correlative amendments to the memorandum and articles of association.

This delegation, which cancels and replaces all previous delegations on this head, is granted for a period of twenty-six (26) months.

TWENTY-FIRST RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for extraordinary general meetings, after having heard the directors' report, and acting in accordance with the provisions of articles L. 225-129-2 and L. 225-130 of the French Commercial Code,

1) delegates its authority, to the board of directors, to decide to increase the capital, on one or more occasions and at such times and under such conditions as it may see fit, by capitalisation of reserves, profits, premiums or other sums open to capitalisation, through issuance and allotment of bonus shares or by raising the par value of existing ordinary shares or by any combination of these two methods;

2) decides, in the case where the board of directors were to avail itself of this present authorisation, and as prescribed by article L. 225-130 of the Commercial Code, for an increase of capital through allotment of bonus shares, that rights forming fractions shall be neither negotiable nor transferable, that the corresponding shares will be sold and that the proceeds of these sales will be paid to those holding the rights in question within the time limit fixed by regulations;
3) sets the duration of the validity of this present delegation at twenty-six months, as of the date of the present meeting;
4) decides that the extent of the capital increase resulting from issuances under this present resolution, excluding the amount necessary to safeguard, as required by law, the rights of those holding securities entitling them to shares, cannot exceed the face value of the shares issued. This ceiling is independent and quite distinct from all others provided for in the other resolutions of this present meeting;
5) vests the board of directors with full powers to implement the present resolution and, more generally, to take all action and satisfy all formalities required for successful completion of each capital increase, to record this completion and to amend the articles of association accordingly;
6) notes that the present delegation nullifies, as of the present date and (as the case may be) to the extent of any unused provision, any previous delegation for this purpose.

TWENTY-SECOND RESOLUTION

The general meeting, resolving under the conditions of majority and quorum required for extraordinary general meetings, after having heard the directors' report, decides:

(i) to bring article 13 of the Memorandum and Articles of Association into alignment with the provisions of article L. 225-25 of the French Commercial Code and thus to amend it to read as follows:

Article 13 – Appointment of directors

Paragraph V is amended as follows and the remainder of the article is unchanged:

" Each director must hold [at least] 300 shares in the Company. If this is not the case on the date of his appointment or at any time in the course of his terms of office, he shall be considered as having automatically resigned if he fails to remedy the situation within a period of six months. "

(ii) to bring the provisions of article 17 of the Memorandum and Articles of Association into alignment with the terms of article L. 225-38 of the French Commercial Code and thus to amend it to read as follows:

Article 17 – Transactions with connected persons

The first paragraph of section I, Agreements subject to approval, is amended as follows and the remainder of the article is unchanged:

" Any agreement to be entered into, whether directly, indirectly or through some intermediary, between the Company and its General Manager, one of its Deputy General Managers, one of its directors, one of its shareholders possessing more than 10% of voting rights or, in the case of a corporate shareholder, its controlling company as defined by article 233-3 of the French commercial code, must be submitted to the board of directors for prior approval. "

TWENTY-THIRD RESOLUTION

The general meeting vests the bearer of an original or a copy of, or an extract from, the minutes of the present meeting with full powers to proceed with all legal or administrative formalities, to file all documents and to make all public announcements required by current legislation.

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

(Year ended December 31, 2010)

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2010

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code (Code de Commerce) and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*Code de Commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-31 of the French Commercial Code in respect of the performance of the agreements and commitments, already authorised by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These guidelines require that we agree the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the shareholders' meeting

Agreements and commitments authorised during the year

Pursuant to Article L. 225-40 of the French Commercial Code, the following agreements and commitments, which were previously authorised by your Board of Directors, have been brought to our attention.

With Crown Heather Ltd subsidiary of the Sinopacific Group

Nature and purpose: Orders for 4 "SPA 80" offshore boats from Crown Heather Ltd for a total amount of MUSD 71.2.

Directors concerned: Mr Jacques de Chateauvieux, Chairman-CEO of BOURBON SA and Director of Sinopacific, and Mrs. Lan Vo, Director of BOURBON SA and Director of Sinopacific.

Date of authorisation: Board of Directors' meeting of January 26, 2010.

Terms and conditions: This order's payment schedule includes a 10% advance paid when the order is placed, a 10% advance when the sheet metal is cut, and the balance of 80% upon receipt of the ship. On 2 April 2010, the first advance of M€ 5.3 was paid.

With Crownship Ltd and Zhejiang Shipbuilding Co. subsidiaries of Sinopacific

Nature and purpose: Conclusion of a framework agreement with BOURBON Offshore, subsidiary of BOURBON SA for 62 ships, (including the 4 "SPA 80" offshore boats mentioned above), to be delivered between 2012 to 2014, for a total amount of approximately 1 billion USD.

Directors concerned: Mr Jacques de Chateauvieux, Chairman-CEO of BOURBON SA and Director of Sinopacific, and Mrs. Lan Vo, Director of BOURBON SA and Director of Sinopacific.

Date of authorisation: Board of directors' meeting of June 9, 2010.

Terms and conditions: This framework agreement was signed on 25 June 2010 and resulted in the payment of an advance representing 5% of the total contract value (excluding the 4 "SPA 80" offshore boats), or MUSD 47.1. The agreement's payment terms stipulate that 75% of the price is payable upon delivery of each ship. In addition, the contract also provides for the issue of an advance payment bond by Sinopacific in favour of BOURBON SA covering the first two advances of 5% and 10%. This bond was obtained on 28 June 2010 and the amount of MUSD 42.6 was paid at the same date in respect of the 2nd advance for the orders relating to the 16 SPA 80 and the 10 SPP 17.

With JACCAR HOLDINGS SA

Nature and purpose: Substantial modification of the management services agreement entered into with JACCAR HOLDINGS SA and approved in 2004 by the Board of Directors.

Director concerned: Mr Jacques de Chateauvieux, Chairman-CEO of your Company, and Chairman of JACCAR HOLDINGS SA

Date of authorisation: Board of Directors' meeting of June 9, 2010.

Terms and conditions: The amount, excluding taxes, of the services to be invoiced, in respect of fiscal year 2010, is comprised of a fixed portion of €360,000, excluding taxes, and a variable portion, calculated based on 1% of the consolidated net income of the BOURBON Group, with the variable portion being capped at €500,000.

With Marine SAS

Nature and purpose: Substantial modification of the management services agreement entered into with Marine SAS and approved in 2006 by the Board of Directors.

Date of authorisation: Board of Directors' meeting of June 9, 2010.

Director concerned: Mr Christian Lefèvre, Executive Vice President of BOURBON SA and Chairman of Marine SAS.

Terms and conditions: The amount, excluding taxes, of the services to be invoiced, in respect of fiscal year 2010, is about of €150,000.

With Crownship Ltd subsidiary of Sinopacific

Nature and purpose: As part of a MUSD 400 loan that the China Exim Bank has agreed to make available to Crownship, Ltd, subsidiary of Sinopacific, BOURBON SA has been requested to provide a loan repayment guarantee to China Exim Bank; this guarantee would take effect as of the signature date of the loan and would end upon delivery of the ships financed by the loan.

Directors concerned: Mr Jacques de Chateauvieux, Chairman-CEO of BOURBON SA and Director of Sinopacific, and Mrs. Lan Vo, Director of BOURBON SA and Director of Sinopacific.

Date of authorisation: Written consultation dated June 18, 2010 of the Board of Directors.

Terms and conditions: This guarantee, whose application related to the receipt by BOURBON SA of various guarantees granted by the companies of the Sinopacific Group, has still not entered into force as of December 31, 2010; this guarantee does not bear interest as the consideration thereof being the deferred payment of the ships. No bank guarantee will be granted by BOURBON SA to Crownship Ltd in respect of the payment of 75% of the value of the ships upon delivery.

With Piriou SAS

FIRST AGREEMENT

Nature and purpose: Order for 42 rescue boats, with an option to buy 40 additional units from PIRIOU SAS for a total estimated amount of M€8. These rescue boats are intended to be installed aboard the ships ordered by your Group and currently in the process of being built.

Date of authorisation: Board of Directors' meeting of December 6, 2010.

Directors concerned: Mr Jacques de Chateauvieux, Chairman-CEO of BOURBON SA and Director of Piriou SAS and Mr Christian Munier, Director of BOURBON SA and Chairman of the Supervisory Board of Piriou SAS.

Terms and conditions: The construction of rescue boats may be carried out on the shipyards that Piriou owns in Asia; as of December 31, 2010, 30 rescue boats were part of a firm order representing a total amount of M€3.4. No advance was paid as of December 31, 2010.

SECOND AGREEMENT

Nature and purpose: Study entrusted to Piriou on the design of four Fast Support and Intervention Vessels (FSIV) with upper and improved features compared to the current FSIV comprising the fleet.

Date of authorisation: Board of Directors' meeting of 6 December 2010.

Directors concerned: Mr Jacques de Chateauvieux, Chairman-CEO of BOURBON SA and Director of Piriou SAS and Mr Christian Munier, Director of BOURBON SA and Chairman of the Supervisory Board of Piriou SAS.

Terms and conditions: This study was launched during December 2010.

Agreements and commitments already approved by the shareholders' meeting

AGREEMENTS AND COMMITMENTS APPROVED DURING PREVIOUS YEARS AND HAVING CONTINUING EFFECT DURING THE YEAR

Pursuant to Article L. 225-30 of the French Commercial Code, the following agreements and commitments, which were previously authorised by the Shareholders' Meeting during previous years, have had continuing effect during the year.

With Sinopacific

Nature and purpose: Ship orders from Sinopacific, with advances on construction contracts.

Terms and conditions: 31 ships were delivered during 2010, for a total amount of M€380.2. An order for 2 bulk carriers was cancelled. As at December 31, 2010, orders in progress covered 33 ships for a total amount of M€660.0; resulting in a payment of advances totalling M€480.1. BOURBON benefits from a guarantee granted by Cana Tera SAS (formerly Jaccar SAS) with respect to the restitution of these advances amounting to M€263.7 as at December 31, 2010. This guarantee was granted jointly and severally with Evergreen.

With WEST ATLANTIC SHIPYARD

Nature and purpose: Ship orders from West Atlantic Shipyard, with advances on construction contracts.

Terms and conditions: In 2010, 10 ships were delivered for a total of M€19.5. As at December 31, 2010, orders in progress covered 12 ships for a total amount of M€25.2; resulting in the payment of advances totalling M€9.0.

With SEAS

Nature and purpose: Ship orders from SEAS, with advances on construction contracts.

Terms and conditions: In 2010, 5 ships were delivered for a total amount of M€10.0. As at December 31, 2010, orders in progress covered 10 ships for a total amount of M€13.3; resulting in the payment of advances of M€4.8.

With Piriou

Nature and purpose: Ship orders from Piriou SAS with advances on construction contracts.

Terms and conditions: In 2010, 2 ships were delivered for a total amount of M€8.2. As at December 31, 2010, orders in progress covered 1 ship for a total amount of M€4.1; resulting in the payment of advances of M€0.8.

With Crownship

Nature and purpose: Purchase of 5 bulk carriers for resale purposes, from Crownship, subsidiary of Sinopacific.

Terms and conditions: During 2010, three ships were delivered; the first was resold at the beginning of 2010; the two other ships as well as the Molitor delivered in 2009 were sold as part of the global sale of the bulk carrier fleet to GENCO during the second half of 2010. The total purchase/sale transaction of the 5 bulk carriers had a negative impact of MUSD (3.7) on BOURBON's 2010 consolidated net income.

With Jaccar Holdings SA

Nature and purpose: Management services agreement with Jaccar Holdings SA relating to the sale of its investment in BOURBON SA to Sucrerie de Bourbon Tay Ninh (SBT).

Date of authorisation: Board of Directors' meeting of August 24, 2009.

Terms and conditions: The sale took place at the end of 2010 to a group of Vietnamese investors. No remuneration will be invoiced by Jaccar Holdings SA in respect of this transaction.

SECURITIES, ENDORSEMENTS AND GUARANTEES

Securities and guarantees for an authorised total of €15,000,000 were granted by the Board of Directors at its meeting of March 15, 2010.

No securities were issued during the year.

Lyon and Marseille, March 31, 2011

The Statutory Auditors

EurAAudit C.R.C
Cabinet Rousseau Consultants
Alexandre BRISSIER

Deloitte & Associés
Vincent GROS

ANNUAL INFORMATION DOCUMENT

BOURBON press releases from January 1, 2010 through December 31, 2010

The press releases or publications below are available on the website www.bourbon-online.com (under the heading “PressReleases”) and/or on www.euronext.com.

Date	Description
January 6, 2010	2009 annual assessment of the liquidity contract.
February 10, 2010	2009 annual revenues. Group annual revenues up by 3.1% at 960.5 million euros. Offshore Activity posts annual growth of 20.5% at €809.9 million. Fourth quarter 2009 revenues impacted by the global context of the offshore oil and gas activity.
March 4, 2010	BOURBON and Delba Maritima Navegação signed takeover agreements for the Brazilian company on December 29, 2009. BOURBON is now the 100% owner of its subsidiary.
March 17, 2010	Robust earnings in 2009 driven by the growth of the Offshore Division. EBITDA excluding capital gains up 9.4%. Net income, group share of €155.4 million.
April 19, 2010	Fees paid to the Statutory Auditors.
April 19, 2010	2009 Financial report.
May 3, 2010	How to participate in the General Meeting.
May 3, 2010	Invitation to the General Meeting.
May 5, 2010	BOURBON wins contracts for 8 Bourbon Liberty supply vessels and 5 crewboats for Petrobras in Brazil.
May 5, 2010	1st quarter 2010 financial results. Virtually stable revenues for the 1st quarter of 2010 and strong growth for the Bulk activity. BOURBON vessels enjoy solid profile in a bottom-of-cycle offshore market.
June 9, 2010	June 9, 2010 Combined General Meeting and decision by the Board of Directors.
June 25, 2010	BOURBON announces the signing of a USD 545 million sale agreement for 16 Supramax Bulk carriers.
June 25, 2010	“BOURBON 2015 Leadership Strategy”. A USD 2 billion vessels new building program to renew the old and obsolete shallow water offshore fleet and meet demand in deepwater.
July 2, 2010	Semi-annual assessment of the liquidity contract.
July 22, 2010	BOURBON confirms the sale of 16 Supramax bulk carriers for USD 545 million to Genco Shipping and Trading Ltd.
August 9, 2010	Second quarter 2010 revenues. Second quarter 2010 group revenues: +11.2% compared with second quarter 2009.
August 31, 2010	First half year results 2010. Gross operating income (EBITDA) steady at €168.5 million. Net income Group share totals €41 million in the first half of 2010.
August 31, 2010	1st Half 2010 financial report.
September 22, 2010	Focus on Bourbon Alexandre’s attack in Nigeria on September 22nd, 2010.
October 19, 2010	BOURBON announces its plan to sell its Bulk Freight Operator activity and focuses on marine services to the offshore oil and gas industry.
November 9, 2010	Quarterly Financial Results. Offshore activity grows for second consecutive quarter. BOURBON revenues Q3,2010 vs Q3,2009: +6.4%. Revenues from directly-owned vessels Q3,2010 vs Q3,2009: +11.9%.
November 10, 2010	Liberation of the 3 BOURBON employees abducted in Nigeria aboard the *Bourbon Alexandre*.
November 12, 2010	Arrival in France of the 3 BOURBON employees liberated on 10 November 2010.
November 18, 2010	BOURBON announces the disposal of its holding in Sucrerie de Bourbon Tay Ninh, in Vietnam.

Strategic and financial presentations

Documents available on the website www.bourbon-online.com (under the heading ”Press” – “Financial conferences – Strategic conferences-Analysts’ conferences”).

Date	Description
March 17, 2010	2009 annual results.
June 25, 2010	BOURBON 2015 Leadership Strategy. Presentation of the Group’s new investment program.
August 31, 2010	First half year results 2010.

Annual Report

The Annual Report is available on the AMF website www.amf-france.org and on the website www.bourbon-online.com (under the heading “Publications – Annual Report”).

Date	Description
May 18, 2010	Annual Report 2010.

Declarations

Information available on the AMF website www.amf-france.org.

DECLARATION OF OPERATIONS BY MANAGEMENT AND RELATED PERSONS ON THE COMPANY SHARES

Date	Description
August 6, 2010	Declaration of operations on the Company shares.
September 9.2010	Declaration of operations on the Company shares.
September 10, 2010	Declaration of operations on the Company shares.
November 23, 2010	Declaration of operations on the Company shares.
December 1, 2010	Declaration of operations on the Company shares.
December 14, 2010	Declaration of operations on the Company shares.
December 30, 2010	Declaration of operations on the Company shares.

Information published in the Legal Gazette (BALO)

The information published in the *Bulletin des annonces légales obligatoires* (BALO) is available on the official website: http://www.journal-officiel.gouv.fr/balo/.

Date	Description
April 28, 2010	Invitation to the Combined General Meeting of June 9, 2010.
July 7, 2010	Notice of no change to the annual and consolidated financial statements as of December 31, 2009. Statutory Auditors’ statement on the annual financial statements as of December 31, 2009. Statutory Auditors’ statement on the consolidated annual financial statements as of December 31, 2009.

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