

Paris, March 5<sup>th</sup> 2014

## 2013 Annual Results

Christian Lefèvre, Chief Executive Officer of BOURBON

Good morning ladies and gentlemen, thank you for being with us again this morning and I'd like to thank those listening online as well who for the first time will have the opportunity to ask us questions. So safety information: there are two emergency exits in the back of the room and there's one on the left hand side of the stage and there's a muster point outside on Avenue Georges V. We haven't planned any safety drill today.

Laurent Renard will start and present the income statement and Monsieur Bodénès will make an introduction on our operations and give us an update on the market situation.

In the end I will conclude and talk to you about our business outlook.

### Financial performance

Laurent Renard, Executive Vice-President, Chief Financial Officer of BOURBON

Thank you Christian. Good morning ladies and gentlemen.

So 2013 for BOURBON features an improvement of our profitability and an improvement of our financial position, a revenue standing at €1.3 billion plus 13.1% at constant exchange rates. The exchange rates indeed have had an impact on the income of the company, but we have improved our profitability particularly in shallow water and offshore activities, with thirty new vessels added to the fleet this year. Also a new thing is that we disposed of 31 vessels for a total amount of \$770 million, some of them are on BOURBON chartering for ten years, for most of the 26 vessels and we'll come back to that later on. The end of the year, after this disposal of vessels, our fleet still displays an unrealized gain of €900 million. Cashflow is positive: 450 million and the net debt has been reduced by €320 million. Returns to shareholders therefore will be a proposed dividend of one euro per share. Now setting aside the exchange rate, the environment is still favorable with a barrel at \$110 approximately. In oil and gas investment are still high as Christian will explain later on. So as I said an improvement of profitability with revenue increasing by 13.1% at constant exchange rate, 10.5% with current exchange rates, that is before BOURBON chartered cost and capital gains representing the operational performance of the company, reached €450.3 million. Proportionally increasing with the revenue since they're increasing by 17.6% thanks to our cost control efforts and therefore the profitability measured by capital gains on revenues has improved by 1 point at 34.3%, EBIT reaches €302 million plus 87.3% compared to the previous years. And an EBIT over average capital employed excluding extolment reaches 9.8%, as opposed to 5.8% in 2012. The total net cost is almost stable and while you might have noticed there is a sharp

reduction of our debt. For this debt reduction was more visible at the second half, end of second half in particular, our debt reached a peak up until June 2013 after which we started the Assets Smart plan, and the impact on the financial cost will only be visible at the end of 2014. It's not only the net financing cost but there are also other financial charges and income with €63 million this year, mainly due to losses because of the exchange rate impact. Net income group share has increased sharply standing at €115 million. On this slide you have a pie chart showing this improvement to profitability: deep water offshore accounts for 30% of EBITDAR, shallow water 29% and subsea 17%, and you see this EBITDAR over revenue plus 2.1 points at 34.3%. Per segment, for the first part of this graph, you will realize that for all segments the revenue has increased significantly and for the lower part of the chart you can see that shallow water offshore, that is EBITDAR excluding capital gains on revenue, shallow water has increased by 4.3 points which is quite an excellent result while we received many vessels that were delivered in 2013. Subsea at plus 3.6% - this is also due to the addition to the fleet of a certain number of vessels that will add to the EBITDAR. Now, the exchange rate loses: in 2013 the net debt was €53 million, out of this amounts 65% that are unrealized losses, that is the marked for market, as of December 21, 2013, but you see in the very last days of 2013 the exchange rate declined sharply - it's not only the euro to the dollar, but the euro has improved versus all other currencies and we've noticed that there were unrealized exchange rate losses, but in the long haul we've realized that the gains and the losses tend to offset each other and this is shown here if we consider the last three years and we add up the gains and the losses we're more or less at the break even, zero. Never the less for 2013 the, it was a negative impact of €53 million because of this exchange rate problem. Now Assets Smart is something I've just mentioned. As you will remember we have committed to sell worth \$2.5 billion of vessels, we have already started this program we have the first contract with a Chinese bank ICBC, \$1.5 billion, and all the vessels when we signed this agreement, this deal, were not delivered by the Chinese shipyards but today we have already received \$860 million. Second deal was announced which is worth

\$150 million, with a Standard Chartered Bank and for the second contract we have already received \$65 million for three vessels. I also presented the accounting mechanisms, the revenue is not impacted, Assets Smart philosophies that we've always focused on vessels to serve our customers better, so there's no impact on the revenue. EBITDAR before BOURBON Charter, and capital gains is the most important criteria reflecting the performance of the fleet operated by BOURBON and capital employed is reduced by the amount of the assets that we've disposed of. BOURBON has confirmed the objectives of the Asset Smart plan, with BOURBON costs 30% below EBITDAR and a net debt to EBITDA below twice the amount. BOURBON costs 30% below EBITDAR, and a net debt to EBITDA below twice the amount and then to equity ratio below point five. So that's for the ICBC contract, as of March 5, we've already sold 33 vessels, the overall contract includes 51 vessels and we've sold worth over 863 million and we've already sold three vessels to SCB for 65 million in addition to these deals with ICBC and Sander Chartered Bank we've also sold older vessels to Pereto, \$130 million. We're still operating these vessels; this is why they're on BOURBON Charter but for a shorter period of five years. And we've also renewed our fleet by selling vessels without BOURBON Charter contracts. Five vessels were sold to other ship-owners for a total amount of \$53 million. This of course generates free cash-flow that is positive, that is operating cash-flow plus or minus the net investment in tangible and intangible assets, disposals and after all these series of efforts you see that a cash-flow is positive, standing at €450 million. Now what do we do with this cash-flow? It's fairly simple: we've went to the bank and we thanked the bank that supported us so far, and we gave the 450 million worth of debt back to the banks. So our debt has gone, you see the side bar: above 1.741 we see this little bar showing the peak of our debt, as of June 30 because at the time we had not started selling our assets, Smart Vessels, so after this peak of two billion, 191 million in June 2013, at the end of this year thanks to this generation of this free cash-flow we have improved our debt by €449 million with a net debt on EBITDA ratio that has improved greatly. So as I said in my introduction, based

on this result our board, during its meeting on Monday, has suggested that to the general assembly of shareholders we would increase the earnings per share, the dividends. You have here slides summarizing the dividend per share, reprocessed; including the free shares that may be decided by the general meeting of shareholders, one for ten shares, so we've reprocessed this data and based on this you can see that after many years of rather flat dividend amounts, we've decided this year to increase our dividend by 34%. Conclusion: our net income is standing at €115 million as a result of continued growth of the operated fleet; it is also thanks to the improvement of costs. It's also thanks to the capital gains of the selling of 31 vessels, and in spite of an unfavorable exchange market, the Asset Smart strategy was launched very swiftly and has helped to generate positive free cash-flow and has helped us to start our programme of reducing our debt. And at the next shareholders meeting the board of directors will suggest a distribution of a dividend of one euro per share. And now I'll give the floor to Gaël Bodénès.

## Activities

Gaël Bodénès, Executive Vice President, Chief Operating Officer of BOURBON

Good morning.

The year 2013 for Bourbon was marked by a sustained market both in deep, offshore and shallow water. Throughout the year since it's been our priority we've been tight on discipline of rolling out our plan in executing our plan so we are really on the road to operating excellence. So I'll go through with you some general results and then the results segment by segment for marine and subsea businesses and then we'll focus on the success of Bourbon Liberty range and the delivery of the 100th vessel of Bourbon Liberty.

Now the results for 2013 are quite robust, we're doing much better in terms of safety and technical availability as well. Our teams are more and more committed and we keep a tight control over costs, we have a modern fleet, we do focus on stand arising our vessels and this year 20 Bourbon Liberty were delivered as well as the first Bourbon Explorer, the new generation PSV for deep water. It's a fleet that is perfectly suited to the market's needs and requirements. The market has been quite buoyant throughout the year, sustained by a high and stable barrel price. We can note that our clients give priority to optimizing their operating costs. The global supply in terms of vessels does confirm the great success of modern vessels and there is a heavy trend which is the substitution of older vessels by newer generation ships.

Now 'Safety First', it's our motto and this year we're quite proud of our safety results and I'd like to take this opportunity to really thank all the BOURBON teams that made it possible to reach that performance. We reached our targets, our objectives, as our results are improving by over 30% this year, with a TRIR of 0.48 for 46 million hours worked this year, now that was thanks in particular to a campaign we led, the "Safety Take Me Home campaign", and also thanks to a better way of managing safety. We work online with our most demanding customers on that, but it's also really thanks to all the women and men at BOURBON who worked on that. Now there's no safety without a modern fleet: we operate one of the largest fleets in the market, with 148 vessels in operation with an average age of 6.2 years. Now you must realize that BOURBON's fleet is quite unique and we have a very specific investment strategy based on standardization. Three main criteria: maneuverability with dynamic position, second generation, energy saving thanks to electric diesel engines and the fact that we have constructed in series so we can optimize our operating and investment costs. Today more than 80% of BOURBON's fleet is fully aligned with that BOURBON investment strategy based on a high degree of standardization.

Now operating excellence: because we have highly committed and professional teams, two main trusts for development, building up skills and competences and increasing the local content. This year we invested €20 million in training for our teams that are sailing but also for our teams on the ground. It is key for BOURBON to build up their capacities and skills; also we want to beef up the local content, the hiring of national staff. Today we have more than 80 nationalities. The local content is more than 66%. It's key because it helps us to be closer to our customers than closer to our operations on the ground! Also we show great discipline in our executions so we have a more reliable fleet. In 2013 our technical availability rate exceeded 94.5%, perfectly in line with our targets. On the left you see the red graph showing the technical down time, it was 3% in 2010, in 2013 we went above 2% and now we stand at 1.6%. Also dry docks operations, that is statutory maintenance, is improving: it took us 38 days and now only 27 days, meaning an improvement by 30% for dry-docking so our fleet is more and more reliable, definitely in line with our target which is 97% technical availability by 2015. And then still discipline in execution whereby we can control our costs better; everywhere we publish the operating cost index covering the daily rates for the crew, maintenance, docking, insurance fees, transit fees, this index used to be 106.5 in 2012 we improved by 1.5% in 2013 at 104 our objective by 2015 being 96 points. We also aim at better controlling our investment costs that's why we build in series and the standardization of equipment is key to leverage, to have a volume effect and also we want to optimize the time of when we place our orders and so BOURBON can reduce its costs and it's a priority for our customers. We've got to come up with the right solutions.

Now our operational excellence is reflected in our indicators, the daily rates and the utilization rates. In the blue you have the increase in rates, the blue curve with the yellow dots is the utilization rates and then you have the optimum tunnel operation when we reach that we can increase our daily rates as you can see. Our daily rates have been steadily increasing through 2011, 12, 13, the second half of 2013 was slightly impacted due to a geographic mix. Indeed, this year we mainly allocated our fleet in growing areas, namely Asia and the Middle East where the daily rates are slightly lower but so are operating costs, they're also lower.

Now let's focus on our activities. Marine and Deepwater offshore. Deepwater offshore has sustained business throughout the year, pulled by the delivery of new jack ups, which explains high demand in the PSV segment. And the high number of PSV under construction. BOURBON focused on the delivery of the first Bourbon Explorer and the new generation PSVs for deepwater offshore, quite long waited for by our crews. The first ones are under contract and we're about to sign contracts for the next one. Our objective is to keep a high contractualization rate. On the right you have a digital picture of our latest order, AHTS, 270 tons, highest class, under construction in the VARD Norway shipyard. It shows that we're determined to renew our fleet. In 2013 we sold our two largest AHTS through a lease back but it's also a reflection of our will to really follow up on our most demanding customers wherever they operate in the toughest areas. The indicators reflect that a sustained market with an annual utilization rate of 88.9% and average daily rate so that they are rather high. A slight slump in the second half of 2013 because of the winter breaks in the North Sea. In deepwater offshore, our objective is to keep a high contractualization rate while securing long-term contracts at the right prices. Now, shallow water offshore, good news: it's a very buoyant market pulled by the deliveries of new drilling equipment, jack ups, the demand being amplified by the substitution, the replacement process, as older vessels are being substituted by modern vessels. 79 drilling rigs were ordered in 2013. Investment is continuing of which 40 only of the second half of 2013. BOURBON continues to focus its efforts on this segment. 20 Bourbon Liberty vessels were delivered this year. And we focus on increasing our contractualization rate that increased by ten points between 2012 and 2013 at 77.1%. There are again indicators that reflect a buoyant market in the shallow water offshore, with an annual utilization rate of 89.8 % and daily rates impacted by geographical mix. In the second quarter of 2013 we completed a contract in

Australia where they had very high rates because operating costs are very high but quarters third and fourth the daily rates are increasing again in shallow water region by region. The daily rates are on the rise. Our target in this segment is to keep a high contractualization rate at the right prices. Now crew boats: it's a highly competitive segment where service is absolutely key, the business was pretty buoyant, in particular the top of the segment, with SFIV, with dynamic positioning, DP2. Here is one example of a Bourbon Harmattan in Trinidad. On this segment we tried to brush up our range and go for geographical diversification. We signed contracts in the Caribbean but also in Qatar with two surfers and one SFIV. Utilization rates remain stable this year at 78.7% while the average daily prices are on the rise due to a mix fleet effect with the commissioning of SFIV in the top of range. Our aim is to increase our utilization rates with prices that are suited to that segment. Finally the subsea business is doing quite well. Demand is climbing up plus ten per cent in well head installations in 2013 but also in the period of time to come. And you have a phenomenon which is the aging of subsea equipment: 5000 well heads are more than ten years old which require more and more maintenance operations. BOURBON focuses on the delivery of the Bourbon Evolution 800 to meet the needs of that market. The first units were delivered, mainly to Malaysia and New Caledonia. And also please note that we sold the Blue Angel which was one of our assets operating in Brazil. The annual contractualization rates are high at 90.2% while the average daily rates are still increasing on the buoyant market. Our objective is to keep high utilization rates while pulling the prices up on this segment. Now that's it for our activities and now I would very much like to share with you a world premiere, the delivery of Bourbon Liberty 320 the number 100th in this series. That confirms our dedication to standardize our fleet and to grow in shallow water offshore business. You've got to realize that this was never done before in our industry. In a perfect match with the market, investment in the shallow water offshore is increasing by 7% this year and for the year to come. Taking advantage of that market. Twenty vessels a year were delivered over the last five years. Bourbon Liberty 100 and 200 were supplemented by an order of Bourbon Liberty 150 and 300. This year we'll be operating in 111 vessels on this very segment. This success is confirmed with the perfect match with the market, with the utilization rates, the blue curve with the yellow dots. It increased with the optimum optimal tunnels so we could also hike up our daily rates. In 2010 it was \$10,000 versus \$14,000 in 2013 meaning an increase of more than 40% over the last three to four years. Our customers do confirm the success of our vessels. The majors, the contractors, international companies love them, they operate everywhere in the world: Mexico, Brazil, Trinidad, West Africa, the Middle East, Asia, Indonesia, Thailand, and Malaysia. This is definitely the hallmark of our great success with that series. Now we continue to prepare for the future, indeed we are rolling out of our plan Transforming for Beyond. Three main trusts: our customers with My BOURBON. Our crew teams under the flag of excellence in our operations with Bourbon Way. My BOURBON is an IT web platform allowing our customers real time tracking for operational performance of our fleet. We have a test base with three customers and we'll be deploying this system completely by the end of this year. Under the flag of excellence is the launch of the second "Safety Takes Me Home" campaign, a safety campaign, as we're very keen on improving our performance in terms of safety. In 2013 we launched a campaign to foster a commitment and we're very happy to see our teams are 8% more committed between 2010 and 2013. Finally concerning our authorizations we created a joint purchasing group so that we can have a better volume effect in scale economies with our suppliers to improve our costs and also we'll also standardize our processes with a new operating and reporting system for our vessels. In conclusion, well our operating results are definitely there, they're robust; we're really focused on discipline in execution. We have modern vessels meeting the market's needs. We have professional and more and more committed teams. Transforming for Beyond is well under way, we're definitely on our way to achieving operational excellence.

Now I had over to Christian for the future outlook.

Thank you.

## Perspectives

Christian Lefèvre, Chief Executive Officer of BOURBON

Thank you Gaël.

I'd like to pick up on this excellent piece of news that is the 100th Bourbon Liberty that will be operating on a very dynamic market. And as you understood, they're pretty well matching the new drilling rigs, 79 that are under construction so they're perfectly fitted to help the anchoring, the towing and maintenance activities. We are in a favorable environment as we have said. BOURBON has become a world leader operator, thanks also to its 11,000 workforce, and 484 vessels. In this setting BOURBON has committed to reduce its debt to improve its profitability, and returns for shareholders. So as we've said BOURBON has a global presence, of course we're present in West Africa with more than 50% of our supply vessels which are in this region and some 70-80% of our crew boats in this region. We have also strengthened our positioning in South East Asia with ten new vessels that have started operations. Same thing with the Mediterranean, Middle East and India, with nine new vessels that were added to the fleet there under contract in this area. And we're also present in the Americas in Brazil, Mexico and Trinidad and the North Sea with seven supply vessels but also in France where we have a charter for the French National Navy to protect the coasts. These are pictures showing examples of rescue operations we've made after the many storms off the French coast unfortunately, with the salvage of a cargo ship marooned just off the island of Belle Isle and also the recovery of a container by the Argonaute vessel in Bay of Biscay. And all these operations are made by the chartering company that is the French National Navy. We have a strong local positioning at the same time everywhere where BOURBON operates; this is what we call the local content that is the share of the headcount of the region of where we operate has reached some 70% in 2013. That is a way for our company to be accepted locally, in the regions where we operate. We have provided 167 hours of further vocational training, that is the equivalent of four days of training for 50% of our staff so that is quite a high amount. In Africa training is on the rise since we're at 58% of African staff working for BOURBON. So that's local national staff.

Of course our operational performance is steadily improved. This slide summarizes all the series of the BOURBON fleet and standardization is certainly a competitive advantage, no doubt about it, because it further helps our staff to train on full scope simulators. It's helped us to optimize purchasing and maintenance. We now have higher technical availability rates and we're trustful that we'll meet this objective of 95%. We also have controlled our operational costs. The utilization rate is high, 89.5% because of this technical availability rate which is also high, and our customers do appreciate and appraise the quality of our services so we may expect potential price premium. And our average daily rates are up, 3.8% for supply vessels, and 7.1% for crewboats compared to 2012. So much so that our EBITDAR over revenue ratio is at 34.3%, plus 2% over the year. And the quality of our service of our most demanding clients has been praised by those. You have here a portfolio of our clients, some 60% of our revenue comes from 10 clients, that are the major oil companies, national oil companies, and the major contractors, but 40% of our revenue turnover comes smaller contractors and other customers and clients and that's a 150 of those, the contractualization rates are high, particularly as Gaël said there's been an improvement in our contractualization rates for shallow waters, offshore vessels, plus 8% over the year. Now let's try and for a while talk about the outlook for the oil and gas offshore market. The demand for oil and gas is expected to grow by 1.4% per year over the 2013-2020 periods. Now deep offshore, the

expenditure and operations, investment and operations, should increase by 10% over this 2013-2018 period.

For shallow water offshore it is expected that these expenses should grow by seven percent per year for this five year period. So that's more optimistic than the past forecasts. And all of this is of course favorable for more demand for offshore vessels. So if we consider the supply side, starting with the shallow water offshore vessels, on the left hand side you have the AHTS, the fleet is roughly 1400, 388 are more than 25 years old. And only 97 are on order, are in backlogs, so that's favorable. And it will help to rebalance the market with the delivery of new vessels to the market.

For PSVs it's a smaller market, 316 vessels, 45% of the fleet is more than 25 years old and only 11% are under construction at the moment, so no problem as to the future on this side. The growth in the future demand for shallow water vessels, the growth of the supply is low, so it will have to be boosted under the effect of the replacement of old vessels. For deep water offshore, 59 vessels HDS are under construction and 14% of the fleet is currently more than 25 years old. The number of orders has decreased over the last two years for AHTS because the 2015 and 2016 schedule of deliveries are showing a low number. For PSVs 37% are...337 sorry are on order and some...and 4% of the fleet is over 25 years so there might be an overcapacity here which might have an impact on the prices for this particular segment. Now let's consider the business outlooks for the BOURBON fleet for the four types of vessels for shallow water, offshore, as we've said we're quite confident with 87 HDS with a 73% contractualization rate. Five new Bourbon Liberty are under construction, and will be put on the market and we are confident that they will be well accepted and many contracts have already been signed actually. For PSVs, same thing: 34 vessels with an 85% contractualization rate and seven Bourbon Liberty, 150 under construction and will be put on this market where we will strive to increase the contractualization rate. For deepwater offshore, 13 vessels, 13 HDS, and there are no orders planned for 2014, 2015 and our objective is to improve the contractualization rate which is only at 68% and we may shift some vessels that are in the North Sea on a longer term contract to other areas of the world. For PSVs: 31 vessels, 79% contractualization rate. 19 Bourbon Explorers are under construction and six of which are already contractualized and they're perfectly suited for the subtropics market that is the biggest market in the world, from Brazil to Asia, through Africa and the technical characteristics of these vessels are such that we are confident as to the future signing of contracts and we do not expect any detrimental effect because of this over capacity of deep offshore vessels.

Now let's focus on what our customers are expecting from us, that is, zero incident and a very high level of quality in our performance. So we've decided to improve the qualification and training of our staff and we've worked quite heavily on commitment to be more attractive, to attract skilled people, people who would be committed to improve the quality of our service. We've also focused on the integrating of equipment starting from the design of vessels and the standardization of course and the preventive maintenance programs. And we've also introduced systems and standards, quality management system, an OSM operational safety management and also one for all of the technical operations on our vessels called SMS for Safety Management System which is available on each vessel. And safety is the overarching focus of course. The ultimate objective of course is to improve our profitability because once you can provide a high quality of service you can expect a price premium. When the availability rate of vessels is high you may expect a higher potential revenue per vessel since the vessel is available for a higher number of days to be chartered to our customers. And when you're committed to reducing your cost and control cost you may reduce OPECS and better control the overheads.

Now let's talk about future investments. Those that haven't been committed by the BOURBON 2015 plan amount to €429 million as of December 31, 2013. From now on the new orders for

vessels will be implemented as opportunities arise and considering the time to build new vessels this will not have an impact on our revenue before 2016. You have here a summary of the deliveries to be expected in 2014 because only 12 will be delivered in 2015. Therefore one may say that we have some control on the maturation of our model, and this will help at a later stage to improve our profitability. Now let's go into more details regarding this Asset Smart strategy. As we've said it's a disposal plan worth \$2.5 billion with a ten year verbal charter. It's well under way. 1.6 hundred and fifty billion of vessels have already been initiated. 925 million have already been paid and we are expecting to sign a contract worth \$0.85 billion in 2014 to achieve this fund. We have kept as a target the debt reduction with a debt ratio of less than zero five in 2015 and the BEDIT net debt ratio of less than two in 2015. And we will maintain our veritable charter cost objective of 30% in relation to the EBITDAR, and that is also one of our business objectives for the future. And that's true, the free cash-flow, that you've seen the figures for 2013, we'll carry on in 2014 and 2015.

Outlook is quite encouraging. The demand for offshore vessels is sustained and driven by the high level of cost in the offshore oil and gas sector. There is always a time lag on deep sea projects and we are also expecting in decrease of utilization rates of deep sea drilling equipment as it has already been reported by some drilling rig manufacturers. But our contractualization rate for this segment is rather secured and we shouldn't be impacted by this potential issue of vessel over capacity. Our business has matured since now we're reaching in the last year a high number of vessel deliveries. We have committed to reduce the debt and improve profitably and shareholder's returns. And our objectives for 2014 are the following: a revenue growth of 88% with an operating margin of EBITDAR over revenue that will still be also on the rise. So, BOURBON has become a leader, our business prospects are rather robust and we are committed to reduce our debt and improve our profitability and the return to shareholders.

Thank you for your attention. Now we will take a few questions from the floor here in Paris and if people want to ask via the Internet they also may ask their questions.

## Questions - Answers

### Question

Geoffroy Stern, Keppler Cheuvreux, I have several questions regarding your revenue growth guidance for 2014. You have 41 vessels to be delivered, that's an 8% increase of your fleet so improvement of the daily rates and utilization rates should be improved. So there's a different line because you were talking about an improvement of your utilization rates, the second question is about your free cash-flow: do you expect a positive one excluding disposals because it was negative in 2013 if we exclude the disposal plan, disposal of assets and CAPEX for 2014, 2015 in relation to this new vessel delivery? The CAPEX was €450 million in 2013 - do you have any range of figures for the next two years? That would be nice, thank you.

### Christian Lefèvre, Chief Executive Officer of BOURBON

I'll answer the last question, and I'll also answer your question regarding objectives, and Laurent will answer regarding the cash-flow. Now for CAPEX, in the appendix, of the booklet you've been given, page 69, you have the expected vessels to be ordered, and the capex corresponding to this so you may have the opportunity to check these figures. As to our revenue growth objectives, these objectives have been defined by us on a series of criteria that is growth of our fleet to start with, and the future delivers of new vessels and their starting of operations of these vessels. The fact that they can be mobilized much quicker in Asia rather than if they have to travel half the world



if they have to go to another chartering area. And also it depends on the exchange rate, as was explained earlier. Exchange rates do have an impact on our revenue.

**Laurent Renard, Executive Vice-President, Chief Financial Officer of BOURBON**

Regarding the cash-flow, the answer to your question, you've seen that it's positive in 2013, the definition of it is the operating free cash-flow plus or minus investment or divestments. What comes from operations based on objectives I've explained, we've said that we want to increase our revenue by 8 to 10 % and we're hoping to improve our profitability ratio, so you can make the calculations yourselves, as to the operating free cash-flow in the coming years. Now the net cash-flow from investments and divestments, it all depends on how quickly we will complete our Assets Smart plan, our objective is 2.5 billion, it's been confirmed, we've signed deals of 1.650 billion, our intention is to sign of course more deals. Some of the vessels that are going to be sold still haven't been built yet and so we do not have a fine image of this schedule to be able to answer precisely to your question. So that's for the Asset Smart plan, regarding investments, there is in the appendix to this booklet in which you have the schedule for future deliveries and as Christian said there may be additional or less investment, it all depends on those opportunities that might arise. Another question?

#### **Question**

What about your policy regarding the exchange rate hedging?

**Christian Lefèvre, Chief Executive Officer of BOURBON**

At this...level, euro to the dollar...with this I did not have any particular hedging for, or cover for the revenue, at this stage, but obviously if the exchange rate would be more favorable to Bourbon, we would have some hedging for our future exchange, and the future exchange rates' impact. Now regarding CAPEX, the cash free amount is paid to the deliverer of vessels, but it doesn't give us an idea as to what will be the, out of cash regarding the deliveries of these vessels, I do not intend to answer more precisely to this question. It's the first time we're disclosing revenue and profitability objectives, and that will be it for today, we won't disclose any further figures.

#### **Question**

Julien Laurent, NATIXIS. I have a question regarding your dividend policy. If we consider the extraordinary items and the capital items - at one point there won't be any capital gains - so once the Asset Smart strategy is achieved and completed, now with the FOREX impact, you pay out 250% this year, approximately, is this dividend only a signal and will it be the same in two to three years from now when you will no longer have any vessels to be sold?

**Christian Lefèvre, Chief Executive Officer of BOURBON**

Well as you've seen over the last years we've always maintained the dividend rather stable, and flat, and this year, since our business model is more mature and the company has invested heavily, our shareholders have supported us, and we think that it is, that the time has come to give some returns for their support, so it's about improving the purchasing power of the dividend rather than the payout of dividends. And as we've said and as you've read in our slides our objectives is to improve the returns for our shareholders in the future.

**Gaël Bodénès, Executive Vice President, Chief Operating Officer of BOURBON**

And if I may add, you said the capital gains are bound to disappear - that's not the way we look at things because we operate but we're also shipowners. Our fleet is aging so the active management and capital gains are part and parcel of the regular conducting of the group, of the company.

**Question**

Bertrand Hodee, Raymond James. I have two questions. In 2015 you have a target for EBITDA profitability on revenue for 30%. Now I no longer see that target being displayed - did you give up on that target or do you have a new one updated? And second question, can you give us some guidance as to your financial costs, exchanges, excluding FOREX of course, for 2014?

**Christian Lefèvre, Chief Executive Officer of BOURBON**

Concerning the ratio EBITDA on revenue ratio, the objective for 2015 we gave was 30% and it's still an objective of ours, a target of ours, indeed as we haven't changed our investment or divestment policy, so we're still on that target for the year 2015.

**Laurent Renard, Executive Vice-President, Chief Financial Officer of BOURBON**

As to the financial expenses, it's difficult to give you a precise figure; once again you've seen that in 2013 the financial costs were almost stable. Why? Because we rolled out our disposal programme, mainly in December. In 2014 well we've already signed two contrast I told you, in the framework of the Assets Smart plan and we're working on other possibilities, now how swiftly, thanks to our Assets Smart plan, we can reduce our debt but the calendar must be right and it's different if you do everything in January versus December so I cannot venture to give you an estimate which might be totally wrong.

**Question**

Jean-Luc Romain, CM-CIC Securities, on your cash-flow table, can you specify that €53.8 million is to adjust cash-flow? Is it working capital requirement or, what is it? Second question: the investment not committed for the plan 2015, is it your intention to commit that money in 2014/2015 or is it no longer a growth objective of yours?

**Christian Lefèvre, Chief Executive Officer of BOURBON**

Ok I'll answer on the investment. Well we've already committed one vessel in February, the large AHTS, which is replacing the two large AHTS that we sold and that we chartered, Bourbon Chartering. So in two years they will no longer be part of our fleet. That's why we re-ordered a large, latest generation vessel with the capacity of sailing in the arctic sea. And as to the rest of the investment, it will be done on an opportunistic basis, meaning as a function of the opportunities that will come up. Regarding the crewboats, the orders should be more smooth, more regular, we will of course respond if our customers have special orders, we'll start constructing the vessels they need, they require, and as time goes we'll see whether we should contemplate a substitution, a replacement of those vessels, or to beef up some particular vessel series.

**Laurent Renard, Executive Vice-President, Chief Financial Officer of BOURBON**

Now as to the working capital requirements, you've heard from our competitors that there was a reform going on in Angola, effecting the whole industry. It's what's called a FOREX law, it's the official name, it's pretty complex now. In a nutshell: the Angolan state, government, wants all the services provided locally to be built locally and then in the second step it should be built in Kwanza. Well for us, for our competitors, for customers, this meant a number of changes in the invoicing processes, the building processes, it made it very complicated and it made it difficult to cash in the money owed to us by our customers in the second half of the year. We're solving the problem but this is the reflection that 53 million is a reflection of that state of things, higher requirements in WCO.

**Christian Lefèvre, Chief Executive Officer of BOURBON**

We take a question from internet.

**Question internautes**

Now the other question was what about the evolution of the average daily rates at the beginning of the year 2014.

**Gaël Bodénès, Executive Vice President, Chief Operating Officer of BOURBON**

Now regarding the rates there are two main segments: deepwater offshore and shallow water offshore. In deepwater offshore the day rates are stable, they will continue slightly increasing, the beginning of the year is mainly impacted by the North Sea effect, but they should follow good, favorable trends in 2014. In shallow water offshore, lots of investment, more drilling rigs, more jack ups and the demand should remain quite substantial and the day rates region by region should continue to increase.

**Question**

Jean-François Granjon, Oddo Security. I'd like to come back to your revenue guidance for 2014. I didn't quite get it. In 2013 the growth was 10.8% with 32 new vessels. In 2014 you should receive 40 new vessels, more vessels, and a growth would be restricted to 8-10%. So are you incorporating lower rates, or are you incorporating a degraded geographic mix or negative FOREX impact? How do you account for that lesser increase particularly versus the increase in the number of vessels?

**Christian Lefèvre, Chief Executive Officer of BOURBON**

I guess I already answered the question. I told you this objective we worked on it, taking on board several criteria, the deliveries of vessels and the place where they will be deployed, the vessel mix comes into account of course, whether it's a small crew boat or a large subsea vessel, it's a totally different story. It also depends on the FOREX trends. The average FOREX for an exchange rate for 2013 was 1.33 and today of course we stand at a much higher level and we have to factor that in obviously.

**Question**

Fabien Lanternier, Financière de l'Echiquier. Good morning, a question regarding the operating cost, they should go down at 96 versus 104 today. How, well can you elaborate on that? And then

PSV in deepwater offshore, you talked about some over capacity on the given market but you trust your vessels for a high performance in that environment: why would your vessels be better positioned?

**Laurent Renard, Executive Vice-President, Chief Financial Officer of BOURBON**

Well regarding the operating cost index, our objective in 2015 is quite ambitious. Our objective was to decrease our cost by 4% between 2010 and 2015, so as to the operating cost index, we're still on that target. During the first years of the planned roll out, we were able to focus our efforts on standardizing the fleet and we should speed up on controlling the costs thanks to this high degree of standardization, industrialization of our processes and also because we beefed up our local anchoring with the local content, which is definitely on the rise. So it's an ambitious objective but we stick to it for the year 2015. Another question?

#### **Question**

Yes, sorry I have one more question. Still on the operating cost index, can you tell us how sensitive is this index to foreign exchange rates like if the dollar was to go down, would it mean a positive point for you?

**Christian Lefèvre, Chief Executive Officer of BOURBON**

Well, roughly 30% of our operating costs are in dollars; therefore a drop in the dollar foreign exchange rate would have a favorable impact on our costs.

#### **Question**

Julien Laurent, NATIXIS, again I have a question on taxes. I know it's always a bit tricky to answer such a question but during the first half of 2013 we had a negative, a bad surprise, now you seem to be catching up. Can you shed light on the geographical mix, meaning some vessels were delivered in regions with a high tax level, and what can we expect for the coming year?

**Laurent Renard, Executive Vice-President, Chief Financial Officer of BOURBON**

Well for the year in absolute terms, our taxes have increased by 5 million from one year to the next, but look at the current results: our income proportionally increased much more. So the mix of the tax rate from one year to the next got better, and this is mainly due to the origin, the geographical origin of our profits. Whether they come from countries where the taxes are higher or lower, you have an average tax rate which is more or less high, and that explains that situation.

#### **Question**

Guillaume Delaby, Société Générale. Maybe my question comes too early but aren't you afraid that some people, pessimistic people, would look at your Assets Smart plan as a form of divestment on the part of the majority shareholder? If you look at 2016, the growth rate, your base of growth should be lower, structurally the margins will have gone down and the return on the capital employed will have gone up. Can you give us a trend, some indication what Bourbon would look like in 2016, 2020? You might announce a new strategy plan, well this year, or next year in 2015. So can you give us the longer term trend for Bourbon vision?

**Christian Lefèvre, Chief Executive Officer of BOURBON**

Well our vision of the company today, is clearly the following: after many years of major investment and capital expenditure now we're waiting to see the maturing of our business model. We'll be more picky with our investment, depending on the opportunities that will come up. We'll invest in marine or subsea vessels that we can place in regions or markets that will be very promising, so we're waiting for the full maturing of our business model. Our main objective is to improve our profitability, of the capital employed, and as you've seen we've made quite already nice progress with a EBIT, capital employed ratio of 8.5% versus 10.5% a few years back. So we continue to walk that line to improve our profitability. I see our president would like to take the floor and he might elaborate a bit more on the future beyond 2015.

**Jacques de Chateauevieux, Président du Conseil d'Administration de BOURBON**

Yes, good morning, thank you Christian. Good morning ladies and gentlemen, I'm quite happy to have this opportunity to talk to you, well you're trying to figure out the future accounts, this seems to be your main concern but I'd like to tell you more about our reality. The reality is that of a beautiful company that has come a long way and that is doing beautifully, we've generated quite a bit of cash-flow and of course by leveraging two main aspects which is the way we manage our operations and the way we manage our fleet. You have to look at the way things are, you know don't ask yourself ludicrous questions, just look at the reality. We have a headcount of 12,000 people, the most modern fleet, 580 million cash generated this year, it's quite unique in the history of our industry. Indeed. And what Bourbon has achieved over the last years is only a third step actually in the life of the company, we went through the restructuring of the sugar industry with Bourbon, then we set up a conglomerate and then we decided to focus on a single business which is our core business today. Now if the market has not become fully aware of the value of Bourbon as a company, well what can I say? And for people like me who are shareholders it's a great opportunity to really reinforce the company. And our feeling is that today, Bourbon's future is even more open and promising than it's ever been over the last 35-40 years because we gave ourselves the financial, human and operational resources necessary to open up the field of possibilities. And you referred to the majority shareholder; I can tell you that as far as I'm concerned, indeed, my intention is to develop Bourbon, to grow the company, to create more value, to spread our know-how and also to convey all the human values that underpin our operations. Now I'll ask you to be a bit more patient because we told you we'll be talking about that again before the end of the year, so I'll see you then. As far as I'm concerned, I'm here to stay a long time for beautiful adventures and I'm here to win.

**Christian Lefèvre, Chief Executive Officer of BOURBON**

Thank you Chairman. Now we might take a very last question.

**Question**

Alexandre Leroy, BPI. Do you have an objective of ROCE, in line with the answer given by the chairman, and in the longer term, is your EBITDA sensitive to the dollar-euro-FOREX?

**Christian Lefèvre, Chief Executive Officer of BOURBON**

No, we don't have any objective in terms of return on capital employed or OCE. For last year, we gave you an objective in terms of EBITDA on capital employed at 24%, that was the target. But later on we will communicate on what for us is the reality, which is the EBIT on the average capital employed. That's more of a reflection of the reality, but we don't have a 2015 target to give you.

## Question

Hervé Picard, Tocqueville Finance. I'd like to go back to the question about the risk of overcapacity with the PSVs in the deepwater offshore. How do you intend to fight that negative trend?

**Christian Lefèvre, Chief Executive Officer of BOURBON**

As I tried to explain earlier, our contractualisation rate of the 31 vessels is pretty high at 79% and we have 19 vessels under construction, six of which are already committed in a contract and we're currently discussing for several other vessels. And I also told you that the majority of the vessels under construction are very large PSV vessels, the type for the North Sea and we rather opted for medium sized vessels which are perfectly suited for the largest global market which is the sub-tropical market from Brazil to Asia to West Africa. So given our customers' portfolio, and given the strategic partnerships we have with key accounts, that is the framework agreements we have with major customers, and considering also that this type of product is like the Land Rover of offshore operations for the supply of deepwater drilling rigs, we're fully confident we can withstand that period during which we'll have overcapacity.

## Question

Christine Ropert, Gilbert Dupont I have two questions: could you give us an update on the capital gains from the disposal as of today and then a question regarding the utilization rates in 2013, you mentioned rather high transit rates, maintenance costs, with vessels that were displaying a downtime in dry locks, etc, what about 2014?

**Gaël Bodénès, Executive Vice President, Chief Operating Officer of BOURBON**

Well indeed, many of vessels are scheduled to be delivered at the end of the Liberty ships, by the end of this year. Then delivery of PSVs which will go on in 2014, so it's still a major delivery effort which will, you know, come to an end in 2015.

**Laurent Renard, Executive Vice-President, Chief Financial Officer of BOURBON**

Regarding the capital gains as when we announced the deal with ICBCL we said that we were hoping for a capital gain of 12% for the whole deal, and that's still true today, and for the first half we have sold vessels that are already in operation so the capital gain per unit was slightly higher. For the future ones it will be not so high because the vessels are coming out of the shipyards, but 12% is still a valid guidance, it's still a valid figure.

## Question

My question was rather about the utilization rates not on the delivery of vessels. In 2013 you had some major transit operations, you've also talked about having some vessels going to different geographic areas, is it also the reason why your guidance for 2014 is so conservative?

**Christian Lefèvre, Chief Executive Officer of BOURBON**

We do not expect any particular moves of a high number of vessels between various regions of the world. The vessels would rather go from shipyards to operating areas and this may vary whether the vessel goes to Mexico, West Africa or Asia of course, because the journey is not the same. But no major shifts or moves in our fleet and no major impact on the utilization rates due to the re-location of vessels. Thank you for your presence and your attention. We will be meeting for our

report of our revenue on April 3 for the first quarter of 2014 and also I'd like to thank the people who have listened to us online and hopefully we will see you soon.