2008
FINANCIAL REPORT

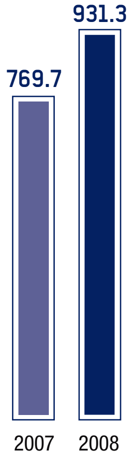
BOURBON
Building together a sea of trust

CONTENTS

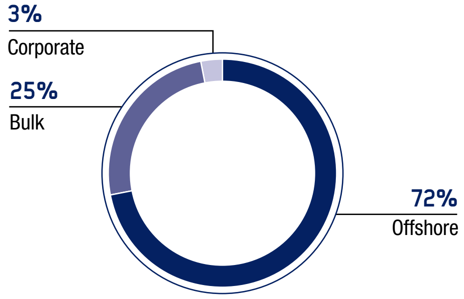
1 BOURBON IN 2008

1 Key figures

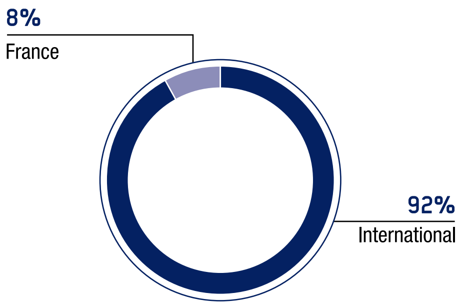
REVENUES
(in €m)



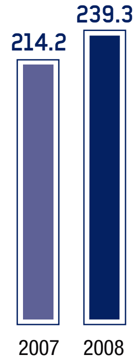
BREAKDOWN OF REVENUES BY DIVISION



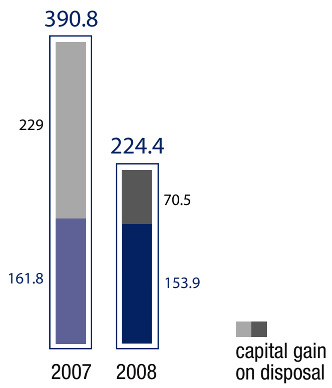
BREAKDOWN OF REVENUES BY GEOGRAPHICAL REGION



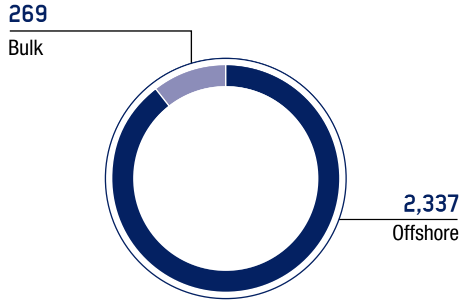
OPERATING INCOME (EBIT)
(in €m)



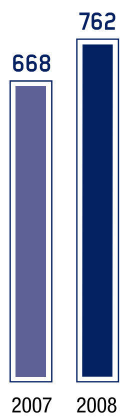
NET INCOME, GROUP SHARE
(in €m)



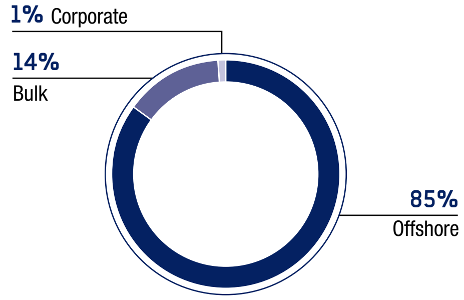
CAPITAL EMPLOYED BY DIVISION (EXCLUDING CORPORATE)
(in €m)



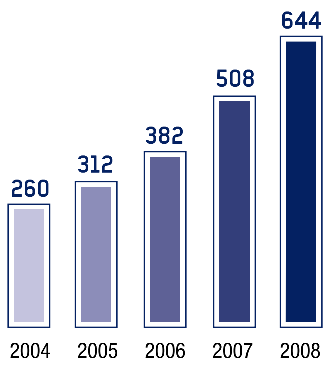
GROSS INVESTMENTS
(in €m)



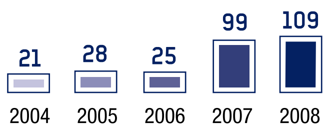
BREAKDOWN OF GROSS INVESTMENTS BY DIVISION



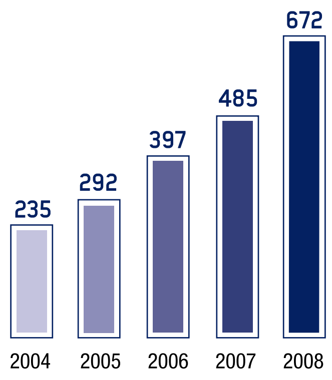
GROSS INVESTMENTS OFFSHORE DIVISION
(in €m)



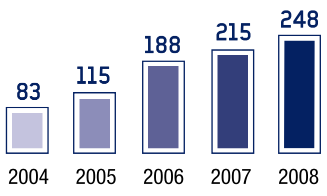
GROSS INVESTMENTS BULK DIVISION
(in €m)



OFFSHORE DIVISION REVENUES
(in €m)



EBITDA OFFSHORE DIVISION
(in €m)



2 Stock market data

Historic data

	2008	2007	2006
Number of shares as of Dec. 31	55,461,302	55,461,302	50,195,528
Share price (in euros)			
- high	48.15	55.18	52.50
- low	16.62	39.77	36.34
- last	18.04	44.82	41.63
Stock market capitalization as of Dec. 31 (in € millions)	1,001	2,486	2,090
Net earnings per share (in euros)	4.13	7.07	3.05
Dividend per share (in euros)	0.90	1.00	0.60
Total dividend (in € millions)	49.9	54.2	30.1

Adjusted data *

	2008	2007	2006
Share price (in euros)			
- high	48.15	50.51	47.73
- low	16.62	36.15	33.04
- last	18.04	44.82	37.85
Net earnings per share (in euros)	4.13	7.07	2.77
Ordinary dividend per share (in euros)	0.90	0.70	0.55
Extraordinary dividend per share (in euros)	-	0.30	-
Dividend per share (in euros)	0.90	1.00	0.55

* *For comparability purposes, the figures have been adjusted following the doubling of the number of shares in the Company on June 1, 2006 and the bonus allocation of 1 share for 10 old shares on June 5, 2007.*

Shareholders' calendar

June 3, 2009
Annual General Meeting of Shareholders.

August 10, 2009
Publication of information on the 2nd quarter and 1st half 2009.

August 26, 2009
Presentation of 1st half 2009 results.

November 9, 2009
Publication of information on the 3rd quarter 2009.

Investors - analysts – shareholders relations

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3 Management bodies

Executive Committee as of December 31, 2008

Jacques d'Armand de Chateauvieux
Chairman & Chief Executive Officer

Christian Lefèvre
Executive Vice President

Laurent Renard
Executive Vice President

Board of Directors

Jacques d'Armand de Chateauvieux
Chairman of the Board of Directors
Chief Executive Officer

Christian d'Armand de Chateauvieux

Henri d'Armand de Chateauvieux

Guy Dupont *

Marc Francken *

Baudoin Monnoyeur

Christian Munier

Dominique Senequier

Vo Thi Huyen Lan

Roger Wright *

** Independent Directors.*

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 Chairman of the Committee is also responsible for supervising proper governance relative to the combined functions of the Chairman of the Board of Directors and Chief Executive Officer.

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

Marc Francken
Independent Director, Chairman of the Committee

Henri d'Armand de Chateauvieux

Dominique Senequier

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:

Roger Wright
Independent Director, Chairman of the Committee

Dominique Senequier

Christian Munier

4 BOURBON simplified organizational chart

OFFSHORE DIVISION

MARINE SERVICES
- OFFSHORE SUPPORT VESSELS
- CREWBOATS
- ASSISTANCE & SALVAGE TUGS

SUBSEA SERVICES
- ENGINEERING & MANAGEMENT
- IMR VESSELS
- SUBSEA ROBOTS OPERATIONS

BULK DIVISION

2 MANAGEMENT REPORT

1 Activities and Highlights

1.1 Market Context in 2008 – Key Features

- In February 2008, BOURBON announced its Horizon 2012 strategic plan. As an expansion and extension of the outlook of the previous plan, the Horizon 2012 plan illustrates BOURBON's policy of continuous improvement, involving constant analysis of the trends in demand so as to be one step ahead of the market. By anticipating its clients' needs, and expanding its array of services, BOURBON plans to assert itself in 2012 and beyond as a leader in modern offshore marine services. With an ever-increasing focus on investments, BOURBON remains at the cutting edge, offering the most demanding oil services clients worldwide the latest in productivity and efficiency. Regarding the **Offshore** Division, the Horizon 2012 plan calls for expanding the services offered by adding and developing a new Subsea Services activity. Under this plan, ten GPA 696 type IMR vessels were ordered in early 2008 for a total of €450 million.
- During 2008, the Offshore Division of BOURBON took delivery of 62 new vessels, of which 12 were in the Bourbon Liberty series. The Bourbon Liberty is a new-generation vessel capable of operating in deepwater offshore, which will also enable the old and obsolete continental offshore fleet to be replaced.
- Because of renewed insecurity in the Niger Delta region in 2008, BOURBON has made changes to its security measures. These changes involve adjusting and redefining safety zones, reinforcing support and protection measures, and stepping up vessel surveillance, whether our ships are in convoy, carrying out operations, or in transit to the coast. In order to guarantee the best possible security conditions for its staff, BOURBON applies extra-high security measures in Nigeria, which are specific to that country. In order to ensure they are as efficient as possible, these procedures and security measures are constantly adjusted and adapted according to the risks and specific practices monitored locally.
- The sale of BOURBON's interest in the Rigdon companies as part of the merger proposal between Ridgon Marine Corporation and Gulfmark Offshore, was completed on July 1, 2008. As the Rigdon companies had so far been accounted for according to the equity method, the sale had no impact on revenues, nor on BOURBON's EBITDA. The sale generated for BOURBON a capital gain of €59 million.
- In 2008, BOURBON continued to dispose of non-strategic assets with the sale of Sucrerie de Bourbon Madagascar and its subsidiary Sagrim, as well as real estate activities in the Indian Ocean.
- Although BOURBON sold its port towage activity to Boluda in 2007, it kept the brand name Les Abeilles. Since Les Abeilles was founded in 1864 in the port of Le Havre, this mythical name has been at the forefront of the navigation companies that helped to build the excellent reputation of the French Merchant Navy. For consistency, the Company Les Abeilles International, which includes protection of the French coastline, as well as assistance and salvage operations handled by five tugs chartered by the French Navy, changed its name to Les Abeilles.
- On November 7, 2008 BOURBON inaugurated the BOURBON Training Center Asia and its AHTS simulator in Singapore at the premises of Bourbon Offshore Asia. The opening of this second BOURBON Training Center in Asia follows the opening of the Manila (Philippines) center in October 2007 dedicated to Dynamic Positioning (DP), This BOURBON Training Center includes an AHTS (Anchor Handling Tug Supply vessel) simulator that represents an outstanding technological advance and an opportunity for BOURBON and the marine industry as a whole to raise its operational, safety and quality standards, The BOURBON Training Center Asia aims to train all AHTS crew members of BOURBON who are based in Asia. It is designed to provide seamen with theoretical knowledge and practical training in anchor handling operations. In line with the objectives defined in its Horizon 2012 strategic plan, training is a priority for BOURBON to handle the substantial growth in its fleet of new–generation, innovative and high performance vessels.
- Following the Annual General Meeting on April 22, 2008, AXA announced the appointment of Jacques d'Armand de Chateauvieux as Chairman of its Supervisory Board. Jacques d'Armand de Chateauvieux will carry on in his present position as Chairman and Chief Executive Officer of BOURBON, at the same time as fulfilling his non-executive role on the Supervisory Board of AXA.

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 from Activities

2.1 Consolidated results

(in € millions)	2008	2007	Change
Revenues	**931.3**	**769.7**	**+21.0%**
Gross operating income excluding capital gains	316.7	262.1	+20.8%
Operating income excluding capital gains	205.0	166.6	+23.1%
Capital gains	34.3	47.6	n.s.
Gross operating income (EBITDA)	**351.0**	**309.7**	**+13.3%**
Operating income (EBIT)	**239.3**	**214.2**	**+11.7%**
Net financial income / (loss)	(75.8)	(37.9)	+100.2%
Share in income / (loss) of associates	2.9	3.1	n.s.
Income tax	(3.1)	(8.4)	n.s.
Net income from discontinued operations and gains on equity interests sold	70.6	232.8	n.s.
Minority interests	(9.4)	(13.1)	n.s.
Net income, Group share	**224.4**	**390.8**	**-42.6%**

The strength of BOURBON strategy is to invest in order to reduce clients' costs. The commissioning of new-generation innovative and high performance vessels, constructed in series at extremely competitive costs, sustains the growth in the Offshore Division operating income and provides a positive outlook for 2009.

The 21% increase in revenues and EBITDA of €351 million provide a solid basis for fully achieving the objectives of our Horizon 2012 strategic plan.

Revenue growth was essentially attributable to the strong increase in the Offshore Division revenues, which rose by 38.7%, and a resilient performance by the Bulk Division, which reported stable revenue growth of +2.9% at a constant exchange rate (12% year-on-year fall in the average annual BSI index).

These good results were achieved at an average exchange rate of US$1.47 per €1 for the 2008 reporting period.

Gross operating income and operating income excluding capital gains on disposal of vessels increased by more than 20% compared with 2007 to €316.7 million and €205.0 million, respectively.

Operating income rose to €239.3 million which included €34.3 million in capital gains essentially attributable to the disposal of a bulk carrier completed in July.

Net financial loss included €52 million in unrealised losses corresponding to the impact of exchange rates and €19 million written down on the value of Gulfmark Offshore shares received as part payment upon the sale of Rigdon Marine and still held by the Group.

Gains on disposal of activities amounted to €70.6 million and included €59 million in proceeds from the sale of Rigdon Marine.

Net income, Group share, came to €224.4 million, representing earnings per share of €4.13.

2.2 Activities of the Divisions

2.2.1 Offshore Division

(in € millions)	2008	2007	Change
Revenues	**672.1**	**484.5**	**+38.7%**
o/w owned vessels	581.5	443.0	+31.3%
o/w chartered vessels	90.6	41.5	+118.3%
Gross operating income excluding capital gains	**240.9**	190.3	**+26.6%**
% of revenues	*35.8%*	*39.3%*	
Operating income excluding capital gains	**132.5**	108.5	**+22.1%**
% of revenues	*19.7%*	*22.4%*	
Capital gains	6.7	24.7	n.s.
Gross operating income (EBITDA)	**247.6**	**214.9**	**+15.2%**
Operating income (EBIT)	**139.2**	**133.2**	**+4.5%**

In the first year of the Horizon 2012 strategic plan, Offshore Division revenues showed a solid growth of 38.7% to €672.1 million.

Revenues generated by owned vessels rose by 31.3% to €581.5 million whilst revenues generated by chartered vessels increased to €90.6 million, up from €41.5 million in 2007.

In 2008, the Marine Services Activity generated an increase in income of 29.7% to €539.6 million. This Activity greatly benefited from the vessels delivered during the year (20 supply vessels and 40 crew boats) and from revaluations of old contracts that had expired and were renewed during 2008. In particular, BOURBON took delivery of 12 Bourbon Liberty vessels designed for the replacement market in continental offshore, which are highly prized by customers.

The **Subsea Services Activity** is undergoing strong growth, in keeping with the Horizon 2012 strategic plan. Revenues amounted to €132.5 million for 2008, up 93.2% over 2007. With two new vessels delivered in 2008, growth was partly sustained by chartering, pending the next deliveries.

(in € millions)	2008	2007	Change
Offshore	**672.1**	**484.5**	**38.7%**
Africa	448.5	320.9	39.7%
Europe & Med./Middle East	124.6	101.1	23.2%
Asia	51.9	23.2	123.5%
American continent	47.1	39.2	20.1%

Geographically, the growth of the Offshore Division was very rapid in Asia and remained strong in Africa, where in 2008, Offshore recorded 67% of its revenues. The increase in the activity of this Division in Africa was due to BOURBON's strong presence in two principal growth markets, Angola and Nigeria. Despite the problems related to operations in that area, particularly in terms of security in Nigeria, the activity of the international oil companies associated with local national companies continues to grow, with new deepwater offshore fields brought on stream, the exploration of new permits and investments aimed at keeping existing fields in production.

The strong growth in Asia zone continues both in Eastern Asia and in India, in a still favorable market which is now opening up to new generation vessels. As of year-end 2008, BOURBON was operating 16 supply vessels and 13 crewboats in Asia.

Growth was confirmed in Mexico with the arrival of new generation vessels, while the activity was steady in Brazil.

Lastly, in the Europe-Mediterranean-Middle East, BOURBON boosted its presence thanks to the commissioning of vessels delivered from the shipyards.

Gross operating income (EBITDA) excluding capital gains came to €240.9 million (up 26.6%) while the EBITDA margin increased significantly in the second half of the year.

Operating income, excluding gains on disposal of vessels, rose 22.1% to €132.5 million.

Growth generated by the Offshore Division was in line with the objectives of the Horizon 2012 strategic plan and reflected:
- a steady flow of new vessels deliveries during the year (20 supply vessels, 2 IMR vessels and 40 crewboats);
- positive revaluation on contracts that had expired and were renewed during the year;
- the successful introduction of new-generation vessels which are particularly appreciated by clients in the current market environment due to the significant cost savings they allow.

2.2.2 Bulk Division

(in € millions)	2008	2007	Change
Revenues	**234.8**	**244.8**	**-4.1%**
Gross operating income excluding capital gains	**78.7**	66.4	**+18.5%**
% of revenues	*33.5%*	*27.1%*	
Operating income excluding capital gains	**75.8**	56.7	**+33.7%**
% of revenues	*32.3%*	*23.2%*	
Capital gains	27.6	22.9	n.s.
Gross operating income (EBITDA)	**106.3**	**89.3**	**+19.0%**
Operating income (EBIT)	**103.5**	**79.6**	**+29.9%**

Bulk Division freight rates reached all-time highs in the first three quarters of the year and declined sharply in the final quarter. Division revenues totaled €234.8 million, versus €244.8 million in the previous year.

Operating income reflected a tonnage of 14 million tons versus 16 million tons in 2007.

Buoyed by the policy of securing medium-term commitments for a portion of the fleet, EBITDA generated by owned vessels remains at record levels as a result of the average level of freight rates for 2008 ($41,550/day) and 2007 ($47,361/day).

In spite of the decline in shipping volumes, freight transport operations generated a significant increase in operating income which, in part, reflected the positive impact from long-term chartered bulk carriers.

2.3 Horizon 2012 Strategic Plan

Target activity ratios

The Horizon 2012 plan, announced in February 2008, provides for projected average growth in revenues of 17% per annum. Activity in 2008 was in line with expectations, with revenue growing by 21%.

The target ratio of EBITDA (gross operating income) to average capital employed excluding installments on orders for vessels under construction has been set at 18% for the end of 2012. For 2008, this ratio came to 21%. The target ratio for EBITDA (gross operating income) to revenues at the end of the plan is 40%. At the end of 2008, this ratio was nearly 38%, particularly impacted by the weakness of the dollar (average dollar to euro rate in 2008 of 1.47, compared to 1.40 in the assumption for the plan) and by the increase in the relative proportion of chartered vessels (which generate a more modest margin).

Progress of the investment program

At the end of 2008, the investment volume provided for under the Horizon 2012 plan (€2 billion, of which 85% is devoted to the Offshore Division) was practically entirely committed. In 2008, BOURBON's Offshore Division took delivery of 62 new vessels: 20 supply vessels, 40 crewboats and 2 IMR vessels. Planned deliveries of new vessels in the Offshore Division are as follows:

- 77 vessels in 2009;
- 62 vessels in 2010;
- 19 vessels in 2011 and beyond.

The Bulk Division is due to take delivery of 7 vessels in 2009, 5 in 2010 and 6 in 2011.

Financing of investment program

As anticipated in the Horizon 2012 plan, financing in 2008 came from cash flow generated by activity, the sale of non-strategic assets and the use of bank borrowing negotiated in 2007 and 2008. At December 31, 2008, the total remaining to be drawn down on existing borrowing amounted to €480 million. At that date, the Group also had short-term (unconfirmed) and unused lines of approximately €206 million.

2.4 Parent Company results

In 2008, the Company continued to dispose of its portfolio of non-strategic activities.

This process of disengagement saw the disposal during the year of *Challenge Hypermarket*, *Innodis, DTI Océan Indien, Sucrerie de Bourbon Madagascar* and *Sagrim*. These disposals generated total income of €3.8 million in the accounts of Bourbon SA.

The Company posted revenues of €0.7 million, consisting primarily of billings to subsidiaries for services rendered. The €3.6 million decline compared to the previous year is due to non-recurrent billing in 2007. The €2.1 million operating loss represented a €1.4 million improvement over 2007, due to writebacks of provisions on current accounts related to disposals of companies during the year and a decrease in fees compared to the prior year.

Financial income came to €247.0 million compared to €59.7 million in 2007. The increase was due to the combined effect of a significant increase in dividends received in the year, in particular from the subsidiaries that disposed of the port towage business and Vindémia in 2007, and an increase in interest received in a blocked current account, remunerated primarily from the receipt of those dividends and from allowances for depreciation on treasury shares.

As a result, the net income of €256.5 million posted for the year was up by €121.1 million compared to 2007.

No expense referred to in Articles 39-4 and 223 *quarter* of the French General Tax Code was identified.

2.5 Changes in accounting methods

There is no change in accounting methods to report.

2.6 Prospects for the future: principal trends

Offshore Division

In 2009, the offshore industry will be impacted by the current low oil prices which force oil and gas clients to achieve cost savings. This may lead some independent operators to scale back on investment programs.

Backed by a unique strategy and market position, and with 31 supply vessels (including 22 Bourbon Liberty vessels), 2 IMR vessels and 44 crewboats due to be delivered in 2009, BOURBON continues to enjoy favorable growth and profitability prospects:

- BOURBON's clients have limited exposure to debt financing difficulties. The Offshore Division generates 90% of its overall revenues from the super-major oil companies and major national oil companies, whilst independent oil companies account for the remaining 10%.
- Vessels in operation or under construction are adjusted to market conditions and client needs.
  The conception of new generation vessels as well as the economies of scale achieved on their cost enable clients to improve productivity, a point particularly appreciated in the current market context.
  BOURBON vessels are operated by clients during the production and maintenance phases that have, by nature, a limited exposure to fluctuations in oil prices.
  The new multi-purpose vessels are built in series and are ideally suited to replace the ageing and obsolete fleet in the continental offshore market.
- The choices made by the Group in terms of financial and contractual policies allow sufficient visibility on the Offshore Division activity in 2009. Long-term commitments have been secured for 80% of the Offshore Division vessels.
  On 1st January 2009 the average remaining length on signed contracts is 23 months, or 35 months if optional contracts are included.
  For 2009, a significant portion of the margin is secured via hedging instruments for dollar-denominated revenues at an average rate of 1.27.

Bulk Division

The Bulk Division will take delivery of seven new bulk carriers in 2009 and will also develop its freight operator activity for the benefit of its clients. Financial results will reflect the impact of the policy of securing medium-term commitments, market freight rates and revenues generated by the freight operator activity.

***

At the Combined Shareholders' Meeting to be held on June 3, 2009, a proposal will be made of a dividend of €0.90 per share, an increase of 28% compared with the previous year's ordinary dividend of €0.70, and also a distribution of 1 bonus share for every existing 10 shares held.

3 Corporate Governance

In terms of corporate governance, BOURBON complies with the legal requirements of the French law on the New Economic Regulations (NRE) and also takes into account the recommendations contained in the AFEP/MEDEF report, which consolidates the corporate governance principles in force.

In 2008, BOURBON continued to improve its corporate governance. At its meeting of December 8, 2008, the Board of Directors took note of the new AFEP-MEDEF recommendations of October 6, 2008 on the compensation of corporate officers 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 stipulated in Article L. 225-37 of the French Commercial Code from 2008.

3.1 Chairman and Chief Executive

At its meeting on May 31, 2002, the Board of Directors approved combining the positions of Chairman of the Board and Chief Executive Officer performed by Jacques d'Armand de Chateauvieux.

At its meeting on May 29, 2007, the Board of Directors confirmed this decision and renewed the mandates of the Chairman and Chief Executive Officer of Jacques d'Armand de Chateauvieux and Executive Vice Presidents Christian Lefèvre and Laurent Renard.

The Executive Vice Presidents, charged with assisting the Chief Executive Officer, for a term equal to that of the functions of the Chairman and Chief Executive Officer, have the same powers as the Chief Executive Officer in relation to third parties, in accordance with Article 16 of the bylaws.

In addition, since the functions of the Chairman of the Board and Chief Executive Officer are exercised by the same person, the Board of Directors decided at its meeting of March 10, 2008, on the proposal of the Chairman of the Board and in line with market conventions, that the Chairman of the Nominating, Compensation and Governance Committee be charged with oversight of respect for the principles of good governance and their effective application.

3.2 Composition of the Board of Directors

	Date first appointed	Date term expires	Positions held outside the Group
Jacques d'Armand de Chateauvieux *Date of birth: 02.13.1951* Director Chairman & Chief Executive Officer	10.14.1977	ASM convened to rule on the financial statements for the fiscal year ended 12.31.2009	***Positions currently held*** ■ Chairman-CEO of Jaccar SAS ■ Chairman of the Board of Directors of CBo Territoria SA ■ Chairman of the Board of Directors of Sapmer SA ■ Member of the Supervisory Board of AXA ■ Director, Sinopacific Shipbuilding Group (China) ■ Director, Innodis Ltd (Mauritius) ■ Director, Financière du Pladen SAS ***Positions that expired in the past five years*** ■ Director of Vindémia SAS ■ Director, Antenne Réunion Télévision ■ Adviser, ICV SA
Christian d'Armand de Chateauvieux *Date of birth: 11.09.1947* Director Cousin of the Chairman & Chief Executive Officer	06.29.1990	ASM convened to rule on the financial statements for the fiscal year ended 12.31.2010	***Positions currently held*** ■ Chairman-CEO of Ch. de Chateauvieux & Associés SA ■ Chairman-CEO of Legrand Filles & Fils SA ■ Chairman-CEO of Vins Rares SAS ■ Manager, Les Armands SCI ■ Manager, Le Petit Vasouyard SARL ■ Manager, Everget Capital ***Positions that expired in the past five years*** None
Henri d'Armand de Chateauvieux *Date of birth: 08.17.1947* Director Member of the Nominating, Compensation and Governance Committee Brother of the Chairman and Chief Executive Officer	05.25.1987	ASM convened to rule on the financial statements for the fiscal year ended 12.31.2010	***Positions currently held*** ■ Chairman of Mach-Invest SAS ■ Director, Sapmer SA ***Positions that expired in the past five years*** ■ Director, Vindémia SAS
Guy Dupont *Date of birth: 08.25.1944* Director	06.18.1999	ASM convened to rule on the financial statements for the fiscal year ended 12.31.2010	***Positions currently held*** ■ Chairman of GVS SAS ■ Director, CBo Territoria ■ Director, Brasseries de Bourbon SA ■ 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 Réunion ■ Director, Réunion Télévision ■ Director, Sucre Austral ■ Director, ICV Mascareignes ■ Union of Sugar Manufacturers ■ Union of Rum Manufacturers

	Date first appointed	Date term expires	Positions held outside the Group
Marc Francken *Date of birth: 01.08.1946* Director Member of the Nominating, Compensation and Governance Committee	05.25.2000	ASM convened to rule on the financial statements for the fiscal year ended 12.31.2008	***Positions currently held*** ■ Honorary chairman of Gevaert NV (Belgium) ■ Chairman of Union Remorquage et Sauvetage (Belgium) ■ Chairman of Technum, Tractebel (Belgium) ■ Director, Nedelands Loodswezen bv (Netherlands) ■ Director, Vlaams Economisch Verbond (Belgium) ■ Director, University Hospital of Antwerp (Belgium) ■ Member of Koninklijke Vlaamse – Engineer Vereniging – Fuggersocieteit – De Warande – Orde Van den Prince ***Positions that expired in the past five years*** ■ Director, Lieven Gevaert Leerstoel ■ Director, Nautinvest (Belgium) ■ Director, VETC (Belgium) ■ Director, Vum Media (Belgium) ■ Director, Asbl de Warande (Belgium)
Baudouin Monnoyeur *Date of birth: 04.24.1949* Director	05.30.2008	ASM convened to rule on the financial statements for the fiscal year ended 12.31.2010	***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: 12.10.1950* Director Member of the Audit Committee	06.18.1999	ASM convened to rule on the financial statements for the fiscal year ended 12.31.2010	***Positions currently held*** ■ Chairman of CDM2 SAS ■ Chairman of SAS Régusse ■ Chairman of the Supervisory Board of Financière du Pladen SAS ■ Director, SAS Marbou ■ 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 Baudoin SA ■ Director, Bonnasse Lyonnaise de Banque SA

	Date first appointed	Date term expires	Positions held outside the Group
Dominique Senequier *Date of birth: 08.21.1953* Director Member of the Audit Committee Member of the Nominating, Compensation and Governance Committee	09.08.2003	ASM convened to rule on the financial statements for the fiscal year ended 12.31.2008	***Positions currently held*** ■ Chairperson of the Management Board of AXA IM Private Equity SA ■ Chairperson of the Management Board of AXA IM Private Equity Europe SA ■ Member of the Supervisory Committee of AXA Private Equity US ■ Chairperson of the Supervisory Committee of AXA Private Equity Germany GmbH ■ Director, AXA Private Equity Asia ■ Member of the Board of Directors of AXA Private Equity Italy S, r, l. ■ Chairperson of AXA Chile Private Equity I SAS. ■ Chairperson of Matignon Développement 1 SAS ■ Chairperson of Matignon Développement 2 SAS ■ Chairperson of Matignon Développement 3 SAS ■ Chairperson of AXA Infrastructures Investissement 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 Alternatives Participations SICAV II ■ Director, Théâtre des Champs-Elysées SA ***Positions that expired in the past five years*** ■ Chairperson of the Supervisory Board of Renaissance Investissements SA ■ Vice-Chairman of the Supervisory Board of Linedata Services SA ■ Director, AIP Finance SA ■ Member of PCP Holding SAS ■ Chairperson of Pikanter 4

	Date first appointed	Date term expires	Positions held outside the Group
Vo Thi Huyen Lan *Date of birth: 10.16.1971* Director	12.10.2007	ASM convened to rule on the financial statements for the fiscal year ended 12.31.2009	***Positions currently held*** ■ Director, Dai Viet Securities Companies (Vietnam) ■ Director, Long Hau (Vietnam) ■ Director, Viet Au (Vietnam) ■ Director, Hiep Phuoc (Vietnam) ■ Director, Viet Fortune (Vietnam) ■ Director, Ever Fortune (Vietnam) ■ Director, Hoang Anh Gial Lai (Vietnam) ■ Director, Agrex Saigon (Vietnam) ■ Director, Seas (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)
Roger Wright *Date of birth: 05.25.1952* Director Chairman of the Audit Committee	09.13.2004	ASM convened to rule on the financial statements for the fiscal year ended 12.31.2008	***Positions currently held*** ■ Chairman and Chief Executive Officer of Arsenal Investimentos (Brazil) ■ Adviser to Springs Global (Brazil) ***Positions that expired in the past five years*** ■ Director, Klabin (Brazil) ■ Director, Gradiente Electronics (Brazil) ■ Director, TAM Airlines (Brazil) ■ Member of the Brazilian Institute of Volunteerism ■ Chairman-CEO of Bassini Playfair ■ Wright LLC (USA) ■ Member of the Board of Ibravo (Brazil)

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 upon advice from the Nominating, Compensation and Governance Committee.

The compensation paid to the Chairman and Chief Executive Officer, Jacques d'Armand de Chateauvieux, who runs Jaccar, BOURBON's lead holding Company, has been unchanged since the increase approved by the Board of Directors in its March 22, 2004 meeting. This is the case for both the fixed portion of €360,000 (excluding taxes) and the variable portion which represents 1% of net income for the fiscal year in question and is capped at €750,000 (excluding taxes).

The compensation of the Executive Vice Presidents was set on the recommendation of the Nominating, Compensation and Governance Committee at the Board meeting of March 20, 2006 and includes a fixed portion and a variable portion; in addition, they receive compensation for positions held in the Group (apart from at BOURBON SA).

The variable portion related to the Company's performance is calculated for both Executive Vice Presidents on the basis of 0.5‰ of net income Group share for the year in question; it is payable the following year, after the financial statements have been approved by the Annual Shareholders' Meeting. On the recommendation of the Nominating, Compensation and Governance Committee, the Board of Directors in its December 10, 2007 meeting decided to cap the variable portion of each of the two Executive Vice Presidents at €150,000. This decision was renewed by the Nominating, Compensation and Governance Committee at its meeting of November 28, 2008.

At its meeting of December 8, 2008, the Board of Directors confirmed the view of the Nominating, Compensation and Governance Committee to link the variable remuneration of corporate officers to net income Group share as it considered this to be the appropriate measure of performance.

3.3.1.1 TABLE SUMMARIZING THE COMPENSATION, STOCK OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE DIRECTOR

(in euros)	2007	2008
Jacques d'Armand de Chateauvieux, Chairman and Chief Executive Officer		
Compensation payable for the year (*detailed in table 3.3.1.2*)	1,125,000	1,123,000
Value of stock options awarded during the year (*detailed in 3.3.2.1*)	0	0
Value of performance shares awarded during the year (*detailed in 3.3.3.1*)	0	0
Total	**1,125,000**	**1,123,000**
Christian Lefèvre, Executive Vice President		
Compensation payable for the year (*detailed in table 3.3.1.2*)	501,630	516,885
Value of stock options awarded during the year (*detailed in 3.3.2.1*)	443,944 (1)	0
Value of performance shares awarded during the year (*detailed in 3.3.3.1*)	0	0
Total	**945,574**	**516,885**
Laurent Renard, Executive Vice President		
Compensation payable for the year (*detailed in table 3.3.1.2*)	414,283	428,523
Value of stock options awarded during the year (*detailed in 3.3.2.1*)	443,944 (1)	0
Value of performance shares awarded during the year (*detailed in 3.3.3.1*)	0	0
Total	**858,227**	**428,523**

(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. When awarded on December 10, 2007, the fair value of an option was € 11.0986. The subscription price was set that day at € 43.98.

3.3.1.2 TABLE SUMMARIZING THE COMPENSATION OF EACH EXECUTIVE DIRECTOR

	2007		2008	
(in euros)	Payable for the year	Paid during the year	Payable for the year	Paid during the year
Jacques d'Armand de Chateauvieux, Chairman and Chief Executive Officer				
Fixed compensation	360,000	360,000	360,000	360,000
Variable compensation	750,000	750,000 (1)	750,000	750,000 (1)
Special compensation	-	-	-	-
Director's fees	15,000	13,000	13,000	15,000
Benefits in kind	-	-	-	-
Total	**1,125,000**	**1,123,000**	**1,123,000**	**1,125,000**
Christian Lefèvre, Executive Vice President				
Fixed compensation	310,764	310,764	310,764	310,764
Variable compensation	150,000	76,445 (1)	112,119	150,000 (1)
Special compensation	-	-	-	-
Director's fees for executive functions in the Group	39,258	39,258	91,574	91,574
Benefits in kind (2)	1,608	1,608	2,428	2,428
Total	**501,630**	**428,075**	**516,885**	**554,766**
Laurent Renard, Executive Vice President				
Fixed compensation	221,000	221,000	221,000	221,000
Variable compensation	150,000	76,445 (1)	112,219	150,000 (1)
Special compensation	-	-	-	-
Director's fees for executive functions in the Group	39,258	39,258	91,574	91,574
Benefits in kind (2)	4,025	4,025	3,730	3,730
Total	**414,283**	**340,728**	**428,523**	**466,304**

(1) Variable compensation is payable in the following year, after the financial statements have been approved by the Annual Shareholders' Meeting.
(2) 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		x		x		x		x
Chairman & Chief Executive Officer								
Start date of mandate: 05.29.2007								
End date of mandate: ASM convened to rule on the financial statements for the fiscal year ended 12.31.2009								

3.3.2 Stock options awarded and/or exercised during 2008

3.3.2.1 STOCK OPTIONS AWARDED DURING THE YEAR TO EACH EXECUTIVE DIRECTOR

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	-	-	-	-	-	-

3.3.2.2 REQUIREMENT TO KEEP SHARES

In March 2008, the Board of Directors instituted a requirement that corporate officers must keep a certain proportion of the shares resulting from the exercise of options until the termination of the corporate officer's functions. This rule stipulates the obligation to keep 20% of the options exercised and it applies to options exercised on or after plan No. 6 in December 2007. This requirement may be reviewed each time stock options are awarded.

3.3.2.3 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	Year of award
Jacques d'Armand de Chateauvieux	-	-	-	-
Christian Lefèvre	-	-	-	-
Laurent Renard	-	-	-	-

3.3.3 Performance shares awarded and/or that became available in 2008

3.3.3.1 PERFORMANCE SHARES AWARDED TO EACH EXECUTIVE DIRECTOR

Performance shares awarded by the Annual Shareholders' 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	-	-	-	-	-	-

3.3.3.2 PERFORMANCE SHARES BECOMING AVAILABLE FOR EACH EXECUTIVE DIRECTOR

Performance shares becoming available for each executive Director	Number and date of plan	Number of shares becoming available during the year	Acquisition conditions
Jacques d'Armand de Chateauvieux	-	-	-
Christian Lefèvre	-	-	-
Laurent Renard	-	-	-

3.3.4 Directors' fees

The members of the Board of Directors are paid as sole compensation Directors' fees totaling €200,000 in accordance with the decision by the Combined Annual and Special Shareholders' Meeting of May 30, 2008 for the year 2007 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 2008 totaled €126,000.

(in euros)	Directors' fees paid in 2007	Directors' fees paid in 2008
Current members of the Board (1)		
Jacques d'Armand de Chateauvieux	13,000	15,000
Christian d'Armand de Chateauvieux	13,000	15,000
Henri d'Armand de Chateauvieux	13,000	17,000
Guy Dupont	13,000	15,000
Marc Francken (2)	11,000	17,000
Christian Munier	13,000	19,000
Vo Thi Huyen Lan (2)	-	2,000
Roger Wright (2)	15,000	19,000
Former member of the Board		
Victoire de Margerie	19,000	7,000
Total	**110,000**	**126,000**

(1) Dominique Senequier, Director, Member of the Nominating, Compensation and Governance Committee and Member of the Audit Committee waived her Director's fees.
(2) The amounts allocated to foreign Directors correspond to the gross amounts paid.

The Members of the Board of Directors were not granted any other compensation or benefit during the year. The Directors were not granted any stock options or bonus shares.

3.4 Fees paid to the Statutory Auditors and to the members of their networks

	EurAAudit CRC				Deloitte Touche Tohmatsu			
	Amount		Percentage		Amount		Percentage	
(in € thousands)	2008	2007	2008	2007	2008	2007	2008	2007
Audit								
Auditing network and certification of consolidated and statutory accounts								
Parent Company	64	64	60%	32%	83	80	14%	16%
Consolidated subsidiaries	43	139	40%	68%	480	393	82%	81%
Other ancillary assignments and other auditing engagements								
Parent Company	–	–	–	–	–	–	–	-
Consolidated subsidiaries	–	–	–	–	18	4	3%	1%
Sub-total	**107**	**203**	**100%**	**100%**	**581**	**477**	**100%**	**98%**
Other services								
Legal, tax, corporate	–	–	–	–	1	9	0%	2%
Other	–	–	–	–	–	–	–	-
Sub-total	**–**	**–**	**–**	**–**	**1**	**9**	**0%**	**2%**
Total	**107**	**203**	**100%**	**100%**	**582**	**486**	**100%**	**100%**

4 Risk Management

2008 was a year dominated by a major financial and economic crisis. This crisis will have knock-on effects on the global economy for a period that is difficult to predict.

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 team has been constituted for each of the operational division as well as at functional level at head office. 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 risks identified were then ranked based on their possible frequency (from frequent to improbable) and their impact (negligible to catastrophic), with catastrophic requiring a crisis unit to respond immediately with an action plan.

The Management of each Division is responsible for communicating the mapping to the different units, as well as action plans and control and follow-up procedures.

The risk map is regularly updated. It was updated twice in 2008 to take account of the results of action plans implemented during the year and changes made to the evaluation of certain risks.

BOURBON intends to extend the implementation of the risk-mapping process to the principal operational subsidiaries.

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

4.1 Risks associated with BOURBON's activity

In the businesses exercised by BOURBON, there are sizable entry barriers based on the fact that positions are acquired over time, the capital intensity of resources, expertise and employees, and a thorough appreciation of the governmental and political constraints in its various sectors of operation.

As a specialist in offshore oil and gas marine services, Bourbon Offshore works with its clients in the development of their business worldwide, offering them a broad array of services and powerful new-generation vessels that are versatile and appropriate for both deepwater and continental offshore. The safety of operating standards is integral to its management and this ensures high and consistent quality.

Operating in more than 28 countries, Bourbon Offshore is very active in the "Golden Triangle" region of the west coast of Africa, Brazil, and the Gulf of Mexico, and in the North Sea. Through a strategy of acquisitions, alliances and partnerships with complementary local organizations, BOURBON is developing rapidly in new zones and in Asia.

Bourbon Offshore's clients are the international oil majors (Exxon Mobil, Chevron Texaco, Statoil, Conoco Philips, BP, Shell, Total, Agip, etc.) as well as numerous state-owned oil companies (Petrobras in Brazil, Pemex in Mexico, etc.).

The Group's international presence and the expansion of its client portfolio help ensure some dilution of the risk of dependence. The expansion of the client portfolio reflects the increasing position of the super majors, Total, Exxon, Shell and BP and the advent of new clients, notably in India, Vietnam, Egypt and Angola. In 2008, only two clients (Total and Exxon) accounted, individually, for more than 10% of the revenues of the Offshore Division.

Based on a dynamic policy of medium and long-term contracts, the Offshore Division is in a position to adapt its offer to the specific requirements of individual clients. 80% of the existing fleet is already under contract for 2009.

In the offshore oil production sector, BOURBON's ability to compete and its success are contingent on the individual expertise and collective motivation of its employees. The Offshore Division crews, highly qualified for each mission, operate all classes of deepwater offshore and continental offshore vessels. The competence of the personnel thus helps create a solid relationship of confidence with clients by generating real satisfaction and this leads to long-term commercial relations.

All BOURBON subsidiaries are currently in the process of recruitment and development of their human resources, in a structurally deficient context of qualified merchant navy officers. BOURBON's crews are central to its strategy and it is deploying an ambitious human resources policy to meet its needs.

The demand for offshore oil and gas services is dependent on clients' willingness to invest. The price of oil and gas on global markets has a significant influence on investment in the sector. A prolonged decline in the price of oil and gas can thus reduce the capacity of BOURBON's clients to invest in new developments. Capital expenditure in the oil industry may also be influenced by the following factors:

- the rate of discovery and development of new oil and gas reserves;
- the global demand for energy;
- the global demand for petrochemical products;
- local political and economic conditions.

A reduction in capital expenditure in the oil industry due to any of the above factors, or for any other reason, could reduce BOURBON's ability to increase or maintain its profits.

However, the demand for oil in the medium term should hold up and ensure that the oil companies continue to invest. The oil companies have the financial resources to invest and to make their investment decisions not on the spot price per barrel but on their assumptions of the average price per barrel over the next ten years.

In addition, BOURBON's focused strategy protects it from a potential market risk by concentrating its development principally on fields already in production (rather than on exploration programs) where the level of activity is independent of spending on oil and gas exploration.

Furthermore, nearly 90% of BOURBON's revenues come from major international and national oil companies, whose investment plans are likely to be maintained and will only be marginally affected by capital spending cuts that other independent operators might decide upon.

The subsidiary Setaf Saget, which has specialized in dry bulk marine shipping for more than 35 years, operates throughout the world with a fleet of modern bulk carriers, five of which are directly owned. It offers its customers tailor-made services by proposing a comprehensive range of high value-added logistics services. The Bulk Division's level of activity depends on the level of international trade and global economic growth as well as the volatility of freight rates (the "Baltic supramax" index). A severe decline in world trade could reduce the demand for bulk carriers. However, the quality of the fleet owned by the Division and the quality of its relations with its historic clients are key advantages for good use of these assets.

4.2 Industrial and environmental risks

BOURBON'S activities mainly involve the marine and shipping sectors, which are especially highly regulated. Although the accident rate has been cut by around a half in the last twenty years, marine shipping is not without risk. BOURBON applies the regulations detailed below 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 follows the standards published by the IMCA (International Maritime Contractors Association).

The regulatory framework applicable to marine activities is 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 SOLAS convention (international convention to safeguard human life at sea) mainly contains the technical provisions to be observed for the design, construction and fitting-out of vessels;
- the STCW convention (International Convention on Standards of Training, Certification and Watchkeeping for Seafarers) lists the requirements for qualifying crews;
- the MARPOL convention *(Marine Pollution)* lists all the factors concerning pollution prevention, both from the vessel and from its cargo;
- the COLREG convention *(Collision Regulations)*, 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. BOURBON has also established a structure, particularly in Nigeria, to enable us to coordinate actions with our clients and the authorities to prevent and limit piracy.

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. Governments 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 auditing of organizations, monitoring construction of vessels 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 achieve the requisite standards more rapidly or exceed them.

BOURBON constantly monitors the situation and keeps up-to-date regulatory information at head office and on board the vessels.

The risks of an environmental disaster largely relate to the presence of the vessel in a particular situation and the potential consequences of accidents associated with the cargo or the voyage. Although it is not possible to completely nullify the impact of transport activities, BOURBON makes every effort to improve its record through technical solutions and by acting to improve the attitudes of all those involved.

BOURBON considers that accidents can be avoided by prevention and that it is possible to take precautions against pollution. Training and exercises are designed to give personnel the best possible preparation for emergencies.

The QHSE (Quality Health Safety Environment) department has the authority to ensure that all BOURBON employees conduct their work according to the practices and procedures that flow from the above principles.

BOURBON's activities are not subject to any specific natural risks apart from those attached to sailing at sea.

4.3 Legal risks and insurance

The offshore services activities that come under the "Marine Services" and "Subsea Services" activities are governed by contracts providing a general obligation of means on BOURBON and a reciprocal renunciation of recourse with the client ("knock for knock" system).

For the Bulk Transport activity, the obligations of the international transporter are governed by international conventions that define the allocation of responsibilities between the shipper and transporter.

The Group operates worldwide. Therefore, its companies are required to obey the law and the regulations applicable to them locally, particularly with regard to maritime, customs and tax issues.

The diversity of its clients and of the geographic sectors in which BOURBON operates limits the risks of collecting client payments and lessens the political risks.

Insurance

NATURE AND EXTENT OF COVER

For its marine activities, BOURBON has a comprehensive insurance program 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" 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 can come into play for surpluses and differences.

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

All these insurance policies have been taken with cover and excess levels 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

Except where there are constraints arising from 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 are rated a minimum of "A" by financial rating agencies such as Standard & Poor's. Our principal insurance partners are: Norwegian Hull Club, Groupama Transports, Allianz Global Corporate and Specialty, Amlin and Fortis for "hull, machinery and equipment" insurance; and the Shipowners' Club, the Gard, the UK Club, and the Skuld (all members of the International Group of P&I Clubs) for ship manager's liability insurance.

The civil liability policy covering the non-marine activity is with Axa Corporate Solutions and Groupama Transport.

The management's liability insurance is with AIG Europe.

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 to below a certain level.

4.4 Financial risks objectives and management policy

The risks to the Group are the interest rate risk on cash flows, liquidity risk, currency risk, and credit risk. The Board of Directors has reviewed and approved the management policies of each of these risks. The policies are summarized below.

Interest rate risk on cash flows

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

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-defined 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 its borrowings. As of December 31, 2008, after taking the interest rate swaps into account, approximately 56% of the Group's medium or long-term debt was contracted at a fixed interest rate.

The following table sets out the Group's net exposure to variable rates before and after management, after allowing for the hedges that have been put in place, as well as the sensitivity of the Group's income from operations before tax (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, 2008			
(in € millions)	< 1 year	> 1 year to < 5 years	> 5 years	**Total**
Variable-rate assets	156.9	-	-	156.9
Variable-rate liabilities	(234.6)	(580.5)	(455.9)	(1,270.9)
Net variable-rate position before hedging	**(77.7)**	**(580.5)**	**(455.9)**	**(1,114.0)**
Hedging	91.5	368.0	161.9	621.4
Net variable-rate position after hedging	**13.8**	**(212.5)**	**(293.9)**	**(492.6)**
Sensitivity to a 1% increase in rates before hedging	(0.8)	(5.8)	(4.6)	(11.1)
Sensitivity to a 1% increase in rates after hedging	0.1	(2.1)	(2.9)	(4.9)
Sensitivity to a 1% decrease in rates before hedging	0.8	5.8	4.6	11.1
Sensitivity to a 1% decrease in rates after hedging	(0.1)	2.1	2.9	4.9

Assuming constant interest rates over the year, as of December 31, 2008, a 1% variation up or down in interest rates would have resulted in the Group's cost of net debt for the year being €4.9 million higher or lower.

Currency risk

OBJECTIVES

The Group's policy is to reduce as far as possible the economic risk associated with currency variations over a medium-term horizon. The Group also tries to minimize the impact of the dollar's volatility on annual income from operations.

CASH FLOWS FROM OPERATING ACTIVITIES

The main foreign currency risks on operations are listed below:

For the Offshore Division, BOURBON invoices a significant proportion (around 67%) of its services in dollars. The Group has a natural foreign exchange hedge thanks to the payment of expenses in the same currency (representing about 16% 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. For the unhedged portion, as well as generally over time, Offshore marine services are directly exposed to currency risks, particularly the dollar risk.

For 2009, a hedge of dollar revenues at an average dollar/euro rate of 1.27 will provide additional security for a significant portion of the margin.

By contrast, the Bulk Division has a near-perfect natural hedge (revenues and costs largely in dollars); the resulting dollar margin is not hedged.

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 leases will be paid by clients; however, in order to avoid accounting exchange differences in countries outside the euro and dollar zones (particularly Norway), the entities finance their capital expenditure 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 that time to euros. This was to realize the underlying exchange gains recognized in the accounts of previous years.

Since then, the majority of new borrowings (apart from in Norway) has been in euros. When the euro/dollar rate permits, these borrowings will be converted to dollars and subsequent acquisitions will also be financed in dollars.

Transaction risk

The following table shows, at December 31, 2008, the Group's monetary asset and liability positions (denominated in a different currency from the entity's functional currency) before and after hedging:

(in € millions)	USD	NOK	EUR	Other
Monetary assets	119.7	100.3	28.3	0.2
Monetary liabilities	(137.7)	(0.1)	(16.1)	(0.2)
Net position before hedging	**(18.0)**	**100.2**	**12.2**	**-**
Hedges	55.8	(100.3)	-	-
Net position after hedging	**37.8**	**(0.1)**	**12.2**	**-**

A 1% variation in the euro exchange rate against all currencies would represent a total impact for the Group of €0.5 million after hedging.

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.

Risk related to the price of supplies

The Group's exposure to price risk is minimal.

Credit risk

The Group's policy is to verify the financial solidity of all clients who seek credit payment terms and client balances are constantly monitored.

The Group does not have a COFACE-type credit insurance agreement.

Concerning the credit risk on the Group's other financial assets (cash and cash equivalents, financial assets available for sale and certain derivative instruments), the Group works only with top-rated financial institutions, particularly the leading French banks, and pays particular attention to the choice of these institutions.

Liquidity risk

The Group's financing is conducted within the framework of a Group policy implemented by the Finance and Administration Department. This policy consists of financing the Group's requirements by a combination of cash flow from operations, disposal of non-strategic assets and bank borrowing; recurrent cash flow is assured by steady expansion of the fleet of vessels and by the strategy of establishing long-term contracts with clients.

As of December 31, 2008, BOURBON had gross debt of €1,414 million, of which €1,162 million was for more than 1 year. The schedule of long-term debt is set out in Note 3.15 of the Notes to the Consolidated Financial Statements.

LONG-TERM AND MEDIUM-TERM BORROWING

In 2005, BOURBON took out a syndicated loan of €320 million for which the redemption phase began in April 2007, with final redemption in 2017. As of December 31, 2008, the loan amount outstanding was €272 million.

In summer 2007, a loan of €450 million ("club deal") was taken out (the line was drawn down in the amount of €262 million as of December 31, 2008). The redemption phase will begin in December 2009 and complete in 2019.

In June 2008, a further "club-deal" loan of 208 million dollars was taken out (the line was drawn down in the amount of 87 million dollars as of December 31, 2008). The redemption phase will begin in December 2010 and complete in 2020.

In 2007-2008, new bilateral loans (in dollars and euros) were taken out:
- some have been signed and drawn down for a euro-equivalent amount of approximately €50 million;
- others have merely been signed and will be drawn down in future years: these non-drawn bilateral loans amount to approximately €205 million.

As of December 31, 2008, the remaining amount to be drawn down on existing borrowing totaled €480 million.

In addition to the traditional covenants associated with corporate loans, some covenants specific to the €320 million and €450 million loans require BOURBON to ensure that a proportion of the vessels that are financed but not mortgaged be available to the lender. If BOURBON were to exceed certain financial ratios in these contracts, it would also be required, at the lender's option, to grant mortgages on the unmortgaged portion of those vessels on a priority basis and/or additionally on other vessels in the BOURBON fleet until it reestablished the ratios to the lender's satisfaction. No early redemption can be demanded provided the financial covenants are respected.

In addition, a new "club deal" type loan for approximately €300 million is currently being finalized and this will also include financial ratio covenants:

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

These financial covenants will provide for an optional repayment demand by a 2/3 majority of the participating banks in the event of failure to respect these ratios.

SHORT-TERM LINES

A prefinancing line of €134 million, pending the establishment of long and medium-term loans, was fully drawn down as of December 31, 2008. It will be repaid rapidly once the relevant financing has been set up and drawn down.

In addition, the Group had unused short-term credit lines totaling around €206 million as of December 31, 2008.

Cash management is coordinated at the Group's operational headquarters. Financière Bourbon, a general partnership organized as a cash-pooling unit, offers its services to most of the Group's operational subsidiaries. The entities with a cash management agreement with Financière Bourbon benefit from active support in the management of their cash flow, currency and interest-rate risks, operating risks and short and medium-term debt, in compliance with local laws.

Stock risk

As of December 31, 2008, the Group had no cash investments.

The Group's equity portfolio is primarily constituted of stock listed on the US market. At year-end, these assets are valued at fair value, based on the following parameters: stock price and exchange rate. In accordance with IFRS, changes in the fair value of these assets are recognized in financial income.

Treasury shares held by BOURBON at December 31, 2008 totaled 2,260,006. A 10% variation in the BOURBON stock price, up or down, would result in a variation in the market value of the treasury shares of €4 million.

4.5 Other specific risks

Ship-building

One of BOURBON's keys to success resides in providing our clients with innovative vessels at competitive prices. BOURBON is developing new-generation vessel designs (diesel-electric propulsion, DP2 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 and Nigeria. BOURBON selects a limited number of shipyards, resulting in some dependence on these shipyards. The failure of any one of the selected shipyards could reduce BOURBON's capacity to respond to its clients' requirements.

A large majority of the commitments have been made with a Chinese shipyard that has demonstrated its capacity to deliver innovative, high quality vessels and whose financial soundness has not been called into question to date.

Business in emerging countries

BOURBON's international growth is taking place in large part in the emerging countries (e.g. the west coast of Africa, Asia, and South America). It operates primarily via joint ventures with local partners, with a view to sharing expertise and advantages, and with a general concern to maximize the local contribution.

The risks associated with operating activities in these countries may include political, economic, social or financial instability. In the conduct of its activities and operations, BOURBON makes every effort to protect itself against economic and political risks and conflicts. Nevertheless, BOURBON is not able to have absolute assurance or cover against these risks and it may also encounter difficulties in the exercice of its activities in these countries, which could affect its results.

Cost control

In a competitive environment, client satisfaction requires good cost control. BOURBON's Horizon 2012 strategy consists of investing to reduce client costs.

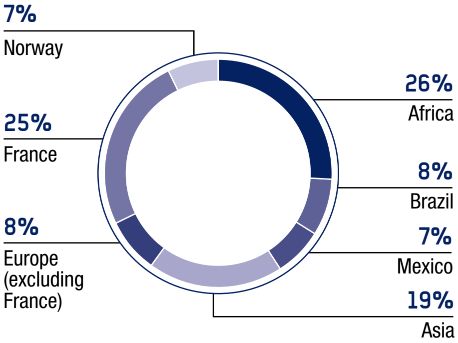
The principle of building innovative vessels in series in competitive-cost countries generates a general dynamic of cost control:

- For the client, the Bourbon Liberty series represents:
  - a reduction in fuel consumption,
  - an increase in freight capacity,
  - operational efficiency and time savings;
- A 15 to 30% reduction in construction costs by following quality and safety standards thanks to unique cooperation between marine architects, equipment-makers and experienced shipyards, working with BOURBON and sharing expertise;
- Standardizing training in order to guarantee the same level worldwide: training crews on simulators, consistency of skills, and enhancement of know-how thanks to the sharing of best practice;
- Optimizing maintenance and upkeep costs: systematization of procedures for maintenance services, reduction of spare parts inventory, optimizing intervention time, and substitution facilitated during technical shutdowns, etc.

5 Employment Information

5.1 Personnel / Employment

As of December 31, 2008, BOURBON had a staff of 5,700 (excluding Sugar businesses), representing 59 nationalities and working in 28 countries.



Breakdown by category of personnel

- Seagoing: 82%.
- Onshore: 18%.

Management

- 35.5% of personnel.

BOURBON has achieved its objectives for 2008 under the Horizon 2012 plan with a 33% increase in the number of employees compared to 2007.

In order to meet its employment requirements, mainly due to the number of new vessels delivered in 2008, BOURBON deploys a strategy of international recruitment. The international "shipmanagers" network draws on the Group's local companies and on international manning companies dedicated to recruiting for BOURBON.

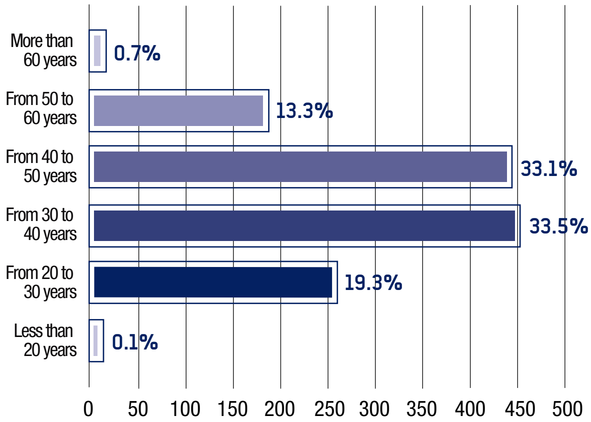
In addition, all the subsidiaries are strengthening their partnerships with the leading merchant navy schools and academies. To improve the integration of new employees, BOURBON has developed an induction program at head office and at each of the subsidiaries.

The job market in the North Sea is particularly difficult.

Focus on France

- 255 recruitments on open-ended contracts in 2008.
- The turnover rate of French seamen dropped from 11.7% in 2007 to 7.4% in 2008.

AGE PYRAMID AT DECEMBER 31, 2008 (FRENCH ENTITIES)



5.2 Compensation

There are different compensation structures for seagoing and onshore personnel. Compensation rates for seagoing personnel increase regularly in line with local collective bargaining agreements. The compensation policy for onshore personnel in support functions combine collective bargaining increases and/or merit awards, depending on the subsidiary.

Focus on France

The amount paid by the Group's French subsidiaries under profit-sharing and bonus agreements was €6,446 thousand for 2007, 11% more than the amount paid for 2006.

5.3 Training

Training remains a priority for BOURBON. Professional development coupled with excellence of operating standards and safety procedures form the basis of BOURBON's training policy.

Training programs are primarily conducted on board the vessels. They are managed by referring officers under the "Seaskills" project that has been developed with the classification society DNV *(Det Norske Veritas)*.

BOURBON continues to invest in its BOURBON Training Centers. A new diesel-electric AHTS simulator was commissioned in November 2008 at the BOURBON Training Center Asia based in Singapore. This is in addition to the AHTS in Marseille and strengthens the Group's training capacity in Asia. This new simulator incorporates the features of the "Bourbon Liberty 200".

DNT Offshore also has a new simulator at Ravenna, Italy, for UHD *(Ultra Heavy Duty)* ROV.

In 2008, 200 seamen were trained on AHTS simulators and 145 officers were trained in "DP" (Dynamic Positioning).

A simulator project for Surfer pilots (crewboats) was also launched in 2008, with planned deployment in the second half of 2009.

In addition, a professional development plan for support function personnel was launched in 2008, for the development of employees' skills to underpin the Group's strong international growth.

Focus on Nigeria

A special program is in place for skills management in Nigeria.

The skills standards of Surfer pilots are the benchmark for assessment of Nigerian seamen. A diploma-based training program has been established for Surfer pilots, engineers and able seamen.

A training center is due to be constructed in 2009 and will soon include a Surfer simulator.

6 Bourbon SA and its Shareholders

6.1 Capital and shareholder base

As of December 31, 2008, Bourbon had capital of €35,229,221 represented by 55,461,302 fully-paid up shares.

On May 13, 2008, Mach-Invest declared it had crossed over the ownership threshold of 5% and on that date held 2,819,750 shares, representing 5.08% of the capital.

Jaccar announced it had acquired an additional 380,000 shares between October 2 and 7, 2008, raising its holding to 24.89%.

On December 18, 2008, Pleyel Investissements announced that it had carried out an internal reclassification for its parent Company Monnoyeur SAS, involving 2,994,868 shares, representing 5.40% of the capital.

In addition, on December 31, 2008, through the employees' mutual fund "Bourbon Expansion FCPE", 900 employee shareholders held a total of 449,414 shares, representing 0.81% of the capital.

The table below shows a breakdown of the BOURBON shareholder base as of December 31, 2008:

Shareholders	Number of shares	% of the capital	% of the voting rights
Jaccar (1)	13,803,336	24.89%	25.95%
Monnoyeur	2,994,868	5.40%	5.63%
Mach-Invest (2)	2,821,195	5.09%	5.30%
Treasury stock	2,260,006	4.07%	-
Employees	449,414	0.81%	0.84%
Public	33,132,483	59.74%	62.28%
Total	**55,461,302**	**100.00%**	**100.00%**

(1) Jaccar: the Jacques d'Armand de Chateauvieux family.
(2) Mach-Invest: a Company connected to 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	Net dividend per share (1) (in euros)	Total amount distributed (in € thousands) (2)
2005	25,045,577	1.00	25,046
2006	50,195,528	0.60	30,110
2007	55,461,302	1.00	54,200

(1) Dividend eligible for a tax allowance of 40% for individuals who have their tax residence in France, pursuant to Article 158-3-2° of the General Tax Code.
(2) Treasury shares are not entitled to dividends.

6.3 Company transactions on its stock

6.3.1 Stock buyback program

As of December 31, 2008, the Company owned 2,260,006 shares, representing 4.07% of the capital, through CM CIC Securities, the investment services Company responsible for market-making under the AMAFI charter.

In 2008, BOURBON bought 2,225,955 of its own stock to cover its stock option plans for the purchase of existing shares, as authorized by the Board of Directors at its meetings on December 10, 2007 and December 8, 2008, and for future plans.

Neither CM CIC Securities, as market-maker, nor the Company have traded in derivatives on BOURBON shares.

6.3.2 Purchase and sale of BOURBON stock by executive officers

BOURBON's executive officers have declared the following purchases and sales of Company stock during 2008:

Name of executive officer	Sale of BOURBON stock (number)	Purchase of BOURBON stock (number)
Jacques d'Armand de Chateauvieux or individual associated with him	-	380,000
Christian Lefèvre or individual associated with him	-	982
Laurent Renard or individual associated with him	-	5,670

Details of all these transactions and individual declarations under Articles 223-22 and 223-25 of the General Regulations of the French financial markets authority ("AMF" – *Autorité des Marchés Financiers*) are available on BOURBON's website (www, bourbon-online, com) in the "Finance" section under "Regulated Information" and on AMF's website (www, amf-france, org).

6.3.3 Stock options granted to employees

The Combined Annual and Special Shareholders' Meeting of May 30, 2008 gave authority to the Board of Directors, in its eighteenth special resolution, to grant, on one or more occasions, to the employees or to some of them or to some categories of employees or corporate officers, as defined by law, of the Company or affiliates thereof as defined under Article L. 225–180 of the French Commercial Code, options entitling the holder to subscribe to new stock in the Company and/or purchase existing stock in the Company from purchases made by it up to a maximum of 5% of the capital stock.

Pursuant to this authorization, at its meeting of December 8, 2008, the Board of Directors granted 35,600 stock options for new or existing shares at a price of €21.00, which is equal to 100% of the average stock prices quoted in the twenty stock market trading sessions preceding their allocation, to 50 beneficiaries.

The beneficiaries of this 7th plan are new employees recruited under the Horizon 2012 Plan or recently promoted employees. These options may be exercised from December 8, 2012 and will expire on December 7, 2014.

Stock options granted to the ten employees awarded the highest number of options who are not executive Directors, and options exercised by them	Total number of options awarded / new or existing stock purchased	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)	17,600	€21.00
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)	0	

6.3.4 Employee shareholding

As of December 31, 2008, through the employees' mutual fund "Bourbon Expansion FCPE", 900 employee shareholders held a total of 449,414 shares, representing 0.81% 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, 2008.

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.

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 is not aware of any such agreement between shareholders.

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 Special Shareholders' 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 divulgence of which (apart from mandatory divulgation 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.

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 General Meeting:

- to appropriate the earnings for the year as follows:

Profit for the year:	€256,470,383.43
(the legal reserve being constituted by 1/10 of the capital)	
Plus retained earnings, i.e.:	€1,260,706.00
For distributable earnings of:	€257,731,089.43
Distribution of a unitary dividend of €0.90 to 55,461,302 shares:	€49,915,171.80
Other reserves, for the balance:	€207,815,917.63

This dividend would be paid out on or after June 11, 2009.

Under the Company's share buyback program, treasury stock does not entitle the holder to dividends. The sum corresponding to unpaid dividends will be assigned to "Retained earnings carried forward". The total amount of the dividend may also be increased by the sum required to be distributed to new stock issued as a result of the exercise of stock options on the dividend payment date.

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

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

- to set from January 1, 2009 the total maximum amount of the Directors' fees allocated to the Board of Directors at €200,000 for 2008 and subsequent years.

7.2 Terms of office of the Directors and Statutory Auditors

Directors

The terms of office as Directors of Dominique Senequier, Marc Francken and Roger Wright expire at this Annual Shareholders' Meeting; if they wish to renew their term, a proposal will be made to the Shareholders' Meeting to renew their positions for another three-year period, i.e. until the Annual Shareholders' Meeting scheduled in 2012 to approve the statements for the year ended December 31, 2011.

At its meeting on December 8, 2008, on the recommendation of the Nominating, Compensation and Governance Committee, the Board of Directors considered and accepted the candidacy of Philippe Sautter, residing at 4, rue Clapières, Saint-Égrève (38120), France, for a term of office as Director. At the Board of Directors' meeting on March 23, 2009, the decision was made to propose to the Annual Shareholders' Meeting to approve his appointment for a period of three years, i.e. until the end of the Meeting to be held in 2012 to approve the financial statements for the year ended December 31, 2011

Statutory Auditors

After considering the terms of office of the Statutory Auditors and their alternates, it was noted that neither of these are due to expire at the end of this Shareholders' Meeting.

7.3 Treasury stock buyback program

The Annual Shareholders' Meeting is asked to:

- terminate the current stock buyback program approved by the Combined Annual and Special Shareholders' Meeting of May 30, 2008;
- authorize a new treasury stock buyback program for the Company.

7.4 Capital increase by incorporation of part of the item "Issue premium" and award of 1 bonus share to Shareholders for 10 existing shares as of the date of the Shareholders' Meetinge

The following proposals will be made to the Shareholders' Meeting:

- to increase the equity capital by €3,522,922, raising it from €35,229,221 to €38,752,143 by incorporation of part of the item "Issue premium".
  This capital increase will involve a scrip issue of 5,546,130 shares awarded free to shareholders at the rate of 1 new share for 10 old shares.
  If applicable, the amount of the capital increase and the number of newly created shares will be increased by the necessary amount in the event of the capital increase recognized by the implementation of this decision occurring after the exercise by beneficiaries of stock options for new shares, subject to the Board of Directors' option to temporarily suspend the rights of option holders in order to carry out the capital increase.
  The interest entitlement for new shares will commence on January 1, 2009 and they will rank *pari passu* with the old shares after the payment to the old shares of the dividend for financial year 2008.
  Entitlements to fractional shares will not be transferable or negotiable and the corresponding shares will be sold; the sums accruing from the sale will be allocated to holders of the entitlements within thirty days of the date on which the whole number of shares due to them is recognized on their account;

- give full power to the Board of Directors to:
  - implement the decision of the Meeting after the close of the Meeting,
  - make an adjustment to the definitive amount of the incorporation of reserves, taking account of the number of shares comprising the capital on the date of implementation of this decision,
  - temporarily suspend, if necessary, the exercise of the rights of stock option holders in order to allow the capital increase to be completed,
  - subsequently take any measures necessary to ensure that the rights of stock option holders are preserved according to the conditions stipulated by law,
  - and generally, to take any measures necessary for the due execution of the decision taken by the Shareholders' Meeting.

Consequently, a proposal will be put to the Shareholders' Meeting to amend Article 7 of the bylaws concerning the capital (subject to adjustment of the definitive amount of the capital increase as stipulated).

7.5 Authorization to the Board of Directors to reduce the equity capital by canceling treasury stock

The Annual Shareholders' Meeting will be 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 Shareholders' Meeting to the Board of Directors, 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 Shareholders' Meeting.

The draft resolutions submitted to you refer to the main points of this report. We would very much appreciate it if you would approve them. Thank you for your trust in us.

The Board of Directors

3 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED DECEMBER 31, 2008

(in € millions)	Notes	2008	2007
Goodwill	3.1	32.1	32.9
Intangible assets	3.2	9.1	7.4
Property, plant and equipment	3.3 - 3.4	2,449.8	1,930.0
Investments in associates	3.5	0.3	12.9
Non-current financial assets	3.6	43.5	139.4
Deferred tax assets	3.17	8.7	3.2
Total non-current assets		**2,543.6**	**2,125.8**
Inventories and work in progress	3.7	16.0	7.4
Trade and other receivables	3.8	316.4	255.8
Tax receivables		-	-
Current financial assets	3.8	55.5	17.3
Other current assets	3.8	13.6	22.5
Cash and cash equivalents	3.9	143.4	322.6
Total current assets		**544.9**	**625.6**
Non-current assets classified as held for sale	2.1	**-**	**-**
Total Assets		**3,088.5**	**2,751.4**
Capital		35.2	35.2
Share premiums		50.1	50.1
Consolidated reserves, Group share (including profit for the year)		1,194.7	1,037.9
Total shareholders' equity, Group share		**1,279.9**	**1,123.2**
Minority interests		**85.2**	**73.1**
Total shareholders' equity		**1,365.1**	**1,196.3**
Borrowings and financial liabilities	3.15	1,161.8	1,061.4
Employee benefit obligations	3.14	6.0	5.5
Other provisions	3.14	19.6	19.6
Deferred tax liabilities	3.17	14.6	20.2
Other non-current liabilities		5.3	15.6
Total non-current liabilities		**1,207.3**	**1,122.3**
Borrowings and bank loans (< one year)	3.15	252.1	210.6
Provisions (< one year)	3.14	0.1	0.1
Trade and other payables		235.4	165.5
Tax liabilities		1.5	4.5
Other current liabilities		27.1	52.1
Total current liabilities		**516.1**	**432.9**
Liabilities directly associated with non-current assets classified as held for sale	2.1	**-**	**-**
Total liabilities		**1,723.4**	**1,555.2**
Total liabilities and shareholders' equity		**3,088.5**	**2,751.4**

CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	2008	2007
Revenues	4	931.3	769.7
Costs of goods and services sold	4.1	(515.8)	(405.9)
General and administrative costs	4.1	(63.5)	(54.1)
Increases and reversals of amortization, depreciation and provisions	4.1	(111.7)	(95.5)
Other operating expenses and income	4.1	(1.1)	0.1
Operating income		**239.3**	**214.2**
Costs of net debt	3.16	(18.9)	(22.8)
Other financial expenses and income	3.16	(56.9)	(15.1)
Income from current operations before income tax		**163.5**	**176.3**
Income tax	3.18	(3.1)	(8.4)
Share in income (loss) of associates	3.5	2.9	3.1
Net income before net gains on equity interests sold and net income from discontinued operations		**163.3**	**171.0**
Net gains on equity interests sold		2.1	26.0
Net income from discontinued operations/operations held for sale	2.1	68.5	206.8
Gain on sale of equity interests		*68.5*	*203.0*
Net income		**233.8**	**403.8**
Group share		224.4	390.8
Minority interests		9.4	13.1
Net earnings per share (in euros)	5.2.1	4.13	7.07
Diluted net earnings per share (in euros)	5.2.2	4.02	7.00
Net earnings per share – excluding income from discontinued operations/operations held for sale (in euros)	5.2.1	2.87	3.33
Diluted net earnings per share – excluding income from discontinued operations/ operations held for sale (in euros)	5.2.2	2.79	3.29
Net earnings per share – income from discontinued operations/ operations held for sale (in euros)	5.2.1	1.26	3.74
Diluted net earnings per share – income from discontinued operations/operations held for sale (in euros)	5.2.2	1.22	3.70
Net earnings per share – excluding gains on equity interests sold and income from discontinued operations (in euros)	5.2.1	2.83	2.86
Diluted net earnings per share – excluding gains on equity interests sold and income from discontinued operations (in euros)	5.2.2	2.75	2.83
Net dividend per share (in euros)		0.90(1)	1.00

(1) Recommendation of the Board of Directors at its meeting of March 23, 2009.

CONSOLIDATED CASH FLOW STATEMENT

(in € millions)	2008	2007
Consolidated net income	**233.8**	**403.8**
Share in income/loss of associates	(2.9)	(6.4)
Tax expenses/income	3.1	15.6
Net amortization, depreciation and provisions	113.9	104.8
Gains and losses from changes in fair value	32.0	(0.0)
Calculated income and expenses related to stock options and similar benefits	6.9	2.3
Gains and losses on disposals	(105.2)	(279.5)
Income tax paid	(6.9)	(11.9)
Other	(3.5)	(2.0)
Cash flow	**271.1**	**226.6**
Effects of changes in working capital	(26.2)	9.3
Dividends received	(0.1)	(2.0)
Cost of net debt	18.9	24.2
Cash flows from operating activities (A) (**)	**263.7**	**258.2**
Acquisition of consolidated companies, net of cash acquired	(0.1)	(22.6)
Sale of consolidated companies, including cash transferred	87.5	440.7
Effect of other changes in the consolidation scope	(0.1)	(28.8)
Payments for property, plant and equipment and intangible assets	(757.2)	(638.0)
Proceeds from disposal of property, plant and equipment and intangible assets	80.5	135.1
Payments for acquisition of long-term financial assets	–	(3.3)
Proceeds from disposal of long-term financial assets	–	5.7
Dividends received	0.1	2.0
Change in loans and advances granted	106.7	(50.2)
Cash flows from investing activities (B) (**)	**(482.6)**	**(159.6)**
Capital increase	7.1	2.0
Capital repayment	–	(0.3)
Net sales (acquisition) of treasury shares	(76.0)	0.0
Proceeds from borrowings	278.2	433.6
Repayments of borrowings	(118.4)	(268.2)
Dividends paid to parent Company shareholders	(54.2)	(30.1)
Dividends paid to minority interests	(7.7)	(1.0)
Net interest paid	(18.9)	(24.2)
Cash flows from financing activities (C) (**)	**10.1**	**111.7**
Effect of changes in exchange rates (**)	10.6	(12.9)
Effect of changes in accounting principles	–	-
Change in net cash (A) + (B) + (C) (**)	**(198.2)**	**197.4**
Cash at beginning of period	222.9	25.5
Cash at end of period(*)(**)	24.7	222.9
Change in cash	**(198.2)**	**197.4**
(*) including:		
■ Marketable and other securities	–	1.7
■ Cash and cash equivalents	143.4	320.9
■ Bank overdrafts	(118.8)	(99.7)
(**) including discontinued operations:		
Cash flows from operating activities		60.5
Cash flows from investing activities		(52.1)
Cash flows from financing activities		(25.9)
Effect of changes in exchange rates		-
Change in net cash	**-**	**(17.5)**
Cash at beginning of period		17.5
Cash at end of period		-
Change in net cash	**-**	**(17.5)**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For 2008:

(in € millions)	Capital and related reserves				Unrealized or deferred gains/losses						
	Share Capital	Share Premium and reserves related to share capital	Reclassification of treasury shares	Consolidated reserves, Group share	Currency translation adjustments	Change in fair value of available-for-sale investments	Change in fair value of hedging derivatives	Net income, Group share	Total shareholders' equity, Group share	Minority interests	Total consolidated shareholders' equity
Shareholders' equity as of December 31, 2007	**35.2**	**47.8**	**(2.1)**	**763.8**	**(76.9)**	**-**	**(35.4)**	**390.8**	**1,123.2**	**73.1**	**1,196.3**
2007 earnings	-	-	-	390.8	-	-	-	(390.8)	-	-	-
Shareholders' equity as of January 1, 2008	**35.2**	**47.8**	**(2.1)**	**1,154.5**	**(76.9)**	**-**	**(35.4)**	**-**	**1,123.2**	**73.1**	**1,196.3**
Cash flow hedge (IAS 39)	-	-	-	-	-	-	65.8	-	65.8	5.4	71.2
Change in currency translation adjustments	-	-	-	-	(14.6)	-	-	-	(14.6)	(3.0)	(17.6)
Reclassification of treasury shares	-	-	(76.3)	-	-	-	-	-	(76.3)	-	(76.3)
Total income and expenses for the year recognized directly as shareholders' equity	**-**	**-**	**(76.3)**	**-**	**(14.6)**	**-**	**65.8**	**-**	**(25.1)**	**2.4**	**(22.7)**
2008 earnings	-	-	-	-	-	-	-	224.4	224.4	9.4	233.8
Total income/expenses for the year	**-**	**-**	**(76.3)**	**-**	**(14.6)**	**-**	**65.8**	**224.4**	**199.3**	**11.8**	**211.1**
Capital increase	-	-	-	-	-	-	-	-	-	15.1	15.1
Dividends paid by the parent Company in 2008	-	-	-	(54.2)	-	-	-	-	(54.2)	(7.7)	(61.9)
Capital repayment	-	-	-	-	-	-	-	-	-	-	-
Recognition of share-based payments	-	-	-	6.9	-	-	-	-	6.9	-	6.9
Other changes	-	-	-	4.8	-	-	-	-	4.8	(7.1)	(2.3)
Shareholders' equity as of December 31, 2008	**35.2**	**47.8**	**(78.4)**	**1,112.0**	**(91.4)**	**-**	**30.4**	**224.4**	**1,279.9**	**85.2**	**1,365.1**

The other changes are primarily related to changes in the scope of consolidation for the year (sale of consolidated companies).

For 2007:

(in € millions)	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	Consolidated reserves, Group share	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	Net income, Group share	Total shareholders' equity, Group share	Minority interests	Total consolidated shareholders' equity
Shareholders' equity as of December 31, 2006	**31.9**	**49.1**	**(2.4)**	**634.9**	**(55.1)**	**-**	**9.3**	**152.9**	**820.6**	**52.9**	**873.4**
2006 earnings	-	-	-	152.9	-	-	-	(152.9)	-	-	-
Shareholders' equity as of January 1, 2007	**31.9**	**49.1**	**(2.4)**	**787.7**	**(55.1)**	**-**	**9.3**	**-**	**820.6**	**52.9**	**873.4**
Cash flow hedge (IAS 39)	-	-	-	-	-	-	(44.7)	-	(44.7)	(1.4)	(46.1)
Change in currency translation adjustments	-	-	-	-	(21.7)	-	-	-	(21.7)	(2.7)	(24.4)
Reclassification of treasury shares	-	-	0.3	-	-	-	-	-	0.3	-	0.3
Total income and expenses for the year recognized directly as shareholders' equity	**-**	**-**	**0.3**	**-**	**(21.7)**	**-**	**(44.7)**	**-**	**(66.1)**	**(4.0)**	**(70.2)**
2007 earnings	-	-	-	-	-	-	-	390.8	390.8	13.1	403.8
Total income/expenses for the year	**-**	**-**	**0.3**	**-**	**(21.7)**	**-**	**(44.7)**	**390.8**	**324.6**	**9.0**	**333.7**
Capital increase	3.3	(1.4)	-	-	-	-	-	-	2.0	-	2.0
Dividends paid by the parent Company in 2007	-	-	-	(30.1)	-	-	-	-	(30.1)	(1.0)	(31.1)
Capital repayment	-	-	-	-	-	-	-	-	-	(0.3)	(0.3)
Recognition of share-based payments	-	-	-	2.3	-	-	-	-	2.3	-	2.3
Other changes	-	-	-	3.8	-	-	-	-	3.8	12.5	16.3
Shareholders' equity as of December 31, 2007	**35.2**	**47.8**	**(2.1)**	**763.8**	**(76.9)**	**-**	**(35.4)**	**390.8**	**1,123.2**	**73.1**	**1,196.3**

The other changes in minority interests are primarily related to changes in the scope of consolidation for the year (sale of consolidated companies).

The capital repayment represents the share of the minority shareholders in the capital repayment of the Vietnamese subsidiary 51% held by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Accounting policies and methods

1.1 General information

The consolidated financial statements for fiscal year 2008 were approved by the BOURBON Board of Directors on March 23, 2009. BOURBON is an incorporated Company registered in France, the shares of which are listed for trading on Compartment A of Euronext Paris.

The year 2008 was impacted by a major economic and financial crisis. This crisis will affect the world economy for a unpredictable period.

In this context, BOURBON is pursuing its strategy:
- appropriate to satisfy demanding clients who are continuing to invest;
- based on the commissioning of modern vessels at a competitive cost, delivered at the agreed time and price by sound shipyards;
- where growth is chiefly financed by the robust generation of cash;

and confirms the objectives of the Horizon 2012 plan.

1.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements include the financial statements of BOURBON SA and its subsidiaries as of December 31 of each year. The financial statements of the subsidiaries 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, 2008 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, 2008 are those published in the Official Journal of the European Union, the application of which was mandatory as of December 31, 2008.

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, 2007 and the Statutory Auditors' report on those statements, provided in the registration document filed on May 16, 2008 with the *Autorité des Marchés Financiers* (on pages 29-99 and 100 respectively);
- The consolidated financial statements for the year ended December 31, 2006 and the Statutory Auditors' report on those statements, provided in the registration document filed on May 16, 2007 with the *Autorité des Marchés Financiers* (pages 29-95 and 96 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 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, 2008 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. The adoption of these standards and interpretations had no impact on the Group's financial statements. However, they can generate additional notes:
- IFRIC 12 – Service concession arrangements;
- IFRIC 14 – IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction – endorsed by the European Union in December 2008 but with a mandatory application date from December 1, 2008.

In addition, the Group has elected not to apply the following standards and interpretations early:

- Amendment to IAS 1 – Presentation of financial statements;
- Amendment to IAS 23 – Borrowing costs;
- IFRS 8 – Operating segments;
- IFRIC 13 – Customer loyalty programmes;
- IFRS 2 (revised) – Share-based payments: vesting conditions and cancellations;
- IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction;
- IFRS 3 (revised) – Business combinations;
- Amendment to IAS 27 – Consolidated and separate financial statements;
- Amendment to IAS 39 – Financial instruments – recognition and measurement eligible hedged items;
- 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;
- Amendment to IAS 32 and IAS 1 – Puttable financial instruments and obligations arising on liquidation;
- Improvement of the IFRS (particularly the amendment to IAS 38 – Intangible assets applied to costs in respect of advertising and promotional activities).

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. After the disruptions in the financial markets in 2008, the rates selected were averaged so as to limit the effect of a loss in the reliability of any of those indicators.

Because of the long-term nature of such plans, the uncertainty of those estimates is significant. The net liabilities (long-term portion) funded for these benefits granted to employees as of December 31, 2008 was €5.3 million (€4.9 million in 2007). 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 useful value of the cash generating units to which the goodwill is allocated. In order to determine this useful value, the Group must 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 did not show any impairment requiring a depreciation of goodwill.

IMPAIRMENT TEST 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.

For 2008, impairment indices were identified on the Bulk Transport Cash Generating Unit (a sharp fall on the "Baltic Supramax Index"). Therefore, an impairment test was done in accordance with the methods described in note 1.5.6. The test did not show any impairment requiring depreciation.

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 holding companies, then translated at the closing rate (IAS 21.47).

1.5.2 Business combinations and goodwill

Business combinations (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. For BOURBON, the cash generating units correspond to the two activities of the Group: Offshore and Bulk Transport. 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. 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.

At BOURBON, intangible assets with an indefinite useful life are businesses which are identifiable by activity. Impairment loss is booked when its recoverable value calculated on the basis of criteria such as revenues and profitability becomes less than the carrying amount. These assets are not amortized.

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 the following:

- for the Offshore Division: between 8 and 30 years;
- for the Bulk Division: 20 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.

As of December 31, 2008 and December 31, 2007, the Group had no financial assets accounted for in the category of held-to-maturity investments.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial assets which are designated a 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 cost

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 the provisions of 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 the amendment to IAS 19 "Actuarial gains and losses, group plans and disclosures," 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 legal profit-sharing, which is blocked for five years, is funded to an independent organization.

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 when the terms of lease transfer substantially the Group most of the risks related to ownership of 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 arising in the course of the ordinary activities 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.

Revenues include chartering revenues and related services, assistance services and the revenues from the sugar business, less the discounts granted.

The following specific recognition criteria must also be met for revenue to be recognized:

SALE OF GOODS

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer, normally upon delivery of the goods.

BULK

Revenue from the Bulk Transport business is recognized by reference to the stage of completion of the voyage at the closing date.

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 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.

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 for the year ended December 31, 2008 are as follows:

Currencies		Average rate for the year 2008	Closing rate as of Dec. 31, 2008	Closing rate as of Dec. 31, 2007
AON	Angolan Kwanza	110.58274	105.931	110.378
BRL	Brazilian Real	2.6741	3.2436	2.607
CNY	Chinese Yuan	9.68174	9.4956	10.8051
CHF	Swiss Franc	1.5876	1.485	1.654
MGA	Madagascar Ariary	2,656.38522	2,543.96	2,648.250
MUR	Mauritian Rupee	42.49146	44.7958	40.091
MXP	Mexican Peso	16.3797	19.169	16.052
NGN	Nigerian Naira	176.7054	196.879	173.460
NOK	Norwegian Kroner	8.2246	9.75	7.958
QAR	Qatari Rial	5.36739	5.13196	5.355
SGD	Singapore Dollar	2.0767	2.004	2.116
UAH	Ukrainian Grivnas	7.99578	10.8156	7.21521
USD	American Dollar	1.4708	1.3917	1.472
VND	Vietnamese Dong	24,559.0623	24,644	23,543.700

2 Significant information for the year ended December 31, 2008

2.1 Changes in consolidation scope

2.1.1 Newly consolidated companies

The companies that were newly consolidated in 2008 were:

Angor	Set-up – fully consolidated
Bourbon An Hoa Corp.	Set-up – fully consolidated
Bourbon China Group Ltd	Set-up – fully consolidated
Bourbon Far East Pte Ltd	Set-up – fully consolidated
Bourbon Marine Services Ukraine	Acquisition – fully consolidated
Bourbon Offshore Labuan	Set-up – fully consolidated
Bourbon Training Center Asia Pte Ltd	Set-up – fully consolidated
Endeavor	Set-up – fully consolidated
Foster Magnetics LLC	Set-up – proportionately consolidated
Matador	Set-up – fully consolidated
Pentcor	Set-up – fully consolidated
Sefor	Set-up – fully consolidated
SNC Bourbon Altair	Set-up – fully consolidated
SNC Bourbon Diamond	Set-up – fully consolidated
SNC Bourbon Hamelin	Set-up – fully consolidated
SNC Bourbon Himalya	Set-up – fully consolidated
SNC Bourbon Liberty 105	Set-up – fully consolidated
SNC Bourbon Pearl	Set-up – fully consolidated
SNC Bourbon Ruby	Set-up – fully consolidated
SNC Bourbon Sapphire	Set-up – fully consolidated
Tenor	Set-up – fully consolidated

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

2.1.2 Deconsolidated companies

Companies deconsolidated in 2008 include the sales related to operations held for sale and to sales of equity interests in consolidated companies.

Their impact on the consolidated financial statements as of December 31, 2008 is as follows:

(in € millions)	Group of assets sold – discontinued operations/operations held for sale	Equity interests sold
Sale price of the shares	83.2	4.2
Amount collected in cash and cash equivalent	45.8	1.2
Gain on sale of equity interests	68.5	2.1

Group of assets sold –discontinued operations/operations held for sale

Rigdon

As announced by BOURBON in its July 2, 2008 press release, BOURBON sold its stake in the RIGDON companies.

Pursuant to IFRS standards, the shares in its companies initially consolidated by the equity method were reclassified as "Non-current assets held for sale" as of June 30, 2008 in the amount of €14.7 million.

Income from the sale of these companies is broken down below:

(in € millions)	Sale price	Consolidated net value	Gain on equity interest sold
Sales of Rigdon shares	**73.7**	**14.7**	**59.0**
Amount collected in cash and cash equivalents	40.4		
o/w amount in "escrow account"	*4.1*		
Amount received in Gulfmark shares	33.3		

The Gulfmark shares, received when the Rigdon shares were sold, were classified on the BOURBON balance sheet as current financial assets.

It comes under the scope of IAS 39, so it was classified when initially booked as "Financial assets at fair value through profit & loss."

Therefore any change in the fair value of these financial assets affects financial income.

As of December 31, 2008, the change in the fair value of these financial assets affected BOURBON's financial income by the amount of €(19.2) million.

Vindémia (Retail business) and Port Towage

As of December 2008, the additional items booked after the sales of Port Towage and Distribution (Vindémia) are also under net income from discontinued operations/operations held for sale (gain on sale of equity interests).

Sales of equity interests in consolidated companies

Non-strategic activities

In 2008, BOURBON continued to withdraw from its non-strategic assets with the sale of the Sucrerie de Bourbon Madagascar Company and its subsidiary Sagrim, and from the real estate activities in the Indian Ocean.

In addition, the Group sold off some partial stakes in minority interests.

All of these sales resulted in a capital gain of €2.1 million.

2.2 Interests in joint ventures and purchase of minority interests

2.2.1 Minority interests in Norway

On July 1, 2008, the Group acquired minority interests in the Norwegian companies Bourbon Offshore I AS and Bourbon Offshore I KS, raising its stake in those companies to 100 %. This operation generated negative goodwill of €1.1 million. In accordance with IFRS standards, it was fully recognized as operating income.

The negative goodwill generated by the purchase of these minority interests was evaluated as follows:

(in € millions)	Bourbon Offshore I AS & KS
Acquisition cost of the shares	1.4
Fair value of net assets acquired	2.5
Residual Goodwill	(1.1)

2.2.2 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)	12.31.2008	12.31.2007
Non-current assets	82.7	83.4
Current assets	40.4	19.6
Total	**123.1**	**103.0**
Shareholders' equity	(5.0)	8.3
Non-current liabilities	73.5	62.5
Current liabilities	54.6	32.2
Total	**123.1**	**103.0**
Revenues	42.0	31.6
Net income	(9.9)	5.3

3 Notes to the consolidated financial statements

3.1 Goodwill

As of December 31, 2008, the net balance of goodwill totaled €32.1 million broken down as follows:

(in € millions)	Gross	Impairment	Net
01.01.2007	**14.2**	**-**	**14.2**
Goodwill on acquisition	20.1	-	20.1
Disposals	-	-	-
Impairment	-	-	-
Currency translation adjustment	-	-	-
Change in consolidation scope	(1.4)	-	(1.4)
Reclassification and other changes	-	-	-
12.31.2007	**32.9**	**-**	**32.9**
Goodwill on acquisition	0.1	-	0.1
Disposals	-	-	-
Impairment	-	-	-
Currency translation adjustment	-	-	-
Change in consolidation scope	-	-	-
Reclassification and other changes	(1.0)	-	(1.0)
12.31.2008	**32.1**	**-**	**32.1**

The accounting method is detailed in note 1.5.2.

The goodwill is allocated in its entirety to the Offshore CGU.

Based on the profitability of this activity, no impairment was recognized as of December 31, 2008. The tests done in accordance with the method described in note 1.4 did not show any impairment requiring a depreciation of goodwill as of December 31, 2008.

The goodwill related to the acquisition of the DNT Company in December 2007 was allocated in the second half of 2008. In accordance with IFRS 3, the 2007 financial statements were restated to include the impact of this allocation. In addition, during 2008, an adjustment in the acquisition price was made. As a result, it was reduced by €1 million. This price adjustment was recognized for the year 2008.

Calculation of the final goodwill is described below:

(in € millions)	DNT Offshore
Acquisition price of the shares	18.1
Adjustment in the acquisition price for 2008	(1.0)
Acquisition price as of December 31, 2008	17.1
Statutory net equity of the Company	2.4
Fair value adjustment	2.1
o/w:	
on property, plant & equipment and intangible assets	*3.3*
related deferred taxes	*(1.2)*
Net restated position	4.5
Restated portion acquired	4.5
Residual Goodwill	**12.6**

Residual goodwill means the potential synergies expected by the Group from consolidating the Company DNT Offshore.

Increases in fiscal 2008 come from the acquisition of the Company Bourbon Marine Services Ukraine and from the purchase of minority interests in Norwegian companies Bourbon Offshore I AS and Bourbon Offshore I KS (cf. note 2.2.1).

Bourbon Marine Services Ukraine

In 2008, the Group acquired 51% of Bourbon Marine Services Ukraine. This Company is fully consolidated. Acquiring this Company generated goodwill of €0.1 million.

(in € millions)	Bourbon Marine Services Ukraine
Acquisition price of the shares	0.1
Fair value of net assets acquired	-
Residual Goodwill	0.1

3.2 Intangible assets

Intangible assets can be analyzed as follows:

(in € millions)	Gross value	Amortization and provisions	Net
01.01.2007	**9.9**	**(4.1)**	**5.9**
Acquisitions	2.4	(1.2)	1.2
Disposals	(0.0)	0.0	(0.0)
Change in consolidation scope	(1.3)	1.2	(0.1)
Currency translation adjustment	(0.3)	0.0	(0.2)
Reclassification and other changes	0.4	0.2	0.6
12.31.2007	**11.1**	**(3.7)**	**7.4**
Acquisitions	3.0	(1.2)	1.8
Disposals	(0.0)	-	(0.0)
Change in consolidation scope	(0.0)	-	(0.0)
Currency translation adjustment	(0.1)	0.1	0.0
Reclassification and other changes	(0.0)	-	(0.0)
12.31.2008	**14.0**	**(4.9)**	**9.1**

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

(in € millions)	R&D costs	Concessions and patents	Lease-hold rights	Business Goodwill	Other intangible assets	Intangible assets in progress	Advances and install-ments	Total
01.01.2007	**-**	**3.0**	**0.0**	**1.0**	**5.2**	**-**	**0.7**	**9.9**
Acquisitions	-	0.1	-	-	0.1	-	2.2	2.4
Disposals	-	(0.0)	(0.0)	-	(0.0)	-	-	(0.0)
Change in consolidation scope	-	(0.8)	-	0.0	(0.5)	-	-	(1.3)
Currency translation adjustment	-	(0.0)	-	-	(0.2)	-	-	(0.3)
Reclassification and other changes	-	1.5	-	-	-	-	(1.1)	0.4
12.31.2007	**-**	**3.7**	**-**	**1.1**	**4.6**	**-**	**1.8**	**11.1**
Acquisitions	-	0.1	-	-	0.2	2.1	0.7	3.0
Disposals	-	-	-	-	(0.0)	-	-	(0.0)
Change in consolidation scope	-	-	-	-	(0.0)	-	-	(0.0)
Currency translation adjustment	-	0.0	-	-	(0.1)	-	-	(0.1)
Reclassification and other changes	-	0.2	-	-	-	1.5	(1.7)	(0.0)
12.31.2008	**-**	**4.0**	**-**	**1.1**	**4.6**	**3.6**	**0.7**	**14.0**

As of December 31, 2008, the business goodwills are carried at initial cost due to the Group's performance.

Amortization and impairment of intangible assets is as follows:

(in € millions)	R&D costs	Concessions and patents	Lease-hold rights	Business Goodwill	Other intangible assets	Intangible assets in progress	Advances and install-ments	Total
01.01.2007	**-**	**(2.1)**	**-**	**(0.4)**	**(1.5)**	**-**	**-**	**(4.1)**
Acquisitions	-	(0.5)	-	-	(0.7)	-	-	(1.2)
Disposals	-	0.0	-	-	0.0	-	-	0.0
Change in consolidation scope	-	0.8	-	0.4	0.0	-	-	1.2
Currency translation adjustment	-	0.0	-	-	0.0	-	-	0.0
Reclassification and other changes	-	0.2	-	-	-	-	-	0.2
12.31.2007	**-**	**(1.6)**	**-**	**-**	**(2.2)**	**-**	**-**	**(3.7)**
Acquisitions	-	(0.7)	-	-	(0.5)	-	-	(1.2)
Disposals	-	-	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-	-	-
Currency Translation adjustment	-	(0.0)	-	-	0.1	-	-	0.1
Reclassification and other changes	-	-	-	-	-	-	-	-
12.31.2008	**-**	**(2.3)**	**-**	**-**	**(2.6)**	**-**	**-**	**(4.9)**

3.3 Property, plant and equipment

Property, plant and equipment represent €2,449.8 million as of December 31, 2008, including €1.7 million for investment properties detailed in note 3.4 and €2,448.1 million in other tangible assets which break down as follows:

(in € millions)	Gross	Depreciation and provisions	Net
01.01.2007	**1,971.7**	**(331.6)**	**1,640.0**
Acquisitions	608.3	(91.8)	516.5
Disposals	(105.9)	26.0	(80.0)
Impairment	-	-	-
Change in consolidation scope	(176.9)	50.3	(126.6)
Currency translation adjustment	(17.7)	4.0	(13.7)
Reclassification and other changes	(12.5)	4.6	(8.0)
12.31.2007	**2,266.9**	**(338.6)**	**1,928.3**
Acquisitions	771.6	(109.1)	662.5
Disposals	(59.2)	13.5	(45.6)
Impairment	-	-	-
Change in consolidation scope	(6.4)	0.1	(6.3)
Currency translation adjustment	(111.4)	25.4	(86.0)
Reclassification and other changes	(6.1)	1.4	(4.7)
12.31.2008	**2,855.4**	**(407.3)**	**2,448.1**

Over fiscal year 2008, interim borrowing costs capitalized in the cost of the vessels amounted to €37.9 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 install-ments	Total
01.01.2007	**7.9**	**33.4**	**53.7**	**1,569.2**	**9.1**	**292.6**	**5.8**	**1,649.2**
Acquisitions	0.2	2.9	0.7	58.1	1.2	530.7	14.4	608.3
Disposals	(0.0)	(0.5)	(0.1)	(104.2)	(1.1)	-	-	(105.9)
Impairment	-	-	-	-	-	-	-	-
Change in consolidation scope	(1.6)	(6.1)	(4.1)	(150.1)	(2.4)	(12.5)	-	(176.9)
Currency translation adjustment	0.4	(2.3)	(5.3)	(3.5)	(0.3)	(6.4)	(0.4)	(17.7)
Reclassification and other changes	(0.5)	5.6	8.7	208.4	(0.6)	(214.2)	(19.8)	(12.5)
12.31.2007	**6.3**	**32.9**	**53.5**	**1,578.0**	**5.9**	**590.2**	**(0.0)**	**2,266.9**
Acquisitions	-	1.3	0.6	47.7	2.4	719.6	-	771.6
Disposals	-	-	-	(50.5)	(0.3)	(8.4)	-	(59.2)
Impairment	-	-	-	-	-	-	-	-
Change in consolidation scope	(4.5)	(0.0)	(0.0)	-	(0.1)	(1.8)	-	(6.4)
Currency translation adjustment	(0.5)	(0.5)	(2.3)	(106.5)	0.0	(1.5)	-	(111.4)
Reclassification and other changes	-	1.3	(0.8)	387.0	0.1	(393.7)	-	(6.1)
12.31.2008	**1.4**	**35.0**	**51.0**	**1,855.6**	**8.0**	**904.4**	**(0.0)**	**2,855.4**

Details of depreciation and impairment on property, plant and equipment:

(in € millions)	Land	Buildings	Technical facilities	Vessels and overhauls	Other tangible assets	Property plant and equipment in progress	Advances and install-ments	Total
01.01.2007	**-**	**(10.6)**	**(30.9)**	**(283.4)**	**(6.5)**	**(0.2)**	**-**	**(331.6)**
Acquisitions	-	(1.1)	(9.3)	(80.6)	(0.7)	-	-	(91.8)
Disposals	-	0.5	0.1	24.3	1.0	-	-	26.0
Impairment	-	-	-	-	-	-	-	-
Change in consolidation scope	-	2.3	8.5	37.8	1.8	-	-	50.3
Currency translation adjustment	-	0.7	2.4	0.6	0.2	0.0	-	4.0
Reclassification and other changes	-	(0.5)	4.4	0.0	0.6	-	-	4.6
12.31.2007	**-**	**(8.8)**	**(24.8)**	**(301.2)**	**(3.6)**	**(0.2)**	**-**	**(338.6)**
Acquisitions	-	(1.1)	(2.7)	(104.4)	(0.9)	-	-	(109.1)
Disposals	-	-	0.0	13.4	0.2	-	-	13.5
Impairment	-	-	-	-	-	-	-	-
Change in consolidation scope	-	0.0	0.0	-	0.0	-	-	0.1
Currency translation adjustment	-	0.3	1.2	23.9	0.0	0.0	-	25.4
Reclassification and other changes	-	-	(0.0)	1.4	-	-	-	1.4
12.31.2008	**-**	**(9.6)**	**(26.3)**	**(367.0)**	**(4.3)**	**(0.2)**	**-**	**(407.3)**

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 maintenance	Other tangible assets	Total
01.01.2007	**-**	**-**	**-**	**103.2**	**0.8**	**104.0**
Acquisitions	-	-	-	-	-	-
Disposals	-	-	-	-	(0.8)	(0.8)
Impairment	-	-	-	-	-	-
Change in consolidation scope	-	-	-	(1.0)	-	(1.0)
Currency translation adjustment	-	-	-	-	-	-
Reclassification and other changes	-	-	-	-	-	-
12.31.2007	**-**	**-**	**-**	**102.2**	**-**	**102.2**
Acquisitions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-
Reclassification and other changes	-	-	-	-	-	-
12.31.2008	**-**	**-**	**-**	**102.2**	**-**	**102.2**

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

(in € millions)	Land	Buildings	Technical facilities	Vessels and maintenance	Other tangible assets	Total
01.01.2007	**-**	**(0.9)**	**(1.0)**	**(2.1)**	**(0.8)**	**(4.9)**
Acquisitions	-	-	-	(5.4)	-	(5.4)
Disposals	-	-	-	-	0.8	0.8
Impairment	-	-	-	-	-	-
Change in consolidation scope	-	0.9	1.0	(0.7)	-	1.3
Currency translation adjustment	-	-	-	-	-	-
Reclassification and other changes	-	-	-	-	-	-
12.31.2007	**-**	**-**	**-**	**(8.2)**	**-**	**(8.2)**
Acquisitions	-	-	-	(5.5)	-	(5.5)
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	-
Reclassification and other changes	-	-	-	-	-	-
12.31.2008	**-**	**-**	**-**	**(13.6)**	**-**	**(13.6)**

3.4 Investment properties

Breakdown of investment properties:

(in € millions)	Gross	Depreciation and impairment	Net
01.01.2007	**1.7**	**-**	**1.7**
Acquisitions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Change in consolidation scope	-	-	-
Currency translation adjustment	-	-	-
Reclassification and other changes	-	-	-
12.31.2007	**1.7**	**-**	**1.7**
Acquisitions	-	-	-
Disposals	-	-	-
Impairment	-	-	-
Change in consolidation scope	-	-	-
Currency translation adjustment	-	-	-
Reclassification and other changes	-	-	-
12.31.2008	**1.7**	**-**	**1.7**

The Group believes the fair value of the investment properties as of December 31, 2008 is greater than the balance sheet value of those same properties.

3.5 Investments in associates

As of December 31, 2008, investments in associates totaled €0.3 million. The change in the equity value was as follows:

(in € millions)	Investments in associates
01.01.2007	**10.9**
Share of net income/loss	3.1
Currency translation adjustment	(1.1)
12.31.2007	**12.9**
Share of net income/loss	2.9
Change in consolidation scope (1)	(14.7)
Currency translation adjustment	(0.8)
12.31.2008	**0.3**

(1) In fiscal year 2008, the line "Change in scope" corresponds to the sale of Rigdon Marine shares.

In fiscal year 2008, the €2.9 million portion of net income corresponds mainly to that portion of Rigdon Marine income earned before the sale.

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

(in € millions)	12.31.2008	12.31.2007
Non-current assets	3.5	211.4
Current assets	0.8	34.1
Total assets	**4.2**	**245.5**
Non-current liabilities	3.6	229.2
Current liabilities	0.6	16.3
Total liabilities	**4.2**	**245.5**
Revenues	1.4	52.7
Net income	0.1	7.5

3.6 Non-current financial assets

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

(in € millions)	12.31.2008	12.31.2007
Available-for-sale assets	0.8	3.2
Receivables from non-consolidated companies	-	-
Loans and securities	8.7	113.3
Financial assets at fair value	2.7	-
Other non-current financial assets	0.4	0.9
Derivative instruments	31.0	22.0
Total	**43.5**	**139.4**

The following tables show the change in the gross values and impairment on the available-for-sale assets, receivables from non-consolidated companies and loans and securities:

Change in gross values:

(in € millions)	Available-for-sale assets	Other receivables from non-consolidated companies	Loans and securities	Financial assets at fair value	Total
01.01.2007	**13.5**	**-**	**70.8**	**-**	**84.3**
Acquisitions	-	-	61.4	-	61.4
Disposals	(5.7)	-	(6.8)	-	(12.4)
Change in consolidation scope	-	-	(0.4)	-	(0.4)
Currency translation adjustment	-	-	(10.2)	-	(10.2)
Reclassification and other changes	-	-	(1.6)	-	(1.6)
12.31.2007	**7.8**	**-**	**113.4**	**-**	**121.2**
Acquisitions	-	-	4.5	3.0	7.5
Disposals	(4.8)	-	(110.1)	-	(114.8)
Change in consolidation scope	-	-	-	(0.2)	(0.2)
Currency translation adjustment	-	-	(0.2)	(0.1)	(0.4)
Reclassification and other changes	-	-	1.2	-	1.2
12.31.2008	**3.0**	**-**	**8.9**	**2.7**	**14.5**

Change in valuation allowance:

(in € millions)	Available-for-sale assets	Other receivables from non-consolidated companies	Loans and securities	Financial assets at fair value	Total
01.01.2007	**(4.3)**	**-**	**(0.2)**	**-**	**(4.4)**
Acquisitions	(0.3)	-	-	-	(0.3)
Disposals	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-
Reclassification and other changes	-	-	-	-	-
12.31.2007	**(4.6)**	**-**	**(0.1)**	**-**	**(4.7)**
Acquisitions	(0.2)	-	-	-	(0.2)
Disposals	2.6	-	-	-	2.6
Change in consolidation scope	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-
Reclassification and other changes	-	-	-	-	-
12.31.2008	**(2.2)**	**-**	**(0.1)**	**-**	**(2.3)**

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, 2008.

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 €16 million as of December 31, 2008 and €7.4 million as of December 31, 2007, broken down as follows:

Gross values:

(in € millions)	12.31.2008	12.31.2007
Gross		
Raw materials and supplies	7.9	2.2
Work in progress	0.8	0.5
Finished and semi-finished goods	6.2	5.2
Merchandise	1.5	-
Total	**16.4**	**7.8**

Impairment:

(in € millions)	12.31.2008	12.31.2007
Impairment		
Raw materials and supplies	(0.4)	(0.4)
Work in progress	-	-
Finished and semi-finished goods	-	-
Merchandise	-	-
Total	**(0.4)**	**(0.4)**

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:

	12.31.2008			12.31.2007		
(in € millions)	Gross value	Valuation allowance	Net value	Gross value	Valuation allowance	Net value
Trade and other debtors	317.8	(1.3)	316.4	258.4	(2.5)	255.8
Current financial assets	55.5	-	55.5	17.3	-	17.3
Other current assets	13.6	-	13.6	22.5	-	22.5
Total	**386.8**	**(1.3)**	**385.5**	**298.2**	**(2.5)**	**295.6**

Details of current financial assets and other current assets:

(in € millions)	12.31.2008	12.31.2007
Loans and securities	4.9	8.8
Accrued interests accrued on receivables and loans	0.1	4.5
Financial assets at fair value through profit & loss	19.7	-
Derivative instruments	30.8	4.1
Total current financial assets	**55.5**	**17.3**
State, income tax	0.2	-
Prepaid expenses	13.4	22.5
Total current assets	**13.6**	**22.5**

Financial assets at fair value through profit & loss correspond to the Gulfmark shares received in payment for the sale of Rigdon Marine (see note 2.1.2), and to an additional sale made in October 2008 for €5.6 million. These assets were assessed at their fair value as of December 31, 2008, based on the following parameters: share price and exchange rate as of December 31, 2008. In accordance with IFRS standards, any change in the fair value of these assets is recognized as financial income (see note 3.16).

A 10% change in the price of these shares, all other things being equal, would have an effect of around €2 million on the market value of the shares.

The derivative instruments are presented in note 3.20.

3.9 Cash and cash equivalents

Cash and cash equivalents are as follows:

(in € millions)	12.31.2008	12.31.2007
Marketable securities	-	1.7
Other investments	-	-
Accrued interest	0.3	0.7
Cash on hand and in banks	143.2	320.2
Total	**143.4**	**322.6**

As of December 31, 2008, the Group had no cash investments.

3.10 Shareholders' equity

Capital stock (share capital)

No transfers were made from shareholders' equity during 2008.

As of both December 31, 2008 and December 31, 2007, the capital stock was composed of 55,461,302 shares fully paid-up representing a value of €0.64.

The Group issued five stock option plans for 2, 115, 440 options for new shares as of December 31, 2008. The method for measuring and accounting for these stock option plans is detailed in note 1.5.14 and the principal features of the plans are presented in note 3.11.

3.11 Stock option plans

BOURBON issued seven stock option plans, five of which were in force as of December 31, 2008. These plans are described in detail below:

	March 2005	December 2005	December 2006	December 2007	December 2008
Date of authorization by Combined Annual and Special Shareholders' meeting	May 25, 2000	June 7, 2005	June 7, 2005	June 7, 2005	May 30, 2008
Date of Board authorization	March 8, 2005	December 5, 2005	December 4, 2006	December 10, 2007	December 8, 2008
Number of stock options	330,000	660,000	47,520	1,290,600	35,600
Total number of stock options allotted adjusted as of 12.31.2008	279,400	569,800	42,240	1,188,400	35,600
Number of beneficiaries	17	299	60	681	50
Start date	March 2009	December 2009	December 2010	December 2011	December 2012
Expiration date	March 2011	December 2011	December 2012	December 2013	December 2014
Subscription price in euros adjusted as of 12.31.2008	19.17	29.77	36.41	43.98	21.00

The expense recognized during the fiscal year for the stock option plans was €(4.7) million (€(1.9) million in 2007).

3.12 Allotment of bonus shares

The combined annual and special shareholders' 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, 166,160 shares to the employees of the Company or of any Company in the Group on November 1, 2007. The number of shares adjusted as of December 31, 2008 amounted to 123,930.

The expense recognized for the year for the bonus share allotment plan was €(2.1) million (€(0.4) million in 2007).

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 2008 was €(78.4) million. The number of treasury shares held by BOURBON as of December 31, 2008 was 2,260,006.

During 2008, BOURBON bought 2,225,955 of its own shares in order to cover the stock option plans authorized by the Board of Directors in the December 10, 2007 and December 8, 2008 meetings, as well as future plans.

The total effect at the close of fiscal year 2007 was €(2.1) million, as the number of treasury shares held by BOURBON was then 34,812.

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
01.01.2007	**15.0**	**0.4**	**0.4**	**5.6**	**4.9**	**1.1**	**27.4**
Additional provisions	0.9	-	0.2	0.9	10.7	-	12.7
Used during the year	(0.5)	-	-	-	(0.6)	-	(1.1)
Unused amount reversed	-	-	-	(0.6)	-	-	(0.6)
Change in consolidation scope	(10.2)	(0.4)	(0.2)	-	(1.9)	(0.4)	(13.1)
Currency translation adjustment	-	-	-	-	(0.2)	-	(0.2)
Reclassification and other changes	0.5	-	-	-	0.2	(0.7)	0.0
12.31.2007	**5.5**	**-**	**0.4**	**5.9**	**13.2**	**0.1**	**25.1**
Additional provisions	1.1	0.5	-	-	8.8	0.3	10.7
Used during the year	(0.2)	-	(0.2)	(2.4)	(3.7)	-	(6.5)
Unused amount reversed	-	-	-	(2.7)	-	-	(2.7)
Change in consolidation scope	-	-	-	-	-	-	-
Currency translation adjustment	-	-	-	-	(0.5)	-	(0.5)
Reclassification and other changes	(0.5)	-	-	-	-	(0.1)	(0.6)
12.31.2008	**6.0**	**0.5**	**0.2**	**0.8**	**17.8**	**0.3**	**25.6**

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 provision for guarantee of liabilities is recognized for the guarantees of liabilities granted at the time of the disposal of the hotel activity in 2007.

The impact of additional provisions and reversal of provisions is booked as operating income.

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:

	2008	2007
Discount rate:	5.75%	4%
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)	12.31.2008
Present value of the obligation at the beginning of the year	**4.9**
Current service cost	0.8
Interest cost	0.2
Retirement indemnities paid	(0.2)
Actuarial (Gains) / losses	(0.6)
Past service cost	-
Currency translation adjustment	-
Reclassifications	-
Effects of changes in consolidation scope and changes in consolidation method	-
Present value of the obligation at closing	**5.3**
o/w less than one year	**-**

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 gains refer mainly to the revision of the discount rate between 2007 and 2008. They are booked as shareholders' equity.

In addition, there was no plan change in fiscal year 2008.

Finally, there is no associated asset (investment, insurance policy) intended to finance the benefits granted to employees (retirement benefit obligations).

The items recognized in the income statement over 2008 for retirement benefit obligations were:

(in € millions)	2008
Current service cost	(0.8)
Interest cost	(0.2)
Total expenses related to retirement obligations	**(1.0)**

3.15 Financial liabilities

Financial liabilities (€1,413.9 million as of December 31, 2008) appears 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)	12.31.2008	12.31.2007
< 1 year	252.1	210.6
From 1 year and 5 years	672.6	681.6
> 5 years	489.2	379.8
Total	**1,413.9**	**1,272.0**
Including:		
Bank overdrafts (including accrued interests)	*118.8*	*99.7*
Finance lease liabilities	*76.6*	*79.7*
< 1 year	*3.2*	*3.1*
From 1 year and 5 years	*73.3*	*76.6*
> 5 years	-	-

B. ANALYSIS BY INTEREST RATES

Financial liabilities breaks down as follows:

(in € millions)	12.31.2008	12.31.2007
Fixed rate or swapped-to-fixed rate	716.3	751.5
Bank overdrafts (fixed or swapped rate)	41.4	24.1
Medium or long-term variable rate	572.3	410.2
Bank overdrafts (variable rate)	77.2	75.3
Total borrowings and bank loans	**1,407.1**	**1,261.1**
Accrued interests	6.7	10.9
Total financial liabilities	**1,413.9**	**1,272.0**

C. ANALYSIS BY CURRENCY

As of December 31, 2008, bank borrowings and finance lease liabilities breaks down as follows:

(in € millions)	12.31.2008	12.31.2007
EUR – Euro	1,075.6	934.8
USD – American Dollar	170.5	130.1
NOK – Norwegian Kroner	157.2	192.6
VND – Vietnamese Dong	2.3	1.6
BRL – Brazilian Real	1.4	-
MGA – Ariary	-	0.0
MUR – Mauritian Rupee	-	2.0
SGD –Singapore Dollar	0.0	0.0
Total (ex. accrued interests)	**1,407.1**	**1,261.1**

In addition to the “club deal” loans of 2005 (€320 million) and 2007 (€450 million), a new club deal in the amount of €208 million was signed in July 2008.

With prefinancing periods of a maximum of 30 months, these latter two loans were drawn down in the amount of €262 million and $87 million respectively as of December 31, 2008.

In addition, the Group had unused unconfirmed short-term lines of credit of around €206 million as of December 31, 2008.

An additional prefinancing line of €134 million maturing June 30, 2011 was signed in 2007 (line used completely as of December 31, 2008).

D. DEBT SECURED BY COLLATERAL

As of December 31, 2008, the bank borrowings collaterized secured by mortgages, pledges of equipment or marketable securities and other securities represented a total of €588.6 million, compared with €524.4 million in 2007. The assets pledged are primarily vessels.

These mortgages were recorded with the “Bureau des Hypothèques” (Mortgage Registry) between 1999 and 2008 for a total value of €845.4 million.

3.16 Finance costs

Finance costs are as follows:

(in € millions)	12.31.2008	12.31.2007
Cost of net debt	**(18.9)**	**(22.8)**
■ Cost of gross debt	(32.4)	(37.6)
■ Income from cash and cash equivalents	13.5	14.8
Other finance gains and expenses	**(56.9)**	**(15.1)**
■ Net foreign exchange income/(loss)	(33.2)	(19.4)
■ Other finance expenses	(40.1)	(6.5)
■ Other finance gains	16.4	10.9

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 and the net increase in financial valuation allowances.

The amount of the foreign exchange income/(loss) does not include the impact of the fair value of the derivative financial instruments, which is recognized as other financial gains and expenses. The effect on the financial statements as of December 31, 2008 was a loss of €(3.7) million.

The other finance expenses include notably the change in the fair value of the Gulfmark shares in the amount of €(19.2) million.

3.17 Deferred tax

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

(in € millions)	12.31.2008	12.31.2007
Deferred tax assets	8.7	3.2
Deferred tax liabilities	(14.6)	(20.2)
Net deferred tax	(5.9)	(17.0)

Analysis of deferred taxes

(in € millions)	12.31.2008	12.31.2007
Deferred tax assets	**8.7**	**3.2**
Retirement benefit obligations	*0.5*	*0.5*
Other temporary differences	*0.8*	*0.5*
Consolidation restatements	*7.4*	*2.2*
Other	*–*	*–*
Deferred tax liabilities	**(14.6)**	**(20.2)**
Restatements of amortization and depreciation	*(8.1)*	*(5.7)*
Other restatements and temporary differences	*(6.5)*	*(14.5)*

As of December 31, 2008, 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 €47.8 million.

3.18 Income taxes

(in € millions)	12.31.2008	12.31.2007
Current income tax	(6.9)	(4.8)
Deferred income tax	3.8	(3.6)
Tax (expenses)/income	(3.1)	(8.4)

Current income tax of €(6.9) million payable as of December 31, 2008 includes the tax savings resulting from the application of the following tax rules:

- French tax consolidation in the amount of €11.9 million;
- tonnage tax in the amount of €29.1 million.

As of December 31, 2008, the theoretical corporate income tax of €53.2 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)	12.31.2008
Consolidated income before taxes, share in income/loss of associates, gains on equity interest sold and net income from discontinued operations:	163.5
French domestic income tax prevailing as of 12.31.2008 :	
33.33%	(54.5)
3.30%	(1.9)
Theoretical income tax	(56.4)
Income tax expense	(3.1)
Difference	**53.2**

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

(in € millions)	12.31.2008
Tax savings (Tax EIGs, Pons Law)	(0.8)
Tonnage tax	29.1
Companies in deficit excluded from tax consolidation	(1.9)
Non-taxable foreign companies	12.5
Change in additional tax rate	–
Other differences	14.4
Total	**53.2**

The other differences correspond mainly to the fact that deferred taxes on the treasury shares restatement were not recognized.

3.19 Financial risk management: objectives and policy

The Group's risks are the interest rate risk on cash flow, liquidity risk, currency risk and credit risk. The Board of Directors has reviewed and approved the management policies for each of these risks. The policies are summarized below.

Interest rate risk on cash flows

The Group's exposure to the risk of a change in interest rate is related to the Group's medium and long-term variable rate financial debt. BOURBON regularly monitors its exposure to interest rate risk. This activity is coordinated and controlled at the central level and is the responsibility of the Group Chief Financial Officer who reports to the Executive Vice President – Finance and Administration.

The Group's policy is to manage its interest liability using a combination of fixed-rate and variable-rate borrowings. In order to optimize the total interest costs, the Group sets up interest rate swaps through which it exchanges, at specified intervals, the difference between fixed contract rates and variable interest amounts calculated by reference to the agreed notional principal amounts.

These swaps are assigned to hedge the borrowings. As of December 31, 2008, after consideration of the interest rate swaps, approximately 56% of the Group's medium or long-term debt is contracted at a fixed interest rate.

The following table shows the book value, by maturity, of the Group's financial instruments which are exposed to the interest rate risk, after taking into account rate hedges:

FIXED-RATE POSITION

(in € millions)	As of December 31, 2008 < 1 year	> 1 year and < 5 years	> 5 years	Total
Cash or cash equivalents	-	-	-	-
Short-term deposits	-	-	-	-
Loans and securities	-	-	-	-
Fixed-rate assets	**-**	**-**	**-**	**-**
Bank and overdrafts	(1.4)	-	-	(1.4)
Deposits and securities received	-	-	-	-
Borrowings under finance leases	(3.2)	(73.3)	-	(76.6)
Bank borrowings	(6.2)	(18.7)	(33.4)	(58.3)
Fixed-rate liabilities	**(10.8)**	**(92.1)**	**(33.4)**	**(136.2)**
Net fixed-rate position	**(10.8)**	**(92.1)**	**(33.4)**	**(136.2)**

VARIABLE-RATE POSITION

(in € millions)	As of December 31, 2008 < 1 year	> 1 year and < 5 years	> 5 years	Total
Cash or cash equivalents	143.2	-	-	143.2
Short-term deposits	-	-	-	-
Loans and securities	13.7	-	-	13.7
Variable rate-assets	**156.9**	**-**	**-**	**156.9**
Bank and overdrafts	(117.2)	-	-	(117.2)
Deposits and securities received	(0.3)	(0.1)	-	(0.3)
Borrowings under finance leases	-	-	-	-
Bank borrowings	(117.1)	(580.4)	(455.9)	(1,153.4)
Variable-rate liabilities	**(234.6)**	**(580.5)**	**(455.9)**	**(1,270.9)**
Hedging	**91.5**	**368.0**	**161.9**	**621.4**
Net variable-rate position after hedging	**13.8**	**(212.5)**	**(293.9)**	**(492.6)**

As of December 31, 2007, the Group's exposure to the rate risk was as follows:

FIXED-RATE POSITION

	As of December 31, 2007			
(in € millions)	< 1 year	> 1 year and < 5 years	> 5 years	**Total**
Cash or cash equivalents	-	-	-	-
Short-term deposits	-	-	-	-
Loans and securities	4.6	102.0	-	106.7
Fixed-rate assets	**4.6**	**102.0**	**-**	**106.7**
Bank and overdrafts	(24.1)	-	-	(24.1)
Deposits and securities received	-	(0.1)	-	(0.1)
Borrowings under finance leases	(3.1)	(76.6)	-	(79.7)
Bank borrowings	(9.5)	(39.7)	(29.0)	(78.1)
Fixed-rate liabilities	**(36.7)**	**(116.3)**	**(29.0)**	**(182.1)**
Net fixed-rate position	**(32.1)**	**(14.3)**	**(29.0)**	**(75.4)**

VARIABLE-RATE POSITION

	As of December 31, 2007			
(in € millions)	< 1 year	> 1 year and < 5 years	> 5 years	**Total**
Cash or cash equivalents	320.2	-	-	320.2
Short-term deposits	-	-	-	-
Loans and securities	4.1	7.8	-	11.9
Variable rate-assets	**324.3**	**7.8**	**-**	**332.1**
Bank and overdrafts	(75.3)	-	-	(75.3)
Deposits and securities received	(0.0)	(0.2)	-	(0.3)
Borrowings under finance leases	-	-	-	-
Bank borrowings	(87.6)	(565.0)	(350.8)	(1,003.4)
Variable-rate liabilities	**(163.0)**	**(565.3)**	**(350.8)**	**(1,079.0)**
Hedging	**48.3**	**311.6**	**233.7**	**593.5**
Net variable-rate position after hedging	**209.6**	**(245.9)**	**(117.1)**	**(153.4)**

As of December 31, 2008, the rate swap contracts were on the Group's borrowings, transforming variable rates into fixed rates. Those contracts break down by maturity as follows:

As of 12.31.2008	Residual notional value (currency in millions)	Maturity
Currency		
Fixed rate borrowing swaps		
NOK	500.0	02.16.2009
EUR	6.4	08.10.2009
EUR	40.0	10.31.2009
EUR	5.7	09.30.2010
EUR	8.7	10.04.2010
USD	12.7	Between 01.23.2011 and 01.26.2011
EUR	10.4	04.14.2011
EUR	150.0	01.26.2012
NOK	300.1	11.19.2012
EUR	6.7	03.30.2013
EUR	272.0	04.07.2014
EUR	26.7	10.30.2017

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, 2008			
(in € millions)	< 1 year	> 1 year and < 5 years	> 5 years	**Total**
Variable rate assets	156.9	-	-	156.9
Variable rate liabilities	(234.6)	(580.5)	(455.9)	(1,270.9)
Net variable rate position before hedging	**(77.7)**	**(580.5)**	**(455.9)**	**(1,114.0)**
Hedging	91.5	368.0	161.9	621.4
Net variable rate position after hedging	**13.8**	**(212.5)**	**(293.9)**	**(492.6)**
Sensitivity to a 1% increase in rates before hedging	(0.8)	(5.8)	(4.6)	(11.1)
Sensitivity to a 1% increase in rates after hedging	0.1	(2.1)	(2.9)	(4.9)
Sensitivity to a 1% decrease in rates before hedging	0.8	5.8	4.6	11.1
Sensitivity to a 1% decrease in rates after hedging	(0.1)	2.1	2.9	4.9

Assuming the position reached as of December 31, 2008 is constant, a 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, 2007, the position was as follows:

	As of December 31, 2007			
(in € millions)	< 1 year	> 1 year and < 5 years	> 5 years	**Total**
Variable rate assets	324.3	7.8	-	332.1
Variable rate liabilities	(163.0)	(565.3)	(350.8)	(1,079.0)
Net variable rate position before hedging	**161.3**	**(557.5)**	**(350.8)**	**(746.9)**
Hedging	48.3	311.6	233.7	593.5
Net variable rate position after hedging	**209.6**	**(245.9)**	**(117.1)**	**(153.4)**
Sensitivity to a 1% increase in rates before hedging	1.6	(5.6)	(3.5)	(7.5)
Sensitivity to a 1% increase in rates after hedging	2.1	(2.5)	(1.2)	(1.5)
Sensitivity to a 1% decrease in rates before hedging	(1.6)	5.6	3.5	7.5
Sensitivity to a 1% decrease in rates after hedging	(2.1)	2.5	1.2	1.5

Assuming the position reached as of December 31, 2007 is constant, a 1% change in the interest rate would therefore increase or decrease the cost of the Group's financial debt by €1.5 million over one year.

Currency risk

OBJECTIVES

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

CASH FLOWS FROM OPERATING ACTIVITIES

The main foreign currency risks on operations are listed below:

For the Offshore Division, BOURBON invoices a large portion (about 67%) of its services in US dollars. The Group has a natural foreign exchange hedge thanks to the payment of expenses in US dollars (representing about 16% 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.

On the other hand, the Bulk Division has a nearly perfect natural hedge (revenues and costs mainly in dollars). Therefore, the margin realized in US dollars is not hedged.

LONG-TERM CASH FLOWS

> Policy

In the case of vessels acquired in a foreign currency, the policy is to partially hedge foreign exchange currency risk during the construction period by entering into forward currency purchase contracts.

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 the countries outside the euro zone and the US dollar zone (particularly, in Norway), the entities finance their investments in their functional currency.

> Current pratice

As an exception, early in 2004, it was decided to abandon this practice temporarily and to convert most of the loans from US dollars to euros. This was done to recognize the unrealized foreign exchange gains booked in during previous fiscal years.

Since then, most of the new borrowings (outside Norway) have been contracted in euros. When the euro/US dollar exchange rate permits, these borrowings will be converted into US dollars and subsequent acquisitions will be financed in US dollars.

Transaction risk

As of December 2008, foreign exchange derivatives mainly involved flows in US dollars (USD) and Norwegian kroner (NOK), broken down as follows:

As of 12.31.2008	Residual value in (currency) millions	Maturity	Average exchange rate
Futures contracts covering expected future sales			
EUR / NOK	3.6	Between 01.30.2009 and 12.30.2009	9.0455
USD / EUR	300.0	Between 01.30.2009 and 12.31.2009	1.2691
USD / NOK	31.3	Between 01.30.2009 and 12.31.2009	6.9594
Futures contracts covering expected future purchases			
USD / EUR	396.0	Between 01.01.2009 and 12.31.2009	1.3986
USD / EUR	285.7	Between 01.01.2010 and 12.31.2010	1.4552
USD / EUR	91.4	Between 01.01.2011 and 12.31.2011	1.4495
USD / EUR	27.4	Between 01.01.2012 and 12.31.2012	1.4455
USD / NOK	78.5	Between 01.01.2009 and 12.31.2009	6.1072
USD / NOK	8.0	Between 01.01.2010 and 12.31.2010	5.4925
Futures contracts covering balance sheet items in currencies and other operations			
USD / EUR	7.2	02.02.2009	1.4039
USD / EUR	100.0	02.27.2009	1.3559
NOK / EUR	75.0	01.09.2009	8.0972
USD / EUR	143.9	Between 01.01.2009 and 06.30.2009	1.3847
USD / EUR	34.5	January 2009	1.5156
Cross-currency swaps			
USD / EUR	15.1	Between 01.01.2017 and 12.31.2017	1.4460
NOK / EUR	902.7	Year 2009 then 2012 to 2017	8.1847

The table below presents, as of December 31, 2008, the position of the Group's monetary assets and liabilities (denominated in a currency different from the entity's functional currency) before and after management:

(in € millions)	USD	NOK	EUR	Other
Monetary assets	119.7	100.3	28.3	0.2
Monetary liabilities	(137.7)	(0.1)	(16.1)	(0.2)
Net position before management	**(18.0)**	**100.2**	**12.2**	**-**
Hedges	55.8	(100.3)	-	-
Net position after management	**37.8**	**(0.1)**	**12.2**	**-**

A 1% change in the euro exchange rate against all the currencies would represent a total impact at the Group level of €0.5 million, after hedges are taken into account.

It should be noted that currency futures hedges apply to future transactions and do not appear in this table because the item hedged is not yet on the balance sheet.

Currency translation risk

The table below shows a breakdown by currency of consolidated shareholders' equity for the years 2008 and 2007.

(in € millions)	12.31.2008	12.31.2007
EUR	1,137.9	1,043.7
BRL	(4.2)	5.3
MXP	(4.4)	(0.1)
NOK	(6.1)	8.2
USD	252.4	144.6
VND	(15.9)	(9.5)
CHF	3.0	1.7
NGN	1.7	2.7
Other	0.7	(0.2)
Total	**1,365.1**	**1,196.3**

Risk on the price of supplies

The Group's exposure to price risk is minimal.

Credit risk

The Group's policy is to verify the financial health of all customers that wish to obtain credit payment terms. Furthermore, the Group monitors customer balances continually.

The Group has not subscribed a credit insurance type agreement.

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 in the choice of bank institutions.

Liquidity risk

Financing is done 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 ensured by the regular growth in the vessel fleet and by the long-term contract strategy with clients.

As of December 31, 2008, BOURBON's gross debts amounted to €1,414 million, including €1,162 million over one year. The long-term financial debt schedule is included in note 3.15 of the notes to the consolidated financial statements.

MEDIUM AND LONG-TERM BORROWINGS

In 2005, BOURBON took out a syndicated loan of €320 million for which the redemption phase began in April 2007 and end in 2017. As of December 31, 2008, the loan amount outstanding was €272 million.

In summer 2007, a €450 million ("club deal") loan was taken out (line drawn in the amount of €262 million as of December 31, 2008). The redemption phase will begin in December 2009 and end in 2019.

In June 2008, a new "club deal" loan of $208 million was taken out (line drawn in the amount of $87 million as of December 31, 2008). The redemption phase will begin in 2010 and end in 2020.

During the years 2007-2008, new bilateral loans (in dollars and euros) were signed:
- some were drawn for an amount equivalent in euros of around €50 million;
- others were only signed and will be drawn in the years to come. These unused bank loans amount to around €205 million.

As of December 31, 2008, the total amount remaining to be drawn from existing loans amounted to €480 million.

In addition to the traditional covenants associated with a corporate loan, some covenants specific to the €320 million, €450 million and 208 million dollars loans, require BOURBON to ensure that vessels that are financed but not mortgaged be available to the lender. If BOURBON was to exceed certain financial ratios contained in these contracts, BOURBON would also require, at the lender's option, to grant mortgages on those same vessels (unmortgaged portion) on a priority basis and/or on other vessels in the BOURBON fleet in addition, until it re-established those same ratios to the lender's satisfaction. No early repayment is required under these financial covenants.

SHORT-TERM LINES OF CREDIT

A prefinancing line of €134 million, pending such time as long and medium-term loans are put in place, was fully drawn as of December 31, 2008. It will be quickly repaid as soon as the financing in question is put in place and drawn on.

In addition, the Group had unused (unconfirmed) short-term lines in the amount of around €206 million as of December 31, 2008.

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 flows, 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.

Equity risks

As of December 31, 2008, the Group no longer had any cash investments.

The Group's equity portfolio is made up mainly of shares listed on the US market. These shares are classified as "Assets assessed at fair value by income/loss" On the date the accounts are closed these assets are assessed at their fair value based on the following parameters: share price and exchange rate. In accordance with IFRS standards, any changes in the fair value of these assets are recognized as financial income.

As of December 31, 2008, the amount of the shares classified as "Assets assessed at fair value by income/loss" amounted to €22.4 million (see note 3.20). A 10% change in the price of these shares, all other things being equal, would have an effect of around €2 million on the market value of these shares.

As indicated in note 3.13 "Treasury shares," the number of treasury shares held by BOURBON as of December 31, 2008 amounted to 2,260,006. 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 €4 million.

3.20 Financial instruments

3.20.1 Financial assets

As of December 31, 2008 and December 31, 2007, financial assets were as follows:

	12.31.2008					
(in € millions)	Available-for-sale assets	Financial assets at fair value by income/loss	Loans and receivables	Derivative financial instruments at fair value	Cash equivalents	**Balance sheet total**
Non-current financial assets	0.8	2.7	9.1	31.0	-	43.5
Trade and other receivables	-	-	316.4	-	-	316.4
Current financial assets	-	19.7	5.0	30.8	-	55.5
Other current assets	-	-	13.6	-	-	13.6
Cash and cash equivalents	-	-	-	-	143.4	143.4
Total	**0.8**	**22.4**	**344.1**	**61.7**	**143.4**	**572.5**

	12.31.2007					
(in € millions)	Available-for-sale assets	Financial assets at fair value by income/loss	Loans and receivables	Derivative financial instruments at fair value	Cash equivalents	**Balance sheet total**
Non-current financial assets	3.2	-	114.2	22.0	-	139.4
Trade and other receivables	-	-	255.8	-	-	255.8
Current financial assets	-	-	13.2	4.1	-	17.3
Other current assets	-	-	22.5	-	-	22.5
Cash and cash equivalents	-	-	-	-	322.6	322.6
Total	**3.2**	**-**	**405.7**	**26.1**	**322.6**	**757.6**

A. AVAILABLE-FOR-SALE ASSETS

Available-for-sale assets held by the Group amounted to €0.8 million as of December 31, 2008.

Profits and losses recorded as equity and income/loss on available-for-sale assets were as follows:

	12.31.2008					
	Dividends	Subsequent valuation			Income from sale	Redemption
(in € millions)		Change in faire value	Currency trans-adjustment	Valuation allowance		
Share equity	-	-	(0.0)	-	-	-
Income/loss	0.1	-	-	(0.2)	-	-
Cash and cash equivalents	-	-	-	-	2.1	-
Total	**0.1**	**-**	**(0.0)**	**(0.2)**	**2.1**	**-**

	12.31.2007					
	Dividends	Subsequent valuation			Income from sale	Redemption
(in € millions)		Change in faire value	Currency trans-adjustment	Valuation allowance		
Share equity	-	-	(0.0)	-	-	-
Income/loss	2.0	-	-	(0.3)	-	-
Cash and cash equivalents	-	-	-	-	-	5.7
Total	**2.0**	**-**	**(0.0)**	**(0.3)**	**-**	**5.7**

B. FINANCIAL ASSETS AT FAIR VALUE BY INCOME/LOSS

Financial assets at fair value by income/loss held by the Group amounted to €22.4 million as of December 31, 2008. These consist mainly of Gulfmark shares for €19.7 million (see note 3.8).

Profits and losses posted from financial assets at fair value by income/loss are shown below:

	12.31.2008					
	Dividends	Subsequent valuation			Income from sale	Redemption
(in € millions)		Change in faire value	Currency trans-adjustment	Valuation allowance		
Share equity	-	-	(0.1)	-	-	-
Income/loss	-	(21.1)	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-
Total	**-**	**(21.1)**	**(0.1)**	**-**	**-**	**-**

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:

	12.31.2008			12.31.2007		
(in € millions)	Gross	Valuation allowance	Net	Gross	Valuation allowance	Net
Loans & rec. at amortized cost	27.8	(0.1)	27.7	150.0	(0.1)	149.9
Trade and other receivables	317.8	(1.3)	316.4	258.4	(2.5)	255.8
Total	**345.6**	**(1.5)**	**344.1**	**408.4**	**(2.6)**	**405.7**

Profits and losses recorded as equity and as income/loss on loans and receivables at amortized cost were as follows:

	12.31.2008			
	Interest	Subsequent valuation		Income from sale
(in € millions)		Currency trans-adjustment	Valuation allowance	
Share equity	-	(0.2)	0.0	-
Income	4.5	-	(0.0)	-
Total	**4.5**	**(0.2)**	**(0.0)**	**-**

	12.31.2007			
	Interest	Subsequent valuation		Income from sale
(in € millions)		Currency trans-adjustment	Valuation allowance	
Share equity	-	(10.1)	-	-
Income	7.8	-	0.0	-
Total	**7.8**	**(10.1)**	**0.0**	**-**

Interest income recognized on loans and receivables at amortized cost amounted to €4.5 million in 2008 and €7.8 million for 2007.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled €143 million as of December 31, 2008 compared with €323 million as of December 31, 2007. 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, 2008 and December 31, 2007 can be analyzed as follows:

FINANCIAL ASSETS

	12.31.2008			12.31.2007
(in € millions)	Current	Non-current	Total	Total
Derivative instruments to hedge debt	-	-	-	22.1
Derivative instruments to hedge revenues in foreign currencies and other	30.8	31.0	61.7	3.9
Total	**30.8**	**31.0**	**61.7**	**26.1**

FINANCIAL LIABILITIES

	12.31.2008			12.31.2007
(in € millions)	Current	Non-current	Total	Total
Derivative instruments to hedge debt	18.3	2.6	21.0	3.1
Derivative instruments to hedge foreign exchange rate and other	3.2	-	3.2	46.1
Total	**21.6**	**2.6**	**24.2**	**49.2**

> Hedging the interest rate risk

As of December 31, 2008 and as of December 31, 2007, 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, 2008. The change in the fair value of these hedging instruments represents unrealized loss of €(37) million, which was booked under shareholders' equity.

> Hedging the foreign exchange risk

As of December 31, 2008 and as of December 31, 2007, 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 2008, an unrealized gain of €99.7 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 2008 results was a loss of €(5.8) million.

The change in fair value of the derivative instruments booked directly under consolidated reserves (Group and minority interests) represents for the year 2008 a net unrealized tax-deferred gain of €71.2 million, broken down as follows:

(in € millions)	2008
Change in fair value of hedge derivatives	62.5
o/w:	
■ *Futures sales and purchases on hulls / revenues*	*99.7*
■ *Interest rate swaps*	*(37.0)*
■ *Other*	*(0.2)*
Effect of deferred taxation	8.7
Net impact	**71.2**

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, 2008 and December 31, 2007, financial liabilities were as follows:

	12.31.2008			12.31.2007
(in € millions)	Current	Non-current	Total	Total
Financial debt	252.1	1,161.8	1,413.9	1,272.0
Derivative instruments	21.6	2.6	24.2	49.2
Trade and other payables	235.4	-	235.4	165.5
Other liabilities	7.0	2.7	9.7	23.0
Total	**516.0**	**1,167.1**	**1,683.1**	**1,509.8**

A. FINANCIAL DEBT

The financial debt is analyzed in note 3.15. It breaks down as follows as of December 31, 2008 and December 31, 2007:

	12.31.2008			12.31.2007
(in € millions)	Current	Non-current	Total	Total
Bonds	-	-	-	-
Commercial paper	-	-	-	-
Draws on credit facilities	-	134.0	134.0	54.0
Borrowings on finance leases	3.2	73.3	76.6	79.7
Other bank loans	123.5	954.4	1,078.0	1,027.9
Accrued interests	6.5	-	6.5	10.7
Total borrowings	**133.3**	**1,161.8**	**1,295.1**	**1,172.3**
Bank overdrafts and cash current accounts	118.6	-	118.6	99.5
Accrued interests	0.2	-	0.2	0.2
Total financial debt	**252.1**	**1,161.8**	**1,413.9**	**1,272.0**

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)	12.31.2008	12.31.2007
Suppliers	88.1	60.6
Debt on non-current assets	1.1	5.7
Social security liabilities	29.4	27.0
Tax liabilities	24.5	17.3
Other liabilities	92.3	54.8
Deferred income	5.5	15.3
Total	**240.9**	**180.8**

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, 2008 and December 31, 2007:

12.31.2008

	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 & rec. at amortized cost	-	-	-	-	-	0.1	27.7	27.8
Trade and other receivables	32.2	14.1	4.5	20.3	71.2	1.3	245.2	317.8
Total	**32.2**	**14.1**	**4.5**	**20.3**	**71.2**	**1.5**	**272.9**	**345.6**

12.31.2007

	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 & rec. at amortized cost	-	-	-	-	-	0.1	149.9	150.0
Trade and other receivables	30.6	9.2	2.3	5.4	47.5	2.5	208.3	258.4
Total	**30.6**	**9.2**	**2.3**	**5.4**	**47.5**	**2.6**	**358.2**	**408.4**

B. LIQUIDITY RISK

As of December 31, 2008, the contractual undiscounted flows on outstanding financial liabilities by maturity date were as follows:

(in € millions)	2009	2010	2011	2012	2013	> 5 years	Total	Balance sheet total
Bonds	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-
Draws on credit facilities	-	-	134.0	-	-	-	134.0	134.0
Borrowings on finance leases	3.2	3.3	3.5	66.5	-	-	76.6	76.6
Other bank loans	123.5	124.9	119.4	118.9	102.0	489.2	1,078.0	1,078.0
Accrued interests	6.5	-	-	-	-	-	6.5	6.5
Total borrowings	**133.3**	**128.3**	**256.9**	**185.4**	**102.0**	**489.2**	**1,295.1**	**1,295.1**
Bank overdrafts and cash current accounts	118.6	-	-	-	-	-	118.6	118.6
Accrued interests	0.2	-	-	-	-	-	0.2	0.2
Total financial debt	**252.1**	**128.3**	**256.9**	**185.4**	**102.0**	**489.2**	**1,413.9**	**1,413.9**

As of December 31, 2007, the contractual undiscounted flows on outstanding financial liabilities by maturity date were as follows:

(in € millions)	2008	2009	2010	2011	2012	> 5 years	Total	Balance sheet total
Bonds	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-
Draws on credit facilities	-	-	-	54.0	-	-	54.0	54.0
Borrowings on finance leases	3.1	3.2	3.3	3.5	66.6	-	79.7	79.7
Other bank loans	97.2	158.8	140.9	127.8	123.5	379.8	1,027.9	1,027.9
Accrued interests	10.7	-	-	-	-	-	10.7	10.7
Total borrowings	**110.9**	**162.0**	**144.2**	**185.3**	**190.1**	**379.8**	**1,172.3**	**1,172.3**
Bank overdrafts and cash current accounts	99.5	-	-	-	-	-	99.5	99.5
Accrued interests	0.2	-	-	-	-	-	0.2	0.2
Total financial debt	**210.6**	**162.0**	**144.2**	**185.3**	**190.1**	**379.8**	**1,272.0**	**1,272.0**

As of December 31, 2008 and December 31, 2007, the contractual undiscounted flows on outstanding loans with a maturity of less than one year are listed below:

(in € millions)	2009	2008
January	13.1	20.5
February	9.6	10.2
March	9.7	5.7
April	10.4	9.9
May	6.9	6.5
June	11.9	6.9
July	13.0	12.1
August	25.6	9.3
September	6.1	6.4
October	13.8	10.3
November	6.2	6.5
December	6.8	6.6
Maturing in less than one year	**133.3**	**110.9**

C. MARKET RISK

The Group's exposure to market risk is analyzed in note 3.19.

4 Segment reporting

Pursuant to IAS 14 "Segment Reporting", the Group has opted for the business segment as the primary segment reporting format and the geographic segment as the secondary segment reporting format.

Following the sale of its Retail and Port Towage activities in 2007, the segment reporting is now based on the Offshore and Bulk Transport divisions:
- Offshore Division, a marine service provider in the oil and gas industry, supporting offshore operational and production activities;
- Bulk Transport Division, which operates in the international maritime freight sector to transport dry bulk products (coal, ores, cement products, grain, etc.).

Expenses and income that cannot be allocated to the operational divisions are classified as Corporate.

In the primary segment reporting format, the following are defined as segment assets:
- goodwill ;
- intangible assets and property, plant and equipment;
- investments in associates;
- inventories and work in progress;
- trade and other receivables;
- current financial assets and other current assets;

and the following are segment liabilities:
- trade and other payables;
- tax liabilities;
- other current liabilities.

It should be noted that these segment assets and liabilities are not broken down at the secondary segment reporting format between "France" and "International" because of their mobility (vessels).

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.

4.1 Primary segment information

The segment information for 2008 is as follows:

(in € millions)	Offshore	Bulk	Corporate	Eliminations	Total
Revenues (non group sales)	672.1	234.8	24.5	-	931.3
Cost of sales and general costs	(427.1)	(128.4)	(23.8)	-	(579.3)
Other operating expenses and income	2.6	(0.1)	(3.6)	-	(1.1)
EBITDA	247.6	106.3	(3.0)	-	351.0
Amortization/provision (*)	(108.3)	(2.9)	(0.5)	-	(111.7)
Operating income	139.2	103.5	(3.5)	-	239.3
Share in income/loss of associates, net of goodwill	2.9	-	-	-	2.9
(*) Including impairment on asset	-	-	-	-	-
Segment assets	2,796.6	394.4	1,611.6	(1,909.8)	2,892.8
Segment liabilities	1,158.5	72.4	1,044.9	(2,011.8)	263.9
Capital expenditures (**)	644.1	109.4	3.7	-	757.2

(**) Capital expenditures on intangible assets and property, plant and equipment, excluding assets classified as held-for-sale.

For 2007, the breakdown was as follows:

(in € millions)	Offshore	Bulk	Corporate	Eliminations	Total
Revenues (non group sales)	484.5	244.8	40.4	-	769.7
Cost of sales and general costs	(271.7)	(155.4)	(32.9)	-	(460.0)
Other operating expenses and income	2.1	(0.1)	(2.0)	-	0.1
EBITDA	214.9	89.3	5.4	-	309.7
Amortization/provision (*)	(81.8)	(9.7)	(4.1)	-	(95.5)
Operating income	133.2	79.6	1.3	-	214.2
Share in income/loss of associates, net of goodwill	3.1	-	-	-	3.1
(*) Including impairment on asset	-	-	-	-	-
Segment assets	2,103.4	202.8	1,137.8	(1,176.2)	2,267.7
Segment liabilities	804.9	82.8	844.6	(1,510.2)	222.1
Capital expenditures (**)	507.7	98.7	3.5	-	609.9

(**) Capital expenditures on intangible assets and property, plant and equipment, excluding assets classified as held-for-sale.

4.2 Secondary segment information

The breakdown of revenues by geographical region for 2008 was as follows:

(in € millions)	France	International	Total
Offshore	36.4	635.7	672.1
Bulk	34.2	200.6	234.8
Corporate	1.2	23.3	24.5
Total	**71.7**	**859.6**	**931.3**

Revenues for 2007 were as follows:

(in € millions)	France	International	Total
Offshore	31.5	453.0	484.5
Bulk	30.2	214.6	244.8
Corporate	3.3	37.1	40.4
Total	**65.0**	**704.7**	**769.7**

4.3 Additional segment information

Offshore revenues

(in € millions)	2008	2007
Africa	448.5	320.9
Europe & Med. /Middle East	124.6	101.1
American Continent	47.1	39.2
Asia	51.9	23.2
Total	**672.1**	**484.5**

5 Other information

5.1 Contractual obligations and other off-balance sheet commitments

(in € millions)	12.31.2008	12.31.2007
Pledges, Mortgages and collateral (see note 3.14)	588.6	524.4
Endorsements and guarantees given	5.9	0.4
Total commitments given	**594.5**	**524.8**
Endorsements and guarantees reveived	720.7	355.5
Total commitments received	**720.7**	**355.5**

Contractual obligations are as follows:

		Payments due by period		
(in € millions)	**Total**	< 1 year	1 – 5 years	> 5 years
Finance leases	76.6	3.2	73.3	-
Operating leases	4.8	1.1	2.9	0.8
Balance payable on orders for vessels under construction	1,325.4	792.1	533.3	-
Total	**1,406.7**	**796.4**	**609.5**	**0.8**

The presentation above does not omit any significant off-balance sheet commitment.

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:

	2008	2007
Weighted-average number of shares over the period	55,461,302	55,259,594
Weighted-average number of treasury shares held over the period	(1,167,240)	(25,008)
Weighted-average number of shares outstanding during the period	**54,294,062**	**55,234,586**

The weighted-average number of shares outstanding in 2008 and 2007 takes into account the weighted average number of stock options exercised during each period, as the case may be.

The weighted-average number of shares outstanding in 2007 has also been adjusted to take into account the June 1, 2007 allotment of one bonus share for every 10 held.

For each period presented, the basis earnings per share was determined as follows:

	2008	2007
Weighted-average number of shares used in the calculation of basis earnings per share	54,294,062	55,234,586
Net income (in € millions)		
Consolidated, Group share	224.4	390.8
Consolidated, Group share – excluding income from discontinued operations/operations held for sale	156.0	183.9
Net income from discontinued operations/operations held for sale	68.5	206.8
Consolidated, Group share – excluding gains on equity interests sold & net income from operations held for sale	153.9	157.9
Basis earnings per share (in euros)		
Consolidated, Group share	4.13	7.07
Consolidated, Group share – excluding income from discontinued operations/operations held for sale	2.87	3.33
Net income from discontinued operations/operations held for sale	1.26	3.74
Consolidated, Group share – excluding gains on equity interests sold & net income from discontinued operations/operations held for sale	2.83	2.86

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:

	2008	2007
Weighted-average number of shares outstanding during the period	54,294,062	55,234,586
Weighted-average number of shares, the issue of which is conditional during the period	145,045	27,693
Weighted-average number of diluting stock options (dilutive stock subscription and stock purchase options) during the period	1,459,372	592,495
Weighted-average number of potential shares	**55,898,479**	**55,854,774**

Pursuant to IAS 33, the determination of diluted net earnings per share for 2008 and 2007 does not take into account the stock option plan authorized by the Board of Directors on December 10, 2007 because these options have an anti-diluting effect. Likewise, the determination of the diluted earnings per share for 2008 excludes the stock option plan authorized by the Board of Directors on December 4, 2006.

Diluted earnings per share:

	2008	2007
Weighted-average number of shares used in the calculation of diluted net earnings per share	55,898,479	55,854,774
Net income (in € millions)		
Consolidated, Group share	224.4	390.8
Consolidated, Group share – excluding income from discontinued operations/operations held for sale	156.0	183.9
Net income from discontinued operations/operations held for sale	68.5	206.8
Consolidated, Group share – excluding gains on equity interests sold & net income from operations held for sale	153.9	157.9
Diluted earnings per share (in euros)		
Consolidated, Group share	4.02	7.00
Consolidated, Group share – excluding income from discontinued operations/operations held for sale	2.79	3.29
Net income from discontinued operations/operations held for sale	1.22	3.70
Consolidated, Group share – excluding gains on equity interests sold & net income from discontinued operations/operations held for sale	2.75	2.83

5.3 Workforce and payroll

The Group's workforce was as follows:

Workforce	12.31.2008	12.31.2007
Managers	266	210
Employees and workers	1,214	905
Seamen	2,629	2,264
■ *Officers*	*1,034*	*904*
■ *Crews*	*1,595*	*1,360*
Total	**4,109**	**3,379**

The change in payroll was as follows:

(in € millions)	12.31.2008	12.31.2007
Personnel expenses	176.2	134.7

5.4 Events after the balance sheet date

None.

5.5 Related party transactions

Relations with SINOPACIFIC

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 Jaccar.

In 2008, BOURBON, through one of its subsidiaries Bourbon Supply Investissements, acquired twenty vessels from the Sinopacific group for a total amount of €220 million. As of December 31, 2008, the amount of the current orders is for ninety four vessels and totals €1,585 million, which generated down payments on orders in the amount of €594 million.

In addition, Jaccar 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 €498 million as of December 31, 2008.

Relations with PIRIOU, WEST ATLANTIC SHIPYARD and SEAS

The Chairman & Chief Executive Officer of BOURBON is indirectly associated in the Piriou naval construction Company and its subsidiaries West Atlantic Shipyard and SEAS, through Jaccar Holdings, a wholly owned subsidiary of Jaccar.

BOURBON, through its subsidiaries, in 2008 acquired sixteen vessels from these three companies for a total amount of €23 million. As of December 31, 2008, the amount of current orders was for forty-two vessels for €85 million, which generated advances on orders in the amount of €23 million.

Relations with JACCAR

The Chairman & Chief Executive Officer of BOURBON is also Chairman of Jaccar SAS. Jaccar SAS invoices Bourbon Assistance, a BOURBON subsidiary, for services.

For 2008, the amount (excluding taxes) of services 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 €0.7 million, excluding taxes.

Relations with MARINE SAS

Christian Lefèvre, BOURBON Executive Vice President & Chief Operating Office, is also Chairman of Marine SAS. Marine SAS invoices Bourbon Management, a BOURBON subsidiary, for services.

For 2008, the amount (excluding taxes) of services billed includes a fixed portion of €0.15 million and a variable portion calculated on the basis of 0.5‰ of consolidated net income, BOURBON group share, capped at €0.15 million, excluding taxes.

Relations with CROWNSHIP, affiliated with JACCAR HOLDINGS S.A.

Mr. Jacques d'Armand de Chateauvieux, Chairman & Chief Executive Officer of our Company, is also Chairman of Jaccar Holdings S.A.

Through its subsidiaries, BOURBON acquired bulk carriers held for resale from the Company CROWNSHIP. Out of a total purchase amount of $260 million, our Company has paid to date $52 million as a prepayment corresponding to 20% of the price. At the same time, the Group received from its own buyers a total of $36 million as a prepayment.

5.6 Executive compensation

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

The compensation paid to the corporate officers during the year (not including Director's fees) amounted to €1.9 million (including €1.1 million in variable compensation for 2007).

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		Country
	2008	2007	2008	2007	
BOURBON	Parent Company		Parent Company		France (Paris)
Aequo Animo Shipping Navegacao Lda	100.00	100.00	100.00	100.00	Portugal (Madeira)
Angor	100.00	-	100.00	-	France
Avracs	100.00	100.00	100.00	100.00	France
BON Management AS	100.00	100.00	100.00	100.00	Norway
Bourbon An Hoa	65.33	-	44.83	-	Vietnam
Bourbon Asia Asset Pte Ltd	51.00	51.00	51.00	51.00	Singapore
Bourbon Assistance	100.00	100.00	100.00	100.00	France (Reunion)
Bourbon Ben Luc	100.00	100.00	100.00	100.00	Vietnam
Bourbon Brazil Participacoes	100.00	100.00	100.00	100.00	Brazil
Bourbon Capital	100.00	100.00	100.00	100.00	Luxembourg
Bourbon Capital Elec USA	100.00	100.00	100.00	100.00	United States
Bourbon Capital Holdings USA	100.00	100.00	100.00	100.00	United States
Bourbon Capital USA	(*)	100.00	(*)	100.00	United States
Bourbon China Group Ltd	100.00	-	100.00	-	China
Bourbon Far East Pte Ltd	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 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 Ukraine	51.00	-	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 Asia	51.00	51.00	51.00	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 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	Bahrain (Manama)
Bourbon Offshore I AS	100.00	75.00	100.00	75.00	Norway
Bourbon Offshore I KS	100.00	80.26	100.00	75.00	Norway
Bourbon Offshore III AS	80.00	80.00	80.00	80.00	Norway
Bourbon Offshore III KS	82.00	85.52	80.00	80.00	Norway
Bourbon Offshore Interoil Shipping-navegacao 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	100.00	-	100.00	-	Malaysia
Bourbon Offshore Norway	100.00	100.00	100.00	100.00	Norway
Bourbon Offshore Supply	100.00	100.00	100.00	100.00	France
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 Salvage investments	100.00	100.00	100.00	100.00	France

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		Country
	2008	2007	2008	2007	
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	100.00	100.00	100.00	100.00	Singapore
Bourbon Supply Investissements	100.00	100.00	100.00	100.00	France
Bourbon Training Center Asia Pte Ltd	100.00	-	100.00	-	Singapore
Caroline 8 SAS	100.00	100.00	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
Challenge hypermarket	-	50.00	-	50.00	Mauritius
Chambon Offshore International	100.00	100.00	100.00	100.00	France
Deepwaters Marine Eurofinance	(*)	100.00	(*)	100.00	United States
DNT Offshore	100.00	100.00	100.00	100.00	Italy
DTI Océan Indien	-	100.00	-	100.00	Mauritius
Elbuque Shipping Lda	100.00	100.00	51.00	51.00	Portugal (Madeira)
Endeavor	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 – Exploracao 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 Nantes Saint-Nazaire 2004	100.00	100.00	100.00	100.00	France
GIE Abeilles Le Havre 2003	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
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

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		Country
	2008	2007	2008	2007	
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 Navegacao 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	100.00	100.00	100.00	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 Navegacao Lda	100.00	100.00	100.00	100.00	Portugal (Madeira)
Latin quarter Servicos Maritimos Internacionais Lda	100.00	100.00	51.00	51.00	Portugal (Madeira)
Les Abeilles	100.00	100.00	100.00	100.00	France
Marine Network Asia	51.00	51.00	51.00	51.00	Singapore
Mastshipping Shipping Lda	100.00	100.00	51.00	51.00	Portugal (Madeira)
Matador	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
Offshore Structured Assets Finance	(*)	100.00	(*)	100.00	United States
Onix Investimentos e Servicos Lda	100.00	100.00	100.00	100.00	Portugal (Madeira)
Paris Shipping & Chartering	100.00	100.00	100.00	100.00	France
Pentcor	100.00	–	100.00	–	France
Placements Provence Languedoc	100.00	100.00	100.00	100.00	France
Sagrim	–	74.97	–	74.97	Madagascar
SCI Claire Fontaine	100.00	100.00	100.00	100.00	France (Reunion)
Sefor	100.00	–	100.00	–	France
Sesac	100.00	100.00	100.00	100.00	France
Setaf	100.00	100.00	100.00	100.00	France
Setaf Saget	100.00	100.00	100.00	100.00	France
Setapar	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	–	0.00	–	France
SNC Bourbon Diamond	100.00	–	100.00	–	France
SNC Bourbon Hamelin	100.00	–	100.00	–	France
SNC Bourbon Himalya	100.00	–	100.00	–	France
SNC Bourbon Liberty 105	100.00	–	100.00	–	France
SNC Bourbon Pearl	100.00	–	100.00	–	France
SNC Bourbon Ruby	100.00	–	100.00	–	France
SNC Bourbon Sapphire	100.00	–	100.00	–	France
SNC Bourbon Themis	100.00	100.00	100.00	100.00	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
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

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		Country
	2008	2007	2008	2007	
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	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 Madagascar	-	100.00	-	100.00	Madagascar
Sucrerie de Bourbon Tay Ninh	68.62	68.62	68.62	68.62	Vietnam
Tenor	100.00	-	100.00	-	France
Thermidor (ex-Babor)	100.00	100.00	100.00	100.00	France

(*) Companies merged in 2008.

5.7.2 List of proportionately consolidated companies

	% of control of capital held directly or indirectly		% of capital interest held directly or indirectly		Country
	2008	2007	2008	2007	
Bourbon Gulf	49.00	49.00	49.00	49.00	Qatar
Delba Maritima Navegacao	50.00	50.00	50.00	50.00	Brazil
Delba Operadora de Servicios Ltda	50.00	50.00	50.00	50.00	Brazil
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
Foster Magnetics LLC	50.00	-	50.00	-	United States
Naviera Bourbon Tamaulipas	49.00	49.00	49.00	49.00	Mexico
Oceanteam Bourbon 1 AS	50.00	50.00	50.00	50.00	Norway
Oceanteam Bourbon 1 KS	50.00	50.00	50.00	50.00	Norway
Oceanteam Bourbon 4 AS	50.00	50.00	50.00	50.00	Norway
Servicios y Apoyos	49.00	49.00	49.00	49.00	Mexico
Sonasurf Angola	50.00	50.00	50.00	50.00	Angola
Toesa	50.00	50.00	50.00	50.00	Uruguay

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		Country
	2008	2007	2008	2007	
Bourbon Marine Services Manila Ltd	24.98	24.98	24.98	24.98	Philippines
Jackson Offshore LLC	24.50	24.50	24.50	34.36	United States
Rigdon Marine Corporation	-	40.26	-	40.26	United States
Rigdon Marine Holdings LLC	-	24.50	-	24.50	United States

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the Statutory Auditors' report issued in French 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 an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered 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 should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In accordance with our appointment as Statutory Auditors at your Annual General Meeting, we hereby report to you for the year ended December 31, 2008 on:

- the audit of the acCompanying consolidated financial statements of BOURBON;
- the justification of our assessments;
- the specific verification required by law.

The 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. These 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 includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our 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 of December 31, 2008 and of the results of its operations for the year then ended in accordance with IFRSs as adopted in the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

The accounting estimates used in the presentation of the financial statements for the year ended December 31, 2008 were prepared in a context of heavy market volatility and uncertain economic outlooks. These conditions are described in Note 1.1 of the consolidated financial statements.

It is in this context and in accordance with article L. 823-9 of the French Commercial Code (*Code de Commerce*) that we have conducted our own assessments, which we bring to your attention:

Note 1.5.6 sets forth the accounting methods for the recognition and amortization of the vessels.

In our assessment of the accounting rules and principles used by your Company, we have verified the appropriate nature of the accounting methods described above and the information provided in the notes to the financial statements.

These assessments were made in the context 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.

These assessments were performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

III. SPECIFIC VERIFICATION

Pursuant to the law, we have also verified the information relating to the Group given in the management report. We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Lyon and Marseille, April 22, 2009

The Statutory Auditors

EurAAudit C.R.C **Cabinet Rousseau Consultants**	**Deloitte & Associés**
Marc ESCOFFIER	**Vincent GROS**

4 CHAIRMAN'S REPORT

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON THE *MODUS OPERANDI* OF THE BOARD OF DIRECTORS AND ON INTERNAL CONTROL 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, 2008;
- the internal control procedures established by the Company;
- the scope of the powers of the Chairman and Chief Executive Officer.

As decided at the meeting of the Board of Directors on December 8, 2008 and communicated to the public in a press release dated December 9, 2008, the Company will consult the corporate governance code resulting from the consolidation of the joint reports of AFEP and MEDEF of October 2003, January 2007 and October 2008 as its reference (the "Reference Code"). This Code can be found on MEDEF's website (www.medef.fr).

The points of divergence between the Company's practices and the Reference Code's recommendations are detailed in sections 1.1 and 1.5 of this report.

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.

This report was approved by the Board of Directors on March 23, 2009.

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 members:

Jacques d'Armand de Chateauvieux: Chairman of the Board and Chief Executive Officer

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.

Number of shares held directly: 9,682.

Christian d'Armand de Chateauvieux

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.

Number of shares held directly: 4,043.

Henri d'Armand de Chateauvieux

An airline pilot at Air France for over 30 years. At December 31, 2008, Henri d'Armand de Chateauvieux held over 5% of the capital of BOURBON through the Company Mach-Invest.

Number of shares held directly: 155,515.

Guy Dupont

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.

Number of shares held directly: 97,158.

Marc Francken

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. Having managed various marine organizations, in 1989 he joined the portfolio management Company Gevaert NV *as Managing Director and became its Executive Chairman between 2002 and 2006.*

Number of shares held directly: 765.

Baudoin Monnoyeur

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, Renault, Dacia and John Deere. At December 31, 2008, Baudoin Monnoyeur held 5.40% of capital of BOURBON through Monnoyeur SAS.

Number of shares held directly: 300.

Christian Munier

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 at CHAMBON from 1986, he became a member of the Management Board then Managing Director of the marine branch on the merger of CHAMBON and BOURBON, before being appointed Executive Vice President of BOURBON in 2005. Christian Munier has been actively involved in refocusing the Company on marine activities and restructuring BOURBON's portfolio of activities.

Number of shares held directly: 11,355.

Dominique Senequier

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 has 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.

Number of shares held directly: 765.

Vo Thi Huyen Lan

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 Finance Director then Assistant Deputy CEO for BOURBON's Distribution activities in Vietnam, she joined Jaccar in 2006 as CEO.

Number of shares held directly: 300.

Roger Wright

A Brazilian national and economics graduate from the Wharton School, University of Pennsylvania (USA), Robert Wright is one of the major shareholders and Directors of Arsenal Investment. Having previously headed the asset management activities of Banco Garantia, he is now a Director of a number of international companies.

Number of shares held directly: 1,000.

The Annual Shareholders' Meeting of May 30, 2008 ratified the co-opting of Vo Thi Huyen Lan by the Board of Directors on December 10, 2007, as a replacement for resigning Director Victoire de Margerie, for her remaining term of office, which is until the end of the Annual Shareholders' Meeting convened to rule in 2010 on the financial statements for the fiscal year ended December 31, 2009.

This same Shareholders' Meeting also decided to appoint Baudouin Monnoyeur as a Director for a three-year period, which is until the end of the Annual Shareholders' Meeting convened to rule in 2010 on the financial statements for the fiscal year ended December 31, 2010.

There are three non-French Directors.

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

At its meeting on March 23, 2009, the Board of Directors examined the qualifications of the BOURBON Directors in terms of their independence according to the definition and criteria established in the AFEP-MEDEF reports on the corporate governance of listed companies.

A Director is deemed to be independent if he does not have a significant relationship with the Company or its management that could compromise the free exercise of his judgment or be such as to place him in a conflict of interest situation with the Company or its management.

Consequently, the Board of Directors recognized the independence of the following Directors:
- Guy Dupont;
- Marc Francken;
- Roger Wright.

Article 8.2 of the Reference Code recommends that at least one-third of the Directors should be independent. Following the appointment of a tenth Director by the Annual Shareholders' Meeting of May 30, 2008, this proportion is no longer adhered to. However, at its meeting on March 23, 2009, the Board of Directors decided to propose the appointment of a new independent Director to the Annual Shareholders' Meeting on June 3, 2009, so that the recommendations of AFEP-MEDEF would be respected again.

Situation of 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 at December 31, 2008, Jacques d'Armand de Chateauvieux held over 20% of the capital of the Company, through the Company Jaccar.

Baudoin 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.

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

1.2.1 Principles

The Board of Directors determine the strategic lines of the Company's activity and oversee their implementation in compliance with the bylaws and prevailing laws and regulations.

The Board of Directors performs any controls or audits it deems appropriate.

Each Director is provided with the information necessary for the accomplishment of his mission and may obtain from Management any documents he considers would be useful.

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 Annual Shareholders' 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, 2008, 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.

The Group's executive committee, composed of the Chief Executive Officer and the Executive Vice Presidents of BOURBON, meets regularly, 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. 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 held to close the accounts.

During the past year, four meetings of the Board of Directors were held: on January 18, March 10, August 25, and December 8, 2008.

The attendance rate for all the Directors was 95%.

1.4 Evaluating the work of the Board of Directors

At the end of 2008, the Board of Directors conducted a formal self-assessment of its operations, based on a questionnaire recommended by the Nominating, Compensation and Governance Committee.

The questionnaire dealt with three major themes:
- the general organization of Board meetings;
- the effectiveness of the Board meetings;
- the Directors (each Director assesses himself / self-assessment, administration, skills and training).

Overall, the operation of the Board was deemed satisfactory by its members. The Directors considered that there is a good balance of skills among the various individual members in terms of their expertise and very broad range of experience.

The Directors approved of the quality of the documents sent to them and the discussions at Board meetings and in the meetings of its committees.

Since 2007, and on the suggestion of the most recent self-assessment, a one-day seminar has been held annually, which is an opportunity for the Directors to explore BOURBON's strategy in greater depth and discuss the Company's activities from a broader perspective.

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.

These committees, each composed of three members, include one independent member based on the criteria identified above. The independent Director is responsible for chairing the committee.

In view of the quality of the work of these committees, there is no reason to date to modify their composition by replacing a current member by an independent member, thereby raising the number of independent members to two-thirds in line with the recommendations of the Reference Code.

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.

Its main responsibilities are listed below:
- managing the procedure for selecting auditors before submitting results to the Board;
- reviewing in advance and giving its opinion on the draft annual and mid-year financial statements;
- examining the relevance and permanence of the accounting rules and the principles used in preparing the financial statements and preventing any violations of such rules;
- ensuring that any changes in the scope of the consolidated companies are presented, and providing any necessary explanations;
- interviewing, as it deems necessary, the auditors, management, financial management, internal audit or any other member of the management;
- evaluating the effectiveness and quality of the Group's internal control systems and procedures, and in particular, seeing to it that the internal control committee is established and operating properly;
- reviewing the Group's financial and cash position and any significant risks faced by it;
- examining the procedures adopted to evaluate and manage risk.

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.

The committee is currently composed of three people:
- Roger Wright, independent Director, Chairman of the committee;
- Dominique Senequier;
- Christian Munier.

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*.

It should be noted that in the course of its missions, the committee is assisted by an external consultancy firm.

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.

WORK OF THE AUDIT COMMITTEE

The Audit Committee met three times in 2008. The attendance rate of the members was 89%. 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.

The committee dealt with a number of issues, especially the following:
- review of the financial statements;
- review of the risk map;
- management of the foreign exchange risk;
- monitoring the "Horizon 2012" plan;
- renewing the Statutory Auditors' term of office.

1.5.2 Nominating, Compensation and Governance Committee

At its meeting of August 27, 2007, the Board of Directors approved the principle of extending the role of the Compensation Committee by entrusting to it the task of assessing the nominations for new Directors and reviewing the succession plans for the executive Directors. To take account of its extended remit, the committee's name was changed to the "Nominating and Compensation Committee". The Board of Directors then decided at its March 10, 2008 meeting, on the recommendation of the Chairman of the Board, and according to the market conventions, that:
- the name of the "Nominating and Compensation Committee" be changed to the "Nominating, Compensation and Governance Committee";
- the chairman of this committee is responsible for ensuring that the principles of good governance are followed and duly enforced.

The responsibilities of the Nominating, Compensation and Governance Committee are to:
- review all applications for nomination to a position as a member of the Board and formulate an opinion and/or recommendation to the Board of Directors on these applications;
- make recommendations to the Chairman 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.

The Chairman of the committee is also responsible for supervising proper governance in the context of the combined functions of the 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 Appointments, Compensation and Governance Committee is currently composed of three members:

- Marc Francken, independent Director, Chairman of the committee;
- Henri d'Armand de Chateauvieux;
- Dominique Senequier.

WORK OF THE NOMINATING, COMPENSATION AND GOVERNANCE COMMITTEE

The committee met once in 2008 with a 100% attendance rate.

The committee dealt with various issues, particularly:

- adoption of the AFEP-MEDEF recommendations of October 2008 on compensation for corporate officers of listed companies;
- compensation for the Chairman and Chief Executive Officer and the Executive Vice Presidents;
- Directors' fees;
- assessment of the operation of the Board of Directors;
- examination of the candidacy of a new Director.

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 stockholder 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 procedures

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 as they contribute to safeguarding its assets;
- the reliability of financial data;

and generally, contributing to overseeing its activities, the effectiveness of its operations and the efficient use of its resources.

The improvement and maintenance of a satisfactory level of internal control are a concern shared by all the operational and functional managers collectively, since the implementation of an efficient internal control system is an integral part of management responsibilities.

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 provides for:

- a structure that includes a clear definition of responsibilities, with adequate resources and skills, backed by appropriate procedures, information systems and tools;
- 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 designed to reduce the risks likely to affect the achievement of the objectives;
- 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.

2.2 Control environment

The control environment is an important factor in the internal control process since it determines the level of the personnel's awareness of the needs for control. Internal control affects everyone from governance bodies through to all BOURBON employees.

2.2.1 General organization of internal control

The operational structure of BOURBON is decentralized, which requires strong central control, even though the prime responsibility for internal control lies with the managers on the ground.

BOURBON's **executive committee** is responsible for identifying and managing the key issues and validates the operational and financial objectives. It sees that the strategy is carried out and reviews the options for successfully implementing it, especially in the areas of safety, innovation, human resources and cost control. In its responsibility for supervision of the proper functioning of the internal control system, the executive committee is primarily supported by the following departments:

- the **corporate accounting department**;
- the **corporate treasury and management control department**;
- the **corporate legal department**.

The **management committee** oversees the implementation of the strategy objectives and deals with issues of general interest to the Group. In addition to the members of the executive committee, this committee is composed of 12 members representing the Group's organization.

The "**Quarterly Business Review**" is the body by which the executive committee tracks the performance of operational activities and measures the progress of BOURBON's cross-Company projects.

In each entity, over and above the involvement of management, the administrative and financial executives are an integral part of the internal control process.

2.2.2 Internal control procedures

GENERAL PROCEDURES

In the course of its various activities, BOURBON ensures that its operations are conducted at all times without endangering the health and safety of its employees and subcontractors. BOURBON also monitors its activities closely to avoid any environmental impact or damage to property. At the same time, BOURBON aims to satisfy its clients, partners and personnel. To this end, a "Quality, Health, Safety, Environment" Charter has been drawn up and adopted on the vessels, at onshore bases and in administrative offices. Based on the fundamental principles affirmed in this charter, each division is responsible for the due establishment and monitoring of QHSE (Quality, Health, Safety and Environmental) performance on its vessels and premises.

For the quality and/or safety certification (ISO standards and ISM code) of supply/assistance activities to oil and gas platforms, manuals of procedure and instructions are produced for different issues: operations, fitting-out vessels, commercial, purchasing, disputes, technical, emergencies, safety, etc.

These manuals form the basis of the operational control of the businesses. Their correct application is regularly verified via annual quality/safety audits conducted internally under the responsibility of Quality/Safety Assurance managers.

External audits performed by competent authorities are also conducted under an annual or multi-annual control plan. Specific procedures are also in place to evaluate the proper operation of the system, on an ongoing basis.

For the Bulk Division, chartering and bulk carrier operations are conducted according to precise internal operating rules and are subject to regular controls. All chartering contracts are monitored by an "Operations" department which ensures their correct execution.

In addition, a manual of general policies and procedures is being built up over time and regularly distributed. It deals mainly with the financial, accounting and legal factors involved in each process. Beyond a process of formalization and harmonization, the purpose of this manual is to define the rules and principles to be applied by all BOURBON companies. It describes the roles and responsibilities of the different participants in each process, information requirements, operating modes and the controls to be carried out and levels of approval required.

Among the main issues dealt with, capital expenditure and the handling of clients' calls for tenders have a particular importance given BOURBON's activities.

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 prepared, 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, and by the progressive documentation and formalization of procedures.

This mainly involves the following:
- budgets established by the different Group entities and the monitoring of their implementation at an operational level and by the Group's management control unit;
- 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. 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 annual report to ensure accuracy, consistency, compliance with applicable laws and regulations, and the quality of the financial information.

2.3 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 or responsibility for them.

2.3.1 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.

2.3.2 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 monitoring the implementation of recommendations, 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 two Executive Vice Presidents and the managers of BOURBON's operational divisions.

2.3.3 Internal audit department

BOURBON's internal audit department was established in 2002. It is currently staffed by four auditors.

The purpose of the internal audit is to constantly evaluate the proper functioning and effectiveness of the internal control system at BOURBON, in order to obtain reasonable assurance concerning risk control. 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 annual audit plan is drafted on the basis of a preliminary analysis that defines the Group's internal and external environment in order to evaluate the risks, activities, processes and critical functions. This audit plan takes account of BOURBON's expansion, in particular internationally.

The internal audit follows a methodology that enables it to arrive at recommendations that are adopted in conjunction with the audited person, the implementation of which is monitored at the end of the audit mission.

The internal audit department regularly checks the compliance of the general policies and procedures listed above.

2.3.4 The Statutory Auditors

As at 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.

2.4 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 has been constituted for each of the operational divisions as well as at functional level at head office. 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 potential impact were evaluated. The risks identified were then ranked based on their possible frequency (from frequent to improbable) and their impact (negligible to catastrophic), with catastrophic requiring a crisis unit to respond immediately with an action plan.

The management of each Division is responsible for forwarding the risk map to the different units, as well as action plans, control and follow-up procedures.

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 twice in 2008 in order to respond to the results of action plans implemented in 2008 and changes that have occurred in the evaluation of certain risks.

BOURBON intends to extend the implementation of the risk-mapping process at the principal operational subsidiaries.

The type and ranking 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.

2.5 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 mechanism.

3 Powers of the Chief Executive Officer

I hereby inform you that no limitation has been placed on the powers of the Chairman and Chief Executive Officer. The Executive Vice Presidents have the same powers as the Chief Executive Officer, in accordance with the bylaws and the decision appointing them.

Chairman of the Board of Directors

STATUTORY AUDITORS' REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE (CODE DE COMMERCE) ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF BOURBON

This is a free translation into English of the Statutory Auditors' report issued in French prepared in accordance with Article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the Board of Directors of BOURBON on the internal control 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 with, 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 the French Commercial Code, we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the French Commercial Code for the year ended December 31, 2008.

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 the French Commercial Code, 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 procedures relating to the preparation and processing of accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Code, 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 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 procedures relating to the preparation and processing of accounting and financial information.

These procedures mainly consisted in:
- obtaining an understanding of the internal control procedures relating to the preparation and processing of 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 whether any significant weaknesses in the internal control procedures relating to the preparation and processing of 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 procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L. 225-37 of the French Commercial Code.

OTHER DISCLOSURES

We hereby attest that the report of the Chairman of the Board of Directors includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

Lyon and Marseille, April 22, 2009

The Statutory Auditors

EurAAudit C.R.C Cabinet Rousseau Consultants	Deloitte & Associés
Marc ESCOFFIER	**Vincent GROS**

5 OTHER LEGAL AND FINANCIAL INFORMATION

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.

Nationality: French.

Legal form: Incorporated Company ("Société anonyme") with a Board of Directors, governed by the French Commercial Code.

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, special shareholders' 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 shareholders' meetings may be consulted at the corporate office at the address indicated above.

1.1 Corporate purpose (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;
- and generally all industrial, commercial, financial, agricultural, real estate and othertypes of property operations that may be related directly to the aim of the Company, the various components of which have been specified above.

Fiscal year: from January 1st to December 31st of each year.

1.2 Appointment of Directors (article 13 of the bylaws)

I - During the life of the Company, Directors are appointed by the Annual Shareholders' Meeting. However, in the event of a merger or a demerger, they may be appointed by the Special Shareholders' Meeting. Their term of office lasts for three years. It ends after the Annual Shareholders' 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 Annual Shareholders' 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 Annual Shareholders' Meetings, make appointments on a temporary basis. If the number of Directors falls below the legal minimum, the remaining Directors must immediately convene the Annual Shareholders' Meeting in order to fill the vacancies on the Board.
Temporary appointments made by the Board shall be subject to ratification by the next Annual Shareholders' 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 Annual 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. If on the day he is appointed, a Director does not own the number of shares required, or if, during his term, he ceases to own them, he shall be deemed to have resigned from his position unless he meets the requirements within three months.

1.3 Shareholders'meetings (article 19 of the bylaws)

Shareholders' 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.

In the absence of the Chairman of the Board, unless otherwise specified, the meeting shall be chaired by the Director specifically appointed by the Board. If no Director has been appointed, the shareholders' meeting shall elect a Chairman for the meeting.

1.4 Ownership thresholds

The bylaws do not stipulate specific requirements for ownership thresholds. Pursuant to Article L. 233-7, I – paragraphs 1 and 2 of the French Commercial Code (amended by Law 2005-842 of July 26, 2005):

- when the shares of a Company with its corporate office in the French Republic is admitted for trading on a registered market or on a financial instruments market admitting for trading shares that can be registered in an account with an authorized intermediary under the conditions set forth by 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 of the total number of shares or voting rights owned before a deadline set by the Council of State from the time the threshold is crossed;
- the information cited in the foregoing paragraph shall also be given before the same deadlines whenever the percentage of capital or voting rights owned falls below the threshold cited in that paragraph;
- the person required to provide the information referred to in the first paragraph shall specify the number of shares owned that give access in the future to the capital and voting rights attached thereto.

Failure to meet this obligation shall result in the sanctions described in Article L. 233-14 of the French Commercial Code.

1.5 Appropriation and distribution of earnings (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 annual shareholders' 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 shareholders' 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 shareholders' 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 shareholders' 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 shareholders' meeting, which may not exceed three months from the date of the meeting.

No return of dividends may be required of shareholders, except where the distribution was made in violation of the law and the Company establishes the fact that the beneficiaries were aware of the illegal nature of this distribution at the time, or could not have been unaware of it given the circumstances. Any action for recovery after payment of such dividends is subject to a three-year statute of limitations.

Any dividends not claimed within five years of payment are time-barred.

The annual shareholders' meeting may, on the recommendation of the Board of Directors, decide to pay the dividend in-kind.

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 2, 2004, BOURBON has been classified by Euronext in the "Oil Services" sector.

The BOURBON share was admitted to the SBF 120 index on September 1, 2005. It was admitted for trading on Euronext Paris, as from January 12, 2006, in capitalization compartment A of Euronext Paris.

As from March 28, 2006, the BOURBON share was included in the Deferred Settlement Service (SRD).

2.1 Capital stock

After the Board of Directors' meeting of March 10, 2008, the BOURBON capital amounts to €35,229,221. It is divided into 55,461,302 shares, fully paid-up.

As of December 31, 2008:

- the total number of shares comprising the capital was: 55,461,302 ;
- the number of voting rights was: 53,201,296.

These figures are adjusted 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".

During 2008, more than 58.3 million BOURBON shares were traded (20% more than in 2007 and 105% of the total number of shares in the Company).

The Company's market capitalization amounted to €1,000.5 million as of December 31, 2008 for a latest price listed of €18.04. According to the criteria "number of shares traded", "capital rotation rate" and "market capitalization", in 2007, depending on the month, BOURBON ranked between number 67 and number 91 among the companies listed on Euronext Paris.

As of December 31, 2008, there were 900 employee shareholders holding stock through the FCPE "Bourbon Expansion" for 449,414 shares, or 0.81% of the capital.

In the Combined Annual and Special Shareholders' Meeting of August 23, 2004, double voting rights were eliminated. There is also no limitation on the voting right.

2.2 Position with regard to stock subscription and/or stock purchase option plans

The table below shows all the information related to stock subscription and/or stock purchase options granted by the Company, in force as of December 31, 2008.

Meeting date	May 25, 2000			June 7, 2005			May 30, 2008	
	Plan No. 1 (1)	Plan No. 2 (1)	Plan No. 3 (1)	Plan No. 4 (1)	Plan No. 5 (1)	Plan No. 6	Plan No. 7	**Total**
Date of Board Meeting	09.10.2001	09.08.2003	03.08.2005	12.05.2005	12.04.2006	12.10.2007	12.08.2008	
Start date for exercising options	10.09.2005	09.08.2007	03.08.2009	12.05.2009	12.04.2010	12.10.2011	12.08.2012	
Expiration date	10.08.2007	09.07.2009	03.07.2011	12.04.2011	12.03.2012	12.09.2013	12.07.2014	
Number of beneficiaries	197	11	17	299	60	681	50	
Total number of stock options granted:	1,260,073	246,400	330,000	660,000	47,520	1,290,600	35,600	
a) Corporate officers in this capacity at the time granted	289,802	53,900	88,000	132,000	-	80,000 (2)	-	
■ Incl. Jacques d'Armand de Chateauvieux	34,364	53,900						
■ Incl. Christian Lefèvre				66,000		40,000		
■ Incl. Laurent Renard				66,000		40,000		
b) Top ten employee beneficiaries	362,041	167,090	178,200	136,400	21,780	175,000	17,600	
Subscription or purchase price (3)	€5.13	€8.30	€19.17	€29.77	€36.41	€43.98	€21.00	
Discounts granted	5%	5%	3%	5%	5%	no	no	
Options exercised as of 12.31.2008	1,104,584	209,440	-	440 (4)	440 (4)	-	-	
Options cancelled or voided as of 12.31.2008 (4)	155,489	36,960	50,600	89,760	4,840	102,200	-	
Options remaining to be exercised as of 12.31.2008	-	-	279,400	569,800	42,240	1,188,400	35,600	2,115,440

(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) Plans 1 through 5 are stock subscription option plans ; plans 6 and 7 are stock purchase option plans.
(4) 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, 2008:

Meeting date	05.29.2007
Allocation date	11.02.2007
Number of shares	166,160
To the corporate officers	-
Shares cancelled or voided as of 12.31.2008 (1)	42,230
Number of shares as of 12.31.2008	123,930

(1) In accordance with the terms of the plan.

2.4 Potential capital dilution as of December 31, 2008

As of December 31, 2008, the total number of shares likely to be issued following the exercise of the stock subscription options or bonus shares described in the tables above, i.e. 1,015,370 shares, representing 1.80% of the Company's capital stock based on the capital stock outstanding on that date, i.e. capital of €35,229,221 divided into 55,461,302 shares. The Company did not issue or grant any other rights or negotiable securities giving the holder access to its capital stock, either directly or indirectly, immediately or in the future.

2.5 Changes in the capital over the past five years

Date	Operation	Share issues: Amount of capital increase (in euros)	Share issues: Number of shares	Share issues: Issue and merger premium	Total amount of capital	Total number of shares
06.28.2004	Allotment of 1 new share for 6 old shares	4,466,726	1,172,000	-	31,267,264	8,204,000
08.23.2004	Merger-consolidation Société Financière Jaccar	9,472,434	2,485,401	39,393,233	40,739,698	10,689,401
08.23.2004	Capital reduction by canceling the securities received	(9,472,434)	(2,485,401)	(39,393,233)	31,267,264	8,204,000
08.30.2004	3-for-1 stock split	-	-	-	31,267,264	24,612,000
12.31.2005	Exercise of stock options (October 2005 to December 2005)	550,819	433,577	4,344,265	-	25,045,577
03.20.2006	Exercise of stock options (January 1 to March 20, 2006)	14,264	11,228	112,500	31,832,347	25,056,805
05.31.2006	Exercise of stock options (March 21 to May 31, 2006)	5,632	4,433	44,417	31,837,979	25,061,238
06.01.2006	2-for-1 stock split	-	-	-	-	50,122,476
03.19.2007	Exercise of stock options (June 1 to December 31, 2006)	46,403	73,052	365,976	31,884,382	50,195,528
05.29.2007	Exercise of stock options (January 1 to May 29, 2007)	4,419	6,957	34,853	-	50,202,485
06.05.2007	Allotment of 1 new share for 10 old shares	3,188,879	5,020,247	-	35,077,680	55,222,732
03.10.2008	Exercise of stock options (June 5, 2007 to December 31, 2007)	151,541	238,570	1,760,882	35,229,221(1)	55,461,302

(1) Capital increase related to the options exercised, amended only on March 10, 2008.

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 June 13 and 14, 2006, the Jaccar Company reported the acquisition of 100,000 shares, and then between September 11 and 18, 2007, the acquisition of 311,382 shares.

On October 10, 2006, Schroders reported that it had risen above the 5% threshold with 2,523,062 shares on that date. On April 19, 2007, Schroders reported that it had fallen below the 5% threshold on April 17, 2007 with 2,420,812 shares on that date.

On September 10, 2007, the Pleyel Investissements Company reported that it had risen above the 5% threshold with 2,770,140 shares on that date.

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.

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 Pleyel Investissements reported that individually, it had fallen below the 5% threshold for capital stockand 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.

Lastly, by letter dated March 27, 2009, 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.

Following these operations, and until the registration date of the "2008 Registration Document" and as far as the Company is aware, the companies Monnoyeur and Mach-Invest own more than 5% and the Jaccar Holdings Company owns more than 20%.

The Jaccar Holdings Company has stated that it is resuming the role of shareholders played by the Jaccar Company in perfect continuity of the commitments by the latter, i.e. a shareholder assisting with the growth and strategy decided upon by the BOURBON Board of Directors. The Company will continue to manage its stake actively and plans to add to it as opportunities arise. Therefore, it is not the intention of the Jaccar Holdings Company to take over the BOURBON Company.

2.7 Changes in the shareholder base

	Position as of 12.31.2008			Position as of 12.31.2007			Position as of 12.31.2006		
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 *	13,803,336	24.89%	25.95%	13,111,954	23.64%	23.66%	11,919,960	23.75%	23.77%
Monnoyeur	2,994,868	5.40%	5.63%	-	-	-	-	-	-
Pleyel Investissements	-	-	-	2,994,868	5.40%	5.40%	-	-	-
Mach-Invest **	2,821,195	5.09%	5.30%	-	-	-	-	-	-
Schroders	-	-	-	-	-	-	2,523,062	5.03%	5.03%
Treasury shares	2,260,006	4.07%	-	34,812	0.06%	-	43,936	0.09%	-
Employees	449,414	0.81%	0.84%	481,312	0.87%	0.87%	474,107	0.94%	0.94%
Public	33,132,483	59.74%	62.28%	38,838,356	70.03%	70.07%	35,234,463	70.19%	70.26%
Total	**55,461,302**	**100.00%**	**100.00%**	**55,461,302**	**100.00%**	**100.00%**	**50,195,528**	**100.00%**	**100.00%**

* *Jaccar : family of Jacques d'Armand de Chateauvieux.*
** *Mach-Invest: a Company affiliated with Henri d'Armand de Chateauvieux.*

2.8 Distribution of capital and voting rights

Total number of shares (December 31, 2008): 55,461,302.

Total number of voting rights (December 31, 2008): 53,201,296.

Approximate number of shareholders (TPI shareholder identification procedure at February 5, 2009): 39,000.

Shareholders owning 5 % or more of the capital or voting rights (December 31, 2008):
- more than 20%: Jaccar ;
- more than 10%: None ;
- more than 5%: Monnoyeur and Mach-Invest.

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: 35.9%;
- voting rights: 37.4%.

As of December 31, 2008, the Company owned 2,260,006 shares (including 34,051 under the supervision and liquidity contract with the CIC), or 4.07% of the capital.

In addition, as of that same date, 900 employees owned 0.81% of the capital with 449,414 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 27.17% 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.

2.9 Price trend in euros over 18 months

Date	High	Low	Volume of shares traded	Capital traded in € millions
2007				
September	49.40	40.50	5,110,816	226.01
October	50.10	43.56	4,671,091	221.74
November	48.90	41.12	3,793,469	171.10
December	46.20	41.90	2,094,629	92.88
2008				
January	48.79	34.01	7,281,923	310.38
February	43.39	35.50	6,140,201	239.06
March	39.15	33.81	4,495,557	165.38
April	43.90	37.20	4,559,742	183.05
May	47.34	41.82	4,347,867	188.91
June	44.80	38.14	4,497,043	185.04
July	39.40	33.64	2,918,288	107.18
August	39.39	36.30	2,581,167	97.64
September	39.75	33.00	5,688,439	207.85
October	35.68	16.08	8,923,763	220.27
November	26.52	17.90	3,771,803	84.55
December	21.63	16.50	3,160,846	59.67
2009				
January	23.45	18.00	3,308,561	67.73
February	25.06	18.80	5,980,103	134.88

TRADEMARKS, LICENSES, PATENTS, REAL PROPERTIES, PLANT AND EQUIPMENT

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.

2 Real properties, plant and equipment

BOURBON generally owns its operating resources, with the exception of those of the Bulk Division.

The Group's tangible assets consist mainly of vessels representing nearly 95% of the line item (excluding fixed assets in progress and prepaid expenses).

At year-end 2008, the fleet owned by the **Offshore Division** included 177 crewboats and 106 supply vessels including 13 IMR vessels as well as 5 assistance and salvage tugs, and 9 subsea robots.

At year-end 2008, the **Bulk Division** fully owned 5 bulk carriers for its solid bulk shipping activity.

A summary of BOURBON's property, plant and equipment and the principal related expenses (amortization, depreciation and provisions) appears in note 3.3 of the notes to the consolidated financial statements (page 55).

ANNUAL INFORMATION DOCUMENT

BOURBON press releases from January 1, 2008 through December 31, 2008

The press releases or publications below are available on the AMF website, www.amf-france.org, and/or on the website : www.bourbon-online.com (under the heading "Press Releases").

Date	Description
February 6, 2008	BOURBON enlarges its strategic vision and presents its BOURBON Horizon 2012 plan.
February 7, 2008	Strong increase in 2007 annual revenues: +26.5% (+35.5% at constant exchange rates). BOURBON exceeds the objectives of the 2003-2007 plan 4th quarter 2007 revenues up 13.9% (+24.4% at constant exchange rates) over the 4th quarter of 2006
February 21, 2008	Sucrerie de Bourbon Tay Ninh (SBT) floats on the Ho Chi Minh City, Vietnam, Stock Exchange.
February 28, 2008	AXA announces the appointment of Jacques de Chateauvieux as Vice-Chairman of its Supervisory Board in view of his becoming Chairman after the Annual General Meeting on April 22, 2008.
March 12, 2008	2007 annual results.
March 20, 2008	The Abeilles International Salvage crew successfully carries out the assistance operation on the freighter Artemis.
May 9, 2008	BOURBON Quarterly Financial Results
May 14, 2008	Mach Invest SAS exceeds the 5% statutory shareholding threshold in BOURBON's capital.
May 29, 2008	BOURBON to sell its interest in the Rigdon companies.
June 2, 2008	Combined Annual and Special Shareholders'meeting of May 30, 2008.
July 2, 2008	BOURBON has sold its interest in the Rigdon companies.
July 24, 2008	The BOURBON Company for salvage and protection of the French coast changes its name: Les Abeilles International becomes Les Abeilles.
August 7, 2008	First Half 2008 revenues.
August 27, 2008	First Half 2008 results.
October 14, 2008	The Abeille Flandre, which, on this occasion is docked at the Port of Monaco, will open its doors to the public on October 16, 2008.
October 28, 2008	BOURBON will bring forward the date of publication of 3rd quarter results to Thursday 30th October at 7 a.m.
October 30, 2008	BOURBON Quarterly Financial results.
November 7, 2008	Bourbon Offshore Asia inaugurates the "BOURBON Training Center Asia" and its AHTS simulator in Singapore, the first electric propulsion AHTS simulator in the world.
November 11, 2008	Situation in Cameroon: Release of BOURBON's ten crew members kidnapped on 31st October in Cameroon on board the Bourbon Sagitta.
November 12, 2008	Situation in Cameroon: Eight of BOURBON's crew members released on November 11th have arrived in France.

Strategic and financial presentations

Documents available on the website www.bourbon-online.com (under the heading "Financial conferences –Strategic conferences-Analysts' conferences").

Date	Description
February 6, 2008	Horizon 2012
March 12, 2008	2007 annual results
May 30, 2008	2008 Shareholders' meeting
August 27, 2008	First Half results 2008
September 1, 2008	*Pareto Oil & Gas Conference*
September 16, 2008	Jefferies shipping, Logistics and Offshore Services Conference
December 11, 2008	Crisis... What crisis? BOURBON's position

Annual Report

The registration document 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 16, 2008	Annual Report 2007

Declarations

Information available on the AMF website, www.amf-france.org.

Monthly declarations of purchases and sales by the companies of their own shares

Date	Description
January 28, 2008	Declaration of purchases / sales of own shares
March 17, 2008	Declaration of purchases / sales of own shares
April 14, 2008	Declaration of purchases / sales of own shares
May 14, 2008	Declaration of purchases / sales of own shares
June 23, 2008	Declaration of purchases / sales of own shares
July 8, 2008	Declaration of purchases / sales of own shares
August 27, 2008	Declaration of purchases / sales of own shares
September 12, 2008	Declaration of purchases / sales of own shares
November 5,2008	Declaration of purchases / sales of own shares
November 17, 2008	Declaration of purchases / sales of own shares
December 19, 2008	Declaration of purchases / sales of own shares

Declarations of operations by management and related persons on the Company shares

Date	Description
January 4, 2008	Declaration of operations on the Company shares
May 20, 2008	Declaration of operations on the Company shares
October 9, 2008	Declaration of operations on the Company shares
October 10, 2008	Declaration of operations on the Company shares
October 13, 2008	Declaration of operations on the Company shares
October 14, 2008	Declaration of operations on the Company shares
November 25, 2008	Declaration of operations on the Company shares

Thresholds crossed

Date	Description
May 14, 2008	Threshold crossed
December 18, 2008	Threshold crossed

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
February 15, 2008	Quarterly revenues for the year 2007
April 23, 2008	Invitation to the annual and special shareholders' meeting of May 30, 2008
April 30, 2008	Consolidated financial statements as of December 31, 2007
May 7, 2008	Parent Company Financial Statements as of December 31, 2007
May 14, 2008	First quarter 2008 revenues
June 16, 2008	Notice of non-modification of the annual financial statements at December 31, 2007
August 13, 2008	First half 2008 revenues

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