

# BOURBON

Presentation by Jacques de Chateauvieux  
Chairman of the Board of Directors  
Combined General Assembly - May 21, 2015

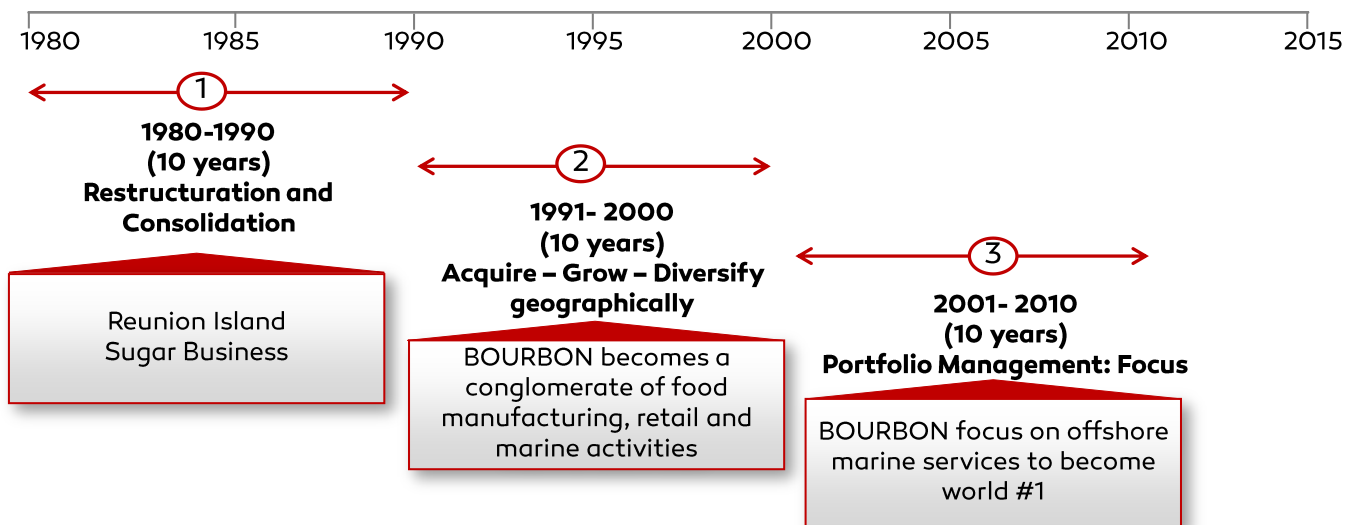
# BOURBON TOMORROW

## Ladies and Gentlemen, Dear Shareholders

Those of you who have been shareholders of the company for many years, and those among you who know the history of our company, are aware that until 1975, that is to say for a period of almost 30 years, the company developed a single line of business: the production and processing of sugarcane.

After agricultural and industrial restructuring on Reunion Island and the development of complementary activities in this sector, BOURBON diversified in three very different directions:

- The agri-food sector in Reunion Island and sugarcane in Vietnam
- Large-scale retail distribution in Reunion and then from this island to the Indian Ocean and Vietnam
- Maritime activities including harbor towage, dry bulk transport and marine services for the offshore oil sector.



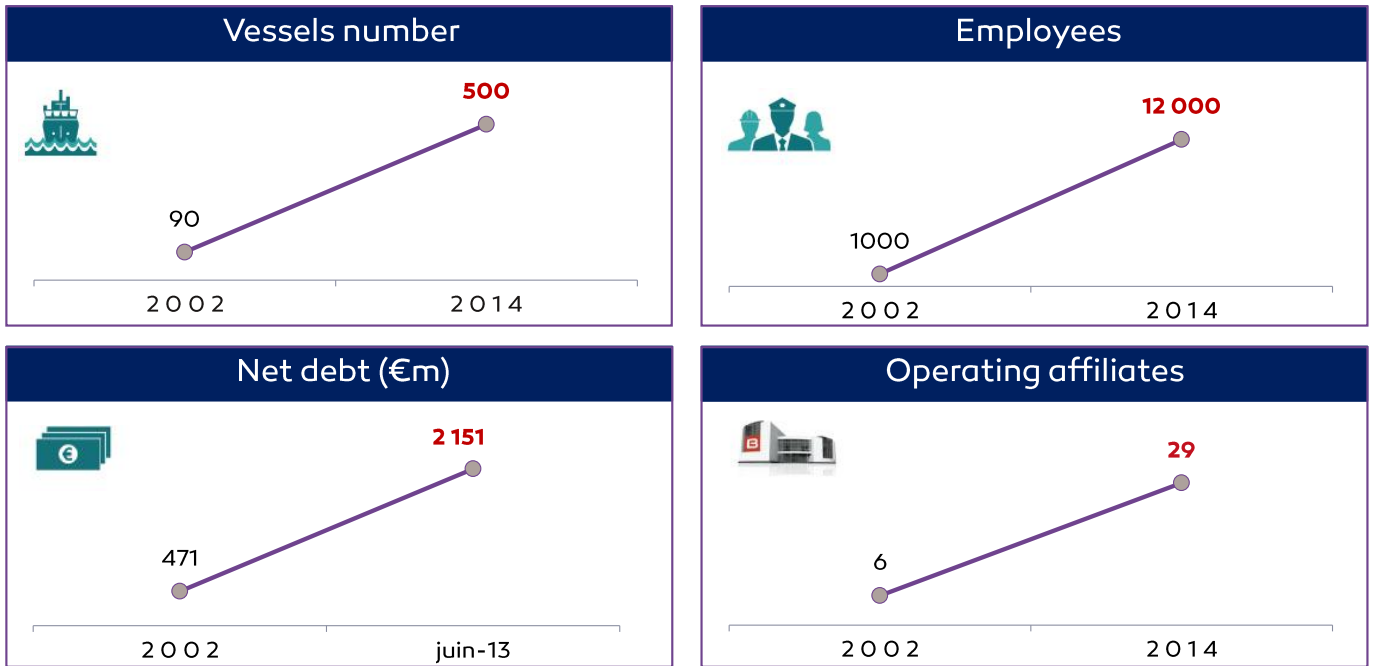
The model of growth during this second period of 10 years was to acquire businesses and then to reveal their potential through investment and geographical diversification.

At the end of this second ten-year phase, BOURBON was listed on the stock exchange on October 20, 1998. The conglomerate soon proved not to realize its potential on the stock exchange and the decision was taken to focus on a single business and to become its global leader: the sector of maritime services for the offshore oil and gas industry.

Since taking this step, BOURBON has invested more than \$6 billion in the maritime sector, taking delivery of a new ship every twelve days for twelve years and has seen a twelvefold increase in its workforce.

This is a unique achievement in the history of the offshore maritime services industry of the past fifty years. It is the success of the women and men of BOURBON who serve clients everywhere in the world, a success based on the strength of their commitment and their skills, sharing the same corporate culture in spite of the 90 nationalities at work for BOURBON.

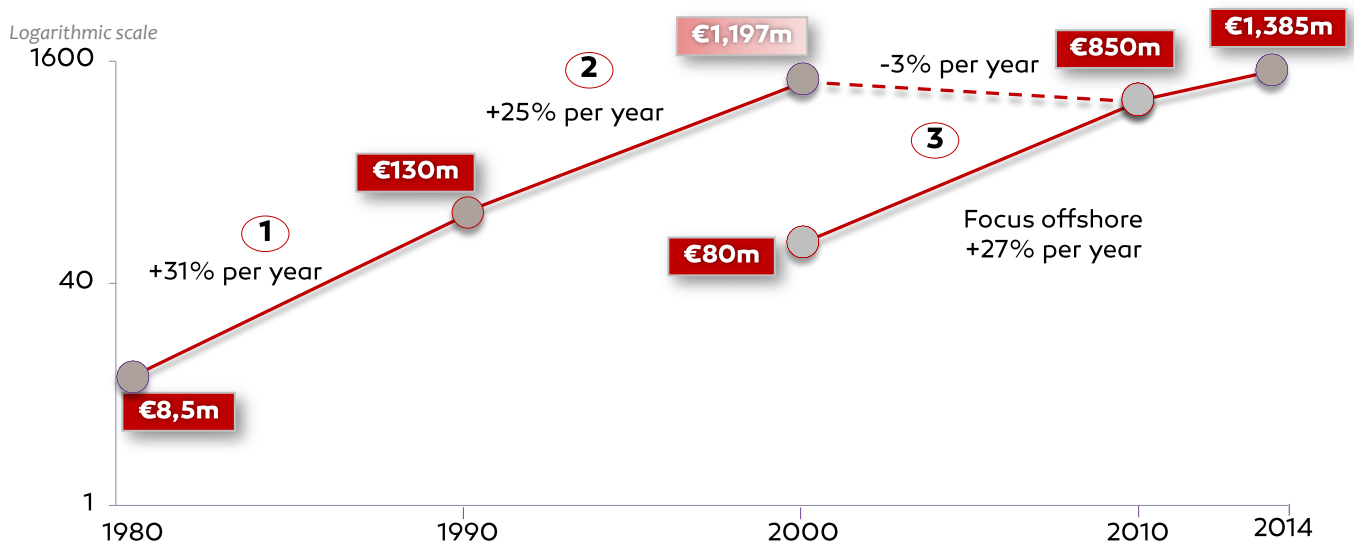
### More ships for more market share



The three stages of our growth have been characterized by:

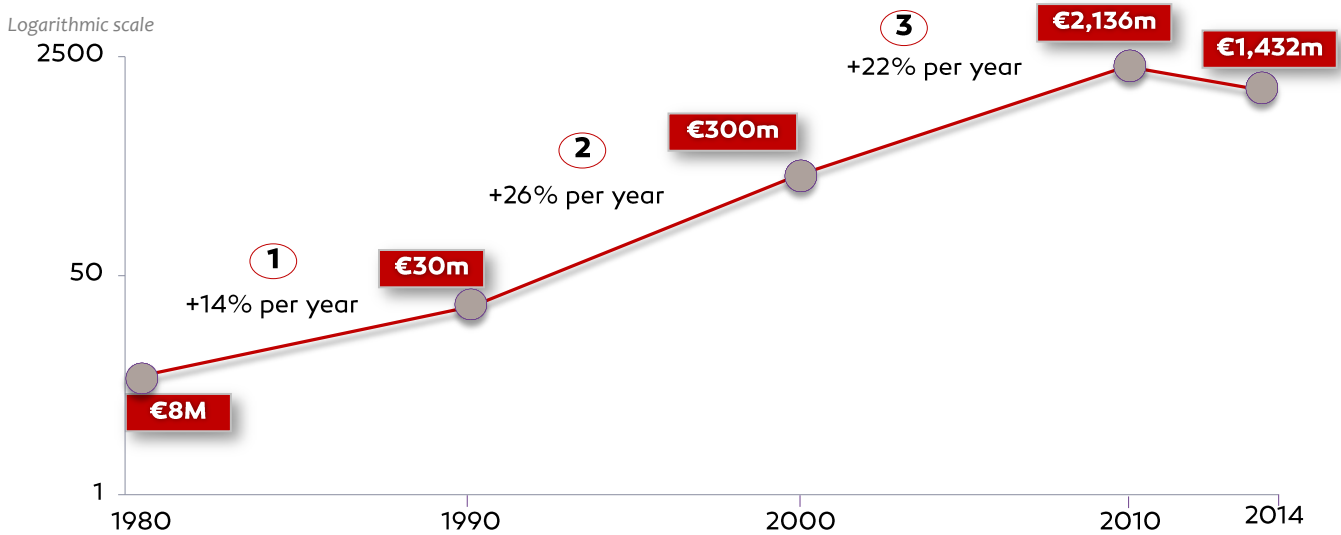
- **Strong growth** in turnover and notably for the sector that is the object of the entire focus of our activities: offshore services;

### Turnover



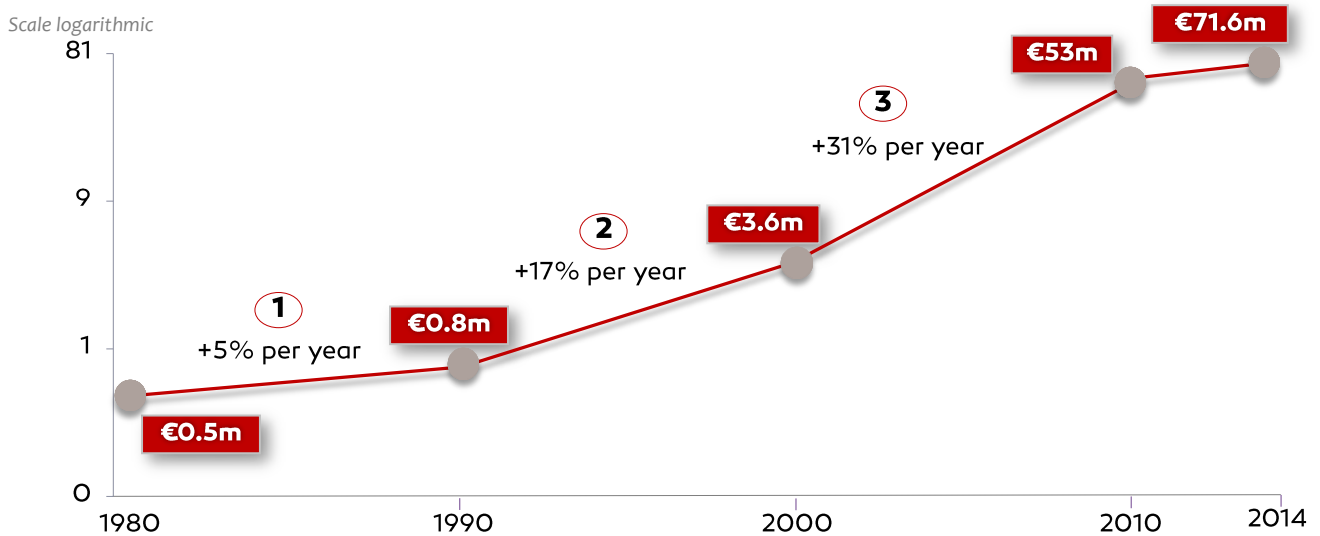
- The **continuous valorization** of BOURBON, which is illustrated by the total value of the company held by its shareholders, while benefiting from the liquidity of the stock market since the end of 1998;

### Market capitalization



- And by a constant concern for **cash returns** for long-term shareholders. The dividends distributed by BOURBON to its shareholders from 1980 to 2010 increased by an average of 17% per year.

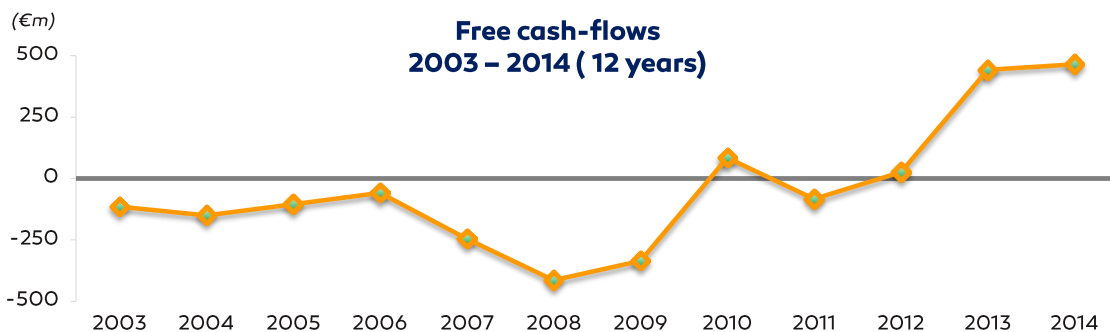
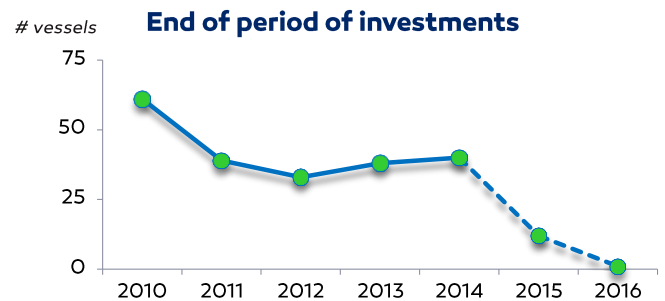
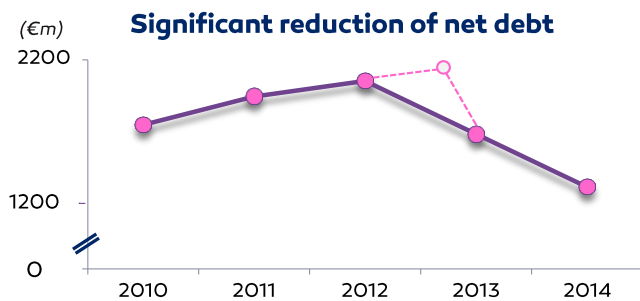
### Distribution of dividends



Since 2010, we have completed our fleet of ships to clearly confirm our position of leadership by pursuing the same economic model:

- Innovative, series-built ships that are fuel-efficient for our clients;
- Operational excellence in terms of the security and reliability of the fleet;
- International presence for a diversified client base and a balanced distribution between the Subsea, deep Offshore and Continental segments, as well as the transport activity by Crew boats.

This last step is accompanied by a proactive policy of deleveraging, the recovery of part of the fleet under bareboat leasing contracts and a strong reduction in investments which will be complete in 2016. BOURBON has also initiated a phase of positive net cash flow, something that we had not experienced for years.



\* Free cash-flow: Cash flows linked to operating activities – outflows linked to purchases of property, plant and equipment and intangible assets + inflows linked to disposals of property, plant and equipment and intangible assets

Today, we must take three observations into consideration:

**First**, the efforts undertaken to make BOURBON what it is today have still not borne all their fruit. The materialization of our success in our financial results has been countered by the unfavorable economic environment of the oil industry, which is currently at a low point of its cycle.

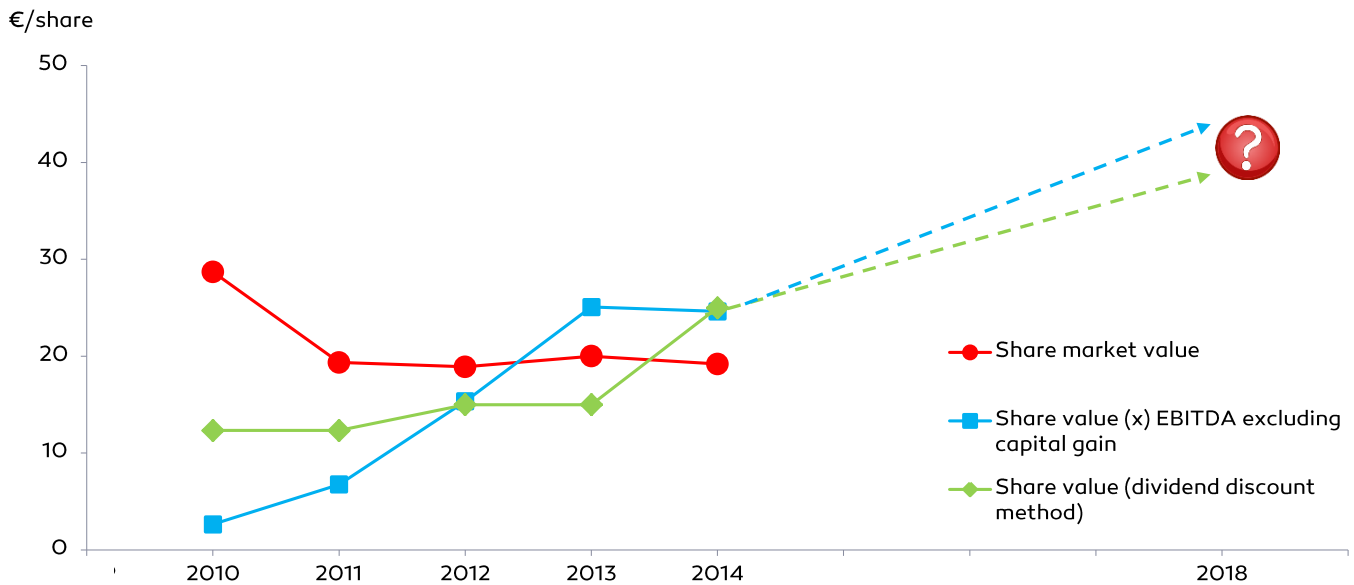
**Secondly**, the stock exchange has only rarely reflected the economic value of the company. These disparities have led those who purchase to regret doing so and generate the misunderstanding and even the discouragement of those who work to obtain positive results for BOURBON everywhere in the world.

The value of the company is the result of its capacity to generate liquidity, the EBITDA, and what we do with it:

- Investment, to meet our objectives for growth;
- The reduction of the debt, to be able to prepare for the future.

The value of the company is also what it yields to its shareholders. For example, if the expected return is 4%, 1 euro of dividend places the share value at 25 euros.

### Valuation of BOURBON's share



From 2010 to the present, you can see that in the light of these two criteria - a multiple of EBITDA minus the debts and the value by capitalization of the dividend - the market has anticipated the upward or downward variation of the price of BOURBON in significant proportions.

Also, after the takeover bid by JACCAR Holdings in June 2014, the question was raised as to whether, in view of the expectations of long-term shareholders, the stock market in Paris was the only possible solution. My belief is that the commitment of our teams, the quality of our fleet, a better control of costs, and the return to a favorable market environment will, when the time comes, produce the high profitability that one is entitled to expect from BOURBON's position of leadership.

**Finally**, trees don't grow to the sky: there is a limit to our former growth model of "more ships for more market share". Reaching this limit, if it is not already the case, cannot be the only element of our vision for the future.

Your Board of Directors, the management teams and myself have understood that BOURBON should now strive for three goals:

1. Capitalize on the confidence of its clients and offer them more services from our fleet and acquire a position of leadership in these sectors;
2. Maintain a solid financial structure and conserve this asset throughout the following years;
3. Manage the business to ensure a steady progression of the purchasing power of the dividends.

Ladies and Gentlemen, dear Shareholders,

The world in which we live is undergoing a large-scale mutation that nothing will stop and whose effects are not completely tangible. This new phase of deconstruction and reconstruction, as an inevitable consequence of the digital revolution, will transform the ways to imagine, produce, distribute and consume the goods and services for which our society will discover the need.

To reinvent its model, BOURBON must face four challenges.

1. First of all, the question of **security and** compliance, to be reliable and faultless. It is the most significant barrier to entry into our environment of offshore oil and gas.

If these conditions are not met, the clients will not retain you as a service provider. Think, for example, of the events in the Gulf of Mexico and their consequences. Beyond the equipment of ships and of the processes of exploitation to be respected, our compliance and excellence in these two areas depends above all on the entire personnel of BOURBON.

2. **The digital revolution** is a fact. Its consequences are not visible by all with the same intensity, but we are all affected! The manner in which new client expectations will be managed, the reliability of the vessels, the operational performance, the regulatory compliance, the expectations of the staff and the transparency of the impact of our activity on society and the environment will undergo a mutation which will be invented as we go along. This is the new frontier; the strategic and competitive consequences remain to be discovered, or better, remain to be imagined and implemented.

3. **Managing complexity**: The clients will increasingly expect their suppliers to be the virtuosos of their profession. That is to say that they produce goods or render services of great complexity, even though they may not appear to be so.

The challenges: managing such complexity to deliver a service with simplicity and effectiveness will redefine the competitive fields, the business models, the organization and the inter-relationships between the actors within the company. It will be essential to develop the capacity to manage the process without necessarily carrying out all the steps oneself.

4. **Stay agile**: Being agile is not a question of temperament or charisma. Being agile is a character trait that is forged by the discipline and the regular practice of debate in the decision-making process. It is difficult and frowned upon in a world where any challenge to one-track thinking, any deviation from the benchmark, any questioning of fashionable solutions are suspicious and excluded a priori.

BOURBON must remain agile and to do so must listen, study, debate, respect and build its own convictions on the truth of the facts!

In the light of the above, you will understand that we cannot conceive of the BOURBON of tomorrow as the repetition of what has been done up to now. This cannot be described in a multi-year plan as we did in 2002, 2007 and 2010.

In contrast, what we are today is a unique base from which to project ourselves towards these new frontiers and these new business models with agility and the ambition to adopt, when necessary, the new models that are likely to guarantee to each stakeholder of the business growth, the creation of value and, notably to you, the long-term shareholders of BOURBON, the protection and steady progression of the dividend.

This is what we will now be focusing on.

Thank you for your trust in us.