

Paris, August 28<sup>th</sup>, 2013

## First half 2013 results

Christian Lefèvre – Chief Executive Officer of BOURBON

Good morning, ladies and gentlemen, I'd like to thank you for being so loyal to BOURBON, especially during this very specific time of the year that is you've just returned from your holidays. I'd like to welcome the Internet users around the world and as usual at BOURBON, here are the safety instructions for this room here where you are. There are three emergency exits : two at the back of the room, one on the right hand side of the stage and we are underground of course, you are in the basement so you will have to go up to the ground floor and the meeting point is on Avenue George V, just outside . There will be no safety drill today.

Now Laurent Renard will be presenting our financial performance and then Gaël will talk about the market, about our operations. And I'll be back to talk about the strategy and outlook. Thank you.

Laurent Renard – Executive Vice President, Chief Financial Officer

Good morning, ladies and gentlemen. Thank you, Christian. BOURBON today has posted for the first half of 2013 a very sound result. The market is a favourable market and we will keep growing, the fleet is growing, our daily rates are increasing, the utilization rates are high and there is therefore better profitability. The environment is favourable too, Gaël talk about the usual drivers as for the macroeconomic environment. You see that the price of the barrel has remained quite high at 107 \$, oil and gas investments are still sustained and resilient and the exchange rate for H1 is minus 1.31. Therefore we have sound results. Here you can see on the top line, the sustained growth in our fleet, 402 vessels at the end of June, up 6 % compared to last year, revenues 647.9 million, therefore a progress. There are better day rates and favourable consolidation. EBITDA for bareboat charter cost before H1, we had disposed of 3 vessels and they were bareboat charter cost so we have a specific line for these vessels. This is the bareboat charter cost and here you have EBITDAR excluding capital gains and you have it on top of the bareboat charter cost. So the bareboat charter cost, this is quite modest for H1 but you know that the disposal of our 51 vessels to ICBC leasing will definitely change things. Operating income of 92.1 million here again is up.

Now beyond operating income, the financial income 44.21 net expenses is made up of two elements: the cost of net debt 36.1 million euros which is increased slightly after the slight increase in net debt during H1. We are expecting a drop in this debt as soon as we will have cashed in the disposals of the fleet and other financial income and expenses which are made up of the exchange results in H1 2013. In H1 2013, we have a late and then unrealized expense of 5 million. Income tax, corporate tax has increased just slightly from one to another 30.1 million, they are in phase with what happened in H2 2012. They have increased for a certain number of reasons. They have

increased because of the consolidation scope, effect that I've talked about, they have increased because there is an increase in our income especially in high tax countries where the taxes are higher and taxation is not always the same, so from one half year to the other half year, there are things that changed like audit that can change from one half to the other. Net income is equivalent to 30.9 million euros, minority interests 15.5 million from our income and this is the direct consequence of these changes in the consolidation scope. We have consolidated fully and not proportionately companies from Latin America. This has increased the EBITDA and our revenue and our partners all have the same rights in the incomes of these companies. And it is through this line of minority interests that we have re-established things so as to come up with the net income of 14.4 million euros for the group share.

Now let's have a look at the results for marine services. The three segments are progressing from the point of view of sequential and from year on year. There is a continued growth of the fleet, a continued increase in daily rates, high levels of utilization rates and a favourable impact of consolidation scope. So therefore, the revenue is 27.3 million euros and EBITDA excluding capital gains of 175.9 million.

Now the subsea services. Profitability is up once again. We have gone from 15.1 % in H1 to 15.9 % in H2 and 17.5 % for EBITDA on capital employed excluding instalments. There are two new vessels from Bourbon Evolution. The utilization rates are high at more than 95 % and the revenue, through the daily costs that are increasing, has reached 109 million for this H1, which is a very good performance for the subsea services activities. Now the disposal of 51 vessels, which was announced in March 2013, this was specified in April 2013 during the signature of the agreement signed with ICBC leasing. So we have already signed the signature of 9 vessels, vessels which are already under operation. And of the other 51 vessels, 24 vessels were already under operation in BOURBON's fleet and 27 vessels were still under construction. Now we have signed all the details for the first 9 vessels for an amount of 244 million dollars. Now, as for the H1 accounts, since these vessels had not even transferred at the 30th of June 2013, the financial statement has not been impacted by this transaction. But on the balance sheet, there are no changes on the total amount but a change in the presentation. In order to implement the accounting rules, we have brought down at the bottom of the financial statement, all the assets that are going to be held for sale and for the disposal of these 51 vessels, we have brought down the vessels, the ones that are under construction, and we have brought down a total amount of 17 million euros.

To conclude the results for this H1, the market is favourable, the fleet is growing, daily costs are positive, utilization rates are high. We have reduced our unit costs from one semester to the other and we are going to dispose of the first vessels and will quickly reduce our debt. Now I'm going to give the floor to Gaël, who is going to talk about the activities.

**Gaël Bodénès –Executive Vice President, Chief Operating Officer**

Thank you, Laurent. Good morning, ladies and gentlemen. From the point of view of our activities, this H1 was marked by a controlled growth on a booming market. I suggest we have a look first at all the key points of these first six months. We'll see, and this is the good piece of news, the importance of new areas of growth which are the Middle-East, Asia and the Caribbean and Mexico.

In the second part, I suggest we have a look at the market in a more detailed way. Here again, we will see the importance of shallow water offshore, which confirms BOURBON's strengthening. So

what are the key elements for H1: it is a controlled growth, we have delivered 19 vessels that is one vessel every ten days. These are better safety performances and the rates have increased in all regions. Operational excellence too, we have a modern and reliable fleet and we are focusing on the future thanks to our Transforming for Beyond Plan. The market is very good, very positive, especially for shallow water offshore. The deep water offshore has had also a very sustained activity. So the modern ships are very successful, especially in shallow water offshore and for deep water offshore, 64 vessels were delivered. These are very solid results confirmed by improving safety results. Safety is the number one priority for the group. We have worked for 22 million of hours in H1. The results are 0.54 incidents per million of hours worked. These are the best results in the industry and they are still progressing.

Therefore a controlled growth thanks to a modern and reliable fleet, now we have in offshore 471 vessels in operation, one of the most modern fleets on the market, 6 years of average age, a reliable fleet, an availability rate of 95 % on track with our objectives, slightly down compared to 1992 but we have benefited from very bad weather conditions in North Sea and therefore there were planned class dockings. So these are solid results thanks to new growth areas. Now we are operating 96 vessels outside of Europe in Western Africa of course with 307 vessels, and on the American continent we have new growth areas: the Caribbean, Cuba, Trinidad, French Guyana, with plus 6 vessels for H1 and in the Middle-East, Mediterranean, India, we have a growth of 15 % in terms of vessels, plus 6 vessels and South-western Asia plus 4 vessels.

Now to conclude this first part, we are benefiting of better rates, they are higher rates and utilization rates. The top curve which is black with the yellow dots, these are the utilization rates which are high, more than 89 %. We have an optimum operation tunnel therefore the rates will keep progressing and that's the blue curve you can see here between Q2 2012 and Q2 2013. Our rates have progressed by 5 %.

Now in the second part of my presentation, I suggest you have a look at the market in a more detailed way. We will look at each and every segment. First, deep water offshore: this is a sustained activity during the entire quarter with large operations in Western Africa, Angola, but also in Asia, and these campaigns have improved the PSV segments, medium and large size PSVs, we are going to keep growing in the Barents sea and the Barents will allow us to double the size of the market in the North Sea. So on the picture, you see a nice picture of Bourbon Calm in operation in Ireland in the North Sea with a very nice sunset. BOURBON, for deep water offshore, 77 vessels, we have a large PSV and AHTS, this is a high contractualization rates at 78.1 %. The contractualization rate measures the percentage of the long term contracts that is more than 6 months. Now the data boards reflect our commercial policies, our utilization rates and average daily rates that are improving thanks to the renewal of our contracts, especially in the PSV segment and the disposal of new ships, new vessels in H1. Our objective has not changed in deep water offshore with high contractualization rates with adapted and appropriate rates. Shallow water offshore is the good news. The drillers have ordered 36 drilling rigs this H1. It is more than the whole 2012. A drilling rigs costs 200 to 400 million dollars so this is an investment for this H1 of more than 10 billion dollars. The market has reflected this momentum with exploration campaigns, a sustained demand for HTS in Asia and the Middle East but also in new areas in the Caribbean as I was telling you earlier on. So now we are operating in this segment with 109 ships. We have delivered 3 Bourbon Liberty 300 and 4 Bourbon Liberty 150, the PSVs. You see two here on this picture, the Altamira and the Alvarado, 2 Liberty 150 that were delivered to the cino-pacific docks in China and that are operating on the long term in China. Contractualization rate is 67.3 % at the end of June. The dashboards, these show very high utilization rates above 89 % for this segment.

The average daily rates in each region have progressed and I need to explain this right hand side diagram actually.

Indeed as I told you before, we allocated several vessels in Asia and in the Middle East where the average daily rates are actually lower than the average daily rates we have generally. So because of that geographical mix, that explains the last bar on the right hand side. But our operational costs are matching those new daily rates. So I do confirm that the daily rates are increasing in all the regions for deep water offshore business. Our target is to continue increasing our contractualization rates while bringing the daily rates higher and higher. The crewboat segment has been very well sustained pulled by the top of the segment FSIV and the large surfers in Nigeria, Cameroon, Western Africa, but also new areas Malaysia and FSIVs in the Caribbean area, contracts in Trinidad. This segment is very much focused on level of service and passengers comfort. You see on the picture the new seats we have now on our Surfer 19000, it looks very much like the business class in an aircraft. Number of vessels in operation is 270, 3 FSIV and 3 Surfer were delivered during that quarter. Contractualization rate is 68.2 % at the end of June.

Now the dashboard shows utilization rates a bit lower but only on the small crewboats segment and that has a small impact on the revenue of this segment. As today average daily rates they are increasing pulled by FSIV and large surfers. Our target on this segment is to increase our utilization rates while continuing applying adequate daily rates.

Now is to the subsea services business. It's progressing as well. Our customers are spending more and more, plus 36 % by 2016. The subsea activities are now two main areas: one in America, one in Africa with a third zone that is really on the rise, Asia. Please note that we have new equipment installed, more than half of the new equipment is installed at more than 15000 meters deep and that is good news because that particular depth matches the technical specifications of Bourbon Evolution that are being delivered or still under construction. Now we operate 19 vessels, one Bourbon Evolution was delivered in H1, the number 803 on a long term contract in West Africa. Contractualization rate is 68.4 % at the end of June.

The dashboard shows high utilization rates that are slightly impacted by this scheduled dry docking and the daily rates continue progressing as we deliver more Bourbon Evolution. Our target is to sustain the utilization rates at satisfactory levels.

Now before I conclude, I would like to say a few words on how we view the future and our plan entitled Transforming for Beyond regarding our operations. Three main thrusts for our development: we focus on our clients with My Bourbon, we focus on our team with Under the Flag of Excellence and we focus on operations with Bourbon Way. My Bourbon is a web platform still being developed, it will tested with three of our clients before the end of the year and for each country, for each customer, we put in place plans to reduce the fuel consumption. Under the Flag of Excellence now, earlier this year we launched a survey with all our personnel that was very successful. More than 6 000 people responded. We are analysing the results of that survey and consequently we will roll out in action plan before the end of the year to meet the demands of our people. So we speed up the training plan call "Growing together". Finally, our operations, we want to speed up the standardization of procedures, thanks mainly to our new vessels series and will deploy our business intelligence system particularly with our contract and operation managers so that they will get in real time the right operational indicators so they can respond to demand better and respond to our clients better.

In conclusion, our strategy is perfectly in line with the market that it stands and the market trends are very good particularly for shallow water offshore. The rates are increasing in all the regions,

the global supplier of vessels does confirm there is an increasing need for modern vessels and that's precisely what we bet on with reliable vessels adapted to the needs of our clients. We are present in all the growing areas, Africa of course, but Asia, Middle-East, Caribbean and Mexican areas. We are at the right location, at the right time with the right vessels. So from now on, we really focus on the future with our plan Transforming for Beyond. And as we are talking about the future, I'll now hand over to Christian who will tell you more about our future prospects. Thank you so much.

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

Thank you so much, Gaël, for shading light and giving all those details on our operations and on the market.

Now let's try and understand how BOURBON got well prepared to fully take advantage of the favourable trends and the oil and gas market. All companies are investing in the future, that's very promising, the market is buoyant and we've got a real opportunity to seas in shallow water offshore and BOURBON is also keen on meeting the priorities of its clients with its operational excellence programs and finally BOURBON is strongly committed to reduce its debt.

So our income, our results are regularly progressing, thanks in particular to the increasing daily rates. Let me come back to the daily rates of marine services, 10 274 \$ a day for that H1. Please note that during H1 of 2011, it was below 9 000 \$. So regular constant increase and in a significant increase as well. As to the subsea services, more than 40 000 \$, 40 262 \$ a day, and in H1 2011 it's 34 000 \$, a marked increase. In terms of financial results, the EBIT excluding capital gains, we had a capital gain of 23 million euros during the H2 2012, the EBIT is increasing by 22.6 %, and our margin EBITDA on revenue increased by 1.3 points.

Now when we analyse the CAPEX forecast by all companies, you see how good it looks, overall CAPEX for 2012-2018, in the order of 700 billion dollars to be invested by all companies, 62 % of which will be in shallow water offshore business. So BOURBON is very well positioned indeed in the areas that are growing the highest: Asia 146 billion dollars in CAPEX, Africa 120 billion in CAPEX, Europe including the Mediterranean where we are well positioned 135 billion dollars. That was in billion dollars. So demand for vessels for shallow water offshore will increase. As Gaël was telling you, the number of drilling rigs or Jack ups is markedly increasing. Today on the left table as you can see, it's 500 jack ups that are under operation with growing utilization rates at 86 % for H1 versus 60 % at the end of H2 2010 and in terms of ordering, 108 jack ups are under construction, to be delivered in the coming years and that historic record 36 drilling rigs have been ordered for this semester alone. And I remind you that two to four shallow water vessels Bourbon Liberty type are required to assist, tow and supply every single jack up.

So the demand is bent to increase whereas the supply will remain limited. Let's understand why. Well it's simply because the number of vessels under construction is only 7 % of the fleet in operation whereas if you look at the overall scope including the AHTS of deep water and shallow water, that rate revolves rather around 17 %. You have fewer vessels under construction and in addition 34 % of that fleet in operation is older than 20 years so it is considered obsolete by most of our clients. The supply will be shrinking and BOURBON that has been investing regularly CAPEX in 2005 and that will still own 115 Bourbon Liberty built in series, very innovative, low gasoil consumption, diesel-electric, will be very well positioned to take advantage of that buoyant market. As I told in my introduction, we really believe that the key to success will be to satisfy the priorities of our clients, revolving around operation excellence and we all try to operate without any

incident. With our plan “Transforming for beyond”, Gaël mentioned it, BOURBON is meeting that challenge with three action plans: we will go back to each of those aspects. The first aim of our plan is that we want to have more transparency, more transparency for clients. We want our customers to have access to part of our operational data in real time. Also, we want to conduct an evaluation with our customers, we want to share our monitoring of indicators and how well we are doing in our action plans. Also we want to plan joint actions with our customers like optimizing the utilization of the vessels, hand in hand with our customers.

We also want to help our clients reduce their fuel consumptions for the vessels and we want to help them to optimize the fleet structure in terms of the type and number of vessels they use. We want to do more coaching, provided advice to our clients to optimize their logistics.

The second thrust is geared to our teams, Under the Flag of Excellence we aim at growing the skills and competences of our crews everywhere in the world. Competences, it's first the regulatory maritime qualification but also internal training to acquire BOURBON standards, induction, simulators, and specific training to offshore towing and anchoring, things you don't learn in school. So we want to manage seniority and excellency better, a minimum will be required by job and type of vessel and that's the spearhead for our clients, we motivate our teams, we want to roll out and measure the results of action plans to support the commitment of our teams and evaluate the good attitude at work and professional consciousness.

The third operational thrust I'd like to mention is about making our vessels more reliable that is working on what we call our assets integrity, the integrity of our vessels and for that we have an ad hoc type of organization so as to be successful in reaching this ambitious rate of an availability rate of 95 %. Now we prepare our maintenance plans in advance so at Bourbon Black Sea in Bucarest, we have a team of 28 people preparing for all the engineering of our maintenance operations. Then Bourbon docking has been present in Dubai for two years and we are reaping the positive results of that, very beneficial for our plus dry docking and our technical dry docks are more industrialized and in Dubai 28 people are watching over the dry docking of all of our vessels. That reduces the time required for this scheduled dry docking operations and we can take advantage of this series effect and standardization of those operations. We also decided to centralize all our purchasing in Dubai in dollar so you can understand why, with a team of 22 people in charge of purchasing and logistics. They will do all the technical purchasing, all the spare parts for engines and others that we have to buy regularly to maintain our vessels. And all that is there to support our ship managers who are in charge of routine maintenance along with the vessels crews and also with 440 people working on the ground. Those are support people in charge of daily maintenance and all the daily operations required by the vessels.

So in order to reach a technical availability rate of 95 %, to monitor this, we have several indicators. First the technical availability rate and the unplanned dry dock rate, it's increasing. Our objective is 1.5 % of incident rates that is unplanned dry rate, we stand at 1.7 % and we think it's important because beyond the availability of a vessel, you should know that of course it's disturbing for our customers operations to have a vessel suddenly out of order. Then we also measure the average length of the technical dry docks. The interim dry docking that we carry out every two or three years, it's a lighter operation, but we have improved markedly 35 days in 2010 versus 19 days only today and 14 is our objective for 2015. Then we have the 5 year classification dry docking. It's a very specific checking of all the propelling devices and engines, lots of spare parts to change. It's harder, tougher, we stand at 30 days versus 34 in 2010. Our objective is 25 days only.

Now parallel to our operational action plans, let's look at the financial aspects of our plan Transforming for Beyond.

In March 2013, our chairman announced that a recent fleet of vessels or vessels under construction would be sold in phases in 2013 and 2014 for a total amount of 2.5 billion dollars and retained on bareboat charter for a period of 10 years. Right now we have an agreement that has been signed for the sale of 51 vessels for a total of up to 1.5 billion dollars. The signature for the sale of the first 9 vessels for 144 million dollars has been achieved and the sale of the remaining 42 vessels will be done within ten months. We confirm our objective to sell for 1 billion dollars' worth of additional vessels by the end of 2014. We are recording that the total cost of bareboat cost will have to remain under 30 % of EBITDAR generated by the fleet operated by BOURBON on bareboat chartered vessels. And the proceeds of the disposals would be mainly allocated to the reduction of the debt of BOURBON. And we also confirm that we have a cash flow objective which will be positive right from 2013 onwards for 2014 and 2015.

Now to conclude our outlooks are sound, the demand for offshore vessels is boosted by investments in the oil and gas sector. There's a favourable shallow water offshore environment, a segment in which BOURBON has invested in innovative vessels in series. Our teams are focusing on satisfying clients' needs through our plans and BOURBON is committed in reducing its debt. Thank you for your attention and now we will answer your questions.

## Questions and Answers

### Mr Sgard, Intervenances

I have three questions. The first: I was surprised that you didn't make any comment on the drop in net income if we compare it to EBIT or EBITDA for H1. Since you indicated that there is no impact in the change in the consolidation scope, can you explain why there is this drop in H1? And what are you planning for the rest of this year and especially since the net profits are the ultimate parameters for profitability, what will be the net profit compared to EBIT for the two coming years? That's my first question. The second: you are transforming the structure of your business to prepare yourself as you've said to after 2015. Can you tell us if after 2015 period will be similar to this period that we are having right now or will there be more significant changes and what kind of changes? And the third question: you indicated that there is a good market situation, a favourable market situation. You know that there was quite a serious accident in the activity of SIPEM in Italy which led to a drop in the results, a stronger drop in stock prices which went down by 50 % and these difficulties were due to profitability problems in Asia. So can you tell us if there are similarities with your own situation and what do you think about this change in profitability at least in certain sectors in Asia? Thank you.

### Christian Lefèvre – Chief Executive Officer

Laurent will answer to your first question and then I'll answer your other two questions.

### Laurent Renard – Executive Vice President, Chief Financial Officer

As for the net income, I'll try to be a little bit slower and talk about accounts if you agree. So there are two lines, there is the net income and there is the group share net income. Now I'll go back to the minority interests later on which concerns net income rather than net income group share. Now maybe we can have the slide here, slide number 7 therefore. We are going to focus on net income

group shares. So in H1 2012 it was 17 million and in H1 2013 it is 14.4 million so there is 2.5 million of reduction. Now these 2.5 million, this is made up of three elements. The first element is the operating income – and forgets for the moment the minority interests – so therefore the operating income without taking into account the consolidation scope of some 20 million, that's the first element. The second element is more taxes, 10 million, and the third element is the financial result that is the exchange result which has gone from a net profit of 1.4 to a net expense to 8 million. So this explains this reduction of 2.5 million of the net income group share.

**Mr Sgard, Intervenances (without microphone)**

**Laurent Renard – Executive Vice President, Chief Financial Officer**

Well, as you know, we do not give any guidelines on our future results but in the composition, you are talking about EBIT and the relationship between the EBIT and the net income. Several things are going to happen with the arrival of the disposal of the 51 vessels and the bareboat costs. The structure is going to change because the EBITDA is going to drop because of the costs paid and the financial expenses are going to go down. So compared to the EBIT, the ratio won't be the same at all. That's the element. And as for the rest, there is one element in the financial result which is exchange and during previous presentations, I showed you the strong volatility especially in the unrealized exchange because the mark to market is there structurally. For long distance, I had demonstrated this to you, all this disappears but instantaneously for a given semester, there is volatility because of the mark to market conversion of certain items in the income statement. And that will remain in our results structure. This makes the guidance a bit complex as for this element. And taxation, as you can see, it's always the same, we can always compare things, you know the half full glass or half empty glass. I remind you three figures: 7 million expenses in H1 2012, 15 million in second half 2012 and 17 million in H1 2013. The truth is between the two. But as I was explaining and trying to say you, here again there are a certain number of elements that are not permanent. There are structural elements from where results come from and when our results increase, they increase in countries where the strong taxation levels and not recurring items, elements, such as tax audits.

**Mr Sgard, Intervenances**

Net profit is not a very significant parameter to assess our activity.

**Laurent Renard – Executive Vice President, Chief Financial Officer**

I did not say that, it is an important element; I said that because of its volatility, because of a certain number of elements, this is going to go on. There is no magical formula that belongs to this operational performance. I mean I haven't found this magical formula. But I didn't say it was not important.

**Christian Lefèvre – Chief Executive Officer**

For your second question, it is true that we are transforming the structure of the group and this will give us a lot of possibilities for our future after 2015. But we will have to wait for the end of 2014 to know more and we do not wish to share all our research work that we are carrying out right now. And as for the profitability of the company, and you are alluding to SIPEM, SIPEM is a contractor and SIPEM works in an environment where the contractualization method is carried out with an obligation of results and we are a services company and our type of contractualization is an obligation of means. Therefore, the risk for contracts and for first tear contractor, they result only



difference. I don't think we can really compare. In Asia, as you've seen, there is a strong progress in our activity, 46 % if I properly remember, and the profitability levels are quite good, the operating costs in Asia are much under the operating costs we see in other regions of the world. So we have no problem in Asia as for our profitability. I think we have answered all your questions now. Is there any other question?

**Geoffroy Stern, Kepler Cheuvreux**

I have three questions. The first: can you give us the amount of operating net debt at the end of H1, and the instalments for the shipyards? The second is a question on CAPEX. Can you tell us what is your envelop of CAPEX for 2013-2015 period? I have a question on the free cash flow. Do you expect it to be positive right from this year onwards? I think this is what you had indicated and I was surprised by that. And the last point, to go back on this taxation matters, can you tell us what the standard, average tax rate is for BOURBON? We know that they are some non-recurring items but what must we retain for this period between 2013 and 2015 in terms of taxation?

**Laurent Renard – Executive Vice President, Chief Financial Officer**

Well, the first question, the operational net debt is the net debt as we can calculate it on the income statement minus the instalments paid for certain boats that are being built where we do not generate anything. So this net debt is 1 billion 670 million at 30th June 2013 minus 524 million of instalments compared to a net debt of 2 million 160 million. The second question is the standard taxation rate. It is difficult to forecast it because of the two reasons I gave you. The taxation system varies from one country to another and the growth rates of our operations in this or that area of the world change with time. So there is a mixed effect which is difficult to forecast. And we cannot really tell you because the vessels are put where they have meaning and then the operating account as Gaël explained earlier on, you can have less interesting day rates. We try to have profitability after tax, from one period to another there can be geographical mix so we cannot give you a standard taxation rate. The free cash flows include the vessels disposal, therefore the 51 vessels we talked about. This calendar, from these 51 vessels, 24 are operational. They are going to be disposed of, they will be cashed in soon and then there are 27 other vessels that are still being built. Some will be delivered by the end of this year and they will be disposed at ICBC leasing. In 2013, we include in our free cash flow positive forecast these cashing. And, yes, regarding the CAPEX in 2013-2015. So as for the CAPEX you have an annex in the booklets that have been handed over to you. You are on the annex on page 55. You have the usual table. This table gives you an idea of the deliveries expected, the cost of these vessels. This is not the cash out. But as I've told you, the instalments are of 525 million so I guess you have a small idea of the cash out for that period of time. Knowing that this chart, these are the orders that have been placed and you do not have the 500 million on this table here page 55.

**Cyril Charlot, Sycamore**

Good morning. Regarding the changes in scope, you mentioned Brazil I believe. Can you be more specific and tell us what percentage of minority interests you have in this or that region? Did it have an impact on the financial statement, particularly on the net debt? It was an affiliate, a subsidiary that used to be consolidated proportionally and now it's no longer the case. Can you elaborate?

**Laurent Renard – Executive Vice President, Chief Financial Officer**

Yes, I'd like to start with the following. I repeat there won't be any changes in the quote share of our participation in these subsidiaries. We have been negotiating with our partners and we have reinforced our control over those partners so we can know proceed with complete integration and no longer with proportional integration. It is to be 50 % proportional consolidation. So we have got some elements of consolidation in the debt if I remember correctly, it's about 30 million additional of net debt. It impacted our debt; for sure it increased our net debt. And there are the Latin American companies that you mentioned.

**Jean François Granjon, Oddo securities**

Three questions about the minority interests. Can you extrapolate the first half of the year to the whole year, also for the exchange rate, to loss in currency exchange rate? Now there is a depreciation of the euro-dollar exchange rates? How do you address that and can you remind us how sensitive you are to that exchange rate euro-dollar? Then you are highly exposed in Africa. Two third of your business is there. You mentioned complicated background context, like in Egypt, but not only in Egypt, where there is a troublesome situation. Can you tell us more about this?

**Christian Lefèvre – Chief Executive Officer**

Let me begin by answering your last question about exposure in Africa. Our 307 ships, vessels in operation are only operating in Western Africa. And for the time being, the political situation is pretty calm and stable in West Africa. Operations there are going smoothly. In Egypt, we ran 10 vessels. At the present time, those vessels were never interrupted and so have been working. The situation is getting tougher but now when we are sending new crew, we send them from Cyprus and no longer from Egypt. The vessels go to Cyprus for the changing of the crew. But things are still working in Egypt for us.

**Laurent Renard – Executive Vice President, Chief Financial Officer**

Your first question was about the minority interests and it will remain at the same level. Yes and no. Yes in the structural sense of the term. The companies for which we changed the consolidation scope have been changed. Now we have full control and in the next semesters, we will continue integrating globally those companies and no more proportionally. This will not change. Then it depends on the revenue of those companies where we own shares. But it is a new situation. As to our exposure to the euro-dollar exchange rates, this year actually, we have got little currency edging. The basic rules for our financial statement is that 70 % of our revenue is in dollar and a bit over of 30 % of our costs are also in dollar.

**Christian Lefèvre – Chief Executive Officer**

Yes, our costs will increase, that's why we positioned our central purchasing activity in Dubai.

**Laurent Renard – Executive Vice President, Chief Financial Officer**

Also we sell vessels and we charter those vessels, bareboat chartering and those will be dollar costs that will be in our financial statements. Any other question?

**Stéphanie Brunelle, Fin Uzes**

Concerning the drilling rigs, jack ups in construction, how long does it take to build them and out of the 500 rigs in operation, what is your market share? And what can you expect from the new rigs that will be put in operation?

**Gaël Bodénès – Executive Vice President, Chief Operating Officer**

Yes, about the drilling rigs, you have two types for shallow water offshore. It takes about two years to build them and for deep water offshore it takes more like two and a half years to build them. Concerning our percentage, it's a rather low percentage of the rigs we operate. It depends on the geographical area you are talking about but roughly it would be 10 %. Our market share would be 10 % of all the drilling rigs in operation.

**M Sgard, Intervenances**

I'd like to go back to the agreement you signed which modifies the structure of your income by selling some of your assets and by just running operating the chartered bareboats. Now you pay a fixed rate for those bareboats chartering. And I guess you identified a profitability threshold versus the overall profitability calculated for your vessels. And what about the future? How will that turn in the future? Is it more profitable, is it better for your profitability chartering than owning and what are the risks attached to that like increases in prices for example? What about that? Did you factor that in when you decided to go for chartering rather than owning the vessels? And you still pay a non-indexed rent for the vessels you charter. What's the point, in other words, apart from pulling you out of debt?

**Christian Lefèvre – Chief Executive Officer**

We charter vessels under a bareboat contract. It is a 10 year contract with a fixed rent and with ICBC we agreed a 10.66 % of the selling price of the vessels. So it's a fixed price we pay for renting those vessels. It's not like a day rate and it's in dollars as Laurent mentioned earlier. I guess I answered your question and obviously thanks to all that, our group will pull out of its debt. If you remember last March we shared with you our profitability target and capital employed. After the selling, the disposal of 2.5 billion worth of vessels and our EBITDA on average capital employed ratio according to the original plan 2015 was set at 20 % and our objective after disposing of the vessels in 2015 will be to stand at 24 % for that ratio EBITDA on capital employed.

And after the 10 years of chartering by contract, we give the vessel back to its owner who will sell it or dispose of it the way they please. And we can say that if the owner decides to sell the vessel between year 6 and year 10, he must sell it with the bareboat charter contract attached and we have a preemption right, first refusal right it's called, and we can buy the vessel back if we wish to.

**Jean Luc Romain, CM CIC Securities**

I have two questions: one on deliveries and orders. There were few deliveries than planned in the first semester, first half of the year. Is it just a bit of a lag or did you stumble into technical difficulties with the vessels under construction? Second question about taxes: how much did you have to pay in addition to the revenue service?

**Christian Lefèvre – Chief Executive Officer**

Regarding the deliveries, no we did not have any technical problems. There was a little bit of cut off, you know there is always a lag with any project and it always takes longer than we expect. It's never the other way round and never delivered earlier than planned and the sino-pacific shipyard, you know the typhoon, the cyclone that stroke the shipyard last year and it was pretty tough to restore the shipyard. But the first vessels that were badly hit by the typhoon are now being delivered, some are already delivered and others will soon be delivered. So, no technical problems at all on that side! But we were badly hit by the impact of that typhoon, cyclone in China.

**Laurent Renard – Executive Vice President, Chief Financial Officer**

Regarding taxes, the extra taxes we had to pay, this has to do with temporary differences actually. It's complicated but it has to do with linear digressive depreciation calculations. It's pretty tricky, pretty complicated, so we have to pay extra now, but we will make up for that and the amount is 4 million euros. Another question?

**Jean Noel Vielle, Hixance**

A somewhat topical question, unavoidable. According to you, what could be the impact of another oil crisis in the Golfe area? And how did you react to the crisis in Irak? And then may be a less interesting question but I'd like to go back to the issue of minority interests because now you know it's half of your income results. You've shown that you've incorporated companies, subsidiaries with very high revenue. To make things clear, it would have been good to compare that on a comparable basis and to highlight your EBIT figure not taking this integration into account because after all, it means that your normal EBIT result apart from the consolidation was rather flat and not so much on the rise. That's why I have some questions. And then regarding the free cash flow, you said your free cash flow position would be positive because of the disposals. It sounds evident but it's not really fair to put that under operational free cash flow. It means the free cash flow is actually still negative, right?

**Christian Lefèvre – Chief Executive Officer**

I'll answer about the situation in the Middle-East first. Yes there is some tension in the air in the Middle-East. For the time being we have had no impact on our offshore activities in the various countries concerned. Now what will happen later, we don't know of course. We all do hope that there will be less and less tension in that part of the world. But more globally, we have had some crisis in Africa as well in the past and we have seen that in some countries, even with the deep crisis on land, actually all the offshore activities not being on land are spared by all the tensions and turmoil even if sometimes logistics have to be organized from neighbouring countries but the offshore activities were not impacted. That's all I can tell you but we do hope that the situation will become more normal. About our free cash flow position, yes our free cash flow does include the selling of the vessels I mentioned but there are more upcoming deliveries of vessels that we will

retain in the group ownership. We will still own some boats. The target by 2015 is to have one third of our supply vessel and subsea vessels, one third of the fleet would be chartered, well two thirds would still be owned by BOURBON. So we continue buying vessels for own with a traditional form of financial. And your other question is for Laurent.

**Laurent Renard – Executive Vice President, Chief Financial Officer**

The next question was about the minority interests. Please look at page 7 of the press release where we show the restatement of the first half of 2012 with the similar consolidation method. The impact is 19 billion on the revenue, 11.6 million on the EBITDA and 9 million's impact on the EBIT.

**Christelle Gauthier, BNP Paribas**

Good morning. Can you talk about your development strategy in terms of renewal marine energies and in terms of offshore mine extraction in the coming years?

**Christian Lefèvre – Chief Executive Officer**

In terms of renewal energies, we have vessels that are adapted to certain operations, to certain works for the instalment of wind systems, wind turbines, and we have done work to connect the turbines, the bearing of cables, etc. and the Bourbon Enterprise that worked in North Sea in the UK, in Germany for two seasons, it's gone back offshore fields, is perfectly adapted, they have done a very good work in this area. We also have a Bourbon Liberty that has achieved the instalment of a wind turbine. It's a floating wind turbine, so therefore it is anchored, it was towed and anchored and Bourbon subsea had taken care of the anchoring engineering. So we are present on those markets. These markets in northern Europe are highly seasonal so we have to be very careful about that and we have to think and have long term contracts so that we can spend the whole winter with such contracts. That's very difficult so we have very few activities however in this area. And of course, we are looking at the transportation of passengers because it is more or less the similar problem for the transportation of passengers to the offshore fields with the famous crewboats.

**Julien Laurent, Natixis**

I have two questions: I have made a quick calculation on the tax by excluding the tax fine so you have something like 27% in the past because of the various tax arrangements we were used to 5 % to 10 % so that is to get to 27 %, we will have zones at 50 %. So can you just go back on this topic once again? And in the allocation of the fleet, why go to countries with such high taxation rates because finally instead of basing ourselves on EBITDA over capital employed we could rather have results after tax. And as for your debt risk scattering, do the bankers follow you? Will they reintegrate the chartering commitments? That will not reduce your debt capacity?

**Laurent Renard – Executive Vice President, Chief Financial Officer**

As for your first question, have you ask EXXON how do they manage with Poutine and Chavez? The taxation of countries, well we are here to serve our clients and we are there to help them wherever they are. So we go to countries where there is a high taxation rate but we are there to serve our clients. The whole game is for the client. In one way or the other, he should recognize the service we are rendering. So yes we work in countries, we work in countries with a high progress rate but with heavy taxation system, yes. The second question is on our debt. There are a certain number of bankers right here in this room so maybe you should ask them. There is one

thing we can say already related to these bankers. BOURBON is doing very well and bankers, thank God, especially European bankers are doing better and we are delighted about that. We already said here several times, well the world has changed, the financial world has changed and BOURBON has become a company with a heavier financing and because of these changes, this has led us to diversify our financial sources. This ICBC operation, we have to see it from the point of view of the bankers as much money that we would not be asking from the French bankers. It's a Chinese bank that is going to put one billion 500 million dollars on the table. I don't know lot of financiers that are going to do that in the world today, especially European financiers. That's the first aspect and I suppose that bankers and this is what they tell me, they see this arrival of new funding sources as something very positive and of course we must not forget that this operation has cash and liquidity aspect which is really very favourable for BOURBON. We'll take the very last question now.

**Geoffroy Stern, Kepler Cheuvreux**

Just an additional question. The tax treatment of the capital gain disposals that you are going to get in the first bracket?

**Laurent Renard – Executive Vice President, Chief Financial Officer**

It all depends on the company by which the vessels are owned. But most of the capital gain will not be taxed.

**Christian Lefèvre – Chief Executive Officer**

Well that's it. We will have to thank you for coming and being loyal to BOURBON. I'd like to thank the Internet viewers also that have been watching us too. We'll meet you on the 6th of November for the publication of our third quarter results. Thank you and have a pleasant day.