



EXPERIENCE **MATTERS**

**2016**

ANNUAL REPORT

## 5.2.5 CONSOLIDATED CASH FLOW STATEMENT

in millions of US\$

|  | 2016         | 2015         |
|--|--------------|--------------|
| <b>Cash flow from operating activities</b>                   |              |              |
| Receipts from customers                                      | 1,859        | 2,139        |
| Payments for finance leases construction                     | (20)         | (704)        |
| Payments to suppliers and employees                          | (1,266)      | (1,879)      |
| Settlement Dutch Public Prosecutor's Office                  | (70)         | (70)         |
| Income tax received/(paid)                                   | (15)         | (24)         |
| <b>Net cash from operating activities</b>                    | <b>488</b>   | <b>(538)</b> |
| <b>Cash flow from investing activities</b>                   |              |              |
| Investment in property, plant and equipment                  | (9)          | (7)          |
| Investment in intangible assets                              | (5)          | (15)         |
| Additions to funding loans                                   | (47)         | (3)          |
| Redemption of funding loans                                  | 50           | 126          |
| Interest received  | 15           | 9            |
| Dividends received from equity-accounted investees           | 45           | 9            |
| Net proceeds from disposal of property, plant and equipment  | 3            | 13           |
| Net proceed from disposal of Financial assets                | 38           | 3            |
| <b>Net cash used in investing activities</b>                 | <b>90</b>    | <b>135</b>   |
| <b>Cash flow from financing activities</b>                   |              |              |
| Net equity funding from partners                             | (35)         | 214          |
| Additions to borrowings and loans                            | 1,118        | 1,855        |
| Repayments of borrowings and loans                           | (780)        | (1,405)      |
| Dividends paid to shareholders and non-controlling interests | (64)         | (2)          |
| Share repurchase program                                     | (166)        | -            |
| Interest paid  | (252)        | (210)        |
| <b>Net cash from financing activities</b>                    | <b>(179)</b> | <b>451</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>  | <b>399</b>   | <b>48</b>    |
| Net cash and cash equivalents as at 1 January                | 515          | 452          |
| Net increase/(decrease) in net cash and cash equivalents     | 399          | 48           |
| Foreign currency variations                                  | (9)          | 15           |
| <b>Net cash and cash equivalents as at 31 December</b>       | <b>904</b>   | <b>515</b>   |

The reconciliation of the net cash and cash equivalents as at 31 December with the corresponding amounts in the statement of financial position is as follows:

### Reconciliation of net cash and cash equivalents as at 31 December

|                                      | 31 December 2016 | 31 December 2015 |
|--------------------------------------|------------------|------------------|
| Cash and cash equivalents            | 904              | 515              |
| Bank overdrafts                      | -                | -                |
| <b>Net cash and cash equivalents</b> | <b>904</b>       | <b>515</b>       |

## 5 FINANCIAL REPORT 2016

### 5.2.6 GENERAL INFORMATION

SBM Offshore N.V. is a company domiciled in Amsterdam, the Netherlands. SBM Offshore N.V. is the holding company of a group of international marine technology oriented companies. The Company globally serves the offshore oil and gas industry by supplying engineered products, vessels and systems, as well as offshore oil and gas production services.

The Company is listed on the Euronext Amsterdam stock exchange.

The consolidated financial statements for the year ended December 31, 2016 comprise the financial statements of SBM Offshore N.V., its subsidiaries and interests in associates and joint ventures (together referred to as 'the Company'). They are presented in millions of US dollars, except when otherwise indicated. Figures may not add up due to rounding.

The consolidated financial statements were authorized for issue by the Supervisory Board on February 8, 2017.

### 5.2.7 ACCOUNTING PRINCIPLES

#### A. ACCOUNTING FRAMEWORK

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the EU, where effective, for financial years beginning January 1, 2016.

The separate financial statements included in section 5.4 are part of the 2016 financial statements of SBM Offshore N.V.

#### **New standards, amendments and interpretations applicable as of January 1, 2016**

The Company has adopted the following new standards with a date of initial application of January 1, 2016:

- IAS 19 Amended 'Defined Benefit Plans: Employee Contributions';
- IFRS 11 Amendment 'Accounting for Acquisitions of Interests in Joint Operations';
- IAS 16 and IAS 38 Amendment 'Clarification of Acceptable Methods of Depreciation and Amortization';
- IAS 27 Amendment 'Equity Method in Separate Financial Statements';
- IAS 1 Amendment 'Disclosure Initiative';
- Annual improvements: 2010-2012 and 2012-2014 cycles.

The adoption of the interpretations, amendments and annual improvements had no significant effect on the financial statements for earlier periods and on the financial statements for the period ended December 31, 2016.

#### **Standards and interpretations not mandatory applicable to the group as of January 1, 2016**

The Company has decided not to early adopt standards and amendments published by the IASB and endorsed by the European Commission, but not mandatory applicable as of January 1, 2016. Other new standards and amendments have been published by the IASB but have not been endorsed yet by the European Commission. Early adoption is not possible until European Commission endorsement. Those which may be relevant to the Company are set out below: