



EXPERIENCE **MATTERS**

2016

ANNUAL REPORT

5.3.10 EARNINGS / (LOSS) PER SHARE

The basic earnings per share for the year amounts to US\$ 0.87 (2015: US\$ 0.14); the fully diluted earnings per share amounts to US\$ 0.87 (2015: US\$ 0.14).

Basic earnings / (loss) per share amounts are calculated by dividing net profit / (loss) for the year attributable to shareholders of the Company by the weighted average number of shares outstanding during the year.

Diluted earnings / (loss) per share amounts are calculated by dividing the net profit / loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into ordinary shares.

The following reflects the share data used in the basic and diluted earnings per share computations:

Earnings per share

	2016	2015
Earnings attributable to shareholders (in thousands of US\$)	182,307	29,313
Number of shares outstanding at January 1	211,694,950	209,695,094
Average number of new shares issued	1,118,829	1,155,957
Average number of shares repurchased	-2,245,363	0
Weighted average number of shares outstanding	210,568,416	210,851,051
Potential dilutive shares from stock option scheme and other share-based payments	1,747	150,332
Weighted average number of shares (diluted)	210,570,163	211,001,383
Basic earnings per share	US\$ 0.87	US\$ 0.14
Fully diluted earnings per share	US\$ 0.87	US\$ 0.14

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements, except for issue of matching shares to the Management Board and other senior management.

5.3.11 DIVIDENDS PAID AND PROPOSED

The Company introduced a new dividend policy in 2015 which consists of paying out either in cash or in shares of SBM Offshore at the election of each shareholder between 25% and 35% of the directional net income, provided that positive free cash flows are expected to be generated during the year of payment. In accordance with this policy but taking into account the specific circumstances relating to 2016 including the nature of the non-recurring items, a dividend out of 2016 net income of US\$ 0.23 (2015 : US\$ 0.21) per share will be proposed to the Annual General Meeting on April 13, 2017, corresponding to approximately 31% of the Company's US\$ 150 million Directional net income adjusted, this year, for non-recurring items.

The annual dividend will be calculated in US dollars, but will be payable in euros. The conversion into Euro will be effected on the basis of the exchange rate on April 13, 2017.

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5.3.12 PROPERTY, PLANT AND EQUIPMENT

The movement of the property, plant and equipment during the year 2016 is summarized as follows:

2016

	Land and buildings	Vessels and floating equipment	Other fixed assets	Assets under construction	Total
Cost	57	3,581	71	0	3,709
Accumulated depreciation and impairment	(10)	(1,961)	(53)	-	(2,023)
Book value at 1 January	47	1,620	18	0	1,686
Additions	-	4	3	2	9
Disposals	-	0	(1)	0	(1)
Depreciation	(5)	(206)	(6)	-	(216)
(Impairment)/impairment reversal	-	7	0	-	8
Foreign currency variations	(1)	-	0	0	(1)
Other movements	(1)	(11)	(1)	1	(11)
Total movements	(6)	(205)	(4)	3	(212)
Cost	55	3,570	66	4	3,694
Accumulated depreciation and impairment	(14)	(2,155)	(52)	-	(2,220)
Book value at 31 December	41	1,415	14	4	1,474

2015

	Land and buildings	Vessels and floating equipment	Other fixed assets	Assets under construction	Total
Cost	64	3,668	76	1	3,810
Accumulated depreciation and impairment	(6)	(1,826)	(56)	-	(1,887)
Book value at 1 January	59	1,843	20	1	1,923
Additions	-	0	5	2	7
Disposals	-	(4)	(1)	-	(4)
Depreciation	(5)	(185)	(8)	-	(198)
(Impairment)/impairment reversal	-	(13)	(1)	-	(13)
Foreign currency variations	(6)	-	(3)	0	(9)
Other movements/deconsolidation	0	(22)	5	(2)	(19)
Total movements	(11)	(223)	(2)	0	(238)
Cost	57	3,581	71	0	3,709
Accumulated depreciation and impairment	(10)	(1,961)	(53)	-	(2,023)
Book value at 31 December	47	1,620	18	0	1,686

During the 2016 period the following main events occurred:

- On October 12, 2016, SBM Offshore has officially inaugurated its new R&D facilities at Carros – Le Broc, near Nice in France. The laboratory covers 2,300 m², and will cater to a variety of testing and research requirements across the Company's product lines in new technological developments. Investments in these new R&D facilities amounted to US\$ 2 million reported in addition to other fixed assets in 2016.
- US\$ 216 million of annual depreciation on existing fixed assets