



EXPERIENCE **MATTERS**

**2016**

ANNUAL REPORT

## 5.5 NOTES TO THE COMPANY FINANCIAL STATEMENTS

### 5.5.1 INVESTMENT IN GROUP COMPANIES

The movements in the item Investment in Group companies are as follows:

#### Investment in Group companies

	2016	2015
Balance at 1 January	2,585	2,129
Reclassification to other receivables	(42)	(47)
<b>Investments net value</b>	<b>2,543</b>	<b>2,082</b>
Result of Group companies	204	54
Investment and other changes (a.o. IAS 39)	54	381
Divestments and capital repayments	-	39
Foreign currency variations	(27)	(13)
<b>Movements</b>	<b>230</b>	<b>461</b>
<b>Balance at 31 December</b>	<b>2,814</b>	<b>2,585</b>

The subsidiaries of the Company are the following (all of which are 100% owned):

- SBM Offshore Holding B.V., Amsterdam, the Netherlands
- SBM Group Holding Inc., Marly, Switzerland
- SBM Holding Luxembourg SARL, Luxembourg, Luxembourg
- SBM Schiedam B.V., Rotterdam, the Netherlands
- Van der Giessen-de Noord N.V., Krimpen a/d IJssel, the Netherlands
- SBM Holland B.V., Rotterdam, the Netherlands
- Capixaba Holding B.V., 's Gravenhage, the Netherlands
- XNK Industries B.V., Dongen, the Netherlands

### 5.5.2 DEFERRED TAX ASSET

The Company is head of a fiscal unity in which almost all Dutch companies are included.

A deferred tax asset is recognized for tax losses of the fiscal unity which can be carry forward for a period of nine years and are expected to be recovered based on anticipated future taxable profit within the Dutch fiscal unit.

### 5.5.3 OTHER RECEIVABLES

	31 December 2016	31 December 2015
Amounts owed by Group companies	5	21
Other debtors	-	1
<b>Total</b>	<b>5</b>	<b>22</b>

Receivables fall due in less than one year. The fair value of the receivables approximates the book value, due to their short-term character.

### 5.5.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are at the Company's free disposal.

## 5 FINANCIAL REPORT 2016

### 5.5.5 SHAREHOLDERS' EQUITY

For an explanation of the shareholders equity, reference is made to the consolidated statement of changes in equity and 5.3.23 Equity Attributable to Shareholders.

#### Legal reserve

	31 December 2016	31 December 2015
Joint venture equity non-distributable	947	827
Capitalized development expenditure	18	15
Translation reserve	(45)	(26)
Cash flow hedges	(212)	(263)
<b>Total</b>	<b>708</b>	<b>553</b>

Under the Dutch guidelines for financial reporting which apply to the Company statement of financial position, a legal reserve must be maintained for the above-mentioned items.

### PROPOSED APPROPRIATION OF PROFITS

With the approval of the Supervisory Board, it is proposed that the result shown in the Company income statement be appropriated as follows (in US\$):

#### Appropriation of result

	2016
Profit/Loss attributable to shareholders	182
In accordance with Article 29 clause 4 to be transferred to retained earnings	136
<b>At the disposal of the General Meeting of Shareholders</b>	<b>46</b>

It is proposed that US\$ 46 million of the profit of the year ended December 31, 2016 be distributed among the shareholders.

### 5.5.6 OTHER CURRENT AND NON-CURRENT LIABILITIES

#### Current and non current liabilities

	31 December 2016	31 December 2015
Amounts owed to Group companies	-	2
<b>Total non current liabilities</b>	<b>-</b>	<b>2</b>
Amounts owed to Group companies	303	38
Taxation and social security costs	1	5
Other creditors	3	74
<b>Total current liabilities</b>	<b>307</b>	<b>116</b>

The other current liabilities fall due in less than one year. The fair value of other current liabilities approximates the book value, due to their short-term character.

The movement in the current portion of 'other creditors' mainly relates to the last US\$ 70 million remaining installment due, following the settlement with the Dutch Public Prosecutor's Office over the investigation into potentially improper sales payments.