Interim Results 2014

26 August 2014

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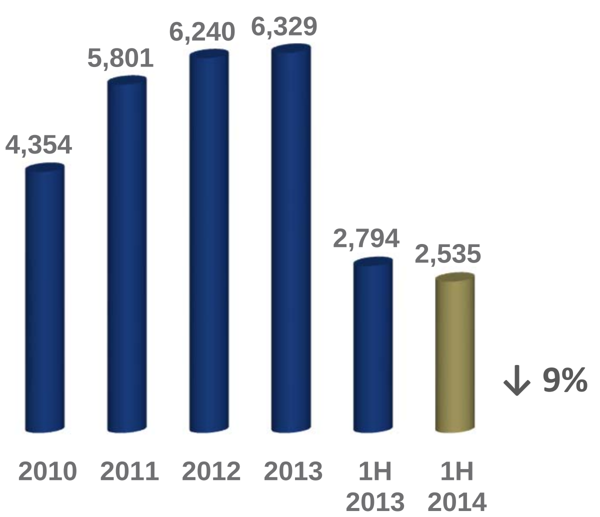
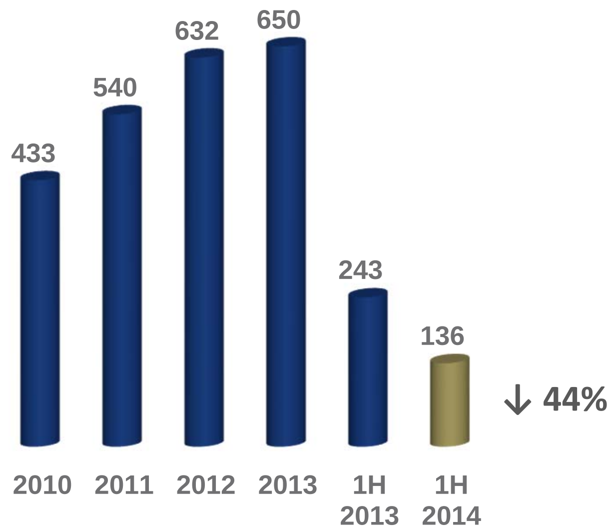
Headlines

- 2014 revenue and net profit significantly weighted towards 2H 2014, reflecting the phasing of project delivery
- Remain on track to deliver net profit in the range US$580 million to US$600 million for the full year 2014, in line with previous guidance
- Most successful year for new awards, with ECOM order intake of US$7.2 billion in 1H 2014, bid at margins consistent with our medium-term guidance; backlog up 35% to stand at record levels of US$20.3 billion at 30 June 2014
- Interim dividend maintained at 22.00 cents per share

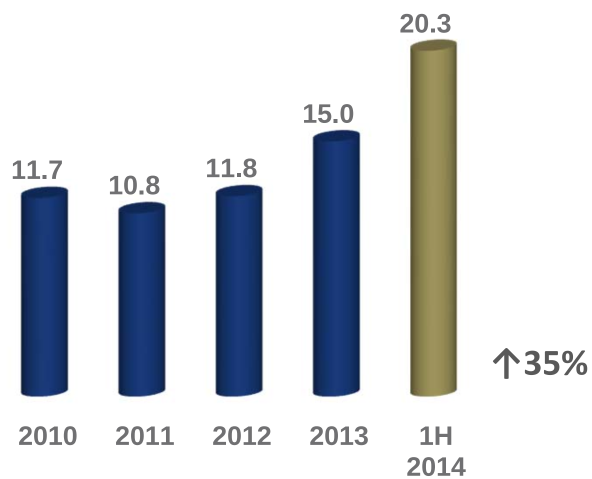
Revenue



Net profit



Backlog (US$ billion)



Note: all figures presented above are for the Group's continuing operations and are for financial years ended 31 December and interim periods ended 30 June (US$ millions unless otherwise stated)

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ECOM – Key contract awards

Most successful year for new awards; ECOM order intake for 1H 2014 of US$7.2bn (1H 2013: US$4.3bn)

Onshore Engineering & Construction

- **Clean Fuels Project, Kuwait** US$1.7bn EPC contract to develop the Mina Abdulla refinery in Kuwait
- **Khazzan central processing facility, Oman** US$1.2bn for the central processing facility (CPF) for the Khazzan gas project
- **Reggane Project, Algeria** US$1.0bn contract for the gas gathering, treatment and export facilities of the Reggane North development project

Offshore Projects & Operations

- **EnQuest operations and maintenance contract, UK North Sea** ten-year operations and maintenance contract providing services on the Thistle, Heather and Northern Producer assets and the EnQuest FPSO
- **BorWin 3, German North Sea** our largest EPCI project to date

Engineering & Consulting Services

- **Thamama front end engineering design (FEED), Abu Dhabi** US$21 million contract to look at enhancing the field for its future development and expansion
- **Rabab Harweel Integrated Project (RHIP), Oman** ECS' largest engineering and procurement contract to date, with total revenues expected to be more than US$1bn

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ECOM – Update on major projects

ECOM

- **In Salah, Algeria** completed full remobilisation on the In Salah southern fields development
- **Upper Zakum, Abu Dhabi** agreed capacity enhancements and continue to make good progress on the project
- **SARB3, Abu Dhabi** significant increase in the of level activity as the project ramps up further
- **Laggan-Tormore, Shetland** progress continues with around 90% of the project now complete
- **Petrofac JSD6000** construction going to plan and early pipeline of bidding opportunities established


Laggan-Tormore, Shetland


Upper Zakum, Abu Dhabi

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IES – Update on major projects

Equity Upstream Investments

- **Block PM304** start-up of FPSO in progress for Cendor phase 2 production; original Cendor MOPU currently being decommissioned
- **FPF1** good progress implementing changes to expedite completion of remaining works on FPF1; sailaway scheduled for spring 2015 and first production on Greater Stella Area in mid-2015

Risk Service Contracts

- **Berantai** performing in line with expectations and we continue to work towards a second phase
- **Etinde Permit** reached a mutually acceptable agreement with Bowleven to terminate our Strategic Alliance Agreement
- **OML119** commenced early activities as we continue to work towards agreeing and finalising the Field Development Plan

Production Enhancement Contracts

- **Magallanes and Santuario** continue to make good progress including early appraisal success on Santuario
- **Pánuco and Arenque** drilled new wells on both fields as we progress towards establishing Field Development Plans
- **Ticleni** in process of agreeing a revised Field Development Plan for the Ticleni field in Romania

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IES – PetroFirst Infrastructure Partners

- Petrofac and First Reserve have created PetroFirst Infrastructure Partners to deploy capital
  - to purchase a number of existing assets from IES
  - to invest in new energy infrastructure projects that utilise Petrofac's development capability

- Agreement opens up future opportunities to create value for our customers that require access to capital alongside Petrofac's proven execution capability

- Effective 13 August 2014, we sold 80% of the share capital of Petrofac FPSO Holding Limited, to PetroFirst Infrastructure Holdings Limited, wholly owned by the First Reserve Energy Infrastructure Fund

- From 2015, IES' trading results are likely to be approximately US$50 million lower per annum than they otherwise would have been over the next few years, reflecting the floating production facility profits foregone

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Income Statement

US$m	1H 2014	1H 2013 restated	Variance
Revenue	2,535	2,794	↓ 9%
Operating profit*	205	295	↓ 31%
Profit before tax	188	300	↓ 37%
Income tax expense	(53)	(58)	↓ 9%
Profit for the period	135	242	↓ 44%
Profit attributable to Petrofac Limited shareholders	136	243	↓ 44%
EBITDA	340	405	↓ 16%
ROCE**	20%	32%	
EPS, diluted (cents per share)	39.8	70.7	↓ 44%
Interim dividend (cents per share)	22.0	22.0	n/c

Note: all figures presented above are for the full year ended 31 December (US$ millions unless otherwise stated)
* including share of results of associates
** For 12 months ended 30 June

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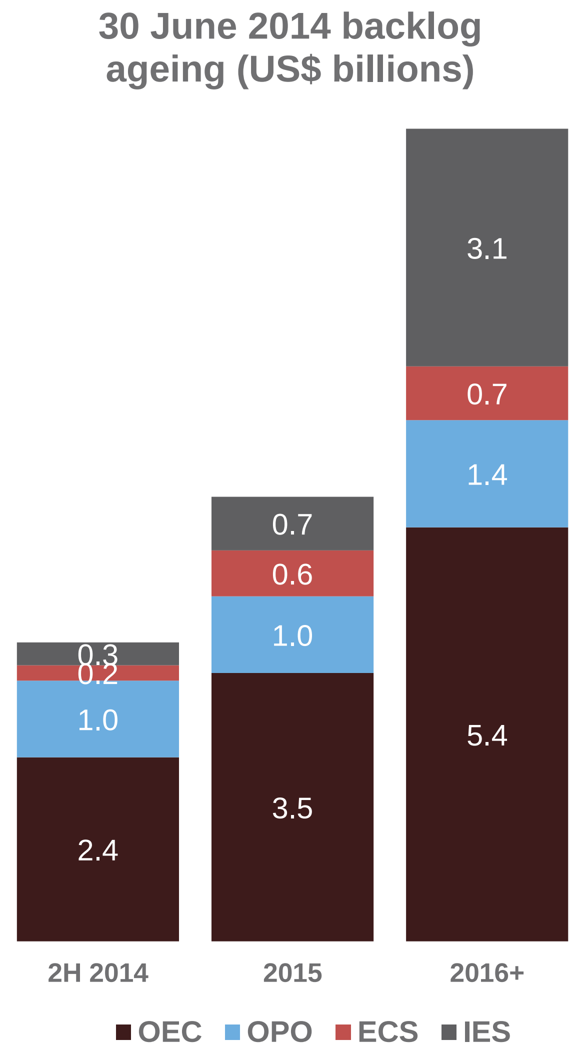
30 June 2014 backlog

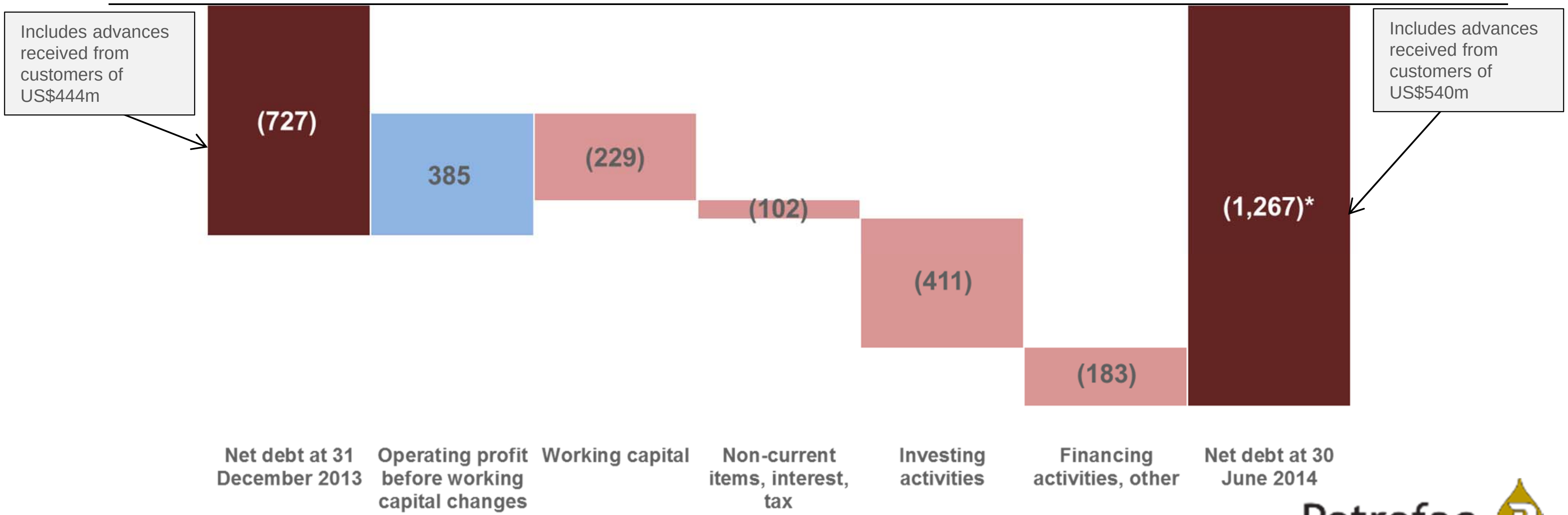
- Backlog increased 35% to stand at record levels of US$20.3bn at 30 June 2014 (Dec 2013: US$15.0bn)
- OEC backlog increased 45% in H1 2014 to US$11.3bn (Dec 2013: US$7.8bn) reflecting awards in Kuwait, Oman and Algeria – further US$1.2bn of awards secured in 2H 2014 to date
- OPO backlog stood at US$3.4bn at 30 June 2014 (Dec 2013: US$3.1bn), reflecting a number of awards and contract extensions, including BorWin 3
- ECS backlog stands at record levels of US$1.5bn at 30 June 2014 (Dec 2013: US$0.3bn) following RHIP award in Oman
- IES backlog marginally higher at US$4.1bn at 30 June 2014 (Dec 2013: US$3.9bn)



Movement in net debt

Net debt stood at US$1.3bn at 30 June 2014 reflecting:

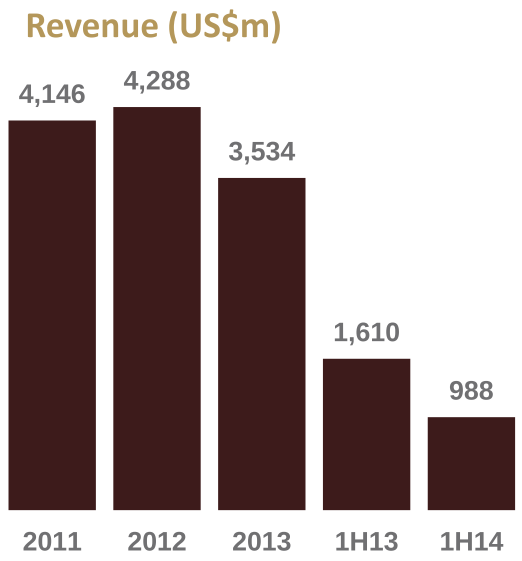
- working capital outflows of US$229m predominantly due to an increase in trade receivables and WIP and a reduction in accrued contract expenses
- investing activities, including on IES projects of US$352m and on the Petrofac JSD6000 of US$44m
- financing activities, including payment of the 2013 final dividend of US$150m

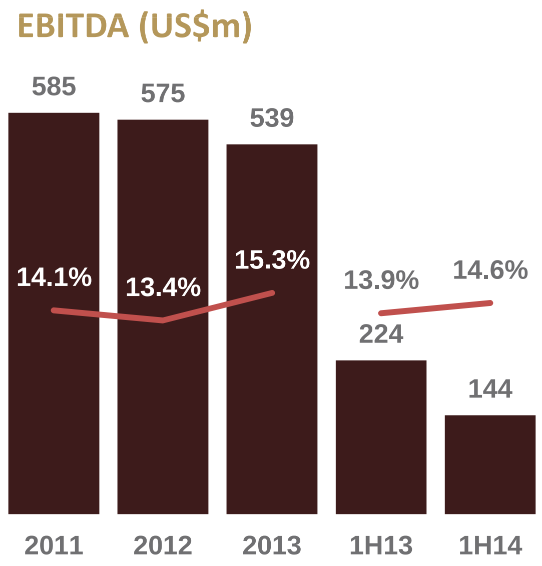


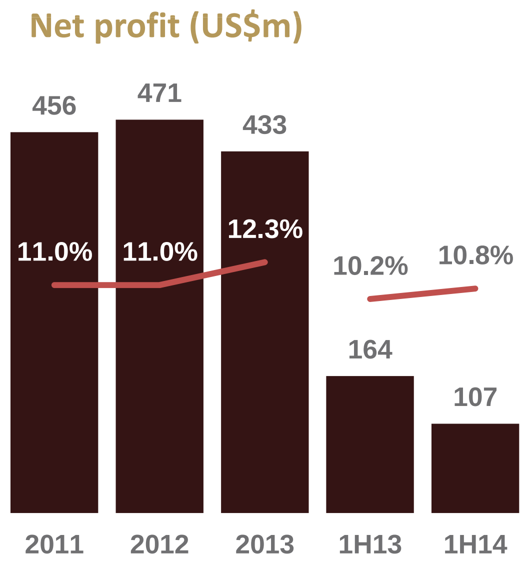
* Includes amounts in assets held for sale

Onshore Engineering & Construction

- Revenue ↓39% – reflecting the phasing of project delivery due to several large projects substantially completed in 2013 and low activity levels on recent awards while the projects are in their early stages
- Net profit ↓35% – reflecting the phasing of activity; net margin higher at 10.8%







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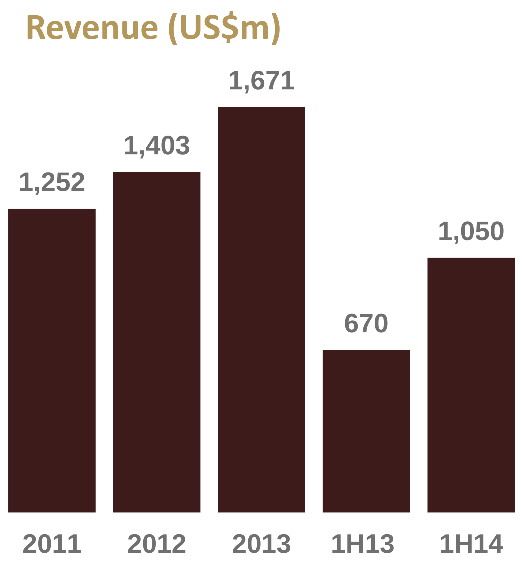
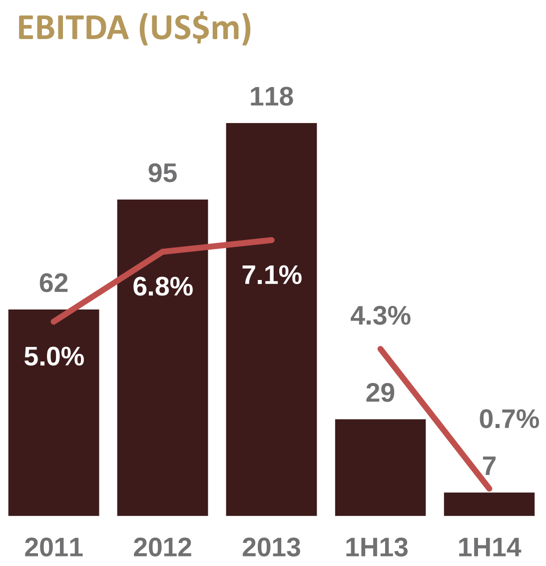
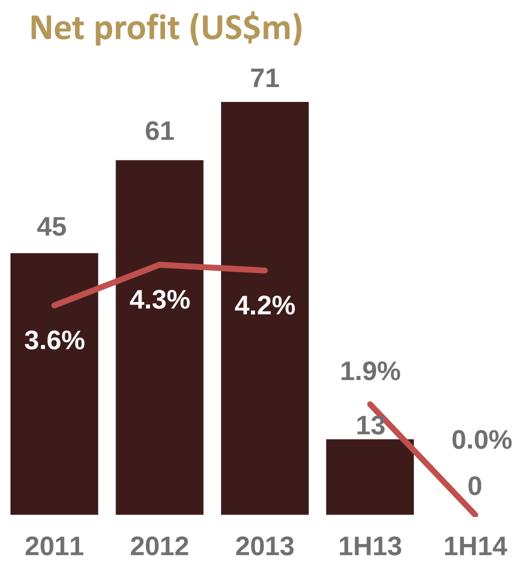
Offshore Projects & Operations

- Revenue ↑57% – reflecting increased activity levels on capital projects such as the Laggan-Tormore gas plant, the modification and upgrade of the FPF1 floating production facility and the SARB3 project in Abu Dhabi
- Net profit ↓100% – much of the activity on capital projects during the first half of the year was at low margins; in addition, we recognised a US$5 million forex loss on forward contracts on a long-term project







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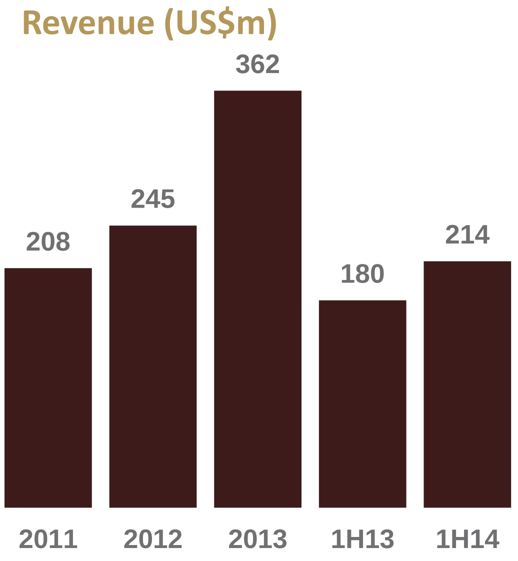
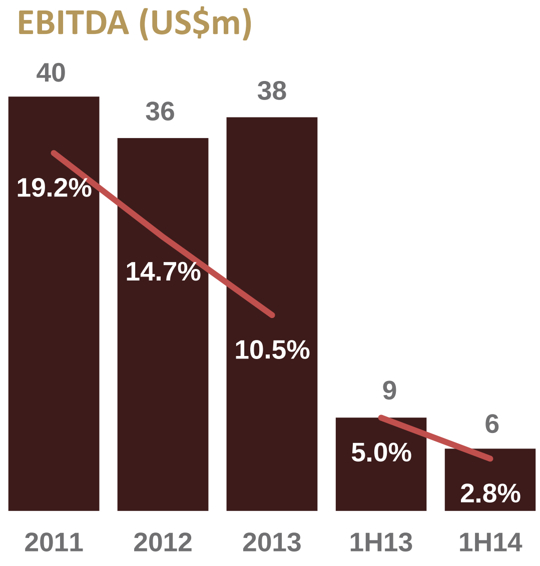
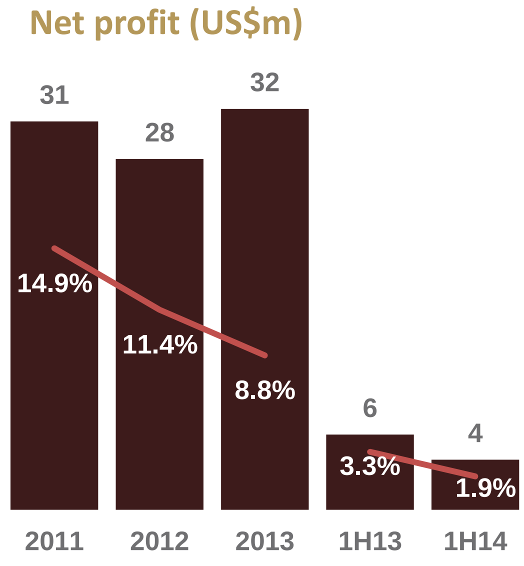
Engineering & Consulting Services

- Revenues ↑19% – reflecting activity on a number of recent project awards and the In Salah Gas and In Amenas consultancy contract, awarded in January 2013
- Net profit ↓33% – as there was a lower contribution from our joint venture with China Petroleum Engineering & Construction Corporation







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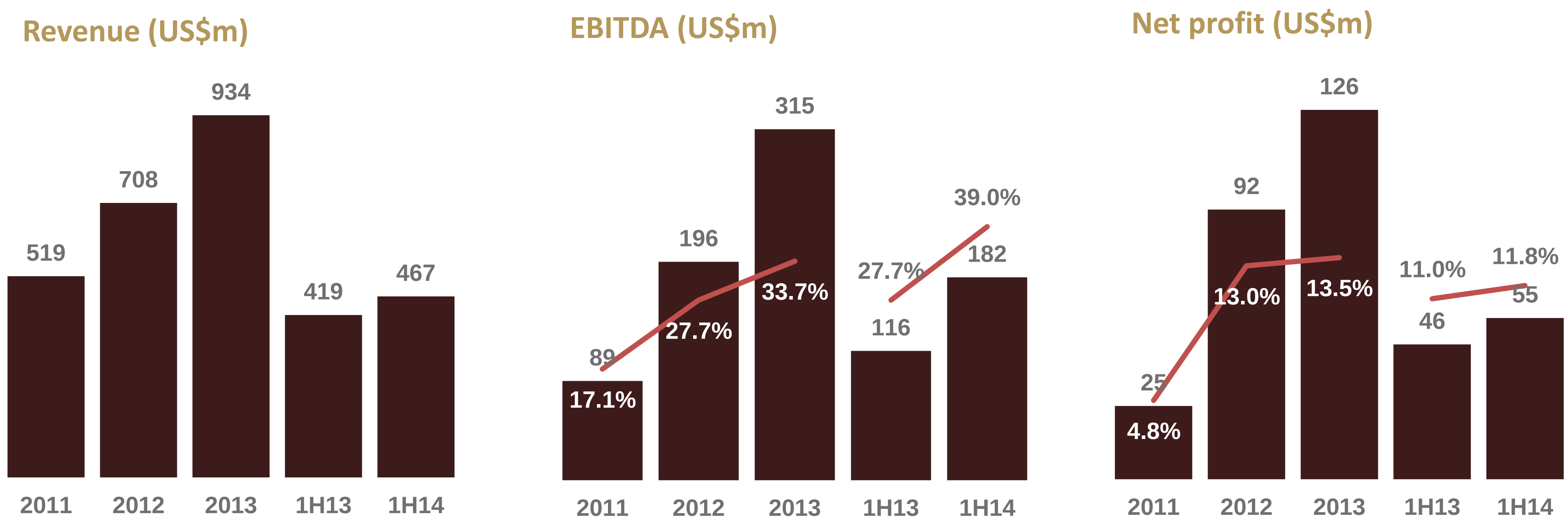
Integrated Energy Services

- Revenue ↑11% - commencement of operations on West Desaru in 2H 2013, increased activity levels on Mexico PECs and for Petrofac Training more than offset reduction in Berantai RSC which has moved into operations phase
- Net profit ↑20% – reflecting the above, albeit partially offset by recognition of Group's share of losses in Seven Energy of US$10 million for the period to 15 April 2014



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Outlook

- In ECOM, we have already had our most successful year ever for new awards with US$8.4bn of order intake in the year to date, record backlog and very good revenue visibility for the second half of the year and beyond

- Our pipeline of ECOM bidding opportunities remains attractive and, given our strong competitive position in our core markets, we are confident of securing further awards and contract extensions during H2 2014

- Our disciplined approach to business development, with bid margins, on a country-by-country basis, in line with the last few years, and our relentless focus on project execution give us confidence that we will maintain sector-leading net margins in Onshore Engineering & Construction

- In IES, we are making good progress on addressing project performance issues and the delivery of key operational milestones

- We continue to see good demand for the provision of integrated services and are prioritising those opportunities which make the best use of our existing core areas of strength, offer clear synergies with ECOM, and deliver attractive returns on capital employed

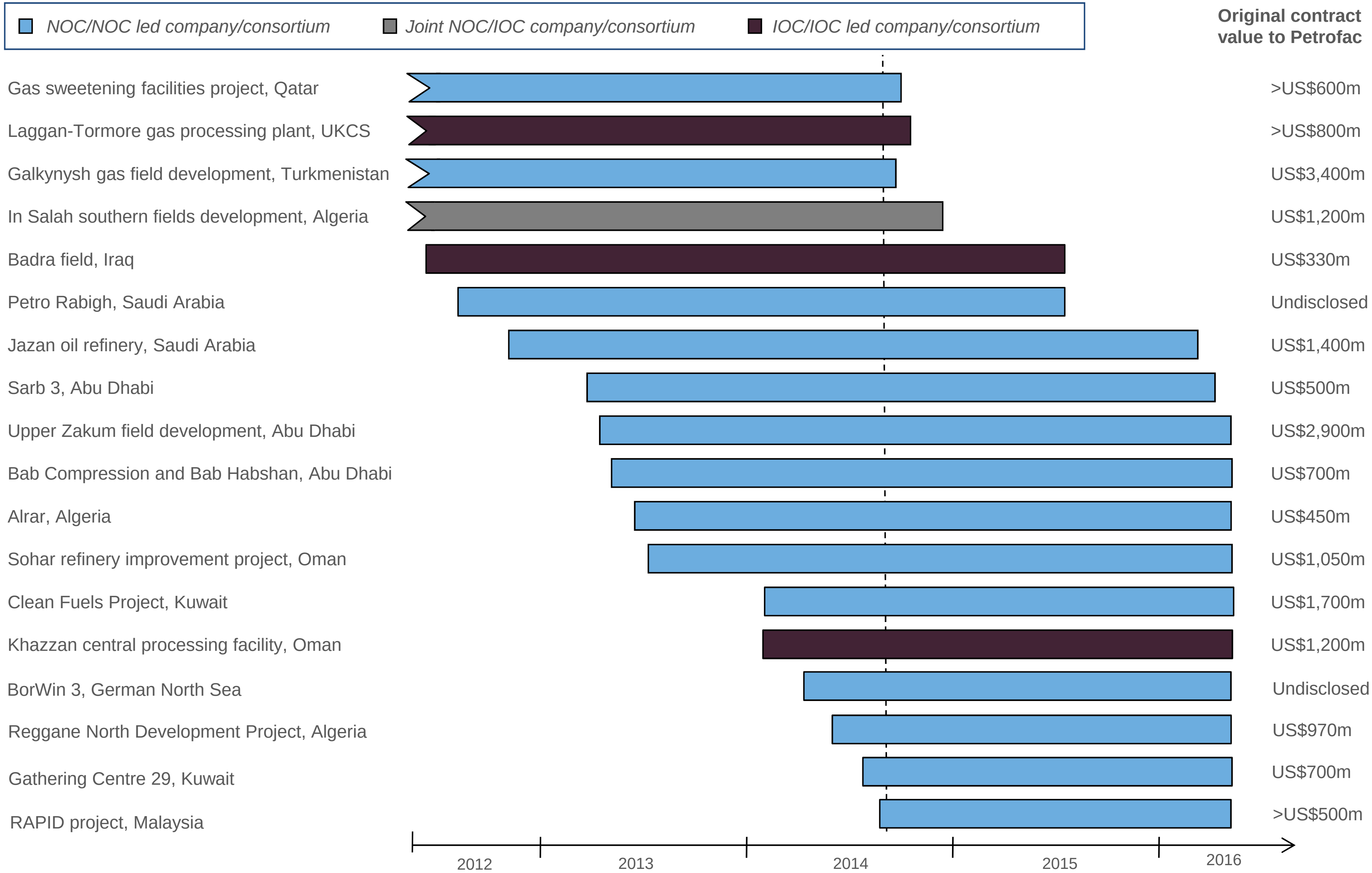
- We remain on track to deliver net profit in the range US$580 million to US$600 million for the full year 2014, in line with previous guidance

Appendices

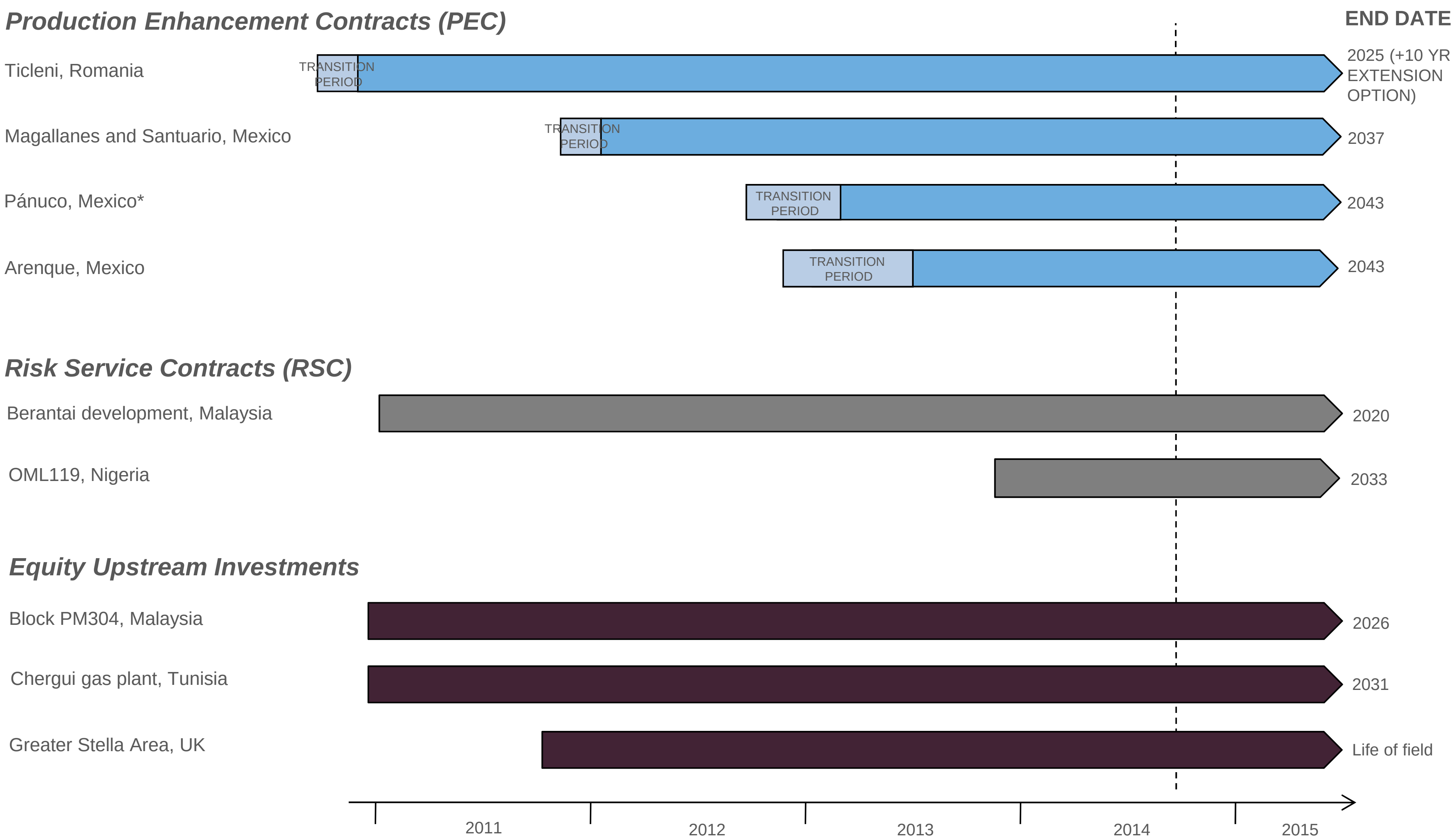
Appendix 1: Group organisation structure

Divisions	Engineering, Construction, Operations & Maintenance (ECOM) *Chief Executive, Marwan Chedid*				Integrated Energy Services (IES) *Chief Operating Officer, Rob Jewkes*		
Reporting segments	Onshore Engineering & Construction (OEC)	Offshore Projects & Operations (OPO)		Engineering & Consulting Services (ECS)	Integrated Energy Services		
Service lines	Onshore Engineering & Construction	Offshore Projects & Operations	Offshore Capital Projects	Engineering & Consulting Services	Training Services	Production Solutions	Developments

Appendix 2: Key ECOM projects



Appendix 3: Key IES projects



* In joint venture with Schlumberger

Appendix 4: Effective tax rate

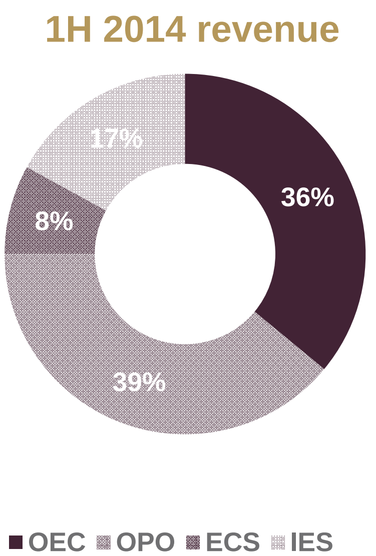
Effective tax rate (ETR) by segment

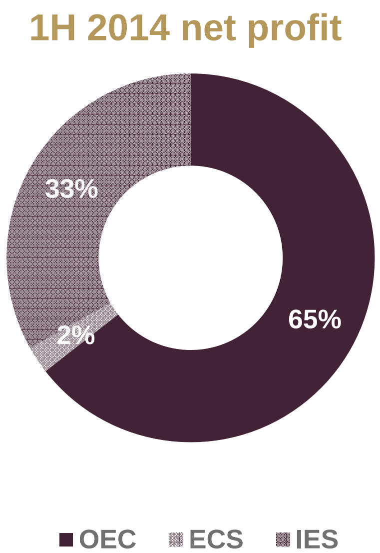
	1H 2014	1H 2013
Onshore Engineering & Construction	13%	14%
Offshore Projects & Operations	100%	35%
Engineering & Consulting Services	0%	16%
Integrated Energy Services	39%	31%
Group	28%	19%

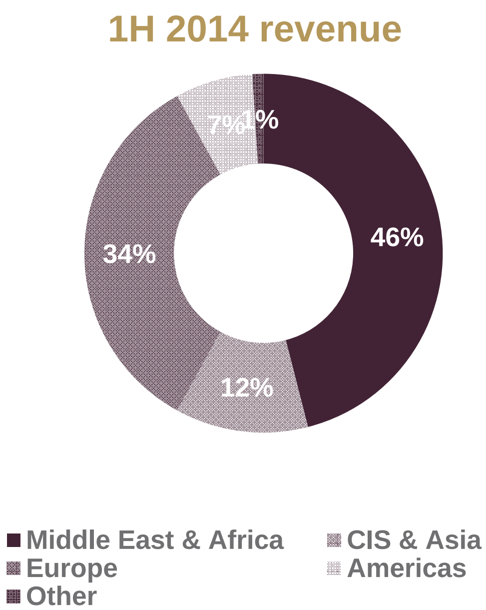
- The effective tax rate for the period was 28%, reflecting an increased proportion of total income being generated in higher tax jurisdictions and a greater proportion of the Group's profits coming from Integrated Energy Services, which has a higher effective tax rate

Appendix 5: Segmental performance

- Onshore Engineering & Construction earned 36% of Group revenue and 65% of net profit
- Middle East and Africa: due to geographic diversification, represents only 46% of revenues in 1H 2014
- CIS and Asia: primarily relates to activity on Berantai and PM304 in Malaysia
- Europe: activity principally in UK North Sea, where significant proportion of Offshore Projects & Operations revenues are generated, the Shetland Islands and Romania
- Americas predominantly relates to our production enhancement contracts in Mexico

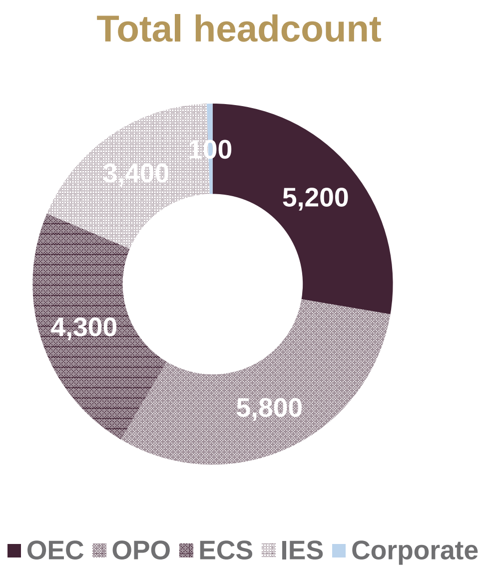






Appendix 6: Employees

- Approximately 18,800 people in 7 key operating centres and 24 offices
- Around 30% of our employees are shareholders/participants in employee share schemes



Notes

- EBITDA means earnings before interest, tax, depreciation and amortisation and is calculated as profit from operations before tax and finance costs adjusted to add back charges for depreciation and amortisation

- Net profit (for the Group) means profit for the period from operations attributable to Petrofac Limited shareholders

- Backlog consists of the estimated revenue attributable to the uncompleted portion of lump-sum engineering, procurement and construction contracts and variation orders plus, with regard to engineering, operations, maintenance and Integrated Energy Services contracts, the estimated revenue attributable to the lesser of the remaining term of the contract and five years. Backlog will not be booked on Integrated Energy Services contracts where the Group has entitlement to reserves. The Group uses this key performance indicator as a measure of the visibility of future revenue. Backlog is not an audited measure

- The Group reports its financial results in US dollars and, accordingly, will declare any dividends in US dollars together with a sterling equivalent. Shareholders who have not elected to receive dividends in US dollars will receive a sterling equivalent, based on the exchange rate on the record date. Shareholders have the opportunity to elect by close of business on the record date to change their dividend currency election

- Operating profit means profit from operations before tax and finance costs/(income) and our share of results of associates