

PRESS RELEASE

Leidschendam, the Netherlands, 6 May 2014

Fugro trading update Q1 2014: Weak start of the year Reasonable revenue growth and continued strong backlog

Highlights for the first quarter 2014

- Year-on-year revenue growth in the first quarter, excluding multi-client sales, of 6.0%, or 11.4% at constant exchange rates.
- Quarterly margin decreased significantly year-on-year.
- Revenue and margin were impacted by:
 - adverse weather conditions in multiple regions, impacting offshore activities in all divisions and aerial mapping, resulting in low utilisation and production.
 - operational issues at a first-time leading edge deepwater well de-risking project for the geotechnical division, as well as difficult operational circumstances on two projects for Seabed Geosolutions.
 - Some fall off in the quarter of work volume in the oil and gas market in certain regions.
- Fugro's financial position remains healthy with net debt over EBITDA of 1.6.
- Backlog for the remainder of the year strong at EUR 1,597 million, up 11.9% at constant exchange rates.
- Outlook: for the first half of 2014, Fugro expects high single digit revenue growth at constant exchange rates excluding multi-client sales. Barring unforeseen circumstances and any impairments, the EBIT margin will recover in the second quarter but is still expected to be significantly lower over the first half of 2014 compared to the first half of 2013.

Paul van Riel, CEO: *'The first quarter is typically slow due to seasonal weather patterns, particularly influencing our offshore activities. This year the weather conditions were exceptionally challenging in offshore North West Europe and in other parts of the world, resulting in low utilisation and production for our vessels and adversely impacting our aerial mapping business. We also had to deal with certain operational issues and some fall off in oil and gas work in the quarter. All of this had a significant impact on profitability. In our business, utilisation and financial results can vary strongly per quarter. They are influenced not only by market behaviour but also by the weather and timing of award and execution of individual projects. Quarterly results should be interpreted against this background. Based on our strong backlog and barring any unforeseen circumstances, I am confident our performance will improve during the coming quarters.'*

Revenue per division (x EUR million) ¹				
	Q1 2014	Q1 2013	Reported growth (%)	Currency comparable growth (%)
Geotechnical	168.9	164.3	2.8	7.1
Survey	195.8	197.6	-1.0	4.6
Subsea Services	108.2	106.6	1.4	6.8
Geoscience ²	62.6	15.9		
of which Seabed Geosolutions ³	39.6	12.1		
of which multi-client ⁴	23.0	1.0		
of which other	--	2.8		
Total	535.5	484.4	10.5%	16.4%
Total excluding multi-client	512.5	483.4	6.0%	11.4%

1: unaudited figures

2: percentage change compared to Q1 2013 not meaningful due to start Seabed Geosolutions per 16 February 2013 and exclusion of January 2013 multi-client sales

3: started operations on 16 February 2013

4: multi-client sales for February and March, as multi-client sales in January (EUR 13 million) were reported as discontinued

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Operational review

Geotechnical division

The 7.1% growth in revenue (on a currency comparable basis) of the division was driven by the onshore activities. The onshore activities reported a solid performance as they are developing well in emerging markets such as Iraq, Kazakhstan, Azerbaijan, Qatar and parts of Africa. In addition, the US onshore oil and gas sector, particularly related to new LNG facilities on the Gulf Coast and Canada, is providing large scale projects relating to shale gas. The market improvements are centred on the oil and gas sector as opposed to infrastructure. Western Europe continues to lag behind and we see no market improvement in the onshore activity until economic growth returns.

The offshore business experienced a very challenging quarter. A long series of storms in the North Sea caused significant delays at several wind farm projects. In addition, the Fugro Synergy experienced operational issues on a contract in Mexico where a leading edge service offering for deepwater well de-risking is being performed for the first time.

Overall, EBIT margin was lower compared to the same period last year, whereas the onshore margin was higher. The division's backlog has grown compared to the first quarter last year and is strong for both the onshore and offshore operations.

Survey division

Revenue growth was 4.6% on a currency comparable basis. When corrected for the effect of the deconsolidation of the joint venture with China Oilfield Services Limited per 23 August 2013, this growth would have been 8.9%. Revenue and EBIT were impacted by low vessel utilisation and production. Severe weather conditions, especially offshore in Europe and onshore in North America, have led to project delays both for the marine activities and onshore aerial mapping. Lower than anticipated revenue, in combination with continued investments in growth, resulted in a year on year decline in EBIT margin. Backlog was down slightly compared to a strong backlog in the same quarter last year.

A number of actions have been initiated to improve the results of the underperforming aerial mapping business, targeting higher efficiency and cost savings. The geospatial business line is being repositioned as a big data technology based solutions provider, rather than a data acquisition contractor. The acquisition of Roames in the quarter, with its leading automated data acquisition and cloud based processing and delivery technology, is a case in point.

Although later than scheduled, two large hydrographic projects in the Middle East, running well into 2015, got off to a good start towards the end of the quarter.

Subsea Services division

Revenue increased by 6.8% on a currency comparable basis, although Subsea's performance was also hampered by relatively low vessel utilisation due to poor weather. The division realised a year on year improvement in EBIT margin. Performance was good in the Middle East and India. The trenching activities performed significantly better than in the same period last year. The profit improvement program is progressing as planned with a strong focus on operational efficiency. The division has started on the five year IRM services contract with Shell in Malaysia. Year-on-year backlog has increased markedly.

Geoscience division

Revenue of Seabed Geosolutions increased compared to the comparable period a year ago, as well as compared to the fourth quarter of 2013. The company was still loss-making as utilisation and production needs to improve further.

In the quarter mobilisation started for two large ocean bottom cable (OBC) projects, one of which has just gone into production. The other project should go into production towards the end of the second quarter. In addition to low OBC utilisation during the first quarter, Seabed Geosolutions also faced difficult, in part weather-related, operational circumstances on two projects. Backlog has improved compared to the same quarter last year.

Sales of multi-client seismic data of EUR 23 million were mainly realised in Norway, relating to last year's 22nd licencing round. Sales in other regions were weak.

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Financial position

Fugro's financial position remains healthy with net debt over EBITDA of 1.6, comfortably below the threshold set by the company of below 2.

The risks of impairment, as identified in the 2013 Annual Report, are still applicable.

Outlook

Fugro's backlog supports achieving further growth. For the remaining 9 months of the year, the backlog stands at EUR 1,597 million compared to EUR 1,516 million at the end of March 2013, an increase of 5.4%, or 11.9% at constant exchange rates. Of this backlog, the proportion of definite orders is 74% and the proportion of projects that are highly likely to be awarded is 26%.

For the first half of 2014, Fugro expects high single digit revenue growth at constant exchange rates excluding multi-client sales. Barring unforeseen circumstances and any impairments, the EBIT margin will recover in the second quarter, but is still expected to be significantly lower over the first half of 2014 compared with the first half of 2013.

The outlook for the markets in which Fugro operates continues to support the mid-term outlook and related 2016 targets (of an average annual revenue growth of at least 10%, EBIT margin of at least 15% and return on capital employed of at least 14%) remain unchanged. These targets are based on the assumption of a reasonable growth of the upstream oil and gas business, stability in the oil price and the global economy and constant exchange rates. Currently, the growth in oil and gas investments is decelerating. At this point in time it is too early to determine if this will significantly impact Fugro in the mid-term; we will continue to closely monitor the development of the market.

Conference call

Fugro will host an analyst and investor conference call in relation to this trading update today at 12.30 CET. The dial-in numbers: +31 (0) 45 6316902 or +44 207 153 2027, access code 4681932. A replay service will be made available after the conference call: +31 (0) 45 799 0028 or +44 20 7959 6720, access code 4681932.

The AGM, which will be webcast on www.fugro.com, takes place today at 14:00 CET.

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Financial calendar

6 May 2014	Annual General Meeting in the Crown Plaza hotel in Den Haag (14.00 CET)
8 May 2014	Quotation ex-dividend
12 May 2014	Record date dividend entitlement (after trading hours)
13 – 28 May 2014	Dividend option period (cash or shares)
2 June 2014	Determination and publication (7.00 CET) of exchange ratio based upon the volume weighted average of the share on 28, 29 and 30 May
6 June 2014	Dividend payable
11 August 2014	Publication of the half-year results (7.00 CET)
12 November 2014	Trading update third quarter 2014 (7.00 CET)
27 February 2015	Publication of the 2014 annual results (7.00 CET)

For more information

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Cautionary Statement regarding Forward-Looking Statements

This announcement may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including (but not limited to) statements expressing or implying Fugro N.V.'s beliefs, expectations, intentions, forecasts, estimates or predictions (and the assumptions underlying them).

Forward-looking statements necessarily involve risks and uncertainties. The actual future results and situations may therefore differ materially from those expressed or implied in any forward-looking statements. Such differences may be caused by various factors (including, but not limited to, developments in the oil and gas industry and related markets, currency risks and unexpected operational setbacks).

Any forward-looking statements contained in this announcement are based on information currently available to Fugro N.V.'s management. Fugro N.V. assumes no obligation to in each case make a public announcement if there are changes in that information or if there are otherwise changes or developments in respect of the forward-looking statements in this announcement.

ABOUT FUGRO

Fugro creates value by acquiring and interpreting Earth and engineering data and providing associated consulting services to support clients with their design and construction of infrastructure and buildings. Fugro also supports clients with the installation, repair and maintenance of their subsea infrastructure.

Fugro works around the globe, predominantly in energy and infrastructure markets offshore and onshore employing approximately 12,500 employees in over sixty countries. In 2013 Fugro's revenue amounted to € 2.4 billion, it is listed on NYSE Euronext Amsterdam and is included in the AEX-index.