Half Year Report 2010

Royal
Boskalis Westminster nv

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This half year report contains forward-looking statements. These statements are based on current expectations, estimates and projections of Boskalis' management and information currently available to the company. These forecasts are not certain and contain elements of risk that are difficult to predict and therefore Boskalis does not guarantee that its expectations will be realized. Boskalis has no obligation to update the statements contained in this half year report.

Unless stated otherwise, all amounts in this half year report are in euros (€). Some of the projects referred to in this review were carried out in joint venture or in a subcontractor role.
This is an English translation of the Dutch half year report. In the event of any disparity between the Dutch original and this translation, the Dutch text will prevail.
This half year report as well as the Annual Report 2009 can be read or downloaded from our website www.boskalis.com.

Chairman's statement

"We have had a very strong first half year with a particularly good performance within the core dredging activities. Thanks to the well-filled and broadly spread order backlog we had at the start of the year, we had solid utilization rates for our vessels and realized fine margins on these projects.
Our earnings also reflect the contribution from the SMIT activities. Following the merger, we prepared the integration process. The outcome of this process is that we see substantial market and cost synergies for the coming years.
Based on the current order book, we are upbeat on the financial outlook for the rest of the year. However, in the current market we are seeing reluctance with clients causing a decline in the volume of work as well as further pricing pressure."

Peter Berdowski, CEO

Royal Boskalis Westminster N.V. realized a net profit of € 123.9 million in the first half of 2010, up from € 102.7 million in the first half of 2009. The profit contribution from Smit Internationale N.V. ("SMIT") excluding interest expenses on the acquisition finance but including other effects related to the transaction, was € 9.5 million.

Revenue increased to € 1,135 million. The merger with SMIT came into effect at the beginning of the second quarter and the revenue contribution of these activities was € 160 million. Excluding the consolidation effect of SMIT, revenue in the first half of the year was € 975 million (first half of 2009: € 989 million).

The performance of the core Dredging & Earthmoving activities was particularly strong. Boskalis benefited from its broad, well-filled order book in the first half of 2010. This resulted in solid equipment utilization levels and good margins. On balance the result of SMIT was lower than in the comparable period last year. For the Transport & Heavy Lift activities a weaker market for spot contracts mainly from the oil and gas industry led to a drop in the result. On the other hand, a gradual recovery of port freight volumes had a positive effect on the Harbour Towage result.

Order intake excluding SMIT was € 890 million in the first half of the year. Including the SMIT order book, the end-of-period order book amounted € 3.3 billion.

Market developments

The markets in which Boskalis is active with the following activities - dredging, maritime infrastructure and maritime services - are driven by factors such as growth in world trade, the global population, energy consumption and the effects of climate change.

While structural long-term growth factors remain positive, the short-term prospects for dredging and maritime infrastructure have become considerably less certain since the start of 2009 due to a drop in oil prices, uncertainty about demand for raw materials and a flagging recovery of the global economy. These market conditions have made clients critical and reluctant about taking on new projects. This is resulting in a decline in the volume of work in the market and is putting pressure on margins. A quick recovery in the broader market is not foreseen.

Demand for harbour towage and terminal services is developing favorably. Freight volumes are recovering after the slowdown in 2009 and new terminal contracts are emerging as new oil and gas fields are being taken into operation. Developments in the salvage market are difficult to predict due to the nature of the work. In Transport & Heavy Lift the focus is mainly on signs of upturn in the spot market. A convincing recovery of the global economy and high oil prices are key factors in this respect.

Operational and financial performance

Highlights first half year 2010
- Net profit € 123.9 million (1H 2009: € 102.7 million)
- Revenue € 1,135 million (1H 2009: € 989 million)
- SMIT activities contribute to first half year earnings
- High fleet utilization
- Order book at € 3.3 billion

Outlook for 2010
- Continued strong performance with 10-15% increase on 2009 net profit
- Healthy operating margins
- Good fleet utilization level

Royal Boskalis Westminster N.V.

In the first half of the year, Boskalis completed the acquisition of SMIT by way of a successful public offering. The results of SMIT have over the first quarter been accounted for as result of associated companies on a pro-rata basis. As of the second quarter, activities of the SMIT group companies are fully consolidated and joint ventures are accounted for on a proportionate basis.

Key figures
(in mln euros)

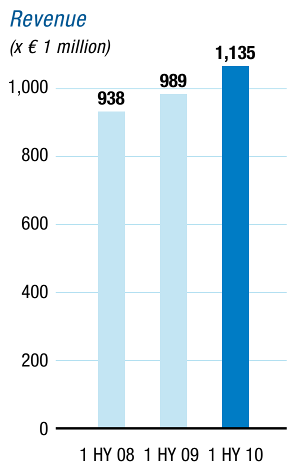
	1 HY 2010	1 HY 2009
Revenue	**1,135**	989
Operating result (EBIT)	**150.8**	120.2
Result from associates	**23.3**	12.5
Net profit	**123.9**	102.7
EBITDA	**238.7**	180.7
Earnings per share (in euros)	**1.25**	1.19

	End 1 HY	31-12-2009
Order book	**3,187**	2,875

Revenue

In the first half of the year revenue increased by 15% to € 1,135 million. The revenue contribution from SMIT was € 160 million; revenue excluding the SMIT consolidation effect was € 975 million (first half of 2009: € 989 million).

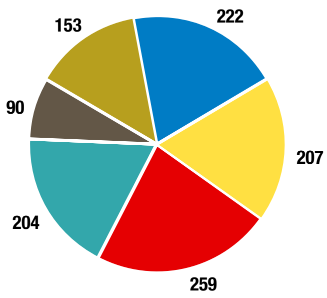
In the core Dredging & Earthmoving segment revenue in the home markets and international project market was fairly stable. In specialist niche services revenue growth was strong. The strong growth in Terminals is party explained by the inclusion of the activities of SMIT Terminals.



EBITDA

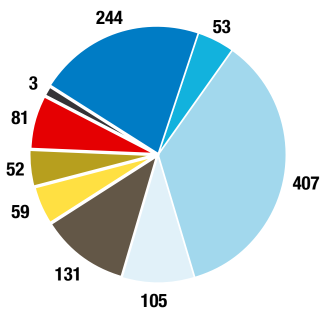
Group earnings before the result of associated companies, interest, tax, depreciation, amortization and impairments (EBITDA) increased by 32% to € 238.7 million (first half of 2009: € 180.7 million). The EBITDA contribution from the SMIT activities, excluding non-recurring acquisition costs, was € 45.0 million.

Revenue by geographical region
(in mln euros)



	1 HY 10	1 HY 09
The Netherlands	**222**	152
Rest of Europe	**207**	194
Australia / Asia	**259**	171
Middle East	**204**	329
Africa	**90**	74
North and South America	**153**	69
Total	**1,135**	989

Revenue by market
(in mln euros)



	1 HY 10	1 HY 09
Home markets Europe	**244**	253
Home markets non-Europe	**53**	46
International projects	**407**	428
Specialist niche services	**105**	88
Total Dredging & Earthmoving	**809**	815
Maritime Infrastructure	**131**	146
Terminals	**59**	28
Harbour Towage	**52**	-
Salvage, Transport & Heavy Lift	**81**	-
Unallocated Holding revenue	**3**	-
Total	**1,135**	989

Operating result (EBIT)

The operating result (EBIT) increased by 25% to € 150.8 million (first half of 2009: € 120.2 million). The EBIT contribution from the SMIT activities, excluding non-recurring acquisition costs, was € 17.9 million.

Segment results
(in mln euros)

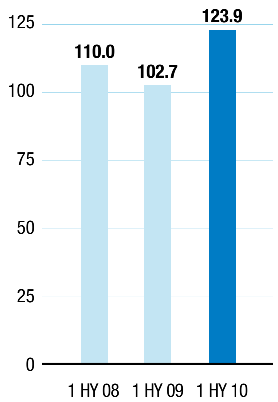
	1 HY 10	1 HY 09
Dredging & Earthmoving	**130.6**	103.9
Maritime Infrastructure	**16.7**	14.9
Terminals	**10.7**	5.4
Harbour Towage	**8.6**	-
Salvage, Transport & Heavy Lift	**7.1**	-
Non-allocated group costs	**-22.9**	-4.0
EBIT	**150.8**	120.2

Net profit

Net profit totaled € 123.9 million in the first half of the year (first half 2009: € 102.7 million). The net profit contribution from SMIT, excluding interest expenses on the acquisition finance but including all other effects related to the merger, was € 9.5 million. This contribution can be broken down into four components:

- a net profit contribution of € 17.7 million from the operational activities of SMIT. For the first quarter, SMIT's contribution is accounted for as result from associated companies. As of the second quarter, SMIT's activities have been fully consolidated;
- non-recurring cost of € 22.1 million incurred by both SMIT and Boskalis related to the acquisition of SMIT and associated acquisition financing;
- a non-cash gain of € 17.3 million consisting of the revaluation on the 29.98% stake held in SMIT prior to the offer being declared unconditional. This revaluation gain represents the difference between the valuation of the offer price and the book value. This gain is accounted for as income from associates; and
- on balance minus € 3.4 million as a result of the Purchase Price Allocation (PPA) accounted process. This amount is allocated to the respective SMIT activities to which the PPA applies.

Net profit
(x € 1 million)



Boskalis expects that future results from operational SMIT activities will not be impacted by material elements associated with the merger other than the recurring annual PPA-effect of approximately € 10 million pre tax.

Order book

Order intake excluding SMIT was € 890 million in the first half of the year and concerned projects spread around the world. Demand for oil and gas infrastructure continues to be an important factor for the order intake with LNG and gas pipeline projects awarded in Poland and northern Germany.

In addition, as a result of the acquisition, contracts held by SMIT have been valued and incorporated into the order book. The (revenue) value of these contracts at the end of the first half of the year was € 534 million.

On balance, at the end of the half of 2010 the order book stood at € 3,324 million (end-2009: € 2,875 million).

Order book by market *(in mln euros)*	**End 1HY**	31-Dec-09
Home markets in Europe	**739**	843
Home markets outside Europe	**55**	77
International projects	**917**	1,132
Specialist niche services	**268**	171
Total Dredging & Earthmoving	**1,979**	2,223
Maritime Infrastructure	**464**	363
Terminals	**690**	289
Harbour Towage	**-**	-
Salvage, Transport & Heavy Lift	**191**	-
Total	**3,324**	2,875

Dredging & Earthmoving

Construction and maintenance of ports and waterways, creation of land in water, coastal defense and riverbank protection, dry earthmoving, offshore services for the oil and gas industry, soil improvement techniques and underwater rock fragmentation

(in mln euros)	**1 HY 10**	1 HY 09	2009
Revenue	**809**	815	1,814
Operating result	**131**	104	217
Order book	**1,979**	2,214	2,223

Revenue

Revenue in the Dredging & Earthmoving segment totaled € 809 million (first half of 2009: € 815 million).

Home markets

Revenue in the home markets amounted to € 297 million (first half of 2009: € 299 million).

The Netherlands, Germany, United Kingdom, Nordic countries, Nigeria and Mexico were the home markets in which Boskalis operated in 2010.

Revenue in the European home markets was € 244 million (first half of 2009: € 253 million). Projects contributing to this revenue include Maasvlakte 2 and various coastal protection projects in the Netherlands as well as numerous port and waterway maintenance projects in the other home markets. Market conditions in the Nordic countries continue to be challenging with lower market demand and increased competition.

Revenue in the home markets outside Europe was € 53 million (first half of 2009: € 46 million). This growth is attributable to the first phase of the Cuyutlán project in Mexico. The volume of work in Nigeria was slightly lower, reflecting the ongoing reluctance of large oil and gas companies to engage in new investments.

International project market

Revenue from the international project market was € 407 million (first half of 2009: € 428 million). The geographical spread of the projects is shifting following the completion of several large projects in the Middle East and Africa to an increase in Australasia and the Americas. Overall, revenue continues to be well spread both geographically and across the market segments.

Specialist niche services

Revenue from specialist niche services totaled € 105 million (first half of 2009: € 88 million). Revenue was generated by projects in Europe, the Middle East, the Americas and other regions with a strong contribution from pipeline projects like Magellan, Nord Stream and Saffaniyah. The first half of the year saw the Fox River project in the United States enter its second season.

Fleet developments

Strong revenue was realized at healthy equipment utilization levels. In addition, the hopper fleet was expanded in March with the commissioning of Gateway (12,000m^3) followed in April by Shoalway (4,500m^3). In the first half year, the hopper fleet achieved an (annualized) utilization rate of 45 weeks, identical to the same period in 2009.

The utilization rate of the cutter fleet declined in the first half of the year as a result of maintenance to one of the large vessels. The average utilization rate was 28 weeks (34 weeks in the first half of 2009).

Segment result

The result (EBIT) of the Dredging & Earthmoving product segment totaled € 130.6 million (first half of 2009: € 103.9 million). The exceptionally strong margin is partly a result of a number of long running projects under execution and projects close to completion and the settlement of insurance claims.

Order book

In the first half of 2010 numerous small to medium-sized projects were acquired in the Dredging & Earthmoving segment. The following oil and gas projects were acquired: Nord Stream post-lay to protect sections of the twin gas pipeline running from Russia to northern Germany and construction of an LNG import facility in Swinoujscie, Poland. In the port segment, several port and waterway maintenance projects were awarded in the various home markets. In the coastal protection market segment, new projects were acquired in the Netherlands and Germany. The value of the order book at the end of the period was € 1,979 million (end 2009: 2,223 million).

Maritime Infrastructure

Maritime infrastructure-related facilities, including quay walls, jetties, breakwaters, water purification systems, sewer systems, dams and bridges. Industrial construction including power stations and desalination plants

(in mln euros)	**1 HY 10**	1 HY 09	2009
Revenue	**131**	146	301
Operating result	**16.7**	14.9	28.8
Order book	**464**	501	363

Revenue

Revenue from the Maritime Infrastructure product segment is realized through our strategic partner Archirodon. Revenue from Boskalis' 40% stake in Archirodon declined to € 131 million (first half of 2009: € 146 million). This decline was primarily caused by a delay in the startup of a couple of projects.

Segment result

The contribution of Archirodon to the operating result increased to € 16.7 million (first half of 2009: € 14.9 million).

Order book

The order book increased compared to the 2009 year-end level on the back of new assignments in the Middle East. The value of the order book was € 464 million at the end of the period (end 2009: € 363 million).

Terminals

Towage and mooring services, surface and subsurface maintenance and related maritime and management services to offshore and onshore oil and gas terminals

(in mln euros)	**1 HY 10***	1 HY 09	2009
Revenue	**58.9**	27.7	60.0
Operating result	**10.7**	5.4	12.9
Order book	**690**	271	289

** SMIT activities are included as of the second quarter*

Revenue

Boskalis is active in the Terminal Services segment through SMIT Terminals (consolidated as of the second quarter of 2010) and its 50% stake in strategic partner Lamnalco. In the first half year, Terminals revenue increased to € 58.9 million. Excluding the contribution from SMIT Terminals, revenue in the first half year was € 34.5 million (first half of 2009: € 27.7 million).

Segment result

The operating result increased to € 10.7 million. Excluding the contribution from SMIT Terminals, the result increased to € 7.3 million (first half of 2009: € 5.4 million).

Order book

The size of the order book increased significantly as a result of the inclusion of SMIT Terminals. As of the end of the first half of the year, the order book stood at € 690 million. Excluding the recently added order book of SMIT Terminals, the order book of Terminals (50% of Lamnalco) increased to € 348 million (end 2009: € 289 million).

Harbour Towage

Berthing & unberthing of seagoing vessels, assistance special objects and port services

(in mln euros)	1 HY 10*
Revenue	**51.7**
Operating result	**8.6**

** SMIT activities are included as of the second quarter*

Revenue

Boskalis is active in this segment through SMIT Harbour Towage (consolidated as of the second quarter of 2010). The Harbour Towage activities are picking up, benefiting from economic recovery with traffic volumes including container traffic increasing at the most important locations where SMIT operates (Rotterdam, Belgium, Panama and Canada). Recovery in the port of Antwerp is less pronounced due to a slower pick-up in volumes and increased local competition. The revenue in the first half of the year (second quarter only), including the proportionate consolidation of joint ventures, was € 51.7 million.

Segment result

The operating result was € 8.6 million. Both the Keppel SMIT (Singapore) joint venture and the Rebras (Brazil) joint venure had a good performance.

SMIT Rebras (Rebocadores do Brasil SA) is the Brazilian towage company in which Boskalis SMIT holds a 50 per cent stake. Boskalis SMIT has recently reached an agreement in principal to acquire the remaining 50 per cent of the shares, subject to the fulfillment of a number of conditions. Subject to satisfying these conditions, the transaction is expected to take place before the end of 2010.

Salvage, Transport & Heavy Lift

Salvage: wreck removal, environmental care and consultancy
Transport: chartering, barge rental, heavy transport and ocean, coastal and river towage
Heavy lift: lifting, maritime projects, marine support and subsea activities

(in mln euros)	1 HY 10*
Revenue	**80.8**
Operating result	**7.1**
Order book	**191**

** SMIT activities are included as of the second quarter*

Revenue

Boskalis is active in this segment through the respective activities of SMIT (consolidated as of the second quarter of 2010). Within Salvage, the second quarter was quiet due to relatively few emergency response requests. The estimated market share was, however, stable throughout the period.
An important share of the Transport activities has traditionally concerned spot contracts for the oil and gas industry. As a result of an investment decline by

oil and gas companies and reduced maintenance budgets, the volume of transportation work has been under pressure. The level of activity in the Netherlands and Belgium was particularly low whilst long-term contracts in Singapore and South Africa have supported the ongoing business.

The Heavy Lift business has also been impacted by the decline in activity in the offshore market. Less Subsea work in Europe and Africa resulted in a low utilization of equipment and personnel.

Segment result

The operating result for the period, including the proportionate consolidation of joint ventures, was € 7.1 million.

Order book

The order book for this segment was € 191.2 million. Approximately half of the order book relates to Transport contracts.

Holding

Unallocated head office activities

(in mln euros)	**1 HY 10**	1 HY 09	2009
Revenue	**3.1**	-	-
Operating result	**-22.9**	-4.0	-9.0

Segment result

The operating result for the period includes customarily unallocated Boskalis and SMIT head office costs. In addition, € 16.3 million non-recurring expenses related to the acquisition of SMIT have also been incorporated. Further sizable merger-related costs are not expected in the second half of 2010 or thereafter.

Other

Depreciation, amortization and impairments amounted to € 87.9 million (first half 2009: € 60.5 million). This increase relative to the first half year 2009 is fully attributable to the consolidation of SMIT.

The result from associated companies was € 23.3 million (first half year 2009: € 12.5 million) and was primarily comprised of income from the 27.98% average stake held in SMIT Internationale N.V. for the first quarter 2010 and an exceptional gain of € 17.3 million. This was of a non-cash revaluation gain on the stake acquired in SMIT directly prior to the offer being declared unconditional. This revaluation gain represents the difference between the valuation of the offer price and the book value.

The tax burden amounted to € 31.7 million (first half year 2009: € 26.2 million). Compared to last year, the effective tax rate in the first half year was stable at 20.3%.

Capital expenditure and balance sheet

A total amount of € 161 million was invested in the first half of 2010. Major investments included the construction of two 12,000 m^3 hoppers (Gateway and Willem van Oranje), a 4,500 m^3 hopper (Shoalway), the new backhoe (Baldur) and a new fall-pipe vessel. The Gateway, Shoalway and Baldur were taken into service in the course of the reporting period. In addition, modifications were made to the Taurus cutter and various investments took place within Terminal Services, Harbour Towage and Salvage, Transport & Heavy Lift. Compared to the end of 2009, capital expenditure commitments fell sharply from € 182 million at December 31, 2009 to € 160 million at the end of the first half of the year.

In line with the higher earnings and increased depreciation charges, the cash flow increased to € 212.7 million (first half of 2009: € 163.8 million).

The cash position was € 354 million at the end of the half year. Of the total cash position, € 152 million was freely available and € 202 million was tied up in associated companies and projects being executed together with third parties.

From the merger with SMIT, IFRS requires that a Purchase Price Allocation (PPA) be carried out. As part of this process, property, plant & equipment and intangible assets such as contracts, the SMIT brand and client relations and all liabilities were valued at fair market value. As part of this process, goodwill and intangible assets on the balance sheet of SMIT were written down to zero and incorporated in the new PPA calculation. The difference between the fair value (€ 672 million) and the purchase price (€ 1.1 billion based on 100% of the shares and the offer price of € 60 per share) represents the goodwill (€ 430 million) that is included on the balance sheet.

Shortly after the end of the first half of the year, Boskalis successfully completed a USD 450 million US Private Placement consisting of three tranches with maturities of 7, 10 and 12 years. The US dollar and Sterling proceeds have been swapped into euro's, for a total amount of € 354 million. Boskalis used the proceeds, together with available cash, to repay the existing bridge facility in full.

The company's solvency ratio was 33.3% at the end of the first half of 2010.

Key risks and uncertainties

The 2009 Annual Report of Royal Boskalis Westminster N.V. provides an account of Boskalis' risk management and describes the five main risk categories: strategic & market risks, operational risks, financial risks, internal risk management and control systems and risks related to financial reporting. More information can be found on pages 57-61 of the 2009 Annual Report.

In addition, the 2009 annual report of Smit Internationale N.V. provides an account of the principal risks of the SMIT activities categorized into: operational risks, financial risks, internal risk and other risk and control measures. More information can be found on pages 35-40 of the 2009 Annual Report.

The main risks, as described in these Annual Reports, also apply to the current year. In the second half of 2010 the extent to which new projects are granted and the accompanying commercial conditions will largely be determined by market and competition risks.

Other developments

SMIT Integration

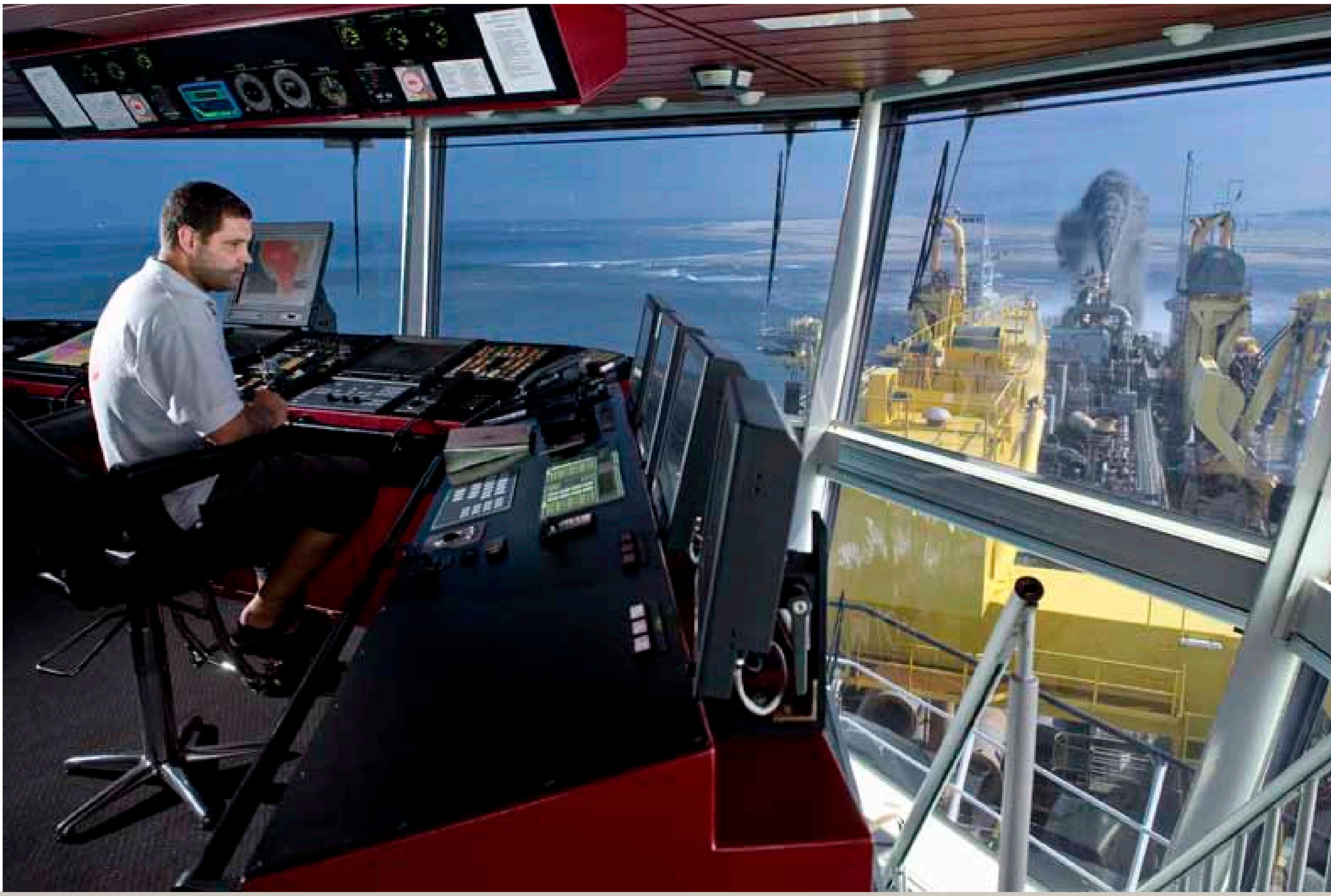
Following the merger with SMIT a joint integration team was formed. Ten specific areas were identified for developing joint business opportunities, sharing best practices and integrating selected activities and functions. The jointly staffed integration teams made a lot of progress in the past few months. Based on current information, it is estimated that synergies resulting from the SMIT merger will amount to € 15-20 million per annum pre tax which will gradually be realized starting in 2011 over a two to three year period.

Management Board and Supervisory Board

As a result of the SMIT merger, Mr. Ben Vree was appointed as a member of the Management Board and Mr. Herman Hazewinkel was appointed as a member of the Supervisory Board of Royal Boskalis Westminster. It was recently announced that that Mr. Ben Vree will, after having completed the SMIT - Boskalis integration process, step down and leave the company on 1 January 2011.

Financial Calendar

18 November (08.00 CET)	Trading update



Outlook

Barring unforeseen circumstances the Board of Management expects reported full-year net profit for 2010 to be 10-15% higher than reported net profit in 2009. The synergies resulting from the SMIT merger are estimated at € 15-20 million per annum pre tax and will gradually be realized starting in 2011 over a two to three year period.

A total level of investment of € 325-350 million is expected in 2010. Boskalis SMIT has reached an agreement in principal to increase its stake in the Harbour Towage joint venture Rebras, Brazil, from 50 per cent to 100 per cent by the end of 2010. A number of conditions still need to be satisfied before a final agreement is reached.

Consolidated Interim Financial Statements First Half 2010

Condensed consolidated income statement

(in mln euros)	**1st half year 2010**	1st half year 2009
Operating income		
Revenue	**1,134.5**	988.9
Other income	**12.0**	0.7
	1,146.5	989.6
Operating expenses		
Raw materials, consumables, services and personnel expenses	**- 907.8**	- 808.9
Depreciation, amortization and impairment losses	**- 87.9**	- 60.5
	- 995.7	- 869.4
Operating result	**150.8**	120.2
Finance income and expenses	**- 17.6**	-3.2
Share in result of associated companies	**23.3**	12.5
	5.7	9.3
Profit before taxation	**156.5**	129.5
Taxation	**- 31.7**	- 26.2
Net group profit for the reporting period	**124.8**	103.3
Net group profit attributable to		
Shareholders	**123.9**	102.7
Minority interests	**0.9**	0.6
	124.8	103.3
Earnings per share (in euros)	**1.25**	1.19
Diluted earnings per share (in euros)	**1.25**	1.19
Average number of shares outstanding (x 1,000)	**99,207**	86,244
Average number of shares outstanding at end of reporting period (x 1,000)	**100,974**	89,632
EBITDA	**238.7**	180.7

Condensed consolidated statement of realized and unrealized income and expenses

(in mln euros)	**1st half year 2010**	1st half year 2009
Net group profit	**124.8**	103.3
Unrecognized income and expenses for the period		
Currency translation differences on foreign operations, after taxation	**51.0**	2.6
Movement in fair value of cash flow hedges, after taxation	**- 44.9**	1.9
Unrecognized income and expenses for the period, after taxation	**6.1**	4.5
Total recognized and unrecognized income and expenses for the period	**130.9**	107.8
Attributable to:		
Shareholders	**127.5**	106.4
Minority interests	**3.4**	1.4
Total recognized and unrecognized income and expenses for the period	**130.9**	107.8

Condensed consolidated balance sheet

(in mln euros)	**End 1st half year 2010**	31 December 2009
Non-current assets		
Intangible assets	**569.7**	13.6
Property, plant and equipment	**2,195.8**	1,059.8
Other non-current assets	**64.2**	311.8
	2,829.7	1,385.2
Current assets		
Inventories and receivables	**1,055.3**	823.6
Cash and cash equivalents	**353.5**	594.8
	1,408.8	1,418.4
Total assets	**4,238.5**	2,803.6
Group equity		
Shareholders' equity	**1,379.1**	1,295.8
Minority interests	**33.7**	9.1
	1,412.8	1,304.9
Non-current liabilities		
Interest-bearing borrowings	**349.7**	57.4
Provisions	**32.2**	6.4
Other liabilities and borrowings	**152.7**	50.0
	534.6	113.8
Current liabilities		
Interest-bearing borrowings	**686.2**	24.0
Provisions	**22.8**	1.8
Other liabilities and borrowings	**1,582.1**	1,359.1
	2,291.1	1,384.9
Total group equity and liabilities	**4,238.5**	2,803.6
Solvency	**33.3%**	46.5%

Condensed consolidated statement of cash flows

(in mln euros)	**1st half year 2010**	1st half year 2009
Cash flows from operating activities		
Net group profit	**124.8**	103.3
Depreciation, amortization and impairment losses	**87.9**	60.5
Cash flow	**212.7**	163.8
Adjustments for:		
Finance income and expenses, results from disposals, results from associated companies	**22.7**	16.3
Movement other financial fixed assets	**- 4.7**	2.1
Movement non-current liabilities	**2.9**	- 0.4
Movement in working capital (incl. inventories, excl. taxation and interest)	**1.1**	23.0
Cash generated from operating activities	**234.7**	204.8
Dividends received	**15.7**	0.8
Interest paid and received	**- 16.8**	- 3.2
Income taxes paid	**- 43.6**	- 37.7
Net cash from operating activities	**190.0**	164.7
Cash flows from investment activities		
Net investments in intangible assets and property, plant and equipment	**- 155.7**	- 142.8
Net investments in group companies, net of cash acquired	**- 675.1**	-
Net investments in associated companies	**- 56.0**	- 13.6
Net cash used in investment activities	**- 886.8**	- 156.4
Cash flows from financing activities		
Proceeds from loans	**1,114.2**	55.7
Repayment of loans	**- 605.1**	- 59.0
Dividends paid	**- 44.2**	- 36.0
Net cash from/used in financing activities	**464.9**	- 39.3
Net increase (decrease) in cash, cash equivalents and bank overdrafts	**- 231.9**	- 31.0
Net cash, cash equivalents and bank overdrafts as at 1 January	**593.5**	402.1
Movement in cash and cash equivalents	**- 231.9**	- 31.0
Currency translation differences	**- 15.6**	0.1
Net cash, cash equivalents and bank overdrafts as at the end of the reporting period	**346.0**	371.2

Condensed consolidated statement of movements in equity

(in mln euros)	1st half year 2010 Share-holders' equity	1st half year 2010 Minority interests	1st half year 2010 Group equity	1st half year 2009 Share-holders' equity	1st half year 2009 Minority interests	1st half year 2009 Group equity
Balance as at 1 January	**1,295.8**	**9.1**	**1,304.9**	860.1	7.6	867.7
Total recognized and unrecognized income and expenses for the period						
Profit for the period	**123.9**	**0.9**	**124.8**	102.7	0.6	103.3
Unrecognized income and expenses	**3.5**	**2.6**	**6.1**	3.7	0.8	4.5
Total recognized and unrecognized income and expenses for the period	**127.4**	**3.5**	**130.9**	106.4	1.4	107.8
Transactions with shareholders, directly recognized in equity						
Distributions to shareholders						
Cash dividend	**-44.1**	**- 0.1**	**- 44.2**	- 36.0	-	- 36.0
Changes in interests in Group companies						
New in consolidation	**-**	**0.7**	**0.7**	-	-	-
Minority interest SMIT	**-**	**20.6**	**20.6**	-	-	-
Total transactions with shareholders	**- 44.1**	**21.2**	**- 22.9**	- 36.0	-	- 36.0
Balance as at end 1st half year	**1,379.1**	**33.7**	**1,412.8**	930.5	9.0	939.5

Explanatory notes to the condensed consolidated interim financial statements

1. General

Royal Boskalis Westminster N.V. is a leading global services provider in the dredging, maritime infrastructure and maritime services sectors. Royal Boskalis Westminster N.V. (the ”Company”) has its statutory residence in Sliedrecht, the Netherlands, and its head office in Papendrecht, the Netherlands. The condensed consolidated financial statements of Royal Boskalis Westminster N.V. for the first half year of 2010 comprise the Company, its group companies and its stakes in associated companies and joint ventures (together referred to as the ”Group”).

The Group’s 2009 consolidated financial statements are available at www.boskalis.com.

2. Statement of compliance

The condensed consolidated interim financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 ‘Interim Financial Reporting’. These interim financial statements do not include all the information required for full financial statements and are to be read in combination with the audited 2009 consolidated financial statements of the Group.

The consolidated interim financial statements were prepared by the Board of Management and cleared for publication on 19 August 2010.

3. Accounting principles applied for the preparation of the interim financial statements

The accounting principles applied to the valuation of assets and liabilities and the determination of results are the same as the valuation principles applied to the 2009 consolidated financial statements.

Unless stated otherwise, all amounts are reported in euros.

4. Estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting principles and the reported value of assets and liabilities, and income and expense. Actual results may differ from these estimates. Judgments made by management in applying the Group’s accounting principles and the key sources for making estimates were the same as the judgments and sources applied when preparing the 2009 consolidated financial statements, with the exception of:

- *Taxation*
  Tax on profits is reserved in the condensed consolidated interim financial statements based on the rates that would apply to expected pre-tax profit.
- *Impairment loss on goodwill and other intangible assets*
  The Group makes an annual judgment of impairment losses on goodwill and other intangible assets with an infinite useful life in the fourth quarter.
- *Business combination*
  A purchase price allocation was performed with respect to the business combination realized in the first half of 2010. For this purpose all identified assets and liabilities were recognized at estimated fair value.

5. Change in consolidated base

In the first half of 2010 the composition of the consolidated Group changed due to the increased stake in SMIT Internationale N.V. (hereinafter referred to as “SMIT”) from 26.76% at the end of 2009 to 98.10% at the end of the first half of 2010. At the start of the second quarter of 2010 the Group acquired control over SMIT and from then on SMIT was reported accordingly within the consolidated Group. A minority stake is recognized on the balance sheet for the stake in SMIT not yet owned by the Group.

6. Business combination

The Group gained control of SMIT with effect from 1 April 2010 after acquiring nearly all outstanding SMIT shares and voting rights. This involved an increase in the stake in SMIT from 26.76% at the start of 2010 to 98.10% at the end of first half of 2010.

SMIT is a global provider of services to the maritime sector. Its main client groups are active in shipping, oil and gas production, (offshore) construction, the insurance sector and shipyards. The business combination creates a world-class maritime services provider that offers a platform for further growth.

By acquiring control over SMIT, the Group is able to accelerate the realization of its corporate strategy. The Group also expects synergy effects to result in cost savings.

Management expects the Group's potential to be strengthened further through economies of scale, the use of best practices, the optimization of the regional branch office network and joint purchasing opportunities.

In the second quarter of 2010 SMIT contributed € 160.5 mln to Group revenue and € 10.5 mln to the net group profit. This does not include costs related to the acquisition and the result arising from the fair value revaluation of the Group's existing stake in SMIT at the date of acquisition. Management believes that if the acquisition had taken place at the start of 2010, revenue for the reporting period would have totaled € 1,283 mln and consolidated net group profit would have been € 132 mln. In determining these amounts Management assumed the same fair-value adjustments as at the date of acquisition.

The following main categories of considerations paid and amounts of acquired assets and liabilities were recognized at the date of acquisition.

Considerations paid

After previously building up stakes SMIT in 2008 and 2009, Boskalis acquired SMIT through stock market purchases and a public offer for all remaining SMIT shares. In 2010 a total amount of € 788.1 mln was involved in these purchases plus associated costs, of which € 56.0 mln up to the moment that control over SMIT was acquired.

Identifiable assets and liabilities acquired
(in mln euros)

Intangible assets	128.1
Property, plant and equipment	998.6
Financial fixed assets	36.3
Inventories	18.4
Trade and other receivables	206.9
Cash, cash equivalents and bank overdrafts	56.9
Loans and other financial obligations	- 417.7
Provisions	- 43.7
Employee benefits	- 4.0
Deferred tax liabilities	- 86.5
Trade and other payables	- 220.1
Minority interests	- 0.7
Balance of identifiable assets	672.6

In view of the short period of time between the date of acquisition and the reporting date, certain fair values were determined on a provisional basis when assessing the value of (all categories of) identifiable assets and liabilities acquired. Review in the 12 months following the date of acquisition may lead to an adjustment of the fair value applied and the goodwill referred to below.

Trade accounts and other receivables consist of a gross amount of contractual obligations of € 222.5 mln, of which an amount of € 15.6 mln was deemed irrecoverable at the date of acquisition.

Goodwill

Goodwill arising from the acquisition:

(in mln euros)	
Total considerations paid	732.1
Fair value of existing stake in SMIT	349.6
Minority interest	20.6
Minus: balance of identifiable assets	- 672.6
Goodwill	429.6

The value of the minority interest is based on the fair value of the SMIT share at the date of acquisition, i.e. € 60.00 plus acquisition costs.

Revaluation to fair value of the Group's existing stake in SMIT resulted in a recognized gain of € 17.3 mln which is included in the item Share in result of associated companies. This item is included in 'Holding & eliminations' in the table 'Information on operational segments and reconciliation to Group results' in paragraph 7.

Goodwill recognized as a result of the acquisition is mainly related to the expertise and technical skills of SMIT's employees and the synergies which are expected to ensue from the integration of the company into the Group's existing activities. The goodwill recognized is not expected to be tax deductible.

Transactions related to the acquisition

The Group incurred acquisition-related expenses of € 13.1 mln in connection with the costs of external advisors, due diligence and fees paid to the institutions involved. These costs are recognized in the condensed income statement in the item Raw materials, consumables and services. This item is included in 'Holding & eliminations' in the table 'Information on operational segments and reconciliation to Group results' in paragraph 7.

7. Operational segments

Following the acquisition of SMIT in the first half of 2010 the Group recognizes five operational segments which, as described below, constitute the strategic business units of the Group. These strategic business units offer different products and services and are managed separately because they require different strategies. Each of the strategic business units is reviewed by the Board of Management based on internal management reporting at least once every quarter. The following is a brief summary of the activities of the operational segments:

- *Dredging & Earthmoving*
  The main operational segment is Dredging & Earthmoving, which also includes port development, pipeline intervention activities, land reclamation, and coastal and riverbank protection. This segment is active around the world and can be divided into home markets (inside and outside Europe), international projects and specialist niche services.
- *Maritime Infrastructure*
  The second operational segment is Maritime Infrastructure. Royal Boskalis Westminster N.V. is involved in this segment through its strategic partnership with Archirodon, a leading contractor in this sector.
- *Terminals*
  The third operational segment in which Royal Boskalis Westminster N.V. operates, also through a strategic partnership, is Terminals. The strategic partnership is with Lamnalco, one of the world's leading suppliers of maritime and terminal services to the oil and gas industry. The terminal services acquired from SMIT are a key strategic addition to the existing activities in this segment.
- *Harbour Towage*
  The fourth operational segment in which Royal Boskalis Westminster N.V. operates is Harbour Towage. The activities concern assisting incoming and departing seagoing vessels and other vessels including large container ships, roll-on roll-off ships, tankers carrying oil or chemicals, other bulk carriers and cargo ships, as well as offshore oil and gas drilling platforms.
- *Salvage, Transport & Heavy Lift*
  This segment provides transport services with an array of different seaworthy transport

vessels, some of which are self-propelled. With its specialist technical know-how, Heavy Lift carries out specialist activities around the world using floating sheerlegs. Marine project operations are included in this segment (including various types of transport, hoisting and installation activities carried out offshore) and subsea (underwater activities with divers and remote control equipment). Finally, this segment also includes the salvage activities, consisting of providing wreck removal and emergency response services.

The operational segments are monitored based on the segment result before interest and tax. The segment result is used to measure the financial performance of the operational segments, both between segments and compared to other companies in the same industry. Any inter-operational segment services take place at arm's length basis. In the reporting period there were no material inter-operational segment services.

Information on operational segments and reconciliation to Group results

	Dredging & Earthmoving	Maritime Infrastructure	Terminals	Harbour Towage	Salvage, Transport & Heavy Lift	Holding & Eliminations	Group
(in mln euros)							
1st half year 2010							
Revenue	**809.1**	**130.9**	**58.9**	**51.7**	**80.8**	**3.1**	**1,134.5**
Segment result	**130.6**	**16.7**	**10.7**	**8.6**	**7.1**	**- 22.9**	**150.8**
Operating result							**150.8**
Result from associated companies	**3.2**	**-**	**0.1**	**- 0.0**	**0.2**	**20.8**	**23.3**
Non-allocated finance income and expenses							**- 17.6**
Non-allocated taxation							**- 31.7**
Net group profit							**124.8**
Investments in property, plant and equipment	**110.0**	**2.9**	**21.8**	**17.3**	**9.2**	**-**	**161.1**
Depreciation and impairment losses	**46.8**	**9.4**	**9.0**	**9.7**	**10.4**	**0.3**	**85.6**
1st half year 2009							
Revenue	815.7	145.5	27.7	-	-	-	988.9
Segment result	103.9	14.9	5.4	-	-	- 4.0	120.2
Operating result							120.2
Result from associated companies	- 0.2	-	- 0.5	-	-	13.2	12.5
Non-allocated finance income and expenses							- 3.2
Non-allocated taxation							- 26.2
Net group profit							103.3
Investments in property, plant and equipment	124.4	8.0	13.1	-	-	-	145.5
Depreciation and impairment losses	48.5	8.8	3.2	-	-	-	60.5

In 2010 there were no changes to the method of determining profit or loss for the segments, other than the aforementioned recognition of operational segments.

As a result of the business combination, the assets that particularly increased were those of the segments Terminal Services (+€ 0.4 billion), Harbour Towage (+€ 0.8 billion) and Salvage, Transport & Heavy Lift (+€ 0.8 billion). The assets of holding and eliminations declined by € 0.1 billion due to the effect of taking into consolidation of SMIT.

A large part of the group's projects that have been executed or are currently in progress are undertaken directly or indirectly with public sector authorities in various countries and geographical areas. Because of the spread of the contracts none of these clients qualifies as a material client in relation to total Group revenue.

8. Seasonal operations

The Group's operations are mainly project-based and therefore influenced by the timing of commencement and completion of these projects. Projects are executed all over the world. There is no clear seasonal influence on operations.

9. Intangible assets

The following movements in intangible assets took place in the reporting period (in mln euros):

	Goodwill	Other	Total
Book value as at 1 January 2010	13.6	-	13.6
New in consolidation	429.6	128.1	557.7
Amortization	-	- 2.3	- 2.3
Currency translation differences and other movements	-	0.6	0.6
Book value as at the end of first half 2010	443.2	126.4	569.7

Other intangible assets mainly include brand names, concessions and client bases that have been identified and recognized at fair value in the context of the corporate entity. Brand names that have been capitalized are not amortized.

10. Property, plant and equipment

The following movements in property, plant and equipment took place in the reporting period (in mln euros):

Book value as at 1 January 2010	1,059.8
Investments	161.1
New in consolidation	998.6
Divestments	- 2.2
Depreciation and impairment losses	- 85.6
Currency translation differences and other movements	64.1
Book value as at the end of first half 2010	2,195.8

11. Provisions

The following movements in provisions took place in the reporting period (in mln euros):

Book value as at 1 January 2010	8.1
Provisions made	43.7
New in consolidation	4.1
Provisions used	- 1.6
Discount to present value	0.7
Book value as at the end of first half 2010	55.0
Non-current	32.2
Current	22.8
Book value as at the end of first half 2010	55.0

12. Interest-bearing borrowings

Interest-bearing borrowings are as follows (in mln euros):

	end first half 2010	31 december 2009
Non current interest-bearing borrowings		
Mortgage loans	**126,0**	4,5
Other bank loans	**223,7**	52,9
	349,7	57,4
Current interest-bearing borrowings		
Mortgage loans	**21,0**	1,3
Bridge loan	**400,0**	-
Other bank loans	**257,7**	21,4
Bank overdrafts	**7,5**	1,3
	686,2	24,0

The applicable ratios and negative pledge clause requirements were met at the end of the first half of 2010.

13. Related parties

Identity of related parties

The parties related to the Group are Group companies, joint ventures, associated companies, pension funds that are classified as funded defined benefit pension schemes in accordance with IAS 19, and the members of the Supervisory Board and Board of Management. There were no significant changes to the companies and people related to the Group other than the following:

- Mr. B. Vree was appointed as a member of the Board of Management with effect from 1 April 2010;
- Mr. H.J. Hazewinkel was appointed as a member of the Supervisory Board with effect from 1 April 2010
- The pension funds handling the pension schemes for SMIT, in so far as these pension funds can be classified as funded defined benefit pension schemes in accordance with IAS 19.

Transactions with Group companies

Transactions with Group companies are eliminated in the consolidation.

Transactions with joint ventures

Transactions with joint ventures take place at arm's length basis. At the end of the first half of 2010 the joint Group companies had amounts receivable from and payable to joint ventures amounting to € 118 mln and € 288 mln, respectively (year-end 2009: € 130 mln and € 302 mln, respectively).

Transactions with other related parties

There were no material transactions with associated companies, pension funds and members of the Supervisory Board and Board of Management.

14. Taxation

In respect of the profit realized in the first half of 2010 an amount of € 31.7 mln is recognized as income taxation (first half of 2009: € 26.2 mln).

The applicable tax rate in the Netherlands is 25.5%. The effective tax rate for the first half of 2010 was 20.3% (first half of 2009: 20.2%).

15. Dividend payments to shareholders of Royal Boskalis Westminster N.V.

In the first half of 2010 a dividend of € 1.19 per share was distributed with regard to the 2009 financial year. In the first half of 2010 a total dividend of € 117.4 mln was distributed with regard to the 2009 financial year.

Nearly two thirds (62.4%) of shareholders opted for a stock dividend in the form of ordinary shares. In view of this 2,322,974 new Royal Boskalis Westminster N.V. shares were issued and the number of outstanding shares was 100,974,263 at the end of the first half of 2010.

The remaining shareholders (37.6%) opted for a cash dividend. An amount of € 44.1 mln was distributed and the associated tax on the dividend was paid in June 2010.

16. Commitments and contingent liabilities

The total of outstanding guarantees, mainly relating to projects in progress, was € 899 million at the end of the first half 2010 (year-end 2009: € 818 million). Investment commitments decreased by € 22 million to € 160 million (year-end 2009: € 182 million). As at the end of the first half 2010 the operational lease obligations were € 60 million (year-end 2009: € 18 million). Compared to year-end 2009 there were no material changes to the other commitments, and contingent liabilities were not recognized on the balance sheet.

17. Subsequent events

On 23 July 2010 Royal Boskalis Westminster N.V. successfully closed an inaugural USD 450 million US Private Placement Notes program with 26 institutional investors in the United States and the United Kingdom. The program, which was significantly oversubscribed, consists of three tranches with maturities of 7, 10 and 12 years and was issued in both US dollars and Pound sterling. The US dollar and Pound sterling proceeds were swapped into euros, for a total amount of € 354 million. The weighted average annual interest rate is 4.76%.

The proceeds of the private placement, together with available cash, are being used to fully repay the existing bridge facility of € 400 million, which served to partly finance the acquisition of SMIT.

18. Auditor's review

The consolidated interim financial statements have not been audited.

19. Board of Management Declaration

The Board of Management of Royal Boskalis Westminster N.V. hereby declares that, to the best of its knowledge, the consolidated interim financial statements for the first half of 2009 as prepared in accordance with IAS 34 'Interim Financial Reporting' give a true and fair view of the assets, liabilities, financial position and the profit or loss of Royal Boskalis Westminster N.V. and its consolidated companies included in the consolidation as a whole, and that the half year report gives a fair view of the information required pursuant to section 5:25d subsections 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Papendrecht / Sliedrecht, the Netherlands,
19 August 2010

Board of Management
Dr. P.A.M. Berdowski, CEO
T.L. Baartmans
J.H. Kamps, CFO
B. Vree

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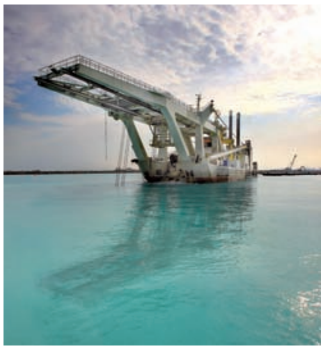

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