HALF-YEAR REPORT

Leidschendam, the Netherlands, 6 August 2015

Fugro HY 2015: Improved results under continued challenging market circumstances

Increased margin pressure expected in second half year

- Year-on-year revenue growth of 4.3%; decline of 7.3% on a currency comparable basis.
- EBIT margin (excluding exceptional items) increased to 5.7% from 2.1% in the same period last year, mainly driven by the strong improvement at Seabed Geosolutions and somewhat higher margin at Survey and offshore Geotechnical.
- Divestment of the non-core multi-client data library completed with net proceeds of EUR 101.9 million.
- Cash flow from operating activities after investments of EUR 121.8 million, driven by the proceeds from the sale of the multi-client data library, improved working capital and lower investment levels.
- Balance sheet strengthened; net debt to EBITDA improved to 2.0 compared to covenant requirement of below 3.0.
- In line with market developments, backlog for the next 12 months is down by 23.9% on a currency comparable basis compared to a year ago and by 4.4% compared to the end of the first quarter of this year.
- Fugro expects to realise a lower EBIT in the second half of 2015, compared to the second half of 2014 (excluding exceptional items), mainly related to Subsea Services, which is confronted with a significant decline in backlog in combination with high operational leverage.

Key figures (x EUR million)	**HY 2015**	**HY 2014**
Revenue	1,237.7	1,186.9
currency comparable growth	*(7.3%)*	*6.2%*
EBITDA[1] excluding exceptional items [2]	197.7	147.1
EBIT excluding exceptional items[2]	70.4	24.9
EBIT margin excluding exceptional items (%)[2]	5.7%	2.1%
Net result	(9.9)	(270.6)
Backlog next 12 months	1,506.8	1,775.0
currency comparable growth	*(23.9%)*	*9.9%*
Cash flow from operating activities after investments	121.8	(88.7)
Net debt/ EBITDA[3]	2.0	2.3

The information in this report is unaudited

1 EBITDA is EBIT before depreciation, amortisation (including amortisation on multi-client library) and impairments related to goodwill, other intangible assets, property, plant and equipment
2 Impairments, onerous contract charges, restructuring costs and write-off receivables of EUR 26.0 million in HY2015 compared to EUR 346.6 million in HY2014
3 Refer to Annual report 2014 for definition EBITDA for covenant purposes and page 22 of this half-year report

Paul van Riel, CEO: *"We have made good progress with the implementation of our 2015 management agenda: focus on profitability, cash flow and strengthening of the balance sheet. We are pleased with the completion of the divestment of the multi-client library. The other planned portfolio changes are ongoing and are taking more time under the current market circumstances. The further deterioration of the oil and gas market has resulted in reductions of our customers' project budgets, causing revenue decline and margin pressure for oil services companies such as Fugro. We do not expect the market to recover in the foreseeable future. We are managing through this downturn by proactively reducing costs and implementing performance improvement measures. This has resulted in an improved margin, in particular in Seabed Geosolutions and also in Survey and offshore Geotechnical.*

We have won several important new contracts. This includes the site investigation work on one of Europe's largest infrastructure projects: the Fehmarnbelt Link tunnel between Denmark and Germany, where the client requires independent advice for the design and execution of this important construction project.

We continue to align the organisation to market circumstances. This is supporting us in getting through the downturn and in positioning the company well to benefit from recovery in the oil and gas market when the supply demand balance is restored."

Operational review

The general downturn in the oil and gas market has resulted in pressure on work volume and pricing for oil services companies. This has negatively impacted revenue, except for Seabed Geosolutions. At Seabed Geosolutions, revenue increased strongly. The lower volumes in oil and gas were partly offset by a higher workload in other market sectors.

To counter the downturn in the oil and gas market and to protect margin, a series of measures were announced and implementation is on track. The year-on-year margin improvement was driven by the turnaround at Seabed Geosolutions, due to a higher level of activity, good execution and lower costs as the result of the restructuring efforts. The Survey and offshore Geotechnical margins were slightly higher. At Subsea Services, the steep revenue decline, in combination with high operating leverage, has resulted in a loss despite the positive impact of the cost reduction and performance improvement measures.

Notwithstanding the positive EBIT development, the higher interest expenses and relatively high income tax expenses, have resulted in a small net loss.

Cost reduction measures and performance improvement

The cost reduction and performance improvement measures, which were stepped up in the course of the first half year, are on track. Highlights are:

- The headcount reduction program is on schedule, with a gross reduction of 755 employees in targeted areas (compared to the end of 2014) partially offset by hires in specific growth areas, such as the Middle East, resulting in a net reduction of 616.
- The vessel fleet reduction is progressing in line with plan. The geotechnical fleet has been reduced by one vessel and will be further reduced at limited costs to seven by year-end. Before year-end, the survey fleet capacity will be further reduced by 10-15% compared to December 2014. In the first half of the year the Subsea Services division successfully terminated 1 long-term charter early, with another reduction of 1 charter anticipated before year-end.
- Capital expenditure was curtailed to EUR 87.6 million from EUR 134.2 million in the comparable period last year, in line with the 2015 target of just below the mid-term range of EUR 175 – 225 million.
- The working capital reduction initiative launched last year resulted in a reduction in days revenue outstanding to 99 days from 108 in the same period last year and 103 days at the end of 2014.
- The turnaround at Seabed Geosolutions is progressing ahead of plan.

As the market has become more challenging in the second quarter, additional measures are being implemented:

- Further headcount reduction of 200 employees in the coming half year, in particular in the Subsea Services and Geotechnical divisions.
- An expedited transition of the remaining 30% of Fugro's vessels to central fleet management will result in additional cost savings and operational performance improvements from standardisation, cost efficient crewing and central procurement.

Operational review per division

Geotechnical division

Key figures (amounts x EUR million)	HY 2015	HY 2014
Revenue	382.2	365. 6
reported growth (%)	*4.5%*	*9.1%*
currency comparable growth (%)	*(7.8%)*	*13.1%*
EBITDA excluding exceptional items	38.5	48.8
EBIT excluding exceptional items	13.8	27.0
EBIT margin excluding exceptional items (%)	3.6%	7.4%
EBIT	10.1	12.7
EBIT margin (%)	2.6%	3.5%
Capital employed	789.4	753.5
Backlog remainder of the year	348.7	372.8
Backlog next 12 months	455.6	499.4

- Revenue decreased by 7.8% at constant currencies.
- Onshore revenue decreased by 2.2% at constant currencies to EUR 243.5 million. Margin decreased significantly compared to last year due to underperformance on two relatively large projects and slow progress in Africa, where the expected growth has not materialised yet. In that region, reduced income from oil and gas and other commodities resulted in delays of some large infrastructure projects. This was partly offset by better performance in the Middle-East.
- Offshore revenue decreased by 16.1% at constant currencies to EUR 138.7 million due to the deterioration of the oil and gas market. The margin was slightly better than the comparable period last year when performance was impacted by poor weather in Europe and operational issues.
- EBIT was negatively impacted by EUR 3.7 million exceptional items, mainly related to restructuring charges and an onerous contract provision.
- The offshore fleet was reduced to 10 vessels per the end of June from 11 at the start of the year to further re-align with market conditions. The fleet will be reduced to 7 owned vessels by year-end.
- The intended sale and charter back of two geotechnical vessels is progressing. The divestment of the Synergy vessel will take more time.
- Fugro's first seafloor drill successfully completed a deepwater campaign in the Gulf of Mexico. The second seafloor drill is being commissioned and will be positioned in Australia.
- Fugro was awarded a large geotechnical and geophysical programme by ExxonMobil Alaska LNG, a large offshore geotechnical programme extension in East Africa and a multi-well intervention campaign in the Gulf of Mexico using the Synergy. In July, Fugro won the early site investigation work on one of Europe's largest infrastructure projects: the Fehmarnbelt Link tunnel between Denmark and Germany.
- Backlog for the next 12 months is 18.6% below last year on a currency comparable basis. The onshore backlog continues to grow (+ 5.2%) to EUR 311.7 million globally while offshore displays a strong drop (- 45.3%) both on a currency comparable basis resulting from a relatively high backlog last year, project delays, scope reductions and lower visibility as clients are committing to work at shorter notice.

Survey division

Key figures (amounts x EUR million)	HY 2015	HY 2014
Revenue	419.5	424.2
reported growth (%)	*(1.1%)*	*(4.1%)*
currency comparable growth (%)	*(11.9%)*	*0.8%*
EBITDA excluding exceptional items	88.3	80.5
EBIT excluding exceptional items	52.3	50.0
EBIT margin excluding exceptional items (%)	12.5%	11.8%
EBIT	49.1	6.0
EBIT margin (%)	11.7%	1.4%
Capital employed	697.1	584.0
Backlog remainder of the year	375.0	405.5
Backlog next 12 months	566.4	640.4

- Revenue decreased by 11.9% at constant currencies driven by the general downturn in the oil and gas market across the world. This resulted in significantly lower oil and gas related geophysical revenue, in particular in Europe, partly offset by a high workload in the non-oil and gas related hydrography and cable route survey market. Lower spend by oil companies also led to lower construction support and metocean revenue. The positioning business continues to perform well.
- Compared to last year, the margin improved slightly as a result of better performance in Asia Pacific and Africa as well as improved results in geospatial benefiting from last year's restructuring efforts. Lower utilisation and continuous pricing pressure affected the margin.
- Exceptional items negatively impacted EBIT in the first half of 2015 by EUR 3.2 million, and relate to personnel redundancy cost and impairment on a vessel which will be retired in the second half of the year.
- The performance improvement measures and personnel reductions are on track. Good progress has been made with the 2015 fleet capacity reduction by a further 10-15% (compared to December 2014).
- Several seep study projects (for the identification of hydrocarbon potential based on the sampling and analysis of natural oil and gas seeps from the seabed) were awarded for a number of clients across the world covering areas in Mexico, South America, Asia and Australia. The existing construction support contract with McDermott in the Middle East was extended by three-years. In addition, Fugro won a contract for the gathering of information about soil, meteorological and oceanographic conditions at the offshore Borssele wind farm area in The Netherlands. This information will be used by the Dutch Ministry of Economic Affairs in upcoming tender procedures for the construction of the wind farm sites.
- On a currency comparable basis, the backlog for the coming 12 months is down by 19.4%, in line with the reduction of the oil and gas market.

Subsea Services division

Key figures (amounts x EUR million)	HY 2015	HY 2014
Revenue	239.0	264.6
reported growth (%)	*(9.7%)*	*(8.6%)*
currency comparable growth (%)	*(21.4%)*	*(4.9%)*
EBITDA excluding exceptional items	16.9	21.1
EBIT excluding exceptional items	(9.4)	(3.7)
EBIT margin excluding exceptional items (%)	(3.9%)	(1.4%)
EBIT	(1.4)	(48.4)
EBIT margin (%)	(0.6%)	(18.3%)
Capital employed	597.8	576.8
Backlog remainder of the year	179.9	297.1
Backlog next 12 months	276.3	434.5

- Revenue decreased by 21.4% at constant currencies after relatively high revenues in the first half of 2014, driven by the deterioration of the subsea services market and in line with the backlog development.
- The steep revenue decline, in combination with high operating leverage, has resulted in significant margin pressure. Activity levels in inspection and trenching were low in Europe and Africa. In the Middle East and

Asia-Pacific regions, asset utilisation was down compared to the comparable period last year. In Brazil, results improved as a result of better operational performance of two dive support vessels.
- Exceptional items positively impacted EBIT in the first half of 2015 by EUR 8.0 million, due to the reversal of an onerous contract provision of EUR 8.9 million as a result of agreement reached with the owner for the early termination of a chartered vessel.
- In the first half of the year the Subsea Services division successfully terminated 1 long-term charter early, with another reduction of 1 charter anticipated before year-end.
- Backlog for the next 12 months is 40.8% lower on a currency comparable basis compared to last year. This is comparable to the first quarter, and is partially explained by the particularly high backlog last year.
- Further headcount reductions are being implemented to right-size the organisation to market conditions and the ROV fleet is being rationalised.

Geoscience division

The Geoscience division is almost exclusively composed of Fugro's stake in the Seabed Geosolutions joint venture and the multi-client data libraries.

Seabed Geosolutions

Key figures (amounts x EUR million)	**HY 2015**	**HY 2014**
Revenue	*177.7*	*97.3*
reported growth (%)	*82.6%*	*143.3%*
currency comparable growth (%)	*66.3%*	*119.7%*
EBITDA excluding exceptional items	36.7	(29.2)
EBIT excluding exceptional items	14.5	(47.0)
EBIT margin excluding exceptional items (%)	8.2%	(48.3%)
EBIT	27.1	(172.5)
EBIT margin (%)	15.3%	(177.3%)
Capital employed	144.2	243.7
Backlog remainder of the year	140.3	123.7
Backlog next 12 months	208.5	200.7

- Revenue increased by 66.3% at constant currencies, driven by a high level of activity in both the shallow water and ocean bottom cable and ocean bottom node segments, and a robust operational performance.
- EBIT excluding exceptional items was positive as a result of project continuity, improved project execution and lower cost driven by the restructuring efforts.
- EBIT was positively impacted by EUR 12.6 million exceptional items in total, related to the reversal of an onerous contract provision, mainly as a result of contract amendments and better project performance, partly offset by EUR 4.1 million restructuring costs related to the cost reduction programme.
- A new contract in Asia Pacific was awarded for an amount of USD 55 million, securing half-a-year of activity for this crew. On 27 July, it was announced that ADNOC signed a variation order for a shallow water seabed survey. The survey, which follows the recent successful completion of the Hail-Shuweihat survey for the same client, will take around 12 months and has a value of around USD 125 million.
- The backlog for the next 12 months decreased by 14.8% at constant currencies (excluding the ADNOC variation order mentioned above).
- A significant turnaround in Seabed Geosolution has been achieved. It is expected that EBIT for the full year 2015 will be around breakeven compared to a severe loss in 2014. EBIT in the second half of the year will be lower than during the first half of the year due to higher than average mobilisation activity related to the start-up of new projects and some in-between project periods of underutilisation.

Multi-client data library

Key figures (amounts x EUR million)	HY 2015	HY 2014
Revenue	19.3	35.1
reported growth (%)	*(45.0%)*	*(35.1%)*
currency comparable growth (%)	*(44.8%)*	*(30.1%)*
EBITDA excluding exceptional items	17.3	22.5
EBIT excluding exceptional items	(0.6)	(4.6)
EBIT margin excluding exceptional items (%)	(3.1%)	(13.2%)
EBIT	(39.7)	(123.2)
EBIT margin (%)	(205.7)	(351.0%)
Capital employed	0.7	245.3

- The divestment of the multi-client data library to Spectrum ASA resulted in net proceeds of EUR 101.9 million per 30 June 2015. The indirect interests, via Finder, in Australian exploration projects have been retained.
- Exceptional items consist of a non-cash impairment of EUR 37.7 million and a book loss of EUR 1.4 million on the divestment.
- Sales of multi-client seismic data were 44.8% lower at constant currencies, mainly due to the significant, market-wide reduction in exploration spending. Clients spend the minimum budget to comply with their work programs. In addition, sales during the first quarter last year were relatively high related to the 22nd Norwegian licencing round.
- EBIT excluding exceptional items was EUR 4.0 million higher than last year, as amortisation ceased per 1 May 2015 due to the sales process.

Financial position

Net debt decreased from EUR 800.9 million at year-end 2014 to EUR 733.7 million despite a EUR 67.6 million adverse effect of the stronger USD.

Positive cash flow from operating activities after investments of EUR 121.8 million, including the proceeds from the divestment of the multi-client data library, has been applied to debt reduction.

Working capital as a percentage of revenue decreased from 18.2% to 15.3%. This was mainly achieved by accelerated cash collection, resulting in 99 days of revenue outstanding compared to 108 days a year ago.

Net debt to EBITDA is 2.0 compared to the covenant requirement of below 3.0. The fixed charge cover stood at 2.8 compared to the requirement of above 2.0. The solvency ratio was 44.0% per the end of June, well in excess of the 33.33% per the lender agreement.

Outlook

The market for oil services (around 80% of Fugro's business) is expected to remain weak for the foreseeable future. The infrastructure, hydrographic and offshore wind farm markets continue to provide good opportunities. Backlog at constant exchange rate is down 23.9% compared to a year ago and down 4.4% compared to the end of the first quarter of 2015.

We have stepped-up our cost reduction measures and will continue to drive cost and capacity down in the second half of the year. This will partially offset the anticipated margin decline. Based on low visibility on the fourth quarter, we expect the second half year EBIT to be below the second half of last year (excluding exceptional items). This is mainly related to Subsea Services, which is confronted with a significant decline in backlog in combination with high operational leverage because of long term charters. For Seabed Geosolutions, we expect a significant improvement in EBIT compared to the second half of last year and around break-even EBIT for the full year.

Fugro will continue to focus on cash flow generation. The company expects a positive cash flow from operating activities after investments for the full year 2015, also excluding the proceeds from the sale of the multi-client data library.

The mid-term outlook is unchanged but timing is dependent on a recovery of the oil and gas market.

Press call and analyst meeting

Today at 9:30 o'clock CET, Fugro will host a media call. At 13:00 o'clock CET, Fugro will host an analyst meeting in Hilton Amsterdam, Apollolaan 138 in Amsterdam which can be followed via a video webcast accessible via www.fugro.com.

Financial calendar

30 October 2015	Trading update third quarter 2015 (7:00 CET)
26 February 2016	Publication 2015 annual results (7:00 CET)

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 13,000 employees in over seventy countries. In 2014 Fugro's revenue amounted to EUR 2.6 billion; Fugro is listed on Euronext Amsterdam.

HIGHLIGHTS INCOME STATEMENT

Net result

Result (x EUR million)	HY 2015	HY 2014
EBIT	**44.4**	**(321.7)**
Net finance income/ (costs)	(25.8)	(19.3)
Share of profit/ (loss) in equity accounted investees	6.6	(5.1)
Income tax gain/ (expense)	(25.4)	51.8
(Gain)/ loss on non-controlling interests	(9.7)	26.6
Net result	**(9.9)**	**(267.7)**
Discontinued operations [1]	-	(2.9)
Net result (including discontinued operations)	**(9.9)**	**(270.6)**

1 Related to sale in 2013 of majority of Geoscience division to CGG

Finance income/ (costs)

Finance income/ (costs) (x EUR million)	HY 2015	HY2014
Interest income	2.9	6.4
Dividend income on financial assets	0.8	-
Exchange rate variances	1.4	-
Finance income	**5.1**	**6.4**
Interest expenses	(26.0)	(13.9)
Net change in fair value of financial assets	0.3	(6.7)
Exchange rate variances	(5.2)	(5.1)
Finance expenses	**(30.9)**	**(25.7)**
Net finance income/ (costs)	**(25.8)**	**(19.3)**

The interest expenses were higher by EUR 12.1 million resulting from increased borrowings as well as a higher interest margin and work fee payments during the covenant amendment period. The exchange rate variances relate to cash balance revaluations.

Share of profit/ (loss) of equity accounted investees

The share of profit in equity accounted investees was EUR 6.6 million (net of tax) related to a profit in the joint venture with China Oilfield Services Limited and positive results in certain other joint ventures. Last years' loss related to operating losses in an equity accounted investee reported by Seabed Geosolutions, which has been de-recognised per the end of last year.

Income tax (expense)/ gain

Tax (x EUR million)	HY 2015	HY 2014
Tax before exceptional items	(36.3)	(6.6)
Tax on exceptional items	10.9	58.4
Total tax	**(25.4)**	**51.8**
Effective tax rate	100.8%	15.0%

The income tax expense is EUR 25.4 million, which is a result of the reported profits in combination with limited recognition of further deferred tax assets for losses incurred in certain jurisdictions and a taxable gain on the multi-client transaction in Australia.

Non-controlling interest

The EUR 9.7 million positive result attributable to non-controlling interest was mainly related to the profit of Seabed Geosolutions and a subsidiary in the Middle-East. Last year, the EUR 26.6 million result was mainly caused by losses in Seabed Geosolutions, in which CGG has a 40% interest.

HIGHLIGHTS BALANCE SHEET AND CASH FLOW

Goodwill and other intangible assets

Goodwill increased by EUR 33.1 million to EUR 608.6 million of which EUR 3.4 million relates to the acquisition of the remaining shares (40%) of Seafloor Geotech and EUR 29.7 million to currency translation differences. Assumptions applied to the goodwill impairment testing for Subsea Services were updated, reflecting the deterioration of the subsea services market, resulting in limited headroom as per half year 2015.

Multi-client data libraries

The seismic multi-client data library has been sold to Spectrum ASA. The indirect interests, via Finder Exploration, in Australian exploration projects have been retained. The carrying amount of the retained assets amounts to EUR 18.1 million.

Working capital

Working capital (x EUR million)	**HY 2015**	**HY 2014**
Working capital	401.0	445.5
Working capital as a % of last 12 months revenue	15.3%	18.2%
Inventories	*36.6*	*33.7*
Trade and other receivables	*905.6*	*962.8*
Trade and other payables	*(541.2)*	*(551.0)*
Days revenue outstanding (DRO)	99	108

Working capital as a percentage of revenue has decreased from 18.2% to 15.3%.The improvement in days revenue outstanding from 108 days to 99 days was driven by the working capital improvement initiative, which resulted in improved cash collection. The 9 day improvement is equivalent to a EUR 68 million reduction in trade receivables.

(Return on) capital employed

(x EUR million)	**HY 2015**	**HY 2014**
Capital employed	2,219.2	2,491.7
ROCE (%)[1]	1.8%	4.7%

1 ROCE is before exceptional items; exceptional items; NOPAT last 12 months; capital employed the average of last three reporting periods

The decrease in capital employed is mainly related to the non-cash impairments and one-off write-offs during the prior 12 months for an amount of EUR 283.9 million (after tax), the sale of the multi-client library and the reduction in working capital, partly offset by the currency impact. The return on capital employed was lower because of reduced profitability during July 2014 – June 2015 compared to July 2013 – June 2014.

Capital expenditure

Capital expenditure (x EUR million)	**HY 2015**	**HY 2014**
Maintenance capex	33.9	49.8
Capex major assets (including assets under construction)	53.7	84.4
Total capex	**87.6**	**134.2**

Capital expenditure was reduced by EUR 46.6 million as a result of Fugro’s capex curtailment initiative. One new geotechnical and one survey vessel started operations during the first half of 2015. Over the full year 2015, the company expects to limit its capital expenditure to just below the mid-term guided range of EUR 175 - 225 million. Currently two vessels are under construction: a subsea vessel, expected to start operations in the second half of 2015 and one survey vessel with expected delivery date in the second quarter of 2016.

Cash flow

Cash flow (x EUR million)	HY 2015	HY 2014
Net cash from operating activities	116.5	93.4
Net cash flow from investing activities	5.3	(182.1)
Cash flow from operating activities after investments	**121.8**	**(88.7)**
Net cash from financing activities	9.5	49.6
Net cash movement	**131.3**	**(39.1)**

Cash flow has been well managed; cash flow from operating activities was EUR 116.5 million, which was EUR 23.1 million above last year, driven by the higher profit for the period (excluding non-cash impairments) and more generated cash from improved working capital management.

Cash flow from investing activities was positive EUR 5.3 million, driven by the proceeds from the sale of the multi-client data library for EUR 101.9 million. Excluding these divestment proceeds, cash flow used in investing activities was EUR 96.6 million which includes capital expenditures, completion of the acquisition of Seafloor Geotec and acquisition of intangible assets.

RISK MANAGEMENT

In our annual report 2014, we extensively describe risk categories and risk factors that could adversely affect our business and financial performance. One of the key risks as described in our annual report 2014 is the risk of a low oil price. Our business is exposed for approximately 80% to the oil and gas market and as a consequence of a low oil price have an unfavourable impact on revenues and income. Fugro aims to mitigate the negative impact by reducing its capacity and cost base. During the first half of 2015, we have not identified any additional risks and uncertainties, which might result in pressure on revenues and income. Additional risks not known to us, or currently believed not to be material, may occur and could later turn out to have material impact on our business, financial objectives or capital resources.

BOARD OF MANAGEMENT DECLARATION

Pursuant to section 5:25d, paragraph 2 sub c of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht)

The Board of Management hereby declares that, to the best of their knowledge:

- the consolidated interim financial statements in this half-year report 2015 have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ and give a true and fair view of the assets, liabilities, financial position and the result of Fugro N.V. and its consolidated companies included in the consolidation as a whole
- the interim management report in this half-year report 2015 gives a fair review of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Financial Markets Supervision Act.

Leidschendam, 5 August 2015
P. van Riel, Chairman Board of Management/Chief Executive Officer
P.A.H. Verhagen, Chief Financial Officer
M.R.F. Heine, Director Survey division
S.J. Thomson, Director Subsea Services/Geoscience division

KEY FIGURES

Group

Reported (x EUR million)	HY 2015	HY 2014
Revenue	1,237.7	1,186.9
reported growth	*4.3%*	*1.6%*
currency comparable growth	*(7.3%)*	*6.2%*
EBITDA[1] excluding exceptional items	197.7	147.1
EBIT excluding exceptional items	70.4	24.9
EBIT margin excluding exceptional items (%)	5.7%	2.1%
EBIT	44.4	(321.7)
Net result	(9.9)	(267.7)
Net result (including discontinued operations)	(9.9)	(270.6)
Backlog remainder of the year	1,043.9	1,199.1
reported growth	*(12.9%)*	*11.7%*
currency comparable growth	*(22.3%)*	*14.3%*
Backlog next 12 months	1,506.8	1,775.0
reported growth	*(15.1%)*	*7.3%*
currency comparable growth	*(23.9%)*	*9.9%*
Cash flow from operating activities	116.5	93.4
Cash flow from operating activities after investments	121.8	(88.7)
Capex	87.6	134.2
Capital employed	2,219.2	2,491.7
Return on capital employed (%)[2]	1.8%	4.7%
Net debt/ EBITDA	2.0	2.3
Earnings per share	(0.12)	(3.31)
Earnings per share (including discontinued operations)	(0.12)	3.34
Dividend per share for the year under review	-	1.50
Number of employees (FTE at period-end)	12,921	13,484

1 EBITDA is EBIT before depreciation, amortisation (including amortisation on multi-client library), impairments related to goodwill, other intangible assets, property, plant and equipment
2 ROCE is before exceptional items; exceptional items; NOPAT last 12 months; capital employed the average of last three reporting periods

Exceptional items (x EUR million)							
Gain/ (loss)	**Geotechnical**	**Survey**	**Subsea**	**Geoscience**	*Of which Seabed Geosolutions*	*Of which multi-client*	**Total**
Onerous contract provision	(2.0)		8.9	16.7	*16.7*		**23.6**
Loss on sale multi-client library				(1.4)		*(1.4)*	**(1.4)**
Restructuring costs	(0.8)	(1.1)	(0.3)	(4.2)	*(4.1)*		**(6.4)**
EBITDA impact HY 2015	**(2.8)**	**(1.1)**	**8.6**	**11.1**	***12.6***	***(1.4)***	**15.8**
Impairment losses	(0.9)	(2.1)	(0.6)	(38.2)		*(37.7)*	**(41.8)**
EBIT impact HY 2015	**(3.7)**	**(3.2)**	**8.0**	**(27.1)**	***12.6***	***(39.1)***	**(26.0)**
EBITDA impact HY 2014	(5.0)	(1.4)	(26.8)	(5.2)	*(2.2)*	*(3.0)*	(38.4)
EBIT impact HY 2014	(14.3)	(44.0)	(44.7)	(243.6)	*(126.0)*	*(117.6)*	(346.6)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2015

Consolidated statement of comprehensive income

(EUR x million) Unaudited	Six months ended 30 June	
	2015	2014*
Revenue	**1,237.7**	**1,186.9**
Third party costs	(458.5)	(559.0)
Net revenue own services (revenue less third party costs)	779.2	627.9
Other income	8.6	8.3
Personnel expenses	(420.9)	(389.4)
Depreciation	(105.0)	(87.9)
Amortisation	(22.3)	(34.3)
Impairments	(41.8)	(308.2)
Other expenses	(153.4)	(138.1)
Results from operating activities (EBIT)	**44.4**	**(321.7)**
Finance income	5.1	6.4
Finance expenses	(30.9)	(25.7)
Net finance income/(costs)	(25.8)	(19.3)
Share of profit/(loss) of equity-accounted investees (net of income tax)	6.6	(5.1)
Profit before income tax	**25.2**	**(346.1)**
Income tax (expense)/gain	(25.4)	51.8
Profit/(loss) for the period from continuing operations, net of income tax	(0.2)	(294.3)
Profit/(loss) for the period from discontinued operations, net of income tax	-	(2.9)
Profit/(loss) for the period	**(0.2)**	**(297.2)**
Attributable to owners of the company (net result)	(9.9)	(270.6)
Attributable to non-controlling interests	9.7	(26.6)
Basic earnings per share	**(0.12)**	**(3.34)**
Attributable to owners of the company from continuing operations (EUR)	(0.12)	(3.31)
Attributable to owners of the company from discontinued operations (EUR)	-	(0.03)
Diluted earnings per share	**(0.12)**	**(3.33)**
Attributable to owners of the company from continuing operations (EUR)	(0.12)	(3.30)
Attributable to owners of the company from discontinued operations (EUR)	-	(0.03)
Profit/(loss) for the period	(0.2)	(297.2)
Other comprehensive income		
Defined benefit plan actuarial gains/(losses)	3.2	(10.2)
Total items that will not be reclassified to profit or loss	**3.2**	**(10.2)**
Foreign currency translation differences of foreign operations	128.8	36.2
Foreign currency translation differences of equity-accounted investees	4.6	0.1
Net change in fair value of hedge of net investment in foreign operations	(63.8)	(3.0)
Net change in fair value of cash flow hedges transferred to profit or loss	0.2	0.3
Net changes in translation reserve transferred to profit or loss due to disposal	(8.3)	-
Net change in fair value of available-for-sale financial assets	-	(0.5)
Total items that may be reclassified subsequently to profit or loss	**61.5**	**33.1**
Total other comprehensive income (net of income tax)	**64.7**	**22.9**
Total comprehensive income for the period	**64.5**	**(274.3)**
Attributable to owners of the company	52.3	(248.2)
Attributable to non-controlling interests	12.2	(26.1)
Total comprehensive income	**52.3**	**(248.2)**
Attributable to owners of the company from continuing operations	52.3	(245.3)
Attributable to owners of the company from discontinued operations	-	(2.9)

* Comparative numbers adjusted to reflect the change in presentation of the amortisation on the multi-client data libraries as amortisation costs in the consolidated statement of comprehensive income. Previously, these costs formed part of third party costs and amounted to EUR 27.1 million for the six months period ended 2014. (Refer to the Annual Report 2014).

The notes on pages 18 to 23 are an integral part of these consolidated interim financial statements.

Consolidated statement of financial position

(EUR x million) Unaudited	30 June 2015	31 December 2014	30 June 2014
Assets			
Property, plant and equipment	1,252.1	1,198.0	1,170.3
Intangible assets	669.8	762.4	914.6
Investments in equity-accounted investees	34.2	34.6	47.1
Other investments	95.2	91.4	108.1
Deferred tax assets	111.0	105.2	109.9
Total non-current assets	**2,162.3**	**2,191.6**	**2,350.0**
Inventories	36.6	34.3	33.7
Trade and other receivables	905.6	976.5	962.8
Current tax assets	29.3	41.1	45.9
Cash and cash equivalents	443.5	322.2	174.1
Total current assets	**1,415.0**	**1,374.1**	**1,216.5**
Total assets	**3,577.3**	**3,565.7**	**3,566.5**
Equity			
Share capital	4.2	4.2	4.3
Share premium	431.2	431.2	431.1
Other reserves	(377.4)	(436.4)	(449.3)
Retained earnings	1,526.6	1,977.7	1,982.8
Unappropriated result	(9.9)	(458.9)	(270.6)
Total equity attributable to owners of the company	**1,574.7**	**1,517.8**	**1,698.3**
Non-controlling interests	3.0	(5.4)	57.8
Total equity	**1,577.7**	**1,512.4**	**1,756.1**
Liabilities			
Loans and borrowings	911.5	949.9	850.9
Employee benefits	107.4	116.1	104.6
Provisions	48.7	61.1	49.6
Deferred tax liabilities	7.0	3.8	27.6
Total non-current liabilities	**1,074.6**	**1,130.9**	**1,032.7**
Bank overdraft	147.3	169.1	140.3
Loans and borrowings	118.4	4.1	0.2
Trade and other payables	541.2	587.7	551.0
Provisions for other liabilities and charges	43.9	56.9	-
Other taxes and social security charges	39.1	51.2	40.7
Current tax liabilities	35.1	53.4	45.5
Total current liabilities	**925.0**	**922.4**	**777.7**
Total liabilities	**1,999.6**	**2,053.3**	**1,810.4**
Total equity and liabilities	**3,577.3**	**3,565.7**	**3,566.5**

The notes on pages 18 to 23 are an integral part of these consolidated interim financial statements.

Consolidated statement of changes in equity

(EUR x million)										
Unaudited	**Share capital**	**Share premium**	**Translation reserve**	**Hedging reserve**	**Reserve for own shares**	**Retained earnings**	**Unappro-priated result**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2015	4.2	431.2	(81.6)	(0.9)	(353.9)	1,977.7	(458.9)	1,517.8	(5.4)	1,512.4
Total comprehensive income for the period: profit/(loss)							(9.9)	(9.9)	9.7	(0.2)
Other comprehensive income										
Foreign currency translation differences of foreign operations			126.3					126.3	2.5	128.8
Foreign currency translation differences of equity-accounted investees			4.6					4.6		4.6
Net change in fair value of hedge of net investment in foreign operations			(63.8)					(63.8)		(63.8)
Defined benefit plan actuarial gains/(losses)						3.2		3.2		3.2
Net change in fair value of cash flow hedges transferred to profit or loss				0.2				0.2		0.2
Net change in fair value of available-for-sale financial assets										
Net changes in translation reserve transferred to profit or loss due to disposal			(8.3)					(8.3)		(8.3)
Total other comprehensive income (net of income tax)			**58.8**	**0.2**		**3.2**		**62.2**	**2.5**	**64.7**
Total comprehensive income for the period			**58.8**	**0.2**		**3.2**	**(9.9)**	**52.3**	**12.2**	**64.5**
Transactions with owners of the company, recognised directly in equity										
Contributions by and distribution to owners of the company										
Share-based payments						4.6		4.6		4.6
Addition to (reduction in) reserves						(458.9)	458.9	-		–
Contributions by shareholders									0.5	0.5
Dividends to shareholders									(4.3)	(4.3)
Total contributions by and distribution to owners of the company						**(454.3)**	**458.9**	**4.6**	**(3.8)**	**0.8**
Balance at 30 June 2015	**4.2**	**431.2**	**(22.8)**	**(0.7)**	**(353.9)**	**1,526.6**	**(9.9)**	**1,574.7**	**3.0**	**1,577.7**
Balance at 1 January 2014	4.2	431.2	(158.1)	(1.1)	(288.6)	1,609.1	428.3	2,025.0	85.9	2,110.9
Total comprehensive income for the period: profit/(loss)							(270.6)	(270.6)	(26.6)	(297.2)
Other comprehensive income										
Foreign currency translation differences of foreign operations			35.7					35.7	0.5	36.2
Foreign currency translation differences of equity-accounted investees			0.1					0.1		0.1
Net change in fair value of hedge of net investment in foreign operations			(3.0)					(3.0)		(3.0)
Defined benefit plan actuarial gains/(losses)						(10.2)		(10.2)		(10.2)
Net change in fair value of cash flow hedges transferred to profit or loss				0.3				0.3		0.3
Net change in fair value of available-for-sale financial assets						(0.5)		(0.5)		(0.5)
Total other comprehensive income (net of income tax)			**32.8**	**0.3**		**(10.7)**		**22.4**	**0.5**	**22.9**
Total comprehensive income for the period			**32.8**	**0.3**		**(10.7)**	**(270.6)**	**(248.2)**	**(26.1)**	**(274.3)**

(EUR x million) Unaudited	Share capital	Share premium	Translation reserve	Hedging reserve	Reserve for own shares	Retained earnings	Unappro-priated result	Total	Non-controlling interests	Total equity
Transactions with owners of the company, recognised directly in equity										
Contributions by and distribution to owners of the company										
Share-based payments						5.9		5.9		5.9
Share options exercised					5.5			5.5		5.5
Addition to reserves						378.5	(378.5)	–		–
Own shares purchased and stock dividend	0.1	(0.1)			(40.1)			(40.1)		(40.1)
Dividends to shareholders							(49.8)	(49.8)	(2.0)	(51.8)
Total contributions by and distribution to owners of the company	**0.1**	**(0.1)**			**(34.6)**	**384.4**	**(428.3)**	**(78.5)**	**(2.0)**	**(80.5)**
Balance at 30 June 2014	**4.3**	**431.1**	**(125.3)**	**(0.8)**	**(323.2)**	**1,982.8**	**(270.6)**	**1,698.3**	**57.8**	**1,756.1**

The notes on pages 18 to 23 are an integral part of these consolidated interim financial statements.

Consolidated statement of cash flows

(EUR x million) Unaudited	Six months ended 30 June	
	2015	2014
Cash flows from operating activities		
Profit/(loss) for the period	(0.2)	(294.3)
Adjustments for:		
Depreciation and amortisation	127.3	122.2
Impairments	41.8	308.2
Share of profit of equity-accounted investees (net of income tax)	(6.6)	5.1
Gain on sale of property, plant and equipment	(5.2)	(1.6)
Equity settled share-based payments	4.6	5.9
Change in provisions and employee benefits	(48.4)	26.4
Income tax expense	25.4	(51.8)
Income tax paid	(25.1)	(13.4)
Finance income and costs	25.8	14.2
Interest paid	(24.7)	(19.3)
Operating cash flows before changes in working capital	**114.7**	**101.6**
Change in inventories	(0.6)	(3.9)
Change in trade and other receivables	70.8	(66.9)
Change in trade and other payables	(68.4)	62.6
Changes in working capital	**1.8**	**(8.2)**
Net cash generated from operating activities	**116.5**	**93.4**
Cash flows from investing activities		
Proceeds from sale of interests in business, net of cash disposed of	-	28.1
Proceeds from sale of multi-client data libraries, net of cash	101.9	-
Acquisition of intangible assets	(7.8)	(7.5)
Internally developed intangible assets	(11.4)	(16.7)
Capital expenditures on property, plant and equipment	(87.6)	(134.2)
Proceeds from sale of property, plant and equipment	13.4	2.4
Acquisition of businesses, net of cash acquired	(9.9)	(65.2)
Interest received	2.9	9.5
Dividends received	3.8	1.5
Net cash provided by (used in) investing activities	**5.3**	**(182.1)**
Cash flows before financing activities	**121.8**	**(88.7)**
Cash flows from financing activities		
Proceeds from the issue of loans and borrowings	15.0	167.1
Transaction costs relating to loans and borrowings	(3.1)	-
Repurchase of own shares	-	(29.6)
Paid consideration for the exercise of share options	-	(5.5)
Proceeds from the sale of own shares	-	11.2
Repayment of borrowings	(2.4)	(41.8)
Dividends paid	-	(51.8)
Net cash provided by (used in) financing activities	**9.5**	**49.6**
Change in cash flows from continuing operations	**131.3**	**(39.1)**
Net increase/(decrease) in cash and cash equivalents	131.3	(39.1)
Cash and cash equivalents at 1 January	153.1	72.1
Effect of exchange rate fluctuations on cash held	11.8	0.8
Cash and cash equivalents at period-end	**296.2**	**33.8**
Cash and cash equivalents	443.5	174.1
Bank overdraft	(147.3)	(140.3)

The notes on pages 18 to 23 are an integral part of these consolidated interim financial statements.

Notes to the consolidated interim financial statements

General

Fugro N.V., hereinafter to be referred to as 'Fugro' or 'the company', has its corporate seat in Leidschendam, the Netherlands. The address of the company's principal office is Veurse Achterweg 10, 2264 SG Leidschendam, The Netherlands. The consolidated interim financial statements of Fugro as at and for the six months ended 30 June 2015 include Fugro and its subsidiaries (together referred to as the 'group') and the group's interests in equity accounted investees.

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. Fugro is listed on Euronext Amsterdam and is included in the AMX-Index.

Basis of preparation

These consolidated interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with IAS 34, ´Interim Financial Reporting´. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of Fugro N.V. as at and for the year ended 31 December 2014, which has been prepared in accordance with IFRS as endorsed by European Union. The Annual Report 2014 (including the consolidated financial statements as at and for the year ended 31 December 2014) of Fugro is available upon request at the Fugro office, Veurse Achterweg 10, Leidschendam and also available at www.fugro.com. The official language for the financial statements is the English language as approved by the Annual General Meeting of Shareholders on 10 May 2011.

On 5 August 2015, the Board of Management authorised the consolidated interim financial statements for issue. Publication is on 6 August 2015. The consolidated interim financial statements have been reviewed, not audited.

Significant accounting policies

The accounting policies applied by the group in these consolidated interim financial statements are the same accounting policies and methods of computation as those applied by the group in its consolidated financial statements as at and for the year ended 31 December 2014.

New standards

There are no other new standards and interpretations published and endorsed in the first half year of 2015 which could be applicable for the group.

Estimates

Preparation of the consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
In preparing these consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimating uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2014.

Operating segments

Information about reportable segments for the six months ended 30 June

(EUR x million)	Geotechnical		Survey		Subsea Services		Geoscience		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Segment revenue	410.9	389.9	455.6	460.4	266.0	277.3	197.0	132.5	1,329.5	1,260.1
Of which inter-segment revenue	28.7	24.3	36.1	36.2	27.0	12.7	-	-	91.8	73.2
Revenue	382.2	365.6	419.5	424.2	239.0	264.6	197.0	132.5	1,237.7	1,186.9
Impairments *	0.9	9.3	2.1	42.6	0.6	17.9	38.2	238.4	41.8	308.2
Reportable segment profit/(loss) before income tax	5.7	10.5	50.1	8.1	(4.4)	(52.5)	(26.2)	(312.2)	25.2	(346.1)
Reportable segment assets	1,219.2	1,016.7	1,173.7	994.2	825.3	747.5	359.1	808.1	3,577.3	3,566.5
Reportable segment liabilities	711.4	450.4	546.6	518.5	380.4	326.7	361.2	514.8	1,999.6	1,810.4

* impairments form part of the reportable segment profit/(loss) before income tax. Reference is made to the separate disclosure note on ‘Impairments and divestment of the multi-client data libraries’

Seasonality of operations

Fugro’s revenue in the second half is expected to be somewhat lower than the revenue generated in the first half of the calendar year.

Business combinations

On 2 March 2015, Fugro has completed the acquisition of 40% of the remaining shares of Seafloor Geotec LLC (Seafloor). Previously, Seafloor was reported as an investment in an equity-accounted investee and accounted for using the equity method. Seafloor is a Delaware Limited Liability Company involved in seafloor drilling. Seafloor employs no staff and forms part of the Geotechnical division. The (provisionally determined) total fair value of the net assets acquired and the total consideration amount to EUR 14.6 million and EUR 18.0 million respectively. The fair value of the previously held equity interest amounted to some EUR 8.0 million, which forms part of the consideration. The net cash outflow is around EUR 10.0 million. The goodwill amounts to EUR 3.4 million.

Impairments and divestment of the multi-client data libraries

On 30 June 2015, Fugro sold the multi-client data libraries (MCDL) to Spectrum ASA for an amount of EUR 101.9 million, net of cash. Upon the classification of MCDL as assets classified as held for sale an impairment charge of EUR 37.7 million has been recognised to reduce the carrying amount of the MCDL to its fair value less costs to sell. The proceeds, net of transaction costs, will be used for reduction of bank loans and private placement loans. As at 30 June 2015, an amount of EUR 101.2 million has therefore been reported as current loans and borrowings.

The reported multi-client data libraries represent mainly the profit sharing agreement with Finder Exploration Pty Ltd (Finder) which has been retained by Fugro. As part of the transaction, Fugro lost control over certain subsidiaries, resulting in a net transaction loss amounting to EUR 1.4 million that forms part of Other income in the consolidated statement of comprehensive income.

An impairment loss has been recognised of EUR 1.1 million mainly relating to (equipment on) a vessel in the Survey operating segment. Furthermore, certain corporate (intangible) assets have been impaired amounting to EUR 3.0 million as a result of restructuring, which have been pro-rate allocated to the operating segments based on revenue.

Provisions for other liabilities and charges

Fugro paid an amount of EUR 3.4 million on certain tax indemnities and warranties during the first six months of 2015. An amount of EUR 13.8 million, EUR 8.8 million and EUR 32.4 million was respectively used, made and reversed relating to the onerous contracts provision in the same period. The reversal in the

onerous contract provision is mainly related to contract amendments and improved project performance. Restructuring costs amounted to EUR 6.4 million of which some EUR 3.0 million has been used in the first six months of 2015. No restructuring provision was reported as per 31 December 2014 and 30 June 2014. As at 30 June 2015, an additional amount of EUR 4.4 million has been provided for relating to procedures.The impact of foreign current exchange rates increased the provisions by some EUR 7.0 million compared to 31 December 2014. No further significant movements to be noted.
As at 30 June 2014, the provisions of EUR 49.6 million were mainly related to certain onerous contracts EUR 26.9 million and tax indemnities EUR 22.5 million. The current portion of the provisions for other liabilities and charges amounts EUR 43.9 million as at 30 June 2015, of which EUR 40.6 million and EUR 3.3 million is related to respectively onerous contracts and restructuring.

Taxes

Current tax
Current income tax expense is based on the estimated taxable profit for the interim periods, adjusted for significant non-deductible items in the interim periods. The group's consolidated effective tax rate for the six months ended 30 June 2015 is 100.8% (for the six months ended 30 June 2014: 15.0%). The increase in the effective tax rate is mainly driven by changes in geographical composition of taxable income and losses, the tax effect following the sale of the multi-client data libraries and certain unrecognised tax losses.

Deferred tax
The primary components of the entity's deferred tax liabilities are temporary differences related to intangible assets, property, plant and equipment and inventories. In the first six months of 2015, total deferred tax directly recognised in equity was EUR 2.0 million (first six months 2014: EUR 2.3 million), which is partly related to the defined benefit actuarial losses.

Property, plant and equipment

Acquisitions and disposals
In the first six months of 2015, the group acquired assets (under construction) with a cost value of EUR 87.6 million (first six months of 2014: EUR 134.2 million) excluding assets acquired through business combinations. Assets with a carrying amount of EUR 8.2 million were disposed of in the first six months of 2015 (first six months of 2014: EUR 4.2 million), resulting in a net gain on disposal of EUR 5.2 million (first six months of 2014: gain of EUR 1.6 million), which forms part of other income in the consolidated interim statement of comprehensive income.

Intangible assets

Goodwill
The goodwill increased by EUR 33.1 million to EUR 608.6 million as at 30 June 2015 (31 December 2014: EUR 575.5 million) of which EUR 3.4 million relates to the Seafloor business combination and EUR 29.7 million to foreign currency translation differences. Total goodwill amounts to EUR 616.6 million as at 30 June 2014.
For the purpose of impairment testing, goodwill is allocated to cash-generating units which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

In 2015, impairment indications have been identified within the Subsea Services CGU due to further deterioration of market conditions, which is expected to last at least into next year. This has resulted in a downward adjustment on the projected future cash flows. Fugro updated its value in use calculation for this CGU that revealed a situation of limited headroom between the recoverable and carrying amount of the CGU as per 30 June 2015. The carrying amount of the CGU is EUR 595 million and has headroom of EUR 60 million.

The calculation of the value in use for the Subsea Services CGU was based on the following key assumptions:

- The period for the discounted cash flow calculation is indefinite.
- Forecast for the 2015 second half year includes forecasted revenue of around EUR 200 million with expected cash flows of around nil. Cash flows for 2016 are based on a similar revenue level as in 2015 with improvement in expected cash flows due to measures that are being taken to address the cost base. Revenues are expected to improve upwards by the end of 2018 and further into 2019 with forecasted revenue for 2019 of around EUR 600 million contributing expected cash flows of around EUR 50 million.
- Cash flows beyond the 5 year are extrapolated using an estimated long-term growth rate of 2.0% (2014: 2.0%).
- The pre-tax discount rate used to discount the pre-tax cash flows for impairment testing purposes is 9.4% (2014: 9.7%).

Changes to the assumptions used in the Subsea impairment test for which the recoverable amount equals the carrying value (thus no headroom) are as follows:

Carrying amount (EUR x million)	Headroom	Scenario on (post tax) discount rate	Scenario on cash flow projections
595	-	+/+ 60 bps	-/- 5.5%

Any further decrease above 5.5% of the cash flow projections in 2015 and subsequent years would result in an impairment.

Multi-client data libraries

As at 30 June 2015, the carrying value of the seismic multi-client data libraries amounts to EUR 18.2 million (31 December 2014: EUR 147.5 million and 30 June 2014: EUR 250.0 million). As at 30 June 2015, the multi-client data libraries relate to Fugro's indirect interests (via Finder) in certain Australian exploration projects. The total internally developed multi-client data libraries amount to EUR 11.4 million for the first six months of 2015. In the first six months of 2015, Fugro generated EUR 19.3 million (first six months 2014: EUR 35.1 million) sales from the libraries. Total amortisation amounted to EUR 18.0 million (first six months of 2014: EUR 27.1 million). Further reference is made to the previous note on impairments.

Shareholders' equity

At 30 June 2015, the number of outstanding ordinary shares was 84,572 thousand (31 December 2014: 84,572 thousand). No dividend has been paid in 2015 (2014: EUR 1.50 per qualifying ordinary share).

Loans and borrowings

(EUR x million)	30 June 2015	31 December 2014	30 June 2014
Bank loans	154.9	154.9	155.0
Private placement loans	820.5	760.0	693.1
Revolving credit facility (RCF) CGG	52.8	36.8	-
Other loans	1.7	2.3	3.0
Subtotal	**1,029.9**	**954.0**	**851.1**
Less: current portion of long-term loans	118.4	4.1	0.2
Total	**911.5**	**949.9**	**850.9**

The committed multicurrency revolving credit facilities as well as the (US) private placement loans contain certain covenant requirements (for a complete overview of the covenants, refer to Annual Report 2014). On 30 December 2014, Fugro agreed with its lenders on a temporary adjustment of two of these covenants and on the related definitions (refer to Annual report 2014) - see table on the next page:

Test date	Net leverage		Fixed charge cover	
	original covenant	adjusted covenant	original covenant	Adjusted covenant
June 2015	< 3.00x	< 3.00x	> 2.50x	> 2.00x
September 2015	NA	< 3.00x	NA	> 2.00x
December 2015	< 3.00x	< 3.00x	> 2.50x	> 2.25x
March 2016	NA	< 3.00x	NA	> 2.25x
June 2016 onwards	< 3.00x	< 3.00x	> 2.50x	> 2.50x

As can be concluded from the table below, at the last twelve months rolling forwards measurement, Fugro complies with all adjusted covenant requirements:

(x EUR million)	Six months ended 30 June 2015
Adjusted consolidated EBITDA	367.2
Operating lease expense	149.0
Net interest expense	36.3
Fixed charge cover > 2.0	**2.8**
Net consolidated financial indebtedness (loans and borrowings less net cash)	732.4
Bank guarantees exceeding cap of € 100 million	-
Total	732.4
Net leverage < 3.0	**2.0**
Consolidated net worth	1,574.7
Balance sheet total	3,577.3
Solvency > 33.33%	**44.0%**
Margin indebtedness subsidiaries	7.2%
Dividend < 60% of the profit	**-**

The table below summarizes the covenant requirements of the six months ended 30 June 2014 based on the original covenants:

(x EUR million)	Six months ended 30 June2014
EBITDA	385.7
Operating lease expense	149.0
Net interest expense	15.9
Fixed charge cover > 2.5	**3.2**
Net financial indebtedness (loans and borrowings less net cash)	817.1
Bank guarantees	76.7
Total	893.8
Net leverage < 3.0	**2.3**
Net worth	1,698.3
Balance sheet total	3,566.5
Solvency > 33.33%	**47.6%**
Margin indebtedness subsidiaries	4.0%
Dividend < 60% of the profit	**n/a**

Share-based payments

The share-based payments plans of Fugro N.V. can be divided in a long-term incentive plan and a share option scheme. For the first six months of 2015, an expense of EUR 4.6 million (first six months of 2014: EUR 5.9 million) relating to share-based payments for the full year 2015 has been recognised in the statement of comprehensive income.

Related parties

The Board of Management receives compensation in the form of short-term employee benefits, post-employment benefits and share-based payments (refer to previous note). The Board of Management received total compensation of EUR 1.8 million for the first six months of 2015. Last year, the total compensation amounted to EUR 2.9 million.

Capital commitments, contingencies and bank guarantees

By 31 December 2014, the group had entered into contractual obligations to purchase property, plant and equipment for EUR 40.4 million. During the first six months of 2015, EUR 14.4 million of these commitments resulted in additions to property, plant and equipment (including assets under construction). On 30 June 2015, the group has contractual obligations with a total value of EUR 26.0 million to purchase property, plant and equipment (30 June 2014: EUR 42.7 million).
As per 30 June 2015, Fugro has issued bank guarantees to customers for an amount of EUR 88.9 million (30 June 2014: EUR 76.7 million).

Financial risk management and financial instruments

The key aspects of the group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2014.
All financial instruments carried at fair value within Fugro are classified either as level 1, 2 or 3, which totally amount to EUR 4.8 million as at 30 June 2015 (31 December 2014: EUR 2.9 million and 30 June 2014: EUR 6.8 million). In 2015, Fugro entered into some derivatives (swaps and forwards) to economically hedge certain future currency risks and/or interest payments. These derivatives totally amount to EUR 1.9 million (31 December 2014: EUR nil) as at 30 June 2015, and are categorized within level 2. The other financial instruments carried at fair value remained unchanged compared to 31 December 2014.

The warrant as part of a vendor loan due from CGG issued by Fugro represents the fair value of the underlying Seabed Geosolutions B.V. unquoted shares, accruing to Fugro in case of default of the counterparty (CGG). The warrant is categorised as a financial instrument in level 3. The warrant is accounted for at fair value through profit or loss and its carrying amount of EUR 2.5 million did not change compared to 31 December 2014. The valuation techniques and the inputs used in the fair value measurement did not change in the first six months of 2015 compared to 31 December 2014.

Fugro's valuation processes

The group's finance department performs the valuations of financial assets and liabilities required for financial reporting purposes, including Level 3 fair values. The key inputs to the valuations are directly reported to the Chief Financial Officer. Changes in Level 2 and 3 fair values are analysed at each reporting date. The carrying amount of the financial assets and liabilities is a reasonable approximation of fair value except for the following as reported in the table below as at 30 June 2015:

(x EUR million)	**30 June 2015**	
	Carrying amount	**Fair value**
Private placement loans in USD*	(691.9)	(711.7)
Private placement loans in GBP*	(94.0)	(96.8)
Private placement loans in EUR*	(34.6)	(35.6)
Total	**(820.5)**	**(844.1)**
Unrecognised gains/(losses)		(23.6)

* The private placement loans carried at fair value are categorised within level 2 of the fair value hierarchy.

Review report

To: the Supervisory Board and Shareholders of Fugro N.V.

Introduction

We have reviewed the accompanying consolidated interim financial information of Fugro N.V., Leidschendam, as set out in pages 13 to 23, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the period of six months ended 30 June 2015, and the notes. Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the European Union.

Amstelveen, 5 August 2015

KPMG Accountants N.V.

R.P. Kreukniet RA