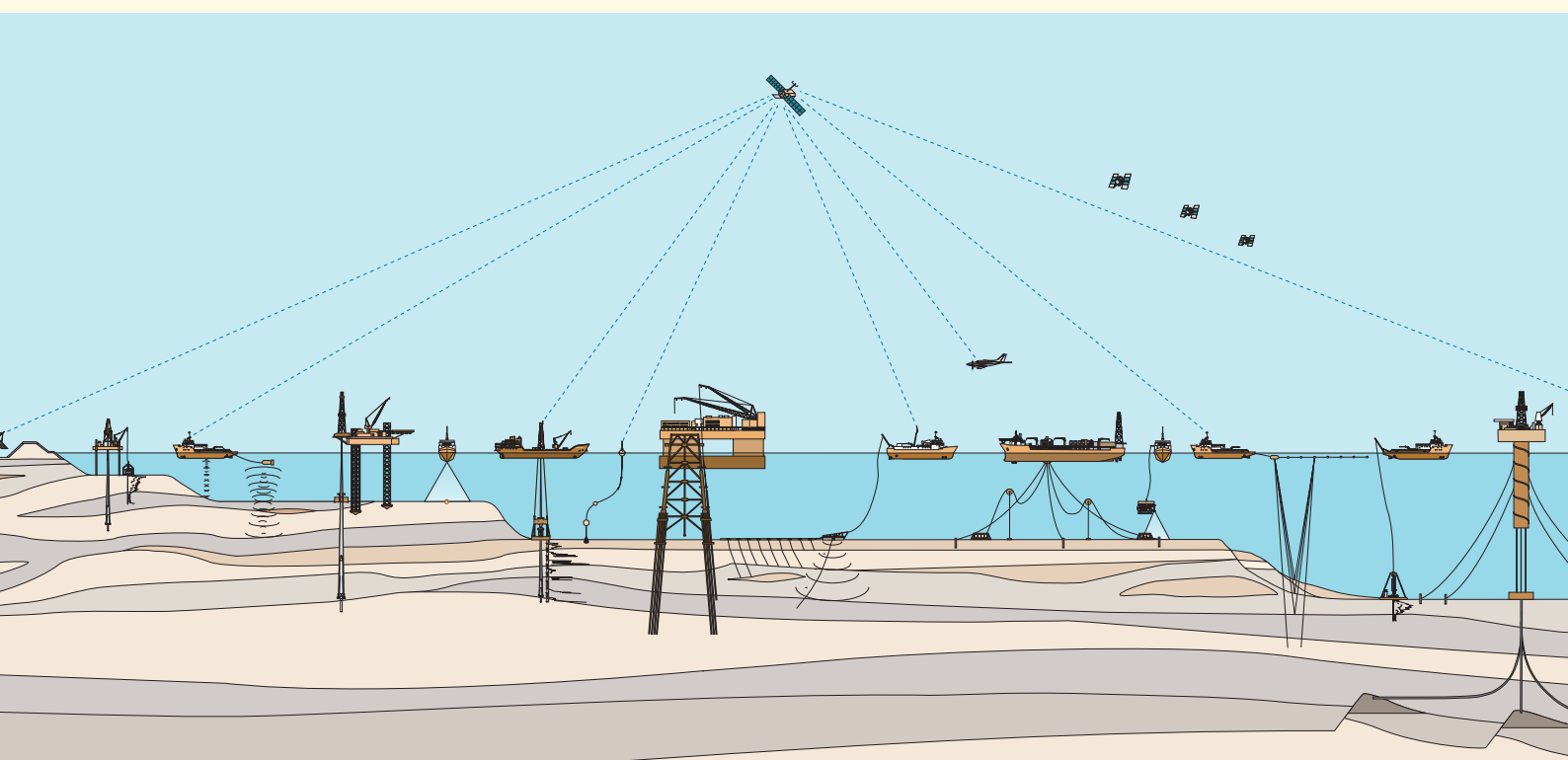




**FUGRO N.V.**

Half-yearly report 2011



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## Cautionary Statement regarding Forward-Looking Statements

This half-yearly report may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including (but not limited to) statements expressing or implying Fugro's beliefs, expectations, intentions, forecasts, estimates or predictions (and the assumptions underlying them). Forward-looking statements necessarily involve risks and uncertainties. The actual future results and situations may therefore differ materially from those expressed or implied in any forward-looking statements. Such differences may be caused by various factors (including, but not limited to, developments in the oil and gas industry and related markets, currency risks and unexpected operational setbacks). Any forward-looking statements contained in this half-yearly report are based on information currently available to Fugro's management. Fugro assumes no obligation to make a public announcement in each case where there are changes in information related to, or if there are otherwise changes or developments in respect of, the forward-looking statements in this half-yearly report.

## Profile

Fugro provides the people, equipment, expertise and technology that support the exploration, development, production and transportation of the world's natural resources. Fugro also provides its clients with the technical data and information required to design, construct and maintain structures and infrastructure in a safe, reliable and efficient manner.

Fugro's clients operate in many locations and under different conditions. To be able to meet their needs in the best possible way, Fugro's organisational structure is decentralised and client-oriented, delivering a wide range of services in a variety of operating environments and conditions. Fugro delivers these services from a global network of offices and facilities.

## Fugro's activities

Fugro provides a unique range of services and activities worldwide. These are organised in three divisions: Geotechnical, Survey and Geoscience.

### Geotechnical

The Geotechnical division investigates the engineering properties and geological characteristics of near-surface soils and rocks using (in-house developed) proprietary technologies, advises on foundation design and provides construction materials testing, pavement assessment and construction support services. These services support clients' projects worldwide in the onshore, near shore and offshore environments, including deep water. Typical projects include support of infrastructure development and maintenance, large construction projects, flood protection and support of the design and installation of oil and gas facilities.

### Survey

The Survey division provides a range of services to support the activities of the oil and gas industry and a broad range of commercial and civil industries as well as governments and other organisations. Offshore services include geophysical investigation for geohazards, pipeline and cable route surveys, inspection and construction support services, hydrographic charting and meteorology and oceanographic studies. Subsea services revolve around the use of remotely operated vehicles (ROVs) to support subsea inspection, construction and drilling while geospatial services are focused on land survey and aerial/satellite mapping services for a wide range of clients. In addition, Fugro's global positioning systems (which augment GPS and Glonass signals to provide precise positioning in real-time world-wide) are employed not only to support the above services, but are also provided on a subscription basis to other industries such as agriculture.

### Geoscience

The Geoscience division provides services and products associated with collecting, processing, interpreting, managing and storing geophysical and geological data. These data sets are used for evaluating the presence of natural resources, including oil, gas, water and minerals, and for optimising the exploration, appraisal, development and production of those resources. A broad range of geophysical data sets are collected including marine seismic, gravity, magnetics and electromagnetics. The data sets are collected at sea, from the air and on land using vessels, low flying airplanes and helicopters. Clients are oil and gas companies, mining companies and governmental organisations.



13,700 employees



60 vessels



75 CPT trucks



27 laboratories



29 jack-up platforms



60 aircraft



250 land-based drillrigs  
15 offshore drillrigs



150 ROVs

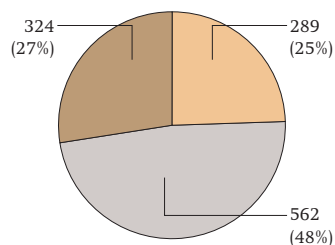


8 AUVs



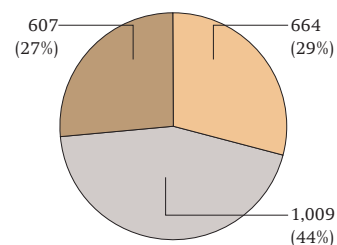
278 offices

**Revenue per division**  
(EUR x million) first half 2011

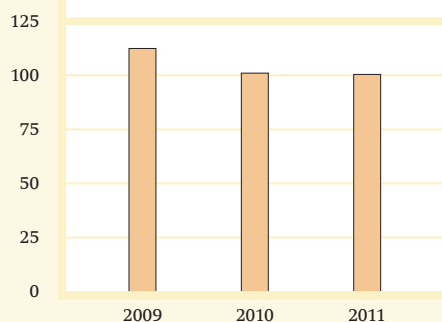


Geotechnical  
Survey  
Geoscience

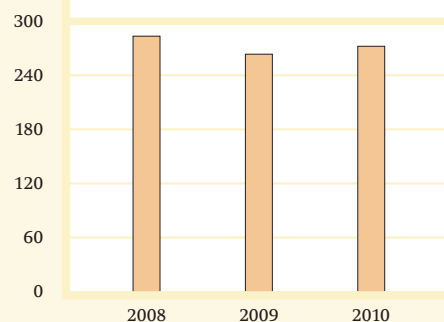
**Revenue per division**  
(EUR x million) at 31 December 2010



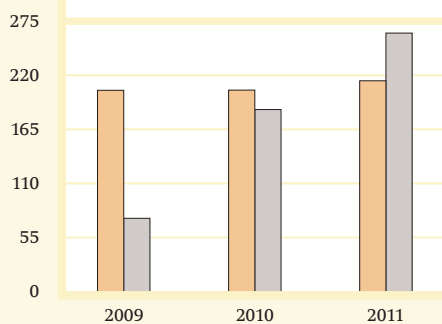
**Net result**  
(EUR x million) at 30 June



**Net result**  
(EUR x million) at 31 December

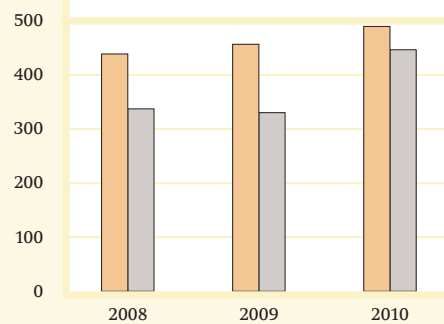


**Cash flow and investments**  
(EUR x million) at 30 June

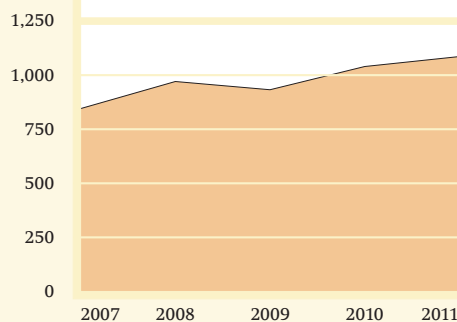


Cash flow  
Investments

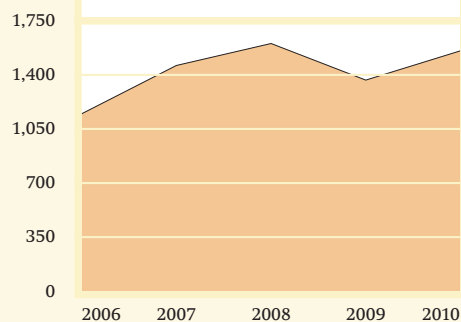
**Cash flow and investments**  
(EUR x million) at 31 December



**Backlog**  
(EUR x million) at 30 June  
for the second half of the year



**Backlog**  
(EUR x million) at 31 December  
for the following year



## Profit level maintained with revenue growth continuing

### Long term financing secured

#### Major developments in the first half of 2011

- Revenue in the first half of 2011 increased by 12.7% to EUR 1,175.3 million (first half of 2010: EUR 1,042.4 million).
- The net result for the first six months of 2011 was EUR 100.4 million, which is comparable with the result over the first six months of 2010 (EUR 101.0 million).
- Long term financing secured with new US Private Placement loans of USD 909 million (7, 10 and 12 years maturity) and prolonged committed bilateral bank loans (5 years) of EUR 725 million.
- Little impact from political unrest in North Africa and the Middle East.
- In the first half of 2011 Fugro took delivery of two new build vessels: Fugro Galaxy and Fugro Symphony.
- In the first six months Fugro acquired four companies.
- The EMGS convertible loan was converted into 27.8 million shares in EMGS (14.81% of the outstanding shares of EMGS).

#### Outlook

- Barring unforeseen circumstances, and assuming reasonably stable exchange rates, Fugro expects that the revenue for the whole of 2011 will be approximately EUR 2,500 million (2010: EUR 2,280.4 million) with a net result of around EUR 260 million (2010: EUR 272.2 million). The result for the full year 2010 was positively impacted by the change in fair value of the EMGS convertible loan (EUR 16 million after tax). For the outlook of 2011 no change in fair value for Fugro's participation in EMGS over the year 2011 has been included. The above mentioned outlook will result in a net profit margin of 10.4% for the whole of 2011 (2010: 11.9%).
- In some market segments we expect to experience continued price pressure. This is predominantly the case in the marine seismic data acquisition market.
- Economic and financial uncertainty in the world may lead to deferral of projects and a tendency for clients to award projects at the last minute.
- The order backlog for the coming six months amounts to EUR 1,084 million (end June 2010: EUR 1,038 million).

#### Key figures

	30 June 2011	30 June 2011 compared to 30 June 2010	30 June 2010
<b>Financial data (EUR x million)</b>			
Net result	100.4	(0.6)%	101.0
Revenue	1,175.3	12.7%	1,042.4
Result from operating activities (EBIT)	141.2	1.6%	139.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	251.9	5.4%	239.1
Cash flow	214.4	4.6%	204.9
Investments	218.2		166.3
Assets under construction	(81.1)		18.8
<b>Per share (in EUR)</b>			
Basic earnings	1.26	(3.1)%	1.30
Cash flow	2.70	2.7%	2.63
<b>Number of employees</b>	13,755	2.3%	13,434

The term 'shares' as used in this half-yearly report should, with respect to ordinary shares issued by Fugro N.V., be construed to include certificates of shares (also referred to as 'share certificates' or 'depository receipts' for shares) issued by Fugro's Trust Office, unless the context otherwise requires or unless it is clear from the context that this is not the case.

In this half-yearly report, Fugro N.V. is also referred to as 'the Company' or 'Fugro'. Fugro N.V. and its subsidiary companies are together referred to as 'the Group'.

### Results first half of 2011

The slowdown in the worldwide economic recovery and issues such as political unrest in countries in North Africa and the Middle East as well as aggregating financial problems in a number of European countries like Greece, created uncertainties in various market segments in which Fugro is exposed. These uncertainties led to deferral of projects and a tendency by clients to award projects at the last minute. This reduces our ability to optimise the planning of resources, which results in many cases in more transit time for vessels between projects.

Notwithstanding the foregoing, Fugro's revenue for the first six months of 2011 increased by 12.7% compared to the first half of last year and amounted to EUR 1,175.3 million (first half of 2010: EUR 1,042.4 million). Revenue increased organically by 9.3% and 7.2% was added as a result of acquisitions. These were offset by a negative impact of 3.7% due to the foreign currency effect and 0.1% reduction in revenue due to the disposal of some activities.

Tender activity is high. This is reflected in the backlog showing some improvement in the first half of 2011.

The net result for the first six months of 2011 was EUR 100.4 million, which is comparable with the result over the first six months of 2010 (EUR 101.0 million).

Currency effects were significant in the first half of 2011. The foreign currency exchange loss over the first six months was EUR 12.0 million (first half of 2010: EUR 3.4 million positive). The foreign currency differences were mainly caused by the weakening of the US dollar and the

British pound against the Euro. The average US dollar rate over the first half of 2011 was EUR 0.70 (first half of 2010: EUR 0.76).

The foreign currency translation difference for overseas operations had a negative effect on the equity per 30 June 2011 of EUR 66.0 million (30 June 2010: EUR 159.5 million positive). The majority of this translation difference also relates to the US dollar and the British pound.

Lower utilisation of geotechnical vessels was partly compensated by income resulting from the remodelling of the sales agreement of land-based positioning signals with Trimble.

The EBITDA for the first half of 2011 increased by 5.4% to EUR 251.9 million (first half of 2010: EUR 239.1 million). The EBIT for the said period was EUR 141.2 million (first half of 2010: EUR 139.0 million).

Working capital as per 30 June is EUR 2.7 million (31 December 2010: EUR 253.2 million). Reasons for the movement are an increase in the use of bank facilities of EUR 162 million (this is among others caused by the purchase of own shares for the option plan amounting to some EUR 68 million) and the short term portion of loans and borrowing increased with EUR 204 million as a result of the bridge loans for the 2011 acquisitions and the short term portion of the USPP (2002). These effects are offset by the higher book value of the seismic data libraries (EUR 47 million). Some improvement in collection of the aged accounts receivable was achieved in the last few months. However, the recent acquisitions have led to an increase in the level of outstanding accounts receivable compared to the start of the year.

The effective tax rate over the first half of 2011 was 12.6% against 24.4% over the first half of 2010. The lower tax rate is mainly caused by a different spread of geographical locations where projects are being executed. The full year tax rate is expected to be around 20% (full year 2010: 21.9%).

The net profit margin over the first six months of 2011 was 8.5% (first half of 2010: 9.7%).

Basic earnings per share over the first half of 2011 amounted to EUR 1.26 (first half of 2010: EUR 1.30).

#### Growth of revenue

(In % compared to first half of 2010)

Organic	9.3
Acquisitions	7.2
Divestments	(0.1)
Exchange rate effects	(3.7)
Total	12.7

### **Developments in the first half of 2011**

Notwithstanding some negative issues the growth in revenue continued in the first half of the year, partly supported by a number of completed acquisitions.

- The start of some new ROV-projects in Brazil was delayed as the vessels, which were delivered by third parties to our client, arrived later than planned.
- The utilisation of the vessel fleet was impacted by factors such as a higher number of planned dry dockings for regular maintenance earlier in the year and the unexpected last minute cancellation of a large offshore project in Asia (several tens of millions of Euros), resulting in idle time for vessels such as the Fugro Synergy.
- In the early part of the year, the onshore activities were impacted by extreme weather circumstances in a number of regions, like the United States and Northeast Australia.
- The events in Japan following the earthquakes have had limited effect on Fugro's activities.
- On 2 March 2011, Fugro acquired 100% of the shares in TSmarine Group Holdings Pty Ltd. (TSM) and its subsidiaries. TSM, with its headquarter in Perth (Australia) and subsidiaries in Singapore, Labuan (Malaysia) and Aberdeen (United Kingdom), is a specialist provider of subsea installation services, IRM (inspection, repair and maintenance) and light well intervention. TSM has 70 permanent and some 100 contract staff. The purchase price was USD 117 million.
- On 4 April 2011 Fugro reached agreement with Reef Subsea AS to acquire Bluestone Offshore Pte Ltd. and its subsidiaries. Bluestone Offshore is headquartered in Singapore and a provider of offshore geotechnical services in Southeast Asia and Australia. The company has approximately 40 employees. The purchase price was USD 12 million.
- On 2 May 2011 Fugro reached agreement with JDR Cable Systems (Netherlands) Ltd. to acquire De Regt Marine Cables B.V. (De Regt). De Regt designs and produces special marine cables for the oil and gas industry, for geophysical clients and for defence. The company has around 110 employees. The purchase price was EUR 35 million.
- On 17 June 2011 Fugro also completed the acquisition of Kelman Technologies' seismic data processing business, headquartered in Calgary with operations in Canada, the United States and Mexico. Kelman's expertise in land data processing complements Fugro's existing seismic data processing capability. The company employs 40 people. The purchase price was CAD 9 million.
- On 7 April 2011 Fugro received confirmation that the convertible loan to EMGS amounting to NOK 150 million was converted into 27,777,778 shares of EMGS, equal to 14.81% of the outstanding shares of EMGS.
- On 16 March 2011 Fugro entered into an agreement with Trimble with respect to the delivery of the OmniSTAR™ land-based Global Navigation Satellite System (GNSS) signal corrections. The Fugro network provides space-based GNSS correction signals that improve the accuracy of a GNSS receiver for precise positioning applications on land and offshore anywhere on the globe. Fugro and Trimble also entered into a multi-year service agreement which includes Fugro's continued operation of its correction network that powers the OmniSTAR service for land-based precise positioning.
- On 11 March 2011 Fugro received the Erasmus Innovation Award 2010-2011 for the most innovative company in the Netherlands.
- A selection of some important and interesting contracts:
  - Fugro Brasil, along with consortium partner IPEX, was awarded a deep water drop coring project by the ANP (National Oil & Gas Agency) for the Ceará Basin development plan in the northeast of Brazil, in order to increase knowledge of the equatorial margin basins. The project requires satellite imagery acquisition, processing and interpretation; review of 3D seismic profiles; selection of geochemical sampling stations;

recovery of 1,000 drop cores in water depths up to 3,000 metres; laboratory testing and interpretation.

- Fugro GEOS secured two large metocean (meteorological and oceanographic) measurement studies for Statoil in the North Sea. These highlight the importance of accurate metocean data at the design stage of development of offshore fields and for life extension of existing fields. Fugro will undertake a five year metocean measurement programme with associated routine data analyses for Statoil. Fugro will also be measuring over a period of twelve months, currents at several locations, including along the northern part of the Norwegian Sea Gas Infrastructure pipeline.
- Fugro Robertson signed an exclusive, world-wide development and distribution agreement with Carl Zeiss to develop and distribute RoqSCAN™. RoqSCAN is a real time, fully portable, quantitative and automated rock properties and mineralogical analyser that has been jointly developed by Fugro Robertson and Carl Zeiss for use at conventional and unconventional oil and gas well sites.
- Fugro was awarded another long-term saturation diving contract by Otto Candies for Petrobras in Brazil. Following successful partnership for the first Otto Candies' Diving Support Vessel (DSV), the award refers to the second DSV, named Wyatt Candies. Otto Candies is providing the DSV and the contract will be jointly managed. The tri-partite contract has a value for Fugro of approximately USD 100 million, involving ROV and diving services.

The contract has a five year duration with an additional five year option, and operations are expected to commence by early 2012.

Furthermore Fugro has signed a contract amendment for the ongoing Toisa Sentinel contract in Brazil, managed in partnership with Sealion Shipping. As a result, Toisa Sentinel was replaced by Toisa Pegasus, and an additional three year contract period has been secured, generating a firm backlog of approximately USD 80 million for Fugro until the end of 2014.

- Interaction, part of the Fugro group, signed an agreement to supply Rock Solid Images with next generation marine electromagnetic processing and quality control software systems.
- Fugro was awarded a hydrographic survey contract by the Finnish and Swedish Hydrographic Offices for a 13,000 km<sup>2</sup> area including shipping routes between Sweden and Finland, in the Gulf of Bothnia, Baltic Sea.
- Fugro signed a five year framework agreement with SMart Wind & Mainstream Renewable Power to carry out detailed geotechnical studies at three offshore wind projects in Europe. This was the first contract of its size in the offshore windfarm industry set to create significant cost reductions.
- Fugro in conjunction with long-time associates, Constructora Subacuatica Diavaz, S.A. de C.V., has been awarded two large multi-site high resolution geophysical and geotechnical surveys by Mexico's national oil company PEMEX. Overall value of the contracts is estimated to be around USD 44 million.
- Fugro has successfully completed acceptance trials of the new LADS Mk 3 Airborne Lidar Bathymetry system and has been awarded a project by the New South Wales Government (Australia). The survey covers parts of the NSW central and north coasts.

## Employees

In the table below you will find the movement of the staff numbers in the first half of 2011.

<b>Employees</b>	
1 January 2011	13,463
Additions from four acquisitions	360
Less divestment	(70)
Net organic movement	2
<hr/>	
30 June 2011	13,755



<b>Share data</b>	<b>30 June 2011</b>	<b>30 June 2010</b>
Issued number of shares	81,392,981	80,269,684
Average number of outstanding shares	79,451,109	77,811,772
Shares purchased for option plan	1,645,497	1,703,046

### **Stock dividend 2010**

On May 10th 2011 the Annual General Meeting approved the proposal to maintain the dividend at EUR 1.50 per (certificate of an) ordinary share for 2010, to be paid at the option of the holder in cash or in (certificates of) ordinary shares. About 52% of the holders of (certificates of) shares chose to receive the dividend in stock. As a result 1,123,297 new ordinary shares were issued on 6 June 2011.

### **Changes in Supervisory Board and Board of Management**

The Annual General Meeting decided upon the following (re)appointments:

- reappointment of Mr. J.A. Colligan as member of the Supervisory Board;
- appointment of Mr. W.S. Rainey as member of the Board of Management.

Mr. F.H. Schreve retired as Supervisory Director and Chairman. The Supervisory Board appointed Mr. H.C. Scheffer as Chairman of the Supervisory Board. Furthermore, on 10 May 2011 it was announced that effective 2012 Fugro will be managed in accordance with a board of management model. The increased size of the

company makes a more collective decision-making process and more delegation of operational tasks desirable for the ongoing development of the company. Fugro will depart from the CEO model, which has been in effect for many years. This change in management model coincides with the departure of Mr. K.S. Wester who will retire in the course of next year.

Effective 1 January 2012 the Board of Management will consist of the following members that are currently already employed by Fugro and whereby the present divisional structure will be maintained:

Mr. A. Steenbakker (54) – Chairman

Mr. P. van Riel (55) – Vice-chairman, also responsible for technology/innovation and Director Geoscience Division

Mr. W.S. Rainey (56) – Director Geotechnical Division

Mr. J. Rüegg (66) – Director Survey Division

Mr. A. Jonkman (57) – Financial Director (CFO)

### **Financing**

In the second quarter of 2011 Fugro initiated discussions with respect to new US private placement (USPP) loans. In total Fugro secured loans in US dollars and currencies recalculated in US dollars for a total amount of USD 909 million with 27 US and UK based investors. The original currencies are USD 750 million, EUR 35 million and GBP 67.5 million. The maturities of these US Private Placement loans are 7, 10 and 12 year. The average interest rate is approximately 4.5%.

Fugro also reached agreement for the refinancing of the existing bilateral bank facilities that mature in April 2012. The new committed bilateral bank facilities will have a five year maturity and will expire in 2016. The total amount of committed bilateral facilities is EUR 725 million.

<b>(Expected) investments, excluding assets from acquisitions</b> (EUR x million)	<b>2009</b>	<b>2010</b>	<b>2011*</b>	<b>2012*</b>	<b>2013*</b>
Maintenance capex	70.4	81.2	100.0	110.0	120.0
Capacity expansion	250.0	362.6	200.0	110.0	120.0
<b>Total investments</b>	<b>320.4</b>	<b>443.8</b>	<b>300.0</b>	<b>220.0</b>	<b>240.0</b>
Movement in assets under construction	29.3	(44.8)	(50.0)	(50.0)	–
<b>Net cash</b>	<b>349.7</b>	<b>399.0</b>	<b>250.0</b>	<b>170.0</b>	<b>240.0</b>

\* Estimate.

The facilities have an interest rate of EURIBOR plus a margin of 130 BPS.

The documentation for the USPP and the committed bilateral facilities are in the process of finalisation.

With the renewed financing Fugro is well positioned to continue its strategy for further growth.

### **Investments**

Fugro successfully operates in niche markets on the basis of (generally in-house developed) special technology. For offshore operations specially designed vessels are preferably used in order to enhance efficiency. In order to create capacity for further growth and to meet future needs, including deepwater applications, Fugro has placed orders in 2010 for two dedicated survey vessels and two specially designed geotechnical vessels (with an option for two more). This will extend the vessel renewal and expansion programme into 2013. This is shown in the tables on page 7 and 10, including the (estimated) investments for 2009 through 2013.

### **Divisional developments**

#### **Geotechnical**

The Geotechnical division's revenue of EUR 289 million was 8% lower than the EUR 313 million achieved in the first half of 2010. The result from operating activities (EBIT) as a percentage of revenue was 12% (first half year of 2010: 15%). The lower result is due to issues in the offshore activities as mentioned below.

Onshore geotechnics showed a positive development in the face of the poor economic situation in many European countries and the United States, and the effects of the political uncertainty in the Middle East, which are

(EUR x million)

<b>Geotechnical</b>	<b>30 June 2011</b>	<b>30 June 2010</b>	<b>30 June 2009</b>
Revenue	289	313	257
Result from operating activities (EBIT)	34	46	43
As a % of revenue	12%	15%	17%

impacting infrastructure and building-related activities in those areas. There is a strong performance in the Far East and Brazil as well as in the near shore geotechnical and construction support activities, complemented by a positive effect of a bundling of resources that was implemented in the economically weaker regions.

The offshore geotechnical business line suffered from lower vessel utilisation due to a higher than normal number of planned maintenance dry dockings and the unexpected cancellation of a large offshore project in Asia which resulted in significant idle time for the Fugro Synergy. Otherwise, utilisation and performance was satisfactory, but it was not possible in the remainder of the first half to make up for the shortfalls. In the offshore market, demand in the oil and gas and offshore wind farm markets is good, which is providing a solid backlog for the remainder of the year. The deep water services segment is gaining more momentum, which plays to Fugro's capabilities in this area. The shallow water wind farm market is more easily accessible to competitors and increasing competition is resulting in some price pressure in this segment.

#### **Survey**

The Survey division revenue increased by 21% to EUR 562 million (first half of the year 2010: EUR 466 million). The result from operating activities (EBIT) as a percentage of revenue was 20% (first half 2010: 22%).

Following a slow start into the year the traditional offshore survey business has since caught up for the ground lost thanks to a balanced portfolio of activities around the globe. While benefiting from new legislation issued by the United States regulator (BOEMRE) for more detailed survey work in the Gulf of Mexico, Fugro is still experiencing a slow return of activities in that area.

(EUR x million)

<b>Survey</b>	<b>30 June 2011</b>	<b>30 June 2010</b>	<b>30 June 2009</b>
Revenue	562	466	491
Result from operating activities (EBIT)	113	101	124
As a % of revenue	20%	22%	25%

The European operations benefited from a strong renewables market (offshore wind farms) and together with oil and gas activities had good order books during the reporting period, a situation which is expected to continue.

Growth of the subsea services has continued in Brazil but moderated a little due to late delivery of committed resources (third party vessels) required for the execution of awarded contracts. The African operations provided a solid base and we see increased activity levels offshore Africa. Middle East activities were somewhat affected by the turmoil early in the year for a short period but subsequent returned to normal. Asia Pacific activities have been somewhat subdued, but are looking at a more buoyant second half of 2011. The presence in this region was strengthened through the acquisition of TSmarine.

With the exception of Germany, the European geospatial market remains weak while in the United States this business line is impacted by government budget delays and cutbacks. The US geospatial business related to onshore oil and gas developments remained strong due to the buoyant onshore shale gas development.

Trading conditions for survey activities overall continue to be competitive, particularly in the offshore construction support market where an oversupply of new vessels is affecting rates.

In March Fugro took delivery of a dedicated survey vessel for the European markets (Fugro Galaxy) and in May of an additional vessel (Fugro Symphony) to supplement the ROV support vessel fleet.

### Geoscience

The Geoscience division's revenue was EUR 324 million – an increase of 23% compared with the first half of 2010 (EUR 263 million). The result from operating activities (EBIT) as a percentage of revenue was 16% (first half of 2010: 17%).

The exploration sector, in which the Geoscience division largely operates, continues to invest in the discovery of oil, gas and mineral reserves at levels exceeding 2010 actual spend. Results across the division are mixed. Multi client seismic and activities in the geological and geophysical services markets showed good performance.

Rates for contract marine seismic acquisition remained under pressure during the first half of 2011, mainly as a result of overcapacity of vessels in this segment and lack of activity in the Gulf of Mexico. Operational performance coupled with good geographic distribution of the vessels, allowed Fugro to successfully compete in a challenging market. Fugro is experiencing benefits from the new C-class vessels towing ultra large spreads and our current strong presence in Africa. The seismic industry is still waiting for the Gulf of Mexico to open up to resume normal activity following the Macondo incident.

Multi-client seismic sales improved in the second quarter and are higher at mid-year compared to mid 2010. The majority of the multi-client activity is focused on the 3D segment. The prefunding level remains good, particularly on projects in Norway and Australia. The book value of the multi-client library on 30 June 2011 is EUR 249 million.

The data management and storage activities continue to operate in a stable market. The interest for multi-client and proprietary geological studies remains high for new frontier oil and gas exploration areas as well as for non-conventional (shale oil and gas) opportunities. Fugro successfully launched its RoqSCAN™ real time well site mineralogy analyser, a tool to assist operators in better positioning of lateral wells and drilling management in shale reservoirs. Sales for specialised geophysical and geological software products continue to grow as new features are added. A number of clients operating in the US shale gas market have also shown interest in the Fugro Jason suite of tools in their efforts to improve on the characterisation of these reservoirs.

The market for non-seismic services showed some improvement compared to the same period in 2010.

(EUR x million)

<b>Geoscience</b>	<b>30 June 2011</b>	<b>30 June 2010</b>	<b>30 June 2009</b>
Revenue	324	263	287
Result from operating activities (EBIT)	51	44	62
As a % of revenue	16%	17%	22%

Overall levels of activity did not increase, but the service mix has been more favourable in the first half of 2011. Mining exploration companies are still careful about where and how they invest exploration funds.

### **Market developments**

During the first half of 2011 the oil price stayed well above USD 95 per barrel (Brent). In April the price rose to over USD 125 per barrel as a reaction to political unrest in oil producing countries in the North African and Middle East regions. The price of oil has recently declined due to more uncertainty about worldwide economic developments.

Recent external surveys indicate that during 2011 the annual E&P expenditure will increase by some 16% to record levels of over USD 500 billion and further increases are foreseen for the following years. The expected growth in this expenditure is worldwide with the exception of Africa, where a reduction is foreseen. The expected higher expenditure by the oil and gas industry bodes well for the future for service companies like Fugro. However, marine seismic, a segment that rapidly reacts to fluctuations in the global expenditure, is in the short term still facing some overcapacity on the supply side, which will keep the rates under pressure for a while. Resumption of activities in the Gulf of Mexico will have a positive impact, but until now progress has been slow.

The demand for offshore wind farm related work continues in Northwest Europe. Notwithstanding the fact that there is increased competition for this shallow water type of work, such projects create good opportunities for optimising fleet utilisation as project execution periods are flexible.

Infrastructure and building related activities are under pressure in some regions like in Europe and parts of the United States due to reduced government funding.

The backlog for the remaining part of the year is higher than mid-year 2010 and amounts to EUR 1,084 million (end June 2010: EUR 1,038 million). The value of the backlog is calculated at the rates of exchange as at 30 June. Based on the exchange rates of mid last year the backlog would have been EUR 105 million higher and would amount to EUR 1,189 million. Organic growth in the backlog, taking out the effects of additions through acquisitions and exchange rate effects, is around 7% compared to a year ago.

### **Main risks and uncertainties**

The Annual Report 2010 provides a description of Fugro's risk management and a summary of the main risks.

The main risks concern:

- Economic stagnation, which may lead to project deferrals and/or cancellations
- Collapse of the demand for oil, gas and/or minerals
- Political instability in countries and/or regions important to Fugro
- Payment risk of clients with low financial strength
- Pressure on prices by clients as a result of lower demand and/or overcapacity in certain market segments
- Significant foreign currency fluctuations (amongst others of the US dollar, Norwegian kroner and British pound)
- Strong decrease of the oil price compared to the present level of around USD 100 per barrel (Brent), leading to lower investments by the oil and gas industry

### **Fleet renewal/expansion**

As part of the refitting and renewal of the vessel fleet, the following vessels will be added to the fleet:

<b>Name of the vessel</b>	<b>Type of vessel</b>	<b>Expected start of operation</b>	<b>Owned/chartered</b>
Fugro Equator	Survey	Q1-2012	Owned
Fugro Brasilis	Survey	Q2-2012	Owned
Fugro Voyager	Geotechnical	Q3-2012	Owned
Fugro Australis	Survey	Q4-2012	Owned
Fugro Scout	Geotechnical	Q1-2013	Owned

- A disaster such as the oil spill in the Gulf of Mexico that could have the effect that planned and ongoing activities are (partly) cancelled or reduced

These risks are also applicable for the second half of 2011. In addition Fugro has identified risks related to continuing financial problems of a number of European countries leading to instability of the financial markets.

### **Subsequent events**

- In July 2011 EMGS elected to repay a USD 20 million loan that was provided to them by Fugro in 2010.
- In July 2011 Fugro finalised the acquisition of Sial Geoscience Consulting and Engineering Şti. in Turkey. Sial is a leading Turkish geotechnical consultant providing expertise to large infrastructure construction companies and government. The company is based in Ankara and has 20 employees. The purchase price was EUR 4 million.
- In July 2011 Fugro reached agreement for the acquisition of AOA Geophysics Inc. in Houston. The company provides geoscience consultancy to the offshore oil and gas industry and employs 14 people. The purchase price was USD 1 million.

### **Outlook**

Fugro's activities are largely related to the oil and gas industry. The ongoing depletion of existing fields in production, in combination with further growth in the global demand for energy, leads to continuation of the search for new resources and the development of new production capacity. This is reflected in growing global E&P spending, which is expected to increase further in the coming years.

As in previous years, Fugro continues to enhance its capabilities as a service provider to the oil and gas industry by investing in state-of-the-art technology and equipment. The development of technology and building up experienced human resources are continuous processes, which do not at all times coincide with fluctuating market demands.

In the present market situation there are some sectors in which Fugro is active, like marine seismic and offshore construction support, which experience some imbalance between demand and available capacity. With the prospect of the industry as outlined above, it is our belief that balances will be restored at some stage in the foreseeable future, but the exact timing is difficult to assess and depends on for example, the speed at which activities in the Gulf of Mexico will be resumed in full.

Other segments in which Fugro operates are more related to general economic developments. This applies to our mining related services, which are depending on global demand for minerals. Infrastructure work is more sensitive to regional developments and dependent on (semi-) government spending. After some positive signs in the wake of economic recovery after the global financial crisis, recent events have led to more uncertainty in these sectors in regions like Europe and the United States.

The foregoing makes the outlook for the remainder of the year complex, also in the light of increasing uncertainty in the recent weeks with regard to financial stability in several countries, which may lead to deferral of projects. However, Fugro expects further growth in revenue based on the solid backlog and is well positioned to rapidly benefit from an acceleration in the demand for its services. Notwithstanding that, further cost reduction programmes are ongoing in a number of operations with a weaker outlook, such as for government related work in the United States and Northwest Europe.

Barring unforeseen circumstances, and assuming reasonably stable exchange rates, Fugro expects that the revenue for the whole of 2011 will be approximately EUR 2,500 million (2010: EUR 2,280.4 million) with a net result of around EUR 260 million (2010: EUR 272.2 million). The result for the full year 2010 was positively impacted by the change in fair value of the EMGS convertible loan (EUR 16 million after tax). For the outlook of 2011 no change in fair value for Fugro's participation in EMGS over the year 2011 has been included. The above mentioned outlook will result in a net profit margin of 10.4% for the whole of 2011 (2010: 11.9%).

**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:

- a) the consolidated interim financial statements in this half-yearly report 2011 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; and
- b) the interim management report in this half-yearly report 2011 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, 11 August 2011

K.S. Wester, President and Chief Executive Officer  
A. Jonkman, Chief Financial Officer  
W.S. Rainey, Director  
P. van Riel, Director  
J. Rüegg, Director  
A. Steenbakker, Director

**Financial agenda**

<b>17 November 2011</b>	Trading update business developments third quarter 2011 (after trading hours)
<b>9 March 2012</b>	Publication of the 2011 annual figures (before trading hours)
<b>18 May 2012</b>	Trading update business developments first quarter 2012 (after trading hours)
<b>22 May 2012</b>	Annual General Meeting

(EUR x million)

<b>Backlog at the start of the second half year (for the next six months)</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Geotechnical</b>					
Onshore Geotechnical	155	151	130	133	105
Offshore Geotechnical	168	154	102	110	85
<b>Total Geotechnical</b>	<b>323</b>	<b>305</b>	<b>232</b>	<b>243</b>	<b>190</b>
<b>Survey</b>					
Offshore Survey	261	264	246	248	238
Subsea Services	192	139	130	129	96
Geospatial Services	49	65	57	49	42
<b>Total Survey</b>	<b>502</b>	<b>468</b>	<b>433</b>	<b>426</b>	<b>376</b>
<b>Geoscience</b>					
Seismic Services	179	183	195	214	186
Information Services	33	36	41	39	42
General Geophysical Services	47	46	30	47	50
<b>Total Geoscience</b>	<b>259</b>	<b>265</b>	<b>266</b>	<b>300</b>	<b>278</b>
<b>Total</b>	<b>1,084</b>	<b>1,038</b>	<b>931</b>	<b>969</b>	<b>844</b>
Applicable US dollar rate	EUR 0.69	EUR 0.81	EUR 0.71	EUR 0.63	EUR 0.74

Recalculated at the exchange rate of 30 June 2010, the backlog at 30 June 2011 would have been EUR 105 million higher and would have amounted to EUR 1,189 million. Backlog comprises revenue for the coming six months and includes awarded projects not yet started, and uncompleted parts of on-going projects (in total comprising 73%). Projects that are highly likely to be awarded represent 27%.

(EUR x million)

<b>Acquisitions in 2011</b>	<b>Price</b>	<b>Goodwill</b>	<b>Country</b>	<b>Division</b>	<b>Annual revenue</b>	<b>Number of employees</b>	<b>Consolidation per</b>
Up to 30 June							
TSmarine Group							
Holdings Pty Ltd.	78.2	65.7	Australia	Survey	90.0	170	March
Bluestone Offshore Pte Ltd.	8.2	15.0	Singapore	Geotechnical	14.0	40	April
De Regt Marine Cables B.V.	35.1	36.5	Netherlands	Geoscience	25.0	110	April
Kelman Technologies (Seismic Processing business and assets)	6.8	4.4	Canada	Geoscience	8.4	40	June
Adjustment prior years		0.3					
<b>Total</b>	<b>128.3</b>	<b>121.9</b>			<b>137.4</b>	<b>360</b>	
Per 1 July							
Sial Geosciences Consulting and Engineering Şti.	4.2	P.M.	Turkey	Geotechnical	1.5	20	July
AOA Geophysics Inc.	0.6	P.M.	United States	Geotechnical	1.8	14	July



## Impressions of the first half year 2011



Eurasia Tunnel Project. Skate IV jack-up platform working in the Bosphorus Strait in front of the old town of Istanbul, Turkey.

MPSV Atlantis Dweller off the coast of Nigeria for IRM work. The Atlantis Dweller is a multi purpose vessel designed to support diving and ROV.



The Geo Caspian in acquisition mode offshore Tanzania with a 12 streamer spread operating and delivering high quality 3D seismic data.





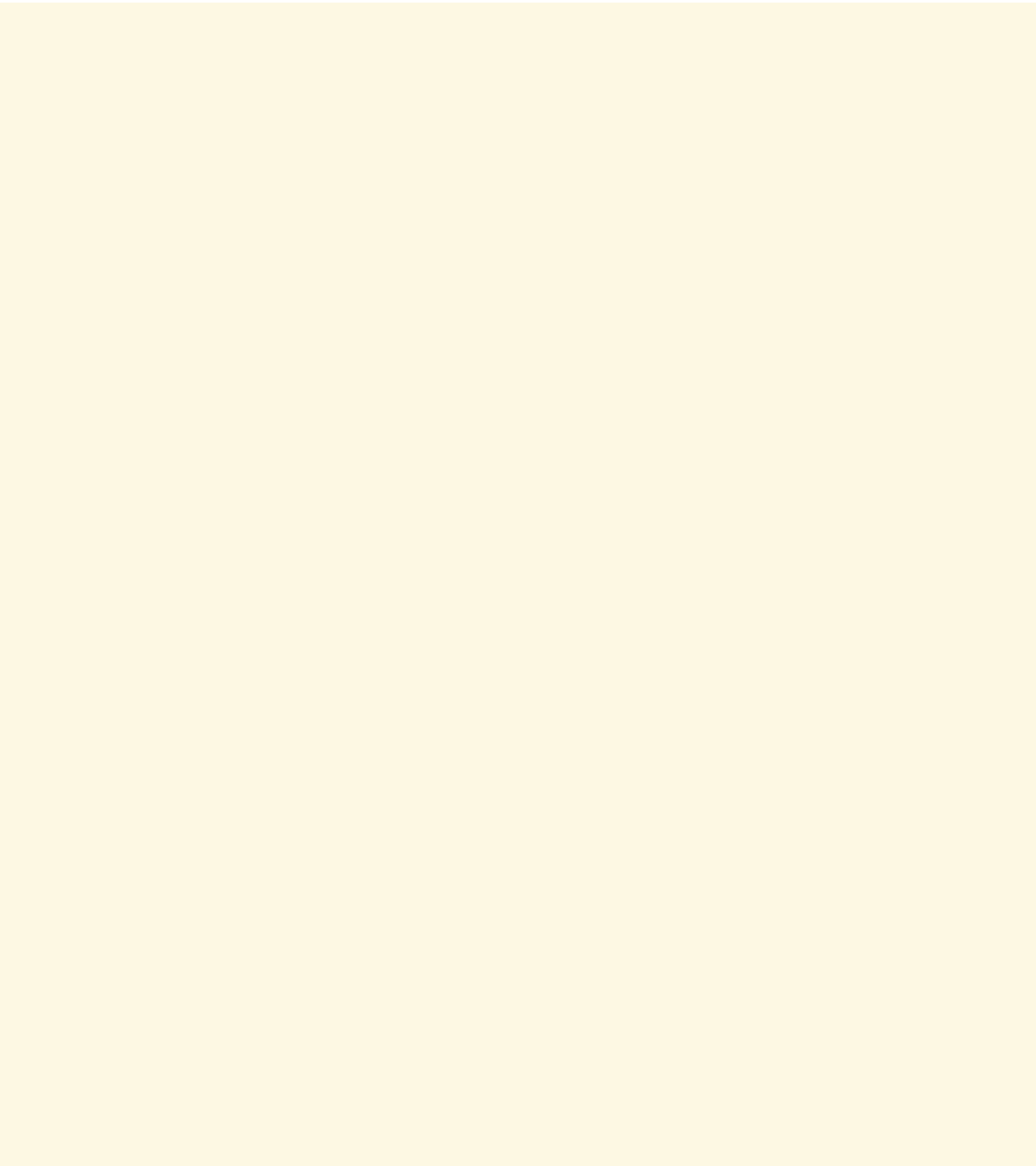
ROV in launching system.



AUV Echo Surveyor IV during the assembly and testing, Norway.



Airborne electromagnetic groundwater mapping, Australia.



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## Consolidated statement of financial position

(EUR x million)

	30 June*			31 December		
	2011	2010	2009	2010	2009	2008
<b>Assets</b>						
Property, plant and equipment	1,306.1	1,214.2	936.7	1,291.3	1,043.2	859.1
Intangible assets	689.4	546.2	488.9	576.4	492.7	452.1
Investments in equity-accounted investees	9.5	1.5	2.1	7.9	1.4	1.3
Other investments	62.6	24.9	21.4	62.5	23.5	3.0
Deferred tax assets	31.0	29.7	30.9	18.9	25.7	26.3
<b>Total non-current assets</b>	<b>2,098.6</b>	<b>1,816.5</b>	<b>1,480.0</b>	<b>1,957.0</b>	<b>1,586.5</b>	<b>1,341.8</b>
Inventories	276.0	141.0	65.6	219.0	80.6	39.7
Trade and other receivables	821.0	735.5	644.1	803.2	572.0	619.3
Current tax assets	34.2	19.5	7.2	29.4	19.4	9.2
Cash and cash equivalents	101.7	84.3	103.0	81.4	107.8	113.3
<b>Total current assets</b>	<b>1,232.9</b>	<b>980.3</b>	<b>819.9</b>	<b>1,133.0</b>	<b>779.8</b>	<b>781.5</b>
<b>Total assets</b>	<b>3,331.5</b>	<b>2,796.8</b>	<b>2,299.9</b>	<b>3,090.0</b>	<b>2,366.3</b>	<b>2,123.3</b>

\* The consolidated figures for 30 June are unaudited.

## Consolidated statement of financial position (continued)

(EUR x million)

	30 June*			31 December		
	2011	2010	2009	2010	2009	2008
<b>Equity</b>						
Share capital	4.1	4.0	3.9	4.0	3.9	3.8
Share premium	431.3	431.4	431.4	431.4	431.4	431.4
Reserves	899.5	816.8	464.0	800.7	489.0	209.7
Unappropriated result	100.4	101.0	112.4	272.2	263.4	283.4
<b>Total equity attributable to owners of the Company</b>	<b>1,435.3</b>	<b>1,353.2</b>	<b>1,011.7</b>	<b>1,508.3</b>	<b>1,187.7</b>	<b>928.3</b>
Non-controlling interests	13.5	13.5	8.5	14.9	11.8	7.5
<b>Total equity</b>	<b>1,448.8</b>	<b>1,366.7</b>	<b>1,020.2</b>	<b>1,523.2</b>	<b>1,199.5</b>	<b>935.8</b>
<b>Liabilities</b>						
Loans and borrowings	569.8	513.8	461.7	590.9	441.3	395.4
Employee benefits	71.6	93.3	67.9	76.1	72.6	52.5
Provisions	3.5	6.2	15.4	5.2	6.2	13.1
Deferred tax liabilities	7.6	16.0	1.0	14.8	7.1	1.0
<b>Total non-current liabilities</b>	<b>652.5</b>	<b>629.3</b>	<b>546.0</b>	<b>687.0</b>	<b>527.2</b>	<b>462.0</b>
Bank overdraft	482.2	298.7	171.8	300.3	167.6	194.6
Loans and borrowings	227.2	23.7	24.3	23.7	25.8	26.5
Trade and other payables	447.0	427.7	426.4	474.2	350.0	395.5
Other taxes and social security charges	36.7	37.6	37.8	45.2	40.6	31.5
Current tax liabilities	37.1	13.1	73.4	36.4	55.6	77.4
<b>Total current liabilities</b>	<b>1,230.2</b>	<b>800.8</b>	<b>733.7</b>	<b>879.8</b>	<b>639.6</b>	<b>725.5</b>
<b>Total liabilities</b>	<b>1,882.7</b>	<b>1,430.1</b>	<b>1,279.7</b>	<b>1,566.8</b>	<b>1,166.8</b>	<b>1,187.5</b>
<b>Total equity and liabilities</b>	<b>3,331.5</b>	<b>2,796.8</b>	<b>2,299.9</b>	<b>3,090.0</b>	<b>2,366.3</b>	<b>2,123.3</b>

\* The consolidated figures for 30 June are unaudited.

## Consolidated statement of comprehensive income

(EUR x million)	Six months ending 30 June*			Twelve months ending 31 December		
	2011	2010	2009	2010	2009	2008
Revenue	1,175.3	1,042.4	1,035.3	2,280.4	2,053.0	2,154.5
Third party costs	(444.8)	(336.1)	(323.3)	(765.6)	(624.4)	(722.3)
Net revenue own services (revenue less third party costs)	730.5	706.3	712.0	1,514.8	1,428.6	1,432.2
Other income	6.9	13.4	8.9	21.9	24.4	17.8
Personnel expenses	(371.7)	(353.5)	(315.2)	(723.1)	(652.8)	(619.1)
Depreciation	(106.1)	(96.1)	(84.3)	(201.5)	(173.6)	(140.4)
Amortisation of intangible assets	(4.6)	(4.0)	(4.6)	(8.1)	(10.1)	(9.0)
Other expenses	(113.8)	(127.1)	(140.2)	(252.5)	(249.1)	(295.7)
<b>Results from operating activities (EBIT)</b>	<b>141.2</b>	<b>139.0</b>	<b>176.6</b>	<b>351.5</b>	<b>367.4</b>	<b>385.8</b>
Finance income	3.2	7.2	1.8	28.3	7.2	30.6
Finance expenses	(26.4)	(8.1)	(21.4)	(22.1)	(27.5)	(32.0)
Net finance income/(costs)	(23.2)	(0.9)	(19.6)	6.2	(20.3)	(1.4)
Share of profit of equity-accounted investees (net of income tax)	0.7	0.6	0.6	1.0	0.4	(0.1)
<b>Profit before income tax</b>	<b>118.7</b>	<b>138.7</b>	<b>157.6</b>	<b>358.7</b>	<b>347.5</b>	<b>384.3</b>
Income tax expense	(15.0)	(33.9)	(41.4)	(78.5)	(74.4)	(94.8)
<b>Profit for the period</b>	<b>103.7</b>	<b>104.8</b>	<b>116.2</b>	<b>280.2</b>	<b>273.1</b>	<b>289.5</b>
<b>Attributable to:</b>						
Owners of the Company	100.4	101.0	112.4	272.2	263.4	283.4
Non-controlling interests	3.3	3.8	3.8	8.0	9.7	6.1
<b>Profit for the period</b>	<b>103.7</b>	<b>104.8</b>	<b>116.2</b>	<b>280.2</b>	<b>273.1</b>	<b>289.5</b>
Basic earnings per share (EUR)	1.26	1.30	1.49	3.47	3.46	3.88
Diluted earnings per share (EUR)	1.24	1.27	1.48	3.42	3.42	3.73

\* The consolidated figures for 30 June are unaudited.

## Consolidated statement of comprehensive income (continued)

(EUR x million)	Six months ending 30 June*			Twelve months ending 31 December		
	2011	2010	2009	2010	2009	2008
Profit for the period	103.7	104.8	116.2	280.2	273.1	289.5
<b>Other comprehensive income</b>						
Foreign currency translation differences of foreign operations	(78.6)	171.1	40.9	108.6	47.5	(52.8)
Foreign currency translation differences of equity-accounted investees	-	-	-	0.1	-	-
Net change in fair value of hedge of net investment in foreign operations	12.6	(11.6)	-	0.9	1.8	(2.7)
Defined benefit plan actuarial gains (losses)	(0.9)	(11.9)	(10.3)	0.7	(10.4)	(23.2)
Net change in fair value of cash flow hedges transferred to profit or loss	0.7	0.7	0.5	1.0	1.0	1.0
Net change in fair value of available-for-sale financial assets	(1.2)	(1.2)	-	(0.4)	1.8	(2.5)
<b>Total other comprehensive income (net of tax)</b>	<b>(67.4)</b>	<b>147.1</b>	<b>31.1</b>	<b>110.9</b>	<b>41.7</b>	<b>(80.2)</b>
<b>Total comprehensive income for the period</b>	<b>36.3</b>	<b>251.9</b>	<b>147.3</b>	<b>391.1</b>	<b>314.8</b>	<b>209.3</b>
<b>Attributable to:</b>						
Owners of the Company	34.5	245.9	143.6	382.3	305.3	203.2
Non-controlling interests	1.8	6.0	3.7	8.8	9.5	6.1
<b>Total comprehensive income for the period</b>	<b>36.3</b>	<b>251.9</b>	<b>147.3</b>	<b>391.1</b>	<b>314.8</b>	<b>209.3</b>

\* The consolidated figures for 30 June are unaudited.

## Consolidated statement of changes in equity

(EUR x million)

For the six months ended 30 June 2011\*

	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Reserve for own shares	Unappropriated result	Total	Non-controlling Interests	Total equity
<b>Balance at 1 January 2011</b>	4.0	431.4	(7.1)	(3.5)	934.3	(123.0)	272.2	1,508.3	14.9	1,523.2
Total comprehensive income for the period:										
Profit (or loss)							100.4	100.4	3.3	103.7
<b>Other comprehensive income</b>										
Foreign currency translation differences of foreign operations			(77.1)					(77.1)	(1.5)	(78.6)
Net change in fair value of hedge of net investment in foreign operations			12.6					12.6		12.6
Defined benefit plan actuarial gains and (losses)					(0.9)			(0.9)		(0.9)
Net change in fair value of cash flow hedges transferred to profit or loss				0.7				0.7		0.7
Net change in fair value of available-for-sale financial assets					(1.2)			(1.2)		(1.2)
Total other comprehensive income (net of tax)	-	-	(64.5)	0.7	(2.1)	-	-	(65.9)	(1.5)	(67.4)
<b>Total comprehensive income for the period</b>	-	-	(64.5)	0.7	(2.1)	-	100.4	34.5	1.8	36.3
<b>Transactions with owners, recognised directly in equity</b>										
Contributions by and distribution to owners										
Share-based payments					6.5			6.5		6.5
Share options exercised						13.2		13.2		13.2
Addition to reserves					213.4		(213.4)	-		-
Own shares acquired and stock dividend	0.1	(0.1)				(68.4)		(68.4)		(68.4)
Dividends to shareholders							(58.8)	(58.8)	(3.2)	(62.0)
<b>Total contributions by and distribution to owners</b>	0.1	(0.1)	-	-	219.9	(55.2)	(272.2)	(107.5)	(3.2)	(110.7)
<b>Balance at 30 June 2011</b>	4.1	431.3	(71.6)	(2.8)	1,152.1	(178.2)	100.4	1,435.3	13.5	1,448.8

\* The consolidated figures for 30 June are unaudited.



## Consolidated statement of changes in equity (continued)

(EUR x million)

For the six months ended 30 June 2010\*

	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Reserve for own shares	Unappropriated result	Total	Non-controlling interests	Total equity
<b>Balance at 1 January 2010</b>	3.9	431.4	(115.8)	(4.5)	721.9	(112.6)	263.4	1,187.7	11.8	1,199.5
Total comprehensive income for the period:										
Profit (or loss)							101.0	101.0	3.8	104.8
<b>Other comprehensive income</b>										
Foreign currency translation differences of foreign operations			168.9					168.9	2.2	171.1
Net change in fair value of hedge of net investment in foreign operations			(11.6)					(11.6)		(11.6)
Defined benefit plan actuarial gains and (losses)					(11.9)			(11.9)		(11.9)
Net change in fair value of cash flow hedges transferred to profit or loss				0.7				0.7		0.7
Net change in fair value of available-for-sale financial assets					(1.2)			(1.2)		(1.2)
Total other comprehensive income (net of tax)	-	-	157.3	0.7	(13.1)	-	-	144.9	2.2	147.1
<b>Total comprehensive income for the period</b>	-	-	157.3	0.7	(13.1)	-	101.0	245.9	6.0	251.9
<b>Transactions with owners, recognised directly in equity</b>										
Contributions by and distribution to owners										
Share-based payments					5.5			5.5		5.5
Share options exercised						6.0		6.0		6.0
Addition to reserves					207.3		(207.3)	-		-
Own shares acquired and stock dividend	0.1					(35.9)		(35.8)		(35.8)
Dividends to shareholders							(56.1)	(56.1)	(4.3)	(60.4)
<b>Total contributions by and distribution to owners</b>	0.1	-	-	-	212.8	(29.9)	(263.4)	(80.4)	(4.3)	(84.7)
<b>Balance at 30 June 2010</b>	4.0	431.4	41.5	(3.8)	921.6	(142.5)	101.0	1,353.2	13.5	1,366.7

\* The consolidated figures for 30 June are unaudited.

## Consolidated statement of cash flows

(EUR x million)

	Six months ending 30 June*			Twelve months ending 31 December		
	2011	2010	2009	2010	2009	2008
<b>Cash flows from operating activities</b>						
Profit for the period	103.7	104.8	116.2	280.2	273.1	289.5
<b>Adjustments for:</b>						
Depreciation	106.1	96.1	84.3	201.5	173.6	140.4
Amortisation of intangible assets	4.6	4.0	4.6	8.1	10.1	9.0
Amortisation of transaction costs related to loans and borrowings	0.1	0.1	-	0.8	0.3	0.1
Net finance costs (excluding net foreign exchange variance and net change in fair value of financial assets at fair value through profit or loss)	11.0	5.5	8.0	11.1	5.4	27.1
Share of profit of equity-accounted investees	(0.7)	(0.6)	(0.6)	(1.0)	(0.4)	0.1
Net change in fair value of financial assets at fair value through profit or loss	(0.6)	-	-	(22.3)	1.6	-
Loss on sale operations	1.2	-	-	-	-	-
Gain on sale of property, plant and equipment	(3.4)	(1.4)	(0.4)	(3.1)	(3.0)	(2.0)
Equity settled share-based payment transactions	6.5	5.5	4.0	12.6	9.1	6.6
Income tax expense	15.0	33.9	41.4	78.5	74.4	94.8
<b>Operating cash flows before changes in working capital and provisions</b>	<b>243.5</b>	<b>247.9</b>	<b>257.5</b>	<b>566.4</b>	<b>544.2</b>	<b>565.6</b>
Change in inventories	(58.5)	(49.9)	(22.6)	(124.5)	(38.0)	3.0
Change in trade and other receivables	(16.0)	(103.4)	3.2	(177.9)	26.9	(93.6)
Change in trade and other payables	(72.1)	35.4	22.6	77.3	(7.2)	73.1
Change in provisions and employee benefits	(4.6)	(1.0)	(0.7)	1.1	3.9	1.0
	<b>92.3</b>	<b>129.0</b>	<b>260.0</b>	<b>342.4</b>	<b>529.8</b>	<b>549.1</b>
Interest paid	(11.5)	(8.8)	(9.0)	(17.3)	(13.9)	(31.2)
Income tax paid	(36.1)	(64.0)	(45.1)	(98.0)	(92.3)	(88.6)
<b>Net cash from operating activities</b>	<b>44.7</b>	<b>56.2</b>	<b>205.9</b>	<b>227.1</b>	<b>423.6</b>	<b>429.3</b>
<b>Cash flows from investing activities</b>						
Proceeds from sale of property, plant and equipment	7.1	13.7	2.1	25.9	15.0	6.0
Proceeds from sale of other investments	0.3	-	-	0.4	0.1	0.6
Interest received	3.2	2.4	1.8	4.9	4.9	4.6
Dividends received	0.1	0.2	-	1.0	2.3	0.2
Disposal of subsidiaries, net of cash disposed of	(1.2)	-	-	-	-	-
Acquisition of subsidiaries, net of cash acquired	(118.2)	(2.0)	(20.1)	(53.6)	(31.9)	(85.5)
Acquisition of non-controlling interests	-	-	-	(7.8)	-	-
Acquisition of property, plant and equipment	(218.2)	(166.3)	(72.8)	(443.8)	(320.4)	(323.0)
Change in assets under construction	81.1	(18.8)	(79.2)	44.8	(29.3)	(56.9)
Acquisition of intangible assets	(2.6)	(10.1)	(0.4)	(13.7)	(0.7)	(0.9)
Internal developed intangible assets	(4.8)	(2.6)	(3.3)	(8.5)	(5.9)	(7.1)
Investment in equity-accounted investees	(3.7)	(0.5)	(0.6)	(0.1)	-	(0.2)
Acquisition of other investments	-	-	(19.2)	(14.1)	(20.5)	(0.1)
<b>Net cash from investing activities</b>	<b>(256.9)</b>	<b>(184.0)</b>	<b>(191.7)</b>	<b>(464.6)</b>	<b>(386.4)</b>	<b>(462.3)</b>

\* The consolidated figures for 30 June are unaudited.

## Consolidated statement of cash flows (continued)

(EUR x million)	Six months ending 30 June*			Twelve months ending 31 December		
	2011	2010	2009	2010	2009	2008
<b>Cash flows from financing activities</b>						
Proceeds from the issue of long-term loans	207.0	72.1	75.8	172.0	75.1	100.0
Repurchase of own shares	(68.3)	(35.8)	(12.4)	(35.8)	(12.3)	(75.7)
Paid consideration for the exercise of share options	(6.7)	(8.0)	(2.0)	(22.3)	(11.4)	(7.3)
Proceeds from the sale of own shares	19.9	14.0	3.7	47.6	21.8	15.8
Repayment of borrowings	(33.6)	(19.4)	(12.4)	(27.1)	(27.1)	(34.6)
Payment of transaction costs related to loans and borrowings	-	-	-	(0.3)	(1.4)	-
Dividends paid	(62.0)	(60.4)	(56.3)	(61.7)	(58.4)	(39.6)
<b>Net cash from financing activities</b>	<b>56.3</b>	<b>(37.5)</b>	<b>(3.6)</b>	<b>72.4</b>	<b>(13.7)</b>	<b>(41.4)</b>
Net increase/(decrease) in cash and cash equivalents	(155.9)	(164.1)	11.8	(165.1)	23.5	(74.4)
Cash and cash equivalents at 1 January	(218.9)	(59.8)	(81.3)	(59.8)	(81.3)	(6.4)
Effect of exchange rate fluctuations on cash held	(5.7)	9.5	0.7	6.0	(2.0)	(0.5)
<b>Cash and cash equivalents at 30 June/31 December</b>	<b>(380.5)</b>	<b>(214.4)</b>	<b>(68.8)</b>	<b>(218.9)</b>	<b>(59.8)</b>	<b>(81.3)</b>
<b>Presentation in the statement of financial position</b>						
Cash and cash equivalents	101.7	84.3	103.0	81.4	107.8	113.3
Bank overdraft	(482.2)	(298.7)	(171.8)	(300.3)	(167.6)	(194.6)
	<b>(380.5)</b>	<b>(214.4)</b>	<b>(68.8)</b>	<b>(218.9)</b>	<b>(59.8)</b>	<b>(81.3)</b>

\* The consolidated figures for 30 June are unaudited.

# 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 consolidated interim financial statements of the Company as at and for the six months ended 30 June 2011 include Fugro and its subsidiaries (together referred to as the 'Group') and the Group's interests in equity accounted investees.

The consolidated interim financial statements have been prepared by the Board of Management and have been authorised for publication by the Supervisory Board on 11 August 2011. The consolidated interim financial statements have not been audited.

## **Statement of compliance**

These consolidated interim financial statements have been prepared in accordance with IAS 34 (Interim Financial Reporting) as adopted by the European Union. 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 the Group as at and for the year ended 31 December 2010. The Annual Report 2010 (including the consolidated financial statements as at and for the year ended 31 December 2010) of the Company is available upon request at the Company's office, Veurse Achterweg 10, Leidschendam and also available at [www.fugro.com](http://www.fugro.com).

## **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 2010, except for the adoption of the following new standards, amendments to standards and interpretations, which have been adopted as relevant for Fugro for the first time. These standards and interpretations have no material effect on the Company's consolidated interim financial statements:

- 'Improvements to IFRSs 2010'
- IAS 24 'Related Party Disclosures'
- IAS 32 'Financial Instruments'
- IAS 34 'Interim Financial Reporting'
- IFRIC 14 'The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction'
- IFRIC 19 'Extinguishing Financial Liabilities with Equity Instruments'.

## **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.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about the carrying values of the assets and liabilities that are not readily apparent from other sources. The estimates and the underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The accounting policies have been consistently applied by all subsidiaries and associates to all periods presented in these consolidated interim financial statements.

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 that applied to the consolidated financial statements as at and for the year ended 31 December 2010.

### Financial risk management

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 2010.

### Operating segments

The Group has three reportable segments, as disclosed in the consolidated financial statements as at and for the year ended 31 December 2010.

#### Operating segments

##### Information about reportable segments for the six months ended 30 June per division

(EUR x million)	Geotechnical			Survey			Geoscience			Total		
	2011	2010	2009	2011	2010	2009	2011	2010	2009	2011	2010	2009
Revenue	314.0	335.7	275.0	584.4	494.8	511.2	352.1	270.9	303.6	1,250.5	1,101.4	1,089.8
Of which inter-segment revenue	24.7	22.0	18.1	22.7	29.3	20.2	27.8	7.7	16.2	75.2	59.0	54.5
Reportable segment profit (or loss) before income tax	28.4	40.9	43.1	108.3	103.0	127.9	37.0	51.8	61.8	173.7	195.7	232.8
Reportable segment assets	633.7	581.7	468.2	1,216.1	968.4	816.6	1,314.7	1,143.9	887.2	3,164.5	2,694.0	2,172.0

#### Reconciliation of reportable segment profit or loss

(EUR x million)	2011	2010	2009
Total profit (or loss) for reportable segments before income tax	173.7	195.7	232.8
Unallocated amounts:			
– Other corporate expenses	(57.3)	(56.7)	(56.2)
– Net finance costs	2.3	(0.9)	(19.6)
– Share of profit of equity-accounted investees	–	0.6	0.6
Consolidated profit before income tax	118.7	138.7	157.6

Lower utilisation of geotechnical vessels was partly compensated by income resulting from the remodelling of the sales agreement of land-based signals with Trimble.

Unallocated assets are assets that are used by more than one reporting segment, and principally comprise in 2011, 2010 and 2009 property, plant and equipment, equity-accounted investees and other investments, deferred tax assets, current tax assets, derivative financial instrument assets and cash and cash equivalents which are used as part of the Group's financing offset arrangements.

Other corporate expenses 2011, 2010 and 2009 include general (corporate) expenses, depreciation on corporate assets and on certain items of property, plant and equipment that are used by operating segments but are managed as a central pool.

**Seasonality of operations**

Fugro's revenue in the second half is in general higher than the revenue in the first half of the calendar year.

**Acquisitions and divestments of subsidiaries**

- Early March, Fugro has acquired 100% of the shares in TSmarine Group Holdings Pty Ltd. (TSM) and its subsidiaries. Revenue in 2010 was about EUR 90.0 million and the company employs 170 staff. The goodwill amounts to EUR 65.7 million. The purchase price allocation will be completed during the second half year of 2011.
- In April, Fugro has acquired 100% of the shares in Bluestone Offshore Pte Ltd. Revenue in 2010 was about EUR 14.0 million and the company employs 40 staff. The goodwill amounts to EUR 15.0 million. The purchase price allocation will be completed during the second half year of 2011.
- Also in April, Fugro has acquired 100% of the shares in De Regt Marine Cables B.V. Revenue in 2010 was about EUR 25.0 million and the company employs 110 staff. The goodwill amounts to EUR 36.5 million. The purchase price allocation will be completed during the second half year of 2011.
- In June, Fugro has acquired the seismic processing business from Kelman Technologies in Canada. Revenue in 2010 was about EUR 8.4 million and Fugro has taken over 40 employees. The goodwill amounts to EUR 4.4 million. The purchase price allocation will be completed during the second half year of 2011.
- In March, Fugro divested its business in the South of France. This transaction involved taking over staff (70 employees), equipment and the entire order book of the branches in Aix (Luynes), Montpellier (Jacou), Toulouse (Balma) and Bordeaux.

**Effect of acquisitions and divestments until 30 June 2011**

The TSM acquisition had the following effect on the Group's assets and liabilities:

(EUR x million)	Acquisitions during the first six months of
	<b>2011</b>
Property, plant and equipment	16.4
Deferred tax assets	6.0
Inventories	1.0
Trade and other receivables	28.5
Current tax assets	1.9
Cash and cash equivalents	(0.7)
Deferred tax liabilities	(1.4)
Trade and other payables	(39.2)
<b>Total net identifiable assets and liabilities</b>	<b>12.5</b>
Goodwill on acquisition	65.7
Considerations payable	(6.9)
<b>Consideration paid, in cash</b>	<b>71.3</b>
Cash acquired	0.7
<b>Net cash outflow</b>	<b>72.0</b>

The other acquisitions had the following effect on the Group's assets and liabilities:

(EUR x million)	Acquisitions during the first six months of		
	2011	2010	2009
Property, plant and equipment	20.0	-	2.2
Intangible assets	1.8	-	-
Other fixed assets	0.1	-	1.5
Deferred tax assets	-	-	0.1
Inventories	1.4	-	0.3
Trade and other receivables	7.6	-	2.8
Current tax assets	0.2	-	0.6
Cash and cash equivalents	2.8	-	3.1
Interest-bearing loans and borrowings	(23.6)	-	(0.8)
Current tax liabilities	-	-	(0.3)
Trade and other payables	(16.3)	-	(0.8)
<b>Total net identifiable assets and liabilities</b>	<b>(6.0)</b>	<b>-</b>	<b>8.7</b>
Goodwill on acquisition	56.2	2.0	14.5
Considerations payable	(1.2)	-	-
<b>Consideration paid, in cash</b>	<b>49.0</b>	<b>2.0</b>	<b>23.2</b>
Cash (acquired)/disposed of	(2.8)	-	(3.1)
<b>Net cash outflow</b>	<b>46.2</b>	<b>2.0</b>	<b>20.1</b>



The divestments had the following effect on the Group's assets and liabilities:

(EUR x million)	Divestments during the first six months of
	2011
Property, plant and equipment	(0.1)
Trade and other receivables	(1.2)
Current tax assets	0.6
Trade and other payables	0.6
<b>Total net identifiable assets and liabilities</b>	<b>(0.1)</b>
Sale price	1.3
<b>Consideration paid, in cash</b>	<b>1.2</b>
Cash disposed of	-
<b>Net cash outflow</b>	<b>1.2</b>

The other acquisitions have been combined in the table on page 30 as none of them individually is considered to be material. Furthermore, the acquisitions 2011 include an amount of EUR 0.3 million relating to prior period adjustments due to the finalisation of the purchase price allocation procedures (2010: none).

If the acquisitions in 2011 had been effected at the beginning of 2011, the consolidated interim revenue would have been approximately EUR 30 million higher.

The acquisitions in 2011 contributed EUR 0.2 million negative to the profit of Fugro for the six months ended 30 June 2011. On a full year basis this would approximately amount to EUR 1.2 million positive.

The goodwill from the acquisition is attributable mainly to market share, the skills and technical talent of the acquired business' workforce and the synergies expected to be achieved from integrating the companies into the Group's existing business. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of acquired assets and (contingent) liabilities related to the acquisitions has been determined provisionally pending completion of final valuations.

The Group incurred acquisition-related costs of EUR 2.2 million related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in the other expenses in profit or loss.

### **Impairment tests**

During the first six months of 2011, as in previous periods, Fugro has evaluated whether during this period there have been indications for impairment of goodwill or other significant assets. No indications for impairment of goodwill or other significant assets or reasons to carry out new impairment tests have been found.

### **Seismic and geological data libraries**

Seismic and geological data libraries are stated at the lower of cost and net realisable value. During the first half year of 2011 EUR 32.4 million (first half year of 2010: EUR 38.1 million) of seismic and geological data libraries were recorded in third party costs.

## **Income taxes**

### **Current tax**

Current tax expense for the interim periods presented is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective tax rate for the six months ended 30 June 2011 was 12.6% (for the year ended 31 December 2010: 21.9%; for the six months ended 30 June 2010: 24.4%). The change in effective tax rate was mainly caused by the change in the geographical composition of taxable income.

Current tax for current and prior periods is classified as a current liability to the extent that it is unpaid. Amounts paid in excess of amounts owed are classified as a current asset.

### **Deferred tax**

The amount of deferred tax is based on the expected manner of realisation or settlement.

The primary components of the entity's recognised deferred tax assets are temporary differences related to property, plant and equipment, employee benefits and the tax value of recognised losses carried-forward.

The primary components of the entity's deferred tax liabilities are temporary differences related to intangible assets, property, plant and equipment and inventories.

Total deferred tax directly recognised in equity was EUR 0.1 million for the six months ended 30 June 2011 (six months ended 30 June 2010: EUR 8.7 million).

## **Property, plant and equipment**

### **Acquisitions and disposals**

During the six months ended 30 June 2011, the Group acquired assets with a cost of EUR 218.2 million (six months ended 30 June 2010: EUR 166.3 million) excluding assets acquired through business combinations. Assets with a carrying amount of EUR 4.1 million were disposed of during the six months ended 30 June 2011 (six months ended 30 June 2010: EUR 7.5 million), resulting in a gain on disposal of EUR 3.4 million (six months ended 30 June 2010: gain of EUR 1.4 million), which is included in other income in the interim consolidated statement of comprehensive income.

### **Capital commitments**

By 31 December 2010 the Group had entered into contractual obligations to purchase property, plant and equipment for EUR 235.9 million. During the first six months of 2011 EUR 119.5 million of these commitments resulted in additions to property, plant and equipment (including assets under construction).

On 30 June 2011, the Group has a contractual obligation with a total value of EUR 194.0 million to purchase property, plant and equipment (30 June 2010: EUR 412.3 million).

## **Intangible assets**

### **Goodwill**

#### **Reconciliation of carrying amount**

(EUR x million)	2011	2010	2009
<b>Cost</b>			
Balance at 1 January	526.6	459.7	418.6
Acquisitions through business combinations	121.6	2.0	14.5
Adjustments prior period*	0.3	6.3	(0.1)
Effect of movements in foreign exchange rates	(14.1)	33.6	21.6
Balance at 30 June	634.4	501.6	454.6

\* Adjustments prior period relate to the finalisation of purchase price allocations.

### **Carrying amounts**

At 1 January	526.6	459.7	418.6
At 30 June	634.4	501.6	454.6

## **Equity**

### **Share capital and share premium**

The Group recorded the following amounts within shareholder's equity as a result of the issue of ordinary shares related to the stock dividend 2010.

#### **For the six months ended 30 June**

(EUR x million)	Share capital			Share premium		
	2011	2010	2009	2011	2010	2009
Issuance of ordinary shares	0.1	0.1	0.1	(0.1)	-	-

### **Reserve for own shares**

Fugro acquires and sells own shares in relation to the share option scheme. The cost of these shares held by the Group is recorded as a reserve within shareholder's equity. During the six months ended 30 June 2011 a total of 1.2 million own shares was acquired. In the same period 437,300 shares were sold, resulting in an increase of the reserve for own shares of EUR 13.2 million.

### **Dividends**

Following the approval of the proposed dividend 2010 of EUR 1.50 per share in cash or in (certificates of) shares with a nominal value of EUR 0.05 the following dividends were paid by the Group:

#### **For the six months ended 30 June**

(EUR x million)	2010	2009	2008
EUR 1.50 per qualifying ordinary share (2010: EUR 1.50; 2009: EUR 1.50)	122.1	118.2	114.9

Approximately 52% of the shareholders have chosen to receive dividend in stock over 2010. Consequently Fugro issued 1,123,297 new shares.

### **Provisions**

As at 31 December 2010 a provision of EUR 5.2 million was accounted for mainly in respect of legal procedures. In the first half of 2011 this provision decreased by EUR 1.7 million. The Group is involved in several legal proceedings in various jurisdictions (including the United States) as a result of its normal business activities, either as plaintiff or defendant in claims. Management ensures that these cases are vigorously defended.

The Group has set up adequate provisions for those claims where management believes it is probable that a liability has been incurred and the amount is reasonably estimable. These provisions are reviewed periodically and adjusted if necessary. Considering the expected duration of the (legal court) proceedings, management does not expect legal actions, for which a provision has been set-up, to be completed in the next twelve months. The expected outflows of economic benefits have been discounted at a rate of 4.5%, and are based on management's best estimate. Final settlements can differ from this estimate, and could require revisions to the estimated provisions.

### **Employee benefits**

Pension cost for the interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant events, amongst others lower than expected return on plan assets. The liability for employee benefits has increased by EUR 1.0 million compared to 31 December 2010, as a result of such adjustments.

### **Loans and borrowings**

#### **For the six months ended 30 June**

(EUR x million)	2011	2010	2009
Bank loans	680.0	407.0	355.0
Private Placement loans	102.5	116.8	104.7
Mortgage loans	5.8	6.5	6.5
Other loans	8.7	7.2	19.8
Subtotal	797.0	537.5	486.0
Less: current portion of long-term loans	227.2	23.7	24.3
	<b>569.8</b>	<b>513.8</b>	<b>461.7</b>

Early 2010 agreement was reached with ABN AMRO Bank N.V. for a revolving facility of EUR 50 million against similar conditions as the facilities already in place, maturing in April 2012. Early 2011 agreement was reached to increase the existing credit facility by EUR 50 million to EUR 100 million under the same terms and conditions.

On 28 February 2011 Fugro entered into a bridge facility agreement with Rabobank of USD 150 million. The loan matures on 30 September 2011. The interest charge is LIBOR plus 75 bps.

In April 2011 Fugro entered into a bridge facility agreement with ING Bank N.V. of EUR 50 million. The loan matures in October 2011. The interest charge is EURIBOR plus 135 bps.

In the second quarter of 2011 Fugro initiated discussions with respect to new US private placement (USPP) loans. In total Fugro secured loans in US dollars and currencies recalculated in US dollars for a total amount of USD 909 million with 27 US and UK based investors. The original currencies are USD 750 million, EUR 35 million and GBP 67.5 million. The maturities of these US Private Placement loans are 7, 10 and 12 year. The average interest rate is approximately 4.5%.

Fugro also reached agreement for the refinancing of the existing bilateral bank facilities that mature in April 2012. The new committed bilateral bank facilities will have a five year maturity and will expire in 2016. The total amount of committed bilateral facilities is EUR 725 million.

The facilities have an interest of EURIBOR plus a margin of 130 BPS.

The documentation for the USPP and the committed bilateral facilities are in the process of finalisation.

With the renewed financing Fugro is well positioned to continue its strategy for further growth.

For the Private Placement loans, bank loans and credit facilities Fugro is subject to certain financial conditions which have been disclosed in the Annual Report 2010. As at 30 June 2011 Fugro complies with these conditions.

#### **Share-based payments**

As part of the share option scheme for employees Fugro annually grants options on ordinary shares to employees dependent on the contribution of the employee to the development of the long-term strategy. The terms and conditions of the share option scheme are disclosed in the consolidated financial statements as at and for the year ended 31 December 2010. The options are granted at the end of each financial year.

As at 30 June 2011 an estimated expense amount of EUR 6.5 million (30 June 2010: EUR 5.5 million) relating to the expected share-based payment expenses for the full year 2011 has been recognised in the statement of comprehensive income. The expenses related to the 2011 grant are based on the Fugro share price as at 30 June 2011.

#### **Related parties**

The Executive Committee receives compensation in the form of short-term employee benefits, post employment benefits and share-based payments (refer to previous note). The Executive Committee received total compensation of EUR 4.7 million for the six months ended 30 June 2011 (six months ended 30 June 2010: EUR 4.5 million).

#### **Subsequent events**

- In July 2011 EMGS elected to repay a USD 20 million loan that was provided to them by Fugro in 2010.
- In July 2011 Fugro finalised the acquisition of Sial Geoscience Consulting and Engineering Şti. in Turkey. Sial is a leading Turkish geotechnical consultant providing expertise to large infrastructure construction companies and government. The company is based in Ankara and has 20 employees. The purchase price was EUR 4 million.
- In July 2011 Fugro reached agreement for the acquisition of AOA Geophysics Inc. in Houston. The company provides geoscience consultancy to the offshore oil and gas industry and employs 14 people. The purchase price was USD 1 million.

To: The Board of Management and the Supervisory Board of Fugro N.V.

## **Review report**

### **Introduction**

We have reviewed the accompanying consolidated interim financial information of Fugro N.V., Leidschendam, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six month period then ended 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 2011 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Rotterdam, 11 August 2011

KPMG ACCOUNTANTS N.V.

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