

Leidschendam, the Netherlands, 10 July 2014

Fugro to report disappointing results and non-cash impairments over first half 2014

Following a weak first quarter and due to poorer than expected results during the past months, Fugro has decided to disclose preliminary non-audited information on its performance in the first half of 2014.

Fugro expects to report over first half of 2014:

- Low single digit EBIT margin (excluding non-cash impairments). This compares to an EBIT margin of 11.4% in the same period last year, or 10.3% excluding special items¹.
- Non-cash impairments in a range of EUR 300-350 million.

Operational performance issues Q2 2014

After the weak first quarter, improvement in results during the past months has been lower than expected mainly for the following reasons.

- The weakening of the oil and gas market, as a result of decelerating growth of capital spending, is resulting in project delays and increased margin pressure in all divisions.
- The Geoscience division is the single largest contributor to the disappointing performance:
 - Losses in Seabed Geosolutions continued and are larger than anticipated due to underutilisation in the OBN market segment, and some delays on the mobilisation of two large OBC projects.
 - The weakened seismic market is resulting in much lower multi-client sales and consequently will lead to a significantly lower EBIT contribution than in the same period in 2013.
- The improving trend in the Subsea Services division has been marred by two specific issues. The first is an engine room fire on the largest vessel in the fleet that resulted in a total of about 7 weeks of non-compensated down time. The second is an ongoing strike of 3 diving crews in Brazil which has had a 4 week impact in the quarter.

Impairments

The more challenging market outlook, combined with the disappointing developments in the first half-year 2014, have led Fugro to review the valuation of its assets. This is expected to result in non-cash impairments and one-off write-offs in a range of EUR 300-350 million. The majority of these impairments will be in Seabed Geosolutions and the multi-client library (both Geoscience division). In addition there will be smaller impairments in specific other parts of the business and some one-off write-offs.

The non-cash impairments will have no impact on EBITDA. Following last year's multi-client data library accounting policy change, aimed at aligning with market practice, the book value of the multi-client library is presented as intangible asset rather than inventory. Therefore the amortisation of the database and its non-cash impairment also have no impact on EBITDA.

¹ EUR 18.5 million income from IP license sale and EUR 5.5 million advisory costs

ABOUT FUGRO

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

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

PRESS RELEASE

Paul van Riel, CEO: *'The development of the results this year so far has been disappointing. During the last quarter it has become increasingly clear that the oil and gas market has weakened. As a consequence we will take impairments on some of our assets. The weakening of the market, in combination with some project execution issues, has impacted our performance. We are taking necessary measures to improve profitability, guided by our 'Growth through Leadership' strategy. We believe that the long term market fundamentals support our strategy, albeit that the expected growth will be somewhat slower than we originally assumed.'*

Measures

Fugro generates around 75% of its revenue from the oil and gas market. Several of the segments in this market have weakened. This is caused by the current capital discipline drive of the oil and gas companies. As a result Fugro is experiencing delays in project awards and start-ups. Fugro is countering these developments as follows:

- In Seabed Geosolutions, capacity has been reduced by 'cold stacking' one asset light OBN operation until market conditions improve.
- Fugro will review the vessel fleet expansion program and adjust the speed of implementation. It has been decided to postpone the new geotechnical vessel that was planned for 2015 until the market becomes more supportive. The Survey division is reassessing its fleet expansion program.
- Implementation of the company's performance discipline program is being expedited, with an emphasis on short term improvements. This includes working capital management, project management, procurement and a shortening of the data delivery cycle in client projects.
- Fugro will accelerate cost savings by moving from end-to-end decentralised functional support in operating companies to country level shared service centers.
- Fugro is restructuring its loss-making aerial mapping business.

Outlook

Barring unforeseen circumstances, we expect that the results will improve strongly in all the divisions in the second half year of 2014 compared to the first half of the year, supported by the current backlog and the measures being taken. The full year EBIT margin will be lower than last year, due to the weak first half year performance.

In the current market circumstances it will be increasingly difficult to achieve Fugro's mid-term strategic targets. Therefore Fugro will reassess these targets and will report on the outcome in the next few months.

Given the non-cash nature of the impairments, Fugro intends to maintain its dividend policy to pay out between 35%-55% of net profit excluding the impact of non-cash impairments and one-off write-offs subject to approval of its lenders, as the loan covenants specify that dividend pay-out should be less than 60% of net profit.

Fugro expects to remain within its debt covenants because the non-cash impairments have no impact on EBITDA.

The first half-year results will be published, as scheduled, on 11 August 2014.



PRESS RELEASE

Conference call information

Fugro will host an analyst call today at 9.30 CET. The dial-in numbers: +31 (0) 20 7132790 or +44 (0)20 3427 1914, access code 3623380. The audio file will be posted on www.fugro.com.

At 15.00 CET there will be a call for investors +44 (0)20 34271917, access code 3527781.

For more information (investors and media)

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