Royal Boskalis Westminster nv
International Dredging & Marine Contractors

P.O. Box 43, 3350 AA Papendrecht
Telephone +31 (0) 78 6969 000, telefax +31 (0) 78 6969 555

Press release

Boskalis: record year 2008

Papendrecht, March 18, 2009

Highlights 2008
- **Net profit rises to € 249.1 million**
- **Net profit excluding exceptional items up 15% at € 235.7 million**
- **Record revenue € 2.1 billion: +12%**
- **Order book steady at high level: € 3.4 billion**
- **Earnings per share € 2.90; dividend per share € 1.19**

Outlook 2009
- **Well-filled and broadly spread order book provides solid basis**
- **2009 earnings expected to be lower than 2008 record level**

Royal Boskalis Westminster N.V. achieved a net profit of € 249.1 million in 2008 (2007: € 204.4 million). Net profit excluding exceptional items rose 15% to € 235.7 million in 2008. Revenue was € 2.1 billion, up 12% from 2007 (€ 1.9 billion), and was widely spread, both geographically and across all market segments.

Net profit was affected by three exceptional items which, on balance, had a € 13.4 million positive effect after tax:
- a € 92.1 million one-off gain resulting from the settlement of the insurance claim for the W.D. Fairway;
- a € 35.3 million impairment charge recognized on the stake in Smit Internationale N.V.; and
- a negative hedge result of € 43.5 million.

In 2008 Boskalis won new orders worth € 2.3 billion. In addition, the order book was cleared of projects that are no longer expected to be executed or are expected to suffer significant delay. This resulted in the removal of around € 450 million worth of revenue from the order book, including all projects in Dubai. Despite this adjustment, high revenue levels in 2008 and the economic stagnation, the order book remained at the high level of € 3.4 billion.

Peter Berdowski, CEO:
“2008 has been the best year in our history, with record revenue and profit. We were able to reap the fruits of the strategy we pursued in previous years. However, 2008 was also a year with two faces. A year in which the first half was characterized by boisterous market growth, while the final quarter saw the global economic stage - and with it the landscape of the dredging industry - change drastically. On a positive note, amidst all these developments our order book is well-filled and broadly spread, resulting in sound fleet utilization levels for 2009 and even part of 2010.”

Market developments
The global dredging and maritime infrastructure market is driven by factors such as growth in world trade, the global population, energy consumption and the effects of climate change. All these factors have undergone a period of unbridled growth in the past few years.

This growth trend continued in the first half of 2008. The price of oil rose to an unprecedented level and the prices of iron ore and other natural resources also continued to rise strongly. Growing demand for energy and natural resources propelled the need for dredging projects for the oil and gas industry and the development of new ports.

These positive market conditions changed radically in the final quarter of 2008. Even though long-term structural growth factors for dredging and maritime infrastructure remain strong, a great deal has changed for the short term. The price of oil has dropped sharply, demand for natural resources has plummeted and global trade is stagnating. All these factors are affecting demand for our products and services.

Outlook
After years of boisterous growth we are set for a period of stagnation. Boskalis is entering this period with a well-filled and broadly spread order book, resulting in sound fleet utilization levels for 2009 and even part of 2010. This gives Boskalis the time and flexibility to proactively streamline the organization for these changed market conditions. Measures under consideration in this context include the decommissioning of older ships and tightening the overall cost structure.

Boskalis' financial position is extremely sound, meaning that the company will be able to finance planned investments - amounting to around € 200-250 million per year – mostly from its own cash resources in the coming years.

As in previous years, we are unable to provide a specific forecast for the coming year due to the project-based nature of our work. We do, however, anticipate that 2009 earnings will be lower than the record levels achieved in 2008.

Dividend policy
The main principle underlying Boskalis' dividend policy is to distribute 40% to 50% of net profit from ordinary operations as dividend, while achieving a stable development of the dividend. In choosing the form in which the dividend is to be distributed, Boskalis considers both the desired balance-sheet structure and the interests of shareholders.
In light of the current economic conditions, Boskalis has a preference for distributing dividends entirely or partly in shares for the next few years. It will therefore be proposed to the Annual General Meeting on May 14, 2009 that a dividend of € 1.19 per share will be paid in ordinary shares, unless the shareholder opts for a cash dividend. The dividend will be payable from June 10, 2009.

Key figures (in millions of euros)	**2008**	**2007**
Revenue	2,094	1,869
Operating profit	339.1	245.5
Operating profit excl. exceptional items	285.5	245.5
Net profit	249.1	204.4
Net profit excluding exceptional items	235.7	204.4
EBITDA	454.6	348.1
EBITDA excluding exceptional items	401.0	348.1
Dividend per share (in euros)	1.19	1.19

	31 December 2008	**31 December 2007**
Order book	3,354	3,562
Solvency ratio	34.0%	35.3%

Financial calendar 2009

mid-April	Publication of 2008 Annual Report
May 14	Trading update on first quarter of 2009
May 14	Annual General Meeting
May 18	Ex-dividend date
May 20	Dividend record date (after market close)
June 2	Final date for stating dividend preference - cash or stock
June 5	Determination and publication of conversion rate for stock dividend based on the average share price on June 3, 4 and 5 (after market close)
June 10	Date of dividend payment and delivery of shares
August 21	Publication of 2009 half-year results

Please refer to the following pages for further details and explanation.

This is an English translation of the Dutch press release. In the event of any disparity between the Dutch original and this translation, the Dutch text will prevail.

Royal Boskalis Westminster N.V. is a leading global services provider operating in the dredging, maritime infrastructure and maritime services segments. We provide creative and innovative all-round solutions to infrastructural challenges in the maritime, coastal and delta regions of the world including the construction and maintenance of ports and waterways, land reclamation, coastal defense and riverbank protection. The company holds important home market positions in and outside of Europe and targets all market segments in the dredging industry. It also has positions in strategic partnerships in the Middle East (Archirodon) and in offshore services (Lamnalco). Boskalis has a versatile fleet of over 300 units and operates in over 50 countries across five continents. Including its share in partnerships, Boskalis has approximately 10,000 employees.

For further information please contact:

Martijn L.D. Schuttevâer
Director of Investor Relations & Corporate Communications
Telephone: +31 (0)78 69 69 822 / +31 (0)6 200 10 232
Telefax: +31 (0)78 69 69 020
E-mail: m.l.schuttevaer@boskalis.nl

This press release can also be found on our website www.boskalis.com

Operational and financial developments
All amounts in millions of euros unless otherwise stated

Net revenue by market	**2008**	**2007**
Home markets Europe	417	445
Home markets non-Europe	91	55
International projects	1,068	942
Specialist niche services	244	187
Total Dredging & Earthmoving	1,820	1,629
Maritime Infrastructure	214	188
Maritime & Terminal Services	60	52
Group	**2,094**	**1,869**

Net revenue by geographic region	**2008**	**2007**
The Netherlands	251	240
Rest of Europe	423	340
Australia / Asia	314	224
Middle East	719	788
Africa	212	145
North and South America	175	132
Group	**2,094**	**1,869**

Order book by market	**end-2008**	**end-2007**
Home markets Europe	1,055	543
Home markets non-Europe	62	76
International projects	1,171	1,954
Specialist niche services	136	121
Total Dredging & Earthmoving	2,424	2,694
Maritime Infrastructure	685	649
Maritime & Terminal Services	245	219
Group	**3,354**	**3,562**

Revenue

In the year under review revenue rose to € 2.1 billion (2007: € 1.9 billion). The 12% increase was well-balanced across the product segments Dredging & Earthmoving, Maritime Infrastructure, and Maritime & Terminal Services. Revenue was also spread broadly across the geographic regions, with growth in both existing and new markets.

Dredging & Earthmoving - Home markets
Revenue in the home markets totaled € 508 million (2007: € 500 million).

The Netherlands, Northwest Europe (Germany, United Kingdom, Nordic countries), Nigeria and Mexico were the home markets in which Boskalis operated in 2008. The home markets accounted for more than 24% of total Boskalis revenue in 2008.

Revenue in the European home markets amounted to € 417 million (2007: € 445 million). The various European home markets achieved comparable revenue development.

Revenue in the non-European home markets rose 65% to € 91 million (2007: € 55 million), with strong growth achieved in both the Nigerian and Mexican home markets. In November 2008 Boskalis announced that it had acquired the remaining shares in its Mexican subsidiary Dragamex. All revenue generated in Mexico has been consolidated from mid-November.

Dredging & Earthmoving - International project market
Revenue from dredging on the international project market rose 13% to € 1,068 million (2007: € 942 million). This increase was broadly spread across projects in various regions including Australia, the Middle East, West Africa and South America.

Dredging & Earthmoving - Specialist niche services
Revenue from the specialist services increased by 30% to € 244 million (2007: € 187 million). The offshore earthmoving activities for the oil and gas industry performed well in this segment, with notable energy projects in the Middle East, Russia and India, as well as rock placement activities for oil and gas pipelines elsewhere.

Maritime Infrastructure
Revenue from Maritime Infrastructure - predominantly generated on industrial and infrastructural projects in the Middle East through Boskalis' 40% interest in Archirodon - rose to € 214 million (2007: € 188 million).

Maritime & Terminal Services
Revenue from the energy-driven activities of our 50%-owned subsidiary Lamnalco rose 15%, driven in part by demand for LNG terminal services. Boskalis' share in this revenue amounted to € 60 million (2007: € 52 million).

Order book

The order intake in 2008 (€ 2.3 billion) concerned a large number of projects spread across the world and the various market segments. Projects that are no longer expected to be executed or are expected to suffer significant delay, including all projects in Dubai, have been removed from the order book. This resulted in the removal of around € 450 million worth of revenue, putting the order book at € 3,354 million (end-2007: € 3,562 million).

The size of the order book rose particularly in the home markets (+81%) and in the oil and gas-related activities of Lamnalco (+12%).

Notable new orders included the Second Maasvlakte in the Netherlands, extension of the port of Felixstowe in the United Kingdom, the development of the port of Pipavav in India and the development of the coal export port of Newcastle in Australia.

The order book of Archirodon (Maritime Infrastructure product segment) stabilized in 2008. The value of Boskalis' 40% share in the order book rose to € 685 million, mainly as a result of the stronger U.S. dollar exchange rate (end-2007: € 649 million).

The order book also rose at Lamnalco (Maritime & Terminal Services product segment), which executes long-term contracts for the oil and gas industry. The value of Boskalis' 50% share in the order book increased 12% to € 245 million (2007: € 219 million). Lamnalco won new contracts mainly in West Africa and the Middle East.

Results

Net profit rose to € 249.1 million (2007: € 204.4 million). Net profit excluding exceptional items was up 15% at € 235.7 million. On balance, exceptional items had a positive impact of € 13.4 million after tax and consisted of three components:

- Net profit was boosted by a € 92.1 million one-off gain (€ 97.1 million before tax) resulting from the settlement of the insurance claim for the W.D. Fairway.
- In addition, a € 35.3 million impairment charge was recognized on the stake in Smit Internationale N.V. This impairment was recognized under 'result from associated companies', which also includes our share in Smit's result for 2008 (€ 5.6 million).
- Uncertainty surrounding the Port Rashid project in Dubai led to a negative result of € 43.5 million on the mark-to-market revaluation of the hedges. In accordance with the risk policy in force, the currency risks and fuel price risks for this project were fully hedged by currency forward contracts and fuel hedges at the time the project was awarded. These financial instruments are only used if there is an underlying contract in place. The uncertainty of this project meant that projected volume needs, for example for fuel, were no longer in line with the underlying hedge contract. In the event of such a mismatch, hedge accounting cannot be applied and the result of the mark-to-market revaluation is directly charged to the operating result.

Group earnings before the result of associated companies, interest, tax and depreciation (EBITDA) and excluding exceptional items rose 15% to € 401.0 million (2007: € 348.1 million).

The operating result (EBIT) of € 285.5 million excluding exceptional items is composed as follows:

Segment results (in millions of euros)	**2008**	**2007**
Dredging & Earthmoving	264.5	226.6
Maritime Infrastructure	17.8	15.9
Maritime & Terminal Services	11.6	10.8
Non-allocated group costs	-8.4	-7.8
EBIT excluding exceptional items	**285.5**	**245.5**

Dredging & Earthmoving

The result from the Dredging & Earthmoving product segment rose to € 264.5 million (2007: € 226.6 million). The result including exceptional items (gain from the insurance claim and negative hedge result) amounted to € 318.1 million.

The increase was mainly attributable to underlying revenue growth and sound operating margins.

The rise in revenue was achieved with a very high equipment utilization rate. The average utilization rate of the hopper fleet reached a historic high of 45 weeks (2007: 44 weeks).

Additional cutter capacity was added late 2007 when the Phoenix jumbo cutter was taken into service. Despite this addition, the utilization rate of the expanded cutter fleet rose to 34 weeks from 33 weeks in 2007.

Maritime Infrastructure
The result from the Maritime Infrastructure product segment (40% stake in Archirodon) rose to € 17.8 million (2007: € 15.9 million). This increase is in line with the development of revenue and was due in part to the stronger U.S. dollar. The weakened construction market in the Middle East had a minimal effect on Archirodon in the final months of 2008. Archirodon's activities mainly concern infrastructural projects.

Maritime & Terminal Services
The result from this product segment (50% stake in Lamnalco) continued to grow, increasing to € 11.6 million (2007: € 10.8 million). The growth of the results in the second half of the year was lower than the revenue growth due to a number of one-off expense items.

Other
Depreciation amounted to € 110.2 million (2007: € 102.5 million). The increase was largely the result of higher depreciation costs on project-related equipment.

The result from associated companies dropped to a negative € 28.6 million (2007: positive € 7.5 million) as a result of the € 35.3 million impairment charge. Adjusted for this effect, the result from associated companies amounted to € 6.7 million.

The tax burden rose to € 60.9 million (2007: € 43.3 million). The tax rate climbed to 19.6%, mainly due to non tax-deductible exceptional charges. The tax rate in 2007 was 17.3%, mainly as a result of the favorable settlement of various foreign tax returns.

In 2008 the return on equity was 30.6% (2007: 29.5%).

Capital expenditure and balance sheet
Net investments in equipment amounted to € 216 million. Excluding the effect of the W.D. Fairway settlement, net investments totaled € 277 million. Major investments concerned the construction of a new fallpipe vessel, payment installments on the 5,600m^3 and 12,000m^3 hoppers and the mid-section for the extension of the jumbo hopper Queen of the Netherlands. Furthermore, investments in project-related equipment were made mainly in the Middle East and at Archirodon and Lamnalco.

Capital commitments were € 349 million at December 31, 2008, a slight decrease from the end of 2007.

The cash flow rose to € 365.6 million (2007: € 309.6 million).

On balance, the cash position rose to € 408 million in 2008 (end-2007: € 352 million), of which € 251 million was freely available (end-2007: € 198 million) and € 157 million was tied up in associated companies and projects being executed with third parties (end-2007: € 154 million).

The company's solvency rate was 34.0% at December 31, 2008 (end-2007: 35.3%).

Strategy update
Boskalis' strategy is aimed at preparing the company for the opportunities and challenges it faces as a leader in the dynamic global market for dredging and maritime infrastructure.

The outlook for our market segments is driven by structural long-term growth factors: the development of global trade; rising energy consumption and transport of LNG; pressures from expanding populations and the challenges presented by climate change. Despite a slowdown in short-term growth, the long-term prospects remain positive.

In the coming years, Boskalis will increasingly focus its business portfolio on three market segments: Oil & Gas, Ports and Land Reclamation & Coastal Protection.

A growing number of customers in these market segments require an integrated, multidisciplinary approach to their projects. Instead of maintaining a traditional product-oriented approach, Boskalis is shifting towards a market and value-focused strategy. In doing so Boskalis is focusing on markets with relatively high growth and earnings potential, and the portfolio is expanding towards activities with more added value.

In order to develop a more comprehensive services proposition, it is essential to strengthen and expand the core activities. Core expansion will be achieved through organic growth as well as acquisitions and alliances.

Smit Internationale
The interest that Boskalis has expressed in parts of Smit Internationale N.V. ensues from this value-driven growth strategy. Boskalis is mainly interested in the Smit businesses that support the realization of this strategy.

By acquiring Smit, we could make Lamnalco the global market leader in terminal services. Furthermore, we could extend and strengthen our rapidly growing and attractive offshore business in line with the needs of our clients.

Against this background, Boskalis expressed an interest in parts of Smit on September 15, 2008. In the subsequent months, we consulted with Smit's Board and potential partners.

To date, these efforts have not resulted in the takeover of the targeted activities. However, we will explore further possibilities to accomplish this.

Appendix: Financial Statements

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all amounts in millions of euros unless otherwise stated

Summarized consolidated profit and loss account	**2008**	**2007**
(in millions of euros)		
Revenue	2,093.8	1,868.5
Other income	101.5	8.5
Total operating revenue	2,195.3	1,877.0
Operational costs and personnel expenses	(1,740.7)	(1,529.0)
Depreciation and impairments	(115.5)	(102.5)
Total operating expenses	(1,856.2)	(1,631.5)
Operating result	339.1	245.5
Finance income and expenses	0.5	(2.6)
Share in result of associated companies	(28.6)	7.5
Profit before taxation	311.0	250.4
Taxation	(60.9)	(43.3)
Net group profit	250.1	207.1
Net profit attributable to minority interests	(1.0)	(2.7)
Net profit attributable to shareholders	249.1	204.4
Earnings per share (in euros)	2.90	2.38
Diluted earnings per share (in euros)	2.90	2.38
Average number of outstanding shares (x 1,000)	85,799	85,799
EBITDA	454.6	348.1

Consolidated statement of recognized income and expense	**2008**	**2007**
(in millions of euros)		
Results recognized directly in group equity (after taxation)		
Currency translation differences on foreign operations	(7.7)	(12.4)
Revaluation of property, plant and equipment	3.8	-
Actuarial gains and losses and asset limitation on defined benefit pension schemes	(19.4)	(1.8)
Movement in fair value effective cash flow hedges	(30.5)	18.1
	(53.8)	3.9
Net group profit	250.1	207.1
Total recognized income and expense for the year	196.3	211.0
Total recognized income and expense for the year attributable to:		
Shareholders	194.2	207.8
Minority interests	2.1	3.2
	196.3	211.0

Appendix: Financial Statements
all amounts in millions of euros unless otherwise stated

Summarized consolidated balance sheet	**31 December 2008**	**31 December 2007**
(in millions of euros)		
Intangible assets	19.4	3.5
Property, plant and equipment	979.3	857.4
Other non-current assets	233.5	17.6
Non-current assets	1,232.2	878.5
Inventory and receivables	910.8	969.7
Cash and cash equivalents	408.4	351.9
Current assets	1,319.2	1,321.6
Total assets	2,551.4	2,200.1
Shareholders' equity	860.1	768.1
Minority interests	7.6	8.7
Total group equity	867.7	776.8
Non-current liabilities and provisions	100.2	113.9
Current liabilities and provisions	1,583.5	1,309.4
Total liabilities	1,683.7	1,423.3
Total group equity and liabilities	2,551.4	2,200.1
Solvency	34.0%	35.3%

Appendix: Financial Statements
all amounts in millions of euros unless otherwise stated

Summarized consolidated statement of cash flows

(in millions of euros)	**2008**	**2007**
Net group profit	250.1	207.1
Depreciation and impairments	115.5	102.5
Cash flow	365.6	309.6
Adjustments for:		
Interest, taxation, book results, results associated companies	(12.3)	29.8
Movement in other financial fixed assets	(2.6)	1.6
Movement in non-current liabilities and provisions	(12.4)	5.7
Movement in working capital (including inventory, excluding taxation and interest)	27.1	88.8
Cash generated from operations	365.4	435.5
Dividends received	2.0	6.2
Interest received and paid	0.5	(2.6)
Income taxes paid	(54.6)	(15.8)
Net cash from operating activities	313.3	423.3
Net investments in (in)tangible fixed assets	(119.0)	(242.1)
Net investments in associated companies and subsidiaries	(264.6)	0.7
Net cash used in investing activities	(383.6)	(241.4)
Proceeds from loans	343.6	34.0
Repayment of loans	(118.6)	(10.2)
Dividends paid	(105.3)	(58.8)
Net cash used in financing activities	119.7	(35.0)
Net increase / (decrease) in cash and cash equivalents	49.4	146.9
Net cash and cash equivalents as at January 1	350.4	206.1
Movement in net cash and cash equivalents (including currency translation differences)	51.7	144.3
Net cash and cash equivalents as at December 31	402.1	350.4

Appendix: Financial Statements

all amounts in millions of euros unless otherwise stated

Summarized consolidated statement of changes in equity (in millions of euros)	**2008**			**2007**		
	Share-holders' equity	Minority interests	Group equity	Share-holders' equity	Minority interests	Group equity
Balance as at January 1	768.1	8.7	776.8	618.6	6.0	624.6
Cash dividend	(102.1)	(3.2)	(105.3)	(58.3)	(0.5)	(58.8)
Equity after dividend payment	666.0	5.5	671.5	560.3	5.5	565.8
Net profit	249.1	1.0	250.1	204.4	2.7	207.1
Currency translation differences	(8.8)	1.1	(7.7)	(12.9)	0.5	(12.4)
Addition revaluation reserve	3.8	—	3.8	—	—	—
Actuarial gains and losses and asset limitation on defined benefit pension schemes	(19.4)	—	(19.4)	(1.8)	—	(1.8)
Movement in fair value of cash flow hedges	(30.5)	—	(30.5)	18.1	—	18.1
Total recognized income and expense	194.2	2.1	196.3	207.8	3.2	211.0
Balance as at December 31	860.1	7.6	867.7	768.1	8.7	776.8

Company segments (in millions of euros)	Dredging and earth-moving	Maritime infra-structure	Maritime and terminal services	Group
2008				
Revenue	1,820.3	213.8	59.7	2,093.8
Segment result	318.1	17.8	11.6	347.5
Non-allocated group costs				(8.4)
Operating result				339.1
Result associated companies	1.1	—	(0.1)	1.0
Result non-allocated associated companies				(29.6)
Non-allocated interest				0.5
Non-allocated taxes				(60.9)
Net group profit				250.1
2007				
Revenue	1,628.8	187.4	52.3	1,868.5
Segment result	226.6	15.9	10.8	253.3
Non-allocated group costs				(7.8)
Operating result				245.5
Result associated companies	6.1	—	1.4	7.5
Non-allocated interest				(2.6)
Non-allocated taxes				(43.3)
Net group profit				207.1

Accounting principles
Royal Boskalis Westminster N.V. draws up its financial reports in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). These standards are applied throughout the group. For the main principles of financial reporting reference is made to the 2008 financial statements. Unless stated otherwise, all amounts are in millions of euros.

Dividend payments to the shareholders of Royal Boskalis Westminster N.V.
During 2008, a cash dividend was distributed for the 2007 financial year of € 1.19 per share (2007: cash dividend of € 0.68).

Commitments and contingent liabilities
The total for outstanding guarantees, mainly relating to projects in progress, was € 882 million as at December 31, 2008 (December 31, 2007: € 747 million). Investment commitments increased by € 11 million to € 349 million (year end 2007: € 360 million). There were no substantial changes compared with 31 December 2007 in the other commitments and contingent liabilities.

This press release is based on the prepared 2008 financial statements to be adopted by the Annual General Meeting of Shareholders, which have not yet been published under statutory provisions. The external auditor has issued an unqualified auditors' report on the prepared 2008 financial statements.

Papendrecht, The Netherlands, March 17, 2009
Board of Management