

Leidschendam, the Netherlands, 6 March 2009

Fugro: Successful business developments

- Revenue increased by 19.5% to EUR 2,154.5 million
- Net result increased by 31.1% to EUR 283.4 million
- Dividend proposal 2008: EUR 1.50 (2007: EUR 1.25) per (certificate of an) ordinary share

Key figures (in EUR million)	31 December 2008	Change	31 December 2007
Revenue	2,154.5	19.5%	1,802.7
Net result	283.4	31.1%	216.2
Net margin (%)	13.2		12.0
Basic earnings per share (EUR)	3.88	24.8%	3.11
Proposed dividend	1.50	20.0%	1.25
Cash flow	438.9	30.2%	337.1
Investments (including acquisitions and assets under construction)	394.4	15.6%	341.1

Business development

The financial year 2008 closed with again an increased revenue and profit for Fugro. Furthermore, the net profit margin increased to over 13%. During this period, market circumstances were very good, although in the course of the last quarter, uncertainties increased in the light of the worldwide recession. Strong organic growth, supported by investments in the last few years in capacity expansion, was also realised in 2008. All three company divisions generated growth in revenue and an increase in profit.

The company continued to broaden its service package and strengthen its presence in a number of countries through acquisitions. These investments brought with them new technologies, which created new growth opportunities when combined with Fugro's expertise and global presence. During the year large, complex projects, often involving several business lines, were successfully completed. This concerns both onshore and offshore projects.

Fugro collects, processes and interprets data relating to the earth's surface, the seabed and the (deeper) soils and rocks beneath. Around 75% of company activities are related to the oil and gas industry. With its broad range of services, Fugro is involved in many phases of the life cycle of oil and gas fields. Fugro's involvement in maintenance of (complex) facilities made by the oil and gas industry will have a positive effect on Fugro in future. Through its balanced portfolio and increased global presence, Fugro supplies services to a large group of clients in the oil and gas industry. Fugro is also active in the infrastructure (approximately 15% of revenue) and mining sectors (approximately 4% of revenue). The remaining 6% of revenue is coming from some other market segments.

Outlook

The oil and gas industry is Fugro's most important market sector, representing a 75% share of the company's revenue. The price of oil has no direct influence on the services but can certainly affect the behaviour of Fugro's clients with regard to their investments.

Fugro collects, processes and interprets data related to the earth's surface and soil composition and provides advice based on the results. As an extension to these activities, Fugro provides services such as precise positioning, construction materials testing, reservoir engineering and data management. Fugro's operations have been organized into three divisions: Geotechnical, Survey and Geoscience. Fugro is listed on Euronext Amsterdam and is included in the AEX-Index. Fugro has over 13,500 employees in more than fifty countries.

PRESS RELEASE

The worldwide recession, caused by the financial crisis, has led to a slowdown in the demand for oil and gas. The Organisation of the Petroleum Exporting Countries (OPEC) has, like other oil exporters, responded by cutting oil production levels. Much uncertainty remains about the level at which supply and demand will stabilise and at what oil price. This situation can lead in the short term to high volatility in the oil price per barrel, as was the case last year when the price per barrel fluctuated between USD 37 and USD 147 per barrel. The current price level of around USD 40 will most likely delay new projects for producers with high external financing costs. These are usually smaller oil companies with primarily short-term, small-scale projects. On the other hand, some national oil companies (NOCs) and larger international producers have recently indicated their intention to increase investments in the coming year, or at least keep them at the 2008 level. The investment horizon is an important issue and must take account of the fact that for new larger oil and gas fields offshore, the time that passes between the decision to develop a field and the actual start of production can be several years. Worldwide, the decrease in production of existing fields through depletion is 6 to 8% annually.

Considering the lead time required to put new fields into production, the need for continuous investment in future production capacity has not been greatly affected by the current economic situation. According to external reports published at the end of 2008, it is expected that the investment budgets of international companies that are important to Fugro will drop by 6% in 2009 compared to 2008, to around USD 300 billion.

Fugro's involvement in maintenance of installations at sea (inspection repair maintenance or IRM) has increased over the last few years and these activities are far less sensitive to oil price fluctuations.

For Fugro's infrastructure-related activities, stimulus packages by various governments will lead to more projects that will compensate for a decline in more prestigious projects such as the construction of artificial islands off the coast of Dubai. The decentralised organisational structure, with local operating companies, will enable Fugro to respond quickly to changes in demand for infrastructure services that have a national or regional character.

Due to the sharp fall in prices for minerals and the heavy dependence of smaller clients on external financing for projects, a decline in the demand for mineral exploration services is expected for 2009. This decline can largely be compensated for by applying research methods that were developed for the mining industry when searching for oil and gas and for which Fugro recently received a number of contracts.

In addition to the influence of aforementioned uncertainties in market developments, the exchange rate of the US dollar and the British pound compared to the euro is important. Last year the British pound in particular lost value against the euro. The larger part of Fugro's revenue and costs are in the same currency. The translation to Euros could be of influence on the reporting of results, which is in Euros. Furthermore, political instability can lead to stagnation of projects.

Recent developments will result in less tension in the labour market and more manageable costs of services by third parties, such as transport and short-term charter of vessels.

Currently there is still a lot of uncertainty about the depth and duration of the worldwide recession. Fugro will respond to this with measures such as:

- Restrictions on new investments, unless profitable in the short term or strategically important
- Flexibility in hired capacity, such as chartered vessels and freelance staff
- Strict cost control and further optimisation of operational efficiency.

As soon as recovery of the world economy sets in, the sectors on which Fugro focuses, in particular those of energy, construction, transport, minerals and water, should soon offer good opportunities.

Expansion and broadening of activities through acquisition will remain part of the strategy. The current situation may lead to more realistic valuations of companies than has been the case in some sectors in recent years.

In summary, based on a good backlog, we expect in the first half year of 2009 a modest increase in revenue due to organic growth and acquisitions and a slightly lower net profit margin than in the first half of 2008. In view of the current volatility in the market developments the expected course of events for the full year 2009 cannot be indicated at this time.

Due to the short-term nature of a number of our projects, as in previous years we will first publish a quantitative forecast for the entire year in August 2009, at the time of the publication of the 2009 half-yearly report.

PRESS RELEASE

Acquisitions

The intended purpose of acquisitions is amongst others to obtain state-of-the-art technology and increase of market share. The annual revenue of the acquired operational companies in 2008 amounts to approximately EUR 64 million. The total cost of the acquisitions completed in 2008 was EUR 66 million. In addition, assets and related activities were acquired with a value of EUR 20 million in total.

Capacity adjustment

Also in 2008, capacity was further expanded with additional staff and equipment. This amongst others involved the acquisition of a number of jack-up platforms for operation in shallow coastal waters, ROVs and vessels. In the course of 2008, the new vessels Fugro Saltire (a chartered ROV construction support vessel) and Geo Caribbean (fully owned seismic vessel) were brought into service. Furthermore, the Fugro Navigator was acquired and deployed as a survey vessel; two older survey vessels were withdrawn from service and sold.

In the annexes a summary of the earlier announced replacements and/or expansions of the fleet for the period 2009/2010 is given. Fugro has the option to reduce the fleet by eight to ten vessels in 2009 by not renewing charters or by retiring older fully owned vessels.

Financing of these new, fully owned vessels has been covered by existing facilities and expected future cash flow. The outlook for deployment is good for the vessels that will be brought into service in 2009; Fugro Synergy, for instance, has been awarded a contract of more than six months. The market circumstances as of 2011 will be of relevance for the vessels due to be delivered towards the end of 2010. At a project level, Fugro also uses vessels that are chartered on a short-term basis. The lease term for some chartered vessels will expire during 2009. Extension of the charters will be considered, depending on the development of the backlog during the year. The total number of ROVs in operation is now 125 and will be expanded to approximately 130 towards the end of 2009.

Financial

Revenue and costs development

In 2008, revenue increased by 19.5% to EUR 2,154.5 million, compared with EUR 1,802.7 million in 2007. Unrealised revenue, as a result of the delay in delivery of vessels in 2008, was more than compensated by the higher revenue generated elsewhere in the Group. Most of the revenue increase was achieved through organic growth of 23.4%. As a result of acquisitions, the revenue increased by 4.0%. Exchange variance had a negative effect of 7.9% on the revenue.

Third party costs amounted to EUR 722.3 million (2007: EUR 604.9 million). This is an increase of 19.4%. The third party costs as a percentage of revenue were 33.5%, which is similar to 2007 (33.6%).

Personnel expenses increased by 19.4% to EUR 618.6 million (2007: 518.1 million). This is 28.7% of the revenue, equal to 2007. One of the reasons that the personnel expenses remain stable as a percentage of revenue compared to 2007, is the fact that Fugro works with local employees worldwide and often young employees are recruited who are partly trained on the job. These young employees join experienced teams. The average cost per employee was EUR 47,671, a decrease of 0.4% with respect to 2007.

Depreciation of tangible fixed assets increased significantly from EUR 107.7 million in 2007 to EUR 140.4 million in 2008. This represents an increase of 30.4%. The increase is a result of the capacity expansion, which took place in 2007 and 2008, in mainly the vessel fleet including related equipment and ROVs.

Depreciation as a percentage of revenue increased slightly to 6.5% (2007: 6.0%).

Other expenses amounted to EUR 295.7 million in 2008 (2007: EUR 254.6 million), an increase of 16.1%. As a percentage of revenue, these costs decreased to 13.7% (2007: 14.1%). Other expenses included a variety of different costs, which cannot be allocated directly to projects like repair and maintenance, occupancy cost, etc.

Net result

Net result increased by 31.1% to EUR 283.4 million (2007: EUR 216.2 million), after deducting third party interests in the profits of subsidiary companies. This amounts to EUR 3.88 per share (2007: EUR 3.11), an increase of 24.8%. This increase is well above the financial objective of an average 10% a year.

PRESS RELEASE

A good price level and further efficiency improvements have resulted in a further increased net profit margin of 13.2% (2007: 12.0%).

There was no significant impact on the net result of nonrecurring items.

Result from operating activities (EBIT)

At EUR 386.2 million, the result from operating activities (EBIT) was 18.9% higher than in 2007 (EUR 324.8 million). The EBIT includes estimates with regard to the negative effects of the current worldwide economical crisis with respect to the valuation of a number of balance sheet items. This concerns seismic and geological data libraries, valued at fair value, and trade receivables as well as unbilled revenue on completed projects valued against present value of the expected future cash flows. For the valuation of the multi client data libraries Fugro expects that the demand will decrease in the coming years in view of the low oil price. With regard to the trade receivables, it is noticeable that some of the debtors are experiencing difficulties in financing their activities, which has resulted in a reduction of the expected collectability of receivables. The total negative impact on the 2008 results amounts to approximately EUR 25 million.

Exchange rates

During 2008, the average US dollar exchange rate was EUR 0.68 (2007: EUR 0.73). A steep decline was noticeable in the value of the British pound. The average rate of the British pound decreased during 2008 to EUR 1.25 (2007: EUR 1.46). Nevertheless, a positive foreign exchange variance of EUR 25.8 million was achieved in 2008 (2007: EUR 6.5 million negative). This positive exchange variance was mainly related to the effects of the temporary strengthening of the US dollar against the declining Norwegian kroner in the second half of 2008. The exchange differences have been accounted for in the accounts as net financing costs.

The balance sheet valuation was also strongly influenced by fluctuations in the US dollar, the British pound and the Norwegian kroner. The most important differences are caused by the revaluation of subsidiary companies quoted in British pounds (about EUR 54 million).

In balance, the changes in exchange rates had a negative effect of EUR 55 million on the equity per 31 December 2008.

Cash flow

In 2008, the cash flow from operating activities amounted to EUR 438.9 million (2007: EUR 337.1 million), an increase of 30.2%. This steep increase is largely a result of the increased net result. The expected cash flow will enable the company to remain within the current financing arrangements and to fully comply with the committed investments. The cash flow per share equates to EUR 6.01 (2007: EUR 4.84), an increase of 24.2%. Thus the financial growth target of on average 10% for the cash flow was amply achieved.

Investments

The 2008 investments can be specified as follows (x EUR 1 million):

Maintenance capex	87.2
Capacity expansion	235.8
Movement in assets under construction (primarily vessels, streamers and ROVs)	57.0
Assets from acquisitions	14.4
	394.4

Each year Fugro invests to maintain the existing capacity. In 2008 these investments amounted to EUR 87.2 million (2007: EUR 93.1 million).

Net finance costs

The net finance costs amounted to EUR 1.9 million in 2008 (2007: 31.0 million). This includes foreign currency effects of EUR 25.8 million positive (2007: EUR 6.5 million negative), which means that the net finance costs excluding exchange variance amount to EUR 27.7 million (2007: EUR 24.5 million). The increase is caused by the usage of bank facilities for financing the investment programme. Interest coverage (EBIT/net interest expenses) is 14 (2007: 13). This is a very good coverage, well above the financial objective of 5.

PRESS RELEASE

Taxes

In 2008 the income tax expense amounted to EUR 94.8 million (2007: EUR 71.3 million), an increase of 33.0%. The effective tax rate amounts to 24.7% in 2008 (2007: 24.3%). The company strives for a low tax charge, through an efficient tax and financing structure. The tax charge depends in part on the geographical spread of the projects that are carried out and the possible usage of tax losses. The tax losses are expected to be utilised in the coming years.

Dividend proposal

It is proposed that the dividend for 2008 be increased to EUR 1.50 per ordinary share (2007: EUR 1.25), paid according to the preference of the shareholder:

- in cash, or
- in (certificates of) ordinary shares.

The proposed dividend equates to a pay-out percentage of 39.8% of the net result.

Backlog

At the beginning of 2009 the backlog of work to be carried out during the year amounted to EUR 1,600.4 million – an increase of EUR 141.9 million compared to the previous year (beginning of 2008: EUR 1,458.5 million). The proportion of definite orders is 66% (beginning of 2007: 65%). The backlog calculation is based on end-of-year exchange rates in EUR and is 9.7% higher than at the beginning of 2008. A considerable part of the backlog is in foreign currencies. Therefore the lower exchange rate of the US dollar and related currencies and the British pound can be of influence. Had the exchange rate remained the same, the backlog would have increased by 16.1% compared to the beginning of 2008.

Market developments and trends

Trends

The year 2008 confronted the world with a financial crisis that draws heavily on the world economy. The crisis has snowballed since August 2008 and banking corporations and other companies have been given government support to guarantee their existence. The world economy has reacted very strongly to the financial crisis. These negative sentiments are well noticeable and they have spread over many sectors worldwide.

Fugro is reasonably protected against negative effects, through its position, the international markets in which Fugro operates and the mix of its clients, but Fugro will not be immune to the consequences of a continuing worldwide crisis.

The oil and gas market

The oil price per barrel has fallen sharply in the last months of 2008. The current price is around USD 40. Experts indicate an expected oil price of USD 75 or higher in the long term. Smaller oil companies that are dependent on external financing for the development of their more marginal fields, foresee problems with regard to their business processes, and projects for these clients may be delayed. The share of Fugro's revenue for this category is relatively small. A number of national oil companies and large international players have announced their intentions to continue investing, also at an oil price of about USD 40, in order to be able to mitigate future production decline. These intentions might however be adjusted, should the oil price drop below that level for a longer period of time.

During 2008 investments by the oil and gas industry have increased further by a substantial 22% to around USD 450 billion. The entire market sector, including Fugro, benefited from this increase. About 75% of Fugro's revenue is related to oil and gas.

According to recent external market research, investments by oil and gas companies will drop by about 12% to USD 400 billion worldwide in 2009. For the so-called international market, which is an important segment to Fugro, a drop of about 6% to USD 300 billion, is expected. A number of key players have already announced that the budgets will remain at the same level or be increased.

Increasingly, as a consequence of its broad package of solution-oriented services, Fugro is involved throughout almost the entire life cycle of oil and gas fields. This cycle can last for several decades. It starts with the search for fields and continues from investigations and surveys related to the design and construction of the structures required to bring new fields into production, to improving production from existing fields and finally decommissioning. Fugro will, therefore, be able to continue to benefit from the further increase in the investments (already substantial in recent years) now being made by the oil and gas companies. In the years to come, investments will still be undertaken to achieve production in the longer term.

PRESS RELEASE

Many of the exploration and development activities, especially those related to deepwater projects, take place in the Gulf of Mexico, West Africa and Brazil. Other regions that continue to be very active are the Middle East, the Caspian Sea, the North Sea and parts of Asia, India and Australia. There is also increasing interest in detailed reservoir information from existing fields to enable production levels to be maintained for as long as possible, and to extract the maximum volume of available oil and gas.

Demand for gas is creating a strong global growth market. Some of the demand is met by production of liquefied natural gas (LNG), which can be transported over the sea. Fugro is carrying out surveys for a number of LNG terminals now under development in various parts of the world. High energy prices are making the development of gas fields located at considerable distance from the user markets more attractive. This is especially applicable in the Middle East where there are considerable gas reserves within transportation distance of India, China and Japan. Large-scale developments are also taking place in countries that have been exporting gas for some time, such as Australia, Nigeria and Indonesia. This will reinforce the trend towards the creation of a global gas market and could result in gas remaining more attractive than alternative energy sources. The oil price has fallen drastically in the second half of 2008 following a peak at USD 147. External publications indicate that oil companies base their economic viability calculations for most of their larger projects on the current oil price level. Considering the long duration from start to finish of these kinds of projects and the, over time, recovering oil price, Fugro anticipates that its services will continue to be in demand in 2009 and the following years.

The market for infrastructure projects

Infrastructure related activities accounted for approximately 15% of Fugro's activities in 2008. The uncertain market situations are noticeable in a number of these market segments. The housing market, for instance, will grow less rapidly and in some areas may even contract. This market is less important to Fugro. Fugro is concentrating more on large infrastructure projects. In times of economic stagnation, (local) governments often initiate such projects to boost the local economy. Fugro also intends to accentuate a number of initiatives in this part of the market such as water management and advice on road maintenance. In order to be involved in large infrastructure projects as early as possible, Fugro makes early contact with the key players in the development of these projects. The scale of these regional projects depends on general economic developments as well as government spending. In a number of regions, larger integrated government-financed developments are being considered. Fugro undertakes large contracts associated with airports, land reclamation, (LNG) harbour expansions, dykes, tunnels, and major building and construction works all over the world. The company has strengthened its market position in this segment, steadily and continuously. One reason for this is the fact that Fugro has increasingly positioned itself as a supplier of integrated solutions in order to fulfil the customer's preference for handing over the responsibilities for various data acquisition and consultancy activities across a broader front to a single service supplier. Fugro can benefit from this market trend, thanks to the Group's unique combination of activities, specialists, equipment and technologies, combined with its scale of operation and leading market position.

Mining

The majority of Fugro's mining related revenue comes from the mining exploration sector. This sector continued a high level of investment throughout most of 2008. One component of this is private sector mining company activity, which is driven by the economic value of new sources of metals and minerals to their businesses. This is affected by mineral prices and by the planning assumptions and planning horizon of the mining companies. Another component is the regional mapping of geology and earth structure which is viewed as a strategic investment by governments and semigovernmental organisations such as foreign aid groups. This tends to be less dependent on short-term fluctuations in minerals prices. As the financial markets entered into difficulty in 2008, potential sources of funding from equity and debt providers for explorers came under pressure. Those exploration companies which do not have sources of operating cash flow became hesitant about spending the cash they had. As a result of this, a significant decrease was seen in the activity of mining 'juniors' in the latter part of 2008 and this is expected to continue until the capital markets rectify themselves. Although it remains to be seen whether mining 'majors' curtail their exploration activity, it is expected that governmental and quasi-governmental organisations will continue to carry out projects.

Other market segments

Fugro not only supplies services to the aforementioned markets but also to a number of other niche markets. These services include precise positioning for machine guidance in agriculture, route surveys for offshore telecommunications cables, and airborne mapping using laser technology for governmental authorities and other public services. Approximately 6% of annual revenue is generated by these segments. In general, these activities are more region-specific and related to the sector's economic activity.

PRESS RELEASE

Number of employees

As a result of the acquisitions, and based on good market conditions and prospects, the number of employees increased during 2008 by 2,155 to 13,627 at the end of the year (2007: 11,472). Acquisitions added about 800 employees to Fugro's workforce in 2008. Through those acquisitions, well-trained and experienced professionals, which Fugro is constantly seeking, are added to the workforce. The average number of employees during the financial year was 12,977 (2007: 10,824) an increase of 19.9%. Fugro also works with a large group of experienced and trustworthy freelance staff who are regularly deployed on a project basis. The use of freelance workers provides Fugro with the flexibility to respond to variation in manpower requirements. Fugro mainly employs local employees and deploys few expats. This practice provides flexibility when adjusting the staffing to changed market circumstances.

Despite the global shortage of specialists, Fugro has been successful when it comes to recruiting experienced and professional employees. Increasingly this is coordinated on a global basis with best practices being implemented at a local level. Fugro's recruitment success is largely based on the global spread of its activities and the employment possibilities that Fugro has to offer innovative and entrepreneurial staff.

Divisions

Geotechnical division (x EUR million)	2008	2007
Revenue	541	443
Result from operating activities (EBIT)	95	78
Invested capital	345	246
Depreciation of tangible fixed assets	24	19
Result from operating activities (EBIT) as % of revenue	18	18

The Geotechnical division's revenue increased by 22% to EUR 541 million (2007: EUR 443 million). The result from operating activities (EBIT) increased by 22% to EUR 95 million (2007: EUR 78 million). This equates to an 18% (2007: 18%) margin on revenue.

During 2008, the focus of Fugro's onshore geotechnical services continued to be on business growth in regional markets; strengthening the group's market position in soil investigation in coastal waters; and involvement in larger, long-term projects. The acquisition of In Situ Geotecnia in Brazil and the establishment of an office in Panama have strengthened Fugro's positions in Brazil and Central America. The acquisition of six jack-up platforms and the execution of two large, prestigious near-shore soil-investigation projects in Abidjan, Côte d'Ivoire, and St Denis, La Réunion, have contributed to the further global expansion of the near-shore capabilities. A purpose built jack-up platform is currently operational in Australia in support of oil and gas clients, predominantly for the increased activity associated with liquefied natural gas plants. Also in 2008, Fugro started to focus on the global water market through Fugro Water Services. The acquisitions of Roadware Group Inc. in Canada and Pavement Management Services Pty Ltd in Australia contributed to expanding the capabilities in the pavement management business. Both these areas are considered to be growth markets, and Fugro is well positioned to capture market share.

In Western Europe, Fugro saw a stable market. Projects in Central and Eastern Europe can lead to a more sustainable permanent position when the local economies stabilise. The group's operations in Russia have been increased as a result of increased infrastructure development and oil and gas industry activity. As a result of their strong position, the group's operating companies in the USA contributed well, despite the uncertain domestic markets in 2008, and were positively impacted by international oil and gas opportunities, and involvement in long-term water-related projects in Louisiana and California. The deferral of some projects associated with the expansion of nuclear power stations in the USA has slowed down the activity in this market.

Good growth was achieved as a result of the continued investment wave in the Middle East. Fugro's investments in 2008 in human resources, equipment (including jack-up platforms) and branching out into other markets and service offerings contributed to this. We have executed pavement management projects in Abu Dhabi and Qatar, and are undertaking soil investigation work for the Bahrain-Qatar causeway. In India, good growth was achieved also as a result of investment in training and supply of equipment, including a jack-up platform.

Moderate growth was achieved in the Far East as a result of the uncertain economic situations in China and Hong Kong.

PRESS RELEASE

The offshore geotechnical business line has several offices worldwide and coordinates the equipment to be deployed from the USA, the Netherlands and Singapore. The typical projects vary from routine shallow water work to very complex, multidisciplinary deep water ventures. Over the past few years, deep water activity has increased significantly. This growth has been led by the large international oil and gas companies and the national oil companies.

Research is continuously undertaken to improve and enhance the data collection technology used routinely in water depths to 3,000 m.

Formerly, the emphasis and capital investment were centred on vessels, equipment and data collection, but, during 2008, the group's efforts shifted to building a world-recognised consulting group by combining the expertise and experience of the consultants in the survey and geotechnical groups into one geoconsulting entity. This group has established centres in the USA, the UK and Singapore.

The business line improved its performance compared with 2007 as a result of more efficient scheduling of resources, market oriented pricing policies and general higher work levels in 2008.

The group's backlog has shifted to having a higher proportion of revenue from the deepwater markets and greater reliance on the large international and national oil companies. Major projects were undertaken in virtually all the geographical regions of the world, with particularly large jobs in the Mediterranean, the Gulf of Mexico, Brazil and West Africa. In 2008 two chartered vessels were temporary added to the fleet to ensure timely completion of work. At the end of the year, globally all vessels entered into 2009 with a significant backlog, which supports a good start for the year.

Acquisitions within the Geotechnical division

- William Lettis & Associates, Inc., United States, is an earth science consulting company that specialises in earthquake hazard assessment and engineering geology for the power industry, government agencies, the oil and gas industry, and water and infrastructure markets.
- HGN Hydrogeologie GmbH, Germany, specialises in the fields of water management, flood control concepts, dyke investigations and hydraulic modelling for federal and state authorities.
- Pavement Management Services Pty Ltd (PMS), Australia, is active in the provision of pavement engineering consultancy services including assessment of current pavement condition, design studies for new pavements, definition of maintenance programmes for existing highway networks and supply of asset management database systems.
- Roadware Group Inc., Canada, is a provider of technology and services for the assessment and mapping of highway and other pavement structures.
- In Situ Geotecnia Ltda., Brazil, is active in the field of geotechnical services.
- Risk Engineering, Inc., United States, specialises in risk analyses and earthquake sensitivity studies of large-scale projects.
- Beatty Marine Plant Ltd, Ireland. The acquisition concerned six modular jack-up platforms and related business.

Survey division (x EUR million)	2008	2007
Revenue	960	852
Result from operating activities (EBIT)	235	205
Invested capital	463	371
Depreciation of tangible fixed assets	43	37
Result from operating activities (EBIT) as % of revenue	24	24

In the year under review the Survey division achieved a 13% increase in revenue to EUR 960 million (2007: EUR 852 million). The result from operating activities (EBIT) increased by 15% to EUR 235 million (2007: EUR 205 million). This equates to 24% of the revenue (2007: 24%).

The division's activities cover shallow- to deepwater surveys, primarily in support of the oil and gas industry, and airborne and terrestrial data acquisition largely related to infrastructure developments. In the offshore sector, support services are provided such as accurate positioning for the oil and gas industry and data are acquired for field development and transportation infrastructure using specialised tools and technologies to acquire the required information.

PRESS RELEASE

The offshore survey business line covers a range of activities in support of the oil and gas industry, including geophysical investigations using dedicated fully owned and chartered vessels; construction support; Remotely Operated Vehicle (ROVs) operations for subsea construction and drilling work; and meteorological and oceanographic studies. Underlying most of these activities, is Fugro's global positioning system, Starfix, which provides precise positioning and navigation services for offshore applications, which are amongst others for the benefit of dynamically positioned vessels. Outside the oil and gas industry, Fugro engages in route surveys for the telecommunications industry and are increasingly successful in being contracted for hydrographic charting for government clients.

The Geospatial services business line offers a range of survey and mapping services using terrestrial, aerial and space based sensors to acquire geospatial data, followed by sophisticated processing and geographic visualisation systems to create geospatial information for a variety of applications. The business line also offers GPS and Glonass based positioning services on land (such as farm machine guidance).

On the back of a continued buoyant offshore market, thanks to the continued high demand for hydrocarbons, Fugro enjoyed another positive year on all fronts. The telecommunication sector (marine cables) was slow. Activity levels were high in all business lines but were clearly dominated by the support of construction spreads for field developments combining positioning and ROV services sometimes in environments as deep as 3000 metres. The geophysical activities were supported by considerable investments in new equipment, including the acquisition of a third AUV with 3,000 metres rating. By year end a total of around 30 vessels were operated. Fugro's global positioning network continued to be a mainstay providing precise positioning around the globe to all types and sizes of vessels. Utilisation of resources was high throughout the year, which resulted in a further autonomous growth).

Investment in people continued through the Fugro Academy training programme, which is now well established in the company. Investments were dominated by equipment for the subsea market (sonars, positioning tools and a total of 22 ROVs). The new ROV construction support vessel Fugro Saltire (charter) and the survey vessel Fugro Navigator (fully owned) were added to the fleet. Fugro maintained a presence in all oil and gas centres around the world and invested considerably in furthering the use of local staff, an undertaking appreciated in particular by clients from the national oil companies (NOCs). Acquisitions were limited to smaller companies focused on adding value at strategic locations.

The demand for specialised Geospatial services is growing worldwide, in particular spatial information for governments, natural resource exploitation and infrastructure related applications. Spurred on by the free availability of maps and earth imagery on the Internet, there is a growing trend to represent and visualise our fast changing world through detailed maps, aerial imagery and 3D models. Consequently, there is an increasing demand for ever more accurate and up-to-date geospatial data. The acquisitions announced in 2007 were fully integrated over the course of 2008 to strengthen Fugro's Geospatial service capability in North America, the Middle East, Africa and Europe. Geospatial Services experienced robust growth in 2008. All market sectors and all regions where the business line is active contributed positively to this growth. During 2008, investments were focused on acquiring new LiDAR and imaging sensors for aerial applications and instruments to support terrestrial survey services. In aerial mapping, Fugro secured the award of a number of important projects, like a multi-year contract to map the entire rail network of the Norfolk Southern rail company in the USA.

Acquisitions within the Survey division

- SureSpek ISS Pty Ltd, Australia, operates mostly in the Asia Pacific region. The company undertakes subsea inspections on offshore pipelines, jackets and structures, largely for oil and gas companies. The business, in combination with Fugro's existing ROV (Remotely Operated Vehicle) business, will help to strengthen Fugro's subsea services.
- Fugro acquired the remaining 38% of Fugro-OceansatPEG S.A. joint-venture in Brazil. This joint-venture was established in 2005 to provide marine survey services in Brazil, primarily for the oil and gas industry. These activities continue under the name 'Fugro Brasil Ltda' from a new office near Rio de Janeiro.
- Nigel Press Associates Ltd., United Kingdom, is a satellite mapping specialist.
- BKS Surveys Limited, Northern-Ireland, was already an agent for Fugro's FLI-MAP laser altimetry system in the United Kingdom and Ireland. BKS is a supplier of innovative aerial mapping services and products.
- GEO LLC, Alaska, specialises in offshore geophysical surveys, as well as in geotechnical investigations for new oil and gas fields offshore, especially in the Arctic regions such as the Chukchi and Beaufort Seas.



PRESS RELEASE

Geoscience division (x EUR million)	2008	2007
Revenue	654	508
Result from operating activities (EBIT)	154	115
Invested capital	477	402
Depreciation of tangible fixed assets	28	23
Result from operating activities (EBIT) as % of revenue	24	23

In 2008 the Geoscience division achieved a 29% higher revenue of EUR 654 million (2007: EUR 508 million). The result from operating activities (EBIT) increased by 34% to EUR 154 million (2007: EUR 115 million). This equates to a margin on revenue of 24% (2007: 23%).

Development & Production activities supply the oil and gas industry worldwide with a broad spectrum of interrelated services and occupies a strong position in the offshore seismic survey market and as a supplier of nonexclusive multi client data. It also provides data management and high-value geophysical, geological and reservoir data processing and interpretation services aimed at improving knowledge about (potential) oil and gas reservoirs. The activities of all the business units continued to develop very well in 2008. Once again the oil and gas industry showed an increase in investments in exploration activities. This resulted in an increase in the demand for seismic surveys and good sales of geological and seismic multi client data.

Seismic activities made a strong contribution to the Geoscience division. In 2008 total revenue in seismic services amounted to approximately EUR 465 million, by which the intended tripling of the activities has been achieved and has made Fugro an important global player in seismic survey. The demand for geoscience data for the exploration and development of new oil and gas prospects is expected to continue to grow as well as data to enhance production from existing fields as production from existing oil fields continues to decline. This decline needs to be offset and additional production is required to meet the projections for long term growth in oil and gas demand from a growing world population. The positive development of business in 2008 was due to favourable market conditions and Fugro's investment in vessels and equipment is paying off. Fugro continued with its seismic fleet expansion plan and towards the end of 2008 launched the large high end, high capacity and fully owned 3D vessel Geo Caribbean. In addition investments were made in data warehouses, software development, geologic laboratory equipment, software and computers to expand seismic data processing capabilities.

By far the largest part of the 2008 growth was organic. This organic growth was supported by some acquisitions to expand the division's geographic reach and technology base. Acquisitions included Phoenix Data Solutions in the United Kingdom which adds to Fugro Data Solutions' seismic data conditioning capabilities. A further acquisition was that of GeoLab Nor, which has added significant capacity for geochemistry services. In this field Fugro has now become a major service provider in data acquisition, analysis and interpretation. This acquisition will further support Fugro taking on the marine acquisition of such data.

Demand for airborne geophysical services remained robust in 2008. Both mining and oil and gas industries continued to execute their exploration activity at historically high levels. A number of governments extended their interest in regional data acquisition as a means of underpinning future natural resource-based economic development. In the last quarter of 2008 demand for these services declined as result of the strong drop in prices of raw materials.

Airborne Survey developed well and continuing progress was made with respect to putting elements of the long term plan into place. In order to strengthen its position as the provider of the broadest range of geophysical solutions, Fugro acquired the Falcon technology of gravity gradiometry systems from BHP Billiton. This uniquely positions Fugro to provide the highest standard of airborne gravimetric surveying presently available to the hydrocarbon and mining exploration industries.

Also, during the year Fugro Gravity and Magnetic Services was created in order to provide a single point of contact for the complete suite of Fugro's potential fields exploration services. These are of increasing importance in two respects. As explorers are forced to broaden their search space for new reserves of natural resources, gravity and magnetics provides a cost effective way to cover large areas relatively quickly. In addition, explorers are more than ever concerned with prioritisation and de-risking of drilling targets as these move into more complex and challenging environments. In this sense, gravity and magnetics are well suited as complementary data sets to maximise the utility of seismic information.

PRESS RELEASE

Increased sales efforts established South America as a significant market in its own right. Elsewhere, data acquisition portions of large regional mapping projects in, amongst others, Ghana, Senegal and Papua New Guinea were completed and a similar multi-year program in Nigeria continued. The acquisition of NexTerra Geophysical Solutions expanded our presence in India, another geographic market which is expected to continue to grow in importance.

The introduction of new helicopter electromagnetic technology in 2007 was followed in 2008 by expansion of the number of systems to establish Fugro as a significant provider of these services on a global basis. Important surveys were executed in Canada, Africa and Russia. Fugro also acquired 60% of EMMET, an electromagnetic technology development company based in Russia. EMMET forms part of the effort to extend the use of existing airborne and terrestrial electromagnetic capabilities and knowledge into the marine environment.

Acquisitions within the Geoscience division

- Fugro has acquired 60% of Electro Magnetic Marine Exploration Technologies (EMMET), Russian Federation. EMMET is a technology developer and provider of marine electromagnetic services for hydrocarbon exploration. Fugro has the exclusive option to purchase the remaining 40% interest.
- NexTerra Geophysical Solutions Pvt Ltd, India, specialises in the provision of land-based geoscientific data acquisition and associated processing, interpretation and consulting services.
- Allied Seismic Ltd, Canada, specialises in the storage of data related to oil and gas, mainly to the seismic acquisition industry. Allied Seismic Ltd will be integrated into Fugro Data Solutions Ltd., in which Fugro's activities in data management are concentrated.
- Geolab Nor AS, Norway, specialises in supplying, geochemical data and consultancy services to the oil and gas industry on a worldwide basis. Geolab Nor AS is one of the few companies worldwide with a proven track record in offshore surface geochemistry sampling and analysis.
- Phoenix Data Solutions Ltd., United Kingdom, provides services specialising in the digital reconstruction of seismic images.
- Acquisition of the Falcon™ technology for accurate gravity surveys. This uniquely positions Fugro to provide the highest standard of gravimetric surveying presently available to the mining and petroleum exploration industries.

Post balance sheet date events

Organisational structure

The strong growth and expansion of the activities in the past few years makes it desirable to adapt our organisation, without however endangering Fugro's key values, such as maintaining strong decentralised local operating companies close to clients, with a focus on specialist services. Furthermore, short and clear communication lines need to be maintained.

The Survey division has been structured as of 1 January 2009 as follows:

- Offshore Survey;
- Subsea Services (the Remotely Operated Vehicle (ROV) activities have been split off from the other offshore survey activities at sea);
- Geospatial Services.

The Geoscience division has been structured as of 1 January 2009 as follows:

- Seismic Services;
- General Geophysical Services (acquisition, processing and interpretation of non seismic data from the air, as well as on land and at sea);
- Information Services.

Acquisitions

Post balance sheet date Fugro announced the acquisition of the LoadTest group of companies, headquartered in Gainesville, Florida, USA and with subsidiaries in Singapore, Korea and United Kingdom, for approximately EUR 13 million. LoadTest is the world's leading provider of static pile load testing services, using the proprietary bi-directional Osterberg Cell® load testing method. Revenue for the last financial year was more than EUR 13 million and the company employs 40 staff.

PRESS RELEASE

Explanation annual results 2008

At 10.00 hours, Fugro will host a press conference (in Dutch) to explain the annual results of 2008. This press conference will be webcast (www.fugro.com). At 13.00 hours the analysts' meeting (in English) will start. This meeting will also be webcast on www.fugro.com. A digital version of the Annual Report 2008 is available on this website.

For further information:

Fugro N.V.

K.S. Wester, President and CEO

Telephone + 31 70 311 11 12

Cautionary Statement regarding Forward-Looking Statements

This announcement 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 N.V.'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 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.

PRESS RELEASE

Consolidated income statement

For the year ended 31 December (EUR x 1,000)

	2008	2007
Revenue	2,154,474	1,802,730
Third party costs (cost of sales)	(722,321)	(604,855)
Net revenue own services	<u>1,432,153</u>	<u>1,197,875</u>
Other income	17,841	14,448
Personnel expenses	(618,633)	(518,146)
Depreciation	(140,429)	(107,684)
Amortisation of intangible assets	(9,017)	(7,093)
Other expenses	(295,670)	(254,587)
Result from operating activities (EBIT)	<u>386,245</u>	<u>324,813</u>
Finance income	4,831	3,837
Finance expenses	(6,725)	(34,818)
Net finance costs	<u>(1,894)</u>	<u>(30,981)</u>
Share of profit of equity accounted investees	(102)	(226)
Profit before income tax	<u>384,249</u>	<u>293,606</u>
Income tax expense	(94,793)	(71,277)
Profit for the period	<u>289,456</u>	<u>222,329</u>
Attributable to:		
Equity holders of the Company	283,412	216,213
Minority interest	6,044	6,116
Profit for the period	<u>289,456</u>	<u>222,329</u>
Basic earnings per share (EUR)	3.88	3.11
Diluted earnings per share (EUR)	3.73	2.86

PRESS RELEASE

Consolidated balance sheet

As at 31 December (EUR x 1,000)

	2008	2007
Assets		
Property, plant and equipment	859,088	599,298
Intangible assets	452,130	407,587
Investments in equity accounted investees	1,293	1,532
Other investments	2,953	6,275
Deferred tax assets	26,289	18,037
Total non-current assets	1,341,753	1,032,729
Inventories	40,953	44,320
Trade and other receivables	618,149	549,732
Income tax receivables	9,165	1,375
Cash and cash equivalents	113,286	71,974
Total current assets	781,553	667,401
Total assets	2,123,306	1,700,130
Equity		
Share capital	3,830	3,521
Share premium	431,441	301,550
Reserves	209,646	178,705
Unappropriated result	283,412	216,213
Total equity attributable to equity holders of the Company	928,329	699,989
Minority interest	7,482	7,033
Total equity	935,811	707,022
Liabilities		
Loans and borrowings	395,384	449,957
Employee benefits	52,488	30,333
Provisions	13,155	16,278
Deferred tax liabilities	975	486
Total non-current liabilities	462,002	497,054
Bank overdraft	194,580	78,443
Loans and borrowings	26,485	6,460
Trade and other payables	395,520	321,715
Other taxes and social security charges	31,515	29,407
Income tax payable	77,393	60,029
Total current liabilities	725,493	496,054
Total liabilities	1,187,495	993,108
Total equity and liabilities	2,123,306	1,700,130

PRESS RELEASE

Expansion fleet			
Name of the vessel	Type of vessel	Expected start of operation	Owned/ chartered
Fugro Solstice	ROV-support	Q1-2009	Charter
Geo Natuna	Seismic	Q1-2009	Charter
Fugro Energy	Survey	Q2-2009	Charter
Fugro Synergy	Geotechnical	Q3-2009	Owned
Fugro Searcher	Survey	Q1-2010	Owned
Geo Caspian*	Seismic	Q1-2010	Charter
Geo Coral	Seismic	Q3-2010	Owned
Fugro Symphony	ROV-support	Q4-2010	Owned

* Formerly 'Geo Chukchi'

PRESS RELEASE

Geotechnical division			
(EUR x million)	2008	2007	2006
Revenue onshore geotechnical services	303	254	223
Revenue offshore geotechnical services	238	189	148
Total	541	443	371
Result from operating activities (EBIT)	95	78	58
In % of revenue	18	18	16
Depreciation of tangible fixed assets	24	19	14
Invested capital	345	246	240
Average US dollar rate	€0.68	€0.73	€0.79
Order backlog	Jan 09	Jan 08	Jan 07
Onshore geotechnical services	169	153	147
Offshore geotechnical services	174	142	98
Total backlog	343	295	245
US dollar rate per 1 January	€0.71	€0.68	€0.76

PRESS RELEASE

Survey division			
(EUR x million)	2008	2007	2006
Revenue Offshore survey services	803	731	624
Revenue Geospatial services	157	121	85
Total	960	852	709
Result from operating activities (EBIT)	235	205	146
In % of revenue	24	24	21
Depreciation of tangible fixed assets	43	37	29
Invested capital	463	371	278
Average US dollar rate	€0.68	€0.73	€0.79
Order backlog	Jan 09	Jan 08	Jan 07
Offshore survey services	682	539	482
Geospatial services	123	109	62
Total backlog	805	648	544
US dollar rate per 1 January	€0.71	€0.68	€0.76

PRESS RELEASE

Geoscience division			
(EUR x million)	2008	2007	2006
Revenue Development & Production	547	406	268
Revenue Airborne survey	107	102	86
Total	654	508	354
Result from operating activities (EBIT)	154	115	66
In % of revenue	24	23	19
Depreciation of tangible fixed assets	28	23	17
Invested capital	477	402	286
Average US dollar rate	€0.68	€0.73	€0.79
Order backlog	Jan 09	Jan 08	Jan 07
Development & Production	391	453	294
Airborne survey	61	62	63
Total backlog	452	515	357
US dollar rate per 1 January	€0.71	€0.68	€0.76