

## OTHER INFORMATION

### INDEPENDENT AUDITOR'S REPORT

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

#### Report on the audit of the financial statements 2016

##### Our opinion

We have audited the financial statements 2016 of Fugro N.V. (the Company), based in Leidschendam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Fugro N.V. as at 31 December 2016 and of its result and its cash flows for 2016 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Fugro N.V. as at 31 December 2016 and of its result for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 December 2016.
- The following statements for 2016: the consolidated statements of comprehensive income, changes in equity and cash flows.
- The notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- The company balance sheet as at 31 December 2016.
- The company income statement for 2016.
- The notes comprising a summary of the accounting policies and other explanatory information.

##### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing.

Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Fugro N.V. in accordance with the Code of Ethics for Professional Auditors (Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Dutch Code of Ethics (Verordening gedrags- en beroepsregels accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Materiality

###### Materiality

- € 8,000,000

###### Benchmark applied

- Approximately 0.5% of revenue

###### Explanation

We have applied this benchmark based on our professional judgment and taking into account the users of the financial statements. Earnings based measures are not considered to be an appropriate benchmark, given the volatility of results over the years.

We have also taken misstatements into account and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of € 400,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

##### Scope of the group audit

Fugro N.V. is at the head of a group of entities. Our group audit mainly focused on group entities that are either significant based on their size or risk relative to the consolidated financial statements. All entities exceeding 1.5% of revenues are included within our audit scope.

We used the work of other EY member firms when auditing entities outside The Netherlands. We performed audit procedures ourselves at certain group entities located in The Netherlands and performed analytical review procedures at group entities without an audit scope.

The procedures performed for group entities with an audit scope represent 78% of revenue and 74% of property, plant and equipment and intangible assets. Group entities not included in the audit scope are subject to analytical review procedures.

By performing the procedures mentioned above over group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit

evidence about the group's financial information to provide an opinion about the consolidated financial statements.

#### Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Risk

### Sensitivities and estimates with respect to the valuation of goodwill, vessels and other operational equipment (see Note 5.33, 5.38 and Note 5.39)

As at 31 December 2016, property, plant and equipment and intangible assets amount to € 806 million and € 393 million, which together amount to approximately 55% of the balance sheet total.

The impairment tests carried out by management are complex and require significant management judgement. The recoverable amounts of the cash-generating units have been determined based on value in use calculations. Value in use was determined by discounting the expected future cash flows from the continuing use of the CGU's. Cash flows in the first year of the forecast are based on management's approved financial forecast. The cash flows for the first five years are made explicit and long term growth rate is assumed for the remaining period. During 2016, the prior year's forecast has not been met due to an ongoing decline of market conditions resulting in new projects being deferred or cancelled and strong price pressure as a result of overcapacity.

Management performed impairment tests for the half year ended 30 June 2016 as well as the year ended 31 December 2016. These impairment tests resulted in € 20.5 million impairment of goodwill related to the Seabed Geosolutions CGU, € 17.7 million impairment of goodwill related to the Subsea CGU, € 12.9 million impairment of goodwill related to the Geotechnical Europe/Africa CGU, € 117.5 million impairment of property, plant and equipment, € 16.3 million impairment of Finder intangible assets and € 7.5 million of other impairments of intangible assets.

## Our audit approach

Our audit procedures included an assessment of the historical accuracy of management's estimates through retrospective review, evaluating and testing the assumptions, methodologies, CGU determination, the discount rates and other data used by the Company, for example by comparing them to external data.

We evaluated the 2017 financial forecast, the solidity of the financial forecast preparation process and the reasonability of the 2017 forecasts at the level of individual entities as well as at group level. Furthermore, we evaluated management's outlook in the explicit period as well as the long term growth rate, in particular around forecasted revenues, EBITDAs and capital expenditures. We assessed whether the CGU structure is aligned with the organizational structure.

We involved our valuation experts to assist us with our assessment of the discount rates, expected inflation rates, the appropriateness of the model used and the reasonability of the overall outcome in relation to the market capitalization of the Company. Furthermore, we assessed management's sensitivity analysis.

We focused on what the impact would be of a reasonably possible change in assumptions such as forecasted EBITDAs, growth rate in the first year, long term growth rate and discount rates on the recoverable amount and as a result on the carrying amount.

We assessed the adequacy of the Company's disclosures included in notes 5.33, 5.38 and 5.39 of the consolidated financial statements including those assumptions to which the outcome of the impairment test is most sensitive.

**Risk****Our audit approach****Revenue recognition, project accounting and valuation with respect to unbilled receivables and trade receivables (see Note 5.44)**

The project revenue recognition process, including determining the appropriate cut-off of revenues, involves significant management estimates. The valuation of work in progress is affected by subjective elements including estimated costs and projected revenue, whether impacted by additional/reduced services, project progress and disputes or potential disputes.

Our audit included testing internal controls with respect to project management, project accounting and the project results estimation process whenever possible. In addition, we performed amongst others (substantive) audit procedures relating to contractual terms and conditions, revenue, costs incurred, including local representatives' fees, and disputes or potential disputes. For individually significant projects, we performed detailed procedures, such as substantiating transactions with underlying documentation, including contracts and third party correspondence, to obtain evidence for the accuracy and collectability of work-in-progress. We have involved subject matter experts when performing inquiry of the project controllers, review of contracts and underlying documentation, review of the project progress, forecasts and appropriateness of the (planned) result and whether the project status has been appropriately reflected in the consolidated financial statements.

**Availability of finance and compliance with debt covenant requirements (see Note 5.50.6)**

The multicurrency revolving credit facility as well as the US private placement notes contain certain covenant requirements as described in note 5.50.6. The decrease in actual financial performance compared to the forecast could have a significant impact on the debt covenants. Compliance with debt covenant is part of management's assessment of the going concern assumption.

In October 2016, Fugro N.V. issued € 190 million subordinated unsecured convertible bonds. The related bond amount and interest costs are excluded from the covenant ratios.

At 31 December 2016, headroom remains available within the facilities and debt covenant requirements. Management's forecasts and assessments also presents sufficient headroom in connection with the going concern assessment.

As part of our audit procedures, we analyzed Fugro's finance facilities, covenants and headroom.

Furthermore, we evaluated the debt covenant requirements including the covenant ratios and events of default. The most critical covenants are the EBITDA to net debt ratio and fixed charged cover considering the decreasing EBITDA levels and market outlook. Therefore we paid special attention to the correct classification of items in EBITDA and specific and exceptional items included in and excluded from Adjusted EBITDA in accordance with criteria as stated in the loan agreements. The exclusion of the subordinated unsecured convertible bonds from the debt covenant requirement had a positive impact on the headroom of the covenants.

For the verification of the debt covenant compliance, as part of our evaluation of management's going concern assumption, we evaluated the 2017 financial forecast, the solidity of the financial forecast preparation process and the reasonability of the 2017 forecasts at the level of individual entities as well as at group level.

**Risk****Our audit approach****Estimates in respect to income tax positions (see Note 5.36 and 5.42)**

The Group's results on operations are subject to income taxes in various jurisdictions and the assessment process is complex and involves a high degree of judgement. Fugro reassessed the recoverability of deferred tax assets and recorded an impairment of € 27.8 million. The remaining deferred tax assets amount to € 80.6 million.

Our audit procedures included amongst others analyses of tax positions and the effective tax rate reconciliation. We have involved specialists for the audit of the accuracy of the amounts recognized in the income statements and assessment of judgmental (deferred) tax positions.

For tax positions where management's assumptions are used to determine the probability that deferred tax assets recognized in the balance sheet will be recovered through taxable income in future years and available tax planning strategies, we evaluated the 2017 financial forecast, the solidity of the financial forecast preparation process and the reasonability of the 2017 forecasts at the level of individual entities as well as at group level.

We also assessed the adequacy of the Group's disclosure in notes 5.36 and 5.42 of the consolidated financial statements.

**Report on other information included in the annual report**

In addition to the financial statements and our independent auditor's report thereon, the annual report contains other information that consists of:

- Management report.
- The Report of the Supervisory Board.
- Other information (including Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code).

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other

information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

**Report on other legal and regulatory requirements**  
**Engagement**

We were engaged by the Supervisory Board as auditor of Fugro N.V. on 7 December 2015, as of the audit for the year 2016 and have operated as statutory auditor since that date.

**Description of responsibilities for the financial statements****Responsibilities of management and the Supervisory Board for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant

doubt on the Company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included amongst others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or on specific items.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our independent auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 23 February 2017

Ernst & Young Accountants LLP  
signed by A.A. van Eimeren

## FOUNDATION BOARDS

### Stichting Administratiekantoor Fugro (‘Foundation Trust Office’)

The Board of the Foundation Trust Office, Leidschendam, The Netherlands, is currently composed as follows:

Name	Function	Term
M. van Gelder, Chairman	Board member	2019
A.L. Asscher	Board member	2019
J.A.W.M. van Rooijen	Board member	2017

The (Board of the) Foundation Trust Office operates completely independent of Fugro.

### Stichting Beschermingspreferente aandelen Fugro (‘Foundation Protective Preference Shares’)

The Board of Foundation Protective Preference Shares, Leidschendam, The Netherlands, is currently composed as follows:

Name	Function	Term
M.W. den Boogert, Chairman	Board member	2017
J.J. Nooitgedagt	Board member	2021
S.C.J.J. Kortmann	Board member	2020
M.A.M. Boersma	Board member	2018
J.C. de Mos	Board member	2017

The (Board of the) Foundation operates completely independent of Fugro.

### Stichting Continuïteit Fugro (‘Foundation Continuity’)

The Board of Foundation Continuity, Curaçao, is currently composed as follows:

Name	Function	Term
G.E. Elias, Chairman	Board member B	2020
R. de Paus	Board member B	2019
M. van der Plank	Board member B	2018
A.C.M. Goede	Board member B	2017
G-J. Kramer	Board member A	2017

The (Board of the) Foundation operates completely independent of Fugro.

Board member A is appointed by the Board of Management of Fugro with the approval of the Supervisory Board of Fugro.

## STATUTORY PROVISIONS REGARDING THE APPROPRIATION OF NET RESULT

The provisions regarding the appropriation of profit are contained in article 36 of the Articles of Association of Fugro and, as far as relevant, read as follows:

- 36.2 a. The profit shall, if sufficient, be applied first in payment to the holders of protective preference shares of a percentage as specified below of the compulsory amount paid on these shares as at the commencement of the financial year for which the distribution is made.
- b. The percentage referred to above in subparagraph a. shall be equal to the average of the Euribor interest charged for loans with a term of one year – weighted by the number of days for which this interest was applicable – during the financial year for which the distribution is made, increased by at most four percentage points; this increase shall each time be fixed by the Board of Management for a period of five years, after approval by the Supervisory Board.
- 36.3 a. Next, if possible, a dividend shall be paid on the financing preference shares of each series and on the convertible financing preference shares of each series, equal to a percentage calculated on the amount effectively paid on the financing preference shares of the respective series and the convertible financing preference shares of the respective series, including a share premium, if any, upon the first issue of the series in question, and which percentage shall be related to the average effective return on ‘state loans general with a term of 7 – 8 years’, calculated and determined in the manner as described hereinafter.
- b. The percentage of the dividend for the financing preference shares of each or for the convertible financing preference shares of each series, as the case may be, shall be calculated by taking the arithmetic mean of the average effective return on the aforesaid loans, as published by Bloomberg, or if Bloomberg does not publish this information, by Reuters, for the last five stock market trading days preceding the day of the first issue of financing preference shares of the respective series or the convertible financing preference shares of the respective series, as the case may be, or preceding the day on which the dividend percentage is adjusted, increased or decreased, if applicable, by a mark-up or mark-down set by the Board of Management upon issue and approved by the Supervisory Board of at most two

- percentage points, depending on the market conditions then obtaining, which mark-up or mark-down may differ for each series, or, if Reuters does not publish this information or if such state loan and information source that is or are most comparable thereto as to be determined by the board of Management and approved by the Supervisory Board.
- 36.4 If in any financial year the profit is insufficient to make the distributions referred to above in paragraph 3 of this article, then in subsequent financial years the provisions of paragraph 3 shall not apply until the deficit has been made good and until the provisions of paragraph 3 have been applied or until the Board of Management, with the approval of the Supervisory Board, resolves to charge an amount equal to the deficit to the freely distributable reserves, with the exception of the reserves which have been set aside as share premium upon the issue of financing preference shares or convertible financing preference shares.
- 36.5 If the first issue of financing preference shares or convertible financing preference shares of a series takes place during the course of a financial year, the dividend for that financial year on the respective series of financing preference shares or convertible financing preference shares shall be decreased proportionately up to the first day of such issue.
- 36.6 After application of paragraphs 2 to 5 no further distribution of shall be made on the protective preference shares, the financing preference shares or the convertible financing preference shares.
- 36.7 Of any profit remaining after application of the paragraphs 2 to 5 such amount shall be allocated to the reserves by the Board of Management with the approval of the Supervisory Board as the Board of Management shall deem necessary. Insofar as the profit is not allocated to the reserves pursuant to the provisions of the preceding sentence, it shall be at the disposal of the General Meeting of Shareholders either for allocation in whole or in part to the reserves or for distribution in whole or in part to the holders of ordinary shares pro rata to the aggregate amount of their ordinary shares.

## REPORT OF STICHTING ADMINISTRATIEKANTOOR FUGRO ('FOUNDATION TRUST OFFICE')

In accordance with article 19 of the administration terms and conditions of the Foundation Trust Office ('Trust Office') and best practice provision IV.2.6 of the Corporate Governance Code, the undersigned issues the following report to the holders of certificates of ordinary shares in the share capital of Fugro N.V. ('Fugro').

During the 2016 reporting year all the Trust Office's activities were related to the administration of ordinary shares against which certificates have been issued.

During 2016 the Board met five times. The meeting of 6 April 2016 was dedicated, among other things, to the preparation for the annual general meeting of Fugro on 29 April 2016 and to the situation with respect to Boskalis who meanwhile had increased its holding in Fugro to 28%. Also, Mr. R. Willems was appointed as a new member of the Trust Office's board during this meeting (also see below). In the meetings in September and October we discussed, amongst other things, general business developments (after the publication of Fugro's half-yearly results) and issues related to Boskalis' holding in Fugro. In the meeting on 5 October 2016 we also discussed Fugro's intention to issue a subordinated convertible bond. In the meetings in April and on 5 October 2016, it was also discussed whether it would be necessary or useful to convene a meeting of holders of certificates. All times it was decided that at that particular moment this was not the case. Prior to the meeting in April the Board discussed with members of the Board of Management and the Supervisory Board of Fugro the activities and performance of Fugro on the basis of the annual report 2015. Corporate Governance within Fugro and the Trust Office was also discussed in the various meetings.

All the Trust Office's Board members are independent of Fugro. The Board may offer holders of certificates the opportunity to recommend candidates for appointment to the Board. The voting policy of the Trust Office has been laid down in a document that can be found on the website: <http://www.fugro.com/about-fugro/corporate-governance/fugro-trust-office>. The Trust Office is authorised to accept voting instructions from holders of certificates and to cast these votes during a general meeting of Fugro.

The Board attended the annual general meeting of Fugro held on 29 April 2016. In this meeting the Trust Office represented 27.7% of the votes cast. The Trust Office voted

in favour of all the proposals submitted to the meeting. In accordance with the administration terms and conditions, holders of certificates were offered the opportunity to vote, in accordance with their own opinion, as authorised representatives of the Trust Office. This opportunity was taken by holders of certificates representing 71% of the votes cast at the annual general meeting.

The previous report of the Trust Office stated that the Board intended appointing Mr. R. Willems as member of the Board for a period of four years. In accordance with article 4.3 of the articles of association, the Board offered holders of certificates who represent at least 15% of the issued certificates the opportunity to request, until 25 March 2016, that the Board convenes a meeting of holders of certificates in order to recommend a candidate to the Trust Office's Board. As no request for such a meeting was submitted, in its meeting of 6 April 2016, the Board, in accordance with its announced intention, appointed Mr. Willems as member of the Board for a period of four years as of 6 April 2016.

In accordance with the roster of the Board, Mr. J.A.W.M. van Rooijen will step down on 30 June 2017 because his second four-year term expires. In order to maintain continuity in the Board, the Board intends reappointing Mr. Van Rooijen as member of the Board for a period of two years.

In accordance with article 4.3 of the articles of association, the Board offers holders of certificates who represent at least 15% of the issued certificates the opportunity to request, until 3 April 2017, that the Board convenes a meeting of holders of certificates in order to recommend a candidate to the Trust Office's Board. The request for such a meeting should be submitted in writing and should state the name and address of the recommended candidate.

At present the Board of the Trust Office comprises:

1. Mr. M.C. van Gelder, Chairman
2. Mr. A.L. Asscher
3. Mr. J.A.W.M. van Rooijen
4. Mr. R. Willems

Mr. Van Gelder was amongst others Chairman of the Board of Management and Chief Executive

Officer of Mediq N.V. He presently serves, amongst others, as supervisory board member of VastNed Retail.

Mr. Asscher was a partner in the law firm of Houthoff Buruma until January 2005 and is presently active as arbitrator and advisory counsel.

Mr. Van Rooijen was, amongst others, Chairman of KPMG Corporate finance N.V. and member (CFO) of the Board of Management of KPMG Holding N.V.

Mr. Willems was in a 38 year career with Royal Dutch Shell. He presently serves, amongst others, as supervisory board member of Essent, Caldic Chemie and the Netherlands Investment Institute (NLII).

In 2016 the total costs of the Trust Office amounted to EUR 304,273 including the total remuneration of the members of the Board of EUR 45,750 (excluding VAT).

On 31 December 2016, 83,393,588 ordinary shares with a nominal value of EUR 0.05 were in administration against which 83,393,588 certificates of ordinary shares had been issued. During the financial year 16,744 ordinary shares were exchanged into certificates. No certificates were exchanged into ordinary shares. The activities related to the administration of the shares are carried out by the administrator of the Trust Office: Administratiekantoor van het Algemeen Administratie en Trustkantoor B.V. in Amsterdam, the Netherlands.

The Trust Office's address is: Veurse Achterweg 10, 2264 SG Leidschendam, the Netherlands.

Leidschendam, 15 February 2017

The Board

## HISTORICAL REVIEW

	IFRS 2016 <sup>5)</sup> *	IFRS 2015 <sup>5)</sup> *	IFRS 2014 <sup>5)</sup> *	IFRS 2013 <sup>5) 7)</sup>	IFRS 2012	IFRS 2011 <sup>10)</sup>	IFRS 2010
<b>Income and expenses (x EUR 1,000)</b>							
Revenue	1,775,874	2,362,986	2,572,191	2,423,971	2,164,996	1,858,043	2,280,391
Third party costs	(678,757)	918,396	1,227,011	915,412	793,250	617,107	765,587
Net revenue own services (revenue less third party costs)	1,097,117	1,444,590	1,345,180	1,508,559	1,371,746	1,240,936	1,514,804
Impairments	(192,716)	(363,318)	(509,048)	–	–	–	–
Results from operating activities (EBIT) <sup>2)</sup>	(218,678)	(249,928)	(548,568)	267,020	306,624	352,016	351,479
EBITDA <sup>8)</sup>	154,966	353,258	251,746	545,467	465,368	481,925	561,083
Cash flow <sup>9)</sup>	130,760	324,930	336,696	365,381	400,148	431,495	489,757
Net result (including discontinued operations) <sup>2)</sup>	(308,934)	(372,522)	(458,870)	428,303	289,745	287,595	272,219
Net result for continuing operations	(308,934)	(372,522)	(457,870)	224,230	231,535	293,911	–
<b>Balance sheet (x EUR 1,000)</b>							
Property, plant and equipment	805,992	986,585	1,198,024	1,129,920	1,065,873	981,104	1,291,314
Investments	92,493	177,560	296,934	318,767	261,687	359,238	446,755
of which in acquisitions	–	17,088	16,724	65,427	3,371	117,500	2,931
Depreciation of property, plant and equipment	172,365	212,486	200,403	179,036	155,619	127,196	201,493
Net current assets <sup>1)</sup>	353,676	451,820	451,703	413,446	264,477	521,017	253,186
Total assets	2,174,449	2,841,184	3,565,672	3,630,602	4,169,716	3,861,595	3,089,991
Provisions for other liabilities and charges	26,845	61,827	61,046	225	1,165	4,215	5,204
Loans and borrowings	573,503	728,082	949,954	689,023	1,166,734	1,215,173	590,862
Equity attributable to owners of the company <sup>1)</sup>	934,859	1,197,655	1,517,766	2,024,971	1,956,729	1,655,785	1,508,318
<b>Key ratios (in %) <sup>2)</sup></b>							
Results from operating activities (EBIT)/revenue	(12.3)	(10.6)	(21.3)	11.0	14.2	18.9	15.4
Profit/revenue	(17.4)	(15.8)	(17.8)	9.3	10.7	15.8	11.9
Profit/net revenue own services	(28.2)	(25.8)	(34.0)	14.9	16.9	23.7	18.0
Profit/average capital and reserves <sup>1)</sup>	(29.0)	(27.4)	(25.8)	11.3	12.8	18.6	22.3
Total equity/total assets <sup>1)</sup>	45.5	43.4	42.4	58.1	47.4	43.4	49.3
Interest cover	(3.9)	(4.5)	(20.8)	22.4	17.1	48.9	29.0
<b>Data per share (x EUR 1.-) <sup>2) 4)</sup></b>							
Equity attributable to owners of the company <sup>1)</sup>	11.05	14.16	17.95	23.94	23.62	20.34	18.79
Results from operating activities (EBIT) <sup>3)</sup>	(2.70)	(3.09)	(6.78)	3.30	3.82	4.44	4.49
Cash flow <sup>3)</sup>	1.62	4.01	4.16	4.52	4.99	5.45	6.25
Net result <sup>3)</sup>	(3.82)	(4.60)	(5.65)	5.29	3.61	3.63	3.47
Dividend paid in year under review <sup>6)</sup>	–	–	–	1.50	1.50	1.50	1.50
One-off extra dividend in connection with the divestment of the majority of the Geoscience business	–	–	–	–	0.50	–	–
<b>Share price (x EUR 1.-) <sup>4)</sup></b>							
Year-end share price	14.55	15.06	17.26	43.32	44.52	44.895	61.50
Highest share price	19.21	27.21	47.72	48.81	57.88	63.53	62.06
Lowest share price	10.34	13.86	9.07	35.24	37.65	34.47	37.095
<b>Number of employees</b>							
At year-end	10,530	11,960	13,537	12,591	12,165	11,495	13,463
<b>Shares in issue (x 1,000) <sup>4)</sup></b>							
Of nominal EUR 0.05 at year-end	84,573	84,573	84,573	84,573	82,844	81,393	80,270

1) As of 2002 no accrued dividend has been incorporated.

2) For 2002 and earlier years, before amortisation of goodwill.

3) Unlike preceding years the figures as from the year 1999 have been calculated based upon the weighted average number of outstanding shares.

4) As a result of the share split (4:1) in 2005, the historical figures have been restated.

5) On a continued basis, unless otherwise stated.

IFRS 2009	IFRS 2008	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004	IFRS 2003	Dutch GAAP 2002	Dutch GAAP 2001	Dutch GAAP 2000	Dutch GAAP 1999
2,052,988	2,154,474	1,802,730	1,434,319	1,160,615	1,008,008	822,372	945,899	909,817	712,934	546,760
624,413	722,321	604,855	503,096	405,701	364,644	273,372	328,401	331,685	250,132	176,067
1,428,575	1,432,153	1,197,875	931,223	754,914	643,364	549,000	617,498	578,132	462,765	370,648
-	-	-	-	-	-	-	-	-	-	-
367,422	385,732	324,813	211,567	144,070	104,236	63,272	111,873	98,470	73,697	61,805
551,130	535,178	439,590	295,948	218,833	177,453	124,056	158,814	142,039	113,269	98,334
456,773	438,902	337,106	226,130	176,093	125,802	80,480	119,161	105,301	85,596	77,233
263,410	283,412	216,213	141,011	99,412	49,317	18,872	72,220	61,732	46,024	40,704
-	-	-	-	-	-	-	-	-	-	-
1,043,227	859,088	599,298	412,232	262,759	232,956	268,801	192,293	163,298	120,526	114,035
330,244	337,469	299,699	203,944	90,414	71,028	123,983	100,036	89,352	49,008	37,301
9,882	14,423	8,666	21,041	10,057	2,296	70,888	24,852	11,196	3,686	9,257
173,593	140,429	107,684	78,169	69,445	66,139	54,004	46,941	43,569	39,572	36,529
140,301	56,060	171,347	150,733	222,485	(95,348)	114,852	129,071	(50,514)	92,269	15,066
2,366,317	2,123,306	1,700,130	1,405,698	1,138,660	983,350	1,056,003	793,245	814,772	474,741	380,495
6,240	13,155	16,278	13,888	398	1,075	584	12,706	8,056	6,746	10,573
441,339	395,384	449,957	341,997	300,753	184,268	431,895	273,520	121,450	120,713	23,234
1,187,731	928,329	699,989	562,417	465,460	223,913	211,196	271,698	244,660	101,453	107,909
17.9	17.9	18.0	14.8	12.9	10.3	9.2	11.8	10.8	10.3	11.3
12.8	13.2	12.0	9.8	8.6	4.9	2.3	7.6	6.8	6.5	7.4
18.4	19.8	18.0	15.1	13.2	7.7	8.3	11.7	10.7	9.9	11.0
24.9	34.8	34.3	27.4	28.8	22.7	17.6	27.4	35.7	45.4	41.0
50.7	44.1	41.6	40.2	41.3	23.2	20.2	34.6	30.4	22.1	29.3
47.8	13.9	13.1	10.9	7.2	3.7	2.2	6.1	7.8	8.1	13.1
15.08	12.12	9.94	8.08	6.76	3.60	3.48	4.57	4.17	2.10	2.29
4.82	5.29	4.67	3.08	2.18	1.76	1.09	1.95	1.86	1.48	1.27
5.99	6.01	4.84	3.29	2.67	2.12	1.39	2.08	1.98	1.72	1.59
3.46	3.88	3.11	2.05	1.51	0.83	0.33	1.26	1.16	0.92	0.84
1.50	1.25	0.83	0.60	0.48	0.48	0.46	0.46	0.40	0.34	0.31
-	-	-	-	-	-	-	-	-	-	-
40.26	20.485	52.80	36.20	27.13	15.35	10.20	10.78	12.53	17.19	9.23
41.85	59.95	62.00	36.64	27.40	16.41	12.86	16.50	18.91	17.81	9.98
19.085	19.32	34.91	27.13	15.14	10.05	6.13	9.88	10.75	9.31	4.10
13,482	13,627	11,472	9,837	8,534	7,615	8,472	6,923	6,953	5,756	5,114
78,772	76,608	70,421	69,582	68,825	62,192	60,664	59,449	58,679	51,048	50,449

6) Including a one off extra dividend of EUR 0.50 in 2013.

\* Including effect change of presentation multi-client data libraries.

7) As of 2013 the amortization on multi-client data libraries is reclassified from third party costs to amortization costs.

8) EBITDA is excluding impairments.

9) As of 2013 the cash flow represents the net cash generated from operating activities.

10) Excluding the revenue and results of the majority of the Geoscience division which have been sold as per 31 January 2013.

## GLOSSARY

*Technical terms*

**Asset integrity** Monitoring and inspection of assets and their condition, combined with relevant geo-intelligence (see Geo-intelligence below). Clients use these solutions to optimise operational uptime and performance of their assets, to increase life time and support eventual decommissioning. In case of inspection, it is often desirable to immediately provide remedial services when needed. This is particularly the case offshore.

**AUV (autonomous underwater vehicle)** Unmanned submersible launched from a 'mother-vessel' but not connected to it via a cable. Propulsion and control are autonomous and use pre-defined mission protocols.

**Bathymetry** Study of underwater depth of lake or ocean floors. Underwater equivalent of topography.

**Brent crude** Major trading classification of sweet light crude oil that serves as a major benchmark price for purchases of oil worldwide. Brent Crude is sourced from the North Sea.

**Construction support** Offshore services related to the installation and construction of structures such as pipelines, drilling platforms and other oil and gas related infrastructure, usually involving the use of ROVs.

**CPT** Cone penetration test(ing). Pushing a steel cone-tipped probe into the soil, measuring resistance, in order to identify soil composition.

**CPT truck** Truck that can be used for estimation of soil type and soil properties.

**FLI-MAP®** Fugro's airborne laser scanning system for obtaining highly accurate topographic data.

**Gas hydrates** Mixture of semi-solid methane gas and water molecules that are created by water pressure and cold temperatures found deep in the ocean.

**Geo-intelligence** Acquisition and analysis of data on topography and the subsurface, soil composition, spatial reference, meteorological and environmental conditions, and the related advice

**Geophysics** Mapping of subterranean soil characteristics using non-invasive techniques such as sound.

**Geoscience** Range of scientific disciplines (geology, geophysics, petroleum engineering, bio stratification, geochemistry, etc.) related to the study of rocks, fossils and fluids.

**Geotechnics** Determination of subterranean soil characteristics using invasive techniques such as probing, drilling and sampling.

**In situ** In original situation, position.

**IRM (inspection, repair, maintenance)** IRM services are a core service of Fugro's subsea services portfolio.

**Jack-up platform** Self-elevating platform. The buoyant hull is fitted with a number of movable legs, capable of raising its hull over the surface of the sea.

**(Q)HSSE** (Quality,) health, safety, security and environment.

**LiDAR** Measuring system based on laser technology that can make extremely accurate recordings.

**LNG** Liquefied natural gas.

**Metocean** Meteorological and oceanographic.

**NOC** National oil company.

**Node** Autonomous battery powered component recording device deployed by ROV.

**Ocean bottom node (OBN)** 4D imaging through individual nodes placed on the seabed.

**Ocean bottom cable (OBC)** 4D imaging through nodes attached to a cable on the seabed.

**OHSAS** British standard for occupational health and safety management systems. It is widely seen as the world's most recognised occupational health and safety management systems standard.

**Positioning** Subscription based service which enhances public satellite positioning data (GPS, GLONASS etc.) and the provision of positioning equipment, expertise and solutions to support a wide variety of marine operations. Highly reliable, centimetre accuracy 3D positioning services, available in any weather condition, anytime and anywhere to make offshore operations more predictable, faster and safer.

**ROV (remotely operated vehicle)** Unmanned submersible launched from a vessel and equipped with measuring and manipulation equipment. A cable to the mother-vessel provides power, video and data communication.

**Site characterisation** Solutions focused on recommendations for the location and specification of constructions and foundations during the planning and design phases. Fugro also provides solution to support the exploration to production life cycle of natural resources. Integrated solutions are often requested in case of complex ground conditions, very large and heavy constructions, and risk of geo-hazards such as earthquakes and flooding.

**Saturation diving** Method of prolonged diving, using an underwater habitat to allow divers to remain in the high-pressure environment of the ocean depths long enough for their body tissues to become saturated with the inert components of the pressurised gas mixture that they breathe.

**Work class ROV** Large remotely operated vehicle with the ability to operate multiple tools and sensors. With their ability to operate across the depth range required by the client base, these systems operate in support of subsea operations across all business line segments.

#### *Financial terms*

Fugro uses non-GAAP financial measures or alternative performance measures (as defined by European Securities and Market Authority). These measures adjust the reported GAAP results, which facilitate a users' understanding of a company's underlying operational performance, liquidity or financial position. This information provide or may provide additional insights into the company's business, its past results, and its potential for future prospects. All of these measures, disclosed in the list of financial terms below and used by management, are included in this annual report.

**Backlog** the amount of revenue related to signed contracts and work that can reasonably be expected based on framework contracts and outstanding tenders and proposals of which a good chance of success is expected (>50%) weighted with the likelihood of winning this work. Regarding Seabed Geosolutions, only signed contracts are taken into account.

**Capital employed** total equity plus net interest bearing debt minus the interest bearing senior secured term loan (CGG vendor loan) and related warrant. The capital employed is calculated at the end of the (full or half year) reporting period.

**Currency comparable growth** reported revenue growth versus comparable period last year at last year's exchange rates.

**Days of revenue outstanding** Trade receivables plus the unbilled revenue minus advances expressed as a number of days. The number of days is calculated backwards based on monthly revenue.

**Dividend yield** dividend as a percentage of the (average) share price.

**EBIT** reported result from operating activities before interest and taxation.

**EBIT excluding exceptional items** result from operating activities before interest and taxation, excluding

- Impairment losses
- Onerous contract charges
- Restructuring costs
- Certain adviser and other costs (to the extent not capitalised as transaction costs on loans and borrowings)

**EBITDA** reported result from operating activities before interest, taxation, depreciation, amortisation, and impairments related to goodwill, intangible fixed assets, and property, plant and equipment.

**EBITDA excluding exceptional items** result from operating activities before interest, taxation, depreciation, amortisation, and impairments related to goodwill, intangible fixed assets, and property, plant and equipment, excluding

- Onerous contract charges
- Restructuring costs
- Certain adviser and other costs (to the extent not capitalised as transaction costs on loans and borrowings)

**Adjusted consolidated EBITDA for purpose of covenant calculations** EBITDA, excluding exceptional items for covenant purposes

- Onerous contract charges.
- Restructuring costs.
- Write-off receivables.
- Certain adviser and other costs (to the extent not capitalised as transaction costs on loans and borrowings).
- Excluding profit / (loss) on disposal of property, plant and equipment.

adjusted by:

- Including pre-acquisition profit / (loss) from businesses acquired.
- Excluding profit / (loss) from businesses disposed of, for the period for which they formed part of the Group.

**Gearing** loans and borrowings plus bank overdraft minus cash and cash equivalents, divided by shareholders equity.

**Interest cover** result from operating activities (EBIT) divided by the net interest charges.

**Net debt** loans and borrowings, bank overdraft minus cash and cash equivalents.

**Net debt for covenant purposes** loans and borrowings (not including the subordinated unsecured convertible bonds), net liabilities under or pursuant to swaps, bank overdraft minus cash and cash equivalents.

**Net profit margin** profit as a percentage of revenue.

**NOPAT** net operating profit after tax excluding net finance income/(expenses).

**Pay-out ratio** proposed dividend, multiplied by the number of shares entitled to dividend, divided by one thousand, divided by the net result.

**Return on capital employed** NOPAT as a percentage of a three points average capital employed. The three points consists of the last three reporting periods. Exceptional items (post-tax) are added back both in the NOPAT as well as the capital employed for the same period.

**Solvency** shareholders' equity as a percentage of the balance sheet total.