Leidschendam, The Netherlands, 9 August 2013

Fugro: Continuing growth from a new base

Major developments in the first half of 2013

General

- On 31 January 2013, Fugro sold the majority of its Geoscience division, excluding the multi-client library and the ocean bottom node business, to CGG.
  The gain on the sale of the majority of the Geoscience division is EUR 204 million and is presented in these consolidated interim financial statements as discontinued operations.
  The Airborne activities, as part of the divested group, will be transferred in the second half of 2013 as soon as governmental administrative formalities are finalised.
- Fugro and CGG formed a seabed data acquisition joint venture called Seabed Geosolutions. This transaction was completed on 16 February 2013 and consists of a business combination of Fugro's ocean bottom nodes activity with CGG's ocean bottom nodes, shallow water, ocean bottom cable and permanent reservoir monitoring activities. Fugro has a 60% controlling interest in the joint venture.
- Fugro is well underway with recalibrating its strategy. The review will be completed in the course of the third quarter. Several opportunities for performance improvement and growth have been identified within our existing businesses. These include geographic expansion in emerging markets and development of technologies and processes.
- As of 1 January 2013, Fugro has four reportable segments. The performance of the Subsea activities is now reported separately. Previously, the Subsea activities formed part of the Survey division and their performances were reported jointly.
- Solid performance in the Geotechnical and Survey divisions.
- Subsea performance is similar to first half 2012 and continues to be under pressure. Specific reasons for the poor performance are caused by start-up losses in the new trenching business and the diving activities in West Africa. These issues are being addressed to improve overall performance.
  The final tri-partite long term contract in Brazil is now in operation and is expected to contribute positively in the second half year.
- Start of the Seabed Geosolutions business is below expectation due to start up issues and delays in contract awards.
- To continue the successful survey and ROV operations in China, a ten-year extension was recently signed by Fugro to the 30-year joint venture with China Oilfield Services Ltd (COSL).

Continued and discontinued

- Total revenue in the first half year of 2013 decreased by 6.5% to EUR 1,251.7 million (first half year of 2012: EUR 1,338.8 million). This is largely due to the fact that as per 31 January 2013 the majority of Fugro's Geoscience activities were transferred to CGG.
- The net result for the first six months of 2013 went up by EUR 199.8 million to EUR 314.3 million and includes the gain relating to the sale of the majority of the Geoscience division of EUR 204 million, which includes a write-off of EUR 8 million relating to a seismic technology development project.
- Net profit margin (excluding the gain on the sale of the majority of the Geoscience division) was 8.8% (for the six months ended 30 June 2012: 8.6%).
- The performance of the discontinued business (excluding the gain on the Geoscience divestment) in the first half of 2013 is EUR 0.9 million positive.

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Continued

- Revenue including multi-client sales in the first half year increased by 9.8% to EUR 1,181.0 million (first half year of 2012: EUR 1,075.5 million).
- The net result from continued operations for the first six months of 2013 increased by EUR 1.8 million to EUR 109.4 million (first six months of 2012: EUR 107.6 million). The net result over the first six months 2013 includes EUR 4 million as a result of a positive change in the value of the warrant related to the vendor loan to CGG.
- The first half 2013 net result for continued business is nearly the same as the first half of 2012. The EBIT of the first half 2013 is around EUR 20 million lower than the EBIT of the first half 2012 as the profit after tax for the first half of 2013 includes around EUR 17 million caused by lower financing cost and a positive contribution from the share of profit of equity accounted investees.
- Multi-client sales were slower than expected.
- EBIT includes an amount of EUR 18.5 million from a sale of IP licenses. This is more than offset by the loss related to the recently started trenching business of EUR 8.9 million, extraordinary costs related to the strategy review, the procedures following the whistleblower letter, etc. of EUR 5.5 million, and a EUR 15.1 million loss (100% share) in Seabed Geosolutions due to start-up delays. This amount includes EUR 3.4 million of amortisation of IP and contracts valued in the purchase price allocation for the Seabed Geosolutions joint venture.
- Net profit margin was 9.4% (for the six months ended 30 June 2012: 11.1%).
- The order backlog for the coming six months has strongly improved and amounts to EUR 1,227 million (30 June 2012: EUR 974 million).

Outlook

- Barring unforeseen circumstances, and assuming reasonably stable exchange rates, Fugro expects that the revenue from continued operations for 2013 will be around EUR 2,600 million (2012: EUR 2,400 million; both including multi-client sales) with a net result attributable to the owners of the Company of around EUR 230 million (2012: EUR 231.6 million). This excludes the net result in the sale of the majority of the Geoscience business and any possible effect of the valuation of the vendor loan warrant.
  The abovementioned outlook of around EUR 230 million results in a net profit margin of 8.8% for 2013 (2012: 9.7%).
- Multi-client sales started slowly in the first six months of 2013 but are expected to improve in the second half of the year.
- The newly established Seabed Geosolutions joint venture is expected to continue to have weak utilisation in the shallow water and ocean bottom cable business in 2013, albeit improving in the second half of the year. The ocean bottom node business is developing well.
- Continuing steady, good performance is expected in the Geotechnical and Survey divisions.

Key figures* ***Financial data (EUR x million)***	**first half year 2013**	**first half year 2013 compared to first half year 2012**	**first half year 2012**
Net result (continuing operations minus non-controlling interests)	109.4	1.7%	107.6
Net result (including discontinued operations)	314.3	174.5%	114.5
Revenue	1,167.9	20.5%	968.8
Revenue (including multi-client sales)	1,181.0	9.8%	1,075.5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	225.5	(2.2%)	227.5
Result from operating activities (EBIT)	133.1	(13.5%)	153.8
Cash flow	199.6	7.3%	186.0
Investments (capital expenditures)	(88.3)		(40.0)
Change in assets under construction	(45.7)		(50.7)
Per share (in EUR)			
Basic earnings from continuing operations	1.35		1.35
Basic earnings (including discontinued operations)	3.87	168.8%	1.44
Cash flow	2.45	4.7%	2.34
Number of employees as per 30 June			
** Continued business unless indicated otherwise*	12,531		11,925

Results first half of 2013*

The net results for the first six months of the year were on balance comparable to those of the same period of 2012, but were negatively influenced by issues in the Subsea activities and a slow start of the Seabed Geosolutions joint venture. The oil and gas market remains stable. The government related activities in the United States of America and Europe did not see a revival and governments continue to limit their spending. Fortunately this comprises a relatively small part of our revenue.

Fugro's revenue for the first six months amounts to EUR 1,167.9 million (first half year of 2012: EUR 968.8 million).

Including multi-client sales, Fugro's revenue for the first six months of 2013 for continued operations increased by 9.8% compared to the first half of last year and amounted to EUR 1,181.0 million (first half of 2012: EUR 1,075.5 million). Revenue (including multi-client sales) increased organically by 10.8% and by 0.9% as a result of the acquisition of an interest in the Seabed Geosolutions joint venture. The currency effect was 1.9% negative.
The increased activity level is also reflected in the backlog which amounts to EUR 1,227 million for the remainder of the year (first half year 2012: EUR 974 million).

The net result for the first six months of 2013 for continued operations was EUR 109.4 million, which is 1.7% higher than the result over the first six months of 2012 for continued operations (EUR 107.6 million).

The foreign currency exchange gain for continued operations was EUR 5.5 million (first half of 2012: EUR 0.3 million gain).

The foreign currency translation difference for overseas operations had a negative effect of EUR 80.3 million on the equity per 30 June 2013 (30 June 2012: EUR 80.4 million positive). The majority of the translation difference relates to the US dollar, the British pound and the Australian dollar.

The EBITDA for the first half of 2013 for continued operations decreased by 2.2% to EUR 222.5 million (first half of 2012: EUR 227.5 million). The EBIT for the said period was EUR 133.1 million (first half of 2012: EUR 153.8 million), a decrease of 13.5% due to negative performance in the Seabed Geosolutions joint venture and the start up losses in the Seabed trenching business.

Working capital as per 30 June 2013 is EUR 872.2 million (31 December 2012: EUR 722.9 million). The change was caused amongst other things by the short term portion of the vendor loan granted to CGG (EUR 125 million) and increased work in progress (EUR 81 million) relating to increasing revenues and the decrease of EUR 42 million in the net book value of the multi-client seismic libraries.

The collection of outstanding trade receivables continues to be a key focus of management.

The effective tax rate over the first six months of 2013 for the continued business was 21.1% against 22.0% over the first six months of 2012. The full year tax rate is expected to be around 21.0% (full year 2012: 16.9%). The variance is mainly caused by a different spread of geographic locations where projects are being executed.

The net profit margin of the continued business over the first half of 2013 was 9.4% (first half of 2012: 11.1%).

Basic earnings per share over the first half year 2013 for the continuing operations was EUR 1.35 (first half year 2012: EUR 1.35).

Growth of revenue continued business (including multi-client sales) (In % compared to first half of 2012)	
Organic	10.8%
Acquisitions	0.9%
Exchange rate effects	(1.9%)
Total	9.8%

**Continued business unless otherwise stated*

Developments in the first half of 2013

- Effective 31 January 2013 the transaction was completed under which CGG acquired the majority of Fugro's Geoscience division, excluding the multi-client data library and the Fugro ocean bottom nodes business. Both parties also entered into a non-exclusive sales and marketing agreement under which CGG will sell licenses for the Fugro 3D multi-client data library. Furthermore, Fugro entered into a strategic partnership with CGG, which includes a global technical and commercial agreement underpinning a preferred supplier relationship between the two companies.
- The sale of the majority of the Geoscience business resulted in a receipt of EUR 703 million, which has been used, amongst others, for the repayment of the committed bank loans. Furthermore, a vendor loan has been issued to CGG as part of the transaction.
- On 16 February 2013 Fugro and CGG entered into a joint venture (Seabed Geosolutions), which includes Fugro's and CGG's ocean bottom nodes businesses and CGG's transition zone, ocean bottom cable and permanent reservoir monitoring activities. Fugro holds a 60% (controlling) interest and CGG a 40% interest in the joint venture.
- Following the divestment of the majority of the Geoscience division, Fugro started a review process to recalibrate its strategy for the continuing businesses. This process is well underway and is expected to be ready for implementation and communication around the end of the third quarter of 2013. This will be done in two capital market days, one in London and one in Houston, followed by road shows. The strategic review includes a number of deep dives into our business and markets and is based on a broad spectrum of input from a wide range of stakeholders. Several opportunities for performance improvement and growth have been identified within our existing businesses. These include geographic expansion in emerging markets and development of technologies and processes.
- In March 2013 Fugro and TGS entered into a sales and marketing agreement under which TGS will exclusively sell licences for the majority of the 2D multi-client marine streamer seismic data library. This agreement complements the agreement with CGG for the marketing and sales of the 3D multi-client data.
- In the first half of 2013 Fugro took delivery of the geotechnical vessel Fugro Voyager. This continues the fleet renewal and expansion programme.
- A selection of some important and interesting contracts:
  - Substantial deepwater geotechnical projects were conducted offshore Brazil, West Africa and in the Gulf of Mexico. Offshore work in Brazil was completed after nearly two years of operations on the largest geotechnical programme in the history for Petrobras. In the deepwater Gulf of Mexico, geotechnical site investigation borings are being carried out for IOC, NOC and independent oil business clients.
  - Business is steadily growing in the Caspian region where we are performing onshore geotechnical site investigations for refineries in Azerbaijan and have a 5-year call-off contract for a refinery in Kazakhstan. Fugro Geospatial also secured a contract for onshore survey investigation for the Kazakhstan refinery.
  - Offshore site investigations were undertaken by Fugro for wind farms in the UK, French and German offshore sectors while Fugro Seacore undertook bearing replacements on wind turbines at the Arklow Bank Wind Park, Ireland's first wind farm.
  - Fugro (Mexico) in conjunction with long-time associates, Constructora Subacuatica Diavaz, S.A. de C.V., was awarded a significant contract extension to the previously signed large offshore multi-site high resolution geophysical and geotechnical survey by Mexico's national oil company PEMEX. Additional activity included in the agreement is a portfolio of ultra deepwater geotechnical samplings.
  - Fugro continues to support frontier field development, pipeline route optimisation and terminal site selection including infrastructure for Anadarko's large LNG export terminal in Mozambique. Integrated services were provided by the Geotechnical, Survey and Subsea divisions and included site investigations, GIS database management and geohazard assessment work. The inaugural launch of our new seafloor drill (SFD) system in joint venture with Seafloor Geotec was attained on this project.
  - Fugro is currently undertaking an extensive 12 month AUV survey with the recently launched state-of-the-art vessel Fugro Equator together with a metocean measurement programme for a deepwater gas development in Northern Mozambique.
  - Tullow Ghana contracted Fugro Survey Limited to undertake an AUV geophysical and shallow geotechnical survey for their deep water Tweneboa, Enyenra and Ntomme (TEN) fields development.
  - A contract for environmental baseline and shallow gas hazard survey work in Baffin Bay, offshore Greenland. The work will be conducted from one of Fugro's dedicated multi-task survey vessels.
  - A two-year contract was awarded to Fugro Survey Norway to provide accurate positioning and navigation on board the DP drillship Discoverer Americas to support Statoil Mozambique's drilling campaign.
  - Fugro Subsea Services Ltd is part of a large subsea maintenance programme being undertaken by Chevron Upstream Europe on their Captain Floating, Production, Storage and Offloading (FPSO) in the North Sea. Fugro is providing vessel, ROV and subsea engineering equipment and personnel to support subsea intervention whilst minimising interruption to the FPSO field operations. Fugro's proprietary subsea simulation system was used to help ensure safe and efficient offshore engineering operations.

– Fugro Subsea Services Ltd vessels, Fugro Symphony and Skandi Carla, were awarded large, separate contracts to support Technip's construction operations in the North Sea.
– Subsea 7 contracted Fugro TSM to provide the DP2 vessel Toisa Paladin, complete with dual FCV 3000 work class ROVs, to perform construction support during the installation of subsea umbilicals on the Chevron-operated Gorgon Project.
– Fugro TSM was awarded a subsea installation contract offshore Sakhalin Island, Russia. Fugro TSM operations include installation of spools, flying leads and protection structures for subsea trees and pipelines.
– A number of multi-year contracts in the North Sea for the new FCV600 series ROV were secured with companies including Shell, Premier and Talisman.
– Seabed Geosolutions completed a monitor 4C node survey in West Africa for a super major in the first quarter. This survey was the first in a series of 4C-4D nodes surveys in different countries with the same client signed under a master service agreement. These surveys will stretch into 2014. A significant technology upgrade and additional nodes were recently introduced as part of this multi-survey agreement.

• Developments early July 2013:
– Fugro took ownership of the newly built survey vessel Fugro Brasilis.
– To continue the successful survey and ROV operations in China, Fugro signed a ten-year extension to the 30-year joint venture with China Oilfield Services Ltd (COSL).
– Award of a large three-year survey services contract by a major oil company in Angola to support its offshore development programmes.
– Subsea services have become operational on the last of the series of tri-partite agreements in Brazil. In total eight of these long-term contracts are now active.
– Seabed Geosolutions was awarded a 15 month shallow water project in the Middle East. The project is scheduled to start in late October 2013 and it will keep the crew busy until early 2015.

Employees
The table below shows the movement of the staff numbers (for continued operations) in the first half of 2013.

Employees	
1 January 2013	12,165
Additions from acquisitions	176
Net organic movement	190
30 June 2013	12,531

Stock dividend 2012
On 8 May 2013 the Annual General Meeting approved the proposal to set the dividend at EUR 2.00 per share for 2012, consisting of a regular dividend o EUR 1.50 increased by an one-off extra dividend of EUR 0.50 in connection with the divestment of the majority of the Geoscience business, to be paid at the option of the shareholder in cash or in shares. Around 50% of the shareholders elected for stock dividend resulting in the issue of 1,728,154 new shares on 7 June 2013.

Share data	**30 June 2013**	**30 June 2012**
Issued number of shares	84,572,525	82,844,371
Average number of outstanding shares	81,313,292	79,330,246
Shares purchased for option plan	3,010,086	2,082,496

Supervisory Board and Board of Management
The Annual General Meeting (AGM) held on 8 May 2013 decided upon the following (re)appointments:
• Appointment of Mr. J.C.M. Schönfeld (1949) as member of the Supervisory Board for a term of four years. Mr. Schönfeld took over the chairmanship of the Audit Committee;
• Reappointment of Mrs. M. Helmes (1965) as member of the Supervisory Board for a term of four years;
• Appointment of Mr. S.J. Thomson (1958) as member of the Board of Management (Director Subsea and Geoscience division) for a term of four years.

Mr. H.L.J. Noy took over the chairmanship of the Supervisory Board as planned from Mr. F.H. Schreve who retired at the closing of the AGM. Mr. J.A. Colligan was appointed vice-chairman.

Mr. J. Rüegg retired as member of the Board of Management as planned at the closing of the AGM.

The Executive Committee, the Supervisory Board and its committees are composed as follows:

Executive Committee *(the Executive Committee consists of the members of the Board of Management and the Director of the Survey division)*
Mr. P. van Riel, Chairman / Chief Executive Officer
Mr. A. Jonkman, Chief Financial Officer
Mr. W.S. Rainey, Director Geotechnical division
Mr. S.J. Thomson, Director Subsea and Geoscience division
Mr. M.R.F. Heine, Director Survey division (Mr. Heine is not a member of the Board of Management)

Supervisory Board
Mr. H.L.J. Noy, *Chairman*
Mr. J.A. Colligan, *Vice-chairman*
Mrs. M. Helmes
Mr. G-J. Kramer
Mr. J.C.M. Schönfeld
Mr. Th. Smith

Audit Committee
Mr. J.C.M. Schönfeld, *Chairman*
Mr. J.A. Colligan
Mrs. M. Helmes

Nomination Committee
Mr. H.L.J. Noy, *Chairman*
Mr. G-J. Kramer
Mr. Th. Smith

Remuneration Committee
Mr. G-J. Kramer, *Chairman*
Mr. H.L.J. Noy
Mr. Th. Smith

Investments
Fugro successfully operates in niche markets on the basis of (generally in-house developed) special technology. For offshore operations specially designed vessels are preferably used in order to enhance efficiency.

The vessel renewal and expansion programme extends into 2014. This is shown in the table below, including the (estimated) investments for 2011 through 2015.

(EUR x million)

(Expected) investments, excluding assets from acquisitions for the continued business	**2011**	**2012**	**2013***	**2014***	**2015***
Maintenance capex	95.0	73.2	100.0	100.0	100.0
Capacity expansion	189.2	111.1	200.0	200.0	75.0
Total investments	284.2	184.3	300.0	300.0	175.0
Movement in assets under construction	(42.6)	74.0	(40.0)	(100.0)	(50.0)
Net cash outflow	241.6	258.3	260.0	200.0	125.0

* *Estimate.*

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

Name of the vessel	**Type of vessel**	**Expected start of operation**
Fugro Brasilis	Survey	Q3-2013
Fugro Scout	Geotechnical	Q1-2014
Fugro Australis	Survey	Q2-2014
Fugro Aquarius	Subsea	Q2-2014

Divisional developments

Geotechnical

The Geotechnical division's revenue of EUR 335 million was 5% lower than the EUR 352 million achieved in the first half of 2012. The drop in revenue is caused by internal utilisation of geotechnical vessel capacity in other divisions as part of optimisation of overall use of our assets.
The offshore business line generated EUR 130 million (2012: EUR 150 million) and the onshore activities contributed EUR 205 million (2012: EUR 202 million). Revenue for the offshore was lower due to the delayed award of several large renewable energy projects offshore Western Europe while the onshore business fell short in Europe due to the slow recovery of the infrastructure market. The result from operating activities (EBIT) as a percentage of revenue was 13% (first half year of 2012: 14%).

Offshore geotechnical was very active in the oil and gas sector during the first half of the year as the deepwater and ultra-deepwater markets continued to improve and in the wake of global oil and gas industry growth. Significant deepwater site investigations were conducted in the frontier basin triangle of the Gulf of Mexico (for PEMEX), Brazil and West Africa including Ghana and Angola. Recent discoveries of gas in East Africa (Mozambique) represent an example of the potential growth for the division in emerging markets where our role has been to support the offshore, onshore and nearshore phases of the gas development. Offshore work in Brazil was completed after nearly two years of operations on the largest geotechnical project programme in history for Petrobras in the pre-salt basins. The shallow water oil and gas geotechnical sector remains very active in Europe and South East Asia but is highly competitive. The Geoconsulting business continues to grow as a result of more technically demanding projects and work in new frontier areas. The advent of shale gas and further budgetary constraints in Western Europe are a concern with regard to the impact of reduced subsidies for the offshore renewables market (wind turbines).

Commissioning of a new-build geotechnical vessel started at the end of the period and it is expected to enter production in the third quarter. Construction delays have pushed the delivery of the second new-build vessel into early 2014. The first vessel will be positioned in South East Asia and the second in the Americas, both equipped for deep and ultra-deepwater projects.

The onshore geotechnical activities are developing faster than anticipated particularly in the emerging markets such as Qatar, Iraq, West Africa, Kazakhstan and Azerbaijan. Conversely, business in Western Europe is not showing any strong signs of recovery. Geotechnical work for the oil and gas and mining markets in the emerging regions is easily filling the gaps. Strong performances are recognised in Saudi Arabia and in the Far East, particularly infrastructure programmes for the government of Hong Kong. We were awarded a large multi-year term drilling contract for infrastructure, housing and drainage work in Qatar in preparation for the 2022 FIFA World Cup. In the United States, we are seeing a gradual improvement in the level of infrastructure projects. However, onshore programmes related to the oil and gas sector represent the mainstay of our activity.

In summary, we anticipate that overall demand for our globally balanced portfolio of offshore and onshore geotechnical services will continue to grow in most business sectors and geographic regions especially in the frontier areas and emerging markets. We have been preparing for growth in these new areas with the establishment of joint ventures or satellite offices with local staff and adequate equipment resources in-country to meet our client's growing demands.

(EUR x million)

Geotechnical	**first half year 2013**	**first half year 2012**
Revenue	335	352
Result from operating activities (EBIT)	43	49
As a % of revenue	13%	14%

Survey

The Survey division's revenue increased by 11% to EUR 442 million (first half of the year 2012: EUR 398 million). The result from operating activities (EBIT) as a percentage of revenue was 20% (first half 2012: 22%).

The offshore survey activities experienced a slow start to the year due to a prolonged winter season, but have since caught up the ground lost thanks to a balanced portfolio of activities around the globe. All regions in the world contributed well to the performance of the division. In particular, the survey activities supporting offshore field development and construction in Norway, Saudi Arabia, Caspian, Angola, Mexico and China were strong. The geophysical survey vessel fleet showed good utilisation in Europe, Americas and Africa with increasing operations in the field of deepwater AUV surveys, specifically in East and West Africa, in countries like Nigeria, Ghana, Angola and Mozambique. The number of satellite positioning subscribers grew by almost 8% over the first half. The offshore wind farm market activity has been modest with a mixture of cable lay and installation survey projects, at a much lower level than previous years.

The overall trading conditions for offshore survey services are competitive but have a positive outlook. Fugro signed a ten-year extension to the 30-year joint venture with China Oilfield Services Ltd (COSL) in order to continue the successful survey and ROV operations in China.

The performance of geospatial services reflects a combination of high activity in terrestrial survey services and a low level of operations in the aerial mapping business. In Europe, geospatial services were impacted more than normal by adverse weather conditions during the first period of 2013. The US geospatial business is related to the buoyant onshore shale oil and gas development market which remained strong. Dimensional control services were provided to support the building of Australian LNG plants. In the Middle East geospatial market conditions are improving and should contribute to further recovery in the second half of the year.

In May Fugro took delivery of an additional AUV to complement the fleet and to meet the increasing demand for these services. Early July Fugro took ownership of the new-build survey vessel Fugro Brasilis, which will improve Fugro's market position in the South American region. Fugro Survey currently has another five survey vessels under construction, all being delivered in the upcoming 1.5 years. The Survey division will continue its vessel renewal programme to replace older vessels and to expand its survey capacity.

The overall outlook of the division is positive for the remainder of the year, with high seasonal activity for the geophysical vessels in Europe, boosted by recent project awards in Azerbaijan, Saudi Arabia, Ghana, Angola, Alaska and Greenland.

(EUR x million)

Survey	**first half year 2013**	**first half year 2012**
Revenue	442	398
Result from operating activities (EBIT)	89	86
As a % of revenue	20%	22%

Subsea

The Subsea division's revenue was EUR 289 million – an increase of 19% compared with the first half of 2012 (EUR 243 million). The result from operating activities (EBIT) as a percentage of revenue was 4% (first half of 2012: 1%).

There have been a number of issues with negative impact on Subsea profitability which we have been able to identify. This is a result of the recent management focus on Subsea. The decision to run and report Subsea as a separate division is a reflection of the rapid growth of the business (roughly doubling revenue between 2010 and 2012).

Specific reasons for the recent poor performance are start-up losses in the new trenching business and poor results related to diving activities in West Africa. These issues are being addressed to improve overall performance.

Revenue for subsea services suffered in the first quarter due to weaker seasonal demand than expected, in the North Sea in particular, and vessels being out of service for scheduled dry-docking in Asia-Pacific. This trend was reversed in the second quarter. By the end of the second quarter and moving into quarter three we have generally experienced good utilisation of major assets and have built a historically high backlog. In Europe results have been negatively impacted by a slow start in our new trenching business. Technically and operationally, the new trenchers have been performing well. In West Africa we have reduced our capacity by demobilising one vessel due to unacceptable margin performance. In the Middle East we have seen a turnaround compared to last year – particularly in improved project execution. In the Asia-Pacific we have achieved good vessel utilisation (barring the docking mentioned) and have improved ROV utilisation markedly although margins remain under competitive pressure. Brazil remains a difficult place to work due largely to slow project bidding and award processes, as well as late delivery of the associated, third-party vessels. In July we received the last third party vessel for which we have been awarded work and are therefore now operational on all eight tri-partite long term contracts. In general, we see progress in this market compared to previous years. We have recently adjusted our risk/reward criteria for accepting new projects in Brazil to reflect the reality of working in that market and will bid on future work packages accordingly.

The total ROV fleet remained static at 150. This masks an underlying fleet replacement programme which is progressively bringing down the average age of the assets. This has been aided by the introduction of the new FCV600 series of ROV which has seen good uptake in the market. Fugro has played a successful support role on many large subsea projects around the world. Technip contracted Fugro to provide ROV and other support functions including light construction on work in the North Sea. Subsea 7 engaged Fugro to provide dual work class ROVs to perform construction support on the installation of subsea umbilicals on the Chevron Gorgon project in Western Australia.

The prospects for the global subsea services market remain generally positive. Investment in subsea infrastructure is anticipated to continue with significant demand for development being particularly expected in Asia, Africa and Brazil. This has led to a buoyant view of the future for this market in public reports. However, in many of these regions there are structural impediments to rapid growth ranging from an immature supply chain, to conflicts between political and economic goals for NOCs, to the challenge of geographic distance and the attendant scale of the undertakings associated with some developments. Fugro expects continued healthy rates of development in the general subsea market, but not at the rates which have been widely publicised. Fugro will therefore be focussing its subsea efforts carefully with an eye to improving profitability as its primary concern.

(EUR x million)

Subsea	**first half year 2013**	**first half year 2012**
Revenue	289	243
Result from operating activities (EBIT)	12	3
As a % of revenue	4%	1%

Geoscience

The Geoscience division's revenue was including multi-client sales EUR 115 million (first half 2012: EUR 82 million). The result from operating activities (EBIT) as a percentage of revenue was 15% (first half of 2012: 29%). EBIT includes a EUR 18 million contribution from the sale of IP licenses.

Seabed Geosolutions had a poor start in the first half year of 2013, primarily due to lack of the Shallow Water (SW) and Ocean Bottom Cable (OBC) business caused by delays in awards. All Ocean Bottom Node (OBN) crews were active, but profitability was low due to transit and delays in deployment and one-time technical downtime associated with the first deployment of the newest generation of nodes on one of the crews. In addition there were charges of USD 4.5 million (EUR 3.4 million) related to recognition of amortisation charges following from the purchase price allocation based on the closing of the joint venture agreement.

(EUR x million)

Geoscience (continued)	**first half year 2013**	**first half year 2012**
Revenue*	102	(24)
Result (including multi-client sales)	115	82
Result from operating activities (EBIT)	17	24
As a % of revenue (including multi-client data sales)	15%	29%

** Last year Fugro concluded that for accounting purposes the revenue of the multi-client data libraries forms part of the discontinued operations until 31 January 2013, as the revenue generating capacity (by means of the seismic and the related sales force) has been transferred to CGG. The multi-client data library inventory remains with Fugro. Fugro presented the revenues of the multi-client data libraries until 31 January 2013 of some EUR 13 million (30 June 2012: EUR 107 million) as part of the discontinued operations within the Geoscience segment. As of 31 January 2013 Fugro operates under a different model, whereby the sales are operated by third parties (such as CGG and TGS), but whereby Fugro remains the principal seller. The revenue generated by the Seabed Geosolutions joint venture has been included as from 15 February 2013 (CGG acquired part).*

These non-cash accounting charges will total USD 8.8 million in 2013 on a gross basis and USD 10.6 million in 2014 before reducing to about USD 2 million per year thereafter. In general the market is showing increasing levels of bidding intensity. OBN, SW and OBC opportunities are to be found in the Americas, Europe-Africa and the Asia-Pacific regions. The market, however, is faced with a long elapsed time between bidding, award and project initiation which is creating planning and utilisation challenges. Overall bid activity has recently increased significantly as clients realise capacity is being booked. The backlog is continuing to build, be it with a concern for SW and OBC work. The OBN business line is now fully occupied well into 2014. The seabed geophysics market in general seems to be strengthening, but currently the big issue is timing.

On 31 January 2013 Fugro signed an agreement on the sale of the multi-client seismic business to CGG. Under that agreement, ownership of the existing data library remained with Fugro while CGG took over responsibility for sales activities associated with the 3D data library. Subsequently, Fugro has reached agreement with TGS and other companies for sales and marketing activities related to the 2D data library. These agreements are non exclusive and leave open the opportunity for Fugro to divest its library. Some acquisition of additional data on behalf of Fugro was still being undertaken during this period, but all planned new data acquisition has now been completed. Additional value will be added to the data library through data processing of the last acquired data and re-processing of pre-existing data in order to enhance its sale value. The net book value of the entire seismic data library was just above EUR 416 million at the end of the second quarter of 2013, down from about EUR 458 million on 1 January 2013. Sales of the library generated net revenues to Fugro of EUR 67 million in the first half year. Sales across the library are somewhat lower than anticipated. However, the overall outlook is positive as in general multi-client sales are back loaded towards year end and as we anticipate strong second half year sales in Norway following a for Fugro advantageous 22nd licensing round.

If the multi-client revenue would have been presented as part of continuing business, then the revenue would have been as shown in the table below.

Revenue distribution per division for the six months ended 30 June **(EUR x million)**	**2013**	**2012**
Geotechnical	335.1	352.3
Survey	442.2	397.7
Subsea	288.9	243.2
Geoscience	114.8	82.3
Total continuing (including multi-client sales)	1,181.0	1,075.5
Total discontinued (excluding multi-client sales)	70.7	263.3
Total revenue continued and discontinued	1,251.7	1,338.8

Multi-client seismic libraries
The net book value of the marine streamer multi-client seismic libraries at the end of the second quarter of 2013 amounted to EUR 416.1 million (31 December 2012: EUR 458.5 million). About 90% of the net book value of the libraries is related to recently acquired 3D data. The geographic split of the net book value is as follows:

- Norway 28%
- Australia 49%
- Rest of the world 23%

Virtually no data acquired during or before 2009 is valued on the balance sheet. The net realisable value has been analysed in detail and this review has confirmed that the book value as per 30 June 2013 is supported by the current state of the offshore oil and gas exploration market. Management estimates for net sales proceeds of the relevant libraries have been used, taking into account past experience and an assessment of future prospects for the areas involved. Management reviews the net realisable value twice a year.

Revenue breakdown
***Sale seismic libraries* (EUR x million)**

	First half year 2013	**First half year 2012**
Norway	51	50
Australia	6	14
Rest of the world	10	10
	67	74

In order to determine the net book value Fugro uses the following convention:

2D:
- Three years straight line reduction (to zero) in carrying value.
- In addition 75% of each sale is considered as additional amortisation.

3D:
- A fixed percentage of each sale as amortisation. This % is set based on the combination of cost and sales outlook.
- In case of low sales, there will be a forced amortisation of up to 20% per year of the data set cost. This means that the net book value of the data set will be reduced to zero five years at the latest after the start of amortisation.

The amortisation of the 3D data sets is between 50 and 90% of each sale.

It is noted that exploration interest in Australia is steady but is lower than 2-3 years ago when several 3D MC projects were initiated. A further deterioration of the MC market in Australia could lead to an impairment.

Over the first half year of 2013 EUR 34 million has been added to the library related to completion of data acquisition projects committed prior to the transaction with CGG and to processing of acquired data. In Australia and Norway, the book value of the library was reduced by EUR 31 million in total due to a drop in the AUD and NOK exchange rates.
In the first six months of 2013 Fugro generated EUR 67 million in sales from the seismic libraries (first half 2012: EUR 74 million). The amortisation in the same period of 2013 amounted to EUR 44 million (first half 2012: EUR 37 million). The revenue breakdown is shown in the table above.

Market developments
The oil price remained reasonably stable in the first half of 2013 and is about USD 108 (Brent) per barrel at the moment. This price stability and a continued long term favourable outlook for offshore oil and gas field exploration, as well as development and production imply a positive development of this market, which is the most important for Fugro. Elsewhere the continuing economic uncertainty and (renewed) upheaval in the world continue to cast clouds on the recovery of confidence, which in many areas is impacting Fugro's infrastructure, mining and government markets. Recent publications of reduced mining activity in Australia and linked economic problems in that country add to the lack of confidence.

In our main market (oil and gas) we continue to see additional new developments and new opportunities. The shale gas enthusiasm seems to be cooling down somewhat outside the United States of America and the ongoing depletion of existing fields drive our clients into more frontier regions and deeper water, two areas where Fugro has an excellent track record. It is expected that these trends will continue in the longer term. We believe that our clients will continue to invest under the current circumstances, although many of the world economies are in a holding pattern.

Many of the offshore oil and gas exploration and development activities, especially those related to deep water, are taking place in the Gulf of Mexico, East and West Africa and Brazil. Deep water activities will continue to increase as this represents one of the last frontiers for finding large fields. The arctic regions in areas like Greenland, Alaska and Siberia have attracted the interest of oil and gas companies. Designing and building facilities in these arctic environments will create new opportunities for Fugro. Another growth opportunity is East Africa, where very large offshore gas discoveries drive the development of LNG export plants and associated infrastructure. There are also significant emerging opportunities in the Caspian. In China, our extended joint venture with COSL bodes well for the future.

Aside from the deep water market, we are also seeing continued strength of most other oil and gas offshore markets, in particular in the North Sea. The geospatial activities mapping in the USA continue to be good on the back of the shale oil and gas development there. The geospatial activities in the Middle East are improving.

The land geotechnical activities are developing strongly in most markets, except for the building and infrastructure related onshore business in Europe and North America which are subject to the poor economy. Emerging markets, like Qatar, Iraq, Kazakhstan and Azerbaijan, are developing faster than expected. Saudi Arabia remains an excellent market for onshore Geotechnical. This also applies to Hong Kong where much work is being done for Hong Kong Housing.

The activities associated with offshore wind farms are lower than last year and they will only grow as long as the government subsidies continue.

Within the oil and gas market, the Subsea market is evolving into a series of regional markets, each with their own characteristics. In Brazil we work under demanding circumstances and suffer from late arrival of third party vessels, but as soon as the vessels are in operation we have the benefit of robust, long term backlog. The core North Sea market exhibits good levels of demand albeit with increasing competition. The Middle East market improved somewhat with indications that quality of service is opening up the opportunity to differentiate our services. In the Far East the market is still maturing and there is local oversupply in some segments, but opportunities for obtaining good quality contracts seem to be increasing.

The market for Seabed Geosolutions is showing increasing tender activity. Contract sizes are large. This is resulting in lengthy contract negotiations leading to challenges in project scheduling.

Sales across the multi-client seismic data library are somewhat lower than anticipated. However, the overall outlook is positive as in general multi-client sales are back loaded towards year end and as we anticipate strong second half year sales in Norway following a for Fugro advantageous 22nd licensing round. The sales arrangements with CGG and TGS are working well.
The backlog for the remaining part of the year is healthy and amounts to EUR 1,227 million (end June 2012: EUR 974 million). The value of the backlog is calculated at the rates of exchange as at 30 June. Based on the exchange rates of mid last year, the backlog would have been EUR 58 million higher and would amount to EUR 1,285 million. Organic growth in the backlog is 7.3% compared to a year ago.

Main risks and uncertainties
The Annual Report 2012 provides a description of Fugro's risk management and a summary of the main risks. The main risks concern:
- Economic and financial instability as a result of the euro crisis
- Political instability in countries and/or regions important to Fugro
- Payment risk of clients with low financial strength
- Pressure on prices by clients as a result of lower demand and/or overcapacity in certain market segments
- Strong decrease of the oil price compared to the present level of around USD 110 per barrel (Brent), leading to project delays and lower investments by the oil and gas industry
- Offshore operations in a number of regions around the globe are vulnerable to acts of piracy
- Cuts in government spending

These risks are also applicable to the second half of 2013. In addition Fugro has identified risks related to continuing financial problems of a number of European countries leading to instability of the financial markets and

the following risks associated with contracts and projects:
- In areas where NOCs are active directly or as partner of IOCs, we are seeing an increase in contract size. This positive effect is offset by protracted and unpredictable award and project start-up processes which complicate achieving optimal asset utilisation.
- Client project delays both in the oil and gas and mining markets resulting in award and start-up delays impacting revenue generation and backlog.

In case risks would materialise and cannot be mitigated, there will be a negative on revenue and profitability. If severe and for a longer period, this could lead to asset and/or goodwill impairment.

Outlook
The Euro zone crisis and continuing pressure on GDP growth continue to impact global economies. This is also visible in the drop of investment in the mining industry, which has a clearly negative effect on the Australian economy. The current worldwide situation is not likely to change quickly.

Investment in oil and gas exploration, development and production is the main driver for Fugro. Here we continue to see ongoing demand. Ongoing depletion of producing fields and growing long term global demand will require new resources and this, to a degree, is shelding the sector from more general economic developments. New resources will not be limited to the historical oil production areas but will be extended to places such as East Africa and Kazakhstan. Countries like Iraq and Libya will require significant investment to return to their production capacity. The enthusiasm related to worldwide shale gas seems to be cooling somewhat. The total effect of all these factors is ongoing demand for our services, especially offshore and in deeper water, and for the purpose of addressing complex challenges for our clients.

The newly established Seabed Geosolutions joint venture is expected to continue to have weak utilisation in the shallow water and ocean bottom cable business in 2013, albeit improving in the second half of the year. The ocean bottom node business is developing well.

Overall tendering activity is on the increase pointing to an improving market.

The outlook for the Subsea market is mixed. In a number of regions and in a number of activities we have a good market share with good utilisation. In some regions, like Brazil, we have encountered delays caused by delays in the supply of third party vessels. This issue is now resolved for the foreseeable future. For the new trencher activities low utilisation is a current concern. Overall, Subsea backlogs are tendentially increasing and contract quality shows signs of improvement.

We are using the strategic review to identify our strengths and weaknesses in our current activities and to develop a well defined path forward for the next years. This will be presented late September 2013 during two capital market days in London and Houston and follow-up road shows.

The year 2013 is a year of changes and refocusing for the group. After the divestment of the majority of the Geoscience activities we operate in businesses where, for the most part, we have built market leading positions and where we will be able to benefit from our expertise to further develop them. We see opportunities to implement a number of improvements in our Subsea activities and we see a good long term future for the Seabed Geosolutions business. Notwithstanding the general positive outlook, cost reduction programmes are ongoing in a number of operations which are negatively impacted by the weak global economic conditions.

Barring unforeseen circumstances, and assuming reasonably stable exchange rates, Fugro expects that the revenue from continued operations for 2013 will be around EUR 2,600 million (2012: EUR 2,400 million; including multi-client sales) with a net result attributable to the owners of the Company of around EUR 230 million (2012: EUR 231.6 million). This excludes the net result in the sale of the majority of the Geoscience business and any possible effect of the valuation of the vendor loan warrant.
The abovementioned outlook of around EUR 230 million results in a net profit margin of 8.8% for 2013 .
(2012: 9.7%).

Explanation half-yearly results 2013
At 09.30 hours, the analysts' meeting (in English) will start). The meeting will also be webcast on www.fugro.com. A digital version of the half-yearly Report 2013 is available on this website.

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Financial agenda

Last two weeks of September 2013	Capital market days and road shows*
8 November 2013	Trading update business developments third quarter 2013 (after trading hours)
7 March 2014	Publication of the 2013 annual figures (before trading hours)
6 May 2014	Trading update business developments first quarter 2014 (before trading hours)
6 May 2014	Annual General Meeting

* *Capital market day London, 23 September 2013*
Capital market day Houston, 30 September 2013

(EUR x million)

Backlog at the start of the second half year (for the next six months)	2013	2012	2011	2010	2009
Geotechnical					
Onshore Geotechnical	**179**	179	154	151	130
Offshore Geotechnical	**145**	154	167	154	102
Total Geotechnical	**324**	333	321	305	232
Survey					
Survey (including Geospatial services)	**399**	368	309	329	303
Subsea					
Subsea Services	**238**	245	192	139	120
Geoscience					
Geoscience	**266**	28	–	–	–
Total	**1,227**	974	822	773	655
Applicable US dollar rate	**EUR 0.77**	EUR 0.80	EUR 0.69	EUR 0.81	EUR 0.71

Backlog comprises revenue for work to be carried out in the coming six months and includes uncompleted parts of on-going projects and contracts awarded but not yet started (approximately 63% of total) and projects that have been identified and are highly likely to be awarded (approximately 37% of total).

(EUR x million)

Acquisitions in the first half of 2013	Price	Goodwill	Country	Division	Annual revenue	Number of employees	Acquisition date
Seabed Geosolutions	280.7	214.9	Netherlands	Geoscience	300.0	149	16 Febr. 2013
FAZ Research Ltd.	7.2	3.4	Ireland	Geoscience	0.0	27	22 April 2013
Total	287.9	218.3			300.0	176	

Consolidated statement of comprehensive income

(EUR x million)	Six months ended 30 June		Twelve months ended 31 December
	unaudited	unaudited and restated	restated
	2013	2012	2012
Revenue	**1,167.9**	968.8	2,165.0
Third party costs	**(477.9)**	(326.0)	(793.3)
Net revenue own services (revenue less third party costs)	**690.0**	642.8	1,371.7
Other income	**33.7**	10.6	14.8
Personnel expenses	**(378.7)**	(334.9)	(694.5)
Depreciation	**(84.7)**	(72.3)	(155.6)
Amortisation of intangible assets	**(4.7)**	(1.4)	(3.1)
Other expenses	**(122.5)**	(91.0)	(226.6)
Results from operating activities (EBIT)	**133.1**	153.8	306.7
Finance income	**9.5**	0.9	13.4
Finance expenses	**(7.5)**	(10.8)	(28.5)
Net finance income/(costs)	**2.0**	(9.9)	(15.1)
Share of profit of equity-accounted investees (net of income tax)	**4.6**	–	(1.0)
Profit before income tax	**139.7**	143.9	290.6
Income tax expense	**(29.5)**	(31.6)	(49.1)
Profit/(loss) for the period from continuing operations, net of tax	**110.2**	112.3	241.5
Profit/(loss) for the period from discontinued operations, net of tax	**204.9**	6.9	58.2
Profit/(loss) for the period	**315.1**	119.2	299.7
Attributable to:			
Owners of the Company	**314.3**	114.5	289.8
Non-controlling interests	**0.8**	4.7	9.9
Profit/(loss) for the period	**315.1**	119.2	299.7
Basic earnings per share from continuing and discontinued operations (attributable to owners of the Company during the period)			
From continuing operations (EUR)	**1.35**	1.35	2.89
From discontinued operations (EUR)	**2.52**	0.09	0.72
From profit for the period	**3.87**	1.44	3.61
Diluted earnings per share from continuing and discontinued operations (attributable to owners of the Company during the period)			
From continuing operations (EUR)	**1.34**	1.34	2.86
From discontinued operations (EUR)	**2.50**	0.09	0.72
From profit for the period	**3.84**	1.43	3.58

The notes on pages 24 to 39 are an integral part of these consolidated interim financial statements.

Consolidated statement of comprehensive income (continued)

(EUR x million)	Six months ended 30 June		Twelve months ended 31 December
	unaudited	unaudited and restated	restated
	2013	2012	2012
Profit(/loss) for the period	**315.1**	119.2	299.7
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Defined benefit plan actuarial gains/(losses)	**0.5**	(22.8)	3.8
Total items that will not be reclassified to profit or loss	**0.5**	(22.8)	3.8
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences of foreign operations	**(80.2)**	81.0	3.8
Foreign currency translation differences of equity-accounted investees	**0.2**	0.0	0.0
Net change in fair value of hedge of net investment in foreign operations	**(4.2)**	(32.4)	6.2
Net change in fair value of cash flow hedges transferred to profit or loss	**0.3**	0.6	0.8
Translation reserve recycled to profit	**6.5**	–	–
Net change in fair value of available-for-sale financial assets	**(0.2)**	(0.2)	0.4
Total items that may be reclassified subsequently to profit or loss	**(77.6)**	49.0	11.2
Total other comprehensive income (net of tax)	**(77.1)**	26.2	15.0
Total comprehensive income for the period	**238.0**	145.4	314.7
Attributable to:			
Owners of the Company	**237.1**	140.1	305.5
Non-controlling interests	**0.9**	5.3	9.2
Total comprehensive income for the period	**238.0**	145.4	314.7
Total comprehensive income attributable to owners of the Company arises from:			
Continuing operations	**26.2**	134.9	245.0
Discontinued operations	**210.9**	5.2	60.5
	237.1	140.1	305.5

The other comprehensive income for the first six months ended 30 June 2013 includes defined benefit plan actuarial gains of EUR 0.5 million positive (first six months 2012: EUR 1.3 million negative and full year 2012: EUR 1.6 million positive) and foreign currency translation differences of foreign operations of EUR 1.0 million negative (first six months 2012: EUR 0.4 million negative and full year 2012: EUR 0.6 million positive) relating to the discontinued operations.

The notes on pages 24 to 39 are an integral part of these consolidated interim financial statements.

Consolidated statement of financial position

(EUR x million)	30 June	31 December	30 June
			unaudited and
	unaudited	restated	restated
	2013	2012	2012
Assets			
Property, plant and equipment	**1,164.9**	1,065.9	1,519.5
Intangible assets	**773.6**	555.7	841.8
Investments in equity-accounted investees	**32.8**	34.8	26.2
Other investments	**30.1**	19.3	71.3
Deferred tax assets	**39.7**	45.2	76.3
Total non-current assets	**2,041.1**	1,720.9	2,535.1
Inventories	**441.1**	479.8	461.7
Trade and other receivables	**1,126.4**	837.6	996.4
Current tax assets	**41.5**	27.5	37.0
Cash and cash equivalents	**126.3**	92.0	100.8
Assets classified as held for sale	**83.6**	1,011.9	–
Total current assets	**1,818.9**	2,448.8	1,595.9
Total assets	**3,860.0**	4,169.7	4,131.0

The notes on pages 24 to 39 are an integral part of these consolidated interim financial statements.

Consolidated statement of financial position (continued)

(EUR x million)	30 June	31 December	30 June
	unaudited	restated	unaudited and restated
	2013	2012	2012
Equity			
Share capital	**4.1**	4.1	4.2
Share premium	**431.3**	431.3	431.3
Reserves	**1,286.9**	1,231.5	1,202.2
Unappropriated result	**314.3**	289.8	114.5
Total equity attributable to owners of the Company	**2,036.6**	1,956.7	1,752.2
Non-controlling interests	**118.2**	21.6	20.5
Total equity	**2,154.8**	1,978.3	1,772.7
Liabilities			
Loans and borrowings	**720.9**	1,166.7	1,204.8
Employee benefits	**88.9**	89.8	131.9
Provisions	**0.2**	1.2	0.3
Deferred tax liabilities	**19.5**	18.2	11.3
Total non-current liabilities	**829.5**	1,275.9	1,348.3
Bank overdraft	**250.2**	221.9	401.6
Loans and borrowings	**30.0**	10.8	25.7
Trade and other payables	**475.3**	389.6	503.9
Other taxes and social security charges	**47.2**	37.5	39.6
Current tax liabilities	**59.3**	54.2	39.2
Liabilities classified as held for sale	**13.7**	201.5	–
Total current liabilities	**875.7**	915.5	1,010.0
Total liabilities	**1,705.2**	2,191.4	2,358.3
Total equity and liabilities	**3,860.0**	4,169.7	4,131.0

The notes on pages 24 to 39 are an integral part of these consolidated interim financial statements.

Consolidated statement of changes in equity

(EUR x million)	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Reserve for own shares	Unappropriated result	Total	Non-controlling interests	Total equity
Balance at 1 January 2013	4.1	431.3	5.7	(1.7)	1,396.1	(168.6)	289.8	1,956.7	21.6	1,978.3
Total comprehensive income for the period: profit/(loss)							314.3	314.3	0.8	315.1
Other comprehensive income										
Foreign currency translation differences of foreign operations			(80.3)					(80.3)	0.1	(80.2)
Foreign currency translation differences of equity-accounted investees			0.2					0.2		0.2
Net change in fair value of hedge of net investment in foreign operations			(4.2)					(4.2)		(4.2)
Defined benefit plan actuarial gains/(losses)					0.5			0.5		0.5
Net change in fair value of cash flow hedges transferred to profit or loss				0.3				0.3		0.3
Translation reserve recycled to comprehensive income*			6.5					6.5		6.5
Net change in fair value of available-for-sale financial assets					(0.2)			(0.2)		(0.2)
Total other comprehensive income (net of tax)			(77.8)	0.3	0.3			(77.2)	0.1	(77.1)
Total comprehensive income for the period			(77.8)	0.3	0.3		314.3	237.1	0.9	238.0
Transactions with owners of the company, recognised directly in equity										
Contributions by and distribution to owners of the Company										
Share-based payments					6.7			6.7		6.7
Share options exercised						4.0		4.0		4.0
Addition to reserves					209.2		(209.2)	–		–
Own shares purchased and stock dividend						(87.3)		(87.3)		(87.3)
Dividends to owners of the Company							(80.6)	(80.6)	(3.4)	(84.0)
Non-controlling interest arising on business combination								–	99.1	99.1
Total contributions by and distribution to owners of the Company					215.9	(83.3)	(289.8)	(157.2)	95.7	(61.5)
Balance at 30 June 2013 (unaudited)	4.1	431.3	(72.1)	(1.4)	1,612.3	(251.9)	314.3	2,036.6	118.2	2,154.8

* *For the six months ended 30 June 2013, an amount of EUR 6.5 million of translation reserves (positive), related to the discontinued Geoscience activities, has been recycled to the profit or loss. This profit forms part of the result for the period from discontinued operations in the statement of profit or loss and other comprehensive income.*

Consolidated statement of changes in equity (continued)

(EUR x million)

Restated	Share capital	Share premium	Translation reserve	Hedging reserve	Other reserves	Reserve for own shares	Unappropriated result	Total	Non-controlling interests	Total equity
Balance at 1 January 2012	4.1	431.4	(5.1)	(2.5)	1,143.5	(203.2)	287.6	1,655.8	18.3	1,674.1
Total comprehensive income for the period: profit/(loss)							114.5	114.5	4.7	119.2
Other comprehensive income										
Foreign currency translation differences of foreign operations			80.4					80.4	0.6	81.0
Foreign currency translation differences of equity-accounted investees										
Net change in fair value of hedge of net investment in foreign operations			(32.4)					(32.4)		(32.4)
Defined benefit plan actuarial gains/(losses)					(22.8)			(22.8)		(22.8)
Net change in fair value of cash flow hedges transferred to profit or loss				0.6				0.6		0.6
Net change in fair value of available-for-sale financial assets					(0.2)			(0.2)		(0.2)
Total other comprehensive income (net of tax)			48.0	0.6	(23.0)			25.6	0.6	26.2
Total comprehensive income for the period			48.0	0.6	(23.0)	–	114.5	140.1	5.3	145.4
Transactions with owners, recognised directly in equity										
Contributions by and distribution to owners										
Share-based payments					7.5			7.5		7.5
Share options exercised						2.9		2.9		2.9
Addition to reserves					233.5		(233.5)	–		–
Own shares purchased and stock dividend	0.1	(0.1)						–		–
Dividends to shareholders							(54.1)	(54.1)	(3.1)	(57.2)
Total contributions by and distribution to owners	0.1	(0.1)			241.0	2.9	(287.6)	(43.7)	(3.1)	(46.8)
Balance at 30 June 2012 (unaudited and restated)	4.2	431.3	42.9	(1.9)	1,361.5	(200.3)	114.5	1,752.2	20.5	1,772.7

The notes on pages 24 to 39 are an integral part of these consolidated interim financial statements.

Consolidated statement of cash flows

(EUR x million)	Six months ended 30 June		Twelve months ended 31 December
	unaudited	unaudited and restated	restated
	2013	2012	2012
Cash flows from operating activities			
Profit/(loss) for the period	**110.2**	112.3	241.5
Adjustments for:			
Depreciation	**84.7**	72.3	155.6
Amortisation of intangible assets	**4.7**	1.4	3.1
Amortisation of transaction costs related to loans and borrowings	**0.5**	0.5	1.0
Expensed inventories	**44.9**	57.0	168.2
Reversal on impairment loss	**–**	–	1.0
Change in allowance for impairment on trade receivables	**1.6**	(5.9)	3.7
Net finance costs (excluding net foreign exchange variance and net change in fair value of financial assets at fair value through profit or loss)	**7.8**	10.2	17.7
Share of profit of equity-accounted investees	**4.6**	0.1	(1.1)
Net change in fair value of financial assets at fair value through profit or loss	**(0.7)**	(2.3)	(8.0)
Gain on sale of property, plant and equipment	**0.1**	(1.9)	(3.3)
Equity settled share-based payments	**6.7**	6.1	13.8
Income tax expense	**29.5**	31.6	49.1
Operating cash flows before changes in working capital and provisions	**294.6**	281.4	642.3
Change in inventories	**(36.1)**	(146.6)	(307.8)
Change in trade and other receivables	**(265.0)**	(27.7)	32.3
Change in trade and other payables	**95.3**	(20.1)	(20.1)
Change in provisions and employee benefits	**(1.7)**	(4.1)	5.2
	(207.5)	(198.5)	(290.4)
Interest paid	**(22.5)**	(8.9)	(18.6)
Income tax paid	**(36.0)**	(32.4)	(54.0)
Net cash generated from operating activities	**28.6**	41.6	279.3
Cash flows from investing activities			
Proceeds from sale of Geoscience operations	**737.5**	–	–
Proceeds from sale of property, plant and equipment	**2.3**	4.9	7.1
Proceeds from sale of other investments	**1.3**	1.0	61.5
Interest received	**8.7**	0.9	1.0
Dividends received	**–**	–	0.2
Acquisition of subsidiaries, net of cash acquired	**4.3**	(22.7)	(27.8)
Acquisition of property, plant and equipment	**(88.3)**	(49.6)	(89.3)
Investment in assets under construction	**(50.7)**	(50.7)	(169.0)
Acquisition of intangible assets	**–**	(4.9)	(6.3)
Internally developed intangible assets	**(2.7)**	(6.5)	(9.8)
Investment in equity-accounted investees	**–**	(36.5)	(32.4)
Net cash used in investing activities	**612.4**	(164.1)	(264.8)

The notes on pages 24 to 39 are an integral part of these consolidated interim financial statements.

Consolidated statement of cash flows (continued)

(EUR x million)	Six months ended 30 June		Twelve months ended 31 December
	unaudited	unaudited and restated	restated
	2013	2012	2012
Cash flows from financing activities			
Proceeds from the issue of long-term loans	–	0.3	0.5
Repurchase of own shares	(87.3)	–	–
Paid consideration for the exercise of share options	(4.0)	(3.1)	(17.1)
Proceeds from the sale of own shares	8.0	6.0	51.8
Repayment of borrowings	(433.0)	(93.5)	(111.9)
Dividends paid	(84.0)	(57.2)	(61.8)
Net cash used in financing activities	(600.3)	(147.5)	(138.5)
Change in cash flows from continuing operations	40.7	(270.0)	(124.0)
Cash flows from discontinued operations			
Cash flows from operating activities	0.9	(0.9)	38.4
Cash flows from investing activities	–	(35.4)	(78.8)
Change in cash flows from discontinued operations	0.9	(36.3)	(40.4)
Net increase/(decrease) in cash and cash equivalents	41.6	(306.3)	(164.4)
Cash and cash equivalents at 1 January	(161.0)	2.6	2.6
Effect of exchange rate fluctuations on cash held	(0.2)	2.9	0.8
Cash and cash equivalents at period-end	(119.6)	(300.8)	(161.0)
Presentation in the statement of financial position			
Cash and cash equivalents	126.3	100.8	92.0
Bank overdraft	(250.2)	(401.6)	(221.9)
Cash and cash equivalents (classified as held for sale)	4.3	–	13.9
Bank overdrafts (classified as held for sale)	–	–	(45.0)
	(119.6)	(300.8)	(161.0)

The notes on pages 24 to 39 are an integral part of these consolidated interim financial statements.

Notes to the consolidated interim financial statements

General

Fugro N.V., hereinafter to be referred to as 'Fugro' or 'the Company', has its corporate seat in Leidschendam, the Netherlands. The address of the Company's principal office is Veurse Achterweg 10, 2264 SG Leidschendam, the Netherlands. The consolidated interim financial statements of Fugro as at and for the six months ended 30 June 2013 include Fugro and its subsidiaries (together referred to as the 'Group') and the Group's interests in equity accounted investees.

Fugro is a global service provider with regard to the collection and interpretation of data relating to the earth's surface and sub-surface and for associated services and advice in support of infrastructure development on land, along the coast and on the seabed.

Statement of compliance

These consolidated interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with IAS 34 (Interim Financial Reporting). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of Fugro N.V. as at and for the year ended 31 December 2012, which has been prepared in accordance with IFRS as endorsed by European Union. The Annual Report 2012 (including the consolidated financial statements as at and for the year ended 31 December 2012) of Fugro is available upon request at the Fugro office, Veurse Achterweg 10, Leidschendam and also available at www.fugro.com.
The official language for the financial statements is the English language as approved by the Annual General Meeting of Shareholders on 10 May 2011.

On 8 August 2013, the Board of Management authorised the consolidated interim financial statements for issue. Publication is on 9 August 2013. The consolidated interim financial statements have not been audited.

Significant accounting policies

The accounting policies applied by the Group in these consolidated interim financial statements are the same accounting policies and methods of computation as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2012, except for the accounting for the employee benefits and the presentation of items of other comprehensive income:

IAS 19 'Employee benefits' (revised) amends the accounting for employee benefits. The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. The change in the standard has resulted in an increase of the pension expenses as the discount rate applied to assets is lower than the expected return on assets. This has no effect on total comprehensive income for the period as the increased charge in profit or loss is offset by a credit in other comprehensive income.

As a result of the amendments to IAS 1, the Company has modified the presentation of items of other comprehensive income in its consolidated statement of comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been adjusted accordingly.

The table below summarises the effect of the change on the consolidated comprehensive income statements for the six months ended 30 June 2012 and for the full year 2012.

(EUR x million)	Six months ended 30 June 2012					Full year 2012		
	Reported	IAS19R	After effect IAS19R	Discon-tinued opera-tions	Continued opera-tions	Reported	IAS19R	After effect IAS19R
Revenue	1,338.8	–	–	370.0	968.8	2,165.0	–	–
Personnel expenses	(433.3)	(1.2)	(434.5)	(99.6)	(334.9)	(692.9)	(1.6)	(694.5)
Result from operating activities (EBIT)	172.1	(1.2)	170.9	17.1	153.8	308.3	(1.6)	306.7
Income tax expense	(27.5)	0.3	(27.2)	4.4	(31.6)	(49.5)	0.4	(49.1)
Profit/(loss) for the period from discontinued operations	–	–	–	–	–	58.8	(0.6)	58.2
Profit for the period	120.1	(0.9)	119.2	6.9	112.3	301.5	(1.8)	299.7
Defined benefit plan actuarial gains (losses) in other comprehensive income	(23.7)	0.9	(22.8)	–	(22.8)*	2.0	1.8	3.8*

* *The defined benefit plan actuarial gain (loss) includes an amount of EUR 1.3 million (negative) which relates to discontinued operations (2012: EUR 1.6 million positive).*

The amendments to IFRS 7, 'Financial instruments: Disclosures – Offsetting financial assets and financial liabilities', focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting of similar arrangements irrespective of whether they are offset.

IFRS 13 'Fair Value Measurement' was issued during 2011 and is required to be adopted, with prospective effect, by 2013. The standard affects nearly all instances where assets and liabilities are currently measured at fair value, primarily by refining the measurement concept to represent an asset or liability's exit value. The standard also introduces certain additional considerations to the measurement process.

New standards

There are no other new standards and interpretations published and endorsed in the first half year of 2013 which could be applicable for the Group.

Divestment of the majority of the Geoscience activities

On 31 January 2013, Fugro sold the majority of the Geoscience division excluding the multi-client library and the Ocean Bottom Nodes business, which now forms part of Seabed Geosolutions B.V. The Airborne activities will be transferred in the second half of 2013, once all equipment licence transfers and administrative approvals have been received.

As a consequence, the Geoscience activities are reported as 'discontinued operations' in the consolidated statement of comprehensive income and as 'assets and liabilities classified as held for sale' in the consolidated statement of financial position as at 31 December 2012, and as at 30 June 2013 in respect of the Airborne activities. In the consolidated statement of comprehensive income for the first six months 2012 and 2013, and the full year 2012, the net profit/(loss) for the period of the discontinued operations component has been presented on a separate line 'profit/(loss) for the period from discontinued operations'. The consolidated statement of comprehensive income for the first six months 2012 has been adjusted for

comparative purposes. The consolidated statement of cash flows for the first six months 2012 and 2013 and the full year 2012 include separate cash flows and cash balances of the discontinued operations.
More details of the discontinued operations are presented in a separate note further in this report.

Estimates

Preparation of the consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

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

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

Financial risk management and financial instruments

The key aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2012.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2013.

(EUR x million)	Level 1	Level 2	Level 3	Total
Assets				
Derivatives at fair value through profit or loss	–	–	12.8	12.8
Available-for-sale financial assets	1.0	–	–	1.0
Total assets	1.0	–	12.8	13.8

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012.

(EUR x million)	Level 1	Level 2	Level 3	Total
Assets				
Derivatives at fair value through profit or loss	–	–	–	–
Available-for-sale financial assets	1.3	–	–	1.3
Total assets	1.3	–	–	1.3

There were no transfers between Levels 1, 2 and 3 during the period.

Fair value measurements using significant unobservable inputs (Level 3) (EUR x million)	Derivatives 30 June 2013
Opening balance at 1 January	–
Initial measurement of derivative at fair value	12.3
Gain recognised in profit or loss	0.5
Closing balance at 30 June	12.8
Total gain for the period included in the result for assets held at the end of the reporting period, under 'Finance costs'	0.5

At 31 January 2013 Fugro entered into a loan agreement with CGG, including a warrant. The warrant represents the fair value of the underlying Seabed Geosolutions B.V. unquoted shares, accruing to Fugro in case of default of the counterparty (CGG). The warrant classifies as an embedded derivative and has been bifurcated from the loan. The warrant is accounted for at fair value through profit or loss.

A probability model has been used to estimate the fair value of the warrant. This model uses unobservable inputs and the warrant is therefore classified as a Level 3 financial instrument. The following assumptions are considered key in the estimation of the fair value of the warrant: the credit spread and the default probability of the counterparty and the fair value of the underlying Seabed Geosolutions B.V. unquoted shares.

If the change in the credit spread of the counterparty for the warrant shifted +/– 5%, the impact on the result would amount to EUR 0.6 million. If the change in the underlying Seabed Geosolutions B.V. unquoted shares shifted +/– 5%, the impact on profit or loss would be EUR 0.6 million.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. The value of the warrant (in case the loan will be repaid conform the repayment schedule) will be lower at the end of 2013.

There were no changes in valuation techniques during the period.

Fugro's valuation processes
The Group's finance department performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. The valuations are directly reported to the Chief Financial Officer.

Changes in Level 2 and 3 fair values are analysed at each reporting date.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows as at 30 June 2013:

(EUR x million)	30 June 2013	
	Carrying amount	Fair value
Loans and receivables		
Trade receivables and other receivables	1,126.4	1,126.4
Cash and cash equivalents	126.3	126.3
Long-term loans	11.6	11.6
Other long-term receivables	1.9	1.9
Available-for-sale financial assets		
Other investments in equity instruments*	1.1	1.1
Available-for-sale financial assets	1.0	1.0
Financial liabilities measured at amortised cost		
Mortgage and other loans and long-term borrowings	(1.9)	(1.9)
Private Placement loans in USD	(635.1)	(732.2)
Private Placement loans in GBP	(78.9)	(88.5)
Private Placement loans in EUR	(35.0)	(44.4)
Bank overdraft	(250.2)	(250.2)
Trade and other payables	(475.3)	(475.3)
Total	(208.1)	(324.2)
Unrecognised gains/(losses)		(116.1)

* *The other investments in equity instruments do not have a quoted market price in an active market. The fair value cannot be reliably measured by the Group.*

Operating segments
As at 31 December 2012, Fugro had three reportable segments: Geotechnical, Survey and Geoscience. Following the appointment of a division director for Subsea as per 1 January 2013, Fugro has identified four reportable segments. The performance of the Subsea activities is separately reported and reviewed by the Group's Executive Committee (CODM). As such the Subsea activities are considered as a separate operating and reporting segment, and four reportable segments are disclosed in the consolidated interim financial statements as per 30 June 2013. Previously, the Subsea activities formed part of the Survey segment and their performances were measured jointly. The comparative reportable segment figures of last year have been restated for comparison purposes.

Operating segments

Information about reportable segments for the six months ended 30 June

(EUR x million)	Geotechnical		Survey		Subsea		Geoscience		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue	**359.4**	385.8	**475.8**	411.5	**321.0**	244.8	**187.9**	351.2	**1,344.1**	1,393.3
Of the inter-segment revenue	**24.3**	33.5	**33.6**	13.9	**32.1**	1.6	**2.4**	5.5	**92.4**	54.5
Reportable segment profit/(loss) before income tax	**40.9**	43.7	**89.3**	85.7	**3.2**	(5.1)	**17.2**	22.5	**150.6**	146.8
Reportable segment assets	**781.3**	758.8	**943.3**	815.9	**713.5**	710.8*	**1,132.6**	1,657.2	**3,570.7**	3,942.7
Reportable segment liabilities	**367.3**	454.6	**405.9**	250.8	**348.2**	342.2	**612.4**	996.0	**1,733.8**	2,043.6

* *The reportable segment assets of Subsea include the loan to Expro AS-X Technology of EUR 12.4 million as at 30 June 2012. Previously this loan was reported as unallocated.*

Geoscience segment for the six months ended 30 June

(EUR x million)	Continued		Discontinued		Total	
	2013	2012	2013	2012	2013	2012
Revenue*	**103.4**	(24.4)	**84.5**	375.6	**187.9**	351.2
Of which inter-segment revenue	**1.8**	–	**0.6**	5.5	**2.4**	5.5
Reportable segment profit/(loss) before income tax	**16.1**	19.6	**1.1**	2.9	**17.2**	22.5
Reportable segment assets	**1,049.1**	603.9	**83.5**	1,053.3	**1,132.6**	1,657.2
Reportable segment liabilities	**598.7**	795.0	**13.7**	201.0	**612.4**	996.0

* *The negative segment revenue of the first six months 2012 of the continued operations results from higher capitalised costs (multi-client data library) than external revenue. Further reference is made to the paragraph below.*

Multi-client data library sales

Consistent with the Annual Report 2012 Fugro concluded that the revenue of the multi-client data libraries forms part of the discontinued operations until 31 January 2013, as the revenue generating capacity (by means of the seismic and the related sales force) has been transferred to CGG. The multi-client data library inventory remains with Fugro. Fugro presented the revenues of the multi-client data libraries until 31 January 2013 of EUR 13.2 million (30 June 2012: EUR 106.7 million) as part of the discontinued operations within the Geoscience segment. As of 31 January 2013 Fugro operates under a different model, whereby the sales are operated by third parties (such as CGG and TGS), but whereby Fugro remains the principal seller.

Additional information (non gaap)

If the multi-client revenue would have been presented as part of continuing business, then the revenue (excluding intersegment) would have been as follows:

Revenue distribution per division for the six months ended 30 June

(EUR x million)	2013	2012
Geotechnical	**335.1**	352.3
Survey	**442.2**	397.7
Subsea	**288.9**	243.2
Geoscience	**114.8**	82.3
Total continued (including multi-client sales)	**1,181.0**	1,075.5
Total discontinued (excluding multi-client sales)	**70.7**	263.3
Total revenue continued and discontinued	**1,251.7**	1,338.8

Reconciliation of reportable segment profit or loss for the six months ended 30 June

(EUR x million)	2013	2012
Total profit/(loss) for reportable segments before income tax	150.6	146.8
Unallocated amounts:		
– Other corporate expenses	(28.3)	(7.5)*
– Net finance costs	17.9	7.5
– Share of profit of equity-accounted investees	0.5	–
(Profit)/loss from discontinued operations before income tax	(1.0)	(2.9)
Profit/(loss) for the period from continuing operations before income tax	139.7	143.9

* *Other corporate expenses are restated following the impact of IAS19 revised.*

Other income

The other income includes an amount of EUR 18.5 million from a sale of licenses.

Seasonality of operations

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

Discontinued operations

On 31 January 2013, Fugro sold the majority of its Geoscience division excluding the multi-client library and the Ocean Bottom Nodes, which is now part of Seabed Geosolutions B.V. for a total consideration of EUR 1.2 billion. The Airborne activities (also part of the divested Group) will be transferred in the second half of 2013 as soon as the administrative formalities are finalised. The gain recognised on the sale of the majority of the Geoscience division is presented in these consolidated interim financial statements as a profit for the period from discontinued operations. The gain is still provisional since the gain was calculated based on certain assumptions with respect to amongst others taxation and the finalisation of the post completion process subsequent to 30 June 2013. Parties have agreed that part of the consideration will be deferred in the form of a vendor loan from Fugro to CGG.

On 31 January 2013 the vendor loan amounts to EUR 125 million and will increase to EUR 225 million upon cIosing of the Airborne activities. The loan agreement carries interest of 5.5% per annum. The loan agreement also includes a repayment schedule that requires repayment of, at a minimum, half of the loan amount before the end of 2013 and three equal annual repayments of 12.5% of the loan as from 31 January 2015. The remainder should be repaid on 31 January 2018. Furthermore, the vendor loan includes a warrant which has been bifurcated from the loan and accounted for as a financial instrument (embedded derivative).

Financial information relating to the Geoscience operations and the gain realised on the sale for the period to the date of disposal is set out below. The income statement and statement of cash flows are presented for discontinued operations and continuing operations. The comparative figures have been restated.

Comprehensive income statement and cash flow information of discontinued operations

(EUR x million)	Six months ended 30 June*		Twelve months ended 31 December
	2013	**2012**	**2012**
From discontinued operations			
Revenue	**83.8**	370.0	787.7
Third party costs	**(35.9)**	(155.9)	(318.2)
Other income	**2.0**	3.1	22.6
Personnel expenses	**(29.8)**	(99.6)	(206.6)**
Depreciation and amortisation	**–**	(54.9)	(72.7)
Other expenses	**(15.6)**	(45.5)	(104.5)
Results from operating activities	**4.5**	17.2	108.3
Finance income	**–**	0.2	0.8
Finance expense	**(3.5)**	(14.9)	(21.5)
Share of profit of equity accounted investees	**–**	–	0.1
Gain recognised on disposal of majority of the Geoscience operations	**204.0**	–	–
Income tax	**(0.1)**	4.4	(29.5)
Profit/(loss) from discontinued operations	**204.9**	6.9	58.2

* *The figures of 30 June are unaudited.*

** *Personnel expenses are restated following the impact of IAS19 revised.*

The gain recognised on the sale of the majority of the Geoscience operations of EUR 204 million is excluding the part related to the Airborne activities, which is expected to be transferred in the second half of 2013. Fugro has provided certain indemnities in the sale of the Geoscience activities to CGG for liabilities arising from tax exposures. The Company has accrued for any indemnity risks where these are expected to result in probable cash outflows.

The gain of EUR 204 million might change due to changes in estimate with respect to accruals recognised for indemnities provided to CGG.

The cash flows associated with discontinued operations are as follows:

(EUR x million)	Six months ended 30 June*		Twelve months ended 31 December
	2013	2012	2012
Cash flows from discontinued operations			
Net cash (used in)/from operating activities	0.9	(0.9)	38.4
Net cash (used in)/from investing activities	–	(35.4)	(78.8)
Net cash flows for the year from discontinued operations	0.9	(36.3)	(40.4)

* *The figures of 30 June are unaudited.*

Airborne

The assets and liabilities relating to the Airborne activities have been presented as held for sale. These activities form part of the Geoscience division and will be transferred in the second half of 2013. Airborne's assets and liabilities are a disposal group.

Business combinations

Fugro and CGG formed Seabed Geosolutions B.V. (Seabed). This agreement was signed on 16 February 2013. Seabed has acquired from CGG its Ocean Bottom Nodes (OBN), transition zone, Ocean Bottom Cable (OBC), Shallow Water activities (SW) and Permanent Reservoir Activities (PRM) (together 'the acquired business') against a 40% interest in Seabed Geosolutions B.V. and EUR 225 million by a set off agreement. Seabed provides a broad range of solutions designed to provide a clearer, more accurate picture of hydrocarbon prospects, reservoir characteristics and potential geo-hazards. From operational preparation and planning, through the deployment and recovery of ocean bottom cables and nodes, to the processing and analysis of resultant data, Seabed aims to optimise the speed, efficiency, quality and safety of seabed acquisition. Ultimately, Seabed aims to arm its customers with the critical insight required to make confident, informed decisions on field and infrastructure development.

This transaction is a business combination, through which Fugro obtained a 60% controlling interest in CGG's OBN/SW/OBC and PRM businesses. The total consideration of EUR 280.7 million for the business combination comprises EUR 225 million and 40% of Fugro's contribution into Seabed Geosolutions B.V.

By combining the strengths of both Fugro and CGG, Seabed will have an immediate market leading position in seabed geophysical activities, and will benefit from synergies with Fugro's subsea activities. The seabed acquisition market is expected to be one of the faster growing markets. Also cost reductions are expected through economies of scale.

The goodwill from the acquired business of EUR 214.9 million arises from a number of factors such as expected synergies through combining a highly skilled workforce and obtaining economies of scale with other Fugro activities and unrecognised assets such as the workforce. None of the goodwill is expected to be deductible for tax purposes.

The following table summarises the consideration paid for these activities, and the fair value of the assets acquired and liabilities assumed recognised at the acquisition date.

(EUR x million)	16 February 2013
Consideration	
Set off agreement settlement (non-cash)	225.0
Equity instruments (40% of Fugro's contribution into Seabed)	55.7
Total consideration	280.7
Recognised amounts of identifiable assets acquired and liabilities assumed	
Provisional fair value	
Property, plant and equipment	60.4
Intangible assets	23.2
Deferred tax assets	0.1
Inventories	1.5
Trade and other receivables	25.5
Cash and cash equivalents	6.8
Deferred tax liabilities	(4.4)
Trade and other payables	(3.9)
Total identifiable net assets	109.2
Non-controlling interest	(43.4)
Goodwill	214.9
Total consideration	280.7

Acquisition-related costs of EUR 427 thousand have been charged to other expenses in the consolidated statement of comprehensive income for the period-end.

At the acquisition date, the fair value of the ordinary shares (of Seabed Geosolutions B.V.) issued as part of the consideration paid for the CGG businesses amounted to EUR 55.7 million.

The fair value of trade and other receivables is EUR 25.5 million and includes no trade receivables.

The fair value of the acquired identifiable assets of EUR 109.2 million is provisional pending receipt of the final valuations for those assets. Deferred tax of EUR 4.4 million has been provided in relation to these fair value adjustments.

The 40% non-controlling interest in Seabed Geosolutions B.V., amounting to EUR 43.4 million at the acquisition date, has been recognised as a proportion of the fair value of the identifiable net assets acquired.

The revenue included in the consolidated statement of profit and loss and other comprehensive income from 16 February 2013 to 30 June 2013 contributed by the acquired businesses was EUR 9.4 million. The total result of the acquired businesses amounts to EUR 15 million (loss) over the same period. The pro-forma revenue and pro-forma result for the six months ended 2013, would be similar if the acquired business had been consolidated as from 1 January 2013.

FAZ Research Ltd.
On 22 April 2013, the Company acquired shares of FAZ Research Ltd. for an amount of EUR 2.7 million, resulting in controlling interest in this company. The previously hold interest in FAZ Research Ltd. was accounted for using the equity method. FAZ Research Ltd. has IP property for developing new optical measurement and sensing platforms.

The total fair value of the net assets acquired is EUR 3.8 million and the total consideration amounts to EUR 7.2 million. The goodwill amounts to EUR 3.4 million. As FAZ Research Ltd. is a start-up company conducting mainly research activities, the amount of revenue is limited.

Fugro did not acquire any other material interest in companies, assets and activities in the first six months of 2013.

Impairment
During the first six months of 2013, no impairment losses have been recognised for goodwill or other significant assets.

Seismic data libraries
The seismic data libraries consist of completed and in progress collection of seismic data that can be sold non-exclusively to one or more clients. These seismic data libraries are measured at the lower of cost and net realisable value. The costs of completed and in progress libraries comprise of directly attributable data collection, data processing, other direct costs and related overheads (including borrowing costs and transit costs where applicable). As it is expected that sales lead to a lower net realisable value of the seismic data, these expected decreases in value are taken into account at the moment of sale throughout the financial year. The costs of each sale of data are based on a percentage of the total costs to the estimated total sales revenue (sales ratio). This sales ratio is based on historical patterns and depending on the category of data, we use a sales ratio between 20-90% corresponding with the total estimated costs over total estimated sales. The Group evaluates the net realisable value on a regular basis and reassesses the net realisable value each reporting date. Net realisable value is based on estimated sales during the period in which the data is expected to be marketed, net of selling costs, which includes amongst other fees to be paid to CGG and TGS under a marketing and sales agreement. Net realisable value is based on estimated future cash flows which involves significant judgment.

For the 3D data library carrying value as at 30 June 2013, the estimated sales related amortisation in case of a sale is set between 75% and 90% combined with the 10% sales commission to be paid to CGG and TGS under the non-exclusive sales and marketing agreement. As a result the net contribution to profit relating to these 3D data sets is expected to be limited in the near future.

The key assumptions used for the net realisable value are similar to the assumptions disclosed in the consolidated financial statements as at 31 December 2012. Management continues to carefully monitor the recoverable value of the 3D marine streamer seismic data library in Australia as disclosed in the financial statements 2012.

In the first six months of 2013, Fugro generated EUR 67.0 million in sales from the Seismic libraries (first half year 2012: EUR 74.0 million).

During the first half year of 2013, total amortisation amounted to EUR 44.1 million (first half year of 2012: EUR 36.9 million) and was charged to the income statement as third party costs.

Taxes

Current tax

Current income tax expense for the interim periods presented is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective tax rate for the six months ended 30 June 2013 from continuing operations was 21.1% (for the year ended 31 December 2012: 16.9%; for the six months ended 30 June 2012: 22.0%). The change in effective tax rate was mainly caused by the change in the geographical composition of taxable income. Current tax for current and prior periods is classified as a current liability to the extent that it is unpaid. Amounts paid in excess of amounts owed are classified as a current asset.

Deferred tax

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

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

The primary components of the entity's deferred tax liabilities are temporary differences related to intangible assets, property, plant and equipment and inventories. For the six months ended 30 June 2013, total deferred tax directly recognised in equity was EUR 0.8 million (six months ended 30 June 2012: EUR 7.6 million), which related to the defined benefit actuarial losses.

Property, plant and equipment

Acquisitions and disposals

During the six months ended 30 June 2013, the Group acquired assets with a cost of EUR 88.3 million (six months ended 30 June 2012: EUR 40.0 million) excluding assets acquired through business combinations. Assets with a carrying amount of EUR 2.3 million were disposed of during the six months ended 30 June 2013 (six months ended 30 June 2012: EUR 3.1 million), resulting in a gain on disposal of EUR 0.1 million (six months ended 30 June 2012: gain of EUR 1.2 million), which is included in other income in the consolidated interim statement of comprehensive income.

Intangible assets

Goodwill

Reconciliation of carrying amount

(EUR x million)	**2013**	**2012**
Cost		
Balance at 1 January*	**520.2**	705.6
Acquisitions through business combinations	**218.3**	19.8
Adjustments prior period**	**–**	8.6
Effect of movements in foreign exchange rates	**(14.8)**	15.6
Balance at 30 June	**723.7**	749.6
Carrying amounts		
At 1 January	**520.2**	705.6
At 30 June	**723.7**	749.6

* *As at 31 December 2012, a goodwill amount of EUR 227 million was transferred to assets classified as held for sale following the divestment of the majority of the Geoscience division.*

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

Equity

Share capital and share premium

The Group recorded the following amounts within shareholder's equity as a result of the issue of ordinary shares related to the stock dividend 2012.

For the six months ended 30 June

(EUR x million)	Share capital		Share premium	
	2013	**2012**	**2013**	**2012**
Issuance of ordinary shares	–	0.1	–	(0.1)

Reserve for own shares

Fugro purchases and sells own shares in relation to the share option scheme. The cost of these shares held by the Group is recorded as a reserve within shareholder's equity. During the six months ended 30 June 2013, Fugro purchased 2.0 million own shares. In the same period 192,480 shares were sold, which results in an increase of the reserve for own shares of EUR 4.0 million.

Dividends

Following the approval of the proposed dividend 2012 of EUR 2.00 per share (consisting of a regular dividend of EUR 1.50 increased by a one-off extra dividend of EUR 0.50 in connection with the divestment of the majority of the Geoscience business) in cash or in (certificates of) shares with a nominal value of EUR 0.05 the following dividends were paid by the Group:

For the six months ended 30 June

(EUR x million)	**2012**	**2011**
EUR 2.00 per qualifying ordinary share (2012: EUR 1.50)	**169.1**	124.3

Approximately 50% of the shareholders have chosen to receive dividend in stock over 2012. Consequently Fugro issued 1,728,154 new shares.

Non-controlling interest

The non-controlling interest has increased by EUR 99.1 million following the Seabed Geosolutions joint venture. An amount of EUR 55.7 million has been recognised on the Fugro contribution and an amount of EUR 43.4 million has been recognised on the CGG acquired business.

Employee benefits

The liability for employee benefits has decreased by EUR 0.9 million compared to 31 December 2012.

Loans and borrowings

For the six months ended 30 June

(EUR x million)	2013	2012
Bank loans	**–**	439.5
Private Placement loans	**749.0**	778.4
Mortgage loans	**–**	5.7
Other loans	**1.9**	6.9
Subtotal	**750.9**	1,230.5
Less: current portion of long-term loans	**30.0**	25.7
	720.9	1,204.8

The sale of the majority of the Geoscience business resulted in a receipt of EUR 703 million, which has been used, amongst others, for the repayments of the committed bank loans. Furthermore, a vendor loan has been issued to CGG as part of the transaction of EUR 125 million.

For the Private Placement loans, bank loans and credit facilities Fugro is subject to certain financial conditions which are discussed below. As at 30 June 2013 Fugro complies with these conditions.

Covenant requirements

The committed multicurrency revolving facilities as well as the Private Placement loans contain covenant requirements which can be summarised as follows:

- Equity > EUR 200 million (only applicable to Private Placement loans 2002);
- Consolidated EBITDA plus Operating Lease Expense/Consolidated Interest Expense plus Operating Lease Expense > 2.5;
- Consolidated Net Financial Indebtedness/Consolidated EBITDA < 3.0;
- Solvency: Consolidated Net Worth/Balance sheet total > 1.0:3.0;
- Consolidated Financial Indebtedness of the Subsidiaries < 15%, for the Private Placement loans and < 20% for the bank loans, of the consolidated balance sheet total;
- Fugro declared dividend < 60% of the profits of the Group for such financial year (only applicable to Private Placement loans 2011).

The sale of the majority of the Geoscience activities does not trigger repayment and/or default conditions included in the agreements. No amounts were drawn under the committed bank facilities per 30 June 2013.

As can be concluded from the table below, at the twelve month rolling forward measurement dates in 2012 and 2013, Fugro complied with the above conditions.

(EUR x million)*	Six months ended 30 June		Twelve months ended 31 December
	2013	2012	2012
EBITDA	**575.0**	629.8	648.8**
Operating lease expense	**165.8**	157.2	177.1
Net interest expense	**31.1**	43.4	44.9
Margin > 2.5	**3.8**	3.9	3.7
Net financial indebtedness (loans and borrowings less net cash)	**839.0**	1,531.3	1,338.6
Bank guarantees	**65.1**	61.9	70.0
Total	**904.1**	1,593.2	1,408.6
EBITDA coverage < 3.0	**1.57**	2.53	2.17
Net worth	**2,036.6**	1,752.2	1,956.7
Balance sheet total	**3,860.0**	4,131.0	4,169.7
Solvency > 33.33%	**52.8%**	42.4%	46.9%
Margin indebtedness subsidiaries	**3.2%**	5.3%	4.3%
Dividend < 60% of the profit	**n/a**	n/a	56.0%

* *Amounts including discontinued operations.*

** *As historically reported as at 31 December 2012.*

Share-based payments

As part of the share option scheme for employees Fugro annually grants options on ordinary shares to employees dependent on the contribution of the employee to the development of the long-term strategy. The terms and conditions of the share option scheme are disclosed in the consolidated financial statements as at and for the year ended 31 December 2012. The options are granted at the end of each financial year.

As at 30 June 2013 an expense of EUR 6.2 million (30 June 2012: EUR 6.6 million) relating to share-based payments for the full year 2013 has been recognised in the statement of comprehensive income, relating to continuing operations. The expenses related to the 2013 grant are based on the Fugro share price as at 30 June 2013.

Related parties

The Board of Management receives compensation in the form of short-term employee benefits, post-employment benefits and share-based payments (refer to previous note). The Board of Management received total compensation of EUR 3.7 million for the six months ended 30 June 2013 (six months ended 30 June 2012: EUR 3.7 million).

Capital commitments and contingencies

By 31 December 2012 the Group had entered into contractual obligations to lease property, plant and equipment for EUR 275.9 million. During the first six months of 2013 EUR 22.2 million of these commitments resulted in additions to property, plant and equipment (including assets under construction).
On 30 June 2013, the Group has a contractual obligation with a total value of EUR 108.3 million to purchase property, plant and equipment (30 June 2012: EUR 241.2 million).

The Company has provided certain indemnities in the sale of the majority of the Geoscience activities to CGG for liabilities arising from tax exposures. The maximum amount payable under these indemnities cannot be reasonably estimated. However, as disclosed in the note on the sale of the majority of the Geoscience business to CGG, the Company has accrued for any indemnity risks where these are expected to result in probable cash outflows.