

Leidschendam, The Netherlands, 23 September 2013

Fugro presents updated strategy "Growth through Leadership"

Today in London, Fugro presents the outcomes of its strategy update. CEO Paul van Riel and the other members of the Executive Committee will outline Fugro's plans for continued growth and enhanced performance. The updated strategy "Growth through Leadership" builds on Fugro's historic success in segments of the energy and infrastructure markets, based on high value, technology-intensive offerings to its clients. The strategy review incorporates feedback from clients, shareholders and a group of more than 200 Fugro senior managers and key staff.

Paul van Riel, CEO: *'The key goal we have set ourselves is to deliver sustained, profitable growth with strong returns. The strategic review has reinforced the importance of market leadership in our portfolio to achieve this goal. Therefore we will expand our activities in the Geotechnical and Survey divisions where we are market leader, restore profitability in the Subsea division by focusing on our core competencies, and grow profitably in the promising Seabed Geosolutions business that we started in February 2013. This plan requires substantial investments, not only in our vessel fleet, but also in technology development.'*

In addition, we need to strengthen "Team Fugro" so we can better leverage our global scale, improve collaboration in the regions and across divisions and accelerate innovation. We also need to further increase performance discipline. This last point includes both delivery excellence towards our clients and steering of the company by clear performance metrics with a focus on ROCE and profit margin. Client interviews undertaken as part of the strategy process have made clear that clients are exceptionally positive about our staff. As part of our strategy, we shall increase our emphasis on staff development and grow the number of employees needed to support our growth ambitions. I am confident that by executing on our strategy we can meet our goal to deliver sustained, profitable growth with strong returns.'

Targets to deliver sustained profitable growth

Fugro has set clear financial targets to be achieved up to and including 2016:

- **Revenues:** average annual growth of more than 10%, resulting in 2016 revenues of EUR 3.3 - 3.7 billion, compared to 2012 revenues of EUR 2.2 billion (both excluding multi-client sales). This growth will be predominantly organic, supplemented by bolt-on acquisitions. Potential larger acquisition opportunities will be evaluated on a case by case basis. They will have to fit in the strategy and support the financial targets.
- **EBIT margin** around 15% in 2016, up from 12% in 2012 (both excluding multi-client sales).
- **Return on capital employed (ROCE)**¹ around 14% in 2016, up from 12% in 2012.
- **Earnings per share:** average increase of more than 10% per year.

The dividend pay-out ratio will be maintained at 35 to 55% per year. The leverage ratio defined as net debt over EBITDA should remain less than 2.

Capex is expected to amount to an average of around EUR 325 million per year, mostly for replacement and expansion of the vessel fleet and includes around EUR 100 million for maintenance. In addition EUR 100 million per year is expected for bolt-on acquisitions and R&D. In total, investments will amount to an average of EUR 400 - 450 million per year. The majority of the capex investments will support organic growth in the geotechnical and survey divisions. It is expected that investments and dividends can be paid from the operational cash flow. The investment program excludes potential larger acquisitions.

¹ ROCE defined as NOPAT (net operating profit after tax) over capital employed (total assets minus total liabilities). Excluding multi client profits and assets.

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To prevent dilution resulting from the current optional dividend (cash or shares), starting with the 2013 dividend, it will be proposed to the Annual General Meeting to change the dividend distribution. The proposal will be to pay dividends fully in cash, unless this has serious adverse tax implications for shareholders. In the case of adverse tax implications the optional dividend will be maintained, combined with share repurchases to offset dilution.

Managing the portfolio with focus on leadership and performance

The strategic review of Fugro's markets has shown that our business portfolio offers ample opportunity for growth. Strategic headlines and directional guidance for each division are as follows (margins stated after 2012 include allocation of corporate overhead to the divisions).

Geotechnical division: Commits to retain its leadership in the offshore market, and to grow selected segments in the onshore markets. Key drivers for this division are expanding its global presence in key emerging markets, investment in technology and replacement of aging vessels, an increased focus on larger multi-discipline and cross divisional projects and expansion of geoconsulting services. This is expected to result in 2016 revenues of EUR 1.0 - 1.2 billion compared to EUR 0.7 billion in 2012; an average annual growth of more than 10%. The EBIT margin is anticipated to improve from 14% in 2012 to above 15% in 2016.

Survey division: Accelerates its growth in order to capitalise on supportive market trends, particularly in the offshore market. Key drivers for this division are growth of its core markets, expansion in new geographies, development of new business opportunities and investment in new technologies. To support organic growth, investments are necessary to expand the vessel fleet. Revenues are expected to grow by more than 10% annually from EUR 0.8 billion in 2012 to EUR 1.1 - 1.3 billion in 2016. The emphasis on organic growth will result in an increase in expenditures needed to strengthen the organisation and manage the expansion of the asset base. The EBIT margin, which was 22% in 2012, will be lower as a result of this investment in growth, but will still be over 18% in 2016.

Subsea division: Restores profitability ahead of growth by restructuring (phasing out of selected underperforming activities) and a profit improvement program. The EBIT margin is anticipated to improve from 1% in 2012 to around 12% in 2016. After restoring profitability, the focus will shift to growth in selective geographies and services that fit Subsea's core competencies. This strategy will use differentiation based on quality of service and technology, expansion of ROV services and leveraging synergies with other divisions. The division is expected to grow its revenues by more than 5% annually, from EUR 0.5 billion in 2012 to EUR 0.6 - 0.7 billion in 2016.

Geoscience division: Seabed Geosolutions², which started operations in February 2013, has a leading position in a very promising, but still developing, technology-led market. Focus is on improved profitability and on growth, with more uncertainty about the pace and timing of project award compared to Fugro's other divisions. In 2016, this is expected to result in (fully consolidated) revenues of EUR 0.4-0.6 billion and an EBIT margin above 12%.

Revenues from the multi-client library will taper off over the next 4 - 5 years. Cash generation will be strong as additional investments will be limited to occasional reprocessing.

Strengthened organisation to support growth

To achieve its growth ambitions, Fugro will further strengthen the regional organisation and collaboration between divisions within the regions. This will improve the focus on key national and multinational clients and support execution of large, multi-disciplinary and cross divisional projects. Control, standardisation and further support for the regional operating model will be provided by expanding capabilities at the center including finance & control, HR, R&D, IT and HSE. In this way Fugro will be growing the organisation in a controlled fashion, to successfully execute the "Growth through Leadership" strategy.

² Seabed Geosolutions is a joint venture with CGG, in which Fugro has a 60% controlling stake.

Fugro creates value by acquiring and interpreting earth and engineering data and by supporting its clients with the design, construction, installation, repair and maintenance of their infrastructure. Fugro works predominantly in energy and infrastructure markets offshore and onshore. Revenues amounted to € 2.2 billion in 2012, and Fugro has approximately 12,500 employees in over sixty countries. Fugro is listed on NYSE Euronext Amsterdam and is included in the AEX-Index.

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With our "Growth through Leadership" strategy we are creating a strong foundation to achieve the 2016 company targets presented above. This foundation will also serve us well further into the future. In as far as we can see from where we are today, this should allow us to continue increasing our EBIT margin and ROCE targets beyond 2016.

Today's program

The presentation to the financial market will take place in the Andaz hotel in London between 10.00 and 15.00 UK time (11.00 – 16.00 CET) and can be followed via video webcast <http://www.fugro.com/ir/rep2013.asp>. The presentation slides are also available on our site.

Cautionary Statement regarding Forward-Looking Statements

This announcement may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including (but not limited to) statements expressing or implying Fugro N.V.'s beliefs, expectations, intentions, forecasts, estimates or predictions (and the assumptions underlying them).

Forward-looking statements necessarily involve risks and uncertainties. The actual future results and situations may therefore differ materially from those expressed or implied in any forward-looking statements. Such differences may be caused by various factors (including, but not limited to, developments in the oil and gas industry and related markets, currency risks and unexpected operational setbacks).

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

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