PRESS RELEASE

Leidschendam, the Netherlands, 3 August 2017

HY 2017: Slower than anticipated bottoming out of oil and gas market impacts results

Growth in building & infrastructure and power segments

- Year-on-year revenue decline of 14.5% on a currency comparable basis, reflecting ongoing underinvestment in the offshore oil and gas market. The decline was less than during the last two years.
- EBIT margin (excluding exceptional items) declined to - 3.3%, mainly caused by continued price pressure in the Marine division and low utilisation at Seabed Geosolutions; marine asset integrity and land businesses improved compared to prior year.
- Additional measures being implemented to streamline business processes and further reduce cost, in order to restore profitability.
- Negative cash flow of EUR 66.1 million was to a large extent related to seasonality. Cash flow in the comparable period last year was negative EUR 44.3 million excluding EUR 111.1 million proceeds from certain asset disposals.
- Net debt/EBITDA of 2.2, well below covenant requirement of under 3.0.
- Backlog for the next 12 months is bottoming out with a decrease of 5.5% on a currency comparable basis compared to a year ago and 2.4% compared to the end of March.
- Outlook 2017: For the full year Fugro anticipates a decrease in revenue, however less severe than during the first half. The EBIT margin is expected to improve significantly during the second half year compared to the first, resulting in a negative low single digit margin (excluding exceptional items) for the full year. Cash flow from operating activities after investments is anticipated to be positive excluding the purchase of the REM Etive vessel (at conditions significantly more beneficial than a renewed charter agreement).

Key figures (x EUR million)	**HY 2017**	**HY 2016**
Revenue	774.3	904.9
currency comparable growth	*(14.5%)*	*(24.5%)*
EBITDA[1] excluding exceptional items [2]	46.6	98.9
EBIT excluding exceptional items[2]	(25.3)	1.4
EBIT margin excluding exceptional items (%)[2]	(3.3%)	0.2%
Net result	(96.4)	(202.1)
Backlog next 12 months	971.2	1,065.2
currency comparable growth	*(5.5%)*	*(26.3%)*
Cash flow from operating activities after investments[3]	(66.1)	66.8
Net debt/ EBITDA[1]	2.2	1.8

The information in this report is unaudited

1 Refer to annual report 2016 for definition of EBITDA and EBITDA for covenant purposes.
2 Impairments, onerous contract charges and restructuring costs of EUR 25.3 million in HY2017 compared to EUR 151.7 million in HY 2016 (EBIT impact).
3 HY 2016 cash flow of EUR 66.8 million includes EUR 111.1 million proceeds from certain asset disposals.

Paul van Riel, CEO: *"The offshore oil and gas market continued to decline resulting in a tough first half of 2017. Marine site characterisation activities performed below last year mainly due to pricing pressure, and currently utilisation at Seabed Geosolutions is low. The marine asset integrity business showed an improved performance at close to break-even level.*

Our non-oil and gas related activities in markets such as building & infrastructure and power, by now amount to 40% of revenue. The results in these market segments were generally stable or improved. In particular, building and infrastructure in the Land division showed strong growth while we also benefit from a growing offshore wind farm market. Further growth of these businesses continues to be a key focus area.

We are seeing early signs of moving into a more stable environment. The marine site characterisation and marine asset integrity backlog, excluding construction and installation activities, is growing, supported by signals of increased tender activity. The pipeline of potential projects for Seabed Geosolutions is solid.

In order to restore profitability we are implementing additional measures, including significant cost savings, adjusting pricing strategies and focusing on innovative, higher margin services. This will already start to contribute to improved performance in the second half of this year."

Cost reduction and performance improvement measures

Fugro continues to implement cost reduction and performance improvement measures to counter the continued challenging market conditions. In the first half of 2017:

- Headcount was reduced by 178 employees to 10,352.
- Third party expenses (excluding exceptional items) were further reduced by 9.6% on a currency comparable basis.
- Working capital at half-year improved from 15.2% to 12.6% of revenue. Days of revenue outstanding improved to 92 days compared to 99 at the end of June 2016 and was unchanged compared to year-end 2016.
- Capex continues to be curtailed strongly; the increase compared to last year by EUR 12.4 million to EUR 43.1 million was mainly due to investments in Seabed Geosolutions' Manta® nodes.
- The rationalisation of operating companies is progressing according to plan. Since the beginning of 2016, 70 legal entities have been closed or merged into country organisations.

Additional measures are being taken to restore profitability, including:

- Improving terms and conditions and (early) termination of vessel charter agreements.
- Two older vessels will be retired in the second half of the year.
- The acquisition of the REM Etive vessel, following the award of two multi-year inspection, repair and maintenance (IRM) contracts earlier in the year, at significantly more beneficial financial conditions than charter renewal.
- Down-manning of vessels and vessel support enabled by standardisation and application of new technologies.
- Further FTE reduction and more flexible staffing to deal with seasonality.
- Further streamlining of the organisation by standardising work processes, further reducing the number of legal entities and consolidation of support functions into shared service centers.

In total, cost savings and performance improvement measures are expected to result in an annualised contribution to EBITDA of EUR 50 to 70 million, most of which will be realised in the coming 12 months.

In addition, financial performance will be further improved by the ongoing implementation of Fugro's 'Building on Strength' strategy. This includes continued investment in innovation to develop differentiating, higher margin services as well as new ways of working (including digitisation of workflows) that will lower cost of operations. Fugro is also investing in improving commercial capabilities in contracting and pricing and enhancing account management to benefit more from Fugro's unique, global capability to deliver large, multi-disciplinary projects.

Operational review

Revenue per division (x EUR million)	**HY 2017**	**HY 2016**	**reported growth**	**currency comparable growth**
Marine	467.2	551.7	(15.3%)	(15.5%)
Land	245.7	249.8	(1.6%)	(1.0%)
Geoscience	61.4	103.4	(40.6%)	(41.9%)
Total	**774.3**	**904.9**	**(14.4%)**	**(14.5%)**

Group revenue decreased by 14.5% at constant currencies. The Marine division faced continuing price pressure. Overall vessel utilisation was slightly better than last year, driven by the Asset Integrity business line.

Vessel utilisation in the Site Characterisation business line was around the same level as last year. In the Land division, growth in the Site Characterisation business line was offset by a decline in the Asset Integrity business line. Revenue in Geoscience declined by 41.9% with only two crews active during the first quarter and one during the second quarter.

EBIT per division (x EUR million)	HY 2017				HY 2016			
	reported		excluding exceptional items		reported		excluding exceptional items	
	EUR	margin	EUR	margin	EUR	margin	EUR	margin
Marine	(56.4)	(12.1%)	(37.3)	(8.0%)	(106.5)	(19.3%)	(22.0)	(4.0%)
Land	6.3	2.6%	12.0	4.9%	(15.8)	(6.3%)	2.6	1.0%
Geoscience	(0.5)	(0.8%)	0.0	0.0%	(28.0)	(27.1%)	20.8	20.1%
Total	**(50.6)**	**(6.5%)**	**(25.3)**	**(3.3%)**	**(150.3)**	**(16.6%)**	**1.4**	**0.2%**

EBIT excluding exceptional items decreased from EUR 1.4 million to negative EUR 25.3 million. The decline in EBIT and margin in the Marine division was mainly driven by lower rates and some incidental operational issues and project delays in the Site Characterisation business line, with a total impact of around EUR 5 million. The number of large projects in the Asia Pacific region was limited and activity levels in the Gulf of Mexico were low. EBIT of the Land division improved, mainly driven by higher work volumes in the Middle East and Europe, reduced losses in the Asset Integrity business line and a positive one-off operational effect of EUR 6.1 million. Low utilisation at Seabed Geosolutions resulted in a strong decline in EBIT for the Geoscience division. In addition, last year's EBIT included a positive one-off operational effect of EUR 11.3 million related to the conversion of a vessel charter agreement.

Exceptional items Gain/ (loss) (x EUR million)	Marine	Land	Geoscience	Total
Onerous contract provision	(15.4)	-	-	(15.4)
Restructuring costs	(3.7)	(3.7)	(0.5)	(7.9)
EBITDA impact HY 2017	**(19.1)**	**(3.7)**	**(0.5)**	**(23.3)**
Impairment losses	-	(2.0)	-	(2.0)
EBIT impact HY 2017	**(19.1)**	**(5.7)**	**(0.5)**	**(25.3)**
EBITDA impact HY 2016	(4.3)	(5.5)	(5.2)	(15.0)
EBIT impact HY 2016	(84.5)	(18.4)	(48.8)	(151.7)

EBIT was impacted by exceptional items of EUR 25.3 million, mainly consisting of:
- Onerous contracts provision for anticipated under-utilisation or early termination of chartered vessels.
- Restructuring costs, mostly incurred for companywide headcount reductions.

Financial position

Cash flow from operating activities after investments was negative EUR 66.1 million, to a large extent caused by a seasonal increase in working capital required for the higher activity level in the summer season. Cash flow in the comparable period last year was negative EUR 44.3 million excluding EUR 111.1 million from certain asset disposals.

Due to seasonality, working capital increased from 10.9% of revenue at year-end 2016 to 12.6% at the end of June 2017. This was a strong performance compared with first half of last year when working capital was at 15.2% of revenue. Days of revenue outstanding improved to 92 days compared to 99 at the end of June 2016 and was unchanged compared to year-end 2016.

Net debt increased from EUR 351.1 million at year-end 2016 to EUR 433.5 million, partly as a result of the seasonal increase in working capital. In addition, it includes EUR 14.2 million related to exchange rate differences and to amortisation related to voluntary early repayments on US private placements.

Due to lower EBITDA and increased net debt, net debt/EBITDA increased to 2.2 at the end of June compared to 1.1 at year-end 2016 and a requirement of under 3.0. The fixed charge cover was 2.3 compared to 2.4 at year-end 2016 and a requirement of above 1.8.

Outlook

For the full year 2017 Fugro anticipates a decrease in revenue, however less severe than during the first half. This expectation is supported by a bottoming out of Fugro's backlog since mid-2016.

The EBIT margin is expected to improve significantly during the second half year compared to the first half, resulting in a negative low single digit margin (excluding exceptional items) for the full year. Capex is expected to be around EUR 100 million. Cash flow from operating activities after investments is anticipated to be positive excluding the purchase of the REM Etive vessel (at conditions significantly more beneficial than a renewed charter agreement).

Fugro expects continued growth in the building & infrastructure, offshore wind and mining markets, driven by a global economic growth, population growth, urbanisation and an ongoing shift towards renewable energy.

Operational review per division

Marine division

Key figures (amounts x EUR million)	**HY 2017**	**HY 2016**
Revenue	467.2	551.7
reported growth (%)	*(15.3%)*	*(26.4%)*
currency comparable growth (%)	*(15.5%)*	*(23.2%)*
EBITDA excluding exceptional items	11.6	38.6
EBIT excluding exceptional items	(37.3)	(22.0)
EBIT margin excluding exceptional items (%)	(8.0%)	(4.0%)
EBIT	(56.4)	(106.5)
EBIT margin (%)	(12.1%)	(19.3%)
Capital employed	873.4	1,073.7
Backlog remainder of the year	410.9	450.5
Backlog next 12 months	606.0	675.8

- Revenue decreased by 15.5% at constant currencies to EUR 467.2 million. The market remains intensely competitive, particularly in the oil and gas segment. Due to the over-supply in the current market, vessel day-rates remain under pressure. Overall vessel utilisation was slightly better than last year, mainly in the Asset Integrity business line with some large projects in the United Kingdom, Brazil and Asia Pacific. In the second quarter results were impacted by some project delays and incidental operational issues with a total impact of around EUR 5 million, resulting in an EBIT around break-even.
- EBIT was negatively impacted by EUR 19.1 million of exceptional items, principally caused by an onerous contract provision for anticipated under-utilisation or early termination of chartered vessels.
- Revenue for the Site Characterisation business line decreased by 24.7% at constant currencies to EUR 183.5 million. In the Asia Pacific region the number of large projects was limited and in the Gulf of Mexico activity levels were at a historic low point, apart from a number of seep surveys (searching for

natural leakages of hydrocarbons). This was partly offset by reasonable market circumstances in the Middle East and increasing work volumes in Europe. EBIT was negative and below same period last year.
- Revenue for the Asset Integrity business line dropped by 8.2% at constant currencies to EUR 283.7 million. EBIT was near break-even and above the same period in 2016, thanks to better results in Europe and a continuing strong performance in the Middle East.
- The following vessels were added to the fleet:
  - Fugro Venturer, the last of the purpose-built new survey vessels ordered before the downturn, commenced its first project in Europe.
  - Southern Star was chartered as per June 2017 to help service a number of long term IRM contracts in Southeast Asia, of which two were won in the first quarter of this year. The vessel is more versatile than the Havila Harmony, which charter was terminated in the fourth quarter of 2016.
- Significant project awards in the second quarter include:
  - A two-year contract for the identification of unexploded ordnance in the Borssele wind farm zone off the Dutch coast.
  - A geophysical and geotechnical survey for Deepwater Wind's wind farm off the east coast of the USA.
  - Various site surveys for both Shell and BP in Trinidad and Tobago.
  - Six hydrographic survey contracts to improve maritime safety in Papua New Guinea.
  - A two-year contract extension from Petrobras to provide comprehensive IRM and pipeline inspection services in Brazil using the Fugro Aquarius.
- Capital employed decreased significantly compared to same period last year due to impairments in the second half of 2016, lower working capital and currency movements.
- Compared to mid-2016, the 12-month backlog is down 7.0% on a currency comparable basis. Site characterisation backlog increased by 13.6% to EUR 235.8 million as a result of better prospects in Asia Pacific and several deep-water seep surveys, particularly in the Americas and Asia Pacific. Asset integrity backlog dropped by 16.6% to EUR 370.2 million. This is mainly the result of the completion of large construction and installation jobs in Europe and Asia Pacific; in the core asset integrity business (excluding construction and installation) the backlog grew by around 2%.

Land division

Key figures (amounts x EUR million)	**HY 2017**	**HY 2016**
Revenue	245.7	249.8
reported growth (%)	(1.6%)	(14.3%)
currency comparable growth (%)	(1.0%)	(12.3%)
EBITDA excluding exceptional items	22.9	15.1
EBIT excluding exceptional items	12.0	2.6
EBIT margin excluding exceptional items (%)	4.9%	1.0%
EBIT	6.3	(15.8)
EBIT margin (%)	2.6%	(6.3%)
Capital employed	263.3	264.1
Backlog remainder of the year	206.7	229.8
Backlog next 12 months	299.6	335.4

- Divisional revenue for the half-year declined by 1.0% at constant currencies. EBIT (excluding exceptional items) was significantly above the same period last year, reflecting improved profitability in Europe, Middle East and Africa. It includes a positive one-off operational effect of EUR 6.1 million from a contractual settlement.
- Site Characterisation business line revenue increased by 3.6% at constant currencies to EUR 190.0 million. This was realised by increased work scope on the Hong Kong third runway project and higher activity levels in Middle East and Europe. The EBIT margin is high single digit and higher than the same period last year as a result of the aforementioned contractual settlement and improved profitability in Europe and Africa, partly offset by weaker performance in the Americas due to declining activity on LNG facilities.
- Asset Integrity business line revenue decreased by 14.6% at constant currencies to EUR 55.6 million, mainly as a consequence of reduced oil & gas infrastructure activity in Australia. The road and rail

transport and power sectors all experienced comparable or slightly higher revenue, especially for large state highway surveys in the USA. Overall EBIT margin was low single digit negative but considerably improved compared to last year, mainly driven by strong results in the Americas.

- Significant project awards in the latest quarter included:
  - Two new site characterisation contracts at Sirius Minerals' polyhalite project in North Yorkshire, United Kingdom, resulting in a detailed assessment of geological conditions to 500 metres depth.
  - A partnership agreement with the City of Amsterdam to provide consulting services in support of large scale home building targets until 2021 and possibly beyond.
  - A two-year framework contract to survey the electricity transmission assets of Swissgrid using Fugro's innovative digital asset inspection and modelling solutions.
- Backlog for the next 12 months is down 7.6% on a currency comparable basis. The site characterisation backlog decreased by 5.0%, caused by a decline in projects for LNG facilities in North America, ongoing restructuring in Africa and as backlog on two large nuclear power plant projects in Europe is not fully replaced. Backlog in the Middle East and Asia increased. The asset integrity backlog decreased by 15.5%, caused by reduced oil & gas infrastructure activity and the completion of a large traditional aerial mapping project in Europe.

Geoscience division

The Geoscience division almost fully consists of Fugro's 60% stake in Seabed Geosolutions (100% consolidated). It also covers some indirect interests in Australian exploration projects, via Finder Exploration.

Key figures (amounts x EUR million)	**HY 2017**	**HY 2016**
Revenue	61.4	103.4
reported growth (%)	(40.6%)	(47.5%)
currency comparable growth (%)	(41.9%)	(47.5%)
EBITDA excluding exceptional items	12.1	45.2
EBIT excluding exceptional items	0.0	20.8
EBIT margin excluding exceptional items (%)	0.0%	20.1%
EBIT	(0.5)	(28.0)*
EBIT margin (%)	(0.8%)	(27.1%)*
Capital employed	131.1	143.2
Backlog remainder of the year	33.9	54.0
Backlog next 12 months	65.6	54.0

* including a transaction loss of EUR 12.0 million on the sale of the CGG term loan and EUR 8 million impairment loss on the profit sharing agreement with Finder

- Revenue declined by 41.9% at constant currencies as a result of low utilisation, with only two crews active during the first quarter and one (shallow water) crew during the second quarter. By the end of June, this shallow water crew had completed its operations in the United Arab Emirates for ADNOC. At the end of September/early October, the Case Abyss ocean bottom node crew is expected to start a reservoir monitoring survey in Brazil, as a follow up to the first survey on the same location in 2015.
- Despite low utilisation, Seabed Geosolutions realised a break-even EBIT (excluding exceptional items), thanks to a robust operational project performance and further cost reductions initiated early in the year. Last year's EBIT (excluding exceptional items) included a positive one-off operational benefit of EUR 11.3 million for the release of a provision related to the purchase of the vessel Hugin Explorer.
- Compared to mid-2016, the 12-month backlog increased by 25.9% on a currency comparable basis. A solid pipeline of potential projects is in place.
- In June, Seabed Geosolutions was awarded the industry's largest ever ocean bottom node survey, spanning more than 1,600 km2, valued at around USD 90 million. For this survey in the Santos Basin in Brazil, which is expected to start early 2018, Seabed will use its new Manta® node technology and associated efficiency enhancing technologies.

Press call and analyst meeting

Today at 7:30 o'clock CET, Fugro will host a media/wire call. At 12:30 o'clock CET, Fugro will host an analyst meeting in Hilton Amsterdam, Apollolaan 138 which can be followed via a video webcast accessible via www.fugro.com.

For Half-Year Report 2017, https://www.fugro.com/investors/results-and-publications/quarterly-results

Financial calendar

30 October 2017	Trading update third quarter 2017 (7:00 CET)
22 February 2018	Publication 2017 annual results (7:00 CET)

Fugro is the world's leading, independent provider of geo-intelligence and asset integrity solutions. Fugro acquires and analyses data on topography and the subsurface, soil composition, meteorological and environmental conditions, and provides related advice. With its geo-intelligence and asset integrity solutions Fugro supports the safe, efficient and sustainable development and operation of buildings, industrial facilities and infrastructure and the exploration and development of natural resources.

Fugro works around the globe, predominantly in energy and infrastructure markets offshore and onshore, employing approximately 10,500 people in around 60 countries. In 2016, revenue amounted to EUR 1.8 billion. The company is listed on Euronext Amsterdam.

Regulated information
This press release contains information that qualifies, or may qualify as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Cautionary statement regarding forward-looking statements
This press release 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'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 press release are based on information currently available to Fugro's management. Fugro 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 press release.