

Fugro Shows Solid Course Of Business

Fugro expects, barring unforeseen circumstances, that the net result after tax for the full year 2011 will be at least EUR260 million. The revenue for the year is expected to increase to around EUR2,500 million (2010: EUR2,280.4 million). Of the revenue growth of about 11%, some 8% is expected to come from organic growth. The contribution from acquisitions will be approximately 7% and revenues will be negatively impacted by about 4% due to currency effects.

This profit forecast does not take into account the change in the fair value of Fugro's participation in Electromagnetic Geoservices ASA (EMGS). Based on the current EMGS share price the value of the investment would be around EUR7 million higher. The net result after tax of Fugro for 2010 was EUR272.2 million including a positive contribution of EUR16 million from the EMGS loan that was converted early in 2011.

The onshore survey activities for energy projects (such as LNG facilities in Australia and shale gas in the southern part of the United States of America) are developing well. In contrast, the demand for such services from governments is weakening due to budget constraints.

Within the Geoscience division, the geological and data processing services are performing well.

Airborne geophysical survey shows a good recovery, partly due to more involvement in the search for oil and gas on land.

Within the Geotechnical division, marine activities show good recovery after a weaker start to the year. The geotechnical fleet, including the *Fugro Synergy*, has a good backlog for the coming period. Onshore, the difficult market conditions in Western Europe and the United States of America are compensated by robust business in the Far East and Brazil.

Within the Survey Division, services such as marine positioning and seabed mapping continue their good contribution to revenue and profit. The offshore installation and construction related services face low utilisation in the Middle East and parts of Asia. In Brazil, all the longer term contracted vessels required from third parties for the new ROV projects are now operational.

In marine seismic, the current overcapacity in the market is putting pressure on the rates for contract work. Marine multi-client seismic activities are performing in line with expectations, however, the final result for this activity will also depend on the outcome of the usual year-end rally in data sales.

Given the current market circumstances, the backlog is at good levels. In particular, as a result of 2011 acquisitions, the backlog has increased compared to the same period last year.

Global economic uncertainties that affected the course of business earlier this year have continued in recent months and this results in a slowdown in the recovery of economic growth in regions like Western Europe and North America. The demand for energy remains high worldwide and is reflected in the price of oil, which remains at over USD100 per barrel (Brent).

Investments in oil and gas development and in alternative energy, such as offshore wind farms, are increasing on a global basis, creating good demand for services related to these industries. However, in some segments there is overcapacity, due to factors such as a slow resumption of operations in the Gulf of Mexico. It is expected that the balance between supply and demand in the relevant segments, such as marine seismic, will be restored in the course of next year.

The sale and purchase agreement with respect to Seabird Technologies AS and Seabed Navigation Co. Ltd., whereby the Ocean Bottom Nodes (OBN) activity of Seabird Exploration PLC is acquired, was signed today. The agreed purchase price is unchanged and amounts to USD125 million on a cash and debt free basis. Closing is expected within a few weeks.

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