



Royal Boskalis Westminster nv

International Dredging & Marine Contractors

P.O. Box 43, 3350 AA Papendrecht, The Netherlands
Telephone +31 78 6969 000, telefax +31 78 6969 555

Press release

Q3 Trading Update: Boskalis maintains full year outlook

Papendrecht, 18 November 2011

Boskalis Q3 2011 Trading Update

- **Revenue slightly higher**
- **Good results on projects**
- **Higher utilization of hopper fleet**
- **Order book flat at €3 billion**
- **2011 full year outlook maintained: net profit €230-250 million**

Developments

The third quarter at Royal Boskalis Westminster N.V. was in line with the 2011 first half, putting Boskalis on track to close the year in line with expectations with a net profit of €230-250 million. Revenue in the third quarter was slightly higher than in the first two quarters of the year. At the end of the third quarter the order book stood at €3 billion, stable compared to mid-2011. The order book figure does not include recently contracted work such as Lelydorp I, Suriname and the redevelopment of the waterfront in the Dutch city of Harderwijk.

The **Dredging and Earthmoving** segment achieved a good result in the third quarter. Whilst operating margins fell slightly, the utilization of the hopper fleet increased in the third quarter. In the second half of the year, Boskalis added fairly sizeable variation orders and new projects in Australasia and South America to its broadly spread order book. Overall the order book rose slightly compared to mid-2011.

Activity levels at the company's **Harbour Towing** segment are directly linked to the development in shipping movements and freight volumes at the ports where SMIT operates. Most of these sites experienced volume growth in the third quarter and SMIT was able to maintain its market position. At a global level further growth of world trade is under pressure due to the prevailing macroeconomic uncertainty. In the third quarter expenses were incurred in connection with the termination of the Argentinian harbour towing activities, financial settlement of which is expected to take place before year end.

At **Salvage, Transport & Heavy Lift** both the activity level and the result were in line with the first and second quarters of 2011. It was a relatively quiet period for the salvage operations of SMIT Salvage, with only a small number of emergency response assignments in addition to ongoing wreck clearance activities such as in Indonesia. Transport & Heavy Lift saw weak utilization of the floating sheerleg cranes (Heavy Lift). The Transport activities in north-west Europe in particular had a good quarter as a result of good fleet utilization on the one hand and cost-savings on the other.

At **Terminal Services** (SMIT Terminals and 50% of Lamnalco) both the activity level and the result were in line with the first and second quarters of 2011. Transfer of the SMIT Terminals business to Lamnalco took place in early October. As of the fourth quarter the Terminal Services segment will mainly consist of Lamnalco (50%).

Maritime Infrastructure (40% of Archirodon) had a good third quarter, with a high revenue level and strong results.

Balance sheet position

Boskalis' financial position remains strong and the net debt position has declined further since mid-2011. Boskalis comfortably meets the main covenants agreed with its debt providers.

Market developments

The markets in which Boskalis operates are driven by factors such as growth in world trade, energy consumption, the global population and the effects of climate change.

Over the past few years we have been faced with stagnating demand as a result of the cyclical downturn at the end of 2008. At the same time we have seen new production capacity coming onto the market in the past few years. This puts pressure on both volumes and margins on new projects and in certain sections of the market. However, recent market studies confirm that structural growth factors for the medium term remain positive. In several regions of the world clients in various market segments are developing an abundance of new initiatives for new and in many cases large maritime infrastructure projects. This applies in particular to energy and commodity-related projects in South America, West Africa and Australia. The demand for this infrastructure will not be affected by the current macroeconomic unrest, but the possibility of some of these projects suffering delays cannot be ruled out. For the time being the expectation remains that these projects will come onto the market in the next few years.

Freight volumes in the relevant harbor towage markets have recovered from the decline in 2009. The further growth of the terminal activities is connected to the completion of new oil and LNG import and export terminals which are expected to come on stream from 2012. Here, too, it cannot be ruled out that the recent turmoil in the financial markets will have a dampening effect on an otherwise positive trend. The development of the salvage market is difficult to predict, given the nature of the activities. Development at Transport & Heavy Lift is in particular dependent on an upturn in the spot markets, especially the offshore spot market, which is not expected to occur before 2012.

Outlook

Boskalis has a strong and broadly filled order book ensuring reasonable utilization of the fleet for the remainder of the year. In line with previous forecasts and barring unforeseen circumstances the Board of Management expects net profit for the 2011 full year to come in at around € 230-250 million. Total capital expenditure in 2011 is expected to amount to around € 275-300 million.

Financial Calendar

15 March 2012	07:00 CET	Publication of 2011 full-year results
10 May 2012	early afternoon	Trading update for first period of 2012
10 May 2012		Annual General Meeting of Shareholders
16 August 2012	07:00 CET	Publication of 2012 half-year results

This is an English translation of the Dutch press release. In the event of any disparity between the Dutch original and this translation, the Dutch text will prevail.

Royal Boskalis Westminster N.V. is a leading global services provider operating in the dredging, maritime infrastructure and maritime services sectors. The company provides creative and innovative all-round solutions to infrastructural challenges in the maritime, coastal and delta regions of the world including the construction and maintenance of ports and waterways, land reclamation, coastal defense and riverbank protection. Boskalis offers a wide variety of marine services through SMIT and also has strategic partnerships in the Middle East (Archirodon) and in offshore services (Smit Lamnalco). The company holds important home market positions in and outside of Europe. Boskalis has a versatile fleet of over 1,100 units and operates in around 65 countries across six continents. Including its share in partnerships, Boskalis has approximately 14,000 employees.

For further information please contact:

Martijn L.D. Schuttevaer

Director of Investor Relations & Corporate Communications

Telephone: +31 78 69 69 822 / +31 6 200 10 232

Telefax: +31 78 69 69 020

E-mail: m.l.schuttevaer@boskalis.nl

This press release can also be found on our website www.boskalis.com