



Royal Boskalis Westminster nv

International Dredging & Marine Contractors

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Press release

Boskalis trading update

Papendrecht, 12 May 2011

Developments at Royal Boskalis Westminster N.V. in 2011 have to date been in line with expectations.

- **Revenue growth compared to the same period last year**
- **Lower fleet utilization rate**
- **Slight order book decline compared to the end of 2010**

Review of operations

In the first quarter of 2011 Royal Boskalis Westminster N.V. posted strong revenue growth compared to the same period in 2010. This growth was fully attributable to the contribution of SMIT Internationale N.V. as a result of the acquisition which was only fully consolidated from the second quarter of 2010.

Revenue from the **Dredging and Earthmoving** segment was comparable to the first quarter of 2010. The utilization rate of the hopper and cutter fleet has been in decline since the end of 2009 and this trend continued in the first quarter of 2011. This decline is a reflection of a lower level of activity in the market.

The remaining shares in SMIT Rebras in Brazil were acquired in the first few months of the year, thus strengthening the position of SMIT **Harbour Towing** in this growth region.

Salvage, Transport & Heavy Lift showed a mixed picture in the first quarter. The workload at Salvage for wreck clearance activities was high. Ongoing (long-term) contracts at Transport & Heavy Lift made a good contribution, although continued weakness in the spot market is creating challenging market conditions.

Activities at both **Terminal Services** and **Maritime Infrastructure** developed in line with expectations, but US dollar weakness had a negative effect on revenue.

The size of the group order book was around €3.1 billion at the end of March, slightly lower than the level recorded at end-2010 (€3.2 billion).

The financial position of Boskalis was strong at the end of the first quarter, showing no material change compared to the end of 2010.

Market developments

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

The cyclical downturn at the end of 2008 meant that Boskalis has been faced with stagnating demand for the past few years. At the same time the company has seen new production capacity coming onto the market. This puts pressure on both volumes and margins of new projects and in certain segments of the market. However, recent market studies indicate that structural growth factors for the medium term remain positive. In various regions and market segments clients are developing new initiatives for new and in many cases large maritime infrastructure projects. Many of these projects are expected to come to the market in the next two years.

Demand for harbour towage services is developing favorably. Freight volumes are picking up after dropping off in 2009. The further growth of terminal services is related to the completion of new oil and LNG import and export terminals which are expected to come on stream from 2012. The development of the salvage market is difficult to predict due to the nature of the activities. Developments in Transport & Heavy Lift are in particular dependent on an upturn in the spot market, especially in the offshore spot market, which is not expected to occur before 2012.

Outlook

Given the current market conditions and the project-based nature of a large part of its activities Boskalis is unable to provide a specific forecast for the current year at this time. As previously announced, the company does not expect that it will be able to match the 2010 record result in 2011. Based on presently available information, Boskalis sees the current period as a transitional phase, from pressing market conditions to more positive prospects for the medium term.

2011 financial agenda

12 May	General Meeting of Shareholders
16 May	Ex-dividend date
18 May	Record date for dividend entitlement (after market close)
27 May	Last date for stating preference for dividend in cash or shares
1 June	Determination and publication of conversion rate for stock dividend based on the volume weighted average share price on 30 and 31 May and 1 June (after market close)
8 June	Date of dividend payment and delivery of shares
18 August	Publication of 2011 half-year results
18 November	Trading update on third quarter of 2011

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 (Lamnalco). The company holds important home market positions in and outside of Europe. Boskalis has a versatile fleet of over 1,000 units and operates in around 65 countries across six continents. Including its share in partnerships, Boskalis has approximately 14,000 employees. Boskalis celebrated its 100th anniversary in 2010.

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