Royal Boskalis Westminster nv
International Dredging & Marine Contractors

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Press release

Boskalis reports record result for 2010

Papendrecht, 17 March 2011

Highlights of 2010

- **Record profit of € 311 million**
- **Record revenue of € 2.7 billion**
- **Order book steady at high level: € 3.2 billion**
- **Earnings per share € 3.11; proposed dividend € 1.24 per share**

Outlook

- **Market prospects positive for the medium term**
- **2011 to be year of transition**

Royal Boskalis Westminster N.V. achieved a record result in 2010, with net profit rising 36% to an all-time high of € 310.5 million (2009: € 227.9 million). Revenue growth of 23% to € 2.7 billion represented another new record (2009: € 2.2 billion). This exceptional performance was partly attributable to a very strong operational year as well as the contribution from SMIT Internationale N.V. following the acquisition.

The operating result (EBIT) rose by 61% to € 401.9 million (2009: € 249.3 million). Our core Dredging & Earthmoving activities achieved an exceptionally strong result, partly due to the good quality of the projects in the order book, a successful operational year and the settlement of a number of projects. The result also included a pre-tax gain of € 33.6 million in connection with the settlement of a number of long-running insurance and other equipment-related claims. In addition, the operating result (EBIT) included a contribution from the SMIT business units of € 72.1 million, net of one-off acquisition-related expenses. The result from the SMIT activities was lower compared to the same period of last year.

The total order book, including the SMIT order book, stood at € 3,248 million at the end of 2010 (end-2009: 2,875 million).

Peter Berdowski, CEO:
"It is with some pride that we look back on a historic year. 2010 marked the Boskalis centenary and it was also the year in which we successfully joined up with SMIT. On top of that, 2010 was an exceptionally good year from a financial perspective.

Last year our dredging activities clearly reaped the benefits of our selective project-contracting policy that we pursued over the past few years, which enabled us to realize the highest ever margins on work from both the order book and from older projects that we settled. All this was achieved in deteriorated market conditions - the volume of work in the market stagnated whilst capacity increased. Nevertheless, market prospects for the medium term are favorable, mainly due to large-scale investment plans in the oil and gas industry and global developments in the ports sector.

The addition of SMIT is delivering a good contribution to the result. The enthusiasm and speed with which both organizations are now working together is also important. To provide the group with focus in its new composition and to set priorities with regard to our growth ambitions, we have drafted a new three-year business plan which we will be presenting in the near future. This plan lays the foundation for the further expansion of our great company."

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.

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 of new projects and in certain segments of the market. However, recent market studies confirmed yet again that structural growth factors for the medium term remain positive. In several regions of the world, clients in various market segments are developing numerous 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. Many of these projects are expected to come to the market in the next two years.

The demand for harbour towage services is developing positively. Freight volumes are picking up after dropping off in 2009. The further growth of the terminal activities 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, given the nature of the activities. Developments in Transport & Heavy Lift are in particular dependent on an upturn in especially the offshore spot market, which is not expected to occur before 2012.

Outlook

The financial position of Boskalis remains very solid, even after the acquisition of SMIT. Capital expenditure in 2011 is expected to total around € 350 million and can be funded from our cash flow.

Given the current market conditions and the project-based nature of a large part of our activities we are unable to provide a specific forecast for the current year at this time. We do, however, anticipate that we will be unable to match the record result of 2010 in 2011. Based on current information we see 2011 as a year of transition, from challenging market conditions to more positive prospects in the medium term.

Dividend policy and proposal

The main principle of the Boskalis dividend policy is to distribute 40% to 50% of net profit from ordinary operations as dividend, whereby Boskalis aims to achieve a stable development of the dividend for the longer term. The choice of dividend form (in cash and/or entirely or partly in shares) takes into account the company's desired balance sheet structure as well as the interests of shareholders.

In light of this, Boskalis will propose to the Annual General Meeting of Shareholders on 12 May 2011 that a dividend of € 1.24 per share be distributed in the form of ordinary shares, unless the shareholder opts to receive a cash dividend. The dividend will be payable from 8 June 2011.

Key figures

(in mlns of euros)	2010	2009
Revenue	2,674	2,175
EBITDA	621.5	445.0
Operating profit	401.9	249.3
Result of associated companies	25.0	58.3
Net profit	310.5	227.9
Dividend per share (in euros)	1.24	1.19

	31-12-2010	31-12-2009
Order book	3,248	2,875

2011 financial agenda

End-March	Publication of 2010 Annual Report
5 April	Boskalis Strategy Update
12 May	Trading update on first quarter of 2011
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

Live audio webcast

The Board of Management of Royal Boskalis Westminster will comment on the 2010 results at the press conference (11.30 am -12.30 pm CET) and analyst meeting (2.00 - 3.00 pm CET) on 17 March 2011. Both meetings can be followed by means of a live audio webcast (www.boskalis.nl).

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. We provide 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. We offer a wide variety of marine services through SMIT and also have 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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Operational and financial developments

In 2010 Boskalis successfully completed the acquisition of SMIT Internationale N.V. by means of a public offer. The SMIT results over the first quarter were recognized as 'result of associated companies' based on the pro rata shareholding. From the second quarter onwards the activities of the SMIT group companies were fully, and those of the joint ventures proportionately, consolidated in the results.

Revenue

Revenue in the year under review rose by 23% to € 2.7 billion. SMIT contributed € 533 million to revenue; excluding the SMIT consolidation effect, revenue was € 2.1 billion (2009: € 2.2 billion).

Revenue by markets
(in millions of euros)

	2010	2009
Dredging & Earthmoving	1,801	1,814
Harbour Towage	155	-
Salvage, Transport & Heavy Lift	296	-
Terminal Services	148	60
Maritime Infrastructure	265	301
Non-allocated group revenue	9	-
Group	**2,674**	**2,175**

Revenue by geographic area
(in millions of euros)

	2010	2009
The Netherlands	517	316
Rest of Europe	585	432
Australia / Asia	626	370
Middle East	370	662
Africa	228	164
North and South America	348	231
Group	**2,674**	**2,175**

EBITDA

Group earnings before the result of associated companies, interest, tax, depreciation, amortization and impairments (EBITDA) rose 40% to € 622 million (2009: € 445 million). The SMIT activities contributed € 152 million to the EBITDA result, excluding non-recurring merger costs.

Operating result (EBIT)

The operating result (EBIT) increased by 61% to € 402 million (2009: € 249 million). This result also includes several extraordinary items in the Dredging & Earthmoving segment.

Results by segment
(in millions of euros)

	2010	2009
Dredging & Earthmoving	320.5	216.6
Harbour Towage	23.2	-
Salvage, Transport & Heavy Lift	43.0	-
Terminal Services	22.3	12.9
Maritime Infrastructure	28.9	28.8
Non-allocated group costs	-36.0	-9.0
Group	**401.9**	**249.3**

The generally good quality of the projects in the order book at the beginning of 2010 and the largely successful execution of those projects combined with optimal deployment of equipment, along with a positive settlement of a number of projects which had been technically concluded earlier all combined to propel the EBIT margin in the Dredging & Earthmoving segment to a high level. In addition the result includes a pre-tax amount of € 33.6 million arising from the settlement of a number of long-running insurance and other equipment-related claims. The SMIT activities contributed a total of € 72.1 million to the operating result, net of one-off acquisition-related expenses.

SMIT's contribution to the result can be divided into a number of operational and acquisition-related components:

- the contribution resulting from the operational activities of which € 3.6 million relating to the first quarter, recognized as 'result of associated companies', and € 72.1 million relating to the period from the second quarter onwards, recognized in the operating result. From the second quarter onwards the activities of SMIT were fully consolidated;
- non-recurring expenses of € 21.3 million chargeable to the operating result, accounted for as 'non-allocated group costs'. These costs, incurred by both SMIT and Boskalis, were incurred in relation to the acquisition and to the related financing arrangements, as well as the integration expenses;
- a non-cash gain of € 17.3 million from the revaluation of the 29.98% stake in SMIT prior to the bid being declared unconditional. This revaluation gain, representing the difference between the valuation of the stake based on the offer price and the book value, was recognized as 'result of associated companies'; and
- one-off financing charges of € 12.3 million.

Net profit

The operating result achieved amounted to € 402 million, including the aforementioned € 21.3 million in one-time items. Excluding overall financing charges of € 36.8 million (of which € 12.3 million were non-recurring) and a result of € 25.0 million from associated companies (of which € 20.9 million consisted of SMIT's share in the result for the first quarter and a one-time gain), profit before taxation equaled € 390 million. Net profit attributable to shareholders totaled € 311 million (2009: € 228 million).

Order book

Order intake in 2010 was € 2.1 billion, broadly spread around the world and across the various market segments. In addition, as a result of the acquisition of SMIT the contracts held by SMIT were valued and added to the order book. At end-2010 these contracts represented a (revenue) value of € 494 million.

The total order book was worth € 3,248 million at the end of 2010 (end-2009: € 2,875 million).

Order book
(in millions of euros)

	31 Dec 10	31 Dec 09
Dredging & Earthmoving	1,923	2,223
Harbour Towage	-	-
Salvage, Transport & Heavy Lift	162	-
Terminal Services	677	289
Maritime Infrastructure	486	363
Group	**3,248**	**2,875**

Dredging & Earthmoving

Construction and maintenance of ports and waterways, land reclamation, coastal defense and riverbank protection, dry earthmoving, offshore services to the oil and gas industry, soil improvement and underwater rock fragmentation.

(in mlns of euros)	**2010**	**2009**
Revenue	1,801	1,814
Operating result	321	217
Order book	1,923	2,223

Revenue

Revenue in the Dredging & Earthmoving segment amounted to € 1,801 million (2009: € 1,814 million).

Revenue by markets

(in mlns of euros)	**2010**	**2009**
European home markets	572	527
Non-European home markets	118	99
International projects	873	948
Specialist niche services	238	240
	1,801	**1,814**

Home markets

Revenue in the home markets totaled € 690 million (2009: € 626 million).

Revenue in the European home markets (the Netherlands, Germany, United Kingdom, Nordic countries) rose by 9% to € 572 million (2009: € 527 million). Projects contributing to this revenue included in the Netherlands Maasvlakte 2, dredging work connected with the construction of the Gate LNG Terminal and various coastal protection projects, as well as several maintenance projects on ports and waterways in the other home markets. The home markets of the Netherlands and Germany experienced a strong year, with Nordic also posting a strong second half after a difficult first half. In the United Kingdom the volume of work declined as a result of clients' reluctance to award new projects.

Revenue in the home markets outside of Europe (Nigeria and Mexico) rose 19% to € 118 million (2009: € 99 million), with the growth being attributable to the Cuyutlán LNG project in Mexico. The project involves the construction of an LNG import terminal on the west coast of Mexico, including the deepening of an existing lagoon. The volume of work in Nigeria was slightly lower, a reflection of reluctance by major oil companies over the past year to engage in new large investments in this region.

International project market

Revenue on the international project market declined by 8% to € 873 million (2009: € 948 million). After the completion of various large projects in the Middle East, the geographical focus of the projects shifted to Australasia, and Central and South America. For example, last year saw the completion of the Khalifa Port project in Abu Dhabi, while a significant amount of work was carried out on the Gorgon project in Western Australia and four islands in the Maldives were protected against the consequences of climate change. Overall, revenue remains geographically well spread and there is a balanced spread across the various market segments.

Specialist niche services

The specialist niche services generated revenue of € 238 million, virtually the same as in the previous year (2009: € 240 million). Revenue was generated by work including offshore (pipeline) projects in Europe and South America. In addition 2010 saw the Fox River project, involving the remediation of PCB-contaminated dredging spoil from the Fox River in Wisconsin (United States), entering its second year.

Fleet developments
The revenue was realized with good equipment utilization levels. The hopper fleet was expanded with the commissioning of the 12,000 m^3 Gateway in March, the 4,500 m^3 Shoalway in April and the 12,000 m^3 Willem van Oranje in September. In 2010 the hopper fleet achieved an annual utilization rate of 43 weeks (2009: 48 weeks).

The utilization rate of the cutter fleet fell back as a result of maintenance work and fewer deployment opportunities in comparison to previous years. The average utilization rate was 27 weeks, compared to 36 weeks in 2009.

Last December Boskalis and the insurers reached agreement on the repurchase by Boskalis of the trailing suction hopper dredger WD Fairway. Following payment of the 'constructive total loss' claim the insurance companies had acquired ownership of the vessel. Boskalis is currently conducting a thorough inspection of the ship and investigating the possibility of recommissioning it.

Segment Result
The operating result (EBIT) of the Dredging & Earthmoving segment totaled € 321 million (2009: € 217 million). This exceptionally strong result was attributable to the generally good quality of the projects in the order book at the beginning of 2010 and the largely successful execution of those projects combined with optimal deployment of equipment, along with a positive settlement of a number of projects which had been technically completed earlier. In addition the result includes a pre-tax amount of € 33.6 million arising from the settlement of a number of long-running insurance and other equipment-related claims.

Order book
New order intake in 2010 amounted to € 1,501 million.

Order book by markets

(in mlns of euros)	**31 Dec 10**	**31 Dec 09**
European home markets	628	843
Non-European home markets	133	77
International projects	965	1,132
Specialist niche services	197	171
Total	**1,923**	**2,223**

In the oil and gas market additional work was contracted on the Nord Stream project for the protection of sections of the gas pipelines to be laid between Russia and northern Germany as well as extra trenching work in the Bay of Pomerania. Boskalis was also awarded the contracts for the second phase of the dredging work for the construction of the LNG import terminal in Cuyutlán (Mexico), the construction of an LNG import port in Swinoujscie (Poland) and the expansion of the Soyo LNG port in Angola. Significant additional work was also contracted on the Gorgon project (Australia), where work started in early 2010. At the end of August Boskalis was asked to assist in protecting the coast of Louisiana (United States) against the oil slick caused by the disaster with the Deepwater Horizon rig. The Boskalis trailer hopper suction dredger Stuyvesant, which sails under the American flag, was the first American trailer hopper suction dredger to be deployed and helped to construct a long sand berm to protect vulnerable swamps around New Orleans from oil pollution. Finally, just before the end of the year, the company was awarded the 'sand motor' project in the Netherlands. This project involves creating a sand motor consisting of 21.5 million cubic meters of sand, deposited in the shape of a hook attached to the coast. Wind, waves and sea currents will gradually distribute the sand along the coast of the province of Zuid-Holland. In this way the sand motor contributes in a natural way to coastal defence, whilst at the same time creating more space for both nature and recreational purposes.

At the end of 2010 there was an order backlog of € 1,923 million (end-2009: 2,223 million).

Harbour Towage

Berthing and unberthing of oceangoing ships, providing assistance to special objects and port services

(in mlns of euros)	**2010***
Revenue	155
Operating result	23.2

** SMIT activities included from the second quarter onwards*

Revenue

Boskalis is active in this segment through SMIT Harbour Towage (consolidated from the second quarter of 2010). In 2010 Harbour Towage saw a recovery from the recession with an increase in activities at its most important locations: Rotterdam, Belgium, Panama and Canada. Container line shipping in particular posted increased activity levels at various locations. In Belgium this recovery was clearly visible in the ports of Ghent and Zeebrugge, although revenue development in the port of Antwerp lagged behind as a result of a less rapid recovery of volumes and increased local competition. Revenue in the final three quarters of 2010, including the pro rata consolidation of joint ventures, was € 155 million.

Segment result

The operating result was € 23.2 million, with good results being achieved once again by the joint ventures in Singapore (Keppel SMIT Towage and Maju). Rebras, the joint venture in Brazil, also posted a good result. In mid-2010 we announced that Boskalis SMIT had reached an agreement in principle to acquire the remaining 50 per cent stake in Rebras (Rebocadores do Brasil SA). This transaction was completed recently.

Salvage, Transport & Heavy Lift

Salvage: emergency response, wreck clearance, environmental care and consultancy
Transport: chartering, hiring out work vessels, heavy transport and (ocean) towage services
Heavy Lift: lifting work, maritime projects, marine support and subsea activities

(in mlns of euros)	**2010***
Revenue	296
Operating result	43.0
Order book	162

** SMIT activities included from the second quarter onwards*

Revenue

Boskalis is active in this segment through the relevant SMIT activities. Revenue in the last three quarters of 2010, including the pro rata consolidation of joint ventures, was € 296 million. Despite a quiet second quarter, by the end of 2010 Salvage was able to look back on a busy year. The workload for emergency response was relatively low during the past year. By contrast, there was a lot of work in wreck clearance. In the Gulf of Mexico the salvage of a sunken oil platform was successfully completed, whilst work got underway off the coast of Indonesia to salvage the sunken car carrier Hyundai 105. The wreck is being sawn into sections which are subsequently removed. Finally, in India work started on salvaging a container ship which started listing heavily after a collision and eventually ran aground in shallow waters off the coast. Very recently the SMIT salvage team succeeded in refloating the ship and the project is expected to be completed within the next few weeks.

Traditionally the Transport and Heavy Lift activities operate largely on spot contracts for the oil and gas industry. Due to restricted maintenance budgets and delayed investments in new activities by oil and gas companies both the workload and in particular price levels came under pressure in 2010. The activities in the North Sea were affected most, while the level of activity in and around Singapore and South Africa held up reasonably well thanks to medium- and long-term contracts.

Segment result
The operating result, including the pro rata consolidation of joint ventures, was € 43.0 million.

Order book
The order book in this segment declined in the second half to € 162 million (half year 2010: € 191 million).

Terminal Services
Towage and mooring services, surface and subsurface maintenance and associated maritime and management services for onshore and offshore oil and gas terminals

(in mlns of euros)	**2010***	**2009**
Revenue	148	60
Operating result	22.3	12.9
Order book	677	289

** SMIT activities included from the second quarter onwards*

Revenue
In 2010 Boskalis was active in Terminal Services via SMIT Terminals (consolidated from the second quarter of 2010) and through its 50% stake in strategic partner Lamnalco. In 2010 the revenue from Terminal Services rose to € 148 million. Excluding the contribution from SMIT Terminals revenue in 2010 amounted to € 75.8 million (2009: € 60.0 million).
About one-third of the revenue growth at Lamnalco was attributable to currency effects, but the growth also reflected an increase in activities. For example, in 2010 a start was made on the new contract for CPC in the Russian Black Sea nearby Novorossiysk.
At SMIT Terminals two contracts were not extended in 2010 (in Nigeria and Pakistan), but the performance on the other (long-term) contracts was good.

Segment result
The operating result rose to € 22.3 million. Excluding the contribution from SMIT Terminals the result increased to € 16.4 million (2009: € 12.9 million). Due to continued weakness in the spot market for terminal services certain regions are experiencing temporary underutilization of tugs.

Order book
The volume of the order book rose substantially compared to the end of 2009 as a result of the addition of SMIT Terminals. At the end of 2010 the order book stood at € 677 million. Excluding the recently added order book of SMIT Terminals the Terminals Services order book (50% stake in Lamnalco) rose to € 345 million (end-2009: € 289 million).

Maritime Infrastructure
Maritime infrastructure-related facilities, including the construction of quay walls, berths, breakwaters, water purification plants, sewer systems, dams and bridges. Industrial construction including power stations and desalination plants

(in mlns of euros)	**2010**	**2009**
Revenue	265	301
Operating result	28.9	28.8
Order book	486	363

Revenue
Revenue in the Maritime Infrastructure segment is generated through our strategic partner Archirodon, in which we hold a 40% stake. Our share in Archirodon's revenue amounted to € 265 million in 2010 (2009: € 301 million). As a result of the changed market conditions in the Middle East, where there has been a sharp rise in competition, combined with Archirodon's selective contracting policy, revenue in 2010 was somewhat lower than the record levels achieved in 2009. In 2010 Archirodon completed the architecturally impressive Sheik Zayed bridge in Abu Dhabi (UAE), as well as Abu Dhabi's new offshore Khalifa Port, which was realized in conjunction with Boskalis and Hyundai.

Segment result
Archirodon's contribution to the operating result remained stable at € 28.9 million (2009: € 28.8 million).

Order book
The order book rose compared with end-2009 levels as a result of new contracts in the Middle East as well as currency effects. The value of the order book at the end of the reporting period was € 486 million (end-2009: € 363 million).

Holding
Non-allocated head office activities

(in mlns of euros)	**2010***	**2009**
Revenue	9.1	-
Operating result	-36.0	-9.0

** SMIT activities included from the second quarter onwards*

Segment result
The operating result for the period under review comprises the customary non-allocated costs of the Boskalis and SMIT head offices. It also includes one-off expenses equalling € 21.3 million connected with the acquisition and integration of SMIT. No further material merger-related costs are expected in the period after 2010.

Other financial information
In 2010 total depreciation, amortization and impairments came to € 220 million (2009: € 196 million, including a € 48.6 million impairment charge relating to the fleet rationalization program). The increase is wholly attributable to the consolidation of SMIT.

The result from associated companies equaled € 25.0 million and consisted mainly of the pro rata share (28%) in the result of SMIT Internationale N.V. for the first quarter of 2010 (€ 3.6 million) and an exceptional gain of € 17.3 million relating to the revaluation of the stake in SMIT immediately prior to the offer being declared unconditional. This revaluation result represents the difference between the valuation of the stake based on the offer price and the book value. In 2009 the result from associated companies totaled € 58.3 million, and consisted mainly of an extraordinary gain on the stake in SMIT and Boskalis' share in SMIT's full-year result.

The tax burden rose to € 77.1 million (2009: € 66.0 million), while the effective tax rate fell to 19.8% (2009: 22.4%).

Return on equity in 2010 amounted to 21.7% (2009: 21.1%).

Capital expenditure and balance sheet
A total amount of € 330 million was invested in 2010. Major investments included the construction of two 12,000 m^3 hoppers (Gateway and Willem van Oranje), a 4,500 m^3 hopper (Shoalway), a new backhoe (Baldur), the construction of a fallpipe vessel and the repurchase of the WD Fairway (35,500 m^3 hopper). The Gateway, Willem van Oranje, Shoalway and Baldur were all taken into service during the year under review. In addition, some adjustments were made to the Taurus (self-propelled cutter), ahead of further modifications to the ship. The group invested in 25 new vessels for SMIT's terminal services and harbour towage activities during the year under review. Furthermore, one of the Taklift floating cranes belonging to the heavy lift activities was upgraded, with a life extension program being carried out at the same time.
At € 93 million, capital expenditure commitments at 31 December 2010 were lower than a year earlier (end-2009: € 182 million).

Cash flow increased to € 532.5 million (2009: € 424.9 million).

The cash position at the end of 2010 stood at € 358 million, of which € 203 million was freely available and € 155 million was tied up in associated companies and projects being executed in conjunction with third parties.

The company's solvency ratio was 37.1% at 31 December 2010. At the end of 2009 the solvency ratio was 46.5% as a result of the equity that had been raised to partly finance the acquisition of SMIT.

Interest-bearing debt totaled € 808 million at 31 December 2010 and the net debt position totaled € 450 million. The majority of the debt position consists of long-term USPP loans and drawings on the three- and five-year bank facility taken out, partly in connection with the financing of the SMIT acquisition. Boskalis must comply with various covenants agreed with the syndicate of banks and the USPP investors. At 31 December 2010 it comfortably met these agreements. The main covenants relate to the net debt / EBITDA ratio, with a limit of 3, and the EBITDA / net interest ratio, with a minimum of 4. At 31 December 2010 the net debt / EBITDA ratio was 0.9 and the EBITDA / net interest ratio was 17.5.

US Private Placement
In July 2010 Boskalis placed a US Private Placement loan amounting to USD 450 million with 26 institutional investors in the United States and the United Kingdom. The substantially oversubscribed placement consisted of three tranches, with maturities of 7, 10 and 12 years. The proceeds in US dollars and pounds sterling were swapped to euros for a total amount of € 354 million. The weighted average annual interest rate is 4.76%. The proceeds of the private placement were used to repay the existing bridge facility taken out for the partial financing of the acquisition of SMIT Internationale N.V.

Other developments

Integration of SMIT
On 27 March 2010 the merger with SMIT was a fact. Right from the start a lot of work has gone into shaping and substantiating the cooperation. Shortly after the merger a Steering Committee was set up comprising the senior management of Boskalis and SMIT, including the Board of Management. The Steering Committee heads up 10 working groups of Boskalis and SMIT employees who have identified joint synergy opportunities, both in the market and on the cost side, and how these can be realized. They have exchanged best practices and established which corporate staff activities and functions will be integrated. This analysis provides the basis for the integration plan which will be further implemented during 2011 and 2012.
The two companies are already turning to each other, for example when it comes to hiring each other's equipment, which results in cost synergies on the projects. This is happening for example on the Maasvlakte 2 project in the Netherlands, where SMIT equipment is being deployed by the PUMA consortium. In addition Boskalis survey equipment is assisting in SMIT salvage projects in both Indonesia and India.

On releasing our half-year results we expected to realize annual synergies of € 15-20 million, mainly in the form of cost savings, in the period 2011-2013. However, the synergies achieved to date are exceeding expectations. The combined purchasing power of Boskalis and SMIT is creating more favorable terms in procurement relating to the primary processes, such as engine parts, lubricants, hired services, as well as in non-technical categories such as insurance, office space, travel expenses and such like. The first synergy effects already became apparent in 2010 with savings of around € 10 million. We have therefore decided to raise our synergy target. Based on the synergies achieved to date we now expect the annual level to reach around € 25 million in the next two years.

New Corporate Business Plan
A new Corporate Business Plan has been drafted to create focus and cohesion within the group in its new composition, and to enable us to set the right priorities with regard to the various investment opportunities. On Tuesday 5 April 2011 Boskalis will present this strategy update at the Boskalis Capital Market Day and information regarding the new strategy will be made available on the website.

Events after the balance sheet date

Rebras: At the publication of our half year results we announced that a conditional agreement had been reached to increase the stake in the Brazilian Harbour Towage joint venture Rebras (Rebocadores do Brasil SA) from 50% to 100%. This transaction was completed recently.
SMIT has been active in Brazil since 2006 when the joint venture with Rebras was first established. The volume of sea trade has grown significantly in Brazil and the country has substantial offshore investment plans that will further drive the demand for towage services.
Rebras currently provides services at the following six locations in Brazil: Santos, Paranaguá, Sepetiba (Itaguaí), Angra dos Reis, São Luis (Itaqui & Ponta da Madeira) and Vitória (Tubarão & Praia Mole). The company operates a fleet of 18 state-of-the-art ASD (azimuth stern drive) tugs of 50-70 tons bollard pull, with another three tugs having been hired out. Almost all the 200 crew and staff members are of Brazilian nationality, thus giving Boskalis a truly local footprint in the Brazilian growth market.

Appendix: Financial Statements

Summarized consolidated income statement

(in millions of euros)

		2010		2009
Operating income				
Revenue		2,674.4		2,175.2
Other income		38.3		7.4
		2,712.7		2,182.6
Operating expenses				
Raw materials, consumables, services and personnel expenses	(2,091.2)		(1,737.6)	
Depreciation, amortization and impairment losses	(219.6)		(195.7)	
		(2,310.8)		(1,933.3)
Operating result		**401.9**		**249.3**
Finance income and expenses	(36.9)		(12.4)	
Share in result of associated companies (after taxation)	25.0		58.3	
		(11.9)		45.9
Profit before taxation		**390.0**		**295.2**
Taxation		(77.1)		(66.0)
Net group profit		**312.9**		**229.2**
Net group profit attributable to:				
Shareholders		310.5		227.9
Minority interests		2.4		1.3
		312.9		229.2
Earnings per share (in euros)		3.11		2.58
Diluted earnings per share (in euros)		3.11		2.58
Average number of outstanding shares (x 1,000)		99,962		88,372
Number of issued ordinary shares (x 1,000)		100,974		98,651
EBITDA		621.5		445.0

Summarized consolidated statement of recognized and unrecognized income and expenses
(in millions of euros)

	2010	2009
Net group profit for the period	**312.9**	**229.2**
Unrecognized income and expenses for the period		
Currency translation differences on foreign operations, after taxation	38.4	(4.1)
Movement in fair value of cash flow hedges, after taxation	(10.6)	2.5
Actuarial gains and losses and asset limitation on defined benefit pension schemes, after taxation	(23.5)	18.6
Unrecognized income and expenses for the period, net of income tax	**4.3**	17.0
Total recognized and unrecognized income and expenses for the period	**317.2**	**246.2**
Attributable to:		
Shareholders	313.3	244.3
Minority interests	3.9	1.9
Total recognized and unrecognized income and expenses for the period	**317.2**	**246.2**

Summarized consolidated balance sheet
(in millions of euros)

	December 31, 2010		December 31, 2009	
Non-current assets				
Intangible assets	593.6		13.6	
Property, plant and equipment	2,178.6		1,059.8	
Other non-current assets	79.9		311.8	
		2,852.1		1,385.2
Current assets				
Inventory and receivables	1,105.4		823.6	
Cash and cash equivalents	357.7		594.8	
		1,463.1		1,418.4
Total assets		**4,315.2**		**2,803.6**
Group equity				
Shareholders' equity	1,565.0		1,295.8	
Minority interests	34.3		9.1	
		1,599.3		1,304.9
Non-current liabilities and provisions				
Interest-bearing borrowings and bank overdrafts	705.0		57.4	
Provisions	43.0		6.4	
Other non-current liabilities and provisions	161.5		50.0	
		909.5		113.8
Current liabilities and provisions				
Interest-bearing borrowings and bank overdrafts	102.8		24.0	
Provisions	14.5		1.8	
Other current liabilities and provisions	1,689.1		1,359.1	
		1,806.4		1,384.9
Total group equity and liabilities		**4,315.2**		**2,803.6**
Solvency		37.1%		46.5%

Summarized consolidated statement of cash flows
(in millions of euros)

	2010	2009
Cash flows from operating activities		
Net group profit	312.9	229.2
Depreciation, amortization and impairment losses	219.6	195.7
Cash flow	532.5	424.9
Adjustments for:		
Interest, taxation, book results, results associated companies	84.3	12.7
Movement in other financial fixed assets	(21.9)	2.5
Movement in provisions (including direct equity movements)	(15.6)	(2.3)
Movement in working capital (including inventory, excluding taxation and interest)	19.6	186.9
Cash generated from operations	598.9	624.7
Dividends received	17.6	1.5
Interest paid	(24.9)	(9.7)
Income taxes paid	(64.2)	(83.8)
Net cash from operating activities	527.4	532.7
Cash flows from investing activities		
Net investments in (in)tangible fixed assets	(291.0)	(277.6)
Net investment in group companies, net of cash acquired	(675.1)	-
Net investment in associated companies	(50.4)	(17.6)
Net cash used in investing activities	(1,016.5)	(295.2)
Cash flows from financing activities		
Proceeds from loans	2,194.8	181.0
Repayment of loans	(1,869.5)	(412.1)
Transaction costs relating to the arrangement of credit facilities	(17.2)	(5.1)
Proceeds from share issues	-	227.3
Dividends paid	(46.2)	(36.3)
Net cash used in financing activities	261.9	(45.2)
Net (decrease) / increase in cash and cash equivalents	**(227.2)**	**192.3**
Net cash and cash equivalents as at January 1	593.5	402.1
Net (decrease) / increase in cash and cash equivalents	(227.2)	192.3
Currency translation differences	(10.0)	(0.9)
Net cash and cash equivalents as at December 31	**356.3**	**593.5**

Summarized consolidated statement of changes in equity
(in millions of euros)

	2010			2009		
	Share-holders' equity	Minority interests	Group equity	Share-holders' equity	Minority interests	Group equity
Balance as at January 1	**1,295.8**	**9.1**	**1,304.9**	**860.1**	**7.6**	**867.7**
Total recognized and unrecognized income and expenses for the period						
Net group profit for the period	310.5	2.4	312.9	227.9	1.3	229.2
Unrecognized income and expenses for the period	2.8	1.5	4.3	16.4	0.6	17.0
Total recognized and unrecognized income and expenses for the period	**313.3**	**3.9**	**317.2**	**244.3**	**1.9**	**246.2**
Transactions with shareholders, directly recognized in equity						
Distribution to shareholders						
Cash dividend	(44.1)	(2.1)	(46.2)	(36.0)	(0.4)	(36.4)
Issue of ordinary shares				227.4		227.4
Changes in interests in Group companies						
New in consolidation	-	2.8	2.8	-	-	-
Minority interest Smit Internationale N.V.	-	20.6	20.6	-	-	-
Total transactions with shareholders	**(44.1)**	**21.3**	**(22.8)**	**191.4**	**(0.4)**	**191.0**
Balance as at December 31	**1,565.0**	**34.3**	**1,599.3**	**1,295.8**	**9.1**	**1,304.9**

Appendix: Financial Statements

Information by business segments

(in millions of euros)	Dredging and earth-moving	Harbour Towage	Salvage, Transport & Heavy Lift	Terminals	Maritime Infra-structure	Holding & eliminations	Group
2010							
Revenue	1,801.1	155.5	296.5	147.5	264.7	9.1	2,674.4
Segment result	320.5	23.2	43.0	22.3	28.9	(36.0)	401.9
Operating result							401.9
Share in result of associated companies	3.5	0.1	0.3	0.2	-	20.9	25.0
Non-allocated finance expenses							(36.9)
Non-allocated taxes							(77.1)
Net group profit							312.9
Investments in property, plant and equipment	183.9	20.9	46.9	41.6	6.6	30.4	330.3
Depreciation, amortization and impairment losses	112.1	29.9	33.1	25.1	18.0	1.4	219.6

(in millions of euros)	Dredging and earth-moving	Harbour Towage	Salvage, Transport & Heavy Lift	Terminals	Maritime Infra-structure	Holding & eliminations	Group
2009							
Revenue	1,813.9	-	-	60.0	301.2	-	2,175.1
Segment result	216.6	-	-	12.9	28.8	(9.0)	249.3
Operating result							249.3
Share in result of associated companies	(3.0)	-	-	(0.5)	-	61.8	58.3
Non-allocated finance expenses							(12.4)
Non-allocated taxes							(66.0)
Net group profit							229.2
Investments in property, plant and equipment	253.5	-	-	26.5	15.7	-	295.7
Depreciation, amortization and impairment losses	164.5	-	-	7.0	24.2	-	195.7

Accounting principles
Royal Boskalis Westminster nv draws up its financial reports in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). These standards are applied throughout the group. For the main principles of financial reporting reference is made to the 2010 financial statements. All amounts are in millions of euros unless stated otherwise.

Dividend payments to shareholders of Royal Boskalis Westminster nv
During 2010, a stock dividend was distributed of € 1.19 in the form of shares, unless the shareholder chose to receive a dividend in cash (2009: dividend of € 1.19).

Commitments and contingent liabilities
The total outstanding guarantee commitments (which are mainly for ongoing projects) were € 812 million as at 31 December 2010 (31 December 2009: € 818 million). The capital commitments as at 31 December 2010 have decreased to € 93 million (year-end 2009: € 182 million). The operational lease obligations were € 63 million as at 31 December 2010 (31 December 2009: € 18 million). The other commitments and contingent liabilities have not materially changed since 31 December 2009.

This press release is based on the prepared financial statements of 2010 to be adopted by the Annual General Meeting of Shareholders, which have not yet been published under statutory provisions. The external auditor has issued an unqualified auditors' report on the prepared financial statements of 2010.

Papendrecht, The Netherlands, March 16, 2011
Board of Management