



## **Royal Boskalis Westminster nv**

*International Dredging & Marine Contractors*

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# Press release

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## **Boskalis raises earnings outlook**

Papendrecht, 18 November 2010

### **Boskalis Q3 2010 Trading Update**

- **Revenue growth resulting from merger with SMIT**
- **Sustained margin strength and good fleet utilization at dredging activities**
- **Order book approximately €3.2 billion**
- **Earnings outlook raised to at least €290 million**

#### ***Review of operations***

Royal Boskalis Westminster N.V. saw further revenue growth in the third quarter as a result of its merger with SMIT. Excluding the contribution from SMIT, revenue was slightly higher compared to the same period last year.

The **Dredging and Earthmoving** market segment had an extremely strong third quarter, in line with the first half of the year, with continued high fleet utilization levels and strong execution of ongoing projects delivering good results. Boskalis acquired new projects in the second half of the year, with Africa, Australasia and Europe being the focal points, thereby contributing to the broadly spread and well-filled order book.

**Maritime Infrastructure** (40% stake in Archirodon) also saw a good third quarter, with high revenue and good results.

At **Terminal Services** (SMIT Terminals and 50% stake in Lamnalco) earnings were under some pressure due to a contract being terminated and equipment demobilization costs.

**Harbour Towing** once again benefited from the further increase in trade volumes in the global shipping sector. SMIT Harbour Towing maintained its existing market position in major ports.

**Salvage, Transport & Heavy Lift** saw an improvement in the third quarter compared to the first two quarters. After a relatively quiet first half year SMIT Salvage experienced a few busy months with new salvage contracts in countries including India and Germany. At Transport & Heavy Lift, most activities showed an improvement compared to the first two quarters. The anchor handling tugs reported good utilization levels. Demand for sub-sea activities and services in the Netherlands picked up, partly because of the summer season. The sheerlegs also saw good utilization levels in the third quarter.

The size of the group's order book remained substantial at approximately €3.2 billion as per mid-November, slightly down compared to the end of the first half of 2010 (€3.3 billion). Boskalis continues to have a strong financial position with the a net debt position amounting to around €680 million at the end of the third quarter.

Boskalis has recently embarked upon the development of a new three-year business plan for the entire Boskalis group. The plan will be presented in March along with the release of the annual results.

### **Investments and divestments**

*SMIT Rebras – Brazil.* In August it was announced that Boskalis SMIT had reached an outline agreement to increase its stake in the Harbour Towing joint venture with Rebras of Brazil from 50% to 100% by the end of 2010. The transaction is expected to be completed this year.

*SMIT Marine Canada – transport activities.* At the beginning of the fourth quarter Boskalis sold SMIT's transport activities in Canada to Seaspan for around €17 million. The Canadian transport activities were of a very local nature and furthermore dependent on the North American housing market. The transaction will have no material earnings impact.

### **Market developments**

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

While structural long-term growth factors remain positive, the short-term prospects for dredging and maritime infrastructure have become less certain since the start of 2009.

In several regions of the world, customers in various market segments are busy developing numerous initiatives for new and in some cases large maritime infrastructure projects. This applies in particular to projects related to energy and raw materials in South America, West Africa and Australia. The majority of these projects are expected to come to market in 2011 and 2012.

There is a positive development in demand for harbour towing services driven by the recovery of freight volumes following the slump in 2009. Further growth of the terminal activities is linked to the coming on stream of new oil and gas fields, expected from 2012. The development of the salvage market is difficult to predict given the nature of the business. Developments at Transport & Heavy Lift depend mainly on an upturn in the spot market, in particular the offshore market, something which is not expected before 2012.

### **Outlook**

Boskalis has a broadly spread, well-filled order book ensuring strong fleet utilization levels for this year. A large part of the fleet is also assured of good utilization levels for a significant part of 2011. The 2010 full year earnings outlook has been revised upwards with a net profit expected of at least €290 million.

The group's total investments are expected to amount to around €300 million in 2010.

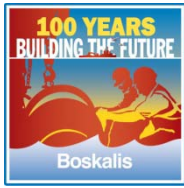
### **'Verdiept Verleden'**

Earlier this week the book *'Verdiept Verleden; Een eeuw Koninklijke Boskalis Westminster en de Nederlandse baggerindustrie'* (*Deepening the past; a century of Royal Boskalis Westminster and the Dutch dredging industry*) was released to mark Royal Boskalis Westminster N.V.'s centenary. Focusing on the development of the Dutch dredging industry in general and the history of Boskalis in particular, the book describes how networks and family capital provided a solid foundation for a number of leading dredging companies. Thanks to the knowledge and expertise they accumulated in the Netherlands, several dredging companies - including Boskalis - managed to grow into large international companies with activities spanning from northern Russia to South America and from Canada to Australia. The book is available - in Dutch only - from bookstores (ISBN 978 90 8506 949 2 / BOOM publishing house).

### **Financial Calendar**

17 March 2011	07:00 CET	Publication of 2010 full-year results
12 May 2011	early afternoon	Trading update for first period of 2011
12 May 2011		Annual General Meeting of Shareholders
18 August 2011	07:00 CET	Publication of 2011 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. 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 we have positions in 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 celebrates its 100<sup>th</sup> anniversary in 2010.

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This press release can also be found on our website [www.boskalis.com](http://www.boskalis.com)