

PRESS RELEASE

Royal Boskalis
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Papendrecht
15 March 2012

Boskalis posts record revenue for 2011

HIGHLIGHTS OF 2011

- Record revenue of EUR 2.8 billion
- Net profit of EUR 254 million
- EBITDA of EUR 591 million
- Order book: EUR 3.5 billion
- Proposed flat dividend: EUR 1.24 per share

OUTLOOK

- Continued challenging market conditions in 2012
- Medium-term market prospects more positive

Royal Boskalis Westminster N.V. (Boskalis) achieved a record revenue of EUR 2.8 billion in 2011 (2010: EUR 2.7 billion). Net profit declined to EUR 254 million (2010: EUR 311 million), though it should be noted that the 2010 result included exceptional pre-tax gains of EUR 33.6 million. In spite of the decline in net profit Boskalis proposes to maintain the dividend at EUR 1.24 per share.

Due to the increased uncertainties in the international markets there is continued hesitance amongst clients with regard to investment decisions, and this is putting pressure on both margins and equipment utilization levels. As a result EBITDA declined to EUR 591 million (2010: EUR 622 million) and the operating result (EBIT) to EUR 354 million (2010: EUR 402 million). The lower result in the core segment Dredging & Earthmoving was positively impacted by the financial settlement from previously completed projects. The remaining activities realized a stable or slightly higher operating result, partly as a result of the full consolidation of SMIT.

The order book increased to EUR 3,489 million as per end-2011 (end-2010: EUR 3,248 million). Compared to the 2011 mid-year level and adjusted for consolidation and deconsolidation effects, the order book was slightly higher at the end of the year.

Peter Berdowski, CEO Boskalis:

"We look back on a turbulent year, with continued pressure on margins and volume. To keep the vessels utilized requires more effort and tendering for new projects has become more competitive.

Despite the challenging market conditions we once again ended the year strong, posting record revenue and a fine result. We were aided in this by the quality of the order book and the favorable settlement of projects.

FOR FURTHER INFORMATION

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In addition we were able to make important strides in strengthening and expanding the company within the framework of our strategic plan. The activities of SMIT Terminals were merged with Lamnalco, creating a global market leader in Terminal Services. At the end of the year we completed the acquisition of MNO Vervat, thus considerably strengthening our national and international position in the infra market. We made important progress with harbor towage, in the global consolidation process we aim for,

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with the acquisition of Rebras in Brazil as well as the agreement in principle that we reached with SAAM regarding the combination of our Latin American towage activities.

Market conditions are expected to remain challenging in 2012. The medium term presents a mixed picture for the markets in which we operate. On the one hand we see - especially in Europe - continued reservations about investing on the part of governments. On the other hand we are positive with regard to the market developments in South America, West Africa and Australasia. We feel particularly positive about the offshore market, where we expect a great deal of work as from 2013. We will be able to benefit from this thanks to our broadened market positioning with activities such as Terminals, Transport, Heavy Lift and Subsea.”

MARKET DEVELOPMENTS

The markets in which Boskalis operates are driven in the long term by growth in global trade, growing energy consumption, growth in world population and the consequences of climate change. In the short term there is stagnation of demand and an influx of new production capacity in a number of our markets, translating into pressure on volume and margins. However, what we are seeing in various regions around the world and in different market segments is clients who are developing all kinds of initiatives for new and in many cases sizeable maritime infrastructure projects. This applies in particular to energy and minerals-related projects in South America, West Africa and Australasia.

The market developments in the offshore market are relevant to a substantial part of our business. Following on from the demand for and construction of new oil and LNG import and export terminals, we expect to see growth for the terminal activities (Smit Lamnalco). Furthermore the developments at Transport, Heavy Lift and Subsea are largely dependent on a recovery in demand from the energy markets, in particular those of the offshore markets of North-West Europe, Brazil and Southeast Asia. We are positive regarding the developments in the offshore market in the medium term.

OUTLOOK

The financial position of Boskalis is very solid. The capital expenditure for the period 2012-13 is estimated to total around EUR 600-700 million. The expectation is that this can be funded from our cash flow.

Given the current market conditions we also expect that 2012 will be affected by a slow down on the positive drivers that underpin our strategy. This situation, combined with the project-based nature of a significant part of our activities means that we are currently unable to provide quantitative guidance for the 2012 annual result. We however anticipate that we will not be able to match the 2011 result. Based on current insights we do not foresee a materially different market environment in 2012 relative to 2011, but prospects for the medium term are more positive.

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DIVIDEND POLICY AND PROPOSAL

The main principle underlying the Boskalis dividend policy is to distribute 40% to 50% of the 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 and wishes of the shareholders. In light of this, Boskalis will propose to the Annual General Meeting of Shareholders on 10 May 2012 that a dividend of EUR 1.24 per share, unchanged from 2010, be distributed in the form of ordinary shares, unless the shareholder opts to receive a cash dividend. The dividend will be payable from 6 June 2012.

KEY FIGURES	2011	2010
<i>(in millions of EUR)</i>		
Revenue	2,801	2,674
EBITDA	591	621.5
Operating profit	354	401.9
Result of associated companies	2.0	25.0
Net profit	254	310.5
Dividend per share (in EUR)	1.24	1.24
	31-12-2011	31-12-2010
Order book	3,489	3,248

LIVE AUDIO WEBCAST

The Board of Management of Royal Boskalis Westminster will comment on the 2011 full-year results at the analyst meeting (11.15am - 12.30pm CET) on 15 March 2012. This meeting can be followed by means of a live audio webcast, details of which can be found on the homepage (www.boskalis.com).

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FINANCIAL AGENDA 2012

End March	Publication of 2011 Annual Report
10 May	Trading Update on first quarter 2011
10 May	General Meeting of Shareholders
14 May	Ex-dividend date
16 May	Record date for dividend entitlement (after market close)
29 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)
6 June	Date of dividend payment and delivery of shares
16 August	Publication of 2011 half-year results
16 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.

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 with 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 including harbour towage, salvage, subsea, transport and heavy lift services. It also has strategic partnerships in the Middle East (Archirodon) and in terminal services (Smit Lamnalco). Boskalis has a versatile fleet of over 1,100 units and operates in around 75 countries across six continents. Including its share in partnerships, Boskalis has approximately 14,000 employees.

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

OPERATIONAL AND FINANCIAL DEVELOPMENTS

REVENUE

During the year under review revenue rose by 5% to EUR 2.80 billion (2010: EUR 2.67 billion), with the increase being wholly attributable to the SMIT consolidation effect. The SMIT results were fully consolidated for the first time in 2011. In the first quarter of 2010 the SMIT result was still accounted for as result from associated companies based on a pro rata stake and was only fully consolidated from the second quarter. The fourth quarter of 2011 saw the successful completion of the sale of the SMIT terminal activities to Lamnalco and the acquisition of MNO Vervat. On balance these two transactions had no material effect on the revenue and result.

BY SEGMENT	2011	2010
<i>(in EUR millions)</i>		
Dredging & Earthmoving	1,835	1,801
Harbour Towage	233	155
Salvage, Transport & Heavy Lift	376	296
Terminal Services	156	148
Maritime Infrastructure	197	265
Non-allocated group revenue	4	9
Total	2,801	2,674

BY GEOGRAPHIC AREA	2011	2010
<i>(in EUR millions)</i>		
The Netherlands	633	517
Rest of Europe	494	585
Australia / Asia	690	626
Middle East	318	370
Africa	296	228
North and South America	370	348
Total	2,801	2,674

RESULT

The operating result (EBIT) in 2011 was EUR 354 million (2010: EUR 402 million).

RESULT BY SEGMENT	2011	2010
<i>(in EUR millions)</i>		
Dredging & Earthmoving	266.9	320.5
Harbour Towage	29.3	23.2
Salvage, Transport & Heavy Lift	43.2	43.0
Terminal Services	25.0	22.3
Maritime Infrastructure	30.4	28.9
Non-allocated group costs	-40.7	-36.0
Total	354.1	401.9

The decline in the operating result was mainly attributable to a lower result in the Dredging & Earthmoving segment. This lower result was largely due to the changed market conditions which put both fleet utilization levels and margins under pressure. Moreover, in 2010 the result of this segment was positively impacted by a pre-tax gain of EUR 33.6 million in connection with the settlement of a number of long-running insurance and other equipment-related claims. Group earnings excluding the result of associated companies and before interest, tax, depreciation, amortization and impairments (EBITDA) equaled EUR 590.5 million (2010: EUR 621.5 million).

NET PROFIT

The operating profit (EBIT) was EUR 354 million. Net of financing expenses of EUR 40.4 million and EUR 2.0 million in results from associated companies, pretax profit came to EUR 316 million. Net profit attributable to shareholders totaled EUR 254 million (2010: EUR 311 million).

ORDER BOOK

In the course of 2011 Boskalis acquired, on balance, EUR 2,620 million worth of new contracts, broadly spread across the world and the various market segments. In addition, subsequent to the acquisition of MNO Vervat the contracts held by MNO Vervat were added to the order book under the Dredging & Earthmoving segment. The (revenue) value of these contracts was EUR 527 million at end-2011. This was offset by a EUR 105 million deconsolidation effect relating to the Terminal Services order book in connection with the sale of SMIT Terminals to Lamnalco, 50% of which has been included in the consolidation.

At end-2011 the total order book stood at EUR 3,489 million (end-2010: EUR 3,248 million). Compared to the order book at mid-2011 and adjusted for the consolidation and deconsolidation effects of MNO Vervat and SMIT Terminals, the order book was slightly higher at the end of the year.

ORDER BOOK	31 Dec 11	31 Dec 10
<i>(in EUR millions)</i>		
Dredging & Earthmoving	2,307	1,923
Harbour Towage	-	-
Salvage, Transport & Heavy Lift	182	162
Terminal Services	590	677
Maritime Infrastructure	410	486
Total	3,489	3,248

DREDGING & EARTHMOVING

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

	2011	2010
<i>(in EUR millions)</i>		
Revenue	1,835	1,801
Operating result	267	321
Order book	2,307	1,923

REVENUE

Revenue in the Dredging & Earthmoving segment totaled EUR 1,835 million (2010: EUR 1,801 million). The activities of MNO Vervat, which were acquired with effect from mid-December, contributed EUR 12 million to the revenue figure. As from 2012 the dry earthmoving activities will be reported in a new Dry Infrastructure segment. In addition to Boskalis' dry earthmoving projects this new segment will also comprise the dry infrastructure activities of MNO Vervat.

REVENUE BY MARKETS	2011	2010
<i>(in EUR millions)</i>		
European home markets	588	572
Non-European home markets	191	118
International projects	882	873
Specialist niche services	174	238
Total	1,835	1,801

Home markets

Revenue in the home markets amounted to EUR 779 million (2010: EUR 690 million).

Revenue in the European home markets (the Netherlands, Germany, United Kingdom, Nordic countries) rose 3% to EUR 588 million (2010: EUR 572 million). Projects contributing to this revenue in the Netherlands included Maasvlakte 2 and coastal defense projects along the coast of the province of Zuid-Holland (Sand Motor and Delfland coast) and the Wadden islands (Ameland). In the other European home markets Boskalis worked on numerous port and waterway maintenance projects as well as several coastal defense projects in the United Kingdom.

Revenue in the home markets outside Europe (Nigeria and Mexico) rose by 62% to EUR 191 million (2010: EUR 118 million). In Mexico it was mainly the Cuyutlán project which contributed to revenue. However, most of the growth was achieved in Nigeria, where the activity level picked up again after a few quieter years. Prospects for further growth in Nigeria are promising, although concerns on the part of the oil and gas majors about the general stability of the country are still causing them to be cautious in taking major investment decisions.

International project market

At EUR 882 million, revenue from the international project market was slightly higher than the previous year (2010: EUR 873 million). The projects are broadly spread across the market segments and the geographical regions, with projects in Australasia and Central and South America currently making the biggest contribution to revenue.

Specialist niche services

At EUR 174 million, revenue from specialist niche services was down on last year (2010: EUR 238 million). As in 2010 Boskalis Offshore worked on the Nordstream project and carried out various rock projects using fallpipe vessels. In the second half of 2011 work started on a cable-laying project in South Argentina.

In addition good progress was made in 2011 on the seven-year Fox River project, involving the separation and processing of PCB-contaminated dredging sludge from the Fox River in Wisconsin (United States).

Fleet developments

Good utilization of the hopper fleet in the second half of the year, following a weak first half, allowed us to achieve an annual utilization rate of 39 weeks (2010: 43 weeks). Because of the tough market conditions it takes considerable effort to secure good equipment utilization levels at acceptable project margins and/or risk levels. This was particularly noticeable in the lower utilization rate of the cutter fleet, which stood at 19 weeks in 2011 (2010: 27 weeks).

January 2012 saw the naming ceremony of the new fallpipe vessel the Rockpiper in Singapore. The ship, which will be deployed mainly for offshore work, is scheduled for delivery at the end of March 2012. The order book for this ship already equates to over a year's utilization.

SEGMENT RESULT

The operating result (EBIT) of the Dredging & Earthmoving segment totaled EUR 267 million (2010: EUR 321 million). The decline is attributable to the changed market conditions as well as the fact that the result for 2010 included extraordinary gains of EUR 33.6 million related to the settlement of a number of long-running insurance and other equipment-related claims. In 2011 the result was once again positively impacted by the financial settlement of various projects, especially in the Middle East, which had previously been technically completed.

ORDER BOOK

In 2011 on balance EUR 1,692 million of new work was acquired. In addition, contracts with a (revenue) value of EUR 527 million held by MNO Vervat were added to the order book.

ORDER BOOK BY MARKETS	31 Dec 11	31 Dec 10
<i>(in EUR millions)</i>		
European home markets	1,045	628
Non-European home markets	108	133
International projects	864	965
Specialist niche services	290	197
Total	2,307	1,923

In the oil and gas market various projects were acquired in Nigeria while variation orders were awarded on current projects including those in Australasia. Several cable-lying contracts were acquired in the course of 2011, including a contract for the installation and protection of two power cables between the Indonesian islands of Java and Bali and a fiber-optic telecom cable in Southern Argentina. In Suriname we took on an interesting contract to excavate bauxite using a cutter dredger.

In the ports market segment we acquired a large project for the construction of a new port at the Superporto do Açú complex in Brazil, and took on and executed a port development project for Sydney Ports in Canada. In addition several port and waterway maintenance projects were acquired in the various home markets.

In early January the Punta Pacifica project was taken on in the land reclamation and coastal defense segment, involving the construction of an artificial island off the coast of Panama City. Finally in early November Boskalis acquired the contract to redevelop the waterfront in the Dutch municipality of Harderwijk.

At the end of 2011 the order book stood at EUR 2,307 million (end-2010: EUR 1,923 million).

HARBOUR TOWAGE

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

	2011	2010*
<i>(in EUR millions)</i>		
Revenue	233	155
Operating result	29.3	23.2

* SMIT activities consolidated from the second quarter

REVENUE

Boskalis is active in this segment through SMIT Harbour Towage (consolidated as from the second quarter of 2010) at locations including Rotterdam, Belgium, Brazil, Panama, Canada, Australia and Singapore. Revenue in 2011, including the proportionate consolidation of associates, was EUR 233 million (2010 three quarters: EUR 155 million).

While the recovery which started in 2010 and the associated upturn in freight shipping volumes continued in some parts of the market, freight tariffs for both container shipping and bulk transport came under further pressure in the course of 2011. Even so, SMIT only saw a reduction in the level of activity in the ports of Rotterdam and Antwerp. Early March Boskalis acquired the remaining 50% of SMIT Rebras in Brazil. It was subsequently decided to invest in another 12 new tugs for this growth market, six of which have now been ordered and are under construction. Ahead of the completion of these vessels four frontrunners have been deployed in the ports of Victoria and Rio Grande, and these contributed towards the growth in revenue.

The harbour towage activities in Argentina were terminated due to continued disappointing results.

At the end of October SMIT won a seven-year exclusive concession to provide harbour towage services in the port of Zeebrugge (Belgium). Based on freight traffic projections the concession represents total revenue of around EUR 90 million.

SEGMENT RESULT

The operating result, including the proportionate consolidation of associates, was EUR 29.3 million (2010 three quarters: EUR 23.2 million), with the activities in Rotterdam, Belgium, Brazil and Canada making a good contribution to this result. The operating result was negatively impacted by the costs associated with discontinuing the activities in Argentina.

SALVAGE, TRANSPORT & HEAVY LIFT

Salvage: emergency response, wreck removal, environmental care and consultancy

Transport: chartering, rental of work vessels, heavy transport and (ocean) towage services

Heavy Lift: lifting work, maritime projects, marine support and subsea activities

	2011	2010*
<i>(in EUR millions)</i>		
Revenue	376	296
Operating result	43.2	43.0
Order book	182	162

* SMIT activities consolidated from the second quarter

REVENUE

Boskalis is active in this segment through the relevant activities of SMIT. Revenue in 2011, including the proportionate consolidation of associates, was EUR 376 million (2010 three quarters: EUR 296 million).

Through a good combination of emergency response and wreck clearance projects Salvage was able to look back on a good year. At the beginning of the year a large container ship which had partially sunk off the coast of Mumbai in India was successfully refloated. Off the coast of Indonesia work continued on salvaging the sunken Hyundai 105 car carrier. The wreck is being sawn into sections for subsequent removal.

On 13 January 2012 the Costa Concordia cruise liner ran aground on rocks off the Italian island of Giglio and partially capsized. Shortly afterwards SMIT, together with a local partner, was awarded the contract to remove the fuel from the ship. As this annual results release was published the work had reached a concluding stage.

The Transport activities, which are performed primarily for the oil and gas industry, showed a mixed picture. The spot market in North-West Europe picked up in 2011. However, whilst capacity deployed in the Far East and Middle East became available as a result of contracts reaching conclusion, the company experienced difficulty in redeploying this capacity on new contracts and, where it did succeed, tariffs were relatively low. A part of this latter activity was also sold to Lamnalco as part of the sale of the SMIT Terminal activities.

The utilization level of the floating sheerleg cranes (Heavy Lift) was very poor in 2011, resulting in substantial underutilization. Conversely, the Subsea diving activities, where two diving support vessels are now in use, had a reasonably busy year, with an increasing demand for inspection, repair & maintenance services from the oil and gas industry.

SEGMENT RESULT

The operating result, including the proportionate consolidation of associates, was EUR 43.2 million (2010 three quarters: EUR 43.0 million). The result was negatively impacted by a EUR 7.2 million impairment charge on three ships belonging to Transport.

ORDER BOOK

The order book level increased to EUR 182 million (end-2010: EUR 162 million) and currently consists mainly of long-term Transport contracts.

TERMINAL SERVICES

Towage and mooring services, surface and subsurface maintenance and related maritime and management services to offshore and onshore oil and gas terminals

	2011	2010*
<i>(in EUR millions)</i>		
Revenue	156	148
Operating result	25.0	22.3
Order book	590	677

* SMIT activities consolidated from the second quarter

REVENUE

In 2011 Boskalis was active in the Terminal Services segment through SMIT Terminals and its 50% stake in Lamnalco. Mid-2011 it was announced that a large part of the activities of SMIT Terminals were to be sold to Lamnalco, in which Boskalis holds a 50% stake. The sale was completed in early October and this segment now therefore mainly consists of Boskalis' 50% stake in the activities of Lamnalco.

In 2011 the revenue of Terminal Services rose to EUR 156 million (2010: EUR 148 million). Excluding the contribution from SMIT Terminals 2011 revenue amounted to EUR 84.8 million (2010: EUR 75.8 million). The revenue growth at Lamnalco is partly attributable to two new contracts in Sierra Leone.

SEGMENT RESULT

The operating result, including the proportionate consolidation of associates, rose to EUR 25.0 million in 2011 (2010: EUR 22.3 million). The result, particularly at SMIT Terminals, was negatively impacted by the fact that there were only limited opportunities to deploy vessels on the spot market ahead of their deployment on new long-term contracts.

ORDER BOOK

The sale of the activities of SMIT Terminals to Lamnalco means that 50% of the associated order book has also been deconsolidated. This resulted in a EUR 105 million decline in the order book, resulting in a year end order book of EUR 590 million (end-2010: EUR 677 million).

MARITIME INFRASTRUCTURE

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

	2011	2010
<i>(in EUR millions)</i>		
Revenue	197	265
Operating result	30.4	28.9
Order book	410	486

REVENUE

Revenue from the Maritime Infrastructure segment is realized through strategic partner Archirodon, in which Boskalis holds a 40% stake. Archirodon is primarily involved in realizing maritime and civil engineering works, for clients in for example the oil and gas sectors and electricity industry, in the Middle East and North Africa, with Saudi Arabia as its main market. Archirodon's revenue declined during the year under review, mainly as a result of the domestic unrest in Egypt and particularly Libya. This led to work on ongoing projects being temporarily suspended or halted. Boskalis' share in Archirodon's revenue was EUR 197 million (2010: EUR 265 million).

SEGMENT RESULT

Despite the decline in revenue and the negative impact on the result from the aforementioned developments in Egypt and Libya, operating profit rose in 2011. This was thanks to the generally good to very good results on the projects in the other countries in the region where Archirodon is active. They included work on ports and quay walls in Kuwait and Qatar and on railroads, power stations and desalination plants in Saudi Arabia. Archirodon contributed EUR 30.4 million to operating profit (2010: EUR 28.9 million).

ORDER BOOK

Partly under the influence of the developments in North Africa the order book declined to EUR 410 million (our 40% share; end-2010: EUR 486 million).

HOLDING

Non-allocated head office activities

	2011	2010*
<i>(in EUR millions)</i>		
Revenue	4.0	9.1
Operating result	-40.7	-36.0

* SMIT activities consolidated from the second quarter

SEGMENT RESULT

The operating result for the reporting period mainly includes the usual non-allocated Boskalis and SMIT head office costs, as well as various non-allocated non-recurring costs relating mainly to the acquisition and integration of SMIT.

OTHER FINANCIAL INFORMATION

Depreciation, amortization and impairments amounted to EUR 236 million in 2011 (2010: EUR 220 million). The increase was largely attributable to the effect of consolidating SMIT for an additional quarter (three quarters in 2010) and the additional 50% stake in Rebras acquired in early 2011. In 2011 a net impairment charge of EUR 6.4 million was taken on several units of equipment (2010: EUR 8.7 million).

The result from associated companies was EUR 2.0 million. In 2010 the result was EUR 25.0 million, which was for the most part connected with a revaluation gain on the stake held in SMIT directly prior to the public offer being declared unconditional.

Because of the lower result the tax burden also declined in 2011, to EUR 54.7 million (2010: EUR 77.1 million). The effective tax rate fell to 17.3% (2010: 19.8%), partly because a relatively larger share of the result was realized in countries with a lower tax rate.

In 2011 the return on equity was 15.4% (2010: 21.7%).

CAPITAL EXPENDITURE AND BALANCE SHEET

In the year under review a total amount of EUR 292 million was invested. Important investments concerned the construction of the new Rockpiper fallpipe vessel to cater to the oil and gas industry and the offshore wind market. The ship is scheduled for delivery at the end of March 2012. During the past year the company also invested in the conversion of the Taurus II mega cutter and reconstruction work started on the WD Fairway, a 36,000 m3 mega hopper. The ship is expected to be taken into service in the course of 2013. Other investments concerned two new multifunctional cable laying/offshore vessels, the construction of the Asian Hercules III (5,000 MT floating sheerleg crane for the Asian Lift JV) and various smaller investments at Terminal Services, Harbour Towage, Salvage and Transport.

In 2011 a number of old dredging vessels, including the Cornelia, Puerto Mexico, Atlantico and Alpha B, were taken out of service and will be scrapped at certified yards adhering to strict environmental standards. In addition the lease contract for the American trailing suction hopper dredger the Stuyvesant was terminated at the end of the year. The age of the ship and the limited opportunities on the American market meant that extending the lease contract was not an attractive option.

Capital expenditure commitments as at 31 December 2011 increased to EUR 193 million (end-2010: EUR 93 million). These commitments mainly concern the aforementioned investments, six new tugs for the Brazilian market and the expansion of the head office in Papendrecht.

During the year under review EUR 105.3 million was spent on acquisitions. This mainly concerned the acquisition of the 50% stake in Rebras and the entire share capital of MNO Vervat. The sale of the Terminal activities to Lamnalco generated net cash proceeds of EUR 83 million. Lamnalco financed half of the transaction amount by means of a capital contribution from both shareholders, with the remainder being financed through a bridging loan provided by Boskalis. After the forthcoming refinancing of Lamnalco in 2012 Boskalis will receive further net cash proceeds of EUR 83 million. An amount of EUR 20 million was spent on acquiring the remaining 2% of shares in SMIT.

Cash flow declined to EUR 497 million (2010: EUR 532.5 million).

The cash position was EUR 383 million at the end of 2011. Of the total cash position, EUR 225 million was freely available and EUR 152 million was tied up in associated companies and projects being executed in conjunction with third parties.

The company's solvency ratio was 37.4% at 31 December 2011. At end-2010 the solvency ratio was 37.1%.

Interest-bearing debt totaled EUR 792 million at 31 December 2011 and the net debt position stood at EUR 410 million (end-2010: EUR 450 million). The majority of the debt position consists of long-term US Private Placement (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 as agreed with the syndicate of banks and the USPP investors. These agreements were comfortably met as at 31 December 2011. 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 2011, the net debt : EBITDA ratio stood at 0.7 and the EBITDA : net interest ratio at 16.6.

OTHER DEVELOPMENTS

MNO VERVAT

At the end of December Boskalis completed the previously announced acquisition of MNO Vervat. MNO Vervat holds a leading position in the Dutch civil infrastructure market and is specialized in road construction, concrete and other civil construction work. On the international front MNO Vervat is mainly active in Suriname. The combination of Boskalis Nederland and MNO Vervat creates a player with the ability to perform a leading role at the top of the Dutch market. In addition MNO Vervat gives Boskalis the knowledge and expertise in the field of concrete and other civil construction work that it needs for its international projects. This will enable it to respond to the growing demand for all-round solutions for complex port and offshore projects. Comparable expertise is already very successfully applied within the group on a regional scale in the Middle East through our partner company Archirodon.

SMIT LAMNALCO

On 30 June 2011 Boskalis reached an agreement with the Rezayat Group of Saudi Arabia, its co-shareholder in Lamnalco, regarding the sale of SMIT's terminal and AHTS transport activities to Lamnalco. The transaction was completed in early October. Lamnalco acquired an important part of the activities for a consideration of USD 434 million, half of which was funded through a capital injection by both shareholders; the remainder through a loan extended by Boskalis. This loan will be redeemed in 2012 following the refinancing of Lamnalco. Lamnalco acquired all of SMIT's terminal activities, with the exception of the terminal activities of Rebras (Brazil) and those of the joint ventures in Egypt and Singapore (Keppel-SMIT). The combined activity will continue under the name of Smit Lamnalco and the organizational integration will take place in 2012.

SAAM

In early November Boskalis and Sudamericana Agencias Aereas y Maritimas S.A. (SAAM) announced they were exploring the possibilities and opportunities for a joint towage operation in North and South America. The proposed cooperation would be between SMIT's harbour towage services in North and South America and those of SAAM, part of Compañía Sud Americana de Vapores (CSAV). The combination of SMIT and SAAM will create a leading provider of towage services in Central and South America. The combined towage operations would serve 45 ports in nine countries with a fleet of more than 150 vessels. Besides producing operational synergies, the joint operation would also significantly strengthen the market position of the combined entity.

APPENDIX: FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(in € 1,000)	2011	2010
OPERATING INCOME		
Revenue	2,801,037	2,674,439
Other income	8,780	38,289
	2,809,817	2,712,728
OPERATING EXPENSES		
Raw materials, consumables, services and subcontracted work	- 1,669,675	- 1,594,802
Personnel expenses	- 549,661	- 496,452
Depreciation, amortization and impairment losses	- 236,388	- 219,604
	- 2,455,724	- 2,310,858
OPERATING RESULT	354,093	401,870
FINANCE INCOME AND EXPENSES		
Finance income	22,987	23,238
Finance expenses	- 63,355	- 60,074
	- 40,368	- 36,836
Share in result of associated companies (after taxation)	2,020	24,973
PROFIT BEFORE TAXATION	315,745	390,007
Taxation	- 54,735	- 77,125
NET GROUP PROFIT	261,010	312,882
NET GROUP PROFIT ATTRIBUTABLE TO:		
Shareholders	254,254	310,517
Non-controlling interests	6,756	2,365
	261,010	312,882
Average number of shares	102,390,642	99,962,337
Earnings per share	€ 2.48	€ 3.11
Diluted earnings per share	€ 2.48	€ 3.11

CONSOLIDATED STATEMENT OF RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES

(in € 1,000)	2011	2010
NET GROUP PROFIT FOR THE PERIOD	261,010	312,882
UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD		
Currency translation differences on foreign operations	- 823	37,864
Actuarial gains and losses and asset limitation on defined benefit pension schemes	- 58,789	- 28,593
Movement in fair value of cash flow hedges	6,074	- 11,554
Income tax on unrecognized income and expenses	10,847	6,624
Unrecognized income and expenses for the period, net of income tax	- 42,691	4,341
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD	218,319	317,223
ATTRIBUTABLE TO:		
Shareholders	212,528	313,340
Non-controlling interests	5,791	3,883
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD	218,319	317,223

CONSOLIDATED BALANCE SHEET

(in € 1,000)	December 31	
	2011	2010
ASSETS		
Non-current assets		
Intangible assets	595,596	593,677
Property, plant and equipment	2,206,038	2,178,625
Investments in associated companies	23,428	20,617
Non-current receivables	112,064	40,373
Derivatives	155	106
Deferred income tax assets	28,813	18,706
	<u>2,966,094</u>	<u>2,852,104</u>
Current assets		
Inventories	97,717	86,906
Due from customers	234,353	197,170
Trade and other receivables	949,171	793,339
Derivatives	7,080	4,930
Income tax receivable	21,298	23,060
Cash and cash equivalents	397,957	357,744
	<u>1,707,576</u>	<u>1,463,149</u>
TOTAL ASSETS	<u>4,673,670</u>	<u>4,315,253</u>
Group equity		
Issued capital	82,777	80,779
Share premium	230,360	231,335
Other reserves	230,175	150,803
Retained earnings	1,189,500	1,102,053
Shareholders' equity	<u>1,732,812</u>	<u>1,564,970</u>
Non-controlling interests	14,503	34,324
TOTAL GROUP EQUITY	<u>1,747,315</u>	<u>1,599,294</u>
LIABILITIES		
Non-current liabilities		
Interest-bearing borrowings	679,696	705,003
Employee benefits	83,864	35,896
Deferred income tax liabilities	93,483	104,135
Provisions	26,996	42,986
Derivatives	10,462	21,496
	<u>894,501</u>	<u>909,516</u>
Current liabilities		
Due to customers	488,881	479,264
Interest-bearing borrowings	112,572	102,766
Bank overdrafts	15,364	1,475
Income tax payable	149,816	163,107
Trade and other payables	1,233,125	1,022,113
Derivatives	20,853	23,211
Provisions	11,243	14,507
	<u>2,031,854</u>	<u>1,806,443</u>
TOTAL LIABILITIES	<u>2,926,355</u>	<u>2,715,959</u>
TOTAL GROUP EQUITY AND LIABILITIES	<u>4,673,670</u>	<u>4,315,253</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

(in € 1,000)	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net group profit	261,010	312,882
Depreciation, amortization and impairment losses	236,388	219,604
Cash flow	497,398	532,486
Adjustments for:		
Finance income and expenses	40,368	36,836
Taxation	54,735	77,125
Results from disposals of property, plant and equipment	- 4,101	- 4,710
Movement non-current receivables	5,488	- 21,924
Movement provisions (including direct equity movements)	- 20,712	- 15,556
Movement in inventories	- 4,635	2,028
Movement trade and other receivables	- 64,014	- 28,394
Movement trade and other payables	72,505	89,227
Movement due from and due to customers	- 14,390	- 43,206
Result of associated companies	- 2,020	- 24,973
Cash generated from operating activities	560,622	598,939
Dividends received	729	17,611
Interest received	8,324	5,094
Interest paid	- 44,578	- 29,975
Income taxes paid	- 75,915	- 64,210
Net cash from operating activities	449,182	527,459
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of intangible assets and property, plant and equipment, excluding recognized borrowing costs	- 293,326	- 329,205
Proceeds from disposals of property, plant and equipment	35,831	38,173
Net investment in group companies, net of cash acquired	- 105,256	- 675,146
Disposal of (a part of) group companies, net of cash disposed and loans issued	82,953	-
Net investments in associated companies	1,772	- 50,383
Net cash used in investing activities	- 278,026	- 1,016,561
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	529,088	2,194,756
Repayment of loans	- 607,195	- 1,869,500
Transaction costs relating to the arrangement of credit facilities	- 2,149	- 17,179
Net investment in non-controlling interests	- 19,939	-
Dividends paid to the Company's shareholders	- 44,686	- 44,137
Dividends paid to non-controlling interests	- 5,673	- 2,031
Net cash used in / from financing activities	- 150,554	261,909
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	20,602	- 227,193
Net cash and cash equivalents as at January 1	356,269	593,489
Net (decrease) / increase in cash and cash equivalents	20,602	- 227,193
Currency translation differences	5,722	- 10,027
MOVEMENT IN NET CASH AND CASH EQUIVALENTS	26,324	- 237,220
NET CASH AND CASH EQUIVALENTS AS AT DECEMBER 31	382,593	356,269

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € 1,000)	ISSUED CAPITAL	SHARE PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL	NON- CONTROLLING INTEREST	TOTAL EQUITY
Balance as at January 1, 2011	80,779	231,335	150,803	1,102,053	1,564,970	34,324	1,599,294
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE PERIOD							
<i>Net group profit for the period</i>	—	—	—	254,254	254,254	6,756	261,010
Unrecognized income and expenses for the period							
Foreign currency translation differences for foreign operations	—	—	2,373	—	2,373	- 965	1,408
Effective cash flow hedges, after taxation	—	—	5,153	—	5,153	—	5,153
Defined benefit plan actuarial gains (losses) and asset limitation, after taxation	—	—	- 49,252	—	- 49,252	—	- 49,252
Revaluation existing participation prior to business combination with SMIT	—	—	17,316	- 17,316	—	—	—
Movement other legal reserve	—	—	103,782	- 103,782	—	—	—
<i>Total unrecognized income and expenses for the period</i>	—	—	79,372	- 121,098	- 41,726	- 965	- 42,691
Total recognized and unrecognized income and expenses for the period	—	—	79,372	133,156	212,528	5,791	218,319
TRANSACTIONS WITH SHAREHOLDERS, RECOGNIZED DIRECTLY IN EQUITY							
Distributions to shareholders							
Cash dividend	—	—	—	- 44,686	- 44,686	- 5,673	- 50,359
Stock dividend	1,998	- 975	—	- 1,023	—	—	—
Movements in interests in subsidiaries							
New in consolidation	—	—	—	—	—	6	6
Non-controlling interest in Smit Internationale N.V.	—	—	—	—	—	- 19,945	- 19,945
Total transactions with shareholders	1,998	- 975	—	- 45,709	- 44,686	- 25,612	- 70,298
Balance as at December 31, 2011	82,777	230,360	230,175	1,189,500	1,732,812	14,503	1,747,315

INFORMATION BY BUSINESS SEGMENTS

2011	DREDGING & EARTH- MOVING	SALVAGE, TRANSPORT & HEAVY LIFT	HARBOUR TOWAGE	TERMINAL SERVICES	MARITIME INFRA- STRUCTURE	HOLDING & ELIMINATIONS	GROUP
Revenue	1,835,386	375,949	233,331	155,690	196,568	4,113	2,801,037
Segment result	266,930	43,187	29,360	24,977	30,364	- 40,725	354,093
Operating result							354,093
Share in result of associated companies	- 322	1,161	- 27	1,208	-	-	2,020
Non-allocated finance income and expenses							- 40,368
Non-allocated taxation							- 54,735
Net group profit							261,010
Segment assets	2,351,336	776,393	838,069	495,089	164,840	- 32,831	4,592,896
Investments in associated companies	9,354	954	9,123	3,541	-	456	23,428
Non-allocated assets							57,346
Total assets							4,673,670
Segment liabilities	1,564,915	200,940	111,856	89,114	56,656	- 179,372	1,844,109
Non-allocated liabilities							1,082,246
Total liabilities							2,926,355
Investments in property, plant and equipment	151,351	56,712	32,379	27,489	13,892	10,072	291,895
Depreciation on property, plant and equipment	96,317	41,303	40,751	27,705	11,963	1,079	219,118
Amortisation on intangible assets	-	1,225	4,564	2,123	-	2,927	10,839
Impairment losses on property, plant and equipment	- 759	7,190	-	-	-	-	6,431
							236,388

2010	DREDGING & EARTH- MOVING	SALVAGE, TRANSPORT & HEAVY LIFT	HARBOUR TOWAGE	TERMINAL SERVICES	MARITIME INFRA- STRUCTURE	HOLDING & ELIMINATIONS	GROUP
Revenue	1,801,082	296,533	155,451	147,543	264,690	9,140	2,674,439
Segment result	320,468	42,986	23,177	22,340	28,851	- 35,952	401,870
Operating result							401,870
Share in result of associated companies	3,475	323	74	227	-	20,874	24,973
Non-allocated finance income and expenses							- 36,836
Non-allocated taxation							- 77,125
Net group profit							312,882
Segment assets	2,145,717	790,357	765,090	533,891	220,623	- 207,842	4,247,836
Investments in associated companies	8,002	1,851	8,121	2,187	-	456	20,617
Non-allocated assets							46,800
Total assets							4,315,253
Segment liabilities	972,255	207,923	359,246	65,881	114,774	- 125,313	1,594,766
Non-allocated liabilities							1,121,193
Total liabilities							2,715,959
Investments in property, plant and equipment	183,856	46,902	20,906	41,616	6,684	30,383	330,347
Depreciation on property, plant and equipment	103,371	31,964	27,608	22,861	18,006	915	204,725
Amortisation on intangible assets	-	1,138	2,296	2,238	-	478	6,150
Impairment losses on property, plant and equipment	8,729	-	-	-	-	-	8,729
							219,604

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 2011 financial statements. All amounts are in millions of euros unless stated otherwise.

DIVIDEND PAYMENTS TO SHAREHOLDERS OF ROYAL BOSKALIS WESTMINSTER NV

During 2011, a stock dividend was distributed of EUR 1.24 in the form of shares, unless the shareholder chose to receive a dividend in cash (2010: dividend of EUR 1.19).

COMMITMENTS AND CONTINGENT LIABILITIES

The total outstanding guarantee commitments (which are mainly for ongoing projects) were EUR 960 million as at 31 December 2011 (31 December 2010: EUR 812 million). The capital commitments as at 31 December 2010 have increased to EUR 193 million (year-end 2010: EUR 93 million). The operational lease obligations were EUR 65 million as at 31 December 2011 (31 December 2010: EUR 63 million). The other commitments and contingent liabilities have not materially changed since 31 December 2010.

This press release is based on the prepared financial statements of 2011 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 2011.

Papendrecht, The Netherlands, March 14, 2012
Board of Management