

PRESS RELEASE

Boskalis Business Update

Papendrecht, 17 February 2017

Boskalis
PO Box 43
3350 AA Papendrecht
The Netherlands

Page
1 | 2

Due to the strongly deteriorated market conditions in the offshore energy sector and the resulting outlook, Royal Boskalis Westminster N.V. (Boskalis) announces that it will report a non-cash impairment charge of EUR 840 million in its annual results 2016. This charge is almost entirely related to the services part of Boskalis' offshore oil and gas activities, with more than EUR 365 million related to an impairment of vessels, more than EUR 380 million relating to goodwill and approximately EUR 90 million to Smit Lamnalco.

In some of our service-related offshore energy market segments there is a structural imbalance between supply and demand, particularly in the heavy marine transport segment. This has put utilization rates and margins under pressure, resulting in a non-cash impairment of both the value of the vessels that operate at the lower end of the market and the goodwill.

A large part of the impairment relates to the Dockwise activities acquired in 2013 and the Dockwise vessels in the lower end of the market. Since the acquisition, Dockwise has contributed exceptionally well to Boskalis' results. Up to and including 2016 Dockwise generated around EUR 900 million in cash from its operating activities. The impairment of goodwill and the fleet amounts to EUR 550 million. Taking into account the initial acquisition cost, the result already achieved, the investments made since the acquisition and the impairment charge, the return on this acquisition has been healthy.

Boskalis' financial position continues to be strong, even after this impairment. At the end of 2016 Boskalis was amply net debt-free with more than EUR 900 million in cash on its balance sheet. The solvency ratio at year-end exceeded 55% and Boskalis comfortably meets the covenants agreed with its debt providers.

This impairment charge has no impact on the amount of dividend being set for 2016. The dividend will be based on the underlying net result, adjusted for the impairment charge. Boskalis maintains its outlook for the underlying net profit as stated in its third quarter 2016 trading update press release. In line with its policy, Boskalis will distribute 40-50% of net profit as dividend in cash or in ordinary shares. The number of shares to be distributed as stock dividend will subsequently be repurchased to prevent dilution.

FOR FURTHER INFORMATION

Investor relations:
Martijn L.D. Schuttevâer
ir@boskalis.com

Press:
Arno Schikker
press@boskalis.com

On 8 March 2017 Boskalis will publish its annual results for 2016 as well as a strategic update for the 2017-2019 period. This update will reflect on matters including interesting opportunities Boskalis sees at the high end of the offshore energy market.

T +31 78 6969310

FOR FURTHER INFORMATION

Investor relations:
Martijn L.D. Schuttevæer
ir@boskalis.com

Press:
Arno Schikker
press@boskalis.com

T +31 78 6969310

This is a Boskalis press release on the grounds of article 17 paragraph 1 of the European Market Abuse Regulation (596/2014).

Royal Boskalis Westminster N.V. is a leading global services provider operating in the dredging, maritime infrastructure and maritime services sectors. The company provides creative and innovative all-round solutions to infrastructural challenges in the maritime, coastal and delta regions of the world with services including the construction and maintenance of ports and waterways, land reclamation, coastal defense and riverbank protection. In addition, Boskalis offers a wide variety of marine services and contracting for the oil and gas sector and offshore wind industry as well as salvage solutions (SMIT Salvage). Furthermore, Boskalis has a number of strategic partnerships in harbour towage and terminal services (KOTUG SMIT Towage, Keppel Smit Towage, Saam Smit Towage and Smit Lamnalco). With a versatile fleet of 1,000 units Boskalis operates in around 75 countries across six continents. Boskalis has over 8,200 employees, excluding its share in partnerships.

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

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.