Boskalis
Dredging & Marine Experts

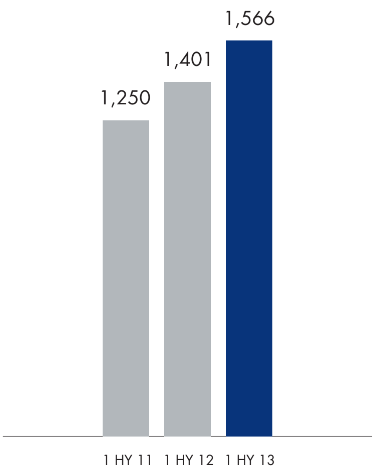
HALF YEAR
REPORT 2013

HALF YEAR REPORT 2013

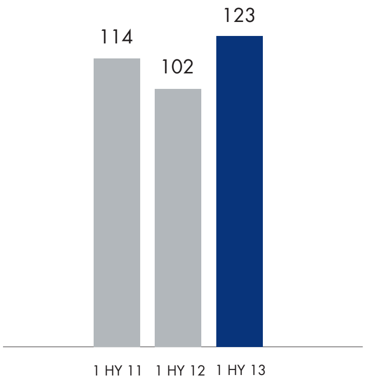
KEY FIGURES

KEY FIGURES	1ST HY 2013	1ST HY 2012
(in millions of euros)		
Revenue	**1,566**	1,401
EBITDA	**297**	254
Operating result (EBIT)	**155**	145
Result from associates	**19.6**	1.3
Net profit	**123**	102
Earnings per share (in euros)	**1.06**	0.99
	End 1ST HY 2013	31 DEC 2012
Order book	**4,525**	4,106

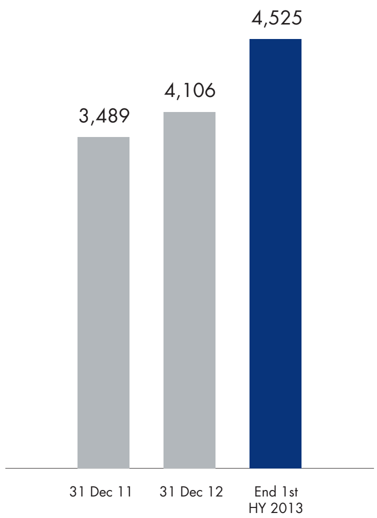
REVENUE (in millions of euros)



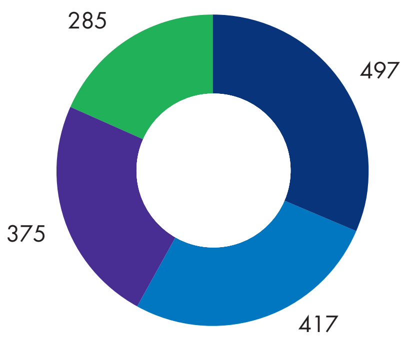
NET PROFIT (in millions of euros)



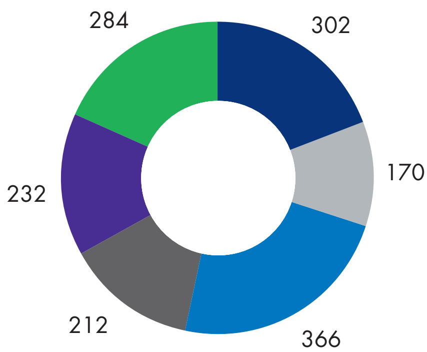
ORDER BOOK (in millions of euros)



REVENUE BY SEGMENT (in millions of euros)



REVENUE BY GEOGRAPHICAL AREA (in millions of euros)



REVENUE BY SEGMENT	1ST HY 2013	1ST HY 2012
(in millions of euros)		
Dredging	**497**	592
Offshore Energy	**417**	233
Inland Infra	**375**	302
Towage & Salvage	**285**	274
Eliminations	**- 8**	–
Total	**1,566**	1,401

REVENUE BY GEOGRAPHICAL AREA	1ST HY 2013	1ST HY 2012
(in millions of euros)		
The Netherlands	**302**	394
Rest of Europe	**170**	211
Australia / Asia	**366**	227
Middle East	**212**	139
Africa	**232**	191
North, Central and South America	**284**	239
Total	**1,566**	1,401

HALF YEAR REPORT 2013

This half year report contains forward-looking statements. These statements are based on current expectations, estimates and projections of Boskalis' management and information currently available to the company. These forecasts are not certain and contain elements of risk that are difficult to predict and therefore Boskalis does not guarantee that its expectations will be realized. Boskalis has no obligation to update the statements contained in this half year report. Unless stated otherwise, all amounts in this half year report are in euros (EUR). Some of the projects referred to in this report were carried out in joint venture or in a subcontractor role. This is an English translation of the Dutch half year report. In the event of any disparity between the Dutch original and this translation, the Dutch text will prevail. This half year report as well as the Annual Report 2012 can be read on www.boskalis.com.

Reclamation of land by trailing suction hopper dredger Gateway in the port of Tangiers, Morocco

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CHAIRMAN'S STATEMENT

"We look back on a busy first half of the year in which we delivered a good operational performance but also took an important strategic step with the acquisition of Dockwise. This combination allows us to strongly expand our position in the offshore energy sector and offer new perspectives to both our clients and our staff. We have already made a good start with the integration of the two companies.

Within the Group we are also seeing how the various activities supplement and reinforce each other. Dredging combined with SMIT Salvage in India, offshore ordnance clearance in northern Germany using dredging and subsea services, and very recently SMIT Salvage with Dockwise in an initial dry-docking project involving the Vanguard.

The market conditions in the first six months of the year remained challenging but in spite of this capacity utilization of the large ships was good and we managed to keep the order book well filled, as a result of which we expect to achieve a healthy capacity utilization of the fleet for the remainder of the year. With this prospect, as well as the book gain we will realize in the second half of the year from the sale of our 40% stake in Archirodon, we expect to close the year with an all-time high net profit."

Peter Berdowski, CEO

Reclamation of land and construction of jetty in the port of Lagos, Nigeria

RESULTS

Royal Boskalis Westminster N.V. realized a net profit of EUR 123 million in the first half of 2013 (H1 2012: EUR 102 million). Dockwise contributed EUR 15 million to this result. Revenue rose by 12% in the first half to EUR 1.6 billion (H1 2012: EUR 1.4 billion). Organic revenue growth was 4%.

EBITDA in the first half of the year amounted to EUR 297 million and the operating result (EBIT) was EUR 155 million (H1 2012: EUR 254 million and EUR 145 million, respectively). The results of Dockwise have been fully consolidated from the second quarter, which largely explains this increase. The Dredging segment realized a higher result while the result at Offshore Energy, adjusted for the contribution from Dockwise, was slightly lower than in the same period last year. The results at the Inland Infra and Towage & Salvage segments were in line with the results achieved in the same period last year.

At the end of the first half of the year the order book including Dockwise stood at EUR 4,525 million (end-2012: EUR 4,106 million).

MARKET DEVELOPMENTS

The markets in which Boskalis operates are driven in the long term by growth in global trade, energy consumption and the world's population, as well as by the effects of climate change.

The medium-term picture is mixed for the markets in which we operate. On the one hand we are seeing continued reluctance on the part of governments, particularly in Europe, to invest, and large-scale commodities-related projects are increasingly under pressure globally due to the falling commodity prices. On the other hand we are seeing initiatives for infrastructure projects being developed in various regions of the world and across the different market segments. This applies in particular to energy-related projects in South America, Africa and Australasia, land reclamation projects in Asia and port developments outside of Europe.

Market developments in the offshore energy market have a bearing on a substantial part of our business. We expect demand for and construction of new oil and LNG import and export terminals (Dredging and Dockwise) to lead to growth in terminal services (Smit Lamnalco).

Other than that, developments at Offshore Energy are strongly dependent on an upturn in demand from the energy markets, particularly those in Brazil, the United States, Mexico, Africa and Southeast Asia.

OPERATIONAL AND FINANCIAL PERFORMANCE

HIGHLIGHTS FIRST HALF YEAR 2013

- Revenue rises to record level of EUR 1.6 billion
- EBITDA of EUR 297 million
- Net profit of EUR 123 million
- Dockwise contributing to higher result
- Order book at EUR 4.5 billion

OUTLOOK FOR 2013

- Stable market conditions
- All-time high net profit expected of at least EUR 330 million

During the first half of the year Boskalis successfully completed the acquisition of Dockwise by means of a public offer and subsequent squeeze-out procedure for all shares not already tendered under the offer. The Dockwise results for the first quarter have been recognized as result from associated companies based on the pro rata stake, with the results being fully consolidated as from the second quarter. At the beginning of the third quarter the 40% stake in Archirodon was sold and this stake will therefore no longer be included in the consolidated figures as from the third quarter. The transaction resulted in a book gain of around EUR 50 million, which will be recognized in the second half of the year.

REVENUE

During the first half of the year revenue rose by 12% to EUR 1.57 billion. Dockwise contributed EUR 113 million to the revenue figure, meaning that revenue excluding this consolidation effect was EUR 1.46 billion (H1 2012: EUR 1.40 billion).

Dredging was the only segment to report a decline in revenue, with the Offshore Energy, Inland Infra and Towage & Salvage segments all recording organic revenue growth.

BY SEGMENT	1ST HY 2013	1ST HY 2012
(in EUR million)		
Dredging	**497**	592
Offshore Energy	**417**	233
Inland Infra	**375**	302
Towage & Salvage	**285**	274
Eliminations	**- 8**	–
Total	**1,566**	1,401

BY GEOGRAPHICAL REGION	1ST HY 2013	1ST HY 2012
(in EUR million)		
The Netherlands	**302**	394
Rest of Europe	**170**	211
Australia / Asia	**366**	227
Middle East	**212**	139
Africa	**232**	191
North, Central and South America	**284**	239
Total	**1,566**	1,401

RESULT

The operating result (EBIT) for the first half of the year was EUR 155 million (H1 2012: EUR 145 million). Excluding the contribution from Dockwise and other acquisition-related effects the operating result was EUR 149 million.

The contribution from Dockwise to the operating result, excluding one-off acquisition expenses and including the Purchase Price Allocation (PPA) effect, was EUR 12.8 million. Adjusted for the PPA effect the contribution equaled EUR 20.4 million.

The Dredging segment realized a higher result while the result at Offshore Energy, adjusted for the contribution from Dockwise, was slightly lower than in the same period last year at EUR 29.4 million. The results at the Inland Infra and Towage & Salvage segments were in line with the results achieved in the same period last year.

The operating result excluding the result of associated companies and before interest, taxes, depreciation, amortization and impairments (EBITDA) was EUR 297 million (H1 2012: EUR 254 million). Excluding the contribution from Dockwise and other acquisition-related effects EBITDA was EUR 256 million.

SEGMENT RESULTS	1ST HY 2013	1ST HY 2012
(in EUR million)		
Dredging	**93.3**	83.0
Offshore Energy	**42.2**	33.1
Inland Infra	**6.8**	7.3
Towage & Salvage	**39.0**	40.0
Non-allocated group costs	**- 26.0**	- 18.2
Total	**155**	145

NET PROFIT

The operating result (EBIT) was EUR 155 million. Net of financing expenses of, on balance, EUR 28.3 million and EUR 19.6 million in results from associated companies, profit before taxation came to EUR 147 million. Net profit attributable to shareholders totaled EUR 123 million (H1 2012: EUR 102 million).

The contribution from Dockwise to the net profit was EUR 15 million and can be broken down into the following components:

- a contribution of EUR 22.1 million to the result from Dockwise's operating activities. In the first quarter the contribution from Dockwise was recognized as result from associated companies, with the Dockwise results being fully consolidated from the second quarter.
- on balance a charge of EUR 7.6 million, of which EUR 14.5 million in the form of additional depreciation and amortization expenses associated with the Purchase Price Allocation (PPA).
- one-off costs of EUR 15.7 million, incurred by Dockwise and Boskalis in connection with the acquisition, integration and arrangement of the financing.
- a non-cash gain of EUR 22.7 million on the revaluation of the 42.2% stake in Dockwise held 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 (lower) purchase price. The gain has been recognized under result from associated companies.
- additional interest charges of EUR 6.5 million.

ORDER BOOK

At the end of the first half of the year the order book stood at EUR 4,525 million (end-2012: EUR 4,106 million). In the course of the first half of the year Boskalis acquired, on balance, EUR 1,490 million worth of new contracts, broadly spread across the world and the various market segments. Furthermore, the contracts held by Dockwise at the time of its inclusion in the consolidated figures were valued and added to the order book for an amount of EUR 496 million. At the end of the first half of the year the (revenue) value of these contracts totaled EUR 463 million. Archirodon's share in the order book was EUR 509 million (end-2012: EUR 579 million).

ORDER BOOK	END 1ST HY 2013	31 DEC 2012
(in EUR million)		
Dredging	**1,173**	1,143*
Offshore Energy	**1,225**	820
Inland Infra	**1,442**	1,533*
Towage & Salvage	**685**	610
Total	**4,525**	4,106

* As from the beginning of 2013 the projects on and around the Dutch inland waterways are recognized under Inland Infra. The comparative figures have been adjusted accordingly.

DREDGING

Construction, maintenance and deepening of ports and waterways, land reclamation, coastal defense, underwater rock fragmentation and the extraction of minerals using dredging techniques.

DREDGING	1ST HY 2013	1ST HY 2012	2012
(in EUR million)			
Revenue	**497**	593	1,290
EBITDA	**128**	120	286
Operating result	**93.3**	83.0	200.6
Order book	**1,173**	1,177	1,143


The Dockwise Vanguard with the hull of the Jack & St. Malo platform arriving in Ingleside, US

REVENUE

Revenue in the Dredging segment totaled EUR 497 million (H1 2012: EUR 593 million).

REVENUE BY MARKET	1ST HY 2013	1ST HY 2012	2012
(in EUR million)			
European home markets	**129**	208	468
Non-European home markets	**43**	101	143
International projects	**325**	284	679
Total	**497**	593	1,290

EUROPEAN HOME MARKETS

Revenue in the European home markets (the Netherlands, Germany, United Kingdom, Nordic countries) declined to EUR 129 million (H1 2012: EUR 208 million). The decline was mainly attributable to the lower activity level in the Netherlands as a result of the conclusion of work on the Maasvlakte 2 project and a smaller volume of coastal defense projects. The construction of Maasvlakte 2 was technically concluded in the first half of the year and in the next 10 years Boskalis will be responsible for maintaining the soft sea defense. In the other European home markets work took place on a large number of maintenance projects in ports and waterways. The German home market had a busy first half year with both offshore ordnance clearance work and maintenance projects in ports and waterways. Boskalis Hirdes once again performed a large amount of offshore ordnance clearance work to facilitate the construction of offshore wind farms. This new market has been developed by combining its own expertise in onshore ordnance clearance with Boskalis Offshore's Subsea Services.

NON-EUROPEAN HOME MARKETS

Revenue in the home markets outside Europe (Nigeria and Mexico) fell to EUR 43 million (H1 2012: EUR 101 million). Both countries experienced a drop in activity levels following the conclusion of a number of substantial projects. While the prospects for further growth in Nigeria remain good, decision-making processes at oil and gas companies with regard to major investments are proceeding slowly.

INTERNATIONAL PROJECT MARKET

Revenue from the international project market rose compared to last year to EUR 325 million (H1 2012: EUR 284 million). Following the conclusion in 2012 of the substantial Gorgon project in Western Australia revenue is mainly being generated on a large number of smaller projects. The regions of Africa, the Middle East and India in particular demonstrated strong revenue growth. In the first half of the year, Boskalis was active on projects in countries including Kenya (port of Mombasa), Morocco (port of Tangiers), Benin (coastal defense at Cotonou), India (port of Mumbai) and Iraq. The project in India involved a joint effort with SMIT Salvage to remove old shipwrecks from the access channel. In Central and South America work was carried out on various port development and mining projects, while new projects were started up in Vietnam and Australia.

FLEET DEVELOPMENTS

Utilization of the hopper fleet in the first half of the year was strong, with an effective annualized utilization rate of 44 weeks (H1 2012: 43 weeks). However, the utilization rate for the cutter fleet was lower, with an effective annualized utilization

Mobilization of two jack-up vessels for the West of Duddon Sands offshore wind farm project in the Irish Sea rate of 19 weeks (H1 2012: 25 weeks). The cutter Ursa was sold at the beginning of the year.

SEGMENT RESULT

EBITDA in the Dredging segment totaled EUR 128 million with an operating result of EUR 93.3 million (H1 2012: EUR 120 million and EUR 83 million, respectively). This result includes a book gain of EUR 17.8 million on the sale of dredging equipment. In addition to the usual project results, which included good results on a number of larger projects nearing completion as well as results from the financial settlement of projects whose technical completion took place earlier, the strong utilization of the fleet also made a positive contribution to the result.

ORDER BOOK

On balance EUR 527 million of new work was acquired in the first half of 2013. In Vietnam a land reclamation project was acquired in connection with the construction of a new refinery. Boskalis will be responsible for maintaining the shipping access channel to the port of Melbourne, Australia and on the Elbe River in northern Germany over the next few years, and this autumn the company will reclaim land for the construction of a new port facility in St. Petersburg, Russia. More recently, since the close of the first half, a substantial project was acquired in South Korea. The value of the order book at the end of the period under review was EUR 1,173 million (end-2012: EUR 1,143 million).

ORDER BOOK BY MARKET	END 1ST HY 2013	31 DEC 2012
(in EUR million)		
European home markets	**313**	238
Non-European home markets	**32**	51
International projects	**828**	854
Total	**1,173**	1,143

OFFSHORE ENERGY

Offshore dredging and rock dumping projects, heavy transport, lift and installation work, diving and ROV services in support of the development, construction, maintenance and dismantling of oil and LNG import/export facilities, offshore platforms, pipelines and cables and offshore wind turbine farms.

OFFSHORE ENERGY	1ST HY 2013	1ST HY 2012	2012
(in EUR million)			
Revenue	**417**	233	481
EBITDA	**95.2**	50.7	95.4
Operating result	**42.2**	33.1	60.3
Order book	**1,225**	660	820

The revenue and results of Dockwise are fully consolidated from the second quarter of 2013.

REVENUE

Revenue in the Offshore Energy segment rose to EUR 417 million, including Dockwise revenue of EUR 113 million. Excluding this consolidation effect, revenue for the segment was EUR 304 million (H1 2012: EUR 233 million).

There was a high level of activity at both Subsea Contracting and Marine Contracting. Subsea Contracting performed various offshore dredging projects in addition to rock installation work to protect pipelines in Norway and other locations. The first half of the year also saw the start of preparatory work in connection with the major Ichthys offshore project in Australia. At Marine Contracting, good progress was made on the West of Duddon Sands offshore wind farm project in the Irish Sea. At Marine Services capacity utilization of the floating sheerlegs was good, with projects in Southeast Asia, Brazil, Germany and in the North Sea. However, the transport equipment of Marine Services achieved lower capacity utilization. Subsea Services had a quiet half year, in part due to low utilization levels of the diving support vessels as a consequence of adverse weather conditions in the North Sea.

Dockwise closed a good second quarter with a strong fleet utilization level. The short-term focused heavy marine transport activities, where the period between contract award and execution is usually less than one year, can best be characterized as marine services. Demand in the market for this type of work was weak in the early part of the year, with pressure on both volumes and prices, but picked up in the course of the second quarter. Demand for the longer-term focused activities of heavy marine transport, transport & installation and logistical management comes chiefly from projects and as such can best be characterized as contracting. The market prospects are good, mainly in light of expected deep-sea oil and gas projects in Norway, Western Australia, the Gulf of Mexico and West Africa. In the second quarter work was carried out on the Gorgon project (Australia) and the installation of the Gumusut platform (Malaysia), and the initial logistical management project with Floating Super Pallets for Bechtel (Australia) was successfully completed. And last but not least, at the beginning of the second quarter the Dockwise Vanguard successfully completed its first project with the delivery of the Jack & St. Malo platform, the world's biggest semi-submersible offshore platform, in the Gulf of Mexico.

FLEET DEVELOPMENTS

In the course of the first half of the year the modified AHT (Anchor Handling Tug) Smit Komodo was taken into service as a DSV (Diving Support Vessel). At the beginning of the second half of the year the fallpipe vessel Sandpiper was taken out of service. The Sandpiper has been replaced by the Rockpiper, which was taken into service in early 2012.

Utilization of the Dockwise fleet was 82% in the second quarter, resulting in capacity utilization of 78% for the first half of the year. The Dockwise Vanguard, the world's biggest semi-submersible heavy marine transport vessel, was taken into service in February.

SEGMENT RESULT

In the first half of the year EBITDA for the Offshore Energy segment was EUR 95.2 million with an operating result of EUR 42.2 million. Dockwise contributed EUR 47.2 million to the EBITDA figure and EUR 12.8 million to the operating result.

Excluding the contribution from Dockwise, the result at Offshore Energy was lower than in the first half of 2012, partly due to a weak capacity utilization for some equipment, including the DSVs.

The contribution from Dockwise, which relates only to the second quarter, was in line with expectations. The operating result includes a charge of EUR 7.6 million on balance, of which EUR 14.5 million in additional depreciation and amortization expenses associated with the Purchase Price Allocation (PPA).

ORDER BOOK

At the end of the first half of the year the order book of the Offshore Energy segment stood at EUR 1,225 million (end-2012 EUR 820 million). EUR 463 million of this related to Dockwise projects. On balance and excluding Dockwise, a total of EUR 246 million of new work was acquired in the first half of 2013, including an integrated dredging, rock installation, platform transport and installation project in the Philippines.

Dockwise acquired a lot of new work at the end of the second and beginning of the third quarter. At the end of the second quarter the order book stood at EUR 463 million (USD 610 million), of which EUR 294 million (USD 388 million) related to transport work and projects for 2014 or beyond. Since the close of the second quarter another EUR 109 million worth of new work has been acquired including both short and long-term projects. Over the past two months three new projects for the Dockwise Vanguard have been acquired: the dry docking of a very large oil rig in the Mediterranean (2013); the transportation of a large platform from Singapore to Brazil (2013/2014); and the transportation of an FPSO (Floating Production, Storage and Offloading unit) from the Far East to West Africa (2016).

INLAND INFRA

Riverbank protection and construction of roads and railroads, bridges, dams, overpasses and terminals including earthmoving, soil improvement and remediation. Up to mid-2013, through Archirodon, also civil infrastructure projects such as quay walls, breakwaters, water purification plants, sewer systems and the industrial construction of facilities such as power plants and desalination plants.

INLAND INFRA	1ST HY 2013	1ST HY 2012	2012
(in EUR million)			
Revenue	**375**	302	777
EBITDA	**27.1**	25.3	78.8
Operating result	**6.8**	7.3	38.1
Order book	**1,442**	1,313	1,533

In early July Boskalis sold its 40% stake in Archirodon for USD 190 million. The potential sale had been announced at the end of 2012. Archirodon was consolidated on a proportional basis and will no longer be consolidated as from the third quarter. The disposal resulted in a book gain of around EUR 50 million, which will be recognized in the second half of the year. This transaction had no impact on the first-half results.

REVENUE

Revenue in the Inland Infra segment rose to EUR 375 million (H1 2012: EUR 302 million). Most of this growth was attributable to Archirodon, with revenue of EUR 168 million (H1 2012: EUR 113 million). The activities of Boskalis in the Netherlands also recorded an increase in revenue, with a large number of projects including initial preparations for construction work on the A1-A6 motorways and the N201-A4 interchange near Amsterdam Airport Schiphol.

SEGMENT RESULT

EBITDA and operating result in the Inland Infra segment, including the proportional consolidation of joint ventures, was EUR 26.8 million and EUR 6.8 million, respectively (H1 2012: EUR 25.3 million and EUR 7.3 million, respectively). Archirodon's share in the operating result was EUR 9.7 million (H1 2012: EUR 7.1 million). Results in the Netherlands were under pressure, mainly as a result of price pressure in the Dutch market for in particular smaller infrastructure projects. Also there were additional expenses associated with integrating MNO Vervat in the Boskalis organization. The integration was started early this year and will be accelerated in view of market developments. An integration and restructuring charge of EUR 8 million was taken in the first half in connection with this.

ORDER BOOK

At the end of the first half the order book of the Inland Infra segment stood at EUR 1,442 million (end-2012: EUR 1,533 million). This includes our 40% share of the Archirodon order book, worth EUR 509 million (end-2012: EUR 579 million).

TOWAGE & SALVAGE

Towage: *towage services and berthing and unberthing of oceangoing vessels in ports and at offshore terminals, management and maintenance both above and below the surface of onshore and offshore oil and gas terminals and associated maritime and management services.*

Salvage: *providing assistance to vessels in distress, wreck clearance, environmental care services and advice.*

TOWAGE & SALVAGE	1ST HY 2013	1ST HY 2012	2012
(in EUR million)			
Revenue	**285**	274	533
EBITDA	**71.7**	75.7	142
Operating result	**39.0**	40.0	74.0
Order book	**685**	603	610

REVENUE

Revenue in the Towage & Salvage segment rose slightly in the first six months of the year, to EUR 285 million (H1 2012: EUR 274 million).

Boskalis is active through SMIT Harbour Towage in providing towage services in the port of Rotterdam and in countries including Belgium, Brazil, Panama, Canada, Australia and Singapore. In the first half of the year the activity level was high in Singapore in particular. The tugs there are mainly deployed in support of the shipyards, which were operating at full steam. In the United Kingdom 'specials' for the installation of offshore wind farms made a good revenue contribution. In Belgium a lower number of ship movements meant that revenue was below expectations.

Boskalis is also active, mainly through its 50% stake in Smit Lamnalco, in providing towage and additional services around offshore terminals, often under long-term contracts. Smit Lamnalco had a strong first half of the year. In the second half of the year Boskalis plans to transfer its Australian Harbour Towage activities, in the port of Gladstone, to Smit Lamnalco. These activities will subsequently be merged with the existing Smit Lamnalco terminal activities in Papua New Guinea.

SMIT Salvage had a good first half of the year, with a number of high-profile successful salvage operations, including those concerning the Kulluk (refloating an Arctic drillling rig in Alaska), the USS Guardian (removing a US Navy vessel from a reef in the Philippines), the Gelso M (wreck clearance project in Italy), the Sep Orion (salvage of a capsized jack-up rig in Brazil) and MOL Comfort (providing emergency response to a container ship). Finally SMIT Salvage worked alongside Boskalis Nederland on behalf of the Dutch Ministry of Infrastructure and the Environment to salvage two wrecks in the North Sea.

SEGMENT RESULT

EBITDA in the Towage & Salvage segment, including the proportionate consolidation of subsidiairies, was EUR 72 million and the operating result amounted to EUR 39 million (H1 2012: EUR 76 million and EUR 40 million, respectively).

ORDER BOOK

The order book grew to EUR 685 million (end-2012: EUR 610 million) and contains solely terminal contracts.

HOLDING AND ELIMINATIONS

Non-allocated head office activities and eliminations.

HOLDING AND ELIMINATIONS	1ST HY 2013	1ST HY 2012	2012
(in EUR million)			
Revenue	**- 8.3**	–	–
Operating result	**- 26.0**	- 18.2	- 36.1

SEGMENT RESULT

The operating result for the reporting period mainly includes the usual non-allocated head office costs, and those of the comparable departments and/or costs of Dockwise, as well as various non-allocated (mainly non-recurring) costs. The latter include one-off costs of EUR 5.8 million connected with the acquisition of Dockwise.

OTHER FINANCIAL INFORMATION

In the first half of the year depreciation, amortization and impairments totaled EUR 141 million (H1 2012: EUR 109 million). The increase compared to the first half of 2012 was wholly attributable to the Dockwise consolidation, including PPA effects.

The result from associated companies was EUR 19.6 million (H1 2012: EUR 1.3 million) and mainly concerned Dockwise. The result includes a gain of EUR 22.7 million relating to the revaluation of the stake in Dockwise held directly prior to the offer being declared unconditional. This revaluation result concerns the difference between the valuation of the stake based on the offer price and the purchase price. The result from associated companies also includes the share in the Dockwise result for the first quarter of 2013, based on an average stake of 39.1%. This result was on balance a negative EUR 3.7 million due to one-off costs recognized by Dockwise and associated with the acquisition.

In spite of the higher result before taxation the first-half tax burden of EUR 23.5 million was down on the same period last year (H1 2012: EUR 25.8 million). The effective tax rate fell to 16.0% (H1 2012: 19.9%), partly because the result from associated companies is tax exempt and the Dockwise activities fall under the fiscally attractive tonnage regime.

CAPITAL EXPENDITURE AND BALANCE SHEET

In the first half of the year a total of EUR 103 million was invested in tangible fixed assets. This figure is low relative to the anticipated investment level for the full year, mainly as a result of timing differences on payments on investment projects in progress. Important investments in the Dredging segment concerned reconstruction work on the Fairway, a 36,000 m^3 mega hopper, and three 4,500 m^3 hoppers to replace smaller hoppers already taken or to be taken out of service. The Causeway (the first of the 4,500 m^3 hoppers) will enter service at the end of August and the Fairway is expected to enter into service in the first quarter of 2014.

Investments in the Offshore Energy segment included the Ndurance and Ndeavor (new multifunctional cable laying/ offshore services vessels under construction), the Asian Hercules III (5,000 MT floating sheerleg in the Asian Lift JV) and the White Marlin (Dockwise type I transport vessel).

Delivery of the Ndurance and Ndeavor is expected in the second half of this year, with the Asian Hercules III following towards the end of the year and the White Marlin in late 2014. Towage & Salvage made various smaller investments in the past six months, for example in the six new tugs under construction for SMIT Brasil. Capital expenditure commitments at the end of the first half of the year increased to EUR 139 million (end-2012: EUR 126 million). These commitments mainly concern the investments listed above.

Cash flow in the first half of the year amounted to EUR 264 million (H1 2012: EUR 213 million). The cash position at the end of the first half was EUR 369 million (end-2012: EUR 390 million). The solvency ratio fell to 36.8% (end-2012: 39.2%).

The net debt position has risen as a result of the acquisition of Dockwise. As at 20 March a three-year loan (USD 525 million) was fully drawn, EUR 290 million was drawn under a five-year (EUR 500 million) revolving credit facility and a USD 525 million bridging loan was taken out. The bridging loan was fully repaid at the beginning of the third quarter from the proceeds of a USD 325 million US Private Placement, USD 190 million from the sale of Archirodon and available liquidity.

Interest-bearing debt totaled EUR 1,745 million at the end of the first half of the year and the net debt position stood at EUR 1,376 million (end-2012: EUR 598 million). The majority of the debt position consists of long-term US Private Placement (USPP) loans and drawings on the three and five-year syndicated bank facility taken out as part of the Dockwise acquisition financing package. Boskalis must comply with various covenants as agreed with the syndicate of banks and the USPP investors. These agreements were comfortably met at the end of the first half of the year. 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 the end of the first half, the net debt : EBITDA ratio stood at 1.8 and the EBITDA : net interest ratio at 9.0.

PRINCIPAL RISKS AND UNCERTAINTIES

The 2012 Annual Report of Royal Boskalis Westminster N.V. provides an overview of Boskalis' risk management and describes the five main risk categories: strategic and market risks, operational risks, financial risks, internal risk management and control systems and risks related to financial reporting. More information can be found on pages 47-51 of the 2012 Annual Report and in the online annual report at http://www.boskalis-annualreports.com.
The principal risks as described also apply to the current financial year. In the second half of 2013 the extent to which new projects are acquired and the associated commercial conditions will largely be determined by the prevailing economic circumstances. It is expected that the uncertain economic prospects, difficult funding markets and decreasing government spending, particularly in European countries, will persist. Financial market developments, mainly with regard to the problems in the European banking sector and developments surrounding the euro, are being closely monitored and additional specific control measures are or will be taken if necessary, mainly with regard to cash management.

In addition the 2012 annual report of Dockwise provides an overview of the main risks associated with the Dockwise activities. More information can be found on pages 14-18 of the Dockwise Annual Report 2012.

OTHER DEVELOPMENTS

VSMC

In early June Boskalis and Royal Volker Wessels Stevin N.V. (VolkerWessels) signed a Letter of Intent to set up a joint venture combining their forces in the field of offshore power cable installation. The two companies see opportunities for strengthening their proposition in this market, with the joint venture primarily focusing on the installation of offshore power cables, for example for wind farms (both infield and export cables). Boskalis and VSMC already work together on a project basis. Boskalis and VolkerWessels will each hold a 50% stake in Visser & Smit Marine Contracting Holding B.V. (currently a 100% subsidiary of VolkerWessels), which will continue its activities under the name VSMC. This cooperation will give VSMC access to two cable-laying vessels, the Stemat Spirit and the Ndurance.

DOCKWISE

In the first half of the year Boskalis launched a mandatory offer for all the outstanding shares of Dockwise. As at 13 March 99.39% of the total number of shares had been tendered and with the formal settlement of the offer on 20 March 2013 Boskalis gained control of the company. Since that date Boskalis has secured all the remaining shares and Dockwise has been delisted from both the Amsterdam and the Oslo stock exchanges. This means that the acquisition was fully completed within five months.
Over the past few months employees at both companies have worked hard on integrating the two organizations. The activities and specific areas within the Offshore Energy division have been identified, best practices are being shared and certain activities and jobs are being integrated.

BOARD OF MANAGEMENT

As a result of the Dockwise acquisition Dockwise CEO André Goedée has been appointed to the Board of Management of Royal Boskalis Westminster for a period of one year. The specific experience that Mr. Goedée has built up at Dockwise since 2003 will contribute towards the integration of Boskalis and Dockwise as well as the continuing growth and expansion of Boskalis.

FINANCIAL AGENDA

15 August 2013	Publication of 2013 half-year results
15 November 2013	Trading update on third quarter of 2013
13 March 2014	Publication of 2013 annual results
13 May 2014	Trading update on first quarter of 2014
13 May 2014	Annual General Meeting of Shareholders
14 August 2014	Publication of 2014 half-year results
14 November 2014	Trading update on third quarter of 2014


Broadening of the floodplains of the IJssel river near Deventer, the Netherlands

OUTLOOK

In 2013 we expect prevailing market conditions to once again have a dampening effect on the structurally positive trends that underpin our strategy. Current information suggests that there will be no major change to the market picture during the remainder of 2013 compared to the first half of the year.

The Board of Management expects that, barring unforeseen circumstances, net profit for the 2013 financial year will be at least EUR 330 million, including the book gain of approximately EUR 50 million on the sale of the 40% stake in Archirodon that will be accounted for in the second half of the year.

Capital expenditure in 2013 is expected to be around EUR 330 million, including the commitments of Dockwise, and will be financed from the company's own cash flow.

Construction of the A4 Midden Delfland motorway between the cities of Delft and Schiedam, the Netherlands

INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR FIRST HALF YEAR 2013

CONDENSED CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Note	1ST HALF YEAR 2013	1ST HALF YEAR 2012 REVISED*)
OPERATING INCOME			
Revenue	[7]	**1,566.3**	1,401.0
Other income		**27.7**	8.7
		1,594.0	1,409.7
OPERATING EXPENSES			
Raw materials, consumables, personnel expenses, services and subcontracted work		**- 1,297.4**	- 1,155.3
Depreciation, amortization and impairment losses		**- 141.3**	- 109.1
		- 1,438.7	- 1,264.4
OPERATING RESULT		**155.3**	145.3
Finance income and expenses		**- 28.3**	- 17.4
Share in result of associated companies, after taxation		**19.6**	1.3
		- 8.7	- 16.1
PROFIT BEFORE TAXATION		**146.6**	129.2
Taxation	[16]	**- 23.5**	- 25.8
NET GROUP PROFIT FOR THE REPORTING PERIOD		**123.1**	103.4
NET GROUP PROFIT FOR THE REPORTING PERIOD ATTRIBUTABLE TO:			
Shareholders		**123.3**	102.0
Non-controlling interests		**- 0.2**	1.4
		123.1	103.4
Earnings per share (in euros)		**1.06**	0.99
Diluted earnings per share (in euros)		**1.06**	0.99
Average number of shares (x 1,000)		**116,667**	103,995
Number of shares at end of reporting period (x 1,000)		**120,265**	107,284
EBITDA		**296.6**	254.4

*) See note 3

The notes on pages 23 tot 30 are an integral part of the condensed consolidated interim financial statements for the first half year 2013.

CONDENSED CONSOLIDATED STATEMENT OF RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES

(in millions of euros)	**1ST HALF YEAR 2013**	1ST HALF YEAR 2012 REVISED*)
NET GROUP PROFIT FOR THE REPORTING PERIOD	**123.1**	103.4
ITEMS THAT WILL NEVER BE RECLASSIFIED TO THE PROFIT OR LOSS		
Actuarial gains (losses) and asset limitation on defined benefit pension schemes, after taxation	**- 0.5**	0.2
ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS		
Currency translation differences on foreign operations, after taxation	**- 23.6**	14.6
Effective cash hedges, after taxation	**- 2.6**	- 6.9
	- 26.2	7.7
UNRECOGNIZED INCOME AND EXPENSES FOR THE REPORTING PERIOD	**- 26.7**	7.9
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE REPORTING PERIOD	**96.4**	111.3
ATTRIBUTABLE TO:		
Shareholders	**98.4**	109.8
Non-controlling interests	**- 2.0**	1.5
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSES FOR THE REPORTING PERIOD	**96.4**	111.3

*) See note 3

The notes on pages 23 tot 30 are an integral part of the condensed consolidated interim financial statements for the first half year 2013.

CONDENSED CONSOLIDATED BALANCE SHEET

(in millions of euros)	Note	END 1ST HALF YEAR 2013	31 DECEMBER 2012
NON-CURRENT ASSETS			
Intangible assets	[9]	**888.6**	596.0
Property, plant and equipment	[10]	**3,287.6**	2,261.0
Other non-current assets		**77.0**	306.3
		4,253.2	3,163.3
CURRENT ASSETS			
Inventories and receivables		**1,580.4**	1,327.4
Cash and cash equivalents		**374.9**	398.1
		1,955.3	1,725.5
TOTAL ASSETS		**6,208.5**	4,888.8
GROUP EQUITY			
Shareholders' equity	[11/12]	**2,271.1**	1,898.0
Non-controlling interests		**15.5**	18.2
		2,286.6	1,916.2
NON-CURRENT LIABILITIES			
Interest-bearing borrowings	[14]	**1,085.3**	605.5
Provisions*)	[13]	**115.5**	139.5
Other liabilities and borrowings*)		**99.1**	96.8
		1,299.9	841.8
CURRENT LIABILITIES			
Interest-bearing borrowings	[14]	**659.6**	382.3
Bank overdrafts		**5.2**	8.1
Provisions	[13]	**17.5**	5.9
Other liabilities and borrowings		**1,939.7**	1,734.5
		2,622.0	2,130.8
TOTAL GROUP EQUITY AND LIABILITIES		**6,208.5**	4,888.8
Solvency		**36.8%**	39.2%

*) 2012 restated for comparison purposes

The notes on pages 23 tot 30 are an integral part of the condensed consolidated interim financial statements for the first half year 2013.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	1ST HALF YEAR 2013	1ST HALF YEAR 2012 REVISED*)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net group profit		**123.1**	103.4
Depreciation, amortization and impairment losses		**141.3**	109.1
Cash flow		**264.4**	212.5
Adjustments for:			
Finance income and expenses, taxation, results from disposals, share in result of associated companies		**4.6**	37.0
Movement other non-current assets		**- 2.9**	6.9
Movement non-current liabilities (including direct equity movements)		**- 14.6**	0.6
Movement in working capital (including inventories, excluding taxation and interest)		**- 116.8**	- 79.5
Cash generated from operating activities		**134.7**	177.5
Dividends received		**0.2**	1.4
Interest paid and received		**- 25.0**	-15.7
Income taxes paid		**- 13.7**	-10.5
Net cash from operating activities		**96.2**	152.7
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Net investments in intangible assets and property, plant and equipment		**- 61.4**	- 93.2
Investments in group companies, net of cash acquired	*[6]*	**- 465.4**	–
Net investments in associated companies		**- 1.1**	- 4.3
Net cash used in investment activities		**- 527.9**	- 97.5
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans (after deduction of borrowing costs)		**1,364.1**	158.2
Repayment of loans		**- 1,218.5**	- 242.0
Net proceeds from share issue	*[11]*	**317.2**	–
Dividends paid		**-43.9**	- 39.6
Acquisition of non-controlling interests	*[6]*	**- 4.5**	–
Net cash used in financing activities		**414.4**	-123.4
DECREASE IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS		**- 17.3**	- 68.2
Net cash, cash equivalents and bank overdrafts as at 1 January		**390.0**	382.6
Decrease in cash, cash equivalents and bank overdrafts		**-17.3**	- 68.2
Currency translation differences		**- 3.0**	6.3
NET CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AS AT END OF THE REPORTING PERIOD		**369.7**	320.7

*) See note 3

The notes on pages 23 tot 30 are an integral part of the condensed consolidated interim financial statements for the first half year 2013.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in millions of euros)	1ST HALF YEAR 2013 SHARE-HOLDERS' EQUITY	1ST HALF YEAR 2013 NON-CONTROLLING INTERESTS	1ST HALF YEAR 2013 GROUP EQUITY	1ST HALF YEAR 2012 REVISED*) SHARE-HOLDERS' EQUITY	1ST HALF YEAR 2012 REVISED*) NON-CONTROLLING INTERESTS	1ST HALF YEAR 2012 REVISED*) GROUP EQUITY
Balance as at 1 January	**1,898.0**	**18.2**	**1,916.2**	1,732.8	14.5	1,747.3
TOTAL RECOGNIZED AND UNRECOGNIZED INCOME AND EXPENSE FOR THE REPORTING PERIOD						
Net group profit for the reporting period	**123.3**	**- 0.2**	**123.1**	102.0	1.4	103.4
Unrecognized income and expenses for the reporting period	**- 24.9**	**- 1.8**	**- 26.7**	7.8	0.1	7.9
Total recognized and unrecognized income and expenses for the reporting period	**98.4**	**- 2.0**	**96.4**	109.8	1.5	111.3
TRANSACTIONS WITH SHAREHOLDERS						
Issue of ordinary shares	**317.9**	**–**	**317.9**	–	–	–
Distributions to shareholders						
Cash dividend	**- 43.2**	**- 0.7**	**- 43.9**	- 38.5	-1.1	- 39.6
Total transactions with shareholders	**274.7**	**- 0.7**	**274.0**	- 38.5	-1.1	- 39.6
Balance as at end of the reporting period	**2,271.1**	**15.5**	**2,286.6**	1,804.1	14.9	1,819.0

*) See note 3

The notes on pages 23 tot 30 are an integral part of the condensed consolidated interim financial statements for the first half year 2013.

EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL

Royal Boskalis Westminster N.V. is a leading global services provider in the dredging, inland and maritime infrastructure and maritime services sectors. Royal Boskalis Westminster N.V. (the "Company") has its statutory residence in Sliedrecht, the Netherlands, and its head office in Papendrecht, the Netherlands. The Interim Consolidated Financial Information for the first half year of 2013 of Royal Boskalis Westminster N.V. includes the Company and its group companies (together referred to as the "Group") and the interests of the Group in associated companies and entities over which it has joined control.

The Group's consolidated financial statements for 2012 are available at www.boskalis.com.

2. STATEMENT OF COMPLIANCE

The Interim Consolidated Financial Information is prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting. This Interim Consolidated Financial Information does not include all the information required for full financial statements and are to be read in combination with the audited 2012 consolidated financial statements of the Group.

The Interim Consolidated Financial Information is prepared by the Board of Management and cleared for publication on 15 Augustus 2013.

3. ACCOUNTING PRINCIPLES APPLIED FOR THE PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL INFORMATION

Except as decribed below, the accounting principles applied to the valuation of assets and liabilities and the determination of results are the same as the valuation principles applied to the 2012 consolidated financial statements.

Unless states otherwise, all amounts are reported in millions of euros.

CHANGES IN PRINCIPLES OF FINANCIAL REPORTING

(a) Defined benefit pension schemes
As a result of the in June 2012 revised IAS 19 (2011), which became effective on 1 January 2013, the Group has changed its accounting policy with respect to the basis for determining the income or expense related to defined benefit schemes.Under IAS 19 (2011), as from 1 January 2013 the Group determines the net interest expense (income) for the period on the net defined benefit liability (asset) by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Consequently, the net interest on the net defined benefit liability (asset) now comprises: interest cost on the defined benefit obligation, interest income on plan assets and interest on the effect on the asset ceiling. Previously, the Group determined interest income on plan assets based on their long-term rate of expected return. IAS19 (2011) should be applied retrospectively meaning that the comparative figures have been adjusted. As a result the pension expenses for the first half year 2012 increased by EUR 0.5 million and for the same amount the Actuarial losses decreased.

(b) Presentation of items of other comprehensive income
As a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its condensed consolidated statement of recognized and unrecognized income and expenses, to present separately items that would be reclassified to profit or loss in the future from those that would not be reclassified. Comparative information has been re-presented accordingly.

(c) Fair value measurement
IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements that are specifically required in interim financial statements for financial instruments. Accordingly, the Group has included additional disclosures in this regard in Note 18. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

Removal of a grounded naval vessel in Philippine territorial waters by SMIT Salvage

4. ESTIMATES

The preparation of Interim Consolidated Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting principles and the recognized amounts under assets, liabilities, revenue and costs. Actual results may differ from these estimates. Judgements made by management in applying the Group's accounting principles and the key sources for making estimates were the same as the judgements and sources applied when preparing the consolidated financial statements for the 2012 financial year, with the exception of:

TAXATION

Tax expense is accounted for based on the weighted average rates that would apply to expected pre-tax profit for the full year multiplied by the pre-tax profit for the reporting period, taking into account recognized deviations.

IMPAIRMENT LOSS ON GOODWILL AND OTHER INTANGIBLE ASSETS

The Group makes an annual judgement of impairment losses on goodwill and other intangible assets with an infinite useful life in the fourth quarter.

BUSINESS COMBINATION

A provisional purchase price allocation was performed with respect to the business combination realized in the first half year of 2013. For this purpose all identified assets and liabilities were recognized at estimated fair value.

5. NEW STANDARDS AND INTERPRETATION NOT YET ADOPTED

IFRS 9 Financial instruments: classification and measurement, IFRS 10 Consolidated financial statements, IFRS 11 Joint arrangements and IFRS 12 Disclosures of interest in other entities are not effective in 2013 and therefore have not been applied. For an exposition of these not yet applied standards we refer to the financial statements 2012. Based on the current insights, the Group does not plan to adopt these standards and interpretations early and the consequences of these changes are under review.

6. ACQUISITION OF GROUP COMPANY

In the first half year the composition of the consolidated Group changed. On 20 March 2013 the Group gained control of Dockwise after acquiring 99.37% of all outstanding Dockwise shares and voting rights. At that date a business combination was realized and reported accordingly within the consolidated Group. In the first half year of 2013 the shareholding in Dockwise increased from 33.3% at the start of 2013 to 100% at the end of first half year of 2013.

Dockwise is a leading marine contractor providing total transport services to the offshore, onshore and yachting industries as well as installation services of extremely heavy offshore platforms. Acquiring control in Dockwise provides new strategic opportunities for accelerated growth of the offshore services. The new combination will be in a better position to serve clients with the optimal deployment of people and equipment under increasingly complex circumstances worldwide. The Group also expects synergy effects to result in cost savings. It is expected that the Group's potential will be strengthened further through economies of scale, the use of best practices, the optimization of the regional branch office network and joint purchasing opportunities.

After gaining control Dockwise contributed contributed EUR 113.1 million to Group revenue and EUR 9.0 million to the net group profit in the first half year of 2013. This does not include costs related to the acquisition and the result arising from the fair value revaluation of the Group's existing stake in Dockwise at the date of acquisition. Management believes that if the acquisition had taken place at the start of 2013, revenue for the reporting period would have totaled EUR 1,674 million and consolidated net group profit would have been EUR 131 million. In determining these amounts Management assumed the same fair value adjustments as at the date of acquisition.

CONSIDERATIONS PAID

After building up a shareholding in Dockwise in the last quarter 2012, the acquisition of Dockwise was realized through stock market purchases, a public offer for all remaining Dockwise shares and the finalization of a buyout procedure concerning the non offered shares. In 2013 a total amount of EUR 484.8 million was involved in these purchases, of which EUR 63.2 million up to the moment that control over Dockwise was acquired.

IDENTIFIABLE ASSETS AND LIABILITIES ACQUIRED

Resulting from the acquisition, the following identifiable assets and liabilities are acquired:

(in millions of euros)	
Intangible assets	80.5
Property, plant and equipment	1,127.0
Employee Benefits	0.9
Inventories	30.3
Trade and other receivables	77.2
Cash, cash equivalents and bank overdrafts	20.9
Interest-bearing borrowings	- 665.8
Provisions	-22.3
Trade and other payables	- 157.9
Balance of identifiable net assets	**490.8**

Trade accounts and other receivables consist of a gross amount of contractual obligations of EUR 57.2 million, of which an amount of EUR 11.3 million was deemed irrecoverable at the date of acquisition. Trade and other payables consist of EUR 12.4 million for the settlement of identified conditional liabilities.

In view of the short period of time between the date of acquisition and the reporting date, certain fair values were determined on a provisional basis when assessing the value of (all categories of) identifiable assets and liabilities acquired. Review in the twelve months following the date of acquisition may lead to an adjustment of the fair value applied and the goodwill referred to below.

GOODWILL

Goodwill arising from the acquisition:

(in millions of euros)	
Total considerations paid on 20 March 2013	419.6
Fair value of existing stake	309.9
Non-controlling interests	4.5
Minus: balance of identifiable assets	- 490.8
Goodwill	**243.2**

Revaluation to fair value of the Group's existing stake in Dockwise resulted in a recognized gain of EUR 22.7 million which is included in the item Share in result of associated companies. This item is included in 'Holding & eliminations' in the table 'Information on operational segments and reconciliation to Group results' in note 7.

The value of the non-controlling interests is based on the fair value of the Dockwise share at the date of acquisition, i.e. EUR 18.50. In April 2013 the Group acquired these shares.

Goodwill recognized as a result of the acquisition is mainly related to the expertise and technical skills of Dockwise's employees and the synergies which are expected to result from the integration of the company into the Group's existing activities. The goodwill recognized is not tax deductible.

TRANSACTIONS RELATED TO THE ACQUISITION

The Group incurred acquisition-related expenses of EUR 5.8 million in connection with the costs of external advisors, due diligence and fees paid to the institutions involved. These costs are recognized in the condensed consolidated income statement in the line Raw materials, consumables, personnel expenses, services and subcontracted work. This item is included in 'Holding & eliminations' in the table 'Information on operational segments and reconciliation to Group results' in note 7. With regard to the revaluation gain a revaluation reserve is recognized in equity.

7. OPERATIONAL SEGMENTS

The Group recognizes four operational segments which, as described below, constitute the strategic business units ('lines of businesses') of the Group. These strategic business units offer different products and services and are managed separately because they require different strategies. Each of the strategic business units is reviewed by the Board of Management based on internal management reporting at least once every quarter. The ultimate March 2013 acquired company Dockwise Ltd has been included in the operational segment Offshore Energy.

The following is a brief summary of the activities of the operational segments:

DREDGING

Traditionally, dredging is the core activity of Boskalis. It involves all activities required to remove silt, sand and other layers from the water bed and in some cases utilizing them elsewhere, for example for land reclamation. The services provided also include the construction and maintenance of ports and waterways, and coastal defense and riverbank protection, as well as associated specialist services such as underwater rock fragmentation. In addition, Boskalis is active in the extraction of raw materials using dredging techniques. This segment is active around the world and can be dvided into home markets (inside and outside Europe) and international project markets.

OFFSHORE ENERGY

Within this operational segment Boskalis supports the activities of the international energy sector, including oil and gas companies and providers of renewable energy such as wind power. Boskalis is involved in the development, construction, maintenance and decommissioning of oil and LNG-import/export facilities, offshore platforms, pipelines and cables and offshore wind farms. In performing these activities Boskalis applies its expertise in the areas of dredging, offshore pipeline, cable and rock installation, heavy transport, lifting and installation work, as well as diving and ROV services.

INLAND INFRA

Within this operational segment Boskalis operates as a contractor for dry and maritime infrastructure projects. In the area of dry infrastructure Boskalis is involved mainly in the Netherlands in the design, preparation (by means of dry earthmoving) and execution of large-scale civil infra works, such as the construction of roads and railroads, bridges, dams, viaducts and tunnels. In doing so, Boskalis also performs specialist works such as soil improvement and land remediation. Maritime infrastructure projects were conducted internationally through our strategic partner Archirodon (40% owned). As a maritime contractor Archirodon has extensive experience in designing and constructing quay walls, jetties, breakwaters and oil and LNG terminals. In addition, the company is an all-rounder in the civil infrastructure and industrial installations markets. Boskalis has sold her stake in Archirodon on 11 July 2013.

TOWAGE & SALVAGE

In the world's biggest ports Boskalis, by means of SMIT Harbour Towage, provides assistance to incoming and outgoing oceangoing vessels. With a versatile fleet of over 200 tugs Boskalis assists vessels including Ro-Ro ships, oil and chemical tankers, container ships, reefers and mixed cargo ships. In addition, a full range of services for the operation and management of onshore and offshore terminals is offered through Smit Lamnalco, which is 50% owned by Boskalis. These include assistance with the berthing and unberthing of tankers at oil and LNG terminals and additional support services such as pilotage, subsea inspection and maintenance, firefighting, and the coupling and uncoupling of terminal connections. Through SMIT Salvage services are provided relating to the salvage of ships and wreck removal. SMIT Salvage provides assistance to vessels in distress and is able to spring into action at anytime and anywhere in the world. Boskalis is able to do so by operating out of four locations which are strategically situated in relation to the main international shipping routes: Houston, Cape Town, Rotterdam and Singapore. Clearance of wrecks of sunken ships almost always takes place at locations where the wreck forms an obstruction to traffic or presents an environmental hazard.

The operational segments are monitored based on the segment result before finance income and expenses and taxation. The segment result is used for performance measurement of operational segments, both between segments and compared to other companies in the same industries. Inter-operational segment services, if any, take place at arm's length basis. In the reporting period there were no material inter-operational segment services. In the following table the figures regarding the first half year 2012 have been adjusted to enable comparison with the new operational segments.

The non-allocated assets comprise deferred tax assets, income tax receivable and derivatives. The non-allocated liabilities comprise deferred tax liabilities, income tax payable, derivatives and interest-bearing borrowings.

A large part of the Group's projects that have been executed or are currently in progress within the operational segments Dredging, Offshore Energy and Inland Infra is directly or indirectly with state controlled authorities and (contractors of) oil and gas producers in various countries and geographical areas. Because of the spread of the contracts none of these clients qualifies as a material client in relation to total Group revenue.

INFORMATION ON OPERATIONAL SEGMENTS AND RECONCILIATION TO GROUP RESULTS

(in millions of euros)	DREDGING	OFFSHORE ENERGY	INLAND INFRA	TOWAGE & SALVAGE	HOLDING & ELIMINATIONS	GROUP
1st half year 2013						
Revenue	497.3	417.2	375.1	285.0	-8.3	1,566.3
Segment result	93.3	42.2	6.8	39.0	- 26.0	155.3
Operating result						155.3
Share in result of associated companies	- 0.2	0.1	0.3	0.4	19.0	19.6
Non-allocated finance income and expenses						- 28.3
Non-allocated taxation						- 23.5
Net group profit						123.1
Investments in property, plant and equipment	19.0	42.5	17.7	21.1	2.2	102.5
Depreciation, amortization and impairment losses	34.8	52.9	20.3	32.7	0.6	141.3

(in millions of euros)	DREDGING	OFFSHORE ENERGY	INLAND INFRA	TOWAGE & SALVAGE	HOLDING & ELIMINATIONS	GROUP
1st half year 2012 *)						
Revenue	592.4	232.9	302.2	273.5	–	1,401.0
Segment result	83.0	33.1	7.3	40.0	- 18.2	145.2
Operating result						145.2
Share in result of associated companies	0.3	–	0.3	0.8	–	1.4
Non-allocated finance income and expenses						- 17.4
Non-allocated taxation						- 25.8
Net group profit						103.4
Investments in property, plant and equipment	80.7	7.2	12.8	17.9	2.5	121.1
Depreciation, amortization and impairment losses	36.9	17.6	17.9	35.7	1.0	109.1

*) See note 3.

8. SEASONAL OPERATIONS

The Group's operations are mainly project-based and therefore influenced by the timing of commencement and completion of these projects. Projects are executed and services are provided all over the world. There is no clear seasonal influence on operations.

9. INTANGIBLE ASSETS

Movements in intangible assets in the reporting period can be explained as follows (in millions of euros):

	GOODWILL	OTHER	TOTAL
Book value as at 1 January 2013	489.2	106.8	596.0
Amortization	–	- 16.6	- 16.6
Currency translation differences and other movements	- 8.5	- 6.0	- 14.5
Acquired through business combination	243.2	80.5	323.7
Book value as at end of first half year 2013	723.9	164.7	888.6

Other intangible assets that have been identified and recognized at fair value in the context of the business combination are brand name, order book and technology (including software). Regarding the order book a value and useful life has been determined per contract. These other intangible assets are depreciated in a straight line over the expected useful life of each intangible asset identified.

10. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment in the reporting period can be explained as follows (in millions of euros):

Book value as at 1 January 2013	**2,261.0**
Additions	102.5
Disposals	- 13.8
Depreciation and impairment losses recognized	- 124.3
Currency translation differences and other movements	- 64.8
Acquired through business combination	1,127.0
Book value as at end of first half year 2013	**3,287.6**

11. EQUITY OFFERING

To finance the public offer on all outstanding shares of Dockwise Boskalis has raised EUR 320 million of equity at a price of EUR 33.00 per ordinary share. A total number of 9,696,969 shares were placed. The relating expenses amount to EUR 2.1 million and these have been deducted directly from equity.

12. DIVIDEND PAYMENTS TO SHAREHOLDERS OF ROYAL BOSKALIS WESTMINSTER N.V.

In the first half year of 2013 a dividend of EUR 1.24 per share was distributed with regard to the 2012 financial year. In the first half year of 2013 a total dividend of EUR 145.1 million was distributed with regard to the 2012 financial year.

70% of the shareholders opted for a stock dividend in the form of ordinary shares. In view of this 3,284,415 new Royal Boskalis Westminster N.V. shares were issued and the number of outstanding shares was 120,265,063 at the end of the first half year of 2013.

The remaining shareholders (30%) opted for a cash dividend. An amount of EUR 43.2 million was distributed and the associated tax on the dividend was paid in July 2013.

13. PROVISIONS

Movements in provisions, including employee benefits, in the reporting period can be explained as follows (in millions of euros):

Book value as at 1 January 2013	**145.4**
Provisions made	20.7
Provisions used	- 52.0
Currency translation differences and other movements	- 3.4
Acquired through business combination	22.3
Book value as at end of first half year 2013	**133.0**
Non-current	115.5
Current	17.5
Book value as at end of first half year 2013	**133.0**

Provisions that have been identified and recognized at fair value in the context of the business combination relate to unfavourable contracts in the order book.

EMPLOYEE BENEFITS

In June 2013 the assets and obligations of the Smit pension fund have been transferred to an insurance company and the Boskalis pension fund. This did not have any effect on the consolidated income statement. As a consequence cumulative actuarial losses originating from prior years amounting to EUR 30.6 million have been reclassified from the Actuarial reserve to the Retained earnings.

14. INTEREST-BEARING BORROWINGS

Interest-bearing borrowings can be specified as follows (in millions of euros):

	END OF FIRST HALF YEAR 2013	31 DECEMBER 2012
NON-CURRENT LIABILITIES		
Mortgage loans	**251.9**	239.8
Other interest-bearing loans	**833.4**	365.7
	1,085.3	604.5
CURRENT LIABILITIES		
Mortgage loans (current portion)	**20.9**	25.5
Other interest-bearing loans (current portion)	**638.7**	356.8
	659.6	382.3
TOTAL INTEREST-BEARING BORROWINGS	**1,744.9**	987.8

At the end of January 2013, Boskalis has signed the agreements for the necessary debt financing. The credit facilities consist of a combination of a 3-year term loan (USD 525 million) and a 5-year revolving credit facility (EUR 500 million). In addition to these credit facilities, Boskalis has entered into a bridge credit facility (USD 525 million).

On 20 March 2013 Boskalis has drawn loans under these facities and the at year-end 2012 existing three and five year facilities were withdrawn and redeemed (EUR 350 million). Also USD 851 million was drawn and used to redeem interest bearing debt that was acquired through the business combination Dockwise.

The bridge facility was redeemed in July 2013 with the proceeds from a US Private Placement notes (USD 325 million) and the cash received (USD 190 million) from the disposal of the shareholding in Archirodon. The applicable financial ratios and negative pledge clause requirements were met at the end of the first half year of 2013.

15. RELATED PARTIES

IDENTITY OF RELATED PARTIES

The parties related to the Group are Group companies, its joint ventures, its associated companies, its shareholders with significant influence and its pension funds that are classified as funded defined benefit pension schemes in accordance with IAS 19 (2011), and the members of the Supervisory Board and Board of Management. There were no significant changes to the companies and people related to the Group other than the following:

- Mr. A. Goedée was appointed as a member of the Board of Management with effect from 8 May 2013.
- On 20 March 2013 Boskalis acquired control over Dockwise Ltd and her subsidiaries.

TRANSACTIONS WITH GROUP COMPANIES

Transactions with Group companies are eliminated in the consolidation.

TRANSACTIONS WITH JOINT VENTURES

Transactions with joint ventures take place at arm's length basis. At the end of the first half year of 2013 the joint Group companies had amounts receivable from and payable to joint ventures amounting to EUR 47 million and EUR 335 million, respectively (year-end 2012: EUR 36 million and EUR 303 million, respectively).

TRANSACTIONS WITH OTHER RELATED PARTIES

With reference to note 11, of the equity offering 3,258,638 shares were placed at HAL Investments B.V. and with reference to note 6, 31.6% of the shares Dockwise were purchased from HAL Investments B.V. Also, the Dockwise liability from the cumulative preference shares amounting to EUR 41.6 million were transferred from HAL Investments B.V. Otherwise there were no material transactions with associated companies, pension funds and members of the Supervisory Board and the Board of Management.

16. TAXATION

In respect of the profit realized in the first half year of 2013 an amount of EUR 23.5 million is recognized as taxation (first half year of 2012: EUR 25.8 million).

The applicable tax rate in the Netherlands is 25.0%. The different rates, non-deductable costs, the treatment of fiscal losses and special taxation regimes in different countries, adjustments in respect of prior years and the effects of results exempted from tax resulted in a weighted average tax rate of 16.0% for the reporting period (first half year 2012: 19.9%).

17. COMMITMENTS AND CONTINGENT LIABILITIES

The total of outstanding guarantees, mainly relating to projects in progress, was almost the same as at year-end 2012 (EUR 1.0 billion). Compared to 31 December 2012 there were no material changes to the other commitments, including operational lease commitments and investment commitments, and contingent liabilities were not recognized in the balance sheet.

18. FINANCIAL INSTRUMENTS

FAIR VALUE

The fair value of most of the financial instruments does not differ materially from the book value, with the exception of, long term and short term, loans and other payables with a fixed rate. The fair value of these items exceeds the book value by EUR 40.3 million (31 December 2012: EUR 37.4 million).

In the (condensed) balance sheet the following financial instruments have been recognized at fair value (in millions of euros):

ACCOUNTS RECEIVABLE	END OF FIRST HALF YEAR 2013	31 DECEMBER 2012
Derivatives non-current	**0.6**	0.8
Derivatives current	**22.4**	15.6
	23.0	16.4
LIABITLIIES		
Derivatives non-current	**22.8**	18.8
Derivatives current	**30.4**	20.2
	53.2	39.0

The fair value is determined based on the present value of future cash flows. The future cash flows are based on independently observable forward rates of relevant interest, currencies and commodities on balance sheet date, and the forward exchange rates of contracts. The discount rate used is derived from the relevant interest curves.

FAIR VALUE HIERARCHY

For the fair value measurement of the recognized financial instruments a fair value hierarchy is defined in accordance with IFRS 13:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level of valuation for the financial instruments, which are recognized at fair value on balance sheet date (i.e. the derivatives) is determined at level 2 (31 December 2012: level 2).

LIQUIDITY RISK

Following changes in the composition of Other interest-bearing loans of the Group (see note 14), the contractual maturities of these financial liabilities, including estimated interest payments and excluding the impact of netting agreement can be summarized as follows (in millions of euros):

	END OF FIRST HALF YEAR 2013	31 DECEMBER 2012
Book value	**- 1,744.9**	- 772.5
Contractual cash flows		
One year or less	**- 646.9**	- 375.4
1 – 5 years	**- 744.5**	- 257.6
More than 5 years	**- 165.8**	- 167.7
Total	**- 1,557.2**	- 800.7

19. SUBSEQUENT EVENTS

On 11 July 2013 Boskalis completed the sale of its 40% stake in Archirodon Group N.V. for a cash sum of USD 190 million, resulting in a book gain of several tens of millions of euros which will be accounted for in the second half year of 2013.

On 22 July 2013 a US Private Placement amounting to USD 325 million was placed with institutional investors. The proceeds were used to repay, with the same amount, the bridge loan. The issue carries a 10 year maturity. The notes are repaid in full at the end and the annual interest rate amounts to 3.66%.

20. AUDITOR'S REVIEW

The consolidated interim financial statements for the first half year of 2013 have not been audited by the external auditor.

21. BOARD OF MANAGEMENT DECLARATION

The Board of Management of Royal Boskalis Westminster N.V. hereby declares that, to the best of its knowledge, the Interim Consolidated Financial Information for the first half year of 2013 as prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting gives a true and fair view of the assets, liabilities, financial position and the profit or loss of Royal Boskalis Westminster N.V. and its jointly consolidated companies included in the consolidation as a whole, and that the semi-annual report gives a fair view of the information required in accordance with Section 5:25d subsections 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Papendrecht / Sliedrecht, the Netherlands, 15 August 2013

Board of Management
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