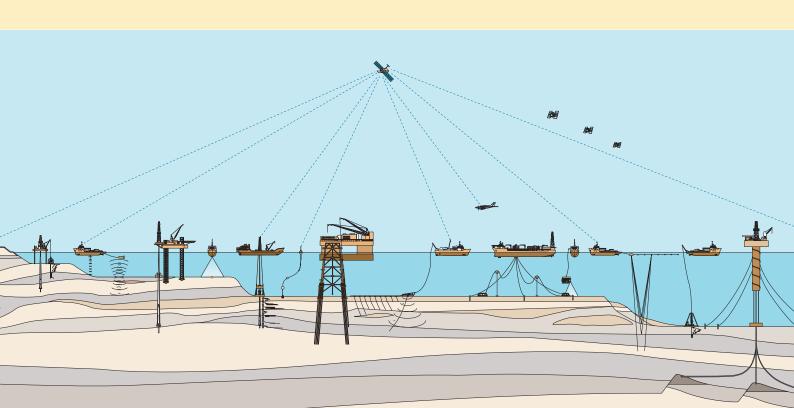


FUGRO N.V.

Annual Report 2009



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Preface from the President and Chief Executive Officer

Dear shareholders and other stakeholders,

As a result of the economic recession caused by the financial crisis the market circumstances have drastically changed over a very short time. In the past year this has manifested itself in a decrease in spending by our clients. After several years of shortages in capacity, resources are now underutilised in several market sectors and consequently putting pressure on prices.

We have responded to this with cost savings and by realigning capacity, for example by releasing some chartered vessels. Unfortunately, it has also been necessary to reduce the number of staff in some of our business units. There were also positive developments, such as the increased activities for offshore wind farm projects and the increased usage of ROVs during installation work at sea.

After several consecutive record breaking years, the changed circumstances have led to revenue and profit in 2009 being lower than in the previous year; revenue decreased by 5% to EUR 2.05 billion and net profit decreased by 7% to EUR 263.4 million.

Despite less favourable market circumstances, our healthy financial position enables us to continue to invest in people, technology and equipment needed to grow in future. Using well-trained and experienced staff and state of the art equipment is key to our ability to respond successfully to new opportunities: working in deeper water, alternative energy developments, accurate mapping from the air etc. In the 'Wide spectrum of services' section of this year's report, some of these developments are highlighted.

Looking to the future, we see some trends in the market which may indicate that the worst is likely to be behind us, but some further hurdles will undoubtedly be met on the way to a world wide recovery. With the recovery in the price of oil (to approximately USD 75 per barrel) the oil and gas sector, which is very important for Fugro, should now have some room to invest in exploration activity and in production capacity for the future. With a further recovery of the world economy, other sectors in which we are active should also be able to resume growth.

Having taken the necessary measures in the past year, Fugro is well positioned to successfully continue its operations in the current economic conditions. With some 13,500 enthusiastic and highly professional employees we are ready to grow in line with further economic recovery. Our confidence in the future is also reflected in the proposal to maintain the dividend at the same level as last year.

weester

Yours faithfully,

Fugro N.V.

K.S. Wester President and Chief Executive Officer

Fugro at a glance

MAJOR DEVELOPMENTS IN 2009

- In 2009 Fugro's revenue decreased by 4.7% to EUR 2,053.0 million (2008: EUR 2,154.5 million).
 Revenue decreased organically by 5.6% and increased 1.1% as a result of acquisitions.
 The foreign currency effect was 0.2% negative.
- The net result decreased by 7.1% to EUR 263.4 million (2008: EUR 283.4 million).
- The net profit margin decreased to 12.8% (2008: 13.2%).
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased with 3.0% to EUR 551.1 million.
- The results from operating activities (EBIT) decreased by 4.7% to EUR 367.4 million (2008: EUR 385.7 million).
- All three divisions were profitable. However, the Geoscience division, which includes exploration related services, saw a noticeable decline in profitability. The Geotechnical division and Survey division were largely able to mitigate the effects of the changed market situation.

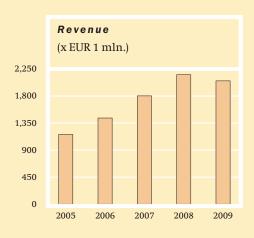
- Earnings per share decreased by 10.8% to EUR 3.46 (2008: EUR 3.88). Cash flow per share was 0.3% lower at EUR 5.99 (2008: EUR 6.01).
- It is proposed to maintain the dividend for 2009
 at EUR 1.50 per (certificate of an) ordinary share
 (2008: EUR 1.50), to be paid at the option of the
 holder in cash or in (certificates of) ordinary shares.
- The investments for the capacity renewal and expansion decided on in 2006 were continued according to plan and amounted to EUR 250.0 million in 2009.
- The annual revenue of the in 2009 acquired companies amounts to EUR 34.8 million. The total cost of the acquisitions completed in 2009 was EUR 37.5 million.
- The backlog at the start of 2010 amounted to EUR 1,364.0 million, compared to EUR 1,600.4 million as at the beginning of 2009, which is 14.8% lower. The order backlog for work to be carried out covers eight months.

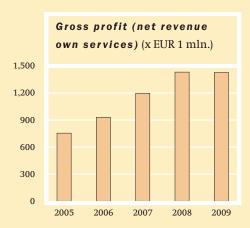
The term 'shares' as used in this Annual Report should, with respect to shares issued by Fugro N.V., be construed to include certificates of shares (also referred to as 'share certificates' or 'depositary receipts' for shares) issued by Stichting Administratie kantoor Fugro (also referred to as 'Fugro Trust Office' or 'Trust Office'), unless the context otherwise requires or unless it is clear from the context that this is not the case. For further information please refer to page 74.

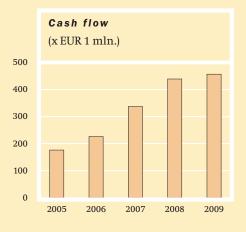
		Change		
EY FIGURES	2009	in %	2008	2007
Result (x EUR million)				
Revenue	2,053.0	(4.7)	2,154.5	1,802.7
Gross profit (net revenue own services)	1,428.6	(0.3)	1,432.2	1,197.9
Results from operating activities (EBIT)	367.4	(4.7)	385.7	324.8
$Earnings\ before\ interest,\ taxes,\ depreciation\ and\ amortisation\ (EBITDA)$	551.1	3.0	535.2	439.6
Cash flow	456.8	4.1	438.9	337.1
Net result	263.4	(7.1)	283.4	216.2
Net margin (%)	12.8		13.2	12.0
Interest cover (factor)	47.8		14.1	13.1
Capital (x EUR million)				
Balance sheet total	2,366.3	11.4	2,123.3	1,700.1
Group equity	1,199.5	28.2	935.8	707.0
Solvency (%)	50.2		43.7	41.2
Return on shareholders' equity (%)	24.9		35.9	35.4
Return on invested capital (%)	23.5		29.7	30.0
Acces (william)				
Assets (x EUR million) Tangible fixed assets	1,043.2	21.4	859.1	599.3
Investments (including acquisitions and assets under construction)	359.6	(8.8)	394.4	341.1
Of which: assets of acquisitions	9.9	(0.0)	14.4	8.7
investments	320.4		323.0	291.0
assets under construction	29.3		57.0	41.4
Depreciation of tangible fixed assets	173.6	23.6	140.4	107.7
Data novahova (a FIJD 1) 4)				
Data per share (x EUR 1) 1)	15.08	24.0	12.12	9.94
Capital and reserves		24.8		
Result from operating activities (EBIT) Cash flow	4.82	(8.9)	5.29	4.67
Net result	5.99	(0.3)	6.01	4.84
Dividend for the year under review	3.46 1.50	(10.8)	3.88 1.50	3.11 1.25
Share price: year end	40.26	0.0	20.485	52.80
Share price: highest	41.85		59.95	62.00
Share price: lowest	19.085		19.32	34.91
Average price/earnings ratio	8.8		10.2	15.6
Average dividend yield (%) 2)	6.6 4.9		3.8	2.6
Average dividend yield (//) -/	4.9		5.0	2.0
Issue of nominal shares (in thousands)				
At year-end	78,772		76,608	70,421
Entitled to dividend	77,554		75,138	69,879
Average (entitled to dividend)	76,210		73,048	69,614
Number of employees				
	13,482	(1.1)	13,627	11,472

2006	2005

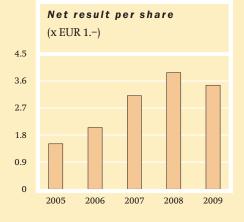
1,434.3	1,160.6
931.2	754.9
211.6	144.1
295.9	218.8
226.1	176.1
141.0	99.4
9.8	8.6
10.9	7.2
1 405 7	1 1 2 0 7
1,405.7	1,138.7
565.8	470.8
40.0	40.9
28.6	30.4
23.7	22.3
412.2	262.8
245.9	90.4
21.0	10.1
182.9	78.8
42.0	1.5
78.2	69.4
8.08	6.76
3.08	2.18
3.29	2.67
2.05	1.51
0.83	0.60
36.20	27.13
36.64	27.40
27.13	15.14
15.5	14.1
2.6	2.8
69,582	68,825
68,839	67,886
68,761	65,976
9,837	8,534

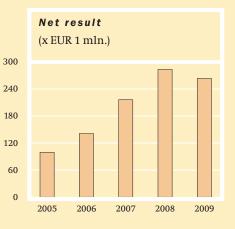












- 1) More data regarding the earnings per share can be found in note 5.45 to the annual accounts (pages 123 and 124).
- **2)** Dividend for the year, to be paid the following year, divided by the average of the highest and lowest share price during the year.

MISSION AND PROFILE

Mission

Fugro's mission is to be the world's leading service provider for the collection and interpretation of data relating to the earth's surface and sub-surface and for associated services and advice in support of infrastructure development on land, along the coast and on the seabed.

Fugro's activities are carried out across the world, onshore, offshore and from the air, and are primarily aimed at the:

- · oil and gas industry;
- construction industry;
- · mining sector; and
- · governments.

Fugro achieves this mission through:

- · customer focus;
- the provision of high-quality, innovative services;
- professional, specialised employees;
- advanced, unique technologies and systems;
- a worldwide presence in which the exchange of knowledge and expertise, both internally and externally with the client, plays a central role.

Profile

Fugro provides the people, equipment, expertise and technology that support the exploration, development, production and transportation of the world's natural resources. Fugro also provides its clients with the technical data and information required to design, construct and maintain structures and infrastructure in a safe, reliable and efficient manner.

Fugro operates as an independent service provider and has no commercial or other direct interests in the projects of its clients. As Fugro is often involved in the early exploration and development phase of (potential) projects, confidentiality about Fugro's engagements is essential in many cases.

Fugro's clients operate in many locations and in different conditions. To be able to meet their needs in the best possible way, Fugro's organisational structure is decentralised and client-oriented, delivering a wide range of services in a variety of operating environments and conditions. Fugro delivers these services from a global network of offices and facilities.



13,500 employees



55 vessels



75 CPT trucks



24 laboratories



25 jack-up platforms



50 aircraft



215 land-based drillrigs16 off-shore drillrigs



130 ROVs



8 AUVs



275 offices

Fugro strives to achieve strong market positions based on (in-house) developed technologies, high-value services and a strong international or regional presence.

Fugro was founded in the Netherlands in 1962, has been listed on Euronext Amsterdam since 1992 and was included in the main Amsterdam AEX-index as of September 2008.

Fugro grows organically and through acquisitions, and by the end of 2009 employed some 13,500 staff in more than 50 countries.

• FUGRO'S ACTIVITIES

Fugro provides a broad scope of activities from a worldwide network of offices and facilities. Services that are provided locally are supported by a global knowledge base and resource pool of experienced personnel.

Consequently, to achieve the optimum results, clients are offered a cohesive combination of Fugro's products and services. The scope of the activities Fugro offers worldwide is unique. The activities are organised in three divisions: Geotechnical, Survey and Geoscience.

Geotechnical

The Geotechnical division investigates the engineering properties and geological characteristics of soils and rocks using (in-house) developed proprietary technologies, provides advice regarding foundation design and provides construction materials testing. These services support clients' projects worldwide in the onshore, near shore and offshore environments, including deep water. Typical projects include support of infrastructure development, construction, flood protection and the design of oil and gas installations.

Survey

The Survey division provides a range of services to support the activities of the oil and gas industry and a range of other clients including government agencies, the construction and transportation sectors and agriculture. Offshore services include geophysical investigation for geohazards, pipeline and cable route surveys and inspection, construction support services, hydrographic charting, meteorology and oceanographic studies. Subsea services revolve around the use of remotely operated vehicles (ROVs) to support subsea inspection, construction and drilling. Geospatial services are focused on land survey and aerial/satellite mapping services for a wide range of clients. In addition, Fugro's global positioning systems (which augment GPS and Glonass to provide precise positioning in real-time world-wide) are employed not only to support the above services, but are also provided on a subscription basis to other industries such as agriculture.

Geoscience

The Geoscience division concentrates on collecting, processing, interpreting, managing and storing geophysical and geological data. These data sets are used for evaluating the presence of natural resources, including oil, gas, water and minerals, and for optimising the exploration, development and production of those resources. A broad range of geophysical data sets are collected including marine seismic, gravity, magnetics and electromagnetics. The data sets are collected at sea, from the air and on land using vessels, low flying airplanes and helicopters. Clients are oil and gas companies, mining companies and governmental organisations.

•FINANCIAL TARGETS AND STRATEGY

Financial targets

Fugro's target is to achieve, under comparable economic circumstances, a structural increase in earnings per share for its shareholders. Fugro's long-term policy is aimed at generating a steady growth in net result based on increasing revenue.

Important financial targets are:

- growth in earnings per share averaging 10% per annum;
- strong cash flow with an average annual growth per share of 10%;
- maintaining a healthy balance sheet and solvency (30 to 35%);
- interest cover (EBIT/Interest) of more than 5.

Fugro's financial strategy is aimed at the utilisation and/ or optimisation of:

- the ratio between risk and return of the various business activities;
- the ratio between shareholders' equity and short-term/ long-term borrowings;
- the use of both public and private capital markets;
- the duration and phasing of the different financing components.

Strategy

Fugro aims at achieving equilibrium between its various activities in order to be able to meet its targets. Fugro strives for a balance between services related to exploration, development and production activities for the oil and gas industry, and those related to other markets, such as mining and construction. This also results in a balance between offshore and onshore activities. Moreover, Fugro strives for a good geographical spread. This diverse range of related activities reduces Fugro's sensitivity to market fluctuations in a particular sector. As an independent service provider, Fugro provides a broad spread of services to its clients. This also contributes to a good control of business risks.

Fugro strives for growth, both organically and through acquisitions. To achieve organic growth Fugro invests in equipment and human capital. Organic growth is also achieved by actively developing new technologies and services.

In the most important market sector – oil and gas – the spread of Fugro's services across the exploration, development and production phases is a key factor. This means Fugro provides services in many phases of the (20 – 30 year) life-cycle of an oil or gas field. Avoiding dependence on one phase of this market or single group of clients is an essential component of Fugro's strategy. The result is a business that is less cyclical.

Profit margins vary per activity depending on the specific market circumstances. The target profit margin for the more risky or capital intensive activities is higher than the overall company average.

The long-term aim is to achieve robust but controlled profit growth through:

- a broad but cohesive services portfolio;
- the manner in which Fugro is financed;
- the market-oriented international organisational structure:
- continuous development and training of employees;
- specific investments in equipment and technology;
- management focus on increasing net result.

Fugro strives to improve profitability with a focus on core activities and niche markets by:

- increasing operational scale;
- building strong market positions;
- continuing research and development;
- cooperation and development for and with clients;
- being selective about the projects that are taken on;
- acquiring companies with a high added-value.

The favourable market conditions of recent years enabled Fugro to perform well above its set targets, resulting in a doubling of revenue over the period 2005 – 2008 and a net profit margin that has increased to around 13%. The market situation has been negatively influenced by the global economic downturn, resulting in a slight reduction in both revenue and net profit in 2009. The uncertainties regarding the global economy still remain entering into 2010.



A Fugro Seacore jack-up platform taking samples at La Réunion.

Market positions

Fugro's strategy is based primarily on securing and, where possible, expanding strong market positions.

Complementing and broadening its package of closely related services is a primary objective. Growth in adjacent sectors, by responding actively and flexible to market developments and client needs, is also an important component of the strategy.

On land, Fugro's major clients are governments, industry and construction companies in local and regional markets. In these markets Fugro holds strong regional positions.

At sea, the major clients are oil and gas companies, and offshore contractors that operate in a global market. Fugro has a leading position in offshore survey and offshore geotechnical activities.

In other market segments, like mining and precise positioning, Fugro holds leading market positions in niche markets with a large variety of clients.

Acquisitions

To broaden its base and ensure continued sustainable growth, Fugro usually completes a number of acquisitions each year. Generally these serve to strengthen or achieve good market positions or to obtain special technologies. Because acquisitions always involve an element of risk, a thorough and extensive due diligence is carried out before the decision to acquire a company is taken. This limits the risks considerably. Acquisition evaluation is based not only on financial criteria but also on:

- added-value for Fugro;
- · cohesion with Fugro's activities and services;
- match with Fugro's culture;
- · growth potential;
- a good position in a niche market or region;
- · technical and management qualities; and
- · risk profile.

Research and development

Research and development is of strategic importance to Fugro. The search for ways to expand and improve services to clients is unceasing and cooperation with clients plays a major role in this. Many new ideas are generated through joint development projects. Development of specific measuring equipment and analytical methods also plays an important role. Each year Fugro spends an estimated 3% of revenue on research and development. Some of this expense is incurred as part of the execution of projects.

Cooperation and scale advantages

Effective cooperation between Fugro's business units is promoted at various levels. Critical mass is also a key factor for the successful execution of large assignments. Capacity utilisation and cooperation are optimised through the exchange of equipment, employees and expertise between the various activities and by extensive employee training. Fugro promotes technological renewal by clustering the knowledge available within and outside the Group. The integration of information systems and the utilisation of scale advantages enhance the service provided to clients.

INFORMATION FOR SHAREHOLDERS

Important dates	
5 March 2010	Publication of the 2009 annual figures, press conference and analysts' meeting with
	webcast
29 April 2010	Record date for registration to attend the Annual General Meeting
6 May 2010,	Trading update regarding the development of the business
before trading hours	
6 May 2010,	Annual General Meeting in The Hague, Crowne Plaza - Promenade Hotel, dual
14.00 hours	language webcast (Dutch and English)
10 May 2010	Ex-dividend date
12 May 2010	Record date dividend entitlement
21 May 2010	Last date for notification of dividend preference – cash or (certificates of) shares
26 May 2010,	Determination and publication of the amount of the dividend in (certificates of) shares
after trading hours	based upon the average of the closing price of the shares at the close of business of
	Euronext Amsterdam on 24, 25 and 26 May 2010
28 May 2010	Payment of the dividend related to financial year 2009
6 August 2010	Publication of the half-yearly figures and announcement of the profit forecast for 2010,
	press conference and analysts' meeting with webcast
18 November 2010,	Trading update regarding the development of the business
before trading hours	
10 March 2011	Publication of the 2010 annual figures, press conference and analysts' meeting with
LO MUION LOLL	webcast
	WEDCASE

Listing on the stock exchange

Certificates of shares in Fugro are listed on Euronext
Amsterdam. Fugro has been listed on Euronext
Amsterdam since 1992 and was included in the main
Amsterdam AEX-index as of September 2008 (symbol:
FUR, ISIN code: NL0000352565). Options on Fugro
certificates of shares have been traded on NYSE Liffe since
July 2002.

The market capitalisation of Fugro at the end of February 2010 amounts to approximately EUR 3.4 billion.

As far as is known, approximately 60% of the (certificates of) shares are held by foreign investors, mainly from the United Kingdom and the United States. Information on the shares can be found on pages 4 and 5 (key figures) and on pages 10, 123 and 124.

Dividend policy

Fugro strives for a pay-out ratio of 35 to 55% of the net result. The shareholder (or certificate holder) may choose between a dividend entirely in cash or entirely in (certificates of) shares charged to the reserves. In 2009 about 54% of the holders of (certificates of) shares chose to receive the dividend for 2008 in (certificate of) shares (2008: 61%). In 2009 2,164,520 shares have been issued for this purpose.

Dividend for 2009

It is proposed that the dividend for 2009 will be maintained at EUR 1.50 per ordinary share (2008: EUR 1.50), to be paid at the option of the holder:

- in cash, or
- in (certificates of) ordinary shares.

Data per share (x EUR 1)	2009	2008	2007	2006	2005
Cash flow Net result Dividend paid out in the year under review Proposed dividend over the year under review	5.99	6.01	4.84	3.29	2.67
	3.46	3.88	3.11	2.05	1.51
	1.50	1.25	0.83	0.60	0.48
	1.50	1.50	1.25	0.83	0.60

In case no choice is made, the dividend will be paid in (certificates of) ordinary shares.

The proposed dividend equates to a pay-out percentage of 44.2% of the net profit.

Holders of (certificates of) shares have until 21 May 2010 to make their dividend preference known. The determination of the number of (certificates of) shares that entitles the holder to one new (certificate of a) share will take place on 26 May 2010 based upon the average of the closing price of the shares at the close of business of Euronext Amsterdam on 24, 25 and 26 May 2010. To arrive at a whole number a deviation of a maximum of 5% of the calculated value may be applied. The dividend will be made payable on 28 May 2010. No trading will take place on Euronext Amsterdam in dividend rights.

The percentage of (certificates of) shares that was represented in person or by proxy in the shareholders' meetings over the past three years was as follows:

	Certifi- cates and shares (ex Trust Office)	Shares held by Trust Office*	% of the issued capital
EGM 2009	36.3	62.8	99.1
AGM 2009	35.2	64.0	99.2
AGM 2008	34.3	64.9	99.2
AGM 2007	42.1	56.9	99.0

* Fugro Trust Office Foundation (the 'Trust Office') votes on the shares for which certificates have been issued and on which shares the certificate holders do not vote themselves as representative of the Trust Office.

Agenda of the general meeting

The agenda, including explanatory notes, of the general meeting will be posted in a timely fashion (in principle at least six weeks prior to the meeting) on Fugro's website: www.fugro.com. The agenda shall list which items are for discussion and which items are to be voted upon. Hard copies can be ordered by telephone (+31(0)70 – 311 14 22) or by e-mail (holding@fugro.com).

Change in issued shares	2009	2008
Issued on 1/1 Stock dividend	76,607,958 2,164,520	70,421,443 1,028,345
Conversion of convertible loan in shares	_	5,158,170
Issued on 31/12 Purchased for option	78,772,478	76,607,958
scheme on 31/12 Entitled to dividend	1,218,776	1,469,696
as of 31/12 Average number of	77,553,702	75,138,262
outstanding shares	76,210,346	73,047,931

Remote electronic voting

Depending on experience with the use of electronic means of communication to follow the course of a general meeting and to cast votes during the meeting without being present in person or by proxy, Fugro will evaluate whether to facilitate this.

Share/certificate holdings of 5% or more

As far as Fugro is aware, the only holders of (certificates of) shares with an interest of more than 5% (as referred to in the Financial Markets Supervision Act in the Netherlands) in Fugro's share capital (besides the Trust Office) as of 1 March 2010 are:

ING Groep N.V.	9.64%
Mr. G-J. Kramer ¹⁾	5.80%
WAM Acquisitions GP, Inc.	5.26%

¹⁾ Directly and indirectly.

As stated on page 10, only certificates of ordinary shares are listed on Euronext Amsterdam. These certificates are issued by the Trust Office, which carries out the administration of the underlying shares (for which it has issued the certificates). On 1 March 2010 the Trust Office held 91.1% of the issued (underlying) ordinary shares.

Movement in number of shares purchased to cover the option scheme					
	2009	2008			
Situation on 1/1	1,469,696	542,716			
Purchased	550,000	1,581,000			
Sold in connection with					
option exercise	(800,920)	(654,020)			
Situation on 31/12	1,218,776	1,469,696			
Granted, not exercised options as of 31/12	6,334,430	5,993,550			

Participations and employee options

As far as is known, on 31 December 2009 around one percent of Fugro's share capital was held by members of the Board of Management and other employees within the Group. Of the total number of employee options granted during the past years, 5,167,880 options (excluding the option grants as per 31 December 2009) were still outstanding on 31 December 2009. On 31 December 2009 1,166,550 new options, with an exercise price of EUR 40.26, were granted to a total of 639 employees. Of these options 27.6% were granted to members of Fugro's Board of Management (see also page 142).

Options are granted to a broad group of employees. The granting of options is dependent on the achievement of the targets of the Group as a whole and of the individual operating companies as well as on the contribution of the relevant employee to the long term development of the company. Option grants to the members of the Board of Management are based upon the remuneration policy and the option scheme that were adopted and approved by the Annual General Meeting on 14 May 2008.

Options are granted annually on 31 December and the option exercise price is equal to the price of the certificates at the closing of Euronext Amsterdam on the last trading day of the year. The vesting period for the granted options is three years starting at the first of January of the year following the grant date. The option period is six years and the options may only be exercised when the option holder is still employed by Fugro. Standard exceptions apply to the latter rule in connection with retirement, long-term disability and death.

In 2009 Fugro purchased 550,000 certificates of shares at an average price of EUR 22.49 per certificate to cover the option scheme. On 31 December 2009 a total of 1,218,776 certificates of shares was held to cover the option scheme. These certificates are not entitled to dividend and there are no voting rights attached to the underlying shares. The exercise of all outstanding options as of 31 December 2009, including the options granted on this date, could – after using the purchased certificates of shares – lead to an increase of the issued share capital by a maximum of 6.5%. Since the beginning of 2010, 36,300 options have been exercised.

Options are granted in such way that at any moment the maximum number of outstanding options to acquire ordinary shares in Fugro will not exceed 7.5% of the issued ordinary share capital. In order to mitigate dilution, it is Fugro's policy to re-purchase certificates of shares to cover the option scheme with the result that no new (certificates of) shares are issued when options are exercised.

Investor relations

Fugro offers comprehensive information regarding the company on its website: www.fugro.com. Meetings with analysts, presentations to analysts, presentations to investors and institutional investors (road shows) and press conferences are announced in advance on Fugro's website and/or by means of press releases. Shareholders and certificate holders are able to follow most of these meetings and presentations in real time, for example by means of webcasting or telephone. After the meetings, the presentations are posted on Fugro's website. The presentations are given particularly during the periods March/April and August/September. During these presentations Fugro's strategy and activities are explained in detail by members of the Board of Management. Individual and collective personal contact with investors and analysts is also maintained annually via around three hundred 'one-on-one'-meetings, several presentations and telephone conferences.

Fugro has formulated a policy on bilateral contacts with the shareholders and certificate holders. This policy is posted on its website: www.fugro.com. Field measurements relating to the expansion of the Abu Dhabi International Airport.



Prevention of the misuse of inside information

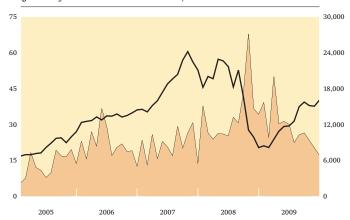
Fugro considers prevention of the misuse of inside information when trading in securities to be essential for its relationship with the outside world. Fugro has issued internal guidelines on the holding of and effecting transactions in Fugro securities (certificates, shares, options etc.) which apply to the members of the Supervisory Board, the Board of Management, the other members of the Executive Committee and other designated persons (among which staff, management of operating companies and a number of external advisors and service providers). A record is kept of all so-called 'insiders'. Fugro has appointed a Compliance Officer. Dealings in securities by the members of the Supervisory Board, the Board of Management and the other members of the Executive Committee are notified to the Netherlands Authority for the Financial Markets ('AFM'). The public database of the AFM can be consulted on the website of the AFM: www.afm.nl.

Other information

Further information about Fugro which is relevant to the shareholders and certificate holders is available on Fugro's website: www.fugro.com. Fugro can be contacted by e-mail (ir@fugro.com) and by telephone (+31(0)70-3111422).

Certificate price and volume trend

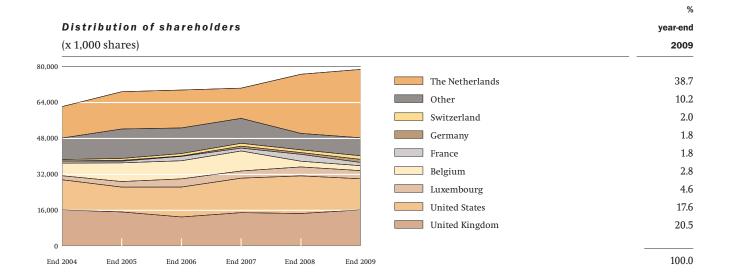
(January 2005 - December 2009)



Closing price (scale left).

Share trade volume per month (x 1,000), (scale right).

Source: Euronext



-SUPERVISORY BOARD

From left to right: F.J.G.M. Cremers (Vice-chairman), Th. Smith, F.H. Schreve (Chairman), G-J. Kramer, J.A. Colligan, M. Helmes.

name	Mr. F.H. Schreve (1942)	name	Mrs. M. Helmes (1965)
function	chairman	committee	member audit committee
committee	member remuneration and nomination committee	nationality	German
nationality	Dutch	first appointed	2009
first appointed	1983	current term	until AGM 2013
current term	until AGM 2010	expertise	financial administration and accounting; internal risk
expertise	management strategy and risks inherent to the	-	management and control systems; financing and
	company's business; management selection,		general financial management
	recommendation and development; compliance;	other functions	Member of the Executive Board and CFO of
	shareholder and employee relations		ThyssenKrupp Elevator AG, Düsseldorf
other functions	Supervisory Board member HVC N.V. Chairman of the		
	Board Foundation preference shares H.E.S. Beheer N.V.,	name	Mr. G-J. Kramer (1942)
	Foundation Trust Office TKH N.V., Foundation Indivi-	committee	chairman remuneration and nomination committee
	duele Begeleiding Top Hockey, Foundation Waarborg-		as of 1 January 2010
	fonds Sport and Foundation Universiteitsfonds Twente.	nationality	Dutch
	Supervisory Board Chairman Sint Lucas Andreas	first appointed	2006
	Ziekenhuis and Foundation National Park De Hoge	current term	until AGM 2010
	Veluwe. Chairman Advisory Board European Leadership	expertise	management selection, recommendation and
	Platform		development; management strategy and the company's
			risk profile; oil and gas sector
name	Mr. F.J.G.M. Cremers (1952)	other functions	Chairman Supervisory Board ASM International N.V. and
function	vice-chairman		Scheuten Solar Holding B.V. Vice-chairman Board
committee	chairman audit committee		Damen Shipyards Group N.V. Supervisory Board member
nationality	Dutch		N.V. Bronwaterleiding Doorn, Energie Beheer Nederland
first appointed	2005		B.V., ABN AMRO N.V. and Trajectum (Mammoet) B.V.
current term	until AGM 2013		Chairman Board IRO (branch association for suppliers to
expertise	financial administration, financing; internal risk		the oil and gas industry in the Netherlands). Chairman
	management and control systems; compliance; oil		Advisory Board Delft Technical University. Chairman
	and gas sector; shareholder and employee relations		Service Organisation Protestant Churches in the
other functions	Supervisory Board member N.V. Nederlandse		Netherlands, Chairman Leiden Pieterskerk Foundation
	Spoorwegen, Vopak N.V., Unibail-Rodamco S.E.,		and Chairman Board Amsterdam Sinfonietta. Board
	Luchthaven Schiphol N.V. and Parcom Capital B.V. Board		member Dutch Maritime Network Foundation,
	member Foundation preference shares Philips,		Foundation Beelden aan Zee Museum and
	Heijmans and Lodewijk Foundation (preference shares		The Concertgebouw Fund Foundation
	Océ). Member of the Capital Market Committee of the		
	Netherlands Authority for the Financial Markets (AFM).	name	Mr. Th. Smith (1942)
	Member of the Investigation Committee into the affairs	committee	member remuneration and nomination committee
	of Fortis N.V. on behalf of the Enterprise Chamber of	nationality	American
	the Dutch High Court of Amsterdam, The Netherlands.	first appointed	2002
	Nominated for appointment to the Supervisory Board	current term	until AGM 2010
	of SBM Offshore N.V. on 14 April 2010	expertise	management strategy and the company's risk profile;
# G## 0	Mr. J.A. Colligan (1942)		management selection, recommendation and
name committee	member audit committee		development; innovation and technology development; the oil and gas sector
nationality	British	other functions	Chairman of the Board Smith Global Services, Inc.,
first appointed	2003	oniei junenons	Board member Houston Advanced Research Center and
current term	until AGM 2011		Director of WWW United, Inc.
expertise	management strategy and risks inherent to the		
-11po. 1100	company's business; management selection,		
	recommendation and development, oil and gas sector,	Secretary to the Su	pervisory Board
	innovation and technology development	W.G.M. Mulders	(1955)

W.G.M. Mulders (1955)

 $other\,functions$

innovation and technology development $% \left(\mathbf{r}_{0}\right) =\mathbf{r}_{0}$

 $Director\ Society\ of\ Petroleum\ Engineers\ Foundation$

Report of the Supervisory Board

As a result of the worldwide financial crisis Fugro had to operate under more challenging circumstances than in previous years. Despite this, the Company was able to produce good results, albeit that revenue and net result are below those of the record year 2008. We consider that the Board of Management took the necessary measures in order to react in the best way in view of the effects of the recession. Fugro's strategy to provide worldwide a broad, well balanced portfolio of services to a large variety of clients provided a sound basis to mitigate to a large extent the effects of the rapidly changing market circumstances. The solid financial position enables the Company to continue its investments for growth in future years.

Annual accounts and dividend proposal

This Annual Report includes the 2009 Annual Accounts, which are accompanied by an unqualified report of the external auditor, KPMG Accountants N.V. ('KPMG'). These Annual Accounts were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and section 9 of Book 2 of the Dutch Civil Code.

We have discussed the Annual Accounts with the Board of Management in the presence of KPMG. We are of the opinion that the Annual Accounts and the report by the Board of Management provide a true and fair picture of the state of affairs within Fugro and form a good basis on which to hold the Board of Management accountable for the management policies pursued and the Supervisory Board accountable for its supervision of the management policies pursued.

We propose that the shareholders adopt the 2009 Annual Accounts and discharge the Board of Management for its management and the Supervisory Board for its supervision. We endorse the proposal of the Board of Management to maintain the dividend for 2009 at EUR 1.50 per ordinary share, to be paid at the option of the holder in cash payment or in (certificates of) ordinary shares. If no choice is made, the dividend will be settled in (certificates of) ordinary shares. The proposed dividend equates to a pay-out percentage of 44.2% of the net result.

Composition and profile of the Supervisory Board

The Supervisory Board comprises of persons with Dutch, British, American and German nationality. Information about each member of the Supervisory Board is included on page 14 of this Annual Report. The Supervisory Board has prepared a profile of its size and composition, taking account of the nature of the company, its activities and the desired experience and background of the Supervisory Board members. This profile is available on Fugro's website: www.fugro.com. The composition and qualities of the Supervisory Board as a whole should be in line with the Company's size, portfolio, nature, culture, geographical spread and its status as a listed company. When a proposal is made for the (re)appointment of a (new) supervisory director, the Supervisory Board primarily looks at the expertise, experience and independence of the candidate. The Supervisory Board aims for a diverse composition in terms of such factors as gender and nationality.

The division of duties within the Supervisory Board and the procedure of the Supervisory Board are laid down in terms of reference. The terms of reference of the Supervisory Board (including the terms of reference of the Audit Committee and the Remuneration and Nomination Committee) are available on Fugro's website.

Not more than one Supervisory Board member shall be non-independent under the terms of the Dutch Corporate Governance Code ('Code'), this being at present Mr. G-J. Kramer. Preceding his appointment as Supervisory Director in May 2006, Mr. Kramer was a member (CEO) of Fugro's Board of Management until November 2005. This is in accordance with the Code (best practice provision III.2.2) and as a result the composition of the Supervisory Board complies with the independence requirement.

Supervisory Board members do not carry out any other functions that could jeopardise their independence. With the exception of Mr. Kramer who, as the former CEO of Fugro, owns employee options awarded to him at that time in that capacity, none of the other Supervisory Board members held any (options on) shares or certificates of shares in Fugro, Besides that Mr. Kramer also holds a substantial interest in Fugro (see page 11 of this Annual

Report and pages 143 and 144 of the Annual Accounts for more details).

Both the composition of the Supervisory Board and the expertise and experience of its individual members comply with all rules and requirements.

Plenary activities

In the year under review five scheduled meetings, each lasting more than one day, were convened by the Supervisory Board and the Board of Management. Supervisory Board members attended nearly all the meetings held in 2009. Only once, one Supervisory Board member was absent during one of the scheduled meetings for personal reasons. In general, members of the Board of Management attended these meetings. Most of the meetings were also attended by the other members of the Executive Committee. Occasionally part of a meeting was held in the absence of the Board of Management. In November a meeting was combined with visits to operating companies in Houston and Lafayette in the United States. Every year (extensive) company visits take place. These annual visits also form part of the (annual) training, education and, if applicable, induction programme of the Supervisory Directors.

The major issues discussed during the meetings included amongst others the operational and financial targets; the general (overall) strategy designed to achieve the targets as well as the strategies for the various business lines; the restructuring of the Survey and Geoscience divisions as was announced at the beginning of 2009; the annual budget (Profit Plan); the financial results; share price development; intended acquisitions and divestments; post acquisition analysis; corporate social responsibility (CSR); health, safety and environment (HSE); major investments; the filling of various senior management positions; human resources (HR); information and communication technology (ICT); the main risks inherent to the Company's activities as well as the Board's opinion regarding the set-up and functioning of the internal risk management and control system; the corporate governance structure of the Company and in particular the new Dutch Corporate Governance Code and the 'Comply and Explain' report as prepared by the Board of Management.

The reports of the Audit committee and of the Remuneration and Nomination Committee were also discussed. In addition to these scheduled meetings, a few interim meetings took place via conference call during which a number of intended investments and acquisitions

were discussed and evaluated. Much attention was paid to the ongoing worldwide financial crisis and as a result thereof the possible scenarios for the Company. The reappointment of KPMG was discussed and it was decided to propose KPMG for reappointment at the Annual General Meeting on 6 May 2010.

The functioning of the Board of Management, the Supervisory Board (and its Committees) and its individual members were discussed in absence of the Board of Management as well was the general business progress. The evaluation of the functioning of the Supervisory Board, its Committees and its individual members was prepared by bilateral discussions between the Chairman and individual Supervisory Directors, which discussions were followed by a plenary discussion.

The findings of the external audit were discussed with KPMG. There were several regular contacts outside the scheduled meetings between individual Supervisory Board members and members of the Board of Management and Executive Committee on matters relating to the Company. In particular there were regular discussions between the Chairman of the Supervisory Board and the CEO.

Audit Committee

In 2009 the members of the Audit Committee were Messrs. F.J.G.M. Cremers (chairman), J.A. Colligan and P.J. Crawford (until May 2009) and Mrs. M. Helmes (from May 2009). The composition of the Audit Committee is in accordance with the requirements of the Code. Collectively the members possess the required experience and financial expertise in order to focus on supervising Fugro's financial activities, annual accounts and the operation of the internal risk management and control systems. Mr. Cremers and Mrs. Helmes were acting as financial expert within the meaning of the Code. The terms of reference of the Audit Committee are included in the terms of reference of the Supervisory Board and are available on Fugro's website.

In 2009 the Audit Committee met three times. The external auditor (KPMG) attended all three meetings. The annual accounts and half-yearly results were discussed during the relevant meetings. Topics such as taxation, claims and disputes, compliance and the financial crisis were discussed in depth. Risk areas, such as hedging, fluctuations in currency exchange rates, impairment and insurance were also discussed as was the functioning of the internal risk management and control system and the 2010 audit plan of the internal audit

function. The functioning of KPMG was evaluated in detail (including KPMG's approach to auditing the Company and the audit fees) and it was recommended to the Supervisory Board to reappoint KMPG as external auditor. The Audit Committee was informed of important findings from the control visits. KPMG was given the opportunity to discuss issues with members of the Audit Committee in the absence of Fugro's Board of Management and staff.

Remuneration and Nomination Committee

In 2009 the members of the Remuneration and Nomination Committee were Messrs. F.H. Schreve (chairman), Th. Smith and Mr. G-J. Kramer. In 2009 the Committee met formally three times but also met informally on a number of occasions. As from 1 January 2010 Mr. Kramer chairs the Committee.

The terms of reference of the Remuneration and Nomination Committee are included in the terms of reference of the Supervisory Board and are available on Fugro's website.

The chairmanship of the Committee by both Mr. Schreve (in 2009) as well as Mr. Kramer (from 1 January 2010) is not fully in accordance with best practice provision III.5.11 of the Code. See page 71 for a further explanation.

Remuneration

As far as remuneration is concerned, the topics discussed included the remuneration of the individual members of the Board of Management, the remuneration policy for the members of the Board of Management and the stock option scheme. The Supervisory Board has determined the remuneration of the individual members of the Board of Management on a proposal by the Remuneration and Nomination Committee, within the scope of the remuneration policy adopted by the Annual General Meeting ('AGM') on 14 May 2008.

The Remuneration Report for the year 2009 was prepared by the Remuneration and Nomination Committee, in accordance with best practice provision II.2.12 of the Code, and has been approved by the Supervisory Board. This Report contains an account of the manner in which the remuneration policy has been implemented in 2009. Both the Remuneration Report and the remuneration policy are available on Fugro's website.

Principal points of the Remuneration Report 2009 concerning the remuneration policy

The objective of the remuneration policy is to provide a remuneration system such that:

- performance that is pursuant to the results and strategy of Fugro is rewarded;
- top managers can be attracted and retained as members of the Board of Management of Fugro.

The key elements are:

- fixed (base) salary is determined at the median level of a peer group of comparable companies (local and international);
- variable income (annual bonus or short-term incentive) depends on targets determined in advance with a maximum of twelve months (100%) of annual fixed salary. On-target performance will result in a bonus of eight months of annual fixed salary.
 The bonus is related to quantified financial targets and accounts for 2/3 of the annual bonus and the other part of the bonus is related to non-financial / personal targets and will account for 1/3 of the annual bonus;
- financial targets and the weighing given to the individual financial elements are as follows: earnings per share 60%, net profit margin 20% and ROCE (return on capital employed) 20%. These financial elements are based on Fugro's annual profit plan;
- non-financial targets are determined prior to the start of the relevant year. These targets are based on Fugro's strategic agenda. These are qualitative individual targets and/or collective targets that are the responsibility of one or more directors and that can be influenced by them. These targets could include, among other things, health safety and environment (HSE), corporate social responsibility (CSR), personal development, etc.;
- stock options (long-term incentive). The stock options for the Board of Management form part of a broad option scheme that is in existence already many years and that is applicable to more than 600 managers worldwide. Options are granted on the basis of the contribution to the long term development of the Company, among which the development of the long term strategy, on the basis of measurable targets such as the (growth) targets in the strategic plan and in the annual profit plan. The option grants are based upon a fixed value approach. When determining the number of options to be granted, the fair value at the moment of grant is calculated and each year the same value (e.g. as percentage of base salary) is granted. This part of the income of members of the Board of

Management (and other senior management) depends also on the Fugro share price and is therefore linked to the value of Fugro. Another objective of the stock options is to provide an incentive for members of the Board of Management (and other senior management) to continue their employment relationship with Fugro;

 Pension provisions and fringe benefits. The pension provisions of the members of the Board of Management are based upon a customary pension scheme and on an available premium system.
 The fringe benefits are commensurate with the position held.

The actual (financial and non-financial) targets are not disclosed because they qualify as competition-sensitive and hence commercially confidential information and potentially price sensitive.

Before determining the remuneration of individual members of the Board of Management, the Supervisory Board analyses the possible outcomes of the variable remuneration components and how they may affect the remuneration of the members of the Board of Management.

The Supervisory Board may recover from the members of the Board of Management any variable remuneration awarded on the basis of incorrect financial or other data (claw back clause). Payment of variable remuneration to the members of the Board of Management is subject to the correctness of the relevant (financial) data and adoption by the AGM of the Annual Accounts for the relevant year.

Under circumstances, for instance if the predetermined targets/performance criteria would produce an unfair result due to extraordinary circumstances, the Supervisory Board has the discretionary authority to make adjustments (upward or downward) to the amount of the annual bonus. If the Supervisory Board would during the year decide on the payment of severance pay or other special remuneration to one or more members of the Board of Management, an account and an explanation of this remuneration shall be included in the remuneration report.

The remuneration policy for the members of the Board of Management, as adopted by the AGM on 14 May 2008, will continue to apply in 2010. The fixed (base) salary of the members of the Board of Management will not be raised in 2010.

Further details of Fugro's remuneration policy and of the individual members of the Board of Management, broken down into its various components, is presented in the Annual Accounts on page 141 and in the Remuneration Report 2009.

Nomination

As far as nomination is concerned, the topics discussed included the composition of the Supervisory Board, the Board of Management and of the Executive Committee and also their functioning. The assessment of and the succession planning for the Supervisory Board, the Board of Management and senior executives were also discussed. In particular the succession and the reappointment of the Chairman were discussed (see below).

Composition of the Supervisory Board, the Board of Management and (re)appointments

In the AGM held on 7 May 2009, Mrs. M. Helmes was appointed as member of the Supervisory Board and was Mr. F.J.G.M. Cremers was reappointed. Mrs. Helmes followed an appropriate induction programme.

In the extraordinary General Meeting held on 16 September 2009, Mr. J. Rüegg was appointed as member of the Board of Management. The Supervisory Board considered this appointment to be in the interest of Fugro in view of Mr. Rüegg's extensive knowledge of the survey industry in order to further expand Fugro's survey activities.

With effect from 1 October 2009 two members of the Board of Management, Mr. P. van Riel and Mr. A. Steenbakker, rotated their operational tasks, with Mr. Van Riel taking up the responsibilities as COO (Chief Operating Officer) for the Onshore Geotechnical business line and Mr. Steenbakker becoming responsible as COO for Information Services.

(Re)appointments AGM 6 May 2010

On 6 May 2010 the four-year appointment periods of Messrs. Van Riel and Steenbakker end. Both Mr. Van Riel and Mr. Steenbakker are nominated by the Supervisory Board for reappointment for a period of four years.

As announced on 14 January 2010 the Supervisory Board proposes to nominate Mr. H. Scheffer for appointment as a member of the Supervisory Board for a period of four years. Among other roles, Mr. Scheffer (62) was Chief Executive Officer (CEO) of Royal Gist-Brocades N.V. and of Imtech N.V. (Internatio-Müller) and member of the Board

of Management of Royal DSM N.V. At present he is a member of the Supervisory Board of Rabobank Nederland, 'Drie mollen sinds 1818' B.V. and Coöperatie Cehave Landbouwbelang U.A. Furthermore he is a member of the Advisory Board of Heerema Group and of Gilde.

Mr. Scheffer is nominated in view of his experience as CEO of listed companies, his managerial qualities and experience, his technical background and his experience as a supervisory director.

It will also be proposed to reappoint the Supervisory Directors of which the four-year appointment periods end in May 2010. These are Messrs. F.H. Schreve, G-J. Kramer and Th. Smith. The Supervisory Board is aware that the reappointment of Mr. Schreve exceeds the maximum appointment period according to the Code. The Supervisory Board intends to appoint Mr. Scheffer, if he is appointed on 6 May 2010, as new Chairman of the Supervisory Board in May 2011. As a result it will be proposed to limit the appointment period of Mr. Schreve to one year. The Supervisory Directors consider it to be in the best interest of Fugro that continuation in the current chairmanship is maintained until the time that a successor is appointed.

Further information on the persons to be (re)appointed can be found on page 14 and page 20 of this Annual Report and will be included in the agenda for the AGM on 6 May 2010.

In conclusion

We wish to thank the Board of Management, the Executive Committee as well as the employees, for their dedication and hard work for Fugro in the challenging year 2009. Thanks to their commitment and efforts, Fugro was able to produce good results under the prevailing circumstances. The year 2010 will be another year with opportunities and barriers and we are convinced that Fugro will be able to weather this forthcoming period successfully.

Leidschendam, 4 March 2010

F.H. Schreve, Chairman
F.J.G.M. Cremers, Vice-chairman
J.A. Colligan
M. Helmes
G-J. Kramer
Th. Smith



From left to right: H. Meyer, S.J. Thomson, J. Rüegg, W.S. Rainey, P. van Riel, K.S. Wester (President and CEO), A. Jonkman, A. Steenbakker, J.H. Sommerville and O.M. Goodman.

EXECUTIVE COMMITTEE

Fugro N.V. is the holding company for a large number of operating companies located throughout the world carrying out a variety of activities. To promote client-orientation and

efficiency the Group's organisational structure is highly decentralised, but cohesive.

The managements of the operating companies report directly to the Executive Committee. The members of the Board of Management sit on the Executive Committee.

Board of Management

name K.S. Wester (1946)

function President and Chief Executive Officer

nationality Dutch employed by Fugro since 1981

appointed to Board of Management 1996

(President and Chief Executive Officer 2005)

current term permanent appointment

other function Member Supervisory Board Iv-Groep B.V.

name **A. Jonkman** (1954) function Chief Financial Officer

nationality Dutch employed by Fugro since 1988

appointed to Board of Management 2004

(reappointed in 2008)

current term until AGM 2012

 $other \, function \qquad \qquad Member \, Supervisory \, Board \, Dietsmann \, N.V.$

name P. van Riel (1956)

function Director Onshore Geotechnical Services

(until 1 October 2009 Director Information Services)

nationality Dutch employed by Fugro since 2001

appointed to Board of Management 2006

current term until AGM 2010

name J. Rüegg (1944)

function Director Offshore Survey Services

nationality Swiss

employed by Fugro since 1994

appointed to Board of Management 2009

current term until AGM 2012

name **A. Steenbakker** (1957) function Director Information Services

(until 1 October 2009 Director Onshore Geotechnical

Services)

nationality Dutch employed by Fugro since 2005

appointed to Board of Management 2006

current term until AGM 2010

Other members of the Executive Committee

name **O.M. Goodman** (1956) function Director Geospatial Services

nationality Irish employed by Fugro since 1993

first appointed to current position 2001

name **H. Meyer** (1957) function Director Seismic Services

nationality Norwegian employed by Fugro since 2005

first appointed to current position 2009

name **W.S. Rainey** (1954)

function Director Offshore Geotechnical Services

nationality American employed by Fugro since 1981

first appointed to current position 2006 $\,$

name J.H. Sommerville (1949) function Director Subsea Services

nationality British employed by Fugro since 1978

first appointed to current position 2009

name **S.J. Thomson** (1958)

function Director General Geophysical Services

nationality Australian employed by Fugro since 1999

first appointed to current position 2006 $\,$

Company Secretary

W.G.M. Mulders (1955)

Report of the Board of Management

- GENERAL

The financial crisis has led to a world-wide stagnation of economic growth, and Fugro had to mark time in the year 2009 after five years of strong growth in revenue and profit. In the financial year 2009 both revenue and profit reduced slightly compared to the previous year. During the year market circumstances drastically changed. The sharp fall in the price of oil in the beginning of the year led to reduced spending in the oil and gas sector, which is important to Fugro. Other sectors in which Fugro operates such as mining and large infrastructure were also affected by the economic downturn. In particular Fugro's exploration related activities were impacted as clients chose to rapidly adjust their spending on such work.

Fugro has reacted to the changes in market circumstances with strict cost control and, where needed, adjustments in capacity. This has resulted, notwithstanding increasing price pressure in the course of the year, in the net profit margin being almost maintained. The net profit margin in 2009 is 12.8% (2008: 13.2%).

All three divisions were profitable. However, the Geoscience division, which includes exploration related services, saw a noticeable decline in profitability. The Geotechnical division and Survey division were largely able to mitigate the effects of changed market situation.

While dealing with the short-term challenges, Fugro's healthy financial position has enabled the company to maintain its plans for growth in the medium term. This is reflected in the continuation of the scheduled renewal and expansion of the vessel fleet and ROVs. In some cases, as in the marine seismic activities, the planned state-of-the-art capacity expansion will offset the expiring charters of some vessels.

During the year several complex projects, often involving several business lines, were successfully completed, both onshore and offshore. Examples of such projects are described on pages 34 and 35.

Around 75% of company activities are related to the oil and gas industry. With its broad range of services, Fugro is involved in many phases of the life cycle of oil and gas

fields. Fugro's growing involvement in the maintenance of (complex) subsea facilities constructed by the oil and gas industry will have a positive effect on Fugro in future. Fugro is also active in the infrastructure (approximately 18% of revenue) and mining sectors (approximately 3% of revenue). The remaining 4% of revenue comes from other market segments.

In financial terms, the year 2009 can be summarised as follows:

- Fugro's revenue decreased by 4.7% to EUR 2,053.0
 million (2008: EUR 2,154.5 million). Revenue decreased
 organically by 5.6% and increased 1.1% as a result of
 acquisitions. The foreign currency effect was 0.2%
 negative:
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 3.0% to EUR 551.1 million;
- The results from operating activities (EBIT) decreased by 4.7% to EUR 367.4 million (2008: EUR 385.7 million);
- Net result decreased by 7.1% to EUR 263.4 million (2008: EUR 283.4 million);
- Net result per share decreased by 10.8% to EUR 3.46 (2008: EUR 3.88).

It is proposed to maintain the dividend for 2009 at EUR 1.50 per (certificate of an) ordinary share (2008: EUR 1.50).

-ACQUISITIONS

In 2009 Fugro acquired eight companies and entered into new cooperation agreements.

Acquisitions within the Geotechnical division

 LoadTest, Inc., United States, is the world's high end provider of static pile load testing services. LoadTest has subsidiaries in Singapore, South Korea and the United Kingdom.

Acquisitions within the Survey division

 VIB Weinhold, Germany, is a supplier of pipeline survey services. The company's activities comprise the planning, survey and documentation of transport and pipeline distribution networks, gas plants and power plants for private and public energy companies. Equipment recovery onboard the R.V. Baruna Jaya I, offshore Timor Leste.



- General Robotics Limited, United Kingdom, is a provider of high performance dynamic simulation and visualisation software for the offshore oil and gas construction industry.
- Business and assets of Submec Pty Ltd., Australia, which is engaged in subsea engineering and ROV tooling services.
- Tenix LADS, Australia, is a leading global provider of airborne hydrographic services using lasers to measure water depths.

Acquisitions within the Geoscience division

- Data management and storage activities of Divestco, Inc., Canada. Together with the earlier acquisition of similar activities, this acquisition forms the basis for the Canadian data management and storage group.
- Sea Development A/S, Norway, a recently established company for offshore oil spill response services.
- Interaction A/S, Norway, specialises in marine electromagnetic data management and processing.
 The company is known for its Sharkware brand of software products.

Cooperation agreements

- Fugro entered into a global cooperation agreement with Electromagnetic Geoservices ASA (EMGS), Norway, the market leader in marine electromagnetic imaging. The agreement is in effect through 2011. Fugro has gained full access to EMGS's marine EM methods for hydrocarbon exploration and production and EMGS will gain access to Fugro's worldwide marketing network and marine operations expertise. The companies have also entered into a non-exclusive worldwide multi-client cooperation agreement, as well as a non-exclusive global technology licensing agreement. As a part of the agreement, Fugro provided a NOK 150 million secured convertible loan bearing interest at 7.00% per annum to EMGS. The loan can at any time be converted into common shares in EMGS at the conversion price of NOK 5.75 per share until the maturity date on 2 January 2012.
- Fugro and Arcadis, the Netherlands, entered into a cooperation agreement under which Fugro will provide Arcadis with aerial imagery and LiDAR

- services. As part of the agreement Fugro has acquired the assets of the international aerial survey business which formerly traded under the name 'KLM Aerocarto'. The assets involved include two survey aircraft, various sensors and other related equipment.
- Fugro and Deltares, the Netherlands, signed a
 cooperation agreement for the development of
 knowledge in the field of river delta technology and
 subsoil. The objective of the cooperation agreement is
 to promote research into issues relating to water and
 subsoil in deltas and high-value knowledge
 development, as well as to develop practical
 applications. Deltares is an international knowledge
 institute in the field of water and subsoil with focus on
 delta technology.

The reasons for acquisitions, are amongst others, to obtain state-of-the-art technology and increase market share. The annual revenue of the acquired companies in 2009 amounts to EUR 34.8 million. The total cost of the acquisitions completed in 2009 was EUR 37.5 million.

For the detailed figures on acquisitions that took place in 2009, reference is made to the Annual Accounts on pages 105 and 106.

Number of employees

At the end of 2009 the number of employees was 13,482 (2008: 13,627). In a number of business units reductions in staff (in total some 300) were implemented during the year. This was mainly in General Geophysical Services, Information Services and Onshore Geotechnical Services. These reductions in combination with the addition of 168 staff through acquisitions and hiring of staff in business units where market circumstances were favourable, resulted in a decline of 145 employees overall. The average number of employees during the financial year was 13,587 (2008: 12,977), an increase of 4.7%. Fugro also works with a large group of experienced and long serving freelance workers who are regularly deployed on a project basis. The use of freelance workers provides Fugro with the flexibility to respond to variations in manpower requirements. This strategy clearly paid off in 2009 with a significant reduction in the number of freelance workers during the year. This way Fugro's

Personnel data	2009	2008	2007	2006	2005
Average number of employees during the year	13,587	12,977	10,824	9,261	8,121
Revenue per employee (x EUR 1,000)	151.1	166.0	166.5	154.9	142.9
Net revenue own services per employee (x EUR 1,000)	105.1	110.4	110.7	100.6	93.0
Geographical distribution at year-end					
The Netherlands	947	978	935	871	839
Europe other/Africa	4,369	4,311	3,595	3,126	2,457
Middle East/Asia/Australia	4,411	4,319	3,624	3,007	2,594
North and South America	3,755	4,019	3,318	2,833	2,644
Total at year-end	13,482	13,627	11,472	9,837	8,534

experienced and professional staff could be retained. Fugro mainly employs local employees and deploys few expatriates. This practice provides flexibility when adjusting the staffing to changed market circumstances, which was clearly necessary in certain places in 2009.

Despite the global shortage of specialists, Fugro has been successful when it comes to recruiting experienced and professional employees. Increasingly this is coordinated on a global basis. Fugro's recruitment success is helped by the global spread of its activities and the opportunities that Fugro can offer to innovative and entrepreneurial staff.

- CAPACITY PLANNING

As can be seen from the table on page 24, the major part of Fugro's growth over the past ten years was organically generated. Fugro's focus is on offering niche services in related markets by combining state-of-the-art technology and knowledge on a global scale. Continuous development, upgrading and advancement of technologies are required to maintain a leading position in markets in which Fugro successfully operates, and to achieve strong positions in new markets.

To optimise efficiency much of the equipment operated by Fugro is specially developed on the basis of the company's considerable experience. Maintaining the ownership of such tools is part of Fugro's strategy. This requires an ongoing long term investment program in key assets such as purpose built vessels and operational equipment.

In order to maintain flexibility, part of the vessel fleet capacity is based on long and short term charters, in particular for those activities that can be performed from more standardised vessels.

In 2009 the following changes in the vessel fleet took place:

Geotechnical division

In November the special designed Fugro owned drilling vessel Fugro Synergy became operational. One long-term vessel charter was terminated. Two vessels were chartered on a (project related) short term basis.

Survey division

In the course of the year two older survey vessels (owned) were decommissioned and one vessel was added (owned, modification of existing vessel after purchase). Mid-year the new build ROV support vessel Fugro Solstice was taken on charter. Early in 2010 one older chartered ROV support vessel will be replaced by a chartered new build. Furthermore, some long-term charters were transferred to short-term charters.

Fleet renewal	/expansion	Expected	O
Name of the vessel	Type of vessel	start of operation	Owned/ chartered
Fugro Searcher	Survey	Q1-2010	Owned
Geo Caspian	Seismic	Q1-2010	Charter
Geo Coral	Seismic	Q3-2010	Owned
Fugro Symphony	ROV-support	Q1-2011	Owned
Fugro Galaxy	Survey	Q1-2011	Owned

Revenue growth (in percentages)				Exchange rate	
, ,	Organic	Acquisitions	Disposals	differences	Total
2009	(5.6)	1.1		(0.2)	(4.7)
2008	23.4	4.0		(7.9)	19.5
2007	22.9	6.4	(0.1)	(3.5)	25.7
2006	18.9	6.8	(0.3)	(1.8)	23.6
2005	12.0	1.4	(1.1)	2.8	15.1
2004	9.7	16.2	(0.6)	(2.7)	22.6
2003	(8.6)	4.9		(9.4)	(13.1)
2002	3.4	4.0		(3.4)	4.0
2001	18.4	8.6		0.6	27.6
2000	10.9	8.9		10.6	30.4
Average (2000 – 2009)	10.6	6.2	(0.2)	(1.5)	15.1

Geoscience division

In the course of the year the charters of two 2D seismic vessels were terminated as well as the charter of one 3D seismic vessel. Furthermore the charters of two seismic support vessels were terminated. One new build 3D seismic vessel was taken on charter (Geo Natuna). Towards the year-end one older 3D seismic vessel (Geo Baltic) was sold.

Scheduled capacity adjustment

The table on page 23 summarises the committed replacement and the expansion of the vessel fleet scheduled for the period 2010/2011.

Fugro has the option to reduce the fleet by about eight vessels in 2010 by not renewing charters or retiring older owned vessels.

Financing of the new owned vessels is covered by existing facilities and expected future cash flow.

The lease term for some chartered vessels will expire during 2010. Extension of these charters will be considered, also taking into account the development of the backlog during the year. Fugro also uses vessels that are chartered on a project by project short-term basis.

- FINANCIAL

Revenue and cost development

In 2009, revenue decreased by 4.7% to EUR 2,053.0 million, compared to EUR 2,154.5 million in 2008. The decrease was partly due to price pressure in market segments where scarce capacity in recent years changed to ample availability in 2009. Exploration-related activities within the Geoscience division were the worst affected.

Revenue decreased organically by 5.6% and increased 1.1% as a result of acquisitions. The foreign currency effect was 0.2% negative.

An analysis of the change in revenue is shown in the table above. The average revenue growth over a ten year period is for about two thirds organic growth whereas some one third comes from acquisitions. Over a period of ten years the effect of exchange variance is minimal.

To mitigate the effects of the economic crisis as much as possible, efforts in 2009 were focused on optimising operational management and cost reductions. In 2009 about EUR 45 million of savings in cost of own services was made on an annual basis. The effect of terminating the charters of seismic vessels has not been included in this figure. To realise these savings, approximately EUR 10 million of non-recurring costs were incurred.

Third-party costs amounted to EUR 624.4 million in 2009 (2008: EUR 722.3 million); a decrease of 13.6%. The third-party costs as a percentage of revenue were 30.4%, compared to 33.5% in 2008.

In 2009, Fugro reviewed the workforce in various activities and locations. Where necessary, reductions in staff numbers were made and filling vacancies has been reviewed with care. Employees' pay has been adjusted with restraint to compensate for the effects of the economic crisis. Fugro continues to invest in building on a safe working environment for all. There will also be no reduction in training budget, in order to maintain a high standard of service. In 2009, Fugro continued to recruit young employees to join an experienced team, stimulating the transfer of knowledge.

The average cost per employee was EUR 48,046, an increase of 0.7% compared to 2008 (EUR 47,671). As a result of the increase in the average number of employees, the total personnel expenses increased on balance by 5.4% to EUR 652.8 million (2008: EUR 619.1 million). As a percentage of revenue, this is 31.8%, compared to 28.7% in 2008.

Depreciation of tangible fixed assets increased in 2009 from EUR 140.4 million in 2008 to EUR 173.6 million in 2009, representing an increase of 23.6%. This increase is a result of the capacity expansion, which took place through 2007 up to and including 2009, mainly in the vessel fleet and related equipment and ROVs. Depreciation was 8.5% of revenue (2008: 6.5%).

Other expenses amounted to EUR 249.1 million in 2009 (2008: EUR 295.7 million), a decrease of 15.8%. As a percentage of revenue, these costs are 12.1% (2008: 13.7%). Other expenses include a variety of different costs, which cannot be allocated directly to projects, such as repair and maintenance, occupancy, insurance, etc.

Net result

Net result decreased by 7.1% to EUR 263.4 million (2008: EUR 283.4 million), after deducting third-party interests in profits of subsidiary companies. This amounts to EUR 3.46 per share (2008: EUR 3.88), a decrease of 10.8%. Measured over recent years, the financial objective of an average of 10% per annum increase of earnings per share has been met.

Due to cost control in 2009, and partly because assignments in the first half of 2009 were executed at prices agreed to in the previous year, the net margin decreased only slightly in 2009 to 12.8% (2008: 13.2%).

There was no significant impact on the net result of non-recurring items.

Results from operating activities (EBIT)

At EUR 367.4 million (2008: EUR 385.7 million), the result from operating activities (EBIT) decreased by 4.7%.

Since the start of the economic crisis some debtors ran into financial difficulty. This also continued in 2009. The crisis in Dubai has resulted in an ongoing concern about the collectability of some billed and unbilled revenue. Customers in other market segments indicate that 2010 may not be easy, which could result in write-offs. In 2008, it was decided to create a provision of EUR 25 million for, amongst others, these risks. In 2009, approximately EUR 2 million has been charged against this provision. Considering the uncertainties that still exist at year-end 2009, the remaining provision has been maintained.

Geographical distribution of revenue* (on 31 December, x EUR 1 mln.)	2009	2008	2007	2006	2005
The Netherlands Europe other/Africa Middle East/Asia/Australia North and South America	134 985 420 514	145 1,082 426 502	124 857 351 471	114 610 288 422	100 489 234 338
Total	2,053	2,155	1,803	1,434	1,161

Revenue distribution per division (on 31 December, x EUR 1 mln.)	2009	2008	2007	2006	2005
Geotechnical Survey Geoscience	536 956 561	541 960 654	443 852 508	371 709 354	304 565 292
Total	2,053	2,155	1,803	1,434	1,161

EBITDA

The earnings before interest, tax, depreciation of tangible fixed assets and amortisation of intangible assets amounted to EUR 551.1 million in 2009 (2008: EUR 535.2 million). This is an increase of 3.0%.

Exchange rates

During 2009, the average US dollar exchange rate increased to EUR 0.72 (2008: EUR 0.68). The average exchange rate of the British pound decreased further to EUR 1.13 in 2009 (2008: EUR 1.25). The net foreign exchange variance in the profit and loss acount amounted to EUR 13.4 million negative in 2009 (2008: EUR 25.8 million positive). The positive exchange variance in 2008 was mainly related to the effects of the temporary strengthening of the US dollar against the declining Norwegian kroner in the second half of 2008. The exchange differences have been accounted for in the accounts as net financing costs.

In the balance sheet, valuations were also influenced by fluctuations at the year-end in the US dollar and the British pound. However, the most important difference was caused in 2009 by the revaluation of subsidiary companies reported in Norwegian kroner (about EUR 26 million positive).

The changes in exchange rates had a positive effect of in total EUR 48 million on the equity per 31 December 2009

Results from operating activities (EBIT) (x EUR 1 mln.)

450

360

270

180

90

0

2005

2006

2007

2008

2009

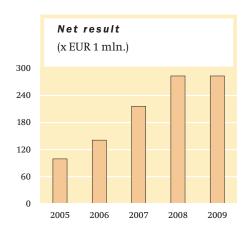
(2008: EUR 52 million negative). See page 65 of this report under risk management and page 132 of the annual accounts under currency risks for exchange rate effects.

Cash flow

In 2009, the cash flow amounted to EUR 456.8 million (2008: EUR 438.9 million), an increase of 4.1%. Cash flow is defined as the profit for the period attributable to equity holders of the company plus depreciation, amortisation of intangible fixed assets and non-controlling interest. The expected future cash flow will enable the company to remain within the current financing covenants and to comply with the committed investments. The cash flow per share equates to EUR 5.99 (2008: EUR 6.01), a decrease of 0.3%. The financial growth target for the cash flow of on average 10% measured over the last few years was amply achieved.

Investments

In the past years, Fugro has invested considerably in the expansion of seismic capacity and will conclude this programme in 2010 when the Geo Caspian and the Geo Coral will be brought into service. To continue organic growth, in particular in the Geotechnical and Survey division, capacity will have to be added in the coming years and older vessels will be replaced as part of the fleet renewal.



Exchange rates (in EUR)	2009	2009	2008	2008	2007	2007
	Year-end	Average	Year-end	Average	Year-end	Average
US dollar	0.69	0.72	0.71	0.68	0.68	0.73
British pound	1.13	1.13	1.05	1.25	1.36	1.46

In 2009, replacement investments were limited to those which were absolutely necessary. The 2009 investments can be specified as follows (x EUR million):

Maintenance capex	70.4
Capacity expansion	250.0
Movement in assets under construction	
(mainly vessels and ROVs)	29.3
Assets of acquisitions	9.9

359.6

Each year, Fugro has to invest in order to maintain the existing capacity. In 2009, the maintenance capex amounted to EUR 70.4 million (2008: EUR 87.2 million). In the table below, an overview of the annual investments for the period between 2008 – 2011 is given, including an estimate for the years 2010 and 2011. The capacity expansion for 2011 includes ROVs, the Fugro Symphony and the Fugro Galaxy. Both these vessels will be ready early in 2011.

Net finance costs

The net finance costs amounted to EUR 20.4 million in 2009 (2008: EUR 1.4 million). The net finance costs are specified as follows (x EUR million):

	2009	2008
Net interest charge	7.7	27.3
Rate of exchange differences	13.4	(25.8)
Other	(0.7)	(0.1)
	20.4	1.4

The decrease of the net interest charge is mainly caused by the low EURIBOR/LIBOR interest on which the financing is based. The interest on the extra usage of bank facilities was more than compensated for by the lower base rate. The interest cover (EBIT/net interest expenses) is 48 (2008: 14). This is a high coverage, well above the financial objective of more than 5.

Taxes

In 2009, income tax expense amounted to EUR 74.4 million (2008: EUR 94.8 million), a decrease of 21.5%. The effective tax rate amounts to 21.4% in 2009 (2008: 24.7%). The company strives for a low tax charge through an efficient tax and financing structure. The final tax charge depends in part on the geographical spread of the projects that are carried out and the possible usage of tax losses.

Intangible assets (goodwill)

In 2009, the addition of intangible assets resulting from acquisitions amounted to EUR 20.0 million (2008: EUR 76.0 million). The addition is mainly a result of the eight acquisitions in 2009.

In 2009, there was a positive foreign exchange difference of EUR 21.3 million (2008: EUR 39.1 million negative) on the balance sheet valuations of intangible assets. Goodwill is not amortised but is tested at least once a year for impairments. In 2009, as in previous years, this did not result in adjustments, notwithstanding weaker economic circumstances.

(Expected) investments, excluding assets from acqu	uisitions			
(x EUR 1 mln.)	2008	2009	2010*	2011*
Maintenance capex	87.2	70.4	75.0	100.0
Capacity expansion	235.8	250.0	275.0	150.0
Total investments	323.0	320.4	350.0	250.0
Movement in assets under construction	57.0	29.3	(75.0)	(90.0)
Net cash	380.0	349.7	275.0	160.0
* Estimate				



Ground Penetrating Radar (GPR) is a geophysical method that uses radar pulses to image the subsurface.

Balance sheet ratios

Solvency at the end of 2009 was 50.2% (end of 2008: 43.7%). The solvency ratio objective is 30 to 35%. This objective was amply met. At the end of 2009, the current ratio was 1.2 (2008: 1.1). Gearing amounted to 42% (2008: 51%). The strong solvency and low gearing underline the company's healthy balance sheet.

Working capital increased to EUR 140.3 million (2008: EUR 56.1 million). The increase is mainly caused by a higher value of the seismic data library (EUR 41.3 million), lower use of bank overdrafts (EUR 21.5 million) and on balance lower tax payable (EUR 23.0 million).

Fugro annually invests in new seismic surveys and geological data at its own risk and expense (multi-client), which is recognised on the balance sheet under 'Inventories'. Such a data library is normal for companies that carry out this type of service. The data library contains valuable information that is offered and sold, under licence, to various interested parties and which retains its profit potential for several years.

Virtually no data acquired during or before the financial year 2006 is recognised on the balance sheet. At the year end the net book value amounted to EUR 68.5 million (2008: EUR 27.2 million).

The current market situation for the multi-client data and the selective attitude of potential customers concerning the geographical location of the collected data has been taken into account in the valuation of the data library.

The data library's balance sheet value has increased compared to the end of 2008. This is mainly caused by a number of large 3D projects near Australia, for which good pre-commitments were received. This underlines the interest of the oil and gas companies in this specific data.

Financing

During 2009, Fugro reached agreement with banks with regard to renewal of the long-term credit facilities. Furthermore, Fugro reached agreement with BNP Paribas in the course of 2009 with regard to an additional credit facility of EUR 50 million.

Early January 2010, Fugro entered into a credit agreement with Fortis Bank Nederland for a facility of EUR 50 million.

The maturity date for all renewed facilities is 1 April 2012 and the terms and conditions are basically unchanged compared to the previous agreements with the banking institutions. The interest surcharge is approximately 150 BPS above the original facilities. EURIBOR is the base for the calculation of interest.

The total of the long-term available bank financing as per 31 December 2009 amounts to EUR 420 million. Taking into account the new Fortis facility, the current balance is EUR 470 million, of which EUR 125 million has not yet been used.

An agreement was also reached with ING Bank in 2009 for a bank overdraft of EUR 100 million. The total of the available working capital facilities amounts to some EUR 425 million.

Private placement loans have been concluded in 2002 for EUR 20 million and for USD 120 million. The US dollar loans are held in the original currency to hedge the net assets on the balance sheet denominated in US dollars. Interest on the private placement loans varies between 6.45% and 7.10%. The private placement loans will have to be repaid in parts in 2012, 2014 and 2017.

-DIVIDEND PROPOSAL

It is proposed that the dividend for 2009 will be maintained at EUR 1.50 per ordinary share (2008: EUR 1.50), to be paid at the option of the holder:

- · in cash, or
- in (certificates of) ordinary shares

 If no choice is made, the dividend will be paid in
 (certificates of) ordinary shares.

The proposed dividend equates to a pay-out percentage of 44.2% of the net result. See for more details page 10 and 11.

MARKET DEVELOPMENTS AND TRENDS

Trends

The world economy has reacted strongly to the financial crisis. The negative effects were felt throughout 2009 and they have spread over many sectors worldwide.

Through its position in the international markets in which it operates and the mix of its clients, Fugro was reasonably protected against, but not immune to, the consequences of the worldwide crisis.

The oil and gas market

The oil price per barrel fell sharply in the first quarter of 2009 and gradually recovered over the year to around USD 75. External reports indicate an expected oil price of USD 80 or higher in the longer term. Smaller oil companies that are dependent on external financing for the exploration and development of their fields, experienced problems with regard to their business model, and projects for these clients suffered delays. The share of Fugro's revenue for this category is relatively small. National oil companies and large international players have continued their developments in order to be able to mitigate future production decline. However, they are implementing cost reductions, amongst others by putting price pressure on suppliers.

The indications are that during 2009 investments by the oil and gas industry have declined by 15% to around USD 395 billion. The entire market sector, including Fugro, was affected by this decline. About 75% of Fugro's revenue is related to oil and gas.

According to recent external market reports, investments by oil and gas companies will increase in 2010 by 11% to around USD 440 billion worldwide. For the so-called international market, which is an important part for Fugro, an increase of 10% to USD 337 billion is expected.

Increasingly, as a consequence of implementing its strategy to provide a broad range of related services, Fugro is involved throughout almost the entire life cycle of oil and gas fields. This cycle can last for several decades. It starts with the search for fields and continues with investigations and surveys related to the design and construction of the structures required to bring new fields into production, to maintaining and improving production from existing fields and, finally, decommissioning. Fugro will, therefore, be able to benefit from increases in the investments by the oil and gas

companies, irrespective of where they are being made in the field life cycle. In the years to come, large investments will be required to maintain sufficient oil and gas production in the longer term.

Many of the exploration and development activities, especially those related to deepwater projects, take place in the Gulf of Mexico, West Africa and Brazil. Other regions that continue to be very active are the Middle East, the northern part of the North Sea and parts of Asia, India and Australia. There is also a continuing interest in detailed reservoir information from existing fields to enable production levels to be maintained for as long as possible, and to extract the maximum volume of available oil and gas.

Demand for gas is creating a global growth market. The demand is increasingly met by production of liquefied natural gas (LNG), which can be transported over sea. Fugro is carrying out work for a number of LNG terminals now under development in various parts of the world. High energy prices are making the development of gas fields located at considerable distance from the user markets more attractive. This is especially applicable in the Middle East where there are considerable gas reserves within transportation distance of India, China, Japan and Europe. Large-scale developments are also taking place in countries that have been exporting gas for some time, such as Australia, Nigeria and Indonesia. This will reinforce the trend towards the creation of a global gas market and could result in gas remaining an attractive energy source for many years to come.

External publications indicate that oil companies base their economic viability calculations for most of their larger projects on a price of oil well below the current level of USD 75 per barrel. Considering the long duration from start to finish of these kinds of projects and the current trend in the oil price, Fugro anticipates that its services will continue to be in demand in 2010 and the years beyond.

The market for infrastructure projects

Infrastructure related activities accounted for approximately 18% of Fugro's revenues in 2009.

The uncertain market situation is noticeable in a number of these market segments. The residential market, for instance, has slowed down in several countries. This market is less important to Fugro. Fugro is concentrating more on large infrastructure projects. In times of economic stagnation, (local) governments often accelerate such projects to boost the local economy. Fugro provides a

number of services in this part of the market such as aerial surveying, water management, advice on foundations and road maintenance. In order to be involved in large infrastructure projects as early as possible, Fugro makes early contact with the key players in the development of these projects.

In some countries, like the USA, stimulus programmes are now generating projects in which Fugro is participating.

Fugro undertakes contracts associated with airports, land reclamation, (LNG) harbour expansions, levees, tunnels, and major building and construction works all over the world. The company has strengthened its market position in this segment, as it has increasingly positioned itself as a supplier of integrated solutions. This fulfils the customer's preference for handing over the responsibilities for a broad range of data acquisition and consultancy activities to a single, independent service provider.

Mining

The majority of Fugro's mining related revenue comes from the exploration sector. This sector drastically reduced the level of investment in 2009. The private sector component is driven by the economic value of new sources of metals and minerals. This is affected by mineral prices and by the planning assumptions and planning horizon of the mining companies. As the financial markets entered into difficulty, potential sources of funding from equity and debt providers for explorers came under severe pressure. As a result of this, a significant decrease was seen in the activity of mining 'juniors'. This is expected to continue until the capital markets recover. It remains to be seen for how long mining 'majors' also curtail their exploration activity. It is expected that the mining activity will remain slow in 2010, but governmental and semi-governmental organisations may continue to carry out some projects. Such projects are regional mapping of geology and earth structures which are viewed as a strategic investment by governments and semi-governmental organisations such as international aid groups. These projects tend to be less dependent on short-term fluctuations in prices of minerals. The mining related activities accounted for 3% of Fugro's revenue in 2009.

Other market segments

Fugro not only supplies services to the aforementioned markets but also to a number of other niche markets. These services include precise positioning for machine guidance in agriculture, route surveys for offshore telecommunication cables, and airborne mapping using

laser technology for governmental authorities and other public bodies. Approximately 4% of annual revenue is generated by these segments. In general, these activities are more region-specific and related to the sector's economic activity.

- BACKLOG

At the beginning of 2010 the backlog of work to be carried out during the year amounted to EUR 1,364.0 million (beginning of 2009: EUR 1,600.4). The proportion of definite orders is 53% (beginning 2009: 66%). The backlog calculation is based on end-of-year exchange rates in EUR and is 14.8% lower than at the beginning of 2009. The backlog has decreased because of present market circumstances which cause the delay in start up of new projects, last minute awards and lower prices which affect the volume of the backlog. This is mainly the consequence of the availability of sufficient capacity unlike in previous years. This is in particular the case for the marine seismic activities. At year end the order backlog of work to be carried out covers eight months. The exchange rates did not materially influence the backlog compared to the beginning of 2009.

Development of		Book value
goodwill*	Goodwill (EUR mln.)	as of 31 December
1988-1993	35.4	0
1994	40.3	0
1995	5.2	0
1996	3.0	0
1997	18.1	0
1998	16.9	0
1999	35.3	0
2000	37.4	0
2001	242.8	237.9
2002	3.2	190.9
2003	68.2	253.1
2004	22.9	274.4
2005	8.3	289.2
2006	59.4	347.3
2007	47.3	381.6
2008	76.0	418.5
2009	20.0	459.7
Total	739.7	

Up until 2000 goodwill was deducted directly from the shareholders' equity; the goodwill under IFRS has been recalculated as of 31 December 2002.

Backlog at start of the year					
(for the next twelve months)					
(x EUR 1 mln.)	2010	2009	2008	2007	2006
(X LOK I IIIII.)	2010	2003	2008	2001	2000
Geotechnical					
Onshore Geotechnical	191.9	168.7	152.7	147.1	97.5
Offshore Geotechnical	199.3	174.6	142.6	98.3	69.0
	391.2	343.3	295.3	245.4	166.5
	391,2	J-13.3	293.3	243.4	100.0
Survey					
Offshore Survey	388.3	436.0	354.7	334.9	298.2
Subsea Services	244.5	273.0	207.5	168.6	96.6
Geospatial Services	83.6	95.8	85.9	40.5	34.3
	716.4	804.8	648.1	544.0	429.1
O	710.4	0.1.0	040.1	511.0	747.1
Geoscience					
Seismic Services	164.1	356.8	399.6	256.3	125.0
Information Services	45.5	34.7	53.1	37.7	45.7
General Geophysical Services	46.8	60.8	62.4	63.0	47.8
	256.4	452.3	515.1	357.0	218.5
	250.4	702.3	313.1	337.0	410
Total	1,364.0	1,600.4	1,458.5	1,146.4	814.1

Backlog comprises revenue for the coming twelve months and includes uncompleted parts of on-going projects and contracts awarded but not yet started (approximately 53% of the total) and projects that have been identified and are highly likely to be awarded (approximately 47% of the total).

POSTBALANCE SHEET DATE EVENTS

There are no postbalance sheet events to report.

-OUTLOOK

The oil and gas industry is Fugro's most important market sector, representing a 75% share of the company's revenue. The price of oil as such has no direct influence on the services but can certainly affect the behaviour of Fugro's clients with regard to their investments.

The worldwide recession led to a slowdown in the demand for oil and gas in the second half of 2008 resulting in a sharp drop in the price of oil from peak levels of USD 147 per barrel during mid 2008 to below USD 40 per barrel in the early part of 2009. With the world economy slowly crawling out of the recession, demand for oil and gas is gradually being restored, resulting in a recovery of the oil price to around USD 75 per barrel at the start of 2010. The oil and gas industry responded to these developments in 2009 with cost cutting and deferral of projects resulting

in a reduction of the global E&P investments of some 15%. External reports indicate that these investments will increase in 2010 by over 10% to about USD 440 billion, not far short of the peak in 2008 of USD 450 billion. This increase is based on a forecasted average oil price of USD 70 per barrel, versus an average price of just over USD 58 per barrel in 2009, and around USD 68 per barrel in 2008. The indications are that the NOCs (National Oil Companies) will increase their investments and that companies which slowed down their plans in 2009 due to reduced cash flows are now also expanding their activities. A relatively strong increase is expected in the spending on exploration work such as marine seismic, which was one of the segments that saw a rapid decline in demand when the crisis started.

The investment horizon is an important issue and must take account of the fact that for new larger offshore oil and gas fields, the time that passes between the decision to develop a field and the actual start of production is several years. Worldwide, the decrease in production from existing fields through depletion is 6 to 8% annually.

Considering the lead time required to put new fields into production, the need for continuous investment in production capacity has not been greatly affected by the current economic situation. Fugro's involvement in the subsea servicing of installations (inspection, repair and maintenance or IRM) has gradually increased over the last few years and these activities are less sensitive to oil price fluctuations.

The main part of Fugro's services to the oil and gas industry are provided by Offshore Geotechnics, Offshore Survey, Subsea Services, Information Services and Seismic Services.

In other segments where Fugro is active, like larger infrastructure projects, there are indications of the start of a recovery during the course of the coming year, partly supported by stimulus programmes by governments, as in the United States. These activities include transportation projects (such as roads and ports), coastal protection, pipelines and water management. The onshore and nearshore geotechnical activities, as well as aerial mapping activities in Geospatial, are involved in this. The decentralised organisational structure, with local operating companies, enables Fugro to respond quickly to changes in demand for infrastructure services that have a national or regional character.

Due to the sharp fall in prices for minerals and the heavy dependence of smaller clients on external financing for projects, a strong decline in the demand for mineral exploration services occurred in 2009. This decline was partly compensated by applying survey methods that were developed for the mining industry to search for oil and gas. The demand for surveys to locate new mineral resources is expected to recover only slowly.

In addition to the influence of aforementioned uncertainties in market developments, the exchange rates of the US dollar and the British pound compared to the Euro are important. The larger parts of Fugro's revenue and cost are in the same currency. However, the translation to Euros could be of influence on the reporting of results, which is in Euros. Furthermore, political instability can lead to stagnation of projects.

The economic developments over 2009 resulted in less tension in the labour market and more manageable costs of services by third parties, such as transport of equipment and short-term charters of vessels.

As there is still uncertainty about the duration of the worldwide recession and the pace of recovery, Fugro continues with measures to control cost such as:

- restrictions on new investments, unless profitable in the short term or strategically important;
- flexibility in hired capacity, such as chartered vessels and freelance staff;
- further optimisation of operational efficiency. In 2010 Fugro will fully benefit from the cost reduction measures taken in 2009.

When the recovery of the world economy gains further momentum, the sectors on which Fugro focuses, in particular those of energy, construction, transport, minerals and water, should soon start to offer good opportunities for further growth.

Expansion and broadening of activities through acquisition will remain part of the strategy. More realistic company valuations than has been the case in some sectors in recent years may enhance these opportunities.

Based on recent developments there are signs of a gradual improvement in some of the market sectors in which Fugro is active. This is supported by some increasing tender activity for exploration work for oil and gas at sea and a somewhat improving backlog compared to the situation during the last part of 2009. This would indicate that there are less uncertainties than a year ago, but we are starting the year 2010 with a lower backlog and in a tighter pricing environment. Also the relative harsh winter in the northern hemisphere has delayed construction related work in some countries.

In 2009 Fugro produced record first half year results on the basis of the backlog roll-over from 2008, partly still at pre-crisis rates. It is unlikely under the present conditions that this can be matched in the first half of 2010. We expect that both revenue and net profit margin will be somewhat lower over the first half of 2010 compared to 2009.

In view of the continuing uncertainties and volatility in market developments and given the short-term nature of a number of our projects, as in previous years, we will first publish a quantitative forecast for the entire year in August 2010, at the time of the publication of the 2010 half-yearly report.

Board of Management declaration pursuant to article 5:25c of the Financial Markets Supervision Act in the Netherlands

To the best of the Board of Management's knowledge the annual accounts (pages 80 to 154) give a true and fair view of the assets, liabilities, financial position and profit or loss of Fugro N.V. and the companies included jointly in the consolidation, and the annual report gives a true and fair view of the situation on the balance sheet date and the business development during the financial year of Fugro N.V. and the Group companies for which the financial information is recognised in its annual accounts. The principal risks and uncertainties with which Fugro N.V. is confronted are described in this annual report.

Leidschendam, 4 March 2010

K.S. Wester, President and Chief Executive Officer
A. Jonkman, Chief Financial Officer
P. van Riel, Director
J. Rüegg, Director
A. Steenbakker, Director





-IMPORTANT AND INTERESTING CONTRACTS

- Africa Several 3D seismic acquisition contracts have been awarded for projects offshore East and West Africa; commencement of projects will be in 2010.
- Alaska Fugro has entered into an agreement with Statoil USA E&P, Inc. for the acquisition and processing of a 2,400 square kilometre 3D marine seismic survey on Statoil's leases in the Chukchi Sea.
- Australia The Department of Sustainability and Environment of the State Government of Victoria has awarded
 a contract to Fugro to supply geospatial services to support the department's third iteration of the Index of
 Stream Condition project. The project requires aerial acquisition of high resolution LiDAR and 4 band imagery
 data along 26,000 km of the Victorian river network.

Australia

- A geotechnical survey for a new energy related facility in Australia.
- A marine survey including a geotechnical site investigation offshore Australia.
- Several 3D multi-client seismic surveys offshore Australia, for which there is great interest from the oil and gas industry resulting in high pre-commitments.
- Australia a contract by Woodside Energy Ltd to undertake a year-long metocean study along the proposed pipeline route for the Browse LNG Development which will run from the gas fields to the planned Kimberley LNG Precinct at James Price Point.
- Canada Fugro entered into a contract for the acquisition of marine 2D multichannel seismic and bathymetric data in water depths ranging from 2,500 to 4,000 metres in the Labrador Sea, offshore Eastern Canada, in support of Canada's programme to define the outer limits of its extended continental shelf under the United Nations Convention on the Law of the Sea (UNCLOS). The work is awarded by the Canadian Government.
- France a geotechnical survey for the extension of the port in Le Havre, France, for the Harbour Authorities.
- Hong Kong The Highways Department of the Government of the Hong Kong Special Administrative Region has awarded Fugro a contract to carry out a major nearshore site investigation for the Hong Kong Boundary Crossing Facilities (HKBCF) associated with the new Hong Kong–Zhuhai–Macao Bridge.
- Mexico a large, multi-site high resolution geophysical and geotechnical survey for Mexico's national oil company PEMEX.
- Papua New Guinea a significant contract by Nautilus Minerals Inc. to provide exploration services for seabed mining offshore Papua New Guinea and the Solomon Islands.

- Peru Petrobras Peru awarded Fugro a contract for an airborne gravity gradient and magnetics survey. The
 contract includes data acquisition, processing and interpretation and will comprise a total of 70,000 line
 kilometres of data acquisition over the Peruvian Amazon basin. The gravity data was acquired using Fugro's
 unique FalconTM gravity gradiometry technology.
- Saudi Arabia a project in Saudi Arabian waters in the Red Sea was carried out for a major port construction project. The survey project included a significant hydrographic survey using laser scanning by aircraft.
- South Korea a geotechnical survey for the presence of gas hydrates for KNOC (Korea National Oil Corporation). This will be performed by the Fugro Synergy.
- Trinidad and Tobago a contract to provide vessel, ROV, inspection and subsea engineering services to BP
 Trinidad and Tobago in support of its oil and gas facilities offshore Trinidad.
- Turkey Fugro has been awarded a contract by the joint venture NÖMAYG in Turkey for site investigations and consultancy work for a major infrastructure project on the Izmit Bay Bridge in Turkey. The contract involves onshore and offshore geophysics, drilling for samples, seismic studies, geological mapping, geotechnical laboratory testing and earthquake engineering.
- United Kingdom Thames Water Utilities Ltd and Fugro entered into a marine site investigation contract for a geotechnical survey in and across the river Thames. The purpose of these investigations is to gather data required to deliver the Thames Tunnel, a major new environmental project that is needed to reduce the risk of untreated sewage overflowing from London's sewers into the river Thames after rainfall.
- United States a contract from the State of California, Department of Transportation (Caltrans) to provide highway pavement structure data collection and inventory services. The data will be used to create a geographically referenced inventory of construction details including pavement layer thicknesses and material types for the entire state highway network (82,000 kilometres).
- United States Rutherford County, Tennessee, awarded a 5-year geospatial services contract to provide mapping services.

- GEOTECHNICAL DIVISION

The Geotechnical division's revenue decreased by 1% to EUR 536 million (2008: EUR 541 million). Results from operating activities (EBIT) was EUR 94 million (2008: EUR 95 million) corresponding to 18% (2008:18%) EBIT margin on revenue.

In 2009, Fugro continued its strategy to realise business growth in existing and new regional markets. Offices have been opened in Ho Chi Minh City (Vietnam), Kolkata and Chennai (India), and cooperations have been established with companies in Central Europe. A strong backlog enabled the onshore geotechnical services to improve its market position for site investigations in coastal waters.

Pavement management activities were under pressure the entire year as a result of reduced government spending. Western European markets were, on average, stable despite the difficult circumstances. Reduced activities here were well compensated by Fugro's involvement in soil investigations for coastal wind farms in Germany and other activities in Central Europe.

A good example of Fugro's involvement in large, complex projects in new regions is the contract for investigations and consultancy work for the Izmit Bay Bridge in Turkey.

In 2009 economic stimulus funds announced by the US government contributed to a limited extent to activities in the USA. Involvement in larger international oil and gas projects and geotechnical advice on construction licences for nuclear power stations in combination with effective cost mitigation measures resulted in a stable contribution from US activities. A recent project award from the California Department of Transportation (Caltrans) to provide services to collect data for highway maintenance may indicate that investments are on the increase.

At the beginning of 2009, revenues from the Middle East, and especially from Dubai, decreased. The Middle East situation improved gradually over the year due to increased activity in Abu Dhabi and Qatar. The activities in Saudi Arabia and India were hardly affected by the economic crisis.

In a somewhat better Far Eastern investment climate, activities in China and Hong Kong improved in 2009 in comparison with 2008. Fugro's position in this market is illustrated by an award to perform a large soil investigation for the new Hong Kong–Macao bridge.

Offshore Geotechnical performance for 2009 was consistent with 2008 with minimal impact from the current adverse economic climate. A reduction in work has been experienced in the shallow water gas-driven areas while a larger proportion of the revenues have been generated from deepwater work. The market has been dominated by the large international and national oil companies. Any work reductions have been more prevalent from the independent oil and gas companies. Major deepwater projects were undertaken in all geographic regions of the world, with particularly large projects in South East Asia, Gulf of Mexico and West Africa.

GeoConsulting affiliates have been established in Houston, Wallingford and Singapore with 2009 representing the start of operations in all offices. GeoConsulting combines the technical expertise from offshore survey and geotechnical to consolidate worldwide expertise under one operating entity. The objective is to provide clients with high end advice on the foundation design of complex projects such as offshore installations in frontier deepwater regions.

Key figures Geotechnical (amounts x EUR 1 mln.)	2009	2008	2007	2006	2005
Revenue Results from operating activities (EBIT) Average invested capital Depreciation of tangible fixed assets	536 94 358 29	541 95 254 24	443 78 173 19	371 58 129 14	304 46 105 10
Results from operating activities (EBIT) as a % of revenue	18	18	18	16	15

Fugro Synergy during sea trials in the Hardanger Fjord in Norway.



The new multi-purpose vessel, Fugro Synergy, was launched during the last quarter and will serve to expand the services offered by the existing fleet. The objective of the Fugro Synergy is to provide drilling services using both standard and new technology at depths greater than Fugro's current geotechnical investigations. The Fugro Synergy gives the opportunity to work more efficiently.

Research is a continual process to improve and enhance the data collection in deepwater. Two of Fugro's newer tools, Smart Pipe $^{\text{TM}}$ and Surf $^{\text{TM}}$, were utilised for a deepwater pipeline design project where the seabed sampling and testing were critical for developing design criteria. The industry is changing to subsea installations for the production of oil and gas, which will create new types of structures and design issues that are being addressed through newly developed seabed soil investigation equipment and methods.

The increase in the average invested capital is largely due to the Fugro Synergy becoming operational in the course of 2009.

-SURVEY DIVISION

In the year under review the Survey division achieved revenues of EUR 956 million (2008: EUR 960 million). The results from operating activities (EBIT) increased by 5% to EUR 246 million (2008: EUR 235 million). This equates to an EBIT margin of 26% of revenue (2008: 24%).

The Survey division operates primarily in the oil and gas industry which, in 2009, constituted approximately 80% of revenue of the division. The main activities include survey and positioning services offshore, sub-sea surveys and intervention using Remotely Operated Vehicles (ROVs) in support of oil and gas field exploration, development, production and abandonment and positioning, mapping and survey services onshore. While most offshore operations relate to the oil and gas sector, the activities on land are principally driven by government mapping contracts and infrastructure related projects. By year-end the Survey division operated 20 survey vessels, 5 ROV vessels, 130 ROVs, 8 AUVs and 30 survey aircraft.

Offshore Survey operates a global network of positioning reference stations which are used for the precise positioning of vessels used in support of the oil and gas industry. For the development of field infrastructure Fugro provides geophysical investigations, often in conjunction with the Geotechnical division, resulting in comprehensive study reports for design purposes. Other services to the offshore industry are meteorological and oceanographic studies, provided through a number of global offices. Offshore Survey is increasingly involved in hydrographic charting for government authorities and applying its expertise in route surveys to the telecommunication industry.

Subsea Services was established as a separate business line within the Survey division on 1 January 2009 to provide increased market focus while maintaining Fugro's flat operating structure with short reporting lines to top management. Subsea Services operates globally using a comprehensive fleet of ROVs and specialist ROV support vessels to deliver a wide spectrum of subsea services, also mainly to the oil and gas industry. Supported by in-house engineering capabilities, these services include support of drilling and well completion, offshore construction support, inspection, repair and maintenance and remote subsea intervention. Subsea Services works in close cooperation with Offshore Survey and Offshore Geotechnics to provide fully integrated project solutions.

Geospatial Services offers a range of survey and mapping services using terrestrial, aerial and space based sensors to acquire geospatial data which is processed to create geospatial information for a variety of applications. The demand for specialised geospatial services continued to grow in 2009, particularly from government agencies, natural resource industries and from clients involved with infrastructure. Spurred on by the free availability of maps and earth imagery on the internet, there is a growing trend to represent and visualise our fast changing world through detailed maps, aerial imagery and 3D models. Consequently, there is an increasing demand for ever more accurate and up-to-date geospatial data.

Key figures Survey (amounts x EUR 1 mln.)	2009	2008	2007	2006	2005
Revenue Results from operating activities (EBIT) Average invested capital Depreciation of tangible fixed assets	956 246 578 49	960 235 497 43	852 205 423 37	709 146 332 29	565 97 249 25
Results from operating activities (EBIT) as a % of revenue	26	24	24	21	17

Downloading oceanographic data from Fugro Oceanor wavescan buoy, Nyhamna, Norway.



The global financial crisis had little impact on the offshore Survey activities in the early part of 2009. Most major international and national oil companies maintained their investment plans and thanks to a solid backlog at the time, the year started strongly. As the year progressed, project delays and cancellations became more common. Furthermore the drive by clients to reduce costs led to increased pricing pressure. Good performances came from Brazil, West Africa, the Middle East and the USA. An interesting project in frontier areas in the Chukchi Sea for survey and geotechnical work was won through GEO LLC in Alaska, which company was acquired in 2008. A third deep water AUV was added to cover the expected growth in the Southeast Asian market.

Acquisitions included Tenix LADS, an Australian marine LiDAR operator, Weinhold Engineering (a specialist pipeline survey company active in Germany), General Robotics Limited (UK based and provider of ROV dynamic simulation and visualisation software) and the business and assets of Submec Pty Ltd (Australian provider of subsea engineering and remote intervention tooling). Opportunities to acquire geospatial assets (survey aircraft and sensors) at favourable prices were also taken.

Subsea Services business performance was quite mixed around the world. A very strong performance was achieved in Brazil while Europe, Africa and the Middle East region showed a steady performance. The Asia Pacific operations had a difficult year, with that region responding very quickly to the oil price drop and global recession at the end of 2008.

The new ROV support vessel, Fugro Saltire, started the year with a geotechnical drill rig installed for a project in the south Atlantic followed by a busy construction support season in the North Sea. Fugro also took delivery of the new build Fugro Solstice (chartered vessel) in June for ROV operations out of Singapore. After an initial inspection programme in the Philippines, the vessel ended the year on a 5-month contract for mineral exploration services near Papua New Guinea and the Solomon Islands.

In general, Geospatial Services continued to migrate towards more specialist higher margin services in 2009. The market for geospatial services in the USA remained stable with mapping work for the government sector and infrastructure projects continuing at normal levels, helped by stimulus funding towards the year-end. Fugro's unique GeoSAR radar mapping technology was used to successfully complete a number of projects in South America with good results. In Europe, market conditions weakened slightly over the course of 2009, particularly in the UK and Ireland. Nevertheless, Fugro was able to expand its business in Europe through a combination of asset acquisitions and organic growth. In the Middle East, geospatial activities felt the impact of projects delayed by clients as a result of the global downturn. Meanwhile, the Australian market for geospatial services shows clear signs of a recovery, giving a positive outlook going into 2010. However, during the year some capacity in certain parts of the operations had to be reduced, notably for onshore survey services in Western Canada.

The increase in the average invested capital results largely from the additional ROVs.

- GEOSCIENCE DIVISION

In 2009 the Geoscience division achieved a revenue of EUR 561 million (2008: EUR 654 million).

Results from operating activities (EBIT) decreased by 31% to EUR 106 million (2008: EUR 154 million). This equates to an EBIT margin on revenue of 19% (2008: 24%).

The Geoscience division provides a uniquely broad spectrum of data acquisition, processing, interpretation and data management services to global oil and gas and mining industries. The division's activities are mainly focused on exploration work. Both in oil and gas and mining, the data acquisition segment, which accounts for the majority of the revenue, was under pressure over the year. In the oil and gas sector prices stabilised in the second half of 2009 and tendering activity increased towards the end of the year. In all business areas that were impacted by the downturn cost reduction programmes were carried out by reducing staff, rationalisation of operation and reductions of suppliers' costs where possible.

The total revenue in 2009 for Seismic Services amounted to EUR 403 million (2008: approximately EUR 465 million). Marine seismic acquisition, which is mostly applied to support oil and gas exploration, experienced a drop-off in activities in 2009 due to the weak oil price. In addition the global capacity of the seismic fleet increased which led to over-capacity and subsequently to price pressure and a shorter lead time for the award of projects. As a result the order backlog reduced. In the first half year results were also impacted by some seismic equipment related start-up issues on the new seismic vessels.

Fugro's policy to operate a flexible fleet, by balancing ownership with chartering, enabled Fugro to terminate three charters in 2009. Also one of the older vessels has been sold. The reduced performance in seismic acquisition has been partially offset by positive results of multi-client seismic sales which were particularly strong in the second half of the year.

The introduction of high end 3D vessels in Fugro's fleet has also supported entry into the 3D multi-client market where over 2009 several strongly pre-committed 3D multi-client projects have been developed. In 2010 the final two seismic vessels of the fleet renewal/extension plan will start operations, providing Fugro with one of the most modern high capacity 3D fleets, in the world.

The demand for high end geologic, geophysical interpretation and reservoir modelling services and software products provided by Information Services remained strong throughout the year. Performance of the multi-client geologic product sales was satisfactory. Data management capabilities were expanded through the acquisition of the data management and storage activities of Divestco in Canada. Through integration with the existing business, a Canadian data management and storage group was built with a strong market position and with technology for on and near-line electronic data storage.

Key figures Geoscience (amounts x EUR 1 mln.)	2009	2008	2007	2006	2005
Revenue Results from operating activities (EBIT) Average invested capital Depreciation of tangible fixed assets	561 106 703 32	654 154 583 28	508 115 456 23	354 66 353 17	292 44 295 18
Results from operating activities (EBIT) as a % of revenue	19	24	23	19	15



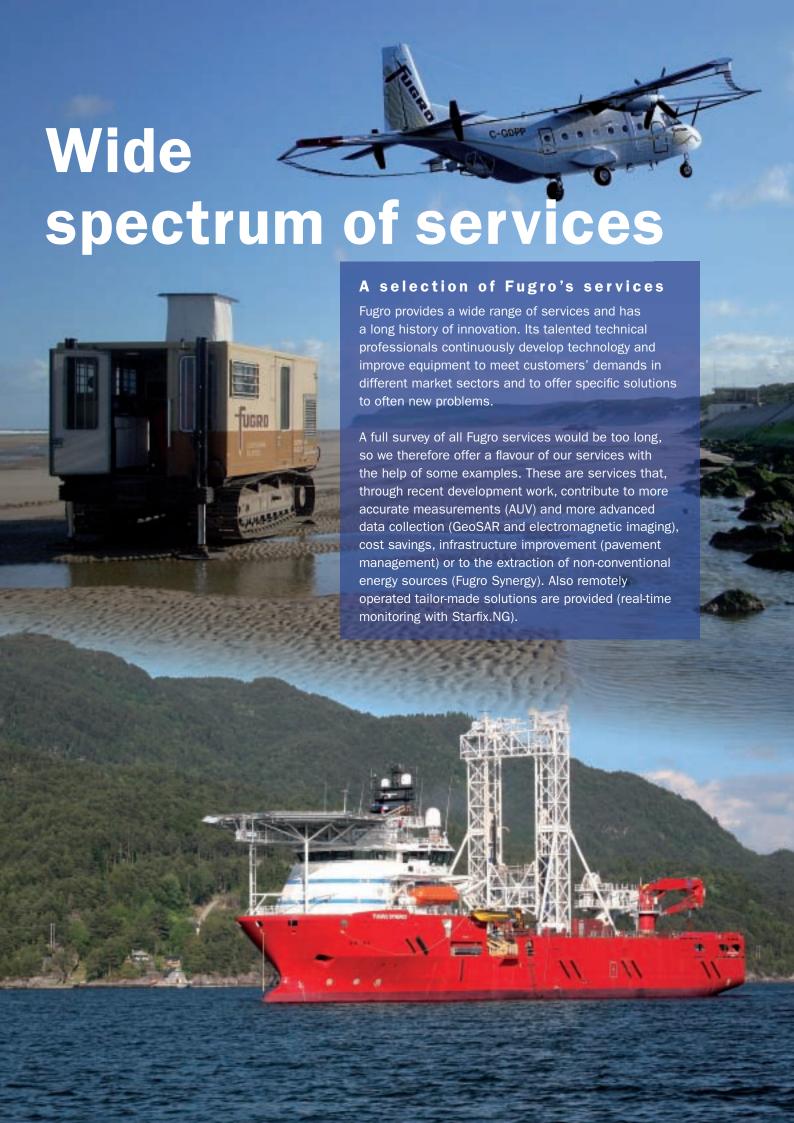
Electromagnetic airborne survey system, High Lake Camp, Nunavut, Canada.

General Geophysical Services provides airborne, ground and marine electric, electromagnetic, magnetic and gravity data acquisition, processing and interpretation services to clients in the mining and oil and gas industries. General Geophysical Services was hit by the downturn in mining, which has impacted airborne data acquisition in particular. An exception was the application of the Falcon airborne gravity gradiometry technology purchased from BHP towards the end of 2008. Over 2009 this technology has been successfully introduced into the oil and gas sector, and has helped to partly mitigate the decline in mining activity.

A new development in 2009 was the entry into the marine electromagnetic market by entering into a strategic alliance with EMGS of Norway, the leading provider of these services. The agreement was backed by a secured convertible loan of Fugro to EMGS of NOK 150 million (EUR 18 million). A further development in this area was achieved with the acquisition of Interaction A/S in Norway, who specialises in the provision of marine electromagnetic data management, quality control and processing software and services.

The increase in average invested capital mainly relates to additional marine seismic equipment.



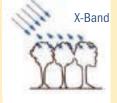


Mapping through cloud cover and vegetation_

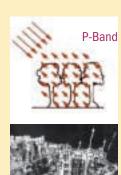
Detailed topographic mapping in equatorial regions and high latitudes used to be very difficult and time consuming. For decades, cloud cover and dense vegetation confounded traditional data acquisition technologies, resulting in a legacy of outdated, inconsistent, and incomplete mapping coverage. This lack of geospatial data has real implications when it comes to critical issues like resource development, national security, aeronautical navigation safety, and disaster preparedness. Working with governments and private-sector companies, Fugro is overcoming these mapping challenges with GeoSAR, a one-of-a-kind airborne radar mapping system.

Dual band

The 3 meter X-band image shows the reflective surface of the area, while the 5 meter P-band image reveals both natural and man-made features (fences, power lines, roads) beneath the foliage.







Unique and efficient

Owned and operated exclusively by Fugro, GeoSAR is the world's only radar mapping system that simultaneously maps above and below the tree canopy. This unique capability is made possible by a radar configuration that images the ground using two separate frequencies, X- and P-band. During an airborne mission, the shorter X-band wavelength penetrates clouds, but reflects off the top of features like trees, foliage and buildings. The longer P-band wavelength penetrates clouds and foliage, for accurate mapping of the terrain. Together, these contrasting datasets support efficient topographic mapping over large areas of mixed land cover.

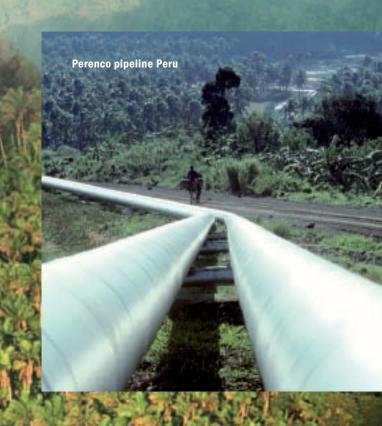
Range of data applications

Since 2002, over 900,000 square kilometers were mapped using GeoSAR. While project deliverables are primarily used to support large-area base mapping programmes, Fugro's in-house radar engineers and scientists are expanding the current range of data applications to include solutions for forestry, hydrology, and oil and gas transport and production, amongst others. A recent project with the oil and gas company Perenco demonstrates this potential.

Exceeded expectations

In the summer of 2009, Perenco required up-to-date topographic mapping for a proposed oil pipeline route in northern Peru. The data was needed for a number of functions, including geological interpretation, slope analysis, and pipeline planning. Given a difficult landscape of thick forests and mountainous terrain, as well as an aggressive project schedule, Perenco broke with convention and opted to use GeoSAR over traditional airborne mapping technologies. It was a move that paid off. Fugro acquired and processed the data in record time and met all accuracy and schedule requirements, while delivering topographic mapping products that exceeded the expectations of Perenco's project engineers.

Moving forward, Fugro plans to build on the success of this project for oil and gas developments. By answering customer needs for geospatial data in difficult to map regions, GeoSAR is providing new business opportunities within one of Fugro's most important client sectors.



The real world in a measurable way



Starfix.NG

The latest incarnation of Fugro's offshore survey software is called Starfix.NG where NG stands for 'Next Generation'. These computer programmes are highly specialist in nature and include much of the experience that Fugro has built over the many years that it is active in this business.

The Next Generation of software is in many ways fundamental for all Fugro's survey activities. It comprises a wealth of intelligent tools which enable accurate and efficient collection of complex data to provide clients with high quality information. A very important aspect of the software is its visualisation capabilities

which provide the operator with real-time monitoring of ship movements. The software has been developed as a system that almost operates as a video game; the main difference being that the computer displays do not show fantasy, they show the real world in a measurable way by using the input of a multitude of sensors, measurement tools and positioning systems that are installed on vessels. As requirements vary from vessel to vessel and from project to project, the software is made to be highly configurable to cater for these different environments. The computer systems provide in fact the glue that links all these systems together and does that in a way that is comprehensible to the human eye.







Smart tools, smart solutions

Fugro owns and operates eight autonomous underwater vehicles (AUVs) and while there are various military and government research establishments which operate AUVs, Fugro is the world's leading commercial operator of these smart tools.

Accurate measurements

To accurately measure the ocean floor it is best to use tools that are as close to the seabed as possible and that are precisely navigated. In the traditional way this is done by towing a hydro dynamically shaped body behind a vessel that contains the sensors that are required to do the seabed measurements. These methods are adequate in shallow water but become increasingly ineffective when the water depth increases. Nowadays it is not uncommon for oil and gas clients to require accurate measurements of the seabed in water depths of over 3,000 m. Should one attempt to do that with a traditional towed system then, as the cable does not go straight down when the vessel is moving forward, it would require a cable as long as 10 km. This would not provide very accurate results and it would be time consuming to turn the vessel every next measurement.

Guidance systems

Much better results are obtained when the measurement device is replaced by an autonomous system, i.e. a device that can perform measurements independent from the mother ship. Such self propelled Autonomous Underwater Vehicles, known as AUVs, are battery operated and are equipped with a complex computerized guidance system that allows the vehicle to follow a predefined trajectory. These autonomous systems can move very close to the seabed and with the stability and accuracy of the guidance (positioning) systems they help to provide data qualities that are little short of spectacular.

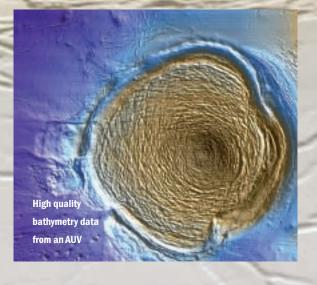
Several Fugro AUV vessels are equipped with a system that is capable of launching large heavy duty deep water systems.

The AUV technology allows for seabed surveys in areas that were previously not within reach. The large systems often work in oil and gas fields prior to drilling activities to investigate the suitability of the seabed for the installation of well heads, pipelines and other infrastructure that is required to exploit an (often complex) oil or gas field.

The fleet further comprises a series of smaller systems that can be easily transported over the world to conduct smaller projects. These smaller AUVs are built to a modular design with components containing innovative sensor configurations, cameras and intelligent computer systems that for example allow the vehicle to deviate from its predefined track and automatically locate and follow a pipeline on the seabed that is to be inspected.







Up to 3,000 m depth

The worldwide presence of natural gas hydrates is assumed to be enormous. And it is considered an interesting alternative to resources from conventional reservoirs.

New energy

Gas hydrates potentially contain more fossil energy than is present in oil, gas and coal deposits. Furthermore, it has the same environmental advantage as conventional gas since the burning process causes less CO_2 emission than from oil and coal. This new energy source occurs in a solid compound in which a large amount of methane is trapped within a crystal structure. Gas hydrates can be found in Arctic regions and in ocean sediments. The pace of gas hydrate exploration projects has accelerated over the past few years with the realisation that this unconventional resource could be developed in conjunction with conventional gas fields and using existing technology.











Video images

Video images used to monitor the interstate highway system that provides valuable roadway information for planning, maintaining, and repairing highways.

The highway network of a nation usually represents its most valuable asset.

An appropriately designed road network is essential for the development of any nation, and ensures not only significant economic benefits, but also social and environmental benefits for the people and businesses alike. Many well respected studies including research by the World Bank have proven that a well surveyed and maintained road network prevents accidents, saves lives and has a direct economic benefit.

Pavement specialists

In order to target scarce maintenance funding most effectively, regular surveys of highway networks are important. Fugro employs pavement specialists designing pavements for new roads and assessing the remaining life of existing roads using specialist test equipment to determine load carrying capacity. Ground Penetrating Radar (GPR) technique is used to acquire data on layer types and thickness of the pavement structure. Other geophysical techniques, such as electromagnetics and radiometrics allow areas of moisture ingress or environmental contamination to be quickly and effectively characterised.

Road maintenance planning

Fugro has developed advanced pavement deterioration prediction techniques to optimise road maintenance planning over long durations. Lower maintenance costs of the network can be achieved by arresting deterioration through early intervention, or targeting and improving key safety parameters whilst ensuring that the network is able to carry the volumes and weights required both now and in the future.

ARAN

Multi-function highway condition survey vehicles, known as ARANs (Automatic Road Analyser), are operated at traffic speed to assess the condition of the surface of the road. The assessment includes cracking, rutting and ride quality, and is supported by road geometry and video images.

These ARANs are designed and assembled by Fugro and are part of its own fleet, but also custom-built vehicles are delivered to Government Road Authorities.

Quality control (QC), quality assurance (QA)

Fugro laboratories perform QC and or QA testing of construction and infrastructure material on sites all over the world. Non-destructive testing plays an important role in QA and is usually based on geophysic tests as described above.

General Information

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Vision and ambition

Fugro strives for strong but controlled growth in revenue and net result. The organisation aims for an optimised and balanced synergy between its various activities in order to realise its goals while maintaining a broad activity portfolio on a geographic and product basis. Fugro aims to deliver improved added value to its clients by a combination of specialised staff and (often in-house developed) technologies, and associated high-quality services. In addition to growth in revenue and net result, the organisation's policies on human resources, health, safety and the environment are also of great importance. Sustainability, transparency and reliability are the key themes of Fugro's central policy.

Fugro realises that the impacts of its specific local activities and the international nature of its services place great demands on its staff. The organisation is aware of its role in society, particularly in an international and multicultural environment, and understands the importance of paying continual attention to corporate social responsibility (CSR). Fugro strives to meet the expectations of all the stakeholders in the company by balancing regard for the environment, social awareness and financial results.

Fugro's CSR policy develops continuously; its operating companies and employees put the principles of CSR into daily practice in a wide range of areas. Fugro chooses to include its CSR policy in its annual report: an important consideration being that the subject is inextricably linked with the course of business and should, therefore, be considered to be an integral part of other corporate aspects.

Fugro strives towards growth, both organically and through acquisition. Through this growth, the organisation can capitalise on the world's rising prosperity. The presence of local operating companies is an important spearhead for the integration of Fugro's services within communities in general.

Geographical expansion is a component of Fugro's ability to continue to support the increasing prosperity. Growth also means attracting more local staff, and it enables the organisation to offer opportunities for training and education to its employees.

The growing demand for energy is partly offset by the use of alternative energy sources such as solar, wind, biofuels, tidal and nuclear energy. This presents Fugro with opportunities in new markets.



When managing its investments, the organisation considers the balance between improving the quality of its equipment and the issues of fuel use, emissions and cost management.

Fugro aims to strengthen the coherence of its CSR policy by providing a framework to its subsidiaries on how to implement the various aspects of CSR. The ISO 26000 guidance standard on corporate social responsibility, which is expected in 2010, will also be considered.

Organisational structure

Fugro is organised into three divisions: Geotechnical, Survey and Geoscience services. These divisions work together worldwide in focusing on the right solution for the relevant market. The Board of Management is responsible for Group policy, strategy, acquisitions, investments, risk management, finance and internal coordination. Furthermore, the holding company looks after matters that, for reasons of efficiency, advanced specialisation or financing, are best handled centrally.

Fugro's philosophy is that the operating companies in the divisions should be able to operate autonomously as much as possible within the framework of the group's policy, business principles and internal risk-management systems. This enhances the quality of the operating companies' management and the development opportunities available for employees. Delegation is closely entwined in the corporate culture. The increasing cooperation between or within the different divisions creates synergy, especially for complex and integrated projects, which increases earning capacity. Thus creativity and involvement within the whole organisation are increased while employees' opportunities for professional challenges and career development are considerably enhanced.

Management approach

Market presence

Fugro's decentralised organisational structure facilitates a strong market presence, which leads to the use of local suppliers and procedures for the recruitment and training of local staff.



Human resource policy

The organisation's decentralised nature is also reflected in its staff policy. The operating companies are responsible for local staff policies, which take into account local customs and regulations, within the guidelines set out by the holding company in areas such as salaries, pensions, safety and health (Fugro's general business principles). Most of the employees in Fugro's worldwide network of offices are nationals, including the managerial staff.



Energy

By increasing the awareness of the use of energy and sustainable materials, the impact on the environment can be minimised. Fugro considers this when purchasing or ordering new equipment, such as when expanding its fleet of vessels (according to DNV 'Clean Class' standards) and Remotely Operated Vehicles.

Transfer of knowledge

The continuing shortage of well-trained (technical) staff has led to adopt internal training as much as possible, despite the fact that some of the staff trained may move to competitor companies. Social prosperity is largely dependent on the extent to which knowledge and innovation processes thrive within an economy. This necessitates investment in training and education.



Community

Fugro aims to be a good neighbour, as demonstrated by the way the operating companies contribute, directly and indirectly, to the general well-being of the communities in which they work. Managers and employees are encouraged, where appropriate, to become involved with local communities and to support charitable projects, cultural events, and organisations and educational institutions that aim to improve the effectiveness of the industries in which Fugro operates.

Participation in industry-related organisations and research institutes

In addition to research activities, which form part of its core business, Fugro is actively involved with several related matters and social initiatives. The company has a seat on several committees at institutes such as the International Association of Geophysical Contractors (IAGC), the International Marine Contractors Association (IMCA), the Hydrographic Society, Australia, and the Society for Underwater Technology.



Fugro also has a board-member position at the Centre for Marine Science and Technology of the Curtin University of Technology, Australia, at the Royal Netherlands Institute for Sea Research (NIOZ) and at the Marine Technology Society, USA.

Worldwide, Fugro supports higher education through scholarships, financing research and an active involvement of Fugro employees on the committees or boards of educational establishments. Navigation and seismic data analysis software have been made available to several universities and research institutes in the world and Fugro is associated with the Center for Coastal and Ocean Mapping at the University of New Hampshire, where data and equipment are exchanged to benefit mutual research.

Fugro participates in national and international committees for improving and developing guidelines for offshore geotechnical research and design (ISO, API, ISSMGE, CEN, NEN, SUT and ASCE). Another example of the company's many memberships is that of the Maritime Innovation Board in the Netherlands, which aims to develop and optimise the use of natural gas as a source of energy.

Fugro's general business principles

Fugro works on the principle that every employee shares responsibility for the company's reputation. For all staff, this means that it is not enough to just do the right thing; things must also be done correctly. Management therefore requires all employees at all levels of the company to observe the general business principles. These requirements determine the way in which Fugro's staff treat each other, its customers and subcontractors, and anyone else who may be affected by its activities.

Since 2009, Fugro has instituted the Business Partner Code, which requires suppliers and subcontractors to comply with these rules of conduct. Fugro recognises that



the way it conducts
business towards clients,
partners and the
environment has an impact
on the organisation's
productivity and success.
The general business
principles and the business
partner code are available
on Fugro's corporate
website (www.fugro.com).

Health and safety policy

Providing its employees with a safe and healthy working environment is one of Fugro's highest priorities.

The vision for the health and safety policy is maintained by the holding company. Fugro aims to create safe and healthy working conditions for all its employees and subcontractors. Because the organisation attaches such great importance to safety, this subject is reported on in a separate section.



Indirect economic contributions

As a commercial service provider to the construction and infrastructure industries, Fugro contributes indirectly to national and international economic developments. Examples of large-scale infrastructure projects in which Fugro was involved in 2009 include

• Izmit Bay project (Turkey). In December 2009, geological and geotechnical investigations were started in preparation for constructing the Izmit Bridge. This steel suspension bridge across Izmit Bay will be 3 km long and have a 1.7 km span. Its location is at one of the world's most seismic active areas. Fugro will also carry out the earthquake sensitivity studies for this project.



• Hong Kong-Zhuhai-Macau Bridge (Pearl River Delta, China). A bridge almost 30 km long will connect Hong Kong with Macau and the city of Zhuhai in Guangdong Province, China, by 2016. This bridge will cut the travel time between Hong Kong and Macau from five hours to 30 minutes. As well as geotechnical investigations for the tunnel sections of this crossing, Fugro participated in detailed preconstruction trials, including an Osterberg Cell test for load testing some of the piles of the main piers.



In the Netherlands, Fugro is a partner in the Flood Control 2015 programme. The innovative solutions of this programme will ensure that the right information reaches the right place in time to facilitate more effective and efficient decision making when there is a risk of flooding. It is vital to have advance warning of a potential incident and to be aware of the risks of flooding. In 2009, Fugro decided to actively participate in the IJkdijk project in which innovative measurement and monitoring techniques are being developed, tested and validated on a full-scale test levee under controlled conditions. The aim is to develop generally applicable monitoring and forecasting systems for levees.



Fugro is also involved in several international projects in the area of protection against flooding:

Poseidon II, marine observations Aegean Sea (Greece). This project involves collecting data in Greek territorial waters of the Aegean Sea using advanced measuring buoys. This information is important for oceanographic research, the safety of shipping in the area and protection of the marine ecosystem. It also



offers valuable information about potential large-scale environmental disasters and climate change. By attaching a tsunami detection module to the measuring buoys, it is possible to predict tidal waves in the event of an earthquake.

In 2009, Fugro carried out projects relating to quality and quantity of water, including

- Amvrakikos Wetlands (Greece). This project monitored the water quality in the Amvrakikos Gulf, identified possible pollution sources, optimised fertilisation of the surrounding land and improved aquaculture in the lagoons and the bay. Fugro has formulated a master plan and models for this type of work, and used advanced measuring stations in the rivers and off the coast.
- Alberta groundwater inventory (Canada). For several years Western Canada is working on an inventory of existing underground groundwater basins. In 2009, Fugro used a helicopter to perform a large-scale electromagnetic survey for this project. The results of this survey will provide data on the geology and the location of underground water resources, and also help the authorities in Alberta to manage and protect these resources in the future.

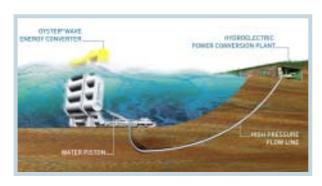


Indirect environmental contributions Sustainable energy

Demand for sustainable energy has been the driver for the significant expansion of wind farm developments in Western Europe. Also in the years to come it is expected that many more wind farms will be built. Fugro provides a variety of services necessary to determine the best location, both on and offshore. Examples include

- **Gwynt y Môr (Irish Sea, UK).** In 2009, Fugro finished seabed surveys for this 750-MW offshore wind farm. The wind farm's 250 wind turbines will be capable of powering around 500,000 households (40% of the homes in Wales) and will avoid the release of 2 million tonnes of carbon dioxide every year.
- Alpha Ventus (Germany). This wind farm is located in the North Sea, 45 km north of Borkum Island. The wind farm has 12 5-MW wind turbines. Fugro carried out the turbine foundation survey for Alpha Ventus.

In 2009, Aquamarine Power Ltd commissioned Fugro's services for the installation of a wave power system near Orkney (Scotland). The system is installed on the seabed to convert wave energy into clean electricity.



In the field of geothermal energy, another form of sustainable energy, Fugro plays an important role in data collection, modelling and consultancy. Also in 2009 several projects were carried out, for instance, at the Louvre Museum and the Guggenheim Museum at Abu Dhabi; and the Documenta Museum in Kassel, Germany. In the Netherlands, dozens of feasibility studies for the construction of underground systems for cold/heat storage were performed. Through Aachen University in Germany, Fugro is closely involved in basic research into the application of geothermal heat and shares its knowledge and experience via the Platform Geothermie with other parties active in the field.

The large-scale presence and potentially lower CO_2 emmissions make gashydrates an interesting alternative to traditional energy resources such as coal and oil. Fugro is closely involved with research on the geological and technical aspects of the possible future extraction of this new energy source (See Theme: Wide spectrum of services).

Sustainable construction

An increasing level of sustainability is becoming an essential component of the design and construction of the built environment. An example of Fugro's involvement in this area is the BP Westlake Campus, Houston, USA. BP is striving for Leadership in Environmental and Energy Design (LEED) certification for this \$300 million construction project. The U.S. Green Building Council supervises LEED accreditation and certification. To meet BP's ambitions, accredited Fugro LEED professionals in Houston, have provided advice and services for different stages of the sustainable construction of the campus.

Sustainable soil management

As examples of Fugro's extensive involvement in sustainable soil management during 2009, two projects deserve special mention:

- Zinc ash monitoring (De Kempen, the Netherlands).

 Actief Bodembeheer Kempen commissioned Fugro to conduct geophysical research to map the occurrence of zinc ash over 850 km of roads in De Kempen during 2009. Zinc ash was used in the past for road surfacing, but it contains high concentrates of heavy metals, which can leach into the subsoil. The zinc ash will be removed during future renovation and reconstruction of the province's infrastructure.
- Clay mining and excavation in Möckern and Vehlitz (Sachsen-Anhalt, Germany). The mining authority of the Ministry of the Economy of Sachsen-Anhalt requested Fugro to investigate two locations during 2009 with respect to illegal waste disposal. The activities included supervising the excavation of 500,000 tonnes of soil, groundwater research, slope stability calculations, risk analysis and management, consultancy and guidance on redeveloping both locations.

Social contributions

General business principles (GBP)

Fugro's employees support the social values of reliability, integrity, openness, and respect for fellow employees and the environment. Application of these values in Fugro's business conduct creates a sense of trust between the organisation and its partners. These common values form the foundation of Fugro's GBP, which applies to all operating companies and thus to all employees. All employees are expected to report any breach of the GBP or any suspicion thereof to the board of management or senior management and are required to avoid any personal activities or financial interests that may conflict with their responsibilities towards the company.

One aspect of GBP is Fugro's continuing commitment to sustainable development. This requires the organisation to make a balanced consideration of its short and long-term business interests and the integration of social, economic and environmental considerations during the commercial decision-making process. Because of its global presence and decentralised structure, Fugro sometimes encounters friction between the lack of local regulation and legislation and the high standards the organisation wishes to pursue. Fugro is not actively engaged with regard to the desirability of project development, but provides services to clients, assuming that these are not in violation of local or international regulations or legislation or Fugro's GBP.

Fugro believes in free and fair competition based on value for money and suitability for purpose. It supports free enterprise within the framework of applicable laws, and works closely with those companies that endorse comparable GBP.

Project participation

Integral to Fugro's value system is its support for social initiatives. These include the participation of Fugro NPA (FNPA) in Map Action, an initiative that helps relief organisations to record the consequences of humanitarian disasters such as flooding, earthquakes and tsunamis. FNPA runs the website and gives direct aid and administrative support. Another example of support is the work of Fugro William Lettis & Associates (FWLA), which advises relief organisations in areas affected by earthquakes. FWLA has contributed its specific geological expertise following earthquakes in Turkey, Japan, India and Taiwan and has recently been asked, in addition to Fugro NPA, to help in the aftermath of the latest earthquake in Haiti.

Another project provided a new dimension during the summer of 2009. While participating in the Hudson400, the celebration of 400 years of friendship between the Netherlands and New York State, Fugro has further extended transatlantic cooperation during the H₂OForum, which links Dutch institutions such as Deltares and Technical University Delft with American water professionals. This initiative of the Netherlands Water Partnership, of which Fugro is a partner, deals with the challenges facing delta areas such as New York and the Netherlands. Sharing expertise and experience is helping to realise a sustainable and safe waterfront development in the Upper New York Bay and the Dutch IJ-Banks.



Sponsorship

Fugro seeks to help preserve and promote accessibility to valuable cultural heritage and the organisation supports a large number of initiatives worldwide, notably in the fields of the arts, culture and sport. As sponsor of the Stichting Hermitage, Fugro has contributed to the conception of the present museum, with its exhibition of Russian heritage in the Netherlands. In the area of sport, the local football club, Leidschendam, can rely on Fugro's support for the training of young players. Fugro is a sponsor of the national park 'De Hoge Veluwe' and Fugro's contribution to 'De Zeesleepboot Holland' helps to keep this sailing museum afloat.



© State Museum Hermitage St. Petersburg

In Great Britain and the United States, operating companies regularly assist in cleaning up beaches, with some extending this to 'adoption' of part of the beach. In Norway, talented musicians are given the opportunity to develop their skills with help from Fugro Geoteam. Fugro Brasil has supported the federal police campaign to provide leaflets on youth drug prevention. In Cornwall, Great Britain, Fugro Seacore employees contributed to the 'Precious Lives Appeal', supporting a hospice for local children. The Curacao youth can play football and hockey with equipment and clothing provided by Fugro. In Hong Kong, contributions are made to the Lighthouse Club, which is aimed at supporting the poor.

These are just some of the examples of Fugro's support of social issues. Contributions are made to the local community in which the Fugro subsidiary operates. Help is targeted towards areas such as education, sports, relief and shelter for poor children, the environment, medical assistance and medical research. One example of active involvement is the participation of the Fugro Robertson team in the BG Energy Challenge in North Wales. The team's creativity and perseverance helped raise money for two charities.



Working environment Education

Fugro's range of high-quality services provides a strong foundation for further growth, and supports long-term development of higher standards of service. Fugro's global presence and innovative capabilities are utilised to further these goals. A suitable internal careers policy is important in order to retain and benefit from competent employees and those with specific expertise relevant to the organisation. The education policy is aimed; at employees who demonstrate management potential;

at the development of in-house experts; and at employees who can be deployed flexibly on a project-by-project basis.

The Fugro Academy provides the core of Fugro's corporate training and education. It delivers both group and divisional level training to staff worldwide. A three-tier model is used; level 1 for junior and technical roles; level 2 for middle management roles; and level 3 for senior management roles. To ensure all employees have equal opportunities for training, most courses are delivered locally to employees who share a variety of experience, differing education levels and cultural diversity. English is the principal training language, but where appropriate, and possible, courses are translated into local languages. For example, corporate project management training is delivered in Spanish, Portuguese and English, and offshore survey training in Brazil and Angola is translated and delivered by local Fugro trainers. In 2009, corporate management development training was provided to 107 staff from 24 nationalities working in Fugro offices in 19 countries. Project management training was delivered in 10 countries to 255 staff from offices around the Group.

Flexibility through exchangeability of staff is an important aspect of Fugro's education policy. To facilitate this, the same technical systems are used throughout the Group whenever possible, and why both short- and long-term employee exchange programmes have been developed. To foster the recruitment of new, young talent, Fugro has built-up good contacts with universities. The organisation supports both management and professional development. This is reflected in the operating companies' training schemes and in initiatives which enable people to gain experience through overseas postings.

Diversity and opportunities

The international operating companies and the various fields of specialisation within Fugro offer employees in middle management challenging international career opportunities. These are based on a clear career and management development policy with room for job rotation, the development of individual skills and the timely discovery of talent within the company.

Fugro prefers to employ local people in order to operate successfully in that region. This contributes to staff diversity and is a balanced reflection of the countries in which Fugro operates.

Employment benefits

Fugro promotes commitment and rewards effort and results; for this reason flexible reward systems and an option plan have been in place for many years. Staff and management are encouraged to participate in the company's share capital (see also page 12 and pages 107 to 109 of the annual accounts).

Employee pension schemes and other such benefits are maintained on behalf of the company's staff, taking into account local customs and regulations.

HEALTH SAFETY AND ENVIRONMENT (HSE)

Fugro's responsibilities towards HSE issues are integral to the way it conducts business. The organisation strives for a safe and healthy workplace for everyone at each of its establishments. Its commitment is based on the belief that accidents can be prevented. To achieve this goal of prevention, the company identifies the safety risks



resulting from its activities and minimises them as far as is reasonably possible. By observing and encouraging this policy, the company contributes to protecting the environment and the general wellbeing of all interested parties, including staff, customers, suppliers, subcontractors and local communities.

Safety and well-being

Fugro applies a safety management system that outlines a framework for safety at all levels within the organisation. The management system is designed to promote consistent reporting, to keep HSE-related risks under control, and to identify the ways in which the company can continue to improve safety in the workplace. In recent years, several standards have been developed and implemented to support this process. In addition, further standardization of an HSE information system was developed in 2009. The software for this system will be rolled out at subsidiaries during 2010. This information system will further improve the safety policy and the recording of accidents and near-misses and will be useful when analysing, monitoring and responding to these safety incidents.

The HSE figures for 2009 show that Fugro's safety policy is beginning to pay off. The incidence rate (per 1 million man-hours worked) over the past five years, has been reduced by two thirds. The number of car-accidents (per 1 million man-hours worked) has been reduced by 60%.

A proactive approach to the creation of a safe working environment for all staff is a priority for Fugro. The management of the operating companies are responsible for promoting safety training for all staff; assigning responsibility for all aspects of the HSE policy; identifying potential areas for improvement; and carrying out comprehensive evaluations of all incidents and near misses. This system ties in with the company's business principles, which state that the operating companies will carry out their activities independently in accordance with instructions and supervision from the holding company.



Through a system of benchmark auditing, the performances of the different subsidiaries are compared with each other and recommendations are made to improve safety conditions. This internal auditing system will be fully based on OHSAS 18001 in 2010. The HSE management system of all major operating companies was already compliant with this standard (or equivalent) in 2008. With these measures Fugro is working towards a leadership position in safety in many fields.

Environment

Fugro's services are aimed at efficiently deploying personnel and equipment for the collection and interpretation of data. The organisation also acts as an advisory body. Fugro does not own or operate large-scale production facilities that might have an impact on the environment. Its main focus is on environmental aspects associated with the deployment of the equipment and offices from which Fugro operates.

An internal CSR-study carried out in 2009 among the larger/operational subsidiaries concluded that:

- 90% of the vehicles the companies bought in 2009 comply to the latest guidelines concerning particle filters and national emission standards
- 70% of the subsidiaries had evaluated and where possible reduced the energy consumption of buildings and offices
- 45% of the subsidiaries had evaluated and where possible reduced the energy consumption of their working equipment
- 90% of the subsidiaries separate waste and reduce or re-use office supplies such as paper, ink cartridges, etc.

Based on the results of the CSR study, Fugro has made it its goal that by the end of 2011 all large/operational subsidiaries should have a certified environmental management system according to ISO 14001 or equivalent.

As an active member of the IAGC, Fugro follows environmental guidelines that aim to restrict the disturbance of marine life. For instance, Fugro applies passive acoustic monitoring in all its seismic research at sea wherever possible. Furthermore, a detailed analysis of the possible effects on marine environment is a set part of the risk assessment and risk identification from the start of each project. Once at sea, Fugro takes several measures to limit the effects of our seismic operations, such as applying special protection around the measuring equipment to prevent entrapment of turtles.



INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Fugro maintains a global ICT infrastructure which fits the needs of a decentralised organisation. Although Fugro operating companies are generally responsible for managing their own ICT systems, in countries or locations where several Fugro offices are located, these operating companies often share an ICT support department.

However, the security of Fugro's ICT infrastructure is supervised centrally by an independent group of ICT security personnel, with some aspects outsourced to companies with specialist expertise in this field. Fugro's ICT security team comprises a global security officer and six regional security officers. This team is responsible for maintaining and monitoring the e-security aspects of the ICT infrastructure used by the operating companies for access to the internet, e-mail and for extranet and intranet applications. The ICT security team operates independently of the ICT support staff within the operating companies.

RESEARCH AND DEVELOPMENT

Fugro's services provision, and thus its global market position, is, to a great extent, dependent on high-value equipment, technologies and software. Technological research and innovative developments play a key role in this. Measurements are becoming more and more detailed and even the most complex data can be interpreted. Very often developments take place in close cooperation with the client because the client is interested in solving a specific problem. To this end, more and more knowledge is exchanged or combined within the company in order to arrive at solutions or new developments.

Risk management

General

Fugro's risk management policy is aimed at the long-term sustainable management of its business activities and the limiting or, where meaningful, hedging of the associated risks. Due to the wide diversity of markets, clients and regions and its broad portfolio of activities, quantifying all the existing risks relevant to the Group as a whole is virtually impossible. Risks are, however, quantified wherever possible and useful. This applies in particular to the influence of the US dollar and the British pound. See page 26.

Strengths

- Consistent execution of strategy as an independent service provider
- A good market position in many niche markets worldwide
- Professional employees who receive continuous additional training
- High-quality technology and services provision
- Well functioning financial systems and risk management systems
- Cooperation between business units
- Healthy financial position

Weaknesses

- Sensitivity to rapid, sharp fluctuations in the US dollar and the British pound exchange rate
- Much of the revenue depends on investment by the oil and gas industry

Opportunities

- Increased investment by the oil and gas industry, amongst others related to depletion of existing fields
- Increasing demand for oil and gas as soon as the world economy recovers
- Optimisation of existing oil and gas fields
- More and larger infrastructure projects, including coastline protection
- Increasing demand for mineral exploration as soon as the demand for minerals recovers
- Upcoming markets such as India, China, Brazil, Russia and Eastern European countries
- Increasing demand for non-fossil energy sources

Threats

- Prolonged global economic and financial crisis
- Collapse of the demand for oil, gas and/or minerals
- Political instability in countries and/or regions important to Fugro
- Payment risk of clients with low financal strength
- · Pressure on prices by clients
- Exchange rate fluctuations (USD, GBP)
- Strong decrease of the oil price compared to the present level (about USD 75 per barrel)

Operational

Activity portfolio

Although the core activities show a high degree of cohesion, they also target highly diverse markets, clients and regions. A high proportion of the activities is related to the oil and gas market. Fugro's dependence on the

Fugro's long-term risks are limited due to:

- The diversity of activities in more than one international market segment;
- No clients with contracts accounting for more than around 4% of Fugro's total annual revenue;
- Use of proprietary, modern technologies (mostly developed in-house) and professional employees;
- The ability to adjust quickly to exchange rate and price changes as most contracts are of short duration;
- Geographical spread of the activities;

- A balanced and flexible vessel fleet composition (Fugro owned and chartered);
- Current liabilities (EUR 640 million) amount to 27% of the balance sheet total;
- Limited risk related to pension obligations;
- Good internal risk management and control systems;
- Part of the (manpower) capacity being hired-in on a flexible basis, among which free lance staff;
- Strong financial position to support future growth.

more cyclic investment in oil and gas exploration and development is balanced by its involvement in the more stable investments in oil and gas production. The other activities are dependent on developments in markets that include infrastructure, construction and mining. The influence of positive and negative economic effects is further moderated by:

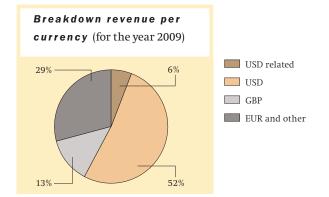
- The cohesion between a broad range of services;
- The good geographical spread;
- Being an independent service provider to a diverse base of clients;
- · Strong market positions; and
- The size of the Group.

Contract flow and price changes

Some of Fugro's contracts are awarded on the basis of long-term preferred supplier agreements. In the course of a year Fugro often carries out several projects for the same client. The projects carried out for any single client do not, however, account for more than around 4% of the total annual revenue. Having a large number of clients supports Fugro's independence and improves its stability.

To carry out its projects Fugro has at its disposal highly trained employees and technically advanced, and therefore expensive, equipment. Much of Fugro's work involves short-term contracts. Fugro is, to a degree, sensitive to price changes and sudden changes in exchange rates, although it can adapt quickly.

Fugro's budgets are, to a great extent, based on the expected investments by the oil and gas companies. Unless there is a structural drop in the oil price to less than USD 35 – 40 per barrel, it is not anticipated that substantial (up or down) fluctuations in oil prices will lead to a rapid change in these investments.



Capacity management

Fugro is constantly alert for signals that indicate changes in market conditions so it can react quickly and appropriately. Sudden and unexpected changes in market conditions are, however, always possible. Some of Fugro's survey activities can precede investment by clients and generally take place at the start of project or investment-cycles of clients. This means Fugro's activities can be the first to be affected by changes in market conditions. Postponement and interruption to the flow of orders can lead to temporary losses due to under-utilisation of capacity.

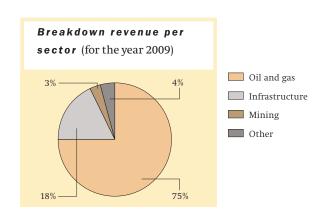
The weather and the availability of vessels are key factors for offshore activities in particular. Weather influences are calculated into the budgets and tend to average out over the year and the regions in which Fugro is active. As far as vessels are concerned, Fugro's objective is a balanced fleet in which around 45% of the vessels are Company owned and around 40% are on mid-term or longterm charter basis. Some vessels (approximately 15% of the fleet) are chartered on a project basis. The fact that Fugro is deploying heavy and specialist equipment does mean that the risk of capacity under-utilisation will increase. At the same time, the exchange of manpower and equipment between the various business units can improve capacity utilisation. The deployment of expensive (marine) equipment also leads to risks with regard to loss of revenue due to equipment break downs.

Part of the staff is appointed on a temporary basis or works on a freelance basis, providing Fugro a certain flexibility to respond to variations in manpower needs.

Financial

Balance sheet

Fugro follows an active policy to optimise its balance sheet ratios and thus limit financial risks and maintain the Company's long-term solvency. Being quoted on the



stock exchange provides a worthwhile contribution towards achieving the Company's (financial) targets and enables Fugro to make a well considered selection of the optimum financing mix when considering larger investments and acquisitions.

Future interest rate risks are limited to bank loans. Fugro's objective is to limit the effect of interest rate changes on the results.

Research costs are charged directly to the results. A portion of these costs is accounted for as project-related revenue costs. Fugro has evaluated the book value of its assets, including goodwill, within the framework of its normal balance sheet evaluation. This has shown that no impairment of any tangible or intangible asset is necessary.

Currency exchange rate conversion

Fugro limits its susceptibility to changes in foreign currency exchange rates, but is not immune to exchange rate variances caused by rapid changes to the rates versus the Euro (which is the reporting currency). Besides that, changes in exchange rates will result in translation differences. As most of Fugro's revenue in local currencies is used for local payments, the effect of negative or positive currency movements on operational activities at a local level is minimal.

Fugro's international monetary streams are limited and mainly in US dollars, US dollar related currencies, Euro and the British pound.

Where possible and desirable, forward exchange contracts are signed (at a local level and with the approval of Fugro N.V.). Fugro strives to match assets and liabilities in

foreign currencies. Rapid and radical changes in exchange rates can also influence the balance sheet and profit and loss account, partly due to the length of time between tenders being submitted and orders being awarded or delayed, during which period forward exchange contracts would not be appropriate. This creates an additional foreign currency risk that cannot be quantified in advance. At the Group's current structure and size, a rate difference of USD 0.01 would affect profit by approximately EUR 1.3 million and revenue by approximately EUR 12 million. A rate difference of GBP 0.01 would affect profit by less than EUR 0.5 million and revenue by approximately EUR 3 million.

Pension provisions

Fugro maintains pension schemes for its employees in accordance with regulations and customs which prevail in each of the countries in which the Company operates.

Since 1 January 2005, Fugro has operated an average salary based pension scheme in the Netherlands. This is classified as a 'defined benefit' scheme. The pension commitments in the Netherlands are fully re-insured on the basis of a guarantee contract. The accrued benefits are fully financed.

In the United States Fugro has a 401K system for its employees. Fugro contributes towards the deposits of its employees in accordance with agreed rules and taking the regulations of the IRS, the American tax authority, into account. This system is free of risk for Fugro.

In the United Kingdom Fugro operates a number of pension schemes. All the schemes available to new

Exchange rates (in EUR)	USD end of period	USD average	GBP end of period	GBP average
31 December 2009	0.69	0.72	1.13	1.13
30 June 2009	0.71	0.75	1.17	1.12
31 December 2008	0.71	0.68	1.05	1.25
30 June 2008	0.63	0.65	1.26	1.28
31 December 2007	0.68	0.73	1.36	1.46
30 June 2007	0.74	0.75	1.49	1.48
31 December 2006	0.76	0.79	1.49	1.47
30 June 2006	0.79	0.81	1.44	1.45

Electro magnetic survey with a Dash 7 near Sturgeon Falls, Ontario, Canada.



employees are defined contribution schemes. There is one defined benefit scheme open for long-serving employees and there are other defined benefit schemes which have been closed but which have on-going obligations to their members. Measures have been taken to ensure these obligations can be paid when required.

In the other countries where Fugro has organised retirement provisions for its employees, obligations arising from these provisions are covered by items recognised in the balance sheet of the relevant operating company.

Insurance and legal risks

Fugro is insured against a number of risks. Risks related to professional indemnity and general liability are covered at a Group level. Equipment is insured locally and local cover is arranged for risks associated with normal business operations, such as insurance for the vehicle fleet, the buildings and for employees.

Some operating companies are involved in claims, either as the claimant or the defendant, within the context of normal business operations. Where necessary proper provisions have been accounted for in the annual accounts. Based on developments thus far, it is not anticipated that Fugro's financial position will be noticeably affected by any of these proceedings. With regard to items included in the annual report adjustments to estimates are possible.

Internal systems

Due to the generally short-term nature of its assignments, constant monitoring of its markets and its operating and financial results is intrinsic to Fugro's modus operandi.

Clarity and transparency are an absolute must for assessing and evaluating risks. These are fundamental characteristics of the Fugro culture. Due to the wide variety of markets, clients and regions and Fugro's extensive activity portfolio, the management of the operating companies is responsible for the application and monitoring of and compliance with the internal control systems. The monitoring systems consist of the internal control framework described below.

Corporate handbook

Fugro's corporate handbook contains mandatory instructions regarding many business aspects, including risk management. This handbook is for the senior management members responsible for further application within the operating companies. The latest update was issued in November 2009.

Financial handbook

This handbook contains detailed guidelines for the financial reporting. The Financial handbook is for the senior management and the controllers of all operating companies. The latest update was issued in December 2009.

Insurance manual

The Insurance manual contains detailed guidelines with respect to risks to be insured. The Insurance manual is distributed to managers of operating companies and their employees who are responsible for insurances at the subsidiaries. The latest update was issued in September 2009.

Project Management handbook

This handbook provides procedures in preparation to and for the execution of projects. This handbook is used by project managers. The latest update was issued in October 2007.

Planning

The business plans of every Fugro unit are translated into budgets. Adherence to the budgets is checked on a monthly basis. Any unforeseen circumstances that arise, or any substantial deviation from the budgets, must be reported immediately by the operating company managements to the relevant responsible Executive Committee member and to the Board of Management. The monthly reports submitted by the operational management to Fugro N.V. include an analysis of the achievements versus the approved plans and a forecast for the coming period.

Authorisation level

Managers are bound by clear authorisation restrictions regarding representation. Projects and contracts with a value or risk that exceeds a specified amount must be approved by either regional managers or the appropriate member of the Executive Committee or Board of Management.

Letter of representation

Every six months all managers and controllers of operating companies and the responsible member of the Executive Committee sign a detailed statement regarding the financial reporting and internal control.

Internal Audit

The Holding Company carries out regular and frequent internal audits of the various operating companies. The findings are reported directly to the (relevant members of the) Board of Management and the other relevant members of the Executive Committee. The findings are also shared with the Audit Committee.

Peer reviews

'Peer reviews' are also carried out on a regular basis.

A peer review involves a review of an operating company by a team from other operating companies.

The results are reported directly to the (relevant members of the) Board of Management and the other relevant members of the Executive Committee.

Audit Committee

The Audit Committee, which comprises three members of the Supervisory Board, ensures an independent monitoring of the risk management process from the perspective of its supervisory role. The Audit Committee focuses on the quality of the internal and external reporting, the effectiveness of the internal audits and the functioning of the external auditor. Further information on the Audit Committee is available on pages 16 and 17 and in the terms of reference of the Audit Committee. These terms of reference are available on Fugro's website: www.fugro.com.

External audit

The annual accounts of Fugro N.V. and its subsidiaries are audited annually by external auditors. These audits take place on the basis of generally accepted auditing standards.

Advisory roles

The external auditor does not act in an advisory capacity (except where due diligence projects and activities relating to the annual accounts are concerned). Professional advice is provided by third party experts, such as tax consultants and insurance advisors.

Safety

Subsidiaries are externally certified in accordance with OHSAS 18001 or equivalent. Compliance audits are done by internal specialists and by external agencies when re-certification has to take place. The last version of the safety management system is dated May 2009.

Quality

Where required Fugro works in accordance with the relevant certificates such as ISO 9001 or equivalent. Compliance audits are carried out internally, by clients and by external agencies.

Whistle-blower's regulation

Fugro operates a 'whistle-blower's charter' to ensure that any possible infringement of the Group's policy and procedures can be reported without this act of submitting such a report having any adverse consequences for the 'whistle-blower'.

Declaration

The Board of Management is of the opinion that the internal risk management and control systems described in this annual report provide a reasonable assurance that the financial reporting does not contain any errors of material importance and that these systems worked properly in the year under review.

CORPORATE GOVERNANCE

General

Fugro subscribes from the outset that the Code is based on the principle accepted in the Netherlands that a company is a long-term alliance between the various parties involved in the company. The stakeholders are the groups and individuals who, directly or indirectly, influence – or are influenced by – the attainment of the company's objects: i.e. employees, shareholders and other lenders, suppliers, customers, the public sector and civil society. The Board of Management and the Supervisory Board have overall responsibility for weighing up these interests, generally with a view to ensuring the continuity of the enterprise, while the company endeavours to create long-term shareholder value.

It is very important for Fugro to achieve a balance between the interests of its various stakeholders. Good entrepreneurship, integrity, openness and transparent management as well as good supervision of the management are the starting points for Fugro's corporate governance structure.

Approval by the Annual General Meeting

The Dutch Corporate Governance Code was initially set up by the Tabaksblat Committee ('Code Tabaksblat') in December 2003. Fugro's corporate governance structure was approved by the Annual General Meeting ('AGM') held on 19 May 2004. In May 2005 the AGM approved the amalgamation of the remuneration committee and nomination committee, which were separate at that time, as well as the chairmanship of the (new) remuneration and nomination committee by the chairman of the Supervisory Board. In the AGM of May 2006 Mr. F.H. Schreve, as a deviation from best practice provision III.3.5 (Code Tabaksblat), was reappointed as a member of the Supervisory Board for a period of four years. Fugro's corporate governance structure has hardly changed in the meantime, and there have been no substantial changes in compliance with the Code Tabaksblat that would require approval of the AGM.

In December 2008 the Code Tabaksblat was revised by the Corporate Governance Code Monitoring Committee ('Frijns Committee'). On 10 December 2009 the legislator designated the revised Code (hereinafter also referred to as 'Code Frijns' or 'Code') by decree as the new corporate governance code as defined by article 2:391 Netherlands Civil Code. For Fugro the Code Frijns became effective retrospectively as per 1 January 2009. The full text of the Code Frijns is available at www.commissiecorparategovernance.nl.

In accordance with the recommendations of the Frijns Committee, Fugro will submit the broad outline of its corporate governance structure and compliance with the revised Code for discussion under a separate agenda item to the AGM that will be held on 6 May 2010. Thereafter each substantial change in the corporate governance structure of Fugro and in the compliance of the Code shall be submitted to the AGM for discussion under a separate agenda item.

Broad outline Corporate Governance structure and compliance with the Code

The broad outline of Fugro's corporate governance structure is explained in this chapter and also on the website: www.fugro.com. All underlying documentation, including the relevant rules and regulations, the articles of association of Fugro and of the Trust Office, the Trust Office's terms of administration, its voting policy and annual report are published on the website.

Fugro's corporate governance structure, its supervision and the way it is reported are in line with the Code.

The Code contains principles and best practice provisions that regulate relations between the Board of

Management, the Supervisory Board and the AGM.

The principles may be regarded as reflecting the general views on good corporate governance, which enjoy wide support. They have been elaborated in the form of specific best practice provisions. Companies may depart from the best practice provisions. Departures may be justified in certain circumstances. Fugro explains annually in its Annual Report to what extent it has applied the principles and best practice provisions during the previous year and, if it did not do so, why and to what extent it did not apply to Fugro.

Fugro takes the view that shareholders and certificate holders, the media, corporate governance 'rating agencies' and proxy advisors should carefully assess the reason for each and every departure from the Code's provisions and they should avoid a 'tick-a-box' mentality. A shareholder or certificate holders shall vote as he sees fit. A shareholder or certificate holder who makes use of the voting advice of a third party is expected to form his own judgment on the voting policy of this adviser and the voting advice provided by him.

A full overview ('Comply or Explain'- report) of Fugro's compliance with the Code is available on Fugro's website: www.fugro.com. This report shows that the (new) Code had hardly any consequences for Fugro's corporate governance structure.

Accountability Code Frijns in 2009

Fugro's corporate governance structure is fully in line with the recommendations in the Code except for the points below. It should be noted that all deviations were approved earlier by the AGM.

Best practice provision II.1.1 (previously Bpp II.1.1 Tabaksblat Code)

The term of appointment (indefinitely) of Mr. K.S. Wester deviates from this provision. Mr. Wester was appointed to the Board of Management in 1996 before the Code came into force. Fugro cannot rescind rights that have been granted and this agreement will be honoured. The four other Board of Management members were each appointed for a maximum period of four years. This also applies for new appointments or reappointments.

Best practice provision II.2.8 (previously Bpp II.2.7 Tabaksblat Code)

The employment agreement with Mr. K.S. Wester does not provide for a specific severance pay on termination of employment. This agreement was entered into in 1981 before the Code came into force. Fugro cannot rescind rights that have been granted and this agreement will be honoured. The same applies mutatis mutandis with respect to the employment agreement with Mr. P. van Riel, albeit that the severance pay is limited to two times the annual salary. The appointment of Mr. Van Riel ends on 6 May 2010. If he is reappointed to the Board of Management, the Code will be applied regarding the above.

Best practice provision III.3.5 (previously Bpp III.3.5 Tabaksblat Code)

The term of the appointment of Mr. F.H. Schreve deviates from this provision because he has already served as a member of Fugro's Supervisory Board for longer than twelve years. He was reappointed as Supervisory Director by the AGM in May 2006 for a period of four years. His reappointment was deemed to be very important at that time for a number of reasons including ensuring the desired continuity in the composition of the Supervisory Board.

Principle III.5 and best practice provision III.5.11 (previously Principle III.5 and Bpp III.5.11 Tabaksblat Code)

In May 2005 the Remuneration Committee and the Nomination Committee were, with the approval of the AGM, amalgamated into one committee that carries out the tasks in both areas. The reason for the amalgamation was that separate Remuneration and Nomination Committees (with separate meetings) had proven impractical due to the fact that the Supervisory Board is small and three of its members are not resident in the Netherlands. The chairmanship of this Committee (in 2009) by the Chairman of the Supervisory Board does not fully comply with the condition that the chairmanship of the Remuneration Committee (but there is no separate remuneration committee) is not filled by the chairman of the supervisory board. See further page 17 with respect to the chairmanship of the Remuneration and Nomination Committee in 2010.

Principle IV.2 (previously Bpp IV.2 Tabaksblat Code)

Maintaining its operational independence is crucial for Fugro (see page 74 for a further explanation). One of the ways to safeguard this independence is share certification. Although the Code provides that the certification structure is not meant as a protective measure, Fugro has chosen, in the interest of its clients, to view the certification structure as part of its protective measures. During the performance of its assignments Fugro often receives extremely confidential information. Fugro can only perform its assignments if it can secure the confidential nature of such information towards its clients.

The second reason for the certification structure is the prevention of possible harmful effects as a result of absenteeism in the shareholders meetings of the Company. Fugro considers it not to be in the interest of its stakeholders in general that through absenteeism an accidental majority can, based only on its own interest, force through its opinion (this ties in with this Principle IV.2).

Best practice provision IV.2.1 (previously Bpp IV.2.1 Tabaksblat Code)

In accordance with this provision the Board of the Trust Office enjoys the confidence of the certificate holders and operates independently of Fugro. One deviation from this provision is that the terms of administration of the Trust Office do not stipulate the instances in which and the conditions under which certificate holders may ask the Trust Office to convene a meeting, except with respect of the right to nominate a candidate for appointment to the Board of the Trust Office (see the explanation on best practice provision IV.2.2).

Best practice provision IV.2.2 (previously Bpp IV.2.2 Tabaksblat Code)

According to this provision the meeting of certificate holders may make recommendations to the Board of the Trust Office for the appointment of a member to the Board. The Board of the Trust Office has decided that certificate holders representing at least 15% of the issued share capital in the form of certificates may request that a meeting of certificate holders is convened in order to make recommendations for the appointment of a member to the Board of the Trust Office.

Best practice provision IV.2.5 (previously Bpp IV.2.5 Tabaksblat Code)

According to this provision the Trust Office, in exercising its voting rights, should be guided 'primarily by the interests of the certificate holders, taking the interests of the company and its affiliated enterprise into account'. The articles of association and the terms of administration of the Trust Office provide that if the Trust Office exercises the voting rights, the Trust Office will do this in such manner that the interest of Fugro and its enterprise, as well as the interests of all stakeholders, will be safeguarded as best as possible (article 2 of the articles of association and article 4 of the terms of administration). The interests of some stakeholders need not necessarily at all times run parallel with that of other stakeholders. For example, some will have a short term focus whilst others have a long term focus. It is up to the Board of the Trust Office to, after balancing the interests,

come to a well considered decision on the exercise of the voting rights. In addition, when considering the exercise of voting rights the Board of the Trust Office in any case takes into consideration the (Dutch) law as well as the articles of association and the terms of administration of the Trust Office. The Board can (also) opt, for reasons of its own, to not exercise the voting rights on the shares held by the Trust Office.

Best practice provision IV.2.8 (previously Bpp IV.2.8 Tabaksblat Code)

Based on the provisions of article 2:118a Netherlands Civil Code and article 18.2 of the terms of administration of the Trust Office, the Trust Office will provide a power of attorney to any holder of certificates of shares who so requests, to exercise the voting rights on the shares corresponding to the certificates held by the holder in a shareholders meeting of Fugro. Holders of certificates can (also) choose to have themselves represented in the shareholders meeting by a written attorney. In specific situations the Trust Office can opt not to provide a requested power of attorney, limit the power of attorney or withdraw a power of attorney. This applies for example in case a public offer for the (certificates of) shares in the share capital of Fugro is announced or is already made, but it applies also in (other) circumstances in which granting a power of attorney in the view of the Trust Office substantially conflicts with the interest of Fugro and its enterprise (article 18.3 of the terms of administration and article 2:118a Netherlands Civil Code). Therefore the deviation of this provision of the Code is that proxies to vote are not issued without any limitation and in all circumstances. This deviation is of course the consequence of the fact that the structure of share certification is also meant as a protective measure.

CORPORATE INFORMATION

Capital structure

The authorised capital of Fugro N.V. is EUR 16,000,000 and is divided into:

- (i) 96,000,000 ordinary shares, with a nominal value of EUR 0.05 each;
- (ii) 160,000,000 cumulative protective (or protective) preference shares, with a nominal value of EUR 0.05 each;
- (iii) 32,000,000 cumulative financing preference shares, with a nominal value of EUR 0.05 each, which can be sub-divided into two series of 16,000,000 cumulative financing preference shares; and

(iv) 32,000,000 cumulative convertible financing preference shares, with a nominal value of EUR
 0.05 each, which can be sub-divided into two series of 16,000,000 cumulative convertible financing preference shares.

On 31 December 2009 the issued capital amounted to EUR 3,938,623.90. As of this date, 82.05% of the ordinary shares (78,772,478 shares) were issued. No preference shares have been issued.

Restrictions to the transfer of shares

The Board of Management's approval is required for each transfer of protective preference shares, financing preference shares and convertible financing preference shares. The approval has to be requested in writing with the name of the intended recipient of the relevant shares being indicated.

Ordinary shares may be transferred only to natural persons. Notwithstanding the provisions of the previous sentence, the transfer of ordinary shares shall not be possible if and insofar as the acquirer, either alone or under a mutual collaboration scheme jointly with one or more others, natural persons and/or legal entities, either directly or – otherwise than as a holder of certificates of shares issued with the cooperation of Fugro N.V. – indirectly:

- (i) is the holder of ordinary shares to a nominal amount of one percent or more of the total capital of Fugro N.V. issued in the form of ordinary shares (as of 31 December 2009 one percent equalled 787,725 shares);
- (ii) through such transfer would acquire more than one percent of the total capital of Fugro N.V. issued in the form of ordinary shares.

The restrictions to the transfer of ordinary shares stated above are not applicable to:

- (a) the transfer of ordinary shares to Fugro N.V. itself or to a subsidiary of Fugro N.V.;
- (b) the transfer or issue of ordinary shares to, or the exercise of a right to subscribe for ordinary shares by a trust office or to another legal entity, if in respect of such a trust office or other legal entity the Board of Management, with the approval of the Supervisory Board, has by means of an irrevocable resolution wholly or partially lifted the restrictions limiting the transfer or issue of ordinary shares, to which lifting of restrictions conditions may be attached; in respect of another legal entity as referred to above, such restrictions may be lifted only to the extent that such

- is required to permit that legal entity to avail itself of the facility of the participation exemption, as currently provided for in article 13 of the Corporation Tax Act 1969;
- (c) the transfer of ordinary shares acquired by Fugro N.V. itself or the issue by Fugro N.V. of ordinary shares, if such a transfer or issue takes place within the framework of either a collaborative arrangement with or the acquisition of another company, or a legal merger, or the acquisition of a participating interest or the expansion thereof, in respect of which the Board of Management, with the approval of the Supervisory Board, has by means of an irrevocable resolution wholly or partially lifted the restrictions limiting the transfer or issue of ordinary shares, to which lifting of restrictions conditions may be attached;
- (d) the transfer or transmission of ordinary shares to shareholders who on 31 March 1992 were recorded in the shareholders' register of Fugro N.V. as shareholder, if in respect of such a transfer or transmission the Board of Management, with the approval of the Supervisory Board, has by means of an irrevocable resolution wholly or partially lifted the restrictions limiting the transfer of ordinary shares, to which lifting of restrictions conditions may be attached;
- (e) the transfer or transmission of ordinary shares to group companies of legal entity-shareholders who on 31 March 1992 were recorded as shareholders in the shareholders' register of Fugro N.V., if in respect of such a transfer or transmission the Board of Management, with the approval of the Supervisory Board, has by means of an irrevocable resolution wholly or partially lifted the restrictions limiting the transfer of ordinary shares, to which lifting of restrictions conditions may be attached.

The provision to restrict the transfer of ordinary shares, protective preference shares, financing preference shares and convertible financing preference shares shall not apply and shall continue to be not applicable:

(a) if and as soon as the Board of Management without the prior approval of the General Meeting has resolved to issue protective (white-knight) preference shares – not being an issue pursuant to the exercise of a right to subscribe for protective preference shares as referred to in article 6, sub 1 of the articles of association of Fugro N.V. – if as a result of such an issue and as a result of prior issues of protective preference shares by the Board of Management, without said approval or other cooperation of the General Meeting, so many protective preference shares have been issued that the total nominal amount of protective preference shares

issued by the Board of Management without said approval or other cooperation of the General Meeting amounts to more than fifty percent (50%) of the total nominal amount of the issued shares of other categories prior to such an issue or in the case that following an issue of shares pursuant to the exercise of a right to acquire protective preference shares, respectively the fulfilment of a condition (attached) to the conditional placing of protective preference shares as a result of which issue and/or placement the aforementioned percentage of fifty percent (50%) is exceeded, and,

(b) the Board of Management has deposited the resolution to issue and a statement to the effect that the provisions of articles 16 and 17 of the articles of association of Fugro N.V. shall no longer be applicable, at the office of the commercial register.

If article 17 of the articles of association of Fugro N.V. is not applicable, otherwise than on the grounds of article 18, sub 2 of the articles of association, then article 11, sub 1 of the terms of administration of the Trust Office is applicable. In accordance with article 11, sub 1, a holder of certificates of shares who as a result of conversion acquires ordinary shares in the capital of Fugro N.V. may only transfer the acquired ordinary shares to a third party if he or she has first offered these shares to the Trust Office. If article 11, sub 1 of the terms of administration of the Trust Office is applicable, the holder of certificates who as a result of conversion acquires ordinary shares in the capital of Fugro N.V. during the period that the article in question is applicable will:

- (i) not encumber the acquired shares with a right of lien or a right of usufruct, whereby the voting right on these shares shall be granted to the holder of the right of lien or the usufructuary, and,
- (ii) shall not grant a proxy to vote on the acquired shares nor accept any voting instructions from third parties regarding the manner in which he exercises the voting rights on these shares.

Substantial interests in Fugro N.V.

The substantial interests in Fugro N.V. as of 1 March 2010 are reported on page 11.

Protective measures (extraordinary control rights; limitation of voting rights)

When carrying out assignments Fugro can have access to clients' extremely confidential information. For this reason Fugro can only carry out its activities if it can safeguard its independence in relation to its clients.

The main point of Fugro N.V.'s protection against a hostile takeover depends on the one hand on certification of the ordinary shares and, on the other hand, on the possibility of Fugro N.V. to issue cumulative protective preference shares. In addition to this, protective preference shares may also be issued by the Fugro subsidiaries Fugro Consultants International N.V. and Fugro Financial International N.V. to Stichting (*Foundation*) Continuïteit Fugro (see page 75). The primary aim of the protective measures is to safeguard Fugro's independence in relation to its clients.

Only (non-voting) certificates of shares are listed and traded on Euronext Amsterdam. These exchangeable certificates are issued by the Trust Office and the Board of the Trust Office exercise the voting rights on the underlying shares in such manner that the interest of Fugro N.V. and its enterprise, as well as the interests of all stakeholders, will be safeguarded as best possible. For the composition of the Board of the Trust Office see page 156.

The (Board of the) Trust Office operates completely independent of Fugro N.V.

Certificate holders (and their authorised proxies):

- may, after timely written notification, attend and speak at shareholders' meetings;
- are entitled to request from the Trust Office a proxy to exercise the voting rights on the shares corresponding to their certificates. The Trust Office may solely limit, exclude or revoke this proxy if:
 - a) a public offer has been announced or made on the (certificates of) shares of Fugro N.V. or if a justifiable expectation prevails that such an offer shall be made, without agreement thereon having necessarily been reached with Fugro N.V.;
 - b) a holder of certificates or a number of holders of certificates, in accordance with an agreement between and among them to co-operate, together or not, with subsidiaries, acquire at least twenty five per cent (25%) of the issued capital of Fugro N.V.; or
 - c) in the opinion of the Trust Office, the exercise of voting rights by a holder of certificates constitutes a real conflict of interests with those of Fugro N.V.;
- may, provided they are natural persons and they have not entered into an agreement between and among them to co-operate, exchange their certificates for ordinary shares entitled to vote up to a maximum of 1% of the issued share capital of Fugro N.V. per shareholder.

A possible issue by Fugro N.V. of protective preference shares will be to Stichting (*Foundation*) Beschermings-preferente aandelen Fugro. On 7 May 2009 the General Meeting designated the Board of Management of Fugro N.V. as the corporate body which is authorised for a period of 18 months, therefore until 7 November 2010, subject to the approval of the Supervisory Board, to:

- (a) resolve on the issue of and/or on the granting of rights to subscribe for – all preference shares – including both the protective preference shares and the different kinds of financing preference shares – and ordinary shares in which the authorised capital is divided at the date of the relevant resolution.
- (b) restrict and/or to exclude pre-emption rights that accrue to shareholders upon issue of (grant of rights to subscribe for) ordinary shares and/or financing preference shares.

The authorisation of the Board of Management with respect to the issue of ordinary shares and /or to grant rights to subscribe for ordinary shares has been limited to 10% of the issued share capital of Fugro N.V. at the time of the issue plus an additional 10% of the issued capital of Fugro N.V. at the time of the issue in connection with or on the occasion of mergers and acquisitions.

Fugro N.V. and Stichting Beschermingspreferente aandelen Fugro have not entered into an option agreement. If the threat of a hostile takeover is such that an immediate issue by Fugro N.V. of protective preference shares to Stichting Beschermingspreferente aandelen Fugro is desirable, the Board of Management should, on the basis of its designation, subject to the approval of the Supervisory Board, as the corporate body authorised to issue shares and/or on the granting of rights to subscribe for shares, resolve on this.

The objective of Stichting Beschermingspreferente aandelen Fugro is to represent the interests of Fugro and its enterprise, as well as the entities within the Fugro Group, in such a way that the interests of Fugro as well as the interests of all stakeholders, will be safeguarded as best as possible. Any influences which could damage the independence and/or continuity and/or identity of Fugro and its associated companies to the detriment of those interests are to be prevented as far as possible, as is the execution of anything that is related to or could be beneficial to the above.

The (Board of) Stichting Beschermingspreferente aandelen Fugro operates completely independent of Fugro N.V.

The (call) option on protective preference shares granted by Fugro Consultants International N.V. and Fugro Financial International N.V. to Stichting Continuïteit Fugro has been approved by the General Meeting in 1999. The objective of Stichting Continuïteit Fugro corresponds to that of Stichting Beschermingspreferente aandelen Fugro. The protective measures described above shall be put up, especially in a takeover situation, when this is in the interest of Fugro to protect its independence and also in defining Fugro's position in relation to that of the raider and the raider's plans and it creates the possibility, when necessary, to look for alternatives. The protective measures will not be put up to protect the Board of Management's own position. Due to the uncertainty regarding the situations with which Fugro could be confronted, the use of protective measures in circumstances other than those described above cannot be discounted.

Option scheme

Fugro has an option scheme that was approved by the General Meeting on 14 May 2008. Details of the option scheme are described on page 12 of this Annual Report. Options are granted to the members of the Board of Management and other employees in such way that at any moment the maximum number of outstanding options to acquire ordinary shares in Fugro N.V. will not exceed 7.5% of the issued ordinary share capital. In order to mitigate dilution, it is Fugro's policy to re-purchase certificates of shares to cover the stock option scheme with the result that no new (certificates of) shares are issued when options are exercised. The total number of employee options to be issued is subject to the approval of the Supervisory Board, as is the grant of employee options to members of the Board of Management itself.

Agreements with a shareholder that could provide a reason for limitation of the transfer of (certificates of) shares

If article 11, sub 1 of the terms of administration of the Trust Office is applicable (see also above), exchange of certificates into ordinary shares is only possible if the holder of certificates who or which acquires ordinary shares in the capital of Fugro N.V. as a result of the exchange, shall accept the stipulations pursuant to article 11, sub 1.

Functioning of the General Meeting

The powers of the (Annual) General Meeting are stipulated in legislation and in the articles of association of Fugro and can be stated concisely as follows: approval of decisions that would cause a major change to the identity or character of Fugro or its business; appointment and dismissal of members of the Board of Management and of the Supervisory Board; adoption of the remuneration policy for the members of the Board of Management, approval of the stock option scheme and determination of the remuneration of members of the Supervisory Board; adoption of the annual accounts of Fugro and discharge of members of the Board of Management and of the Supervisory Board; approval of the profit appropriation authorisation to acquire own shares, to issue shares (or to grant options on shares) and to restrict or exclude pre-emptive rights in respect of shares; and approval of decisions to amend the articles of association or to dissolve Fugro.

In addition, the following is discussed with the (Annual) General Meeting: the annual report of Fugro; policy on reserves and dividend; changes to the profile of the Supervisory Board; substantial changes in the corporate governance structure of Fugro and in the compliance with the Code.

At least one (Annual) General Meeting is convened each year. Extraordinary shareholders' meetings are convened as often as the Supervisory Board or the Board of Management deems this necessary. The shareholders' meeting is chaired by the Chairman of the Supervisory Board. The Supervisory Board and the Board of Management provide the General Meeting with all the information requested, unless there is a very good reason why providing the information would not be in the interests of Fugro.

Appointment and dismissal of members of the Board of Management and Supervisory Board, amendment of the articles of association

The members of both the Board of Management and the Supervisory Board are appointed by the General Meeting for a maximum period of four years on a binding nomination of the Supervisory Board. The binding nature of such a nomination may, however, be overruled by a resolution adopted by an absolute majority of the votes cast by the General Meeting. This majority must represent more than one third of the issued capital. If the portion of the capital referred to in the previous sentence is not represented at the meeting, but an absolute majority of the votes cast is in favour of a resolution to overrule the

binding nature of the nomination, a new meeting may be convened at which the resolution may be passed by an absolute majority of votes, regardless of the proportion of the capital represented at this General Meeting.

Unless the resolution is proposed by the Supervisory Board, the General Meeting may only pass a resolution to suspend or dismiss a member of the Board of Management or Supervisory Board with a majority of two-thirds of the votes cast, which majority represents more than one half of the issued capital. With regard to the overruling of the binding nature of a nomination by the Supervisory Board and the decision to suspend or dismiss a member of the Board of Management or Supervisory Board, as referred to above, convening a second General Meeting pursuant to article 2:120, sub 3 Netherlands Civil Code is not permitted.

A resolution to amend the articles of association of Fugro N.V. may be passed only on a proposal thereto of the Board of Management with the prior approval of the Supervisory Board and by a majority of at least two-thirds of the votes cast at a General Meeting at which at least one-half of the issued capital is represented. If at a meeting at which the proposal to amend the articles of association is to be considered, the required part of the capital is not represented, then a second meeting may be convened to be held at most twenty-eight days after the first meeting, at which second meeting the resolution to amend the articles of association may be passed, irrespective of the part of the capital represented at such meeting, provided such resolution is adopted by a majority of at least two thirds of the votes cast.

Insofar as a resolution to amend the articles of association brings about a change in the rights vested in the holders of protective preference shares, or the holders of financing preference shares or the holders of convertible financing preference shares, such a resolution shall require the approval of the meeting of holders of protective preference shares, or the meeting of holders of financing preference shares, or the meeting of the holders of convertible financing preference shares, as the case may be.

Authorisation of the Board of Management with regard to the acquisition of own shares and the issue of shares

Fugro N.V. regularly proposes to its shareholders to authorise the Board of Management to acquire and to issue (certificates of) shares.

On 7 May 2009 the General Meeting authorised the Board of Management for a period of 18 months as from 7 May 2009 until 7 November 2010, subject to the approval of the Supervisory Board, to cause Fugro to purchase its own (certificates of) shares, within the limits set by the articles of association (10% of the issued capital), either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the shares and not higher than 10% above the average of the closing price of the certificates of the shares on Euronext Amsterdam for the five business days before the day on which the purchase is made.

The Board of Management was also designated as the corporate body which is authorised, subject to the approval of the Supervisory Board, to resolve on the issue of – and/or on the granting of rights to subscribe for – all preference shares – including both the protective preference (white-knight) shares and the different kinds of financing preference shares – and ordinary shares in which the authorised capital is divided at the date of the relevant resolution. The Board of Management was also designated as the corporate body which is authorised, subject to the approval of the Supervisory Board, to restrict and/or to exclude pre-emption rights that accrue to shareholders upon issue of (grant of rights to subscribe for) ordinary shares and/or financing preference shares.

The authorisation of the Board of Management with respect to the issue of ordinary shares and /or to grant rights to subscribe for ordinary shares has been limited to 10% of the issued share capital of Fugro N.V. at the time of the issue plus an additional 10% of the issued capital of Fugro N.V. at the time of the issue in connection with or on the occasion of mergers and acquisitions.

The Board of Management may resolve, with the approval of the Supervisory Board, to dispose of (certificates of) shares acquired by Fugro N.V. in its own capital.

Consequences of public bid for major agreements

Fugro N.V. differentiates three categories of agreements as referred to in article 10 section 1 under j of the Takeover Directive:

a) Credit facility with Royal Bank of Scotland Plc of EUR 100 million for three years. This agreement was implemented in 2009 and the facility has been fully utilised. The facility may be cancelled in the event of a 'change of ownership' of Fugro N.V. whereupon all or part of the loans may become immediately due and payable.

Credit facility with Rabobank of EUR 100 million for five years. This agreement was implemented in 2008 and the facility has been fully utilised. The facility may be cancelled in the event of a 'change of ownership' of Fugro N.V. whereupon all or part of the loans may become immediately due and payable.

Credit facility with Rabobank of EUR 100 million for three years. This agreement was implemented in 2009 and the facility has been fully utilised. The facility may be cancelled in the event of a 'change of ownership' of Fugro N.V. whereupon all or part of the loans may become immediately due and payable.

Credit facility with ING Bank N.V. of EUR 100 million for three years. This agreement was implemented in 2009. An amount of EUR 75 million of the facility has been utilised. The facility may be cancelled in the event of a 'change of ownership' of Fugro N.V. whereupon all or part of the loans may become immediately due and payable.

Credit facility with BNP Paribas S.A. of EUR 50 million for three years. This agreement was implemented in 2009 and the facility has not yet been utilised. The facility may be cancelled in the event of a 'change of ownership' of Fugro N.V.

b) Private Placement USD loans. As described in paragraph 5.46.2 of the Annual Accounts, Fugro has concluded long term loans with American and British institutional investors. The terms and conditions of these loans provide that Fugro N.V. may consolidate or merge with any other person or legal entity if either a) Fugro N.V. shall be the surviving or continuing person, or b) the surviving, continuing or resulting person or legal entity that purchases, acquires or otherwise acquires all or substantially all of the assets of the company i) is a solvent entity organised under the laws of any approved jurisdiction (any of the following jurisdictions: the Netherlands, The United States, Canada and any country which is a member of the EU (other than Greece) at the time of the date of the agreement, ii) is engaged in any similar line of

business as Fugro and iii) expressly assumes the obligations of Fugro under this agreement in a writing which is in form and substance reasonably satisfactory to the holders of at least 51% of the outstanding principal amount of the notes.

c) Employee option agreements. The employee option agreements stipulate that in the event of a restructuring of the share capital of Fugro N.V. or a merger of Fugro N.V. with any other legal entity, the option holder is entitled for every option to such securities, cash or other property as to which a shareholder of Fugro N.V. is entitled per share immediately prior to the restructuring or merger, unless the option period is shortened by Fugro N.V. In the event of a restructuring of its share capital or merger with another company, Fugro N.V. may shorten the option period so as to terminate immediately prior to the time at which the restructuring or merger is effectuated. In the event that a public offer is considered hostile and such offer is declared unconditional, all options become immediately exercisable.

Payment to members of the Board of Management on termination of employment resulting from a public bid

Fugro N.V. has not entered into any agreements with members of the Board of Management or employees that provide for a specific severance pay on termination of employment as a result of a public bid within the meaning of article 5:70 or 5:74 of the Financial Markets Supervision Act in the Netherlands.

The employment agreements with Messrs. Jonkman, Van Riel, Rüegg and Steenbakker do - in accordance with the Code - provide for a general severance pay which in principle is applicable in the event of termination or annulment of the employment agreement. The severance pay amounts to two year's salary for Mr. Van Riel during the first four-year period of appointment which ends at the end of the General Meeting on 6 May 2010. The Code will be applied regarding the severance pay (maximum of one year salary) if Mr. Van Riel is reappointed on 6 May 2010. The severance pay for Messrs. Jonkman, Rüegg and Steenbakker amounts to a maximum amount of one year's salary. These severance payments are also applicable in the event that said persons in reasonableness cannot continue to perform their function any longer as result of a change in circumstances such that continuing to fulfil their function can no longer be asked of them. This could be the case if Fugro N.V. is

wound-up, merged or taken over, or undergoes a farreaching restructuring or a fundamental change of policy. The agreement with Mr. Wester does not provide for a specific severance pay on termination of employment. This agreement was entered into in 1981 (Mr. Wester was appointed to the Board of Management in 1996) before the Code came into force. Fugro N.V. cannot rescind rights that have been granted and this agreement will be honoured.

Corporate Governance statement

This is a statement concerning corporate governance as referred to in article 2a of the decree on additional requirements for annual reports (*Vaststellingsbesluit nadere voorschriften inhoud jaarverslag*) effective as of 1 January 2010 (the 'Decree'). The information required to be included in this corporate governance statement as described in articles 3, 3a and 3b of the Decree can be found in the following chapters, sections and pages of this Annual Report 2009 and are deemed to be included and repeated in this statement:

- the information concerning compliance with the Dutch Corporate Governance Code, as required by article 3 of the Decree, can be found in the chapter on 'Corporate governance';
- the information concerning Fugro's main features of the internal risk management and control systems relating to the financial reporting process, as required by article 3a sub a of the Decree, can be found in the chapter on 'Risk management';
- the information regarding the functioning of Fugro's General Meeting, and the authority and rights of Fugro's shareholders and holders of certificates of shares, as required by article 3a sub b of the Decree, can be found in the chapter on 'Corporate governance';
- the information regarding the composition and functioning of Fugro's Board of Management, the Supervisory Board and its Committees, as required by article 3a sub c of the Decree, can be found in the relevant sections of the chapter on 'Corporate Governance', the Report of the Supervisory Board and on pages 14 and 20;
- the information concerning the inclusion of the information required by the decree Article 10 EU Takeover Directive, as required by article 3b of the Decree, can be found in the chapter on 'Corporate Governance'.

This corporate governance statement is also available on Fugro's website: www.fugro.com.

FUGRO N.V.

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1 Consolidated statement of comprehensive income

For the year ended 31 December

	(EUR x 1,000)	2009	2008
(5.25)	Revenue	2,052,988	2,154,474
(5.28)	Third party costs	(624,413)	(722,321)
	Net revenue own services (revenue less third party costs)	1,428,575	1,432,153
(5.29)	Other income	24,440	17,841
(5.30)	Personnel expenses	(652,807)	(619,146)
(5.35)	Depreciation	(173,593)	(140,429)
(5.36)	Amortisation of intangible assets	(10,115)	(9,017)
(5.31)	Other expenses	(249,078)	(295,670)
	Results from operating activities (EBIT)	367,422	385,732
	Finance income	7,174	30,606
	Finance expenses	(27,541)	(31,987)
(5.32)	Net finance costs	(20,367)	(1,381)
(5.38)	Share of profit of equity accounted investees (net of income tax)	422	(102)
	Profit before income tax	347,477	384,249
(5.33)	Income tax expense	(74,412)	(94,793)
	Profit for the period	273,065	289,456
	Attributable to:		
	Owners of the Company	263,410	283,412
	Non-controlling interests	9,655	6,044
	Profit for the period	273,065	289,456
(5.45)	Basic earnings per share (EUR)	3.46	3.88
(5.45)	Diluted earnings per share (EUR)	3.42	3.73

1 Consolidated statement of comprehensive income (continued)

For the year ended 31 December

	(EUR x 1,000)	2009	2008
	Profit for the period	273,065	289,456
	Other comprehensive income		
5.32)	Foreign currency translation differences of foreign operations	47,517	(52,762)
5.32)	Effective portion of change in fair value of hedge of net investment in	l	
	foreign operations	1,788	(2,682)
5.33)	Defined benefit plan actuarial gains (and losses)	(10,449)	(23,229)
5.32)	Effective portion of changes in fair value of cash flow hedges	1,034	1,032
5.32)	Change in fair value of financial assets available for sale	1,879	(2,526)
	Total other comprehensive income (net of tax)	41,769	(80,167)
	Total comprehensive income	314,834	209,289
	Attributable to:		
	Owners of the Company	305,342	203,245
	Non-controlling interests	9,492	6,044
	Total recognised income and expense for the period	314,834	209,289

2 Consolidated statement of financial position

As at 31 December

1		(EUR x 1,000)	2009	2008
1,043,227 859,088 1,043,227 1,043,227 1,043,227 1,043,227 1,043,227 1,043,227 1,043,227 1,043,227 1,043,233 1,043,233 1,043,233 1,043,233 1,043,233 1,043,233 1,043,233 1,043,233 1,043,233 1,043,233 1,044,233 1,044,243 1,044,		Assets		
1.00 1.00	(5.35)	Property, plant and equipment	1,043,227	859,088
3.39 Other investments	(5.36)		492,690	452,130
Section Deferred tax assets 1,586,494 1,341,753 1,341,75	(5.38)	Investments in equity accounted investees	1,359	1,293
Total non-current assets 1,586,494 1,341,753 (5.41) Inventories 80,634 39,733 (5.42) Trade and other receivables 19,384 9,165 (5.43) Income tax receivables 19,384 9,165 (5.43) Total current assets 107,795 113,286 (5.43) Total current assets 2,366,317 2,123,306 (5.44) Total assets 2,366,317 2,123,306 (5.45) Share capital 3,999 3,830 Share premium 431,441 431,441 Reserves 488,941 206,646 Unappropriated result 263,410 283,412 Total equity attributable to owners of the Company 1,187,731 928,329 Non-controlling interests 11,779 7,482 (5.44) Total equity 1,199,510 935,811 (5.46) Loans and borrowings 441,339 395,384 (5.47) Employee benefits 7,2582 5,2488 (5.48) Provisions 6,240 13,155 (5.48) Provisions 6,240 13,155 (5.49) Total non-current liabilities 7,124 975 (5.41) Total cannot other payables 350,043 395,520 (5.42) Total cannot do ther payables 350,043 395,520 (5.43) Total current liabilities 639,522 725,493 Total liabilities 639,522 725,493 Total liabilities 639,522 725,493 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495 Total liabilities 639,522 725,493 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495 Total liabilities 1,166,807 1,187,495 Total liabilities 1,166,807 1,187,495 Total current liabilities 1,166,807 1,187,495 Total liabilities 1,166,807 1,187,495 Total liabilities 1,166,807 1,187,495 Total liabilities 1,166,807 1,187,495 Total current liabilities 1,166,807 1,187,495 Total liabilities 1,166,807	(5.39)	Other investments	23,541	2,953
	(5.40)	Deferred tax assets	25,677	26,289
Trade and other receivables 572,010 619,369 (3-34) Income tax receivables 19,384 9,165 (5-43) Cash and cash equivalents 107,795 113,286 Total assets 779,823 781,553 Total assets 2,366,317 2,123,306 Equity Share capital 3,939 3,830 Share premium 431,441 431,441 Reserves 488,941 209,646 Unappropriated result 263,410 283,412 Total equity attributable to owners of the Company 1,187,731 928,329 Non-controlling interests 11,779 7,482 (5-44) Total equity 1,199,510 935,811 Liabilities 1,199,510 935,811 Liabilities 1,199,510 935,811 Share capital 1,199,510 935,81		Total non-current assets	1,586,494	1,341,753
Income tax receivables 19,384 9,165 (5.43) Cash and cash equivalents 107,795 113,286 Total current assets 779,823 781,533 Total assets 2,366,317 2,123,306 Equity	(5.41)	Inventories	80,634	39,733
Total current assets 107.795 113.286 Total current assets 779.823 781.553 Total assets 2,366.317 2,123.306 2,366.317	(5.42)	Trade and other receivables	572,010	619,369
Total current assets 779,823 781,533	(5.34)	Income tax receivables	19,384	9,165
Fotal assets 2366,317 2,123,306	(5.43)	Cash and cash equivalents	107,795	113,286
Figurity Share capital 3,939 3,830 Share premium 431,441 431,4		Total current assets	779,823	781,553
Share capital 3,939 3,830 3,830 Share premium 431,441 431,441 431,441 431,441 209,646 Unappropriated result 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 263,410 283,412 263,410 263,		Total assets	2,366,317	2,123,306
Share capital 3,939 3,830 3,830 Share premium 431,441 431,441 431,441 431,441 209,646 Unappropriated result 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 283,412 263,410 263,410 283,412 263,410 263,		Equity		
Share premium 431,441 431,441 Reserves 488,941 209,646 Unappropriated result 263,410 283,412 283			3 030	3 830
Reserves				
Unappropriated result 263,410 283,412				
Non-controlling interests 11,779 7,482				283,412
Composition of the state of t		Total equity attributable to owners of the Company	1,187,731	928,329
Liabilities		Non-controlling interests	11,779	7,482
(5.46) Loans and borrowings 441,339 395,384 (5.47) Employee benefits 72,582 52,488 (5.48) Provisions 6,240 13,155 (5.40) Deferred tax liabilities 7,124 975 Total non-current liabilities 527,285 462,002 (5.43) Bank overdraft 167,556 194,580 (5.46) Loans and borrowings 25,826 26,485 (5.49) Trade and other payables 350,043 395,520 Other taxes and social security charges 40,513 31,515 (5.34) Income tax payable 55,584 77,393 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495	(5.44)	Total equity	1,199,510	935,811
(5.47) Employee benefits 72,582 52,488 (5.48) Provisions 6,240 13,155 (5.40) Deferred tax liabilities 7,124 975 Total non-current liabilities 527,285 462,002 (5.43) Bank overdraft 167,556 194,580 (5.46) Loans and borrowings 25,826 26,485 (5.49) Trade and other payables 350,043 395,520 Other taxes and social security charges 40,513 31,515 (5.34) Income tax payable 55,584 77,393 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495				
(5.48) Provisions 6,240 13,155 (5.40) Deferred tax liabilities 7,124 975 Total non-current liabilities 527,285 462,002 (5.43) Bank overdraft 167,556 194,580 (5.46) Loans and borrowings 25,826 26,485 (5.49) Trade and other payables 350,043 395,520 Other taxes and social security charges 40,513 31,515 (5.34) Income tax payable 55,584 77,393 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495	(5.46)			
(5.40) Deferred tax liabilities 7,124 975 Total non-current liabilities 527,285 462,002 (5.43) Bank overdraft 167,556 194,580 (5.46) Loans and borrowings 25,826 26,485 (5.49) Trade and other payables 350,043 395,520 Other taxes and social security charges 40,513 31,515 (5.34) Income tax payable 55,584 77,393 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495	(5.47)		72,582	52,488
Total non-current liabilities 527,285 462,002 (5.43) Bank overdraft 167,556 194,580 (5.46) Loans and borrowings 25,826 26,485 (5.49) Trade and other payables 350,043 395,520 Other taxes and social security charges 40,513 31,515 (5.34) Income tax payable 55,584 77,393 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495	(5.48)		6,240	13,155
(5.43) Bank overdraft 167,556 194,580 (5.46) Loans and borrowings 25,826 26,485 (5.49) Trade and other payables 350,043 395,520 Other taxes and social security charges 40,513 31,515 (5.34) Income tax payable 55,584 77,393 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495	(5.40)	Deferred tax liabilities	7,124	975
(5.46) Loans and borrowings 25,826 26,485 (5.49) Trade and other payables 350,043 395,520 Other taxes and social security charges 40,513 31,515 (5.34) Income tax payable 55,584 77,393 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495		Total non-current liabilities	527,285	462,002
(5.49) Trade and other payables 350,043 395,520 Other taxes and social security charges 40,513 31,515 (5.34) Income tax payable 55,584 77,393 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495	(5.43)		167,556	194,580
Other taxes and social security charges 40,513 31,515 (5.34) Income tax payable 55,584 77,393 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495	(5.46)	Loans and borrowings	25,826	26,485
(5.34) Income tax payable 55,584 77,393 Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495	(5.49)		350,043	395,520
Total current liabilities 639,522 725,493 Total liabilities 1,166,807 1,187,495			40,513	31,515
Total liabilities 1,166,807 1,187,495	(5.34)	Income tax payable	55,584	77,393
		Total current liabilities	639,522	725,493
Total equity and liabilities 2,366,317 2,123,306		Total liabilities	1,166,807	1,187,495
		Total equity and liabilities	2,366,317	2,123,306

3 Consolidated statement of changes in equity

(EUR x 1,000) 2009

	(EURX 1,000)	Share capital	Share premium	Trans- lation reserve	Hedging reserve	Other reserves	Reserve for own shares	Unappro- priated result	Total	Non- control- ling interest	Total equity
	Balance at 1 January 2009 Total comprehensive income	3,830	431,441	(165,289)	(5,579)	491,175	(110,661)	283,412	928,329	7,482	935,811
	for the period: Profit or (loss)							263,410	263,410	9,655	273,065
(5.32)	Other comprehensive income Foreign currency translation										
(5.32)	differences of foreign operations Effective portion of change in			47,680					47,680	(163)	47,517
	fair value of hedge of net investment in foreign operations			1,788					1,788		1,788
(5.33)	Defined benefit plan actuarial gains and (losses)					(10,449)			(10,449)		(10,449)
(5.32)	Net change in fair value of cash flow hedges transferred to profit or loss				1,034				1,034		1,034
(5.32)	Change in fair value of financial assets available for sale				,	1,879			1,879		1,879
	Total other comprehensive income (net of tax)		-	49,468	1,034	(8,570)	_	-	41,932	(163)	41,769
	Total comprehensive income for the period		-	49,468	1,034	(8,570)	_	263,410	305,342	9,492	314,834
	Transactions with owners recorded directly in equity Contributions by and distributions to owners										
(5.30)	Share-based payment transactions					9,094			9,094		9,094
(5.44)	Share options exercised Addition to reserves Own shares acquired and stock					230,208	10,431	(230,208)	10,431 -		10, 4 31 -
(5.44)	dividend Dividends to shareholders	109					(12,370)	(53,204)	(12,261) (53,204)	(5,195)	(12,261) (58,399)
	Total contributions by and distribution to owners	109	-	-	_	239,302	(1,939)	(283,412)	(45,940)	(5,195)	(51,135)
	Balance at 31 December 2009	3,939	431,441	(115,821)	(4,545)	721,907	(112,600)	263,410	1,187,731	11,779	1,199,510

3 Consolidated statement of changes in equity (continued)

(EUR x 1,000) 2008

		Share capital	Share premium	Trans- lation reserve	Hedging reserve	Other reserves	Reserve for own shares	Unappro- priated result	Total	Non- control- ling interest	Total equity
	Balance at 1 January 2008 Total comprehensive income	3,521	301,550	(109,845)	(6,611)	338,562	(43,401)	216,213	699,989	7,033	707,022
	for the period:										
	Profit or (loss)							283,412	283,412	6,044	289,456
	Other comprehensive income										
(5.32)	Foreign currency translation										
	differences of foreign										
	operations			(52,762)					(52,762)		(52,762)
(5.32)	Effective portion of change in										
	fair value of hedge of net										
	investment in foreign										
	operations			(2,682)					(2,682)		(2,682)
(5.33)	Defined benefit plan actuarial										
	gains and (losses)					(23,229)			(23,229)		(23,229)
(5.32)	Net change in fair value of cash										
	flow hedges transferred to profit										
	or loss				1,032				1,032		1,032
(5.32)	Change in fair value of financial										
	assets available for sale					(2,526)			(2,526)		(2,526)
	Total other comprehensive										
	income (net of tax)	-	-	(55,444)	1,032	(25,755)	-	-	(80,167)	-	(80,167)
	Total comprehensive income										
	for the period	-	-	(55,444)	1,032	(25,755)	-	283,412	203,245	6,044	209,289
	Transactions with owners										
	recorded directly in equity										
	Contributions by and										
	distributions to owners										
(5.30)	Share-based payment										
	transactions					6,656			6,656		6,656
	Share options exercised						8,508		8,508		8,508
	Addition to reserves					180,422		(180,422)	-		-
	Addition to reserves										
(5.44)	Own shares acquired and stock										(
(5.44)		51					(75,768)		(75,717)		(75,717)
(5.44)	Own shares acquired and stock	51					(75,768)		(75,717)	(1,829)	(75,717) (1,829)
	Own shares acquired and stock dividend	51 258	129,891			(8,710)	(75,768)		(75,717) 121,439	(1,829)	
(5.44)	Own shares acquired and stock dividend Acquisition of majority share		129,891			(8,710)	(75,768)	(35,791)		(1,829) (3,766)	(1,829) 121,439
(5.44) (5.44) (5.44)	Own shares acquired and stock dividend Acquisition of majority share Conversion of convertible loan		129,891			(8,710)	(75,768)	(35,791)	121,439		(1,829)
(5.44)	Own shares acquired and stock dividend Acquisition of majority share Conversion of convertible loan Dividends to shareholders		129,891	-	-	(8,710) 178,368	(75,768)	(35,791)	121,439		(1,829) 121,439

4 Consolidated statement of cash flows

For the year ended 31 December

Adjustments for: (5.35) Depreciation 173,593 126 (5.36) Amortisation of intangible assets 10,115 Amortisation of transaction costs related to loans and borrowings 322 (5.32) Net finance costs (excluding net foreign exchange variance) 5,370 (5.38) Share of profit of equity-accounted investees (422) (5.30) Equity settled share-based payment transactions 9,094 (5.33) Income tax expense 74,412 9 (5.33) Income tax expense 74,412 9 (5.34) Operating cash flows before changes in working capital and provisions (37,990) (5.36) Change in inventories (37,990) (5.37) Change in trade and other receivables (7,156) (37,156) (5.38) Change in provisions and employee benefits (7,156) (37,156) (37,156) (5.39) Interest paid (13,383) (47,156) (6.39) Net cash from operating activities Proceeds from sale of property, plant and equipment 14,951 Proceeds from sale of other investments 98 (5.32) Interest received 4,862 (5.32) Interest received 4,862 (5.33) Interest received (31,232) (6,26) (5.36) Acquisition of subsidiaries, net of cash acquired (31,923) (7,232) (5.39) Acquisition of intangible assets (5,893) Investment in equity accounted investees (5,893) Investment in equity accounted investees (5,893) Investment in equity accounted investees (18,851)		(EUR x 1,000)	2009	2008
Profit for the period		Cash flows from operating activities		
Adjustments for:		·	273,065	289,456
Sase Amortisation of intangible assets 10,115 Amortisation of transaction costs related to loans and borrowings 322				
Amortisation of transaction costs related to loans and borrowings Sate Net finance costs (excluding net foreign exchange variance) 5,370	(5.35)	Depreciation	173,593	140,429
Saza Net finance costs (excluding net foreign exchange variance) 5.370	(5.36)	Amortisation of intangible assets	10,115	9,017
Share of profit of equity-accounted investees (422) Gain on sale of property, plant and equipment (2,932)			322	58
Gain on sale of property, plant and equipment (2,932)	(5.32)	Net finance costs (excluding net foreign exchange variance)	5,370	27,156
Equity settled share-based payment transactions 9,094	(5.38)	Share of profit of equity-accounted investees	(422)	102
Operating cash flows before changes in working capital and provisions 542,617 56		Gain on sale of property, plant and equipment	(2,932)	(1,978)
Operating cash flows before changes in working capital and provisions Change in inventories Change in trade and other receivables Change in trade and other payables Change in trade and other payables Change in provisions and employee benefits 528,205 Change in provisions and employee benefits 528,205 Interest paid Income tax paid Net cash from operating activities Proceeds from sale of property, plant and equipment Proceeds from sale of other investments 98 Interest received 4,862 Dividends received 4,862 Dividends received 4,862 Acquisition of subsidiaries, net of cash acquired 31,923 Acquisition of property, plant and equipment (29,340) (32,36) Acquisition of intangible assets (694) Internal developed intangible assets Investment in equity accounted investees - (5,39) Acquisition of other investments (18,851)	(5.30)	Equity settled share-based payment transactions	9,094	6,656
Change in inventories (37,990) Change in trade and other receivables 26,867 (8 Change in trade and other payables (7,156) 7 Change in provisions and employee benefits 3,867 528,205 5 Interest paid (13,883) (3 Income tax paid (92,328) (8 Net cash from operating activities Proceeds from sale of property, plant and equipment 14,951 Proceeds from sale of other investments 98 [5,32] Interest received 4,862 [5,32] Dividends received 2,312 [5,26] Acquisition of subsidiaries, net of cash acquired (31,923) (8 [5,35] Acquisition of property, plant and equipment (320,362) (32 [5,35] Expenditure for assets under construction (29,340) (5 [5,36] Acquisition of intangible assets (694) Internal developed intangible assets (5,893) Investment in equity accounted investees - (5,39) Acquisition of other investments	(5.33)	Income tax expense	74,412	94,793
Change in trade and other receivables Change in trade and other payables Change in provisions and employee benefits Change in provisions and employee benefits 3,867 528,205 558,205 558,205 568,205 578,205 578,205 578,205 578,205 578,205 578,205 578,207 58,207 58,207 59,208 69,2328 68 Net cash from operating activities Proceeds from sale of property, plant and equipment Proceeds from sale of other investments 98 65,32) 65,32) 65,32) 65,32) 65,33) 65,34) 65,35) 65,36) 65,36) 65,36) 65,37) 65,38) 65,38) 65,39) 65,38) 65,39) 65,39) 65,39) 65,39) 65,39) 66,39) 67,39) 68,39) 69,39) 6		Operating cash flows before changes in working capital and provisions	542,617	565,689
Change in trade and other payables (7,156) Change in provisions and employee benefits 3,867 528,205 55 Interest paid (13,883) (6 Income tax paid (92,328) (8 Net cash from operating activities 421,994 42 Proceeds from sale of property, plant and equipment 14,951 98 Proceeds from sale of other investments 98 98 Interest received 4,862 4,862 (5.32) Dividends received 2,312 (5.26) Acquisition of subsidiaries, net of cash acquired (31,923) (8 (5.35) Acquisition of property, plant and equipment (320,362) (32 (5.35) Expenditure for assets under construction (29,340) (5 (5.36) Acquisition of intangible assets (694) (5.36) Internal developed intangible assets (5,893) Investment in equity accounted investees - (5.39) Acquisition of other investments		Change in inventories	(37,990)	3,006
Change in provisions and employee benefits 528,205 55 Interest paid (13,883)		Change in trade and other receivables	26,867	(93,637)
S28,205 S5 Interest paid (13,883)		Change in trade and other payables	(7,156)	73,083
Interest paid (13,883) (31,100 me tax paid (92,328) (81,100 me tax paid (92,328) (92,328) (93,100 me tax paid (92,328) (93,100 me ta		Change in provisions and employee benefits	3,867	984
Income tax paid (92,328) (8 Net cash from operating activities 421,994 42 Cash flows from investing activities Proceeds from sale of property, plant and equipment 14,951 Proceeds from sale of other investments 98 (5.32) Interest received 4,862 (5.32) Dividends received 2,312 (5.26) Acquisition of subsidiaries, net of cash acquired (31,923) (8 (5.35) Acquisition of property, plant and equipment (320,362) (32 (5.35) Expenditure for assets under construction (29,340) (5 (5.36) Acquisition of intangible assets (694) Internal developed intangible assets (5,893) Investment in equity accounted investees - (5.39) Acquisition of other investments (18,851)			528,205	549,125
Net cash from operating activities Cash flows from investing activities Proceeds from sale of property, plant and equipment Proceeds from sale of other investments 14,951 Proceeds from sale of other investments 98 (5.32) Interest received 4,862 (5.32) Dividends received 2,312 (5.26) Acquisition of subsidiaries, net of cash acquired (31,923) (8) (5.35) Acquisition of property, plant and equipment (320,362) (33) (5.36) Acquisition of intangible assets (694) (5.36) Internal developed intangible assets Investment in equity accounted investees - (5.39) Acquisition of other investments (18,851)		Interest paid	(13,883)	(31,206)
Cash flows from investing activities Proceeds from sale of property, plant and equipment Proceeds from sale of other investments 98 (5.32) Interest received 4,862 (5.32) Dividends received 2,312 (5.26) Acquisition of subsidiaries, net of cash acquired (31,923) (5.35) Acquisition of property, plant and equipment (320,362) (5.35) Expenditure for assets under construction (29,340) (5.36) Acquisition of intangible assets (694) (5.36) Internal developed intangible assets (5,893) Investment in equity accounted investees - (5.39) Acquisition of other investments (18,851)		Income tax paid	(92,328)	(88,570)
Proceeds from sale of property, plant and equipment Proceeds from sale of other investments 98 (5.32) Interest received 4,862 (5.32) Dividends received 2,312 (5.26) Acquisition of subsidiaries, net of cash acquired (31,923) (5.35) Acquisition of property, plant and equipment (320,362) (5.36) Expenditure for assets under construction (29,340) (5.36) Acquisition of intangible assets (694) (5.36) Internal developed intangible assets Investment in equity accounted investees - (5.39) Acquisition of other investments (18,851)		Net cash from operating activities	421,994	429,349
Proceeds from sale of property, plant and equipment Proceeds from sale of other investments 98 (5.32) Interest received 4,862 (5.32) Dividends received 2,312 (5.26) Acquisition of subsidiaries, net of cash acquired (31,923) (5.35) Acquisition of property, plant and equipment (320,362) (5.36) Expenditure for assets under construction (29,340) (5.36) Acquisition of intangible assets (694) (5.36) Internal developed intangible assets Investment in equity accounted investees - (5.39) Acquisition of other investments (18,851)		Cash flows from investing activities		
Proceeds from sale of other investments (5.32) Interest received (5.32) Dividends received (5.32) Dividends received (5.26) Acquisition of subsidiaries, net of cash acquired (5.27) Acquisition of property, plant and equipment (5.28) Expenditure for assets under construction (5.36) Acquisition of intangible assets (694) (5.36) Internal developed intangible assets Investment in equity accounted investees (5.39) Acquisition of other investments (18,851)			14.951	6,025
(5.32) Dividends received (5.26) Acquisition of subsidiaries, net of cash acquired (5.35) Acquisition of property, plant and equipment (5.36) Expenditure for assets under construction (5.36) Acquisition of intangible assets (694) (5.36) Internal developed intangible assets (5,893) Investment in equity accounted investees (5.39) Acquisition of other investments (18,851)				647
(5.32) Dividends received (5.26) Acquisition of subsidiaries, net of cash acquired (5.27) Acquisition of property, plant and equipment (5.38) Expenditure for assets under construction (5.39) Acquisition of intangible assets (694) (5.39) Acquisition of other investments (18,851)	(5.32)	Interest received	4,862	4,646
(5.35) Acquisition of property, plant and equipment (320,362) (320,362) (5.35) Expenditure for assets under construction (29,340) (5.36) Acquisition of intangible assets (694) (5.36) Internal developed intangible assets (5,893) Investment in equity accounted investees - (5.39) Acquisition of other investments (18,851)		Dividends received	2,312	185
(5.35) Acquisition of property, plant and equipment (320,362) (32,362) (5.35) Expenditure for assets under construction (29,340) (5.36) Acquisition of intangible assets (694) (5.36) Internal developed intangible assets (5,893) Investment in equity accounted investees - (5.39) Acquisition of other investments (18,851)	(5.26)	Acquisition of subsidiaries, net of cash acquired	(31,923)	(85,505)
(5.36) Acquisition of intangible assets (694) (5.36) Internal developed intangible assets (5,893) Investment in equity accounted investees - (5.39) Acquisition of other investments (18,851)	(5.35)	Acquisition of property, plant and equipment		(323,046)
(5.36) Internal developed intangible assets (5,893) Investment in equity accounted investees - (5.39) Acquisition of other investments (18,851)	(5.35)	Expenditure for assets under construction	(29,340)	(56,944)
Investment in equity accounted investees – (5.39) Acquisition of other investments (18,851) ———————————————————————————————————	(5.36)	Acquisition of intangible assets	(694)	(881)
Investment in equity accounted investees – (5.39) Acquisition of other investments (18,851) ———————————————————————————————————	(5.36)		(5,893)	(7,089)
		Investment in equity accounted investees	-	(267)
	(5.39)	Acquisition of other investments	(18,851)	(122)
Net cash from investing activities (384,840)		Net cash from investing activities	(384,840)	(462,351)

4 Consolidated statement of cash flows (continued)

For the year ended 31 December

(EUR x 1,000)	2009	2008
Cash flows from financing activities		
Issue of long-term loans	75,094	100,000
Repurchase of own shares	(12,261)	(75,717)
Paid consideration for the exercise of share options	(11,352)	(7,262)
Proceeds from the sale of own shares	21,783	15,769
Repayment of borrowings	(27,141)	(34,676)
Payment of transaction costs related to loans and borrowings	(1,375)	-
Dividend paid	(58,399)	(39,557)
Net cash from financing activities	(13,651)	(41,443)
Net increase/(decrease) in cash and cash equivalents	23,503	(74,445)
Cash and cash equivalents at 1 January	(81,294)	(6,469)
Effect of exchange rate fluctuations on cash held	(1,970)	(380)
Cash and cash equivalents at 31 December	(59,761)	(81,294)
Presentation in the statement of financial position		
Cash and cash equivalents	107,795	113,286
Bank overdraft	(167,556)	(194,580)
	(59,761)	(81,294)

5 Notes to the consolidated financial statements

5.1 General

Fugro N.V. ('the Company') is a company domiciled in Leidschendam, the Netherlands. The consolidated financial statements of the Company for the year ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in equity accounted investees. A summary of the main subsidiaries is included in chapter 6. The annual accounts have been prepared by the Board of Management and have been authorised for issue by the Supervisory Board on 4 March 2010. Publication will take place on 5 March 2010. The annual accounts will be submitted for adoption to the Annual General Meeting of Shareholders on 6 May 2010. The official annual accounts are prepared in the Dutch language. With reference to the Company income statement of Fugro N.V., use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

5.2 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Netherlands Civil Code.

5.3 Significant accounting policies

5.3.1 Basis of preparation

The financial statements are presented in EUR x 1,000, unless mentioned otherwise. The Euro is the functional and presentation currency of the Company.

The financial statements have been prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments at fair value through profit or loss, available-for-sale financial assets and plan assets associated with defined benefit plans. The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ materially from these estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about the carrying values of the assets and liabilities that are not readily apparent from other sources. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty and references to the notes which include information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in note 5.60.

The accounting policies have been consistently applied by all subsidiaries and associates to all periods presented in these consolidated financial statements, except as explained in note 5.3.1.2, which addresses changes in accounting policies. Some comparative information is restated for comparison purposes.

5.3.1.2 Changes in accounting policies

Overview

Starting 1 January 2009, the Group has changed its accounting policies in the following areas:

- · Accounting for borrowing costs
- Determination and presentation of operating segments
- Presentation of financial statements
- Presentation of interest costs and expected returns on plan assets related to defined benefit obligations.

Accounting for borrowing costs

In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009, the Group capitalises borrowing costs attributable to the acquisition, construction or

production of a qualifying asset as part of the cost of that asset. Previously the Group immediately recognised all borrowing costs as an expense. This change in accounting policy was due to the adoption of IAS 23 - Borrowing Costs (2007). In accordance with the transitional provisions of this standard; comparative figures have not been restated. The change in accounting policy had no material impact on earnings per share.

The Group has capitalised borrowing costs with respect to fixed assets under construction (see note 5.35).

Determination and presentation of operating segments

As of 1 January 2009 the Group determines and presents operating segments based on the information that internally is provided to the Executive Committee, which is the Group's Chief Operating Decision Maker. This change in accounting policy is due to the adoption of IFRS 8, Operating Segments. Previously operating segments were determined and presented in accordance with IAS 14, Segment Reporting. The new accounting policy did not change the segments that qualify as reportable segments under IFRS 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share. An operating segment is a component of the Group that engages in business activities from which the Group may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

An operating segment's operating results are reviewed regularly by the Executive Committee to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Segment results that are reported to the Executive Committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly deferred tax, loans and borrowings and corporate assets and expenses. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Presentation of financial statements

The Group applies revised IAS 1, Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-equity holder changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these financial statements as of and for the year ended on 31 December 2009. Comparative information has been re-presented in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

Presentation of interest costs and expected returns on plan assets related to defined benefit obligations

The Group revised it's accounting policy with respect to the presentation of interest costs and expected returns on plan assets related to defined benefit obligations. Since the general practice is to present interest costs and expected returns on plan assets under personnel expenses, this principle is now applied. Comparative information has been re-presented so that it also is in conformity with the revised accounting policy. The accounting policy change does not have any material impact on the presentation of current and prior years' results. Since the change in accounting policy only impacts presentation aspects there is no impact on earnings per share.

5.3.2 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these consolidated financial statements:

- Revised IFRS 3 *Business Combinations* (2008) incorporates the following changes that are likely to be relevant to the *Group's operations*:
 - A contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.

- Transaction costs, other than share and debt issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.
 Revised IFRS 3, which becomes mandatory for the Group's 2010 consolidated financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statements.
- Amended IAS 27 Consolidated and Separate Financial Statements (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to IAS 27, which become mandatory for the Group's 2010 consolidated financial statements, are not expected to have a significant impact on the consolidated financial statements.

Other than the new standards listed above, a number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these consolidated financial statements. None of these at the moment identified changes will have an effect on the consolidated financial statements of the Group.

5.4 Basis of consolidation

5.4.1 Subsidiaries

Subsidiaries are those entities controlled by the Group, taking into account the impact of potential voting rights that are presently exercisable. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

5.4.2 Equity accounted investees

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

5.4.3 Other investments

Other investments are those entities in whose activities the Group holds a non-controlling interest and has no control or significant influence.

5.4.4 Transactions eliminated on consolidation

Intra-group balances, transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the investee. Unrealised gains arising from transactions with associates are eliminated against the investment in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

5.5 Foreign currency

5.5.1 Foreign currency transactions and translation

Transactions in foreign currencies are translated to EUR at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to EUR at the foreign exchange rate at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to EUR at foreign exchange rates effective at the date the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the (re-)translation of available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation, which are recognised in other comprehensive income.

A summary of the main currency exchange rates applied in the year under review and the preceding years reads as follows:

	USD at year-end	USD average	GBP at year-end	GBP average
2009	0.69	0.72	1.13	1.13
2008	0.71	0.68	1.05	1.25
2007	0.68	0.73	1.36	1.46
2006	0.76	0.79	1.49	1.47
2005	0.85	0.81	1.46	1.46

5.5.2 Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to EUR at foreign exchange rates effective at the reporting date. The income and expenses of foreign operations are translated to EUR at exchange rates effective at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in the Translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the Translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

5.5.3 Hedge of net investment in foreign operations

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the functional currency of the Company (EUR), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the (re-)translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income to the extent that the hedge is effective, and are presented within equity in the Translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged part of a net investment is disposed of, the relevant amount in the Translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

5.6 Determination of fair values

Some of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Additional information on the determination of fair values is disclosed in the notes of the specific asset or liability, if applicable.

5.6.1 Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper

marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items when available and replacement cost when appropriate.

5.6.2 Intangible assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

5.6.3 Inventories

The fair value of inventory (including seismic libraries) acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventory.

5.6.4 Investments in equity and debt securities

The fair value of available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

5.6.5 Trade and other receivables

The fair value of trade and other receivables, at initial recognition, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

5.6.6 Derivatives

The fair value of forward exchange contracts is based on the listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

5.6.7 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future repayments and interest cash flows, discounted at the market rate of interest at the reporting date.

5.6.8 Share-based payment transactions

The fair value of the employee share options are measured using a binomial model. Measurement inputs include share price on measurement date (year-end date of granting year), exercise price of the instrument, expected volatility (based on weighted average historic volatility over the period 1993 through the reporting date adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

5.7 Derivative financial instruments and hedging

5.7.1 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational and financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, if a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and if the combined instrument is not measured at fair value through profit or loss.

On initial designation of a hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 %. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, measurement of derivative financial instruments is at fair value. The gain or loss on remeasurement at fair value is recognised immediately in profit or loss except when hedge accounting is applied. Recognition of any resultant gain or loss on hedge accounting depends on the nature of the item being hedged (refer to accounting policy 5.7.2 and beyond).

5.7.2 Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could ultimately affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the Hedging reserve in equity. The amount recognised in the Hedging reserve is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, is sold, is terminated, is exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the Hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in the Hedging reserve is recognised immediately in profit or loss. In other cases the amount recognised in the Hedging reserve is transferred to profit or loss in the same period that the hedged item affects profit or loss.

5.7.3 Other non-trading derivatives

Where a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

5.8 Property, plant and equipment

5.8.1 Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (refer accounting policy 5.15). The cost of property, plant and equipment includes any costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Self-constructed assets include also the cost of materials and direct labour.

Property, plant and equipment that is being constructed or developed for future use is classified as property, plant and equipment under construction and stated at cost until construction or development is complete, at which time it is reclassified as land and buildings, plant and equipment, vessels or other property, plant and equipment.

Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. Gains are recognised within 'other income' in profit or loss, losses are recognised within 'other expenses' in profit or loss.

5.8.2 Leased assets

Leases with terms in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (refer accounting policy 5.8.4) and impairment losses (refer accounting policy 5.15). Subsequent measurement is in accordance with the applicable accounting policy. Operating leases are not recognised in the Group's statement of financial position. Lease payments are accounted for as described in accounting policy 5.22.2.

5.8.3 Subsequent cost

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as incurred.

5.8.4 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Depreciation methods, useful lives and residual values are reassessed at each financial year-end and adjusted if appropriate. The estimated useful life of the different items of property, plant and equipment are:

Category	Years
Land and buildings	
Land	Infinite
Buildings	20 - 40
Fixtures and fittings	5 – 10
Vessels	
Vessels and jack-ups	2 - 25
Plant and equipment	
Plant and equipment	4 - 10
Survey equipment	3 - 5
Aircraft	5 - 10
AUVs and ROVs	6 - 7
Computers and office equipment	3-4
Transport equipment	4
Other	
Maintenance	3-5
Used plant and machinery	1 - 2

5.9 Intangible assets

5.9.1 Goodwill

As part of its transition to IFRS the Group elected to restate only those business combinations that occurred on or after 1 January 2003. In respect of acquisitions prior to 1 January 2003, goodwill represents the amount recognised under the Group's previous accounting framework, Dutch GAAP.

All business combinations are accounted for by applying the 'purchase accounting method'. Goodwill subsequent to 1 January 2003 represents amounts arising on acquisition of subsidiaries and equity accounted investees. In respect of business acquisitions, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets, liabilities and contingent liabilities acquired. The excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities over cost is recognised directly in profit or loss. Goodwill arising on the acquisition of a non-controlling interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is not amortised but is tested for impairment annually or when there is an indication for impairment (refer accounting policy 5.15). In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment.

5.9.2 Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred. The Group spends significant amounts on research. Since the majority of these activities take place within contracts with third parties it is not feasible to properly determine the total costs spent for these technical developments. Expenditure on development activities, whereby research findings are applied to a plan or design for new or improved software or other intangible assets, is capitalised if the product is technically and commercially feasible and the Group

has sufficient resources to complete development. The capitalised expenditure includes the cost of materials, direct labour, an attributable proportion of direct overheads and capitalised borrowing costs. Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses (refer accounting policy 5.15).

5.9.3 Software and other intangible assets

Software and other intangible assets acquired or developed by the Group are stated at cost less accumulated amortisation and impairment losses (refer accounting policy 5.15).

5.9.4 Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is expensed as incurred.

5.9.5 Amortisation

Amortisation is calculated over the cost of the asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangibles assets with an indefinite life are systematically tested for impairment annually or when there is an indication for impairment (refer accounting policy 5.15). Other intangible assets and software are amortised from the date they are available for use. The estimated useful life of software and other capitalised development costs is five years. Amortisation methods, useful lives and residual values are reassessed at each financial year-end and adjusted if appropriate.

5.10 Investments in equity accounted investees

Investments in equity accounted investees are accounted for using the equity method and are recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses (refer accounting policy 5.15). The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or has made payments on behalf of the investee.

5.11 Other investments

5.11.1 Other investments in equity instruments

Other investments in equity instruments do not have a quoted market price in an active market. As the fair value cannot be reliably measured the equity instruments are stated at cost. Dividends received are accounted for in profit or loss when these become due.

5.11.2 Long-term loans and other receivables

Long-term loans and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. The initial recognition of loans and receivables takes place on the date that they are originated at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses (refer accounting policy 5.15).

5.11.3 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences, are recognised in other comprehensive income and presented within equity. When an investment is derecognised, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

5.12 Inventories

5.12.1 Seismic data libraries

The seismic data libraries consist of completed and in progress collection of seismic data that can be sold non-exclusively to one or more clients. These seismic data libraries are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Costs include direct costs and an attributable portion of direct overheads, but exclude a profit element. As it is expected that sales lead to a lower net realisable value, these expected decreases in value are taken into account at the moment of sale throughout the financial year. The Group evaluates the net realisable value on a regular basis and reassesses the net realisable value at each reporting date.

5.12.2 Other inventories

Other inventories are stated at the lower of cost or net realisable value. The cost of other inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

5.13 Trade and other receivables

Services rendered on contract work completed but not yet billed to customers are included in trade and other receivables as unbilled revenues on completed contracts.

Trade and other receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less, any impairment losses (refer accounting policy 5.15).

5.14 Cash and cash equivalents

Cash and cash equivalents, comprising cash balances and call deposits, are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less, any impairment losses (refer accounting policy 5.15). Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

5.15 Impairment

5.15.1 Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics. In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value. Changes in impairment provisions attributable to time value are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale investment increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

5.15.2 Non-financial assets

The carrying amounts of assets other than inventories, assets arising from employee benefits and deferred tax assets (refer accounting policy 5.23), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill, intangible assets with an indefinite useful life and intangible assets that are not available for use, the recoverable amount is estimated each year at the same time or when there is an indication for impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (cash-generating unit). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, cash-generating units to which goodwill has been allocated, are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of cash generating units that are expected to benefit from the synergies of the combination. The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the cash generating units to which the corporate asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if the estimates used to determine the recoverable amount have been changed. Prior period impairments are reviewed at each reporting date to determine if there is an indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.16 Share capital

5.16.1 Share capital

Share capital is classified as equity. The term 'shares' as used in the Annual Accounts should, with respect to shares issued by Fugro N.V., be construed to include certificates for shares (also referred to as depositary receipts for shares) issued by 'Stichting Administratiekantoor Fugro' (also referred to as Fugro Trust Office Foundation or Fugro Trust Office), unless the context otherwise requires or unless it is clear from the context that this is not the case. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

5.16.2 Repurchase and sale of shares

When shares are repurchased or sold, the amount of the consideration paid or received, including direct attributable costs, is recognised as a change in equity. Repurchased shares and related results are reported as reserve for own shares and presented separately as a component of total equity.

5.16.3 Dividends

Dividends are recognised as a liability in the period in which they are declared.

5.17 Loans and borrowings

Loans and borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest rate method.

5.18 Employee benefits

5.18.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

5.18.2 Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value. Any unrecognised past service costs and the fair value of plan assets are deducted. The discount rate is the yield at each financial year-end on high quality corporate or government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed by qualified actuaries using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans directly in other comprehensive income.

5.18.3 Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted based on the yield at the reporting date on high quality corporate or government bonds that have maturity dates approximating the terms of the Group's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

5.18.4 Share-based payment transactions

The share option programme allows Group employees to acquire shares of the Company. The fair value of options is measured at grant date and recognised as an employee expense with a corresponding increase in equity over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted annually to reflect the estimated number of share options that will be exercised.

5.19 Provisions

A provision is recognised when the Group has a legal or constructive obligation as result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

5.19.1 Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

5.19.2 Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

5.20 Trade and other payables

Trade and other payables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

5.21 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

5.21.1 Services rendered

Revenue from services rendered to third parties relate to fixed price contracts and 'cost plus' contracts (mainly daily rates or rates per (square) kilometre). This revenue is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed using the proportion of contract cost incurred for work performed to the reporting date, compared to total contract cost (as this method is most appropriate for the majority of the services provided by the Group), which are mainly based on daily rates for staff and equipment or rates per (square) kilometre for vessels and airplanes.

5.21.2 Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs of goods can be estimated reliably, and there is no continuing management involvement with the goods.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or associated costs. An expected loss on a contract is recognised immediately in profit or loss.

5.21.3 Seismic data

Revenue from the sale of non-exclusive seismic data libraries is recognised in the period when the data has been collected, processing has been completed and data has (substantially) been delivered to the client. Pre-commitments on seismic data library sales are recorded as advance instalments. When data collection has commenced, revenue is recognised based on the stage of completion. Separate (service) components/deliverables, such as annual maintenance fees or training fees, are accounted for over the period in which these services have been delivered to the customer, using a straight line basis over the term of the contract.

5.21.4 Software licences and subscription income

Software licences and subscription income are recognised in the period during which the underlying services have been provided, using a straight line basis over the term of the contract.

5.21.5 Net revenue own service (revenue less third party costs)

Net revenue own service comprise all revenue minus costs incurred with third parties related to the employment of resources (in addition to the resources deployed by the Group) and other third party cost such as charter lease costs and other cost required for the execution of various projects.

5.21.6 Other income

Other income concerns income not related to the key business activities of the Group, such as income from the sale of non-monetary assets and/or liabilities, exceptional and/or non-recurring income.

5.21.7 Government grants

Government grants are initially recognised as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group (partly) for expenses incurred are recognised in the profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that (partly) compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

5.22 Expenses

5.22.1 Third party costs

Third party costs are matched with related revenues on contracts and accounted for on a historical cost basis.

5.22.2 Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

5.22.3 Net finance costs

Net finance costs comprise interest expense on borrowings calculated using the effective interest rate method, unwinding of the discount on provisions, interest income on funds invested, dividend income and foreign exchange gains and losses.

Interest income is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in profit or loss on the date the entity's right to receive the payments is established which in the case of quoted shares is the ex-dividend date. Exchange gains and losses are reported on a net basis.

5.23 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

5.24 Statement of cash flows

The consolidated statement of cash flows is prepared using the indirect method. The cash flow statement distinguishes between operating, investing and financing activities. Cash flows in foreign currencies are converted at the exchange rate at the dates of the transactions. Currency exchange differences on cash held are separately shown. Payments and receipts of corporate taxes are included as cash flow from operating activities and interest paid is shown as cash flow from operating activities. Cash flows as a result from acquisition/ divestment of financial interest in subsidiaries and equity accounted investees are included as cash flow from investing activities, taking into account the available cash in these interests. Dividends paid are part of the cash flow from financing activities.

5.25 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.

Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly deferred tax, loans and borrowings and corporate assets and expenses. Segment capital expenditure is the total amount incurred during the period to acquire segment assets that are expected to be used for more than one period.

5.25.1 Operating segments

As an engineering firm with operations throughout the world, the Group delivers its services to clients located all over the globe and collects and interprets data related to the earth's surface and the soil and rock beneath. On the basis of this data the Group provides advice, generally for purposes related to the oil and gas industry, the mining industry and the construction industry. The Group has three reportable segments, which are the Group's divisions. The divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the divisions, the Executive Committee reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Geotechnical

The Geotechnical division investigates the engineering properties and geological characteristics of soils and rocks using (in-house) developed proprietary technologies, provides advice regarding foundation design and provides construction materials testing. These services support clients' projects worldwide in the onshore, near shore and offshore environments, including deep water. Typical projects include support of infrastructure development, construction, flood protection and the design of oil and gas installations.

Survey

The Survey division provides a range of services to support the activities of the oil and gas industry and a range of other clients including government agencies, the construction and transportation sectors and agriculture. Offshore services include geophysical investigation for geohazards, pipeline and cable route surveys and inspection, construction support services, hydrographic charting, meteorology and oceanographic studies. Subsea services revolve around the use of remotely operated vehicles (ROVs) to support subsea inspection, construction and drilling. Geospatial services are focused on land survey and aerial/satellite mapping services for a wide range of clients. In addition, Fugro's global positioning systems (which augment GPS and Glonass to provide precise positioning in real-time world-wide) are employed not only to support the above services, but are also provided on a subscription basis to other industries such as agriculture.

Geoscience

The Geoscience division concentrates on collecting, processing, interpreting, managing and storing geophysical and geological data. These data sets are used for evaluating the presence of natural resources, including oil, gas, water and minerals, and for optimising the exploration, development and production of those resources. A broad range of geophysical data sets are collected including marine seismic, gravity, magnetics and electromagnetics. The data sets are collected at sea, from the air and on land using vessels, low flying airplanes and helicopters. Clients are oil and gas companies, mining companies and governmental organisations.

The segments are managed on a worldwide basis, and operate in four principal geographical areas, The Netherlands, Europe other/Africa, Middle East/Asia/Australia and the Americas. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of operating companies. The allocation of segment assets is based on the geographical location of the assets.

Operating segments

2009 573,614 37,855 122,987 (1,320) 4,737 35 28,678 533	2008 588,618 47,424 119,679 (3,338) 3,336 (1) 24,151 380	2009 995,119 38,886 295,734 (3,194) 6,020 - 48,854	2008 988,945 29,337 278,200 (8,492) 5,546 - 42,837	2009 583,409 22,413 146,649 (2,785) 18,932	2008 683,001 29,329 189,643 (23,765) 6,608	2009 2,152,142 99,154 565,370 (7,299) 29,689	106,090 587,522 (35,595
37,855 122,987 (1,320) 4,737 35 28,678	47,424 119,679 (3,338) 3,336 (1) 24,151	38,886 295,734 (3,194) 6,020	29,337 278,200 (8,492) 5,546	22,413 146,649 (2,785) 18,932	29,329 189,643 (23,765)	99,154 565,370 (7,299)	106,090 587,522 (35,595
122,987 (1,320) 4,737 35 28,678	119,679 (3,338) 3,336 (1) 24,151	295,734 (3,194) 6,020	278,200 (8,492) 5,546	146,649 (2,785) 18,932	189,643 (23,765)	565,370 (7,299)	587,522 (35,595
(1,320) 4,737 35 28,678	(3,338) 3,336 (1) 24,151	(3,194) 6,020 -	(8,492) 5,546 -	(2,785) 18,932 -	(23,765)	(7,299)	(35,595
4,737 35 28,678	3,336 (1) 24,151	6,020	5,546	18,932	, ,	` '	
35 28,678	(1) 24,151	-	-	-	6,608	29,689	4= 400
28,678	24,151	48,854		-			15,490
		48,854	42.837		_	35	(1
533	380		12,007	32,080	27,781	109,612	94,769
		655	254	8,927	8,048	10,115	8,682
90,324	95,151	243,399	238,055	89,495	170,971	423,218	504,177
523,271	410,311	845,056	752,782	914,789	853,048	2,283,116	2,016,141
,			•	,			1,257,221
							304,704
6,527	39,332	8,653	20,328	14,401	33,300	29,581	92,960
-	5,024	-	8,908	-	11,468	-	25,400
			Middle				
Europe of	iner/Africa	East/Asia	/ Australia		Americas		nsolidated
2009	2008	2009	2008	2009	2008	2009	2008
985,074	1,081,806	419,948	425,794	514,190	501,952	2,052,988	2,154,474
610,837	569,696	555,798	362,787	216,817	200,273	1,586,494	1,341,753
	523,271 214,665 192,226 6,527 - Europe of 2009	523,271 410,311 214,665 204,267 192,226 31,295 6,527 39,332 - 5,024 Europe other/Africa 2009 2008	523,271 410,311 845,056 214,665 204,267 268,434 192,226 31,295 82,244 6,527 39,332 8,653 - 5,024 - Europe other/Africa East/Asia 2009 2008 2009	523,271 410,311 845,056 752,782 214,665 204,267 268,434 487,140 192,226 31,295 82,244 103,844 6,527 39,332 8,653 20,328 - 5,024 - 8,908 Middle Europe other/Africa 2009 2008 2009 2008 985,074 1,081,806 419,948 425,794	523,271 410,311 845,056 752,782 914,789 214,665 204,267 268,434 487,140 479,150 192,226 31,295 82,244 103,844 38,382 6,527 39,332 8,653 20,328 14,401 - 5,024 - 8,908 - Middle East/Asia/Australia 2009 2008 2009 2008 2009 985,074 1,081,806 419,948 425,794 514,190	523,271 410,311 845,056 752,782 914,789 853,048 214,665 204,267 268,434 487,140 479,150 565,814 192,226 31,295 82,244 103,844 38,382 169,565 6,527 39,332 8,653 20,328 14,401 33,300 - 5,024 - 8,908 - 11,468 Middle Europe other/Africa Middle East/Asia/Australia Americas 2009 2008 2009 2008 2009 2008 985,074 1,081,806 419,948 425,794 514,190 501,952	523,271 410,311 845,056 752,782 914,789 853,048 2,283,116 214,665 204,267 268,434 487,140 479,150 565,814 962,249 192,226 31,295 82,244 103,844 38,382 169,565 312,852 6,527 39,332 8,653 20,328 14,401 33,300 29,581 - 5,024 - 8,908 - 11,468 - Europe other/Africa East/Asia/Australia Americas Co 2009 2008 2009 2008 2009 2008 2009 985,074 1,081,806 419,948 425,794 514,190 501,952 2,052,988

Reconciliation of reportable segment revenues, profit or loss, ass $(EUR\ x\ 1,000)$	2009	ies and ot	ner mater	2008
Revenues				
Total revenue of reportable segments	2,152,142			2,260,564
Elimination of inter-segment revenue	(99,154)			(106,090
Consolidated revenue	2,052,988			2,154,474
Profit or loss				
Total profit or (loss) for reportable segments before income tax	423,218			504,177
Unallocated amounts:				
- Other corporate expenses	(78,221)			(98,339)
- Net finance costs	2,023			(21,486
- Share of profit of equity accounted investees	457			(103)
Consolidated profit before income tax	347,477			384,249
Assets				
Total assets for reportable segments	2,283,116			2,016,141
Other unallocated amounts	83,201			107,165
Consolidated assets	2,366,317			2,123,306
Liabilities				
Total liabilities for reportable segments	962,249			1,257,221
Other unallocated amounts	204,558			(69,726
Consolidated liabilities	1,166,807			1,187,495
Other material items 2009			8 dina	
(EUR x 1,000)		Report- able segment totals	Adjust- ments and other unallo- cated amounts	Consoli- dated totals
Finance income		(7,299)	125	(7,174
Finance expense		29,689	(2,148)	27,541
Depreciation		109,612	63,981	173,593
Amortisation intangible assets		10,115	-	10,115

5.26 Acquisitions and divestments of subsidiaries

5.26.1 Acquisitions 2009

The Group acquired a 100% interest in the following companies, assets and activities:

(EUR x million)	Price	Goodwill	Country	Division	Annual revenue	of employ- ees	Consolidation per
()							
LoadTest	10.9	5.5	USA	Geotechnical	13.5	40	January
Divestco	3.5	2.5	Canada	Geoscience	2.2	12	March
VIB Weinhold	3.3	3.1	Germany	Survey	3.0	26	April
Interaction	4.7	4.1	Norway	Geoscience	0.6	8	April
Tenix LADS	12.6	3.0	Australia	Survey	12.5	60	August
General Robotics	0.6	0.3	UK	Survey	1.0	12	September
Submec	0.5	0.1	Australia	Survey	1.0	10	October
Sea Development	1.6	1.6	Norway	Geoscience	1.0	-	October
Adjustments prior years	(0.2)	(0.2)					
Total	37.5	20.0			34.8	168	

5.26.1.1 LoadTest

Fugro acquired the LoadTest group of companies, headquartered in Gainesville, Florida, USA and subsidiaries in Singapore, South Korea and United Kingdom. LoadTest is the world's leading provider of static pile load testing services, using the proprietary bi-directional Osterberg Cell® load testing method.

5.26.1.2 Divestco

Fugro has acquired the assets and activities in Canada from Divestco Inc. - providing online archiving and technical records management. The purchase of these assets is complimentary to the other acquisitions in Calgary and provides an expansion of the online data centre capacity.

5.26.1.3 VIB Weinhold

Fugro has acquired 'VIB Weinhold', a leading supplier of pipeline survey. The company's activities comprise the planning, survey and documentation of transport and distribution networks, gas plants and power plants for private and public energy companies.

5.26.1.4 Interaction

Interaction A/S, Norway, specialises in marine electromagnetic data management and processing. The company is known for its Sharkware brand of software products.

5.26.1.5 Tenix LADS

Fugro acquired the Tenix LADS business from the Australian based company Tenix Pty Ltd. Tenix LADS is a leading global provider of Airborne Hydrographic services, which uses lasers to measure water depths. The laser technology (known as LIDAR) in use is a LADS proprietary system.

5.26.1.6 General Robotics

General Robotics Limited, United Kingdom, is a provider of high performance dynamic simulation and visualisation software for the offshore oil and gas industry.

5.26.1.7 Submec

Fugro acquired the business and assets of Submec Pty Ltd., Australia, which is engaged in subsea engineering and ROV tooling services.

5.26.1.8 Sea Development

Fugro acquired Sea Development A/S in Sandnessjoen, Norway. The company has been renamed to Fugro Coastal Response Services A/S. Sea Development A/S has developed a concept for the next generation of coastal response vessels.

5.26.2 Divestments

In 2009 no divestments took place.

5.26.3 Effect of acquisitions

The acquisitions had the following effects on the Group's assets and liabilities:

(EUR x 1,000)	Pre- acquisi- tion carrying amount	Fair value adjust- ments	Recog- nised values on acquisi- tions 2009
Property, plant and equipment	9,963	(81)	9,882
Intangible assets	1,673	2,580	4,253
Other fixed assets	233	-	233
Inventories	3,272	-	3,272
Trade and other receivables	4,464	-	4,464
Current tax receivables	277	250	527
Deferred taxes	(565)	(613)	(1,178)
Cash and cash equivalents	1,697	-	1,697
Loans and borrowings	(1,258)	-	(1,258)
Current tax liabilities	(897)	-	(897)
Trade and other payables	(3,446)	-	(3,446)
Net identifiable assets and liabilities	15,413	2,136	17,549
Goodwill/(negative goodwill) on acquisition			19,957
Considerations payable			(3,886)
Consideration paid/(received), in cash			33,620
Cash (acquired)/disposed of			(1,697)
Net cash outflow/(inflow)			31,923

Acquisitions have been combined in this table as none of them individually is considered to be material. Furthermore, the acquisitions 2009 include an amount of EUR 0.2 million relating to prior period adjustments due to the finalisation of the purchase price allocation procedures (2008: EUR 9.3 million).

If all acquisitions in 2009 had been effected at the beginning of 2009, the revenue of the Group would have been around EUR 7 million higher.

The acquisitions in 2009 contributed EUR 0.6 million positive to the profit of Fugro N.V. On a full year basis this would approximately amount to EUR 0.6 million negative. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2009.

The goodwill from the acquisitions is attributable mainly to market share, the skills and technical talent of the acquired business' work force, and the synergies expected to be achieved from integrating the companies into the Group's existing business.

The fair value of acquired assets and (contingent) liabilities related to the acquisitions is provisional pending the receipt of final valuations.

5.27 Government grants

The Company has not been awarded any significant government grants in 2009.

5.28	T	h i	r	d p	a	rt	tу	costs	3
------	---	-----	---	-----	---	----	----	-------	---

(EUR x 1,000)	2009	2008
Cost of suppliers	352,566	453,531
Operational lease expenses	156,182	152,315
Seismic data libraries	63,987	55,338
Other costs	51,678	61,137
	624,413	722,321

5.29 Other income

(EUR x 1,000)	2009	2008
Government grants	1,057	441
Gain on disposal of property, plant and equipment	4,059	2,687
Sundry income	19,324	14,713
	24,440	17,841

5.30 Personnel expenses

(EUR x 1,000)	2009	2008
Wages and salaries	555,784	536,120
Compulsory social security contributions	59,858	55,231
Equity-settled share-based payment transactions	9,094	6,656
Contributions to defined contribution plans	18,459	14,836
Expense related to defined benefit plans	9,123	5,645
Increase in liability for long service leave	489	658
	652,807	619,146

5.30.1 Share-based payments

The Group's remuneration policy includes a share option scheme. An option entitles the employee to buy a (certificate of a) share in Fugro N.V. Option rights are granted on the basis of the employee's contribution towards the development of the Group's long-term strategy. Option rights are granted to employees who have been working with the Group for twelve months prior to granting of the options. The Group stipulates that in addition to the services provided in the twelve months prior to the granting of the options services also must be provided in the future. Employees with option rights are allowed to exercise the option rights only after three years of employment, subsequent to granting, with the Group (the 'vesting period').

The options have a term of six years subsequent to the grant date.

The Board of Management and Supervisory Board decide annually on the granting of the option rights. The exercise price of the options is set at grant date and equals the closing stock price of certificates of shares at Euronext Amsterdam at the last trade day of the year of granting. The costs of the option rights are recognised in profit or loss over the related period of employment (four years).

For options granted before 31 December 2007 a difference exists between conditions for Dutch residents and foreign residents. Option rights to Dutch residents are unconditional; the option rights can be exercised immediately notwithstanding a 90% fine on the profit, which is retained by the Group. Costs related to these options were recognised in profit or loss in the year of granting. For foreign residents option rights are conditional; exercise of the option rights is only possible after a three years vesting period. The costs of the option rights are recognised in profit or loss over the related period of employment (four years).

The weighted average stock price on Euronext Amsterdam during 2009 was EUR 31.11 (2008: EUR 43.64). As at 31 December 2009, Fugro N.V. granted 1,166,550 option rights to 639 employees. These option rights have an exercise price of EUR 40.26 (2008: 1,141,900 options were granted to 620 employees with an exercise price of EUR 20.485).

In 2009 Fugro N.V. sold 800,920 certificates of shares in relation to exercise of option rights. During 2009 the Group has not issued (certificates of) shares for the exercise of option rights (2008: nil). The (certificates of) shares sold had an average purchase price of EUR 22.49 per certificate. The related option rights were exercised throughout the year, with the exception of determined closed periods.

As at 31 December the following option rights were outstanding:

Year of issue	Duration	Number of partici- pants	Granted	Out- standing at 01-01- 2009	Forfeited in 2009	Exercised in 2009	Out- standing at 31-12- 2009	Exercis- able at 31-12- 2009	Exercise price (EUR)
2003	6 years	429	1,002,600	598,600	3,200	595,400	-	-	10.20
2004	6 years	493	1,064,800	887,700	3,800	156,120	727,780	727,780	15.35
2005	6 years	521	1,155,000	1,116,100	3,400	49,400	1,063,300	1,063,300	27.13
2006	6 years	547	1,140,500	1,114,700	5,000	-	1,109,700	566,050	36.20
2007	6 years	565	1,140,500	1,134,550	5,400	-	1,129,150	-	52.80
2008	6 years	620	1,141,900	1,141,900	3,950	-	1,137,950	-	20.485
2009	6 years	639	1,166,550	-	-	-	1,166,550	-	40.26
			7,811,850	5,993,550	24,750	800,920	6,334,430	2,357,130	

The outstanding option rights as at 31 December 2009 have an exercise price ranging from EUR 15.35 to EUR 52.80. The average remaining term of the options is four years (2008: four years). The movement during the year of option rights and average exercise price is as follows:

		2009		2008
	Weighted average exercise price (EUR)	Number of options	Weighted average exercise price (EUR)	Number of options
Options outstanding at 1 January	28.97	5,993,550	28.67	5,524,020
Forfeited during the period	30.22	(24,750)	38.27	(18,350)
Options granted during the period	40.26	1,166,550	20.485	1,141,900
Options exercised during the period	12.25	(800,920)	11.87	(654,020)
Options outstanding at 31 December	33.17	6,334,430	28.97	5,993,550
Exercisable at 31 December		2,357,130		2,687,950

The valuation of the share option rights is determined by using a binomial model.

Concerning early departure, different percentages for different categories of staff are used: Directors 1%, Executive Committee members 2%, managers of operating companies 7%. The expected behaviour for exercising the options by the Directors is estimated till the end of the vesting period and for the other two groups with a multiple of three.

The inputs used in the measurement of the fair values at grant date of the option rights are the following:

	2009	2008
Average share price during the year in EUR	31.11	43.64
Average fair value of the options issued during the year in EUR	10.84	5.54
Exercise price (fair value at grant date) in EUR	40.26	20.485
Granting	2009	2008
Expected volatility	38%	38%
Expected dividends	3.38%	3.33%
Risk-free interest rate	3.01%	3.37%
Costs of granted option rights at the end of 2005 in EUR	-	715,040
Costs of granted option rights at the end of 2006 in EUR	1,067,164	1,067,164
Costs of granted option rights at the end of 2007 in EUR	3,291,433	3,291,433
Costs of granted option rights at the end of 2008 in EUR	1,582,401	1,582,401
Costs of granted option rights at the end of 2009 in EUR	3,153,277	-
Total	9,094,275	6,656,038

E 20 2	Number	of employees	aa at 21	Dooombox

2009

2008

	Nether-	Foreign	Total	Nether-	Foreign	Total
Technical staff	635	9,677	10,312	686	9,777	10,463
Management and administrative staff	141	2,542	2,683	133	2,425	2,558
Temporary and contract staff	171	316	487	159	447	606
	947	12,535	13,482	978	12,649	13,627
Average number of employees during the year	935	12,652	13,587	957	12,020	12,977

5.31 Other expenses

(EUR x 1,000)	2009	2008
Maintenance and operational supplies	75,106	83,111
Indirect operating expenses	55,231	56,831
Occupancy costs	43,730	37,989
Communication and office equipment	30,060	30,489
Restructuring costs	367	1,146
Loss on disposal of property, plant and equipment	1,127	709
Other	43,457	85,395
	249,078	295,670

 $Audit\,fees, presented\,under\,other\,expenses, charged\,by\,KPMG\,are\,disclosed\,in\,note\,9.13.$

5.32 Net finance costs

(EUR x 1,000)	2009	2008
Interest income on loans and receivables	(4,862)	(4,646)
Dividend income on available for sale financial assets	(2,312)	(185)
Net foreign exchange variance	-	(25,775)
Finance income	(7,174)	(30,606)
Interest expense on financial liabilities measured at amortised cost Net change in fair value of financial assets at fair value through	12,544	31,987
profit or loss	1,639	_
Net foreign exchange variance	13,358	-
Finance expense	27,541	31,987
Net finance costs recognised in profit or loss	20,367	1,381

In the 2008 Financial Statements, the foreign currency exchange gain amounting to EUR 25,775 thousand was presented under finance expenses. This amount is reclassified to finance income in the comparative figures of the present financial statements.

Furthermore, as from the current financial statements the financial income and expenses related to defined benefit plans are presented under personnel expenses. The comparative figures are restated in this respect.

(EUR x 1,000)	2009	2008
Recognised in other comprehensive income		
Effective portion of change in fair value of hedge of net investment in		
foreign operations	1,788	(2,682)
Foreign currency translation differences of foreign operations	47,680	(52,762)
	49,468	(55,444)
Net change in fair value of cash flow hedges transferred to profit or loss	1,034	1,032
Change in fair value of financial assets available for sale	1,879	(2,526)
Total	52,381	(56,938)
Recognised in:		
Hedging reserve	1,034	1,032
Translation reserve	49,468	(55,444)
Other reserves	1,879	(2,526)
Total	52,381	(56,938)
5.33 Income tax expense Recognised in profit or loss		
5.33 Income tax expense Recognised in profit or loss (EUR x 1,000)	2009	2008
Recognised in profit or loss	2009	2008
Recognised in profit or loss (EUR x 1,000)	2009	2008 96,460
Recognised in profit or loss (EUR x 1,000) Current tax expense		
Recognised in profit or loss (EUR x 1,000) Current tax expense Current year	69,726	96,460
Recognised in profit or loss (EUR x 1,000) Current tax expense Current year Adjustments for prior years Deferred tax expense	69,726 (3,486) 66,240	96,460 (2,607) 93,853
Recognised in profit or loss (EUR x 1,000) Current tax expense Current year Adjustments for prior years Deferred tax expense Origination and reversal of temporary differences	69,726 (3,486) 66,240	96,460 (2,607)
Recognised in profit or loss (EUR x 1,000) Current tax expense Current year Adjustments for prior years Deferred tax expense Origination and reversal of temporary differences Recognition of previously unrecognised temporary differences	69,726 (3,486) 66,240	96,460 (2,607) 93,853
Recognised in profit or loss (EUR x 1,000) Current tax expense Current year Adjustments for prior years Deferred tax expense Origination and reversal of temporary differences Recognition of previously unrecognised temporary differences Reduction in tax rate	69,726 (3,486) 66,240 9,337 (773)	96,460 (2,607) 93,853 1,131 - 503
Recognised in profit or loss (EUR x 1,000) Current tax expense Current year Adjustments for prior years Deferred tax expense Origination and reversal of temporary differences Recognition of previously unrecognised temporary differences Reduction in tax rate Utilisation of tax losses recognised	69,726 (3,486) 66,240 9,337 (773) - 1,733	96,460 (2,607) 93,853 1,131 - 503 36
Recognised in profit or loss (EUR x 1,000) Current tax expense Current year Adjustments for prior years Deferred tax expense Origination and reversal of temporary differences Recognition of previously unrecognised temporary differences Reduction in tax rate Utilisation of tax losses recognised Recognition of previously unrecognised tax losses	69,726 (3,486) 66,240 9,337 (773) - 1,733 (1,208)	96,460 (2,607) 93,853 1,131 - 503 36 (700)
Recognised in profit or loss (EUR x 1,000) Current tax expense Current year Adjustments for prior years Deferred tax expense Origination and reversal of temporary differences Recognition of previously unrecognised temporary differences Reduction in tax rate Utilisation of tax losses recognised Recognition of previously unrecognised tax losses Effect of write-down deferred tax assets	69,726 (3,486) 66,240 9,337 (773) - 1,733 (1,208) 149	96,460 (2,607) 93,853 1,131 - 503 36
Recognised in profit or loss (EUR x 1,000) Current tax expense Current year Adjustments for prior years Deferred tax expense Origination and reversal of temporary differences Recognition of previously unrecognised temporary differences Reduction in tax rate Utilisation of tax losses recognised Recognition of previously unrecognised tax losses	69,726 (3,486) 66,240 9,337 (773) - 1,733 (1,208)	96,460 (2,607) 93,853 1,131 - 503 36 (700)
Recognised in profit or loss (EUR x 1,000) Current tax expense Current year Adjustments for prior years Deferred tax expense Origination and reversal of temporary differences Recognition of previously unrecognised temporary differences Reduction in tax rate Utilisation of tax losses recognised Recognition of previously unrecognised tax losses Effect of write-down deferred tax assets	69,726 (3,486) 66,240 9,337 (773) - 1,733 (1,208) 149	96,460 (2,607) 93,853 1,131 - 503 36 (700)

Reconciliation of effective tax rate $(EUR \ x \ 1{,}000)$	2009 %	2009	2008 %	2008
Profit for the period		273,065		289,456
Income tax expense		74,412		94,793
Profit before income tax		347,477		384,249
Income tax using the weighted domestic average tax rates	22.8	79,644	24.2	92,471
Recognition of previously unrecognised temporary differences	(0.2)	(773)	0.0	-
Reduction in tax rate	-	-	0.1	503
Recognition of previously unrecognised tax losses	(0.3)	(1,208)	(0.2)	(700)
Effect of write-down deferred tax assets	0.0	149	0.0	(30)
Non-deductible expenses	0.8	2,643	3.0	11,667
Tax exempt income	(0.3)	(1,052)	(0.5)	(1,877)
Effect of utilisation previously unrecognised tax losses	(0.1)	(439)	(1.2)	(4,634)
Adjustments for prior years (deferred)	(0.3)	(1,066)	-	-
Adjustments for prior years (current)	(1.0)	(3,486)	(0.7)	(2,607)
	21.4	74,412	24.7	94,793

The weighted average domestic tax rate decreased from 24.2% to 22.8%.

Improvement of results above expectations in certain tax jurisdictions resulted in utilisation of EUR 0.4 million (2008: EUR 4.6 million) of previously unrecognised tax losses.

Adjustments for prior years relate to settlement of outstanding tax returns of several years and various fiscal tax entities as well as the recognition of tax liabilities for fiscal positions taken that are currently being challenged or probably will be challenged by tax authorities.

Income tax recognised in other comprehensive income

(EUR x 1,000)						2008	
	Before tax	Tax (ex- pense)/ benefit	Net of tax	Before tax	Tax (ex- pense)/ benefit	Net of tax	
Actuarial gains and losses	(14,493)	4,044	(10,449)	(32,279)	9,050	(23,229)	
Change in fair value of (cash flow) hedges	3,788	(966)	2,822	(2,215)	565	(1,650)	
Relating to share option rights	9,037	1,394	10,431	10,655	-	10,655	
Exchange rate differences	45,515	2,002	47,517	(50,057)	(1,787)	(51,844)	
	43,847	6,474	50,321	(73,896)	7,828	(66,068)	
	43,847	6,474	50,321	(73,896)	7,8	328	

Reference is also made to note 5.40.

5.34 Current tax assets and liabilities

The net current tax liability of EUR 36,200 (2008: EUR 68,228) represents the balance of income tax payable and receivable in respect of current and prior periods less advance tax payments.

5.35 Property, plant and equipment

(EUR x 1,000) 2009

	Land and buildings	Plant and equip- ment	Vessels	Fixed assets under construc- tion	Other	Total
21						
Cost Balance at 1 January 2009	134,881	778,442	298,239	138,227	174 E00	1,524,298
Acquisitions through business combinations	1,268	13,212	290,239	337	2,252	17,069
Investments in assets under construction	1,200	13,212	_	255,350	2,232	255,350
Other additions	15,550	40,848	23,914	200,000	14,040	94,352
Capitalised fixed assets under construction	10,000	82,921	143,089	(226,010)	14,040	9 4 ,002
Disposals	(629)	(7,449)	(12,138)	(220,010)	(1,077)	(21,293)
Effects of movement in foreign exchange	4,530	20,395	(2,915)	(3,585)	2,130	20,555
Balance at 31 December 2009	155,600	928,369	450,189	164,319	191,854	1,890,331
Depreciation and impairment losses						
Balance at 1 January 2009	37.349	402,909	87,280	_	137,672	665,210
Acquisitions through business combinations*	5	5,594	-	_	1,588	7,187
Depreciation	6,232	116,150	30,302	_	20,909	173,593
Disposals	(5)	(3,997)	(4,510)	_	(762)	(9,274)
Effects of movement in foreign exchange	524	12,321	(2,294)	-	(163)	10,388
Balance at 31 December 2009	44,105	532,977	110,778	_	159,244	847,104
Carrying amount						
At 1 January 2009	97,532	375,533	210,959	138,227	36,837	859,088
At 31 December 2009	111,495	395,392	339,411	164,319	32,610	1,043,227

 $Including \ fair \ value \ adjust ments.$

(EUR x 1,000)

	Land and buildings	Plant and equip- ment	Vessels	Fixed assets under construc- tion	Other	Total
Cost						
Balance at 1 January 2008	118,997	617,837	177,089	79,404	166,664	1,159,991
Acquisitions through business combinations	440	11,256	5,769	124	2,885	20,474
Investments in assets under construction	-	-	-	217,988	-	217,988
Other additions	22,746	93,743	20,492	-	25,021	162,002
Capitalised fixed assets under construction	-	74,069	86,975	(161,044)	-	-
Disposals	(408)	(19,000)	(982)	-	(11,667)	(32,057)
Effects of movement in foreign exchange	(6,894)	537	8,896	1,755	(8,394)	(4,100)
Balance at 31 December 2008	134,881	778,442	298,239	138,227	174,509	1,524,298
Depreciation and impairment losses						
Balance at 1 January 2008	33,111	330,354	64,110	-	133,118	560,693
Acquisitions through business combinations*	174	4,234	-	-	1,643	6,051
Depreciation	5,304	93,351	21,538	-	20,236	140,429
Disposals	(721)	(15,886)	(503)	-	(10,900)	(28,010)
Effects of movement in foreign exchange	(519)	(9,144)	2,135	-	(6,425)	(13,953)
Balance at 31 December 2008	37,349	402,909	87,280	_	137,672	665,210
Carrying amount						
At 1 January 2008	85,886	287,483	112,979	79,404	33,546	599,298
At 31 December 2008	97,532	375,533	210,959	138,227	36,837	859,088

Including fair value adjustments.

5.35.1 Impairment loss and subsequent reversal

The Group has not incurred nor reversed any impairment losses.

5.35.2 Fixed assets under construction

This involves mainly vessels under construction (Fugro Symphony, Fugro Searcher and Geo Coral) and ROVs. The vessels will become operational in 2010 and 2011; the ROVs in principle in 2010.

As a result of the change in accounting policy with respect to the treatment of borrowing costs (refer to note 5.3.1.2), at 31 December 2009 capitalised borrowing costs related to the construction of vessels amounted to EUR 7.9 million, with an interest rate of 4%.

5.35.3 Leased fixed assets

The Group has no leased fixed assets that have to be included in property, plant and equipment.

5.35.4 Security

Land and buildings includes EUR 8 million (2008: EUR 9 million) in the Netherlands, that serves as security for mortgage loans (refer to note 5.46).

5.36 Intangible assets

(EUR x 1,000)	2009
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	Goodwill	Software	Other	Total
Cost				
Balance at 1 January 2009	418,963	79,937	15,553	514,453
Acquisitions through business combinations	20,178	3,547	1,033	24,758
Adjustments prior period	(221)	-	(1,543)	(1,764)
Purchase of intangible assets	-	694	-	694
Internally developed intangible assets	-	5,893	-	5,893
Effect of movements in foreign exchange rates	21,267	2,299	350	23,916
Balance at 31 December 2009	460,187	92,370	15,393	567,950
Amortisation and impairment losses				
Balance at 1 January 2009	442	57,690	4,191	62,323
Acquisitions through business combinations*	-	207	120	327
Amortisation of intangible assets	-	8,324	1,791	10,115
Effect of movements in foreign exchange rates	-	2,325	170	2,495
Balance at 31 December 2009	442	68,546	6,272	75,260
Carrying amount				
At 1 January 2009	418,521	22,247	11,362	452,130
At 31 December 2009	459,745	23,824	9,121	492,690

Including fair value adjustments.

(EUR x 1,000) 2008

	Goodwill	Software	Other	Total
Cost				
Balance at 1 January 2008	382,040	72,907	7,314	462,261
Acquisitions through business combinations	66,691	425	8,596	75,712
Adjustments prior period	9,339	-	-	9,339
Purchase of intangible assets	-	869	12	881
Internally developed intangible assets	-	7,089	-	7,089
Effect of movements in foreign exchange rates	(39,107)	(1,353)	(369)	(40,829)
Balance at 31 December 2008	418,963	79,937	15,553	514,453
Amortisation and impairment losses				
Balance at 1 January 2008	442	51,050	3,182	54,674
Acquisitions through business combinations*	-	341	-	341
Amortisation of intangible assets	-	7,826	1,191	9,017
Effect of movements in foreign exchange rates	-	(1,527)	(182)	(1,709)
Balance at 31 December 2008	442	57,690	4,191	62,323
Carrying amount				
At 1 January 2008	381,598	21,857	4,132	407,587
At 31 December 2008	418,521	22,247	11,362	452,130

Including fair value adjustments.

In 2009 significant amounts were spent on research which have been recognised in profit or loss, the same applies for 2008. Reference is made to paragraph 5.9.2 where it is explained that it is not feasible to properly determine the aggregate amount of research and development expenditure recognised as an expense in the period.

5.36.1 Impairment loss and subsequent reversal

The Company has not incurred nor reversed any impairment losses.

5.37 Impairment tests for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to cash generating units which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and which is not higher than the Group's operating segments as reported in note 5.25. The aggregate carrying amounts of goodwill are allocated to the following groups of cash generating units:

(EUR x 1,000)	2009	2008
Geotechnical	65,647	57,726
Survey	203,391	188,225
Geoscience	190,707	172,570
Total	459,745	418,521

The recoverable amounts of the cash generating units that carry goodwill are determined on calculations of value in use. Value in use was determined by discounting the expected future cash flows from the continuing use of the units. Unless indicated otherwise, value in use in 2009 was determined similarly as in 2008.

The calculation of the value in use was based on the following key assumptions:

- The period for the discounted cash flow calculations is in principle indefinite. However the Group has set the period at fifty years, subject to periodic evaluation, for the following reasons. About 75% of the Group's activities relate to the oil and gas industry. The services are in principle of such a nature that our clients use us to help them to explore and extract hydrocarbon and mineral resources. Experts are without doubt that these resources will continue to be available to mankind for many decades and their reports indicate periods between fifty and hundred years. The Group recognises that harnessing alternative means of energy, like wind, nuclear and hydro electric energy will continue. These sources however have limited output and will be difficult to transport.
- Cash flows in the first year of the forecast are based on the approved profit plan. The anticipated annual revenue growth for following years has been based on average growth levels ranging from 0 to 3.5%.
- The pre-tax discount rate used to discount the pre-tax cash flows used for impairment testing purposes is determined through an iterative calculation method using the projected post-tax cash flows, expected tax rate for the respective cash generating unit and post-tax discount rate for the Group. The weighted average pre-tax discount rate for the Group is 10.8% (2008: 9.5%).

The key assumptions and the approach to determine their value are the growth rates that are based on analysis of the long-term market price trends in the oil and gas industry adjusted for actual experience.

The carrying amounts of the units remain below the recoverable amounts and as such no impairment losses are accounted for. Future adverse changes in the assumptions could however reduce the recoverable amounts below the carrying amount. As at 31 December 2009 cumulative impairment losses of EUR 442 thousand (2008: EUR 442 thousand) have been recognised.

5.38 Investments in equity accounted investees

The carrying amount of the equity accounted investees of the Group can be summarised as follows:

(EUR x 1,000)	2009	2008
Equity accounted investees	1,359	1,293

The Group's share in realised profit in the above mentioned equity accounted investees amounted to EUR 422 thousand positive in 2009 (2008: EUR 102 thousand negative).

In 2009 and 2008 the Group did not receive dividends from any of its investments in equity accounted investees or other investments.

5.39 Other investments

The Group holds the following other investments:

(EUR x 1,000)	2009	2008
Other investments in equity instruments	1,095	1,109
Long-term loans	13,177	-
Financial assets at fair value through profit or loss	5,129	-
Available for sale financial assets	2,653	330
Other long-term receivables	1,487	1,514
	23,541	2,953

The Group has the following other investments in equity instruments accounted for at cost:

Name of the company		Owner-					Profit/
(EUR x 1,000)	Country	ship	Assets	Liabilities	Equity	Revenue	loss
La Coste & Romberg-Scintrex, Inc.	Canada	11%	16,482	8,621	7,861	16,276	2,031

The Group's other investments in equity instuments are not listed. A reliable fair value estimate can not be made.

The Group has provided a long-term convertible loan to Electro Magnetic GeoServices ASA. The conversion feature has been accounted for as financial asset at fair value through profit or loss.

The fair value of the available for sale financial assets is based with reference to quoted prices on the Australian Stock Exchange.

5.40 Deferred tax assets and liabilities

5.40.1 Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following items:

(R x 1,000) Assets		Assets	Liabilities		es N		Liabilities	
	2009	2008	2009	2008	2009	2008		
Property, plant and equipment	7,828	4,720	(4,812)	(3,995)	3,016	725		
Intangible assets	261	234	(7,243)	(6,055)	(6,982)	(5,821)		
Other investments	5,132	4,469	-	-	5,132	4,469		
Loans and borrowings	-	1,244	(1,650)	(31)	(1,650)	1,213		
Employee benefits	20,006	14,495	-	-	20,006	14,495		
Provisions	4,290	8,454	(1,698)	(55)	2,592	8,399		
Tax value of recognised loss carry-forwards	701	1,215	-	-	701	1,215		
Exchange differences	425	640	-	(462)	425	178		
Other items	1,785	1,329	(6,472)	(888)	(4,687)	441		
Deferred tax assets/(liabilities)	40,428	36,800	(21,875)	(11,486)	18,553	25,314		
Set off of tax components	(14,751)	(10,511)	14,751	10,511	-	-		
Net deferred tax asset/(liability)	25,677	26,289	(7,124)	(975)	18,553	25,314		

The recognised deferred tax assets are dependent on future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences.

(EUR x 1,000) 2009

	Balance 01-01-09	Acquisi- tions	Recog- nised in profit or loss	Recog- nised in other compre- hensive income	Balance 31-12-09
Property, plant and equipment	725	(232)	2,523	_	3,016
Intangible assets	(5,821)	(362)	(799)	-	(6,982)
Other investments	-	-	663	-	663
Loans and borrowings	1,213	-	594	(3,457)	(1,650)
Employee benefits	14,495	(273)	1,740	4,044	20,006
Provisions	12,868	-	(5,807)	-	7,061
Tax value of recognised loss carry-forward	1,215	-	(514)	-	701
Exchange differences	178	-	(1,755)	2,002	425
Other items	441	(311)	(4,817)	-	(4,687)
	25,314	(1,178)	(8,172)	2,589	18,553

(EUR x 1,000) 2008

	Balance 01-01-08	Acquisi- tions	Recog- nised in profit or loss	Recog- nised in other compre- hensive income	Balance 31-12-08
Property, plant and equipment	5,916	21	(5,212)	_	725
Intangible assets	(3,014)	-	(2,807)	-	(5,821)
Loans and borrowings	(772)	-	597	1,388	1,213
Employee benefits	8,353	47	(2,955)	9,050	14,495
Provisions	7,684	3	5,181	-	12,868
Tax value of recognised loss carry-forward	551	-	664	-	1,215
Exchange differences	(1,020)	-	2,985	(1,787)	178
Other items	(147)	(19)	607	-	441
	17,551	52	(940)	8,651	25,314

5.40.2 Unrecognised deferred tax assets and liabilities

Deferred tax have not been recognised in respect of the following items:

Unrecognised deferred tax assets

(EUR x 1,000)	2009	2008
Deductible temporary differences	1,624	1,650
Tax losses	16,860	9,907
Capital allowances	3,227	3,310
Total	21,711	14,867

Unrecognised deferred tax assets relate to tax unities previously suffering losses for which it is currently not probable that sufficient fiscal results will become available in the future to offset these losses, taking into account fiscal restrictions on the utilisation of loss compensation.

Unrecognised tax assets changed over the period as follows:

Unrecognised deferred tax assets

(EUR x 1,000)	2009	2008
As of 1 January	14,867	24,738
Movements during the period:		
Additional losses	8,748	922
Utilisation	(439)	(4,634)
Recognition of previously unrecognised temporary differences	(773)	-
Recognition of previously unrecognised tax losses	(1,208)	(700)
Effect of change in tax rates	(56)	(739)
Exchange rate differences	1,139	(3,055)
Change from reassessment	(567)	(4,787)
Resulting from acquisitions	-	3,122
As of 31 December	21,711	14,867

Reassessment of tax compensation opportunities under applicable tax regulations has resulted in a decrease of unrecognised deferred tax assets of EUR 0.6 million (2008: EUR 4.8 million decrease).

Of the total recognised and unrecognised deferred tax assets in respect of tax losses carried forward an amount of EUR 797 thousand expires in periods varying from two to five years. An amount of EUR 1,155 thousand expires between five and ten years and an amount of EUR 15,609 thousand can be offset indefinitely. The deductible temporary differences and capital allowances do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items, because it is not probable that future taxable profit will be available against which the Group can utilise these benefits.

Based on forecasted results per tax jurisdiction, management considered it probable that sufficient future taxable profit will be generated to utilise deferred tax assets depending on taxable profits in excess of the profits arising from the reversal of existing temporary differences.

Unrecognised deferred tax liabilities

At 31 December 2009 no deferred tax liabilities relating to an investment in a subsidiary have been recognised (2008: nil), because the Group controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

In some of the countries where the Group operates, local tax laws provide that gains on disposal of certain assets are tax exempt, provided that the gains are not distributed. The company does not intend to distribute such gains, therefore no tax liabilities are recognised in this respect.

5.41 Inventories

(EUR x 1,000)	2009	2008
Seismic data libraries	68,511	27,208
Other inventories	12,123	12,525
	80,634	39,733

Seismic data libraries

Seismic data libraries are stated at net realisable value. During 2009 EUR 63,987 thousand (2008: EUR 55,338 thousand) of seismic data libraries were recorded in third party costs.

Other inventories

During 2009 EUR 19,936 thousand (2008: EUR 19,705 thousand) of other inventories were recognised as an expense and EUR 136 thousand (2008: EUR 119 thousand) was written down. The write down is included in third party costs.

5.42 Trade and other receivables

(EUR x 1,000)	2009	2008
Unbilled revenue on completed projects	154.406	122 202
1 1 2	154,426	132,383
Trade receivables	328,403	421,759
Non-trade receivables	86,924	63,871
Work in progress	2,257	1,220
Trade receivables due from equity accounted investees	-	136
	572,010	619,369

Unbilled revenue on completed projects include aggregate costs and recognised profits, net of recognised losses for all contracts in progress for which this amount exceeds progress billings.

At 31 December 2009 trade receivables include retentions of EUR 7.3 million (2008: EUR 4.6 million) relating to completed projects.

Trade receivables are shown net of impairment losses amounting to EUR 41.9 million (2008: EUR 51.7 million) arising from identified doubtful receivables from customers. Trade receivables were impaired taking into account the financial position of the debtors, the days outstanding and expected outcome of negotiations and legal proceedings against debtors. Unbilled revenue on completed projects is shown net of impairment losses amounting to EUR 5.0 million (2008: EUR 5.0 million).

For detailed information on the credit risk of trade receivables reference is made to note 5.51.

5.43 Cash and cash equivalents

(EUR x 1,000)	2009	2008
Cash and cash equivalents	107,795	113,286
Bank overdraft	(167,556)	(194,580)
Cash and cash equivalents in the consolidated statement of cash flows	(59,761)	(81,294)

At 31 December 2009 and 31 December 2008 all cash and cash equivalents are freely available to the Group.

5.44 Total equity

5.44.1 Share capital

(In thousands of shares) Ordinary shares

	2009	2008
On issue and fully paid at 1 January	76,608	70,421
Convertible converted into ordinary shares	-	5,158
Stock dividend 2008 respectively 2007	2,165	1,029
Repurchased for option programme at year-end	(1,219)	(1,470)
On issue and fully paid at 31 December – entitled to dividend	77,554	75,138

At 31 December 2009 the authorised share capital comprised 320 million ordinary shares (2008: 320 million). As at 31 December 2009 and 2008 no preference shares have been issued. The shares have a par value of EUR 0.05. In 2009 certificates of shares have been issued by Fugro Trust Office ('Stichting Administratiekantoor Fugro') for 2,164,520 shares (2008: 6,186,515). The holders of ordinary shares are entitled to receive dividends as approved by the Annual General Meeting of Shareholders from time to time and are entitled to one vote per share at meetings of the Company. The holders of certificates of shares are entitled to the same dividend but are not entitled to voting rights. As per 31 December 2009 the Board of Management proposes a dividend to be paid out of EUR 1.50 (2008: EUR 1.50) per (certificate of) share or in the form of (certificates of) shares. This dividend proposal is currently part of unappropriated result. The Group has not issued preference shares.

5.44.2 Share premium

The share premium can be considered as paid in capital.

5.44.3 Translation reserve

The Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

5.44.4 Hedging reserve

The Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

5.44.5 Reserve for own shares

The Company has, in view of its option programme repurchased 550,000 (certificates of) shares during the year under review with an average share price of EUR 22.49 (2008: 1,581,000 certificates with an average share price of EUR 47.92). Further 800,920 (certificates of) shares were sold with an average share price of EUR 35.84 following the exercise by the option holders (2008: 654,020 (certificates of) shares at EUR 42.13). As per the end of the year under review the Company holds 1,218,776 (certificates of) shares (2008: 1,469,696). The number of (certificates of) shares held by the Company at the end of the year under review amounts to 1.5% of the issued and paid up capital (2008: 1.9%).

5.44.6 Unappropriated result

After the reporting date the following dividends were proposed by the Board of Management. There are no corporate income tax consequences related to this proposal.

(EUR x 1,000)	2009	2008
EUR 1.50 per qualifying (depositary receipt for a) share (2008: EUR 1.50)	116,331	112,707
	116,331	112,707

5.45 Earnings per share

The basic earnings per share for 2009 amounts to EUR 3.46 (2008: EUR 3.88); the diluted earnings per share amount to EUR 3.42 (2008: EUR 3.73).

The calculation of basic earnings per share at 31 December 2009 was based on the profit attributable to owners of the Company of EUR 263,410 thousand (2008: EUR 283,412 thousand) and a weighted average number of shares outstanding during the year ended 31 December 2009 of 76,210 thousand (2008: 73,048 thousand), calculated as follows:

5.45.1 Basic earnings per share

Profit attributable to owners of the Compan	Profit	attributable	to owners	of the	Company
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(EUR x 1,000)	2009	2008
Profit for the period	273,065	289,456
Non-controlling interest	(9,655)	(6,044)
Profit attributable to owners of the Company	263,410	283,412
Weighted average number of ordinary shares		
(In thousands of shares)	2009	2008
On issue and fully paid at 1 January	75,138	69,879
Effect of own shares held	(427)	(1,153)
Effect of shares issued due to exercised option rights	227	291
Effect of shares issued due to optional dividend	1,272	604
Effect of conversion convertible loan	-	3,427
Weighted average number of ordinary shares at 31 December	76,210	73,048

5.45.2 Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2009 was based on diluted profit attributable to owners of the Company of EUR 263,410 thousand (2008: EUR 284,601 thousand) and a diluted weighted average number of ordinary shares outstanding during the year ended 31 December 2009 of 77,002 thousand (2008: 76,401 thousand), calculated as follows:

Net profit attributable to owners of the Company (diluted)

(EUR x 1,000)	2009	2008
Profit attributable to owners of the Company After-tax effect of interest on convertible notes	263,410 -	283,412 1,189
Profit attributable to owners of the Company (diluted)	263,410	284,601

Weighted average number of ordinary shares (diluted)

(In thousands of shares)	2009	2008
Weighted average number of ordinary shares at 31 December	76,210	73,048
Effect of conversion of convertible notes outstanding	-	1,731
Effect of share options on issue	792	1,622
Weighted average number of ordinary shares (diluted) at 31 December	77,002	76,401

5.46 Loans and borrowings

This note provides information about the contractual terms of the Group's loans and borrowings which are measured at amortised cost. For more information about the Group's exposure to currency risk and interest rate risk, refer to note 5.53 and 5.54.

2009

2008

N	on-c	urrent	liabilities
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(EUR x 1,000)

(LORA 1,000)							2000
Bank loans				343,889			290,000
Private Placement loans in USD				82,376			84,718
Private Placement loan in EUR				20,000			20,000
Mortgage loans				6,234			7,260
Other loans and long-term borrowings				14,666			19,891
Subtotal				467,165			421,869
Less: current portion of loans and borrowi	ings			25,826			26,485
				441,339			395,384
(EUR x 1,000)	Currency	Nominal interest rate	Year of maturity	Face value	2009 Carrying value	Face value	2008 Carrying value
		EURIBOR					
Bank loans	EUR	+180 bps	2010-2013	345,000	343,889	290,000	290,000
Private Placement loans:							
44 million USD bonds	USD	6.85%	2012	30,360	30,219	31,240	31,064
39 million USD bonds	USD	6.95%	2014	26,910	26,769	27,690	27,533
37 million USD bonds	USD	7.10%	2017	25,530	25,388	26,270	26,121
20 million Eurobonds	EUR	6.45%	2012	20,000	20,000	20,000	20,000
Mortgage and other loans and long-term							
borrowings	Variable	4.22%	2010-2012	20,900	20,900	27,151	27,151
				468,700	467,165	422,351	421,869

The mortgage loans are secured over land and buildings with a carrying amount of EUR 8 million (2008: EUR 9 million).

5.46.1 Credit facilities

In 2005 a revolving credit facility was agreed with ABN AMRO Bank N.V. and Rabobank of EUR 200 million for a five years term. The interest rate was Euribor plus 30 base points. Per 3 November 2009 the facility has been settled.

In 2008 agreement was reached with Rabobank and ING Groep N.V. Both offer a revolving facility of EUR 100 million. The facilities are for respectively five and two years. Per 3 November 2009 the facility of ING Groep N.V. has been extended until 1 April 2012. The Rabobank facility is repaid in quarterly installments of EUR 5 million.

Per 3 November 2009 revolving credit facilities were agreed with ABN AMRO Bank N.V. (EUR 100 million), Rabobank (EUR 100 million) en BNP Paribas (EUR 50 million) maturing 1 April 2012.

The average interest rate of the new and renewed facilities per 3 November 2009 is Euribor plus 180 base points. At 31 December 2009 a total amount of EUR 345 million of the credit facilities was in use.

5.46.2 Private Placement loans

In May 2002 long-term loans were concluded with twenty American and two British institutional investors. As per 8 May 2007 the Group terminated a Cross Currency Swap (foreign exchange contract related to the US Dollar exposure of the loans). The cumulative exchange differences as per termination date have been added to equity (Hedging reserve) and are being charged to profit or loss account during the remaining term of the loan. This resulted during 2009 in a cost of EUR 1,034 thousand (2008: EUR 1,032 thousand).

At reporting date the loans are valued at the closing rate. The currency exchange difference on the loans between the initial exchange rate and the exchange rate at the reporting date is accounted for in the Translation reserve. For the year under review the currency exchange differences on loans in US dollars amount to EUR 2,400 positive (2008: EUR 3,600 thousand negative).

5.46.3 Covenant requirements

Both the credit facilities as well as the Private Placement loans contain covenant requirements which can be summarised as follows:

- Equity > EUR 200 million (only applicable to Private Placement loans)
- EBITDA/Interest > 2.5
- Debt/EBITDA < 3.0
- Solvency > 30% (only applicable to credit facilities agreed per 3 November 2009)
- Consolidated Financial Indebtedness of the Subsidiaries (only applicable to Private Placement loans) < 15% of the consolidated balance sheet total.

At the twelve month rolling forward measurement dates in 2009 and 2008, the Company complied with the above conditions.

5.46.4 Mortgage and other loans and long-term borrowings

The average interest rate on mortgage loans and other loans and long-term borrowings over one year amounts to 4.2% (2008: 4.2%).

5.46.5 Change of control provisions

A change of control of Fugro N.V. could lead to early repayment of the credit facilities (5.46.1) and Private Placement loans (5.46.2).

5.47 Employee benefits

(EUR x 1,000)	2009	2008
Present value of funded obligations	244,362	190,269
Fair value of plan assets	(179,643)	(143,757)
Recognised net liability for defined benefit obligations	64,719	46,512
Liability for long service leave	7,863	5,976
Total employee benefits	72,582	52,488

The Group makes contributions to a number of pension plans, both defined benefit plans as well as defined contribution plans, that provide pension benefits for employees upon retirement in a number of countries. The most important plans relate to plans in the Netherlands, United Kingdom, Norway and the United States; details of which are as follows:

- In the Netherlands the Group provides for a pension plan based on average salary. This plan qualifies as a defined benefit scheme. The pension commitments from this scheme are fully insured on the basis of a guarantee contract. The scheme includes a (conditional) indexation of pension benefits as far as the return on the separated investments surpasses the actuarial required interest.
- In the United Kingdom the Group operates two defined benefit pension schemes considering either a guaranteed minimum pension or a maximum lump sum entitlement. The pension schemes have been closed in previous years for new participants, but include the on-going obligations to their members (both former and present employees). The pension scheme assets are held in separate Trustee-administered funds to meet long-term pension liabilities to former and present employees. The Trustees are required to act in the best interest of the scheme's participants and the appointment of trustees is determined by the scheme's trust documentation.
- In Norway a defined benefit pension plan exists that, combined with the available State pension plan, leads to a pension at the age of 67 years based on a defined maximum. The pension rights have been secured in an external pension insurance.
- In the United States of America the Group operates a 401K plan for its employees. The Group contributes towards the deposits of its employees in accordance with agreed rules and taking into account the regulations of the IRS, the US tax authority. This plan qualifies as a defined contribution plan.

Liability for defined benefit obligations

Plan assets consist of the following:

(EUR x 1,000)	2009	2008
Equity cognities	72,489	EE 109
Equity securities	•	55,198
Government bonds	84,909	74,985
Corporate bonds	8,500	-
Real estate	4,001	3,341
Cash	9,744	10,233
	179,643	143,757

Movements in the liability for funded benefit obligations		
(EUR x 1,000)	2009	2008
Defined benefit obligations at 1 January	190,269	209,738
Benefits paid by the plan	(2,854)	(1,492)
Current service costs and interest (see below)	17,826	16,517
Actuarial gains and losses recognised in other comprehensive income	29,096	(2,870)
Exchange rate differences	10,025	(31,624)
Defined benefit obligations at 31 December	244,362	190,269
Movement in plan assets		
(EUR x 1,000)	2009	2008
Fair value of plan assets at 1 January	143,757	185,917
Contributions paid into the plan	8,778	9,273
Benefits paid by the plan	(2,854)	(1,492)
Expected return on plan assets	8,703	10,872
Actuarial gains and losses recognised in other comprehensive income	14,603	(35,150)
Exchange rate differences	6,656	(25,663)
Fair value of plan assets at 31 December	179,643	143,757
Expenses recognised in profit or loss		
(EUR x 1,000)	2009	2008
Current service costs	6,237	5,132
Interest on obligation	11,589	11,385
	17,826	16,517
Expected return on plan assets	(8,703)	(10,872)
	9,123	5,645
The expenses are recognised in the following line items in the statemen (EUR \times 1,000)	t of comprehensive income:	2008
Personnel expenses	9,123	5,645
Actual return on plan assets		
(EUR x 1,000)	2009	2008
Actual return on plan assets	23,306	(24,278)

Actuarial gains and losses recognised directly in other comprehensive income

(EUR x 1,000)	2009	2008
Cumulative amount at 1 January	(17,826)	16,721
Recognised during the year	(14,493)	(32,279)
Exchange variances	(1,595)	(2,268)
Cumulative amount at 31 December	(33,914)	(17,826)

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as a range of weighted averages):

2009	2008
1.4 - 5.7%	4.3 - 6.3%
5.0 - 7.45%	5.0 - 7.3%
2.0 - 4.25%	2.0 - 4.5%
n/a	n/a
2.0 - 4.0%	2.0 - 3.1%
	2.4 - 5.7% 0.0 - 7.45% 0.0 - 4.25% n/a

The financial effects of differences between the actuarial assumptions and actuals for the pension liability and plan assets are included in the actuarial gains and losses.

Assumptions regarding future mortality are based on published statistics and mortality tables:

Netherlands: Generation table 2005-2050. For men and women, an age correction of (-1:-1) is applied.

United Kingdom: PxA (00) rated + 2, by year of 1 birth with long coherent improvements.

Norway: K2005

The calculation of the defined benefit obligation is sensitive to the mortality assumptions. As the actuarial estimates of mortality continue to be refined, an increase of one year in the lives is considered reasonably possible in the next financial year. The effect of this change would be an increase in the employee benefit liability by EUR 4.8 million.

The overall expected long-term rate of return on assets is 6%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

Historical information

(EUR x 1,000)	2009	2008	2007	2006	2005
Present value of the defined obligation	244.362	190,269	209,738	216.474	208,115
Fair value of plan assets	179,643	143,757	185,917	183,207	165,618
			·		
Deficit in the plan	(64,719)	(46,512)	(23,821)	(33,267)	(42,497)
Pomonion on a disease and a minimum on along the little	1260	(1.002)	(14.204)	1 022	2.006
Experience adjustments arising on plan liabilities	1,269	(1,982)	(14,204)	1,932	2,996
Experience adjustments arising on plan assets	14,603	(35,150)	(4,358)	(813)	10,248

The estimated planned contributions 2010 amount to EUR 8.8 million (estimate 2009: EUR 9.2 million).

5.48 Provisions

(EUR x 1,000)			2009			2008
	Restruc- turing	Proce- dures	Total	Restruc- turing	Proce- dures	Total
Balance at 1 January	137	13,018	13,155	373	15,905	16,278
Provisions made during the year	_	1,050*	1,050	_	4,818*	4,818
Provisions used during the year	(101)	(461)	(562)	(236)	-	(236)
Provisions reversed during the year	-	(7,403)	(7,403)	-	(7,705)	(7,705)
Balance at 31 December	36	6,204	6,240	137	13,018	13,155
Non-current	36	6,204	6,240	137	13,018	13,155

Including accrued interest.

Procedures

The Group is involved in several legal proceedings in various jurisdictions (including the USA) as a result of its normal business activities, either as plaintiffs or defendants in claims. The Board of Management ensures that these cases are vigorously defended. The Group has set up adequate provisions for those claims where management believes it is probable that a liability has been incurred and the amount is reasonably estimable. These provisions are reviewed periodically and adjusted if necessary. Considering the expected duration of the (legal court) proceedings, management does not expect the legal actions, for which a provision has been set-up, to be completed within the next year. The expected outflows of economic benefits have been discounted at a rate of 4.5%, and are based on managements best estimate. Final settlements can differ from this estimate, and could require revisions to the estimated provisions. In 2009, the Company settled a number of claims without incurring costs. Consequently part of the provision for procedures has been reversed.

5.49 Trade and other payables

(EUR x 1,000)	2009	2008
Trade payables	74,249	98,322
Advance instalments to work in progress	32,527	16,276
Foreign exchange contracts	-	1,482
Non-trade payables and accrued expenses	243,267	279,440
Balance at 31 December	350,043	395,520

5.50 Financial risk management

5.50.1 Overview

The Company's risk management policy includes the long-term sustainable management of its business activities and where possible, the mitigation of the associated business risks. Based on the nature and relative significance of the risks related to the Group's wide diversity of markets, clients and regions and its broad portfolio of activities the risks have been quantified to the extent possible.

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Board of Management has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their role and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by internal audit. Both regular and ad hoc reviews of risk management controls and procedures are performed, the results of which are reported directly to the Board of Management and Executive Committee. A summary of important observations is reported to the Audit Committee.

5.50.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and countries in which the customers are located. As the Group operates to a large extent in the oil and gas industry a significant portion of trade and other receivables relates to clients from this industry.

Some of the Group's orders are awarded on the basis of long-term preferred supplier agreements. In the course of a year the Company often carries out multiple projects for the same client. The projects carried out for any single client do not, however, account for more than 4% on an annual basis of the total revenue. Having a large number of clients and short project time spans mitigates the Company's credit risk as the individual amounts receivable with the same client are limited.

New customers are analysed individually for creditworthiness before payment and delivery terms and conditions are offered. The Group's review may include external ratings, where available, and in some cases bank references. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis or have to provide a bank guarantee.

The majority of the Group's customers has done business with the Group for many years and significant losses have only occurred incidentally in prior years. However, as a result of the expected negative effects of the current worldwide economic crisis the credit risk has increased significantly. Customers that are known to have negative credit characteristics are individually monitored by the group controllers. Findings are reported on a bi-weekly basis to the Board of Management. If customers fail to pay timely the Group re-assesses the creditworthiness and stronger debt collection is started if deemed necessary. The Group publishes an internal list of customers that need extra attention before a contract is closed.

The Board of Management reviews frequently the effects of the crisis on the outstanding trade receivables. Local management is requested to take additional precaution in working with affected clients.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures for clients or countries, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics.

Guarantees

In principle the Company does not provide parent company guarantees to its subsidiaries, unless significant commercial reasons exist. The Company has deposited declarations of joint and several liability for a number of subsidiaries at the Chambers of Commerce. The Company has deposited a list with the Chamber of Commerce, which includes all financial interests of the Group in subsidiaries as well as a reference to each subsidiary for which such a declaration of liability has been deposited. At 31 December 2009 and at 31 December 2008 no significant guarantees were outstanding.

5.50.3 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors cash flow on a regular basis. Consolidated cash flow information including a six months projection is reported on a monthly basis to the Executive Committee, ensuring that the Group has sufficient cash on demand (or available lines of credit) to meet expected operational expenditures for the next half-year, including the servicing of financial obligations from lease commitments not included in the statement of financial position and investment programs in vessels. Cash flows exclude the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters and currently unpredictable further negative consequences resulting from the current worldwide economic crisis. The Group maintains the following lines of credit:

- Revolving line of credit with ABN AMRO Bank N.V., ING Groep N.V. and Rabobank of each EUR 100 million maturing on 1 April 2012. The average interest rate is currently EURIBOR plus 180 base points. At 31 December 2009 (EUR 275 million) and 2008 (EUR 275 million) the facilities are almost fully drawn.
- Revolving line of credit with BNP Paribas of EUR 50 million maturing on 1 April 2012. The average interest rate is currently EURIBOR plus 185 base points. The facility has not been used at year-end 2009.
- Revolving lines of credit with Rabobank as of 31 December 2009 of EUR 100 million, maturing in May 2013.
 The Rabobank facility is fully drawn at 31 December 2009. The facility is being repaid in equal quarterly instalments.
- A variety of unsecured overdraft facilities in various currencies totalling around EUR 425 million of which EUR 62.3 million has been drawn at 31 December 2009 (2008: around EUR 300 million with EUR 123.5 million drawn).

5.50.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The global nature of the business of the Group exposes the operations and reported financial results and cash flows to the risks arising from fluctuations in exchange rates. The Group's business is exposed to currency risk whenever it has revenues in a currency that is different from the currency in which it incurs the costs of generating those revenues. In the case that the revenues can be offset against the costs incurred in the same currency, the balance may be affected if the value of the currency in which the revenues and costs are generated varies relative to the Euro. This risk exposure primarily affects those operations of the Group that generate a portion of their revenue in foreign currencies and incur their costs primarily in Euros.

Cash inflows and outflows of the operating segments are offset if they are denominated in the same currency. This means that revenue generated in a particular currency balance out costs in the same currency, even if the revenues arise from a different transaction than that in which the costs are incurred. As a result, only the unmatched amounts are subject to currency risk.

To mitigate the impact of currency exchange rate fluctuations, the Group continually assesses the exposure to currency risks and if deemed necessary a portion of those risks is hedged by using derivative financial instruments. The principal derivative financial instruments used to cover foreign currency exposure are forward foreign currency exchange contracts. Given the current investment program in vessels and the fact that the majority of the investments is denominated in US dollar, the Group is currently not using derivative financial instruments as positive cash flow in US dollar from operations is offset to a large extent by these investments.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily Euro and US dollar. This substantially provides an economic hedge and no derivatives are entered into.

The Group's investment in its subsidiaries in the United States of America is partly hedged by means of the US dollar Private Placement loans, which mitigates the currency risk arising from the subsidiary's net assets.

The hedge on the investment is fully effective. Consequently all exchange differences relating to this hedge have been accounted for in other comprehensive income.

Interest rate risk

The Group's liabilities bear both fixed and variable interests. The Group's objective is to limit the effect of interest rate changes on the results by matching long term investment with long term (fixed interest) financing as much as possible. The Group continuously considers interest rate swaps to limit significant (short term) interest exposures.

5.50.5 Capital Management

The Board of Management's policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business; the Board of Management manages only equity as capital. The Board of Management monitors the geographic spread of shareholders. The Board strives for a dividend pay-out ratio of 35 to 55% of the net result. The Board also strives to maintain a healthy financial position with a target solvency between 30 and 35%.

The Board of Management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a healthy return on shareholders' equity; the return was 24.9% (2008: 35.9%). In comparison the weighted average interest expense on interest-bearing borrowings was 3.7% (2008: 4.1%).

From time to time Fugro N.V. purchases its own certificates of shares on the market. The certificates of shares are intended to cover the option rights granted by Fugro N.V. Purchase and sale decisions are made on a specific transaction basis by the Board of Management. Fugro N.V. does not have a defined share buy-back plan.

There were no changes to the Group's approach to capital management during the year.

The Group is subject to the externally imposed capital requirements related to covenant requirements as set out in note 5.46.3. As per 31 December 2009 and 31 December 2008 the Group complied with all imposed external capital requirements.

5.51 Credit risk Exposure to credit risk (FUR x 1 000)

(EUR X 1,000)		Carrying amount
	2009	2008
Other investments in equity instruments	1,095	1,109
Available for sale financial assets	2,653	330
Long-term loans	13,177	-
Other long-term receivables	1,487	1,514
Unbilled revenue on completed projects	154,426	132,383
Trade receivables	328,403	421,759
Non-trade receivables	86,924	63,871
Trade receivables due from equity accounted investees	-	136
Cash and cash equivalents	107,795	113,286
	695,960	734,388

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets mentioned above. The Group holds collateral as security on the long-term loans.

The maximum exposure for trade receivables and unbilled revenue on completed contracts at the reporting date by geographic region was:

(EUR x 1,000)		Carrying amount
	2009	2008
Netherlands	44,512	47,686
Europe other	211,655	230,241
Africa	16,408	23,160
Middle East	55,763	68,438
Asia	45,634	43,024
Australia	33,956	47,783
Americas	74,901	93,946
	482,829	554,278

The maximum exposure for trade receivables and unbilled revenue on completed contracts at the reporting date by type of customer was:

(EUR x 1,000)		Carrying amount
	2009	2008
Oil and gas	340,392	397,632
Infrastructure	99,217	90,517
Mining	14,480	18,570
Other	28,740	47,559
	482,829	554,278

Impairment losses

The ageing of trade receivables and unbilled revenue on completed contracts at the reporting date was:

- As of 31 December 2009, trade receivables and unbilled revenue on completed projects of EUR 482,829 thousand (2008: EUR 554,278 thousand) were fully performing.
- As of 31 December 2009, trade receivables of EUR 110,954 thousand (2008: EUR 147,570 thousand) were past
 due but not impaired. These relate to a number of independent customers for whom there is no recent history
 of default. The average credit term for these trade receivables is 30 days.
- As of 31 December 2009, trade receivables and unbilled revenue on completed projects of EUR 46,921 thousand (2008:EUR 56,709 thousand) were impaired and provided for.

The individually impaired receivables mainly relate to customers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of trade receivables and unbilled revenue on completed projects is as follows:

(EUR x 1,000)		2009		2008
	Gross	Impair- ment	Gross	Impair- ment
From 0 to 30 days	376,875	5,000	411,708	5,000
From 31 to 60 days	62,566	1,546	90,863	3,287
From 61 to 90 days	25,862	6,543	46,222	7,892
Over 90 days	56,609	31,376	55,041	35,107
Retentions and special items	7,838	2,456	7,153	5,423
	529,750	46,921	610,987	56,709

The movement in the allowance for impairment in respect of trade receivables and unbilled revenue on completed contracts during the year was as follows:

(EUR x 1,000)	2009	2008
Balance at 1 January	56,709	31,610
Impairment loss recognised	2,344	31,337
Impairment loss reversed	(11,072)	(3,577)
Trade receivables written off	(1,353)	(1,168)
Acquired through business combinations	-	79
Exchange differences	293	(1,572)
Balance at 31 December	46,921	56,709

The allowance accounts in respect of trade receivables and unbilled revenue on completed contracts are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amount considered irrecoverable is written off directly against the allowance.

No impairments related to other financial assets than trade receivables and unbilled revenue on completed contracts is recognised. In general, the Group considers credit risk on other receivables and cash and cash equivalents to be limited. Cash and cash equivalents are held with large well known banks with adequate credit ratings only.

In 2008 an allowance for impairment in respect of trade receivables and unbilled revenue on completed contracts of EUR 20 million was recognised, related to the wordwide economic crisis. In 2009 approximately EUR 2 million of this provision was used.

5.52 Liquidity risk

The following are the contractual cash flows (excluding interest payments) of financial liabilities:

(EUR x 1,000)							2009
	Carrying amount	Contrac- tual cash flows	6 months or less	6 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
Bank loans	343,889	345,000	10,000	10,000	39,630	284,259	-
Private Placement loans:							
44 million USD bonds	30,219	30,360	-	-	-	30,219	-
39 million USD bonds	26,769	26,910	-	-	-	26,769	-
37 million USD bonds	25,388	25,530	-	-	-	-	25,388
20 million Eurobonds	20,000	20,000	-	-	-	20,000	-
Mortgage and other loans							
and long-term borrowings	20,900	20,900	2,484	3,342	7,646	7,428	-
Trade and other payables	350,043	350,043	350,043	-	-	-	-
Bank overdraft	167,556	167,556	167,556	-	-	-	-
	984,764	986,299	530,083	13,342	47,276	368,675	25,388

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or for significantly different amounts.

(EUR x 1,000)

	Carrying amount	Contrac- tual cash flows	6 months or less	6 – 12 months	1 – 2 years	2 – 5 years	More than 5 years
Bank loans	290,000	290,000	10,000	10,000	240,000	30,000	-
Private Placement loans:							
44 million USD bonds	31,064	31,240	-	-	-	31,064	-
39 million USD bonds	27,533	27,690	-	-	-	-	27,533
37 million USD bonds	26,121	26,270	-	-	-	-	26,121
20 million Eurobonds	20,000	20,000	-	-	-	20,000	-
Mortgage and other loans							
and long-term borrowings	27,151	27,151	-	6,485	14,858	5,808	-
Trade and other payables	395,520	395,520	395,520	-	-	-	-
Bank overdraft	194,580	194,580	194,580	-	-	-	-
	1,011,969	1,012,451	600,100	16,485	254,858	86,872	53,654

5.53 Currency risk

The following significant exchange rates applied during the year:

(In EUR)	Average rate	Reporting date mid- spot rate
USD	0.72	0.69
GBP	1.13	1.13
NOK	0.115	0.121
CHF	0.66	0.67

Sensitivity analysis

A 10 percent strengthening of the Euro against the following currencies at 31 December would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

Effect in Euro thousands	Equity	Profit or (loss)
		(1000)
31 December 2009		
USD	(6,030)	(9,850)
GBP	(12,877)	(3,161)
NOK	(14,877)	(1,244)
CHF	(34,073)	(4,520)
31 December 2008		
USD	(8,532)	(8,386)
GBP	(26,013)	(4,130)
NOK	(15,811)	(8,784)
CHF	(32,126)	(3,389)

A 10 percent weakening of the Euro against the above currencies at 31 December would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

5.54 Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

(EUR x 1,000)		Carrying amount
	2009	2008
Fixed rate instruments		
Financial assets	13,177	-
Financial liabilities	(123,276)	(131,869)
Variable rate instruments		
Financial liabilities	(403,650)	(371,294)
	(513,749)	(503,163)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value through profit or loss hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

At 31 December 2009 it is estimated that a general increase of 100 basis points in interest rates would decrease the Group's profit before income tax by approximately EUR 4.0 million (2008: negative impact of EUR 3.7 million).

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2008.

(EUR x 1,000)	P	rofit or loss		Equity
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2009				
Variable rate instruments	(4,037)	4,037	-	-
Cash flow sensitivity (net)	(4,037)	4,037	-	-
31 December 2008				
Variable rate instruments	(3,713)	3,713	-	-
Cash flow sensitivity (net)	(3,713)	3,713	-	-

5.55 Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

(EUR x 1,000)		2009		2008
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss	5,129	5,129	-	-
Loans and receivables				
Trade receivables, unbilled revenue on completed projects				
and other receivables	572,010	572,010	619,369	619,369
Cash and cash equivalents	107,795	107,795	113,286	113,286
Long-term loans	13,177	13,177	_	-
Other long-term receivables	1,487	1,487	1,514	1,514
Available for sale financial assets				
Other investments in equity instruments*	1,095	1,095	1,109	1,109
Available for sale financial assets	2,653	2,653	330	330
Financial liabilities measured at amortised cost				
Bank loans	(343,889)	(343,889)	(290,000)	(290,000)
Mortgage and other loans and long-term borrowings	(20,900)	(20,900)	(27,151)	(27,151)
Private Placement loans in USD	(82,376)	(83,212)	(84,718)	(107,565)
Private Placement loans in EUR	(20,000)	(19,817)	(20,000)	(22,700)
Bank overdraft	(167,556)	(167,556)	(194,580)	(194,580)
Trade and other payables	(350,043)	(350,043)	(395,520)	(395,520)
Total	(281,418)	(282,071)	(276,361)	(301,908)
Unrecognised gains/(losses)		(653)		(25,547)

^{*} The other investments in equity instruments do not have a quoted market price in an active market. The fair value cannot be reliably measured by the Group.

Interest rates used for determining fair value

The Group uses the government yield curve as per the reporting date plus an adequate constant credit spread to discount financial instruments. The interest rates used are as follows:

Derivatives	2009	2008
Loans and borrowings	2.0 - 7.1%	2.0 - 7.1%
Leases	n/a	n/a
Receivables	n/a	n/a

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 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).

31 December 2009	Level 1 EUR 1,000	Level 2 EUR 1,000	Level 3 EUR 1,000	Total EUR 1,000
Available-for-sale financial assets	2,653	-	-	2,653
Financial assets at fair value through profit or loss	-	5,129	-	5,129
Total	2,653	5,129		7,782
31 december 2008	Level 1 EUR 1,000	Level 2 EUR 1,000	Level 3 EUR 1,000	Total EUR 1,000
Available-for-sale financial assets	330			330
Derivative financial liabilities	1,482			1,482

There have been no transfers from Level 2 to Level 1 in 2009 (2008: no transfers in either direction).

5.56 Commitments not included in the statement of financial position

5.56.1 Operating leases as lessee

Non-cancellable operating lease rentals are payable as follows:

(EUR x 1,000)	2009	2008
Less than one year	128,959	112,443
Between one and five years	256,356	276,237
More than five years	77,463	61,402
	462,778	450,082

The Group leases a number of offices and warehouse/laboratory facilities and vessels under operating leases. The leases typically run for an initial period of between three and ten years, with in most cases an option to renew the lease after that date. Lease payments are adjusted annually to reflect market rentals. None of the leases include contingent rentals.

The Group does, in principle, not act as a lessor.

5.56.2 Capital commitments

At 31 December 2009 the Group has contractual obligations to purchase property, plant and equipment for EUR 289.1 million (2008: EUR 402.6 million).

5.56.3 Contingencies

Some Group companies are, as a result of their normal business activities, involved either as plaintiffs or defendants in claims. Based on information presently available and management's best estimate the financial position of the Group is not likely to be significantly influenced by any of these matters. Should the actual outcome differ from the assumptions and estimates, the financial position of the Group would be impacted. Fugro N.V. and the Dutch operating companies form a fiscal unit for corporate tax. Each of the operating companies is severally liable for tax to be paid by all companies that belong to the fiscal unit.

5.57 Subsequent events

There are no subsequent events to report.

5.58 Related parties

5.58.1 Identity of related parties

The Group has a related party relationship with its subsidiaries, its equity accounted investees and its Directors and Executive Committee.

5.58.2 Transactions with Directors (Board of Management)

Directors of the Company control 0.5% of the voting shares of the Company. Directors also participate in the Group's share option programme (refer note 5.30.1).

The remuneration of the Board of Management for 2009 and 2008 is as follows:

(in EUR)	K.S. Wester			A. Jonkman		P. van Riel	A. Steenbakker		J. Rüegg*
	2009	2008	2009	2008	2009	2008	2009	2008	2009
Fixed salary Bonus with respect to	563,680	563,680	312,000	312,000	312,000	312,000	312,000	312,000	91,000
the previous year Pension costs (including disability	516,707	361,334	286,000	200,000	286,000	166,667	286,000	166,667	
insurance)	367,420	366,521	265,342	266,521	265,342	264,051	265,342	266,521	8,371
	1,447,807	1,291,535	863,342	778,521	863,342	742,718	863,342	745,188	99,371
Value of options granted	1,092,600	668,650	728,400	450,950	728,400	419,850	728,400	419,850	637,350
Total	2,540,407	1,960,185	1,591,742	1,229,471	1,591,742	1,162,568	1,591,742	1,165,038	736,721

J. Rüegg was appointed to the Board of Management as per 16 September 2009. The remuneration is disclosed as of this date.

The fringe benefits for the Board of Management are commensurate with the position held. The annual bonus is based upon the remuneration policy as adopted by the Annual General Meeting of Shareholders on 14 May 2008.

There are no guarantees or obligations towards or on behalf of the Board of Management. Hereunder the information of the options granted to members of the Board of Management is given on an individual basis.

Board of Management					Number of o	ption rights		In EUR		Number of months
	Year	Number at 01-01-09	Granted in 2009	Exercised in 2009	Forfeited in 2009	Number at 31-12-09	Exercise price	Share price at exercise day	Expiring date	Bonus ¹⁾
K.S. Wester	2003	108,000		108,000		_	10.20	33.43 2)	31-12-2009	4
	2004	108,000				108,000	15.35		31-12-2010	6
	2005	113,000				113,000	27.13		31-12-2011	7
	2006	125,000				125,000	36.20		31-12-2012	8
	2007	125,000				125,000	52.80		31-12-2013	8
	2008	107,500				107,500	20.485		31-12-2014	11
	2009		90,000			90,000	40,26		31-12-2015	10
Total	-	686,500	90,000	108,000	-	668,500				
A. Jonkman	2003	50,400		50,400		-	10.20	32.55 2)	31-12-2009	-
	2004	80,000				80,000	15.35		31-12-2010	6
	2005	85,000				85,000	27.13		31-12-2011	7
	2006	85,000				85,000	36.20		31-12-2012	8
	2007	85,000				85,000	52.80		31-12-2013	8
	2008	72,500				72,500	20.485		31-12-2014	11
	2009		60,000			60,000	40.26		31-12-2015	10
Total	-	457,900	60,000	50,400	_	467,500				
P. van Riel	2004-2005	82,400				82,400	22.56 2)		31-12-2011	-
	2006	75,000				75,000	36.20		31-12-2012	8
	2007	75,000				75,000	52.80		31-12-2013	8
	2008	67,500				67,500	20.485		31-12-2014	11
	2009		60,000			60,000	40.26		31-12-2015	10
Total	-	299,900	60,000	-	-	359,900				
A. Steenbakker	2005	50,400				50,400	27.13		31-12-2011	-
	2006	75,000				75,000	36.20		31-12-2012	8
	2007	75,000				75,000	52.80		31-12-2013	8
	2008	67,500				67,500	20.485		31-12-2014	11
	2009		60,000			60,000	40.26		31-12-2015	10
Total	-	267,900	60,000	-	-	327,900				
J. Rüegg	2005-2008	150,200				150,200	34.94 2)		31-12-2014	-
	2009		52,500			52,500	40.26		31-12-2015	10
Total	-	150,200	52,500	-	-	202,700				
Total	-	1,862,400	322,500	158,400	-	2,026,500				

¹⁾ Bonus in the book year; paid in the next year.

²⁾ Weighted average.

5.58.3 Executive Committee

The Group considers the Executive Committee, including the Board of Management, as key management personnel. In addition to their salaries, the Group also provides non-cash benefits to the Executive Committee, and contributes to their post-employment plan. The members of the Executive Committee also participate in the Group's share option programme.

Key management personnel compensation comprised:

(in EUR)	2009	2008
Fixed salary	2,773,917	2,208,030
Bonus with respect to the previous year	2,300,412	1,318,255
Pension costs (including disability insurance)	1,538,463	1,280,960
Value of options granted	5,913,650	2,836,800
	12,526,442	7,644,045

Mr. Meyer and Mr. Sommerville were appointed as members of the Excecutive Committee as per 1 January 2009.

5.58.4 Supervisory Board

The remuneration of the Supervisory Board is as follows:

(in EUR)	2009	2008
Fu Calaras Chairman	50,000	F0.000
F.H. Schreve, Chairman	68,000	70,000
F.J.G.M. Cremers, Vice-Chairman	48,000	48,000
J.A. Colligan	46,000	47,000
P.J. Crawford	16,138	46,000
M. Helmes	29,862	-
G-J. Kramer	46,000	46,000
Th. Smith	61,000	61,000
	315,000	318,000

There are no options granted and no assets available to the members of the Supervisory Board. There are no loans outstanding to the members of the Supervisory Board and no guarantees given on behalf of members of the Supervisory Board.

Below is a summary of the number of options to acquire Fugro N.V. ordinary shares that are held by Mr. G-J. Kramer. These share options were granted to Mr. Kramer when he was a member (CEO) of the Board of Management of Fugro N.V.

		Number of option rights				In EUR		
	Year	Number at 01-01-09	Exercised in 2009	Forfeited in 2009	Number at 31-12-09	Exercise price	Share price at exercise day	Expiring date
G-J. Kramer	2003	129,600	129,600		-	10.20	39.02	31-12-2009
	2004	129,600			129,600	15.35		31-12-2010
	2005	129,600			129,600	27.13		31-12-2011
Total		388,800	129,600	-	259,200			

Per 31 December 2009 Mr. Kramer held (in person and via Woestduin Holding N.V.) 4,309,784 (certificates of) ordinary shares in Fugro N.V.

5.58.5 Other related party transactions

5.58.5.1 Joint venture

The Group has not entered into any joint ventures.

5.59 Subsidiaries

5.59.1 Significant subsidiaries

For an overview of (significant) subsidiaries we refer to chapter 6.

5.60 Estimates and management judgements

Management discussed with the Audit Committee the development in and choice of critical accounting principles and estimates and the application of such principles and estimates.

Key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Deferred tax;
 - The assumptions used in recognition and measurement of deferred taxes are disclosed in note 5.40.
- Impairments;
 - Impairment analyses of goodwill are performed annually and whenever a triggering event has occurred to determine whether the carrying value exceeds the recoverable amount. These analyses are based on estimates of future cash flows. The accounting policies regarding impairments are included in note 5.15. Note 5.37 contains information about the key assumptions used to determine the recoverable amount of the various cash generating units. Note 5.41 contains information about the impairment of seismic data. The expected negative effect of the current worldwide economic crisis on credit risk is disclosed in notes 5.50.2 and 5.51. These notes contain information about the assumptions used relating to impairment of trade receivables, unbilled revenue on completed projects and other receivables.
- Assets and liabilities from employee benefits;
 Actuarial assumptions are established to anticipate future events and are used in calculating pension and other post retirement benefit expenses and liabilities. These factors include assumptions with respect to interest rates, expected investment returns on plan assets, rates of future compensation increases, turnover rates and life expectancy. Note 5.47 contains information about the (actuarial) assumptions related to employee benefits. Actuarial gains and losses related to defined benefit plans are accounted for in other comprehensive income.
- Other provisions, tax and other contingencies;
 Information on the assumptions used in estimating the effect of legal proceedings are included in note 5.48.

6 Subsidiaries and investments of Fugro N.V. accounted for using the equity method

(including statutory seat and percentage of interest)

Unless stated otherwise, the direct or indirect interest of Fugro N.V. in the entities listed below is 100%. Insignificant, but consolidated, subsidiaries in terms of third party recompense for goods and services supplied and balance sheet totals have not been included. The subsidiaries listed below have been fully incorporated into the consolidated annual accounts of Fugro N.V., unless indicated otherwise. Companies in which the Group participates but that are not included in the Group's consolidated annual accounts are indicated by a #.

The information as required by Articles 2:379 and 2:414 of the Netherlands Civil Code has been filed with the Commercial Registry in The Hague.

Company

Company	%	Office, Country
Fugro LADS Corporation Pty Ltd.		Mawson Lakes, Australia
Fugro Airborne Surveys Pty Ltd.		Perth, Australia
Fugro Geoteam Pty Ltd.		Perth, Australia
Fugro Holdings Australia Pty Ltd.		Perth, Australia
Fugro-Jason Australia Pty Ltd.		Perth, Australia
Fugro Multi Client Services Pty Ltd.		Perth, Australia
Fugro Seismic Imaging Pty Ltd.		Perth, Australia
Fugro Spatial Solutions Pty Ltd.		Perth, Australia
Fugro Survey Pty Ltd.		Perth, Australia
Fugro Subsea Services Australia Pty Ltd.		Perth, Australia
OmniSTAR Pty Ltd.		Perth, Australia
Fugro PMS Pty Ltd.		Sydney, Australia
Fugro Austria GmbH		Bruck an der Mur, Austria
Azeri-Fugro #	40%	Baku City, Azerbaijan
Fugro Survey GmbH (Caspian branch office)		Baku City, Azerbaijan
Fugro Engineers S.A.		Brussels, Belgium
Fugro In Situ Geotecnia Ltda.		Portao, Brazil
Fugro Brasil Ltda.		Rio de Janeiro, Brazil
Fugro Geosolutions Brasil Serviços Ltda.		Rio de Janeiro, Brazil
Geomag S/A Prospeccoes Aerogeofisicas	20%	Rio de Janeiro, Brazil
LASA Engenhariae Prospeccoes S.A.	20%	Rio de Janeiro, Brazil
Fugro Sdn Bhd. (Brunei)		Bandar Seri Begawan, Brunei Darussalam
Fugro Survey (Brunei) Sdn Bhd.		Kuala Belait, Brunei Darussalam
Fugro SESL Geomatics Ltd.		Calgary, Alberta, Canada
Fugro Data Solutions Canada, Inc.		Calgary, Alberta, Canada
Fugro Airborne Surveys, Corp.		Missisauga, Ontario, Canada
Fugro (Canada), Inc.		New Brunswick, Canada
Fugro Airborne Surveys, Corp.		Ottawa, Ontario, Canada
Fugro Roadware, Inc.		Paris, Ontario, Canada
Fugro Jacques GeoSurveys, Inc.	70%	St. John's, Newfoundland, Canada
Fugro Geoscience (Beijing) Ltd.		Beijing, China
Fugro Technical Services (Guangzhou) Ltd.		Guangzhou, China
Fugro Pacifica Qinhuangdao Co. Ltd.	90%	Qinhuangdao, China
Fugro Geotechnique Co. Ltd.	60%	Shanghai, China
China Offshore Fugro GeoSolutions		
(Shenzhen) Co. Ltd.	50%	Shekou, Shenzhen, China
Fugro Comprehensive Geotechnical		
Investigation (Zhejiang) Co. Ltd.		Zhejiang, China

Company	/0	Office, Country
Fugro Aerial Mapping A/S		Taastrup, Denmark
Fugro M.I.S.R.	75.5%	Caïro, Egypt
Fugro S.A.E.		Caïro, Egypt
Fugro Geoid S.A.S.		Jacou, France
Fugro France S.A.S.		Nanterre, France
Fugro Geotechnique S.A.		Nanterre, France
Fugro Topnav S.A.S.		Paris (Massy), France
Fugro Consult GmbH		Berlin, Germany
Fugro-OSAE GmbH		Bremen, Germany
Fugro Weinhold Engineering GmbH		Erkelenz-Holzweiler, Germany
Fugro-MAPS GmbH		Munich, Germany
Fugro HGN GmbH		Nordhausen, Germany
Fugro Certification Services Ltd.		Fo Tan, Hong Kong
Fugro Technical Services Ltd.		Fo Tan, Hong Kong
Geotechnical Instruments (Hong Kong) Ltd.		Fo Tan, Hong Kong
Fugro Geotechnical Services Ltd.		Fo Tan, Hong Kong
Fugro Shanghai (Hong Kong) Ltd.		Wanchai, Hong Kong
Fugro (Hong Kong) Ltd.		Wanchai, Hong Kong
Fugro Geosciences International Ltd.		Wanchai, Hong Kong
Fugro Holdings (Hong Kong) Ltd.		Wanchai, Hong Kong
Fugro Geospatial Services (Hong Kong) Ltd.		Wanchai, Hong Kong
Fugro Marine Survey International Ltd.		Wanchai, Hong Kong
Fugro SEA Ltd.		Wanchai, Hong Kong
Fugro Subsea Services Ltd.		Wanchai, Hong Kong
Fugro Survey International Ltd.		Wanchai, Hong Kong
Fugro Survey Ltd.		Wanchai, Hong Kong
Fugro Survey Management Ltd.		Wanchai, Hong Kong
MateriaLab Consultants Ltd.		Tuen Mun, Hong Kong
Fugro NexTerra Geophysics Pvt Ltd.		Kolkata, India
Fugro Geoscience India Pvt. Ltd.		Navi Mumbai, India
Fugro Geotech (Pvt) Ltd.		Navi Mumbai, India
Fugro Survey (India) Pvt Ltd.	90%	Navi Mumbai, India
P.T. Fugro Indonesia		Jakarta Selatan, Indonesia
Fugro Oceansismica S.p.A.		Rome, Italy
Fugro Japan Co., Ltd.		Tokyo, Japan
Fugro Kazakhstan LLC		Atyrau, Kazakhstan Republic
Fugro KazProject LLP		Atyrau, Kazakhstan Republic
Fugro-MAPS S.a.r.l.		Beirut, Lebanon

% Office, Country

Company	%	Office, Country
Fugro Geoscience GmbH		
(Libyan Branch Office)		Tripoli, Libya
UAB 'Fugro Baltic'		Vilnius, Lithuania
Fugro Eco Consult S.a.r.l.		Munsbach, Luxembourg
Fugro (Macau) Limitada Engenharia		
Geotecnica Macau		Macau, Macau
Fugro Technical Services (Macau) Ltd.		Macau, Macau
Fugro Geodetic (Malaysia) Sdn Bhd.	30%	Kuala Lumpur, Malaysia
Fugro Geosciences (Malaysia) Sdn Bhd.	30%	Kuala Lumpur, Malaysia
Fugro-Jason (M) Sdn. Bhd.	40%	Kuala Lumpur, Malaysia
Fugro Airborne Surveys Ltd.		Quatre-Bornes, Mauritius
Fugro Seastar Mauritius Ltd.		Quatre-Bornes, Mauritius
Fugro Survey Mauritius Ltd.		Quatre-Bornes, Mauritius
Fugro-Chance de Mexico S.A. de C.V.		Ciudad Del Carmen, Campeche, Mexico
Fugro Survey Mexico S.A. de C.V.		Ciudad Del Carmen, Campeche, Mexico
Geomundo S.A. de C.V.		Ciudad Del Carmen, Campeche, Mexico
Fugro C.I.S. B.V.		Leidschendam, The Netherlands
Fugro Data Solutions B.V.		Leidschendam, The Netherlands
Fugro Ecoplan B.V.		Leidschendam, The Netherlands
Fugro-Elbocon B.V.		Leidschendam, The Netherlands
Fugro Engineers B.V.		Leidschendam, The Netherlands
Fugro Ingenieursbureau B.V.		Leidschendam, The Netherlands
Fugro Intersite B.V.		Leidschendam, The Netherlands
Fugro-Jason Netherlands B.V.		Leidschendam, The Netherlands
Fugro Marine Services B.V.		Leidschendam, The Netherlands
Fugro Nederland B.V.		Leidschendam, The Netherlands
Fugro Robertson B.V.		Leidschendam, The Netherlands
Fugro South America B.V.		Leidschendam, The Netherlands
Fugro Survey B.V.		Leidschendam, The Netherlands
Fugro Vastgoed B.V.		Leidschendam, The Netherlands
Fugro-Inpark B.V.		Leidschendam, The Netherlands
Fugro Aerial Mapping B.V.		Leidschendam, The Netherlands
Inpark Detacheringen B.V.		Leidschendam, The Netherlands
OmniSTAR B.V.		Leidschendam, The Netherlands
Fugro Airborne Surveys N.V.		Curaçao, Netherlands Antilles
Fugro Cable N.V.		Curaçao, Netherlands Antilles
Fugro Jacques N.V.	70%	Curaçao, Netherlands Antilles
Fugro Robertson Americas N.V.		Curaçao, Netherlands Antilles
Fugro Satellite Services N.V.		Curaçao, Netherlands Antilles
Fugro Survey Caribbean N.V.		Curaçao, Netherlands Antilles
Fugro Consultants International N.V.		Curação, Netherlands Antilles
Fugro BTW Ltd.		New Plymouth, New Zealand
Fugro Survey (Nigeria) Ltd.		Port Harcourt, Nigeria
Fugro Nigeria Ltd.		Port Harcourt, Nigeria

Company	%	Office, Country
Fugro Survey A/S		Bergen, Norway
ProFocus Systems A/S		Bergen, Norway
Fugro Geotechnics A/S		Oslo, Norway
Fugro Multi Client Services A/S		Oslo, Norway
Fugro Norway A/S		Oslo, Norway
Fugro Seastar A/S		Oslo, Norway
Fugro Seismic Imaging A/S		Oslo, Norway
Fugro Norway Marine Services A/S		Oslo, Norway
Fugro-Geoteam A/S		Oslo, Norway
Fugro Interaction A/S		Stavanger, Norway
Fugro Oceanor A/S		Trondheim, Norway
Fugro Geolab Nor A/S		Trondheim, Norway
Fugro Middle East & Partners LLC		Muscat, Oman
Aerial Survey Consultants		Muscat, Oman
Fugro Geodetic Ltd.		Karachi, Pakistan
Fugro Panama SA		Panama City, Panama
Fugro Peninsular Geotechnical Services		Doha, Qatar
Fugro Engineering LLP		Moscow, Russia
Fugro Geosciences GmbH branch		Moscow, Russia
Electro Magnetic Marine Exploration		
Technologies (EMMET) ZAO		Moscow, Russia
Geo Inzh Services LLP		Moscow, Russia
Fugro-Geostatika Co Ltd.		St. Petersburg, Russia
Fugro-Suhaimi Ltd.	50%	Dammam, Saudi Arabia
Decca Survey Saudi Arabia Ltd.		Dammam, Saudi Arabia
MAPS KSA		Riyadh, Saudi Arabia
Fugro Loadtest Asia Pte Ltd.		Singapore, Singapore
Fugro OmniSTAR Pte Ltd.		Singapore, Singapore
Fugro Singapore Pte Ltd.		Singapore, Singapore
Fugro Survey Pte Ltd.		Singapore, Singapore
Fugro Subsea Services Pte Ltd.		Singapore, Singapore
Fugro Subsea Technologies Pte Ltd.		Singapore, Singapore
Fugro-GEOS Pte Ltd.		Singapore, Singapore
Fugro Survey Africa (Pty) Ltd.		Cape Town, South Africa
OmniSTAR (Pty) Ltd.		Cape Town, South Africa
Fugro Maps South Africa (Pty) Ltd.		Cape Town, South Africa
Fugro Airborne Surveys (Pty) Ltd.		Johannesburg, South Africa
Fugro Data Services AG		Zug, Switzerland
Fugro Finance AG		Zug, Switzerland
Fugro Geodetic AG		Zug, Switzerland
Fugro Geosciences GmbH		Zug, Switzerland
Fugro International Holding A.G.		Zug, Switzerland
Fugro South America GmbH		Zug, Switzerland
Fugro Survey GmbH		Zug, Switzerland
Fugro Survey Caribbean Inc.		Chaguaramas, Trinidad and Tobago
Fugro Geoscience Middle East		Abu Dhabi, United Arab Emirates
_		Abu Dhabi, United Arab Emirates
Fugro Survey (Middle East) Ltd.		
Fugro MARS (UAE)		Dubai, United Arab Emirates Charieb United Arab Emirates
Fugro-MAPS (UAE)		Sharjah, United Arab Emirates

Company	6 Office, Country
Fugro-Rovtech Ltd.	Aberdeen, United Kingdom
Fugro Survey Ltd.	Aberdeen, United Kingdom
Fugro Well Services Ltd.	Aberdeen, United Kingdom
Fugro-ImpROV Ltd.	Aberdeen, United Kingdom
Fugro Aperio Ltd.	Cambridge, United Kingdom
Fugro BKS Ltd.	Coleraine, United Kingdom
Fugro Data Solutions Ltd.	Conwy, United Kingdom
Fugro NPA Ltd.	Edenbridge, United Kingdom
Fugro Seacore Ltd.	Falmouth, United Kingdom
Fugro Alluvial Offshore Ltd.	Great Yarmouth, United Kingdom
Fugro-Robertson Ltd.	Llandudno, United Kingdom
Fugro Loadtest Ltd.	Middlesex, United Kingdom
Fugro General Robotics Ltd.	Milton Keynes, United Kingdom
Fugro Seismic Imaging Ltd.	Swanley, United Kingdom
Fugro Multi Client Services (UK) Ltd.	Wallingford, United Kingdom
Fugro GeoConsulting Ltd.	Wallingford, United Kingdom
Fugro Airborne Surveys Ltd.	Wallingford, United Kingdom
Fugro Engineering Services Ltd.	Wallingford, United Kingdom
Fugro-GEOS Ltd.	Wallingford, United Kingdom
Fugro Holdings (UK) Ltd.	Wallingford, United Kingdom
Fugro-Jason (UK) Ltd.	Wallingford, United Kingdom
Fugro LADS, Inc.	Biloxi, United States
Fugro EarthData, Inc.	Frederick, United States
LoadTest, Inc.	Gainesville, United States
Fugro (USA), Inc.	Houston, United States
Fugro Data Solutions, Inc.	Houston, United States
Fugro Geoteam, Inc.	Houston, United States
Fugro GeoServices, Inc.	Houston, United States
Fugro Multi Client Services, Inc.	Houston, United States
Fugro GeoConsulting, Inc.	Houston, United States
Fugro Consultants, Inc.	Houston, United States
Fugro, Inc.	Houston, United States
Fugro-GEOS, Inc.	Houston, United States
Fugro-ImpROV, Inc.	Houston, United States
Fugro-Jason, Inc.	Houston, United States
Fugro-McClelland Marine Geosciences, Inc.	Houston, United States
Fugro Gravity & Magnetic Services, Inc.	Houston, United States
Fugro Seismic Imaging, Inc.	Houston, United States
OmniSTAR, Inc.	Houston, United States
John Chance Land Surveys, Inc.	Lafayette, United States
Fugro Chance, Inc.	Lafayette, United States
Fugro Horizons, Inc.	Rapid City, United States
Fugro Roadware, Inc.	Richmond, United States
Fugro Pelagos, Inc.	San Diego, United States
Fugro West, Inc.	Ventura, United States
Fugro William Lettis & Associates, Inc.	Walnut Creek, United States
Fugro Geotechnics Vietnam LLC	Ho Chi Minh City, Vietnam

7 Company balance sheet

As at 31 December, before profit appropriation

	(EUR x 1,000)	2009	2008
	Assets		
(9.1)	Intangible assets	70,538	70,538
(9.2)	Tangible fixed assets	117	202
(9.3)	Financial fixed assets	1,408,522	1,115,663
	Deferred tax assets	-	1,890
	Total fixed assets	1,479,177	1,188,293
(9.4)	Trade and other receivables	28,550	32,384
	Total current assets	28,550	32,384
	Total assets	1,507,727	1,220,677
	Equity		
	Share capital	3,939	3,830
	Share premium	431,441	431,441
	Reserves	488,941	209,646
	Unappropriated result	263,410	283,412
(9.5)	Total equity	1,187,731	928,329
	Provisions		
(9.6)	Provisions	5,000	5,000
	Deferred tax liabilities	1,140	-
	Liabilities		
(9.7)	Loans and borrowings	175,303	104,718
	Total non-current liabilities	181,443	109,718
	Bank overdraft	109,954	161,885
(9.8)	Trade and other payables	12,610	13,210
	Other taxes and social security charges	3,243	1,371
	Income tax payable	12,746	6,164
	Total current liabilities	138,553	182,630
	Total liabilities	319,996	292,348
	Total equity and liabilities	1,507,727	1,220,677
	Total equity and liabilities	1,507,727	1,220,67

Company income statement 8

For the year ended 31 December

(EUR x 1,000)	2009	2008
Share in results from participating interests, after taxation	265,495	296,107
Other results after taxation	(2,085)	(12,695)
Net result	263,410	283,412

Other results concern the costs of the Company less reimbursements from subsidiaries.

9 Notes to the company financial statements

General

The Company financial statements are part of the 2009 financial statements of Fugro N.V. (the 'Company').

With reference to the Company income statement of Fugro N.V., use has been made of the exemption pursuant to Section 402 of Book 2 of the Netherlands Civil Code.

Accounting policies

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, Fugro N.V. makes use of the option provided in section 2:362 (8) of the Netherlands Civil Code. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company financial statements of Fugro N.V. are the same as those applied for the consolidated EU-IFRS financial statements. Participating interests, over which significant influence is exercised, are stated on the basis of the equity method. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Netherlands Civil Code. Please see pages 87 to 102 for a description of these principles.

The share in the result of participating interests consists of the share of Fugro N.V. in the result of these participating interests. Results on transactions, where the transfer of assets and liabilities between Fugro N.V. and its participating interests and mutually between participating interests themselves are not incorporated as far as they can be deemed to be unrealised.

9.1 Intangible assets

(EUR x 1,000)	2009	2008
Cost		
Balance at 1 January	70,538	70,538
Balance at 31 December	70,538	70,538
buttined the state of the state	70,000	70,550
Carrying amount		
At 1 January	70,538	70,538
At 31 December	70,538	70,538

The capitalised goodwill is not systematically amortised. Goodwill is tested for impairment annually, or when there is an indication for impairment. Goodwill represents amounts arising on acquisition of subsidiaries. No impairment has been recognised.

9.2 Tangible fixed assets (EUR x 1,000)	2009 Other	2008 Other
Cost		
Balance at 1 January	1,454	2,310
Other investments	27	156
Disposals	(17)	(1,012)
Balance at 31 December	1,464	1,454
Depreciation		
Balance at 1 January	1,252	1,987
Depreciation	112	125
Disposals	(17)	(860)
Balance at 31 December	1,347	1,252
Carrying amount		
At 1 January	202	323
At 31 December	117	202
9.3 Financial fixed assets		
(EUR x 1,000)	2009	2008
Subsidiaries	1,344,226	1,064,734
Investments in equity accounted investees	-	40
Long-term loans	64,296	50,889
	1,408,522	1,115,663
9.3.1 Subsidiaries (EUR x 1,000)	2009	2008
Balance at 1 January	1,064,734	875,223
Share in result of participating interests	265,495	296,107
Capital increase	_	18
Dividends	(20,494)	(25,504)
Currency exchange differences	47,670	(52,778)
Other	(13,179)	(28,332)
Balance 31 December	1,344,226	1,064,734

9.3.2 Investments in equity accounted investees

(EUR x 1,000)	2009	2008
Balance at 1 January	40	130
Divestments	(40)	(90)
Balance at 31 December		40
9.3.3 Long-term loans (EUR x 1,000)	2009	2008
(LOKA 1,000)		2006
Balance at 1 January	50,889	18,776
Loans provided	41,020	29,830
Redemptions	(29,390)	(292)
Currency exchange differences	1,777	2,575
Balance 31 December	64,296	50,889

This concerns loans to subsidiaries at 0.7% (2008: 4%) interest. In principle these loans will be repaid within two years.

9.4 Trade and other receivables

(EUR x 1,000)	2009	2008
Receivables from Group companies	21,758	31,929
Other taxes and social security charges	4,804	-
Other receivables	1,988	455
Balance 31 December	28,550	32,384

9.5 Equity

The equity movement schedule is included in chapter 3 of the consolidated financial statements. For the notes to the equity reference is made to note 5.44 of the consolidated financial statements. The Translation reserve and Hedging reserve qualify as a legal reserve ('wettelijke reserve') in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

9.6 Provisions

For the notes on provisions reference is made to note 5.48 of the consolidated financial statements.

9.7 Loans and borrowings

(EUR x 1,000)	2009	2008		
Private Placement loans	102,376	104,718		
Long-term loans	72,927	-		
Balance at 31 December	175,303	104,718		

For the notes on Private Placement loans reference is made to note 5.46.2 and 5.46.3 of the consolidated financial statements. The long-term loans are from subsidiaries. In principle, these loans will be repaid within two years. The average interest on loans and borrowings amounts to 4.1% per annum (2008: 6.9%).

9.8 Trade and other payables

(EUR x 1,000)	2009	2008
Trade payables	1,869	801
1 2	•	
Interest Private Placement loans	1,024	1,048
Non-trade payables and accrued expenses	9,717	11,361
Balance 31 December	12,610	13,210

9.9 Commitments not included in the balance sheet

Tax unit

Fugro N.V. and the Dutch operating companies form a fiscal unit for corporate tax. Each of the operating companies is severally liable for tax to be paid by all companies that belong to the fiscal unit.

9.10 Guarantees

In principle the Company does not provide parent company guarantees to its subsidiaries, unless significant commercial reasons exist. The Company has deposited declarations of joint and several liability for a number of subsidiaries at the Chambers of Commerce. The Company has deposited a list with the Chamber of Commerce, which includes all financial interests of the Group in subsidiaries as well as a reference to each subsidiary for which such a declaration of liability has been deposited. At 31 December 2009 and at 31 December 2008 no significant guarantees were outstanding.

9.11 Contingencies

For the notes to contingencies reference is made to note 5.56.3 of the consolidated financial statements.

9.12 Related parties

For the notes to related parties, reference is made to note 5.58 of the consolidated financial statements.

9.13 Audit fees

With reference to Section 2:382a of the Netherlands Civil Code, the following fees for the financial year have been charged by KPMG to the Company and its subsidiaries:

(EUR x 1,000)			2009			2008
	KPMG Acoun- tants N.V.	Other KPMG network	Total KPMG	KPMG Acoun- tants N.V.	Other KPMG network	Total KPMG
Statutory audit of annual accounts	692	1,518	2,210	772	1,251	2,023
Other assurance services	112	227	339	-	-	-
Tax advisory services	-	66	66	-	154	154
Other non-audit services	10	-	10	92	159	251
Total	814	1,811	2,625	864	1,564	2,428

In 2009 the audit fees under the category 'statutory audit of annual accounts', include an amount of EUR 306 thousand for the audit of the 2008 statutory financial statements of subsidiaries.

Audit and (non-)audit related fees for the respective years are charged to the income statement on an accrual basis.

The most important task of the external auditor is the audit of the financial statements of Fugro N.V. Furthermore, the auditor assists with due diligence processes and financial statements related audit work within the Group. Tax advice is in principle given by specialist firms or specialised departments of local audit firms, which hardly ever are involved in the audit of the annual accounts of the relevant subsidiary. Other than these advisory services, the Company makes only limited use of external advisors. In the case that such services are required, specialists are engaged that are not associated with the external auditor.

The fees paid for the above mentioned services, which are included in profit or loss of the consolidated financial statements in the line other expenses, are evaluated on a regular basis and in line with the market.

The members of the Supervisory Board have signed the financial statements pursuant to their statutory obligations under article 2:101 sub 2 Netherlands Civil Code.

The members of the Board of Management have signed the financial statements pursuant to their statutory obligations under article 2:101 sub 2 Netherlands Civil Code and article 5:25c sub 2 (c) Financial Markets Supervison Act.

Leidschendam, 4 March 2010

Board of Management

 $K.S.\ Wester,\ President\ and\ Chief\ Executive\ Officer$

A. Jonkman, Chief Financial Officer

P. van Riel J. Rüegg

A. Steenbakker

Supervisory Board

F.H. Schreve, Chairman

F.J.G.M. Cremers, Vice-chairman

J.A. Colligan M. Helmes

G-J. Kramer

Th. Smith

10 Other information

10.1 Auditor's report

To: the Supervisory Board and Shareholders of Fugro N.V.

Report on the financial statements

We have audited the accompanying financial statements 2009 of Fugro N.V., Leidschendam as set out on pages 80 to 154. The financial statements consist of the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2009, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2009, the company income statement for the year then ended and the notes.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the Report of the Board of management in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Fugro N.V. as at 31 December 2009, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Opinion with respect to the company financial statements

In our opinion, the company financial statements give a true and fair view of the financial position of Fugro N.V. as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal requirements

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the Report of the Board of Management is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 4 March 2010

KPMG Accountants N.V.

H. Heijnraets RA

10.2 Subsequent events

Reference is made to note 5.57.

10.3 Foundation Boards

Stichting Administratiekantoor Fugro

The Board of Stichting Administratiekantoor Fugro ('Trust Office'), Leidschendam, The Netherlands, is composed as follows:

name	function	term
R. van der Vlist, Chairman	Board member	2012
L.P.E.M. van den Boom	Board member	2009
J.F. van Duyne	Board member	2011

All Board members are independent of Fugro.

Stichting Beschermingspreferente Aandelen Fugro

The Board of Stichting Beschermingspreferente Aandelen Fugro, Leidschendam, The Netherlands, is composed as follows:

name	function	term
M.W. den Boogert, Chairman	Board member B	2010
J.V.M. Commandeur	Board member B	2012
J.C. de Mos	Board member B	2009
P.H. Vogtländer	Board member B	2011
F.H. Schreve	Board member A	2010

All Board members, with the exception of Mr. F.H. Schreve, are independent of Fugro. Mr. Schreve is Chairman of the Supervisory Board of Fugro N.V.

Stichting Continuïteit Fugro

The Board of Stichting Continuïteit Fugro, Curaçao, Netherlands Antilles, is composed as follows:

name	function	term
M.A. Pourier, Chairman	Board member B	2010
A.C.M. Goede	Board member B	2009
R. de Paus	Board member B	2011
M. van de Plank	Board member B	2010
F.H. Schreve	Board member	inde-
	f	initelv*

In capacity as a member of the Supervisory Board of Fugro N.V.

All Board members, with the exception of Mr. F.H. Schreve, are independent of Fugro. Mr. Schreve is Chairman of the Supervisory Board of Fugro N.V.

10.4 Profit appropriation

Article 36 of the articles of association of Fugro N.V. runs as follows (as far as relevant):

- a. The profit shall, if sufficient, be applied first in payment to the holders of white-knight preference shares of a percentage as specified below of the compulsory amount paid on these shares as at the commencement of the financial year for which the distribution is made.
 - b. The percentage referred to above in subparagraph a. shall be equal to the average of the Euribor interest charged for loans with a term of one year weighted by the number of days for which this interest was applicable during the financial year for which the distribution is made, increased by at most four percentage points; this increase shall each time be fixed by the Board of Management for a period of five years, after approval by the Supervisory Board.
- a. Next, if possible, a dividend shall be paid on the financing preference shares of each series and on the convertible financing preference shares of each series, equal to a percentage calculated on the amount effectively paid on the financing preference shares of the respective series and the convertible financing preference shares of the respective series, including a share premium, if any, upon the first issue of the series in question, and which percentage shall be related to the average effective return on 'state loans general with a term of 7 8 years', calculated and determined in the manner as described hereinafter.
 - b. The percentage of the dividend for the financing preference shares of each or for the convertible financing preference shares of each series, as the case may be, shall be calculated by taking the arithmetic mean of the average effective return on the aforesaid loans, as prepared by the Central Bureau of Statistics (Centraal Bureau voor de Statistiek) and published in the Official List of Euronext Amsterdam for the last five stock market trading days preceding the day of the first issue of financing preference shares of the respective series or the convertible financing preference shares of the respective series, as the case may be, or preceding the day on which the dividend percentage is adjusted, increased or decreased, if applicable, by a

mark-up or mark-down set by the Board of Management upon issue and approved by the Supervisory Board of at two percentage points, depending on the market conditions then obtaining, which mark-up or mark-down may differ for each series.

36.4 In the event that in any financial year the profit is insufficient to make the distributions referred to in Paragraph 3 of this article, the provisions contained in Paragraph 3 shall only be applied in subsequent financial years after the deficit has been made good and after the provisions contained in Paragraph 3 have been applied. The Board of Management shall be authorised, subject to the approval of the Supervisory Board, to resolve to distribute an amount equal to the deficit referred to in the previous sentence from the reserves, with the exception of the reserves formed by way of a share premium on the issue of financing preference shares, respectively convertible financing preference shares.

In the event that the first issue of financing preference shares, respectively convertible financing preference shares of a series, takes place during the course of a financial year, the dividend on the relevant series of financing preference shares, respectively the convertible financing preference shares, will be proportionately decreased to the first day of issue.

After application of the provisions contained in Paragraphs 2 to 5 inclusive, no further dividend distributions shall be made on the protective preference shares or the financing preference shares, respectively the convertible financing preference shares.

36.7 From the profit remaining after application of the provisions contained in Paragraphs 2 to 5 inclusive, the Board of Management – subject to the approval of the Supervisory Board – shall make such reservations as the Board of Management deems necessary. To the extent that the profit is not reserved by application of the previous sentence, it shall be at the disposal of the General Meeting either to be wholly or partially reserved or to be wholly or partially distributed to holders of ordinary shares in proportion to the number of ordinary shares they hold.

10.5 Proposed profit appropriation

In accordance with article 36 of the articles of association, the Board of Management proposes a dividend of EUR 116.3 million be paid out in the form of a cash payment of EUR 1.50 per (certificate of an) ordinary share with a nominal value of EUR 0.05 or in the form of (certificates of) ordinary shares with a nominal value of EUR 0.05 charged to the reserves.

Report of Stichting Administratiekantoor Fugro ('Trust Office')

In accordance with article 19 of the conditions of administration with respect to the ordinary registered shares Fugro N.V., the undersigned issues the following report to the holders of certificates of ordinary shares Fugro N.V.

To our regret Mr. W. Schatborn passed away at the beginning of 2010. Mr. Schatborn was a member of the Board of the Trust Office for more than six years. We are very grateful to him for his expert and valuable contribution to the Board and his intense commitment to the Trust Office.

During the 2009 reporting year all the Trust Office's activities were related to the administration of ordinary shares against which certificates have been issued.

During 2009 the Board met twice. The meeting of 8 April 2009 was dedicated mainly to the preparations for the annual general meeting of Fugro N.V. (the 'Company') on 7 May 2009. The meeting of 16 September 2009, after the publication of the Company's half-yearly results, was on the one hand dedicated to general business developments and on the other hand to the extraordinary general meeting, to be held the same day. corporate governance within the Company and the Trust Office was also discussed.

All the Trust Office's Board members are independent of the Company. The Board may offer holders of certificates the opportunity to recommend candidates for appointment to the Board. Further regulations related to the holding of a meeting of holders of certificates have been drawn-up. The Trust Office is authorised to accept voting instructions from holders of certificates and to cast these votes during a general meeting of the Company.

All members of the Board attended the annual general meeting of the Company held on 7 May 2009 and two members of the Board attended the extraordinary general meeting held on 16 September 2009. In these meetings the Trust Office represented respectively 64% and 62.8% of the votes cast. The Trust Office voted in favour of all the proposals submitted to these meetings. In accordance with the terms of administration, holders of certificates were offered the opportunity to vote, in accordance with their own opinion, as authorised representatives of the

Trust Office. This opportunity was taken by 394 holders of certificates holding 20,337,895 certificates with respect to the annual general meeting and by 256 holders of certificates holding 22,191,799 certificates with respect to the extraordinary general meeting.

In accordance with the roster, on 30 June 2009 Mr. Van den Boom stepped down as a member of the Trust Office's Board. The Trust Office's previous report stated that, in accordance with article 4.3 of the articles of association, the Board offered holders of certificates who represented at least 15% of the issued certificates the opportunity to request, until 3 April 2009, that the Board convenes a meeting of holders of certificates in order to recommend a candidate to the Trust Office's Board. As no request for a meeting of holders of certificates was submitted, during its meeting of 8 April 2009 the Board, in accordance with its announced intention, reappointed Mr. Van den Boom as a member of the Board for a period of four years commencing 1 July 2009.

Because of the death of Mr. Schatborn, the Board temporarily comprises three persons. The Board intends to appoint a fourth member to the Board for a maximum period of four years in its meeting on 1 April 2010.

The Board intends to appoint Mr. J.A.W.M. van Rooijen. Mr. Van Rooijen (65) was, amongst others, Chairman of KPMG Corporate finance N.V. and member (CFO) of the Board of Management of KPMG Holding N.V. Mr. Van Rooijen retired from KPMG on 1 June 2005.

In accordance with article 4.3 of the articles of association, the Board offers holders of certificates who represent at least 15% of the issued certificates the opportunity to request, until 1 April 2010, that the Board convenes a meeting of holders of certificates in order to recommend a candidate to the Trust Office's Board. The request should be submitted in writing and should state the name and address of the recommended candidate.

At present the Board of the Trust Office comprises:

- 1 R. van der Vlist, Chairman
- 2 L.P.E.M. van den Boom
- 3 J.F. van Duyne

Mr. Van der Vlist was General Secretary of N.V. Koninklijke Nederlandsche Petroleum Maatschappij. Mr. Van den Boom was a member of the Board of Management of NIB Capital Bank N.V. and he is a Senior Partner of PARK Corporate Finance. Mr. Van Duyne was Chairman of the Board of Management of Koninklijke Hoogovens N.V. and afterwards joint Chief Executive Officer of Corus Group PLC.

In 2009 the total remuneration of the members of the Board amounted to EUR 31,000 and the total costs of the Trust Office amounted to EUR 128,749.

On 31 December 2009 71,760,667 registered ordinary shares with a nominal value of EUR 0.05 were in administration against which 71,760,667 certificates of ordinary shares with a nominal value of EUR 0.05 had been issued. During the financial year 188,423 certificates were exchanged into ordinary shares and 22,296 ordinary shares were exchanged into certificates. 1,848,364 certificates of ordinary shares were issued as a result of the stock dividend.

The activities related to the administration of the shares are carried out by the administrator of the Trust Office, Administratiekantoor van het Algemeen Administratie en Trustkantoor B.V. in Amsterdam, The Netherlands.

The Trust Office's address is: Veurse Achterweg 10, 2264 SG Leidschendam, The Netherlands.

Leidschendam, 4 March 2010

The Board

Historic review

	IFRS 2009	IFRS 2008	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004
Income and expenses (x EUR 1,000)						
Revenue	2,052,988	2,154,474	1,802,730	1,434,319	1,160,615	1,008,008
Third party costs	624,413	722,321	604,855	503,096	405,701	364,644
Net revenue own services (revenue less third party costs)	1,428,575	1,432,153	1,197,875	931,223	754,914	643,364
Results from operating activities (EBIT) 2)	367,422	385,732	324,813	211,567	144,070	104,236
EBITDA	551,130	535,178	439,590	295,948	218,833	177,453
Cash flow	456,773	438,902	337,106	226,130	176,093	125,802
Net result 2)	263,410	283,412	216,213	141,011	99,412	49,317
of which non-recurring items	-	-	-	-	-	-
Balance sheet (x EUR 1,000)						
Property, plant and equipment	1,043,227	859,088	599,298	412,232	262,759	232,956
Investments	330,244	337,469	299,699	203,944	90,414	71,028
of which in acquisitions	9,882	14,423	8,666	21,041	10,057	2,296
Depreciation of property, plant and equipment	173,593	140,429	107,684	78,169	69,445	66,139
Net current assets 1)	140,301	56,060	171,347	150,733	222,485	(95,348)
Total assets	2,366,317	2,123,306	1,700,130	1,405,698	1,138,660	983,350
Provisions	6,240	13,155	16,278	13,888	398	1,075
Loans and borrowings	441,339	395,384	449,957	341,997	300,753	184,268
Equity attributable to owners of the company 1)	1,187,731	928,329	699,989	562,417	465,460	223,913
Key ratios (in %) ²⁾						
Results from operating activities (EBIT)/revenue	17.9	17.9	18.0	14.8	12.9	10.3
Profit/revenue	12.8	13.2	12.0	9.8	8.6	4.9
Profit/net revenue own services	18.4	19.8	18.0	15.1	13.2	7.7
Profit/capital and reserves 1)	24.9	34.8	34.3	27.4	28.8	22.7
Total equity/total assets 1)	50.7	44.1	41.6	40.2	41.3	23.2
Interest cover	47.8	13.9	13.1	10.9	7.2	3.7
Data per share (x EUR 1) 2) 4)						
Equity attributable to owners of the Company 1)	15.08	12.12	9.94	8.08	6.76	3.60
Results from operating activities (EBIT) 3)	4.82	5.29	4.67	3.08	2.18	1.76
Cash flow 3)	5.99	6.01	4.84	3.29	2.67	2.12
Net result 3)	3.46	3.88	3.11	2.05	1.51	0.83
Dividend paid in year under review	1.50	1.25	0.83	0.60	0.48	0.48
Share price (x EUR 1) 4)						
Year-end share price	40.26	20.485	52.80	36.20	27.13	15.35
Highest share price	41.85	59.95	62.00	36.64	27.40	16.41
Lowest share price	19.085	19.32	34.91	27.13	15.14	10.05
Number of employees						
At year-end	13,482	13,627	11,472	9,837	8,534	7,615
Shares in issue (x 1,000) 4)						
Of nominal EUR 0.05 at year-end	78,772	76,608	70,421	69,582	68,825	62,192

¹⁾ As of 2002 no accrued dividend has been incorporated.

²⁾ For 2002 and earlier years, before amortisation of goodwill.

³⁾ Unlike preceding years the figures as from the year 1999 have been calculated based upon the weighted average number of outstanding shares.

⁴⁾ As a result of the share split (4:1) in 2005, the historical figures have been restated.

IFRS 2003	Dutch GAAP 2002	Dutch GAAP 2001	Dutch GAAP 2000	Dutch GAAP 1999	Dutch GAAP 1998	Dutch GAAP 1997	Dutch GAAP 1996	Dutch GAAP 1995	Dutch GAAP 1994
822,372	945,899	909,817	712,934	546,760	578,207	482,096	375,276	296,636	300,130
273,372	328,401	331,685	250,132	176,067	197,258	172,346	123,337	99,378	100,104
549,000	617,498	578,132	462,765	370,648	380,948	309,750	251,939	197,258	200,026
63,272	111,873	98,470	73,697	61,805	61,669	46,195	25,911	12,434	21,146
124,056	158,814	142,039	113,269	98,334	97,926	75,781	49,371	32,037	40,840
80,480	119,161	105,301	85,596	77,233	74,057	60,670	39,479	26,773	33,625
18,872	72,220	61,732	46,024	40,704	37,800	31,084	16,018	7,170	13,931
-	-	-	-	-	-	3,630	-	(4,538)	-
268,801	192,293	163,298	120,526	114,035	108,181	93,479	68,521	64,800	65,254
123,983	100,036	89,352	49,008	37,301	61,487	58,220	27,000	24,776	39,434
70,888	24,852	11,196	3,686	9,257	6,081	5,763	1,724	3,222	11,662
54,004	46,941	43,569	39,572	36,529	36,257	29,586	23,460	19,603	19,694
114,852	129,071	(50,514)	92,269	15,066	7,170	6,308	11,571	9,121	23,733
1,056,003	793,245	814,772	474,741	380,495	338,021	289,512	216,272	170,122	176,702
584	12,706	8,056	6,746	10,573	8,894	7,805	4,447	2,723	2,450
431,895	273,520	121,450	120,713	23,234	24,368	17,153	18,741	23,823	30,449
211,196	271,698	244,660	101,453	107,909	90,575	77,370	61,260	51,050	58,402
9.2	11.8	10.8	10.3	11.3	10.7	9.6	6.9	4.2	7.0
2.3	7.6	6.8	6.5	7.4	6.5	6.4	4.3	2.4	4.6
8.3	11.7	10.7	9.9	11.0	9.9	10.0	6.4	3.6	7.0
17.6	27.4	35.7	45.4	41.0	45.0	44.8	28.5	13.1	23.1
20.2	34.6	30.4	22.1	29.3	27.9	27.7	28.9	30.4	33.8
2.2	6.1	7.8	8.1	13.1	12.1	10.4	-	-	-
2.40	4.57	4.17	2.10	2.20	1.01	1.65	1.26	1 11	1 20
3.48	4.57	4.17	2.10	2.29	1.91	1.65	1.36	1.11	1.39
1.09 1.39	1.95 2.08	1.86 1.98	1.48 1.72	1.27 1.59	1.30 1.56	0.98 1.29	0.58 0.88	0.27 0.58	0.50 0.80
0.33	1.26	1.16	0.92	0.84	0.80	0.66	0.36	0.36	0.33
0.46	0.46	0.40	0.34	0.31	0.28	0.25	0.30	0.08	0.17
10.20	10.50	10.50	1710	0.00	4.00	7.01	2.40	100	2.00
10.20	10.78	12.53	17.19	9.23	4.99	7.01	3.48	1.96	3.88
12.86	16.50	18.91	17.81	9.98	10.99	8.28	3.71	4.14	4.75
6.13	9.88	10.75	9.31	4.10	4.06	3.44	1.93	1.45	3.69
8,472	6,923	6,953	5,756	5,114	5,136	4,429	4,222	3,968	3,557
60,664	59,449	58,679	51,048	50,449	48,682	47,673	46,053	46,044	46,040

Glossary

Technical terms

2D Seismic: Acoustic measuring technology which uses single vessel-towed hydrophone streamers. This technique generates a 2D cross-section of the deep seabed and is used primarily when initially reconnoitring for the presence of oil or gas reservoirs.

3D Seismic: Acoustic measuring technology which uses multiple vessel-towed long hydrophone streamers. This technique generates a 3D model of the deep seabed and is used to locate and analyse oil and gas reservoirs.

AUV (Autonomous Underwater Vehicle): An unmanned submersible launched from a 'mother-vessel' but not connected to it via a cable. Propulsion and control are autonomous and use pre-defined mission protocols.

Construction Support: Offshore services related to the installation and construction of structures such as pipelines, drilling platforms and other oil and gas related infrastructure, usually involving the use of ROVs.

DGPS (Differential Global Positioning System): A GPS based positioning system using territorial reference points to enhance accuracy.

EM: Electromagnetic.

Fugro Pressure Corer (FPC): The FPC uses a water hammer, driven by the circulating fluid pumped down the drill pipe, to drive the core barrel into the sediment.

Gas hydrates: mixture of semi-solid methane gas and water molecules that are created by water pressure and cold temperatures found deep in the ocean.

Geophysics: The mapping of subterranean soil characteristics using non-invasive techniques such as sound.

Geoscience: A range of scientific disciplines (geology, geophysics, petroleum engineering, bio stratification, geochemistry, etc.) related to the study of rocks, fossils and fluids.

Geotechnics: The determination of subterranean soil characteristics using invasive techniques such as probing, drilling and sampling.

Glonass: Global Navigation Satellite System.

GPS: Global Positioning System.

Gravity: Precision gravity measurements to detect geological and other anomalies.

LiDAR: a measuring system based on laser technology that can make extremely accurate recordings from an aircraft.

Multi client data: Data collected at own risk and expense and sold to several clients.

ROV (Remotely Operated Vehicle): Unmanned submersible launched from a vessel and equipped with measuring and manipulation equipment. A cable to the mother-vessel provides power, video and data communication.

Seismic: Acoustic measurement of seabed characteristics and stratification with the objective of detecting oil and gas. These measurements are conducted using specialised vessels equipped with powerful acoustic energy sources and long receiving streamers (hydrophones) to measure (sub) seabed acoustic echoes.

Starfix: DGPS positioning system, specifically for use offshore. This system is intended for the professional user and, in addition to a high degree of accuracy, is equipped with a wide range of data analysis and quality control possibilities.

Survey Services: Services related to the measurement, management and mapping of locations, objects and operations, most of which involve a substantial navigation and positioning component.

Financial terms

Cash flow: The profit for the period attributable to equity holders of the company plus depreciation, amortisation of intangible fixed assets and minority interest.

Debt (on 'Private Placement' covenants): Long-term loans including obligations arising from leasing agreements.

Dividend yield: Dividend as a percentage of the (average) share price.

EBIT: Result from operating activities.

EBITDA: Result from operating activities before depreciation and amortisation.

Gearing: Loans and borrowings plus bank overdraft minus cash and cash equivalents, divided by shareholders equity.

Interest cover: Result from operating activities (EBIT) compared with the net interest charges.

Invested capital: The capital made available to the Company, i.e. Group equity plus the available loans and the balance of current account deposits/withdrawals.

Net profit margin: profit as a percentage of Revenue.

Private Placement: Long-term financing (10 – 15 years), entered into in May 2002 via a private placement with over twenty American and two British institutional investors.

Return on invested capital: The profit (before profit appropriation) including minority interest and interest charges as a percentage of the average invested capital.

Solvency: Shareholders' equity as a percentage of the balance sheet total.

Colophon

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