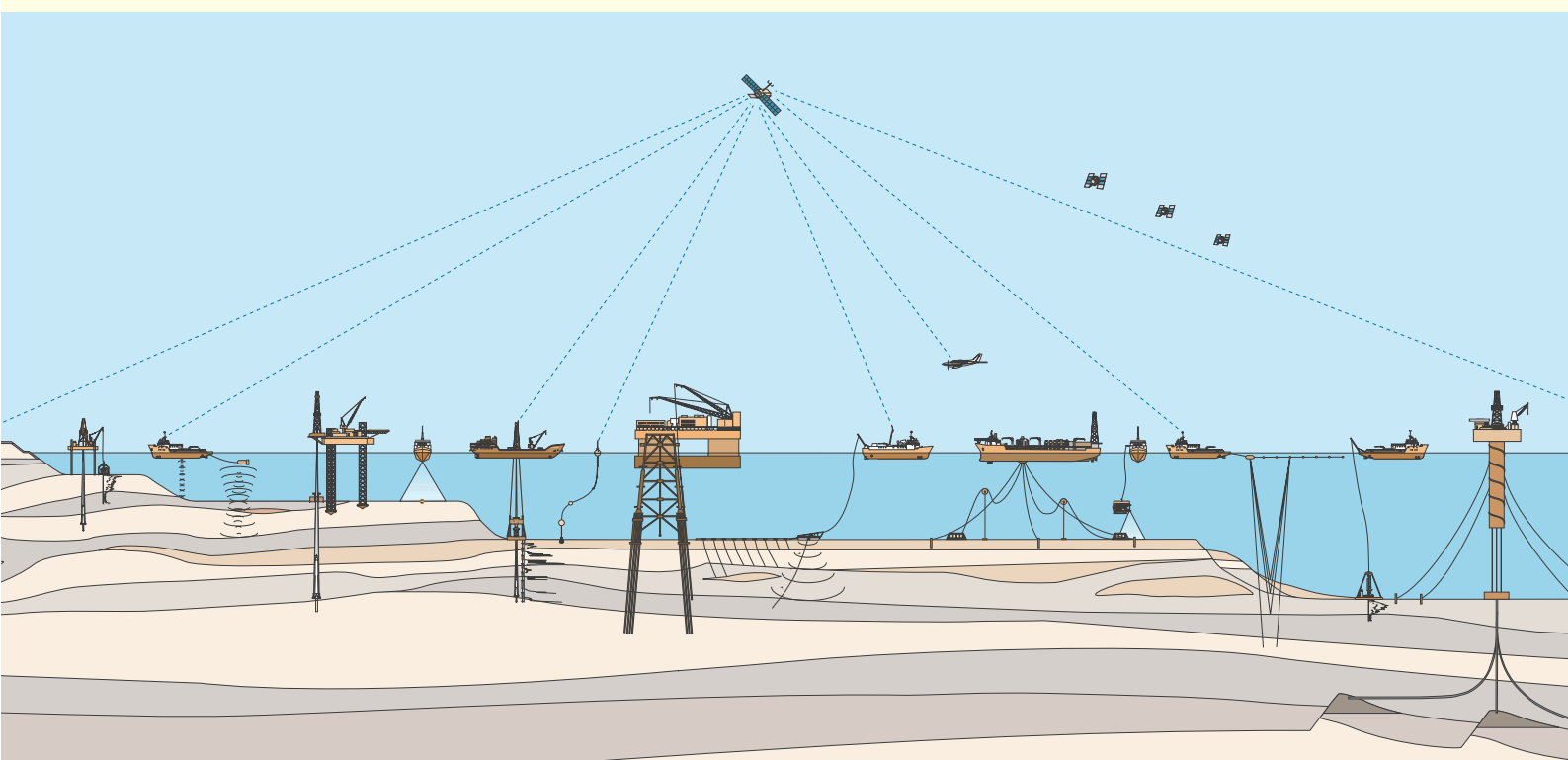




FUGRO N.V.

Half-yearly report 2004



Turnover and results of Fugro as expected: good growth potential for the future

The net result before amortisation of goodwill for the first half-year of 2004 is higher than over the same period of 2003. This is despite a lower dollar exchange rate, a continuing weak market in the first months of the year – after the weak second half of 2003 – and the integration of Thales GeoSolutions, acquired end 2003.

In a number of segments the markets are improving, resulting in a healthy backlog of work for the second half of the year, which is almost 30% higher than a year ago.

The net profit margin over the first half-year 2004 is 4.7% (2003: 5.4%).

Fugro's turnover for the first six months of 2004 is € 484.0 million (2003: € 404.7 million), which is an increase of 20% compared to the same period last year. Of this increase, around 18% derives from acquisitions and about 6% from autonomous growth. The negative effect of the dollar exchange rate on turnover is 4%.

The net result before amortisation of goodwill for the first half-year of 2004 is € 22.6 million (first half-year 2003: € 21.7 million), an increase of 4% compared to the same period last year, in spite of an approximately 9% lower dollar exchange rate compared to the same period last year. For the first half-year of 2004, the average dollar exchange rate was € 0.82 (first half-year 2003: € 0.90). The net result after amortisation of goodwill decreased by 7% to € 14.6 million (2003: € 15.7 million).

Earnings per share before amortisation of goodwill were € 1.55 (2003: € 1.51).

Profit expectations 2004

Oil and gas prices have reached recent record highs in the past months. The general expectation is that these prices will remain high for the time being. To meet the increasing demand for oil and gas and to compensate for reservoir depletion, the oil industry will have to invest. However, the timing of such investments remains uncertain. Prices for minerals are high as well, leading to more exploration for mining, which is a positive factor for the Geoscience division.

The signals with regard to the development of the world economy are gradually becoming more positive, so that the pace of investments in construction is slowly improving in a number of countries.

The aforementioned developments give Fugro reason for optimism. The demand for energy and natural resources led to improving market conditions in the second quarter of 2004, which has a positive influence on the backlog. The backlog for the second half of 2004 supports the expectation that this trend will continue. Fugro therefore expects to attain the previously announced turnover of € 1 billion in 2004.

Furthermore, Fugro expects the net profit before amortisation of goodwill for the current year to considerably exceed the profit in 2003 (€ 45 million). The increased backlog over the past half-year puts Fugro in an excellent position for further growth. Assuming the market continues to develop positively, the dollar remains stable and there are no unforeseen

(in € million)

Acquisitions up to 30 June 2004	Price	Goodwill	Country	Division	Annual turnover	Number of employees	Consolidation per
C&M Storage	4.1	1.4	USA	Geoscience	1.6	18	June

(in € million)

Key figures	30 June 2004	'04 compared to '03 in %	30 June 2003
Net result before amortisation of goodwill	22.6	4.1	21.7
Net result after amortisation of goodwill	14.6	(7.0)	15.7
Turnover	484.0	19.6	404.7
Cash flow	53.7	18.8	45.2
Investments	32.8	25.2	26.2
Per share (in €)			
Net result before amortisation of goodwill	1.55	2.6	1.51
Net result before amortisation of goodwill diluted*	1.49	2.1	1.46
Net result after amortisation of goodwill	1.00	(8.3)	1.09
Cash flow	3.67	16.1	3.16

* After dilution from conversion subordinated convertible debenture bond.

circumstances, the medium term goal of a profit level before amortisation of goodwill of 7.5 to 8% should be attainable in 2005.

Developments 2004

Major developments in 2004 to date are:

- The reorganisation and cost savings programme with regard to the integration of Thales GeoSolutions, acquired by Fugro at the end of last year, have been completed. The related one-off expenses amount to approximately € 22 million. Savings on operational expenses will be approximately € 40 million per year, to be realised fully in 2005. This compares favourably with earlier expectations.
- The Annual Meeting of Shareholders held on 19 May 2004 was webcasted live for the first time. Remote voting is not yet possible for technical reasons.
- On 19 May 2004 the shareholders approved a dividend for 2003 of € 1.85 per share. Some 65% of the optional dividend was taken in (certificates of) shares, which means that 381,977 shares were issued.
- In the 2003 Annual Report, Fugro comprehensively addressed the requirements of the committee Tabaksblat. As stated in the 2003 Annual Report, Fugro complies with the majority of those points.

In the Annual Meeting of Shareholders, held on 19 May 2004, the shareholders approved all issues concerning the Corporate Governance policy of Fugro. All regulations were put on the Fugro website.

- On 19 May 2004, a meeting for the holders of certificates of shares was held for the first time. In this meeting, the participants declared their confidence in the Board of the Stichting Administratiekantoor Fugro.
- During the Annual Meeting of Shareholders held on 19 May 2004 Mr. A. Jonkman (50) was appointed member of the Executive Board of Fugro N.V. as Chief Financial Officer.
- On 22 April 2004 Fugro announced that Mr. G-J. Kramer will step down as President and Chief Executive Officer on 1 October 2005 and will resign per 31 December 2005. Mr. K.S. Wester is appointed as his successor.
- In May 2004, Mr. P. van Riel (48) became a member of the Board of Management as Chief Operating Officer responsible for the Development & Production business line of the Geoscience division.
- At the end of June, Fugro held 569,231 shares for the purpose of the personnel option plan.

(per 30 June in € million)

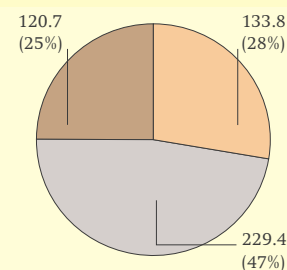
Turnover per division	2004	2003	2002	2001	2000
Geotechnical					
onshore	86.7	94.8	101.2	98.2	86.7
offshore	47.2	50.0	52.6	49.0	29.9
Survey					
offshore	192.7	123.9	140.8	150.1	106.4
onshore	24.4	23.2	30.7	25.7	20.7
Positioning	12.3	12.4	14.9	14.3	11.1
Geoscience					
development					
& production	94.6	76.8	80.9	42.9	26.6
airborne	26.1	23.6	36.5	24.7	19.1
Total	484.0	404.7	457.6	404.9	300.5
US\$ Average	0.82	0.90	1.11	1.13	1.06

(per 30 June for the next six months, in € million)

Backlog	2004	2003	2002	2001	2000
Certain orders	287.2	198.5	238.5	212.5	176.8
Probable orders	157.3	146.7	192.4	126.4	115.4
Total	444.5	345.2	430.9	338.9	292.2
Applicable US\$ exchange rate	0.82	0.88	1.00	1.18	1.05

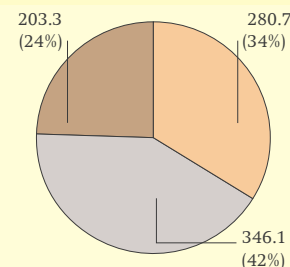
(in € million) at 30 June 2004

Revenue per division



(in € million) at 31 December 2003

Revenue per division



Geotechnical Survey Geoscience

Growth of turnover

	In %
Autonomous	Approx. 6.0
Acquisitions	Approx. 17.6
Disinvestments	(0.3)
Exchange rate effects	(3.7)
Total	19.6

- The preparations for the implementation of IFRS started in the first months of 2004. A significant part of the evaluation has now been completed. At this moment it is not yet possible to give a quantitative indication of the differences to be expected versus the current appraisal instruments: pensions, options, financial instruments, goodwill and taxes.
- Fugro has taken over the U.S. company C&M Storage in June. The company has an annual turnover of US\$ 2 million.
- Recently, Fugro acquired 100% ownership of the seismic survey vessels Geo Baltic and Geo Pacific (formerly 50% ownership).

Recent awarded contracts

- Fugro Geoteam will execute a 1,200 km² 3D seismic survey off Qatar (turnover approximately US\$ 6 million).
- Fugro Airborne has been selected to execute an European Union funded project (a 622,000 line kilometres survey) in the Republic of Niger (turnover about US\$ 10 million).
- Fugro's office in California won two projects for LNG landing facilities with a turnover of approximately US\$ 8.5 million. These projects include the use of Fugro's special geotechnical vessel, the Fugro Explorer, as well as a jack-up for coastal work.

Market developments

The oil and gas industry, including state-owned organisations, will have to increase investment levels in order to meet current and future demand for oil and oil-related products. Investments by the oil companies will take place both onshore and offshore, in deep water as well as in existing fields. After the acquisition of Thales GeoSolutions, Fugro has further strengthened its position to deliver an even broader range of services to the oil and gas industry on a global basis.

Now that the integration of Thales GeoSolutions has been finalised, the Offshore Survey division will be able to increase its profitability.

The demand for minerals is positively influencing other activities. The group is seeing an increase in project requests here.

The economic climate is showing some improvement in a number of countries where Fugro is active, which is leading to an increase in building and infrastructure related activities.

Divisional developments

Geotechnical

The geotechnical activities on land contributed satisfactorily to the results in the first half-year 2004. The results from the Middle East have remained strong. The situation in California has significantly improved compared to previous years. The market in Europe, excluding the United Kingdom, is still hesitant.

The markets for offshore geotechnical activities were strong in the Middle East and the Far East, but remained weak in the North Sea.

Survey

The size of this division was increased significantly with the acquisition of Thales GeoSolutions. However, the contribution to the results over the first half-year still remained modest. This was caused by a hesitant market in the first months of this year and in the first half-year of 2004, savings from the integration of Thales GeoSolutions were only partly realised.

The contribution of the survey activities on land is in line with expectations.

The positioning activities contributed well to the results over the first half-year.

Geoscience

The result of the Development & Production business line is significantly better than last year. Cooperation and synergy between the various offices has enhanced profitability.

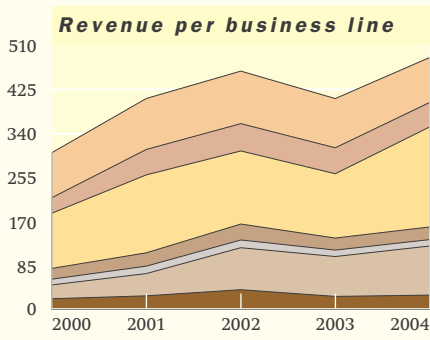
The Airborne group produced a good result in the first six months, primarily as a result of a healthy order intake.

Late November/early December, Fugro will issue a statement regarding developments during the second half of 2004. Full year results and the Annual Report for the whole of 2004 will be published on 11 March 2005.

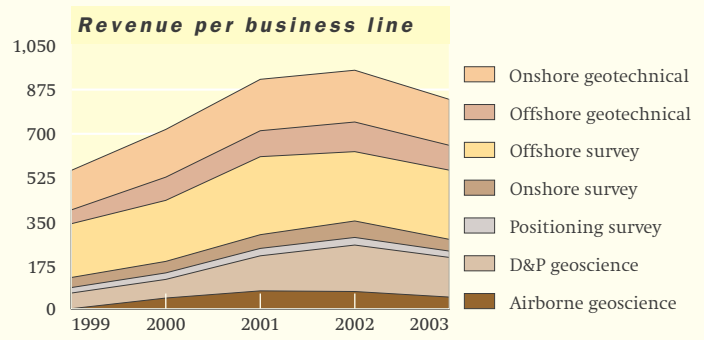
Leidschendam, 13 August 2004

Board of Directors

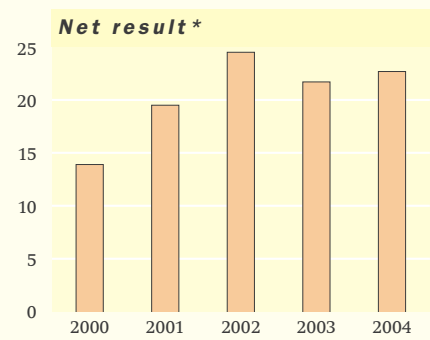
(in € million) at 30 June



(in € million) at 31 December

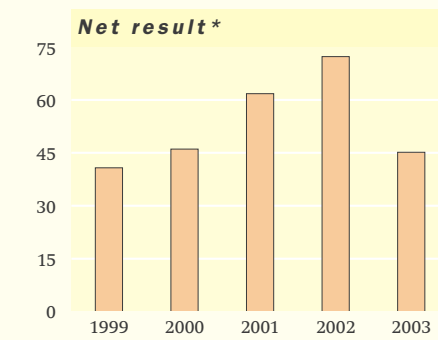


(in € million) at 30 June



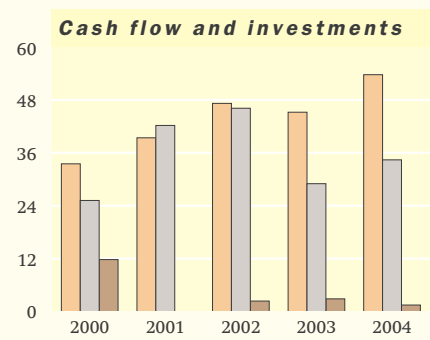
* before amortisation of goodwill

(in € million) at 31 December

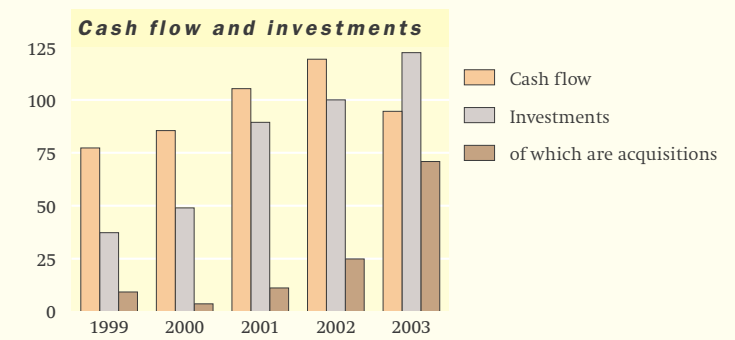


* before amortisation of goodwill

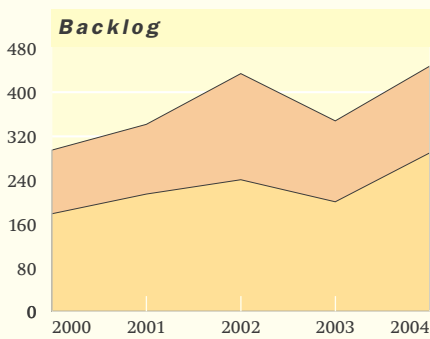
(in € million) at 30 June



(in € million) at 31 December

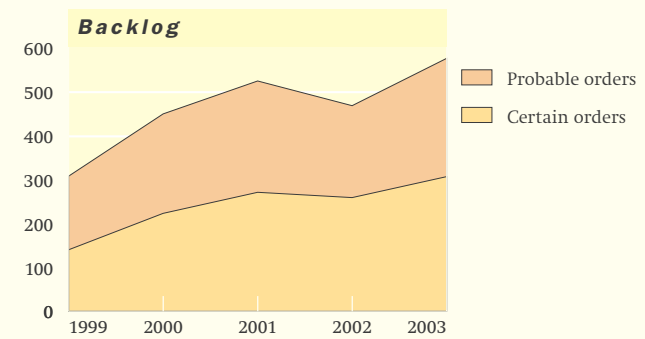


(in € million) at 30 June*



* for the second half of the year

(in € million) at 31 December*



* for the following year

Balance sheet

(in € million)

	30 June*			31 December		
	2004	2003	2002	2003	2002	2001
Fixed assets						
Intangible fixed assets	289.5	223.5	225.6	292.0	218.0	237.9
Tangible fixed assets	247.2	184.1	173.2	236.7	192.3	163.3
Financial fixed assets	19.3	18.9	23.6	24.4	21.1	26.4
	556.0	426.5	422.4	553.1	431.4	427.6
Current assets						
Consumables and WIP	90.4	70.1	68.4	72.1	62.3	65.8
Receivables	347.8	236.9	283.4	339.5	274.8	293.2
Liquid assets	38.6	30.8	28.0	65.3	24.8	28.1
	476.8	337.8	379.8	476.9	361.9	387.1
Total assets	1,032.8	764.3	802.2	1,030.0	793.3	814.7
Shareholders' equity	258.2	244.5	241.8	240.8	271.7	256.1
Minority interests	3.0	2.3	2.5	2.9	2.6	2.9
Group's equity	261.2	246.8	244.3	243.7	274.3	259.0
Provisions	18.8	12.9	7.1	34.3	12.7	8.1
Long term liabilities	410.5	274.2	276.6	412.7	273.5	121.4
Current liabilities	342.3	230.4	274.2	339.3	232.8	426.2
Total Liabilities	1,032.8	764.3	802.2	1,030.0	793.3	814.7
US\$ at end of period	0.82	0.88	1.00	0.79	0.95	1.13
Staffing at end of period	8,019	7,103	7,193	8,472	6,923	6,953

Profit and loss account

(in € million)

	Six months ending 30 June*			Twelve months ending 31 December		
	2004	2003	2002	2003	2002	2001
Turnover in:						
Netherlands	53.1	54.5	67.7	110.1	136.1	124.6
Europe excluding Netherlands	181.8	144.6	144.1	303.5	306.6	296.9
North America and South America	139.4	109.0	132.9	225.4	278.4	273.5
Asia and Australia	76.5	71.7	74.0	135.4	150.0	162.6
Near East, Middle East and Africa	33.2	24.9	38.9	55.7	74.8	52.2
Total turnover	484.0	404.7	457.6	830.1	945.9	909.8
Third party costs	(182.4)	(137.6)	(164.5)	(286.5)	(328.4)	(331.7)
Staff costs	(165.9)	(149.8)	(163.4)	(300.2)	(320.8)	(300.3)
Depreciation	(31.0)	(23.6)	(22.8)	(49.5)	(46.9)	(43.6)
Other operating expenses	(64.7)	(57.1)	(65.7)	(117.6)	(137.9)	(135.8)
Total costs	(444.0)	(368.1)	(416.4)	(753.8)	(834.0)	(811.4)
Operational result before goodwill	40.0	36.6	41.2	76.3	111.9	98.4
Net interest	(11.3)	(8.8)	(7.7)	(18.5)	(16.5)	(11.9)
Result before tax	28.7	27.8	33.5	57.8	95.4	86.5
Tax	(5.1)	(5.5)	(8.7)	(11.7)	(22.5)	(24.1)
Minority interests	(1.0)	(0.6)	(0.3)	(1.0)	(0.7)	(0.7)
Net result before amortisation goodwill	22.6	21.7	24.5	45.1	72.2	61.7
Amortisation goodwill	(8.0)	(6.0)	(6.1)	(12.7)	(12.0)	(5.4)
Net result	14.6	15.7	18.4	32.4	60.2	56.3
US\$ average	0.82	0.90	1.11	0.88	1.06	1.13

* The figures for 30 June are unaudited.

Consolidated cash flow

(in € million)

	Six months ending 30 June*			Twelve months ending 31 December		
	2004	2003	2002	2003	2002	2001
Cash flow from operational activities						
Net result	14.6	15.7	18.4	32.4	60.2	56.3
Depreciation	39.1	29.6	28.9	62.2	58.9	49.0
Third party share	0.0	(0.3)	(0.4)	0.4	(0.4)	(0.4)
Change in working capital and provisions	(39.0)	27.7	(145.7)	52.9	(166.9)	151.3
Net cash flow from operations	14.7	72.7	(98.8)	147.9	(48.2)	256.2
Cash flow from investment activities						
Change in intangible fixed assets	(1.5)	(14.4)	6.2	(91.5)	(2.5)	(242.8)
Change in tangible fixed assets	(37.1)	(25.8)	(32.7)	(114.4)	(88.6)	(83.8)
Change in financial fixed assets	5.1	1.8	2.8	(5.3)	5.7	(6.2)
Net cash flow from investment activities	(33.5)	(38.4)	(23.7)	(211.2)	(85.4)	(332.8)
Cash flow from financing activities						
Option rights exercised	1.0	0.3	(0.1)	(0.1)	(0.2)	(0.8)
Issue of shares	-	-	-	-	-	108.5
Acquisition/sale own shares	(0.8)	(5.1)	2.4	(4.1)	(2.0)	(14.1)
Change in long/short term loans	(2.2)	0.7	155.1	139.7	152.2	(0.0)
Dividend paid	(9.5)	(14.6)	(11.2)	(14.6)	(11.2)	(12.8)
Net cash flow from financing activities	(11.5)	(18.7)	146.2	120.9	138.8	80.8
Exchange rate differences	3.6	(9.6)	(23.8)	(17.1)	(8.5)	(0.6)
Liquidity						
Total net cash flow	(26.7)	6.0	(0.1)	40.5	(3.3)	3.6
Liquid assets at 1 January	65.3	24.8	28.1	24.8	28.1	24.5
Liquid assets at 30 June	38.6	30.8	28.0	65.3	24.8	28.1

(in € thousand)

Capital & reserves	Issued share capital	Share premium reserve	Other reserves	Unappropriated retained profit	Total 2004	Total 2003
Balance at 1 January	3,033	207,159	(1,829)	32,420	240,783	271,698
Shares issued related to stock dividend 2003	77			(77)	0	0
Cash dividend 2003 and 2002 respectively				(9,504)	(9,504)	(14,616)
Addition to other reserves			22,839	(22,839)	0	0
Exercise option rights			961		961	265
Purchase/sale of depository rights			(761)		(761)	(5,139)
Exchange results on group companies			12,131		12,131	(23,347)
Profit				14,578	14,578	15,677
Balance at 30 June	3,110	207,159	33,341	14,578	258,188	244,538

* The figures for 30 June are unaudited.

Profile of Fugro N.V.

Fugro collects and interprets data related to the earth's surface and the soils and rocks beneath. On the basis of this data the Company provides advice, generally for purposes related to the oil and gas industry, the mining industry and the construction industry.

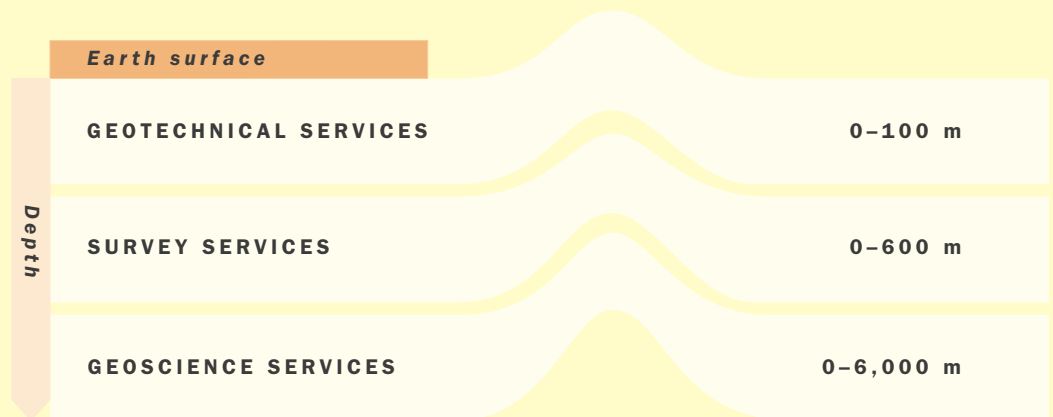
Fugro operates around the world at sea, on land and from the air, using professional, highly-specialised staff and advanced technologies and systems, many of which have been developed in-house.

Fugro's objective is to occupy a strong market

position supported by technological developments and the provision of high quality services. This requires a strong, international or regional market position.

Fugro was founded in 1962, has been listed on Euronext N.V. in Amsterdam since 1992 and has been included in the Amsterdam Midkap index since 2002. Fugro has now over 275 offices and over 8,000 staff stationed in more than 50 countries worldwide.

Organisationally Fugro comprises three divisions: Geotechnical, Survey and Geoscience.



Fugro N.V.

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Geotechnical

Investigation of and advice regarding the physical characteristics of the soil, foundation design, and materials for construction.

Survey

Precise positioning services, geological advice, topographic, hydrographic and geological mapping and support services for construction projects, data management.

Geoscience

Gathering and interpreting geophysical data, quantitative and qualitative estimates of oil, gas, mineral and water resources and advise on the optimisation of their production.

